

**Communication on the review of European
banks' capital position conducted by the EBA**

The review of 71 European banks' capital positions and sovereign exposures as at the end of September 2011 was conducted by the European Banking Authority (EBA), in close cooperation with the national supervisory authorities, including Komisja Nadzoru Finansowego (KNF).

According to the methodology used by the EBA, the banks whose Core Tier 1 capital ratios do not reach the level of 9% and whose sovereign exposures render necessary adjustment of valuation, will be obliged to build up an additional capital buffer by the end of June 2012.

More information on the findings of the EBA capital exercise can be found at: <http://www.eba.europa.eu/capitalexercise.aspx>.

Participation of PKO Bank Polski

Powszechna Kasa Oszczędności Bank Polski SA (PKO Bank Polski) has participated in the review conducted by the EBA. As at the end of September 2011 the Core Tier 1 capital ratio in PKO Bank Polski – based on the EBA methodology – amounted to 11.16%, well above the accepted 9% minimum. Moreover, PKO Bank Polski has no sovereign debt exposures that would require building up and sustaining additional capital buffer (the bank has exposures to Polish government bonds only). As a result of the EBA review PKO Bank Polski has not been indicated as being in need of additional capital.

Detailed results regarding PKO Bank Polski can be found at: <http://www.knf.gov.pl/en/index.html>.

As at the end of September 2011 Core Tier 1 capital ratio in the Polish banking sector approximated to 11.8%. The capital buffer corroborates high resilience of the Polish banking sector to adverse economic and financial conditions.