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**Bulletin:**

# PZU Group Ratings Unaffected By Extraordinary Dividend Payments And Shareholder Agreement Announcement

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LONDON (Standard & Poor's) Oct. 2, 2009--Standard & Poor's Ratings Services said today that its ratings and outlook on the core operating entities of Poland-based composite insurance group, PZU--non-life insurer Powszechny Zaklad Ubezpieczen S.A. and life insurer Powszechny Zaklad Ubezpieczen na Zycie S.A. (both rated A/Stable/--)--are unaffected by the group's announcement of an extraordinary dividend payment of Polish zloty 12.75 billion as part of an agreement between its major shareholders, Ministry of Treasury of the Republic of Poland and Eureko B.V.

The dividend payment is in line with Standard & Poor's expectation and we believe that, after incorporating these extraordinary dividends, the group's capitalization will remain strong with very strong capital adequacy. Furthermore, we believe that the group's capitalization continues to benefit from PZU's very strong operating performance in 2009 and 2010. A further positive rating factor is the group's strong competitive position driven by its significant position in the Polish insurance market, unrivaled distribution capabilities, and high brand recognition among the Polish population. The ratings are constrained, however, by the execution risk associated with implementing the modernization strategy and the concentration of investments in Polish government securities limiting its ability to invest

in assets of appropriate duration for its life insurance liabilities.

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