



**Supplement dated 22 November 2010
to the Base Prospectus dated 23 April 2010**

€3,000,000,000

Programme for the Issuance of Loan Participation Notes

to be issued by, but with limited recourse to,

PKO Finance AB (publ)

(incorporated with limited liability under the laws of the Kingdom of Sweden)

for the sole purpose of financing senior and subordinated loans to

Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna

(incorporated as a joint stock company in the Republic of Poland)

This supplement (the “**Third Supplement**”) constitutes a third supplement and must be read in conjunction with the Base Prospectus dated 23 April 2010, the supplement to the Base Prospectus dated 20 May 2010 and the second supplement to the Base Prospectus dated 3 September 2010 (the “**Second Supplement**”) (together, the “**Base Prospectus**”), prepared by PKO Finance AB (publ) (the “**Issuer**”) and Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna (the “**Borrower**”, “**PKO BP**” or the “**Bank**”) with respect to the programme for the issuance of loan participation notes (the “**Notes**”) referred to above (the “**Programme**”).

Terms defined in the Base Prospectus have the same meaning when used in this Third Supplement. To the extent that there is any inconsistency between any statement in this Third Supplement and any other statement in or incorporated in the Base Prospectus, the statements in this Third Supplement will prevail.

Application has been made to the Luxembourg *Commission de Surveillance du Secteur Financier* (the “**CSSF**”), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC (the “**Prospectus Directive**”) and relevant implementing measures in Luxembourg to approve this document as a Third Supplement.

Each of the Issuer and the Borrower accepts responsibility for the information contained or incorporated by reference in this Third Supplement. To the best of their knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect its import.

Publication of the Quarterly Financial Statements of PKO BP

This Third Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive and Article 13 of the Luxembourg Law on prospectuses for securities dated 10 July 2005 (the “**Luxembourg Law**”) in connection with the release by the Borrower on 4 November 2010 of its condensed interim consolidated financial statements for the nine-month period ended 30 September 2010 (the “**Condensed Interim Consolidated Financial Statements**”) and for the purposes of incorporating by reference the Condensed Interim Consolidated Financial Statements as set out below. A copy of the Condensed Interim Consolidated Financial Statements has been filed with the CSSF and is incorporated by reference into, and forms part of, this Third Supplement and, by virtue of this Third Supplement, is incorporated in, and forms part of, the Base Prospectus.

The following information is included on the pages of the Condensed Interim Consolidated Financial Statements:

(a) Consolidated Income Statement	page 5
(b) Consolidated Statement of Comprehensive Income	page 5
(c) Consolidated Statement of Financial Position	page 6
(d) Consolidated Statement of Changes in Equity	page 7
(e) Consolidated Cash flow Statement	page 8
(f) Notes to the Condensed Interim Consolidated Financial Statements	pages 9-54

Any information not listed above but included in the document incorporated by reference is given for information purposes only. Each of the Borrower and the Issuer accepts responsibility as to the accuracy and completeness of any translations into English set out in any documents incorporated by reference in this Base Prospectus.

Significant and Material Change

- (a) The second paragraph on page 16 of the section entitled “Any Reduction in the Bank’s Credit Rating Could Increase Its Cost of Funding and Adversely Affects Its Interest Margins” of the Base Prospectus shall be deemed deleted and replaced with the following paragraph:

“On 18 June 2009, Moody’s Investor Services downgraded the Bank’s long-term local currency deposit rating from “Aa2” to “A2” with a stable outlook and its financial strength rating from “C” to “C-” with a negative outlook. Fitch assigned to the Bank a support rating of “2” on 18 December 1996, which denotes a bank for which there is a high probability of support from the State Treasury. This probability of support indicates a minimum long-term rating floor of “BBB-”. The support rating of “2” was maintained by Fitch on 9 August 2010. On 25 August 2004, Standard & Poor’s assigned to the Bank a long-term local currency liabilities rating of “BBBpi” and in September 2010 it upgraded such rating to “A-pi”. Moreover, in December 2007, Capital Intelligence assigned to the Bank a long-term foreign currency liabilities rating of “A-” and a financial strength rating of “BBB+” and, in January 2010, increased the support rating from “2” to “1”. Unlike Moody’s, the long-term and financial strength ratings assigned by Fitch, Standard & Poor’s and Capital Intelligence are unsolicited. The Bank does not provide detailed information or schedule in-depth meetings with Standard & Poor’s, Fitch or Capital Intelligence and, therefore, these ratings are only based on an analysis of the Bank’s published financial information, as well as additional information in the public domain. As a result, the Bank cannot provide assurance that the long-term or financial strength ratings assigned by Fitch, Standard & Poor’s or Capital Intelligence will reflect the most current information regarding the Bank’s credit quality.”

- (b) The first paragraph on page 55 of the section entitled “Ratings” of the Base Prospectus shall be deemed to be deleted and replaced with the following paragraph:

“The Bank has been assigned ratings by Fitch (on 18 December 1996 and maintained on 9 August 2010, unsolicited), Moody’s Investor’s Service (on 14 January 2003, 24 February 2007 and 18 June 2009), Standard & Poor’s (on 25 August 2004 and in September 2010, unsolicited) and Capital Intelligence (on 30 November 2000, in December 2007 and in January 2010, unsolicited) as set forth in the table below.”

- (c) The table on page 55 of the section entitled “Ratings” of the Base Prospectus shall be deemed to be amended by replacing the first row with the following:

Long-term assessment of liabilities and deposits (foreign currencies/domestic currency)		A2/A2 with a stable outlook ⁽¹⁾	A-pi ⁽²⁾	A- ⁽³⁾
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- (d) Footnote (2) on page 55 of the section entitled “Ratings” of the Base Prospectus shall be deemed deleted and replaced with the following footnote:

“(2) “A” rated liabilities are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor’s capacity to meet its financial commitment on the obligation is still strong. Ratings from ‘AA’ to ‘CCC’ may be modified by the addition of a plus (+) or minus (-) sign to show the relative standing within the major rating categories. Ratings with a ‘pi’ subscript are

based on an analysis of an issuer's published financial information, as well as additional information in the public domain. They do not, however, reflect in-depth meetings with an issuer's management and are therefore based on less comprehensive information than ratings without a 'pi' subscript. Ratings with a 'pi' subscript are reviewed annually based on a new year's financial statements, but may be reviewed on an interim basis if a major event occurs that may affect the issuer's credit quality.”

- (e) The eighth paragraph on page 94 of the section entitled “Powers of the Management Board” of the Base Prospectus shall be deemed deleted and replaced with the following paragraph:

“Resolutions of the Management Board shall be required for all matters that go beyond the scope of the ordinary activities of the Bank. The Management Board shall adopt resolutions to: (i) define the strategy of the Bank, taking into consideration the risk involved in the activities of the Bank as well as the principles of prudential and stable management of the Bank; (ii) define the annual financial plans, including the conditions of their implementation; (iii) adopt organisational regulations and the principles of the division of authority; (iv) create and close permanent committees of the Bank and define their authority; (v) adopt the by-laws of the Management Board; (vi) adopt regulations concerning the management of special funds created from net profits; (vii) set the dates of dividend payments within the deadlines set by the General Meeting; (viii) appoint commercial proxies; (ix) define banking products and other banking and financial services; (x) define the principles of participation of the Bank in companies and other organisations, taking into account § 15 section 1.12.c of the Statute; (xi) define effective systems for risk management, internal control and estimating the Bank's internal capital; (xii) define the principles and functions of the internal audit system and the annual internal audit plans; and (xiii) create, transform and dissolve organisational units of the Bank in Poland and abroad.”

- (f) The eighth paragraph on page 95 of the section entitled “Members of the Management Board” of the Base Prospectus shall be deemed to be deleted and replaced with the following paragraph:

“As at the date of the Third Supplement to the Base Prospectus, the Management Board consists of seven members.”

- (g) The table on page 96 of the section entitled “Members of the Management Board” of the Base Prospectus shall be deemed to be amended by inserting the following final row:

Piotr Stanisław Alicki	45	Vice-President of the Management Board	2 November 2010	20 May 2011
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- (h) The following paragraphs shall be deemed to be inserted after the fourth paragraph on page 99 of the section entitled “Members of the Management Board” of the Base Prospectus:

“*Piotr Stanisław Alicki*

The professional career of Piotr Stanisław Alicki started in 1987 when he began working for MERAMONT, a company specialising in automated systems. From 1990 to 1998 he was employed in the IT Department of the Pomorski Bank Kredytowy and in 1997 he became Director of the IT Department. His duties included managing the development, implementation and operation of the transaction systems used by the bank. In 1999 he started working as Vice-Director of the IT Research and Development Department in Bank Pekao SA and subsequently became its Director. In 2006 he was appointed Chief Information Officer in Bank Pekao SA. Besides managing the merger of the computer systems of four banks (Pekao SA, PBKS SA, BDK SA and PBG SA) and implementing an integrated IT system in Bank Pekao SA, Piotr Stanisław Alicki also managed the carrying out of IT business analyses for Bank Pekao SA. As the Manager of Data Migration Activities in Bank Pekao SA, he supervised the integration of the bank's IT systems with those of Bank BPH SA and also managed the process of data migration from Bank BPH SA to Bank Pekao SA. He was a member of the team responsible for the management and preparation of a merger of certain departments of BPH SA with Bank Pekao SA.

Between 1999 and 2004 Piotr Stanisław Alicki participated in the works of the Polish Bank Association as a member of the following committees or commissions: Banking Infrastructure Committee, Payment System Committee, Technical Committee for Banking and Banking Financial Services and Electronic Banking Council. Since 2002 Piotr Stanisław Alicki has represented Bank Pekao SA in the Payment System Council at the National Bank of Poland. Between 2000 and 2010 he was a member of the Supervisory Board of Krajowa Izba Rozliczeniowa (National Accounting Chamber) and subsequently (from 2005) - its chairman. Piotr Stanisław Alicki was also a member of the Supervisory Board of Centrum Kart SA and of Centralny Dom Maklerski Pekao SA.

Piotr Stanisław Alicki graduated from the Faculty of Mathematics and Computer Science of the Adam Mickiewicz University in Poznań.”

- (i) The second paragraph on page 100 of the section entitled “Powers” of the Base Prospectus, as supplemented, shall be deemed deleted and replaced with the following paragraph:

“Pursuant to the Statute, the powers of the Supervisory Board also include the adoption of resolutions related to the following matters: (i) approving the strategy of the Bank adopted by the Management Board; (ii) approving the Bank's general risk level; (iii) approving the annual financial plan adopted by the Management Board; (iv) appointing an entity to audit or review the consolidated and individual financial statements of the Bank; (v) adopting the Rules and Regulations of the Supervisory Board; (vi) adopting the regulations that set out the principles of granting credit facilities, loans, bank guarantees and sureties to members of the Management Board or the Supervisory Board and persons holding managerial positions at the Bank, as well as to entities linked by participation or control with members of the Management Board or the Supervisory Board and persons holding managerial positions at the Bank, in accordance with Article 79a of the Banking Law; (vii) adopting the by-laws concerning the use of the reserves; (viii) appointing and dismissing the president of the Management Board by secret vote; (ix) appointing and dismissing by secret vote the vice-presidents and other members of the Management Board upon a motion of the president of the Management Board; (x) suspending, for important reasons, all of or selected members of the Management Board in the performance of their duties, and delegating members of the Supervisory Board, for up to three months, to temporarily perform the duties of the members of the Management Board who were dismissed, resigned or are unable, for other reasons, to perform their duties; (xi) granting consent to opening or closing branches abroad; (xii) approving the rules and regulations adopted by the Management Board and concerning the Management Board, the management of special funds created from net profits, and the organisation of the Bank, as well as resolutions concerning the principles of information policy regarding capital adequacy, the principles of compliance risk management policy, the principles of operational risk management, estimates of the internal capital, management and capital planning and the principles of functioning of the internal audit system; (xiii) approving the periodical reports of the Management Board on risk management, capital adequacy and the internal audit system; and (xiv) applying to the PFSA for its consent to appoint two members of the Management Board, including the president of the Management Board.”

- (j) The third paragraph on page 100 of the section entitled “Powers” of the Base Prospectus, as supplemented, shall be deemed deleted and replaced with the following paragraph:

“In addition, the Supervisory Board grants its consent to: i) the acquisition and disposal of fixed assets with a value exceeding one-tenth of the equity of the Bank, excluding real property and rights of perpetual usufruct; ii) except for the acts referred to in § 9 section 1.5 of the Statute, the acquisition and disposal of real property, an interest in real property or the right of perpetual usufruct, or their encumbrance with a limited property right or making it available for use by a third party, if the value of the real property or the right that is the subject of such act exceeds one-fiftieth of the share capital of the Bank; such consent is not required if the acquisition of real property, an interest in real property or a right of perpetual usufruct takes place as a part of enforcement, bankruptcy or arrangement proceedings or any other agreement with a debtor of the Bank, as well as in the event of legal transactions concerning the real property or rights acquired by the Bank in the manner described above; in such cases the Management Board shall only be required to notify the Supervisory Board of the performed act; iii) the establishment of a company, the subscription for or the acquisition of shares, bonds convertible into shares or other instruments entitling it to acquire or subscribe for shares if the financial commitment of the Bank resulting from such act exceeds one-tenth of the equity of the Bank; iv) any transaction to be entered into between the Bank and an affiliated entity if the value of such transaction exceeds one-tenth of the share capital, except for typical and routine transactions concluded on an arm's length basis between affiliated entities when the nature and terms of such transactions are determined by the current operations of the Bank; v) the performance of any act by the Bank as a result of which the sum of receivables of the Bank and the off-balance sheet commitments exposed to the risk of a state-owned legal person or a company with the State Treasury as the majority shareholder and entities linked by participation or control with such legal person or company would exceed 5% of the equity of the Bank.”

- (k) The ninth paragraph on page 101 of the section entitled “Members of the Supervisory Board” of the Base Prospectus shall be deemed to be deleted and replaced with the following paragraph:

“As at the date of the Third Supplement, the Supervisory Board consists of seven members.”

- (l) The second last row of the table on page 101 of the section entitled “Members of the Supervisory Board” of the Base Prospectus, beginning with the words “Ireneusz Fafara”, shall be deemed deleted.
- (m) The sixth to eighth paragraphs on page 104 of the section entitled “Members of the Supervisory Board” of the Base Prospectus shall be deemed deleted.

In addition, on 14 October 2010 the Bank informed that pursuant to the resolution of Ordinary General Meeting No. 38/2010 on the distribution of profit of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna earned by the Bank in 2009, the Bank’s net profit earned in 2009, amounting to PLN 2,432,152 thousand, will be distributed in the following manner:

- dividends for the shareholders in the amount of PLN 2,375,000 thousand; and
- supplementary capital in the amount of PLN 50,000 thousand;
- reserve capital in the amount of PLN 7,152 thousand.

Issuance of the first tranche of the Notes under the Programme

On 12 October 2010 the first tranche of the Notes was issued under the Programme, with a total face value of EUR 800,000,000. The issued Notes bear interest at a fixed rate of 3.733% p.a., paid annually, have a maturity of five years and are nominated in EUR. In connection with the issuance, on 19 October 2010 the Bank concluded a loan agreement with the Issuer, pursuant to which the Bank borrowed from the Issuer funds representing the proceeds from the issuance of the Notes. The Notes are listed on the Luxembourg Stock Exchange.

Choice of home Member State

The Issuer has not issued shares or debt securities the denomination per unit of which is less than EUR 1,000 in Luxembourg or on any other regulated market situated or operating within the EEA and, therefore, Article 2(1)(i)(i) of the Directive 2004/109/EC of the European Parliament and the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to the information about the issuers whose securities are admitted to trading on a regulated market (the “**Transparency Directive**”) does not apply thereto. Consequently, Article 2(1)(i)(ii) of the Transparency Directive applies to the Issuer. In connection with the above, the Issuer confirms that it has chosen Luxembourg to be its home Member State within the meaning of the Transparency Directive.

General

Save as disclosed in the Second Supplement and this Third Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is material in the context of the Programme since the publication of the Base Prospectus.

Copies of this Third Supplement and of the documents incorporated by reference into this Third Supplement can be obtained, free of charge, at the specified offices of Citibank, N.A., London Branch and Dexia Banque Internationale à Luxembourg, unless such documents have been modified or superseded. The Third Supplement as well as such documents which have been incorporated by reference into this Third Supplement will also be available to view on the website of the Luxembourg Stock Exchange (www.bourse.lu).

In accordance with Article 16.2 of the Prospectus Directive and Article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for the securities before the publication of this Third Supplement have the right, exercisable within a time limit of two working days after the publication of this Third Supplement, to withdraw their acceptances.