



Bank Polski

**Supplement dated 6 June 2011
to the Base Prospectus dated 15 April 2011**

€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 “**Supplement**”) constitutes a first supplement and must be read in conjunction with the Base Prospectus dated 15 April 2011 (the “**Base Prospectus**”), prepared by PKO Finance AB (publ) (the “**Issuer**”) and Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna (the “**Borrower**” 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 Supplement. To the extent that there is any inconsistency between any statement in this Supplement and any other statement in or incorporated in the Base Prospectus, the statements in this 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, as amended (the “**Prospectus Directive**”) and relevant implementing measures in Luxembourg to approve this document as a Supplement.

Each of the Issuer and the Borrower accepts responsibility for the information contained or incorporated by reference in this 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 the Borrower

This 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 10 May 2011 of its condensed interim consolidated financial statements for the three-month period ended 31 March 2011 (the “**Condensed Interim Consolidated Financial Statements**”) and the Directors’ Commentary to the financial results of the Borrower’s Group for the three-month period ended 31 March 2011 (the “**Directors’ Commentary**”) and for the purposes of incorporating by reference the Condensed Interim Consolidated Financial Statements along with the Directors’ Commentary as set out below. A copy of the Condensed

Interim Consolidated Financial Statements and of the Directors' Commentary has been filed with the CSSF and is incorporated by reference into, and forms part of, this Supplement and, by virtue of this Supplement, is incorporated into, and forms part of, the Base Prospectus.

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

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| (a) Consolidated Income Statement | page 4 |
| (b) Consolidated Statement of Comprehensive Income | page 4 |
| (c) Consolidated Statement of Financial Position | page 5 |
| (d) Consolidated Statement of Changes in Equity | page 6 |
| (e) Consolidated Cash flow Statement | page 7 |
| (f) Notes to the Condensed Interim Consolidated Financial Statements | pages 8-36 |
| (g) Further Explanatory Information | pages 59-63 |

The following constitutes the Directors' Commentary:

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| (h) Directors' Commentary to the financial results
of the PKO Bank Polski SA Group for the first quarter of 2011 | pages 4-25 |
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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 Base Prospectus shall be deemed deleted and replaced with the following paragraph:

"On 20 April 2011 KREDOBANK and NBU signed an amendment to the agreement and adjusted NBU's requirements to the current condition of KREDOBANK taking into account the support measures implemented by the Bank, including, *inter alia*, guarantees and deposits securing selected loan receivables of KREDOBANK."

- (b) The second last sentence of the fifth paragraph on page 21 of the Base Prospectus shall be deemed deleted and replaced with the following wording:

"At the Bank's General Meeting on 14 April 2011, the shareholders amended the Bank's Statute allowing the State Treasury to retain corporate control over the Bank following the completion of the sale of the shares (see "*General Information on the Bank – Recent Amendment to the Bank's Statute*"). The amendment was registered by the relevant registry court on 14 May 2011 and has been in force and effect from such date."

- (c) The title of the risk factor entitled "A Change Of Control Over The Company Is Restricted By The Provisions Of The Securities Law And May Be Further Restricted Once The Proposed Amendment To The Statute Is Adopted" on page 22 of the Base Prospectus shall be deemed deleted and replaced with the following wording:

"A Change Of Control Over The Company Is Restricted By The Provisions Of The Securities Law And May Be Further Restricted Following The Registration Of The Recent Amendment To The Statute."

- (d) The second paragraph of the risk factor entitled “A Change Of Control Over The Company Is Restricted By The Provisions Of The Securities Law And May Be Further Restricted Once The Proposed Amendment To The Statute Is Adopted” on page 22 of the Base Prospectus shall be deemed deleted and replaced with the following wording:

“In addition, certain of the provisions of the Recent Amendment may limit any potential change of control over the Bank. In particular, as a result of the mechanism for the limitation on voting rights to 10 per cent., the acquisition of shares representing more than 10 per cent. of the votes will not allow the shareholder acquiring such number of shares to exercise control over the Bank. See “*General Information on the Bank – Recent Amendment to the Bank’s Statute*”.”

- (e) The first paragraph of the risk factor entitled “Risk Resulting From Changes In The Composition Of The Management Board” on page 20 of the Base Prospectus shall be deemed deleted and replaced with the following paragraph:

“The terms of office of the current members of the Management Board and Supervisory Board expired on 19 May 2011. As of the date of this Base Prospectus, the Supervisory Board has appointed all the members of the Management Board (see: “*Management and Corporate Governance – Management Board – Members of the Management Board*”). New members of the Supervisory Board will be appointed by the annual General Meeting to be held in connection with the approval of the Group’s financial statements for the year ended 31 December 2010, which will be held on 30 June 2011. The new members of the Supervisory Board may not have the same ability and experience as the current members and may revise the Group’s strategy, which could adversely affect the Group’s business, financial condition and results of operations.”

- (f) The eighth paragraph on page 56 of the Base Prospectus shall be deemed deleted and replaced with the following paragraph:

“On 20 April 2011 KREDOBANK and NBU signed an amendment to the agreement and adjusted NBU’s requirements to the current condition of KREDOBANK taking into account the support measures implemented by the Bank, including, *inter alia*, guarantees and deposits securing selected loan receivables of KREDOBANK.”

- (g) The first sentence of the last paragraph on page 63 shall be deemed deleted and replaced with the following sentence:

“On 14 December 2006, Bankowy Fundusz Leasingowy entered into an agreement with the Bank (as the arranger) for organising, carrying out and arranging a bond issue programme, which was subsequently amended by annex No. 1 dated 28 March 2008, annex No. 2 dated 1 September 2008, annex No. 3 dated 15 December 2008 and annex No. 4 dated 21 April 2011.”

- (h) The last sentence of the fourth paragraph on page 92 of the Base Prospectus shall be deemed deleted and replaced with the following sentence:

“At the Bank’s General Meeting on 14 April 2011, the shareholders amended the Bank’s Statute allowing the State Treasury to retain corporate control over the Bank following the completion of the sale of the shares (see “*General Information on the Bank – Recent Amendment to the Bank’s Statute*”). The amendment was registered by the relevant registry court on 14 May 2011 and has been in force and effect from such date.”

- (i) Section entitled “Proposed Amendment to the Bank’s Statute” on page 93 of the Base Prospectus shall be deemed deleted and replaced with the following section:

“Recent Amendment to the Bank’s Statute

On 14 April 2011, the extraordinary general meeting of the shareholders of the Bank adopted a resolution on amending the Bank’s Statute (the “Recent Amendment”). The Recent Amendment was registered with the competent registry court on 14 May 2011 and has been in force and effect from such date.

The Recent Amendment limits the voting rights of the shareholders (acting either individually or jointly as shareholders being dominant and dependent entities) holding more than 10 per cent. of the total votes at the General Meeting, and prohibits the exercise of more than 10 per cent. of the total votes at the General Meeting by such shareholders. Such a limitation does not apply to: (i) shareholders that on the date of the adoption of the Recent Amendment had rights from shares representing more than 10 per cent. of the total number of votes in the Bank (i.e., the State Treasury and BGK); (ii) the holders of series A registered shares (See “*General Information on the Bank – Share Capital*”); and (iii) shareholders acting jointly with the shareholders mentioned in (ii) on the basis of agreements with regard to the joint exercise of the rights from their shares. The limitation on voting rights would expire when the State Treasury’s share in the Bank’s share capital is lower than 5 per cent.

The Recent Amendment further changes the number of the members of the Bank’s Supervisory Board (from five to thirteen). The number of the members of the Supervisory Board is to be determined by the Eligible Shareholder (See “*General Information on the Bank – Control over the Bank*”).

- (j) Footnote ** under the table on page 101 of the Base Prospectus shall be deemed deleted and replaced with the following sentence:

“On 1 April 2011, the Supervisory Board appointed the remaining members of the Management Board, including Piotr Stanisław Alicki, Bartosz Drabikowski, Jarosław Myjak and Jakub Papierski, for a consecutive term beginning on the day of the annual general meeting on which the resolution approving the Bank’s financial statements for the year ended 31 December 2010 is adopted, except for the Vice-President in charge of Risk and Debt Collection, Andrzej Kołatkowski, who was appointed on 16 May 2011.”

- (k) Footnote *** under the table on page 101 of the Base Prospectus shall be deemed deleted and replaced with the following sentence:

“On 16 May 2011, the Supervisory Board of the Bank appointed Andrzej Kołatkowski as the Vice-President in charge of Risk and Debt Collection for a term beginning on the day of the annual general meeting on which the resolution approving the Bank’s financial statements for the year ended 31 December 2010 is adopted, conditional upon the PFSA’s approval, which, as of the date of the Base Prospectus Supplement, is pending (see “*–Andrzej Kołatkowski*”).”

- (l) The last paragraph on page 104 of the Base Prospectus shall be deemed deleted and replaced with the following paragraph:

“On 1 April 2011, the Supervisory Board appointed Jacek Obłękowski as a member and a Vice-President of the Management Board in charge of Retail Markets and on 16 May 2011 the Supervisory Board appointed Andrzej Kołatkowski as the Vice-President in charge of Risk and Debt Collection for a term beginning on the day of the annual general meeting on which the resolution approving the Bank’s financial statements for the year ended 31 December 2010 is adopted, conditional upon the PFSA’s approval. Their term in office will begin on 20 May 2011. A brief description of the qualifications and professional experience of Jacek Obłękowski and Andrzej Kołatkowski is presented below.”

- (m) The second paragraph on page 105 of the Base Prospectus shall be deemed deleted and replaced with the following paragraphs:

“Andrzej Kołatkowski

Andrzej Kołatkowski graduated from the Faculty of Finance and Statistics of the Warsaw School of Economics, where he specialised in econometrics. From 1988 to 1989 Andrzej Kołatkowski worked in the Planning Committee at the Council of Ministers. Between 1980 and 1988 he worked in the Chemical Industry Economics Institute (*Instytut Ekonomiki Przemysłu Chemicznego*) and the National Economy Institute (*Instytut Gospodarki Narodowej*). Between 1989 and 1992 he worked as a director of the Financial Policy Department in the Ministry of Finance. During this period he co-organised the first issues of the treasury securities. Between 1992 and 1998 he was a member of the management board of Bank Handlowy w Warszawie S.A. Between 1998 and 2001 Andrzej Kołatkowski served as president of the management board of Towarzystwo Funduszy Inwestycyjnych Banku Handlowego SA (the investment funds association of Bank Handlowy S.A.). During this period Andrzej Kołatkowski also held the position of president of the Polish Association of Investment Funds (*Stowarzyszenie Towarzystw Funduszy Inwestycyjnych w Polsce*). Between 2002 and 2003 Andrzej Kołatkowski served as president of the management board of Bank Współpracy Europejskiej S.A. Since 2003 he has been working in the Bank as the Director of the Credit Risk Assessment Department, and since 2009 he has been working as the Managing Director of the Banking Risk Division.

Furthermore, Jacek Obłękowski and Andrzej Kołatkowski have declared that: (i) they do not conduct any business activity outside of the Bank competitive to the business of the Bank; (ii) they do not participate in any business competitive to the Bank as partners in a partnership; (iii) from the first day of their term in office they will not be members of governing bodies of companies competitive to the Bank; (iv) from the first day of their term in office they will not be members of governing bodies of any other legal persons competitive to the Bank; and (v) they are not registered in the Register of Insolvent Debtors.”

General

Save as disclosed in this 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 Supplement and of the documents incorporated by reference into this 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 Supplement as well as such documents which have been incorporated by reference into this 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 Supplement have the right, exercisable within a time limit of two working days after the publication of this Supplement, to withdraw their acceptances.