

LETTER FROM THE PRESIDENT

Dear Ladies and Gentlemen,

Please find enclosed a report on the activity of the PKO Bank Polski Capital Group in 2009. I am pleased to say that it was a year when the Bank not only met its defined objectives but also managed to use its strength and the economic situation to strengthen its market position. Not only did the PKO Bank Polski improve its position as a retail banking leader but also became the main bank financing the economic sector in Poland.

During the economic slowdown PKO Bank Polski successfully completed the operation of the capital increase through the rights issue and set a record in the deposit growth for the entire sector. It allowed the expansion of the loan project in the retail and corporate banking with maintenance of a prudent and rational risk management policy. The dynamic growth of new lending financed by the increased of customer deposits and the Bank's own capital resulted in the increase of the balance sheet sum by nearly 22 billion zlotys up to 156.5 billion zlotys. At the same time our position of the largest bank in Poland was reinforced.

The net profit of over 2.3 billion zlotys for 2009 was possible due to the high result on the business activity, improved efficiency of cost management and an effective structure of the balance. The loan-to-deposit ratio as at the end of 2009 was ca. 93 per cent, and was well below the ratio of our market competitors. In result of the financial policy implemented in the period a high level of profitability was maintained with ROE of 13.4 per cent being much higher than the average result for the banking sector in Poland.

The activity and results of PKO Bank Polski for 2009 become the basis for the execution of the Bank's strategy for the years 2010 – 2012 approved by the Supervisory Board. According to the strategy the Bank will grow with two-digit result, and will be faster than its competitors while building a position of unquestionable leader in all the main areas of its activity. The expected growth of the Bank's activity will lead to the break through of 200 billion zlotys as at the end of 2012. In the coming years the Bank will improve its procedures and modernize the operation model in accordance with the challenges taking place in the social, economic and civilization aspects. Similar objectives were set for the companies comprising the PKO Bank Polski Capital Group.

With this Annual Report, I want to thank all customers, employees, shareholders, and investors for your trust and loyalty. I am especially grateful to the Supervisory Board members for our joint work for the growth of the PKO Bank Polski Capital Group.

Zbigniew Jagiełło

Acting President of the Management Board of PKO Bank Polski