PKO Finance AB (publ)

Annual report

for the period January 1, 2009 -- December 31, 2009

(Org. nr. 556693-7461)

Managment report

The company is a wholly owned subsidiary of Powszechna Kasa Oszczednosci Bank Polski Spólka Akcyjna ("PKO Bank").

Business

The company will directly or indirectly, own and administer securities and engage in other financial activities that do not require a permit including granting of loans and other activities related thereto.

The financial year

The company has entered into a Programme for the issuance of Loan Participating Notes (the "Programme"). Under the Programme, the company may from time to time issue loan participation notes in series. The sole purpose of issuing each series will be to finance loans to the parent company. The company will charge certain rights under the loans to the parent company for the benefit of the noteholders.

The company has still not issued any participation notes in accordance with the abovementioned programme.

Expected future development

The future activities of the company are linked to the development of the financial markets and the macroeconomic environment.

Proposal for appropriation of profits

The following profit is to be appropriated by the annual general meeting of shareholders		
The profit of the year	SEK	397 180
		397 180
The Board of Directors proposes that the profit is appropriated as follows		
Carried forward	SEK	397 180
		397 180

For further information please refer to the accompanying profit and loss statement, balance sheet and notes.

Profit and loss statement

Amounts in SEK	Note 1	2009-01-01-- 2009-12-31	2007-07-01-- 2008-12-31
Administration fee from parent company		570 521	604 233
Other expenses	Note 3	-336 749	-272 381
Curr. Exch. Losses etc.		-23 485	
Income before taxes		**210 287**	**331 852**
Current taxes		-55 310	-94 618
Net income		**154 977**	**237 234**

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Balance sheet

Note 1

Amounts in SEK		2009-12-31	2008-12-31
Assets			
Current assets			
Receivable parent company	Note 2	-	604 233
Taxes receivable		64	-
Prepaid expenses		125 000	125 000
Bank funds		902 426	232 588
Total assets		**1 027 490**	**961 821**
Liabilities and equity			
Equtiy	Note 4,5		
Restricted equity			
Share capital (5000 shares with quote value 100 kr)		500 000	500 000
Unrestricted equity			
Retained earnings		242 203	4 969
Current profit		154 977	237 234
Total unrestricted equity		397 180	242 203
Total equity		**897 180**	**742 203**
Short term liabilities			
Current tax liability		55 310	94 618
Accrued audit fee		75 000	125 000
Total short-term liabilities		130 310	219 618
Total liabilities		**130 310**	**219 618**
Total liabilities and equity		**1 027 490**	**961 821**
Pledged assets		None	None
Commitments		None	None

Note 1 Accounting and valuation principles

Assets and liabilities are valued at cost and nominal value respectively, if nothing else is stated.

The annual report has been prepared in accordance with the Annual Accounts Act and the recommendations of the Accounting Standards Board.

Current income taxes includes taxes payable or receivable relating to current year and adjustments regarding current taxes in previous years. Tax receivables/payables are estimates of amounts expected to be received/paid from the tax office.

Note 2 Receivable parent company

This amount as of 2008-12-31 was paid to the company on January 30, 2009.

Note 3 Other costs

Includes audit fee to Öhrlings PricewaterhouseCoopers AB with SEK 75,000 (91,500)

Note 4 Equity

	Share capital	*Retained earnings*	*Current earnings*	*Total equity*
Opening balance	500 000	4 969	237 234	742 203
Profit carried forward		237 234	-237 234	0
Current income	-		154 977	154 977
Total	500 000	242 203	154 977	897 180

Not 5 Parent company

The company is a wholly owned subsidiary of Powszechna Kasa Oszczednosci Bank Polski Spólka Akcyjna ("PKO Bank"), Warsaw, Poland.

Stockholm

Magnus Sundström
Managing Director

Artur Osytek
Chairman

Iwona Jankowska

Our audit report was issued 2010-
Öhrlings PricewaterhouseCoopers AB

Sussanne Sundvall
Authorized auditor