



SWORN TRANSLATION FROM SWEDISH

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PKO Finance AB (Publ)

Annual accounts for the period 1 January 2010 – 31 December 2010

(Organisation registration number 556693-7461)

ADMINISTRATION REPORT

The company is a wholly owned subsidiary of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna („PKO Bank”).

Business

The business of the company is to directly or indirectly own, manage and trade in securities and conduct other financial businesses that do not require a permit, including credit financing and other related businesses.

The company has no employees.

Financial year

In 2008 the company entered into the Programme for the Issuance of Loan Participation Notes. Under this programme the company can issue Loan Participation Notes in various series. The sole purpose of this borrowing is to finance lending to the parent company. According to the Programme's conditions the company pledges its rights under the loans to the parent company to the holders of the Loan Participation Notes issued.

Under the aforementioned Programme for the Issuance of Loan Participation Notes during the year the company has issued Loan Participation Notes for the total amount of €800 000 000. The loan with fixed interest rate has been used to finance lending to the parent company basically under the same conditions.

Expected future developments

The company's activity in the future depends on the development of the financial markets and the macroeconomic environment.

Proposal for the allocation of the profit for the year

The Annual General Meeting has to decide about the allocation of the profit for the year amounting to

SEK 462 421

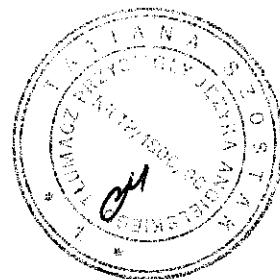
The Board of Directors proposes that the accrued profit as shown above be allocated in the following way:

Carried over into a new account

SEK 462 421

The company's profit and position in other respects are shown in the following income statement and balance sheet and notes.

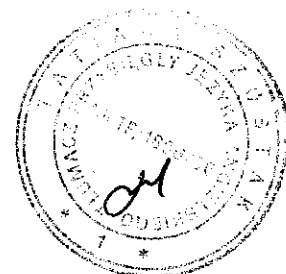
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INCOME STATEMENT

Note 1

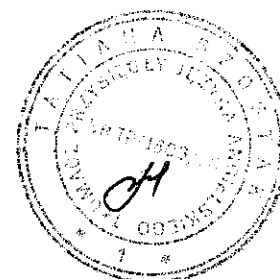
<u>Amount in SEK</u>	<u>2010</u>	<u>2009</u>
Compensation for administration from the parent company	539 572	570 521
Other external costs	Note 4 -479 416	-336 749
Profit before financial incomes and costs	69 156	233 772
Interest income long-term claim to the parent company	54 667 603	-
Interest expenses bond loan	-54 638 532	-
Exchange losses - net	-704	-23 485
Pre-tax profit	88 523	210 287
Tax cost for the year	-23 282	-55 310
Profit for the year	65 241	154 977

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BALANCE SHEET

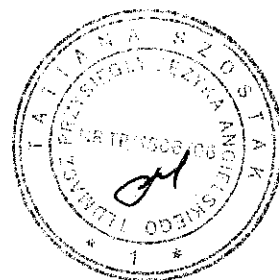
Note 1

<u>Amount in SEK</u>		<u>2010</u>	<u>2009</u>
Assets			
<i>Financial fixed assets</i>			
Loan to the parent company	Note 2	7 184 966 661	-
<i>Current assets</i>			
Receivables parent company	Note 3	539 572	-
Tax asset		64	64
Pre-paid costs		124 851	125 000
Accrued income parent company		52 976 825	-
Cash and bank balances		<u>1 155 478</u>	<u>902 426</u>
Total current assets		54 796 790	1 027 490
Total assets		7 239 763 451	1 027 490
Liabilities and equity			
Equity	Notes 6,7		
<i>Restricted equity</i>			
Share capital (5000 shares of quota value SEK100)		500 000	500 000
<i>Non-restricted equity</i>			
Profits brought forward		397 180	242 203
Profit for the year		<u>65 241</u>	<u>154 977</u>
Total non-restricted equity		462 421	397 180
Total equity		962 421	897 180
<i>Long-term liabilities</i>			
Bond loan	Note 5	7 185 657 723	-
<i>Current liabilities</i>			



Tax liability	23 282	55 310
Accrued interest expense	52 976 825	-
Other accrued costs	<u>143 200</u>	<u>75 000</u>
Total current liabilities	53 143 307	130 310
Total liabilities	7 238 801 030	130 310
Total liabilities and equity	7 239 763 451	1 027 490
Pledged assets		
Loan to the parent company	7 247 272 825	+
Contingent liabilities	None	None

[initialled]



NOTES**Note 1 Accounting and valuation principles**

The annual accounts have been drawn up in accordance with the Annual Accounts Act and the general advice issued by the Swedish Accounting Standards Board, BFNAR 2008:1.

Assets and liabilities are reported at cost and their nominal value respectively unless otherwise stated.

The income tax reported includes tax to be paid or received for the current year and adjustments concerning current tax for previous years. These tax liabilities/ assets are valued at the amount to be paid to or received from the Swedish Tax Agency in the judgment of the company.

Loan to the parent company as well as bond loan have been reported in accordance with the effective interest method which means that difference between discounted (book) value and nominal value of loan or bond loan amortized over the life of the respective bond. These amortizations are included in reported interest income/ interest expense which therefore reflect effective interest of respective loans.

Assets and debts in foreign currency have been valued according to the exchange rate on the balance sheet date.

Note 2 Loan to the parent company

The whole amount is due to be paid in 2015.

Note 3 Receivables parent company

The amount per 31 December 2010 was paid to the company on 28 January 2011.

Note 4 Other costs

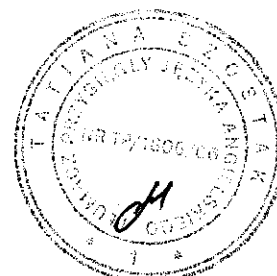
The item *Other costs* includes costs of SEK 75 000 (75 000) relating to the audit by PricewaterhouseCooper.

Note 5 Bond loan

The whole amount is due to be paid on 21 October 2015.

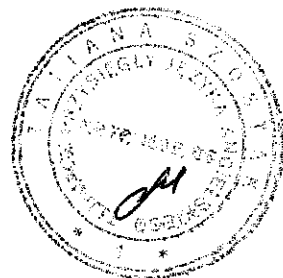
Note 6 Equity

	<i>Share capital</i>	<i>Profit brought forward</i>	<i>Profit for the year</i>	<i>Total equity</i>
Amount at start of financial year	500 000	242 203	154 977	897 180



Profit brought forward		154 977	-154 977	0
Profit for the year			65 241	65 241
Total	500 000	397 180	65 241	962 421

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Note 7 Consolidated accounts

The company is a wholly owned subsidiary of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna („PKO Bank”), Warsaw, Poland.

Stockholm, 21 February 2011

[Signature]

Artur Osytek

Chairman

[Signature]

Magnus Sundström

Managing Director

[Signature]

Iwona Jankowska 22 February 2011

Our audit report was presented on 2011-

Öhrlings PricewaterhouseCoopers AB

[Signature]

Susanne Sundvall

Authorised Public Accountant



[Logo PricewaterhouseCoopers]

AUDIT REPORT

To the annual general meeting of the shareholders of

PKO Finance AB (Publ)

Organisation registration number 556693-7461

We have audited the annual accounts, the accounting records and the administration of the Board of Directors and the Managing Director of PKO Finance AB (Publ) for 2010. These accounts and the administration of the company and the application of the Annual Accounts Act when preparing the annual accounts are the responsibility of the Board of Directors and the Managing Director. Our responsibility is to express the opinion on the annual accounts and the administration based on our audit.

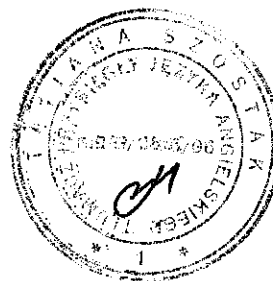
We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the Managing Director and significant estimates made by Board of Directors and the Managing Director when preparing the annual accounts as well as evaluating the overall presentation if the information in the annual accounts. As a basis for our opinion concerning discharge from liability we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any Board member or the Managing Director. We also examined whether any Board member or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The administration report is consistent with the other parts of the annual accounts.

We recommend to the annual general meeting of shareholders that the income statement and balance sheet be accepted, that the profit be allocated in accordance with the proposal in the administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm, 22 February 2011

Öhrlings PricewaterhouseCoopers AB



[Signature]

Susanne Sundvall

Authorised Public Accountant

Registry no 95 /11

I, Tatiana Szostak, registered as sworn translator in English and Swedish at the Ministry of Justice (licence no TP/1806/06) confirm that this is a true translation of the document in Swedish presented to me.

Wyszków, 3.04.2011

mgr Tatiana Szostak
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