

***Letter from the President of the Management Board
of Bank Polska Kasa Opieki S.A.***

On behalf of the Management Board of Bank Polska Kasa Opieki S.A., I hereby present the consolidated 2005 annual report addressed to the Bank's shareholders, its supervisory bodies, the capital market regulators, the Polish Securities and Exchange Commission and the Warsaw Stock Exchange, our customers and the public in general.

In 2005, the Pekao Group succeeded in generating a net profit of PLN 1,535m, thus exceeding the previous year's result by 23%. Further improvement of the Group's return on equity, which reached 19.2%, testifies to its strong profitability. It should be stressed that our improved net result was in a large measure attributable to a significant income growth of 9%, coupled with rigorous cost control, which has suppressed the growth of costs to 0.6%, keeping it beneath the inflation rate. Consequently, we managed to raise the efficiency of the Group's activities even further, by bringing down the cost/income ratio to the level of 53.2%.

We have recorded a substantial growth in business volumes: our loan portfolio grew by 12% and customers' savings increased by 16%. Once again, we can boast excellent results on the sale of key products, in particular investment funds, mortgage loans denominated in the Polish zloty, and our new consumer loan, incorporated in the end of 2004 into the Bank's offering as "Pożyczka ekspresowa" ("Express Loan").

I wish to express our gratitude to the customers, who entrusted their savings to us. I also wish to gratefully acknowledge the contribution of our employees, whose hard work and dedication made it possible to transform the customers' trust into real value, and of our shareholders, who support the Bank with their capital. Together we have created value which provides benefits to all stakeholders.

We expect that the external conditions in 2006 will be conducive to further constructive cooperation towards reinforcing created value. The prevailing economic trends in the first months of the year offer grounds for optimism. The sound microeconomic foundations which our country has been laying for the past fifteen years, the upswing in economic productivity, and the improvement of competitive advantages following in its wake are yielding concrete results. These factors boost economic development through growing export volumes, investments and higher consumption levels. The job market is gradually improving, while the policies consistently implemented by the Monetary Policy Council have checked inflation and brought historically low interest rates.

The Pekao Group is well positioned to use the favourable economic climate to its advantage. We have successfully completed the internal reorganisation processes transforming our structure and corporate culture into those of a modern commercial organisation, whose objectives comprise sales growth, generation of profit and creation of value. In 2006, we intend to focus on furthering these objectives.

New opportunities and challenges related to our development have come with the emergence of the first truly European financial group, created as a result of the merger between UniCredito Italiano (UCI), the Bank's strategic investor, and Bayerische Hypo-und Vereinsbank (HVB). Following the merger, a financial group was created whose operations span 19 European countries, thus supporting the idea of a united Europe and creating value for shareholders, customers and employees.

Warsaw, March 21st 2006

Jan Krzysztof Bielecki

President of the Management Board