

"We have an ambitious to be not only highest-performing bank, but also institution supporting key values of our society."



Dear Shareholders,

I am happy to report a very good year of Bank Pekao performance. It has been also a unique year for me personally, as it has been 10 years since I joined Bank Pekao and took over its helm, first as a General Manager and then Chief Executive Officer. This was a very special period full of challenges, combining both joy of rapid growth after Poland joining European Union and bitterness of deepest global recession in 70 years. We used this time effectively and wisely. The Bank strengthened its position and is top league player on Polish market, defining here new trends and benchmarks. We become visible also in European banking league.

We are top one corporate bank and second biggest retail franchise in Poland. Almost 4.5 million retail clients, 260 thousand SMEs and 18 thousand corporate clients entrusted us their financial future.

We enjoy a time-tested business model with proven strategies and goals. We benefit from an operating philosophy that provides sustainable, competitive advantages. We possess the know-how to execute well, and most of all, we have great people.

This approach brought fruits also last year. Polish economy, which successfully managed through recent crisis, face economic slowdown with GDP growth decelerating to 1.6% and record low level of Central Bank interest rate, which went down to 2.5%. We observed as a consequence weak demand for loans and pressure on margins. The Bank delivered sound net profit of PLN 2,800 million despite these macroeconomic headwinds.

Early mobilization of our distribution network and intensification of our commercial activity minimized negative impact of mentioned above trends, allowing The Bank to maintain ROE at 12.3% even though keeping high level of capital of Core Tier 1 at 18.8%.

Bank played a material role in stimulating economic development, continuing its policy of financing Polish families and providing services to the business. We granted PLN 11 billion of key retail loans, increasing total loan exposure by 9.9% y/y to

PLN 44.5 billion. Corporate lending portfolio increased by +3.8% to PLN 65 billion. The Bank remained the main lender of key infrastructure projects in Poland supporting development of the country and helping in improving quality of life.

One of our top priorities were new clients. We acquired almost 450 thousand of new clients thanks to innovative approach, leveraging on our clients recommendations and dedication of our employees. We successfully institutionalized this into Klientomania project, which we will continue further, as future of Bank depends on our clients.

Customer satisfaction is a key pillar of our business model and these days technology creates tremendous potential to further improve our Customers experience. As an answer to their needs, we continued development of innovative products and services.

Further improvement in mobile and internet banking functionality, launch of mobile payments (PeoPay) are clear example of our dedication to keeping advantage given by technology.

Operational efficiency is a part of our corporate DNA, creating long term crucial competitive advantage. This year we further actively managed cost through processes streamlining and more efficient managing of our resources, reporting expenses reduction by -2.9% y/y, despite additional BGF prudential fee. Further efficiency enhancement is crucial, as we need to secure in this way resources for investing in the future of Bank development.

We will keep investing in our business so that we not only grow bigger, but also we grow better. Better at collaborating, better at innovating, and better at listening to our customers. And most importantly, better at executing with precision. We're building not just for the next quarter but for generations to come.

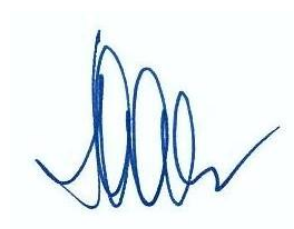
I do believe that the Bank is well positioned to capture market growth and meet customer expectations further enhancing its position on the market. Our 2014 strategic priorities remain absolutely clear. We must continue to grow sustainably and provide meaningful solutions to our customers. We must absolutely keep winning and executing with excellence.

We have an ambitious to be not only highest-performing bank, but also institution supporting key values of our society. Looking at rapid and sometimes dramatic changes in societies around us, I believe that observing values is equally important to achieved results. We need to contribute to strengthen society of equal chances, promoting growth of economy and quality of life. We sponsor and promote art,

culture, social and environmental projects throughout, among others, "The Great Orchestra of Christmas Charity" and Marian Kanton Bank's Foundation.

We started defining our vision in time horizon longer than typically. We call it Pekao 2020, with customer in the center of our vision. Everything we plan and we will do is focused on his benefits.

On behalf of Management Board, I would like to thank our Clients and Shareholders for the loyalty and trust they have placed in us, Supervisory Board for strong support and our Employees for their engagement, hard work and contribution to the development of the Bank. I am incredibly lucky to be part of this large team of outstanding people.

A handwritten signature in blue ink, consisting of several loops and a final flourish, set against a light blue rectangular background.

Luigi Lovaglio
President of the Management Board, CEO