

Ladies and Gentlemen,

In 2018 Bank Pekao demonstrated in full scale its potential that will drive execution of the Bank's 2020 Strategy "Power of the Polish Bison. In November 2017, the Bank released a new strategy built superior profitability thanks to acceleration of growth in key retail and SME segments while maintaining leadership in corporate banking and achieving operational excellence through digital transformation programme.

The Management Board of Bank Pekao set ambitious operational and financial targets for 2018, including acceleration in earnings generation expressed in double-digit recurring earnings growth dynamic. The Bank achieved on those ambitions, which were reflected in released financial results for the year, and demonstrated a significant progress in all key elements of its strategy implementation: dynamic growth of business scale, strong acceleration in customer acquisition in most profitable retail and SME segments and improvement in profitability in a flagship corporate banking. Growth was realised hand in hand with better operating effectiveness and numerous investment and transformations steps taken in order to support long-term value creation for customers and shareholders. The Bank increased its lending scale while traditionally maintaining leadership position among the largest Polish bank in risk management.

After the changes in ownership structure in 2017, Bank Pekao has become an integral part of the strategic development of the PZU Group, the largest financial group in the CEE. Cooperation of the Bank with entities of the PZU Group in 2018 yielded numerous tangible benefits, which support constant drive to meet customer expectations thanks to comprehensive financial services and to create value for shareholders of Pekao and PZU supported by broadest client base, deep and complementary product offer, distribution strength as well as monetisation of synergies that the cooperation brings.

The Supervisory Board positively assessed actions taken by the Management Board of Bank Pekao in consistent and effective strategy execution as well as the Bank's financial and operating conditions in 2018. We would like to draw the attention to operational and technological transformation undertaken by the Bank. The transformation is well reflected in numerous innovative, often pioneering, solutions rolled out in retail banking as well as wide ranging cooperation with the global technology ecosystem. Such cooperation enables leveraging not only the Bank's strengths in a competitive Polish financial sector but also cementing reputation of the entire Polish banking sector as one of the most innovative markets globally. Entering 2019, the Polish banking sector will need to face yet again regulatory pressures, low rates environment as well as anticipated slowdown in global economic cycle, which could also translate into lower GDP growth in Poland after years of superior growth. Supported by strong fundamentals, clearly defined and well executed strategy, Bank Pekao will be able to again leverage its competitive advantages allowing for above-average, balanced business growth.

As the Supervisory Board, we attach great deal of value to sustainable development of Bank Pekao, therefore it is worth to highlight the pivotal role of the Bank in responsible growth of the Polish economy and its importance on a global scale. Bank Pekao has not only supported a number of significant transactions in the Polish market, but together with PZU, has played an active role in cementing business links and building access for local entrepreneurs and corporates to capital markets in global financial centres of London, New York or during the World Economic Forum in Davos.

We also positively assess steps taken by Bank Pekao with respect to corporate social responsibility and dialogue with key stakeholders, including its employees, whose support was critical in delivering on the Bank's transformational agenda in 2018, that will enable significant value creation and determine long-term competitive advantages of the Bank.

Together with the entire Supervisory Board, we are confident, that Bank Pekao will continue strengthening its position of a prominent banking institution in Poland. The Bank's growth strategy will be inclusive for all stakeholders helping the Bank in leveraging its market position while enabling a sustainable value creation for its employees, clients and last but not least shareholders.

On behalf of the Supervisory Board, I would like to thank the Management Board and all employees of the Bank and Bank's capital group Capital Group for their commitment and relentless focus in achieving ambitious goals. I would also like to thank all Bank's stakeholders for their confidence in the Bank. The supervisory board will ensure that all decision taken by the Management Board of Pekao build value for all shareholders of the Bank and that Pekao meets highest regulatory, corporate governance and ethical standards.

Paweł Surówka,

Chairman of the Supervisory Board of Bank Pekao S.A.