

08-04-2009

Subject: draft resolutions for AGM

Current report no. 9/2009

Bank Zachodni WBK S.A. announces the text of the draft resolutions to be debated at the Annual General Meeting of Shareholders on 21 April 2009.

Legal basis: §38 clause 1 point 3 of the Finance Minister's Ordinance of 19 February 2009 on current and periodic reports published by the issuers of securities and the rules of equal treatment of the information required by the laws of non-member states

Refers to item 5 of the agenda

Resolution of the General Meeting of Shareholders

re: approval of Bank Zachodni WBK SA Management Board report on the Bank's performance and the Bank's financial statements for 2008

Pursuant to art. 393 point 1 and art. 395 §2 point 1 of the Commercial Companies Code, the following is hereby resolved:

§ 1

The General Meeting of Shareholders has considered and hereby approves the following documents submitted by the Bank's Management Board:

- a) financial statements of Bank Zachodni WBK SA seated in Wrocław for the period beginning on the first day of January of the year two thousand and eight /1.01.2008/ and finishing on the thirty first day of December of the year two thousand and eight /31.12.2008/, including:
 - balance sheet prepared as at the thirty first of December two thousand and eight /31.12.2008/ which on the assets and liabilities side shows the amount of PLN 55 210 084 k,
 - profit and loss account for the accounting year from the first of January two thousand and eight /1.01.2008/ until the thirty first of December two thousand and eight /31.12.2008/ which shows profit-after-tax in the amount of PLN 809 165 k,
 - cash flow statement for the accounting year from the first of January two thousand and seven /1.01.2007/ until the thirty first of December two thousand and eight /31.12.2008/ which shows a increase of PLN 964 880 k in the net cash balance,
 - movements in the equity showing as at the thirty first of December two thousand and eight /31.12.2008/ the equity of PLN 4 420 558 k,
 - explanatory notes,
- b) Management Board report on BZ WBK SA performance in 2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Refers to item 6 of the agenda

Resolution of the General Meeting of Shareholders
on approval of the Consolidated Financial Statements of Bank Zachodni WBK S.A. for the year 2008 and the Report on Bank Zachodni WBK Group Performance in the year 2008

Pursuant to art. 395 § 5 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Annual General Meeting of Shareholders of Bank Zachodni WBK S.A. has reviewed and hereby approves the following documents submitted by the Bank's Management Board:

- a) consolidated financial statements of Bank Zachodni WBK S.A. for the period beginning on the first day of January of the year two thousand and eight /1.01.2008/ until the thirty first day of December of the year two thousand and eight /31.12.2008/, including:
 - consolidated balance sheet prepared as at the thirty first of December two thousand and seven /31.12.2008/ which on the assets and liabilities side shows the amount of PLN 57 838 074 k
 - consolidated profit and loss account for the accounting year from the first of January two thousand and eight /1.01.2008/ until the thirty first of December two thousand and eight /31.12.2008/ which shows profit-after-tax in the amount of PLN 954 286 k (of which PLN 98 840 k is attributable to minority equity holders),
 - consolidated cash flow statement for the accounting year from the first of January two thousand and eight /1.01.2008/ until the thirty first of December two thousand and eight /31.12.2008/ which shows the increase in net cash balance of PLN 965 626 k,
 - movements in consolidated equity showing as at the thirty first of December two thousand and eight /31.12.2008/ the amount of PLN 5 192 192 k,
 - explanatory notes.

- b) Report on Bank Zachodni WBK Group Performance in 2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Refers to item 7 of the agenda

Resolution of the General Meeting of Shareholders
re: profit distribution

Pursuant to art. 395 §2 of the Commercial Companies Code, the following is hereby resolved:

§ 1

General Meeting of Shareholders has divided the net profit generated by Bank Zachodni WBK in the accounting year commenced on 01.01.2008 and ended on 31.12.2008 in the amount of PLN 809,165,160.39 in the following way:

- the amount of PLN 689,165,160.39 will be allocated to the reserve capital,
- the amount of PLN 120,000,000.00 will be allocated to the general risk fund.

§ 2

The resolution becomes effective as of the date of its adoption.

Refers to item 8 of the agenda

Resolution

Pursuant to art. 395, §2 point 3 of the Commercial Companies Code, the following is resolved:

§ 1

Mr. Mateusz Morawiecki, the Management Board President is granted the word of approval for performance of his duties in the period from 1.01.2008 to 31.12.2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Resolution

Pursuant to art. 395, §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr. Andrzej Burliga, the Management Board Member, is granted the word of approval for performance of his duties in the period from 1.01.2008 to 31.12.2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Resolution

Pursuant to art. 395, §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr. Paul Barry, the member of the Management Board, is granted the word of approval for performance of his duties in the period from 1.10.2008 to 31.12.2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Resolution

Pursuant to art. 395, §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr. Declan Flynn, the member of the Management Board, is granted the word of approval for performance of his duties in the period from 01.01.2008 to 31.12.2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Resolution

Pursuant to art. 395, §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr. Michał Gajewski, the member of the Management Board, is granted the word of approval for performance of his duties in the period from 01.01.2008 to 30.04.2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Resolution

Pursuant to art. 395, §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr. Justyn Konieczny, the member of the Management Board, is granted the word of approval for performance of his duties in the period from 01.01.2008 to 31.12.2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Resolution

Pursuant to art. 395, §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr. Janusz Krawczyk, the member of the Management Board, is granted the word of approval for performance of his duties in the period 01.01.2008 to 31.12.2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Resolution

Pursuant to art. 395, §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr. Jacek Marcinowski, the member of the Management Board, is granted the word of approval for performance of his duties in the period from 01.01.2008 to 31.12.2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Resolution

Pursuant to art. 395, §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr. James Murphy, the member of the Management Board, is granted the word of approval for performance of his duties in the period from 01.01.2008 to 30.09.2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Resolution

Pursuant to art. 395, §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr. Marcin Prell, the member of the Management Board, is granted the word of approval for performance of his duties in the period from 01.01.2008 to 31.12.2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Resolution

Pursuant to art. 395, §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr. Mirosław Skiba, the member of the Management Board, is granted the word of approval for performance of his duties in the period from 22.07.2008 to 31.12.2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Resolution

Pursuant to art. 395, §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§1

Mr. Feliks Szyszkowiak, the member of the Management Board, is granted the word of approval for performance of his duties in the period from 01.01.2008 to 31.12.2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Refers to item 9 of the agenda

Resolution

on approval of the Supervisory Board reports

Pursuant to art. 382 §3 and 395 §5 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Approval is given for:

- 1) the BZ WBK Supervisory Board's report on its activities in the period from 1.01.2008 to 31.12.2008 (Appendix 1 hereto),
- 2) the BZ WBK Supervisory Board's report on the examination of: BZ WBK financial statements for 2008; consolidated financial statements of the BZ WBK Group for 2008; report on BZ WBK operations, report on the BZ WBK Group operations and the Management Board's motion concerning distribution of profit earned in 2008 (Appendix 2 hereto),
- 3) the BZ WBK Supervisory Board's assessment of the BZWBK Group's operations in 2008 (Appendix 3 hereto).

§ 2

The resolution becomes effective as of the date of its adoption.

appendix 1

REPORT ON THE SUPERVISORY BOARD ACTIVITY IN 2008

I. COMPOSITION OF THE SUPERVISORY BOARD AND MANNER OF DISCHARGING ITS RESPONSIBILITIES

1. As at 1 January 2008, the Supervisory Board operated in the following composition:

- Chairman of the Supervisory Board - Mr Aleksander Szwarc
- Vice Chairman of the Supervisory Board - Mr Gerry Byrne
- Members of the Supervisory Board:
 - Mr Waldemar Frąckowiak
 - Mr Aleksander Galos
 - Mr James Edward O'Leary
 - Mr Maeliosa OhOgartaigh
 - Mr John Power
 - Mr Jacek Ślotała

2. Appointment of the Supervisory Board composition for the new term of the office.

The Annual General Meeting of Bank Zachodni WBK Shareholders that was held on 18 April 2008 appointed the Supervisory Board for the new term of the office.

The Supervisory Board composition has remained unchanged compared to the status as at 1 January 2008.

3. Independence of the Supervisory Board Members

All Members of the Supervisory Board submitted written statements on their independence status or on their personal, factual and organizational connections with the Bank's shareholders. According to the submitted statements, the status of an independent Supervisory Board Member was held by the following individuals:

- Mr Waldemar Frąckowiak
- Mr Aleksander Galos
- Mr John Power (Chairman of the Audit Committee),
- Mr Aleksander Szwarc (Chairman of the Supervisory Board),
- Mr Jacek Ślotała

4. The principles of the Supervisory Board operations and manner of performing its activities are defined by the SB Terms of Reference available on the Bank's internet sites.

II. STATISTICAL DATA ON THE SUPERVISORY BOARD ACTIVITY IN 2008

In the period from 1 January to 31 December 2008, the Supervisory Board held 9 meetings and adopted 62 resolutions. The Board Members' average attendance was 7.55.

III. MAIN AREAS OF THE SUPERVISORY BOARD'S ACTIVITY IN 2008

- The Supervisory Board worked pursuant to the adopted schedule of meetings and the operational framework. The agenda of each meeting was extended depending on the

- needs by current business issues tabled for discussion by the Bank's Management Board and any other issues the Board deemed necessary to be covered by the agenda.
- The Supervisory Board requested and received from the Bank's Management Board exhaustive materials and reports on issues covered by the agenda of meetings as well as those pertaining to other matters important for the Bank in relation to the conducted operations.
 - As part of its responsibilities arising from §32 of the Bank's Statutes, the Supervisory Board carried out on-going assessment of financial performance of the Bank and BZ WBK Group, taking account of the business and operating tendencies in place, opportunities and threats as well as variances against the Budget. The evaluation was based on the financial reports presented by the Management Board.
 - At their meetings, the Supervisory Board met management boards of BZWBK Group's subsidiaries:
 - BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A.,
 - BZ WBK AIB Asset Management S.A.,
 - Dom Maklerski BZ WBK S.A. (BZWBK Brokerage House)
 - Leasing organization,
 - BZ WBK Faktor Sp. z o.o.

getting familiar with their current performance and business standing. The Supervisory Board focused on as extensive business cooperation between the Bank and its subsidiaries and on leveraging the synergy.

The standing of TFI and AM was a regular item on the agenda of the SB meetings because of the continued slump on the Warsaw Stock Exchange resulting in a significant fall in the volume of assets.

- In view of the growing financial crisis on the global markets in Q4 2008, on an ongoing basis, the Supervisory Board followed through macroeconomic and market projections as well as their impact on the Polish economy as well as on the Bank's and BZWBK Group's operations, financial and business performance. The Supervisory Board requested information and was advised on an ongoing basis by the Bank's Management Board of changes in priorities and approach to new challenges such as liquidity, funding, capital management, fx loans, risk management and credit risk management in particular.
- As part of the supervision exercised over the credit risk management, the Supervisory Board performed quarterly reviews of the loan portfolio to ensure compliance with the Banking Supervision's Recommendations, get familiar with changes in credit policies & the key factors of the credit risk.

IV. OPERATIONS OF THE SUPERVISORY BOARD COMMITTEES

Independent of the SB meetings, Members of the SB worked in the following internal SB committees:

- Nominations & Remuneration Committee
- Audit Committee,
- Social Responsibility Committee.

The composition of individual committees was defined by force of the Supervisory Board resolution. The scope of their operations and mode of work are defined by Terms of Reference adopted by force of the SB resolutions.

The operations of the Committees contribute materially to boosting the effectiveness of the SB work by way of supporting the SB in delivering its statutory tasks as well as by preparing recommendations and proposed decisions in relation to the SB own motions as well as those submitted by the Bank's Management Board.

To allow the Supervisory Board fully assess the Committees' operations, their Chairmen present reports on their activities at the SB meetings and the SB Members receive copies of the minutes from all the Committees' meetings.

- **NOMINATIONS & REMUNERATION COMMITTEE** - the Committee's activities aim to demonstrate the Bank's commitment to the corporate governance principles including independence, accountability and transparency of information re. matters related to recommending candidates to the Bank's Management Board and setting the remuneration of the Management Board Members and Senior Management. The Committee members have no personal financial interest, other than of the shareholders, in these matters and are driven by the best interest of the Bank and its shareholders.

The Committee assists the Supervisory Board in:

1. succession planning at the Bank's Management Board level,
2. preparing recommendations for the SB with regard to the composition of the Management Board,
3. overall monitoring of the market remuneration practices and levels,
4. preparing recommendations for the SB decisions in relation to fair and competitive Remuneration policies and practices in order to ensure adequate motivation for the MB Members and senior management to constantly improve the Bank's performance.

In 2008, the Nominations & Remuneration Committee composition was as follows:

- Mr Gerry Byrne (Chairman),
- Mr Aleksander Szwarc,
- Mr Jacek Ślotała (appointed the Committee Members on 18 April 2008).

The Committee usually invites to its meetings the President of the Management Board and the MB Member in charge of the HR Management Division as well as other individuals, as it deems necessary.

In 2008, the Committee's activities focused on the following matters:

- Conducting competitions for the following vacant positions in the Bank's Management Board:
 - a) The MB Member in charge of the Finance Division following Mr James Murhpy's decision on his resignation from that function as of September-end 2008.
 - b) The MB Member in charge of the Business Banking Division following the completion of assignment by Mr Kevin Knightly, the Head of Corporate Banking.

- Given the resignation of Mr Michał Gajewski, the MB Member in charge of the Customer Relationship and Sales Division, processing the MB President's motion regarding appointment of Mr Mirosław Skiba to that position and preparing a relevant recommendation for the Supervisory Board.
 - Preparing a recommendation re. indicating the second Member of the Bank's Management Board with a view to obtaining the consent of the Polish Financial Supervision Authority (KNF). Such a need arose following Mr Michał Gajewski's resignation from the MB Membership as next to the Management Board President he held the consent required under the Banking law Act. As agreed with the MB President, the Committee recommended to the Supervisory Board that the application be filed seeking KNF consent for Mr Justyn Konieczny to take up the role of the MB Member. On 18 November 2008, the KNF made a decision, whereby it gave the sought consent.
 - Preparing recommendation re. 2007 individual bonuses for the Management Board Members.
 - Considering the MB's proposal on the annual salary review rules, and preparing recommendations for the SB on the rules of such a review for the MB members.
 - Conducting the annual review of the bonus system for MB members and the senior management population as well as tabling to the Supervisory Board the recommendations re. rules of granting and determining the bonus pool for 2009 as to effectively drive up motivation in the current economic environment.
 - Considering and recommending to the SB changes to the bonus schemes of some business units in the Bank to adjust them even better to the specific nature of their operations and market conditions.
 - Recommending to the SB the adoption of the Long-Term Incentive Scheme for the BZWBK Group's Senior Management which makes the exercise of awarded options to the Bank's shares dependent on the financial performance in 2008-2010. The Scheme is a continuation of the Incentive Schemes launched in 2006 and 2007 which confirmed that they were an effective and attractive incentive instrument for its participants as was reflected in the financial performance and growth in BZWBK share price. The number of the Program participants was increased to the maximum of 600 individuals, whereas in the previous years, the Incentive schemes covered max. up to 100 individuals. The Annual General Meeting of Bank Zachodni WBK Shareholders held on 18 April 2008 passed relevant resolutions that allowed to launch the Long-Term Incentive Scheme 3.
- The Committee prepared and submitted to the Supervisory Board for approval the Participation Agreement template and a list of participants recommended for the inclusion in the Program. It comprised representatives of the Bank's managerial cadre from all the Bank's divisions and areas.

While preparing recommendations for the Supervisory Board, the Committee used the results of the current survey re. remuneration in the banking sector carried out by an independent agency and took into account the current tendencies on the labor market.

- **AUDIT COMMITTEE** – The role of the Audit Committee is to assist the Board in discharging its oversight responsibilities towards shareholders and other stakeholders in relation to:
 1. the quality and integrity of the accounting policies, financial statements and disclosure practices;
 2. the monitoring of compliance with relevant laws and regulations, taxation obligations and relevant Codes of Conduct and good business ethics;
 3. the monitoring of independence and performance of the internal and external Auditors; and
 4. the assessment of the effectiveness of the system of internal controls and management of financial and non-financial risks.

The Audit Committee is composed of the following members:

- John Power (Chairman)
- Waldemar Frackowiak
- Alexander Galos
- Maelosia O’Hogartaigh

The Committee operates under written Terms of Reference, which have been approved by the Supervisory Board. A copy of the Committee’s Terms of Reference is available from the Office of the President. The Committee undertakes its duties in line with an agreed annual work programme that allows the committee to monitor (and seek assurance on) the management of the financial risks identified in the company’s business plan.

The Committee met nine times during the course of the 2008 and reviewed key areas of material controls, including financial, operational, regulatory compliance and risk management systems. On a regular basis it receives reports on risk management, fraud, anti money laundering, legal, regulatory and corporate governance matters in order to assess the effectiveness of the risk management and control frameworks. In 2008, these reports included material notifications arising under the Group policy on “whistleblowing”, updates on significant projects in the Bank, detailed analysis of capital ratios, the implementation of EU Directives, Sarbanes Oxley compliance, Basel II compliance and IT system implementations.

The independent Auditors, KPMG, the Bank’s Internal Auditor, the Chief Risk Officer, the Head of Compliance and the President were invited to attend all meetings. Other members of the Management Board are also invited to attend as appropriate in order to present reports.

The Committee receives reports from the external auditor and regularly holds discussions with both the internal and external auditors in the absence of management. In order that the Supervisory Board is kept fully apprised of the Committee’s work, the Chairman of the Committee reports at the subsequent meeting of the Supervisory Board and the Board receives a copy of the minutes of each meeting of the Committee.

The Committee, through the Group Internal Auditor, receives objective independent reports on the operation of internal controls in the Group. The plans and level of resources of the internal audit function are reviewed each year by the Committee. During 2008 the Group continued an independent review of the internal audit function in accordance with the International auditing standards. The Committee reviews the outcome of the annual independent review with management.

The Committee has reviewed and discussed the Company's audited financial statements with Management, which has primary responsibility for preparing the financial statements. It places particular emphasis on their fair presentation and the reasonableness of the judgemental factors and appropriateness of significant accounting policies used in their preparation. The Committee also reviewed and discussed with KPMG their independent review of the financial statements and issues raised with management.

In addition, the Committee reviewed the Group's capital and risk frameworks against the impending implementation of Basel II and in light of the current challenges in the Global Financial markets. The Committee considered the proposed assumptions, methodology and process followed in determining the amount of capital required to support the Group's business plans and the adequacy of its capital resources.

In reliance of these reviews and discussions, the Committee recommended the Supervisory Board approve the audited financial statements for inclusion in the Company's annual report for the year ended 31st December 2008, and the Board accepted the Committee's recommendations.

The Committee recommended to the Board, subject to shareholder approval, the election of KPMG as the Company's independent accountants. There is a process in place by which the Audit Committee reviews and, if considered appropriate, approves, within parameters approved by the Supervisory Board, any non-audit services undertaken by the Auditors, and the related fees. This ensures that the objectivity and independence of the Auditors is safeguarded.

The Committee conducts a continuous review of its process and performance. The form of the review involved a discussion on the format of the meetings and the effectiveness of the reporting processes. In addition the members of the Audit Committee completed an Effectiveness Evaluation based on a design by KPMG International. The report was reviewed and approved by the Supervisory Board on 27 February 2009.

- **SOCIAL RESPONSIBILITY COMMITTEE** – the Committee is responsible for overseeing the development and execution of a corporate responsibility strategy and policy in this respect to ensure that BZWBK is seen as a responsible corporate citizen by all its stakeholders. In particular, the Committee pursues actions and undertakings which being consistent with the Bank's vision, its values, objectives and strategy allow to create the brand of the desired value.

In 2008, the composition of the Corporate Responsibility Committee was as follows:

- Mr Gerry Byrne (Chairman),
- Mr Jacek Ślotała.

The Head of Brand Management Area is invited to attend all meetings as well as depending on the agenda, Management Board Members and employees directly responsible for execution of the strategy and brand communication policy.

In 2008, the Committee's activities focused on the following matters:

- Pursuing the challenging strategy of growing the BZWBK Group market position, in relation to the extension of the branch network supported with actions aimed at strengthening the Bank's brand and its awareness as of the country-wide financial institution with the following distinctive features:
 - a) Taking better care of customers than other market players.
 - b) Stable financially and ensuring safety of entrusted funds.
 - c) Offering price-attractive products that are simple and easy to use.
 - d) Applying modern and pioneering solutions.
- Activity of the Bank's charity foundation – "Bank of Children's Smiles" – provides assistance to children from poor families under the donation and individual programs.
- Review and approval of marketing, promotion, sponsorship and corporate giving plans / budgets.

V. ASSESSMENT OF THE SUPERVISORY BOARD ACTIVITY IN 2008

Pursuant to item 1, sub-item 2, part 3 of the "Best practices of companies listed on WSE", the Supervisory Board assessed its work. Accordingly, it stated that it duly discharged its responsibilities holding meetings at frequency ensuring that all matters in the Board's powers were addressed. Both the composition of the Board, knowledge and experience of its individual Members ensured due and efficient work of the Board and its supervision over the Bank's operations.

Appendix 2

REPORT OF THE SUPERVISORY BOARD ON THE EXAMINATION OF :

- 2008 FINANCIAL STATEMENTS OF BANK ZACHODNI WBK S.A.
- MANAGEMENT BOARD REPORT ON BANK ZACHODNI WBK S.A. PERFORMANCE IN 2008
- 2008 CONSOLIDATED FINANCIAL STATEMENTS OF THE CAPITAL GROUP OF BANK ZACHODNI WBK
- MANAGEMENT BOARD REPORT ON BANK ZACHODNI WBK GROUP PERFORMANCE IN 2008
- MOTION OF THE MANAGEMENT BOARD ON THE 2008 PROFIT DISTRIBUTION

This report was produced based on the conducted examination and includes the opinion of the Supervisory Board on the following documents presented by the Bank's Management Board to the Annual General Meeting of Shareholders of Bank Zachodni WBK, convened for 21 April 2009:

- 2008 Financial Statements of Bank Zachodni WBK S.A.,
- Management Board Report on Bank Zachodni WBK S.A. Performance in 2008,
- 2008 Consolidated Financial Statements of the Capital Group of Bank Zachodni WBK,
- Management Board Report on Bank Zachodni WBK Group in 2008,
- Management Board motion on the 2008 profit distribution.

The obligation to review the above documents is imposed on the Supervisory Board by § 32 clause 1 and clause 6 of the Bank's Statutes.

1. Examination of Financial Statements and Reports on operations for 2008

By force of resolution no. 24/2008, adopted on 10 June 2008, the Supervisory Board selected KPMG Audyt Sp. z o.o. as the Bank's auditor and vested it with a task of auditing the 2008 Financial Statements. The above audit covered the following documents produced by the Bank's Management Board:

1. Financial Statements of Bank Zachodni WBK S.A. for year 2008:

- Balance sheet as at 31 December 2008,
- Profit & Loss Account for the accounting period from 1 January to 31 December 2008,
- Cash Flow Statement for the accounting period from 1 January to 31 December 2008,
- Movements in equity,
- Off-balance sheet liabilities,
- Notes.

2. Management Board Report on Bank Zachodni WBK S.A. Performance in 2008.

3. Consolidated Financial Statements of the Capital Group of Bank Zachodni WBK for year 2008:

- consolidated Balance Sheet as at 31 December 2008,
- consolidated Profit & Loss Account for the accounting period from 1 January to 31 December 2008,
- consolidated Cash Flow Statements for the accounting period from 1 January to 31 December 2008,
- movements in equity,

- off-balance sheet liabilities,
- notes.

4. Management Board Report on Bank Zachodni WBK Group in 2008.

Based on the findings of the audit conducted by KPMG Audyt Polska Sp. z o.o., presented in the following documents:

- Opinion of the independent auditor on the audited Financial Statements of Bank Zachodni WBK SA and the Capital Group of Bank Zachodni WBK SA for the financial year ended 31 of December 2008
- Reports of the independent auditor on the Financial Statements of Bank Zachodni WBK SA for 2006 and on the Consolidated Financial Statements of the Capital Group of Bank Zachodni WBK SA for 2008,

the Supervisory Board stated that the 2008 Financial Statements of Bank Zachodni WBK S.A. and the 2008 Consolidated Financial Statements of Bank Zachodni WBK Capital Group presented by the Management Board, have been prepared, in all material respects, and give a true and fair view of the financial position of the Bank and the Group as at 31 December 2008 and of their financial performance and their cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, and are in compliance with the respective regulations that apply to the Bank's unconsolidated financial statements and the consolidated financial statements applicable.

The Supervisory Board decided with resolution no. 3/2009, dated 27 February 2009, to submit to the AGM for approval:

- Financial Statements of Bank Zachodni WBK S.A. for year 2008,
- Management Board Report on Bank Zachodni WBK S.A. Performance in 2008,
- Consolidated Financial Statements of the Group of Bank Zachodni WBK for year 2008,
- Management Board Report on Bank Zachodni WBK Group in 2008.

2. Review of the Bank's Management Board motion related to the 2008 profit distribution

The Supervisory Board examined the Bank's Management Board motion related to the 2008 profit distribution, and with resolution no. 6/2009, dated 27 February 2008 decided to recommend approval of the above motion to the General Annual Meeting of Shareholders.

3. Wrap-up

The Supervisory Board stated that it acted with due diligence with regard to comprehensive examination of the documents presented by the Bank's Management Board and

in line with its resolution no. 8/2009, dated 27 February 2009, the Supervisory Board presents this report to the General Annual Meeting of Shareholders of Bank Zachodni WBK.

Appendix 3

ASSESSMENT OF THE BZ WBK GROUP'S OPERATIONS IN 2008

- Macroeconomic environment in 2008

2008 was a year of major changes in the world economy, which had a significant impact on the Polish economy. In the first half of 2008, Poland continued on a steady growth path (GDP increased by nearly 6% y-o-y during the first two quarters).

The second half saw a material deterioration of the business climate and the slowdown of the economic growth. The turning point for the economic situation was the turn of Q3 when after the collapse of the US bank Lehman Brothers the financial crisis suddenly intensified and strong risk aversion appeared among investors, who scaled back their activity in the interbank markets.

GDP in Poland was at 4.8% for most of the year – as estimated - while in the last quarter lowered to 2.9% y-o-y.

During the first three quarters of 2008, Polish exports (in EUR) grew strongly, at 20% y-o-y on average, but decelerated sharply in the fourth quarter as foreign demand declined bringing exports down by more than 8% y-o-y. The current account deficit increased during the year by up to ca. 5.4% of GDP from 4.7% of GDP in 2007.

In the third quarter, the registered unemployment rate fell below 9%, the lowest level since 1991, but amid weakening of economic activity in the final quarter of the year it rose strongly to 10.5% at the end of December. The employment growth was slowly losing pace, it was still strong enough for most of the year (5.6% y-o-y on average in the enterprise sector in H1) - which with the limited supply of specialists in some sectors triggered strong acceleration in wage growth. In the enterprise sector, average pay growth reached 12% y-o-y. In effect, growth in unit labour costs significantly accelerated (to ca. 10% y-o-y in Q2 and Q3), creating a risk of stronger inflationary pressure. However, along with waning labour demand towards the end of the year, the wage pressure began to ease and growth in unit labour costs decelerated to ca. 6% YoY in the final quarter of the year.

Inflation rate increased significantly at the start of the year, largely due to record-high prices of fuels and food on the global markets, and also as a result of the sharp increases in regulated prices in Poland and growing prices of services. In August, the annual inflation rate reached its maximum at 4.8% y-o-y, much above the inflation target.

Also the base inflation was growing (CPI with exclusion of food, fuel and energy prices) from 1.3% y-o-y in December 2007 to 2.9% in Q3 2008.

In response to the long economic growth stimulated by domestic demand and paralleled by inflationary pressure, the Polish Monetary Policy Council continued to tighten its

monetary policy by increasing interest rates three times by 25 bps in Q1 and one time in June. As a result, the NBP reference rate increased to 6% compared with 5% in December 2007.

In the last quarter of the year, as the economic activity substantially weakened, the labour market tendencies clearly reversed. Companies started to reduce employment, leading to a strong deceleration in wage and labour cost growth and reduction of the inflationary pressure. The CPI growth fell to 3.3% y-o-y in December, partly due to the sharp decrease in food, fuel and raw material prices. The Monetary Policy Council reacted to these changes by cutting interest rates by 25 bps in November and 75 bps in December to 5% at the end of 2008.

The first three quarters of the year were characterized by a fast growth in the credit market. The situation changed dramatically in the last quarter due to the world financial crisis and the substantial deterioration of the economic outlook. Banks tightened their credit policies and practically halted foreign currency lending. Throughout the year, indebtedness of households grew by 44.6% y-o-y whilst indebtedness of businesses increased by 28.3% y-o-y. It was significantly impacted by the PLN depreciation at the end of 2008 which influenced the value of fx loans. The stock market downturn and relatively high deposit interest rates attracted substantial household savings to banks. In December 2008, the value of such deposits increased by 26.5% y-o-y. The business deposits recorded a lower growth of 4.0% y-o-y.

Financial markets for most of the year were very volatile and risk-averse. This resulted in exceptionally big fluctuations of fx rates and prices in the recent months of 2008. As at the end of December, the EUR/PLN rate was at 4.17, down by 16.5% on December 2007. The USD/PLN rate stood at 2.96, i.e. a 22% depreciation throughout the year.

The bonds yields grew fast throughout the year with its peak in October. However, this was followed by unexpected strengthening and decline in interest rates in response to falling inflation pressure and expected deep interest rate cuts by the central bank.

- Financial standing of BZWBK Group in 2008

Profit and Loss Account

In 2008, BZWBK Group generated PBT of PLN 1.2bn, i.e. down 13% y-o-y. Net profit attributable to BZWBK shareholders amounted to PLN 855.5m and was down 10.4% y-o-y. This profit was generated in a much more difficult economic environment than a year ago and is the effect of diversifying the income streams, dynamic growth of business lines and expansion of BZWBK Group delivery channels.

Income

Net interest income amounted to PLN 1.6bn and was up 27.1% y-o-y due to rapid growth of the Group's loans and deposits. The increase in interest costs was substantially faster at the year-end when the Bank started to offer short-term deposits at attractive prices.

Net commission income reached PLN 1.4bn and was up 10.1% y-o-y, mainly as a result of unfavourable conditions on the capital markets. Business line not directly linked to the stock market recorded a significant growth: bancassurance, e-banking and credit fees.

Net trading income and revaluation decreased by 45.7% y-o-y to PLN 36.9m, mainly due to the Bank's lower income from derivatives (decrease by PLN 81m). This adverse change was substantially mitigated by the increase in income from FX swap transactions in the interbank market (by PLN 40.4 m).

Net income from other financial instruments amounted to PLN 58 m, which includes among other profit from the sale of shares of companies from the Bank's investment portfolio, namely MasterCard Int. (PLN 22.4 m) and Commercial Union PTE BPH CU WBK S.A. (PLN 20.6m).

Costs

The Group's total costs increased by 5.4% y-o-y to PLN 1.7bn.

Staff costs and operating costs of PLN 1.5bn were up 8.6% y-o-y, primarily due to dynamic development of distribution channels.

Staff costs increased by 6.1% y-o-y to PLN 894.4m as a result of a higher employment rate driven by BZWBK's growing branch network (1,135 new FTEs over 12 months) and salary rises related to annual performance reviews.

The Group's other operating costs increased by 11.8% y-o-y to reach PLN 650.8m. This growth was mainly driven by growing rental costs and service charges. The Group's savings initiatives coupled with rigorous planning and control of operating cost budgets minimised operating costs.

- Balance sheet

As at 31 December 2008, the Group's total assets increased by 40% to reach PLN 57.8bn. The Group's balance sheet and its structure is determined by the Bank's balance sheet which accounts for 95.5% of the consolidated BS total.

Loans

As at the end of December 2008, customers' gross loans and advances amounted to PLN 36.0bn and were up by 46.8% y-o-y.

The business loan portfolio amounted to PLN 23.3bn and was up by 46.1% y-o-y. The lending business was largely impacted by businesses conducting long-term investments.

The personal loan portfolio increased by 51.2% y-o-y to PLN 9,2bn owing to a strong growth in cash and mortgage loans. Cash loans grew by 71%. Mortgage loans grew by 49.5% y-o-y.

The leasing portfolio increased by 27.9% up to PLN 3bn as a result of sales by both subsidiaries (BZ WBK Leasing S.A. and BZ WBK Finanse & Leasing S.A.).

Bank Zachodni WBK Group complies with the Banking Law Act's requirements with regard to the concentration limit of exposures to a single entity or to a group of entities

connected in terms of capital or organisation. The bank also maintains the adequately diversified credit portfolio in line with its lending policy towards sectors and groups as well as capital units from different industries. The policy envisages providing loans to low-risk industries and reducing its exposure towards high- or higher-risk industries. As at the end of December 2008, the highest concentration level was recorded in the "property sector services" (19%) and "construction" (14%) (as per the Polish Classification of Businesses).

The loan impairment charge to the profit and loss account was PLN 364.6m vs. PLN 3.9 m in the corresponding period last year.

The level of impairment charges results from changes in the macroeconomic environment, growth in the Group's credit portfolio (+47% y-o-y) and adjustment of the credit risk management principles to the new market conditions. However, the key factor is the increased credit risk arising from the economic slowdown and deteriorating financial standing of large corporations and many households.

On a regular basis, the Group reviews its individually significant exposures and the parameters under the collective approach to ensure a prompt and correct recognition of impairment charges for incurred-and-reported losses as well as incurred-but-not-reported losses.

As at the end of December 2008, the NPLs accounted for 2.9% of the gross portfolio vs. 2.8% as at the end of 2007. The provision cover ratio for the NPLs stood as 55% vs. 65.3% as at December 2007.

Deposits

As at the end of 2008, customers' deposits reached PLN 42.8bn and were up 43.8% y-o-y. Current account balances and term deposits amounted to PLN 16.7bn and PLN 25.7bn, respectively.

In 2008, term deposits grew dynamically and were up 80% against YE2007. This growth was achieved owing to the Bank's attractive proposition of IMPET term deposits and extensively advertised 3-month "Quickly Earning" deposits which amassed PLN 7.5bn as at the end of December 2008.

Current account balances increased by 11.1% owing to growth in savings account balances (PLN 6.8bn as at the end of December 2008).

- BZWBK share price

The developments on the Warsaw Stock Exchange in 2008 reflected sentiments on global capital markets in the wake of the financial crisis (bankruptcy of American banks, the interbank market in limbo, turbulences on the European bank market) and widespread recession in the global economy (confirmed by economic data published in Q4 2008). Global downturn on stock exchanges resulted in the disposal of shares on local stock exchanges, in particular in June, October and November. In effect, indices declined by nearly 50% to reach the level recorded in the years 2003-2005.

In 2008, the BZWBK share price declined by 55.6% (from PLN 249.80 as at 2 January 2008 to PLN 110.80 as at 31 December 2008) vs. decline of WIG Banki index and WIG 20 index by 43.8% and 47.7%, respectively.

- Rating

Financial credibility of Bank Zachodni WBK S.A. is assessed by Fitch Ratings Ltd. under a bilateral agreement. According to the last communication dated 15 January 2009, Fitch Ratings Ltd. confirmed individual rating “C” (adequate bank) for Bank Zachodni WBK S.A. and reduced “Long-term IDR” from “A+” to “BBB+” “Short-term IDR” from “F1” to “F2”. Rating prospects were assessed as stable. Additionally, the support for bank rating was downgraded from “1” to “2”.

Lower Long-term IDR and Short-term IDR resulted from changes in the assessment of credibility of the major shareholder (AIB) and reflects AIB’s lower capacity to ensure support for Bank Zachodni WBK. Lower individual rating for AIB (change from “B” to “C”) results from projections of decline in the quality of assets and financial performance in the Irish banking sector in connection with worse macroeconomic conditions and prospects for economic growth in the Republic of Ireland. Nonetheless, Fitch Ratings noted that AIB has a significant share in the Irish retail/business/mortgage loans market which should positively influence AIB’s performance.

The Long-term IDR and Short-term IDR awarded to BZWBK is based on still high probability of support which the Bank, if necessary, could be provided with by AIB as well as on BZWBK’s internal strength which is confirmed by the individual rating at “C”.

According to Fitch Ratings Ltd., confirmation of Long-term IDR and Short-term IDR for BZWBK proves its stable position on the market, a solid balance sheet structure, profitability and liquidity as well as adequate capitals.

- Corporate Governance, Best Practice, Market Confidence

BZWBK was awarded the first prize for the best capital market specialist in the „Premium Brand” rating. BZWBK won in all the key categories. It was awarded as the Most Reputable Company in Poland and won in the ‘finance’ category. Business investors also recognised BZWBK as the Most Reliable Company, the Best Image Company. BZWBK Management Board was acknowledged as the Most Reputable Management Board.

The Independent Listed Companies Reputation Ranking among Business Investors covered 80 companies listed on the Warsaw SE. 600 business investors took part in the ranking. The sample ranged from 25%-50% of all the representatives of business investors, so full representativeness was ensured.

In the Pentor’s survey “Listed Company of the Year” dated February 2008, published in *Puls Biznesu* (the survey was conducted among capital market specialists – 60 analysts, 60 brokers, 60 business advisors), BZWBK was awarded the second prize, following

TVN and preceding all other listed companies. In the Best Investor Relations category, BZWBK took the second place following ING BSK (Puls Biznes dated 8 February 2008; the 8th place in 2006 and the 2nd place in 2007).

2. Assessment of the Internal Control System and the Risk Management system

- Internal Control System

As required by the Statutes, the bank operates an internal control system, supporting the decision-making processes and contributing to efficient operation of the bank, reliability of financial reporting and compliance with the internal and external regulations.

The bank's internal control system is adjusted to the bank's organisational structure and risk management system as well as the size and complexity of the bank's business. The system includes all units across the bank as well as its subsidiaries.

Internal control and risk management systems are structured into three lines of defence. The first line ensures compliance with procedures and response to any identified deficiencies or shortcomings. It underlies reviews of procedures and effectiveness of controls across the organizational structure.

The second line are specialist functions which assist the management in risk management and identification as well as assessment of the first line controls.

The third line is the Internal Audit Area which provides an independent and objective examination and assurance on first and second tier controls as well as the management of the bank, including the risk related to the bank's business. The Audit Committee of the Supervisory Board exercises oversight over the Internal Audit Area. The Audit Committee approves annual audit plan and is regularly updated on audit results and progress of management actions.

This way the Management Board and Supervisory Board receive regular and detailed information on compliance with internal and external regulations, identification of deficiencies and errors and remedial actions, completeness and correctness of accounting procedures as well as adequacy, effectiveness and security of the IT system. Deficiencies found in the course of internal controls are used to improve the existing processes and security solutions as well as to amend internal processes and regulations.

- Risk Management

Bank Zachodni WBK has an integrated risk management structure ensuring that all risks with material impact on the bank's operations are identified, measured, monitored and controlled. In the Board opinion this structure is appropriately matched to the bank's size and risk profile. Direction for the risk management strategy is set by the bank's Management Board. The Management Board approves risk management policies and its members participate in the committees supporting overall risk management and the review / approval of key risks. The risk

management framework is embedded in the bank's existing organisational structure, reflecting the bank's size and risk profile. Direct risk oversight is exercised by appropriate committees to which the Management Board delegated its authority for managing the key risks.

One of the main elements of risk management in the bank is the level of acceptable risk in the daily operations. This risk level is expressed in the form of limits set out in the "Risk Appetite Statement" recently approved by the Management Board and the Supervisory Board. The bank's risk appetite is kept adjusted to the current market environment.

The bank has methodologies and processes in place for identification and evaluation of risks to determine their impact on the bank's operations now and in the foreseeable future (bottom-up approach). The identified risks are managed through a suite of policies and best practices to keep risk at an acceptable level. The bank uses risk evaluation techniques tuned to the different types and materiality of risks, including:

- customer / facility grading – for credit risk;
- VaR methodology – for market risk;
- SART methodology – self-assessment for operational risks.

To ensure comprehensive risk evaluation across the bank, the Management Board also uses the top-down approach, which entails review of key risks, legal and regulatory risks and material risks. The output of the key risks review is a list of Top 5 risks of the BZ WBK Group. The role of the legal and regulatory risks review is to identify, measure and monitor these risks to ensure compliance with external regulations. The material risks review is an element of the capital adequacy assessment process which seeks to determine any additional demands on capital. In 2008, the risk identification and assessment processes were compliant with the Bank's policies. All exceptions to the risk management policies were approved by the Management Board.

The comprehensive structure of the risk management in the bank is augmented by a clear system for reporting on the size and types of risks and risk limit excesses. The reporting system includes the key management levels. Periodic reports on risk assessment and evaluation of the mitigating actions taken by the Management Board are submitted to the Supervisory Board.

Refers to item 10 of the agenda

Resolution

Pursuant to art. 395, §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr. Aleksander Szwarc, the Chairman of the Bank's Supervisory Board, is granted the word of approval for performance of his duties in the period from 1. 01. 2008 to 31. 12. 2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Resolution

Pursuant to art. 395, §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr. Gerry Byrne, the Vice Chairman of the Bank's Supervisory Board, is granted the word of approval for performance of his duties in the period from 1.01.2008 to 31.12.2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Resolution

Pursuant to art. 395, §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr. Waldemar Frąckowiak, the member of the Bank's Supervisory Board, is granted the word of approval for performance of his duties in the period from 1.01.2008 to 31.12.2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Resolution

Pursuant to art. 395 §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr. Aleksander Tadeusz Galos, the member of the Bank's Supervisory Board, is granted the word of approval for performance of his duties in the period from 1.01.2008 to 31.12.2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Resolution

Pursuant to art. 395, §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr. James Edward O'Leary, the member of the Bank's Supervisory Board, is granted the word of approval for performance of his duties in the period from 1.01.2008 to 31.12.2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Resolution

Pursuant to art. 395, §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr. Maeliosa OhOgartaigh, the member of the Bank's Supervisory Board, is granted the word of approval for performance of his duties in the period from 1.01.2008 to 31.12.2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Resolution

Pursuant to art. 395, §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr. John Power, the member of the Bank's Supervisory Board, is granted the word of approval for performance of his duties in the period from 1.01.2008 to 31.12.2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Resolution

Pursuant to art. 395, §2 point 3 of the Commercial Companies Code, the following is hereby resolved:

§ 1

Mr. Jacek Ślotała, the member of the Bank's Supervisory Board, is granted the word of approval for performance of his duties in the period from 1.01.2008 to 31.12.2008.

§ 2

The resolution becomes effective as of the date of its adoption.

Refers to item 12 of the agenda

Resolution of the General Meeting of Shareholders
concerning amendment to the Bank's Statutes.

§ 1

Pursuant to art. 430 of the Commercial Companies Code, the General Meeting of Shareholders hereby resolves to introduce the below-listed amendments to the Bank's Statutes:

1) in § 7 section 2:

- a) point 7 g) shall now read:
“g) providing leasing, factoring, forfeiting services as well as stand-by and firm commitment underwriting,
- b) point 11 shall now read:
“11) insurance intermediation and agency in selling lease, factoring and forfeiting products”;
- 2) §32 shall be amended to include point 18 which reads as follows:
“18) approval of the internal audit policy as defined by the Management Board.”;
- 3) §37 section 3 point 2 shall now read:
“2) the Management Board member the appointment of whom requires approval of the Financial Supervision Commission is in charge of the investment banking.”;
- 4) §42 section 6 shall be amended to include the new sentence as follows:
“The remuneration of the Head of the Internal Audit is set as recommended by the Chairman of the Audit Committee and the Chairman of the Nominations and Remuneration Committee.”.

§ 2

Amendment to the Statutes specified in § 1 must be approved by the Financial Supervision Commission.

§ 3

The Resolution becomes effective upon registration of the foregoing amendments by a relevant registry court.

Refers to item 13 of the agenda

Resolution of the General Meeting of Shareholders
on adopting the uniform text of the Bank’s Statutes

§1

Pursuant to art. 430 of the Commercial Companies Code, the General Meeting of Shareholders hereby resolves to adopt the uniform text of the Bank’s Statutes, which reads as follows:

„Statutes of Bank Zachodni WBK S.A.”

I. General Provisions

§ 1.

The name of the Bank is “Bank Zachodni WBK Spółka Akcyjna.

§ 2.

The founder of the Bank is the State Treasury.

§ 3.

The Bank has its registered seat in Wrocław.

§ 4.

The Bank operates in the territory of the Republic of Poland and abroad.

§ 5.

The Bank can establish branches and other units in Poland and abroad.

§ 6.

Provisions of the Commercial Companies Act and the Banking Law apply to all matters not regulated herein.

II. Scope of Business

§ 7.

The scope of the Bank’s business includes:

1. The following banking operations:

- 1) accepting money deposits payable on demand or at a due date as well as operating accounts for these deposits, including accepting and depositing cash in domestic and foreign banks;
- 2) operating other bank accounts,
- 3) granting loans,

- 4) granting and confirming bank guarantees as well as opening and confirming letters of credit,
 - 5) issuing banking securities,
 - 6) performance of financial settlements,
 - 6a) issue of electronic money instrument,
 - 7) granting cash advances,
 - 8) concluding check and B/E transactions,
 - 9) issuing payment cards and processing card operations,
 - 10) performing term financial transactions,
 - 11) trading in receivables,
 - 12) safekeeping of objects and securities as well as providing access to safe deposit boxes,
 - 13) providing agency services in international funds transfers and settlements in international trade,
 - 14) granting and confirming guarantees,
 - 15) performing operations related to the issue of securities,
 - 16) acting as the representative of bond holders.
 - 17) purchase and sale of fx values
2. Other operations consisting in:
- 1) taking up or acquiring shares and units and/or rights attached to shares of another corporate entity and contributions to limited partnerships or limited joint stock partnerships, or units and investment certificates in investment funds and making contributions to limited liability companies within the limits specified by the Banking Law act,
 - 2) raising liabilities related to the issue of securities,
 - 3) trading in securities in the Bank's own account or at the request of third parties,
 - 4) performing swaps of debts into components of the debtor's assets,
 - 5) acquiring and disposing of real estates and debts secured with mortgage,
 - 6) providing consulting and advisory services in relation to financial matters,
 - 6a) providing certification services in accordance with the electronic signature regulations, excluding qualified certificates,

- 7) providing other financial services including:
 - a) operating brokerage activities and agency in operating brokerage activities, operating securities accounts and agency in selling units and investment certificates of investment funds,
 - b) providing agency and co-operation in obtaining loans and advances,
 - c) performing collection activities on the basis of documents certifying the existence of cash receivables,
 - d) concluding and executing agreements with businesses, including foreign ones, on agency in lodgments to bank accounts,
 - e) financial and operational participation in international projects and undertakings,
 - f) performing fiduciary activities,
 - g) providing leasing, factoring, forfeiting services as well as stand-by and firm commitment underwriting,
 - h) trading in transferable property rights from securities and in transferable property rights, the price of which directly or indirectly depends on the price of securities (derivatives) – in the Bank’s account or at the request of third parties,
 - i) performing activities, as requested by the Minister of Treasury and set forth in the Act of 30/08/1996 on commercialization and privatization of state owned enterprises,
 - j) accepting the State Treasury shares for management.
- 8) Providing sales-related services for open pension funds,
- 9) Performing the function of a custodian as specified in regulations on organization and functioning of pension funds,
- 10) Performing the function of a custodian as specified in regulations on organization and functioning of investment funds,
- 11) Insurance intermediation and agency in selling lease, factoring and forfeiting products,
- 12) providing companies connected with the Bank or with the parent company with supporting financial services related to the use of IT systems and technologies,

including data processing, development, operation and maintenance of software and IT infrastructure and advisory services in that respect,

- 13) providing services related to maintenance of investment fund participant registers, including especially: management of participant instructions and registers, management of direct payments, management of distributor register and agency in settlements with them, dealing with complaints and correspondence with customers of the funds, providing data from the transaction register to duly authorised bodies, data archiving, providing software to distributors and its maintenance, administrative service of bank accounts owned by funds,
 - 14) providing services related to the maintenance of pension fund participant registers,
 - 15) maintenance of books for investment and pension funds.
3. The Bank can also perform, upon the request of other entities, the operations referred to in Sections 1 and 2, as long as these operations fall within the scope of the mandating entity's activities.
 4. In the course of its operations, the Bank co-operates with domestic, foreign and international banks and financial institutions.
 5. The Bank provides services in the area of cash transport.

§ 8.

The Bank may establish or join clearing houses organized under the Commercial Companies law, for the purpose of exchanging payment orders and making mutual settlements resulting from such orders.

§ 9.

If, under any special provision, the Bank is required to obtain separate permits to conduct any of the operations listed in § 7 hereinabove, such operations may only be performed only after such permit has been obtained.

III. The Bank's share capital

§ 10.

The share capital of the Bank amounts to PLN 729,602,840 (seven hundred twenty nine million six hundred and two thousand eight hundred and forty zloty) and is divided into 72,960,284

(seventy two million nine hundred and sixty thousand two hundred and eighty four) bearer shares of the nominal value of PLN 10 (ten zloty) each, including:

- 1) 5,120,000 (five million one hundred and twenty thousand) series A ordinary bearer shares,
- 2) 724,073 (seven hundred and twenty four thousand and seventy three) series B ordinary bearer shares,
- 3) 22,155,927 (twenty two million one hundred and fifty five thousand nine hundred and twenty seven) series C ordinary bearer shares,
- 4) 1,470,589 (one million four hundred and seventy thousand five hundred and eighty nine) series D ordinary bearer shares,
- 5) 980,393 (nine hundred and eighty thousand three hundred and ninety three) series E ordinary bearer shares,
- 6) 2,500,000 (two million and five hundred) series F ordinary bearer shares,
- 7) 40,009,302 (forty million nine thousand three hundred and two) series G ordinary bearer shares.

§ 10a

1. The share capital is conditionally increased by the maximum, nominal value of PLN 3.500.000 (say: three million five hundred thousand Polish zloty).
2. The Bank's share capital shall be conditionally increased by way of issuing new, ordinary and bearer shares, H series of a nominal value PLN 10 (say: ten Polish zloty) each, in a number not higher than 200,000 (say: two hundred thousand).
3. The H series shares shall be taken up by persons authorised on the strength of bonds issued in accordance with the General Shareholders' Meeting resolution regarding the issue of bonds with pre-emptive rights under the Incentive Scheme.
4. The Bank's share capital shall be conditionally increased by way of issuing new, ordinary and bearer shares, I series of a nominal value PLN 10 (say: ten Polish zloty) each, in a number not higher than 150.000 (say: one hundred fifty thousand).
5. The I series shares shall be taken up by persons authorised on the strength of bonds issued in accordance with the General Shareholders' Meeting resolution regarding the issue of bonds with pre-emptive rights under the Incentive Scheme II.

§ 11.

Bearer shares are shares admitted to public trading.

§12.

Shares can be redeemed, following the shareholder's approval, by way of their purchase by the Company (voluntary redemption).

§ 13.

1. The Company can purchase the shares it issued with a view to redeeming them not earlier, however, than after the GM has passed a resolution approving this redemption.
2. Resolution referred to in item 1 should define the legal basis for the redemption, the minimum amount of the remuneration that the shareholder of the redeemed shares is entitled to or rationale behind redeeming the shares without remuneration, the way of reducing the share capital and the source of financing the redemption, maximum number of shares that the Company can purchase for redemption, the maximum total purchase price and the timeframe when the shares should be purchased.

§ 14.

The Company's Management Board announces the information about purchasing shares for redemption not later than within 30 days after the date when the shares are to be purchased as stipulated in the resolution referred to in § 13, convening at the same time, the general meeting of shareholders to pass a resolution on the redemption of the purchased shares and reduction in the share capital.

§ 15.

If the Company does not conclude any agreement on the purchase of shares for redemption within the timeframe specified in the resolution referred to in §13, the Management Board shall announce the ineffective expiration of the deadline within 30 days after this expiration.

§ 16.

Voluntary redemption must not be carried out more often than once in an accounting year.

§ 17.

The Bank can issue convertible bonds.

IV. The Authorities of the Bank

§ 18.

The authorities of the Bank are:

1. General Meeting of Shareholders;
2. Supervisory Board;
3. Management Board.

V. General Meetings of Shareholders

§ 19.

1. General Meetings may be either ordinary or extraordinary.
2. The Ordinary General Meeting should be held annually, not later than by the end of June every year.
3. The Extraordinary General Meeting is convened in the circumstances specified in the Commercial Companies Code.
4. The General Meeting of Shareholders is held in the Bank's registered office, in Warsaw or in another location indicated in the notice of General Meeting.

§ 20.

1. The Ordinary General Meeting is convened by the Management Board.
2. The Supervisory Board can convene the Ordinary or Extraordinary General Meeting of Shareholders in the circumstances specified in the Commercial Companies code and when the Management Board fails to convene it within two weeks from the date of submitting such a request by shareholders who represent at least one tenth of the share capital.

§ 21.

The draft resolutions and other important materials proposed to be adopted by the AGM should include the rationale and the opinion of the Supervisory Board, except for the issues related exclusively to the Supervisory Board.

§ 22.

Each share entitles to one vote.

§ 23.

Chairman or Vice Chairman of the Supervisory Board opens each General Shareholders' Meeting and conducts an election of the Chairman of the Meeting. If none of the above is available to open the General Shareholders Meeting, the Meeting shall be opened by a member of the Supervisory Board.

§ 24.

1. The General Shareholders' Meeting adopts resolutions on matters solely within their discretions, arising in particular from the Commercial Companies code regulations, banking law and Statutes.
2. Purchase or disposal of real estate, perpetual usufruct rights or a share in real estate does not require a resolution of the General Shareholders' Meeting.

VI. Supervisory Board

§ 25.

1. The Supervisory Board consists of at least 5 (five) members appointed for a joint three year term of office. Members and Chairman of the Supervisory Board are appointed and recalled by the General Shareholders' Meeting. The Management Board informs the Financial Supervision Commission about the composition of the Supervisory Board. At least half of the Supervisory Board's members, including its Chairman, should hold Polish citizenship.
2. At least two members of the Supervisory Board should meet the criteria of being independent from the company and entities with significant connections with the company. The criteria of independence of Supervisory Board members are defined in the Terms of Reference of the Bank's Supervisory Board.

§ 26.

The Supervisory Board appoints Vice Chairman of the Board and may appoint a Secretary of the Board from amongst its members.

§ 26a

1. From amongst its members the Supervisory Board may appoint an Audit Committee or other committees to support and facilitate the work of the Supervisory Board.
2. The terms of reference for such committees are determined by the Supervisory Board.

§ 27.

1. The Supervisory Board members can perform their duties in person only.
2. The remuneration of the Supervisory Board members is set by the General Meeting of Shareholders.

§28.

The Supervisory Board operates pursuant to the terms of reference it adopted. The terms of reference of the Supervisory Board specify its organization and manner of operations.

§ 29.

1. Meetings of the Supervisory Board are convened by Chairman or Vice Chairman of the Supervisory Board on their own initiative, upon a motion of the Management Board or at the request of a member of the Supervisory Board.
2. Meetings of the Supervisory Board may also be held without the need of gathering all members in one place by using telecommunications or audio-visual media that enable simultaneous communication of all the meeting attendees. The rules of organizing meetings according to this procedure are set out in the Supervisory Board Regulations.

§ 30.

1. Resolutions of the Supervisory Board are adopted by an absolute majority of votes of the Board members attending the meeting. In the event of a parity of votes, the Chairman of the Supervisory Board has a casting vote.
2. If necessary, resolutions of the Supervisory Board may be adopted by way of a written procedure. Resolutions adopted pursuant to the written procedure are presented for approval to all members of the Supervisory Board, and become effective once they have been signed by at least half of the Supervisory Board members, including its Chairman.

3. Members of the Supervisory Board may participate in passing resolutions by means of a written proxy vote through another member of the Supervisory Board. A written vote may not be cast in the case of matters introduced to the agenda during a Supervisory Board meeting. The rules of voting by means of this procedure are determined by the Supervisory Board Regulations.

§ 31.

The Supervisory Board expresses its opinion on all motions and requests that require a resolution of the General Shareholders' Meeting, except for matters related exclusively to the Supervisory Board.

§ 32.

The Supervisory Board exercises on-going supervision over the Bank's activities. In addition to the statutory rights and responsibilities and those set forth in the Bank's Statutes, the Supervisory Board has the power to:

- 1) examine the financial statements in terms of their compliance with books, documents and current status;
- 2) approve annual and long-term development plans for the Bank and financial plans for its operations prepared by the Management Board, Bank's business strategy as well as prudent and stable management of the Bank;
- 3) approve motions of the Bank's Management Board concerning the establishment and liquidation of Bank's branches abroad;
- 4) approve equity investments by the Bank, if
 - the value of such investment exceeds a PLN equivalent of EUR 4,000,000, where "the investment value" means the purchase price or sales price of a particular asset, or
 - the value of a such investment exceeds EUR 400,000 and at the same time, if as a result of such investment the Bank's shareholding in another entity is equal to 20% of votes or exceeds 20% of votes or drops below the level of 20% of votes at the AGM or the Meeting of Partners, while "the value of investment" shall mean the purchase price or the sales price of a given asset,

except for agreements on underwriting securities issues, if the total exposure of the Bank arising from such agreement does not exceed one tenth (1/10) of the total equity of the Bank;

An equity investment is understood, in particular, as joining by the Bank and exiting from joint undertakings, i.e. incorporating and dissolving commercial law companies, joining and exiting commercial law companies, including contributions made to limited partnerships or limited joint stock partnerships. Purchase of shares and interests with a guarantee of their repurchase by another entity is not an equity investment.

- 5) approve acquisition, disposal or encumbrance of fixed assets (as defined in the Accounting Act), in particular any real estate, if the value of such fixed asset exceeds a PLN equivalent of EURO 4,000,000 except for seizing a real estate by the Bank as a mortgage creditor, as a result of an ineffective auction conducted under execution proceedings, or as a result of repossessing another fixed asset or securities by the Bank as the creditor secured by a registered pledge in line with the regulations on registered pledges and pledge register, or a creditor secured by repossession of the security in line with the regulations of the Banking Law Act;
- 6) examine the Management Board's reports and its motions regarding the profit distribution or coverage of losses;
- 7) determine remuneration of the Management Board members;
- 8) conclude contracts on behalf of the Bank, falling within the authority of the Supervisory Board, including employment contracts or management contracts with Members of the Management Board, where the Supervisory Board may appoint its Chairperson or another Supervisory Board member to submit a declaration of will in this respect,
- 9) adopt the Management Board's Regulations and other banking regulations as set forth in the Statutes and other sets of legal regulations and approve the Bank's Organizational Regulations and the Policy on the internal control system;
- 10) appoint a chartered auditor to audit the financial statements of the Bank;
- 11) apply to the Financial Supervision Commission for a consent to appoint two members of the Management Board of the Bank, including the President;

- 12) inform the Financial Supervision Commission on other Management Board members and, each time, on changes to the Management Board composition and those who, based on the internal split of responsibilities, are responsible for the operation of the Internal Audit Function and for credit risk management;
- 13) appoint and recall President of the Management Board and other members of the Management Board;
- 14) suspend Management Board members from office, for important reasons, and second members of the Supervisory Board to temporarily perform duties of those Management Board members who cannot perform their roles,
- 15) present the concise assessment of the Bank's standing to the AGM on an annual basis, including evaluation of the internal control system and the material risk management system,
- 16) approval of the Bank's business activity risk management policy as defined by the Management Board and the acceptable total risk exposure,
- 17) approval of the internal capital estimation and maintenance policy as defined by the Management Board,
- 18) approval of the internal audit policy as defined by the Management Board.

§ 33.

The Supervisory Board is entitled to make recommendations to the Management Board of the Bank, in particular, these regarding financial and organizational restructuring of the Bank, and concluding long-term agreements binding upon the Bank by the Management Board.

VII. Management Board

§ 34.

The Bank's Management Board consists of at least three members, including President. Management Board members may perform functions of the first vice-president and vice-presidents of the Management Board. Appointment to these functions is made by the Supervisory Board [at least half of the Management Board members must be of Polish citizenship].

§ 35.

The Supervisory Board appoints and recalls President of the Management Board and the remaining members of the Management Board.

§ 36.

1. The Management Board's term of office is three years.
2. The Management Board members are appointed for a joint term of office.

§ 36a.

1. The decisions to incur obligations or transfer assets whose total value for one entity exceeds 5% of the Bank's own funds are made by the Management Board, except as provided in section 2 and § 32 point 4 and 5.
2. The decisions referred to in section 1 may be taken by the Bank's Committees or other persons duly authorised by the Management Board by way of a resolution.

§ 37.

1. The Management Board manages the Bank's-related issues unless specified otherwise in clause 2 and 3.
2. The President of the Management Board can, by way of an ordinance, vest individual Management Board members with the power to handle individual issues based on the internal split of responsibilities within the Management Board, and also can allocate some temporary tasks to them.
3. Pursuant to the internal split of responsibilities within the Management Board:
 - i. in particular, President of the Management Board is in charge of the internal audit unit and risk management function, including credit risk management,
 - ii. the Management Board member the appointment of whom requires approval of the Financial Supervision Commission is in charge of the investment banking.
4. The President of the Management Board manages the work of the Management Board, in particular, convenes the Management Board meetings, sets the agenda and chairs the

meetings. The President has also the casting vote when two sides have exactly the same number of votes.

§ 37a.

Bodies entitled to issue internal regulations:

- 1) as regards issues requiring a decision of the General Meeting – the General Meeting in a form of a resolution;
- 2) as regards issues requiring a decision of the Supervisory Board – the Supervisory Board in the form of a resolution;
- 3) as regards issues requiring a decision of the Management Board and/ or approvals of the Supervisory Board or the General Meeting – the Management Board in the form of a resolution, provided however, that the required approval has been obtained.
- 4) as regards issues requiring the decision of the Management Board but not requiring an approval of another body – the Management Board in the form of a resolution,
- 5) as regards issues important for the Bank, which go beyond the scope of the operations of an individual division – the President of the Management Board in the form of an ordinance;
- 6) as regards operations of the reporting divisions – the Management Board member in the form of an ordinance;
- 7) as regards issues specified in the sets of regulations referred to in points 4-6 above – the Bank Director in the form of an ordinance;
- 8) as regards issues referred to in the Management Board resolution re. establishment of a committee – the committee chairman in the form of an ordinance.

§ 38.

1. If necessary, resolutions of the Management Board may be adopted by way of a written procedure. Resolutions adopted pursuant to the written procedure are presented for approval to all members of the Management Board, and become effective once they have been signed by at least a half of the Board members, including its President.
2. In exceptional circumstances, the Management Board meetings can be held without the need to gather all the Management Board members in one location, but using telecommunication and audiovisual equipment to ensure concurrent communication of all

individuals attending the meeting. The rules underlying the organization of meetings are defined in the Regulations of the Management Board.

3. Members of the Management Board may participate in passing resolutions by means of a written proxy vote through another member of the Management Board. A written vote may not be cast in the case of matters introduced to the agenda during a Management Board meeting. The rules of voting by means of this procedure are determined by the Management Board Regulations.

§ 39.

The Management Board manages the Bank and represents it. All matters that are not within the sole competence of other authorities of the Bank on the basis of provisions of law or these Statutes, shall remain within the Management Board's scope of responsibilities.

§ 40.

The following individuals are authorized to make declarations of will on behalf of the Bank:

- a) President of the Management Board acting severally,
- b) two members of the Management Board acting jointly, or a member of the Management Board acting jointly with a commercial representative, or two commercial representatives acting jointly.

Authorized representatives to act severally or jointly with any of the persons listed in letter b. or with another authorized representative can be appointed.

VIII. Organization of the Bank

§ 41.

1. The Bank's basic organizational structure is as follows:

1) the Business Support Centre – acting as the head office;

The following units operate within the Business Support Centre:

- a) divisions,
- b) areas,
- c) centers,
- d) departments,
- e) offices,
- f) stand-alone teams,

- 2) Branches.
2. The detailed organizational structure of the Bank is outlined in the Bank's Organizational Regulations adopted by the Management Board and approved by the Supervisory Board and the related resolutions issued by the Bank's Management Board.
3. There are also Committees established by the Management Board operating in the Bank.

§ 42.

1. The Bank operates an internal control system, which supports decision-making processes to ensure effectiveness and efficiency of the Bank's activities, reliability of financial reporting and compliance of the Bank's actions with legal requirements and internal regulations.
2. The internal control system includes:
 - 1) risk controls,
 - 2) monitoring and testing of Bank's compliance with external and internal regulations,
 - 3) internal audit.
3. The Internal Audit Function is responsible for the independent and objective audit and evaluation of the adequacy and effectiveness of the Bank's internal control system and for providing its opinion concerning the management of the Bank's activity, including the effectiveness of management of risks connected with this activity.
4. The Bank's Management Board is responsible for designing, implementing and functioning of the system of internal control.
5. The Supervisory Board is responsible for the supervision over the implementation of the internal control system and for assessing its adequacy and effectiveness.
6. The Supervisory Board opines on the appointment of the Head of the Internal Audit by the Management Board as well as termination of his/her employment and rules of compensating members of the Internal Audit Function. The remuneration of the Head of the Internal Audit is set as recommended by the Chairman of the Audit Committee and the Chairman of the Nominations and Remuneration Committee.
7. The Audit Committee of the Supervisory Board supervises the activity of the Internal Audit Function.
8. Information on identified irregularities, findings from internal audits and actions taken to remove these problems is provided periodically (at least once a year) to the Supervisory Board.

9. Internal control procedures are defined in detail by the Management Board, by way of a resolution (which is subject to the Supervisory Board's approval).

IX. Equity and funds of the Bank

§ 43.

The Bank has equity adequate to the scale of its operations.

§ 44.

The equity of the Bank consists of:

1. share capital (Tier 1 capital)
2. supplementary funds

§ 45.

1. The supplementary capital is raised from:
 - a) share premium
 - b) allocations from after-tax profit.
2. At least (8%) eight per cent of the Bank's after-tax profit should be allocated to the supplementary capital as the annual transfers from the after-tax profit until the value of the supplementary capital equals at least one third of the value of the Bank's share capital. The amount is set by the General Shareholders' Meeting.
3. The supplementary capital may also be fed with funds coming from other sources, if permitted by law.
4. The supplementary capital is earmarked for covering the Bank's balance sheet losses. The decision on using the supplementary capital is taken by the General Shareholders' Meeting.

§ 46.

1. The reserve capital is created out of allocations from the after-tax profit, in an amount resolved by the General Shareholders' Meeting.
2. The reserve capital is earmarked for covering balance sheet losses, should they exceed the supplementary capital, or for other purposes. Decisions on using the reserve capital are taken by the General Shareholders' Meeting.

§ 47.

1. The general risk fund for non-identified risks of banking operations is raised from after-tax profit allocations in the amount resolved by the General Shareholders' Meeting.
2. The general risk fund is earmarked for the coverage of costs and losses related to non-identified risks of banking operations for which the Bank has not raised a separate provision.

§ 48.

1. The Bank raises and releases special funds pursuant to a resolution of the General Shareholders' Meeting, unless the obligation to raise special funds is stipulated by law.
2. Regulations of special funds are adopted by the Supervisory Board .

X. Financial Management

§ 49.

The Bank conducts its financial management based on financial plans approved by the Supervisory Board. Detailed principles of the Bank's financial management are set out by the Management Board.

§ 50.

1. The Bank may allocate its after-tax profit in the amounts determined by the General Shareholders' Meeting to:
 - a) supplementary capital
 - b) reserve capital
 - c) dividends to shareholders
 - d) special funds
 - e) general risk fund
 - f) other purposes.
2. The General Shareholders Meeting can allocate the dividend or part thereof to pay for shares to be taken up by the existing shareholders in the raised share capital of the Bank.
3. The dividend may be paid in the form of cash or securities. The dividend to the State Treasury, as the shareholder, shall be paid in cash.
4. The Bank's Management Board is authorized to make an advance payment of dividend anticipated for the end of the accounting year, provided the Bank has sufficient funds for

such a payment. The disbursement of such an advance payment requires approval of the Supervisory Board.

§ 51.

The Bank runs its accountancy in accordance with applicable regulations.

§ 52.

Annual financial statements should be produced not later than within three months after the end of each accounting year. The accounting year is a calendar year.

XI. Final Provisions

§ 53.

All announcements required by law are released by the Bank in “Monitor Sądowy i Gospodarczy” (Judicial and Business Journal).”.

§ 2

This Resolution shall become effective on the day of its adoption.