

18 February 2011



**Position of the management board of Bank Zachodni WBK S.A. regarding
the tender offer for the subscription of Bank Zachodni WBK S.A. shares
announced by Banco Santander S.A. on 7 February 2011**

Acting pursuant to Article 80 of the Act on Public Offerings and the Conditions for Introducing Financial Instruments to Organised Trading and on Public Companies of 29 July 2005 (the “**Act on Public Offering**”), the management board of Bank Zachodni WBK S.A., with its registered office in Wrocław, Poland (the “**Bank**”) (the “**Management Board**”), hereby presents its position regarding the public tender offer to acquire all the ordinary shares in the Bank (the “**Tender Offer**”) as announced by Banco Santander S.A., a company incorporated under the laws of Spain, with its registered office in Santander, Spain (“**Banco Santander**”), on 7 February 2011.

Pursuant to the contents of the Tender Offer circular, Banco Santander intends to purchase, as a result of the Tender Offer announced pursuant to Article 74 section 1 of the Act on Public Offering, 73,076,013 shares representing 100% of the share capital of the Bank and which collectively grant the holder of such shares the right to 73,076,013 votes at the general meeting of the shareholders of the Bank, which corresponds to 100% of the total number of votes at the general meeting of the shareholders of the Bank.

I Disclaimers

In order to prepare its position, the Management Board has analysed the following external sources of information and data available to them:

- the text of the Tender Offer circular;
- market prices of the Bank’s shares in the period of three and six months preceding the announcement of the Tender Offer; and
- information about an acquisition of material blocks of the Bank’s shares within twelve months preceding the announcement of the Tender Offer.

On 18 February 2011, Deutsche Bank AG, London Branch (“**Deutsche Bank**”) provided a written opinion to the Management Board subject to the assumptions, limitations and qualifications set forth therein. Deutsche Bank is acting as financial adviser to the Bank and is acting for no-one else in connection with the Tender Offer and will not be responsible to anyone other than the Bank for providing the protections afforded to customers of Deutsche Bank or for providing advice in connection with the Tender Offer or the contents of this document or any other matter. The opinion of Deutsche Bank is attached hereto.

For the purposes of the preparation of this position, the Management Board has not undertaken any actions to search for, collect or analyse data not coming from the Bank, except for studying the external sources of information and data indicated above.

Neither the Bank nor the Management Board shall be liable in any way for the truthfulness, reliability, completeness and adequacy of the information based on which this position has been formulated, with

the exception of information derived from the Bank concerning the operations, organization and development strategy of the Bank.

This position does not constitute any recommendation regarding the acquisition or sale of financial instruments as referred to in Article 42 of Act of 29 July 2005 on Trading in Financial Instruments. Each investor/shareholder should make his/her own assessment of the terms and conditions of the Tender Offer, including obtaining the individual advice of qualified advisor, in order to take a decision whether to respond to the Tender Offer, and any decision to sell the Bank's shares in response to the Tender Offer should be an independent business decision of each and every investor/shareholder.

II Strategic plans of Banco Santander towards the Bank

Pursuant to the contents of the Tender Offer circular, Banco Santander considers the Bank to be an attractive, long-term investment, and thus intends to strengthen the Bank's position as a leading bank in Poland. The acquisition of the Bank's shares is a strategic step for Banco Santander in the direction of the development of its presence in Poland. Banco Santander has a long history of successfully investing in the banking industry around the world and intends to use its experience and expertise in the Bank. Banco Santander's strategy is based on building a strong retail network in countries which it considers attractive to the banking sector and where Banco Santander may contribute to the growth of value. Banco Santander has an impressive track-record in successful mergers and acquisitions both domestically and internationally, which testifies to its commitment and close involvement in the markets in which it operates.

As outlined in the Tender Offer circular, Banco Santander has a customer-focused business model that delivers highly sustainable earnings and strong financial results. The model is founded on five pillars: (i) commercial focus; (ii) efficiency; (iii) geographical diversification; (iv) prudent risk management; as well as (v) capital discipline and financial strength.

Pursuant to the contents of the Tender Offer circular, it is Banco Santander's intention to apply the above-mentioned values to the Bank as well as to actively support the Bank's strategy and provide access to all the required resources, including access to Banco Santander's knowledge and expertise in effective management of investment structures and its international network to support the further development of the Bank. The partnership with Banco Santander will allow the management to accelerate the Bank's development and assess and implement development strategies to strengthen the Bank's position as a leading bank in Poland.

As outlined in the Tender Offer circular, Banco Santander intends to provide the Bank with further strategic support in developing certain commercial activities by tailoring the product offer, strengthening cross selling efforts (combining the Bank's experience and customer knowledge with the product know-how of Banco Santander) and providing training for the Bank's employees to increase the commercial efficiency of the front office. Furthermore, Banco Santander sees certain areas that would benefit from the synergies of closer integration with the existing operating platforms of the Banco Santander group, in particular in the areas of trade financing and Banco Santander's global presence, which would allow the Bank to utilise Banco Santander's global customer platform and strengths in other markets such as the United Kingdom, Germany, Spain, Portugal, Brazil, Mexico, Chile or the United States. This would promote the success and international development of its Polish clients and would simultaneously facilitate the provision of banking services to corporate customers around the world with an interest in investing in Poland.

Pursuant to the contents of the Tender Offer circular, Banco Santander intends to keep the Bank's shares listed on the Warsaw Stock Exchange.

III Management Board position regarding the strategic plans of Banco Santander

In the opinion of the Management Board, the strategic plans of Banco Santander with regard to the Bank, especially its declaration that it intends to strengthen the Bank's position as a leading bank in Poland, support the Bank's strategy and provide the Bank with access to all the required means, including access to Banco Santander's knowledge and skills of effective management of investment

structures and an international network, to support the Bank's continued development, would create opportunities for the Bank to grow and pursue its strategic targets.

IV Management Board position regarding the location of the Bank's future operations

In the Tender Offer circular, Banco Santander did not convey any information regarding the effect of the Tender Offer on the location of the Bank's future operations. However, taking into account the contents of the Tender Offer circular, especially Banco Santander's declaration that it intends to strengthen the Bank's position as a leading bank in Poland, support the Bank's strategy and provide the Bank with access to all the required means, including access to Banco Santander's knowledge and skills of effective management of investment structures and an international network, to support the Bank's continued development, there are no grounds to conclude that the Tender Offer might affect the location of the Bank's future operations.

V Management Board position regarding employment in the Bank

In the Tender Offer circular, Banco Santander did not convey any information regarding the effect of its Tender Offer on the employment in the Bank. However, taking into account the contents of the Tender Offer circular, especially Banco Santander's declaration that it intends to strengthen the Bank's position as a leading bank in Poland, support the Bank's strategy and provide the Bank with access to all the required means, including access to Banco Santander's knowledge and skills of effective management of investment structures and an international network, to support the Bank's continued development, there are no grounds to conclude that the Tender Offer might affect the employment in the Bank.

VI Impact of the Tender Offer on the Bank's interests

In the Tender Offer circular, Banco Santander did not convey any information regarding the effect of the Tender Offer on the Bank's interests. The Management Board believes that it is in the Bank's interest to attract a strong and stable strategic investor such as Banco Santander. Furthermore, taking into account the contents of the Tender Offer circular, especially Banco Santander's declaration that it intends to strengthen the Bank's position as a leading bank in Poland, support the Bank's strategy and provide the Bank with access to all the required means, including access to Banco Santander's knowledge and skills of effective management of investment structures and an international network, to support the Bank's continued development, the Management Board believes that the successful completion of the Tender Offer would create opportunities for the Bank to grow and pursue its strategic targets.

VII Management Board position regarding the price for the shares in the Bank proposed in the Tender Offer

As regards the price proposed in the Tender Offer, the Management Board wishes to point out that pursuant to Article 79 of the Act on Public Offering, the price for the shares in the Bank proposed in the Tender Offer may not be lower than:

- the average market price for the three months preceding the announcement of a tender offer during which the shares were traded on the main market;
- the average market price for the six months preceding the announcement of a tender offer during which the shares were traded on the main market;
- the highest price paid during the 12 months preceding the announcement of a tender offer for the shares covered by the tender offer by the entity obliged to announce such tender offer, its subsidiaries or parent entities, or entities being parties to an agreement reached with such entity, as referred to in Article 87, Section 1, Clause 5 of the Act on Public Offering; or
- the highest value of the assets or rights which the entity obliged to announce a tender offer, its subsidiaries or parent entities, or entities being parties to an agreement reached with such entity, as referred to in Article 87, Section 1, Clause 5 of the Act on Public Offering,

delivered in exchange for the shares tendered within 12 months preceding the announcement of the tender offer.

The average market price is equal to the arithmetic means of the average daily market prices of the Bank's shares weighted by the volume of trading on the Warsaw Stock Exchange in the respective period.

According to the Tender Offer circular:

- the average market price of the Bank's shares for the three months preceding the announcement of the Tender Offer amounts to PLN 213.25;
- the average market price of the Bank's shares for the six months preceding the announcement of the Tender Offer equals to PLN 207.63;
- neither Banco Santander nor its subsidiaries or dominant entities purchased the shares in exchange for a pecuniary or non-pecuniary performance during the 12-month period directly preceding the date of the announcement of the Tender Offer; and
- in the period of 12 months directly preceding the date of the announcement of the Tender Offer, Banco Santander was not a party to the type of agreement referred to in Art. 87 Section 1 Clause 5 of the Act of Public Offering.

Based on the above, the Management Board considers the price proposed in the Tender Offer to be in compliance with the minimum requirements set forth in Article 79 of the Act on Public Offering.

The price proposed in the Tender Offer is 6.4% and 9.3% higher than the average market price of the Bank's shares for the three and six months, respectively, preceding the announcement of the Tender Offer.

According to Article 80 section 2 of the Act on Public Offering, the Management Board considers that the price in the Tender Offer reflects the fair value of the Bank (in Polish: *wartość godziwa Banku*).

M. Morawicki