

**Gerald Byrne**  
Chairman

Warsaw, 23<sup>rd</sup> April, 2015

Dear Colleagues,

**Summary on 2014 :**

At our Annual General Meeting today the Bank's shareholders approved the Financial Statements for 2014.

The Financial Statements confirm the very strong position of our Bank which is well capitalized- has strong liquidity - and has reached new high levels of annual profits. Notwithstanding this strength, the shareholders meeting voted on retaining the 2014 profits in response to the KNF recommendation, pending establishing the appropriate capital levels required in the context of recent foreign currency volatility, particularly with the Swiss Franc – this aspect will be clarified and agreed with our Regulators later this year.

2014 has been another key milestone in the development of our Bank. The operational merger of the former Kredyt Bank into the enlarged Bank Zachodni WBK was completed with great success. We also acquired 60% shareholding in Santander Consumer Bank and our new subsidiary has been incorporated into the BZWBK Group structure.

These acquisitions and integrations were completed while the organic business continued to grow and prosper. The Bank continued to attract new clients across all sectors while existing clients became more engaged and did additional business and carried out more transactions with us than the previous year. The growth in customer activity has contributed greatly to BZWBK outperforming the sector on many fronts. The Bank achieved the highest Return on Capital – increased its liquidity – produced solid growth in profits notwithstanding the challenging external economic environment.

I want to take this opportunity to thank you all sincerely for your commitment and great individual contribution to the 2014 results. The bank is now very well positioned to have the ambition of becoming the best retail and commercial bank in Poland, that earns the lasting loyalty of our customers, our employees, our shareholders and local communities. I encourage you all to participate fully in transforming our bank towards achieving this goal.

**Supervisory Board Changes :**

Jose Antonio Alvarez recently appointed CEO of Santander Group resigned from our Board on the 5<sup>th</sup> February 2015. We have been fortunate to have Jose Antonio's contribution and vast experience since Santander acquired a majority stake in BZWBK in 2011. On behalf of the Board I extend our best wishes to Jose Antonio in his new central key role in the Group and he has our full support going forward.

The AGM voted for the appointment of Jose Garcia Cantera , Santander Group CFO, as a new member to our Board today. Jose has worked in many senior Executive functions in Santander Group – more recently Jose was Head of Santander GBM Division and was appointed Group CFO in late 2014. Jose has a lot of international experience and business skills and we look forward to having the benefit of his contribution to BZWBK future ambitions. On behalf of the Board and myself I extend a warm welcome to Jose.

## **Management Board Appointments :**

The term of office of the previous Management Board has expired and the Supervisory Board at the meeting today has appointed the following members of the Board for the new three year term.

I am pleased to advise that Mateusz Morawiecki has been reappointed as President of the Management Board. I want to take this opportunity to acknowledge the great achievements that our Bank has accomplished under Mateusz' executive leadership and I look forward to continuing to work closely with him going forward towards transforming the Organization into the best bank in the Polish market.

I also convey my thanks and appreciation to all of the Management Board members who have worked relentlessly over the last three years in developing our Bank into the strong entity that it is today. I want to particularly acknowledge Marco Silva and Piotr Partyga for their strong contributions and cooperation during the last Management Board term and wish them both the very best with their new endeavors. Marco will take up a new role as Head of Finance Division in Santander USA and Piotr is leaving the Organization at this juncture to pursue new ventures.

The Management Board that will serve for the next three years has a mix of existing experience at Board level and new members that will bring a fresh and complimentary approach to the leadership team. Beata Daszyńska – Muzyczka, Paweł Wieczorek and Carlos Polaino are new appointments to the Board today – these colleagues are already well known in the Organization and bring a lot of experience and knowledge to their respective new roles. I congratulate the new members of the Board on their appointment and I expect that they will quickly settle in to their new responsibilities and lead the delivery of the ambitions already planned for these functions. I wish all colleagues on the Management Board the very best for the new term and I look forward to close engagement with them on the next exciting stage of BZWBK development.

The Board members for the next term are as follows:

Mateusz Morawiecki  
Andrzej Burliga  
Eamonn Crowley  
Beata Daszyńska – Muzyczka  
Michael McCarthy  
Carlos Polaino  
Juan de Porras  
Marcin Prell  
Miroslaw Skiba  
Feliks Szyszkowiak  
Paweł Wieczorek

## **Structural Changes:**

The digitization of the commercial world and the substantial shift in consumer preferences for transacting their financial needs is driving radical reform in how Banks will operate into the future. It is therefore crucial that our Organizational structure is aligned with our own reformed business model. We must adapt the way we do things in a fundamental way and ensure that we move to a model that can deliver on our vision and strategy of being the best Customer service provider in the market.

We have developed clear plans on how we will transform the Bank and the engine for driving this change is the Next Generation Bank program. In this disciplined framework we have prioritized (1) the customer focus and the knowledge about these customers (2) staff engagement (3) simplifying products and processes and reducing paper, and (4) increasing the internal collaboration across the Organization.

To deliver on our ambition of being the best Retail and Commercial Bank there are some structural changes being made in the Organization today that will support the business transformation. The detail on these structural changes and also some key function announcements will be communicated by Mateusz Morawiecki separately in his communication today.

I want to endorse these changes and wish all the colleagues directly involved in leading this transformation the very best. It is of key importance that these changes are introduced smoothly and efficiently so that we can move forward with executing our well defined strategy.

### **The Future Outlook:**

External forces are driving an era of unprecedented change – technology revolution known as digitization – consumers new preferences – new Regulatory framework – new competitors - and existing competitors that are adapting quickly to the changed environment.

The next few years will determine the strength and shape of the Banking sector in Poland. It will be a period during which we will witness substantial transformation in the sector and the winners will be those Banks that have been capable of adapting to the new order. BZWBK is very well positioned to become the distinctive Bank in the sector and will achieve this by delivering on our ambition of being the Bank that is **Simple – Personal – Fair**

Let us all once again renew our ambition and determination to become the best Retail and Commercial Bank that earns the lasting loyalty of our customers, staff, shareholders and local communities. It will be Teamwork that will determine which Banks are distinctive and it will be Teamwork that will differentiate the winners from the rest. We have this opportunity now of embracing Teamwork at a new level and in working together towards transforming the bank that will be recognized for earning the loyalty of all its stakeholders.

Thank you all for your individual great contribution and my best wishes for a very successful 2015.

Gerry Byrne

Chairman