

**24 July 2014**

**REPORT**  
**OF THE MANAGEMENT BOARD**  
**OF DOM MAKLERSKI BZ WBK S.A.**  
**WITH ITS REGISTERED SEAT IN POZNAŃ**  
**JUSTIFYING THE DIVISION OF**  
**DOM MAKLERSKI BZ WBK S.A.**

On 24 July 2014, the management boards of Dom Maklerski BZ WBK S.A. (“**DM BZ WBK**” or the “**Company Being Divided**”) and of Bank Zachodni WBK S.A. (“**BZ WBK**” or the “**Acquiring Company**”) agreed upon and signed the division plan (the “**Division Plan**”) attached to this report, pursuant to Art. 536 of the Commercial Companies Code (the “**CCC**”). In connection with this, the Management Board of DM BZ WBK has prepared this report presenting a justification for the division (the “**Report**”).

## **1. Type, company name and corporate seat of the entities participating in the division**

### **1.1 The Company Being Divided**

Dom Maklerski BZ WBK Spółka Akcyjna with its registered seat in Poznań, address: pl. Wolności 15, 60-967 Poznań, entered in the Register of Business Entities kept by the District Court for Poznań – Nowe Miasto and Wilda in Poznań, VIII Commercial Division of the National Court Register under number 0000006408, NIP 7781359968, amount of the share capital and the paid-up capital: PLN 44,973,500.

### **1.2 Acquiring Company**

Bank Zachodni WBK Spółka Akcyjna with its registered seat in Wrocław, address: ul. Rynek 9/11, 50-950 Wrocław, entered in the Register of Business Entities kept by the District Court for Wrocław – Fabryczna in Wrocław, VI Commercial Division of the National Court Register under number KRS 0000008723, NIP 8960005673, amount of the share capital and the paid-up capital: PLN 992,345,340.

### **1.3 The NewCo:**

Gieldokracja spółka z ograniczoną odpowiedzialnością w organizacji (in organisation) with its registered seat in Poznań (address: pl. Wolności 15, 60-967 Poznań) (the “**NewCo**”).

## **2. Manner in which the Division will be effected**

The division of DM BZ WBK will be effected in accordance with the procedure specified in Art. 529 § 1.3 of the CCC, i.e.:

- through a transfer of a part of the assets and liabilities of the Company Being Divided to the Acquiring Company in the form of an organised part of the enterprise of DM BZ WBK connected with the provision of brokerage services involving: (i) the acceptance and transfer of orders to buy or sell financial instruments, (ii) the execution of the orders referred to in section (i) for the account of the customer, (iii) the buying and selling of financial instruments for the broker’s account, (iv) the offering of financial instruments, (v) the provision of services under standby underwriting

agreements and firm commitment underwriting agreements or the execution and performance of other similar agreements concerning financial instruments, (vi) investment advice, (vii) the storage or registration of financial instruments, including the keeping of securities accounts and cash accounts, (viii) advising companies on capital structure, corporate strategy and other matters related to such structure or a strategy, (ix) advisory and other services relating to mergers, demergers and acquisitions of companies, (x) the preparation of investment analyses, financial analyses and other recommendations of a general nature relating to transactions in financial instruments, (xi) additional services related to standby underwriting and firm commitment underwriting, (xii) providing foreign-exchange services where these are connected with the activity referred to in Art. 69 section 2 of the Act on Trading in Financial Instruments as well as other services currently provided by the Company Being Divided and not constituting the Advertising Business (as defined below) (the “**Brokerage Business**”); and

- through a transfer to the NewCo of a part of the assets and liabilities of the Company Being Divided in the form of an organised part of the enterprise of DM BZ WBK connected with: (i) pursuing educational activities with respect to the operation of the capital market, (ii) operating internet portals, including the [www.gieldokracja.pl](http://www.gieldokracja.pl) portal, (iii) providing advertising services, and (iv) providing information-related services (the “**Advertising Business**”),

(the “**Division**”).

Pursuant to Art. 530 § 1 of the CCC, the Company Being Divided will be wound up without going into liquidation on the date on which it is struck off the register, which will occur immediately upon the registration of the NewCo.

### **3. Legal basis of the Division**

The legal basis of the Division is Art. 529 § 1.3 of the CCC, in accordance with which the Division will involve the transfer of all assets and liabilities of the Company Being Divided to the Exiting Company and the NewCo.

### **4. Economic justification of the Division**

#### **4.1 Objectives of the Division**

BZ WBK and DM BZ WBK have decided to divide DM BZ WBK and to create a brokerage firm (the “**Brokerage Firm**”) within the structures of the Acquiring Company (BZ WBK) in order to integrate, within a single entity (BZ WBK), the brokerage services that used to be provided through two entities – DM BZ WBK and BZ WBK. Thanks to the integration of brokerage services within the Brokerage

Firm, BZ WBK will be able to provide a comprehensive and unified offer of financial services within one legal entity.

The transfer of the Advertising Business and the education business to the newly created Gieldokracja sp z o.o. is intended to fully use the economic and promotional potential of the social networking site called Gieldokracja.

#### **4.2 *Benefits of the Division***

In the opinion of BZ WBK and DM BZ WBK, concentrating the provision of brokerage services within one entity will allow it to:

- better manage brokerage services within the BZ WBK group (the “**BZ WBK Group**”) in order to fully use the respective strong points of two institutions which have been managed separately to date;
- streamline the customer service structure in relation to brokerage services in order to better use the economies of scale and synergies;
- extend the availability of brokerage services to the clients of the BZ WBK Group in order to increase the brokerage services sales potential among the retail clients of BZ WBK, in particular from the VIP segment, and to fully use the cross-selling potential;
- create integrated, market-leading structures to serve institutional and corporate clients; and
- create a more attractive workplace and development possibilities for the employees in order to boost their motivation and commitment.

The accomplishment of the abovementioned objectives based on the assumptions made is intended to cause an increase in the revenues of the BZ WBK Group from offering services related to the capital market in the following years. As a result of using identified cost synergies, BZ WBK is expecting to achieve savings on employee costs (structural shifts, rationalisation employment, unifying incentive systems) or operating costs (using economies of scale, eliminating overlapping cost items, full unification of cost policies).

The transfer of the Advertising Business and the education business to NewCo will, in turn, allow it:

- to better use the social networking site, Gieldokracja, intended for investors and capital market followers thanks to the newly created company’s focus on and commitment mainly to the operation of that portal;

- raise awareness and increase knowledge in respect of the capital market among employees at the request of the BZ WBK Group (e-learning),
- obtain additional revenue from various forms of advertising posted on the Gieldokracja site, including participation in the advertising campaigns of the BZ WBK Group;
- build brand awareness of the BZWBK Group in the target group, broadly understood to consist of the retail customer segment.

The fact that the NewCo will conduct its activity on a fast-growing market for various forms of internet advertising, it may be assumed that the newly created company will be a profitable business and will earn its revenue from services provided to the BZ WBK Group and third-party entities.

## **5. Share exchange ratio**

Pursuant to Art. 550 of the CCC, due to the fact that the Acquiring Company (BZ WBK) is the sole shareholder of the Company Being Divided, no increase in the share capital of the Acquiring Company is envisaged in connection with the acquisition by the Acquiring Company of a part of the assets and liabilities of the Company Being Divided. Consequently, the Acquiring Company (BZ WBK) will not award any shares in exchange for the assets and liabilities of the Company Being Divided which it will acquire.

Following the division, BZ WBK will acquire all the shares in the NewCo, i.e. 1,000 (one thousand) shares with a nominal value of PLN 100 (one hundred) each and an aggregate nominal value of PLN 100,000 (one hundred thousand) (as a result of this, one share in the NewCo will correspond to 449.735 shares in the Company Being Divided).

The assets and liabilities of the Company Being Divided acquired by the NewCo will be assigned to the share capital and the spare capital of the NewCo, whereby PLN 100,000 will be transferred to the share capital and an amount corresponding to the book value of an organised part of the enterprise connected with the Advertising Business as at the Division date, less the value of the share capital, i.e. PLN 100,000, will be transferred to the spare capital.

## **6. Division criteria**

As a result of the Division, an organised part of the enterprise connected with running the Brokerage Business will be transferred to the Acquiring Company, and an organised part of the enterprise connected with running the Advertising Business will be transferred to the NewCo.

**7. Summary and recommendation**

Given the foregoing, the management board of DM BZ WBK recommends that the shareholder of DM BZ WBK approve the concept of the Division of DM BZ WBK described above, and adopt a resolution on the Division of DM BZ WBK in the form presented in a schedule to the Division Plan.

For and on behalf of Dom Maklerski BZ WBK S.A.

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**SCHEDULE:**

- The Division Plan of Dom Maklerski BZ WBK S.A.