



Bank Zachodni WBK

— trzeci bank w Polsce

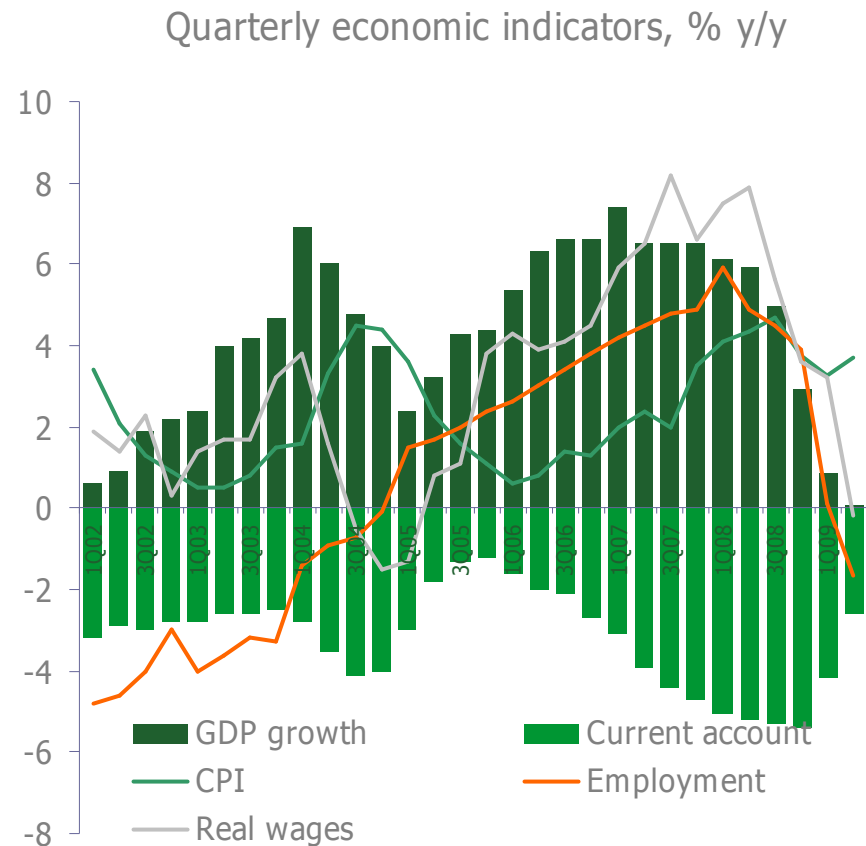
1H 2009:
Bank Zachodni WBK Group
performance for 1H 2009

Disclaimer

- This presentation as regards the forward looking statements is exclusively informational in nature and cannot be treated as an offering or recommendation to conclude any transactions.
- Bank Zachodni WBK shall not be liable for any consequences of decisions taken based on the forward looking statements contained in this document.

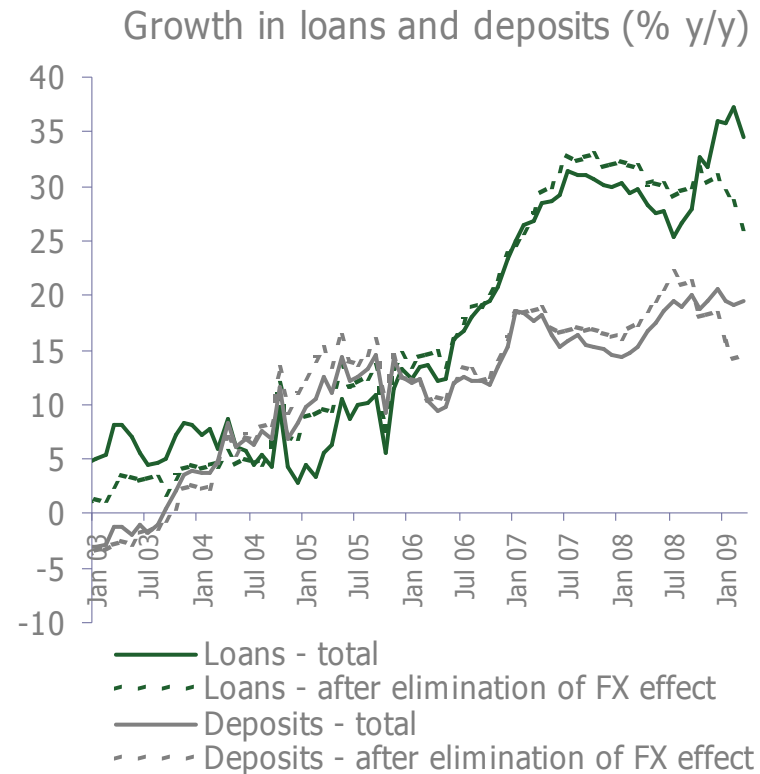
Is the economy bottoming out?

- We expect GDP growth to amount to 0.5% in 2009 and the economy to start slow recovery in 2H09
- We forecast both private consumption and fixed investments to decelerate further
- External balance continues to improve significantly
- Inflation outlook still optimistic and may allow the MPC to deliver another cut(s) after holiday
- The key challenge for authorities will be the budget for 2010



Lower credit mostly for firms

- Low credit activity for firms – after eliminating FX effect all three months of 2Q showed the decrease in credit for firms
- Credit for households still performs well and even excluding the FX effect the annual growth rate is above 20%
- Households' deposits growth still strong and only moderate deceleration in 2Q09
- Enterprises' deposits surprisingly high in 2Q – growth by 3.7%QoQ despite stronger zloty

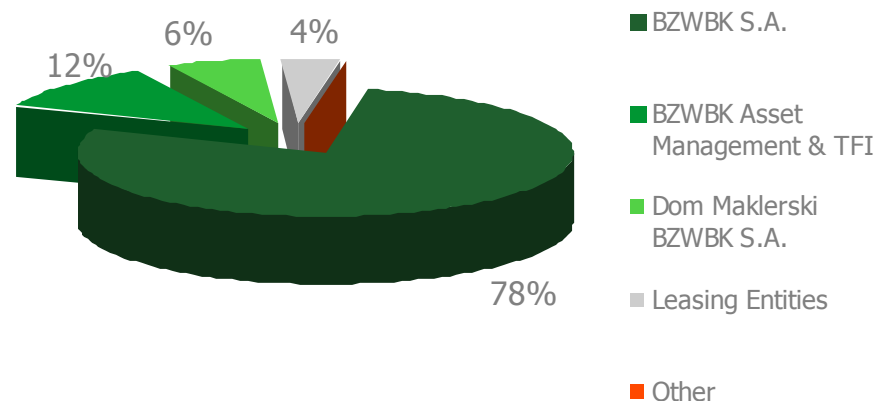


1H 2009 summary

<i>PLN m</i>	1H 2008	1H 2009	Change
Operating surplus	808	774	-4%
Provision charge	-20	-283	-
PBT	788	488	-38%
C/I ratio	51,1%	51,3%	+0.2%
NPL's ratio	2,4%	4,5%	+2.1%
Annualised total credit loss ratio	0,15%	1,53%	+1.38%
ROE	23,9%	13,2%	-10.7%
Solvency ratio	10,99%	11,56%	+0.57%
Loan / Deposit ratio	83%	86%	+3%

PBT of BZ WBK S.A. Group by legal entity

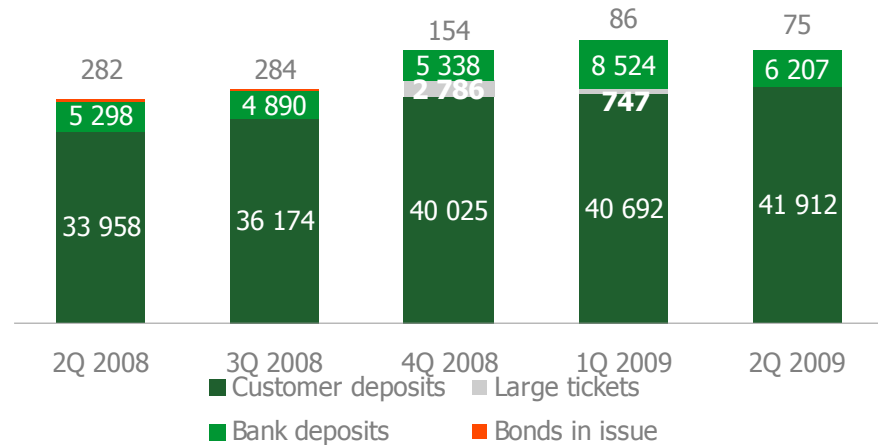
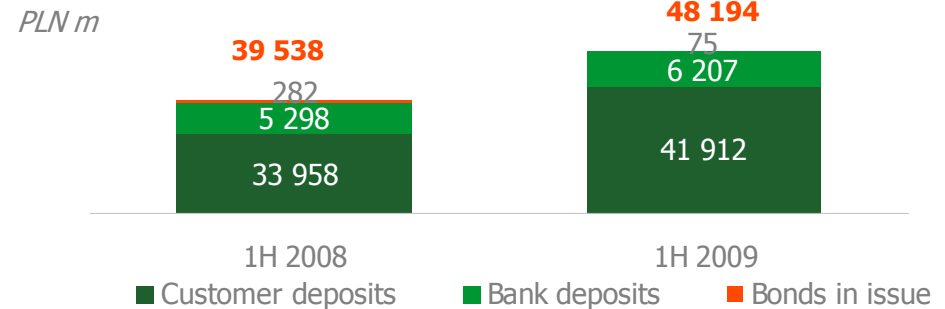
- Contribution of bank entity increases to 78% from 73% in 1H 2008
- Contribution of AM&TFI and Dom Maklerski combined reduces to 18% from 24% in 1H 2008
- At entity level BZWBK and Leasing Business profitability is impacted by higher provision charge and higher funding costs



PLNm	BZ WBK S.A.	BZ WBK Asset Management & TFI	Dom Maklerski	Leasing Entities	Other
NII	647	8	10	44	5
Other income	741	72	56	6	5
Provision charge	(268)	-	-	(14)	(1)
Operating Costs	(740)	(21)	(39)	(16)	(7)
PBT 1 H 2009	380	59	27	20	2

Total Deposits + 22% y/y

- Total Deposits entrusted to BZWBK Group y/y driven by:
 - Customer deposits +23%
 - Bank deposits +17%
- In the 1st half 2009 Total Deposits (excluding large ticket business deposits) + PLN 2.7bn
 - Customer deposits +5%
 - Bank Deposits +16%

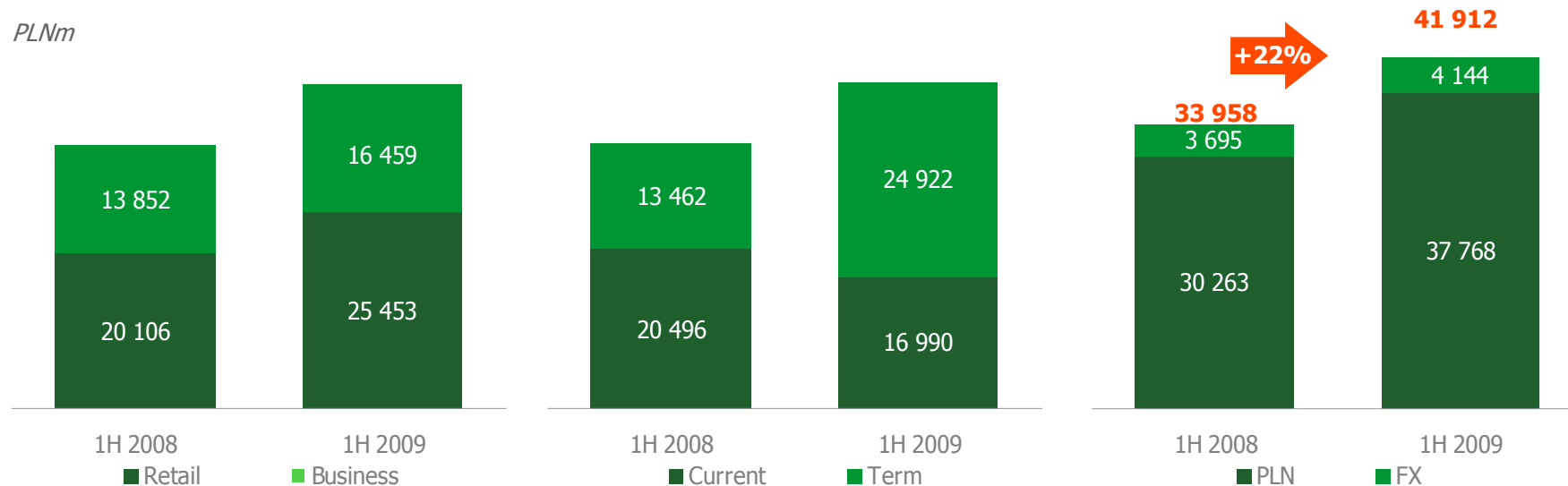


Customer Deposits +22% y/y

Market share 6.27% +0.27 bp y/y

- Increase by +19% on constant currency basis
- Exceptional growth of retail deposits y/y +27%, growth in business deposits +19%
- Market share of personal deposits is 6.83% (June 2008: 6.75%)
- Attractive offer of savings accounts and term deposits
- Market in 1H characterised by pricing at negative margins
- In 1H customer deposits increased by 5% (excl. large tickets)

PLNm



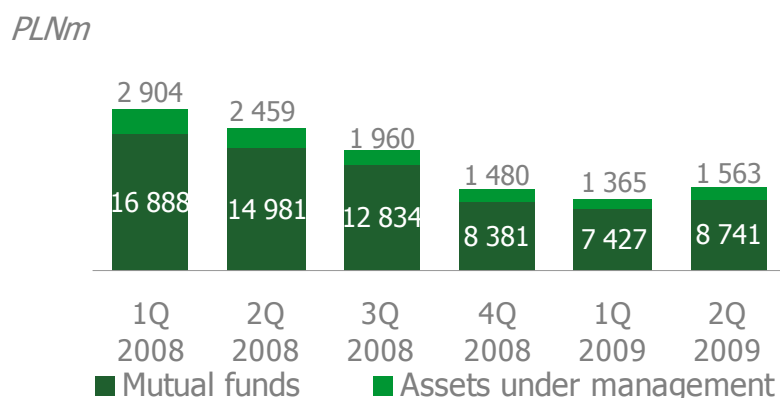
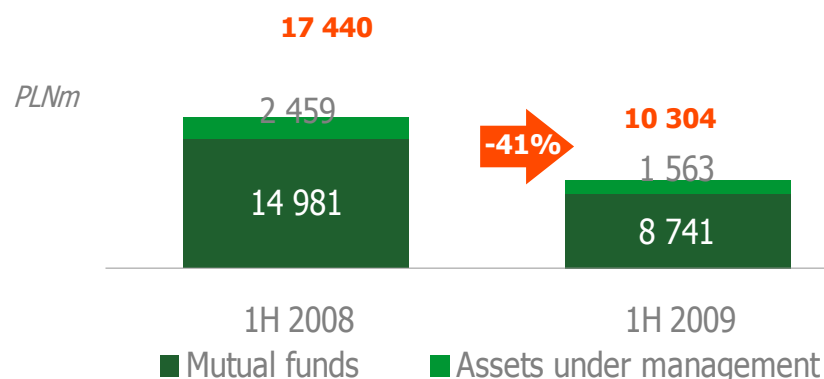
WBK

Bank Zachodni WBK

Mutual Funds and Assets Under Management

2nd position in the market

- Challenging market conditions (WIG decreased by 26% y/y)
- Mutual fund market lower by 20% y/y
- 2nd position on the market in June with share of 11.25%
- In recent months some increase in risk appetite observed
- In Q2 Mutual Funds and Assets Under Management increased by 17%

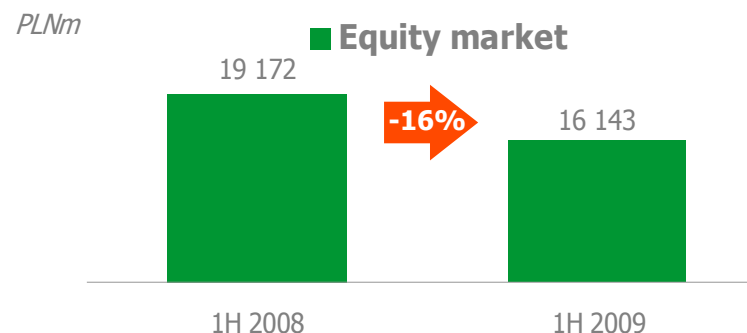


Assets of BZ WBK AIB TFI Funds – structure by type

	2Q 2008	2Q 2009
Closed	5,3%	10,5%
Equity	26,0%	30,2%
Mixed	51,4%	46,3%
Bonds	3,3%	5,1%
Money market	13,9%	7,8%

Brokerage House: maintaining market share

- Highly challenging market:
 - turnover on the equities market in 1H 2009 - PLN 147 bn, decreased by 14% vs. 1H 2008
- 3rd position in the equity market in 1H 2009 with 11.0% market share vs. 11.3% in 1H 2008
- 3rd position on futures market in 1H 2009 with 11.8% market share vs. 10.8% in 1H 2008
- Strong competition especially in institutional clients segment
- DM business remains strongly profitable – PLN 27m PBT



Market position- as at end of June 2009

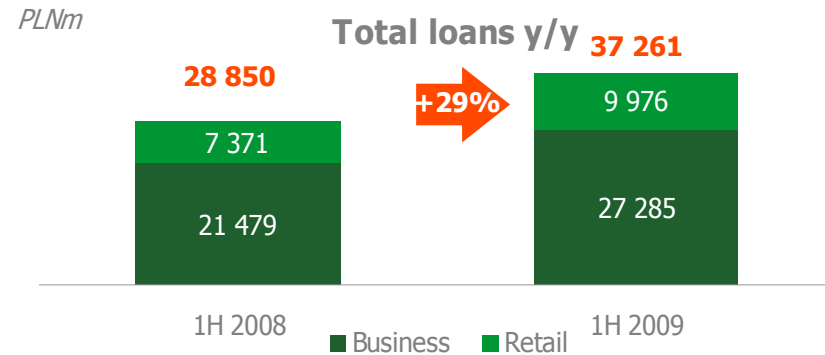
Shares			Bonds		
	PLNm	(%)		PLNm	(%)
1 DM BH	18 621	12,7	1 PKO BP	742	47,7
2 ING SECUR	18 302	12,5	2 CDM PEKAO	235	15,1
3 DM BZ WBK	16 143	11,0	3 DM BZ WBK	112	7,2
4 IPOPEMA	12 264	8,4	4 DI BRE Banku	73	4,7
5 DIBRE	10 719	7,3	5 DNB NORD	63	4,1

Futures			Options		
	no.	(%)		no.	(%)
1 DM BOŚ SA	3 011 762	23,8	1 DI BRE	127 358	33,8
2 DI BRE	2 022 373	16,0	2 PKO BP	56 364	15,0
3 DM BZ WBK	1 490 080	11,8	3 DM BZ WBK	47 817	12,7
4 ING SECUR	795 908	6,3	4 DM BOŚ SA	41 240	10,9
5 CDM Pekao	527 691	4,2	5 UNICREDIT	20 060	5,3

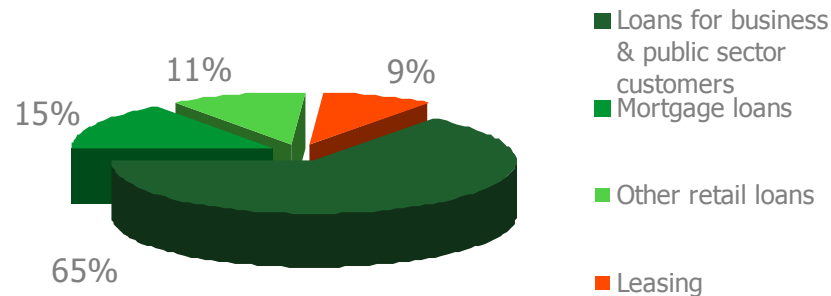
Total Gross Loans +8.4 bn y/y

Market share 4.92% +0.10 bp y/y

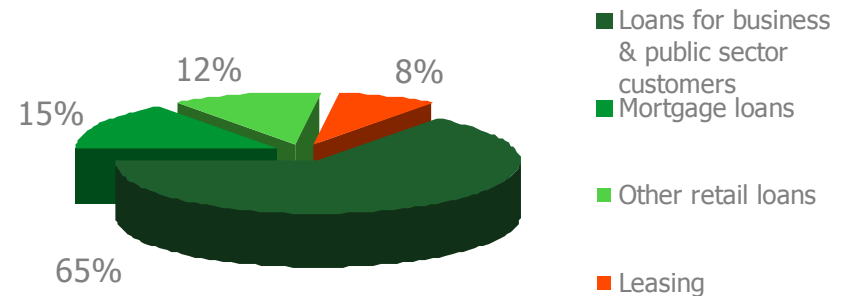
- Increase by 19% on constant currency basis
- Growth driven by retail +35% (constant currency increase + 28%)
- Business sector +27% (constant currency increase + 16%)
- Mortgage loans comprise 15% of total gross loan portfolio (1H 2008: 15%)
- Slow down in mortgage lending reflects lower customer demand and higher credit criteria



Loan portfolio structure as at end of June 2008



Loan portfolio structure as at end of June 2009



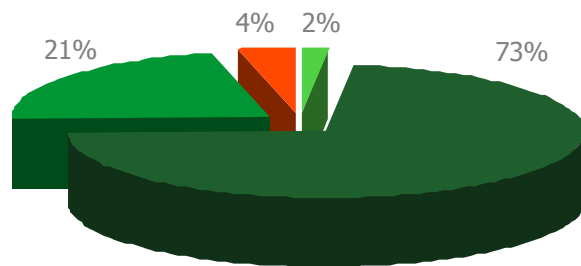
Total Loans

- EUR loans represent commercial investment & development portfolios; rental income also in EUR
- CHF exposure predominantly represents residential mortgage
- Bank ceased FX lending in 1Q 2009

PLNm

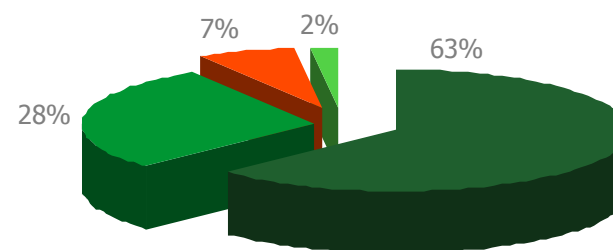
Currency structure	1H 2008	1H 2009	y/y
PLN	20 679	22 749	10%
EUR	6 113	10 212	67%
CHF	1 011	2 556	153%
OTHER	470	706	50%
Total net loans	28 273	36 223	28%

Currency structure 1H 2008



■ PLN ■ EUR ■ CHF ■ OTHER

Currency structure 1H 2009

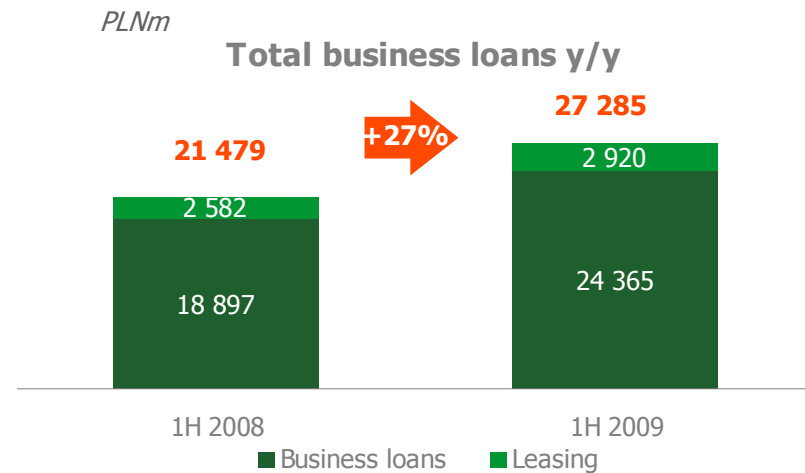
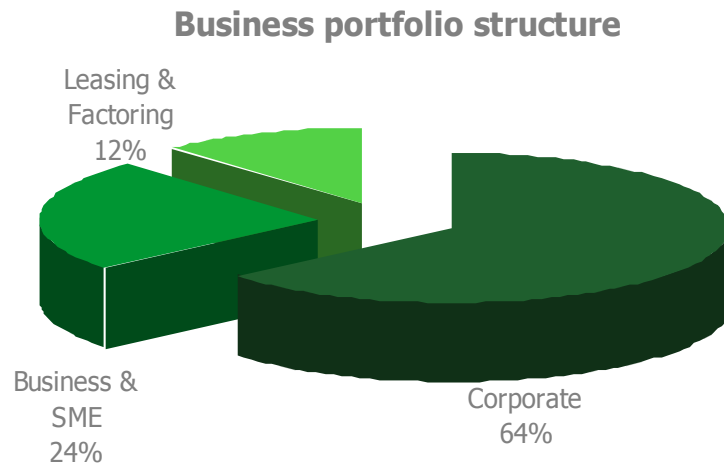


■ PLN ■ EUR ■ CHF ■ OTHER

Business Lending +27% y/y

Market share 7.10%, +0.64 bp y/y

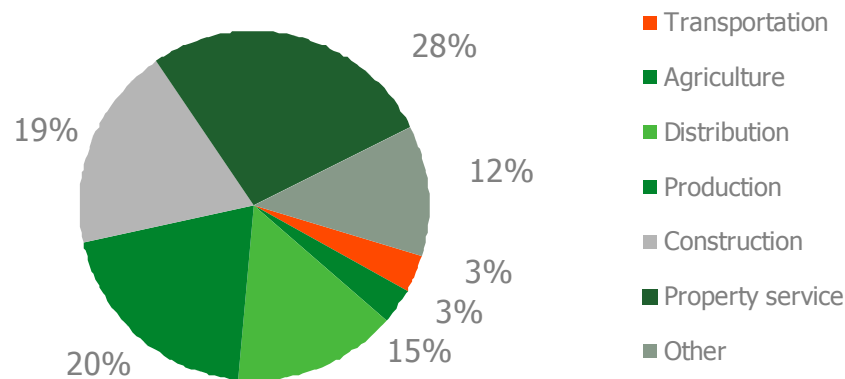
- Outperformance against market growth (at +16% y/y)
- In 2009 business lending was subject to reorganisation which resulted in a new segmental structure
- Leasing advances increased by 13% y/y
- Constant currency growth +16%



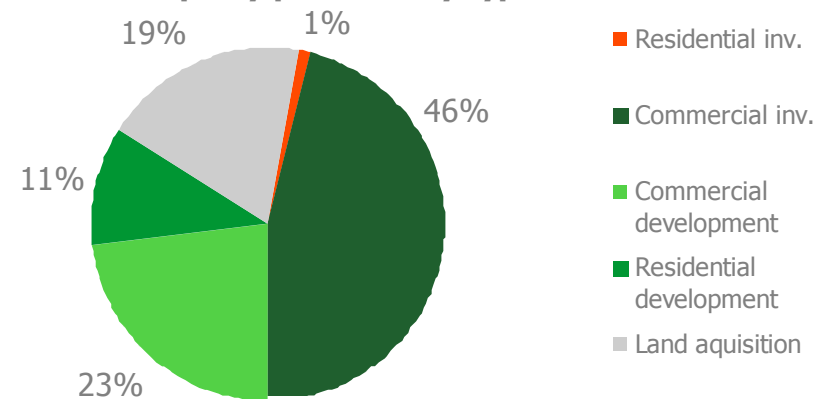
Business Lending

- Property portfolio is concentrated on large cities (particularly Warsaw), in well located sites
- Land portfolio - mainly comprises zoned residential and commercial
- Commercial Development - good sectoral spread – retail 48%, office 33%, warehouse 19%
- Commercial investment - 64% of portfolio with LTV below 70% (good sectoral spread – office 53%, retail 34%, warehouse 13%)
- Commercial investment and development are mainly denominated in EUR

Business lending by sector – June 2009*



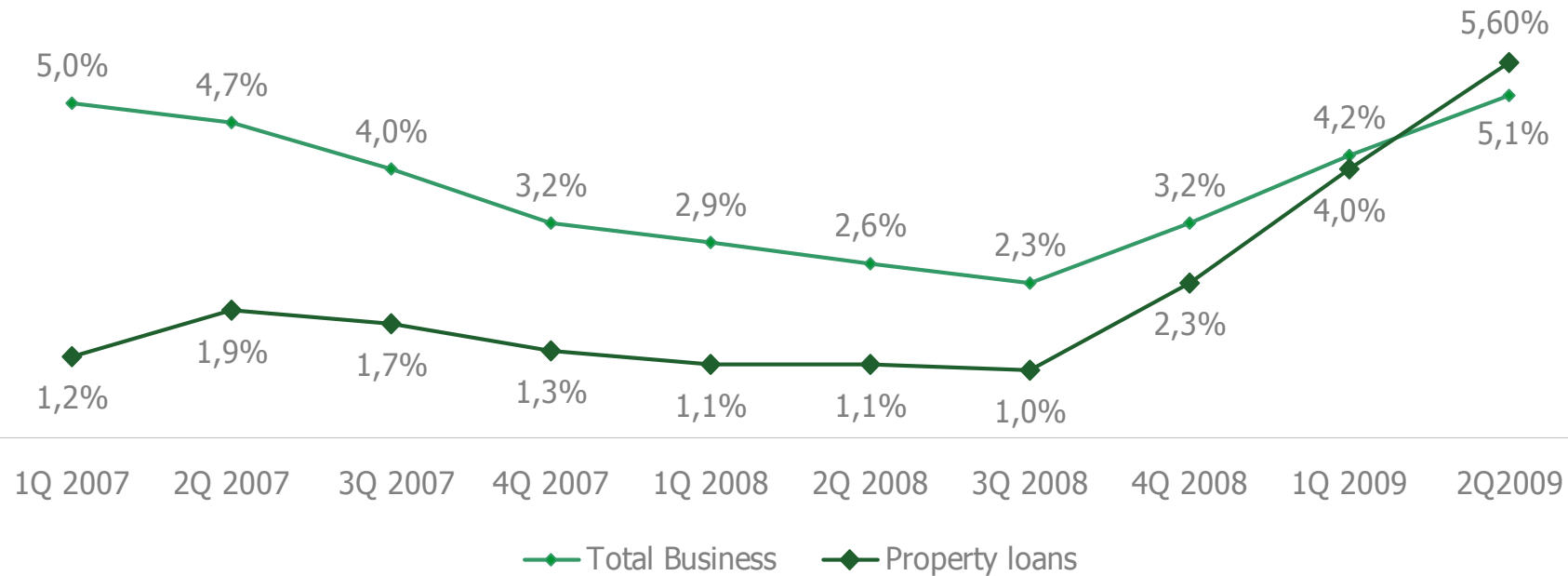
Property portfolio by type - June 2009*



**% of balance sheet exposures. Sectoral analysis is based on PKD codes.
Property portfolio analysis is based on internal management information*

Business Lending

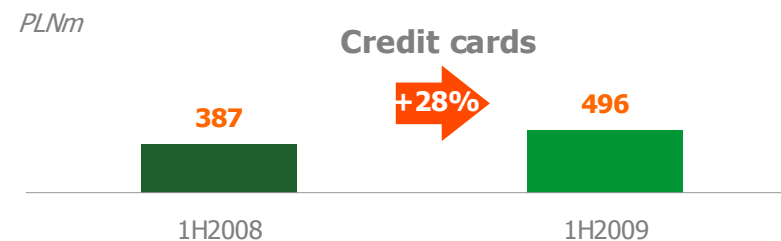
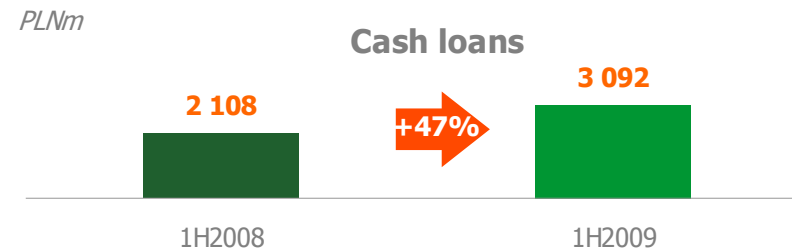
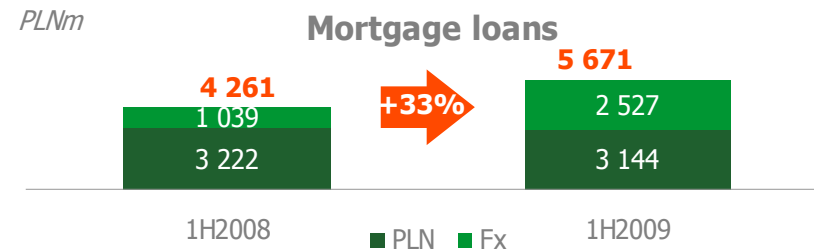
NPL ratio by quarter



Increase in NPL ratio for property is mainly due to land bank exposure and some residential development cases

Total Retail Loans +35% y/y

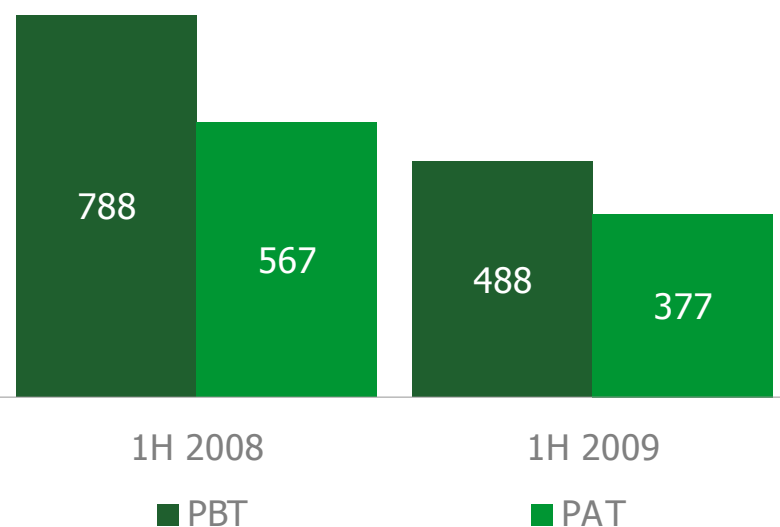
- Mortgage loans increased +33%:
 - PLN mortgage loans decreased by 2%
 - Increase in FX +143% y/y
 - FX mortgages represent 45% of portfolio vs 69% for market (June 2008: 24%)
 - NPL: 0.9% vs. 0.8% in June 2008
- Higher cash loans +47%:
 - Market share 3.92%, +0.37 bp y/y
 - Termination of external intermediary contract
 - NPL: 5.4% vs. 4.2% in June 2008
- Credit cards increased by 28%:
 - cross-selling packages
 - motivation system for branches
 - NPL: 8.2% vs. 4.6% in June 2008
- Other retail loans totaled PLN 717m:
 - Overdrafts + 44%
 - Installment loans +21%



Financial highlights

P&L

PLNm



PLN m	1H 2008	1H 2009	y/y
Total income	1 653	1 591	-4%
Net interest income	777	716	-8%
Net fee & commission income	704	649	-8%
Other income	172	226	31%
Total costs	-845	-817	-3%
Operating surplus	808	774	-4%
Provisions	-20	-283	-
Share in net profit of associates	-	-3	-
PBT	788	488	-38%
Taxation	-160	-88	-45%
Minority interests	-61	-23	-62%
Profit attributable to shareholders	567	377	-34%

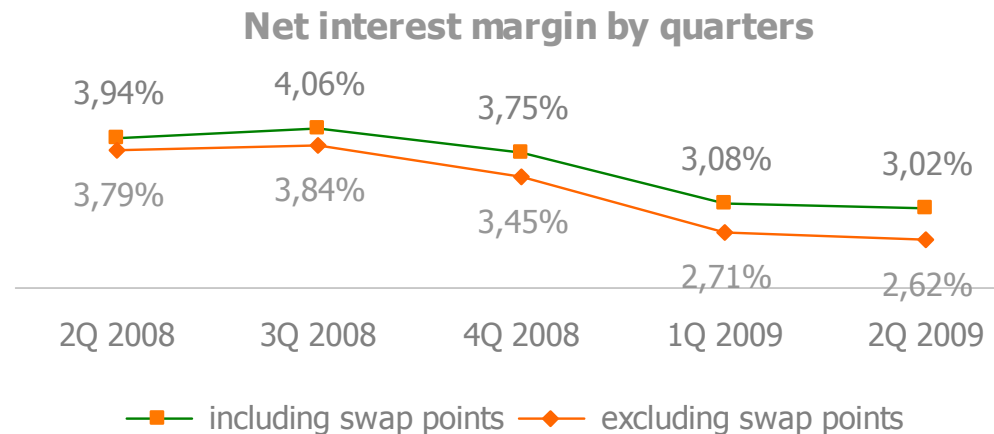
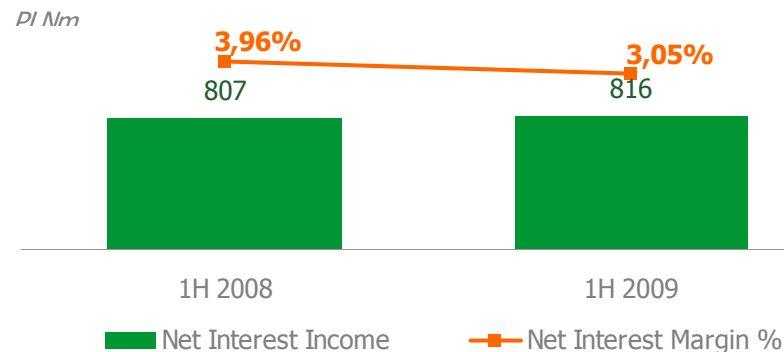
Financial highlights

P&L by quarters

2Q 2008	<i>PLN m</i>	3Q 2008	4Q 2008	1Q 2009	2Q 2009
893	Total income	819	786	740	851
401	Net interest income	430	428	362	354
417	<i>Net interest income (incl. swap points)</i>	454	465	412	404
359	Net fee & commission income	340	330	314	335
133	Other income	49	28	64	162
117	<i>Other income (excl. swap points)</i>	25	-9	14	112
-440	Total costs	-432	-405	-414	-403
453	Operating surplus	387	381	326	448
-14	Provisions	-44	-301	-161	-122
-	Share in net profit of associates	-	-	-3	-
439	PBT	343	80	162	326
-88	Taxation	-74	-23	-32	-56
-27	Minority interests	-22	-16	-11	-12
324	Profit attributable to shareholders	247	41	119	258

Net Interest Income -12% y/y

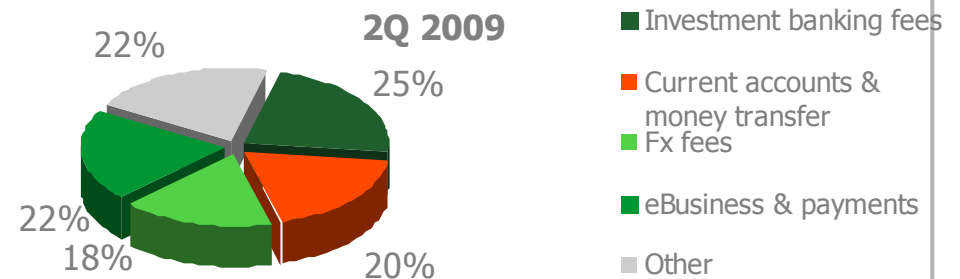
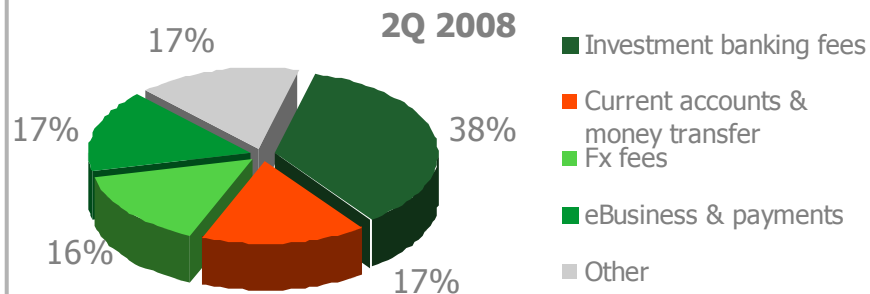
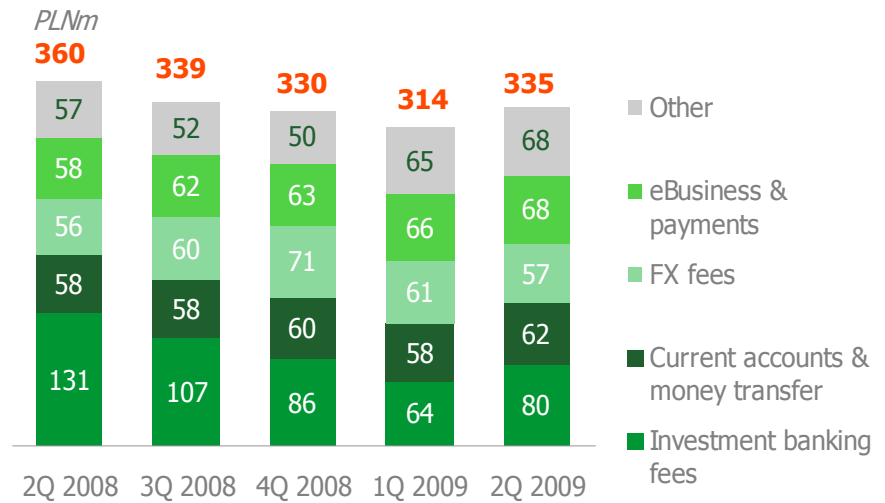
- Significant volume increase:
 - average customer loans +10.3bn, +39%
 - average customer deposit +10.0bn, +32%
- H1 funding costs impacted by:
 - Deposit war / negative margin products
 - Higher costs of FX funding
 - Lowering of wholesale market rates
- Partially offset by repricing up new / existing loans



Net Interest Income includes swap points of PLN 100.1m presented in "Net trading income and revaluation" (1H 2008 PLN 30.2m)

Net Fee and Commissions

- Reduction in income earned from investment banking has largely been replaced by other income streams
- Change in structure indicates greater diversity of income streams

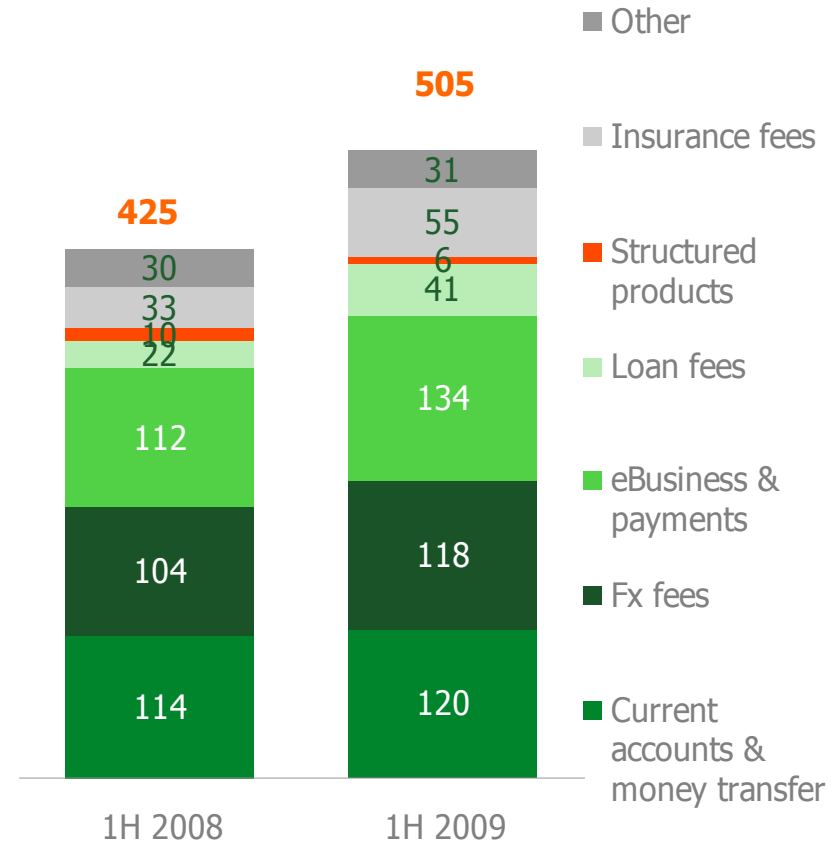


Net Fee and Commissions continued

Banking and other components + 19% y/y

- Account fees + 5%
- FX fees increased by +13%
 - driven by Branch & Corporate activity
- eBusiness & payments +20%
 - debit cards +13%
 - third party services +25%
- Insurance fees +67%
 - sale of investment policies
 - cash loans
- Credit cards commissions: PLN 29.4m in 1H 2009 vs. PLN 22.3m in 1H 2008

PLNm



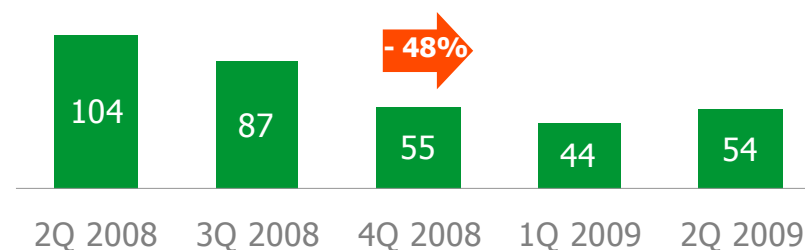
Fees and Commissions continued

Asset Management and Brokerage House -39% y/y

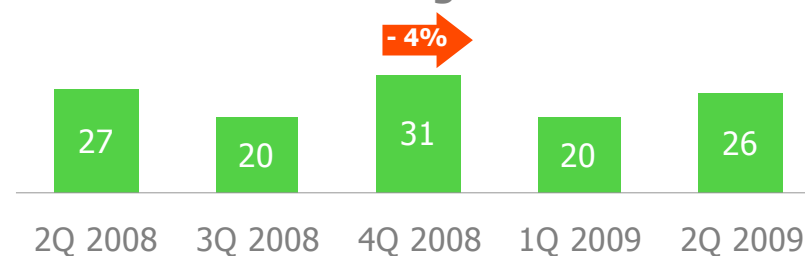
- Moderate improvement in risk aversion in 2Q 2009
- Gross Distribution Fee lower
 - Sales of PLN 500m (-58% y/y)
- Average Arka volumes at PLN 8.0bn, -54% y/y
- Average AUM PLN 1.5bn, -48% y/y

- Secondary Market Fees down -7% y/y
- Limited Primary Market activities
- PO of PBG S.A. with a value of PLN 190m in Q2

PLNm **Distribution and management fees**



PLNm **Brokerage fees**

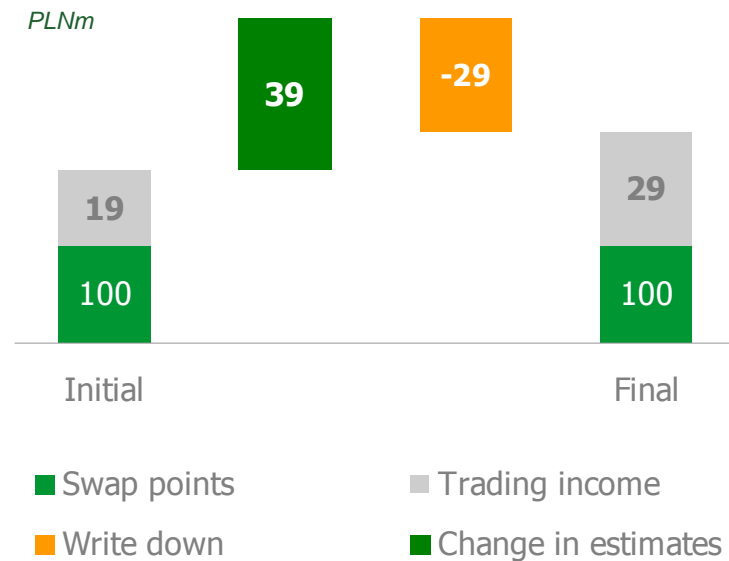


Net Trading Income higher by 130% y/y

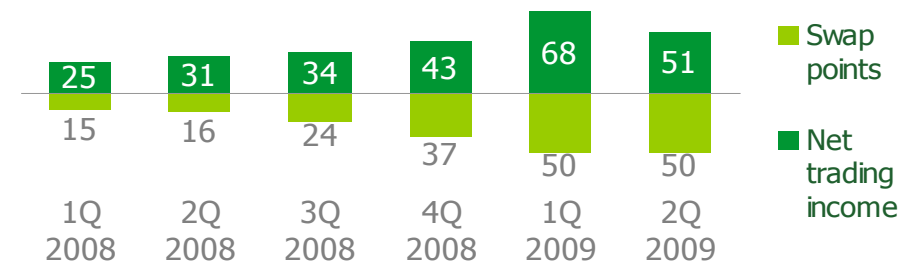
- Net trading income decreased by write down of customer FX hedging derivatives PLN -29m
- Changes in fair value estimates of FX swaps resulted in positive adjustment of PLN 39m

Underlying Net Trading Income excludes FX losses and changes in accounting estimates

Net trading income 1H 2009



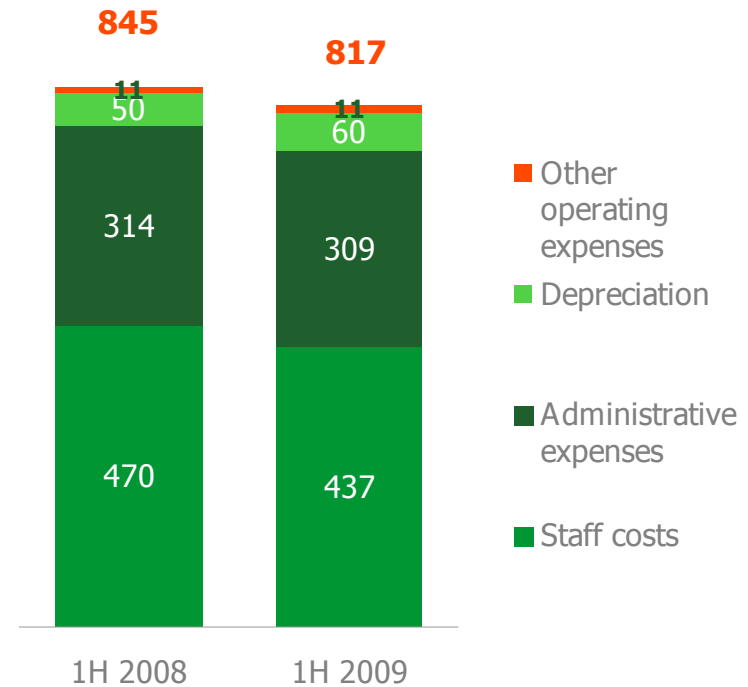
Underlying net trading income



Total Costs PLN 817m -3% y/y

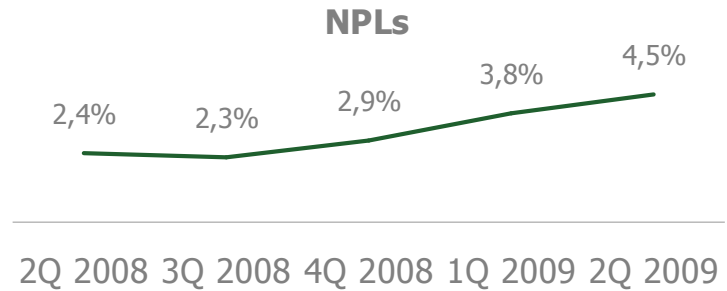
- Staff costs -7%
 - Lower level of bonuses
 - Lower staff number -233 FTE's y/y
 - Lower Staff training and development cost
- Decrease in administrative expenses -2%
 - Marketing (higher costs in 2Q) - 39%
 - Consulting and advisory -53%
 - Maintenance and buildings rentals +34%
 - IT cost +5%
- Depreciation increased by 19%
 - Higher depreciation charge primarily due to branch network expansion

PLNm



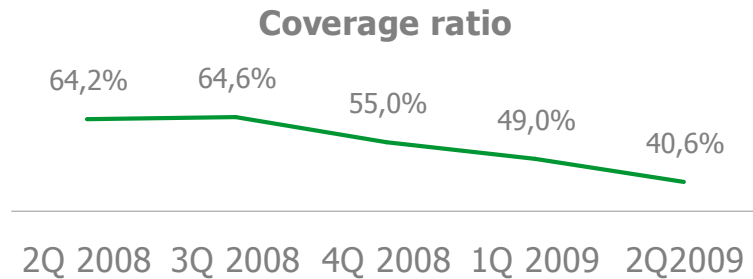
Loan Portfolio Quality

- Net Impairment charges represented 1.53% of average credit principal
- Coverage ratio is decreasing due to increase in property cases, which are well secured
- NPL ratio increased due to:
 - Material increase in NPL's in property are mainly driven by land bank exposures
 - Increase in NPL's across most products and sectors



Impairment Charges

<i>PLNm</i>	1H 2008	1H 2009
Collective and individual	(25)	(246)
IBNR	6	(38)
Recoveries	5	5
Off balance sheet credit related items	(6)	(3)
Total	(20)	(282)



Capital Management

- BASEL II solvency ratio 11.56% calculated using standardised approach (Bank ratio at 11.31%)
- Relevant Tier I ratio 10.95%
- Relatively low growth of credit RWA in 2009 + PLN 0.5 bn due to cancellation of unutilized customer limits and reduction of Treasury assets
- No dividend payout for 2008, no dividend payout assumed for 2009
- Management actions for 2009 include:
 - Continued focus on internal capital generation – profitability (cost containment, margin and risk management)
 - Tight management over growth in assets (loan book & capital expenditure & financial investments)
 - Assess desirability of various opportunities to enhance capital

1H 2009 summary

- More diversified income streams and effective cost management
- Income growth trend returning
- Prudent capital and solvency ratios
- Strong liquidity & funding position

<i>PLN m</i>	1H 2008	1H 2009	Change
Operating surplus	808	774	-4%
Provision charge	-20	-283	-
Profit before tax	788	488	-38%
ROE	23,90%	13,20%	-10,7 %
Loan / Deposit ratio	83%	86%	+3%
Solvency ratio	10,99%	11,56%	+ 0,57%
C/I ratio	51,1%	51,3%	+0,2%



Contacts

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Appendix

Balance Sheet by Quarters

	2 Q 2009	1 Q 2009	4 Q 2008	3 Q 2008	1 H 2008	1 Q 2008
ASSETS						
Cash and balances with central bank	2 304 520	2 994 920	3 178 107	1 160 028	2 469 407	1 428 511
Loans and advances to banks	1 036 165	1 934 057	1 364 543	2 177 036	2 760 991	3 708 241
Financial assets held for trading & hedging	1 802 831	3 636 109	3 225 214	1 655 252	1 578 524	1 314 844
Loans and advances to customers	36 222 576	36 710 743	35 137 202	31 022 751	28 272 646	26 290 488
Investment securities	13 491 880	12 663 124	12 916 041	11 137 774	10 524 428	10 634 906
Investments in associates and joint ventures	78 873	79 294	72 221	70 616	67 103	33 557
Intangible assets	172 328	173 553	173 934	134 964	126 524	118 763
Property, plant & equipment	610 588	628 702	637 486	567 483	559 880	554 295
Current income tax due	3 534	-	-	-	-	-
Deferred tax assets	231 213	250 893	210 495	146 176	141 569	150 722
Other assets	532 108	409 110	517 826	340 879	434 735	466 835
Total assets	56 486 616	59 480 505	57 433 069	48 412 959	46 935 807	44 701 162
LIABILITIES						
Deposits from central bank	1 381 739	2 479 021	1 242 574	-	-	-
Deposits from banks	4 825 535	6 044 650	4 095 477	4 889 887	5 298 338	5 178 306
Financial liabilities held for trading & hedging	1 795 797	3 209 305	3 222 494	870 087	1 295 331	1 082 439
Deposits from customers	41 912 301	41 439 137	42 810 727	36 173 955	33 958 174	32 171 721
Debt securities in issue	75 481	85 862	153 918	283 583	282 368	312 662
Current income tax liabilities	-	19 428	13 638	34 621	12 973	10 724
Deferred tax liabilities	-	-	-	-	-	-
Other liabilities	1 007 054	976 022	681 800	932 779	1 277 426	1 157 822
Total liabilities	50 997 907	54 253 425	52 220 628	43 184 912	42 124 610	39 913 674
Equity						
Capital and reserves attributable to the Company's equity holders	5 411 870	5 123 178	4 972 569	5 003 296	4 607 903	4 610 423
Share capital	729 603	729 603	729 603	729 603	729 603	729 603
Other reserve funds	3 566 999	2 718 239	2 716 687	2 726 934	2 721 094	2 076 028
Revaluation reserve	397 038	366 311	335 507	397 844	255 353	366 114
Retained earnings	341 260	1 190 021	335 326	334 315	334 315	1 195 577
Profit of the current period	376 970	119 004	855 446	814 600	567 538	243 101
Minority interest	76 839	103 902	239 872	224 751	203 294	177 065
Total equity	5 488 709	5 227 080	5 212 441	5 228 047	4 811 197	4 787 488
Total equity and liabilities	56 486 616	59 480 505	57 433 069	48 412 959	46 935 807	44 701 162

P&L by Quarters

for the period:	2 Q 2009	1 Q 2009	4 Q 2008	3 Q 2008	2 Q 2008	1 Q 2008
Interest and similar income	785 811	855 477	929 729	844 215	769 707	688 473
Interest expense and similar charges	(430 872)	(493 969)	(501 275)	(414 694)	(368 306)	(312 744)
Net interest income	354 939	361 508	428 454	429 521	401 401	375 729
Fee and commission income	387 099	362 589	385 898	397 528	416 730	406 513
Fee and commission expense	(52 225)	(48 113)	(56 309)	(57 403)	(57 124)	(62 018)
Net fee and commission income	334 874	314 476	329 589	340 125	359 606	344 495
Dividend income	75 964	26	20	652	69 621	13
Net trading income and revaluation	85 028	44 026	(37 617)	34 030	30 805	25 584
Gains (losses) from other financial securities	(7 131)	5 380	44 782	537	13 226	(393)
Gains (losses) from investment in subsidiaries and associates	-	-	-	-	520	(716)
Other operating income	9 390	13 433	21 010	13 709	18 258	15 022
Impairment losses on loans and advances	(122 674)	(160 712)	(300 895)	(43 819)	(13 871)	(5 966)
Operating expenses incl.:	(403 786)	(413 573)	(405 301)	(431 489)	(440 101)	(405 184)
Bank's staff, operating expenses and management costs	(368 801)	(376 830)	(363 252)	(399 774)	(407 692)	(376 456)
Depreciation/amortisation	(30 328)	(30 123)	(28 721)	(28 052)	(26 579)	(23 979)
Other operating expenses	(4 657)	(6 620)	(13 328)	(3 663)	(5 830)	(4 749)
Operating profit	326 604	164 564	80 042	343 266	439 465	348 584
Share in net profits (losses) of associates accounted for by the equity method	(422)	(2 926)	354	(1 087)	15	(59)
Profit before tax	326 182	161 638	80 396	342 179	439 480	348 525
Corporate income tax	(56 142)	(31 407)	(23 330)	(72 831)	(88 129)	(72 004)
Profit for the period	270 040	130 231	57 066	269 348	351 351	276 521
incl.:						
attributable to the Company's equity holders	257 966	119 004	40 846	247 062	324 437	243 101
attributable to the Minority equity holders	12 074	11 227	16 220	22 286	26 914	33 420

Commission Income by Quarters

Net fee and commission income	2 Q 2009	1 Q 2009	4 Q 2008	3 Q 2008	1 H 2008	1 Q 2008
Investment Banking Fees						
Fund management fees	59	49	61	96	116	130
Distribution fees	(5)	(5)	(6)	(9)	(12)	(10)
Brokerage fees	26	20	31	20	27	28
Other fees and commissions						
Current accounts & money transfer	62	58	60	58	58	56
Fx fees	57	61	71	60	56	48
eBusiness & payments	68	66	63	62	58	54
Loan fees	21	20	15	13	11	11
Other distribution fees	2	4	2	7	10	
Insurance fees	28	27	20	20	16	17
Other	17	14	13	13	20	10
Total	335	314	330	340	360	344

Costs by Quarters

Costs	2 Q 2009	1 Q 2009	4 Q 2008	3 Q 2008	2 Q 2008	1 Q 2008
Staff costs	207,7	229,0	177,4	248,6	247,0	223,0
Administration costs	161,0	148,0	185,8	151,3	161,0	153,0
Depreciation	30,5	30,0	28,3	28,4	27,0	24,0
Other operating costs	4,3	7,0	13,6	3,4	6,0	5,0
Total	403,5	414,0	405,1	431,7	441,0	405,0