

Current report no. 16/2005

re. Agreement on the purchase of bonds issued within II PEOL

legal grounds: par. 5 sec. 1 item 3 of the Cabinet Ordinance, dated 21 March 2005 re. current and periodic information submitted by issuers of securities – adjustment and supplement to report no. 12/2005 of 2 June 2005

On 1 June 2005, Bank Zachodni WBK and BZ WBK Inwestycje sp. z o.o. – its subsidiary – concluded an *Agreement on the bonds purchase* (Agreement) the subject of which is BZ WBK Inwestycje sp. z o.o.'s unconditional commitment to purchase all 6 series of bonds issued by the Bank within the 2nd Program of Savings Bonds Issue (II PEOL) on the regulated market run by MTS-CeTO, which the Issuer advised of in current report 12/2005 on 2 June 2005.

As a result of consultations held with MTS-CeTO S.A. on the principles of calculating interest in bond purchase transactions, on 31 August 2005 BZ WBK SA and BZ WBK Inwestycje SA concluded an Annex to the Agreement, changing Purchase Prices different for each series. In line with the principles indicated in the Prospectuses of individual series, the modified Purchase Prices, set out in the course of consultations with MTS-CeTO S.A. are presented in the table below, line 2.

In view of the MTS-CeTO S.A. secondary market regulations which provide for the obligation to submit sales orders at a price which constitutes a percentage of the bonds' nominal value and to automatically add to this price the value of interest due on the bonds pursuant to interest rate tables on the day of settling the transaction, the Total Purchase Price (line 4), obtained by the bondholder, will be a combination of: Purchase Price (line 2) and interest, arising from interest tables sent by the Issuer to MTS-CeTO S.A. (line 3).

	series code assigned by the Issuer	2s1005	2s1105	2s1205	5s1008	5s1108	5s1208
	series on the MTS-CeTO	BZS1005	BZS1105	BZS1205	BZS1008	BZS1108	BZS1208
1	nominal value of one Bond on the Issue Day (PLN)	100,00	100,00	100,00	100,00	100,00	100,00
2	Purchase Price for PLN 100 the nominal value (PLN)	99,52	99,48	99,47	98,56	98,41	98,33
3	Interest accrued on one Bond as at the Bond Purchase Settlement Day according to interest rate tables sent by the Issuer to MTS-CeTO S.A. PLN	9,51	10,47	10,52	28,87	31,90	33,49
4	Total Purchase Price (Purchase Price increased by interest on a given Bond series as at the Purchase Settlement Day, equal to the nominal value of Bonds increased by 95% of interest due on a given Bond series as at the Purchase Settlement Day) (PLN)	109,03	109,95	109,99	127,43	130,31	131,82
5	Purchase Day	4 Oct. 2005	18 Oct. 2005	14 Nov. 2005	2 Oct. 2008	20 Oct. 2008	12 Nov. 2008
6	Purchase Settlement Day (day of settling the transaction by NDS)	6 Oct. 2005	20 Oct. 2005	16 Nov. 2005	6 Oct. 2008	22 Oct. 2008	14 Nov. 2008

Sales orders for individual series will be accepted until the Purchase Day (inclusive).

The Issuer stresses, however, that to ensure delivery of the order re. sales of Bonds under a purchase transaction, orders should be submitted by the business day preceding the Purchase Day.

As a result of the prepared transaction, the Bondholders will have an ability to sell the Bonds ahead of the redemption date and interest payment day as well as to obtain an amount equal to the Total Purchase Price from the sale of one Bond. In order to sell bonds in the proposed transaction, the bondholders should contact:

- brokerage houses where they hold their brokerage accounts in which they have registered Bonds, or
- BZ WBK Brokerage House in case bonds held are listed in the issue sponsor's register,

where a bonds sales order can be submitted. BZ WBK Brokerage House will not collect from the Customers a fee for the delivered order, either from the securities account or the issue sponsor's account. In the case of other brokerage houses, fees will be collected in line with their internal regulations.

The Bonds purchase transaction will be settled through MTS-CeTO and the National Depository of Securities (NDS).

In the case of failure to submit a Bonds sales order in the proposed purchase sales transaction or failure to dispose of the Bonds in a different fashion, bondholders keep ownership rights to Bonds until the day of establishing the redemption right as a result of which these Bonds will be redeemed within timeframes specified in the series Prospectuses and redeemed by the Bank.