

## **Independent Assurance Report**

*To the Management Board of Bank Zachodni WBK S.A. based in Wrocław.*

### *Scope of engagement*

We have performed our independent assurance engagement of *Information on capital adequacy of Bank Zachodni WBK S.A. as at 31 December 2007* (hereafter “the Report”), to evaluate whether or not the Report complies with the Basel II Pillar 3 disclosure requirements promulgated by the Commission for Banking Supervision.

Management is responsible for the preparation of the Report and the information and assessment contained therein; and for designing, implementing, maintaining and documenting appropriate internal controls relating to the preparation and fair presentation of information and assessment contained in the Report.

Our responsibility is to express a conclusion on the Report based on procedures conducted.

### *Reporting Criteria*

Our engagement was to determine whether the Report complies with the disclosure requirements of Regulation No. 6/2007 of the Commission for Banking Supervision dated 13 March 2007 on detailed principles related to and the manner of publishing disclosures by banks with regard to qualitative and quantitative information regarding capital adequacy and the scope of information subject to disclosure (Official Journal No 3 from 2007) (“Regulation No. 6/2007”).

Appendix A provides a list of those specified disclosure requirements identified in the Regulation No. 6/2007, the Bank is required to comply with.

### *Assurance Procedures Conducted*

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE 3000) “Assurance Engagements Other Than Audits or Review of Historical Financial Information”. The standard requires that when the procedures performed are less extensive or detailed than would ordinarily be performed in a reasonable assurance engagement, a negative form of conclusion be expressed.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the aspects of the Report that were subject of our evaluation. In

making these assessments we have considered internal controls relevant to the Bank's preparation and presentation of information and assessment contained in the Report, in order to design procedures appropriate for gathering sufficient appropriate evidence to determine that the aspects that were subject of our evaluation are not materially misstated or misleading. Our assessment of relevant internal controls is not, however, for the purpose of expressing a conclusion on the effectiveness of the Bank's internal controls.

During the course of our engagement, we have obtained sufficient appropriate evidence on which to base our conclusion below.

Our work consisted of:

- Obtaining an understanding of internal controls over the information and assessment presented in the Report;
- Obtaining an understanding of the systems used to generate information and assessment contained in the Report;
- Conducting enquiries of the Bank's management and staff;
- Performing analytical procedures;
- Verification of disclosures completeness according to the requirements described in Regulation No. 6/2007;
- Reconciliation, on a sample basis, of disclosures to the Bank's books and source documentation.

#### *Conclusion*

Based on our work nothing has come to our attention that causes us to believe that *Information on capital adequacy of Bank Zachodni WBK S.A. as at 31 December 2007* does not meet, in all material respects, the disclosure requirements of the Regulation No. 6/2007.

*Signed on the Polish original*

Warsaw, 16 May 2008

## Attachment A

**List of specified disclosure requirements identified in the Regulation No. 6/2007 of the Commission for Banking Supervision dated 13 March 2007 on detailed principles related to and the manner of publishing disclosures by banks with regard to qualitative and quantitative information regarding capital adequacy and the scope of information subject to disclosure (Official Journal No 3 from 2007), the Bank is required to comply with.**

### *Attachment 1 to Regulation No. 6/2007 of the Commission for Banking Supervision*

§ 3. A bank shall disclose the following information regarding its own funds:

- 1) summary information on the key terms and conditions of the features of all own funds items and components thereof;
- 2) the amount of own funds and the value of their individual components and deductions from core capital and supplementary capital set out in art. 127 of the Banking Act and the resolution on banks' own funds;
- 3) the amount of short-term capital and components included in short-term capital in accordance with § 5 para 1 of the resolution on bank's capital adequacy;
- 4) positions specified in § 2 para 1 subpara 3 and 4 of the resolution on banks' own funds;
- 5) for banks referred to in § 5 para 4 of the resolution on banks' capital adequacy – the sum of own funds and short-term capital.

§ 4. A bank shall disclose the following information regarding the compliance with capital requirements referred to in art. 128 of the Banking Act:

- 1) the description of the bank's approach to assessing the adequacy of its internal capital to support current and future activities;
- 2) for a bank applying the standardised approach to calculate risk-weighted exposures in accordance with annex 4 to the resolution on banks' capital adequacy - amounts representing 8% of the risk-weighted exposure amounts, separately for each exposure class specified in § 20 para 1 of annex 4 to the resolution on bank's capital adequacy;

- 3) for a bank applying internal ratings-based approach to calculate risk-weighted exposures in accordance with annex 5 to the resolution on bank's capital adequacy - 8% of the risk-weighted exposure, separately for each exposure class specified in § 6 para 1 of annex 5 to the resolution on bank's capital adequacy, but:
  - a) for the exposure class of retail claims or contingent retail claims the requirement applies to each exposure class to which the correlations correspond in accordance with § 34-41 of annex 5 to the resolution on bank's capital adequacy;
  - b) for equity exposure class this requirement applies to:
    - each of the approaches provided in § 45-59 of annex 5 to the resolution on bank's capital adequacy, separately,
    - exchange traded equity exposures, equity exposures not admitted to trading in the regulated equity market in sufficiently diversified portfolios and other exposures,
    - exposures subject to supervisory transition regarding capital requirements,
    - exposures subject to grandfathering provisions regarding capital requirements;
- 4) the amount of minimum capital requirements referred to in § 6 para 1 subpara 2 - 5 of the resolution on banks' capital adequacy, disclosed jointly or separately for each risk type;
- 5) the amount of minimum capital requirements for operational risk set out in annex 14 to the resolution on bank's capital adequacy – disclosed separately for each of the applied approaches.