



**CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS OF BANK
ZACHODNI WBK S.A. FOR THE 6-MONTH
PERIOD ENDED 30 JUNE 2015**

2015



Bank Zachodni WBK

 Grupa Santander

TABLE OF CONTENTS

Income statement of Bank Zachodni WBK.....	4
Statement of comprehensive income of Bank Zachodni WBK.....	4
Statement of financial position of Bank Zachodni WBK.....	5
Movements on equity of Bank Zachodni WBK.....	6
Statement of cash flows of Bank Zachodni WBK.....	7
Additional notes to condensed interim unconsolidated financial statements.....	8
1. General information about issuer.....	8
2. Basis of preparation of financial statements.....	8
3. Risk management.....	9
4. Capital Management.....	9
5. Net interest income.....	10
6. Net fee and commission income.....	10
7. Net trading income and revaluation.....	11
8. Gains (losses) from other financial securities.....	11
9. Other operating income.....	11
10. Impairment losses on loans and advances.....	12
11. Employee costs.....	12
12. General and administrative expenses.....	12
13. Other operating expenses.....	13
14. Corporate income tax.....	13
15. Cash and balances with central banks.....	13
16. Loans and advances to banks.....	14
17. Financial assets and liabilities held for trading.....	14
18. Hedging derivatives.....	15
19. Loans and advances to customers.....	16
20. Investment securities available for sale.....	16
21. Investments in subsidiaries and associates.....	17
22. Net deferred tax assets.....	18
23. Assets classified as held for sale.....	18
24. Other assets.....	18
25. Deposits from banks.....	19
26. Deposits from customers.....	19
27. Subordinated liabilities.....	19
28. Debt securities in issue.....	20
29 Other liabilities.....	20
30. Fair value.....	22
31. Contingent liabilities.....	25
32. Basis of FX conversion.....	25
33. Shareholders with min. 5% voting power.....	26
34. Related party disclosures.....	27
35. Incorporation of Dom Maklerski BZ WBK into Bank Zachodni WBK.....	30
36. Acquisition of controlling interest in Santander Consumer Bank S.A.....	31
37. Acquisitions and disposals of investments in subsidiaries and associates.....	32
38. Changes in the business or economic circumstances that affect the fair value of the entity's financial assets and financial liabilities, whether those assets or liabilities are recognized at fair value or amortised costs.....	33
39. Any loan default or breach of a loan agreement that has not been remedied on or before the end of the reporting period.....	33
40. Transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments.....	33
41. Changes in the classification of financial assets as a result of a change in the purpose or use of those assets.....	33
42. Comments concerning the seasonal or cyclical character of the interim activity.....	33
43. Character and amounts of items which are extraordinary due to their nature, volume or occurrence.....	33

44. Issues, repurchases and repayments of debt and equity securities.....	34
45. Dividend per share	34
46. Information concerning issuing loan and guarantees by an issuer or its subsidiary	34
47. Creation and reversal of impairment charges for financial assets, tangible fixed assets, intangible fixed assets and other assets.....	34
48. Material purchases or sales of tangible fixed assets and material obligations arising from the purchase of tangible fixed assets	34
49. Events which occurred subsequently to the end of the interim period	34

In thousands of PLN

Income statement of Bank Zachodni WBK

	for reporting period:	01.04.2015- 30.06.2015	01.01.2015- 30.06.2015	01.04.2014- 30.06.2014	01.01.2014- 30.06.2014
Interest income		1 027 065	2 117 735	1 224 388	2 426 104
Interest expenses		(278 087)	(605 333)	(362 293)	(736 859)
Net interest income	Note 5	748 978	1 512 402	862 095	1 689 245
Fee and commission income		470 147	920 668	471 245	936 152
Fee and commission expenses		(59 790)	(124 683)	(56 872)	(117 433)
Net fee and commission income	Note 6	410 357	795 985	414 373	818 719
Dividend income		119 259	135 851	131 732	188 391
Net gains/(losses) on subordinated entities	Note 37	-	234 391	-	-
Net trading income and revaluation	Note 7	42 801	101 118	(1 134)	14 751
Gains (losses) from other financial securities	Note 8	40 485	227 862	16 195	57 819
Other operating income	Note 9	31 201	73 830	38 702	67 513
Impairment losses on loans and advances	Note 10	(161 132)	(322 382)	(177 495)	(337 550)
Operating expenses incl.:		(685 263)	(1 342 448)	(663 187)	(1 303 997)
<i>Bank's staff, operating expenses and management costs</i>	Notes 11, 12	(605 918)	(1 205 386)	(603 740)	(1 189 979)
<i>Depreciation/amortisation</i>		(51 057)	(99 880)	(46 887)	(93 958)
<i>Other operating expenses</i>	Note 13	(28 288)	(37 182)	(12 560)	(20 060)
Operating profit		546 686	1 416 609	621 281	1 194 891
Profit before tax		546 686	1 416 609	621 281	1 194 891
Corporate income tax	Note 14	(86 025)	(246 090)	(105 001)	(215 803)
Profit for the period		460 661	1 170 519	516 280	979 088
Net earnings per share (PLN/share)					
Basic earnings per share		4,65	11,80	5,52	10,47
Diluted earnings per share		4,64	11,79	5,51	10,45

Statement of comprehensive income of Bank Zachodni WBK

	for reporting period:	01.04.2015- 30.06.2015	01.01.2015- 30.06.2015	01.04.2014- 30.06.2014	01.01.2014- 30.06.2014
Profit for the period		460 661	1 170 519	516 280	979 088
Other comprehensive income which can be transferred to the profit and loss account:		(258 610)	(402 685)	244 549	232 303
Available-for sale financial assets valuation		(399 861)	(452 718)	291 806	308 799
<i>including deferred tax</i>		75 973	86 016	(55 443)	(58 672)
Cash flow hedges valuation		80 590	(44 424)	10 106	(22 005)
<i>including deferred tax</i>		(15 312)	8 441	(1 920)	4 181
Other comprehensive income which can't be transferred to the profit and loss account		-	-	(7 162)	(7 162)
Provision for retirement allowances – actuarial gains/losses		-	-	(8 842)	(8 842)
<i>including deferred tax</i>		-	-	1 680	1 680
Other comprehensive income for the period, net of income tax		(258 610)	(402 685)	237 387	225 141
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		202 051	767 834	753 667	1 204 229

In thousands of PLN

Statement of financial position of Bank Zachodni WBK

	as at:	30.06.2015	31.12.2014	30.06.2014
ASSETS				
Cash and balances with central banks	Note 15	2 889 828	6 567 108	7 039 575
Loans and advances to banks	Note 16	4 681 324	3 673 519	2 060 518
Financial assets held for trading	Note 17	5 080 649	5 221 034	3 376 146
Hedging derivatives	Note 18	144 863	238 889	205 000
Loans and advances to customers	Note 19	76 965 670	74 645 880	70 724 588
Investment securities	Note 20	23 616 690	24 465 448	17 250 637
Investments in subsidiaries and associates	Note 21	2 377 325	2 387 250	279 191
Intangible assets		365 649	393 265	330 117
Goodwill		1 688 516	1 688 516	1 688 516
Property, plant and equipment		673 784	676 212	576 772
Net deferred tax assets	Note 22	993 560	794 008	535 130
Assets classified as held for sale	Note 23	637	637	3 503
Investment property		-	-	14 102
Other assets	Note 24	616 706	855 599	582 229
Total assets		120 095 201	121 607 365	104 666 024
LIABILITIES				
Deposits from banks	Note 25	6 891 998	6 171 077	7 125 403
Hedging derivatives	Note 18	2 182 462	1 233 926	616 141
Financial liabilities held for trading	Note 17	2 686 777	2 781 686	1 608 976
Deposits from customers	Note 26	87 004 591	90 149 236	78 143 925
Subordinated liabilities	Note 27	419 621	1 439 835	1 397 795
Debt securities in issue	Note 28	1 467 179	983 646	500 590
Current income tax liabilities		240 061	475 363	156 792
Other liabilities	Note 29	1 312 996	1 260 584	1 328 673
Total liabilities		102 205 685	104 495 353	90 878 295
Equity				
Share capital		992 345	992 345	935 451
Other reserve funds		14 229 590	13 177 940	10 935 113
Revaluation reserve		544 410	947 095	938 077
Retained earnings		952 652	-	-
Profit of the current period		1 170 519	1 994 632	979 088
Total equity		17 889 516	17 112 012	13 787 729
Total equity and liabilities		120 095 201	121 607 365	104 666 024

In thousands of PLN

Movements on equity of Bank Zachodni WBK

Statement of changes in equity	Share capital	Other reserve funds	Revaluation reserve	Retained earnings and profit for the period	Total
Opening balance as at 31.12.2014	992 345	13 177 940	947 095	1 994 632	17 112 012
Other comprehensive income which can be transferred to the profit and loss account	-	-	(402 685)	1 170 519	767 834
Transfer to other capital	-	1 041 980	-	(1 041 980)	-
Share scheme charge	-	9 670	-	-	9 670
As at 30.06.2015	992 345	14 229 590	544 410	2 123 171	17 889 516

As at the end of the period revaluation reserve in the amount of PLN 544 410 k comprises of debt securities and equity shares classified as available for sale of PLN 120 035 k and PLN 572 816 k respectively and additionally cash flow hedge activities of PLN (143 017) k and accumulated actuarial losses -provision for retirement allowances of PLN (5 424) k.

Statement of changes in equity	Share capital	Other reserve funds	Revaluation reserve	Retained earnings and profit for the period	Total
Opening balance as at 31.12.2013	935 451	10 324 574	712 936	1 611 471	13 584 432
Other comprehensive income which can be transferred to the profit and loss account	-	-	245 378	1 994 632	2 240 010
Other comprehensive income which can't be transferred to the profit and loss account	-	-	(11 219)	-	(11 219)
Issue of shares	56 894	2 102 575	-	-	2 159 469
Transfer to other capital	-	610 539	-	(610 539)	-
Transfer to dividends for 2013	-	-	-	(1 000 932)	(1 000 932)
Share scheme charge	-	6 846	-	-	6 846
Adjustment to equity from the incorporation of Dom Maklerski BZ WBK (Brokerage House) into the structure of Bank Zachodni WBK	-	133 406	-	-	133 406
As at 31.12.2014	992 345	13 177 940	947 095	1 994 632	17 112 012

As at the end of the period revaluation reserve in the amount of PLN 947 095 k comprises of debt securities and equity shares classified as available for sale of PLN 488 575 k and PLN 570 978 k respectively and additionally cash flow hedge activities of PLN (107 033) k and accumulated actuarial losses -provision for retirement allowances of PLN (5 425) k.

Statement of changes in equity	Share capital	Other reserve funds	Revaluation reserve	Retained earnings and profit for the period	Total
Opening balance as at 31.12.2013	935 451	10 324 574	712 936	1 611 471	13 584 432
Other comprehensive income which can be transferred to the profit and loss account	-	-	232 303	979 088	1 211 391
Other comprehensive income which can't be transferred to the profit and loss account	-	-	(7 162)	-	(7 162)
Transfer to other capital	-	610 539	-	(610 539)	-
Transfer to dividends for 2013	-	-	-	(1 000 932)	(1 000 932)
As at 30.06.2014	935 451	10 935 113	938 077	979 088	13 787 729

As at the end of the period revaluation reserve in the amount of PLN 938 077 k comprises of debt securities and equity shares classified as available for sale of PLN 353 344 k and PLN 571 960 k respectively and additionally cash flow hedge activities of PLN 14 141 k and accumulated actuarial losses -provision for retirement allowances of PLN (1 368) k.

In thousands of PLN

Statement of cash flows of Bank Zachodni WBK

	for reporting period:	01.01.2015- 30.06.2015	01.01.2014- 30.06.2014
Profit before tax		1 416 609	1 194 891
Total adjustments:			
Depreciation/amortisation		99 880	93 958
(Profit) loss from investing activities		(472 911)	(64 187)
Impairment losses		320	1 425
		1 043 898	1 226 087
Changes in:			
Provisions		(62 997)	(80 323)
Trading portfolio financial instruments		1 088 038	(690 156)
Loans and advances to banks		(117 385)	168 209
Loans and advances to customers		(2 319 790)	(3 110 046)
Deposits from banks		535 607	846 619
Deposits from customers		(2 676 811)	(575 379)
Other assets and liabilities		487 364	176 098
		(3 065 974)	(3 264 978)
Interests and similar charges		15 470	(38 530)
Dividend received		(134 668)	(188 391)
Paid income tax		(586 487)	(269 958)
Net cash flow from operating activities		(2 727 761)	(2 535 770)
Inflows		55 956 665	113 161 522
Sale of investments in subsidiaries		244 316	-
Sale/maturity of investment securities		55 551 324	112 986 504
Sale of intangible assets and property, plant and equipment		47 230	14 559
Dividend received		113 795	160 459
Outflows		(55 409 531)	(113 344 659)
Purchase of investment securities		(55 358 394)	(113 302 115)
Purchase of intangible assets and property, plant and equipment		(51 137)	(42 544)
Net cash flow from investing activities		547 134	(183 137)
Inflows		669 569	-
Debt securities in issue		485 000	-
Drawing of loans		184 569	-
Outflows		(1 775 844)	(1 127 042)
Repayment of loans		(1 605 746)	(16 359)
Dividends and other payments to shareholders		-	(1 000 932)
Other financing outflows		(170 098)	(109 751)
Net cash flow from financing activities		(1 106 275)	(1 127 042)
Total net cash flow		(3 286 902)	(3 845 949)
Cash at the beginning of the accounting period		12 113 526	12 253 154
Cash at the end of the accounting period		8 826 624	8 407 205

In thousands of PLN

Additional notes to condensed interim unconsolidated financial statements

1. General information about issuer

Bank Zachodni WBK is a bank seated in Poland, 50-950 Wrocław, Rynek 9/11, TIN 896-000-56-73, National Official Business Register number (REGON) 930041341, registered in the District Court for Wrocław-Fabryczna, VI Economic Unit of the National Court Registry under 0000008723 number.

The direct parent of Bank Zachodni WBK is Banco Santander S.A. seated in Santander, Spain.

Bank Zachodni WBK offers a wide range of banking services for individual and business customers and operates in domestic and interbank foreign markets. Additionally, it offers also the following services:

- intermediation in trading securities,
- leasing,
- factoring,
- asset/ fund management,
- insurance services,
- trading in stock and shares of commercial companies,
- brokerage activity.

2. Basis of preparation of financial statements

In comparison with annual financial statements content of an interim financial report is condensed, therefore it should be read in conjunction with the financial statements of Bank Zachodni WBK for the year 2014 and with the condensed interim consolidated financial statements of BZ WBK Group for the six-month period ended 30 June 2015.

Financial statements of Bank Zachodni WBK S.A for the year 2014 is available at the Bank's official website: www.bzwbk.pl.

Statement of compliance

Condensed interim unconsolidated financial statements of Bank Zachodni WBK for the period from 1 January 2015 to 30 June 2015 were prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union and other applicable regulations.

In accordance with Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, no. 33, item 259 as amended), the Bank is required to publish the financial results for the six months ended 30 June 2015 which is deemed to be the current interim financial reporting period.

Accounting policies

Condensed interim unconsolidated financial statements of Bank Zachodni WBK are presented in PLN, rounded to the nearest thousand.

The financial statements are prepared on a fair value basis for derivative financial instruments, financial instruments measured at fair value through profit and loss account, and available-for-sale financial assets, except those for which a reliable measure of fair value is not available. Other financial assets and financial liabilities (including loans and advances) are recognized at amortised cost using the effective interest rate less impairment or purchase price less impairment.

Section the accounting policies applied by the Bank in these condensed interim unconsolidated financial statements are the same as those applied by the Bank in its financial statements for the year ended 31 December 2014.

In thousands of PLN

Comparability with results of previous periods

No major changes were introduced in respect of presentation of financial data for comparable periods of time.

The financial statements of Bank Zachodni WBK Group for Q4 2014 are the first financial statements prepared after incorporation of Dom Maklerski BZ WBK into the structure of Bank Zachodni WBK. The incorporation has no effect on comparability of the Group's consolidated data, but certain items of the financial statements of Bank Zachodni WBK presented in the current reporting period are not comparable with previous years. See Note 35 for details of the incorporation.

Changes in judgments and estimates

The significant judgment and the key sources of estimation uncertainty were the same as those that applied to the Annual Report of Bank Zachodni WBK for 2014.

3. Risk management

Information on risk management included in condensed interim consolidated financial statements of BZ WBK Group fully stand in for notes to these condensed interim unconsolidated financial statements.

4. Capital Management

Information on capital management included in condensed interim consolidated financial statements of BZ WBK fully stand in for notes to these condensed interim unconsolidated financial statements.

As regards capital adequacy, on 1 January 2014 the European Parliament and the European Banking Authority passed the CRD IV/CRR legislative package comprising the Capital Requirements Directive (CRD) IV and Capital Requirements Regulation (CRR) no. 575/2013. As at 30 June 2015, the capital ratio was calculated on the basis of own funds and the total capital requirement determined for individual risks using the standard method, in accordance with the above legislation.

On 23 April 2015, the BZ WBK Extraordinary Annual Meeting of Shareholders divided the net profit of PLN 1 994 631 702.59 for the year from 1 January 2014 to 31 December 2014 as follows:

- PLN 1 041 980 176.19 was allocated to the reserve capital
- PLN 952 651 526.40 remained undistributed.

The difference between the capital ratio reported at the end of June 2015 vs. 31 December 2014 is due to:

- an increase in the reserve capital resulting from distribution of profit
- recognition of verified and approved profit for 2014 as retained profit in Tier I capital
- recognition of a part of unrealised gains on valuation of debt and equity instruments in the calculation of own funds.

The Bank's capital ratio calculated in line with CRR is much above the minimum regulatory requirements.

In thousands of PLN

5. Net interest income

	01.04.2015- 30.06.2015	01.01.2015- 30.06.2015	01.04.2014- 30.06.2014	01.01.2014- 30.06.2014
Interest income				
Loans and advances to enterprises	372 177	769 537	432 878	845 095
Loans and advances to individuals, of which:	412 358	854 046	505 934	1 002 402
<i>Home mortgage loans</i>	172 630	364 680	202 298	400 659
Debt securities incl.:	151 450	308 324	177 128	366 580
<i>Investment portfolio available for sale</i>	140 661	289 517	165 748	339 986
<i>Trading portfolio</i>	10 789	18 807	11 380	26 594
Loans and advances to banks	17 812	40 214	25 109	51 007
Public sector	1 794	4 056	3 652	7 905
Reverse repo transactions	2 245	5 852	6 725	10 974
Interest recorded on hedging IRS	69 229	135 706	72 962	142 141
Total	1 027 065	2 117 735	1 224 388	2 426 104
Interest expenses				
Deposits from individuals	(143 877)	(318 534)	(198 726)	(406 945)
Deposits from enterprises	(80 036)	(179 643)	(104 285)	(209 376)
Repo transactions	(13 737)	(23 284)	(15 314)	(34 800)
Deposits from public sector	(13 340)	(29 095)	(21 994)	(41 819)
Deposits from banks	(2 268)	(4 888)	(2 929)	(6 110)
Subordinated liabilities and issue of securities	(24 829)	(49 889)	(19 045)	(37 809)
Total	(278 087)	(605 333)	(362 293)	(736 859)
Net interest income	748 978	1 512 402	862 095	1 689 245

6. Net fee and commission income

	01.04.2015- 30.06.2015	01.01.2015- 30.06.2015	01.04.2014- 30.06.2014	01.01.2014- 30.06.2014
Fee and commission income				
eBusiness & payments	129 843	260 070	155 675	307 051
Current accounts and money transfer	83 955	169 022	76 273	152 800
Asset management fees	1 797	3 479	4 113	7 449
Foreign exchange commissions	76 091	150 174	81 287	157 518
Credit commissions	57 907	103 463	54 908	116 722
Insurance commissions	28 049	61 183	26 957	54 376
Brokerage commissions	16 714	34 876	38	83
Credit cards	20 598	39 505	30 295	61 088
Off-balance sheet guarantee commissions	11 227	21 196	11 804	22 088
Issue arrangement fees	7 494	9 468	521	1 101
Distribution fees	34 729	65 900	26 157	51 303
Other commissions	1 743	2 332	3 217	4 573
Total	470 147	920 668	471 245	936 152
Fee and commission expenses				
eBusiness & payments	(35 664)	(79 791)	(32 665)	(71 409)
Credit cards	(4 548)	(8 410)	(5 456)	(13 301)
Brokerage commissions	(2 634)	(6 093)	-	-
Finance lease commissions	(47)	(68)	(213)	(313)
Commissions paid to credit agents	(4 465)	(5 928)	(3 001)	(3 248)
Other	(12 432)	(24 393)	(15 537)	(29 162)
Total	(59 790)	(124 683)	(56 872)	(117 433)
Net fee and commission income	410 357	795 985	414 373	818 719

In thousands of PLN

The line item Insurance commissions presents insurance fees realised on insurance products linked to the loan products. They cover insurance fees related to cash loans, where approximately 30% of the realised income represents agency fees for the sale of insurance products and the remaining portion of realised income is amortised over time according to the effective interest rate method and recognised in interest income. Moreover, this line item presents insurance fees recognized on a cash basis for insurance products that are realised cyclically during the term of loan agreement (mortgage loans). For the remaining loan products insurance fees are recognised on a cash basis including an allowance for estimated future reimbursements.

7. Net trading income and revaluation

Net trading income and revaluation	01.04.2015- 30.06.2015	01.01.2015- 30.06.2015	01.04.2014- 30.06.2014	01.01.2014- 30.06.2014
Derivative instruments and interbank fx transactions	64 119	116 306	(9 910)	(35 653)
Other FX related income	2 066	3 467	3 404	48 032
Profit on equity instruments	(5 006)	(3 122)	-	-
Profit on debt instruments	(18 378)	(15 533)	5 372	2 372
Total	42 801	101 118	(1 134)	14 751

Net trading income and revaluation includes value of adjustments of derivatives resulting from counterparty risk in the amount of PLN (11 188) k for H1 2015, PLN (7 214) k for 2Q 2015 and value of adjustments of derivatives resulting from counterparty risk in the amount of PLN (10 570) k for H1 2014, PLN (10 310) k for 2Q 2014.

8. Gains (losses) from other financial securities

Gains (losses) from other financial securities	01.04.2015- 30.06.2015	01.01.2015- 30.06.2015	01.04.2014- 30.06.2014	01.01.2014- 30.06.2014
Profit on sale of equity shares	-	17	-	14 093
Profit on sale of debt securities	40 680	228 469	15 012	43 655
Charge due to impairment losses	(86)	(320)	(1 425)	(1 425)
Total profit (losses) on financial instruments	40 594	228 166	13 587	56 323
Change in fair value of hedging instruments	117 095	109 847	(78 708)	(102 864)
Change in fair value of underlying hedged positions	(117 204)	(110 151)	81 316	104 360
Total profit (losses) on hedging and hedged instruments	(109)	(304)	2 608	1 496
Total	40 485	227 862	16 195	57 819

9. Other operating income

Other operating income	01.04.2015- 30.06.2015	01.01.2015- 30.06.2015	01.04.2014- 30.06.2014	01.01.2014- 30.06.2014
Income on sale of services	4 372	7 911	6 164	13 203
Insurance indemnity received	19	258	74	93
Reimbursements of BGF charges	14 880	37 427	4 777	14 355
Release of provision for legal cases and other assets	3 130	7 266	17 273	18 741
Settlements of leasing agreements	421	588	10	23
Recovery of other receivables	1 273	2 395	6 489	6 695
Income on sales or liquidation of fixed assets, intangible assets and assets for disposal	2 386	10 034	(386)	6 437
Received compensations, penalties and fines	360	463	193	1 183
Other	4 360	7 488	4 108	6 783
Total	31 201	73 830	38 702	67 513

In thousands of PLN

10. Impairment losses on loans and advances

	01.04.2015- 30.06.2015	01.01.2015- 30.06.2015	01.04.2014- 30.06.2014	01.01.2014- 30.06.2014
Impairment losses on loans and advances				
Collective and individual impairment charge	(125 488)	(285 759)	(225 507)	(390 938)
Incurring but not reported losses charge	(50 021)	(48 890)	42 966	26 630
Recoveries of loans previously written off	(77)	(228)	4 429	4 773
Off-balance sheet credit related facilities	14 454	12 495	617	21 985
Total	(161 132)	(322 382)	(177 495)	(337 550)

11. Employee costs

	01.04.2015- 30.06.2015	01.01.2015- 30.06.2015	01.04.2014- 30.06.2014	01.01.2014- 30.06.2014
Employee costs				
Salaries and bonuses	(255 585)	(513 858)	(233 556)	(467 224)
Salary related costs	(43 874)	(91 302)	(41 729)	(86 795)
Staff benefits costs	(6 666)	(12 964)	(7 122)	(14 004)
Professional trainings	(3 949)	(6 236)	(3 059)	(5 297)
Retirement fund, holiday provisions and other employee costs	(594)	(1 188)	(550)	(1 375)
Integration costs *	(65)	(360)	(21 117)	(40 960)
Total	(310 733)	(625 908)	(307 133)	(615 655)

*In addition to the integration costs included in Notes 11 and 12, the amortisation/depreciation related to the cost of integration for 1H 2015 was PLN 14,078 k and PLN 6,320 k for 1H 2014.

12. General and administrative expenses

	01.04.2015- 30.06.2015	01.01.2015- 30.06.2015	01.04.2014- 30.06.2014	01.01.2014- 30.06.2014
General and administrative expenses				
Maintenance and rentals of premises	(73 927)	(150 656)	(82 302)	(167 468)
Marketing and representation	(35 577)	(53 951)	(35 013)	(55 588)
IT systems costs	(34 313)	(69 813)	(30 746)	(62 432)
Bank Guarantee Fund, Polish Financial Supervision Authority and National Depository for Securities	(56 853)	(113 892)	(31 870)	(63 422)
Postal and telecommunication costs	(10 636)	(22 349)	(8 998)	(21 209)
Consulting fees	(8 411)	(17 628)	(5 159)	(9 204)
Cars, transport expenses, carriage of cash	(16 143)	(33 162)	(17 335)	(34 830)
Other external services	(18 614)	(38 613)	(16 426)	(33 413)
Stationery, cards, cheques etc.	(5 525)	(11 410)	(5 449)	(12 131)
Sundry taxes	(6 670)	(13 072)	(5 814)	(12 121)
Data transmission	(4 472)	(8 893)	(4 654)	(9 450)
KIR, SWIFT settlements	(6 186)	(11 655)	(4 807)	(9 975)
Security costs	(4 345)	(9 107)	(5 040)	(9 637)
Costs of repairs	(1 406)	(2 601)	(1 340)	(2 343)
Integration costs *	(6 914)	(12 959)	(37 188)	(62 542)
Other	(5 193)	(9 717)	(4 466)	(8 559)
Total	(295 185)	(579 478)	(296 607)	(574 324)

*In addition to the integration costs included in Notes 11 and 12, the amortisation/depreciation related to the cost of integration for 1H 2015 was PLN 14 078 k and PLN 6 320 k for 1H 2014.

In 2015, the total cost of the annual Banking Guarantee Fund fee paid by Bank Zachodni WBK was PLN 200,856k compared with PLN 104,409k reported in 2014.

In thousands of PLN

13. Other operating expenses

	01.04.2015- 30.06.2015	01.01.2015- 30.06.2015	01.04.2014- 30.06.2014	01.01.2014- 30.06.2014
Other operating expenses				
Charge of provisions for legal cases and other assets	(23 532)	(26 987)	(8 356)	(11 243)
Costs of purchased services	(448)	(785)	(657)	(1 333)
Other membership fees	(259)	(449)	(169)	(291)
Paid compensations, penalties and fines	(574)	(2 559)	(18)	(42)
Donation paid	(2 000)	(3 320)	-	(590)
Other	(1 475)	(3 082)	(3 360)	(6 561)
Total	(28 288)	(37 182)	(12 560)	(20 060)

14. Corporate income tax

	01.04.2015- 30.06.2015	01.01.2015- 30.06.2015	01.04.2014- 30.06.2014	01.01.2014- 30.06.2014
Corporate income tax				
Current tax charge	(132 808)	(351 185)	(187 470)	(333 942)
Deferred tax	46 783	105 095	82 469	118 139
Total	(86 025)	(246 090)	(105 001)	(215 803)

	01.04.2015- 30.06.2015	01.01.2015- 30.06.2015	01.04.2014- 30.06.2014	01.01.2014- 30.06.2014
Corporate total tax charge information				
Profit before tax	546 686	1 416 609	621 281	1 194 891
Tax rate	19%	19%	19%	19%
Tax calculated at the tax rate	(103 871)	(269 156)	(118 043)	(227 029)
Permanent differences	(740)	(4 792)	(1 267)	(206)
Sale of receivables	(4 125)	(7 625)	(4 373)	(8 542)
Non-tax deductible bad debt provisions	229	(914)	(4 412)	(5 806)
Non-taxable income (dividends)	22 435	25 587	25 029	35 794
Adjustment of prior year tax incl. technological relief	-	10 431	(3 049)	(10 217)
Other	47	379	1 114	203
Total income tax expense	(86 025)	(246 090)	(105 001)	(215 803)

	30.06.2015	31.12.2014	30.06.2014
Deferred tax recognised directly in equity			
Relating to equity securities available-for-sale	(134 364)	(133 933)	(134 163)
Relating to debt securities available-for-sale	(28 156)	(114 604)	(82 883)
Relating to cash flow hedging activity	33 547	25 107	(3 317)
Relating to valuation of defined benefit plans	1 272	1 272	321
Total	(127 701)	(222 158)	(220 042)

15. Cash and balances with central banks

	30.06.2015	31.12.2014	30.06.2014
Cash and balances with central banks			
Cash	1 629 235	2 434 018	1 626 772
Current accounts in central banks	1 260 593	4 133 090	5 412 803
Total	2 889 828	6 567 108	7 039 575

BZ WBK holds an obligatory reserve on a current account in the National Bank of Poland. The figure is calculated at a fixed percentage of the monthly average balance of the customers deposits, which in all the covered periods was 3.5%.

In accordance with the applicable regulations, the amount of the calculated provision is reduced by the equivalent of EUR 500 k.

In thousands of PLN

16. Loans and advances to banks

Loans and advances to banks	30.06.2015	31.12.2014	30.06.2014
Loans and advances	1 695 830	1 508 090	782 802
Current accounts, other	2 847 235	1 768 457	722 655
Buy-sell-back transaction	138 290	397 017	555 356
Gross receivables	4 681 355	3 673 564	2 060 813
Allowance for impairment	(31)	(45)	(295)
Total	4 681 324	3 673 519	2 060 518

17. Financial assets and liabilities held for trading

Financial assets and liabilities held for trading	30.06.2015		31.12.2014		30.06.2014	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Trading derivatives	2 123 678	2 380 796	1 935 843	2 304 681	1 105 153	1 118 276
Interest rate operations	1 320 334	1 516 263	1 280 892	1 635 924	828 796	873 068
Forward	-	-	-	139	-	-
Options	11 094	11 094	1 798	1 798	1 527	1 527
IRS	1 304 266	1 498 146	1 271 709	1 626 181	815 643	861 693
FRA	4 974	7 023	7 385	7 806	11 626	9 848
Transactions on equity instruments	8 220	8 220	9 956	33 398	9 847	25 104
Options	8 220	8 220	9 956	33 398	9 847	25 104
FX operations	795 124	856 313	644 995	635 359	266 434	220 032
CIRS	184 829	271 974	145 697	169 956	84 088	83 107
Forward	58 765	59 037	38 428	34 840	11 198	30 903
FX Swap	396 818	378 340	310 711	287 270	112 859	47 618
Spot	3 028	2 275	4 740	2 419	536	649
Options	144 695	144 687	140 796	140 798	57 753	57 755
Other	6 989	-	4 623	76	-	-
Transactions concerning precious metals and commodities	-	-	-	-	76	72
Debt and equity securities	2 956 971	-	3 285 191	-	2 270 993	-
Debt securities	2 926 980	-	3 212 909	-	2 270 993	-
Government securities:	2 926 492	-	3 212 769	-	2 270 993	-
- bonds	2 926 492	-	3 212 769	-	2 270 993	-
Commercial securities:	488	-	140	-	-	-
- bonds	488	-	140	-	-	-
Equity securities:	29 991	-	72 282	-	-	-
- listed	29 991	-	72 282	-	-	-
Short sale	-	305 981	-	477 005	-	490 700
Total financial assets/liabilities	5 080 649	2 686 777	5 221 034	2 781 686	3 376 146	1 608 976

Financial assets and liabilities held for trading - trading derivatives include value adjustments resulting from counterparty risk in the amount of PLN (5 229) k as at 30.06.2015, PLN 6 091 k as at 31.12.2014, PLN (12 893) k as at 30.06.2014.

In thousands of PLN

The table below presents off-balance sheet derivatives' nominal values.

Derivatives' nominal values	30.06.2015	31.12.2014	30.06.2014
1. Term derivatives (hedging)	35 781 022	33 953 647	31 370 973
a) Single-currency interest rate swap	3 273 000	2 988 000	2 665 000
b) Macro cash flow hedge -purchased (IRS)	2 218 087	2 740 423	2 781 153
c) Macro cash flow hedge -purchased (CIRS)	14 274 363	13 754 095	12 798 315
d) Macro cash flow hedge -sold (CIRS)	16 015 572	14 471 129	13 126 505
2. Term derivatives (trading)	215 630 532	179 730 504	134 144 270
a) Interest rate operations	127 033 096	95 087 752	82 258 147
Single-currency interest rate swap	113 532 309	86 409 126	67 216 220
FRA - purchased amounts	10 720 000	6 450 000	13 600 000
Options	2 780 787	1 792 126	1 301 727
Forward- sold amounts	-	436 500	140 200
b) FX operations	88 597 436	84 642 752	51 881 225
FX swap – purchased amounts	19 207 223	20 757 332	11 219 690
FX swap – sold amounts	19 187 039	20 728 416	11 137 163
Forward- purchased amounts	3 914 800	3 372 360	2 523 198
Forward- sold amounts	3 935 593	3 394 071	2 561 111
Cross-currency interest rate swap – purchased amounts	8 610 425	6 845 102	6 274 711
Cross-currency interest rate swap – sold amounts	8 703 616	6 872 957	6 284 386
FX options -purchased CALL	6 125 607	5 519 076	2 938 978
FX options -purchased PUT	6 393 763	5 817 181	3 001 505
FX options -sold CALL	6 125 607	5 519 076	2 938 978
FX options -sold PUT	6 393 763	5 817 181	3 001 505
c) Transactions concerning precious metals and commodities	-	-	4 898
Commodity swap - purchased amounts	-	-	2 449
Commodity swap - sold amounts	-	-	2 449
3. Currency transactions- spot	3 941 784	4 656 294	1 977 769
Spot-purchased	1 971 266	2 329 321	988 834
Spot-sold	1 970 518	2 326 973	988 935
4. Transactions on equity financial instruments	863 782	751 380	442 292
Derivatives contract- purchased	418 543	341 307	221 146
Derivatives contract - sold	445 239	410 073	221 146
5 Capital options related to subsidiary entities	-	255 738	249 654
Total	256 217 120	219 347 563	168 184 958

In the case of single-currency transactions (IRS, FRA, non-FX options) only purchased amounts are presented.

18. Hedging derivatives

Hedging derivatives	30.06.2015		31.12.2014		30.06.2014	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Derivatives hedging fair value	1 725	184 532	-	251 397	224	141 508
Derivatives hedging cash flow	143 138	1 997 930	238 889	982 529	204 776	474 633
Total hedging derivatives	144 863	2 182 462	238 889	1 233 926	205 000	616 141

As at 30.06.2015 Hedging derivatives - derivatives hedging cash flow include value adjustments day first profit or loss for start forward CIRS transactions in the amount of PLN (12 249) k., PLN (12 770) k as at 31.12.2014, PLN (12 095) k as at 30.06.2014.

For the valuation of hedging transactions, Bank uses a valuation model, in which not all essential data used for valuation are based on observable market parameters, therefore, differences arise in the initial valuation. Bank treats it as the Day 1 profit or loss and amortises it in time and indicates the valuation effect in the profit and loss account. Amortisation of adjustment to the valuation of day 1 is recognized in Net trading income and revaluation.

In thousands of PLN

19. Loans and advances to customers

Loans and advances to customers	30.06.2015	31.12.2014	30.06.2014
Loans and advances to enterprises	42 733 434	42 569 128	39 416 695
Loans and advances to individuals, of which:	37 659 487	35 302 881	34 544 288
<i>Home mortgage loans</i>	28 361 851	26 248 235	25 661 962
Loans and advances to public sector	183 722	190 426	218 307
Buy-sell-back transaction	100	100	102 937
Other	12 297	5 964	11 908
Gross receivables	80 589 040	78 068 499	74 294 135
Allowance for impairment	(3 623 370)	(3 422 619)	(3 569 547)
Total	76 965 670	74 645 880	70 724 588

Movements on impairment losses on loans and advances to customers	30.06.2015	31.12.2014	30.06.2014
Individual and collective impairment			
As at the beginning of the period	(3 080 099)	(2 922 665)	(2 922 665)
Charge/write back of current period	(285 759)	(873 335)	(390 938)
Write off/Sale of receivables	117 909	679 008	142 052
Transfer	25 265	50 383	27 159
F/X differences	(4 303)	(13 490)	(1 535)
Balance at the end of the period	(3 226 987)	(3 080 099)	(3 145 927)
IBNR			
As at the beginning of the period	(342 520)	(433 039)	(433 039)
Charge/write back of current period	(48 903)	113 170	26 736
Transfer	-	(18 943)	(16 360)
F/X differences	(4 960)	(3 708)	(957)
Balance at the end of the period	(396 383)	(342 520)	(423 620)
Allowance for impairment	(3 623 370)	(3 422 619)	(3 569 547)

20. Investment securities available for sale

Investment securities available for sale	30.06.2015	31.12.2014	30.06.2014
Available for sale investments - measured at fair value			
Debt securities	22 755 680	23 612 492	16 398 060
Government securities:	18 029 459	18 395 809	13 519 464
- bonds	18 029 459	18 395 809	13 519 464
Central Bank securities:	2 499 791	2 999 833	-
- bills	2 499 791	2 999 833	-
Commercial securities:	2 226 430	2 216 850	2 878 596
- bonds	2 226 430	2 216 850	2 878 596
Equity securities	843 994	835 621	833 148
- listed	22 743	20 467	23 738
- unlisted	821 251	815 154	809 410
Investment certificates	17 016	17 335	19 429
Total	23 616 690	24 465 448	17 250 637

In thousands of PLN

Movements on investment securities available for sale	Debt securities	Financial instruments representing equity rights	Total
As at 1 January 2015	23 612 492	852 956	24 465 448
Additions	55 352 289	6 105	55 358 394
Disposals (sale and maturity)	(55 822 880)	-	(55 822 880)
Fair value adjustment	(557 521)	2 269	(555 252)
Movements on interest accrued	153 222	-	153 222
Allowances for impairment	-	(320)	(320)
F/X differences	18 078	-	18 078
As at 30 June 2015	22 755 680	861 010	23 616 690

Movements on investment securities available for sale	Debt securities	Financial instruments representing equity rights	Total
As at 1 January 2014	21 069 359	855 130	21 924 489
Additions	241 664 063	14 480	241 678 543
Disposals (sale and maturity)	(239 834 476)	(10 962)	(239 845 438)
Fair value adjustment	702 073	(2 173)	699 900
Movements on interest accrued	(59 226)	-	(59 226)
Allowances for impairment	-	(3 519)	(3 519)
F/X differences	70 699	-	70 699
As at 31 December 2014	23 612 492	852 956	24 465 448

Movements on investment securities available for sale	Debt securities	Financial instruments representing equity rights	Total
As at 1 January 2014	21 069 359	855 130	21 924 489
Additions	113 302 080	35	113 302 115
Disposals (sale and maturity)	(118 527 779)	(14 293)	(118 542 072)
Fair value adjustment	403 512	13 128	416 640
Movements on interest accrued	148 281	-	148 281
Allowances for impairment	-	(1 425)	(1 425)
F/X differences	2 607	2	2 609
As at 30 June 2014	16 398 060	852 577	17 250 637

21. Investments in subsidiaries and associates

Investments in subsidiaries and associates	30.06.2015	31.12.2014	30.06.2014
Subsidiaries	2 340 720	2 379 250	271 191
Associates	36 605	8 000	8 000
Total	2 377 325	2 387 250	279 191

In thousands of PLN

22. Net deferred tax assets

Deferred tax asset	30.06.2015	31.12.2014	30.06.2014
Provisions for loans	474 004	444 130	496 392
Unrealized liabilities due to derivatives	872 166	681 206	334 980
Other provisions which are not yet taxable costs	93 722	98 165	85 466
Deferred income	246 177	233 695	160 047
Unrealised interest expense on loans, deposits and securities	30 513	135 436	73 140
Other	8 389	6 601	6 997
Total	1 724 971	1 599 233	1 157 022
Deferred tax liability	30.06.2015	31.12.2014	30.06.2014
Revaluation of financial instruments available for sale*	(127 701)	(222 158)	(220 043)
Unrealised receivables on derivatives	(429 462)	(411 757)	(247 415)
Unrealised interests from loans, securities and interbank deposits	(155 097)	(163 530)	(137 307)
Provision due to application of investment relief	(2 269)	(3 227)	(3 325)
Difference between balance sheet and taxable value of unfinancial value assets	328	(1 171)	(3 482)
Other	(17 210)	(3 382)	(10 320)
Total	(731 411)	(805 225)	(621 892)
Net deferred tax assets	993 560	794 008	535 130

*Changes in deferred tax liabilities were recognised in the unconsolidated statement of comprehensive income.

As at 30 June 2015 the calculation of deferred tax assets did not include purchased receivables of PLN 11,893 k and loans that will not be realised of PLN 91,615 k.

As at 30 June 2014 the calculation of deferred tax assets did not include purchased receivables of PLN 14,249 k and loans that will not be realised of PLN 124,182 k.

23. Assets classified as held for sale

Assets classified as held for sale	30.06.2015	31.12.2014	30.06.2014
Land and buildings	637	637	3 503
Total	637	637	3 503

24. Other assets

Other assets	30.06.2015	31.12.2014	30.06.2014
Interbank and interbranch settlements	160 583	456 910	207 625
Sundry debtors	240 820	300 942	233 873
Prepayments	136 559	33 654	93 536
Repossessed assets	37 364	41 425	46 923
Settlements of stock exchange transactions	41 328	22 615	-
Other	52	53	272
Total	616 706	855 599	582 229

"Prepayments" include Banking Guarantee Fund fees paid by Bank Zachodni WBK, which as at 30.06.2015 were PLN 100,428 k and PLN 52,126 k as at 30.06.2014.

In thousands of PLN

25. Deposits from banks

Deposits from banks	30.06.2015	31.12.2014	30.06.2014
Repo transactions	6 033 741	5 664 694	6 480 133
Term deposits	208 099	110 592	212 328
Loans from other banks	187 957	-	-
Current accounts	462 201	395 791	432 942
Total	6 891 998	6 171 077	7 125 403

26. Deposits from customers

Deposits from customers	30.06.2015	31.12.2014	30.06.2014
Deposits from individuals	50 854 629	52 936 866	46 988 201
Term deposits	21 371 082	25 677 068	21 180 756
Current accounts	29 433 796	27 204 884	25 738 105
Other	49 751	54 914	69 340
Deposits from enterprises	32 547 602	33 692 263	27 101 519
Term deposits	16 089 087	16 703 200	12 989 935
Current accounts	13 187 864	13 734 630	11 390 334
Sell-buy-back transaction	120 004	157 134	91 868
Credits	2 214 291	2 587 686	2 119 522
Other	936 356	509 613	509 860
Deposits from public sector	3 602 360	3 520 107	4 054 205
Term deposits	1 718 684	1 317 191	1 580 404
Current accounts	1 883 442	2 202 706	2 464 030
Other	234	210	9 771
Total	87 004 591	90 149 236	78 143 925

27. Subordinated liabilities

Subordinated liabilities	Redemption date	Currency	Nominal value
Tranche 1	05.08.2020	EUR	100 000

Movements in subordinated liabilities	30.06.2015	31.12.2014	30.06.2014
As at the beginning of the period	1 439 835	1 384 719	1 384 719
Increase (due to):	151 190	116 631	40 823
- interest on subordinated loan	32 807	61 925	28 059
- FX differences	118 383	54 706	12 764
Decrease (due to):	(1 171 404)	(61 515)	(27 747)
- subordinated loans repayment	(1 138 338)	-	-
- interest repayment	(33 066)	(61 515)	(27 747)
As at the end of the period	419 621	1 439 835	1 397 795
Short-term	2 164	4 770	4 611
Long-term (over 1 year)	417 457	1 435 065	1 393 184

Subordinated loans in the amount of PLN 1,138,338 k were repaid to KBC Bank in June 2015 as they no longer qualified to be treated as Tier II capital under CRD IV/CRR rules.

In thousands of PLN

28. Debt securities in issue

Debt securities in issue	ISIN	Nominal value	Currency	Redemption date	30.06.2015
Series A	PLBZ00000150	500 000	PLN	19.12.2016	
Series B	PLBZ00000168	475 000	PLN	17.07.2017	
Series C	PLBZ00000176	485 000	PLN	25.06.2018	
Debt securities in issue					
- as at the end of the period					1 467 179

29 Other liabilities

Other liabilities	30.06.2015	31.12.2014	30.06.2014
Provisions:	357 322	420 319	332 506
<i>Employee provisions</i>	257 673	306 503	225 057
<i>Provisions for legal claims</i>	37 945	39 466	29 008
<i>Provisions for off-balance sheet credit facilities</i>	58 404	71 050	75 141
<i>Other</i>	3 300	3 300	3 300
Interbank and interbranch settlements	310 946	238 803	427 082
Other deferred and suspended income	150 766	117 629	98 499
Sundry creditors	268 572	260 363	274 655
Accrued liabilities	140 192	124 790	155 355
Public and law settlements	50 352	50 303	40 576
Settlements of stock exchange transactions	34 846	48 377	-
Total	1 312 996	1 260 584	1 328 673

In thousands of PLN

Change in provisions	30.06.2015	31.12.2014	30.06.2014
As at the beginning of the period	420 319	412 829	412 829
Employee provisions	306 503	267 965	267 965
Provisions for legal claims	39 466	44 630	44 630
Provisions for off balance sheet credit facilities	71 050	96 934	96 934
Other	3 300	3 300	3 300
Provision acquired in a business combination	-	7 553	-
Employee provisions	-	7 360	-
Provisions for legal claims	-	193	-
Provisions for off-balance sheet credit facilities	-	-	-
Other	-	-	-
Provision charge	176 897	447 092	217 779
Employee provisions	122 744	276 173	130 807
Provisions for legal claims	2 791	11 415	581
Provisions for off balance sheet credit facilities	51 362	159 504	86 391
Other	-	-	-
Utilization	(170 419)	(237 919)	(174 019)
Employee provisions	(167 290)	(239 561)	(173 485)
Provisions for legal claims	(2 977)	(240)	(726)
Provisions for off balance sheet credit facilities	(152)	1 882	192
Other	-	-	-
Write back	(69 475)	(209 236)	(124 083)
Employee provisions	(4 284)	(5 434)	(230)
Provisions for legal claims	(1 335)	(16 532)	(15 477)
Provisions for off balance sheet credit facilities	(63 856)	(187 270)	(108 376)
Other	-	-	-
Balance at the end of the period	357 322	420 319	332 506
Employee provisions	257 673	306 503	225 057
Provisions for legal claims	37 945	39 466	29 008
Provisions for off balance sheet credit facilities	58 404	71 050	75 141
Other	3 300	3 300	3 300

In thousands of PLN

30. Fair value

A fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions.

Below is a summary of the book values and fair values of the individual groups of assets and liabilities.

	30.06.2015		31.12.2014		30.06.2014	
	Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value
Assets						
Cash and balances with central banks	2 889 828	2 889 828	6 567 108	6 567 108	7 039 575	7 039 575
Loans and advances to banks	4 681 324	4 681 324	3 673 519	3 673 519	2 060 518	2 060 518
Financial assets held for trading	5 080 649	5 080 649	5 221 034	5 221 034	3 376 146	3 376 146
Hedging derivatives	144 863	144 863	238 889	238 889	205 000	205 000
Loans and advances to customers	76 965 670	77 211 115	74 645 880	74 687 611	70 724 588	71 362 549
Investment securities	23 616 690	23 616 690	24 465 448	24 465 448	17 250 637	17 250 637
Investments in subsidiaries and associates	2 377 325	2 377 325	2 387 250	2 387 250	279 191	279 191
Liabilities						
Deposits from banks	6 891 998	6 891 998	6 171 077	6 171 077	7 125 403	7 125 403
Hedging derivatives	2 182 462	2 182 462	1 233 926	1 233 926	616 141	616 141
Financial liabilities held for trading	2 686 777	2 686 777	2 781 686	2 781 686	1 608 976	1 608 976
Subordinated liabilities	419 621	494 349	1 439 835	1 691 305	1 397 795	1 397 795
Deposits from customers	87 004 591	87 022 687	90 149 236	90 157 500	78 143 925	78 139 850

Below is a summary of the key methods and assumptions used in the estimation of fair values of the financial instruments shown in the table above.

Financial assets and liabilities not carried at fair value in the statement of financial position

The Bank has financial instruments which in accordance with the IFRS are not carried at fair value in the unconsolidated financial statements. The fair value of such instruments is measured using the following methods and assumptions.

Loans and advances to banks: The fair value of deposits is measured using discounted cash flows at the current money market interest rates for receivables of similar credit risk, maturity and currency.

Loans and advances to customers: Carried at net value after impairment charges. Fair value is calculated as the discounted value of the expected future cash flows in respect of principal and interest payments. It is assumed that loans and advances will be repaid at their contractual maturity date. The estimated fair value of the loans and advances reflects changes in the credit risk from the moment of sanction (margins) and changes in interest rates. As the reporting date no estimates were made with regard to the fair value of the portfolio of mortgage loans denominated in CHF due to the lack of an active market for similar products, however in the case of part of the portfolio of mortgage loans denominated in CHF acquired from Kredyt Bank, the carrying amount includes the fair value component established as at the merger date.

Financial assets not carried at fair value: The Bank does not use fair valuation for equity securities of unlisted companies for which the fair value cannot be reliably established. In the statement of financial position, equity instruments are presented at cost less impairment. Debt instruments are measured at amortised cost.

Investments in subsidiaries, associates and joint ventures: The financial assets representing investments in subsidiaries, associates and joint ventures are measured using the equity method. The Management Board of the parent company believes that this is the most accurate estimation of fair value of these instruments.

Deposits from banks and deposits from customers: Fair value of the deposits with maturity exceeding 6 months was estimated based on the cash flows discounted by the current market rates for the deposits with similar maturity dates. In the case of demand deposits without a fixed maturity date or with maturity up to 6 months, it is assumed that their fair value is not significantly different than their book value. The process of fair value estimation for these instruments is not affected by the long-term nature of the business with depositors.

Debt securities in issue and subordinated liabilities: The securities and subordinated liabilities are measured at amortised cost. The fair value of these instruments is not significantly different from their balance sheet value.

In thousands of PLN

Financial assets and liabilities carried at fair value in the statement of financial position

As at 30.06.2015 and in the comparable periods the Bank made the following classification of its financial instruments measured at fair value in the statement of financial position:

Level I (active market quotations): Debt, equity and derivative financial instruments which at the balance sheet date were measured using the prices quoted in the active market. The Bank allocates to this level fixed-rate State Treasury bonds, treasury bills, Eurobonds of the German government, Eurobonds of the American government, shares of listed companies and WIG 20 futures.

Level II (the measurement methods based on market-derived parameters): This level includes derivative instruments. Level II also classifies variable-rate State Treasury bonds. These bonds were measured using discounted cash flow models based on the discount curve derived from the market of fixed-rate treasury bonds. Derivative instruments are measured using discounted cash flow models based on the discount curve derived from the inter-bank market.

Level III (measurement methods using material non-market parameters): This level includes equity securities that are not quoted in the active market, measured using the expert valuation model; investment certificates measured at the balance sheet date at the price announced by the mutual fund and debt securities (commercial and municipal bonds).

As at 30.06.2015 and in the comparable periods the Bank classified its financial instruments to the following fair value levels:

30.06.2015	Level I	Level II	Level III	Total
Financial assets				
Financial assets held for trading	1 647 553	3 431 736	1 360	5 080 649
Hedging derivatives	-	144 863	-	144 863
Financial investment assets - debt securities	14 786 876	7 968 805	-	22 755 681
Financial investment assets - equity securities	22 742	-	838 267	861 009
Total	16 457 171	11 545 404	839 627	28 842 202
Financial liabilities				
Financial liabilities held for trading	305 981	2 380 796	-	2 686 777
Hedging derivatives	-	2 182 462	-	2 182 462
Total	305 981	4 563 258	-	4 869 239

31.12.2014	Level I	Level II	Level III	Total
Financial assets				
Financial assets held for trading	1 848 187	3 371 457	1 390	5 221 034
Hedging derivatives	-	238 889	-	238 889
Financial investment assets - debt securities	15 351 139	8 261 354	-	23 612 493
Financial investment assets - equity securities	20 467	-	832 488	852 955
Total	17 219 793	11 871 700	833 878	29 925 371
Financial liabilities				
Financial liabilities held for trading	477 005	2 304 681	-	2 781 686
Hedging derivatives	-	1 233 926	-	1 233 926
Total	477 005	3 538 607	-	4 015 612

30.06.2014	Level I	Level II	Level III	Total
Financial assets				
Financial assets held for trading	1 980 967	1 395 179	-	3 376 146
Hedging derivatives	-	205 000	-	205 000
Financial investment assets - debt securities	13 727 521	2 670 539	-	16 398 060
Financial investment assets - equity securities	23 738	-	828 839	852 577
Total	15 732 226	4 270 718	828 839	20 831 783
Financial liabilities				
Financial liabilities held for trading	490 700	1 118 276	-	1 608 976
Hedging derivatives	-	616 141	-	616 141
Total	490 700	1 734 417	-	2 225 117

In thousands of PLN

The tables below show reconciliation of changes in the balance of financial instruments whose fair value is established by means of the valuation methods using material non-market parameters.

Level III	Financial assets			Financial liabilities
30.06.2015	Financial assets held for trading	Financial investment assets - debt securities	Financial investment assets - equity securities	Financial liabilities held for trading
Beginning of the period	1 390	-	832 488	-
Profits or losses	(55)	-	(305)	-
<i>recognised in income statement</i>	(55)	-	-	-
<i>recognised in equity</i>	-	-	(305)	-
Purchase	72	-	6 084	-
Sale	(47)	-	-	-
Matured	-	-	-	-
Impairment	-	-	-	-
Transfer	-	-	-	-
At the period end	1 360	-	838 267	-

Level III	Financial assets			Financial liabilities
31.12.2014	Financial assets held for trading	Financial investment assets - debt securities	Financial investment assets - equity securities	Financial liabilities held for trading
Beginning of the period	-	-	830 228	-
Profit or losses	-	-	11	-
<i>recognised in income statement</i>	-	-	-	-
<i>recognised in equity</i>	-	-	11	-
Purchase	-	-	5 868	-
Sale	-	-	(100)	-
Matured	-	-	-	-
Impairment	-	-	(3 519)	-
Transfer	1 390	-	-	-
At the period end	1 390	-	832 488	-

Level III	Financial assets			Financial liabilities
30.06.2014	Financial assets held for trading	Financial investment assets - debt securities	Financial investment assets - equity securities	Financial liabilities held for trading
Beginning of the period	-	-	831 390	-
Profits or losses	-	-	(2 551)	-
<i>recognised in income statement</i>	-	-	-	-
<i>recognised in equity</i>	-	-	(2 551)	-
Purchase	-	-	-	-
Sale	-	-	-	-
Matured	-	-	-	-
Impairment	-	-	-	-
Transfer	-	-	-	-
At the period end	-	-	828 839	-

In thousands of PLN

31. Contingent liabilities

Significant court proceedings conducted by Bank Zachodni WBK

As at 30 June 2015, no proceedings were instituted by court or by state administration agencies with relation to any claims made by or against the Bank amounting to a minimum of 10% of the Bank's equity.

The value of all litigation amounts to PLN 268 630 k, which is ca. 1.50% of the Bank's equity. This amount includes PLN 89 512 k claimed by the Bank, PLN 179 009 k in claims against the Bank and PLN 109 k are Bank's receivables due to bankruptcy or arrangement cases.

In H1 2015 the amount of significant court proceedings which had been completed amounted to PLN 9 279 k.

As at 30 June 2014, no proceedings were instituted by court or by state administration agencies with relation to any claims made by or against the Bank amounting to a minimum of 10% of the Bank's equity.

The value of all litigation amounted to PLN 253 528 k, which is ca. 1.84% of the Bank's equity. This amount includes PLN 90 406 k claimed by the Bank, PLN 163 122 k in claims against the Bank. No litigation were of bankruptcy or arrangement.

In H1 2014 the amount of significant court proceedings which have been completed amounted to PLN 119 938 k.

The Bank raises provisions for legal risk where an internal risk assessment for a particular case indicates a possible outflow of cash. Provisions for cases disputed in court are presented in Note 29.

Off-balance sheet liabilities

The break-down of contingent liabilities and off-balance transactions into categories are presented below. The values of guarantees and letters of credit as set out in the table below represent the maximum possible loss that would be disclosed as at the balance sheet day if the customers did not meet any of their obligations towards third parties.

Contingent liabilities - sanctioned	30.06.2015	31.12.2014	30.06.2014
Liabilities sanctioned			
- financial	19 176 060	17 441 093	17 276 553
- credit lines	16 549 505	14 838 913	15 035 136
- credit cards debits	2 251 159	2 055 517	1 928 519
- import letters of credit	358 457	414 581	312 898
- term deposits with future commencement term	16 939	132 082	-
- guarantees	4 479 683	4 433 521	4 124 522
Total	23 655 743	21 874 614	21 401 075

32. Basis of FX conversion

As at 30.06.2015, FX denominated balance sheet positions were converted into PLN in line with the NBP FX table no. 124/A/NBP/2015 dd. 30.06.2015.

In thousands of PLN

33. Shareholders with min. 5% voting power

According to the information held by the Bank's Management Board, the shareholder with a min. 5% of the total number of votes at the Bank Zachodni WBK General Meeting as at the publication date of the condensed interim unconsolidated financial statements for H1 2015 (30.07.2015) are Banco Santander S.A. and ING Otwarty Fundusz Emerytalny.

Shareholder	Number of shares held		% in the share capital		Number of votes at AGM		Voting power at AGM	
	30.07.2015	28.04.2015	30.07.2015	28.04.2015	30.07.2015	28.04.2015	30.07.2015	28.04.2015
Banco Santander S.A.	68 880 774	68 880 774	69,41%	69,41%	68 880 774	68 880 774	69,41%	69,41%
ING Otwarty Fundusz Emerytalny	5 110 586	5 110 586	5,15%	5,15%	5 110 586	5 110 586	5,15%	5,15%
Other	25 243 174	25 243 174	25,44%	25,44%	25 243 174	25 243 174	25,44%	25,44%
Total	99 234 534	99 234 534	100,00%	100,00%	99 234 534	99 234 534	100,00%	100,00%

In thousands of PLN

34. Related party disclosures

The tables below present intercompany transactions. They are effected between subsidiaries, associates, joint ventures and parent entity. Most of the transactions are banking transactions made as part of ordinary business activities and mainly include loans, deposits, guarantees and leasing.

Transactions with subsidiaries	30.06.2015	31.12.2014	30.06.2014
ASSETS	8 629 209	9 299 050	5 311 326
Loans and advances to banks	1 565 747	1 333 090	-
Financial assets held for trading	86 095	16 522	495
Loans and advances to customers	6 953 106	7 938 369	5 301 678
Other assets	24 261	11 069	9 153
LIABILITIES	372 255	2 187 963	1 189 522
Deposits from banks	145 535	29 370	-
Financial liabilities held for trading	188	50	40
Deposits from customers	145 722	2 127 105	1 164 252
Debt securities in issue	-	-	47
Other liabilities	80 810	31 438	25 183
INCOME	216 971	325 369	156 311
Interest income	72 163	141 930	65 979
Fee and commission income	75 548	166 923	84 350
Other operating income	3 446	10 445	5 118
Net trading income and revaluation	65 814	6 032	864
Gains (losses) from other financial securities	-	39	-
EXPENSES	9 841	35 182	18 732
Interest expense	6 888	28 429	16 121
Fee and commission expense	2 485	4 297	1 704
Operating expenses incl.:	468	2 456	907
<i>Bank's staff, operating expenses and management costs</i>	457	2 443	904
<i>Other</i>	11	13	3
CONTINGENT LIABILITIES	1 702 389	458 958	2 191 714
Sanctioned:	1 702 389	458 958	2 191 714
- <i>financing-related</i>	1 638 746	393 853	2 128 807
- <i>guarantees</i>	63 643	65 105	62 907
DERIVATIVES' NOMINAL VALUES	1 841 006	1 160 300	318 573
Forward- purchased amounts	-	-	3 657
Forward- sold amounts	-	-	3 679
Options	-	-	54 154
Spot-purchased	4 879	3 344	-
Spot-sold	4 879	3 334	-
Cross-currency interest rate swaps – purchased amounts	868 858	513 982	-
Cross-currency interest rate swaps – sold amounts	771 020	500 120	-
Single-currency interest rate swaps	191 370	139 520	257 083

On 16 April 2015, an agreement was signed between BZ WBK and its subsidiary BZ WBK Leasing providing for a financial leaseback of properties (freehold of a building and land and perpetual usufruct of land) and a lease of a planned project (an office building to be developed during the next three years) located in Wrocław.

The final total value of the assets arising from the lease of the building and land, which was estimated at the time of initiation of the transaction, was PLN 156,278 k.

Current value of the fixed assets obtained under the financial leaseback agreement was PLN 39,576 k as at 30.06.2015, the initial value of fixed assets under construction was PLN 1,999 k.

In accordance with the agreement, the basic lease term was defined as 153 months.

The purchase of assets by BZ WBK Leasing and development of the office building is financed with a loan provided by BZ WBK.

In thousands of PLN

The lease agreement requires that only interest should be paid on the lease and the loan during the term of the respective agreements, while the principal sums will be paid as part of the last tranche, with the pre-financing costs relating to the building and the site where the building is developed are to be capitalised by BZ WBK Leasing, and the bank is to pay them along with the principal payment at the end of contractual period. Both agreements are to be based on 1M WIBOR + margin, and the parties reportedly plan to offset their mutual obligations.

Transactions with associates	30.06.2015	31.12.2014	30.06.2014
LIABILITIES	101 351	2 931	2 479
Deposits from customers	101 351	2 931	2 479
INCOME	14 539	3	2
Fee and commission income	14 539	3	2
EXPENSES	1 575	201	91
Interest expenses	599	201	91
Fee and commission expenses	377	-	-
Operating expenses incl.:	599	-	-
<i>General and administrative expenses</i>	<i>599</i>	<i>-</i>	<i>-</i>

In thousands of PLN

Transactions with Santander Group	30.06.2015	31.12.2014	30.06.2014
ASSETS	416 790	259 377	835 104
Loans and advances to banks, incl:	164 623	697	723 240
<i>deposits</i>	-	-	718 169
<i>current accounts</i>	164 623	697	5 071
Financial assets held for trading	248 226	256 908	110 418
Hedging derivatives	3 374	869	1 222
Other assets	567	903	224
LIABILITIES	462 429	410 458	232 102
Deposits from banks incl.:	57 026	155 537	64 071
<i>current accounts</i>	57 026	155 537	64 071
Hedging derivatives	10 862	21 505	8 359
Financial liabilities held for trading	293 779	158 907	92 281
Deposits from customers	96 428	74 459	63 191
Other liabilities	4 334	50	4 200
INCOME	111 225	215 508	(37 254)
Interest income	6 521	7 585	9 454
Fee and commission income	1 052	823	111
Other operating income	614	-	313
Net trading income and revaluation	103 038	207 100	(47 132)
EXPENSES	6 928	8 066	6 251
Interest expenses	552	1 309	646
Fee and commission expenses	471	204	1 101
Operating expenses incl.:	5 905	6 553	4 504
<i>Bank's staff, operating expenses and management costs</i>	5 905	6 553	4 504
CONTINGENT LIABILITIES	560	725	73
<i>Sanctioned:</i>	560	725	-
- <i>financing-related</i>	300	-	-
- <i>guarantees</i>	260	725	-
<i>Received:</i>	-	-	73
- <i>guarantees</i>	-	-	73
DERIVATIVES' NOMINAL VALUES	41 568 128	32 826 135	23 352 176
Cross-currency interest rate swap – purchased amounts	3 650 637	3 052 808	2 927 833
Cross-currency interest rate swap – sold amounts	3 636 817	2 970 459	2 936 828
Single-currency interest rate swap	10 286 563	7 265 993	5 150 786
Options	2 704 277	1 669 031	1 193 320
FX swap – purchased amounts	3 624 362	2 920 096	2 493 575
FX swap – sold amounts	3 573 527	2 896 754	2 480 977
FX options -purchased CALL	3 064 602	3 002 819	1 524 942
FX options -purchased PUT	3 194 972	3 116 998	1 540 246
FX options -sold CALL	3 061 005	2 516 257	1 306 778
FX options -sold PUT	3 198 791	2 700 183	1 353 752
Spot-purchased	465 851	90 068	12 236
Spot-sold	465 394	90 297	12 141
Forward- purchased amounts	108 347	96 328	94 036
Forward- sold amounts	114 440	100 936	101 136
Commodity swap - purchased amounts	-	-	1 222
Commodity swap - sold amounts	-	-	1 222
Capital derivatives contract - purchased	418 543	337 108	221 146

Transactions with Members of the Management and Supervisory Boards

Remuneration of Bank Zachodni WBK Management and Supervisory Board Members

As at 30.06.2015 and 30.06.2014 members of the Management Board were bound by the non-compete agreements which remain in force after they step down from their function. If a Member of the Management Board is removed from their function or not appointed for another term, he/she is entitled to a once-off severance pay. The severance pay does not apply if the person accepts another function in the Bank.

Loans and advances have been sanctioned on regular terms and conditions.

In thousands of PLN

30.06.2015

In H1 2015 the amount of remuneration paid to the Management Board Members of Bank Zachodni WBK totalled PLN 7 940 k, whereas additional benefits totalled PLN 425 k. In 2015, a total bonus of PLN 5 261 k was paid for 2014, including a deferred part for 2012 and 2013.

In H1 2015, the total amount of remuneration paid to the Supervisory Board Members of Bank Zachodni WBK totalled PLN 1 680 k.

Loans and advances made by the Bank to the Members of the Management Board of BZ WBK and to their relatives totalled PLN 12 312 k.

The Members of the Management Board of Bank Zachodni WBK did not use any assets that would be provided by the subsidiaries or the associates under lease.

Social Fund loans and advances provided to the Members of the Management Board totalled nil.

30.06.2014

In H1 2014 the amount of remuneration paid to the Management Board Members of Bank Zachodni WBK totalled PLN 5 812 k, whereas additional benefits totalled PLN 561 k. In 2014, a total bonus of PLN 4 246 k was paid for 2013, including a deferred part for 2012.

In H1 2014, the total amount of remuneration paid to the Supervisory Board Members of Bank Zachodni WBK totalled PLN 1 930 k.

Loans and advances made by the Bank to the Members of the Management Board of BZ WBK and to their relatives totalled PLN 10 685 k.

The Members of the Management Board of Bank Zachodni WBK did not use any assets that would be provided by the subsidiaries or the associates under lease.

Social Fund loans and advances provided to the Members of the Management Board totalled nil.

35. Incorporation of Dom Maklerski BZ WBK into Bank Zachodni WBK

On 10 June 2014, the KNF gave its consent to Bank Zachodni WBK to expand its stockbroking operations, which enabled the bank to work intensively towards division of Dom Maklerski BZ WBK ("Brokerage House"; DM BZ WBK) and incorporation of its organised part into the bank's structure.

On 30 September 2014, the Extraordinary General Meeting of Shareholders of Bank Zachodni WBK adopted a resolution on division of the Brokerage House, pursuant to the Division Plan of 24 July 2014.

The division has been completed by transferring to Bank Zachodni WBK (the acquiring company) an organised part of the enterprise of the Brokerage House (the divided company), whose business is provision of stockbroking services and other services that do not constitute advertising activity. At the same time, a company has been formed - Gieldokracja Sp. z o.o. - which took over the part of the Brokerage House business connected with provision of educational services related to the capital market, advertising and communication services, and maintenance of internet portals.

As Bank Zachodni WBK was the sole shareholder of the Brokerage House, the Division Plan did not provide for increasing the Bank's share capital through an issue and allocation of shares in exchange for the transferred part of the company's assets. The Bank took up all the stake in the newly formed company Gieldokracja Sp. z o.o., i.e. 1,000 shares with a nominal value of PLN 100 per share and a total nominal value of PLN 100 k.

On 31 October 2014, the Court registered the removal of The Brokerage House from the business register (KRS) without a liquidation procedure and on the same day Gieldokracja Sp. z o.o. was registered.

The Brokerage House is now a unit of the Bank, providing stockbroking services and will act as a brokerage office.

In thousands of PLN

36. Acquisition of controlling interest in Santander Consumer Bank S.A.

Transaction details

On 1 July 2014, Bank Zachodni WBK completed the acquisition of the controlling stake in Santander Consumer Bank S.A. ("Group SCB") following the execution of the Investment Agreement ("Purchase Agreement") of 27 November 2013 by Bank Zachodni WBK, Santander Consumer Finance S.A. (SCF) and Banco Santander S.A. (Santander) pursuant to which Bank Zachodni WBK SA agreed to acquire 3 120 000 shares (i.e. 1 040 001 preferred shares and 2 079 999 ordinary shares) with a nominal value of PLN 100 each in Santander Consumer Bank S.A. (SCB) with its registered office in Wrocław, constituting 60% of the share capital of SCB and ca. 67% of the votes at the General Meeting of SCB. The shares were acquired by way of a private placement and an in-kind contribution.

Under the Purchase Agreement, the Bank issued 5 383 902 (five million three hundred and eighty-three thousand nine hundred and two) ordinary registered series L shares in the Bank with a nominal value of PLN 10 (ten) each, which were offered to and subscribed for solely by Santander Consumer Finance as consideration for an in-kind contribution of the SCB shares.

The value of SCB shares as indicated in the Purchase Agreement is PLN 2 156 414 268,06, which is the purchase price for the SCB Group shares. The issuance of the new shares by way of private placement is addressed exclusively to SCF for the purpose of acquisition of the SCB shares by the Bank.

In addition, pursuant to the Purchase Agreement, following the completion of the transaction, the parties shall use their best endeavours to waive the current privileges with respect to the shares in SCB to cause that the bank will hold 60% of the share capital of SCB and 60% of the votes at its General Meeting.

Assets and liabilities as at the acquisition date

The acquisition of SCB Group was preliminarily recognised as at the publication date of the interim unconsolidated financial statements of Bank Zachodni WBK.

Since the transaction represents reorganisation of Santander Group under a joint control of Banco Santander, net assets of SCB will be recognised in the consolidated financial statements of Bank Zachodni WBK Group at their carrying value.

Below is an estimate of the carrying value of the acquired assets and liabilities.

	as at:	01.07.2014
ASSETS		
Cash and balances with central banks		283 627
Loans and advances to banks		629 910
Hedging derivatives		6 423
Loans and advances to customers		11 879 394
Investment securities		1 794 312
Intangible assets		42 921
Property, plant and equipment		65 426
Net deferred tax assets		276 361
Other assets		108 449
Total assets		15 086 823
LIABILITIES		
Deposits from banks		(2 936 751)
Hedging derivatives		(6 027)
Deposits from customers		(7 122 868)
Subordinated liabilities		(100 144)
Debt securities in issue		(1 983 357)
Current income tax liabilities		(11 488)
Other liabilities		(438 540)
Total liabilities		(12 599 175)
Book value of identifiable net assets		2 487 648

In thousands of PLN

Non-controlling interest

As at the acquisition, non-controlling interests represented 40% of the share capital and 33% of the votes at the General Meeting of Shareholders of SCB S.A. Their value estimated using the book value method was PLN 995 059 k.

Preliminary estimate of the excess of the price paid over the net assets

	as at	01.07.2014
Surplus of total consideration over book value of identifiable net asset		
Total consideration		2 156 414
Non-controlling interests		995 059
Less: book value of identifiable net assets		(2 487 648)
Total		663 825

The excess between the purchase price and carrying value of the acquired net assets represents the control premium and, at the same time, the adjustment to the share capital of the Group, reflecting the settlements between shareholders of SCB as part of the reorganisation of the Group under joint control.

37. Acquisitions and disposals of investments in subsidiaries and associates

Acquisitions and disposals of investments in subsidiaries and associates in 1H 2015 and in 1H 2014

The closing of the sale by the Bank of a 17% equity stake in BZ WBK-AVIVA Towarzystwo Ubezpieczeń na Życie S.A. and BZ WBK-AVIVA Towarzystwo Ubezpieczeń Ogólnych S.A. to AVIVA International Insurance Limited

On 27 February 2015, Bank Zachodni WBK S.A. lost control over insurance entities BZ WBK-AVIVA Towarzystwo Ubezpieczeń na Życie S.A. („TUnŻ S.A.”) and BZ WBK-AVIVA Towarzystwo Ubezpieczeń Ogólnych S.A. („TUO S.A.”) following the exercise of a call option by Aviva International Insurance Limited (“Aviva Ltd.”). After the fulfilment of the conditions precedent, including the obtaining of the European Commission consent and a decision of the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego) confirming the absence of formal grounds for objecting to the direct acquisition by Aviva Ltd. and indirect acquisition by Aviva plc. of 17% of shares in TUnŻ S.A. and 17% of shares in TUO S.A., the ownership transfer of the abovementioned shares has been completed.

After the transfer, the Bank holds 49% of the total number of shares in the share capital and the total number of the votes at the general meetings of each of the Insurance Companies, with the remaining 51% of the shares and votes being held by Aviva Ltd.

The result on the transaction of the sale by the Bank of a 17% equity stake in BZ WBK-AVIVA Towarzystwo Ubezpieczeń na Życie S.A. and BZ WBK-AVIVA Towarzystwo Ubezpieczeń Ogólnych S.A. to AVIVA International Insurance Limited was PLN 234,391 k.

Deregistration of BFI Serwis Sp. z o.o. in liquidation

In November 2014, BFI Serwis Sp. z o.o. (subsidiary of Bank Zachodni WBK) was removed from the National Court Register.

Incorporation of Dom Maklerski BZ WBK into Bank Zachodni WBK

The incorporation of Dom Maklerski BZ WBK into Bank Zachodni WBK and the foundation of a company Gieldokracja Sp. z o.o has been described in detail in Note 35.

Acquisition of controlling interest in Santander Consumer Bank S.A.

Acquisition of controlling interest in Santander Consumer Bank S.A. has been described in detail in Note 36.

In thousands of PLN

38. Changes in the business or economic circumstances that affect the fair value of the entity's financial assets and financial liabilities, whether those assets or liabilities are recognized at fair value or amortised costs

There were no changes in the business or economic circumstances that would affect the fair value of the entity's financial assets or financial liabilities, whether these assets or liabilities were recognised at fair value or amortised cost.

39. Any loan default or breach of a loan agreement that has not been remedied on or before the end of the reporting period

No such events took place in the reporting period and the comparable period.

40. Transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments

No transfers were made in the reporting period and the comparable period.

41. Changes in the classification of financial assets as a result of a change in the purpose or use of those assets

In the reporting period no such changes were made.

42. Comments concerning the seasonal or cyclical character of the interim activity

The business activity of Bank Zachodni WBK has no material seasonal character.

43. Character and amounts of items which are extraordinary due to their nature, volume or occurrence

Detailed information on:

- incorporation of Dom Maklerski BZ WBK into Bank Zachodni WBK
- acquisition of controlling interest in Santander Consumer Bank S.A.
- the closing of the sale by the Bank of a 17% equity stake in BZ WBK-AVIVA Towarzystwo Ubezpieczeń na Życie S.A. and BZ WBK-AVIVA Towarzystwo Ubezpieczeń Ogólnych S.A. to AVIVA International Insurance Limited

are presented in Notes 35,36 and 37.

In thousands of PLN

44. Issues, repurchases and repayments of debt and equity securities

Detailed information on the issue of bonds are presented in Note 28.

45. Dividend per share

On 23 April 2015, the AGM of Bank Zachodni WBK adopted a resolution to distribute the net profit of PLN 1,994,632k in respect of 2014 as follows: PLN 1,041,980k to be allocated to reserves and the remainder of PLN 952,652k to be left undistributed.

On 16 April 2014, The Annual General Meeting of Bank Zachodni WBK adopted a Resolution allocating PLN 1,000,932 k to dividend for shareholders, from the net profit for 2013, which meant that the dividend was PLN 10.70 per share.

46. Information concerning issuing loan and guarantees by an issuer or its subsidiary

As at 30.06.2015 Bank Zachodni WBK and its subsidiaries had not issued any guarantees to one business unit or a subsidiary totalling a minimum of 10% of the issuer's equity.

47. Creation and reversal of impairment charges for financial assets, tangible fixed assets, intangible fixed assets and other assets

As at 30.06.2015 and as at 30.06.2014 Bank Zachodni WBK did not create or reverse any material impairment charges for financial assets, tangible fixed assets, intangible fixed assets or other assets.

48. Material purchases or sales of tangible fixed assets and material obligations arising from the purchase of tangible fixed assets

In the period from 01.01.2015 to 30.06.2015 Bank Zachodni WBK has not made significant sales and purchases of property, plant and equipment. There were no significant liabilities arising from purchase of fixed assets either.

49. Events which occurred subsequently to the end of the interim period

Introduction to the Catalyst alternative trading system of C series bearer bonds of Bank Zachodni WBK S.A.

On 16 July 2015, the Management Board of Bank Zachodni WBK S.A. informed that it was advised about adoption of Resolution of the Management Board of the Warsaw Stock Exchange of 16 July 2015 regarding introduction to the Catalyst alternative trading system of 485 000 bearer bonds with a nominal value of PLN 1,000 each, issued by Bank Zachodni WBK S.A.



Signatures of Members of the Management Board

Date	Name	Function	Signature
28.07.2015	Mateusz Morawiecki	President	
28.07.2015	Andrzej Burliga	Member	
28.07.2015	Eamonn Crowley	Member	
28.07.2015	Beata Daszyńska-Muzyczka	Member	
28.07.2015	Michael McCarthy	Member	
28.07.2015	Carlos Polaino Izquierdo	Member	
28.07.2015	Juan de Porras Aguirre	Member	
28.07.2015	Marcin Prell	Member	
28.07.2015	Mirosław Skiba	Member	
28.07.2015	Feliks Szyszkowski	Member	
28.07.2015	Paweł Wieczorek	Member	

Signature of a person who is responsible for maintaining the book of account

Date	Name	Function	Signature
28.07.2015	Wojciech Skalski	Financial Accounting Area Director	