

**REPORT OF  
BANK ZACHODNI WBK GROUP  
FOR QUARTER 1 2010**

2010



**WBK**

| Bank Zachodni WBK

FINANCIAL HIGHLIGHTS		PLN k		EUR k	
for reporting period ended:		31.03.2010	31.03.2009	31.03.2010	31.03.2009
Consolidated financial statements					
I	Interest and similar income	788 453	855 477	198 758	185 998
II	Fee and commission income	385 490	362 589	97 177	78 834
III	Operating profit	348 336	164 564	87 811	35 779
IV	Profit before tax	348 125	161 638	87 757	35 143
V	Net profit attributable to the Company's equity holders	233 046	119 004	58 748	25 874
VI	Total net cash flow	2 405 679	1 832 143	606 438	398 344
VII	Total assets	56 272 834	59 480 505	14 570 150	12 651 927
VIII	Deposits from banks and central bank	5 238 199	8 523 671	1 356 273	1 813 046
IX	Deposits from customers	42 944 022	41 439 137	11 119 057	8 814 400
X	Total liabilities	49 932 887	54 253 425	12 928 612	11 540 090
XI	Total equity	6 339 947	5 227 080	1 641 538	1 111 837
XII	Non-controlling interests in equity	124 696	103 902	32 286	22 101
XIII	Net profit attributable to non-controlling interests	16 177	11 227	4 078	2 441
XIV	Number of shares	73 076 013	72 960 284		
XV	Net book value per share in PLN/EUR	86,76	71,64	22,46	15,24
XVI	Solvency ratio	13,55%	10,37%		
XVII	Profit per share in PLN/EUR	3,19	1,63	0,80	0,35
XVIII	Diluted earnings per share in PLN/EUR	3,19	1,63	0,80	0,35
XIX	Declared or paid dividend per share in PLN/EUR	4,00	-	1,01	-

Stand alone financial statement					
I	Interest and similar income	748 065	803 573	188 577	174 713
II	Fee and commission income	277 488	287 166	69 951	62 436
III	Operating profit	334 636	317 745	84 357	69 084
IV	Profit before tax	334 636	317 745	84 357	69 084
V	Profit for the period	249 784	296 890	62 967	64 550
VI	Total net cash flow	2 427 832	1 834 231	612 022	398 798
VII	Total assets	54 209 544	56 953 981	14 035 924	12 114 517
VIII	Deposits from banks and central bank	3 847 520	6 323 795	996 199	1 345 116
IX	Deposits from customers	43 035 457	41 741 656	11 142 731	8 878 748
X	Total liabilities	48 432 310	52 204 291	12 540 083	11 104 225
XI	Total equity	5 777 234	4 749 690	1 495 840	1 010 293
XII	Number of shares	73 076 013	72 960 284		
XIII	Net book value per share in PLN/EUR	79,06	65,10	20,47	13,85
XIV	Solvency ratio	12,87%	9,45%		
XV	Profit per share in PLN/EUR	3,42	4,07	0,86	0,88
XVI	Diluted earnings per share in PLN/EUR	3,41	4,06	0,86	0,88
XVII	Declared or paid dividend per share in PLN/EUR	4,00	-	1,01	-

FINANCIAL HIGHLIGHTS for the period ended 31.12.2009		Consolidated statement of financial position		Statement of financial position	
		PLN k	EUR k	PLN k	EUR k
I	Total assets	54 058 360	13 158 649	51 939 616	12 642 913
II	Deposits from banks and central bank	5 349 984	1 302 270	3 820 700	930 018
III	Deposits from customers	41 222 871	10 034 290	41 262 174	10 043 857
IV	Total liabilities	48 002 806	11 684 632	46 446 077	11 305 700
V	Total equity	6 055 554	1 474 016	5 493 539	1 337 213
VI	Non-controlling interests in equity	108 338	26 371	-	-

**CONSOLIDATED FINANCIAL  
STATEMENTS OF  
BANK ZACHODNI WBK GROUP  
FOR QUARTER 1 2010**

2010



**WBK**

| Bank Zachodni WBK

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**Consolidated income statement**

	for reporting period:	01.01.2010- 31.03.2010	01.01.2009- 31.03.2009
Interest and similar income		788 453	855 477
Interest expense and similar charges		(363 984)	(493 969)
<b>Net interest income</b>	Note 3	<b>424 469</b>	<b>361 508</b>
Fee and commission income		385 490	362 589
Fee and commission expense		(54 086)	(48 113)
<b>Net fee and commission income</b>	Note 4	<b>331 404</b>	<b>314 476</b>
Dividend income		354	26
Net trading income and revaluation	Note 5	67 398	44 026
Gains from other financial securities	Note 6	8 764	5 380
Net gain on sale of subsidiaries and associates		-	-
Other operating income		7 793	13 433
Impairment losses on loans and advances	Note 7	(70 362)	(160 712)
Operating expenses incl.:		(421 484)	(413 573)
<i>Bank's staff, operating expenses and management costs</i>	Note 8, 9	<i>(382 284)</i>	<i>(376 830)</i>
<i>Depreciation/amortisation</i>		<i>(31 838)</i>	<i>(30 123)</i>
<i>Other operating expenses</i>		<i>(7 362)</i>	<i>(6 620)</i>
<b>Operating profit</b>		<b>348 336</b>	<b>164 564</b>
Share in net profits (loss) of entities accounted for by the equity method		(211)	(2 926)
<b>Profit before tax</b>		<b>348 125</b>	<b>161 638</b>
Corporate income tax		(98 902)	(31 407)
<b>Profit for the period</b>		<b>249 223</b>	<b>130 231</b>
of which:			
attributable to Company's equity holders		233 046	119 004
attributable to non-controlling interests		16 177	11 227
Net earnings per share (PLN/share)			
Basic earnings per share		3,19	1,63
Diluted earnings per share		3,19	1,63

**Consolidated statement of comprehensive income**

	for reporting period:	01.01.2010- 31.03.2010	01.01.2009- 31.03.2009
<b>Profit for the period</b>		<b>249 223</b>	<b>130 231</b>
<b>Other comprehensive income:</b>			
Available-for sale financial assets valuation		41 801	13 851
Cash flow hedges valuation		(6 631)	17 110
<b>Other comprehensive income for the period, net of income tax</b>		<b>35 170</b>	<b>30 961</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>284 393</b>	<b>161 192</b>
Attributable to:			
company's equity holders		268 035	149 809
non-controlling interests		16 358	11 383

**Consolidated statement of financial position**

	as at:	31.03.2010	31.12.2009	31.03.2009
<b>ASSETS</b>				
Cash and balances with central banks		2 552 144	2 660 658	2 994 920
Loans and advances to banks	Note 10	1 021 303	663 027	1 934 057
Financial assets held for trading		5 220 032	1 342 620	3 631 103
Hedging derivatives		2 372	10 801	5 006
Loans and advances to customers	Note 11	33 556 395	34 570 697	36 710 743
Investment securities		12 364 652	13 292 572	12 663 124
Investments in associates and joint ventures		81 676	81 887	79 294
Intangible assets		176 009	181 620	173 553
Property, plant and equipment		575 171	596 154	628 702
Current income tax due		-	43 373	-
Net deferred tax assets		294 334	273 751	250 893
Other assets		428 746	341 200	409 110
<b>Total assets</b>		<b>56 272 834</b>	<b>54 058 360</b>	<b>59 480 505</b>
<b>LIABILITIES</b>				
Deposits from central bank		1 023 474	1 519 208	2 479 021
Deposits from banks	Note 12	4 214 725	3 830 776	6 044 650
Hedging derivatives		42 885	32 933	49 330
Financial liabilities held for trading		629 855	733 861	3 159 975
Deposits from customers	Note 13	42 944 022	41 222 871	41 439 137
Debt securities in issue		-	-	85 862
Current income tax liabilities		66 006	-	19 428
Other liabilities		1 011 920	663 157	976 022
<b>Total liabilities</b>		<b>49 932 887</b>	<b>48 002 806</b>	<b>54 253 425</b>
<b>Equity</b>				
Parent company equity		6 215 251	5 947 216	5 123 178
Share capital		730 760	730 760	729 603
Other reserve funds		3 567 001	3 566 999	2 718 239
Revaluation reserve		456 994	422 005	366 311
Retained earnings		1 227 450	341 260	1 190 021
Profit of the current period		233 046	886 192	119 004
Non-controlling interests in equity		124 696	108 338	103 902
Total equity		6 339 947	6 055 554	5 227 080
<b>Total equity and liabilities</b>		<b>56 272 834</b>	<b>54 058 360</b>	<b>59 480 505</b>

**Movement on consolidated equity**

<b>MOVEMENTS ON CONSOLIDATED EQUITY</b>	<b>Share capital</b>	<b>Other reserve funds</b>	<b>Revaluation reserve</b>	<b>Retained earnings and profit for the period</b>	<b>Non-controlling interests in equity</b>	<b>Total</b>
<b>Opening balance as at 31.12.2009</b>	<b>730 760</b>	<b>3 566 999</b>	<b>422 005</b>	<b>1 227 452</b>	<b>108 338</b>	<b>6 055 554</b>
Total comprehensive income	-	-	34 989	233 046	16 358	284 393
Transfer to other capital	-	2	-	(2)	-	-
<b>As at 31.03.2010</b>	<b>730 760</b>	<b>3 567 001</b>	<b>456 994</b>	<b>1 460 496</b>	<b>124 696</b>	<b>6 339 947</b>

As at the end of the period revaluation reserve in the amount of PLN 456 994 k comprises of debt securities and equity shares classified as available for sale of PLN 48 159 k and PLN 413 548 k respectively and additionally cash flow hedge activities of PLN (4 713) k.

<b>MOVEMENTS ON CONSOLIDATED EQUITY</b>	<b>Share capital</b>	<b>Other reserve funds</b>	<b>Revaluation reserve</b>	<b>Retained earnings and profit for the period</b>	<b>Non-controlling interests in equity</b>	<b>Total</b>
<b>Opening balance as at 31.12.2008</b>	<b>729 603</b>	<b>2 716 687</b>	<b>335 507</b>	<b>1 190 772</b>	<b>239 872</b>	<b>5 212 441</b>
Total comprehensive income	-	-	86 498	886 192	55 737	1 028 427
Share issue related to vesting the share incentive scheme	1 157	-	-	-	-	1 157
Share scheme charge	-	1 547	-	-	-	1 547
Dividend relating to 2008	-	-	-	-	(187 271)	(187 271)
Transfer to other capital	-	848 765	-	(848 765)	-	-
Other	-	-	-	(747)	-	(747)
<b>As at 31.12.2009</b>	<b>730 760</b>	<b>3 566 999</b>	<b>422 005</b>	<b>1 227 452</b>	<b>108 338</b>	<b>6 055 554</b>

As at the end of the period revaluation reserve in the amount of PLN 422 005 k comprises of debt securities and equity shares classified as available for sale of PLN 4 962 k and PLN 415 125 k respectively and additionally cash flow hedge activities of PLN 1 918 k.

<b>MOVEMENTS ON CONSOLIDATED EQUITY</b>	<b>Share capital</b>	<b>Other reserve funds</b>	<b>Revaluation reserve</b>	<b>Retained earnings and profit for the period</b>	<b>Non-controlling interests in equity</b>	<b>Total</b>
<b>Opening balance as at 31.12.2008</b>	<b>729 603</b>	<b>2 716 687</b>	<b>335 507</b>	<b>1 190 772</b>	<b>239 872</b>	<b>5 212 441</b>
Total comprehensive income	-	-	30 804	119 005	11 383	161 192
Share scheme charge	-	1 547	-	-	-	1 547
Dividend relating to 2008	-	-	-	-	(147 353)	(147 353)
Transfer to other capital	-	5	-	(5)	-	-
Other	-	-	-	(747)	-	(747)
<b>As at 31.03.2009</b>	<b>729 603</b>	<b>2 718 239</b>	<b>366 311</b>	<b>1 309 025</b>	<b>103 902</b>	<b>5 227 080</b>

As at the end of the period revaluation reserve in the amount of PLN 366 311 k comprises of debt securities and equity shares classified as available for sale of PLN (51 283) k and PLN 425 156 k respectively and additionally cash flow hedge activities of PLN (7 562) k.

**Consolidated statement of cash flows**

	01.01.2010- 31.03.2010	01.01.2009- 31.03.2009
for reporting period:		
<b>Profit before tax</b>	<b>348 125</b>	<b>161 638</b>
<b>Total adjustments:</b>	<b>2 552 061</b>	<b>779 634</b>
Share in net profits (losses) of entities accounted for by the equity method	211	2 926
Depreciation/amortisation	31 838	30 123
Impairment losses	(22)	(6)
Gains (losses) on exchange differences	6 929	28 848
Interests and similar charges	(42 950)	(1 737)
Dividend received	(354)	(26)
(Profit) loss from investing activities	(8 750)	(6 461)
Change in provisions	(34 731)	(49 525)
Change in trading portfolio financial instruments	(347 787)	122 281
Change in loans and advances to banks	(156)	27
Change in loans and advances to customers	1 038 443	(1 649 564)
Change in deposits from banks	(112 926)	3 369 081
Change in deposits from customers	1 721 151	(1 371 590)
Change in liabilities arising from debt securities in issue	-	(736)
Change in other assets and liabilities	315 670	379 477
Paid income tax	(14 764)	(73 675)
Other adjustments	259	191
<b>Net cash flow from operating activities</b>	<b>2 900 186</b>	<b>941 272</b>
<b>Inflows</b>	<b>507 782</b>	<b>1 530 448</b>
Sale/maturity of investment securities	506 859	1 529 859
Sale of intangible assets and property, plant and equipment	567	561
Dividend received	354	26
Proceeds from other investments	2	2
<b>Outflows</b>	<b>(911 526)</b>	<b>(352 936)</b>
Purchase of subsidiaries, associates and joint ventures	-	(9 999)
Purchase of investment securities	(905 671)	(322 910)
Purchase of intangible assets and property, plant and equipment	(5 854)	(20 027)
Other investments	(1)	-
<b>Net cash flow from investing activities</b>	<b>(403 744)</b>	<b>1 177 512</b>
<b>Inflows</b>	<b>18 130</b>	<b>45 215</b>
Drawing of long-term loans	18 130	45 215
<b>Outflows</b>	<b>(108 893)</b>	<b>(331 856)</b>
Repayment of long-term loans	(91 366)	(98 729)
Debt securities buy out	-	(67 320)
Dividends and other payments to shareholders	-	(147 353)
Other financing outflows	(17 527)	(18 454)
<b>Net cash flow from financing activities</b>	<b>(90 763)</b>	<b>(286 641)</b>
<b>Total net cash flow</b>	<b>2 405 679</b>	<b>1 832 143</b>
<b>Cash at the beginning of the accounting period</b>	<b>5 557 090</b>	<b>5 318 344</b>
<b>Cash at the end of the accounting period</b>	<b>7 962 769</b>	<b>7 150 487</b>



**Income statement of Bank Zachodni WBK S.A.**

	for reporting period:	01.01.2010- 31.03.2010	01.01.2009- 31.03.2009
Interest and similar income		748 065	803 573
Interest expense and similar charges		(361 939)	(477 415)
<b>Net interest income</b>		<b>386 126</b>	<b>326 158</b>
Fee and commission income		277 488	287 166
Fee and commission expense		(29 679)	(30 063)
<b>Net fee and commission income</b>		<b>247 809</b>	<b>257 103</b>
Dividend income		52 409	203 555
Net trading income and revaluation		70 295	43 706
Gains from other financial securities		8 738	5 371
Net gain on sale of subsidiaries and associates		-	-
Other operating income		7 989	12 972
Impairment losses on loans and advances		(59 795)	(153 859)
Operating expenses incl.:		(378 935)	(377 261)
<i>Bank's staff, operating expenses and management costs</i>		<i>(344 016)</i>	<i>(344 856)</i>
<i>Depreciation/amortisation</i>		<i>(28 927)</i>	<i>(27 374)</i>
<i>Other operating expenses</i>		<i>(5 992)</i>	<i>(5 031)</i>
<b>Operating profit</b>		<b>334 636</b>	<b>317 745</b>
<b>Profit before tax</b>		<b>334 636</b>	<b>317 745</b>
Corporate income tax		(84 852)	(20 855)
<b>Profit for the period</b>		<b>249 784</b>	<b>296 890</b>
Net earnings per share (PLN/share)			
Basic earnings per share		3,42	4,07
Diluted earnings per share		3,41	4,06

**Statement of comprehensive income of Bank Zachodni WBK S.A.**

	for reporting period:	01.01.2010- 31.03.2010	01.01.2009- 31.03.2009
<b>Profit for the period</b>		<b>249 784</b>	<b>296 890</b>
<b>Other comprehensive income:</b>			
Available-for sale financial assets valuation		40 542	13 585
Cash flow hedges valuation		(6 631)	17 110
<b>Other comprehensive income for the period, net of income tax</b>		<b>33 911</b>	<b>30 695</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>283 695</b>	<b>327 585</b>

**Statement of financial position of Bank Zachodni WBK S.A.**

	as at:	31.03.2010	31.12.2009	31.03.2009
<b>ASSETS</b>				
Cash and balances with central banks		2 552 137	2 660 649	2 994 912
Loans and advances to banks		1 006 128	647 559	1 919 459
Financial assets held for trading		5 185 195	1 301 037	3 628 451
Hedging derivatives		2 368	10 801	5 006
Loans and advances to customers		31 711 974	32 626 176	34 333 820
Investment securities		12 336 280	13 265 805	12 641 070
Investments in subsidiaries, associates and joint ventures		234 349	234 349	234 292
Intangible assets		158 526	162 693	155 326
Property, plant and equipment		561 426	581 132	611 038
Current income tax due		-	55 817	-
Net deferred tax assets		241 151	223 680	210 830
Other assets		220 010	169 918	219 777
<b>Total assets</b>		<b>54 209 544</b>	<b>51 939 616</b>	<b>56 953 981</b>
<b>LIABILITIES</b>				
Deposits from central bank		1 023 474	1 519 208	2 479 021
Deposits from banks		2 824 046	2 301 492	3 844 774
Hedging derivatives		42 885	32 933	49 330
Financial liabilities held for trading		671 686	812 882	3 343 269
Deposits from customers		43 035 457	41 262 174	41 741 656
Current income tax liabilities		54 441	-	22 801
Other liabilities		780 321	517 388	723 440
<b>Total liabilities</b>		<b>48 432 310</b>	<b>46 446 077</b>	<b>52 204 291</b>
<b>Equity</b>				
Share capital		730 760	730 760	729 603
Other reserve funds		3 354 289	3 354 289	2 545 124
Revaluation reserve		456 173	422 262	368 908
Retained earnings		986 228	-	809 165
Profit of the current period		249 784	986 228	296 890
<b>Total equity</b>		<b>5 777 234</b>	<b>5 493 539</b>	<b>4 749 690</b>
<b>Total equity and liabilities</b>		<b>54 209 544</b>	<b>51 939 616</b>	<b>56 953 981</b>

**Movements on equity of Bank Zachodni WBK S.A.**

MOVEMENTS ON EQUITY	Share capital	Other reserve funds	Revaluation reserve	Retained earnings and profit for the period	Total
<b>Opening balance as at 31.12.2009</b>	<b>730 760</b>	<b>3 354 289</b>	<b>422 262</b>	<b>986 228</b>	<b>5 493 539</b>
Total comprehensive income	-	-	33 911	249 784	283 695
<b>As at 31.03.2010</b>	<b>730 760</b>	<b>3 354 289</b>	<b>456 173</b>	<b>1 236 012</b>	<b>5 777 234</b>

As at the end of the period revaluation reserve in the amount of PLN 456 173 k comprises of debt securities of PLN 48 146 k and equity shares classified as available for sale of PLN 412 740 k and additionally cash flow hedge activities PLN (4 713)k.

MOVEMENTS ON EQUITY	Share capital	Other reserve funds	Revaluation reserve	Retained earnings and profit for the period	Total
<b>Opening balance as at 31.12.2008</b>	<b>729 603</b>	<b>2 543 577</b>	<b>338 213</b>	<b>809 165</b>	<b>4 420 558</b>
Total comprehensive income	-	-	84 049	986 228	1 070 277
Share issue related to vesting the share incentive scheme	1 157	-	-	-	1 157
Share scheme charge	-	1 547	-	-	1 547
Transfer to other capital	-	809 165	-	(809 165)	-
<b>As at 31.12.2009</b>	<b>730 760</b>	<b>3 354 289</b>	<b>422 262</b>	<b>986 228</b>	<b>5 493 539</b>

As at the end of the period revaluation reserve in the amount of PLN 422 262 k comprises of debt securities of PLN 4 972 k and equity shares classified as available for sale of PLN 415 372 k and additionally cash flow hedge activities PLN 1 918 k.

MOVEMENTS ON EQUITY	Share capital	Other reserve funds	Revaluation reserve	Retained earnings and profit for the period	Total
<b>Opening balance as at 31.12.2008</b>	<b>729 603</b>	<b>2 543 577</b>	<b>338 213</b>	<b>809 165</b>	<b>4 420 558</b>
Total comprehensive income	-	-	30 695	296 890	327 585
Share scheme charge	-	1 547	-	-	1 547
<b>As at 31.03.2009</b>	<b>729 603</b>	<b>2 545 124</b>	<b>368 908</b>	<b>1 106 055</b>	<b>4 749 690</b>

As at the end of the period revaluation reserve in the amount of PLN 368 908 k comprises of debt securities of PLN (39 120) k and equity shares classified as available for sale of PLN 415 590 k and additionally cash flow hedge activities PLN (7 562) k.

**Statement of cash flows of Bank Zachodni WBK S.A.**

	<b>01.01.2010- 31.03.2010</b>	<b>01.01.2009- 31.03.2009</b>
	<b>for reporting period:</b>	
<b>Profit before tax</b>	<b>334 636</b>	<b>317 745</b>
<b>Total adjustments:</b>	<b>2 451 674</b>	<b>131 812</b>
Depreciation/amortisation	28 927	27 374
Impairment losses	(22)	-
Interests and similar charges	(53 423)	(12 678)
Dividend received	(52 409)	(203 555)
(Profit) loss from investing activities	(8 810)	(6 494)
Change in provisions	(10 347)	(6 203)
Change in trading portfolio financial instruments	(435 026)	289 132
Change in loans and advances to customers	949 202	(1 679 557)
Change in deposits from banks	26 820	3 123 612
Change in deposits from customers	1 773 283	(1 640 249)
Change in other assets and liabilities	233 217	299 148
Paid income tax	-	(58 907)
Other adjustments	262	189
<b>Net cash flow from operating activities</b>	<b>2 786 310</b>	<b>449 557</b>
<b>Inflows</b>	<b>559 766</b>	<b>1 733 859</b>
Sale/maturity of investment securities	506 860	1 529 877
Sale of intangible assets and property, plant and equipment	495	425
Dividend received	52 409	203 555
Proceeds from other investments	2	2
<b>Outflows</b>	<b>(911 239)</b>	<b>(341 745)</b>
Purchase of subsidiaries, associates and joint ventures	-	(67)
Purchase of investment securities	(905 671)	(322 910)
Purchase of intangible assets and property, plant and equipment	(5 568)	(18 768)
<b>Net cash flow from investing activities</b>	<b>(351 473)</b>	<b>1 392 114</b>
<b>Inflows</b>	<b>-</b>	<b>-</b>
<b>Outflows</b>	<b>(7 005)</b>	<b>(7 440)</b>
Other financing outflows	(7 005)	(7 440)
<b>Net cash flow from financing activities</b>	<b>(7 005)</b>	<b>(7 440)</b>
<b>Total net cash flow</b>	<b>2 427 832</b>	<b>1 834 231</b>
<b>Cash at the beginning of the accounting period</b>	<b>5 550 892</b>	<b>5 310 351</b>
<b>Cash at the end of the accounting period</b>	<b>7 978 724</b>	<b>7 144 582</b>

## **ADDITIONAL INFORMATION TO CONSOLIDATED FINANCIAL STATEMENTS OF BANK ZACHODNI WBK GROUP FOR Q1 2010**

### **1. Accounting policies**

#### **Basis of preparation of interim financial statements**

In comparison with the annual financial statements the content of the quarterly financial report is condensed, therefore it should be read in conjunction with the financial statements of Bank Zachodni WBK Group for the year 2009.

The consolidated financial statements of the Group for the year 2009 are available at the Bank's official website - [www.inwestor.bzwbk.pl](http://www.inwestor.bzwbk.pl).

#### **Statement of compliance**

Condensed consolidated quarterly financial statements of Bank Zachodni WBK Group for the period from 1 January 2010 to 31 March 2010 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 three months ended 31 March 2010 which is deemed to be the current interim financial reporting period.

#### **Accounting policies**

Condensed consolidated quarterly financial statements are presented in PLN, rounded to the nearest thousand. The accounting policies have been applied consistently by Group entities.

Except as described below, the accounting policies applied by the Group in these condensed consolidated quarterly financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2009.

#### **Changes in accounting policies**

Accounting policies have not been changed and are the same as those applied in Consolidated Financial Statements of Bank Zachodni WBK Group for the year 2009.

### Comparability with results of previous periods

To ensure comparability, the following substantial changes were made to the presentation of financial data compared to 1Q 2009 in consolidated statement of financial position:

- According to IAS 28 adjustments of equity made by the Bank's associate – POLFUND Fundusz Poręczeń Kredytowych S.A. were applied consistently in consolidated statement of financial position of BZ WBK Group. In comparable period as at 31.03.2009 "Retained earnings" were increased by PLN 20 250 k, "Deferred tax assets" were decreased by PLN 4 750 k, "Investments in associates and joint ventures" were increased by PLN 25 000 k,
- As a result of changes in the interpretation of IAS 12, the presentation of deferred tax assets and liabilities was changed. Since June 2009 the assets and liabilities have been presented as a net value. The change is reflected also in comparable periods therefore the total assets in the consolidated statement of financial position decreased in the amount of PLN 411 211 k as at 31.03.2009.

### New standards and interpretations or changes to existing standards or interpretations that are not yet effective and have not been early implemented

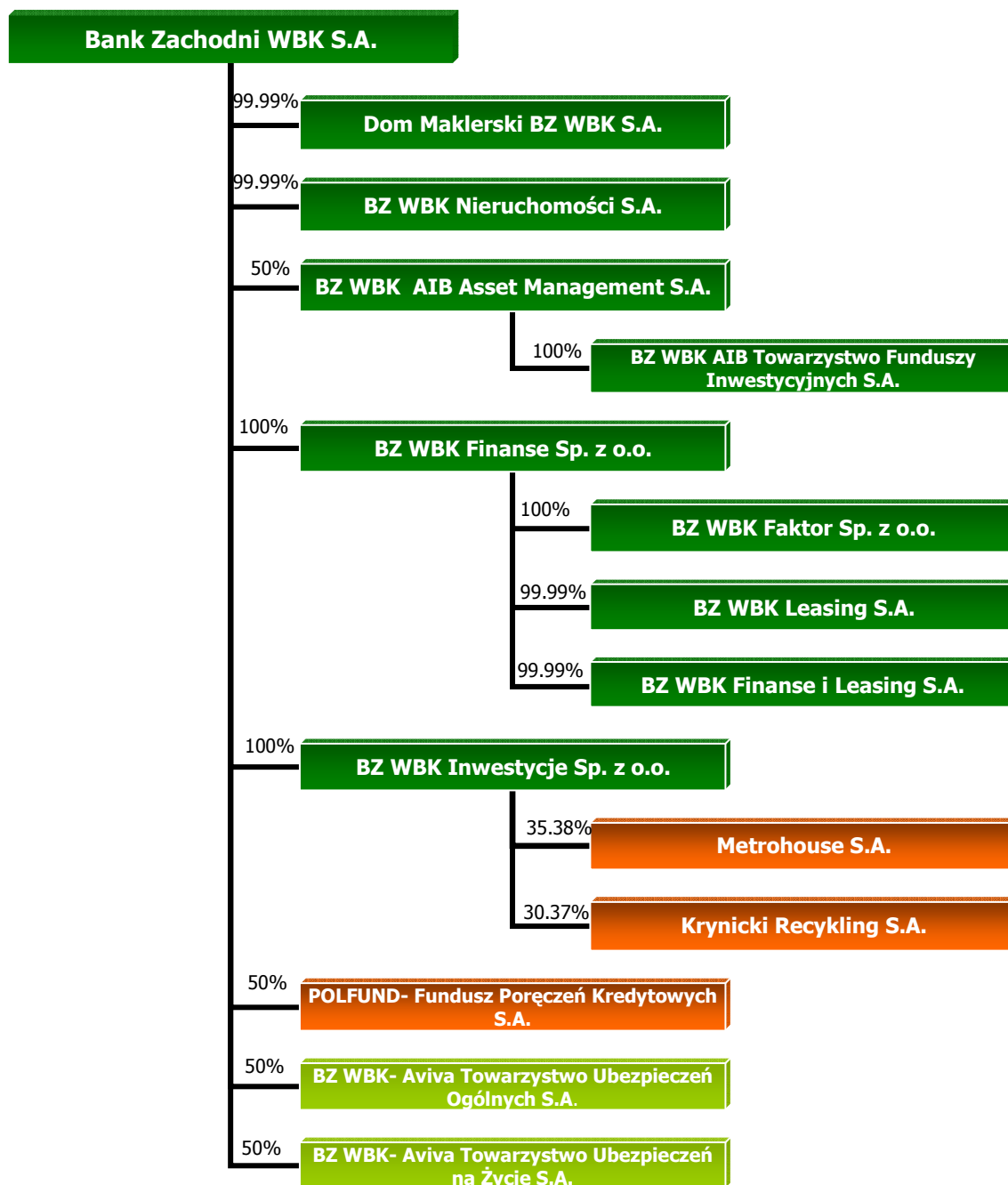
IFRS	Description of changes	Effective from	Impact on the Group
IFRS 9 Financial Instruments	Changes in classification and measurement - the existing categories of financial instruments to be replaced by two measurement categories, i.e. amortised cost and fair value.	1 January 2013	The Group has not completed its analysis of changes
IAS 32 Financial Instruments: Presentation	The amendment pertains to the classification of rights issue.	1 January 2011	The Group has not completed its analysis of the amendment yet.
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments	The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are "consideration paid" in accordance with IAS 39.41. The above described equity instruments shall be measured at the fair value and the difference between the carrying amount of the financial liability extinguished and the initial measurement of the equity instruments issued should be recognized in profit or loss	1 January 2011	The Group has not completed its analysis of changes

### Judgments and estimates

The significant judgment and the key sources of estimation uncertainty were the same as those that applied to the Annual Report for 2009.

## 2. Description of organization of Bank Zachodni WBK Group

Graphical representation of the Group's organization structure and information about types of connection within the Group:



### Legend:

- % share in the voting rights at GSM
- Subsidiaries (fully consolidated with BZ WBK S.A.)
- Associates
- Joint ventures

In the case of BZ WBK AIB Asset Management S.A., the Bank is a co-owner of the company together with AIB Capital Markets plc. Both owners of BZ WBK AIB Asset Management S.A. are members of Allied Irish Banks Group and each holds an equal stake of 50% in the company's share capital. In practice, Bank Zachodni WBK S.A. exercises control over the company and its subsidiary, BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A., because through its agency the ultimate parent (Allied Irish Banks) pursues its policy in Poland.

Pursuant to IAS 28, as at 31 March 2010, associated undertaking POLFUND – Fundusz Poręczeń Kredytowych S.A. and two joint ventures: BZ WBK - Aviva Towarzystwo Ubezpieczeń Ogólnych S.A. and BZ WBK - Aviva Towarzystwo Ubezpieczeń na Życie S.A. were accounted for using the equity method.

Two entities: Metrohouse S.A. and Krynicki Recycling S.A. were classified as associates of the Bank's subsidiary BZ WBK Inwestycje Sp. z o.o. They were also accounted for using the equity method.

Purchase of shares of Metrohouse SA and Krynicki Recycling S.A. was part of building a portfolio of pre-IPO type of investment.

### 3. Net interest income

Interest and similar income	01.01-31.03.2010	01.01-31.03.2009
Loans and advances to enterprises	299 686	358 368
Loans and advances to individuals, of which:	238 548	223 562
<i>Mortgage loans</i>	67 643	79 757
Debt securities incl.:	190 317	182 630
<i>Investment portfolio held to maturity</i>	93 325	90 522
<i>Investment portfolio available for sale</i>	70 626	76 643
<i>Trading portfolio</i>	26 366	15 465
Leasing agreements	42 830	53 795
Loans and advances to banks	13 681	24 869
Other from public sector	4 156	5 587
Reverse repo transactions	3 722	8 486
Interest recorded on hedging IRS	(4 487)	(1 820)
<b>Total</b>	<b>788 453</b>	<b>855 477</b>
Interest expense and similar charges	01.01-31.03.2010	01.01-31.03.2009
Deposits from individuals	(216 476)	(291 522)
Deposits from enterprises	(92 981)	(105 965)
Repo transactions	(23 238)	(37 842)
Public sector	(18 563)	(27 248)
Deposits from banks	(12 726)	(29 920)
Debt securities in issue	-	(1 472)
<b>Total</b>	<b>(363 984)</b>	<b>(493 969)</b>
<b>Net interest income</b>	<b>424 469</b>	<b>361 508</b>

### 4. Net fee and commission income

Fee and commission income	01.01-31.03.2010	01.01-31.03.2009
eBusiness & payments	86 774	87 179
Asset management fees	84 625	53 865
Current accounts and money transfer	62 271	58 062
Foreign exchange commissions	45 782	61 324
Brokerage commissions	33 070	24 721
Credit commissions (including factoring)	27 459	24 071
Insurance commissions	18 652	26 735
Credit cards	15 776	15 773
Distribution fees	5 033	5 198
Off-balance sheet guarantee commissions	2 730	3 200
Issue arrangement	1 785	1 554
Finance lease commissions	890	707
Other commissions	643	200
<b>Total</b>	<b>385 490</b>	<b>362 589</b>



<b>Fee and commission expense</b>	<b>01.01-31.03.2010</b>	<b>01.01-31.03.2009</b>
eBusiness & payments	(20 206)	(21 539)
Distribution fees	(11 189)	(6 402)
Brokerage commissions	(6 447)	(4 704)
Commissions paid to credit agents	(5 250)	(3 367)
Asset management fees and other costs	(4 244)	(4 381)
Credit cards	(1 773)	(1 758)
Finance lease commissions	(1 562)	(1 806)
Other	(3 415)	(4 156)
<b>Total</b>	<b>(54 086)</b>	<b>(48 113)</b>
<b>Net fee and commission income</b>	<b>331 404</b>	<b>314 476</b>

## 5. Net trading income and revaluation

<b>Net trading income and revaluation</b>	<b>01.01-31.03.2010</b>	<b>01.01-31.03.2009</b>
Profit on interbank FX transactions	32 827	42 470
Profit/(loss) on derivative instruments	25 335	(8 132)
Other FX related income	5 869	5 413
Profit on market maker activity	2 540	948
Profit on debt instruments	827	3 327
<b>Total</b>	<b>67 398</b>	<b>44 026</b>

Net trading income and revaluation includes the write-back of adjustments of derivatives resulting from counterparty risk in the amount of PLN 499 k (as at 31.03.2009 - PLN (24 341) k).

## 6. Gains from other financial securities

<b>Gains from other financial securities</b>	<b>01.01-31.03.2010</b>	<b>01.01-31.03.2009</b>
Profit on equity shares	3 056	319
Profit on debt securities	5 657	5 982
<b>Total profit on financial instruments</b>	<b>8 713</b>	<b>6 301</b>
Change in fair value of hedging instruments	(4 380)	15 862
Change in fair value of underlying hedged positions	4 431	(16 783)
<b>Total profit (losses) on hedging and hedged instruments</b>	<b>51</b>	<b>(921)</b>
<b>Total</b>	<b>8 764</b>	<b>5 380</b>

## 7. Impairment losses on loans and advances

<b>Impairment losses on loans and advances</b>	<b>01.01-31.03.2010</b>	<b>01.01-31.03.2009</b>
Collective and individual impairment charge	(107 325)	(123 918)
Incurred but not reported losses charge	28 985	(33 665)
Recoveries of loans previously written off	6 347	1 692
Off balance sheet credit related items	1 631	(4 821)
<b>Total</b>	<b>(70 362)</b>	<b>(160 712)</b>

## 8. Employee costs

<b>Employee costs</b>	<b>01.01-31.03.2010</b>	<b>01.01-31.03.2009</b>
Salaries and bonuses	(193 440)	(187 700)
Salary related costs	(32 711)	(32 473)
Staff benefits costs	(4 564)	(4 636)
Professional trainings	(2 053)	(2 494)
Retirement fund, holiday provisions and other employee-related costs	(1 576)	(1 192)
<b>Total</b>	<b>(234 344)</b>	<b>(228 495)</b>

## 9. General and administrative expenses

<b>General and administrative expenses</b>	<b>01.01-31.03.2010</b>	<b>01.01-31.03.2009</b>
Maintenance and rentals of premises	(52 019)	(49 123)
IT systems costs	(19 417)	(22 564)
Marketing and representation	(15 468)	(10 904)
Postal and telecommunication costs	(13 160)	(14 173)
Other external services	(7 531)	(6 694)
Bank Guarantee Fund, Polish Financial Supervision Authority and National Depository for Securities	(7 424)	(7 872)

Car, transport expenses, carriage of cash	(6 817)	(7 747)
Consulting fees	(4 956)	(5 049)
Sundry taxes	(4 039)	(4 083)
Data transmission	(3 809)	(4 815)
Stationery, cards, cheques etc.	(3 262)	(3 324)
KIR, SWIFT settlements	(2 989)	(3 050)
Security costs	(2 843)	(3 293)
Costs of repairs	(1 341)	(2 097)
Other	(2 865)	(3 547)
<b>Total</b>	<b>(147 940)</b>	<b>(148 335)</b>

## 10. Loans and advances to banks

<b>Loans and advances to banks</b>	<b>31.03.2010</b>	<b>31.12.2009</b>	<b>31.03.2009</b>
Loans and advances	858 522	596 793	1 417 507
Reverse-repo transactions	116 581	-	499 663
Current accounts	46 200	66 234	22 856
<b>Gross receivables</b>	<b>1 021 303</b>	<b>663 027</b>	<b>1 940 026</b>
Impairment write down	-	-	(5 969)
<b>Total</b>	<b>1 021 303</b>	<b>663 027</b>	<b>1 934 057</b>

<b>Movements in impairment losses on receivables from banks</b>	<b>31.03.2010</b>	<b>31.12.2009</b>	<b>31.03.2009</b>
Balance at 1 January	-	(5 969)	(5 969)
Write off	-	5 969	-
<b>Balance at the end of the period</b>	<b>-</b>	<b>-</b>	<b>(5 969)</b>

## 11. Loans and advances to customers

<b>Loans and advances to customers</b>	<b>31.03.2010</b>	<b>31.12.2009</b>	<b>31.03.2009</b>
Loans and advances to enterprises	21 298 500	22 265 448	24 838 519
Loans and advances to individuals, of which:	10 739 298	10 632 415	9 761 135
Home mortgage loans	6 136 830	6 062 546	5 733 917
Finance lease receivables	2 576 278	2 706 516	3 001 745
Loans and advances to public sector	75 967	83 106	83 662
Reverse-repo transactions	10 262	10 083	14 462
Other	44 544	12 805	66 140
<b>Gross receivables</b>	<b>34 744 849</b>	<b>35 710 373</b>	<b>37 765 663</b>
Impairment write down	(1 188 454)	(1 139 676)	(1 054 920)
<b>Total</b>	<b>33 556 395</b>	<b>34 570 697</b>	<b>36 710 743</b>

<b>Movements on impairment losses on loans and advances to customers</b>	<b>31.03.2010</b>	<b>31.12.2009</b>	<b>31.03.2009</b>
<b>Individual and collective impairment</b>			
As at the beginning of the period	(766 110)	(571 113)	(571 113)
Charge/write back of current period	(107 325)	(438 698)	(123 918)
Write off	23 352	250 992	1 493
Transfer	-	(10 866)	-
F/X differences	4 702	3 575	(7 551)
<b>Balance at the end of the period</b>	<b>(845 381)</b>	<b>(766 110)</b>	<b>(701 089)</b>
<b>IBNR</b>			
As at the beginning of the period	(373 566)	(318 170)	(318 170)
Charge/write back of current period	28 985	(56 297)	(33 665)
F/X differences	1 508	901	(1 996)
<b>Balance at the end of the period</b>	<b>(343 073)</b>	<b>(373 566)</b>	<b>(353 831)</b>
<b>Impairment write down</b>	<b>(1 188 454)</b>	<b>(1 139 676)</b>	<b>(1 054 920)</b>

**12. Deposits from banks**

Deposits from banks	31.03.2010	31.12.2009	31.03.2009
Repo transactions	2 067 190	1 531 795	2 402 362
Loans from other banks	1 390 285	1 518 901	2 189 505
Term deposits	713 023	745 682	1 415 507
Current accounts	44 227	34 398	37 276
<b>Total</b>	<b>4 214 725</b>	<b>3 830 776</b>	<b>6 044 650</b>

**13. Deposits from customers**

Deposits from customers	31.03.2010	31.12.2009	31.03.2009
Deposits from individuals	25 783 631	25 613 714	25 234 659
<i>Term deposits</i>	14 397 262	14 166 157	13 739 593
<i>Current accounts</i>	11 352 044	11 414 712	11 434 557
<i>other</i>	34 325	32 845	60 509
Deposits from enterprises	14 764 594	13 284 728	12 936 611
<i>Term deposits</i>	10 385 383	8 319 717	8 450 139
<i>Current accounts</i>	3 851 703	4 484 720	3 996 243
<i>Credits</i>	215 086	227 614	43 465
<i>Reverse-repo transactions</i>	-	-	1 516
<i>other</i>	312 422	252 677	445 248
Deposits from public sector	2 395 797	2 324 429	3 267 867
<i>Term deposits</i>	921 457	781 613	2 028 123
<i>Current accounts</i>	1 442 943	1 542 259	1 120 509
<i>other</i>	31 397	557	119 235
<b>Total</b>	<b>42 944 022</b>	<b>41 222 871</b>	<b>41 439 137</b>

**14. Related party disclosures**

The tables below present the balances of 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 and guarantees. Intercompany transactions effected by the bank and its subsidiaries have been eliminated during the consolidation process.

Transactions between entities of BZWBK Group	31.03.2010	31.12.2009	31.03.2009
<b>ASSETS</b>	<b>2 230 492</b>	<b>2 269 450</b>	<b>2 085 242</b>
Loans and advances to banks	1 053 806	1 050 201	884 273
Financial assets held for trading	15 122	6 145	322
Hedging derivatives	28 784	73 059	183 294
Loans and advances to customers	1 121 977	1 124 842	994 373
Other assets	10 803	15 203	22 980
<b>LIABILITIES</b>	<b>2 230 492</b>	<b>2 269 450</b>	<b>2 085 242</b>
Deposits from banks	1 119 160	1 121 781	990 326
Hedging derivatives	2 075	183	161
Financial liabilities held for trading	41 831	79 021	183 294
Deposits from customers	1 038 971	1 033 001	860 632
Debt securities in issue	-	-	160
Other liabilities	28 455	35 464	50 669
<b>INCOME</b>	<b>61 413</b>	<b>214 210</b>	<b>47 384</b>
Interest and similar income	23 082	88 534	21 932
Fee and commission income	30 458	102 280	21 440
Other operating income	2 147	8 994	1 705
Net trading income and revaluation	5 726	14 402	2 307

<b>EXPENSES</b>	<b>61 413</b>	<b>214 210</b>	<b>47 384</b>
Interest expense and similar charges	28 407	100 867	23 585
Fee and commission expense	30 448	102 300	21 479
Operating expenses incl.:	2 558	11 043	2 320
<i>Bank's staff, operating expenses and management costs</i>	<i>2 555</i>	<i>11 009</i>	<i>2 314</i>
<i>other</i>	<i>3</i>	<i>34</i>	<i>6</i>
<b>CONTINGENT LIABILITIES</b>	<b>2 657 436</b>	<b>3 222 998</b>	<b>2 689 136</b>
Sanctioned:	1 328 718	1 611 499	1 344 568
- <i>financing-related</i>	<i>1 089 158</i>	<i>1 356 686</i>	<i>1 287 951</i>
- <i>guarantees</i>	<i>239 560</i>	<i>254 813</i>	<i>56 617</i>
Received:	1 328 718	1 611 499	1 344 568
- <i>financing-related</i>	<i>1 089 158</i>	<i>1 356 686</i>	<i>1 287 951</i>
- <i>guarantees</i>	<i>239 560</i>	<i>254 813</i>	<i>56 617</i>
<b>DERIVATIVES' NOMINAL VALUES</b>	<b>3 375 903</b>	<b>3 487 320</b>	<b>2 869 825</b>
Cross-currency interest rate swaps – purchased amounts	1 625 343	1 637 460	1 124 026
Cross-currency interest rate swaps – sold amounts	1 683 919	1 791 175	1 471 507
Single-currency interest rate swaps	56 538	58 685	265 218
Forward- purchased amounts	5 067	-	4547
Forward- sold amounts	5 036	-	4527

Transactions with associates and joint ventures	31.03.2010	31.12.2009	31.03.2009
<b>ASSETS</b>	<b>846</b>	<b>842</b>	<b>969</b>
Loans and advances to customers	846	842	969
<b>LIABILITIES</b>	<b>96 209</b>	<b>90 352</b>	<b>144 957</b>
Deposits from customers	96 209	90 352	144 957
<b>INCOME</b>	<b>306</b>	<b>5 882</b>	<b>3 466</b>
Interest and similar income	12	62	20
Fee and commission income	279	5 663	3 349
Other operating income	15	157	97
<b>EXPENSES</b>	<b>1 407</b>	<b>8 340</b>	<b>2 398</b>
Interest expense and similar charges	1 022	6 199	1 713
Fee and commission expense	11	-	-
Operating expenses incl.:	374	2 141	685
<i>General and administrative expenses</i>	<i>374</i>	<i>2 141</i>	<i>685</i>

Transactions with the parent company (AIB Group)	31.03.2010	31.12.2009	31.03.2009
<b>ASSETS</b>	<b>265 665</b>	<b>495 282</b>	<b>1 347 235</b>
Loans and advances to banks	120 052*	376 170**	883 042***
Financial assets held for trading	144 104	117 274	315 968
Investment securities	-	-	147 118
Other assets	1 509	1 838	1 107

\* incl.: deposits in the amount of PLN 119 927 k and current accounts of PLN 125 k.

\* \*incl.: deposits in the amount of PLN 376 075 k and current accounts of PLN 95 k.

\*\*\*inc.: deposits in the amount of PLN 883 042 k.

<b>LIABILITIES</b>	<b>1 371 864</b>	<b>1 918 015</b>	<b>2 510 739</b>
Deposits from banks	1 118 041*	1 631 612**	1 640 797***
Hedging derivatives	1 566	1 564	2 686
Financial liabilities held for trading	241 721	272 417	855 638
Other liabilities	10 536	12 422	11 618

\* incl.: loans granted to BZ WBK subsidiaries in the amount of PLN 771 817 k, repo transactions of PLN 283 879 k and deposits of PLN 62 345 k.  
 \*\* incl.: loans granted to BZ WBK subsidiaries in the amount of PLN 819 759 k, repo transactions of PLN 305 653 k and deposits of PLN 506 200 k.  
 \*\*\* incl.: loans granted to BZ WBK subsidiaries in the amount of PLN 940 116 k, repo transactions of PLN 681 177 k and deposits of PLN 19 504 k.

<b>INCOME</b>	<b>(33 326)</b>	<b>76 120</b>	<b>(100 462)</b>
Interest and similar income	121	4 375	2 658
Fee and commission income	356	1 042	9
Other operating income	74	2 951	621
Net trading income and revaluation	(32 665)	60 686	(101 387)
Gains from other financial securities	(1 212)	7 066	(2 363)
<b>EXPENSES</b>	<b>11 799</b>	<b>62 822</b>	<b>19 690</b>
Interest expense and similar charges	4 362	30 405	12 222
Fee and commission expense	-	-	86
Operating expenses incl.:	7 437	32 417	7 382
<i>Bank's staff, operating expenses and management costs</i>	<i>7 437</i>	<i>32 417</i>	<i>7 382</i>
<b>CONTINGENT LIABILITIES</b>	<b>-</b>	<b>44 319</b>	<b>201 067</b>
Sanctioned:	-	7 419	180 000
- <i>financing-related</i>	-	<i>7 419</i>	<i>180 000</i>
Received:	-	36 900	21 067
- <i>financing-related</i>	-	<i>36 900</i>	<i>21 067</i>
<b>DERIVATIVES' NOMINAL VALUES</b>	<b>10 207 047</b>	<b>11 062 622</b>	<b>19 545 174</b>
Cross-currency interest rate swaps – purchased amounts	918 100	1 337 015	929 580
Cross-currency interest rate swaps – sold amounts	932 432	1 402 642	1 135 011
Single-currency interest rate swaps	4 328 147	3 364 991	4 609 519
FRA - purchased amounts	-	-	150 000
Options	25 147	9 841	11 452
FX swap – purchased amounts	1 624 646	1 961 714	5 089 790
FX swap – sold amounts	1 567 968	1 927 627	5 037 679
FX options -purchased	388 949	507 319	1 137 135
FX options -sold	420 114	547 364	1 426 686
spot-purchased	772	2 055	8 288
spot-sold	772	2 054	10 034

## 15. Comments concerning the seasonal or cyclical character of the annual activities

The business activity of Bank Zachodni WBK and its subsidiary undertakings has no material seasonal character.

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

No items affecting the BZWBK Group's structure of the statement of financial position and financial performance that are unusual because of their nature, volume or occurrence occurred in Q1 2010.

## 17. Issue, redemption or repayment of debt or equity instruments

In 1Q 2010, neither Bank Zachodni WBK or any of its subsidiaries issued bonds or other own debt/equity securities.

## 18. Dividend information

On 21st April 2010 the Annual General Meeting of BZ WBK Shareholders divided the net profit of 2009 allocating PLN 292 304 k to dividends, which means, that the declared dividend per one share amounts to PLN 4.00.

The dividend day has been set on 7 May 2010 and dividend payment date on 21 May 2010.

On 21st April 2009 the Annual General Meeting of BZ WBK Shareholders divided the net profit of 2008 to the reserve capital and to the general risk fund. Therefore, Bank Zachodni WBK S.A. did not pay a dividend out of its income generated in 2008.

## 19. Income and profits by business segments

Operational activity of the BZ WBK S.A. Group has been divided into five segments: Retail Banking, Business Banking, Investment Banking, Treasury and Centre. They were identified based on customers and product types. Income and costs assigned to a given segment are generated on the sale of products and services in the segment, according to description presented below. Such income and costs are recognized in the profit and loss account for the Group and may be assigned to a given segment either directly or based on reasonable assumptions. Settlements among business segments apply to payments for delivered services and include:

- sale and/or service of customers assigned to a given segment, via sale/service channels operated by another segment;
- sharing of income and costs on transactions in cases where a transaction is processed for a customer assigned to a different segment;
- sharing of income and cost of delivery of common projects.

Income and cost allocations are based on individual rates agreed between segments for specific services or agreements concerning the breakdown of total income and/or cost.

Assets and liabilities of a given segment used in their operational activity may be assigned to the segment directly or on a reasonable basis.

### Retail Banking

Retail Banking segment includes products and services targeted at personal customers as well as small and micro companies.

In the offer for customers of this segment there are a wide range of savings products, consumer and mortgage loans, credit and debit cards, insurance and investment products, clearing services, GSM phones top-ups, foreign payments and Western Union and private-banking services. For small and micro companies the segment additionally provides services such as cash management, leasing, factoring, trade finance and guarantees.

### Business Banking

Business Banking segment covers products and activities targeted at business entities, local governments and the public sector. In addition to banking services covering lending and deposit activities, the segment provides services in the areas of cash management, leasing, factoring, trade financing and guarantees.

### **Investment Banking**

Investment Banking segment includes such activities as underwriting financing via issue of securities, financial advisory services, brokerage services provided by Brokerage House and asset management services within investment funds and private portfolios.

### **Treasury**

Treasury is responsible for the management of interest rate, currency and liquidity risks on behalf of the bank and the banks' customers. The income is generated on currency and inter-bank transactions, including derivative instruments and debt securities transactions.

### **Centre**

The segment covers central operations, financing of other Groups' segments activity as well as other income and/or costs that cannot be reasonably assigned to one of the defined segments.

The principles of income and cost identification, as well as assets and liabilities for segmental reporting purposes are consistent with the accounting policy applied in Bank Zachodni WBK Group. Thereby there are no discrepancies between the valuation of segments' profit or loss, assets or liabilities, presented to the Management Board and the valuation of these components for the Group, included in the consolidated financial statement.

## Consolidated income statement (by business segments)

31.03.2010	Retail Banking	Business Banking	Investment Banking	Treasury	Centre	Total
<b>Net interest income</b>	<b>283 634</b>	<b>154 392</b>	<b>5 986</b>	<b>(32 171)</b>	<b>12 628</b>	<b>424 469</b>
incl. internal transactions	-	(15 888)	12 109	-	3 779	-
<b>Other income</b>	<b>207 608</b>	<b>21 210</b>	<b>87 621</b>	<b>88 768</b>	<b>10 152</b>	<b>415 359</b>
incl. internal transactions	28 414	8 541	(20 621)	(18 277)	1 943	-
<b>Dividend income</b>	<b>-</b>	<b>-</b>	<b>354</b>	<b>-</b>	<b>-</b>	<b>354</b>
<b>Operating costs</b>	<b>(286 362)</b>	<b>(47 798)</b>	<b>(36 295)</b>	<b>(11 433)</b>	<b>(7 758)</b>	<b>(389 646)</b>
incl. internal transactions	1 346	(10 093)	(1 235)	5 500	4 482	-
<b>Depreciation/amortisation</b>	<b>(25 370)</b>	<b>(3 105)</b>	<b>(2 292)</b>	<b>(747)</b>	<b>(324)</b>	<b>(31 838)</b>
<b>Impairment losses on loans and advances</b>	<b>(100 716)</b>	<b>24 018</b>	<b>-</b>	<b>-</b>	<b>6 336</b>	<b>(70 362)</b>
<b>Share in net profits (loss) of entities accounted for by the equity method</b>	<b>(252)</b>	<b>-</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>(211)</b>
<b>Profit before tax</b>	<b>78 542</b>	<b>148 717</b>	<b>55 415</b>	<b>44 417</b>	<b>21 034</b>	<b>348 125</b>
Corporate income tax						(98 902)
Profit of the period attributable to non-controlling interests						(16 177)
<b>Profit for the period</b>						<b>233 046</b>



## Consolidated statement of financial position (by business segment)

31.03.2010	Retail Banking	Business Banking	Investment Banking	Treasury	Centre	Total
Loans and advances to customers	15 551 837	17 894 306	65 581	10 675	33 996	33 556 395
Investments in associates and joint ventures	31 025	-	50 651	-	-	81 676
Other assets	6 824 403	4 266 446	1 075 586	9 223 035	1 245 293	22 634 763
<b>Total assets</b>	<b>22 407 265</b>	<b>22 160 752</b>	<b>1 191 818</b>	<b>9 233 710</b>	<b>1 279 289</b>	<b>56 272 834</b>
Deposits from customers	31 823 500	10 331 418	730 535	58 569	-	42 944 022
Other liabilities and equity	2 219 194	5 530 772	345 007	4 417 730	816 109	13 328 812
<b>Total equity and liabilities</b>	<b>34 042 694</b>	<b>15 862 190</b>	<b>1 075 542</b>	<b>4 476 299</b>	<b>816 109</b>	<b>56 272 834</b>

## Consolidated income statement (by business segments)

31.03.2009	Retail Banking	Business Banking	Investment Banking	Treasury	Centre	Total
<b>Net interest income</b>	<b>245 735</b>	<b>114 483</b>	<b>6 633</b>	<b>(4 666)</b>	<b>(677)</b>	<b>361 508</b>
incl. internal transactions	-	(10 913)	12 008	-	(1 095)	-
<b>Other income</b>	<b>209 663</b>	<b>16 042</b>	<b>58 175</b>	<b>77 659</b>	<b>15 776</b>	<b>377 315</b>
incl. internal transactions	24 451	643	(14 005)	(13 860)	2 771	-
<b>Dividend income</b>	<b>-</b>	<b>-</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>26</b>
<b>Operating costs</b>	<b>(276 001)</b>	<b>(54 550)</b>	<b>(31 324)</b>	<b>(11 392)</b>	<b>(10 183)</b>	<b>(383 450)</b>
incl. internal transactions	5 219	(13 826)	(690)	5 681	3 616	-
<b>Depreciation/amortisation</b>	<b>(24 784)</b>	<b>(2 391)</b>	<b>(2 268)</b>	<b>(582)</b>	<b>(98)</b>	<b>(30 123)</b>
<b>Impairment losses on loans and advances</b>	<b>(74 226)</b>	<b>(86 486)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(160 712)</b>
<b>Share in net profits (loss) of entities accounted for by the equity method</b>	<b>(2 951)</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>(2 926)</b>
<b>Profit before tax</b>	<b>77 436</b>	<b>(12 902)</b>	<b>31 267</b>	<b>61 019</b>	<b>4 818</b>	<b>161 638</b>
Corporate income tax						(31 407)
Profit of the period attributable to non-controlling interests						(11 227)
<b>Profit for the period</b>						<b>119 004</b>

## Consolidated statement of financial position (by business segment)

31.03.2009	Retail Banking	Business Banking	Investment Banking	Treasury	Centre	Total
Loans and advances to customers	14 406 759	22 229 995	73 989	-	-	36 710 743
Investments in associates and joint ventures	29 163	-	50 131	-	-	79 294
Other assets	6 335 468	1 832 746	937 363	9 678 121	3 906 770	22 690 468
<b>Total assets</b>	<b>20 771 390</b>	<b>24 062 741</b>	<b>1 061 483</b>	<b>9 678 121</b>	<b>3 906 770</b>	<b>59 480 505</b>
Deposits from customers	32 641 735	7 981 291	514 781	301 330	-	41 439 137
Other liabilities and equity	-	2 415 979	237 847	8 825 123	6 562 419	18 041 368
<b>Total equity and liabilities</b>	<b>32 641 735</b>	<b>10 397 270</b>	<b>752 628</b>	<b>9 126 453</b>	<b>6 562 419</b>	<b>59 480 505</b>

## 20. Acquisitions and disposals of investments in Q1 2010

No changes in the group structure (mergers, acquisitions and disposals of investments) occurred in the BZ WBK Group during the Q1 2010.

## 21. Changes to the contingent liabilities

The Group has commitments to deliver loans. These commitments include sanctioned loans limits, credit card limits and unused overdrafts. The Group issues guarantees and letters of credit which collateralise customers' liabilities to third parties.

The break-down of contingent liabilities 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.

Contingent liabilities - sanctioned	31.03.2010	31.12.2009	31.03.2009
<b>Liabilities sanctioned</b>			
<b>- financial</b>	<b>5 664 780</b>	<b>6 345 103</b>	<b>8 732 150</b>
- credit lines	4 551 065	5 442 474	7 473 842
- credit cards debits	840 566	845 493	908 287
- term deposits with future commencement term	233 737	27 933	283 227
- import letters of credit	39 412	29 203	66 794
<b>- guarantees</b>	<b>902 589</b>	<b>876 197</b>	<b>878 959</b>
<b>Total</b>	<b>6 567 369</b>	<b>7 221 300</b>	<b>9 611 109</b>

## 22. Off-balance sheet liabilities relating to derivatives' nominal values

Off-balance sheet liabilities relating to derivatives' nominal values as at 31.03.2010, 31.12.2009 and 31.03.2009.

Derivatives' nominal values	31.03.2010	31.12.2009	31.03.2009
<b>1. Term derivatives (hedging)</b>	<b>2 957 814</b>	<b>1 773 682</b>	<b>2 303 341</b>
a) Single-currency interest rate swaps	396 812	573 682	1 203 341
b) Macro cash flow hedge	2 561 002	1 200 000	1 100 000
<b>2. Term derivatives (trading)</b>	<b>54 248 153</b>	<b>50 171 003</b>	<b>125 646 394</b>
a) Interest rate operations	23 058 269	22 490 837	64 859 935
- Single-currency interest rate swaps	19 433 122	18 480 996	36 498 483
- FRA - purchased amounts	3 600 000	4 000 000	28 350 000
- Options	25 147	9 841	11 452
b) FX operations	31 189 884	27 680 166	60 786 459
- FX swap – purchased amounts	9 324 451	7 219 044	21 038 075
- FX swap – sold amounts	9 202 985	7 094 264	21 359 464
- Forward- purchased amounts	1 562 333	1 345 501	3 403 304
- Forward- sold amounts	1 475 844	1 309 044	3 138 751
- Cross-currency interest rate swaps – purchased amounts	3 996 034	4 216 324	3 273 818
- Cross-currency interest rate swaps – sold amounts	4 010 111	4 393 303	3 961 611
- FX options -purchased	809 063	1 051 343	2 305 718
- FX options -sold	809 063	1 051 343	2 305 718
<b>3. Currency transactions- spot</b>	<b>1 191 320</b>	<b>1 119 621</b>	<b>1 284 290</b>
- spot-purchased	595 706	559 649	642 554
- spot-sold	595 614	559 972	641 736
<b>4. Transactions on equity instruments</b>	<b>47 156</b>	<b>47 938</b>	<b>1 116</b>
- Futures	47 156	47 938	1 116
	<b>58 444 443</b>	<b>53 112 244</b>	<b>129 235 141</b>

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

## 23. Principles of PLN conversion into EUR

Selected financial figures for 1Q 2010 and 1 Q 2009 were converted according to the following principles:

- for balance sheet items: 3.8622 PLN rate to EUR as at 31.03.2010 stated by National Bank of Poland (NBP), 4.7013 PLN rate to EUR as at 31.03.2009 and 4.1082 PLN rate to EUR as at 31.12.2009
- for profit and loss items - 3.9669 (an average PLN mid-rate to EUR in NBP on the last day of each month in 1Q 2010), and 4.5994 (an average PLN mid-rate to EUR in NBP on the last day of each month of Q1 2009).

## 24. Shareholders with min. voting power of 5%

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 BZWBK Annual General Meeting as at the publication date of the quarterly consolidated report for Q1 2010 /30.04.2010/ is AIB European Investments Ltd. based in Dublin.

Shareholder	No. of shares held	% shareholding	No. of votes at AGM	% share in total number of votes at AGM
<b>As at 30.04.2010</b>				
AIB European Investments Limited	51 413 790	70.4 %	51 413 790	70.4 %
<b>As at 02.03.2010</b>				
AIB European Investments Limited	51 413 790	70.4 %	51 413 790	70.4 %

## 25. Changes in shareholding of members of the Management and Supervisory Boards

	No. of Bank Zachodni WBK shares held		Change
	As at 30.04.2010	As at 02.03.2010	
Members of the Supervisory Board	-	-	-
Members of the Management Board	23 125	23 125	-

Table below presents personal shareholding of Management Board Members as at 30.04.2010:

Owner	No. of shares
<b>Management Board</b>	
Mateusz Morawiecki	3 591
Andrzej Burliga	1 606
Justyn Konieczny	3 591
Janusz Krawczyk	3 397
Jacek Marcinowski	3 397
Marcin Prell	2 530
Mirosław Skiba	1 575
Feliks Szyszkowiak	3 438

No other Management Board Member is in possession of BZWBK shares.

## **26. Information about the commenced court proceedings**

As at 31.03.2010 no proceedings were instituted by court or by state administration agencies with relation to any claims made by or against the Group or its subsidiaries amounting to a minimum of 10% of the Group's equity.

The value of all litigation amounts to PLN 233 273 k, which is ca 3.68 % of Group's equity. This amount includes PLN 40 959 k claimed by the Group, PLN 70 412 k in claims against the Group and PLN 121 902 k are Group's receivables due to bankruptcy or arrangement cases.

As at 31.03.2009 no proceedings were instituted by court or by state administration agencies with relation to any claims made by or against the bank or its subsidiaries amounting to a minimum of 10% of the Group's equity.

The value of all litigations totalled PLN 224 365 k, which was ca. 4.31 % of Group's equity. This amount includes PLN 31 278 k claimed by the BZWBK Group, PLN 57 791 k in claims against the Group and PLN 135 296 k are Bank's receivables due to bankruptcy or arrangement cases.

## **27. Information concerning issuing loan and guarantees by an issuer or its subsidiary**

By the end of March 2010 Bank Zachodni WBK S.A. 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.

## **28. Events which might affect financial performance over the next quarter**

The most important factors which may affect financial results of the bank in future are:

- continuation of economic recovery in the environment of the Polish economy, in particular in the European Union, leading to an improvement in growth rate of Poland's exports, production, fixed investment and employment and resulting from that stronger financial stance of enterprises and better labour market conditions acting towards an improvement in quality of bank's credit portfolio and towards a rise in demand for new loans, although stronger financial stance of enterprises and households may temporarily lead to their weaker demand of external financing;
- predicted stabilisation of NBP interest rates at least until Q4 2010 amid prospects for a moderate economic recovery and gradual return of inflation to the central bank's target in the medium-term;
- further changes in costs of financing banks' assets, depending among others on the zloty exchange rate performance, liquidity situation in the banking sector and intensity of the price competition in area of retail deposits;
- development of the situation in the global stock markets and its influence on flows between mutual funds and safer assets' classes;
- changes in situation on the housing market and related to that tendency in demand for mortgages.

## **29. Events which occurred subsequently to the end of the interim period**

### ***General Meeting of Bank's Shareholders on 21st April 2010***

1. accepted the financial accounts and consolidated financial accounts of the Bank Zachodni WBK S.A. Group for the period between 1 January 2009 to 31 December 2009
2. divided the net profit generated by the Bank in the year between 1 January 2009 to 31 December 2009 in the following way:
  - the amount allocated to shareholders dividend totaled PLN 292 304 052.00
  - the amount allocated to the reserve capital totaled PLN 693 923 867.10

The dividend per one share amounted to PLN 4.00 and will be paid on 21 May 2010 to the shareholders who owned shares of Bank Zachodni WBK S.A. on the day the right for a dividend was set, i.e. 7 May 2010.

3. granted the word of approval to the Members of the Management Board and the Supervisory Board
4. appointed two new Members of the Supervisory Board: Mrs. Anne Marie Maher and Mr. Piotr Partyga
5. resolved to amend the Bank's Statutes and to adopt the uniform text of the Bank's Statutes
6. resolved to amend the Terms of Reference of the General Meeting of Shareholders of Bank Zachodni WBK S.A.
7. approved the BZ WBK Supervisory Board's report on its activities in 2009, the BZ WBK Supervisory Board's report on the examination of: BZ WBK financial statements for 2009, consolidated financial statements of the BZ WBK Group for 2009; report on BZ WBK and BZ WBK Group operations.

### ***AGM of BZWBK SA - list of shareholders with a block of shares in excess of 5%***

AIB European Investments Ltd. based in Dublin was the only shareholder with at least 5% of the total voting power at the Annual General Meeting of the BZ WBK Shareholders held on 21 April 2010. The shares held by AIB European Investments Limited carried 51,413,790 votes, which constituted 94% votes on this Meeting and 70,4% total votes.

## **30. Macroeconomic situation in the first quarter of 2010**

In the first quarter of 2010, economic recovery in global economies became more evident, being driven in most countries by increased activity in the industrial sector and international trade. However, concerns about the sustainability of economic recovery have not disappeared, amid gradual phasing out of fiscal and monetary stimulus packages, and in the absence of clear improvement in labour markets. In Poland, as in many countries, export-led recovery in industrial sector was continued, supported by growing foreign demand and still fairly competitive level of the zloty. At the same time, severe winter in the first two months of the year resulted in some deterioration in the performance of construction and retail sectors. It was only in March, after improvement of weather conditions, when companies in these industries gradually began to recover losses. All in all, on the basis of the available statistical data from the first three months of the year it can be estimated that GDP growth in Poland in the first quarter of 2010 was only slightly lower than in the last quarter of 2009.

Private consumption growth, after slowing to 1.8% y-o-y in the fourth quarter of 2009 (from 2.2% y-o-y in the third quarter 2009), in the first quarter of 2010 was still under the influence of slow growth in wages and fall in employment in annual terms. On the other hand, the information from the labour market suggested that the

downward trend in employment has slowed, and wage growth in the first months of the year was higher than forecasts. Although some companies continue to plan layoffs and restructuring, at the same time there are more and more new job offers, suggesting that the coming quarters should see a gradual improvement in the labour market.

Extreme weather conditions at the beginning of the year might have harmed the investment, which in the first quarter was likely to decline again year-on-year, after an increase in the fourth quarter of 2009. However, it seems that the ongoing recovery in the industry and the growing use of EU funds will facilitate the gradual increase in investment in the remainder of the year. Data on the NBP's balance of payments shows that after a slowdown during the global crisis, the influx of foreign direct investment to Poland started increasing again in recent months. At the same time, the economic growth should be positively impacted by the process of rebuilding inventories by enterprises after five quarters of rapid de-stocking in response to the global crisis.

After a strong double-digit decline in foreign trade in 2009, the beginning of 2010 brought a marked improvement in export and import turnover, thanks to the growing foreign demand and the rate of the zloty, which, despite the appreciation, remained above the profitability threshold for exporters. The limited growth in domestic demand still favours keeping the trade deficit and current account deficit at a low level (in annualised terms less than 2% of GDP), although subsequent quarters may result in a gradual increase in this ratio, together with a stronger rebound of imports.

Inflation has started a downward trend, decreasing in the first quarter of 2010 to 2.6% y-o-y, almost to the level of the NBP inflation target. This trend will probably continue in the coming months and during the summer, inflation in Poland might fall below 2%. Before the end of the year CPI growth rate might rebound slightly, returning to the inflation target.

At the beginning of 2010, the Monetary Policy Council of the new term took over the reins of monetary policy. The content and tone of MPC statements in the first months of their office indicate that through the greater part of 2010 interest rates will probably remain unchanged. The first rate hikes can be expected in the last quarter of the year at the earliest.

The first quarter of 2010 saw a clear appreciation of the zloty and a significant strengthening in the domestic debt market, triggered by growing interest in Polish assets from foreign investors. EUR/PLN rate fell from over 4.10 at the end of 2009 to 3.86 at the end of March, i.e. by about 6%. At the same time, the euro weakened against the US dollar in a similar scale, affected mainly by the growing concerns about the fiscal situation of Greece and some other euro area countries. Yields of domestic bonds fell in the first three months of the year by 40-70 basis points (the biggest fall at the long end of the yield curve). WIBOR interbank rates fell at the same time in a slightly smaller scale (12-18 bp), amid gradual normalization of the situation and rising liquidity in the Polish money market.



## 31. Financial performance of Bank Zachodni WBK Group in the first quarter of 2010

### Financial Highlights for Q1 2010

- **Total income** increased by 13.7% y-o-y to PLN 840.2 m;
- **Total costs** increased by 1.9% y-o-y to PLN 421.5 m, with stable staff and other administrative expenses (PLN 148 m);
- **Profit-before-tax** was PLN 348.1 m and 115.4% up y-o-y;
- **Profit-after-tax attributable to the Bank Zachodni WBK shareholders** of PLN 233 m was 95.8% higher y-o-y;
- **Capital adequacy ratio** of 13.55% (12.97% as at 31 December 2009);
- **Return on Equity** of 16.7% (17.5% as at 31 December 2009);
- **Cost to income ratio** improved to 50.2% (56% for Q1 2009);
- **Net impairment losses** on loans and advances amounted to PLN 70.4 m compared with PLN 160.7 m in Q1 2009;
- **NPL ratio** increased to 5.8% (5.5% as at 31 December 2009), while the ratio of impairment losses to the average credit volumes was 0.80% (1.31% as at 31 December 2009);
- **Loans to deposits ratio** of 78.1% as at 31 March 2010 compared with 83.9% as at 31 December 2009.

### Key Factors Affecting the Group's Profit and Activity in Q1 2010

#### *Business Factors*

- Increase in customer deposit volumes (+4.2%) compared with the end of December 2009 due to the higher deposit balances of business and retail customers (+9.9% q-o-q and +0.7% q-o-q, respectively);
- Lower credit volumes (-2.7% q-o-q) due to the decrease in business loans (-4.4% q-o-q) and finance leases (-4.8% q-o-q) with a stable level of cash loans (+0.5% q-o-q) and a slight increase in home mortgages (+1.2% q-o-q); on a constant currency basis, total loans and advances to customers decreased by 1.1% q-o-q, of which the portfolio of business loans and finance leases declined by 2.4% q-o-q while personal loans increased by 1.7% q-o-q;
- Increase in the number of users of BZWBK24 electronic banking (+6% y-o-y) and Moja Firma Plus package (+5% q-o-q);
- Steady expansion of the debit cards base (+3% q-o-q) due to the broad product offering and linked services;
- Increase in the value of assets of mutual funds and private portfolios (+5% q-o-q) on the back of the favourable stock exchange market and reduced investor risk aversion;
- Improved financial standing of business borrowers amid more favourable economic climate;
- Close risk monitoring in all areas of the Group's activity and flexible approaches in the changing macroeconomic conditions;
- Stringent cost discipline and sharp focus on process improvement and cost efficiencies.

## External Factors

- The annual growth rate of GDP maintained close to the level observed in the final quarter of 2009;
- Increase in foreign trade turnover, both in exports and imports;
- Weakening of adverse trends in the labour market: in the first quarter of the year wage growth was still low, but at the same time the rate of employment reduction in enterprises slowed down;
- Continued rebound of consumer confidence after the collapse witnessed until the second quarter of 2009;
- Further gradual lowering of the volatility in the foreign exchange market and clear appreciation of the zloty against major currencies;
- Reduced total annual loan growth with lower annual increase in household loans and accelerated annual decrease in business lending;
- Reduced total annual deposit growth with decelerated annual growth of household deposits and stabilised annual growth of business deposits;
- Stabilisation in the housing market related to the limited supply and increasingly pronounced revival on the demand side;
- NBP interest rates unchanged with the reference rate maintained at 3.5%;
- Continued improvement of stock markets observed since March 2009 coupled with gradually increasing investor interest in more risky asset classes.

## Profit and Loss Account

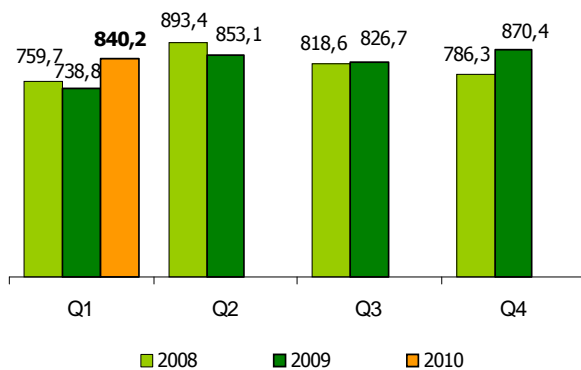
PLN m

Condensed Profit and Loss Account	Q1 2010	Q1 2009	Change
Total income	840.2	738.8	+13.7%
Total costs	(421.5)	(413.6)	+1.9%
Impairment losses on loans and advances	(70.4)	(160.7)	-56.2%
Loss attributable to the entities accounted for using equity method	(0.2)	(2.9)	-93.1%
<b>Profit-before-tax</b>	<b>348.1</b>	<b>161.6</b>	<b>+115.4%</b>
Tax	(98.9)	(31.4)	+215.0%
<b>Net profit for the period</b>	<b>249.2</b>	<b>130.2</b>	<b>+91.4%</b>
<b>- Net profit attributable to shareholders of the parent</b>	<b>233.0</b>	<b>119.0</b>	<b>+95.8%</b>
- Net profit attributable to minority shareholders	16.2	11.2	+44.6%

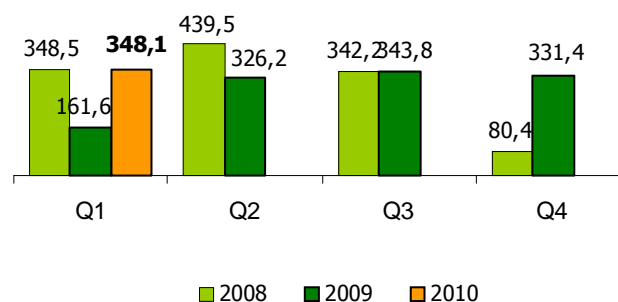
## Financial Result

In the first quarter of 2010, Bank Zachodni WBK Group generated the **profit-before-tax** of PLN 348.1 m, i.e. 115.4% more than in the corresponding period last year. The **profit-after-tax attributable to the shareholders of Bank Zachodni WBK** was PLN 233 m and higher by PLN 95.8% y-o-y. This performance reflects the Group's consistent efforts to diversify its income streams and align the product structure to the customer needs and market conditions while keeping a strong focus on effective risk management. It was also aided by the macroeconomic situation, in particular by the improved financial standing of businesses in the slowly but surely growing economy, stabilisation of the customer deposits market and better investor sentiments.

**Total income of BZWBK Group  
by quarters in the years  
2008 - 2010 (PLN m)**



**Profit-before-tax of BZWBK Group by  
quarters in the years  
2008 - 2010 (PLN m)**



## Income

Total income earned by Bank Zachodni WBK Group in the first quarter of 2010 was PLN 840.2 m and up 13.7% y-o-y.

PLN m

Total income	Q1 2010	Q1 2009	Change
Net interest income	424.5	361.5	+17.4%
Net commission income	331.4	314.5	+5.4%
Net trading income and revaluation	67.4	44.0	+53.2%
Other non-interest income *	16.9	18.8	-10.1%
<b>Total</b>	<b>840.2</b>	<b>738.8</b>	<b>13.7%</b>

\* other non-interest income includes: 1) profit on other financial instruments; 2) dividend income; 3) other operating income

**Net interest income** increased by 17.4% y-o-y to PLN 424.5 m as the situation in the Polish deposits market had stabilized. The price war for deposits that had continued since 2008 and aggravated in the first quarter of 2009, was gradually losing momentum. In the area of personal deposits, in addition to price-based competition, factors such as product structure and added features (lotteries and competitions) became more prominent. In the case of business deposits, the pricing eased somewhat, particularly towards the end of the first quarter, although negative margins still prevailed.

Taking into account other interest-related income from FX Swaps and Basis Swaps (PLN 54.7 m in the first quarter of 2010 and PLN 50.2 m in the corresponding period last year), which are disclosed under "Net trading income and revaluation", the underlying net interest income increased by 16.4% y-o-y.

PLN m

Net commission income	Q1 2010	Q1 2009	Change
Mutual fund distribution and asset management services	71.7	44.1	+62.6%
Direct Banking *	66.6	65.6	+1.5%
Account maintenance and cash transactions	62.3	58.1	+7.2%
FX fees	45.8	61.3	-25.3%
Credit fees *	38.3	36.8	+4.1%
Insurance fees	18.7	26.7	-30.0%
Brokerage fees	26.6	20.0	+33.0%
Other ***	1.4	1.90	-26.3%
<b>Total</b>	<b>331.4</b>	<b>314.5</b>	<b>+5.4%</b>

\* includes fees for foreign and mass payments, Western Union transfers and trade finance, credit cards and services for third party institutions as well as other electronic and telecommunication services

\*\* includes selected fees related mainly to lending, leasing and factoring activities which are not amortised to interest income (e.g. credit cards, overdrafts)

\*\*\* other net income includes, among others, fees for distribution of structured products (PLN 2.6 m in Q1 2010 vs. PLN 4.2 m in Q1 2009)

In the first quarter of 2010, the **net commission income** amounted to PLN 331.4 m and increased by 5.4% y-o-y. This is largely attributable to the favourable stock exchange market, higher risk appetite among investors and the growing popularity of mutual funds as an alternative to bank deposits. In this environment, the net assets under management grew by 47.9% y-o-y to PLN 12,999.8 m, driving up the net income from mutual funds distribution and asset management by 62.6% y-o-y to PLN 71.7 m.

As the stock trading volumes increased, the Group earned higher commission income from stockbroking services, which brought total brokerage fees up by 33% y-o-y to PLN 26.6 m.

The high y-o-y movements in the capital markets fees were due to a low base effect connected with the deep downturn observed in the stock market in the comparable period and the simultaneous stagnation in the mutual funds business. The increases witnessed in other areas of the Group's business, including direct banking, account management and lending, were moderate and reflected the steady development of the individual business lines.

The commission growth achieved in the first quarter of 2010 was partly offset by the lower FX and insurance fees. The income from FX fees decreased by 25.3% y-o-y to PLN 45.8 m due to a combination of reduced foreign exchange flows from the bank's customer base and lower FX volatility. Furthermore, the slowdown in the cash loan sales resulted in the reduction of the Group's insurance fees by 30% to PLN 18.7 m.

**Net trading income and revaluation** amounted to PLN 67.4 m, an increase of 53.2% y-o-y. A significant portion of the net trading income and revaluation is the interest income from FX Swap and Basis Swap transactions, which totaled PLN 54.7 m in the first quarter of 2010 compared with PLN 50.2 m a year before. Included here is also the valuation adjustment of derivatives resulting from counterparty risk which in the first quarter of 2010 was a positive figure of PLN 0.5 m compared to a negative adjustment of PLN 24.3 m in the first quarter of 2009.

## Impairment

After the three months of 2010, the loan impairment charge to the profit and loss account was PLN 70.4 m compared with PLN 160.7 m in the corresponding period last year.

PLN m

Impairment losses on loans and advances	Q1 2010	Q1 2009
Impairment recognised on incurred and reported losses (individual and collective)	(107.3)	(123.9)
Impairment recognised on incurred but not reported losses (IBNR)	29.0	(33.7)
Recovered debts	6.3	1.7
Impairment recognised on off-balance sheet items	1.6	(4.8)
<b>Total</b>	<b>(70.4)</b>	<b>(160.7)</b>

The impairment level is an effect of more favourable macroeconomic conditions in Poland, which is also reflected in the upward revisions of economic growth forecasts for the country. The financial and market position of Polish companies is gradually improving, and so is their debt service. The property market is showing signals of recovery, too. The revised outlook for this sector and the strategic changes in the loan-book structure prompted the Group's decision to reverse the provision of PLN 35 m for incurred but not reported losses (IBNR) in the commercial property portfolio.

However, the moderate economic growth to-date has not managed to turn around the negative trends in the labour market that still adversely reflect on the repayment capacity of personal customers.

## Costs

Total costs of Bank Zachodni WBK Group amounted to PLN 421.5 m and were higher by 1.9% y-o-y, with sustained focus on cost control and continued implementation of administrative, technological and procedural measures aimed to reduce the Group's cost base.

PLN m

Total Costs	Q1 2010	Q1 2009	Change
Staff and other administrative expenses, including:	(382.3)	(376.8)	+1.5%
- staff expenses	(234.3)	(228.5)	+2.5%
- other administrative expenses	(148.0)	(148.3)	-0.2%
Depreciation/amortisation	(31.8)	(30.1)	+5.6%
Other operating costs	(7.4)	(6.7)	+10.4%
<b>Total</b>	<b>(421.5)</b>	<b>(413.6)</b>	<b>+1.9%</b>

In the first quarter of 2010, staff expenses amounted to PLN 234.3 m, increasing by 2.5% y-o-y as a result of provisions raised for staff bonuses for the Group's performance in 2010. Basic salaries fell by 7.6% due to the employment reduction of 482 FTEs y-o-y across the organisation.

The Group's other administrative expenses were stable year-on-year, totalling PLN 148 m. The first quarter saw a significant reduction in the costs of IT usage, data transmission and postal/telecommunication fees based on the review of key contracts and renegotiation of rates with service providers. The effects of the savings initiatives

were offset by larger costs of advertising and marketing, maintenance of premises and other external services. The most notable increase was noted in advertising and marketing expenses due to a wider scale of mass media marketing campaigns. In the first quarter of 2010, the Group's main focus was on the promotion of the Moneyback Account and the High-Heels Account.

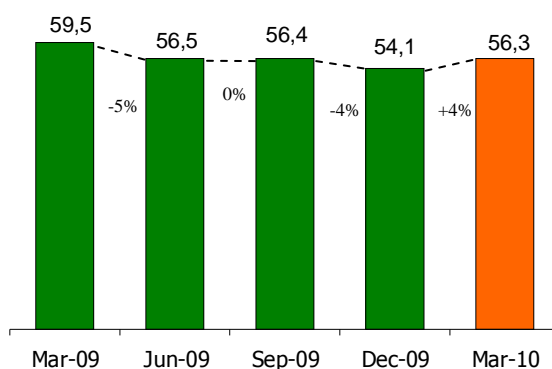
After the three months of 2010, depreciation was PLN 31.8 m and 5.6% higher y-o-y.

## Financial Position

### *Assets*

As at 31 March 2010, total assets of Bank Zachodni WBK Group amounted to PLN 56,272.8 m, 4.1% up on 31 December 2009. The value and structure of the Group's financial position is determined by the bank (parent) which accounts for 96.3% of the consolidated total assets.

**Total assets of BZWBK Group  
from 31.03.2009 to 31.03.2010  
quarter by quarter (PLN bn)**



The table below presents major developments in the key categories of the consolidated assets of Bank Zachodni WBK Group as at 31 March 2010 versus 31 December 2009 and 31 March 2009.

PLN m

Assets	31.03.2010	Structure 31.03.2010	31.12.2009	Structure 31.12.2009	31.03.2009	Structure 31.03.2009	Change	Change
	1	2	3	4	5	6	1/3	1/5
Loans and advances to customers*	33,556.4	59.6%	34,570.7	64.0%	36,710.7	61.7%	-2.9%	-8.6%
Investment securities	12,364.7	22.0%	13,292.6	24.6%	12,663.1	21.3%	-7.0%	-2.4%
Financial assets held for trading	5,220.0	9.3%	1,342.6	2.5%	3,631.1	6.1%	+288.8%	+43.8%
Cash and operations with the Central Bank	2,552.1	4.5%	2,660.7	4.9%	2,994.9	5.0%	-4.1%	-14.8%
Loans and advances to banks	1,021.3	1.8%	663.0	1.2%	1,934.1	3.3%	+54.0%	-47.2%
Fixed and intangible assets	751.2	1.3%	777.8	1.4%	802.3	1.3%	-3.4%	-6.4%
Other assets	807.1	1.5%	751.0	1.4%	744.3	1.3%	+7.5%	+8.4%
<b>Total</b>	<b>56,272.8</b>	<b>100.0%</b>	<b>54,058.4</b>	<b>100.0%</b>	<b>59,480.5</b>	<b>100.0%</b>	<b>+4.1%</b>	<b>-5.4%</b>

\* net of impairment losses

Changes in the value of assets over the first three months of 2010 were mainly driven by the financial assets held for trading, which increased by 288.8% q-o-q due to increased investments in short dated government and central bank bills maintained by the Group as part of its day-to-day liquidity management. The bank's liquidity surplus increased in the quarter as a result of appreciating zloty, declining loan balances and increased deposit balances. As a result, investments in government bills and NBP bills together with other short term balances increased.

The investment securities portfolio developed throughout previous periods was slightly reduced (-7% q-o-q) both via sale and redemption-at-maturity of bonds. The net loans and advances to customers decreased by 2.9% q-o-q driven by commercial property loans.

## Credit Portfolio

PLN m

Gross Loans and Advances to Customers	31.03.2010	31.12.2009	31.03.2009	Change	Change
	1	2	3	1/2	1/3
Loans and advances to business and public sector customers	21,374.5	22,348.6	24,922.2	-4.4%	-14.2%
Loans and advances to personal customers	10,739.3	10,632.4	9,761.1	+1.0%	+10.0%
Finance lease receivables	2,576.3	2,706.5	3,001.7	-4.8%	-14.2%
Other*	54.7	22.9	80.7	+138.9%	-32.2%
<b>Total</b>	<b>34,744.8</b>	<b>35,710.4</b>	<b>37,765.7</b>	<b>-2.7%</b>	<b>-8.0%</b>

\* other receivables include repo and other transactions

Over the three months of 2010, the gross loans and advances to customers decreased by 2.7% to PLN 34,744.8 m at the end of March 2010. On a constant currency basis, the total loan-book decreased by 1.1% q-o-q, of which the portfolio of business loans and finance leases declined by 2.4% while personal loans increased by 1.7% q-o-q.

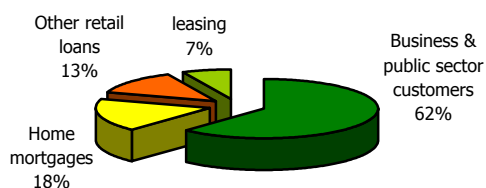
Compared with the end of 2009, loans and advances to business and public sector customers were lower by 4.4% and amounted to PLN 21,374.5 m. Property loans, which make a large portion of this portfolio, decreased by 9.6% q-o-q to PLN 10,381.3 m in line with declining credit exposures to commercial property sector supported by the Group's credit policy.

Still low investment activity of businesses had an adverse impact on finance lease portfolio, which declined by 4.8% q-o-q to PLN 2,576.3 m.

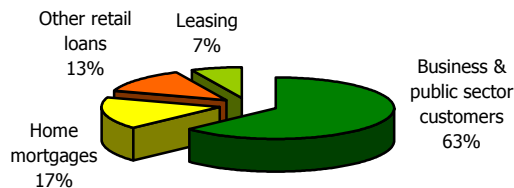
Loans to personal customers amounted to PLN 10,739.3 m and were similar to the level recorded at the end of December 2009, primarily on account of slower sale of cash and mortgage loans. At the end of March 2010, the mortgage and cash loan-books totalled PLN 6,136.8 m and PLN 3 230,6 m, respectively.

### Loans and Advances to Customers of BZWBK Group

as at 31.03.2010



as at 31.12.2009





## Equity and Liabilities

The table below presents major developments in key categories of the consolidated equity and liabilities of Bank Zachodni WBK Group at the end of March 2010 versus 31 December 2009 and 31 March 2009.

PLN m

Equity & Liabilities	31.03.2010	Structure 31.03.2010	31.12.2009	Structure 31.12.2009	31.03.2009	Structure 31.03.2009	Change	Change
	1	2	3	4	5	6	1/3	1/5
Deposits from customers	42,944.0	76.3%	41,222.9	76.3%	41,439.1	69.7%	+4.2%	+3.6%
Deposits from banks	4,214.7	7.5%	3,830.8	7.0%	6,044.7	10.1%	+10.0%	-30.3%
Amounts owed to the Central Bank	1,023.5	1.8%	1,519.2	2.8%	2,479.0	4.2%	-32.6%	-58.7%
Financial liabilities held for trading	629.9	1.1%	733.9	1.4%	3,160.0	5.3%	-14.2%	-80.1%
Other liabilities	1,120.8	2.0%	696.0	1.3%	1,130.6	1.9%	+61.0%	-0.9%
Total equity	6,339.9	11.3%	6,055.6	11.2%	5,227.1	8.8%	+4.7%	+21.3%
<b>Total</b>	<b>56,272.8</b>	<b>100.0%</b>	<b>54,058.4</b>	<b>100.0%</b>	<b>59,480.5</b>	<b>100.0%</b>	<b>4.1%</b>	<b>-5.4%</b>

On the liabilities side, an increase was noted in the deposits from customers (+4.2% q-o-q), mainly in term deposits of business customers. Under the impact of changes in the volume of reverse repos with commercial banks and the National Bank of Poland, the deposits from banks increased by 10% q-o-q while the amounts owed to the Central Bank decreased by 32.6% q-o-q. Other liabilities increased significantly (+61% q-o-q) due to the higher volume of business-driven settlements and business-as-usual operation mode of settlement systems at the end of March 2010 as opposed to the intensive year-closing processing. The decrease in the financial liabilities held for trading (-14.2% q-o-q) reflects the lower trading in certain derivative transactions and exchange rate impact.

## Deposit Base

PLN m

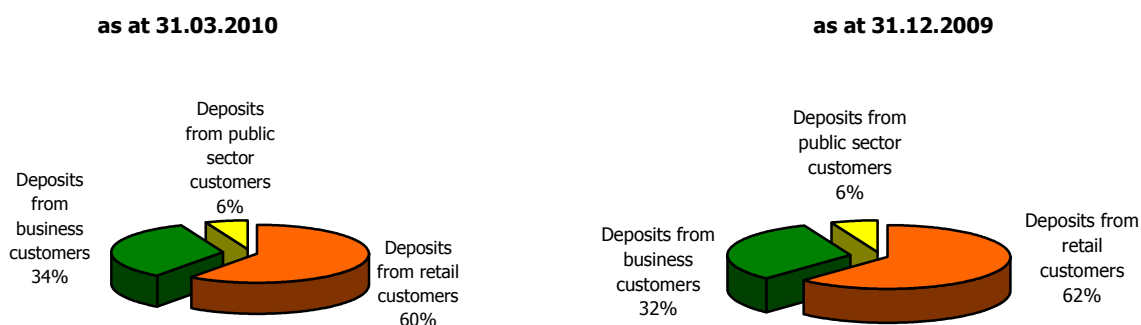
Deposits from customers	31.03.2010	31.12.2009	31.03.2009	Change	Change
	1	2	3	1/2	1/3
Deposits from retail customers	25,783.6	25,613.7	25,234.7	+0.7%	+2.2%
Deposits from business and public sector customers	17,160.4	15,609.2	16,204.4	+9.9%	+5.9%
<b>Total</b>	<b>42,944.0</b>	<b>41,222.9</b>	<b>41,439.1</b>	<b>+4.2%</b>	<b>+3.6%</b>

Deposits from customers, which represent 76.3% of the Group's total equity and liabilities are the primary source of funding the Group's lending business. Compared with the end of last year, customer deposits increased by 4.2% to PLN 42.944 m as at 31 March 2010. This value comprises the term deposits of PLN 25,704.1 m (+10.5% q-o-q), funds deposited in current accounts of PLN 16,646.7 m (-4.6% q-o-q) and other liabilities.

Deposits from business and public sector customers increased by 9.9% q-o-q to PLN 17,160.4 m. In the first quarter of 2010, businesses showed an improved liquidity position and were consequently placing more surplus cash on term deposits. The negotiated business deposit with a fixed interest rate was the most popular at the time.

The Group's deposits from retail customers amounted to PLN 25,783.6 m, which is similar to the end of 2009. Slight changes in the structure of these deposits reflect the customers' growing interest in term deposits, in particular the Easy Earning Deposit.

### Structures of Deposits from Customers of BZWBK Group



## Key Financial Ratios

Selected Financial Ratios	31.03.2010	31.12.2009	31.03.2009
Total costs/Total income	50.2%	50.0%	56.0%
Net interest income/Total income	50.5%	47.5%	48.9%
Net interest margin *	3.80%	3.40%	3.14%
Net commission income/Total income	39.4%	40.0%	42.6%
Customer loans/Customer deposits	78.1%	83.9%	88.6%
NPL ratio	5.8%	5.5%	3.8%
NPL coverage ratio	42.3%	39.1%	49.0%
Impairment losses on loans and advances / Average loans	0.80%	1.31%	1.72%
ROE**	16.7%	17.5%	14.6%
ROA***	1.7%	1.6%	1.4%
Capital adequacy ratio	13.55%	12.97%	10.37%
Book value per share (in PLN)	86.76	82.87	71.64
Earnings per share (PLN) ****	3.19	12.13	1.63

\* *net interest margin includes interest-related income on FX Swaps and Basis Swaps*

\*\* *net profit attributable to the shareholders of Bank Zachodni WBK for the 12-month period to equity as at the end of the reporting period, net of current year's profit and minority interests*

\*\*\* *net profit attributable to the shareholders of the parent for the 12-month period to average assets derived from the two comparative Periods*

\*\*\*\* *net profit attributable to the shareholders of the parent for the reporting period divided by the number of ordinary shares*

## Bank Zachodni WBK Rating

In its announcement of 31 March 2010, Fitch Ratings stated that the intended sale of Bank Zachodni WBK shares by Allied Irish Banks ("AIB") will not have an immediate impact on the former's ratings, which are as follows:

- Long-term Issuer Default Rating: BBB+ with negative outlook
- Short-term Issuer Default Rating: F2
- Individual rating: C
- Support rating: 3

The Long-term IDR and the Short-term IDR are based on the individual strength of the bank, while the support rating takes account of the medium likelihood – in the opinion of Fitch Ratings – that the bank might receive support from the Polish state, if needed.

Once the name of the buyer of Bank Zachodni WBK is known, Fitch Ratings will revise its short-term IDR and the long-term IDR to reflect the agency's assessment of the potential support available to the bank from its new majority owner.

## **32. Activities of Bank Zachodni WBK Group in 1Q 2010**

### **Personal Banking Offer**

- The full range of services for customers who have decided to transfer their account to Bank Zachodni WBK was launched in early 2010. This offer has been prepared in line with the recommendation of the Association of Polish Banks and ensures an end-to-end support for customers who open personal accounts with Bank Zachodni WBK. The services include the transfer of selected functionalities from the customer's former bank (e.g. standing orders, direct debits) and notification of the new account number to the employer and Tax Office.
- On 17 February 2010, the bank introduced a new upgraded version of the Moneyback Account launched in May 2008. The product features are as follows: no account maintenance fee (subject to minimum monthly inflows at PLN 1,000), no ATM fee in Poland and 1% money back on all non-cash transactions made with the VISA Electron Moneyback card. The sales of the account were supported by a wide advertising campaign featuring Gerard Depardieu.
- In Q1 2010, two subscriptions were announced for similar structured products for personal customers. Both TOP5 DUO bonds (January/February 2010) and TOP5 DUO II bonds (March 2010) represent 2-year investments with the minimum value at PLN 1,000, linked to the price of 5 listed companies covered by WIG20. In addition, during the close period bond holders could open a 3-month high interest paying term deposit.
- As part of the Personal Banking offer, VIP customers were offered short-term structured deposits with interest rate linked to the PLN /EUR exchange rate. 24 products were offered as part of the total 6 issues delivered in Q1 2010.
- On 25 January 2010, Bank Zachodni WBK re-introduced EUR mortgage loans into its loan offer. These facilities are based on LIBOR 3M plus the bank's margin. The LTV ratio for EUR home loans cannot be higher than 70%.
- The maximum standard LTV for PLN mortgage loans was raised to 90% on 1 March 2010.

### **Business Banking Offer**

- The financing offer for housing cooperatives was introduced on 20 January 2010. Customers may avail of a 15-year term loan and a 10-year heating scheme facility up to PLN 200 k.
- On 15 March 2010, Bank Zachodni WBK introduced new Business Packages: MINI, OPTI and MAXI. Each includes a current account and a Visa Business Electron card, provides access to the e-banking platform and offers low fees for transaction processing (including free-of-charge Internet transfers to the Social Security Office (ZUS), Tax Offices and accounts maintained with Bank Zachodni WBK). On top of that, start-ups may enjoy a 9-month grace period in respect of the account maintenance fee.

- Under the loan agreement dated 28 January 2010, the European Investment Bank extended an SME financing line (max. EUR 100 m) to Bank Zachodni WBK, earmarked for entities from the manufacturing and service industries. The bank will offer these funds in the form of a modified Business Express Loan (Business Express EIB facility). These facilities (at max. PLN 500 k) will finance broadly defined business operations (i.e. the working capital as well as asset replacements or new investments). The bank will introduce the Business Express EIB facility into its loan offer in Q2 2010.

### **Direct Banking**

- February 2010 saw commencement of a mass migration of the bank's customers to a new BZWBK24 transaction system. The upgraded electronic banking application has been available to BZWBK24 users since October 2009. It offers a "buy by click" functionality (no need to sign and return banking document), facilitates personal data management and provides customers with vital information. The bank has also refreshed the look of the application, made it more ergonomic and secure, and optimised the order placing process.
- On 7 March 2010, Bank Zachodni WBK and BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A. signed an agreement whereby the bank initiated the transfer agent service and took over the register database of Arka investment fund participants. Investment funds are now handled by the Bank Zachodni WBK Transfer Service Office, via systems that ensure top-quality service and prompt delivery of changes initiated by BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A.
- In Q1 2010, Bank Zachodni WBK signed ATM and card support agreements with two cooperative banks.
- Pursuant to the agreement with Bank Pocztowy, the bank has taken over the support of all cards from the previous service provider.

### **Investment Banking**

- Bank Zachodni WBK acted as an advisor in the below transactions effected together with Dom Maklerski BZ WBK S.A.:
  - initial public offering of EKO Holding S.A. shares – the IPO value of PLN 95 m,
  - second public offering of POZBUD S.A. shares – the IPO value of PLN 25 m.
- In Q1 2010, Bank Zachodni WBK prepared the arranged issues of non-treasury debt securities for 5 entities totalling PLN 63.6 m. The securities were taken up by entities indicated by issuers.
- 22,334 VISA Inc. shares were sold for USD 91.6930 per share in March 2010, bringing profit of PLN 3.1 m.
- In Q1 2010, the Bank received PLN 52.4 m worth of dividends from the companies in the capital investment portfolio (including PLN 52.3 m worth of dividend from Dom Maklerski BZWBK S.A.).

## **Distribution Network**

- As at the end of March 2010, Bank Zachodni WBK operated through 513 outlets (compared to 509 as at 31 March 2009), while the number of Partner outlets grew to 88 (from 52 at the end of March 2009).
- The bank's ATM network included 1 042 machines (vs. 1 022 ATMs as at 31 March 2009).

## **Awards for Bank Zachodni WBK**

- Bank Zachodni WBK was ranked top position in the banking sector in the "Listed Company of the Year" ranking by the Puls Biznesu daily (9 March 2010).

## **Dom Maklerski BZ WBK S.A. (BZ WBK Brokerage House)**

- During the first three months of 2010, the stock trading by Dom Maklerski BZ WBK S.A. grew by 46% y-o-y to PLN 10.5 bn. This performance gave the company a market share of 10.1% (down by 0.9 p.p. y-o-y) and the third position on the domestic market.
- In the futures market, which is the second most important WSE market, the Brokerage House acted as an agent for concluding 1,047.4 k transactions, an increase of 69% y-o-y. This secures the company the third position in Poland and a market share of 13.5% (+3 p.p. y-o-y).
- On 17 February 2010, Dom Maklerski BZ WBK received an award from the Chairman of the Warsaw Stock Exchange, in the recognition of the largest volume of trading (exclusive of market maker's transactions) in the NewConnect market in 2009.

## **BZ WBK Finanse & Leasing S.A. and BZ WBK Leasing S.A.**

- In Q1 2010, BZ WBK Leasing S.A. expanded its vehicle financing offer to include the lease of Re-VOLT electric cars (from the Polish company Impact Automotive Technologies).
- From 1 January till 31 March 2010, the net value of leased assets amounted to PLN 290.8 m and declined by 26% y-o-y driven primarily by lower sales of property and vehicles characteristic of the entire leasing market.

## **BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A. (BZ WBK AIB Mutual Fund Corporation)**

- Due to favourable conditions on the stock market, the value of net assets managed by BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A. increased by 48% y-o-y and by 5% q-o-q. With the value of assets at PLN 11,010.8 m, the company had a 10.8% share in the investment fund market (vs. 10.6% as at the end of March 2009 and 11.2% as at the end of December 2009) and the second position on the domestic market.

- The two largest investment funds managed by BZ WBK AIB TFI, i.e. Arka BZ WBK Akcji FIO (BZWBK Arka Equity FIO) and Arka BZ WBK Zrównoważony FIO (BZWBK Arka Balanced Fund) received the top rating (5 stars) in the ranking of investment fund quality prepared by Analizy Online, an independent research company. Experts appreciated all the factors which determine the quality of investment funds: performance and stability, risk, experience of the asset management team, organisation of the investment process and cost levels.

#### **BZ WBK AIB Asset Management S.A.**

- As at 31 March 2010, the value of the assets in the private portfolios managed by BZ WBK AIB Asset Management was PLN 1,989 m, an increase of 46% y-o-y and 3% q-o-q.

#### **SIGNATURES OF THE PERSONS REPRESENTING THE ENTITY**

<b>Date</b>	<b>Name</b>	<b>Function</b>	<b>Signature</b>
2010-04-30	Paul Barry	Member of the Management Board	
2010-04-30	Andrzej Burliga	Member of the Management Board	