

BZWBK Group

Results 30.09.2011

October 27th, 2011

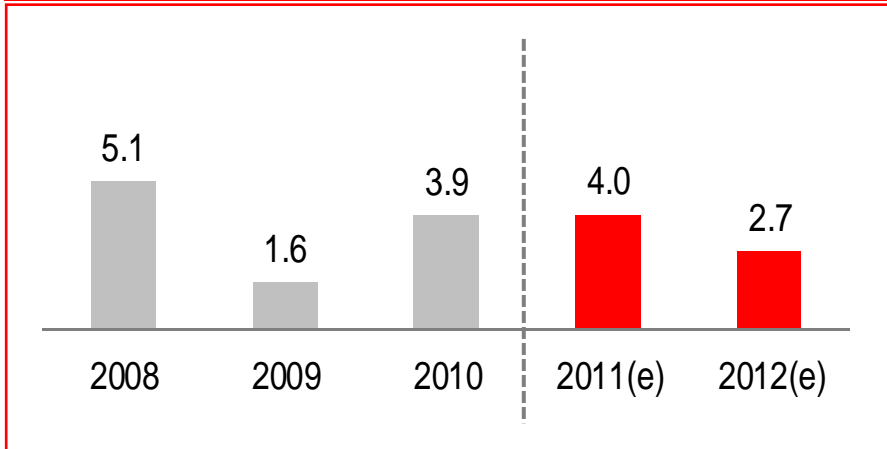
This presentation as regards the forward looking statements is exclusively informational in nature and cannot be treated as an offering or recommendation to conclude any transactions.

Bank Zachodni WBK shall not be liable for any consequences of decisions taken based on the forward looking statements contained in this document.

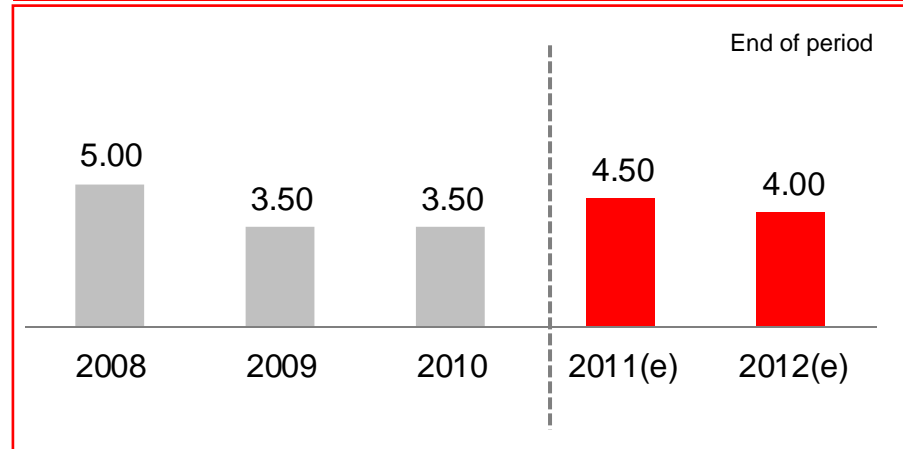
- Macroeconomic Scenario and Financial System
- 30.09.2011
 - Business
 - Results

Macroeconomic Scenario

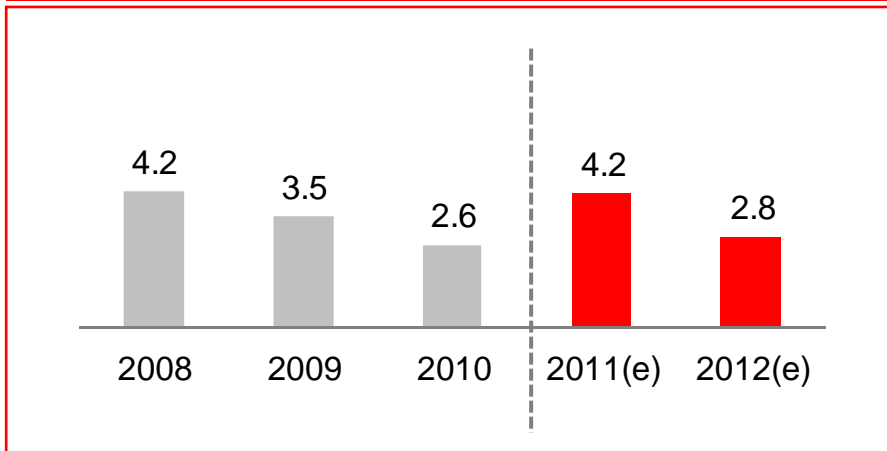
GDP (real annual growth %)



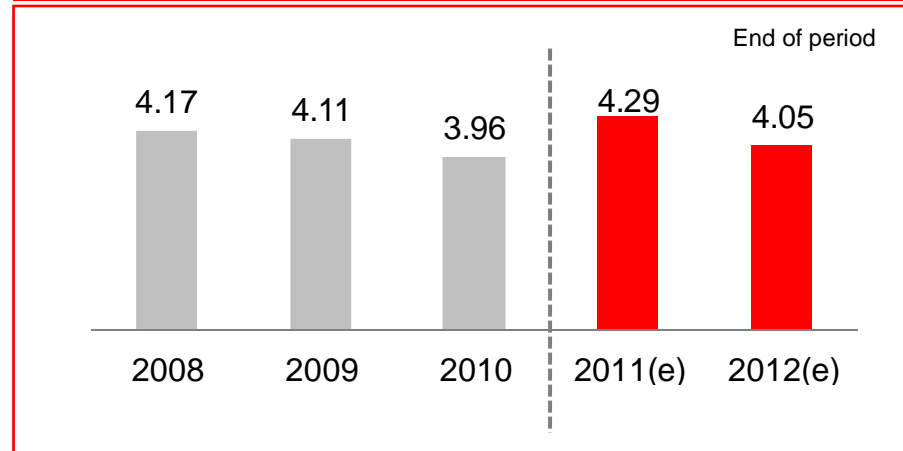
Interest Rate – NBP reference rate (%)



Inflation (CPI %)

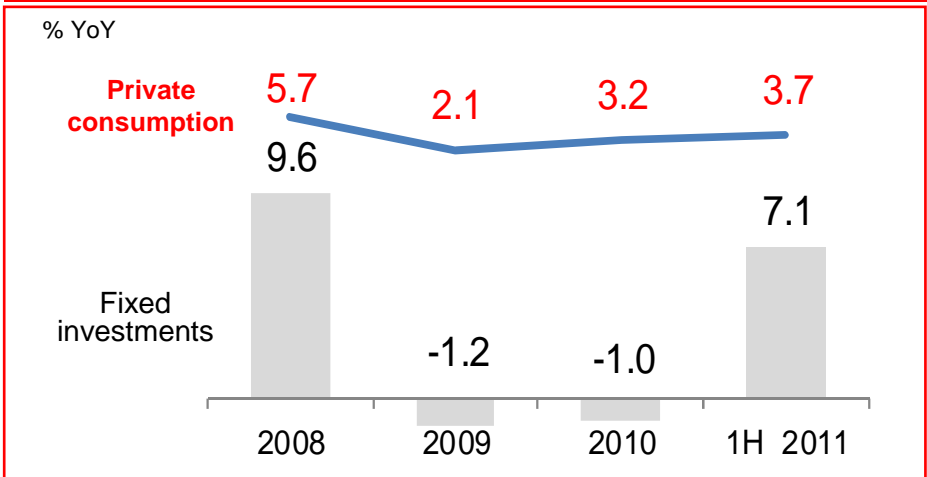


Exchange Rate – PLN/EUR

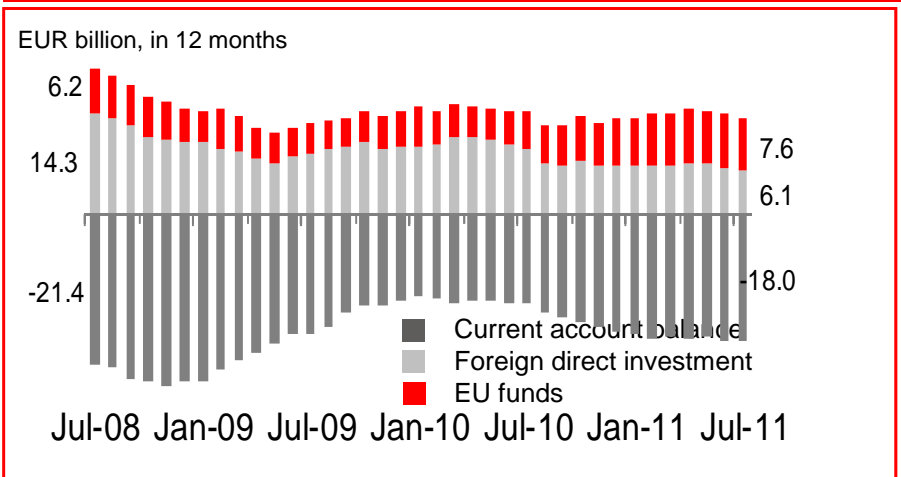


Source: The National Bank of Poland, Stat Office, Santander Research

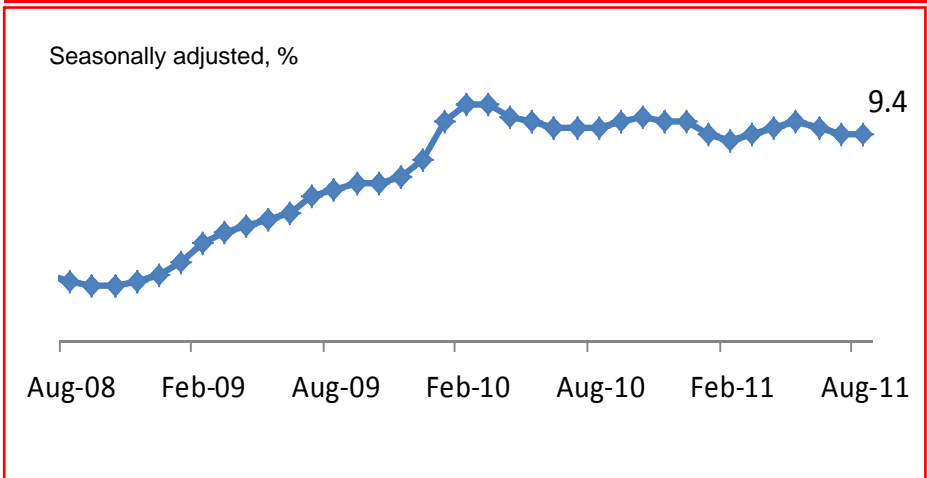
Investments and Consumption



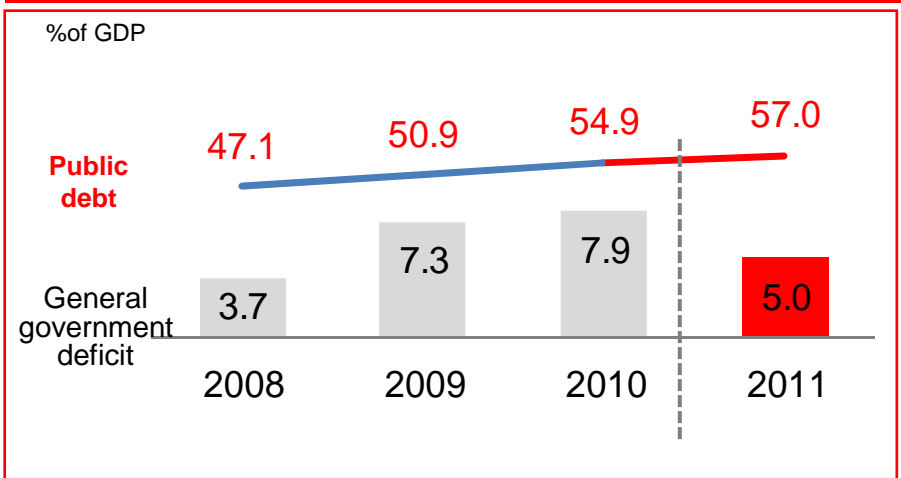
C/A Balance vs. FDI+EU funds



Unemployment Rate (LFS)



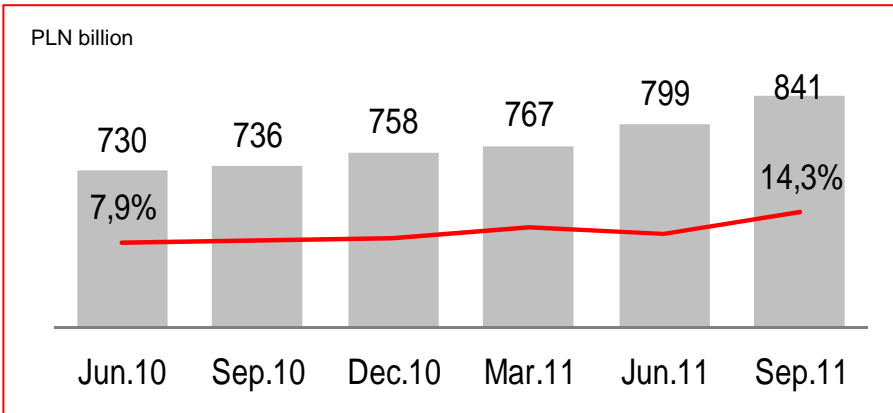
Fiscal policy indicators



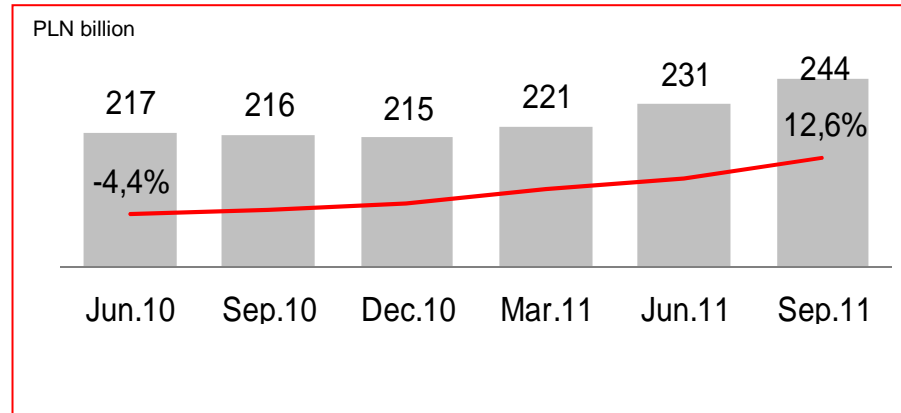
Source: The National Bank of Poland, Stat Office, Santander Research

Recovery in corporate loans, strong rise in mortgages, stagnation in consumer

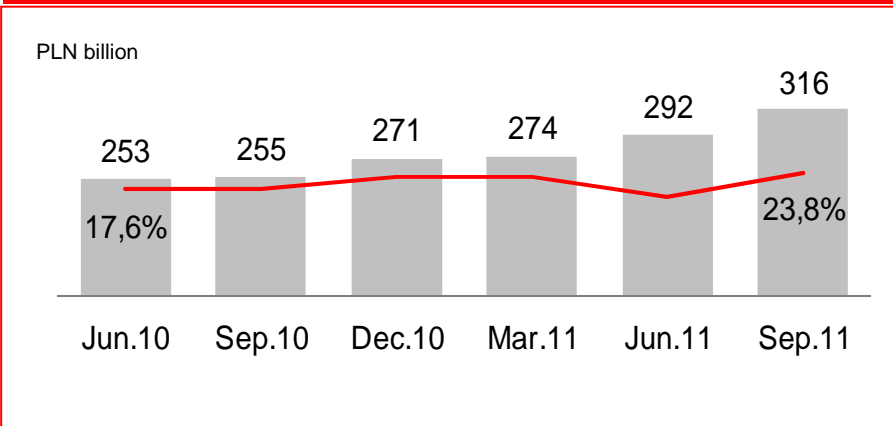
Total Loans



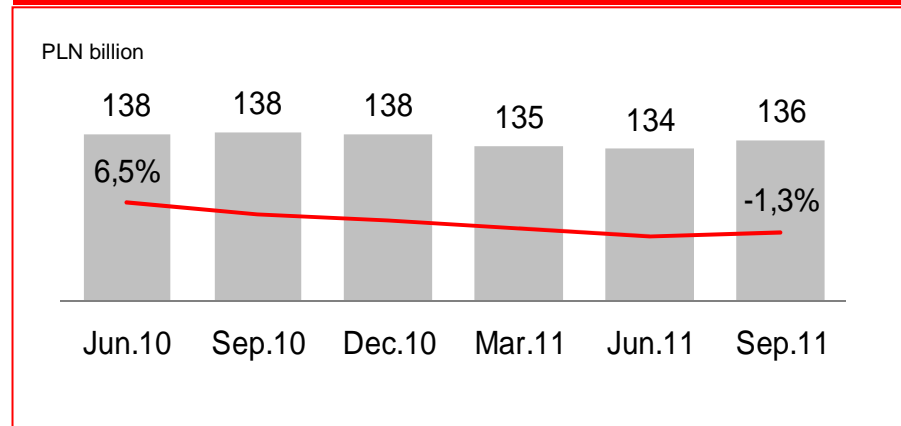
Loans to Corporations



Loans to individuals (mortgage credit)



Loans to individuals (consumer credit)



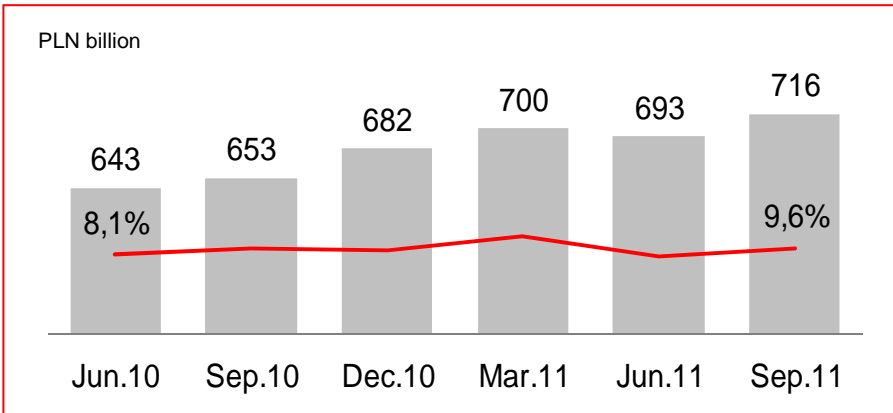
■ Volume ◆ Y-o- Y Variation %

Source: The National Bank of Poland

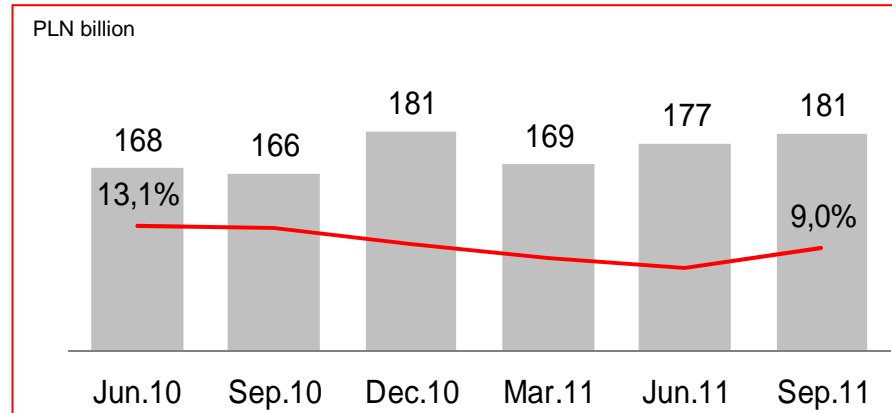
Financial System: Deposits Evolution

Total deposits up 9.6% in 12 months

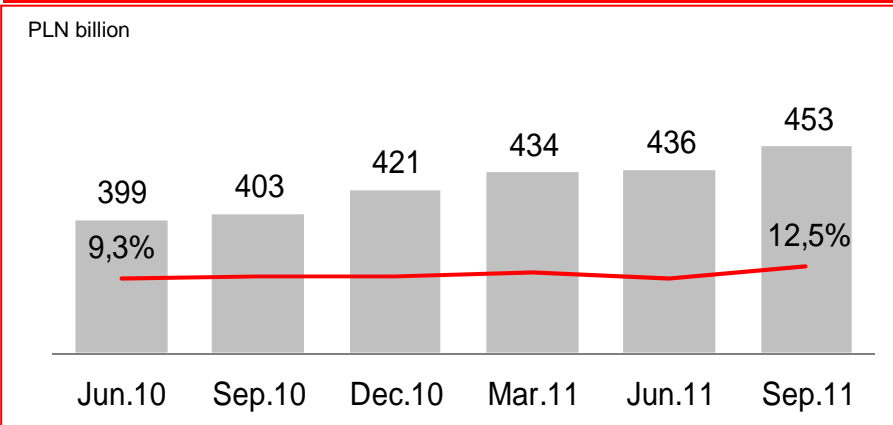
Total Deposits



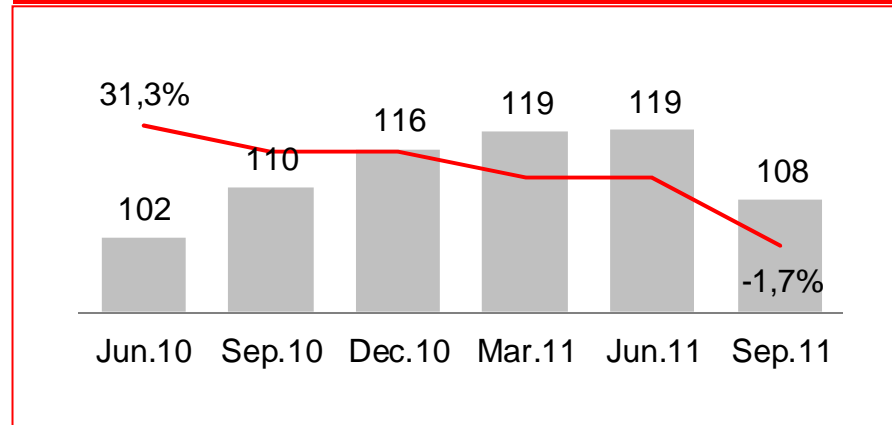
Corporations' Deposits



Households' Deposits



Mutual funds



■ Volume —◆— Y-o- Y Variation %

Source: The National Bank of Poland

- Macroeconomic Scenario and Financial System

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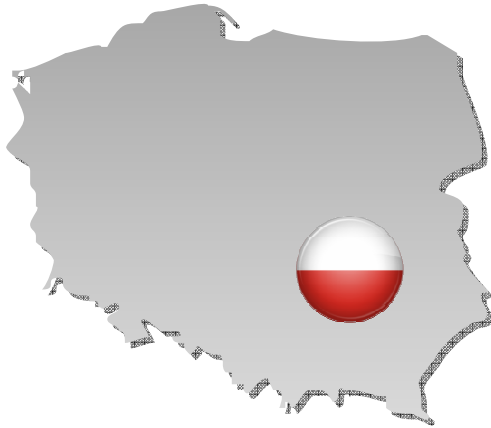
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BZWBK Group



**619 branches
including
92 agencies**

- 1,046 ATM's
- 3 Corporate Banking Centres *
- 7 Business Banking Centres**
- 9 563 FTE's

Balance Sheet 30.09.2011

- Assets PLN 58,766m
- Loans PLN 36,376m
- Deposits PLN 43,769m

P&L 30.09.2011

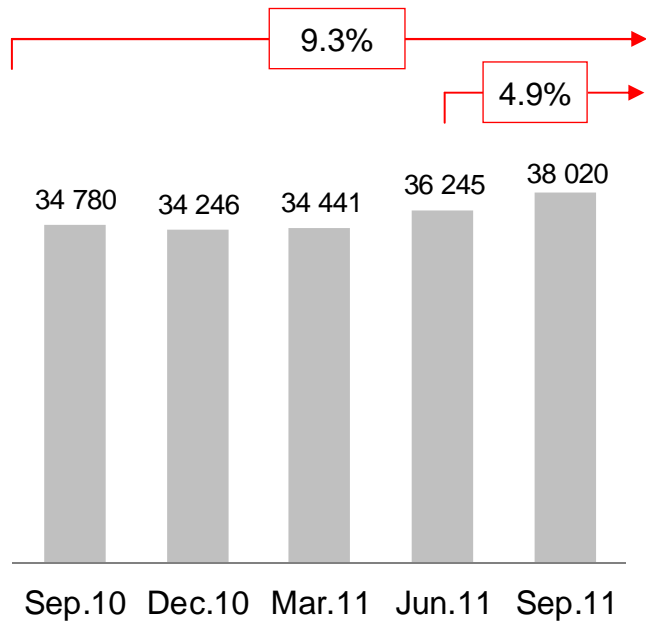
- Income PLN 2 891m
- Costs PLN 1 355m
- PBT PLN 1 262m
- ROE 21.2 %

* Supported by specialist services offices: Property Dep., Large Corporate & Structured Finance Dep., Large Corporate & Sectoral Dep.

** Complemented by 7 representative offices

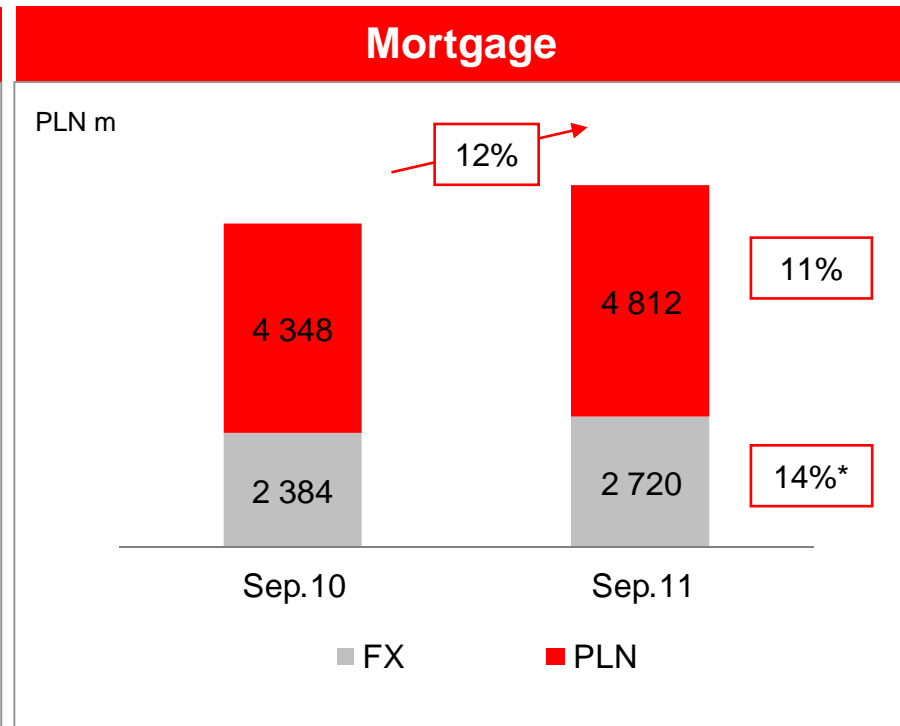
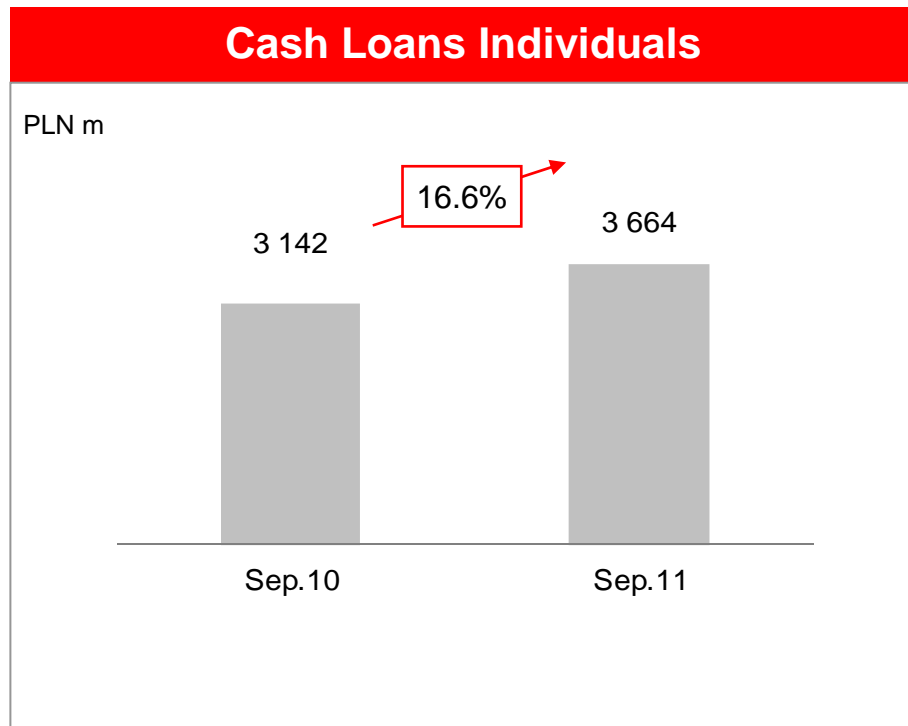
Loan growth recovery

PLN m



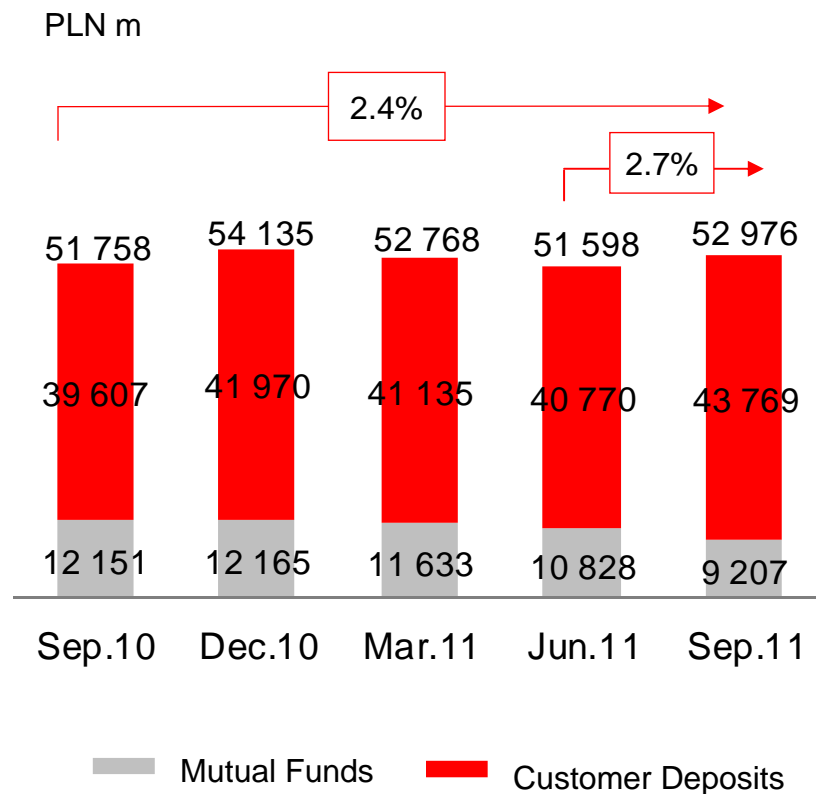
	30.09.11	30.09.10	Y-o-Y Variation	Q-o-Q Variation
Mortgage – personal	7 532	6 732	12%	4.9%
Other personal	5 050	4 570	10.5%	4.3%
Total personal	12 582	11 302	11.3%	4.6%
Business	25 438	23 478	8.3%	5.0%
Total gross loans	38 020	34 780	9.3%	4.9%

Personal lending +11.3% YoY



* Underlying decrease -4.1%

Highlight to time deposits +18% YoY and mutual funds -24.2% YoY



	30.09.11	30.09.10	Y-o-Y Variation	Q-o-Q Variation
Demand+ Savings	18 564	18 246	1.7%	2.5%
Time Deposits	25 205	21 361	18%	11.3%
Customer Deposits	43 769	39 607	10.5%	7.4%
Mutual Funds	9 207	12 151	-24.2%	-15%
Customer Deposits + Mutual Funds	52 976	51 758	2.4%	2.7%

Business: Market Share affected by FX rate volatility

14

Market Share (%)	August 2011	June 2011	September 2010
Total Banking System Loans			
Total Loans	4.27	4.25	4.19
- Personal Loans	2.77	2.80	2.83
Deposits + Funds			
Personal total savings (deposits + IF)	6.26	6.39	7.03
- Personal Deposits	5.89	5.89	6.32
- Mutual Funds	7.66	8.10	9.49

- Macroeconomic Scenario and Financial System

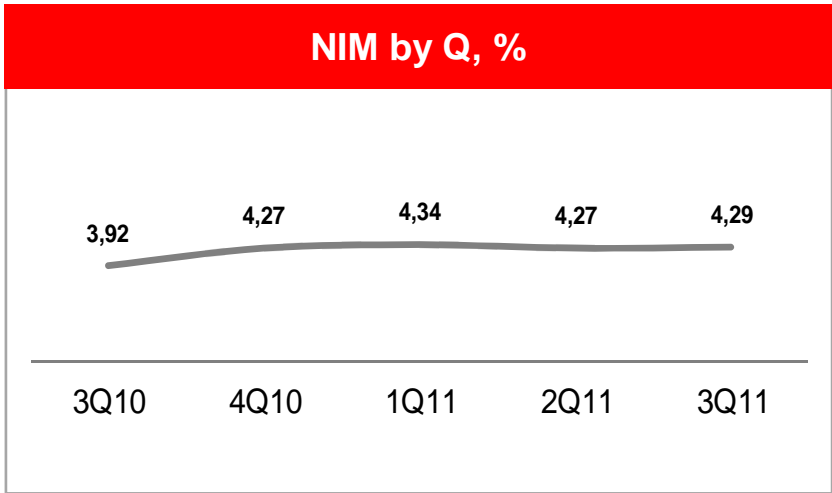
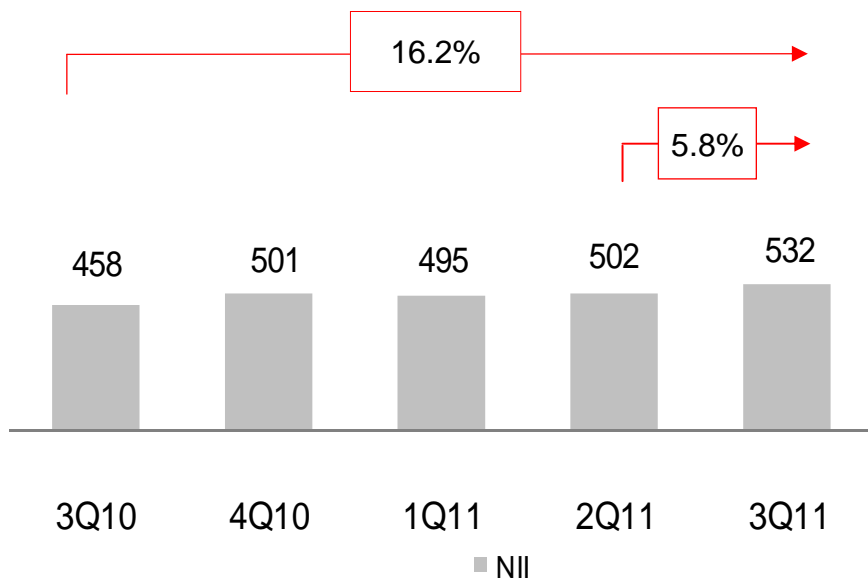
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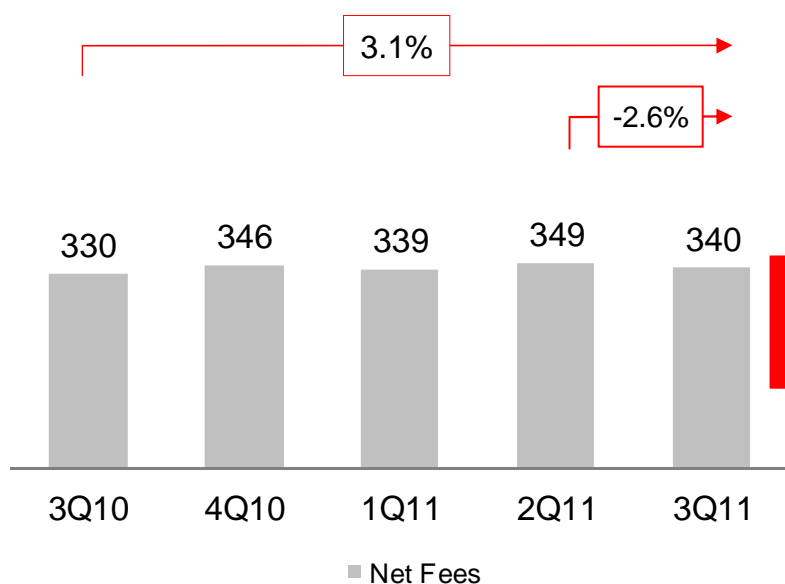
Net Interest Income 15.7% in 12 months

PLN m



Net Fees grow 3.1% YoY

PLN m



	30.09.11	30.09.10	Y-o-Y Variation	Q-o-Q Variation
Investment banking ¹	266	291	-8.6%	-14.1%
eBusiness&payments	232	207	12.1%	3.9%
Current accounts & money transfer	184	187	-1.6%	-1.6%
FX fees	164	148	10.8%	13.5%
Loan fees	73	61	19.7%	21.7%
Insurance fees	52	52	-	-19.0%
Other ²	57	50	14.0%	-19.0%
Total	1 028	997	3.1%	-2.6%

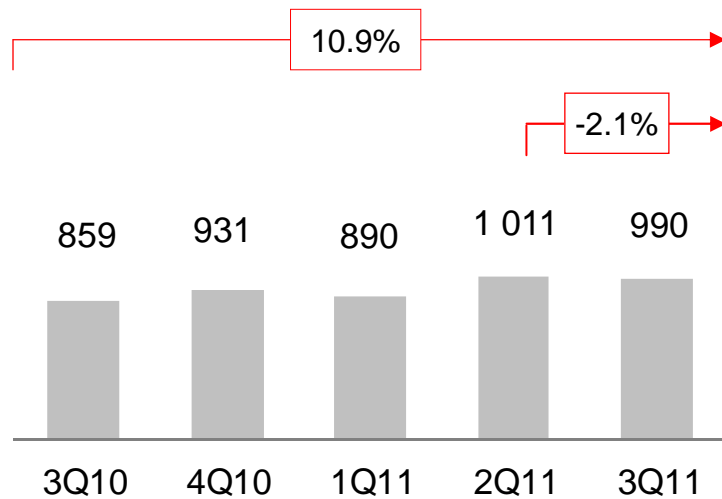
1. Brokerage fees, distribution and management fees

2. Includes off-balance sheet guarantees commissions, issue arrangement fees, credit cards fees, structured product fees and other

Results: Total Income

Total Income grew at 10.9% in 12 months

PLN m



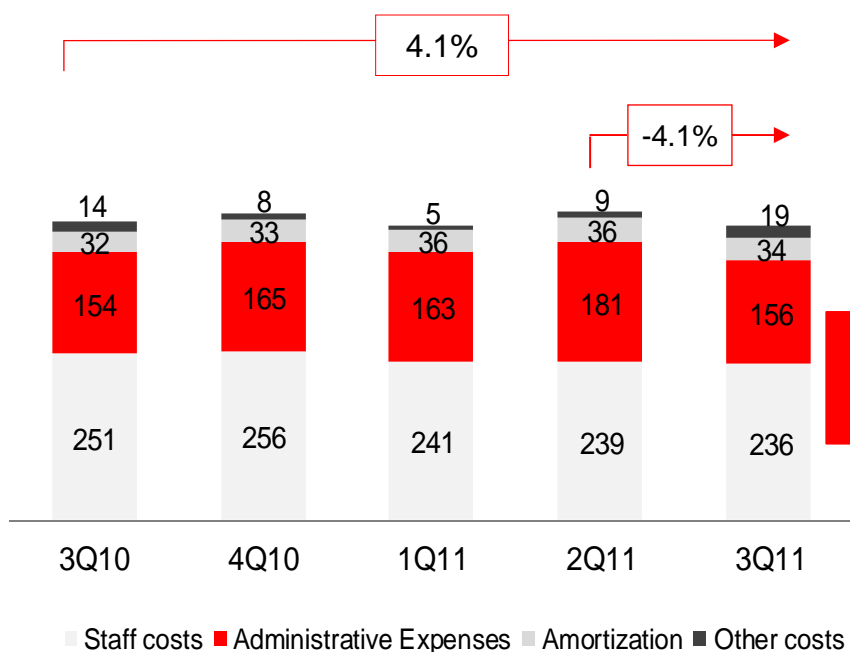
	30.09.11	30.09.10	Y-o-Y Variation	Q-o-Q Variation
Net Interest Income	1 529	1 321	15.7%	5.8%
Fees	1 028	997	3.1%	-2.6%
Subtotal	2 557	2 318	10.3%	2.5%
Gain/Loss on financial transactions + Others*	334	289	15.6%	-26.2%
Total Income	2 891	2 607	10.9%	-2.1%

* In 2011 dividend from Aviva entities of PLN 61.6 m, in 2010: PLN 48.3 m

Results: Administrative Expenses and Amortization

Total Expenses grew at 4.1% in 12 months, and decreased by 4.1% q/q

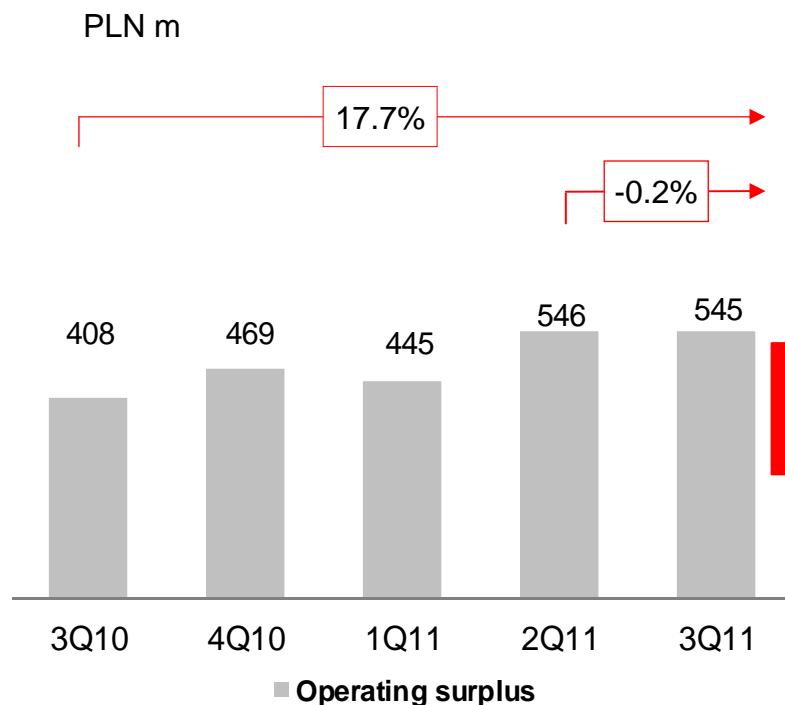
PLN m



	30.09.11	30.09.10	Y-o-Y Variation	Q-o-Q Variation
Staff costs	716	703	1.8%	-1.3%
Administrative Expenses	500	476	5.0%	-13.8%
Amortization	106	96	10.4%	-5.6%
Other costs	33	27	22.2%	111%
Total	1 355	1 302	4.1%	-4.1%

Results: Operating Surplus

Operating surplus growth of 17.7% in the quarter mainly driven by NII



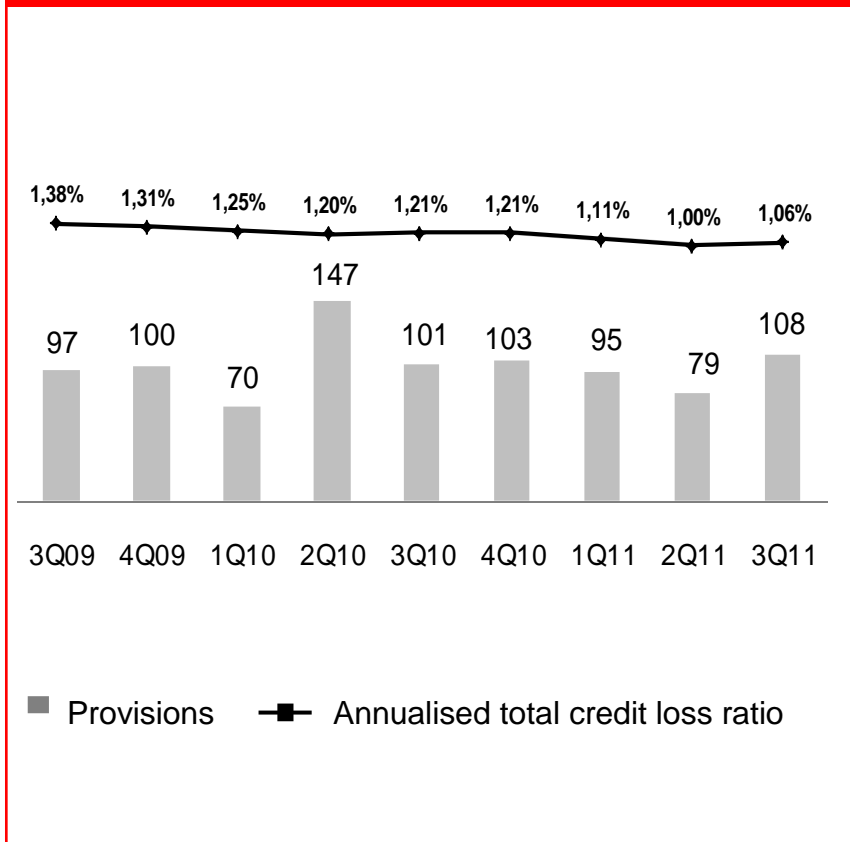
	30.09.11	30.09.10	Y-o-Y Variation	Q-o-Q Variation
Net Interest Income + Fees	2 557	2 318	10.3%	2.5%
Gain on financial transactions + Others*	334	289	15.6%	-26.2%
Adm. Expenses + Amortization + Other costs	(1 355)	(1 302)	4.1%	-4.1%
Operating Surplus	1 536	1 305	17.7%	-0.2%

* In 2011 dividend from Aviva entities of PLN 61.6 m, in 2010: PLN 48.3 m

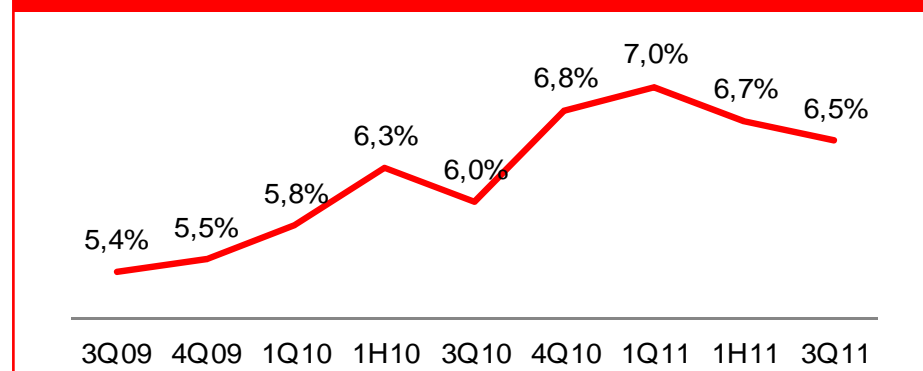
Asset quality slightly improved quarter on quarter

PLN m

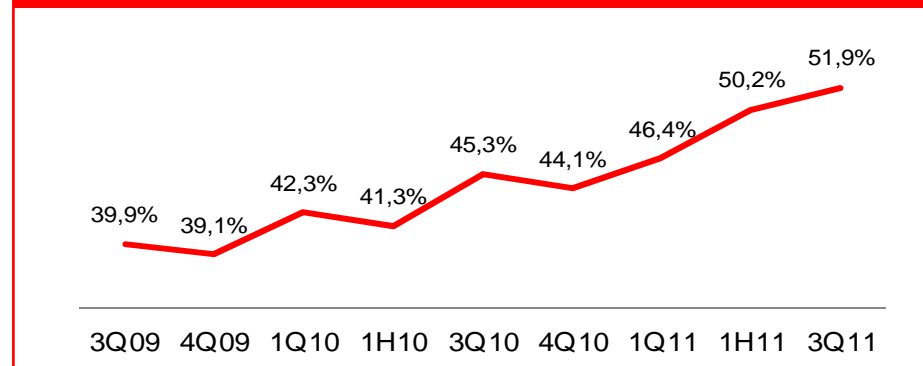
Provisions and Annualised total credit loss ratio



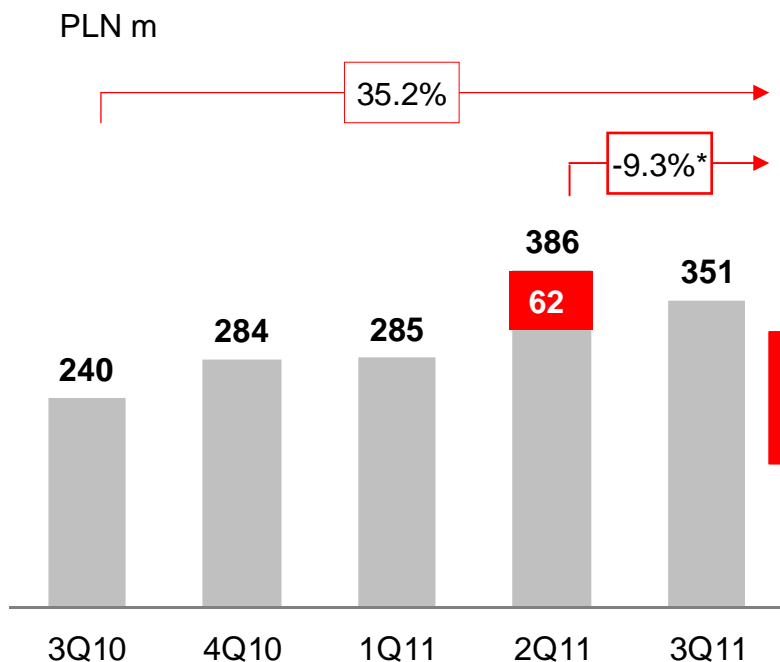
NPL (%)



Coverage ratio (%)

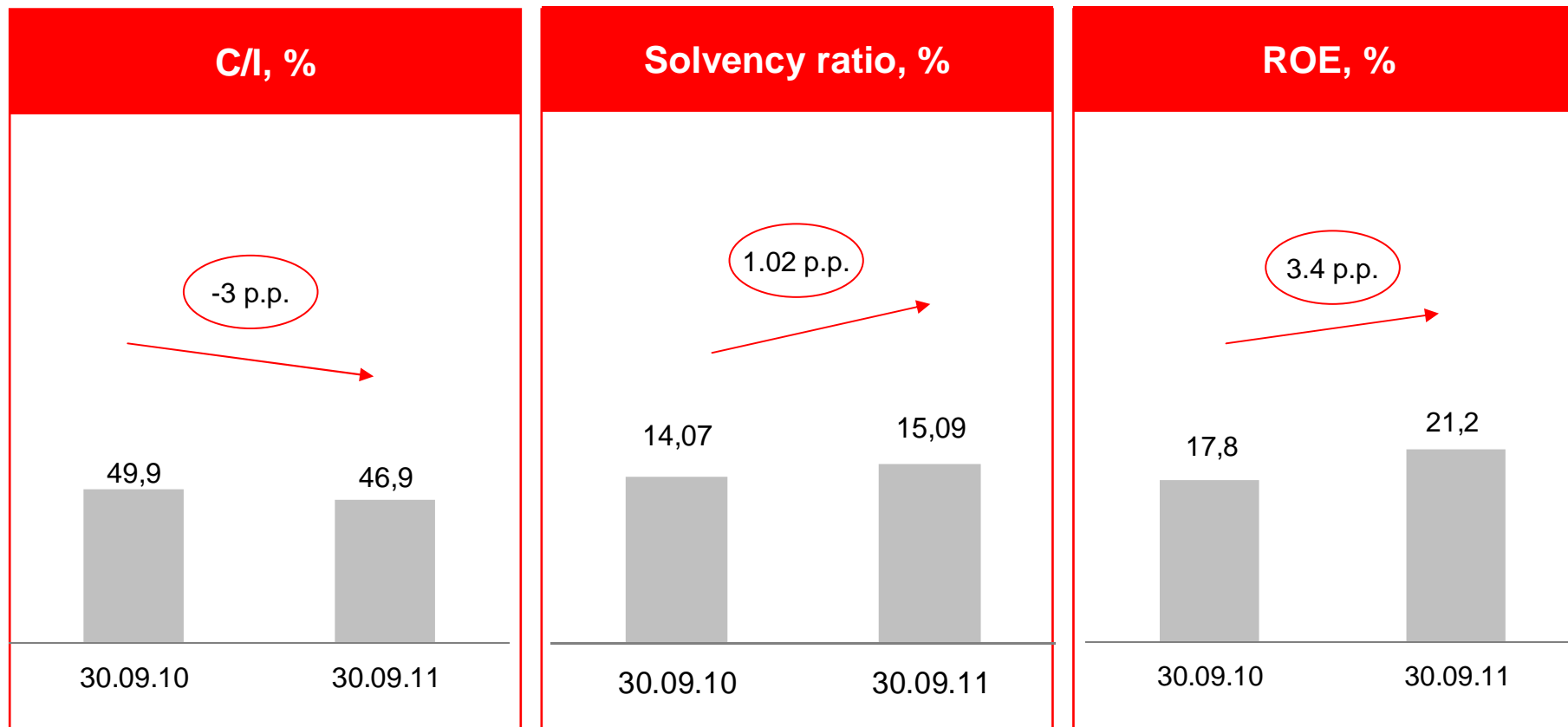


Net Profit of PLN 1 022 Million on 30.09.2011,
growth of 35.2% in 12 months



	30.09.11	30.09.10	Y-o-Y Variation	Q-o-Q Variation
Profit before Taxes	1 262	990	27.5%	-6.2%
Taxes	(240)	(234)	2.6%	8.5%
Net Profit	1 022	756	35.2%	-9.3%
Attributable profit	986	707	39.5%	-7.0%

* In Q2 dividend from Aviva entities of PLN 61.6 m



- ✓ Good growth in loans
- ✓ Dynamic growth of time deposits
- ✓ Focus on net interest margin

Growth in volume of business:

- ✓ Credit: 4.9% q/q
- ✓ Business 5.0% q/q, individuals 4.6% q/q

Strong growth in interest income:

- ✓ 15.7% y/y
- ✓ 5.8% q/q

Strong growth in Net profit – attributable profit of PLN 986 m on 30.09.2011, 39.5% y/y

Ongoing integration with Santander Group

ANNEXES

- **P&L Account**
- **Balance sheet**
- **Net interest margin evolution**
- **Tier I ratio**

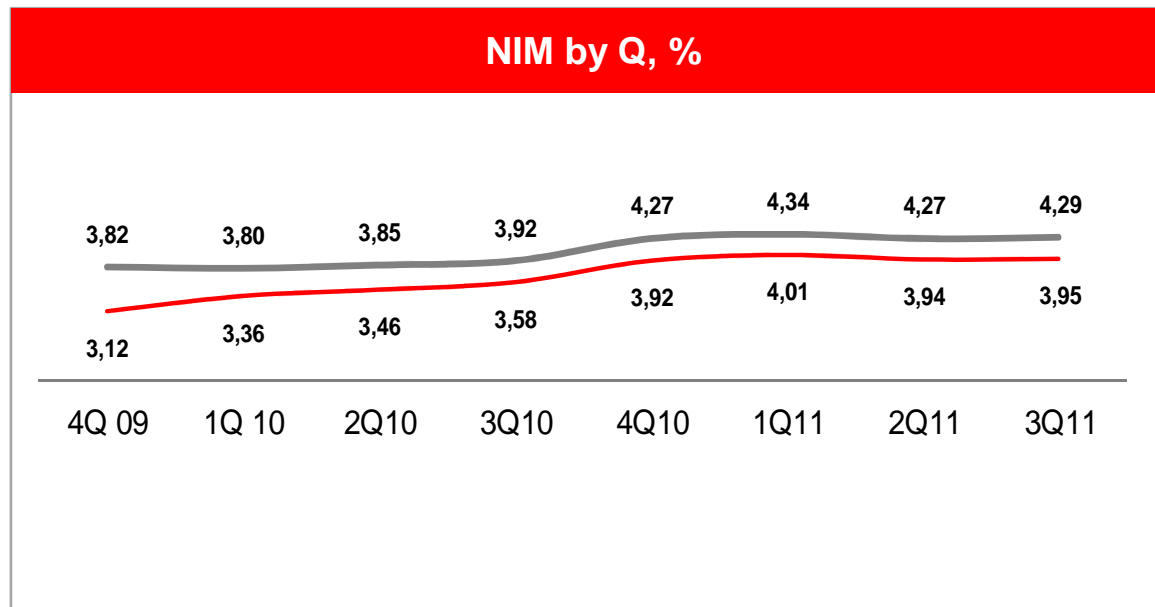
P&L Account

for the period (in PLN k):	3Q 2011	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	1 Q 2010
Interest and similar income	877 099	826 526	794 387	792 406	767 560	781 882	788 453
Interest expense and similar charges	(344 870)	(323 999)	(299 811)	(290 956)	(309 614)	(343 572)	(363 984)
Net interest income	532 229	502 527	494 576	501 450	457 946	438 310	424 469
Fee and commission income	390 460	397 919	386 330	396 460	373 090	400 099	386 298
Fee and commission expense	(50 195)	(49 248)	(47 619)	(50 464)	(42 657)	(65 096)	(54 502)
Net fee and commission income	340 265	348 671	338 711	345 996	330 433	335 003	331 796
Dividend income	447	67 459	10	281	611	53 268	354
Net trading income and revaluation	107 530	71 073	38 847	60 258	60 810	70 265	67 398
Gains (losses) from other financial securities	1 505	5 455	(170)	2 235	1 301	108	8 764
Gains (losses) from investment in subsidiaries and associates	-	-	-	-	-	-	-
Other operating income	8 778	15 683	17 765	20 578	7 104	11 449	7 519
Impairment losses on loans and advances	(107 854)	(78 750)	(94 854)	(103 192)	(100 753)	(146 447)	(70 362)
Operating expenses incl.:	(445 971)	(465 031)	(444 591)	(462 145)	(450 812)	(430 198)	(421 068)
<i>Bank's staff, operating expenses and management costs</i>	(392 728)	(420 227)	(403 677)	(421 765)	(404 870)	(391 673)	(382 284)
<i>Depreciation/amortisation</i>	(34 466)	(35 716)	(35 900)	(32 735)	(32 356)	(31 838)	(31 838)
<i>Other operating expenses</i>	(18 777)	(9 088)	(5 014)	(7 645)	(13 586)	(6 687)	(6 946)
Operating profit	436 929	467 087	350 294	365 461	306 640	331 758	348 870
Share in net profits (losses) of entities accounted for by the equity method	2 733	1 726	3 171	1 925	1 161	1 577	(211)
Profit before tax	439 662	468 813	353 465	367 386	307 801	333 335	348 659
Corporate income tax	(88 806)	(82 262)	(68 536)	(82 984)	(68 634)	(65 991)	(99 003)
Profit for the period	350 856	386 551	284 929	284 402	239 167	267 344	249 656
incl.:							
attributable to owners of BZ WBK S.A.	344 857	370 861	270 216	267 719	222 916	250 109	233 479
attributable to non-controlling interests	5 999	15 690	14 713	16 683	16 251	17 235	16 177

Balance Sheet

	3 Q 2011	2 Q 2011	1 Q 2011	4 Q 2010	3 Q 2010	2 Q 2010	1 Q 2010
ASSETS							
Cash and balances with central bank	3 135 339	2 186 580	1 256 357	2 534 463	1 153 293	1 477 897	2 552 144
Loans and advances to banks	1 704 661	798 441	1 675 222	619 655	1 724 843	1 131 926	1 034 337
Financial assets held for trading & hedging	4 478 315	3 708 442	2 752 120	2 253 734	3 905 916	1 625 651	5 223 314
Loans and advances to customers	36 375 961	34 694 969	32 946 960	32 838 385	33 386 705	34 228 005	33 544 639
Investment securities	11 542 133	12 625 033	13 607 384	13 395 355	13 676 997	13 406 056	12 364 652
Investments in associates and joint ventures	101 038	93 327	91 065	87 360	83 077	81 916	81 676
Intangible assets	171 327	175 531	165 654	172 561	165 576	170 861	176 009
Property, plant & equipment	503 774	518 247	529 426	547 536	545 488	560 200	575 171
Net deferred tax assets	279 053	301 571	314 617	309 164	333 815	312 293	298 709
Other assets	474 266	477 704	12 118 171	395 658	509 704	589 014	428 747
Total assets	58 765 867	55 579 845	65 456 976	53 153 871	55 485 414	53 583 819	56 279 398
LIABILITIES							
Deposits from central bank	-	-	-	-	-	224 323	1 023 474
Deposits from banks	4 977 527	5 972 202	3 707 535	2 526 082	7 412 836	3 822 441	4 245 836
Financial liabilities held for trading & hedging	1 542 442	653 877	599 240	595 052	575 645	900 811	674 929
Deposits from customers	43 769 035	40 769 594	41 135 239	41 970 454	39 607 403	41 258 626	42 912 911
Debt securities in issue	-	-	-	-	397 721	-	-
Subordinated liabilities	440 585	398 015	400 339	395 230	-	-	-
Current income tax liabilities	26 089	27 975	14 162	82 858	120 813	92 105	66 006
Other liabilities	776 439	908 735	12 581 055	810 620	857 064	1 038 158	1 034 945
Total liabilities	51 532 117	48 730 398	58 437 570	46 380 296	48 971 482	47 336 464	49 958 101
Equity							
Equity attributable to owners of BZ WBK S.A.	7 113 537	6 735 002	6 854 209	6 623 056	6 380 492	6 130 530	6 196 601
Share capital	730 760	730 760	730 760	730 760	730 760	730 760	730 760
Other reserve funds	4 691 943	4 678 606	4 348 692	4 344 640	4 342 765	4 342 765	3 567 001
Revaluation reserve	508 634	481 968	393 653	433 134	460 165	433 119	456 994
Retained earnings	196 266	202 591	1 110 888	140 299	140 298	140 298	1 208 367
Profit of the current period	985 934	641 077	270 216	974 223	706 504	483 588	233 479
Non-controlling interest	120 213	114 445	165 197	150 519	133 440	116 825	124 696
Total equity	7 233 750	6 849 447	7 019 406	6 773 575	6 513 932	6 247 355	6 321 297
Total equity and liabilities	58 765 867	55 579 845	65 456 976	53 153 871	55 485 414	53 583 819	56 279 398

Net interest margin evolution



— Incl. swap points — Excl. swap points