

BZWBK Group

Results 30.06.2012

July 26th, 2012

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.

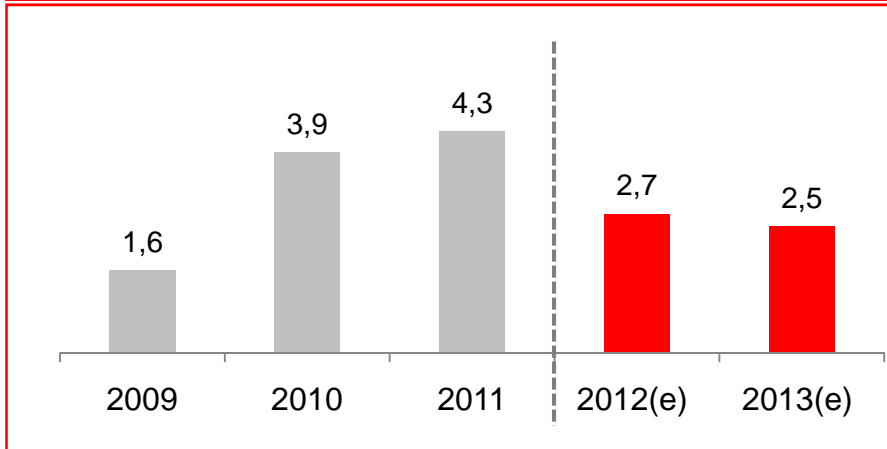
- **Macroeconomic Scenario and Financial System**

- 30.06.2012

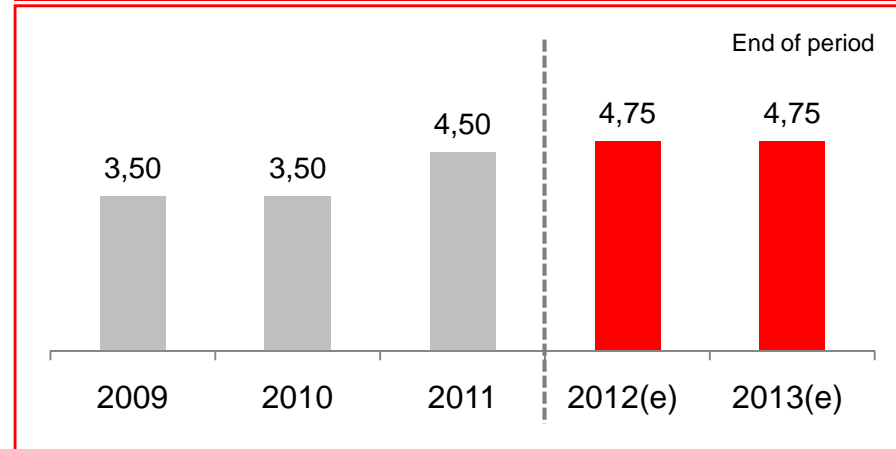
- Business

- Results

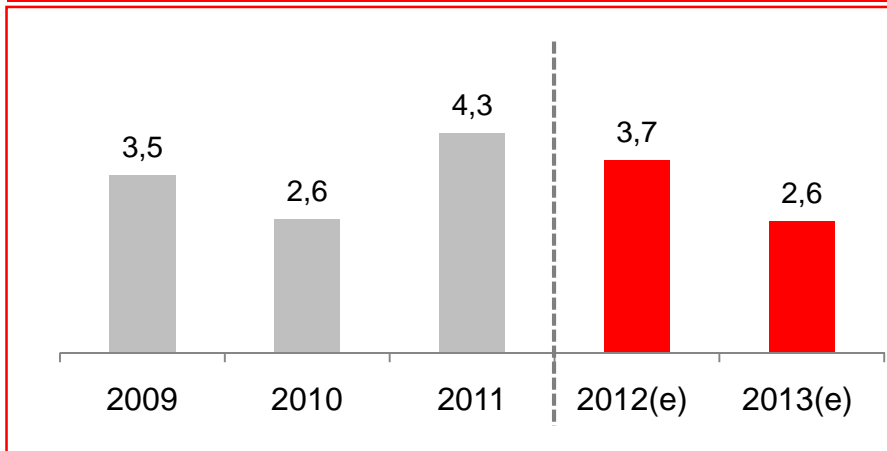
GDP (real annual growth %)



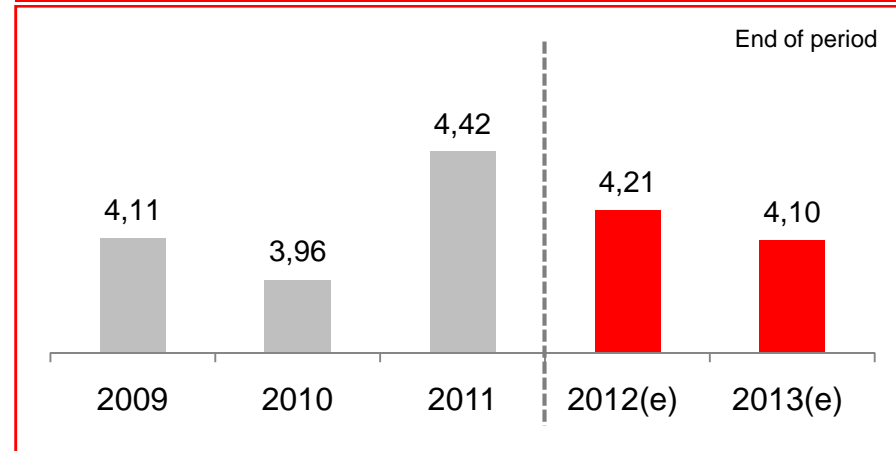
Interest Rate – NBP reference rate (%)



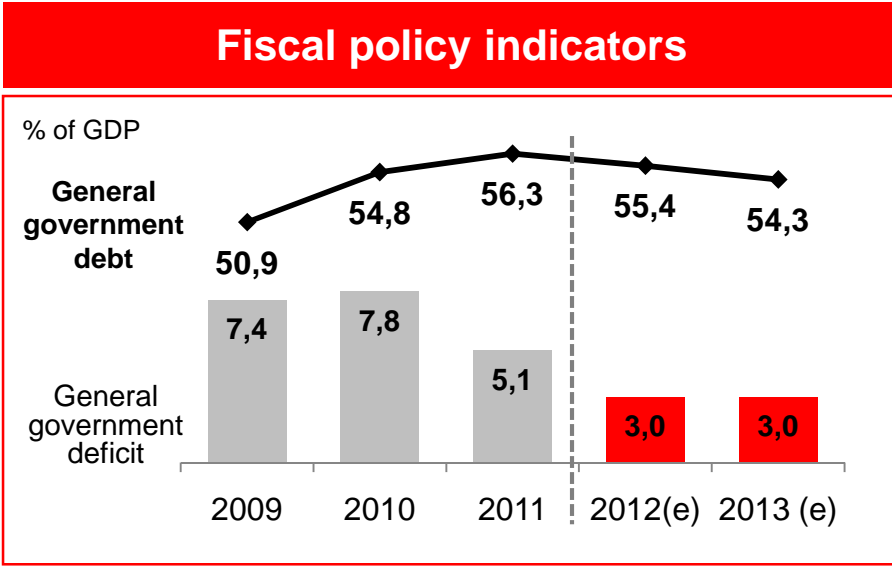
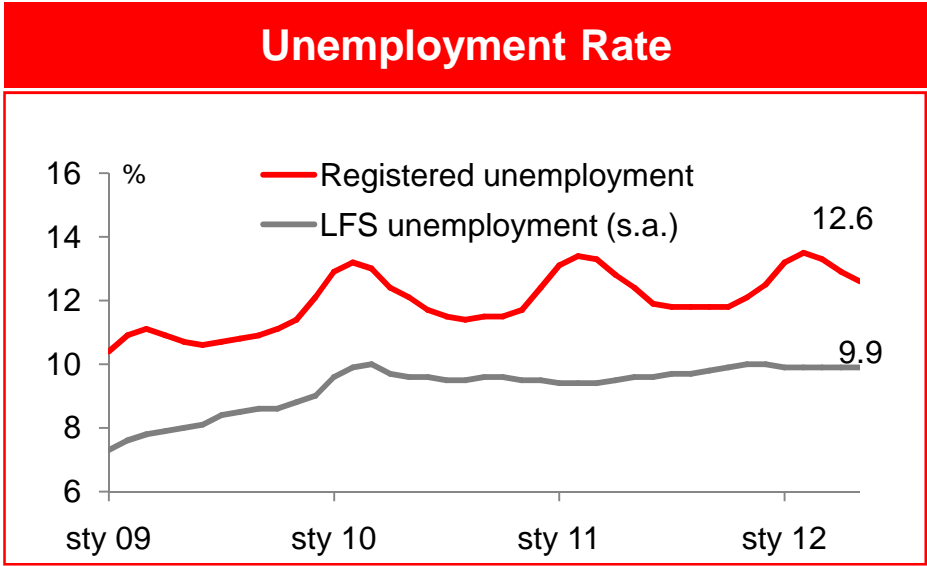
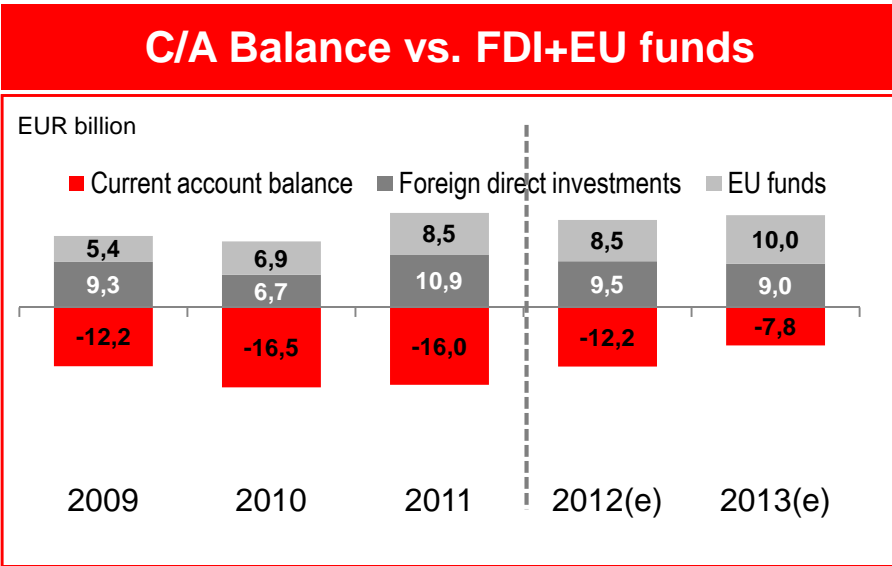
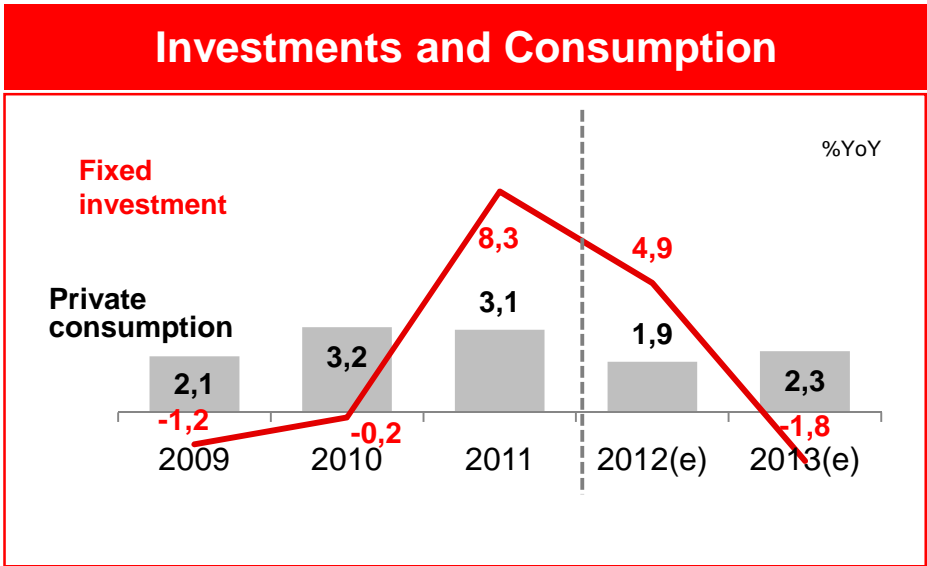
Inflation (CPI %)



Exchange Rate – PLN/EUR



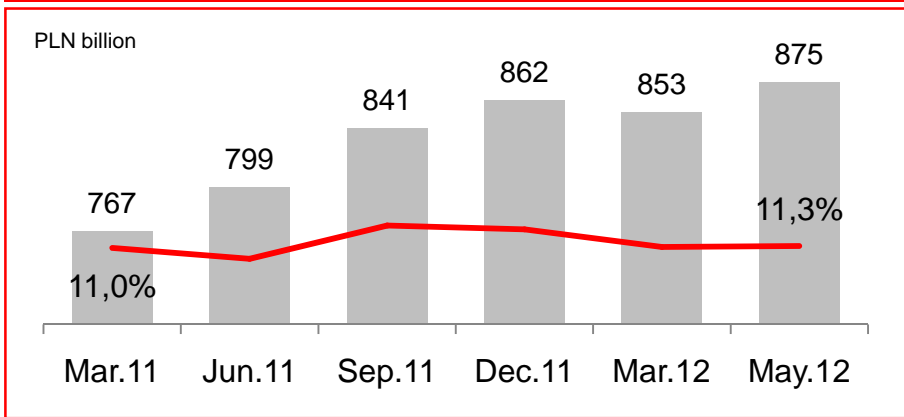
Source: National Bank of Poland, Central Statistical Office, Santander Research



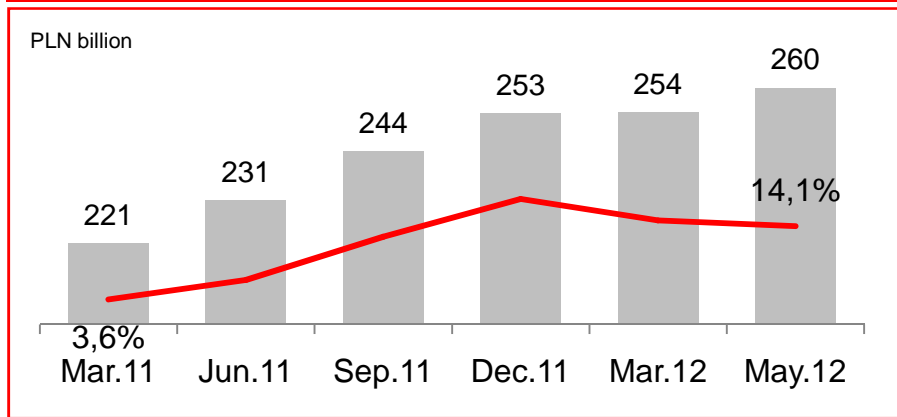
Source: National Bank of Poland, Central Statistical Office, Eurostat, Santander Research

Loan growth

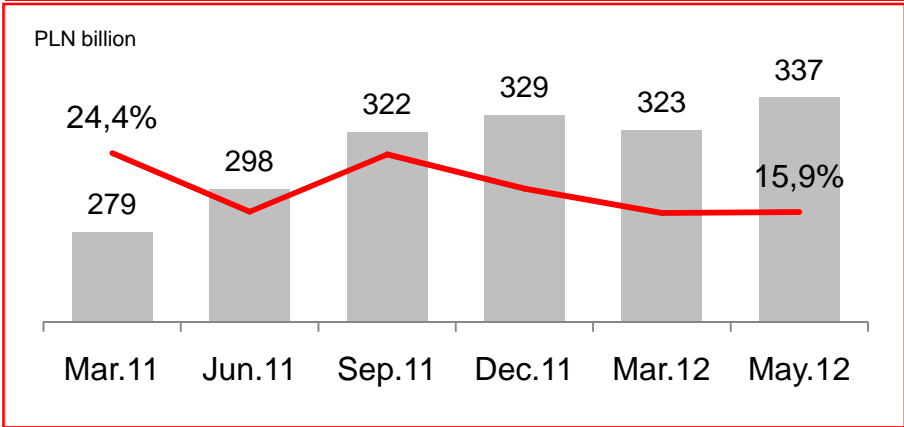
Total Loans



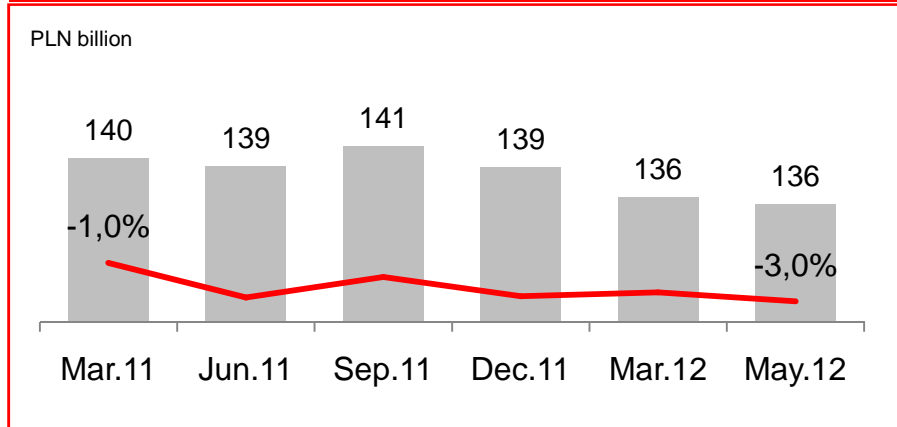
Loans to Corporations



Loans to individuals (mortgage credit)



Loans to individuals (consumer credit)

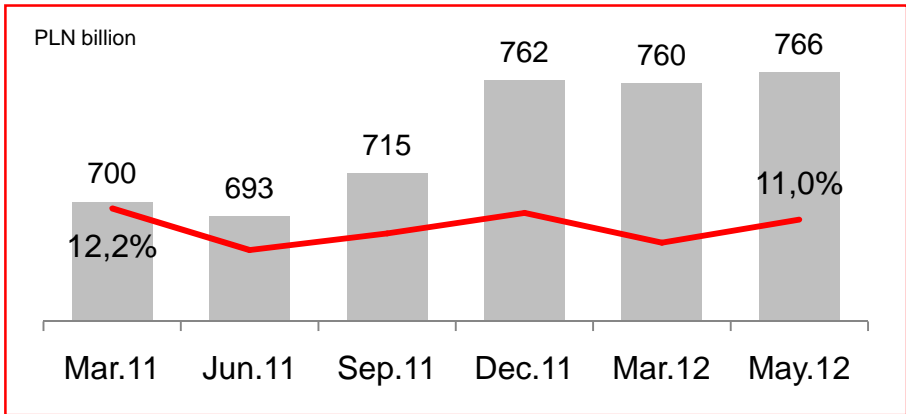


■ Volume ◆ Y-o-Y Variation %

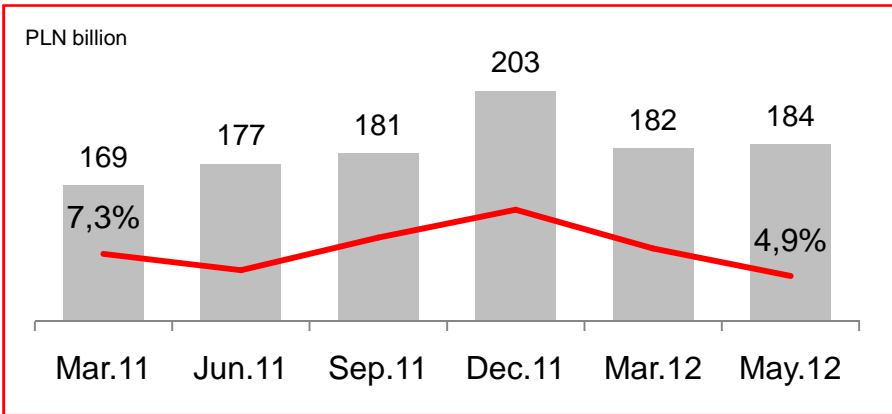
Source: National Bank of Poland

Deposit growth

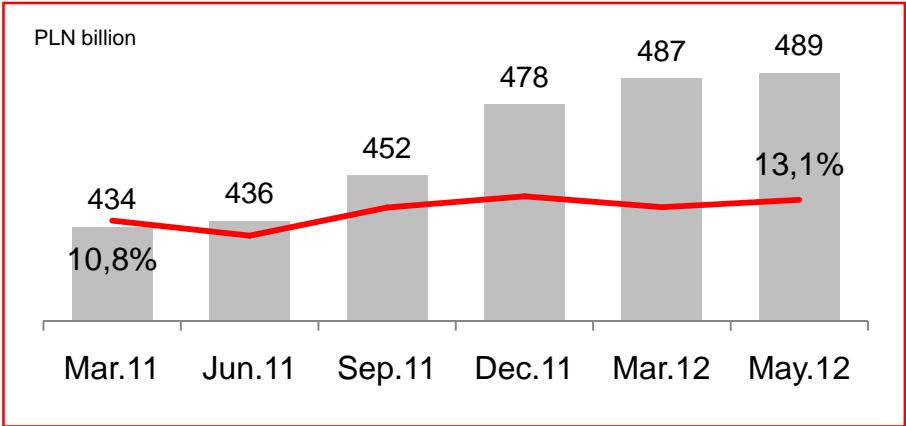
Total Deposits



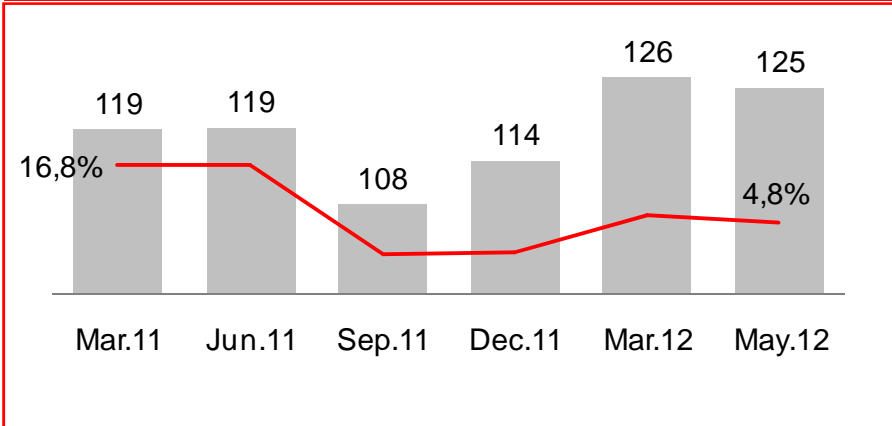
Corporate Deposits



Household Deposits



Mutual funds



■ Volume ◆ Y-o-Y Variation %

Source: National Bank of Poland

- Macroeconomic Scenario and Financial System

- 30.06.2012

- Business

- Results

- Macroeconomic Scenario and Financial System

- 30.06.2012

- Business

- Results

BZWBK Group



BZ WBK features

▪ Branches	630
- incl. agencies	106
▪ ATMs	1 047
▪ Employees (FTE's)	9.0 k
▪ Corporate Banking Centres	3
▪ Business Banking Centres	7

Balance Sheet 30.06.2012

▪ Assets	PLN	59 336 m
▪ Loans	PLN	38 991 m
▪ Deposits	PLN	46 210 m
▪ Total assets		+7% Y-o-Y

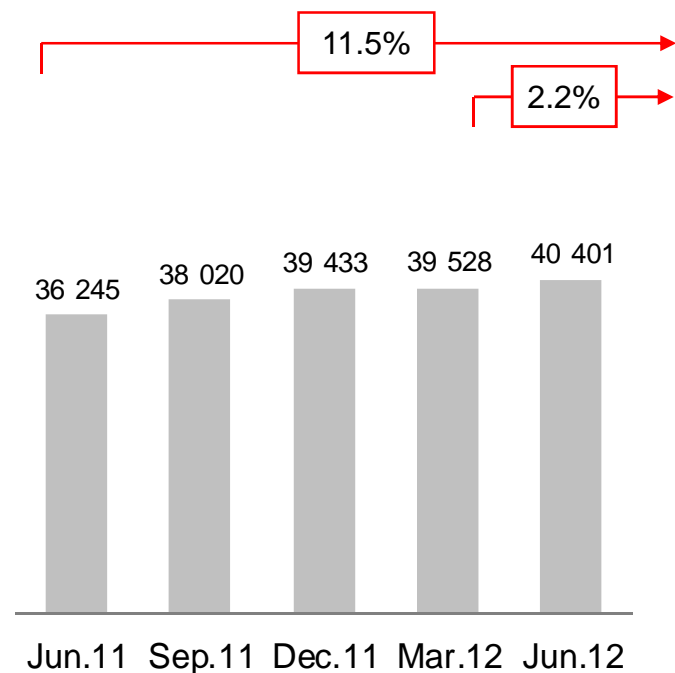
P&L 30.06.2012

▪ Income	PLN	2 008 m
▪ Costs	PLN	(904) m
▪ PBT	PLN	889 m
▪ ROE*		20,7 %

* Excluding Q4, 2011 once-off adjustments of PLN 89 m

Loan growth driven by Cash Loans, SME and Large Corporate

PLN m

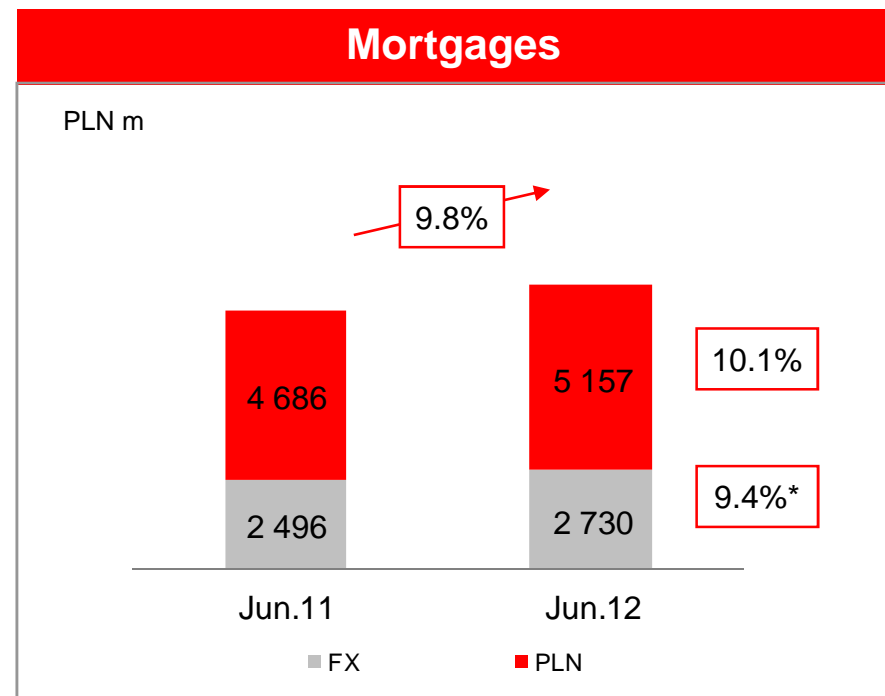
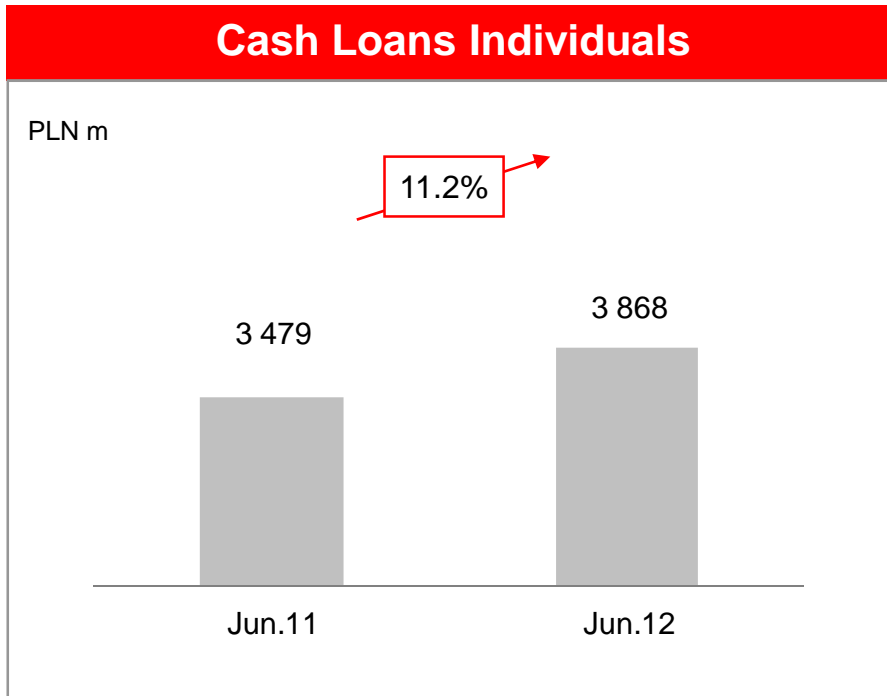


	30.06.12	30.06.11	Y-o-Y Variation	Q-o-Q Variation
Mortgage	7 887	7 182	9,8%	4,2%
Other personal	5 182	4 841	7,0%	2,1%
Total personal	13 069	12 023	8,7%	3,4%
Business	27 332	24 222	12,8%	1,7%
Total gross loans	40 401	36 245	11,5%	2,2%

Comments

- Y-o-Y variation excluding FX effect:
 - Mortgage loans 7%
 - Total personal 7%
 - Business 10%
 - Total Loans 9%
- PLN loans comprise 69% of total gross loan portfolio

Personal lending +8.7 % Y-o-Y

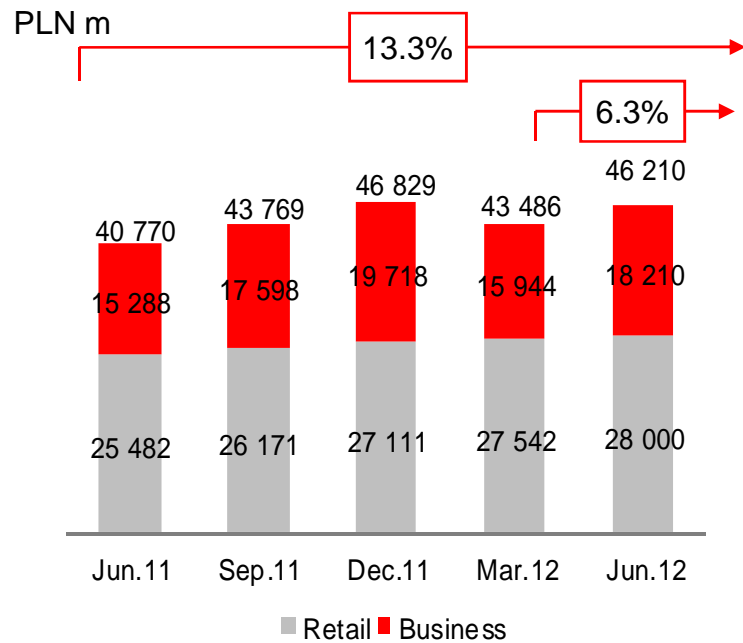


Comments

- Continued sales growth of cash loans.
- Further market share increase with the highest sale ever in May

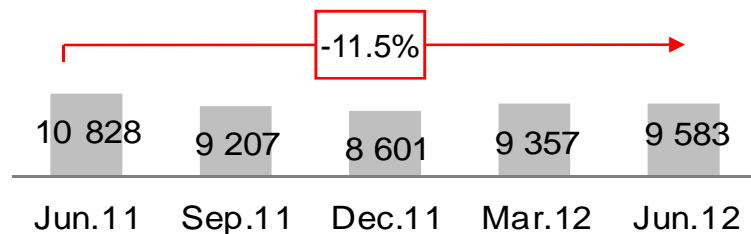
* FX mortgage increase of 1.7% excluding FX effect

Active management of deposits



	30.06.12	30.06.11	Y-o-Y Variation	Q-o-Q Variation
Demand	14 403	11 624	23,9%	18,2%
Savings	6 411	6 496	-1,3%	-3,9%
Time Deposits	25 396	22 650	12,1%	3,1%
Customer Deposits	46 210	40 770	13,3%	6,3%

Mutual Funds



Comments

- Business deposits +19.1% Y-o-Y
- Retail deposits +9.9% Y-o-Y
- Mutual Funds +11.4% in H1 2012
- Demand deposits in H1, 2012 include one large deposit of PLN 1.7 bn
- Excluding this large deposit, Total Deposits +9.1 Y-o-Y and +2.3 Q-o-Q

Business: Market Share

Market Share (%)	May 2012	December 2011	June 2011
------------------	----------	---------------	-----------

Total Banking System Loans

Total Loans	4.3	4.20	4.19
- Cash Loans	3.97	3.62	3.45

Deposits + Funds

Total Deposits	5.47	5.53	5.22
- Personal Deposits	5.73	5.80	5.89
- Business Deposits	5.11	5.18	4.37

- Macroeconomic Scenario and Financial System

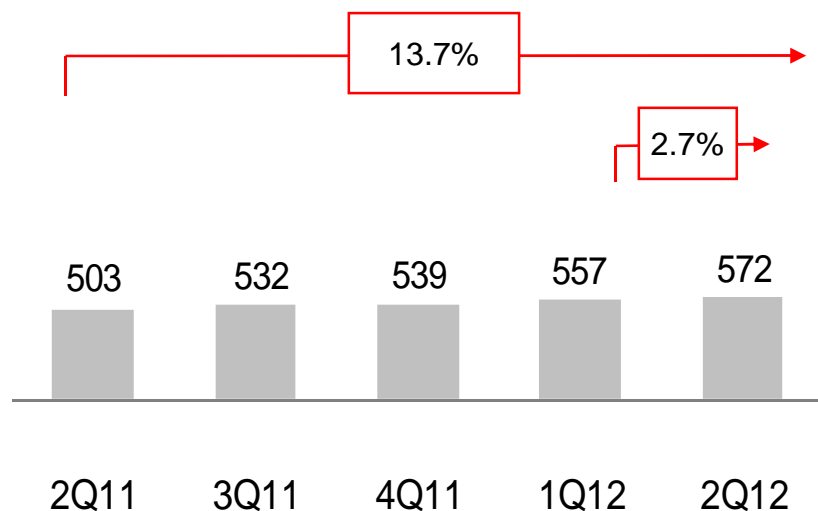
- 30.06.2012

- Business

- Results

Net Interest Income +13.2% Y-o-Y

PLN m

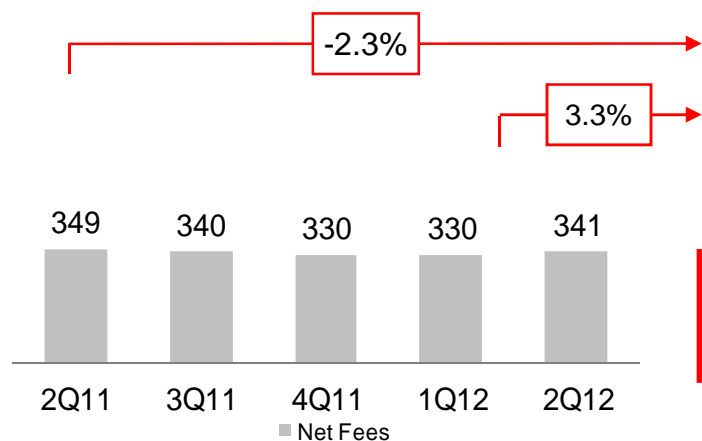


NIM by Q, %				
4,27	4,29	4,23	4,27	4,32
2Q11	3Q11	4Q11	1Q12	2Q12

Comments
<ul style="list-style-type: none"> Favourable product mix supporting NIM

Net Fees impacted by investment banking

PLN m



	1H 12	1H 11	Y-o-Y Variation	Q-o-Q Variation
eBusiness & payments	168	153	9,8%	10,0%
Investment banking ¹	126	188	-33,0%	-9,1%
Current accounts & money transfer	120	123	-2,4%	3,4%
FX fees	113	104	8,7%	9,3%
Loan fees	58	44	31,8%	-6,7%
Insurance fees	57	35	62,9%	28,0%
Other ²	29	41	-29,3%	-18,8%
Total	671	688	-2,5%	3,3%

Comments

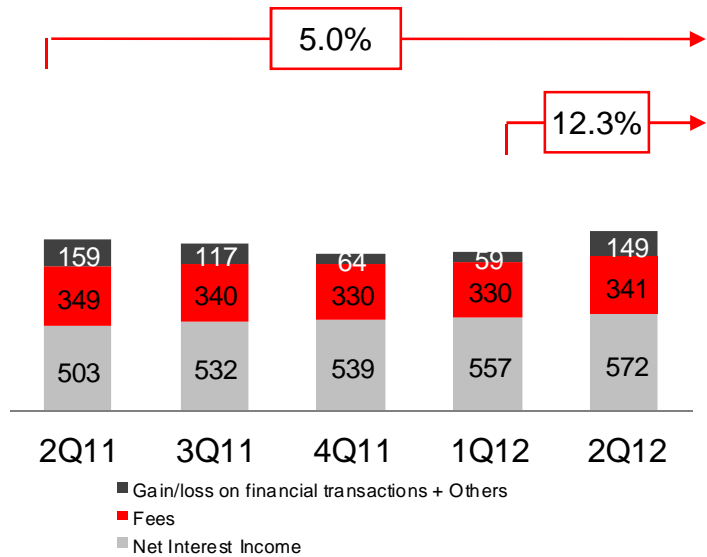
- Strong increase in insurance income
- Loan fees supported by marketing campaign
- Investment banking impacted by Brokerage activity

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 5.7% Y-o-Y

PLN m



	1H 12	1H 11	Y-o-Y Variation	Q-o-Q Variation
Net Interest Income	1129	997	13,2%	2,7%
Fees	671	688	-2,5%	3,3%
Subtotal	1 800	1 685	6,8%	2,9%
Gain/Loss on financial transactions + Others	208	216	-3,7%	152,5%
Total Income	2 008	1 901	5,7%	12,3%

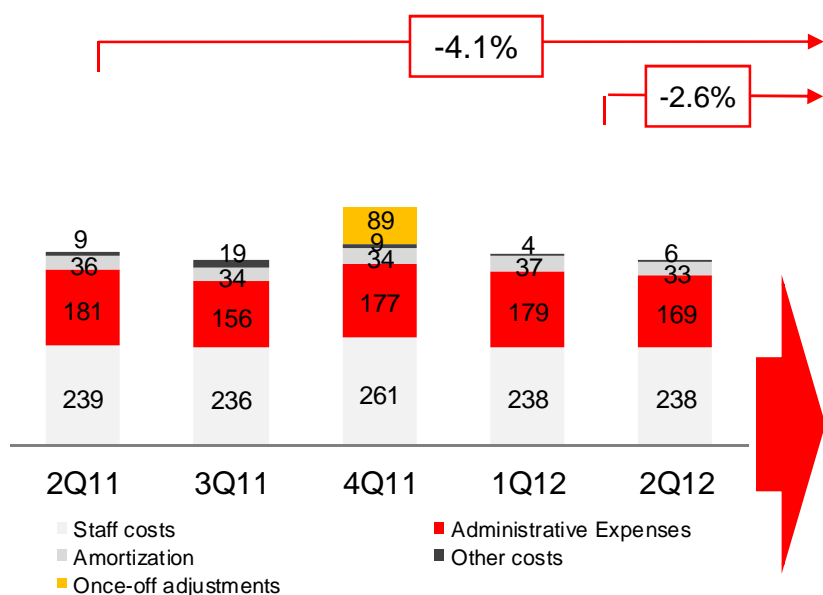
Comments

- Gains/losses on financial transactions and Other impacted by:
 - Sale of debt securities yielding gains of PLN +23m
 - Lower H1 dividend income from Aviva entities at PLN 47.9m, - 29.1% YoY

Results: Administrative Expenses and Amortization

Total expenses decreased by 0.5% Y-o-Y and 2.6 % Q-o-Q

PLN m



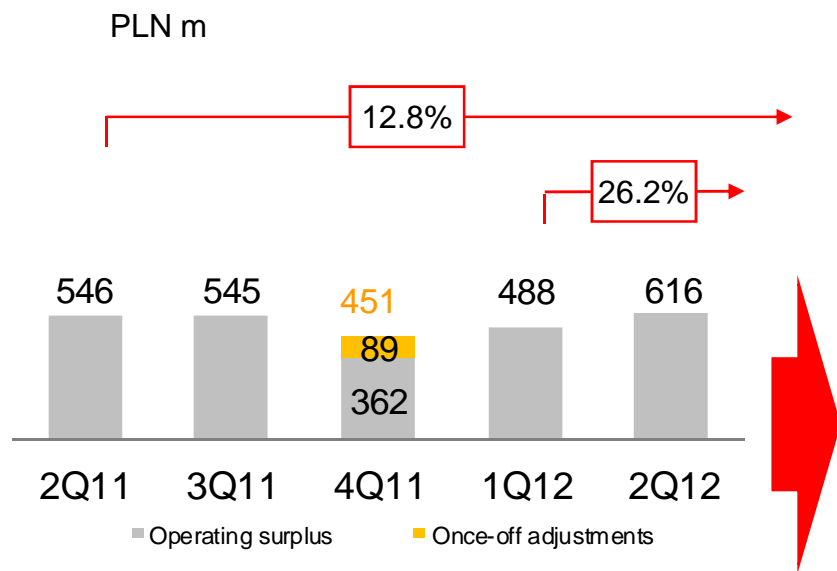
	1H 12	1H 11	Y-o-Y Variation	Q-o-Q Variation
Staff costs	476	480	-0,9%	0,0%
Administrative Expenses	348	344	1,2%	-5,6%
Amortization	70	71	-1,4%	-10,8%
Other costs	10	15	-33,3%	50,0%
Total	904	910	-0,5%	-2,6%

Comments

- Decrease of postal and telecommunication costs by 13%Y-o-Y
- Initial costs related to the Kredyt Bank merger reflected in H1 2012 expenses
- Marketing costs PLN 42.1m, -7% Y-o-Y

Results: Net operating income

Net operating income growth of 11.4% mainly driven by NII

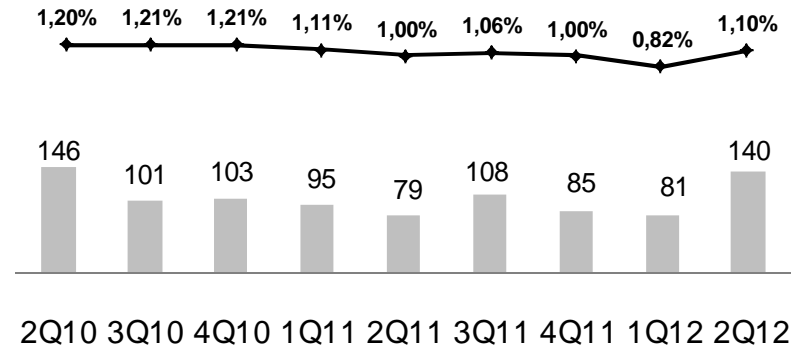


	1H 12	1H 11	Y-o-Y Variation	Q-o-Q Variation
Net Interest Income + Fees	1 800	1 685	6,8%	2,9%
Gain on financial transactions + Others	208	216	-3,7%	152,5%
Adm. Expenses + Amortization + Other costs	(904)	(910)	-0,5%	-2,6%
Net operating income	1 104	991	11,4%	26,2%

Provision charge impacted by large individual cases

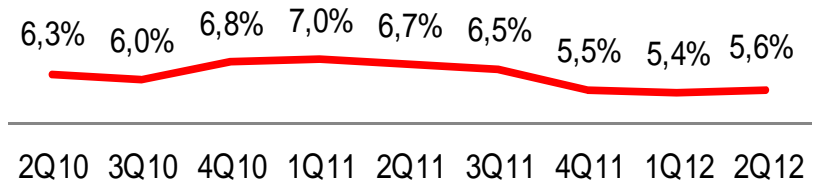
PLN m

Provisions and Annualised total credit loss ratio

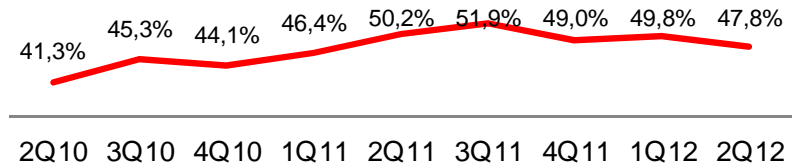


■ Provisions —◆— Annualised total credit loss ratio

NPL (%)

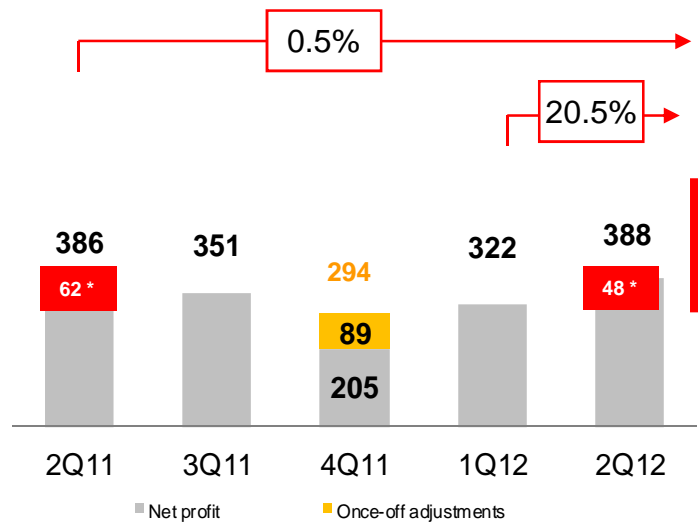


Coverage ratio (%)



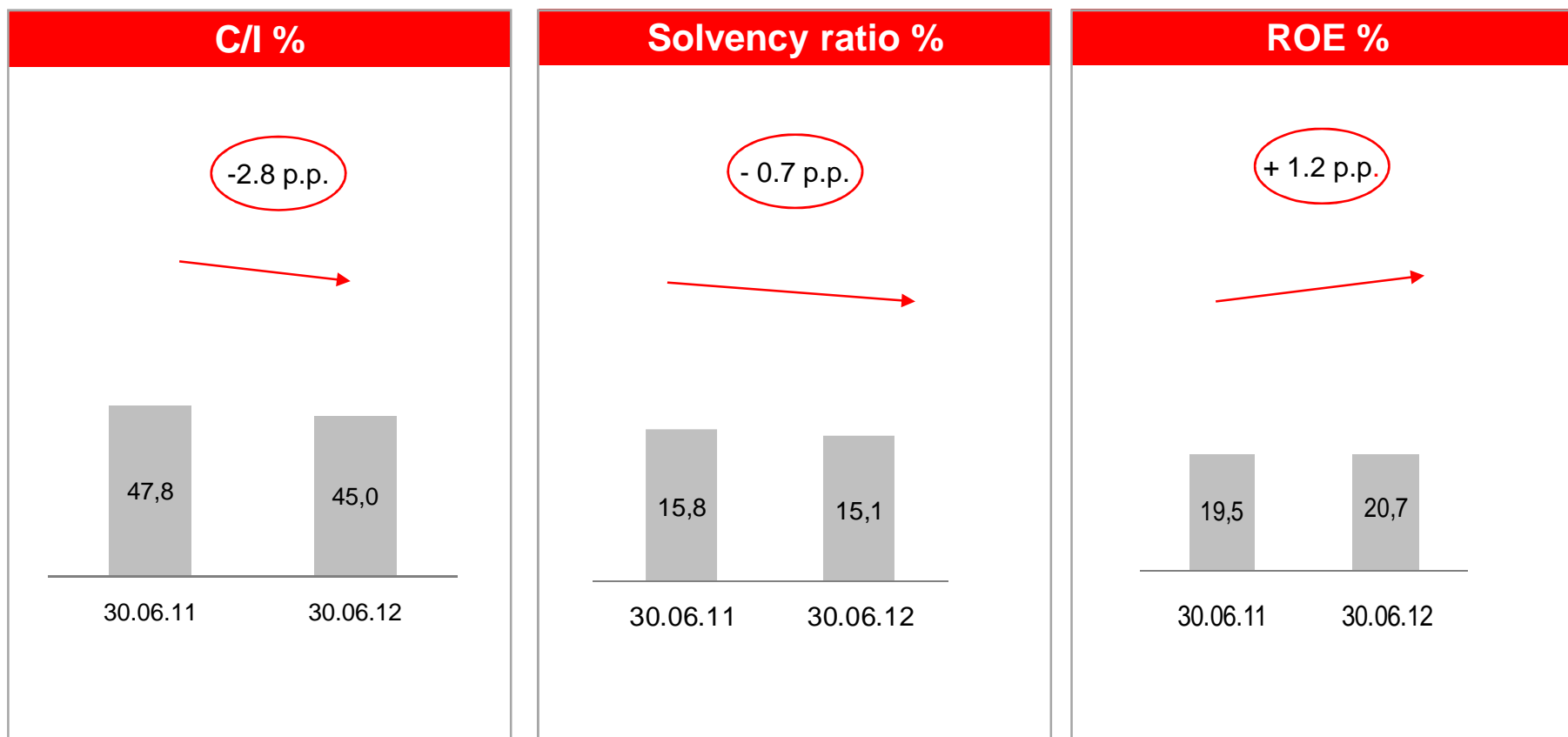
Net Profit of PLN 710 Million on 30.06.2012,
growth of 6% Y-o-Y

PLN m



	1H 12	1H 11	Y-o-Y Variation	Q-o-Q Variation
Profit before Taxes	889	822	8,1%	16,3%
Taxes	(179)	(152)	17,8%	1,1%
Net Profit	710	670	6,0%	20,5%
Attributable profit	695	641	8,3%	21,3%

* In Q2 2012 dividend from Aviva entities of PLN 47.9 m (in Q2 2011 - PLN 61.6 m)



Key points

- Good growth in loans +11.5%
- Improving margin on deposits q/q
- Focus on net interest margin

Loans

- Personal: +8.7% y/y
- Business: +12.8% y/y
- Loan/Deposit ratio: 84.4%

Interest income

Strong growth in interest income:

- +13.2% y/y
- +2.7% q/q

Net profit

Strong growth in net profit – attributable profit of PLN 695 m

- + 8.4% y/y
- + 21.3% q/q

Group

- Ongoing integration with Santander Group

ANNEXES

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

P&L Account

for the period (in PLN k):	2Q 2012	1Q 2012	4Q 2011	3Q 2011	2Q 2011
Interest and similar income	946 170	943 861	915 721	877 099	826 526
Interest expense and similar charges	(374 328)	(386 937)	(376 468)	(344 870)	(323 999)
Net interest income	571 842	556 924	539 253	532 229	502 527
Fee and commission income	391 954	381 059	383 955	390 460	397 919
Fee and commission expense	(50 639)	(50 940)	(53 930)	(50 195)	(49 248)
Net fee and commission income	341 315	330 119	330 025	340 265	348 671
Dividend income	53 718	1	109	447	67 459
Net trading income and revaluation	54 071	40 034	49 701	107 530	71 073
Gains (losses) from other financial securities	24 382	2 652	4 923	1 505	5 455
Other operating income	16 396	16 367	9 147	7 810	15 360
Impairment losses on loans and advances	(140 026)	(80 806)	(85 524)	(107 854)	(78 750)
Operating expenses incl.:	(446 747)	(457 742)	(570 618)	(445 003)	(464 708)
<i>Bank's staff, operating expenses and management</i>	(406 640)	(417 104)	(442 513)	(392 728)	(420 227)
<i>Depreciation/amortisation</i>	(33 417)	(36 865)	(109 793)	(34 466)	(35 716)
<i>Other operating expenses</i>	(6 690)	(3 773)	(18 312)	(17 809)	(8 765)
Operating profit	474 951	407 549	277 016	436 929	467 087
Share in net profits (losses) of entities accounted for by the equity method	3 075	3 161	3 474	2 733	1 726
Profit before tax	478 026	410 710	280 490	439 662	468 813
Corporate income tax	(89 822)	(88 807)	(75 959)	(88 806)	(82 262)
Profit for the period	388 204	321 903	204 531	350 856	386 551
incl.:					
attributable to owners of BZ WBK S.A.	380 440	314 150	198 413	344 857	370 861
attributable to non-controlling interests	7 764	7 753	6 118	5 999	15 690

Balance Sheet

	2 Q 2012	1 Q 2012	4 Q 2011	3 Q 2011	2 Q 2011
ASSETS					
Cash and balances with central bank	1 570 287	2 802 875	1 425 541	3 135 339	2 186 580
Loans and advances to banks	2 192 018	1 405 496	1 204 172	1 666 565	612 799
Financial assets held for trading & hedging	3 910 010	3 413 463	5 977 679	4 485 788	3 638 231
Loans and advances to customers	38 991 459	38 121 961	38 017 173	36 375 961	34 694 969
Investment securities	11 190 793	11 760 175	11 652 195	11 542 133	12 775 844
Investments in associates and joint ventures	110 748	107 673	104 512	101 038	93 327
Intangible assets	133 767	137 787	151 166	171 327	175 531
Property, plant & equipment	472 565	487 406	499 793	503 774	518 247
Current income tax assets	-	-	20 687	-	-
Net deferred tax assets	222 889	242 023	245 019	279 053	301 571
Assets held for sale	82 628	82 621	82 604	44 600	47 851
Other assets	458 951	448 337	416 102	429 666	429 853
Total assets	59 336 115	59 009 817	59 796 643	58 735 244	55 474 803
LIABILITIES					
Deposits from banks	2 760 278	5 223 780	2 505 070	4 946 904	5 872 233
Financial liabilities held for trading & hedging	1 238 967	993 243	1 455 442	1 542 442	648 804
Deposits from customers	46 209 895	43 485 794	46 829 482	43 769 035	40 769 594
Subordinated liabilities	425 929	415 857	441 234	440 585	398 015
Current income tax liabilities	47 819	44 339	-	26 089	27 975
Other liabilities	964 968	1 051 935	1 082 455	776 439	908 735
Total liabilities	51 647 856	51 214 948	52 313 683	51 501 494	48 625 356
Equity					
Equity attributable to owners of BZ WBK S.A.	7 607 908	7 722 357	7 355 575	7 113 537	6 735 002
Share capital	730 760	730 760	730 760	730 760	730 760
Other reserve funds	5 378 019	4 789 488	4 698 884	4 691 943	4 678 606
Revaluation reserve	677 475	592 927	545 318	508 634	481 968
Retained earnings	127 064	1 295 032	196 266	196 266	202 591
Profit of the current period	694 590	314 150	1 184 347	985 934	641 077
Non-controlling interest	80 351	72 512	127 385	120 213	114 445
Total equity	7 688 259	7 794 869	7 482 960	7 233 750	6 849 447
Total equity and liabilities	59 336 115	59 009 817	59 796 643	58 735 244	55 474 803

Net interest margin evolution

