

BZWBK Group

Results 30.09.2012

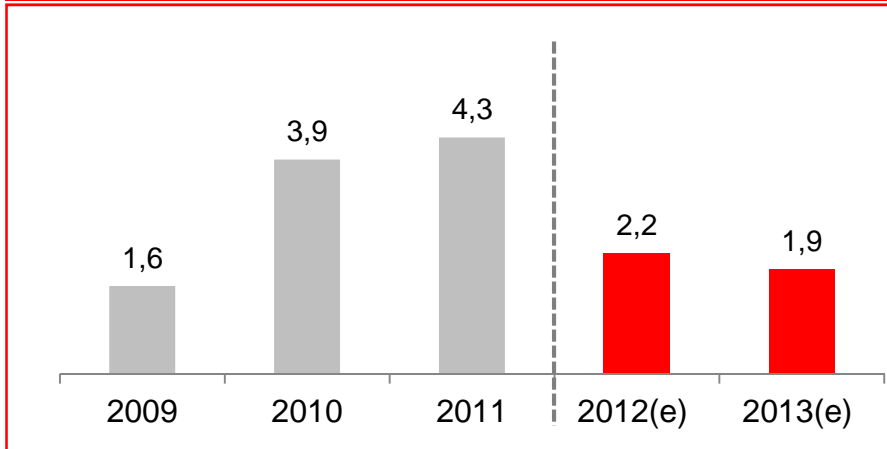
October 25th, 2012

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.

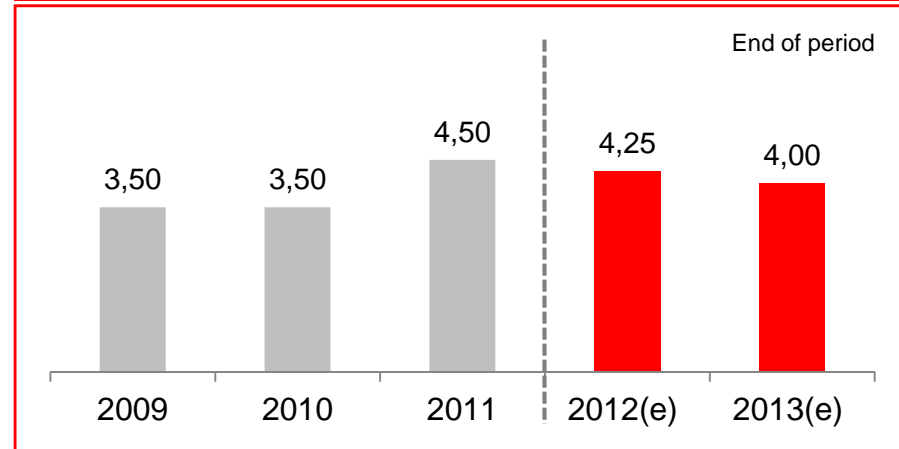
Bank Zachodni WBK shall not be liable for any consequences of decisions taken based on the forward looking statements contained in this document.

- Macroeconomic Scenario and Financial System
- 30.09.2012
 - Business
 - Results

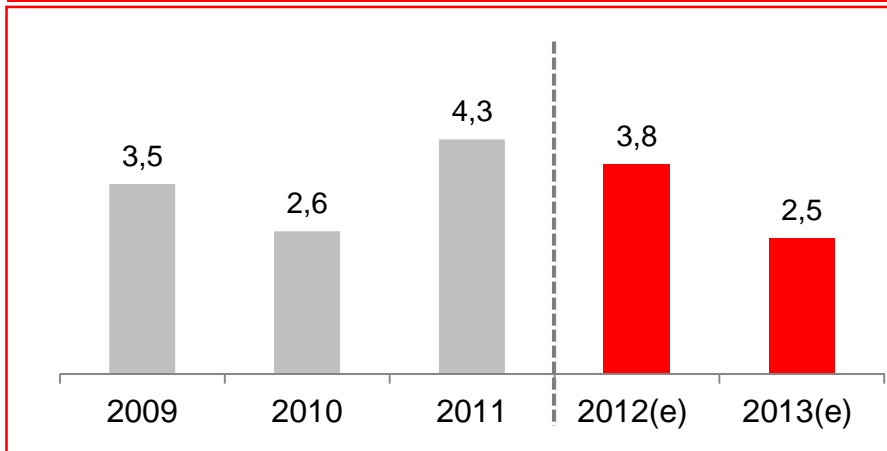
GDP (real annual growth %)



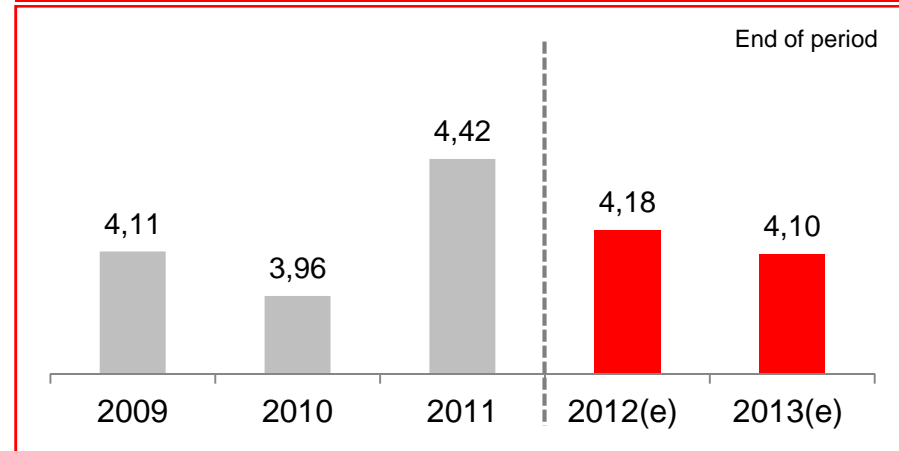
Interest Rate – NBP reference rate (%)



Inflation (CPI %)

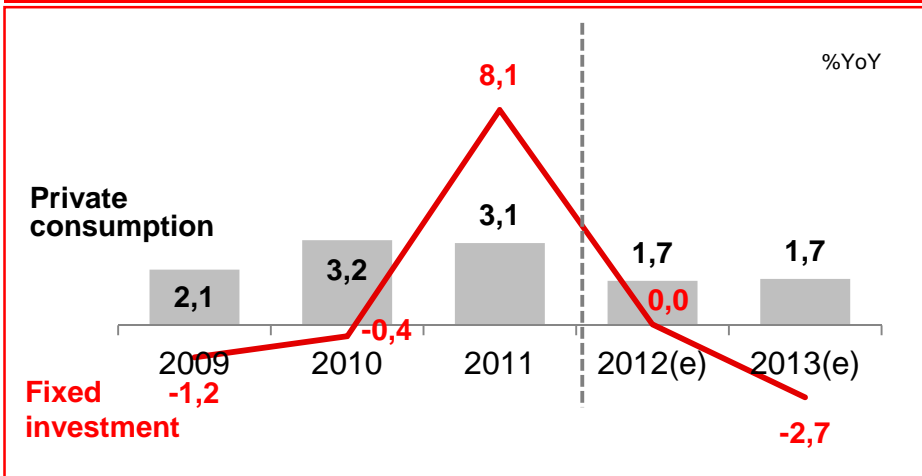


Exchange Rate – PLN/EUR

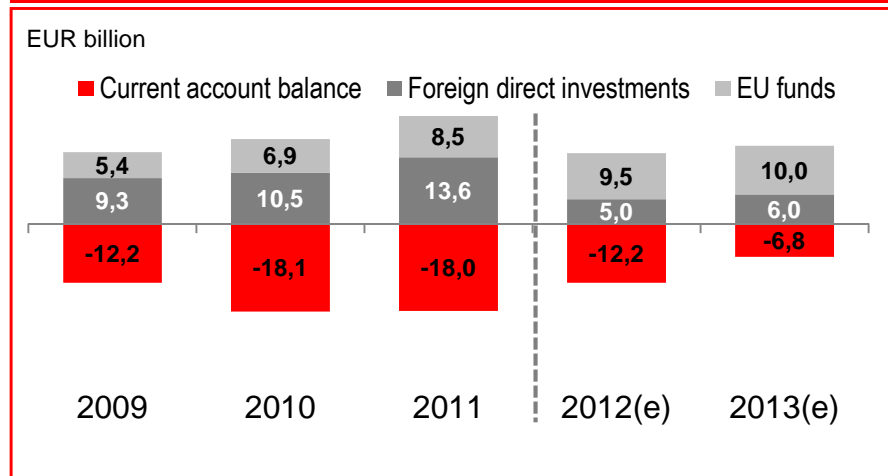


Source: National Bank of Poland, Central Statistical Office, Santander Research

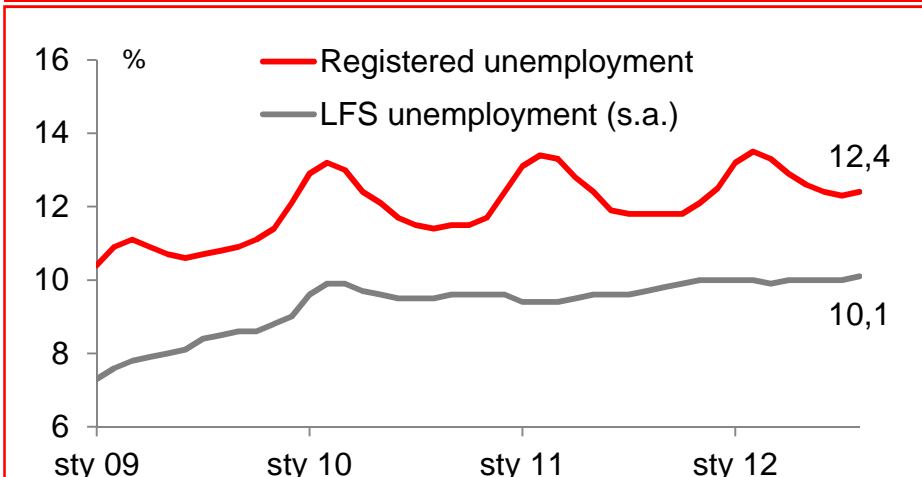
Investments and Consumption



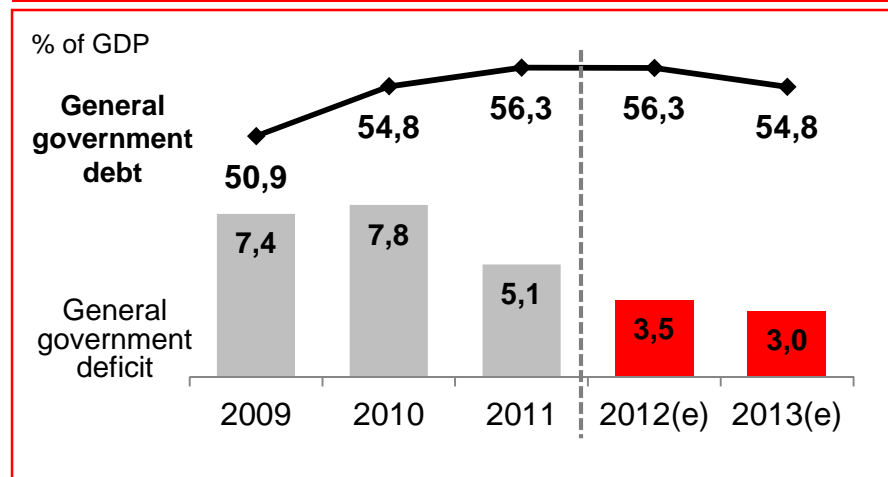
C/A Balance vs. FDI+EU funds



Unemployment Rate



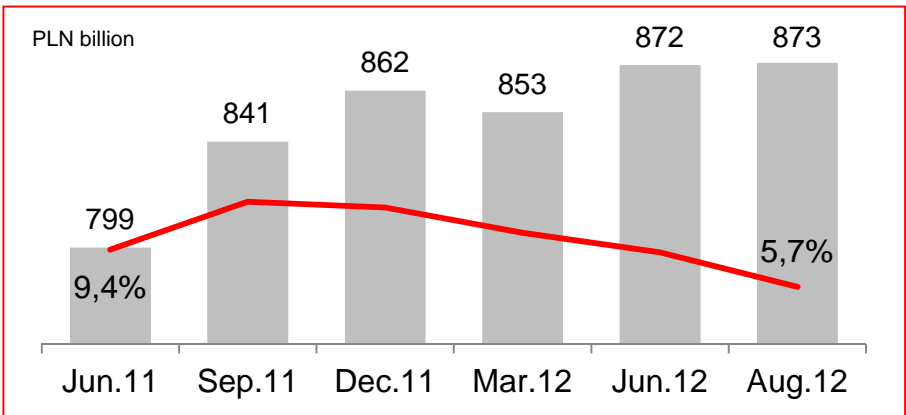
Fiscal Policy Indicators



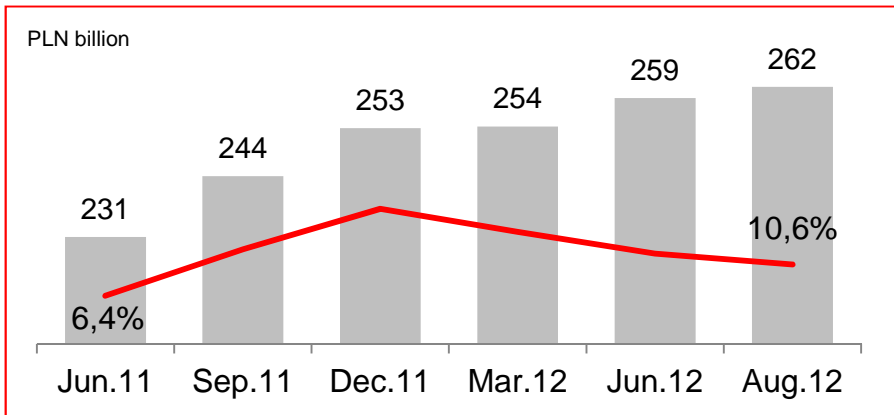
Source: National Bank of Poland, Central Statistical Office, Eurostat, Santander Research

Loan Growth

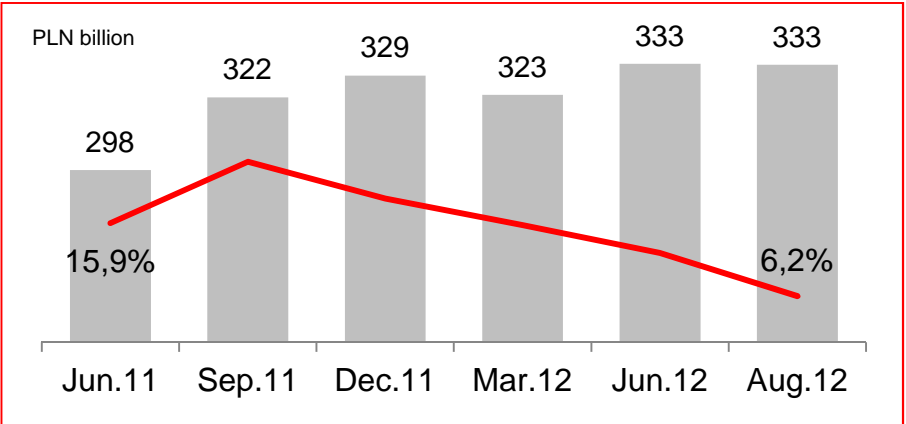
Total Loans



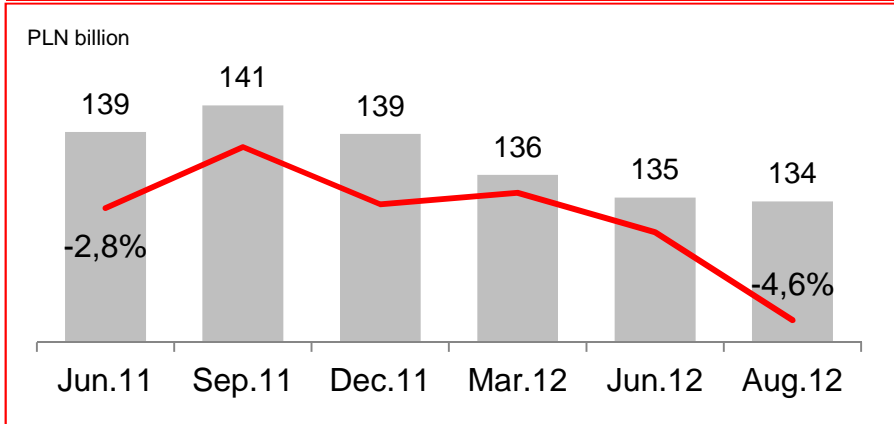
Loans to Corporations



Loans to Households (Mortgage Credit)



Loans to Households (Consumer Credit)

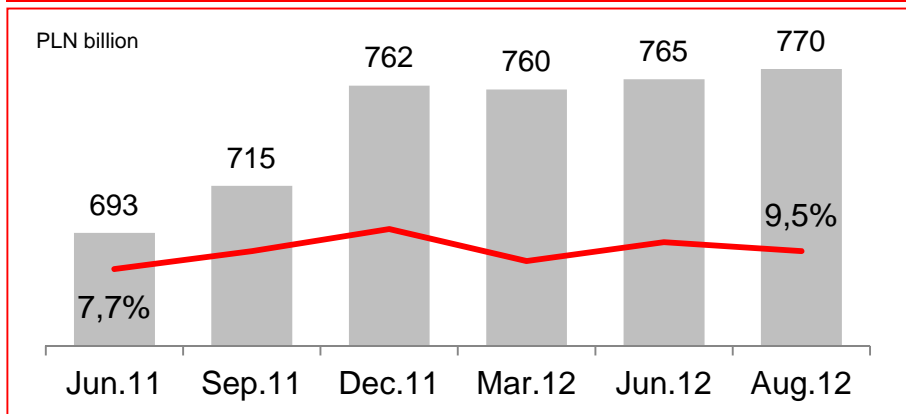


Volume
 Y-o-Y Variation %

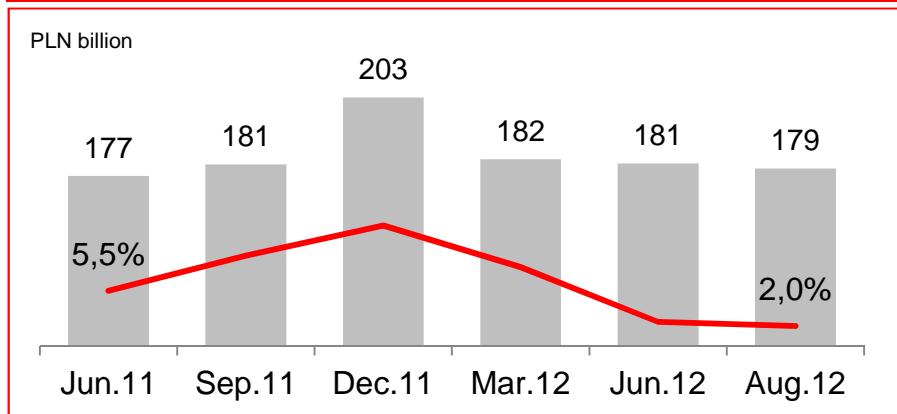
Source: National Bank of Poland

Deposit Growth

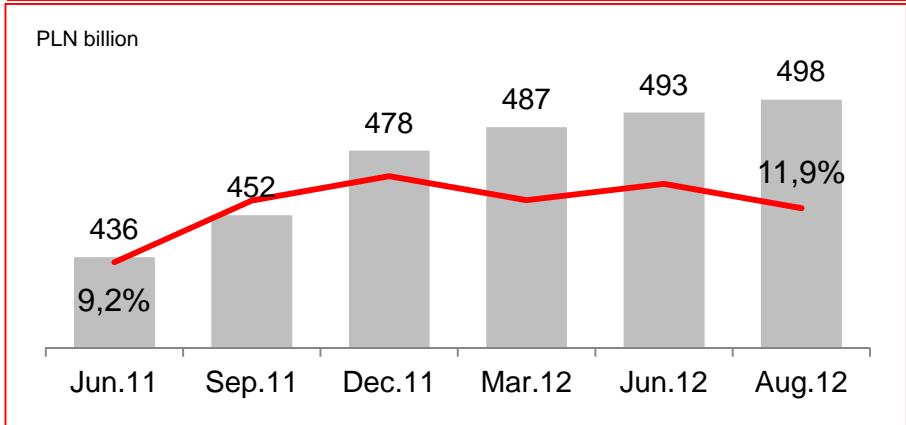
Total Deposits



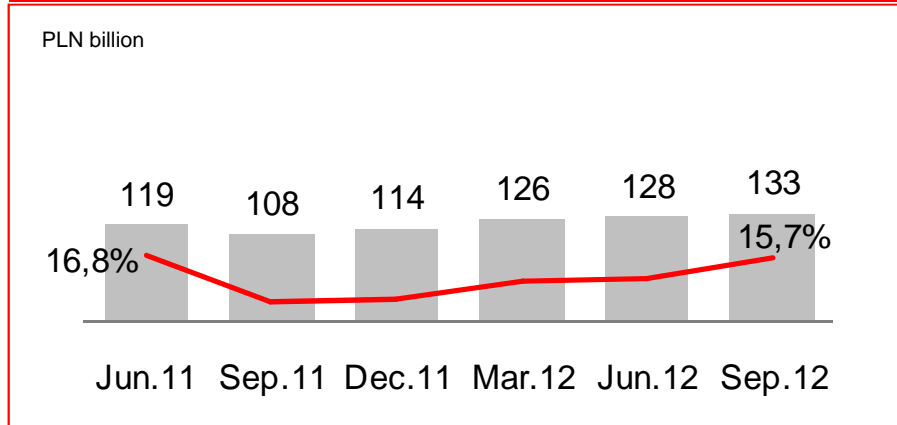
Corporate Deposits



Household Deposits



Mutual Funds



Volume
 Y-o-Y Variation %

Source: National Bank of Poland

- Macroeconomic Scenario and Financial System

- 30.09.2012

- Business

- Results

- Macroeconomic Scenario and Financial System

- 30.09.2012

- Business

- Results

BZWBK Group



BZ WBK Features

▪ Branches	630
- incl. agencies	108
▪ ATMs	1 053
▪ Employees (FTE's)	9,0 k
▪ Corporate Banking Centres	3
▪ Business Banking Centres	7

Balance Sheet 30.09.2012

▪ Assets	PLN	59 872 m
▪ Loans	PLN	39 929 m
▪ Deposits	PLN	46 398 m
▪ Total assets	+2%	Y-o-Y

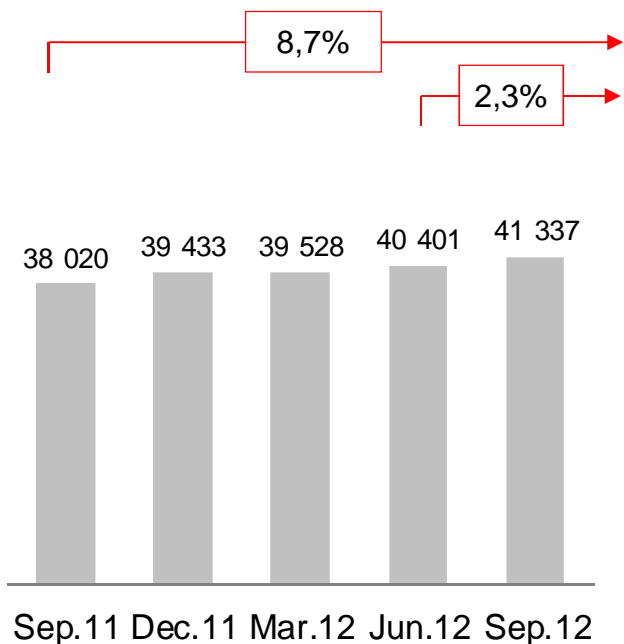
P&L 30.09.2012

▪ Income	EUR	3 000 m
▪ Costs	EUR	(1 351) m
▪ PBT	EUR	1 320 m
▪ ROE*		19.8 %

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

Loan growth driven by Cash Loans, SME and Large Corporate

PLN m

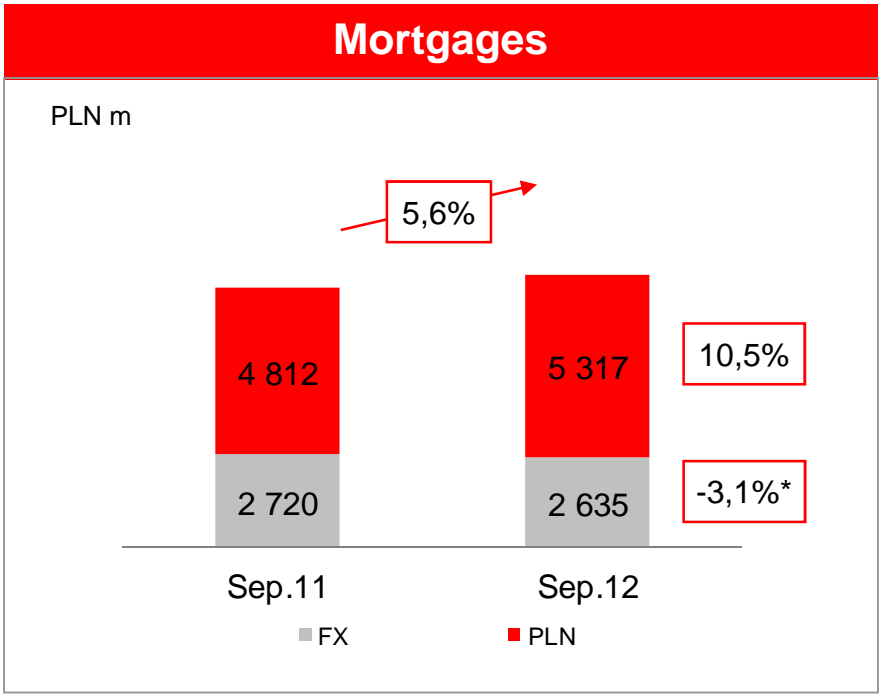
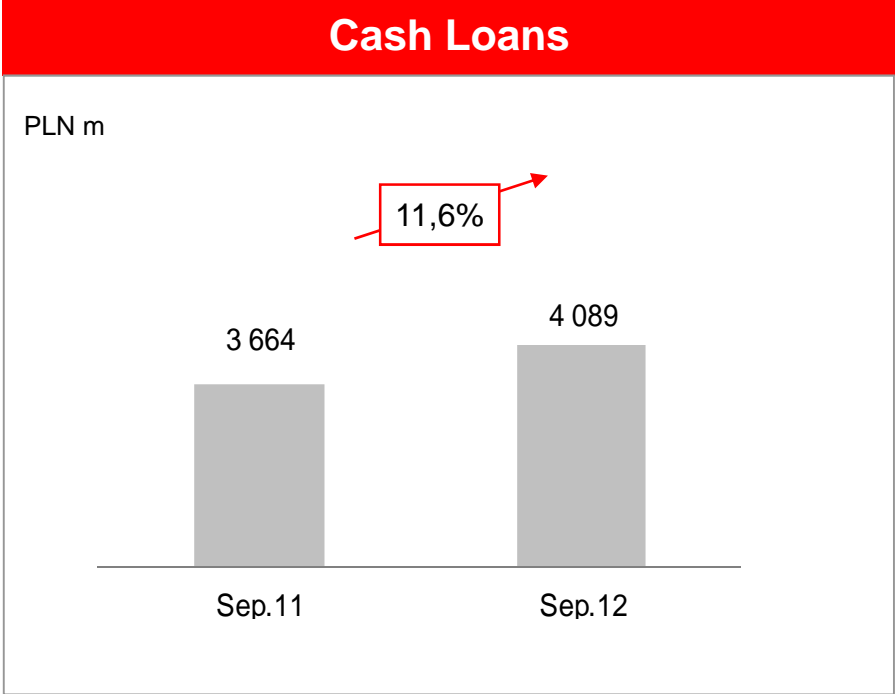


	30.09.12	30.09.11	Y-o-Y Variation	Q-o-Q Variation
Mortgage	7 952	7 532	5,6%	0,8%
Other personal	5 463	5 050	8,2%	5,4%
Total personal	13 415	12 582	6,6%	2,6%
Business	27 922	25 438	9,8%	2,2%
Total gross loans	41 337	38 020	8,7%	2,3%

Comments

- Y-o-Y variation excluding FX effect:
 - Mortgage Loans 8%
 - Total Personal Loans 8%
 - Business Loans 12%
 - Total Loans 11%
- PLN loans comprise 70% of total gross loan portfolio

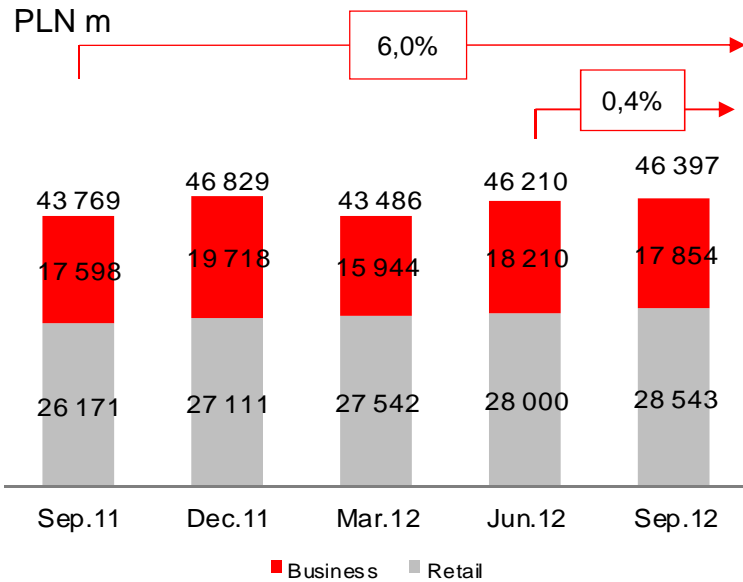
Personal Lending +6,6 % Y-o-Y



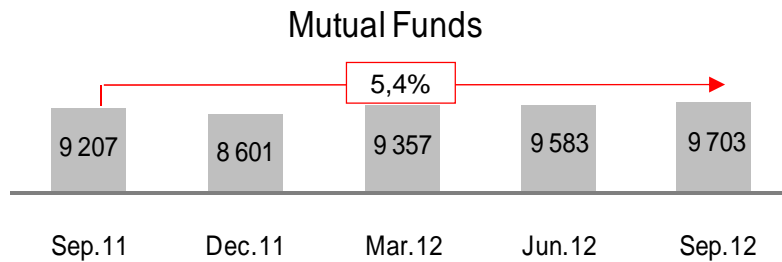
- ### Comments
- Further cash loan market share increase in August
 - Cash loan sales outperforming the market

* FX mortgage increase of 3,2% excluding FX effect

Active Management of Deposits



	30.09.12	30.09.11	Y-o-Y Variation	Q-o-Q Variation
Demand	13 077	12 275	6,5%	-9,2%
Savings	6 029	6 289	-4,1%	-6,0%
Time Deposits	27 292	25 205	8,3%	7,5%
Customer Deposits	46 398	43 769	6,0%	0,4%



Comments

- Business Deposits +1,5% Y-o-Y
- Retail Deposits +9,1% Y-o-Y
- Mutual Funds +5,4% Y-o-Y

Market Share (%)	August 2012	December 2011	September 2011
------------------	-------------	---------------	----------------

Total Banking System Loans

Total Loans	4,32	4,2	4,15
- Cash Loans	4,11	3,62	3,61

Deposits + Funds

Total Deposits	5,36	5,53	5,29
- Personal Deposits	5,79	5,8	5,85
- Business Deposits	4,78	5,18	4,58

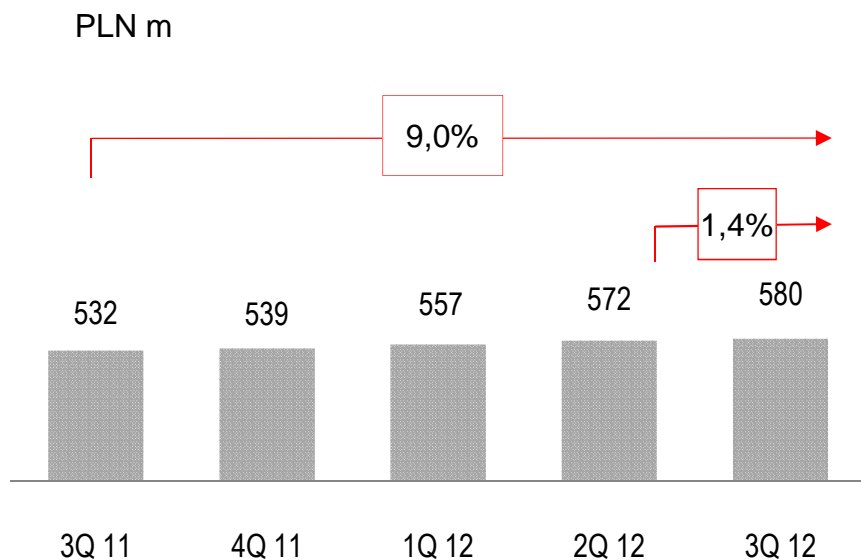
- Macroeconomic Scenario and Financial System

- 30.09.2012

- Business

- Results

Net Interest Income +11,8% Y-o-Y

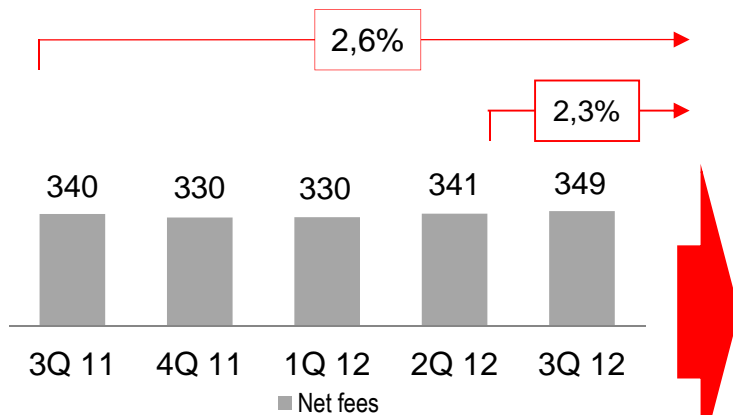


NIM by Q, %				
4,29	4,23	4,27	4,32	4,34
3Q11	4Q11	1Q12	2Q12	3Q12

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

Net Fees impacted by Investment Banking

PLN m



	30.09.2012	30.09.2011	Y-o-Y Variation	Q-o-Q Variation
eBusiness & payments	257	233	10,8%	1,1%
Investment banking ¹	189	267	-29,2%	5,0%
Current accounts & money transfer	180	183	-1,6%	-1,6%
FX fees	175	163	7,3%	5,1%
Loan fees	92	70	30,9%	21,4%
Insurance fees	83	52	61,1%	-18,8%
Other ²	44	60	-26,7%	15,4%
Total	1 020	1 028	-0,7%	2,3%

Comments

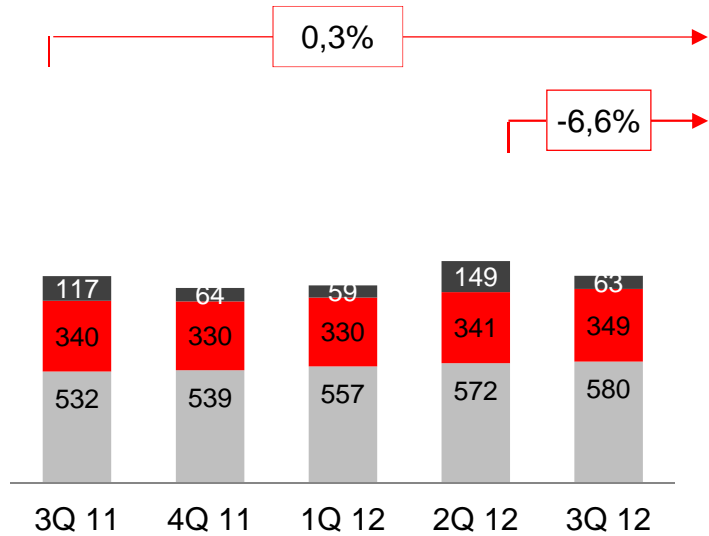
- Strong Y-o-Y increase in Insurance income
- Loan fees supported by marketing campaign
- Investment banking impacted by Asset management and Brokerage activity

1. Brokerage fees, distribution and management fees
 2. Includes off-balance sheet guarantees commissions, issue arrangement fees, credit card fees, structured product fees and other

Results: Total Income

Total Income grew by 3,8% Y-o-Y

PLN m



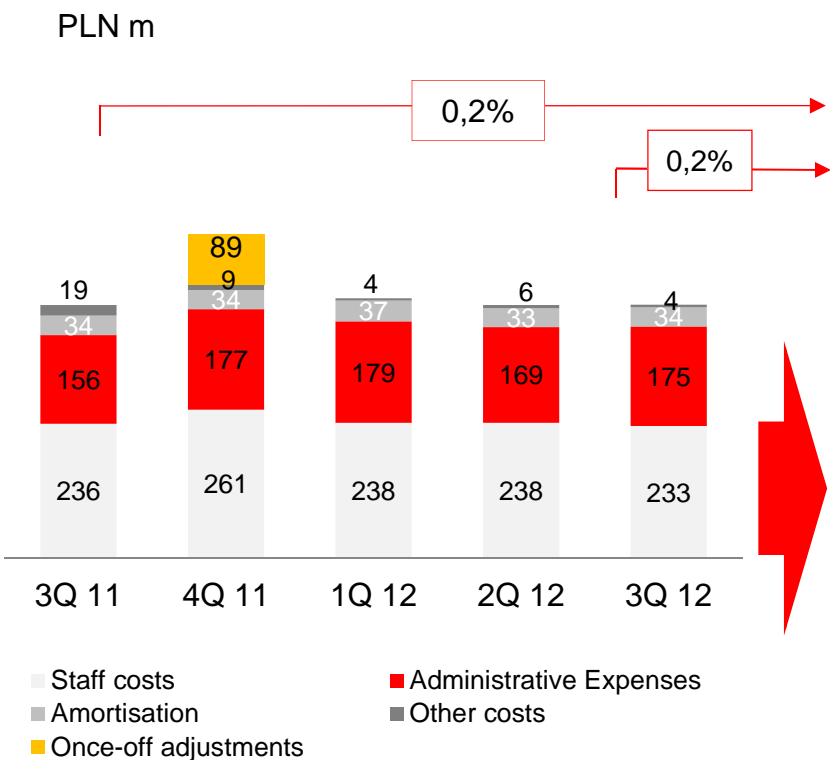
- Gain/Loss on financial transaction + Others
- Fees
- Net Interest Income

	30.09.12	30.09.11	Y-o-Y Variation	Q-o-Q Variation
Net Interest Income	1 709	1 529	11,8%	1,4%
Fees	1 020	1 028	-0,8%	2,3%
Subtotal	2 729	2 557	6,7%	1,8%
Gain/Loss on financial transactions + Others	271	332	-18,4%	-57,7%
Total Income	3 000	2 889	3,8%	-6,6%

Comments

- Gains/losses on financial transactions and Other impacted by:
 - Sale of debt securities yielding gains YTD of PLN +40,2m
 - Lower dividend income received in Q2 from Aviva entities at PLN 47,9m, - 29,1% YoY

Total Expenses stable Y-o-Y and Q-o-Q



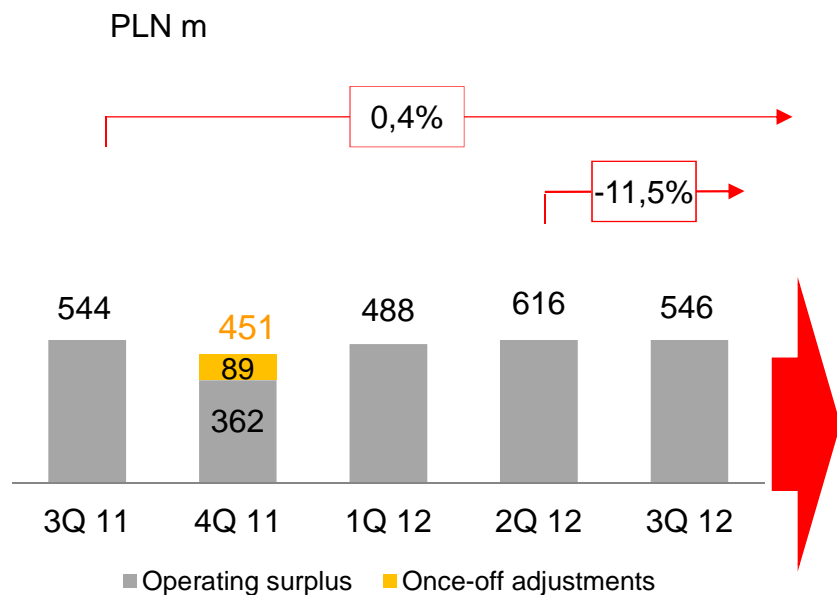
	30.09.12	30.09.11	Y-o-Y Variation	Q-o-Q Variation
Staff costs	709	717	-1,1%	-2,1%
Administrative Expenses	523	500	4,6%	3,6%
Amortization	104	106	-1,6%	3,0%
Other costs	15	31	-52,7%	-16,7%
Total	1 351	1 354	-0,2%	0,2%

Comments

- Excellent cost management across all cost lines
- Consultancy and other costs related to the Kredyt Bank merger reflected in Ytd expenses

Results: Net Operating Income

Net Operating Income growth of 7,4% mainly driven by NII

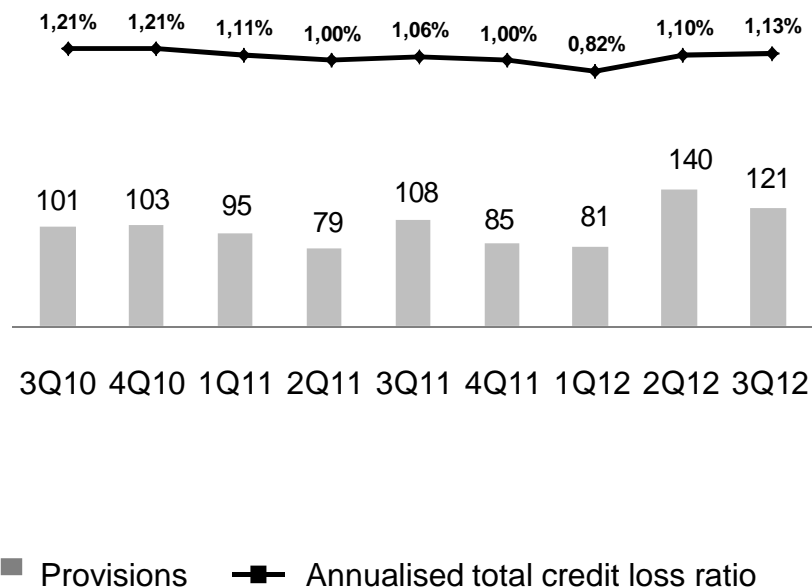


	30.09.12	30.09.11	Y-o-Y Variation	Q-o-Q Variation
Net Interest Income + Fees	2 729	2 557	6,7%	1,8%
Gain on financial transactions + Others	271	332	-18,4%	-57,7%
Adm. Expenses + Amortization + Other costs	(1 351)	(1 354)	-0,2%	0,2%
Net operating income	1 649	1 535	7,4%	-11,5%

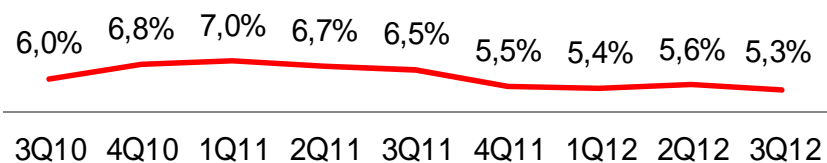
Provision charge impacted by large individual cases

PLN m

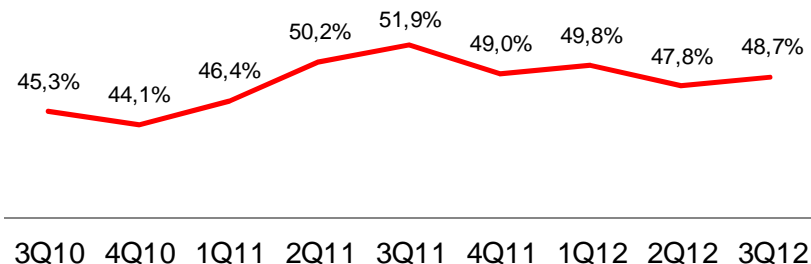
Provisions and Annualised total credit loss ratio



NPL (%)

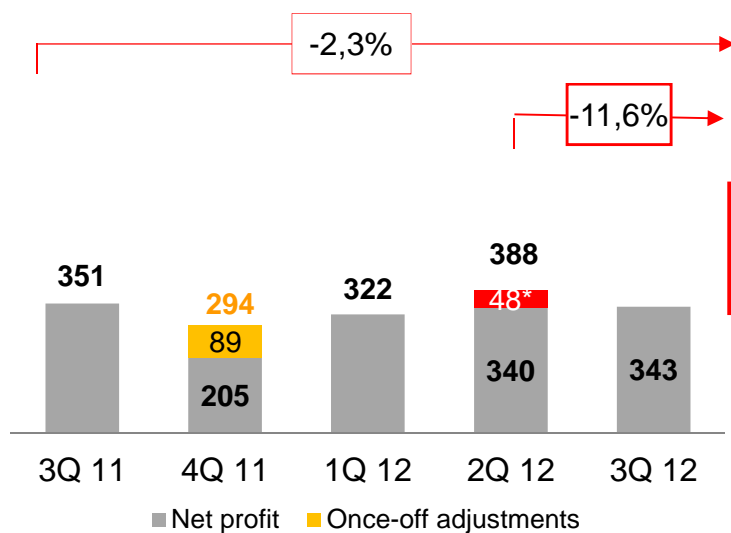


Coverage Ratio (%)



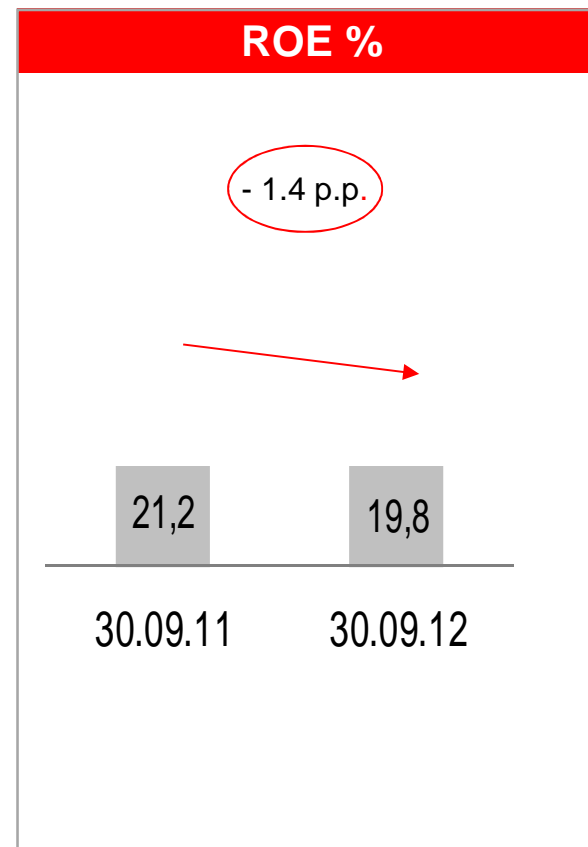
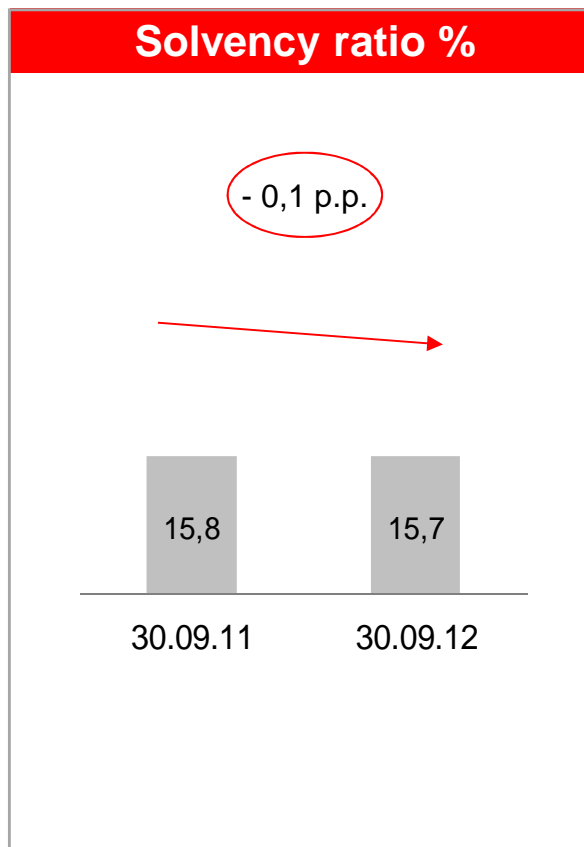
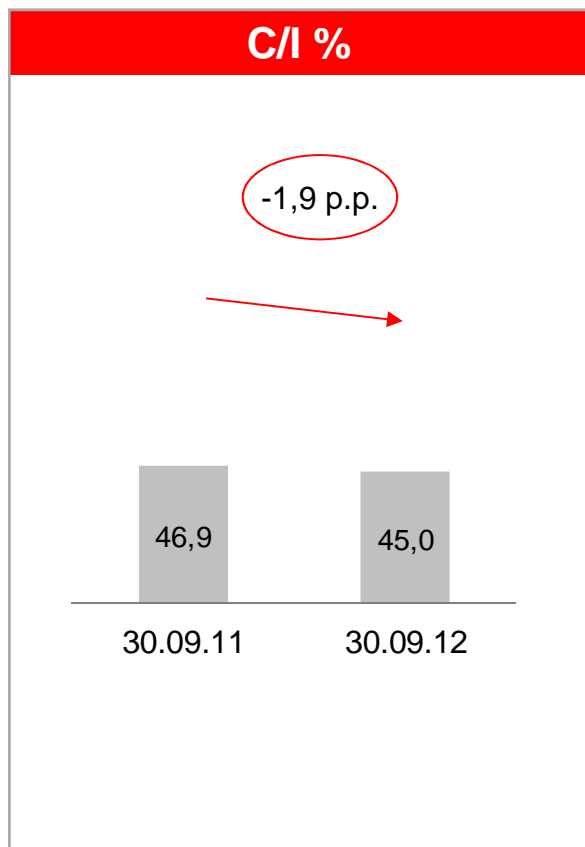
Net Profit of PLN 1 053 m on 30.09.2012,
growth of 3,0% Y-o-Y

PLN m



	30.09.12	30.09.11	Y-o-Y Variation	Q-o-Q Variation
Profit before Taxes	1 320	1 262	4,6%	-9,8%
Taxes	(267)	(240)	11,5%	-2,2%
Net Profit	1 053	1 022	3,0%	-11,6%
Attributable profit	1029	986	4,4%	-12,3%

* In Q2 2012 dividend from Aviva entities of PLN 47,9 m



Conclusions:

Key points

- Good growth in loans +8,7%
- Ongoing cost management
- Focus on net interest margin

Loans

- Personal: +6,6% y/y
- Business: +9,8% y/y
- Loan/Deposit ratio: 86,1%

Interest income

- Strong growth in interest income:
- +11,8% y/y
 - +1,4% q/q

Net profit

- Net Profit totalled PLN 1 053 m
- + 3,0% y/y
 - - 11,6% q/q

Efficiency

- Cost / Income Ratio at 45%

ANNEXES

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

P&L Account

26

for the period (in PLN k):	3Q 2012	2Q 2012	1Q 2012	4Q 2011	3Q 2011
Interest and similar income	983 491	946 170	943 861	915 721	877 099
Interest expense and similar charges	(402 997)	(374 328)	(386 937)	(376 468)	(344 870)
Net interest income	580 494	571 842	556 924	539 253	532 229
Fee and commission income	400 582	391 954	381 059	383 955	390 460
Fee and commission expense	(51 667)	(50 639)	(50 940)	(53 930)	(50 195)
Net fee and commission income	348 915	341 315	330 119	330 025	340 265
Dividend income	3 795	53 718	1	109	447
Net trading income and revaluation	31 169	54 071	40 034	49 701	107 530
Gains (losses) from other financial securities	21 432	24 382	2 652	4 923	1 505
Gains (losses) from investment in subsidiaries and associates	400	-	-	-	-
Other operating income	6 099	16 396	16 367	9 147	7 810
Impairment losses on loans and advances	(120 530)	(140 026)	(80 806)	(85 524)	(107 854)
Operating expenses incl.:	(446 440)	(446 747)	(457 742)	(570 618)	(445 003)
<i>Bank's staff, operating expenses and management costs</i>	<i>(407 989)</i>	<i>(406 640)</i>	<i>(417 104)</i>	<i>(442 513)</i>	<i>(392 728)</i>
<i>Depreciation/amortisation</i>	<i>(34 102)</i>	<i>(33 417)</i>	<i>(36 865)</i>	<i>(109 793)</i>	<i>(34 466)</i>
<i>Other operating expenses</i>	<i>(4 349)</i>	<i>(6 690)</i>	<i>(3 773)</i>	<i>(18 312)</i>	<i>(17 809)</i>
Operating profit	425 334	474 951	407 549	277 016	436 929
Share in net profits (losses) of entities accounted for by the equity method	5 954	3 075	3 161	3 474	2 733
Profit before tax	431 288	478 026	410 710	280 490	439 662
Corporate income tax	(88 519)	(89 822)	(88 807)	(75 959)	(88 806)
Profit for the period	342 769	388 204	321 903	204 531	350 856
incl.:					
attributable to owners of BZ WBK S.A.	334 738	380 440	314 150	198 413	344 857
attributable to non-controlling interests	8 031	7 764	7 753	6 118	5 999

Balance Sheet

	3Q 2012	2 Q 2012	1 Q 2012	4 Q 2011	3 Q 2011
Cash and balances with central bank	2 606 568	1 570 287	2 802 875	1 425 541	3 135 339
Loans and advances to banks	1 622 289	2 192 018	1 405 496	1 204 172	1 666 565
Financial assets held for trading & hedging	1 962 047	3 910 010	3 413 463	5 977 679	4 485 788
Loans and advances to customers	39 928 847	38 991 459	38 121 961	38 017 173	36 375 961
Investment securities	12 303 304	11 190 793	11 760 175	11 652 195	11 542 133
Investments in associates and joint ventures	112 161	110 748	107 673	104 512	101 038
Intangible assets	114 758	133 767	137 787	151 166	171 327
Property, plant & equipment	466 809	472 565	487 406	499 793	503 774
Current income tax assets	-	-	-	20 687	-
Net deferred tax assets	265 224	222 889	242 023	245 019	279 053
Assets held for sale	82 604	82 628	82 621	82 604	44 600
Other assets	407 466	458 951	448 337	416 102	429 666
Total assets	59 872 077	59 336 115	59 009 817	59 796 643	58 735 244
Deposits from central bank	-	-	-	-	-
Deposits from banks	2 518 760	2 760 278	5 223 780	2 505 070	4 946 904
Financial liabilities held for trading & hedging	1 103 891	1 238 967	993 243	1 455 442	1 542 442
Deposits from customers	46 397 791	46 209 895	43 485 794	46 829 482	43 769 035
Debt securities in issue	-	-	-	-	-
Subordinated liabilities	411 254	425 929	415 857	441 234	440 585
Current income tax liabilities	102 525	47 819	44 339	-	26 089
Other liabilities	933 362	964 968	1 051 935	1 082 455	776 439
Total liabilities	51 467 583	51 647 856	51 214 948	52 313 683	51 501 494
Equity attributable to owners of BZ WBK S.A.	8 316 407	7 607 908	7 722 357	7 355 575	7 113 537
Share capital	746 376	730 760	730 760	730 760	730 760
Other reserve funds	5 699 555	5 378 019	4 789 488	4 698 884	4 691 943
Revaluation reserve	714 084	677 475	592 927	545 318	508 634
Retained earnings	127 064	127 064	1 295 032	196 266	196 266
Profit of the current period	1 029 328	694 590	314 150	1 184 347	985 934
Non-controlling interest	88 087	80 351	72 512	127 385	120 213
Total equity	8 404 494	7 688 259	7 794 869	7 482 960	7 233 750
Total equity and liabilities	59 872 077	59 336 115	59 009 817	59 796 643	58 735 244

Net interest margin evolution

