

Impressive beginning of the year

IQ 2006 BZWBK Group Performance

24 April 2006

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IQ 2006

	IQ 2005	IQ2006	Change
Gross profit	156.7m	239.1m	+52.6%
Net profit	122.9m	191.4m	+55.7%
Profit attributed to shareholders	119.3m	175.4m	+47.1%
Cost/Income Ratio	64.1%	54.8%	-9.3p.p.
ROE*	15.2%	19.4%	+4.2p.p.

* Profit for previous 4 quarters, equity excludes dividend payable

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Dynamic Growth in Savings +38% YoY



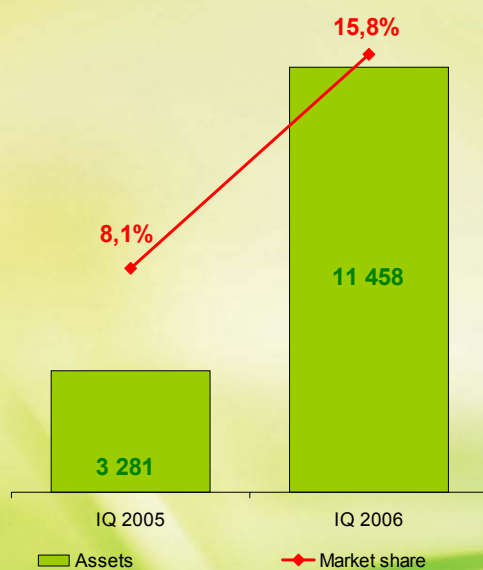
- Total customer's funds entrusted to BZWBK Group (incl. deposits, savings bonds & mutual funds) increased by 38% YoY almost PLN 34bn.
- Mutual Funds increased by +249% YoY
- Assets under management increasing rapidly +216% YoY
- Total Deposits increased by 4.5% YoY
- Significant maturing savings bonds – 37%

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Remarkable success – Investment funds + 249% YoY !



- 249% increase in assets over the past 12 months when market grew by 127%
- Significant increase in market share. Now 15.8% (IQ 2005 8.1%).
- Now 2nd position on the market
- Dynamic growth in funds' assets:
 - ARKA Stable Growth Fund +600%
 - ARKA Equity Fund +447%
 - ARKA balanced Fund +328%
- Excellent performance in fund units
- New distributors in the network:
 - BRE Bank S.A. Private Banking
 - Bankowy Dom Maklerski PKOBP
- Promotional campaign „Arka przynosi najwięcej. Od lat.”

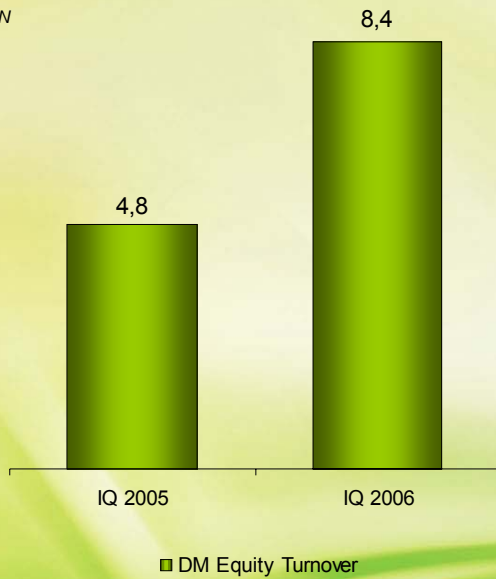
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Brokerage services + 75% YoY

bn PLN



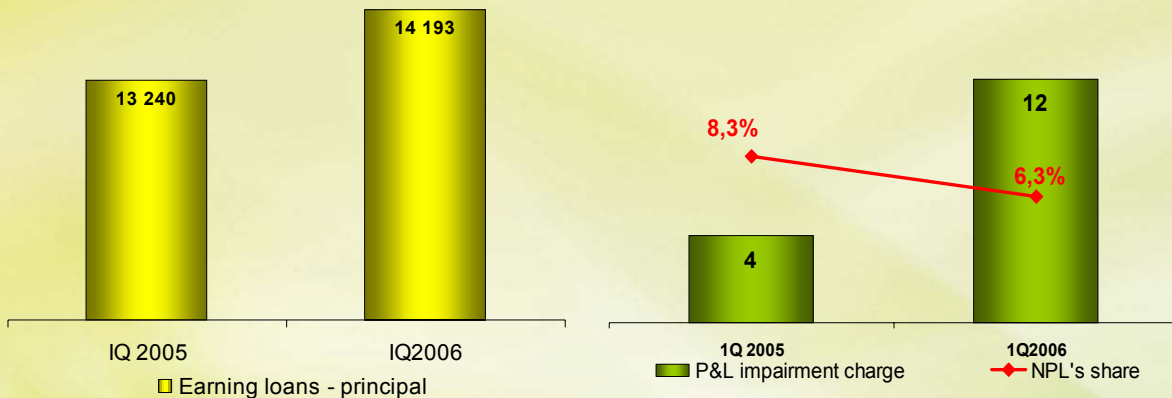
- DM BZWBK turnover on equity market increased by 75% to the level of PLN 8.4bn. Third position on the market – 11.3%.
- DM BZWBK turnover on futures market increased by 32%. Third position on the market – 12.11%
- Third position on the options market with 10.92% share.
- Increase in the number of internet accounts from 17.6k in the end of March 2005 to 24.k in the end of March 2006 – by 37%

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Loans +5% YoY



- Total loans to customers increased by 5%
- Earning Loans (principal) increased by 7%
 - Retail 21%
 - Business 3%
- NPL's Ratio significantly improved by 2 p.p.
- Benefits from prudent lending approach being realised.
- Annualised Credit loss 0.32% (2005 full year 0.41%).

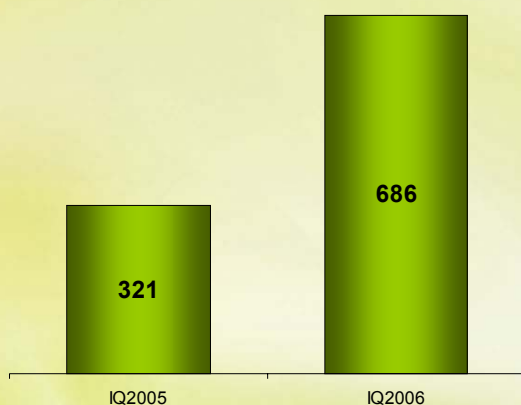
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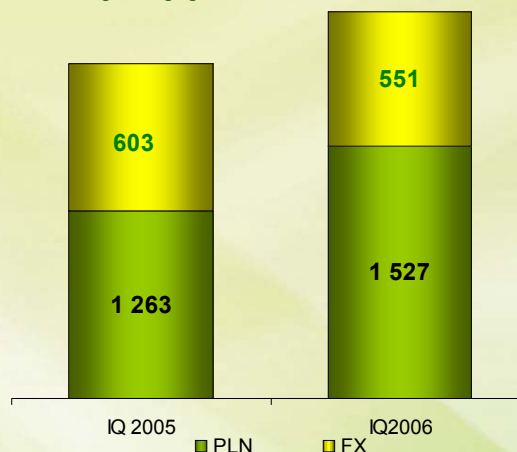
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Loans

Performing cash loans



Performing Mortgage loans



- Performing cash loans increased by 114%
- „Dobra pożyczka” – new product
- New insurance package for cash loans customer

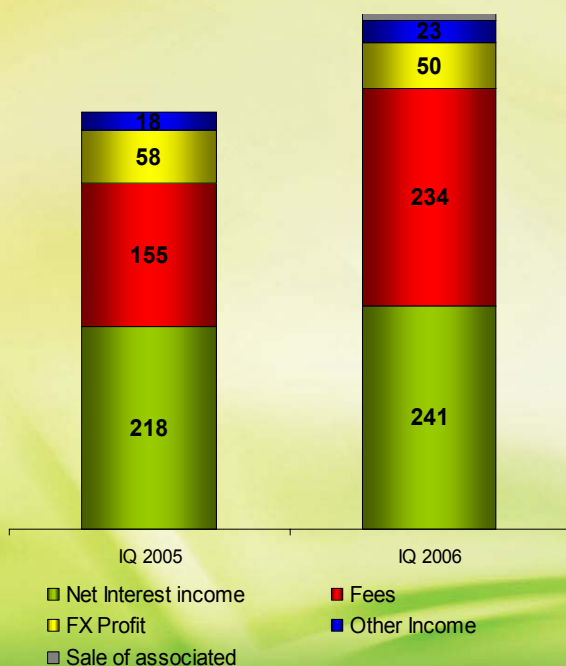
- Performing PLN Mortgage Loans increased by 20%
- Performing FX Mortgage Loans decreased by 9%
- Promotional interest rate WIBOR 6M + 0.5 p.p.
- New attractive conditions in the offer (increased LTV, longer financing period)

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Total Income PLN 556m +24% YoY



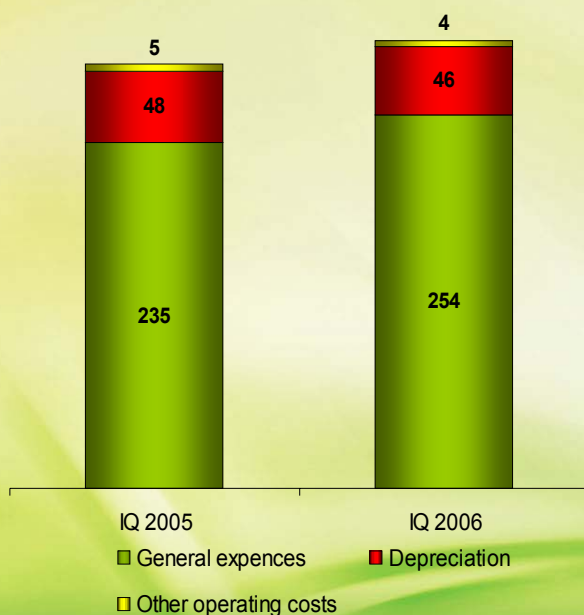
- Total income increased by 24%.
- Net interest income impacted by
 - Rate environment
 - Business mix / competition
 - Accounting treatment of FX derivatives
- Fees & commissions:
 - Income generated by asset management increased by +270%
 - Distribution fee +527%
 - Management fee +230%
 - Brokerage Fees increased by +95%
 - eBusiness & Payment products +18%
- Underlying FX Profit increased by 10.7%.

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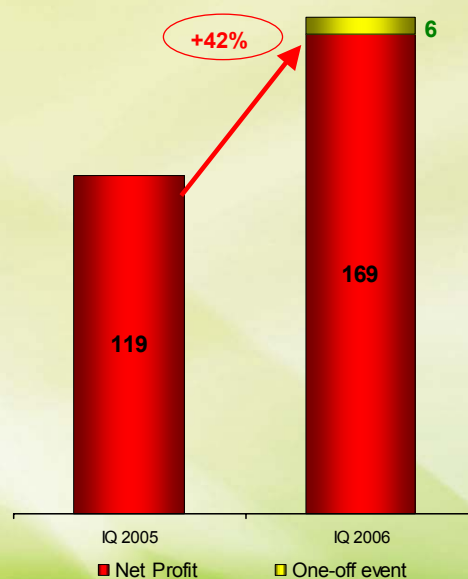
Operating expenses PLN 305m +6% YoY



- Staff costs increasing (+15%) due to:
 - Salary and performance bonuses increases
 - Higher staff numbers
- Reducing Administrative costs (-2%) driven by:
 - Benefits of Purchasing Policy
 - Renegotiation of supplier contracts
 - Successful implementation of savings initiatives
- Depreciation decreased by 3.5%

Bottom Line – Net Profit PLN 175m

PLN m	IQ 2005	IQ 2006	2006/2005
Total income	449	556	+23.9%
Total costs	288	305	+5.9%
Operating surplus	161	251	+56.0%
Provisions	-4	-12	+180.8%
Gross profit	157	239	+52.6%
Taxation	-34	-48	+40.9%
Minority interests	4	16	+344.5%
Net Profit	119	175	+47.1%



- Net profit increased by 47%
- ROE increased by 4.2 p.p. to 19.4%.

Key Highlights

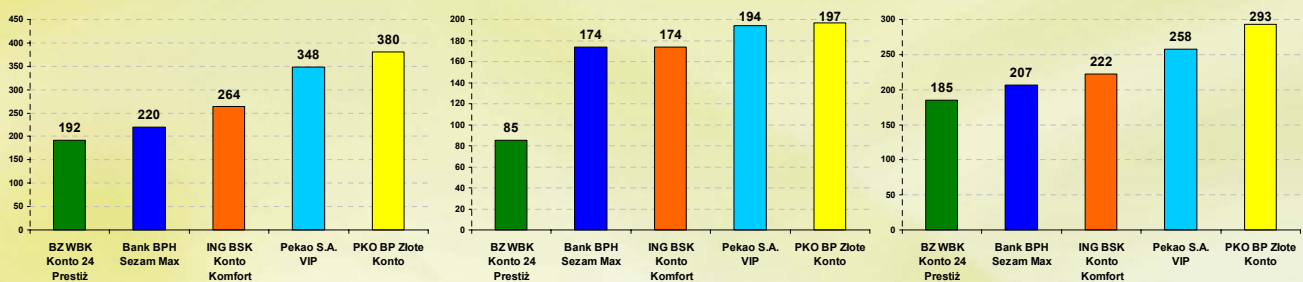
- Spectacular growth in mutual funds assets with substantial growth in market share and solid performance in deposits.
- Excellent results of brokerage and leasing businesses.
- Expansion of personal lending portfolio, good results in cash and mortgage loans.
- Improvement in the loan portfolio quality.

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Costs of banking services



Upper/Classic – Premium Segment

- one cash lodgement in Branch
- two standing orders
- six internet transfers
- two withdrawals from ATMs other than BZWBK's

Starting Up Segment

- one standing order
- two internet transfers
- one withdrawal from ATM other than BZWBK's

Lower/Classic Segment

- one standing order
- one Branch transfer
- one withdrawal from ATM other than BZWBK's

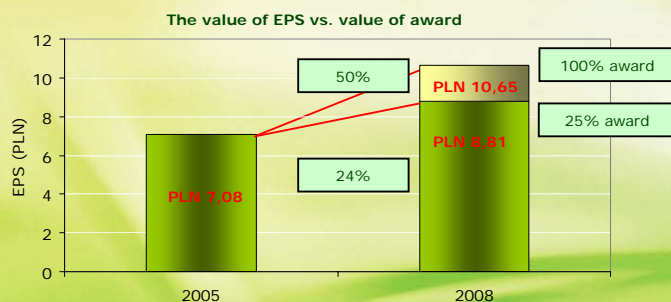
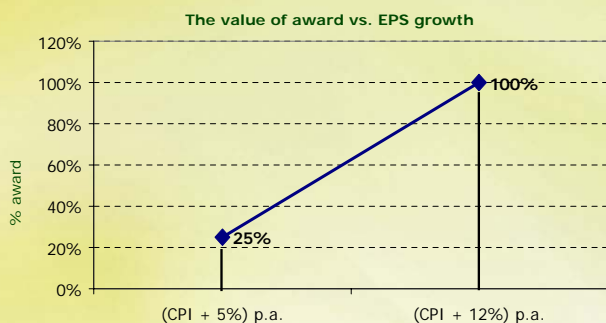
Bank's own calculation based on published Schedules of Fees and Commissions

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Incentive scheme



Assumptions	2006	2007	2008
Inflacja (CPI%)	2,20	2,50	3,00

- Less than 100 key managers, award up to 100% annualised basic salary as at 01.01.2006, in shares – the amount calculated using market price from before AGM
- Right to buy BZWBK shares after consolidated EPS growth (2006 – 2008) criteria are met :
 - 25% shares will vest, if EPS growth is 24% i.e. cumulated annual growth 5% over CPI.
 - 100% shares will vest, if EPS growth is 50%, i.e. cumulated annual growth 12% over CPI.

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