

2005

***Performance
of BZWBK Group***

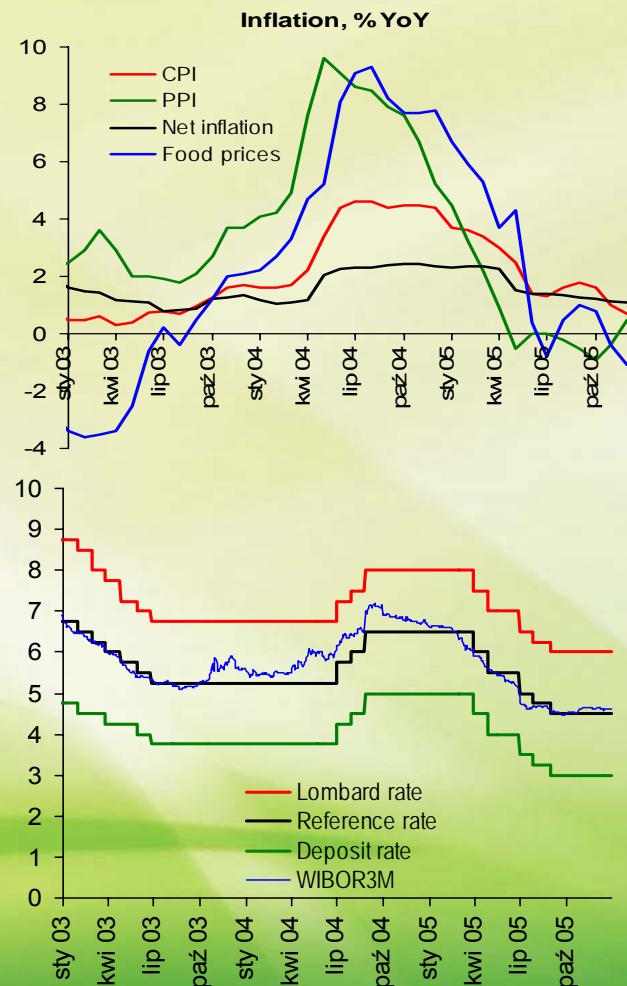
22 February 2005

 **WBK** | Bank Zachodni WBK S.A.

WARTO BYĆ RAZEM

Inflation and interest rates down in 2005

- Following post-EU accession increase, inflation was gradually declining to below 1% at the end of 2005
- Economic recovery was not strong enough to fuel demand-side pressure on price growth
- Inflation reduction at the beginning of 2005 and belief of MPC members that this is permanent tendency induced the MPC to cut interest rates by 200bp throughout last year
- The last cut during 2005 took place in August, but following unexpected deepening of inflation fall and improved inflation projection caused that the start of 2006 saw renewed rate cut cycle



WBK

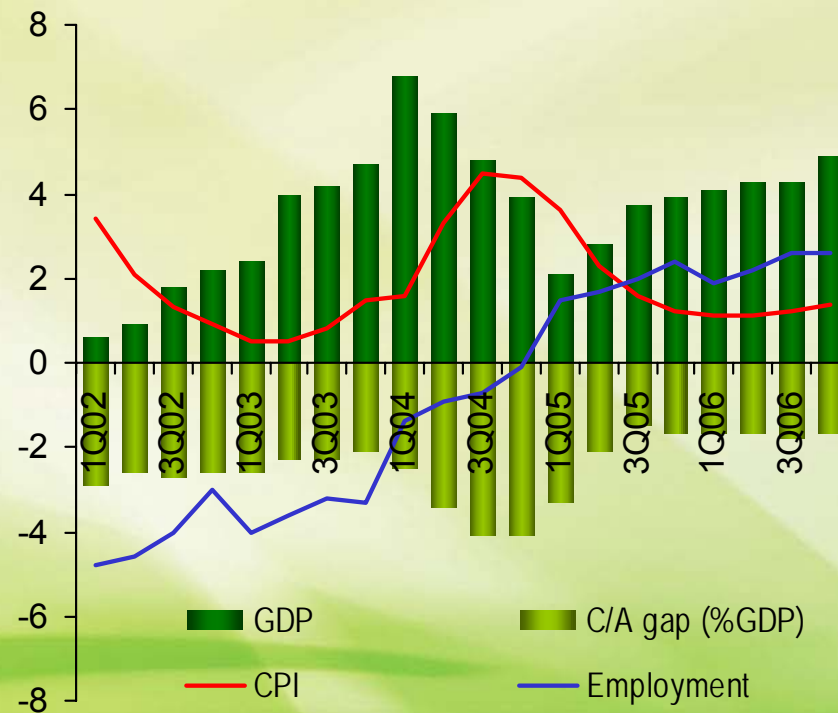
Bank Zachodni WBK S.A.

WARTO BYĆ RAZEM







2006 – Economic expansion to continue

- GDP growth likely to stabilise above 4% in 2006, amid strengthening domestic demand and stabilising export growth
- Fast investment rise likely thanks to low interest rates, growing use of EU funds, and strengthening demand
- Rising economic activity and still good financial results of companies should allow for continuing improvement on the labour market
- Inflation should remain below MPC target 2.5%
- Unsolved fiscal problems and potential political instability remain uncertainty factors

Quarterly economic indicators, % YoY



2005 Highlights

	2004*	2005	Change	
Profit Before Tax	570m	689m	+21%	
Profit attributed to shareholders	438m	516m	+18%	
Adjusted Net Profit**	393m	516m	+31%	
Basic earnings per share	6.00	7.08	+18%	
Cost/Income ratio**	65.1%	61.4%	-3.7p.p.	
ROE**	15.2%	18.0%	+2.8p.p.	

* 2004 Restated for IFRS

** 2004 excluding impact of sale CardPoint (PLN 55m PBT & PLN 45m PAT)

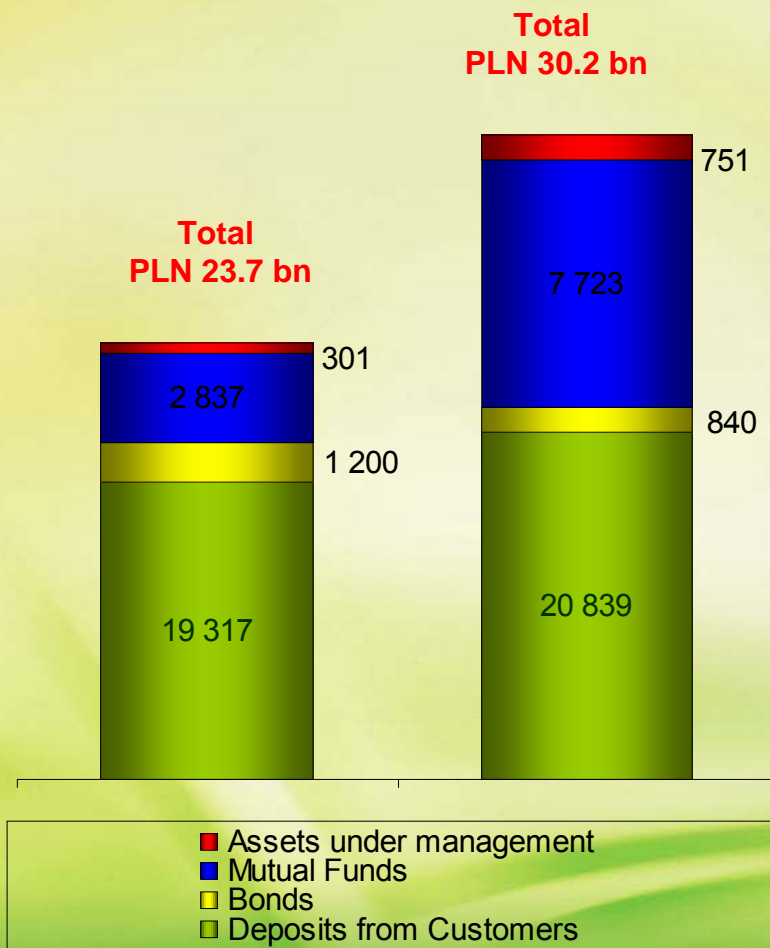
 **WBK** | Bank Zachodni WBK S.A.

WARTO BYĆ RAZEM

2005 Key Features

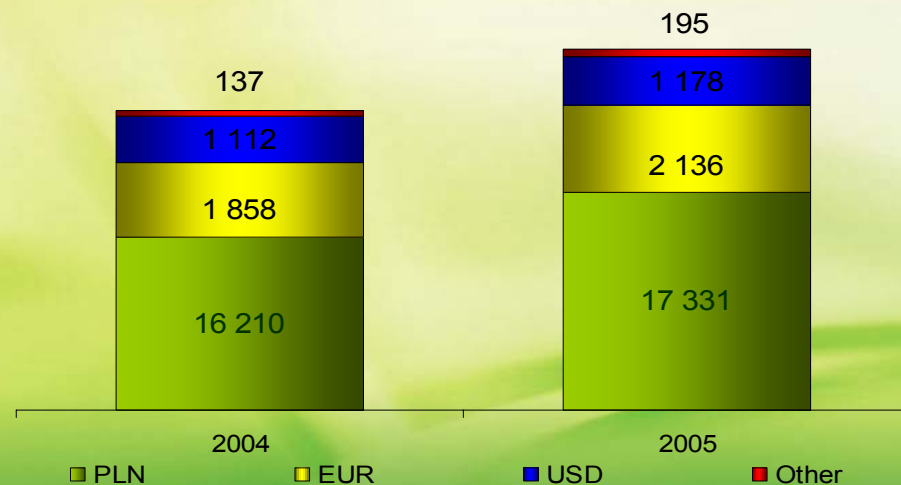
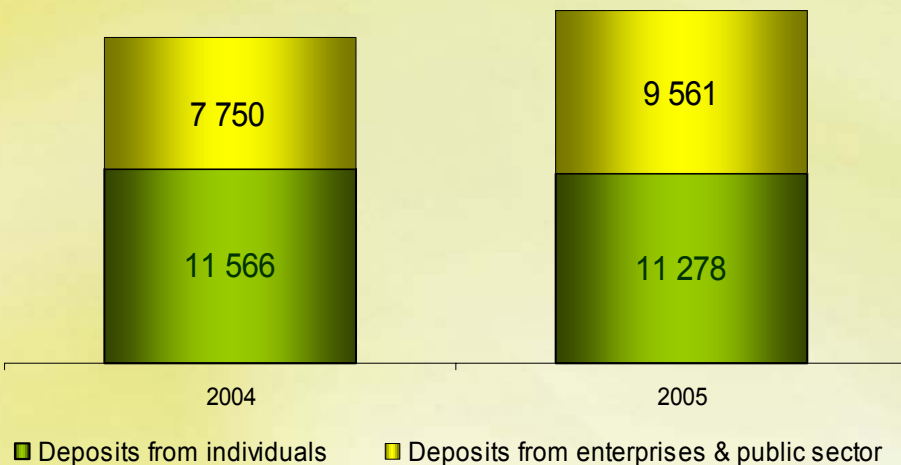
- Spectacular growth in mutual funds assets with substantial growth in market share and solid performance in deposits.
- Excellent results of brokerage and leasing businesses.
- Expansion of personal lending portfolio, good results in cash loans.
- Improvement in the loan portfolio quality and significantly lower provision charge.
- Flat operating expenses resulting from the ongoing focus on cost effectiveness and management.

Total customers' funds +27.5% YoY



- Total customer's funds entrusted to BZWBK Group (incl. mutual funds & assets under management) increased by 27.5% YoY exceeding PLN 30bn.
- Total Deposits increased by 8% YoY
- Significant maturing savings bonds - 30%
- Mutual Funds increased by +172% YoY
- Assets under management increased by 149% YoY to PLN 751m

Deposits +8% YoY



- Total Deposits increased by 8% YoY
 - PLN Current Accounts +19.5%
 - Short term PLN Business Deposits +35%
- Increase in share of deposits from business customers by 5.8 p.p. to 45.9%. Growth of 23% YoY (Market +17%)
- 83% deposits denominated in PLN
- Growth in FX Deposits 13%
 - EURO deposits +15% (constant currency +21%)



WBK

Bank Zachodni WBK S.A.

WARTO BYĆ RAZEM

Mutual Funds + 172% YoY !



- 172% increase in assets over the past 12 months when market grew by 62%
- Significant increase in market share. Now 12.6% (2004 7.5%, 2003 4.5%).
- Now 2nd position on the market (2004 4th position)
- Dynamic growth in funds' assets
 - ARKA Bond Fund +230%
 - ARKA Stable Growth Fund +528%
 - ARKA Balanced Fund +211%
- Excellent performance in fund units (last 12 months)
 - ARKA Equity Fund 39.4% (no 1 on market)
 - ARKA Stable Growth Fund 18.8% (no 1 on market)
 - ARKA Balanced Fund 30.0% (no 1 on market)
- Profit Before Tax of Asset Management/TFI increased by 87.5%
- The best TFI Company of the year 2005 according to Parkiet – "Byk i Niedzwiedz" Prize. "Złoty Portfel" prize for Arka Equity Fund and ARKA Balanced Fund

Loans to customers



- Total loans and advances (gross) to customers increased by 1.7%
- Earning Loans (principal) increased by 4.9%
 - Mortgages +7%
 - Leasing +20%
 - Cash loans +100%
- NPL's Ratio significantly improved by 1.6 p.p.

Earning Loans



Household loans increased by 15.6%

- Growing share of household lending portfolio
now 23% was 21%

Business loans +2%

- Pick up in Qtr4 PLN +204m on 30th September
- Overall disappointing corporate market in 2005
- Strong flow-backs and increased refinancing a feature
- SME/ Mid-Corporate focus
- Risk & return approach



WBK

Bank Zachodni WBK S.A.

WARTO BYĆ RAZEM

Leasing +20% YoY

Earning portfolio



- Value of leased assets financed increased by 13% to PLN 927m (market +11%)
- Good performance in machinery and equipment market – increase in sales 47% YoY offsetting poor new car market
- Development of leasing products:
 - Leasing with access to EU grants
 - Leasing and loan to Farmers
- 10.2% market share in leasing services for SME – 2nd position on the market after Pekao S.A. (15%)
- Scoring system for agreements up to PLN 1m
- Very good quality of portfolio (2% NPL's Ratio vs 3.3% in 2004)

Business Banking

- System of credit rating for SME – process of decision taking - 24 h
- Kredyt Biznes Ekspres for current and investment needs.
 - Minimum documentary requirements,
 - No obligation to document the purpose of the loan
 - Fast decision-making process
- Increasing the availability of financing customers from agriculture sector
- Bank Zachodni WBK S.A. - among the top banks operating in the EU funds market-strengthening the position as envisaged by the strategy "Together in the EU" - Action 2.3., Sectoral Operational Programme Growth in Business Competitiveness.
- Dynamic development of Corporate Banking Centres – Warszawa and Kraków.

Mortgage loans +7% YoY

Earning portfolio



- Performing PLN mortgage loans portfolio increased by 16% YoY. Current share in PLN mortgage market 8.26%.
- Increase in sale of mortgage loans by 10%
- Lack of the currency risk. Sales of FX mortgages limited to clients earning in FX currencies (FX sale in 2005 - PLN126.5m)
- Pricing leader in PLN position maintained. Good aggressive pricing:
 - 4.99%,
 - WIBOR 6M +1%
- Good quality of the mortgage loans portfolio (NPL's 2.5% of total mortgage portfolio)
- Efficient scoring system – quick decisions

Cash loans +100% YoY

Earning portfolio



- The portfolio doubled
- New focus on product from April 2005
 - Speed of decision making– available in 24hr
 - Pre-sanctioning & cross-selling (CRM)
 - Sale via telephone and Internet
 - Scoring card
 - Simplified procedures and document flow
- Successful marketing campaigns.
- Good quality of the portfolio being maintained (NPL's as 4.2% vs. 9.4% Dec'04)



WBK

Bank Zachodni WBK S.A.

WARTO BYĆ RAZEM

Brokerage Services + 77% YoY

bn PLN



- DM BZWBK turnover on equity market increased by 77% (WSE +64% YoY) to the level of PLN 20.6bn.
 - Turnover in Q4 PLN 6.3bn, +15% on Q3
- DM BZWBK turnover on futures market increased by 77% (WSE +49% YoY).
- Success of IPO's: Zelmer SA, Polmos SA, PEP SA, Lotos SA, Opoczno SA, Police SA, Barlinek SA, PGNiG SA, Tell SA, Puławy SA and Jago SA.
- The best brokerage house for individual customers in Poland according to "Rzeczpospolita"
- The Profit Before Tax of Brokerage House increased by 53% YoY



WBK

Bank Zachodni WBK S.A.

WARTO BYĆ RAZEM

IAS Introduction

- First time application of International Financial Reporting Standards [IFRS] by Bank Zachodni WBK Group
- Limited retrospective application
- Required under EU and Polish regulations from 1.1.2005

Profit & Loss Statement YTD

PLN m	2004	2005	Growth 2005/2004
Total Income	1,834	1,944	+9.3%
CardPoint Profit	55		
Total Costs	1,194	1,193	-0.1%
Operating Surplus	695	751	+15.5%
Provisions	-131	-62	-79%
Share in Profits of associated	6	0	
PBT	570	689	+20.9%
Tax	-115	-144	-25.2%
Minority Interest	18	30	+67%
PAT	438	516	+18%

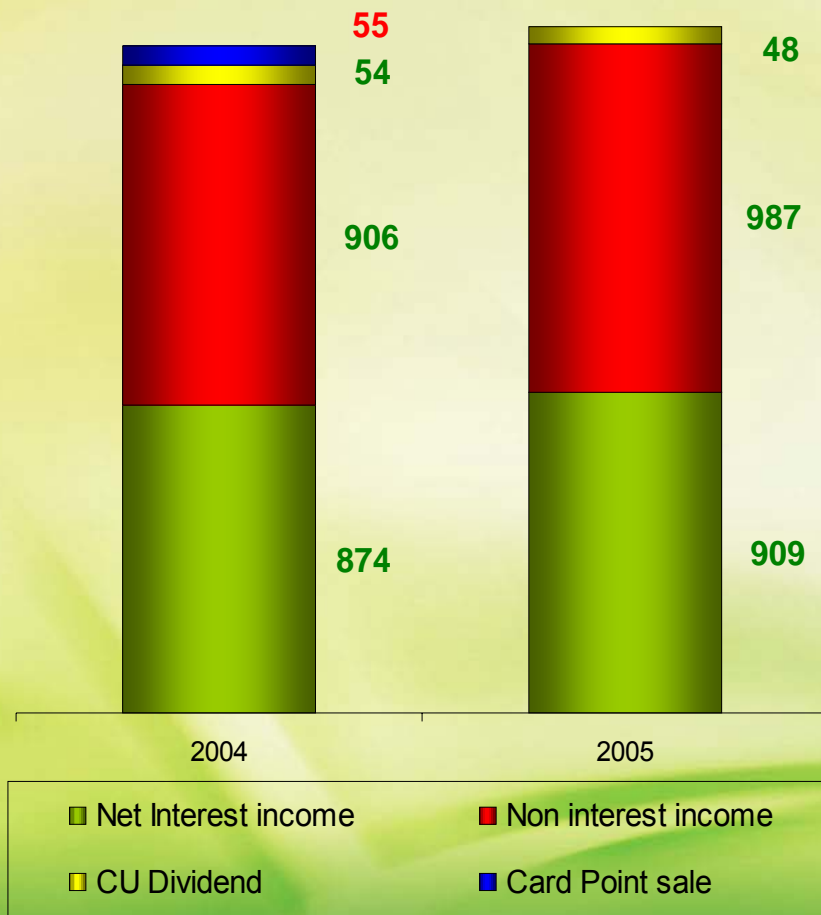


WBK

Bank Zachodni WBK S.A.

WARTO BYĆ RAZEM

Total Income PLN 1 944m + 6% YoY



- Total income - excl. income from CardPoint sale PLN 55m - increased by 9%.
- Net interest income impacted by
 - Rate environment
 - Business mix / competition
 - Amortised Credit Fees PLN 42.5m through Net Interest Income in 2005
- Non interest income growth driven by:
 - Growth in fees & commissions +8%
 - FX Profit +11%

Total Net Fee Income PLN 697m + 9% YoY

- Current A/C Fees declined by 5% impacted by changes in product mix and customer preferences
- Asset management Fees with distribution Fees increased by 83% driven by:
 - Mutual Funds management fees increased due to higher average balance by +89% YoY and favourable mix
 - Distribution fees boosted by 45% YoY higher sales and more favourable mix
 - Assets under management fees recorded 109% growth.
- Cards and ATM/POS fees increased by 13% due to increase in turnover and higher contribution from third party services agreements in place.
- Brokerage Services +42% YoY growth of income driven primarily by increased turnover on equity and futures market (+77% YoY).
- Credit related Fees of PLN 42.5m recognised in 2005 in Net Interest Income.

PLN m	2004	2005	Growth
Account fees	260	247	-5%
Cards & ATM Fees	114	129	13%
Asset Management & Funds distribution Fees	77	140	83%
FX services Fees	48	63	30%
Brokerage Services Fees	42	60	42%
Credit related fees	103	63	-39%
Other Fees	-5	-5	-13%
Total	639	697	9%

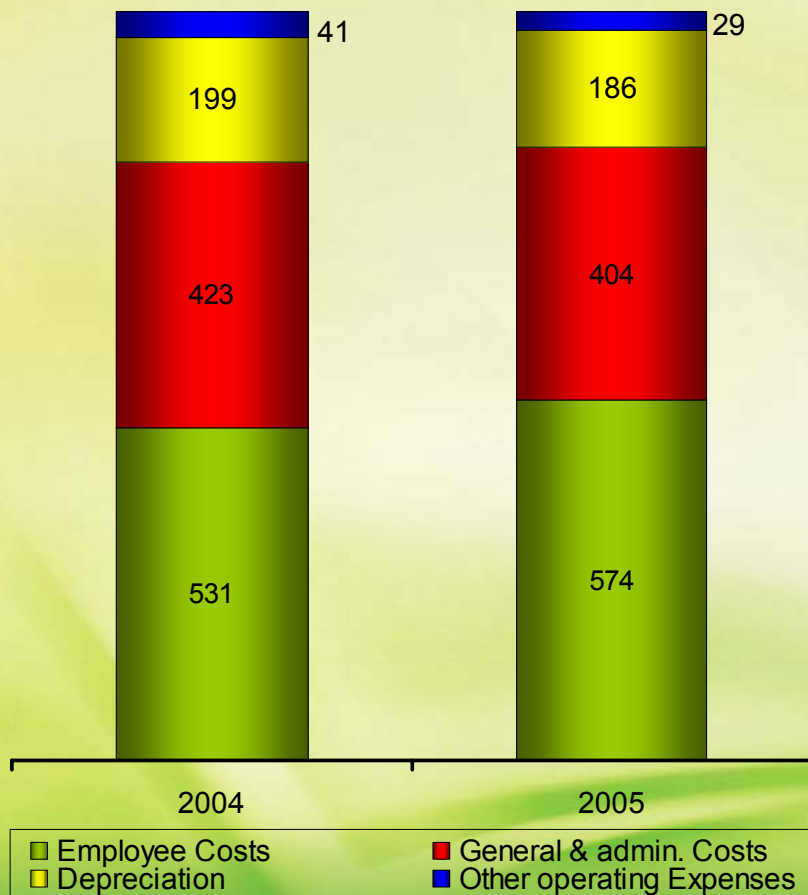


WBK

Bank Zachodni WBK S.A.

WARTO BYĆ RAZEM

Operating expenses PLN 1.194m -0.1% YoY



- Effective Cost control throughout the Year
 - Staff costs increasing due to:
 - Salary and bonus increases
 - Higher staff training and development spend
 - Higher staff numbers
 - General and administrative costs fell by 4.5% driven by:
 - Benefits of Purchasing Policy
 - Renegotiation of supplier contracts
 - Successful implementation of savings initiatives
 - Depreciation decreased by 6.5%



WBK

Bank Zachodni WBK S.A.

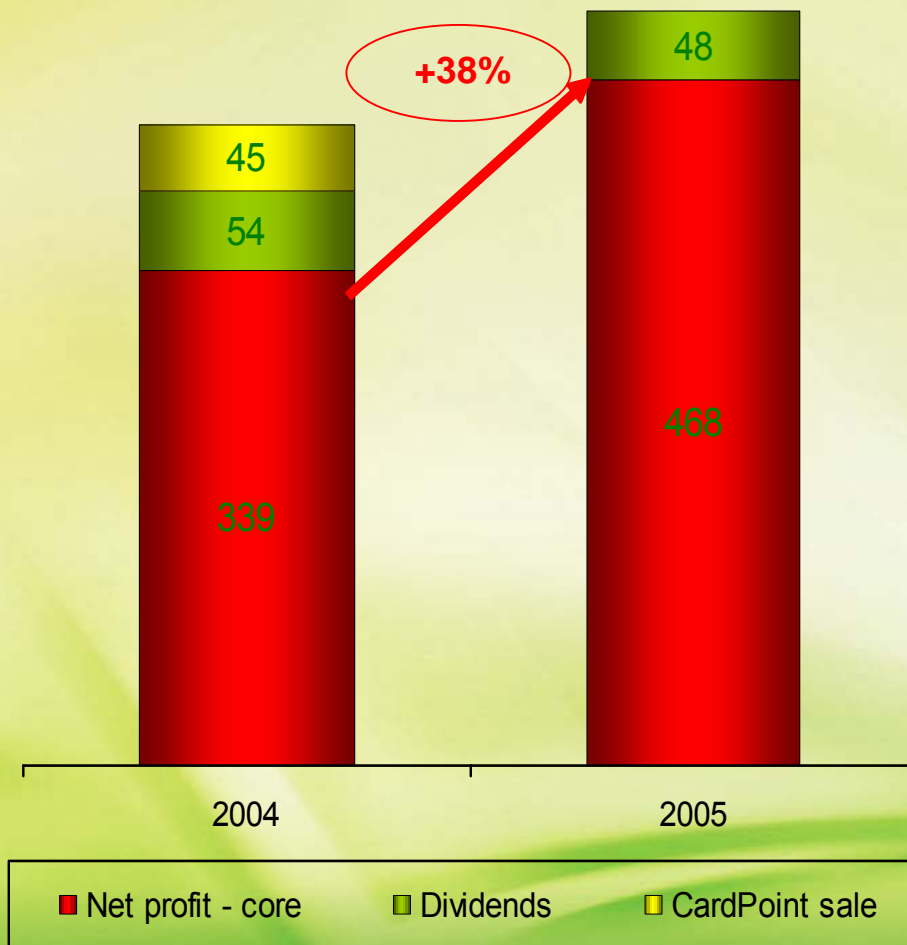
WARTO BYĆ RAZEM

Credit Risk



- Benefits from prudent lending approach being realised. Impairment/Provision charge lower by half
- Level of NPL's now PLN 1.0bn, reduced by 16% YoY
- The NPL's/ total loans ratio decreased further from 8.5% in 2004 to 6.9% at the end of 2005
- Credit loss ratio declined from 0.90% in 2004 to 0.41% in 2005

Bottom Line – Net Profit PLN 516m



- Core net profit up 38%
- In 2004, income from CardPoint sale PLN 55m before tax (PLN 45m after Tax)
- Underlying ROE up by 2.8 p.p. to 18.0%.

In summary

Strong 2005 performance resulting in:

- Underlying net profit increased by 38% YoY
- PBT increased by 18% YoY, including Card Point sale in 2004
- Costs unchanged YoY
- C/I Ratio reduced by 3.7 p.p. to level 61.4%
- ROE 18.0% up by 2.8 p.p.
- Solvency Ratio at 16.05%
- Dividend proposed PLN 6.00 increase by 147%

Contacts

**BZWBK Investor Relations will be happy to answer all
your questions and queries**

Jędrzej Marciniak

jedrzej.marciniak@bzwbk.pl



+48 (61)856 5400

Agnieszka Dowzycka

agnieszka.dowzycka@bzwbk.pl



+48 (61)856 4521



WBK

| Bank Zachodni WBK S.A.

WARTO BYĆ RAZEM