



Bank Zachodni WBK Group

Opinion and Report
of the Independent Auditor
Financial Year ended
31 December 2010

The opinion contains 2 pages
The report supplementing the auditor's opinion
contains 11 pages
Opinion of the independent auditor
and report supplementing the auditor's opinion
on the consolidated financial statements
for the financial year ended
31 December 2010



KPMG Audyt
Spółka z ograniczoną
odpowiedzialnością sp.k.
ul. Chłodna 51
00-867 Warszawa
Poland

Telefon +48 22 528 11 00
Fax +48 22 528 10 09
E-mail kpmg@kpmg.pl
Internet www.kpmg.pl

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OPINION OF THE INDEPENDENT AUDITOR

To the General Meeting of Bank Zachodni WBK S.A.

We have audited the accompanying consolidated financial statements of Bank Zachodni WBK Group seated in Wrocław, Rynek 9/11, 50-950 Wrocław (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2010, the consolidated income statement and the consolidated statement of comprehensive income, the movements on consolidated equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, comprising of a summary of significant accounting policies and other explanatory information.

Management’s and Supervisory Board’s Responsibility for the Consolidated Financial Statements

Management of the Parent Entity is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by European Union and with other applicable regulations and preparation of the Report on the Group’s activities. Management of the Parent Entity is also responsible for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act dated 29 September 1994 (Official Journal from 2009, No. 152, item 1223 with amendments) (“the Accounting Act”), Management of the Parent Entity and members of the Supervisory Board are required to ensure that the consolidated financial statements and the Report on the Group’s activities are in compliance with the requirements set forth in the Accounting Act.

Auditor’s Responsibility

Our responsibility, based on our audit, is to express an opinion on these consolidated financial statements. We conducted our audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by Polish National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider

internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying consolidated financial statements of Bank Zachodni WBK Group have been prepared and present fairly, in all material respects, the financial position of the Group as at 31 December 2010 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, and are in compliance with the respective regulations that apply to the consolidated financial statements, applicable to the Group.

Other Matters

As required under the Accounting Act, we also report that the Report on the Group's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259) and the information is consistent with the consolidated financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną
odpowiedzialnością sp.k. registration number 3546
ul. Chłodna 51, 00-867 Warsaw

Signed on the Polish original

.....
Certified Auditor No. 12032
Magdalena Grzesik

Signed on the Polish original

.....
Limited Liability Partner with power of
attorney
Stacy Ligas

1 March 2011
Warsaw



TRANSLATION

Bank Zachodni WBK Group

Report supplementing
the auditor's opinion
on the consolidated financial
statements

Financial Year ended
31 December 2010

The report supplementing the auditor's opinion
contains 11 pages

Report supplementing the auditor's opinion
on the consolidated financial statements
for the financial year ended
31 December 2010

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1. General

1.1 Identification of the Group

1.1.1 Name of the Group

Bank Zachodni WBK Group

1.1.2 Registered office of the Parent Company of the Group

Rynek 9/11
50-950 Wrocław

1.1.3 Registration of the Parent Company in the National Court Register

Registration court:	District Court in Wrocław, VI Commercial Department of the National Court Register
Date:	27 April 2001
Registration number:	KRS 0000008723
Initial capital as at balance sheet date:	730,760,130 PLN

1.1.4. Management of the Parent Company

The Management Board is responsible for management of the Parent Company.

At 31 December 2010, the Management Board of the Company was comprised of the following members:

- | | |
|----------------------|-------------------------------------|
| • Mateusz Morawiecki | - President of the Management Board |
| • Paul Barry | - Member of the Management Board |
| • Andrzej Burliga | - Member of the Management Board |
| • Declan Flynn | - Member of the Management Board |
| • Justyn Konieczny | - Member of the Management Board |
| • Janusz Krawczyk | - Member of the Management Board |
| • Jacek Marcinowski | - Member of the Management Board |
| • Michael McCarthy | - Member of the Management Board |
| • Marcin Prell | - Member of the Management Board |
| • Mirosław Skiba | - Member of the Management Board |
| • Feliks Szyszkowiak | - Member of the Management Board |

On 6th December 2010 Mr. Declan Flynn submitted his decision to stand down from his position of the Management Board of the Bank effective from the 13th April 2011 because of personal reasons.

On 16 December 2010 Mr. Jacek Marcinowski tendered his resignation from the Management Board effective from 31 December 2010 in connection with his appointment as President of the Management Board of BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A. effective from 1 January 2011.

1.2 Information about companies comprising the Group

1.2.1 Companies included in the consolidated financial statements

As at 31 December 2010, the following companies were consolidated by the Group:

Parent Company:

- Bank Zachodni WBK S.A

Subsidiaries consolidated on the full consolidation basis:

- Dom Maklerski BZ WBK S.A.,
- BZ WBK Finanse Sp. z o.o.,
- BZ WBK Finanse & Leasing S.A. – subsidiary of BZ WBK Finanse Sp. z o.o.,
- BZ WBK Leasing S.A. – subsidiary of BZ WBK Finanse Sp. z o.o.,
- BZ Faktor Sp. z o.o. – subsidiary of BZ WBK Finanse Sp. z o.o.,
- BZ WBK AIB Asset Management S.A.,
- BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A. – subsidiary of BZ WBK Asset Management S.A.,
- BZ WBK Inwestycje Sp. z o.o.,
- BZ WBK Nieruchomości S.A.

Joint ventures consolidated on the equity method basis:

- BZWBK-Aviva Towarzystwo Ubezpieczeń Ogólnych S.A.,
- BZWBK-Aviva Towarzystwo Ubezpieczeń na Życie S.A.

Associates consolidated on the equity method basis:

- POLFUND – Fundusz Poręczeń Kredytowych S.A.,
- Metrohouse S.A.,
- Krynicki Recykling S.A.

1.3 Auditor information

1.3.1 Key certified auditor information

Name and surname: Magdalena Grzesik
Registration number: Certified auditor no.12032

1.3.2 Authorized auditor information

Name: KPMG Audyty Spółka z ograniczoną odpowiedzialnością sp.k.
Address: ul. Chłodna 51, 00-867 Warsaw
Registration number: KRS 0000339379
Registration court: District Court for the Capital City Warsaw in Warsaw,
 XII Commercial Department of the National Court Register
NIP number: 527-26-15-362

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. is entered in the register of entities authorised to audit financial statements under number 3546.

1.4 Prior period consolidated financial statements

The consolidated financial statements for the financial year ended 31 December 2009 were audited by KPMG Audyt Sp. z o.o. and received an unqualified opinion.

The consolidated financial statements were approved at the General Meeting on 21 April 2010.

The consolidated financial statements were submitted to the Registry Court on 22 April 2010 and were published in Monitor Polski B No. 992 on 21 June 2010.

1.5 Audit scope and responsibilities

This report was prepared for the General Meeting of Bank Zachodni WBK S.A. seated in Wrocław, Rynek 9/11, 50-950 Wrocław and relates to the consolidated financial statements comprising: the consolidated statement of financial position as at 31 December 2010, the consolidated income statement and the consolidated statement of comprehensive income, the movements on consolidated equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, comprising of a summary of significant accounting policies and other explanatory information.

The Parent Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union on the basis of the decision of General Meeting dated 17 December 2004.

The consolidated financial statements have been audited in accordance with the contract dated 27 September 2010 concluded on the basis of the resolution of Supervisory Board of Bank Zachodni WBK S.A. dated 22 September 2010 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by Polish National Council of Certified Auditors and International Standards on Auditing.

We audited the consolidated financial statements in the Parent Company's head office during the period from 28 September 2010 to 1 March 2011.

Management of the Parent Company is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations and preparation of the Report on the Company's activities.

Our responsibility is to express an opinion and to prepare a supplementing report on the financial statements.

The Management Board of the Parent Company submitted a statement, dated the same date as this report, as to the true and fair presentation of the consolidated financial statements presented for audit, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the consolidated financial statements.

All required statements, explanations and information and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

Key certified auditor and KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k., fulfill independence requirements from the companies included in the Group as described in Art. 56 points 3 and 4 of the Act on certified auditors and their government, audit firms and public oversight dated 7 May 2009 (Official Journal No. 77, item 649). The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.

1.6 Information on audits of the financial statements of the consolidated companies

1.6.1 Parent Company

The financial statements of the Parent Company for the year ended 31 December 2010 were audited by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k., certified auditor number 3546, and received an unqualified opinion.

1.6.2 Other consolidated entities

Entity's name	Authorised auditor	Financial year end	Type of auditor's opinion
Dom Maklerski BZ WBK S.A.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2010	Unqualified
BZ WBK Finanse & Leasing S.A	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2010	Unqualified
BZ WBK Leasing S.A	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2010	Unqualified
BZ WBK Faktor Sp. z o.o	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2010	Unqualified
BZ WBK AIB Asset Management S.A.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2010	Unqualified
BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2010	Unqualified
BZ WBK Inwestycje Sp.z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2010	The opinion has not yet been issued until this report date
BZ WBK Finanse Sp. z o.o.	DGA Audyt Sp. z o.o.	31 December 2010	The opinion has not yet been issued until this report date
BZ WBK Nieruchomości S.A.	DGA Audyt Sp. z o.o.	31 December 2010	The opinion has not yet been issued until this report date

2 Financial analysis of the Group

2.1 Summary of the consolidated financial statements

2.1.1 Consolidated statement of financial position

ASSETS	31.12.2010	% of total	31.12.2009	% of	31.12.2008	% of
	PLN '000	assets	PLN '000	assets	PLN '000	assets
Cash and balances with central banks	2,534,463	4.8	2,660,658	4.9	3,178,107	5.5
Loans and advances to banks	619,655	1.2	664,211	1.2	1,365,132	2.4
Financial assets held for trading	2,239,055	4.2	1,344,809	2.5	3,224,867	5.6
Hedging derivatives	14,768	0.0	10,801	-	347	0.0
Loans and advances to customers	32,838,296	61.8	34,569,513	64.0	35,136,613	61.2
Investment securities	13,395,355	25.2	13,292,572	24.6	12,916,041	22.5
Investments in associates and joint ventures	87,360	0.2	81,887	0.2	72,221	0.1
Intangible assets	172,561	0.3	181,620	0.3	173,934	0.3
Property, plant and equipment	547,536	1.0	596,154	1.1	637,486	1.1
Net deferred tax assets	309,164	0.6	278,227	0.5	210,495	0.4
Current income tax due	-	-	43,373	0.1	-	-
Other assets	395,658	0.7	341,200	0.6	517,826	0.9
TOTAL ASSETS	53,153,871	100.0	54,065,025	100.0	57,433,069	100.0

EQUITY AND LIABILITIES	31.12.2010	% of total	31.12.2009	% of	31.12.2008	% of
	PLN '000	equity and liabilities	PLN '000	equity and liabilities	PLN '000	equity and liabilities
Liabilities						
Deposits from central bank	-	-	1,519,208	2.8	1,242,574	2.2
Deposits from banks	2,526,082	4.8	3,830,776	7.1	4,095,477	7.1
Hedging derivatives	16,441	0.0	32,933	0.1	68,562	0.1
Financial liabilities held for trading	578,611	1.1	736,050	1.4	3,153,932	5.5
Deposits from customers	41,970,454	79.0	41,222,871	76.1	42,810,727	74.5
Debt securities in issue	-	-	-	-	153,918	0.3
Subordinated liabilities	395,230	0.7	-	-	-	-
Current income tax liabilities	82,858	0.2	-	-	13,638	0.0
Other liabilities	810,620	1.5	686,717	1.3	681,800	1.2
Total liabilities	46,380,296	87.3	48,028,555	88.8	52,220,628	90.9
Equity						
Share capital	730,760	1.4	730,760	1.4	729,603	1.3
Other reserve funds	4,344,640	8.1	3,566,999	6.6	2,716,687	4.7
Revaluation reserve	433,134	0.8	422,005	0.8	335,507	0.6
Retained earnings	140,299	0.3	323,110	0.6	335,326	0.6
Profit of the current period	974,223	1.8	885,258	1.6	855,446	1.5
Equity attributable for owners of BZ WBK S.A.	6,623,056	12.4	5,928,132	11.0	4,972,569	8.7
Non-controlling interests in equity	150,519	0.3	108,338	0.2	239,872	0.4
Total equity	6,773,575	12.7	6,036,470	11.2	5,212,441	9.1
TOTAL EQUITY AND LIABILITIES	53,153,871	100.0	54,065,025	100.0	57,433,069	100.0

2.1.2. Consolidated income statement

	1.01.2010 - 31.12.2010	1.01.2009 - 31.12.2009	1.01.2008 - 31.12.2008
	PLN '000	PLN '000	PLN '000
Interest income	3,130,301	3,226,088	3,232,124
Interest expense	(1,308,126)	(1,662,897)	(1,597,019)
Net interest income	1,822,175	1,563,191	1,635,105
Fee and commission income	1,555,258	1,534,413	1,606,669
Fee and commission expense	(210,597)	(220,101)	(232,854)
Net fee and commission income	1,344,661	1,314,312	1,373,815
Dividend income	54,514	96,592	70,306
Net trading income and revaluation	258,731	270,256	52,802
Gains (losses) from other financial securities	12,408	(6,085)	58,152
Net gain/(loss) on sale of subsidiaries and associates	-	-	(196)
Other operating income	47,339	49,702	67,999
Impairment losses on loans and advances	(420,754)	(481,034)	(364,551)
Operating expenses incl.	(1,766,345)	(1,644,764)	(1,682,075)
<i>Bank's staff, operating expenses and management costs</i>	(1,600,592)	(1,498,316)	(1,547,174)
<i>Depreciation and amortisation</i>	(128,767)	(123,473)	(107,331)
<i>Other operating expenses</i>	(36,986)	(22,975)	(27,570)
	1,352,729	1,162,170	1,211,357
Share in net profits (loss) of entities accounted for by the equity method	4,452	(334)	(777)
Profit before income tax	1,357,181	1,161,836	1,210,580
Corporate income tax	(316,612)	(222,614)	(256,294)
Profit for the period	1,040,569	939,222	954,286
of which:			
attributable to owners of BZ WBK S.A.	974,223	885,258	855,446
attributable to non-controlling interests	66,346	53,964	98,840
Net earnings per share			
Basic earnings per share (PLN)	13.33	12.11	11.72
Diluted earnings per share (PLN)	13.28	12.06	11.68

2.1.3. Consolidated statement of comprehensive income

	1.01.2010 - 31.12.2010 PLN '000	1.01.2009 - 31.12.2009 PLN '000	1.01.2008 - 31.12.2008 PLN '000
Profit for the period	1,040,569	939,222	954,286
Other comprehensive income:			
Available for sale financial assets valuation	11,867	61,681	(5,313)
Cash flow hedges valuation	97	26,590	(24,673)
Other comprehensive income for the period net of income tax	11,964	88,271	(29,986)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,052,533	1,027,493	924,300
Attributable to:			
owners of BZ WBK S.A.	985,352	971,756	829,000
non-controlling interests	67,181	55,737	95,300

2.2 Selected financial ratios

	2010	2009	2008
Total assets (PLN '000)	53,153,871	54,065,025	57,433,069
Profit before income tax (PLN '000)	1,357,181	1,161,836	1,210,580
Profit for the period (PLN '000)	1,040,569	939,222	954,286
Shareholders' equity (PLN '000)*	5,799,352	5,151,212	4,356,995
Return on equity	17.9%	18.2%	21.9%
Receivables to total assets	62.9%	65.2%	63.6%
Income generating assets to total assets	97.3%	97.3%	97.3%
Interest bearing liabilities to total liabilities	85.6%	87.6%	89.6%

* excluding current-year net profit

3 Detailed report

3.1 Accounting principles

The Parent Company maintains current documentation describing the accounting principles applied by the Group and adopted by the Management Board of the Parent Company.

The accounting principles are described in the notes to the consolidated financial statements to the extent required by International Financial Reporting Standards as adopted by the European Union.

Entities included in the Group apply common accounting principles consistent with the accounting principles applied by the Parent Company.

The financial statements of the entities included in the consolidated financial statements were prepared at the end of the same reporting period as the financial statements of the Parent Company.

3.2 Basis of preparation of the consolidated financial statements

The consolidated financial statements of the Bank Zachodni WBK Group were prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations.

The consolidated financial statements were prepared on the basis of the consolidation documentation.

3.3 Method of consolidation

The method of consolidation is described in note 2 of the notes to the consolidated financial statements.

3.4 Consolidation of equity and calculation of minority interest

The share capital of the Group is equal to the share capital of the Parent Company.

Other equity items of the Group are determined by adding the equity balances of subsidiaries included in the consolidated financial statements in the proportion reflecting the Parent Company's share in the subsidiaries' equity as at the end of the reporting period to the corresponding positions of the equity of the Parent Company.

Only equity of subsidiaries arising after the Parent Company obtained control of the subsidiary is included in the equity of the Group.

Non-controlling interests in subsidiaries included in the consolidated financial statements were determined based on the non-controlling interests' share in the subsidiaries' equity as at the end of the reporting period.

3.5 Consolidation eliminations

Intercompany balances within the Group were eliminated on consolidation.

Sales between entities and other intercompany operating revenues and expenses and financial revenues and expenses were eliminated on consolidation.

The consolidation eliminations were based on the accounting records of Bank Zachodni WBK S.A. (or subsidiary entities) and agreed with information received from the subsidiaries.

3.6 Compliance with banking regulations

Base on our audit we have not identified any significant deviations in the Parent Company's compliance with the banking regulatory norm pertaining among others to loan concentration, obligatory reserve and capital adequacy ratio.

3.7 Notes to the consolidated financial statements

All information included in the notes to the consolidated financial statements, comprising of a summary of significant accounting policies and other explanatory information, is, in all material respects, presented correctly and completely. The notes to the consolidated financial statements should be read in conjunction with the consolidated financial statements.

3.8 Report of the Management Board of the Parent Company on the Group's activities

The Report of the Management Board of the Parent Company on the Group's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259) and the information is consistent with the consolidated financial statements.

3.9 Information on the opinion of the independent auditor

Based on our audit of the consolidated financial statements of the Group as at and for the year ended 31 December 2010, we have issued an unqualified opinion.

On behalf of KPMG Audyt Spółka z ograniczoną
odpowiedzialnością sp.k. registration number 3546
ul. Chłodna 51, 00-867 Warsaw

Signed on the Polish original

.....
Certified Auditor No. 12032
Magdalena Grzesik

Signed on the Polish original

.....
Limited Liability Partner with power of
attorney
Stacy Ligas

1 March 2011
Warsaw