REPORT OF THE MANAGEMENT BOARD ON BANK ZACHODNI WBK GROUP PERFORMANCE IN THE FIRST HALF OF 2009

2009

Bank Zachodni WBK

CONTENTS

I. Overview of the Group's Performance

Financial Performance

- **Financial Highlights for 6 Months Ended 30 June 2009 and Year-on-Year Changes:**

  - Total income decreased by 3.7% y-o-y to PLN 1,591.9 m;
  - Total costs decreased by 3.3% y-o-y to PLN 817.4 m, with staff and other administrative expenses reduced by 4.9% to PLN 745.6 m;
  - Profit-before-tax of PLN 487.8 m was down 38.1% y-o-y;
  - Profit-after-tax attributable to the Bank Zachodni WBK shareholders of PLN 377 m was down 33.6% y-o-y;
  - Return on equity at 13.2% (23.9% as at 30 June 2008);
  - Capital adequacy ratio at 11.56% (10.99% as at 30 June 2008);
  - Cost to income ratio at 51.3% (51.1% in the first half of 2008);
  - Net impairment losses on loans and advances amounted to PLN 283.4 m compared with PLN 19.8 m in the first half of 2008;
  - NPL ratio increased to 4.5% (2.4% as at 30 June 2008) while the ratio of annualised net impairment losses to the average credit volumes was 1.53% (0.15% as at 30 June 2008);
  - Loans-to-deposits ratio remained at a level which ensures adequate liquidity and access to the sources of funding (86.4% as at 30 June 2009 versus 83.3% as at 30 June 2008).

Key Factors Affecting the Group's Profit and Activity

- **Business Factors:**

  - High y-o-y expansion of credit volumes driven by strong lending growth in H2 2008: cash loans (+46.7% y-o-y), home mortgage loans (+33.1% y-o-y), business loans (+29% y-o-y), lease receivables (+13.1% y-o-y);
  - Significant growth in deposits (+23.4% y-o-y), in particular term deposits (+85.6% y-o-y);
  - Further development of specialist business lines, e.g. bancassurance, products and services to third party institutions;
  - Increase in the number of BZWBK24 electronic banking users (+19% y-o-y);
  - Expansion of the debit and credit card base (+19% y-o-y and +6% y-o-y, respectively) due to the broad product offering and linked services;
  - Decrease in the value of assets of mutual funds and private portfolios (-40.9% y-o-y) as a result of substantial fund redemptions and downward drift of stock prices from June 2008 to March 2009;
  - Continued tightening of lending criteria since Q4 2008 and execution of risk mitigation strategies;
  - Strict cost discipline reflected in the reduced staff and other administrative expenses.

- **External Factors:**
  - Strong deceleration of economic growth in Poland triggered by global financial and economic crisis;
  - Decrease in production and financial performance of companies;
  - Significant fall in foreign trade turnover, both exports and imports;
  - Slower growth of loans to households and enterprises;
  - Adverse trends in the labour market (reduced employment and lower wage bill growth);
  - Rebound in stock markets since March 2009 after a prolonged period of downturn which had resulted in the outflow of assets from mutual funds;
  - Strong pressure on interest margins, in particular from customer deposits;
  - Continued stagnation in the inter-bank market and high costs of FX funding;
  - High volatility in the FX market with deep depreciation of the zloty against main currencies from October 2008 till February 2009;
  - Further interest rate reductions by the Monetary Policy Council;
  - Low number of transactions and decreasing prices in the property market due to weak demand and large supply of new residential properties;
  - Private consumption slowdown.

II. Macroeconomic Situation in H1 2009

Economic Growth

The world's largest economies have entered into recession. According to final data, US annualised GDP fell by 5.5% in Q1 2009 and the euro zone's economy contracted by 4.9% y-o-y. Significant economic downturn abroad had an impact on Polish economy. Economic growth in Poland decelerated sharply, although a scale of a slowdown was much smaller than in highly developed countries. According to official data, GDP growth in Poland slowed down to 0.8% y-o-y in Q1 and was one of the highest in Europe. Based on monthly economic activity indicators for April-June period, Poland's GDP growth in Q2 is estimated at ca. 0.0%, which is still one of the strongest results in Europe.

Labour Market & Private Consumption

Private consumption has been weakening due to negative changes in the labour market. There was a significant slowdown in wage bill growth as a result of employment drop and lower average wage growth. On the other hand, there was quite a substantial increase in social security benefits in March (ca. 6%). Additional support for households' disposable income growth was a reduction in PIT and VAT rates (according to the government, in the entire year taxpayers will save ca. PLN 8 bn from PIT and PLN 2 bn from lower VAT rates). However, most of the money from lower PIT rates will go to people with higher than average income, and thus with lower propensity to consume.

Investment

Q1 2009 saw slight increase in fixed investments (by 1.2% y-o-y), although one should expect that along with completion of the long-lasting projects the investment activity will weaken. Increased inflow of funds from the EU (ca. 2 bn EUR in the entire year) provides some support to investment activity and to certain extent compensates for the effect of lower inflow of foreign direct investments observed this year.

Foreign Trade

First months of 2009 saw a rapid decline in foreign trade turnover. In Q1 exports value in euro fell by over 22% y-o-y and imports decreased by nearly 29% y-o-y. On the basis of available data for April-May period it may be estimated that in Q2 exports decline deepened to ca. 27% and imports fall accelerated to ca. 35% y-o-y. The exporters benefited from the weakening of the zloty. In zloty terms, in Q1 exports fell by 2.8% y-o-y while in Q2 it is estimated to decline by ca. 7% y-o-y. In the forthcoming months performance of the Polish export will depend on GDP growth in the European Union, although due to the weaker zloty a substitution effect in favour of Polish goods and services may take place. At the same time, weaker domestic demand (which is highly import-consuming, particularly in the case of investments) will lead to further decline in imports, resulting in positive contribution of net exports to GDP growth. Deeper fall in imports than in exports translates into the narrowing of the trade deficit and improvement in the current account balance of the country's balance of payments. The cumulated 12-month current account deficit at the end of May decreased to 3.2% of GDP from 5.4% at the end of 2008. This has a positive effect on the zloty performance.

Inflation

After the CPI inflation drop to 2.8% y-o-y in January, it was gradually rising in next months to 4.0% y-o-y in April due to significant hikes in prices of fuel and energy as well as due to the rapid weakening of the zloty observed until February. However, later on the CPI inflation started to decelerate and in June it returned to the upper limit of allowed fluctuations around the target, reaching 3.5% y-o-y. It seems that medium-term inflation prospects remain favourable as impact of significant zloty depreciation on inflation should be offset by strong deceleration in economic growth.

Significant weakening of domestic demand and considerable softening in labour market conditions act towards weakening of underlying inflationary pressures.

Interest Rates

In the first half of 2009 the Monetary Policy Council (MPC) reduced the main interest rates four times, by a total of 1.50 percentage points. The monetary policy easing was a response to substantial deterioration in economic growth prospects and favourable inflation outlook. Along with reduction in official interest rates, there was a gradual decline in money market rates – WIBOR for 1-month inter-bank loans (1M WIBOR) fell by ca. 1.6 pp, 3M WIBOR by 1.2 pp and 12M WIBOR by ca. 1.0 pp. The MPC also decided to reduce the reserve requirement rate by 50bps to 3% in order to increase liquidity in the banking system and revive credit activity.

FX Rates

There was a significant zloty weakening in the first months of 2009, which was triggered by a surge in risk aversion in international financial markets and investors' negative attitude towards the markets in Central and Eastern Europe, resulting from serious problems of some countries in the region (Baltic states, Hungary, Ukraine). However, towards the end of Q1 the zloty began to recover due to the gradually growing appetite for risk in the global markets and increased interest in buying assets in CEE region. Among other things, this is a result of the measures taken by international institutions to support financial stability of the countries from the region.

III. Basic Information

1. Scope of Bank Zachodni WBK's Activites

Universal Bank

Bank Zachodni WBK is a universal bank which provides a full range of services for personal customers, SMEs and large companies. The bank's offering is modern, comprehensive and satisfies diverse customer needs with regard to current/personal accounts, credit, savings, investment, settlement, insurance and card products. The bank aligns its product structure with the requirements of individual customer segments and combines its products into packages around current/personal accounts to provide their users with a precisely defined, tailored and comprehensive service. The financial services of Bank Zachodni WBK also include trade finance and transactions in capital markets, FX markets and money markets as well as in derivatives. The bank's own product range is complemented by specialist products offered by its connected companies, including: Dom Maklerski BZ WBK S.A., BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A., BZ WBK AIB Asset Management S.A., BZ WBK Leasing S.A., BZ WBK Finanse & Leasing S.A., BZ WBK Faktor Sp. z o.o., BZ WBK-Aviva Towarzystwo Ubezpieczeń Ogólnych S.A. and BZ WBK-Aviva Towarzystwo Ubezpieczeń na Życie S.A. In co-operation with all these companies, the bank offers its customers access to brokerage services, mutual funds, insurance, leasing and factoring products.

2. Share Capital and Ownership Structure

Share Capital & Ownership Structure

As at 30 June 2009, the share capital of Bank Zachodni WBK amounted to PLN 729,602,840 and was divided into 72,960,284 ordinary bearer shares with a nominal value of PLN 10 each.

On 10 July 2009, the bank's share capital was increased to 73,076,013 shares following take-up of the series H shares issued under the first edition of the Bank Zachodni WBK Incentive Scheme introduced by the General Meeting resolution of 4 April 2006.

According to the information held by the bank's Management Board, as at 30 July 2009 the shareholder having a minimum 5% of the total number of votes at the Bank Zachodni WBK Annual General Meeting of Shareholders was Dublin-based AIB European Investments Ltd., fully-owned subsidiary of Allied Irish Banks p.l.c. The company's interest in the share capital and the voting power of Bank Zachodni WBK is 70.4%. The remaining shares are in free float.

Shareholder	Number of shares held	Share in the Share Capital	Number of votes at AGM	Voting power at AGM
AIB European Investments Ltd.	51,413,790	70.4%	51,413,790	70.4%
Other	21,662,223	29.6%	21,662,223	29.6%
Total	**73,076,013**	**100%**	**73,076,013**	**100%**

As at the date of approval of Interim Report 2009, the Management Board of Bank Zachodni WBK was not aware of any agreements that in the future might lead to changes in the current ownership structure.

3. Bank Zachodni WBK Rating

Bank Zachodni WBK has a credit rating agreement with Fitch Ratings Ltd.

In 2009, the agency released two announcements on the bank:

- In its announcement of 15 January 2009, the agency affirmed the bank's individual rating "C" (adequate bank), reduced its Long-term Issuer Default rating (IDR) from "A+" to "BBB+", the Short-term IDR from "F1" to "F2" and the Support rating from 1 to 2. The rating Outlook was assessed as Stable.

- In the announcement of 13 February 2009, Fitch Ratings Ltd. affirmed the Long-term IDR "BBB+", Short-term IDR "F2" and Individual "C" for Bank Zachodni WBK while downgrading the bank's Outlook from Stable to Negative and the Support rating from "2" to "3".

Reduction of the Long-term IDR, the Short-term IDR, the Support Rating and the rating outlook results from revised assessment of the bank's controlling shareholder (AIB) and reflects its lower ability to provide potential support to its subsidiaries. The AIB's individual rating was changed in the first half of 2009 from "B" to "C" and "D" due to the fall of its asset quality given the deteriorating macroeconomic conditions and the negative outlook for further economic development in the Republic of Ireland.

The long-term IDR, short-term IDR and individual rating of Bank Zachodni WBK are now based on the stand-alone strength of the bank and confirm the bank's strong market position, solid balance sheet, profitability and liquidity as well as adequate capitalisation whereas the revised outlook for the bank reflects the adverse operating environment in Poland, which is likely to result in pressures on revenue and increased impairment charges.

Fitch Ratings for BZWBK			
Rating Type	**Current Rating of 13-02-2009**	**Rating of 15-01-2009**	**Rating of 17-07-2008***
Long-term Issuer Default Rating	BBB+	BBB+	A+
Short-term Issuer Default Rating	F2	F2	F1
Long-term and Short-term Rating Outlook	Negative	Stable	Negative
Individual Rating	C	C	C
Support Rating	3	2	1

* *Rating as at the date of publication of the financial statements of Bank Zachodni WBK Group for the first half of 2008*

4. Companies Connected with Bank Zachodni WBK

Composition of Bank Zachodni WBK Group

Bank Zachodni WBK forms a Group with the following nine subsidiaries which are fully consolidated in accordance with IAS 27. These are:

1) BZ WBK AIB Asset Management S.A.
2) BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A. - subsidiary of BZ WBK AIB Asset Management S.A.
3) BZ WBK Inwestycje Sp. z o.o.
4) BZ WBK Faktor Sp. z o.o. - subsidiary of BZ WBK Finanse Sp. z o.o.

5) BZ WBK Finanse Sp. z o.o.
6) BZ WBK Finanse & Leasing S.A. - subsidiary of BZ WBK Finanse Sp. z o.o.
7) BZ WBK Leasing S.A. - subsidiary of BZ WBK Finanse Sp. z o.o.
8) BZ WBK Nieruchomości S.A.
9) Dom Maklerski BZ WBK S.A.

Compared with the end of June 2008, the Group includes an additional company – BZ WBK Finanse Sp. z o.o., formed by the bank on 18 December 2008 and registered on 13 January 2009. Bank Zachodni WBK acquired 100% stake in the company's share capital. The new entity is a holding company set up to centralise management of the bank's subsidiaries involved in provision of specialised services to business customers, i.e. BZ WBK Leasing S.A., BZ WBK Finanse & Leasing S.A. and BZ WBK Faktor Sp. z o.o.

Joint Ventures and Associates

In the consolidated financial statements of Bank Zachodni WBK for the first half of 2009, the following companies are accounted for using the equity method in accordance with IAS 28:

Joint ventures:

1) BZ WBK–Aviva Towarzystwo Ubezpieczeń Ogólnych S.A.
2) BZ WBK–Aviva Towarzystwo Ubezpieczeń na Życie S.A.

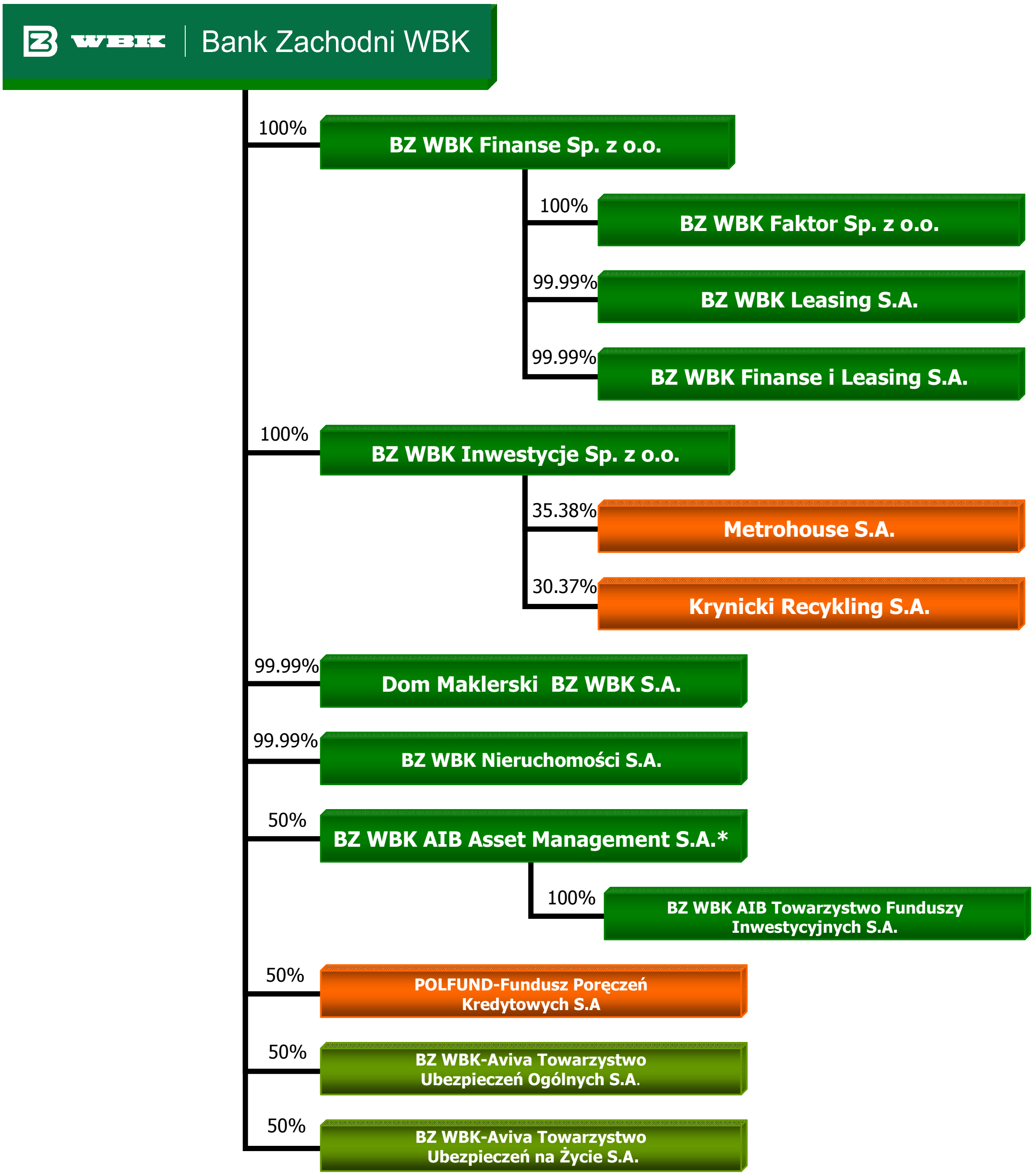
Associates:

1) Krynicki Recykling S.A. - associated undertaking of BZ WBK Inwestycje Sp. z o.o.
2) Metrohouse S.A. - associated undertaking of BZ WBK Inwestycje Sp. z o.o.
3) POLFUND - Fundusz Poręczeń Kredytowych S.A.

The first two entities were established by the bank in co-operation with Aviva International Insurance Ltd., London in 2008 under the name BZ WBK-CU Towarzystwo Ubezpieczeń Ogólnych S.A. and BZ WBK-CU Towarzystwo Ubezpieczeń na Życie S.A. As part of the Commercial Union's re-branding campaign designed to bring the global Aviva brand into the Polish market, on 1 June 2009 the companies were renamed to BZ WBK-Aviva Towarzystwo Ubezpieczeń Ogólnych S.A. and BZ WBK-Aviva Towarzystwo Ubezpieczeń na Życie S.A.

In addition to POLFUND - Fundusz Poręczeń Kredytowych S.A. (an associate), which is the bank's investment of long standing, the equity method approach is also used to account for Metrohouse S.A. and Krynicki Recykling S.A., the associates of BZ WBK Inwestycje Sp. z o.o. (bank's subsidiary). In July 2008, BZ WBK Inwestycje Sp. z o.o. acquired 2.3 m shares of Metrohouse S.A., representing 35.38% of its share capital. In December 2008, the company acquired 3.1 m newly issued shares of Krynicki Recykling S.A. (capital increase registered on 2 February 2009), representing 30.37% of the share capital. The above-mentioned shares were purchased as part of the bank's strategy of building a portfolio of "pre-IPO" investments. Both entities are classified as associates as the bank has a significant impact on their operations.

Organisational Chart of Bank Zachodni WBK Group and Other Connected Entities



* *Bank Zachodni WBK is a co-owner of BZ WBK AIB Asset Management S.A. together with AIB Capital Markets plc. Both owners are members of AIB Group and each holds an equal stake of 50% in the company's share capital. In practice, Bank Zachodni WBK exercises control over the company and its subsidiary, BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A., because through its agency the ultimate parent (AIB) pursues its policy in Poland. Consequently, the company is treated as a subsidiary undertaking.*

Legend:

%	Voting power
(dark green)	Subsidiaries (fully consolidated with BZ WBK S.A.)
(orange)	Associates
(light green)	Joint ventures

IV. Development of Activities in 2009

1. Key Business Development Directions

In the first half of 2009, Bank Zachodni WBK Group was implementing its strategy for the years 2009-2011, striving to be distinctive in the market by its customer proposition and service quality, and taking actions to improve its brand image and awareness. At the same time, the Group flexibly responded to the challenging environment, taking appropriate measures to sustain its deposit base and ensure security of its credit portfolio. Efforts were also taken to reduce costs and mitigate risks in all areas of activity.

The most important areas of the Group's activity in the first half of 2009 are summarized below:

- Attracting deposits by offering competitively priced savings and investments products.
- Encouraging the customers with "business potential" to deepen their relationship with the bank through individual contact with advisors, CRM campaigns and other sales and promotional initiatives.
- Revision of the retail and business lending policy to maintain a high quality of credit exposures.
- Continued development of personal accounts, current accounts and other products and services to better align the Bank's proposition to the diverse customer needs.
- Expansion of the existing Business Banking Centres to bring the bank closer to a wider group of businesses and forge a quality relationship with them.
- Further quantitative and qualitative development and a closer integration of the key distribution channels.
- Supporting development of safe internet transactions, contactless/prepaid card payments and other innovative solutions.
- Continuous improvement of customer service quality, the bank's operating efficiency and streamlining procedures for customers.
- Tighter control of staff and other administrative expenses, renegotiation of contracts with suppliers and gradual implementation of savings initiatives.

2. Financial Performance

Profit and Loss Account

The table below shows year-on-year changes in key items of the Group's consolidated profit and loss account in the first half of 2009 compared with the same period last year.

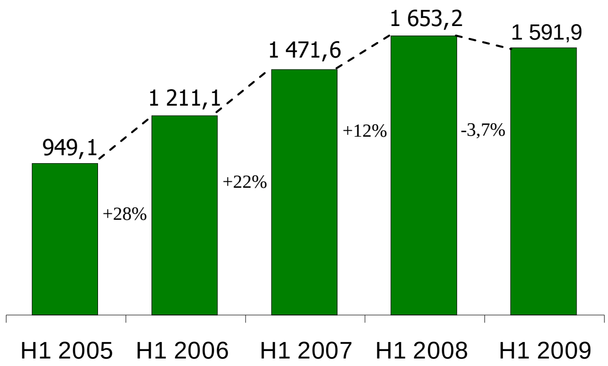
PLN m

Condensed Profit and Loss Account	H1 2009	H1 2008	Change
Total income	1,591.9	1,653.2	-3.7%
Total costs	(817.4)	(845.3)	-3.3%
Impairment losses on loans and advances	(283.4)	(19.8)	+1,331.3%
Profit-before-tax *	**487.8**	**788.0**	-38.1%
Tax	(87.5)	(160.1)	-45.3%
Net profit for the period	**400.3**	**627.9**	-36.2%
- Net profit attributable to the shareholders of the parent	***377.0***	***567.5***	***-33.6%***
- Net profit attributable to minority shareholders	*23.3*	*60.3*	*-61.4%*

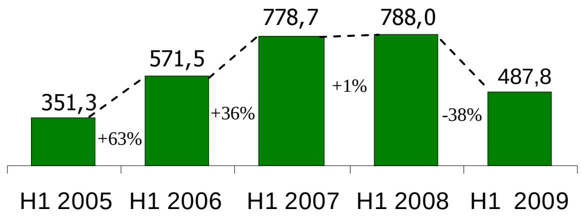
* *includes shares in the losses attributable to the entities accounted for using the equity method (PLN –3.3 m in H1 2009 vs. PLN –0.04 m in H1 2008)*

Amid the economic slowdown, the crisis of trust in the inter-bank market and the volatility of stock markets prevailing in the first half of 2009, Bank Zachodni WBK Group recorded the total income that was only 3.7% lower on a y-o-y basis. At the same time, the cost base was reduced by 3.3%. Operating costs were curbed despite the broader scale of operations propelled by expanded infrastructure and growing business volumes, in particular during the very dynamic second half of 2008. The first half of the year saw, however, much higher costs of risk, an effect of deteriorating financial standing of borrowers in the difficult macroeconomic environment.

Total income of BZ WBK Group for H1 in the years 2005-2009 (PLN m)



Profit-before-tax of BZ WBK Group for H1 in the years 2005-2009 (PLN m)



As a result, after the first six months of 2009, Bank Zachodni WBK Group posted a profit-before-tax of PLN 487.8 m compared with PLN 788 m reported in the first half of 2008. The profit-after-tax attributable to the shareholders of Bank Zachodni WBK was PLN 377 m and 33.6% lower y-o-y.

Income

Total income generated by Bank Zachodni WBK Group in the first half of 2009 was PLN 1,591.9 m and PLN 61.3 m lower y-o-y. This performance was achieved in a much more challenging environment due to the diversification of income streams, business growth in many product lines and enhancement of the Group's sales potential in previous years.

PLN m

Total Income	H1 2009	H1 2008	Change
Net interest income	716.4	777.1	-7.8%
Net commission income	649.4	704.1	-7.8%
Dividend income	76.0	69.6	+9.2%
Net trading income and revaluation	129.1	56.4	+128.9%
Other non-interest income *	21.0	46.0	-54.3%
Total	**1,591.9**	**1,653.2**	**-3.7%**

* *other non-interest income includes: 1) profit on disposal of subsidiaries and associates; 2) profit on other financial instruments; 3) other operating income*

Net interest income amounted to PLN 716.4 m and decreased by 7.8% y-o-y despite the strong growth of the deposit and credit base and the favourable changes in the Group's balance sheet structure. This decline is due to the negative pressure of deposits which has become a feature of the Polish market since September 2008. Further downward pressure on deposit margins was caused by a series of interest rate cuts which commenced in November 2008. The Bank has been increasing margins on its lending to partly offset the impact of higher funding costs.

Taking into account other interest-related income from FX Swaps and Basis Swaps (PLN 100.1 m in the first half of 2009 and PLN 30.2 m in the corresponding period last year), which are disclosed under "Net trading income and revaluation", the underlying net interest income increased by 1.1% y-o-y.

Net commission income amounted to PLN 649.4 m and decreased by 7.8% y-o-y due to the strong downturn in the stock markets at the beginning of 2009 which adversely affected the level of fees for distribution of mutual funds, asset management and brokerage services. The other commission-earning business lines of Bank Zachodni WBK Group recorded increases propelled by rising volumes.

PLN m

Net Commission Income	H1 2009	H1 2008	Change
Direct banking *	133.8	112.3	+19.1%
FX fees	118.2	104.0	+13.7%
Account maintenance and cash transactions	120.3	113.5	+6.0%
Mutual fund distribution and asset management services	98.0	224.0	-56.3%
Credit fees **	75.8	49.9	+51.9%
Insurance (bancassurance) fees	54.9	32.7	+67.9%
Brokerage fees	45.6	55.2	-17.4%
Other ***	2.8	12.5	-77.6%
Total	**649.4**	**704.1**	**-7.8%**

* *includes fees for foreign and mass payments, Western Union transfers and trade finance, debit cards, services for third parties as well as other electronic/telecommunications services*

** *includes selected fees related mainly to lending, leasing and factoring activities which are not amortised to interest income (e.g. credit cards, overdrafts)*

*** *other income includes fees for distribution of structured products*

The drivers behind the major y-o-y movements in components of the net commission income:

- **Net fees and charges for direct banking services** increased by 19.1% y-o-y to PLN 133.8 m, mainly due to the growing number of payment cards processed and ATMs managed by the bank for third party institutions, and also due to the steady growth of debit cards held by the bank's customers along with cash and non-cash transactions made with these instruments.
- **Fees on customer FX transactions** increased by 13.7% y-o-y to PLN 118.2 m, reflecting the improved margins and higher volumes transacted at the branch banking level and via Treasury Services.
- **Net income on account fees and cash transactions** amounted to PLN 120.3 m, a 6% increase on the first half of 2008 driven by a growing number of personal accounts maintained by the bank.
- **The Group's net income from fund distribution and asset management** was PLN 98 m and 56.3% lower y-o-y as a result of the deep downturn in the domestic stock market until March 2009. The stock market sentiment translated directly into lower sales of mutual funds and a decrease in the volume of assets managed by BZ WBK AIB Asset Management S.A. (total assets of private portfolios and mutual funds decreased by 40.9% to PLN 10.3 bn).
- **Credit fees** increased by 51.9% y-o-y to PLN 75.8 m underpinned by the Group's larger exposure on overdrafts, higher volume of credit card balances and lower credit intermediation costs.
- **The bancassurance line** generated an income of PLN 54.9 m which exceeded the comparable period by 67.9% y-o-y driven by strong sales of credit insurance and cash loans insurance in particular.
- **Net commission income of BZ WBK Brokerage House** decreased by 17.4% y-o-y to PLN 45.6 m as a result of the substantial slowdown in the stock market observed in the first quarter of 2009. The impact of this downturn on the net income from brokerage fees was mitigated by the revival of market activity in the second quarter of the year and the subsequent higher levels of stock trading by the brokerage house.

Dividend income amounted to PLN 76 m and was 9.2% higher y-o-y primarily due to higher dividends from Aviva Group companies from the banks equity portfolio, i.e. Aviva Towarzystwo Ubezpieczeń na Życie S.A. and Aviva Powszechne Towarzystwo Emerytalne Aviva BZ WBK S.A. In the first half of 2009, dividends from this source totalled PLN 68.5 m compared with PLN 64.7 a year before.

Net trading income and revaluation was up by 128.9% y-o-y and totalled PLN 129.1 m. The movement in this line was most strongly affected by the wholesale FX Swaps transacted, among others, as part of the management of the EUR- and CHF-denominated credit portfolio.

The amount for the first half of 2009 includes the write-down of derivative instruments (PLN 29.5 m) related to customers' risk. It also contains interest-related income from FX Swaps and Basis Swaps which amounted to PLN 100.1 m, exclusive of funding costs (PLN 30.2 m in the same period last year).

In addition, in the first half of 2009, Bank Zachodni WBK revised its estimate of fair value of Cross Currency Swaps on account of substantial increase in market spreads observed since 2008 year-end. The total fair value adjustment to these derivatives was PLN 39.4 m in the reporting period. These instruments are a source of funding and it is the Bank's intention to hold them until maturity. Their mark-to-market valuation will revert to zero on a case-by-case basis over their remaining life.

Other non-interest income totalled PLN 21 m and was lower by 54.3% than in the corresponding period of 2008 when a profit of PLN 22.4 m on the sale of Mastercard Inc. shareholding was recognised.

Impairment

The loan impairment charge to the profit and loss account was PLN 283.4 m in the first half of 2009 compared with PLN 19.8 m in the corresponding period last year.

The provisioning level has been driven by the deteriorating macroeconomic environment. Slowdown has affected more and more industries in the Polish economy, resulting in the weaker financial performance and lower ability of businesses to meet their liabilities. Debt settlement failures set off a chain reaction by spreading cash flow problems among counterparties. Higher occurrences of irregular debt repayment have prompted the Group to raise additional impairment provisions.

The Group regularly reviews its exposures for indications of impairment, which ensures timely and adequate recognition of individual and portfolio impairment provisions (IBNR). Every effort is made to reduce the risks identified and pursue effective recovery of impaired debts.

Costs

Total costs of Bank Zachodni WBK Group amounted to PLN 817.4 m and were lower by 3.3% y-o-y. Key cost items:

PLN m

Total Costs	**H1 2009**	**H1 2008**	**Change**
Staff and other administrative expenses, including:	(745.6)	(784.1)	-4.9%
- staff costs	*(436.6)*	*(470.4)*	-7.2%
- other administrative expenses	*(309.0)*	*(313.7)*	-1.5%
Depreciation/amortisation	(60.5)	(50.6)	+19.6%
Other operating costs	(11.3)	(10.6)	+6.6%
Total	**(817.4)**	**(845.3)**	**-3.3%**

Staff and other administrative expenses of PLN 745.6 m decreased by 4.9% y-o-y as a result of the HR policy and intensified implementation of administrative, technological and procedural measures aimed to reduce the Group's costs. This is also due to the development of cost-saving mindset among employees.

- **Staff costs** decreased by 7.2% to PLN 436.6 m primarily due to limiting manpower across the Group (by 233 FTEs y-o-y) in the wake of the Management Board decision to freeze employment and not to fill natural vacancies. Implementation on a wide scale of HR solutions, such as work time reduction, career break or unpaid leaves also contributed to cost savings. The choice of the solutions is adjusted to employee preferences and capabilities of individual organisational units.

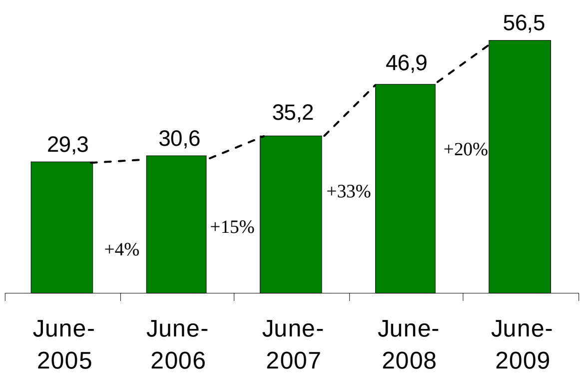
- **The Group's other administrative expenses** decreased by 1.5% to PLN 309 m. This change was most strongly impacted by the reduced advertising and marketing spend, reflecting the smaller scale of promotional campaigns held in 2009. Consultancy costs were also a vital decelerating factor and these were significantly down with completion of projects requiring expert support. In addition, the Group increased its efforts to rationalise its cost base. Following a review of the existing policies, procedures, processes and contracts, a number of cost-saving initiatives were implemented and cost-effectiveness of processes was improved.

In the first half of 2009, **depreciation/amortisation** totalled PLN 60.5 m and rose by 19.6% y-o-y driven by fixed assets growth attributable to the expansion and upgrade of the bank's branch network.

Financial Position

As at 30 June 2009, total assets of Bank Zachodni WBK Group amounted to PLN 56,486.6 m and were 20.3% up y-o-y. The value and structure of the Group's financial position is determined by the bank (parent) which accounts for 95.6% of the consolidated total assets.

Total assets of BZ WBK Group as at 30 June in 2005-2009 (PLN bn)*



** Total assets as of 30 June 2008 and 30 June 2009 include net deferred tax assets; in the previous reporting periods both deferred tax assets and liabilities were presented.*

Assets

PLN m

Assets	30-06-2009	Structure 30-06-2009	30-06-2008	Structure 30-06-2008	Change
Loans and advances to customers*	36,222.6	64.1%	28,272.6	60.2%	+28.1%
Investment securities	13,491.9	23.9%	10,524.4	22.4%	+28.2%
Cash and operations with the Central Bank	2,304.5	4.1%	2,469.4	5.2%	-6.7%
Financial assets held for trading	1,798.8	3.2%	1,533.5	3.3%	+17.3%
Loans and advances to banks	1,036.2	1.8%	2,761.0	5.9%	-62.5%
Fixed and intangible assets	782.9	1.4%	686.4	1.5%	+14.1%
Other assets	849.7	1.5%	688.5	1.5%	+23.4%
Total	**56,486.6**	**100.0%**	**46,935.8**	**100.0%**	**+20.3%**

* *net of impairment*

The main asset growth driver during past 12 months was loans and advances to customers (+28.1% y-o-y). A substantial increase was also noted in investment securities (+28.2% y-o-y), based on the decisions made as part of the Group's structural balance sheet management. The line includes the State Treasury bonds which in October 2008 were reclassified from available-for-sale securities into held-to-maturity securities at their carrying value of PLN 6,406.6 m. The change of classification resulted in adoption of valuation principles that are more consistent with the purpose of the instruments. Financial assets held-for-trading continued to grow (+17.3% y-o-y), reflecting a higher share of Treasury bills. The increase in fixed and intangible assets paralleled the extension and upgrade of the bank's branch network and IT systems (+14.1% y-o-y). The value of cash and operations with the Central Bank decreased (-6.7% y-o-y) as part of the ongoing liquidity management which involves maintaining an obligatory reserve with the National Bank of Poland. Loans and advances to banks declined considerably (-62.5% y-o-y) due to the decrease in inter-bank activity of Bank Zachodni WBK and a shift to secure investments in government securities.

Credit Portfolio

PLN m

Gross Loans and Advances to Customers	30-06-2009	30-06-2008	Change
Loans and advances to business and public sector customers	24,336.0	18,866.4	+29.0%
Loans and advances to personal customers	9,975.8	7,371.4	+35.3%
Finance lease receivables	2,919.8	2,581.6	+13.1%
Other	29.1	30.9	-5.8%
Total	**37,260.7**	**28,850.3**	**+29.2%**

At the end of June 2009, gross loans and advances to customers were PLN 37,260.7 m and 29.2% up y-o-y due to increasing volumes of the Group's key portfolios: business loans, retail loans and lease receivables.

Loans and advances to business and public sector customers amounted to PLN 24,336 m and were 29% higher y-o-y (+15.9% y-o-y on a constant currency basis). This growth reflects the continuing demand of enterprises for loans to finance their inventory and working capital, and also very strong credit delivery in 2008, involving long-term investment projects, mainly in the commercial property market.

The value of retail loans increased by 35.3% y-o-y (+28,3% y-o-y on a constant currency basis) to PLN 9,975.8 m due to the strong growth in cash and home mortgage loans. Cash loans increased by 46.7% y-o-y to PLN 3,092.4 m, confirming the high quality of the bank's offer and the effectiveness of its pro-active promotion and sales methods. Home mortgage loans increased by 33.1% y-o-y to PLN 5,671.5 m due to the attractive structure of the credit facilities, effective customer service and flexibility in responding to market developments.

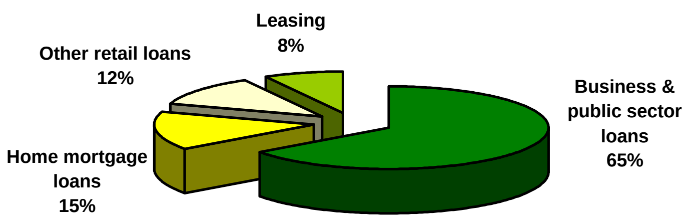
The financial leasing portfolio increased by 13.1% y-o-y to PLN 2,919.8 m, fuelled by the sales of vehicles, plant & equipment and properties as handled by the leasing subsidiaries.

At the end of June 2009, the impaired loans accounted for 4.5% of the gross portfolio versus 2.4% recorded 12 months before. The provision cover ratio for the impaired loans was 40.6% compared with 64.2% as at 30 June 2008, reflecting a higher proportion of property loans.

Bank Zachodni WBK Group complies with the standards under the Banking Act in relation to concentration of exposures to a single entity or a group of connected entities.

According to the Polish Classification of Businesses (PKD), as at the end of June 2009, the highest exposure was to the 'Property Services' and 'Production' industry sectors which contributed 19.8% and 14.8% to the total credit portfolio (27% and 20.3% to the business portfolio), respectively.

Loans and advances to customers of BZ WBK Group as at 30-06-2009



Equity and Liabilities

PLN m

Equity and Liabilities	30-06-2009	Structure 30-06-2009	30-06-2008	Structure 30-06-2008	Change
Deposits from customers	41,912.3	74.2%	33,958.2	72.3%	+23.4%
Deposits from banks	4,825.5	8.5%	5,298.3	11.3%	-8.9%
Financial liabilities held for trading	1,747.5	3.1%	1,294.1	2.8%	+35.0%
Amounts owed to the Central Bank	1,381.7	2.5%	-	-	-
Debt securities in issue	75.5	0.1%	282.4	0.6%	-73.3%
Other liabilities	1,055.4	1.9%	1,291.6	2.8%	-18.3%
Total equity	5,488.7	9.7%	4,811.2	10.2%	+14.1%
Total	**56,486.6**	**100.0%**	**46,935.8**	**100.0%**	**+20.3%**

On the liabilities side, the Group reported a substantial increase in deposits from customers (+23.4% y-o-y), mainly in the form of term deposits. The financial liabilities held for trading (+35% y-o-y) continued to grow driven by derivative transactions. Deposits from banks showed a falling trend (-8.9% y-o-y) as a result of the situation in the inter-bank market. The amounts owed to the Central Bank represent repo transactions, an effect of increased activity of the National Bank of Poland in the domestic money market. At the same time, the debt securities in issue continued to decrease (-73.3% y-o-y) due to the redemption of the matured bonds issued by the bank and its leasing subsidiaries in a total nominal amount of PLN 183.5 m.

The Group's equity increased by 14.1% y-o-y in the wake of the decision made by the General Meeting of Shareholders on allocating the entire profit earned by Bank Zachodni WBK in 2008 to reserve funds and general reserve. Compared with the previously released financial reports, the Group's retained earnings as at 30 June 2008 are higher by PLN 19.2 m as a result of an adjustment to the equity of Polfund-Fundusz Poręczeń Kredytowych S.A., an associate.

Deposit Base

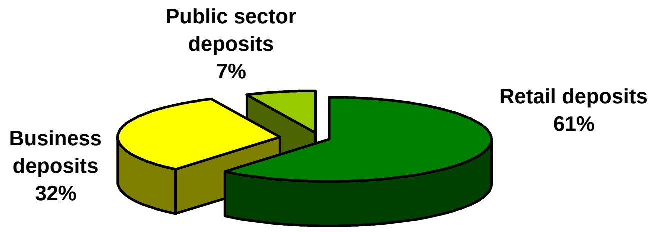
PLN m

Deposits from Customers	30-06-2009	30-06-2008	Change
Deposits from retail customers	25,452.7	20,105.9	+26.6%
Deposits from business customers	13,288.0	11,369.3	+16.9%
Deposits from public sector	3,171.6	2,483.0	+27.7%
Total	**41,912.3**	**33,958.2**	**+23.4%**

Deposits from customers, which represent 74.2% of the Group's total equity and liabilities are the primary source of funding of the Group's lending business. At the end of June 2009, customer deposits totalled PLN 41,912.3 m and were higher by 23.4% y-o-y. This value comprises the funds deposited in current accounts (PLN 16,605 m), term deposits (PLN 24,887.9) and other liabilities.

Over the last 12 months, particularly fast growth was noted in the balances in term deposit accounts which grew by 85.6% y-o-y. This growth is attributable to the bank's attractive deposit offer, including the IMPET term deposits for retail and business customers and innovative deposits launched in the first half of 2009, including the lottery-linked deposit. The balances in current accounts decreased by 16.9%, partly as funds were moved from savings accounts to term deposits.

Deposits from customers of BZ WBK Group as at 30-06-2009



Key Financial Ratios

Selected Financial Ratios	H1 2009	H1 2008
Total costs/Total income	51.3%	51.1%
Net interest income/Total income	45.0%	47.0%
Net interest margin *	3.05%	3.96%
Net commission income/Total income	40.8%	42.6%
Customer deposits/ Total equity & liabilities	74.2%	72.4%
Customer loans/Total assets	64.1%	60.2%
Customer loans/Customer deposits	86.4%	83.3%
NPL ratio	4.5%	2.4%
NPL coverage ratio	40.6%	64.2%
ROE **	13.2%	23.9%
ROA ***	1.3%	2.4%
Capital adequacy ratio	11.56%	10.99%
Book value per share (in PLN)	75.23	65.94
Earnings per share (in PLN)	5.17	7.78

The following were used in computations:

* *net interest margin includes interest-related income on FX Swaps and Basis Swaps;*

** *net profit attributable to shareholders of Bank Zachodni WBK for the 12-month period commencing on 1 July 2008 and equity as at the end of the reporting period, net of current year's profit and minority interests;*

*** *net profit attributable to shareholders of the parent for the 12-month period commencing on 1 July 2008 and average assets derived from the two comparative periods.*

3. Expected Economic Conditions of Development in the Second Half of 2009

The following factors may affect financial results of the bank in the second half of 2009:

- negative GDP growth rate in the environment of the Polish economy (especially in the European Union), leading to a fall in Poland's exports, production, fixed investment, employment and consequently weaker financial standing of enterprises and worse labour market conditions, may result in deterioration of banks' credit portfolios and reduced demand for new loans;
- possible continuation of interest rate reduction by the Central Bank due to deterioration in economic growth prospects and still favourable inflation outlook in the medium-term;
- continuously elevated level of costs of financing the banks' assets, in particular through retail deposits and FX Swaps;
- volatile moods in the global markets and large changes in the stock markets, leading to further outflow of assets from mutual funds; at the same time lower increase in deposits due to deteriorating financial situation of households and enterprises;
- considerably lower demand for property and mortgages related to households' concerns about prospects for the economy and situation in the labour market; in the medium-term - due to deterred developers' investments - a sharp fall in the property market supply is likely, bringing renewed pressure on price growth.

V. Risk Management

During the first six months of 2009, Bank Zachodni WBK Group carried out risk management activities based on the same policies and rules as described in Consolidated Financial Statements for 2008.

In the first half of 2009, the following risk factors were identified:

1. **Negative effect of the economic slowdown on the credit portfolio quality**

   This gives rise to:

   - the risk of deterioration of the bank's financial performance;
   - the risk of the bank's capital base reduction.

2. **Liquidity risk**

   Given the very low liquidity in the inter-bank market, it is of paramount importance to secure adequate deposit base and maintain an adequate stock of qualifying liquid assets to protect against possible stress situation.

3. **Net interest margin risk**

   Competition for customer deposits and high costs of FX funding through the wholesale market have an effect of eroding net interest margins.

Actions Taken in H1 2009

Credit risk increased in the wake of the deteriorating economy and this had a negative impact on the loan book quality, default rate and concentration of exposures in high risk sectors. With high volatility of FX rates, lending restrictions were necessary, contributing to a further slowdown in credit delivery. The challenging market and unfavourable operating environment encouraged credit frauds which was particularly evident in relation to consumer loans.

Continued pro-active credit risk management is recognised as key to the Group's performance in the prevailing economic conditions (volatile markets and economic downturn). The measures taken by the Group during last 6 months include the following:

- active management of the property loan portfolio with a focus on close monitoring of existing exposures and balancing the structure of the total credit portfolio,

- FX lending significantly reduced at first and eventually ceased,

- ongoing review and revision of the Group's approach to credit risk management by aligning the risk assessment methods to new parameters and by tightening credit policies.

In relation to customer FX hedging exposures, in the first half of 2009 Bank Zachodni WBK Group implemented changes to its policy on setting limits for non-bank customers as well as on monitoring and collateralizing respective exposures. Expected customers' inflows are monitored to assess whether they are sufficient to meet potential obligations from customers' derivative transactions. Stress test scenarios are used to identify those counterparties that may have difficulties settling their transactions as a result of significant FX rate volatility or low cash flows from operating activities. Additionally, transactions are secured with revolving loans, utilised in case of default, or deposits that collateralize negative valuation of contracts.

There is a credit fraud detection system embedded in the lending process underpinned by expert IT solutions and covering all channels via which unsecured consumer loans are sold.

Tight quality monitoring will be continued in selected portfolios and should the negative trends become more prominent, management actions will be taken to ensure that the risk is kept at an acceptable level.

Monitoring of card transactions and other retail products was enhanced with new specialist systems to make sure that the processes minimized the potential for fraud. Also, a number of initiatives were put in place, such as information campaigns, warnings and better efficiency of expert units, with a view to raising customer and staff awareness of fraud risks.

VI. Additional Information

1. Information on Governing Bodies

Changes to the Composition of the Supervisory Board

As at 30 June 2009, the composition of the Bank Zachodni WBK Supervisory Board was as follows:

Role	Composition as at 30-06-2009
Chairman of the Supervisory Board:	1. Aleksander Szwarc
Members of the Supervisory Board:	2. Gerry Byrne
	3. Waldemar Frąckowiak
	4. Aleksander Galos
	5. Maeliosa OhOgartaigh
	6. John Power
	7. Jacek Ślotała

The persons listed above were appointed by the AGM of 18 April 2008 for a new 3-year term of office. The original composition included James O'Leary, who stepped down from the Supervisory Board on 21 April 2009.

As at 30 June 2009, the following members of the Supervisory Board held an independent status: Waldemar Frąckowiak, Aleksander Galos, John Power, Aleksander Szwarc and Jacek Ślotała.

Changes to the Composition of the Management Board

As at 30 June 2009, the composition of the Bank Zachodni WBK Management Board was as follows:

Role	Composition as at 30-06-2009
Management Board President:	1. Mateusz Morawiecki
Members of the Management Board:	2. Paul Barry
	3. Andrzej Burliga
	4. Declan Flynn
	5. Justyn Konieczny
	6. Janusz Krawczyk
	7. Jacek Marcinowski
	8. Michael McCarthy
	9. Marcin Prell
	10. Mirosław Skiba
	11. Feliks Szyszkowiak

The persons listed above were appointed by the Supervisory Board on 21 April 2009 for a joint 3-year term of office.

Changes to the composition of the bank's Management Board over the past 12 months:

- Due to the resignation of Michał Gajewski from the Management Board at the end of April 2008, on 22 July 2008 the bank's Supervisory Board appointed Mirosław Skiba to the Management Board as Head of the Customer Relationship and Sales Division (now Retail Banking Division).

- On 30 September 2008, James Murphy completed his term as Management Board Member in charge of Finance Division of Bank Zachodni WBK and took up a new role in AIB Group. On 12 June 2008, the Supervisory Board passed a resolution appointing Paul Barry as Management Board Member in charge of the Finance Division effective from 1 October 2008.

- On 16 December 2008, the Bank Zachodni WBK Supervisory Board nominated Michael McCarthy as Management Board Member in charge of the Business and Corporate Banking Division effective from 1 February 2009.

Shares in Possession of the Supervisory and Management Board Members

The table below presents the number of shares held by the Supervisory Board Members as at the date of approval of Interim Report 2009 of Bank Zachodni WBK Group:

Members of the Supervisory Board as at 30-06-2009	Number of BZ WBK shares	
	30-06-2009	31-12-2008
Waldemar Frąckowiak	278	278
Other Board Members	-	-

The first Incentive Scheme of 2006 has been fully exercised and 115 729 H series shares issued as part of the bank's share capital increase have been allocated to the entitled employees, of which the Management Board Members have been granted 23 084 shares (the H series shares were registered with the National Depository of Securities on 10 July 2009). The Management Board members have also a conditional right to acquire shares under the Performance Share Programme II and III. The table below shows the number of Bank Zachodni WBK shares and share entitlements held by the Management Board members as at the approval date of Interim Report 2009.

Members of the Management Board as at 30-06-2009	30-06-2009		31-12-2008	
	Number of BZ WBK Shares	Number of Share-Based Payments	Number of BZ WBK Shares	Number of Share-Based Payments
Mateusz Morawiecki	3,591	9,961	-	13,552
Paul Barry	-	-	-	-
Andrzej Burliga	1,606	4,417	-	6,023
Declan Flynn	-	-	-	-
Justyn Konieczny	3,591	7,847	-	11,438
Janusz Krawczyk	3,397	6,661	-	10,058
Jacek Marcinowski	3,397	6,661	-	10,058
Michael McCarthy	-	-	-	-
Marcin Prell	2,530	6,661	-	9,191
Mirosław Skiba	1,575	2,813	-	4,388
Feliks Szyszkowiak	3,438	6,661	-	10,058
	23,125	**51,682**	**-**	**74,766**

2. Control System of Financial Statements

Internal Control System and Risk Management

The bank operates an internal control system which supports the decision-making processes and contributes to efficient operation of the bank, reliability of financial reporting and compliance with the internal and external regulations. The bank's internal control system is adjusted to its organisational structure and the risk management system, and includes the Business Support Centre units, branches and subsidiaries. Development, implementation and maintenance of the written strategies and procedures of the internal control system is the responsibility of the bank's Management Board. The Supervisory Board has oversight over implementation of the internal control system and evaluates its adequacy and effectiveness.

Financial data preparation for the purpose of statutory reporting is automated and based on the consolidated General Ledger. Data inputs in the source systems are subject to formal operational and approval procedures which state responsibilities of individual staff members. A set of specialist controls is also applicable to the General Ledger processing. Any manual corrections or management overrides are under strict control.

The financial statements are formally approved by the Disclosure Committee which is responsible for ensuring that the data are true and compliant with law. The Disclosure Committee recommends the financial statements to the Management Board for ratification. The financial statements are also reviewed by the Audit Committee of the Supervisory Board.

In addition, the efficiency of control mechanisms is assessed annually as part of the certification process for compliance with Sarbanes-Oxley Act.

Internal Control Compliant with the Sarbanes-Oxley Act

Bank Zachodni WBK as a subsidiary of the AIB Group must fulfil the requirements arising from the Sarbanes-Oxley (SOX) Act insofar as it relates to the Group. This regulation introduced strict rules with respect to exercising internal control over the company's financial reporting. As part of the AIB Group certification process for 2008, the bank's management confirmed that relevant processes operated properly across Bank Zachodni WBK Group and that the Group's internal control system was robust. Appropriate certificates were also submitted at the end of the first and the second quarter of 2009.

Selection of Auditor

In accordance with §32 point 10 of the Statutes of Bank Zachodni WBK and the industry practice, on 24 June 2009 the bank's Supervisory Board passed a resolution appointing KPMG Audyt Sp. z o.o. as an auditor to review the bank's stand-alone and consolidated financial statements for the first half of 2009 and to audit the full accounts for 2009. KPMG Audyt Sp. z o.o. audited the bank's financial statements for the prior years and through other KPMG companies provided consulting services permitted by law and the bank's internal regulations, whereby adequate impartiality and independence of the auditor was ensured.

3. Other Information

Transactions with Connected Entities

Transactions between the bank and its subsidiaries are banking operations carried out on an arms length basis as part of the ordinary business and represent mainly loans, deposits and guarantees.

As at 30 June 2009, total exposure on loans to subsidiaries (mainly BZ WBK Leasing S.A., BZ WBK Finanse & Leasing S.A., BZ WBK Faktor Sp. z o.o.) was PLN 953.3 m versus PLN 688.7 m a year before. Guarantees to subsidiaries (BZ WBK Finanse & Leasing S.A., BZ WBK Leasing S.A., Dom Maklerski BZ WBK S.A., BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A., BZ WBK Nieruchomości S.A.) totalled PLN 53.8 m versus PLN 107.5 m as at 30 June 2008.

As at 30 June 2009, deposits held by the subsidiaries with Bank Zachodni WBK totalled PLN 823.7m vs PLN 1,520.3 m 12 months before.

The intercompany items have been eliminated from the consolidated accounts.

Guarantees

As at 30 June 2009, guarantees sanctioned by Bank Zachodni WBK Group amounted to PLN 826.2 m as compared to PLN 876.9 m 12 months before.

Bank Zachodni WBK guarantees are obligations arising from customers' operating activities. These are: payment guarantees, performance bonds, warranty bonds, bid bonds, loan repayment guarantees and customs guarantees. In accordance with the Bank Zachodni WBK Regulations for provision of non-consumer credit services, the bank provides civil law guarantees (mainly: loan repayment guarantees, guarantees of payments for goods or services, advance payment guarantees, performance bonds, customs guarantees) as well as guarantees under Bills of Exchange Law (mainly: loan repayment guarantees, guarantees of payment for goods or services).

The process and information required are similar to the lending process. Relevant regulations are contained in the SME Lending Manual and the Corporate Lending Manual.

Selected off-Balance Sheet Items

Commitments and Derivatives

Guarantees and commitments of Bank Zachodni WBK Group and nominal amounts of derivative transactions are as follows:

PLN m

Guarantees and Commitments (Sanctioned)	30-06-2009	30-06-2008
Financial commitments	7,116.4	9,654.2
Guarantees	826.2	876.9
Total	**7,942.6**	**10,531.1**

PLN m

Derivatives by Nominals	30-06-2009	30-06-2008
Forward (hedging)	1,948.0	1,543.1
Forward (trading)	94,145.6	211,084.0
Current FX transactions	1,829.6	1,497.1
Trading in equities	36.5	3.5
Total	**97,959.7**	**214,127.7**

Operating Leases

Bank Zachodni WBK Group leases offices in compliance with operating lease agreements. As a standard, agreements are concluded for 5-10 years. Total payments of all the non-cancellable operating leases (including land perpetual usufruct) are as below:

PLN m

Payments by Maturity	30-06-2009	30-06-2008
Less than 1 year	138.3	112.4
1-5 years	331.8	370.8
over 5 years	299.0	309.3
Total	**769.1**	**792.5**

Significant Court Proceedings

As at 30 June 2009 no proceedings were instituted by court or by state administration agencies with relation to any claims made by or against the bank or its subsidiaries amounting to a minimum of 10% of the Group's equity.

The value of all litigations totalled PLN 216.9 m which is ca 3.95% of the Group's equity as at end-June 2009 (compared to PLN 273.7 m as at 30 June 2008 which is ca. 5.71% of the Group's equity). This amount includes PLN 30.5 m claimed by the Bank, PLN 53.4 m in claims against the bank and PLN 133 m of the bank's receivables due to bankruptcy or arrangement cases.

VII. Representations of the Management Board

True and Fair Presentation of the Financial Statements

According to the Management Board's best knowledge and belief, the financial figures and the comparable data presented in the financial statements forming part of the "Interim Report 2009 of Bank Zachodni WBK Group" were prepared in keeping with the applicable accounting policies and give a true and fair view of the assets and financial performance of Bank Zachodni WBK and its Group. The Management Board's Report contained in this document shows a true picture of the Group's development, achievements and position (including the underlying risks) in the first half of 2009.

Selection of Auditor

The auditing firm responsible for reviewing the interim consolidated financial statements of the bank and its group was selected in compliance with the applicable legislation. The auditing firm and its auditors satisfied the necessary conditions to ensure they provide an unbiased and independent report compliant with Polish law and the professional standards.

Date	Name	Role	Signature
30-07-2009	Mateusz Morawiecki	President of the Management Board	
30-07-2009	Paul Barry	Management Board Member	
30-07-2009	Andrzej Burliga	Management Board Member	
30-07-2009	Declan Flynn	Management Board Member	
30-07-2009	Justyn Konieczny	Management Board Member	
30-07-2009	Janusz Krawczyk	Management Board Member	
30-07-2009	Jacek Marcinowski	Management Board Member	
30-07-2009	Michael McCarthy	Management Board Member	
30-07-2009	Marcin Prell	Management Board Member	
30-07-2009	Mirosław Skiba	Management Board Member	
30-07-2009	Feliks Szyszkowiak	Management Board Member	