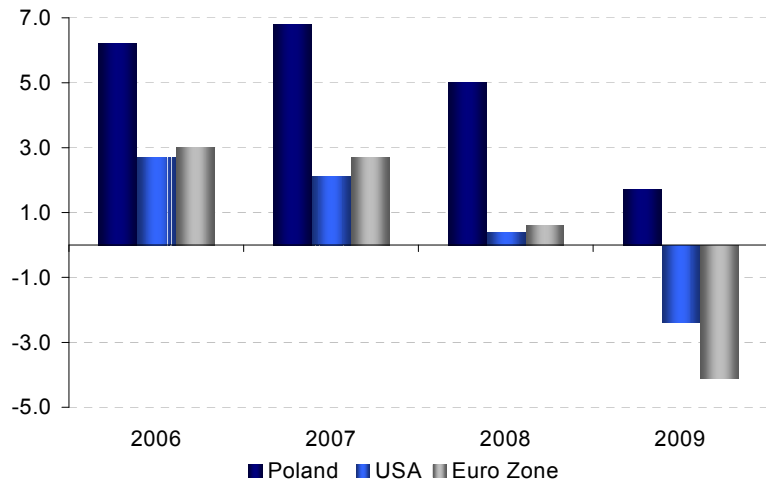




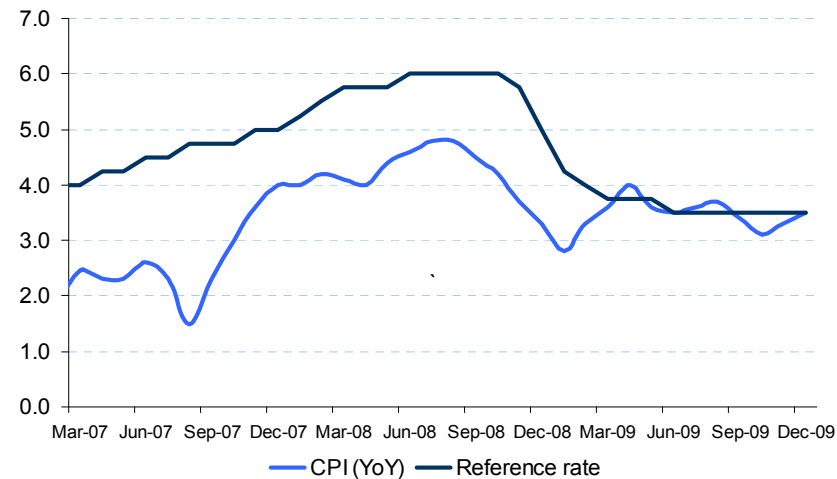
BANK HANDLOWY W WARSZAWIE S.A.
Consolidated financial results for 2009

Macroeconomic situation in 2009

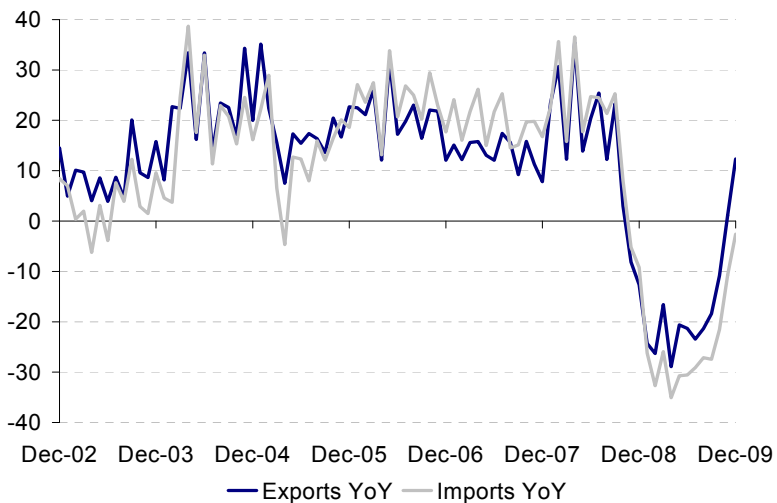
Poland was the only country that reached positive GDP growth in the European Union



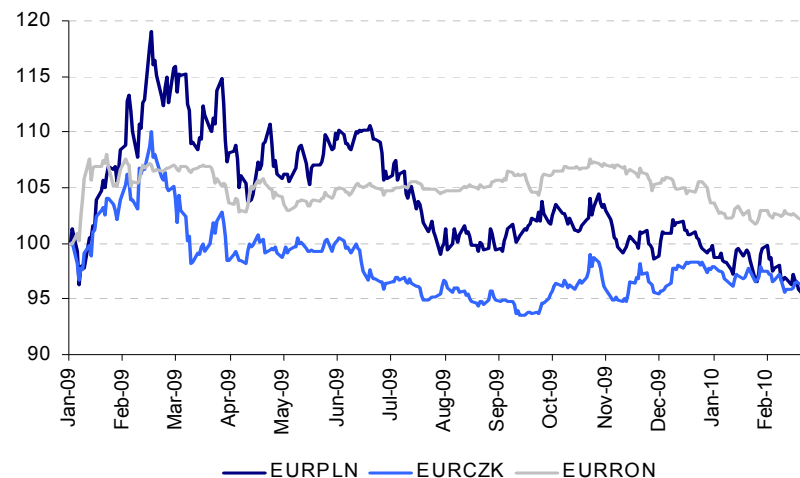
Real interest rates around 0%



Rebound in foreign trade after significant slowdown in first half of the year



Stronger PLN due to improvement in global sentiment and solid fundamentals of Polish economy



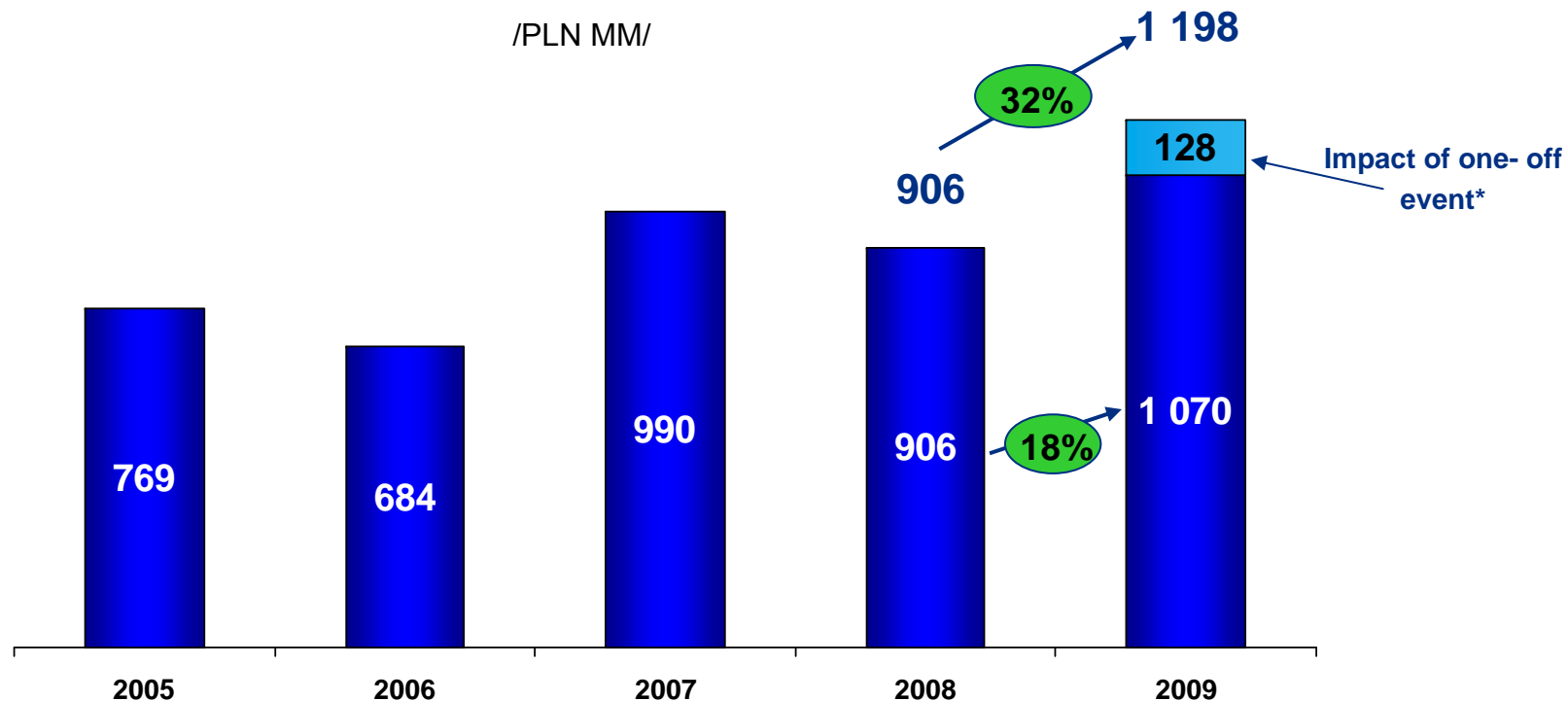
Solid financial results during economic slowdown

Citi Handlowy resilient to slowdown

- **Significant deterioration of market environment:**
 - GDP growth decreased from 5.0% in 2008 to 1.7% in 2009
 - Decline of foreign trade (exports -18% yoy, imports -26% yoy)
 - Increase of unemployment rate from 9.5% as end of 2008 to 11.9% as end of 2009
 - Decrease of interest rates by 200 bp on average in 2009 vs. 2008
- **Substantial growth of operating income: +32% yoy, PLN +292 MM (+18%, PLN +164 MM excl. VAT)**
 - Revenue growth by 7% yoy (PLN +175 MM) due to:
 - Strong net interest income (+10% yoy, PLN +140 MM) due to growing net interest margin
 - Improvement of treasury income (+10% yoy, PLN +31 MM)
 - Decrease of expenses by 8% yoy (PLN -117 MM)
 - Better cost efficiency (C/I at the level of 54%)
- **Increase of credit risk – higher net impairment losses by PLN 260 MM (excl. FXO)**
- **Negative impact of FX options on Bank's financial results: PLN 239 MM in 2009 with declining trend**
- **Strong Bank's capital and liquidity position:**
 - CAR at the level of 16.7%
 - Loans/deposits ratio at the level of 58%
- **Focus on development of customer relation**

Significant increase of operating income in 2009

Operating income above PLN 1 billion in 2009



Revenue increase

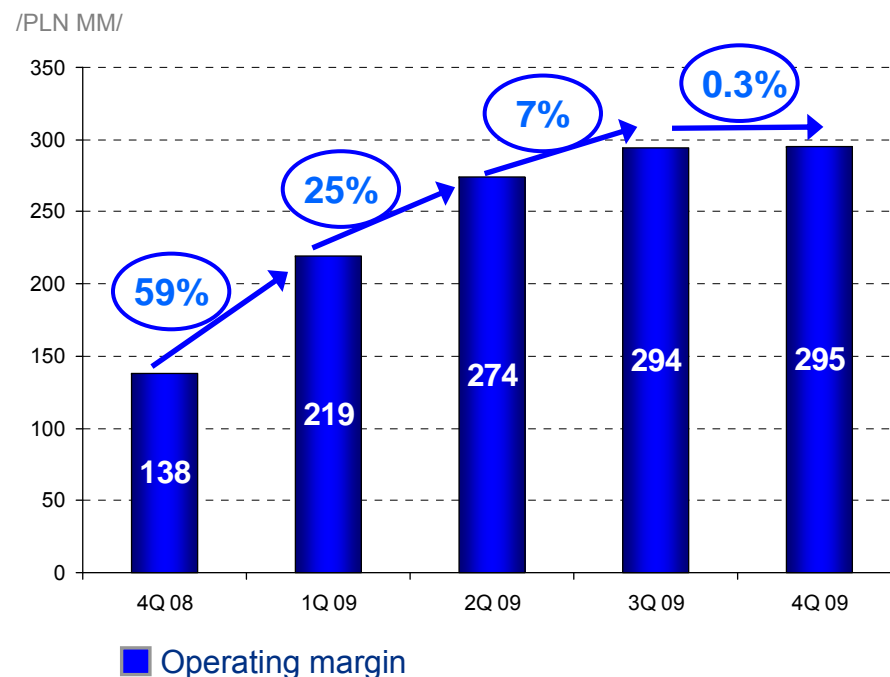
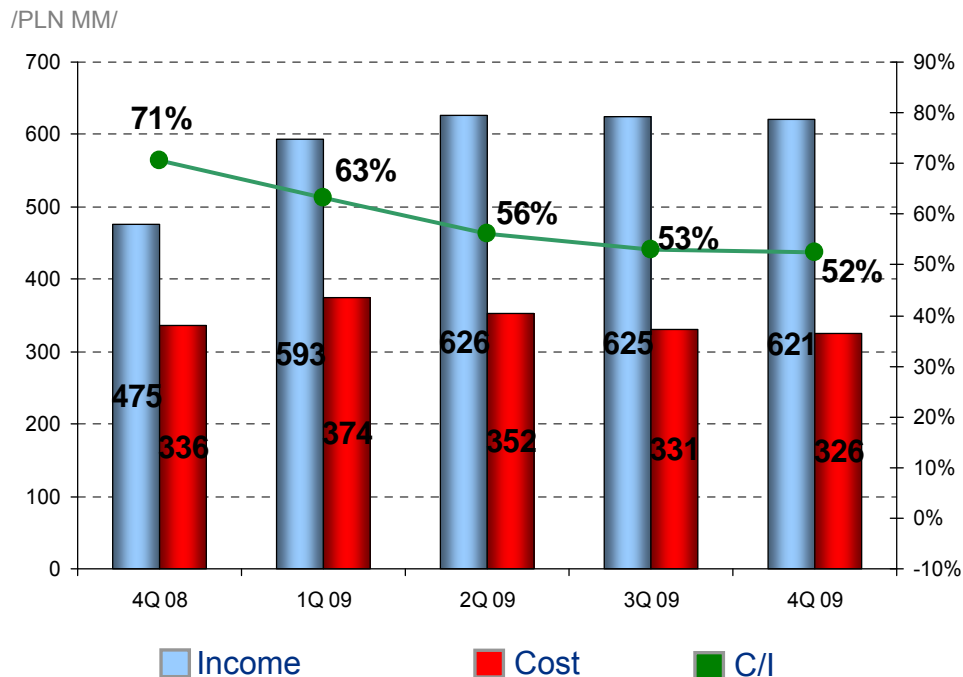
- interest income increase (possible among others due to excellent liquidity)
- improvement on treasury result

Expenses decrease

**Cost efficiency improvement
(decrease of C/I ratio by 9 p.p.)**

*One-off event – impact of Vat settlement adjustment.

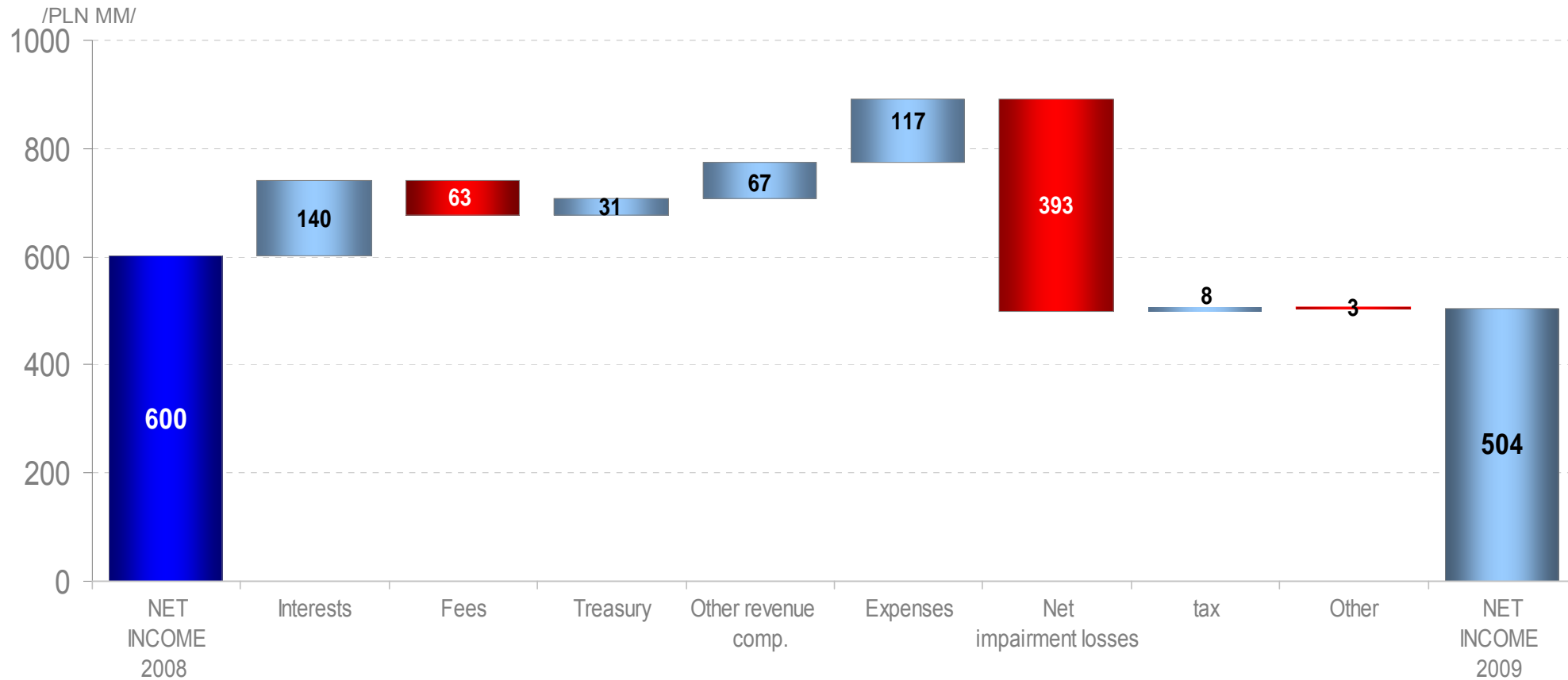
Increase of operating income



Increase of operating income in 2009 (excluding one-off event-positive impact of VAT return in the 3Q) due to stable income and decreasing costs

Operating income = income - cost

Net income 2009 vs. 2008



↑ 10%
(2009/2008)
Net interest income

market
-5%

↓ 10%
(2009/2008)
Net fee & commission income

market
+9%

↑ 31 MM
(2009/2008)
Treasury

↓ 8%
(2009/2008)
Expenses & depreciation

market
+1%

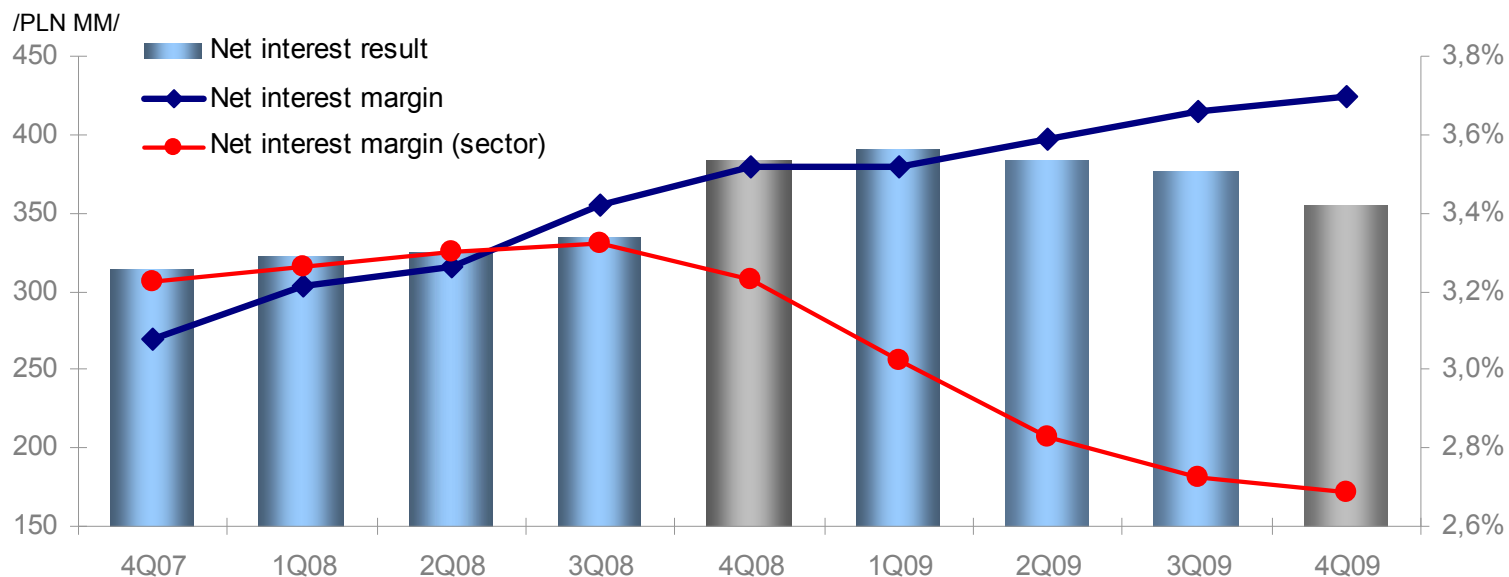
↑ 393 MM
(2009/2008)
Net impairment losses

Increasing interest margin

Net interest income and net interest margin

↑ **50%**
(2009/2008)
Debt securities portfolio income

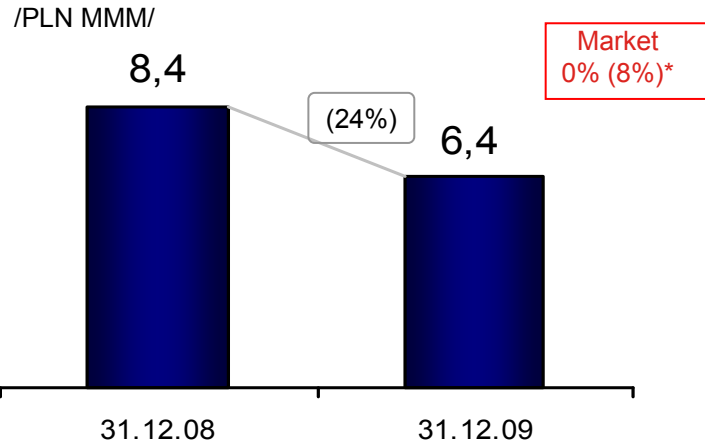
↓ **41%**
(2009/2008)
Deposits cost – non-financial sector



Net interest margin = sum of net interest results from 4 quarters to average assets from 4 quarters

Non-financial sector loans

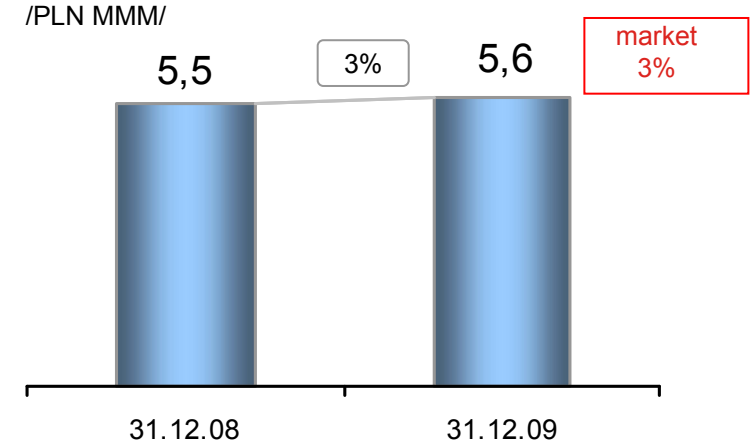
Corporate loans



Corporate loans: including public sector and local government institutions

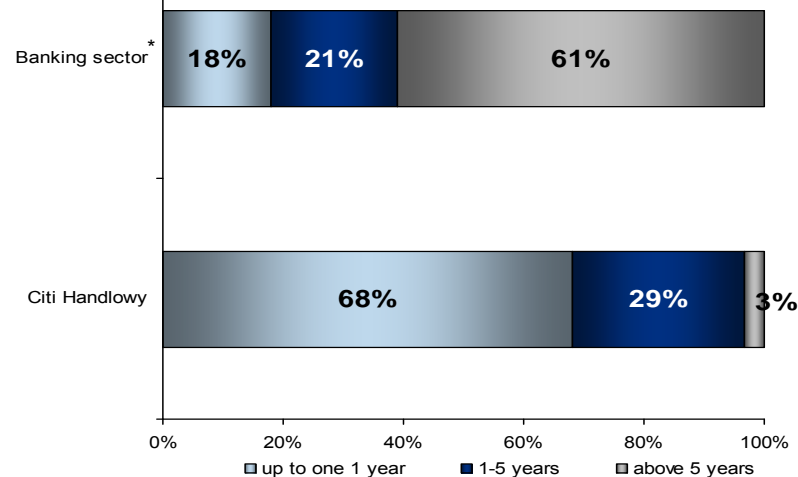
*Corporate loans excluding public sector and local government institutions

Retail loans



*excl. mortgage

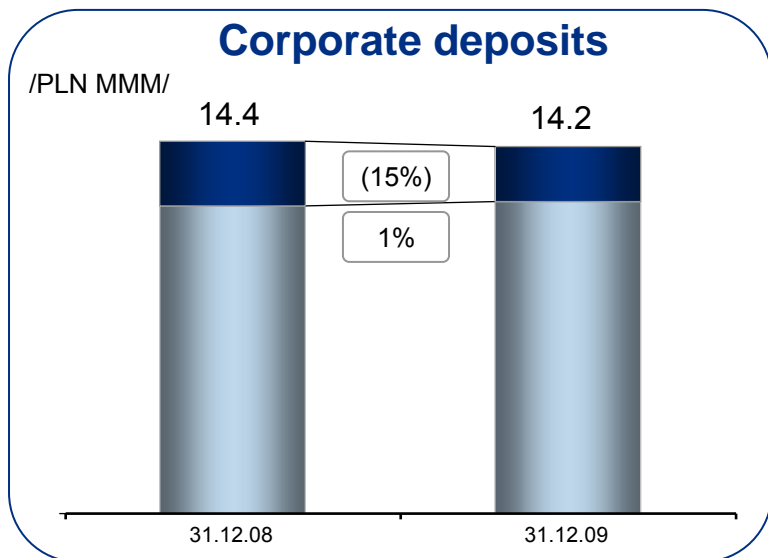
Non-financial sector loans - structure by tenors



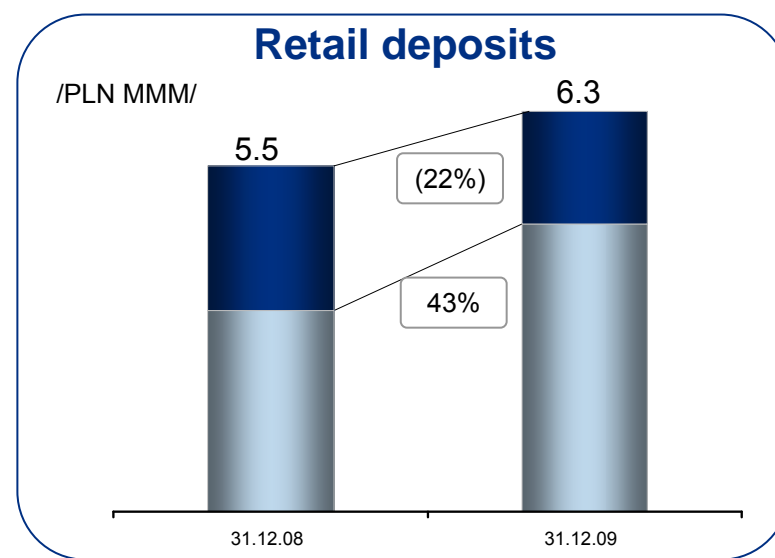
*Source: NBP

Deposits

Non-financial sector deposits



■ Current ■ Term



■ Current ■ Term

Bank's market shares in current deposits

	2008	2009
Corporate	13,1	13,0
Retail	2,7	2,9

Changes	2009/2008	Market 2009/2008
Current	1%	4%
Term	(15%)	12%
Total	(2%)	3%

Changes	2009/2008	Market 2009/2008
Current	43%	24%
Term	(22%)	(6%)
Total	16%	5%

Corporate deposits including public sector and local government institutions

Improvement of fee & commission result in quarterly view

Net fee & commission income



26%

(2009/2008)

Investment and insurance products



9%

(4Q09/3Q09)

Investment and insurance products



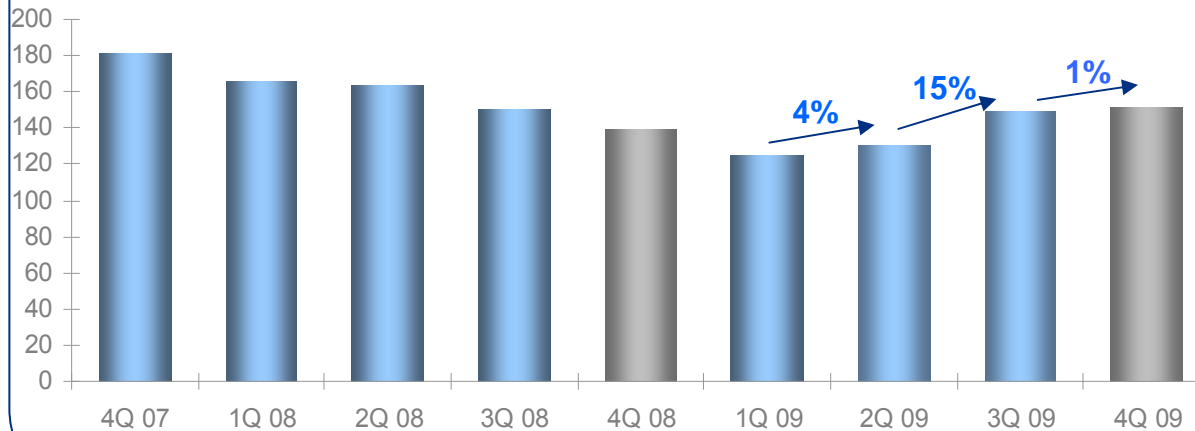
5%

(4Q09/3Q09)

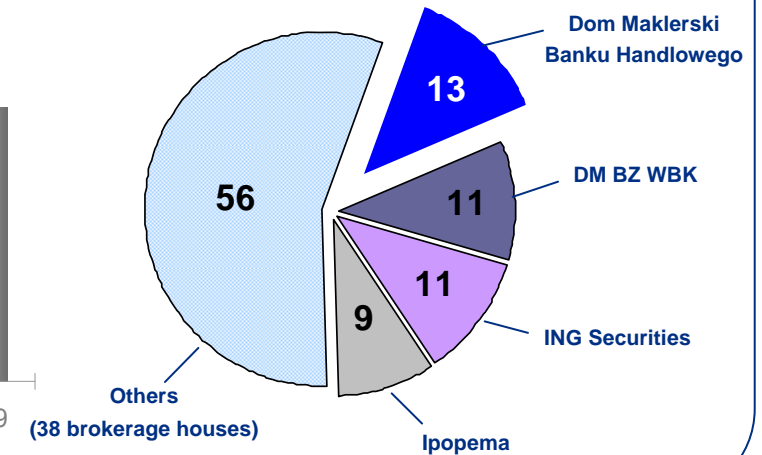
Credit and payment cards

Increase of net fee & commission income in three quarters 2009

/PLN MM/



DMBH's share in volume of trade in shares on WSE 2009 (%)



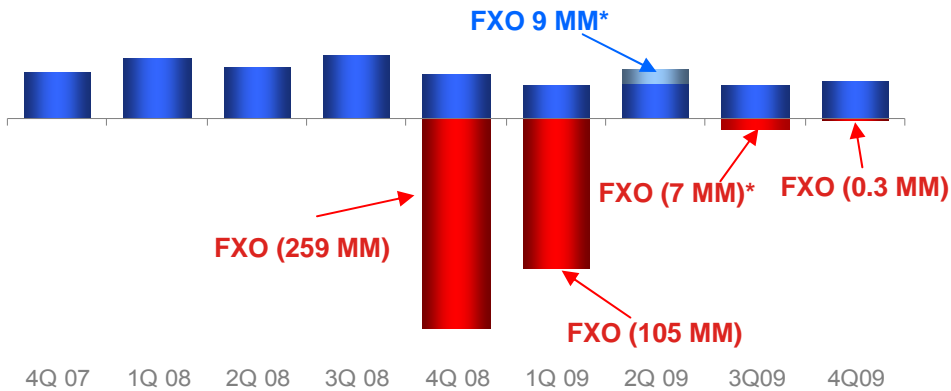
Treasury result improvement

Treasury



Customer activity

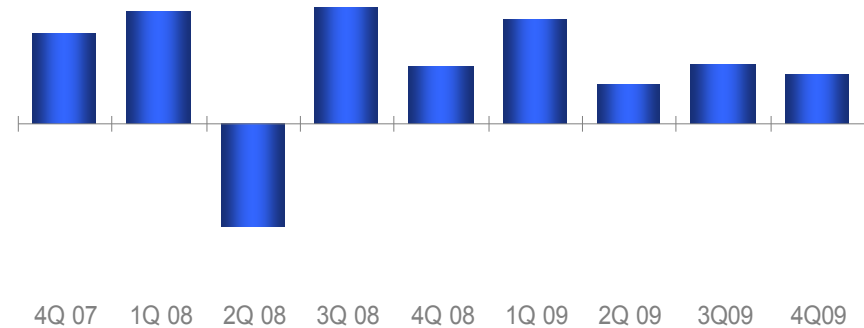
Customer activity result



*FXO hedging included

Proprietary management

Proprietary management result



Scale on charts is incomparable

Cost efficiency improvement

2009 vs 2008

Expenses decrease by 8%

sector
+1%

C/I ratio decrease by 9 p.p. to the level of 54%

sector
- 0,1 p.p.

4Q 2009 vs 4Q 2008

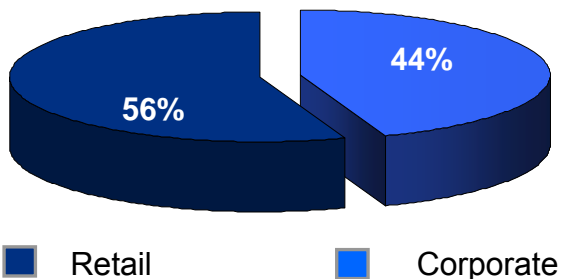
Expenses decrease by 3%

sektor
-5%

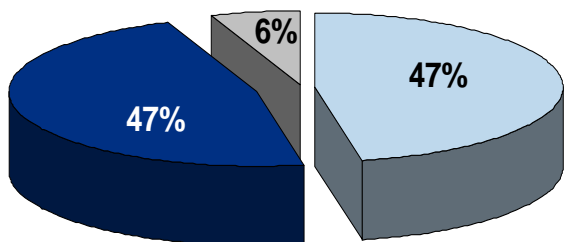
C/I ratio decrease by 18 p.p. to the level of 52%

sektor
- 8p.p.

Expenses structure in 2009 r.



■ Retail ■ Corporate



■ General administrative ■ Personnel ■ Depreciation

Cost / Income

	2008	2009
Corporate Banking	56%	44%
Retail Banking	69%	72%
Total	62%	54%

Retail banking:

Rationalization of marketing expenses, optimization of branch network and sale bonus system

Corporate banking:

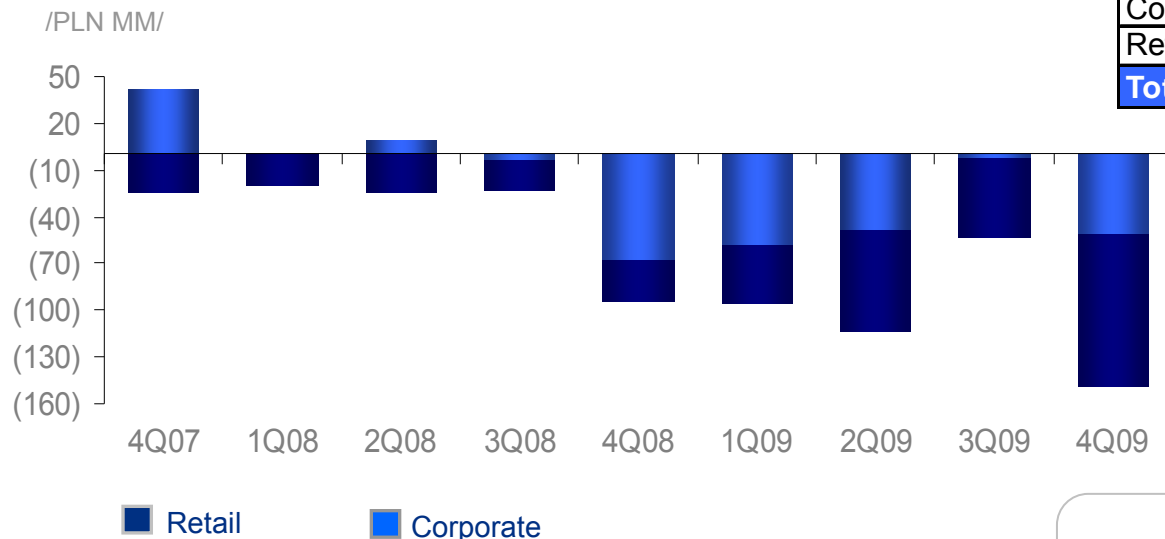
Lower depreciation, transactional and personnel costs

Credit risk growth in 2009

Net impairment losses*



Net impairment losses*



Net impairment losses		
	2008	2009
Corporate Banking	(61.4)	(159.0)
Retail Banking	(89.5)	(251.5)
Total	(150.9)	(410.5)

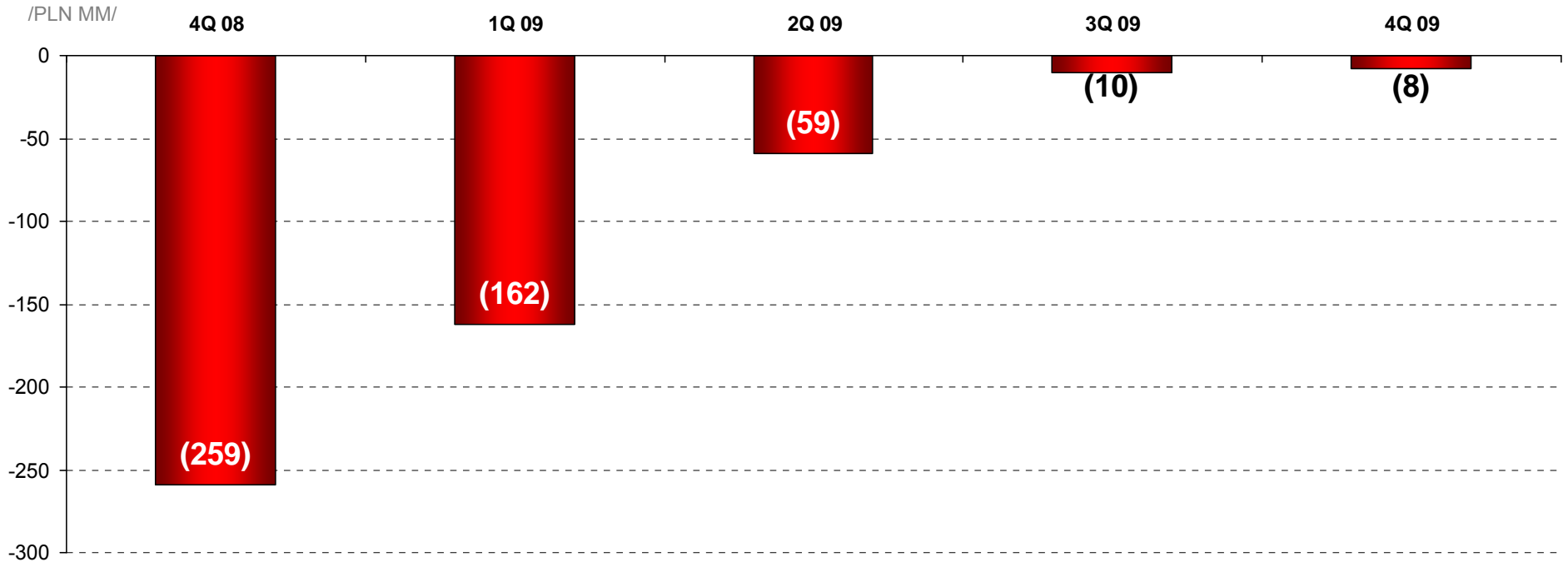
Retail banking:
 Higher risk of credit cards and consumer loans portfolios

Corporate banking:
 Higher credit risk as a result of slowdown in the economy and worsening of market conditions

*excl. FX Options

FX Options' impact on Bank's income in 2009

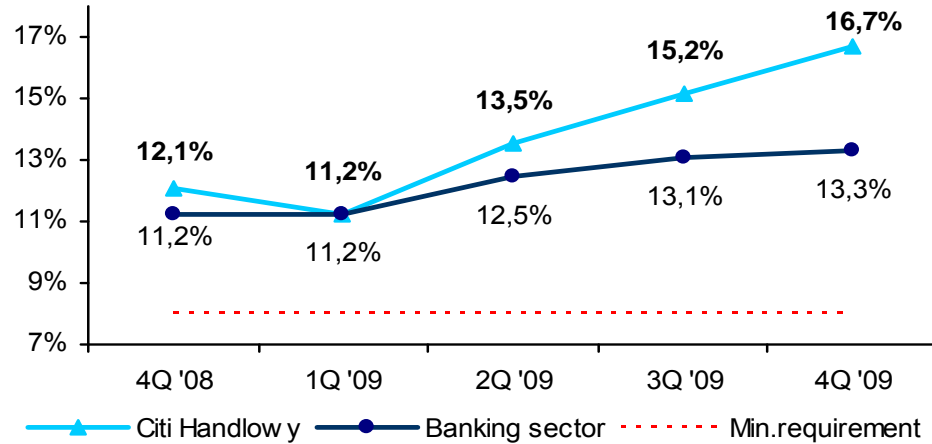
FX Options' impact on Bank's income



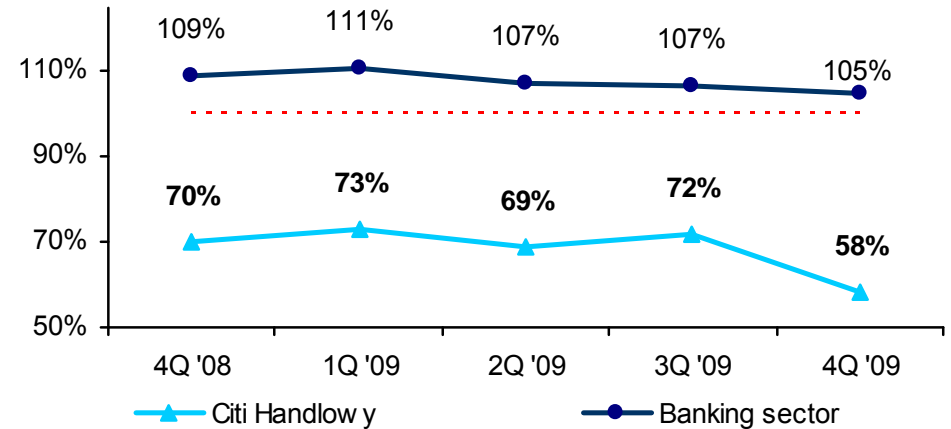
FX options negative impact on results was decreasing in the following quarters of 2009

Excellent fundamentals for growth

Strong capital base (CAR)



High liquidity (Loans/Deposits)



- Citi Handlowy maintains stable capital base
- The Bank's CAR amounted to 16.7% and it was well above the average for banks.
- As at the end of 4Q 2009 Citi Handlowy loans to deposits ratio amounted to 0.58, one of the best on the market.

Source: Citi Handlowy

Citi Handlowy strategy for 2010-2012

Citi Handlowy at a new opening

4 pillars of Citi Handlowy Strategy for 2010-2012:

1. Client segmentation

Based on behavior patterns and scope of cooperation with the bank.

2. Business model

Increase in the scope of cooperation with client and expansion of banking service network including remote channels. Tailoring the offer to clients' expectations and preferences.

3. Quality & Innovation

*The highest clients' satisfaction on the market. Quality standards for particular client groups.
Quality parameters in employees motivation systems.
Innovations leader in banking.*

4. Efficiency

	2009	2012	Banking sector 2009
ROE	9%	>20%	9%
ROA	1.3%	>2.5%	0.8%
Cost / Income	53%	<50%	55%
Loans / Deposits	58%	<100%	105%

Client segmentation based on cross-sell and behavior patterns

Consumer banking

Corporate banking

> 3 main products

> 3 products

> PLN 1.5 MM of assets deposited in the Bank

Turnover of a company > PLN 1.5 B

GOLD SELECT

PLATINUM

3 main products

3 products

> PLN 12 M inflow on current account or
> PLN 200 M of assets deposited in the bank

Turnover of a company > PLN 300 MM

GOLD

GOLD

2 main products

2 products

> PLN 2.5 M net salary or
PLN 4 M for household

Turnover of a company > PLN 20 MM

BLUE

BLUE

Clients with one product,
selected regardless
of the
above criteria

Clients with one product,
selected regardless
of the
above criteria

WHITE

66%

51%

Share of client number in the segment

WHITE

Active cross-sell to improve efficiency and
profitability of cooperation

New strategy of the Bank for 2010-2012

Efficiency improvement

- **Revenue: double digit average growth for 2010-2012**
- **Expenses: single digit average growth for 2010-2012**
- **Positive operating leverage for 2010-2012**

Growth directions

- **Blue and Gold Segments** as revenue increase drivers of Corporate and Consumer Banking
- **Loans (CAGR '10-'12):**
 - corporate: 9%
 - individuals: 14%
- **Current deposits corporate (CAGR '10-'12: 30%) and factoring (CAGR '10-'12: 31%)**

Innovations

- **10% increase of gross profit generated from innovations**
- **Implementation of mobile banking** for individual customers
- **Start-up of debit and credit cards issuing directly in branch**

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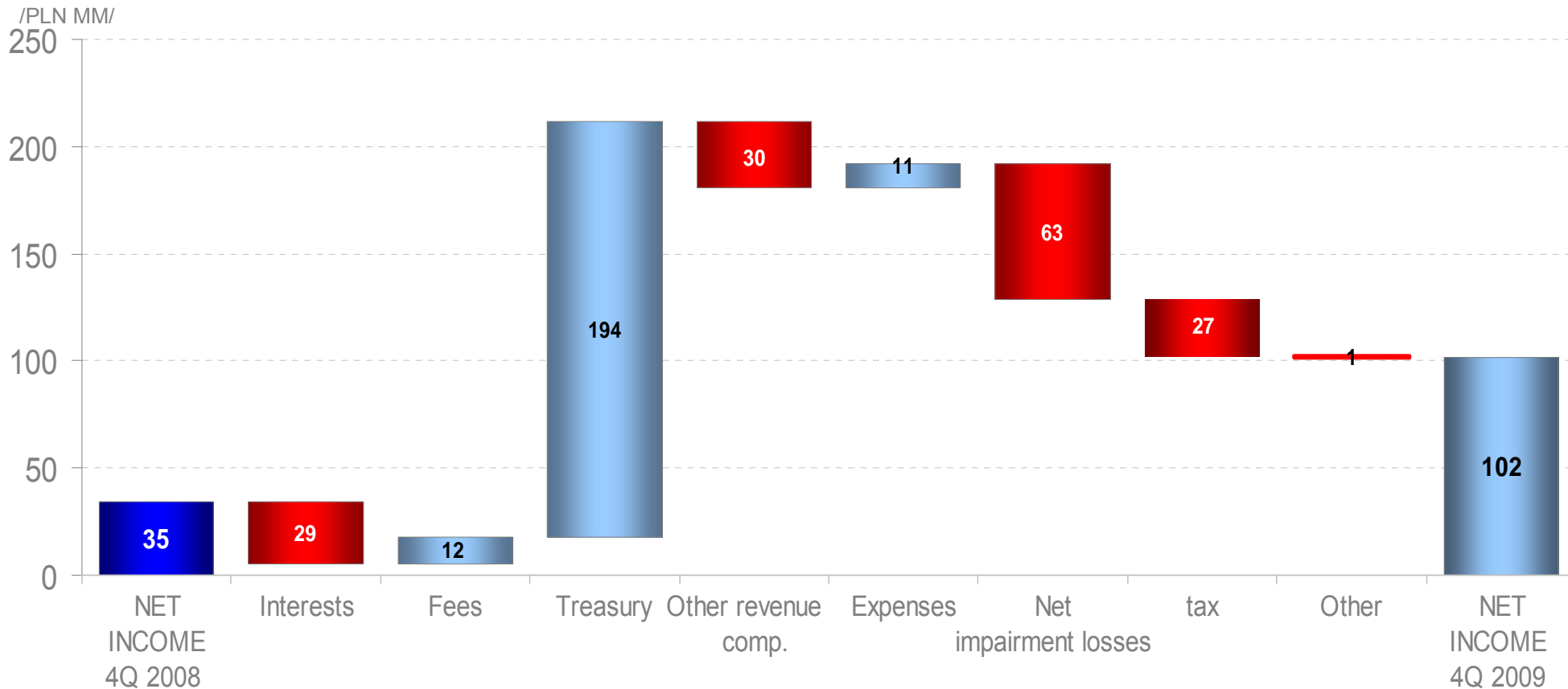
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Appendix

Net income 4Q 2009 vs. 4Q 2008 (pro-forma)



8%
 (4Q09/4Q08)
Net interest income

market
-3%

9%
 (4Q09/4Q08)
Net fee & commission income

market
+16%

194 MM
 (4Q09/4Q08)
Treasury

3%
 (4Q09/4Q08)
Expenses & depreciation

market
-5%

63 MM
 (4Q09/4Q08)
Net impairment losses