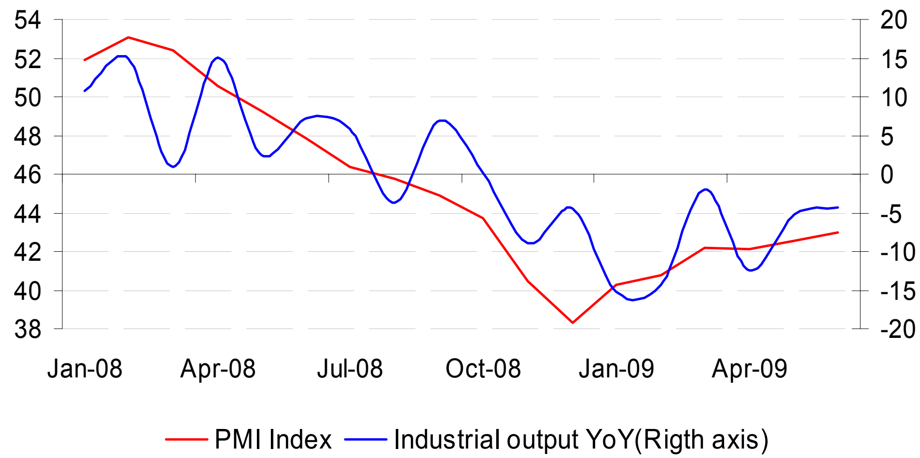
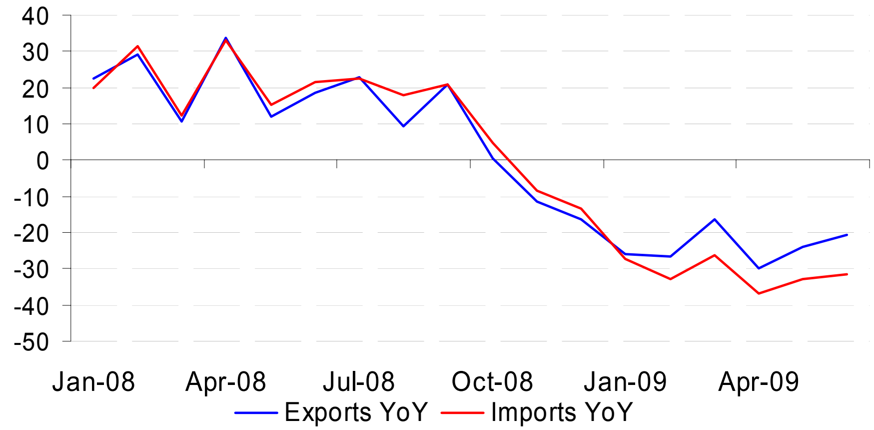
BANK HANDLOWY W WARSZAWIE S.A.
Initial 2Q 2009 consolidated financial results

Macroeconomic situation in 2Q 2009

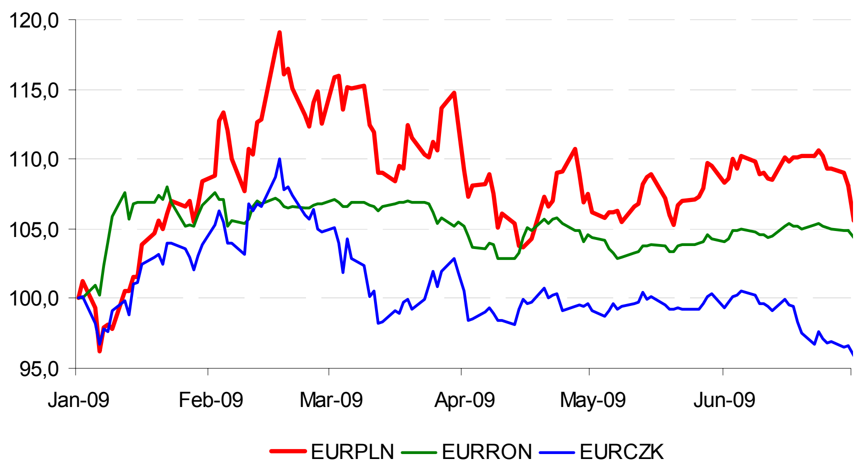
Gradual improvement in industrial output thanks to weaker exchange rate



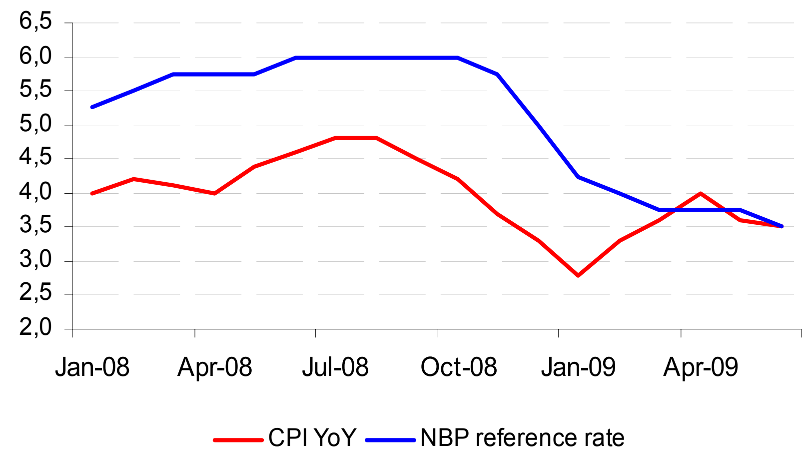
Imports decline at a faster pace than exports thus contributing to improvement in trade balance



PLN strengthens on the back of improved market sentiment and stronger fundamentals



MPC cuts rates by 150bps to 3.50% in 1H 2009

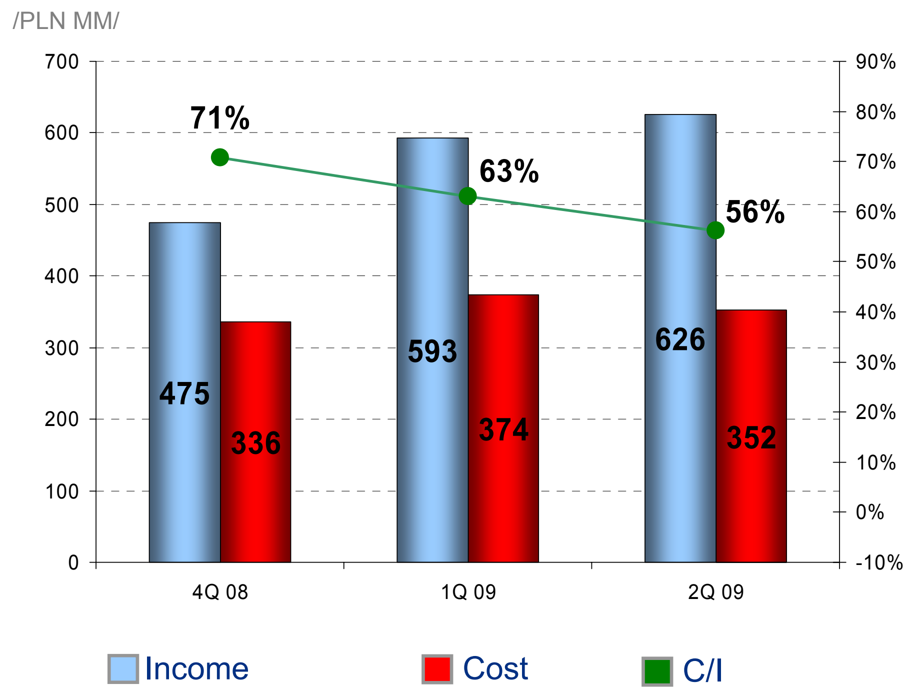


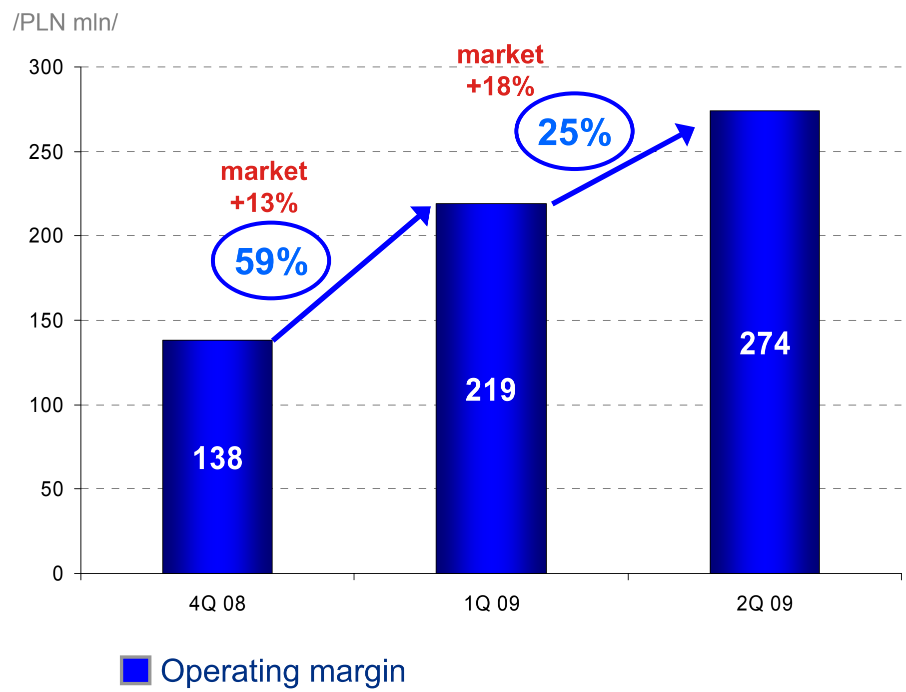
Source: Citi Handlowy, GUS, NBP

An improvement in Bank’s results

- **Operating margin:** PLN 274 million - an increase of 20% as compared to the second quarter of 2008 and 25% as compared to the first quarter of 2009.
- **Operating income:** PLN 626 million – an increase of 3% as compared to the second quarter of 2008 and 6% as compared to the first quarter of 2009.
- **Operating expenses:** PLN 352 million – a decrease of 8% as compared to the second quarter of 2008 and 6% as compared to the first quarter of 2009.
- **The growth of cost effectiveness (cost/ income ratio):** it decreased to the level of 56% which constituted a 7 pp decrease as compared to the second quarter of 2008 and a 7 pp decrease as compared to the first quarter of 2009.
- **Capital adequacy ratio:** 13.5% - an increase of 1.9 pp as compared to the second quarter of 2008 and 2.3 pp as compared to the first quarter of 2009 .
- **Loans to deposits ratio**: 69% - no change as compared to the second quarter of 2008 and a decrease of 4 pp as compared to the first quarter of 2009.

Increase of operating margin in the last two quarters

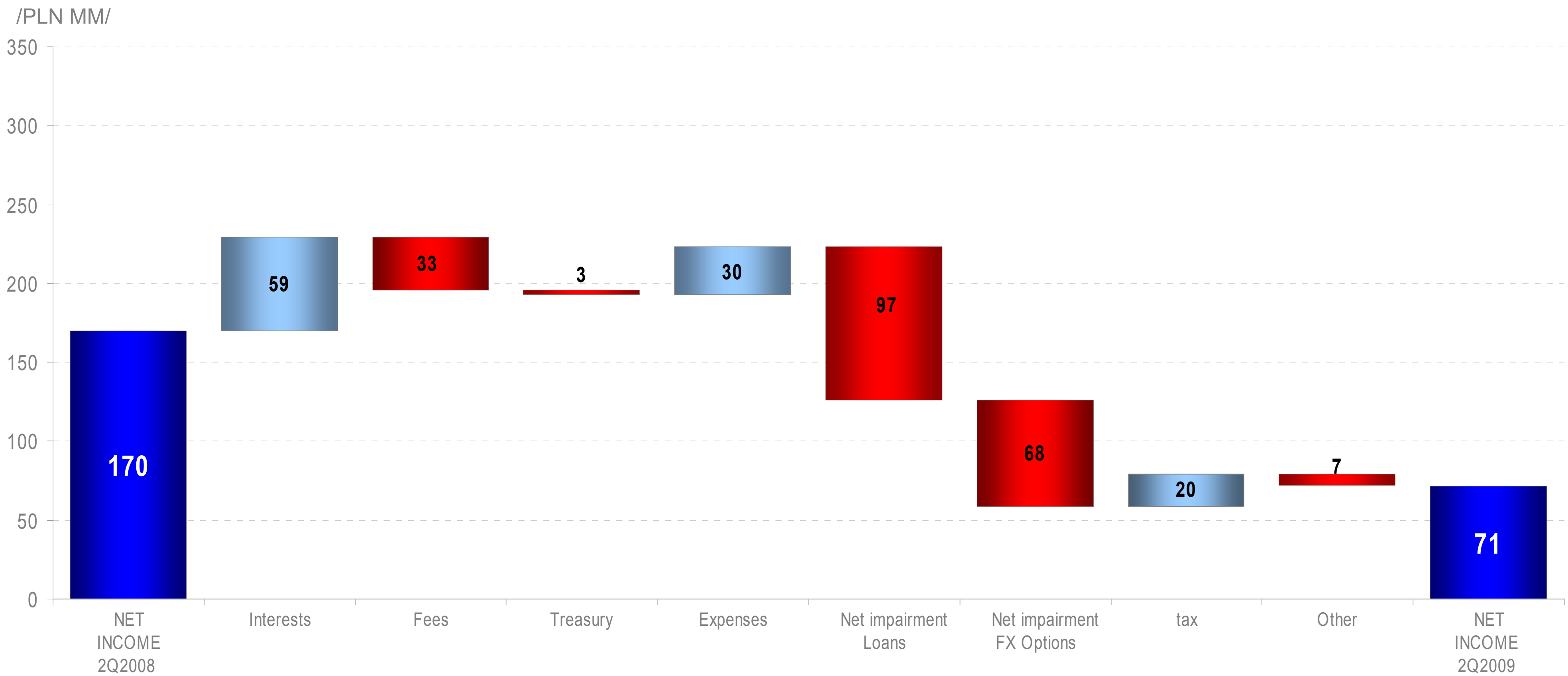




- Increase of operating margin in the last two quarters above the market, thanks to:
  - better cost effectiveness in the last two quarters – a decrease of Cost/Income ratio (C/I) to 56%
  - stable increase in income

Operating margin = income - cost

Net income



18%	20%	8%	97 MM	68 MM
(2Q09/2Q08)	(2Q09/2Q08)	(2Q09/2Q08)	(2Q09/2Q08)	(2Q09/2Q08)
Net interest income	**Fee & commision income**	**Expenses and depreciation**	**Net impairment losses loans**	**Net impairment FX Options**
market -9%	market +9%	market +3%		

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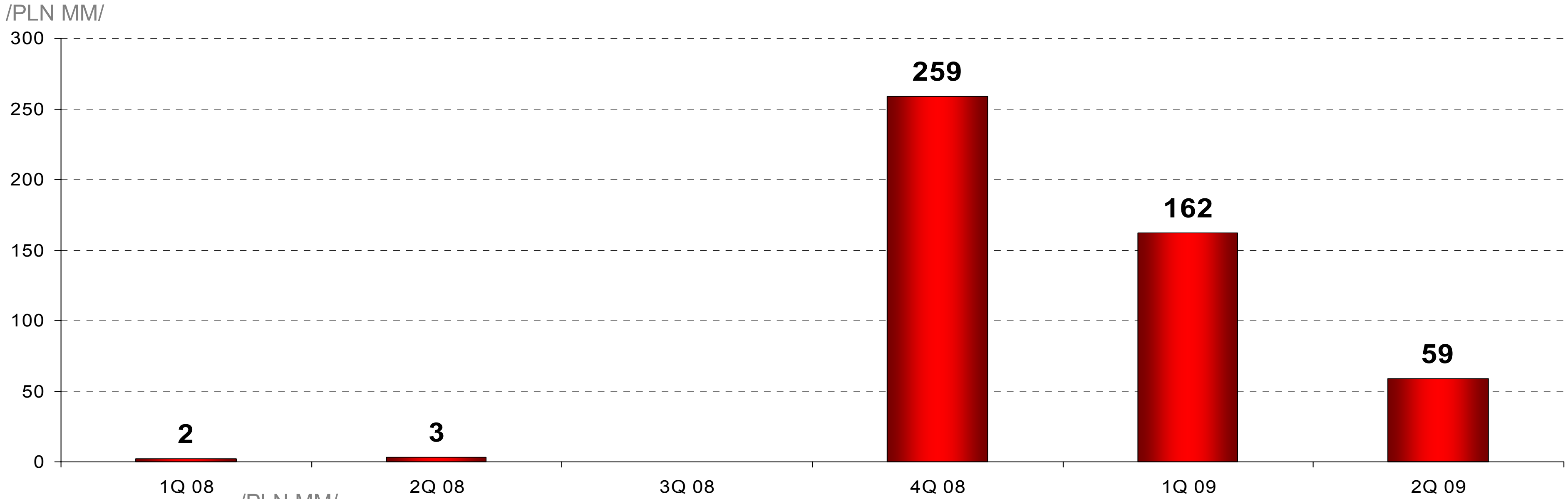
FX Options' impact on Bank's income



*Including FX Options hedging

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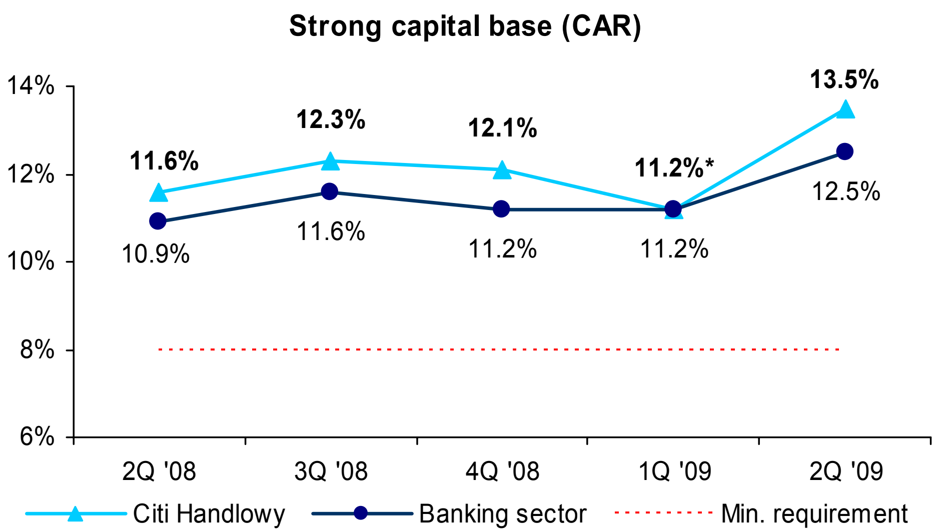
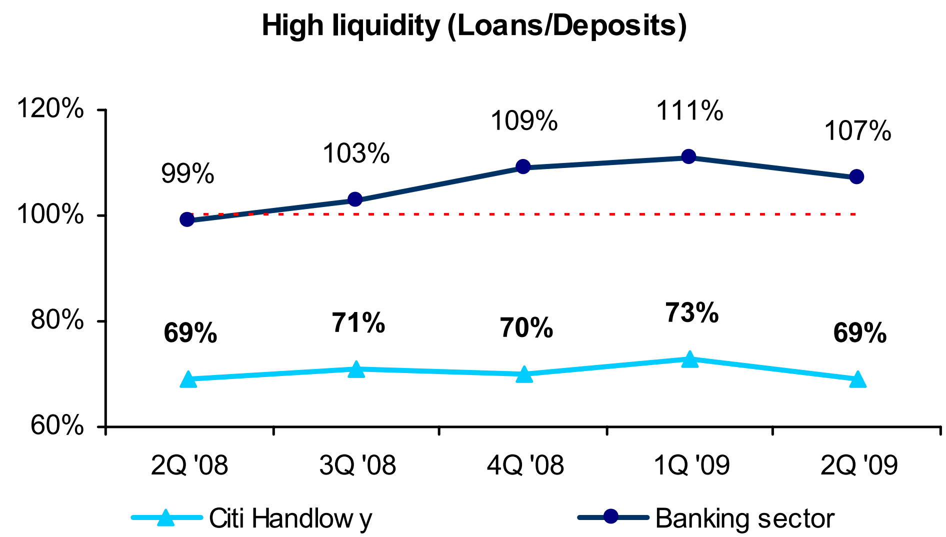
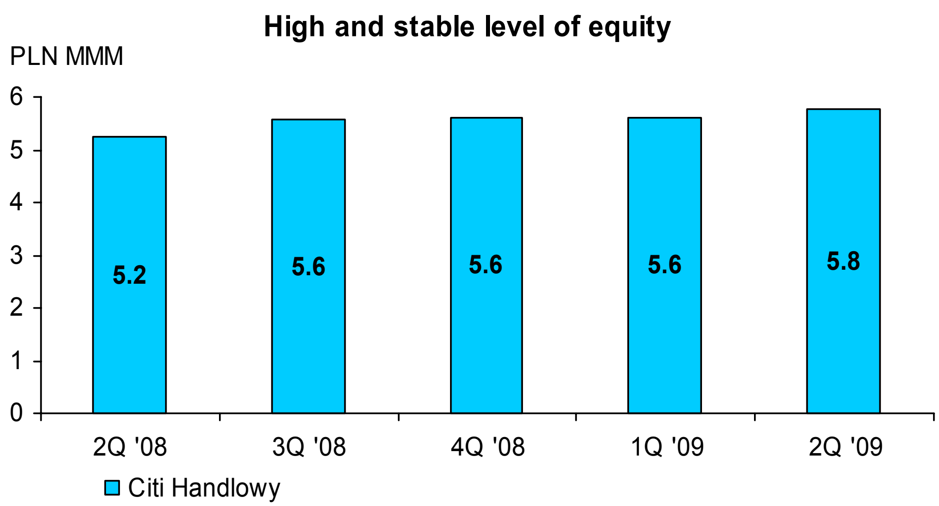
Stable Bank's position



** not including 2008 net income*





- The Bank's solvency and liquidity ratios are regularly monitored and they are well above the regulatory minimums.
- As at the end of 2Q 2009 Citi Handlowy loans to deposits ratio amounted to 0.69, one of the lowest in the market.
- Citi Handlowy maintains stable capital base

Source: Citi Handlowy, NBP

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An increase in net interest margin

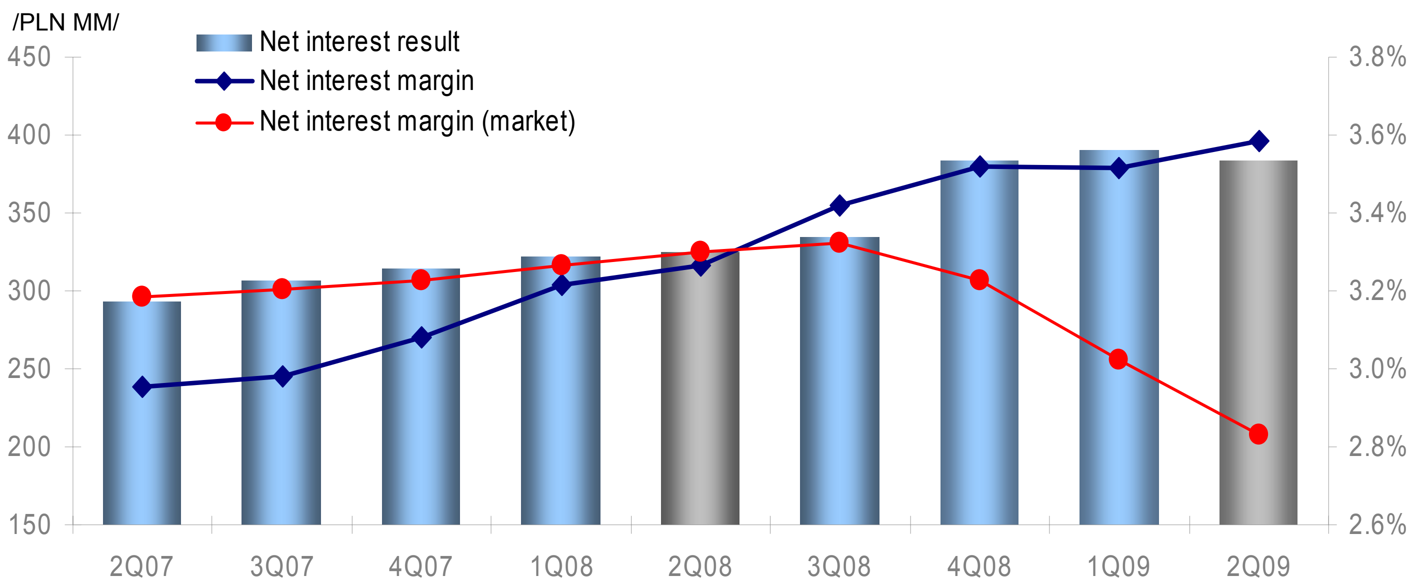
Net interest income and net interest margin

44%
(2Q09/2Q08)
Deposits cost – non-financial sector

95%
(2Q09/2Q08)
Debt securities portfolio income

Market share

2Q08	1Q09	2Q09
4.4%	5.8%	5.8%



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A first QoQ increase in fee & commision result in two years

Net fee & commission income

32%
(2Q09/2Q08)
Investment and insurance products

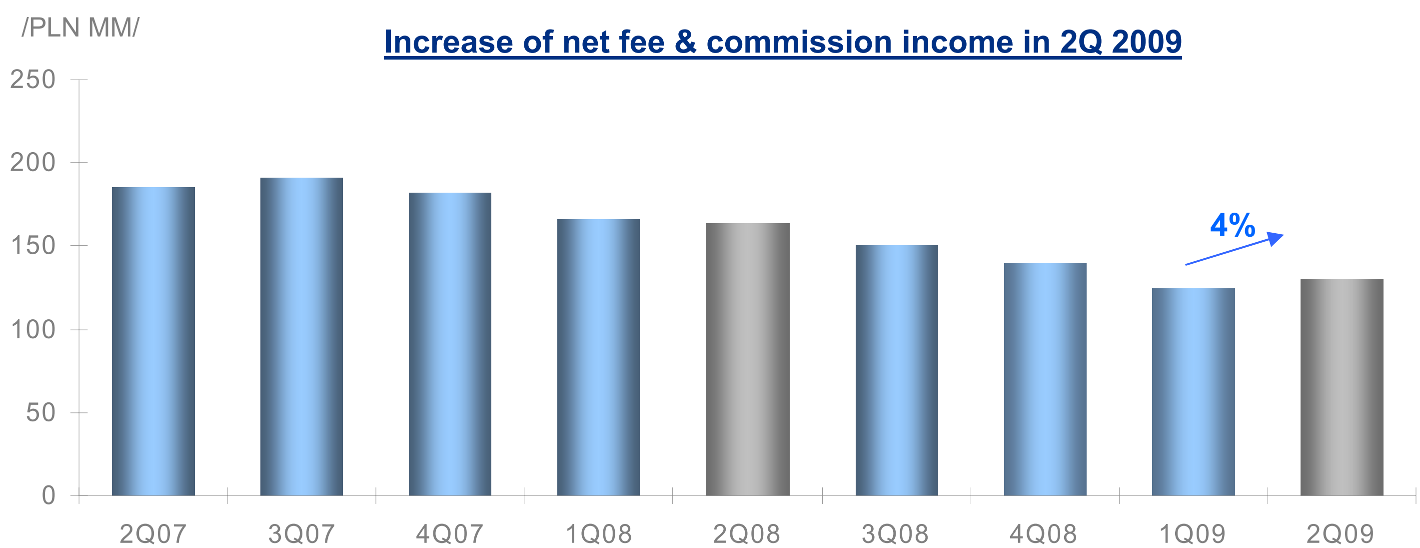
14%
(2Q09/2Q08)
Payment and credit cards

21%
(2Q09/2Q08)
Custody services

Market share

2Q08	1Q09	2Q09
5.7%	4.4%	4.2%

Increase of net fee & commission income in 2Q 2009



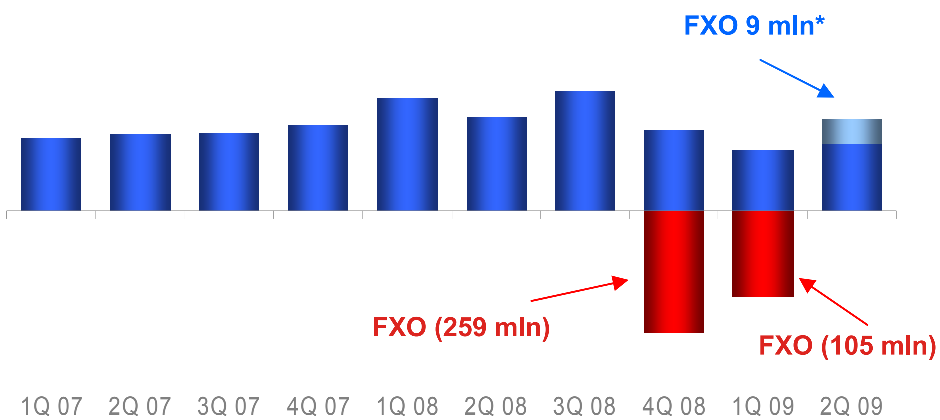
Stable customer activity result

Treasury

2Q 2008	2Q 2009	I/D (PLN MM)
93.1	90.4	(2.7)

Customer activity

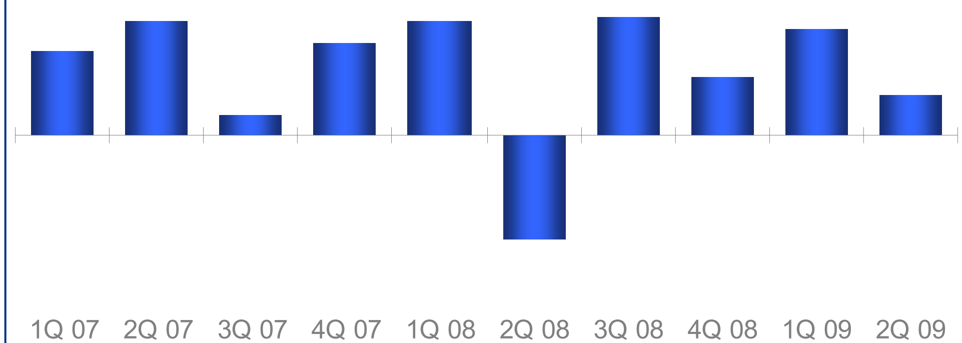
Customer activity result



*Including FX Options hedging

Proprietary management

Proprietary management result



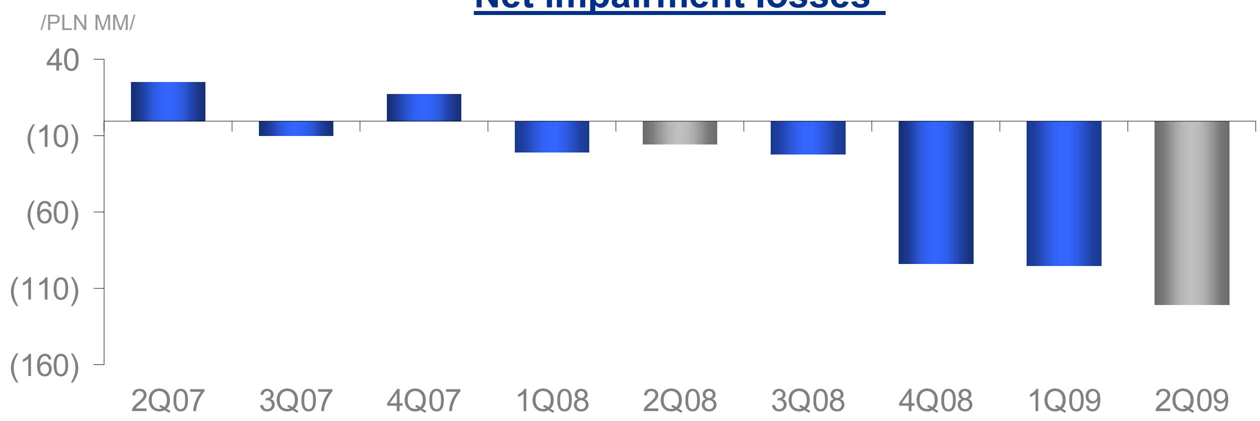
Scale on charts is incomparable

Increase in impairment losses due to worsening market conditions

Net impairment losses*

2Q 2008	2Q 2009	I/D (PLN MM)
(15.9)	(113.0)	(97.1)

Net impairment losses*



Corporate banking

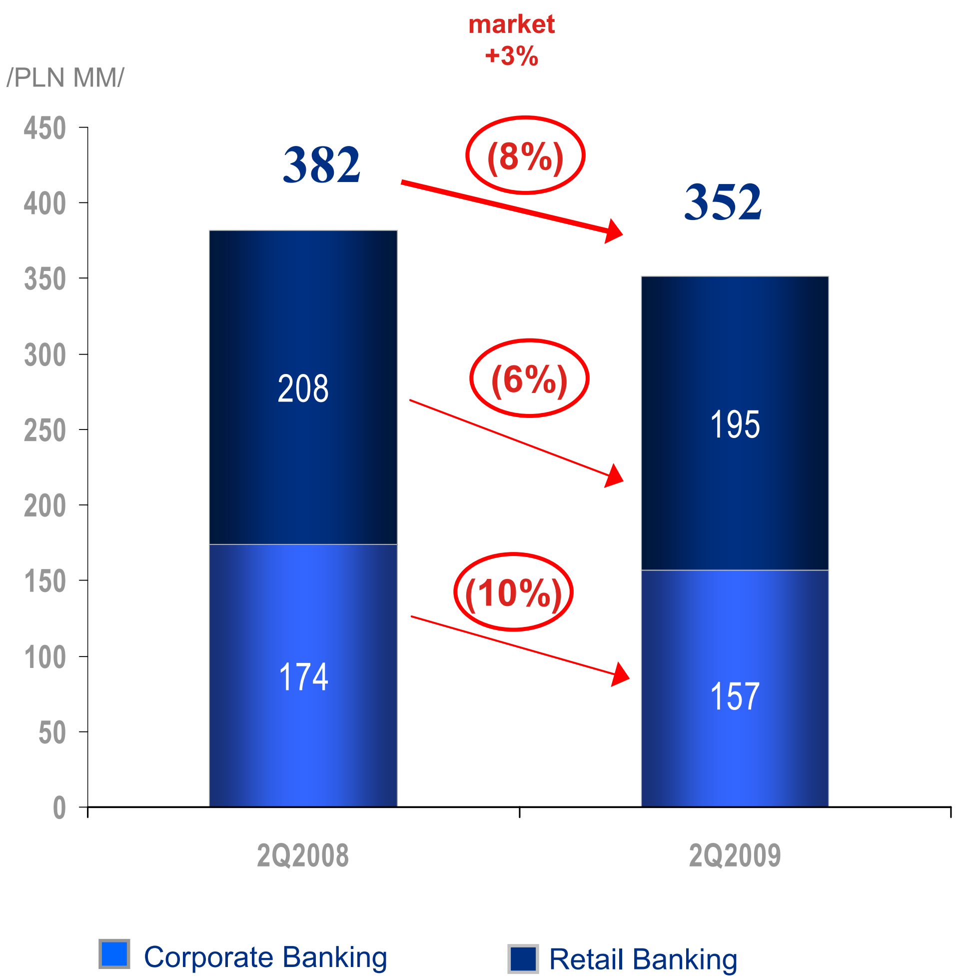
- Higher provision on IBNR (incurred, not reported losses) as a result of slowdown in the economy
- Additional provisions as a result of part of the loan portfolio sale

Retail banking

- Higher provision on IBNR (incurred, not reported losses) as a result of slowdown in the economy
- Growing credit cards and loans portfolio
- Increase of delinquent receivables share

*excl. FX Options

Expenses under control



Cost / Income		
	2Q08	2Q09
Corporate Banking	57%	43%
Retail Banking	68%	75%
Total	**63%**	**56%**

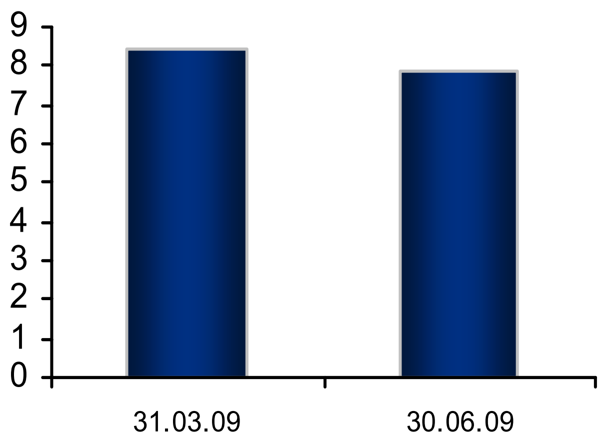
- Corporate Banking: lower staff expenses and decrease of depreciation
- Retail Banking: lower staff expenses and lower marketing expenses

Loans

Non-financial sector loans

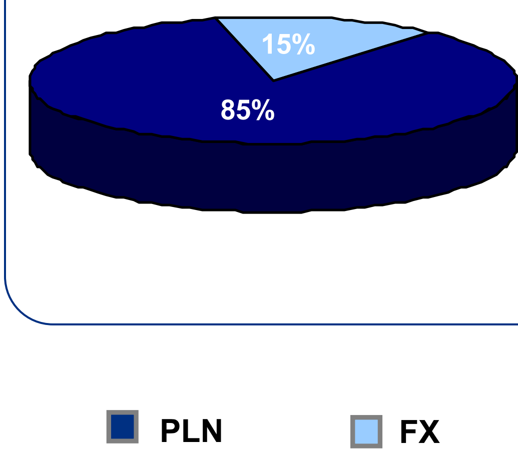
Corporate loans

/PLN MMM/

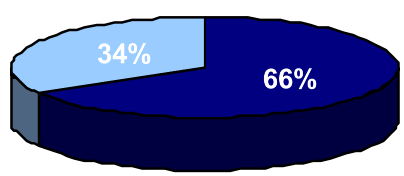


	2Q2009/1Q2009	Market 2Q2009/1Q2009
Changes	(7%)	(3%)

Gross loans non-financial sector Currency structure

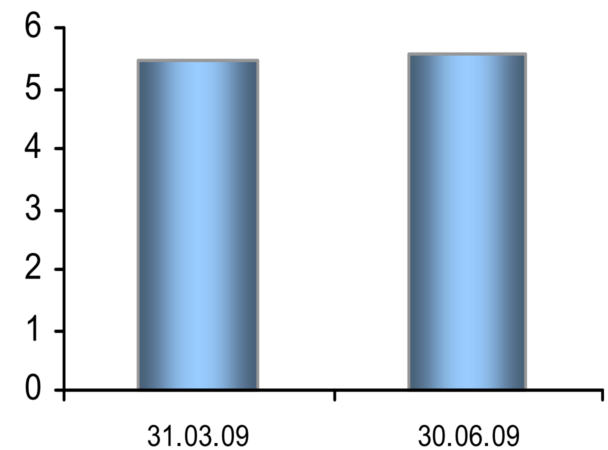


Market



Retail loans

/PLN MMM/



	2Q2009/1Q2009	Market 2Q2009/1Q2009
Changes*	2%	3%

*excl. mortgage

Corporate loans: including public sector and local government institutions

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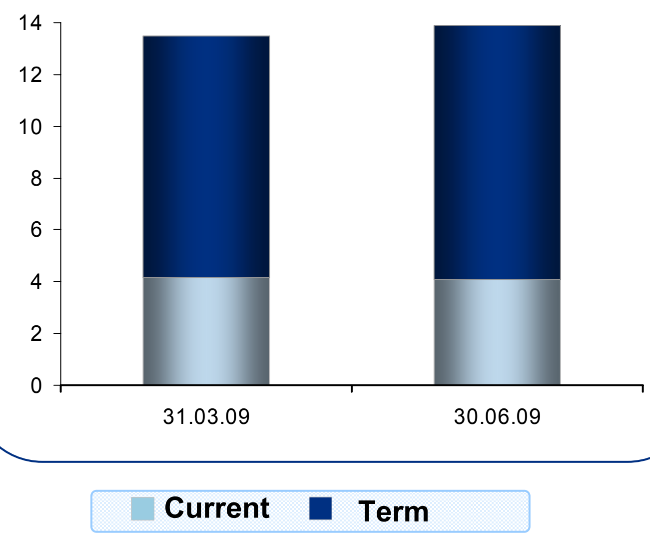
Deposits

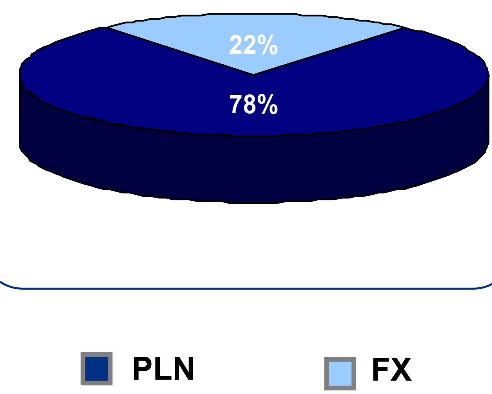
Non-financial sector deposits

Corporate deposits

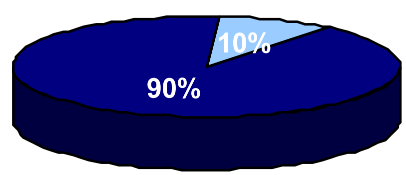


Changes	2Q2009/1Q2009	Market 2Q2009/1Q2009
Current	(2%)	9%
Term	5%	0%
Total	3%	3%

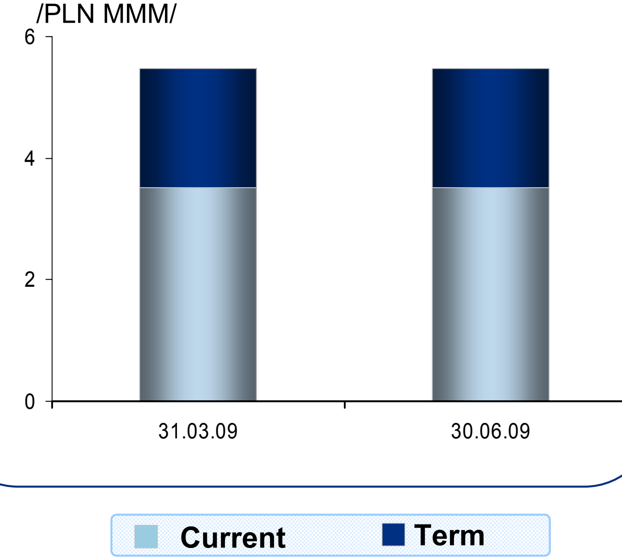
Deposits non-banking sector Currency structure



Market



Retail deposits



Changes	2Q2009/1Q2009	Market 2Q2009/1Q2009
Current	0%	9%
Term	1%	(2%)
Total	0%	2%

Corporate deposits including public sector and local government institutions

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Summary

Proper long term strategy of the Citi Handlowy for the crisis as well

- **Stability and liquidity**
- **An increase in income and in effectiveness (C/I)**
- **A decrease in expenses**
- **Growing operating margin**
- **Success of the strategy in deposits scope**

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