



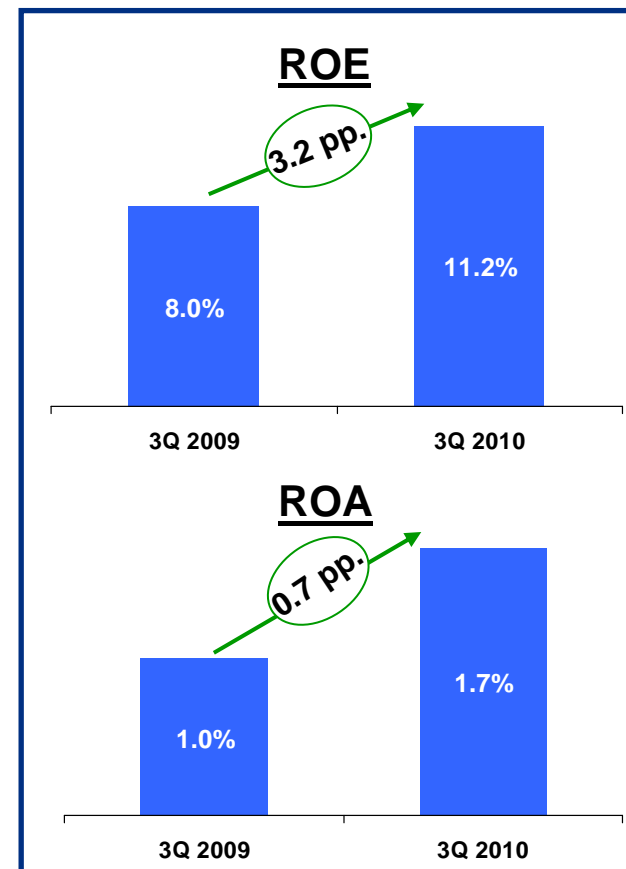
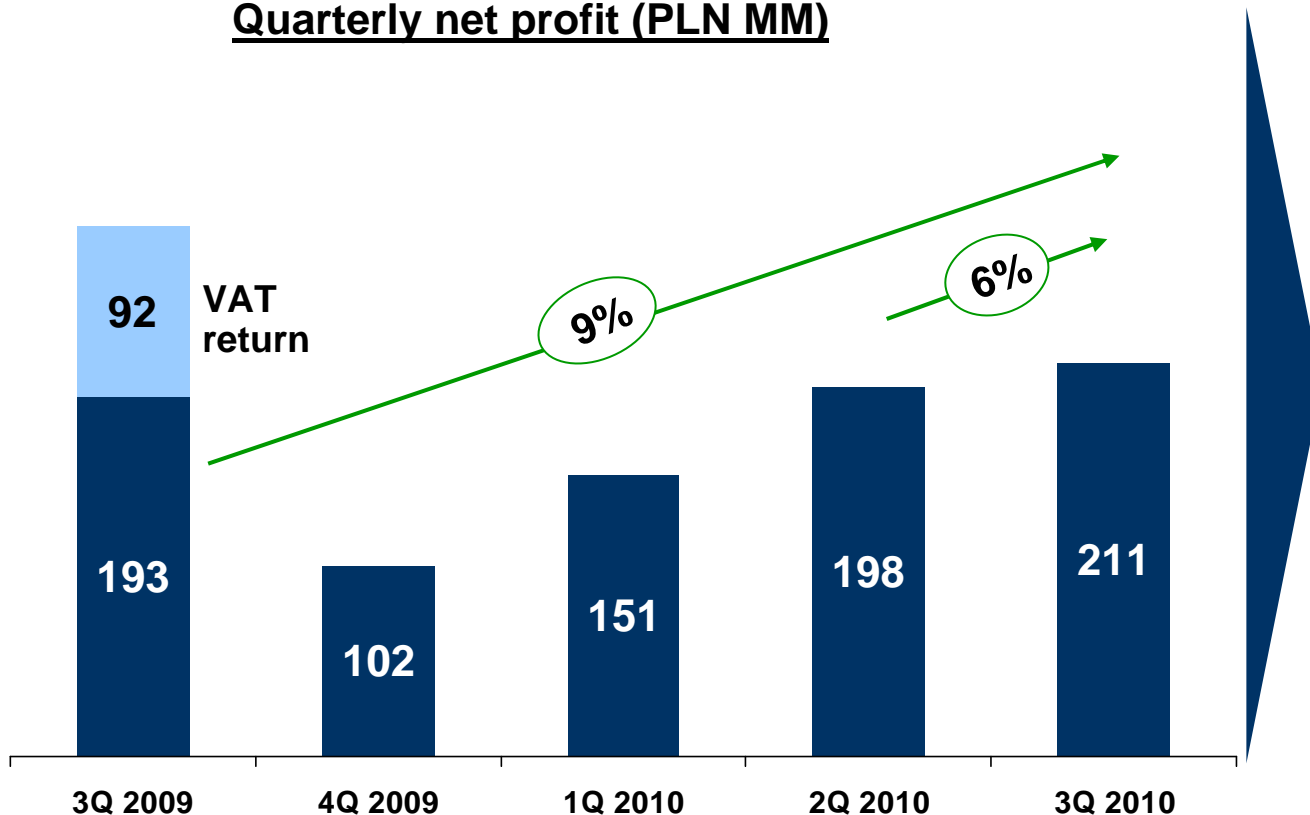
BANK HANDLOWY W WARSZAWIE S.A.
3Q 2010 consolidated financial results

November 2010



Net profit on the increase in 3Q 2010

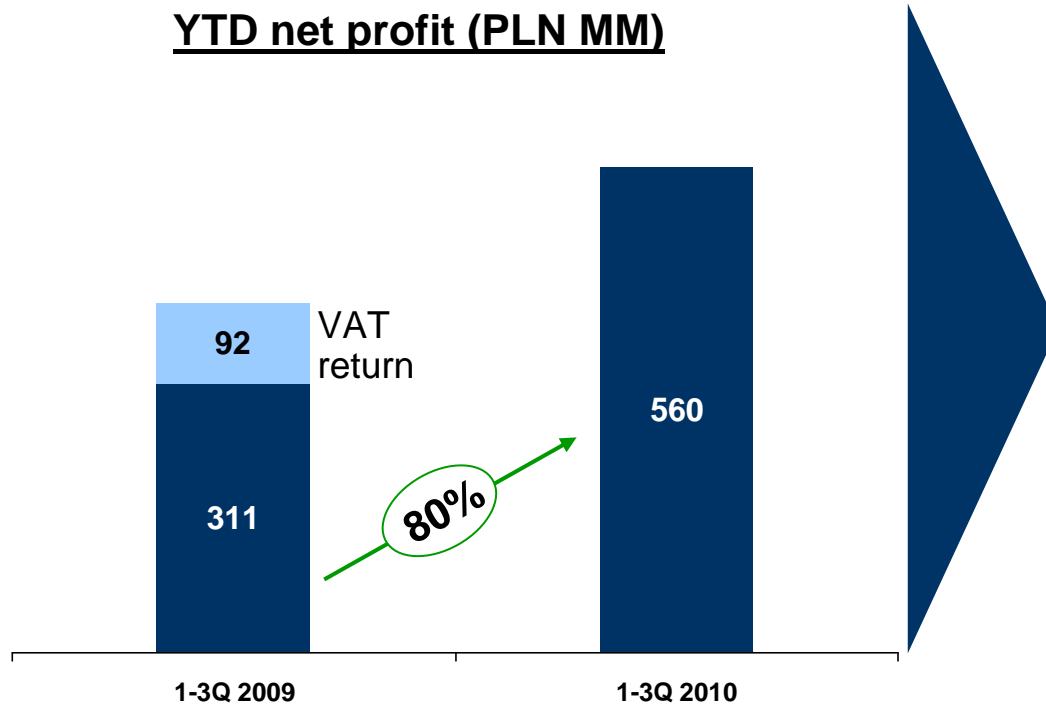
Quarterly net profit (PLN MM)



- Another consecutive quarter of net profit growth
- Stable level of expenses along with further improvement of efficiency
- Lower net impairment losses coupled with better quality of loan portfolio

YTD 2010 net profit significantly higher than in 2009

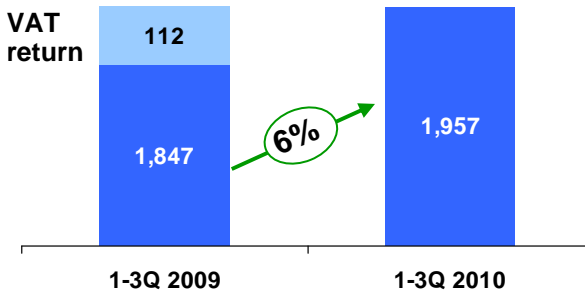
YTD net profit (PLN MM)



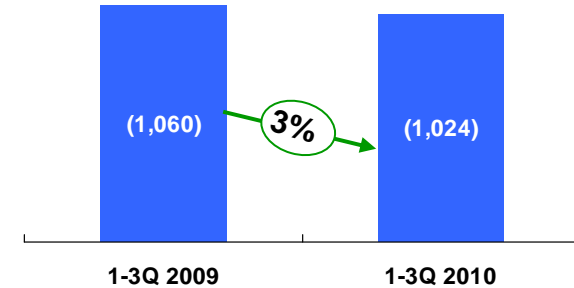
/PLN MM/

Total revenue

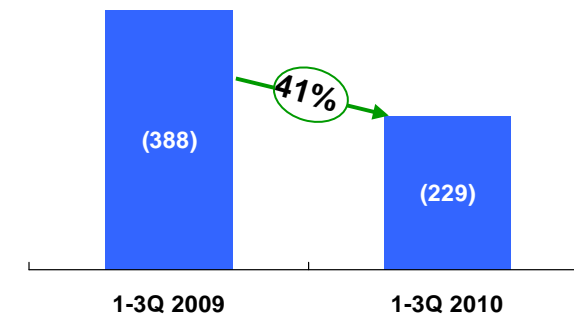
VAT return



Bank's expenses

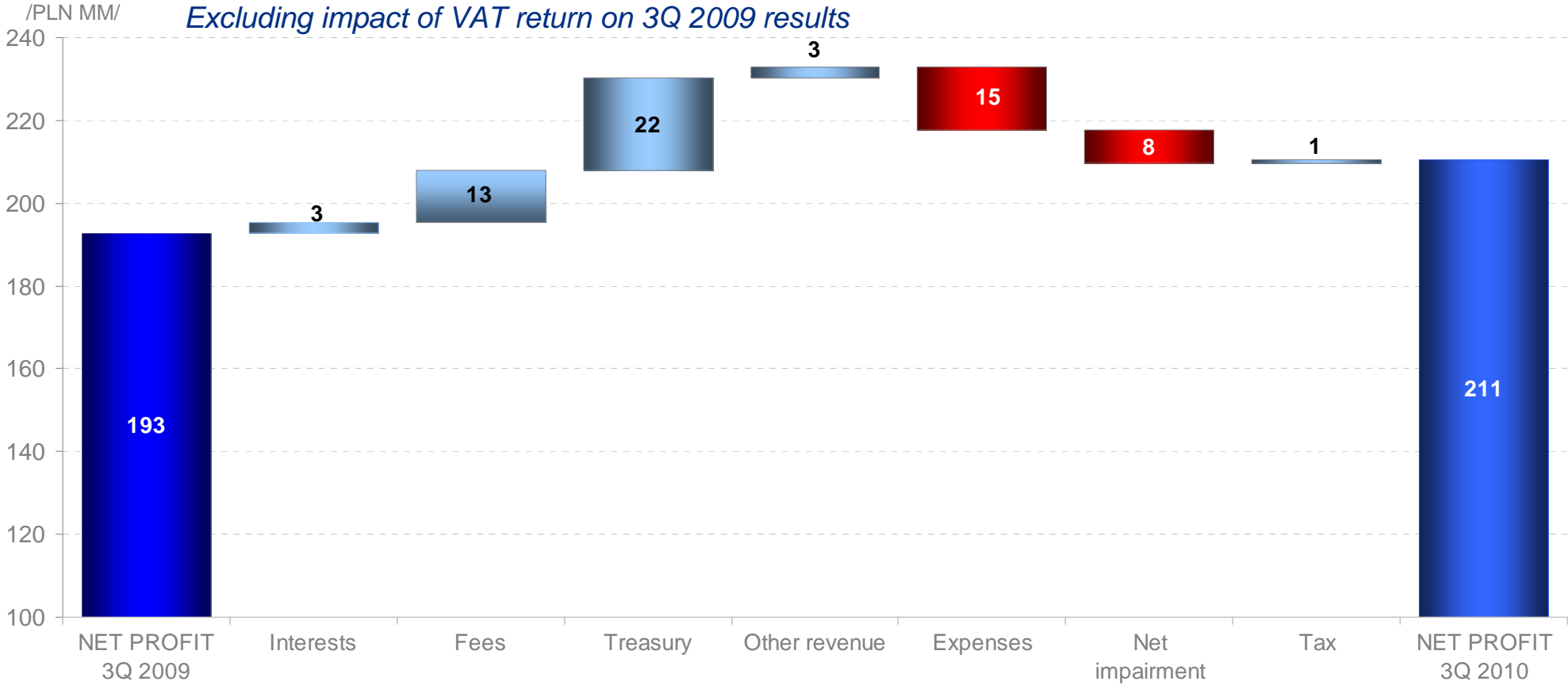


Net impairment losses



- 2010 YTD net profit significantly exceeding profit achieved as of 3Q 2009
- Growth of revenue coupled with slightly lower expenses
- Sizeable drop of net impairment losses related mainly to corporate segment

Net profit 3Q 2010 vs. 3Q 2009



↑ 1%
(3Q10/3Q09)
Net interest income

↑ 8%
(3Q10/3Q09)
Net fee & commission income

↑ 22 MM
(3Q10/3Q09)
Treasury

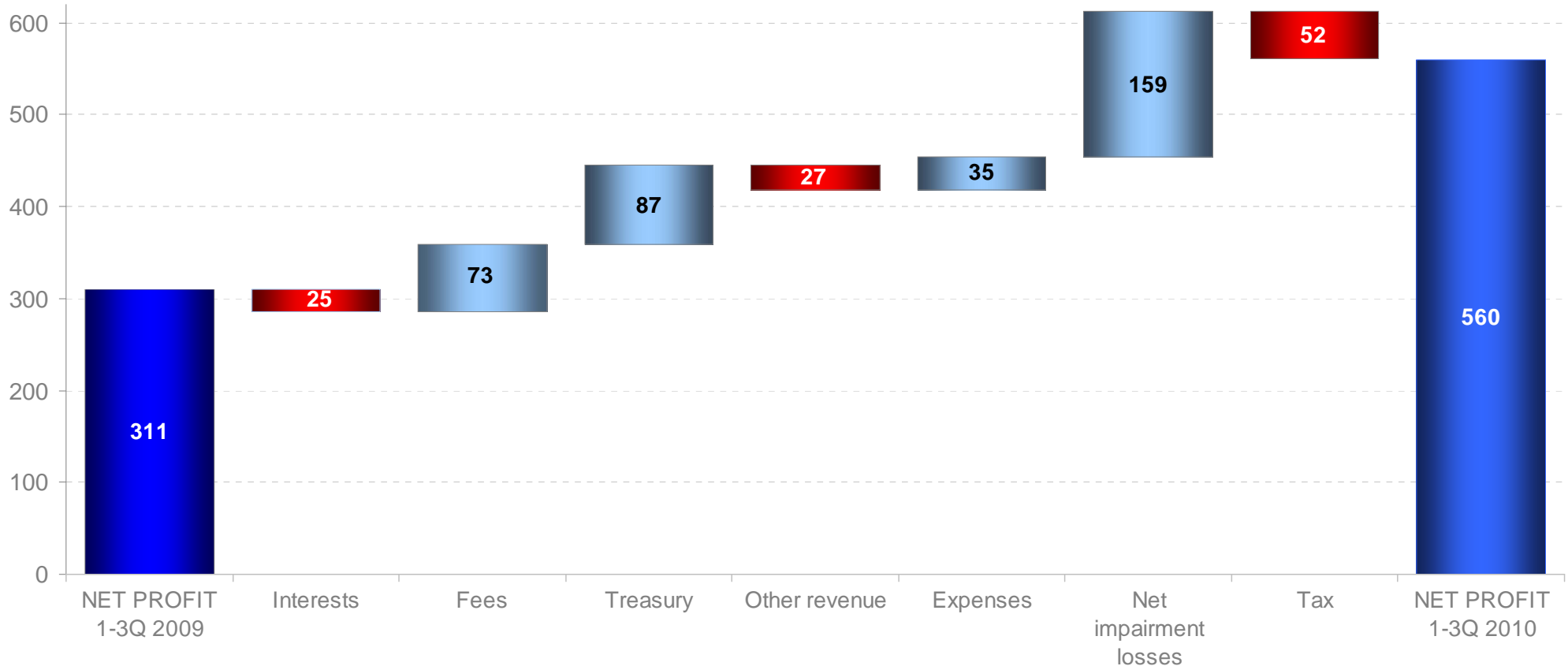
↑ 6%
(3Q10/3Q09)
Expenses & depreciation

↑ 8 MM
(3Q10/3Q09)
Net impairment losses

Net profit 1-3Q 2010 vs. 1-3Q 2009

/PLN MM/

Excluding impact of VAT return on 3Q 2009 results



↓ 2%
(1-3Q10/1-3Q09)
Net interest income

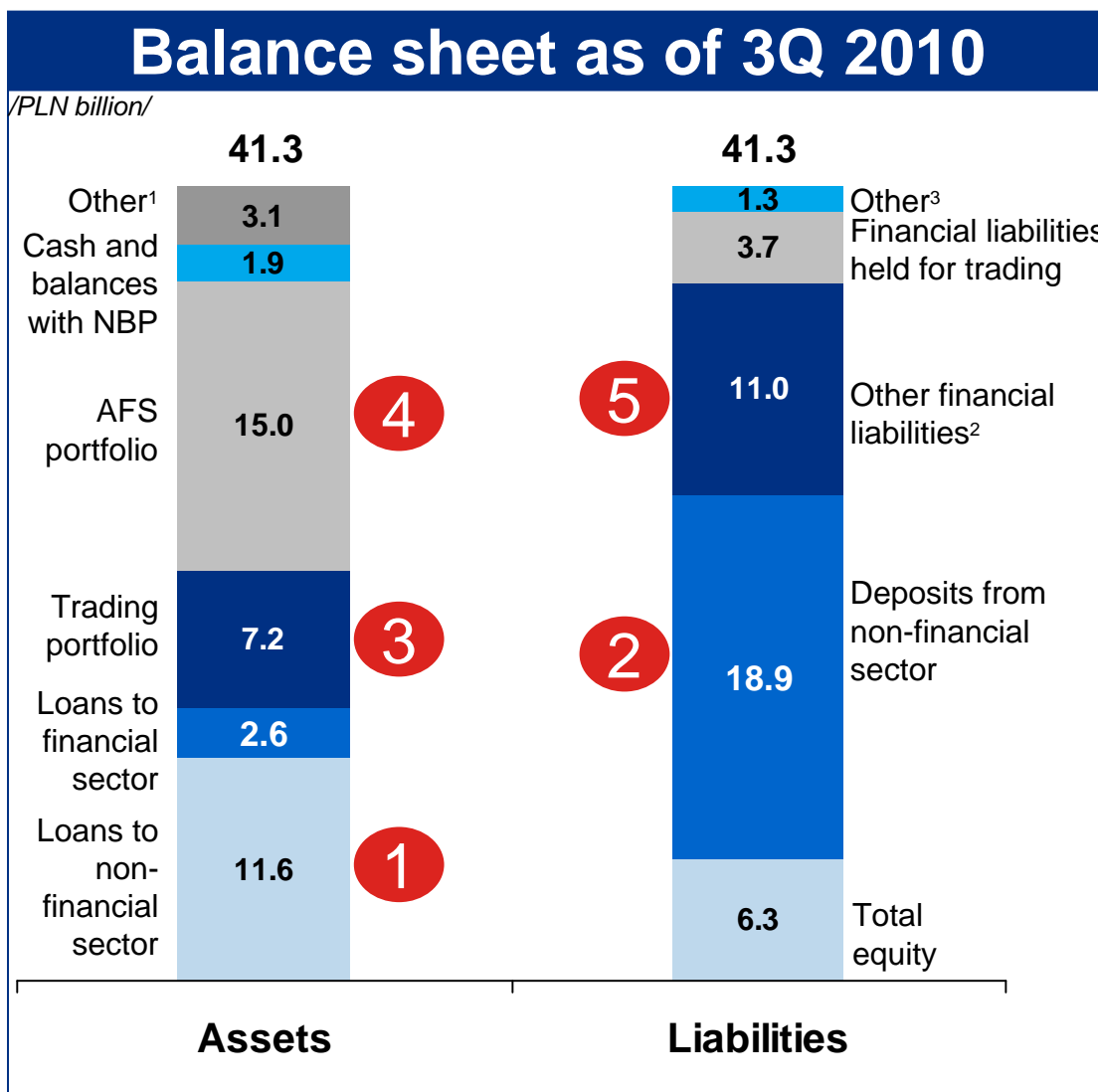
↑ 18%
(1-3Q10/1-3Q09)
Net fee & commission income

↑ 87 MM
(1-3Q10/1-3Q09)
Treasury

↓ 3%
(1-3Q10/1-3Q09)
Expenses & depreciation

↓ 159 MM
(1-3Q10/1-3Q09)
Net impairment losses

Balance sheet structure & trends



- 1 Lending up by 1% q/q propped up by corporate segment
- 2 Drop of deposits by 11% q/q due to decline of 'expensive' corporate term deposits
- 3 Trading portfolio up by 46% q/q
- 4 AFS portfolio down by 14% q/q (sales of NBP bills)
- 5 Growth by 40% driven mainly by repos

¹ Including equity investments, property and equipment, intangible assets, deferred income tax assets, non-current assets held for sale and other assets

² Including deposits from financial sector, deposit certificates and other liabilities valued at amortized cost

³ Including amounts due to the Central Bank, provisions, income tax liabilities and other liabilities

Net interest income kept in the upward trend

Net interest income and net interest margin

↑ 1%
(3Q10/3Q09)

Net interest income

↓ 3%
(3Q10/3Q09)

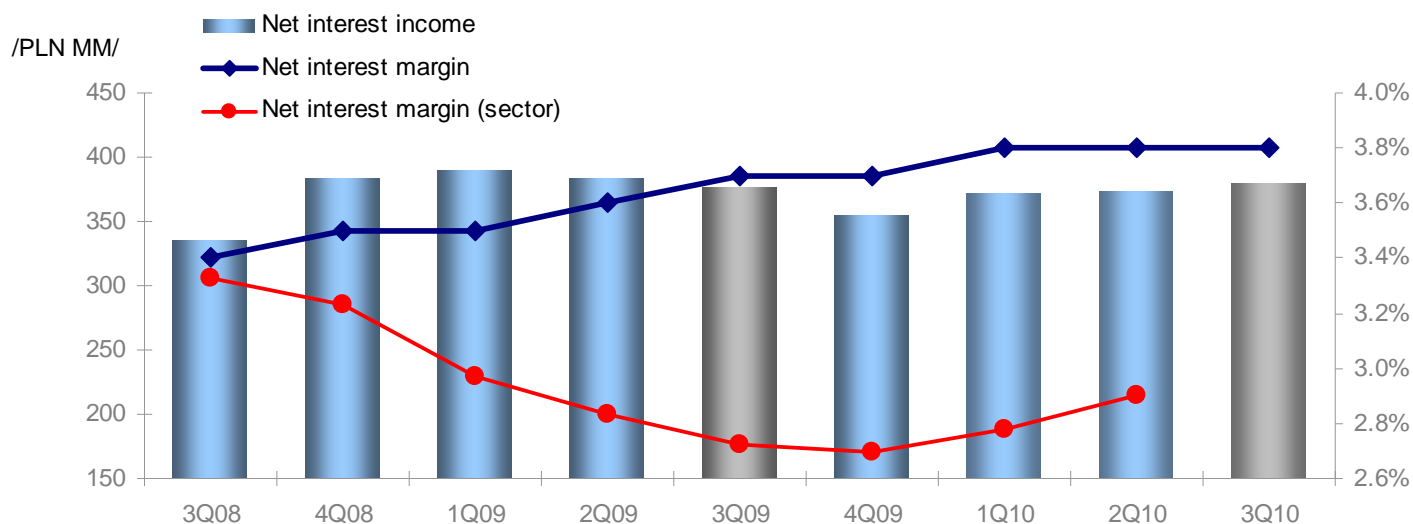
**Loan income – non -
financial sector**

↓ 3%
(3Q10/3Q09)

**Deposit cost – non -
financial sector**

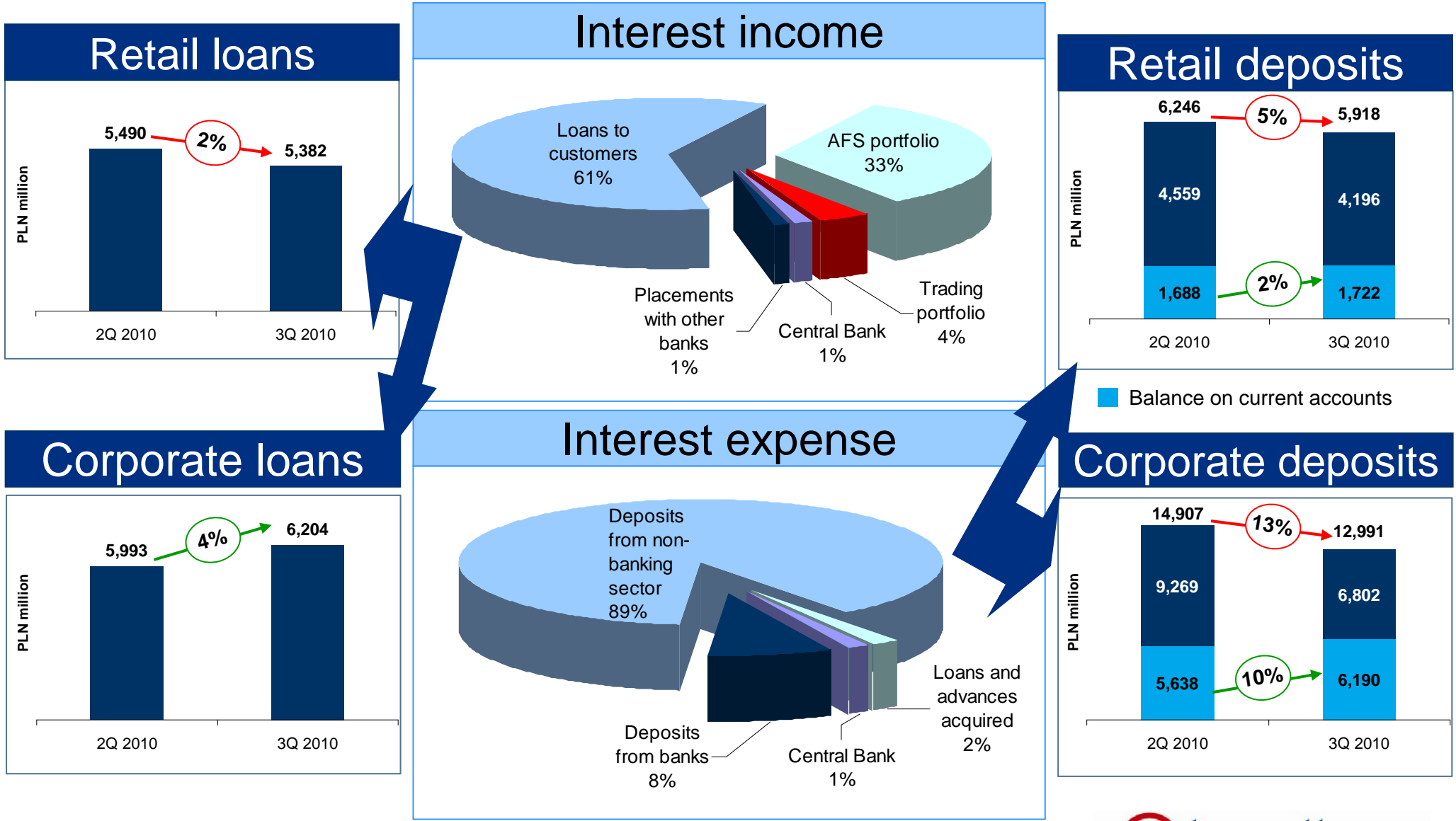
↓ 23%
(3Q10/3Q09)

**Deposit cost – retail
banking**



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

Breakdown of net interest income



Increasing fee & commission income

Net fee & commission income

33%
(3Q10/3Q09)

Credit and payment cards

Citi Handlowy market share¹: 23%
Transaction value

Market position

1

14%
(3Q10/3Q09)

Custody services

Citi Handlowy market share: 41%
Value of securities under custody

1

17%
(3Q10/3Q09)

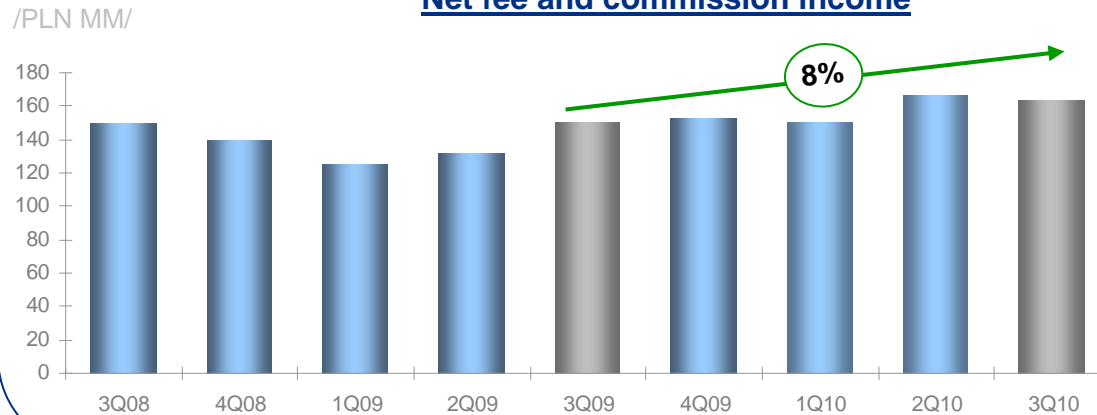
Brokerage

DMBH market share: 14%
Value of equity turnover

1

Citi Investment Banking
citi handlowy

Net fee and commission income



PGE
Equity offering
Joint Coordinator
PLN 4 000 million
October 2010

PGNiG
Bond issue
Transaction Co-arranger
PLN 3 000 million
July 2010

GIEŁDA PAPIERÓW WARTOŚCIOWYCH w Warszawie
IPO
Joint Coordinator
PLN 1 200 million
November 2010

ORUCH
Equity offering
Intermediary
PLN 547 million
September 2010

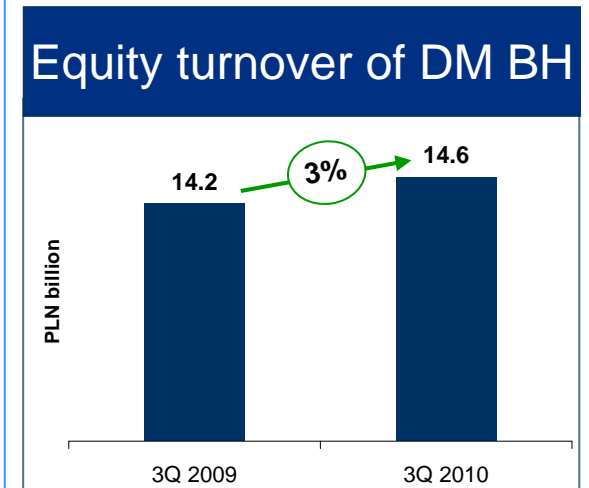
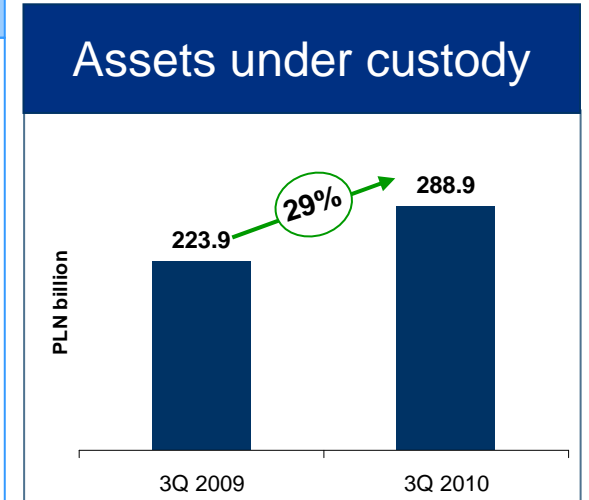
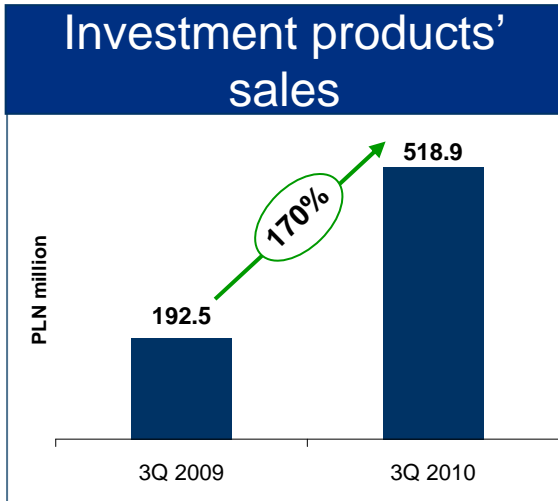
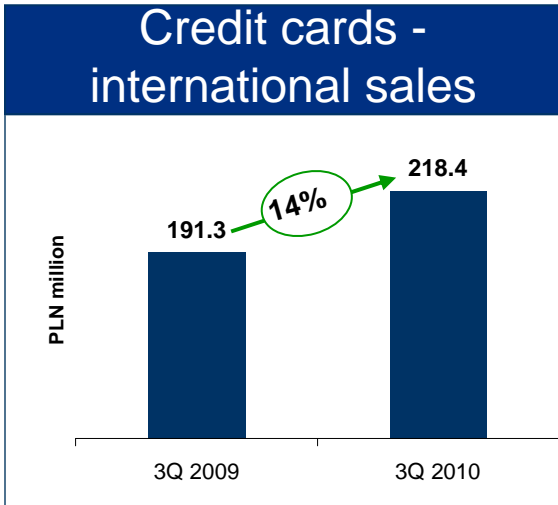
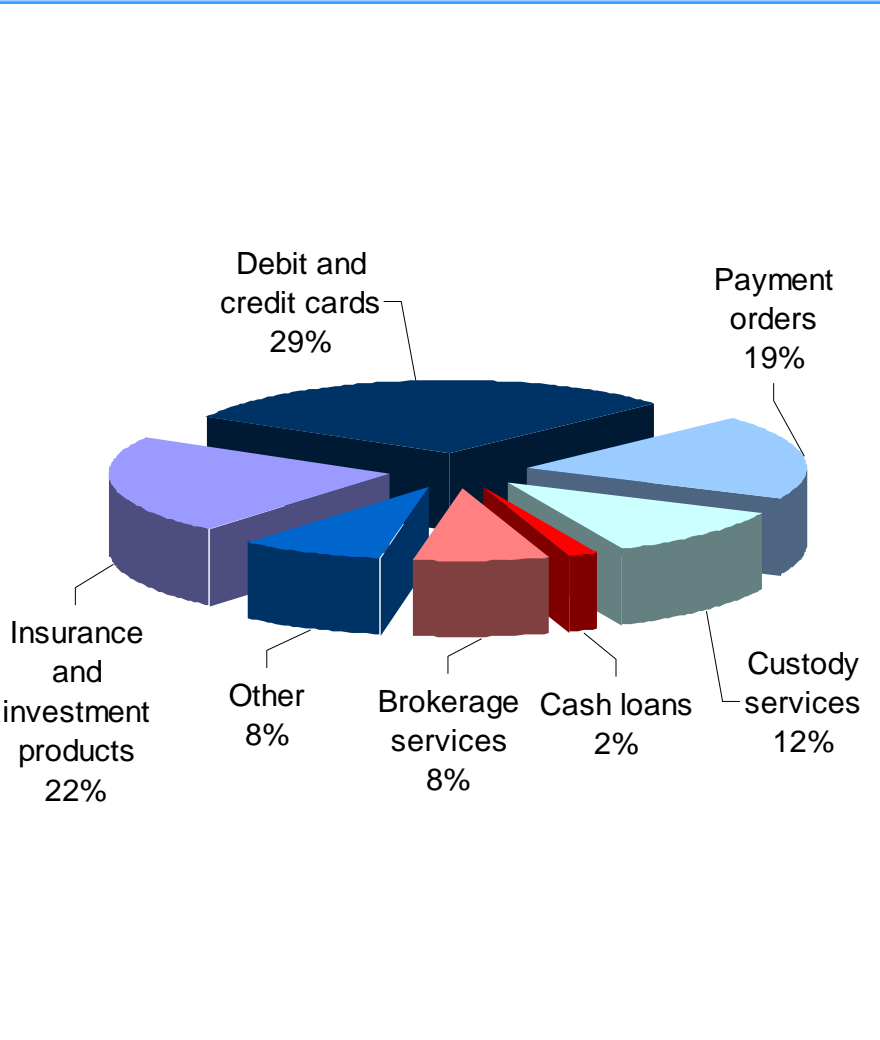
NEPENTES
PHARMACEUTICAL COMPANY
Equity offering
Intermediary
PLN 466 million
August 2010

AZOTY TARNÓW
Accelerated equity offering
Joint Bookrunner
PLN 42 million
April 2010

¹ As of 2Q 2010

Breakdown of net fee & commission income

Net fee & commission income



Treasury results back to their good levels

Treasury

3Q 2009

3Q 2010

I/(D) (PLN MM)

95.3



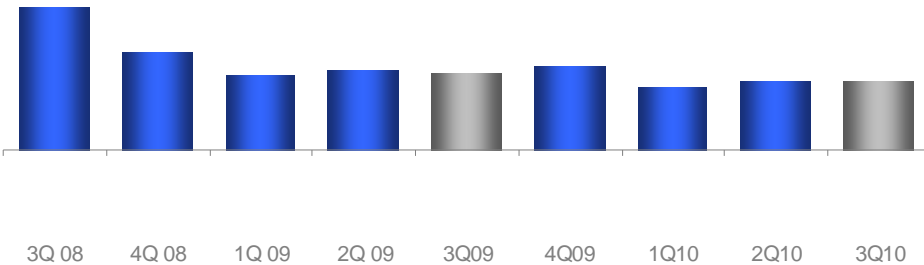
117.6



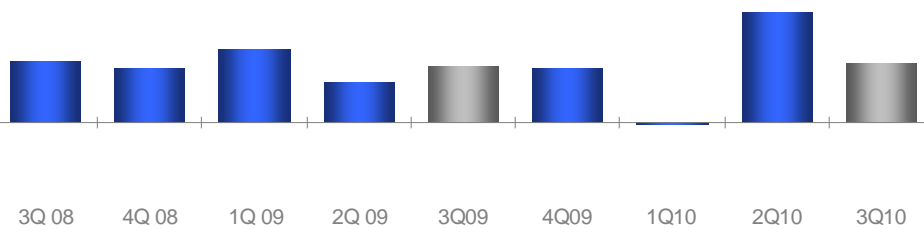
22.3



Income on customer activity

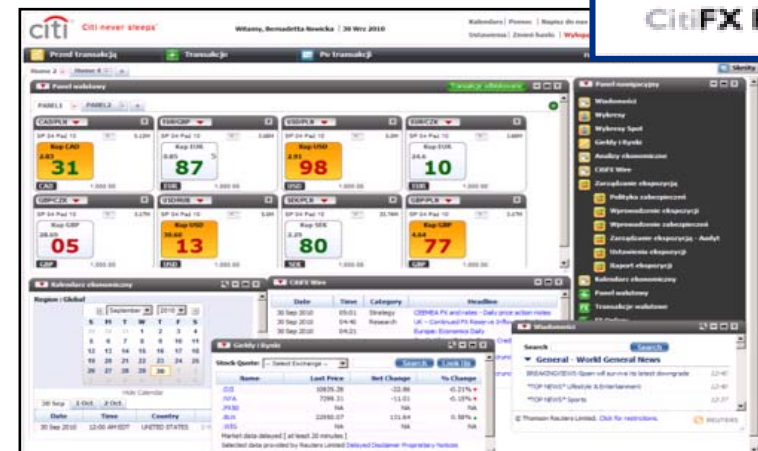


Proprietary management



Pro - forma data, scales on charts incomparable

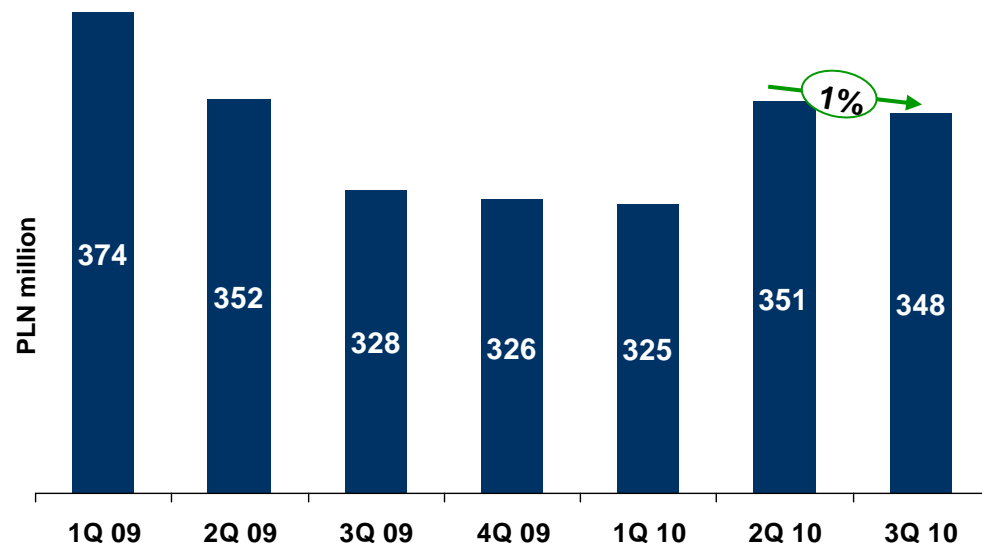
CitiFX Pulse – the new generation electronic platform



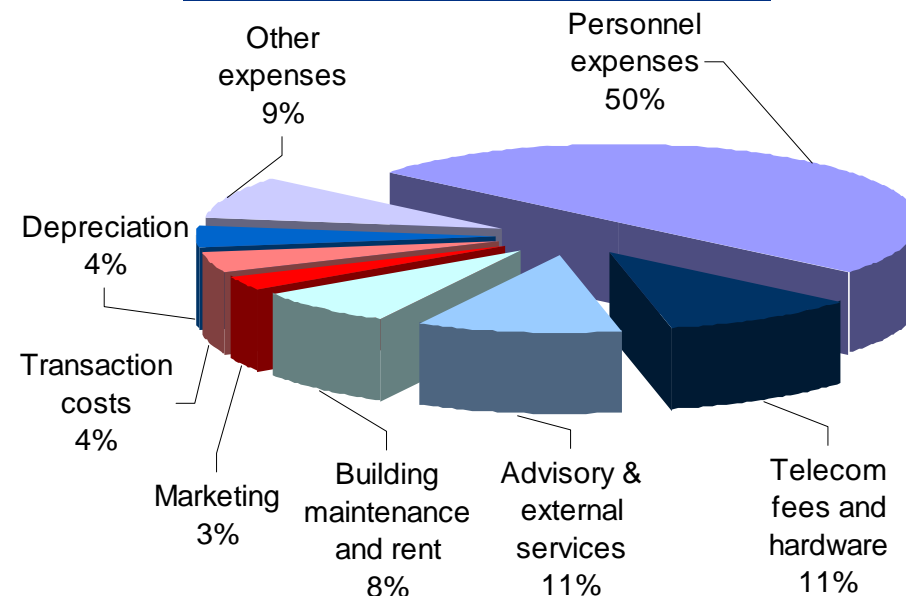
citi handlowy

Expenses under control

General administrative expenses & depreciation QoQ



Structure of expenses in 3Q 2010



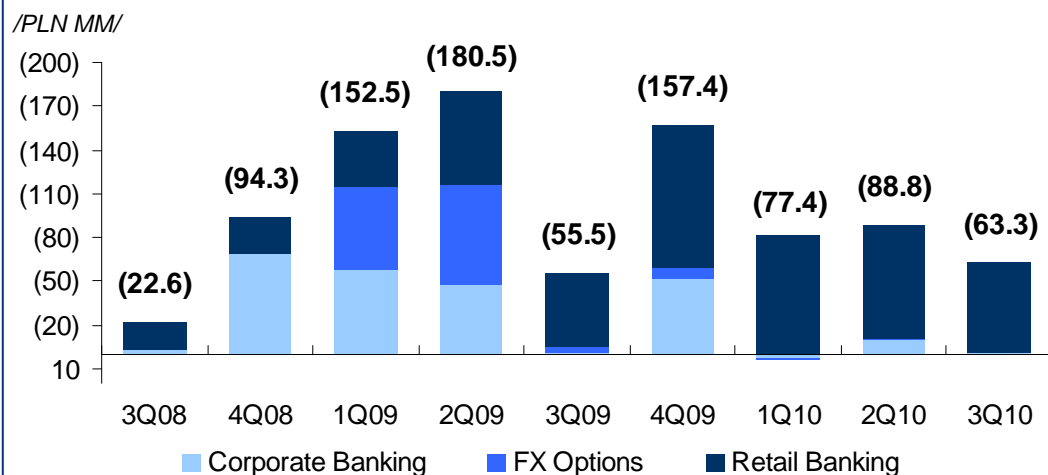
<u>Cost / Income ratio</u>	3Q09 ¹	2Q10	3Q10	Change (y/y)
Corporate Banking	43%	41%	42%	↓
Retail Banking	65%	67%	65%	-
Bank	53%	51%	52%	↓

- Growth of personnel costs by 6% y/y driven mainly by insourcing of operational processes. Costs of advisory and external services back to their normal level after releasing of sizeable cost accrual in 3Q 2009
- Drop of building maintenance and rent costs by 10% y/y due to optimisation of branch network

¹ Excluding impact of the one-off transaction

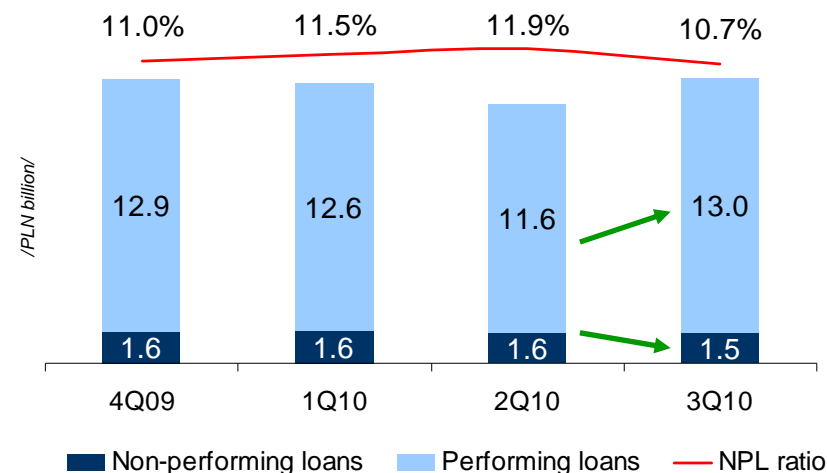
Further decrease of the credit risk in 3Q 2010

Net impairment losses



/PLN MM/	3Q09	2Q10	3Q10	Change (q/q)
Corporate Banking	(1.5)	(9.4)	(1.1)	↓
Retail Banking	(51.2)	(78.1)	(62.2)	↓

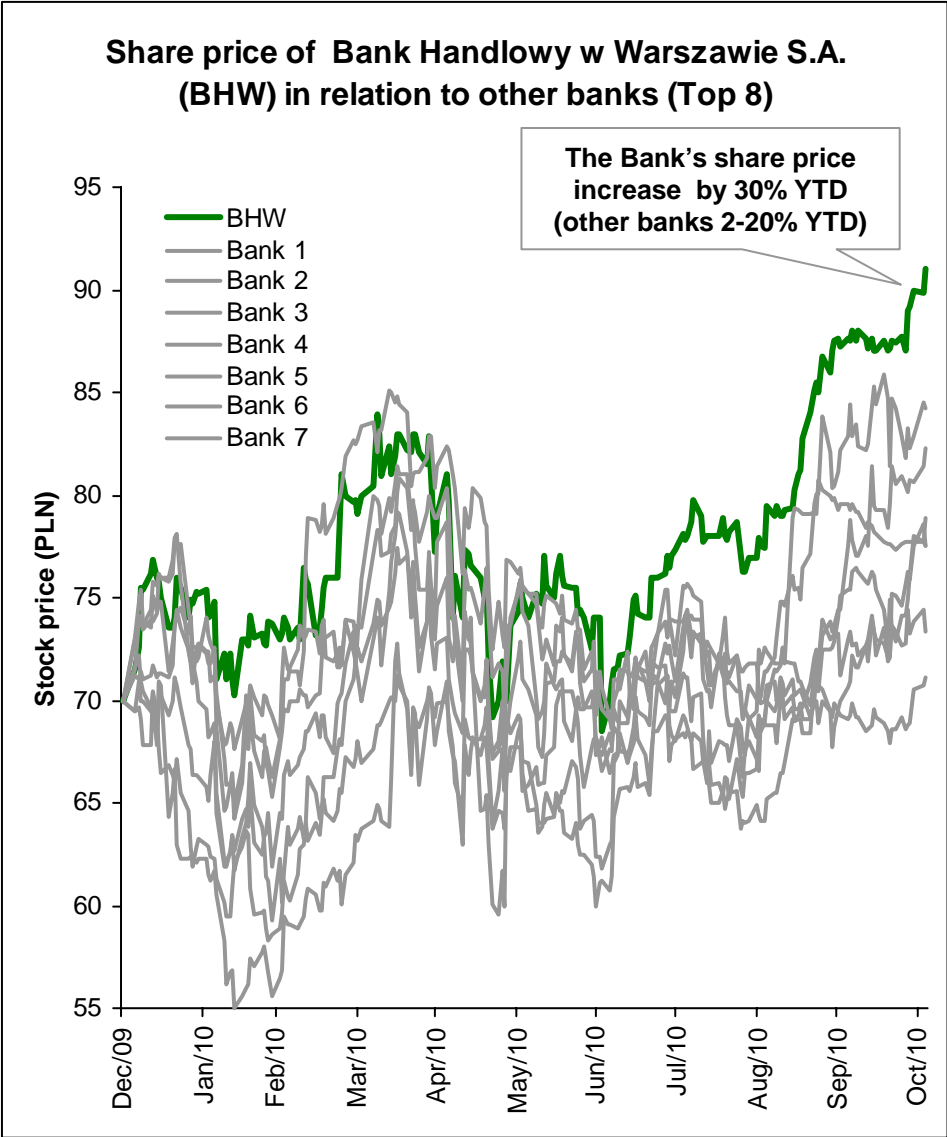
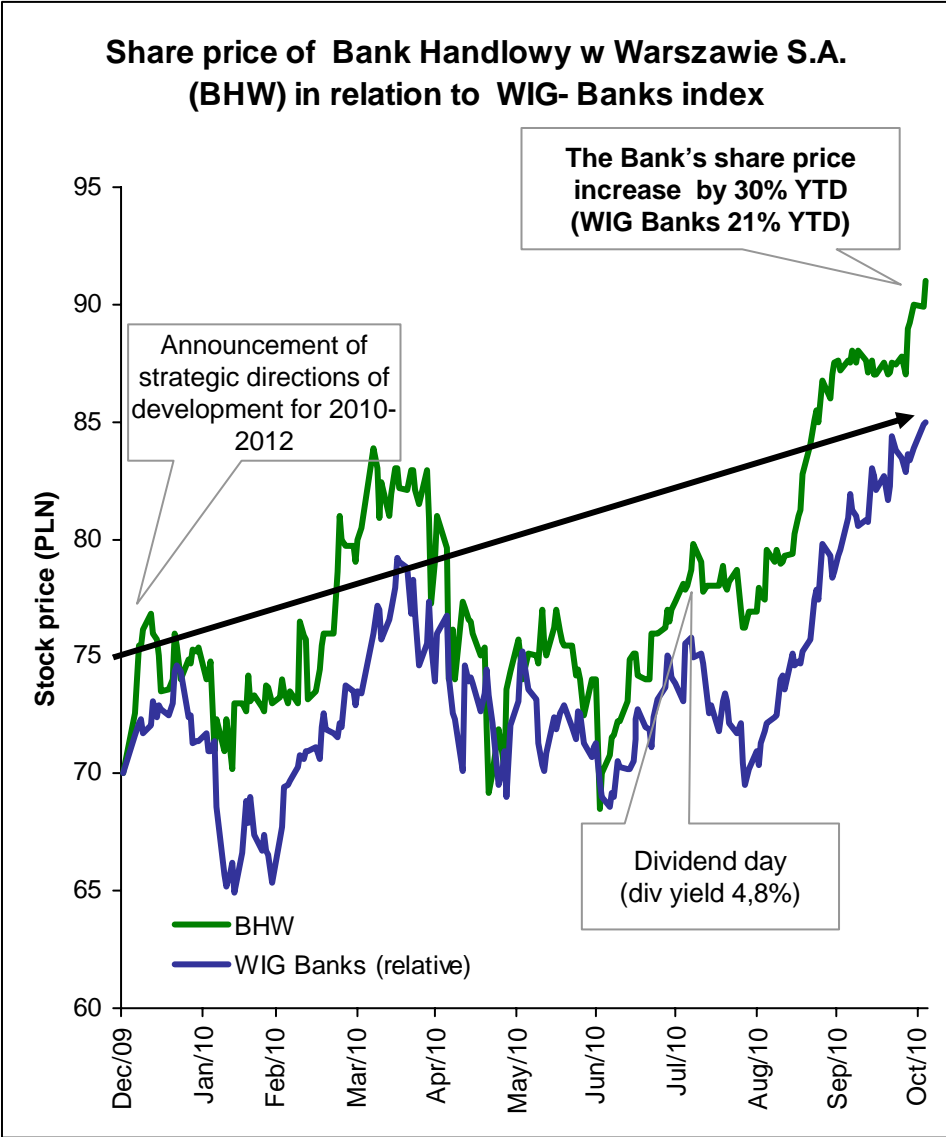
Loan portfolio performance



NPL ratio	4Q09	2Q10	3Q10	Change (q/q)
Corporate Banking	14.4%	12.9%	11.7%	↓
Retail Banking	9.1%	11.6%	12.1%	↑

- Retail banking: Pick is over, but risk of credit cards and consumer lending portfolio still at elevated levels
- Corporate Banking: Decrease of credit risk as a result of good clients' situation

Citi Handlowy – the best performing banking stock on WSE in 2010



Appendix - Key financial figures¹

PLN (MM)	3Q 2010	2Q 2010	3Q 2009	Change (y/y)
Total revenue	667.1	689.5	626.7	↑
Total expenses	(347.6)	(350.7)	(332.4)	↑
Net impairment losses	(63.3)	(88.8)	(55.5)	↑
Net profit*	210.6	198.4	192.7	↑
Total assets	41 300.1	40 134.7	38 403.5	↑
Total equity	6 349.4	6 132.4	6 124.3	↑
ROE ²	11.2%	12.8%	8.0%	↑

¹ Excluding impact of VAT return on 3Q 2009 results

² ROE calculated as sum of net profit for last four quarters to equity for last four quarters (excluding net profit for the current year)

Appendix – Sector: QoQ decrease of corporate volumes and slight growth of retail ones

