

BANK HANDLOWY W WARSZAWIE S.A.
1Q 2011 consolidated financial results

May 2011

EFFICIENCY

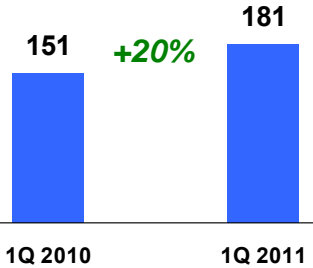
BUSINESS MODEL

INNOVATION

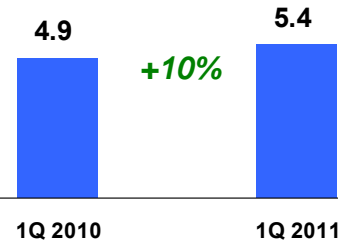
QUALITY

First quarter of 2011 – summary

Net income (PLN MM)



Corporate demand deposits (PLN B)



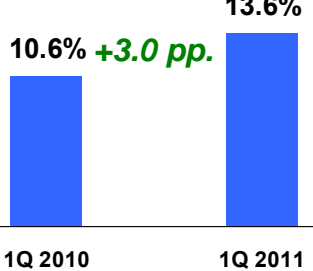
Citi Handlowy
The first lifestyle card
MasterCard World



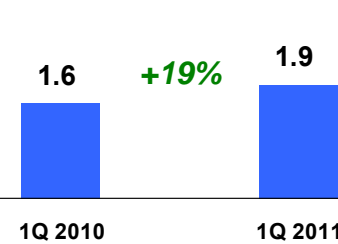
Improvement of quality perceived by customers – 2011 goal



ROE



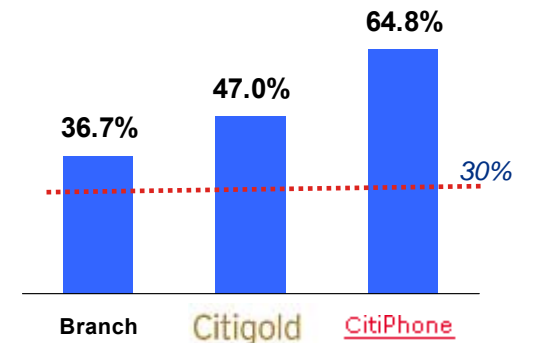
Retail demand deposits (PLN B)



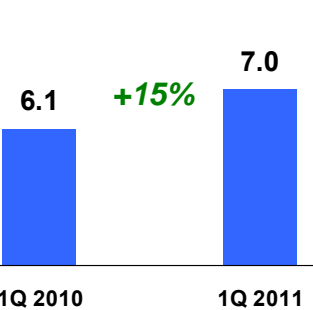
The first Payment Travel Card
in Wrocław



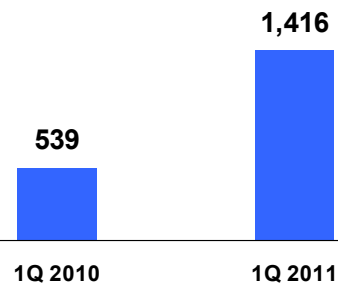
NPS ratios in 1Q 2011
significantly above financial sector
benchmark (30%)



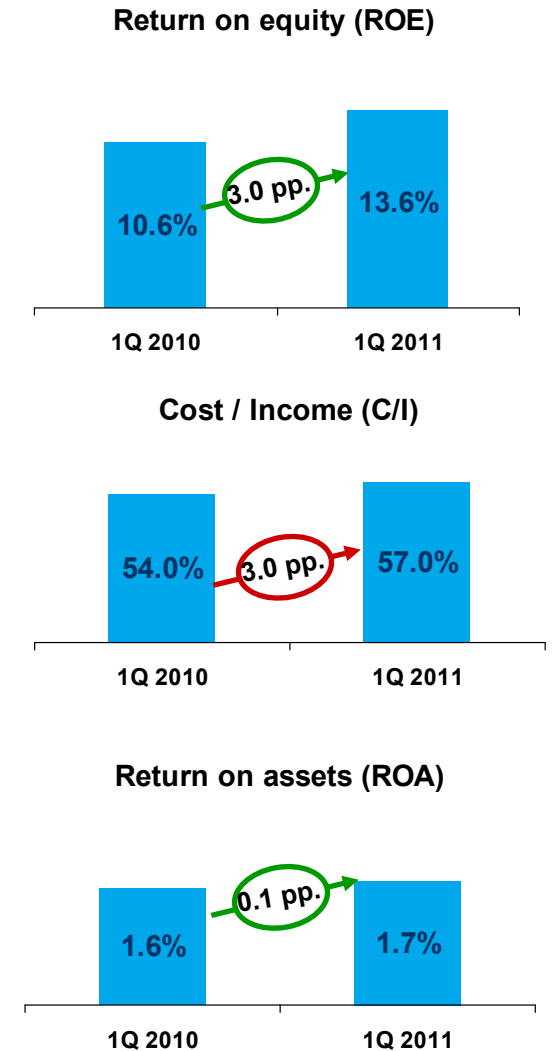
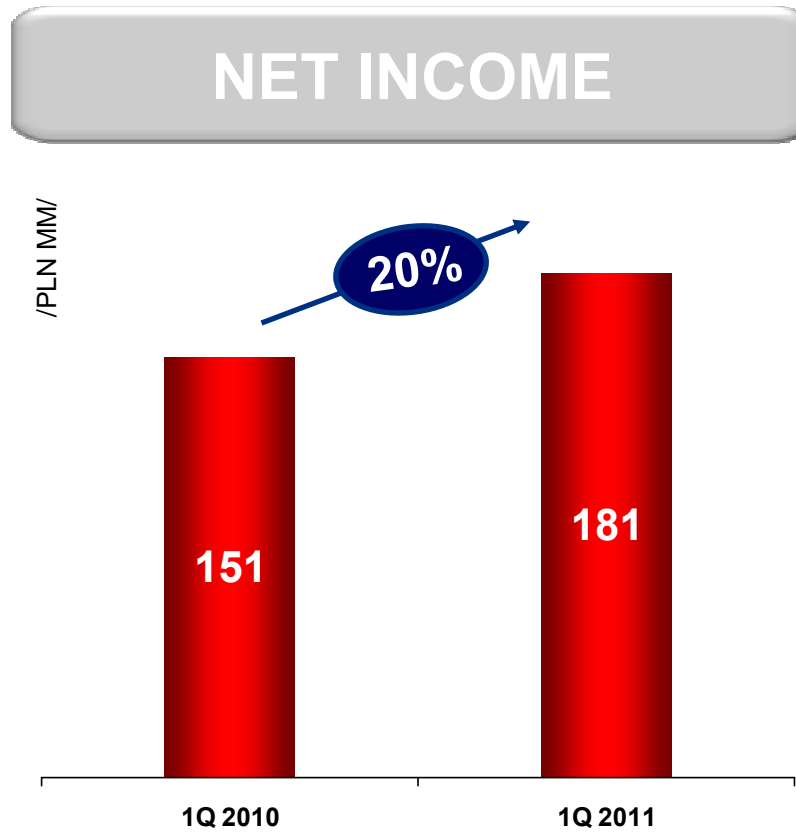
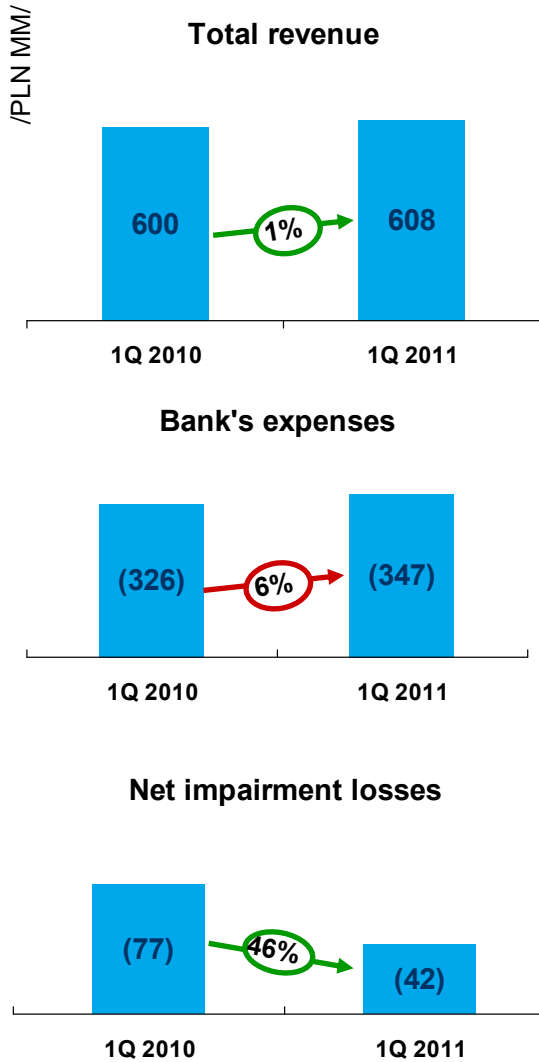
Corporate loans (PLN B)



Number of customer touchpoints



Growth of net profit in the first quarter of 2011



EFFICIENCY

BUSINESS MODEL

INNOVATION

QUALITY

Net profit 1Q 2011 vs. 1Q 2010

/PLN MM/



EFFICIENCY

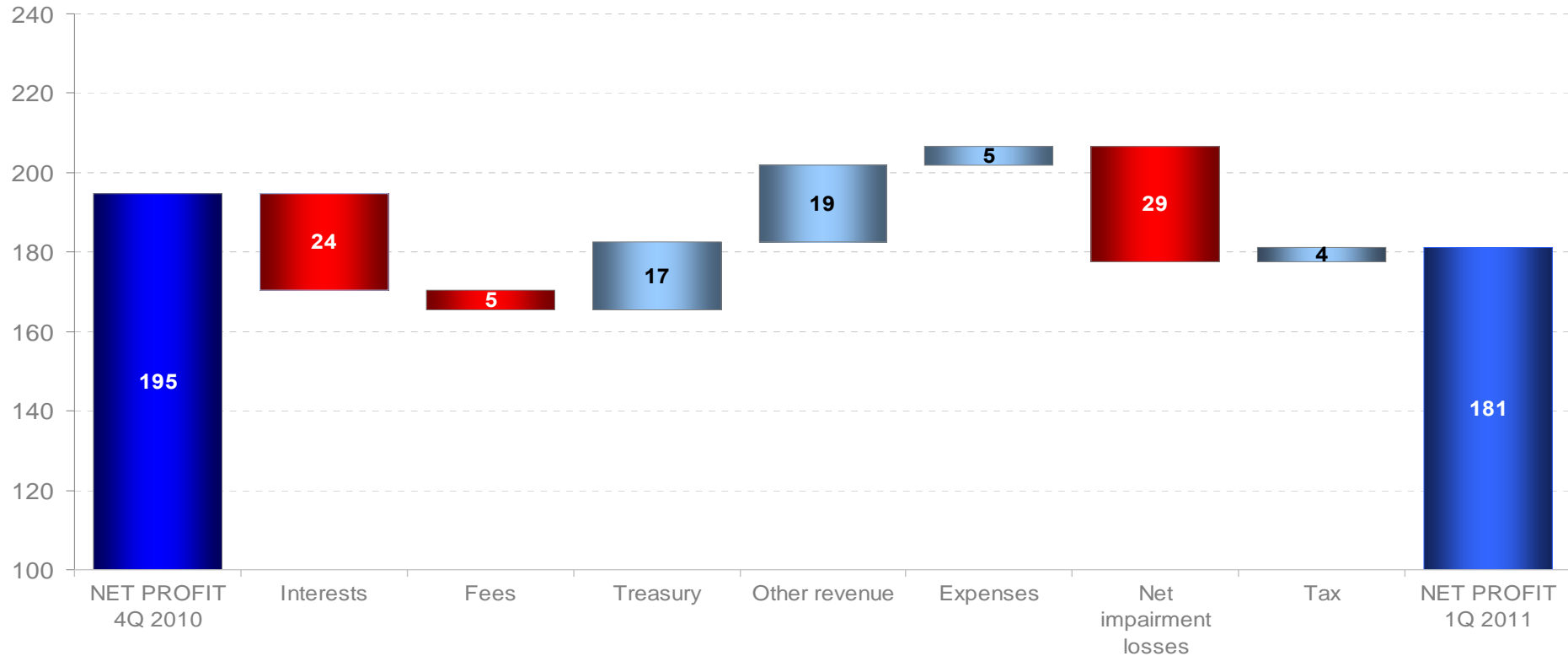
BUSINESS MODEL

INNOVATION

QUALITY

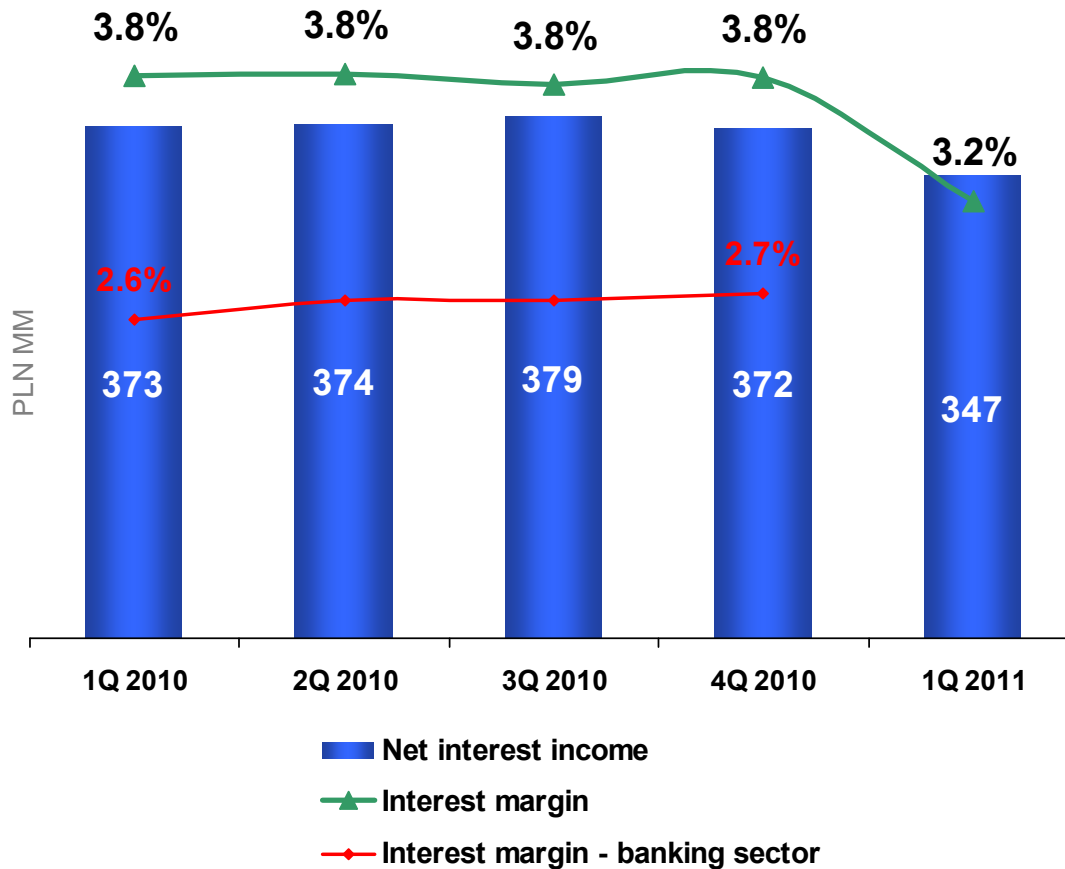
Net profit 1Q 2011 vs. 4Q 2010

/PLN MM/



 7% Net interest income	 3% Net fee and commission income	 25% Treasury	 1% Expenses & depreciation	 PLN 29 MM Net impairment losses
---	---	--	---	--

Interest margin decline

**3.2%**

Interest margin on total assets

Interest margin decline in 1Q 2011 due to:

- significant one-off events (transaction with Banco Santander),
- decline of average level of bond portfolio,
- change of loan portfolio structure

4.1%

Margin on interest assets

*Still one of the highest interest margins in the sector
(4Q 2010: 4.5%)*

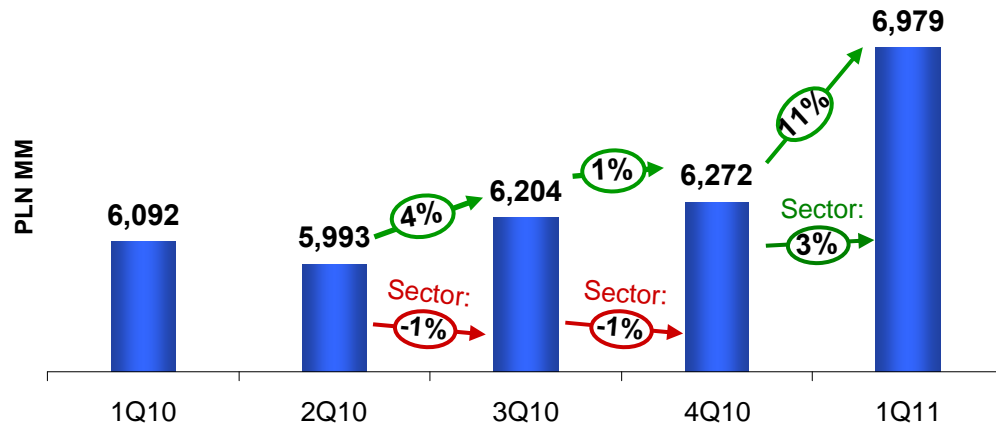
7%

Net interest income

Decline as compared to 1Q 2010, due to debt securities

Loans – growth in corporate banking continues

Corporate loans

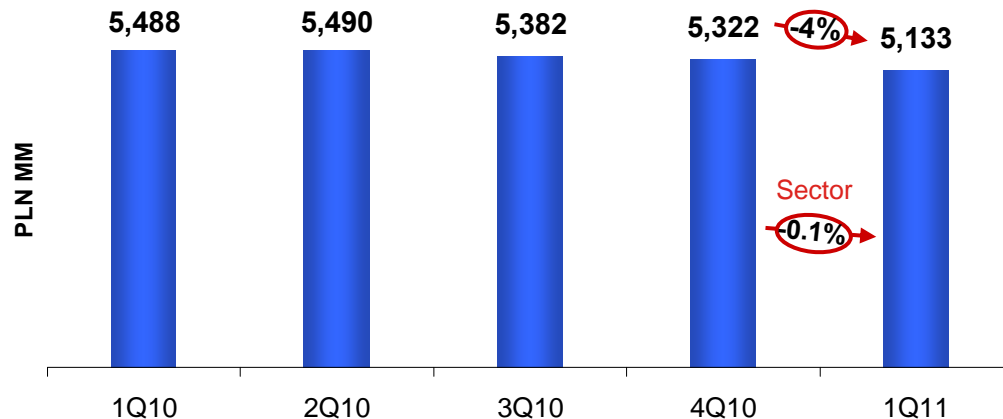


↑ 11%

Third consecutive quarter of corporate loans increase

Growth dynamics significantly beating the sector

Retail loans



↓ 4%

Decline of retail loans

More stringent credit criteria (implementation of the T Recommendation)

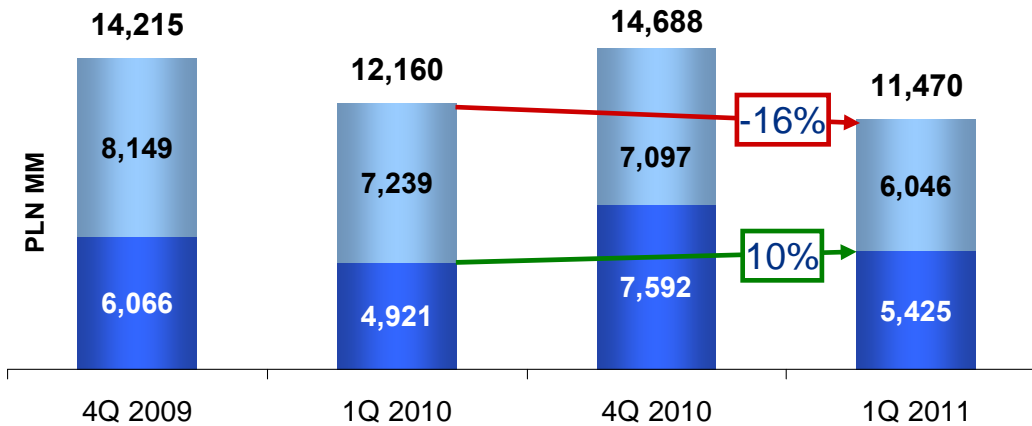
↑ 13%

Increase of mortgage products balance to PLN 360 MM

Sector increase: +0.9% QoQ

Deposits – focus on operational accounts

Corporate deposits

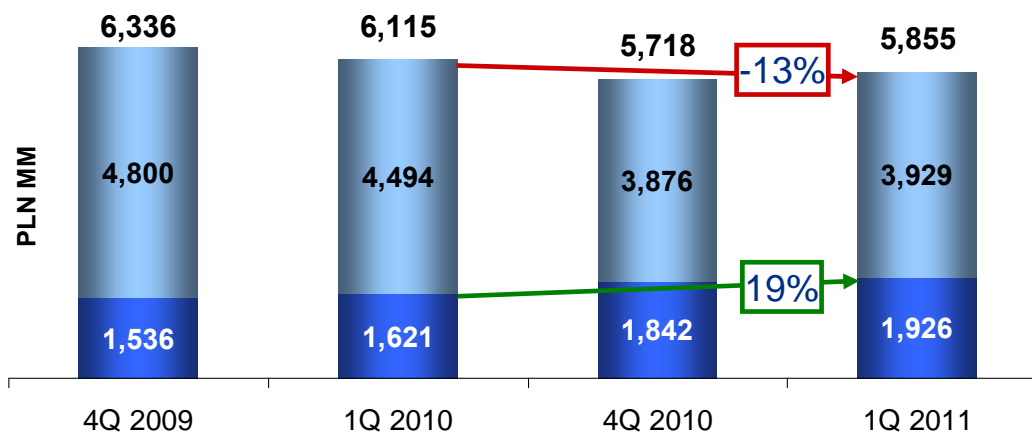


↑ 10% YoY

Increase of demand deposits in 1Q 2011

*Growth consistent with market trend
(+10% YoY)*

Retail deposits



↑ 19% YoY

Increase of demand deposits in 1Q 2011

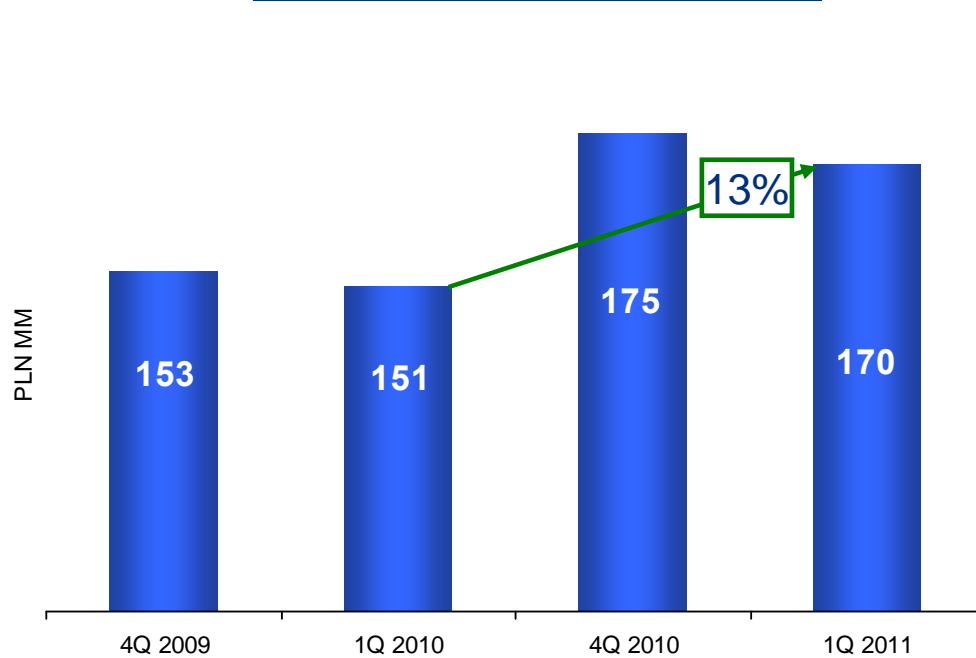
*Effect of focus on operational accounts
Growth consistent with market trend (+21% YoY)*

■ Demand deposits

■ Time deposits

Increasing fee and commission income

Net fee and commission income



33%
(1Q 2011/ 1Q 2010)

Brokerage

DMBH market share: 20%
Value of equity turnover

Market Position

1

19%
(1Q 2011/ 1Q 2010)

Custody services

Citi Handlowy market share: 43%
Value of assets under custody

1

6%
(1Q 2011/ 1Q 2010)

Credit and payment cards

Citi Handlowy market share¹: 23%
Transaction value

1

Key transactions of 1Q 2011

Public call for sale of shares

PLN 15.9 B

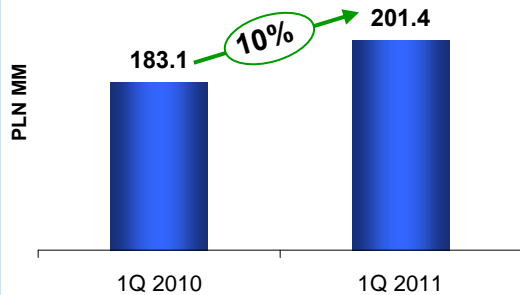
Syndicated loan

PLN 1.6 B

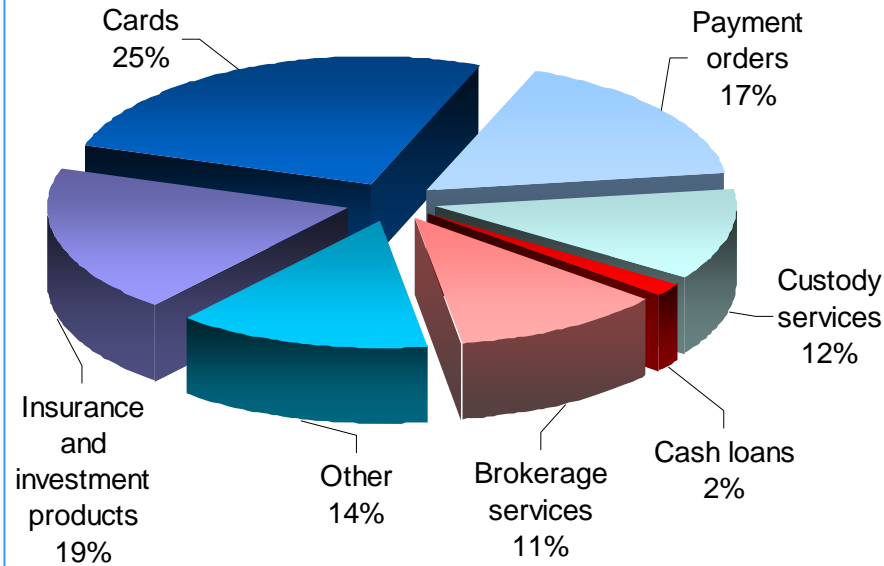
¹ Data for 4Q 2010

Breakdown of net fee & commission income

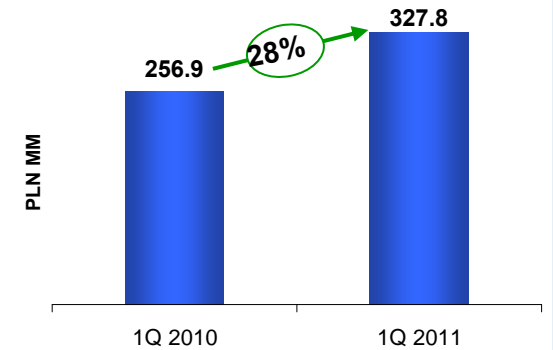
Credit cards – international sales



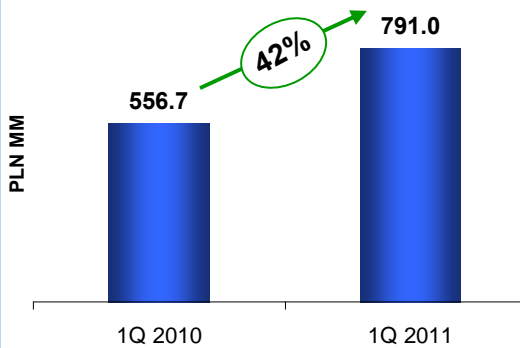
Net fee & commission income



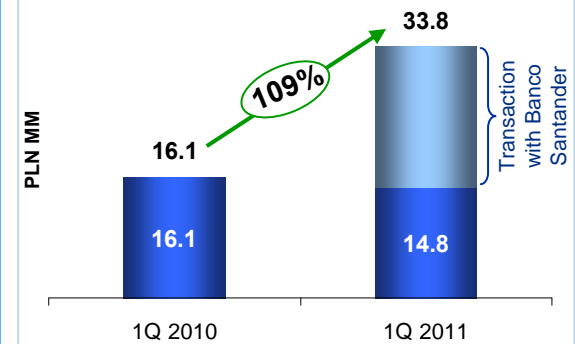
Assets under custody



Investment products' sales



Equity turnover – DM BH



EFFICIENCY

BUSINESS MODEL

INNOVATION

QUALITY

Treasury

Income from treasury

1Q 2010

1Q 2011

Δ (PLN MM)

78.8



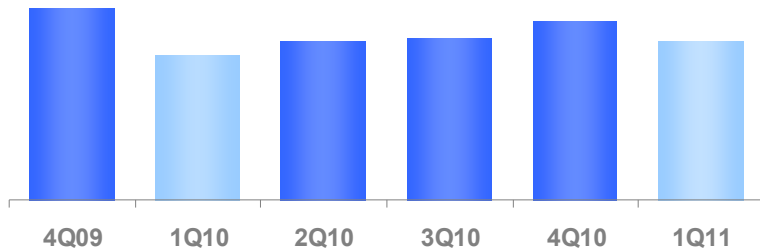
86.3



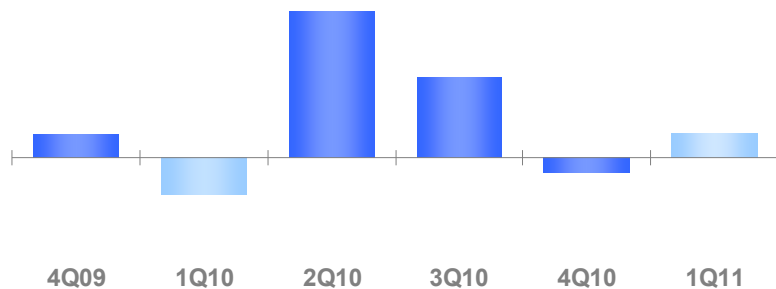
7.4



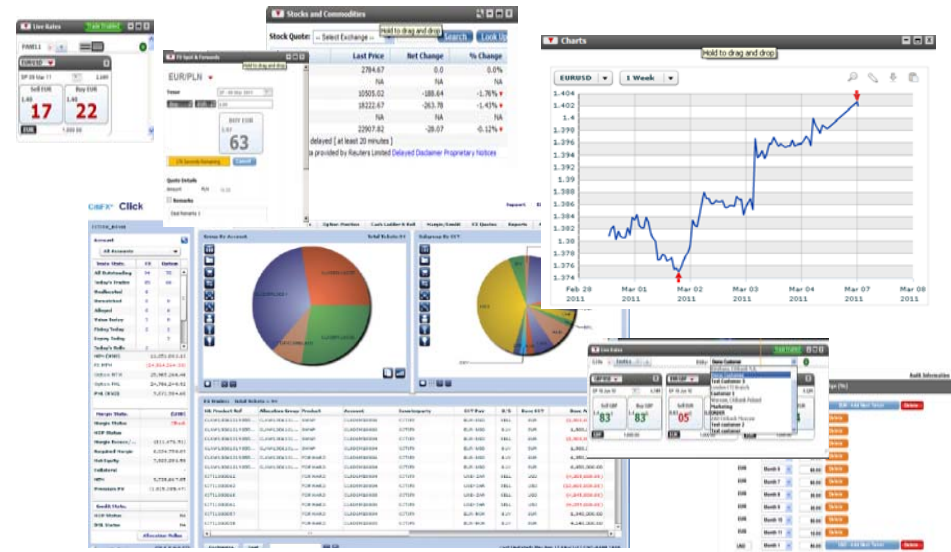
Income on customer activity



Proprietary management



CitiFX Pulse – market leading platform



10 thousand clients
using FX Pulse platform

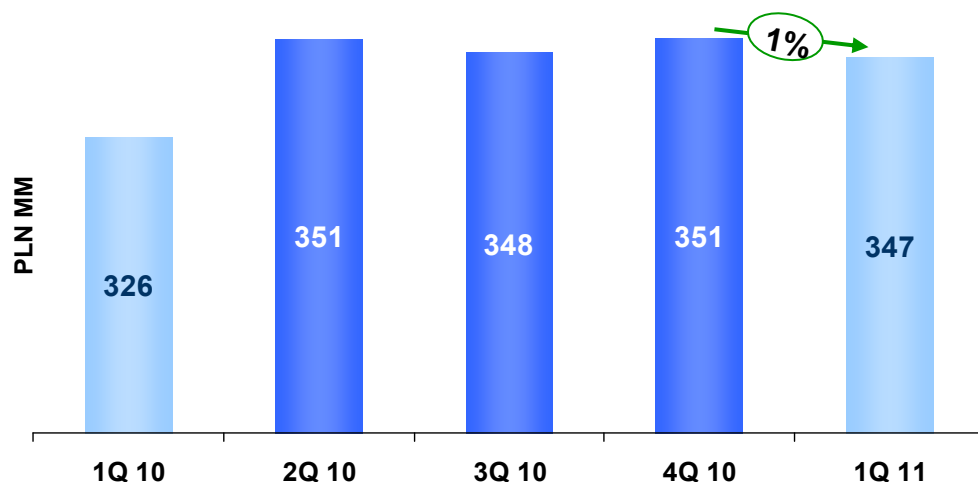
30 thousand transactions
concluded quarterly though on-line trading platform

75%
share of on-line transactions in total FX transactions
concluded through the Bank

Pro-forma data, scales on charts are not comparable

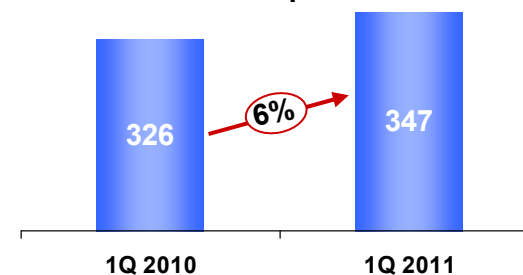
Consistent cost policy

General administrative expenses and depreciation

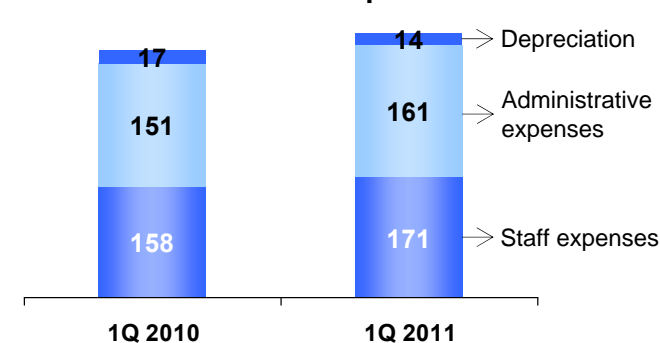


1Q 2011 costs dynamics (YoY)

Total expenses



Breakdown of expenses

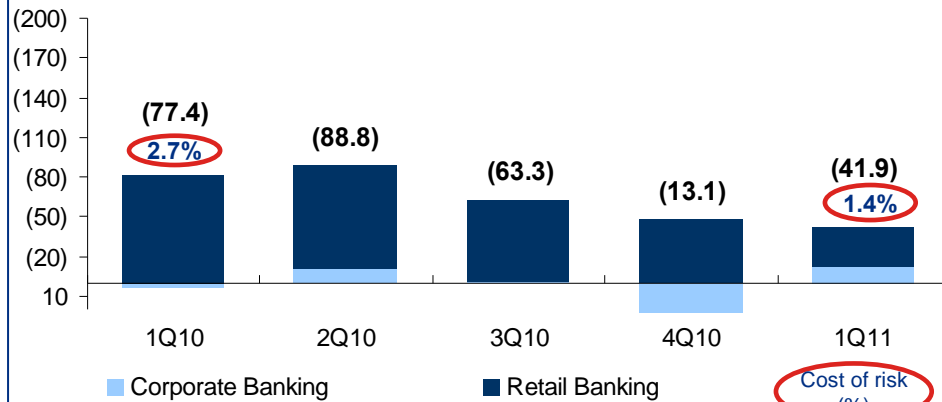


<u>Cost / Income</u>	4Q09	1Q10	4Q10	1Q11	Change (QoQ)
Corporate Banking	37%	45%	47%	45%	↓
Retail Banking	75%	67%	70%	72%	↑
Bank	53%	54%	58%	57%	↓

- Increase of staff expenses by 8% YoY resulting from insourcing of operational processes
- Increase of administrative expenses mainly in the area of retail banking marketing

Decrease of credit risk

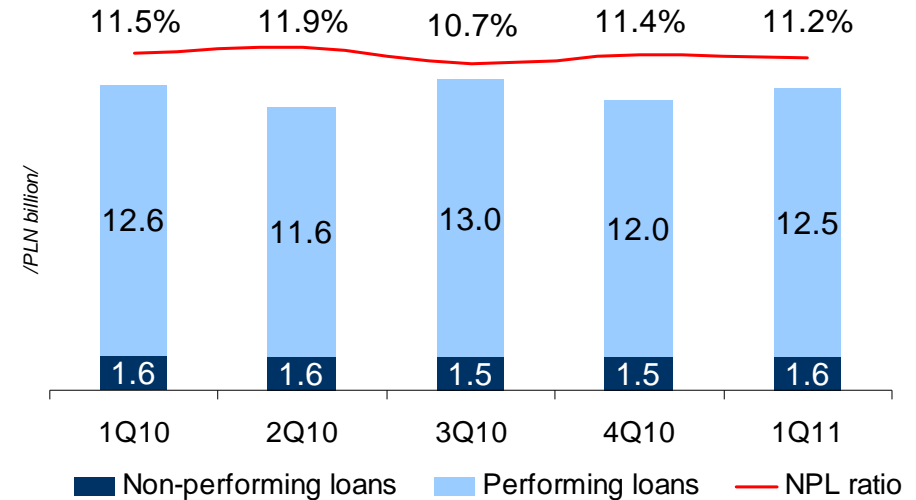
Net impairment losses



Net impairment losses (PLN MM)

	1Q10	1Q11	Change (QoQ)
Corporate Banking	4.2	(12.3)	↑
Retail Banking	(81.6)	(29.6)	↓

Loan portfolio performance



NPL Ratio

	1Q10	1Q11	Change (QoQ)
Corporate Banking	14.7%	9.8%	↓
Retail Banking	10.4%	13.9%	↑
Non Banking Sector	11.5%	11.2%	↓

- Retail Banking: Decline of net impairment losses as well as slower growth of impaired loans
- Corporate Banking: Decrease of gross impairment losses, higher cost of risk due to lower level of released provisions and changes in methodology (increase of IBNR provisions)

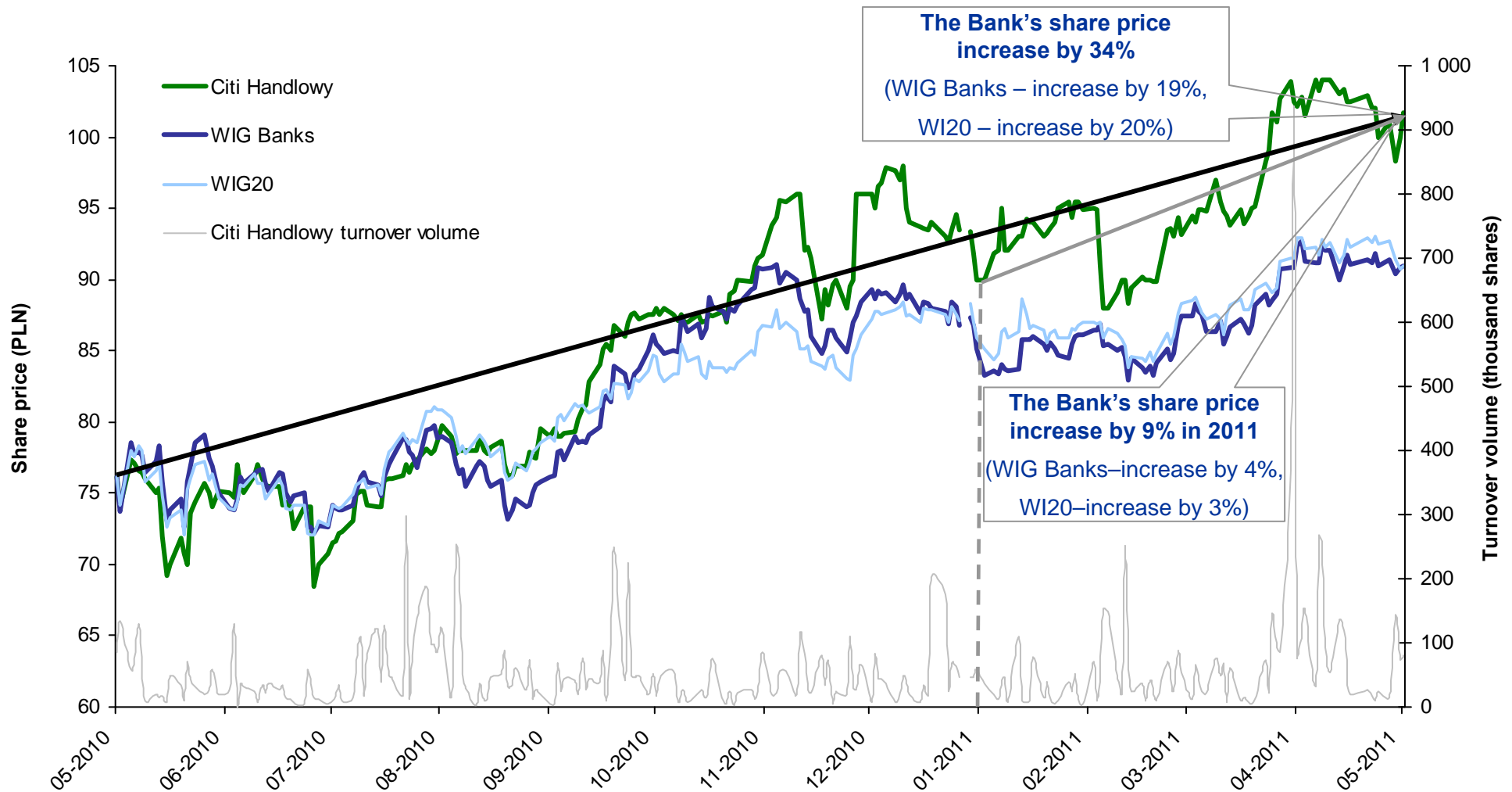
EFFICIENCY

BUSINESS MODEL

INNOVATION

QUALITY

Citi Handlowy share price in relation to WIG-Banks & WIG20 index



Citi Handlowy in **WIG20** since 6 April 2011

Appendix

EFFICIENCY

BUSINESS MODEL

INNOVATION

QUALITY

Retail banking operational data

(in thousands)	1Q 2010	4Q 2010	1Q 2011	change YoY	% change YoY
Current accounts	537	581	605	68	13%
Savings accounts	197	209	214	17	9%
Operational accounts	112	129	139	28	25%
Credit cards including:	1,005	904	884	-121	-12%
co-brand cards	573	513	485	-88	-15%
Debit cards including:	422	456	458	36	8%
PayPass cards	11	176	235	224	2,099%

EFFICIENCY

BUSINESS MODEL

INNOVATION

QUALITY

Retail banking volumes

(PLN million)	4Q 2010	1Q 2011	change QoQ	% change QoQ
Deposits	5,718	5,855	137	2%
demand deposits including:	4,321	4,460	139	3%
volumes on savings accounts	2,467	2,531	64	3%
time deposits	1,397	1,395	-2	0%
Loans	5,322	5,133	-189	-4%
credit cards	2,376	2,248	-129	-5%
cash loans	2,540	2,425	-116	-5%
mortgage loans	319	360	41	13%