

BANK HANDLOWY W WARSZAWIE S.A.  
4Q 2011 consolidated financial results

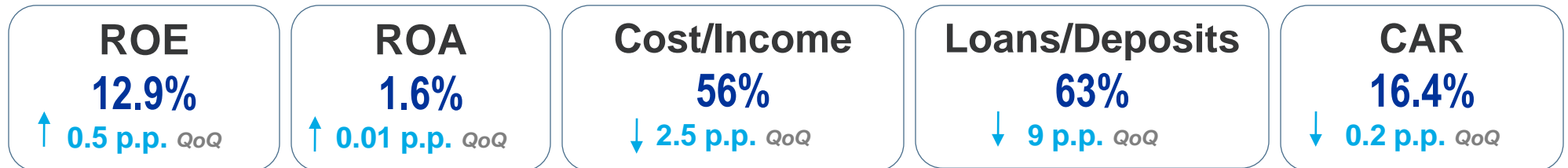
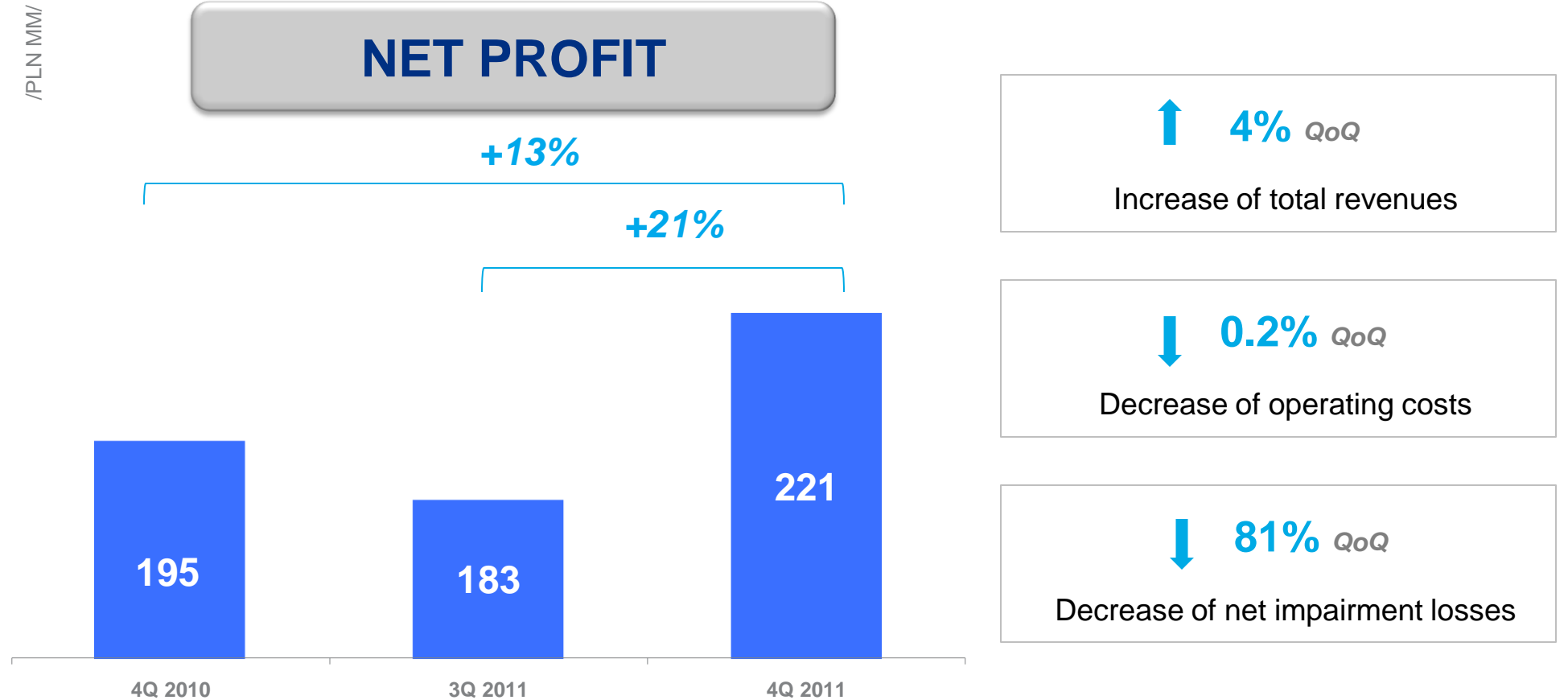
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February 2012

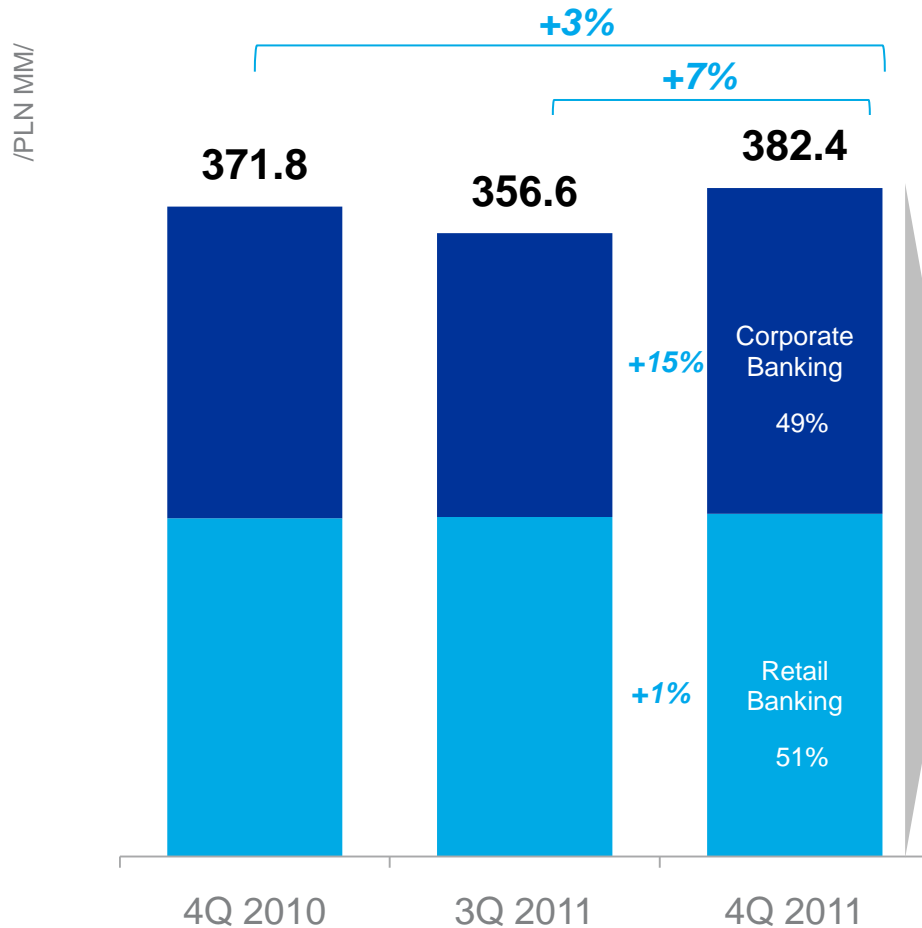
# Fourth quarter of 2011 – summary

Financial results	Net profit ↑ 21% QoQ	Revenues ↑ 4% QoQ	Operating margin ↑ 7% QoQ
Volumes	Corporate loans ↑ 9% QoQ	Mortgage loans ↑ 13% QoQ	Demand deposits ↑ 7% QoQ
Business development	<ul style="list-style-type: none"><li>• Operating accounts of individual clients: ↑ 3% QoQ and ↑ 30% YoY</li><li>• Operating accounts of corporate clients: ↑ 1% QoQ and ↑ 6% YoY</li></ul>		
Risk	<ul style="list-style-type: none"><li>• Non-performing loans ratio (NPL): ↓ to 8.9%</li><li>• Low level of costs of risk: 0.1% (0.6% in 2011 vs. 2.1% in 2010)</li></ul>		
Liquidity & Capital	<ul style="list-style-type: none"><li>• Stable capital position– capital adequacy ratio at the level of 16.4%<ul style="list-style-type: none"><li>- one of the highest in the sector</li></ul></li><li>• High liquidity – Loans/Deposits ratio at the safe level of 63%</li></ul>		

# Growth of net profit in 4Q 2011



# Growth of net interest income



## Interest margin

On total assets	3.8%	3.7%	<b>3.8%</b>
On interest assets	4.4%	4.4%	<b>4.6%</b>

## Corporate Banking: +15% QoQ

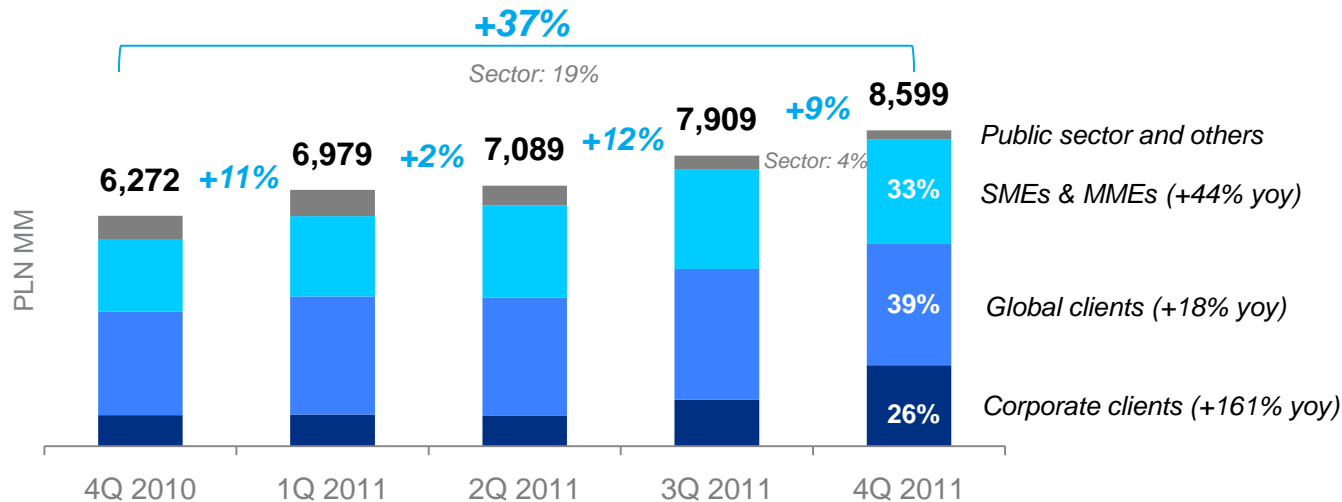
- Corporate customers: **+0,4%** QoQ ; **+0,3%** YoY
  - Loans income: **+4%** QoQ; **+22%** YoY
  - Deposits expenses: **+4%** QoQ; **+25%** YoY
- Debt securities: **+13%** QoQ; **+3%** YoY
- Financial sector: **+30%** QoQ; **+26%** YoY

## Retail Banking: +1% QoQ

- Credit cards: **+2%** QoQ; **+5%** YoY
- Loans: **+0,2%** QoQ; **-4%** YoY
- Deposits expenses: **+2%** QoQ; **-13%** YoY

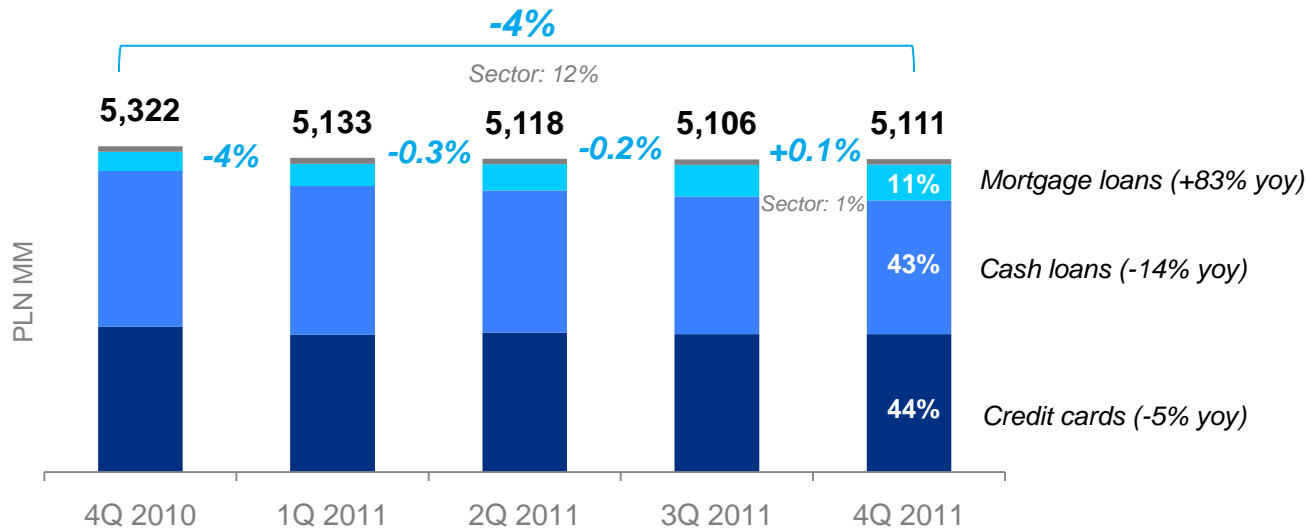
# Loans – continued growth in corporate banking

## Corporate loans



- Consistent growth of corporate loans – the highest YoY growth since 2007
- Significant growth beating the sector dynamics

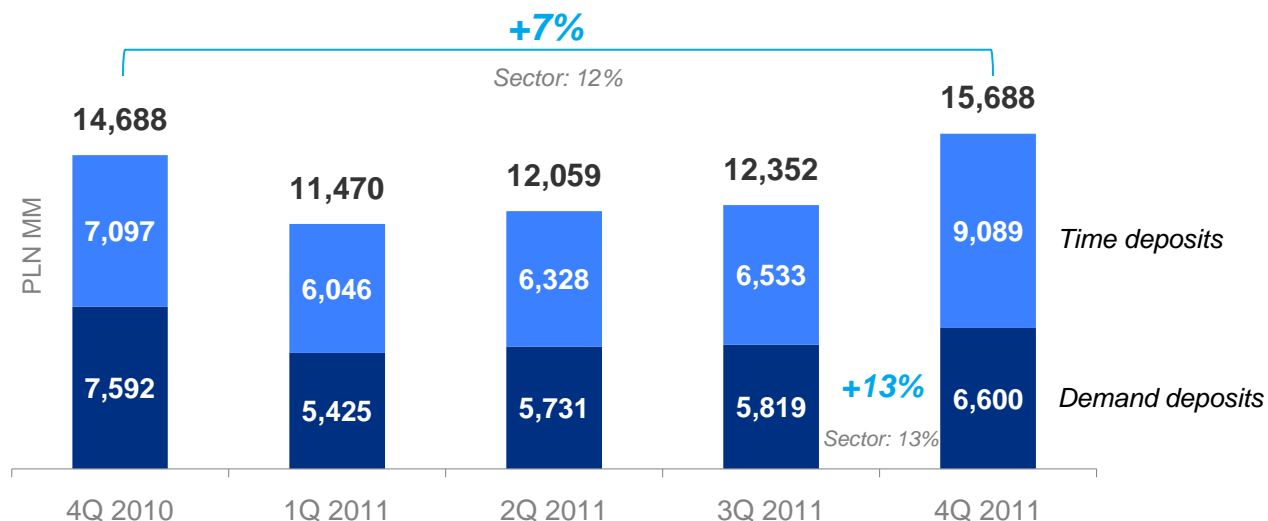
## Retail loans



- A decrease of retail loans stopped in 4Q 2011
- Dynamic growth of mortgage loans to PLN 584 million (+13% QoQ; +83% YoY)

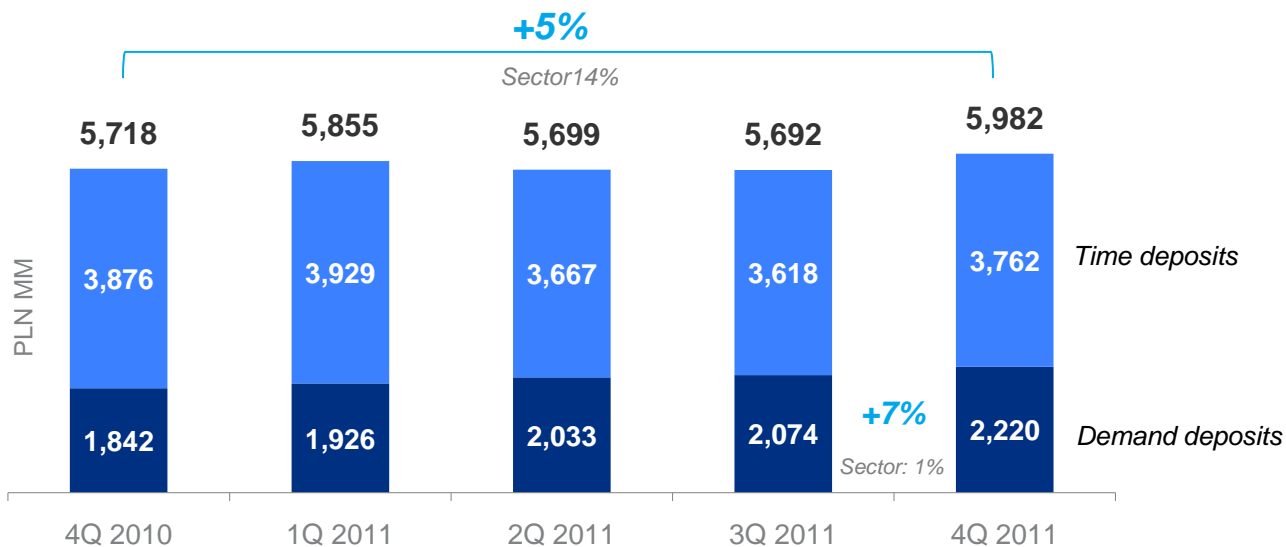
# Deposits – focus on operating accounts

## Corporate deposits



- Seasonal growth of corporate deposits (+27% QoQ)
- Next consecutive quarter of demand deposits growth – in line with market trend

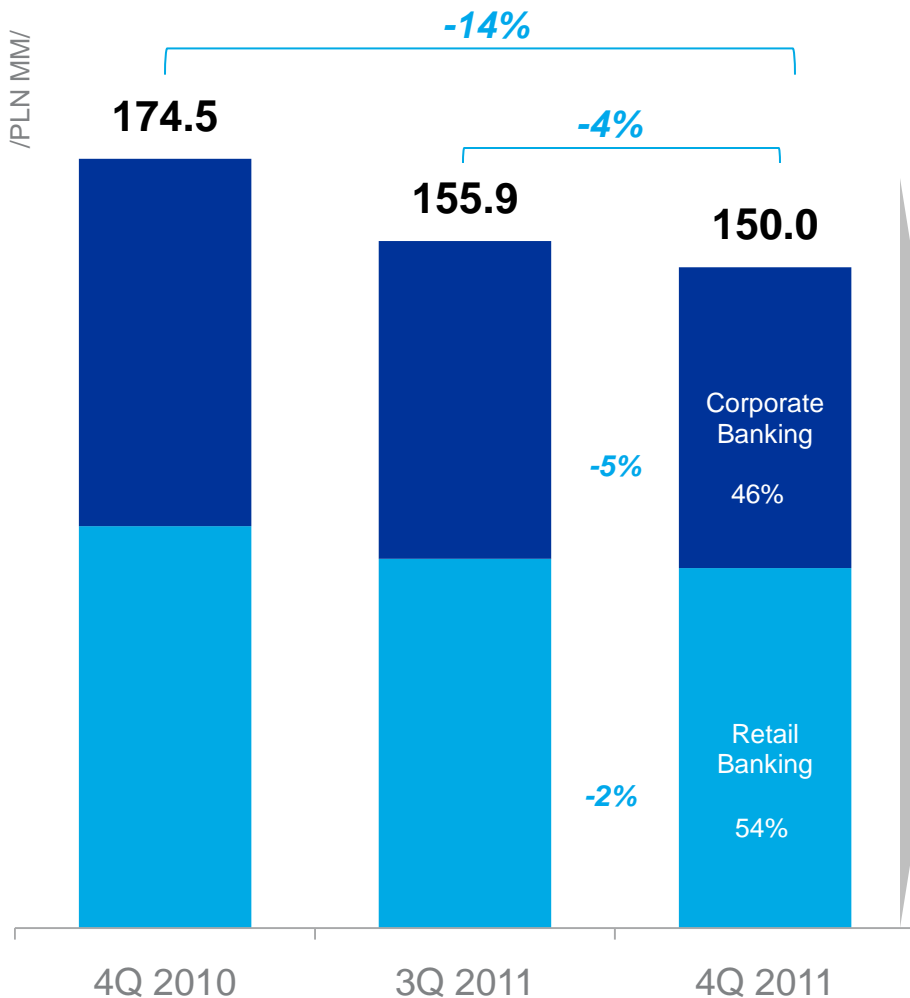
## Retail deposits



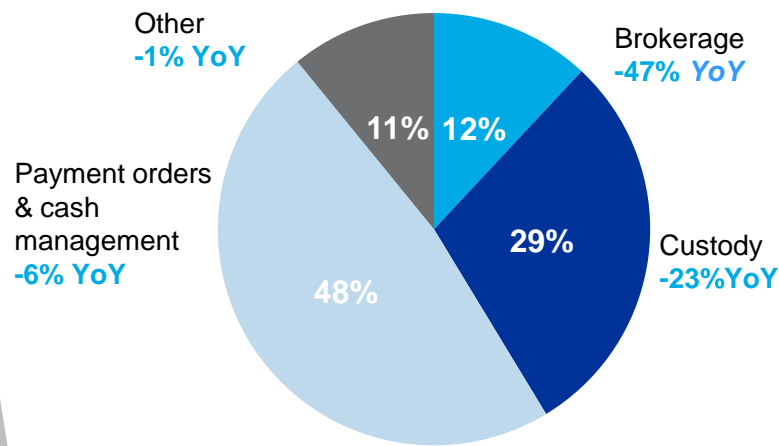
- Increase of retail deposits by +5% QoQ
- Increase of demand deposits, significantly beating the sector dynamics – the effect of a consistent strategy focusing on operating accounts

# Net fees and commissions income under pressure

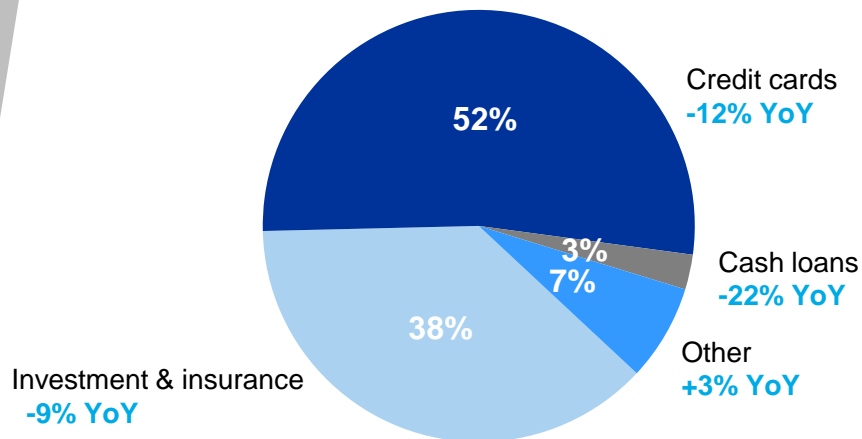
/PLN MM/



## Corporate Banking -5% QoQ and -18% YoY



## Retail Banking -2% QoQ and -10% YoY



# Treasury result

/PLN MM/

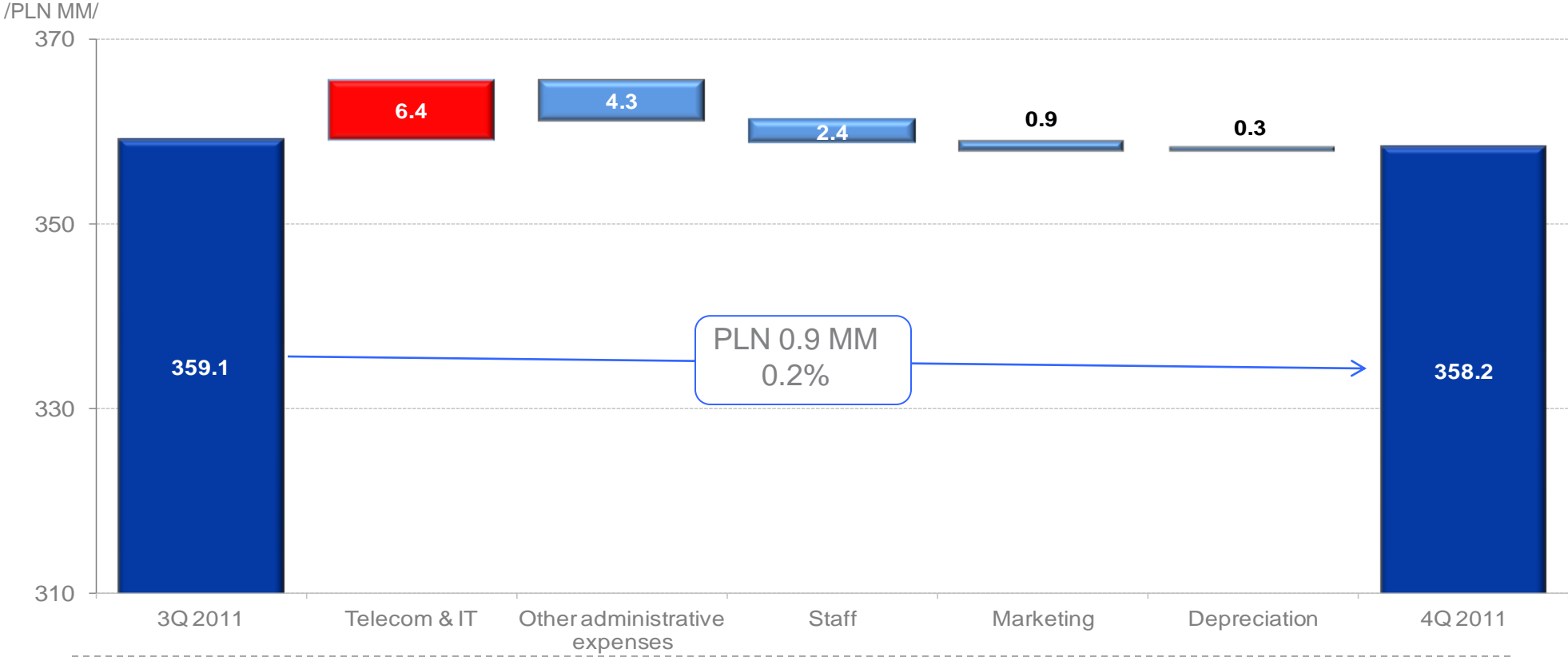


- 1 Growth of FX transactions volumes concluded with corporate customers by 3% QoQ and 26% YoY
- 2 Growth of transaction volume concluded via CitiFX Pulse platform by 10% compared to Q3 2011



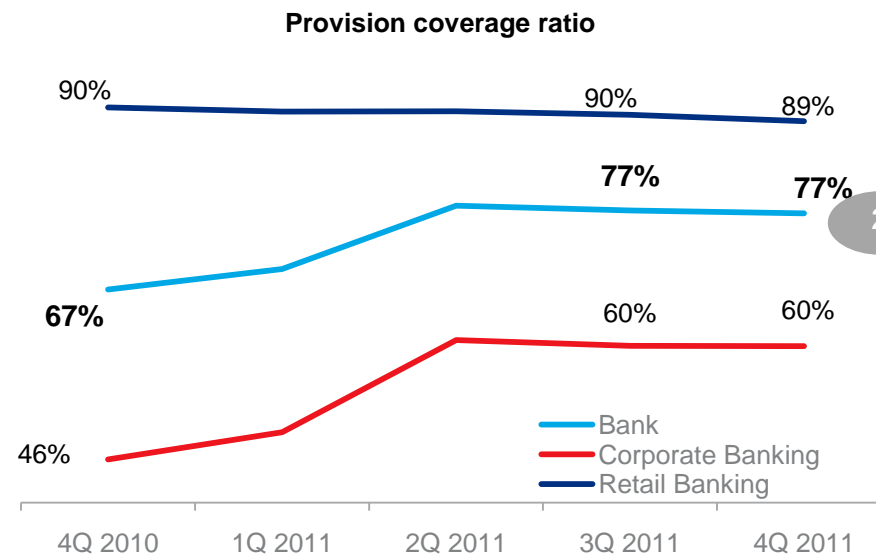
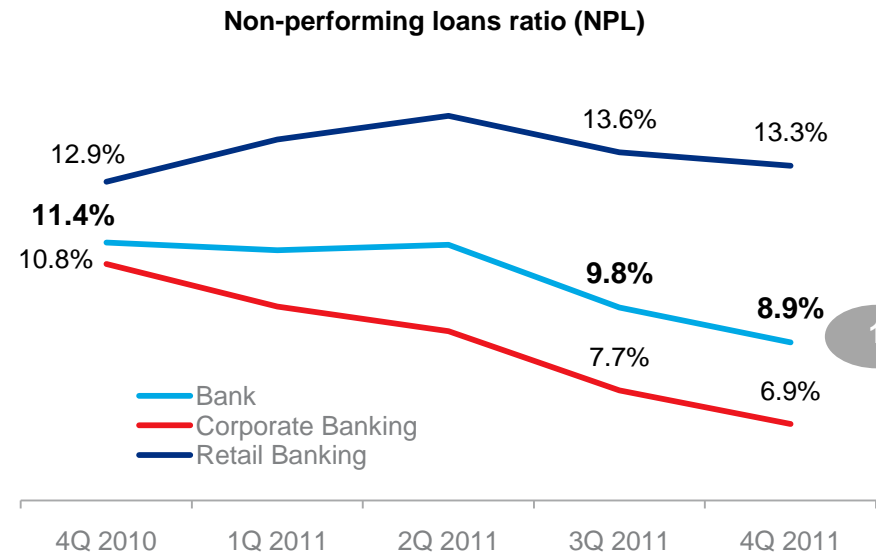
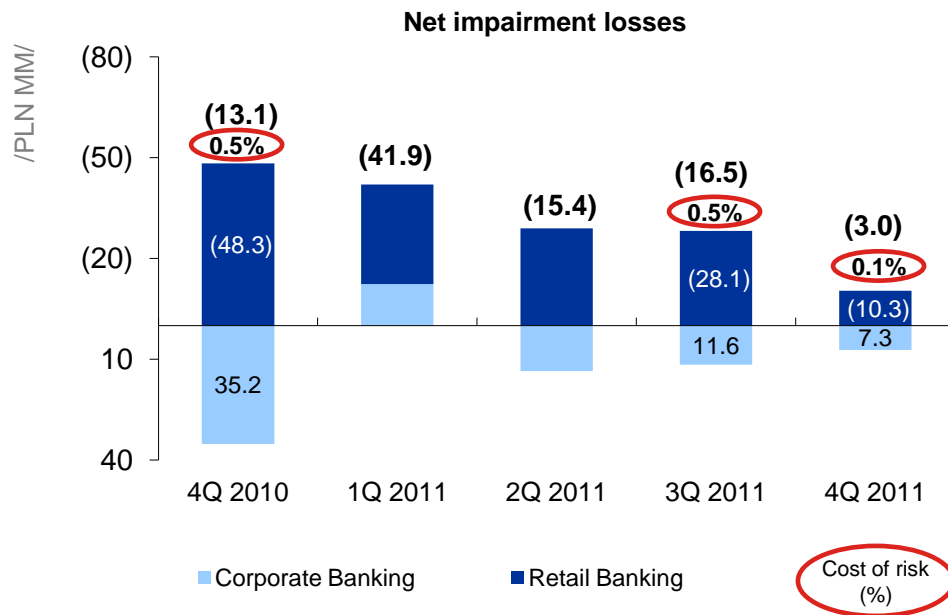


# Consistent expenses policy



<u>Cost / Income ratio</u>	3Q 2011	4Q 2011	Change
Corporate Banking	47%	45%	↓
Retail banking	73%	71%	↓
Bank	59%	56%	↓

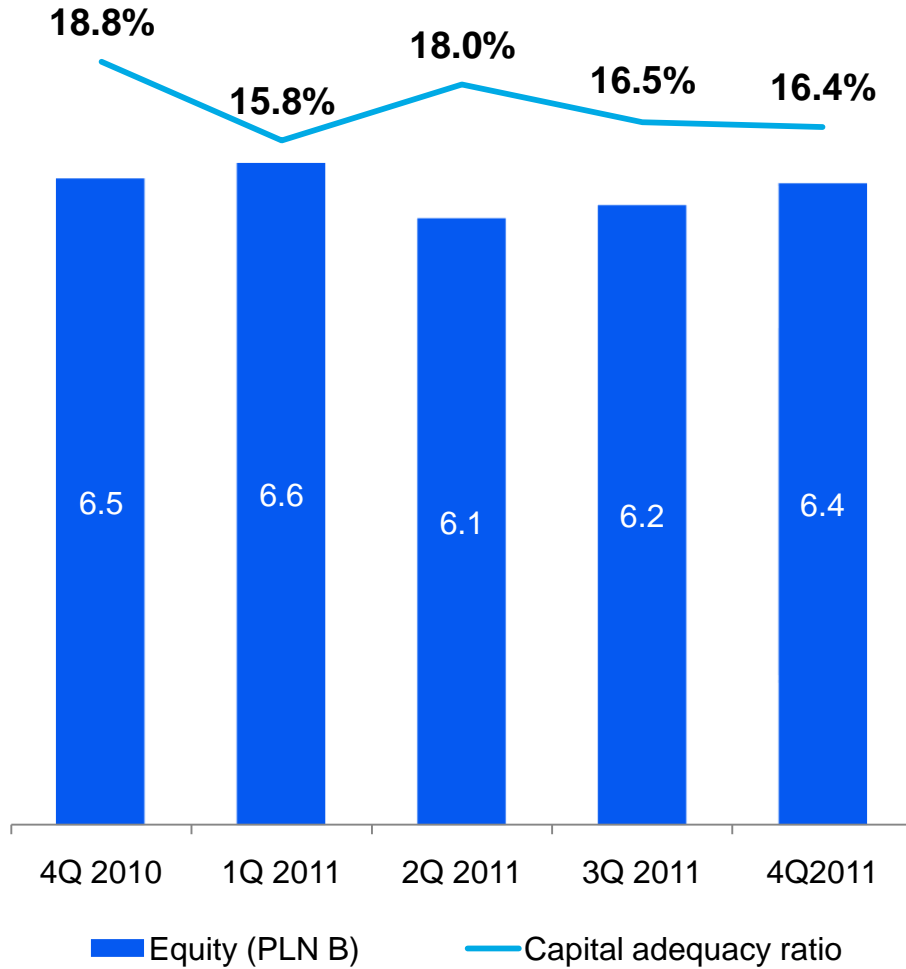
# Further improvement of costs of risk



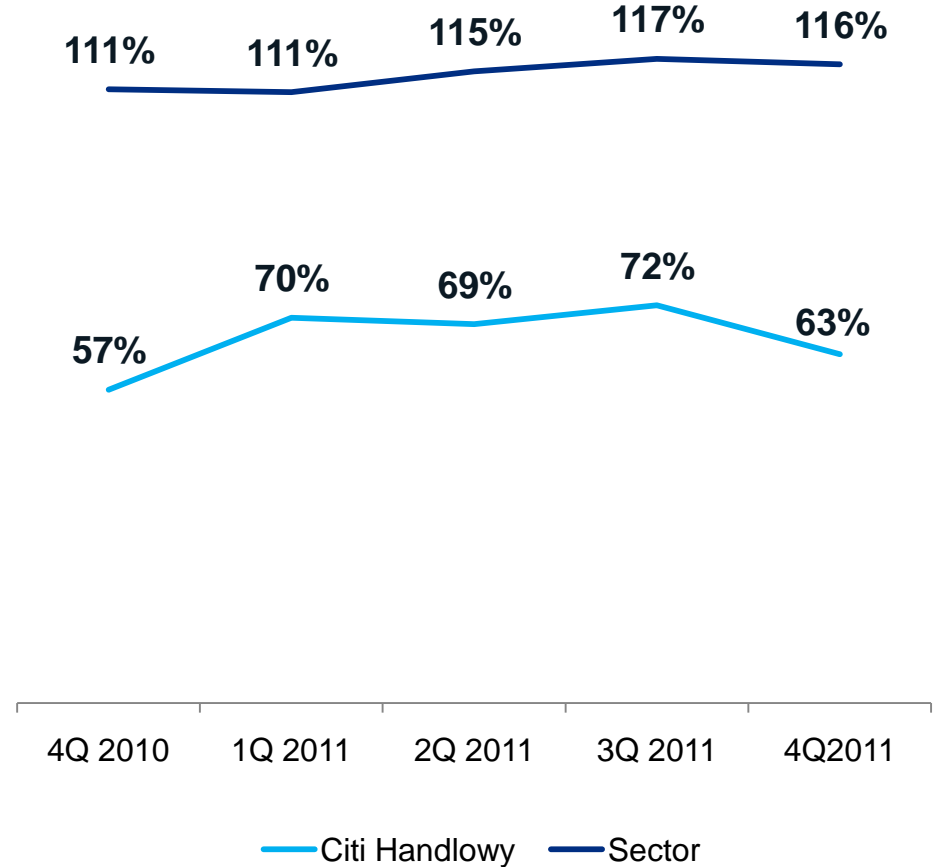
- 1 Improving quality of retail and corporate loan portfolios – decrease of NPL ratio to **8.9%**
- 2 Provision coverage ratio maintained at a high level of **77%**
- 3 Record low level of cost of risk in 2011 (**0.1%** in 4Q2011 vs. **0.6%** in 2011) – continued downward trend in Retail Banking and stable level of costs of risk in Corporate Banking

# Liquidity and capital adequacy – stable and safe position

Capital adequacy ratio vs. equity level

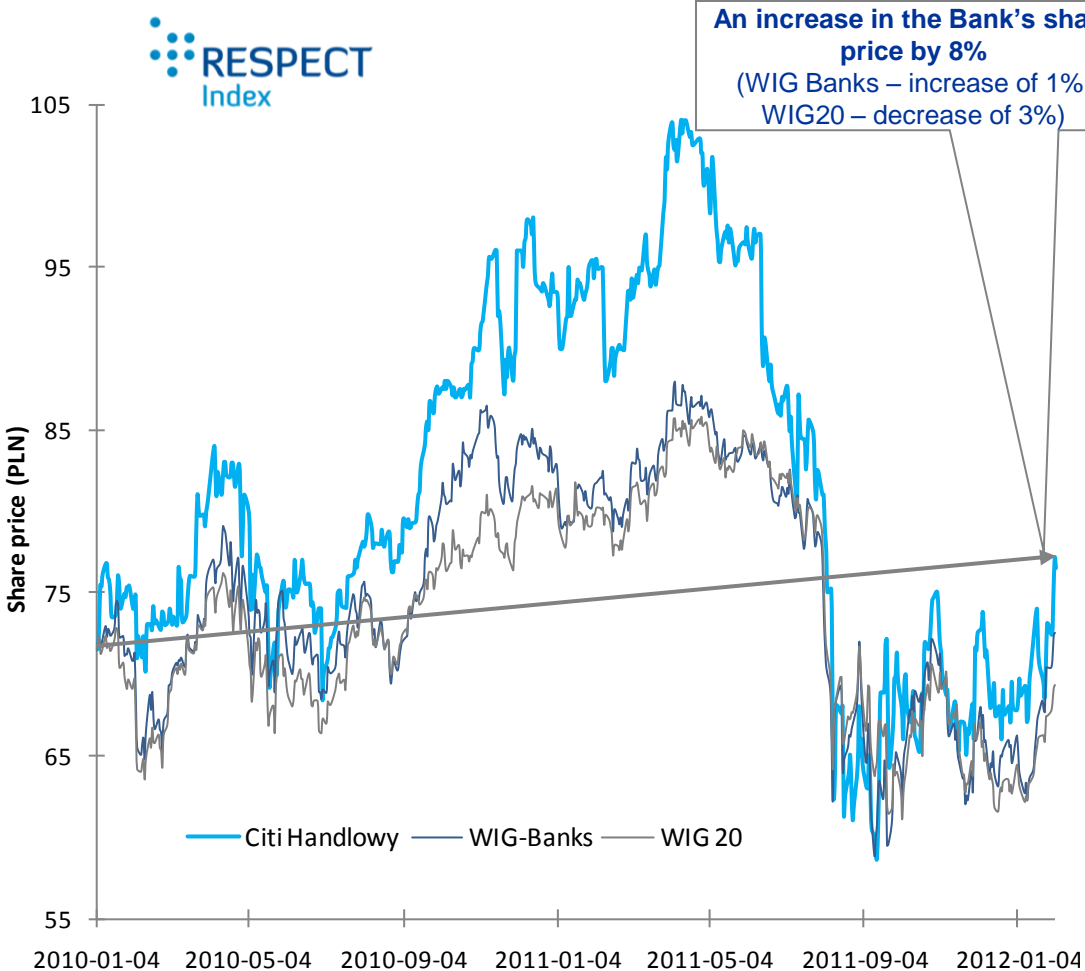


Loans to deposits ratio Bank vs. banking sector

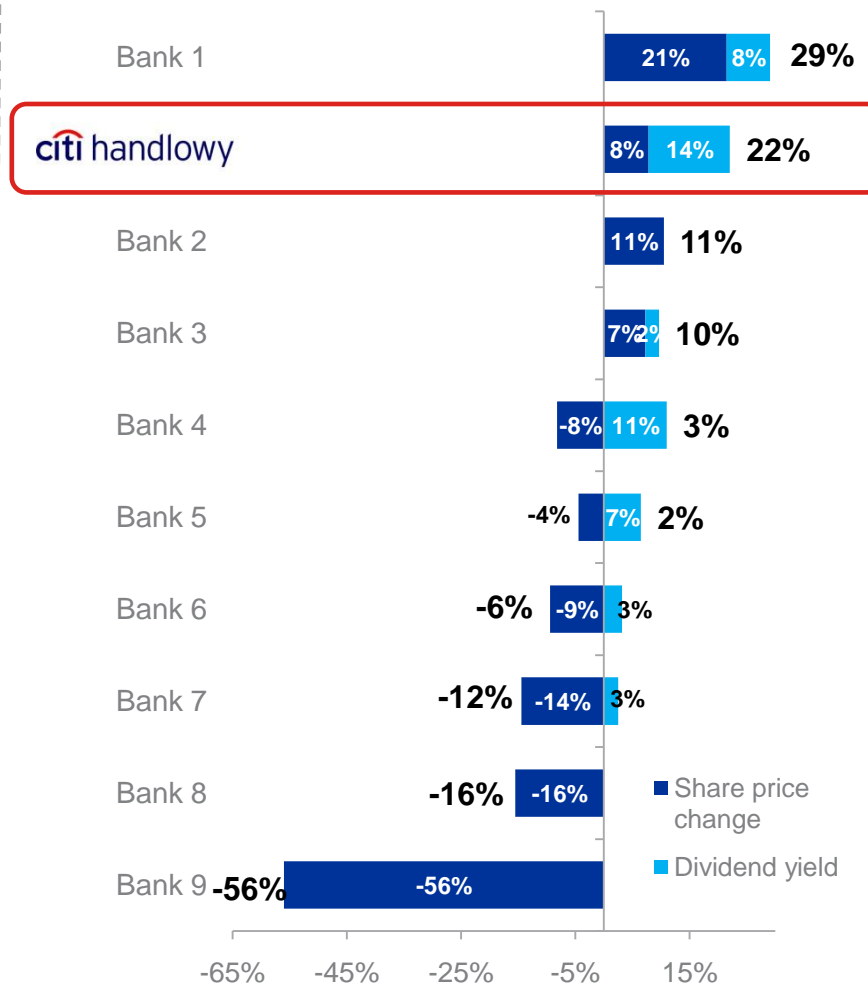


# Citi Handlowy share price from 2010

Citi Handlowy share price (net, excl. dividend) vs. WIG-Banks and WIG-20 indices



Return on investment in Bank's shares in 2010-2011



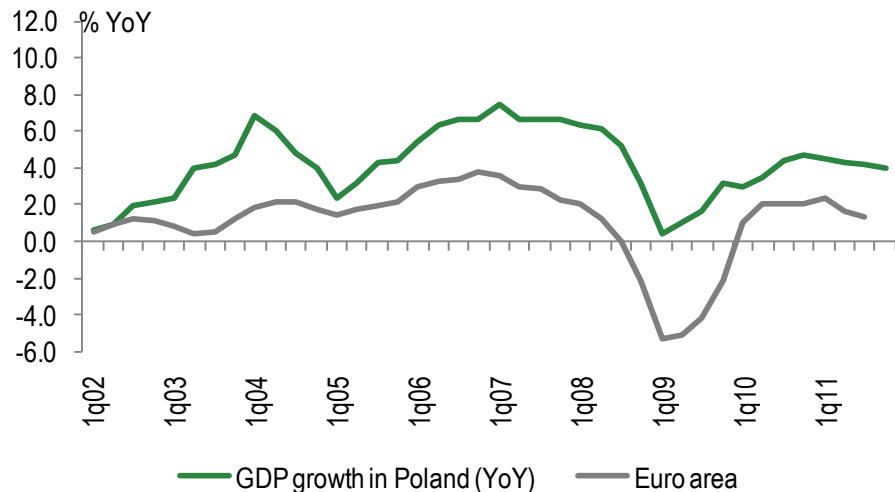
Attention: Change of share price based on closed prices of 01/02/2012 and 4/01/2010  
Dividend yield based on dividend paid in 2010 - 2011.

## Appendix

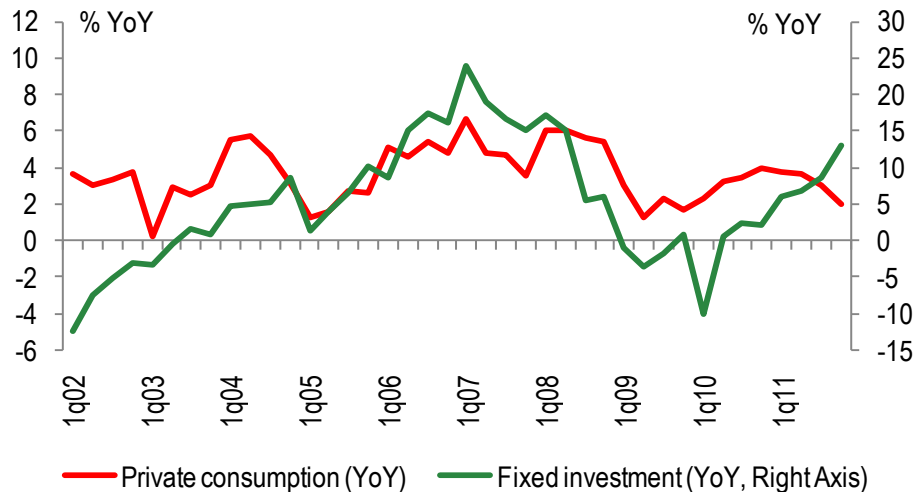
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# Macroeconomics review 4Q 2011

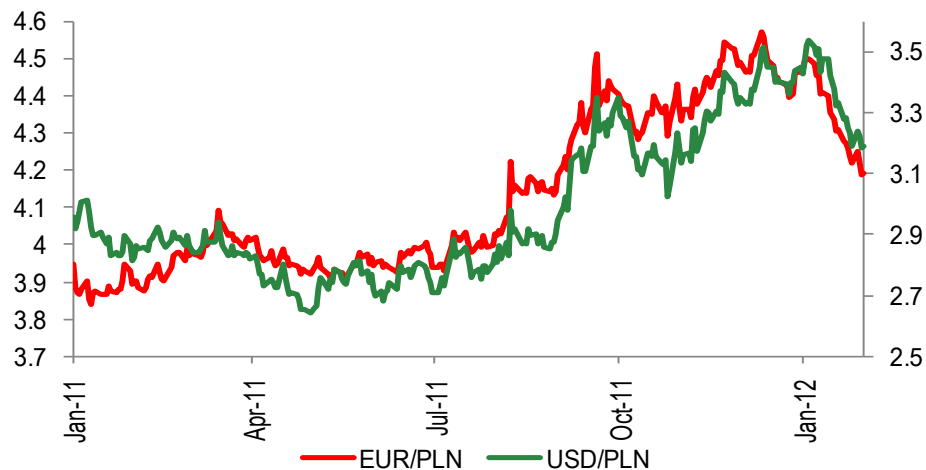
## GDP growth in Poland considerably better than in the Euro area



## An increase of investments and a slowdown in consumption at the end of 2011



## Higher volatility on financial markets arising from concerns about the future of the euro area



- 4.3% GDP growth YoY, Polish economy resistant to signals of a slowdown in the Euro area
- Strong economic performance caused by a high growth of investments, limited by consumers' spending decelerate
- Debt crisis in the euro area resulting turbulence on foreign exchange market
- Limited volatility of Polish zloty after intervention of NBP and Ministry of Finance

# Retail banking operational data

(in thousands)	4Q 2010	3Q 2011	4Q 2011	Change YoY	% change YoY
<b>Current accounts including:</b>	<b>581</b>	<b>646</b>	<b>655</b>	<b>74</b>	<b>13%</b>
Operating accounts	129	163	168	38	30%
<b>Saving accounts</b>	<b>209</b>	<b>222</b>	<b>222</b>	<b>13</b>	<b>6%</b>
<b>Credit cards including:</b>	<b>904</b>	<b>865</b>	<b>849</b>	<b>(55)</b>	<b>(6%)</b>
Co-brand cards	513	488	483	(30)	(6%)
<b>Debit cards</b>	<b>438</b>	<b>474</b>	<b>472</b>	<b>34</b>	<b>8%</b>
PayPass cards	176	303	328	153	87%

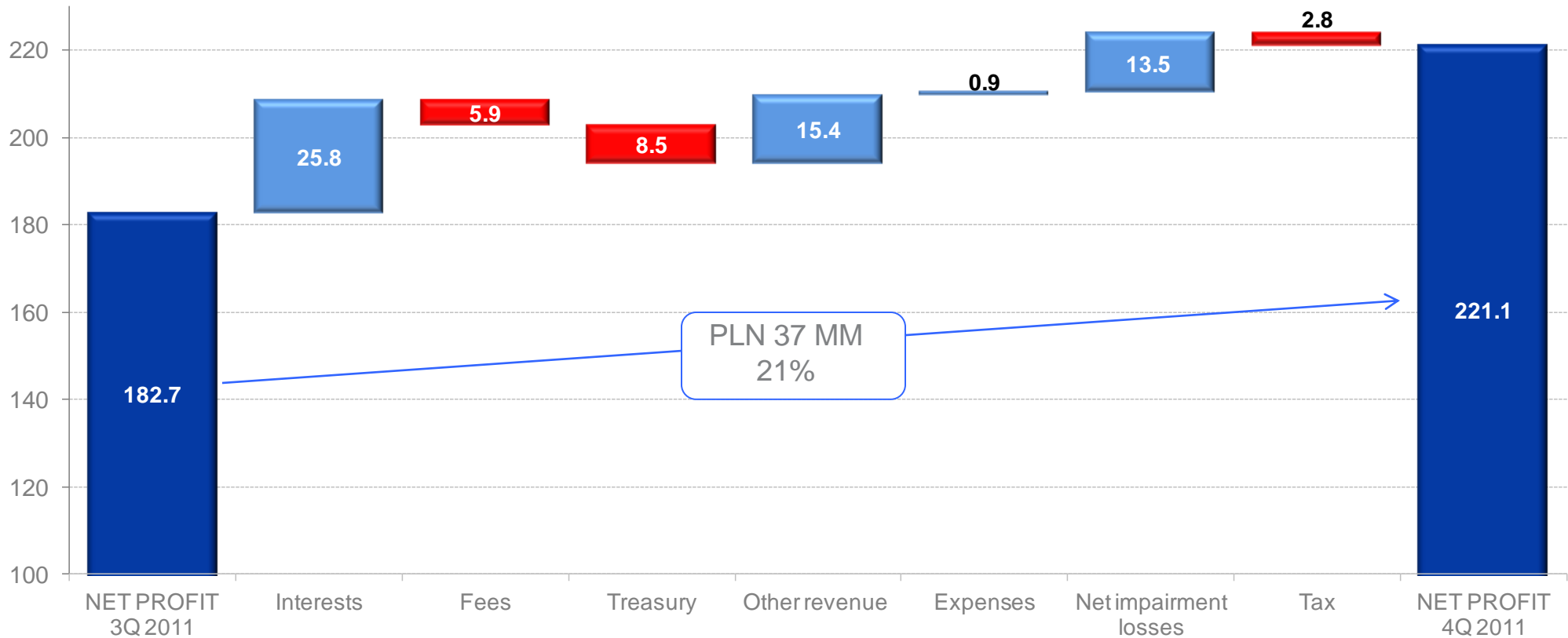
# Retail banking volumes

(PLN million)	3Q 2011	4Q 2011	Change QoQ	% change QoQ
<b>Deposits</b>	<b>5,692</b>	<b>5,982</b>	<b>136</b>	<b>2%</b>
Demand deposits	2,074	2,220	147	7%
Other deposits, including:	3,618	3,762	144	4%
Saving accounts	2,464	2,498	33	1%
<b>Loans</b>	<b>5,106</b>	<b>5,111</b>	<b>6</b>	<b>0%</b>
Credit cards	2,251	2,251	0	0%
Cash loans	2,250	2,189	(60)	(3%)
Mortgage loans	516	584	68	13%



# Net profit 4Q 2011 vs. 3Q 2011

/PLN MM/



↑ **7%**  
Net interest income

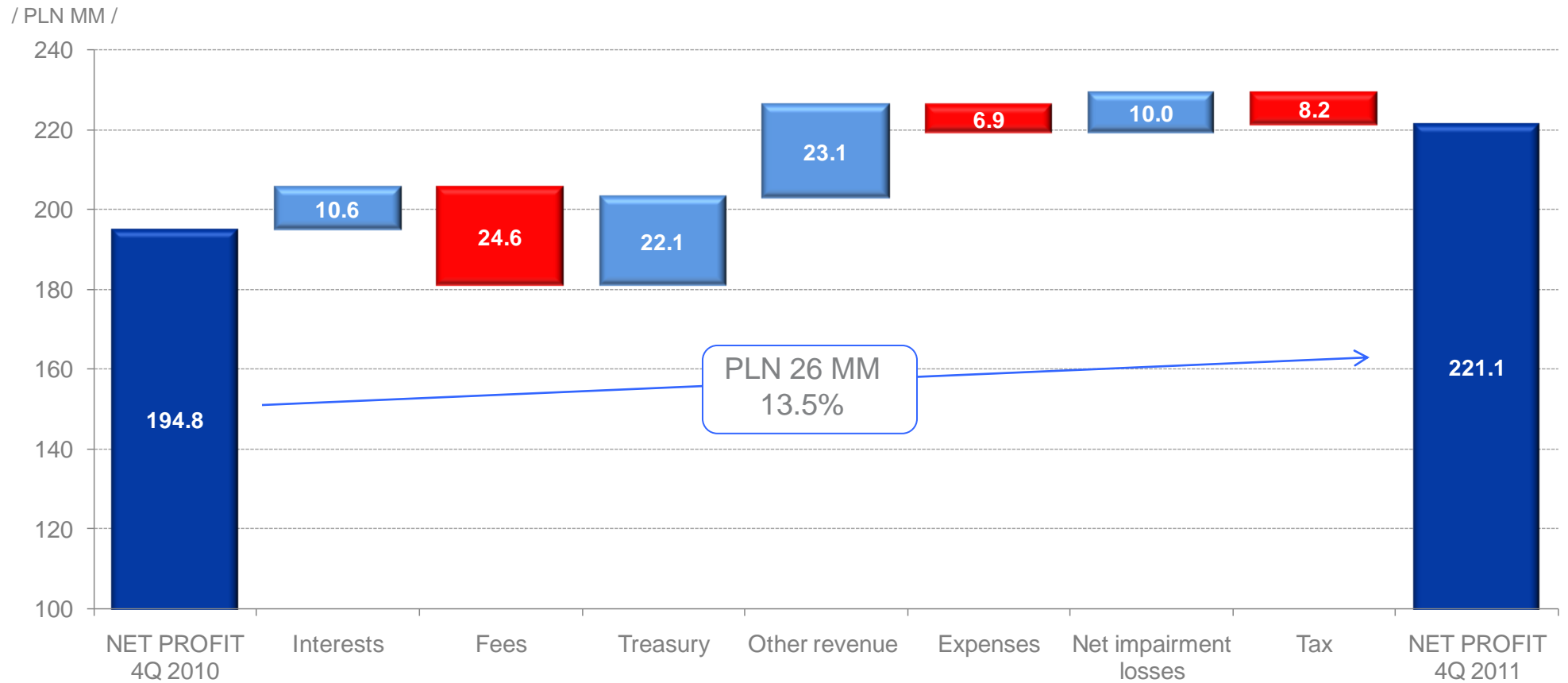
↓ **4%**  
Net fee and commission income

↓ **9%**  
Treasury

↓ **0.2%**  
Expenses & depreciation

↓ **82%**  
Net Impairment losses

# Net profit 4Q 2011 vs. 4Q 2010



↑ **3%**  
Net interest  
income

↓ **14%**  
Net fee and  
commission  
income

↑ **32%**  
Treasury

↑ **2%**  
Expenses &  
depreciation

↓ **77%**  
Net  
impairment losses

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*4Q 2011 financial data shown in this presentation are based on the stock report containing information on the initial consolidated financial statement of the Capital Group of Bank Handlowy w Warszawie S.A. for the fourth quarter of 2011. The stock report has been published on 6th February 2012.*