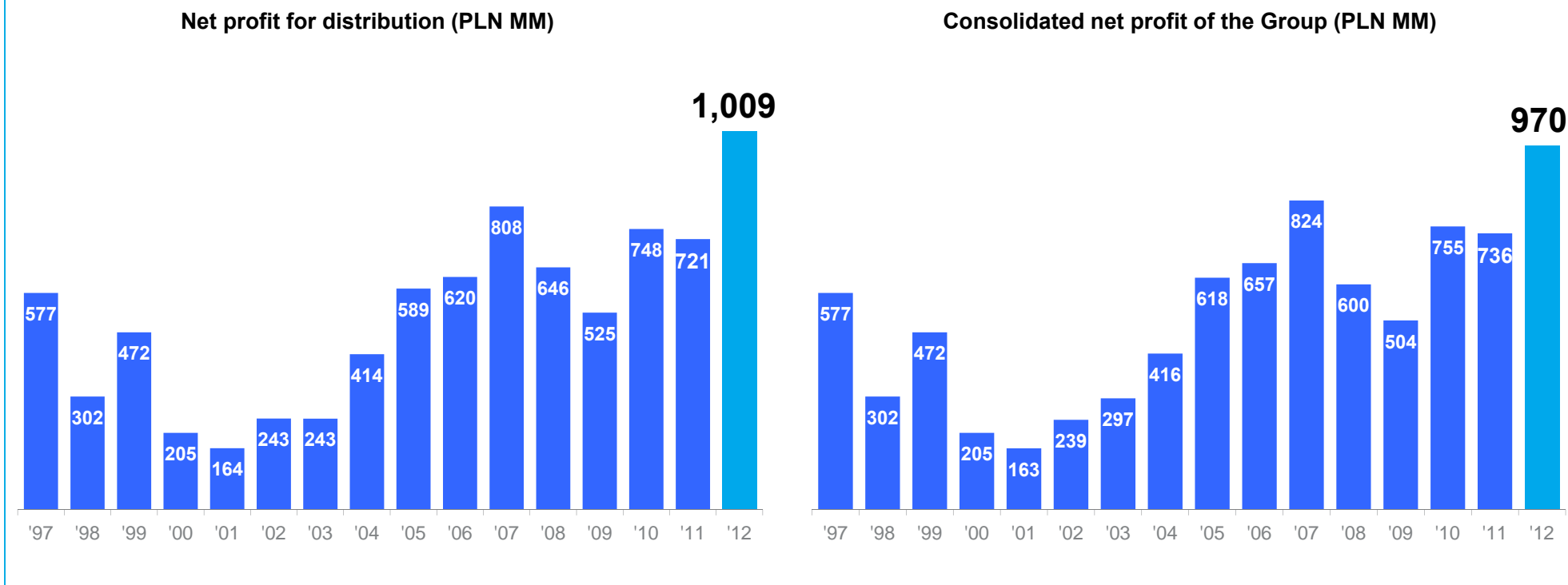


BANK HANDLOWY W WARSZAWIE S.A.
2012 preliminary consolidated financial results

February 14th, 2013

Record net profit

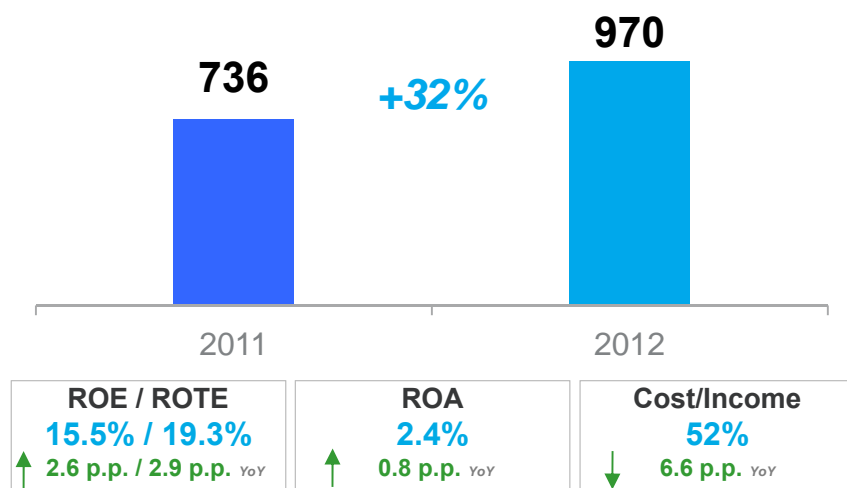
Net profit since the Bank's debut on the WSE



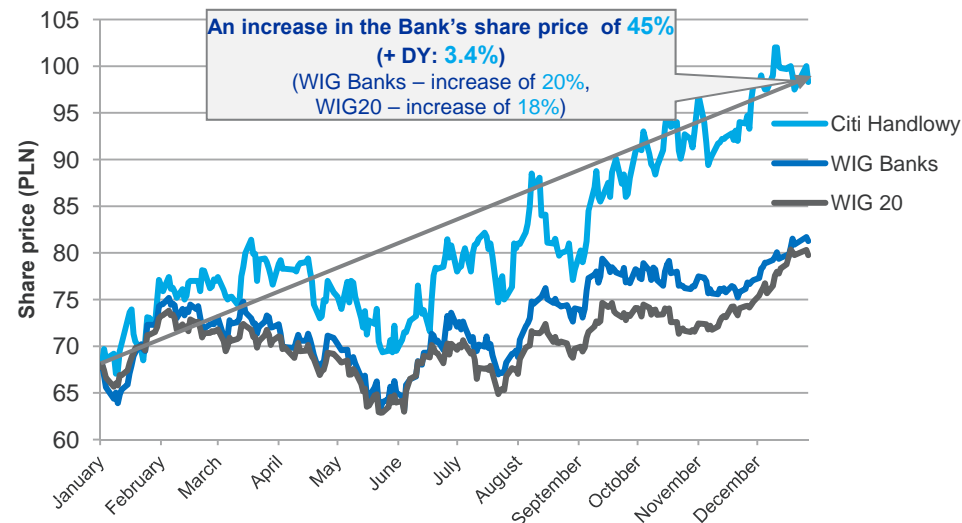
- **The highest Bank's and Group's net profit since 1997, i.e. since the debut on the WSE**
- **Net profit available for distribution over PLN 1 B for the first time**

Summary of 2012 in Citi Handlowy

Efficiency – record net profit (PLN MM)

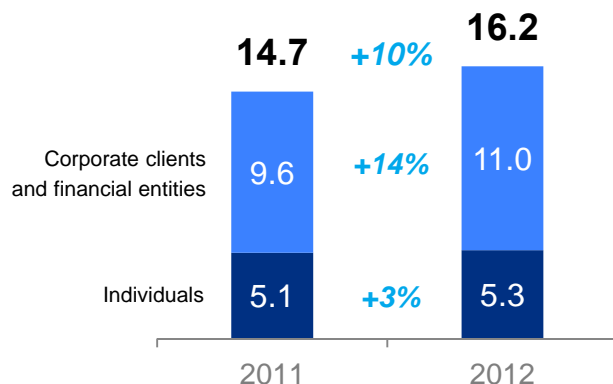


Citi Handlowy's share price vs. WSE indices in 2012



Key business achievements

Customer loans (PLN B) – 2012 - another year of growth in volumes



Emerging Market Champions Program

citi handlowy was advising the Management Board of **KGHM POLSKA MIEDŹ S.A.** on Quadra FNX acquisition

Treasury Securities Dealer

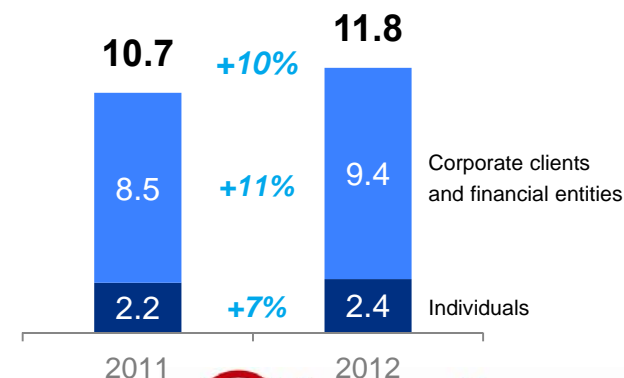
citi handlowy **#1** in the contest of Ministry of Finance

Banking service for the capital city of Warsaw

citi handlowy chosen to act as Bank of the capital city of Warsaw

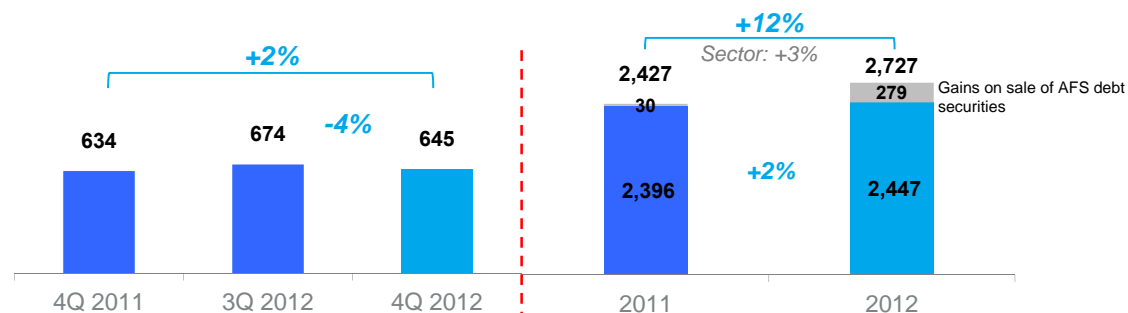
for the next 5-year term

Demand deposits (PLN B)



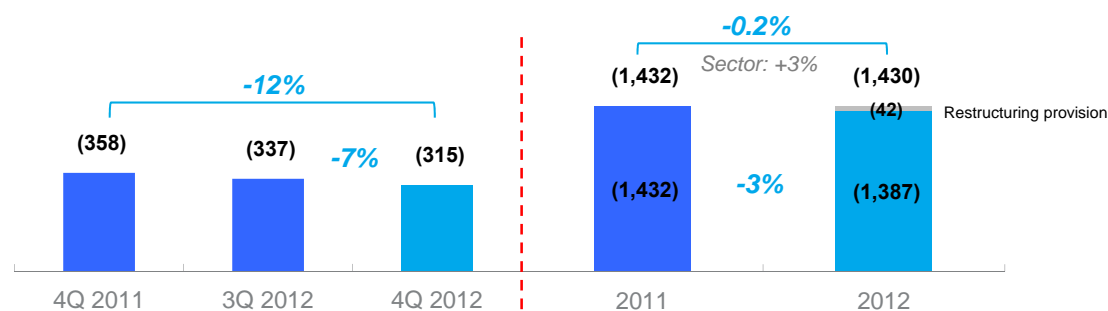
Improvement in all P&L lines

Revenues (PLN MM)



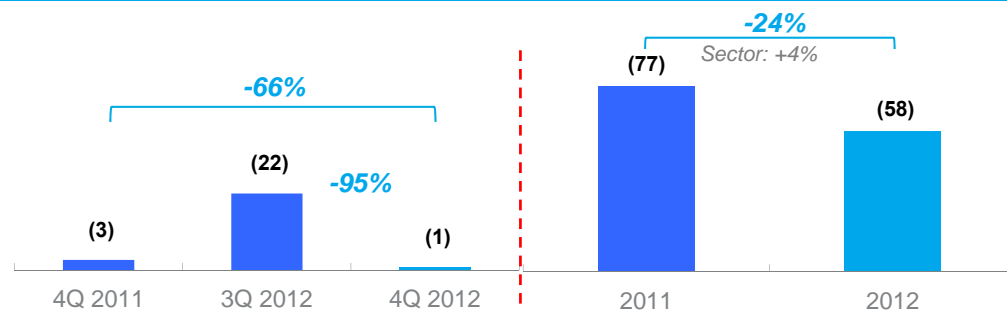
- A double-digit increase in revenues in 2012 due to gains on sale of AFS debt securities and higher net interest income
- Increase in full year 2012 revenues, also excluding gains on sale of AFS debt securities

General expenses & depreciation (PLN MM)



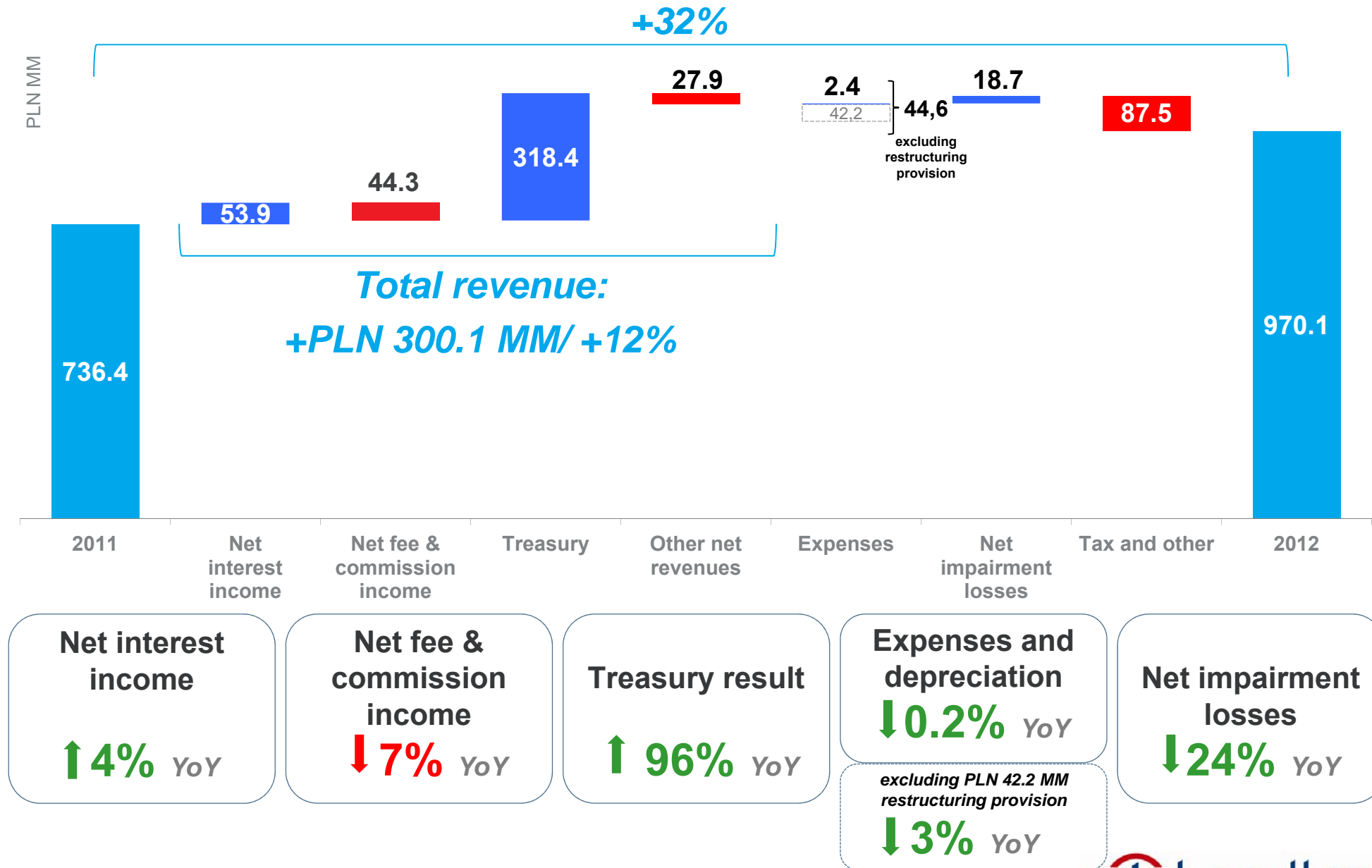
- Decrease in Bank's expenses in 2012 mainly due to administrative expenses reduction
- PLN 42.2 MM restructuring provision recorded in 1Q 2012 expenses. Excluding impact of restructuring provision, total expenses were lower by 3% in 2012

Net impairment losses (PLN MM)

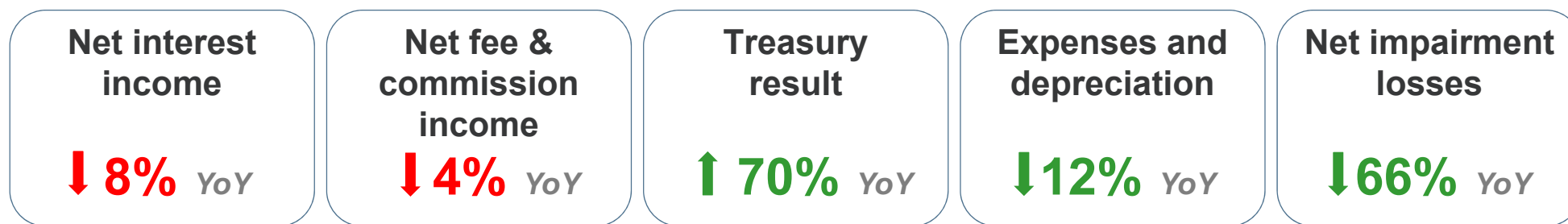
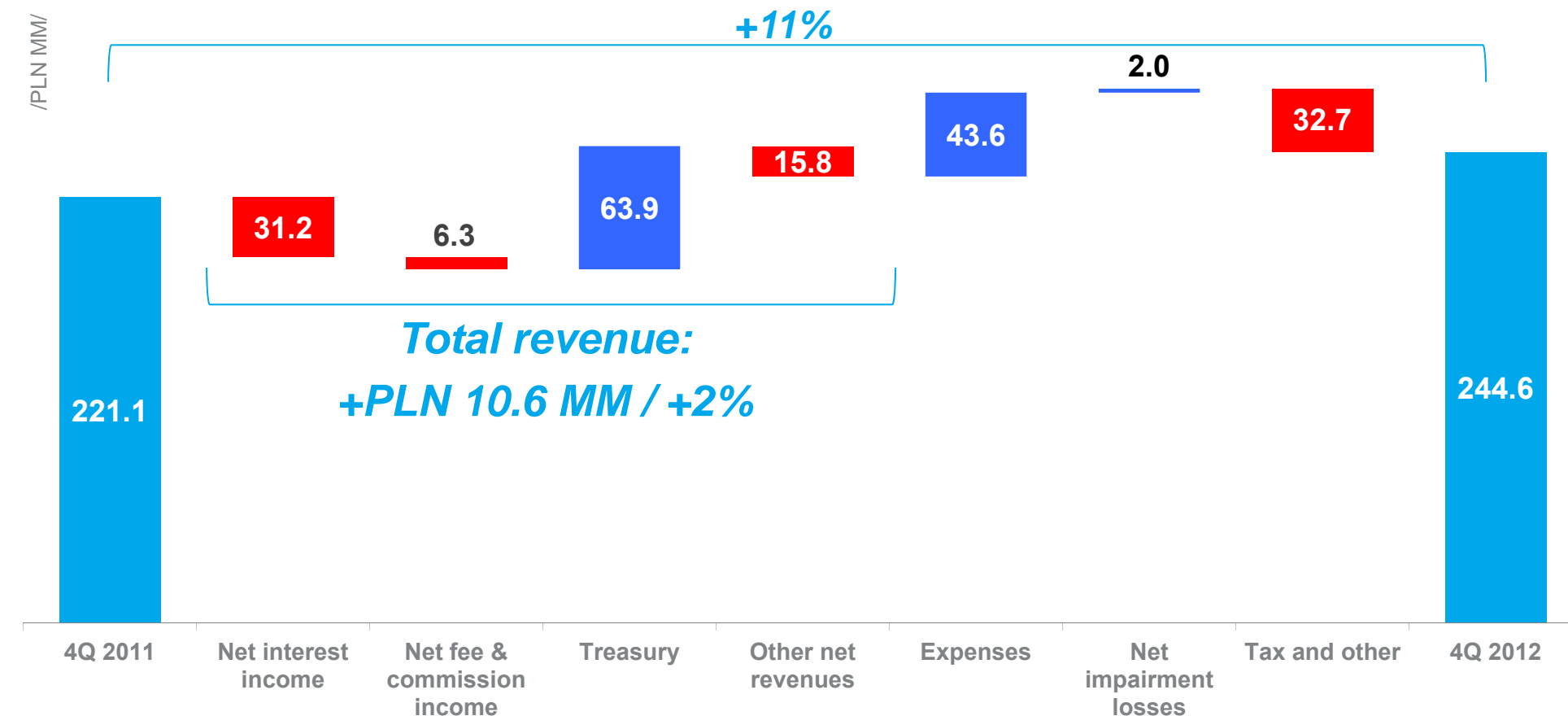


- A significant decrease in net impairment losses in annual terms due to improvement in Retail Banking
- Costs of risk at a low level in 2012 – 40 bps. (decrease from 60 bps. in 2011) vs. 110 bps. in sector

Net profit in 2012 vs. 2011

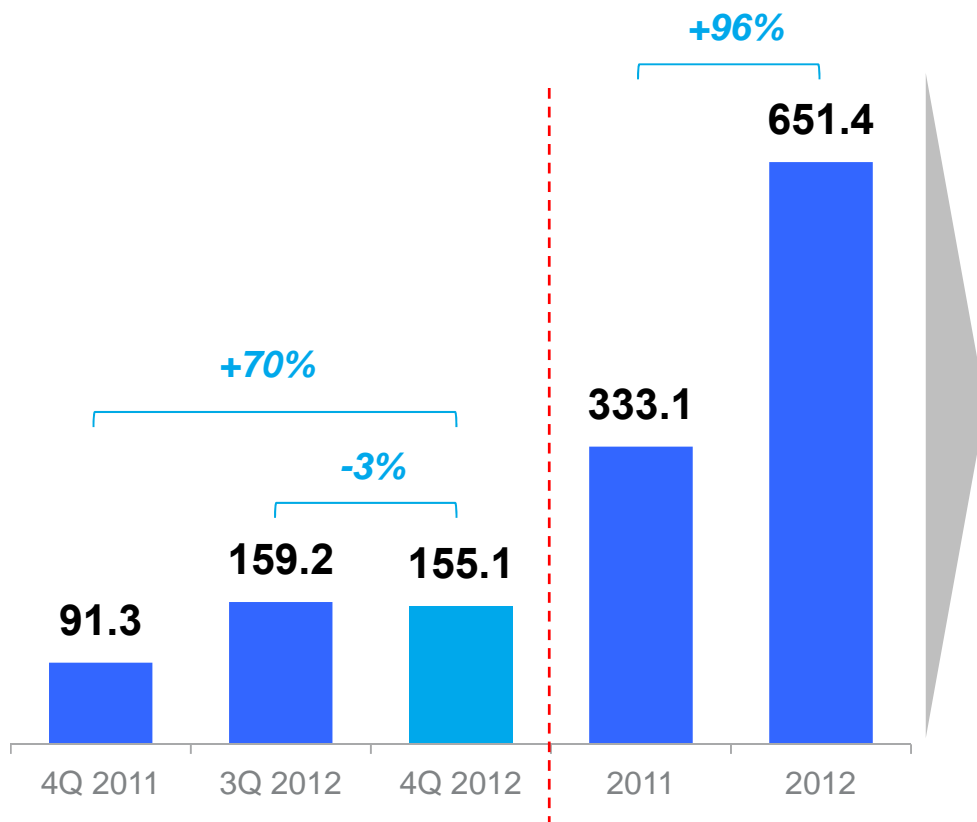


Net profit in 4Q 2012 vs. 4Q 2011

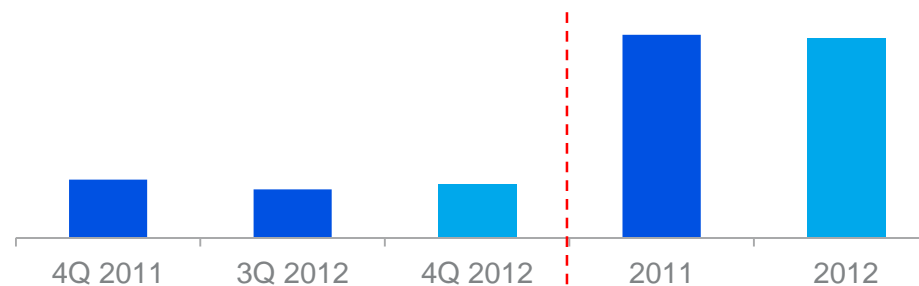


Record – high result of Treasury

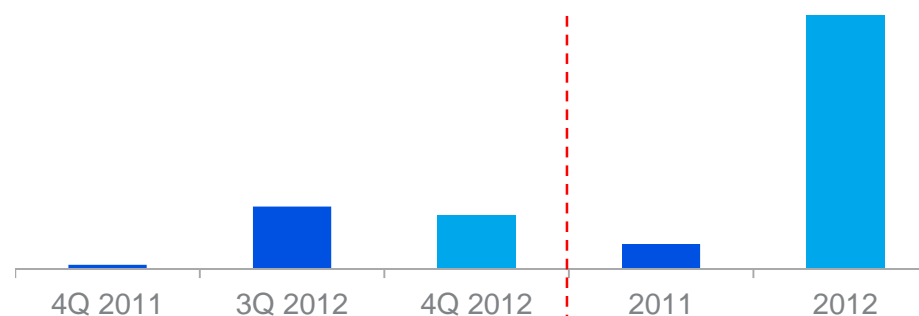
Treasury result (PLN MM)



Result on customer operations



Result on proprietary management



Note: The scales on the graph are not comparable.

#1 on the market

in the ranking of Euromoney



in the category of **FX turnover** with corporate clients with **28%** market share

CitiFXPULSE

is the most common **electronic FX platform** on the market

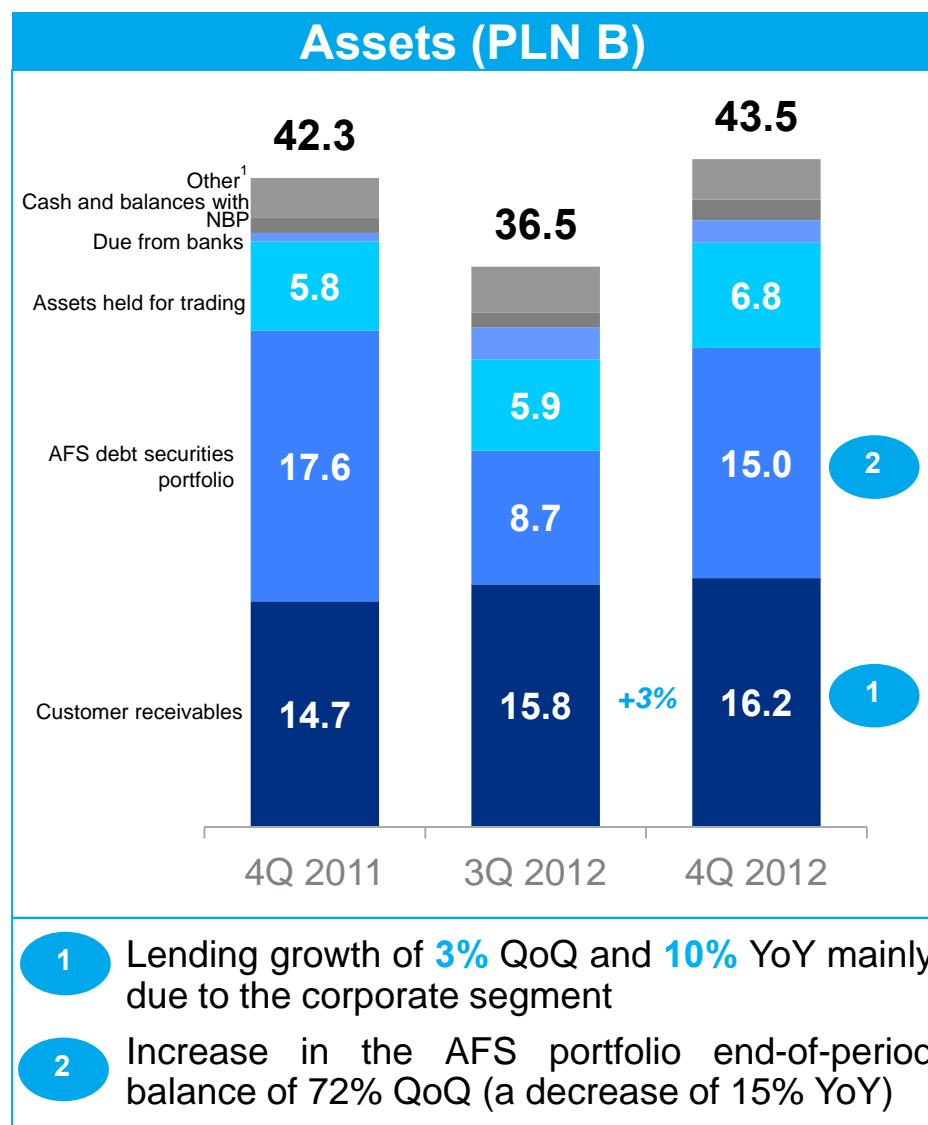
in the contest of Ministry of Finance



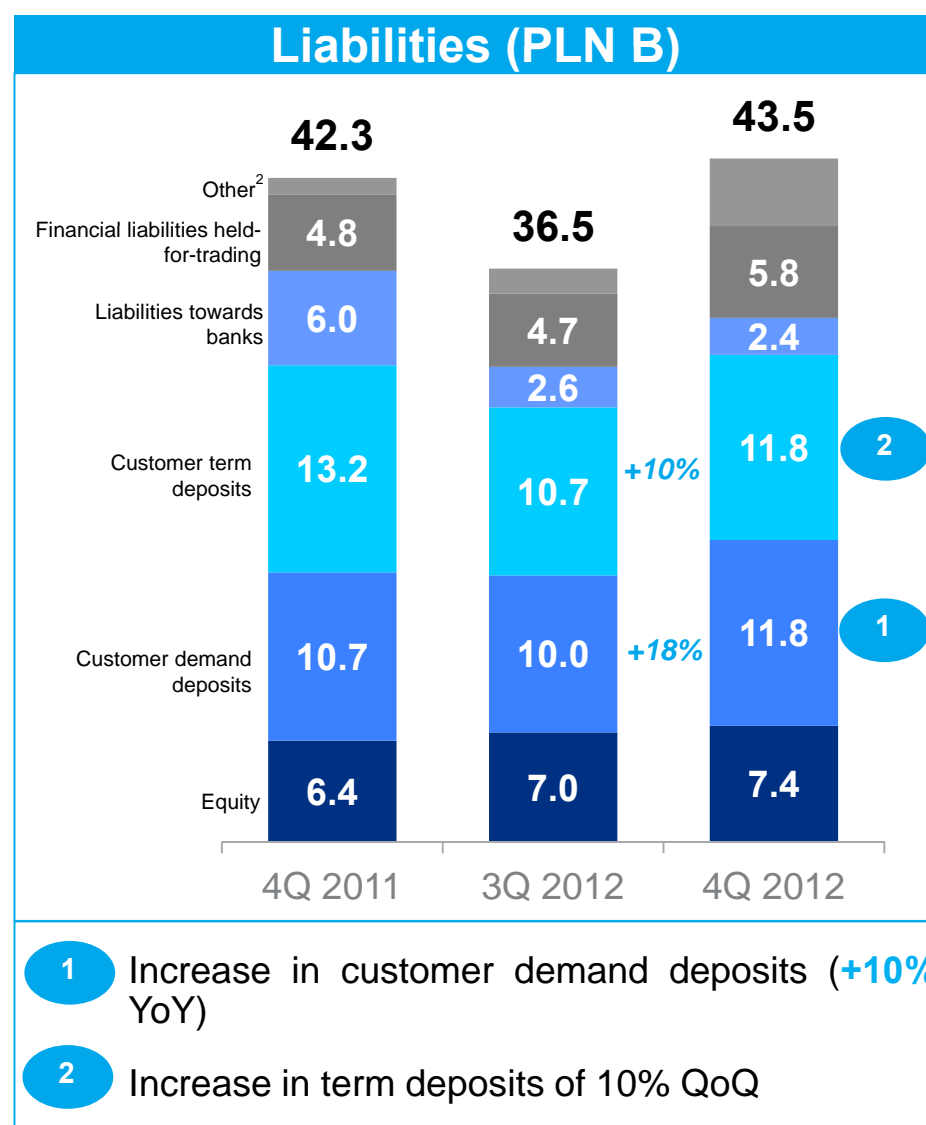
to act as **Treasury Securities Dealer**

citi handlowy

Balance sheet – structure and dynamics



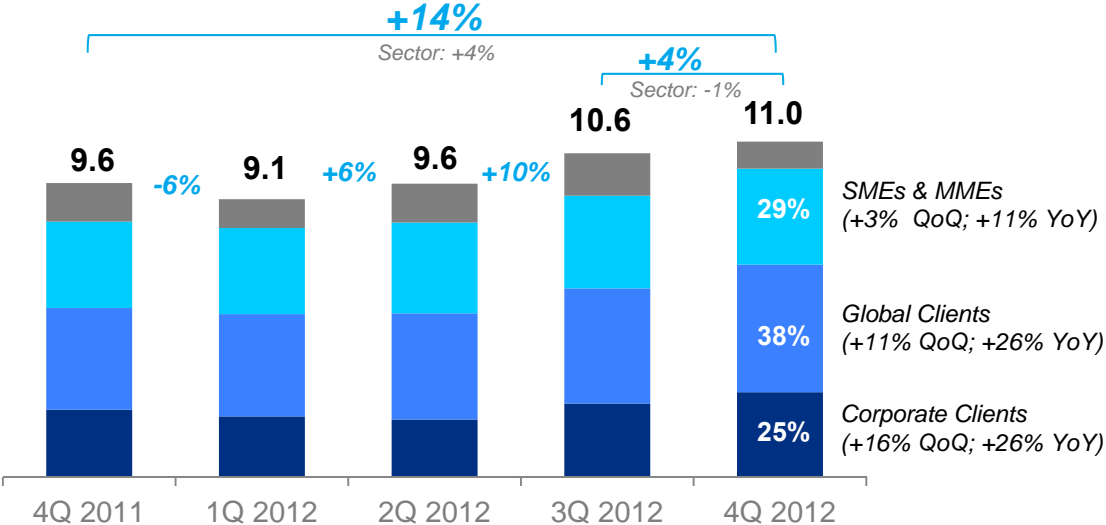
¹ Including capital investments, tangible assets, intangible assets, income tax assets, fixed assets held-for-sale and other assets



² Including liabilities due to debt securities issuance, interest on customer deposits, liabilities towards customers other than deposits, provisions, income tax liabilities and other liabilities

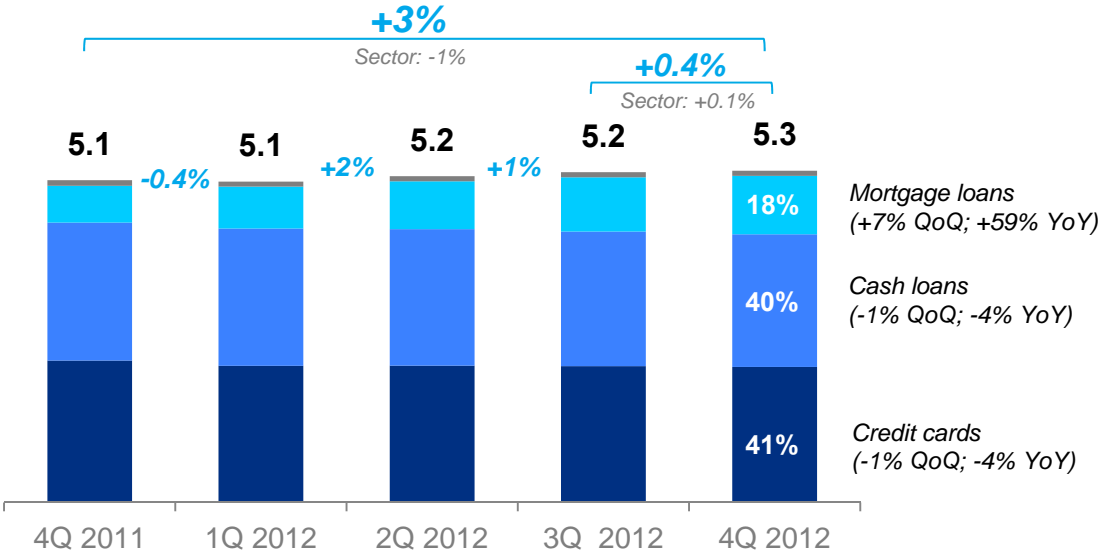
2012 – another consecutive year of increase in loan volumes

Institutional non-banking customers' loans (PLN B)



- A further increase in loans in 4Q 2012 (+4% QoQ vs. decrease of 0.4% in sector)
- A double – digit YoY increase in total loans (+14% vs. +3% in sector)

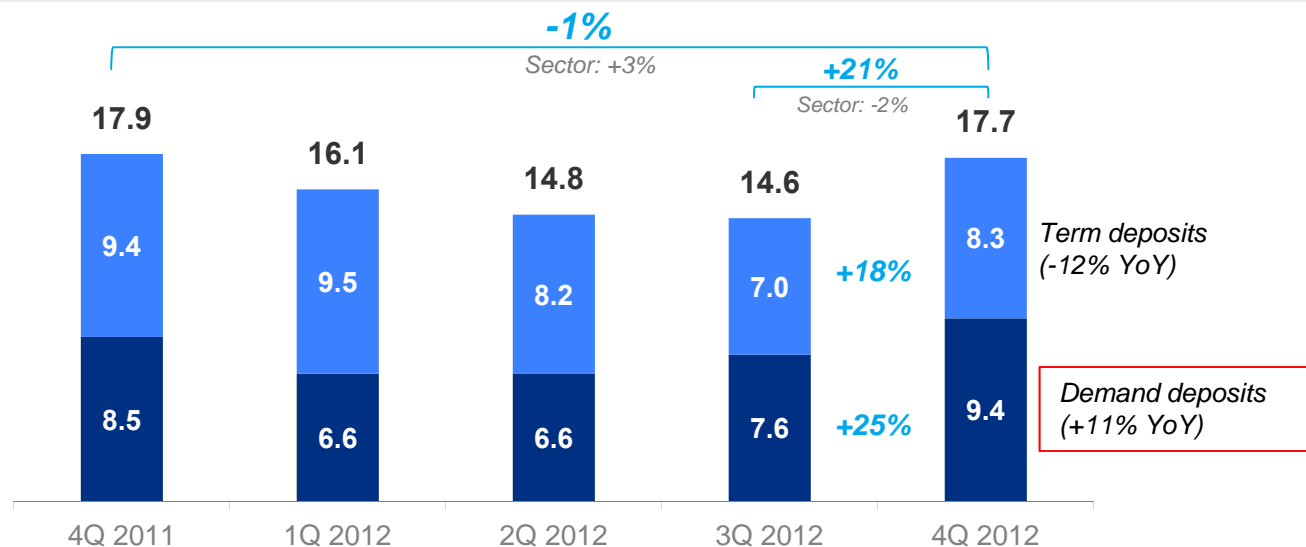
Individual customers' loans (PLN B)



- Positive dynamics of retail loans volume (+3% YoY vs. decrease of 1% in sector)
- Mortgage loans (+59% YoY) as a key driver of retail loans growth

Deposits – focus on operating accounts

Institutional non-banking customers' deposits (PLN B)

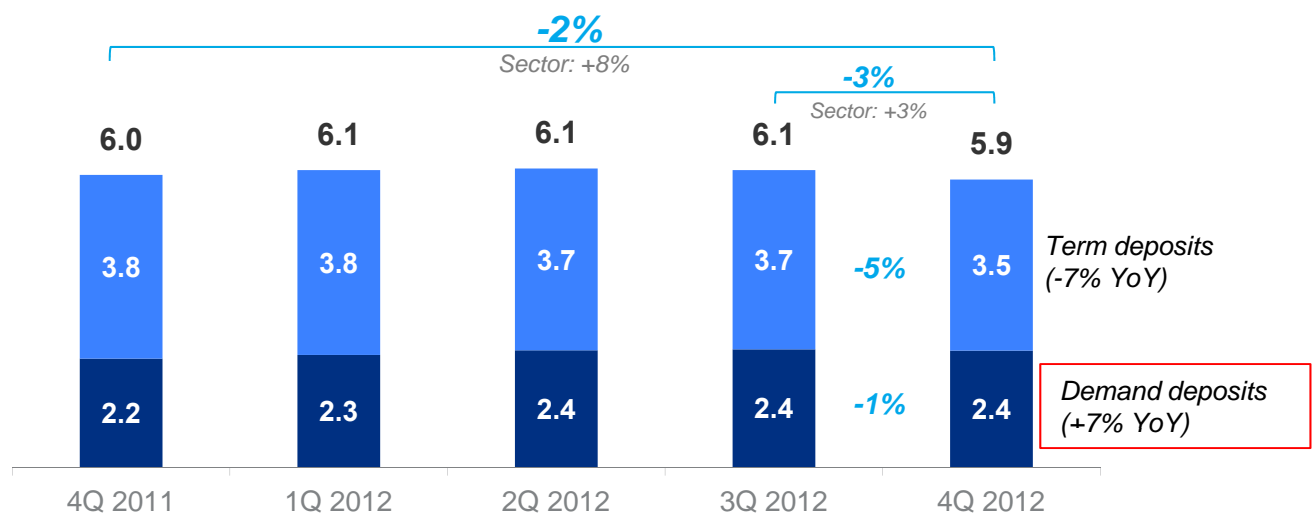


- Seasonal increase in deposits in 4Q 2012
- Growth of demand deposits, both in QoQ and YoY terms

Demand deposits (+11% YoY)

Term deposits (-12% YoY)

Individual customers' deposits (PLN B)



- Increase in demand deposits of **7%** YoY
- Decrease in total deposits as a result of lower term deposits balance

Demand deposits (+7% YoY)

Term deposits (-7% YoY)

10 Note: Retail demand deposits do not include deposits held on saving accounts

Commitment to quality

Quality proved by independent rankings



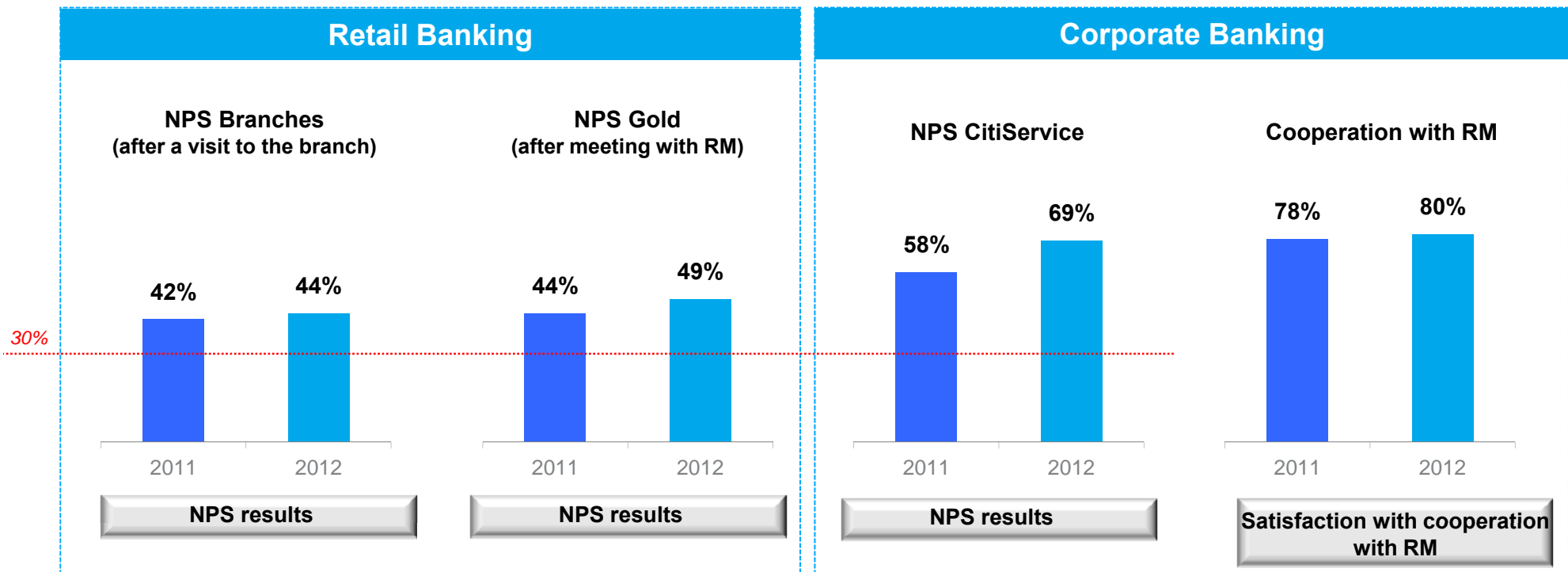
2nd place of Citi Handlowy in the Quality for sure [„Jakość na Bank”] ranking (TNS Polska)



3rd place of Citi Handlowy in the Newsweek's Friendly Bank [„Przyjazny Bank Newsweek'a,„] ranking (2011 – 4th place, 2010 – 11th place)

NPS results and customer satisfaction level:

- Improvement of results in core areas
- Strategic target – **NPS** ratio **>30%**



2012 innovations

Citi Direct EB
Mobile

Citi Direct
Mobile



1.8 thousand new users of mobile banking

2Q – Mobile Banking for Corporate Clients

CitiDirect EB
Citi Trade Portal



FORUM
biznesu.pl

WYDZIAŁ NAUK TECHNICZNYCH

PAN
POLSKA AKADEMIA NAUK

- 330 clients
- 39 thousand transactions
- Transaction time shortened from 2 days to 2 hours

3Q – New Internet platform for Trade Finance products

Investment advisory

Citigold

- Customer needs' analysis
- Tailored investment strategy
- Individual recommendation

4Q – Investment advisory for Citigold clients

CitiFX PULSE 

Unlock the World of Foreign Exchange

V.2.0

EUR/USD		GBP/USD		USD/NOK		USD/CHF	
Buy USD	Sell USD	Buy GBP	Sell GBP	Buy USD	Sell USD	Buy USD	Sell USD
1.28	1.28	1.56	1.56	6.19	6.19	1.05	1.05
20	22	01	04	27	48	09	13
SPOT 12 Mar 12		SPOT 12 Mar 12		SPOT 12 Mar 12		SPOT 12 Mar 12	
1,000,000 USD A-1		3,000,000 USD A-1		10,000,000 USD A-1		10,000,000 USD A-1	
EUR/USD		USD/SEK		AUD/USD		EUR/CHF	
Buy USD	Sell USD	Buy USD	Sell USD	Buy AUD	Sell AUD	Buy EUR	Sell EUR
1.28	1.28	7.41	7.41	0.89	0.89	1.34	1.34
10	30	41	58	80	85	69	78

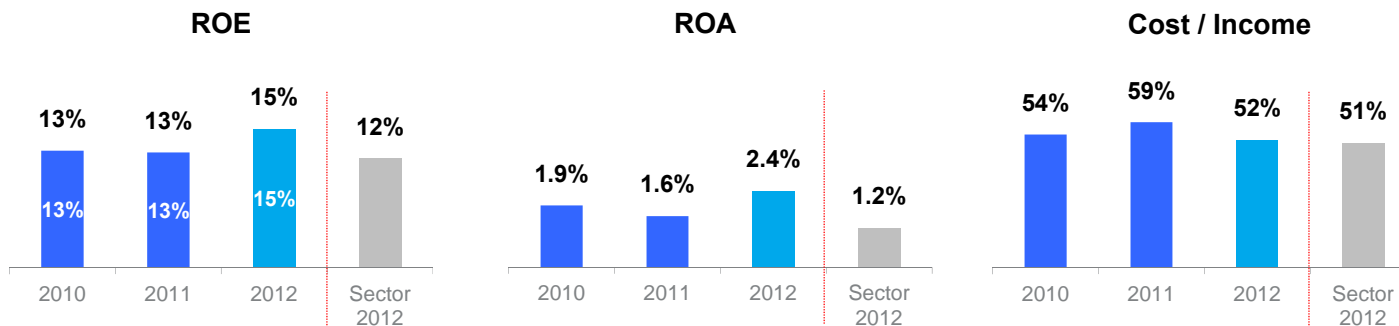
4Q – New release of Citi FX Pulse platform

Bank's priorities for 2010 – 2012 – summary

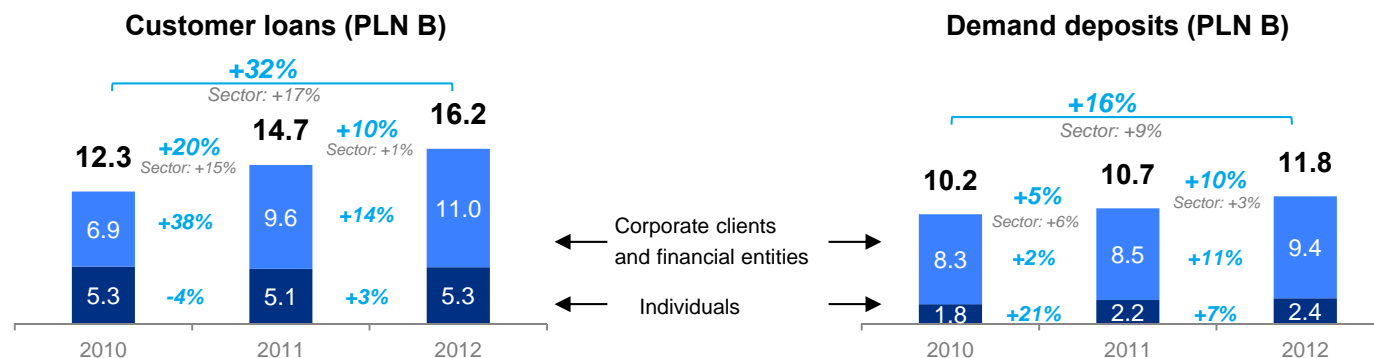
PRIORITIES

IMPLEMENTATION

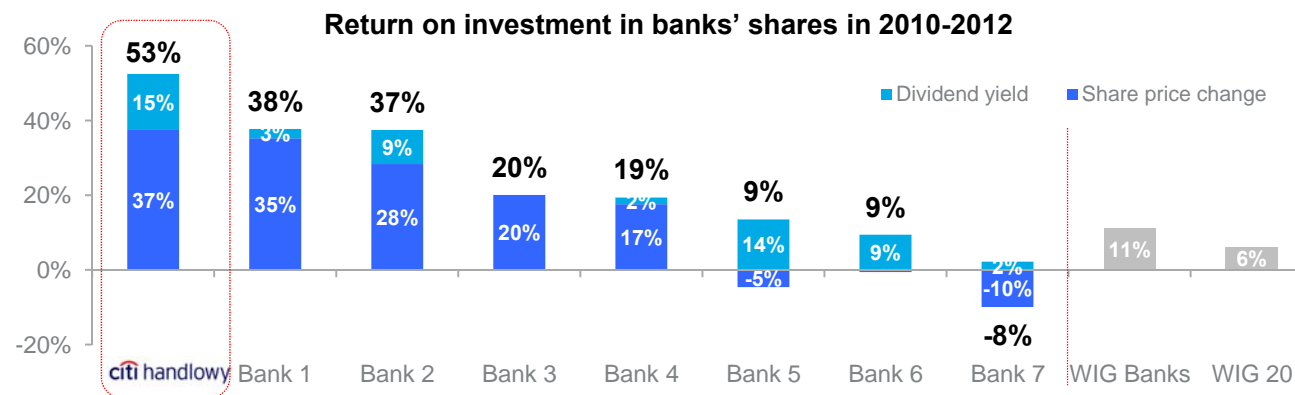
Increase in efficiency



Increase in volumes



Increase in shareholders' value



Priorities for 2013

BUSINESS DEVELOPMENT

- **Leader** in **servicing multinational companies**
- **Leader** on **financial instruments and FX market**
- Focus on **operating accounts**
- Growth in loans and trade finance
- **Significant transactions** on the **capital / debt market**
- **Client acquisition** in the SME / MME segment

Corporate Banking

- **Focus on affluent segment** – Gold and Forward clients acquisition
- **Credit cards** – acquisition and loan volume growth
- Increase in **cash loans** volumes
- Focus on **operating accounts**

Globality
new global service system

Citigold Select

Citigold

Retail Banking

COMPETITIVE ADVANTAGE

- **ROA > 1.5%**
- **C/I ~ 50%**
- **Capital adequacy ratio > 12%**
- **Loans / Deposits < 1**

Positive return to shareholders

Efficiency and capital position

- **NPS > 30%** in core areas

- **Digitalization**

- **Emerging Markets Champions**

CitiFXPULSE 
Unlock the World of Foreign Exchange

V.2.0

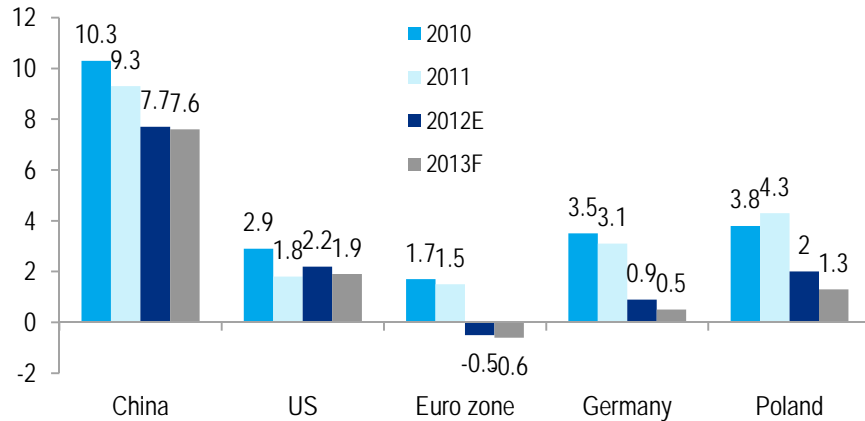
Quality and innovations

Appendix

Economic environment

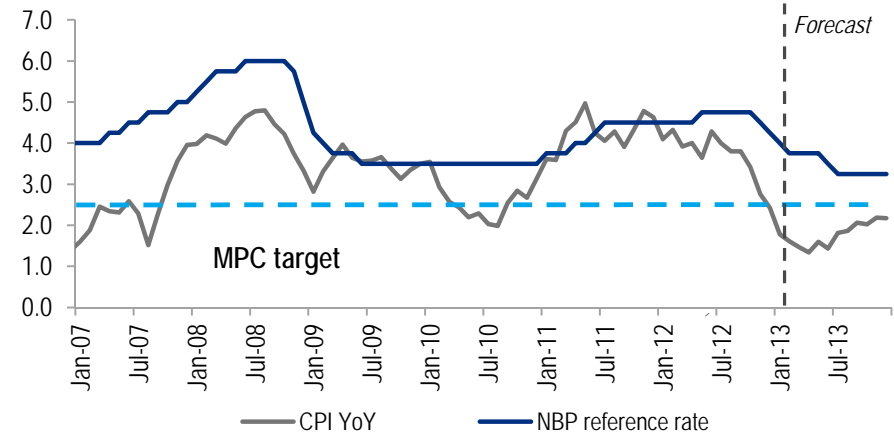
Economic growth

Economic growth (%YoY)



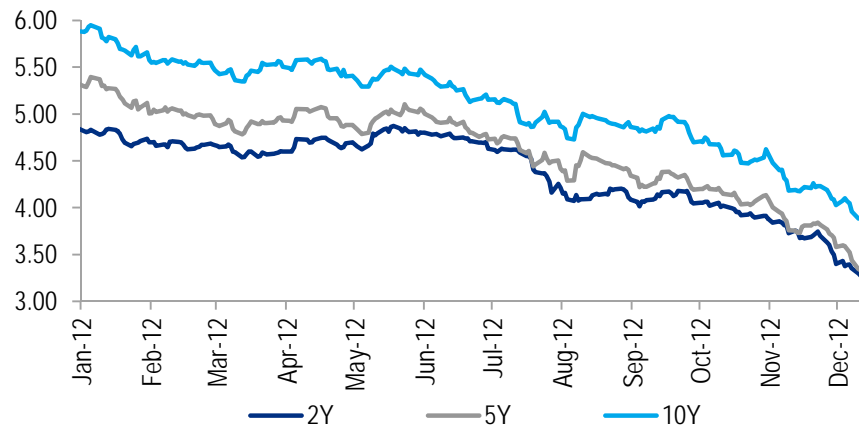
Monetary policy

Interest rate and inflation

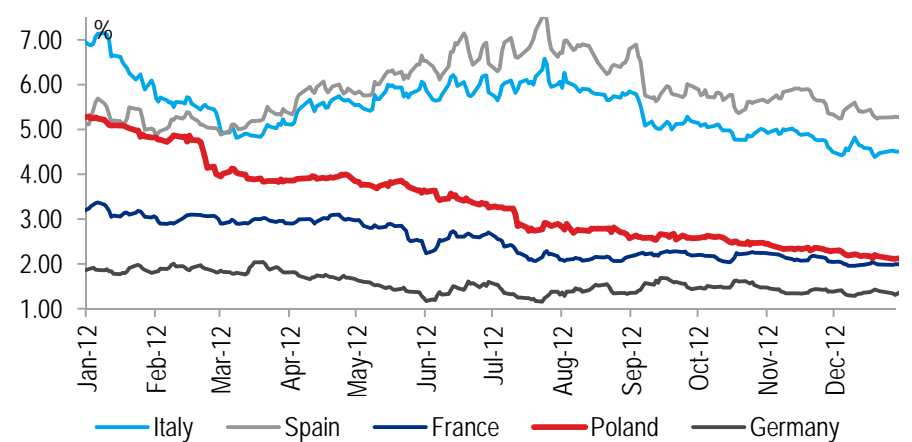


Situation in the debt markets in 2012

Government bond yields (%)

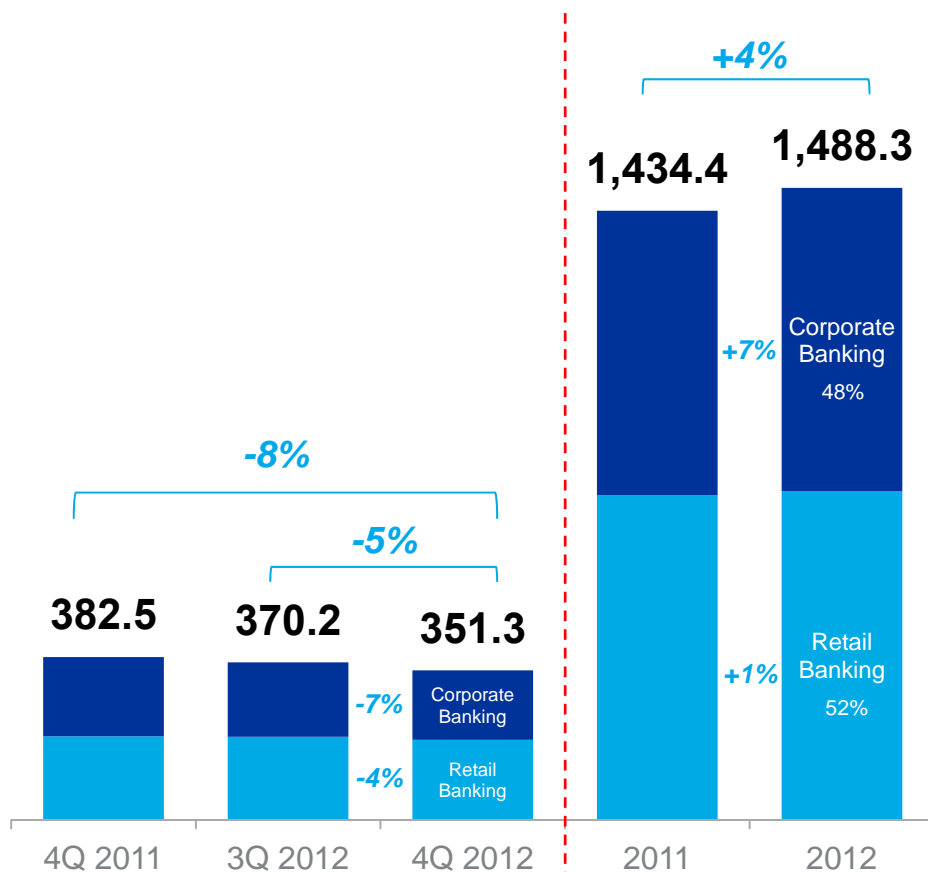


10Y government euro bond yields (%)



Net interest income

Net interest income (PLN MM)



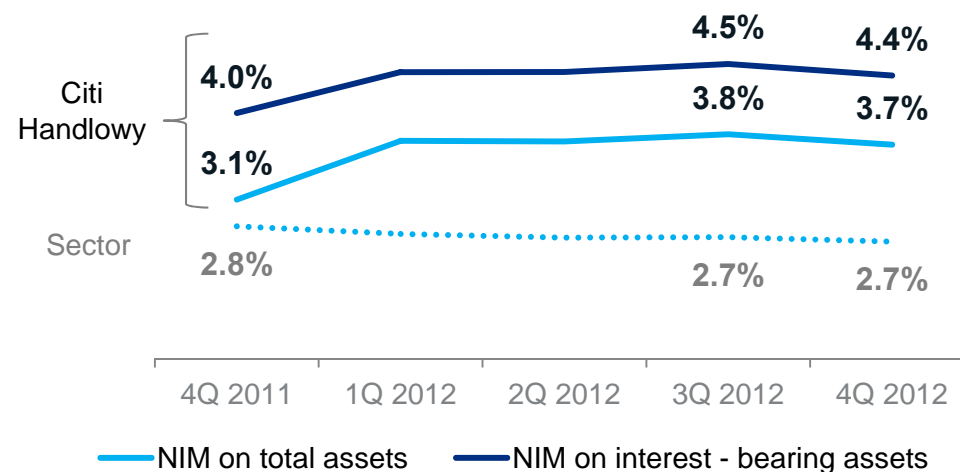
↑ **7% YoY**
(2012 vs. 2011)

Debt securities

↑ **2% YoY**
(2012 vs. 2011)

Customer result

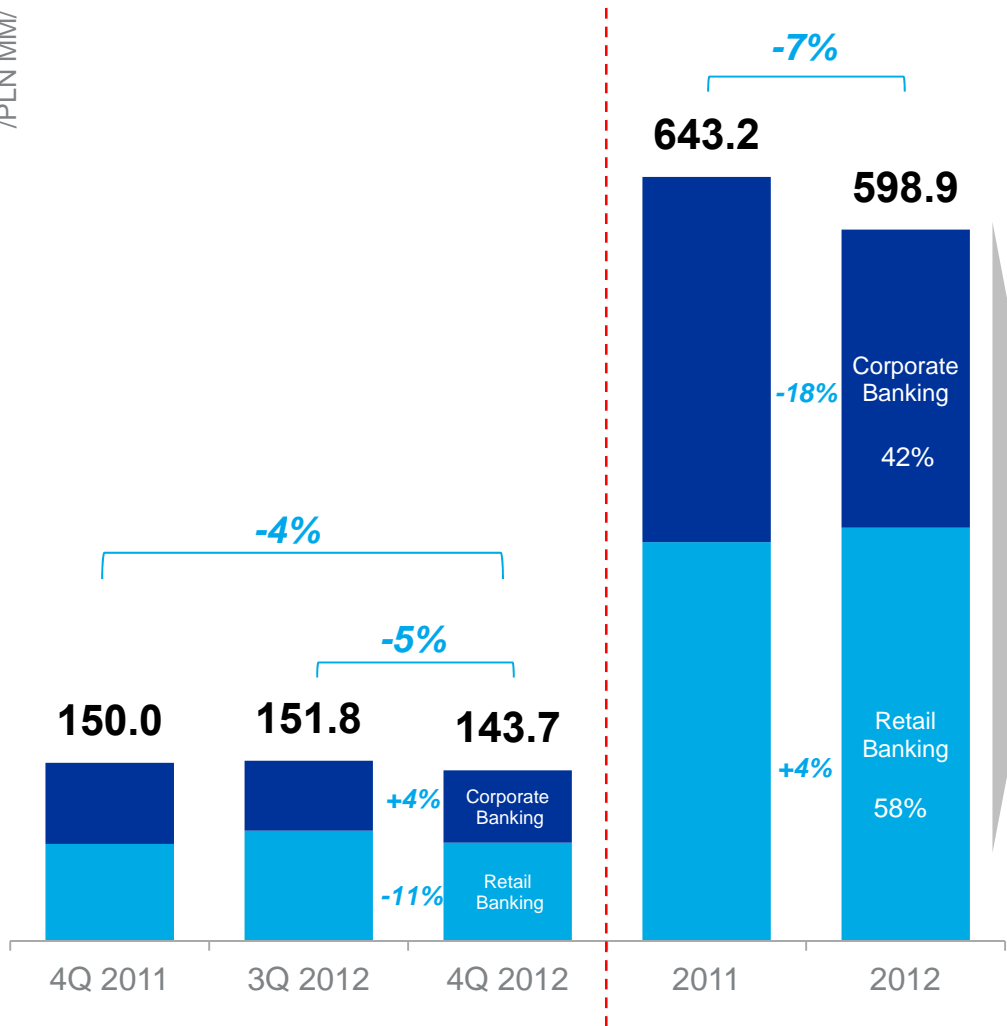
Net interest margin (NIM) – Bank vs. sector



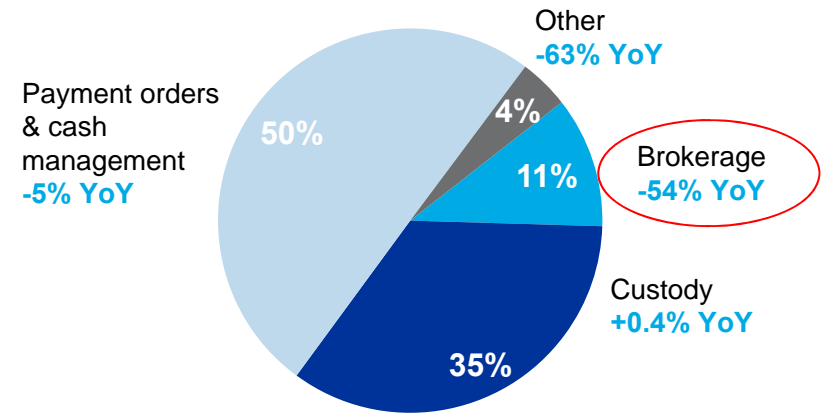
- Increase in net interest income of 4% in 2012 as a result of:
 - Higher income from customer loans (+7%) due to significant increase in corporate loans volume
 - A twofold increase in income from debt securities held for trading (due to growth of average portfolio balance)
- Decrease in net interest income in 4Q 2012 mainly due to lower income from debt securities (result of decrease in average AFS and trading portfolios balances of 13% and 29% QoQ, respectively)

Net fee & commission income

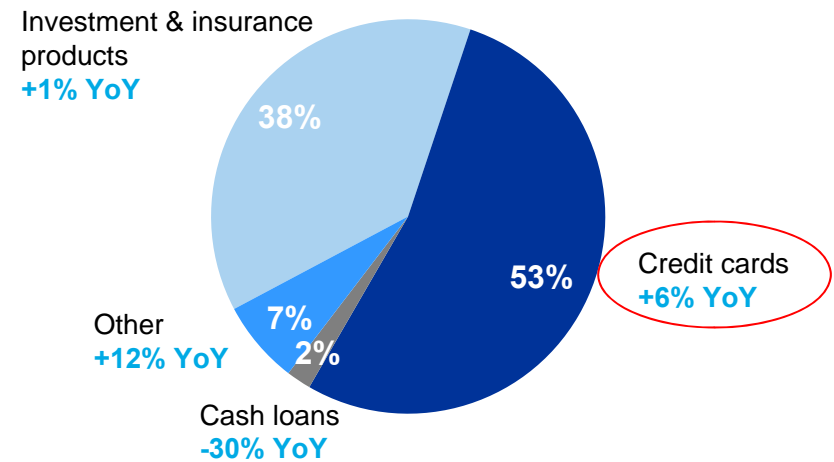
/PLN MM/



Corporate Banking -18% YoY

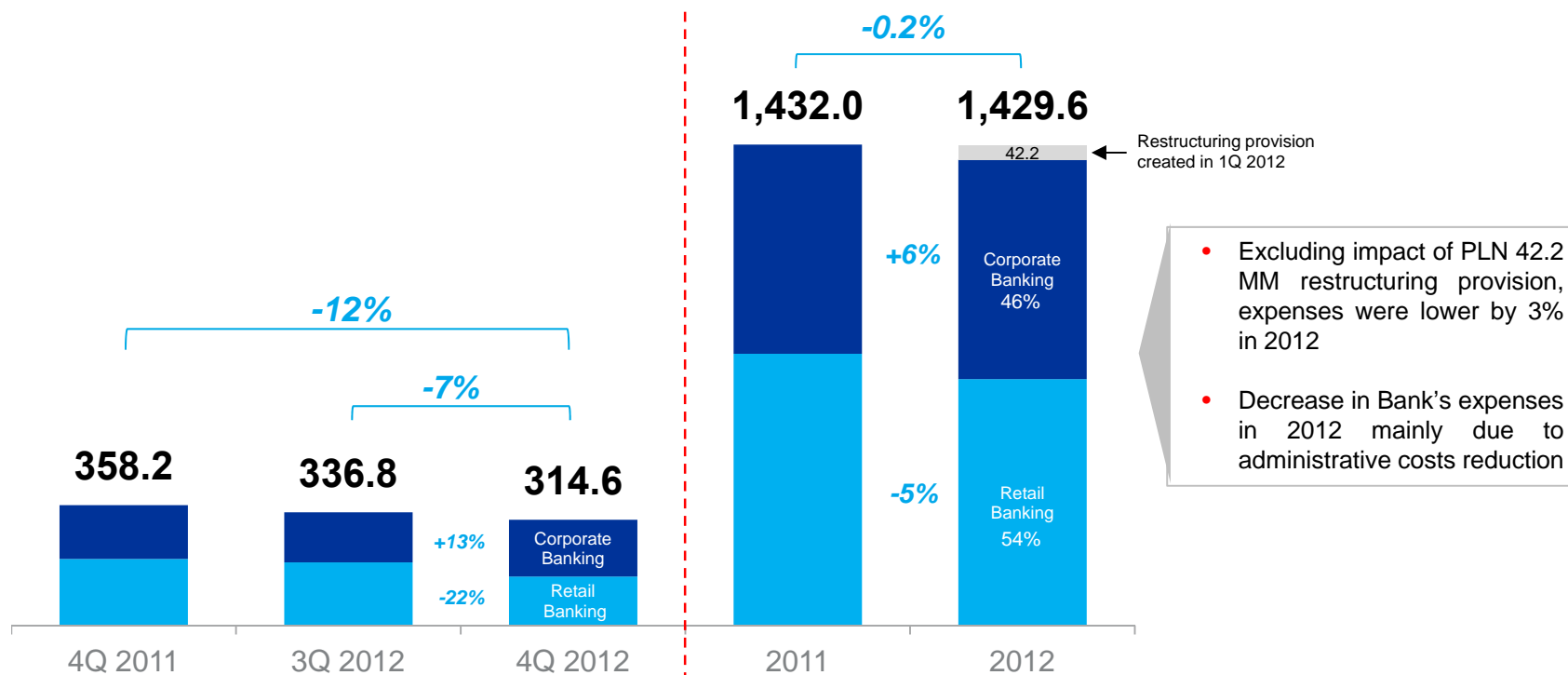


Retail Banking +4% YoY



Expenses and depreciation

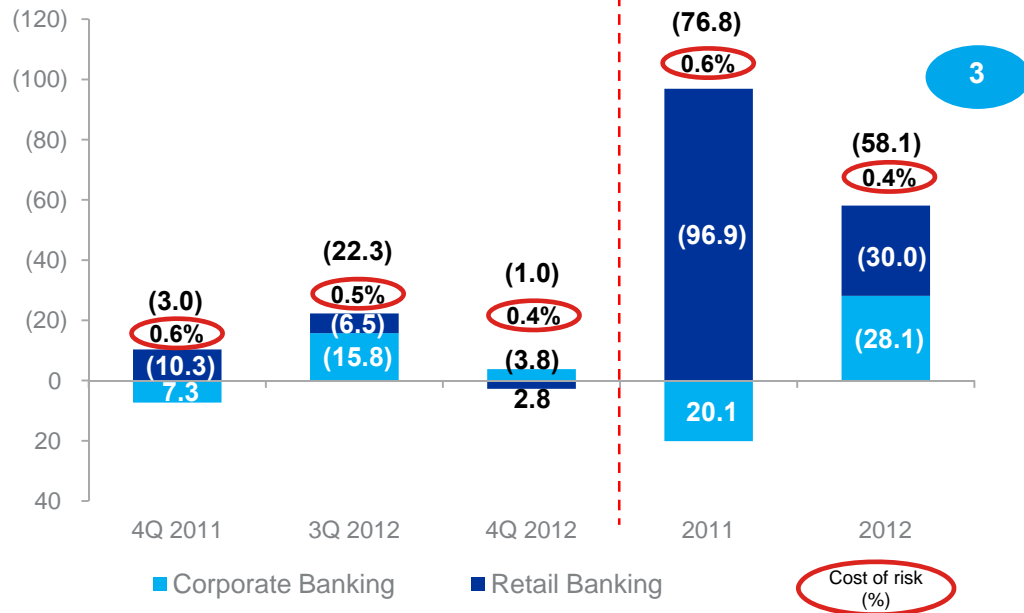
Expenses and depreciation (PLN MM)



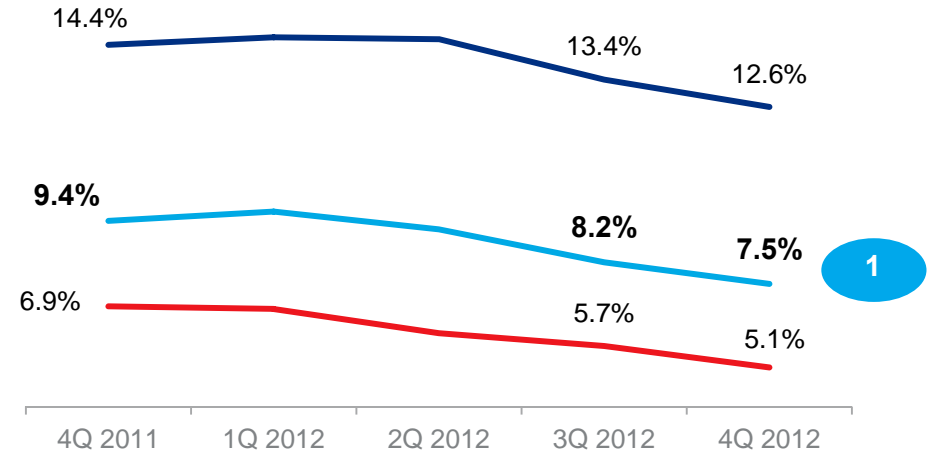
Cost / Income	4Q 2011	3Q 2012	4Q 2012	2011	2012	Change 2012 vs. 2011	Change 4Q12 vs. 4Q11
Corporate Banking	45%	39%	45%	47%	41%	↓	↔
Retail Banking	71%	65%	53%	73%	68%	↓	↓
Bank	56%	50%	49%	59%	52%	↓	↓

Significant decrease in costs of risk in 2012

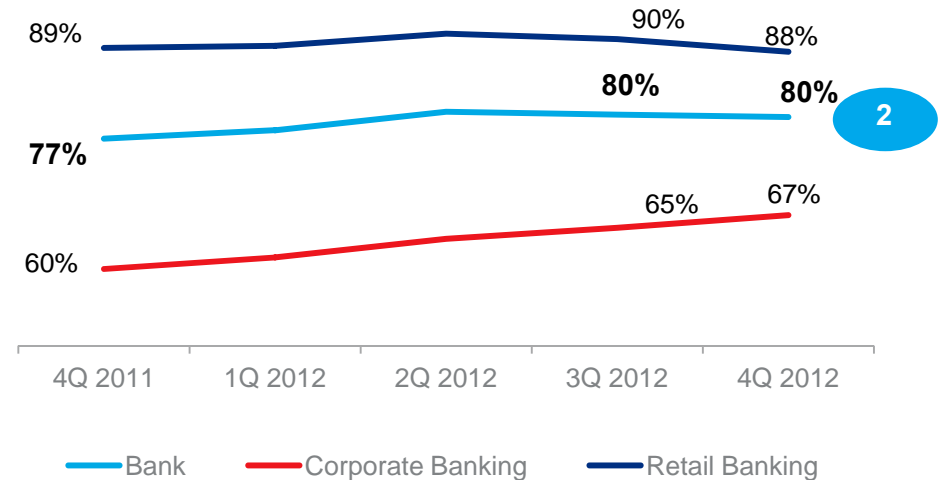
Net impairment losses (PLN MM)



Non – performing loans ratio (NPL)



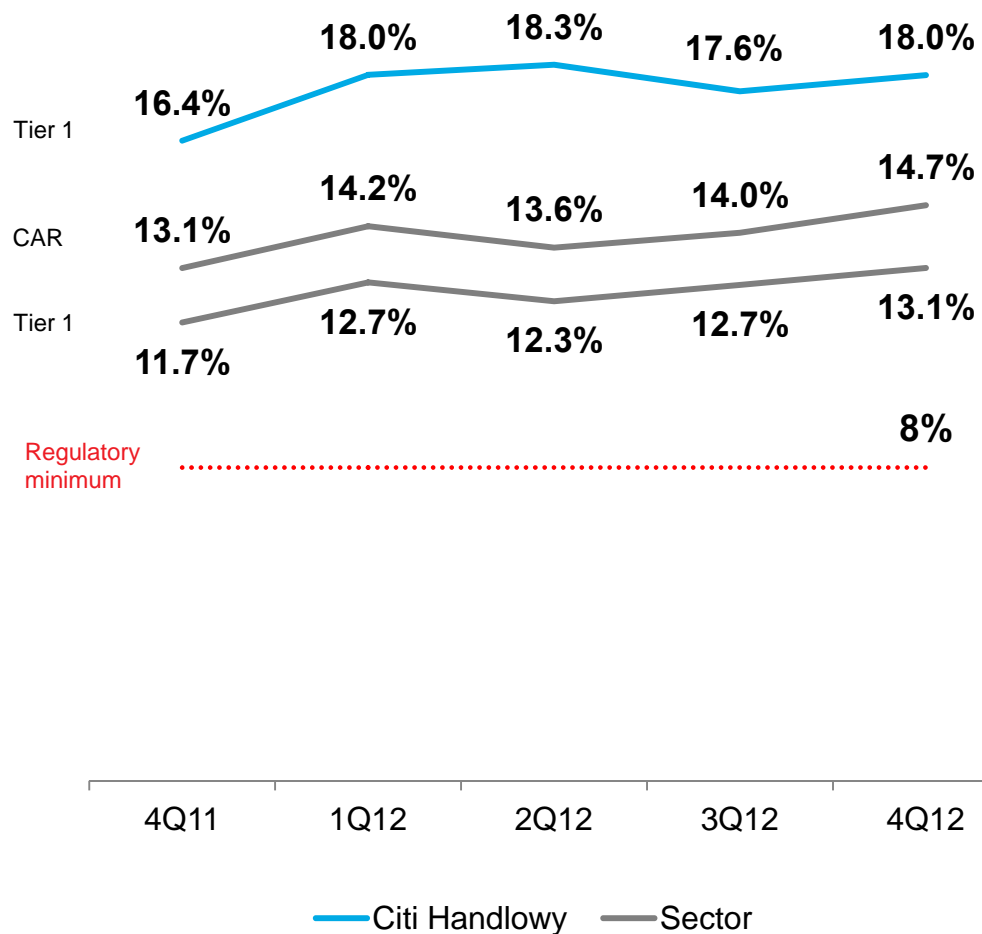
Provision coverage ratio



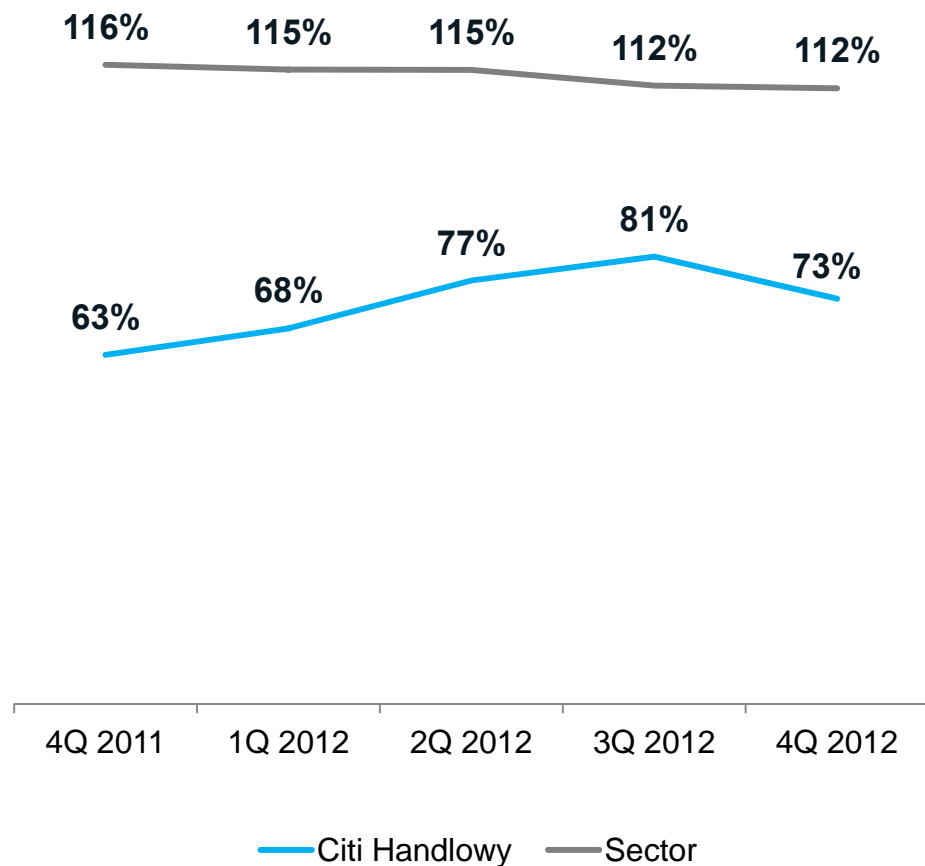
- 1 Improvement in NPL ratio to **7.5%** due to better loan portfolio quality, both in retail and corporate segment
- 2 Provision coverage ratio remained at a high level of **80%**
- 3 A further decrease in cost of risk in 2012 - from **0.6%** in 2011 to **0.4%** in 2012 (vs. **1.1%** in banking sector)

Liquidity and capital adequacy – stable and safe position

Capital adequacy ratio – Bank vs. sector



Loans to deposits ratio – Bank vs. sector



Source: Data for the sector based on KNF and NBP data.

Income statement – Bank

PLN MM	4Q11	1Q12	2Q12	3Q12	4Q12	2011	2012	2012 vs. 2011	
								PLN MM	%
Net interest income	383	398	369	370	351	1,434	1,488	54	4%
Interest income	512	535	513	532	497	1,927	2,076	149	8%
Interest expenses	(129)	(137)	(144)	(161)	(145)	(493)	(588)	(95)	19%
Net fee and commission income	150	152	151	152	144	643	599	(44)	(7%)
Dividend income	-	-	5	1	-	6	6	1	14%
Gains on AFS debt securities	11	73	46	98	63	30	279	249	827%
FX and trading	80	117	101	61	93	303	372	69	23%
Treasury	91	190	147	159	155	333	651	318	96%
Net other operating income	10	(1)	(4)	(8)	(5)	10	(18)	(29)	(279%)
Revenue	634	739	669	674	645	2,427	2,727	300	12%
Expenses	(343)	(399)	(345)	(321)	(300)	(1,372)	(1,365)	7	(1%)
Depreciation	(16)	(16)	(18)	(16)	(15)	(60)	(65)	(5)	8%
Expenses and depreciation	(358)	(415)	(363)	(337)	(315)	(1,432)	(1,430)	2	(0%)
Operating margin	276	324	306	338	330	995	1 297	302	30%
Income on fixed assets sale	(0)	0	0	0	0	2	0	(2)	(96%)
Net impairment losses	(3)	(15)	(20)	(22)	(1)	(77)	(58)	19	(24%)
Share in subs. profits	1	0	0	0	0	2	1	(1)	(68%)
EBIT	274	309	286	316	329	921	1 240	318	35%
Corporate income tax	(53)	(66)	(55)	(64)	(85)	(185)	(269)	(84)	46%
Net profit	221	244	231	251	245	736	970	234	32%
Cost / Income ratio	56%	56%	54%	50%	49%	59%	52%		

Balance sheet – key items

PLN B	End of period					4Q12 vs. 3Q12		4Q12 vs. 4Q11	
	4Q11	1Q12	2Q12	3Q12	4Q12				
Cash and balances with the Central Bank	1.0	2.1	0.6	0.9	1.4	0.4	45%	0.4	39%
Amounts due from banks	0.5	1.2	1.0	2.1	1.5	(0.6)	(30%)	0.9	167%
Financial assets held-for-trading	5.8	8.2	6.9	5.9	6.8	0.9	15%	1.0	18%
Debt securities available-for-sale	17.6	12.1	15.6	8.7	15.0	6.3	72%	(2.6)	(15%)
Customer loans	14.7	14.2	14.8	15.8	16.2	0.4	3%	1.5	10%
Financial sector entities	1.0	0.7	0.8	1.2	0.9	(0.2)	(21%)	(0.1)	(8%)
Non-financial sector entities	13.7	13.5	14.0	14.6	15.3	0.7	4%	1.6	12%
Corporate Banking	8.6	8.4	8.8	9.4	10.0	0.6	7%	1.4	17%
Retail Banking	5.1	5.1	5.2	5.2	5.3	0.0	0%	0.1	3%
Credit cards	2.3	2.2	2.2	2.2	2.2	(0.0)	(1%)	(0.1)	(4%)
Cash loans	2.2	2.2	2.2	2.1	2.1	(0.0)	(1%)	(0.1)	(4%)
Mortgage loans	0.6	0.7	0.8	0.9	0.9	0.1	7%	0.3	59%
Other assets	2.6	3.0	2.9	3.0	2.6	(0.4)	(12%)	0.0	1%
Total assets	42.3	40.8	41.9	36.5	43.5	7.0	19%	1.2	3%
Liabilities due to banks	6.0	5.5	8.7	2.6	2.4	(0.2)	(9%)	(3.7)	(61%)
Financial liabilities held-for-trading	4.8	4.0	3.6	4.7	5.8	1.2	26%	1.0	21%
Financial liabilities towards customers	24.1	23.1	21.1	20.9	26.9	6.0	29%	2.8	11%
Financial sector entities - deposits	2.2	2.3	2.7	2.6	2.8	0.2	9%	0.6	25%
Non-financial sector entities - deposits	21.7	19.9	18.2	18.1	20.8	2.7	15%	(0.9)	(4%)
Corporate Banking	15.7	13.8	12.1	12.0	14.9	2.9	24%	(0.8)	(5%)
Retail Banking	6.0	6.1	6.1	6.1	5.9	(0.2)	(3%)	(0.1)	(2%)
Other financial liabilities	0.2	0.9	0.2	0.2	3.2	3.0	1657%	3.0	1754%
Other liabilities	0.9	1.4	1.7	1.4	1.1	(0.3)	(24%)	0.2	20%
Total liabilities	35.8	34.0	35.2	29.5	36.1	6.6	22%	0.3	1%
Equity	6.4	6.8	6.7	7.0	7.4	0.4	6%	0.9	14.7%
Total liabilities & equity	42.3	40.8	41.9	36.5	43.5	7.0	19%	1.2	3%
Loans / Deposits ratio	63%	68%	77%	81%	73%				
Capital Adequacy Ratio	16.4%	18.0%	18.3%	17.6%	18.0%				

Corporate Banking – income statement

PLN MM	4Q11	1Q12	2Q12	3Q12	4Q12	2011	2012	2012 vs. 2011	
								PLN MM	%
Net interest income	186	202	174	175	164	670	715	45	7%
Interest income	286	309	287	306	279	1,045	1,181	137	13%
Interest expenses	(100)	(106)	(113)	(131)	(116)	(375)	(466)	(92)	24%
Net fee and commission income	68	66	65	59	61	307	251	(57)	(18%)
Dividend income	-	-	2	1	-	1	3	1	111%
Gains on AFS debt securities	11	73	46	98	63	30	279	249	827%
FX and trading	72	108	91	52	84	272	336	64	23%
Treasury	83	181	138	150	147	302	615	313	104%
Net other operating income	17	5	2	1	1	35	9	(27)	(75%)
Revenue	355	454	380	385	372	1,316	1,593	277	21%
Expenses	(153)	(161)	(163)	(142)	(162)	(596)	(628)	(32)	5%
Depreciation	(7)	(8)	(8)	(6)	(7)	(27)	(30)	(3)	11%
Expenses and depreciation	(160)	(169)	(171)	(149)	(169)	(623)	(658)	(35)	6%
Operating margin	195	285	209	237	203	693	934	241	35%
Income on fixed assets sale	0	0	0	0	0	0	0	(0)	(49%)
Net impairment losses	7	(2)	(7)	(16)	(4)	20	(28)	(48)	(240%)
Share in subs. profits	1	0	0	0	0	2	1	(1)	(68%)
EBIT	203	284	202	221	200	715	907	192	27%
Cost / Income ratio	45%	37%	45%	39%	45%	47%	41%		

Retail Banking – income statement

PLN MM	4Q11	1Q12	2Q12	3Q12	4Q12	2011	2012	2012 vs. 2011	
								PLN MM	%
Net interest income	196	195	195	195	188	764	773	9	1%
Interest income	226	227	225	225	217	883	895	12	1%
Interest expenses	(30)	(31)	(30)	(30)	(30)	(118)	(122)	(3)	3%
Net fee and commission income	82	86	86	93	83	336	348	12	4%
Dividend income	-	-	4	-	-	4	4	(1)	(15%)
FX and trading	9	9	10	9	8	31	36	5	17%
Net other operating income	(7)	(6)	(6)	(8)	(6)	(25)	(27)	(2)	9%
Revenue	279	284	288	289	273	1,111	1,134	24	2%
Expenses	(189)	(238)	(183)	(179)	(138)	(776)	(737)	39	(5%)
Depreciation	(9)	(8)	(10)	(9)	(8)	(33)	(35)	(2)	5%
Expenses and depreciation	(198)	(246)	(192)	(188)	(146)	(809)	(772)	38	(5%)
Operating margin	81	39	96	101	127	301	363	61	20%
Income on fixed assets sale	(0)	0	0	0	0	2	0	(2)	(98%)
Net impairment losses	(10)	(13)	(13)	(7)	3	(97)	(30)	67	(69%)
Share in subs. profits	-	-	-	-	-	-	-	-	-
EBIT	71	25	83	94	130	207	333	126	61%
Cost / Income ratio	71%	86%	67%	65%	53%	73%	68%		

Retail Banking volumes

Volumes (PLN MM)	4Q11	1Q12	2Q12	3Q12	4Q12	4Q12 vs. 3Q12		4Q12 vs. 4Q11	
						PLN MM	%	PLN MM	%
Deposits	5,982	6,081	6,113	6,080	5,887	(194)	(3%)	(96)	(2%)
Demand deposits	2,220	2,296	2,392	2,411	2,385	(26)	(1%)	165	7%
Other deposits, including:	3,762	3,785	3,721	3,669	3,501	(168)	(5%)	(261)	(7%)
Saving accounts	2,498	2,535	2,507	2,432	2,426	(6)	(0%)	(71)	(3%)
Loans	5,111	5,090	5,176	5,239	5,260	21	0%	149	3%
Credit cards	2,251	2,168	2,170	2,161	2,150	(11)	(1%)	(101)	(4%)
Cash loans	2,189	2,177	2,165	2,135	2,104	(31)	(1%)	(86)	(4%)
Mortgage loans	584	664	759	862	926	64	7%	342	59%