

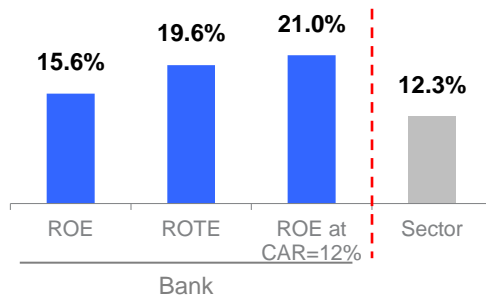
BANK HANDLOWY W WARSZAWIE S.A.
3Q 2012 consolidated financial results

November 6, 2012

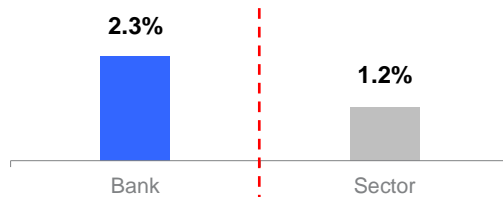
Summary of 3Q 2012

Efficiency

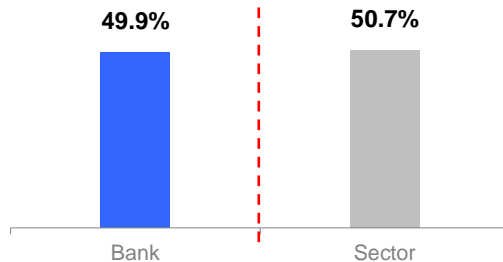
ROE



ROA

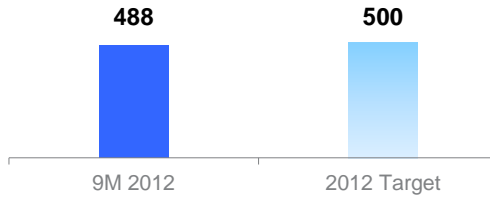


Cost / Income

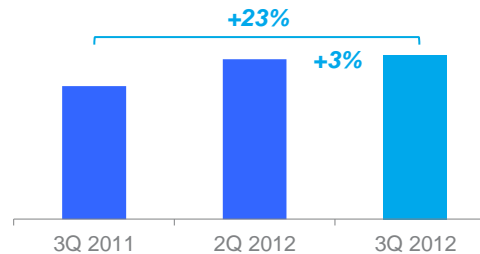


Business development

SME customer acquisition



Number of Gold & Gold Select customers



Market shares

Credit cards	23%
FX volumes	28%
Custody	45%
Brokerage	13%

1 on the market

Quality

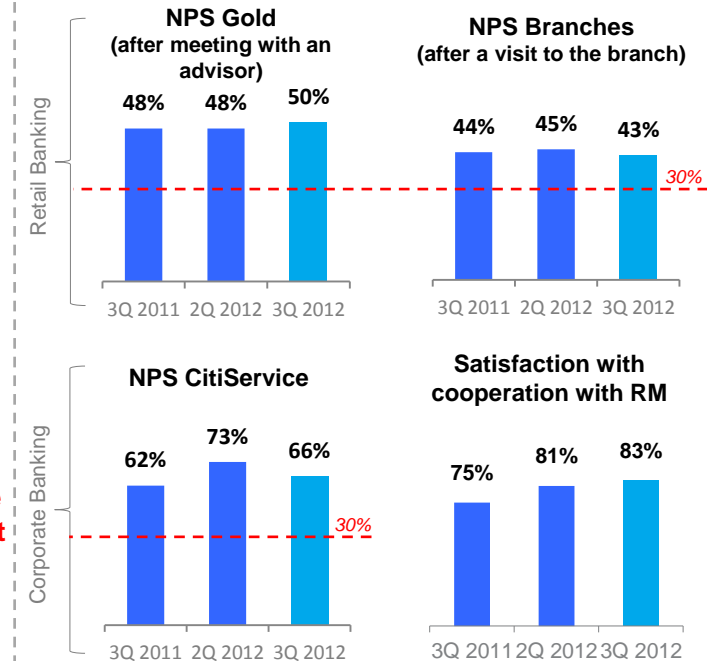


2nd place of Citi Handlowy
in the Quality for sure ["Jakość na Bank"]
ranking (TNS Polska)

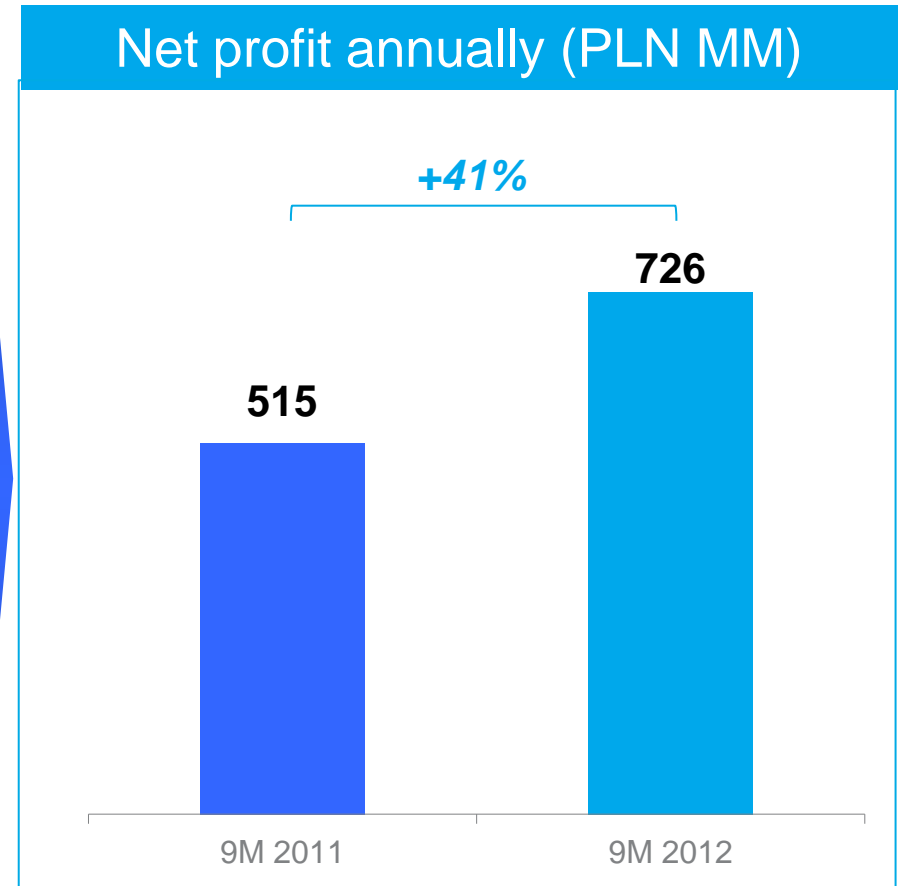
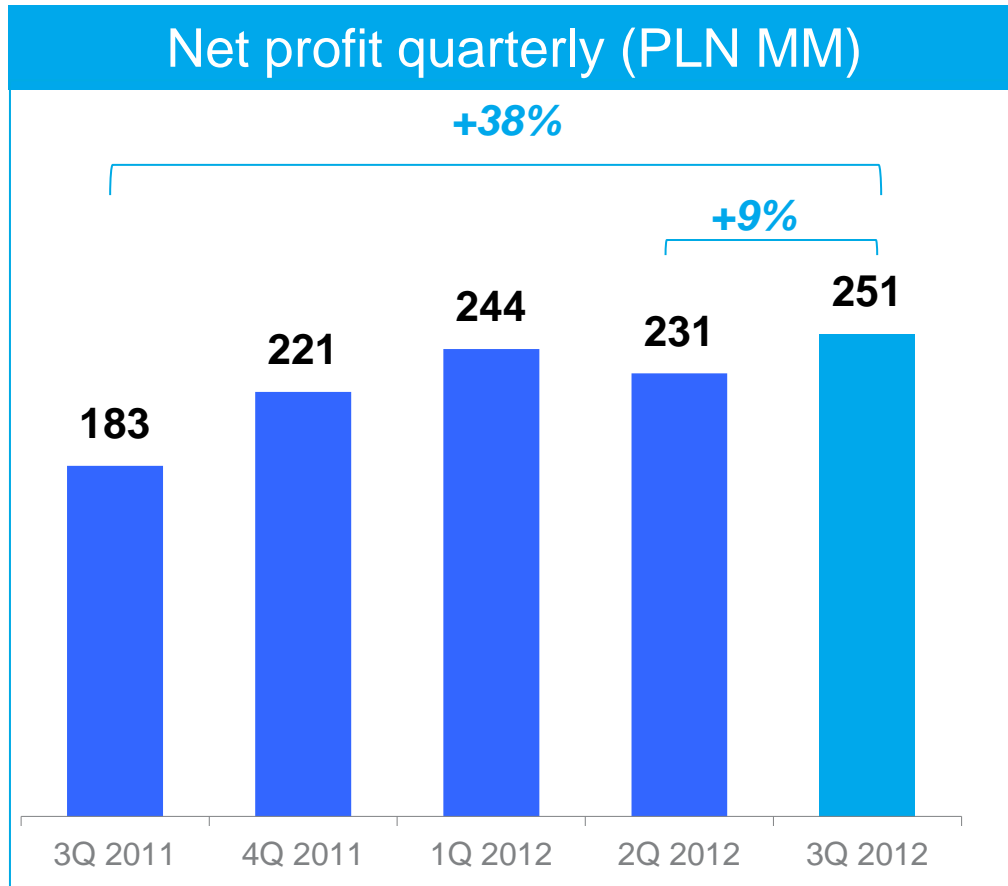


3rd place of Citi Handlowy
in the Newsweek's Friendly Bank
["Przyjazny Bank Newsweek'a"]
(2011 – 4th place, 2010 – 11th place)

NPS results and customer satisfaction level



Another quarter of solid net profit



ROE / ROTE
15.6% / 19.6%
 ↑ 0.8 p.p. / 0.9 p.p. QoQ

ROA
2.3%
 ↑ 0.2 p.p. QoQ

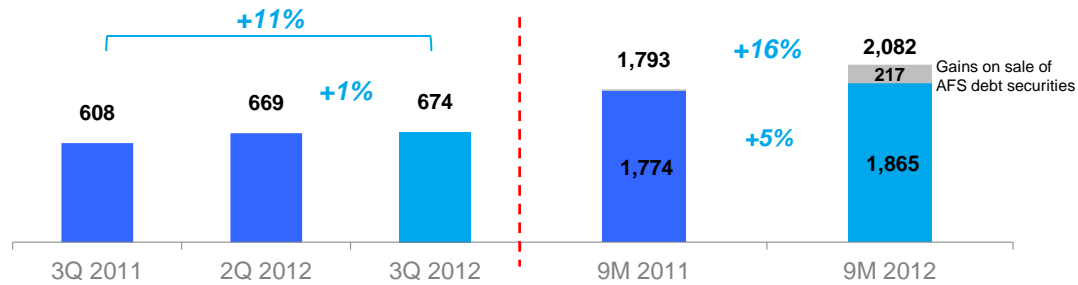
Cost/Income
50%
 ↓ 4.4 p.p. QoQ

Loans/Deposits
81%
 ↑ 4.0 p.p. QoQ

CAR
17.6%
 ↓ 0.7 p.p. QoQ

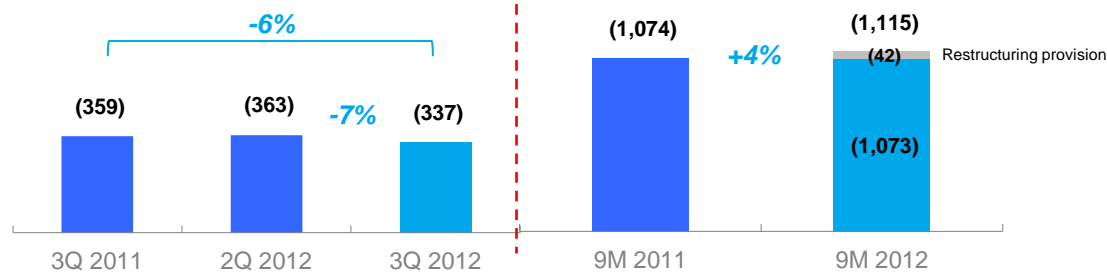
Improvement in all income statement lines

Revenues (PLN MM)



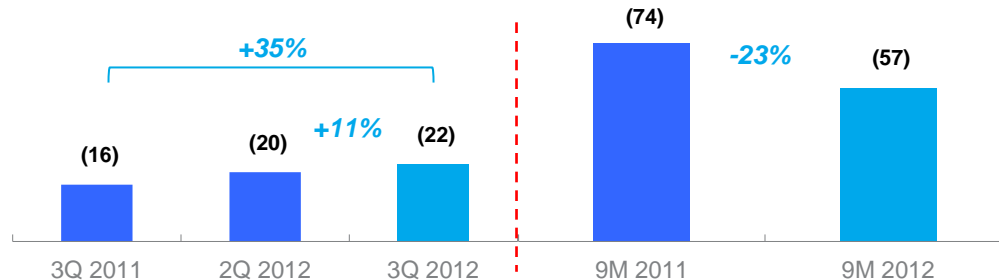
- The quarterly increase in the area of treasury, customer loans, and credit cards
- The increase in revenue on YTD basis due to gains on sale of AFS debt securities and higher net interest income

Expenses (PLN MM)



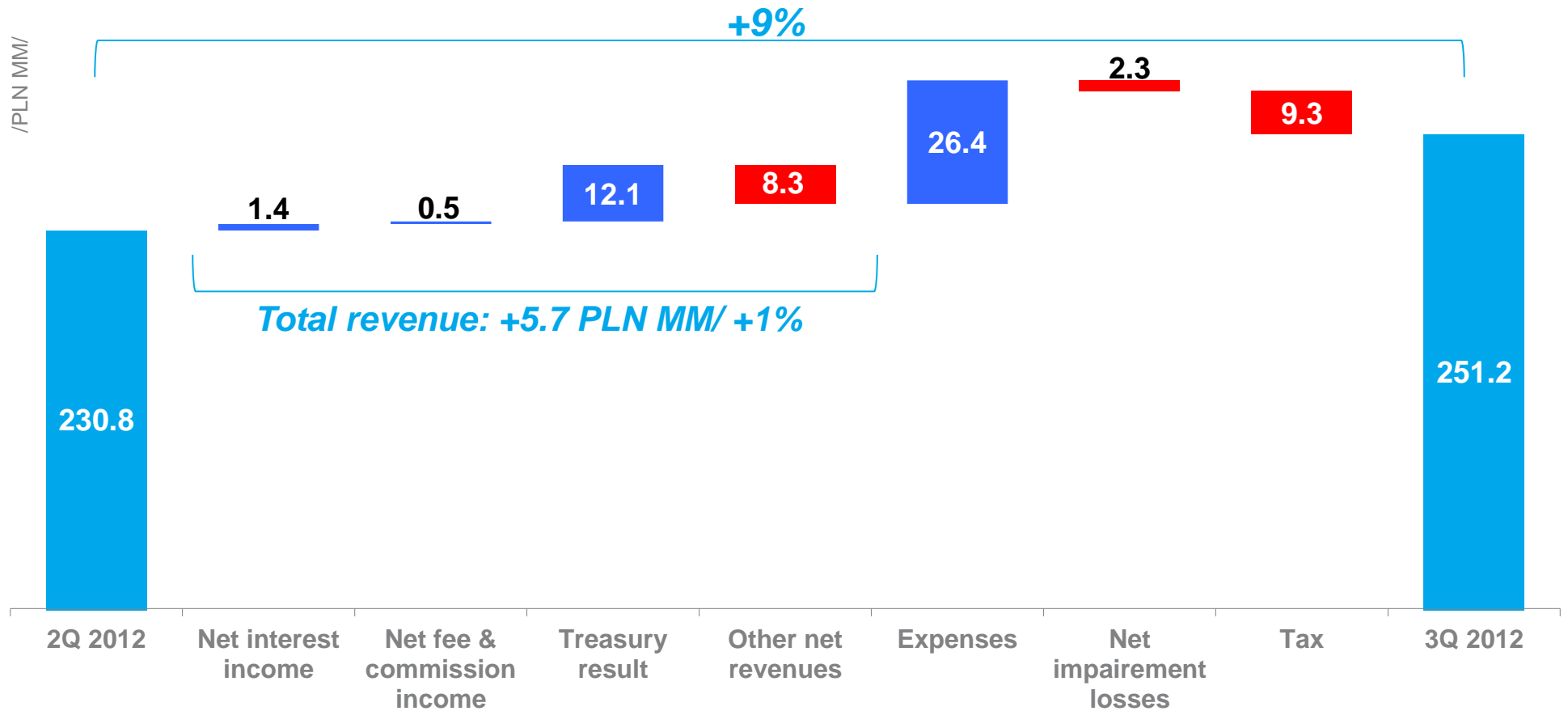
- A significant decrease in expenses in 3Q 2012 – as a result of the branch network optimization and employment restructuring
- Constant level of expenses in YTD terms, excluding the impact of restructuring provision

Net impairment losses (PLN MM)



- Risk costs maintained at a low level despite a slight increase in net impairment losses on a quarterly basis
- A significant decrease in net impairment losses in annual terms due to improvement in Retail Banking

Net profit 3Q 2012 vs. 2Q 2012



Net interest income
 ↑ 0.4% QoQ

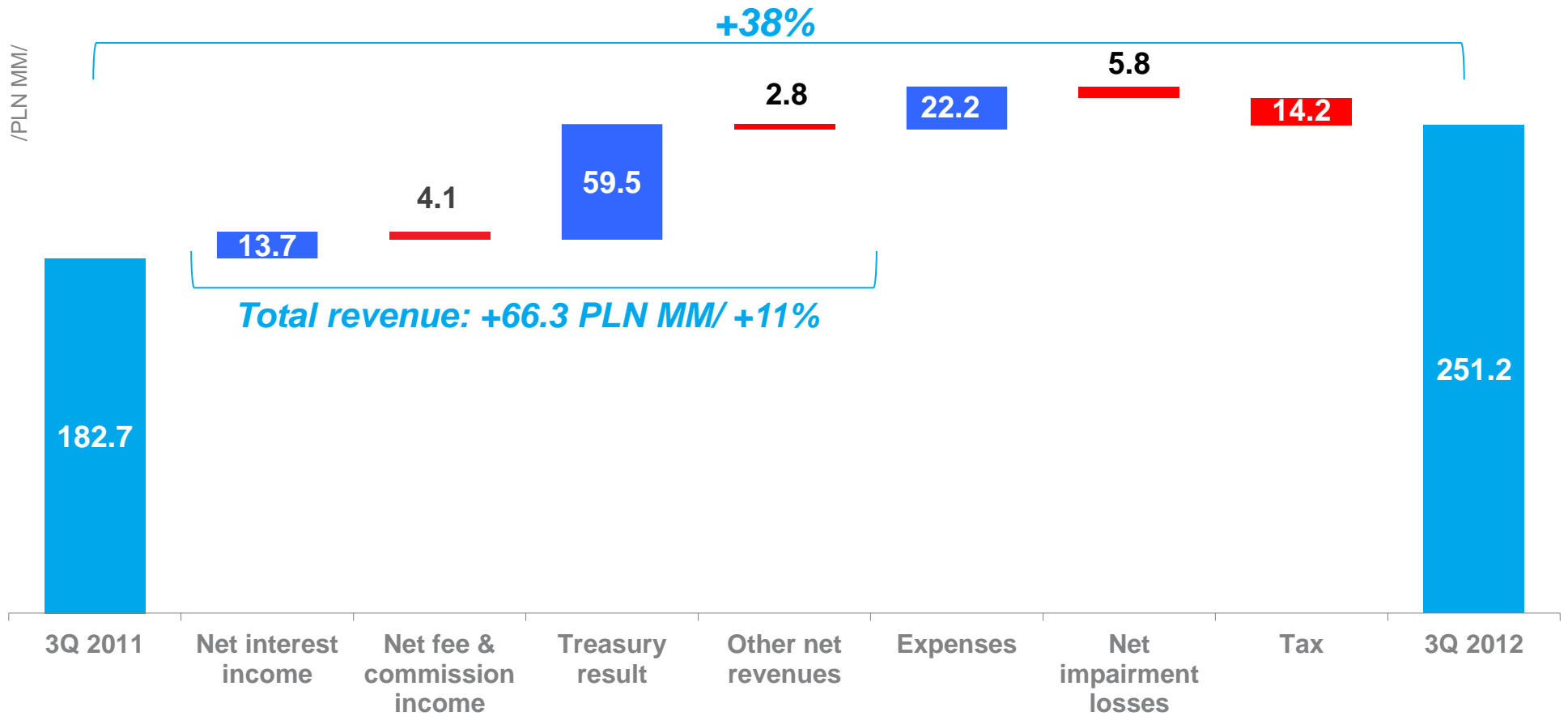
Net fee and commission income
 ↑ 0.4% QoQ

Treasury result
 ↑ 8% QoQ

Expenses and depreciation
 ↓ 7% QoQ

Net impairment losses
 ↑ 11% QoQ

Net profit 3Q 2012 vs. 3Q 2011



Net interest income

↑ 4% YoY

Net fee and commission income

↓ 3% YoY

Treasury result

↑ 60% YoY

Expenses and depreciation

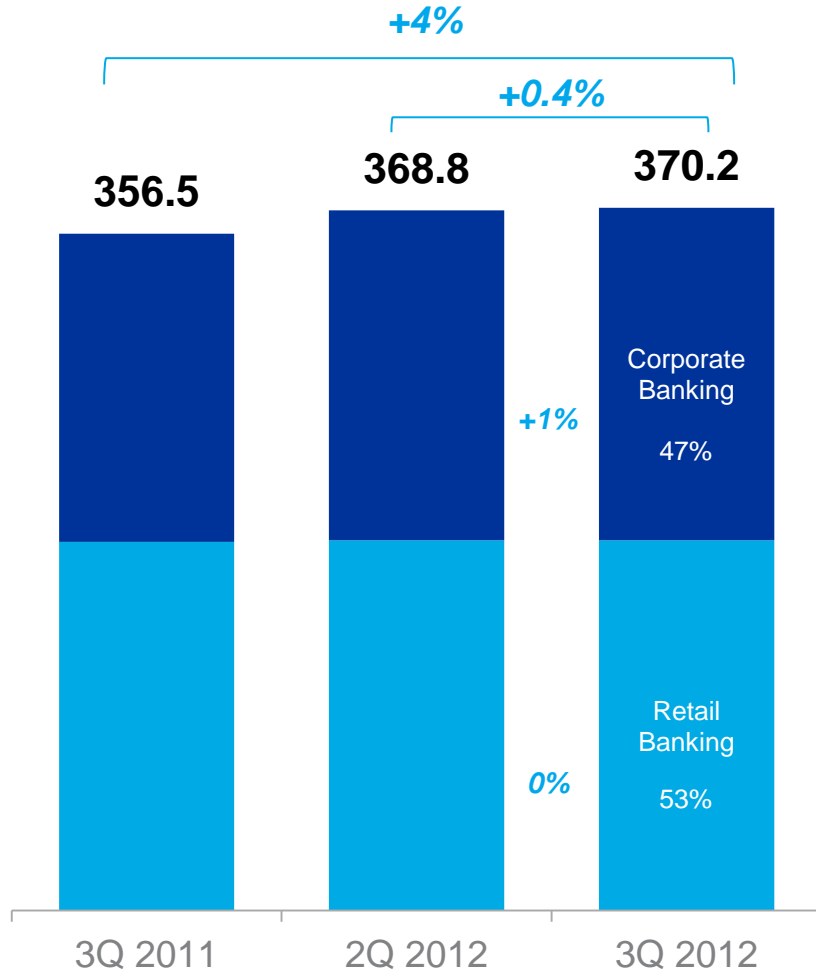
↓ 6% YoY

Net impairment losses

↑ 35% YoY

Net interest income

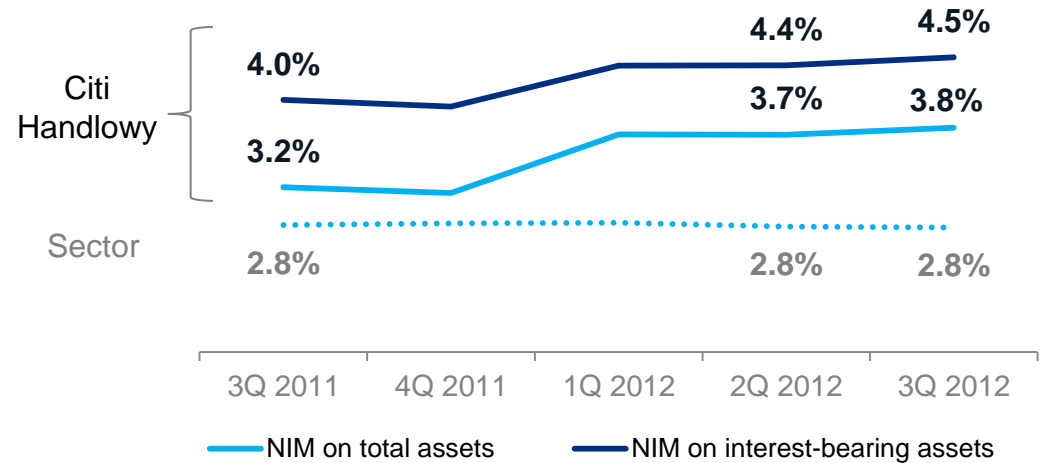
Net interest income (PLN MM)



↑ 5% QoQ
Debt securities

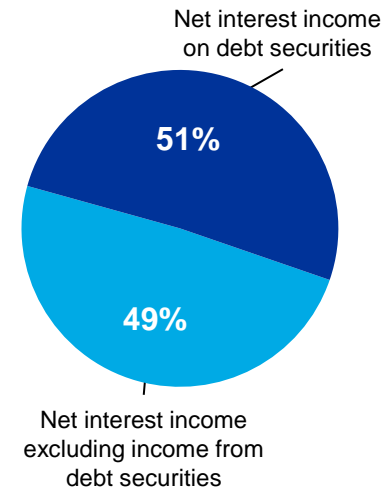
↑ 4% QoQ
Customer result

Net interest margin (NIM) – Bank vs. sector

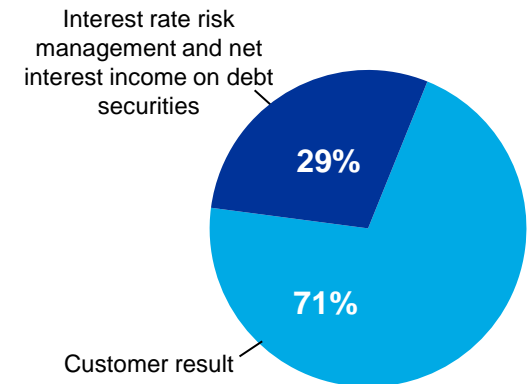


The structure of net interest income

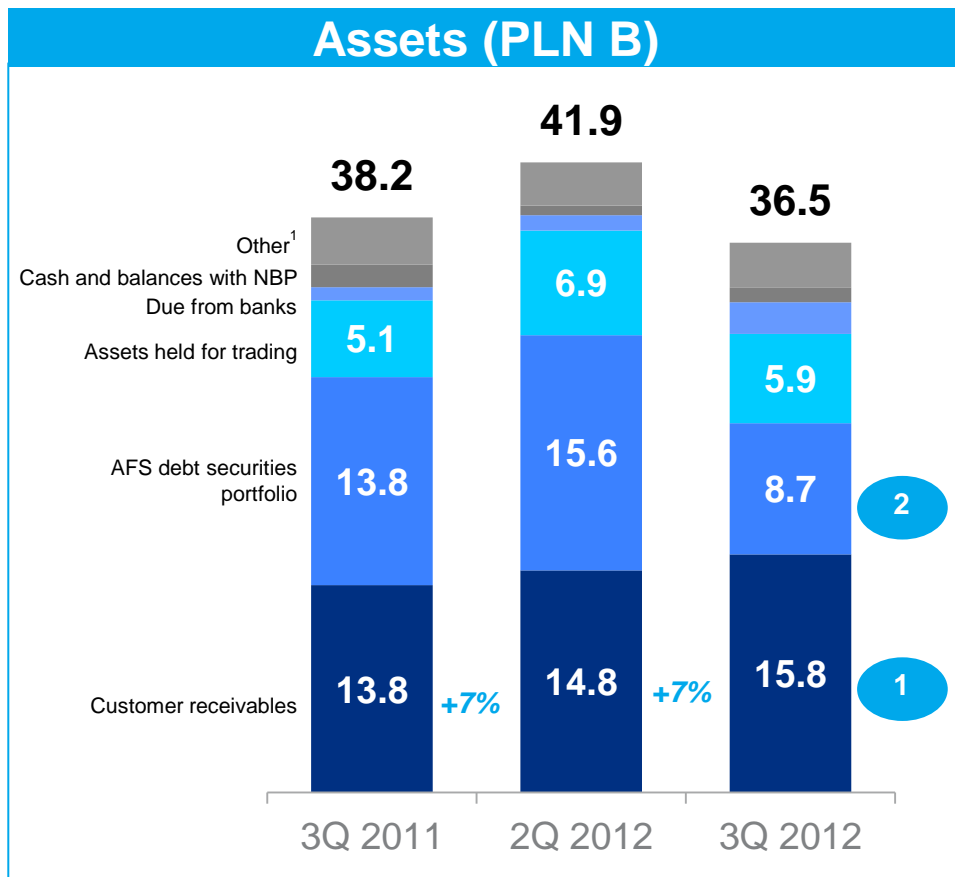
Financial accounting approach (IFRS)



Management accounting approach

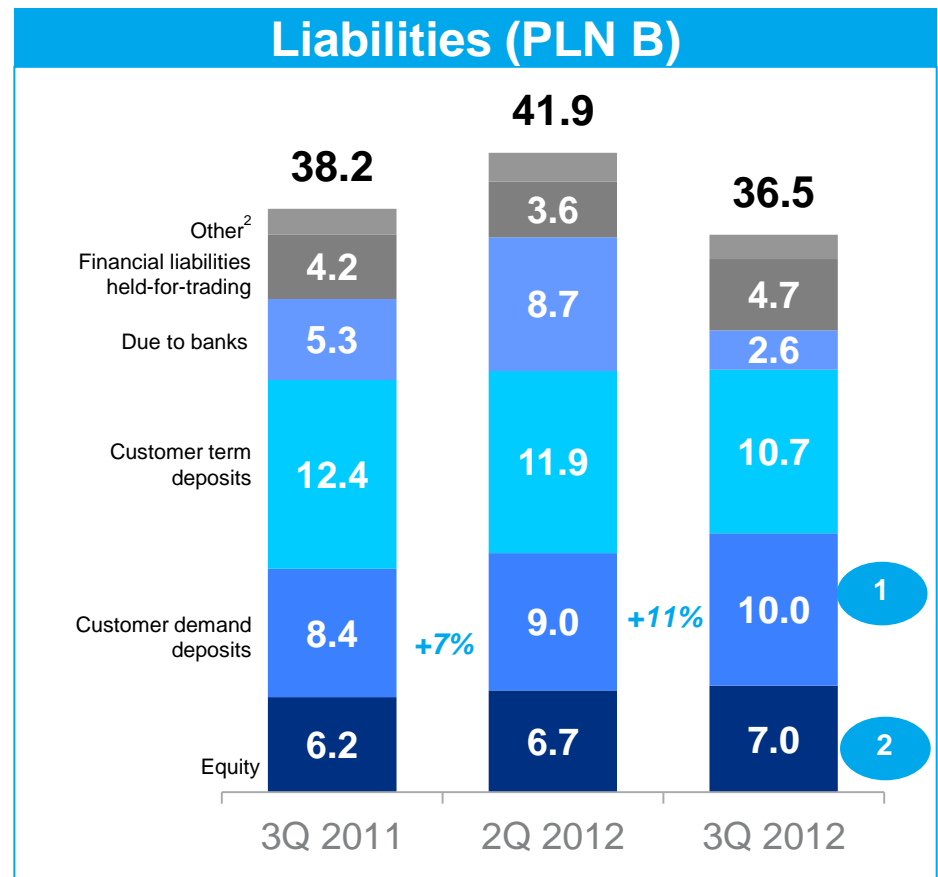


Balance sheet – structure and dynamics



- 1 Lending growth of **7%** QoQ and **15%** YoY mainly due to the corporate segment
- 2 Decrease in the share of AFS debt securities portfolio in total assets to **24%** (compared to **37%** in 2Q 2012)

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



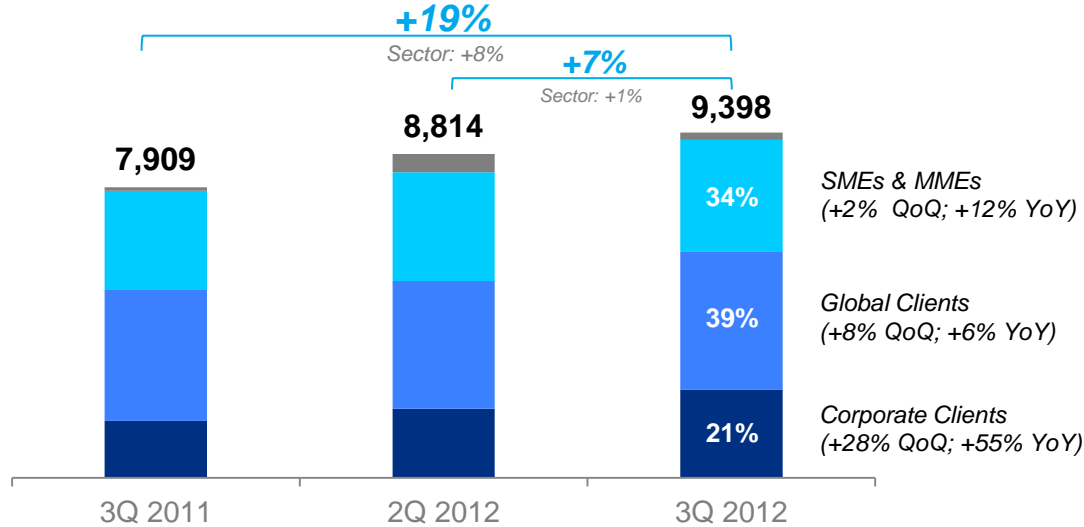
- 1 Increase in demand deposits
- 2 Increase in equity – further strengthening of capital base after retaining 50% of 2011 profit

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

Another quarter of growth in loan volumes

Institutional customers' loans in non-financial sector

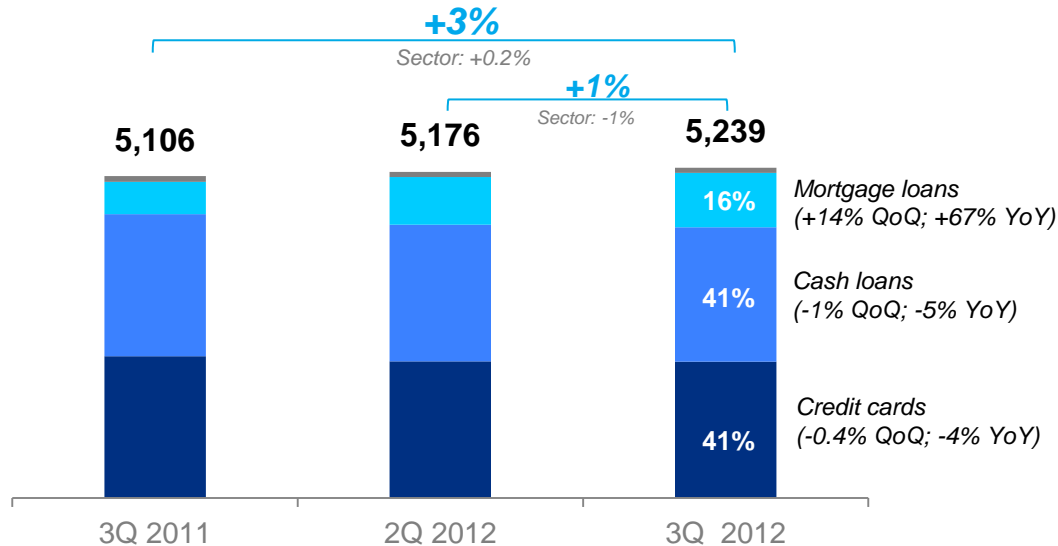
/PLN MM/



- A further increase of loan volumes in 3Q 2012 (**+7%** YoY vs. +1% in sector)
- A double-digit annual growth of total loans volume (**+19%** YoY vs. +8% in sector)

Retail customers' loans

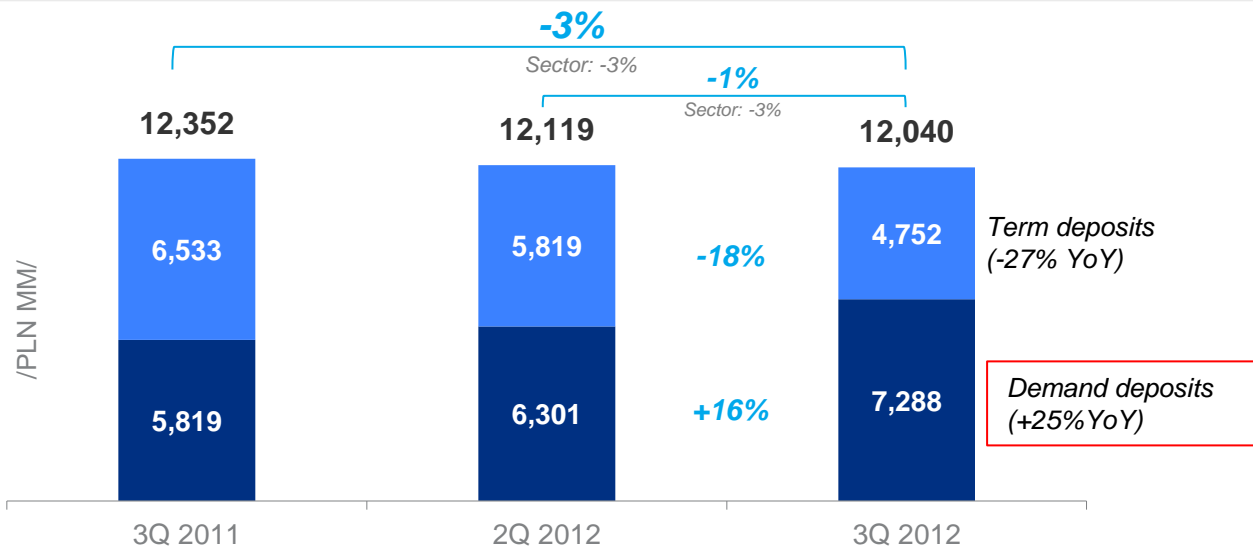
/PLN MM/



- The second consecutive quarter of growth in retail loans (**+1%** QoQ vs. 1% decrease in sector)
- Maintained double-digit growth of mortgage loans (**+14%** QoQ)

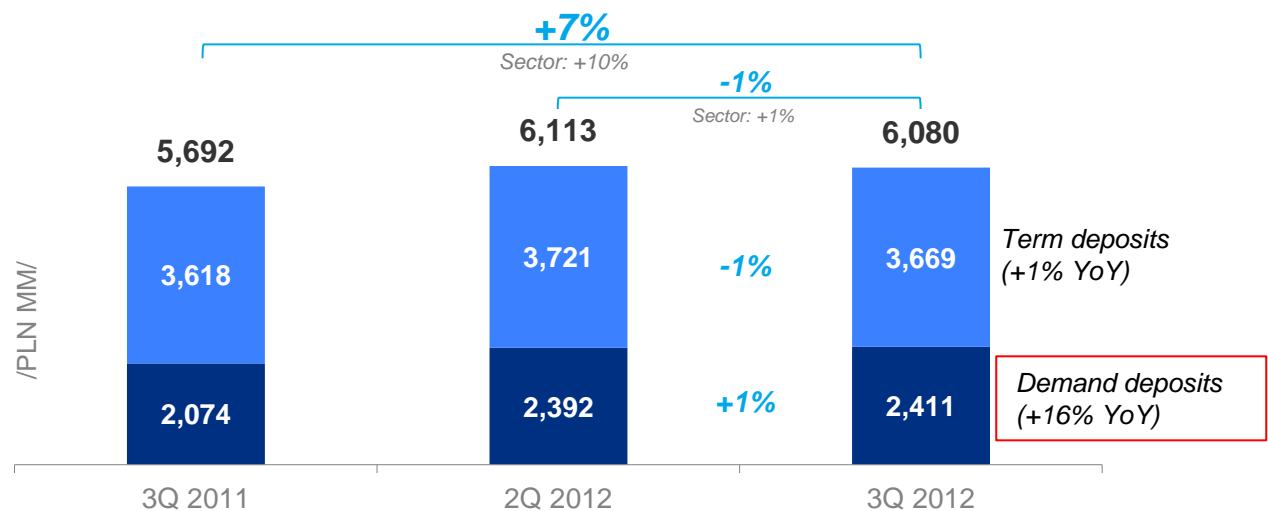
Deposits – focus on operating accounts

Institutional customers' deposits in non-financial sector



- Decline in term deposits with demand deposits growing in 3Q 2012
- Total deposits volume nearly unchanged in annual terms

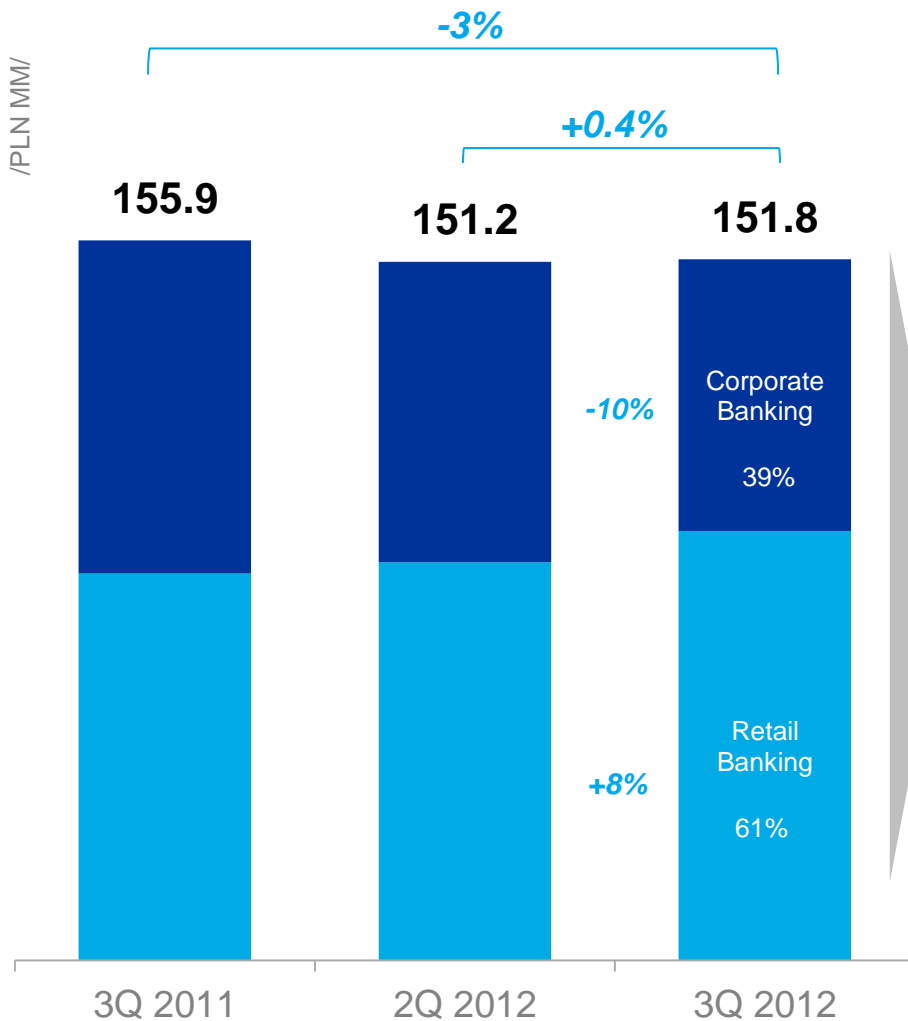
Retail customers' deposits



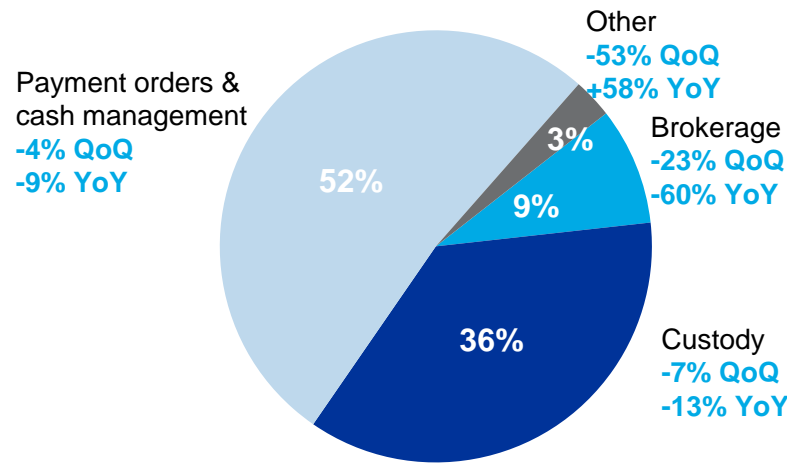
- Stable growth in retail deposits (+1% QoQ, +7% YoY)
- Another quarter of demand deposits increase – the effect of consistent focus on operating accounts

Net fee and commission income maintained at a stable level

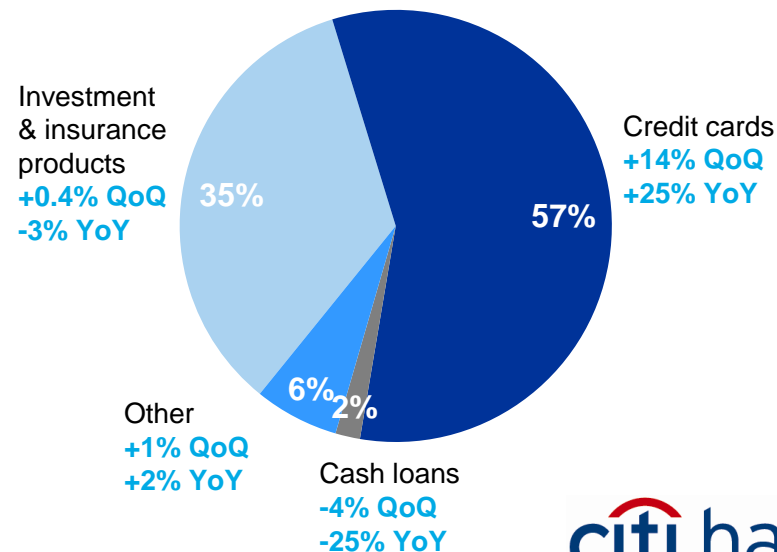
/PLN MM/



Corporate Banking -10% QoQ and -18% YoY

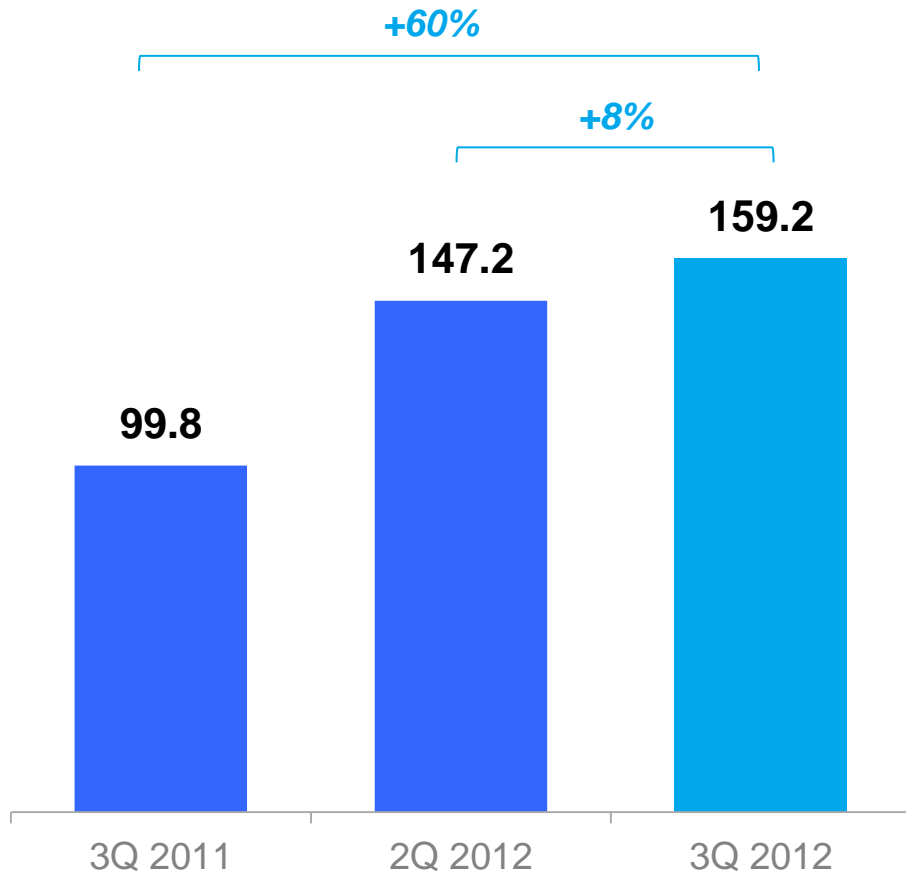


Retail Banking +8% QoQ and +11% YoY

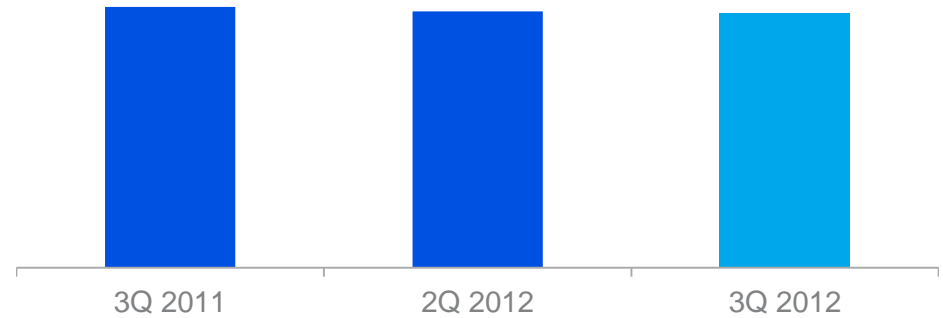


Treasury result

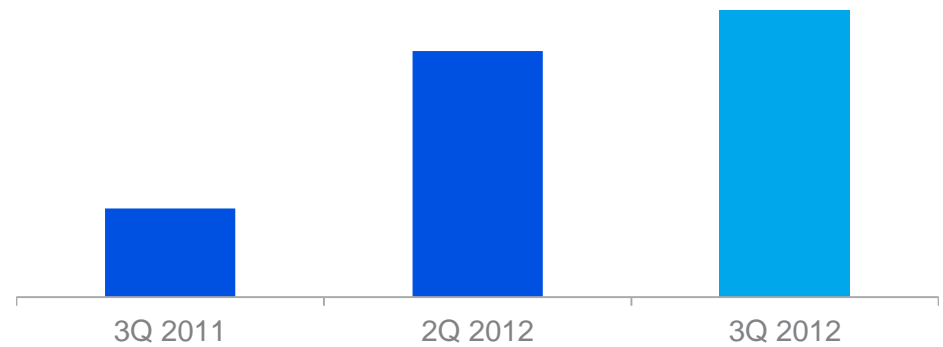
Treasury result (PLN MM)



Result on customer operations

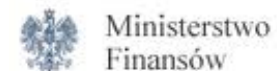


Result on proprietary management

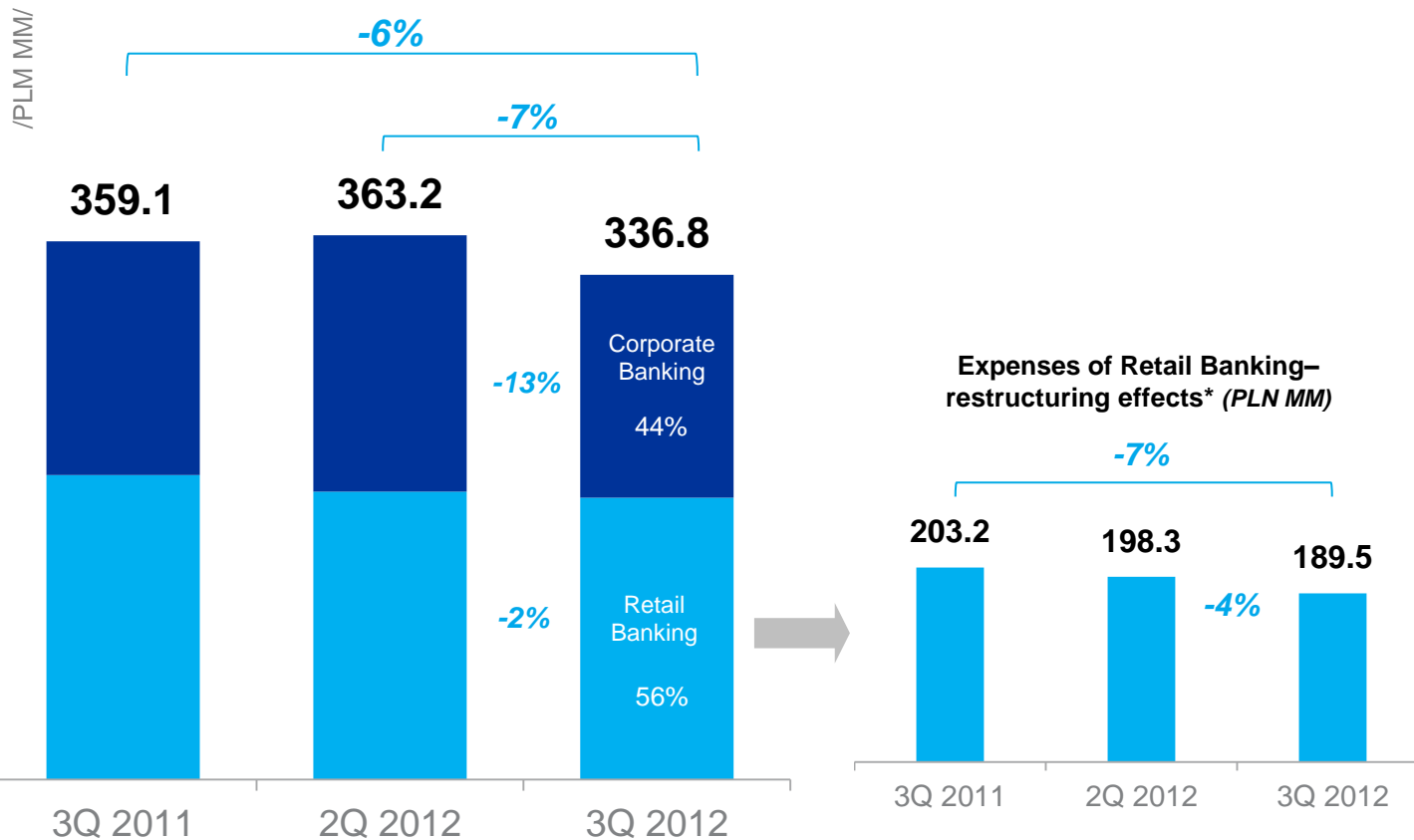


Note: The scales on the graphs are not comparable.

#1
in the contest of Ministry of Finance to act as **Treasury Securities Dealer**



Expenses and depreciation

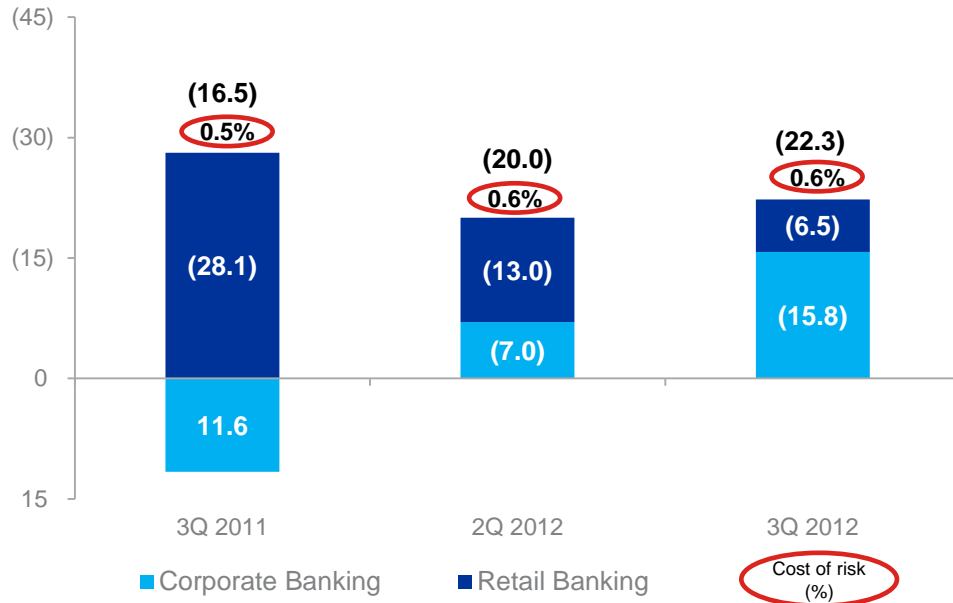


- Staff and premises expenses impacted by **savings on restructuring**
- The QoQ decrease in marketing expenses (one-off events in 2Q 2012)

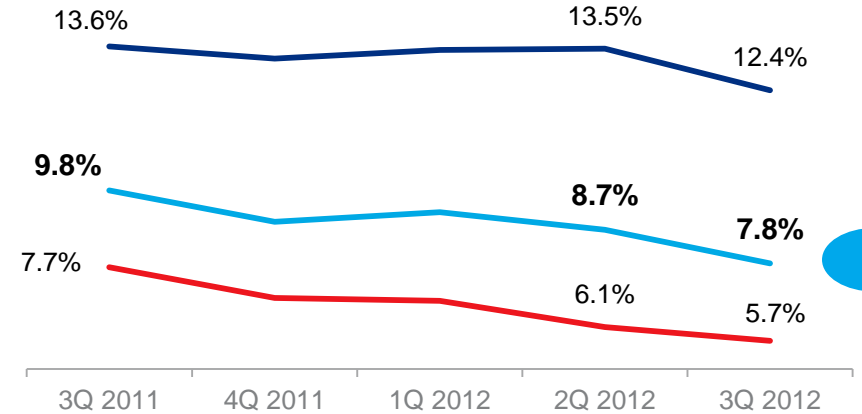
<u>Cost/Income</u>	3Q 2011	2Q 2012	3Q 2012	Change QoQ	Change YoY
Corporate Banking	47%	45%	39%	↓	↓
Retail Banking	73%	67%	65%	↓	↓
Bank	59%	54%	50%	↓	↓

Consistent credit risk policy

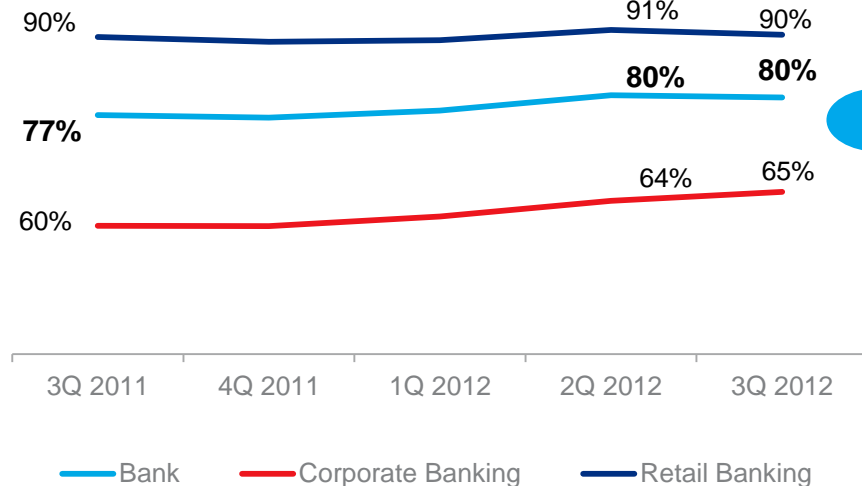
Net impairment losses (PLN MM)



Non-performing loans ratio (NPL)



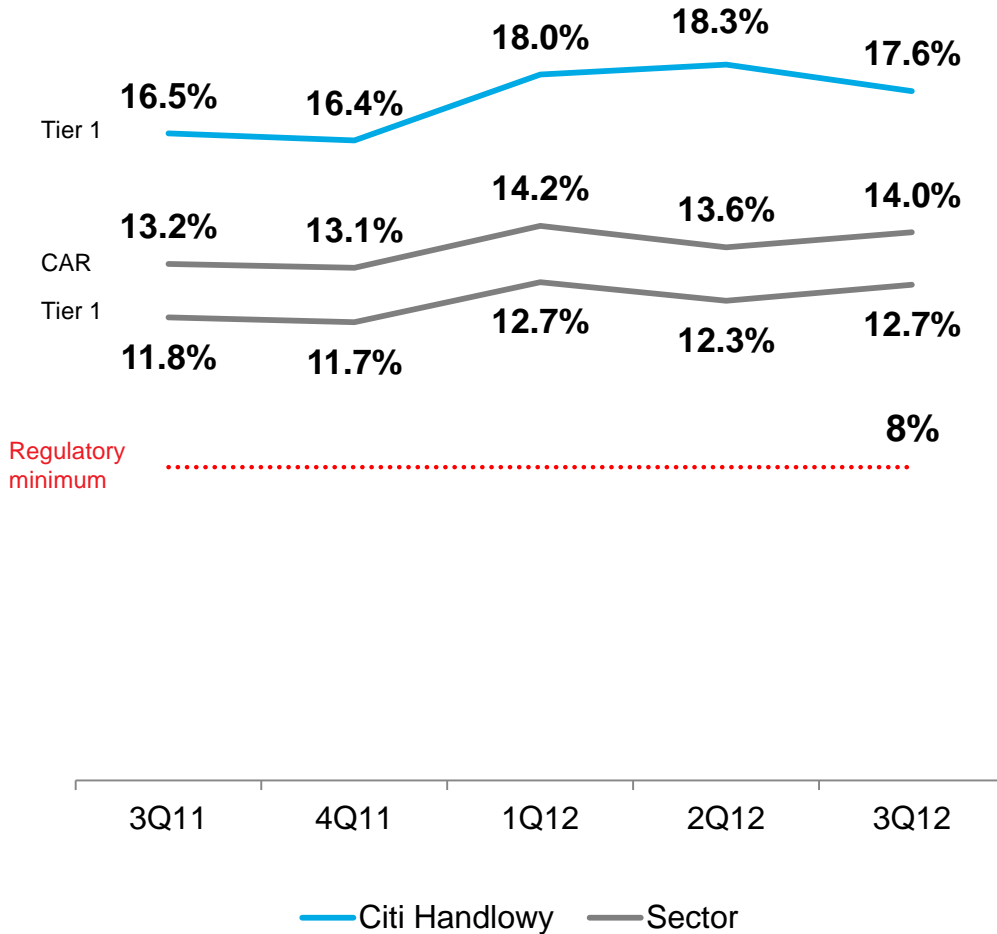
Provision coverage ratio



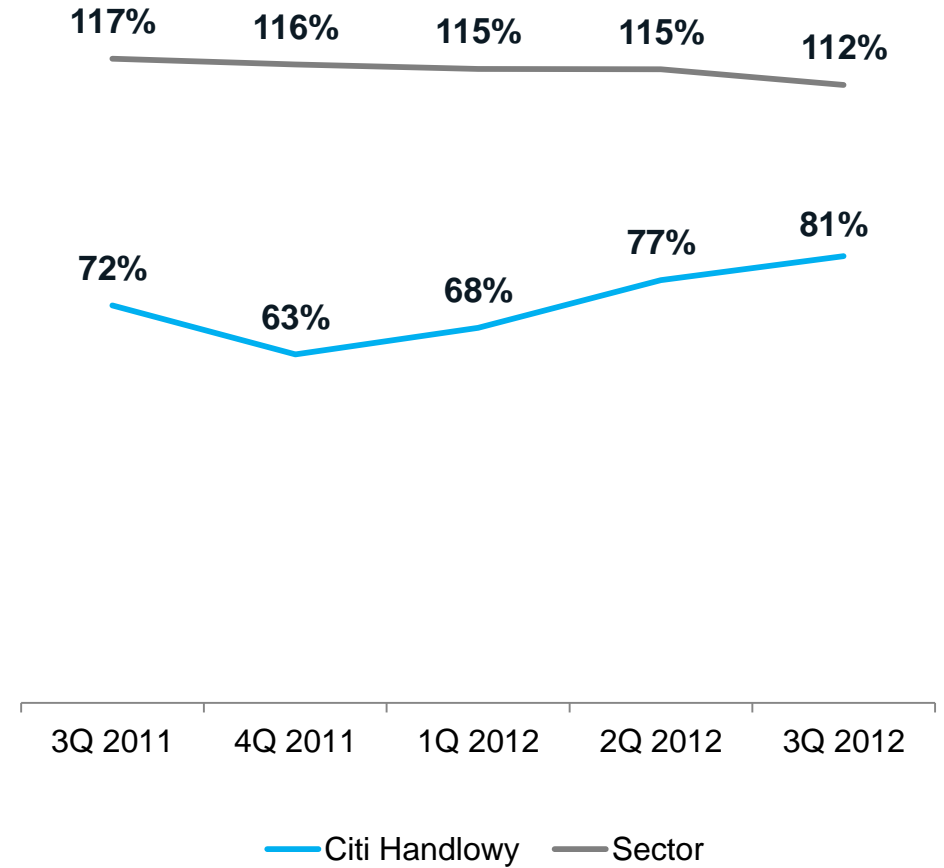
- 1 NPL ratio went down to **7.8%** due to improved quality of retail loans portfolio
- 2 Provision coverage ratio remained at a high level of **80%**
- 3 Costs of risk maintained low – at **0.6%** in 3Q 2012 vs. **0.6%** in 2Q 2012 and **0.5%** in 3Q 2011

Liquidity and capital adequacy – stable and safe position

Capital adequacy ratio – Bank vs. banking sector

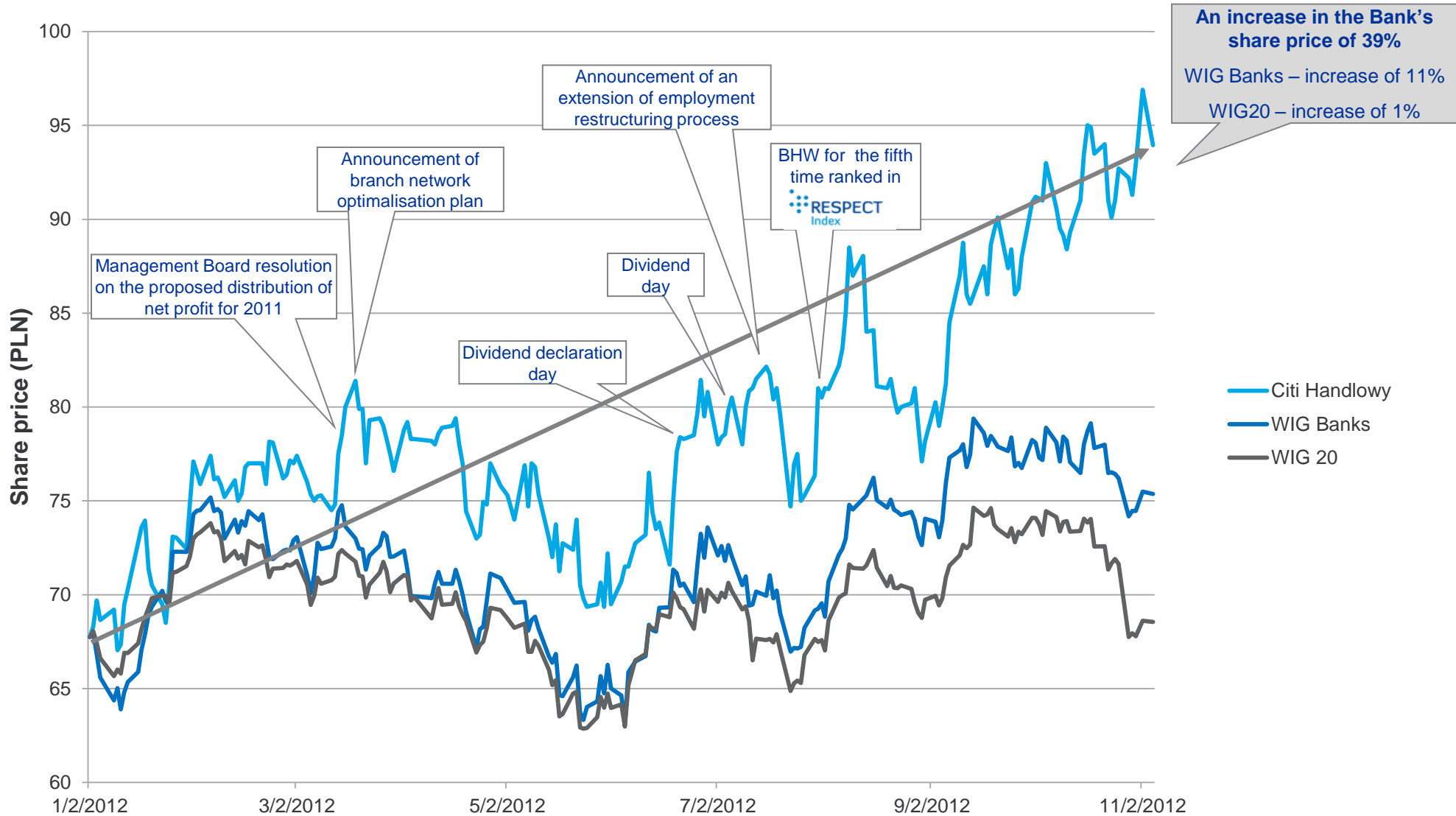


Loans to deposits ratio – Bank vs. banking sector



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

Change in Citi Handlowy's share price over 2012



The latest listing as of November 5, 2012 (Citi Handlowy: 93.95 PLN)

Appendix

Income statement – Bank

PLN MM	3Q11	4Q11	1Q12	2Q12	3Q12	3Q12 vs. 2Q12		3Q12 vs. 3Q11	
						PLN MM	%	PLN MM	%
Net interest income	357	383	398	369	370	1	0%	14	4%
Interest income	487	512	535	513	532	19	4%	45	9%
Interest expenses	(130)	(129)	(137)	(144)	(161)	(18)	12%	(31)	24%
Net fee and commission income	156	150	152	151	152	1	0%	(4)	(3%)
Dividend income	0	-	-	5	1	(4)	(82%)	1	3 139%
Gains on AFS debt securities	8	11	73	46	98	52	112%	90	1 187%
FX and trading	92	80	117	101	61	(40)	(39%)	(31)	(33%)
Treasury	100	91	190	147	159	12	8%	59	60%
Net other operating income	(4)	10	(1)	(4)	(8)	(4)	104%	(4)	101%
Revenue	608	634	739	669	674	6	1%	66	11%
Expenses	(344)	(343)	(399)	(345)	(321)	24	(7%)	23	(7%)
Depreciation	(15)	(16)	(16)	(18)	(16)	2	(13%)	(0)	2%
Expenses and depreciation	(359)	(358)	(415)	(363)	(337)	26	(7%)	22	(6%)
Operating margin	249	276	324	306	338	32	10%	88	35%
Income on fixed assets sale	(0)	(0)	0	0	0	(0)	(68%)	0	(104%)
Net impairment losses	(16)	(3)	(15)	(20)	(22)	(2)	11%	(6)	35%
Share in subs' profits	0	1	0	0	0	0	804%	0	15%
EBIT	233	274	309	286	316	30	10%	83	36%
Corporate income tax	(50)	(53)	(66)	(55)	(64)	(9)	17%	(14)	28%
Net profit	183	221	244	231	251	20	9%	69	38%
C/I ratio	59%	56%	56%	54%	50%				

Balance sheet – key items

PLN B	End of period					3Q12 vs. 2Q12		3Q12 vs. 3Q11	
	3Q11	4Q11	1Q12	2Q12	3Q12				
Cash and balances with the Central Bank	1.5	1.0	2.1	0.6	0.9	0.3	45%	(0.6)	(38%)
Amounts due from banks	0.9	0.5	1.2	1.0	2.1	1.1	106%	1.2	139%
Financial assets held-for-trading	5.1	5.8	8.2	6.9	5.9	(1.0)	(15%)	0.8	16%
Debt securities available-for-sale	13.8	17.6	12.1	15.6	8.7	(6.9)	(44%)	(5.1)	(37%)
Customer loans	13.8	14.7	14.2	14.8	15.8	1.1	7%	2.0	15%
Financial sector entities	0.8	1.0	0.7	0.8	1.2	0.4	53%	0.4	57%
Non-financial sector entities	13.0	13.7	13.5	14.0	14.6	0.6	5%	1.6	12%
Corporate Banking	7.9	8.6	8.4	8.8	9.4	0.6	7%	1.5	19%
Retail Banking	5.1	5.1	5.1	5.2	5.2	0.1	1%	0.1	3%
Credit cards	2.3	2.3	2.2	2.2	2.2	(0.0)	(0%)	(0.1)	(4%)
Cash loans	2.2	2.2	2.2	2.2	2.1	(0.0)	(1%)	(0.1)	(5%)
Mortgage	0.5	0.6	0.7	0.8	0.9	0.1	14%	0.3	67%
Other assets	3.1	2.6	3.0	2.9	3.0	0.1	4%	(0.1)	(4%)
Total assets	38.2	42.3	40.8	41.9	36.5	(5.4)	(13%)	(1.7)	(4%)
Liabilities due to banks	5.3	6.0	5.5	8.7	2.6	(6.2)	(71%)	(2.7)	(51%)
Financial liabilities held-for-trading	4.2	4.8	4.0	3.6	4.7	1.0	28%	0.4	10%
Financial liabilities due to customers	21.1	24.1	23.1	21.1	20.9	(0.2)	(1%)	(0.2)	(1%)
Financial sector entities - deposits	2.7	2.2	2.3	2.7	2.6	(0.1)	(4%)	(0.1)	(5%)
Non-financial sector entities - deposits	18.1	21.7	19.9	18.2	18.1	(0.1)	(1%)	0.1	0%
Corporate Banking	12.4	15.7	13.8	12.1	12.0	(0.1)	(1%)	(0.3)	(3%)
Retail Banking	5.7	6.0	6.1	6.1	6.1	(0.0)	(1%)	0.4	7%
Other financial liabilities	0.3	0.2	0.9	0.2	0.2	(0.0)	(7%)	(0.1)	(43%)
Other liabilities	1.3	0.9	1.4	1.7	1.4	(0.3)	(16%)	0.1	5%
Total liabilities	32.0	35.8	34.0	35.2	29.5	(5.7)	(16%)	(2.4)	(8%)
Equity	6.2	6.4	6.8	6.7	7.0	0.3	4.5%	0.7	12.0%
Total liabilities & equity	38.2	42.3	40.8	41.9	36.5	(5.4)	(13%)	(1.7)	(4%)
Loans / Deposits ratio	72%	63%	68%	77%	81%				
Capital Adequacy Ratio	16.5%	16.4%	18.0%	18.3%	17.6%				

Corporate Banking – income statement

PLN MM	3Q11	4Q11	1Q12	2Q12	3Q12	3Q12 vs. 2Q12		3Q12 vs. 3Q11	
						PLN MM	%	PLN MM	%
Net interest income	162	186	202	174	175	1	1%	13	8%
Interest income	264	286	309	287	306	19	7%	43	16%
Interest expenses	(101)	(100)	(106)	(113)	(131)	(18)	16%	(30)	29%
Net fee and commission income	72	68	66	65	59	(6)	(10%)	(13)	(18%)
Dividend income	-	-	-	2	1	(1)	(43%)	1	3 139%
Gains on AFS debt securities	8	11	73	46	98	52	112%	90	1 187%
FX and trading	83	72	108	91	52	(39)	(43%)	(31)	(37%)
Treasury	91	83	181	138	150	12	9%	59	65%
Net other operating income	3	17	5	2	1	(2)	(74%)	(3)	(82%)
Revenue	328	355	454	380	385	5	1%	57	17%
Expenses	(149)	(153)	(161)	(163)	(142)	20	(13%)	6	(4%)
Depreciation	(7)	(7)	(8)	(8)	(6)	2	(22%)	1	(11%)
Expenses and depreciation	(156)	(160)	(169)	(171)	(149)	22	(13%)	7	(4%)
Operating margin	172	195	285	209	237	27	13%	64	37%
Income on fixed assets sale	(0)	0	0	0	0	(0)	(86%)	0	(109%)
Net impairment losses	12	7	(2)	(7)	(16)	(9)	124%	(27)	(236%)
Share in subs' profits	0	1	0	0	0	0	804%	0	15%
EBIT	184	203	284	202	221	19	9%	37	20%
C/I ratio	47%	45%	37%	45%	39%				

Retail Banking – income statement

PLN MM	3Q11	4Q11	1Q12	2Q12	3Q12	3Q12 vs. 2Q12		3Q12 vs. 3Q11	
						PLN MM	%	PLN MM	%
Net interest income	194	196	195	195	195	0	0%	1	0%
Interest income	223	226	227	225	225	0	0%	2	1%
Interest expenses	(29)	(30)	(31)	(30)	(30)	(0)	0%	(1)	5%
Net fee and commission income	84	82	86	86	93	7	8%	9	11%
Dividend income	-	-	-	4	-	(4)	(100%)	-	-
FX and trading	9	9	9	10	9	(0)	(2%)	0	3%
Net other operating income	(7)	(7)	(6)	(6)	(8)	(2)	39%	(1)	19%
Revenue	280	279	284	288	289	1	0%	9	3%
Expenses	(195)	(189)	(238)	(183)	(179)	4	(2%)	16	(8%)
Depreciation	(8)	(9)	(8)	(10)	(9)	1	(5%)	(1)	14%
Expenses and depreciation	(203)	(198)	(246)	(192)	(188)	4	(2%)	15	(8%)
Operating margin	77	81	39	96	101	5	5%	24	31%
Income on fixed assets sale	(0)	(0)	0	0	0	(0)	(20%)	0	(103%)
Net impairment losses	(28)	(10)	(13)	(13)	(7)	6	(50%)	22	(77%)
EBIT	49	71	25	83	94	11	13%	46	95%
C/I ratio	73%	71%	86%	67%	65%				

Retail banking operational data and volumes

Operational data (in thousand)	3Q11	2Q12	3Q12	3Q12 vs. 2Q12		3Q12 vs. 3Q11	
				thous.	%	thous.	%
Current accounts, including:	646	667	630	(37)	-6%	(16)	(-2%)
Operating accounts	178	184	181	(3)	(2%)	3	(2%)
Saving accounts	222	221	233	12	5%	11	5%
Credit cards, including:	865	820	807	(13)	-2%	(58)	(-7%)
Co-branded cards	488	471	468	(3)	(1%)	(20)	(4%)
Debit cards, including:	474	462	425	(37)	-8%	(49)	(-10%)
PayPass cards	303	378	363	(15)	-4%	60	20%
Volumes (PLN million)	3Q11	2Q12	3Q12	3Q12 vs. 2Q12		3Q12 vs. 3Q11	
				PLN MM	%	PLN MM	%
Deposits	5 692	6 113	6 080	(33)	(1%)	388	7%
Demand deposits	2 074	2 392	2 411	19	1%	337	16%
Other deposits, including:	3 618	3 721	3 669	(52)	(1%)	51	1%
Saving accounts	2 464	2 507	2 432	(75)	(3%)	(32)	(1%)
Loans	5 106	5 176	5 239	64	1%	134	3%
Credit cards	2 251	2 170	2 161	(9)	(0%)	(90)	(4%)
Cash loans	2 250	2 165	2 135	(30)	(1%)	(115)	(5%)
Mortgage loans	516	759	862	103	14%	346	67%