

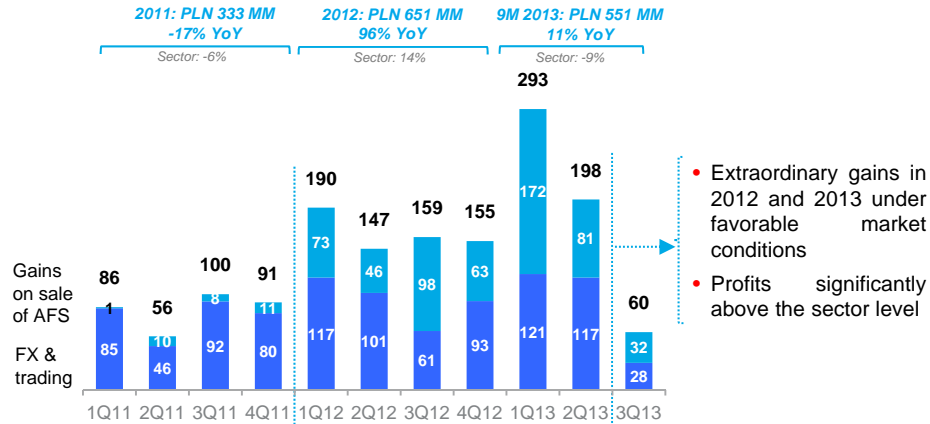
BANK HANDLOWY W WARSZAWIE S.A.
3Q 2013 consolidated financial results

November 7, 2013

3Q 2013 in Citi Handlowy – summary

Financial Markets

Treasury result (PLN MM)

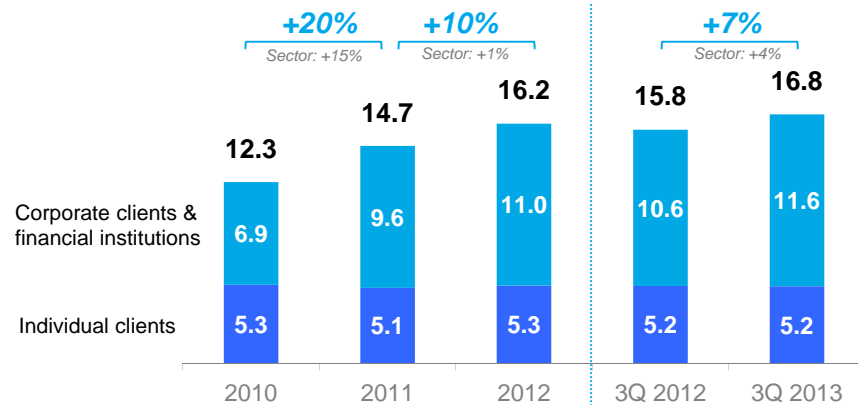


Retail Banking distribution system transformation

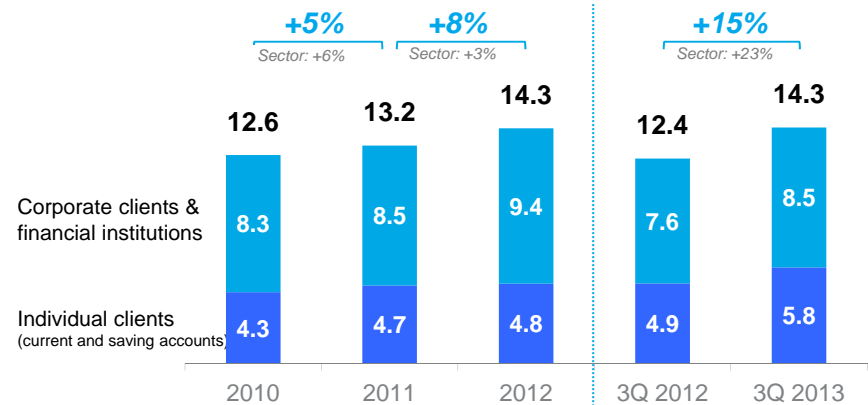
- **Smart Banking Ecosystem** development in response to changing customer behavior model and the dynamic growth of new technologies
 - Modern banking outlets – 25 Smart branches in the largest agglomerations until 2014
 - Digitization
 - Productivity improvement
- A further focus on relationships with affluent (**Gold**) and emerging affluent (**Forward**) clients
- **Efficiency improvement** (Cost / Income ratio of Retail Banking < 60% in 2016) – employment restructuring

Strategic business areas growth

Customer assets growth (net loans in PLN B)



Focus on operating accounts (demand deposits in PLN B)



Corporate Banking in 3Q 2013

Financial Markets

FX turnover

- **The best quarter** in terms of FX turnover this year
- FX turnover volume up by **13%** QoQ and **21%** YoY

Brokerage

- **#1** in equity turnover on the WSE (**12.4%** market share in session trades)

Leader in custody services

- **Assets under custody up** by **4%** QoQ and **19%** YoY
- **47%** market share as of the end of 3Q 2013 (vs. 45% as of the end of 3Q 2012 and 47% as of the end of 2Q 2013)

Transaction services

Cash management

- **Focus on operating accounts:** growth of demand deposits by **1%** QoQ and **23%** YoY
- **#2** in Poland in the **Euromoney Cash Management Survey 2013**
- **Express Elixir** – immediate transfers launched for corporate clients in August

Trade finance growth

- **Increase in assets** of **4%** QoQ and **13%** YoY
- **20% growth of factoring turnover:** over PLN 4.5 B turnover in 1-3Q 2013; **#3** among banks offering factoring products
- Growth in **Supplier Finance** – over PLN 300 MM newly assigned limits in 3Q 2013

Local Commercial Banking

Lending volumes

- A further **assets increase** in SME/MME segment: **+2%** QoQ and **+14%** YoY
- Value of Program with KfW for financing SME and MME clients' investments in energy efficiency increased from EUR 10 MM to EUR 35 MM

SME and MME clients acquisition

- **100** clients acquired in 2013 - client acquisition growth of **11%** YoY

Corporate and Global Clients

Lending volumes

- Growth of assets in Corporate Clients segment: **+13%** QoQ and **9%** YoY; Global Clients segment: **-5%** QoQ; **+5%** YoY

Emerging Markets Champions Programme

- Clients support in international expansion: services for Strategic Clients in 15 countries, incl. U.A.E, US, Canada, Chile, Norway

Bond issue

- **#2** position as a **bond and deposit certificates issue organiser for banks** (**25%** market share according to the „Rating&Rynek” report of Fitch Ratings agency)


Retail Banking in 3Q 2013

Relationship banking

Focus on Gold and Forward clients

- **Growth in the number of Gold active clients** (assets min. PLN 200,000) of **3%** QoQ and **19%** YoY
- **Growth** of active Forward clients **acquisition** of **30%** QoQ and **77%** YoY

Citi Handlowy for clients with saving and investment needs

- **CitiFX Pro** – new advanced investment platform for individual clients of DMBH 
- Increase in the number of **investment profile clients** by **7%** QoQ and **108%** YoY
- Growth of investment products volume of **4%** QoQ and **13%** YoY

Innovative solutions for clients

Global services

- **Citibank Global Transfers** - immediate outgoing transfers
- Providing customers with assistance when setting up a bank account or Citigold recognition in Citi branches globally.

Mobile Banking

- Mobile application for iPad launched in September
- **160 thousand** Citi Mobile users (increase by **12%** QoQ and **65%** YoY)
- Growth of active Citi Mobile users of **10%** QoQ and **72%** YoY

Credit cards

Leading position maintained

- **#1** in terms of **transaction volume**
 - **22%** market share as of 2Q 2013
 - Growth of transaction volume by **4%** QoQ and YoY
- **#1** in terms of **credit card loans**
 - **19%** market share as of the end of September 2013
 - Increase in credit card loans by **1%** QoQ

Credit cards' acquisition

- **Growth of acquisition** by **13%** QoQ and **14%** YoY for basic cards
- **Citibank World** and Citibank Wizz Air cards consistently as key drivers of acquisition

Smart Banking Ecosystem

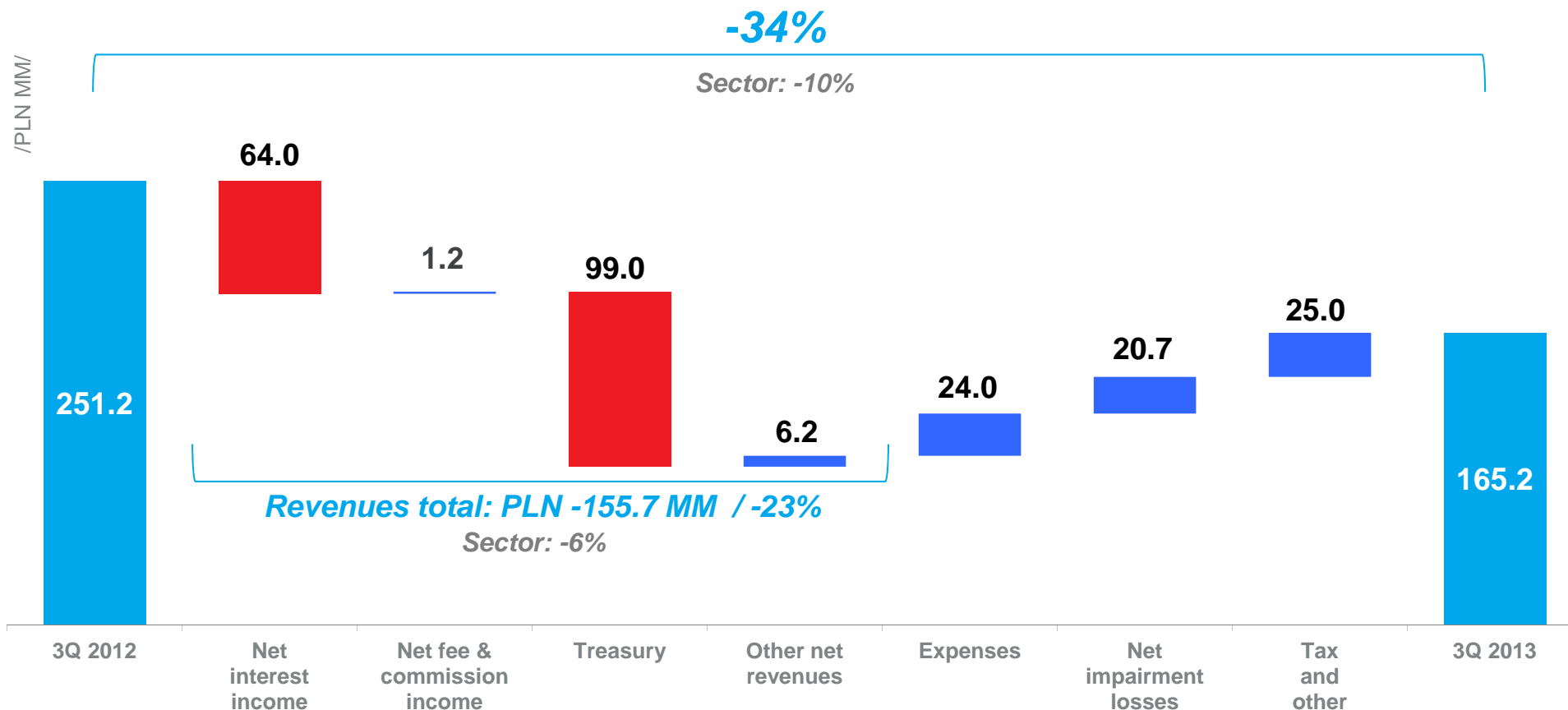
First Smart branch launched in Katowice

- **Waiting time shortened:**
 - **22 minutes** – the average time to open a personal account with a debit card (the shortest time so far: **9 minutes**)
 - **70 minutes (target: 30 minutes)** – the average waiting time for credit card
- **70-80%** transactions concluded so far at the service desk have been offloaded to self-service channels

- **Sales results**
– traditional branch vs. Smart branch
(the first month of operation)

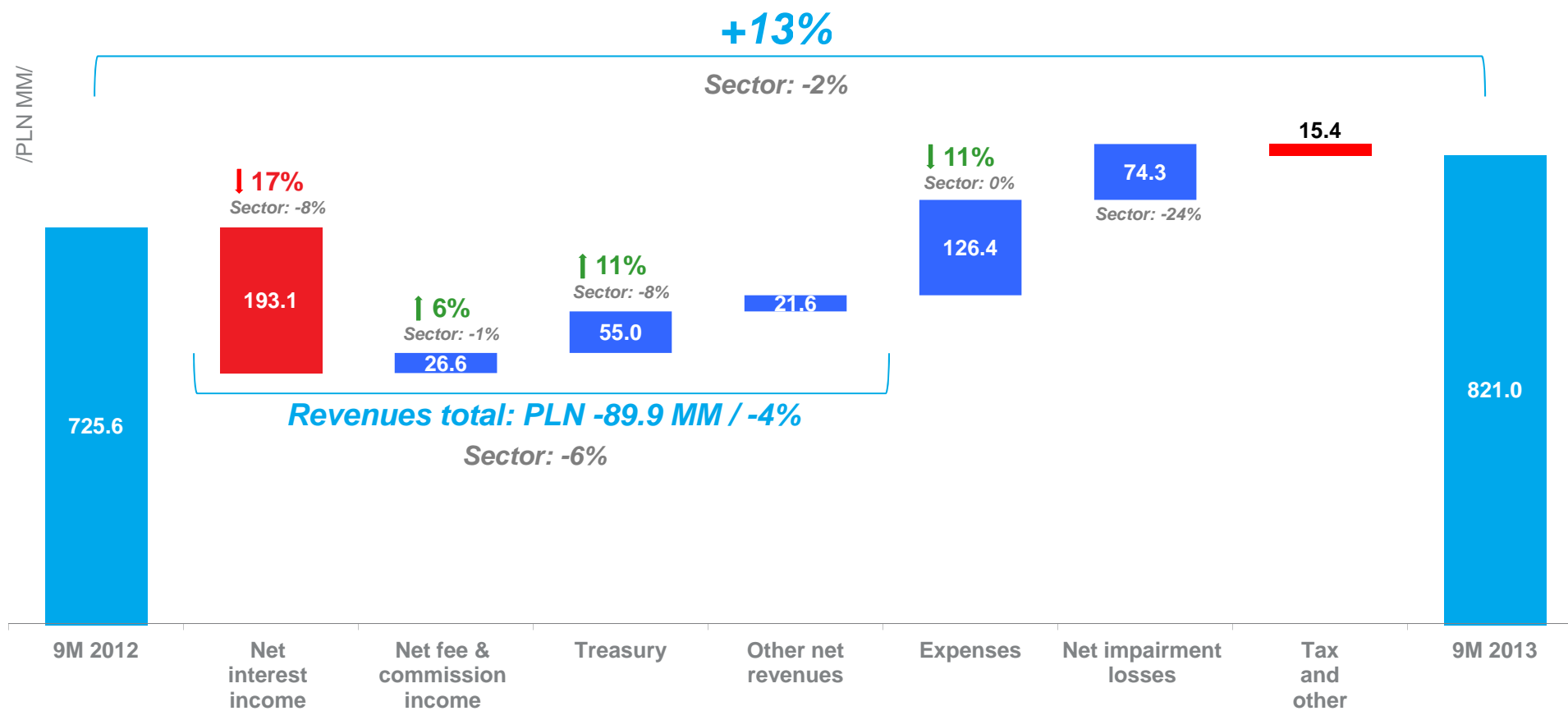
Product	Smart branch vs. traditional
Credit cards (#)	x2
Citigold accounts (#)	x6
Citiforward accounts (#)	x4

Net profit in 3Q 2013 – YoY change



<p>Net interest income</p> <p>↓ 17% YoY</p> <p>Sector: ↓ 6%</p>	<p>Net fee & commission income</p> <p>↑ 1% YoY</p> <p>Sector: ↑ 2%</p>	<p>Treasury result</p> <p>↓ 62% YoY</p> <p>Sector: ↓ 21%</p>	<p>Expenses and depreciation</p> <p>↓ 7% YoY</p> <p>Sector: ↑ 1%</p>	<p>Net impairment losses</p> <p>↓ 93% YoY</p> <p>Sector: ↓ 20%</p>
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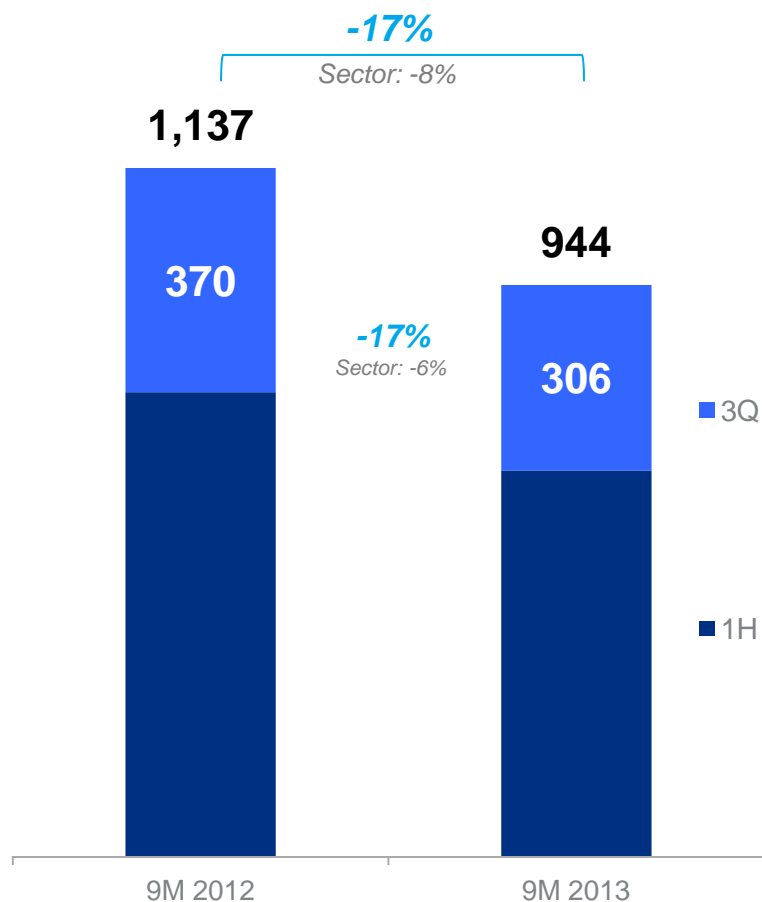
Net profit in 9M 2013 – YoY change



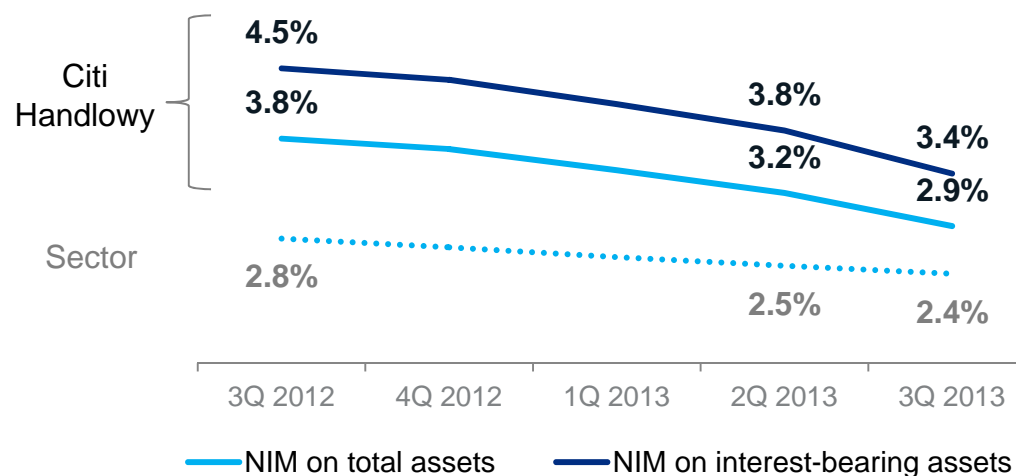
	ROA	ROTE	ROE	Cost/Income	Loans/Deposits	Tier 1	NPL
Bank	2.4%	20.5%	16.5%	50%	72%	16.7%	6.7%
Sector	1.0%	11.6%	11.4%	53%	108%	14.2%	7.5%

Net interest income under pressure after interest rates cuts

Net interest income (PLN MM)



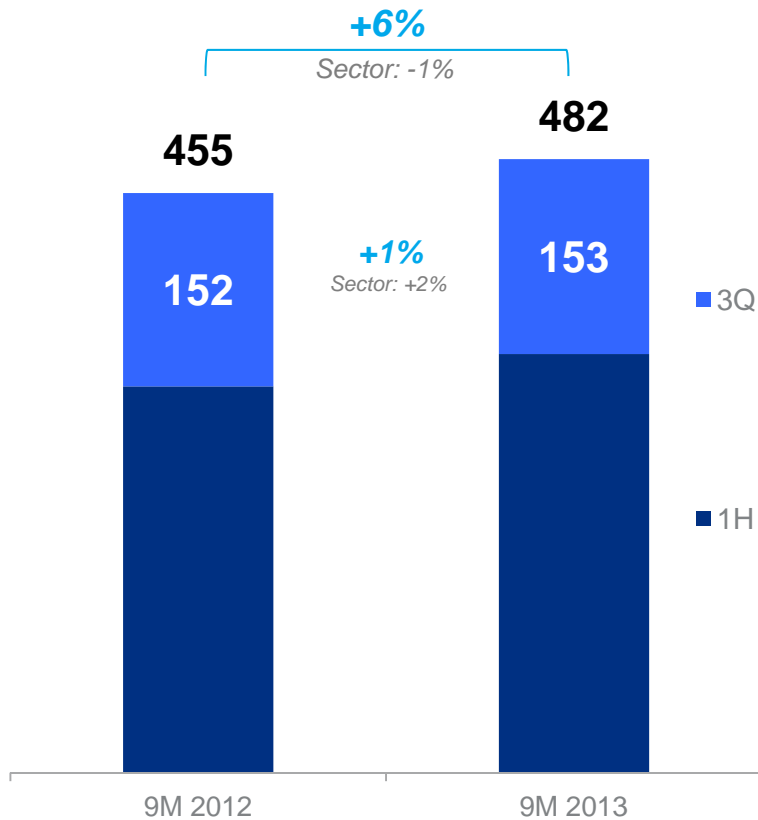
Net interest margin (NIM) - Bank vs. sector



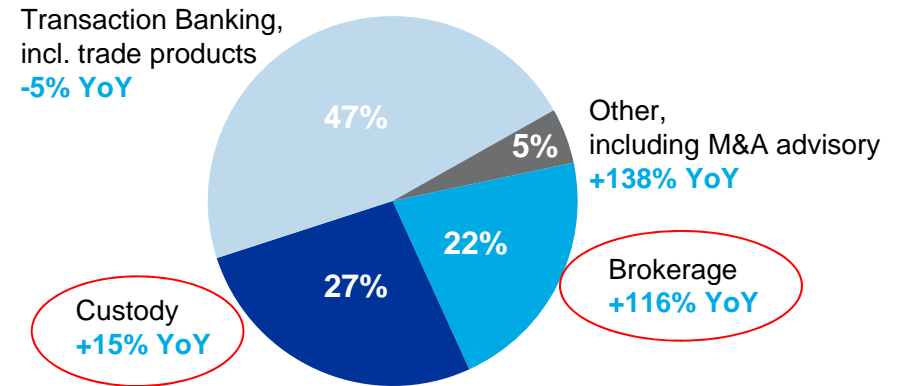
- Slowdown in negative dynamics of net interest income in 3Q 2013 (- 17% YoY and -1% QoQ)
- Net interest margin, despite the decline to 2.9%, still significantly above the market

Net fee & commission income – increase driven by the capital markets

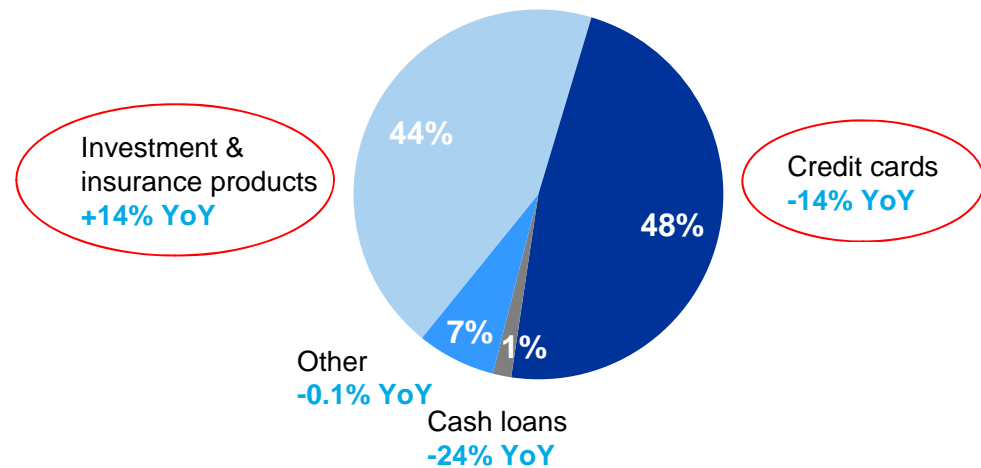
Net fee & commission income (PLN MM)



Corporate Banking +18% YoY

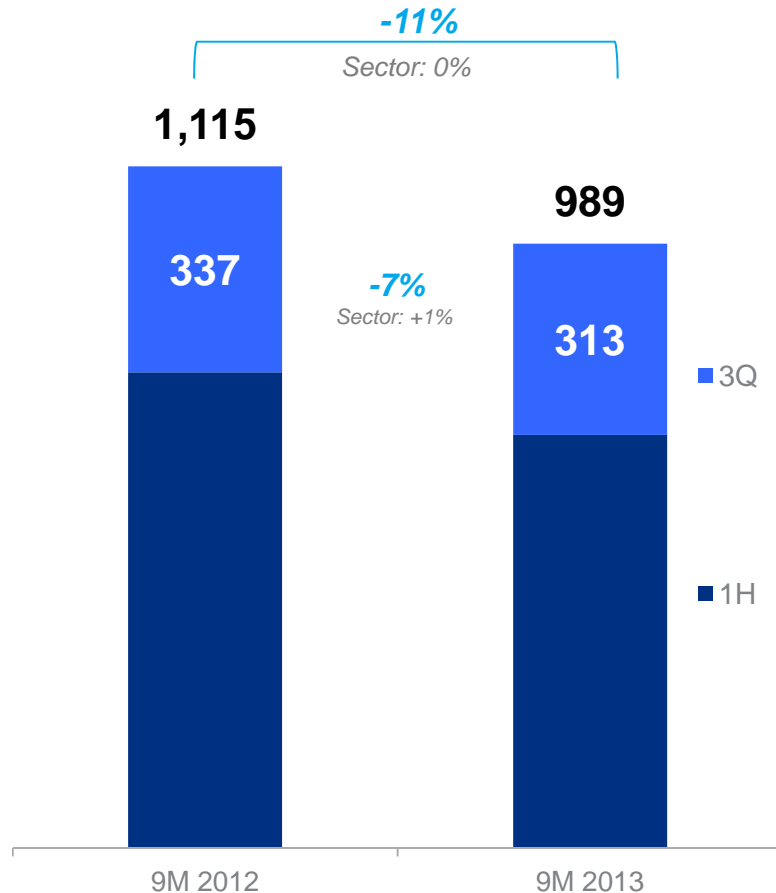


Retail Banking -3% YoY

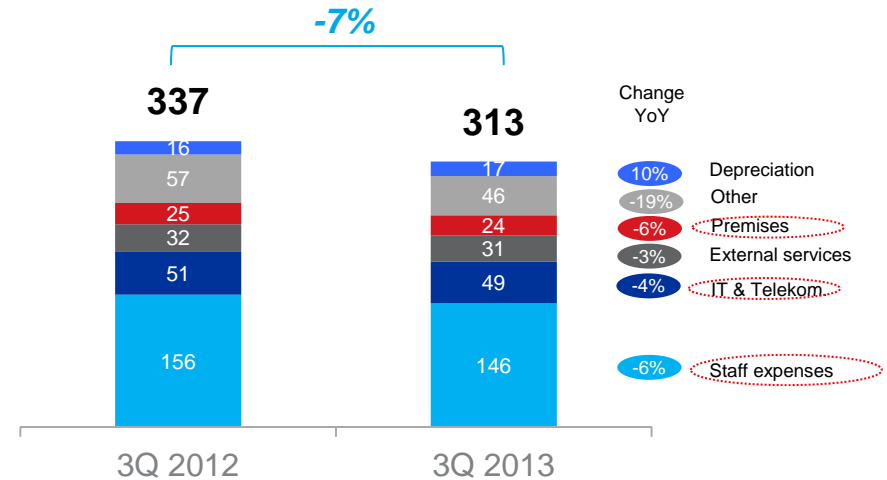


Consistent cost control

Expenses and depreciation (PLN MM)



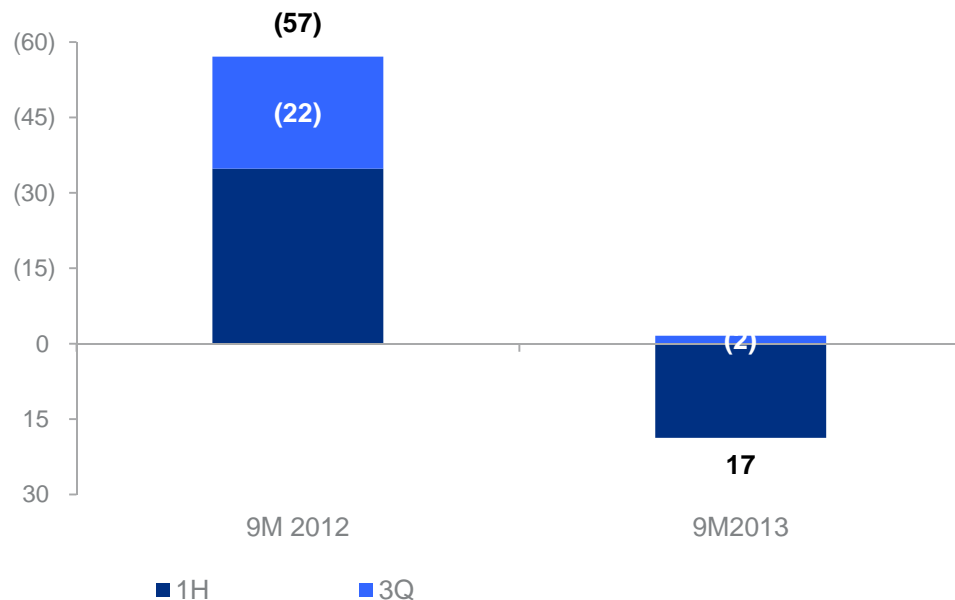
Expenses and depreciation (PLN MM) by type



- **The YoY decrease in Bank's expenses** mainly due to:
 - the branch network optimization and employment restructuring (the decrease in staff and premises expenses)
 - lower advertising & marketing spending and lower telecommunication & IT expenses
- **Cost / Income ratio** at **50%** after 9 months of 2013

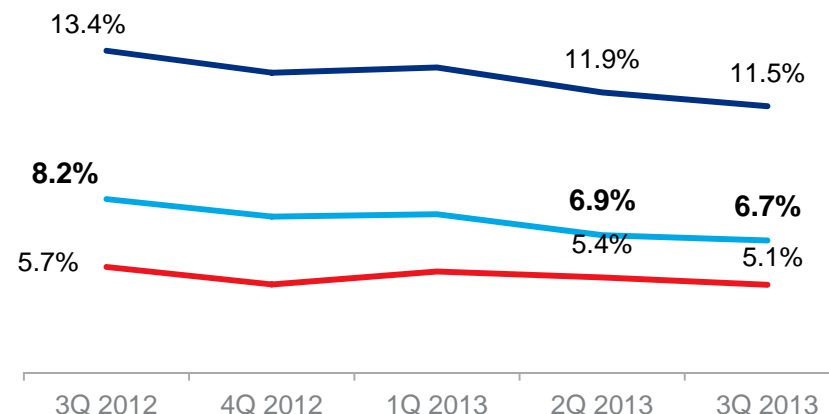
Further improvement in credit risk

Net impairment losses (PLN MM)

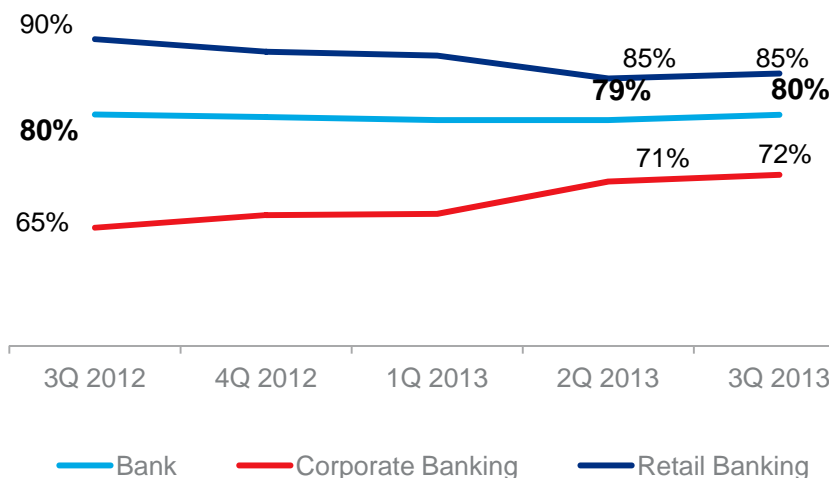


- NPL ratio at **6.7%**, down both in QoQ and YoY terms driven by **better loan portfolio quality** in retail and corporate customers' segments
- Provision coverage ratio remaining at a high level of 80%
- Annualized **cost of risk** significantly **below the sector** in 3Q'13 (**-0.1%** vs **0.9%** in sector)

Non-performing loans ratio (NPL)

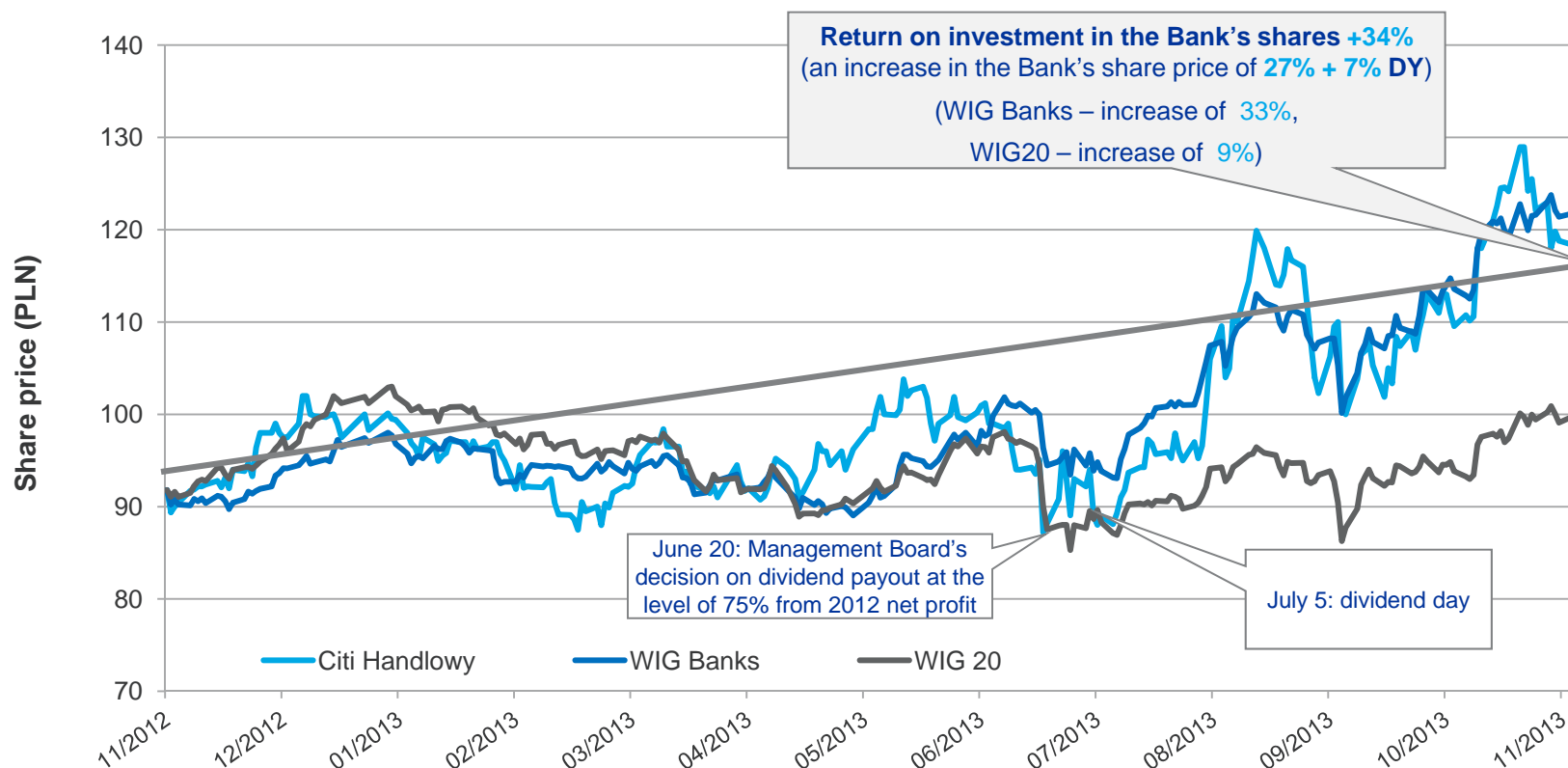


Provision coverage ratio



Change in Citi Handlowy's share price in the latest 12M horizon

Citi Handlowy's share price vs. main indices



Note: The latest listing as of November 6, 2013 (Citi Handlowy: PLN 116.25)

Dividends paid by Citi Handlowy since its debut on the WSE

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Dividend payout ratio	23%	31%	39%	64%	100%	100%	100%	100%*	80%	86%	77%	0%	94%	100%	50%	75%
Dividend yield	3.1%	1.9%	3.8%	1.7%	2.3%	2.6%	3.1%	18.7%	5.6%	5.8%	4.5%	-	7.1%	7.1%	3.3%	7.1%

Markets in 2014 – expectations

Macroeconomic environment

- Continued economic recovery – investments and consumption growth
- Low interest rates – first hikes of base rates likely in 2H 2014 at the earliest
- Unemployment rate decrease
- Uncertainty surrounding the budget draft for 2014

Banking sector

- Pressure on revenue (lower interchange, low interest rates) requiring the expenses discipline
- Stabilisation fund fee – additionally burdening the banks' results
- Growth of demand for investment and working capital loans
- Continued recovery in consumer lending (cash loans and mortgage loans)

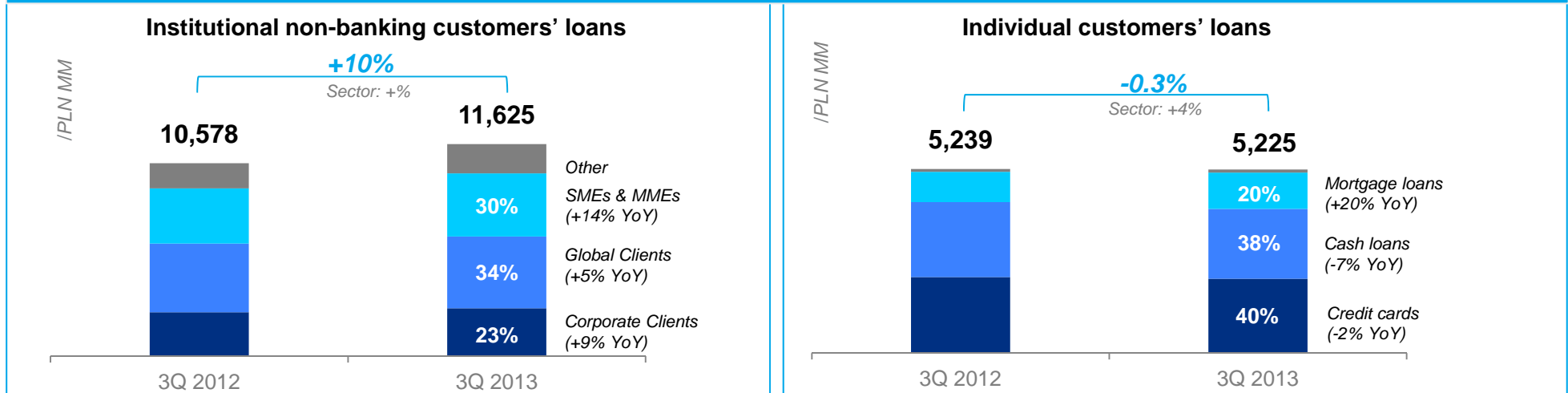
Financial markets

- ECM market recovery – the postponed transactions execution
- Possible high volatility of Zloty exchange rate and bond yields
- Further shift from banking deposits towards investment funds
- Impact of pension system changes on the capital market

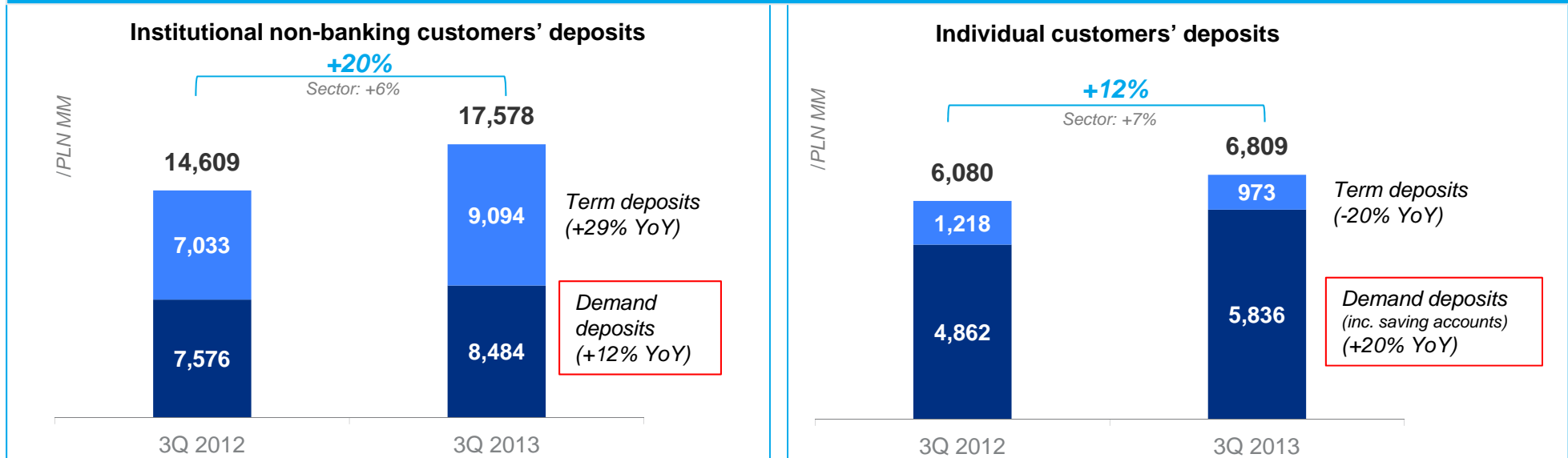
Appendix

Customer volumes

Growth in loans in the environment of limited demand for financing

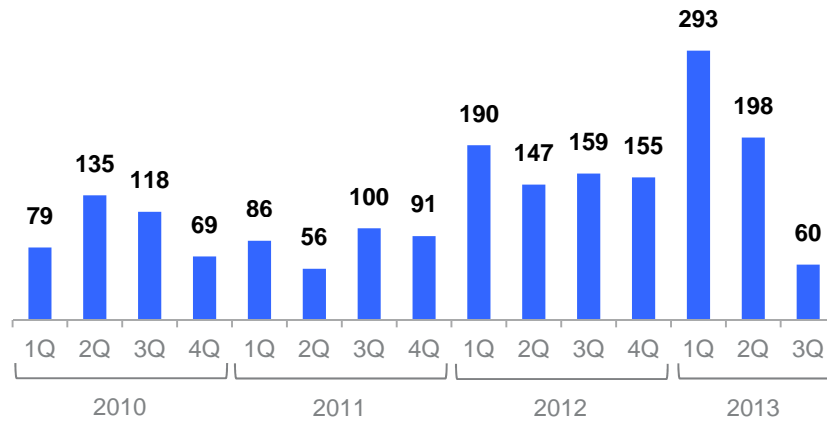


Significant growth in deposits as a result focus on the operating accounts

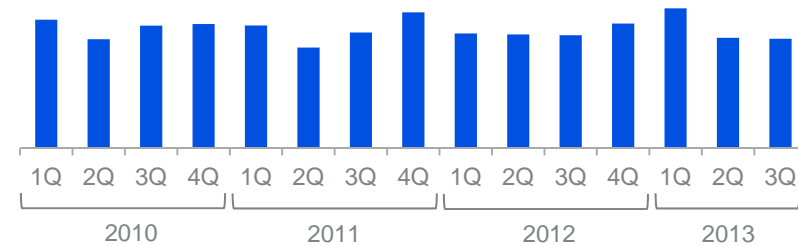


Treasury

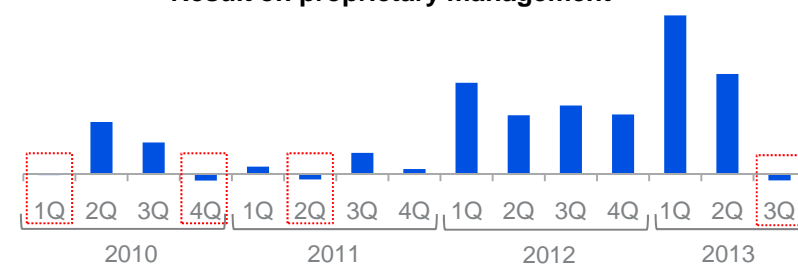
Treasury result (PLN MM)



Result on customer operations



Result on proprietary management

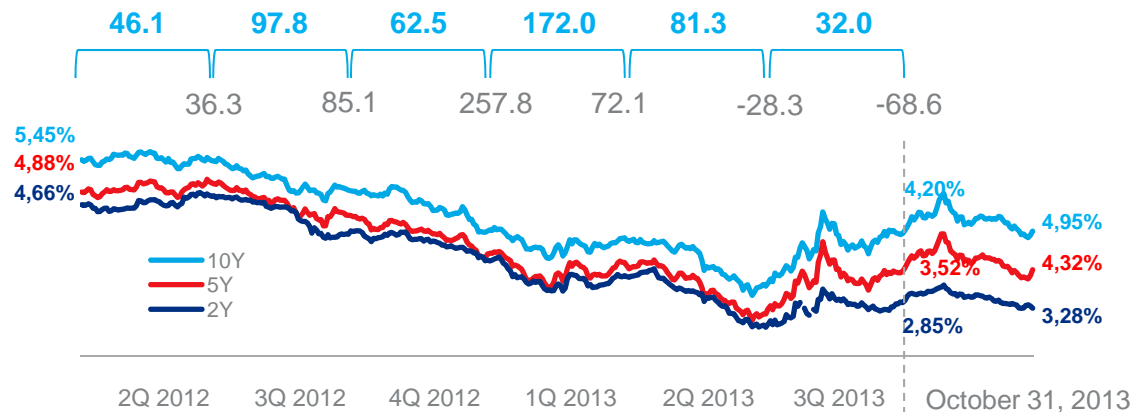


Note: The scales on the graphs are not comparable.

Government bond yields vs. gains on sale of debt securities (PLN MM)

Gains on sale of the portfolio in respective quarter (PLN MM)

Valuation in the equity as of the end of a quarter (PLN MM)



Yield change YoY: -38 bps, -58 bps, -103 bps
 Yield change YTD: 46 bps, 30 bps, -30 bps

Income statement – Bank

PLN MM	3Q12	4Q12	1Q13	2Q13	3Q13	3Q13 vs. 2Q13		3Q13 vs. 3Q12	
						PLN MM	%	PLN MM	%
Net interest income	370	351	327	311	306	(4)	(1%)	(64)	(17%)
Interest income	532	497	442	412	402	(10)	(2%)	(129)	(24%)
Interest expenses	(161)	(145)	(115)	(102)	(96)	6	(5%)	65	(40%)
Net fee and commission income	152	144	164	165	153	(12)	(7%)	1	1%
Dividend income	1	-	-	4	0	(4)	(97%)	(1)	(88%)
Gains on AFS debt securities	98	63	172	81	32	(49)	(61%)	(66)	(67%)
FX and trading	61	93	121	117	28	(89)	(76%)	(33)	(54%)
Treasury	159	155	293	198	60	(138)	(70%)	(99)	(62%)
Net gain on capital investment instruments	-	-	2	-	-	-	-	-	-
Net other operating income	(8)	(5)	9	0	(1)	(1)	-	7	(90%)
Revenue	674	645	795	679	519	(160)	(24%)	(156)	(23%)
Expenses	(321)	(300)	(331)	(318)	(296)	22	(7%)	25	(8%)
Depreciation	(16)	(15)	(13)	(13)	(17)	(4)	28%	(2)	10%
Expenses and depreciation	(337)	(315)	(345)	(331)	(313)	18	(5%)	24	(7%)
Operating margin	338	330	450	348	206	(142)	(41%)	(132)	(39%)
Net impairment losses	(22)	(1)	(10)	29	(2)	(31)	-	21	(93%)
EBIT	316	329	440	376	205	(171)	(45%)	(111)	(35%)
Corporate income tax	(64)	(85)	(84)	(75)	(40)	36	(47%)	25	(38%)
Net profit	251	245	355	300	165	(135)	(45%)	(86)	(34%)
C/I ratio	50%	49%	43%	49%	60%				

Balance sheet – key items

PLN B	End of period					3Q13 vs. 2Q13		3Q13 vs. 3Q12	
	3Q12	4Q12	1Q12	2Q13	3Q13				
Cash and balances with the Central Bank	0.9	1.4	1.0	0.8	2.4	1.7	220%	1.5	160%
Amounts due from banks	2.1	1.5	1.4	2.3	2.5	0.2	9%	0.4	19%
Financial assets held-for-trading	5.9	6.8	9.2	8.9	6.4	(2.5)	(28%)	0.5	8%
Debt securities available-for-sale	8.7	15.0	12.0	14.1	15.8	1.7	12%	7.1	81%
Customer loans	15.8	16.2	16.3	17.0	16.8	(0.2)	(1%)	1.0	7%
Financial sector entities	1.2	0.9	1.6	2.4	2.1	(0.4)	(15%)	0.9	74%
Non-financial sector entities	14.6	15.3	14.7	14.6	14.8	0.2	1%	0.2	1%
Corporate Banking	9.4	10.0	9.5	9.4	9.6	0.2	2%	0.2	2%
Retail Banking	5.2	5.3	5.2	5.2	5.2	(0.0)	(0%)	(0.0)	(0%)
Credit cards	2.2	2.2	2.0	2.1	2.1	0.0	1%	(0.0)	(2%)
Cash loans	2.1	2.1	2.1	2.1	2.0	(0.1)	(4%)	(0.1)	(7%)
Mortgage	0.9	0.9	1.0	1.0	1.0	0.0	2%	0.2	20%
Other assets	3.0	2.6	2.8	3.2	3.3	0.1	2%	0.3	9%
Total assets	36.5	43.5	42.7	46.3	47.2	1.0	2%	10.7	29%
Liabilities due to banks	2.6	2.4	5.7	7.1	7.6	0.5	7%	5.0	196%
Financial liabilities held-for-trading	4.7	5.8	5.3	4.8	5.4	0.6	12%	0.8	17%
Financial liabilities due to customers	20.9	26.9	22.8	25.0	25.4	0.4	2%	4.5	21%
Financial sector entities - deposits	2.6	2.8	3.0	4.2	3.9	(0.3)	(7%)	1.4	53%
Non-financial sector entities - deposits	18.1	20.8	19.1	20.0	20.5	0.4	2%	2.3	13%
Corporate Banking	12.0	14.9	12.7	13.3	13.6	0.4	3%	1.6	13%
Retail Banking	6.1	5.9	6.4	6.8	6.8	0.0	1%	0.7	12%
Other financial liabilities	0.2	3.2	0.7	0.7	0.9	0.3	39%	0.8	418%
Other liabilities	1.4	1.1	1.4	2.4	1.7	(0.7)	(28%)	0.3	22%
Total liabilities	29.5	36.1	35.2	39.3	40.1	0.8	2%	10.6	36%
Equity	7.0	7.4	7.6	7.0	7.1	0.1	2%	0.2	2.2%
Total liabilities & equity	36.5	43.5	42.7	46.3	47.2	1.0	2%	10.7	29%
Loans / Deposits ratio	81%	73%	77%	73%	72%				
Capital Adequacy Ratio	17.6%	18.1%	18.5%	17.5%	16.7%				

Corporate Banking – income statement

PLN MM	3Q12	4Q12	1Q13	2Q13	3Q13	3Q13 vs. 2Q13		3Q13 vs. 3Q12	
						PLN MM	%	PLN MM	%
Net interest income	175	164	152	147	147	0	0%	(28)	(16%)
Interest income	306	279	238	220	221	0	0%	(85)	(28%)
Interest expenses	(131)	(116)	(86)	(74)	(74)	(0)	0%	57	(44%)
Net fee and commission income	59	61	83	75	66	(9)	(13%)	7	12%
Dividend income	1	-	-	1	0	(1)	(91%)	(1)	(88%)
Gains on AFS debt securities	98	63	172	81	32	(49)	(61%)	(66)	(67%)
FX and trading	52	84	113	108	19	(89)	(82%)	(33)	(63%)
Treasury	150	147	285	190	51	(138)	(73%)	(98)	(66%)
Net gain on capital investment instruments	-	-	2	-	-	-	-	-	-
Net other operating income	1	1	15	5	5	0	0%	4	-
Revenue	385	372	536	418	269	(149)	(36%)	(116)	(30%)
Expenses	(142)	(162)	(156)	(135)	(129)	6	(4%)	13	(9%)
Depreciation	(6)	(7)	(7)	(6)	(6)	0	(2%)	0	(4%)
Expenses and depreciation	(149)	(169)	(163)	(142)	(135)	6	(4%)	14	(9%)
Operating margin	237	203	373	276	134	(143)	(52%)	(103)	(43%)
Net impairment losses	(16)	(4)	(14)	(7)	3	10	-	19	-
EBIT	221	200	359	269	137	(131)	(49%)	(84)	(38%)
C/I ratio	39%	45%	30%	34%	50%				

Retail Banking – income statement

PLN MM	3Q12	4Q12	1Q13	2Q13	3Q13	3Q13 vs. 2Q13		3Q13 vs. 3Q12	
						PLN MM	%	PLN MM	%
Net interest income	195	188	175	164	159	(5)	(3%)	(36)	(18%)
Interest income	225	217	204	192	182	(10)	(5%)	(44)	(19%)
Interest expenses	(30)	(30)	(28)	(28)	(22)	6	(21%)	8	(27%)
Net fee and commission income	93	83	81	90	87	(3)	(3%)	(6)	(6%)
Dividend income	-	-	-	3	-	(3)	(100%)	--	
FX and trading	9	8	8	9	9	0	1%	(1)	(6%)
Net other operating income	(8)	(6)	(5)	(5)	(6)	(1)	25%	3	(32%)
Revenue	289	273	259	261	249	(11)	(4%)	(39)	(14%)
Expenses	(179)	(138)	(175)	(183)	(167)	16	(9%)	12	(7%)
Depreciation	(9)	(8)	(7)	(7)	(11)	(4)	55%	(2)	19%
Expenses and depreciation	(188)	(146)	(182)	(189)	(178)	12	(6%)	10	(6%)
Operating margin	101	127	77	71	72	1	1%	(29)	(29%)
Net impairment losses	(7)	3	4	36	(5)	(41)	-	2	(29%)
EBIT	94	130	81	107	67	(40)	(37%)	(27)	(29%)
C/I ratio	65%	53%	70%	73%	71%				

Retail banking operational data and volumes

Operational data (in thousand)	3Q12	4Q12	1Q13	2Q13	3Q13	3Q13 vs. 2Q13		3Q13 vs. 3Q12	
						thous.	%	thous.	%
Current accounts	588	586	586	585	578	(7)	(1%)	(10)	(2%)
including operating accounts	181	181	178	178	165	(13)	(7%)	(16)	(9%)
Saving accounts	195	193	196	197	195	(2)	(1%)	0	0%
Credit cards	807	795	793	791	785	(6)	(1%)	(22)	(3%)
including co-branded cards	468	464	467	472	472	1	0%	4	1%
Debit cards	425	418	428	454	427	(27)	(6%)	2	0%
including PayPass cards	363	365	382	413	389	(25)	(6%)	26	7%
Volumes (PLN million)	3Q12	4Q12	1Q13	2Q13	3Q13	3Q13 vs. 2Q13		3Q13 vs. 3Q12	
						PLN MM	%	PLN MM	%
Deposits	6,080	5,887	6,401	6,771	6,809	38	1%	729	12%
Demand deposits	2,411	2,385	2,459	2,537	2,544	6	0%	133	6%
Other deposits	3,669	3,501	3,942	4,233	4,265	31	1%	595	16%
including saving accounts	2,432	2,426	2,968	3,253	3,259	6	0%	826	34%
Loans	5,239	5,260	5,180	5,244	5,225	(19)	(0%)	(15)	(0%)
Credit cards	2,161	2,150	2,038	2,084	2,114	30	1%	(47)	(2%)
Cash loans	2,135	2,104	2,092	2,080	1,989	(91)	(4%)	(146)	(7%)
Mortgage loans	862	926	978	1,008	1,032	24	2%	170	20%