Executive summary

**Poland:**
- The biggest and most stable economy in the region *(nominal 2012 GDP: PLN 1,596 B, 47% of CEE GDP)*
- Expected recovery *(GDP change in 2012: 1.9%; in 2013F: 1.3%; 2014F: 2.8%)*
- Bond yields increase on the back of economic recovery and expectations of QE tapering by Fed resulting in foreign portfolio capital outflows from EM

**Banking sector:**
- Net income at close to record high levels but achieved mostly through lower net impairment losses with revenue remaining weak *(Net income -1% YoY - PLN 96 MM, net impairment losses -26% YoY – PLN 1.5 B, revenue -6% YoY - PLN 2.1 B, net interest income -8% YoY – PLN 1.7 B, net fee and commission income -2% YoY – PLN 0.2 B)*
- Lending weak but showing signs of moderate recovery in retail business *(total loans +3% YoY, mortgage loans +5% YoY, unsecured lending -2% YoY corporate loans +1% YoY)*
- Results under pressure despite macroeconomic upturn *(additional fees paid to BGF, interchange cut from 1.1% to 0.5%, interest rates to remain at historically low levels)*

**Citi Handlowy (1H 2013):**
- Top 4 bank in Poland 8% market share in terms of net profit
- Strong capital and liquidity positions CAR 17.5% - tier 1 only, loans/deposits 73%
- High efficiency ROTCE 22.2%, ROA 2.7%, C/I 46%
- Leading corporate & commercial bank #1 in FX, custody services and brokerage servicing 75 out of 100 top-tier local companies
- Leader in credit cards 21% market share in transaction volumes 18% market share in credit cards’ loans
- Commitment to community financial education, national heritage, environment protection

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**BANK HANDLOWY W WARSZAWIE SA**

The oldest operating commercial bank in Poland with strong local relationships and well placed local network

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Shareholding structure

- Other shareholders 25%
- Citibank Overseas Investment Corporation 75%
Economic environment

Monetary policy

Reference rate will remain unchanged at least till mid-2014

Bond market

Domestic bond yields increased in 2Q (%)

Economic growth

Rising PMI signals acceleration of GDP growth in 2H

Labour market

Unemployment rate started falling and new jobless claims growth weakened
# Citi Handlowy strategic directions for 2012-2015

## CORE STRENGTHS
- Strong capital base and high liquidity (meeting Basel III requirements)
- Leading position in FX, Cash Mgmt, securities & custody services, brokerage and cards
- Access to Citi global network, product expertise and global clients
- Quality and Innovation culture
- Centralized and high-quality operations
- Talented and well-qualified employees

## KEY FOCUS AREAS
- Intensified efforts aimed at increasing efficiency both in retail and corporate segment
- Concentration on largest cities (G9) – branch network realignment
- Focus on affluent and emerging affluent customers
- Credit cards and operating accounts as key focus products
- Emerging Market Champions (in Poland and abroad)
- New clients acquisition within SME segment

## ASPIRATIONS
- #1 in Cards, global subsidiaries, FX, securities & custody services
- Top 3 in servicing largest Polish Corporates, Cash Management and Trade
- NPS >30% in selected products and clients segments
- Top 5 bank in Poland in terms of EBIT
- Operating Efficiency: C/I ~50%
- Assets Profitability (ROA): Top 3 bank in Poland
Diversified revenue stream

Institutional Banking

- Treasury 50%
- Fees 17%
- Interests 31%
- Other 2%

Key drivers:
- Customer result
- AFS
- Trading

Key drivers:
- Cash management
- Custody
- Brokerage

Retail Banking

- Interests 65%
- Fees 33%
- Other 2%

Key drivers:
- Credit cards
- Investment & insurance products

Key drivers:
- Customer business
- Debt securities

Net Fee Income 22%

Net Interest Income 43%

1H 2013

PLN 1.5 B

Institutional Banking 65%

Retail Banking 35%

1H 2013
Diversified revenue stream – key drivers in Institutional Banking

- **Local Corporates**: Servicing 75 out of Top 100 companies in Poland
- **Global Subsidiaries**: Access to Citi global network, products, relationships and expertise
- **Local Commercial**: Focus on operating accounts and clients acquisition

### PRODUCTS

#### Transaction Services
- Cash
- Trade
- Custody

#### Markets
- FX & Derivatives
- Debt Securities
- Equities

#### Investment Banking
- ECM
- M&A advisory

### Emerging Markets Champions initiative
- Global footprint and expertise to support clients in international expansion

#### #1 in Custody services
- 47% market share

#### #1 in Equities turnover
- 13% market share

#### #1 in Customer FX
- 2013 Euromoney ranking (13% market share)

#### 1H 2013 Revenue split
- Local Commercial: 34%
- Corporate: 20%
- Global Subsidiaries: 46%

- **PLN 1.5 B**

- **Institutional Banking**: 65%

#### Debt securities
- Polish government bonds and Central Bank bills

#### 1H 2013 Revenue split
- **Accelerated book-building**
  - Global Coordinator Citi handlowy
  - PLN 5.2 B -1H 2013-

- **Secondary Public Offering**
  - Global Coordinator Citi handlowy
  - PLN 4.9 B -1H 2013-

- **Accelerated book-building**
  - Joint Bookrunner Citi handlowy
  - PLN 3.7 B -2H 2012-

- **Banking services for the next 5-year term**
  - Citi handlowy
  - PLN 6.7 B -1H 2013-

- **Citi handlowy**
- Global Coordinator
- PLN 4.9 B -1H 2013-
Diversified revenue stream – key drivers in Retail Banking

Credit cards
- #1 in transaction volume
- 21% market share
- #1 in credit cards loans
- 18% market share
- #1 in co-branded cards

Wealth Management
- Focus on affluent customers
- +12% YoY in number of Gold & Gold Select customers
- Investment and insurance products
- 45% of net fee income
- +94% YoY in number of investment profile customers

Retail Banking
- Cash loans
  - 57% of interest income of Retail Banking
- Operating accounts
  - +6% YoY volume growth
- Mortgage loans
  - +33% YoY volume growth

1H 2013 Revenue split
- Credit cards 41%
- Wealth Management 26%
- Retail Lending 31%
- Other 3%

Digitization
Transformation of key city network via smart ecosystem
- The first smart branch opened in September in Poland
- Focus on the most attractive Hot Spots in selected top cities

Leader in mobile solutions
- 143 thousand Citi Mobile users (+68% YoY)
- ~30% penetration of customer current accounts vs. 7% penetration on the market
- 68% YoY growth of the number of transactions conducted via Citi Mobile
Citi Handlowy – financial results (PLN MM)

### Revenues
- **Institutional Banking**
  - 2010: 1,144MM
  - 2011: 1,111MM
  - 2012: 1,134MM
  - 1H 2012: 573MM
  - 1H 2013: 520MM
- **Retail Banking**
  - 2010: 1,414MM
  - 2011: 1,316MM
  - 2012: 1,593MM
  - 1H 2012: 835MM
  - 1H 2013: 954MM

**Changes**:
- 2011 vs 2010: -5% (Institutional), +12% (Retail)
- 2012 vs 2011: +5% (Institutional), +1% (Retail)
- 1H 2012 vs 1H 2011: -621MM (Institutional), -623MM (Retail)
- 1H 2013 vs 1H 2012: -636MM (Institutional), -304MM (Retail)

### Expenses
- **Institutional Banking**
  - 2010: 1,432MM
  - 2011: 1,430MM
  - 2012: 1,473MM
  - 1H 2012: 1,408MM
  - 1H 2013: 1,473MM
- **Retail Banking**
  - 2010: -755MM
  - 2011: -736MM
  - 2012: -772MM
  - 1H 2012: -621MM
  - 1H 2013: -623MM
- **Restructuring reserve**
  - 2010: 0MM
  - 2011: -371MM
  - 2012: -336MM
  - 1H 2012: -28MM
  - 1H 2013: -9MM

**Changes**:
- 2011 vs 2010: -2% (Institutional), -13% (Retail)
- 2012 vs 2011: +4% (Institutional), -0.2% (Retail)
- 1H 2012 vs 1H 2011: -28MM (Institutional), -9MM (Retail)
- 1H 2013 vs 1H 2012: -21MM (Institutional), -19MM (Retail)

### Net impairment losses
- **Institutional Banking**
  - 2010: -243MM
  - 2011: -270MM
  - 2012: -277MM
  - 1H 2012: -35MM
  - 1H 2013: -40MM
- **Retail Banking**
  - 2010: -24%
  - 2011: -24%
  - 2012: -24%
  - 1H 2012: -28%
  - 1H 2013: -35%

**Changes**:
- 2011 vs 2010: -68%
- 2012 vs 2011: -58%
- 1H 2012 vs 1H 2011: -28%
- 1H 2013 vs 1H 2012: -35%

### Net profit
- **Institutional Banking**
  - 2010: 755MM
  - 2011: 736MM
  - 2012: 970MM
  - 1H 2012: 474MM
  - 1H 2013: 656MM
- **Retail Banking**
  - 2010: -270MM
  - 2011: -371MM
  - 2012: -336MM
  - 1H 2012: -28MM
  - 1H 2013: -9MM

**Changes**:
- 2011 vs 2010: +32%
- 2012 vs 2011: +38%
- 1H 2012 vs 1H 2011: +32%
- 1H 2013 vs 1H 2012: +38%
### Liquidity position allowing for assets growth

#### Loans (PLN B)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>1H 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate &amp; financial institutions</td>
<td>12.3</td>
<td>14.7</td>
<td>16.2</td>
<td>17.0</td>
</tr>
<tr>
<td>Individual clients</td>
<td>5.3</td>
<td>5.1</td>
<td>5.3</td>
<td>5.2</td>
</tr>
</tbody>
</table>

Growth: +39%  

#### Deposits (PLN B)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>1H 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate &amp; financial institutions</td>
<td>23.6</td>
<td>23.9</td>
<td>23.6</td>
<td>24.2</td>
</tr>
<tr>
<td>Individual clients</td>
<td>5.7</td>
<td>6.0</td>
<td>5.9</td>
<td>6.8</td>
</tr>
</tbody>
</table>

Growth: +3%  

---

#### Net interest margin

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>1H 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citi Handlowy</td>
<td>4.6%</td>
<td>4.3%</td>
<td>4.4%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Sector</td>
<td>3.8%</td>
<td>3.7%</td>
<td>3.7%</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

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#### Loans to deposits ratio

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>1H 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector</td>
<td>111%</td>
<td>116%</td>
<td>112%</td>
<td>110%</td>
</tr>
<tr>
<td>Citi Handlowy</td>
<td>57%</td>
<td>63%</td>
<td>73%</td>
<td>73%</td>
</tr>
</tbody>
</table>

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Margin for 2011 excluding one-off transaction with Banco Santander.
Cost of risk

### Net impairment losses (PLN MM)

<table>
<thead>
<tr>
<th>Year</th>
<th>Institutional Banking</th>
<th>Retail Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>-270</td>
<td>28</td>
</tr>
<tr>
<td>2011</td>
<td>-97</td>
<td>40</td>
</tr>
<tr>
<td>2012</td>
<td>-58</td>
<td>-26</td>
</tr>
<tr>
<td>1H 2012</td>
<td>-25</td>
<td>26</td>
</tr>
<tr>
<td>1H 2013</td>
<td>-35</td>
<td>40</td>
</tr>
</tbody>
</table>

### Non-performing loans ratio (NPL)

<table>
<thead>
<tr>
<th>Year</th>
<th>Citi Handlowy</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>11.4%</td>
<td>8.8%</td>
</tr>
<tr>
<td>2011</td>
<td>9.4%</td>
<td>8.2%</td>
</tr>
<tr>
<td>2012</td>
<td>8.8%</td>
<td>7.5%</td>
</tr>
<tr>
<td>1H 2013</td>
<td>7.6%</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

### Cost of risk

<table>
<thead>
<tr>
<th>Year</th>
<th>Citi Handlowy</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2.1%</td>
<td>1.7%</td>
</tr>
<tr>
<td>2011</td>
<td>0.6%</td>
<td>1.1%</td>
</tr>
<tr>
<td>2012</td>
<td>0.4%</td>
<td>1.1%</td>
</tr>
<tr>
<td>1H 2012</td>
<td>0.4%</td>
<td>1.1%</td>
</tr>
<tr>
<td>1H 2013</td>
<td>0.03%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

### Provision coverage ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Citi Handlowy</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>67%</td>
<td>54%</td>
</tr>
<tr>
<td>2011</td>
<td>77%</td>
<td>55%</td>
</tr>
<tr>
<td>2012</td>
<td>80%</td>
<td>54%</td>
</tr>
<tr>
<td>1H 2013</td>
<td>79%</td>
<td>54%</td>
</tr>
</tbody>
</table>

- Improvement of quality of retail loans portfolio reflecting changes in credit policies made in the previous years
- Underlying improvement of NPL ratio
- Provision coverage at a high level of 79%
Strong capital base

BHW Capital Adequacy Ratio* (Tier 1)

NBP reference rate*

5-year T-bond yield*

BHW Dividend Yield

*End of year values
Building shareholder value

Citi Handlowy stock price vs. main indices since 2010

Dynamics since 2010 / YTD 2013:
Citi Handlowy: +47% / +5%
WIG Banks: +24% / +11%
WIG20: -3% / -10%

Note: The latest listing as of September 17, 2013 (Citi Handlowy: PLN 105.00)

Return on investment in banks’ shares in 2010-2013

Diversity of banks

Bank 1
Citi Handlowy
WIG20
WIG Banks
Bank 7
Note: Share price change on the basis of closing listing as at 17/09/2013 and as at 04/01/2010. Dividend yield on the basis of dividend paid in 2010-2013.

Dividends paid by Citi Handlowy since its debut on the WSE

<table>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend payout ratio</td>
<td>23%</td>
<td>31%</td>
<td>39%</td>
<td>64%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>80%</td>
<td>86%</td>
<td>77%</td>
<td>0%</td>
<td>94%</td>
<td>100%</td>
<td>50%</td>
<td>75%</td>
</tr>
<tr>
<td>Dividend yield</td>
<td>3.1%</td>
<td>1.9%</td>
<td>3.8%</td>
<td>1.7%</td>
<td>2.3%</td>
<td>2.6%</td>
<td>3.1%</td>
<td>18.7%</td>
<td>5.6%</td>
<td>5.8%</td>
<td>4.5%</td>
<td>-</td>
<td>7.1%</td>
<td>7.1%</td>
<td>3.3%</td>
<td>7.1%</td>
</tr>
</tbody>
</table>

* Payout ratio related only to 2004 net profit, excluding special dividend
Management Board of Citi Handlowy

Sławomir S. Sikora
President and CEO of Citi Handlowy since 2003
- Member of Citigroup Management Committee in New York, 2005-2008
- President of the Management Board of American Bank in Poland, 2001-2003
- Deputy President of the Management Board of Powszechny Bank Kredytowy S.A., 1994-2001
- Member of the Board of the Polish Bank Association (ZBP); Vice President of the Board of the Polish Confederation of Private Employers Lewiatan; Member of the Emerging Markets Advisory Council in International Institute of Finance
- Graduate of Warsaw School of Economics (SGH)
- 10 years at Citi/ Bank Handlowy; 19 years in the industry

Witold Zieliński
Vice President of the Board
- Chief Financial Officer
- 27 years at Citi/ Bank Handlowy

Misbah Ur-Rahman-Shah
Vice President of the Board
- Citi Markets Head, Poland&CEE
- 23 years at Citi/ Bank Handlowy

Brendan Carney
Vice President of the Board
- Consumer Banking Head
- 11 years at Citi/ Bank Handlowy

Iwona Dudzińska
Member of the Board
- O&T Head
- 22 years at Citi/ Bank Handlowy
Supervisory Board of Citi Handlowy

Chairman: **Andrzej Olechowski**

- A member of supervisory boards or advisory committees in: Euronet, Layetana Developments Polska, MCI Management S.A., ACE, Citigroup Europe, Macquarie European Infrastructure Fund
- A former Minister of Finance and Minister of Foreign Affairs of the Republic of Poland, a candidate for the President of the Republic of Poland
- Deputy Governor of the National Bank of Poland
- European Vice Chairman of the Trilateral Commission and a member of a member of non-governmental organizations
- A lecturer at prestigious universities and an author of numerous publications on international trade and foreign policy
- Graduate of Warsaw School of Economics (Ph.D. Degree in Economics)

Vice Chairman: **Shirish Apte**

- Vice Chairman of the Supervisory Board of Citi Handlowy since 2003
- A member of Citi Business Development Committee and the Senior Advisory Group
- Senior Risk Manager in London
- Corporate Finance Head for Central and Eastern Europe, Middle East and Africa (CEEMEA)
- Country Manager in Poland and Vice President of Bank Handlowy w Warszawie
- CEO of Central and Eastern Europe and then CEO of South Asia in Citi Asia Pacific
- CEO of Asia Pacific Banking
- Chartered Accountant from the Institute of Chartered Accountants in England and holds an MBA from London Business School
- More than 28 year’s experience with Citi

Members of the Supervisory Board:

- **Adnan Omar Ahmed** - Head of Human Resources for Europe, Middle East and Africa, and Global Head of Citi Shared Services
- **Igor Chalupec** – Executive Partner and President of the Management Board of ICENTIS Sp. z o.o., Corporate Solutions S. K-A and ICENTIS Capital Sp. z o.o.
- **Mirosław Gryszka** – President of ABB Sp. z o.o. and Country Manager of ABB Group in Poland
- **Marc Luet** - Chief Executive Officer of Consumer for Europe, the Middle East and Africa (EMEA), Citi
- **Frank Mannion** - Chief Financial Officer for Europe, the Middle East and Africa (EMEA), Citi
- **Dariusz Mioduski** – CEO and President of the Management Board of Kulczyk Investments S.A. and Kulczyk Holding S.A.
- **Anna Rulkiewicz** – CEO of LuxMed sp. z o.o. – a leading medical care provider
- **Stanisław Sołtysień -** Professor of Law, Chairman of the Supervisory Board of Citi Handlowy in 2000-2012
- **Zdenek Turek** - Citi Country Officer for Russia and Citi Division Head for Central and Eastern Europe
- **Stephen R. Volk** - Vice Chairman of Citigroup Inc., responsible for Citigroup Senior Management matters as well as Investment Banking, a member of the Citigroup Executive Committee
2Q 2013 in Citi Handlowy – summary

**High efficiency**
- Another quarter of **solid net profit** (PLN 656 MM as of the end of 1H 2013)
- Increase in net fee & commission income and high income in Treasury
- Discipline in expenses and risk
- Efficiency ratios (ROE, ROTE, ROA) significantly above the sector

**Safety and stability**
- **Decrease in NPL** to 6.9%, both in corporate and retail segment
- Strong capital base (Tier 1 ratio: **17.5%**)
- Stable **liquidity** position (Loans / deposits: **73%**)

**Strategic business areas development**

**Corporate Banking and Financial Markets**
- **Increase in loans** in SME/MME segment and limited demand in the area of large companies
- **Leader in FX turnover** for the 5th consecutive time (in the ranking of Euromoney)
- Constant **#1** position of DMBH in terms of turnover on the WSE with **12.9%** share

**Retail Banking**
- **Increase** in the number of Gold and Gold Select clients (+3% QoQ; +12% YoY)
- Downward trend in lending reversed: +1% QoQ and YoY – **increase** in credit cards and mortgage loans
- A further **increase** in demand deposits (+7% QoQ and +18% YoY)
## Financial Markets

### FX turnover
- #1 in the category of FX turnover with corporate clients in the ranking of Euromoney (with 36% market share)
- FX turnover volume up by 1% YoY and 7% QoQ

### Brokerage
- #1 in equity turnover volume on the WSE (12.9% market share in session transactions)
- Participation in transactions on the capital market: in 2Q 2013 accelerated sale of stake in Azoty S.A. Group at the level of PLN 626 MM

### Leader in custody services
- Assets under custody up by 19% YoY and 3% QoQ
- 47% market share as of the end of 2Q 2013 (vs. 44% as of the end of 2Q 2012 and 47% as of the end of 1Q 2013)

## Commercial Clients and Public Sector

### Lending volumes
- A further increase in assets in SME/MME segment: +4% QoQ and +14% YoY
- New proposals in financing offer: leasing offer; working capital loans with de minimis guarantees

### Public sector – services tailored to the customers needs
- Short-term financing which secure liquidity maintaining for entities operating in municipal waste industry (e.g. loan for ZMPGO Poznań Agglomeration)

### SME and MME clients acquisition

<table>
<thead>
<tr>
<th>2Q 2013</th>
<th>1H 2013</th>
<th>Target 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>175</td>
<td>309</td>
<td>750</td>
</tr>
</tbody>
</table>

### Emerging Markets Champions Program
- New relations in Corporate Clients segment (local company from oil&gas sector) and Global Clients segment (client from the area of engineering&construction services)
- Above 240 clients covered by the EMC program

### Bond issue
- #1 position as a bond and deposit certificates issue organiser for banks (28% market share according to the „Rating&Rynek” report of the FitchRatings agency)
- Contracts for bond issue program of total value of PLN 3.0 B signed with 2 foreign financial institutions

### Transaction services

#### Cash management
- Focus on operating accounts: growth of demand deposits by 23% YoY and 1% QoQ
- Escrow account for developers: a new solution for clients looking for developer transactions collateral

#### Trade finance growth
- Increase in assets of 58% YoY, 12% QoQ
- Factoring products development, including Supplier Financing Programs (several new Programs for the largest Bank’s clients implemented of total value of PLN 200 MM; program for one of the largest retailer in Poland increased to PLN 400 MM)
Retail Banking in 2Q 2013

**Relationship banking**

**Focus on Gold and Gold Select clients**
- **Increase** in the number of Citigold and Citigold Select clients (+3% QoQ; +12% YoY)
- **Growth in the number of active clients** (assets min. PLN 200 thous.) of 8% QoQ and 16% YoY

**Citi Handlowy for clients with saving and investment needs**
- **Change in deposit offer** - the growth of deposits volume of 6% QoQ and 11% YoY
- Growth in the number of **investment profile clients** of 15% QoQ and 94% YoY
- Net sales of **investment products** – growth of 251% QoQ

**Digitization**

**Leader in mobile solutions**
- **143 thous.** Citi Mobile users (85 thous. in 2Q 2012)
- 68% YoY and 18% QoQ growth of the number of transactions conducted via Citi Mobile
- „Branches mobilization” – active promoting of online banking (branches equipped with mobile stands with smartphones)

**New functionalities in Citi Mobile**
- Possibility to spread out credit card debt via mobile banking
- Geolocator of discounts available for Citi credit cards owners all over the world and ATMs of Citi Handlowy and partners

**Credit cards**

**Leading position maintained**
- **#1 in terms of transactions volume** (22% market share as of 1Q 2013)
- **#1 in terms of credit cards loans** (18% market share as of the end of June 2013)
- 42.5% market share in terms of value of credit cards **foreign transactions**

**Credit cards acquisition**
- **Growth of acquisition** by 2% QoQ and 3% YoY for main cards
- **Citibank World** and Citibank Wizz Air credit cards constantly as key drivers of acquisition

**Leader in quality**

**#1 in Gold segment in the independent NPS research**

<table>
<thead>
<tr>
<th>Bank 1</th>
<th>Bank 2</th>
<th>Bank 3</th>
<th>Bank 4</th>
<th>Bank 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>57%</td>
<td>0%</td>
<td>57%</td>
<td>0%</td>
<td>53%</td>
</tr>
<tr>
<td>-4%</td>
<td>-9%</td>
<td>-11%</td>
<td>-19%</td>
<td></td>
</tr>
</tbody>
</table>

**Internal NPS result above the strategic target**
- **Branches** 48%
- **Citigold Clients** 49%
- **Strategic target** >30%
**Another quarter of solid net profit**

**Net profit (PLN MM)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2Q 2012</th>
<th>1Q 2013</th>
<th>2Q 2013</th>
<th>1H 2012</th>
<th>1H 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ROA</strong></td>
<td>2.7%</td>
<td>1.1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ROTE</strong></td>
<td>22.2%</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>17.9%</td>
<td>11.4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cost/Income</strong></td>
<td>48.8%</td>
<td>53.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Loans/Deposits</strong></td>
<td>73%</td>
<td>110%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tier 1</strong></td>
<td>17.5%</td>
<td>13.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NPL</strong></td>
<td>6.9%</td>
<td>7.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Key financial ratios in 2Q 2013**

- **ROA**: Bank 2.7%, Sector 1.1%
- **ROTE**: Bank 22.2%, Sector N/A
- **ROE**: Bank 17.9%, Sector 11.4%
- **Cost/Income**: Bank 48.8%, Sector 53.6%
- **Loans/Deposits**: Bank 73%, Sector 110%
- **Tier 1**: Bank 17.5%, Sector 13.7%
- **NPL**: Bank 6.9%, Sector 7.6%

High efficiency of the Bank – ratios better than the sector and strategic targets
Revenue pressure and discipline in expenses and risk

### Revenues (PLN MM)

<table>
<thead>
<tr>
<th></th>
<th>2Q 2012</th>
<th>1Q 2013</th>
<th>2Q 2013</th>
<th>1H 2012</th>
<th>1H 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gains on sale of AFS debt securities</td>
<td>669</td>
<td>795</td>
<td>1,408</td>
<td>1,473</td>
<td></td>
</tr>
<tr>
<td>Sector: -15%</td>
<td>623</td>
<td>623</td>
<td>1,289</td>
<td>1,220</td>
<td></td>
</tr>
<tr>
<td>Sector: +4%</td>
<td>46</td>
<td>172</td>
<td></td>
<td>597</td>
<td></td>
</tr>
<tr>
<td>Sector: +5%</td>
<td>679</td>
<td>81</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- The QoQ decrease in revenues mainly in the area of treasury (due to lower gains on sale of AFS debt securities).
- Net interest income still under pressure — the decrease partly offset by increase in net fee and commission income

### Expenses (PLN MM)

<table>
<thead>
<tr>
<th></th>
<th>2Q 2012</th>
<th>1Q 2013</th>
<th>2Q 2013</th>
<th>1H 2012</th>
<th>1H 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring provision</td>
<td>(-363)</td>
<td>(-345)</td>
<td>(-331)</td>
<td>(-368)</td>
<td>(-676)</td>
</tr>
<tr>
<td>Sector: -9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sector: +2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sector: -4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- The YoY decrease in expenses primarily as a result of the branch network optimization and employment restructuring
- The QoQ decrease in expenses due to seasonally higher level of expenses in 1Q 2013

### Net impairment losses (PLN MM)

<table>
<thead>
<tr>
<th></th>
<th>2Q 2012</th>
<th>1Q 2013</th>
<th>2Q 2013</th>
<th>1H 2012</th>
<th>1H 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>(20)</td>
<td></td>
<td></td>
<td>29</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>(10)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(35)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>49.2 MM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>39.7 MM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>53.5 MM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Cost of risk* maintained at a low level: 3 bps. in 2Q 2013 (vs. 37 bps. in 1Q 2013 and 41 bps. in 2Q 2012)
- Reversal of net impairment losses in Retail Banking due to a further positive trend of portfolio quality improvement and sale of NPL portfolio (PLN 23.3 MM impact on net impairment losses)
- Corporate Banking — the QoQ decrease in net impairment losses and stable YoY level

* Cost of risk calculated on the basis of the sum of the net impairment losses for the latest four quarters to average net loans.
The decrease in net interest income in 2Q 2013, however at a lower pace than in previous quarters, mainly as a result of:

- The decrease in customer interest income (decrease of 10% QoQ and 16% YoY) partly offset by lower interest expenses (the decrease of 12% QoQ and 28% YoY)
- The decrease in interest income from credit cards (as a result of cuts in interest rates partly mitigated by higher volumes)
- Lower interest income from AFS debt securities (the decrease of 6% QoQ and 32% YoY)
- Net interest margin still above the market level, despite the decline
Institutional non-banking customers’ loans

- The QoQ increase in receivables, mainly due to financial sector entities and higher lending volumes in SME and MME segments.
- The QoQ decrease in loans in Corporate and Global Clients segment (the QoQ decrease of 0% and -2% respectively) due to limited demand for working capital and slowdown in investment plans.

Individual customers’ loans

- The increase in credit cards loans (+2% QoQ vs. 0% in sector).
- A further increase in mortgage loans portfolio (portfolio value above PLN 1 B as of the end of 2Q 2013), however at a lower pace than in previous quarters.
- A further downward trend of cash loans.
Deposits – focus on operating accounts

**Institutional non-banking customers’ deposits**

- **+18%**
  - Sector: +6%
  
- **+12%**
  - Sector: +4%

<table>
<thead>
<tr>
<th></th>
<th>2Q 2012</th>
<th>1Q 2013</th>
<th>2Q 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term deposits</td>
<td>14,792</td>
<td>15,652</td>
<td>17,478</td>
</tr>
<tr>
<td>(+8% YoY)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand deposits</td>
<td>6,583</td>
<td>7,920</td>
<td>8,605</td>
</tr>
<tr>
<td>(+31% YoY)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- A double-digit growth of deposits
- Further consistent growth of demand deposits as a result of Bank’s focus on operating accounts

**Individual customers’ deposits**

- **+11%**
  - Sector: +8%
  - Sector: +6%

<table>
<thead>
<tr>
<th></th>
<th>2Q 2012</th>
<th>1Q 2013</th>
<th>2Q 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term deposits</td>
<td>6,113</td>
<td>6,401</td>
<td>6,771</td>
</tr>
<tr>
<td>(+14% YoY)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand deposits</td>
<td>3,721</td>
<td>3,942</td>
<td>4,233</td>
</tr>
<tr>
<td>(+6% YoY)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Inflow of individual customers’ deposits in 2Q 2013, mainly in current accounts and saving accounts (the QoQ growth of 3% and 10% respectively)
- The QoQ increase above the market level

*Retail demand deposits do not include deposits held on saving accounts.*
Net fee & commission income – increase driven by the capital markets

Corporate Banking -9% QoQ and +16% YoY

-9% QoQ and +16% YoY
sector: -3% +1%

Transaction Banking, incl. trade products
-1% QoQ +10% YoY

Corporate Banking 46%
46%

Brokerage -41% QoQ +119% YoY

Custody +5% QoQ +10% YoY

Retail Banking +11% QoQ and +4% YoY

Investment & insurance products +12% QoQ +26% YoY

Credit cards +14% QoQ -8% YoY

Other 6% 1%

Cash loans -8% QoQ -22% YoY

2Q 2012 163.6 165.1 2Q 2013
151.2

Corporate Banking +1%

Retail Banking +9%

44% 33%

-9%

Sector: -3% +1%

-22% YoY -8% QoQ -15% QoQ

-41% QoQ +119% YoY
Treasury result

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
-82 bps
-104 bps
-153 bps

Yield change QoQ
41 bps
27 bps
-5 bps

Yield change QTD
62 bps
63 bps
18 bps
## Expenses and depreciation

### Expenses and depreciation (PLN MM) by segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>2Q 2012</th>
<th>1Q 2013</th>
<th>2Q 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Banking</td>
<td>171.1</td>
<td>162.7</td>
<td>141.5</td>
</tr>
<tr>
<td>Retail Banking</td>
<td>192.1</td>
<td>192.9</td>
<td>189.5</td>
</tr>
</tbody>
</table>

### Expenses and depreciation (PLN MM) by type

<table>
<thead>
<tr>
<th>Type</th>
<th>2Q 2012</th>
<th>1Q 2013</th>
<th>2Q 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff expenses</td>
<td>45.5</td>
<td>46.0</td>
<td>44.8</td>
</tr>
<tr>
<td>External services</td>
<td>15.5</td>
<td>15.1</td>
<td>14.1</td>
</tr>
<tr>
<td>Premises</td>
<td>26.3</td>
<td>22.6</td>
<td>21.1</td>
</tr>
<tr>
<td>Marketing</td>
<td>15.5</td>
<td>15.1</td>
<td>14.1</td>
</tr>
<tr>
<td>Depreciation</td>
<td>49.8</td>
<td>41.6</td>
<td>32.1</td>
</tr>
</tbody>
</table>
| Cost efficiency ratios and employment data

<table>
<thead>
<tr>
<th>Cost / Income ratio</th>
<th>2Q 2012</th>
<th>1Q 2013</th>
<th>2Q 2013</th>
<th>Change QoQ</th>
<th>Change YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank</td>
<td>54%</td>
<td>43%</td>
<td>49%</td>
<td>+11%</td>
<td>+9%</td>
</tr>
<tr>
<td>Corporate Banking</td>
<td>45%</td>
<td>30%</td>
<td>34%</td>
<td>+5%</td>
<td>+4%</td>
</tr>
<tr>
<td>Retail Banking</td>
<td>67%</td>
<td>70%</td>
<td>73%</td>
<td>+3%</td>
<td>+3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employment in Bank</th>
<th>2Q 2012</th>
<th>1Q 2013</th>
<th>2Q 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>(number of FTEs as of the end of period)</td>
<td>5,295</td>
<td>5,024</td>
<td>4,796</td>
</tr>
</tbody>
</table>

### Cost / Income ratio

- **The YoY decrease in Bank’s expenses** mainly due to:
  - the branch network optimization and employment restructuring (the decrease in staff, premises, depreciation)
  - lower advertising and marketing expenses
- **The QoQ decrease in Bank’s expenses** mainly due to:
  - drop in staff expenses
  - lower spending on advertising and marketing
- **Cost / Income ratio** at **49%** in 2Q 2013
Consistent credit risk policy

NPL ratio at 6.9%, down both in QoQ and YoY terms driven by better loan portfolio quality in retail and corporate customers’ segments

Provision coverage ratio remained at a high level of 79%

Reversal of net impairment losses in Retail Banking segment due to better portfolio quality and NPL sales in 2Q 2013

Annualized cost of risk significantly below the sector (0.03% vs. 0.96% in sector)
Liquidity and capital adequacy – stable and safe position

Capital adequacy ratio – Bank vs. sector

<table>
<thead>
<tr>
<th>Tier 1</th>
<th>2Q12</th>
<th>3Q12</th>
<th>4Q12</th>
<th>1Q13</th>
<th>2Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>18.3%</td>
<td>17.6%</td>
<td>18.1%</td>
<td>18.5%</td>
<td>17.5%</td>
</tr>
<tr>
<td>CAR</td>
<td>13.6%</td>
<td>14.0%</td>
<td>14.7%</td>
<td>15.4%</td>
<td>15.2%</td>
</tr>
<tr>
<td>Tier 1</td>
<td>12.2%</td>
<td>12.7%</td>
<td>13.1%</td>
<td>14.0%</td>
<td>13.7%</td>
</tr>
</tbody>
</table>

Loans to deposits ratio – Bank vs. sector

<table>
<thead>
<tr>
<th>2Q 2012</th>
<th>3Q 2012</th>
<th>4Q 2012</th>
<th>1Q 2013</th>
<th>2Q 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citi Handlowy</td>
<td>115%</td>
<td>112%</td>
<td>112%</td>
<td>110%</td>
</tr>
<tr>
<td>Sector</td>
<td>77%</td>
<td>81%</td>
<td>73%</td>
<td>77%</td>
</tr>
</tbody>
</table>

Source: Data for the sector based on KNF and NBP data.
<table>
<thead>
<tr>
<th>PLN MM</th>
<th>2Q12</th>
<th>3Q12</th>
<th>4Q12</th>
<th>1Q13</th>
<th>2Q13</th>
<th>2Q13 vs. 1Q13</th>
<th>2Q13 vs. 2Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PLN MM</td>
<td>%</td>
</tr>
<tr>
<td>Net interest income</td>
<td>369</td>
<td>370</td>
<td>351</td>
<td>327</td>
<td>311</td>
<td>(17)</td>
<td>(5%)</td>
</tr>
<tr>
<td>Interest income</td>
<td>513</td>
<td>532</td>
<td>497</td>
<td>442</td>
<td>412</td>
<td>(30)</td>
<td>(7%)</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>(144)</td>
<td>(161)</td>
<td>(145)</td>
<td>(115)</td>
<td>(102)</td>
<td>13</td>
<td>(11%)</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>151</td>
<td>152</td>
<td>144</td>
<td>164</td>
<td>165</td>
<td>2</td>
<td>1%</td>
</tr>
<tr>
<td>Dividend income</td>
<td>5</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>4</td>
<td>4%</td>
</tr>
<tr>
<td>Gains on AFS debt securities</td>
<td>46</td>
<td>98</td>
<td>63</td>
<td>172</td>
<td>81</td>
<td>(91)</td>
<td>(53%)</td>
</tr>
<tr>
<td>FX and trading</td>
<td>101</td>
<td>61</td>
<td>93</td>
<td>121</td>
<td>117</td>
<td>(4)</td>
<td>(3%)</td>
</tr>
<tr>
<td>Treasury</td>
<td>147</td>
<td>159</td>
<td>155</td>
<td>293</td>
<td>198</td>
<td>(94)</td>
<td>(32%)</td>
</tr>
<tr>
<td>Net gain on capital investment instruments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>(2)</td>
<td>(100%)</td>
</tr>
<tr>
<td>Net other operating income</td>
<td>(4)</td>
<td>(8)</td>
<td>(5)</td>
<td>9</td>
<td>0</td>
<td>(9)</td>
<td>(97%)</td>
</tr>
<tr>
<td>Revenue</td>
<td>669</td>
<td>674</td>
<td>645</td>
<td>795</td>
<td>679</td>
<td>(116)</td>
<td>(15%)</td>
</tr>
<tr>
<td>Expenses</td>
<td>(345)</td>
<td>(321)</td>
<td>(300)</td>
<td>(331)</td>
<td>(318)</td>
<td>14</td>
<td>(4%)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(18)</td>
<td>(16)</td>
<td>(15)</td>
<td>(13)</td>
<td>(13)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Expenses and depreciation</td>
<td>(363)</td>
<td>(337)</td>
<td>(315)</td>
<td>(345)</td>
<td>(331)</td>
<td>14</td>
<td>(4%)</td>
</tr>
<tr>
<td>Operating margin</td>
<td>306</td>
<td>338</td>
<td>330</td>
<td>450</td>
<td>348</td>
<td>(102)</td>
<td>(23%)</td>
</tr>
<tr>
<td>Net impairment losses</td>
<td>(20)</td>
<td>(22)</td>
<td>(1)</td>
<td>(10)</td>
<td>29</td>
<td>40</td>
<td>(379%)</td>
</tr>
<tr>
<td>Share in subs’ profits</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(0)</td>
<td>(1)</td>
<td>(1)</td>
<td>876%</td>
</tr>
<tr>
<td>EBIT</td>
<td>286</td>
<td>316</td>
<td>329</td>
<td>440</td>
<td>376</td>
<td>(64)</td>
<td>(15%)</td>
</tr>
<tr>
<td>Corporate income tax</td>
<td>(55)</td>
<td>(64)</td>
<td>(85)</td>
<td>(84)</td>
<td>(75)</td>
<td>9</td>
<td>(10%)</td>
</tr>
<tr>
<td>Net profit</td>
<td>231</td>
<td>251</td>
<td>245</td>
<td>355</td>
<td>300</td>
<td>(55)</td>
<td>(15%)</td>
</tr>
</tbody>
</table>

C/I ratio | 54%   | 50%   | 49%   | 43%   | 49%   |
## Balance sheet – key items

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>3Q12</th>
<th>4Q12</th>
<th>1Q13</th>
<th>2Q13</th>
<th>2Q13 vs. 1Q13</th>
<th>2Q13 vs. 2Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and balances with the Central Bank</td>
<td>0.6</td>
<td>0.9</td>
<td>1.4</td>
<td>1.0</td>
<td>0.8</td>
<td>(0.3) (26%)</td>
<td>0.1 18%</td>
</tr>
<tr>
<td>Amounts due from banks</td>
<td>1.0</td>
<td>2.1</td>
<td>1.5</td>
<td>1.4</td>
<td>2.3</td>
<td>0.9 60%</td>
<td>1.3 126%</td>
</tr>
<tr>
<td>Financial assets held-for-trading</td>
<td>6.9</td>
<td>5.9</td>
<td>6.8</td>
<td>9.2</td>
<td>8.9</td>
<td>(0.3) (3%)</td>
<td>1.9 28%</td>
</tr>
<tr>
<td>Debt securities available-for-sale</td>
<td>15.6</td>
<td>8.7</td>
<td>15.0</td>
<td>12.0</td>
<td>14.1</td>
<td>2.1 18%</td>
<td>(1.5) (10%)</td>
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<tr>
<td>Customer loans</td>
<td>14.8</td>
<td>15.8</td>
<td>16.2</td>
<td>16.3</td>
<td>17.0</td>
<td>0.8 5%</td>
<td>2.3 15%</td>
</tr>
<tr>
<td>Financial sector entities</td>
<td>0.8</td>
<td>1.2</td>
<td>0.9</td>
<td>1.6</td>
<td>2.4</td>
<td>0.8 51%</td>
<td>1.7 215%</td>
</tr>
<tr>
<td>Non-financial sector entities</td>
<td>14.0</td>
<td>14.6</td>
<td>15.3</td>
<td>14.7</td>
<td>14.6</td>
<td>(0.0) (0%)</td>
<td>0.6 4%</td>
</tr>
<tr>
<td>Corporate Banking</td>
<td>8.8</td>
<td>9.4</td>
<td>10.0</td>
<td>9.5</td>
<td>9.4</td>
<td>(0.1) (1%)</td>
<td>0.5 6%</td>
</tr>
<tr>
<td>Retail Banking</td>
<td>5.2</td>
<td>5.2</td>
<td>5.3</td>
<td>5.2</td>
<td>5.2</td>
<td>0.1 1%</td>
<td>0.1 1%</td>
</tr>
<tr>
<td>Credit cards</td>
<td>2.2</td>
<td>2.2</td>
<td>2.2</td>
<td>2.0</td>
<td>2.1</td>
<td>0.0 2%</td>
<td>(0.1) (4%)</td>
</tr>
<tr>
<td>Cash loans</td>
<td>2.2</td>
<td>2.1</td>
<td>2.1</td>
<td>2.1</td>
<td>2.1</td>
<td>(0.0) (1%)</td>
<td>(0.1) (4%)</td>
</tr>
<tr>
<td>Mortgage</td>
<td>0.8</td>
<td>0.9</td>
<td>0.9</td>
<td>1.0</td>
<td>1.0</td>
<td>0.0 3%</td>
<td>0.2 33%</td>
</tr>
<tr>
<td>Other assets</td>
<td>2.9</td>
<td>3.0</td>
<td>2.6</td>
<td>2.8</td>
<td>3.2</td>
<td>0.3 12%</td>
<td>0.3 11%</td>
</tr>
<tr>
<td>Total assets</td>
<td>41.9</td>
<td>36.5</td>
<td>43.5</td>
<td>42.7</td>
<td>46.3</td>
<td>3.5 8%</td>
<td>4.4 11%</td>
</tr>
<tr>
<td>Liabilities due to banks</td>
<td>8.7</td>
<td>2.6</td>
<td>2.4</td>
<td>5.7</td>
<td>7.1</td>
<td>1.4 25%</td>
<td>(1.6) (19%)</td>
</tr>
<tr>
<td>Financial liabilities held-for-trading</td>
<td>3.6</td>
<td>4.7</td>
<td>5.8</td>
<td>5.3</td>
<td>4.8</td>
<td>(0.5) (9%)</td>
<td>1.2 33%</td>
</tr>
<tr>
<td>Financial liabilities due to customers</td>
<td>21.1</td>
<td>20.9</td>
<td>26.9</td>
<td>22.8</td>
<td>25.0</td>
<td>2.1 9%</td>
<td>3.8 18%</td>
</tr>
<tr>
<td>Financial sector entities - deposits</td>
<td>2.7</td>
<td>2.6</td>
<td>2.8</td>
<td>3.0</td>
<td>4.2</td>
<td>1.3 43%</td>
<td>1.6 58%</td>
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<tr>
<td>Non-financial sector entities - deposits</td>
<td>18.2</td>
<td>18.1</td>
<td>20.8</td>
<td>19.1</td>
<td>20.0</td>
<td>0.9 5%</td>
<td>1.8 10%</td>
</tr>
<tr>
<td>Corporate Banking</td>
<td>12.1</td>
<td>12.0</td>
<td>14.9</td>
<td>12.7</td>
<td>13.3</td>
<td>0.6 4%</td>
<td>1.1 9%</td>
</tr>
<tr>
<td>Retail Banking</td>
<td>6.1</td>
<td>6.1</td>
<td>5.9</td>
<td>6.4</td>
<td>6.8</td>
<td>0.4 6%</td>
<td>0.7 11%</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>0.2</td>
<td>0.2</td>
<td>3.2</td>
<td>0.7</td>
<td>0.7</td>
<td>(0.1) (7%)</td>
<td>0.5 248%</td>
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<tr>
<td>Other liabilities</td>
<td>1.7</td>
<td>1.4</td>
<td>1.1</td>
<td>1.4</td>
<td>2.4</td>
<td>1.0 71%</td>
<td>0.7 43%</td>
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<tr>
<td>Total liabilities</td>
<td>35.2</td>
<td>29.5</td>
<td>36.1</td>
<td>35.2</td>
<td>39.3</td>
<td>4.1 12%</td>
<td>4.1 12%</td>
</tr>
<tr>
<td>Equity</td>
<td>6.7</td>
<td>7.0</td>
<td>7.4</td>
<td>7.6</td>
<td>7.0</td>
<td>(0.6) (7%)</td>
<td>0.3 5.0%</td>
</tr>
<tr>
<td>Total liabilities &amp; equity</td>
<td>41.9</td>
<td>36.5</td>
<td>43.5</td>
<td>42.7</td>
<td>46.3</td>
<td>3.5 8%</td>
<td>4.4 11%</td>
</tr>
<tr>
<td>Loans / Deposits ratio</td>
<td>77%</td>
<td>81%</td>
<td>73%</td>
<td>77%</td>
<td>73%</td>
<td></td>
<td></td>
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<tr>
<td>Capital Adequacy Ratio</td>
<td>18.3%</td>
<td>17.6%</td>
<td>18.1%</td>
<td>18.5%</td>
<td>17.5%</td>
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## Corporate Banking – income statement

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>3Q12</th>
<th>4Q12</th>
<th>1Q13</th>
<th>2Q13</th>
<th>2Q13 vs. 1Q13</th>
<th>2Q13 vs. 2Q12</th>
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<tbody>
<tr>
<td><strong>PLN MM</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PLN MM</td>
<td>PLN MM</td>
</tr>
<tr>
<td>Net interest income</td>
<td>174</td>
<td>175</td>
<td>164</td>
<td>152</td>
<td>147</td>
<td>(5) (3%)</td>
<td>(27) (16%)</td>
</tr>
<tr>
<td>Interest income</td>
<td>287</td>
<td>306</td>
<td>279</td>
<td>238</td>
<td>220</td>
<td>(18) (7%)</td>
<td>(67) (23%)</td>
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<tr>
<td>Interest expenses</td>
<td>(113)</td>
<td>(131)</td>
<td>(116)</td>
<td>(86)</td>
<td>(74)</td>
<td>13 (15%)</td>
<td>40 (35%)</td>
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<tr>
<td>Net fee and commission income</td>
<td>65</td>
<td>59</td>
<td>61</td>
<td>83</td>
<td>75</td>
<td>(7) (9%)</td>
<td>10 (16%)</td>
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<tr>
<td>Dividend income</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1 (0%)</td>
<td>(0) (0%)</td>
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<tr>
<td>Gains on AFS debt securities</td>
<td>46</td>
<td>98</td>
<td>63</td>
<td>172</td>
<td>81</td>
<td>(91) (53%)</td>
<td>35 (76%)</td>
</tr>
<tr>
<td>FX and trading</td>
<td>91</td>
<td>52</td>
<td>84</td>
<td>113</td>
<td>108</td>
<td>(4) (4%)</td>
<td>17 (19%)</td>
</tr>
<tr>
<td>Treasury</td>
<td>138</td>
<td>150</td>
<td>147</td>
<td>285</td>
<td>190</td>
<td>(95) (33%)</td>
<td>52 (38%)</td>
</tr>
<tr>
<td>Net gain on capital investment instruments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>(2) (100%)</td>
<td>- (0%)</td>
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<tr>
<td>Net other operating income</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>15</td>
<td>5</td>
<td>(10) (67%)</td>
<td>3 (125%)</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>380</td>
<td>385</td>
<td>372</td>
<td>536</td>
<td>418</td>
<td>(118) (22%)</td>
<td>38 (10%)</td>
</tr>
<tr>
<td>Expenses</td>
<td>(163)</td>
<td>(142)</td>
<td>(162)</td>
<td>(156)</td>
<td>(135)</td>
<td>21 (13%)</td>
<td>28 (17%)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(8)</td>
<td>(6)</td>
<td>(7)</td>
<td>(7)</td>
<td>(6)</td>
<td>0 (5%)</td>
<td>2 (23%)</td>
</tr>
<tr>
<td>Expenses and depreciation</td>
<td>(171)</td>
<td>(149)</td>
<td>(169)</td>
<td>(163)</td>
<td>(142)</td>
<td>21 (13%)</td>
<td>30 (17%)</td>
</tr>
<tr>
<td>Operating margin</td>
<td>209</td>
<td>237</td>
<td>203</td>
<td>373</td>
<td>276</td>
<td>(97) (26%)</td>
<td>67 (32%)</td>
</tr>
<tr>
<td>Net impairment losses</td>
<td>(7)</td>
<td>(16)</td>
<td>(4)</td>
<td>(14)</td>
<td>(7)</td>
<td>7 (52%)</td>
<td>0 (4%)</td>
</tr>
<tr>
<td>Share in subs' profits</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(0)</td>
<td>(1)</td>
<td>(1) 876%</td>
<td>(1) (5056%)</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>202</td>
<td>221</td>
<td>200</td>
<td>359</td>
<td>269</td>
<td>(90) (25%)</td>
<td>66 (33%)</td>
</tr>
<tr>
<td><strong>C/I ratio</strong></td>
<td>45%</td>
<td>39%</td>
<td>45%</td>
<td>30%</td>
<td>34%</td>
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</table>
## Retail Banking – income statement

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>3Q12</th>
<th>4Q12</th>
<th>1Q13</th>
<th>2Q13</th>
<th>2Q13 vs. 1Q13</th>
<th>2Q13 vs. 2Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PLN MM</td>
<td>%</td>
<td>PLN MM</td>
<td>%</td>
<td>PLN MM</td>
<td>%</td>
<td>PLN MM</td>
</tr>
<tr>
<td>Net interest income</td>
<td>195</td>
<td>195</td>
<td>188</td>
<td>175</td>
<td>164</td>
<td>(11) (7%)</td>
<td>(31)</td>
</tr>
<tr>
<td>Interest income</td>
<td>225</td>
<td>225</td>
<td>217</td>
<td>204</td>
<td>192</td>
<td>(12) (6%)</td>
<td>(33)</td>
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<tr>
<td>Interest expenses</td>
<td>(30)</td>
<td>(30)</td>
<td>(30)</td>
<td>(28)</td>
<td>(28)</td>
<td>0 (1%)</td>
<td>2</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>86</td>
<td>93</td>
<td>83</td>
<td>81</td>
<td>90</td>
<td>9 (11%)</td>
<td>4</td>
</tr>
<tr>
<td>Dividend income</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>3</td>
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<tr>
<td>FX and trading</td>
<td>10</td>
<td>9</td>
<td>8</td>
<td>8</td>
<td>9</td>
<td>1 (9%)</td>
<td>(1)</td>
</tr>
<tr>
<td>Net other operating income</td>
<td>(6)</td>
<td>(8)</td>
<td>(6)</td>
<td>(5)</td>
<td>(5)</td>
<td>1 (15%)</td>
<td>1</td>
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<tr>
<td>Revenue</td>
<td>288</td>
<td>289</td>
<td>273</td>
<td>259</td>
<td>261</td>
<td>2 (1%)</td>
<td>(28)</td>
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<tr>
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<td>(183)</td>
<td>(179)</td>
<td>(138)</td>
<td>(175)</td>
<td>(183)</td>
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<td>(10)</td>
<td>(9)</td>
<td>(8)</td>
<td>(7)</td>
<td>(7)</td>
<td>(0) (5%)</td>
<td>3</td>
</tr>
<tr>
<td>Expenses and depreciation</td>
<td>(192)</td>
<td>(188)</td>
<td>(146)</td>
<td>(182)</td>
<td>(189)</td>
<td>(7) (4%)</td>
<td>3</td>
</tr>
<tr>
<td>Operating margin</td>
<td>96</td>
<td>101</td>
<td>127</td>
<td>77</td>
<td>71</td>
<td>(6) (8%)</td>
<td>(25)</td>
</tr>
<tr>
<td>Net impairment losses</td>
<td>(13)</td>
<td>(7)</td>
<td>3</td>
<td>4</td>
<td>36</td>
<td>32 (889%)</td>
<td>49</td>
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<td>83</td>
<td>94</td>
<td>130</td>
<td>81</td>
<td>107</td>
<td>26 (33%)</td>
<td>24</td>
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<tr>
<td>C/I ratio</td>
<td>67%</td>
<td>65%</td>
<td>53%</td>
<td>70%</td>
<td>73%</td>
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## Retail banking volumes

<table>
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<tr>
<th>Volumes (PLN million)</th>
<th>2Q12</th>
<th>3Q12</th>
<th>4Q12</th>
<th>1Q13</th>
<th>2Q13</th>
<th>2Q13 vs. 1Q13</th>
<th>2Q13 vs. 2Q12</th>
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<tbody>
<tr>
<td></td>
<td>PLN MM</td>
<td>%</td>
<td>PLN MM</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Deposits</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>PLN MM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>6 113</td>
<td>6 080</td>
<td>5 887</td>
<td>6 401</td>
<td>6 771</td>
<td>370 6%</td>
<td>658 11%</td>
</tr>
<tr>
<td>Demand deposits</td>
<td>2 392</td>
<td>2 411</td>
<td>2 385</td>
<td>2 459</td>
<td>2 537</td>
<td>78 3%</td>
<td>146 6%</td>
</tr>
<tr>
<td>Other deposits</td>
<td>3 721</td>
<td>3 669</td>
<td>3 501</td>
<td>3 942</td>
<td>4 233</td>
<td>291 7%</td>
<td>512 14%</td>
</tr>
<tr>
<td>including saving accounts</td>
<td>2 507</td>
<td>2 432</td>
<td>2 426</td>
<td>2 968</td>
<td>3 253</td>
<td>285 10%</td>
<td>746 30%</td>
</tr>
<tr>
<td><strong>Loans</strong></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>PLN MM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit cards</td>
<td>5 176</td>
<td>5 239</td>
<td>5 260</td>
<td>5 180</td>
<td>5 244</td>
<td>64 1%</td>
<td>68 1%</td>
</tr>
<tr>
<td>Cash loans</td>
<td>2 170</td>
<td>2 161</td>
<td>2 150</td>
<td>2 038</td>
<td>2 084</td>
<td>46 2%</td>
<td>(86) (4%)</td>
</tr>
<tr>
<td>Mortgage loans</td>
<td>2 165</td>
<td>2 135</td>
<td>2 104</td>
<td>2 092</td>
<td>2 080</td>
<td>(12) (1%)</td>
<td>(85) (4%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>759</td>
<td>862</td>
<td>926</td>
<td>978</td>
<td>1 008</td>
<td>30 3%</td>
<td>249 33%</td>
</tr>
</tbody>
</table>
Katarzyna Otko-Dąbrowska  
Investor Relations Head  
e-mail: katarzyna.otkodabrowska@citi.com  
tel: +48 (22) 692 91 37

Katarzyna Tatara  
Investor Relations Analyst  
e-mail: katarzyna.tatara@citi.com  
tel: +48 (22) 657 74 16

Bank Handlowy w Warszawie S.A.  
Senatorska 16 Street  
00-923 Warsaw  
Poland

Investor Relations Calendar 2013 – upcoming events

October 9  
Erste Group Investor Conference, Stegersbach

November 7  
Disclosure of 3Q 2013 consolidated financial report

November 19  
BZ WBK Brokerage Investors Conference, Warsaw

www.citihandlowy.pl  
RelacjeInwestorskie@citi.com