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: 3.1%) amid small inflation pressure
  - Bond yields stabilisation 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 decline due to lower net interest income partially offset by lower net impairment losses (Net income -2% YoY / - PLN 300 MM, revenue -6% YoY / - PLN 2.7 B, net interest income -8% YoY / - PLN 2.0 B, net fee and commission income -1% YoY / - PLN 0.1 B, net impairment losses -24% YoY / - PLN 1.7 B)
  - Lending weak on corporate side with recovery strengthening in retail business (total loans +4% YoY, mortgage loans +5% YoY, unsecured lending 0% YoY, corporate loans +1% YoY)
  - Results under pressure despite macroeconomic upturn (interchange cut from 1.1% to 0.5%, additional fees paid to BGF, interest rates to remain at historically low levels)

- **Citi Handlowy (9M 2013):**
  - Top 5 bank in Poland
    - 7% market share in terms of net profit
  - Strong capital and liquidity positions
    - Tier 1 ratio 16.7%, loans/deposits 72%
  - High efficiency
    - ROTCE 20.5%, ROA 2.4%, C/I 50%
  - Leading corporate & commercial bank
    - servicing 75 out of 100 top-tier local companies
    - #1 in FX, custody services and brokerage
  - Leader in credit cards
    - 22% market share in transaction volumes (H1 2013)
    - 19% market share in credit cards’ loans
  - Commitment to community
    - financial education, national heritage, environment protection
# 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
- Operating Efficiency: C/I ~50%
- Assets Profitability (ROA): Top 3 bank in Poland
Diversified revenue stream

Institutional Banking

- Key drivers:
  - Customer result
  - AFS
  - Trading

- Treasury: 43%
- Interests: 37%
- Fees: 18%
- Other: 2%

Retail Banking

- Key drivers:
  - Credit cards
  - Investment & insurance products
  - Operating accounts

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

PLN 2.0 B

- 9M 2013

Key drivers:

- Institutional Banking: 61%
  - Customer result
  - AFS
  - Trading

- Retail Banking: 39%
  - Credit cards
  - Investment & insurance products
  - Operating accounts

Net Fee Income: 24%

Net Interest Income: 47%
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
  - (36% market share)

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

**9M 2013 Customer revenue split**
- Local Commercial: 35%
- Corporate: 20%
- Global Subsidiaries: 45%
- PLN 2.0 B

**9M 2013**

**Institutional Banking**
- 61%

**Accelerated book-building**
- Citi Handlowy
- Global Coordinator PLN 5.2 B -1H 2013-

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

**Bank Pekao**
- Accelerated book-building
- Citi Handlowy
- Joint Bookrunner PLN 3.7 B -1H 2013-

**Grupa Azoty**
- Accelerated book-building
- Citi Handlowy
- Global Coordinator & Joint Bookrunner PLN 0.6 B -1H 2013-
Diversified revenue stream – key drivers in Retail Banking

- **PLN 2.0 B**

- **Credit cards**
  - #1 in transaction volume
  - 22% market share
  - #1 in credit card loans
  - 19% market share
  - #1 in co-branded cards

- **Wealth Management**
  - Focus on affluent customers
    - +19% YoY in number of active Gold customers
  - Investment and insurance products
    - 44% of net fee income
    - +108% YoY in number of investment profile customers

- **Retail Banking**
  - Cash loans
    - 58% of interest income of Retail Banking
  - Operating accounts
    - +6% YoY volume growth
  - Mortgage loans
    - +20% YoY volume growth

**Smart Banking Ecosystem**

- **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
  - 25 Smart branches to be operating in the largest Polish agglomerations by 2014

- **Leader in mobile solutions**
  - 160 thousand Citi Mobile users (+65% YoY)
  - ~30% penetration of customer current accounts vs. 7% penetration on the market (as of 1H 2013)
Citi Handlowy – financial results (PLN MM)

**Revenues**

<table>
<thead>
<tr>
<th>Year</th>
<th>Institutional Banking</th>
<th>Retail Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2,559</td>
<td>2,427</td>
</tr>
<tr>
<td>2011</td>
<td>1,414</td>
<td>1,316</td>
</tr>
<tr>
<td>2012</td>
<td>1,144</td>
<td>1,593</td>
</tr>
<tr>
<td>9M 2012</td>
<td>2,082</td>
<td>1,220</td>
</tr>
<tr>
<td>9M 2013</td>
<td>1,992</td>
<td>1,223</td>
</tr>
</tbody>
</table>

**Expenses**

<table>
<thead>
<tr>
<th>Year</th>
<th>Institutional Banking</th>
<th>Retail Banking</th>
<th>Restructuring reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>-1,375</td>
<td>-755</td>
<td>-115</td>
</tr>
<tr>
<td>2011</td>
<td>-1,432</td>
<td>-809</td>
<td>-588</td>
</tr>
<tr>
<td>2012</td>
<td>-1,430</td>
<td>-772</td>
<td>-549</td>
</tr>
<tr>
<td>9M 2012</td>
<td>-1,115</td>
<td>-621</td>
<td>-485</td>
</tr>
<tr>
<td>9M 2013</td>
<td>-989</td>
<td>-623</td>
<td>-440</td>
</tr>
</tbody>
</table>

**Net impairment losses**

<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>-243</td>
</tr>
<tr>
<td>2011</td>
<td>-97</td>
<td>-77</td>
</tr>
<tr>
<td>2012</td>
<td>-30</td>
<td>-58</td>
</tr>
<tr>
<td>9M 2012</td>
<td>-33</td>
<td>-57</td>
</tr>
<tr>
<td>9M 2013</td>
<td>-35</td>
<td>-17</td>
</tr>
</tbody>
</table>

**Net profit**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>755</td>
<td>736</td>
<td>970</td>
<td>726</td>
<td>821</td>
</tr>
</tbody>
</table>

Net profit: 74 MM PLN
Liquidity position allowing for assets growth

Loans (PLN B)

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>3Q 2012</th>
<th>3Q 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate &amp; financial institutions</td>
<td>6.9</td>
<td>9.6</td>
<td>11.0</td>
<td>10.6</td>
<td>11.6</td>
</tr>
<tr>
<td>Individual clients</td>
<td>5.3</td>
<td>5.1</td>
<td>5.3</td>
<td>5.2</td>
<td>5.2</td>
</tr>
</tbody>
</table>

Deposits (PLN B)

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>3Q 2012</th>
<th>3Q 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate &amp; financial institutions</td>
<td>17.8</td>
<td>17.9</td>
<td>17.7</td>
<td>14.6</td>
<td>14.6</td>
</tr>
<tr>
<td>Individual clients</td>
<td>5.7</td>
<td>6.0</td>
<td>5.9</td>
<td>6.1</td>
<td>6.8</td>
</tr>
</tbody>
</table>

Net interest margin

Citi Handlowy

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>9M 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.8%</td>
<td>3.7%</td>
<td>3.7%</td>
<td>3.4%</td>
<td></td>
</tr>
</tbody>
</table>

Sector

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>9M 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.7%</td>
<td>2.8%</td>
<td>2.7%</td>
<td>2.4%</td>
<td></td>
</tr>
</tbody>
</table>

Loans to deposits ratio

Citi Handlowy

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>3Q 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>57%</td>
<td>63%</td>
<td>73%</td>
<td>72%</td>
<td></td>
</tr>
</tbody>
</table>

Sector

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>3Q 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>111%</td>
<td>116%</td>
<td>112%</td>
<td>108%</td>
<td></td>
</tr>
</tbody>
</table>
## 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>-243</td>
<td>-270</td>
</tr>
<tr>
<td>2011</td>
<td>-77</td>
<td>-97</td>
</tr>
<tr>
<td>2012</td>
<td>-58</td>
<td>-58</td>
</tr>
<tr>
<td>9M 2012</td>
<td>-57</td>
<td>-57</td>
</tr>
<tr>
<td>9M 2013</td>
<td></td>
<td>17</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>9M 2012</th>
<th>9M 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Write-off</td>
<td>28</td>
<td>20</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recovery</td>
<td></td>
<td>20</td>
<td></td>
<td></td>
<td></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>9M 2013</td>
<td>7.5%</td>
<td>6.7%</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>3Q 2013</td>
<td>80%</td>
<td>55%</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 80%
Strong capital base

**BHW dividend payout ratio**
- 2001: 100%
- 2002: 100%
- 2003: 100%
- 2004: 100%
- 2005: 100%
- 2006: 100%
- 2007: 100%
- 2008: 100%
- 2009: 100%
- 2010: 100%
- 2011: 100%
- 2012: 100%
- 3Q 2013: 100%

**BHW CAR (Tier 1)**
- 2001: 1.1%
- 2002: 1.3%
- 2003: 1.6%
- 2004: 3.7%
- 2005: 5.6%
- 2006: 7.1%
- 2007: 8.6%
- 2008: 12.1%
- 2009: 9.4%
- 2010: 100%
- 2011: 100%
- 2012: 100%
- 3Q 2013: 100%

**5-year T-bond yield**
- 2001: 10%
- 2002: 10%
- 2003: 10%
- 2004: 10%
- 2005: 10%
- 2006: 10%
- 2007: 10%
- 2008: 10%
- 2009: 10%
- 2010: 10%
- 2011: 10%
- 2012: 10%
- 3Q 2013: 10%

**BHW dividend yield**
- 2001: 2.3%
- 2002: 2.6%
- 2003: 3.1%
- 2004: 8.0%
- 2005: 8.6%
- 2006: 7.7%
- 2007: 0%
- 2008: 7.1%
- 2009: 7.1%
- 2010: 7.1%
- 2011: 7.1%
- 2012: 7.1%
- 3Q 2013: 7.1%

*End of year values
Dividend yield calculated basing on average share price in a dividend payout year.
Building shareholder value

Citi Handlowy stock price vs. main indices since 2010

Dynamics since 2010 / YTD 2013:

- Citi Handlowy: +73% / +24%
- WIG Banks: +42% / +27%
- WIG20: +7% / 0%

Total return on investment in Citi Handlowy shares in 2010-2013: +94%

Dividends paid by Citi Handlowy since its debut on the WSE

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
<th></th>
<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>80%</td>
<td>86%</td>
<td>77%</td>
<td>0%</td>
<td>94%</td>
<td>100%</td>
<td>50%</td>
<td>75%</td>
<td></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
** Dividend yield on the basis of dividend paid in 2010-2013.

Note: The latest listing as of November 25, 2013 (Citi Handlowy: PLN 123.65)
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
- 5 years in the Ministry of Finance in charge of financial institutions
- 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

Barbara Sobala
Vice President of the Board

- Risk Management Head
- 8 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 Sołtysński – 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
Appendix

3Q 2013 consolidated financial results
3Q 2013 in Citi Handlowy – summary

Financial Markets

Treasury result (PLN MM)

- 2011: PLN 333 MM (-17% YoY)
- 2012: PLN 651 MM (96% YoY)
- 9M 2013: PLN 551 MM (11% YoY)

Gains on sale of AFS:
- 1Q11: 86
- 2Q11: 56
- 3Q11: 100
- 4Q11: 91
- 1Q12: 73
- 2Q12: 147
- 3Q12: 159
- 4Q12: 155
- 1Q13: 172
- 2Q13: 198
- 3Q13: 60

FX & trading:
- 1Q11: 85
- 2Q11: 104
- 3Q11: 92
- 4Q11: 80
- 1Q12: 117
- 2Q12: 101
- 3Q12: 61
- 4Q12: 93
- 1Q13: 121
- 2Q13: 117
- 3Q13: 60

Retail Banking distribution system transformation

- **Smart Banking Ekosystem** 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)

- **Corporate clients & financial institutions**
  - 2010: 6.9
  - 2011: 9.6
  - 2012: 11.0
  - 3Q 2012: 10.6
  - 3Q 2013: 11.6

- **Individual clients**
  - 2010: 5.3
  - 2011: 5.1
  - 2012: 5.3
  - 3Q 2012: 5.2
  - 3Q 2013: 5.2

**Focus on operating accounts** (demand deposits in PLN B)

- **Corporate clients & financial institutions**
  - 2010: 8.3
  - 2011: 8.5
  - 2012: 9.4
  - 3Q 2012: 7.6
  - 3Q 2013: 8.5

- **Individual clients** (current and saving accounts)
  - 2010: 4.3
  - 2011: 4.7
  - 2012: 4.8
  - 3Q 2012: 4.9
  - 3Q 2013: 5.8
## 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

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

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

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)

<table>
<thead>
<tr>
<th>Product</th>
<th>Smart branch vs. traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit cards (#)</td>
<td>x2</td>
</tr>
<tr>
<td>Citigold accounts (#)</td>
<td>x6</td>
</tr>
<tr>
<td>Citiforward accounts (#)</td>
<td>x4</td>
</tr>
</tbody>
</table>
Net profit in 3Q 2013 – YoY change

-34%

Sector: -10%

Revenues total: PLN -155.7 MM / -23%
Sector: -6%

3Q 2012

Net interest income: 251.2
Net fee & commission income: 64.0
Treasury result: 99.0
Other net revenues: 1.2
Expenses: 24.0
Net impairment losses: 20.7
Tax and other: 25.0
3Q 2013

Net interest income: 165.2

Net interest income: ↓17% YoY
Sector: ↓6%

Net fee & commission income: ↑1% YoY
Sector: ↑2%

Treasury result: ↓62% YoY
Sector: ↓21%

Expenses and depreciation: ↓7% YoY
Sector: ↓1%

Net impairment losses: ↓93% YoY
Sector: ↓20%

citi handlowy
Net profit in 9M 2013 – YoY change

+13%
Sector: -2%

Revenues total: PLN -89.9 MM / -4%
Sector: -6%

9M 2012
Net interest income
Net fee & commission income
Treasury
Other net revenues
Expenses
Net impairment losses
Tax and other
9M 2013

725.6
193.1
26.6
55.0
21.6
126.4
74.3
15.4
821.0

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%

ROA
ROTE
ROE
Cost/Income
Loans/Deposits
Tier 1
NPL
Net interest income under pressure after interest rates cuts

Net interest income (PLN MM)

-17%
Sector: -8%

1,137
370
944
306

3Q
1H

9M 2012
9M 2013

Net interest margin (NIM) - Bank vs. sector

Citi Handlowy

4.5%
3.8%
3.8%
3.4%

Sector
2.8%
2.5%
2.4%

3Q 2012
4Q 2012
1Q 2013
2Q 2013
3Q 2013

NIM on total assets
NIM on interest-bearing assets

- 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)

<table>
<thead>
<tr>
<th>Sector</th>
<th>9M 2012</th>
<th>9M 2013</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Banking</td>
<td>455</td>
<td>482</td>
<td>+6%</td>
</tr>
<tr>
<td>Transaction Banking, incl. trade products</td>
<td>22%</td>
<td>47%</td>
<td>+5%</td>
</tr>
<tr>
<td>Custody</td>
<td>15%</td>
<td>27%</td>
<td>-15%</td>
</tr>
<tr>
<td>Brokerage</td>
<td>-5%</td>
<td>22%</td>
<td>+15%</td>
</tr>
<tr>
<td>Other, including M&amp;A advisory</td>
<td>-1%</td>
<td>5%</td>
<td>+138%</td>
</tr>
<tr>
<td>Investment &amp; insurance products</td>
<td>-3%</td>
<td>14%</td>
<td>+14%</td>
</tr>
<tr>
<td>Credit cards</td>
<td>-24%</td>
<td>1%</td>
<td>-14%</td>
</tr>
<tr>
<td>Other</td>
<td>-22%</td>
<td>1%</td>
<td>-0.1%</td>
</tr>
</tbody>
</table>

Corporate Banking +18% YoY

Retail Banking -3% YoY

- Investment & insurance products +14% YoY
- Credit cards -14% YoY
- Other -0.1% YoY
- Cash loans -24% YoY
Consistent cost control

**Expenses and depreciation (PLN MM)**

- **9M 2012:** 1,115 ( Sector: -11%)
- **9M 2013:** 989 ( Sector: -7%)

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

- **3Q 2012:**
  - Staff expenses: 337
  - IT & Telekom: 57
  - Premises: 25
  - Depreciation: 51
  - Other: 15

- **3Q 2013:**
  - Staff expenses: 313
  - IT & Telekom: 46
  - Premises: 24
  - Depreciation: 49
  - Other: 17

**Change YoY**

- **-7%**

**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

- NPL ratio at 6.7%, down 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)
Customer volumes

Growth in loans in the environment of limited demand for financing

**Institutional non-banking customers’ loans**

- **+10%**
  - **Sector: +4%**

<table>
<thead>
<tr>
<th>Sector</th>
<th>3Q 2012</th>
<th>3Q 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Other</strong></td>
<td>10,578</td>
<td>11,625</td>
</tr>
<tr>
<td>SMEs &amp; MMEs (+14% YoY)</td>
<td>30%</td>
<td>34%</td>
</tr>
<tr>
<td>Global Clients (+5% YoY)</td>
<td>34%</td>
<td>34%</td>
</tr>
<tr>
<td>Corporate Clients (+9% YoY)</td>
<td>23%</td>
<td>23%</td>
</tr>
</tbody>
</table>

**Individual customers’ loans**

- **-0.3%**
  - **Sector: +4%**

<table>
<thead>
<tr>
<th>Sector</th>
<th>3Q 2012</th>
<th>3Q 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mortgage loans (+20% YoY)</strong></td>
<td>5,239</td>
<td>5,225</td>
</tr>
<tr>
<td>Cash loans (-7% YoY)</td>
<td>20%</td>
<td>38%</td>
</tr>
<tr>
<td>Credit cards (-2% YoY)</td>
<td>40%</td>
<td>40%</td>
</tr>
</tbody>
</table>

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

**Institutional non-banking customers’ deposits**

- **+20%**
  - **Sector: +6%**

<table>
<thead>
<tr>
<th>Sector</th>
<th>3Q 2012</th>
<th>3Q 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Term deposits (+29% YoY)</strong></td>
<td>14,609</td>
<td>17,578</td>
</tr>
<tr>
<td><strong>Demand deposits (+12% YoY)</strong></td>
<td>7,033</td>
<td>8,484</td>
</tr>
<tr>
<td><strong>Corporate deposits</strong></td>
<td>7,576</td>
<td></td>
</tr>
</tbody>
</table>

**Individual customers’ deposits**

- **+12%**
  - **Sector: +7%**

<table>
<thead>
<tr>
<th>Sector</th>
<th>3Q 2012</th>
<th>3Q 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Term deposits (-20% YoY)</strong></td>
<td>6,080</td>
<td>6,809</td>
</tr>
<tr>
<td><strong>Demand deposits (inc. saving accounts) (+20% YoY)</strong></td>
<td>1,218</td>
<td>5,836</td>
</tr>
</tbody>
</table>
Treasury

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)

Note: The scales on the graphs are not comparable.
## Income statement – Bank

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

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

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

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

C/I ratio | 65% | 53% | 70% | 73% | 71% |
## Retail banking operational data and volumes

### Operational data (in thousand)

<table>
<thead>
<tr>
<th>Operational data (in thousand)</th>
<th>3Q12</th>
<th>4Q12</th>
<th>1Q13</th>
<th>2Q13</th>
<th>3Q13</th>
<th>3Q13 vs. 2Q13</th>
<th>3Q13 vs. 3Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>thous.</td>
<td>%</td>
<td>thous.</td>
<td>%</td>
<td>thous.</td>
<td>%</td>
<td>thous.</td>
</tr>
<tr>
<td>Current accounts</td>
<td>588</td>
<td>586</td>
<td>586</td>
<td>585</td>
<td>578</td>
<td>(7) (1%)</td>
<td>(10) (2%)</td>
</tr>
<tr>
<td>including operating accounts</td>
<td>181</td>
<td>181</td>
<td>178</td>
<td>178</td>
<td>165</td>
<td>(13) (7%)</td>
<td>(16) (9%)</td>
</tr>
<tr>
<td>Saving accounts</td>
<td>195</td>
<td>193</td>
<td>196</td>
<td>197</td>
<td>195</td>
<td>(2) (1%)</td>
<td>0</td>
</tr>
<tr>
<td>Credit cards</td>
<td>807</td>
<td>795</td>
<td>793</td>
<td>791</td>
<td>785</td>
<td>(6) (1%)</td>
<td>(22) (3%)</td>
</tr>
<tr>
<td>including co-branded cards</td>
<td>468</td>
<td>464</td>
<td>467</td>
<td>472</td>
<td>472</td>
<td>1 0%</td>
<td>4 1%</td>
</tr>
<tr>
<td>Debit cards</td>
<td>425</td>
<td>418</td>
<td>428</td>
<td>454</td>
<td>427</td>
<td>(27) (6%)</td>
<td>2 0%</td>
</tr>
<tr>
<td>including PayPass cards</td>
<td>363</td>
<td>365</td>
<td>382</td>
<td>413</td>
<td>389</td>
<td>(25) (6%)</td>
<td>26 7%</td>
</tr>
</tbody>
</table>

### Volumes (PLN million)

<table>
<thead>
<tr>
<th>Volumes (PLN million)</th>
<th>3Q12</th>
<th>4Q12</th>
<th>1Q13</th>
<th>2Q13</th>
<th>3Q13</th>
<th>3Q13 vs. 2Q13</th>
<th>3Q13 vs. 3Q12</th>
</tr>
</thead>
<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>Deposits</td>
<td>6,080</td>
<td>5,887</td>
<td>6,401</td>
<td>6,771</td>
<td>6,809</td>
<td>38 1%</td>
<td>729 12%</td>
</tr>
<tr>
<td>Demand deposits</td>
<td>2,411</td>
<td>2,385</td>
<td>2,459</td>
<td>2,537</td>
<td>2,544</td>
<td>6 0%</td>
<td>133 6%</td>
</tr>
<tr>
<td>Other deposits</td>
<td>3,669</td>
<td>3,501</td>
<td>3,942</td>
<td>4,233</td>
<td>4,265</td>
<td>31 1%</td>
<td>595 16%</td>
</tr>
<tr>
<td>including saving accounts</td>
<td>2,432</td>
<td>2,426</td>
<td>2,968</td>
<td>3,253</td>
<td>3,259</td>
<td>6 0%</td>
<td>826 34%</td>
</tr>
<tr>
<td>Loans</td>
<td>5,239</td>
<td>5,260</td>
<td>5,180</td>
<td>5,244</td>
<td>5,225</td>
<td>(19) (0%)</td>
<td>(15) (0%)</td>
</tr>
<tr>
<td>Credit cards</td>
<td>2,161</td>
<td>2,150</td>
<td>2,038</td>
<td>2,084</td>
<td>2,114</td>
<td>30 1%</td>
<td>(47) (2%)</td>
</tr>
<tr>
<td>Cash loans</td>
<td>2,135</td>
<td>2,104</td>
<td>2,092</td>
<td>2,080</td>
<td>1,989</td>
<td>(91) (4%)</td>
<td>(146) (7%)</td>
</tr>
<tr>
<td>Mortgage loans</td>
<td>862</td>
<td>926</td>
<td>978</td>
<td>1,008</td>
<td>1,032</td>
<td>24 2%</td>
<td>170 20%</td>
</tr>
</tbody>
</table>
Appendix

Transformation of the consumer banking distribution system and operating efficiency improvement
Continued execution of the strategy

**Strategic Directions for 2012-2015**

- Transformation of the distribution system
- Focus on affluent (Gold) and emerging affluent (Forward) segments
- Continued focus on asset products (credit cards and cash loans available for everyone)

**Reengineering of the operating model to improve efficiency in the changing macro, regulatory and market environment**

- Headcount reduction (up to 792 employee contracts, incl. 684 in consumer banking, to be terminated by October 31, 2014)
- PLN 62.3 MM restructuring charge to be recognized in Q4 2013 results
- Target consumer banking C/I < 60% in 2016

**Transformation towards a Smart Banking Ecosystem following changes in customers’ behavior and dynamic growth of new technologies**

- Transformation of traditional branches into modern outlets
- Change of the coverage model in small cities from branch-based to multi-channel
- Continued digital evolution: offload, x-sell, straight thru processing
- Enhanced multi-channel acquisition approach: central cross-sell team, CBAW, DSA, digital

**Productivity improvement:**

- Move to better locations (hot spot)
- Targeted marketing / perceptual scale
- Staffing model – increase sales staff, decrease of tellers; offload actions, attractive self-service tools for the customers in the branch

- **Continued focus on relationships with emerging affluent and affluent customers** (launch globality, enhance advisory)
Transformation towards a Smart Banking Ecosystem

**Hot spot analysis for Poland**

**Transactions share (value) – Gold and Forward segments**

- Warszawa 44%
- G8 30%
- Tier1 6%
- Other 21%

- Hot spots are places where customers spend their time, go shopping or work
- Hot spots with potential for Smart branches identified in G9
- Limited potential for hot spots and Smart investments viability outside of G9

**Smart Banking Ecosystem**

- The future of banking where the branch is an engaging, interactive and intelligent environment located in places most frequently visited by customers – target focus on most attractive **Hot Spots in selected top cities**
- A high-tech-enabled location allowing customers to bank at any time and in any place using the state-of-the-art mobile and online tools
- Expansion of **self-service outlets** and Digital Engagement
- Right-size branch formats and "High Street" retailing capabilities
- First smart branch opened in Katowice in September

**Transformation details**

- Transformation of traditional branches into **modern outlets**
  - **25 Smart branches** to be operating in the largest Polish agglomerations by 2014
- Change of the **coverage model in small cities** from branch-based to multi-channel:
  - closure of 19 traditional branches located outside of the key target markets *(we retained 95% of customers from outlets closed in 2012)*
  - customer sales & service outside of key target markets to be provided through central sales unit, CitiPhone and Internet & mobile platforms
Digitization following changes in customer behavior

<table>
<thead>
<tr>
<th>Retail Banking Channel Interactions</th>
<th>2016 Estimated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mobile</strong></td>
<td>20-30 times per month</td>
</tr>
<tr>
<td><strong>Web/Tablet</strong></td>
<td>7-10 times per month</td>
</tr>
<tr>
<td><strong>ATM</strong></td>
<td>3 - 5 times per month</td>
</tr>
<tr>
<td><strong>Call center</strong></td>
<td>5 - 10 times per month</td>
</tr>
<tr>
<td><strong>Branch</strong></td>
<td>1-2 times per year</td>
</tr>
</tbody>
</table>

Source: Banking 3.0 by Brett King, 2013

<table>
<thead>
<tr>
<th>Structure of customer transactions in Citi Handlowy</th>
<th>June 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet</td>
<td>80%</td>
</tr>
<tr>
<td>ATM</td>
<td>6%</td>
</tr>
<tr>
<td>Citiphone</td>
<td>4%</td>
</tr>
<tr>
<td>Mobile</td>
<td>9%</td>
</tr>
</tbody>
</table>

Digital transformation in Citi Handlowy

Growing digital

<table>
<thead>
<tr>
<th>90 day active</th>
<th>Digital transactions</th>
<th>e-Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2012</td>
<td>Q2 2013</td>
<td></td>
</tr>
<tr>
<td>34%</td>
<td>53%</td>
<td>64%</td>
</tr>
<tr>
<td>40%</td>
<td>60%</td>
<td>68%</td>
</tr>
</tbody>
</table>

Growing Citi Mobile

- 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
- Unique functionalities: FotoKasa, geolocator of discounts available for Citi credit cards all over the world

Note: Data for Q2 2013 unless otherwise stated
Smart Banking Ecosystem

Competitive advantage with new model of banking
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Investor Relations Calendar 2013 – upcoming events
December 9 Citi’s Beyond the Basics: London Financials Conference