

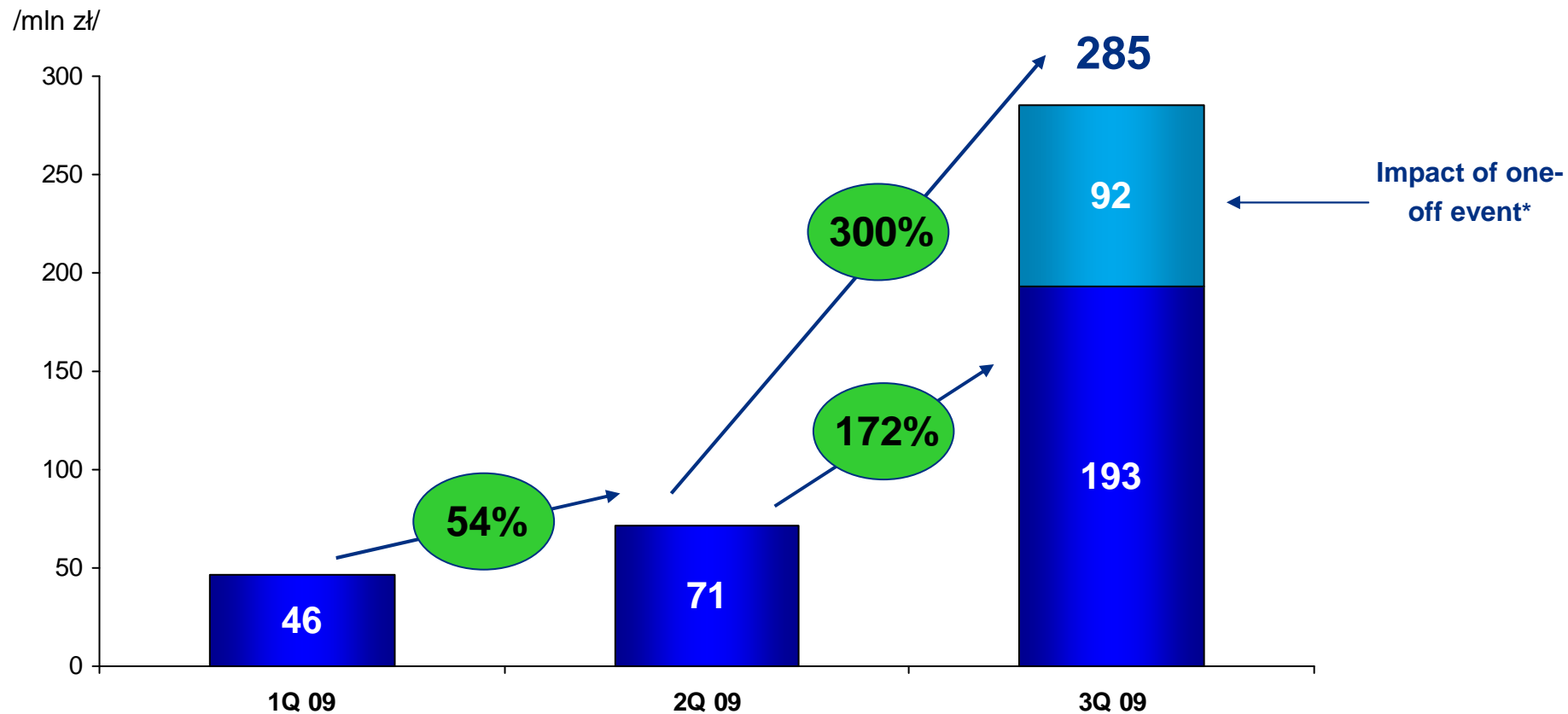


BANK HANDLOWY W WARSZAWIE S.A.  
3Q 2009 consolidated financial results

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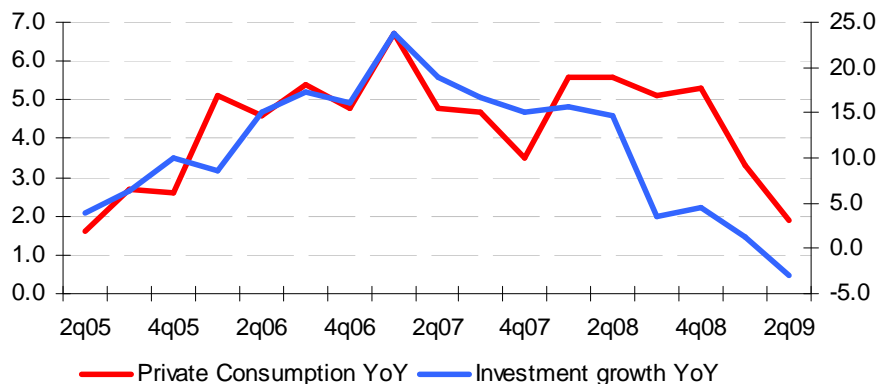
# Significant increase of net income in 2009



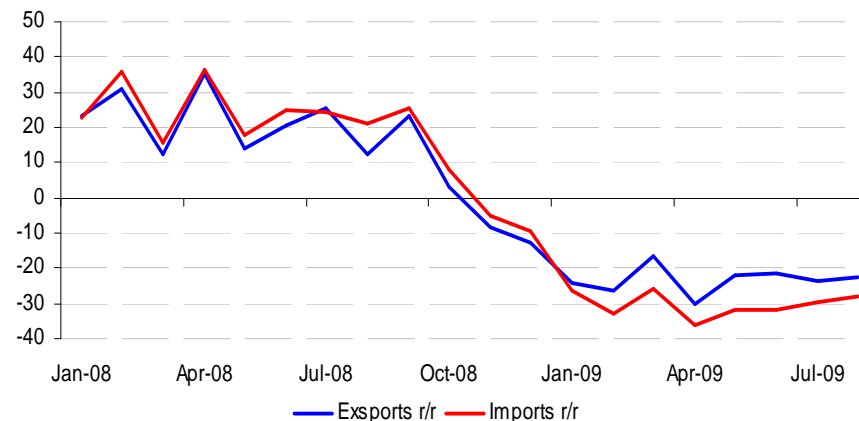
\* One-off event according to current report as of 15 October 2009: refers to correction of tax settlements.

# Macroeconomic situation in 3Q 2009

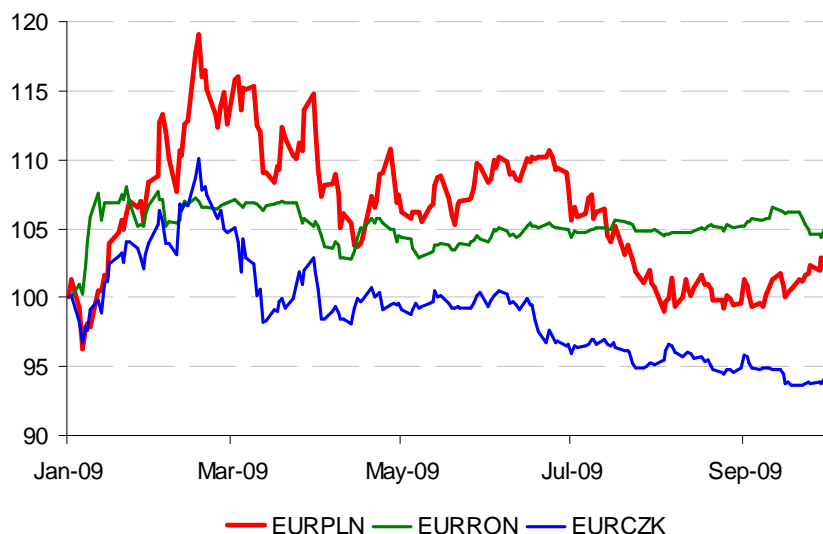
**Investments and private consumption as factors of slowdown**



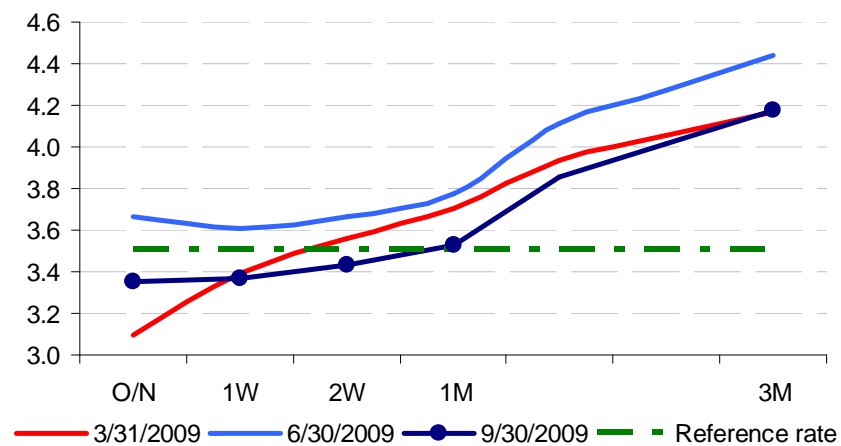
**Positive trade balance**



**Improvement in global market sentiment and strong fundamentals support the strengthening of the zloty**

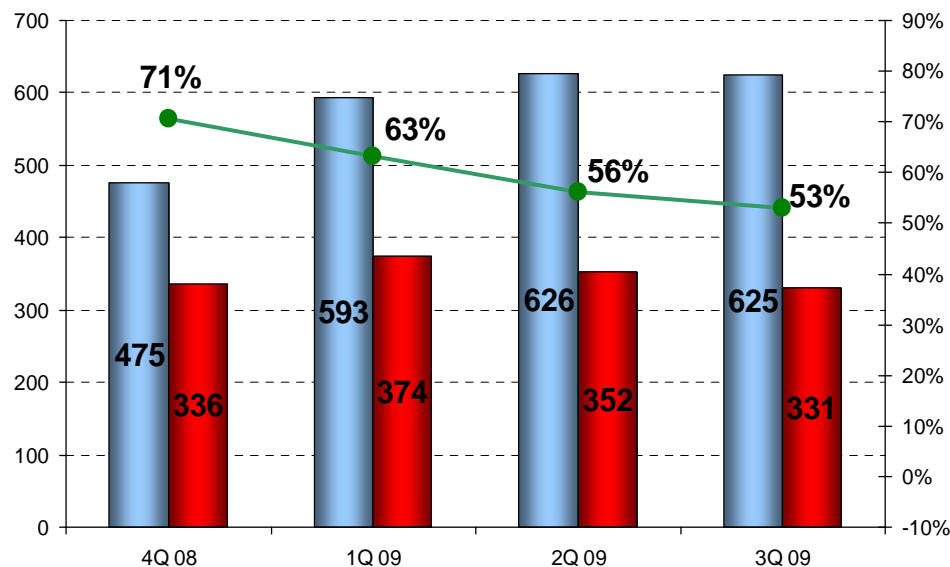


**WIBOR3M still much higher than the Polish Central Bank reference rate**



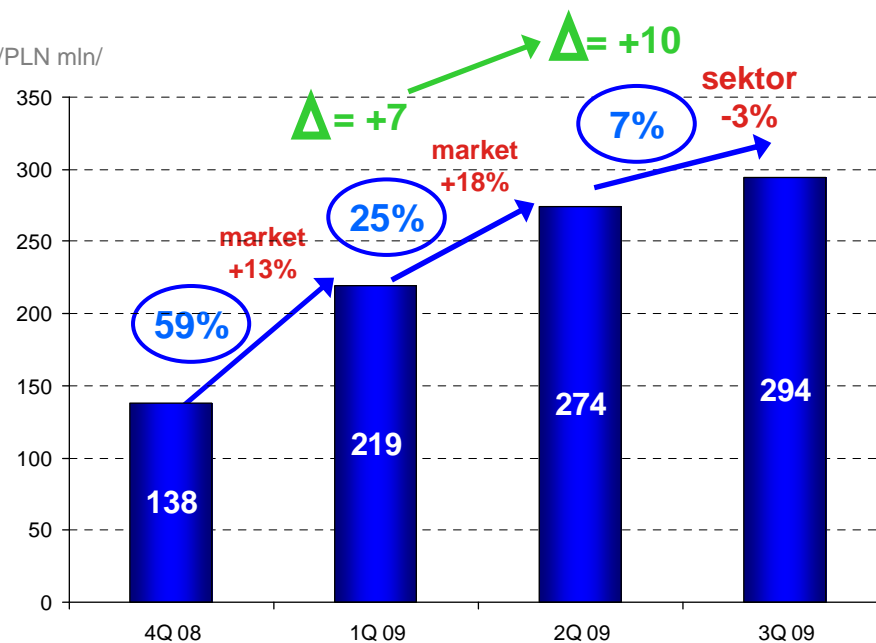
# Increase of operating margin in the last three quarters

/PLN MM/



Income Cost C/I

/PLN mln/

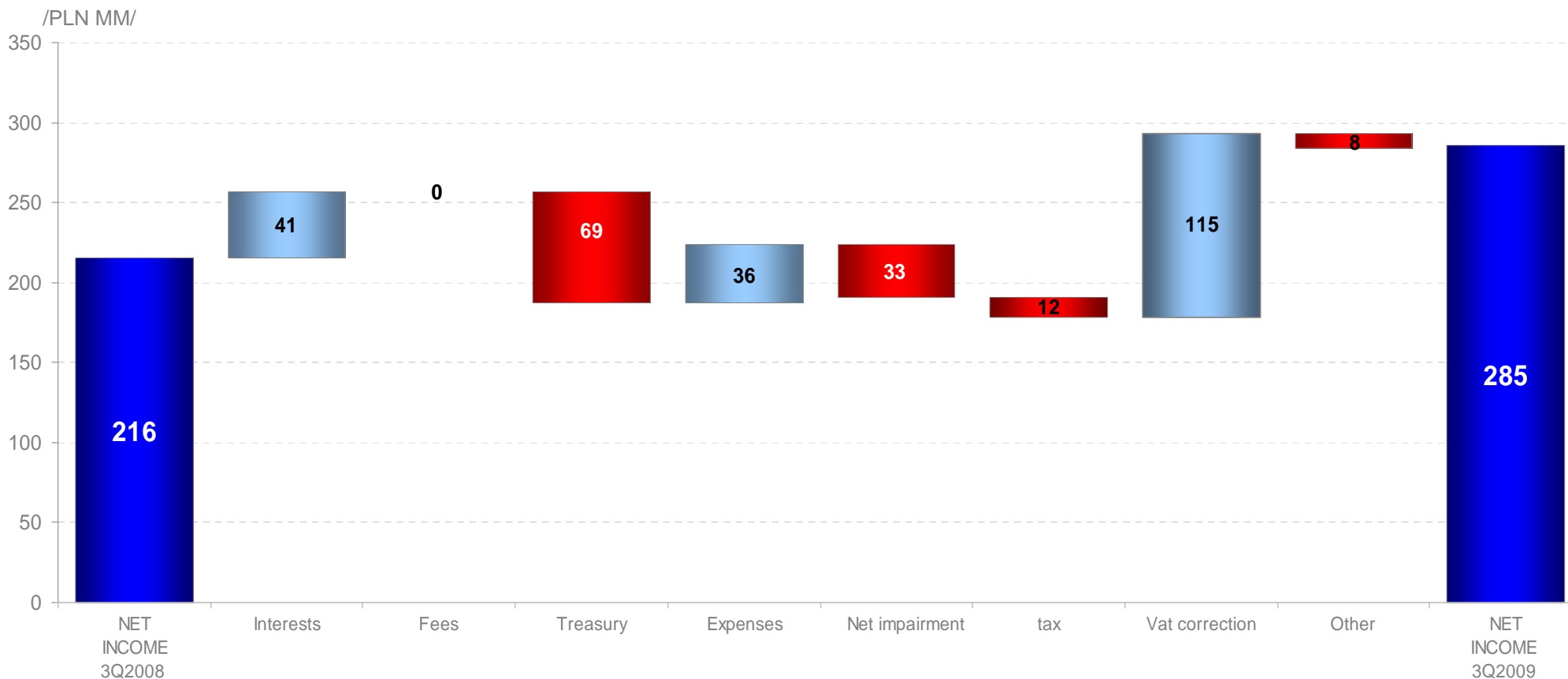


Operating margin

**Increase of operating margin excluding one-off event (positive impact of VAT return) due to stable income and decreasing costs**

*Operating margin = income - cost*

# Net income 3Q2009 vs 3Q2008



**12%**

(3Q09/3Q08)  
**Net interest income**

market  
-4%

**0%**

(3Q09/3Q08)  
**Fee & commission income**

market  
+9%

**69 MM**

(3Q09/3Q08)  
**Treasury**

**10%**

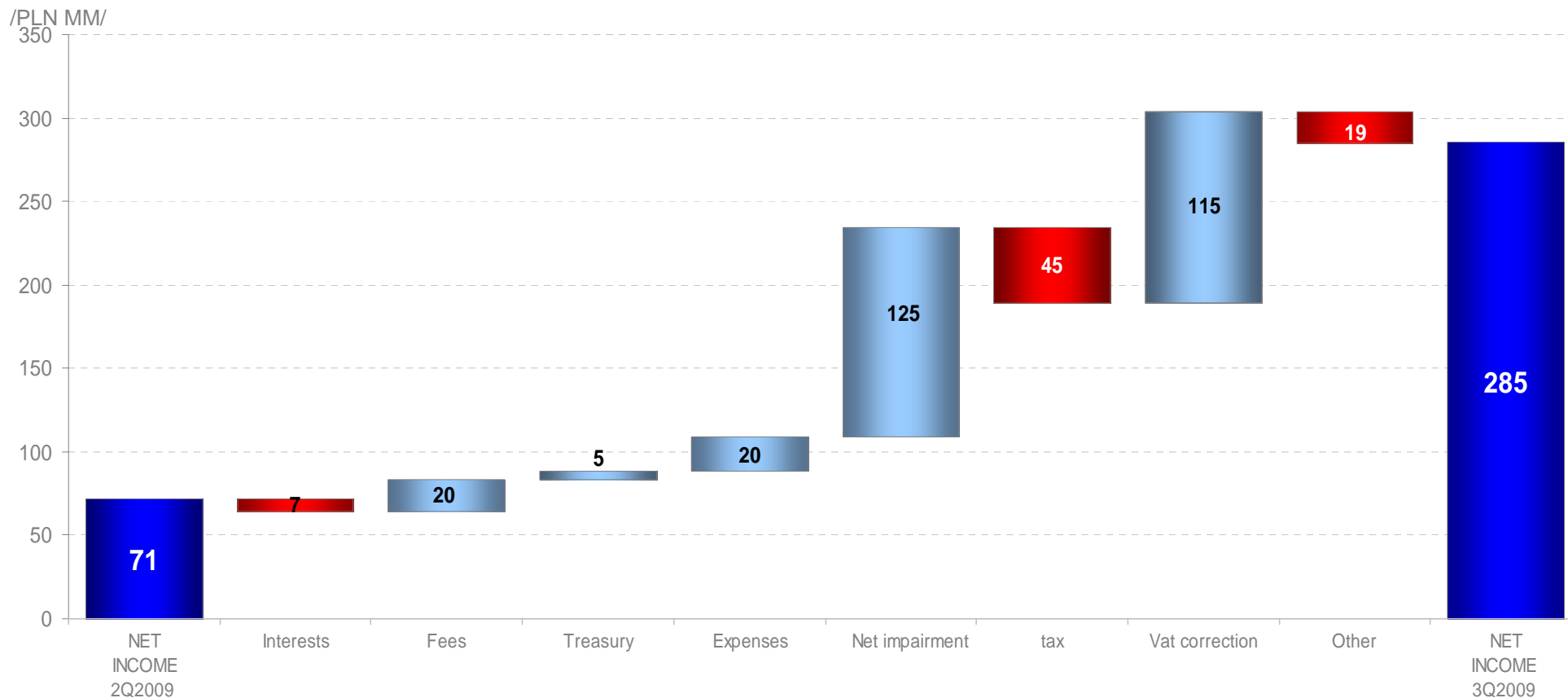
(3Q09/3Q08)  
**Expenses and depreciation**

market  
-4%

**33 MM**

(3Q09/3Q08)  
**Net impairment losses**

# Net income 3Q2009 vs 2Q2009



**↓ 2%**

(3Q09/2Q09)  
**Net interest income**

market  
+13%

**↑ 15%**

(3Q09/2Q09)  
**Fee & commission income**

market  
+3%

**↑ 5 MM**

(3Q09/2Q09)  
**Treasury**

**↓ 6%**

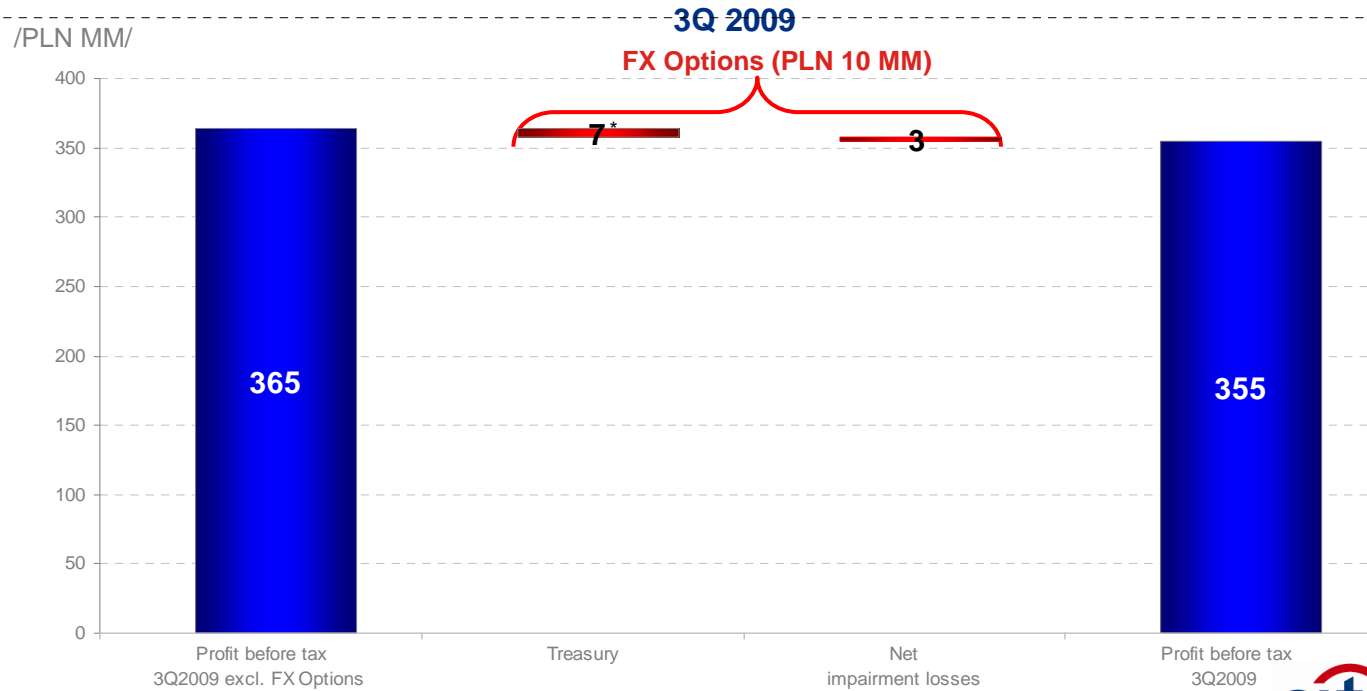
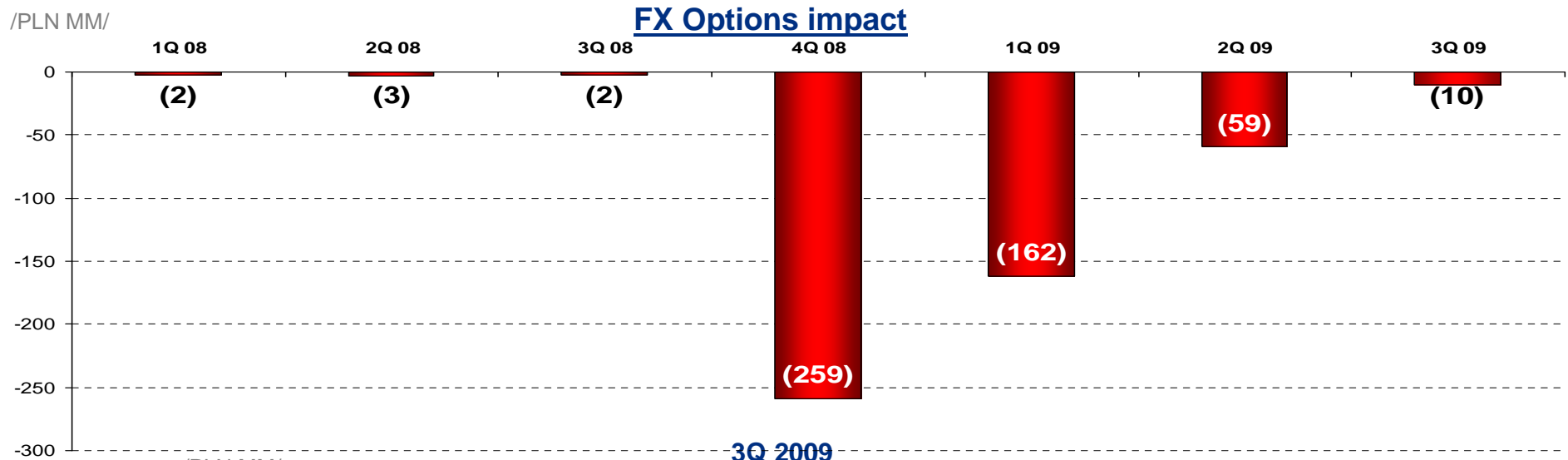
(3Q09/2Q09)  
**Expenses and depreciation**

market  
-5%

**↓ 125 MM**

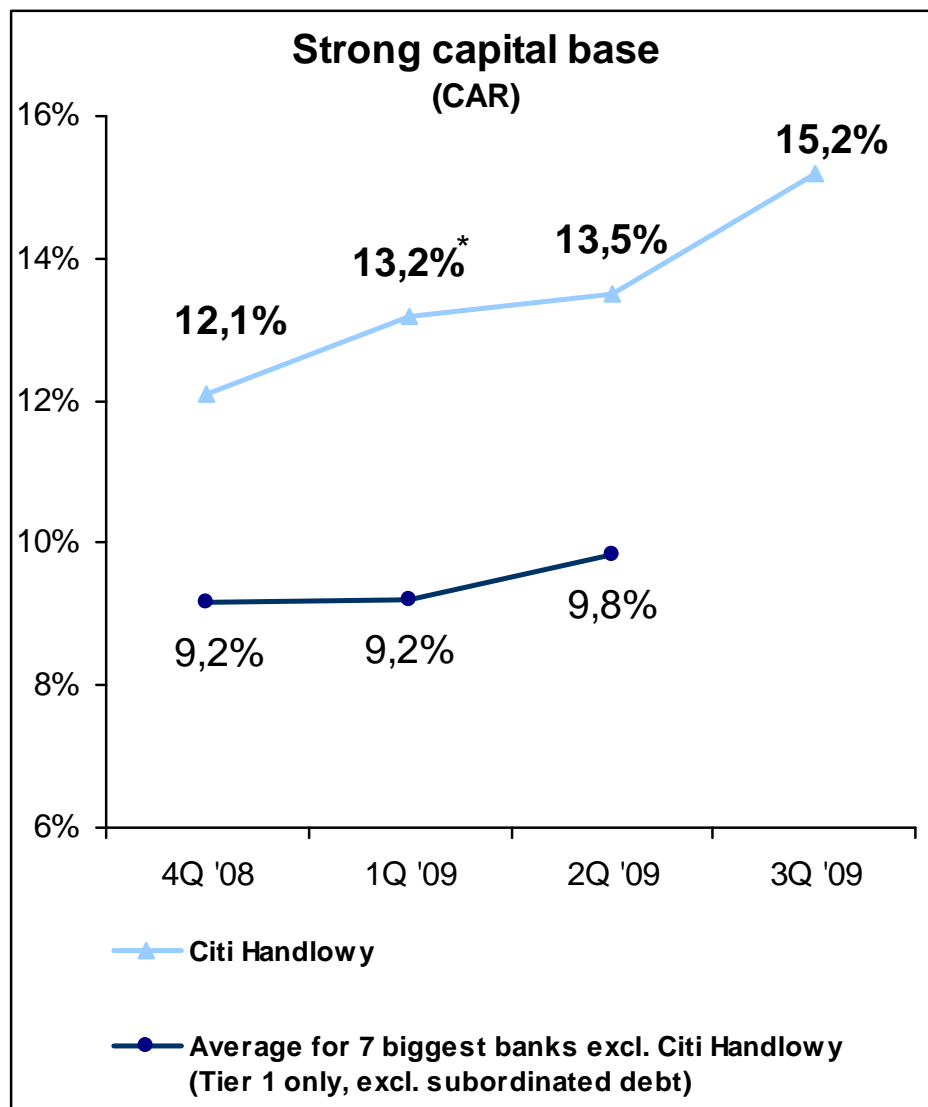
(3Q09/2Q09)  
**Net impairment losses**

# FX Options' impact on Bank's income in 3Q2009

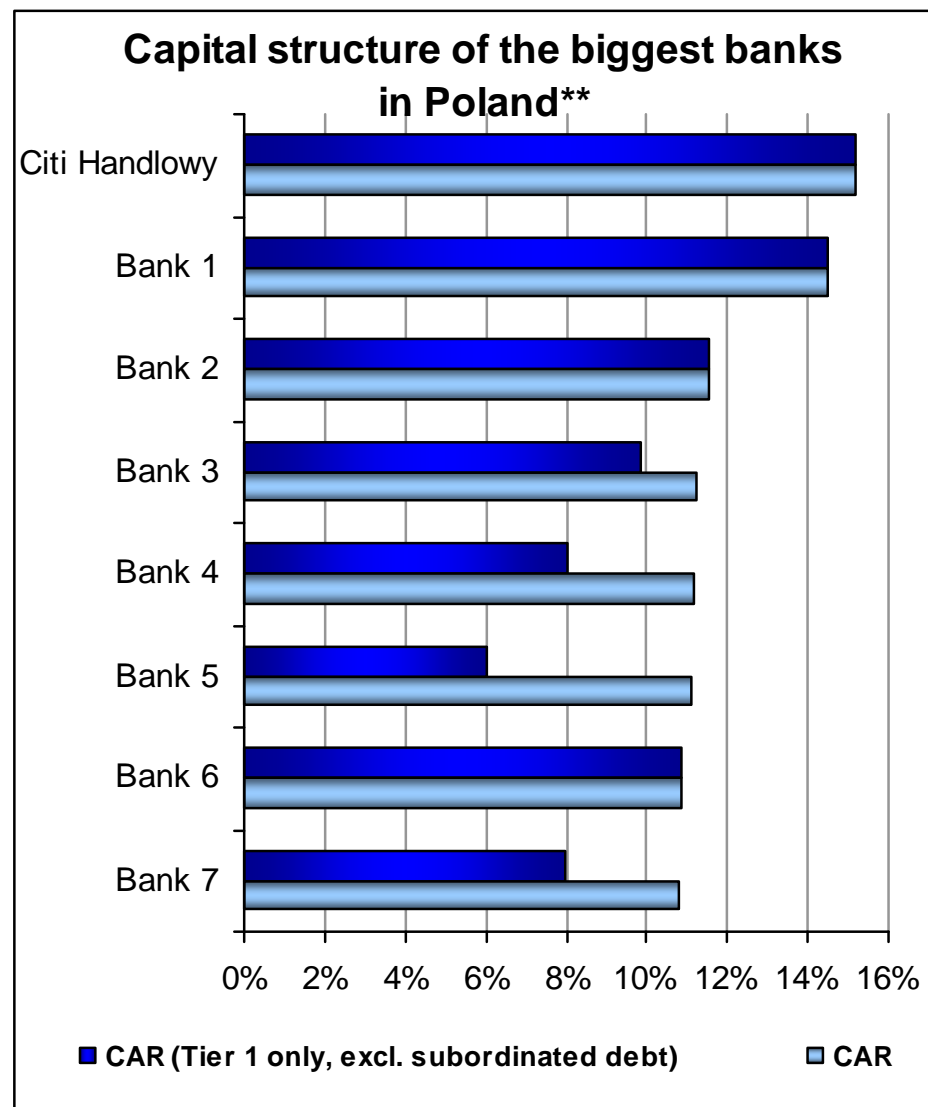


\*Including FX Options hedging

# High quality of capital



\* incl. 2008 net income for data comparability; reported value amounted to 11.2%  
 Source: Citi Handlowy, banks financial statements, own calculations



\*\* for Citi Handlowy data as of 3Q 2009, for other banks data as of 2Q 2009



# A high net interest margin

## Net interest income and net interest margin



**73%**

(3Q09/3Q08)

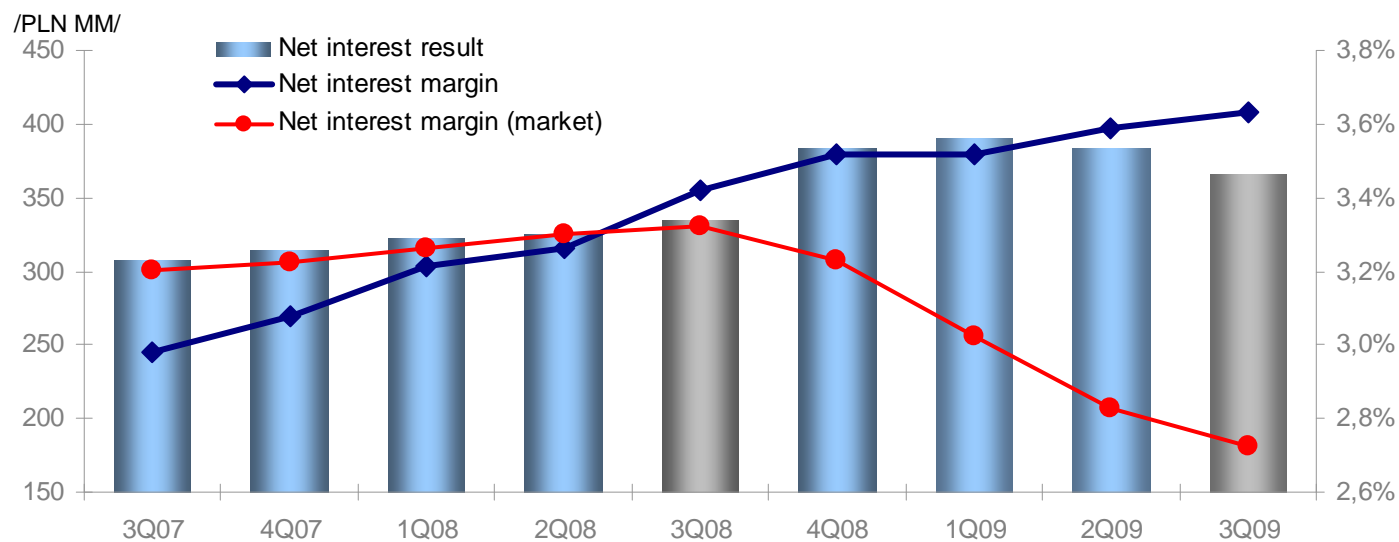
**Debt securities portfolio income**



**48%**

(3Q09/3Q08)

**Deposits cost – non-financial sector**



Net interest margin = sum of net interest results from 4 quarters to average assets from 4 quarters

# Successive QoQ improvement of fee & commission result

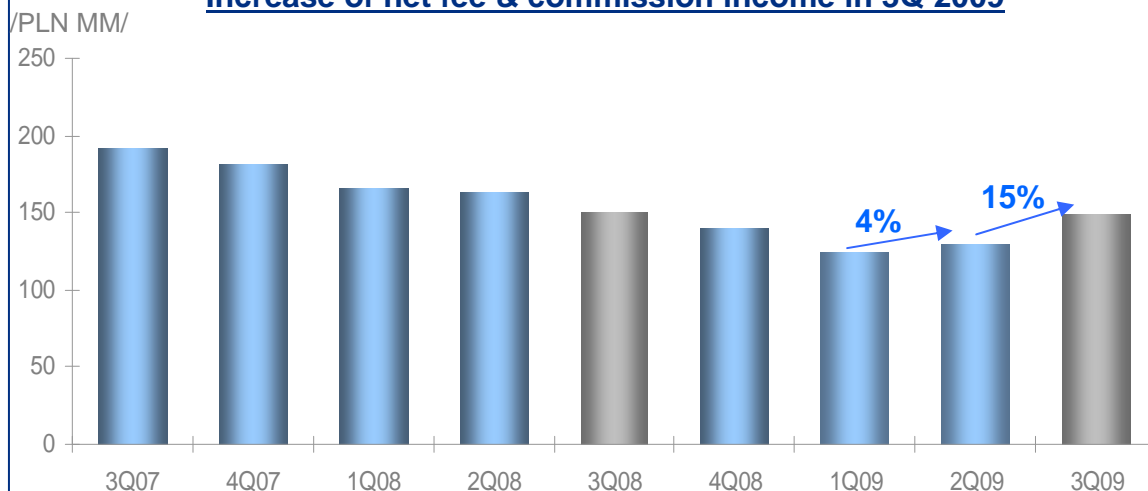
## Net fee & commission income

**↑82% - brokerage**  
(3Q09/3Q08)

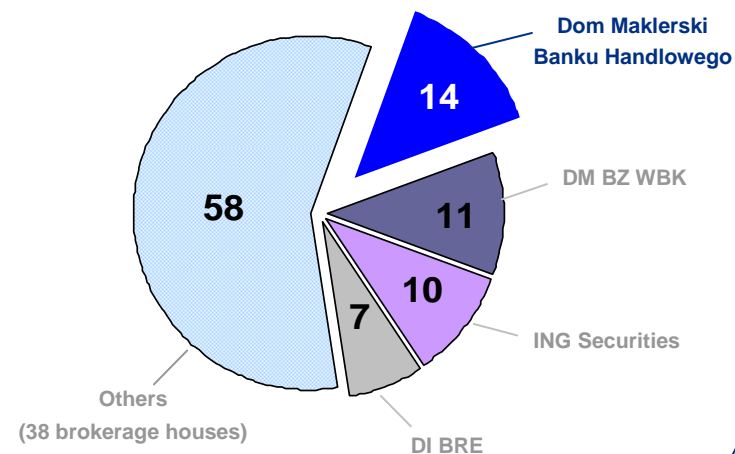
**↑21% - credit cards**  
(3Q09/3Q08)

**↑11% - transaction services**  
(3Q09/2Q09)

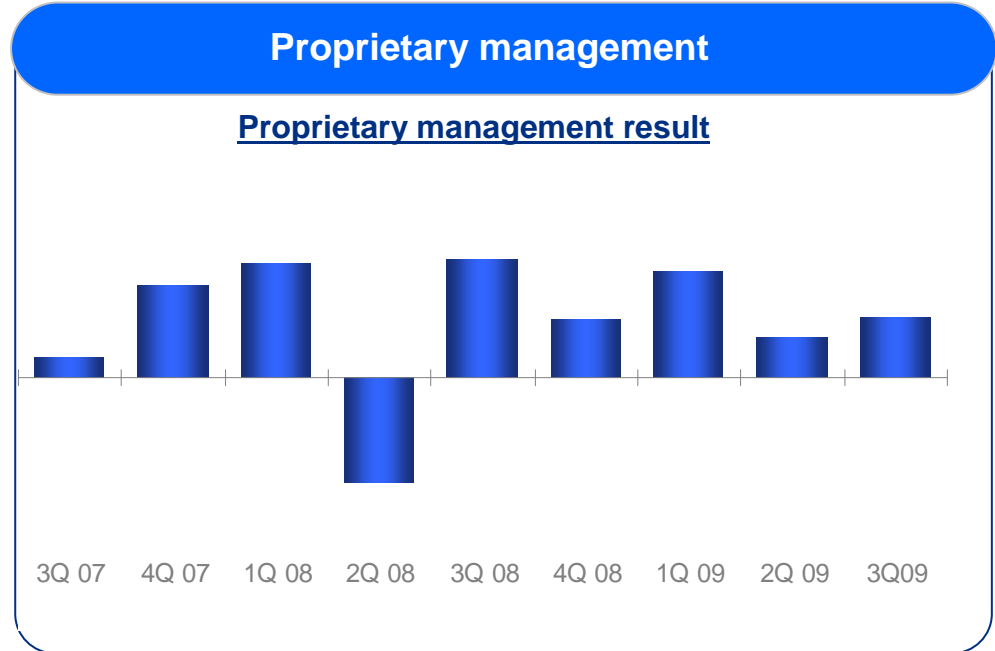
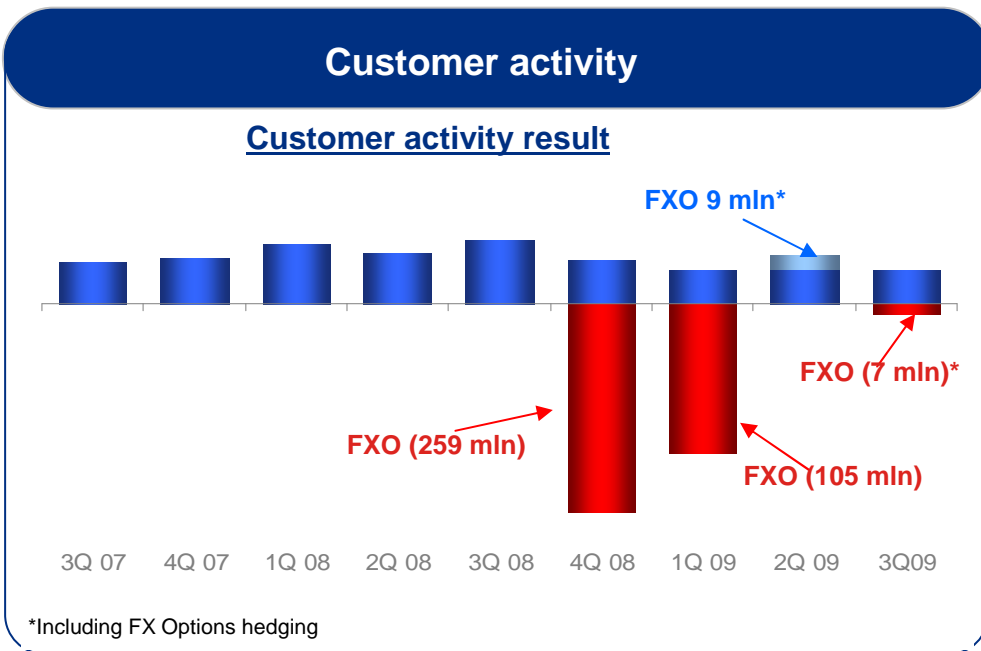
Increase of net fee & commission income in 3Q 2009



DMBH's share in volume of trade in shares on WSE 3Q09 (%)



# Stable customer activity result



Scale on charts is incomparable

# Risk stabilisation in 3Q2009

## Net impairment losses\*

**3Q 2008**

(22.6)



**3Q 2009**

(52.8)



**I/D (mln zł)**

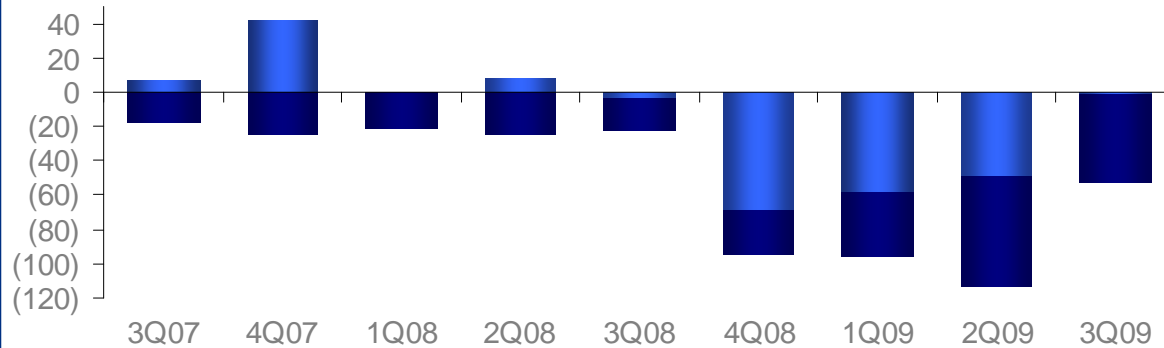
(30.2)



Net impairment losses		
	3Q08	3Q09
Corporate Banking	(4,0)	(1,5)
Retail Banking	(18,6)	(51,2)
<b>Total</b>	<b>(22,6)</b>	<b>(52,8)</b>

/PLN MM/

### Net impairment losses\*



**Retail banking:**  
Higher risk of credit cards and consumer loans portfolios

**Corporate banking:**  
Stabilisation of corporate portfolios – effect of restructuring activities and risk mitigation

Coverage ratio as of 3Q 2009

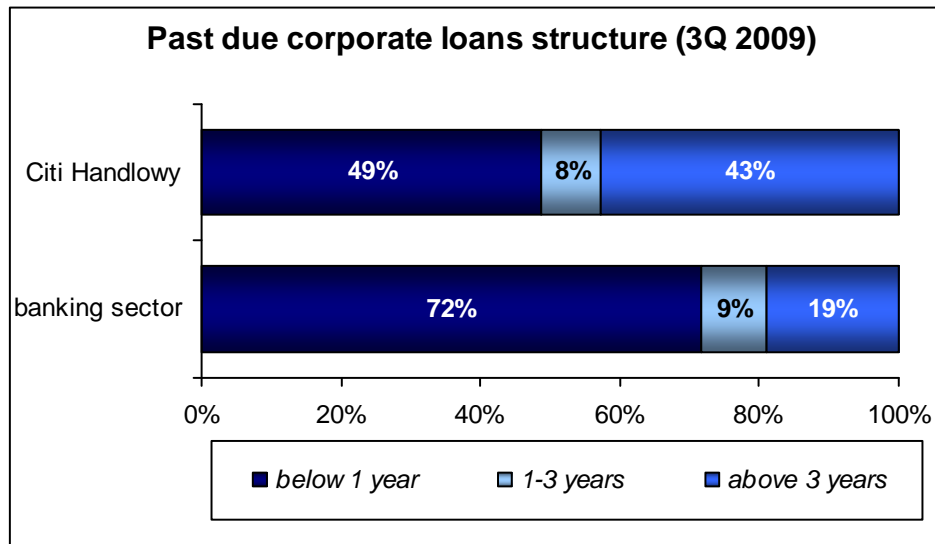
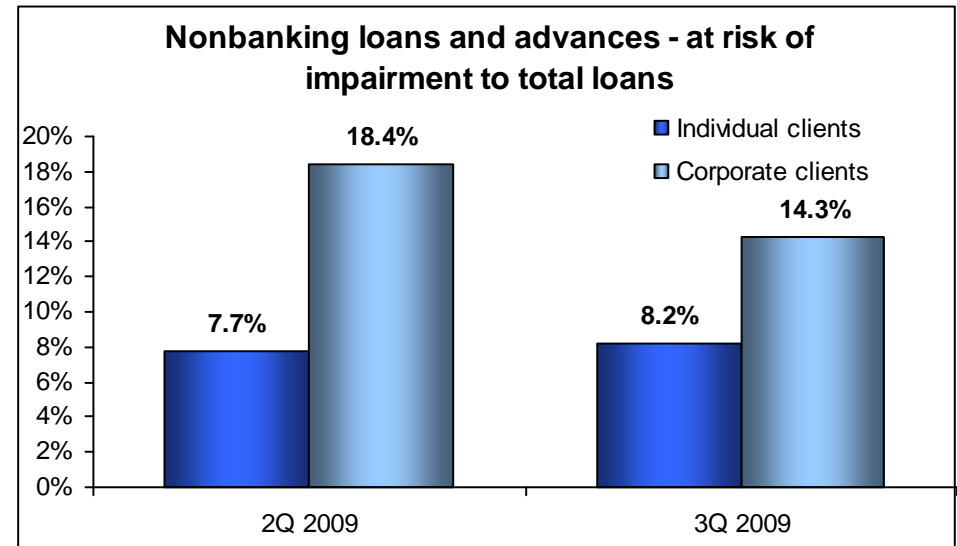
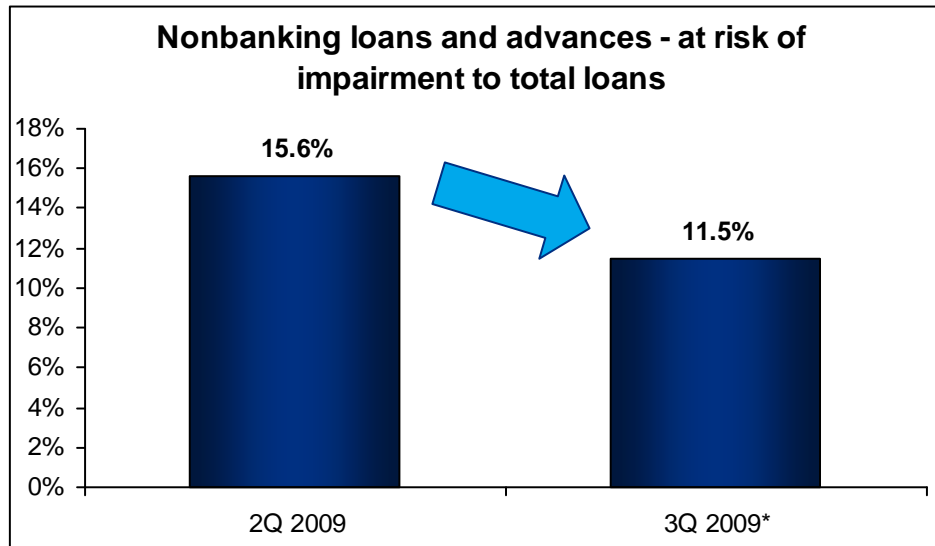


**70%**

10 biggest banks  
58%\*\*

\*excl. FX Options \*\* data as of 2Q09

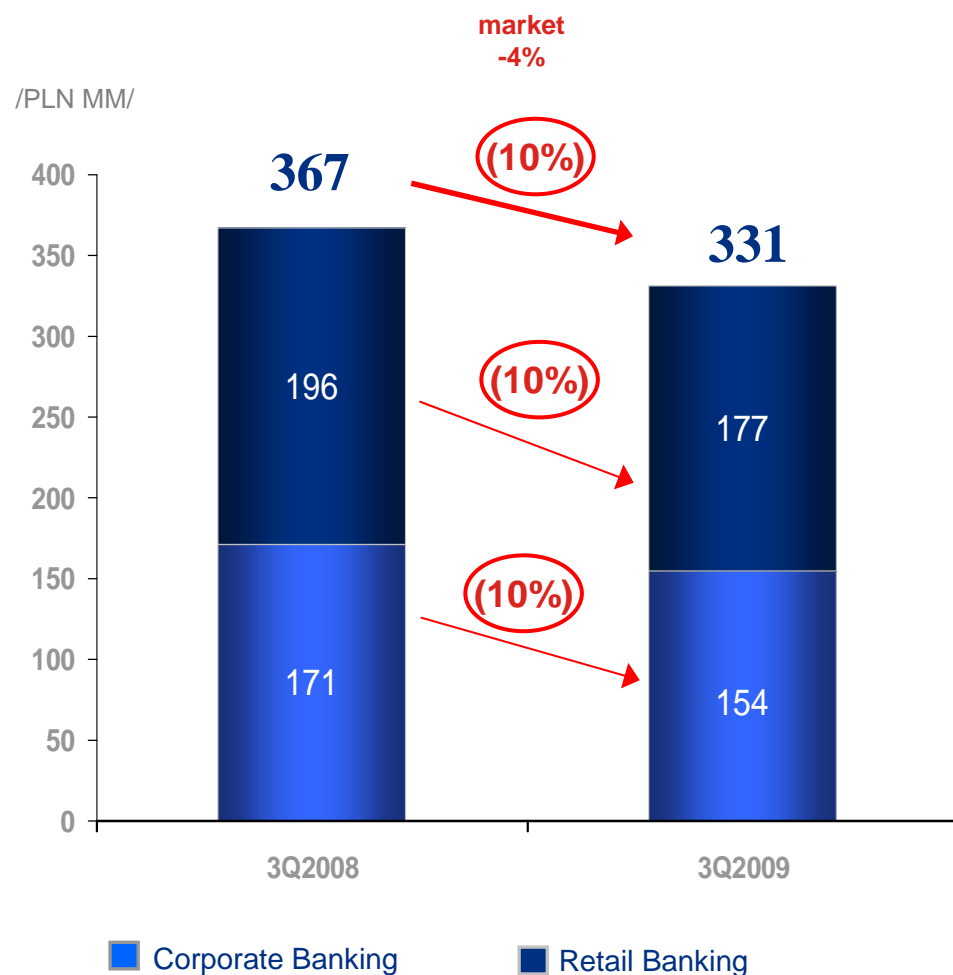
# Improvement of loan portfolio quality



- Sale of non-performing loans portfolio
- Intensifying collection activities
- Prudent credit policy

\* excl. derivatives; taking derivatives into account, the ratio amounts to 12.9%

# Expenses under control



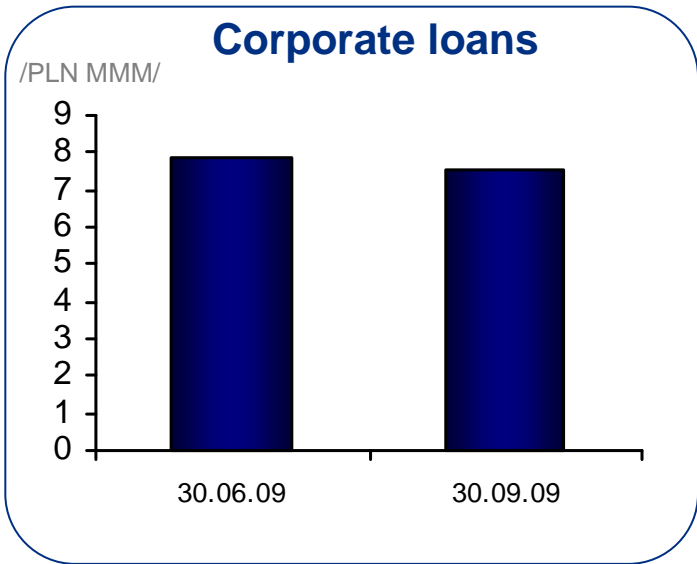
Cost / Income		
	3Q08	3Q09
Corporate Banking	48%	44%
Retail Banking	65%	65%
<b>Total</b>	<b>56%</b>	<b>53%</b>

Retail banking:  
Optimisation of branch network, technology and infrastructure and lower marketing expenses

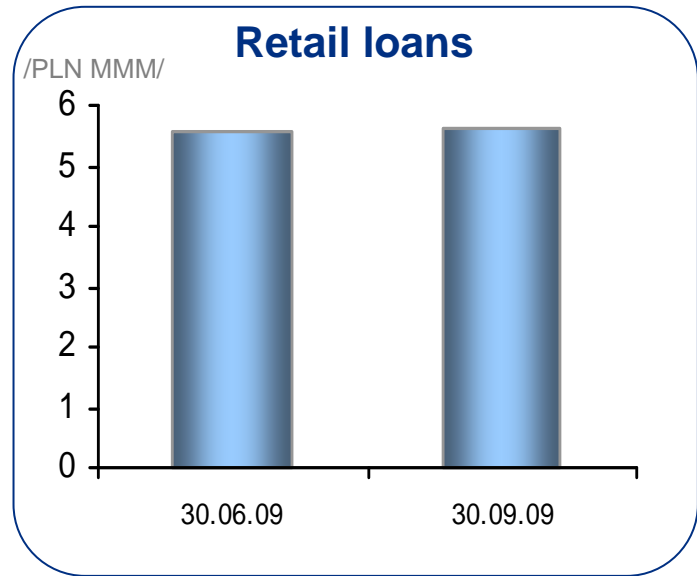
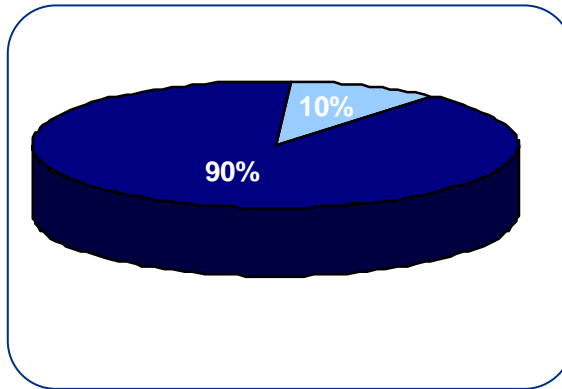
Corporate banking:  
Lower external services and transaction costs

# Loans

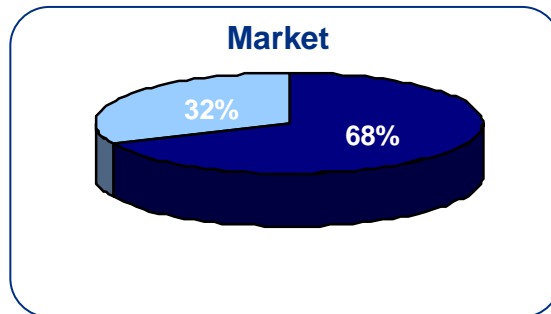
## Non-financial sector loans



### Gross loans non-financial sector Currency structure



■ PLN    ■ FX



	3Q2009/2Q2009	Market 3Q2009/2Q2009
Changes	(4%)	(1%)

	3Q2009/2Q2009	Market 3Q2009/2Q2009
Changes*	1%	2%

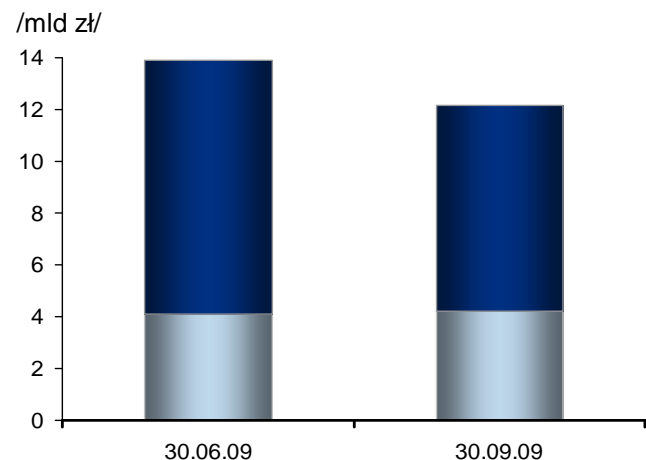
Corporate loans: including public sector and local government institutions

\*excl. mortgage

# Deposits

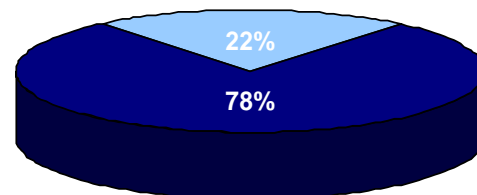
## Non-financial sector deposits

### Corporate deposits



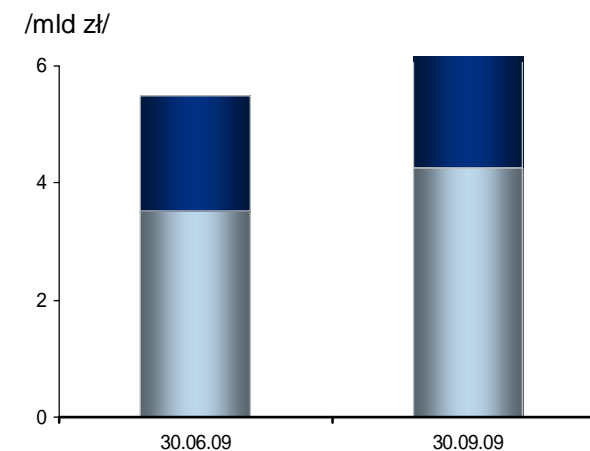
■ Current ■ Term

### Deposits non-banking sector Currency structure



■ PLN ■ FX

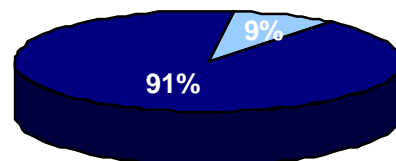
### Retail deposits



■ Current ■ Term

Changes	3Q2009/2Q2009	Market 3Q2009/2Q2009
Current	3%	(2%)
Term	(19%)	5%
Total	(13%)	2%

### Market



Changes	3Q2009/2Q2009	Market 3Q2009/2Q2009
Current	21%	3%
Term	(3%)	(2%)
Total	12%	0%


### Stable level of average balances

Corporate deposits including public sector and local government institutions



## Leading partner for public sector

2009



**PZU SA**

**3 000 000 000 PLN**

One of the biggest reverse repo transaction in the last 20 years

2009

Dom Maklerski Banku Handlowego  
citi handlowy

**DMBH**


**1 700 000 000 PLN**

89% of MT's minorities value concluded on WSE

**TRANSACTION OF THE YEAR**

**Sale on order of Ministry of Treasury „minority interest” Pekao SA for PLN 1.1 billion.**

2009



**Bank Gospodarstwa Krajowego**

**600 000 000 PLN**

Roads bonds issue

2009




**Miasto stołeczne Warszawa**

**4 000 000 000 PLN**

Bonds issue programme

Organiser Bank Handlowy w Warszawie SA

2009



**Miasto Białystok**

**100 000 000 PLN**

Municipal bonds issue

Organiser, Custodian, Payment Agent, Dealer

# What will happen in the end of 2009?

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## Summary

- **Permanent trend of improvement in the market situation**
- **Citi Handlowy – well positioned Bank for taking advantage in the market situation's improvement**
- **High level of the first class capital**
- **High liquidity**
- **Quick reaction on quality of the loan portfolio's deterioration**