

BANK HANDLOWY W WARSZAWIE S.A.

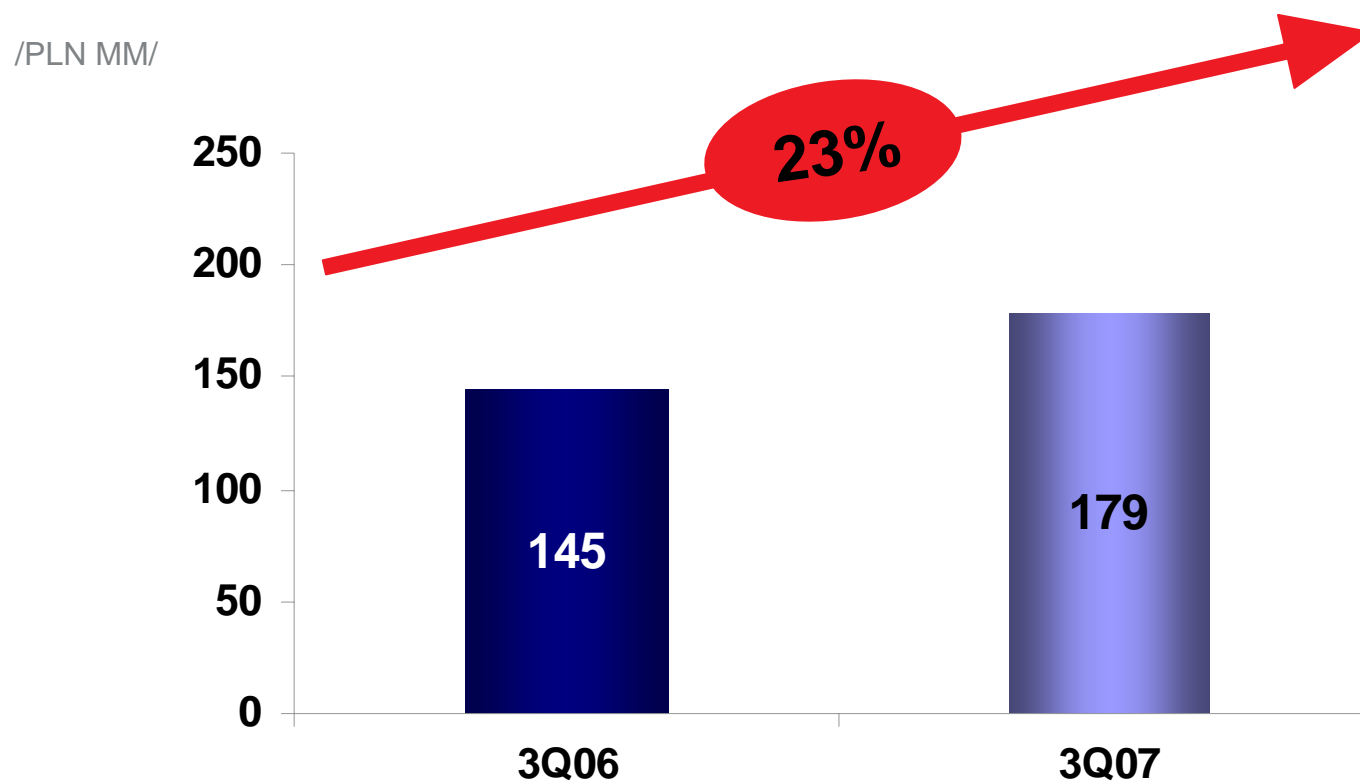
3Q 2007 consolidated financial results

Warsaw, 6th of November 2007

Global standards. Local solutions.

The logo for Citi Handlowy, featuring the word "citi" in a dark blue font with a red arc above the "i", followed by the word "handlowy" in a dark blue font.

Sound net income growth as compared to 3Q2006



Significant improvement in efficiency

	3Q 2006	3Q 2007	
ROE	12.7 %	15.9 %	↑
ROA	1.8 %	2.0 %	↑
Cost / Income	71 %	61 %	↓
CAR *	14.1 % *	12.4 %	

*CAR calculated as at December 31, 2006

Citi Handlowy Business Model

Citi Markets and Banking (CMB)

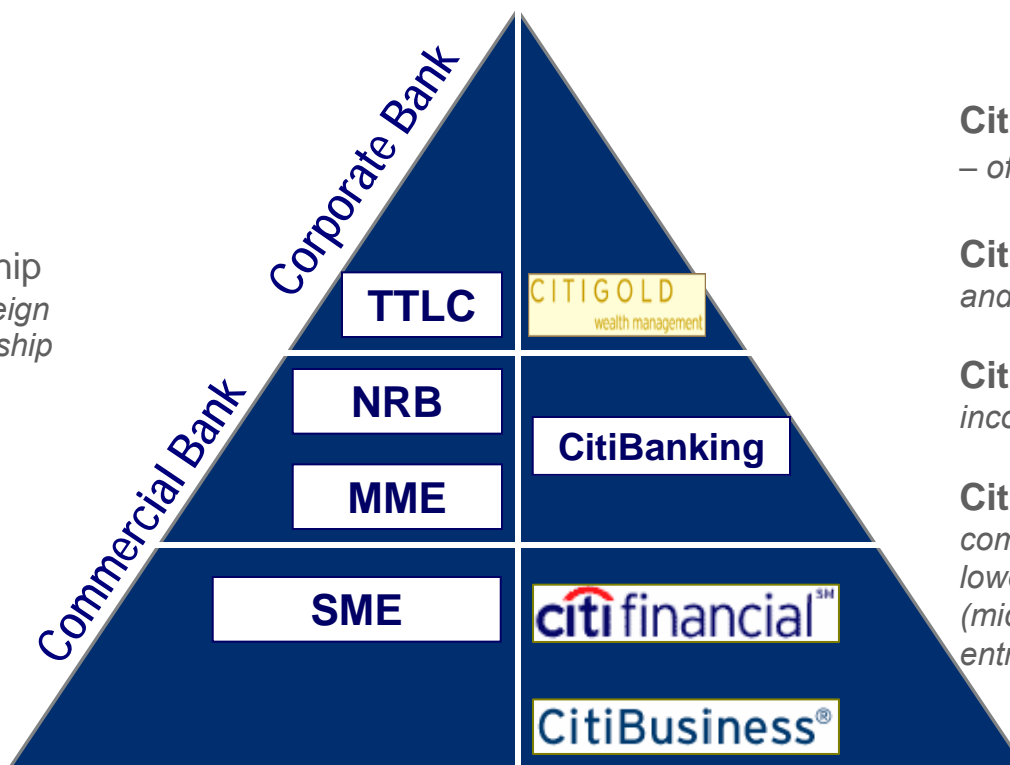
Global Consumer Group (GCG)

TTLC – Top Tier Local Corporates – *companies with sales revenue higher than PLN 1 MMM*

NRB – Network Relationship Banking – *subsidiaries of foreign companies with global relationship with Citi group*

MME – Middle Market Enterprises – *companies with sales revenue between PLN 75 MM – 1 MMM*

SME – Small and Medium Enterprises – *companies with sales revenue between PLN 8 – 75 MM*



Citigold Wealth Management – *offer for high income customers*

CitiBanking – *offer for medium and low income customers*

CitiFinancial – *offer for very low income customers*

CitiBusiness – *offer for companies with sales revenue lower than USD 2 MM (microbusiness, individual entrepreneurs)*

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Citi Markets and Banking in 3Q07

Commercial Bank

- Implementation of a New Sales Model encompassing three main customer segments: **SME, MME and Global Customers**
- Introducing of **long-term mortgage under construction loans** offer and prolonging of available loan length– now MME and SME customers can be granted loans for respectively 10 and 12 years (until so far the maximum loan length was adequately 8 and 10 years)
- **More than 200 new customers** acquired in SME sector – almost 8% more as compared to the 3Q06
- **10% of increase in assets**, and within SME sector only as much as **49% of growth**
- **15% increase in current account balance**, within SME – 24% growth
- **39% growth of FX transactions' volume** as compared to 3Q06, within SME enterprises the growth was **more than 64%**
- Based on Retail Banking sales network the **number of outlets servicing Corporate Customers rose by 68** (3Q07/3Q06)

Corporate and Investment Bank

- Bonds issuance program for Polish Telecom elevated to **PLN 2.5 MMM** (from PLN 1 MMM) - as a result it is currently the biggest bonds' issuance program in Poland
- Syndicated loan for PKO BP S.A. for an amount of **CHF 950 MM** – Citi Handlowy was a leading arranger
- 5-year financing for pharmaceutical company Polpharma S.A. for a total amount of **PLN 300 MM** – Citi Handlowy was a loan agent
- 7-year financing for Anura S.A. for a total amount of **PLN 300 MM** – Citi Handlowy was a loan agent as well as securitization agent.

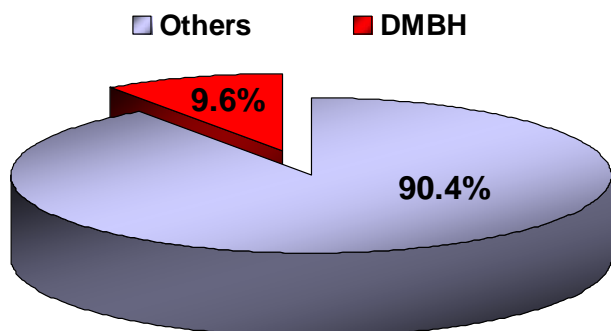


Subsidiaries' achievements in 3Q 2007

Brokerage

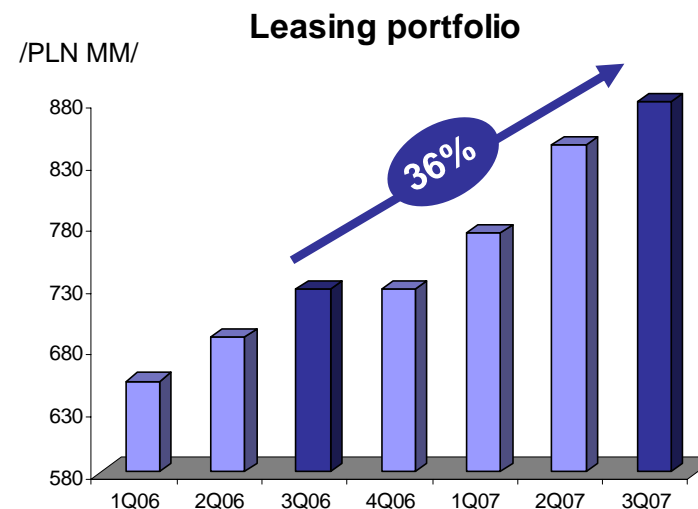
- **3rd rank** on the market in terms of stock trading, an increase in market share to **9.6%**
- The value of **transactions almost doubled (99% growth)**
- Number of **future contracts increased by 42%** (3Q 07/2Q07)
- Value of non-public transactions – **MM 827 PLN**
- **Animator for 44 companies** (over 13% of all stocks listed on WSE)

Share of DMBH on the stock exchange market in 3Q2007:



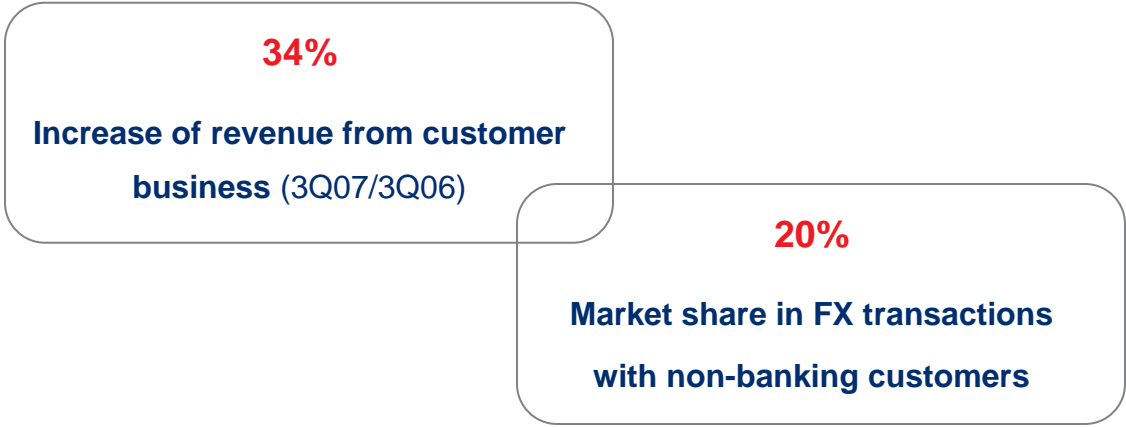
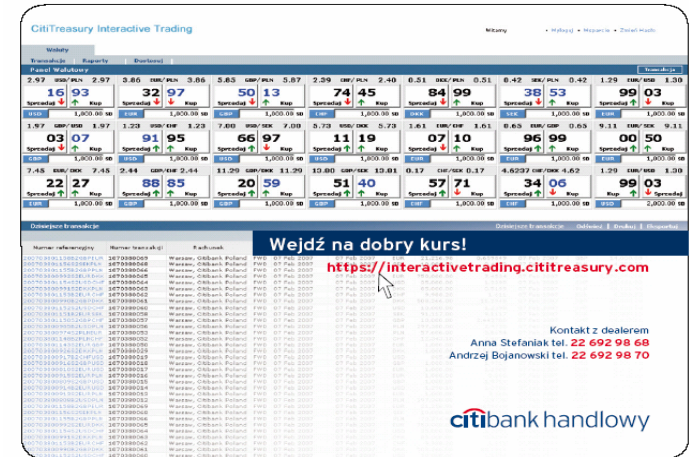
Leasing

- **Dynamic growth** in terms of new contracts **+97%** ytd, including:
 - machinery **+ 173%**;
 - vehicles **+ 77%**



Treasury

- Increase in customers' FX trading volumes by 20% (3Q07/3Q06)
- Exceptional interest in internet platform for FX trading – over 400% increase in transactions volume (3Q07/3Q06)
- 148% growth in trading volumes of customers' FX options transactions (3Q07/3Q06)
- 133% increase in revenues from FX options (3Q07/3Q06)



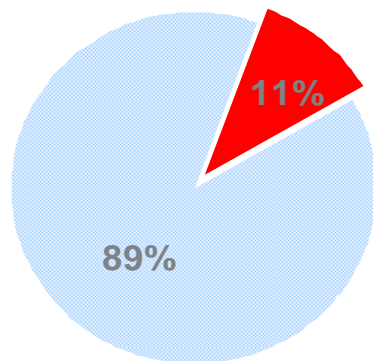
A record high number of cards sold in 3Q 2007

The best quarter in the Bank's history in terms of the number of new credit cards acquired

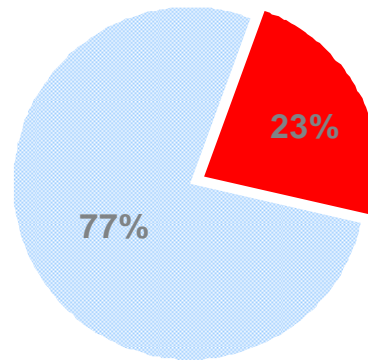
- **62 thousands new credit cards** acquired, out of it almost 75% are co-branded cards
- Total number of credit cards as of the end of 3Q07: **774 thousands** (22% growth 3Q07/3Q06)
- Nearly **25 thousands new co-branded cards Citibank-LOT and Citibank-PLUS** acquired

The Bank's share in the credit cards market *

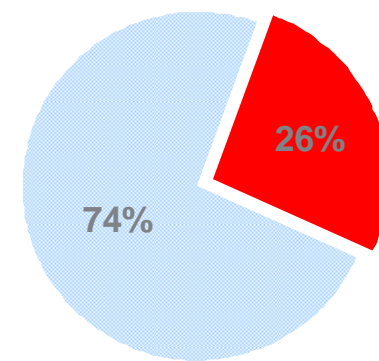
Number of cards issued



Number of transactions



Value of transactions



*/ based on 2Q07 data

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■ Citi Handlowy ■ Other banks

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Many countries – one bank

First global offer for Poles abroad



Jesteśmy po Twojej
stronie świata



■ Citibank Global Transfers to Poland from 14 countries

- Unique offer on the market - transfers are done on-line and in real time, funds are available for beneficiary immediately (standard foreign transfer via SWIFT lasts 2-3 days)
- **Free transfers from 8 countries:** UK, Germany, Italy, Spain, Belgium, Greece, Australia, India; **Low fee transfers from 6 countries:** USA, Turkey, UAE, Indonesia, Philippines, Bahrain

■ Special offer of comprehensive service package for Poles in UK and USA

UK

Open an account
in Citibank UK



- **Free** opening and maintenance of the account
- **Free:** real time transfers, VISA debit card, cash withdrawals in UK, Flexible Saver savings account (one of the highest interest rates on the market)
- Documentation in Polish

Open an account for your
family in Citi
Handlowy



- **Free** account opening request for a **relative in Poland** (via Internet and Helpline)
- **Free:** cash withdrawals in Citi Handlowy and Euronet ATMs, transfers abroad (via Internet)
- Free foreign currency accounts and deposits (incl. GBP)

USA



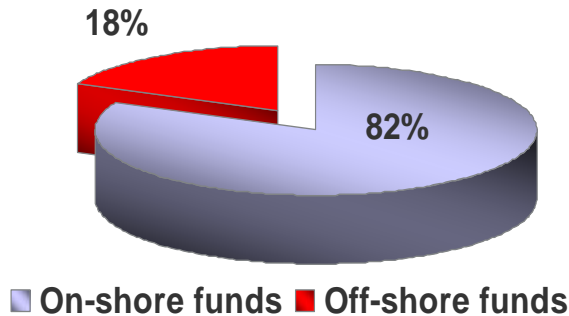
- Real time transfers to Poland for only **USD 8**
- Special web-site in Polish & free Helpline from USA in Citi Handlowy
- 18 branches dedicated to Poles in NY and Chicago – service in Polish
- Selected manuals and collaterals available in Polish in US „Polish” branches

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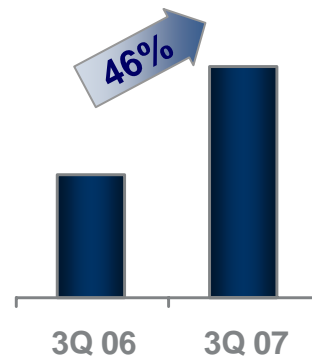
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Insurance and Investment products

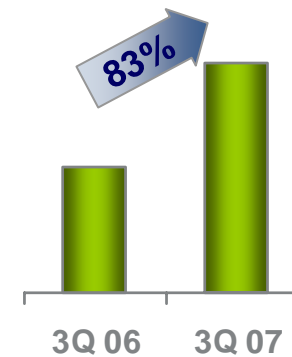
Investment products Sep '07



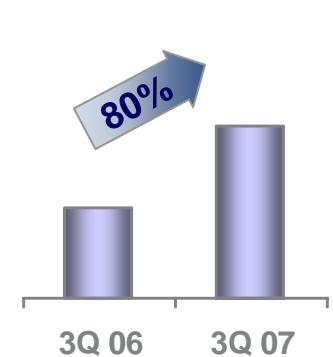
Mutual Funds - Bank



Unit Linked Insurance



Structured Products



- In July 2007 **Union Investment mutual funds have been converted into an umbrella fund**. As a result the Bank now offers two funds that are tax-optimized (the second is ING fund)
- Mutual funds offer expanded through adding two more funds – ING FIO Small and Middle Enterprises, as well as DWS Poland FIO Top25 Small Enterprises
- Launch of a new product – **Investment Life Insurance** - an endowment insurance linked to a particular market ratio or financial instrument. The first subscription is linked to shares' prices of 20 companies that are involved in alternative energy projects and are listed on stock exchanges in Europe, Asia and USA



Towarzystwo Funduszy Inwestycyjnych



Deutsche Bank Group



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Other achievements of retail banking in 3Q 2007

Saving Account

- In the 3Q 2007 a considerable number of new customers gained (substantially more than in 3Q2006) - to much extent as a result of successful Saving Account offer
- In August the amount of funds transferred in exceeded PLN 1 MMM
- Easy and comfortable way to get it:



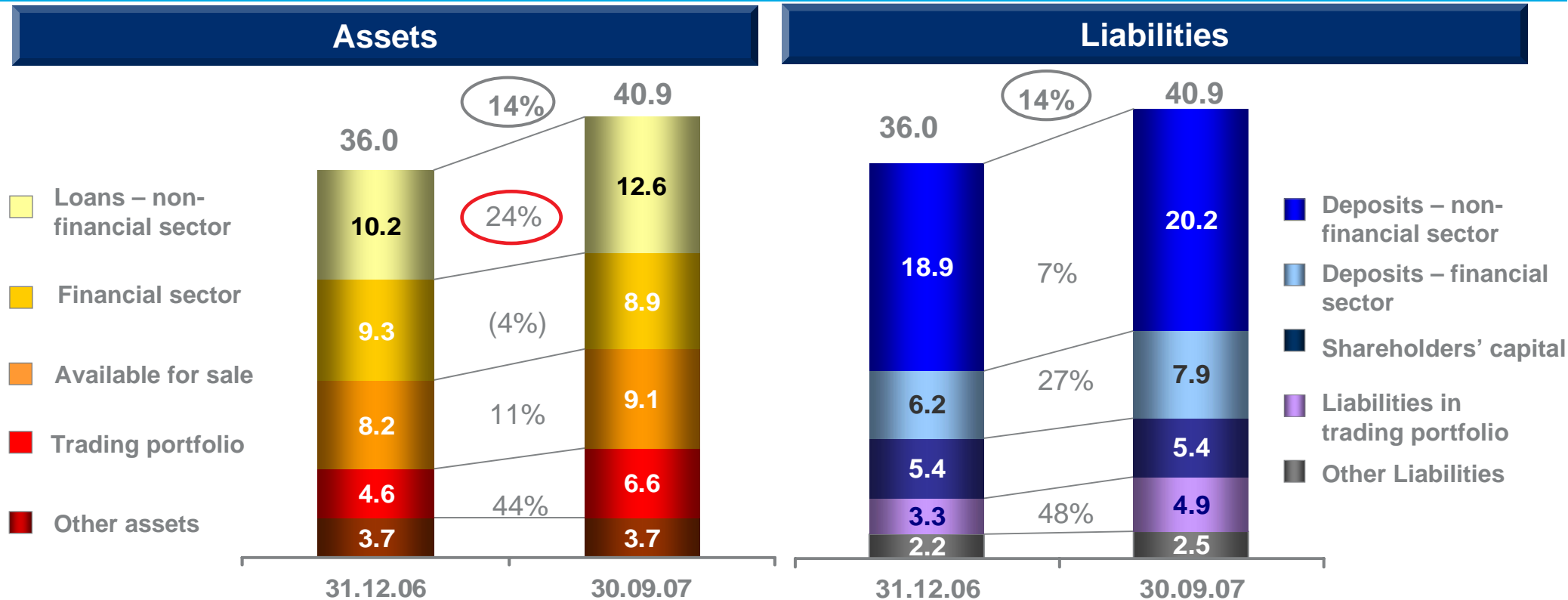
CitiBusiness

- Significant increase in the number of new accounts as compared to the 3rd quarter 2006
- Expanding an offer by adding new products:
 - CitiBusiness Direct package dedicated to the smallest companies
 - European Union Loan Commitment - mandatory and indispensable part of EU investment subsidies application

3Q 2007 results

PLN MM	3Q 2006	3Q 2007	3Q07/3Q06	
			I/(D)	I/(D) %
Net interest income	263.9	306.8	42.9	16%
Net fee and commission income	144.7	191.3	46.6	32%
Dividend income	3.6	3.5	(0.1)	(2%)
Treasury	73.1	95.0	22.0	30%
Equity instruments result	11.3	0.3	(11.0)	(97%)
Other operating revenue	22.3	18.0	(4.3)	(19%)
Revenue	518.9	614.9	96.1	19%
Expenses and depreciation	(366.1)	(375.7)	9.6	3%
Total operating expenses	(333.7)	(349.0)	15.3	5%
Depreciation	(32.4)	(26.7)	(5.7)	(18%)
Income on fixed assets sale	(0.1)	0.5	0.6	n.m.
Movements in provisions	29.3	(10.6)	(39.9)	n.m.
Share in subs' profits	1.5	0.0	(1.4)	n.m.
EBIT	183.4	229.2	45.8	25%
Corporate tax	(38.4)	(50.3)	12.0	31%
Net profit	145.0	178.8	33.8	23%

Balance Sheet structure



- Significant increase of non-financial sector loans as a result of considerable corporate loans increase as well as rise in retail loans
- Considerable rise in trading portfolio which is an outcome of both derivative instruments and debt securities portfolios growth
- Rise in financial sector and non-financial sector deposits, significant increase of non-financial current accounts balance (31%) - only Retail Banking current accounts balance increased by nearly 80%, which is mainly attributed to the successful Saving Account offer and marketing campaign

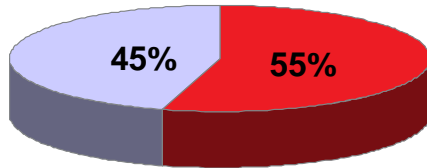
Source: Bank's Financial Disclosures, data in MMM PLN

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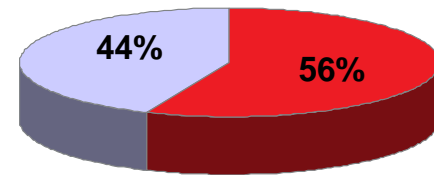
Strong corporate bank with growing momentum of retail

Net interest and fee income

3 Q 06

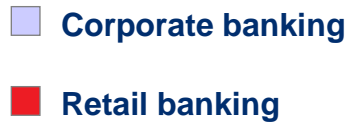
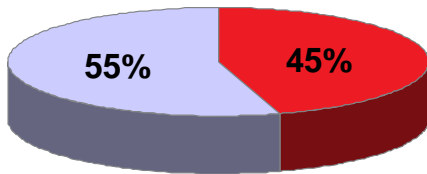


3 Q 07

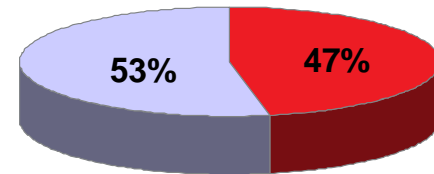


Revenue

3 Q 06

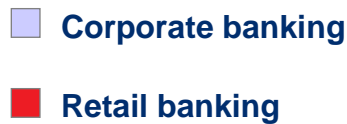
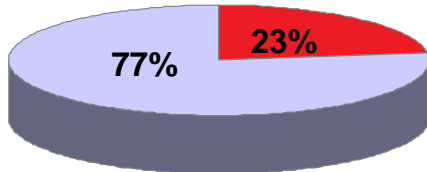


3 Q 07

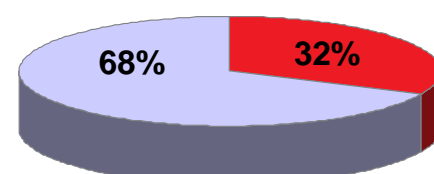


EBIT

3 Q 06

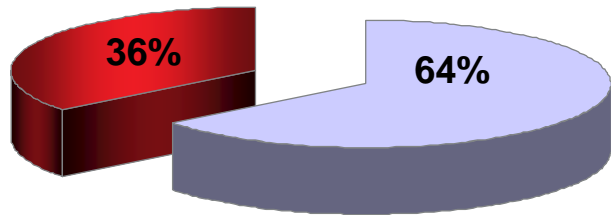


3 Q 07



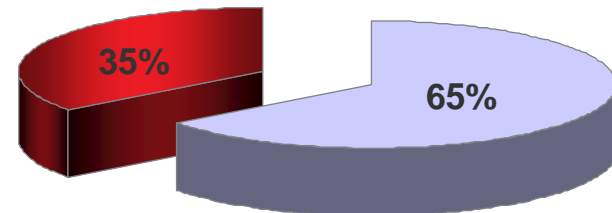
Loans

Non-financial sector loans



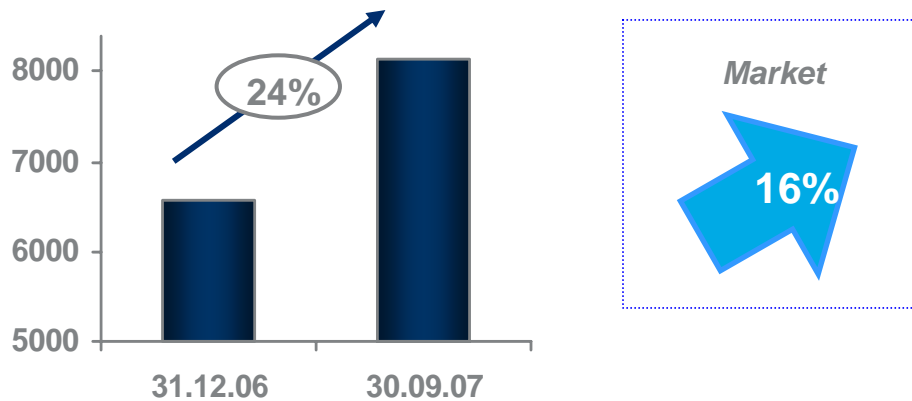
31.12.2006

■ Corporate ■ Retail



30.09.2007

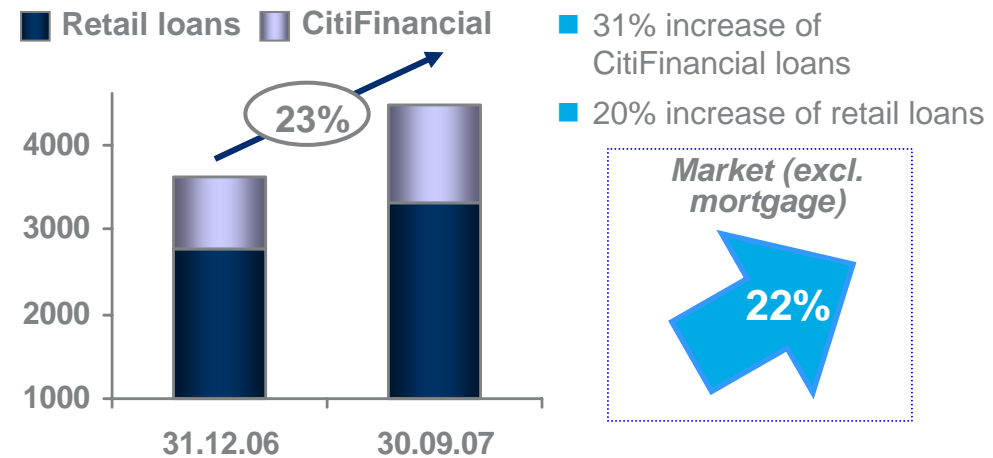
Corporate loans



Note: Corporate loans including loans to central and local government institutions

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Retail and consumer loans

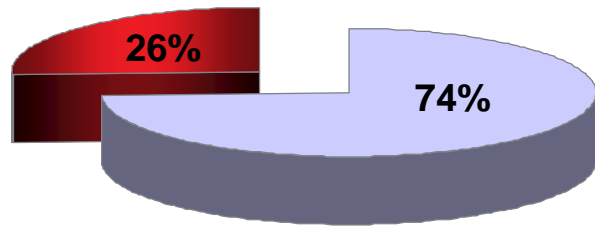


Source: Estimates, pro-forma data, in PLN MM

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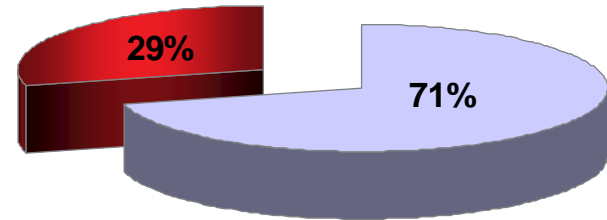
Deposits

Non-financial sector deposits



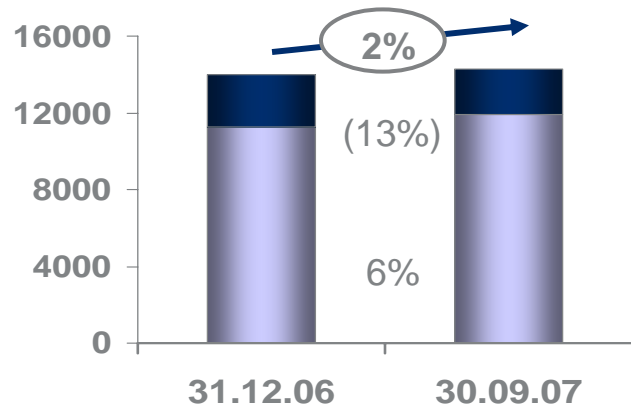
31.12.2006

Corporate Retail



30.09.2007

Non-Financial Corporate deposits

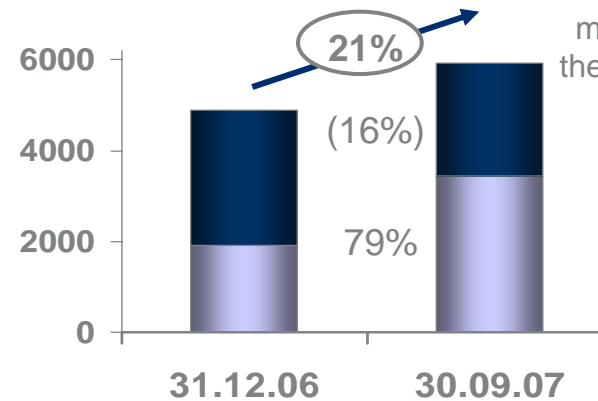


31.12.06

30.09.07

Current Term

Individuals' deposits



31.12.06

30.09.07

At the same time net mutual funds acquired by the Bank increased by 25%

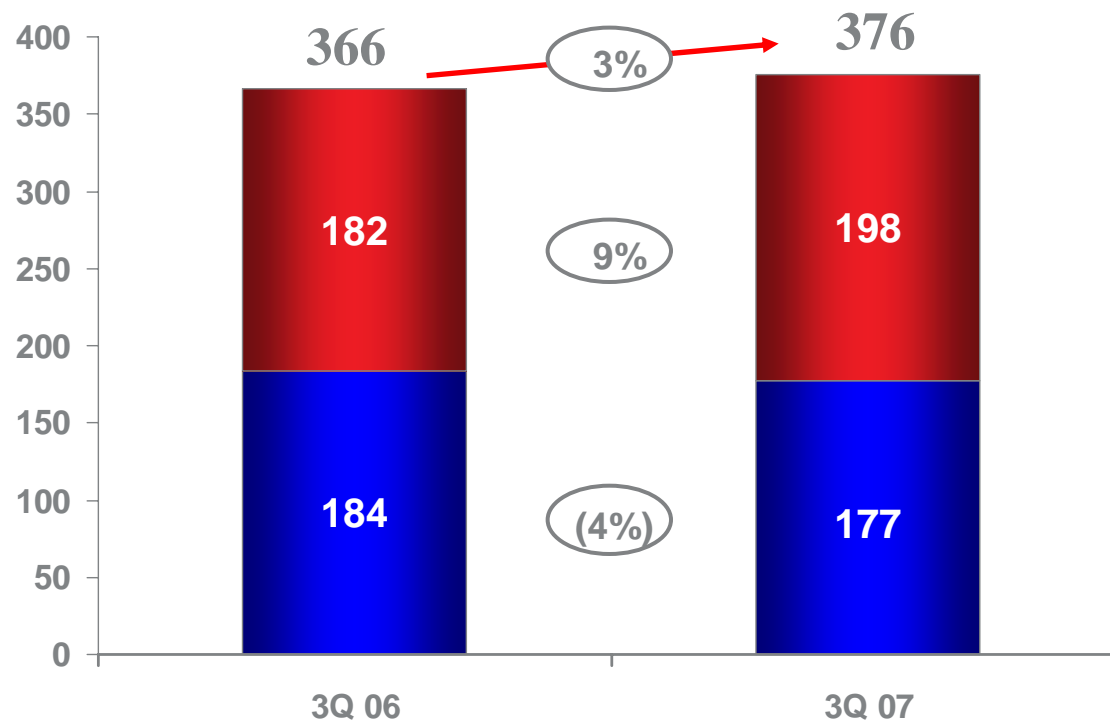
Note: Corporate deposits including deposits of central and local government institutions

Source: Estimates, pro-forma data, in PLN MM

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Expenses under control



■ GCG
■ CMB

	C/I	
	3Q 06	3Q 07
GCG	77%	69%
CMB	65%	54%
Total	71%	61%

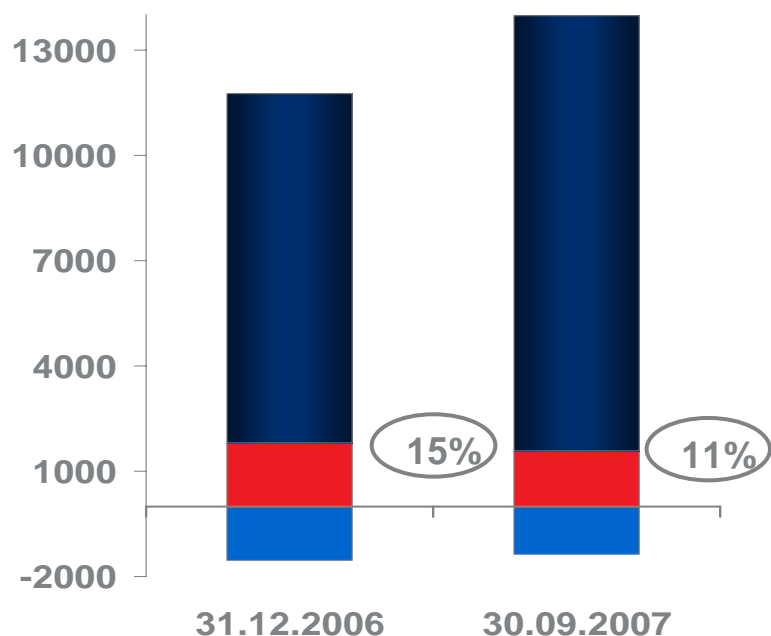
- Lower expenses in CMB by 4% as a result of lower depreciation cost, even though higher advertisement and promotional expenses
- Higher expenditures in GCG caused by an increase in sales and distribution staff related to business growth and continued distribution channels expansion, as well as intensified marketing activities supporting new (Saving Account) and existing products (CitiFinancial Cash Loan)

Source: Bank's Financial Disclosures, data in MM PLN

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Cost of Credit

Loan portfolio quality



- Not at risk loans
- At risk of impairment
- Provisions

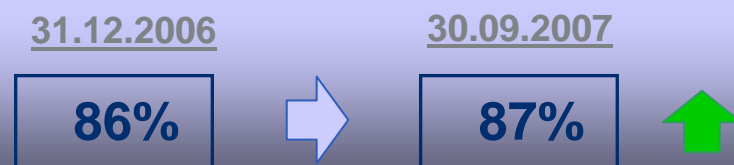
Significant decrease of loans at risk of impairment

Change in provisions – P&L impact



- CMB: decrease in recoveries, higher provisions due to the loan portfolio increase (IBNR)
- GCG: significantly higher provisions due to the loan portfolio increase (IBNR)

Satisfactory provision coverage ratio



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Source: Bank's Financial Disclosures, data pro-forma
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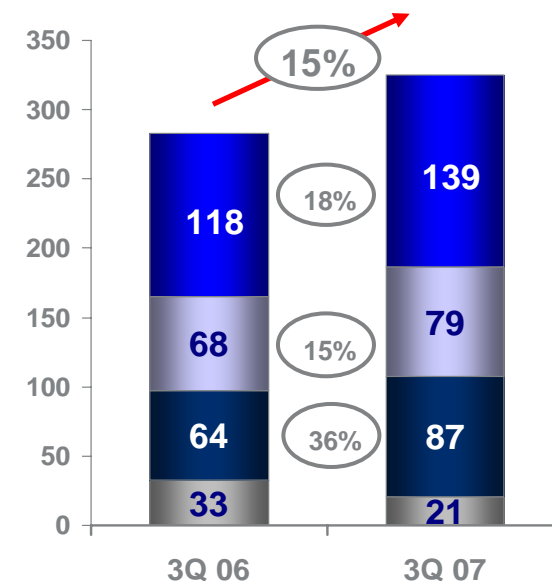
3Q 2007 results

Citi Markets and Banking

MM PLN			3Q 07/ 3Q 06	
	3Q 06	3Q 07	I/(D)	I (D) %
Results on activity	283	326	43	15%
Expenses and depreciation	(184)	(177)	(6)	(4%)
Provisions	41	7	(34)	(84%)
Other	1	1	n.m.	n.m.
EBIT	142	156	14	10%
Assets	32,784	36,289	3,505	11%
Liabilities	29,916	33,842	3,926	13%

- Rise in interest result as a consequence of increase in revenues from loans due to loan portfolio growth by PLN 1.4 MMM (21%)
- An increase in fee and commission income primarily due to higher revenues from custody and brokerage services
- Higher Treasury income by 36% as a result of active sales to the clients and better result on investment debt securities
- A decrease in expenses and depreciation by 4% mostly owned to lower depreciation (though higher advertisement and promotional expenses)
- A decrease in recoveries as a result of lower loans at risk repayments and an increase in IBNR provision due to loan portfolio growth

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- Interest Result
- Fee Result
- Result on treasury activity
- Result on other operations

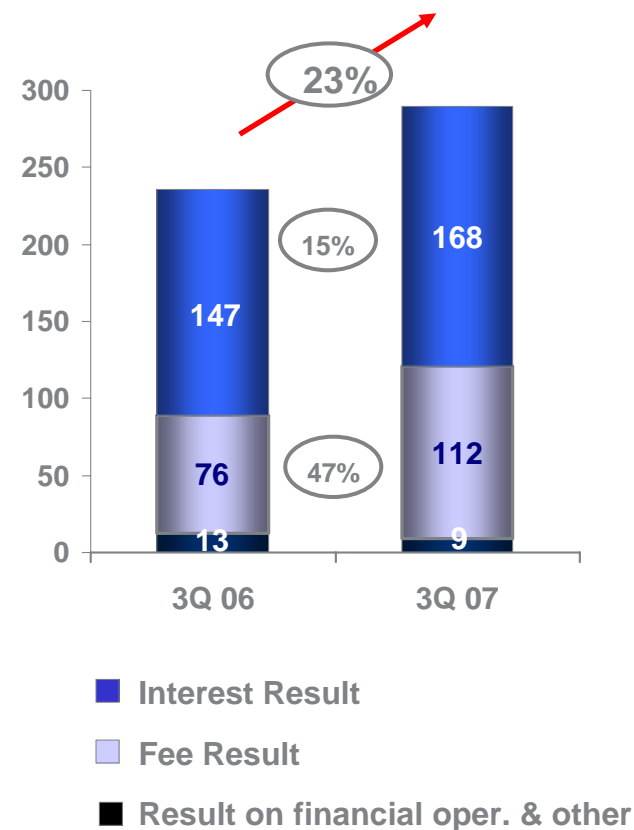
3Q 2007 results

Global Consumer Group

MM PLN			3Q 07/ 3Q 06	
	3Q 06	3Q 07	I/(D)	I (D) %
Results on activity	236	289	53	23%
Expenses and depreciation	(182)	(198)	16	9%
Provisions	(12)	(17)	(6)	(49%)
EBIT	42	73	31	76%
Assets	3,590	4,584	994	28%
Liabilities	6,459	7,032	572	9%

- Growth of interest result due to expansion of credit cards and installment loans portfolios (partially offset by a reduction in the interest rates charged)
- Sharp increase of fee income mainly from higher sales results of insurance and investment products
- A 9% rise in expenses and depreciation caused by increase in sales and distribution staff related to business growth and continued distribution channels expansion, as well as intensified marketing activities supporting new (Saving Account) and existing products (CitiFinancial Cash Loan)
- An increase of net impairment losses as a result of IBNR provision rise due to loan portfolio growth, as well as rising share of irregular receivables in the portfolio

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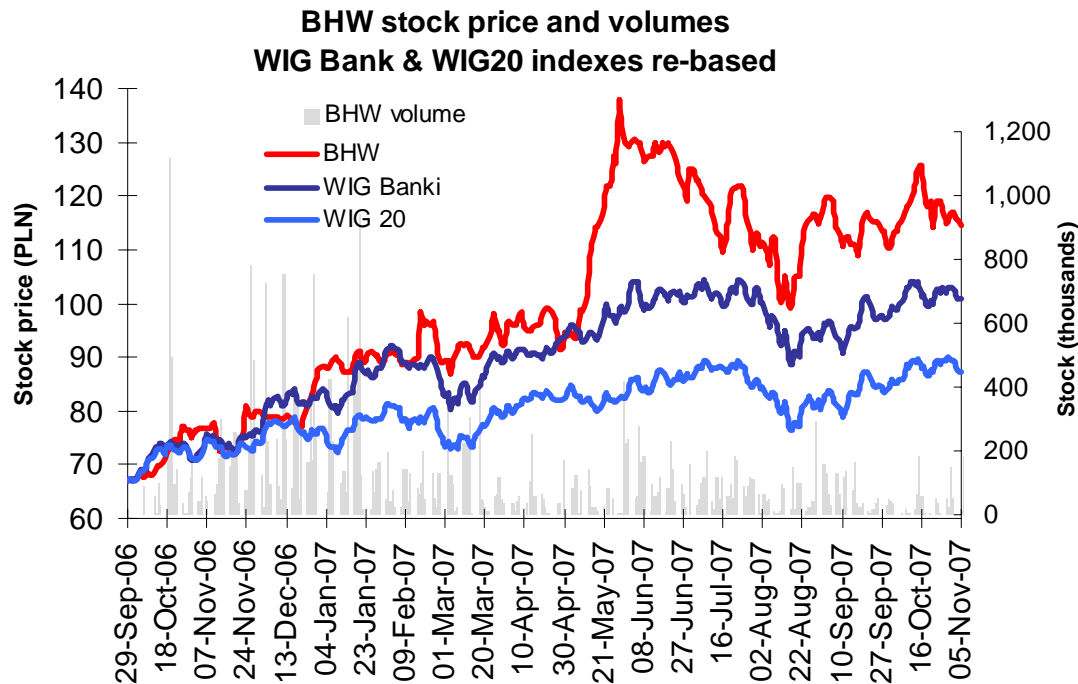
Share price / Shareholders structure

November 5th: PLN 114.5 per share

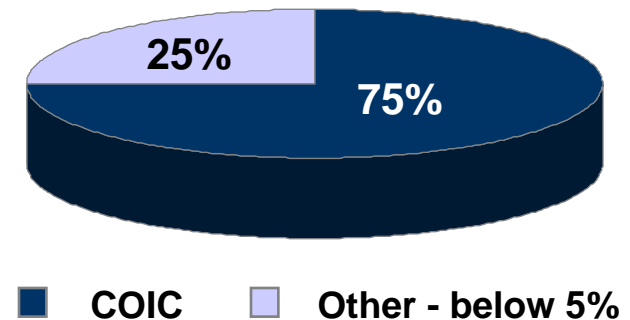
71% since 3Q06 EOP

Market cap: PLN 15 bln

Free float: PLN 3.7 bln



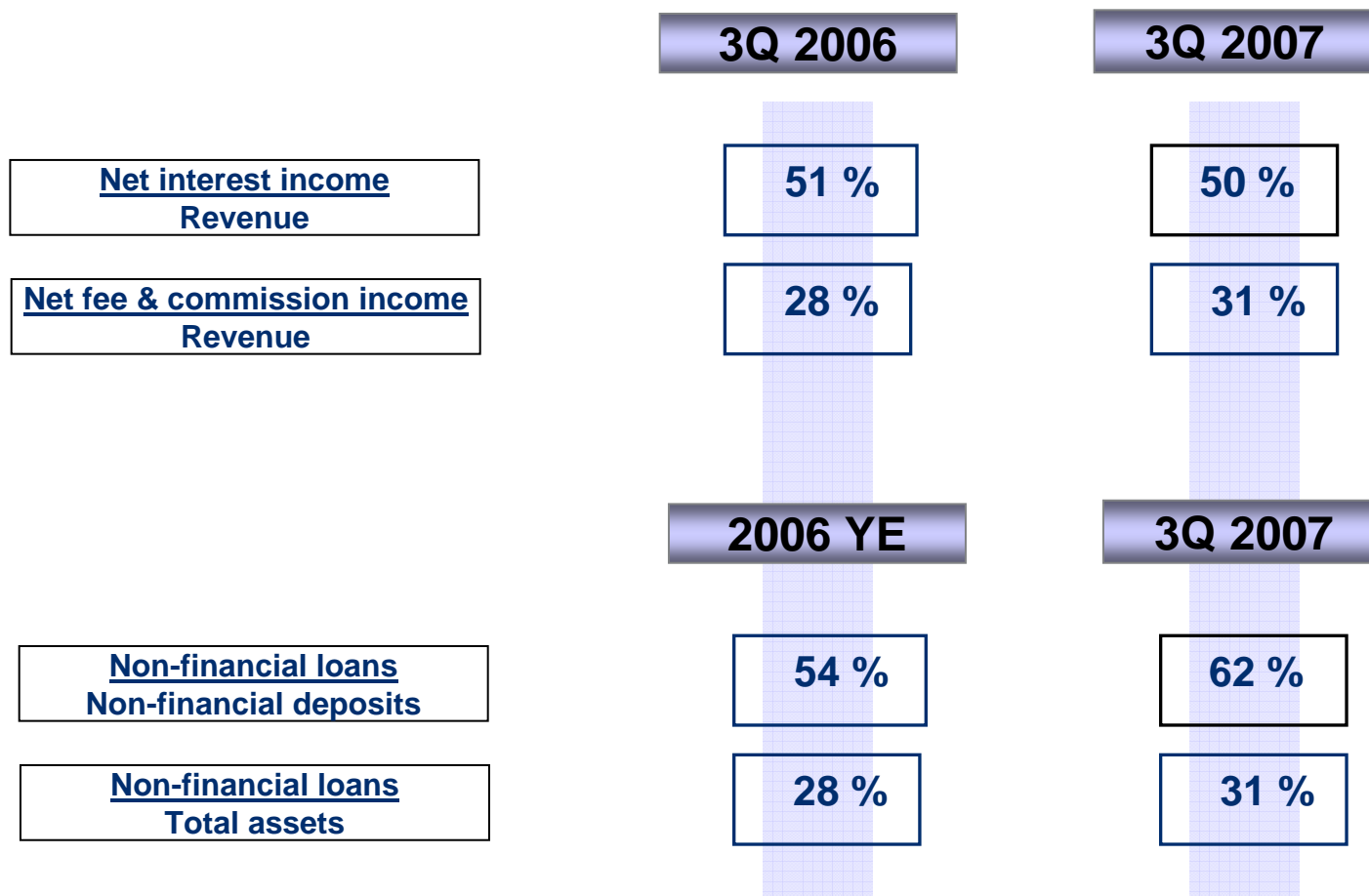
Shareholders' structure





Appendix

Operational activity ratios



Balance sheet structure

	2006 YE	3Q07	I/ (D)
ASSETS			
Non-financial sector loans	28.3%	30.9%	2.5%
Financial sector loans	25.9%	21.8%	-4.1%
Debt securities available for sale	22.9%	22.3%	-0.6%
Financial assets held for trading	12.7%	16.1%	3.4%
Other	10.2%	8.9%	-1.3%
LIABILITIES			
Non-financial sector deposits	52.5%	49.5%	-3.0%
Financial sector deposits	17.1%	19.4%	2.3%
Equity	15.1%	13.3%	-1.8%
Financial liabilities held for trading	9.2%	12.0%	2.8%
Other liabilities	6.2%	5.8%	-0.4%

Tailored branch network



Total number of outlets providing services to Retail and Corporate customer segments

Corporate	$38 + 82 = 120$
Retail	$85 + 38 = 123$

Distribution network

Branch network	3Q 2006	3Q 2007	I/ (D)
Retail	85	85	-
- Retail outlets servicing also Corporate customers	13	82	69
Corporate Banking	39	38	(1)
- Corporate outlets servicing also Retail customers	26	38	12
CitiFinancial	106	112	6
Number of branches	230	235	5
Other sales/service outlets:	159	245	86
Mni-branches ("Citibank at work")	0	4	4
Sales points in BP stations	0	84	84
Stands in supermarkets	5	4	(1)
Own ATMs	154	153	(1)
Total number of outlets with Corporate customer service	52	120	68
Total number of outlets with Retail customer service	111	123	12

— Thank You for Your Time

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