



BANK HANDLOWY W WARSZAWIE S.A.  
4Q 2008 consolidated financial results

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# P&L lines impact on net income 4Q 2008 vs. 4Q 2007



**22%**  
(4Q08/4Q07)  
**Net interest income**

**4,0%**  
by 0,7 pp  
(4Q08/4Q07)  
**Net interest margin**

**23%**  
(4Q08/4Q07)  
**Fees result**

**81%**  
(4Q08/4Q07)  
**Treasury result**

**14%**  
(4Q08/4Q07)  
**Expenses and depreciation**

**112mIn**  
(4Q08/4Q07)  
**Net impairment losses**

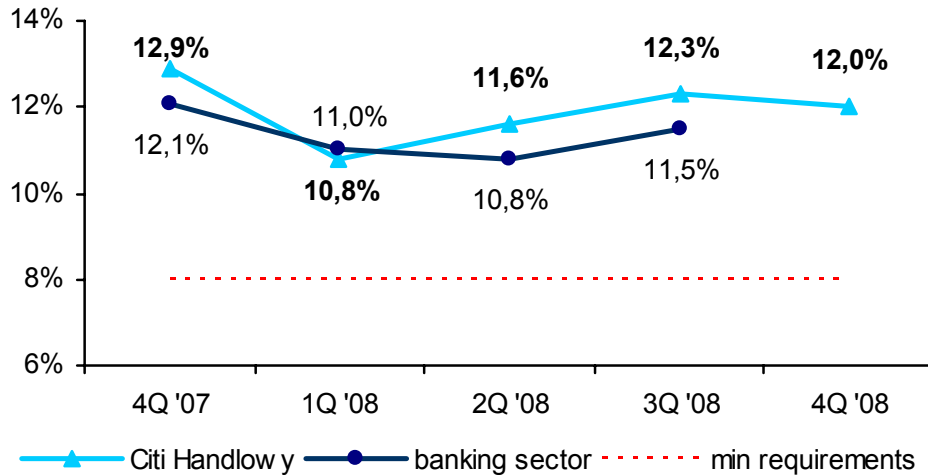
# Major financial ratios

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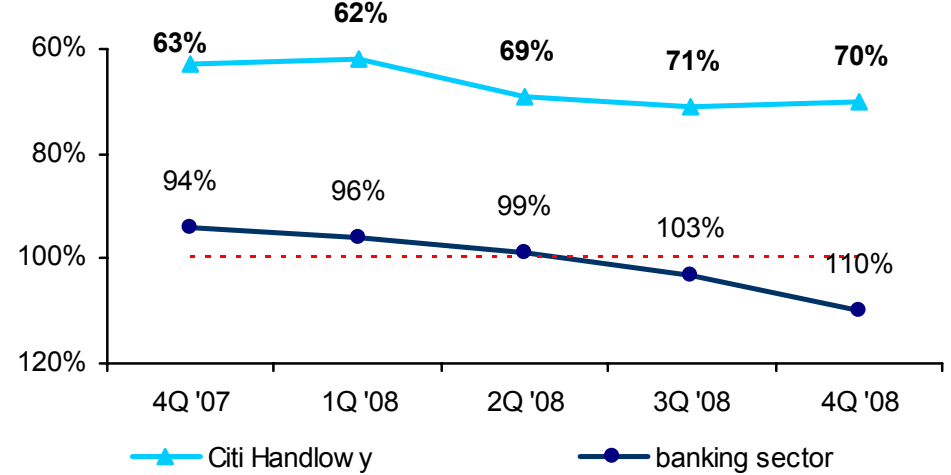
	4Q 2007	3Q 2008	4Q 2008
ROE	17.1%	15.6%	13.7%
ROA	2.1%	2.0%	1.8%
Cost / Income	62%	56 %	57%
CAR	12.9%	12.3%	12.0%

# Stable position of the Banku

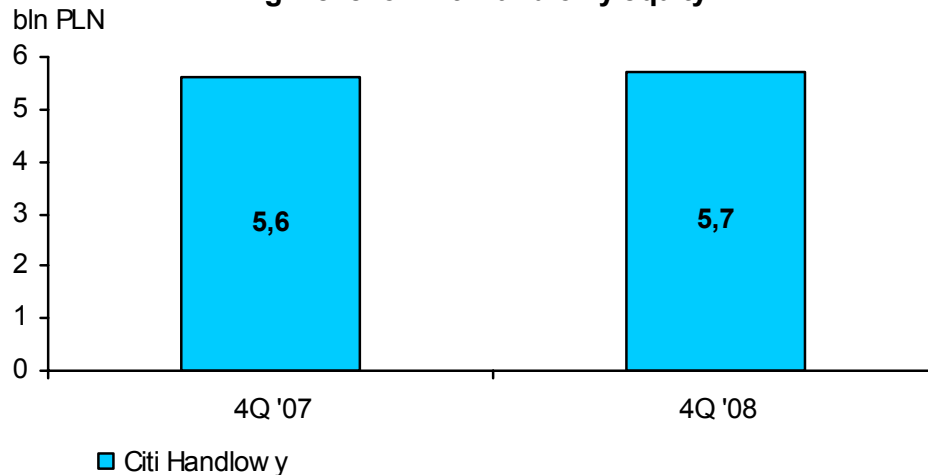
Sound capital position (CAR)



Good liquidity (L/D)



High level of Citi Handlowy equity



- The Bank's solvency and liquidity ratios are regularly monitored and they are well above the average level for the banks
- As at the end of 4Q 2008 Citi Handlowy loans to deposits ratio amounted to 0,7 and it is one of the best on the market
- Citi Handlowy maintains stable capital base

Source: Citi Handlowy, NBP

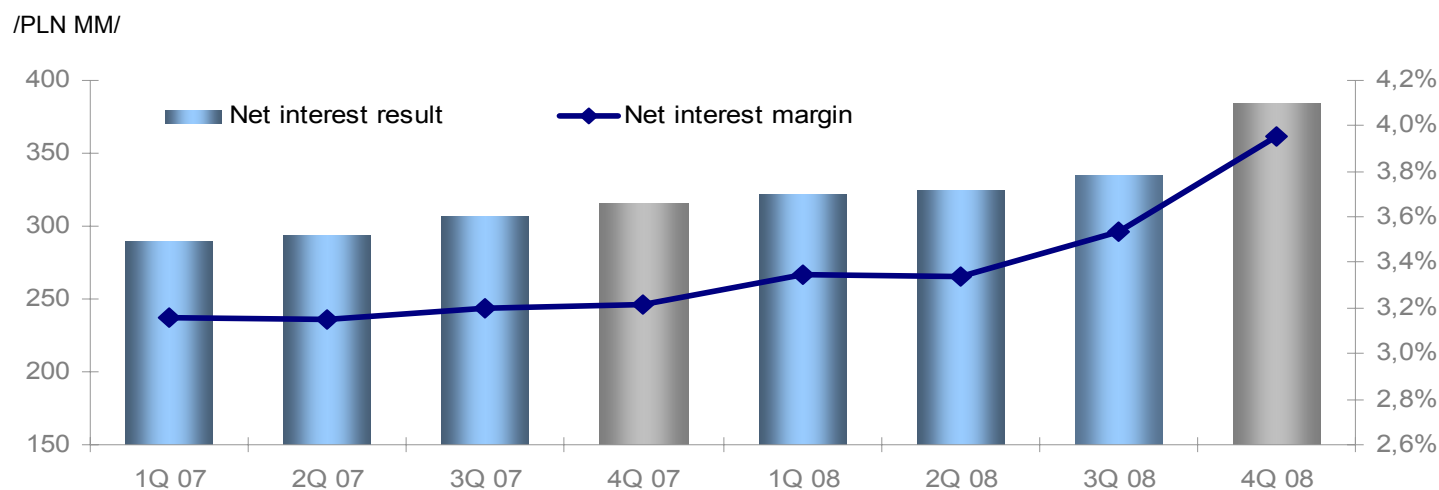


# Major factors impacting 4Q 2008 net result vs. 4Q 2007

## Net interest income and net interest margin

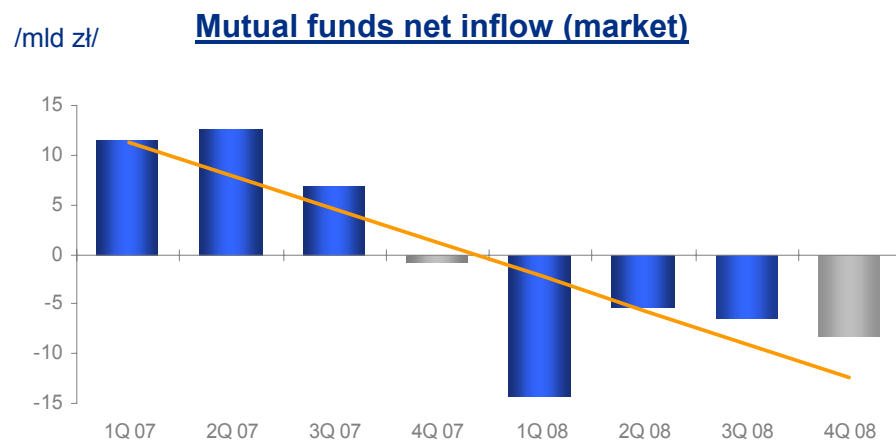
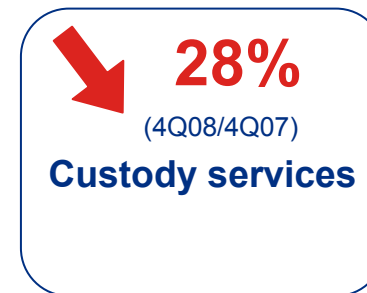
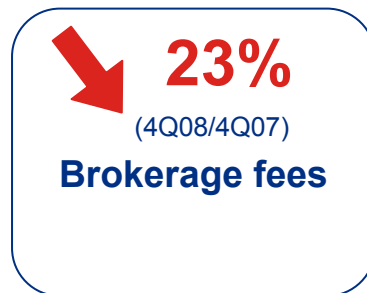
**25%**  
(4Q08/4Q07)  
**Interests from  
loans – non-  
financial sector**

**31%**  
(4Q08/4Q07)  
**AFS portfolio  
income**

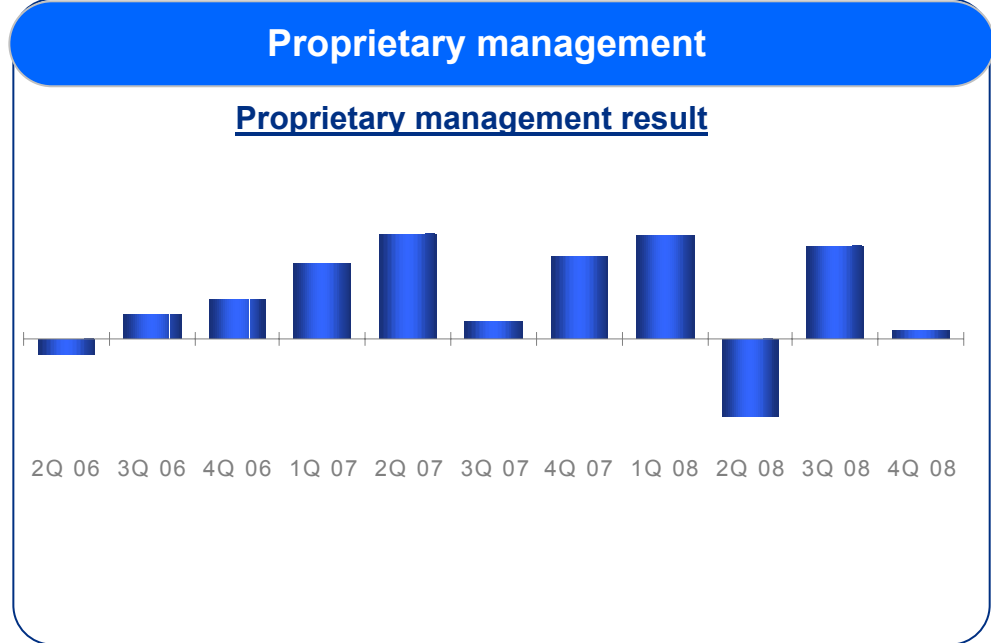
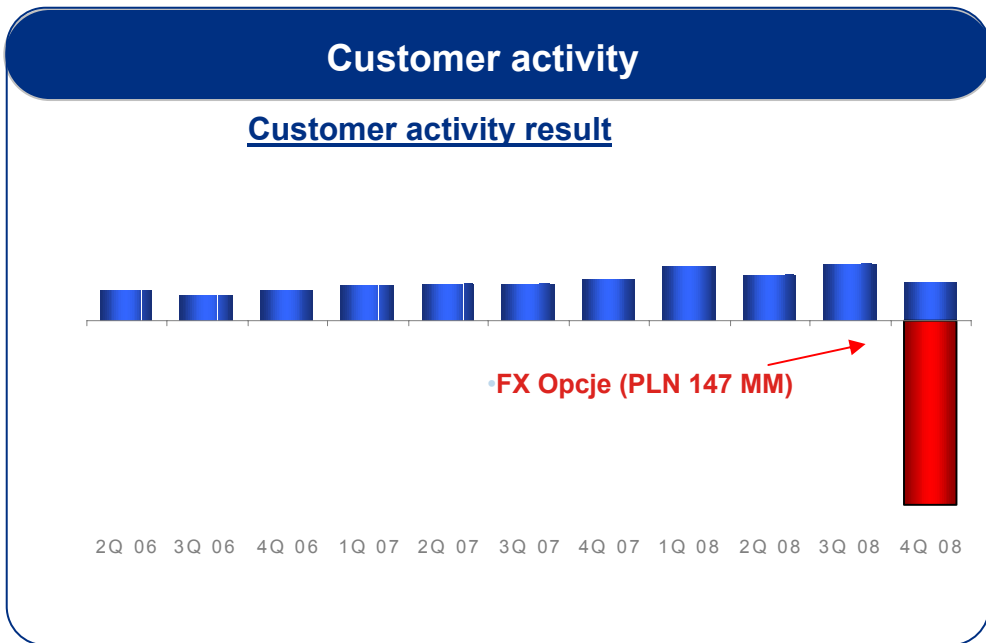


# Major factors impacting 4Q 2008 net result vs. 4Q 2007

## Fees & commissions result



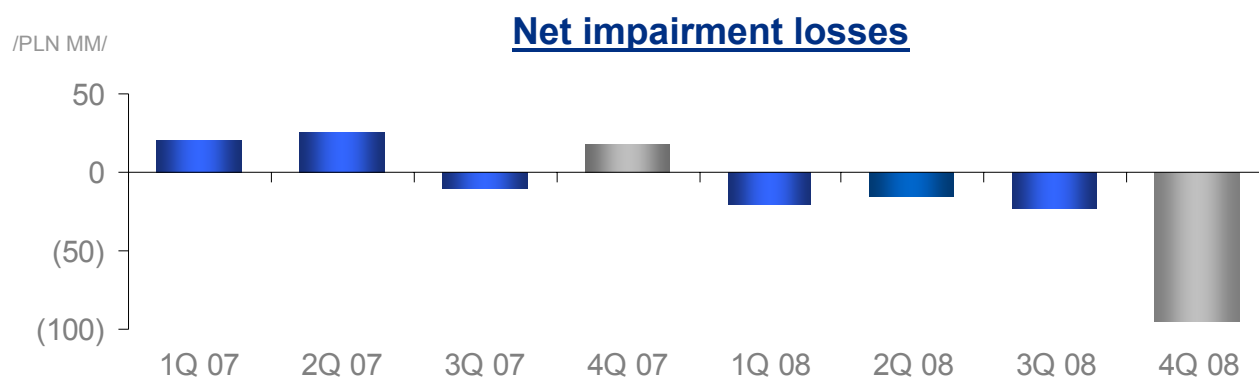
# Treasury result details



Scale on charts is incomparable

# Major factors impacting 4Q 2008 net result vs. 4Q 2007

## Net impairment losses

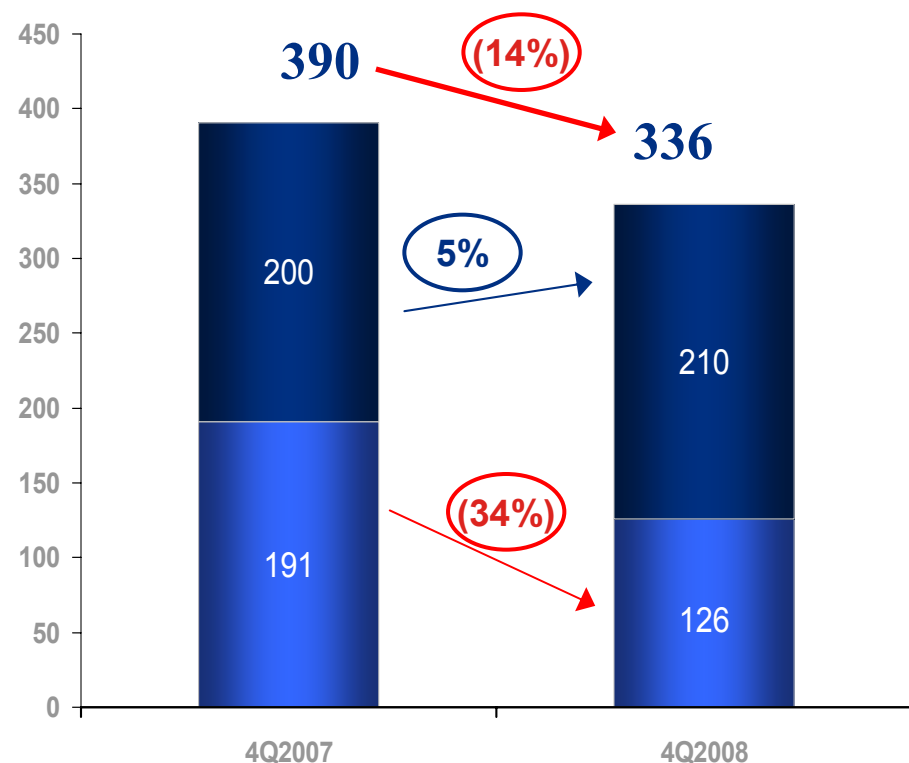


- Net impairment losses, compared to the net recovery in the fourth quarter of 2007, is the effect of the proportion deterioration between provision release from non performing loans and new write offs resulting from increase of the level of the credit activity risk. The rise of the level of the credit activity risk was caused by deterioration of Bank's customers financial situation from individual portfolio assessment approach, consequently the danger of term settlement of liabilities.
- In Retail Banking increase of net impairment losses was caused by growth of cash loans and credit cards portfolio and as well as increase of delinquent receivables share



# Expenses under control – strategy delivery

/PLN MM/



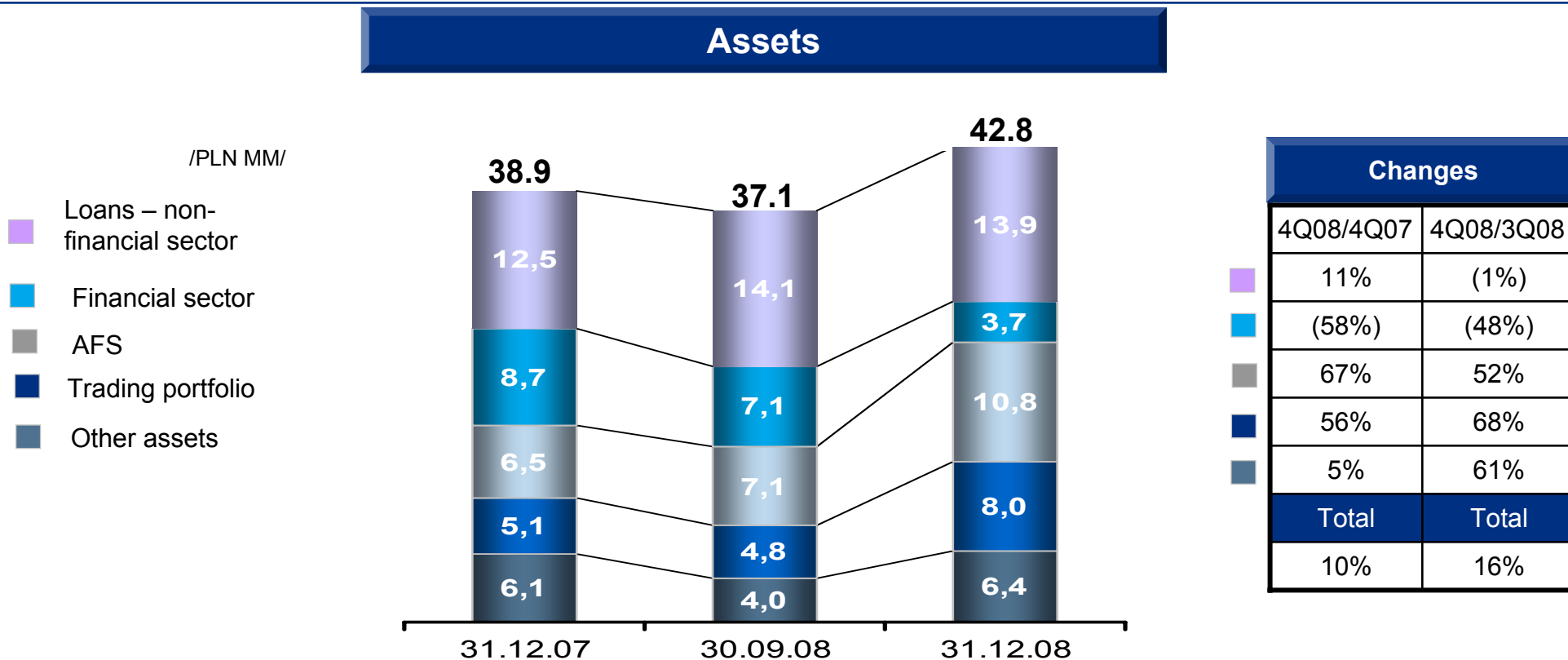
■ Corporate Bank (CMB)

■ Retail Bank (GCG)

Cost / Income			
	4Q07	3Q08	4Q08
GCG	66%	65%	66%
CMB	57%	48%	47%
<b>Total</b>	<b>62%</b>	<b>56%</b>	<b>57%</b>


- Corporate: lower staff expenses (primarily bonuses) and technological expenses, decrease of marketing spending
- Retail: expenses of the segment went up slightly, as a result of higher technological expenses related to Bank's systems development and increase of external expenses as a result of growing acquisition and clients' portfolio

# Balance sheet structure - Assets



## Major changes - Assets

- ❑ Increase of debt securities – AFS by 52% (4Q08/3Q08)
- ❑ Increase of financial assets held for trading by 68% (4Q08/3Q08)
- ❑ Decrease of loans to nonfinancial sector by 48% (4Q08/3Q08)

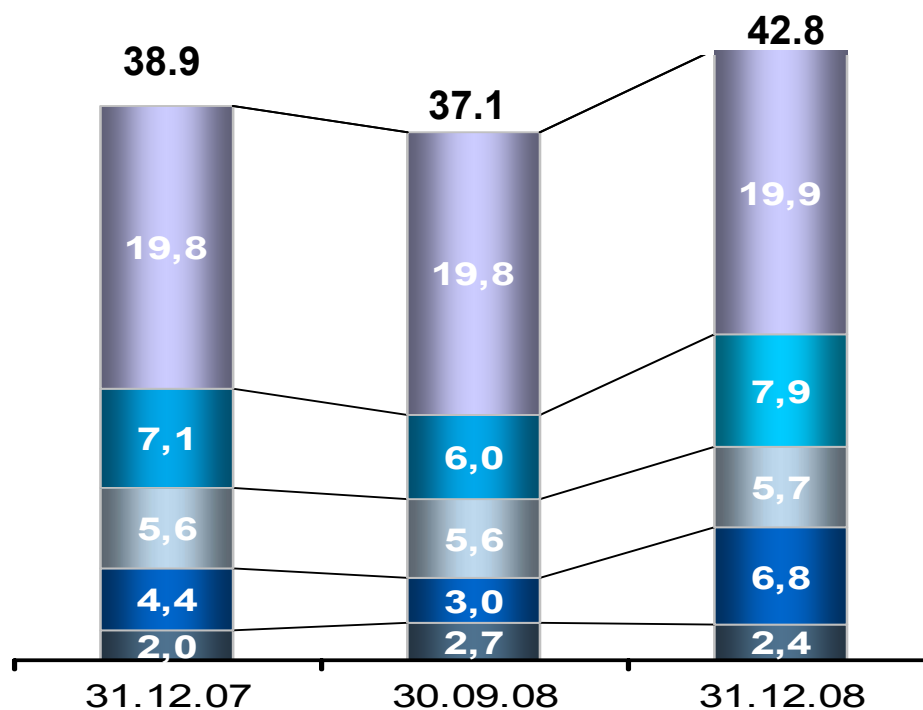
 **70%**  
up by 7 pp  
(4Q08/4Q07)  
Loans / deposits ratio

# Balance sheet structure - Liabilities

/PLN MM/

- Deposits – non-financial sector
- Deposits – financial sector
- Equity
- Trading portfolio
- Other liabilities

## Liabilities



Changes	
4Q08/4Q07	4Q08/3Q08
1%	1%
12%	33%
3%	2%
56%	124%
<b>Total</b>	<b>Total</b>
10%	16%

### Major changes - Liabilities

- Increase of financial liabilities held for trading by 124% (4Q08/3Q08)
- Increase of deposits from financial sector by 33% (4Q08/3Q08)

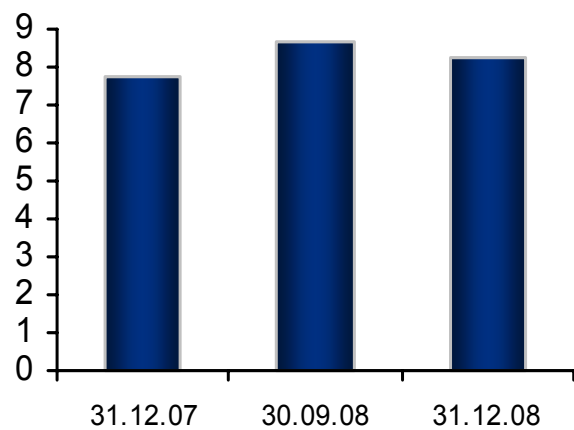
**12.0%**

(4Q08)  
Capital Adequacy Ratio

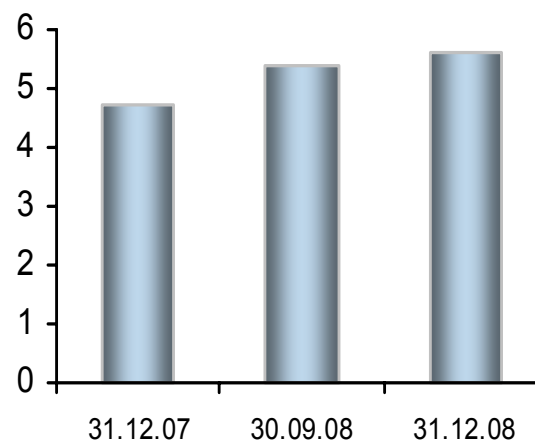
# Loans

## Non-financial sector loans

### Corporate loans



### Retail loans



	4Q08/4Q07	Market 4Q08/4Q07	4Q08/3Q08	Market 4Q08/3Q08
Changes	6%	30%	(5%)	9%

	4Q08/4Q07	Market* 4Q08/4Q07	4Q08/3Q08	Market* 4Q08/3Q08
Changes	19%	30%	4%	6%

\*excl. mortgage

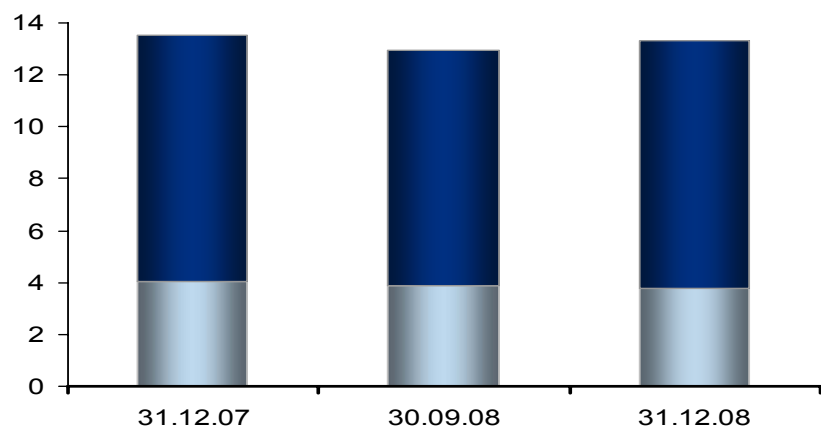
Corporate loans: including public sector and local government institutions

Source: Bank's estimates, data pro-forma, in PLN billion

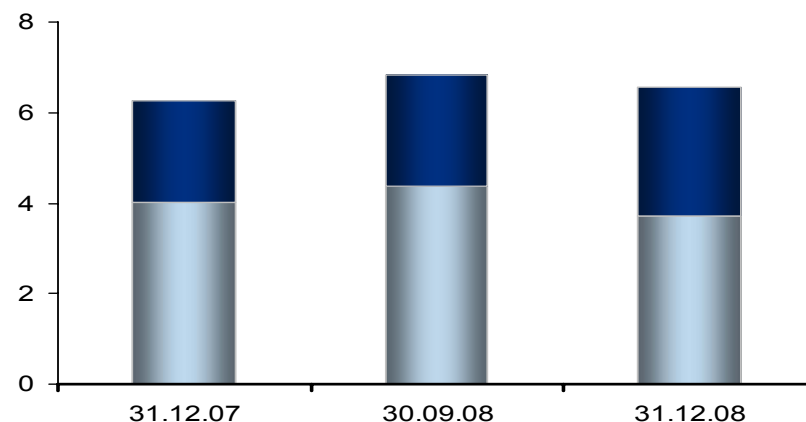
# Deposits

## Non-financial sector deposits

### Corporate deposits



### Retail deposits



■ Current ■ Term

Changes	4Q08/4Q07	Market 4Q08/4Q07	4Q08/3Q08	Market 4Q08/3Q08
Current	(6%)		(3%)	
Term	1%		6%	
Total	(1%)	8%	3%	2%

Changes	4Q08/4Q07	Market 4Q08/4Q07	4Q08/3Q08	Market 4Q08/3Q08
Current	(8%)		(15%)	
Term	28%		17%	
Total	5%	29%	(4%)	8%

Corporate deposits including public sector and local government institutions  
Source: Bank's estimates, data pro-forma, in PLN billion