

Wood & Company Emerging Europe Conference

Prague, December 3-6, 2013

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

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*):

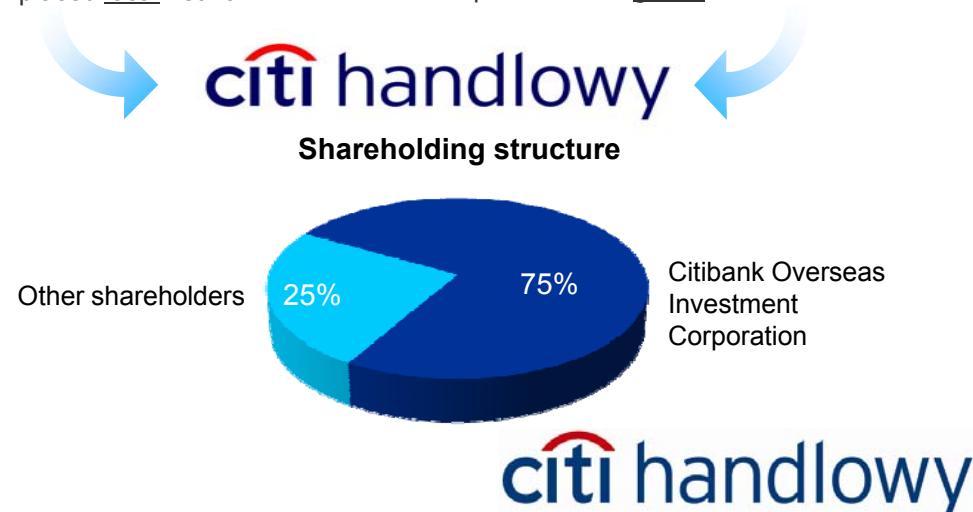
- Top 5 bank in Poland
7% market share in terms of net profit
- Strong capital and liquidity positions
Tier 1 ratio 16.7%, loans/deposits 72%
- High efficiency
ROTCE 20.5%, ROA 2.4%, C/I 50%
- Leading corporate & commercial bank
*servicing 75 out of 100 top-tier local companies
#1 in FX, custody services 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

BANK HANDLOWY W WARSZAWIE SA

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

CITIBANK+

One of the world's largest financial institution with global clients, global products and global network



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

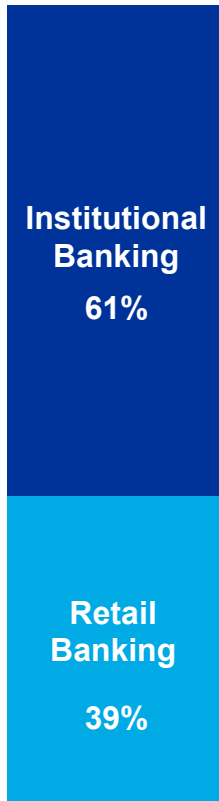
ASPIRATIONS

- #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

PLN 2.0 B



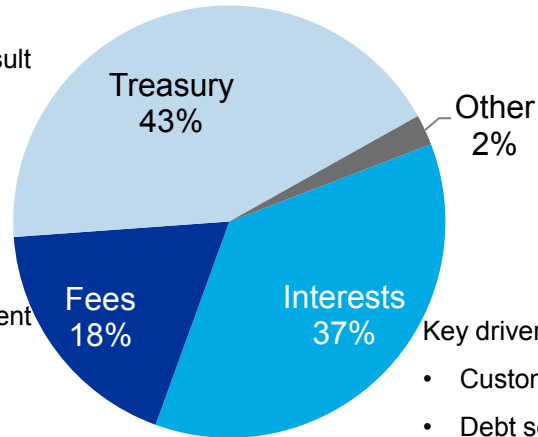
9M 2013

Key drivers:

- Customer result
- AFS
- Trading

Key drivers:

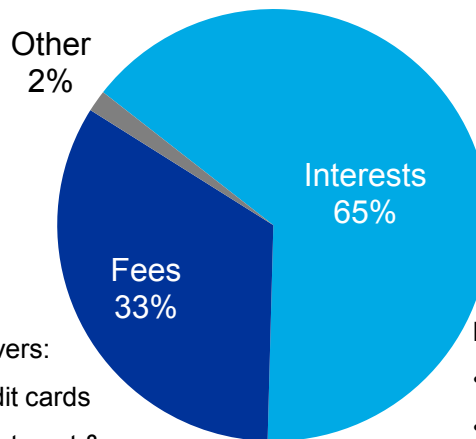
- Cash management
- Custody
- Brokerage



Key drivers:

- Customer business
- Debt securities

Retail Banking



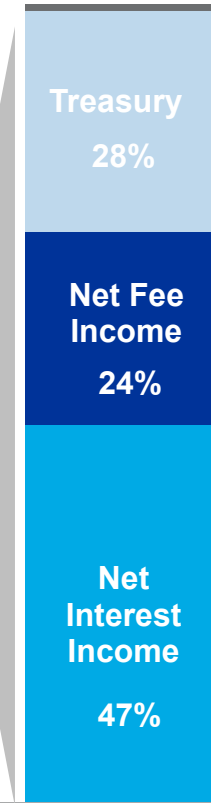
Key drivers:

- Credit cards
- Investment & insurance products

Key drivers:

- Credit cards
- Cash and mortgage loans
- Operating accounts

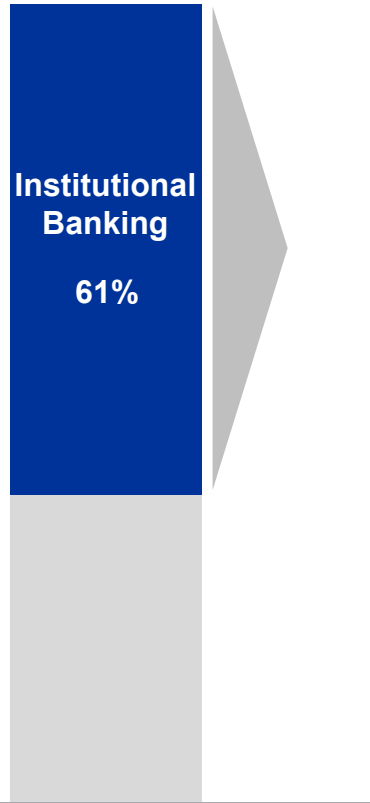
PLN 2.0 B



9M 2013

Diversified revenue stream – key drivers in Institutional Banking

PLN 2.0 B



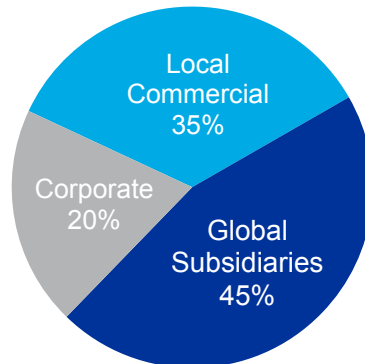
9M 2013

Local Corporates <i>Servicing 75 out of Top 100 companies in Poland</i>	Global Subsidiaries <i>Access to Citi global network, products, relationships and expertise</i>	Local Commercial <i>Focus on operating accounts and clients acquisition</i>
PRODUCTS		
Transaction Services <ul style="list-style-type: none"> • Cash • Trade • Custody 	Markets <ul style="list-style-type: none"> • FX & Derivatives • Debt Securities • Equities 	Investment Banking <ul style="list-style-type: none"> • ECM • M&A advisory
Emerging Markets Champions initiative <i>Global footprint and expertise to support clients in international expansion</i>		

#1 in Custody services
47% market share

#1 in Equities turnover
13% market share

9M 2013 Customer revenue split



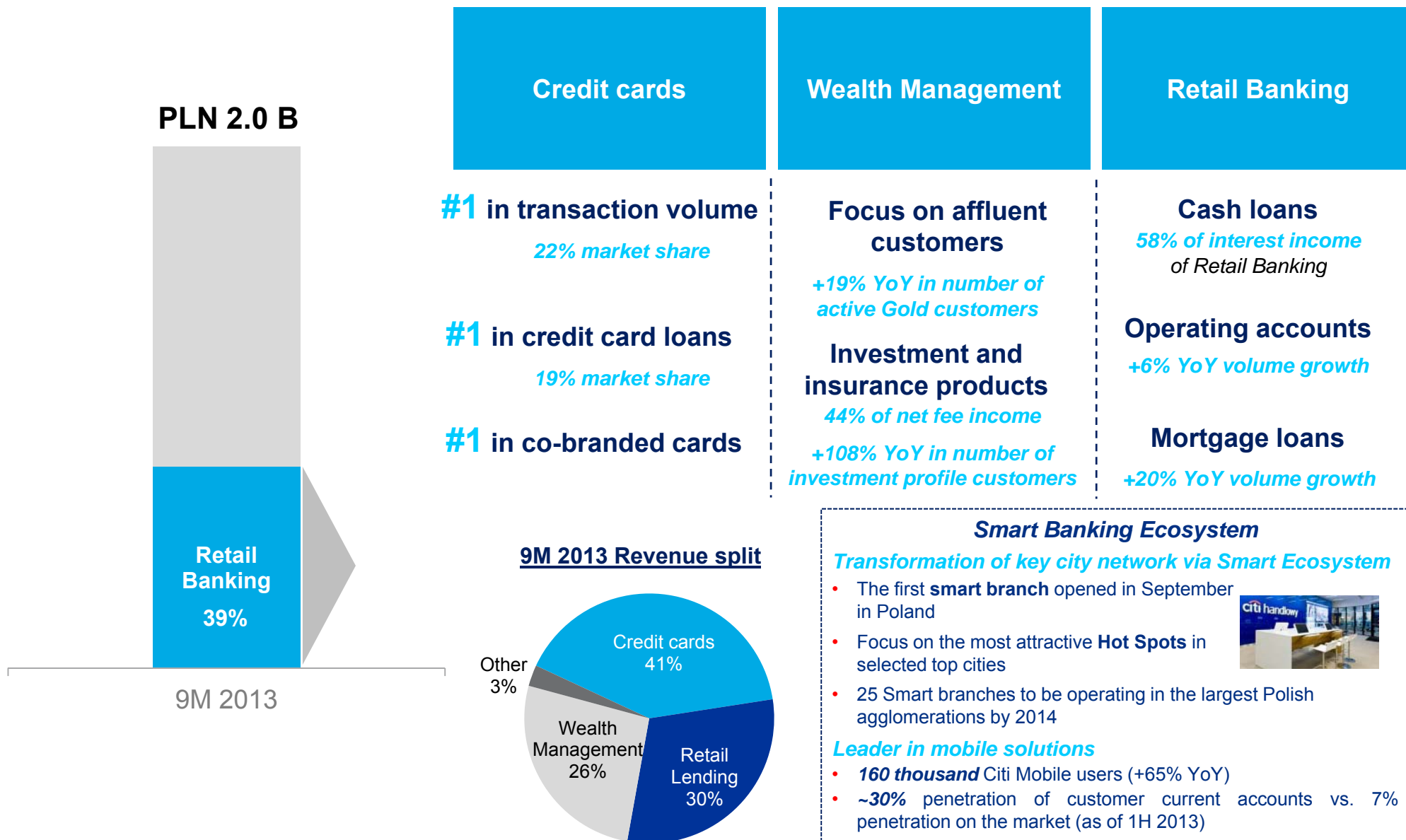
#1 in Customer FX
2013 Euromoney ranking (36% market share)

Debt securities
Polish government bonds and Central Bank bills

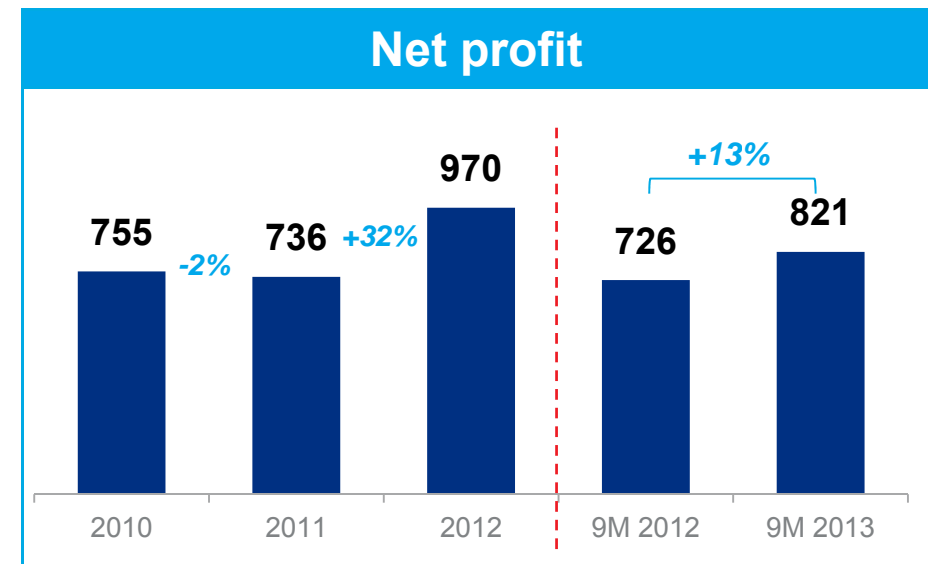
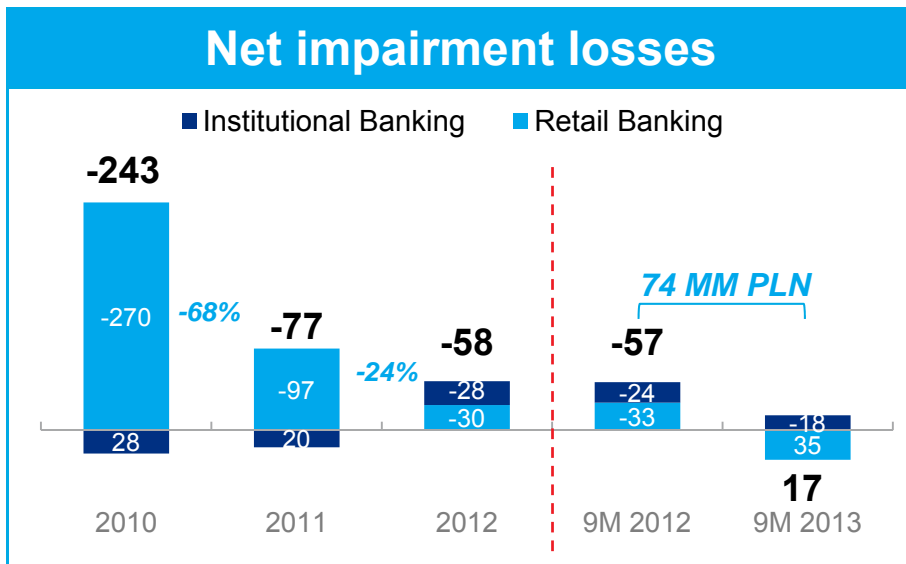
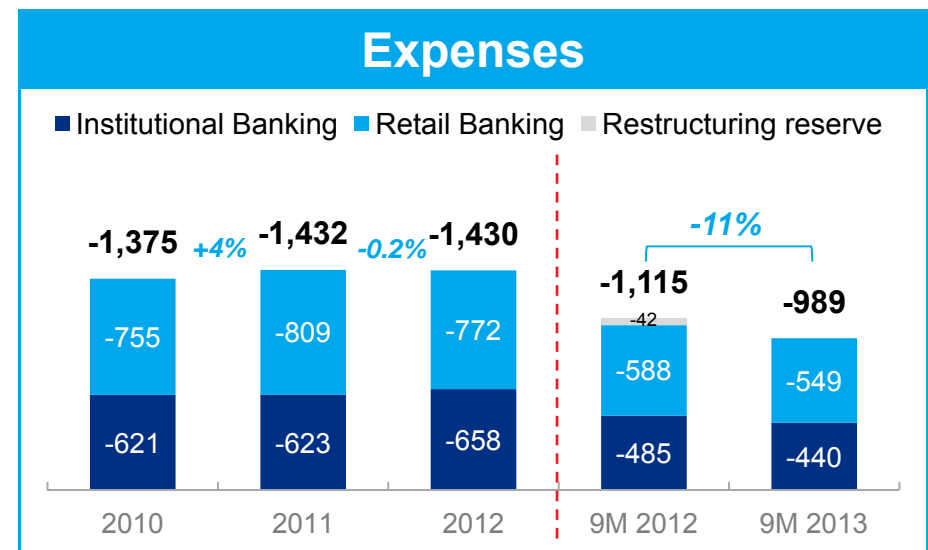
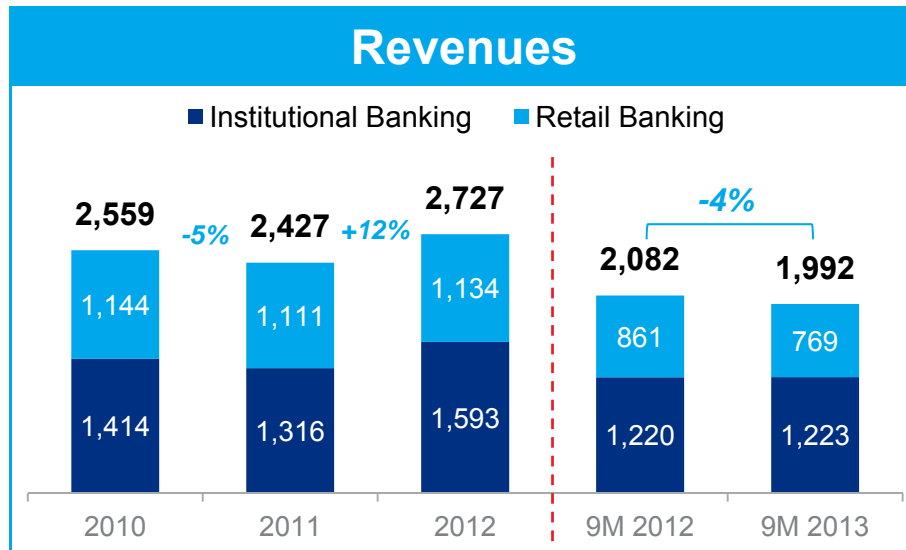
 Accelerated book-building citi handlowy Global Coordinator PLN 5.2 B -1H 2013-	 Secondary Public Offering citi handlowy Global Coordinator PLN 4.9 B -1H 2013-
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 Accelerated book-building citi handlowy Joint Bookrunner PLN 3.7 B -1H 2013-	 Accelerated book-building citi handlowy Global Coordinator & Joint Bookrunner PLN 0.6 B -1H 2013-
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Diversified revenue stream – key drivers in Retail Banking

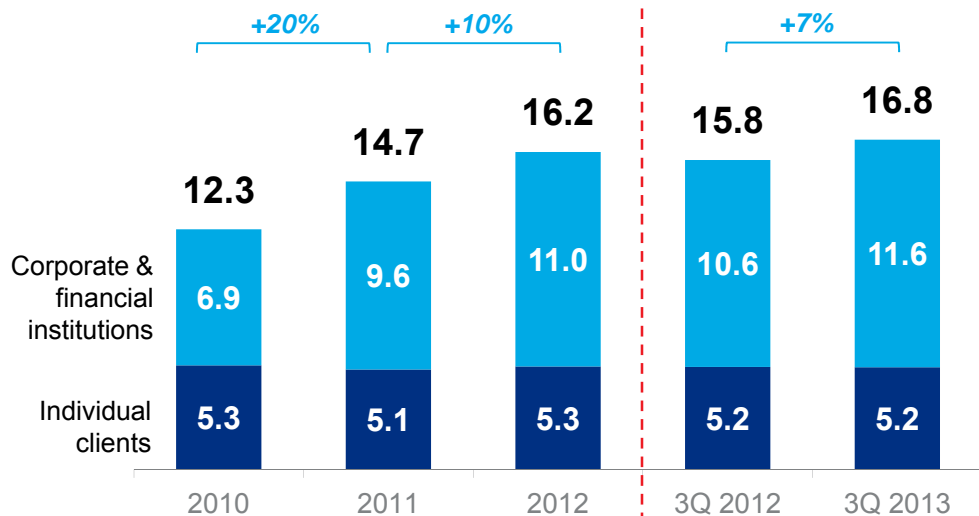


Citi Handlowy – financial results (PLN MM)

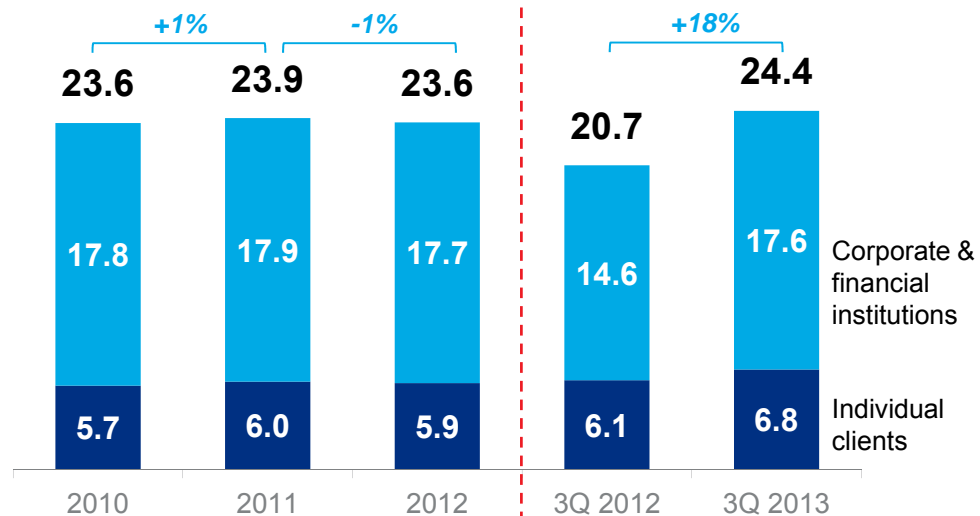


Liquidity position allowing for assets growth

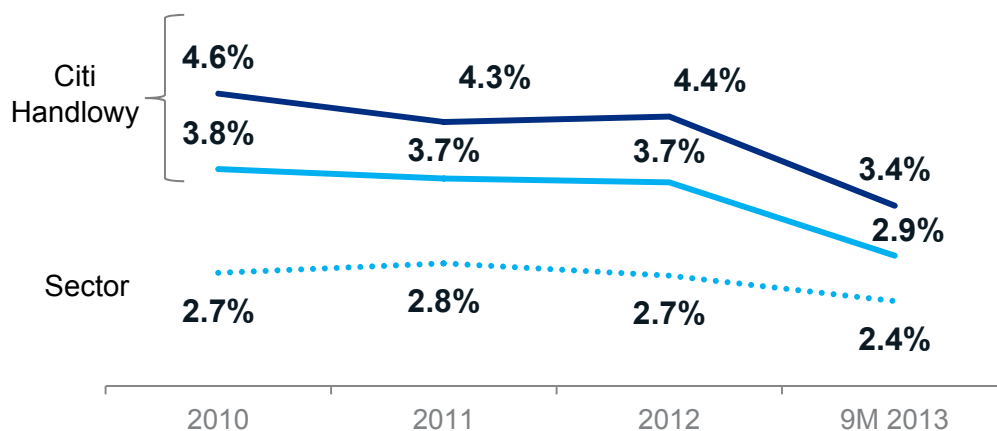
Loans (PLN B)



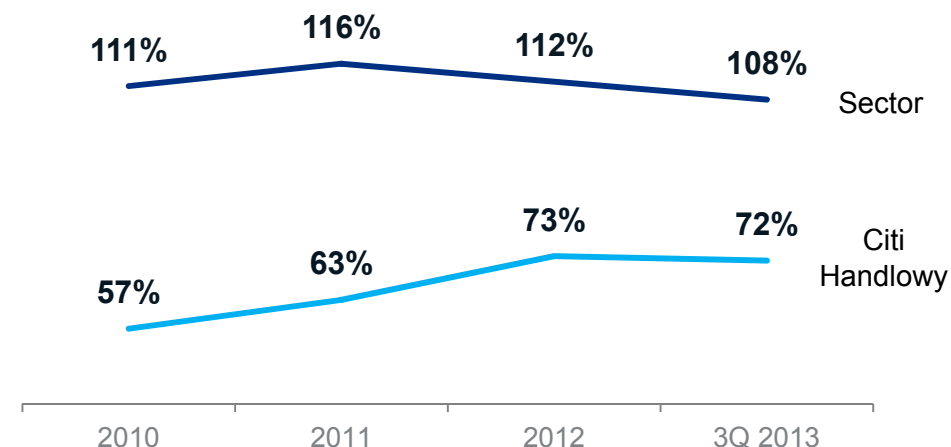
Deposits (PLN B)



Net interest margin



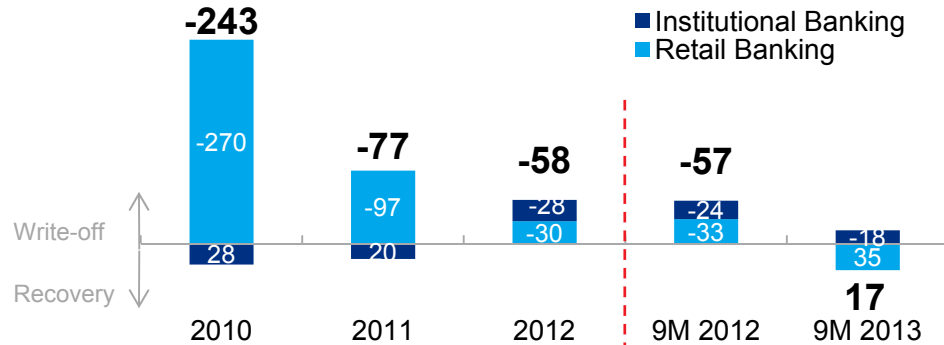
Loans to deposits ratio



— Net interest margin on total assets
— Net interest margin on interest-bearing assets

Cost of risk

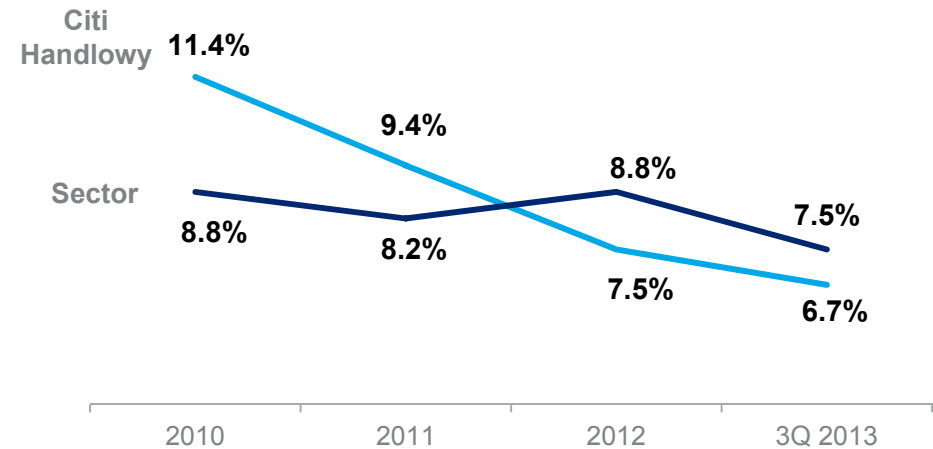
Net impairment losses (PLN MM)



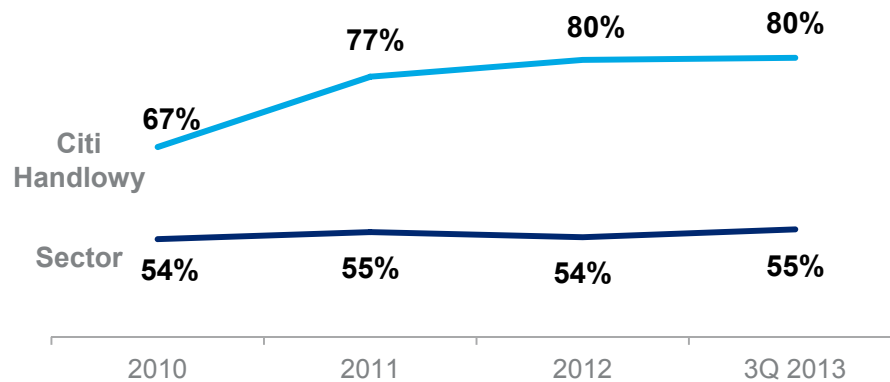
Cost of risk

	2010	2011	2012	9M 2012	9M 2013
Citi Handlowy	2.1%	0.6%	0.4%	0.4%	-0.1%
Sector	1.7%	1.1%	1.1%	1.1%	0.9%

Non-performing loans ratio (NPL)

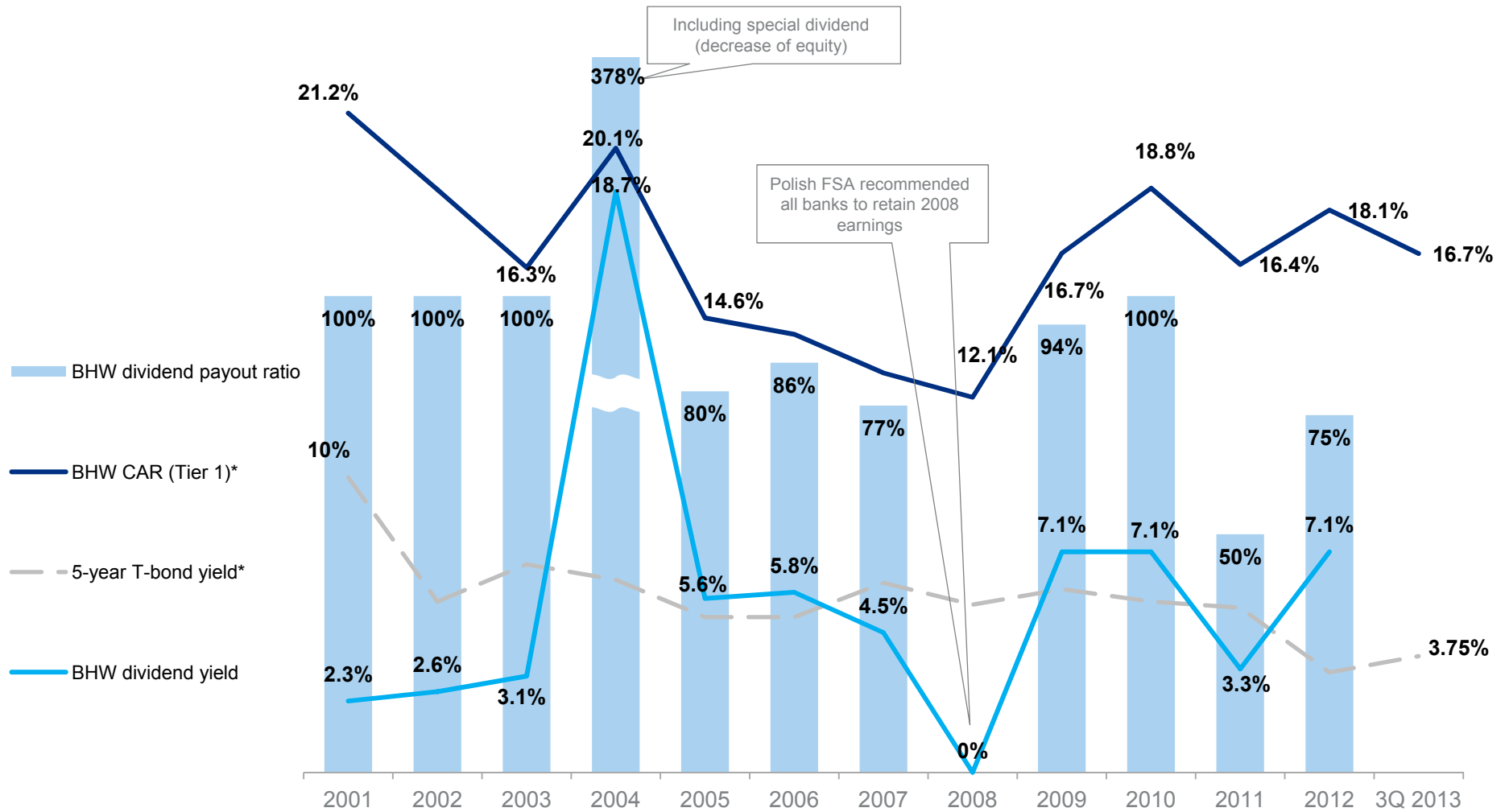


Provision coverage ratio



- 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

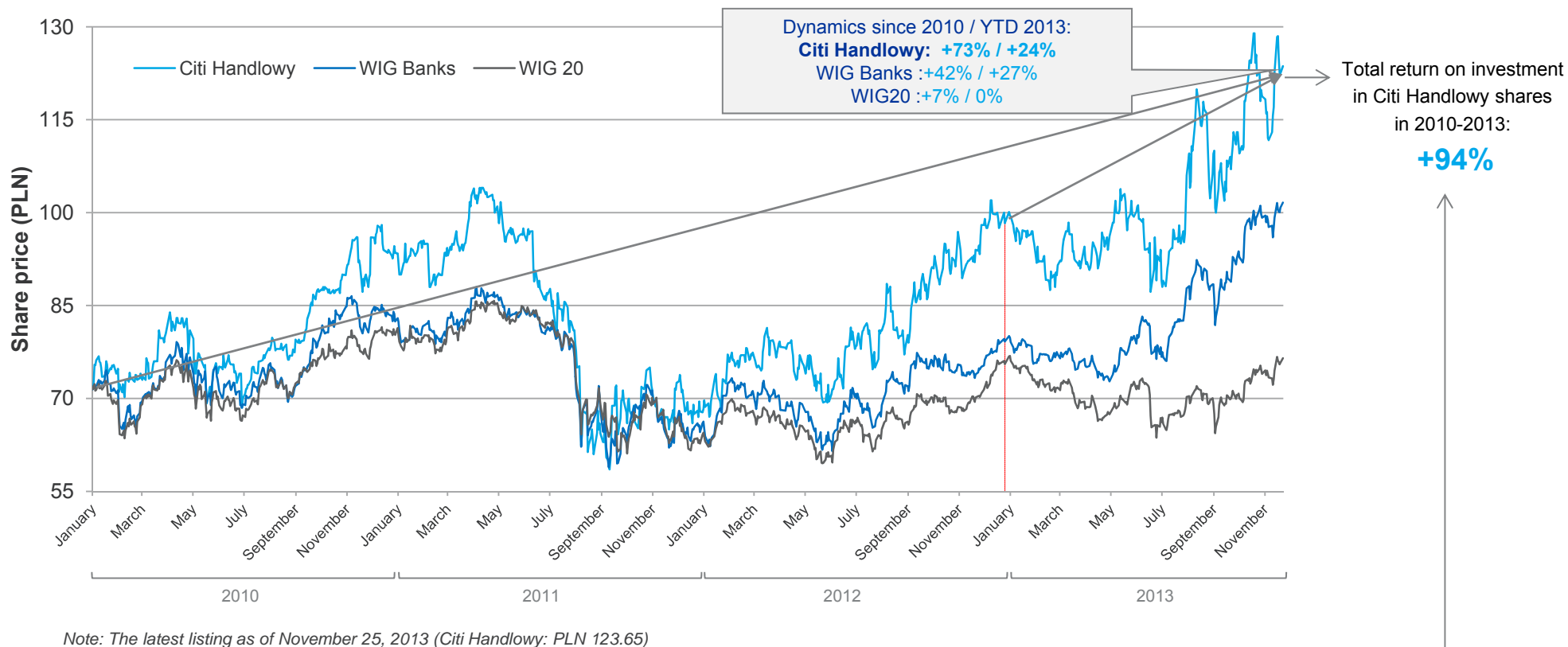


*End of year values

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



Cumulative DY**: **21%**

Dividends paid by Citi Handlowy since its debut on the WSE

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Dividend payout ratio	23%	31%	39%	64%	100%	100%	100%	100%*	80%	86%	77%	0%	94%	100%	50%	75%
Dividend yield	3.1%	1.9%	3.8%	1.7%	2.3%	2.6%	3.1%	18.7%	5.6%	5.8%	4.5%	-	7.1%	7.1%	3.3%	7.1%

* Payout ratio related only to 2004 net profit, excluding special dividend

** Dividend yield on the basis of dividend paid in 2010-2013.

Appendix

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**

- Chairman of the Supervisory Board of Citi Handlowy: 1991-1996, 1998-2000 and since 2012
- 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 Sołtysiński** - 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

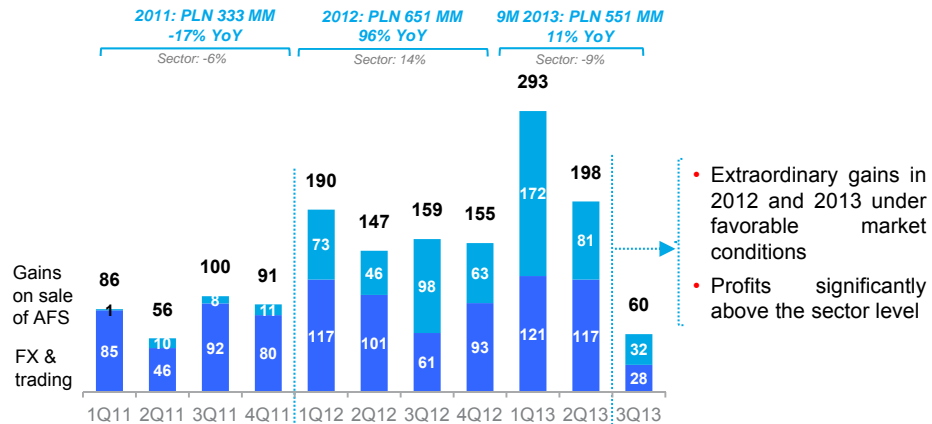
Appendix

3Q 2013 consolidated financial results

3Q 2013 in Citi Handlowy – summary

Financial Markets

Treasury result (PLN MM)

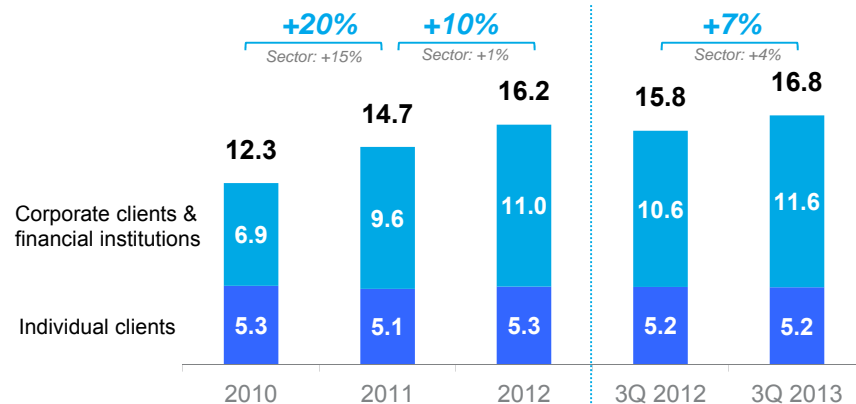


Retail Banking distribution system transformation

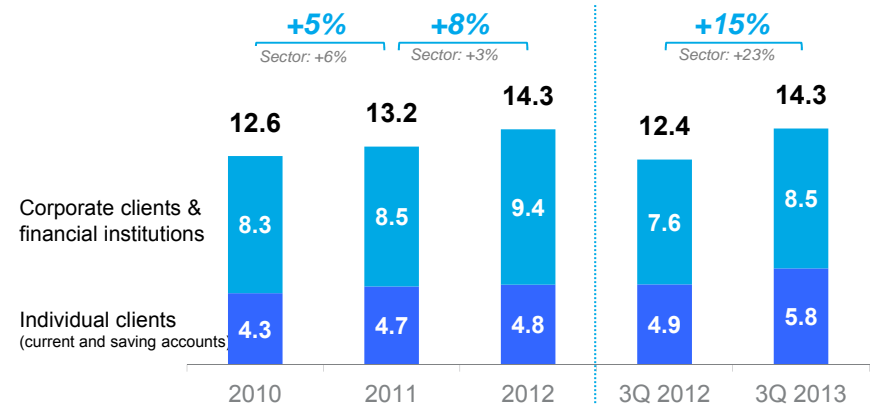
- **Smart Banking Ekosystem** development in response to changing customer behavior model and the dynamic growth of new technologies
 - Modern banking outlets – 25 Smart branches in the largest agglomerations until 2014
 - Digitization
 - Productivity improvement
- A further focus on relationships with 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)



Focus on operating accounts (demand deposits in PLN B)



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

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

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

Smart Banking Ecosystem

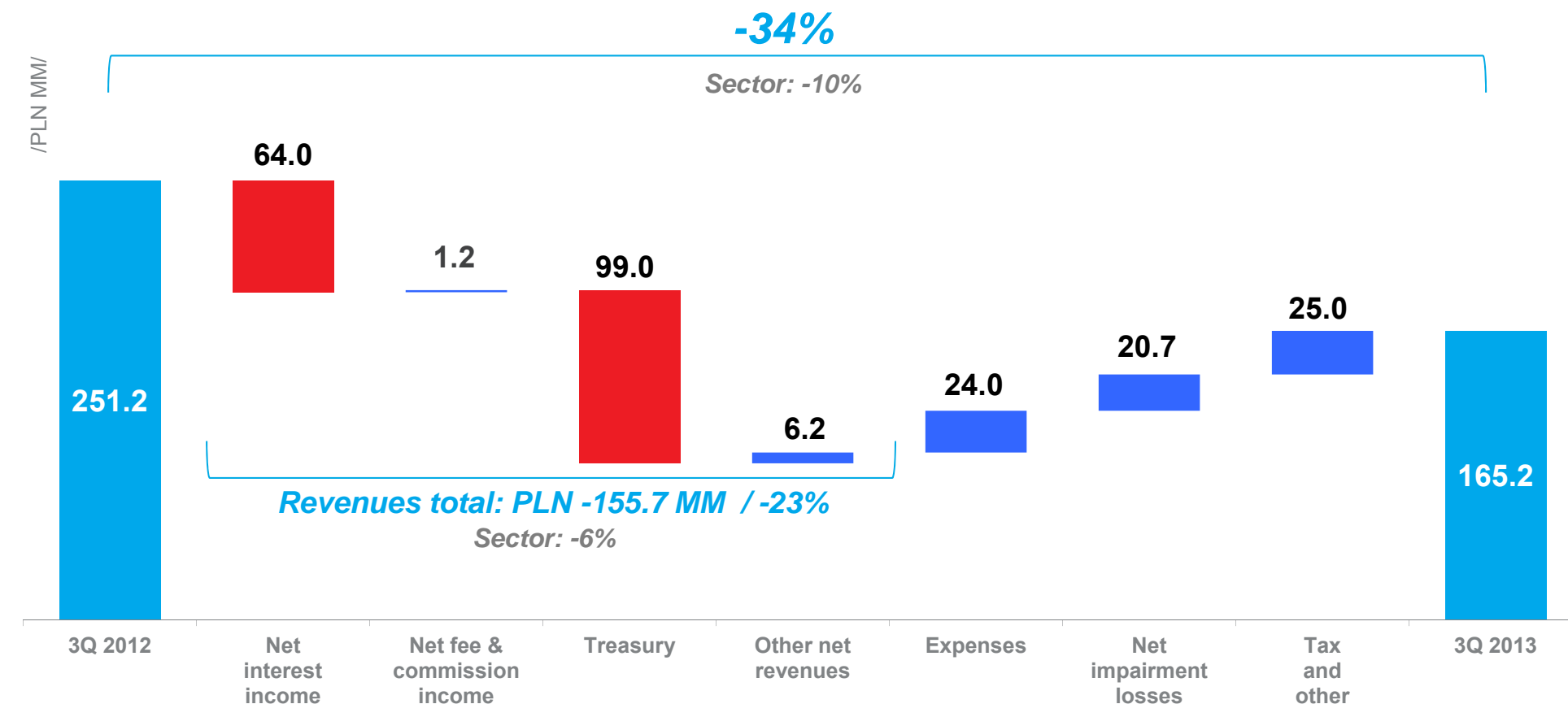
First Smart branch launched in Katowice

- **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)

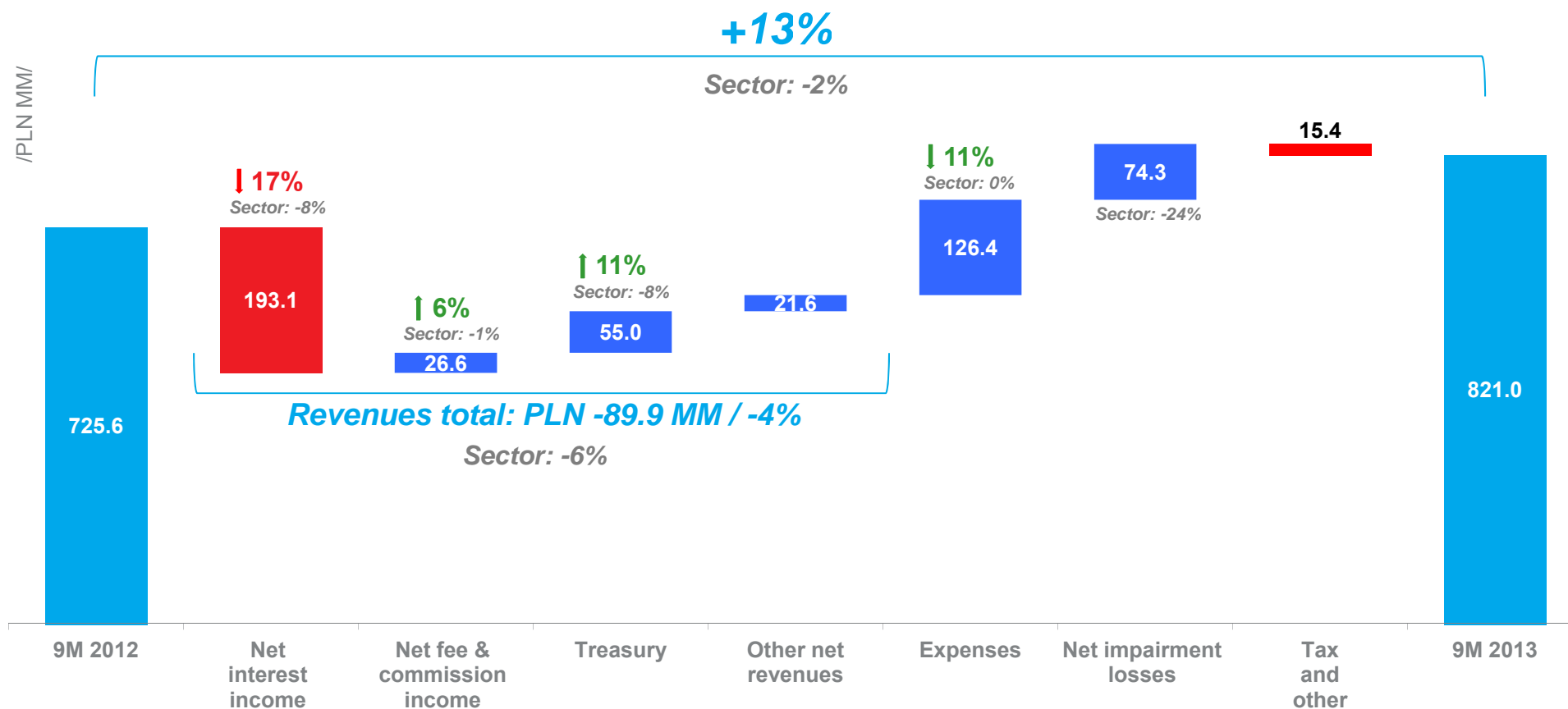
Product	Smart branch vs. traditional
Credit cards (#)	x2
Citigold accounts (#)	x6
Citiforward accounts (#)	x4

Net profit in 3Q 2013 – YoY change



<p>Net interest income</p> <p>↓ 17% YoY</p> <p>Sector: ↓ 6%</p>	<p>Net fee & commission income</p> <p>↑ 1% YoY</p> <p>Sector: ↑ 2%</p>	<p>Treasury result</p> <p>↓ 62% YoY</p> <p>Sector: ↓ 21%</p>	<p>Expenses and depreciation</p> <p>↓ 7% YoY</p> <p>Sector: ↑ 1%</p>	<p>Net impairment losses</p> <p>↓ 93% YoY</p> <p>Sector: ↓ 20%</p>
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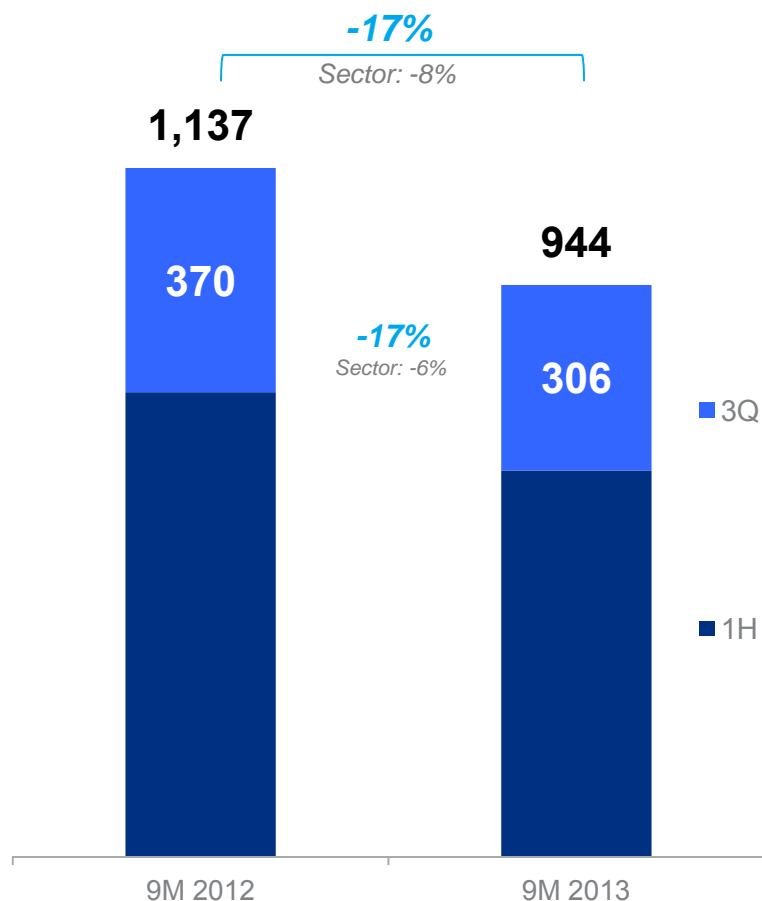
Net profit in 9M 2013 – YoY change



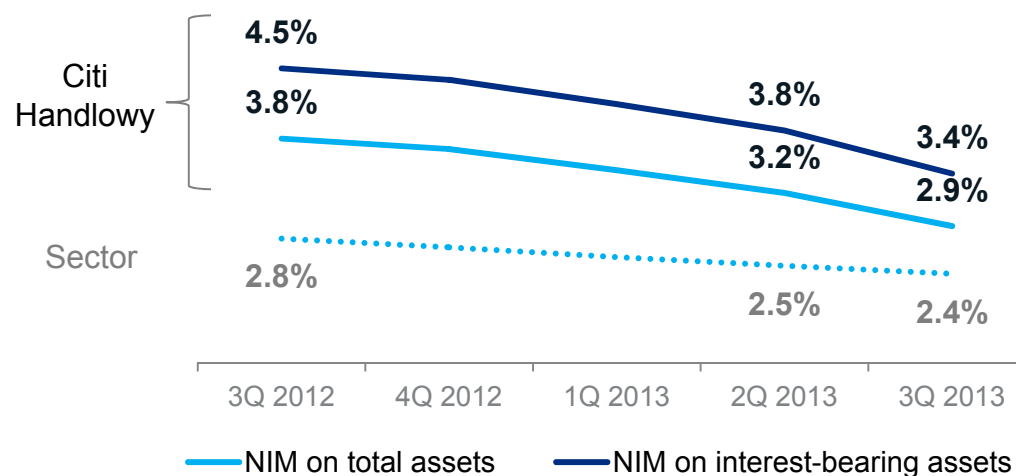
	ROA	ROTE	ROE	Cost/ Income	Loans/ Deposits	Tier 1	NPL
Bank	2.4%	20.5%	16.5%	50%	72%	16.7%	6.7%
Sector	1.0%	11.6%	11.4%	53%	108%	14.2%	7.5%

Net interest income under pressure after interest rates cuts

Net interest income (PLN MM)



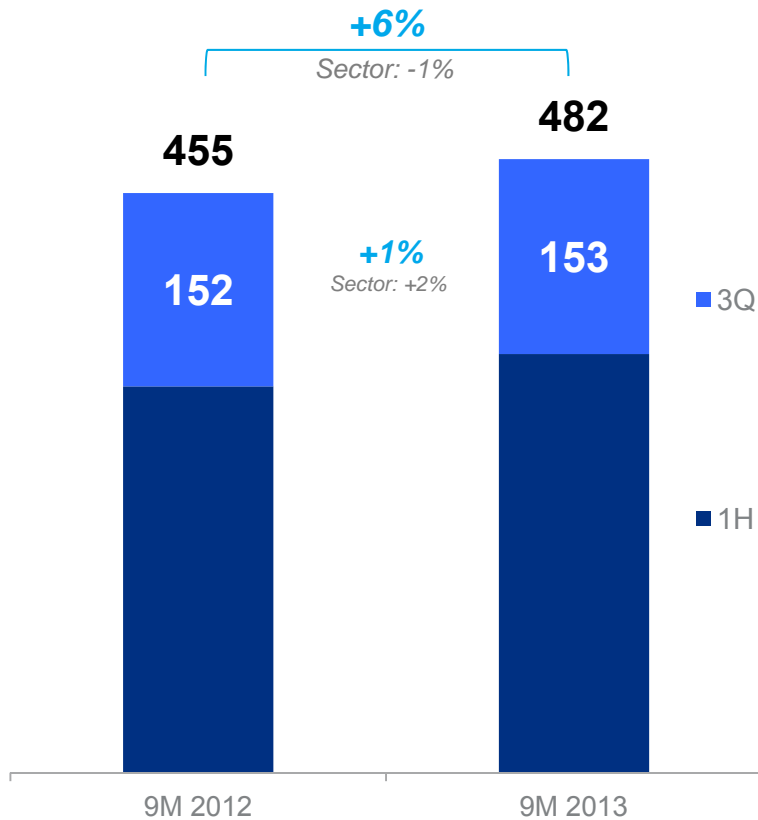
Net interest margin (NIM) - Bank vs. sector



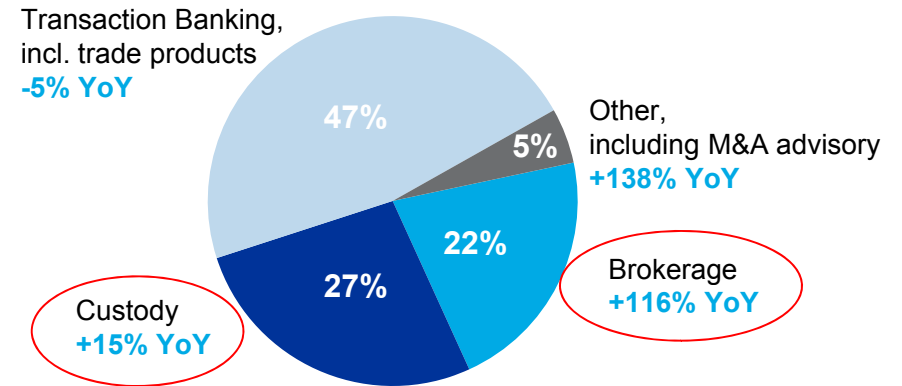
- Slowdown in negative dynamics of net interest income in 3Q 2013 (- 17% YoY and -1% QoQ)
- Net interest margin, despite the decline to 2.9%, still significantly above the market

Net fee & commission income – increase driven by the capital markets

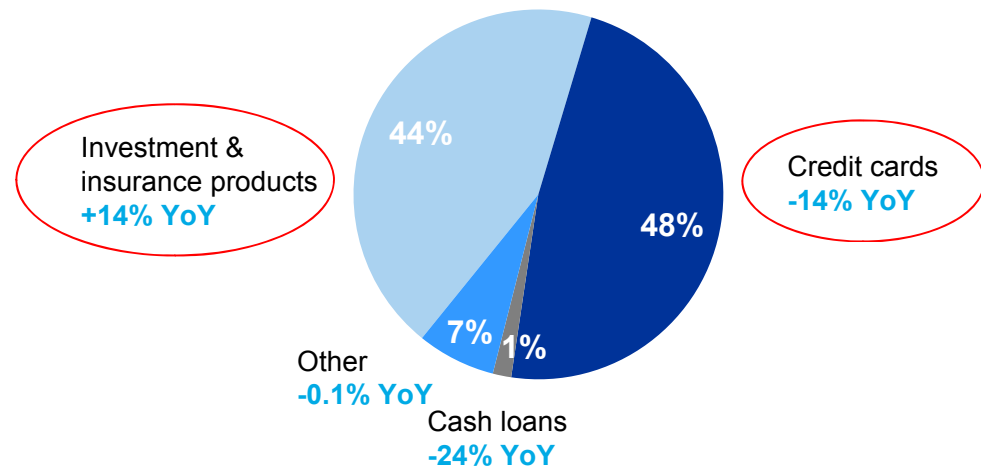
Net fee & commission income (PLN MM)



Corporate Banking +18% YoY

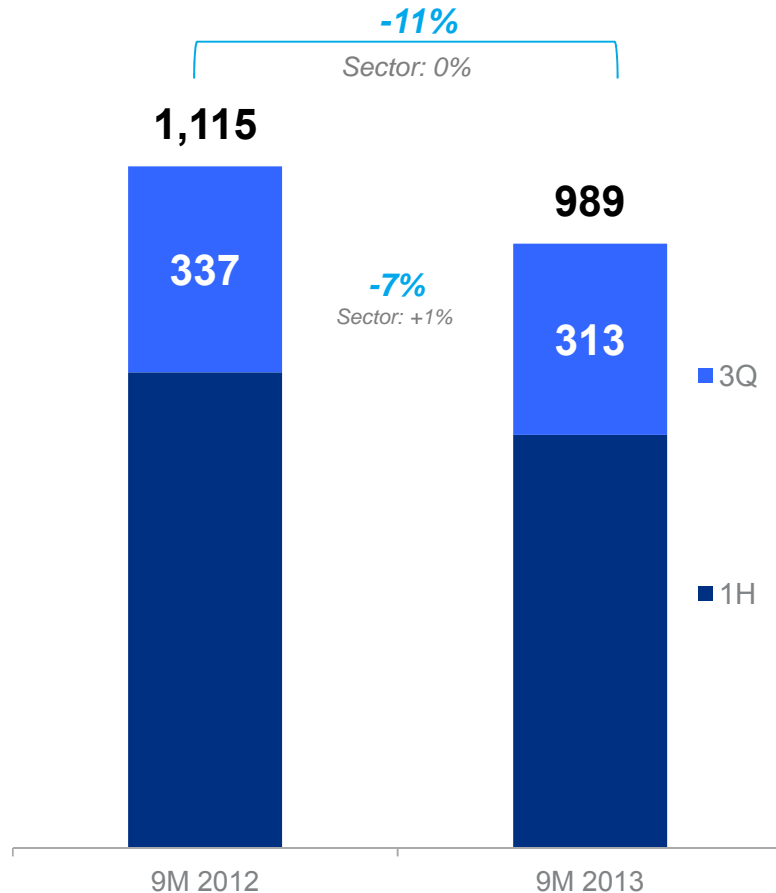


Retail Banking -3% YoY

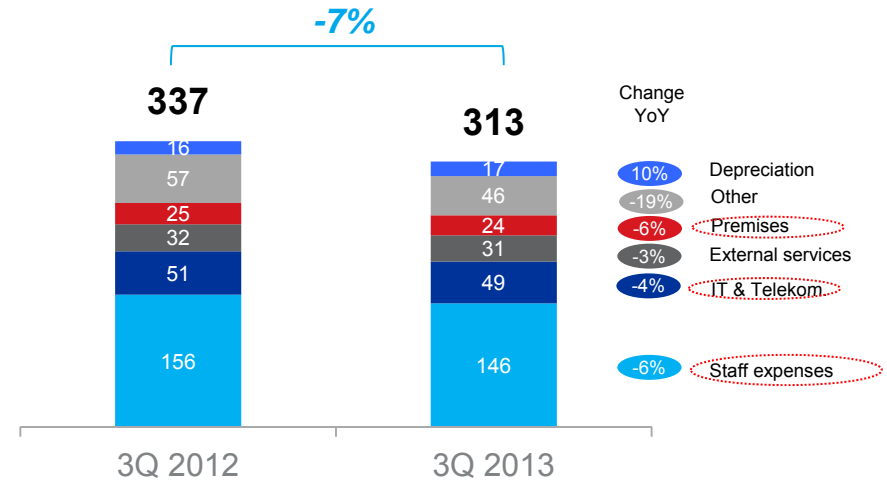


Consistent cost control

Expenses and depreciation (PLN MM)

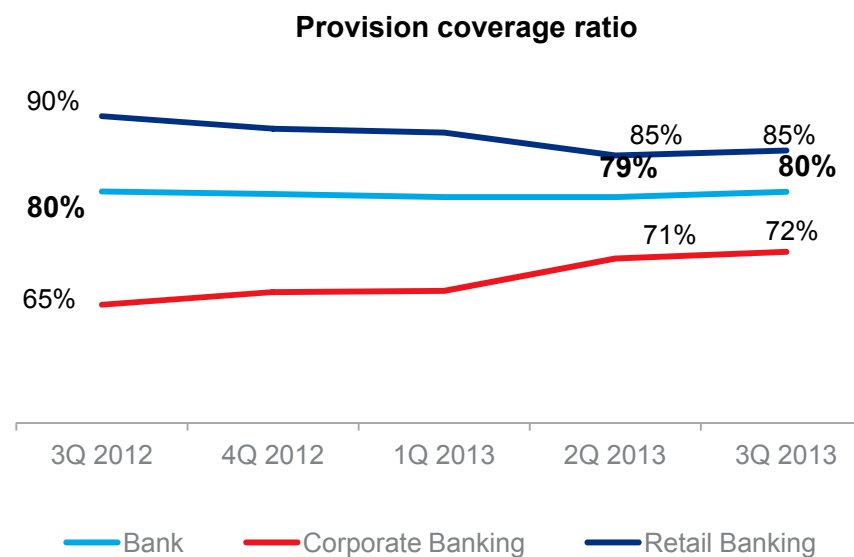
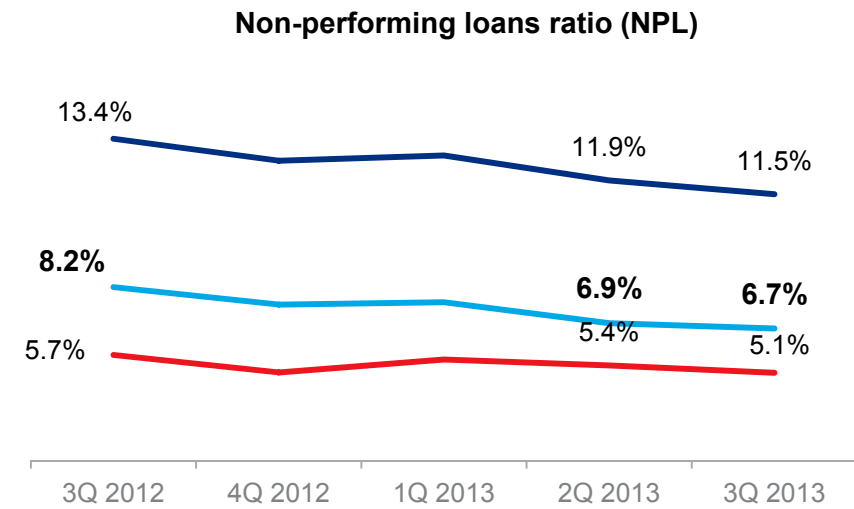
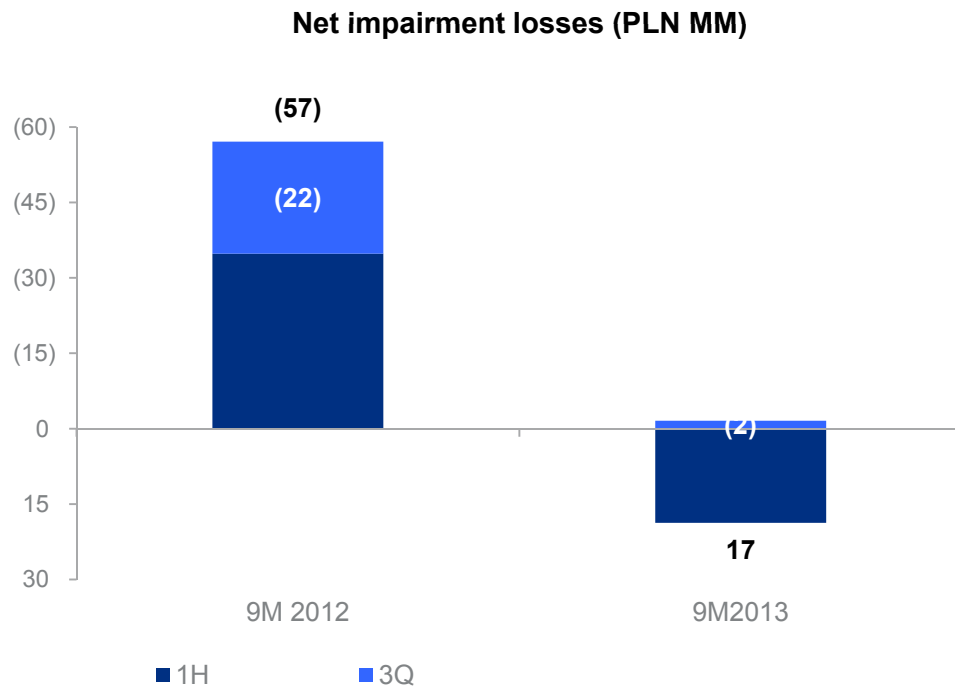


Expenses and depreciation (PLN MM) by type



- **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

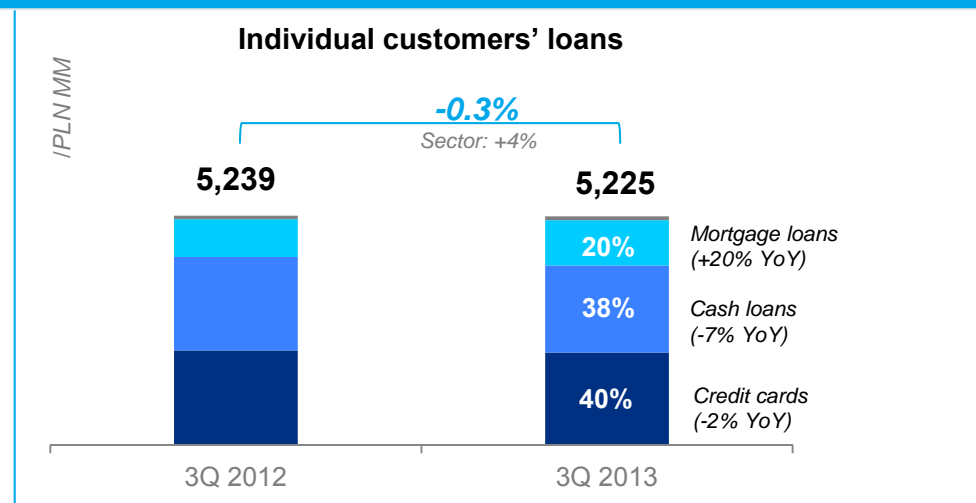
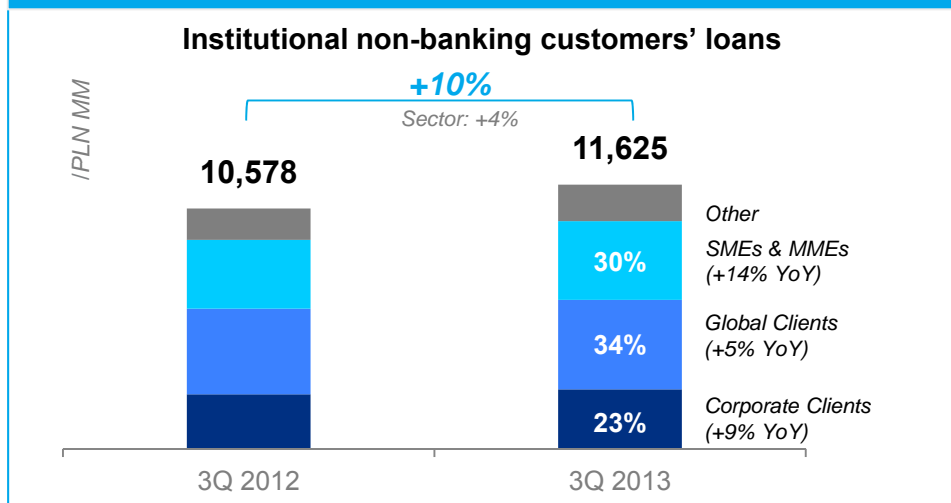
Further improvement in credit risk



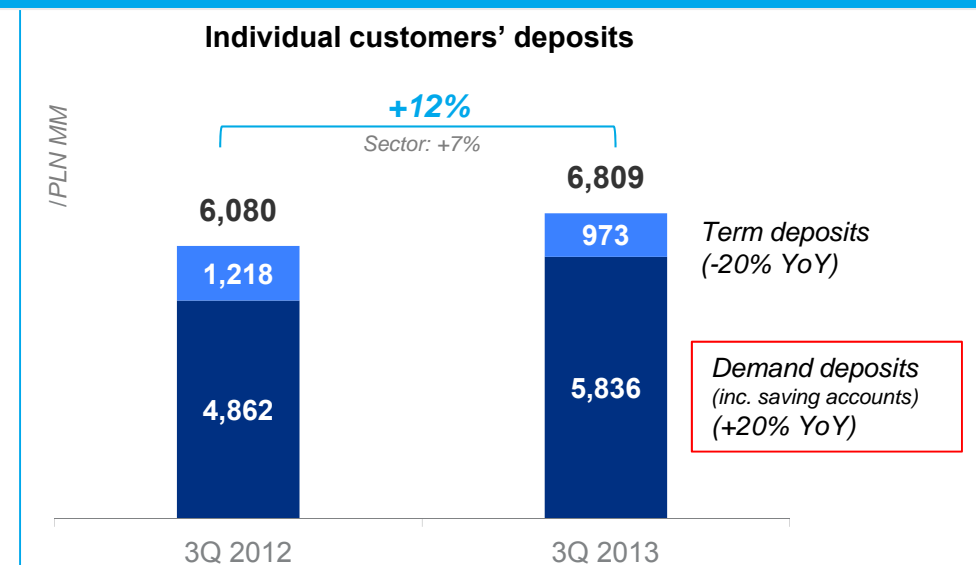
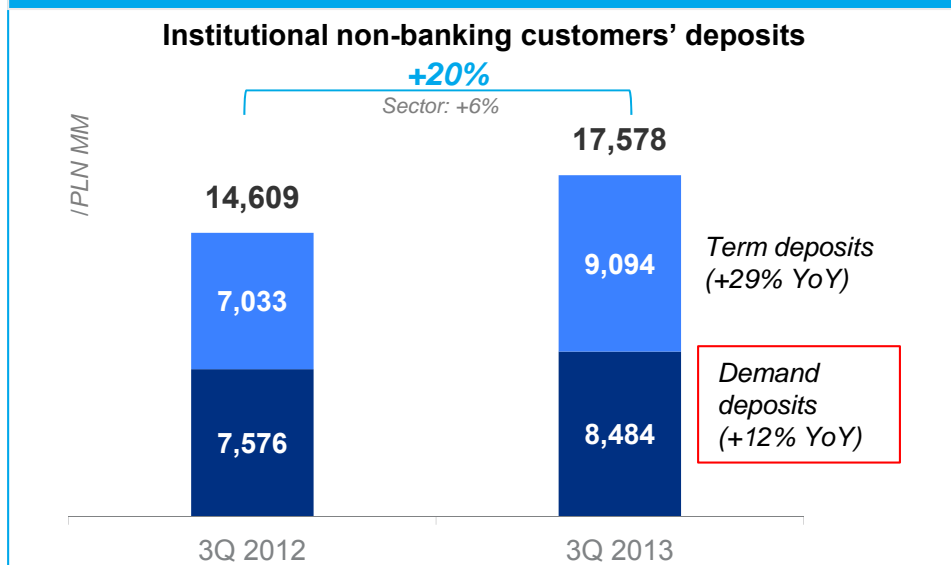
- NPL ratio at **6.7%**, down both in QoQ and YoY terms driven by **better loan portfolio quality** in retail and corporate customers' segments
- Provision coverage ratio remaining at a high level of 80%
- Annualized **cost of risk** significantly **below the sector** in 3Q'13 (**-0.1%** vs **0.9%** in sector)

Customer volumes

Growth in loans in the environment of limited demand for financing

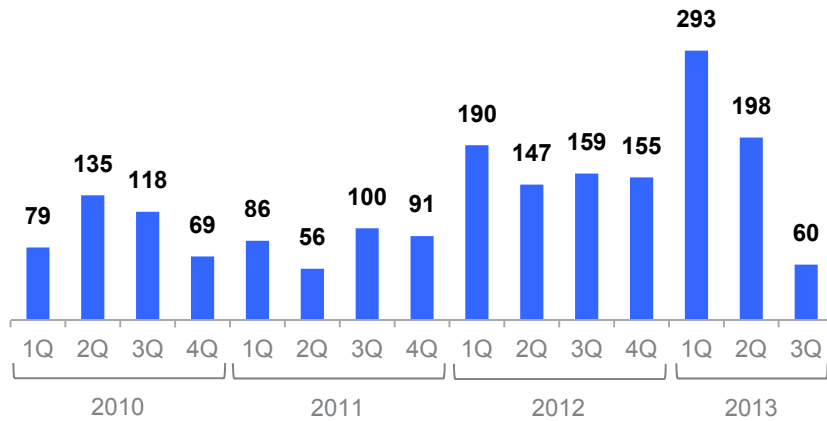


Significant growth in deposits as a result focus on the operating accounts

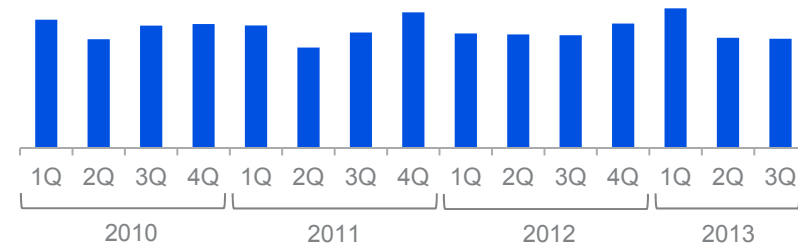


Treasury

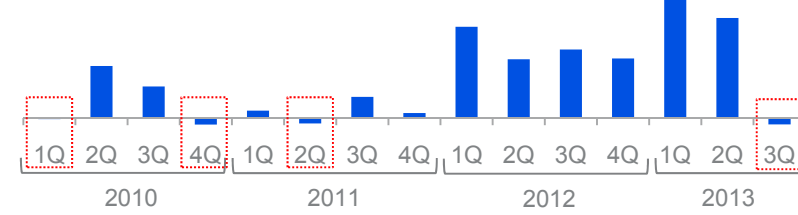
Treasury result (PLN MM)



Result on customer operations



Result on proprietary management

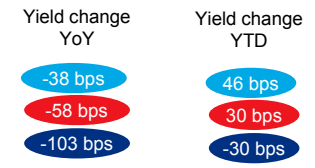
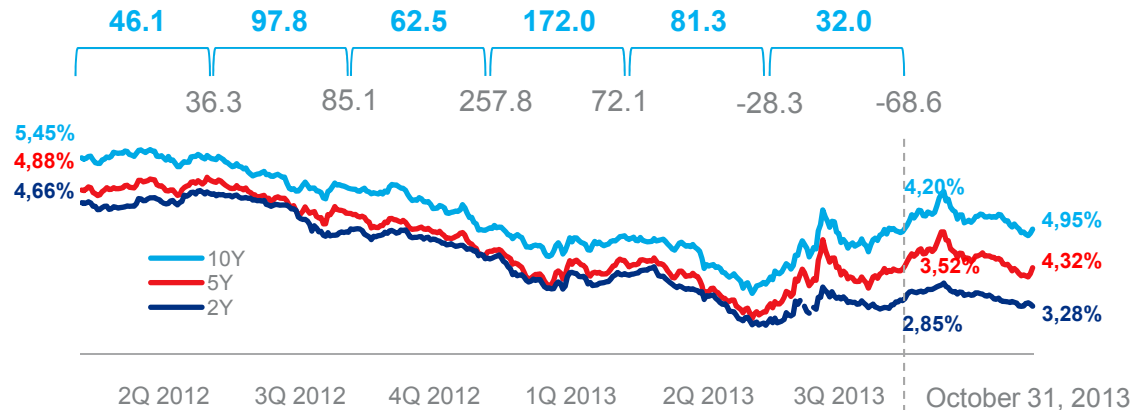


Note: The scales on the graphs are not comparable.

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)



Income statement – Bank

PLN MM	3Q12	4Q12	1Q13	2Q13	3Q13	3Q13 vs. 2Q13		3Q13 vs. 3Q12	
						PLN MM	%	PLN MM	%
Net interest income	370	351	327	311	306	(4)	(1%)	(64)	(17%)
Interest income	532	497	442	412	402	(10)	(2%)	(129)	(24%)
Interest expenses	(161)	(145)	(115)	(102)	(96)	6	(5%)	65	(40%)
Net fee and commission income	152	144	164	165	153	(12)	(7%)	1	1%
Dividend income	1	-	-	4	0	(4)	(97%)	(1)	(88%)
Gains on AFS debt securities	98	63	172	81	32	(49)	(61%)	(66)	(67%)
FX and trading	61	93	121	117	28	(89)	(76%)	(33)	(54%)
Treasury	159	155	293	198	60	(138)	(70%)	(99)	(62%)
Net gain on capital investment instruments	-	-	2	-	-	-	-	-	-
Net other operating income	(8)	(5)	9	0	(1)	(1)	-	7	(90%)
Revenue	674	645	795	679	519	(160)	(24%)	(156)	(23%)
Expenses	(321)	(300)	(331)	(318)	(296)	22	(7%)	25	(8%)
Depreciation	(16)	(15)	(13)	(13)	(17)	(4)	28%	(2)	10%
Expenses and depreciation	(337)	(315)	(345)	(331)	(313)	18	(5%)	24	(7%)
Operating margin	338	330	450	348	206	(142)	(41%)	(132)	(39%)
Net impairment losses	(22)	(1)	(10)	29	(2)	(31)	-	21	(93%)
EBIT	316	329	440	376	205	(171)	(45%)	(111)	(35%)
Corporate income tax	(64)	(85)	(84)	(75)	(40)	36	(47%)	25	(38%)
Net profit	251	245	355	300	165	(135)	(45%)	(86)	(34%)
C/I ratio	50%	49%	43%	49%	60%				

Balance sheet – key items

PLN B	End of period					3Q13 vs. 2Q13		3Q13 vs. 3Q12	
	3Q12	4Q12	1Q13	2Q13	3Q13				
Cash and balances with the Central Bank	0.9	1.4	1.0	0.8	2.4	1.7	220%	1.5	160%
Amounts due from banks	2.1	1.5	1.4	2.3	2.5	0.2	9%	0.4	19%
Financial assets held-for-trading	5.9	6.8	9.2	8.9	6.4	(2.5)	(28%)	0.5	8%
Debt securities available-for-sale	8.7	15.0	12.0	14.1	15.8	1.7	12%	7.1	81%
Customer loans	15.8	16.2	16.3	17.0	16.8	(0.2)	(1%)	1.0	7%
Financial sector entities	1.2	0.9	1.6	2.4	2.1	(0.4)	(15%)	0.9	74%
Non-financial sector entities	14.6	15.3	14.7	14.6	14.8	0.2	1%	0.2	1%
Corporate Banking	9.4	10.0	9.5	9.4	9.6	0.2	2%	0.2	2%
Retail Banking	5.2	5.3	5.2	5.2	5.2	(0.0)	(0%)	(0.0)	(0%)
Credit cards	2.2	2.2	2.0	2.1	2.1	0.0	1%	(0.0)	(2%)
Cash loans	2.1	2.1	2.1	2.1	2.0	(0.1)	(4%)	(0.1)	(7%)
Mortgage	0.9	0.9	1.0	1.0	1.0	0.0	2%	0.2	20%
Other assets	3.0	2.6	2.8	3.2	3.3	0.1	2%	0.3	9%
Total assets	36.5	43.5	42.7	46.3	47.2	1.0	2%	10.7	29%
Liabilities due to banks	2.6	2.4	5.7	7.1	7.6	0.5	7%	5.0	196%
Financial liabilities held-for-trading	4.7	5.8	5.3	4.8	5.4	0.6	12%	0.8	17%
Financial liabilities due to customers	20.9	26.9	22.8	25.0	25.4	0.4	2%	4.5	21%
Financial sector entities - deposits	2.6	2.8	3.0	4.2	3.9	(0.3)	(7%)	1.4	53%
Non-financial sector entities - deposits	18.1	20.8	19.1	20.0	20.5	0.4	2%	2.3	13%
Corporate Banking	12.0	14.9	12.7	13.3	13.6	0.4	3%	1.6	13%
Retail Banking	6.1	5.9	6.4	6.8	6.8	0.0	1%	0.7	12%
Other financial liabilities	0.2	3.2	0.7	0.7	0.9	0.3	39%	0.8	418%
Other liabilities	1.4	1.1	1.4	2.4	1.7	(0.7)	(28%)	0.3	22%
Total liabilities	29.5	36.1	35.2	39.3	40.1	0.8	2%	10.6	36%
Equity	7.0	7.4	7.6	7.0	7.1	0.1	2%	0.2	2.2%
Total liabilities & equity	36.5	43.5	42.7	46.3	47.2	1.0	2%	10.7	29%
Loans / Deposits ratio	81%	73%	77%	73%	72%				
Capital Adequacy Ratio	17.6%	18.1%	18.5%	17.5%	16.7%				

Corporate Banking – income statement

PLN MM	3Q12	4Q12	1Q13	2Q13	3Q13	3Q13 vs. 2Q13		3Q13 vs. 3Q12	
						PLN MM	%	PLN MM	%
Net interest income	175	164	152	147	147	0	0%	(28)	(16%)
Interest income	306	279	238	220	221	0	0%	(85)	(28%)
Interest expenses	(131)	(116)	(86)	(74)	(74)	(0)	0%	57	(44%)
Net fee and commission income	59	61	83	75	66	(9)	(13%)	7	12%
Dividend income	1	-	-	1	0	(1)	(91%)	(1)	(88%)
Gains on AFS debt securities	98	63	172	81	32	(49)	(61%)	(66)	(67%)
FX and trading	52	84	113	108	19	(89)	(82%)	(33)	(63%)
Treasury	150	147	285	190	51	(138)	(73%)	(98)	(66%)
Net gain on capital investment instruments	-	-	2	-	-	-	-	-	-
Net other operating income	1	1	15	5	5	0	0%	4	-
Revenue	385	372	536	418	269	(149)	(36%)	(116)	(30%)
Expenses	(142)	(162)	(156)	(135)	(129)	6	(4%)	13	(9%)
Depreciation	(6)	(7)	(7)	(6)	(6)	0	(2%)	0	(4%)
Expenses and depreciation	(149)	(169)	(163)	(142)	(135)	6	(4%)	14	(9%)
Operating margin	237	203	373	276	134	(143)	(52%)	(103)	(43%)
Net impairment losses	(16)	(4)	(14)	(7)	3	10	-	19	-
EBIT	221	200	359	269	137	(131)	(49%)	(84)	(38%)
C/I ratio	39%	45%	30%	34%	50%				

Retail Banking – income statement

PLN MM	3Q12	4Q12	1Q13	2Q13	3Q13	3Q13 vs. 2Q13		3Q13 vs. 3Q12	
						PLN MM	%	PLN MM	%
Net interest income	195	188	175	164	159	(5)	(3%)	(36)	(18%)
Interest income	225	217	204	192	182	(10)	(5%)	(44)	(19%)
Interest expenses	(30)	(30)	(28)	(28)	(22)	6	(21%)	8	(27%)
Net fee and commission income	93	83	81	90	87	(3)	(3%)	(6)	(6%)
Dividend income	-	-	-	3	-	(3)	(100%)	--	
FX and trading	9	8	8	9	9	0	1%	(1)	(6%)
Net other operating income	(8)	(6)	(5)	(5)	(6)	(1)	25%	3	(32%)
Revenue	289	273	259	261	249	(11)	(4%)	(39)	(14%)
Expenses	(179)	(138)	(175)	(183)	(167)	16	(9%)	12	(7%)
Depreciation	(9)	(8)	(7)	(7)	(11)	(4)	55%	(2)	19%
Expenses and depreciation	(188)	(146)	(182)	(189)	(178)	12	(6%)	10	(6%)
Operating margin	101	127	77	71	72	1	1%	(29)	(29%)
Net impairment losses	(7)	3	4	36	(5)	(41)	-	2	(29%)
EBIT	94	130	81	107	67	(40)	(37%)	(27)	(29%)
C/I ratio	65%	53%	70%	73%	71%				

Retail banking operational data and volumes

Operational data (in thousand)	3Q12	4Q12	1Q13	2Q13	3Q13	3Q13 vs. 2Q13		3Q13 vs. 3Q12	
						thous.	%	thous.	%
Current accounts	588	586	586	585	578	(7)	(1%)	(10)	(2%)
including operating accounts	181	181	178	178	165	(13)	(7%)	(16)	(9%)
Saving accounts	195	193	196	197	195	(2)	(1%)	0	0%
Credit cards	807	795	793	791	785	(6)	(1%)	(22)	(3%)
including co-branded cards	468	464	467	472	472	1	0%	4	1%
Debit cards	425	418	428	454	427	(27)	(6%)	2	0%
including PayPass cards	363	365	382	413	389	(25)	(6%)	26	7%
Volumes (PLN million)	3Q12	4Q12	1Q13	2Q13	3Q13	3Q13 vs. 2Q13		3Q13 vs. 3Q12	
						PLN MM	%	PLN MM	%
Deposits	6,080	5,887	6,401	6,771	6,809	38	1%	729	12%
Demand deposits	2,411	2,385	2,459	2,537	2,544	6	0%	133	6%
Other deposits	3,669	3,501	3,942	4,233	4,265	31	1%	595	16%
including saving accounts	2,432	2,426	2,968	3,253	3,259	6	0%	826	34%
Loans	5,239	5,260	5,180	5,244	5,225	(19)	(0%)	(15)	(0%)
Credit cards	2,161	2,150	2,038	2,084	2,114	30	1%	(47)	(2%)
Cash loans	2,135	2,104	2,092	2,080	1,989	(91)	(4%)	(146)	(7%)
Mortgage loans	862	926	978	1,008	1,032	24	2%	170	20%

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

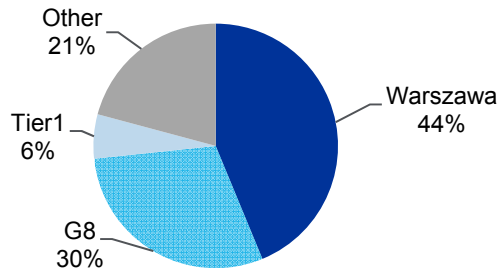
Transformation towards a Smart Banking Ecosystem following changes in customers' behavior and dynamic growth of new technologies

- 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



- 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

Retail Banking Channel Interactions

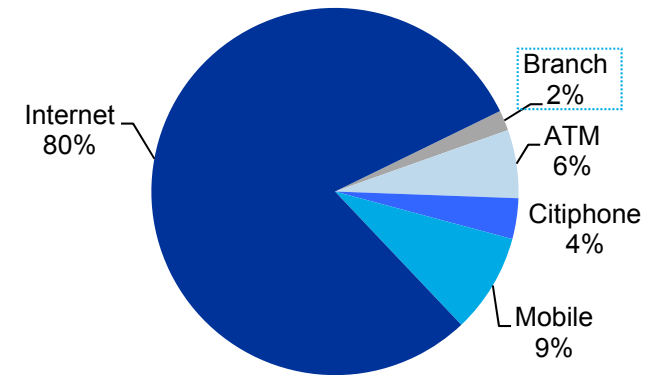
2016 Estimated

Mobile	20-30 times per month
Web/Tablet	7-10 times per month
ATM	3 - 5 times per month
Call center	5 - 10 times per month
Branch	1-2 times per year

Source: Banking 3.0 by Brett King, 2013

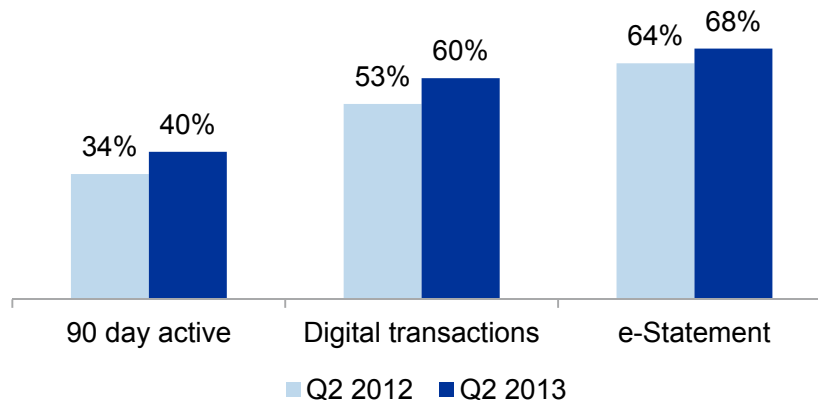
Structure of customer transactions in Citi Handlowy

June 2013



Digital transformation in Citi Handlowy

Growing digital



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
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