

BANK HANDLOWY W WARSZAWIE S.A.

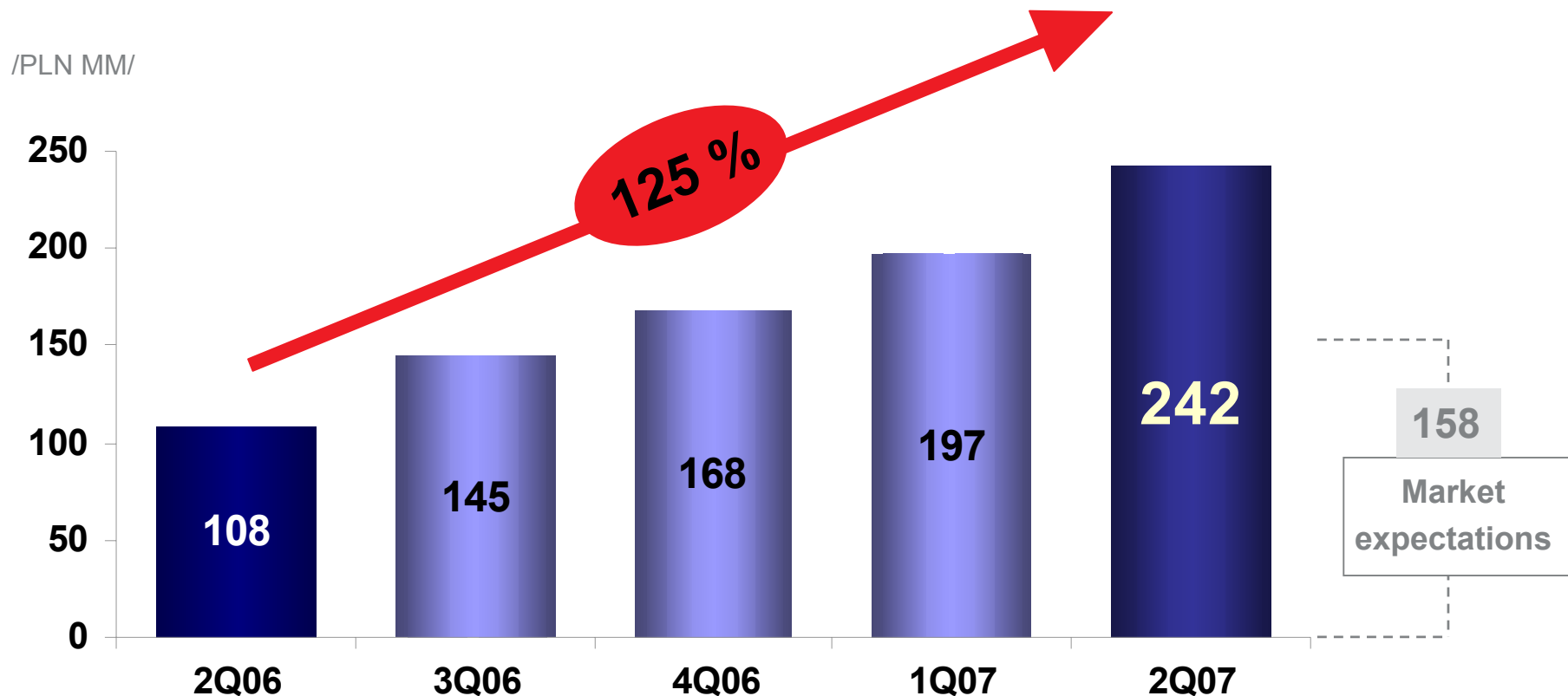
Consolidated financial results for 2Q 2007

A record-breaking quarter. Significant improvement in efficiency.

Warsaw, 9th of August 2007

Net income more than double Q207 vs. Q206

Upward trend in the last four quarters



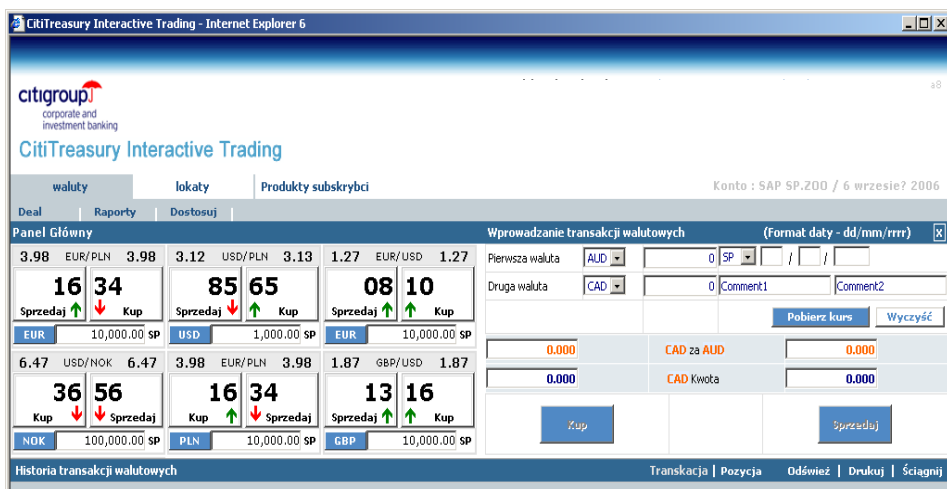
Significant improvement in efficiency

	2Q 2006	2Q 2007	
ROE	12.3 %	14.0 %	↑
ROA	1.9 %	2.0 %	↑
Cost / Income	74 %	57 %	↓
CAR	14.8 %	13.2 %	

2Q07 corporate banking achievements

Commercial Bank

- **More than 400 new customers** acquired in SME sector – an increase of more than 140% as compared to the Q206
- Almost **13% of increase in assets**, and within SME sector only as much as **48% of growth**
- **55% growth of FX transactions' volume** as compared to Q2 06 (innovative product solutions – Online Trading Platform)



Transaction services

- Launch of the first on the market card dedicated to motor insurance compensations' settlements (jointly with Generali T.U. S.A.)
- **46% higher number of pre-paid cards issued** (as of the end of Q207 vs. Q206)
- Trade financing: new forms of factoring – **50% increase in turnover** in this area YoY
- Payment and receivables: introducing of the unique solution on the market – **settlements in non-standard currencies**
- **Prestigious award Europrodukt** for Unikasa – a network of payments settlements services

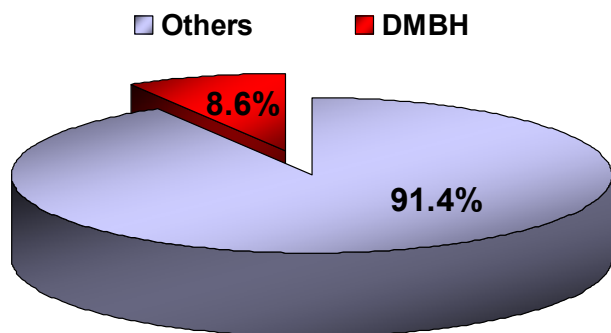


Subsidiaries' achievements in Q2 07

Brokerage

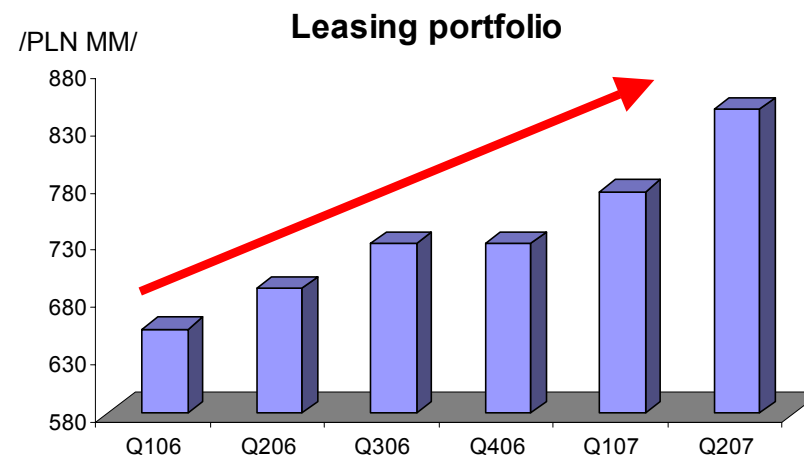
- **The Initial Public Offering - Orco Property Group**, shares valued at PLN 652 million
- **The Secondary Public Offering - Kruszwica S.A.** new issue share were floated on the WSE, shares valued at PLN 277 million
- **3rd rank** on the market in terms of turnover
- **The share of DMBH** in the initial and the secondary public offerings (**IPOs and SPOs**) in the second quarter of 2007 reached **nearly 7%**

Share of DMBH on the stock exchange market in 1H2007:



Leasing

- **Dynamic growth** in terms of new contracts **+160%**, including:
 - machinery + ~ **300%**;
 - vehicles + ~ **100%**
- Launch of the **new product-and-credit offer**



Treasury

Treasury

- **Acquiring of new customers** thanks to the internet platform for FX trading
- **170% growth in trading volumes of FX options transactions** concluded with the customers Q207/Q206
- **Share of revenue from FX options** rose to the level of **28% in Q207** compared to 20% share in Q206
- Significant share of proprietary trading income in the Bank's results

20%

**Market share in FX transactions
with non-banking customers**

13%

**Increase of revenue from customer
business**

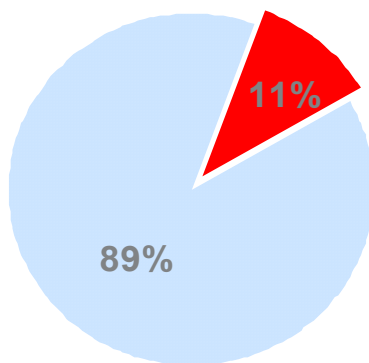
A record high number of cards sold in Q2 07

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

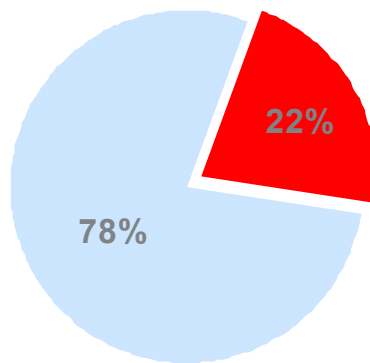
- More than **52 thousands new credit cards** acquired
- Total number of credit cards as of the end of Q207: **730 thousands** (19% growth Q207/Q206)
- CitiFinancial – nearly 8 thousands cards acquired in the second full quarter of sales – double number compared to the previous quarter

The Bank's share in the credit cards market

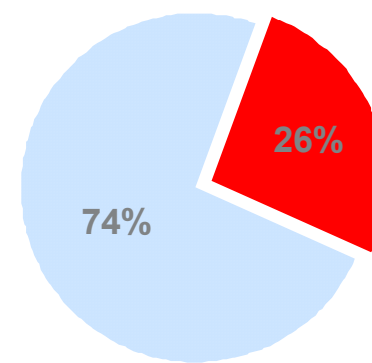
Number of cards issued



Number of transactions



Value of transactions



■ Citi Handlowy ■ Pozostałe banki

Globalne standardy. Lokalne rozwiązania

citi handlowy

Co-branded cards

Citibank - LOT

- A card issued in cooperation with LOT Polish Airlines and Miles & More International
 - ✓ Offered since 22 June 2007
 - ✓ Each transaction implies accruing of reward-miles in the leading European airlines loyalty scheme – Miles & More
 - ✓ The best offer of this kind on the market – the most favorable miles conversion rate, wide acceptance network
 - ✓ The launch is accompanied by Great Miles Lottery – „Your million of miles”:
 - First prize 1 million miles
 - 10 rewards of 100 thousands miles each



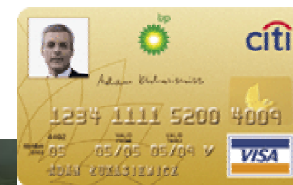
Citibank - Plus

- A card issued together with Polkomtel S.A.
 - ✓ Launch on 18 June 2007
 - ✓ Each transaction implies accruing reward-points in the 5Plus loyalty scheme
 - ✓ Opportunity of offering Bank's products to the customers registered in Polkomtel S.A. database
 - Currently the offer is dedicated solely to the participants of 5 Plus loyalty scheme
 - This year the offer will be available for the rest of Polkomtel S.A. subscribers



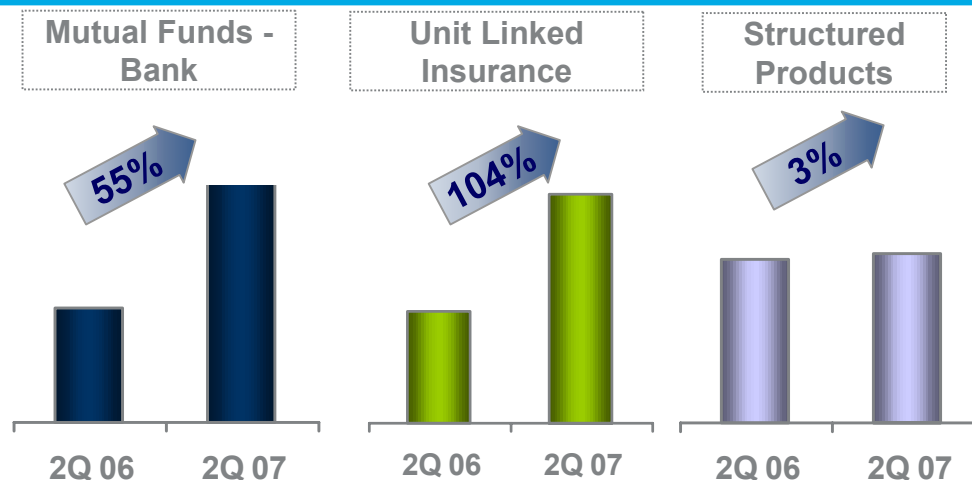
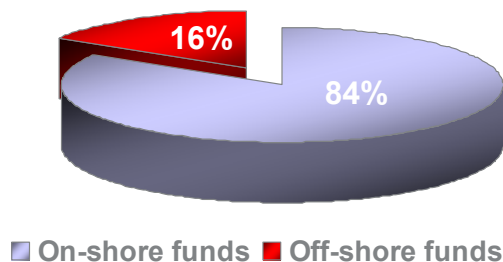
Citibank - BP

- The Credit Card Citibank-BP – co-branded card No 1 on the market
 - ✓ Further dynamic growth of the cards number
 - ✓ The cards transactions cause accruing of the reward-points in the BP Partner Club loyalty scheme
 - ✓ 134 thousands of the cards as of the end of June 2007



Investment and insurance products

Investment products as of the end of June 2007



Towarzystwo Funduszy Inwestycyjnych



- In the 2nd quarter of 2007 there were 8 subscriptions for structured bonds denominated in several currencies (PLN, USD and EUR)
- In May the Bank's offer expanded at addition of a new ING sub-fund – Central Europe Financial Sector Subfund Plus, and in June the offer of foreign funds was enriched by two new BlackRock Merrill Lynch funds: MLIIF New Energy Fund and MLIIF World Gold
- In May the choice of funds available under the Investment Portfolio and the Life Insurance Linked Investment Program was expanded through addition of a new fund – ING Central Europe Financial Sector Subfund Plus

Other achievements of retail banking in Q2 2007

Saving Account

- Accomplishment of deposit offer dedicated to all segments' customers
- A customer may benefit from the offer without necessity of opening Current Account
- Possibility of funds withdrawal in any time without losing of interests
- No monthly maintenance fee charged

 **PLN 745 MM**
Funds acquired as of June 30, 2007

Transparent Card - MasterCard Unembossed

- Accomplishment of internet account CitiOne Direct offer – enables internet transactions payments settlement
- Acceptance:
 - ✓ Internet
 - ✓ POS – wider network of acceptance comparing to Maestro card
 - ✓ ATMs



CitiFinancial

- CitiFinancial – 8 thousands cards acquired in the second full quarter of sales – double number compared to the previous quarter
- Opening of a special info-phone line dedicated to CitiFinancial, implementation of CRM system

Citibusiness

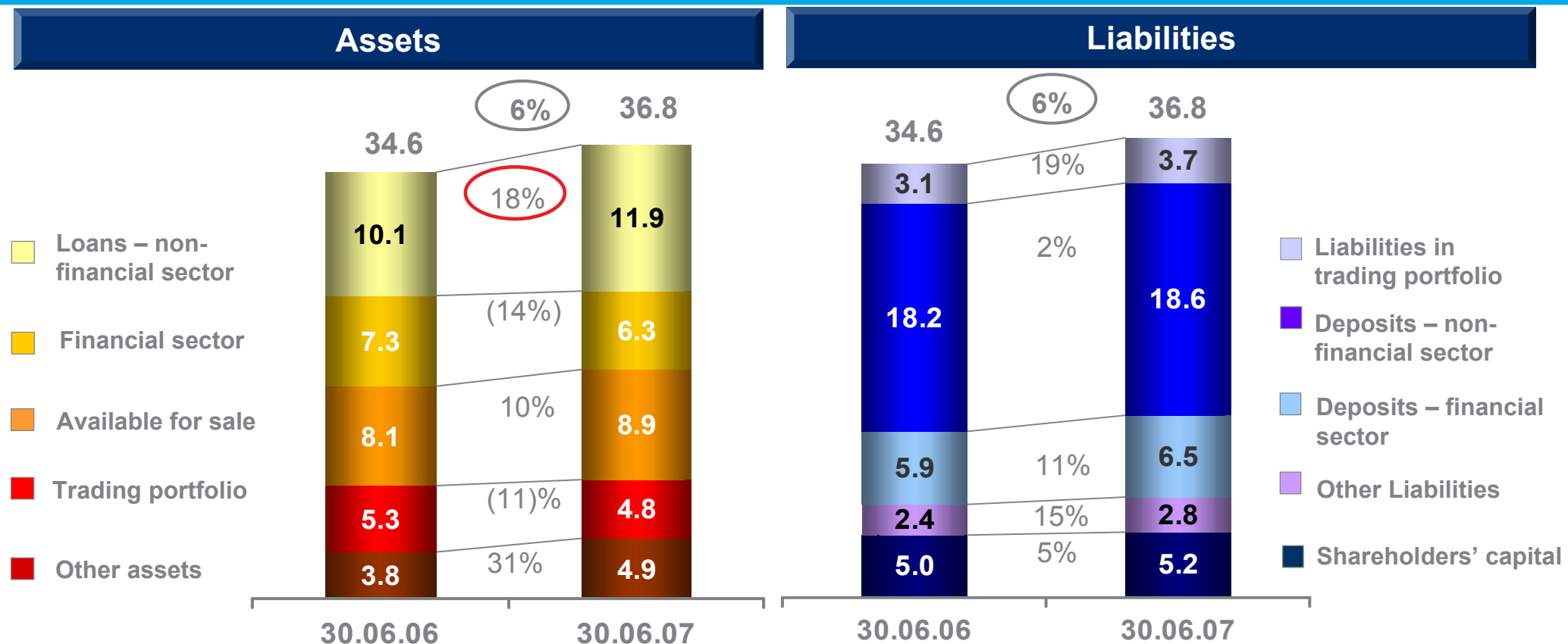
- 179% increase of new accounts as compared to the 2nd quarter 2006
- Expanding an offer for Citibusiness by adding the possibility of FX option transactions

2Q 2007 results

PLN MM	2Q 2006	2Q 2007	2Q07/2Q06	
			I/ (D)	I/ (D) %
Net interest income	262.2	293.2	31.0	12%
Net fee and commission income	157.0	185.2	28.2	18%
Dividend income	0.1	0.8	0.7	692%
Treasury	69.3	137.2	67.9	98%
Equity instruments result	0.0	37.3	37.3	-
Other operating revenue */	22.6	11.7	(10.9)	(48%)
Revenue	511.2	665.5	154.3	30%
Expenses and depreciation	(376.5)	(382.2)	5.7	2%
Total operating expenses	(343.4)	(355.1)	11.7	3%
Depreciation	(33.1)	(27.1)	(5.9)	(18%)
Income on fixed assets sale	0.9	0.3	(0.7)	(73%)
Movements in provisions	8.1	25.5	17.3	213%
Share in subs' profits	(2.6)	(9.0)	(6.4)	n.m.
EBIT	141.2	300.0	158.8	112%
Corporate tax	(33.5)	(57.9)	24.4	73%
Net profit	107.7	242.1	134.4	125%

*/ includes provision for the penalty fee imposed by the Office of Competition and Consumer Protection amounting to PLN 10 MM due to the proceeding related to „interchange” fees in the banking sector.

Balance Sheet structure



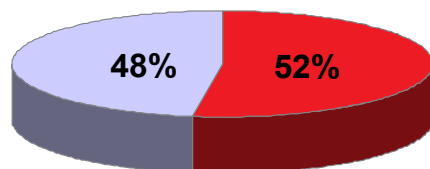
- Increase of non-financial sector loans as a result of considerable retail loans increase as well as rise in corporate loans
- Increase of non-financial deposits due to higher corporate deposits
- Rise in deposits of banks and other monetary financial institutions

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

Strong corporate bank with growing momentum of retail

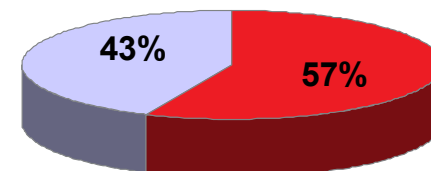
Net interest and fee income

2 Q 06



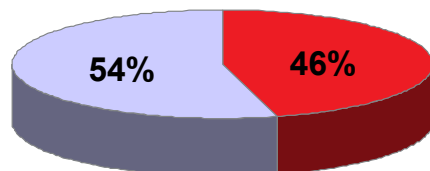
Corporate banking
Retail banking

2 Q 07



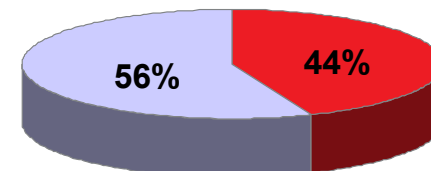
Revenue */

2 Q 06



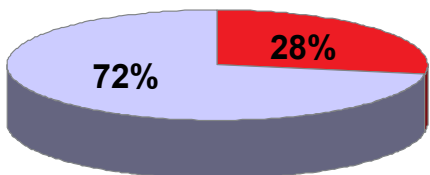
Corporate banking
Retail banking

2 Q 07



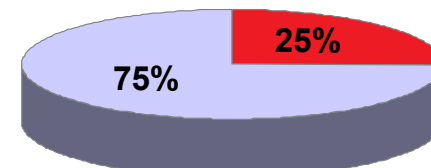
EBIT

2 Q 06



Corporate banking
Retail banking

2 Q 07

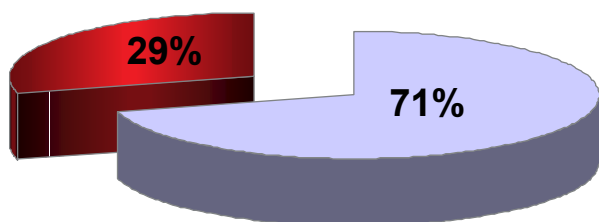


*/ Corporate banking: excluded gain on sale of NFI Empik Media & Fashion shares

Retail banking: excluded provision for the penalty fee imposed by the Office of Competition and Consumer Protection and income on MasterCard shares

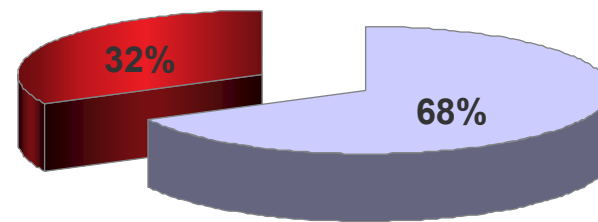
Loans

Non-financial sector loans



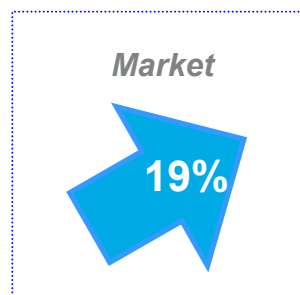
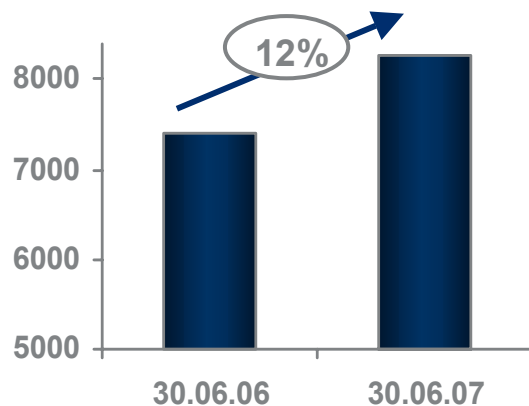
30.06.2006

■ Corporate ■ Retail



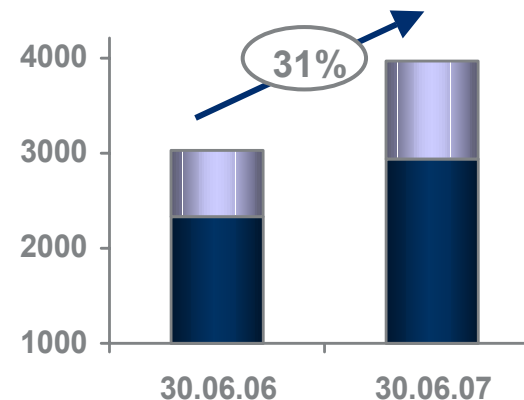
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Corporate loans

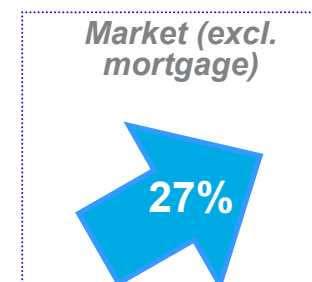


Retail and consumer loans

■ Retail loans ■ CitiFinancial



- 44% increase of CitiFinancial loans
- 27% increase of retail loans



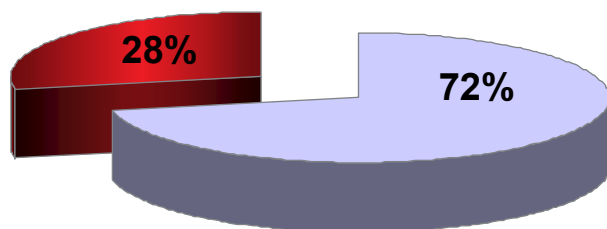
Source: Estimates, pro-forma data, in PLN MM

Globalne standardy. Lokalne rozwiązania.

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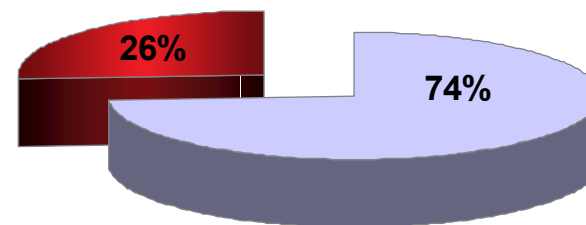
Deposits

Non-financial sectors deposits



■ Corporate ■ Retail

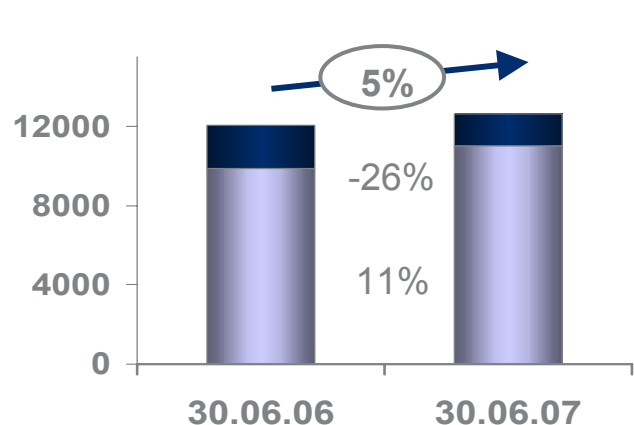
30.06.2006



30.06.2007

Non-Financial Corporate deposits

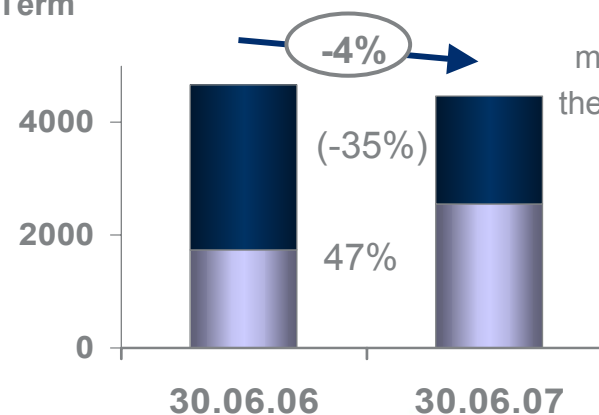
Individuals' deposits



■ Current ■ Term

Market

25%



At the same time net mutual funds acquired by the Bank increased by 55%

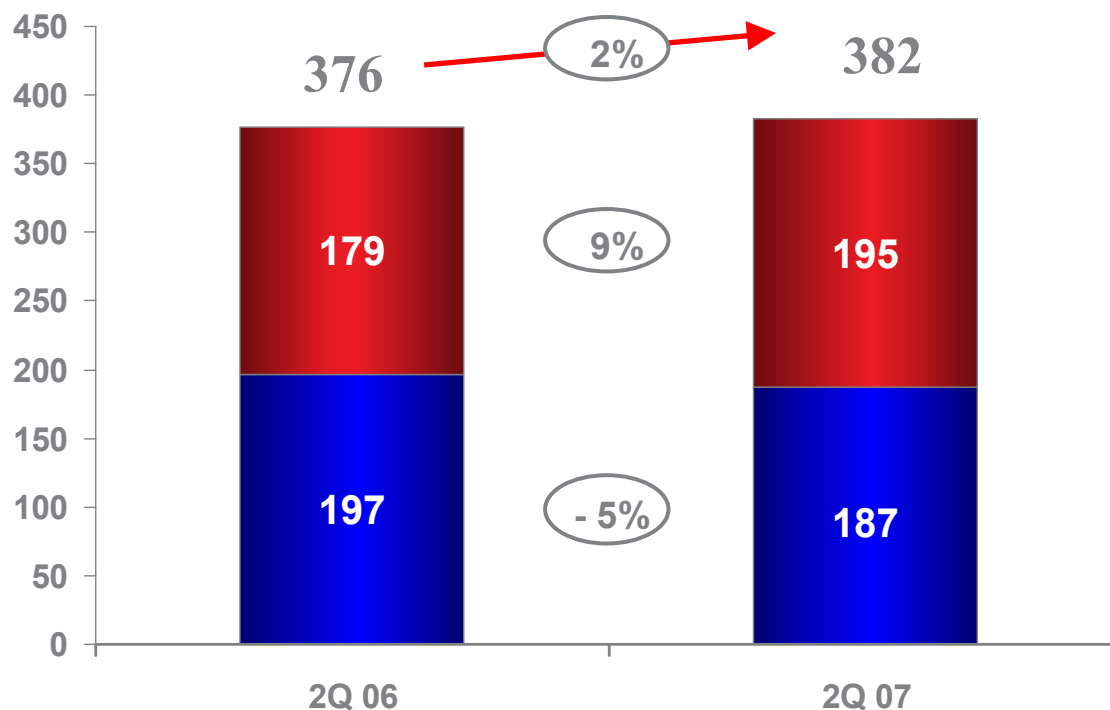
Market

3%

Source: Estimates, pro-forma data, in PLN MM
Globalne standardy. Lokalne rozwiązania.

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Expenses under control



C/I		
	2Q 06	2Q 07
GCG	76%	71%
CMB	72%	48%
Ogółem	74%	57%

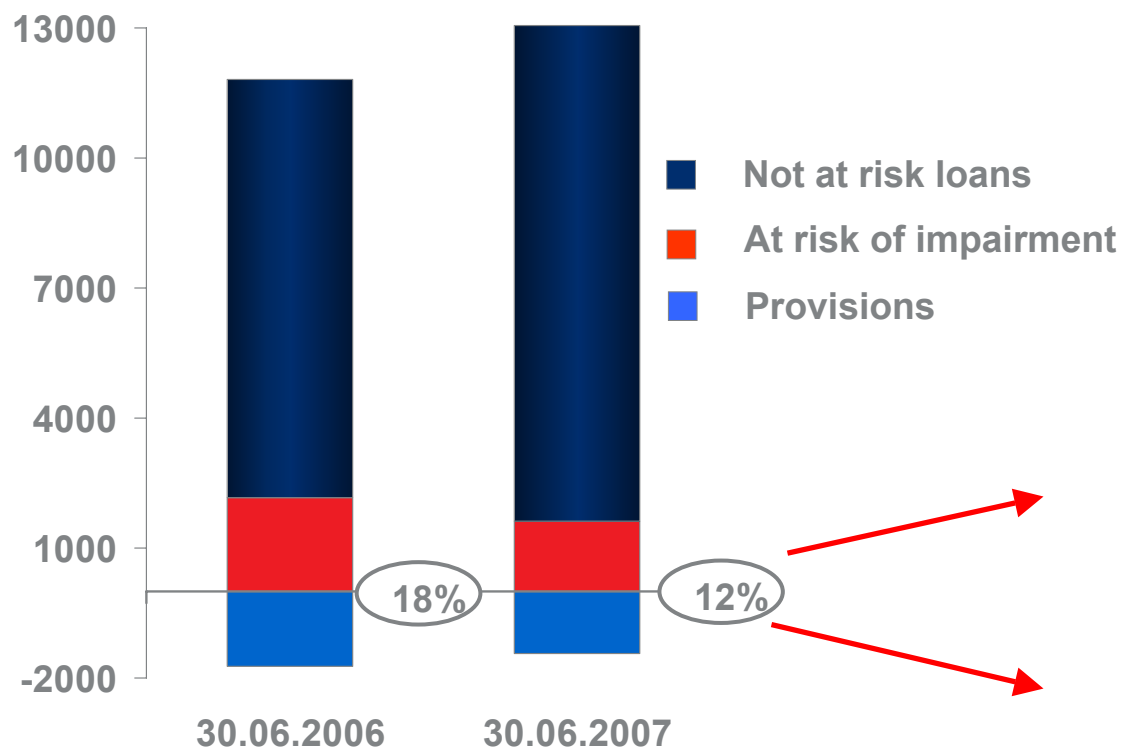
- Lower expenses in CMB by 5% as a result of lower telecommunication and technological costs, real-estate lease and maintenance costs and external services fees
- Higher expenditures in GCG as a result of the increase in staff level within the sale and distribution areas connected with business growth and expansion of the CitiFinancial distribution network (111 branches as of the end of 2Q 2007 vs. 86 as of the end of 2Q 2006) as well as increased marketing activities, primarily within CitiFinancial

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

Globalne standardy. Lokalne rozwiązania.

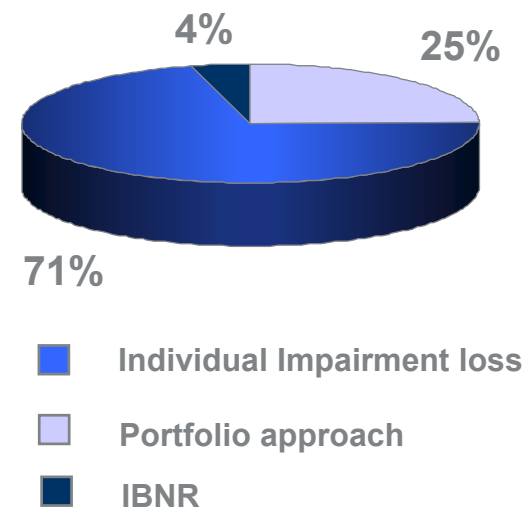
Cost of Credit

Loan portfolio quality



Significant decrease of loans at risk of impairment

Impairment split



	30.06.2006	30.06.2007
Provision coverage ratio	81%	88%

Source: Bank's Financial Disclosures, data pro-forma

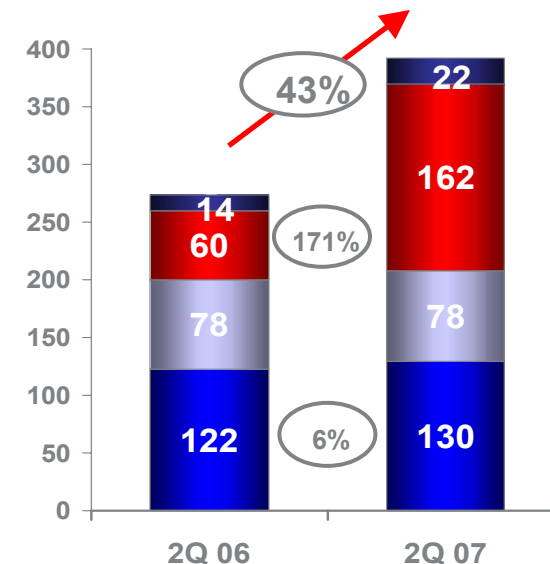
Globalne standardy. Lokalne rozwiązania.

2Q 2007 results

Citi Markets and Banking

MM PLN			2Q07/2Q06	
	2Q06	2Q07	I/(D)	I (D) %
Results on activity	274	392	118	43%
Expenses and depreciation	(197)	(187)	(10)	(5%)
Provisions	27	28	1	2%
Other	(2)	(9)	7	n.m.
EBIT	102	224	122	119%
Assets	31,239	32,527	1,288	4%
Liabilities	28,494	31,245	2,751	10%

- Growth of interest result primarily due to the increase in revenues from AFS securities portfolio and higher income from loans
- Significant increase of Treasury income resulting from very good proprietary trading as well as active sales to the clients
- Lower expenses and depreciation by 5% as a result of further costs optimization (reduction in telecommunication and technological expenses, real-estate lease and maintenance costs, external services fees as well as enhanced monitoring of other employees expenditures).

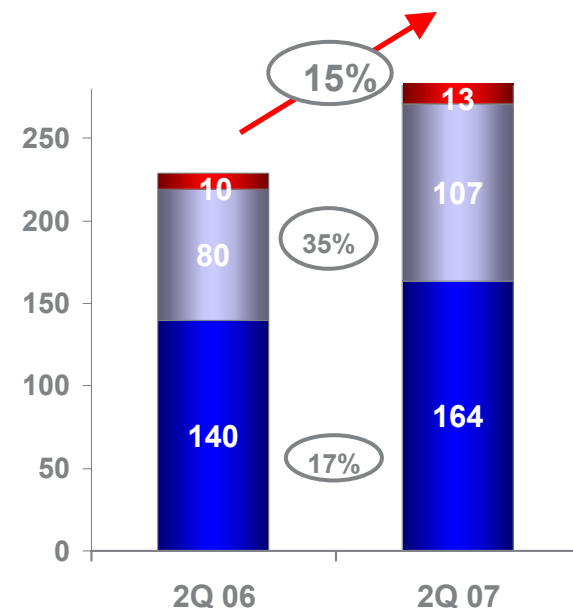


- Other operating income
- Result on financial oper.
- Fee Result
- Interest Result

2Q 2007 results

Global Consumer Group

MM PLN			2Q07/2Q06	
	2Q06	2Q07	I/(D)	I (D) %
Results on activity	238	274	36	15%
Expenses and depreciation	(179)	(195)	16	9%
Provisions	(19)	(2)	18	94%
EBIT	39	76	37	94%
Assets	3,364	4,263	899	27%
Liabilities	6,109	5,545	(564)	(9%)



- Growth of interest result due to credit card and installment loan portfolios increase (despite reduction in the interest rates charged)
- Sharp increase of fee income mainly from insurance and investment products as well as from credit cards and installment loans
- Rise in expenses caused by increase in staff and intensified marketing activities, both related to business growth and continued distribution network expansion of CitiFinancial

- Result on financial oper.
- Fee Result
- Interest Result

Share price / Shareholders structure

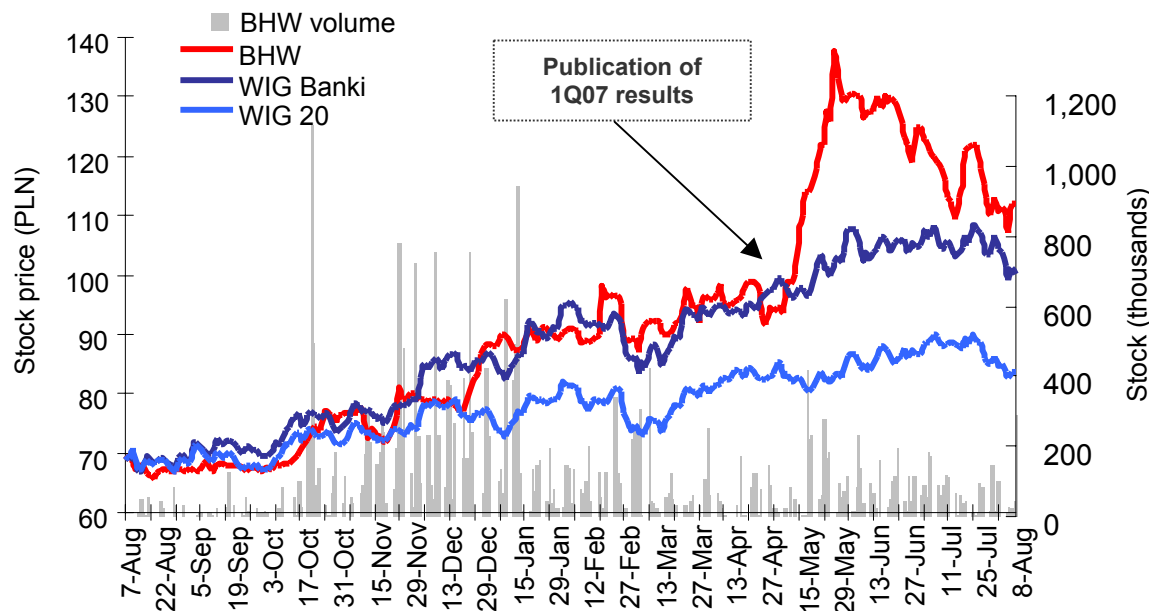
8 August: PLN 112 per share

61% return over a year

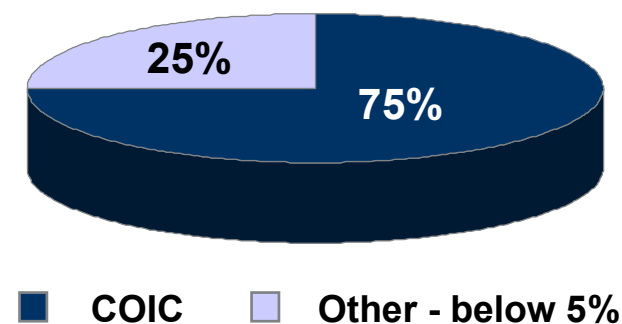
Market cap: \$ 5.3 bln

Free float : \$ 1.3 bln

**BHW daily stock price and volumes
WIG 20 & WIG-Banki index re-based**



Shareholders' structure



Lidia Jabłonowska-Luba

Management Board Member, CFO

Katarzyna Otko-Dąbrowska

Investor Relations Head

Monika Kobylińska

Investor Relations Analyst

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