

2009 Report of the Risk and Capital Committee of the Supervisory Board of Bank Handlowy w Warszawie S.A.

The Risk and Capital Committee of Bank Handlowy w Warszawie S.A. is a permanent body of the Bank's Supervisory Board. The Risk and Capital Committee is composed of the Supervisory Board members appointed by the Supervisory Board. The Risk and Capital Committee consists of at least four Supervisory Board members, one of whom acts the Committee's Chairperson. The Committee operates in accordance with its regulations based on Article 390 of the Commercial Companies Code.

The Committee's Regulations are displayed on the Bank's website www.citibankhandlowy.pl. Under these regulations, the competencies of the Risk and Capital Committee include in particular supervision over introduction of the risk management system by the Management Board in the Bank and assessment of adequacy and effectiveness of the risk management system. In the framework of its competencies related to the supervision of the functioning of the risk management system, the Committee, in particular, verifies the consistency of the Bank's risk taking policy with the strategy and financial plan of the Bank, examines the periodic information presenting the types and sizes of risks in the Bank's operations as well as verifies and presents to the Supervisory Board the recommendations concerning the general risk level of the Bank.

The Risk and Capital Committee also supervises the process of internal capital estimation and capital management. The Committee's competencies as related to the supervision of functioning of internal capital estimation, capital management and capital planning processes involve examination, approval or recommendation, to the extent requiring a resolution of the Supervisory Board, for approval of policies and procedures applicable to the process of internal capital estimation, capital management and capital planning.

In 2009, the Risk and Capital Committee was composed of Alberto Verme – Chairperson (from 18 June 2009), Susan Blaikie – Chairperson (until 15 October 2009), Igor Chalupec – Deputy Chairperson (from 18 June 2009) and Sabine Hansen (until 17 June 2009), Andrzej Olechowski, Krzysztof Opolski (until 20 November 2009), Aneta Polk (from 1 December 2009), Sanjeeb Chaudhuri (from 1 December 2009) and Stephen Simcock (from 18 June 2009) – the Committee members.

The current composition of the Committee is as follows:

- 1) Alberto Verme – Chairman;
- 2) Igor Chalupec – Vice Chairman;
- 3) Andrzej Olechowski;
- 4) Aneta Polk;
- 5) Stephen Simcock;
- 6) Sanjeeb Chaudhuri.

In accordance with its Regulations, the Risk and Capital Committee met two times during the reporting period on the following dates:

17 May 2009,
2 December 2009.

The Risk and Capital Committee is in the frequent contact with the Bank's Supervisory Board as well as with the Bank's management and external auditor.

In the reporting period, at its meetings, the Risk and Capital Committee dealt, among others, with the details of currency option risk, examination of individual Bank's client portfolio as

well as price and liquidity risk. The Committee also focused on the regulatory and internal capital.

The Risk and Capital Committee claims that in the reporting year the Bank's risk management system was effective and adequate to the size of the Bank's operations. The Committee positively assessed the process of internal capital calculation and capital management in the Bank.

Alberto Verme
Chairperson of Risk and Capital Committee