

BANK HANDLOWY W WARSZAWIE S.A.

Consolidated cumulative results after 4Q 2006

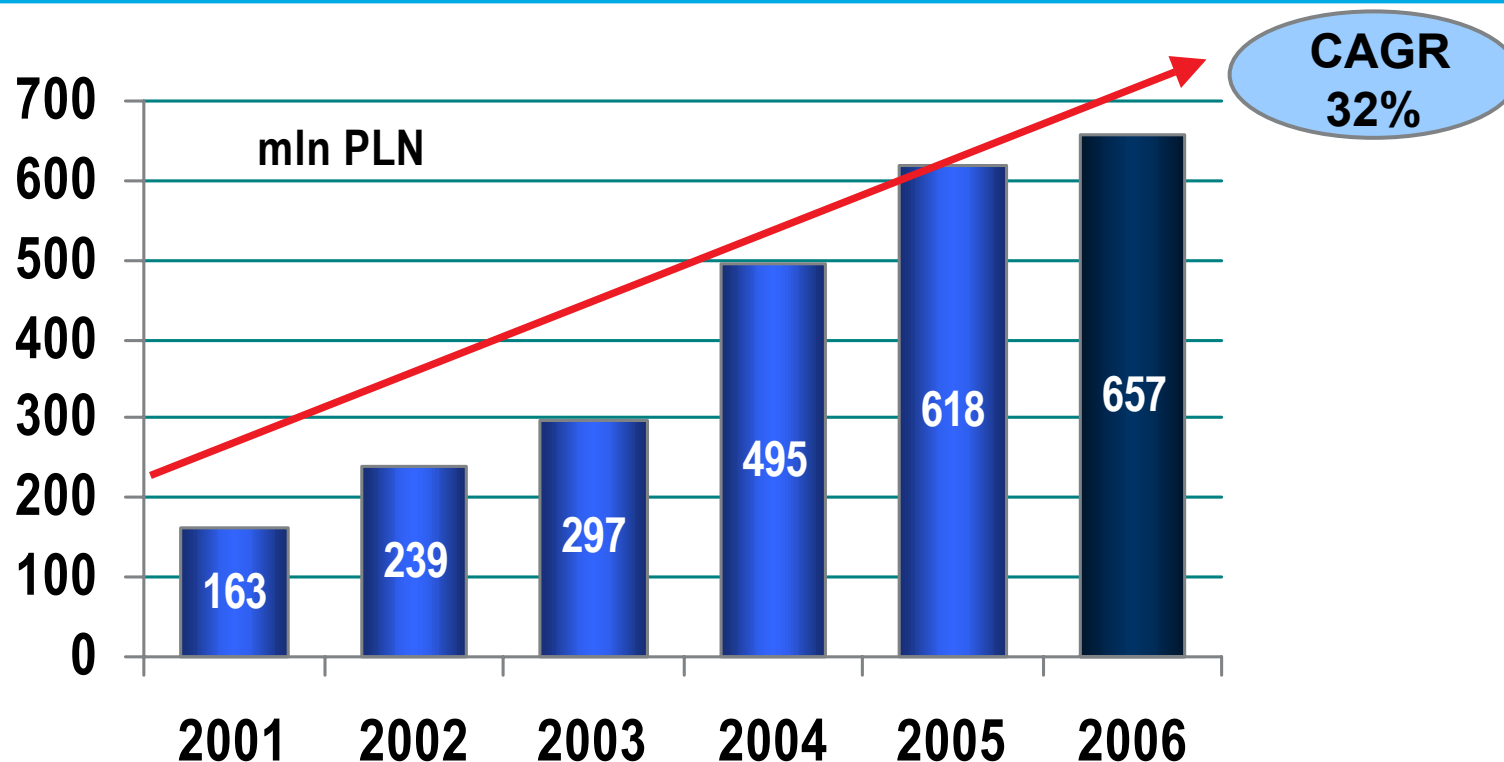
2007 Plans

Warsaw, 14th February 2007

Global standards. Local solutions.

The logo for Citibank Handlowy, featuring the word "citibank" in a blue sans-serif font with a red arc above the "i", followed by the word "handlowy" in a blue sans-serif font.

Record high net income



- Increase in net income since the merger achieved for 5 years in a row

Source: Bank's Financial Disclosures, 2001 – 2003 results not restated to IFRS

Global standards. Local solutions.

2006 Highlights

Corporate banking

- Business growth supported by targeted marketing campaigns
- Great success of online trading platform (unique on the market) for FX services

Retail banking

- Significant growth of distribution of insurance and investment products
- Increased focus on growth via acceleration of new products implementation as well as new distribution channels
- Increase of gross income by 119% as a result of business growth

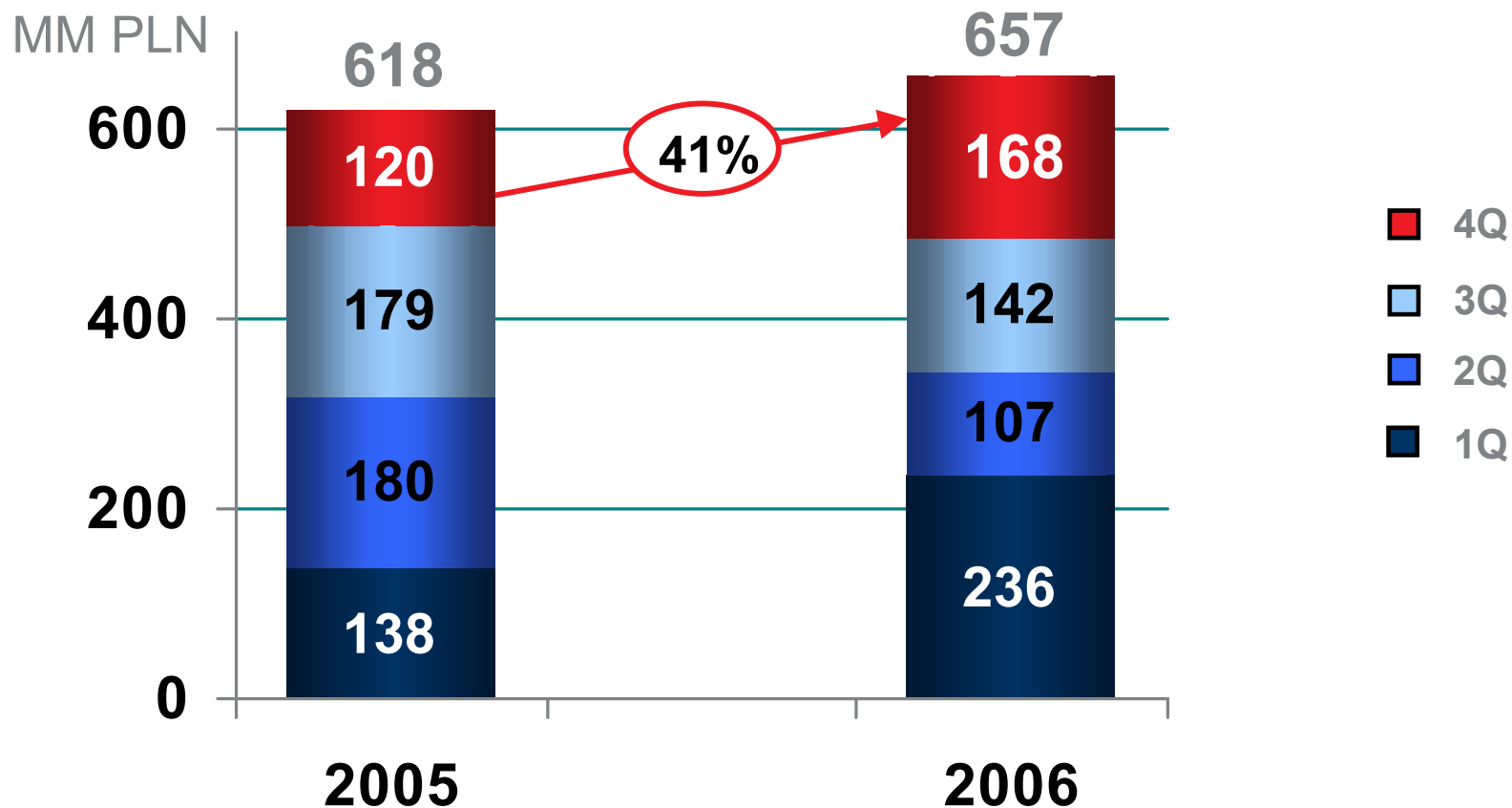
CitiFinancial expansion

- Accelerated investments through branch network – 38 new branches, 12 points of sale and 158 new employees
- Positive operating leverage, gross profit 9 times higher

Focus on expenses

- Decrease of expenses and depreciation by 3% i.e. 44 million zł
- Strong expenses discipline in the area of technology and telecommunication costs as well as in non-salary staff related expenses
- Effects of restructuring actions taken in 2005 and 2006

Significant increase of net income Q4 2006 vs Q4 2005



Achievements in Q4 2006

Corporate and Investment Banking

- Participation in financing organized for PKN Orlen for the total amount of EUR 1 600 000 000 enabling it to take over the Lithuanian refinery AB Mazeikiu Nafta. This was the biggest financing organized for the Polish company.
- Transaction with Korporacja Ubezpieczeń Kredytów Eksportowych SA (KUKE) and one of the Russian shippowner. 90%-KUKE guaranteed financing of the manufacturing and delivery of four containerships
- Financing organized for Ciech S.A. for the acquisition of a chemical company, Organika Sarzyna S.A. The total amount of the 8-year facility is PLN 216 000 000, the Bank's participation as the leading co-arranger amounts to PLN 65 000 000
- Issue of a revenue bond II tranche for the water system and sewage maintenance company (Miejskie Wodociągi i Kanalizacja) in Bydgoszcz, totaling PLN 50 000 000. The bonds are due in 2024, thus carrying the longest tenor among debt securities denominated in PLN and issued in Poland

Transaction services

- 43% increase of prepaid cards issued in Q4 06 / Q4 05
- 20% increase of number of business cards issued in Q4 06 / Q4 05
- Strengthening of the leading position in the cash management services provided to hypermarkets as well as manufacturing and trading companies

Sales and Trading

- Record-high quarter with respect to FX transactions with non-bank customers
- 130% growth of the transaction volume of market-linked deposits Q4 06 / Q4 05
- Great success of online trading platform for customers using the Bank's FX services



Achievements in Q4 2006

Retail banking

- The product offer of the Bank enhanced by home equity
- Alternative distribution channels
 - BP gas stations – 50
 - Shopping malls - 7
- Innovative products in credit cards offer
 - credit card for students
 - credit card for teenagers as alternative to the pocket money
- Dynamic development of structured bonds offer as well as of mixed offers joining deposits with investment products
- 4 new local investment funds offered

Niebotyczny zysk



Lokata z Portfelem Inwestycyjnym

- 3-miesięczna lokata z oprocentowaniem stałym 11%
- 28 funduszy zarządzanych przez 6 renomowanych TFI
- przenoszenie środków między funduszami bez podatku i opłat
- bezpieczne i szybkie zarządzanie Portfelem przez Internet

www.citibank.pl **citibank handlowy**

CitiFinancial

- The product offer enhanced by credit cards Citibank Visa Silver
- 46% increase of portfolio and 27% increase of average loan



Q4 2006 results

PLN MM	4Q 2006	4Q 2005	I/ (D)	I/ (D) %
Net interest income	254.3 *	259.1	(4.8)	(1.9%)
Net fee and commission income	170.8	157.2	13.6	8.7%
Treasury	67.4	111.9	(44.5)	(39.8%)
Equity instruments result	84.6	12.7	71.9	568.2%
Sale of tangible fixed assets	1.1	3.3	(2.1)	n.m.
Other operating revenue	27.6	21.5	6.1	28.3%
Revenue	605.8	565.7	40.1	7.1%
Expenses and depreciation	(387.1)	(400.9)	(13.8)	(3.5%)
Movements in provisions	(18.0) *	(5.9)	12.1	n.m.
Share in subs' profits	3.7	2.1	1.6	n.m.
EBIT	204.4	160.9	43.5	27.0%
Corporate tax	(36.6)	(41.8)	(5.2)	(12.5%)
Net profit	167.8	119.1	48.7	40.9%




*Interest income adjustment by PLN 16 million down as well as cost of credit write-off by PLN 19 million as a result of changes in the system and taking into account additional factors in cash flows forecasts

2006 results

PLN MM	2006	2005	I/ (D)	I/ (D) %
Net interest income	1,026.4	1,028.3	(1.9)	(0.2%)
Net fee and commission income	617.9	596.3	21.6	3.6%
Dividend income	3.7	2.1	1.6	74.7%
Treasury	352.5	596.7	(244.3)	(40.9%)
Equity instruments result	95.8	15.5	80.3	516.6%
Sale of tangible fixed assets	118.3	3.3	115.0	n.m.
Other operating revenue	88.8	75.1	13.7	18.2%
Revenue	2,303.3	2,317.4	(14.1)	(0.6%)
Expenses and depreciation	(1,501.4)	(1,545.6)	(44.2)	(2.9%)
Movements in provisions	22.5	30.2	7.7	25.3%
Share in subs' profits	7.8	(5.7)	13.5	n.m.
EBIT	832.3	796.3	36.0	4.5%
Corporate tax	(175.7)	(178.2)	(2.5)	(1.4%)
Net profit	656.6	618.1	38.5	6.2%

Source: Bank's Financial Disclosures, data in MM PLN
Global standards. Local solutions.

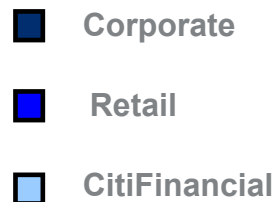
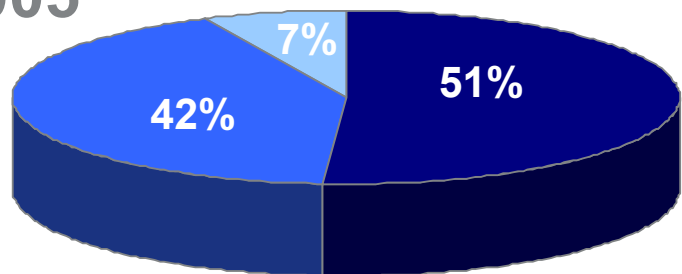
Increase in efficiency

	2006	2005	VARIANCE
Revenue, MM PLN	2,304	2,317	(0.6%)
Gross income, MM PLN	832	796	4.5%
Net income, MM PLN	657	618	6.2%
Return on Equity	12.4%	11.6%	
Return on Assets	1.9%	1.8%	
Cost / Income	66%	68%	
Capital Adequacy Ratio	14.1%	14.8%	

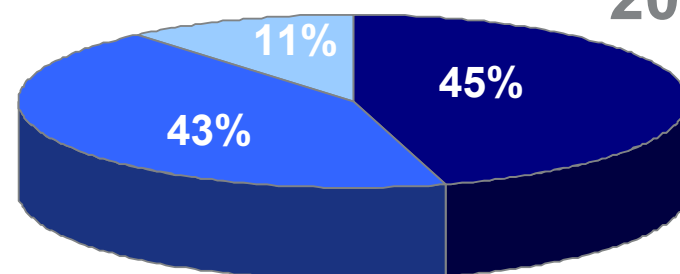
Strong corporate bank with growing momentum of retail

Net interest income and fee and commission income

2005

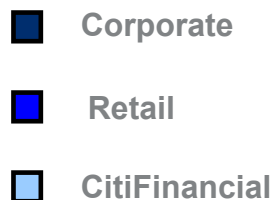
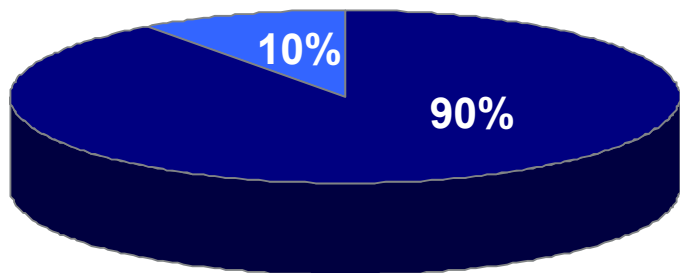


2006

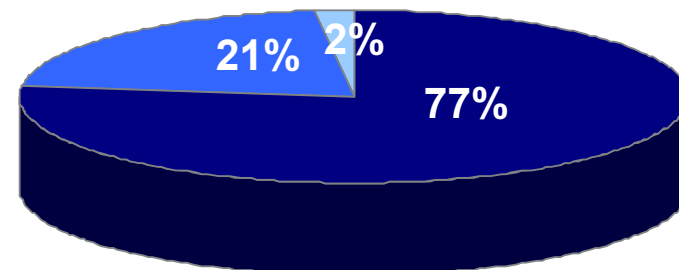


Profit before tax

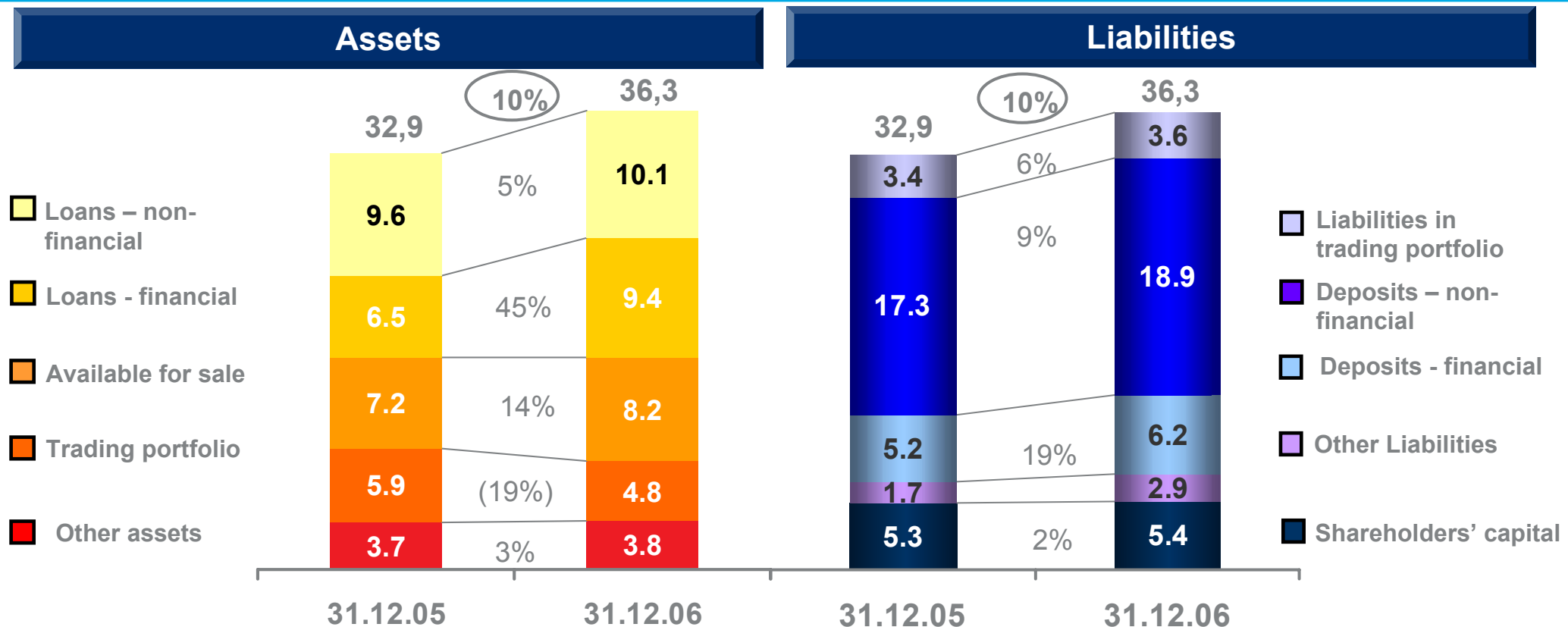
2005



2006



Balance Sheet structure

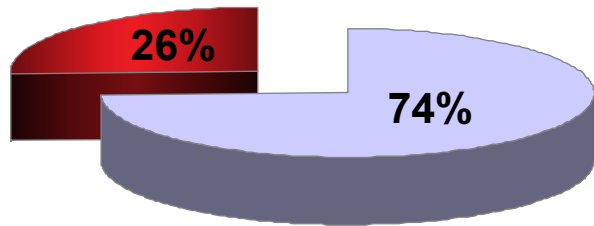


- Increase of non-financial loans due to retail loans increase
- Significant increase of loans to banks and other monetary financial institutions
- Increase of non-financial deposits due to higher corporate deposits

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

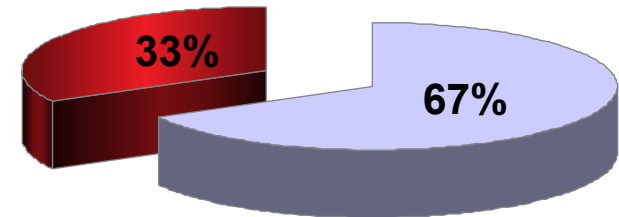
Loans

Non-financial sector loans



31.12.2005

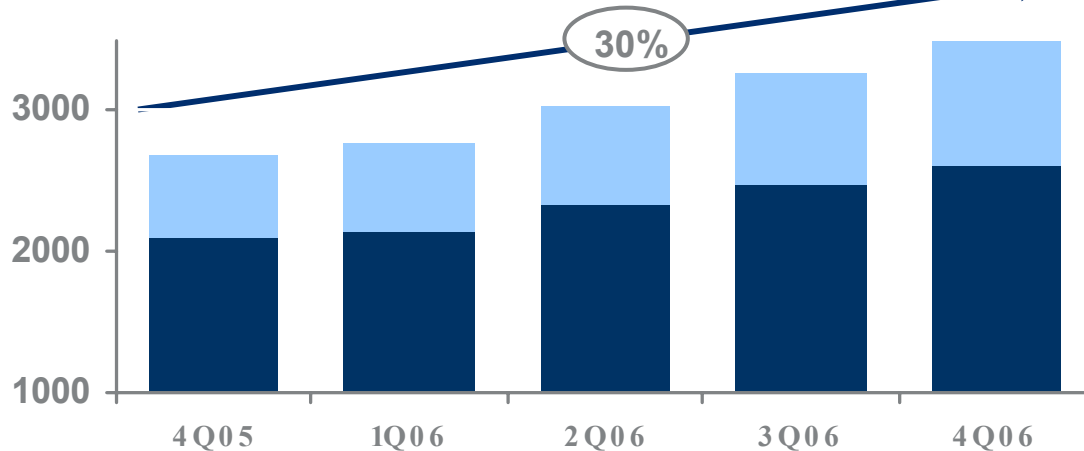
■ Corporates ■ Individuals



31.12.2006

Retail and consumer loans

■ Retail ■ CitiFinancial



- 49% increase of CitiFinancial loans
- 24% increase of retail loans

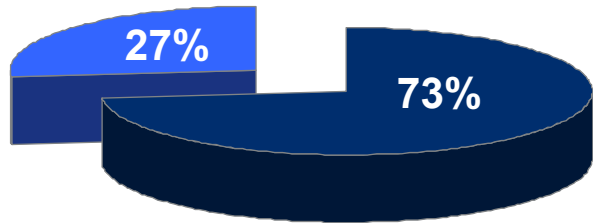
Market (excl. mortgage)



Global standards. Local solutions. Source: Estimates, pro-forma data

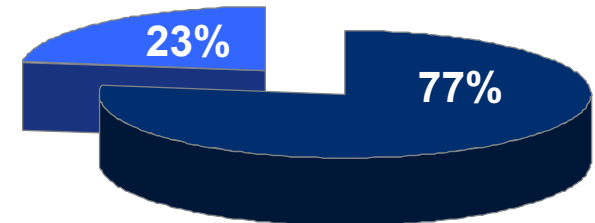
Deposits

Non-financial sectors deposits



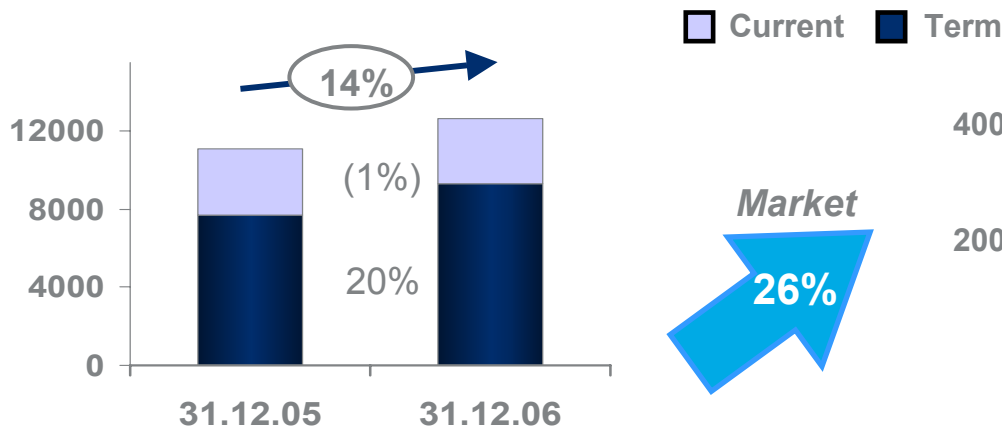
■ Corporates ■ Individuals

31.12.2005

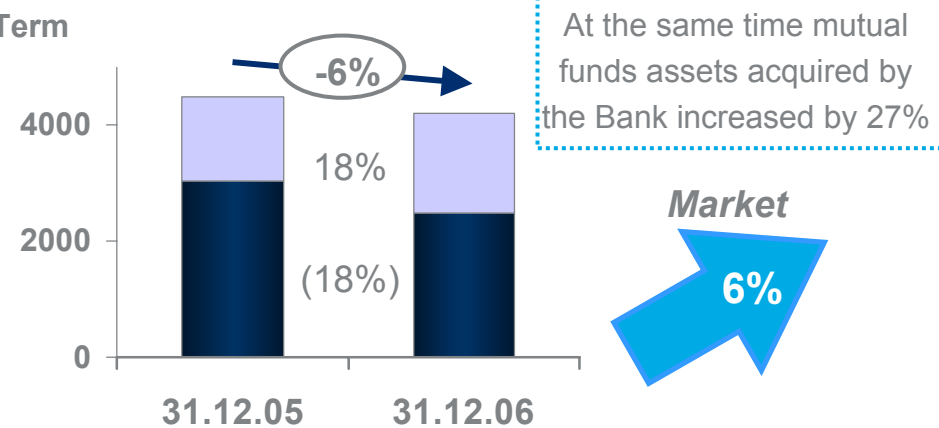


31.12.2006

Non-Financial Corporate deposits



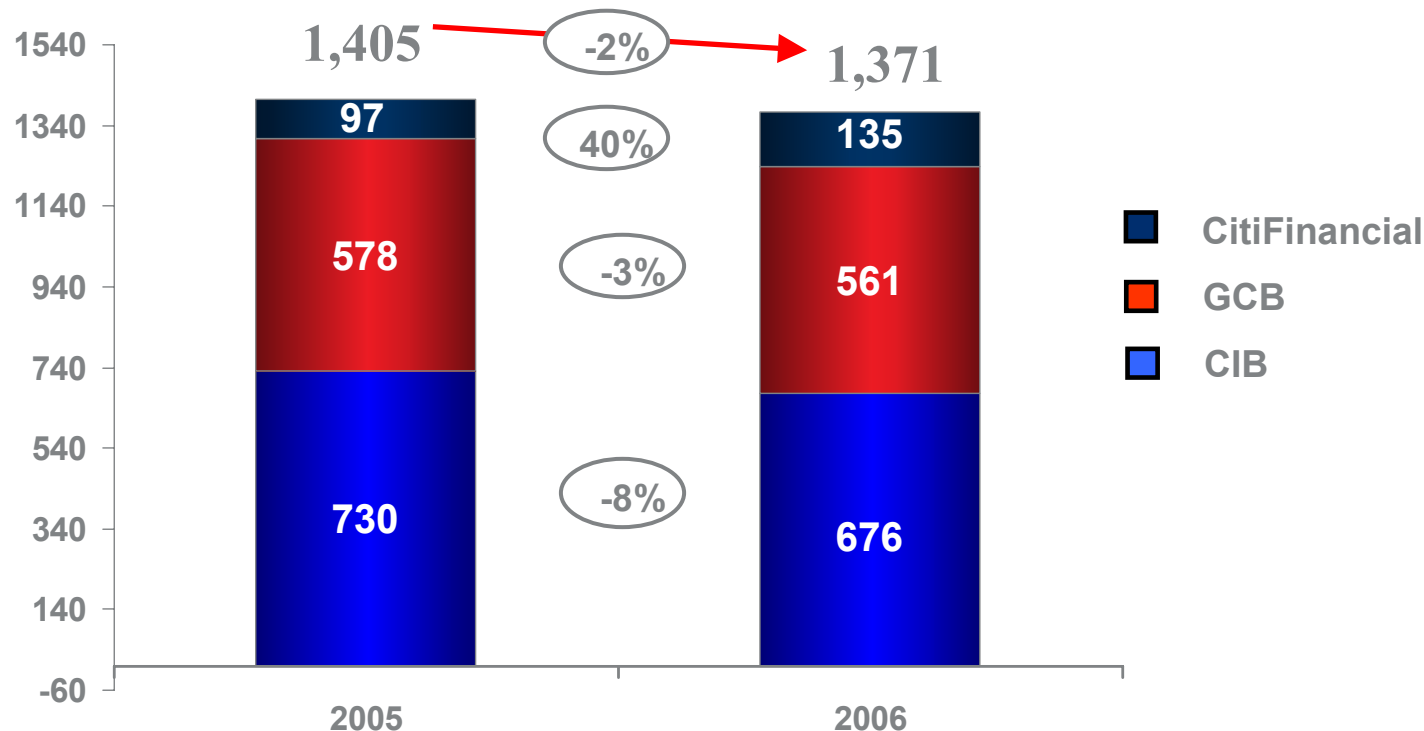
Individuals' deposits



At the same time mutual funds assets acquired by the Bank increased by 27%

Source: Estimates, pro-forma data
Global standards. Local solutions.

Expenses under control



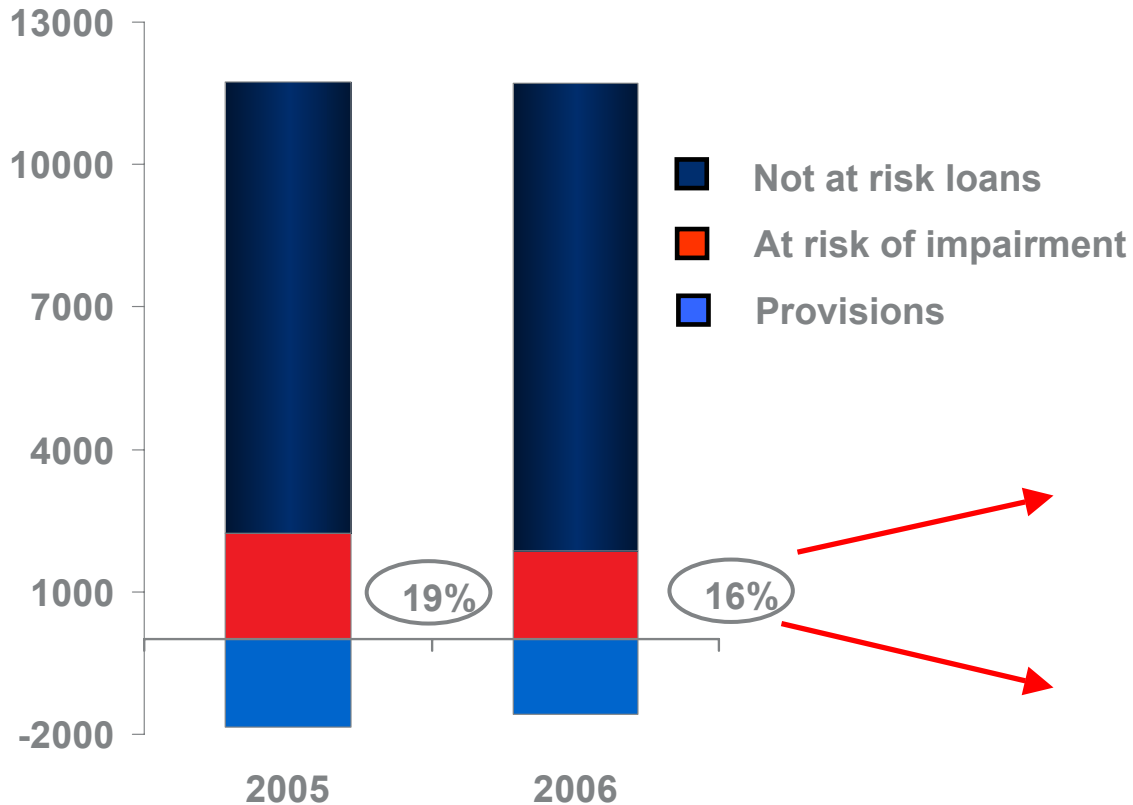
- Lower expenses in CIB by 8% despite increase of salaries and higher costs of incentive programs
- Positive results of restructuring on the expenses side in GCB despite of the increase in staff number and salaries
- Increase of expenses in CitiFinancial due to continued expansion distribution network

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

Global standards. Local solutions.

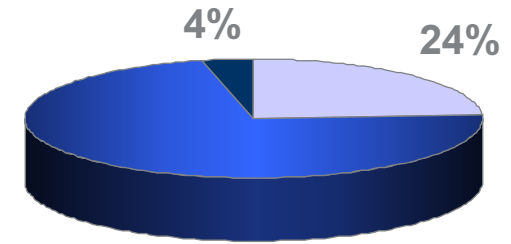
Cost of Credit

Loans portfolio quality



Significant decrease of loans at risk of impairment

Impairment split as at 31 Dec 2006



72%

- Individual Impairment loss
- Portfolio approach
- IBNR

	31.12.05	31.12.06
Provision coverage ratio	84%	85%

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

Global standards. Local solutions.

2006 results

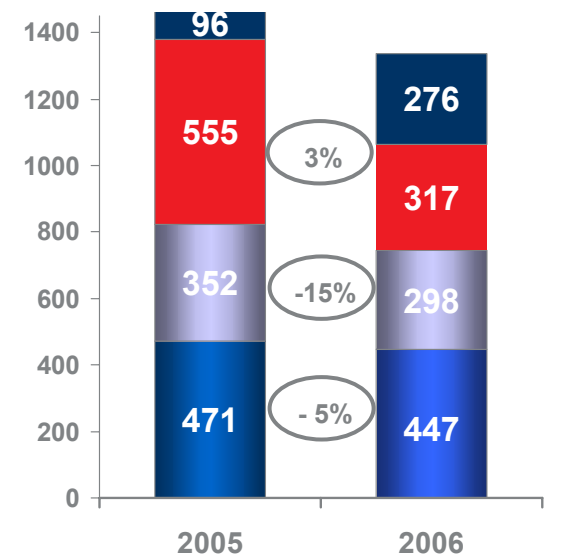
Corporate and Investment Bank

MM PLN			I/(D)	I (D)
	2006	2005		%
Results on activity	1,346	1,468	(122)	(8%)
Expenses and depreciation	(770)	(830)	(60)	(7%)
Provisions	61	76	(14)	(19%)
Gross profit	637	714	(77)	(11%)
Assets	32,441	29,877	2,564	9%
Liabilities	30,104	26,848	3,256	12%

- Lower expenses and depreciation by 7% despite increase of salaries and higher costs of incentive programs
- Solid Treasury performance but excellent in 2005
- Lower fee result mainly as a consequence of a lack of revenues generated by HanZa/ TFI and a drop in brokerage income
- System improvement and taking into account additional factors in cash flows forecasts led to additional cost of credit write-offs in Q4 06 amounting to PLN 19 MM as well as net interest income adjustment

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

Global standards. **Local solutions.**



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

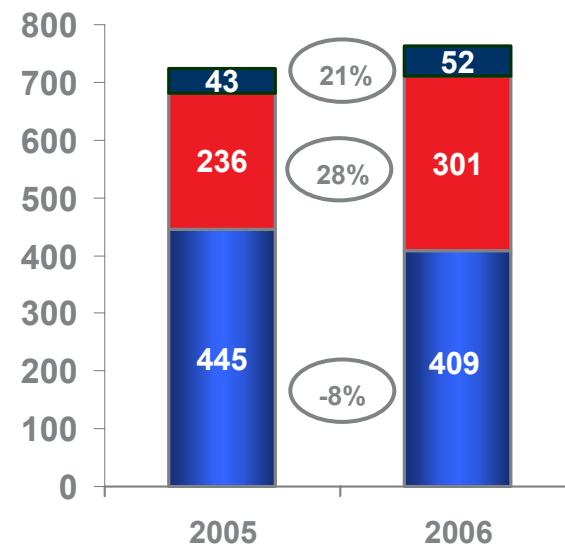
* Includes result on sale of asset management business and equity instruments

citibank handlowy

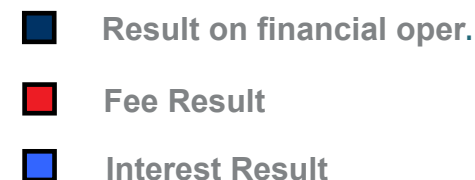
2006 results

Consumer Bank

MM PLN			I/(D)	I (D)
	2006	2005		%
Results on activity	775	723	53	7%
Expenses and depreciation	(594)	(617)	(23)	(4%)
Provisions	(4)	(24)	20	n.m.
Gross profit	177	81	96	119%
Assets	2,975	2,369	607	26%
Liabilities	5,832	5,910	(78)	(1%)



- Repricing of credit cards in 2005 partially neutralized by increase of assets
- Significant increase of fees especially from insurance and investment products
- Positive results of restructuring actions on the expenses side despite of the increase in staff number and salaries



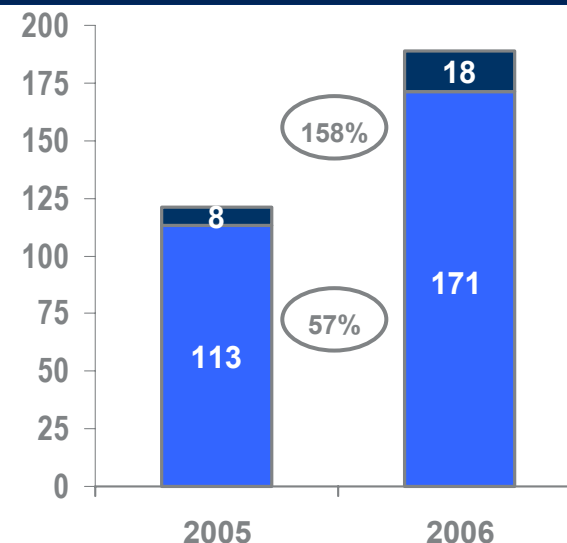
Source: Bank's Financial Disclosures, data in MM PLN

Global standards. **Local solutions.**

2006 results

CitiFinancial

MM PLN			I/(D)	I (D)
	2006	2005		%
Results on activity	190	121	69	57%
Expenses and depreciation	(137)	(98)	38	39%
Provisions	(34)	(21)	(13)	63%
Gross profit	18	2	17	n.m.
Assets	854	632	222	35%
Liabilities	334	119	215	181%

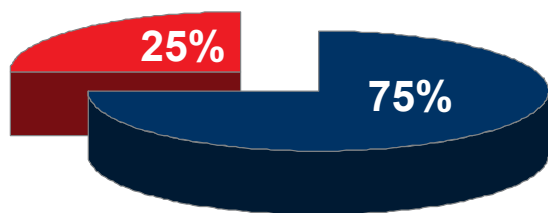


- Significant increase of interest result driven by 47% increase in loan portfolio
- Increase of expenses due to continued expansion of CitiFinancial distribution network

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

Global standards. Local solutions.

Shareholders structure / Share price



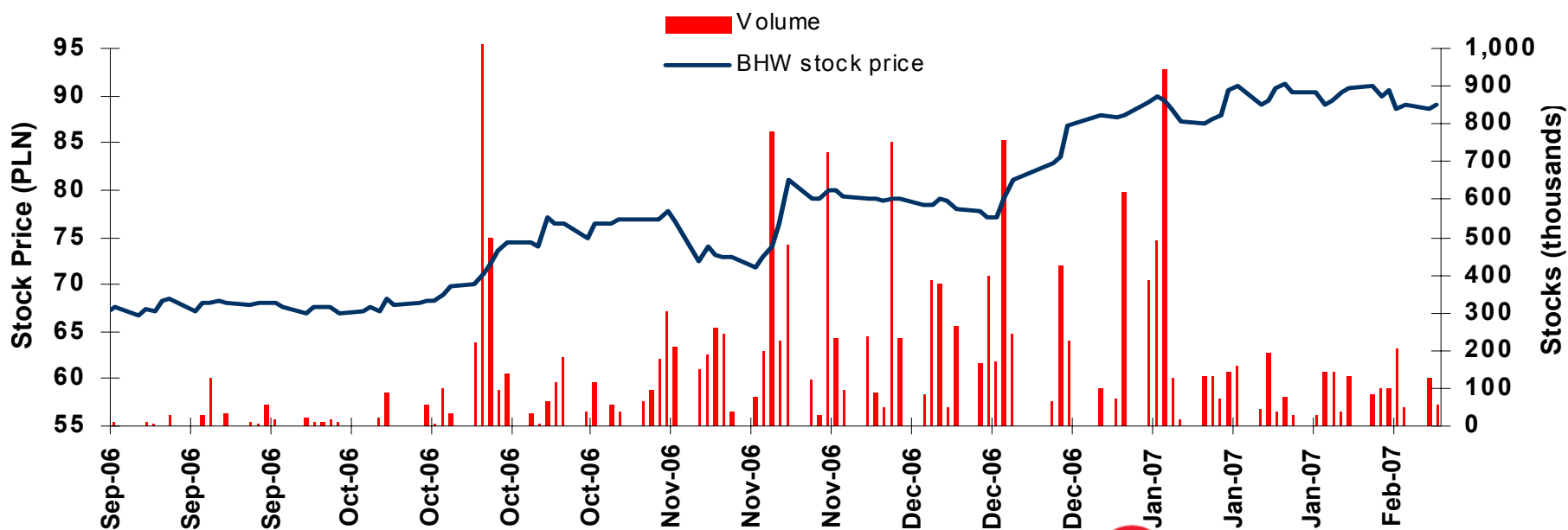
- COIC
- Other below 5%

13th Feb: PLN 89 per share

Market cap: \$ 3.9 bn

Free float : \$ 969 million

34% return over last 4 months



Citibank Handlowy – 2007 Plans

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The logo for Citibank Handlowy, featuring the word "citibank" in a dark blue, lowercase sans-serif font with a red arc above the "i", followed by the word "handlowy" in a lighter blue, lowercase sans-serif font.

2007 – Key Priorities – Client first

Improve customer satisfaction through...:

- simplification of operational processes and procedures
- regular client feedback review
- complaints management
- anti-attrition program
- coverage model review

...leading to further revenue growth supported by:

- segment-focused product initiatives
- leverage on synergies between GCG and CIB
- development of innovative products
- successful cross-sell
- better access to clients through broadening and modernization of distribution channels

2007 Plan – CIB goals

Commercial Bank

- Focus on **Acquisition, Activation, Assets** supported by
 - innovative CIB product offering – online trading, revised Credit Program, micro-payments, etc
 - tailored risk architecture
 - sales incentive plan for the RM force
- Investment Financing for Middle Market in focus

GTS

- Strengthen the x-sell further – drive the sell of further services and products to existing clients
- New business acquisition – mainly in public sector (cash products for Courts, MOPS, PUP, smaller cities) and Asset Management sector
- Cooperation with chosen financial institutions – white labeling

Platinum and Capital Markets

- Customer acquisition (private owned names), mid-market coverage
- Corporate Finance / Investment Banking
 - Project and acquisition finance
 - Public sector infrastructure
 - Private equity relationship

Sales & Trading

- Continuation of acquisition campaign targeted on SME customers
- Growth of annual FX customer turnover, accompanied by increase of revenues
- Online trading platform for FX as a source of stable transaction volumes

2007 Plan – GCG goals

GCB

■ Development of product offer

- ❑ Continuous growth of key products on both assets and liability side
- ❑ Mortgage Loan Package introduction to complete retail product set
- ❑ First on the market mortgage account
- ❑ New credit card alliance with new co-branded partners
- ❑ Saving Account and new debit card launch

■ New customer acquisition

- ❑ Alternative channel development including Internet
- ❑ Cards acquisition growth - new channels, strategic alliances and branches
- ❑ Reinforce CitiGold position by market leading sales advisory process
- ❑ Focus on Blue segment with Bank at Work and Young Professionals

CitiFinancial

- Increase of efficiency and further development of distribution network
- Relaunch broker business
- Sale of chosen products offered to retail sector clients: Home Equity, mortgage loans, credit cards

Taking advantages of synergies between corporate and retail banking

Product synergies

■ Citibank at work

- Product synergies of corporate banking with retail banking – citibank@work

■ Brokerage

- Launching brokerage retail activity in cooperation with retail banking

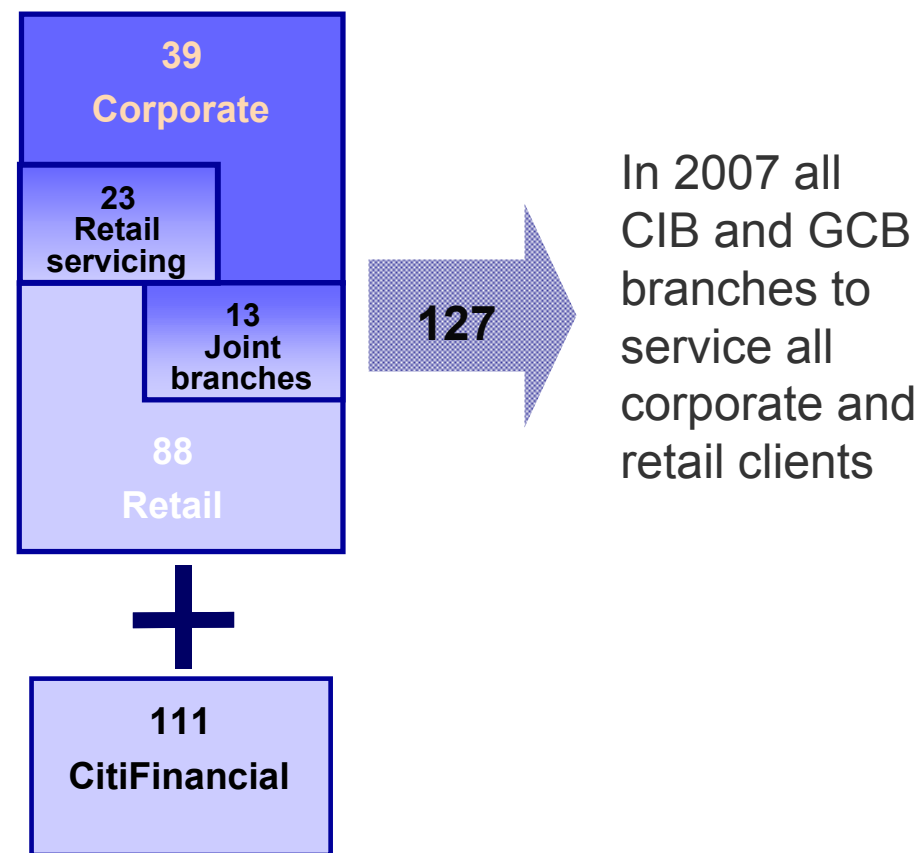
■ Citibusiness Treasury proposition

- Gaining from knowledge and expertise of corporate banking to prepare a complex product offering designed for Citibusiness customers

■ Using Unikasa network for GCG customers

- Possibility of using UNIKASA network to make monthly loan instalment payments

One network strategy



Sławomir Sikora

President of the Management Board

Lidia Jabłonowska-Luba

Management Board Member, CFO

Katarzyna Otko-Dąbrowska

Investor Relations

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