



Bank Handlowy w Warszawie S.A.

3Q'24 earnings conference

*Another quarter of strong revenues in
Institutional Banking Segment*

November 13th, 2024

3Q'24 | Financial results summary

3Q'24 Financial results

Revenue PLN 1,089 MM	Net profit PLN 544 MM	ROE 22.0%
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Balance sheet YoY dynamics

Loans +7%	Deposits +2%
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Total capital ratio

TCR 22.8%

Business segments' performance in 3Q'24

Institutional Banking

- **Revenue:** decrease by 5% QoQ driven by lower treasury result. On the other hand client revenue (net interest income, net fee & commission income, income on clients' FX) increased by 6% QoQ
- **Loans:** 3rd consecutive quarter of loans volume growth, increase by 4% QoQ as result of higher clients' activity in Commercial and Corporate Banking
- **FX:** FX volumes growth by 2% QoQ driven by PLN appreciation contributing to higher transaction activity among the largest clients
- **Primary market of debt securities:** arranging EUR 550 MM Eurobonds issue for BGK
- **Transaction banking:** growth of trade financing assets by 18% QoQ for another quarter in a row

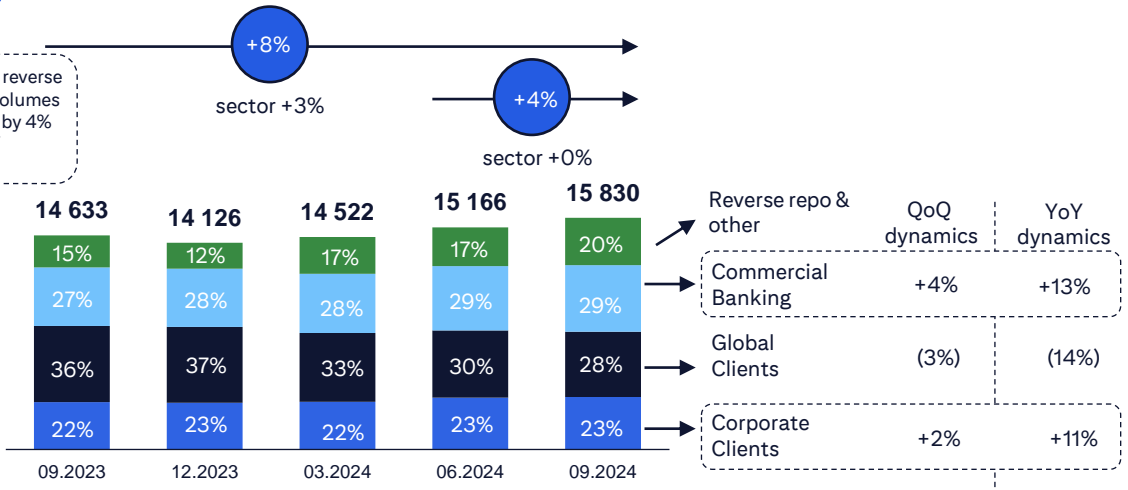
Consumer Banking

- **Revenue:** increase by 9% QoQ, revenue growth dynamics excluding one-off events (credit holidays impact) amounted to 1% QoQ
- **Loans:** insignificant growth, supported by maintained positive dynamics in cash loan portfolio (+2% QoQ)
- **Private banking:** increase in portfolio of investment products participation units by 5% QoQ
- **Wealth Management:** Citigold Private Client and Citigold Clients number growth by 2% QoQ

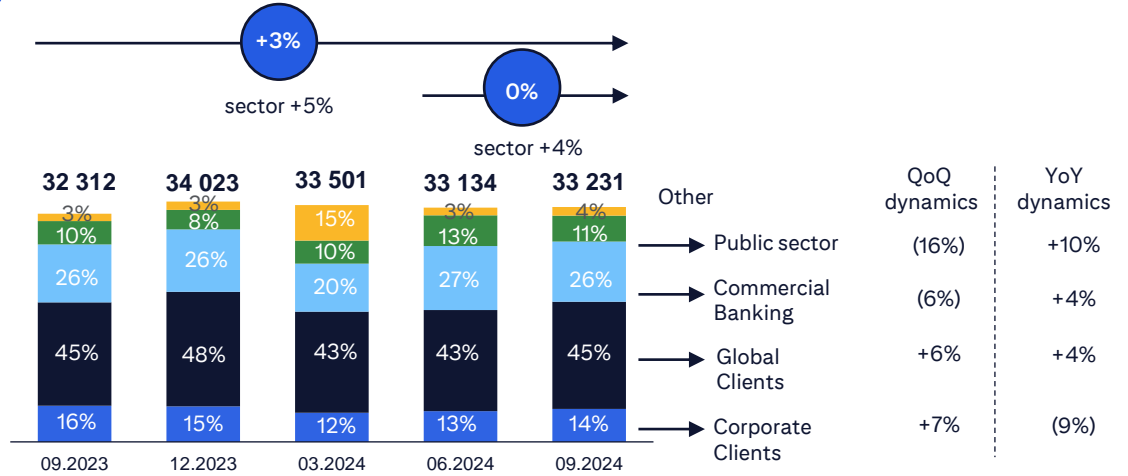
Institutional Banking | Business volumes

Loan volumes (PLN MM)

* excluding reverse repo loan volumes increased by 4% YoY



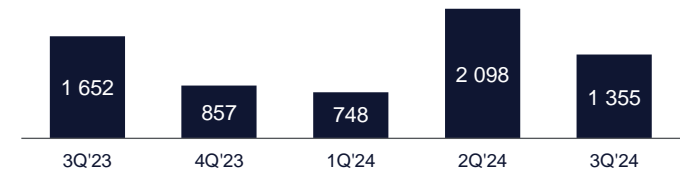
Deposit volumes (PLN MM)



3Q 2024 transaction volumes

Increase in value of loans granted to Institutional Clients in Jan-Sep 2024 by **26% YoY**

1. New loans to institutional clients (MM)



* New financing granted or increase in current financing volume or extension in maturity

2. FX volumes

- **FX volume increased by 13% YoY** mainly due to PLN appreciation contributing to higher transaction activity among the largest clients

3. Transaction Banking

- **↑9% YoY** - number of cross-border money transfers
- **↑4% YoY** - number of domestic money transfers
- **↑4% YoY** - number of transactions processed online

Institutional Banking | Key transactions



Financing



Banking services



Capital markets

Nettle

Trade loan

PLN 50 MM

citi handlowy[®]

Newag

Guarantee

PLN 85 MM

citi handlowy[®]

Energy sector company

Suppliers financing program

up to **PLN 600 MM**

citi handlowy[®]

City of Jaworzno

Citi Handlowy was chosen as a main banking partner

Comprehensive banking services for the city incl. implementation of new cashless solutions

Santander Bank Polska

Accelerated sale of shares

PLN 2.5 B

Global coordinator

citi handlowy[®]
citi

Brokerage Department of Bank Handlowy participated in conducting of accelerated sale of shares

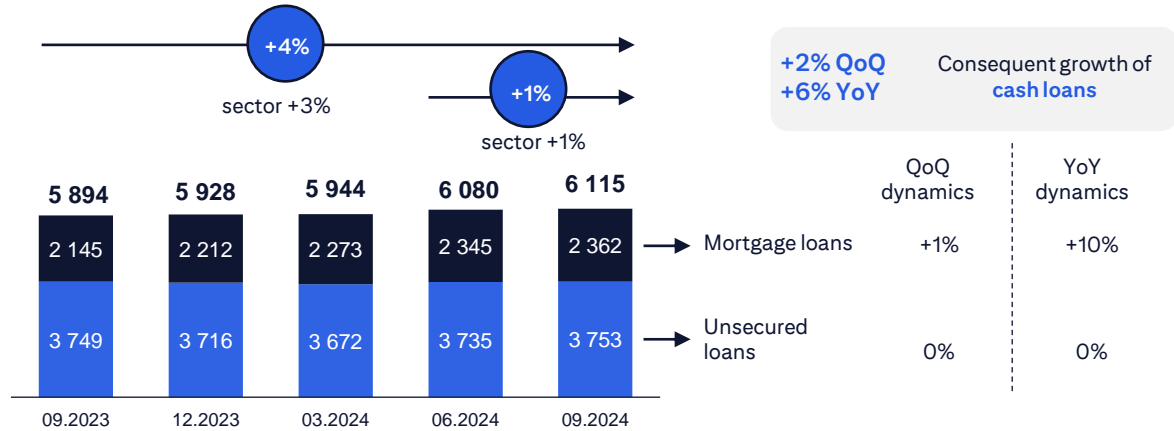
Providing financial liquidity for pharmaceuticals supply to public hospitals

Guarantee was required for record high contract amounting to PLN 2.7 B

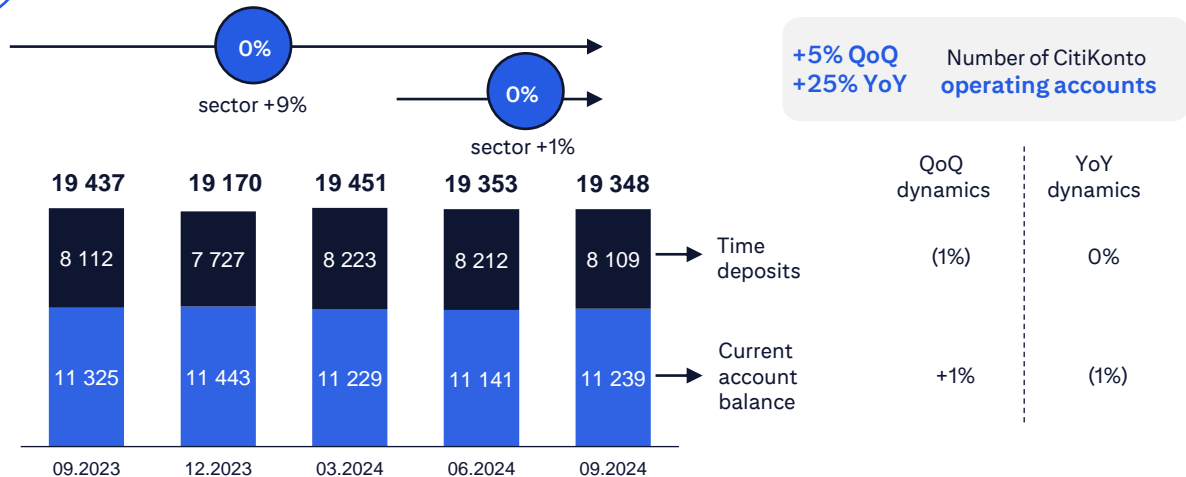
Consumer Banking | Business volumes



Loan volumes (PLN MM)



Deposit volumes (PLN MM)



3Q 2024 transaction volumes

1. FX volumes

- Decrease of FX volumes by **18% YoY**
- Decrease of FX volumes in CitiKantor by **11% YoY** but **number of transactions in CitiKantor grew by 25% YoY**
- **60% of FX volumes** was processed via **CitiKantor**

2. Private Banking

- **↑6%** YoY - average Total Relationship Balance
- **↑8%** YoY - number of Citigold Private Client

3. Cards

- **↓2%** YoY - card transaction value (domestic)
- **↑1%** YoY - card transaction value (crossborder)

Social responsibility



**2 MM
PLN**

for The Polish Center for International Aid for a two-year program to fight homelessness crisis under the Global Innovation Challenge 2024



**8
editions**

Entrepreneurship Development Program aimed at helping people with a business idea, program supported by Citi Handlowy Foundation, volunteers and Citi Alumni.



**240
women**

Welcome III Citi Volunteers and Citi Alumni involved in mentoring processes in which 240 women from Poland and Ukraine will be supported



**JESTEM
MENTOREM**
VIII edycji Programu
Rozwoju Przedsiębiorczości!

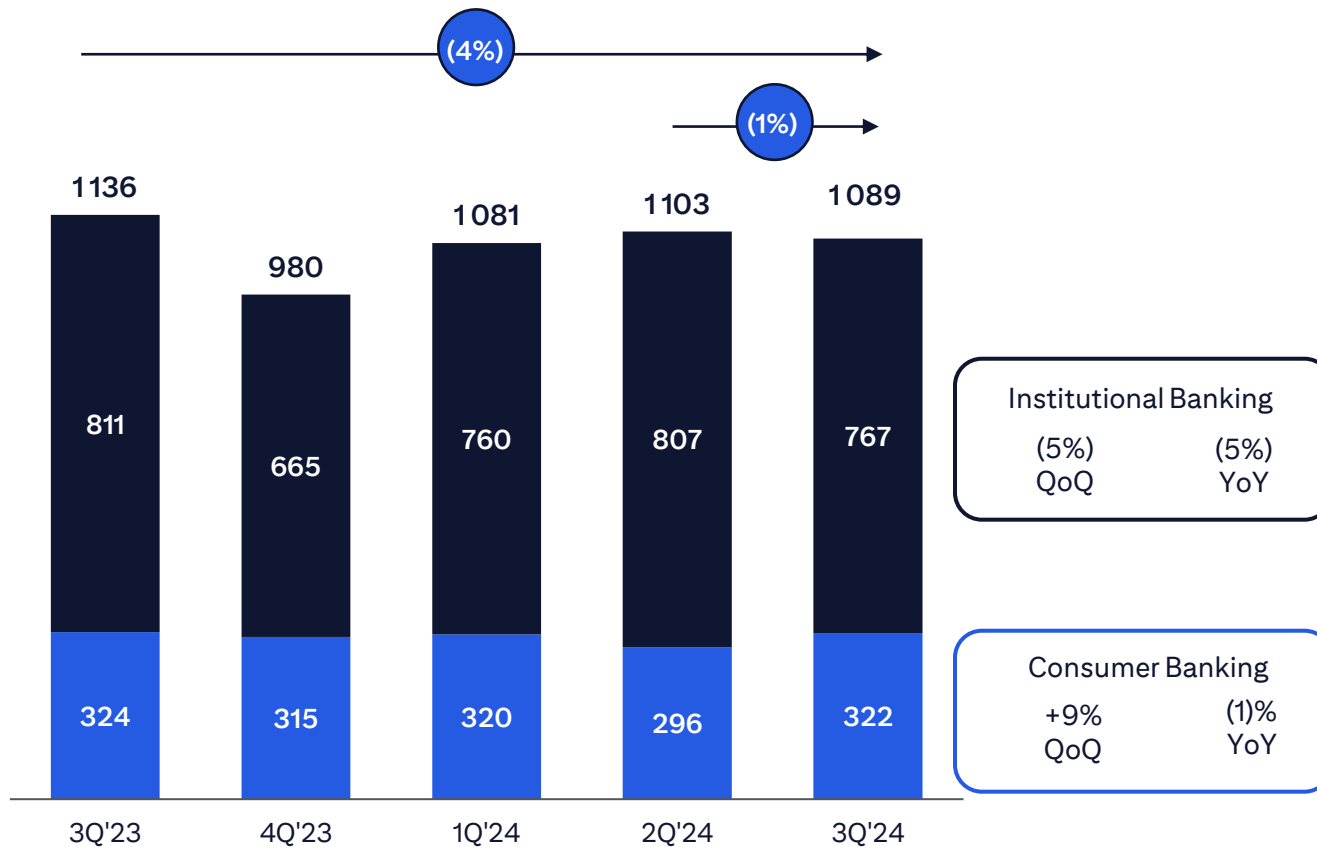


Consolidated financial results

Total revenue

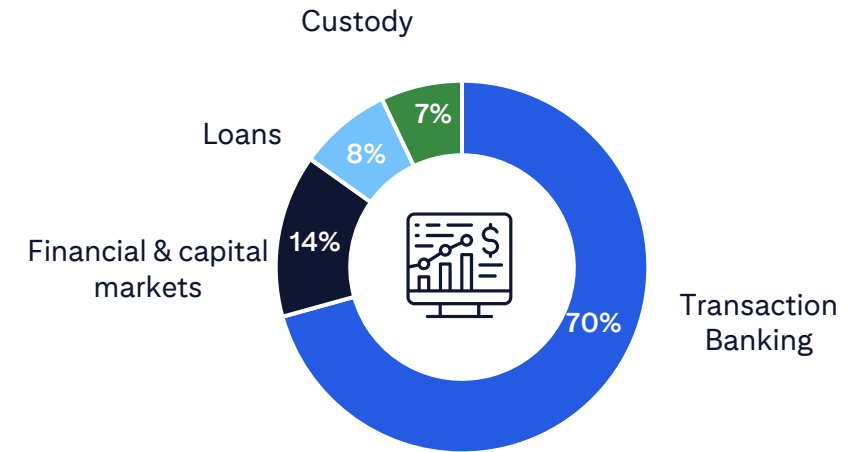
Total revenue – segment split (PLN MM)

Maintained high growth dynamics of transaction volumes, particularly in the area of Transaction Banking – trade financing, X-Border and domestic money transfers. On the other hand, lack of one-off gains on investment debt securities disposal.



Institutional Banking in 3Q'24

Share of Institutional Banking products in client revenue – management view



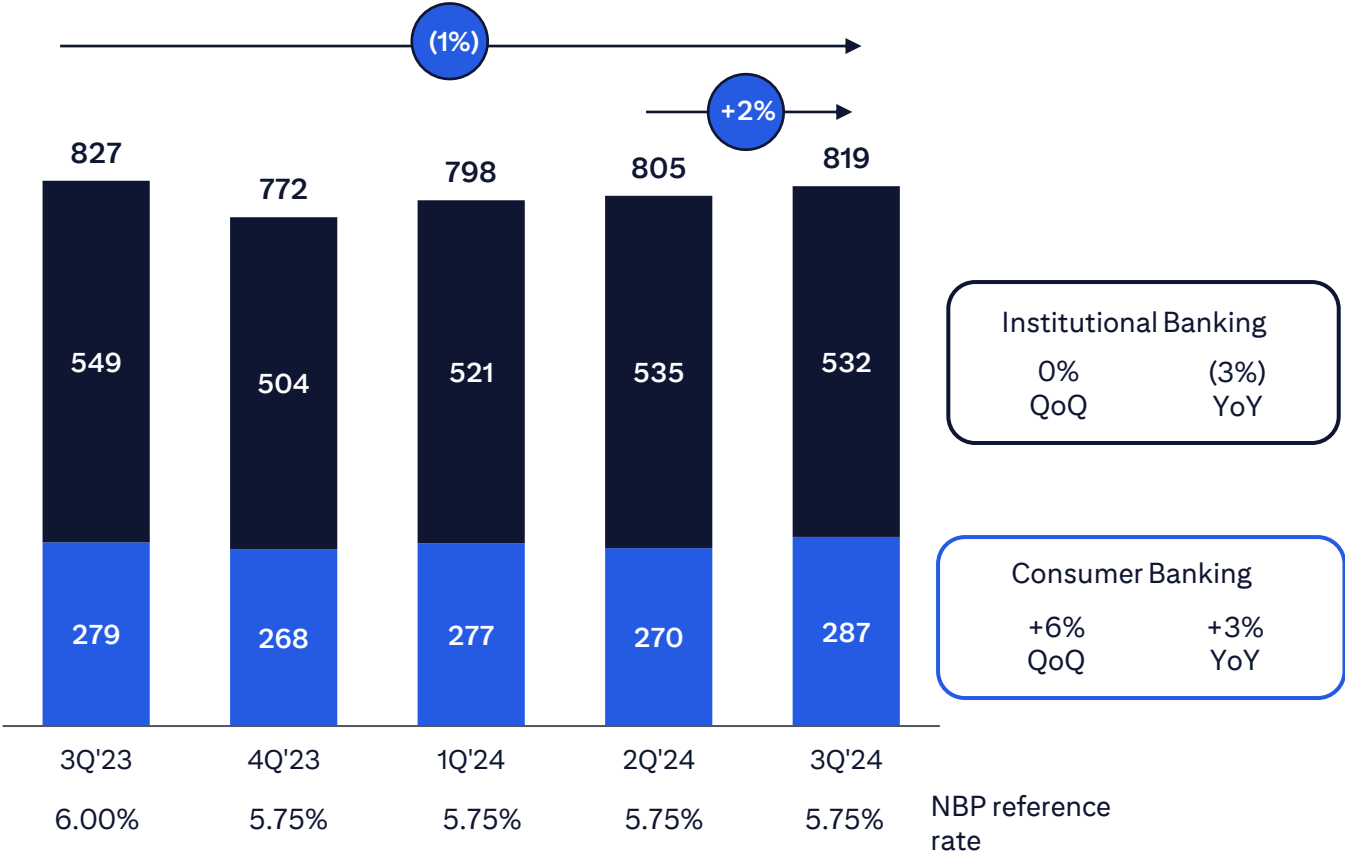
Another quarter of Institutional Banking client revenue growth.



Net interest income

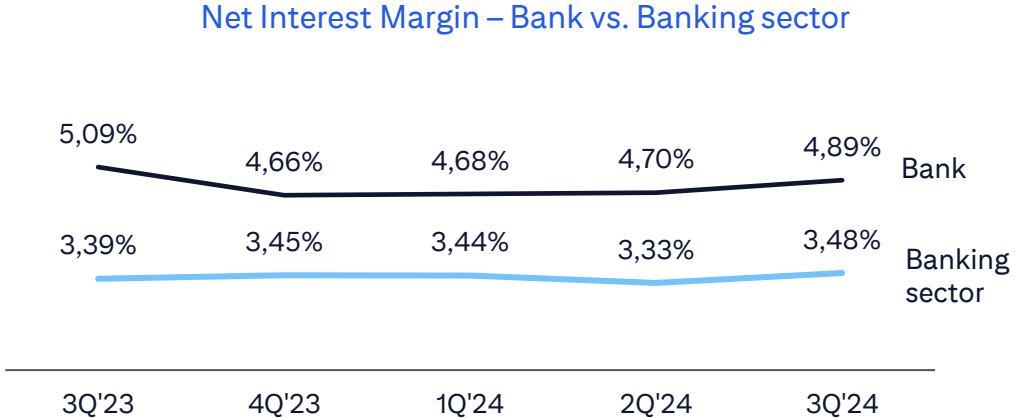
Net interest income – segment view (PLN MM)

Growing clients' loan volumes have a positive impact on interest income. Meanwhile interest expenses remain under control



Net Interest Margin

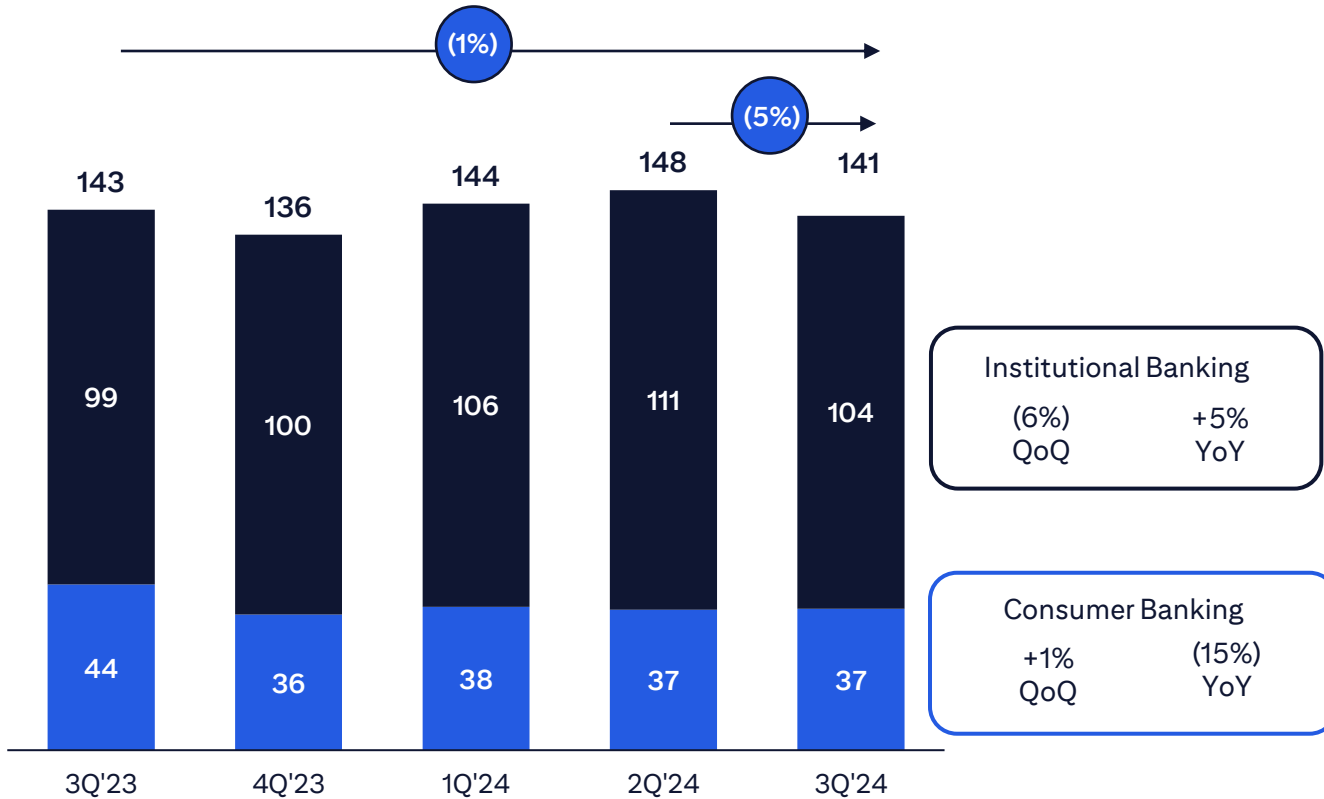
Visible growth of margin on products offered in Institutional Banking segment.



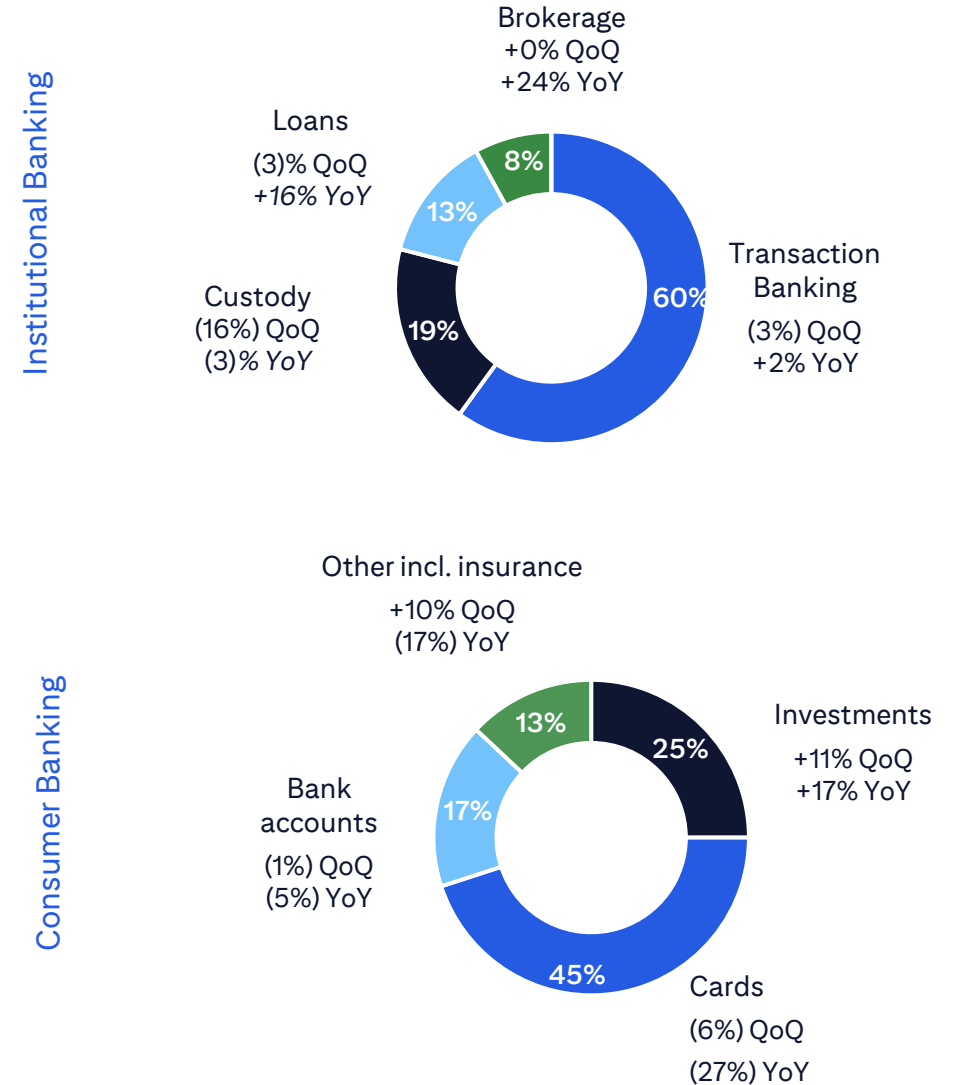
Net fee and commission income

Net fee and commission income – segment split (PLN MM)

Drop of net fee and commission income driven by one-off transactions on capital market. On the other hand, increase of income in trade financing area and on distribution of investment products.

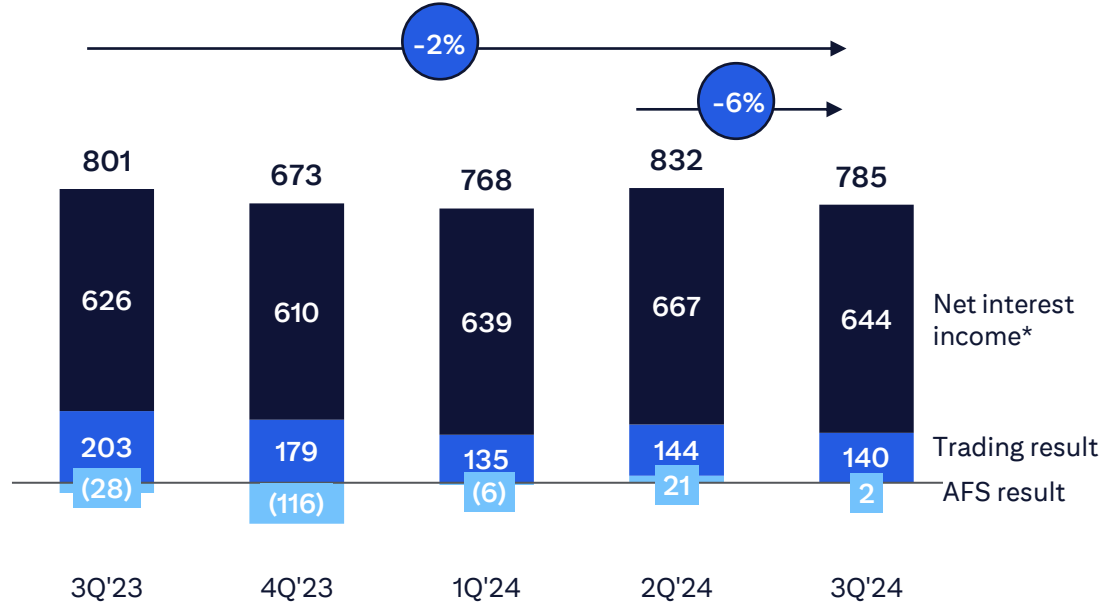


3Q'24 NF&CI structure and dynamics



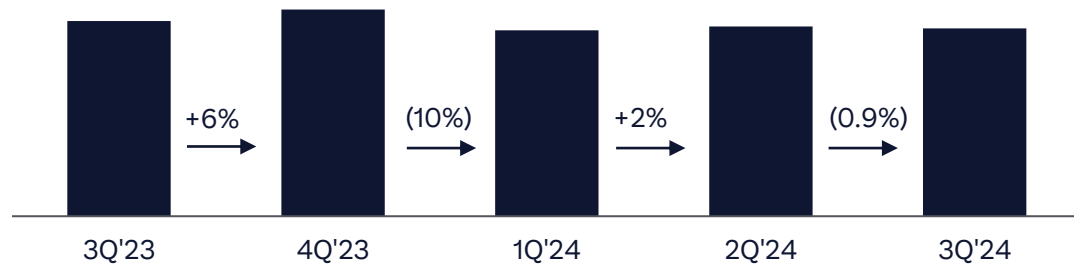
Treasury

Treasury result (PLN MM)



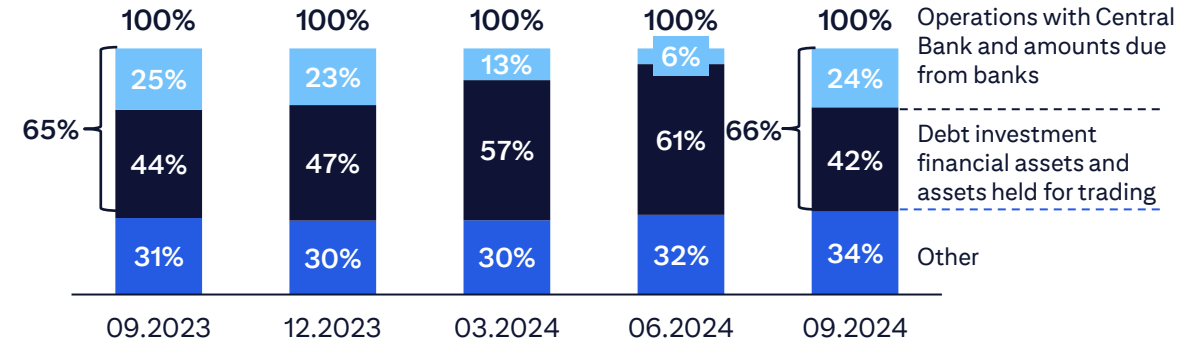
* Sum of net interest income on debt securities, amounts due from banks and derivatives in hedge accounting

Income on FX – client activity (Institutional Banking)

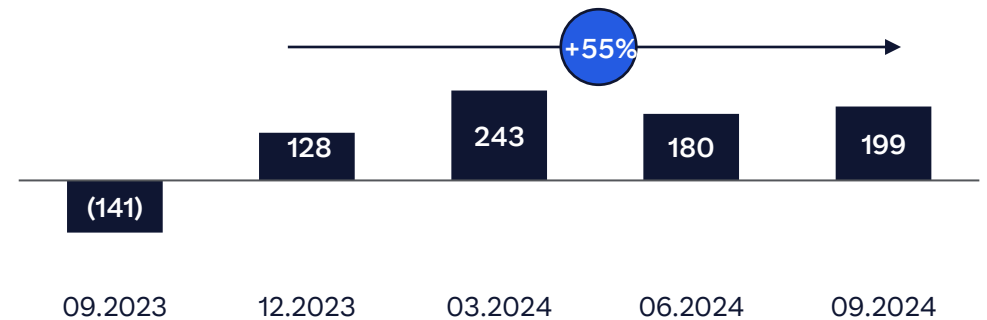


Balance sheet structure (%)

Increase of reverse repo receivables at the cost of investment debt securities

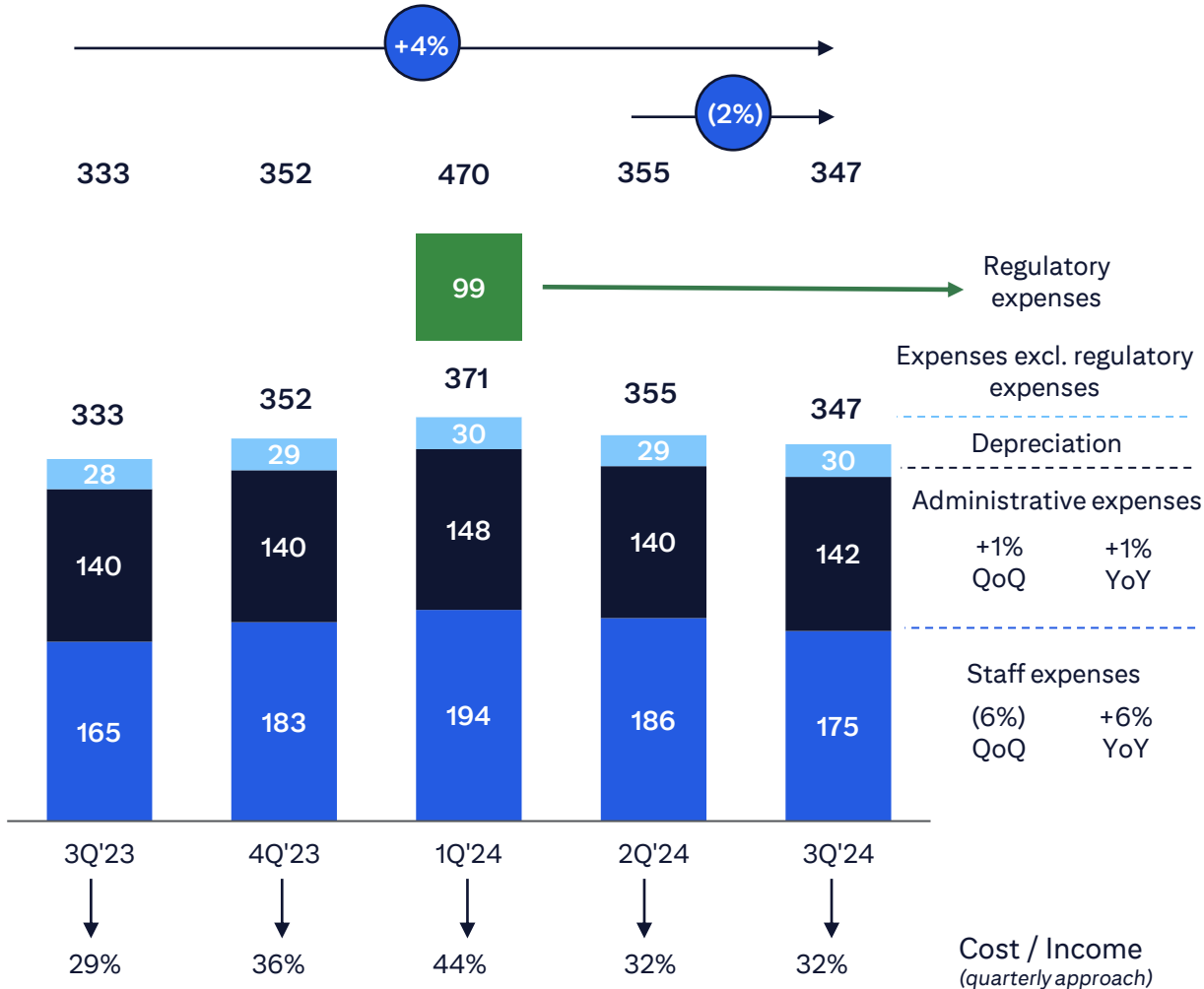


Revaluation reserve (PLN MM)



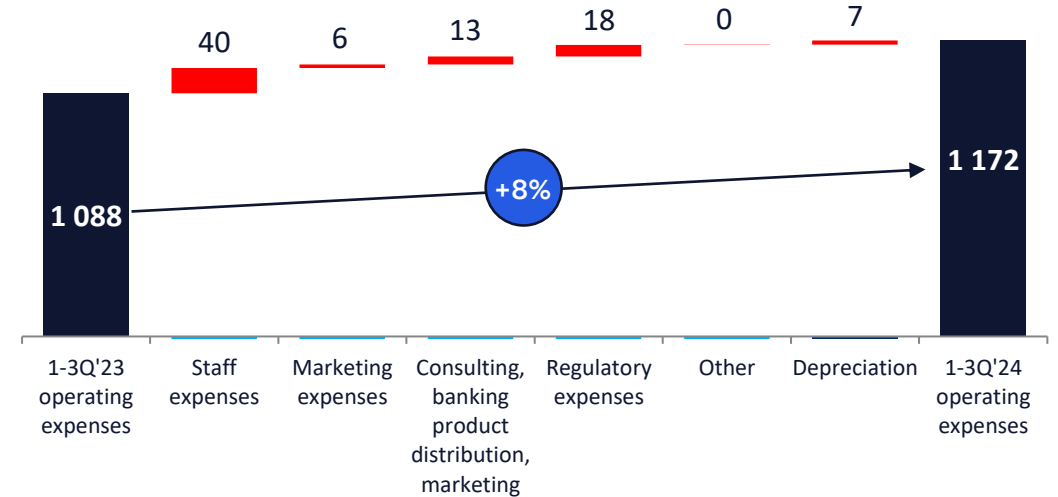
Expenses

Operating expenses (PLN MM)



1-3Q'24 Expenses by type (PLN MM)

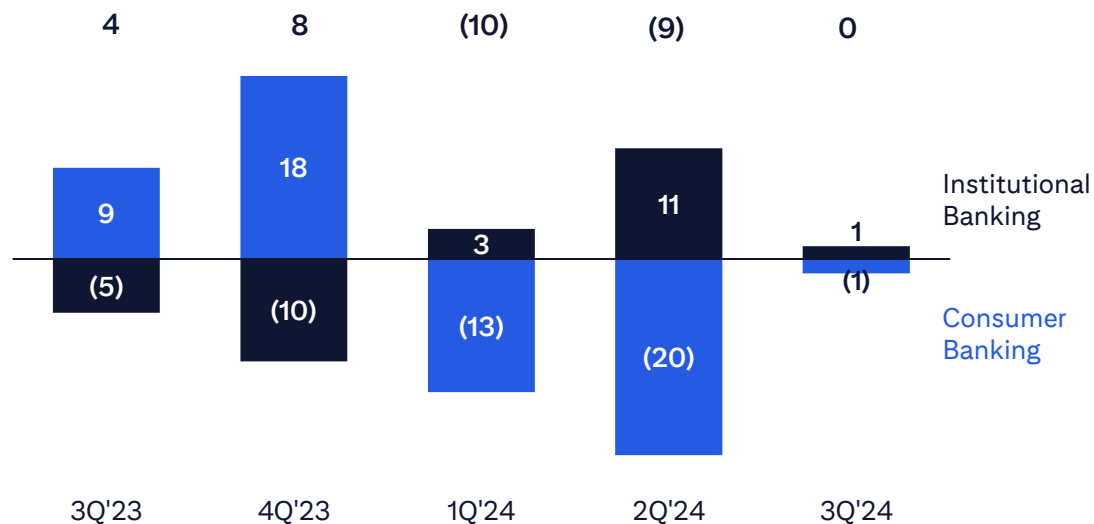
1-3Q'24 operating expenses impacted by higher **staff expenses** fueled by growing remuneration expenses (+8% YoY)



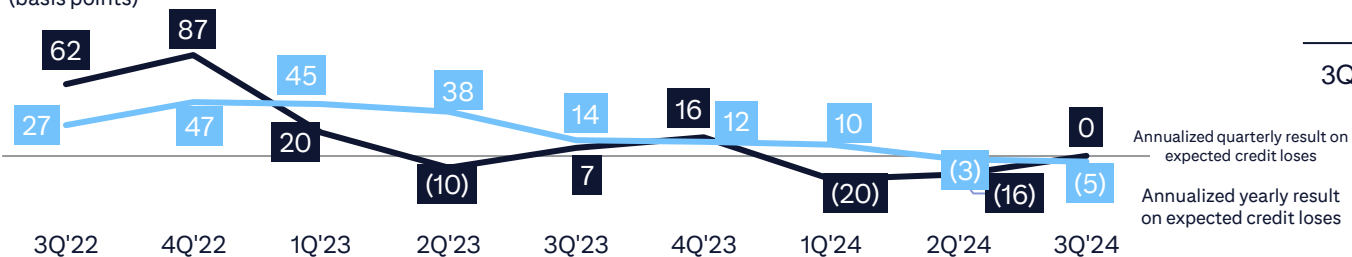
Cost of Risk

Cost of Risk

High quality of loan portfolio reflected in better than market NPL and coverage ratios.

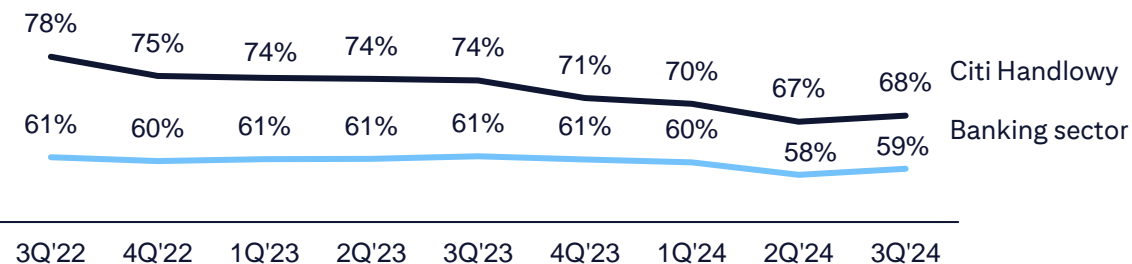


* Increase of provisions presented with the sign (+), decrease with the sign (-)
(basis points)



Coverage ratio and NPL

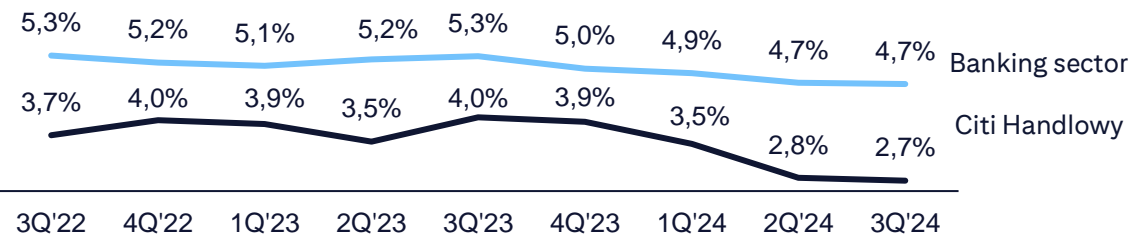
Coverage ratio



*Banking sector data for 3Q'24 reflects last available data for end of August 2024

Share of stage 3 in loan portfolio

(for Citi Handlowy amounts due from financial sector and nonfinancial sector)



*Banking sector data for 3Q'24 reflects last available data for end of August 2024

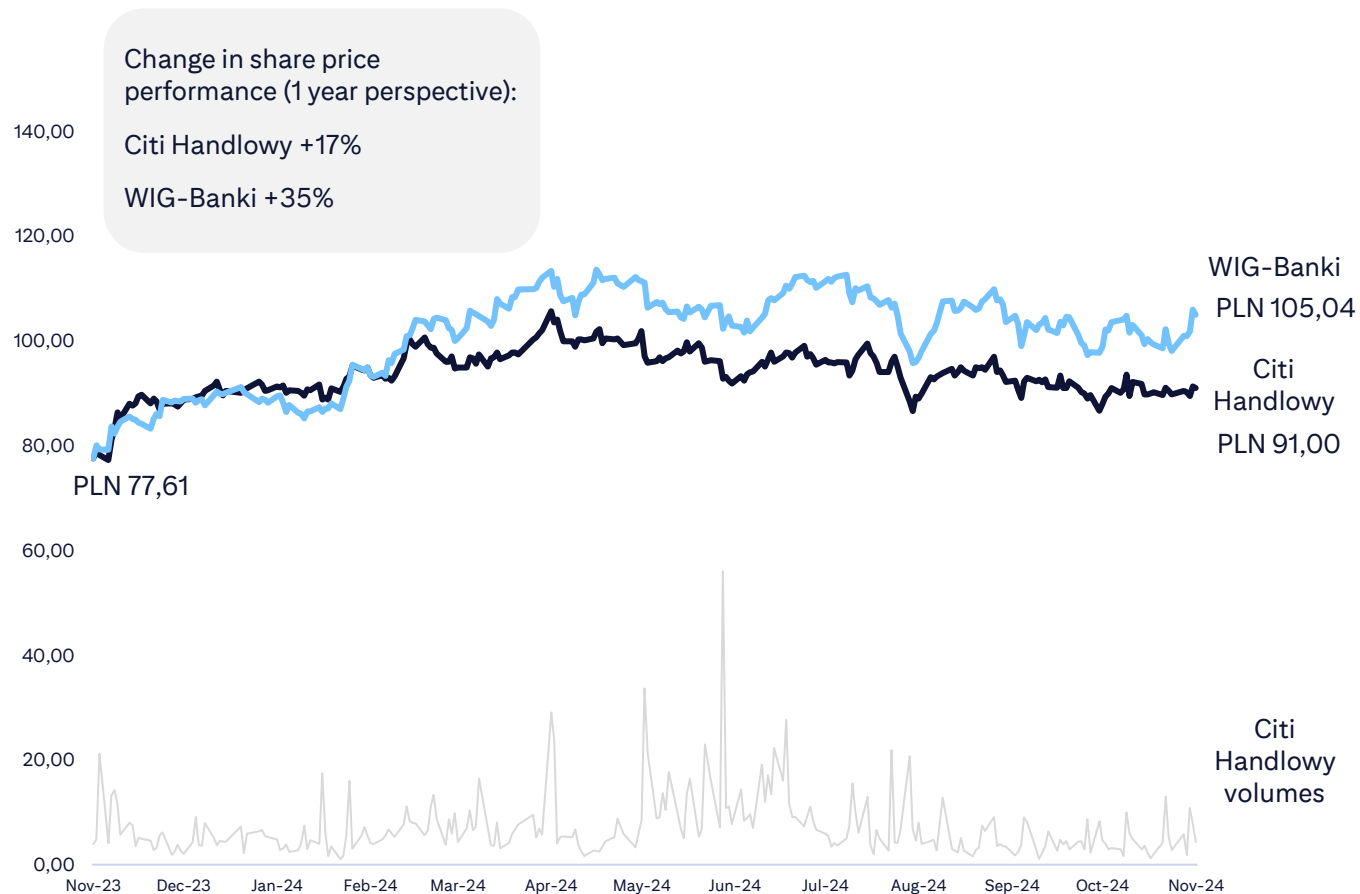
Summary of the Capital Group financial results

	3Q24	2Q24	ΔQoQ	3Q23	ΔYoY	1-3Q'24	1-3Q'23	ΔYoY
Net interest income	819	805	2%	827	(1%)	2,422	2,507	(3%)
Net fee and commission income	141	148	(5%)	143	(1%)	433	425	2%
Core revenue	960	953	1%	970	(1%)	2,855	2,932	(3%)
Treasury	141	165	(14%)	175	(19%)	435	586	(26%)
Other revenues	(12)	(14)	(12%)	(9)	40%	(17)	10	(273%)
Total revenue	1,089	1,103	(1%)	1,136	(4%)	3,273	3,528	(7%)
Expenses	(347)	(355)	(2%)	(333)	4%	(1,172)	(1,088)	8%
Operating margin	743	748	(1%)	803	(7%)	2,101	2,440	(14%)
Provisions	0	9	(98%)	(4)	-	19	(10)	(295%)
Impairment on goodwill	-	(180)	-	-	-	(180)	-	-
Profit before tax	703	528	33%	749	(6%)	1,809	2,289	(21%)
Corporate income tax	(159)	(134)	19%	(158)	1%	(416)	(482)	(14%)
Bank levy	(39)	(48)	(19%)	(50)	(21%)	(133)	(142)	(6%)
Net income	544	394	38%	592	(8%)	1,393	1,807	(23%)
ROE	22.0%	22.8%	(0.8 pp.)	32.0%	(9.9 pp.)			
ROA	2.3%	2.6%	(0.3 pp.)	3.2%	(0.9 pp.)			
Revaluation reserve	199	180	11%	(141)	(241%)	199	(141)	(241%)
Assets	72,434	73,074	(1%)	72,377	0%	72,434	72,377	0%
Net loans	21,946	21,246	3%	20,527	7%	21,946	20,527	7%
Deposits	52,580	52,487	0%	51,749	2%	52,580	51,749	2%
Loans / Deposits	42%	40%		40%				
TCR	22.8%	23.7%		23.0%				

Appendix

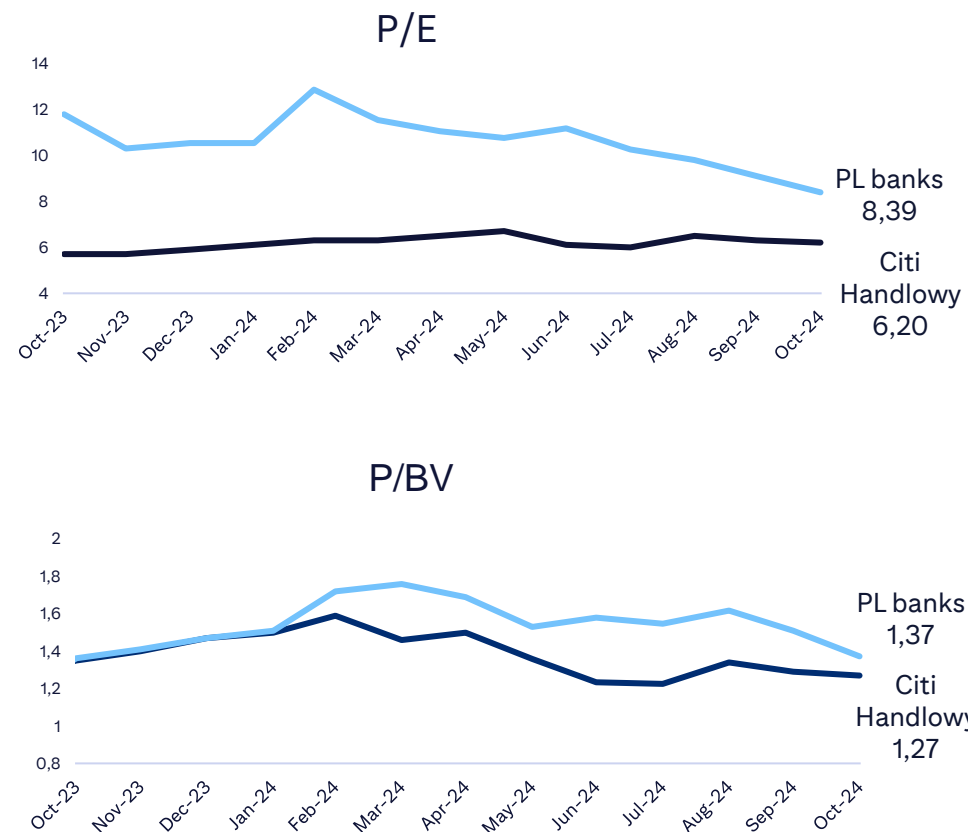
Citi Handlowy – change in share price

Change in Bank's share price vs. WIG-Banks index



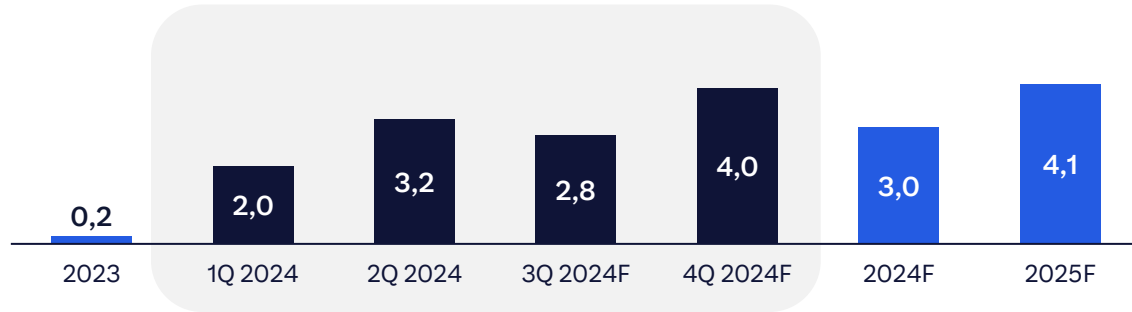
Last quotation: November 8, 2024 (Citi Handlowy: PLN 91,00)

BHW's share valuation vs. other banks



Forecasts for Polish economy

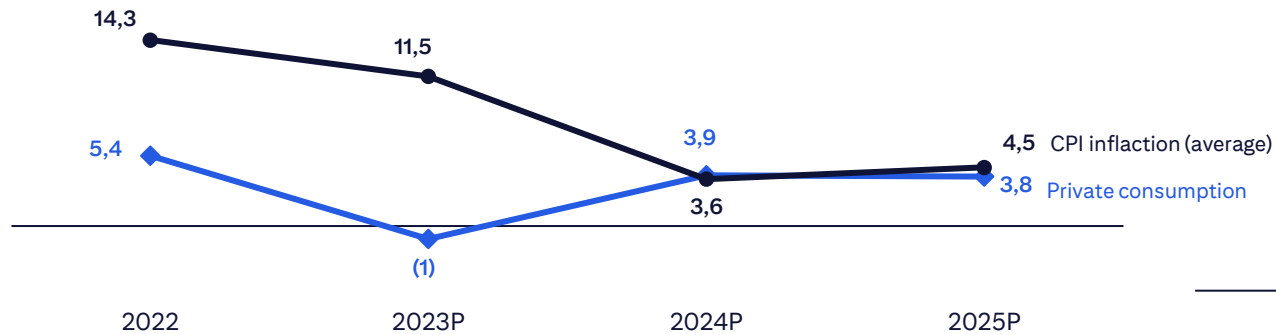
GDP of Poland (% YoY)



Based on Citi analyst forecasts (data as of 04/11/2024)

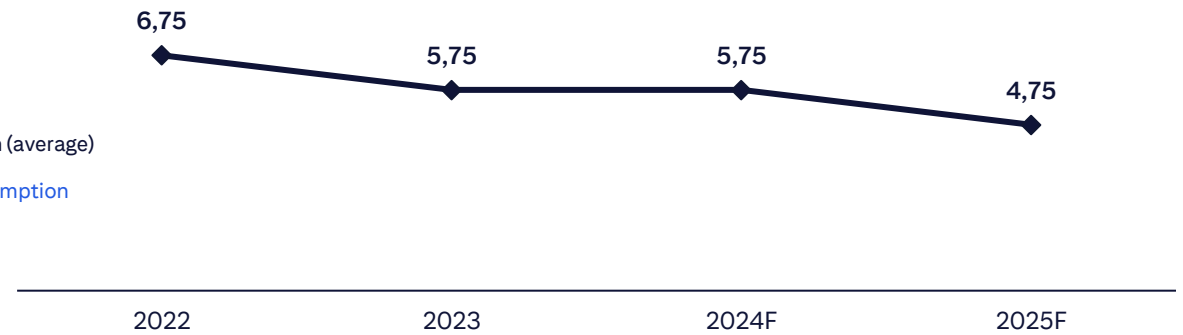
- The strong disappointment regarding retail sales means that GDP growth in the entire quarter could have been weaker than previously forecasted and may have fallen below 3% YoY;
- The peak of inflation is still ahead of us. The rebound in inflation is mainly the effect of the July increases in energy prices. However, core inflation is also growing and the upward trend will continue. The peak of inflation is expected in March 2025, after that month inflation may enter a downward path and by the end of 2025 it may be within the MPC's inflation target;
- The Bank's forecast predicts a 100-point drop in interest rates throughout 2025, with the first cut likely in March. This result will also be indirectly affected by what other central banks do.

Consumption and inflation CPI (% YoY)



Based on Citi analyst forecasts (data as of 04/11/2024)

NBP reference rate (% EoP)



Based on Citi analyst forecasts (data as of 04/11/2024)

Capital Group – profit and loss account

PLN MM	3Q23	4Q23	1Q24	2Q24	3Q24	3Q24 vs.2Q24		3Q24 vs.3Q23	
						PLN MM	%	PLN MM	%
Net interest income	827	772	798	805	819	14	2%	(8)	(1%)
Net fee and commission income	143	136	144	148	141	(7)	(5%)	(2)	(1%)
Dividend income	1	0	0	11	1	(10)	(94%)	(1)	(48%)
Net gain on trading financial instruments and revaluation	203	179	135	144	140	(4)	(3%)	(63)	(31%)
Net gain on debt investment financial assets measured at fair value through other comprehensive income	(28)	(116)	(6)	21	2	(19)	(91%)	30	-
Hedge accounting	(3)	(2)	8	2	(8)	(10)	-	(5)	185%
Treasury	172	61	137	166	133	(33)	(20%)	(38)	(22%)
Net gain on other equity instruments	2	18	3	(10)	3	13	-	1	77%
Net other operating income	(9)	(7)	(2)	(17)	(8)	9	(53%)	1	(11%)
Revenue	,136	980	1,081	1,103	1,089	(14)	(1%)	(46)	(4%)
Expenses	(305)	(322)	(441)	(326)	(316)	10	(3%)	(11)	4%
Depreciation	(28)	(29)	(30)	(29)	(30)	(2)	6%	(3)	9%
Expenses and depreciation	(333)	(352)	(470)	(355)	(347)	8	(2%)	(14)	4%
Operating margin	803	629	610	748	743	(5)	(1%)	(60)	(7%)
Profit/(loss) on sale of tangible fixed assets	0,0	(0,1)	1,8	(0,1)	(0,3)	(0,2)	118%	(0,3)	-
Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments	(4)	(8)	10	9	0	(8)	(98%)	4	-
Tax on certain financial institutions	(50)	(49)	(45)	(48)	(39)	9	(19%)	11	(21%)
EBIT	749	572	577	528	703	175	33%	(46)	(6%)
Corporate income tax	(158)	(122)	(123)	(134)	(159)	(25)	19%	(1)	1%
Net profit	592	449	454	394	544	150	38%	(47)	(8%)
C/I ratio	29%	36%	44%	32%	32%				

Institutional Banking – profit and loss account

PLN MM	3Q23	4Q23	1Q24	2Q24	3Q24	3Q24 vs.2Q24		3Q24 vs3Q23	
						PLN MM	%	PLN MM	%
Net interest income	549	504	521	535	532	(2)	(0%)	(16)	(3%)
Net fee and commission income	99	100	106	111	104	(7)	(6%)	5	5%
Dividend income	1	0	0	2	1	(1)	(70%)	(1)	(52%)
Net gain on trading financial instruments and revaluation	193	170	127	136	131	(5)	(4%)	(63)	(32%)
Net gain on debt investment financial assets measured at fair value through other comprehensive income	(28)	(116)	(6)	21	2	(19)	(91%)	30	-
Hedge accounting	(3)	(2)	8	2	(8)	(10)	-	(5)	185%
Treasury	162	52	129	158	124	(33)	(21%)	(38)	(23%)
Net gain on other equity instruments	1	5	2	(2)	7	9	-	6	526%
Net other operating income	(1)	4	2	4	(1)	(5)	-	(0)	78%
Revenue	811	665	760	807	767	(41)	(5%)	(45)	(5%)
Expenses	(141)	(150)	(241)	(144)	(139)	6	(4%)	2	(2%)
Depreciation	(6)	(7)	(6)	(7)	(8)	(1)	15%	(2)	25%
Expenses and depreciation	(147)	(157)	(247)	(151)	(146)	5	(3%)	1	(1%)
Operating margin	664	509	513	656	621	(36)	(5%)	(44)	(7%)
Profit/(loss) on sale of tangible fixed assets	0,0	0,0	1,9	-0,1	-0,2	(0)	30%	(0)	-
Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments	5	10	(3)	(11)	(1)	10	(89%)	(7)	-
Tax on certain financial institutions	(34)	(34)	(30)	(34)	(27)	6	(19%)	6	(19%)
EBIT	636	485	482	611	592	(19)	(3%)	(44)	(7%)
C/I ratio	18%	24%	33%	19%	19%				

Consumer Banking – profit and loss account

PLN MM	3Q23	4Q23	1Q24	2Q24	3Q24	3Q24 vs.2Q24		3Q24 vs.3Q23	
						PLN MM	%	PLN MM	%
Net interest income	279	268	277	270	287	17	6%	8	3%
Net fee and commission income	44	36	38	37	37	0	1%	(6)	(15%)
Dividend income	-	0	0	9	0	(8)	(99%)	0	-
Net gain on trading financial instruments and revaluation	10	9	8	8	9	1	7%	(1)	(6%)
Net gain on other equity instruments	1	13	1	(8)	(4)	4	(50%)	(5)	-
Net other operating income	(8)	(11)	(4)	(21)	(7)	14	(67%)	1	(18%)
Revenue	324	315	320	296	322	27	9%	(2)	(1%)
Expenses	(164)	(172)	(200)	(182)	(178)	4	(2%)	(14)	8%
Depreciation	(22)	(23)	(23)	(22)	(22)	(1)	3%	(1)	5%
Expenses and depreciation	(186)	(195)	(223)	(204)	(200)	4	(2%)	(14)	8%
Net impairment on non-financial assets	-	-	-	(180)	-	180	(100%)	-	-
Operating margin	138	120	97	92	122	30	33%	(16)	(12%)
Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments	(9)	(18)	13	20	1	(18)	(93%)	11	-
Tax on certain financial institutions	(16)	(15)	(15)	(15)	(12)	3	(18%)	4	(26%)
EBIT	113	87	95	(83)	112	195	-	(2)	(1%)
C/I ratio	57%	62%	70%	69%	62%				

Balance sheet - assets

	As end of					3Q24 vs. 4Q23		3Q24 vs. 3Q23	
	3Q23	4Q23	1Q24	2Q24	3Q24	PLN B	%	PLN B	%
PLN B									
Cash and cash equivalents	0.5	1.2	1.0	0.5	1.9	0.7	57%	1.4	258%
Amounts due from banks	17.3	15.4	8.6	4.2	15.5	0.1	1%	(1.9)	(11%)
Financial assets held-for-trading	5.2	4.9	5.5	5.6	6.0	1.2	24%	0.8	15%
Debt financial assets measured at fair value through other comprehensive income	26.3	29.6	37.2	39.2	24.7	(4.9)	(17%)	(1.6)	(6%)
Customer loans	20.5	20.1	20.5	21.2	21.9	1.9	9%	1.4	7%
Financial sector entities	4.5	4.2	5.1	5.3	6.2	2.0	49%	1.7	38%
including reverse repo receivables	0.2	0.2	0.7	0.6	0.9	0.7	371%	0.6	244%
Non-financial sector entities	16.0	15.9	15.4	15.9	15.7	(0.2)	(1%)	(0.3)	(2%)
Institutional Banking	10.1	10.0	9.4	9.8	9.6	(0.3)	(3%)	(0.5)	(5%)
Consumer Banking	5.9	5.9	5.9	6.1	6.1	0.2	3%	0.2	4%
Unsecured receivables	3.7	3.7	3.7	3.7	3.8	0.0	1%	0.0	0%
Credit cards	2.1	2.1	2.0	2.0	2.0	(0.1)	(4%)	(0.1)	(5%)
Cash loans	1.6	1.6	1.6	1.7	1.7	0.1	7%	0.1	6%
Other unsecured receivables	0.0	0.0	0.0	0.0	0.0	0.0	9%	0.0	17%
Mortgage	2.1	2.2	2.3	2.3	2.4	0.2	7%	0.2	10%
Other assets	2.5	2.3	2.5	2.3	2.4	0.1	5%	(0.1)	(3%)
Total assets	72.4	73.4	75.2	73.1	72.4	(1.0)	(1%)	0.1	0%

Balance sheet – liabilities and equity

	As end of					3Q24 vs. 4Q23		3Q24 vs. 3Q23	
	3Q23	4Q23	1Q24	2Q24	3Q24	PLN B	%	PLN B	%
PLN B									
Liabilities due to banks	3.4	3.4	5.3	3.6	3.4	0.0	1%	0.0	1%
Financial liabilities held-for-trading	4.1	3.5	2.9	3.2	3.2	(0.3)	(9%)	(0.9)	(22%)
Financial liabilities due to customers	53.9	55.0	54.5	53.8	53.9	(1.1)	(2%)	0.1	0%
Financial sector entities - deposits	3.6	3.8	4.0	4.0	4.4	0.6	15%	0.8	22%
Non-financial sector entities - deposits	48.2	49.4	49.0	48.5	48.2	(1.2)	(2%)	0.0	0%
Institutional Banking	28.7	30.2	29.5	29.2	28.9	(1.4)	(5%)	0.1	0%
Consumer Banking	19.4	19.2	19.5	19.4	19.3	0.2	1%	(0.1)	(0%)
Other deposits	2.1	1.8	1.6	1.3	1.3	(0.5)	(26%)	(0.8)	(36%)
Other liabilities	2.0	1.8	2.1	3.3	2.1	0.4	20%	0.1	3%
Total liabilities	63.4	63.7	64.9	63.9	62.7	(1.0)	(2%)	(0.7)	(1%)
Share capital	0.5	0.5	0.5	0.5	0.5	-	0%	-	0%
Supplementary capital	3.0	3.0	3.0	3.0	3.0	-	0%	-	0%
Own shares	-	-	(0.0)	(0.0)	(0.0)	(0.0)	-	(0.0)	-
Revaluation reserve	(0.1)	0.1	0.2	0.2	0.2	0.1	55%	0.3	-
Other reserves	3.2	3.2	3.2	4.1	4.0	0.9	27%	0.8	26%
Retained earning	2.4	2.9	3.3	1.5	2.0	(0.9)	(30%)	(0.4)	(17%)
Total Equity	9.0	9.7	10.3	9.2	9.8	0.1	1%	0.8	8%
Total liabilities & equity	72.4	73.4	75.2	73.1	72.4	(1.0)	(1%)	0.1	0%
Loans / Deposits ratio	40%	38%	39%	40%	42%				

Contact details



Investor Relations:
relacjeinwestorskie@citi.com

Adam Piotrak
Investor Relations Head
adam.piotrak@citi.com

Monika Paczuska
Investor Relations Analyst
monika.paczuska@citi.com