



Bank Handlowy w Warszawie S.A.

4Q'24 earnings conference

March 12th, 2025

Summary of 2024 | Clients' activity revival



Institutional Banking

- Loans volume: **PLN 15.0 B, +8% YoY**
- Volume of granted long-term loans : **PLN 2.1 B, +31% YoY**



Consumer Banking

- Deposits of individual clients: **PLN 20.1 B, +5% YoY**
- Investment products volume (incl. dual currency investments): **+17% YoY**

- Value of trade financing transactions: **+58% YoY**
- FX volume : **+4% YoY**

- No. of Citigold Private Clients: **+7% YoY**

Net profit
PLN 1.8 B

ROE
21.1%
vs. 15.7% in the banking sector

ROA
2.4%
vs. 1.3% in the banking sector

4Q'24 | Financial results summary

4Q'24 Financial results

Revenue PLN 1,181 MM	Net profit PLN 368 MM	ROE 21.1%
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Balance sheet YoY dynamics

Loans +6%	Deposits 0%
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Capital ratio

TLAC TREA 24.4%

Business segments' performance in 4Q'24

Institutional Banking | Growth of clients' activity

- **Revenue:** increase by 12% QoQ as a result of higher treasury income
- **Loans:** revival in loans visible – non-financial sector loans volume grew by 6% QoQ driven by Corporate and Commercial Banking clients
- **FX:** the highest FX volume for last 9 quarters – increase by 15% QoQ contributing to income growth by 8% QoQ
- **Transactions:** the Bank supported Wirtualna Polska Holding in acquisition of Invia Group SA shares (one of the largest tourism platform in the Central and East Europe) and granted consortium loan to Elemental Holding at the amount of PLN 252 MM for development and current debt refinancing
- **Transaction banking:** growth of trade financing assets by 29% QoQ for another quarter in a row

Consumer Banking | Record high Private banking volumes

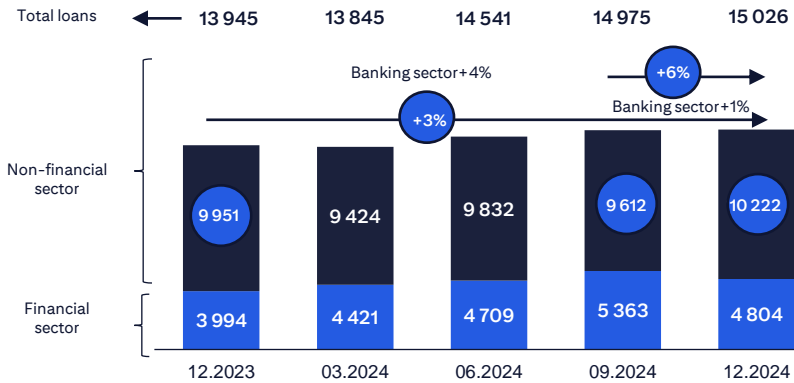
- **Revenue:** stable in QoQ perspective
- **Deposits:** increase by 4% QoQ driven by higher time deposits volume
- **Private banking:** increase in portfolio of investment products participation units by 3% QoQ
- **Wealth Management:** Citigold Private Client and Citigold Clients number growth by 4% QoQ

Institutional Banking | Business volumes

Visible revival in loan volumes, record high FX volumes



Loan volumes (PLN MM)

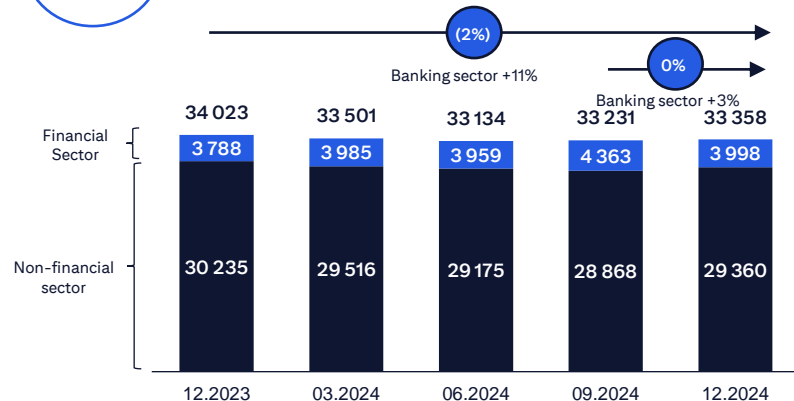


Dynamics of clients' assets

	QoQ	YoY
1. Commercial banking	+5%	+20%
2. Global Clients	+9%	(7%)
3. Corporate Clients	+8%	+21%



Deposit volumes (PLN MM)



Dynamics of liabilities to clients

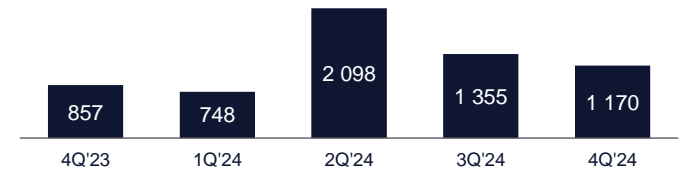
	QoQ	YoY
1. Commercial Banking	+7%	+3%
2. Global Clients	+1%	(6%)
3. Corporate Clients	(6%)	(13%)
4. Public Sector	(8%)	+22%

4Q 2024 transaction volumes



↑23% YoY increase in value of loans granted to Institutional Clients in 2024

1. New loans to institutional clients (PLN MM)



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

2. FX volumes

- **↑26% YoY**– FX volume, the highest growths visible in Polish clients – Corporate Clients and Commercial Banking

3. Transaction Banking

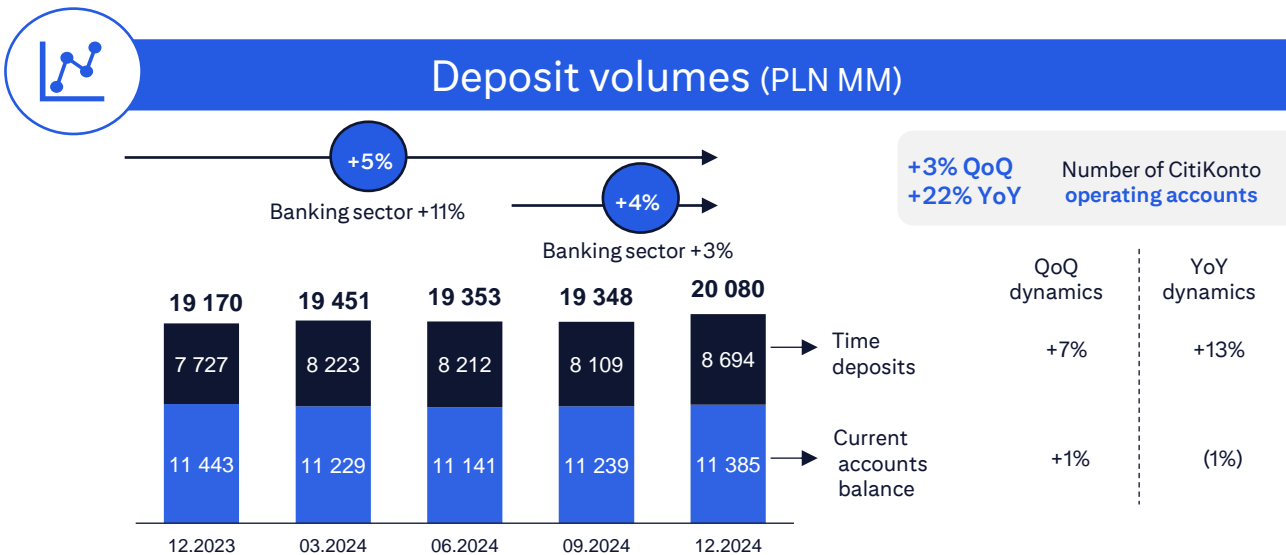
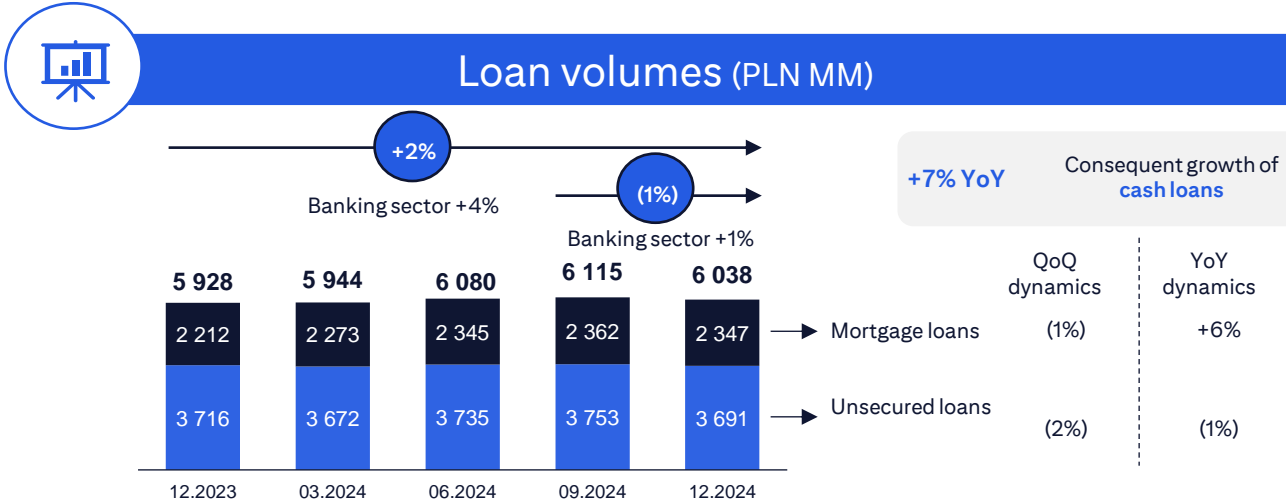
- **↑8% YoY**– number of cross-border money transfers
- **↑0% YoY**– number of domestic money transfers
- **↑3% YoY**– number of transactions processed online

4. Custody

- **Leading position in terms of market share**
- **↑4 p./proc.** – Bank's market share

Consumer Banking | Business volumes

Record high volumes in Private banking



4Q 2024 transaction volumes

1. FX volumes

- Decrease of FX volumes by **10% YoY**
- **Number of transactions** in CitiKantor growth by **14% YoY**
- **72% of FX volumes** was processed via CitiKantor.
- **The highest quarterly number of transactions** in CitiKantor this year

2. Private Banking

- **↑8%** YoY - average Total Relationship Balance
- **↑7%** YoY- number of Citigold Private Client

3. Cards

- **↓2%** YoY- card transaction value (domestic)
- **↑3%** YoY- card transaction value (crossborder)

2025 – 2027 Strategy | Where we want to be - KPIs



Citi Handlowy vision

Be the bank of first choice
for clients with cross-border needs and aspirations

Key metrics to monitor the 2025-2027 Strategy

Profitability



Return on equity >15% – above cost of capital (10-12%)



Solid return on assets >1.8%

Efficiency /
Dividend



Maintaining cost discipline – mid single digit growth in expenses
Efficiency ratio below 45%



Continued dividend story – min. 75% payout

ESG



Increasing sustainable financing to PLN 2 Bn by 2027
(double from 2024)

Global Innovation Challenge – 3 edition



Grant support for innovative employment solutions for low-income youth

\$500 000 grant for each project

Application possibility for Polish organizations

2025 Global Innovation Challenge Request For Proposals

Accelerating Youth Employability

50 Organizations
\$25 Million in Grants

Register to apply by **March 4, 12 p.m. ET**



Citi Foundation



Rusza

2025 Global Innovation Challenge

Accelerating Youth Employability

500 tys. dolarów

dla organizacji pozarządowej na zwiększanie szans młodych na rynku pracy

5 mln dolarów

przez 10 lat przeznaczaliśmy na rozwój młodych ludzi w Polsce

I działamy dalej!

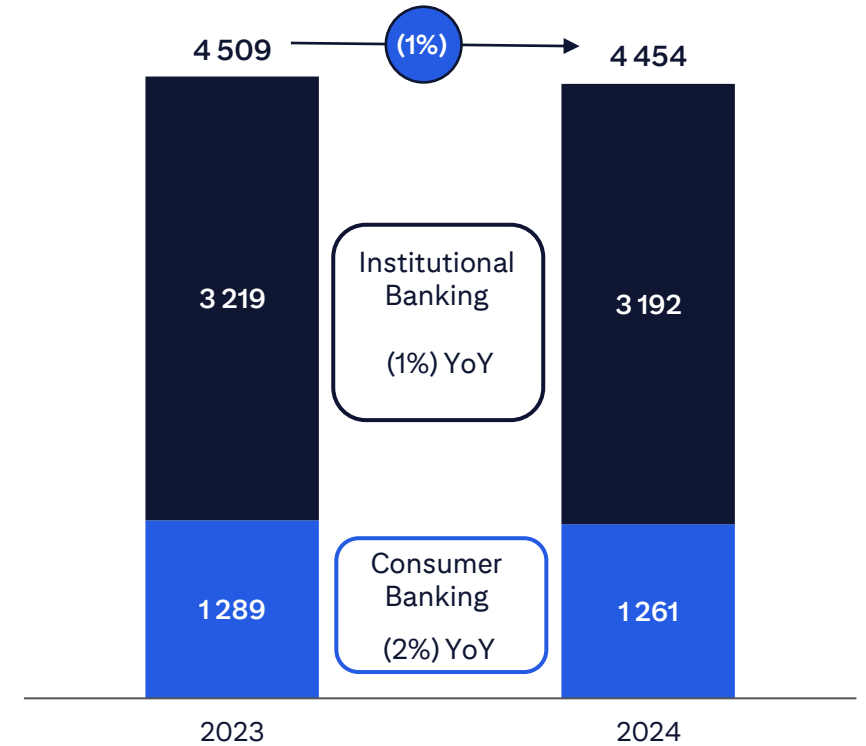
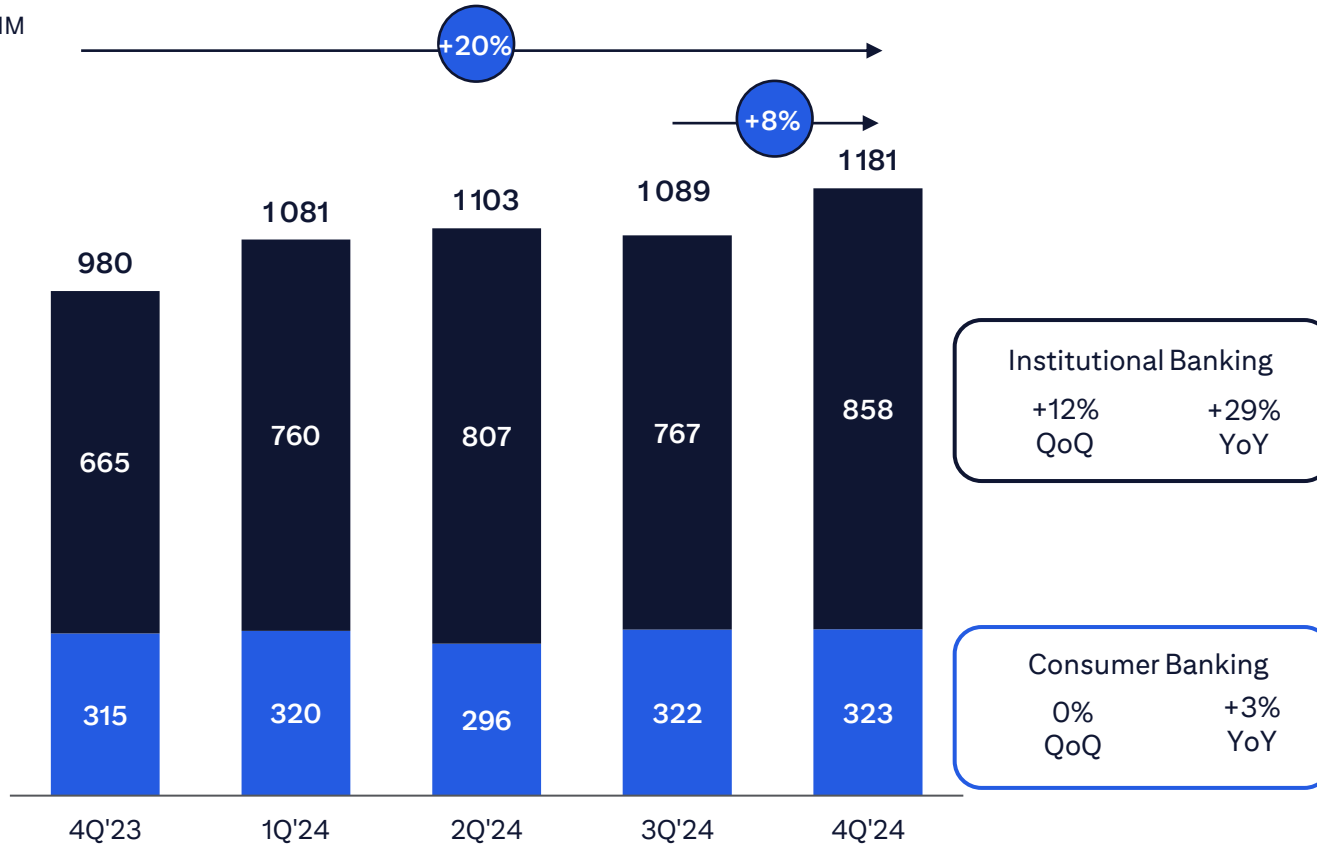
- 50 community organizations to receive a **collectively \$25 million** in funding
- Polish NGOs projects received \$500 000 grants twice – **Food Bank in Olsztyn and Polish Center for International Aid**
- The current edition supports **youth employability** – from upskilling and reskilling efforts to entrepreneurship programming, financial education and more
- For 10 years Citi Foundation invested **in Poland more than \$ 5 million** in youth development programs

Consolidated financial results

Total Revenue

Strong Q4 in the financial markets area, thanks to high clients' activity on the FX market and custody activities. At the same time, the Bank realized a profit on the sale of investment debt securities.

PLN MM



The bank recorded growth in key client areas of Institutional Banking in 2024

Services
(Transaction Banking and Custody)

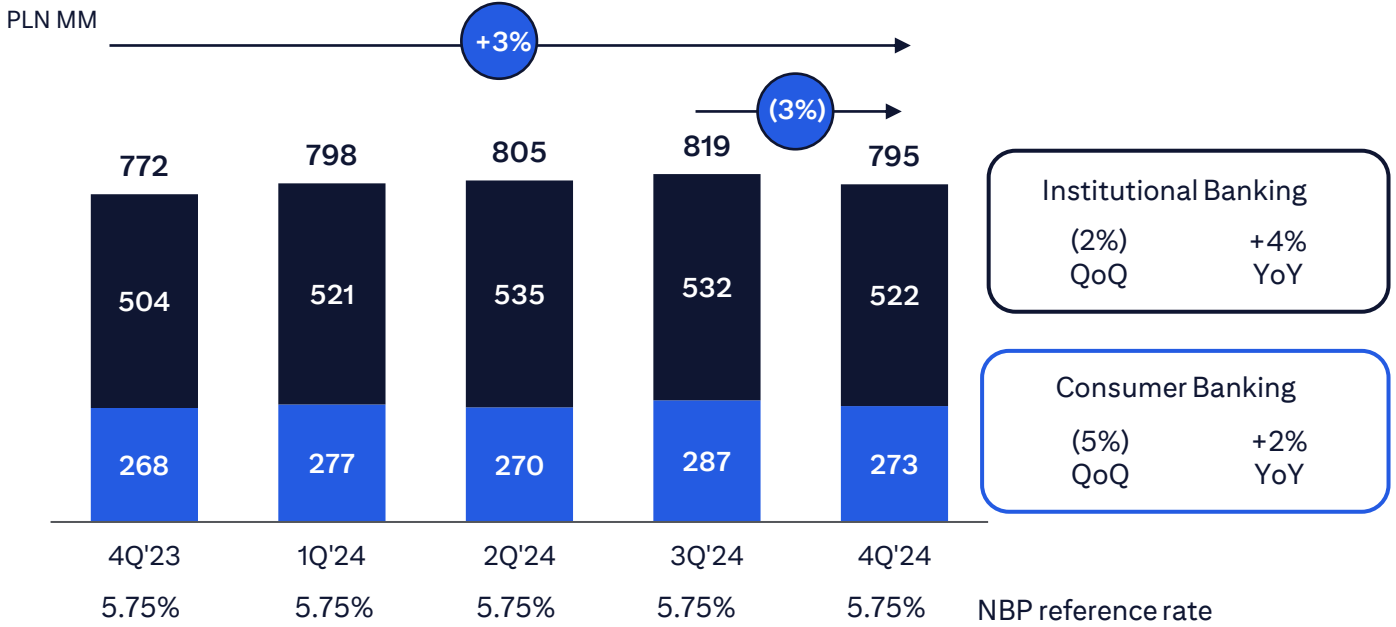
+16%
YoY

Financial & capital
markets

+1%
YoY

Net interest income

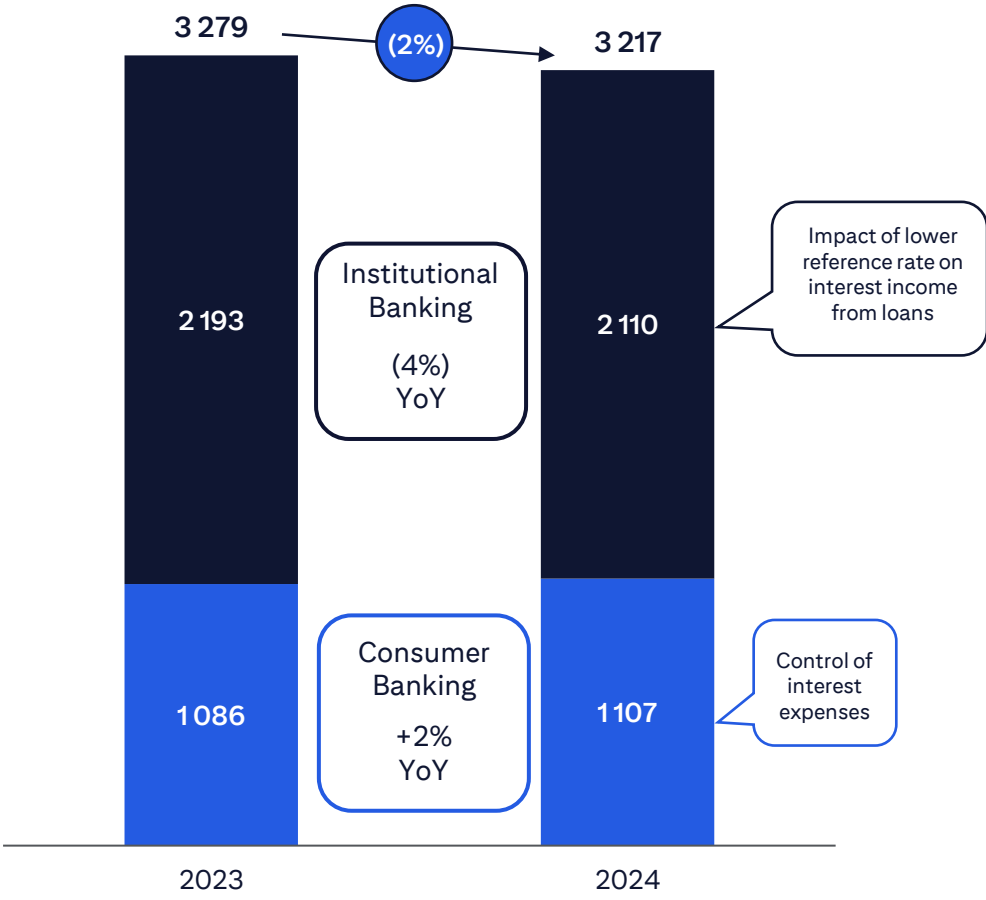
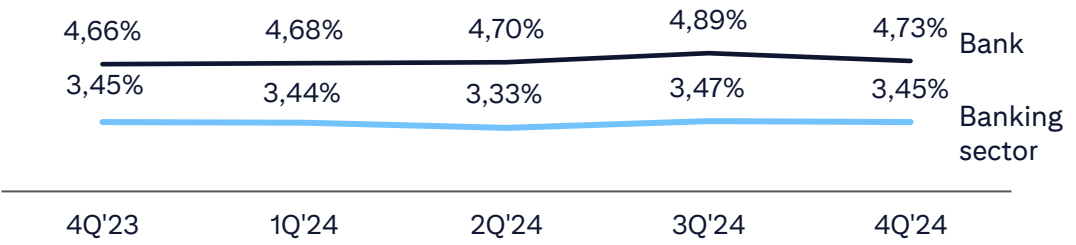
Maintained high interest income in the treasury area



Institutional Banking
(2%) QoQ, +4% YoY

Consumer Banking
(5%) QoQ, +2% YoY

Net Interest Margin – Bank vs. Banking sector



Institutional Banking
(4%) YoY

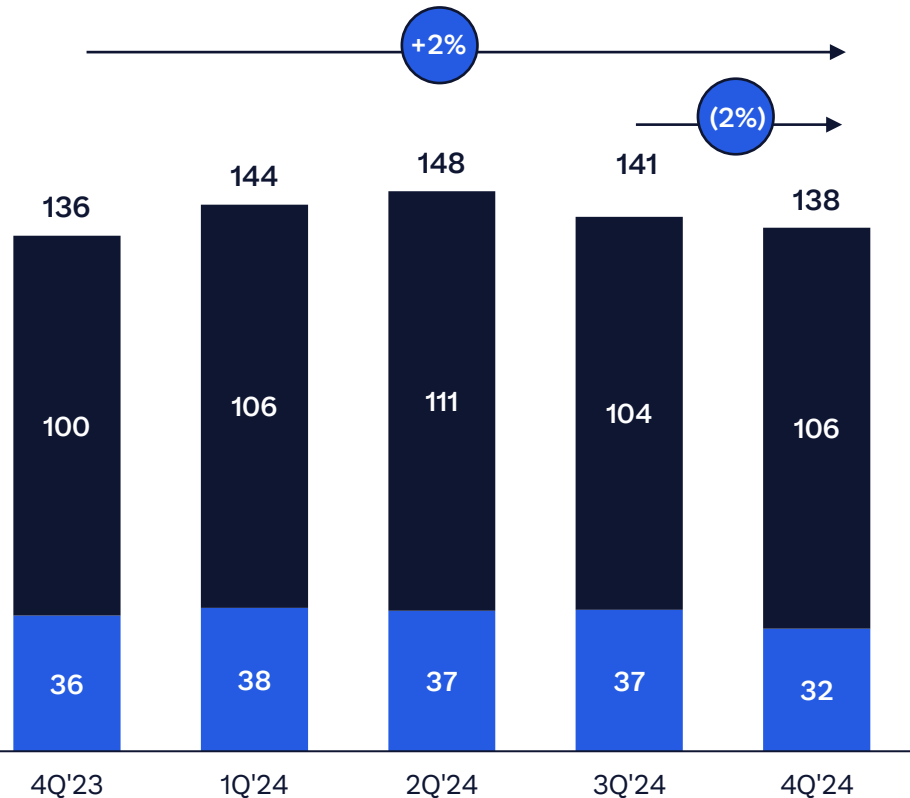
Consumer Banking
+2% YoY

Impact of lower reference rate on interest income from loans

Control of interest expenses

Net fee and commission income

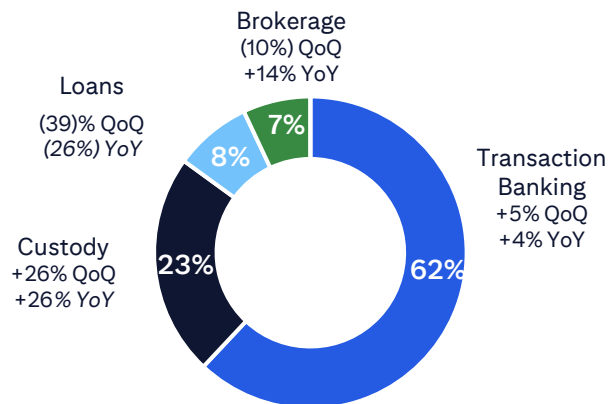
PLN MM



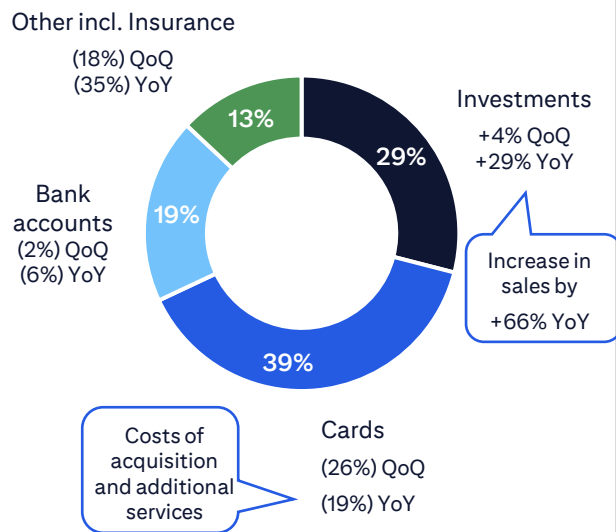
Institutional Banking
+2% QoQ
+6% YoY

Consumer Banking
(13%) QoQ
(10%) YoY

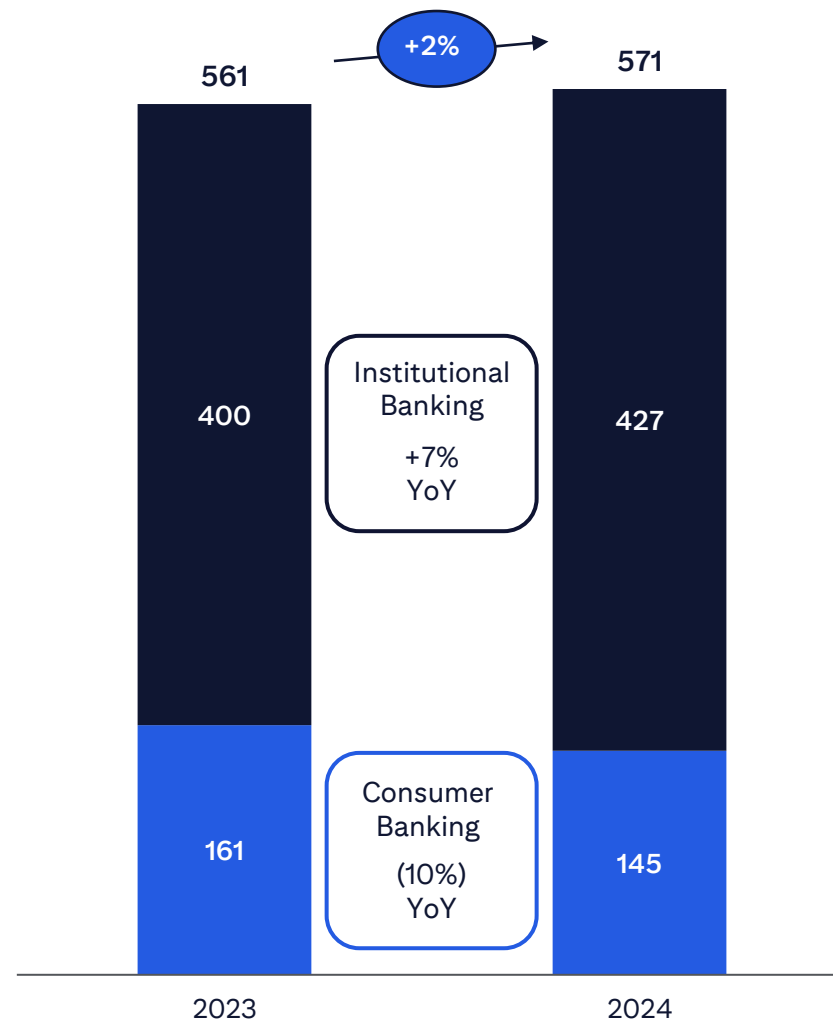
Institutional Banking



Consumer Banking

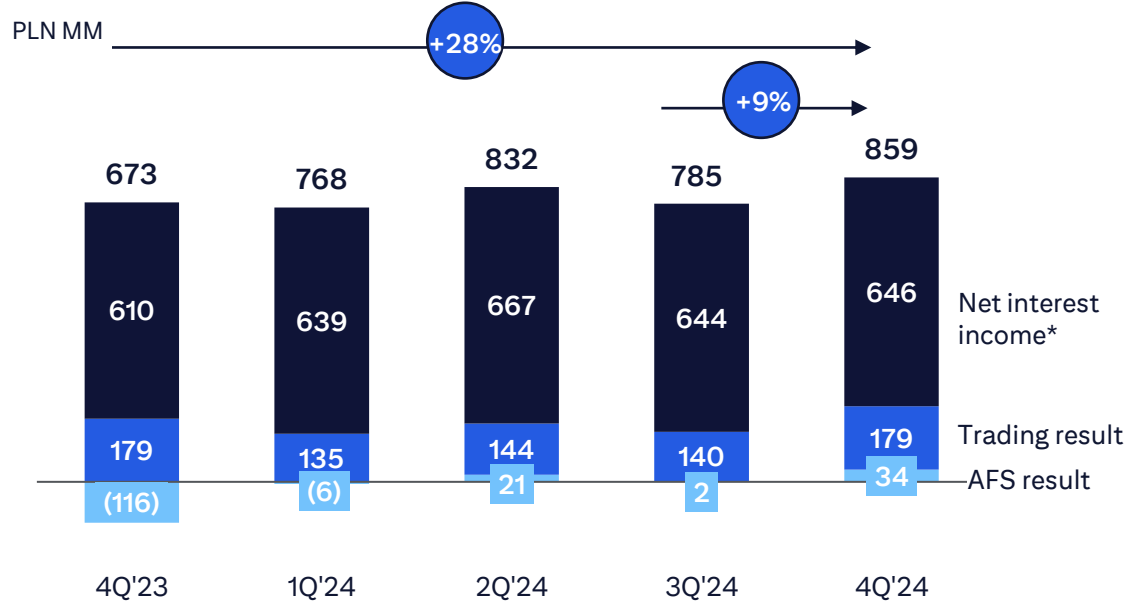


Net fee and commission income in Institutional Banking returned to record high levels driven by brokerage and custody activities.



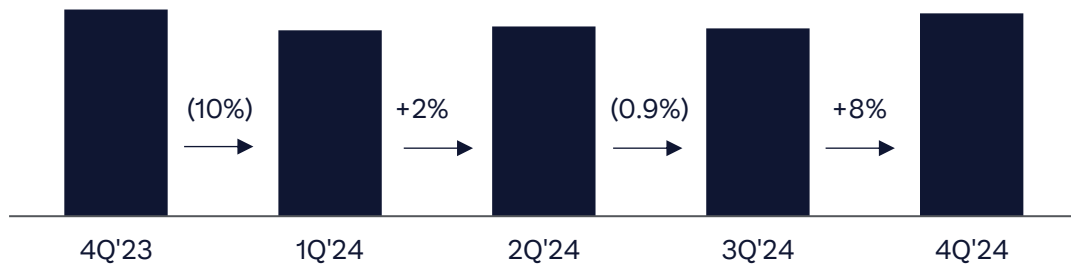
Treasury

Treasury result (PLN MM)



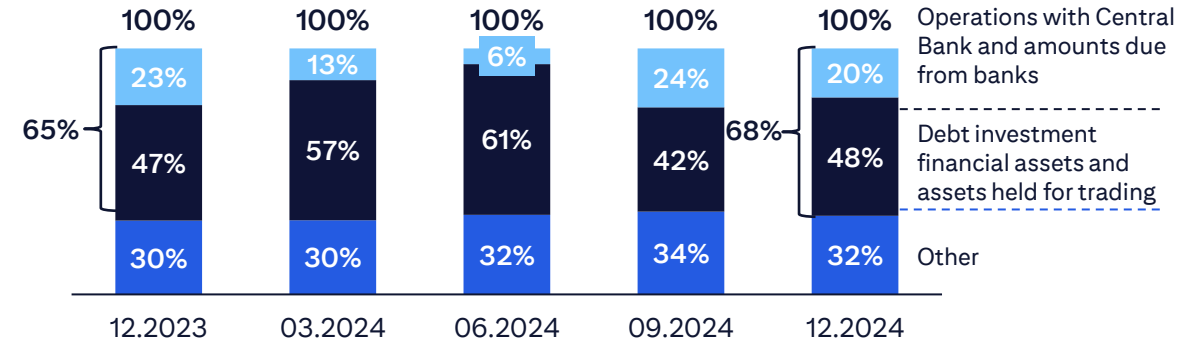
* Sum of net interest income on debt securities, amounts due from banks and derivatives in hedge accounting

Income on FX – client activity (Institutional Banking)

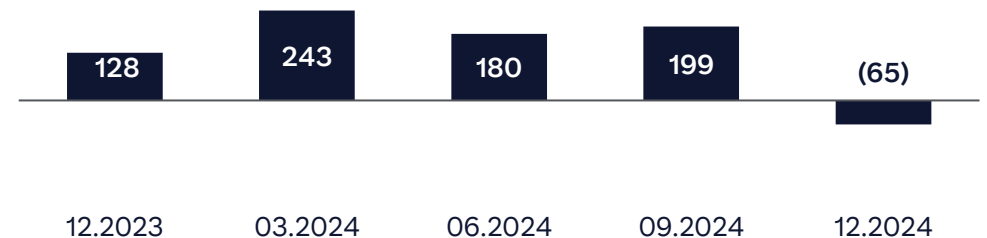


Balance sheet structure (%)

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

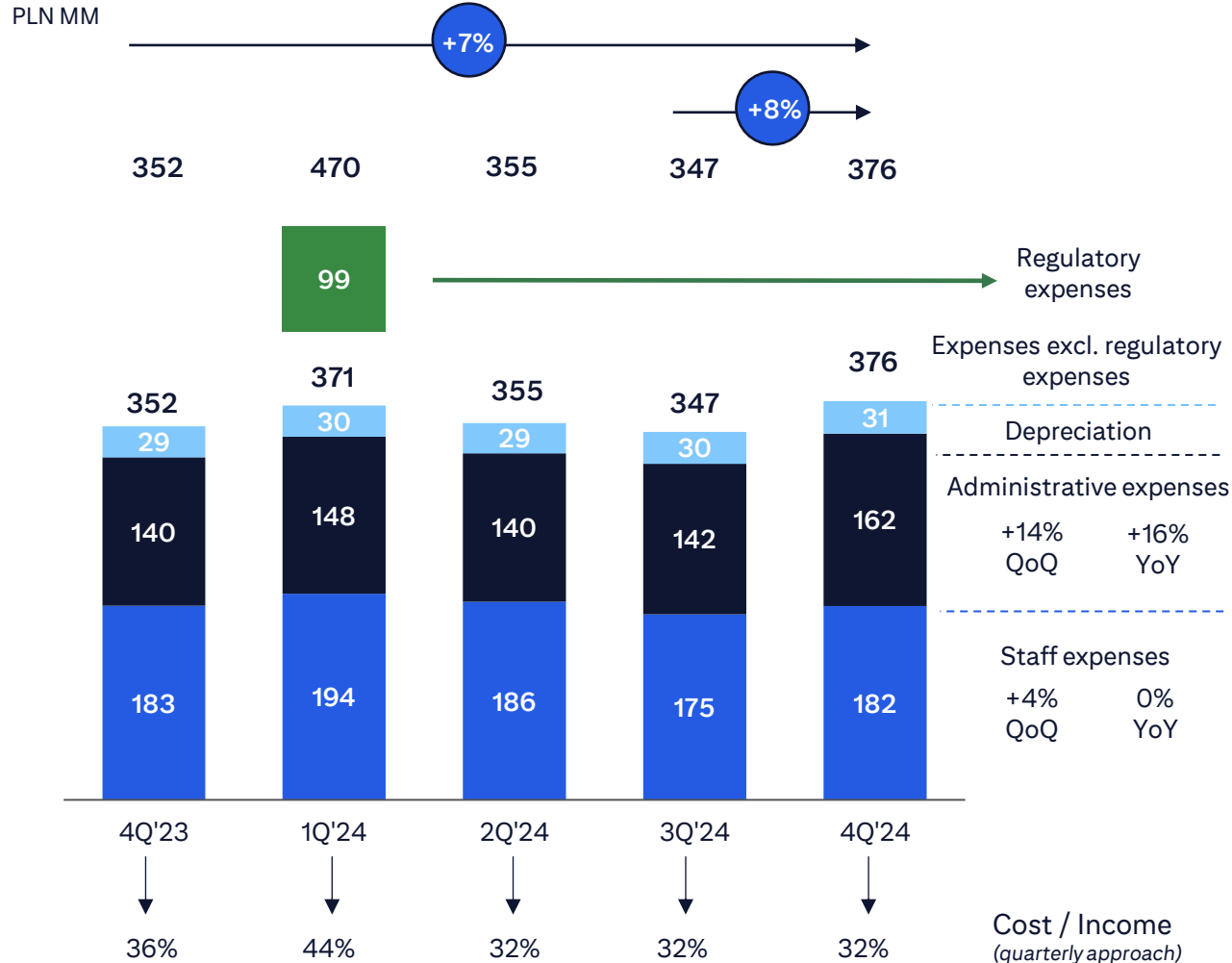


Revaluation reserve (PLN MM)



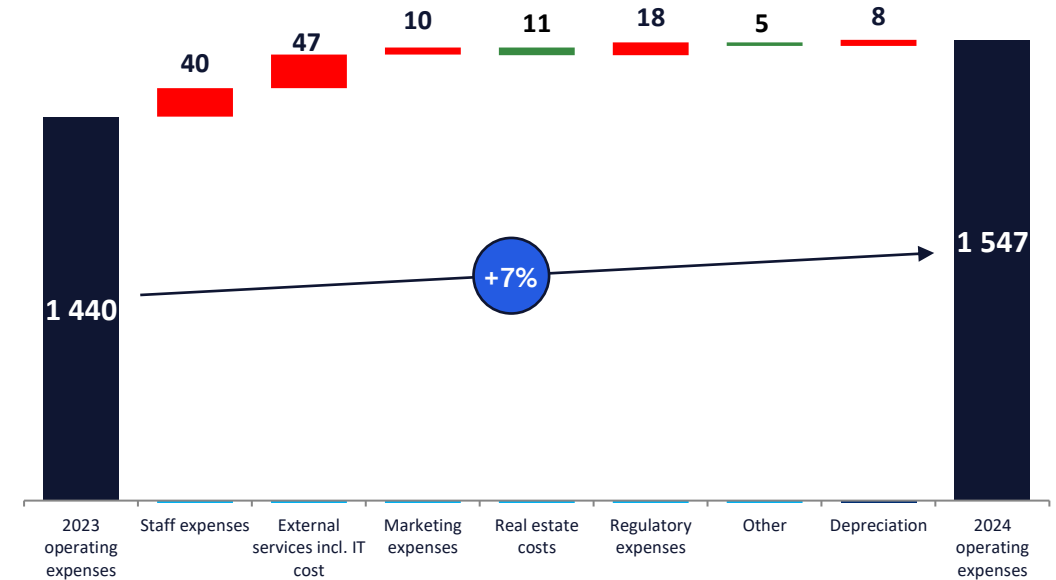
Expenses

Operating expenses (PLN MM)



2024 Expenses by type (PLN MM)

Higher operating expenses as a result of salary growth driving staff expenses and external services costs.

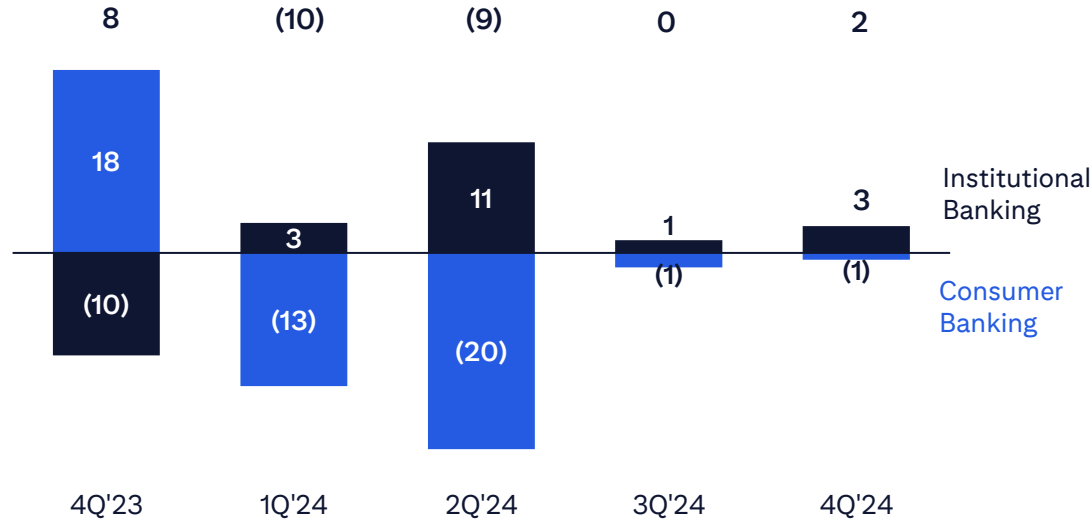


Cost of Risk

Cost of Risk

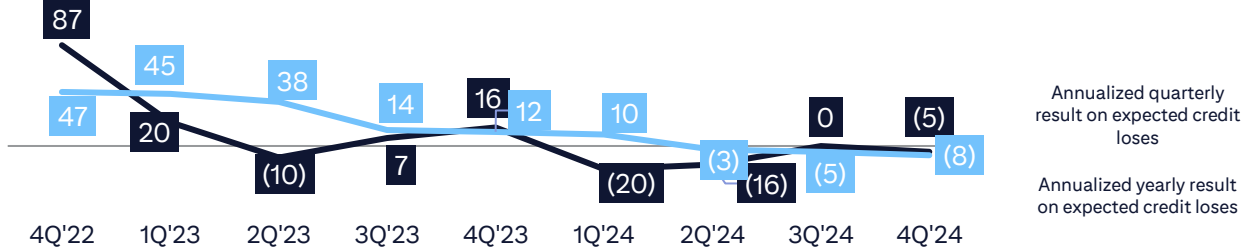
High quality of loan portfolio reflected in better than market NPL and coverage ratios.

PLN MM



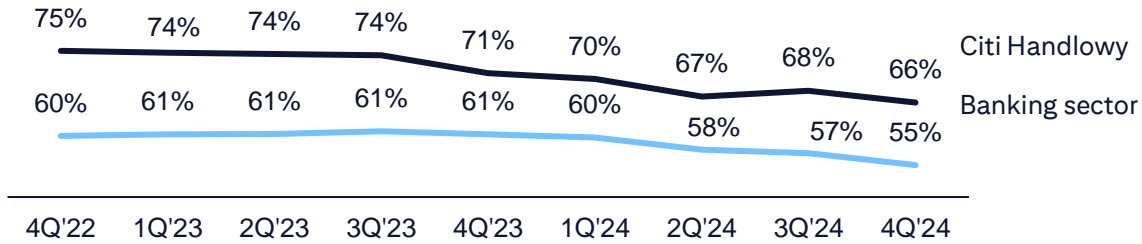
* Increase of provisions presented with the sign (+), decrease with the sign (-)

(basis points)



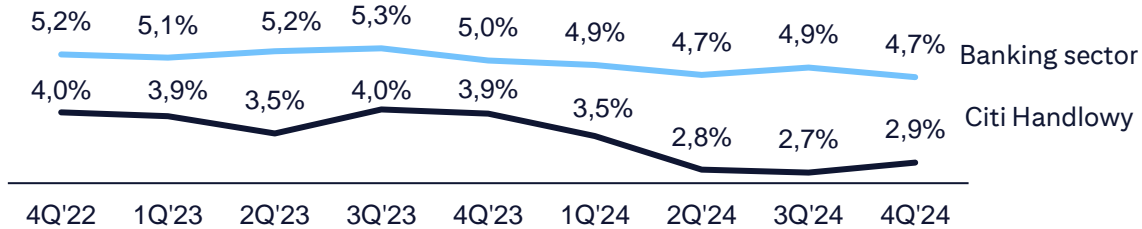
Coverage ratio and NPL

Coverage ratio



Share of stage 3 in loan portfolio

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



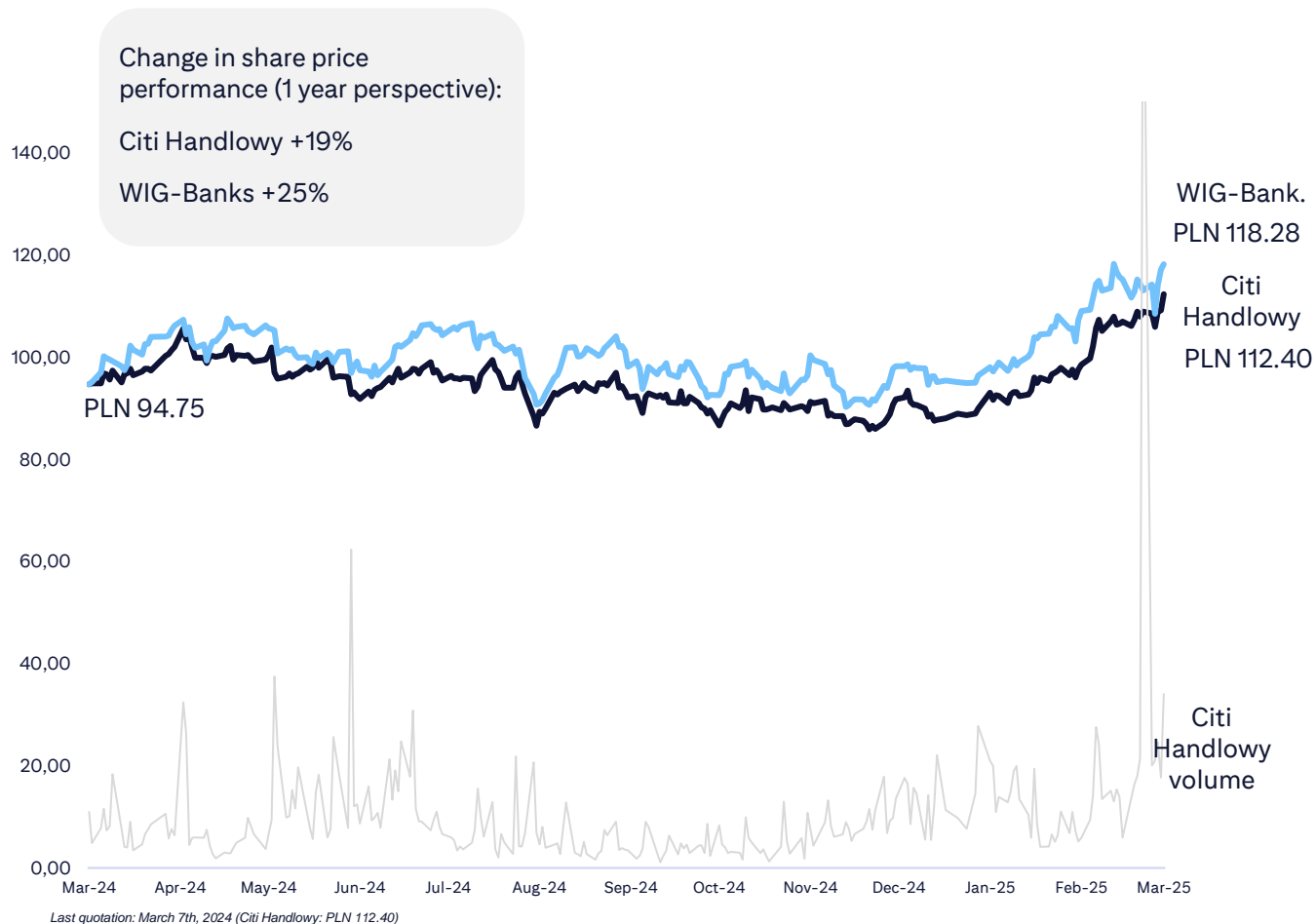
Summary of the Capital Group financial results

	4Q24	3Q24	ΔQoQ	4Q23	ΔYoY	2024	2023	ΔYoY
Net interest income	795	819	(3%)	772	3%	3,217	3,279	(2%)
Net fee and commission income	138	141	(2%)	136	2%	571	561	2%
Core revenue	933	960	(3%)	908	3%	3,788	3,840	(1%)
Treasury	213	141	51%	63	239%	649	649	(0%)
Other	34	(12)	-	9	268%	17	19	(14%)
Total revenue	1,181	1,089	8%	980	20%	4,454	4,509	(1%)
Expenses	(376)	(347)	8%	(352)	7%	(1,547)	(1,440)	7%
Operating margin	805	743	8%	629	28%	2,906	3,069	(5%)
Net impairment losses	(3)	-	-	(8)	(67%)	17	(18)	(192%)
Impairment of non-financial assets	(252)	-	-	-	-	(433)	-	-
Bank levy	(42)	(39)	7%	(49)	(13%)	(175)	(190)	(8%)
Profit before tax	507	703	(28%)	572	(11%)	2,316	2,861	(19%)
Corporate income tax	(139)	(159)	(12%)	(122)	14%	(555)	(604)	(8%)
Net profit	368	544	(32%)	449	(18%)	1,760	2,256	(22%)
ROE	21.1%	22.0%	(0.9 pp.)	29.6%	(8.5 pp.)			(8.5 pp.)
ROA	2.4%	2.5%	(0.1 pp.)	3.1%	(0.7 pp.)			(0.7 pp.)
Revaluation reserve	(65)	199	(133%)	128	(151%)	(65)	128	(151%)
Assets	72,478	72,434	0%	72,573	(0%)	72,478	72,573	(0%)
Net loans	21,367	21,946	(3%)	20,054	7%	21,367	20,054	7%
Deposits	53,437	52,580	2%	53,193	0%	53,437	53,193	0%
Loans / Deposits	40%	42%		38%				
TLAC TREA	24.4%	22.8%		23.6%				

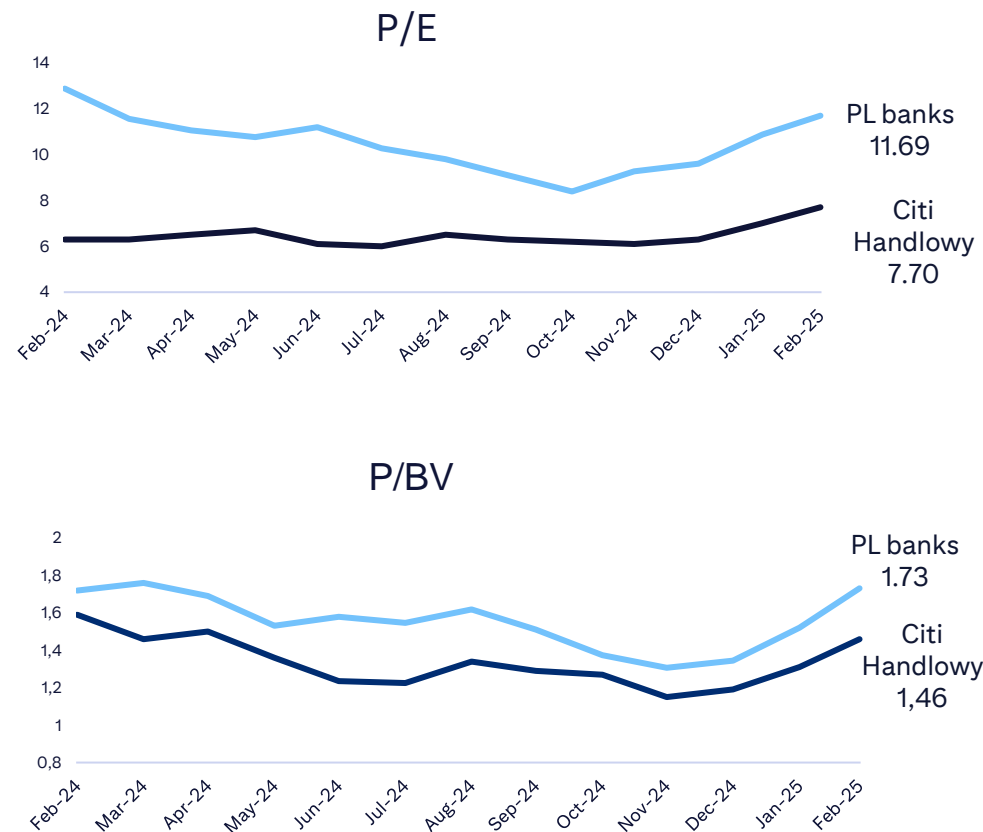
Appendix

Citi Handlowy – change in share price

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

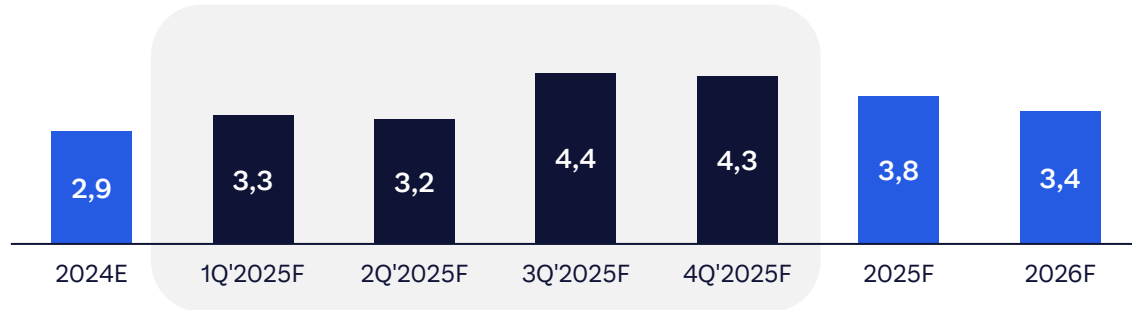


BHW's share valuation vs. other banks



Forecasts for Polish economy

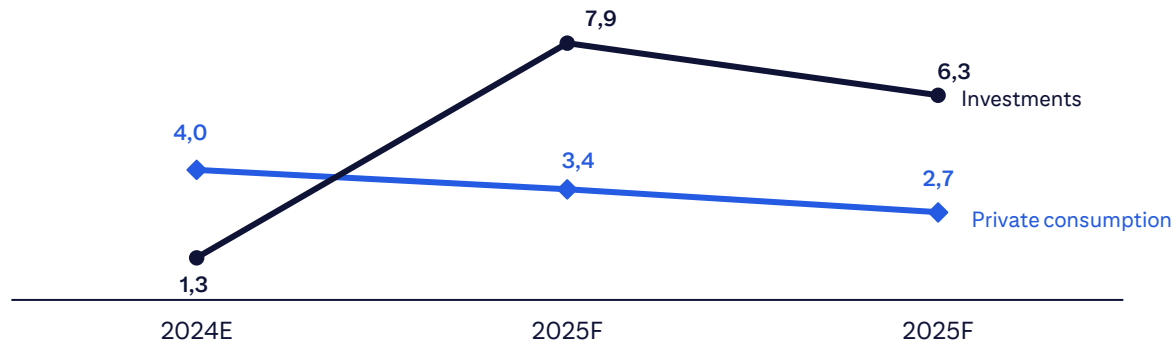
GDP of Poland (% YoY)



Based on Citi analyst forecasts (data as of 10/03/2025)

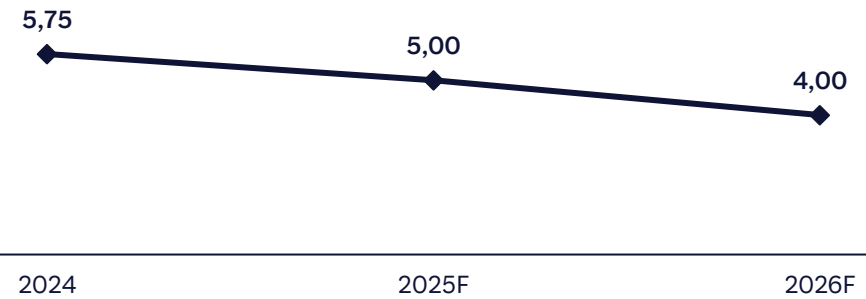
- The Polish economy is slowly getting back on track. GDP growth in the last quarter of 2024 exceeded 3%, once again standing out strongly against the background of the countries in the region. January retail sales continued the good streak in the economy and increased by +4.8% YoY (vs. +1.9% YoY in December), significantly exceeding our and market expectations.
- Retail sales data combined with still strong wage growth could announce strong private consumption in 2025. An additional driving force for GDP should also be the inflow of EU funds supporting investment growth.
- The beginning of the year is marked by increased inflation. From April, inflation should start to fall faster. This will be due to, among other things, statistical effects (the high base effect related to VAT increases on food in 2024). The strong zloty, which reduces the prices of imported goods, should also have a positive effect.
- We believe that the chances of a significant softening of the MPC's rhetoric in the first half of the year, which would lead to interest rate cuts, are low. We assume that the interest rate cut cycle will not begin until the second half of the year and we expect its scale to be 75 bps. A factor that could persuade the Council to change its position earlier is the anti-inflationary impact of the strong zloty.

Consumption and investments CPI (% YoY)



Based on Citi analyst forecasts (data as of 10/03/2025)

NBP reference rate (% EoP)



Based on Citi analyst forecasts (data as of 10/03/2025)

Capital Group – profit and loss account

PLN MM	4Q23	1Q24	2Q24	3Q24	3Q24	4Q24 vs.3Q24		4Q24 vs.4Q23		2023	2024	2024 vs. 2023	
						PLN MM	%	PLN MM	%			PLN MM	
Net interest income	772	798	805	819	795	(24)	(3%)	23	3%	3,279	3,217	(62)	(2%)
Net fee and commission income	136	144	148	141	138	(3)	(2%)	2	2%	561	571	10	2%
Dividend income	0	0	11	1	0	(1)	(81%)	(0)	(62%)	11	12	0	1%
Net gain on trading financial instruments and revaluation	179	135	144	140	179	39	28%	0	0%	797	598	(199)	(25%)
Net gain on debt investment financial assets measured at fair value through other comprehensive income	(116)	(6)	21	2	34	33	1760%	150	-	(148)	51	198	-
Hedge accounting	(2)	8	2	(8)	7	15	-	10	-	(10)	9	19	-
Treasury	61	137	166	133	221	87	65%	160	263%	639	657	18	3%
Net gain on other equity instruments	18	3	(10)	3	35	32	1093%	17	93%	35	32	(4)	(11%)
Net other operating income	(7)	(2)	(17)	(8)	(9)	(1)	8%	(2)	22%	(17)	(35)	(18)	103%
Revenue	980	1,081	1,103	1,089	1,181	91	8%	200	20%	4,509	4,454	(55)	(1%)
Expenses	(322)	(441)	(326)	(316)	(345)	(28)	9%	(22)	7%	(1,329)	(1,428)	(100)	7%
Depreciation	(29)	(30)	(29)	(30)	(31)	(1)	2%	(2)	6%	(111)	(119)	(8)	7%
Expenses and depreciation	(352)	(470)	(355)	(347)	(376)	(29)	8%	(24)	7%	(1,440)	(1,547)	(108)	7%
Operating margin	629	610	748	743	805	62	8%	176	28%	3,069	2,906	(163)	(5%)
Net impairment allowances on non-financial assets	-	-	(180)	-	(252)	(252)		(252)	-	-	(433)	(433)	-
Profit/(loss) on sale of tangible fixed assets	(0.1)	1.8	(0.1)	(0.3)	(0.8)	(0.6)	197%	(0.8)	884%	(0.1)	0.6	0.7	-
Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments	(8)	10	9	0	(3)	(3)	-	5	(67%)	(18)	17	35	-
Tax on certain financial institutions	(49)	(45)	(48)	(39)	(42)	(3)	7%	7	(13%)	(190)	(175)	15	(8%)
EBIT	572	577	528	703	507	(196)	(28%)	(65)	(11%)	2,861	2,316	(545)	(19%)
Corporate income tax	(122)	(123)	(134)	(159)	(139)	20	(12%)	(17)	14%	(604)	(555)	49	(8%)
Net profit	449	454	394	544	368	(177)	(32%)	(82)	(18%)	2,256	1,760	(496)	(22%)
C/I ratio	36%	44%	32%	32%	32%					32%	35%		

Institutional Banking – profit and loss account

PLN MM	4Q23	1Q24	2Q24	3Q24	4Q24	4Q24 vs.3Q24		4Q24 vs4Q23		2023	2024	2024 vs 2023	
						PLN MM	%	PLN MM	%			mln zł	%
Net interest income	504	521	535	532	522	(10)	(2%)	18	4%	2,193	2,110	(84)	(4%)
Net fee and commission income	100	106	111	104	106	2	2%	6	6%	400	427	26	7%
Dividend income	0	0	2	1	0	(1)	(90%)	(0)	(49%)	3	3	(0)	(10%)
Net gain on trading financial instruments and revaluation	170	127	136	131	171	40	31%	1	1%	761	564	(196)	(26%)
Net gain on debt investment financial assets measured at fair value through other comprehensive income	(116)	(6)	21	2	34	33	1760%	150	-	(148)	51	198	-
Hedge accounting	(2)	8	2	(8)	7	15	-	10	-	(10)	9	19	-
Treasury	52	129	158	124	212	88	71%	161	310%	603	624	21	3%
Net gain on other equity instruments	5	2	(2)	7	12	5	77%	7	144%	8	20	11	135%
Net other operating income	4	2	4	(1)	5	6	-	1	16%	11	9	(2)	(19%)
Revenue	665	760	807	767	858	91	12%	192	29%	3,219	3,192	(27)	(1%)
Expenses	(150)	(241)	(144)	(139)	(145)	(7)	5%	5	(3%)	(647)	(669)	(22)	3%
Depreciation	(7)	(6)	(7)	(8)	(8)	(0)	5%	(2)	25%	(25)	(29)	(4)	16%
Expenses and depreciation	(157)	(247)	(151)	(146)	(154)	(7)	5%	3	(2%)	(672)	(698)	(26)	4%
Operating margin	509	513	656	621	704	83	13%	195	38%	2,547	2,494	(53)	(2%)
Profit/(loss) on sale of tangible fixed assets	0.0	1.9	-0.1	-0.2	-0.7	(1)	332%	(1)	2723%	0.0	0.9	1	-
Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments	10	(3)	(11)	(1)	(3)	(2)	166%	(14)	-	37	(19)	(55)	-
Tax on certain financial institutions	(34)	(30)	(34)	(27)	(29)	(2)	7%	5	(13%)	(133)	(121)	12	(9%)
EBIT	485	482	611	592	670	79	13%	185	38%	2,451	2,355	(95)	(4%)
C/I ratio	24%	33%	19%	19%	18%					21%	22%		

Consumer Banking – profit and loss account

PLN MM	4Q23	1Q24	2Q24	3Q24	4Q24	4Q24 vs.3Q24		4Q24 vs.4Q23		2023	2024	2024 vs. 2023	
						PLN MM	%	PLN MM	%			PLN MM	%
Net interest income	268	277	270	287	273	(14)	(5%)	5	2%	1,086	1,107	22	2%
Net fee and commission income	36	38	37	37	32	(5)	(13%)	(3)	(10%)	161	145	(17)	(10%)
Dividend income	0	0	9	0	0	0	20%	(0)	(69%)	8	9	0	5%
Net gain on trading financial instruments and revaluation	9	8	8	9	8	(1)	(10%)	(1)	(8%)	36	34	(3)	(7%)
Net gain on other equity instruments	13	1	(8)	(4)	23	27	-	10	74%	27	12	(15)	(56%)
Net other operating income	(11)	(4)	(21)	(7)	(13)	(6)	95%	(2)	20%	(29)	(45)	(16)	55%
Revenue	315	320	296	322	323	1	0%	8	3%	1,289	1,261	(28)	(2%)
Expenses	(172)	(200)	(182)	(178)	(199)	(21)	12%	(27)	16%	(681)	(759)	(78)	11%
Depreciation	(23)	(23)	(22)	(22)	(23)	(0)	1%	(0)	0%	(86)	(90)	(4)	5%
Expenses and depreciation	(195)	(223)	(204)	(200)	(222)	(22)	11%	(27)	14%	(767)	(849)	(82)	11%
Net impairment allowances on non-financial assets	-	-	(180)	-	(252)	(252)	-	(252)	-	-	(433)	(433)	-
Operating margin	120	97	92	122	101	(21)	(17%)	(19)	(16%)	522	412	(110)	(21%)
Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments	(18)	13	20	1	1	(1)	(53%)	19	-	(55)	35	90	-
Tax on certain financial institutions	(15)	(15)	(15)	(12)	(13)	(1)	6%	2	(13%)	(57)	(54)	3	(5%)
EBIT	87	95	(83)	112	(163)	(275)	-	(250)	-	410	(40)	(450)	-
C/I ratio	62%	70%	69%	62%	69%					60%	67%		

Balance sheet - assets

PLN B	End of period					4Q24 vs. 4Q23	
	4Q23	1Q24	2Q24	3Q24	4Q24	PLN B	%
Cash and cash equivalents	1.2	1.0	0.5	1.9	5.8	4.6	367%
Amounts due from banks	15.4	8.6	4.2	15.5	8.8	(6.6)	(43%)
Financial assets held-for-trading	4.1	5.5	5.6	6.0	4.4	0.4	9%
Debt financial asstes measured at fair value through other comprehensive income	29.6	37.2	39.2	24.7	30.1	0.5	2%
Customer loans	20.1	20.5	21.2	21.9	21.4	1.3	7%
Financial sector entities	4.2	5.1	5.3	6.2	5.1	0.9	22%
including reverse repo receivables	0.2	0.7	0.6	0.9	0.3	0.1	67%
Non-financial sector entities	15.9	15.4	15.9	15.7	16.3	0.4	2%
Institutional Banking	10.0	9.4	9.8	9.6	10.2	0.3	3%
Consumer Banking	5.9	5.9	6.1	6.1	6.0	0.1	2%
Unsecured receivables	3.7	3.7	3.7	3.8	3.7	(0.0)	(1%)
Credit cards	2.1	2.0	2.0	2.0	2.0	(0.1)	(5%)
Cash loans	1.6	1.6	1.7	1.7	1.7	0.1	5%
Other unsecured receivables	0.0	0.0	0.0	0.0	0.0	(0.0)	(23%)
Mortgage	2.2	2.3	2.3	2.4	2.3	0.1	6%
Other assets	2.3	2.5	2.3	2.4	2.0	(0.3)	(12%)
Total assets	72.6	75.2	73.1	72.4	72.5	(0.1)	(0%)

Balance sheet – liabilities and equity

PLN B	End of period					4Q24 vs. 4Q23	
	4Q23	1Q24	2Q24	3Q24	4Q24	PLN B	%
Liabilities due to banks	3.4	5.3	3.6	3.4	4.4	1.1	31%
Financial liabilities held-for-trading	3.5	2.9	3.2	3.2	2.8	(0.8)	(22%)
Financial liabilities due to customers	54.2	54.5	53.8	53.9	54.0	(0.2)	(0%)
Financial sector entities - deposits	3.8	4.0	4.0	4.4	4.0	0.2	6%
Non-financial sector entities - deposits	49.4	49.0	48.5	48.2	49.4	0.0	0%
Institutional Banking	29.4	29.5	29.2	28.9	29.4	-	0%
Consumer Banking	20.1	19.5	19.4	19.3	20.1	-	0%
Other deposits	1.0	1.6	1.3	1.3	0.5	(0.4)	(45%)
Other liabilities	1.8	2.1	3.3	2.1	1.4	(0.3)	(18%)
Total liabilities	62.8	64.9	63.9	62.7	62.6	(0.2)	(0%)
Share capital	0.5	0.5	0.5	0.5	0.5	-	0%
Supplementary capital	3.0	3.0	3.0	3.0	3.0	-	0%
Own shares	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	-
Revaluation reserve	0.1	0.2	0.2	0.2	(0.1)	(0.2)	(151%)
Other reserves	3.2	3.2	4.1	4.0	4.0	0.8	27%
Retained earning	2.9	3.3	1.5	2.0	2.4	(0.5)	(17%)
Total Equity	9.7	10.3	9.2	9.8	9.9	0.1	1%
Total liabilities & equity	72.6	75.2	73.1	72.4	72.5	(0.1)	(0%)
Loans / Deposits ratio	38%	39%	40%	42%	40%		

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