



Bank Handlowy w Warszawie S.A.

1Q'25 earnings conference

May 8th, 2025

1Q'25 | Financial results summary

1Q'25 Financial results

Revenue PLN 1,067 MM	Net profit PLN 435 MM	ROE 20.0%
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Balance sheet dynamics YoY

Loans * +12%	Deposits +9%
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Capital ratio

TLAC TREA 26,5%

Business segments' performance in 1Q'25

Institutional Banking | Significant growth of loan portfolio

- **Revenue:** lower by 11% QoQ due to high base effect in 4Q'24 linked with higher income on treasury activity. On the other hand, core recurrent revenue (sum of net interest income and net fee & commission income) grew by +2% QoQ driven by growing clients' demand for financing
- **Loans:** non-financial and financial clients' volume increased by +8% QoQ. Each segment of the Bank had positive contribution to assets growth
- **Transactions:** good structure of new financing volumes – 76% share of long-term loans
- **Financial markets:** lower FX volumes driven by high base effect in 4Q'24. On the other hand, continuation of positive trends in brokerage, turnover growth by +63% QoQ
- **Transaction banking:** growth of average trade finance assets by +6% QoQ

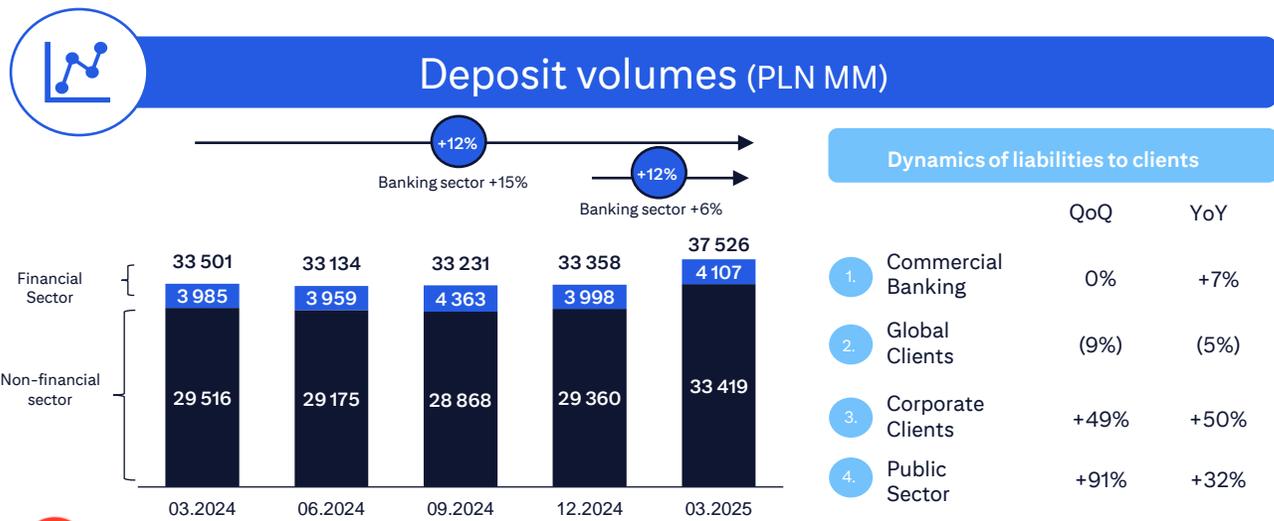
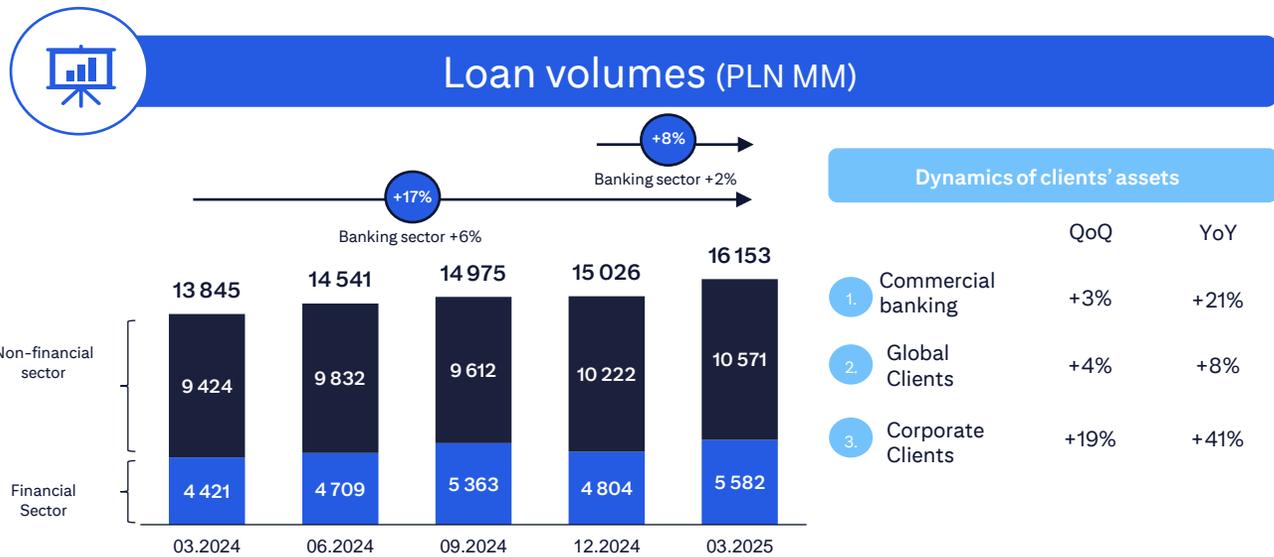
Consumer Banking | Strong sale of FX and investment products

- **Revenue:** stable in QoQ perspective excl. one-off event (valuation of capital investment's instruments)
- **Deposits:** maintained deposits growth by +1% QoQ driven by attractive offer for transactionally active clients
- **FX:** FX volumes growth by +16% QoQ
- **Wealth Management:** growth of investment products sale by +30% QoQ

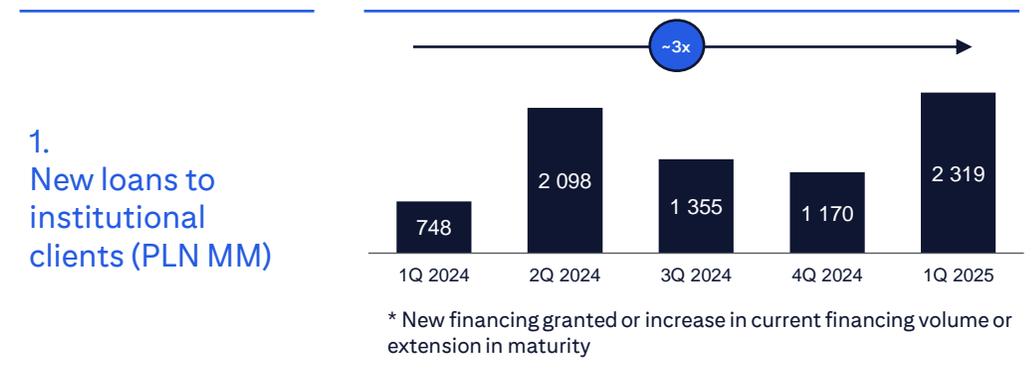
*) Excl. Reverse Repo transactions

Institutional Banking | Business volumes

Loan volume growth dynamics above banking sector



1Q 2025 transaction volumes



- 1. New loans to institutional clients (PLN MM)**
- 2. FX volumes**
 - **↑13% YoY** – FX volumes
- 3. Transaction Banking**
 - **↑7% YoY** - number of cross-border money transfers
 - **↑1% YoY** - number of domestic money transfers
 - **↑1% YoY** - number of transactions processed online
- 4. Custody**
 - **Leading position in terms of market share**
 - **↑4.5 pp.** – Bank's market share

Institutional Banking | Key transactions

Financing



Loan

Financing of the strategic investments in Poland: Energy sector transformation, decarbonization of the Polish economy, support for economic growth





Syndicated loan

EUR 252 MM





Syndicated loan

PLN 4.2 B





Syndicated loan

PLN 1.77 B

EUR 101 MM





Capital markets

Diagnostyka+

IPO

PLN 1.7 B





DMBH acted as a Global Coordinator and Joint Bookrunner

CCC
GROUP

Issue of the new series of shares

PLN 1.5 B

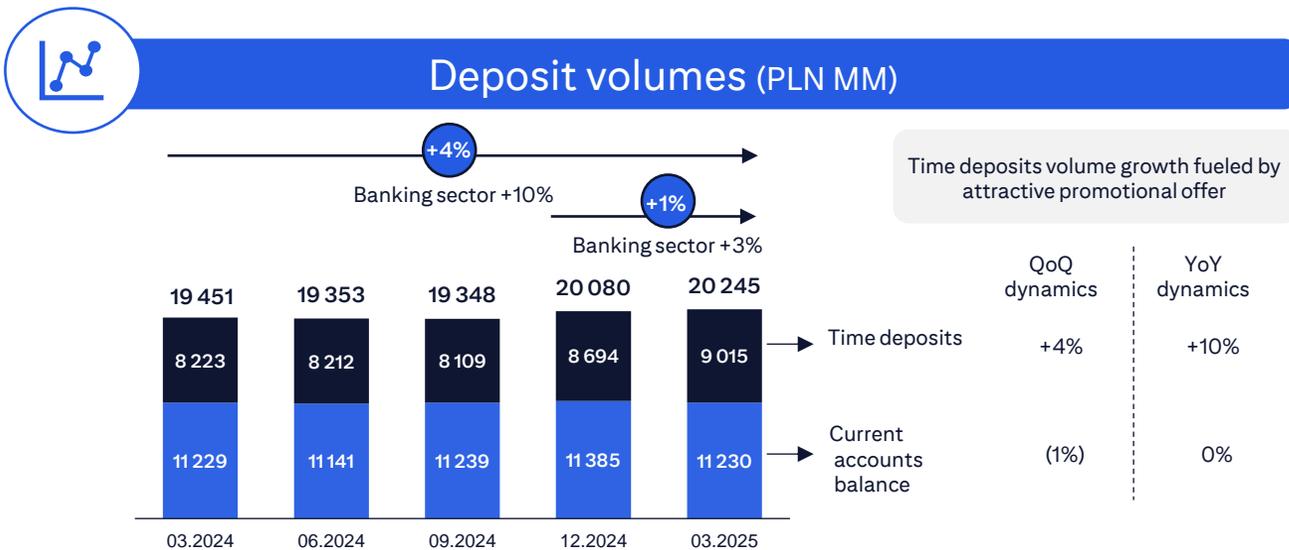
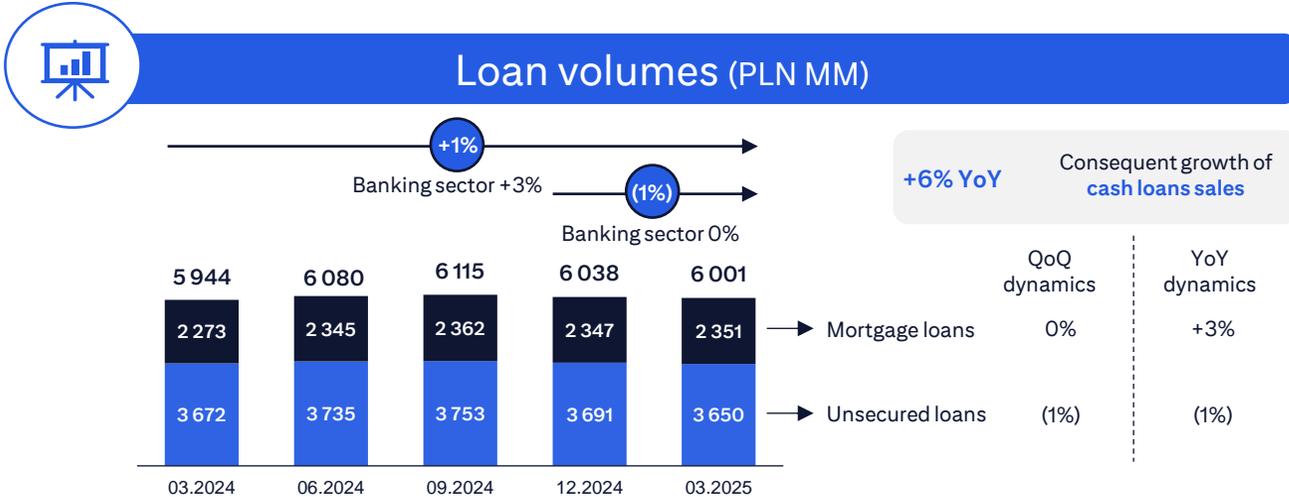




DMBH acted as a Joint Bookrunner

Consumer Banking | Business volumes

Strong performance in investments and FX



1Q 2025 transaction volumes

1. FX volumes

- FX volumes growth by **14% YoY**
- **Number of transactions** in CitiKantor grew by **20% YoY**
- **64% of FX volumes** were processed via CitiKantor
- **Record high transactions number** in CitiKantor

2. Private Banking

- **↑10%** YoY - average Total Relationship Balance
- **↑6%** YoY - number of Citigold Private Client

3. Cards

- **↓4%** YoY - card transaction value (domestic)
- **↓3%** YoY - card transaction value (cross border)

We do not forget about Ukraine



Mentoring and support for

524

refugees from Ukraine



Aid for refugees from Ukraine preventing homelessness



Citi and Citi Foundation donated more than **USD 7 MM** for humanitarian actions in Poland and Ukraine

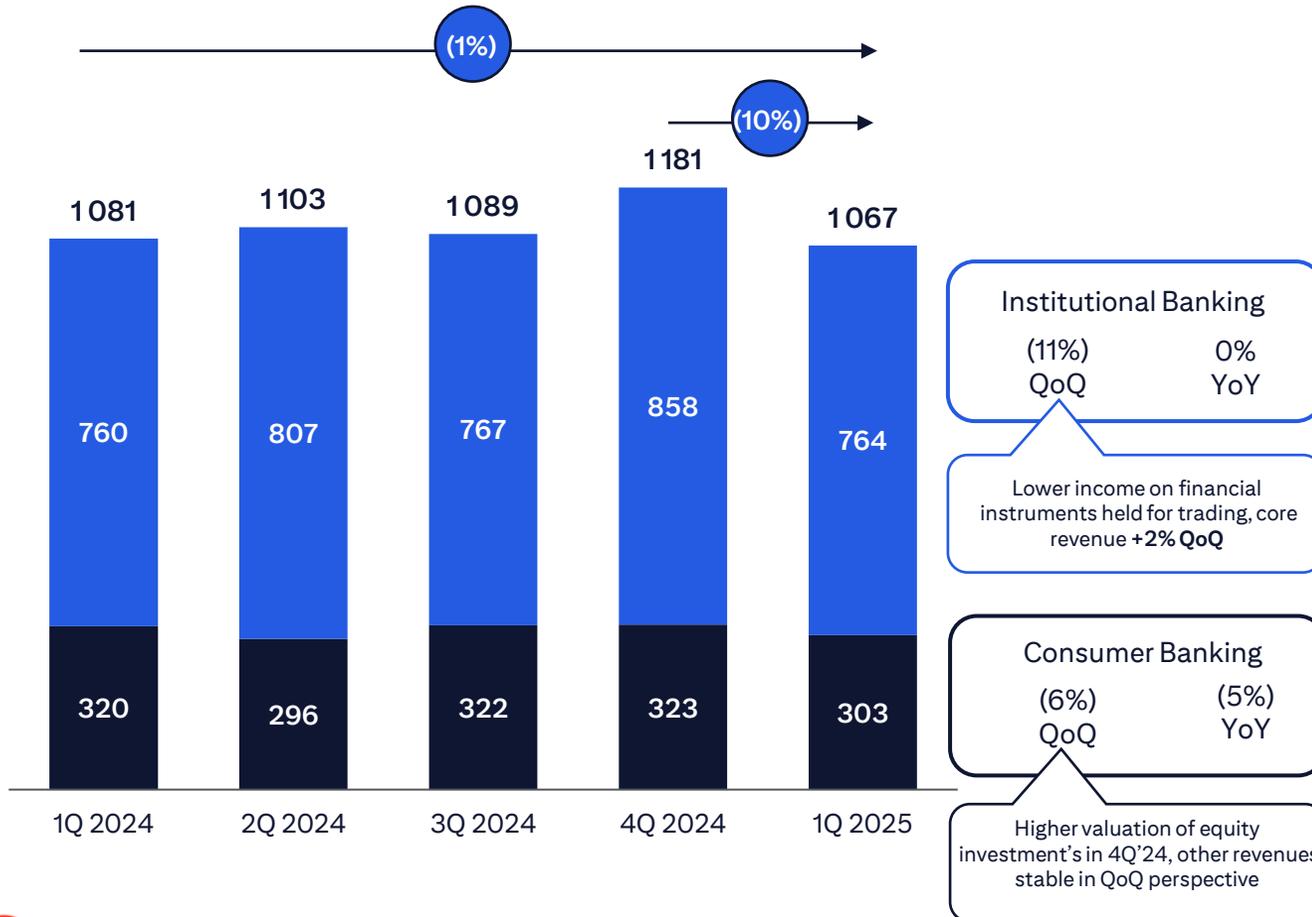


Consolidated financial results

Total Revenue

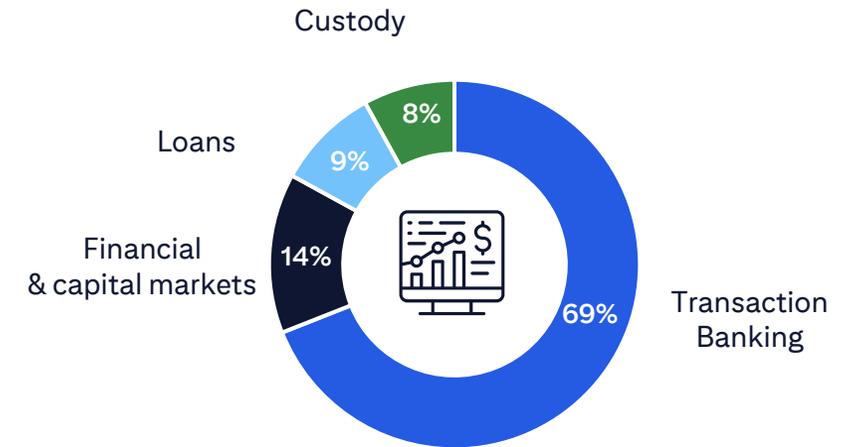
Revenue – segment split (PLN MM)

Maintained high core revenue of the Bank (sum of net interest income and net fees & commission income) driven by higher clients' demand for financing – loans and capital markets.

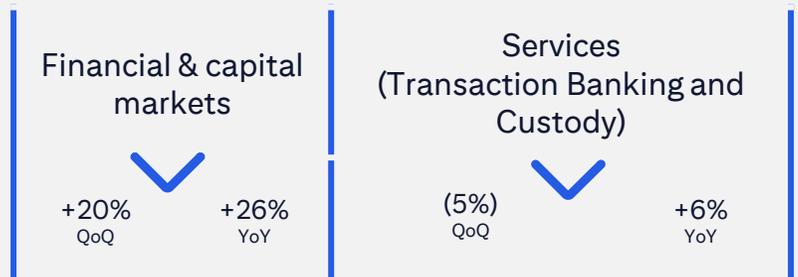


Institutional Banking in 1Q'25

Share of Institutional Banking products in clients' revenue mix (Management view)



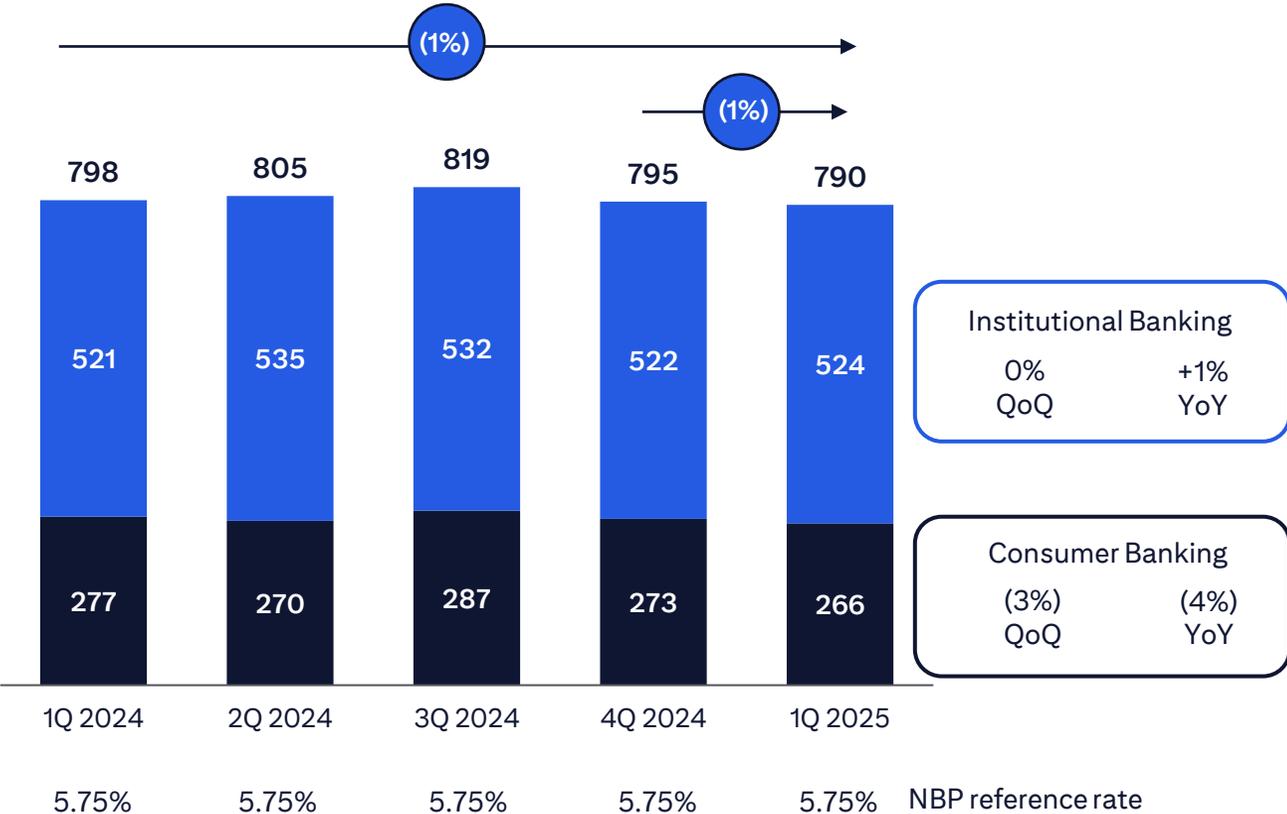
Client revenue growth by 9% YoY driven by revival in clients' demand for financing



Net interest income

Net interest income – segment split (PLN MM)

Stable net interest income in Institutional Banking. Higher loan volumes affected client revenues positively.



Net interest margin

Visible growth of margin on Institutional Banking products.

Net interest margin* – Bank vs. Banking sector

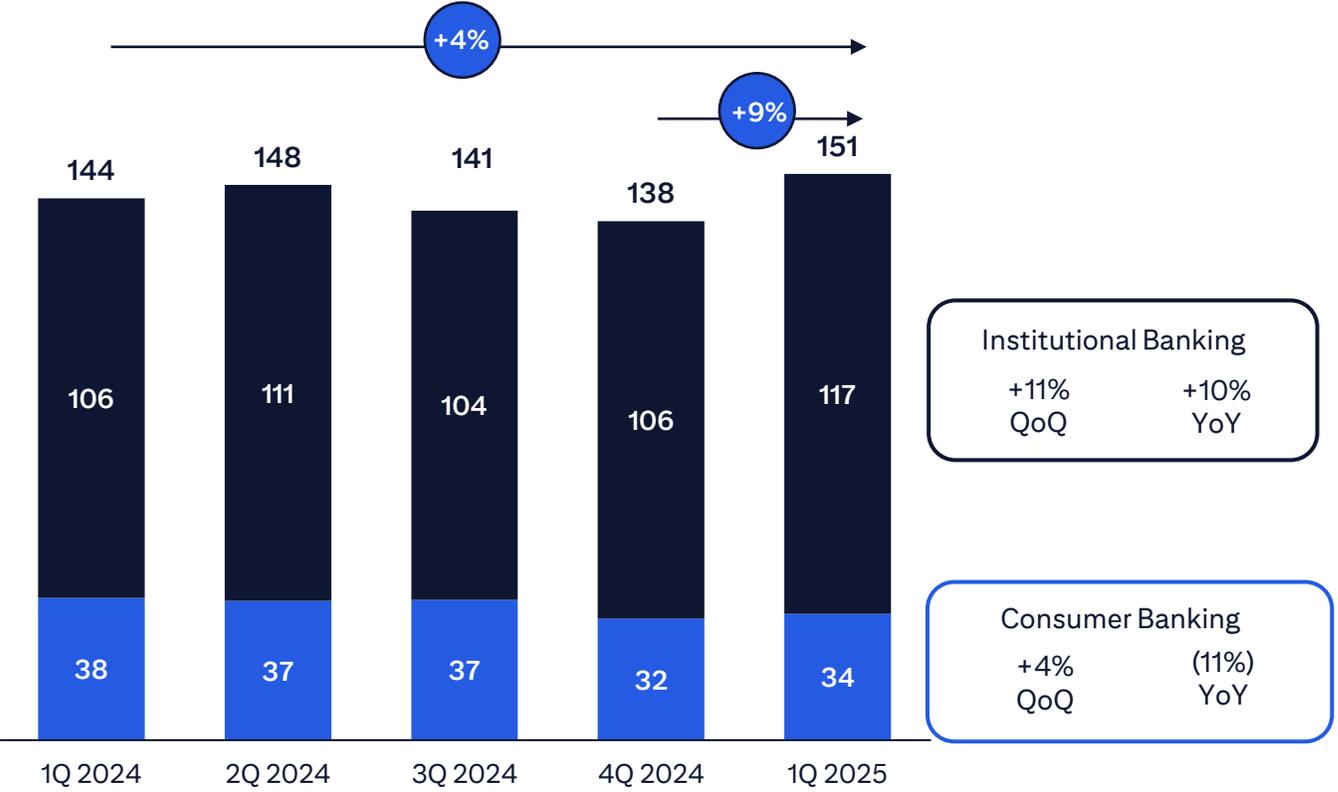
	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025
Bank	4,79%	4,78%	4,85%	4,69%	4,60%
Banking sector	3,51%	3,41%	3,56%	3,52%	3,41%

* Interest margin = quarterly net interest income x 4 / average working assets balance for last 4 consecutive quarters

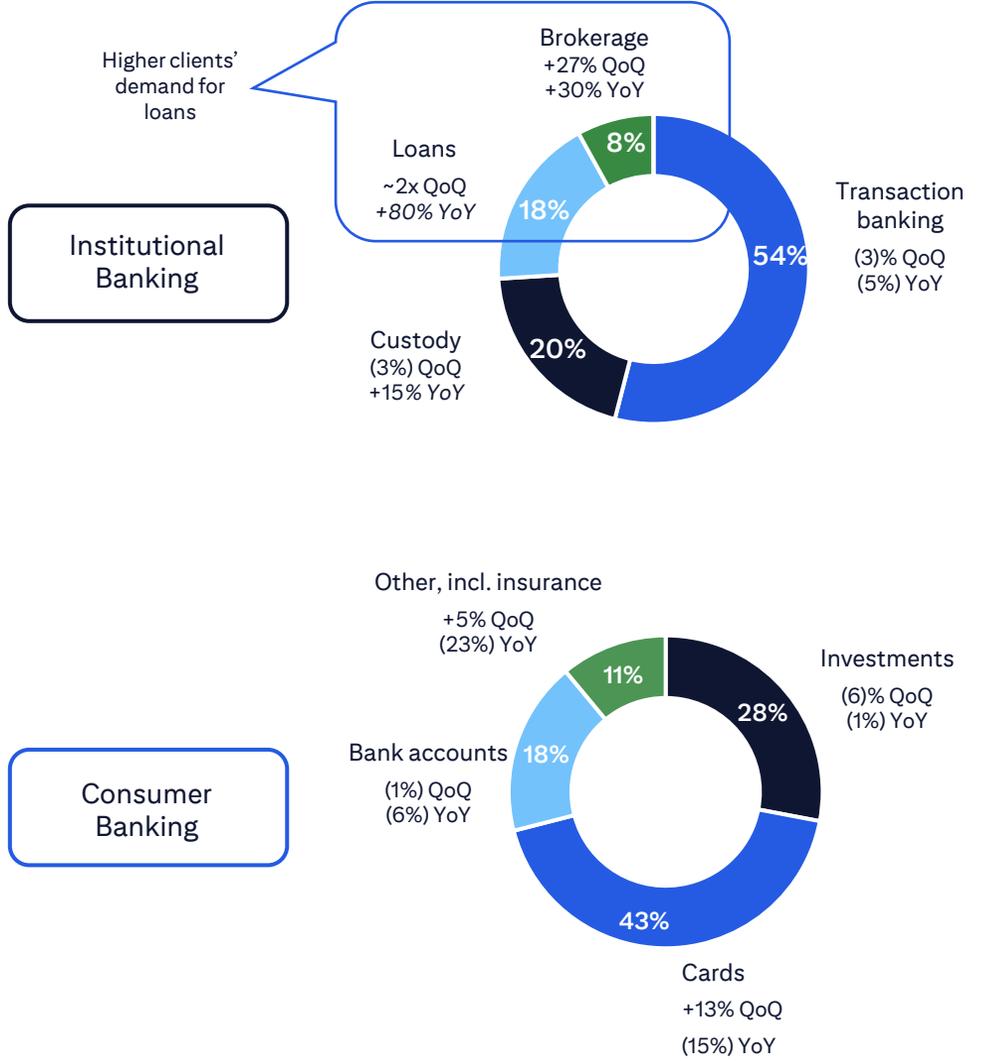
Net fee and commission income

Net fees & commission income – segment split (PLN MM)

High clients' activity in the Institutional Banking segment was the most important growth factor for fees & commission income growth

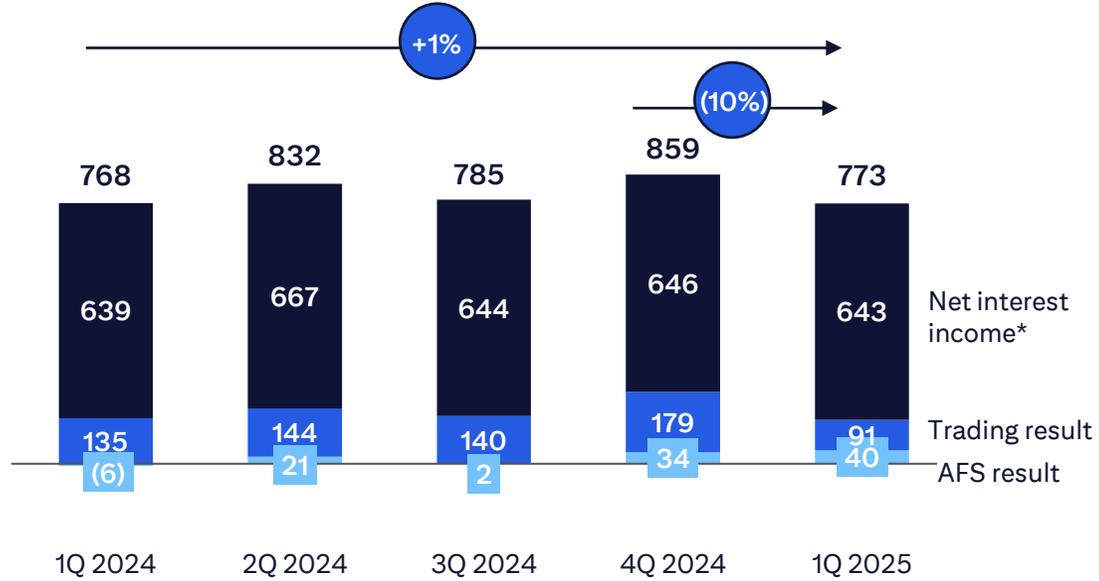


Net fees & commission income for 1Q'25 – structure and dynamics



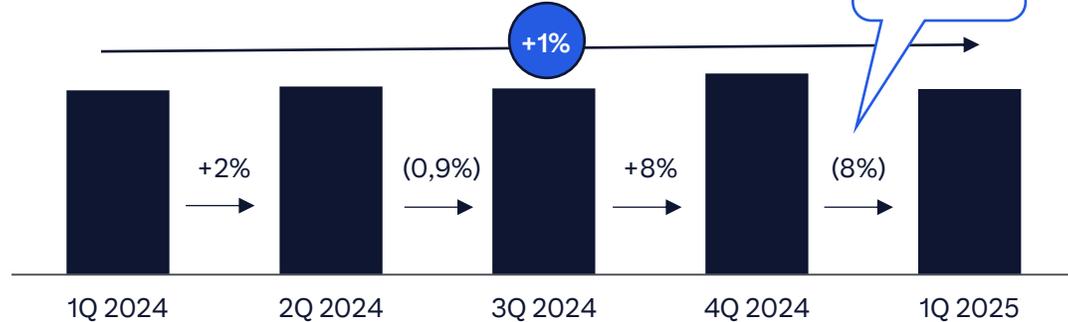
Treasury

Treasury result (PLN MM)



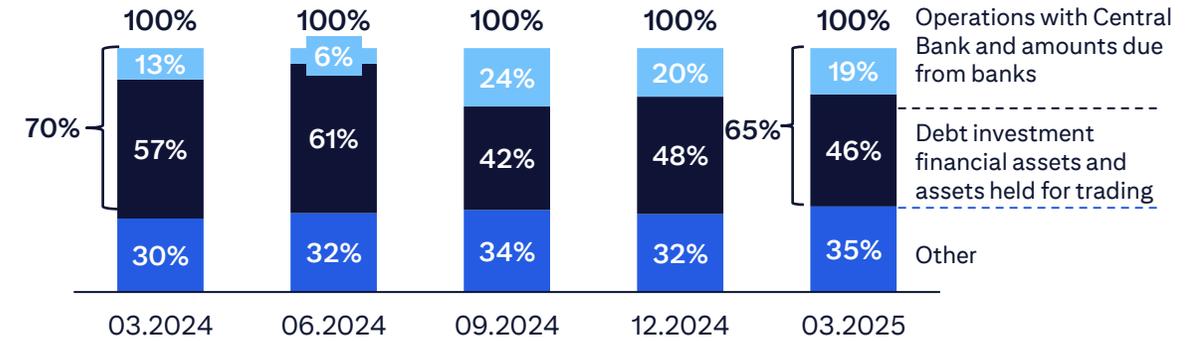
* Sum of net interest income on debt securities, amounts due from banks and derivatives in hedge accounting

Income on FX – client activity (Institutional Banking)

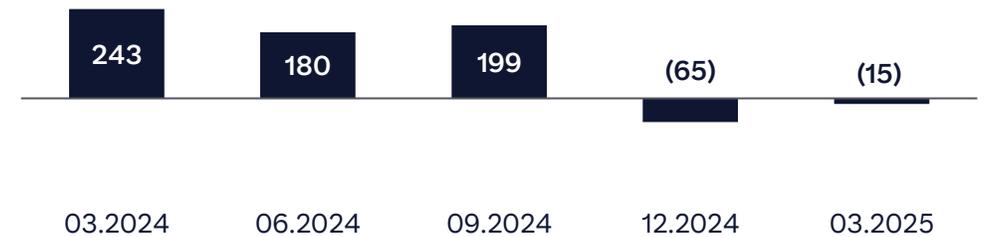


Balance sheet structure (%)

Decrease of share of debt securities portfolio as a result of client assets growth

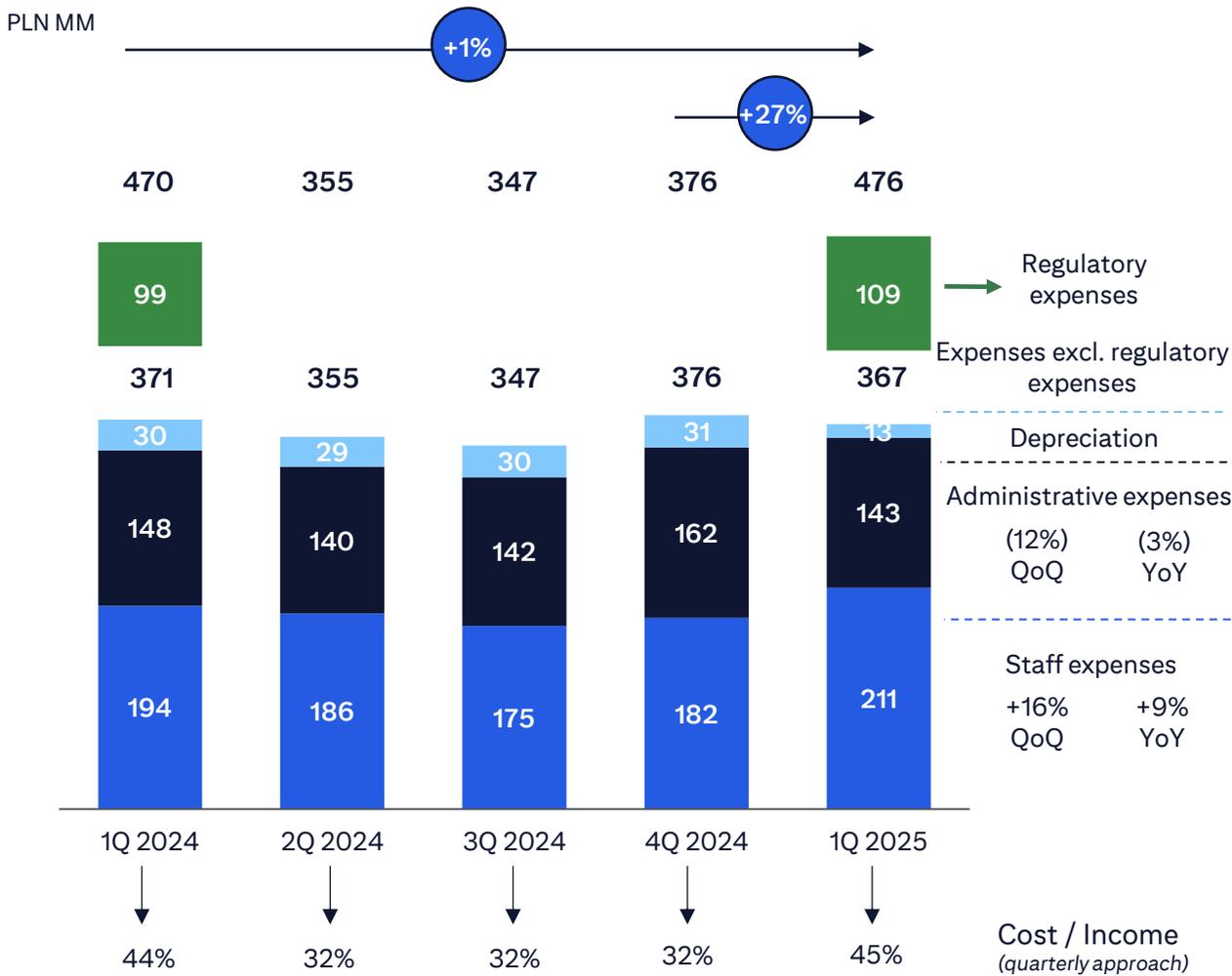


Revaluation reserve (PLN MM)



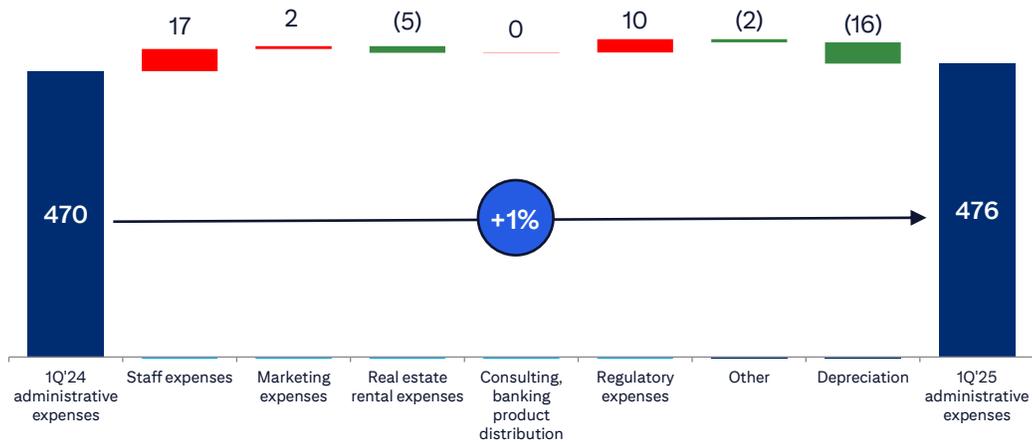
Expenses

Operating expenses (PLN MM)



1Q 2025 Expenses by type (PLN MM)

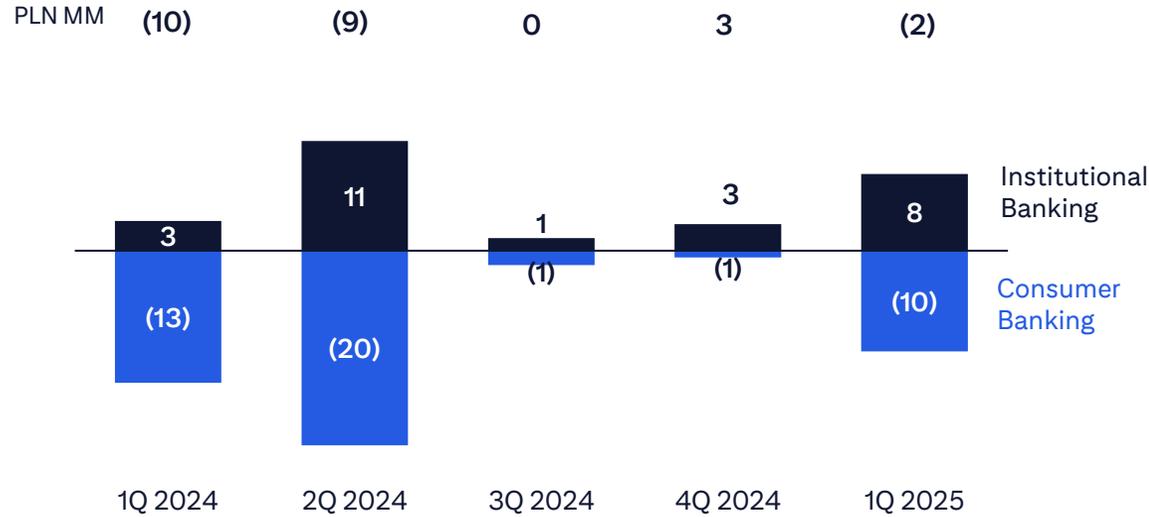
Operating expenses growth fueled by higher remunerations and regulatory expenses, almost entirely balanced by lower depreciation in Consumer Banking segment.



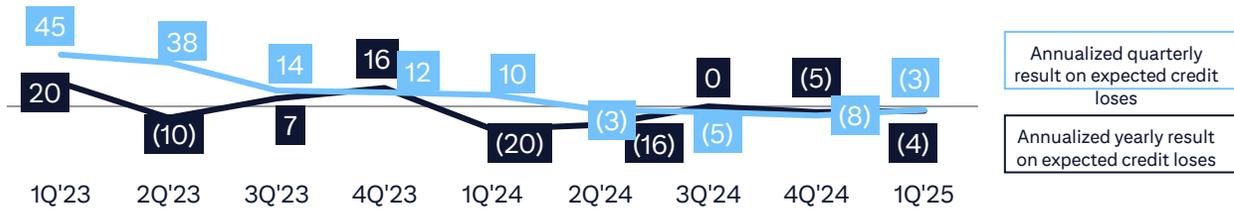
Cost of Risk

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



*Based on NBP data as for February 2025.

Share of stage 3 in loan portfolio (for Citi Handlowy amounts due from financial and nonfinancial sector)



*Based on NBP data as for February 2025.

Summary of the Capital Group financial results

	1Q25	4Q24	ΔQoQ	1Q24	ΔYoY
Net interest income	790	795	(1%)	798	(1%)
Net fee and commission income	151	138	9%	144	4%
Core revenue	940	933	1%	942	(0%)
Treasury	128	221	(42%)	137	(6%)
Other	(2)	27	-	1	(236%)
Total revenue	1,067	1,181	(10%)	1,081	(1%)
Expenses	(476)	(376)	27%	(470)	1%
Operating margin	591	805	(27%)	610	(3%)
Net impairment losses	2	(3)	-	10	(77%)
Impairment of non-financial assets	0	(252)	-	-	-
Bank levy	(40)	(42)	(4%)	(45)	(11%)
Profit before tax	554	507	9%	577	(4%)
Corporate income tax	(119)	(139)	(14%)	(123)	(3%)
Net profit	435	368	18%	454	(4%)
ROE	20.0%	21.1%	(1.1 pp.)	26.4%	(6.4 pp.)
ROA	2.4%	2.4%	(0.6 pp.)	2.9%	(1.1 pp.)
Revaluation reserve	(15)	(65)	(77%)	243	(106%)
Assets	77,162	72,478	6%	75,204	3%
Net loans	24,818	21,367	16%	20,466	21%
Deposits	57,772	53,437	8%	52,952	9%
Loans / Deposits	43%	40%		39%	
TLAC TREA	26.5%	24.4%		23.7%	

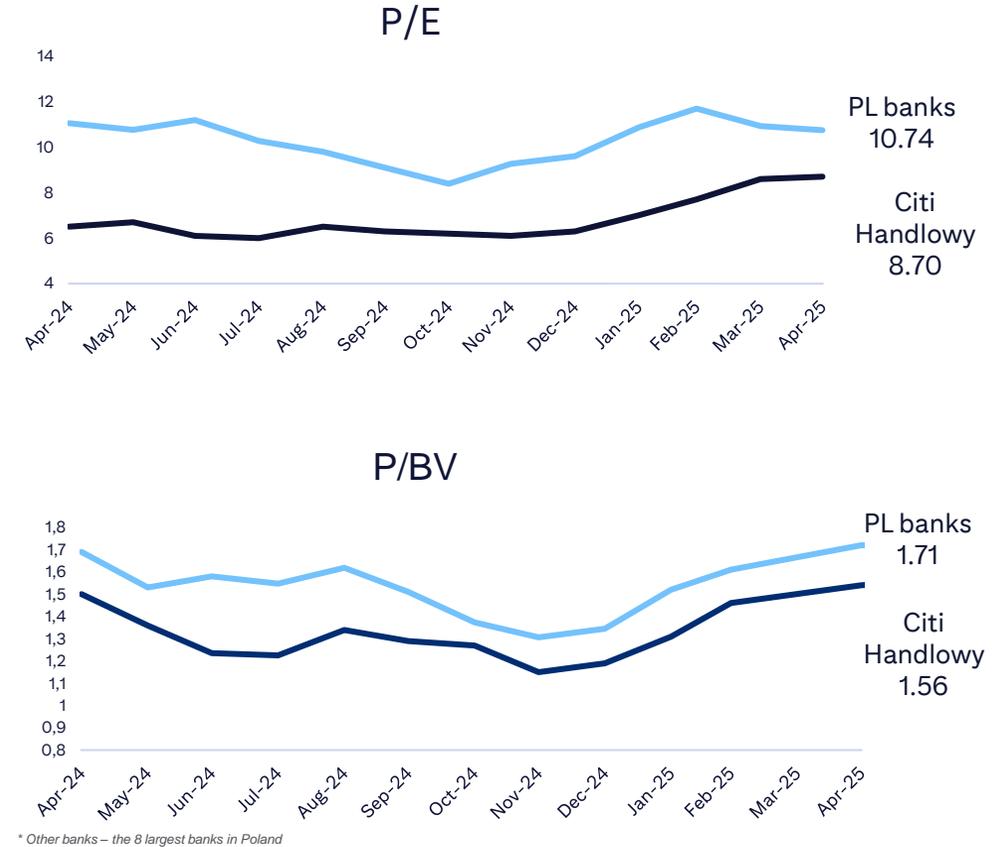
Appendix

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

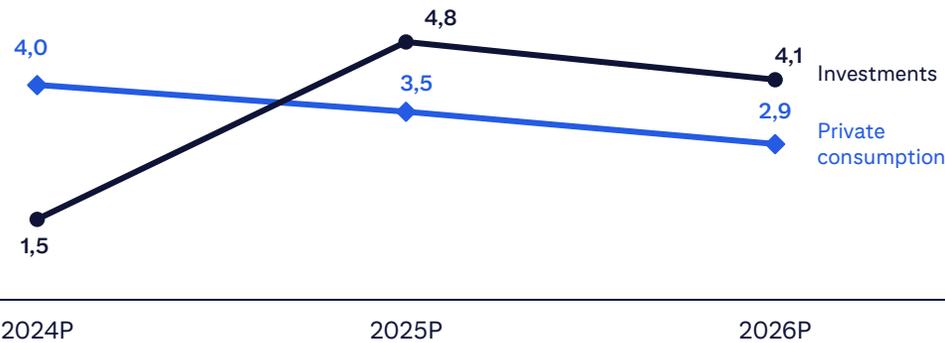
GDP of Poland (% YoY)



Based on Citi analyst forecasts (data as of 05.05.2025)

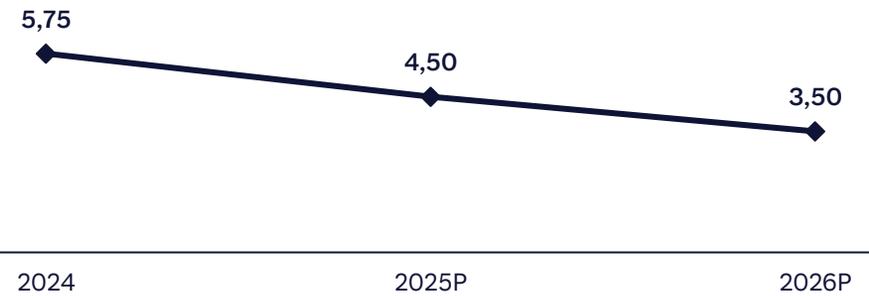
- The most important recent event on the financial markets was the introduction by the new US administration of high import tariffs on almost all countries of the world.
- The implemented changes have several serious consequences. Firstly, for the US economy higher tariffs mean a sharp increase in inflation and a drop in economic activity as a consequence. As a result, the scenario of a recession in the US is becoming increasingly likely. Moreover, if the direction of trade policy is maintained, a deep slowdown of the global economy will be possible also.
- Although export to the US constitutes ~3% of Polish exports, the intensification of tariff wars could have a noticeable impact on economic activity in the country. Taking into account indirect trade links, for example the fact that components manufactured in Poland are then assembled in Germany and ultimately shipped to the US, the exposure to the US market almost doubles and reaches 6.2%.
- Taking these factors into account, this month we lowered our GDP growth forecasts for Poland. For 2025 alone, the reduction in forecasts is small (-0.1 pp to 3.9%), mainly because the effects of the tariff war will only become apparent in the second half of the year. In turn, the impact on 2026 will probably be higher - we expect GDP growth at 3.2%, which is -0.4 pp below the previous forecast.

Consumption and investments CPI (% YoY)



Based on Citi analyst forecasts (data as of 05.05.2025)

NBP reference rate (% EoP)



Based on Citi analyst forecasts (data as of 05.05.2025)

Capital Group – profit and loss account

PLN MM	1Q24	2Q24	3Q24	3Q24	1Q25	1Q25 vs.4Q24		1Q25 vs.1Q24	
						PLN MM	%	PLN MM	%
Net interest income	798	805	819	795	790	(6)	(1%)	(8)	(1%)
Net fee and commission income	144	148	141	138	151	13	9%	6	4%
Dividend income	0	11	1	0	0	(0)	(30%)	(0)	(4%)
Net gain on trading financial instruments and revaluation	135	144	140	179	91	(88)	(49%)	(45)	(33%)
Net gain on debt investment financial assets measured at fair value through other comprehensive income	(6)	21	2	34	40	6	17%	46	-
Hedge accounting	8	2	(8)	7	(2)	(10)	-	(10)	-
Treasury	137	166	133	221	128	(92)	(42%)	(9)	(6%)
Net gain on other equity instruments	3	(10)	3	35	2	(34)	(95%)	(1)	(46%)
Net other operating income	(2)	(17)	(8)	(9)	(3)	5	(60%)	(2)	100%
Revenue	1,081	1,103	1,089	1,181	1,067	(114)	(10%)	(14)	(1%)
Expenses	(441)	(326)	(316)	(345)	(463)	(118)	34%	(22)	5%
Depreciation	(30)	(29)	(30)	(31)	(13)	18	(58%)	16	(56%)
Expenses and depreciation	(470)	(355)	(347)	(376)	(476)	(100)	27%	(6)	1%
Operating margin	610	748	743	805	591	(214)	(27%)	(20)	(3%)
Net impairment allowances on non-financial assets	-	(180)	-	(252)	-	252	-	-	-
Profit/(loss) on sale of tangible fixed assets	1.8	(0.1)	(0.3)	(0.8)	1.1	1.9	-	(0.8)	(42%)
Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments	10	9	0	(3)	2	5	-	(8)	(77%)
Tax on certain financial institutions	(45)	(48)	(39)	(42)	(40)	2	(4%)	5	(11%)
EBIT	577	528	703	507	554	47	9%	(23)	(4%)
Corporate income tax	(123)	(134)	(159)	(139)	(119)	20	(14%)	4	(3%)
Net profit	454	394	544	368	435	67	18%	(19)	(4%)
C/I ratio	44%	32%	32%	32%	45%				

Institutional Banking – profit and loss account

PLN MM	1Q24	2Q24	3Q24	4Q24	1Q25	1Q25 vs.4Q24		1Q25 vs1Q24	
						PLN MM	%	PLN MM	%
Net interest income	521	535	532	522	524	2	0%	3	1%
Net fee and commission income	106	111	104	106	117	11	11%	11	10%
Dividend income	0	2	1	0	0	(0)	(57%)	(0)	(26%)
Net gain on trading financial instruments and revaluation	127	136	131	171	82	(88)	(52%)	(45)	(35%)
Net gain on debt investment financial assets measured at fair value through other comprehensive income	(6)	21	2	34	40	6	17%	46	-
Hedge accounting	8	2	(8)	7	(2)	(10)	-	(10)	-
Treasury	129	158	124	212	120	(93)	(44%)	(9)	(7%)
Net gain on other equity instruments	2	(2)	7	12	1	(11)	(90%)	(1)	(40%)
Net other operating income	2	4	(1)	5	2	(3)	(60%)	(0)	(9%)
Revenue	760	807	767	858	764	(94)	(11%)	3	0%
Expenses	(241)	(144)	(139)	(145)	(242)	(96)	66%	(1)	0%
Depreciation	(6)	(7)	(8)	(8)	(8)	0	(1%)	(2)	27%
Expenses and depreciation	(247)	(151)	(146)	(154)	(250)	(96)	63%	(2)	1%
Operating margin	513	656	621	704	514	(190)	(27%)	1	0%
Profit/(loss) on sale of tangible fixed assets	1.9	-0.1	-0.2	-0.7	1.1	2	-	(1)	(41%)
Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments	(3)	(11)	(1)	(3)	(8)	(4)	129%	(5)	158%
Tax on certain financial institutions	(30)	(34)	(27)	(29)	(28)	1	(4%)	2	(6%)
EBIT	482	611	592	670	479	(191)	(29%)	(3)	(1%)
C/I ratio	33%	19%	19%	18%	33%				

Consumer Banking – profit and loss account

PLN MM	1Q24	2Q24	3Q24	4Q24	1Q25	1Q25 vs.4Q24		1Q25 vs.1Q24	
						PLN MM	%	PLN MM	%
Net interest income	277	270	287	273	266	(7)	(3%)	(11)	(4%)
Net fee and commission income	38	37	37	32	34	1	4%	(4)	(11%)
Dividend income	0	9	0	0	0	(0)	(6%)	0	9%
Net gain on trading financial instruments and revaluation	8	8	9	8	8	0	3%	0	3%
Net gain on other equity instruments	1	(8)	(4)	23	0	(22)	(98%)	(1)	(59%)
Net other operating income	(4)	(21)	(7)	(13)	(5)	8	(60%)	(2)	41%
Revenue	320	296	322	323	303	(20)	(6%)	(17)	(5%)
Expenses	(200)	(182)	(178)	(199)	(221)	(22)	11%	(21)	11%
Depreciation	(23)	(22)	(22)	(23)	(5)	18	(78%)	18	(78%)
Expenses and depreciation	(223)	(204)	(200)	(222)	(226)	(4)	2%	(3)	1%
Operating margin	97	92	122	101	77	(24)	(24%)	(20)	(21%)
Net impairment allowances on non-financial assets	-	(180)	-	(252)	-	252	(100%)	-	-
Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments	13	20	1	1	10	10	1363%	(3)	(24%)
Tax on certain financial institutions	(15)	(15)	(12)	(13)	(12)	1	(6%)	3	(21%)
EBIT	95	(83)	112	(163)	75	238	-	(20)	(21%)
C/I ratio	70%	69%	62%	69%	75%				

Balance sheet - assets

PLN B	End of period					1Q2025 vs. 4Q2024		1Q25 vs. 1Q24	
	1Q24	2Q24	3Q24	4Q24	1Q25	PLN B	%	PLN B	%
Cash and cash equivalents	1.0	0.5	1.9	5.8	6.7	0.9	15%	5.6	538%
Amounts due from banks	8.6	4.2	15.5	8.8	8.4	(0.4)	(5%)	(0.2)	(2%)
Financial assets held-for-trading	5.5	5.6	6.0	4.4	4.4	(0.0)	(0%)	(1.0)	(19%)
Debt financial asstes measured at fair value through other comprehensive income	37.2	39.2	24.7	30.1	30.7	0.6	2%	(6.5)	(17%)
Customer loans	20.5	21.2	21.9	21.4	24.8	3.5	16%	4.4	21%
Financial sector entities	5.1	5.3	6.2	5.1	8.2	3.1	61%	3.1	62%
including reverse repo receivables	0.7	0.6	0.9	0.3	-	(0.3)	(100%)	(0.7)	(100%)
Non-financial sector entities	15.4	15.9	15.7	16.3	16.6	0.3	2%	1.2	8%
Institutional Banking	9.4	9.8	9.6	10.2	10.6	0.3	3%	1.1	12%
Consumer Banking	5.9	6.1	6.1	6.0	6.0	(0.0)	(1%)	0.1	1%
Unsecured receivables	3.7	3.7	3.8	3.7	3.7	(0.0)	(1%)	(0.0)	(1%)
Credit cards	2.0	2.0	2.0	2.0	1.9	(0.1)	(5%)	(0.1)	(6%)
Cash loans	1.6	1.7	1.7	1.7	1.7	0.0	2%	0.1	5%
Other unsecured receivables	0.0	0.0	0.0	0.0	0.0	0.0	46%	0.0	41%
Mortgage	2.3	2.3	2.4	2.3	2.4	0.0	0%	0.1	3%
Other assets	2.5	2.3	2.4	2.0	2.2	0.2	8%	(0.3)	(12%)
Total assets	75.2	73.1	72.4	72.5	77.2	4.7	6%	2.0	3%

Balance sheet – liabilities and equity

	End of period					1Q2025 vs. 4Q2024		1Q25 vs. 1Q24	
	1Q24	2Q24	3Q24	4Q24	1Q25	PLN B	%	PLN B	%
PLN B									
Total assets	75.2	73.1	72.4	72.5	77.2	4.7	6%	2.0	3%
Liabilities due to banks	5.3	3.6	3.4	4.4	3.3	(1.1)	(25%)	(2.0)	(37%)
Financial liabilities held-for-trading	2.9	3.2	3.2	2.8	2.3	(0.4)	(16%)	(0.6)	(20%)
Financial liabilities due to customers	54.5	53.8	53.9	54.0	58.2	4.2	8%	3.7	7%
Financial sector entities - deposits	4.0	4.0	4.4	4.0	4.1	0.1	3%	0.1	3%
Non-financial sector entities - deposits	49.0	48.5	48.2	49.4	53.7	4.2	9%	4.7	10%
Institutional Banking	29.5	29.2	28.9	29.4	33.4	4.1	14%	3.9	13%
Consumer Banking	19.5	19.4	19.3	20.1	20.2	0.2	1%	0.8	4%
Other deposits	1.6	1.3	1.3	0.5	0.4	(0.1)	(23%)	(1.1)	(73%)
Other liabilities	2.1	3.3	2.1	1.4	3.0	1.5	107%	0.8	38%
Total liabilities	64.9	63.9	62.7	62.6	66.8	4.2	7%	1.9	3%
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)	0.0	(24%)	(0.0)	335%
Revaluation reserve	0.2	0.2	0.2	(0.1)	(0.0)	0.1	(98%)	(0.2)	-
Other reserves	3.2	4.1	4.0	4.0	4.0	(0.0)	(0%)	0.8	25%
Retained earning	3.3	1.5	2.0	2.4	2.8	0.4	18%	(0.5)	(15%)
Total Equity	10.3	9.2	9.8	9.9	10.4	0.5	5%	0.0	0%
Total liabilities & equity	75.2	73.1	72.4	72.5	77.2	4.7	6%	2.0	3%
Loans / Deposits ratio	39%	40%	42%	40%	43%				

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