

Warsaw, December 7, 2018

## **Current Report no. 24/2018**

### **Adoption of the Strategy of the Bank Handlowy w Warszawie S.A. Group for the years 2019 – 2021 and defining guidelines for distribution of the Bank’s net profit for the years 2018 – 2021.**

**Legal basis:** Art. 17 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (MAR).

Bank Handlowy w Warszawie S.A. (“the Bank”) announces that on December 7, 2018, the Supervisory Board approved the new Strategy of the Bank Handlowy w Warszawie S.A. Group for the years 2019 -2021.

The key assumption of the Strategy is customer business revenue growth, translating into achievement of the following financial targets:

- high single digit CAGR of loan volumes in the Consumer Bank segment and mid single digit CAGR of loan volumes in the Institutional Bank;
- high single digit CAGR of revenue from customer business;
- to maintain ROE above 10% in the years 2019 – 2021, excluding future legal, regulatory and tax events, which may have an impact on ROE target achievement.

The Bank will continue to implement new initiatives in the institutional and consumer segments. At the same time, the Bank will focus on the competitive advantage areas enabling the growth achievement in: unsecured consumer loans, FX and cash management products, Wealth Management services and offer for customers seeking a global financial partner.

Taking into consideration the adoption of the Strategy and the stance of the Polish Financial Supervision Authority (“the PFSA”) regarding the mid-term dividend policy of banks dated March 14, 2018, the Bank developed guidelines for the distribution of the Bank’s net income for the years 2018 – 2021. The guidelines assume that the Bank will continue to allocate most of its profits to dividend payments and the dividend payout ratio has been set at no less than 75% of the Bank’s net profit, taking into account the stance of the PFSA regarding the dividend policy of banks.