

Current Report no 37/2021

Subject: Adoption of the 2022-2024 Strategy of the Bank Handlowy w Warszawie S.A. Group

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).

Due to the end of the period covered by the 2019-2021 Strategy, Bank Handlowy w Warszawie S.A. (“the Bank”) informs that on December 3, 2021 the Supervisory Board approved the 2022-2024 Bank Handlowy w Warszawie S.A. Group Strategy (“the Strategy”).

The Strategy of the Bank assumes business development based on functioning of two business segments.

In the Institutional Banking segment, the Strategy assumes focus on the areas, where Bank has substantial competitive advantage, with particular emphasis on Polish companies operating internationally or planning international expansion, as well as global corporations investing in Poland. The strategy is based on the initiatives aimed at client revenue growth including among others: participation in investment banking transactions of clients, client acquisition in commercial banking segment, maintaining market leader position in global companies segment, as well as providing best solutions to Digital clients. Providing support in the area of Environmental, Social, Governance (ESG) transformation initiatives of clients will be also a crucial component of the Strategy.

Taking into account the fact, that at the moment of the Strategy adoption, no further decisions have been made on the implementation of the plan to sell the Consumer Banking segment, the Strategy assumes operating of the segment in the Bank structures and is focused on taking actions aimed at return to profitability of the segment as soon as possible. The Bank will be focused on tailoring Wealth Management offer to clients’ needs and maintaining market leader position in credit cards as well as maintaining highest customer service quality in all channels and segments.

The Bank assumes reaching following financial goals:

- Client revenue compound annual growth rate at 9%
- Return on equity (ROE) >12% in 2024
- Maintaining cost discipline (C/I ratio < 50%)
- Customer assets compound annual growth rate at 6% in three years
- Continuation of dividend payment of minimum 75% of net profit, subject to regulatory approvals.