



February 14th, 2024

Bank Handlowy w Warszawie S.A.

Preliminary unaudited consolidated financial results
for 4Q'23 and FY2023

FY'2023 summary | Record high net profit



Financial performance

Net profit
PLN 2.3 B
+46% YoY

Revenue
PLN 4.5 B
+24% YoY

ROE
29%
+5 p.p. YoY

TCR
23.6%
+6 p.p. YoY



Institutional Banking

Bond issue arrangement for an international financial institution
PLN 4.6 B
+48% YoY

Volume of guarantees, letter of credit and factoring granted
PLN 1.8 B
~3x YoY

Volume of long-term loans granted
PLN 1.6 B
+3% YoY

Digital Banking – CitiDirect 3.0
35 MM of transactions
+4% YoY



Consumer Banking

Individual clients' deposits
PLN 19.2 B
+8% YoY

Number of Citigold Private Client
+22% YoY

Investment products volume
+16% YoY

Credit card acquisition
+65% YoY

4Q'23 | Financial results summary

Financial results for 4Q'23

Revenue
PLN 980 MM

Net profit
PLN 449 MM

ROE
28.6%

Balance sheet YoY dynamics

Loans
(7%)

Deposits
+9%

Total Capital Ratio

TCR
23.6%

Business segments' performance in 4Q'23

Institutional Banking

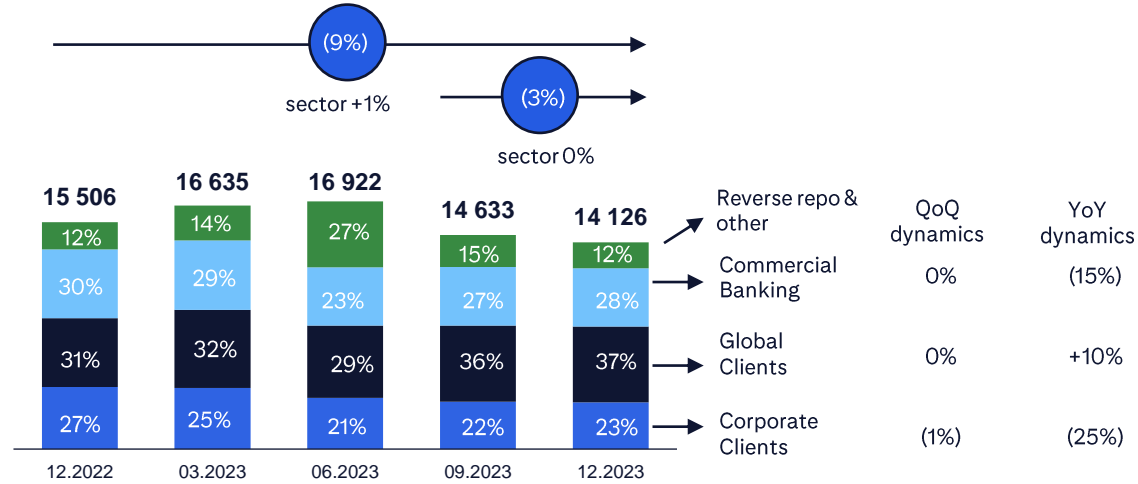
- **Revenue:** decrease reflecting repositioning of balance sheet aimed among others at capital protection
- **Loans:** insignificant loan volume drop by 3% QoQ, accompanied by visible increase in short-term loans sale by 3% QoQ, in the area of the largest Polish companies especially
- **Key transactions:** granting of a sustainability linked loan for the company from Commercial Banking Segment at the amount of PLN 250 MM
- **FX:** FX volumes growth by 4% QoQ, driving growth on FX income by 6% QoQ
- **Transaction Banking:** very good business dynamics – increase in a number of cross-border money transfers by 8% QoQ, domestic transfers by 6% QoQ. Meanwhile corporate credit card transactions value increased by 24% QoQ

Consumer Banking

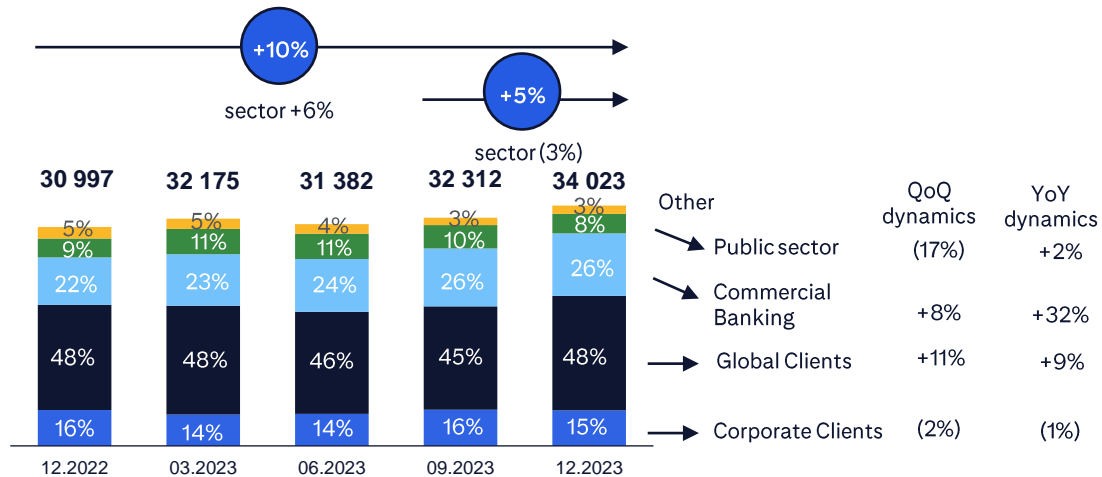
- **Revenue:** decrease by 3% QoQ as a result of lower interest income (reference rate drop)
- **Loans:** rebound in loans by 1% QoQ as a result of higher mortgage loans volume
- **FX:** number of transactions in CitiKantor remained unchanged QoQ
- **Cards:** decrease of credit cards' transactions volume by 3% QoQ as a result of lower value of cards transactions abroad.
- **Private Banking:** continued Citigold Private Client number growth by 3% QoQ. Increase in balance of participation units in investment products portfolio by 3% QoQ

Institutional Banking | Business volumes

Loan volumes (PLN MM)

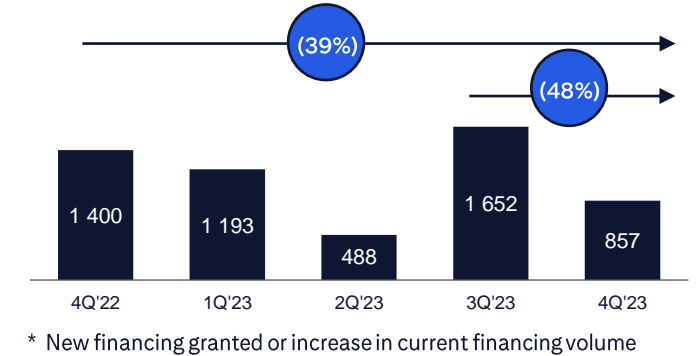


Deposit volumes (PLN MM)



4Q 2023 transaction volumes

1. New loans to institutional clients (PLN MM)



2. FX volumes

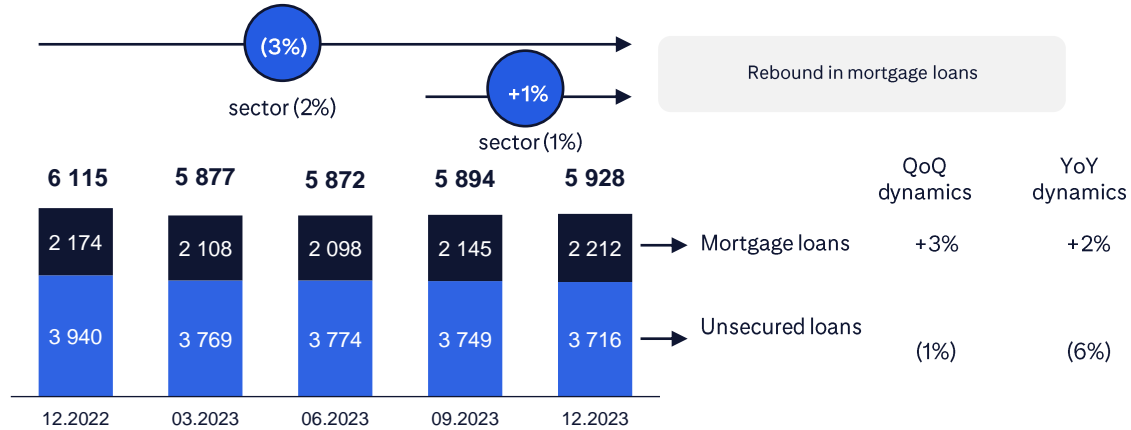
- **FX volumes** decreased by **20% YoY** against the background of high volatility in 2022
- Return of **FX volumes growth** in Commercial Banking Segment (**+3% YoY**)

3. Transaction Banking

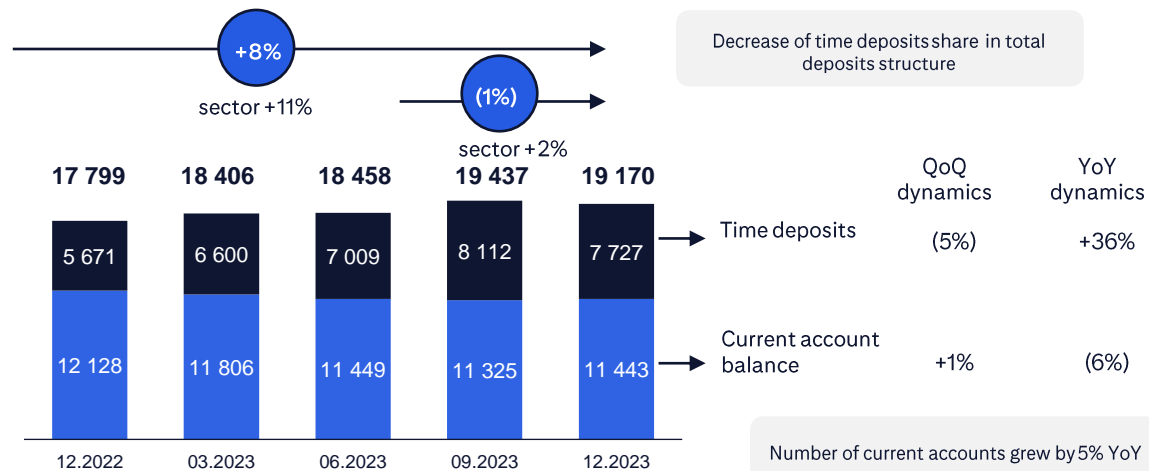
- **↑9% YoY** – number of cross-border money transfers
- **↑13% YoY** – value of corporate credit cards transactions
- **↑6% YoY** – number of transactions processed online

Consumer Banking | Business volumes

Loan volumes (PLN MM)



Deposit volumes (PLN MM)



4Q 2023 transaction volumes

1. FX volumes

- FX volumes decrease by **29% YoY**
- **59% of FX volumes** are processed via **CitiKantor**
- **Number of transactions** in CitiKantor grew by **12% YoY**
- **43 thousands of Clients** used CitiKantor since the platform was launched

2. Private Banking

- **↑16%** YoY - average Total Relationship Balance
- **↑22%** YoY - number of Citigold Private Clients

3. Cards

- **↑1%** YoY - card transaction value (domestic)
- **↑6%** YoY - card transaction value (crossborder)

Institutional Banking | Key transactions in 4Q'23

Sustainable-Linked Loan

American Heart of Poland

PLN 250 MM

Citi Handlowy granted financing within banks' consortium for acquisition and investments needs of the Client



Consortium Loan

Breticonic
Investments

Innova
Capital

Citi Handlowy granted financing within banks' consortium for transaction of separation of Polish manufacturing plants from international Pfeiderer Group. The funds will be utilized for acquisition, investment and general purposes of the company.



Financing granted 4Q 2023

Commercial
Banking

PLN 517 MM

Strategic
Clients

PLN 260 MM

Global
Clients

PLN 80 MM

ESG| New Senatorska office

Citi Handlowy main building's renovation is a milestone in achieving net zero GHG own emission by 2030

New Senatorska office with the highest energy effectiveness standards

Energy efficiency thanks to own and renewable energy sources

Photovoltaic panels power 50 [kW]

Dynamic lighting with ability to personify and adjust to natural light amount

Energy-efficient fan coil motors

Water consumption reduction

Close water circulation – rainwater retention system and flush water efficient use

Waste management

- Plastic and polystyrene foam use elimination
- Buying back used computer equipment

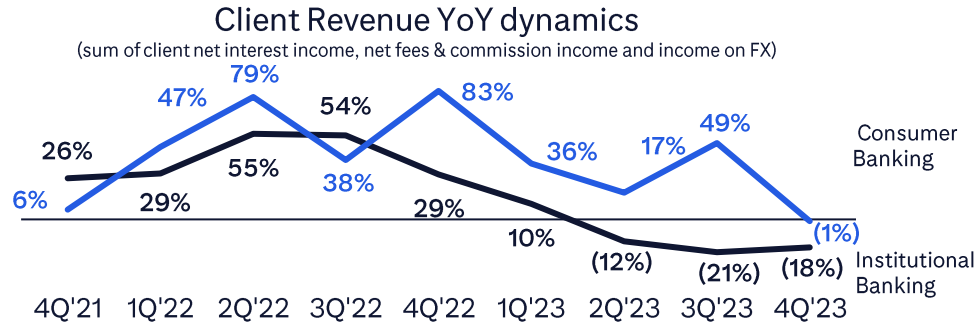
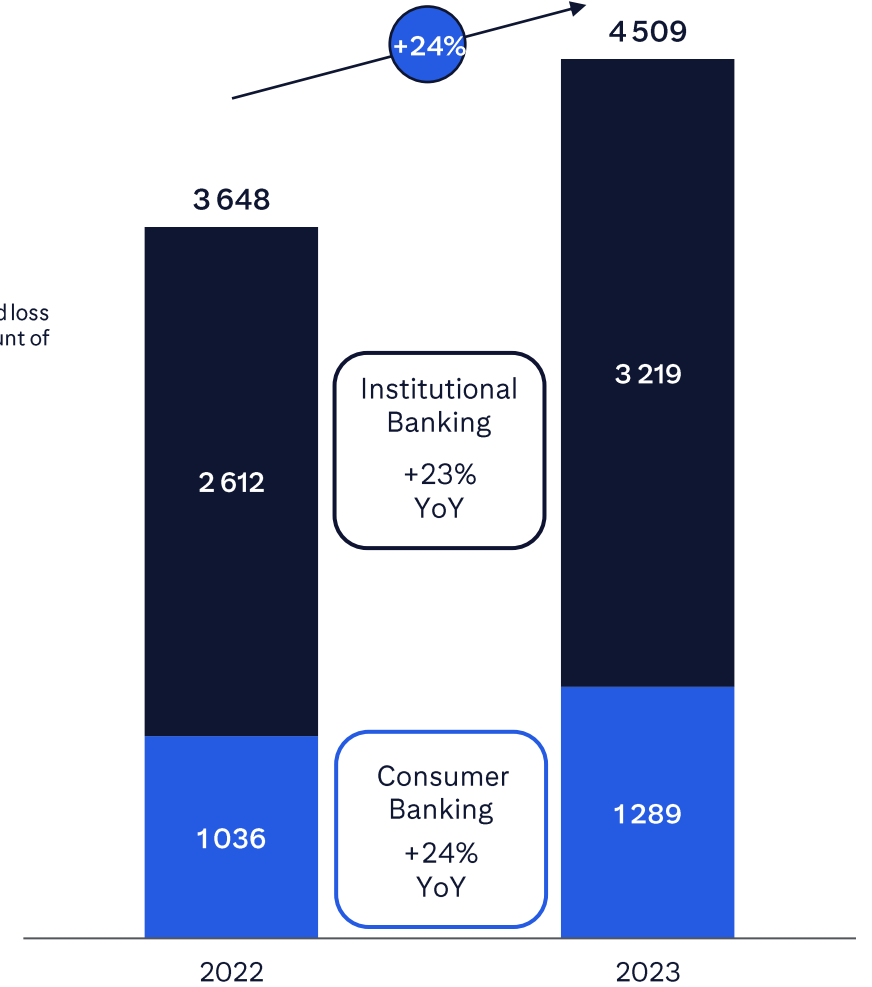
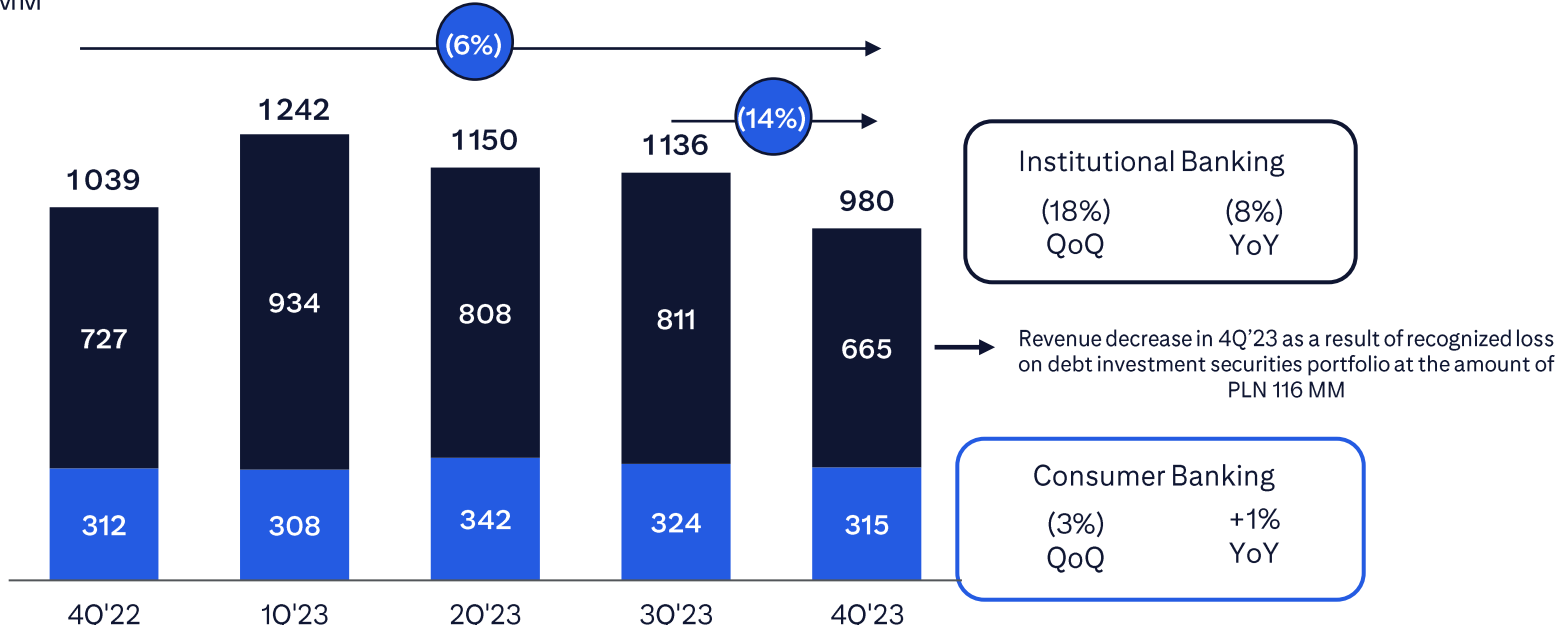


Consolidated financial results

Total revenue

Strong growth of revenues in 2023 driven by high interest rates environment

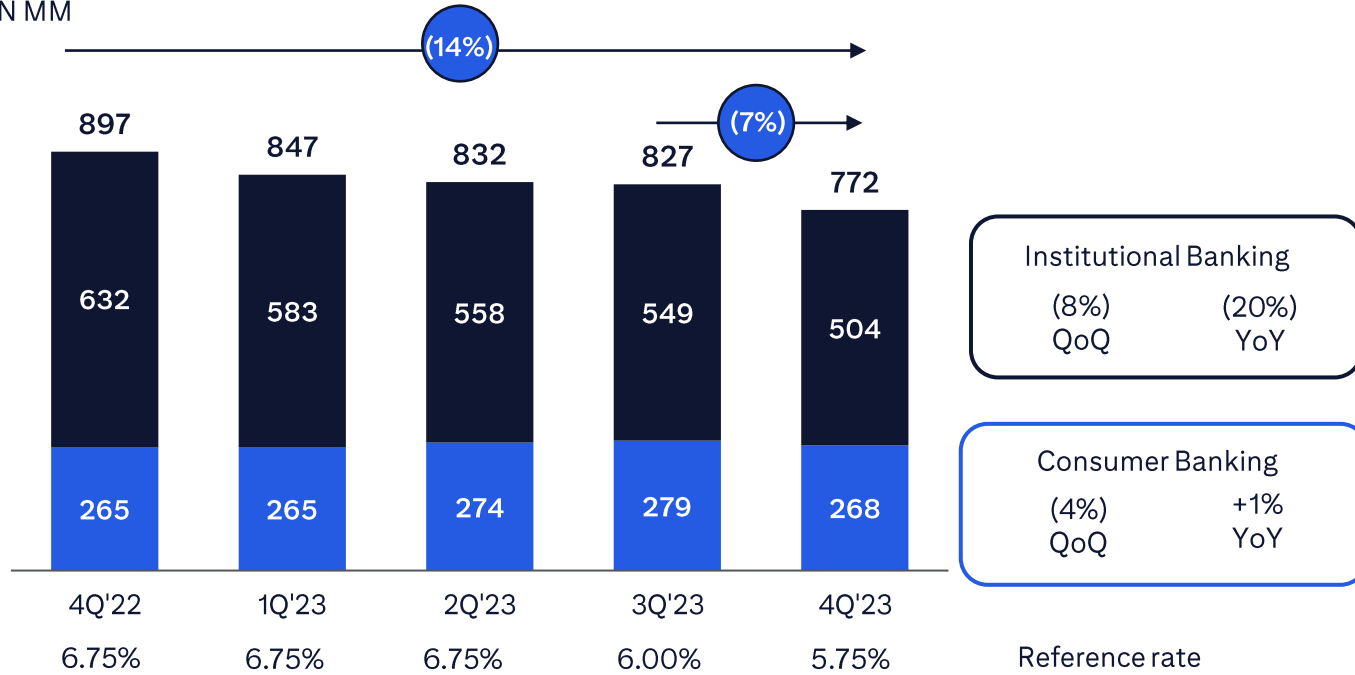
PLN MM



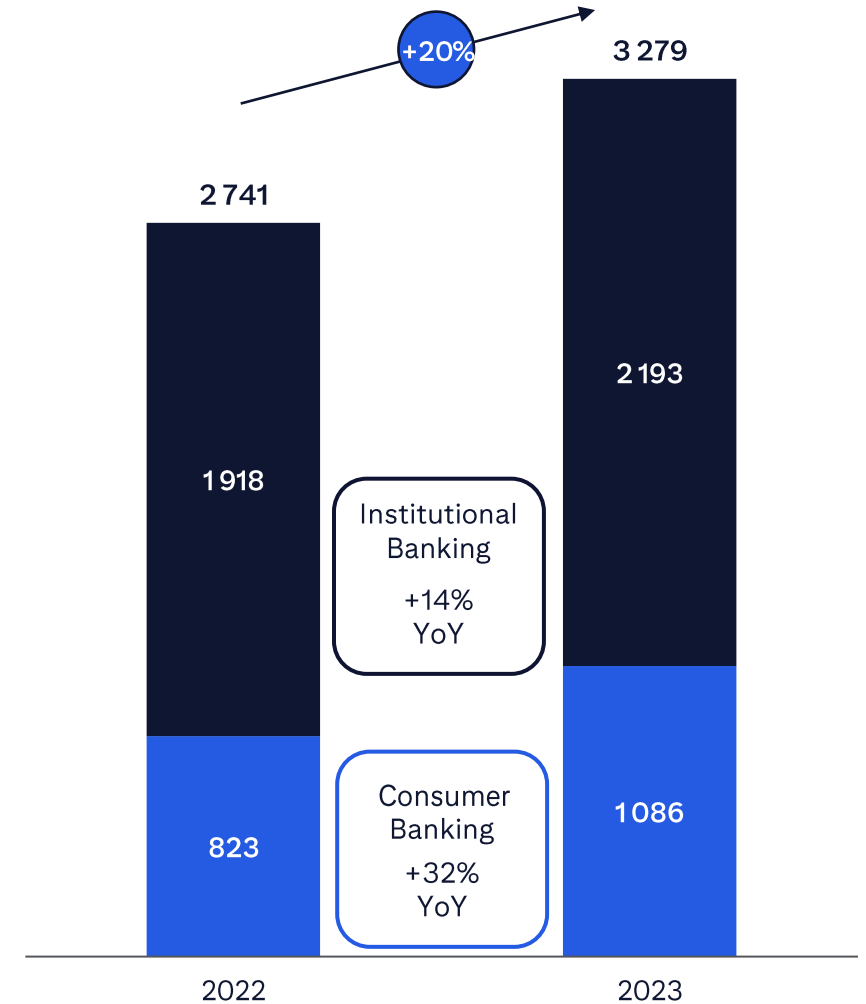
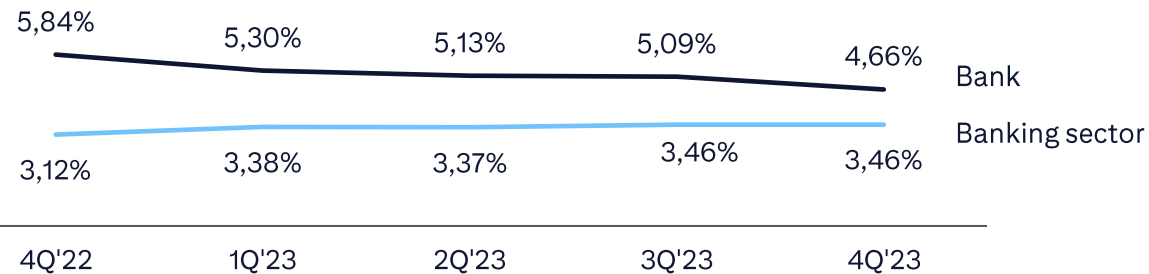
Net interest income

Active balance sheet management aimed at maximizing of interest income .

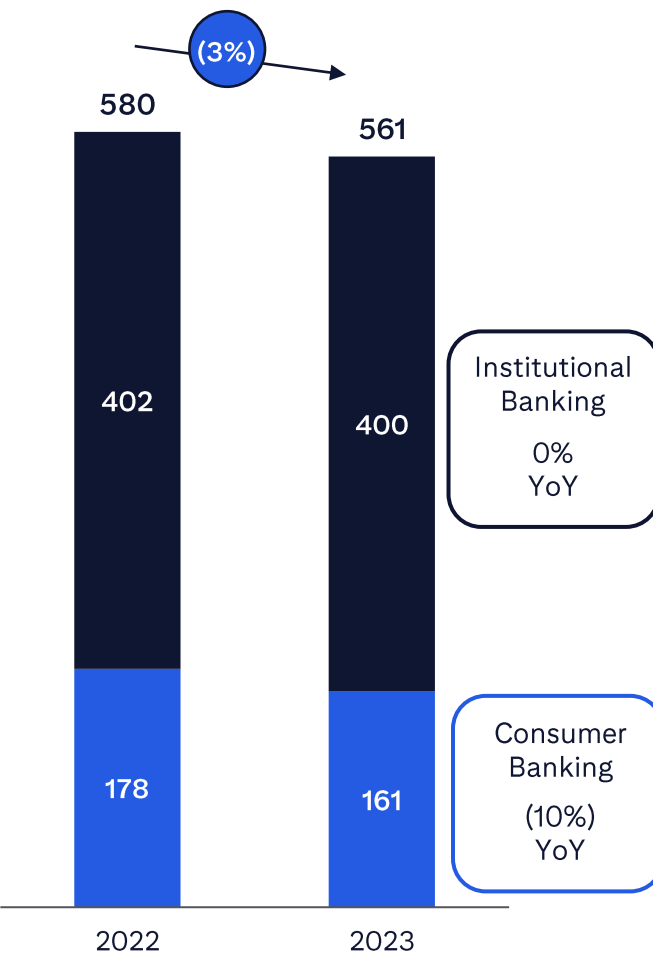
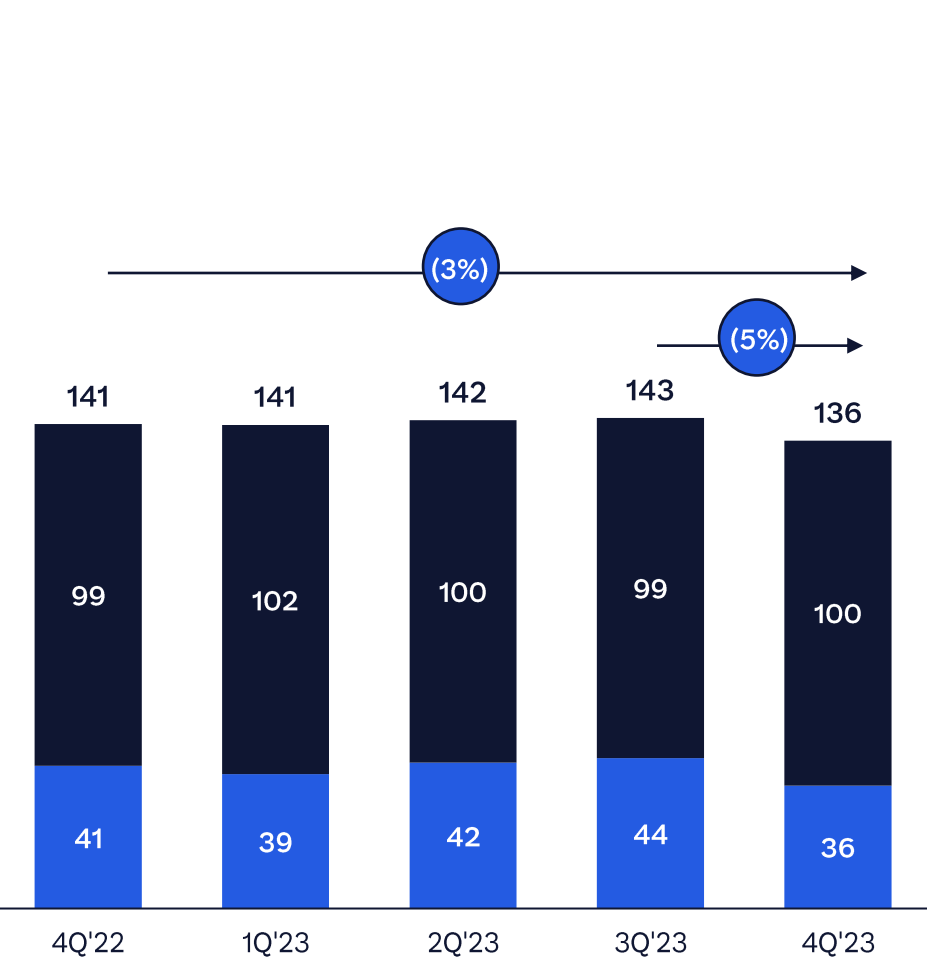
PLN MM



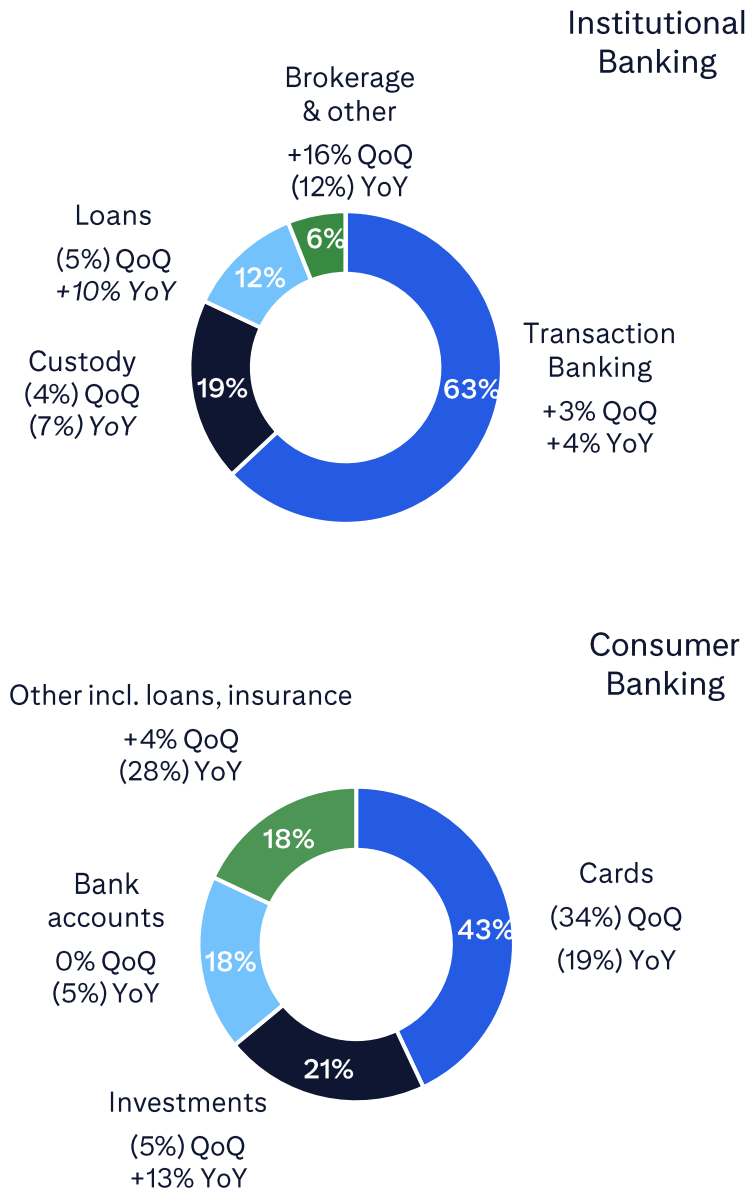
Net interest margin – Bank vs. Banking sector



Net fees and commission income

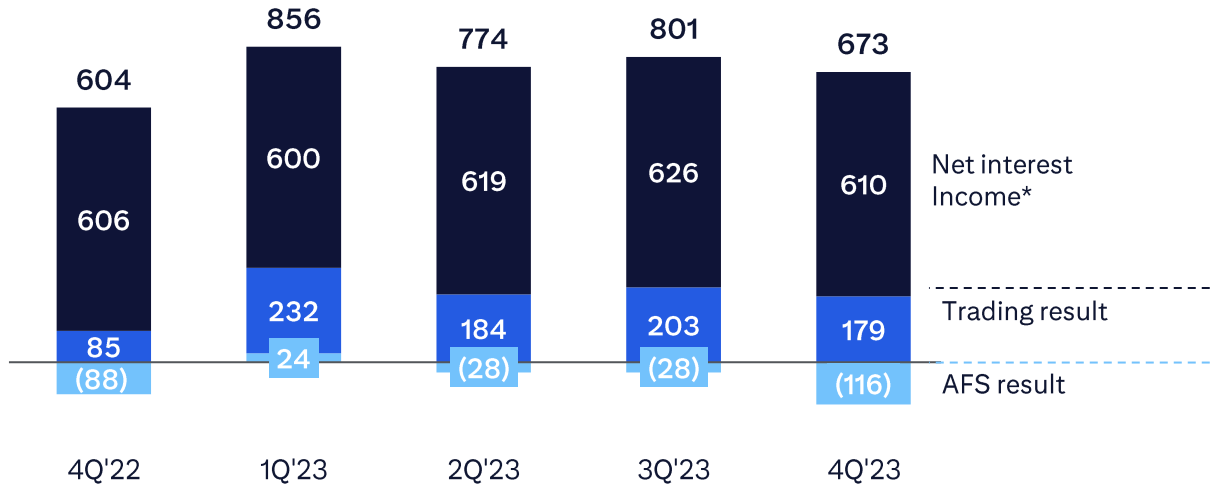


4Q'23 NF&CI structure and dynamics



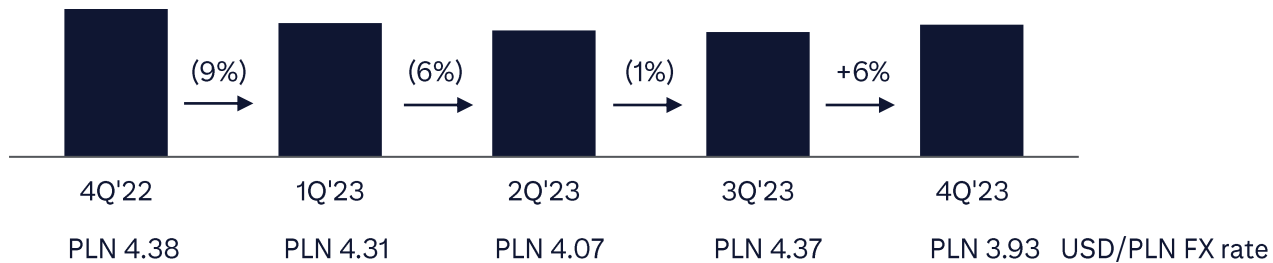
Treasury

Treasury result (PLN MM)

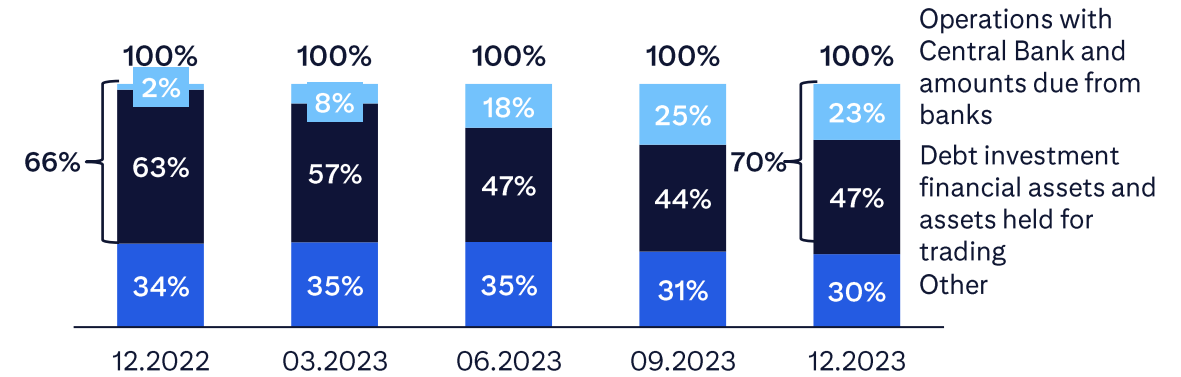


* Sum of net interest income on debt securities, amounts due from banks and derivatives in hedge accounting

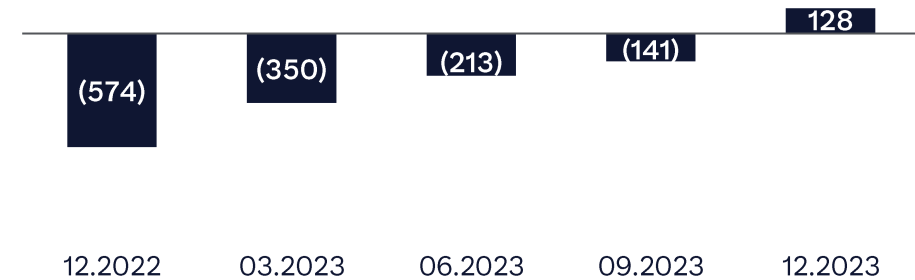
Income on FX – client activity (Institutional Banking)



Balance sheet structure



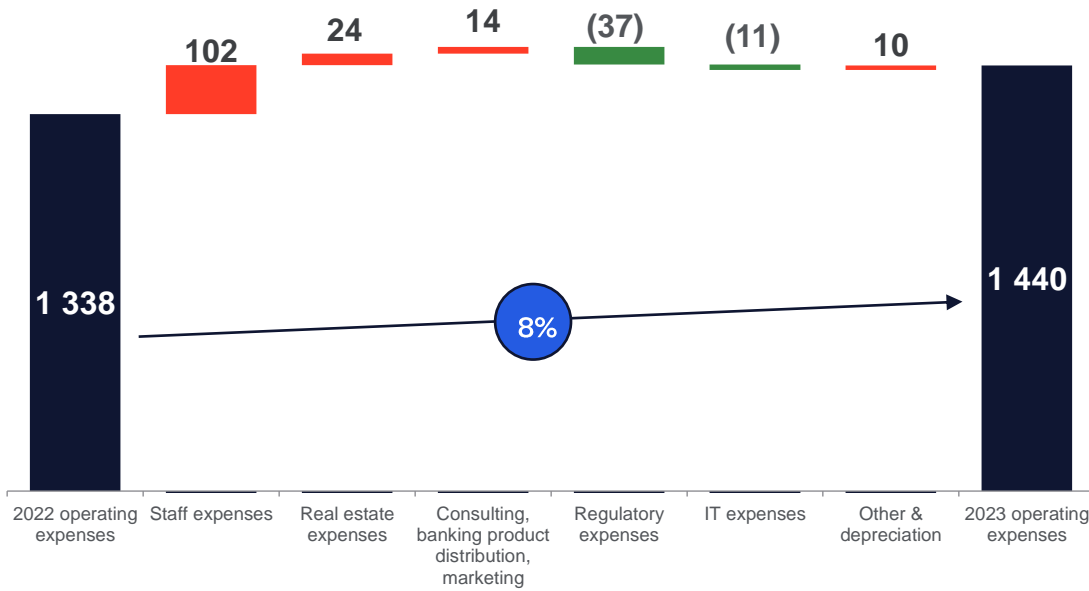
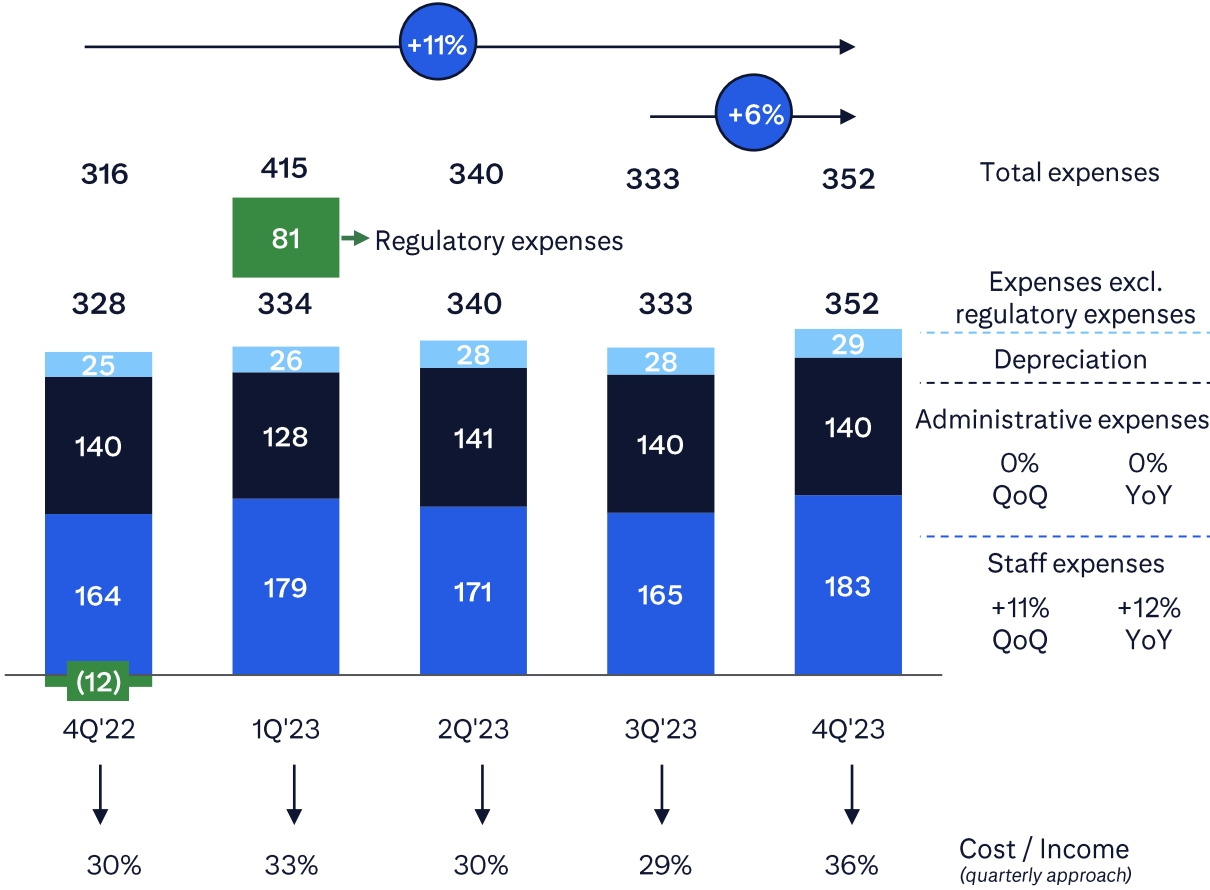
Revaluation reserve (PLN MM)



Expenses

Operating expenses (PLN MM)

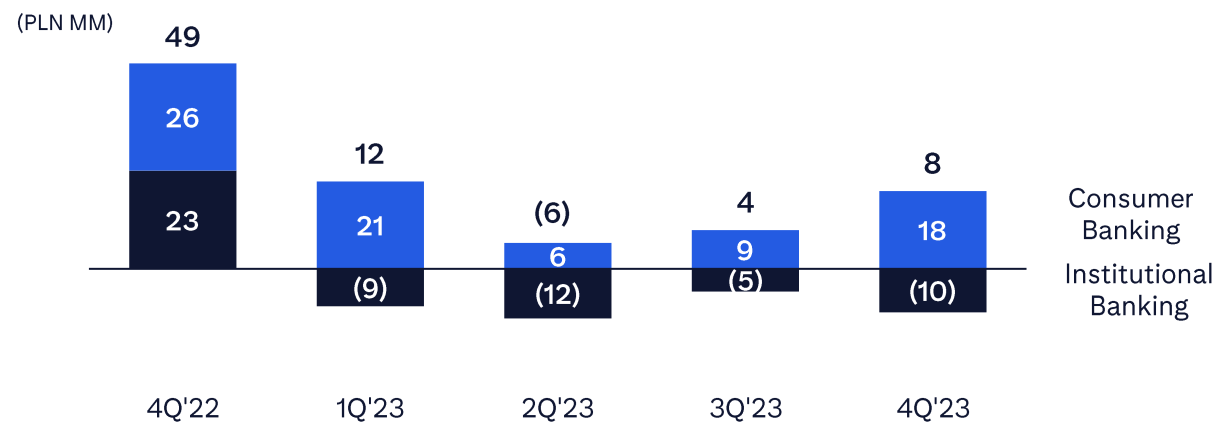
Expenses by type (PLN MM)



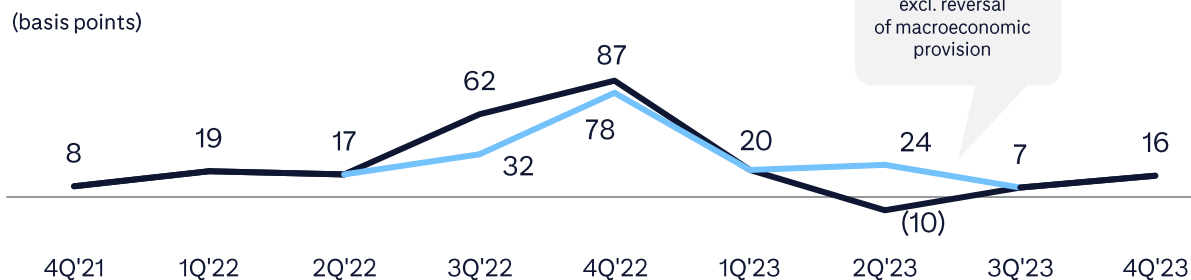
Cost of Risk

Cost of Risk

Institutional Banking: lower credit exposure
 Consumer Banking: loan portfolio stabilization



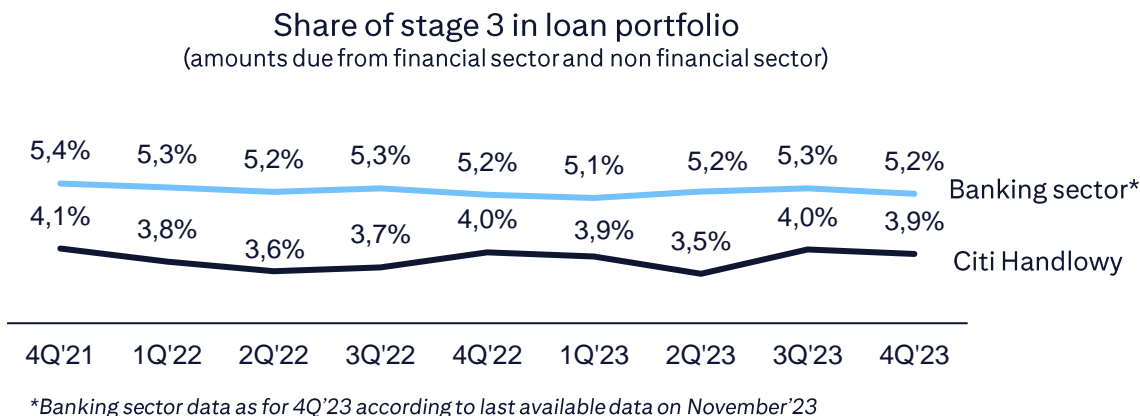
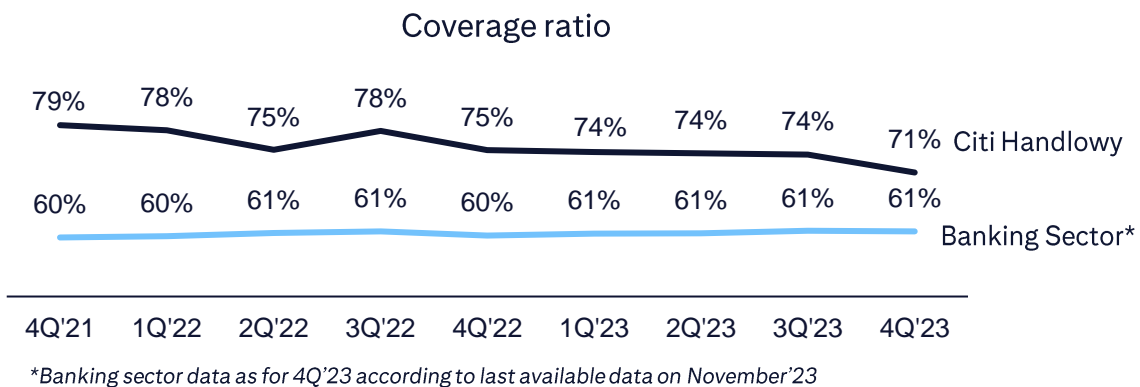
*Increase of provisions presented with the sign (+), decrease with the sign (-)



Annualized quarterly result on expected credit losses divided by average gross loan portfolio

Coverage ratio and NPL

Citi Handlowy's loan portfolio quality ratios significantly better compared to the banking sector

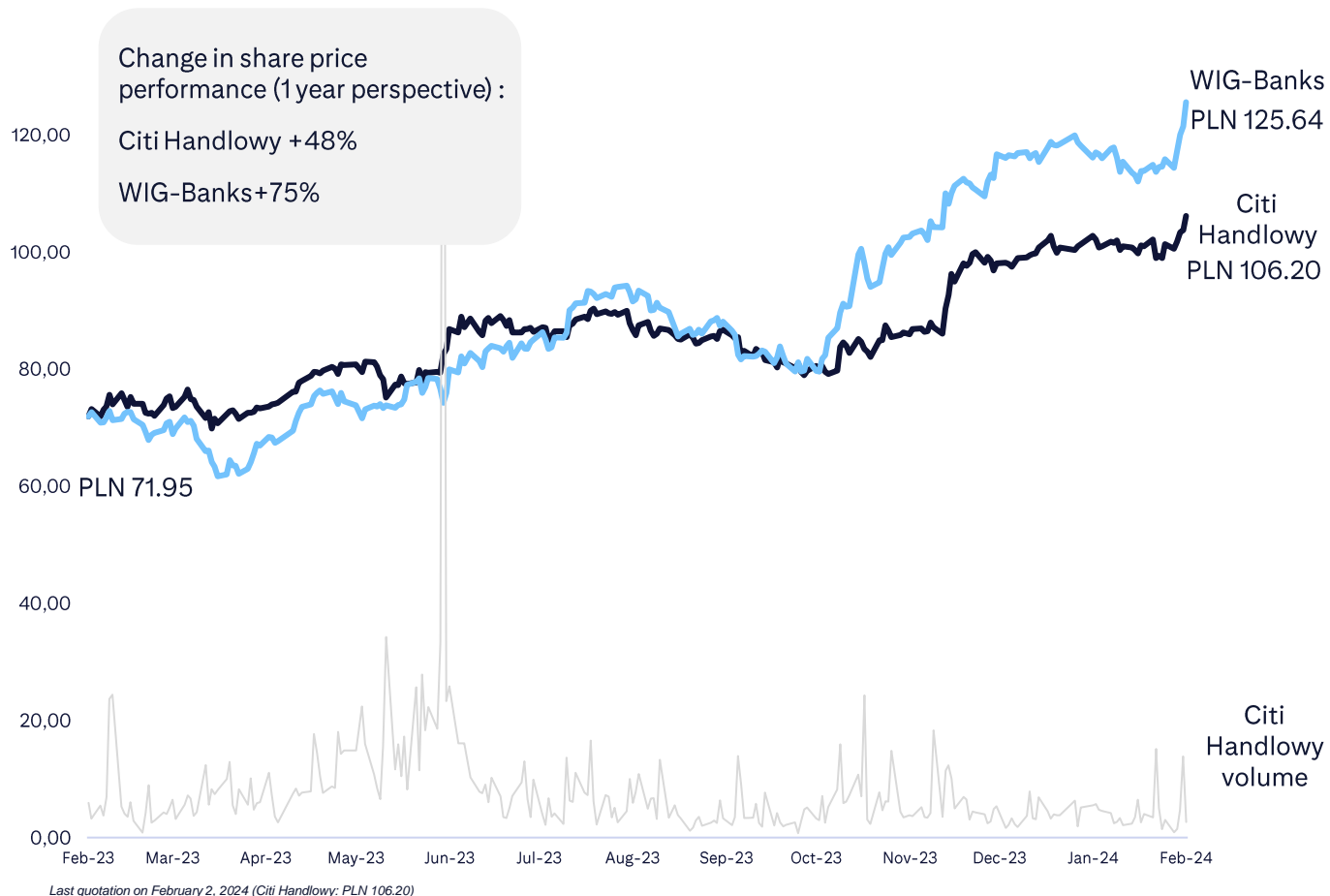


Summary of the Capital Group financial results

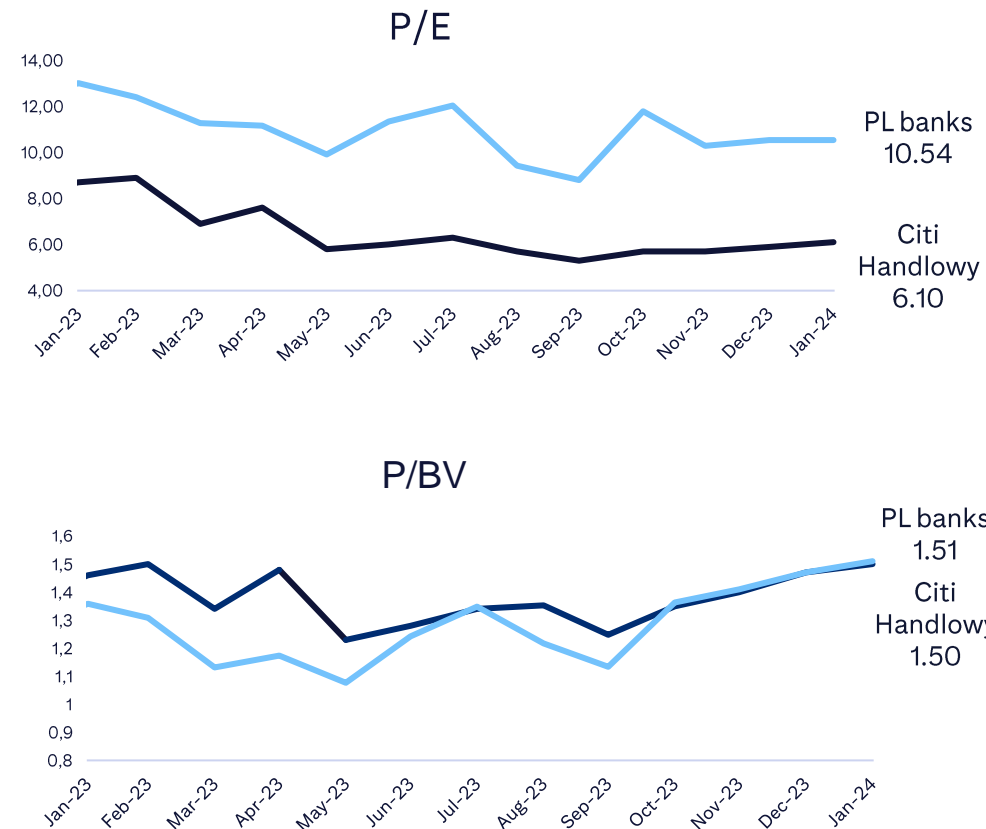
	4Q23	3Q23	ΔQoQ	4Q22	ΔYoY	2023	2022	ΔYoY
Net interest income	772	827	(7%)	897	(14%)	3 279	2 741	20%
Net fee and commission income	136	143	(5%)	141	(3%)	561	580	(3%)
Core revenue	908	970	(6%)	1 038	(13%)	3 840	3 321	16%
Treasury	63	175	(64%)	(3)	-	649	324	100%
Other revenues	9	(9)	-	4	143%	19	3	589%
Total revenue	980	1 136	(14%)	1 039	(6%)	4 509	3 648	24%
Expenses	(352)	(333)	6%	(316)	11%	(1 440)	(1 338)	8%
Operating margin	629	803	(22%)	723	(13%)	3 069	2 310	33%
Provisions	(8)	(4)	116%	(49)	(83%)	(18)	(105)	(83%)
Profit before tax	572	749	(24%)	619	(8%)	2 861	1 995	43%
Corporate income tax	(122)	(158)	(22%)	(140)	(12%)	(604)	(449)	35%
Bank levy	(49)	(50)	(2%)	(55)	(11%)	(190)	(213)	(11%)
Net income	449	592	(24%)	479	(6%)	2 256	1 546	46%
ROE	28.6%	30.7%	(2.2 pp.)	24.0%	4.6 pp.			
ROA	3.1%	3.2%	(0.1 pp.)	2.2%	0.9 pp.			
Revaluation reserve	128	(141)	(191%)	(574)	(122%)	128	(574)	(122%)
Assets	73 393	72 377	1%	69 801	5%	73 393	69 801	5%
Net loans	20 054	20 527	(2%)	21 621	(7%)	20 054	21 621	(7%)
Deposits	53 193	51 749	3%	48 795	9%	53 193	48 795	9%
Loans / Deposits	38%	40%		44%				
TCR	23.6%	23.0%		17.6%				

Citi Handlowy – change in share price

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



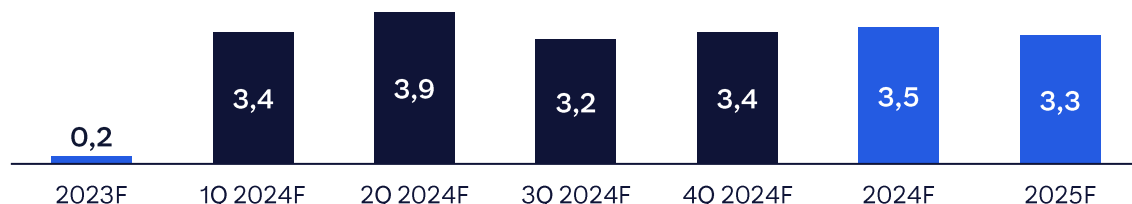
BHW valuation vs. other banks



Appendix

Forecasts for Polish economy

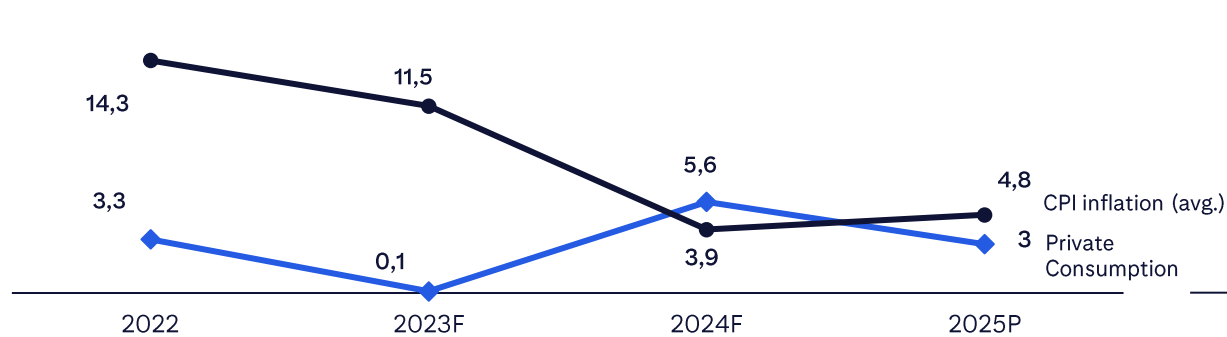
GDP of Poland (% YoY)



Based on Citi analyst forecast (data as of 12/02/2024)

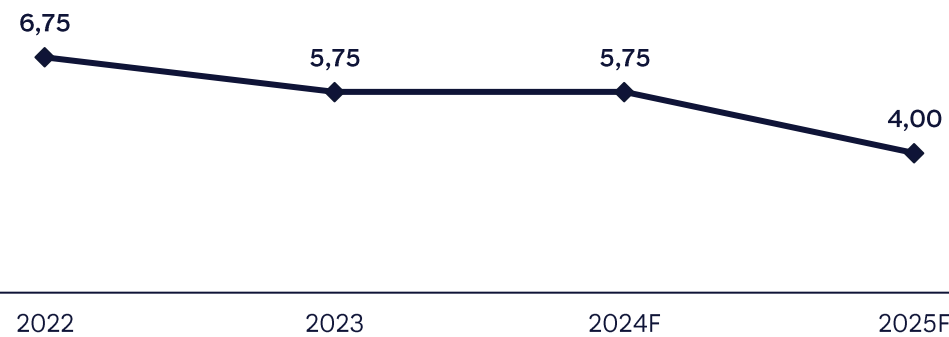
- In base scenario interest rates will remain unchanged in 2024. Monetary Policy Council will return to interest rates cuts only at the beginning of 2025
- CPI inflation path will depend on administrative decision – timing of VAT increase as well as when and in which scale electric Energy prices will be unfreeze
- Private consumption driven by dynamic growth of real minimal wages will remain as main factor of GDP growth in 2024

Consumption and inflation CPI (% YoY)



Based on Citi analyst forecast (data as of 12/02/2024)

NBP reference rate (% EoP)



Based on Citi analyst forecast (data as of 12/02/2024)

Capital Group – profit and loss account

PLN MM	4Q22	1Q23	2Q23	3Q23	4Q23	4Q23 vs.3Q23		4Q23 vs.4Q22		2022	2023	2023 vs 2022	
						PLN MM	%	PLN MM	%			PLN MM	%
Net interest income	897	847	832	827	772	(55)	(7%)	(125)	(14%)	2 741	3 279	538	20%
Net fee and commission income	141	141	142	143	136	(7)	(5%)	(5)	(3%)	580	561	(18)	(3%)
Dividend income	0	0	10	1	0	(1)	(74%)	0	111%	11	11	0	3%
Net gain on trading financial instruments and revaluation	85	232	184	203	179	(24)	(12%)	94	111%	647	797	150	23%
Net gain on debt investment financial assets measured at fair value through other comprehensive income	(88)	24	(28)	(28)	(116)	(87)	308%	(28)	32%	(323)	(148)	175	(54%)
Hedge accounting	(0)	(3)	(2)	(3)	(2)	1	(21%)	(2)	1307%	(2)	(10)	(8)	455%
Treasury	(3)	253	153	172	61	(111)	(65%)	64	-	322	639	317	98%
Net gain on other equity instruments	3	1	14	2	18	17	992%	15	504%	11	35	24	225%
Net other operating income	1	(0)	(1)	(9)	(7)	2	(21%)	(8)	-	(17)	(17)	-	0%
Revenue	1 039	1 242	1 150	1 136	980	(155)	(14%)	(59)	(6%)	3 648	4 509	861	24%
Expenses	(291)	(389)	(312)	(305)	(322)	(17)	6%	(31)	11%	(1 235)	(1 329)	(94)	8%
Depreciation	(25)	(26)	(28)	(28)	(29)	(1)	5%	(4)	16%	(103)	(111)	(8)	8%
Expenses and depreciation	(316)	(415)	(340)	(333)	(352)	(19)	6%	(36)	11%	(1 338)	(1 440)	(102)	8%
Operating margin	723	827	810	803	629	(174)	(22%)	(94)	(13%)	2 310	3 069	759	33%
Profit/(loss) on sale of tangible fixed assets	(0.1)	(0.0)	(0.1)	0.0	(0.1)	(0.1)	-	(0.0)	15%	3	(0.1)	(3)	-
Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments	(49)	(12)	6	(4)	(8)	(4)	116%	41	(83%)	(105)	(18)	87	(83%)
Tax on certain financial institutions	(55)	(47)	(45)	(50)	(49)	1	(2%)	6	(11%)	(213)	(190)	23	(11%)
EBIT	619	768	771	749	572	(177)	(24%)	(47)	(8%)	1 995	2 861	866	43%
Corporate income tax	(140)	(165)	(160)	(158)	(122)	35	(22%)	17	(12%)	(449)	(604)	(155)	35%
Net profit	479	604	612	592	449	(142)	(24%)	(30)	(6%)	1 546	2 256	711	46%
C/I ratio	30%	33%	30%	29%	36%					37%	32%		

Institutional Banking – profit and loss account

PLN MM	4Q22	1Q23	2Q23	3Q23	4Q23	4Q23 vs.3Q23		4Q23 vs4Q22		2022	2023	2023 vs 2022	
						PLN MM	%	PLN MM	%			PLN MM	%
Net interest income	632	583	558	549	504	(45)	(8%)	(128)	(20%)	1918	2 193	275	14%
Net fee and commission income	99	102	100	99	100	1	1%	1	1%	402	400	(1)	(0%)
Dividend income	0	0	2	1	0	(1)	(91%)	(0)	(9%)	3	3	(0)	(6%)
Net gain on trading financial instruments and revaluation	75	224	174	193	170	(24)	(12%)	95	126%	602	761	159	26%
Net gain on debt investment financial assets measured at fair value through other comprehensive income	(88)	24	(28)	(28)	(116)	(87)	308%	(28)	32%	(323)	(148)	175	(54%)
Hedge accounting	(0)	(3)	(2)	(3)	(2)	1	(21%)	(2)	1307%	(2)	(10)	(8)	455%
Treasury	(13)	245	144	162	52	(110)	(68%)	65	-	277	603	326	118%
Net gain on other equity instruments	4	(0)	2	1	5	4	354%	1	39%	8	8	0	5%
Net other operating income	5	5	3	(1)	4	5	-	(0)	(10%)	4	11	7	189%
Revenue	727	934	808	811	665	(146)	(18%)	(62)	(8%)	2 612	3 219	608	23%
Expenses	(140)	(214)	(142)	(141)	(150)	(9)	7%	(10)	7%	(629)	(647)	(18)	3%
Depreciation	(6)	(6)	(6)	(6)	(7)	(0)	5%	(0)	6%	(24)	(25)	(1)	4%
Expenses and depreciation	(147)	(220)	(149)	(147)	(157)	(10)	6%	(10)	7%	(653)	(672)	(19)	3%
Operating margin	581	714	660	664	509	(156)	(23%)	(72)	(12%)	1959	2 547	588	30%
Profit/(loss) on sale of tangible fixed assets	(0.1)	0.0	0.0	0.0	0.0	(0)	-	0	(65%)	3	(0)	(3)	-
Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments	(23)	9	12	5	10	5	90%	34	-	(58)	37	94	-
Tax on certain financial institutions	(48)	(34)	(31)	(34)	(34)	(0)	1%	14	(29%)	(183)	(133)	50	(27%)
EBIT	509	689	640	636	485	(151)	(24%)	(24)	(5%)	1 721	2 451	729	42%
C/I ratio	20%	24%	18%	18%	24%					25%	21%		

Consumer Banking – profit and loss account

PLN MM	4Q22	1Q23	2Q23	3Q23	4Q23	4Q23 vs. 3Q23		4Q23 vs. 4Q22		2022	2023	2023 vs. 2022	
						PLN MM	%	PLN MM	%			PLN MM	%
Net interest income	265	265	274	279	268	(10)	(4%)	3	1%	823	1086	263	32%
Net fee and commission income	41	39	42	44	36	(8)	(18%)	(6)	(14%)	178	161	(17)	(10%)
Dividend income	0	-	8	-	0	0	-	0	623%	8	8	1	7%
Net gain on trading financial instruments and revaluation	10	8	9	10	9	(1)	(8%)	(1)	(9%)	45	36	(9)	(20%)
Net gain on other equity instruments	(1)	1	12	1	13	13	2297%	14	-	3	27	24	844%
Net other operating income	(4)	(5)	(4)	(8)	(11)	(3)	33%	(7)	196%	(21)	(29)	(7)	35%
Revenue	312	308	342	324	315	(9)	(3%)	3	1%	1036	1289	253	24%
Expenses	(151)	(175)	(170)	(164)	(172)	(8)	5%	(22)	15%	(606)	(681)	(75)	12%
Depreciation	(19)	(20)	(22)	(22)	(23)	(1)	6%	(4)	20%	(79)	(86)	(7)	9%
Expenses and depreciation	(170)	(195)	(191)	(186)	(195)	(9)	5%	(26)	15%	(685)	(767)	(82)	12%
Operating margin	142	113	150	138	120	(18)	(13%)	(22)	(16%)	351	522	171	49%
Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments	(26)	(21)	(6)	(9)	(18)	(9)	101%	7	(28%)	(47)	(55)	(7)	16%
Tax on certain financial institutions	(7)	(13)	(13)	(16)	(15)	1	(9%)	(8)	112%	(30)	(57)	(27)	90%
EBIT	110	79	131	113	87	(26)	(23%)	(23)	(21%)	273	410	137	50%
C/I ratio	54%	63%	56%	57%	62%					66%	60%		

Balance sheet – assets

PLN B	End of period					4Q23 vs. 4Q22	
	4Q22	1Q23	2Q23	3Q23	4Q23	PLN B	%
Cash and balances with the Central Bank	0.6	1.8	2.6	0.5	1.1	0.5	82%
Amounts due from banks	1.0	3.9	10.5	17.3	15.5	14.5	-
Financial assets held-for-trading	7.0	4.5	6.2	5.2	4.9	(2.1)	(31%)
Debt financial assets measured at fair value through other comprehensive income	37.2	36.2	27.1	26.3	29.6	(7.6)	(20%)
Customer loans	21.6	22.5	22.8	20.5	20.1	(1.6)	(7%)
Financial sector entities	3.8	4.0	6.3	4.5	4.2	0.4	10%
including reverse repo receivables	-	0.4	2.6	0.2	0.2	0.2	-
Non-financial sector entities	17.8	18.5	16.5	16.0	15.9	(1.9)	(11%)
Institutional Banking	11.7	12.6	10.6	10.1	10.0	(1.7)	(15%)
Consumer Banking	6.1	5.9	5.9	5.9	5.9	(0.2)	(3%)
Unsecured receivables	3.9	3.8	3.8	3.7	3.7	(0.2)	(6%)
Credit cards	2.2	2.1	2.1	2.1	2.1	(0.1)	(5%)
Cash loans	1.7	1.6	1.6	1.6	1.6	(0.1)	(6%)
Other unsecured receivables	0.1	0.0	0.0	0.0	0.0	(0.0)	(24%)
Mortgage	2.2	2.1	2.1	2.1	2.2	0.0	2%
Other assets	2.3	2.3	2.4	2.5	2.3	(0.0)	(2%)
Total assets	69.8	71.2	71.6	72.4	73.4	3.6	5%

Balance sheet – liabilities and equity

	End of period					4Q23 vs. 4Q22	
	4Q22	1Q23	2Q23	3Q23	4Q23	PLN B	%
PLN B							
Liabilities due to banks	4.8	4.7	3.3	3.4	3.4	(1.4)	(30%)
Financial liabilities held-for-trading	4.9	3.6	4.6	4.1	3.5	(1.4)	(28%)
Financial liabilities due to customers	50.5	52.5	52.1	53.9	55.0	4.5	9%
Financial sector entities – deposits	3.6	3.4	3.5	3.6	3.8	0.2	4%
Non-financial sector entities – deposits	45.2	47.2	46.3	48.2	49.4	4.2	9%
Institutional Banking	27.4	28.8	27.9	28.7	30.2	2.9	11%
Consumer Banking	17.8	18.4	18.5	19.4	19.2	1.4	8%
Other deposits	1.7	1.9	2.2	2.1	1.8	0.1	6%
Other liabilities	1.6	1.7	3.2	2.0	1.8	0.1	7%
Total liabilities	61.8	62.4	63.2	63.4	63.7	1.8	3%
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	0.0	0%
Revaluation reserve	(0.6)	(0.3)	(0.2)	(0.1)	0.1	0.7	-
Other reserves	2.8	2.8	3.2	3.2	3.2	0.4	13%
Retained earning	2.2	2.8	1.8	2.4	2.9	0.7	33%
Total Equity	8.0	8.8	8.4	9.0	9.7	1.8	22%
Total liabilities & equity	69.8	71.2	71.6	72.4	73.4	3.6	5%
Loans / Deposits ratio	44%	45%	46%	40%	38%		

Contact



Investor Relations:
relacjeinwestorskie@citi.com

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

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