



Bank Handlowy w Warszawie S.A.

2Q'25 earnings conference

August 28th, 2025

Bank for Global Business | 2Q 2025 Key events

New
strategy

Institutional Banking as a solid foundation for growth



Exit from Consumer Banking

- ✓ Agreement on the exit from Consumer Banking
- ✓ Updated strategic directions – 'Bank for Global Business'
- ✓ Demerger plan development
- Transfer of Consumer Banking operations to the buyer – planned for HY 2026 (subject to regulatory approvals)

citi handlowy

Bank for Global Business
Strategy implementation



- Growing dynamics of lending growth among institutional banking clients by 7% QoQ and 19% YoY
- Payout of the second highest dividend in the history from the 2024 profit – PLN 1.3 B (8.3% dividend yield)
- KNF approval for the payment of 2019 profit in 2025, additional PLN 449 million will be paid to shareholders

Segments of growth | Repositioning of Citi Handlowy



IFRS 5

First time use of IFRS 5: 'Non-current Assets Held for Sale and Discontinued Operations':

- Classification of **Consumer Banking** as **discontinued operations**
- The remaining part will be presented as **continued operations** and will include **Institutional Banking**

1.

Financial markets

Client activity (FX and brokerage) and interbank (debt financial instruments, derivatives)

2.

Transaction and Custody activities

Liquidity management, payments, trade finance, working capital and custody

3.

Relationship Banking

Full types of financing and Investment Banking

Areas of activity in Institutional Banking

2Q'25 | Financial results summary

Q2'25 Financial results

Revenue
PLN 1,108 MM

Net profit
PLN 166 MM

ROE
17.9%

Balance sheet dynamics YoY

Loans *)
14%

Deposits
+19%

Capital ratio

TLAC TREA
27.1%

Net profit increase excluding one-off events

Net profit excluding the transaction loss amounted to PLN 546 MM (+26% QoQ)

Faster lending growth than the banking
sector average

Loan volumes increased by 7% QoQ in Institutional Banking

Revenue increase in Institutional Banking

Revenue growth of 7% QoQ due to strong performance in Financial Markets

The highest result in history
on Custody activities

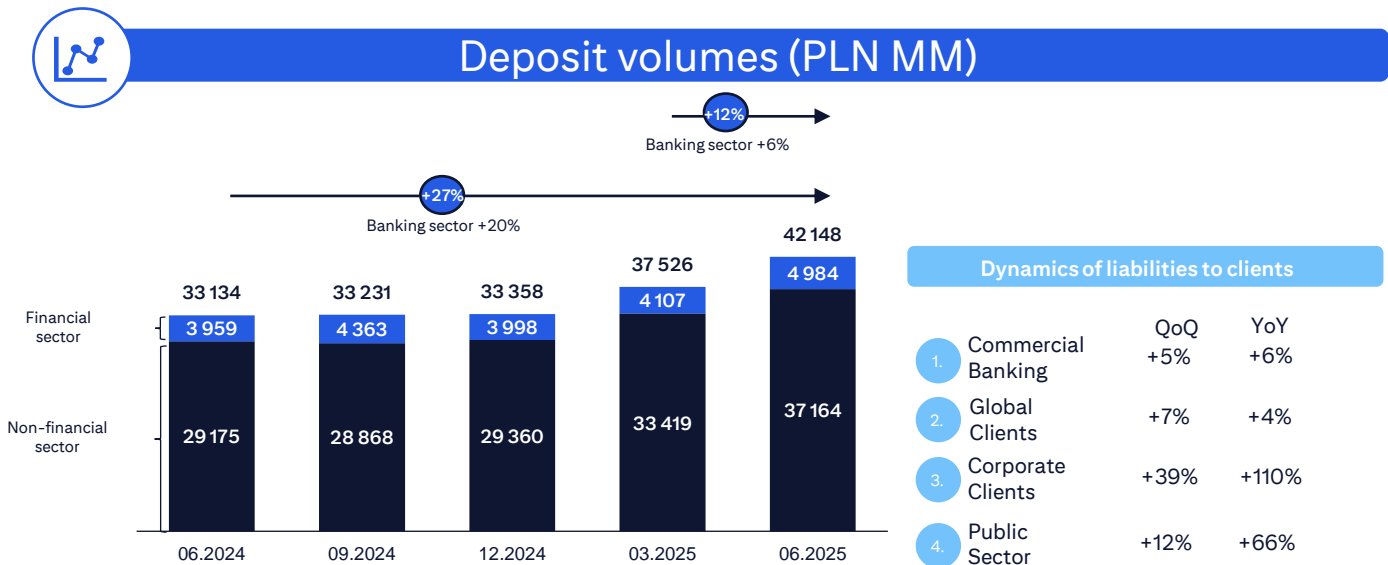
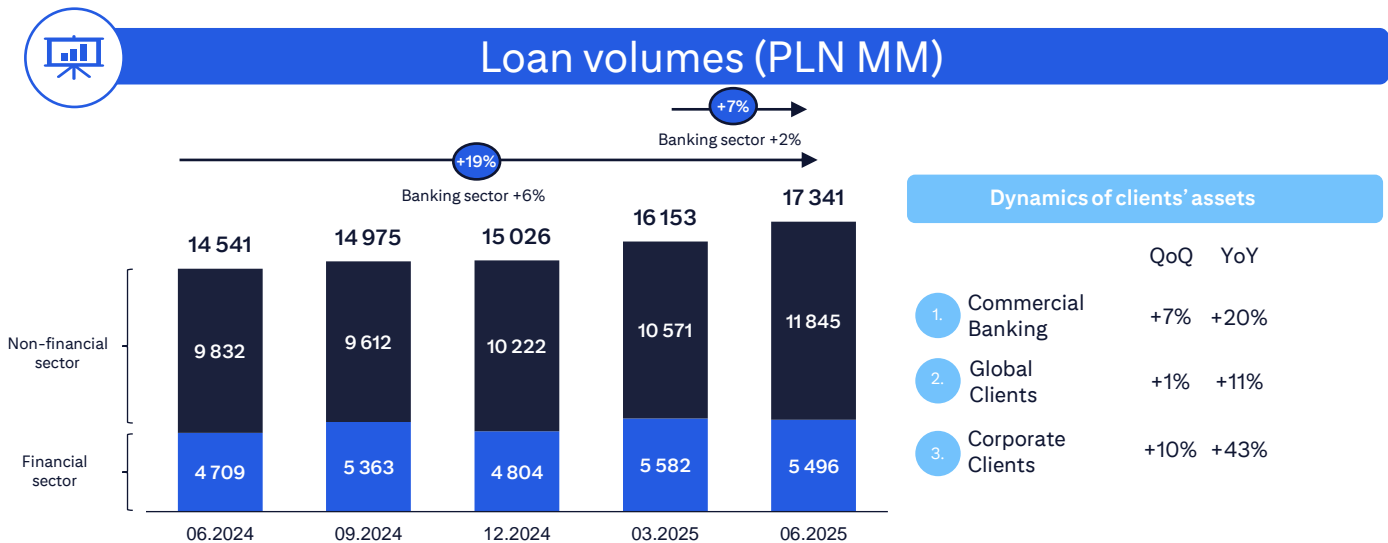
Reaffirmation of market leader position in Poland, with a market share of over 40%

Increase in the number of CPC clients

The third consecutive quarter of increase in retail deposits, which contributed to the increase in the number of CPC clients by 5% QoQ

*) Excluding reverse – repo transactions

Institutional Banking | Business volumes



Segments | Key growth drivers

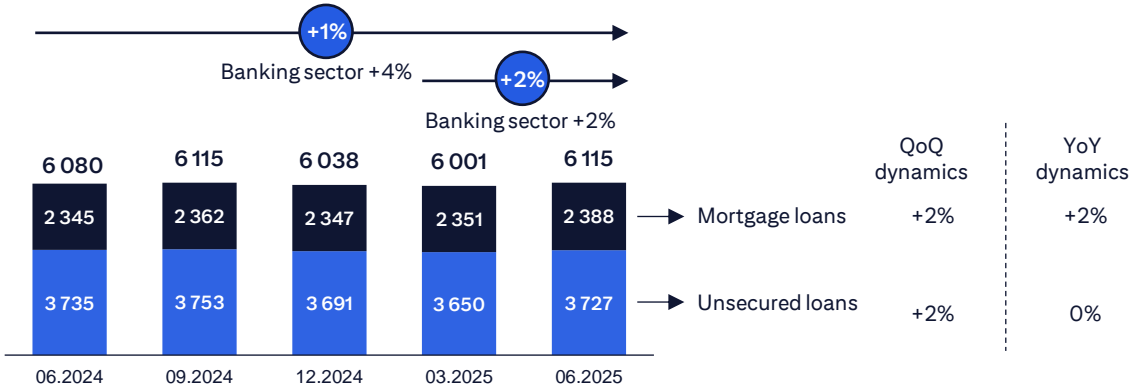
	Financial markets (Q2 25)	<div>↑7% YoY – FX transaction volumes</div> <div>↑63% YoY – value of transactions concluded through a brokerage house</div>
	Transactional activity (Q2 25)	<div>↑7% YoY – number of cross-border money transfers</div> <div>↑47% YoY – value of trade finance assets</div>
	Custody (Q2 25)	<div>↑3.4 pp. – market share</div>
	Relationship banking (H1 25)	<div>↑36% YoY – new financing granted, increase in current financing volume</div>

Institutional Banking | Key transactions

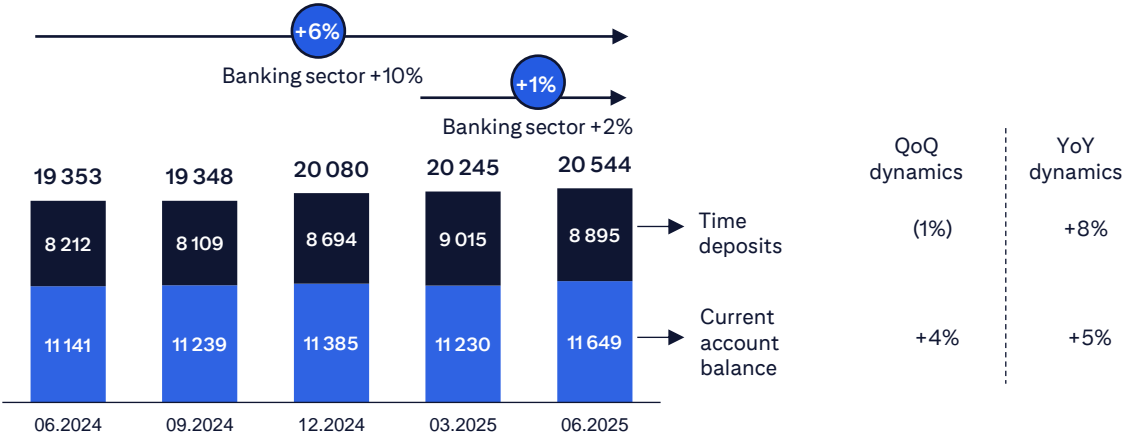


Consumer Banking | Business volumes

Loan volumes (PLN MM)



Deposit volumes (PLN MM)



Q2 2025 – key growth drivers

	FX volumes	<div>↑1% YoY – FX volumes increase</div> <div>↑2% YoY – number of transactions in CitiKantor</div>
	Private Banking	<div>↑12% YoY – average Total Relationship Balance</div> <div>↑10% YoY – number of Citigold Private Clients</div>
	Cards	<div>↓1% YoY – card transaction value (domestic)</div> <div>↓7% YoY – card transaction value (crossborder)</div>

20 years of Global Community Day

2025:



2 294
volunteers



13 059 hours



20 000
beneficiaries

- For 20 years Citi employees in Poland have participated in charitable activities
- It's a global movement that brings together our employees, alumni, families, and friends in volunteer activities in over 90 countries
- In Poland we cooperate with social partners – beneficiaries of Citi Foundation programs:
Food Bank in Olsztyn, Polish Center for International Aid, Network of Entrepreneurial Women and Think! Foundation, United Nations Environment Programme, Polish Paralympic Committee.
- We do competence-based volunteering, support disadvantaged groups, and work for the environment.



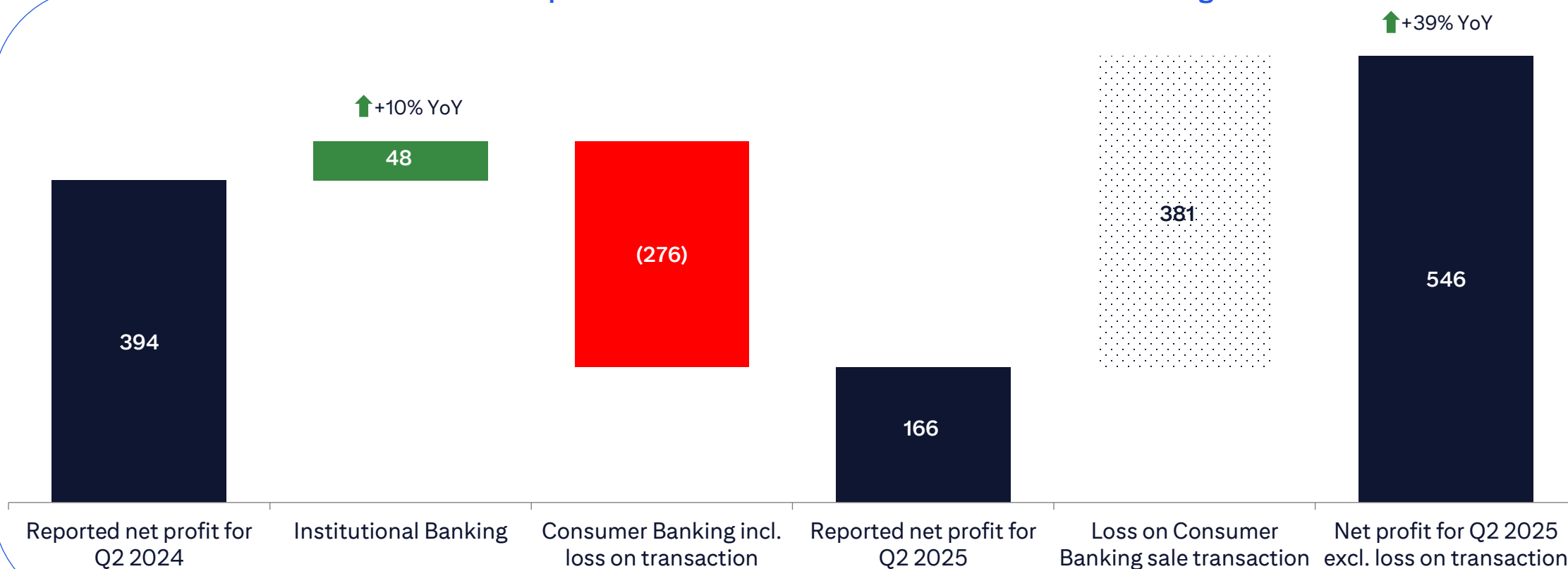
Consolidated financial results

Net profit | IFRS5 implementation



- Due to the conclusion of the agreement on the separation of the retail operations, the classification criteria required by IFRS 5 ("Non-current assets held for sale and discontinued operations") were met.
- As a result, the assets and liabilities of the Consumer Banking segment were classified as operations held for sale (separation of discontinued operations in the disclosed financial results)
- The key type of activity of the Bank is Institutional Banking, which is defined as continuing operations

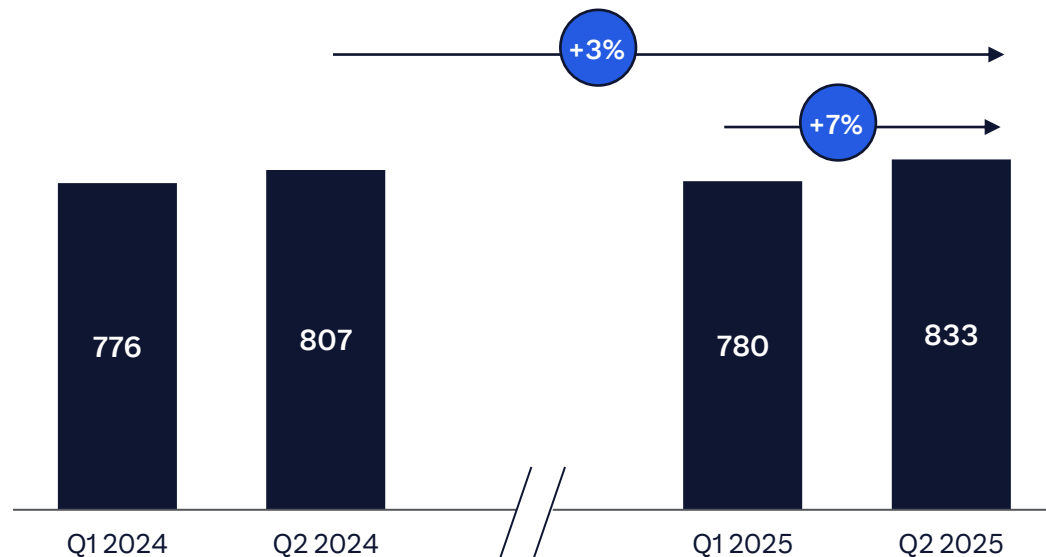
The Bank's net profit divided into Institutional and Consumer Banking



Total Revenue

Total Revenue (PLN MM) Institutional Banking

Higher interest income due to high customer activity in the credit and capital markets and a strong result from treasury operations in favorable market conditions

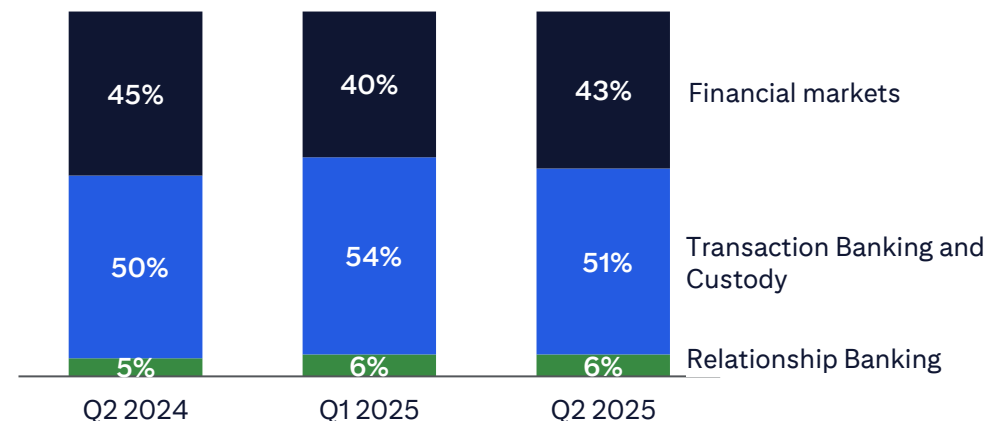


Total Revenue (PLN MM) Consumer Banking

In Q2 2025, total revenues amounted to **PLN 276 million**, a decrease by 7% YoY due to lower interest income as a result of the beginning of the interest rate cuts cycle and a decline in net fee & commission income, mainly in the credit card area.

Segment Revenues (%) – management view Institutional Banking

Revenue growth in all segments of Institutional Banking



Financial markets and others: client activity (FX and capital markets) and interbank (debt financial instruments, derivatives)

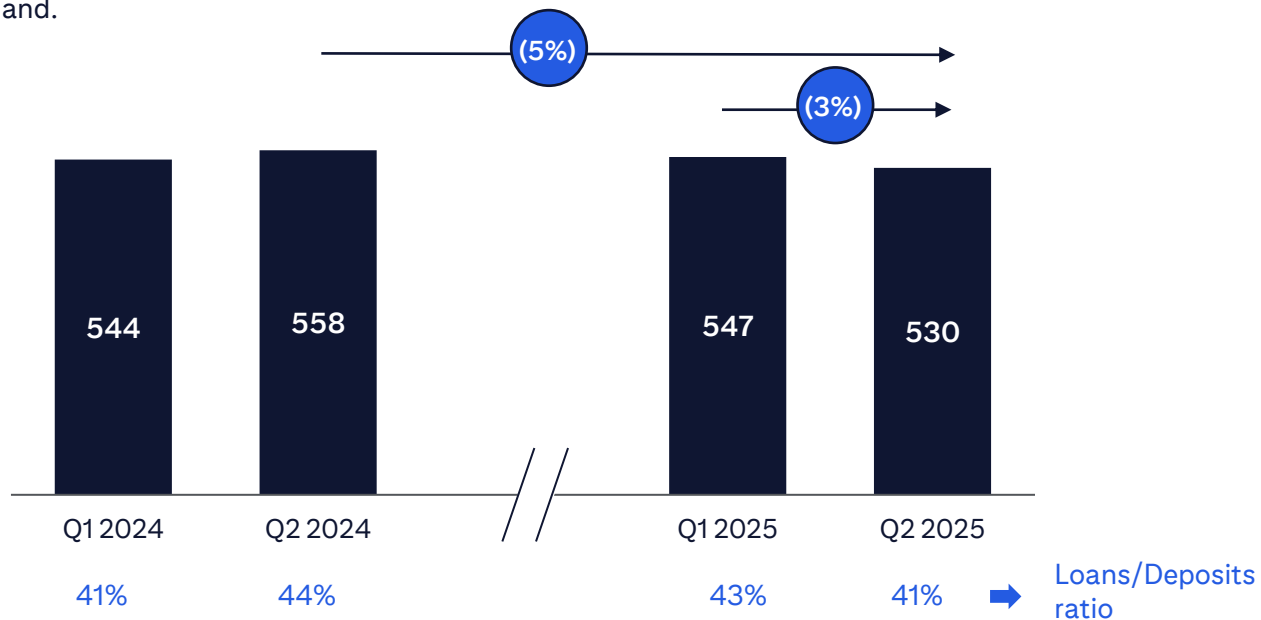
Transaction Banking and Custody: liquidity management, payments, trade finance and working capital, and custody

Relationship Banking (Services): credit and investment activities

Net interest income

Net interest income (PLN MM) Institutional Banking

The decline in net interest income is a consequence of the beginning of the interest rate cuts cycle in Poland.

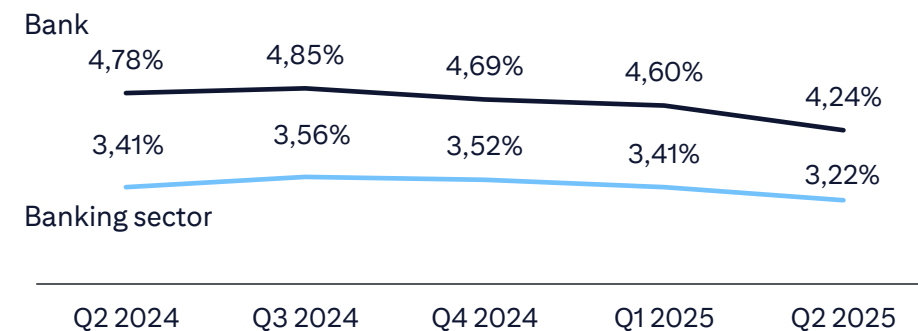


Net interest income (PLN MM) Consumer Banking

In Q2 2025, net interest income amounted to **PLN 232 million**, down by 6% YoY due to lower interest income as a result of the beginning of the interest rate cuts cycle.

Net interest margin Bank

Net interest margin* – Bank vs. Banking Sector



NBP reference rate:



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



Dynamics of interest
income from non-financial
customers

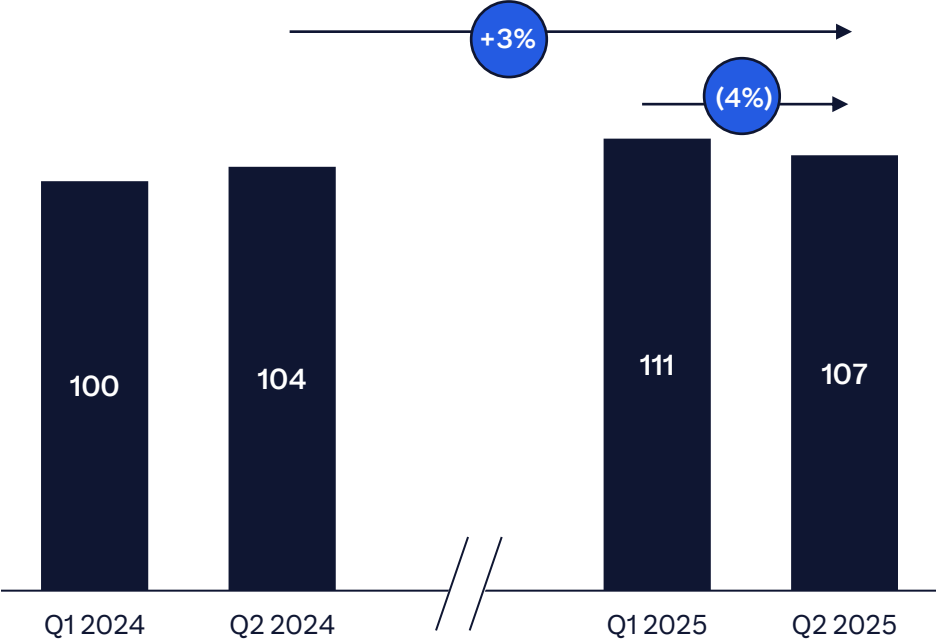
+22%
QoQ

+24%
YoY

Net fee and commission income

Net fee & commission income (PLN MM) Institutional Banking

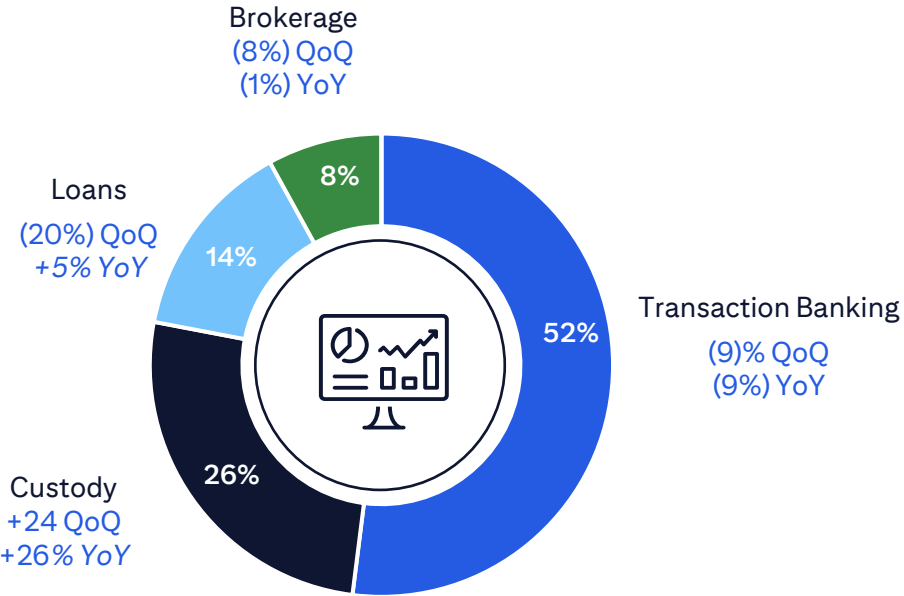
Record high net fee & commission income from custody activities. Brokerage revenues decline due to a one-off transaction in Q1 2025



Net fee and commission income (PLN MM) Consumer Banking

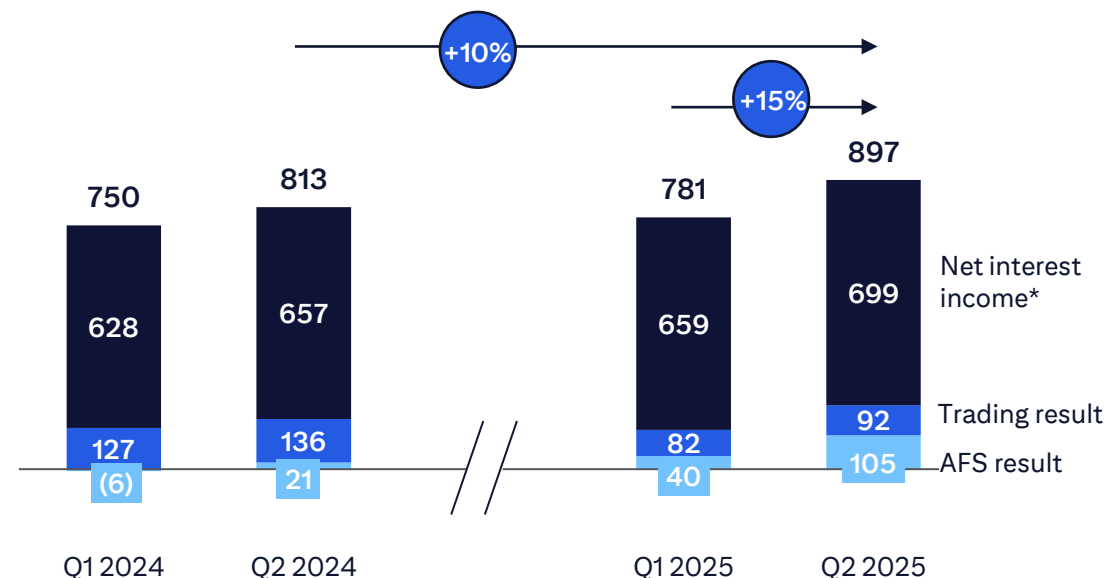
In Q2 2025, the net fee and commission income amounted to **PLN 40 million**, a decrease by 9% YoY due to lower revenues from cards, mainly in the area of installment loans, partially offset by higher revenues from investment products

Net fee & commission income by type (%) Institutional Banking



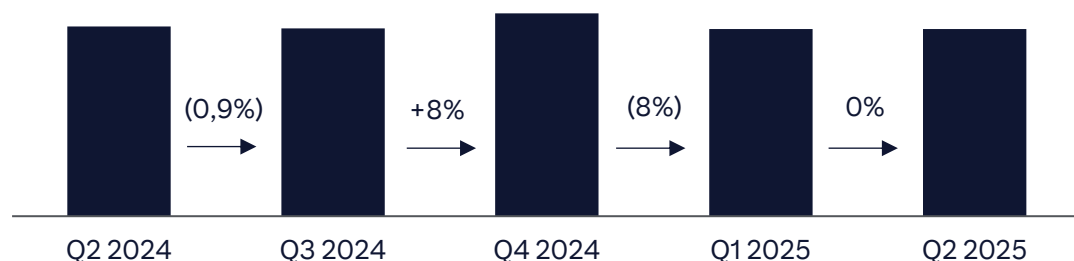
Treasury | Institutional Banking

Treasury result (PLN MM)



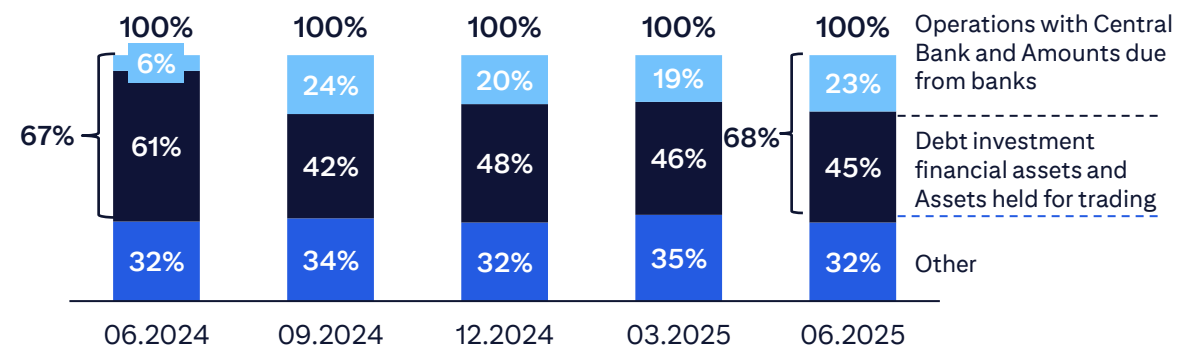
* Sum of net interest income on debt securities, amounts due from banks and derivatives in hedge accounting

Income on FX – client activity (Institutional Banking)

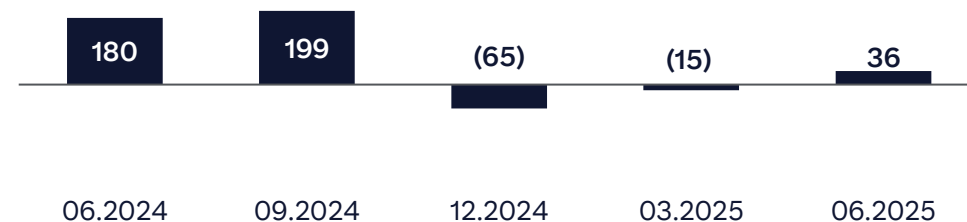


Balance sheet structure (%)

Decrease of share of debt securities portfolio as a result of client receivables growth.

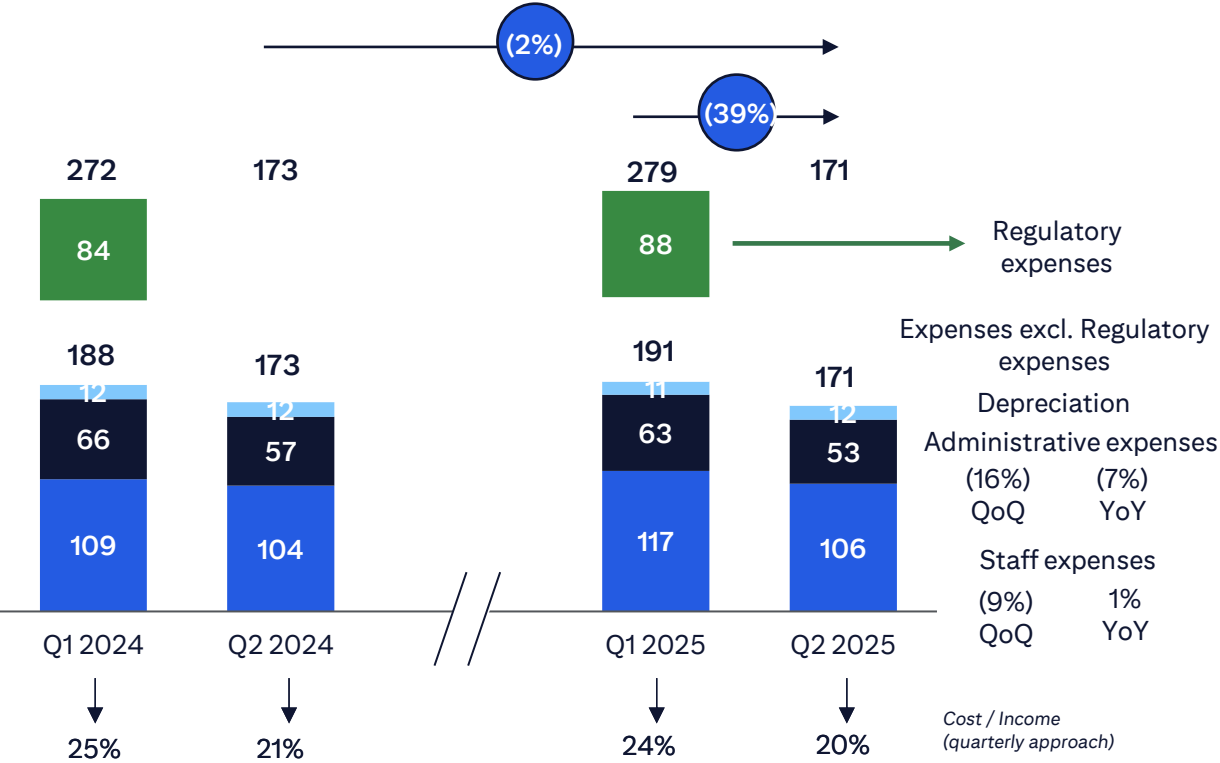


Revaluation reserve (PLN MM)



Expenses

Operating expenses (PLN MM) Institutional Banking

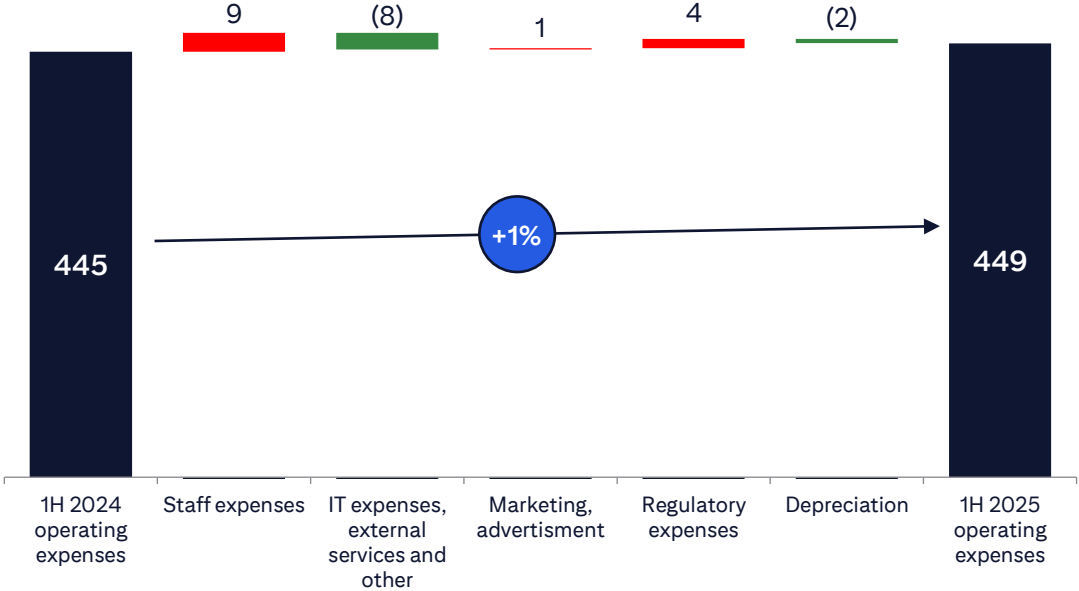


Operating expenses (PLN MM) Consumer Banking

In Q2 2025, operating costs amounted to **PLN 223 million**, an increase by 23% YoY due to higher legal and advisory costs (related to the transaction) and regulatory expenses (contributions to the Bank Guarantee Fund).

1H 2025 Expenses by type (PLN MM) Institutional Banking

Expenses slightly higher due to one-off adjustments in the previous year – excluding this adjustment, expenses growth is below inflation.

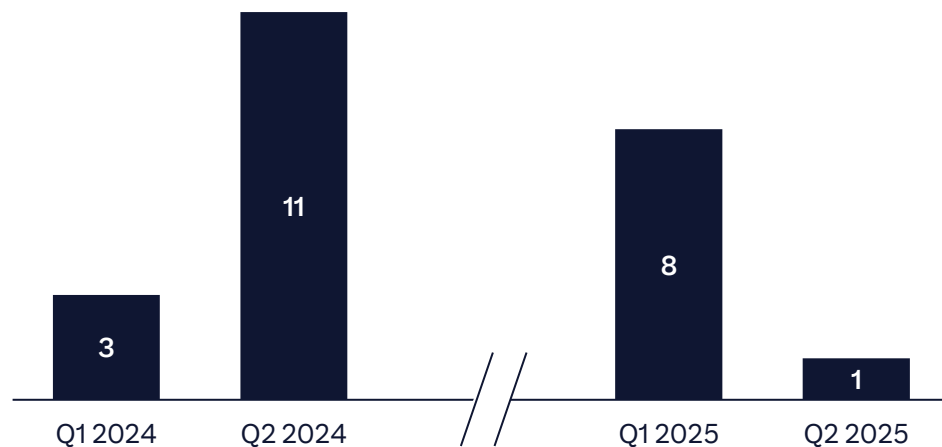


Costs of Risk

Cost of Risk Institutional Banking

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

(PLN MM)



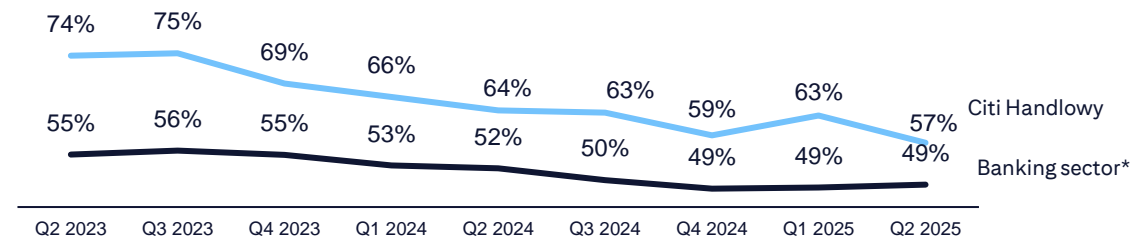
*Increase of provisions presented with the sign (+), decrease with the sign (-)

Costs of Risk (PLN MM) Consumer Banking

In Q2 2025, costs of risk amounted to **PLN 1 million** (positive result of write-offs) mainly due to the sold portfolio of receivables from stage 3 – impact on the profit and loss account in the amount of PLN 10.0 million.

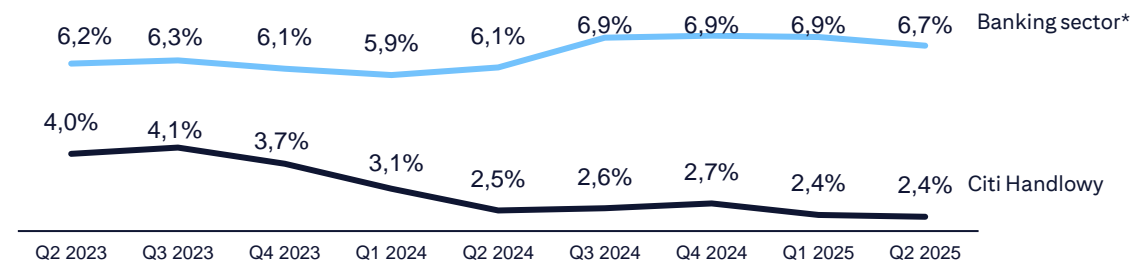
Coverage ratio and NPL

Coverage ratio for Institutional Banking



*Based on NBP data as for May 2025

Share of stage 3 in loan portfolio (amounts due from non-financial sector – Institutional Banking)



*Based on NBP data as for May 2025

Summary of the Capital Group financial results

	2Q25	1Q25	QoQ	2Q24	YoY	1H 2025	1H 2024	YoY
Net interest income	762	790	(3%)	805	(5%)	1 552	1 603	(3%)
Net fee and commission income	147	151	(3%)	148	(1%)	298	292	2%
Core revenue	909	940	(3%)	953	(5%)	1 849	1 895	(2%)
Treasury	210	128	64%	166	26%	339	303	12%
Other	(11)	(2)	503%	(16)	(32%)	(13)	(15)	(14%)
Total revenue	1 108	1 067	4%	1 103	1%	2 175	2 184	0%
Expenses	(393)	(476)	(17%)	(355)	11%	(869)	(825)	5%
Operating margin	715	591	21%	748	(4%)	1 306	1 358	(4%)
Net impairment losses	0	2	(90%)	9	(97%)	3	19	(86%)
Impairment of non-financial assets	0	0	-	(180)	(100%)	0	(180)	(100%)
Revaluation of assets held-for-sale	(470)	0	-	0	-	(470)	0	-
Bank levy	(51)	(40)	26%	(48)	5%	(91)	(94)	(3%)
Profit before tax	194	554	(65%)	528	(63%)	748	1 105	(32%)
Corporate income tax	(28)	(119)	(77%)	(134)	(79%)	(147)	(257)	(43%)
Net profit	166	435	(62%)	394	(58%)	601	848	(29%)
ROE	17,9%	20,8%	(2,9 pp.)	22,8%	(4,9 pp.)			
ROA	2,0%	2,4%	(0,4 pp.)	2,6%	(0,1 pp.)			
Revaluation reserve	36	(15)	(343%)	180	(80%)	36	180	(80%)
Assets	84 297	77 162	9%	73 074	15%	84 297	73 074	15%
Net loans	23 455	22 155	6%	20 620	14%	23 455	20 620	14%
Deposits	62 692	57 772	9%	52 487	19%	62 692	52 487	19%
TLAC TREA	27,1%	26,5%		23,6%				

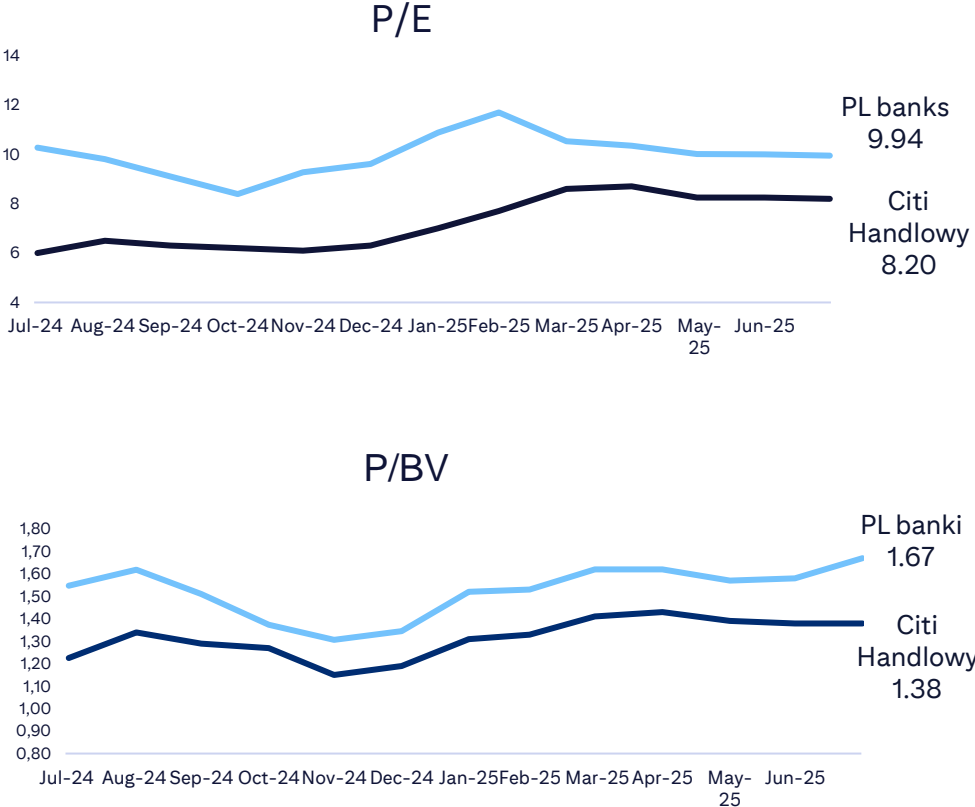
Appendix

Citi Handlowy – change in share price

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



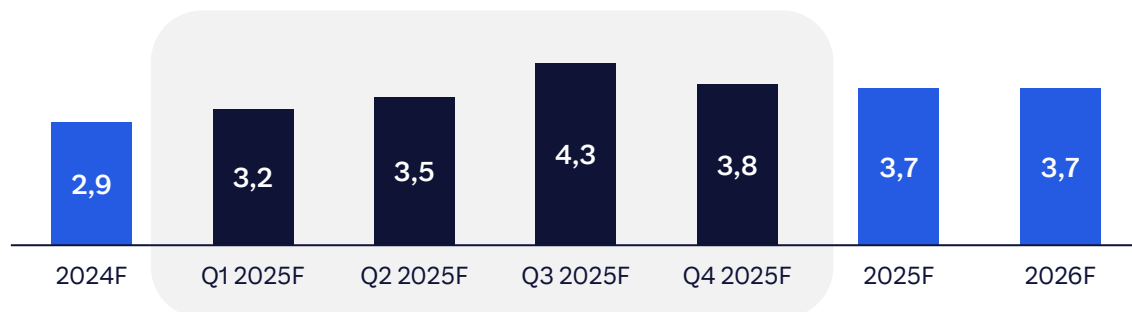
BHW's share valuation vs. other banks*



* Other banks – the 8 largest banks in Poland

Forecasts for Polish economy

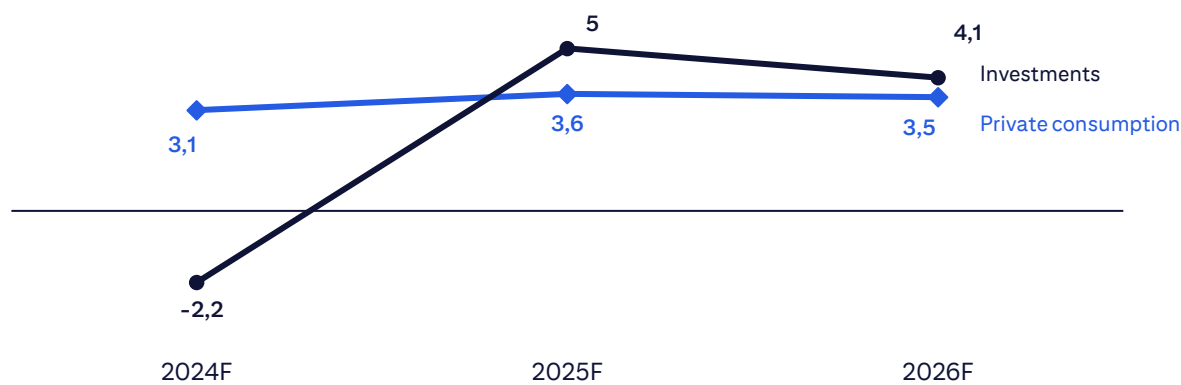
GDP of Poland (% YoY)



Based on Citi analyst forecasts (data as of 25/08/2025)

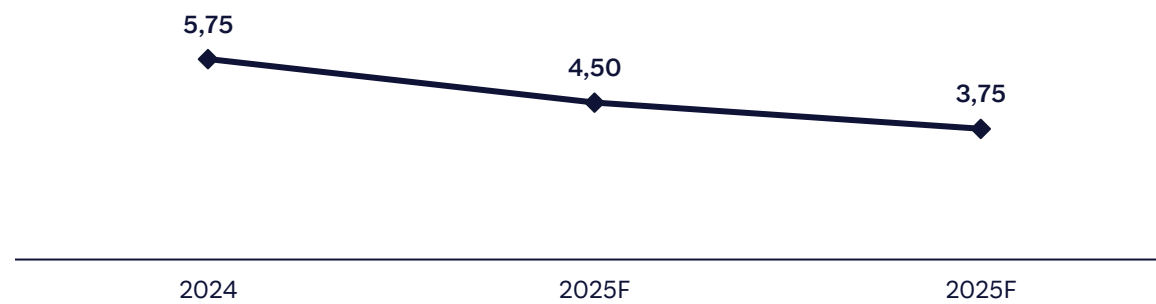
- In the first half of 2025, retail sales were 3.7% higher than in the same period a year earlier, that is why private consumption is still the main component of GDP growth.
- The ongoing uncertainty over US tariffs on European goods in recent months has certainly not been conducive to Polish industry. Similarly, stagnation in Germany, Poland's largest export market, may further hamper the growth of Polish industry.
- The current inflation trajectory suggests that the CPI could fall to the central bank's target next year.
- In our opinion, given the downward inflation trend, the current interest rate level appears too high. However, the question remains how quickly the Council will decide to cut rates. We expect further decisions to be made gradually and spread over time. We anticipate two more cuts of 25 basis points this year and three more in 2026. This would bring the reference rate down to 3.75%.

Consumption and investments (% YoY)



Based on Citi analyst forecasts (data as of 25/08/2025)

NBP reference rate (% EoP)



Based on Citi analyst forecasts (data as of 25/08/2025)

Capital Group – profit and loss account

PLN MM	1Q24	2Q24	1Q25	2Q25	2Q25 vs.1Q25		2Q25 vs.2Q24		1H 2024	1H 2025	1H 2025 vs. 1H 2024	
					PLN MM	%	PLN MM	%			PLN MM	
Net interest income	544	558	547	530	(17)	(3%)	(28)	(5%)	1 102	1 078	(24)	(2%)
Net fee and commission income	100	104	111	107	(4)	(4%)	3	3%	204	217	13	6%
Dividend income	0	11	0	11	11	12736%	1	8%	11	12	1	8%
Net gain on trading financial instruments and revaluation	127	136	82	92	10	12%	(43)	(32%)	263	175	(88)	(34%)
Net gain on debt investment financial assets measured at fair value through other comprehensive income	(6)	21	40	105	65	163%	85	413%	14	145	131	909%
Hedge accounting	8	2	(2)	4	7	-	2	128%	10	2	(8)	(82%)
Treasury	129	158	120	202	82	68%	44	28%	287	322	35	12%
Net gain on other equity instruments	3	(10)	2	(8)	(9)	-	2	(19%)	(7)	(6)	0	(7%)
Net other operating income	1	(14)	1	(10)	(10)	-	4	(31%)	(13)	(9)	4	(33%)
Revenue	776	807	780	833	52	7%	25	3%	1 584	1 613	29	2%
Expenses	(260)	(161)	(268)	(159)	109	(41%)	2	(1%)	(421)	(427)	(6)	1%
Depreciation	(12)	(12)	(11)	(12)	(1)	9%	1	(5%)	(24)	(22)	2	(8%)
Expenses and depreciation	(272)	(173)	(279)	(171)	108	(39%)	3	(2%)	(445)	(449)	(4)	1%
Operating margin	504	634	502	662	160	32%	28	4%	1 138	1 164	26	2%
Profit/(loss) on sale of tangible fixed assets	1,9	(0,1)	1,1	(0,6)	(1,7)	-	(0,4)	334%	1,8	0,6	(1,2)	(68%)
Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments	(3)	(11)	(8)	(1)	7	(85%)	10	(89%)	(14)	(9)	5	(37%)
Tax on certain financial institutions	(30)	(34)	(28)	(36)	(8)	27%	(2)	6%	(64)	(64)	(0)	1%
Profit before tax from continuing operations	473	589	467	624	158	34%	36	6%	1 062	1 091	29	3%
Corporate income tax	(116)	(122)	(107)	(110)	(3)	3%	12	(10%)	(238)	(217)	21	(9%)
Net profit from continuing operations	358	467	360	514	154	43%	48	10%	824	874	50	6%
Net profit from discontinued operations	96	(73)	75	(349)	(424)	-	(276)	381%	24	(274)	(298)	-
Net profit from continuing and discontinued operations	454	394	435	166	(269)	(62%)	(229)	(58%)	848	601	(248)	(29%)
			0	0								
C/I ratio	35%	21%	36%	20%					28%	28%		

Institutional Banking – profit and loss account

PLN MM	2Q24	3Q24	4Q24	1Q25	2Q25	2Q25 vs.1Q25		2Q25 vs2Q24		1H 2024	1H 2025	1H 2025 vs 1H 2024	
						PLN MM	%	PLN MM	%			mln zł	%
Net interest income	535	532	522	524	509	(15)	(3%)	(26)	(5%)	1 055	1 032	(23)	(2%)
Net fee and commission income	111	104	106	117	112	(5)	(4%)	2	2%	217	230	12	6%
Dividend income	2	1	0	0	3	3	9912%	1	26%	2	3	1	25%
Net gain on trading financial instruments and revaluation	136	131	171	82	92	10	12%	(43)	(32%)	263	175	(88)	(34%)
Net gain on debt investment financial assets measured at fair value through other comprehensive income	21	2	34	40	105	65	163%	85	413%	14	145	131	909%
Hedge accounting	2	(8)	7	(2)	4	7	-	2	128%	10	2	(8)	(82%)
Treasury	158	124	212	120	202	82	68%	44	28%	287	322	35	12%
Net gain on other equity instruments	(2)	7	12	1	(2)	(3)	-	(1)	36%	0	(1)	(1)	-
Net other operating income	4	(1)	5	2	(12)	(14)	-	(16)	-	6	(10)	(16)	-
Revenue	807	767	858	764	812	48	6%	5	1%	1 568	1 576	8	1%
Expenses	(144)	(139)	(145)	(242)	(152)	90	(37%)	(8)	5%	(385)	(394)	(8)	2%
Depreciation	(7)	(8)	(8)	(8)	(10)	(1)	18%	(3)	42%	(13)	(18)	(5)	34%
Expenses and depreciation	(151)	(146)	(154)	(250)	(162)	88	(35%)	(10)	7%	(398)	(411)	(13)	3%
Operating margin	656	621	704	514	650	136	27%	(6)	(1%)	1 169	1 164	(5)	(0%)
Profit/(loss) on sale of tangible fixed assets	(0,1)	(0,2)	(0,7)	1,1	(0,6)	(2)	-	(0)	334%	1,8	0,6	(1)	(68%)
Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments	(11)	(1)	(3)	(8)	(1)	7	(85%)	10	(89%)	(14)	(9)	5	(37%)
Tax on certain financial institutions	(34)	(27)	(29)	(28)	(36)	(8)	27%	(2)	6%	(64)	(64)	(0)	1%
EBIT	611	592	670	479	613	134	28%	2	0%	1 093	1 092	(1)	(0%)
C/I ratio	19%	19%	18%	33%	20%					25%	26%		

Consumer Banking – profit and loss account

PLN MM	2Q24	3Q24	4Q24	1Q25	2Q25	2Q25 vs.1Q25		2Q25 vs.2Q24		1H 2024	1H 2025	1H 2025 vs. 1H 2024	
						PLN MM	%	PLN MM	%			PLN MM	%
Net interest income	270	287	273	266	253	(13)	(5%)	(17)	(6%)	547	519	(28)	(5%)
Net fee and commission income	37	37	32	34	34	1	2%	(3)	(7%)	75	68	(7)	(9%)
Dividend income	9	0	0	0	9	9	13902%	0	3%	9	9	0	3%
Net gain on trading financial instruments and revaluation	8	9	8	8	8	0	1%	(0)	(0%)	16	17	0	2%
Net gain on other equity instruments	(8)	(4)	23	0	(6)	(6)	-	2	(30%)	(7)	(5)	2	(26%)
Net other operating income	(21)	(7)	(13)	(5)	(3)	3	(52%)	18	(87%)	(24)	(8)	16	(67%)
Revenue	296	322	323	303	297	(7)	(2%)	1	0%	616	600	(16)	(3%)
Expenses	(182)	(178)	(199)	(221)	(227)	(6)	3%	(45)	25%	(382)	(448)	(66)	17%
Depreciation	(22)	(22)	(23)	(5)	(5)	0	(3%)	17	(78%)	(45)	(10)	35	(78%)
Expenses and depreciation	(204)	(200)	(222)	(226)	(232)	(5)	2%	(28)	14%	(427)	(458)	(31)	7%
Operating margin	92	122	101	77	65	(12)	(16%)	(27)	(29%)	189	141	(47)	(25%)
Net impairment allowances on non-financial assets	(180)	-	(252)	-	-	-	-	180	(100%)	(180)	-	180	(100%)
Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments	20	1	1	10	1	(9)	(86%)	(18)	(93%)	33	12	(22)	(65%)
Tax on certain financial institutions	(15)	(12)	(13)	(12)	(15)	(3)	23%	(0)	1%	(30)	(27)	3	(10%)
Revaluation of assets and liabilities held-for-sale of at goodwill less costs to sell	-	-	-	-	(470)	(470)	-	(470)	-	-	(470)	(470)	-
EBIT	(83)	112	(163)	75	(419)	(494)	-	(336)	404%	12	(344)	(356)	-
C/I ratio	69%	62%	69%	75%	78%					69%	76%		

Balance sheet - assets

PLN B						Jun. 2025 vs. Dec. 2024		Jun. 2025 vs. Jun. 2024	
	Jun. 2024	Sep. 2024	Dec. 2024	Mar. 2025	Jun. 2025	PLN B	%	PLN B	%
Cash and cash equivalents	0,5	1,9	5,8	6,7	11,0	5,2	90%	10,5	2055%
Amounts due from banks	4,2	15,5	8,8	8,4	8,7	(0,1)	(1%)	4,5	106%
Financial assets held-for-trading	5,6	6,0	4,4	4,4	5,9	1,5	33%	0,3	6%
Debt financial asstes measured at fair value through other comprehensive income	39,2	24,7	30,1	30,7	31,9	1,8	6%	(7,3)	(19%)
Net gain/(loss) on equity and other instruments measured at fair value through income statement	0,1	0,1	0,2	0,2	0,2	(0,0)	(4%)	0,0	24%
Customer loans	21,2	21,9	21,4	24,8	18,6	(2,7)	(13%)	(2,6)	(12%)
Financial sector entities	5,3	6,2	5,1	8,2	6,8	1,7	33%	1,5	28%
including reverse repo receivables	0,6	0,9	0,3	2,7	1,3	1,0	331%	0,7	109%
Non-financial sector entities	15,9	15,7	16,3	16,6	11,8	(4,4)	(27%)	(4,1)	(26%)
Corporate Banking	9,8	9,6	10,2	10,6	11,8	1,6	16%	2,0	20%
Consumer Banking	6,1	6,1	6,0	6,0	-	(6,0)	(100%)	(6,1)	(100%)
Tangible fixed assets	0,5	0,5	0,5	0,5	0,5	(0,1)	(13%)	(0,1)	(15%)
Intangible assets	1,1	1,1	0,9	0,9	0,9	0,0	0%	(0,2)	(20%)
Deferred tax asset	0,2	0,1	0,1	0,1	0,2	0,1	83%	(0,0)	(2%)
Non-current assets held-for-sale and assets in disposal groups held-for-sale	-	-	-	-	6,1	6,1	-	6,1	-
Other assets	0,4	0,5	0,4	0,6	0,5	0,1	32%	0,1	17%
Total assets	73,1	72,4	72,5	77,2	84,3	11,8	16%	11,2	15%

Balance sheet – liabilities and equity

	Jun. 2024	Sep. 2024	Dec. 2024	Mar. 2025	Jun. 2025	Jun. 2025 vs. Dec. 2024		Jun. 2025 vs. Jun. 2024	
PLN B						PLN B	%	PLN B	%
Liabilities due to banks	3,6	3,4	4,4	3,3	4,5	0,1	2%	0,9	25%
Financial liabilities held-for-trading	3,2	3,2	2,8	2,3	3,1	0,3	12%	(0,1)	(2%)
Financial liabilities due to customers	53,8	53,9	54,0	58,2	41,7	(12,3)	(23%)	(12,1)	(23%)
Financial sector entities - deposits	4,0	4,4	4,0	4,1	5,0	1,0	25%	1,0	26%
Non-financial sector entities - deposits	48,5	48,2	49,4	53,7	36,7	(12,8)	(26%)	(11,9)	(24%)
Liabilities in disposal groups held-for-sale	-	-	-	-	22,4	22,4	-	22,4	-
Other liabilities	3,3	2,1	1,4	3,0	3,4	2,0	139%	0,1	4%
Total liabilities	63,9	62,7	62,6	66,8	75,1	12,5	20%	11,2	18%
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	(17%)
Revaluation reserve	0,2	0,2	(0,1)	(0,0)	0,0	0,1	-	(0,1)	(80%)
Other reserves	4,1	4,0	4,0	4,0	5,1	1,1	26%	1,1	26%
Retained earning	1,5	2,0	2,4	2,8	0,6	(1,8)	(75%)	(0,9)	(60%)
Total Equity	9,2	9,8	9,9	10,4	9,2	(0,6)	(6%)	0,0	0%
Total liabilities & equity	73,1	72,4	72,5	77,2	84,3	11,8	16%	11,2	15%
Loans / Deposits ratio	40%	42%	40%	43%	43%				

Contact details



Investor Relations:

relacjeinwestorskie@citi.com

Adam Piotrak

Investor Relations Head

adam.piotrak@citi.com

Monika Paczuska

Investor Relations Analyst

monika.paczuska@citi.com