

 **citi handlowy**

May 27, 2025

Bank for Global Business – 2025-2027 Strategic Directions



Disclaimer

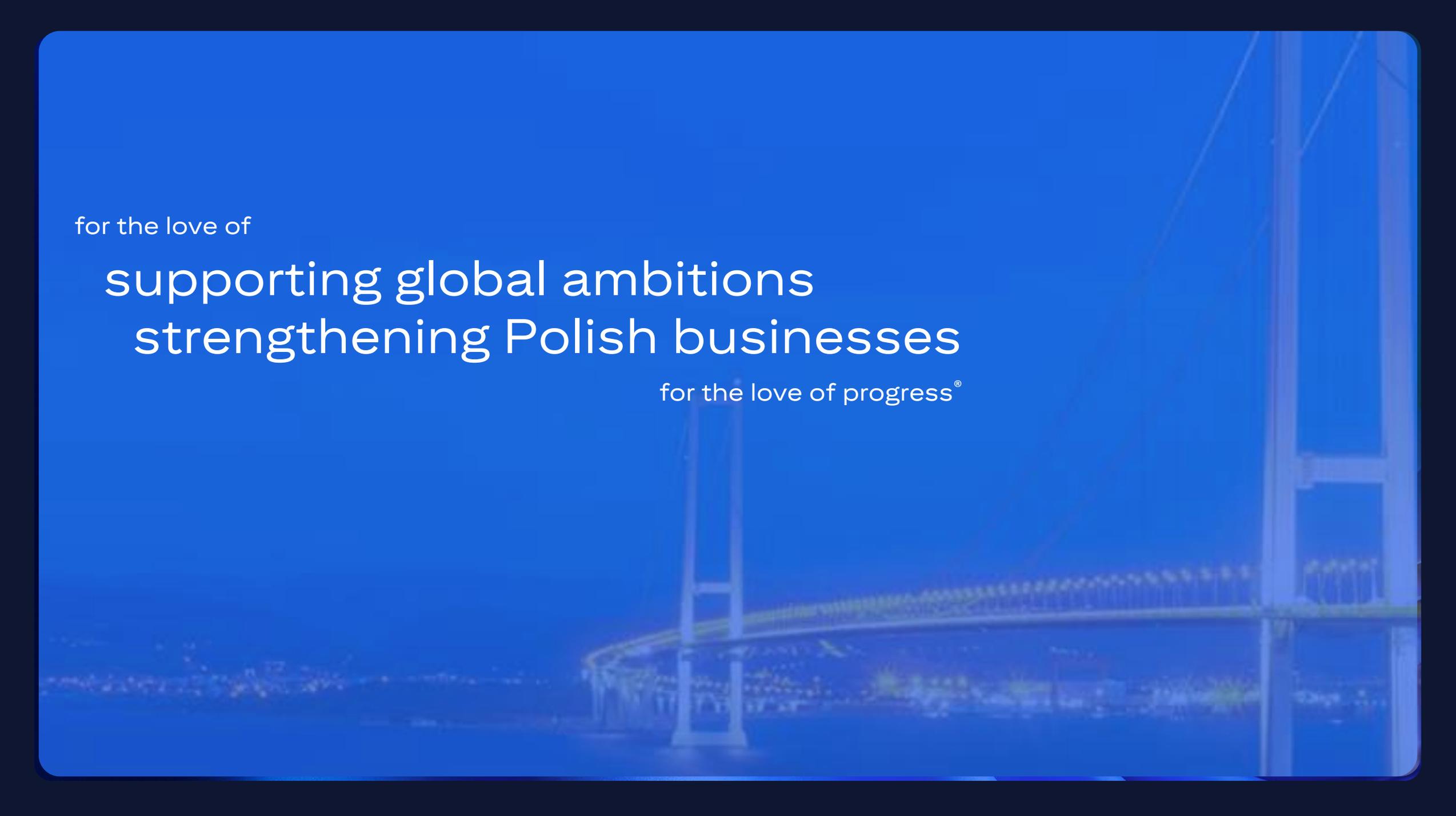
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for the love of

supporting global ambitions
strengthening Polish businesses

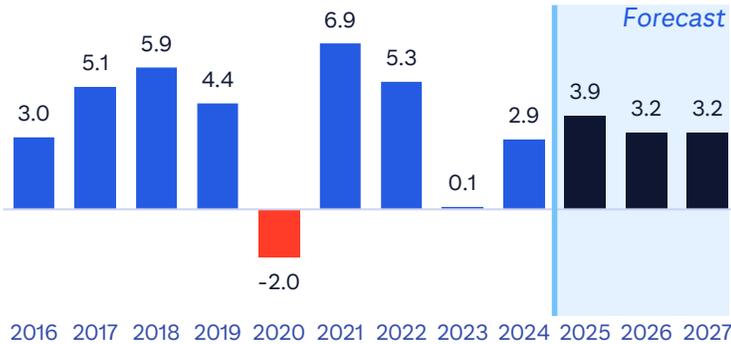
for the love of progress®

Economic Outlook

Stable economy with positive outlook driven by investments

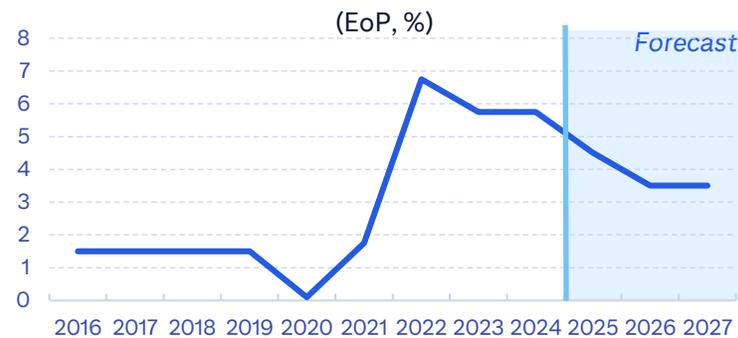
Poland's GDP is set for a rebound

GDP growth (% YoY)



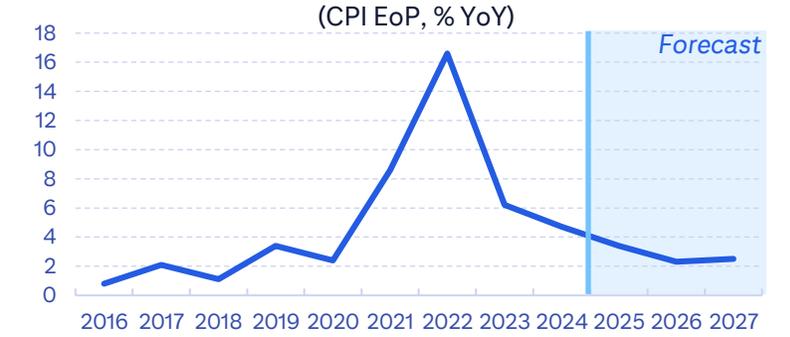
Rates expected to decline

NBP reference rate (EoP, %)



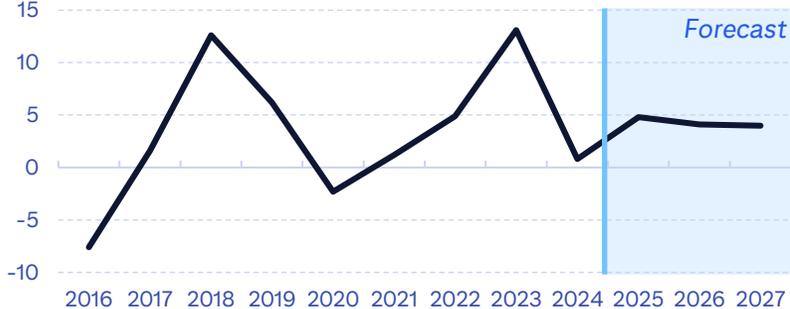
Inflation heading towards Central Bank's target

Inflation (CPI EoP, % YoY)



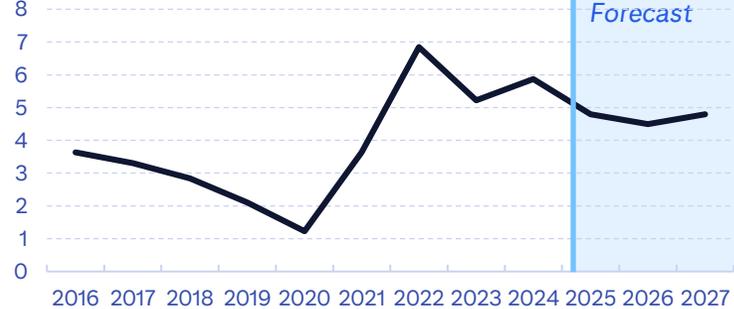
Investments supported by EU funds

Fixed investments (% YoY)



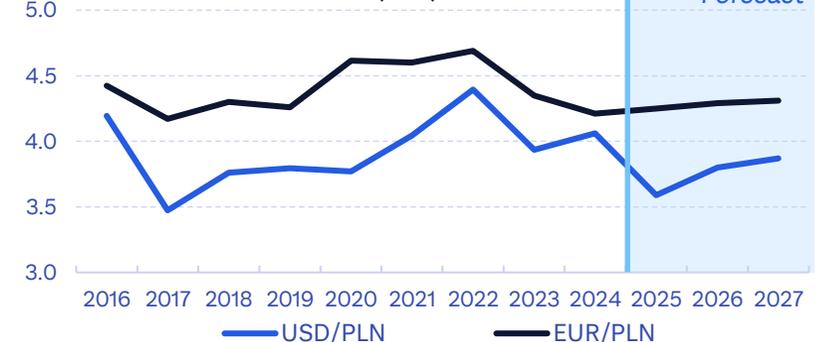
Stable yields (10Y PLN bonds)

10Y PLN Bond Yield (EoP, %)



Stable currency

FX rate (EoP)



Industry Trends and Country Priorities Support a Focus on Institutional Banking

We are focused on helping institutional clients navigate recent trends which create substantial business opportunities



Trade corridors

- Trade corridors shifting away from traditionally established partners
- Capturing inflow of FDIs with geography-specific focus



Near-shoring / friend-shoring

- Poland is a cost-effective location – already chosen for several investments
- Near-shoring of suppliers from Asia to the region



National security / Defense

- Poland is leading in terms of military spendings to GDP ratio among NATO countries (4-5%)
- Most of the defense contracts are concluded with foreign investors



Investment Banking

- Higher client activity in the field of M&A transactions
- Capital raising opportunities – debt and equity capital markets
- Episodic transactions fueling fee revenue

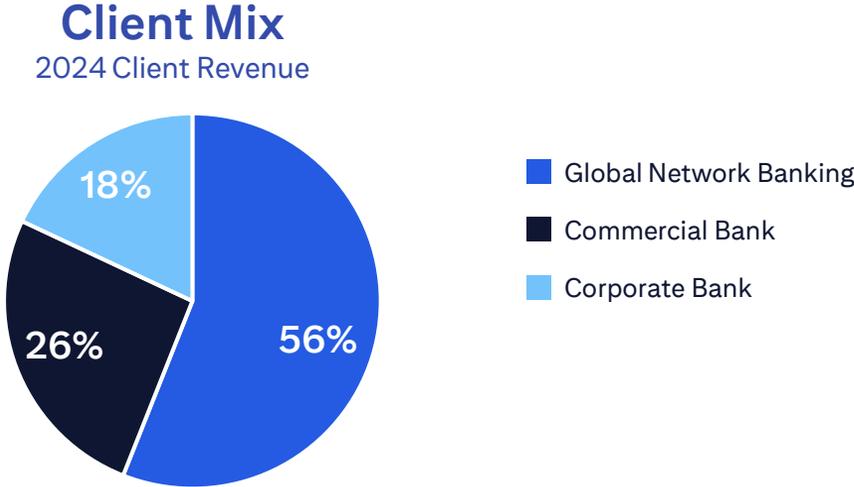
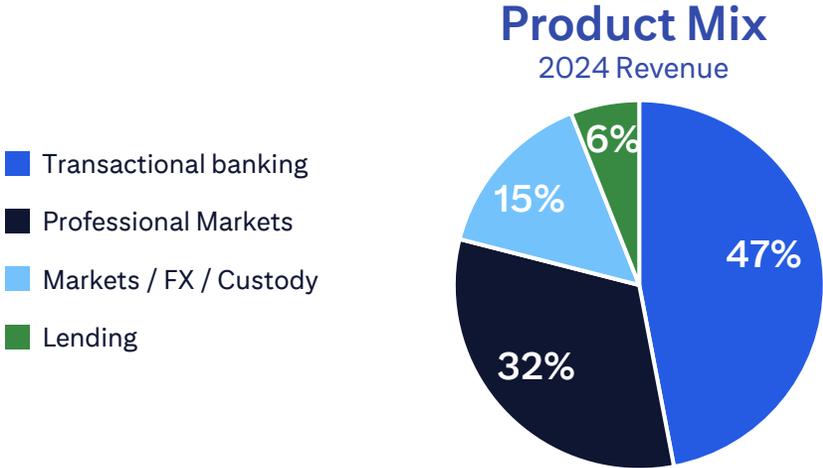


Energy Transformation

- Poland is a mostly coal-based economy
- Foreign investments in Poland to build windfarms components
- Nuclear plans announced in 2023

Citi Handlowy Institutional Banking Today

Institutional Banking (2024)	PLN 3.2 Bn Revenue	25% Cost/Income	PLN 32.1 Bn Deposits	PLN 15.3 Bn Loans	PLN 377 Bn Assets under custody	PLN 12 Tn Outgoing payments Value
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Part of unparalleled Citi global network

Our global network gives us the ability to connect and do business in nearly 180 countries and jurisdictions
 Over 200 years of experience and capabilities to meet the banking needs of our clients as they grow across borders



90+
countries
with on-the-ground presence

90%
of the top 100 banks
are Citi clients

77
countries
with trading floors

\$24Tn
approximate assets under
custody and administration

How We Serve Institutional Clients

- **Liquidity Management**

Help move, manage, and invest balances efficiently, while managing risk and optimizing financial outcomes

- **Payments**

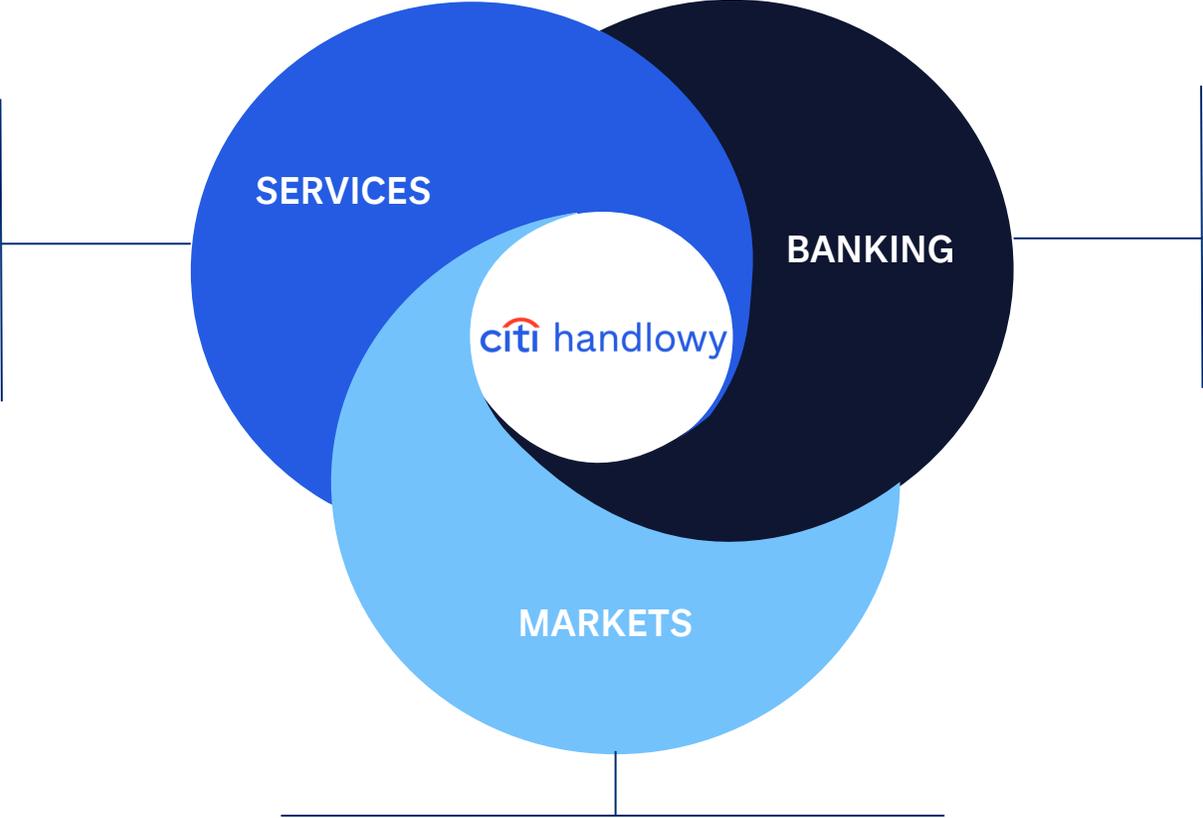
Deliver a consistent and connected Global Payments experience powered by agile and scalable solutions

- **Trade & Working Capital Solutions**

Digitally-enabled Trade strategies and solutions help buyers and suppliers manage complexity

- **Platforms and Data Services**

Digital platforms and market leading connectivity options for seamless integration to Clients' technology suite



- **Full types of financing**
- **Investment Banking**

Banking organized around three lines

- Global Network Banking
- Commercial Bank
- Corporate Bank

- **FX**
- **Derivatives**
- **Capital markets**
- **Securities Services**

Proven Track Record

Landmark deals executed for our clients



EUR 3.2 Bn

IPO on Amsterdam
Stock Exchange
Co-Bookrunner



PLN 1.77B
EUR 101MM

Syndicated
loan



PLN 1.25 Bn
Climate Awareness
Bond

Lead Manager



European Bank
for Reconstruction and Development

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



EUR 300 MM
PLN 820 MM
Syndicated financing
Underwriter and
Original Lender



elemental

EUR 252MM

Syndicated
loan



EUR 863.5 MM

Syndicated loan



PLN 1.2 Bn

Joint - Structurer



Acquisition of shares
in innovative
American tech
company - Pilot44



Financial agreement
including fulfilment
of the company's
sustainable
development goals



PLN 10.5 Bn

Joint Book Runne



Global Program
of Supplier Finance
Adam Smith Award



PLN 1.5 Bn

Issue of the new
series of shares



EUR 400 MM
Dealer of Eurobonds
issue to be injected in
the Anti-Covid-19
Fund and Ukraine
Assistance Fund



PLN 1.7 Bn

IPO on Warsaw Stock
Exchange

PATH FORWARD:

Citi Handlowy expertise and Citi's global network allow us to serve clients in a way others simply cannot. With consumer business divestiture underway, we will accelerate our growth by winning with our institutional clients.

Institutional Business Strategy

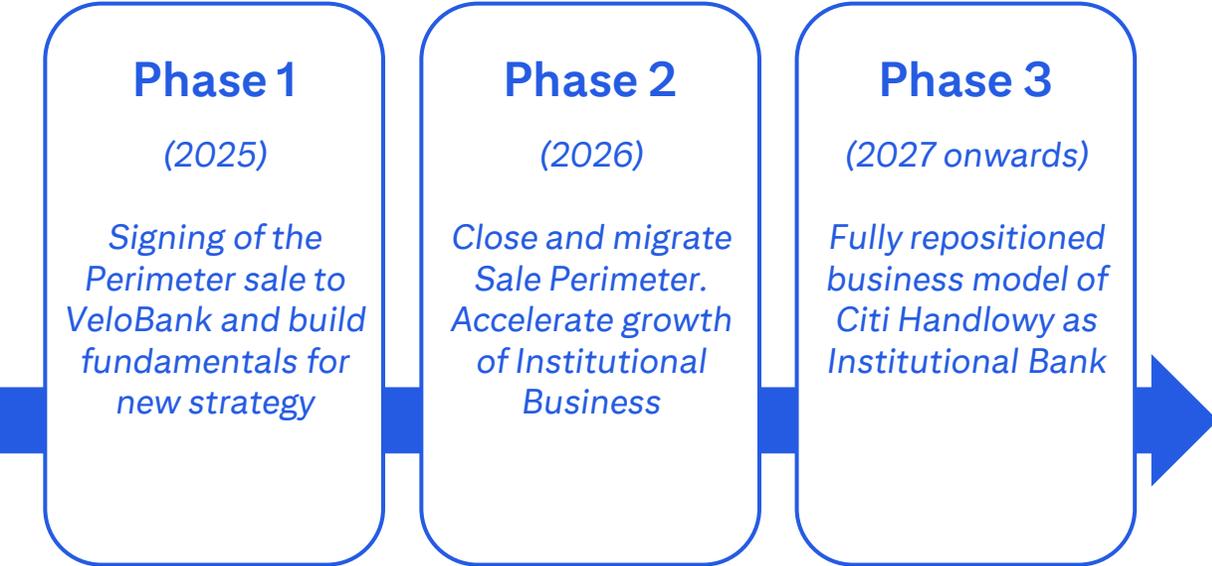
Our well-positioned Institutional Business gives us a solid foundation for growth

Vision To be the preeminent banking partner for clients with cross-border needs and aspirations. As the most global bank in Poland with 155-years experience in the Polish market, we want to enable growth and economic progress of the country

Our strategic pillars

-  Deliver unique value proposition with access to global markets and track record in helping Polish companies win abroad
-  Be #1 Bank for international companies investing in Poland (trade corridors, FDIs inflow)
-  Support country economy in key themes – energy transformation and national security / defense
-  Partner with clients in their path to green by providing ESG products & solutions tailored to their specific needs

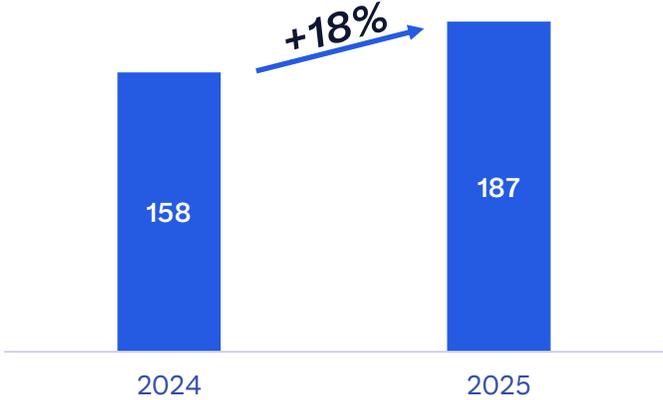
Our journey



Key Themes – Increased Defense Spending

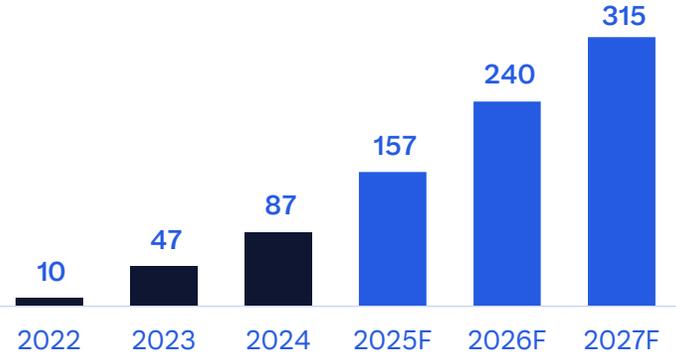
Given geopolitical situation defense remains the highest priority on the country agenda

Poland defense budget (PLN Bn)



5%
of GDP in 2025

Planned Debt of the Armed Forces Support Fund (PLN Bn)



PLN 300Bn
by 2027

Client value proposition



Solutions for defense related contracts in the form of long-term financing backed by export agency



Financing arrangement for suitable capital structure



Key partner in risk management in military defense financing



Strong engagement in supranational and support Government of Poland and its agencies in raising debt



Best in class global Trade Finance capabilities to effectively compete in this area

Key Themes – Energy Transition

Global industry expertise and deep local relationships allow for active participation in Poland’s energy transformation

Transition towards sustainable energy

Client value proposition



■ – Hard coal ■ – Natural gas ■ – Renewable energy sources ■ – Nuclear

- Coal as resource to be gradually replaced by renewables, gas, nuclear with the last coal mine to be closed in 2049
- Strong focus on further development of distribution infrastructure and storage capacity

Up to PLN 900 Bn
Investments required for Poland energy transformation



Global Energy industry expertise



FX and risk management



Trade finance / ECA financing related with large CAPEX financing expected from power sector companies



Capital markets opportunities related to further consolidation of the Polish power sector



Offshore / nuclear related hedging (inflation, long term interest rate)

Key Themes – New Economy Clients

Dedicated solutions for fast growing Tech industries

	Market outlook - estimated 3-year CAGR	Citi Handlowy wallet growth potential	Client value proposition
 Global FinTech & Payments	22%	5x	<ul style="list-style-type: none">  24/7 (also high volume) instant payments, including liquidity and real-time confirmations
 eCommerce & Online Services	9%	2x	<ul style="list-style-type: none">  Enriched data information for third-party flow
 Software & IT Services	6%	3x	<ul style="list-style-type: none">  High-throughput (system capacity for mass STP volumes)
 Gaming	9%	5x	<ul style="list-style-type: none">  Flexible approach to adjust solutions to clients' needs (e.g. phone number as replacement for IBAN)  Security & transparency in solutions provided  Speed & agility to onboard and service clients, including faster and frictionless implementation

Modernize Platforms and Infrastructure

Modern and digital bank of first choice for international and digital native clients

Online Banking

CitiDIRECT 



Desktop



Mobile



Tablet

Global online banking portal for cash management and payments

System connectivity

CitiConnect[®]



SWIFT



API



Files

System-to-system integration via API, file and SWIFT to automate transactions

Trade finance – Citi Trade Portal



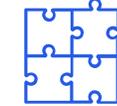
Full Control

- Cost awareness
- Limits availability
- Transactions status
- Customizable reports



Security

- 100% data security



Convenience

- Access to all trade products
- Intuitive navigation
- Trainings
- Libraries of contractors

#1 in corporate FX with state-of-the-art FX platform – Gateway to global financial markets

ALERTS CENTER

FX OVERVIEW

ORDER MONITOR

Faster deal booking

Faster order placement response

NEW FX EXPERIENCE

HISTORICAL FX

HOLIDAY & ECONOMIC CALENDAR

ANALYTICS

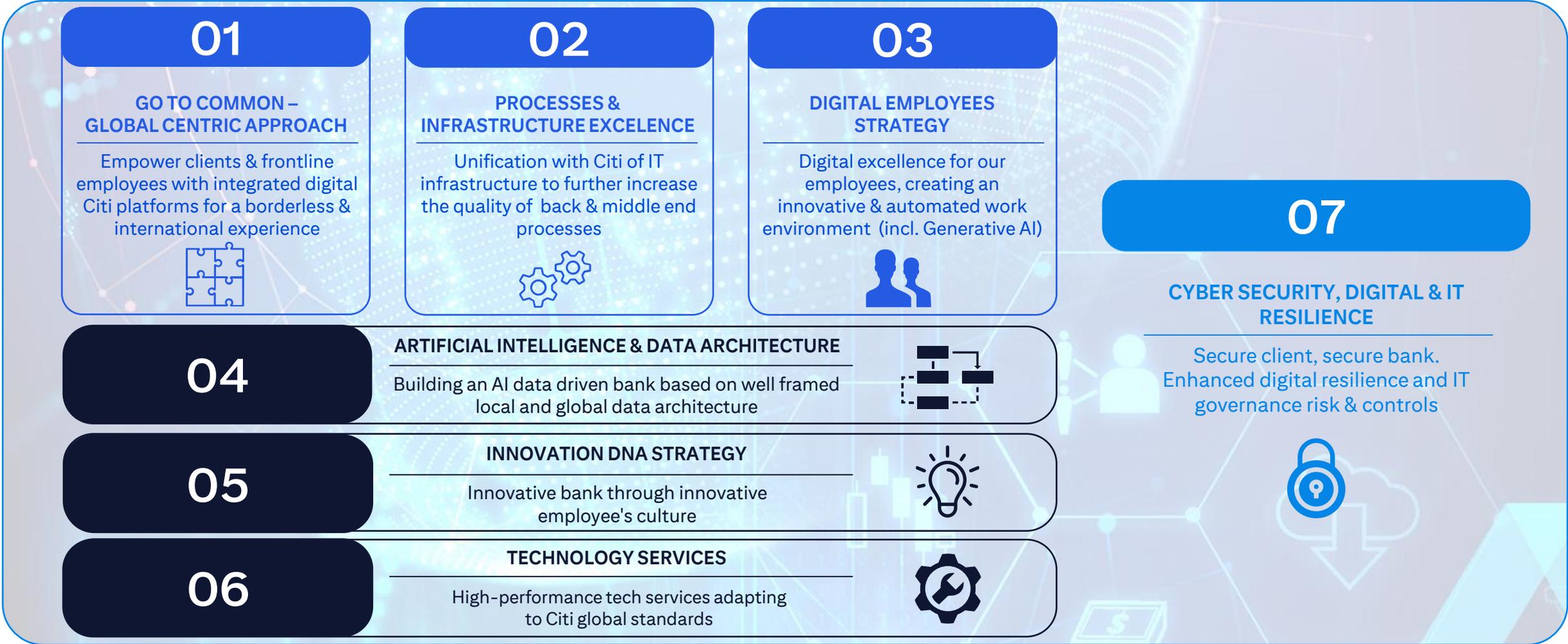
INFINITY CABLE



citi handlowy

Technology Strategy Divided into 7 Blocks

Technology rollout to become the bank of first choice for clients with international needs

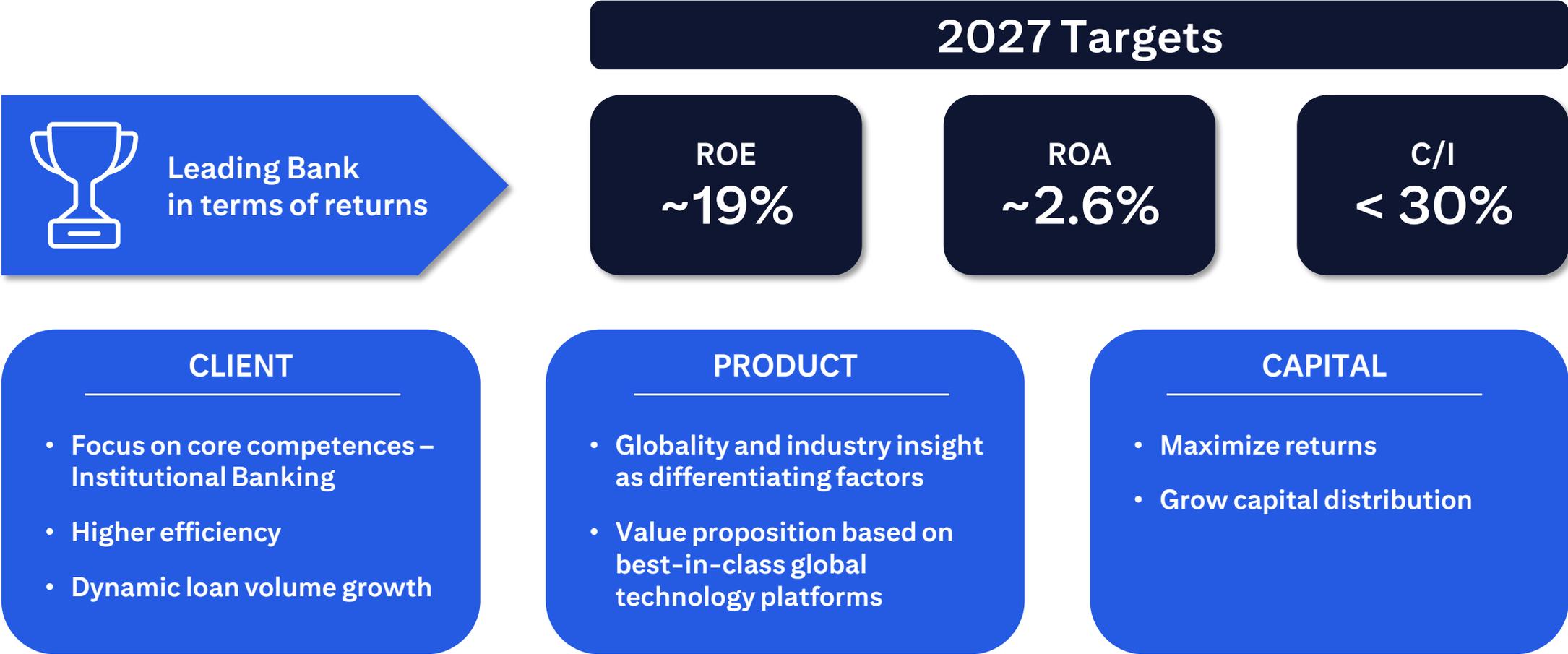


Financial Targets



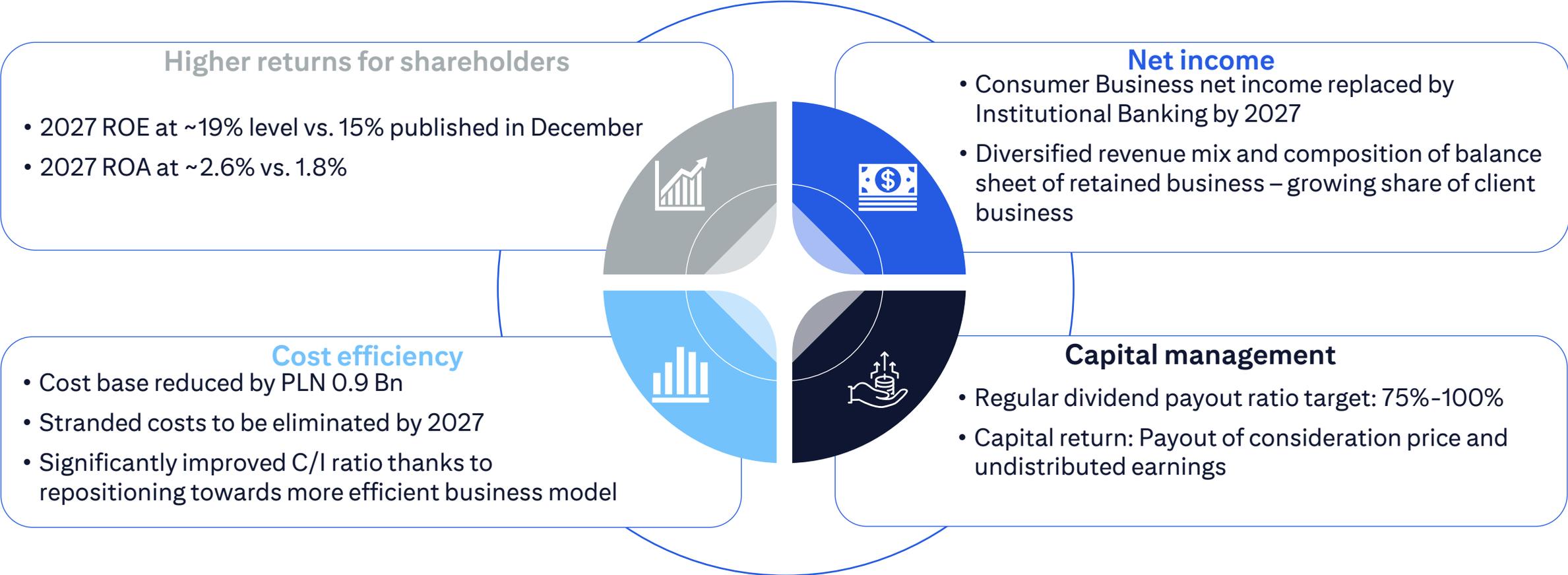
Path to Higher Returns Profile

Focus on deepening and broadening client relationships, offering unique client solutions with enhanced allocation of resources and capital



Key Financial Highlights

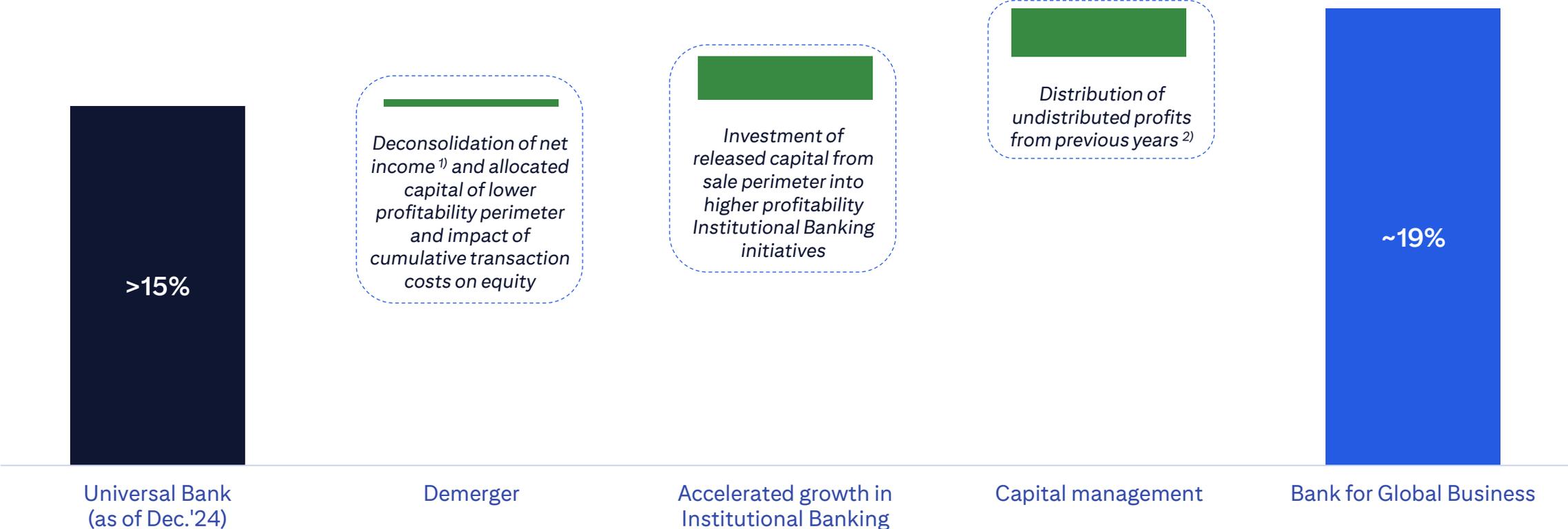
Improved Returns and Higher Dividend Pool



Unlocked Growth Potential

Accelerated growth, efficient business model and disciplined capital management lead to improved ROE

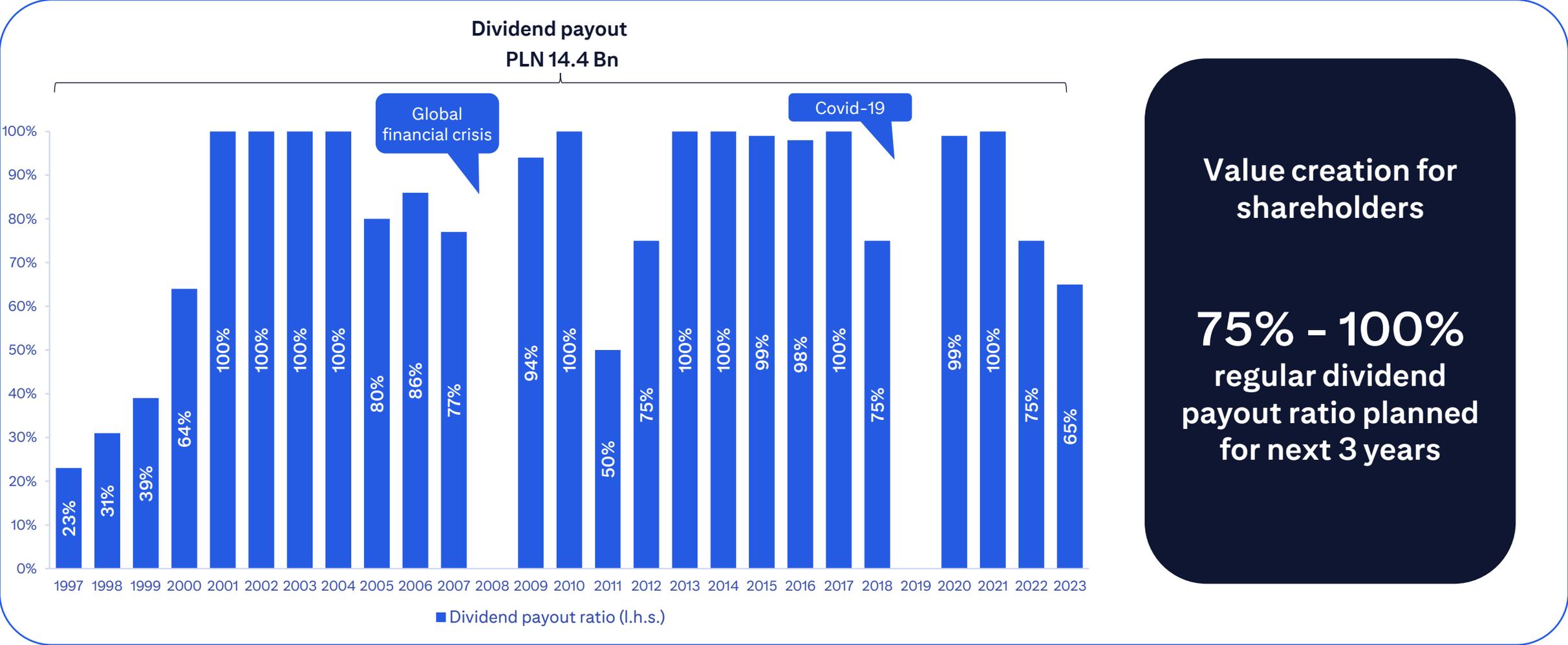
2027 Return on Equity (%)



1) Based on the latest Citi Handlowy interest rates forecast and net interest income sensitivity
2) Subject to regulatory approval

High Payouts for Shareholders

Track record of stable dividend payments



New 2027 KPIs

Our repositioning will shift business mix and allow Citi Handlowy to create more value for shareholders

Profitability

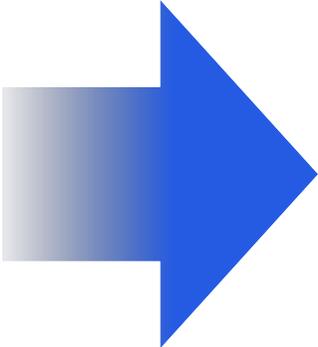
Efficiency / Dividend

ESG

2025-2027 Universal Bank Strategy

(published in December 2024)

- ROE >15%
- ROA >1.8%
- C/I < 45%
- min. 75% dividend payout
- Sustainable financing PLN 2 Bn



New 2025-2027 Strategic Directions

Bank for Global Business

- ROE ~19%
- ROA ~2.6%
- C/I < 30%
- 75%-100% dividend payout*
- Sustainable financing PLN 2 Bn

* Subject to regulatory approval

The logo for Citi Handlowy, featuring the word "citi" in white lowercase letters with a red arc above the "i", followed by the word "handlowy" in white lowercase letters.