



August 30th, 2023

# Bank Handlowy w Warszawie S.A. Consolidated financial results for 2Q'23

# 2Q'23 | Financial results summary

Maintained high return on equity. Capital ratios are growing.

## Financial results

Revenue  
PLN 1,150 MM

Net profit  
PLN 612 MM

ROE  
28%

## Balance sheet YoY dynamics

Loans (excl. reverse repo)  
(8%)

Deposits  
+14%

## Total Capital Ratio

TCR  
20.3%

## Business segments' performance in 2Q'23

### Institutional Banking

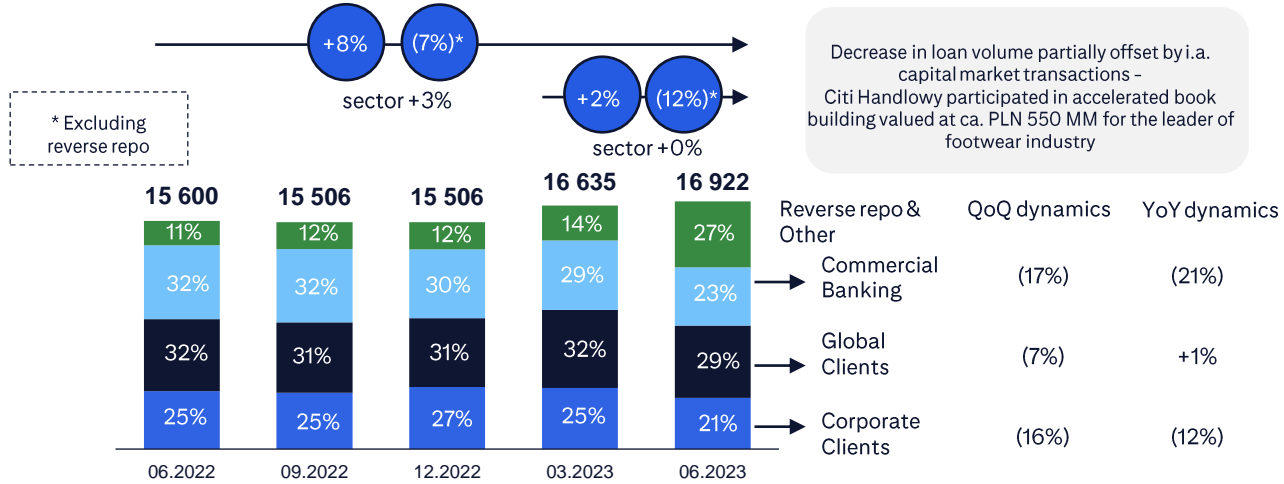
- **Revenue:** decrease by 13% QoQ as a result of lower result on interbank transactions
- **Loans:** decrease by 12% QoQ excl. reverse repo transactions, driven by clients' lower demand for short-term financing and one-off loan repayments
- **Key transactions:** Citi Handlowy participated in a syndicate of banks granting PLN 1.57 B financing for Emitel. Financing included term loan, investment loan and revolving loan
- **ESG:** The Bank signed financial agreement with Żabka, including meeting the responsible business and sustainable growth targets
- **Commercial Banking clients' activity:** deposits volume growth by 2% QoQ, FX volumes growth by 4% QoQ, nearly threefold increase of supplier financing, guarantees factoring and credit commitments volume in total 1H'23
- **Transaction Banking:** new version of CitiDirect 3.0 transaction system – comprehensive platform providing access to aggregated information on products and services in all geographies where clients are conducting business activity

### Consumer Banking

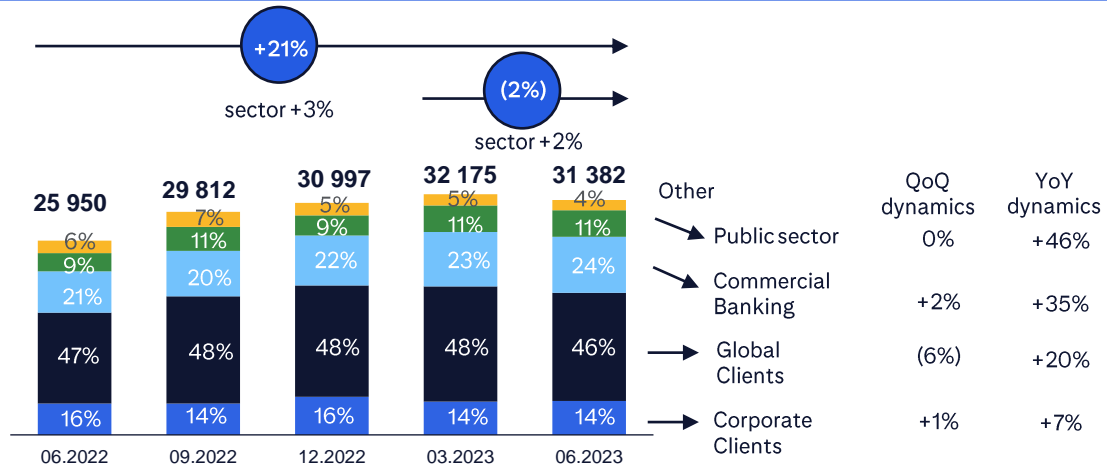
- **Revenue:** increase by 11% QoQ driven by higher client revenue – net fee and commission income and income on FX
- **Private Banking:** Citigold Private Clients portfolio growth by 2% QoQ, increase of total assets under management volume (AuM) by 4% QoQ
- **FX:** FX volume growth by 19% QoQ while record number of CitiKantor users remain active
- **Cards:** transaction volumes growth by 7% QoQ accompanied by acquisitions increase by 3% QoQ

# Institutional Banking | Business volumes

## Loan volume (PLN MM)

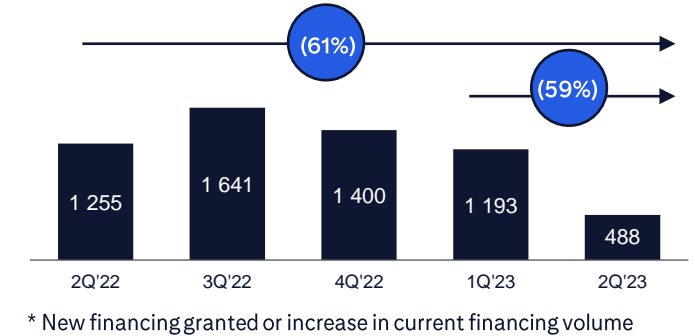


## Deposit volume (PLN MM)



## 2Q'23 transaction volumes

### 1. New loans to Institutional Clients (PLN MM)



### 2. FX Volumes

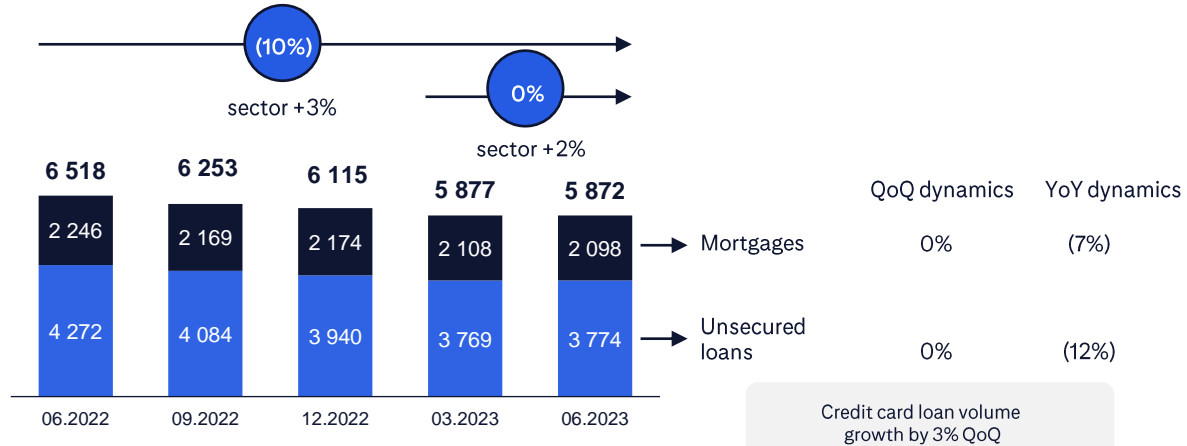
- FX volumed down by 19% YoY
- FX volume increased in strategically important **Commercial Banking** by 4% YoY

### 3. Transaction Banking

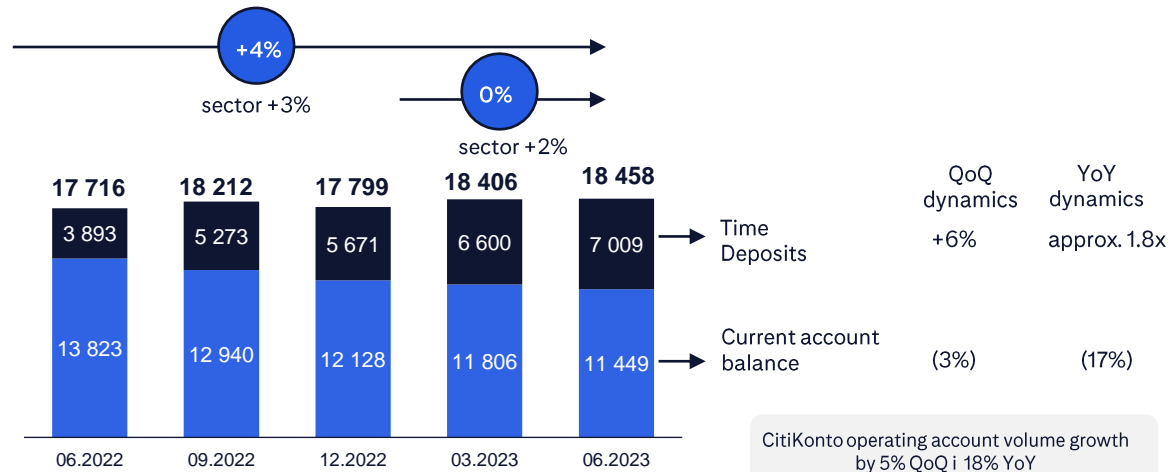
- **↑5%** YoY – number of crossborder money transfers
- **↑18%** YoY – Corporate Cards transaction value
- **↑2%** YoY – number of transactions processed online

# Consumer Banking | Business volumes

## Loan volume (PLN MM)



## Deposit volume (PLN MM)



## 2Q'23 transaction volumes

### 1. FX volumes

- FX volume decrease by **11% YoY**
- **53% of FX volume** processed in CitiKantor
- **Number of transactions** in CitiKantor increased by **40% YoY**
- **Record number** of unique clients using CitiKantor in June 2023

### 2. Private Banking

- **↑10%** YoY – average Total Relationship Balance
- **↑14%** YoY – number of Citigold Private Clients

### 3. Cards

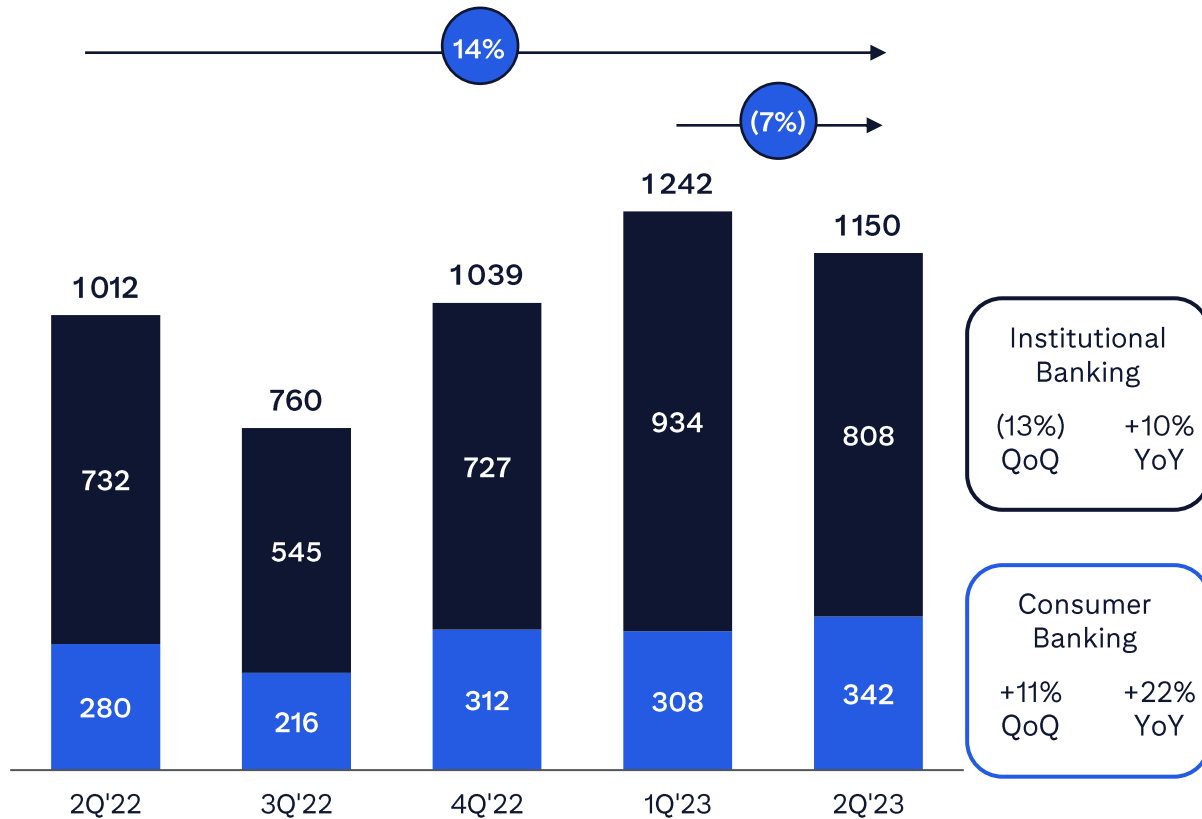
- **↑5%** YoY – card transactions value (domestic)
- **↑11%** YoY – card transactions value (crossborder)

# Consolidated financial results

# Total revenue

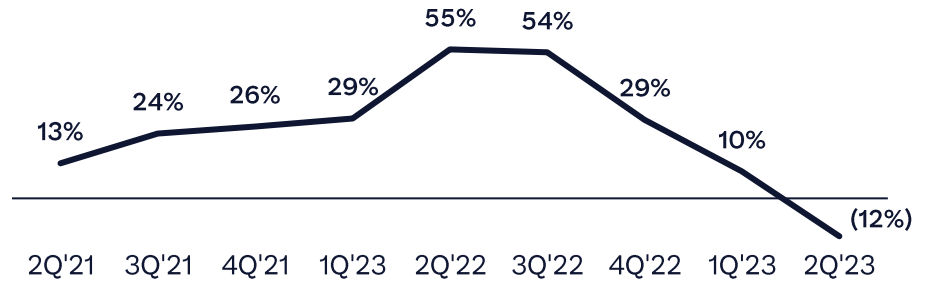
## Revenue – segment split (PLN MM)

Weaker QoQ revenue due to lower result on treasury activity (repositioning of debt securities portfolio). Consumer Banking revenues reached a record level.



## Institutional Banking

Client revenue – dynamics YoY



Client Net Interest Income

(24%)  
YoY

Income on FX

(9%)  
YoY

Net Fee & Commission Income

(4%)  
YoY

Weaker net interest income due to higher interest expenses. Client interest income increased by 35% YoY.

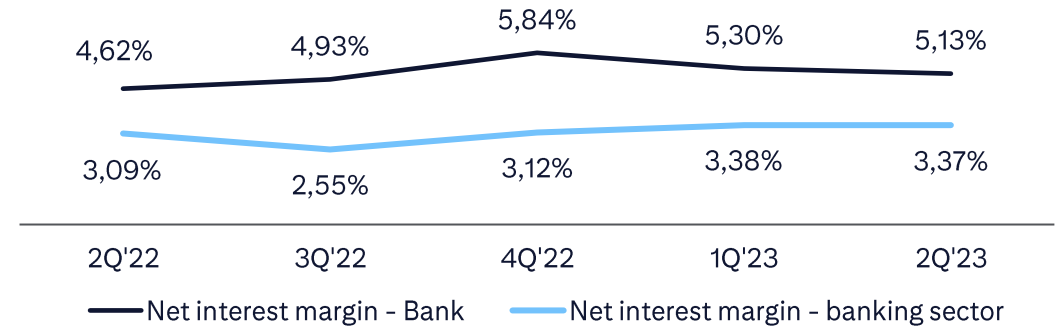
# Net Interest Income

## Net Interest Income – segment split (PLN MM)

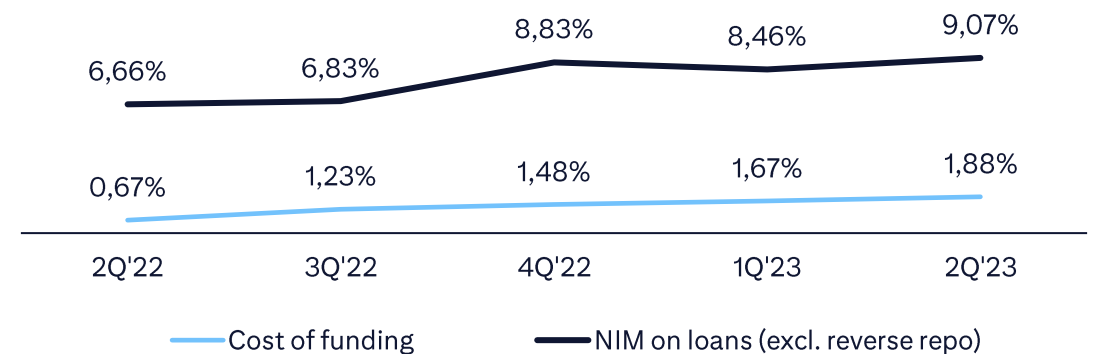


## Net interest margin

The Bank's net interest margin still higher than in the banking sector



Improvement of the loan portfolio margin observed in the Institutional Banking segment



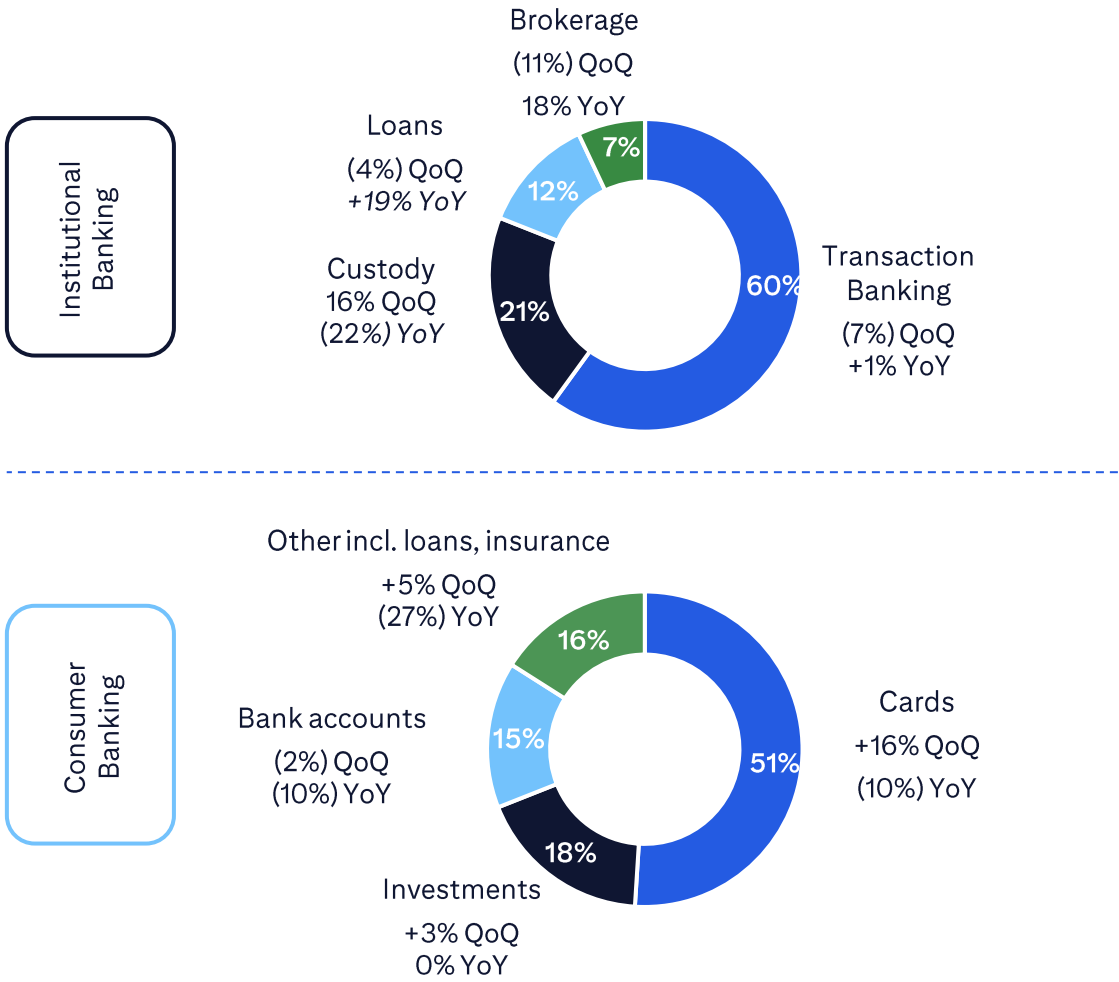
# Net fee & commission income

## NF&CI – segment split (PLN MM)

Very good results in credit cards in the Consumer Banking segment due to higher revenue on FX and interchange (increase in transaction volumes by 7% QoQ)



## NF&CI structure and dynamics

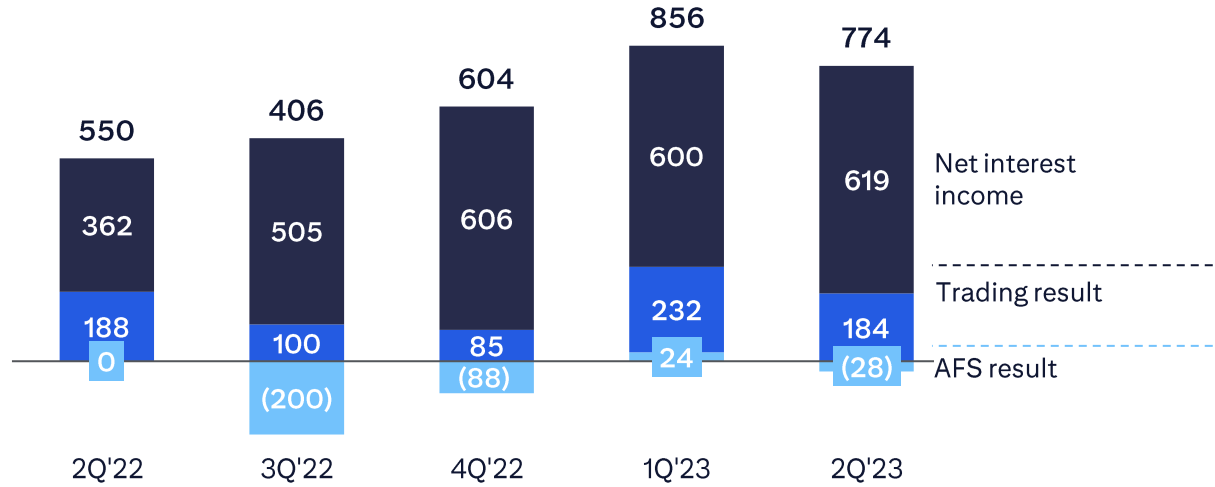




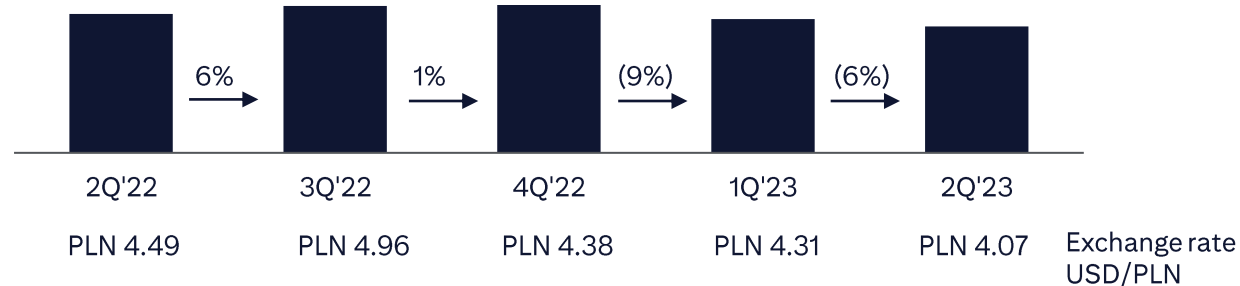
# Treasury

## Treasury result (PLN MM)

Active management of liquidity and currency position in the context of a persistently high deposit balance and a decrease in demand for loans

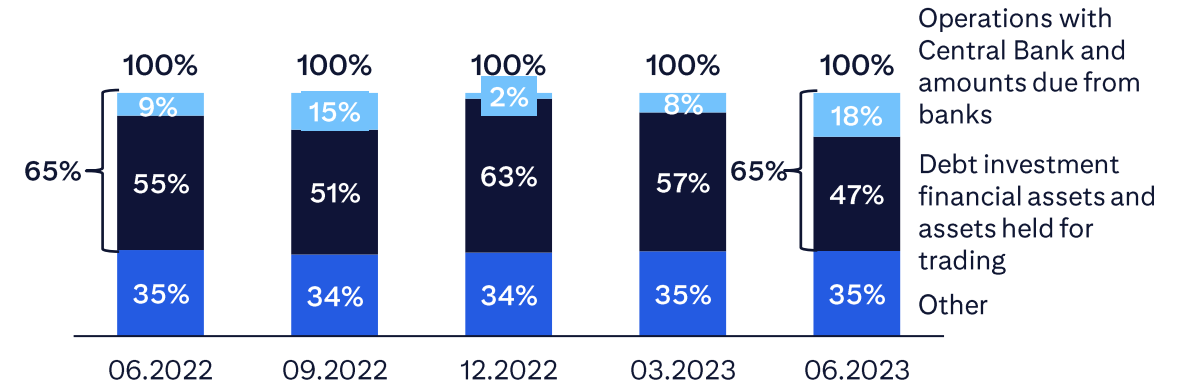


## Income on FX – client activity (Institutional Banking)

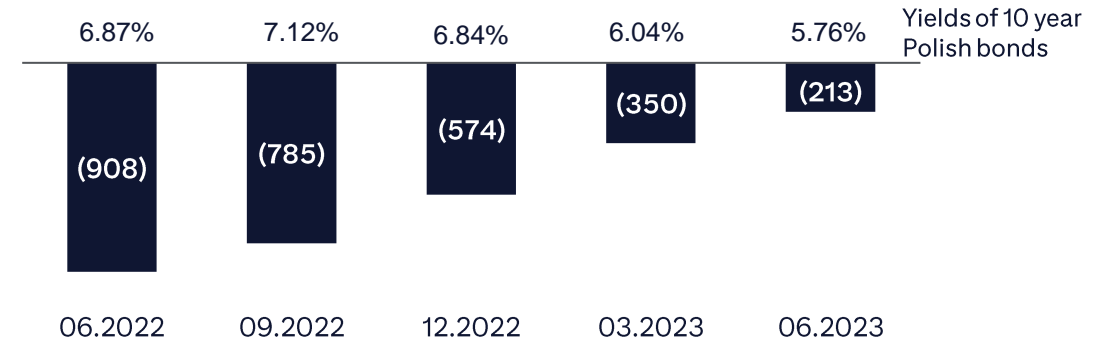


## Balance sheet structure

The decrease in the volume of money market bills offset by the increase in the balance of reverse repo amounts due from banks

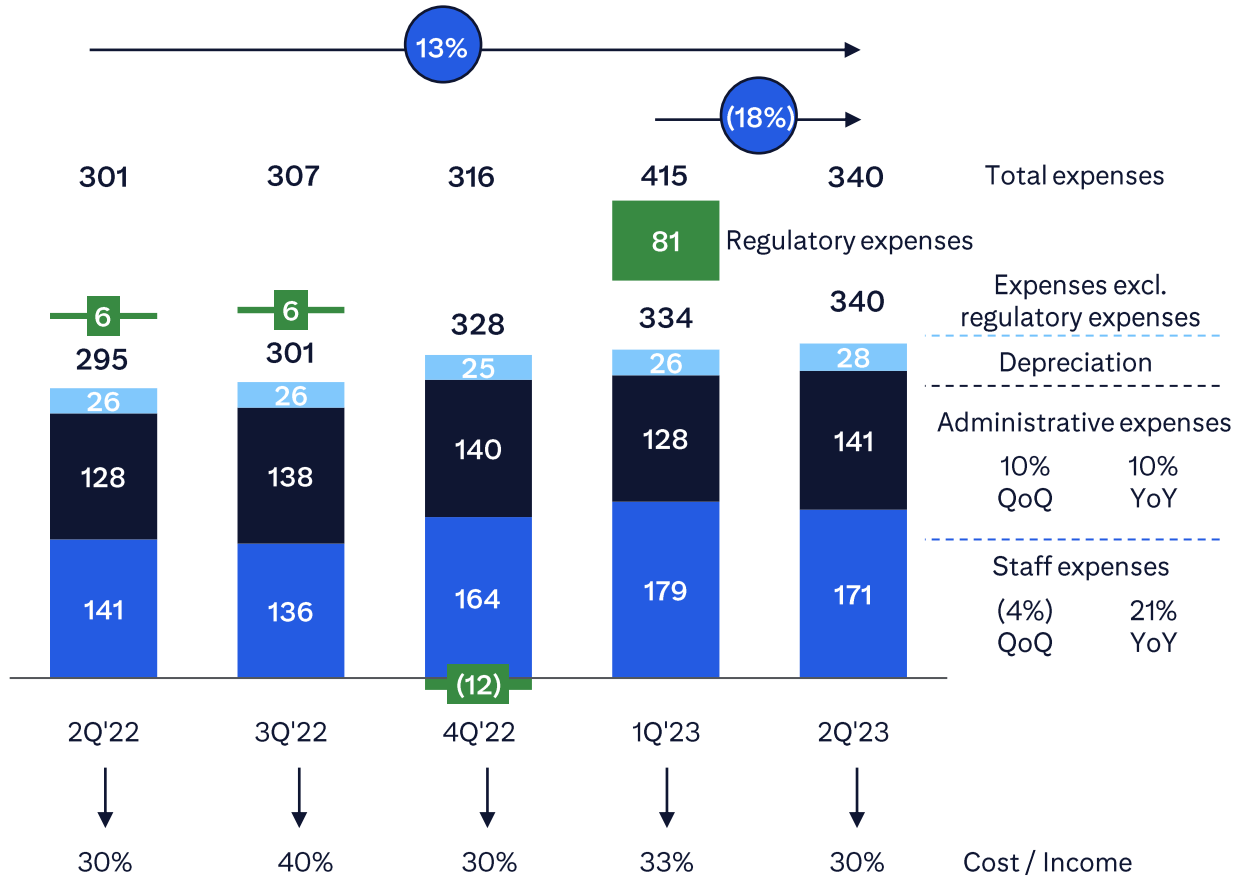


## Revaluation reserve (PLN MM)



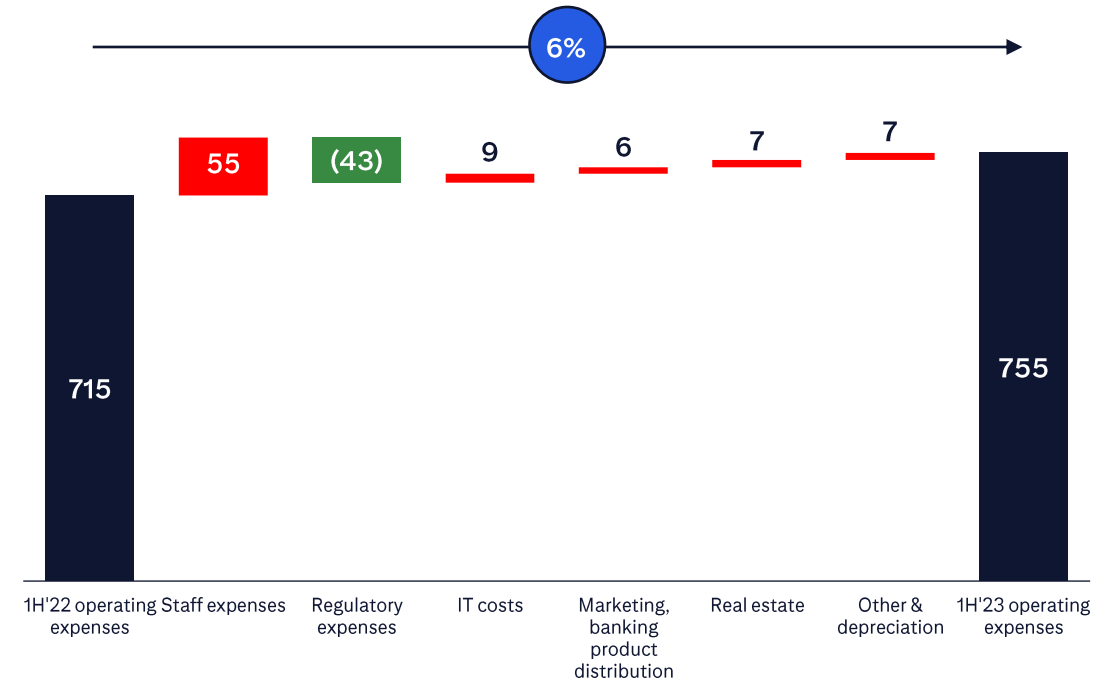
# Expenses

## Operating expenses (PLN MM)



## 1H' 2023 expenses by type (PLN MM)

Increase in expenses due to higher staff expenses (increase in remuneration), technology costs (compliance with regulatory requirements and front-end projects, including CitiDirect) and one-off costs related to real estate.

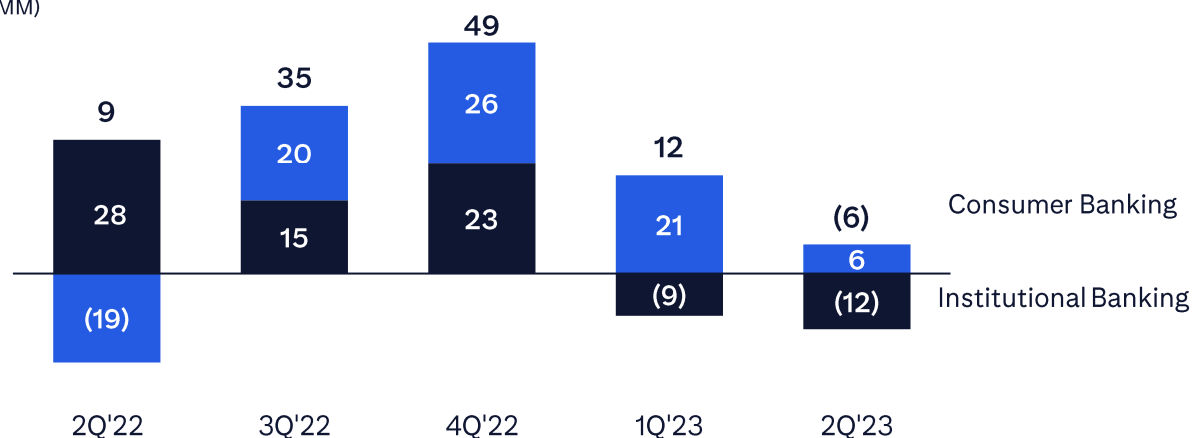


# Cost of Risk

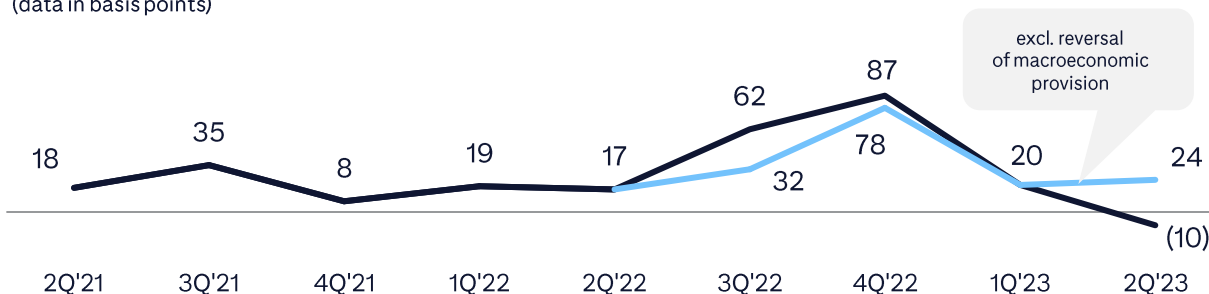
## Cost of Risk

Positive result of provisions due to reversal of the macroeconomic provision in Institutional Banking and due to the sale of the non-performing loan portfolio in Consumer Banking

(PLN MM)

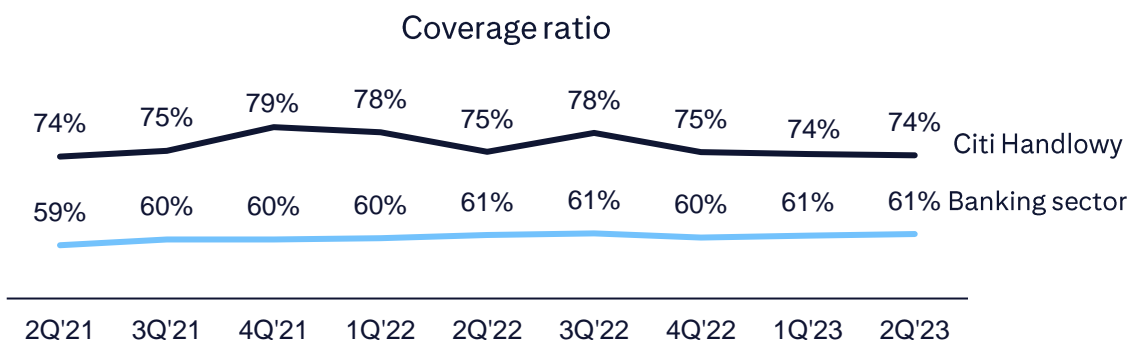


(data in basis points)

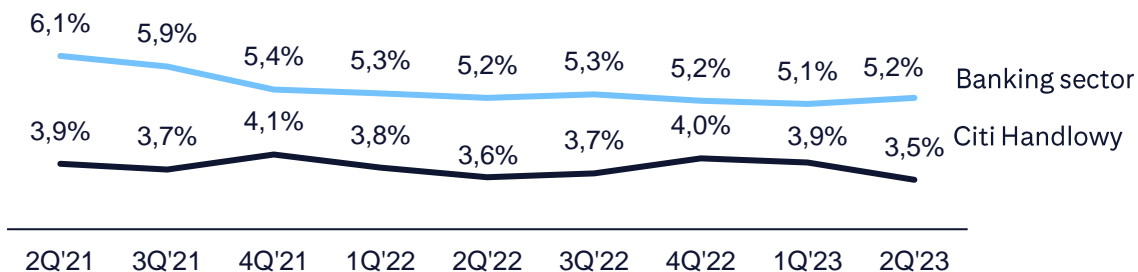


## Coverage ratio and NPL

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



## Share of stage 3 in loan portfolio

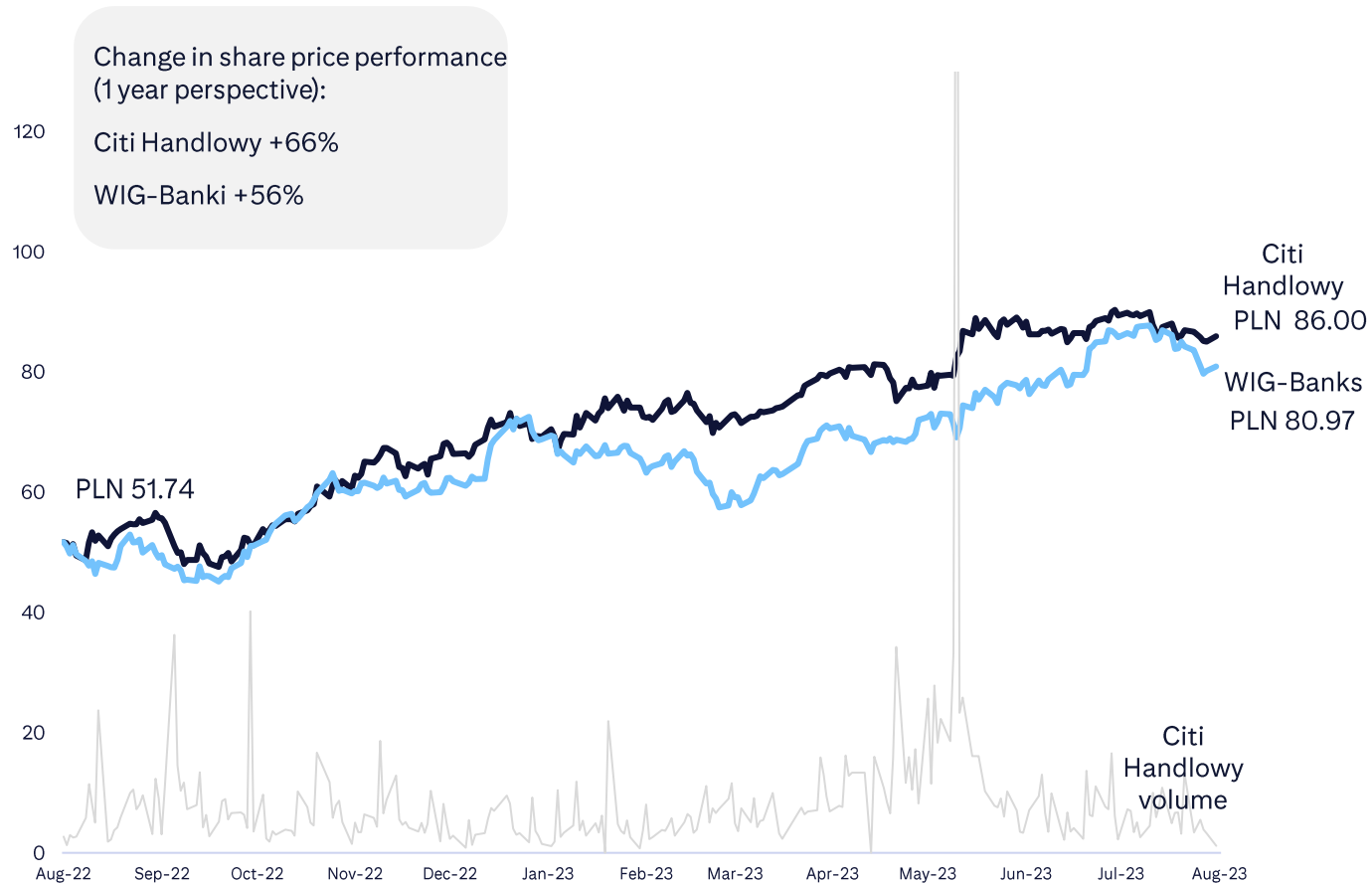


# Summary of the Capital Group financial results

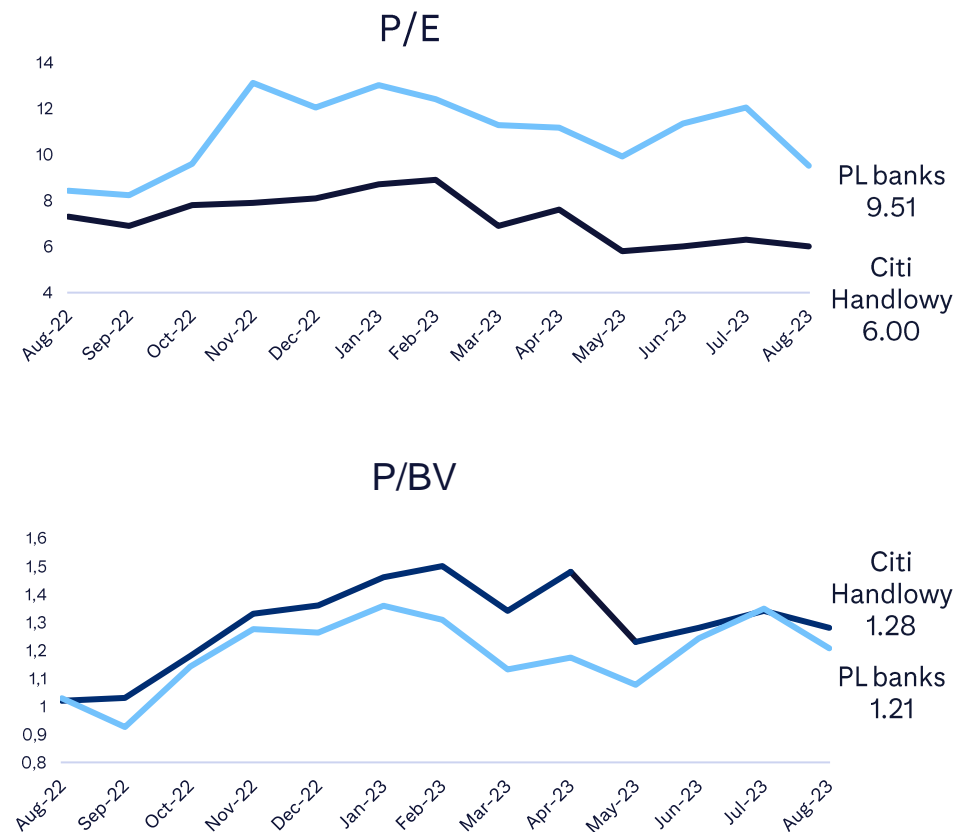
|                               | 2Q23          | 1Q23          | ΔQoQ          | 2Q22          | ΔYoY          | 1H 2023       | ΔYoY         |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| Net interest income           | 832           | 847           | (2%)          | 667           | 25%           | 1,679         | 51%          |
| Net fee and commission income | 142           | 141           | 1%            | 151           | (6%)          | 283           | (7%)         |
| <b>Core revenue</b>           | <b>974</b>    | <b>988</b>    | <b>(1%)</b>   | <b>818</b>    | <b>19%</b>    | <b>1,962</b>  | <b>39%</b>   |
| Treasury                      | 155           | 256           | (39%)         | 188           | (17%)         | 412           | (4%)         |
| Other revenues                | 21            | (2)           | -             | 6             | -             | 19            | 176%         |
| <b>Total revenue</b>          | <b>1,150</b>  | <b>1,242</b>  | <b>(7%)</b>   | <b>1,012</b>  | <b>14%</b>    | <b>2,392</b>  | <b>29%</b>   |
| <b>Expenses</b>               | <b>(340)</b>  | <b>(415)</b>  | <b>(18%)</b>  | <b>(301)</b>  | <b>13%</b>    | <b>(755)</b>  | <b>6%</b>    |
| <b>Operating margin</b>       | <b>810</b>    | <b>827</b>    | <b>(2%)</b>   | <b>712</b>    | <b>14%</b>    | <b>1,637</b>  | <b>44%</b>   |
| <b>Provisions</b>             | <b>6</b>      | <b>(12)</b>   | <b>(148%)</b> | <b>(9)</b>    | <b>(160%)</b> | <b>(6)</b>    | <b>(71%)</b> |
| <b>Profit before tax</b>      | <b>771</b>    | <b>768</b>    | <b>0%</b>     | <b>643</b>    | <b>20%</b>    | <b>1,540</b>  | <b>52%</b>   |
| Corporate income tax          | (160)         | (165)         | (3%)          | (143)         | 12%           | (324)         | (242%)       |
| Bank levy                     | (45)          | (47)          | (5%)          | (58)          | (24%)         | (92)          | (188%)       |
| <b>Net income</b>             | <b>612</b>    | <b>604</b>    | <b>1%</b>     | <b>500</b>    | <b>22%</b>    | <b>1,215</b>  | <b>55%</b>   |
| ROE                           | 28.3%         | 27.8%         | 0.5 pp.       | 14.8%         | 13.5 pp.      |               |              |
| ROA                           | 2.8%          | 2.6%          | 0.1 pp.       | 1.6%          | 1.2 pp.       |               |              |
| <b>Revaluation reserve</b>    | <b>(213)</b>  | <b>(350)</b>  | <b>(39%)</b>  | <b>(908)</b>  | <b>(77%)</b>  | <b>(213)</b>  | <b>(77%)</b> |
| <b>Assets</b>                 | <b>71,583</b> | <b>71,180</b> | <b>1%</b>     | <b>69,421</b> | <b>3%</b>     | <b>71,583</b> | <b>3%</b>    |
| <b>Net loans</b>              | <b>22,794</b> | <b>22,512</b> | <b>1%</b>     | <b>22,117</b> | <b>3%</b>     | <b>22,794</b> | <b>3%</b>    |
| <b>Deposits</b>               | <b>49,840</b> | <b>50,581</b> | <b>(1%)</b>   | <b>43,666</b> | <b>14%</b>    | <b>49,840</b> | <b>13%</b>   |
| Loans / Deposits              | 46%           | 45%           |               | 51%           |               |               |              |
| TCR                           | 20.3%         | 17.9%         |               | 17.7%         |               |               |              |

# Citi Handlowy – change in share price

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



## BHW valuation vs. other banks

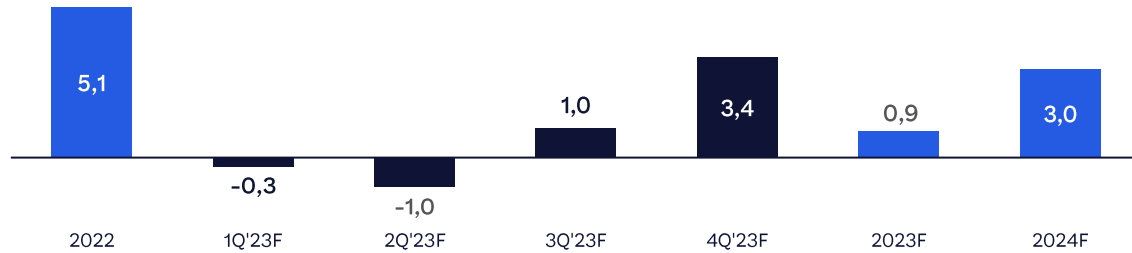


# Appendix

# Forecasts for Polish economy

## Polish GDP (% YoY)

Economic growth in 2023 depends on the strength of consumption rebound in the second half of the year

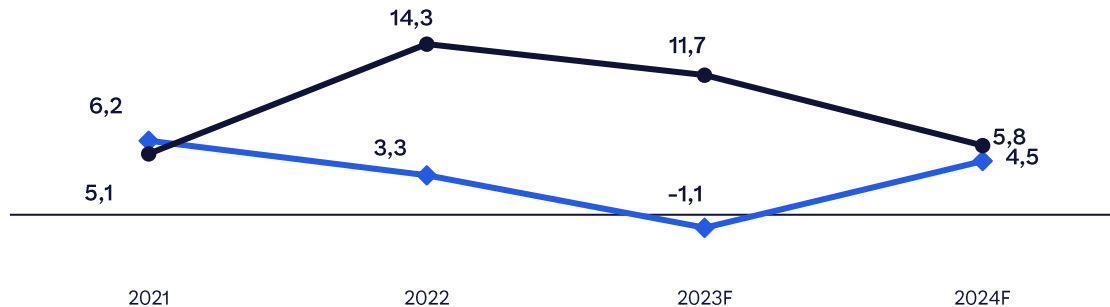


Based on Citi analyst forecast (data as of 28/08/2023)

- The weakness of industrial production in Poland is largely the result of problems faced by Poland's main trading partners
- The factor that helps to limit CPI inflation is a stronger zloty and lower commodity prices. However, due to unfavorable weather conditions and drought, the prices of unprocessed food in August and September may still be a source of surprises
- Polish treasury bonds fall again in yields, which was influenced by the communication from the Monetary Policy Council about the decrease in interest rates

## Consumption and inflation CPI (% YoY)

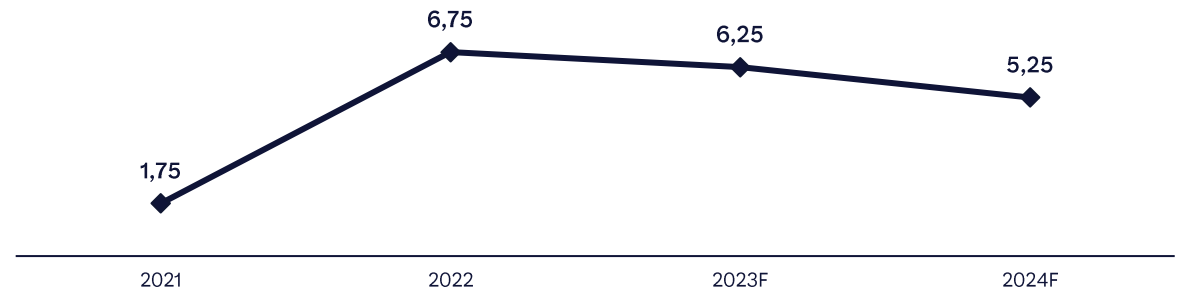
The lowest consumption reached in the first half of the year. Demand should be supported by an increase in real wages due to a faster decline in inflation



Based on the Citi analyst forecast (data as of 28/08/2023)

## NBP reference rate (% end of period)

Updated scenario with two reference rate cuts in 2023



# Capital Group – profit and loss account

| PLN MM   |              |              |              |              |              | 2Q23 vs.1Q23 |              | 2Q23 vs.2Q22 |              | 1H 2022      |              | 1H 2023     |              | 1H 2023 vs 1H 2022 |   |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------------|---|
|  | 2Q22         | 3Q22         | 4Q22         | 1Q23         | 2Q23         | PLN MM       | %            | PLN MM       | %            | 1H 2022      | 1H 2023      | PLN MM      | %            | PLN MM             | % |
| <b>Net interest income</b>   | 667          | 732          | 897          | 847          | 832          | (15)         | (2%)         | 165          | 25%          | 1,112        | 1,679        | 568         | 51%          |                    |   |
| <b>Net fee and commission income</b>   | 151          | 136          | 141          | 141          | 142          | 1            | 1%           | (9)          | (6%)         | 303          | 283          | (20)        | (7%)         |                    |   |
| Dividend income  | 9            | 1            | 0            | 0            | 10           | 10           | -            | 0            | 4%           | 9            | 10           | 0           | 3%           |                    |   |
| Net gain on trading financial instruments and revaluation  | 188          | 100          | 85           | 232          | 184          | (48)         | (21%)        | (5)          | (3%)         | 463          | 415          | (47)        | (10%)        |                    |   |
| Net gain on debt investment financial assets measured at fair value through other comprehensive income           | -            | (200)        | (88)         | 24           | (28)         | (52)         | -            | (28)         | -            | (36)         | (4)          | 32          | (89%)        |                    |   |
| Hedge accounting   | -            | 0            | (0)          | (3)          | (2)          | 0            | (7%)         | (2)          | -            | (2)          | (5)          | (3)         | 192%         |                    |   |
| <b>Treasury</b>  | <b>188</b>   | <b>(100)</b> | <b>(3)</b>   | <b>253</b>   | <b>153</b>   | <b>(101)</b> | <b>(40%)</b> | <b>(35)</b>  | <b>(19%)</b> | <b>425</b>   | <b>406</b>   | <b>(19)</b> | <b>(4%)</b>  |                    |   |
| Net gain on other equity instruments   | (1)          | 4            | 3            | 1            | 14           | 13           | 983%         | 15           | -            | 4            | 15           | 12          | 338%         |                    |   |
| Net other operating income   | (3)          | (14)         | 1            | (0)          | (1)          | (0)          | 119%         | 2            | (66%)        | (4)          | (1)          | 3           | (71%)        |                    |   |
| <b>Revenue</b>   | <b>1,012</b> | <b>760</b>   | <b>1,039</b> | <b>1,242</b> | <b>1,150</b> | <b>(92)</b>  | <b>(7%)</b>  | <b>138</b>   | <b>14%</b>   | <b>1,848</b> | <b>2,392</b> | <b>544</b>  | <b>29%</b>   |                    |   |
| Expenses   | (275)        | (281)        | (291)        | (389)        | (312)        | 77           | (20%)        | (37)         | 14%          | (663)        | (701)        | (38)        | 6%           |                    |   |
| Depreciation   | (26)         | (26)         | (25)         | (26)         | (28)         | (1)          | 6%           | (2)          | 8%           | (52)         | (54)         | (2)         | 4%           |                    |   |
| <b>Expenses and depreciation</b>   | <b>(301)</b> | <b>(307)</b> | <b>(316)</b> | <b>(415)</b> | <b>(340)</b> | <b>75</b>    | <b>(18%)</b> | <b>(39)</b>  | <b>13%</b>   | <b>(715)</b> | <b>(755)</b> | <b>(40)</b> | <b>6%</b>    |                    |   |
| <b>Operating margin</b>  | <b>712</b>   | <b>453</b>   | <b>723</b>   | <b>827</b>   | <b>810</b>   | <b>(17)</b>  | <b>(2%)</b>  | <b>99</b>    | <b>14%</b>   | <b>1,133</b> | <b>1,637</b> | <b>504</b>  | <b>44%</b>   |                    |   |
| Profit/(loss) on sale of tangible fixed assets   | (0.5)        | (0.1)        | (0.1)        | (0.0)        | (0.1)        | (0.0)        | 171%         | 0.4          | (88%)        | 3            | (0.1)        | (3)         | -            |                    |   |
| <b>Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments</b> | <b>(9)</b>   | <b>(35)</b>  | <b>(49)</b>  | <b>(12)</b>  | <b>6</b>     | <b>18</b>    | <b>-</b>     | <b>15</b>    | <b>-</b>     | <b>(21)</b>  | <b>(6)</b>   | <b>15</b>   | <b>(71%)</b> |                    |   |
| Tax on certain financial institutions  | (58)         | (53)         | (55)         | (47)         | (45)         | 3            | (5%)         | 14           | (24%)        | (104)        | (92)         | 13          | (12%)        |                    |   |
| <b>EBIT</b>  | <b>643</b>   | <b>365</b>   | <b>619</b>   | <b>768</b>   | <b>771</b>   | <b>3</b>     | <b>0%</b>    | <b>128</b>   | <b>20%</b>   | <b>1,011</b> | <b>1,540</b> | <b>529</b>  | <b>52%</b>   |                    |   |
| Corporate income tax   | (143)        | (81)         | (140)        | (165)        | (160)        | 5            | (3%)         | (17)         | 12%          | (228)        | (324)        | (96)        | 42%          |                    |   |
| <b>Net profit</b>  | <b>500</b>   | <b>284</b>   | <b>479</b>   | <b>604</b>   | <b>612</b>   | <b>8</b>     | <b>1%</b>    | <b>111</b>   | <b>22%</b>   | <b>782</b>   | <b>1,215</b> | <b>433</b>  | <b>55%</b>   |                    |   |
| <b>C/I ratio</b>   | <b>30%</b>   | <b>40%</b>   | <b>30%</b>   | <b>33%</b>   | <b>30%</b>   |              |              |              |              | <b>39%</b>   | <b>32%</b>   |             |              |                    |   |



# Institutional Banking – profit and loss account

| PLN MM   | 2Q22         | 3Q22         | 4Q22         | 1Q23         | 2Q23         | 2Q23 vs.1Q23 |              | 2Q23 vs.2Q22 |            | 1H 2022      | 1H 2023      | 1H 2023 vs. 1H 2022 |            |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|---------------------|------------|
|  |              |              |              |              |              | PLN MM       | %            | PLN MM       | %          |              |              | PLN MM              | %          |
| <b>Net interest income</b>   | 447          | 562          | 632          | 583          | 558          | (25)         | (4%)         | 110          | 25%        | 724          | 1,141        | 417                 | 58%        |
| <b>Net fee and commission income</b>   | 103          | 94           | 99           | 102          | 100          | (2)          | (2%)         | (4)          | (4%)       | 208          | 201          | (7)                 | (3%)       |
| Dividend income  | 2            | 1            | 0            | 0            | 2            | 2            | -            | (0)          | (1%)       | 2            | 2            | (0)                 | (1%)       |
| Net gain on trading financial instruments and revaluation  | 178          | 89           | 75           | 224          | 174          | (49)         | (22%)        | (4)          | (2%)       | 438          | 398          | (40)                | (9%)       |
| Net gain on debt investment financial assets measured at fair value through other comprehensive income           | -            | (200)        | (88)         | 24           | (28)         | (52)         | -            | (28)         | -          | (36)         | (4)          | 32                  | (89%)      |
| Hedge accounting   | -            | 0            | (0)          | (3)          | (2)          | 0            | (7%)         | (2)          | -          | (2)          | (5)          | (3)                 | 192%       |
| <b>Treasury</b>  | 178          | (111)        | (13)         | 245          | 144          | (102)        | (41%)        | (34)         | (19%)      | 401          | 389          | (12)                | (3%)       |
| Net gain on other equity instruments   | (2)          | 5            | 4            | (0)          | 2            | 3            | -            | 4            | -          | (1)          | 2            | 3                   | -          |
| Net other operating income   | 3            | (8)          | 5            | 5            | 3            | (1)          | (28%)        | 0            | 5%         | 7            | 8            | 1                   | 11%        |
| <b>Revenue</b>   | <b>732</b>   | <b>545</b>   | <b>727</b>   | <b>934</b>   | <b>808</b>   | <b>(126)</b> | <b>(13%)</b> | <b>77</b>    | <b>10%</b> | <b>1,340</b> | <b>1,742</b> | <b>403</b>          | <b>30%</b> |
| Expenses   | (129)        | (135)        | (140)        | (214)        | (142)        | 71           | (33%)        | (13)         | 10%        | (354)        | (356)        | (3)                 | 1%         |
| Depreciation   | (6)          | (6)          | (6)          | (6)          | (6)          | (0)          | 1%           | (0)          | 1%         | (12)         | (12)         | (0)                 | 3%         |
| <b>Expenses and depreciation</b>   | <b>(135)</b> | <b>(141)</b> | <b>(147)</b> | <b>(220)</b> | <b>(149)</b> | <b>71</b>    | <b>(32%)</b> | <b>(14)</b>  | <b>10%</b> | <b>(366)</b> | <b>(368)</b> | <b>(3)</b>          | <b>1%</b>  |
| <b>Operating margin</b>  | <b>597</b>   | <b>404</b>   | <b>581</b>   | <b>714</b>   | <b>660</b>   | <b>(54)</b>  | <b>(8%)</b>  | <b>63</b>    | <b>11%</b> | <b>974</b>   | <b>1,374</b> | <b>400</b>          | <b>41%</b> |
| Profit/(loss) on sale of tangible fixed assets   | (0.3)        | 0.0          | (0.1)        | 0.0          | 0.0          | (0)          | 171%         | 0            | (87%)      | 3            | (0)          | (3)                 | -          |
| <b>Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments</b> | <b>(28)</b>  | <b>(15)</b>  | <b>(23)</b>  | <b>9</b>     | <b>12</b>    | <b>3</b>     | <b>32%</b>   | <b>40</b>    | <b>-</b>   | <b>(19)</b>  | <b>21</b>    | <b>40</b>           | <b>-</b>   |
| Tax on certain financial institutions  | (51)         | (45)         | (48)         | (34)         | (31)         | 2            | (7%)         | 20           | (38%)      | (90)         | (65)         | 25                  | (27%)      |
| <b>EBIT</b>  | <b>517</b>   | <b>343</b>   | <b>509</b>   | <b>689</b>   | <b>640</b>   | <b>(49)</b>  | <b>(7%)</b>  | <b>123</b>   | <b>24%</b> | <b>869</b>   | <b>1,329</b> | <b>460</b>          | <b>53%</b> |
| <b>C/I ratio</b>   | <b>18%</b>   | <b>26%</b>   | <b>20%</b>   | <b>24%</b>   | <b>18%</b>   |              |              |              |            | <b>27%</b>   | <b>21%</b>   |                     |            |

# Consumer Banking – profit and loss account

| PLN MM   | 2Q22         | 3Q22         | 4Q22         | 1Q23         | 2Q23         | 2Q23 vs.1Q23 |              | 2Q23 vs.2Q22 |            | 1H 2022      | 1H 2023      | 1H 2023 vs. 1H 2022 |            |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|---------------------|------------|
|  |              |              |              |              |              | PLN MM       | %            | PLN MM       | %          |              |              | PLN MM              | %          |
| <b>Net interest income</b>   | 219          | 170          | 265          | 265          | 274          | 9            | 4%           | 55           | 25%        | 388          | 539          | 151                 | 39%        |
| <b>Net fee and commission income</b>   | 48           | 42           | 41           | 39           | 42           | 3            | 9%           | (6)          | (12%)      | 95           | 82           | (13)                | (14%)      |
| Dividend income  | 8            | -            | 0            | -            | 8            | 8            | -            | 0            | 5%         | 8            | 8            | 0                   | 4%         |
| Net gain on trading financial instruments and revaluation  | 11           | 11           | 10           | 8            | 9            | 1            | 15%          | (1)          | (10%)      | 24           | 18           | (7)                 | (28%)      |
| Net gain on other equity instruments   | 0            | (1)          | (1)          | 1            | 12           | 10           | 699%         | 11           | -          | 4            | 13           | 9                   | 196%       |
| Net other operating income   | (6)          | (6)          | (4)          | (5)          | (4)          | 1            | (16%)        | 2            | (27%)      | (12)         | (9)          | 2                   | (20%)      |
| <b>Revenue</b>   | <b>280</b>   | <b>216</b>   | <b>312</b>   | <b>308</b>   | <b>342</b>   | <b>33</b>    | <b>11%</b>   | <b>61</b>    | <b>22%</b> | <b>508</b>   | <b>650</b>   | <b>142</b>          | <b>28%</b> |
| Expenses   | (146)        | (147)        | (151)        | (175)        | (170)        | 5            | (3%)         | (24)         | 16%        | (309)        | (345)        | (36)                | 12%        |
| Depreciation   | (20)         | (20)         | (19)         | (20)         | (22)         | (1)          | 7%           | (2)          | 9%         | (40)         | (42)         | (1)                 | 4%         |
| <b>Expenses and depreciation</b>   | <b>(166)</b> | <b>(166)</b> | <b>(170)</b> | <b>(195)</b> | <b>(191)</b> | <b>4</b>     | <b>(2%)</b>  | <b>(26)</b>  | <b>15%</b> | <b>(349)</b> | <b>(387)</b> | <b>(37)</b>         | <b>11%</b> |
| Net impairment allowances on non-financial assets  | -            | -            | -            | -            | -            | -            | -            | -            | -          | -            | -            | -                   | -          |
| <b>Operating margin</b>  | <b>115</b>   | <b>49</b>    | <b>142</b>   | <b>113</b>   | <b>150</b>   | <b>37</b>    | <b>33%</b>   | <b>35</b>    | <b>31%</b> | <b>159</b>   | <b>263</b>   | <b>105</b>          | <b>66%</b> |
| <b>Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments</b> | <b>19</b>    | <b>(20)</b>  | <b>(26)</b>  | <b>(21)</b>  | <b>(6)</b>   | <b>15</b>    | <b>(71%)</b> | <b>(25)</b>  | <b>-</b>   | <b>(2)</b>   | <b>(27)</b>  | <b>(25)</b>         | <b>-</b>   |
| Tax on certain financial institutions  | (8)          | (8)          | (7)          | (13)         | (13)         | 0            | (0%)         | (6)          | 74%        | (15)         | (26)         | (12)                | 79%        |
| <b>EBIT</b>  | <b>126</b>   | <b>21</b>    | <b>110</b>   | <b>79</b>    | <b>131</b>   | <b>52</b>    | <b>65%</b>   | <b>5</b>     | <b>4%</b>  | <b>142</b>   | <b>210</b>   | <b>68</b>           | <b>48%</b> |
| <b>C/I ratio</b>   | <b>59%</b>   | <b>77%</b>   | <b>54%</b>   | <b>63%</b>   | <b>56%</b>   |              |              |              |            | <b>69%</b>   | <b>59%</b>   |                     |            |

# Balance sheet - assets

|  | End of period |             |             |             |             | 2Q23 vs. 4Q22 |              | 2Q23 vs. 2Q22 |              |
|--|---------------|-------------|-------------|-------------|-------------|---------------|--------------|---------------|--------------|
|  | 2Q22          | 3Q22        | 4Q22        | 1Q23        | 2Q23        | PLN B         | %            | PLN B         | %            |
| <b>PLN B</b>   |               |             |             |             |             |               |              |               |              |
| <b>Cash and balances with the Central Bank</b>   | <b>4.1</b>    | <b>9.1</b>  | <b>0.6</b>  | <b>1.8</b>  | <b>2.6</b>  | <b>2.0</b>    | <b>332%</b>  | <b>(1.5)</b>  | <b>(37%)</b> |
| Amounts due from banks   | 2.4           | 1.8         | 1.0         | 3.9         | 10.5        | 9.5           | 910%         | 8.1           | 336%         |
| Financial assets held-for-trading  | 10.3          | 10.7        | 7.0         | 4.5         | 6.2         | (0.8)         | (12%)        | (4.1)         | (40%)        |
| <b>Debt financial asstes measured at fair value through other comprehensive income</b> | <b>28.1</b>   | <b>26.4</b> | <b>37.2</b> | <b>36.2</b> | <b>27.1</b> | <b>(10.1)</b> | <b>(27%)</b> | <b>(1.0)</b>  | <b>(4%)</b>  |
| <b>Customer loans</b>  | <b>22.1</b>   | <b>21.8</b> | <b>21.6</b> | <b>22.5</b> | <b>22.8</b> | <b>1.2</b>    | <b>5%</b>    | <b>0.7</b>    | <b>3%</b>    |
| <b>Financial sector entities</b>   | <b>3.4</b>    | <b>3.1</b>  | <b>3.8</b>  | <b>4.0</b>  | <b>6.3</b>  | <b>2.5</b>    | <b>66%</b>   | <b>3.0</b>    | <b>89%</b>   |
| including reverse repo receivables   | 0.1           | 0.2         | -           | 0.4         | 2.6         | 2.6           | -            | 2.4           | 1930%        |
| <b>Non-financial sector entities</b>   | <b>18.8</b>   | <b>18.6</b> | <b>17.8</b> | <b>18.5</b> | <b>16.5</b> | <b>(1.4)</b>  | <b>(8%)</b>  | <b>(2.3)</b>  | <b>(12%)</b> |
| <b>Institutional Banking</b>   | <b>12.2</b>   | <b>12.4</b> | <b>11.7</b> | <b>12.6</b> | <b>10.6</b> | <b>(1.1)</b>  | <b>(9%)</b>  | <b>(1.7)</b>  | <b>(14%)</b> |
| <b>Consumer Banking</b>  | <b>6.5</b>    | <b>6.3</b>  | <b>6.1</b>  | <b>5.9</b>  | <b>5.9</b>  | <b>(0.2)</b>  | <b>(4%)</b>  | <b>(0.6)</b>  | <b>(10%)</b> |
| Unsecured receivables  | 4.3           | 4.1         | 3.9         | 3.8         | 3.8         | (0.2)         | (4%)         | (0.5)         | (12%)        |
| Credit cards   | 2.3           | 2.2         | 2.2         | 2.1         | 2.1         | (0.1)         | (3%)         | (0.2)         | (7%)         |
| Cash loans   | 1.9           | 1.8         | 1.7         | 1.6         | 1.6         | (0.1)         | (6%)         | (0.3)         | (17%)        |
| Other unsecured receivables  | 0.0           | 0.0         | 0.1         | 0.0         | 0.0         | (0.0)         | (20%)        | 0.0           | 3%           |
| Mortgage   | 2.2           | 2.2         | 2.2         | 2.1         | 2.1         | (0.1)         | (3%)         | (0.1)         | (7%)         |
| Other assets   | 2.4           | 2.5         | 2.3         | 2.3         | 2.4         | 0.1           | 3%           | (0.0)         | (0%)         |
| <b>Total assets</b>  | <b>69.4</b>   | <b>72.2</b> | <b>69.8</b> | <b>71.2</b> | <b>71.6</b> | <b>1.8</b>    | <b>3%</b>    | <b>2.2</b>    | <b>3%</b>    |

# Balance sheet – liabilities and equity

|   | End of period |             |             |             |             | 2Q23 vs. 4Q22 |           | 2Q23 vs. 2Q22 |            |
|---|---------------|-------------|-------------|-------------|-------------|---------------|-----------|---------------|------------|
|   | 2Q22          | 3Q22        | 4Q22        | 1Q23        | 2Q23        | PLN B         | %         | PLN B         | %          |
| <b>PLN B</b>                                    |               |             |             |             |             |               |           |               |            |
| Liabilities due to banks                        | 3.3           | 3.7         | 4.8         | 4.7         | 3.3         | (1.5)         | (31%)     | 0.0           | 0%         |
| Financial liabilities held-for-trading          | 9.5           | 9.4         | 4.9         | 3.6         | 4.6         | (0.3)         | (6%)      | (4.9)         | (51%)      |
| <b>Financial liabilities due to customers</b>   | <b>46.0</b>   | <b>50.3</b> | <b>50.5</b> | <b>52.5</b> | <b>52.1</b> | <b>1.6</b>    | <b>3%</b> | <b>6.1</b>    | <b>13%</b> |
| Financial sector entities - deposits            | 3.2           | 3.4         | 3.6         | 3.4         | 3.5         | (0.1)         | (4%)      | 0.3           | 10%        |
| <b>Non-financial sector entities - deposits</b> | <b>40.5</b>   | <b>44.6</b> | <b>45.2</b> | <b>47.2</b> | <b>46.3</b> | <b>1.2</b>    | <b>3%</b> | <b>5.9</b>    | <b>14%</b> |
| Institutional Banking                           | 22.8          | 26.4        | 27.4        | 28.8        | 27.9        | 0.5           | 2%        | 5.1           | 23%        |
| Consumer Banking                                | 17.7          | 18.2        | 17.8        | 18.4        | 18.5        | 0.7           | 4%        | 0.7           | 4%         |
| Other deposits                                  | 2.3           | 2.3         | 1.7         | 1.9         | 2.2         | 0.5           | 30%       | (0.1)         | (4%)       |
| Other liabilities                               | 3.8           | 1.6         | 1.6         | 1.7         | 3.2         | 1.6           | 98%       | (0.6)         | (15%)      |
| <b>Total liabilities</b>                        | <b>62.6</b>   | <b>65.0</b> | <b>61.8</b> | <b>62.4</b> | <b>63.2</b> | <b>1.4</b>    | <b>2%</b> | <b>0.7</b>    | <b>1%</b>  |
| 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           | 0%        | (0.0)         | (0%)       |
| Revaluation reserve                             | (0.9)         | (0.8)       | (0.6)       | (0.3)       | (0.2)       | 0.4           | (63%)     | 0.7           | (77%)      |
| Other reserves                                  | 2.8           | 2.8         | 2.8         | 2.8         | 3.2         | 0.4           | 13%       | 0.4           | 13%        |
| Retained earning                                | 1.4           | 1.7         | 2.2         | 2.8         | 1.8         | (0.3)         | (15%)     | 0.4           | 31%        |
| <b>Total Equity</b>                             | <b>6.9</b>    | <b>7.3</b>  | <b>8.0</b>  | <b>8.8</b>  | <b>8.4</b>  | <b>0.4</b>    | <b>5%</b> | <b>1.5</b>    | <b>22%</b> |
| <b>Total liabilities &amp; equity</b>           | <b>69.4</b>   | <b>72.2</b> | <b>69.8</b> | <b>71.2</b> | <b>71.6</b> | <b>1.8</b>    | <b>3%</b> | <b>2,2</b>    | <b>3%</b>  |
| Loans / Deposits ratio                          | 51%           | 45%         | 44%         | 45%         | 46%         |               |           |               |            |

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