



Interim Condensed Consolidated  
Financial Statements of the Capital  
Group of Bank Handlowy  
w Warszawie S.A.  
for the third quarter of 2024

*This document is a translation from the original Polish version. In case of any discrepancies between the Polish and English versions, the Polish version shall prevail.*

TRANSLATION

SELECTED FINANCIAL DATA	PLN '000		EUR '000	
	Third quarter accruals period from 01.01.24 to 30.09.24	Third quarter accruals period from 01.01.23 to 30.09.23	Third quarter accruals period from 01.01.24 to 30.09.24	Third quarter accruals period from 01.01.23 to 30.09.23
<b>Data related to the interim condensed consolidated financial statements</b>				
Interest income and similar income	3,343,091	3,362,319	777,065	734,564
Fee and commission income	517,828	502,766	120,364	109,839
Profit before tax	1,808,596	2,288,758	420,389	500,024
Net profit	1,392,576	1,806,910	323,689	394,755
Comprehensive income	1,463,501	2,235,172	340,175	488,317
Net cash flows	703,224	(45,045)	163,457	(9,841)
Total assets	72,433,711	73,392,520	16,927,324	16,879,604
Amounts due to banks	3,414,281	3,375,687	797,897	776,377
Amounts due to customers	53,925,973	55,008,001	12,602,176	12,651,334
Equity	9,781,645	9,729,491	2,285,912	2,237,693
Ordinary shares	522,638	522,638	122,137	120,202
Number of shares (in pcs)	130,659,600	130,659,600	130,659,600	130,659,600
Book value per share (PLN/EUR)	74.86	74.46	17.50	17.13
Total capital adequacy ratio (%)	22.81	23.61	22.81	23.61
Earnings per share (PLN / EUR)	10.66	13.83	2.48	3.02
Diluted earnings per share (PLN / EUR)	10.66	13.83	2.48	3.02
<b>Data related to the interim condensed standalone financial statements</b>				
Interest income and similar	3,343,091	3,362,319	777,065	734,564
Fee and commission income	517,852	503,034	120,369	109,898
Profit before tax	1,840,217	2,287,931	427,739	499,843
Net profit	1,424,696	1,806,779	331,155	394,726
Comprehensive income	1,495,689	2,235,092	347,657	488,299
Net cash flows	703,224	(45,045)	163,457	(9,841)
Total assets	72,524,836	73,483,969	16,948,619	14 902 869
Amounts due to banks	3,414,281	3,375,687	797,897	1 022 340
Amounts due to customers	54,031,209	55,162,586	12,626,769	10 803 595
Equity	9,769,189	9,668,020	2,283,001	1 684 386
Ordinary shares	522,638	522,638	122,137	111 439
Number of shares (in pcs)	130,659,600	130,659,600	130,659,600	130 659 600
Book value per share (PLN / EUR)	74.77	73.99	17.47	17.02
Total capital adequacy ratio (%)	22.51	23.25	22.51	23.25
Earnings per share (PLN/EUR)	10.90	13.83	2.53	3.02
Diluted earnings per share (PLN / EUR)	10.90	13.83	2.53	3.02
Paid dividends per share (PLN/EUR)	11.15	9.00	2.59	1.97

Explanations to the table:

1) Comparative data according to balance sheet and total capital ratio as at 31 December 2023.

2) Additional information on TCR calculation has been described in the note no. 7 and "Information on capital adequacy of Bank Handlowy w Warszawie S.A. as at 30 September 2024" subject to publication on the Bank's website.

3) On the June 19, 2024, the Ordinary General Meeting of Shareholders of the Bank Handlowy w Warszawie S.A. (hereinafter GM) adopted a resolution on distribution of the net profit for 2023. Additional information concerning dividend payout was presented in Note 18.

4) The following exchange rates were applied to convert PLN to EUR: for the statement of financial position - NBP average exchange rate as at 30 September 2024 - 4.2791 (as at 31 December 2023: PLN 4.3480; as at 30 September 2023 - PLN 4.6356); for the income statement, a statement of comprehensive income and cash flow statement - the arithmetic mean of NBP end-of-month exchange rates in the I, II and III quarter of 2024 - PLN 4.3022 (in the I, II and III quarter of 2023: PLN 4.5773).

TRANSLATION

**Contents**

<b>Condensed consolidated income statement</b>	<b>5</b>
<b>Condensed consolidated statement of comprehensive income</b>	<b>6</b>
<b>Condensed consolidated statement of financial position</b>	<b>7</b>
<b>Condensed consolidated statement of changes in equity</b>	<b>8</b>
<b>Condensed consolidated statement of cash flows</b>	<b>9</b>
<b>Supplementary notes to the interim condensed consolidated financial statements</b>	<b>10</b>
1 General information about the Bank and the Capital Group	10
2 Declaration of conformity	10
3 Significant accounting policies	11
4 Macroeconomic conditions and the situation in money, foreign exchange and capital markets	13
5 Banking sector	15
6 The impact of the war in Ukraine	16
7 Financial analysis of the results of the Capital Group of the Bank	16
8 Segment reporting	24
9 Activities of the Group	25
10 Rating	33
11 Financial instruments disclosure	34
12 Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments	36
13 Deferred tax asset and provision	38
14 Acquisitions and disposals of tangible fixed assets	38
15 Default or breach of credit agree, meant in respect of which there were no corrective action until the end of the reporting period	38
16 Seasonality or periodicity of business activity	38
17 Issue, redemption and repayment of debt and equity securities	38
18 Paid (or declared) dividends	39
19 Changes in granted financial and guarantee commitments	39
20 Changes in Group's structure	39
21 Fulfilment of 2024 forecast results	40
22 Information about shareholders	40
23 Ownership of issuer's shares by members of the Management Board and Supervisory Board	40
24 Information on pending court proceedings	40
25 Information about significant transactions with related entities on non-market terms	43
26 Information about significant guarantee agreements	43

TRANSLATION

---

<b>27</b>	<b>Significant events after the balance sheet date not included in the financial statements</b>	<b>43</b>
<b>28</b>	<b>Factors and events which could affect future financial performance of the Bank's Capital Group</b>	<b>43</b>
	<b><i>Interim condensed standalone financial statements of the Bank for the third quarter of 2024</i></b>	<b>44</b>

TRANSLATION

Condensed consolidated income statement

For a period	III quarter accruals period from 01.07.24 to 30.09.24	III quarter accruals period from 01.01.24 to 30.09.24	III quarter accruals period from 01.07.23 to 30.09.23	III quarter accruals period from 01.01.23 to 30.09.23
<b>PLN '000</b>				
Interest income	1,040,550	3,104,313	1,086,450	3,267,602
Similar income	95,524	238,778	5,167	94,717
Interest expense and similar charges	(316,915)	(921,313)	(264,305)	(855,765)
<b>Net interest income</b>	<b>819,159</b>	<b>2,421,778</b>	<b>827,312</b>	<b>2,506,554</b>
Fee and commission income	169,853	517,828	167,916	502,766
Fee and commission expense	(28,799)	(84,653)	(25,240)	(77,376)
<b>Net fee and commission income</b>	<b>141,054</b>	<b>433,175</b>	<b>142,676</b>	<b>425,390</b>
Dividend income	676	11,381	1,303	11,076
Net gain/(loss) on trading financial instruments and revaluation	139,606	419,027	202,822	618,254
Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income	1,849	16,263	(28,289)	(32,212)
Net gain/(loss) on equity investments and other at fair value through income statement	2,952	(3,708)	1,667	17,141
Net gain/(loss) on hedge accounting	(8,030)	1,530	(2,821)	(7,844)
Other operating income	3,002	15,476	7,325	19,246
Other operating expenses	(10,993)	(42,106)	(16,318)	(29,526)
<b>Net other operating income and expense</b>	<b>(7,991)</b>	<b>(26,630)</b>	<b>(8,993)</b>	<b>(10,280)</b>
General administrative expenses	(316,381)	(1,083,395)	(305,182)	(1,006,044)
Depreciation and amortization	(30,238)	(88,391)	(27,716)	(81,822)
Net impairment on non-financial assets	-	(180,064)	-	-
Profit on sale of other assets	(285)	1,431	41	(37)
Provisions for expected credit losses on financial assets and provisions for contingent liabilities	193	19,266	(3,747)	(9,897)
<b>Operating profit</b>	<b>742,564</b>	<b>1,941,663</b>	<b>799,073</b>	<b>2,430,279</b>
Tax on certain financial institutions	(39,396)	(133,067)	(49,937)	(141,521)
<b>Profit before tax</b>	<b>703,168</b>	<b>1,808,596</b>	<b>749,136</b>	<b>2,288,758</b>
Income tax expense	(158,742)	(416,020)	(157,516)	(481,848)
<b>Net profit</b>	<b>544,426</b>	<b>1,392,576</b>	<b>591,620</b>	<b>1,806,910</b>
Including:				
Net profit attributable to Bank's shareholders		1,392,576		1,806,910
Weighted average number of ordinary shares (in pcs)		130,659,600		130,659,600
Earnings per share (in PLN)		10.66		13.83
Diluted net earnings per share (in PLN)		10.66		13.83

Explanatory notes are an integral part of the interim condensed consolidated financial statements.

TRANSLATION

Condensed consolidated statement of comprehensive income

PLN '000	For a period	III quarter accruals period from 01.07.24 to 30.09.24	III quarter accruals period from 01.01.24 to 30.09.24	III quarter accruals period from 01.07.23 to 30.09.23	III quarter accruals period from 01.01.23 to 30.09.23
<b>Net profit</b>		544,426	1,392,576	591,620	1,806,910
<b>Other comprehensive income, that is or might be subsequently reclassified to income statement:</b>		19,705	70,925	72,317	432,492
Remeasurement of financial assets measured at fair value through other comprehensive income (net)		21,237	84,166	49,225	406,451
(Profit)/Loss reclassification to income statement after derecognition of financial assets measured at fair value through other comprehensive income (net)		(1,498)	(13,173)	22,914	26,092
Currency translation differences		(34)	(68)	178	(51)
<b>Other comprehensive income, that cannot be subsequently reclassified to profit or loss</b>		-	-	-	(4,230)
Net actuarial profits on specific services program valuation		-	-	-	(4,230)
<b>Other comprehensive income net of tax</b>		19,705	70,925	72,317	428,262
<b>Total comprehensive income</b>		564,131	1,463,501	663,937	2,235,172
Including:					
Comprehensive income attributable to Bank's shareholders		564,131	1,463,501	663,937	2,235,172

Explanatory notes are an integral part of the interim condensed consolidated financial statements.

TRANSLATION

Condensed consolidated statement of financial position

	as at	30.09.2024	31.12.2023
<b>PLN '000</b>			
<b>ASSETS</b>			
Cash and cash equivalents		1,944,992	1,241,724
Amounts due from banks		15,451,100	15,371,552
Financial assets held-for-trading, including:		6,032,413	4,880,332
<i>Assets pledged as collateral</i>		-	-
Hedging derivatives		1,254	6,731
Debt financial assets measured at fair value through other comprehensive income, including:		24,661,500	29,560,292
<i>Assets pledged as collateral</i>		200,824	697,771
Equity and other instruments measured at fair value through income statement		137,723	141,495
Amounts due from customers		21,945,561	20,054,454
Tangible fixed assets		539,331	508,403
Intangible assets		1,106,521	1,285,314
Current income tax receivables		-	9
Deferred tax asset		96,971	115,413
Other assets		516,345	217,535
Non-current assets held-for-sale		-	9,266
<b>Total assets</b>		<b>72,433,711</b>	<b>73,392,520</b>
<b>LIABILITIES</b>			
Amounts due to banks		3,414,281	3,375,687
Financial liabilities held-for-trading		3,204,183	3,522,203
Hedging derivatives		294,156	92,869
Amounts due to customers		53,925,973	55,008,001
Provisions		122,252	111,689
Current income tax liabilities		139,290	457,871
Deferred tax provision		17	94
Other liabilities		1,551,914	1,094,615
<b>Total liabilities</b>		<b>62,652,066</b>	<b>63,663,029</b>
<b>EQUITY</b>			
Ordinary shares		522,638	522,638
Share premium		3,001,260	3,001,260
Own shares		(6,057)	-
Revaluation reserve		199,399	128,406
Other reserves		4,041,235	3,190,659
Retained earnings		2,023,170	2,886,528
<b>Total equity</b>		<b>9,781,645</b>	<b>9,729,491</b>
<b>Total liabilities and equity</b>		<b>72,433,711</b>	<b>73,392,520</b>

Explanatory notes are an integral part of the interim condensed consolidated financial statements.

TRANSLATION

## Condensed consolidated statement of changes in equity

PLN '000	Ordinary shares	Share premium	Own shares	Revaluation reserve	Other reserves	Retained earnings	Total equity
<b>Balance as at 1 January 2024</b>	522,638	3,001,260	-	128,406	3,190,659	2,886,528	9,729,491
<b>Total comprehensive income, including:</b>	-	-	-	70,993	(68)	1,392,576	1,463,501
Net profit	-	-	-	-	-	1,392,576	1,392,576
Other comprehensive income:	-	-	-	70,993	(68)	-	70,925
Currency translation differences from the foreign operations' conversion	-	-	-	-	(68)	-	(68)
Net valuation of financial assets measured at fair value through other comprehensive income	-	-	-	70,993	-	-	70,993
<b>Equity awards program</b>	-	-	(6,057)	-	49,640	-	43,583
<b>Dividends paid</b>	-	-	-	-	-	(1,454,930)	(1,454,930)
<b>Transfer to capital</b>	-	-	-	-	801,004	(801,004)	-
<b>Balance as at 30 September 2024</b>	522,638	3,001,260	(6,057)	199,399	4,041,235	2,023,170	9,781,645

PLN '000	Ordinary shares	Share premium	Revaluation reserve	Other reserves	Retained earnings	Total equity
<b>Balance as at 1 January 2023</b>	522,638	3,001,259	(573,528)	2,833,345	2,176,531	7,960,245
<b>Total comprehensive income, including:</b>	-	-	432,543	(4,281)	1,806,910	2,235,172
Net profit	-	-	-	-	1,806,910	1,806,910
Other comprehensive income:	-	-	432,543	(4,281)	-	428,262
Currency translation differences from the foreign operations' conversion	-	-	-	(51)	-	(51)
Net valuation of financial assets measured at fair value through other comprehensive income	-	-	432,543	-	-	432,543
Net actuarial profits/(losses) on defined benefit program valuation	-	-	-	(4,230)	-	(4,230)
<b>Dividends paid</b>	-	-	-	-	(1,175,937)	(1,175,937)
<b>Transfer to capital</b>	-	1	-	370,318	(370,319)	-
<b>Balance as at 30 September 2023</b>	522,638	3,001,260	(140,985)	3,199,382	2,437,185	9,019,480

PLN '000	Ordinary shares	Share premium	Revaluation reserve	Other reserves	Retained earnings	Total equity
<b>Balance as at 1 January 2023</b>	522,638	3,001,259	(573,528)	2,833,345	2,176,531	7,960,245
<b>Total comprehensive income, including:</b>	-	-	701,934	(13,004)	2,256,348	2,945,278
Net profit	-	-	-	-	2,256,348	2,256,348
Other comprehensive income:	-	-	701,934	(13,004)	-	688,930
Currency translation differences from the foreign operations' conversion	-	-	-	(327)	-	(327)
Net valuation of financial assets measured at fair value through other comprehensive income	-	-	701,934	-	-	701,934
Net actuarial profits/(losses) on defined benefit program valuation	-	-	-	(12,677)	-	(12,677)
<b>Dividends paid</b>	-	-	-	-	(1,175,937)	(1,175,937)
<b>Transfer to capital</b>	-	1	-	370,318	(370,414)	(95)
<b>Balance as at 31 December 2023</b>	522,638	3,001,260	128,406	3,190,659	2,886,528	9,729,491

Explanatory notes are an integral part of the interim condensed consolidated financial statements.



## Condensed consolidated statement of cash flows

PLN '000	For a period	I quarter accruals period from 01.01.24 to 30.09.24	I quarter accruals period from 01.01.23 to 30.09.23
<b>Cash at the beginning of the reporting period</b>		<b>1,241,873</b>	<b>671,336</b>
Cash flows from operating activities		2,290,839	1,270,189
Cash flows from investing activities		(104,194)	(130,392)
Cash flows from financing activities		(1,483,421)	<b>(1,184,842)</b>
<b>Cash at the end of the reporting period</b>		<b>1,945,097</b>	<b>626,291</b>
<b>Increase/(decrease) in net cash</b>		<b>703,224</b>	<b>(45,045)</b>

Comparative data for the three quarters of 2023 have been restated due to the Group's adjustment of the presentation of cash and cash equivalents to the position of the IFRS Interpretation Committee and the requirements of IAS 7 "Statement of Cash Flows", additional information can be found in the Annual Consolidated Financial Statements of the Bank's Capital Group Handlowy w Warszawie S.A. for the financial year ending December 31, 2023.

Explanatory notes are an integral part of the interim condensed consolidated financial statements.

## Supplementary notes to the interim condensed consolidated financial statements

### 1 General information about the Bank and the Capital Group

Bank Handlowy w Warszawie S.A. (“parent company”, “the Bank”, “Citi Handlowy”) Head Office is located in Poland at Senatorska 16, 00-923 Warszawa. The Bank was established on the basis of Deed of foundation of 13 April 1870 and was registered and entered into the Register of Companies by the District Court for the capital city of Warsaw, XII Economic Department of the National Court Register. The Bank was registered under entry No. KRS 0000001538. Bank operates as a joint-stock company. During the reporting period the name of entity has not changed.

Parent undertaking was granted a statistical REGON No. 000013037 and tax identification No. (NIP) 526-030-02-91.

The Bank and its subsidiaries are expected to continue the business activity for an unspecified period of time.

Share equity of the Bank equals PLN 522,638,400 and is divided into 130,659,600 common shares, with nominal value of PLN 4.00 per share. The Bank is a listed company on the Warsaw Stock Exchange.

The majority and strategic shareholder of the Bank is Citibank Europe Plc based in Dublin, Ireland – a company in the Citi Group (parent company of the Bank). The ultimate parent is Citigroup Inc.

In addition, the total share of funds managed by Nationale Nederlanden OFE is above the threshold of 5% of shares in the capital and votes at the Bank’s General Meeting.

Citi is a leading global provider of a wide range of financial services and products for corporations, institutional investors, public administration and individual clients, operating in more than 160 countries and jurisdictions. Citi provides services to business entities with international ambitions and is also a global leader in the field of wealth management services. Also, Citi offers banking services for individual clients in the United States. For more information, please visit website: <https://www.citigroup.com/global/about-us>

Bank Handlowy w Warszawie S.A. is a universal bank that offers a wide range of banking and brokerage services for individuals and corporate customers on the domestic and foreign markets.

These interim condensed consolidated financial statements present financial data of the Capital Group of Bank Handlowy w Warszawie S.A. (“the Group”), that is composed of Bank Handlowy w Warszawie S.A. (“the Bank”) as the parent company and its subsidiaries entities.

The Group consists of the following subsidiaries:

Subsidiaries	Registered office	% of votes at the General Meeting of Shareholders	
		30.09.2024	31.12.2023
<b>Entities fully consolidated</b>			
Handlowy Financial Services Sp. z o. o.	Warsaw	100.00	100.00
Handlowy-Leasing Sp. z o.o. (apart from indirect shareholding via Handlowy-Inwestycje Sp. z o.o. where the share in equity equals 2.53%).)	Warsaw	97.47	97.47
Handlowy Investments S.A.	Luxembourg	100.00	100.00
Handlowy-Inwestycje Sp. z o.o.	Warsaw	100.00	100.00

In the first three quarters of 2024 there was no change in the structure of Group’s entities comparing to the end of 2023.

### 2 Declaration of conformity

The interim condensed consolidated financial statements of the Group have been prepared for the period from 1 January 2024 to 30 September 2024 and for the consolidated statement of financial position as at 30 September 2024. Comparative financial data are presented for the period from 1 January 2023 to 30 September 2023 and for the consolidated statement of financial position as at 31 December 2023.

The interim condensed consolidated financial statements are presented in PLN (currency of presentation), rounded to the nearest thousand.

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting* (“IAS 34”), adopted by European Union and with other applicable regulations.

The financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the financial year ended 31 December 2023.

## TRANSLATION

In accordance with the Decree of the Ministry of Finance dated 29 March 2018 regarding current and periodic information provided by issuers of securities and the requirements for recognition of information required by the law of a non-Member State as equivalent (Official Journal from 2018, No. 757, as amended) ("Decree") the Bank is obliged to publish its financial results for the 9-month period ended 30 September 2024 which is deemed to be the current interim financial reporting period.

### 3 Significant accounting policies

The interim condensed consolidated financial statements of the Group for the 9-month period ended 30 September 2024 have been prepared in accordance with accounting principles adopted and described in the annual consolidated financial statements of the Group for the financial year ended 31 December 2023, except for the income tax expense that was calculated according to the rules of IAS 34.

Due to implementation of the incentive programs referred to in the resolutions adopted by the Extraordinary General Meeting of the Bank on December 16, 2022. In the first three quarters of 2024, the Group converted a specific part of the awards settled in cash into awards settled in equity instruments of Bank Handlowy S.A., which resulted in a change of method of recognizing certain equity awards in accordance with IFRS 2 "Share-based payments". The conversion of awards involved the transfer of part of liabilities to employees previously included in the statement of financial position in the item Other liabilities to the equity item Other reserves. Awards are recognized as costs in the period of acquiring rights by the awarded employees in correspondence with equity. The value of the award is determined according to the fair value of the shares determined on the date of granting and is not subject to revaluation thereafter. As described in Note 17 *Issue, redemption and repayment of debt and equity securities* shares' buy back process, in order to implement the program, the Bank started purchasing its own shares, which until they are issued as rewards are presented in the statement of financial position in the item Own shares and in the statement of cash flows in cash flows from financial activities.

The preparation of interim condensed consolidated financial statements of the Group with accordance to International Financial Reporting Standards requires that the Management should make certain estimates and adopt related assumptions that affect the amounts reported in the financial statements. These financial statements are based on the same estimation rules which were used in the annual consolidated financial statements of the Group for the financial year ended 31 December 2023.

The estimations and respective assumptions are made based on historical data available and multiple other factors which under given conditions are considered proper and which form the basis for estimation regarding balance sheet values of assets and liabilities whose value cannot be determined clearly based on other sources. Actual values may differ from estimation values.

The estimations and respective assumptions are subject recurring to reviews. Changes of estimations are recognized in the period in which the estimation was modified if the adjustment concerns only this period or in the period of the change and future periods if the adjustment concerns both this period and the future periods.

The key estimates were presented in the annual Consolidated Financial Statements of the Group for 2023. Additionally, with respect to interim financial statements, the Group applies the principle of recognizing the financial result income tax charges based on the estimate of the annual effective income tax rate expected by the Group in the full financial year.

Standards and interpretations applicable from 1 January 2024:

- IAS 1 "Presentation of financial statements" amendment, issued on 31 October 2022, concerns the area of classification of liabilities as current or non-current and clarifies that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current on a given reporting date;
- IFRS 16 "Leases" amendment, issued on 22 September 2022, concerns the accounting treatment of a transaction, where an entity sold an asset and concurrently said asset became the subject of a lease agreement concluded with a new owner (leaseback);
- IAS 7 "Statement of cash flows" and IFRS 7 "Financial instruments: disclosures", issued on May 25, 2023, introduce the requirement for additional disclosures targeting the improvement of transparency of the presentation of supplier financing arrangements, their impact on the entity's liabilities, cash flows and exposure to liquidity risk;

will not have significant impact on the financial statements.

Standards and interpretations European Union's approval:

- IAS 21 "Effects of changes in foreign exchange rates", issued August 15, 2023, clarifies when a currency is convertible into other currencies, how an entity determines the exchange rate when a currency is non-convertible, and specifies the scope of disclosures that will help the financial statements' users to understand the impact of the lack of convertibility of currency on entity's financial position, financial performance and cash flows. The amendment will be applicable from January 1, 2025. The Group believes that the change in the standard will not have a significant impact on the financial statements

## TRANSLATION

---

- On 9 April 2024, the IASB issued IFRS 18 “Presentation and Disclosure in Financial Statements”. The standard will be effective for annual reporting periods beginning on January 1, 2027. The new standard is intended to replace IAS 1 – “Presentation of Financial Statements” and will help to achieve comparability of the financial performance of similar entities. The new standard:
  - ✓ introduces a defined structure for the statement of profit or loss. Items in the statement of profit or loss will be classified into one of five categories: operating, investing, financing, income taxes and discontinued operations. The standard requires also to present totals and subtotals, including mandatory inclusion of “Operating profit or loss”;
  - ✓ introduces an additional note presenting management-defined performance measures which are subtotals of income and expenses an entity uses in public communications outside financial statements, an entity uses to communicate to users of financial statements management’s view of an aspect of the financial performance of the entity as a whole. The disclosure will have to contain a description of the aspect of financial performance that in management’s view, is communicated by the management-defined performance measures, how the management-defined performance measure is calculated and reconciliation between the management-defined performance measure and the position from financial statement measured in accordance with other standards;
  - ✓ clarifies the guidelines for data aggregation and disaggregation which focus on grouping items based on their shared characteristics enabling entities to decide which items are presented in the primary financial statements and what information is disclosed in the notes.

The new IFRS 18 standard will also result in certain changes to the statement of cash flows and the statement of financial position, as well as changes to other standards harmonizing disclosure requirements. The Group is in the process of assessing the impact of the new standard on the financial statements.

- On May 9, 2024, the IASB issued IFRS 19 “Subsidiaries without Public Accountability: Disclosures”, which allows eligible subsidiaries to apply reduced information disclosure requirements, instead of the requirements of other IFRS Accounting Standards. The new standard will be applicable to the annual reporting periods beginning January 1, 2027, and the Group believes it will not have a significant impact on the financial statements.
- The amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures” issued May 30, 2024, clarify:
  - ✓ The timing of discontinuation of recognition of financial liabilities from the balance sheet, introducing an option for early derecognition of financial liabilities that are settled through an electronic payment system that meets certain criteria
  - ✓ How to assess the characteristics of contractual cash flows from “non-recourse” financial assets and financial assets in cases where contractual provisions refer to contingent events, including, for example, related to ESG objectives (for the purpose of classifying financial assets)

The amendments to the aforementioned standards also introduce additional disclosure requirements for financial assets and liabilities whose contractual terms make cash flows contingent on contingent events and for equity instruments designated at fair value through other comprehensive income. The amendments will be applicable from January 1, 2026. The Group is in the process of assessing the impact of the new standard on the financial statements.

- On 18 July 2024, amendments to the International Financial Reporting Standards and International Accounting Standards (Volume 11) were issued, resulting from the annual review. These changes are intended to clarify the wording used in the standards, in order to improve their legibility, consistency and eliminate possible ambiguities. The changes introduced in this review relate to IFRS 1 ‘First-time Adoption of International Financial Reporting Standards’, IFRS 7 ‘Financial Instruments: Disclosures’, IFRS 9 ‘Financial Instruments’, IFRS 10 ‘Consolidated Financial Statements’, IAS 7 ‘Statement of Cash Flows’. The changes will be effective from 1 January 2026 and will not have a material impact on the financial statements.

## Income tax in interim financial statements

Income tax in interim financial statements is accrued in accordance with IAS 34. Interim period tax expense is accrued using the tax rate that would be applicable to expected total annual result, that is, the estimated average annual effective income tax rate applied to the pre-tax result of the interim period. The calculation of the average annual effective income tax rate requires the use of a pre-tax income forecast for the entire fiscal year and permanent differences between the carrying amounts of assets and liabilities and their tax base.

## Foreign currency

The statement of financial position and contingent liabilities received and granted denominated in foreign currencies are converted to PLN equivalents using the average exchange rate of the currency determined by the Governor of the National Bank of Poland (“NBP”) prevailing at the date of preparation of the statement of financial position.

TRANSLATION

Foreign currency transactions are converted at initial recognition to the functional currency (PLN) using the exchange rates prevailing at the date of transactions.

Foreign exchange profits and losses resulting from revaluation of the statement of financial position items denominated in foreign currencies and settlement of transactions in foreign currencies are included in net profit on foreign exchange, within the trade financial instruments and revaluation income.

The exchange rates of the major currencies applied in the preparation of these financial statements are:

PLN		30 September 2024	31 December 2023	30 September 2023
1	USD	3.8193	3.9350	4,3697
1	CHF	4.5279	4.6828	4,8030
1	EUR	4.2791	4.3480	4,6356

## 4 Macroeconomic conditions and the situation in money, foreign exchange and capital markets

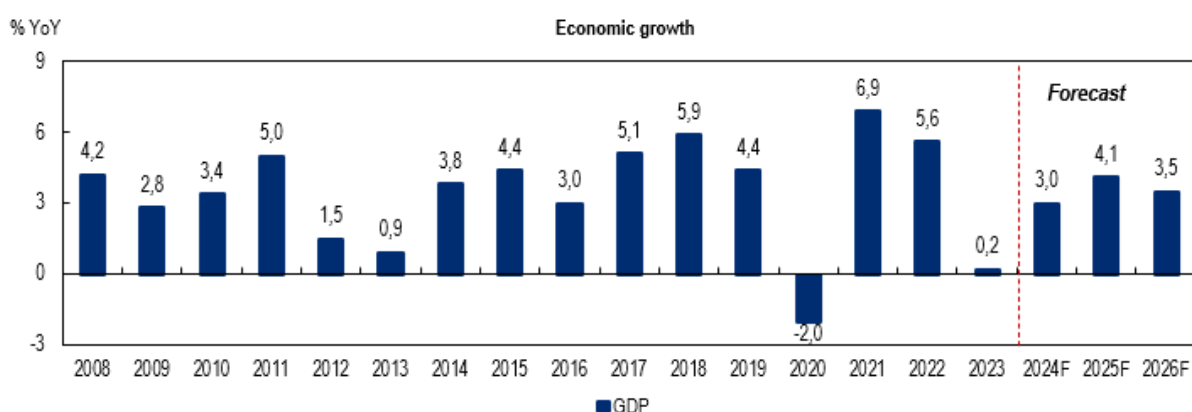
### 1. Macroeconomic conditions and the situation in money and foreign exchange markets

The latest economic data indicate that the economic recovery in the third quarter of 2024 was slower than predicted. The group expects the GDP growth rate to be around 3% for the entire year.

After a growth by 0.8% YoY in the second quarter of 2024, industrial output slowed down slightly in the third quarter to 0.6% YoY. Polish industry continues to be influenced by the slowdown in the eurozone and the low volume of orders. In the first two months of the third quarter of 2024, imports increased by 7% YoY on average, while exports – by 0.6% YoY. The cumulated 12-month current account balance in the balance of payments was positive at 0.8% GDP after August, as compared to about 1.3% of the GDP as at the end of the second quarter of 2024. At the same time, construction and assembly production fell by 6.7% YoY in the third quarter of 2024, as compared to a decrease by 5.9% YoY in the second quarter of 2024.

The growth rate of average wages in the companies' sector fell to 10.8% YoY in the third quarter of 2024, from 10.9% YoY in the second quarter of 2024. As a result of higher inflation, the growth in real wages was lower than in the previous quarters and in the third quarter of 2024 leveled at 6.1% YoY. A significant deterioration was observed in the dynamics of retail sales, which declined in the third quarter of 2024 by 1.5% YoY, as compared to an increase by 4.8% YoY in the second quarter of 2024.

The condition of the labor market remains good. The registered unemployment rate in September 2024 was 5% as compared to 4.9% in June 2024.



Source: Chief Statistical Office, Citi Handlowy forecast

Prices of consumer goods and services in the third quarter of 2024 rose, on average, by 4.5% YoY as compared to 2.5% in the second quarter of 2024. The increase of the inflation rate resulted from price increases in energy and gas as well as low statistical base. Net inflation, calculated excluding prices of food, fuel and energy, increased from 3.8% YoY in the second quarter of 2024 to 3.9% YoY in the third quarter of 2024. The group expects the CPI to persist around 5% in the following months. Price increases in the near future will probably exceed the target of the National Bank of Poland at 2.5%.

TRANSLATION

Given increased inflation, the Monetary Policy Council has maintained the reference rate at 5.75%, unchanged since October 2023.

The third quarter of 2024 saw a PLN appreciation versus a majority of the main currencies. The Polish zloty strengthened against EUR and USD by 0.7% and 4.4%, respectively.

Yields on Polish 2-year bonds dropped as at the end of September 2024 by 43 bps (down to 4.73%) against the end of June 2024. Yields on 5-year bonds dropped as at the end of September 2024 by 65 bps (down to 4.91%) against the end of June 2024. Yields on 10-year bonds dropped by 49 bps, down to 5.26%. WIBOR 3M did not change from the end of June 2024 and stood at 5.85% as at the end of September 2024.

## 2. Capital market situation

In the third quarter of 2024, global stock markets recorded mixed results as compared to the second quarter of 2024. Despite the concerns related to inflation and the policy of central banks, many markets managed to record a rebound. The US index S&P 500 recorded some fluctuations in the third quarter, with a temporary decrease in August, however, in the end it closed the quarter in the black. Growths were driven primarily by big tech companies and sectors such as health and consumption, which allowed profits to continue despite a moderate economic growth. In Europe, the situation was more diversified. The British FTSE 100 remained stable, profiting from attractive valuations and growing dividends. The German DAX, on the other hand, was affected by the problems with exports and the slowdown in industry, which translated into smaller growths. Indices of emerging markets, such as MSCI EM, experienced a more challenging quarter due to the uncertain economic situation in China and problems in the real estate sector. However, some countries, such as Brazil, managed to perform better owing to the stabilizing political actions.

The main factors influencing investor sentiment were the persisting weak consumer and industrial data as well as increasing inflation. The Polish stock exchange also experienced similar trends, which was in line with global trends.

In the third quarter of 2024, all the main indices recorded drops. The primary WIG index decreased 6.0% QoQ. WIG20 (index of the biggest companies on the WSE) decreased 9.3% QoQ, while mWIG40 (index of mid-cap companies) depreciated 4.8% QoQ. Meanwhile, sWIG80 (small-cap stocks) depreciated 4.2% QoQ.

Among the sector sub-indices, the greatest growths were recorded by WIG-Medicine, WIG-Mining and WIG-Info, which appreciated by 16.5%, 3.9% and 3.3% QoQ, respectively. On the other hand, the highest decreases were recorded by WIG-Construction, WIG-Media and WIG-Fuel, which dropped by 12.8%, 12.1% and 11.2% QoQ, respectively.

However, this negative picture can be improved by two statistics. First of all, third quarters of the year have been marked by depreciation for a long time on our market. Since 2019, the total, quarterly rate of return from WIG has been positive only once (in 2021). Secondly, this year's peaks from May made it possible to realize an around 100% rate of return taken since the troughs at the end of 2022. Such a strong growth in the broad-market index over just 7 quarters entirely justifies a correction and a relatively worse behavior vs. the other markets in the last three months.

In the third quarter of 2024, the IPO market was quite idle. There were no IPOs on the main floor of the WSE, nor were there any delistings in the discussed period. As at the end of September 2024, a total of 410 companies were listed on the WSE, 42 of which were foreign entities. The total capitalization of the companies listed on the WSE was PLN 1,544 billion (with local companies accounting for PLN 758 billion of that amount).

## Equity market indices

Index	30.09.2024	30.06.2024	Change (%) QoQ	30.09.2023	Change (%) YoY
WIG	83,274.20	88,613.67	(6.0%)	65,397.43	27.3%
WIG-PL	86,946.32	92,502.56	(6.0%)	67,811.46	28.2%
WIG-div	1,784.07	1,826.02	(2.3%)	1,384.70	28.8%
WIG20	2,324.13	2,561.27	(9.3%)	1,915.60	21.3%
WIG20TR	4,887.34	5,248.56	(6.9%)	3,815.03	28.1%
WIG30	2,940.41	3,199.35	(8.1%)	2,372.68	23.9%
mWIG40	6,201.66	6,517.71	(4.8%)	4,936.38	25.6%
sWIG80	24,229.17	25,278.60	(4.2%)	20,674.08	17.2%
WIG-Banks	12,458.20	13,817.94	(9.8%)	7,656.52	62.7%
WIG-Construction	7,874.20	9,035.03	(12.8%)	5,867.43	34.2%
WIG-Chemicals	8,782.05	9,034.74	(2.8%)	10,350.67	(15.2%)
WIG-Energy	2,572.78	2,609.75	(1.4%)	2,503.18	2.8%
WIG-Games*	15,361.35	16,987.98	(9.6%)	18,494.69	(16.9%)
WIG-Mining	5,226.91	5,028.51	3.9%	4,020.71	30.0%

TRANSLATION

Index	30.09.2024	30.06.2024	Change (%) QoQ	30.09.2023	Change (%) YoY
WIG-IT	5,408.68	5,236.66	3.3%	4,473.00	20.9%
WIG-Medicines	3,421.36	2,937.65	16.5%	2,869.20	19.2%
WIG-Media	7,035.35	8,000.13	(12.1%)	7,053.80	(0.3%)
WIG-Motorisation	8,063.56	8,553.94	(5.7%)	8,637.72	(6.6%)
WIG- Developers	4,342.06	4,309.59	0.8%	3,761.45	15.4%
WIG-Clothing	10,797.55	10,639.96	1.5%	7,103.76	52.0%
WIG- Fuel	6,153.52	6,931.80	(11.2%)	6,018.72	2.2%
WIG -Food	2,385.53	2,561.13	(6.9%)	2,106.60	13.2%

Source: WSE, Brokerage Department of Bank Handlowy.

### Equity and bond trading value and derivatives trading volumes on WSE

	Q3 2024	Q2 2024	Change (%) QoQ, <sup>2)</sup>	Q3 2023	Change (%) YoY, <sup>2)</sup>
Shares (PLN million) <sup>1)</sup>	165,705	181,208	(8.6%)	124,417	33.2%
Bonds (PLN million)	3,154	2,300	37.1%	1,517	107.9%
Futures (in thousand contracts)	6,575	7,294	(9.9%)	6,072	8.3%
Options (in thousand contracts)	119	101	17.8%	99	20.2%

1) excluding calls

2) differences may result from rounding

Source: WSE, Brokerage Department of Bank Handlowy.

## 5 Banking sector

According to data published by the National Bank of Poland, at the end of September 2024, the volume of loans granted to non-financial companies increased by 0.9% YoY (PLN 3.5 billion) to over PLN 410 billion. The strongest growth was recorded in current loans (+3.0% YoY, PLN 4.9 billion) driven by PLN loans (+6.8% YoY) and slowed down by FX loans (-12.2% YoY). The volume of investment loans increased with a lower dynamic (+2.3% YoY, PLN 3.5 billion), whereas the volume of mortgage loans decreased by 2.7% YoY (PLN 1.7 billion). The total volume of PLN loans recorded a much higher dynamic (+4.7% YoY) as compared to FX loans (-4.0% YoY), primarily as a result of strengthening of the Polish zloty against the main foreign currencies.

In terms of the term structure, an increase was recorded in loans with maturity up to 1 year (+4.6% YoY, PLN 4.6 billion), a positive dynamic was also observed in long-term loans (with maturity above 5 years), the volume of which was up 2.2% YoY (PLN 4.1 billion). On the other hand, a negative dynamic was recorded for loans with maturity of 1-5 years (-1.1% YoY, PLN 1.2 billion).

Total net receivables from households increased to PLN 789 billion (+1.5% YoY, PLN 11.3 billion) as at the end of the third quarter of 2024. An even greater discrepancy than in corporate loans was noticeable in the dynamics of PLN loans (+6.1% YoY) and FX loans (-32.0% YoY). This trend became apparent especially in the category of mortgage loans, where the volume of FX loans declined by 30% YoY (PLN 27.1 billion), with a simultaneous high increase in the volume of PLN loans (+8.7 YoY, PLN 35.4 billion). In total, the volume of mortgage loans went up by 1.7% YoY, to PLN 8.2 billion. At the same time, the banking sector recorded a high increase in the volume of consumer loans (+4.9% YoY, PLN 9.7 billion). A weaker, though still positive dynamic was also recorded for current loans to sole proprietor firms and private farmers (+2.8% YoY, PLN 1.3 billion), while the worst performance – in comparison – was observed for investment loans (-15.8%, PLN 2.9 billion).

In terms of the term structure, the volume of loans to households saw different trends than those described for the corporate segment. A negative dynamic was recorded for current loans (with maturity up to 1 year) (-7.1% YoY). The volume of long-term loans (with maturity above 5 years) increased only slightly (+0.7% YoY). The greatest growth was recorded in medium-term loans (from 1 to 5 years): +12.3% YoY.

Year over year, the quality of the loan portfolio in the banking sector improved considerably with the share of non-performing loans (stage 3) granted to clients from the non-financial sector (together with the public sector) at 4.7% as at the end of August 2024, which means an improvement by 0.7 p.p. as compared to prior year. The strongest improvement was achieved for the portfolio of loans for small and medium-sized companies (-1.6 p.p. YoY, to 7.3%), and for consumer loans (-1.3 p.p. YoY to 7.5%). PLN mortgage loans to households show the best quality among all types of loans (1.4%, an improvement from the prior year by 0.2 p.p.). The quality of mortgage loans in other currencies also improved (-1.8 p.p. YoY, to 5.2%). The only type of loans that recorded deterioration in the timeliness of repayments were loans to big

## TRANSLATION

enterprises (+0.4 p.p. YoY, up to 3.8%).

The banking sector in Poland recorded a decrease in volumes of deposits of non-financial companies by 1.7% YoY, PLN 8.4 billion, to nearly PLN 491 billion at the end of September 2024. The volume of term deposits recorded a greater decline (-2.5% YoY, PLN 4.3 billion) than that of current deposits (-1.2% YoY, PLN 4.1 billion).

The volume of liabilities of banks to households maintained a positive dynamic, reaching nearly PLN 1,291 billion (+8.5% YoY, PLN 101.2 billion). The volume growth rate of current deposits (+11.2% YoY, PLN 100.0 billion) significantly exceeded that of term deposits (+2.7% YoY, PLN 10.3 billion).

According to the available data, in the period from January to August 2024 the banking sector generated a net profit of nearly PLN 29 billion, which is more than for the entire 2023. The main driver of this result are the dynamically growing revenues (PLN 86 billion in the first eight months of 2024, i.e. +15% YoY, PLN 11 billion as compared to the prior year period). A high increase in net interest income continues (PLN 69 billion was generated in the discussed period, which is +12% YoY, or PLN +8 billion), though it is now driven to a greater extent by savings in interest costs than by a continued growth in interest income. At the same time, net commission income exceeded PLN 13 billion (+6% YoY, PLN 1 billion), also contributing to the above-mentioned growth in total revenues of the sector. Meanwhile, despite amounting to PLN -404 million, other revenues were significantly above the level posted in the prior year period, mainly due to lower provisions for litigations regarding CHF mortgage loans.

While administrative costs (including bank levy) also increased, this increase was lower than that of revenues, thus translating into a minor improvement in the performance of the banking sector (the cost-to-income ratio reached 43%). Administrative costs amounted to PLN 33 billion (+12% YoY, PLN 3 billion), still driven by personnel costs (+14% YoY). The positive news for the sector was certainly the maintaining of a zero contribution to the Bank Guarantee Fund. The contribution to the Compulsory Restructuring Fund, on the other hand, increased by 7% YoY. Depreciation and amortization expenses amounted to PLN 3.5 billion, which is +8% YoY. A significant improvement (also owing to lower provisions for CHF loan portfolio) was recorded in the impairment, provisions and modifications result, which burdened banks' result with an amount of PLN 11 billion (-19% YoY, PLN 2.7 billion).

The income tax paid by banks was PLN 9 billion, which is -7% YoY, or PLN 693 million.

## 6 The impact of the war in Ukraine

On February 24, 2022, an unprecedented event took place – the invasion of the independent state of Ukraine by Russian troops. The outbreak of war in a country neighboring Poland has a significant impact on the economic and operational environment in which the Group operates.

The Bank's Management Board monitors the situation of the outbreak of war in Ukraine and its direct impact on lending activities and operational risk (mainly threats in cyberspace). In the case of lending activities, the Bank does not operate in Ukraine, Russia or Belarus, and the Bank's credit exposure to companies significantly involved in these countries is insignificant.

## 7 Financial analysis of the results of the Capital Group of the Bank

### 1. Consolidated statement of financial position

As at the end of the third quarter of 2024 **total assets** stood at PLN 72.4 billion, down by PLN 1.0 billion (or 1.3%) compared to the end of 2023.

In terms of assets, the biggest nominal changes in the balance sheet took place in line **debt investment financial assets**, the balance of which decreased by PLN 4.9 billion (i.e. 16.6%) compared to the end of 2023, due to the lower volume of NBP money bills. At the same time, debt investment financial assets had the largest share in the structure of the Group's assets at the end of September 2024. Their share in total assets was 34.0%.

The decrease mentioned above was partially offset by an increase in **amounts due from customers** which amounted to PLN 21.9 billion at the end of September 2024 and were higher by PLN 1.9 billion (i.e. 9.4% or 6,1% excluding reverse repo transactions) compared to the end of 2023 due to a significant increase in credit volumes in the Institutional Banking segment. The share of amounts due from customers in total assets amounted to 30.3% at the end of September 2024.

**The value of net loans in the Institutional Banking segment**, representing the sum of amounts due from both financial sector and non-financial sector entities – institutional clients, amounted to PLN 15.8 billion, up by PLN 1.7 billion (i.e. 12.1%) compared to the end of 2023. In segment view an increase in receivables concerned primarily financial institutions clients due to higher volumes of short-term loans and margin deposits. On the other hand, non-financial sector clients – corporate clients – showed lower demand for loans, the value of newly granted loans and the increase or extension of the existing one decreased by 18% YoY. A detailed breakdown of assets by individual segments in the management view is provided in Note 9.

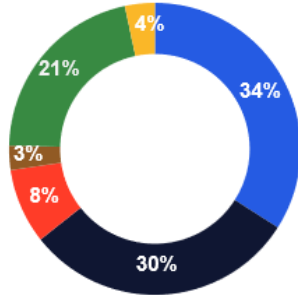
**The volume of net loans granted to individual customers** increased compared to the end of December 2023 by PLN 187.2 million, i.e. 3.2% and amounted to slightly above PLN 6.1 billion. The increase mentioned above relates both to cash loans (increase by PLN 135.2 million), thanks to the return to higher consumption observed among individual customers, as well as an increase in mortgage volumes (an increase by PLN 150.1 million), which was driven, inter alia, by the higher



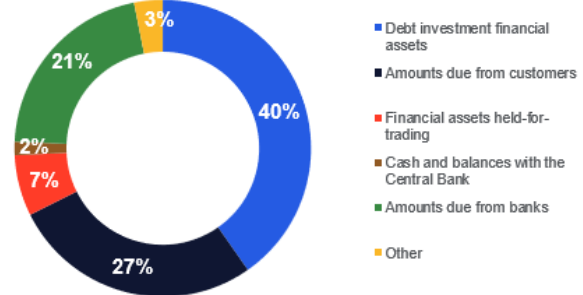
TRANSLATION

sales of these loans.

Group's asset structure as at 30.09.2024



Group's asset structure as at 31.12.2023



Amounts due from customers

PLN '000	30.09.2024	31.12.2023	Change	
			PLN '000	%
<b>Amounts due from financial sector entities, including:</b>	<b>6,218,330</b>	<b>4,175,333</b>	<b>2,042,997</b>	<b>48.9%</b>
Loans, placements and advances, debt financial assets unlisted and deposits pledged as collateral	5,363,444	3,993,717	1,369,727	34.3%
Receivables related to reverse repo transactions	854,886	181,616	673,270	370.7%
<b>Amounts due from non-financial sector entities, including:</b>	<b>15,727,231</b>	<b>15,879,121</b>	<b>(151,890)</b>	<b>(1.0%)</b>
Institutional clients*	9,612,047	9,951,131	(339,084)	(3.4%)
Individual clients, including:	6,115,184	5,927,990	187,194	3.2%
unsecured receivables	3,752,865	3,715,799	37,066	1.0%
mortgage loans	2,362,319	2,212,191	150,128	6.8%
<b>Total receivables from customers</b>	<b>21,945,561</b>	<b>20,054,454</b>	<b>1,891,107</b>	<b>9.4%</b>

\*Institutional clients include enterprises, public sector, public and private companies, cooperatives, individual enterprises, non-commercial institutions operating for households.

Amounts due from customers as per credit risk classification

PLN '000	30.09.2024	31.12.2023	Change	
			PLN '000	%
<b>Receivables not impaired (Stage 1), including</b>	<b>19,444,400</b>	<b>17,683,703</b>	<b>1,760,697</b>	<b>10.0%</b>
financial institutions	6,220,500	4,178,181	2,042,319	48.9%
non-financial sector entities	13,223,900	13,505,522	(281,622)	(2.1%)
institutional clients*	8,333,719	8,795,125	(461,406)	(5.2%)
individual customers	4,890,181	4,710,397	179,784	3.8%
<b>Receivables not impaired (Stage 2), including</b>	<b>2,435,351</b>	<b>2,286,856</b>	<b>148,495</b>	<b>6.5%</b>
financial institutions	275	25	250	1000.0%
non-financial sector entities	2,435,076	2,286,831	148,245	6.5%
institutional clients*	1,244,092	1,075,188	168,904	15.7%
individual customers	1,190,984	1,211,643	(20,659)	(1.7%)
<b>Receivables impaired (Stage 3), including:</b>	<b>592,097</b>	<b>793,882</b>	<b>(201,785)</b>	<b>(25.4%)</b>
non-financial sector entities	592,097	793,882	(201,785)	(25.4%)
institutional clients*	256,445	379,303	(122,858)	(32.4%)
individual customers	335,652	414,579	(78,927)	(19.0%)
<b>Purchased or originated credit-impaired loans:</b>	<b>19,951</b>	<b>27,205</b>	<b>(7,254)</b>	<b>(26.7%)</b>
non-financial sector entities	19,951	27,205	(7,254)	(26.7%)
institutional clients*	1,832	8,936	(7,104)	(79.5%)
individual customers	18,119	18,269	(150)	(0.8%)
<b>Total gross loans to customers, including:</b>	<b>22,491,799</b>	<b>20,791,646</b>	<b>1,700,153</b>	<b>8.2%</b>

TRANSLATION

PLN '000	30.09.2024	31.12.2023	Change	
			PLN '000	%
financial institutions	6,220,775	4,178,206	2,042,569	48.9%
non-financial sector entities	16,271,024	16,613,440	(342,416)	(2.1%)
institutional clients*	9,836,088	10,258,552	(422,464)	(4.1%)
individual customers	6,434,936	6,354,888	80,048	1.3%
<b>Provisions for expected credit losses</b>	<b>(546,238)</b>	<b>(737,192)</b>	<b>190,954</b>	<b>(25.9%)</b>
<b>Total net amounts due from customers</b>	<b>21,945,561</b>	<b>20,054,454</b>	<b>1,891,107</b>	<b>9.4%</b>
<b>Provisions coverage ratio</b>	<b>67.8%</b>	<b>71.3%</b>		
institutional clients*	63.3%	68.9%		
individual customers	73.0%	75.1%		
<b>Non-performing loans ratio (NPL)**</b>	<b>2.7%</b>	<b>4.0%</b>		

\*Institutional clients include enterprises, public sector, public and private companies, cooperatives, individual enterprises, non-commercial institutions operating for households.

\*\*The ratio of non-performing loans is defined as the ratio of Receivables impaired and Purchased or originated credit-impaired loans to total gross loans to customers. As a standard tool of non-performing loans management, the Group performs write-offs in accordance with accounting policy disclosed in Annual Consolidated Financial Statements of the Bank's Capital Group Handlowy w Warszawie S.A. for the financial year ending December 31, 2023, which pertained to the decrease of NPL ratio in third quarter of 2024.

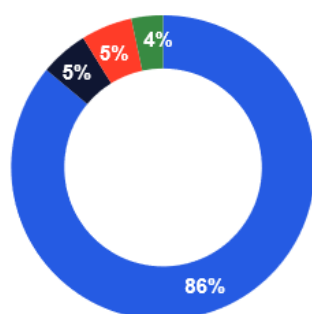
As of the end of the third quarter of 2024 **total liabilities** amounted to PLN 62.7 billion, down by PLN 1.0 billion (i.e. 1.6%) compared to the end of 2023. In the third quarter of 2024 **amounts due to customers - deposits** were the dominant source of financing of the Group's activity (they accounted for 74.4% of the Group's liabilities and equity) and as at September 30, 2024 they reached PLN 53.9 billion, which means a decrease of PLN 1.1 billion (i.e. 2.0%) compared to the end of 2023 which is a consequence of a seasonally higher current account balance at the end of each year.

The above decrease was partially offset by a higher balance of term deposits (up by PLN 2.3 billion, i.e. 13.7% compared to the end of 2023) mainly among corporate clients of non-financial sector.

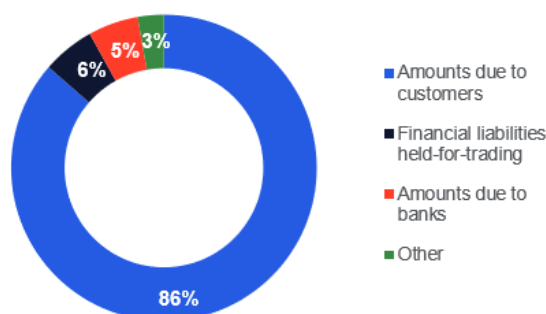
**The deposit volumes in the Institutional Banking segment** as of the end of the third quarter of 2024 amounted to PLN 33.2 billion, down by PLN 791.4 million (i.e. 2.3%) compared to the end of 2023. The decline mentioned above concerned mainly current accounts balance due to the seasonal increase in deposit volume at the end of the year. A detailed breakdown of liabilities by segments in the management view is provided in Note 9.

**The deposit volumes in the Consumer Banking segment** amounted to PLN 19.4 billion and increased by PLN 178.2 million (i.e. 0.9%) compared to the end of December 2023 as a consequence of a higher balance of term deposits.

Group's liabilities structure as at 30.09.2024



Group's liabilities structure as at 31.12.2023



**Loan-to-deposit ratio** amounted to 42% as at the end of September 2024 comparing to 38% as at December 31, 2023, and comparing to 40% as at September 30, 2023.

### Amounts due to customers

PLN '000	30.09.2024	31.12.2023	Change	
			PLN '000	%
<b>Current accounts, including:</b>	<b>33,252,423</b>	<b>36,187,031</b>	<b>(2,934,608)</b>	<b>(8.1%)</b>
financial sector entities	1,283,098	939,624	343,474	36.6%
non-financial sector entities, including:	31,969,325	35,247,407	(3,278,082)	(9.3%)
institutional clients*	20,730,258	23,804,849	(3,074,591)	(12.9%)

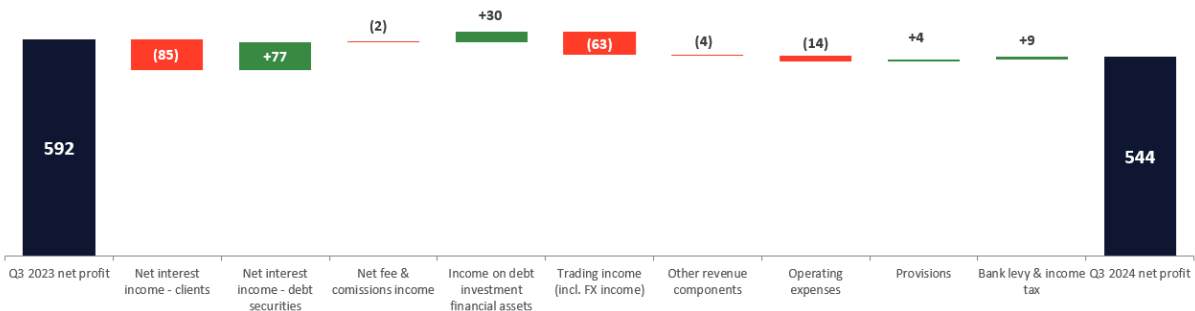
TRANSLATION

PLN '000	30.09.2024	31.12.2023	Change	
			PLN '000	%
individual clients	11,239,067	11,442,558	(203,491)	(1.8%)
<b>Term deposits, including:</b>	<b>19,327,179</b>	<b>17,005,728</b>	<b>2,321,451</b>	<b>13.7%</b>
financial sector entities	3,079,940	2,848,319	231,621	8.1%
non-financial sector entities, including:	16,247,239	14,157,409	2,089,830	14.8%
institutional clients*	8,138,097	6,429,998	1,708,099	26.6%
individual customers	8,109,142	7,727,411	381,731	4.9%
<b>Total customers deposits</b>	<b>52,579,602</b>	<b>53,192,759</b>	<b>(613,157)</b>	<b>(1.2%)</b>
<b>Other amounts due to customers</b>	<b>1,346,371</b>	<b>1,815,242</b>	<b>(468,871)</b>	<b>(25.8%)</b>
<b>Total amounts due to customers</b>	<b>53,925,973</b>	<b>55,008,001</b>	<b>(1,082,028)</b>	<b>(2.0%)</b>

\*Institutional clients include enterprises, public sector, public and private companies, cooperatives, individual enterprises, non-commercial institutions operating for households.

## 2. Consolidated income statement

An impact of the Profit & Loss Statement components on net profit in Q3 2024 (PLN MM)



In the third quarter of 2024 the Group delivered a **consolidated net profit** of PLN 544.4 million, which means a decrease by PLN 47.2 million (i.e. 8.0%) compared to the third quarter of 2023 mainly as a result of lower other operating income which was affected by the lower result on exchange rate differences (revaluation). Additionally, the Bank recorded higher operating costs due to increase in staff expenses.

### Net interest income

- **Net interest income** amounted to PLN 819.2 million and was slightly lower by PLN 8.2 million (i.e. 1.0%) compared to the third quarter of 2023.
- **Interest income** in the third quarter of 2024 was higher by PLN 44.5 million (i.e. 4.1%) compared to the corresponding period of 2023 and amounted to slightly above PLN 1,1 billion. After excluding "interest income from instruments in hedge accounting", interest income decreased by PLN 19.0 million YoY (i.e. 1.8% YoY) due to, among others, a 75 basis point drop in the reference rate to 5.75%, which contributed to lower interest income from customer receivables. At the same time, the largest nominal decrease in interest income was recorded by amounts due from banks, by PLN 64.4 million YoY (i.e. 34.4% YoY), partially offset by higher interest income from investment debt securities, by PLN 50.1 million YoY (i.e. 12.6% YoY).
- **Interest expenses** of the Group in the third quarter of 2024 were higher by PLN 52.6 million (i.e. 19.9%) as compared to the corresponding period of 2023 and amounted to PLN 316.9 million. After excluding "interest expense on hedge accounting instruments", interest expenses remained unchanged (down by PLN 2.2 million YoY, i.e. 0.8% YoY). The largest share in interest expense are amounts due to customers, which dropped by PLN 25.7 million YoY (i.e. 9.8% YoY) due to the lower average interest rate increase caused by the Bank's initiatives aimed at reducing deposit costs.

TRANSLATION

PLN '000	01.07 –		Change	
	30.09.2024	30.09.2023	PLN '000	%
<b>Interest income</b>	<b>1,040,550</b>	<b>1,086,450</b>	<b>(45,900)</b>	<b>(4.2%)</b>
<b>Financial assets measured at amortized cost</b>	<b>592,676</b>	<b>688,652</b>	<b>(95,976)</b>	<b>(13.9%)</b>
Balances with the Central Bank	57,445	38,020	19,425	51.1%
Amounts due from banks	122,809	187,221	(64,412)	(34.4%)
Amounts due from customers, in respect of:	412,422	463,411	(50,989)	(11.0%)
financial sector	85,458	87,850	(2,392)	(2.7%)
non-financial sector, including:	326,964	375,561	(48,597)	(12.9%)
credit cards	72,249	86,967	(14,718)	(16.9%)
<b>Financial assets measured at fair value through comprehensive income</b>	<b>447,874</b>	<b>397,798</b>	<b>50,076</b>	<b>12.6%</b>
Debt investment financial assets measured at fair value through comprehensive income	447,874	397,798	50,076	12.6%
<b>Similar income</b>	<b>95,524</b>	<b>5,167</b>	<b>90,357</b>	<b>1748.7%</b>
Debt securities held-for-trading	25,192	(1,698)	26,890	-
Liabilities with negative interest rate	22	30	(8)	(26.7%)
Derivative instruments in hedge accounting	70,310	6,835	63,475	928.7%
	<b>1,136,074</b>	<b>1,091,617</b>	<b>44,457</b>	<b>4.1%</b>
<b>Interest expense and similar charges for</b>				
<b>Financial liabilities measured at amortized cost</b>	<b>(262,080)</b>	<b>(264,305)</b>	<b>2,225</b>	<b>(0.8%)</b>
Transactions with the Central Bank	(1)	(2)	1	(50.0%)
Amounts due to banks	(25,252)	(1,858)	(23,394)	-
Amounts due to customers	(235,701)	(261,438)	25,737	(9.8%)
Amounts due to financial sector entities	(32,769)	(37,958)	5,189	(13.7%)
Amounts due to non-financial sector entities	(202,932)	(223,480)	20,548	(9.2%)
Amounts due to leasing	(1,126)	(1,007)	(119)	11.8%
<b>Assets with negative interest rate</b>	<b>(54,835)</b>	<b>-</b>	<b>(54,835)</b>	<b>-</b>
	<b>(316,915)</b>	<b>(264,305)</b>	<b>(52,610)</b>	<b>19.9%</b>
<b>Net interest income</b>	<b>819,159</b>	<b>827,312</b>	<b>(8,153)</b>	<b>(1.0%)</b>

## Net fee and commission income

- **Net fee and commission income** in the amount of PLN 141.1 million compared to PLN 142.7 million in the corresponding period of 2023 – a slight decrease by PLN 1.6 million, i.e. 1.1% YoY due to lower revenues recorded mainly from payment and credit cards by PLN 3.2 million, i.e. 9.6% YoY) due to one-off settlements with card issuers, which had an impact on lower commission expenses in the third quarter of 2023.

On the other hand, the Bank recorded higher revenues from activities related to capital markets, as a result of which the highest nominal increase was recorded in revenues from brokerage activities by PLN 4.8 million, i.e. 45.8%, mainly due to the transaction related to the Accelerated Sale of Shares of the Bank's client. At the same time, Bank recorded an increase in revenues from insurance and investment products sale by PLN 1.4 million, i.e. 12.4% YoY, mainly due to good sales of investment products to individual clients (an increase of 48% YoY).

The Bank also recorded an increase in revenues from financial liabilities granted by PLN 1.6 million (i.e. 21.9% YoY) – the value of guarantees increased by 121% YoY.

**Fee and commission expenses** in the third quarter of 2024 amounted to PLN 28.8 million, up by PLN 3.6 million YoY (i.e. 14.1% YoY). This increase concerned mainly payment and credit cards.

PLN '000	01.07 –		Change	
	30.09.2024	30.09.2023	PLN '000	%
<b>Fee and commission income</b>				
Credit activities (other than income covered by the calculation of the effective interest rate process)	12,224	13,543	(1,319)	(9.7%)
Servicing bank accounts	25,959	28,505	(2,546)	(8.9%)
Insurance and investment products distribution	12,291	10,935	1,356	12.4%
Payment and credit cards	30,156	33,367	(3,211)	(9.6%)

TRANSLATION

PLN '000	01.07 –	01.07 –	Change	
	30.09.2024	30.09.2023	PLN '000	%
Payment services	28,387	28,018	369	1.3%
Custody services	29,229	29,104	125	0.4%
Brokerage operations	15,265	10,470	4,795	45.8%
Clients' cash on account management services	5,573	4,764	809	17.0%
Financial liabilities granted	8,707	7,145	1,562	21.9%
Other	2,062	2,065	(3)	(0.1%)
	<b>169,853</b>	<b>167,916</b>	<b>1,937</b>	<b>1.2%</b>
<b>Fee and commission expense</b>				
Payment and credit cards	(10,585)	(7,379)	(3,206)	43.4%
Brokerage activity	(3,934)	(3,453)	(481)	13.9%
Fees paid to the National Depository for Securities (KDPW)	(8,361)	(8,136)	(225)	2.8%
Brokerage fees	(868)	(1,523)	655	(43.0%)
Other	(5,051)	(4,749)	(302)	6.4%
	<b>(28,799)</b>	<b>(25,240)</b>	<b>(3,559)</b>	<b>14.1%</b>
<b>Net fee and commission income</b>	<b>141,054</b>	<b>142,676</b>	<b>(1,622)</b>	<b>(1.1%)</b>

- **Other operating income** (i.e. non-interest and non-commission income) amounted to PLN 129.1 million as compared to PLN 165.7 million in the third quarter of 2023 and recorded a decrease by PLN 36.6 million, i.e. 22.1% YoY) mainly due to lower result on trading financial instruments and revaluation (drop by PLN 63.2 million, i.e. 31.2% YoY) as a consequence of lower result on exchange rate differences resulting from the revaluation of currency positions, partially offset by an increase in the result on debt investment financial assets by PLN 30.1 million, i.e. 106.5% YoY thanks to the sale of debt instruments with a profit.

### General administrative expenses and depreciation expenses

- **General administrative and depreciation expenses** of PLN 346.6 million compared to PLN 332.9 million in the third quarter of 2023 – up by PLN 13.7 million (i.e. 4.1%) due to increase in staff expenses (remuneration costs increased by PLN 5.5 million, i.e. 4.4% YoY) and due to implementation of business projects and initiatives - higher costs of advisory, auditing, consulting and other external services by PLN 3.8 million (i.e. 27.5% YoY), as well as higher advertising and marketing expenses by PLN 2.6 million (i.e. 23.8% YoY), which was partially offset by a decrease in real estate maintenance and rent costs by PLN 2.5 million, i.e. 12.8% YoY) in connection with the completion of the renovation of the Bank's headquarter.

PLN '000	01.07 –	01.07 –	Change	
	30.09.2024	30.09.2023	PLN '000	%
<b>Staff expenses</b>	<b>(174,557)</b>	<b>(164,712)</b>	<b>(9,845)</b>	<b>6.0%</b>
Remuneration costs	(129,622)	(124,169)	(5,453)	4.4%
Bonuses and rewards	(24,080)	(21,204)	(2,876)	13.6%
Social security costs	(20,855)	(19,339)	(1,516)	7.8%
<b>Administrative expenses</b>	<b>(141,824)</b>	<b>(140,470)</b>	<b>(1,354)</b>	<b>1.0%</b>
Telecommunication fees and hardware purchase costs	(58,009)	(58,076)	67	(0.1%)
Costs of external services, including advisory, audit, consulting services	(17,819)	(13,979)	(3,840)	27.5%
Real estates maintenance and rent costs	(17,092)	(19,609)	2,517	(12.8%)
Advertising and marketing costs	(13,515)	(10,921)	(2,594)	23.8%
Costs of cash management services, costs of clearing services and other transaction costs	(9,203)	(9,445)	242	(2.6%)
Costs of external services related to distribution of banking products	(14,161)	(13,001)	(1,160)	8.9%
Postal services, office supplies and printmaking costs	(1,194)	(1,424)	230	(16.2%)
Banking and capital supervision costs	(790)	(141)	(649)	460.3%
Bank Guarantee Funds costs	-	-	-	-
Other expenses	(10,041)	(13,874)	3,833	(27.6%)
<b>Depreciation</b>	<b>(30,238)</b>	<b>(27,716)</b>	<b>(2,522)</b>	<b>9.1%</b>
<b>General administrative expenses and depreciation expenses, total</b>	<b>(346,619)</b>	<b>(332,898)</b>	<b>(13,721)</b>	<b>4.1%</b>

TRANSLATION

### Provisions for expected credit losses on financial assets and provisions for off-balance sheet commitments

- **Provision for expected credit losses** on financial assets and provisions for off-balance sheet commitments amounted to PLN 0.2 million (positive impact) at the end of the third quarter of 2024 compared to PLN -3.7 million (negative impact) in the third quarter of 2023. The decrease in the amount of provisions concerned the Consumer Banking segment (improvement by PLN 7.7 million YoY) due to the complete release of the prudential provision (established during the outbreak of the COVID epidemic) in the amount of PLN 17 million. The Bank does not identify a further need to maintain the provision, taking into account the return of the Bank's customers to normal behavior.

PLN '000	01.07 – 30.09.2024	01.07 – 30.09.2023	Change PLN '000	%
<b>Provision for expected credit losses on amounts due from banks and cash equivalents</b>				
Provision creation	(560)	(939)	379	(40.4%)
Provision release	524	2,355	(1,831)	(77.7%)
	<b>(36)</b>	<b>1,416</b>	<b>(1,452)</b>	<b>(102.5%)</b>
<b>Provision for expected credit losses on amounts due from customers</b>				
<b>Provision creation and reversals</b>	<b>(7,819)</b>	<b>(5,199)</b>	<b>(2,620)</b>	<b>50.4%</b>
Provision creation	(52,674)	(59,125)	6,451	(10.9%)
Provision release	47,823	57,182	(9,359)	(16.4%)
Other	(2,968)	(3,256)	288	(8.8%)
<b>Recoveries from debt sold</b>	<b>2,027</b>	<b>9</b>	<b>2,018</b>	<b>22422.2%</b>
	<b>(5,792)</b>	<b>(5,190)</b>	<b>(602)</b>	<b>11.6%</b>
<b>Provision for expected credit losses on debt investment financial assets measured at fair value through other comprehensive income</b>				
Provision creation	(877)	(1,030)	153	(14.9%)
Provision release	5,465	1,077	4,388	407.4%
	<b>4,588</b>	<b>47</b>	<b>4,541</b>	<b>9661.7%</b>
<b>Provision for expected credit losses on financial assets</b>	<b>(1,240)</b>	<b>(3,727)</b>	<b>2,487</b>	<b>(66.7%)</b>
Created provisions	(7,507)	(6,333)	(1,174)	18.5%
Release of provisions	8,940	6,313	2,627	41.6%
<b>Provision for expected credit losses for contingent liabilities</b>	<b>1,433</b>	<b>(20)</b>	<b>1,453</b>	<b>(7265.0%)</b>
<b>Provision for expected credit losses on financial assets and provisions for contingent liabilities</b>	<b>193</b>	<b>(3,747)</b>	<b>3,940</b>	<b>(105.2%)</b>

### 3. Financial Ratio

In the third quarter of 2024, the key efficiency ratios were as follows:

Total financial ratios	Q3 2024	Q3 2023
ROE*	22.0%	30.7%
ROA**	2,3%	3.2%
Cost/Income	32%	29%
Loans/Deposits	42%	40%
Loans/Total assets	30%	28%
Net interest income/Revenue	75%	73%
Net fee and commission income/Revenue	13%	13%

\*Sum of net profit for the last four quarters to the average equity for the last four quarters (excluding 100% of net profit for the current year).

\*\*Sum of net profit for the last four quarters to the average assets for the last four quarters.

Cost is the sum of the following items from the condensed consolidated income statement: General administrative expenses and

## TRANSLATION

Depreciation and amortization.

Income is the sum of the following items from the condensed consolidated income statement: Net interest income, Net fee and commission income, Dividend income, Net gain/(loss) on trading financial instruments and revaluation, Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income, Net gain/(loss) on equity investments and other at fair value through income statement, Net gain/(loss) on hedge accounting, Net other operating income and expense.

Loans are items of Amounts due from customers from the condensed consolidated statement of financial position.

Deposits are items of Amounts due to customers from the condensed consolidated statement of financial position.

## Group employment\*

In full time job equivalents (FTE)	01.01 –	01.01 –	Change	
	30.09.2024	30.09.2023	FTEs	%
Average employment in the third quarter	3,024	3,002	22	0.7%
Average employment in the period	2,994	2,965	29	1.0%
Employment at the end of quarter	2,990	2,962	28	0.9%

\*does not include employees on parental and unpaid leave

## Capital adequacy

Capital ratios were calculated according to the rules stated in the Regulation no 575/2013 of the European Parliament and of the Council (EU) of 26 June 2013 on prudential requirements for credit institutions and investment firms amending Regulation (EU) no 648/2012 with amendments (“CRR”).

The table below presents the financial data used to calculate the Group’s capital adequacy ratio.

PLN'000	30.09.2024	31.12.2023
<b>I Common Equity Tier 1 Capital</b>	<b>7,302,410</b>	<b>7,086,384</b>
Common Equity Tier 1 Capital	7,302,410	7,086,384
<b>II Total capital requirements, including:</b>	<b>2,561,606</b>	<b>2,401,607</b>
credit risk capital requirements	1,694,058	1,624,282
counterparty risk capital requirements	97,938	102,614
credit valuation correction capital requirements	5,654	5,533
exceeding the limit of large exposures	37,959	-
total market risk capital requirements	161,867	105,048
operational risk capital requirements	564,130	564,130
<b>Common Equity Tier 1 Capital ratio (%)</b>	<b>22.81%</b>	<b>23.61%</b>
<b>Total Capital ratio (%)</b>	<b>22.81%</b>	<b>23.61%</b>

The data from December 31st, 2023, have been processed with a consideration of retrospective acceptance of profit for the year 2023 (the result has been certified by the General Meeting of Shareholders).

On 13 December 2023 the Polish Financial Supervision Authority recommended mitigating the risk of the Bank’s operations by maintaining at both stand alone and consolidated level, own funds to cover a capital add-on in order to absorb potential losses that may arise from stress conditions; the add-on should be maintained at 0.28 p.p. above the value of each own funds.

According to the recommendation, under Pillar 2 (P2G) the additional add-on should be kept above the value of the total capital ratio plus the combined buffer requirement. The additional add-on should be made up of the core capital Tier 1 only.

The Group's capital ratios remain above the minimum requirements under the CRR, the Act on Macroprudential Supervision and the recommendation of the supervisory authority.

The Bank as a resolution entity that is part of a global systemically important institution in accordance with the definition contained in CRR and according to Art. 92a CRR must satisfy the following requirements for own funds and eligible liabilities:

- a risk-based ratio of 18%, representing the own funds and eligible liabilities of the institution expressed as a percentage of the total risk exposure amount (TLAC TREA);
- a non-risk-based ratio of 6,75%, representing the own funds and eligible liabilities of the institution expressed as a percentage of the total exposure measure (TLAC TEM).

TRANSLATION

---

In accordance with the CRR regulations, the amount of the required TLAC TREA plus the combined buffer requirement for the Bank as of 30 September 2024 is 20.82%, while TLAC TREA of the Bank on a consolidated level was 22.81%.

The Bank meets the TLAC TREA requirement after increasing the combined buffer requirement as of September 30, 2024.

## 8 Segment reporting

Operating segment is a separable component of the Group engaged in business activity, generating income and incurring expenses (including those on intragroup transactions between segments), whose operating results are regularly reviewed by the Management Board of dominant unit the chief operating decision maker of the Group, in order to allocate resources and assess its performance.

The Group is managed at the level of two operating segments – Institutional Banking and Consumer Banking. The valuation of segment's assets and liabilities as well as calculation of its results is based on Group's accounting policies, including intragroup transactions between segments.

The allocation of Group's assets, liabilities, income and expenses to operating segments was made on the basis of internal information prepared for management purposes. Transfer of funds between Group's segments is based on prices derived from market rates. The transfer prices are calculated using the same rules for both segments and any difference results solely from maturity and currency structure of assets and liabilities. The basis for assessment of the segment performance is gross profit or loss.

The Group conducts its operations solely on the territory of Poland.

### Institutional Banking

Within the Institutional Banking segment, the Group provides comprehensive financial services to the largest Polish companies and strategic companies with a large potential of growth, and also to the largest financial institutions and to companies from the public sector. The offer in the Institutional Banking segment includes among others:

- Banking services covering credit and deposit activities,
- Cash management,
- Trade finance,
- Brokerage services,
- Leasing,
- Custody services,
- Treasury products on financial and commodity markets,
- Investment banking services on the local and international capital markets, including advisory services as well as obtaining and underwriting financing through public and non-public offerings.

The activities also comprise proprietary transactions in the equity, debt and derivative instruments' markets.

A shared characteristic of the institutional banking clients is that they need advanced financing products and advice relating to financial services. In this area, the Group ensures a coordinated offer of investment banking, treasury and cash management products and prepares loan proposals that cover differentiated forms of financing.

### Consumer Banking

Within the Consumer Banking segment, the Group provides products and financial services to individual clients, micro enterprises and individual entrepreneurs. The whole range of banking products in Consumer Banking segment includes:

- Bank accounts and providing extensive credit and deposit products,
- Cash loans,
- Mortgage loans,
- Credit cards,
- Asset management services,
- Acting as an agent in investment and insurance products sale.



TRANSLATION

Consolidated income statement of the Group by business segment

For the period PLN '000	01.01 – 30.09.2024			01.01 – 30.09.2023		
	Institutional Banking	Consumer Banking	Total	Institutional Banking	Consumer Banking	Total
Net interest income	1,587,611	834,167	2,421,778	1,689,224	817,330	2,506,554
Internal interest income, including:	(507,517)	507,517	-	(417,392)	417,392	-
Internal income	-	507,517	507,517	-	417,392	417,392
Internal expenses	(507,517)	-	(507,517)	(417,392)	-	(417,392)
Net fee and commission income	320,941	112,234	433,175	300,093	125,297	425,390
Dividend income	2,726	8,655	11,381	2,994	8,082	11,076
Net gain/(loss) on trading financial instruments and revaluation	393,514	25,513	419,027	590,967	27,287	618,254
Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income	16,263	-	16,263	(32,212)	-	(32,212)
Net gain/(loss) on equity investments and other measured at fair value through income statement	7,414	(11,122)	(3,708)	3,366	13,775	17,141
Net gain/(loss) on hedge accounting	1,530	-	1,530	(7,844)	-	(7,844)
Net other operating income	4,584	(31,214)	(26,630)	7,353	(17,633)	(10,280)
General administrative expenses	(523,663)	(559,732)	(1,083,395)	(497,033)	(509,011)	(1,006,044)
Depreciation and amortization	(20,870)	(67,521)	(88,391)	(18,479)	(63,343)	(81,822)
Net impairment on non-financial assets	-	(180,064)	(180,064)	-	-	-
Profit on sale of other assets	1,620	(189)	1,431	(11)	(26)	(37)
Provisions for expected credit losses on financial assets and provisions for off-balance sheet commitments	(15,490)	34,756	19,266	26,217	(36,114)	(9,897)
<b>Operating income</b>	<b>1,776,180</b>	<b>165,483</b>	<b>1,941,663</b>	<b>2,064,635</b>	<b>365,644</b>	<b>2,430,279</b>
Tax on certain financial institutions	(91,294)	(41,773)	(133,067)	(99,097)	(42,424)	(141,521)
<b>Profit before tax</b>	<b>1,684,886</b>	<b>123,710</b>	<b>1,808,596</b>	<b>1,965,538</b>	<b>323,220</b>	<b>2,288,758</b>
Income tax expense			(416,020)			(481,848)
<b>Net profit</b>			<b>1,392,576</b>			<b>1,806,910</b>

State as at PLN '000	30.09.2024			31.12.2023		
	Institutional Banking	Consumer Banking	Total	Institutional Banking	Consumer Banking	Total
<b>Total assets</b>	<b>65,612,997</b>	<b>6,820,714</b>	<b>72,433,711</b>	<b>66,582,596</b>	<b>6,809,924</b>	<b>73,392,520</b>
<b>Total liabilities and equity, including:</b>	<b>49,840,645</b>	<b>22,593,067</b>	<b>72,433,711</b>	<b>50,960,855</b>	<b>22,431,665</b>	<b>73,392,520</b>
Liabilities	41,706,892	20,945,174	62,652,066	42,895,722	20,767,307	63,663,029

## 9 Activities of the Group

### 1 Institutional Banking

#### 1.1 Summary of segment results

PLN '000	01.07 – 30.09.2024		01.07 – 30.09.2023		Change	
					PLN '000	%
Net interest income		532,252		548,663	(16,411)	(3.0%)
Net fee and commission income		103,698		98,918	4,780	4.8%
Net income on dividends		620		1,303	(683)	(52.4%)

TRANSLATION

PLN '000	01.07 –		Change	
	30.09.2024	30.09.2023	PLN '000	%
Net gain/(loss) on trading financial instruments and revaluation	130,588	193,199	(62,611)	(32.4%)
Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income	1,849	(28,289)	30,138	(106.5%)
Net gain/(loss) on equity investments and other measured at fair value through income statement	7,001	1,119	5,882	525.6%
Net gain/(loss) on hedge accounting	(8,030)	(2,821)	(5,209)	184.7%
Net other operating income	(1,128)	(634)	(494)	77.9%
<b>Total income</b>	<b>766,850</b>	<b>811,458</b>	<b>(44,608)</b>	<b>(5.5%)</b>
General administrative expenses and depreciation	(146,298)	(147,073)	775	(0.5%)
Profit on sale of other assets	(170)	41	(211)	(514.6%)
Provisions for expected credit losses on financial assets and provisions for off-balance sheet commitments	(1,282)	5,448	(6,730)	(123.5%)
Tax on certain financial institutions	(27,451)	(33,829)	6,378	(18.9%)
<b>Profit before tax</b>	<b>591,649</b>	<b>636,045</b>	<b>(44,396)</b>	<b>(7.0%)</b>
<b>Cost/Income</b>		<b>19%</b>		<b>18%</b>

The key highlights that impacted the gross profit of the Institutional Banking Segment in the third quarter of 2024 compared to the corresponding period of the previous year were as follows:

- **a decline in net interest income** mainly due to lower interest income resulting from a decrease in the volume of reverse repo receivables;
- **an increase in net fee and commission income** due to higher commission income from brokerage operations and transactional banking (mainly in the area of trade finance);
- **a decrease in other operating income** (i.e. non-interest and non-commission income) due to lower result on exchange rate differences resulting from the revaluation of currency positions;
- **operating costs** remained almost unchanged which reflects good cost control in this segment.

## 1.2. Institutional Bank and the Capital Markets

### Institutional Bank

As at the end of the third quarter of 2024, the number of institutional clients (which include strategic clients, global clients and commercial bank clients) amounted to 5,400 i.e. maintaining the level from the end of the third quarter of 2023.

In terms of client's acquisition in the Commercial Bank segment the Bank attracted 73 new clients in the third quarter of 2024, including 7 Large Company, 16 Small and Medium-Sized Companies, 11 International Clients of Commercial Banking Segment, 19 Digital and 20 Public Sector Entities. In the strategic and global client segments, the Bank established 12 new client relationships.

The table below presents the balances of assets and liabilities in individual segments according to the management reporting.

### Assets

PLN million	30.09.2024 31.12.2023 30.09.2023			Change*		Change*	
	(1)	(2)	(3)	PLN million	%	PLN million	%
Enterprises, including:	4,543	3,984	4,004	559	14%	539	13%
SMEs	1,849	1,749	1,796	100	6%	53	3%
MMEs	2,695	2,235	2,208	460	21%	487	22%
Public Sector	109	1	196	108	10800%	(87)	(44%)
Global Clients	4,456	5,180	5,198	(724)	(14%)	(742)	(14%)
Corporate Clients	3,596	3,193	3,242	403	13%	354	11%
Other	47	47	47	0	0%	0	0%
<b>Total Institutional Banking</b>	<b>12,751</b>	<b>12,405</b>	<b>12,686</b>	<b>346</b>	<b>3%</b>	<b>65</b>	<b>1%</b>

\* differences may arise from rounding

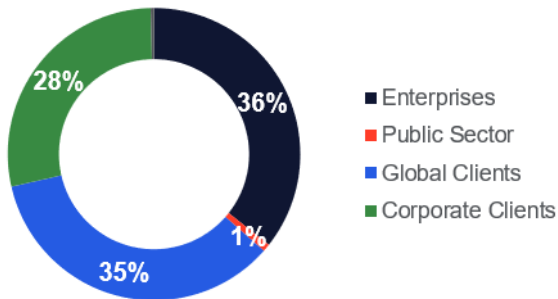
TRANSLATION

Liabilities

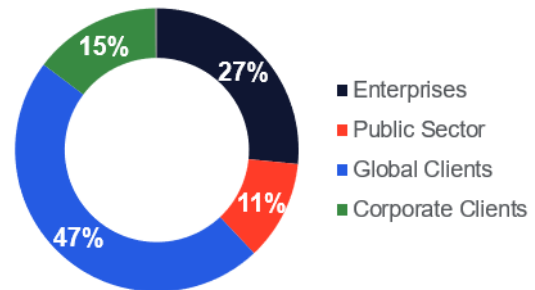
PLN million	30.09.2024	31.12.2023	30.09.2023	Change*		Change*	
	(1)	(2)	(3)	PLN million	%	PLN million	%
Enterprises, including:	8,523	8,815	8,196	(292)	(3%)	327	4%
SMEs	5,951	5,693	5,503	258	5%	448	8%
MMEs	2,572	3,122	2,693	(550)	(18%)	(121)	(4%)
Public Sector	3,653	2,765	3,316	888	32%	337	10%
Global Clients	15,169	16,226	14,613	(1,057)	(7%)	556	4%
Corporate Clients	4,658	5,035	5,133	(377)	(7%)	(475)	(9%)
Other	57	46	59	11	24%	(2)	(3%)
<b>Total Institutional Banking</b>	<b>32,060</b>	<b>32,887</b>	<b>31,316</b>	<b>(827)</b>	<b>(3%)</b>	<b>744</b>	<b>2%</b>

\* differences may arise from rounding

Structure of the Institutional Bank assets as of 30.09.2024



Structure of the Institutional Bank liabilities as of 30.09.2024



Key transactions and achievements in Institutional Banking in the third quarter of 2024:

<b>Credit activity</b>	<p><b><u>Granting new financing or increasing/extending existing ones in the amount of almost PLN 1.4 billion:</u></b></p> <ul style="list-style-type: none"> <li>• PLN 662 million for Commercial Bank clients including a client broadcasting public and subscription-based TV programs, for a leader in the fish processing market in Central Europe, for one of the biggest egg producers in Europe and for a leading engineering company in Poland;</li> <li>• PLN 492 million for Global clients including a company providing financial solutions for all car makes of a German automotive company and for a group of companies operating in Poland and in Europe in the chain of production of food of animal origin, controlling the production process “from field to table”;</li> <li>• PLN 200 million for Corporate Clients including a client from the energy sector.</li> </ul>
<b>Transactional Banking</b>	<p><b><u>Increasing shares in banking services and transaction banking</u></b></p> <ul style="list-style-type: none"> <li>• Winning 2 mandates for comprehensive banking services or extending the Bank's cooperation with its clients;</li> <li>• Signing new agreements or increasing amounts of existing agreements on letters of credit, credit commitments, factoring or bank guarantees for a total amount of PLN 441 million.</li> </ul>

Activity and business achievements of the Financial Markets and Corporate Banking Sector (treasury activity)

The continuation of this year's strategy brought measurable effects in the third quarter of 2024. At the time of constant geopolitical tensions and uncertainty in financial markets, the Sales Division in the Financial Markets and Corporate Banking Sector enjoys the confidence of corporate clients and has not stopped refining its offer.

TRANSLATION

The following activities were particularly appreciated by and popular with clients:

- conducting a series of interactive workshops on the process of managing FX exposure, organized across Poland,
- expanding the product offer by adding solutions combining traditional finance with elements of ESG,
- regular meetings and seminars with the Bank's economists and financial market experts,
- continuously striving to refine solutions enabling automation of FX exchange processes,
- constant access to expertise, market data, economic forecasts and analyses.



The Investor Services Department and the Structured Finance Department in the Financial Markets and Corporate Banking Sector was active in the primary market of debt securities by organizing two issues of Eurobonds for BGK totaling EUR 550 million.

Third quarter of 2024 was yet another quarter when the Bank remained among the top banks in terms of spot trading, being one of the leaders in the Treasury BondSpot.



## Transactional banking

In the third quarter of 2024, the Bank continued activities aimed at improving the convenience of using online platforms and made new options available to users to make the everyday servicing of the account and execution of payments even easier. These changes translated into continued growth in payment transactions executed via bank platforms.

At the same time, in addressing the clients' needs regarding the security of trade transactions and smooth settlements, the Bank's revenues in trade service and finance products were rising, and the assets in this area were record high in the third quarter of 2024.

<p><b>Electronic Banking</b></p> 	<p>In the area of electronic banking, the Bank continued the development of its platforms to provide its clients with greater transparency, efficiency and control.</p> <p>The Bank continued the commercialization of a modern version of the electronic banking system and introduced more intuitive items to the menu. <b>Upgraded CitiDirect</b>, thanks to easier navigation and faster access to the necessary features, is more user-friendly when entering or accepting transfers and ensures a more convenient browsing and administration of payments.</p> <p>The Bank conducted training for clients on how to increase the <b>security</b> and convenience of using electronic banking.</p> <p>In the third quarter of 2024, the <b>Bank processed over 9.1 million transactions via electronic channels</b>, which represents an <b>increase by 4%</b>.</p>
<p><b>Payments and receivables</b></p> 	<p>Payment volumes continued to increase in the third quarter of 2024. In the area of domestic transactions, the Bank recorded <b>a 13% increase in Express Elixir instant payment volumes</b> as compared to the prior year period. The growing popularity of Express Elixir among the clients corroborates the Bank's strategic assumption to focus its support on the need to automate processes and settlements in real time, in particular from the perspective of entities using the Bank's services in the Banking as a Service (BaaS) model and entities making urgent payments to their consumers.</p> <p>In the third quarter of 2024, the Bank further strengthened its suite of payment solutions prepared for clients in the Digital Natives segment, as reflected in the <b>28% increase in domestic payment volumes of "new economy" clients</b> as compared to the prior year period. Clients from the "new economy" category use the full range of the Bank's payment solutions, however their demand for domestic payments seems to be greater than for foreign payments when juxtaposed against the Bank's total number of clients, showing that the Bank plays an important role as a local partner in the context of Citi's global knowledge and geographical footprint.</p> <p>Continuing its strategy of providing flexible and intelligent transaction banking solutions, the Bank promoted <b>Citi Payment Insights</b>, which, among others, makes it possible to track the status of payments or generate confirmations on request from the beneficiary, and <b>Citi Payment Outlier Detection</b>, which, thanks to advanced analytics and algorithms, makes it possible to monitor and control the company's payments in real time, as well as identify transactions that differ significantly from previous trends.</p> <p>In the third quarter of 2024, the Bank maintained a high share in the Direct Debit market at 35.1% (data as at the end of September 2024).</p> <p>In the third quarter of 2024, the Bank also continued its commitment to improving</p>

TRANSLATION

	client experience – the Bank introduced changes in the Citi Payment Insights module as expected by its clients.
<p><b>Corporate cards</b></p> 	<p>In the third quarter of 2024, the Bank recorded a change in the payment trends of clients, which translated into a minor drop in the value of cashless transactions for business cards (<b>down by 3%</b>) as compared to the third quarter of 2023) and the number of transactions (<b>down by 6% YoY</b>).</p> <p>At the same time, the Bank stepped up its sales activities, thus contributing to an <b>increase in the number of cards by 5%</b> in the analyzed period (as compared to the number of cards from September 2024, year over year).</p>
<p><b>Trade finance products</b></p> 	<p><b>The value of guarantees issued in the third quarter of 2024 went up 121%</b> as compared to the prior year period and 80% QoQ. The value of letters of credit opened in the third quarter of 2024 was <b>nearly 6%</b> above the level achieved in the third quarter of 2023. The Bank's clients are keen on using the available solutions supporting the security and settlement of both domestic and foreign transactions.</p> <p>As at the end of the third quarter of 2024, <b>the value of the portfolio of transactions concluded under trade finance products</b>, such as reverse factoring, trade loan and supplier financing, <b>rose by 52%</b> as compared to the same period in 2023. Higher value of the financing granted speaks to the ever-growing interest in the Bank's products, and the possibility to use Citi's global network adds to the attractiveness and flexibility of the offer. Due to the current macroeconomic situation, there is still high demand for diversified sources of financing of the day-to-day operations of enterprises.</p>

### Custody services

The Bank provides custody services for domestic and foreign institutional investors and services of a custodian bank for domestic pension and investment funds. For many years, Citi Handlowy has played leading role in the Polish market of depository banks.

As part of its statutory activities, under a license issued by the Polish Securities and Exchange Commission (at present, the Polish Financial Supervisory Authority (KNF)), the Bank maintains securities accounts, settles securities transactions, processes dividend and interest payments, provides valuations of asset portfolios, delivers individual reports and arranges representation at general meetings of shareholders of listed companies. The Bank keeps collective accounts for authorized foreign entities. In addition, the Bank provides services consisting in maintenance of registers of foreign securities, under which it acts as intermediary in settlements of transactions executed by domestic clients in foreign markets.

As at 30 September 2024, the Bank maintained over 16,800 securities accounts and collective accounts.

In the reporting period the Bank was the custodian for open-end pension fund Nationale - Nederlanden OFE (Open Pension Funds), voluntary pension funds: Nationale - Nederlanden DFE and Generali DFE, and the employee pension fund PFE Orange Polska.

The Bank was also the depository of investment funds managed by the following investment fund companies: Santander TFI S.A., PKO TFI S.A., ESALIENS TFI S.A., Templeton Asset Management (Poland) TFI S.A. and mTFI S.A.

Moreover, the Bank was servicing an investment funds and pension funds operating under the Employee Capital Plans programme: PKO Emerytura SFIO, Santander PPK SFIO, Esaliens PPK SFIO and Nationale - Nederlanden DFE Nasze Jutro.

### Brokerage activities

The Group runs brokerage activities in the capital market via a separate organizational unit which is a brokerage house – the Brokerage Department of Bank Handlowy.

As at the end of the first quarter of 2024, the Bank was the market maker for 68 companies listed on the Warsaw Stock Exchange (of which 20 from the WIG20 index), i.e. 16.6% of the shares listed in its main equity market.

After the third quarter of 2024, the Bank was the intermediary in in-session transactions accounting for 4.2% of equity turnover in the secondary market. The value of the in-session transactions concluded via Bank in the equity market on the WSE was PLN 21.2 billion. After the third quarter of 2024, the Bank was ranked 10th in terms of session turnovers on the WSE main market and 4th as a local WSE member.

The number of investment accounts maintained by the Brokerage Department of Bank Handlowy was 14.9 thousand as at the end of the third quarter of 2024 and increased by 11% as compared to the same period in 2023. Higher number of accounts in the reporting period is a result of acquisition process of new clients.

TRANSLATION

In the third quarter of 2024, DMBH participated in the transaction of the Accelerated Sale of Shares in Santander Bank Polska S.A. worth PLN 2.46 billion – DMBH acted as the Global Coordinator in this transaction (September 2024).

## Leasing activities

Leasing products continue to be offered by the Bank's Group and are made available as part of the "open architecture", i.e. the Bank's partnership with organizations from outside its Group.

## 2. Consumer Banking

### 2.1. Summary of the segmental results

PLN '000	Q3 2024	Q3 2023	Change	
			PLN '000	%
Net interest income	286,907	278,649	8,258	3.0%
Net fee and commission income	37,356	43,758	(6,402)	(14.6%)
Dividend income	56	-	56	-
Net gain/(loss) on trading financial instruments and revaluation	9,017	9,623	(606)	(6.3%)
Net gain/(loss) on equity and other instruments measured at fair value through income statement	(4,049)	548	(4,597)	(838.9%)
Net other operating income	(6,863)	(8,359)	1,496	(17.9%)
<b>Total income</b>	<b>322,424</b>	<b>324,219</b>	<b>(1,795)</b>	<b>(0.6%)</b>
General administrative expenses and depreciation	(200,321)	(185,825)	(14,496)	7.8%
Profit on sale of other assets	(115)	-	(115)	-
Provisions for expected credit losses on financial assets and provisions for off-balance sheet commitments	1,475	(9,195)	10,670	(116.0%)
Tax on certain financial institutions	(11,945)	(16,108)	4,163	(25.8%)
<b>Profit before tax</b>	<b>111,518</b>	<b>113,091</b>	<b>(1,573)</b>	<b>(1.4%)</b>
<b>Cost/Income</b>	<b>62%</b>	<b>57%</b>		

The following factors influenced the profit before tax in the Consumer Banking Segment in the third quarter of 2024:

- **Increase in net interest income** by 3% YoY mainly due to higher loan balances;
- **Slight decrease in net fee and commission income** caused by lower revenues related to credit cards (fees, including those related to currency conversion, insurance sales commission), as well as higher costs of credit card acquisition and service;
- **Decrease in the result on financial instruments and revaluation** resulting from the stabilization of exchange rates (strengthening of PLN in relation to the main currency pairs), which affects the formation of exchange rate differences from revaluation. Lower volatility of the macroeconomic environment in the region.
- **Higher result on other operating income** driven mainly by lower costs of provisions for court proceedings;
- **Increase in operating and general administrative costs** due to higher staff expenses (including average salary costs, consultant costs, social contributions, increase in sales costs: agencies, commissions, sales support);
- **Improvement of result on expected credit losses on financial assets** resulting mainly from periodically amortized software-related costs.

### 2.2. Selected business data





PLN '000	Q3 2024	Q2 2023	Q3 2023	Change	
				QoQ	YoY
Number of individual customers	567.4	566.2	567.6	1.2	(0.2)
Number of current accounts	527.8	523.3	512.7	4.5	15.1
Number of saving accounts	121.5	118.1	118.1	3.4	3.4
Number of credit cards	464.9	465.2	469.0	(0.3)	(4.1)
Number of debit cards	270.3	268.0	262.8	2.3	7.5

TRANSLATION



## Net amounts due from individual clients – management view

PLN '000	30.09.2024	31.12.2023	30.09.2023	Change (1)/(2)		Change (1)/(3)	
	(1)	(2)	(3)	PLN '000	%	PLN '000	%
Unsecured receivables, including:	3,752,865	3,715,799	3,749,369	37,066	1.0%	3,496	0.1%
Credit cards	2,011,495	2,090,838	2,114,642	(79,343)	(3.8%)	(103,147)	(4.9%)
Cash loans	1,697,909	1,584,926	1,597,705	112,983	7.1%	100,204	6.3%
Other unsecured receivables	43,461	40,035	37,022	3,426	8.6%	6,439	17.4%
Mortgage loans	2,362,319	2,212,191	2,144,800	150,128	6.8%	217,519	10.1%
<b>Net client receivables</b>	<b>6,115,184</b>	<b>5,927,990</b>	<b>5,894,169</b>	<b>187,194</b>	<b>3.2%</b>	<b>221,015</b>	<b>3.7%</b>

## 2.3. Key Business Highlights

<p><b>Bank accounts</b></p> 	<p><b>Current accounts</b></p> <p>The total balance on the current accounts was PLN <b>8.5 billion</b> at the end of the third quarter of 2024 i.e. decreased by 5% as compared to the end of the third quarter of 2023. The change in the balance on current accounts was the result of the transfer of funds accumulated by customers from current accounts to savings products and also a decline in the balance on current currency accounts.</p> <p>The number of personal accounts at the end of September 2024 was <b>528,000 (increase by 3% YoY)</b>, including 284,000 accounts kept in PLN, and 244,000 accounts kept in foreign currencies. The bank not only continued promotional activities related to the Citikonto online offer launched in 2020, but also widely promoted the offer of Citigold and Citigold Private Client account, all these offers enjoyed great popularity among customers.</p> <p><b>Savings accounts</b></p> <p>The number of savings accounts at the end of the third quarter of 2024 increased as compared to the third quarter of 2023 and amounted to <b>122,000</b>, the total balance of funds accumulated on those accounts amounted to almost PLN <b>2.4 billion</b> compared to PLN 2.1 billion in the same period of the previous year. The 15% year-on-year increase in the balance is due to the high interest in promotional offers for new clients, which offered attractive interest rates for funds accumulated in PLN savings accounts.</p>
	<p><b>Changes in the offer</b></p> <p>In the third quarter of 2024, the Bank continued the special offer "Twoja Lokata" with an 5.5% p.a. rate for a period of 3 months up to PLN 20,000.</p>
<p><b>Credit cards</b></p> 	<p>At the end of the third quarter of 2024, the number of credit cards was 465 thousand.</p> <p>The total debt on the credit cards amounted to PLN <b>2.0 billion</b> as at the end of the third quarter of 2024, which means that the Bank maintained the strong position in the credit card market, in terms of the credits granted on the credit cards, with a market share of 16.1% according to data as at the end of September 2024.</p> <p>A high level of activation and transactions was maintained for newly acquired clients. In the third quarter of 2024, the acquisition structure of credit cards was dominated by the Citi Simplicity card, with a 59% share in acquisition.</p>
<p><b>Cash loans and cash loans associated with credit card accounts</b></p> 	<p>In the third quarter of 2024 the sales volume of unsecured loans (cash loans and loans on credit card) amounted to PLN <b>239 million</b> and was <b>higher by 18% YoY</b>.</p> <p>At the end of the third quarter of 2024, the balance of the unsecured loan portfolio amounted to PLN <b>1.7 billion</b>, i.e. <b>up by 6%</b> as compared to the third quarter of 2023.</p>

TRANSLATION

<p><b>Mortgage products</b></p> 	<p>The mortgage loans offer was constantly dedicated to selected client segments, i.e. Citigold Private Client, CitiGold and Citi Priority - all the newly originated mortgage and home equity loans were granted in those client segments.</p> <p>The mortgage products sold in the third quarter of 2024 reached <b>PLN 97 million</b>, i.e. decreased by 13% as compared to the third quarter of 2023.</p> <p>In the third quarter of 2024, customers most often chose the offer with periodically fixed interest, this offer accounted for 55% of acquisitions. As at the end of that period, the mortgage portfolio amounted to <b>PLN 2.4 billion</b> as compared to PLN 2.1 billion in the corresponding period of 2023, i.e. <b>increased by 10% YoY</b>.</p>
<p><b>Insurance and investment products</b></p> 	<p>As at the end of the third quarter of 2024, the funds under management as part of investment products (including insurance products, without dual currency investments) acquired by retail clients via the Bank were <b>5% higher</b> than as at the second quarter of 2024. This increase resulted from an increase in the value of assets within investment funds and products available as part of brokerage services.</p> <p>Compared to the corresponding period of the previous year, i.e. the end of the third quarter of 2023, the total value of funds managed in investment products was <b>higher by 18%</b>, which was also mainly due to an increase in the value and increase in the valuation of assets under investment funds and products available as part of brokerage services on the Polish market.</p>

## 2.4. Development of distribution channels

### Online Banking

The online platform for retail clients is built in a responsive technology, i.e. it can adapt itself to the device used by a client. Design was inspired by clients' expectations and extended functionality means that customers increasingly choose to manage products themselves via the Internet. One of the improvements is for credit card holders, which can manage their card limit, define transaction limits or convert transactions into installments. The clients can construct and update their investment profile coherent with the MiFID II regulation.

Electronic banking also includes: a transaction module for investment funds and a Citi Kantor currency exchange module, which allows, among others, to place a conditional order and set a currency alert.

**The number of active users of Citibank Online**, i.e. those who logged in to the online or mobile banking service via a browser or the Citi Mobile application at least once in every 90-day period, was **349,000** as at the end of the third quarter of 2024, i.e. decrease by 1% YoY. The share of active Citibank Online users in the entire client portfolio of the Bank was **64%** as at the end of the third quarter of 2024, which means maintaining the level from the same period of 2023.

At the same time, **digital users** accounted for **90% of all transactionally active clients** at the end of the third quarter of 2024, i.e. **up by 2 p.p.** comparing to the third quarter of 2023.

### Mobile Banking

Responsive technology gives the client access to all functionalities in Citibank Online on any device they may use. The Citi Mobile application features such functions as free Push notifications, which keep the client updated of changes on the account or card, and login activation with the use of a fingerprint or face image, which makes access to the application even easier. The clients have had access to, among other functionalities, simplified and intuitive navigation, a modern layout and a mobile authorization service - Citi Mobile Token. The application also offers a currency exchange module, Citi Kantor, and a multi-currency service, Citibank Global Wallet, which permits automatic currency account alignment with the transaction currency without manually reassigning the card. The application presents offers of products and services tailored to customer needs and permits recommending of Bank's products to friends. It also enables to update contact details, including telephone number and email address.

As at the end of the third quarter of 2024, the **number of active users of mobile banking**, i.e. those who used mobile banking at least once in every 90-day period via the Citi Mobile application or Citibank Online in responsive technology, amounted to **259,000**, which means **an increase by 2%** compared to the third quarter of 2023.

The share of active users of mobile banking in the retail client portfolio of Citi Handlowy was **48%**, i.e. **increased by 1 p.p.** as compared to the same period in 2023.

At the same time, at the end of the third quarter of 2024, **mobile users accounted for 66% of all transactional active customers**, which means an **increase by 2 p.p.** as compared to the third quarter of 2023.

Electronic payment methods are also gaining strength. One of the payment methods that has gained the most popularity recently is BLIK. The BLIK payment method allows payments at online, traditional and service outlets and ATM



TRANSLATION

withdrawals, as well as instant BLIK Phone Transfers between the clients of different banks. The **number of transactions using the BLIK code** made by the Bank's clients in the third quarter of 2024 amounted to **750,000**, i.e. **increased by 33%** as compared to the third quarter of 2023. The number of BLIK phone transfers amounted to **380,000**, which is an **increase of 42%** as compared to the third quarter of 2023.

Other payment methods have also enjoyed undiminished popularity, among others: **Apple Pay and Google Pay**. These are virtual wallets in clients' phones that give them independence and possibility to make payments anywhere in the world. In the third quarter of 2024 clients made a total of over **6.3 million transactions** using these payment methods, which represents a **growth by 15%** as compared to the same period of 2023 (including an **increase by 17% YoY for Apple Pay and an increase by 11% YoY for Google Pay**).

## Social Media

The third quarter of 2024 was a continuation of the Bank's active operations in the Social Media channels. The Bank is present on Facebook, Twitter, LinkedIn, Instagram, TikTok and YouTube. Communications in Social Media are based on areas that build brand awareness, promote the product offer, activate client portfolios, build client engagement and inform clients about the Bank's ESG activities. The Social Media are also a channel for acquiring new customers.

In the third quarter of 2024, the Bank's communications on Facebook and Instagram reached over **3.7 million unique users** (from paid activities), representing **an increase by above 627,000 QoQ and an increase by 313,000 YoY**. The unique reach on Facebook alone in the third quarter of 2024 was about 3.1 million users. Facebook and Instagram users had an average of 3.0 contacts with the Bank's marketing material, compared to 3.2 in the second quarter of 2024 and 3.5 in the third quarter of 2023. In the third quarter of 2024, 58 posts were published on Facebook.

In the third quarter of 2024, **Bank responded to almost 1,000 customer inquiries** regarding Bank products and services via the Messenger, compared to 1,000 in the second quarter of 2023 and 1,200 in the third quarter of 2023.

## Indirect and Direct Customer Acquisition

### Citigold and Smart outlets

In the third quarter of 2024, the Retail Branches Network did not change and comprised 18 branches, 9 of which were Hub Gold branches, 8 were Smart units and 1 was a Corporate Branch. The network maintains a stable structure and unchanged number of branches.

The main activities related to the Branch Network infrastructure in the third quarter of 2024 focused on planned work to maintain the standard of interior design and the technological environment.

The structure of the Retail Branches Network is optimal for implementation of the strategy adopted at the Bank, it ensures the possibility to implement sales plans, client service and maintain the expected standards when processing ongoing operational activities.

## Changes to the network of outlets

### Number of branches and other Points of Sale /touch points

	30.09.2024 (1)	31.12.2023 (2)	30.09.2023 (3)	Change (1)/(2)	Change (1)/(3)
<b>Number of branches*:</b>	<b>18</b>	<b>18</b>	<b>18</b>	-	-
Hub Gold	9	9	9	-	-
Smart branch	8	8	8	-	-
Corporate branch	1	1	1	-	-

\*Branches classified according to a type of provided services into: Hub Gold (branches with separate Citigold customer service zones) and modern Smart branches.

## 10 Rating

As of end of the third quarter of 2024, the Bank had full ratings awarded by Fitch Ratings ("Fitch").

On 17 July 2024, after the annual rating review, Fitch maintained the viability rating ("VR") of the Bank on the rating watch negative. Simultaneously, Fitch affirmed the other ratings of the Bank as follows:

Long-term entity ranking	A-
Long-term rating outlook	Stable
Short-term entity ranking	F1
Viability rating*	bbb+

TRANSLATION

	Rating Watch Negative
Support rating	a-
National long-term rating	AA+ (pol) stable
National short-term rating	F1+ (pol)

\* Viability rating is the view of the intrinsic creditworthiness of an institution, independent of external factors.

The Bank's Ratings (IDRs) are driven by its intrinsic strength (as reflected in Viability rating ("VR") and potential parental support.

In the justification for the rating, the rating agency stated that the Bank's VR balances a low-risk business model, solid capital and liquidity buffers and the Bank's moderate risk appetite. The fact that VR is kept on the watch list reflects the risks to the Bank's business and financial profile resulting from the planned exit from the retail business. A lower share of retail activities could impact the assessment of the Bank's financing and liquidity, as well as its business model. VR can be kept on the watch list longer than six months. The Bank's VR may be removed from the watch list if Fitch believes that the retail banking divestment will have only a moderate adverse impact on the Bank's business and financial profile or if the transaction is cancelled.

Fitch believes that the operating environment for banks in Poland balances a relatively resilient, sizeable and diversified European Union-based economy with increased legal and governmental risks in the banking sector. Revenue levels are adequate, while a gradually improving overall economic backdrop should support banks' ability to generate good quality new business. However, intervention and legal risks make it difficult for banks to strategically plan and achieve their goals.

For the full announcement published by Fitch please visit:

**[Fitch Affirms Bank Handlowy's IDR at 'A-'; Maintains VR on RWN \(fitchratings.com\)](https://www.fitchratings.com)**

## 11 Financial instruments disclosure

### Fair value of financial assets and liabilities

The table below presents the fair value of financial assets and liabilities valued at amortized cost in consolidated statement of financial position.

PLN '000	30.09.2024		31.12.2023	
	Balance sheet value	Fair value	Balance sheet value	Fair value
<b>Financial assets</b>				
Amounts due from banks	15,451,100	15,451,106	15,371,552	15,371,619
Amounts due from customers	21,945,561	22,067,157	20,054,454	19,848,322
Amounts due from institutional customers	15,830,377	15,876,153	14,126,464	13,982,239
Amounts due from individual customers	6,115,184	6,191,004	5,927,990	5,866,083
<b>Financial liabilities</b>				
Amounts due to banks	3,414,281	3,414,288	3,375,687	3,375,960
Amounts due to customers	53,925,973	53,904,085	55,008,001	54,980,883

### Valuation methods and assumptions used for the purposes of fair value

Fair value of assets and financial liabilities are calculated as follows:

- The fair value of financial instruments not quoted in active markets is determined using valuation techniques which are periodically assessed and verified. All the models are tested and approved before application. As far as possible, only observable data are used in the models, although in some areas, the Bank's management must use estimates. Changes in the assumptions relating to the estimated factors may affect the fair value of financial instruments disclosed.  
The Group applies the following methods of measurement of particular types of derivative instruments:
  - FX forwards – discounted cash flows model;
  - options – option market-based valuation model;
  - interest rate transactions – discounted cash flow model;
  - futures – current quotations.

TRANSLATION

- For valuation of securities' transactions current quotations are used. In case of lack of quotations, adequate models based on discount and forward curves, including decrease of credit spread, if needed, are used for valuation.
- The fair value of other assets and financial liabilities (excluding described above) are estimated in accordance to commonly accepted models of valuation based on discounted cash flow analysis, taking into account fluctuations in market interest rates and changes in margins during the financial period.

### Fair value included in consolidated statement of financial position

Depending on the method of determining fair value, individual financial assets or liabilities are classified into the following categories:

- Level I: financial assets/liabilities valued directly on the basis of prices from an active market where the regular quotations and turnover are available.  
The active market includes stock and brokerage quotes and quotes in pricing services type systems, such as Reuters and Bloomberg, which represent the actual market transactions concluded on the market conditions. Level I mainly include securities held-for-trading or at fair value through OCI;
- Level II: financial assets/liabilities valued on the basis of models based on input data from the active market presented in Reuters and Bloomberg systems. Depending on financial instruments, the following specific valuation techniques are used:
  - listed market prices for a given instrument or listed market prices for an alternative instrument,
  - fair value of interest rate swaps and forward foreign exchange contracts is calculated as the current value of future cash flows based on the market yield curves and current NBP fixing exchange rate in case of foreign currency instruments,
  - other techniques, such as yield curves based on alternative prices for a given financial instrument;
- Level III: financial assets/liabilities valued on the basis of valuation techniques using relevant non-market parameters.

The tables below present values of financial instruments in the consolidated statement of financial position in accordance with a fair value classified by above levels.

#### As at 30 September 2024

PLN '000	Level I	Level II	Level III	Total
<b>Financial assets</b>				
Financial assets held-for-trading	2,541,242	3,491,171	-	6,032,413
derivatives	38,383	3,491,171	-	3,529,554
debt securities	2,478,851	-	-	2,478,851
equity instruments	24,008	-	-	24,008
Hedging derivatives	-	1,254	-	1,254
Debt investment financial assets measured at fair value through other comprehensive income	24,661,500	-	-	24,661,500
Equity investments and other measured at fair value through income statement	31,165	-	106,558	137,723
<b>Financial liabilities</b>				
Financial liabilities held-for-trading	250,018	2,954,165	-	3,204,183
short sale of securities	247,350	-	-	247,350
derivatives	2,668	2,954,165	-	2,956,833
Hedging derivatives	-	294,156	-	294,156

#### As at 31 December 2023

PLN'000	Level I	Level II	Level III	Total
<b>Financial assets</b>				
Financial assets held-for-trading	844,480	4,035,852	-	4,880,332
derivatives	45,970	4,035,852	-	4,081,822
debt securities	791,112	-	-	791,112
equity instruments	7,398	-	-	7,398
Hedging derivatives	-	6,731	-	6,731

TRANSLATION

PLN'000	Level I	Level II	Level III	Total
Debt investment financial assets measured at fair value through other comprehensive income	24,564,280	4,996,012	-	29,560,292
Equity investments and other measured at fair value through income statement	19,739	-	121,756	141,495
<b>Financial liabilities</b>				
Financial liabilities held-for-trading	140,524	3,381,679	-	3,522,203
short sale of securities	133,495	-	-	133,495
derivatives	7,029	3,381,679	-	3,388,708
Hedging derivatives	-	92,869	-	92,869

As at September 30, 2024, the structure of Visa Inc shares held by the Bank changed compared to December 31, 2023. As an outcome of the transaction in the third quarter of 2024, the Bank acquired 104 privileged Visa Inc series A shares worth PLN 10,894 thousand; simultaneously the conversion ratio of C series to A series change as well, which resulted in a reduction in the valuation of series C shares by PLN 7,999 thousand as of the day of conversion. The positive result on operation amounted to PLN 2,895 thousand and was in the Net gain/(loss) on equity investments and other at fair value through income statement.

As at September 30, 2024, the amount of financial assets classified to level III includes the value of the share in Visa Inc. in the amount of PLN 8,805 thousand (privileged series C) and also the value of other minority shareholding in the amount of PLN 97,753 thousand (as at December 31, 2023 PLN 15,669 thousand and PLN 106,087 thousand, respectively).

The method of estimating the fair value of series C Visa Inc preference shares takes into account the value of Visa Inc. shares and corrections resulting from disputes (current or potential) to which Visa or the Bank would be a party. Minority shareholdings in structured companies are measured at fair value taking into account, inter alia, the expected discounted dividends using an assumed cost of capital and the history of profit distribution in the particular companies. Changes in the valuation are taken to the Income statement and presented in the Net gain/(loss) on equity and other instruments measured at fair value through income statement.

Changes in financial assets and liabilities measured at a fair value that was defined by using relevant parameters not-market based are presented below:

PLN '000	Equity and other investments measured at fair value through income statement	
	01.01.-30.09.2024	01.01.-31.12.2023
<b>As at 1 January</b>	121,756	88,484
Conversion of shares - transfer to Level I	(8,346)	-
Revaluation	(6,852)	33,272
<b>As at the end of period</b>	<b>106,558</b>	<b>121,756</b>

In the 9-month period of 2024 the Group has not made any changes in classification criteria of financial instruments (presented in the consolidated statement of financial position at fair value) to each category reflecting the fair value (level I, level II, level III).

In the same period the Group has not made any changes in financial assets classification that could result from asset's purpose or usage change.

## 12 Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments

Changes in the provision for expected credit losses on financial assets are presented in the table below:

PLN '000	Stage 1	Stage 2	Stage 3	Total
<b>Provision for expected credit losses - amounts due from banks</b>				
<b>Provision for expected credit losses as at 1 January 2024</b>	<b>(316)</b>	<b>(589)</b>	<b>(316)</b>	<b>(905)</b>
Transfer to Stage 1	(270)	270	(270)	-
Transfer to Stage 2	15	(15)	15	-
Transfer to Stage 3	-	-	-	-

Interim condensed consolidated financial statements of the Capital Group of Bank Handlowy w Warszawie S.A.  
for the 9-month period ended 30 September 2024

TRANSLATION

PLN '000	Stage 1	Stage 2	Stage 3	Total
(Creation)/Releases in the period through the income statement	483	43	-	526
Foreign exchange and other movements	4	-	-	4
<b>Provision for expected credit losses as at 30 September 2024</b>	<b>(84)</b>	<b>(291)</b>	<b>-</b>	<b>(375)</b>

PLN '000	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired assets	Total
<b>Provision for expected credit losses - amounts due from customers</b>					
<b>Provision for expected credit losses as at 1 January 2024</b>	<b>(52,475)</b>	<b>(99,751)</b>	<b>(585,436)</b>	<b>470</b>	<b>(737,192)</b>
Transfer to Stage 1	(19,637)	18,802	835	-	-
Transfer to Stage 2	7,620	(10,213)	2,593	-	-
Transfer to Stage 3	807	17,139	(17,630)	(316)	-
Transfer to purchased or originated credit-impaired assets	-	-	10,573	(10,573)	-
(Creation)/Releases in the period through the income statement	24,891	(18,882)	(8,193)	2,148	(36)
Decrease in provisions due to write-offs	-	-	112,584	-	112,584
Decrease in provisions in connection with the sale of receivables	-	-	90,521	2,141	92,662
Changes in accrued interest in Stage 3 other than written off and sale of receivables	10	2	(24,623)	(2,824)	(27,435)
Decreasing in write-downs due to derecognition as a result of material change	-	-	-	10,171	10,171
Foreign exchange and other movements	129	203	2,436	240	3,008
<b>Provision for expected credit losses as at 30 September 2024</b>	<b>(38,655)</b>	<b>(92,700)</b>	<b>(416,340)</b>	<b>1,457</b>	<b>(546,238)</b>

PLN '000	Stage 1	Stage 2	Stage 3	Total
<b>Provision for expected credit losses - amounts due from banks</b>				
<b>Provision for expected credit losses as at 1 January 2023</b>	<b>(376)</b>	<b>(1,037)</b>	<b>-</b>	<b>(1,413)</b>
Transfer to Stage 1	(127)	127	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
(Creation)/Releases in the period through the income statement	47	311	-	358
Foreign exchange and other movements	92	58	-	150
<b>Provision for expected credit losses as at 31 December 2023</b>	<b>(364)</b>	<b>(541)</b>	<b>-</b>	<b>(905)</b>

PLN '000	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired assets	Total
<b>Provision for expected credit losses - amounts due from customers</b>					
<b>Provision for expected credit losses as at 1 January 2023</b>	<b>(40,985)</b>	<b>(43,613)</b>	<b>(331,769)</b>	<b>(1,354)</b>	<b>(417,721)</b>
Transfer to Stage 1	(913)	913	-	-	-
Transfer to Stage 2	1,902	(1,902)	-	-	-
Transfer to Stage 3	89	959	(1,048)	-	-
(Creation)/Releases in the period through the income statement	-	-	795	(795)	-

TRANSLATION

PLN '000	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired assets	Total
statement					
Decrease in provisions due to write-offs	-	-	67,505	-	67,505
Decrease in provisions in connection with the sale of receivables	-	-	18,338	-	18,338
Changes in accrued interest in Stage 3 other than written off and sale of receivables	(10)	1	(8,678)	-	(8,687)
Decreasing in write-downs due to derecognition as a result of material change	-	-	-	1,428	1,428
Foreign exchange and other movements	(897)	5,892	6,747	1,138	12,880
<b>Provision for expected credit losses as at 31 December 2023</b>	<b>(20,582)</b>	<b>(29,898)</b>	<b>(260,474)</b>	<b>646</b>	<b>(310,308)</b>

\*concerns changes resulting from the implementation of the R Recommendation

The value of provisions for expected credit losses for off-balance sheet commitments amounted to PLN 29,507 thousand as at 30 September 2024 (31 December 2023: PLN 34,960 thousand, 30 September 2023: PLN 33,196 thousand).

In the period from 1 January to 30 September 2024, the Group did not create write-offs for impairment of tangible fixed assets, intangible assets and reversals of write-offs of that title.

### 13 Deferred tax asset and provision

PLN '000	30.09.2024	31.12.2023
Deferred tax asset	951,394	1,058,275
Deferred tax provision	(856,742)	(945,850)
<b>Net asset due to deferred income tax of a parent company</b>	<b>94,652</b>	<b>112,425</b>

Deferred income tax asset and liabilities are presented in the statement of financial position on net basis at the level of the legal entity within the Group.

Deferred tax on acquisition of the organized part of the enterprise in the value of PLN 2,302 thousand as at 30 September 2024 will be settled with the liability to the Tax Office until August 2027.

### 14 Acquisitions and disposals of tangible fixed assets

In the period from 1 January to 30 September 2024 the value of purchased by the Group components of "tangible fixed assets" equaled PLN 59,022 thousand (in 2023: PLN 121,129 thousand) and the value of disposals of "tangible fixed assets" amounted to PLN 2844 thousand (in 2023: PLN 651 thousand).

As at 30 September 2024 the Group has no significant commitments to purchase of tangible fixed assets.

### 15 Default or breach of credit agree, meant in respect of which there were no corrective action until the end of the reporting period

Between 1 January and 30 September 2024 in the Group has been no occurrence of default or breach due to received credit agreement.

### 16 Seasonality or periodicity of business activity

The business activity of the Group is not significantly influenced by seasonal or cyclical factors.

### 17 Issue, redemption and repayment of debt and equity securities

In the nine-month period of 2024 no issue, pay back or equity securities had place.

Since the beginning of 2024 the Bank has been purchasing own shares in order to transfer them to eligible employees of the Bank as indicated in the incentive programs referred to in the resolutions adopted by the Extraordinary General

TRANSLATION

Meeting of Shareholders of the Bank on 16 December 2022 on authorizing the Bank's Management Board to purchase own shares by the Bank and the establishment of reserve capital for the purposes of the own shares buy-back program.

In the third quarter of 2024 the Bank did not buy any shares under the own shares buy-back program. On July 22, 2024, the Bank issued (i.e. initiated the transfer) to eligible Bank employees a total of 116,994 treasury shares previously acquired by the Bank in the first half of 2024 and completed the issuance of treasury shares in 2024.

The own shares buy-back program was resumed in October 2024. Continuing the own shares buy-back program, in the period from October 8 to October 11, 2024, the Brokerage Department of Bank Handlowy purchased a total of 17,010 own shares of the Bank for the Bank's account. The purchased shares with a nominal value of PLN 4.00 each represent 0.0130186% of the Bank's share capital and authorize to 0.0130186% of the total number of votes at the Bank's General Meeting.

As part of the own shares buy-back program referred to above, until the publication day of this quarterly report, the Bank purchased a total of 189,560 own shares with the face value of one purchased share being PLN 4, representing 0.1450793% of the Bank's share capital and authorizing to 189,560 votes at the General Meeting of Shareholders of the Bank, which constitutes 0.1450793% of the total number of votes at the General Meeting of Shareholders of the Bank, provided that in the period when own shares are owned by the Bank, the Bank may not exercise its voting rights attached to these shares.

The accounting policies for the incentive program for which the share buyback was initiated are described in Note 3.

## 18 Paid (or declared) dividends

On June 19, 2024, the Annual General Meeting of the Bank adopted a resolution on distribution of net profit for 2023. Pursuant to the resolution the net profit for 2023 in the amount of PLN 2,255,190,345.46 was distributed as follows:

- Dividend: PLN 1,454,930,607.50, i.e. PLN 11.15 per share,
- Reserve capital: PLN 800,259,737.96

Dividend day was set for June 27, 2024, and the dividend payment date for July 4, 2024. The number of shares covered by dividend was 130,487,050.

The dividend accounted for 65% of the net profit for 2023, and the payment of funds in this amount was in line with the individual recommendation of the Polish Financial Supervision Authority regarding fulfilling by the Bank of requirements for dividend payment from net profit generated in 2023.

## 19 Changes in granted financial and guarantee commitments

The detailed specification of granted financial and guarantee commitments as at 30 September 2024 and changes in comparison with the end of 2023 are as follows:

PLN '000	State as at		Change	
	30.09.2024	31.12.2023	PLN '000	%
<b>Contingent liabilities granted</b>				
<b>Financial</b>	<b>16,740,039</b>	<b>14,323,305</b>	<b>2,416,734</b>	<b>16.9%</b>
Import letters of credit issued	127,630	157,836	(30,206)	(19.1%)
Credit lines granted	16,553,919	14,165,469	2,388,450	16.9%
Other	58,490	-	58,490	-
<b>Guarantees</b>	<b>3,487,626</b>	<b>3,018,997</b>	<b>468,629</b>	<b>15.5%</b>
Guarantees granted	3,466,726	2,999,009	467,717	15.6%
Other	20,900	19,988	912	4.6%
	<b>20,227,665</b>	<b>17,342,302</b>	<b>2,885,363</b>	<b>16.6%</b>
<b>Contingent liabilities received</b>				
Guarantees (guarantees received)	10,810,832	9,442,297	1,368,535	14.5%
	<b>10,810,832</b>	<b>9,442,297</b>	<b>1,368,535</b>	<b>14.5%</b>

## 20 Changes in Group's structure

In the third quarter of 2024 the structure of the Bank's Capital Group has not changed compared to the end of 2023.

TRANSLATION

## 21 Fulfilment of 2024 forecast results

The Bank, as the dominant entity, did not disclose its forecast results for the year 2024.

## 22 Information about shareholders

In the period from the publication of the previous interim report, it was the half-year report for the first half of 2024, i.e. from 30 August 2024 to the date of publication of this report for the third quarter of 2024, the ownership structure of significant blocks of the Bank's shares did not change.

As at the date of publication of this report for the third quarter of 2024, in accordance with the information held by the Bank on shareholders holding, directly or indirectly, through subsidiaries, at least 5% of the total number of votes at the General Meeting or at least 5% of the Bank's share capital, the following entities were:

	Number of shares	% Shares	Number of votes at GM	% votes at GM
Citibank Europe PLC, Ireland	97,994,700	75.00	97,994,700	75.00
Pension funds managed by Nationale-Nederlanden PTE S.A, including:	6,876,766	5.26	6,876,766	5.26
Nationale Nederlanden OFE	6,539,514	5.01	6,539,514	5.01
Other shareholders	25,788,134	19.74	25,788,134	19.74
	<b>130,659,600</b>	<b>100.00</b>	<b>130,659,600</b>	<b>100.00</b>

## 23 Ownership of issuer's shares by members of the Management Board and Supervisory Board

According to the best knowledge of the Bank – the dominant entity, in the period from the publication of the previous interim report (the half-year report), i.e. from 30 August 2024 to the date of publication of this report for the third quarter of 2024, the total number and the value of the Bank's shares held by members of the Management Board and members of the Supervisory Board did not changed.

Information on the total number and par value of the Bank's shares held by members of the Management Board and members of the Supervisory Board as of the date of this interim report is presented in table below:

Name and surname	Function	Shares of Bank Handlowy w Warszawie SA	
		Number of shares (in pcs)	Par value (PLN)
Maciej Kropidłowski	Board Member	7,517	30,068
Andrzej Wilk	Board Member	4,283	17,132
Patrycjusz Wójcik	Board Member	1,670	6,680
Sławomir Sikora	President of the Supervisory Board	11,199	44,796
<b>Total</b>		<b>24,669</b>	<b>98,676</b>

Managing and supervising officers have not declared any options for Bank's shares.

## 24 Information on pending court proceedings

No proceedings regarding receivables or liabilities of the Group conducted in the third quarter of 2024 in court, public administration authorities or an arbitration authority is of significant value. In Group's opinion no proceedings conducted in court, public administration authority or an arbitration authority, pose a threat to the Group's financial liquidity, individually or in total.

In the case of legal proceedings involving the risk of cash outflow as a result of meeting the Group's commitments, the appropriate provisions are created.

In accordance with applicable regulations, the Group recognizes impairment losses for receivables subject to legal proceedings.



TRANSLATION

PLN '000	30.09.2024	31.12.2023
Provisions for disputes, including:	55,067	47,028
provisions for option cases on derivative instruments	16,507	15,880
provisions for individual cases relating, including:	30,447	23,512
provisions for cases related to CHF-indexed loans	29,741	22,625
provisions for cases related to the return of a part of the commission for granting consumer loan	706	887
<b>Provisions for disputes</b>	<b>55,067</b>	<b>47,028</b>

The above values do not include portfolio provision created in connection with the CJEU judgments.

In the third quarter of 2024, the Group did not make any significant settlement due to court ended with the final judgment.

- On 27 May 2019 the Bank received a statement of claim submitted by Rigall Arteria Management spółka z ograniczoną odpowiedzialnością sp. k. for the payment of PLN 386,139,180.89 along with statutory interest for delay from the date of filing the claim to the payment date and the amount of PLN 50,017,463.89 including statutory interest for delay from the date of filing the claim to the date of payment. The statement of claim refers to the agency agreement, which covered intermediary services for the Bank's products and services, primarily in the segment of consumer banking, and was terminated in 2014. The Court has referred the matter to mediation proceedings, which have not resulted in a mutual agreement, so the case is pending before the court of first instance.

On 10 February 2020 the Bank received a statement of claim submitted by Rotsa Sales Direct sp. z o.o. for the payment of PLN 419,712,468.48 along with statutory interest for delay from the date of filing the claim to the payment date and the amount of PLN 33,047,245.20 including statutory interest for delay from the date of filing the claim to the date of payment. The statement of claim refers to the agency agreement, which covered intermediary services for the Bank's products and services, primarily in the segment of consumer banking, and was terminated in 2014. The court referred the matter to mediation proceedings, so the case is pending before the court of first instance.

In the Bank's opinion, the number of claims filed by the companies is not justified. The Bank's position is confirmed by legally binding resolutions of legal actions taken by the companies against the Bank, which are beneficial for the Bank, as well as by the judgement expressed in the proceedings with reference number C-64/21 pending before the Court of Justice of the European Union in connection with preliminary ruling from the Supreme Court of October 13, 2022.

- As at September 30, 2024, the Bank was among others a party to 12 court proceedings associated with derivative transactions. Among these, 7 proceedings have not been terminated with a legally binding conclusion, and 5 have been terminated with a legally binding conclusion, but 2 of these proceedings are pending in the Supreme Court cassation proceeding, in the one the deadline for filing a cassation appeal has not yet expired and in the other 2 cases there are ongoing proceedings regarding process costs. In 7 proceedings the Bank acted as a defendant and in 5 as a plaintiff. The claims and allegations in the individual cases against the Bank are based on various legal bases. The subject of the dispute refers mainly to the validity of the derivative transactions and clients' liabilities demanded by the Bank with respect to those derivative transactions, as well as potential claims regarding potential invalidation of such demands by court decisions. Clients try to prevent the Bank from seeking claims resulting from derivative transactions; they dispute their liabilities towards the Bank, question the validity of the agreements and, in some cases, demand payment from the Bank.
- The Bank was a party to proceedings initiated by the President of the Office of Competition and Consumer Protection (UOKiK) against the Visa and Europay payment system operators and banks - issuers of Visa cards and Europay/Eurocard/Mastercard cards. The Bank was one of the addressees of the President of UOKiK's decision in the case. The proceedings have concerned alleged practices limiting competition on the payment cards market in Poland consisting in the fixing of interchange fees for transactions made with Visa and Europay/Eurocard/Mastercard cards, as well as limiting access to the market for operators who do not belong to the unions of card issuers, against whom the proceedings were initiated. The President of UOKiK's decision was the subject of legal analyses in appeal proceedings. On April 22, 2010, the Appeal Court overturned the verdict of the Court of Competition and Consumer Protection (SOKiK) and referred the case back to the court of first instance. On 21 November 2013 SOKiK gave a judgment, under which a penalty imposed on the Bank was modified and set in the amount of PLN 1,775,720. On October 6, 2015, the Appeal Court modified the verdict of the Competition and Consumer Protection Court and denied all appeals from the decision of the President of the Competition and Consumer Protection Office, including the changes of amounts of the fines that were imposed upon banks. As a result, the fine in the amount of 10,228,470 PLN that was originally imposed upon the Bank has been reinstated. As the Bank submitted extraordinary appeal on the 25 October 2017 the Supreme Court has overturned the Appeal Court's verdict, and the case has been returned to the Appeal Court for a second review. The appeals proceedings have begun again. In the first quarter of 2018, the Bank received the reimbursed. By the judgment of November 23,

TRANSLATION

---

2020, the Appeal Court set aside the judgment of November 21, 2013, and remitted the case to the court of first instance for reconsideration.

- The Bank is carefully following the changes of the legal environment arising out of the courts' case law regarding mortgage loans indexed to foreign currencies. On 15 June 2023, the Court of Justice of the European Union (CJEU) in case C 520/21 essentially duplicated the opinion of the Advocate General from February 16, 2023, and ruled that only the consumer may demand additional benefits resulting from the cancellation of the Swiss franc loan agreement. The Bank may only demand the return of the loan capital together with statutory interest for delay without the possibility of demanding remuneration from the customer (consumer) for non-contractual use of capital. It has been held that Directive 93/13 does not directly govern the consequences of the invalidity of a contract concluded between a seller or supplier and a consumer after the unfair terms have been removed. It is for the Member States to determine the consequences of such a finding and the measures which they adopt in that regard must comply with EU law and, in particular, with the objectives of that directive. It will be for the national courts to assess, in the light of all the circumstances of the dispute, whether the acceptance of such consumer claims is compatible with the principle of proportionality.

When estimating the risk resulting from court litigations regarding indexation clauses in mortgage loan agreements, Bank Handlowy w Warszawie S.A. continuously did not factor in receivables under its claims against borrowers for the payment of amounts equivalent to a fee for using the loan capital, therefore, the Bank does not have to revise its assumptions following the Advocate General's and CJEU's opinion.

As at September 30, 2024, the Bank had receivables under CHF-indexed retail mortgage loans at the gross carrying amount of PLN 29.2 million. The Bank maintained a collective provision in the amount of PLN 20.7 million (compared to PLN 10.2 million as at December 31, 2023). Estimation of the provision assumes the expected level of probability of settlement or litigation resolution and an estimate of the Bank's loss should a dispute be settled in court. This value, as well as provisions for individual litigation cases, is included in the group's consolidated semi-annual financial statement under Provisions.

As at September 30, 2024, the Bank was sued in 85 cases relating to a CHF-indexed loan for a total amount of approximately PLN 39.0 million. 40 cases were legally lost, and the Bank decided to file two cassation appeals (one appeal was rejected on formal grounds, as to the second the Supreme Court refused to accept the cassation appeals for consideration). Most of the cases are in the first instance.

- On September 11, 2019, CJEU passed a ruling in the case C 383/18, indicating the following interpretation of Article 16(1) of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers (Directive): "the right of the consumer to a reduction in the total cost of the credit in the event of early repayment of the credit includes all the costs imposed on the consumer." Hence, according to the provisions of the Directive, the above-mentioned right of the consumer includes costs both related and not related to the duration of the contract.

Starting from 28 September 2020, the Bank has been reimbursing fees using the "straight-line method" to all the consumers who repaid their consumer loans before the contractual deadline, after 11 September 2019, provided that the fee was charged during the term of the consumer loan act.

On 13 November 2020, the Bank received a decision initiating proceedings by the UOKiK (Office for Competition and Consumer Protection) regarding the practice of non-lowering the total loan cost by the prorated costs (calculated by the straight-line method) attributable to the period by which the term of the consumer loan agreement is reduced in the event of total or partial loan prepayment.

Proceeding has been closed by means of a UOKiK's binding decision from 6 May 2021 after Bank made commitments to change that practice. In accordance with the decision, consumers who repaid their cash or card loans before contractual maturity date in the period between 18 December 2011 and 10 September 2019 may apply for recalculating the commission indicating the product, agreement and bank account number for which repayment is due. The Bank is obligated to close all the legal proceedings regarding the recalculation of the commission in which consumers are a party, and to inform about the decision as described, in particular through e-mail communication and publication of a statement on the website. Decision is implemented in accordance with its terms.

After the decision was issued, the President of the UOKiK asked the Bank to provide explanations regarding the manner in which the Bank reimburses a proportional part of the commission in the case where customer takes out another loan with the Bank in such a way that it replaces the original agreement ("Increase agreement"). The Bank decided to align its practice with the position of the UOKiK President and decided to settle the proportionate part of the commission in relation to clients who entered into the Increased agreement after 11 September 2019.

The Group constantly monitors and estimates provisions for legal risk resulting from the ruling of the CJEU regarding the reimbursement of commissions for prepaid consumer loans and updates the possible amount of cash outflow as reimbursement of consumer loan commissions.

## TRANSLATION

As of September 30, 2024, the Bank was sued in 978 cases concerning the return of a part of commission for granting a consumer credit for the total amount of PLN 4.4 million.

- On 22 June 2021, the President of the Office of Competition and Consumer Protection initiated explanatory proceedings to initially determine whether the Bank's actions taken after consumers reported unauthorized payment transactions may justify the initiation of proceedings regarding practices violating the collective interests of consumers or proceedings regarding to recognize the provisions of the standard contract as prohibited. On 8 February 2024, the President of the Office of Competition and Consumer Protection initiated proceedings (decision delivered on 13 February 2024) regarding practices violating the collective interests of consumers regarding unauthorized payment transactions. The charges brought are:
  - failure to refund the amount of an unauthorized payment transaction to the customer within the D+1 deadline despite the lack of premises for such refusal,
  - misleading consumers as to the Bank's obligations and the distribution of the burden of proving the authorization of a payment transaction.

The proceedings are the result of the explanatory proceedings of the President of the Office of Competition and Consumer Protection initiated in June 2021. As at September 30, 2024, the Bank did not create any provision in this respect because it is not possible to reliably estimate its potential outcome.

- On 22 November 2023, the Polish Financial Supervision Authority ("KNF") started administrative proceedings against the Bank that might result in a penalty being imposed on the Bank under Article 176i(1)(4) of the Act on trading in financial instruments. At this stage of the proceedings, it is not possible to reliably estimate its potential outcome.

## 25 Information about significant transactions with related entities on non-market terms

In the third quarter of 2024, the Bank and its subsidiaries entered into transactions with related entities. All transactions with related entities were dealt on market terms.

## 26 Information about significant guarantee agreements

In the third quarter of 2024 Bank and its subsidiaries did not grant guarantee – jointly to one entity or a subsidiary of that entity, which total value would be significant.

## 27 Significant events after the balance sheet date not included in the financial statements

Continuing the own shares buy-back program, in the period from October 8 to October 11, 2024, the Brokerage Department of Bank Handlowy purchased a total of 17,010 own shares of the Bank for the Bank's account. The purchased shares with a nominal value of PLN 4.00 each represent 0.0130186% of the Bank's share capital and authorize to 0.0130186% of the total number of votes at the Bank's General Meeting.

After the balance sheet date, there were no other material events that should be additionally included in these financial statements.

## 28 Factors and events which could affect future financial performance of the Bank's Capital Group

Just like in the previous months, the ongoing war between Russia and Ukraine remains the most serious risk factor in the coming quarters. A potential expansion or escalation of the armed conflict could lead to an increased influx of refugees and depreciation of the PLN in consequence of a higher risk premium. Intensified warfare could result in a renewed increase in commodity prices, especially for oil and gas, which could have a negative impact on client activity in energy-intensive industries.

The uncertainty about the scale and sustainability of the economic recovery in the eurozone continues to be a material risk for the Polish economy, especially in the face of growing competitiveness of EM exporters. The protracting slowdown in Western Europe could result in deterioration of the results of Polish enterprises oriented to exports.

From the global economy's perspective, the escalation of the armed conflict in the Middle East is also a significant threat. This could contribute to higher prices of crude oil, especially if the conflict resulted in disruptions in oil supply or affected its extraction levels. Higher oil prices would contribute to a resurgence of inflationary pressures and push back the prospect of achieving the targets set by individual central banks. In such an environment, the prospect of interest rate cuts would recede.

TRANSLATION

## Interim condensed standalone financial statements of the Bank for the third quarter of 2024

### Condensed income statement

For a period	III quarter accruals period from 01.07.24 to 30.09.24	III quarter accruals period from 01.01.24 to 30.09.24	III quarter accruals period from 01.07.23 to 30.09.23	III quarter accruals period from 01.01.23 to 30.09.23
<b>PLN '000</b>				
Interest income	1,040,550	3,104,313	1,086,450	3,267,602
Similar income	95,524	238,778	5,167	94,717
Interest expense and similar charges	(318,063)	(925,303)	(266,141)	(861,830)
<b>Net interest income</b>	<b>818,011</b>	<b>2,417,788</b>	<b>825,476</b>	<b>2,500,489</b>
Fee and commission income	169,857	517,852	167,963	503,034
Fee and commission expense	(28,799)	(84,653)	(25,239)	(77,373)
<b>Net fee and commission income</b>	<b>141,058</b>	<b>433,199</b>	<b>142,724</b>	<b>425,661</b>
<b>Dividend income</b>	<b>676</b>	<b>45,843</b>	<b>1,303</b>	<b>14,692</b>
<b>Net gain/(loss) on trading financial instruments and revaluation</b>	<b>139,583</b>	<b>418,969</b>	<b>202,935</b>	<b>618,214</b>
<b>Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income</b>	<b>1,849</b>	<b>16,263</b>	<b>(28,289)</b>	<b>(32,212)</b>
<b>Net gain/(loss) on equity investments and other at fair value through income statement</b>	<b>2,952</b>	<b>(3,708)</b>	<b>1,667</b>	<b>17,141</b>
<b>Net gain/(loss) on hedge accounting</b>	<b>(8,030)</b>	<b>1,530</b>	<b>(2,821)</b>	<b>(7,844)</b>
Other operating income	3,019	15,555	7,361	19,350
Other operating expenses	(10,980)	(42,067)	(16,304)	(29,484)
<b>Net other operating income and expense</b>	<b>(7,961)</b>	<b>(26,512)</b>	<b>(8,943)</b>	<b>(10,134)</b>
<b>General administrative expenses</b>	<b>(315,960)</b>	<b>(1,082,336)</b>	<b>(304,827)</b>	<b>(1,004,726)</b>
<b>Depreciation and amortization</b>	<b>(30,238)</b>	<b>(88,391)</b>	<b>(27,716)</b>	<b>(81,822)</b>
<b>Net impairment on non-financial assets</b>	<b>-</b>	<b>(180,064)</b>	<b>-</b>	<b>-</b>
<b>Profit on sale of other assets</b>	<b>(285)</b>	<b>1,431</b>	<b>41</b>	<b>(37)</b>
<b>Provisions for expected credit losses on financial assets and provisions for contingent liabilities</b>	<b>215</b>	<b>19,272</b>	<b>(3,726)</b>	<b>(9,970)</b>
<b>Tax on certain financial institutions</b>	<b>(39,396)</b>	<b>(133,067)</b>	<b>(49,937)</b>	<b>(141,521)</b>
<b>Profit before tax</b>	<b>702,474</b>	<b>1,840,217</b>	<b>747,887</b>	<b>2,287,931</b>
<b>Income tax expense</b>	<b>(158,619)</b>	<b>(415,521)</b>	<b>(157,281)</b>	<b>(481,152)</b>
<b>Net profit</b>	<b>543,855</b>	<b>1,424,696</b>	<b>590,606</b>	<b>1,806,779</b>
Weighted average number of ordinary shares (in pcs)		130,659,600		130,659,600
Earnings per share (in PLN)		10.90		13.83
Diluted net earnings per share (in PLN)		10.90		13.83

TRANSLATION

Condensed statement of comprehensive income

PLN '000	For a period	III quarter accruals period from 01.07.24 to 30.09.24	III quarter accruals period from 01.01.24 to 30.09.24	III quarter accruals period from 01.07.23 to 30.09.23	III quarter accruals period from 01.01.23 to 30.09.23
<b>Net profit</b>		543,855	1,424,696	590,606	1,806,779
<b>Other comprehensive income, that is or might be subsequently reclassified to income statement:</b>		543,855	1,424,696	590,606	1,806,779
Remeasurement of financial assets measured at fair value through other comprehensive income (net)		19,739	70,993	72,139	432,543
(Profit)/Loss reclassification to income statement after derecognition of financial assets measured at fair value through other comprehensive income (net)		21,237	84,166	49,225	406,451
<b>Other comprehensive income, that cannot be subsequently reclassified to profit or loss</b>		(1,498)	(13,173)	22,914	26,092
Net actuarial profits on specific services program valuation		-	-	-	(4,230)
<b>Total comprehensive income</b>		<b>563,594</b>	<b>1,495,689</b>	<b>662,745</b>	<b>2,235,092</b>

TRANSLATION

Condensed statement of financial position

	as at	30.09.2024	31.12.2023
<b>PLN '000</b>			
<b>ASSETS</b>			
Cash and cash equivalents		1,944,992	1,241,724
Amounts due from banks		15,451,100	15,371,552
Financial assets held-for-trading, including:		6,032,413	4,880,332
<i>Assets pledged as collateral</i>		-	-
Hedging derivatives		1,254	6,731
Debt investment financial assets measured at fair value through other comprehensive income, including:		24,661,500	29,560,292
<i>Assets pledged as collateral</i>		200,824	697,771
Shares in subsidiaries		91,340	91,639
Equity investments and other measured at fair value through income statement		137,723	141,495
Amounts due from customers		21,945,561	20,054,454
Tangible fixed assets		539,331	508,403
Intangible assets		1,106,521	1,285,314
Deferred tax asset		96,961	115,401
Other assets		516,140	217,366
Non-current assets held-for-sale		-	9,266
<b>Total assets</b>		<b>72,524,836</b>	<b>73,483,969</b>
<b>LIABILITIES</b>			
Amounts due to banks		3,414,281	3,375,687
Financial liabilities held-for-trading		3,204,183	3,522,203
Hedging derivatives		294,156	92,869
Amounts due to customers		54,031,209	55,162,586
Provisions		121,535	111,011
Current income tax liabilities		139,216	457,871
Other liabilities		1,551,067	1,093,722
<b>Total liabilities</b>		<b>62,755,647</b>	<b>63,815,949</b>
<b>EQUITY</b>			
Ordinary shares		522,638	522,638
Share premium		2,944,585	2,944,585
Own shares		(6,057)	-
Revaluation reserve		199,399	128,406
Other reserves		4,041,846	3,191,946
Retained earnings		2,066,778	2,880,445
<b>Total equity</b>		<b>9,769,189</b>	<b>9,668,020</b>
<b>Total liabilities and equity</b>		<b>72,524,836</b>	<b>73,483,969</b>

TRANSLATION

## Condensed statement of changes in equity

PLN '000	Ordinary shares	Share premium	Own shares	Revaluation reserve	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2024	522,638	2,944,585	-	128,406	3,191,946	2,880,445	9,668,020
<b>Total comprehensive income, including:</b>	-	-	-	70,993	-	1,424,696	1,495,689
Net profit	-	-	-	-	-	1,424,696	1,424,696
Other comprehensive income	-	-	-	70,993	-	-	70,993
Net changes in value of financial assets measured at fair value through other comprehensive income	-	-	-	70,993	-	-	70,993
Equity awards program	-	-	(6,057)	-	49,640	-	43,583
Dividends paid	-	-	-	-	-	(1,454,930)	(1,454,930)
Effect of intragroup transformations	-	-	-	-	-	16,827	16,827
Transfer to capital	-	-	-	-	800,260	(800,260)	-
<b>Balance as at 30 September 2024</b>	<b>522,638</b>	<b>2,944,585</b>	<b>(6,057)</b>	<b>199,399</b>	<b>4,041,846</b>	<b>2,066,778</b>	<b>9,769,189</b>

PLN '000	Ordinary shares	Share premium	Revaluation reserve	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2023	522,638	2,944,585	(573,528)	2,811,344	2,194,565	7,899,604
<b>Total comprehensive income, including:</b>	-	-	432,543	(4,230)	1,806,779	2,235,092
Net profit	-	-	-	-	1,806,779	1,806,779
Other comprehensive income	-	-	432,543	(4,230)	-	428,313
Net changes in value of financial assets measured at fair value through other comprehensive income	-	-	432,543	-	-	432,543
Net actuarial profits/(losses) on specific services program valuation	-	-	-	(4,230)	-	(4,230)
Dividends paid	-	-	-	-	(1,175,937)	(1,175,937)
Transfer to capital	-	-	-	393,373	(393,373)	-
<b>Balance as at 30 September 2023</b>	<b>522,638</b>	<b>2,944,585</b>	<b>(140,985)</b>	<b>3,200,487</b>	<b>2,432,034</b>	<b>8,958,759</b>

PLN '000	Ordinary shares	Share premium	Revaluation reserve	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2023	522,638	2,944,585	(573,528)	2,811,344	2,194,565	7,899,604
<b>Total comprehensive income, including:</b>	-	-	701,934	(12,771)	2,255,190	2,944,353
Net profit	-	-	-	-	2,255,190	2,255,190
Other comprehensive income	-	-	701,934	(12,771)	-	689,163
Net valuation of financial assets measured at fair value through other comprehensive income	-	-	701,934	-	-	701,934
Net actuarial profits/(losses) on specific services program valuation	-	-	-	(12,771)	-	(12,771)
Dividends paid	-	-	-	-	(1,175,937)	(1,175,937)
Transfer to capital	-	-	-	393,373	(393,373)	-
<b>Balance as at 31 December 2023</b>	<b>522,638</b>	<b>2,944,585</b>	<b>128,406</b>	<b>3,191,946</b>	<b>2,880,445</b>	<b>9,668,020</b>

TRANSLATION

Condensed summary statement of cash flows

PLN '000	For a period	III quarter accruals period from 01.01.24 to 30.09.2024	III quarter accruals period from 01.01.23 to 30.09.2023
<b>Cash at the beginning of the reporting period</b>			
Cash flows from operating activities		1,241,873	671,336
Cash flows from investing activities		2,239,245	1,266,856
Cash flows from financing activities		(52,600)	(127,059)
<b>Cash at the end of the reporting period</b>		(1,483,421)	(1,184,842)
<b>Increase/(decrease) in net cash</b>		<b>1,945,097</b>	<b>626,291</b>

Comparative data for the third quarter of 2023 have been restated due to the Bank's adjustment of the presentation of cash and cash equivalents to the position of the IFRS Interpretation Committee and the requirements of IAS 7 "Statement of Cash Flows", additional information can be found in the Annual Standalone Financial Statements of the Bank Handlowy w Warszawie S.A. for the financial year ending December 31, 2023.



## Condensed additional information

### 1. Declaration of conformity

These interim condensed standalone financial statements have been prepared in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting* ("IAS 34"), adopted by European Union and with other applicable regulations.

These interim condensed standalone financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the standalone financial statements of the Bank for the financial year ended 31 December 2023 and interim condensed consolidated financial statements of the Group for the third quarter of 2024.

In accordance with Decree of the Ministry of Finance dated 29 March 2018 regarding current and periodic information provided by issuers of securities and the requirements for recognition of information required by the law of a non-Member State as equivalent (Official Journal from 2018, item 757, as amended) ("Decree") the Bank is obliged to publish its financial results for the 9-month period ended 30 September 2024 which is deemed to be the current interim financial reporting period.

### 2. Significant accounting policies

Interim condensed standalone financial statements of the Bank for the third quarter of 2024 have been prepared in accordance with the Decree by virtue of which the issuer, being a parent entity, is not obliged to provide interim separate financial statements, on condition that it includes in the interim consolidated financial statements consisting of balance sheet, profit and loss account, statement of changes in equity, cash flow statement and condensed supplementary notes, comprising of information and data significant for the assessment of the issuer's financial standing and its profit or loss, but not presented in the interim consolidated financial statement. In addition, it's required to prepare the interim condensed financial statements in accordance with accounting principles adopted in the preparation process of the annual financial statements including changes described in condensed consolidated financial statements of the Capital Group of Bank Handlowy w Warszawie SA for the third quarter of 2024.

Principles adopted in the preparation process of these interim condensed standalone financial statements are consistent with the principles, described in the annual standalone financial statements of the Bank for the financial year ended 31 December 2023 taking into account the changes described in the interim condensed consolidated financial statements of the Group for the third quarter of 2024.

Other information and explanations presented in interim condensed consolidated financial statements for the third quarter of 2024 also contain all information and explanatory data essential for these interim condensed standalone financial statements.

The summary of Bank's financial results for the third quarter of 2024 is presented below.

### Bank's financial results

In the third quarter of 2024, the Bank generated a profit before tax of PLN 702.5 million, compared to PLN 747.9 million in the corresponding period of 2023 (i.e. decrease by PLN 45.4 million, 6.1% YoY).

Net profit earned in the period from July to September 2024 amounted to PLN 543.9 million compared to PLN 590.6 million of net profit in the corresponding period of 2023.

The net profit of the Bank in the third quarter of 2024 was driven mainly by lower results generated in the area of trading activities due to lower result on exchange rate differences resulting from the revaluation of currency positions and higher operating costs related due to increase in remuneration expenses.

Interim condensed standalone financial statements of the Bank Handlowy w Warszawie S.A.  
for the 9-month period ended 30 September 2024

TRANSLATION

---

The interim condensed consolidated financial statements for the third quarter of 2024 will be available on the website of Bank Handlowy w Warszawie SA. [www.citihandlowy.pl](http://www.citihandlowy.pl).

Urszula Lewińska  
Director of Financial Reporting,  
Control and Tax Department

12.11.2024

*(signed in Polish version)*

Patrycjusz Wójcik  
Vice-President of  
Management Board

12.11.2024

*(signed in Polish version)*