

# Letter from the President of the Management Board

to the Annual Report of Capital Group of Bank Handlowy w Warszawie S.A.

Dear Sir/Madam,

I am happy to be able to present you with the financial report for 2021. For me it is a particularly important publication as I have had the honor of heading Bank Handlowy w Warszawie S.A. since June.

You are receiving this report at an unprecedented time, and it is impossible not to mention the situation in Ukraine, which has changed everyone's reality. We have directed even more of our efforts to supporting our colleagues and clients on the other side of our eastern border. Social responsibility and sensitivity are ingrained in the culture of our bank. We are monitoring the situation on an ongoing basis. We are ready and we are going to implement more initiatives supporting those who need help.

As a bank, we are prepared to do this – we are a stable and secure institution. These qualities, which our clients have always appreciated, are especially important now, in these challenging times. We have tackled the challenges posed by the pandemic, strengthened our position as a bank that supports clients with an ambition to grow and as an institution of choice for companies seeking global solutions.

Last year, the net profit of the group increased by more than four times to PLN 717.5 million as compared to 2020. It was the highest profit recorded since 2014. This reflects the successful undertakings of our clients, whom we supported in executing mergers and acquisitions in Poland and abroad, as well as other transactions. We participated in the largest IPOs by Polish companies, thus further supporting the domestic and foreign expansion of our clients.

The British Euromoney magazine recognized our efforts and awarded Citi Handlowy the prestigious title of “The Best Investment Bank in Poland” in 2021.

As you know, Citigroup, our main shareholder, has decided to exit retail banking in 14 countries, including Poland, in an effort to focus on its priority institutional business. We will continue offering our top-quality services to individual clients and making efforts to recover the profitability of this segment as soon as possible until further steps are taken in Poland following this decision. It should be noted that we recorded magnificent results in wealth management – the number of affluent Citi Private Clients was 25% higher at the end of 2021 than in the prior 12-month period.

Without a doubt, the adoption of the strategy for 2022-2024 was an important event last year. We have ambitious plans to grow client revenues in institutional banking thanks to, among others, exploiting our position of the leading investment bank in Poland through engaging in the consolidation of strategic sectors of the economy and supporting clients in raising funding on capital markets. Simultaneously, the bank wants to increase its efforts in Commercial Bank. In this segment, we wish to be the bank of choice for companies with international needs and aspirations, which should allow us to dynamically grow client assets.

Our strategy also incorporates efforts for sustainable development – we plan to increase the value of green assets in the bank's balance sheet to PLN 1 billion and to reduce the emission of own greenhouse gases and energy consumption.

We have been consistently building value for our shareholders – the bank's strong capital base allows it to disburse up to 100 percent of its profit for 2021 as dividend.

Last year was marked by a dynamic economic rebound – the Polish economy grew by 5.7 percent. Meanwhile, inflation increased to the highest level in over twenty years, which prompted the Monetary Policy Council to raise interest rates from 0.1 to 1.75 percent in December 2021. The conflict in Ukraine



Elżbieta Światopełk  
- Czetwertyńska  
President of the  
Management Board

definitely contributes to greater uncertainty and will impact the macroeconomic environment in Poland and around the world. We are therefore closely following the subsequent developments.

With this annual report, I would like to thank all the employees of Citi Handlowy for their professionalism in a time full of numerous new challenges. I would also like to thank our clients and shareholders – for their trust, and also members of the Supervisory Board – for their cooperation in developing a strong institution that we are today.

Yours faithfully,

Elżbieta Czetwertyńska

President of the Management Board of Bank Handlowy w Warszawie S.A.