

Warsaw, May 9, 2024

Citi Handlowy First-Quarter Results



Citi Handlowy reported net income of 454 million zloty for the first quarter 2024 (-25% y/y). It was impacted by lower interest rates and higher regulatory costs. Compared to the fourth quarter 2023, net income was higher, which is a consequence of good results of transactional banking and custody operations. The consumer banking segment recorded further growth in strategic areas.

Total revenues fell by 13% to 1.1 billion zloty in the first quarter from a year earlier. They were 10% higher than revenues recorded for the fourth quarter of 2023.

In the institutional banking segment, corporate deposits grew by 4% y/y (-2% q/q). Corporate loans dropped 13% y/y, but rebounded 3% compared to the fourth quarter.

"We have a strong start to the year in terms of revenues, which exceeded 1 billion zloty. We are seeing the first signs of a change in trend and more optimism among our clients. This translated into higher loan volumes and an increase in revenues in the first three months of this year, compared to the fourth quarter of 2023. Great results were recorded in transactional banking, which differentiates us in the market – the number of transfers and payment transactions grew. Consumer banking is attracting more affluent customers, which has a positive effect on the performance of our wealth management segment. In line with our strategy, we share our profit with our shareholders – we want to allocate a record amount of 1.45 billion zloty for dividends from 2023 income. This means that dividend yield will be approximately 10 percent," said Chief Executive Officer **Elżbieta Czetwertyńska**.

In the first quarter, Citi Handlowy supported companies in their day-to-day operations and in their development plans. The bank opened a new guarantee line for Respect Energy and granted an overdraft facility up to a total amount of 155 million zloty. Citi Handlowy participated in co-financing with EU funds the construction of a new production hall with office facilities for a Korean plastics manufacturer.

The bank was active on the primary debt securities market and arranged, among others, a bonds issuance for an international financial institution in the amount of 2.1 billion zloty. It also organized the issue of Eurobonds for BGK in the amount of 400 million euros, which contributed to the Ukraine Aid Fund.

In consumer banking, the number of affluent clients is breaking new records. At the end of the first quarter, it was higher by 10% y/y. The investment activity of new and existing clients contributed to an increase in the balance of investment products (including dual-currency investments) by 23% y/y. The first quarter of 2024 was historically the best quarter in terms of new customers opening a Citikonto account. The volume of sales of cash loans in the quarter increased by 56% y/y. A high, 84% increase was recorded in the sale of cash loans for new customers.

Net interest income totaled 798 million zloty (-6% y/y, +3% q/q). Net fees and commissions income increased by 3% y/y and 6% q/q to 144 million zloty. Operating costs including amortization rose 13% y/y and 34% q/q to 470 million zloty. The cost of risk amounted to 10 basis points (cost of risk cumulated over four quarters).

"Our net profit in the first quarter was higher than in the previous quarter, despite taking into account annual regulatory costs of 100 million zloty. As far as the client business is concerned, I am pleased with the positive sentiment we are observing in capital markets, which translates into growing revenues from brokerage and custody activities, as well as from the sale of investment products. An important element for us is a stable capital position, which enables us to maintain our dividend strategy," said Citi Handlowy Chief Financial Officer **Patrycjusz Wójcik**.

In the first quarter 2024, the profitability ratio (ROE) was at the level of 26.4% and the cost-to-income ratio equaled 44%. The bank's total capital ratio reached 23.7%.

[For additional information:](#)

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