

Warsaw, November 13, 2024

Citi Handlowy Third-Quarter Earnings

3Q Revenues	3Q Net Income	3Q ROE
1.1B PLN	544M PLN	22.0%

Citi Handlowy reported net income of 544 million zloty for the third quarter. This is the highest net income level in four quarters. The bank maintains high profitability - ROE amounted to 22.0%, and the total capital adequacy ratio was at 22.8%.

Total revenues reached 1.1 billion zloty (-4% y/y). Net interest income and net fee and commission income remained at last year's levels, despite lower interest rates. The bank's operating expenses including amortization amounted to 347 million zloty (+4 percent y/y). The non-performing loan ratio fell to 2.7%. Total loans increased by 7%, and deposits by 2% y/y.

"We had a good quarter. Once again, our revenues exceeded one billion zloty. We are pleased with the growing client revenues in institutional banking. For the third quarter in a row, our loans in this segment grew. This shows an increase in demand for credit among institutional clients and we hope that this trend will continue. We achieved good results while maintaining cost discipline and low cost of risk. Our consumer banking business keeps growing, steadily increasing its affluent client base and wealth management business," said Citi Handlowy Chief Executive Officer **Elżbieta Czetwertyńska**.

In Institutional Banking, loans increased by 8% y/y. The growth was driven by the strategic segment of small and medium-sized companies, which were up by 13 percent. Loans in the segment of large companies recorded an increase of 11% y/y. In the entire third quarter, the bank granted over 1.3 billion zloty in new financing to its corporate clients.

The flagship transactions in this quarter include the increase of the bank's share in 600-million zloty suppliers' financing program for a company from the Polish energy sector. The bank issued a 85.2 million zloty guarantee to Newag, which enabled the client to sign a record contract of 2.7 billion zloty. Citi Handlowy also granted a 50-million zloty trade loan for Nettle, which secured liquidity for the supply of medicines to public hospitals. The bank's brokerage department acted as global coordinator in the accelerated sale of Santander Bank Polska shares worth 2.5 billion zloty.

Citi Handlowy was also active on the debt securities market – it organized an issue of Eurobonds for Bank Gospodarstwa Krajowego in the amount of 550 million euro.

As part of the cooperation with local governments, the bank will provide services to the city of Jaworzno, including the implementation of new cashless solutions.

In the Consumer Banking segment, the number of affluent customers reached a historically high level – the increase amounted to 4% y/y. The investment activity of new and existing customers contributed to an increase in the balance of investment products (including dual-currency investments) by 20% y/y at the end of September. The number of foreign currency accounts increased by 3% y/y, and at the same time the number of customers using the multi-currency card function increased by 27% y/y. The cash loan sales volume in the third quarter increased by 15% y/y. The balance of cash loans increased by 6% y/y.

"We generated high net income in the third quarter. This was mainly due to net interest income, which is improving thanks to growing loan portfolio, and also due to good long-term trends in trade finance. The recovery in institutional lending by 8% y/y goes hand in hand with an increase in FX volumes by 13% y/y, amid the growing needs of our clients. What is important is the consistent very good cost effectiveness. As a result, the return on equity and return on assets ratios remain at very favorable levels of 22.0% and 2.3%, respectively," said **Patrycjusz Wójcik**, Chief Financial Officer.

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Bank Handlowy w Warszawie SA to jedna z największych instytucji finansowych w Polsce, oferująca pod marką Citi Handlowy bogaty i nowoczesny asortyment produktów i usług bankowości korporacyjnej, inwestycyjnej i detalicznej. Bank Handlowy obsługuje niemal 5,5 tys. klientów korporacyjnych i ok. 567 tys. klientów indywidualnych poprzez nowoczesne kanały dystrybucji oraz sieć oddziałów. Przynależność do Citigroup, największej na świecie instytucji finansowej, zapewnia klientom Banku Handlowego dostęp do usług finansowych w ponad 100 krajach.

Citi jest wiodącym partnerem bankowym dla instytucji o potrzebach transgranicznych, globalnym liderem w zarządzaniu aktywami i cenionym bankiem dla klientów indywidualnych na rodzimym rynku w Stanach Zjednoczonych. Citi prowadzi działalność w ponad 180 krajach i jurysdykcjach, zapewniając korporacjom, rządowi, inwestorom, instytucjom i osobom prywatnym szeroką gamę produktów i usług finansowych. Dodatkowe informacje można znaleźć na stronie www.citigroup.com | X: @Citi | LinkedIn: www.linkedin.com/company/citi | YouTube: www.youtube.com/citi | Facebook: www.facebook.com/citi