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Growth of client business as driver of results for the third quarter

Financial results of Citi Handlowy were fueled by increasing activity of its clients in the third quarter. Revenues rose by 4 percent YoY and 9 percent Q/Q, mainly due to record-high revenue from FX transactions and an improved net fee and commission income. Consolidated net profit amounted to PLN 93 million in the third quarter and PLN 561 million for the first nine months of 2021, i.e. increased nearly 2,5-times as compared to the same period in 2020.

“Economic rebound and the resulting need to stronger support our customers will be among key drivers behind the growth of our bank's results in the quarters to come. Our clients implement ambitious development plans in Poland and abroad. We want to be their partner in these activities,” said **Elżbieta Czetwertyńska**, President of the Management Board.

In the Institutional Banking segment, revenues rose by 5 percent YoY. Revenues from client FX transactions were higher by 39 percent YoY. Net fee and commission income of the Bank amounted to PLN 158 million (+15 percent YoY), as a result, among other things, of a 40-percent increase in commissions from trade and treasury transaction area and a 25-percent increase in commissions in the area of wealth management.

“Even with higher revenues, operating expenses were kept under control, despite a discernible pressure on payroll cost, which is not something typical only for us, but it is a visible trend in the market. The cost of risk returned to its normal levels and, at the same time, the quality of the loan portfolio remained high,” added **Natalia Bożek**, Vice President of the Management Board and Chief Financial Officer.

Building on its unique position of a global bank for businesses, Citi Handlowy supported its clients in financial markets. Dom Maklerski Banku Handlowego, its brokerage house, was a global coordinator in a transaction to increase the capital of a pharmaceutical company by PLN 216 million.

Technology solutions provided by the bank to its client attract enormous interest. The number of the bank's clients that use the biometric login option in the CitiDirect BE Mobile application rose by more than 22 percent. The volumes of Express Elixir funds transfer increased by 11 percent as compared to the third quarter of 2020.

A new solution launched in the third quarter for corporate clients of the Bank is Citi Payment Outlier Detector, which makes possible the smart verification of outgoing payments. This is an innovative solution which makes it possible to identify transactions that depart from the pattern and, by this, to reduce the risk connected with payments.

The activity of individual clients of the Bank is on the rise too, as confirmed by rising credit card expenditure and current account balances, and by the results of client acquisition efforts in Citigold segment, which reached the highest level in three years.

Financial highlights for Q3 (y/y):

- Net profit of PLN 93 million (-19%), as a result of normalized risk costs
- Cost-to-Income Ratio of 60%
- Loan to deposit ratio of 46%
- Total capital ratio (TCR) 19%

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Bank Handlowy w Warszawie SA is one of the largest financial institutions in Poland. Under the brand name Citi Handlowy, it offers various advanced products and services in the areas of corporate, investment and retail banking. Bank Handlowy provides services to 6,200 corporate clients and around 687,000 individual customers through modern distribution channels and a network of 18 branches. As a member of Citigroup, the largest financial institution worldwide, Bank Handlowy provides its clients with access to financial services in more than 100 countries.

Citi (NYSE:C) is a leading global financial institution with about 200 million clients in more than 140 countries. Through its two separate operational units: Citicorp and Citi Holdings, Citi provides services to individual, corporate, governmental and institutional clients offering them a broad range of financial products and services in the retail, corporate and investment banking segments, as well as brokerage and asset management services. For more information please visit www.citigroup.com or www.citi.com.