

Physical Cash Pooling



Physical Cash Pooling (Target Balancing) is a liquidity management solution that ensures the physical consolidation of funds, hence enabling the efficient management of funds within a group.

The service is offered to a group of related entities ("Participants") wherein one of the participants acts as the agent ("Agent"). The pooling of balances in the Participants' bank accounts, which is effected at the end of each business day, is conducted as follows:

- a negative balance in the Participant's account is zeroed by an automatic credit transfer from the Agent's account;
- a positive balance in the Participant's account is zeroed by an automatic debit transfer to the Agent's account.

Additionally, the bank may provide a service consisting of the allocation of interest on the balances of individual Participants within the framework of the solution. Interest will be posted on a monthly basis, after the end of the billing period. The debt limits granted by the bank within the framework of separate agreements may additionally be accounted for in the Cash Pool. However, Cash Pool is an independent solution and does not require a credit facility for its proper operation and thus it should be treated as a separate service.

	Participant A	Participant B	Participant C	Agent's account
Before Physical Cash Pool	1 500 000	-1 800 000	-500 000	2 700 000
	Group net balance = 1 900 000			
After Physical Cash Pool	0	0	0	1 900 000
	Group net balance = 1 900 000			

If you are interested in the service, please contact your Relationship Manager.

Fees and charges for using the service are listed in the "Excerpt from the Table of Banking Fees and Commissions" available in the Client Zone on the www.citihandlowy.pl/strefaklienta website. The available functionality, requirements and terms and conditions of using the service as well as the associated risks will be discussed in detail during direct contact with Clients who are interested in this service.

Benefits:

- optimizing financial flows within the company;
- interest advantages - minimizing interest costs and maximizing interest income;
- centralized management of company finances;
- no credit facility requirement;
- the ability to adapt the structure to individual needs.

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