

Warsaw, 22 August 2019

Citi Handlowy with highest quarterly revenues for 3 years

In the second quarter of 2019, Citi Handlowy generated the highest revenues since its previous 12 quarters. In line with the strategy adopted in the beginning of 2019, the main growth driver was Client Business, and especially Institutional Banking Group: the two-digit growth was achieved in FX and transaction volumes, while lending to institutional clients rose 6 per cent year on year.

- Total revenues amounted to PLN 579 million (+3 per cent y/y and +8 per cent q/q) and operating margin increased by 7% y/y.
- In Q2 2019, net fee and commission income rose 10 per cent y/y and 15 per cent q/q and net interest income increased 7 per cent y/y and 4 per cent q/q
- Net profit amounted to PLN 133 million and was affected by higher costs of risk.
- Costs were still under control with C/I ratio standing at 48%

“Our results for the second quarter of 2019 confirm that our strategy is successful. Our Institutional Client business is on the rise and we have strengthened our leading position in strategic areas such as FX or transactional banking. And we are the bank of first choice for global clients,” said Mr Sławomir S. Sikora, CEO of Citi Handlowy. “Our successes in management of our clients’ wealth translated into the 9-per cent growth of retail deposits and investment products.”

In the second quarter of 2019, Citi Handlowy signed significant loan agreements for more than PLN 1 billion in total. As part of its lending operations, Citi Handlowy took part in one of the largest deals executed in Central and Eastern Europe over a few recent years – arranged for an e-commerce company in Poland.

Its position of a partner of international corporations, which offers global solutions, is confirmed by an increase in FX turnovers by 20 per cent y/y and in international funds transfers by 13 per cent y/y. The broad spectrum of trade finance solutions offered in Poland and globally contributed to the growth of volumes by 26 per cent y/y in that area.

The net profit of PLN 133 million was affected by one-off write-offs related to credit exposures connected with a few clients from the Commercial Bank segment, which accounts for 26% of the corporate client portfolio. The other groups of institutional clients of the bank generate only slight risk. Excluding those one-off write-offs, profit would be higher than in the same period in 2018. It

should be noted that Citi Handlowy has been able to keep its costs of risk below the industry average for a decade.

Citi Handlowy was still the largest depository bank of investment funds in Poland, with over PLN 130 billion in deposited assets and 91 investment funds under supervision as at the end of June 2019.

Between April and June, the bank achieved a 9-per-cent growth rate (year on year) for retail banking revenues. And an increase in credit card transaction volumes by 4 per cent y/y was an effect of implementation of context offers for clients and the decision to anchor the sales process to digital channels. In August, as the first bank in Poland, Citi Handlowy launched biometric solutions in the process of applying for unsecured loan sand, by this, ensured its clients unique and convenient access to its services.

In the second quarter of 2019, the Brokerage House of the bank, for seven years a winner of the Ministry of Finance's contests arranged to select Treasury securities dealers, using its many years' experience and expertise in bond market, offered individual clients professional support in investing in global markets. DMBH added, among other thing, an advisory service for that class of assets, and individual clients have gained a possibility to invest online in foreign bonds via a unique investment platform.

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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 while ensuring 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.