

Warsaw, 14 November 2019

**High increases in revenues and volumes; operating margin
up 14 percent from a year earlier**

In the third quarter of 2019, business volumes of Citi Handlowy were recording a dynamic growth, which allowed the bank to continue a high increase in revenues. Loan portfolio grew 8 percent YOY, and deposits increased by 9 percent vs. year earlier. While implementing the strategy for providing the best solutions to its clients, the bank carried out securitization transactions worth PLN 4.5 billion this year, which accounted for 80% of such transactions in the Polish market.

- Total revenues amounted to PLN 553 million (+7 percent YOY)
- Fees and commission income in Q3 +5 percent YOY, net interest income +4 percent YOY, treasury operations +15 percent YOY
- In Q3, net income amounted to PLN 114 million and was affected by higher costs of risk
- C/I ratio stood at 50%

“The business growth recorded in the third quarter proves that both our strategy and its implementation bring effects. We are the main partner of Polish corporations, providing them with financing and solutions, we are the first-choice bank in terms of managing Poles’ wealth,” said **Stawomir S. Sikora**, President of the Management Board of Citi Handlowy. *„The 14-percent increase in the operating margin YOY indicates the solid foundations of our business.”*

The quarterly net income was impacted by an impairment write-off of PLN 54 million following a financial assessment of a client from the construction industry. Provisions set up are a consequence of the bank’s conservative approach to risk management, which for a decade has allowed Citi Handlowy to record risk costs significantly below the market average.

In Q3, Citi Handlowy arranged financing for its institutional clients exceeding PLN 6 billion. Loan volumes in the sector increased by 9 percent YOY, i.e. more than the market (6%). FX transaction volumes increased by 16 percent YTD.

The bank is also successful in developing private banking. The number of customers of this business line increased by 22 percent vs. the prior year period thanks to initiatives such as, i.a., supporting customers in making investments in global shares and bond markets as well as offering investments in foreign bonds via the Citi FX Stocks investment platform.

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