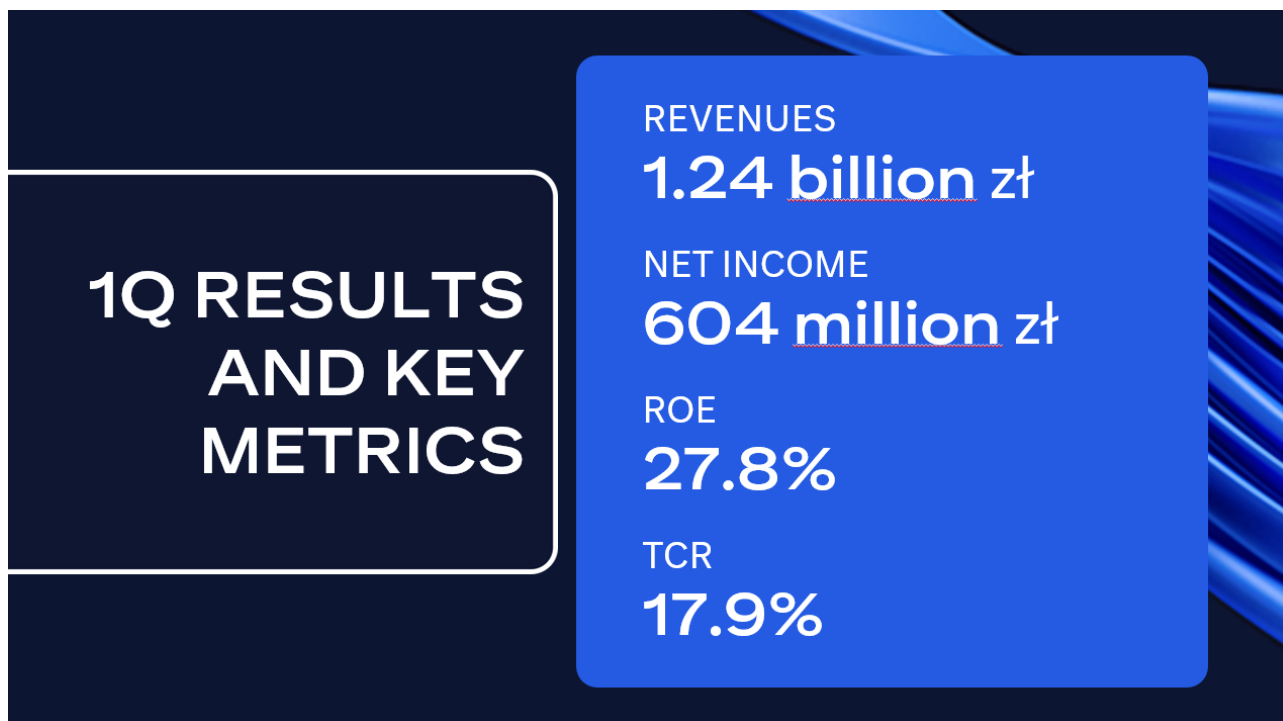


Warsaw, May 11, 2023

## Citi Handlowy First-Quarter Results



**Citi Handlowy reported net income of 604 million zloty for the first quarter of 2023. Results were driven by growing revenues and increased transactional and lending activity of Institutional Banking clients.**

Net interest income rose to 847 million zloty, almost doubling from the same period a year earlier. Net fee and commission income decreased by 7 percent due to weaker investor sentiment towards capital markets, nevertheless the bank's total revenues increased by 49% to 1.24 billion zloty. Operating expenses amounted to 415 million zloty (+0.3% YoY). The cost of risk was at 20 basis points.

- The strong results for the first quarter confirm our solid business foundation and creation of value for our shareholders. This year we paid out record dividends in the bank's history - said Chief Executive Officer Elzbieta Czetwertynska. - Our global expertise was a source of strength for our clients. We delivered solutions supporting effective management of their businesses. This was particularly important during demanding market conditions caused, among others, by turmoil in the financial sector in the United States and in Europe.

The bank granted or increased existing financing by 1.2 billion zloty in the first quarter to Institutional Banking clients. In the strategic Commercial Banking segment, Citi Handlowy signed an agreement with Bank Gospodarstwa Krajowego for technological and ecological loans, with a

subsidy from European funds. This will allow us to provide stronger support to companies investing in modern technologies and energy efficiency.

Citi Handlowy's brokerage and Citi acted as global coordinators in the issue of new shares by CCC. As a result of the transaction, the company increased its capital by 505 million zloty. The issue is an important element of the financing structure optimization program implemented by CCC.

The bank also participated in four bond issuances for the European Investment Bank for a total amount of 1.3 billion zloty, including sustainable development goals linked bonds and in the first issue of 20-year bonds. In addition, the bank cooperated with BGK in the issue of eurobonds for a total amount of 400 million euro, which contributed to the COVID-19 Prevention Fund and the Ukraine Aid Fund.

The bank's total capital ratio amounted to 17.9%, the return-on-equity was at 27.8%. The efficiency ratio (cost to income) amounted to 33%.

Citi Handlowy consistently distributes profits to its shareholders. The bank paid out 75 percent of 2022 net profit, or nine zloty per share. This is the highest dividend paid out by Citi Handlowy in 18 years. At the same time, the bank's market capitalization reached over 11 billion zloty and is the highest in its history.

- The first quarter is undoubtedly a quarter of high revenues dynamics, particularly visible in the area of treasury activity. The increase in the deposit base in the strategic areas of the bank and the continuation of the growing trend in term deposit balances translated into higher interest expenses. The improvement in investors' sentiment towards the capital market visible in the first quarter, the increase in loan and transaction volumes in Institutional Banking are strong accents of this quarter. Maintaining high cost discipline, despite rising inflation, and the return of risk costs to normalized levels provide strong foundations for the coming quarters – said Chief Financial Officer **Natalia Bożek**.

In the consumer banking sector, deposits increased by 6% y/y in the first quarter. This was a result of an 8-percent y/y increase in the portfolio of Citigold Private Clients. Citi Handlowy's private banking was awarded the Best for Digital Bank in Poland in the Euromoney survey.

The number of individual clients making currency transactions at Citi Kantor reached the highest level in history. Spending on credit cards increased by 19 percent year on year, exceeding pre-pandemic levels. The number of credit card transactions increased by 6 percent, mainly in the travel, sport and recreation categories.

Citi Handlowy was the first bank in Poland to join the Priceless Planet Coalition, with a common goal to plant 100 million trees by 2025.

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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 5,400 corporate clients and around 582,500 individual customers through modern distribution channels and a branch network. 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 is a leading banking partner for institutions with international needs, a global leader in asset management, and a bank valued by individual customers in its domestic market in the United States. Citi operates in over 160 countries and jurisdictions, offering a wide range of financial products and services to its corporate, government, institutional and individual clients. For more information, please visit [www.citigroup.com](http://www.citigroup.com) | Twitter: @Citi | YouTube: [www.youtube.com/citi](http://www.youtube.com/citi) | Blog: <http://blog.citigroup.com> | Facebook: [www.facebook.com/citi](http://www.facebook.com/citi) | LinkedIn: [www.linkedin.com/company/citi](http://www.linkedin.com/company/citi)

