

Warsaw, May 9 2022

Citi Handlowy's First Quarter Earnings Characterized by Strong Performance, Support for Clients and Assistance to Refugees from Ukraine

Citi Handlowy's first-quarter net profit reached 282 million zloty. This was driven by positive profit contributions from treasury operations due to volatility in financial markets, as well as higher interest rates and rising loan volumes. Since the outbreak of the war in Ukraine, the bank has undertaken many actions to support its clients and to help Ukrainian refugees.

Highlights during the first quarter of 2022 included Citi Handlowy being a member of the banking consortium financing Elemental Holding, the world's second-biggest recycler of "green" platinum group metals. Citi Handlowy was also a partner of Netguru in its strategic acquisition of shares in Pilot44, a U.S. technology innovation company. The bank also participated in syndicated financing for the acquisition of UPC Polska, the largest cable network operator in Poland, by P4 telecommunication company.

"Our excellent results are an effect of close cooperation with our clients. In line with our strategy, we are a key business partner for them. We support medium-sized and large companies in their expansion in Poland and abroad, help them in green transformation, and provide the necessary expertise. This approach works," said Chief Executive Officer **Elżbieta Czetwertyńska**. *"At the same time, we should remember that in the last quarter we focused on supporting clients affected by the war in Ukraine, and on providing help to those who had to leave their country for security reasons. Among them also our Ukrainian colleagues."*

Citi Handlowy launched a series of non-standard activities in response to the course of events in Ukraine. They included additional options to withdraw cash offered to corporate clients to let them support their employees, mainly refugees and their family members. The bank accelerated its procedures to open bank accounts for eight non-governmental organizations, including international organizations providing humanitarian aid, which had not been present in Poland before. Citi Handlowy canceled fees for money transfers to Ukraine, started a dedicated website in Ukrainian with information for Ukrainian people and implemented a fast-track account opening procedure for them.

In parallel to those activities, aid was also provided to refugees, coordinated by the Citi Handlowy Leopold Kronenberg Foundation. This included fundraising for the evacuation of Ukrainian children suffering from cancer and helping to find accommodation in Poland for orphans and

children from foster families. Simultaneously, dozens of collections of necessary items were organized. In addition to support for organizations active at the border, skill-based volunteering activities to support Polish humanitarian organizations and more than 60 volunteering projects were organized. More than 800 Citi volunteers joined various initiatives to help refugees.

Business operations of the bank in the first quarter of 2022 can be described as a period of high client activity, given high volatility in the financial markets which translated into record-high currency exchange volumes in both corporate and consumer businesses. In the first quarter of 2022, the bank's revenues were 836 million zloty (-11% yoy and +56% qoq), with net interest income and treasury operations income as main contributors. Operating expenses were 414 million zloty (+14% yoy and +46% qoq), mainly as a result of a record-high (105 million zloty) contribution to the resolution fund.

“This was a consecutive quarter of improving results, which shows that the foundations of our bank are strong, our client business is in solid shape and we are on the right trajectory to accomplish the financial objectives outlined in our strategy,” said Chief Financial Officer **Natalia Bożek**.

In the institutional banking business, assets rose in all client segments, in line with the strategy. On an aggregate basis, loan volumes were higher by 14% in the first quarter as compared to the end of 2021 and by 7% versus the end of March 2021. The value of new loans (i.e. new or increased facilities) granted in the first quarter of 2022 was four times higher than in the same period of the year before.

In the consumer bank, revenues increased by 46% yoy and 40% from the previous quarter. The bank also achieved record-high levels of deposits.

It should be noted that Euromoney magazine recognized the achievements of Citi Handlowy in its annual Private Banking and Wealth Management Survey. For another consecutive year, the bank was considered one of the top providers of financial services to Polish millionaires and their families. The private banking services offered by Citigold Private Client were ranked in Top 3 in as many as 14 of 17 categories covered by the survey, including areas such as customer service, investment advice, wealth management, global banking, wealth succession, and offer for clients with assets above \$1 million.

Financial highlights for Q1 (y/y):

- Net profit of PLN 282 million (-30%)
- Cost-to-Income ratio 50%
- Loan to deposit ratio 51%
- Total capital ratio (TCR) 17,8%