

The data contained in this document are preliminary. Final financials will be presented in the Consolidated Annual Report of the Bank's Capital Group for the year ended December 31, 2021 and in the Bank's Annual Report for the year ended December 31, 2021, which will be disclosed on 25 March 2022

## Subject: Information on the preliminary unaudited consolidated financial statements of the Capital Group of Bank Handlowy w Warszawie S.A. for 2021

Bank Handlowy w Warszawie S.A. (hereinafter referred to as "the Bank", "Citi Handlowy") hereby presents the preliminary unaudited consolidated financial results of the Capital Group of Bank Handlowy w Warszawie S.A. (hereinafter referred to as "the Group") for 2021.

In 2021 the Group recorded preliminary net income amounting to PLN 747.2 million, which is higher by PLN 574.8 million comparing to the 2020 profit. The increase in net profit was driven by higher revenues, which grew by PLN 322.6 million (i.e. 15.6%) to the level of PLN 2,390.9 million and lower provisions for expected credit losses, which decreased by PLN 151.5 million (i.e. 79.6%) to the level of PLN 38.8 million.

The main driving factor impacting the increase in revenues was higher profits on investment debt securities along with higher commission income and clients FX income. In segments view, the growth driver of the Group's revenues in 2021 was the Institutional Banking segment.

The preliminary consolidated result for the fourth quarter of 2021 amounted to PLN 186.3 million, i.e. an increase by PLN 244.2 million compared to the fourth quarter of 2020.

The preliminary stand-alone net profit of the Bank (distributable) for 2021 amounted to PLN 745.7 million and was higher by PLN 587.7 million than the profit for 2020.

The Group's key business achievements in 2021 are as follows:

- **Another strong quarter in terms of the activity of Institutional Banking clients.** The Group participated as a co-bookrunner in the largest IPO in Europe in 2021, worth EUR 3.2 billion (the debut of a domestic company on the Euronext exchange in Amsterdam) and additionally acted as Underwriter and Original Lender in the acquisition of a company from the alcohol industry worth EUR 300 million and PLN 820 million. At the same time, the Bank supported **clients from the Commercial Banking segment, whose loan volumes increased by 13% YoY**;
- Also, **the Bank supported green initiatives** by acting as Joint Lead Manager in the process of the first public issue of the Climate Awareness Bond issued by the European Investment Bank and financed one of the largest producers of lithium-ion batteries in Europe;
- **FX volumes** among Global Clients and Commercial Banking Clients **increased by 32% YoY**;
- As a result, the above highlights together with the realization of profits on investment debt securities, contributed to the **record-breaking income of the Institutional Banking segment at the level of PLN 1,732.2 million**;
- In the Consumer Banking area, the Group continued its growth in the Wealth Management area, as evidenced by the **increase in the number of affluent clients (Citi Private Client – CPC) by 23% YoY. As a result, deposits of individual customers grew by 9% YoY**;
- The Bank also focused on enhancing customer experience. **FX volumes increased by 20% YoY**, of which 52% of these volumes is realized in a dedicated tool - Citi Kantor;
- At the same time, the **Bank implemented to its clients Blik mobile transactions and a virtual card**.

At the same time, in 2021, the Group maintained a strong and safe capital position, achieving a total capital ratio of 20.1% as at the end of December 2021.

### Consolidated income statement

PLN '000	2021	2020	Change	
			PLN '000	%
Net interest income	788,061	1,001,677	(213,616)	(21.3%)
Net fee and commission income	649,868	559,962	89,906	16.1%
Dividend income	10,959	11,794	(835)	(7.1%)
Net income on trade financial instruments and revaluation	514,603	311,405	203,198	65.3%
Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income	414,599	203,402	211,197	103.8%
Net gain/(loss) on equity investments and other instruments measured at fair value through income statement	53,214	15,836	37,378	236.0%
Net gain on hedge accounting	(6,421)	556	(6,977)	(1254.9%)
Net other operating income	(34,009)	(36,332)	2,323	(6.4%)
<b>Total income</b>	<b>2,390,874</b>	<b>2,068,300</b>	<b>322,574</b>	<b>15.6%</b>
General administrative expenses and depreciation	(1,202,575)	(1,221,991)	19,416	(1.6%)
General administrative expenses	(1,090,742)	(1,115,338)	24,596	(2.2%)

PLN '000	2021	2020	Change	
			PLN '000	%
Amortization and depreciation	(111,833)	(106,653)	(5,180)	4.9%
Net impairment allowances on non-financial assets	-	(214,707)	214,707	(100.0%)
Net gain on sale of other assets	(658)	(480)	(178)	37.1%
Provisions for expected credit losses on financial assets and provisions for off-balance sheet commitments	(38,784)	(190,267)	151,483	(79.6%)
Tax on some financial institutions	(161,160)	(123,578)	(37,582)	30.4%
<b>Profit before tax</b>	<b>987,697</b>	<b>317,277</b>	<b>670,420</b>	<b>211.3%</b>
Corporate income tax	(240,453)	(144,882)	(95,571)	66.0%
<b>Net profit</b>	<b>747,244</b>	<b>172,395</b>	<b>574,849</b>	<b>333.4%</b>

The main determinants of the operating income of the Group in 2021 were the following:

- **Net interest income** amounted to PLN 788.1 million in comparison to PLN 1,001.7 million in 2020, which means a decline by PLN 213.6 million (which is 21.2%).

Interest income amounted to PLN 824.2 million in 2021 and was lower by PLN 294.6 million (which is 26.3%) in comparison to 2020. Amounts due from customers, which are the main source of interest income reached level of PLN 571.0 million in 2021 and was lower by PLN 123.7 million (17.8%) in the year over year comparison. This was due to the low interest rate environment that prevailed most of the 2021. The largest nominal decrease was recorded in interest income on investment debt securities, by PLN 123.9 million YoY (i.e. 39.3%) due to the decline in the average balance of this portfolio.

On the other hand, due to the commencement of the monetary policy tightening cycle by the Polish Central Bank, in the fourth quarter of 2021, interest income increased by PLN 18.9 million YoY (i.e. 7.4%).

Interest expenses in 2021 amounted to PLN 36.2 million and were lower by PLN 81.0 million (i.e. 69.1%) compared to 2020 - this decrease was related to amounts due from customers.

## Net interest income

PLN '000	2021	2020	Change	
			PLN '000	%
<b>Interest income from:</b>	<b>772,212</b>	<b>1,019,691</b>	<b>(247,479)</b>	<b>(24.3%)</b>
<b>financial assets measured at amortized cost</b>	<b>580,773</b>	<b>704,380</b>	<b>(123,607)</b>	<b>(17.5%)</b>
Balances with Central Bank	4,292	2,869	1,423	49.6%
Amounts due from banks	5,488	6,847	(1,359)	(19.8%)
Amounts from customers, including:	570,993	694,664	(123,671)	(17.8%)
financial sector entities	32,297	43,756	(11,459)	(26.2%)
non-financial sector entities	538,696	650,908	(112,212)	(17.2%)
credit cards	153,299	153,017	282	0.2%
<b>Financial assets measured at fair value through comprehensive income</b>	<b>191,439</b>	<b>315,311</b>	<b>(123,872)</b>	<b>(39.3%)</b>
Debt investment financial assets measured at fair value through comprehensive income	191,439	315,311	(123,872)	(39.3%)
<b>Similar income from:</b>	<b>52,037</b>	<b>99,191</b>	<b>(47,154)</b>	<b>(47.5%)</b>
Debt securities held-for-trading	15,770	35,288	(19,518)	(55.3%)
Liabilities with negative interest rate	35,362	28,345	7,017	24.8%
Derivatives in hedge accounting	905	35,558	(34,653)	(97.5%)
<b>Total:</b>	<b>824,249</b>	<b>1,118,882</b>	<b>(294,633)</b>	<b>(26.3%)</b>
<b>Interest expense and similar charges for:</b>				
<b>financial liabilities measured at amortized cost</b>	<b>(17,519)</b>	<b>(79,334)</b>	<b>61,815</b>	<b>(77.9%)</b>
Amounts due to Central Bank	-	(8)	8	(100.0%)
Amounts due to banks	(5,907)	(6,998)	1,091	(15.6%)
Amounts due to financial sector entities	(3,166)	(14,988)	11,822	(78.9%)
Amounts due to non-financial sector entities	(4,418)	(53,110)	48,692	(91.7%)
Leasing	(4,028)	(4,230)	202	(4.8%)
<b>Assets with negative interest rate</b>	<b>(3,154)</b>	<b>(3,234)</b>	<b>80</b>	<b>(2.5%)</b>
<b>Derivatives in hedge accounting</b>	<b>(15,515)</b>	<b>(34,637)</b>	<b>19,122</b>	<b>(55.2%)</b>
<b>Total:</b>	<b>(36,188)</b>	<b>(117,205)</b>	<b>81,017</b>	<b>(69.1%)</b>
<b>Net interest income</b>	<b>788,061</b>	<b>1,001,677</b>	<b>(213,616)</b>	<b>(21.3%)</b>

- **Net fee and commission income** in the amount of PLN 649.9 million compared to PLN 560.0 million in 2020 - an increase by PLN 89.9 million (i.e. 16.1%). The increase in fee and commission income was driven by the Institutional Banking segment (an increase by PLN 85.5 million YoY). In terms of type, the largest nominal increase of net fee and commission income referring to bank accounts fee by PLN 55.4 million (i.e. 66.0%). At the same time, the strong momentum on the capital market had a positive impact on the net fee and commission income from custody services by PLN 17.5 million YoY (i.e. 16.8%) and brokerage activities by PLN 14.0 million YoY (i.e. 32.4%) as well as from the sale of insurance and investment products by PLN 7.9 million YoY. (i.e. 13.4%).

## Net fee and commission income

PLN '000	2021	2020	Change	
			PLN '000	%
<b>Fee and commission income</b>				
Loans	61,528	67,459	(5,931)	(8.8%)
Account maintenance	139,486	84,045	55,441	66.0%
Insurance and investment products	67,165	59,247	7,918	13.4%
Payment and credit cards	122,669	123,842	(1,173)	(0.9%)
Payment orders	95,208	84,266	10,942	13.0%
Custody services	121,523	104,034	17,489	16.8%
Brokerage operations	71,167	56,622	14,545	25.7%
Cash management services	19,432	22,061	(2,629)	(11.9%)
Financial liabilities granted	24,587	25,532	(945)	(3.7%)
Other	20,134	18,055	2,079	11.5%
<b>Total</b>	<b>742,899</b>	<b>645,163</b>	<b>97,736</b>	<b>15.1%</b>
<b>Fee and commission expense</b>				
Payment and credit cards	(24,917)	(27,265)	2,348	(8.6%)
Brokerage operations	(13,843)	(13,310)	(533)	4.0%
Fees paid to the National Depository for Securities (KDPW)	(29,770)	(22,403)	(7,367)	32.9%
Brokerage fees	(4,529)	(3,794)	(735)	19.4%
Other	(19,972)	(18,429)	(1,543)	8.4%
<b>Total</b>	<b>(93,031)</b>	<b>(85,201)</b>	<b>(7,830)</b>	<b>9.2%</b>

- **Other operating income (i.e. non-interest and non-commission income)** amounting to PLN 952.9 million in comparison to PLN 506.7 million in 2020, due to significantly better results in the area of treasury operations. The result on the sale of investment debt securities increased by PLN 211.2 million YoY, and the net income on trade financial instruments and revaluation was also significantly higher by PLN 203.2 million YoY mainly due to higher revenues from FX activity.

In the fourth quarter of 2021, the following one-off events took place: PLN 50.2 million due to a change in the estimate regarding the valuation of unquoted equity investments at fair value and the revaluation of the provision for reimbursement of commission on prepaid loans (PLN 13.8 million recognized in other operating expenses throughout 2021, including PLN 9.2 million in the fourth quarter of 2021, and PLN 7.7 million recognized in net interest income in the fourth quarter of 2021).

At the same time, in 2021 a cost of the provision of PLN 14.3 million was recognized for legal risk related to CHF-indexed mortgage loans (of which PLN 10.6 million related to the fourth quarter of 2021), which were recognized in other operating expenses.

- **General administrative and depreciation expenses** of PLN 1,202.6 million in 2021, which means a decrease in costs by PLN 19.4 million (i.e. 1.6%) YoY as a result of lower administrative expenses mainly related to the Bank Guarantee Fund costs. On the other hand, the decline mentioned above was partially offset by an increase in staff expenses and higher depreciation costs related to higher investments in IT area.

## General administrative expenses and depreciation expense

PLN '000	2021	2020	Change	
			PLN '000	%
<b>Staff expenses</b>				
Remuneration costs	(547,865)	(530,845)	(17,020)	3.2%
Bonuses and rewards	(404,710)	(398,178)	(6,532)	1.6%
Social security costs	(79,769)	(70,264)	(9,505)	13.5%
Administrative expenses	(63,386)	(62,403)	(983)	1.6%
<b>Administrative expenses</b>	<b>(542,877)</b>	<b>(584,493)</b>	<b>41,616</b>	<b>(7.1%)</b>
Telecommunication fees and hardware purchase costs	(48,951)	(205,290)	(1,394)	0.7%
Costs of external services, including advisory, audit and consulting	(48,951)	(47,777)	(1,174)	2.5%

PLN '000	2021	2020	Change	
			PLN '000	%
Building maintenance and rent costs	(50,085)	(51,946)	1,861	(3.6%)
Advertising and Marketing costs	(34,157)	(32,978)	(1,179)	3.6%
Cash management services, clearing house (KIR) services and other transactional costs	(38,475)	(37,532)	(943)	2.5%
Costs of external services concerning distribution of banking products	(42,390)	(43,600)	1,210	(2.8%)
Postal services, office supplies and printmaking costs	(6,062)	(6,478)	416	(6.4%)
Training and education costs	(934)	(1,010)	76	(7.5%)
Banking and capital supervision costs	(6,724)	(5,183)	(1,541)	29.7%
Bank Guarantee Funds costs	(77,195)	(103,534)	26,339	(25.4%)
Other costs	(32,614)	(50,559)	17,945	(35.5%)
<b>Depreciation/amortization of tangible and intangible assets</b>	<b>(111,833)</b>	<b>(106,653)</b>	<b>(5,180)</b>	<b>4.9%</b>
<b>General administrative expenses and depreciation expense in total</b>	<b>(1,202,575)</b>	<b>(1,221,991)</b>	<b>19,416</b>	<b>(1.6%)</b>

- Net results for expected credit losses on financial assets and provisions for off-balance sheet commitments amounted PLN 38.8 million versus PLN 190.3 million in 2020 (improvement by PLN 151.5 million). In the Institutional Banking segment, write-offs were reversed in the first half of 2021, which was a consequence of improving forecasts of macroeconomic parameters and the observed stable quality of the loan portfolio. In the Consumer Banking segment, there was a decrease of provisions due to an additional write-offs linked to aid programs granted to customers affected by the effects of the COVID-19 pandemic in 2020. At the same time, stabilization of customer behavior was observed in the fourth quarter of 2021.

### Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments

PLN '000	2021	2020	Change	
			PLN '000	%
Provision for expected credit losses on receivables, incl.:	(54,549)	(201,381)	146,832	(72.9%)
Provision for expected credit losses on financial assets - stage 1	40,689	(6,861)	47,550	(693.0%)
Provision for expected credit losses on financial assets - stage 2	(37,444)	(77,506)	40,062	(51.7%)
Provision for expected credit losses on financial assets - stage 3	(57,794)	(117,014)	59,220	(50.6%)
Provision for granted financial and guarantee commitments	13,710	14,369	(659)	(4.6%)
Provision for expected credit losses on debt investment financial assets measured at fair value through other comprehensive income	2,055	(3,255)	5,310	(163.1%)
<b>Provision for expected credit losses on financial assets</b>	<b>(38,784)</b>	<b>(190,267)</b>	<b>151,483</b>	<b>(79.6%)</b>

### Consolidated statement of comprehensive income

PLN '000	2021	2020
<b>Net profit</b>	<b>747,244</b>	<b>172,395</b>
<b>Other comprehensive income, that is or might be subsequently reclassified to profit or loss:</b>	<b>(762,051)</b>	<b>335,516</b>
Remeasurement of financial assets measured at fair value through other comprehensive income (net)	(426,210)	499,880
Profit or loss reclassification to income statement after derecognition of financial assets measured at fair value through other comprehensive income (net)	(335,825)	(164,756)
Currency translation differences	(16)	392
<b>Other comprehensive income, that cannot be subsequently reclassified to profit or loss</b>	<b>3,802</b>	<b>(1,599)</b>
Net actuarial profits on specific services program valuation	3,802	(1,599)
<b>Other comprehensive income net of tax</b>	<b>(758,249)</b>	<b>333,917</b>
<b>Total comprehensive income</b>	<b>(11,005)</b>	<b>506,312</b>

### Consolidated statement of financial position

As of December 31, 2021, total assets of the Group amounted to PLN 61.9 billion, slightly up (by 1.5% compared to the end of 2020).

The largest share in the total assets of the Group at the end of December 2021 were amounts due from customers (i.e. 34.5%), which slightly decreased by PLN 586.6 million (i.e. 2.7%) compared to the end of 2020.

The value of net loans in the Institutional Banking segment, representing the sum of amounts due from both financial sector and non-financial sector entities, amounted to PLN 14.4 billion, down by PLN 351,5 million (or 2.6%) compared to the end of 2020. The decline in loans was observed mainly in the financial sector.

The volume of net loans made to individual customers dropped by PLN 235.2 million (or 3.3%) to PLN 7.0 billion compared to the end of December 2020. The drop in loans was due to unsecured receivables (due to lower sales of cash loans during the pandemic). On the other hand, mortgage loans increased by PLN 191.1 million (i.e. 8.7%) compared to the end of 2020.

The largest nominal change in the balance sheet was investment debt financial assets. The balance of investment debt financial assets decreased by PLN 6.7 billion (i.e. 24.6%) compared to 2020 as a result of the sale of Polish Treasury bonds, which in turn positively influenced the increase in the balance of the financial assets held for trading by PLN 5.6 billion (i.e. 128.9%) and cash and balances with the Central Bank by PLN 2.0 billion (i.e. 45.4%).

As of the end of 2021 total liabilities amounted to PLN 54.4 billion, up by PLN 1.1 billion (or 2.0%) compared to the end of 2020.

As of the end of 2021 amounts due to customers were the dominant source of financing of the Group's activity and they accounted for 70% of the Group's liabilities and equity. At the same time, a current accounts were the dominant item in amounts due to customers, with a share of 88% (an increase by 4 percentage points compared to the end of 2020). The amounts due to customers at the end of 2021 amounted to PLN 43.5 billion and was slightly higher by PLN 113.6 million (i.e. 0.3%) compared to 2020. The increase in deposits was attributable to individual customers and resulted from a higher volume of funds on current accounts, thanks to a higher number of personal accounts.

### Consolidated statement of financial position

PLN '000	State as at		Change	
	31.12.2021	31.12.2020	PLN '000	%
<b>ASSETS</b>				
Cash and balances with the Central Bank	6,526,743	4,488,332	2,038,411	45.4%
Amounts due from banks	967,677	570,247	397,430	69.7%
Financial assets held-for-trading	9,956,212	4,350,540	5,605,672	128.9%
Hedging derivatives	119,290	-	119,290	-
Debt financial assets measured at fair value through other comprehensive income	20,590,284	27,323,571	(6,733,287)	(24.6%)
<i>Assets pledged as collateral</i>	748,763	144,953	603,810	416.6%
Equity and other instruments measured at fair value through income statement	97,316	78,473	18,843	24.0%
Amounts due from customers	21,327,600	21,914,223	(586,623)	(2.7%)
Tangible fixed assets	451,671	476,909	(25,238)	(5.3%)
Intangible assets	1,243,160	1,252,583	(9,423)	(0.8%)
Income tax assets	54,721	48,714	6,007	12.3%
Deferred income tax asset	257,328	174,223	83,105	47.7%
Other assets	257,621	257,560	61	-
Fixed assets held-for-sale	6,163	6,163	-	-
<b>Total assets</b>	<b>61,855,786</b>	<b>60,941,538</b>	<b>914,248</b>	<b>1.5%</b>
<b>LIABILITIES</b>				
Due to banks	3,383,353	5,118,861	(1,735,508)	(33.9%)
Financial liabilities held-for-trading	6,588,482	3,656,422	2,932,060	80.2%
Hedging derivatives	-	98,025	(98,025)	(100.0%)
Due to customers	43,507,474	43,393,906	113,568	0.3%
Provisions	105,263	84,775	20,488	24.2%
Current income tax liabilities	5,974	3,666	2,308	63.0%
Other liabilities	852,069	1,004,916	(152,847)	(15.2%)
<b>Total liabilities</b>	<b>54,442,615</b>	<b>53,360,571</b>	<b>1,082,044</b>	<b>2.0%</b>
<b>EQUITY</b>				
Share capital	522,638	522,638	-	-
Share premium	3,001,699	3,002,265	(566)	-
Revaluation reserve	(312,018)	450,017	(762,035)	(169.3%)
Other reserves	2,814,030	2,793,561	20,469	0.7%
Retained earnings	1,386,822	812,486	574,336	70.7%
<b>Total equity</b>	<b>7,413,171</b>	<b>7,580,967</b>	<b>(167,796)</b>	<b>(2.2%)</b>

PLN '000	State as at		Change	
	31.12.2021	31.12.2020	PLN '000	%
<b>Total liabilities and equity</b>	<b>61,855,786</b>	<b>60,941,538</b>	<b>914,248</b>	<b>1.5%</b>

### Amounts due from customers - credit risk classification

PLN '000	31.12.2021	31.12.2020	Change	
			PLN '000	%
<b>Loans without recognized impairment (Stage 1), including:</b>	<b>19,571,178</b>	<b>20,619,103</b>	<b>(1,047,925)</b>	<b>(5.1%)</b>
financial sector entities	3,443,448	3,739,156	(295,708)	(7.9%)
non-financial sector entities	16,127,730	16,879,947	(752,217)	(4.5%)
institutional clients*	9,948,056	10,412,916	(464,860)	(4.5%)
budgetary units	3,212	9,692	(6,480)	(66.9%)
individual customers	6,179,674	6,467,031	(287,357)	(4.4%)
<b>Loans without recognized impairment (Stage 2), including:</b>	<b>1,744,692</b>	<b>1,309,801</b>	<b>434,891</b>	<b>33.2%</b>
financial sector entities	2	-	2	0.0%
non-financial sector entities	1,744,690	1,309,801	434,889	33.2%
institutional clients*	917,951	507,141	410,810	81.0%
budgetary units	-	-	-	-
individual customers	826,739	802,660	24,079	3.0%
<b>Loans with recognized impairment (Stage 3), including:</b>	<b>900,413</b>	<b>982,988</b>	<b>(82,575)</b>	<b>(8.4%)</b>
financial sector entities	-	-	-	-
non-financial sector entities	900,413	982,988	(82,575)	(8.4%)
institutional clients*	466,719	539,509	(72,790)	(13.5%)
individual customers	433,694	443,479	(9,785)	(2.2%)
<b>Total gross loans to customers, including:</b>	<b>22,216,283</b>	<b>22,911,892</b>	<b>(695,609)</b>	<b>(3.0%)</b>
financial sector entities	3,443,450	3,739,156	(295,706)	(7.9%)
non-financial sector entities	18,772,833	19,172,736	(399,903)	(2.1%)
institutional clients*	11,332,726	11,459,566	(126,840)	(1.1%)
individual customers	7,440,107	7,713,170	(273,063)	(3.5%)
<b>Expected credit losses</b>	<b>(888,683)</b>	<b>(997,669)</b>	<b>108,986</b>	<b>(10.9%)</b>
<b>Total net amounts due from customers</b>	<b>21,327,600</b>	<b>21,914,223</b>	<b>(586,623)</b>	<b>(2.7%)</b>
<b>Expected credit losses provisions coverage ratio</b>	<b>78.8%</b>	<b>80.8%</b>		
institutional clients*	76.1%	78.5%		
individual customers	81.7%	83.6%		
<b>Non-performing loans ratio (NPL)**</b>	<b>4.1%</b>	<b>4.3%</b>		

\* Institutional clients include enterprises, the public sector, state-owned and private companies, co-operatives, individual enterprises, non-commercial institutions acting for the benefit of households.

\*\* Non-performing loans ratio defined as relations of loans with recognized impairment (stage 3) to total gross loans.

The Group has changed the presentation of the amounts due from customers, which has no effect on the net carrying amount of this item. In accordance with Transition Resource Group for Impairment of Financial Instruments the value of impaired receivables shall be presented increased by accrued contractual interest. The result of this presentation of receivables is also the growth of provision for expected credit losses by the same amount. The Group has changed the presentation approach throughout the financial statements, which resulted in an increase of the gross carrying amount and the provisions in total amount of PLN 140,052 thousand (at the end of 2020 of 155,923 thousand).

### Customer net receivables

PLN '000	31.12.2021	31.12.2020	Change	
			PLN '000	%
<b>Receivables from financial sector entities</b>	<b>3,440,104</b>	<b>3,735,746</b>	<b>(295,642)</b>	<b>(7.9%)</b>
Loans	3,440,104	3,735,746	(295,642)	(7.9%)
<b>Receivables from non-financial sector entities including:</b>	<b>17,887,496</b>	<b>18,178,477</b>	<b>(290,981)</b>	<b>(1.6%)</b>
Institutional customers*	10,907,847	10,963,662	(55,815)	(0.5%)
budgetary units	3,207	9,678	(6,471)	(66.9%)
Individual customers, including:	6,979,649	7,214,815	(235,166)	(3.3%)
Unsecured receivables including:	4,588,736	5,015,003	(426,267)	(8.5%)
Credit cards	2,724,349	2,954,641	(230,292)	(7.8%)
Cash loans	1,817,502	2,013,026	(195,524)	(9.7%)

PLN '000	31.12.2021	31.12.2020	Change	
			PLN '000	%
Mortgage loans	2,390,913	2,199,812	191,101	8.7%
<b>Total net customer receivables</b>	<b>21,327,600</b>	<b>21,914,223</b>	<b>(586,623)</b>	<b>(2.7%)</b>

\* Institutional customers include enterprises, public sector, public and private companies, cooperatives, individual enterprises, non-commercial institutions operating for households.

## Customer liabilities

PLN '000	31.12.2021	31.12.2020	Change	
			PLN '000	%
<b>Current accounts of:</b>	<b>37,756,591</b>	<b>36,242,776</b>	<b>1,513,815</b>	<b>4.2%</b>
financial sector entities	1,105,149	1,640,351	(535,202)	(32.6%)
non-financial sector entities, including:	36,651,442	34,602,425	2,049,017	5.9%
institutional customers*, including:	21,143,129	20,631,117	512,012	2.5%
budgetary units	1,901,803	3,335,108	(1,433,305)	(43.0%)
individual customers	15,508,313	13,971,308	1,537,005	11.0%
<b>Term deposits from:</b>	<b>5,025,351</b>	<b>6,929,242</b>	<b>(1,903,891)</b>	<b>(27.5%)</b>
financial sector entities	2,087,711	2,931,313	(843,602)	(28.8%)
non-financial sector entities, including:	2,937,640	3,997,929	(1,060,289)	(26.5%)
institutional customers*, including:	1,628,937	2,472,391	(843,454)	(34.1%)
budgetary units	26,868	17,585	9,283	52.8%
individual customers	1,308,703	1,525,538	(216,835)	(14.2%)
<b>Total customers deposits</b>	<b>42,781,942</b>	<b>43,172,018</b>	<b>(390,076)</b>	<b>(0.9%)</b>
<b>Other liabilities to customers</b>	<b>725,532</b>	<b>221,888</b>	<b>503,644</b>	<b>227.0%</b>
<b>Total liabilities towards customers</b>	<b>43,507,474</b>	<b>43,393,906</b>	<b>113,568</b>	<b>0.3%</b>

\* Institutional customers include enterprises, public sector, public and private companies, cooperatives, individual enterprises, non-commercial institutions operating for households.

## Employment in the Group

In full time job equivalents (FTE)	2021	2020	Change	
			FTEs	%
Average employment in the period	2,940	3,026	(86)	(2.8%)
Employment at the end of quarter	2,903	2,994	(91)	(3.0%)

## Consolidated income statement of the Group by business segments

PLN '000	For the period			01.01-31.12.2021			01.01-31.12.2020		
	Institutional Banking	Consumer Banking	Total	Institutional Banking	Consumer Banking	Total	Institutional Banking	Consumer Banking	Total
Net interest income	389 554	398 507	788 061	549,720	451,957	1,001,677			
Internal interest income, including:	(27 066)	27 066	-	(53,838)	53,838	-			
Internal income	-	27 066	27 066	-	53,838	53,838			
Internal expenses	(27 066)	-	(27 066)	(53,838)	-	(53,838)			
Net fee and commission income	434 292	215 576	649 868	348,767	211,195	559,962			
Dividend income	3 297	7 662	10 959	1,489	10,305	11,794			
Net income on trade financial instruments and revaluation	482 413	32 190	514 603	279,668	31,737	311,405			
Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income	414 599	-	414 599	203,402	-	203,402			
Net gain/(loss) on equity and other instruments measured at fair value through income statement	6 459	46 755	53 214	7,554	8,282	15,836			

For the period	01.01-31.12.2021			01.01-31.12.2020		
	Institutional Banking	Consumer Banking	Total	Institutional Banking	Consumer Banking	Total
<i>PLN '000</i>						
Net loss on hedge accounting	(6 421)	-	(6 421)	556	-	556
Net other operating income	8 033	(42 042)	(34 009)	5,902	(42,234)	(36,332)
General administrative expenses	(543 363)	(547 379)	(1 090 742)	(525,349)	(589,989)	(1,115,338)
Depreciation and amortization	(22 485)	(89 348)	(111 833)	(21,583)	(85,070)	(106,653)
Net impairment allowances on non-financial assets	-	-	-	-	(214,707)	(214,707)
Profit on sale of other assets	(265)	(393)	(658)	(179)	(301)	(480)
Provisions for expected credit losses on financial assets and provisions for off-balance sheet commitments	26 296	(65 080)	(38 784)	(81,968)	(108,299)	(190,267)
<b>Operating income</b>	<b>1 192 409</b>	<b>(43 552)</b>	<b>1 148 857</b>	<b>767,979</b>	<b>(327,124)</b>	<b>440,855</b>
Tax on some financial institutions	(134 060)	(27 100)	(161 160)	(97,193)	(26,385)	(123,578)
<b>Profit before tax</b>	<b>1 058 349</b>	<b>(70 652)</b>	<b>987 697</b>	<b>670,786</b>	<b>(353,509)</b>	<b>317,277</b>
Income tax expense			(240 453)			(144,882)
<b>Net profit</b>			<b>747 244</b>			<b>172,395</b>