

Subject: Information on the preliminary unaudited consolidated financial statements of the Capital Group of Bank Handlowy w Warszawie S.A. for 2020

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 2020.

In 2020 the Group recorded preliminary net income amounting to PLN 172.4 million, which is lower by PLN 307.7 million (that is 64.1%) comparing to the 2019 profit. The factor impacting the drop of net income was COVID-19 pandemic and its effects, especially interest rates cuts in Poland to the record low level, which in turn had negative impact on net interest income of the Group (decline by PLN 152.1 million YoY) and impairment of the company goodwill in Consumer business amounting to PLN 214.7 million.

On the other hand, customer business of the Group reached strong dynamics and performed as follows:

- **Institutional Banking** segment was **more immune to the pandemic** and as a result revenue in this segment increased by PLN 103.6 million (that is 8.0% YoY);
- Due to **high activity of institutional clients**, the Group participated in **largest transactions on capital market** in 2020 such as: IPO of e-commerce company worth PLN 10.5 billion and **increased its market share in strategic group of global clients** (growth in number of clients by 5% YoY especially in high tech industry and deposit volumes growth by 10% YoY);
- In the Consumer Banking segment, the Group **actively supported clients**, especially in the Wealth Management area, the proof of which is **growth of the assets under management** by 23% YoY and **growth in the number of wealthy clients** by 7% YoY;
- Simultaneously the Group introduced **FX platform for retail clients – Citi Kantor**, which is very popular and, as a result, the FX volumes in this segment of the Group increased by 43% YoY;
- At the same time the Group invested heavily in technology in both Institutional Banking segment – automation and digitization of contact with the Bank (increase in the number of eForms by 14% YoY), and in Consumer Banking segment – increase of clients activity in mobile banking app and Wallet Pay transactions.

The above mentioned business volume growth was reached with the **continued cost discipline policy**, as a result the expenses remained at the stable level in comparison to 2019.

Consolidated income statement

PLN '000	2020	2019	Change	
			PLN '000	%
Net interest income	1,001,677	1,153,727	(152,050)	(13.2%)
Net fee and commission income	559,962	564,876	(4,914)	(0.9%)
Dividend income	11,794	11,080	714	6.4%
Net income on trade financial instruments and revaluation	311,405	379,525	(68,120)	(17.9%)
Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income	203,402	97,969	105,433	107.6%
Net gain/(loss) on other instruments measured at fair value through income statement	15,836	17,392	(1,556)	(8.9%)
Net gain on hedge accounting	556	(3,493)	4,049	(115.9%)
Net other operating income	(36,332)	(4,322)	(32,010)	740.6%
Total income	2,068,300	2,216,754	(148,454)	(6.7%)
General administrative expenses and depreciation	(1,221,991)	(1,214,768)	(7,223)	0.6%
General administrative expenses	(1,115,338)	(1,128,269)	12,931	(1.1%)
Amortization and depreciation	(106,653)	(86,499)	(20,154)	23.3%
Net impairment allowances on non-financial assets	(214,707)	-	(214,707)	-
Net gain on sale of other assets	(480)	(354)	(126)	35.6%
Provisions for expected credit losses on financial assets and provisions for off-balance sheet commitments	(190,267)	(245,718)	55,451	(22.6%)
Tax on some financial institutions	(123,578)	(97,722)	(25,856)	26.5%
Profit before tax	317,277	658,192	(340,915)	(51.8%)
Corporate income tax	(144,882)	(178,068)	33,186	(18.6%)
Net profit	172,395	480,124	(307,729)	(64.1%)

The main determinants of the operating income of the Group in 2020 were the following:

- Net interest income constituted the most important revenue stream of the Group in 2020 (48.4% of total revenue). It amounted to PLN 1,001.7 million in comparison to PLN 1,153.7 million in 2019, which means a decline of PLN 152.1 million (which is 13.2%)
- Interest income amounted to PLN 1,118.9 million in 2020 and was lower by PLN 287.6 million (which is 20.4%) in comparison to 2019. Clients interests being a main source of interest income reached level of PLN 694.7 million in 2020 and was lower by PLN 277.3 million (28.5%) in the year over year comparison. The largest nominal drop of the interest income was recorded in Consumer Banking segment due to interest rates cuts to the record low level. As a result of mentioned rates cuts, the Group adjusted its interest expense base paid on deposits, which dropped by PLN 135.5 million YoY.

Net interest income

PLN '000	2020	2019	Change	
			PLN '000	%
Interest income from:				
financial assets measured at amortized cost				
Balances with Central Bank	2,869	7,334	(4,465)	(60.9%)
Amounts due from banks	6,847	17,831	(10,984)	(61.6%)
Amounts from customers, including:	694,664	971,919	(277,255)	(28.5%)
financial sector entities	43,756	55,411	(11,655)	(21.0%)
non-financial sector entities	650,908	916,508	(265,600)	(29.0%)
credit cards	153,017	281,531	(128,514)	(45.6%)
Financial assets measured at fair value through comprehensive income				
Debt investment financial assets measured at fair value through comprehensive income	315,311	303,062	12,249	4.0%
Similar income from:				
Debt securities held-for-trading	35,288	77,607	(42,319)	(54.5%)
Liabilities with negative interest rate	28,345	13,644	14,701	107.7%
Derivatives in hedge accounting	35,558	15,082	20,476	135.8%
Total:	1,118,882	1,406,479	(287,597)	(20.4%)
Interest expense and similar charges for:				
financial liabilities measured at amortized cost				
Amounts due to banks	(8)	-	(8)	-
Amounts due to financial sector entities	(6,998)	(64,131)	57,133	(89.1%)
Amounts due to non-financial sector entities	(14,988)	(49,503)	34,515	(69.7%)
Loans and advances acquired	(53,110)	(117,893)	64,783	(55.0%)
Leasing	-	(345)	345	(100.0%)
Assets with negative interest rate	(4,230)	(4,336)	106	(2.4%)
Derivatives in hedge accounting	(3,234)	(756)	(2,478)	327.8%
Interest expense and similar charges for:	(34,637)	(15,788)	(18,849)	119.4%
Total:	(117,205)	(252,752)	135,547	(53.6%)
Net interest income	1,001,677	1,153,727	(152,050)	(13.2%)

- Net fee and commission income amounting to PLN 560.0 million in comparison to PLN 564.9 million in 2019 – drop by PLN 4.9 million (i.e. 0.9%). Consumer Banking segment impacted the decline of net fee and commission income (drop by PLN 50.3 million YoY) due to lower activity of individual clients related to restrictions caused by COVID-19 pandemic, which in turn had a negative effect on income from payment and credit cards. On the other hand the Institutional Banking segment recorded positive dynamics amounting to PLN 45.4 million YoY, mainly in the capital markets field: brokerage and custody.

Net fee and commission income

PLN '000	2020	2019	Change	
			PLN '000	%
Fee and commission income				
Loans	67,459	75,411	(7,952)	(10.5%)
Account maintenance	84,045	55,470	28,575	51.5%
Insurance and investment products	59,247	67,456	(8,209)	(12.2%)
Payment and credit cards	123,842	161,336	(37,494)	(23.2%)
Payment orders	84,266	88,618	(4,352)	(4.9%)
Custody services	104,034	94,805	9,229	9.7%
Brokerage operations	56,622	36,206	20,416	56.4%
Cash management services	22,061	20,663	1,398	6.8%
Financial liabilities granted	25,532	29,790	(4,258)	(14.3%)
Other	18,055	23,654	(5,599)	(23.7%)
Total	645,163	653,409	(8,246)	(1.3%)
Fee and commission expense				
Payment and credit cards	(27,265)	(32,896)	5,631	(17.1%)
Brokerage operations	(13,310)	(12,553)	(757)	6.0%
Fees paid to the National Depository for Securities (KDPW)	(22,403)	(20,820)	(1,583)	7.6%
Brokerage fees	(3,794)	(4,184)	390	(9.3%)
Other	(18,429)	(18,080)	(349)	1.9%
Total	(85,201)	(88,533)	3,332	(3.8%)
Net fee and commission income				
Loans	67,459	75,411	(7,952)	(10.5%)
Account maintenance	84,045	55,470	28,575	51.5%
Insurance and investment products	59,247	67,456	(8,209)	(12.2%)
Payment and credit cards	96,577	128,440	(31,863)	(24.8%)
Payment orders	84,266	88,618	(4,352)	(4.9%)
Custody services	104,034	94,805	9,229	9.7%
Brokerage operations	43,312	23,653	19,659	83.1%
Cash management services	22,061	20,663	1,398	6.8%
Financial liabilities granted	25,532	29,790	(4,258)	(14.3%)
Fees paid to the National Depository for Securities (KDPW)	(22,403)	(20,820)	(1,583)	7.6%
Brokerage fees	(3,794)	(4,184)	390	(9.3%)
Other	(374)	5,574	(5,948)	(106.7%)
Net fee and commission income	559,962	564,876	(4,914)	(0.9%)

- Other operating income (i.e. non-interest and non-commission income) amounting to PLN 506.7 million in comparison to PLN 498.2 million in 2019, due to higher income on debt investment financial assets resulting from favorable market environment. Partially the above mentioned growth was offset by lower result on other operating income and expenses. Higher other operating expenses were impacted by one-off events: in third quarter of 2020 a provision of PLN 5.4 million was recognized for prepaid loans, and in fourth quarter of 2020 this provision was increased by another PLN 10.3 million. What is more, also in fourth quarter of 2020, the Bank recognized provision for legal risk related to CHF mortgage loans amounting to PLN 13 million.
- General administrative and depreciation expenses of PLN 1,222.0 million in 2020, which translates into a small increase of costs by PLN 7.2 million (i.e. 0.6%) yoy and it was result of higher depreciation costs due to implemented technology projects allowing for customer service and improving security in remote channels based on biometrics processes. Above costs increased was partially offset by lower advertising and marketing costs.

General administrative expenses and depreciation expense

PLN '000	2020	2019	Change	
			PLN '000	%
Staff expenses	(530,845)	(520,548)	(10,297)	2.0%
Remuneration costs	(398,178)	(382,631)	(15,547)	4.1%
Bonuses and rewards	(70,264)	(73,319)	3,055	(4.2%)
Social security costs	(62,403)	(64,598)	2,195	(3.4%)
Administrative expenses	(584,493)	(607,721)	23,228	(3.8%)
Telecommunication fees and hardware purchase costs	(203,896)	(195,449)	(8,447)	4.3%
Costs of external services, including advisory, audit and consulting	(47,777)	(50,159)	2,382	(4.7%)
Building maintenance and rent costs	(51,946)	(53,366)	1,420	(2.7%)
Advertising and Marketing costs	(32,978)	(46,324)	13,346	(28.8%)
Cash management services, clearing house (KIR) services and other transactional costs	(37,532)	(38,053)	521	(1.4%)
Costs of external services concerning distribution of banking products	(43,600)	(44,779)	1,179	(2.6%)
Postal services, office supplies and printmaking costs	(6,478)	(8,215)	1,737	(21.1%)
Training and education costs	(1,010)	(1,451)	441	(30.4%)
Banking and capital supervision costs	(5,183)	(5,902)	719	(12.2%)
Bank Guarantee Funds costs	(103,534)	(102,292)	(1,242)	1.2%
Other costs	(50,559)	(61,731)	11,172	(18.1%)
Depreciation/amortization of tangible and intangible assets	(106,653)	(86,499)	(20,154)	23.3%
General administrative expenses and depreciation expense in total	(1,221,991)	(1,214,768)	(7,223)	0.6%

- Net result of provisions for expected credit losses on financial assets and provisions for off-balance sheet commitments amounted PLN 190.3 million versus PLN 245.7 million in 2019 (better by PLN 55.5 million). Excluding one-off items in the Institutional Segment (additional provisions in the area of Commercial Banking in 2019 and additional provisions related to COVID-19 pandemic situation in 2020), it recorded a reversal of net provisions in the second half of 2020 thanks to improving macroeconomic projection and positive trends in the horizon of expected credit losses calculation. In the case of Consumer Banking, net result of provisions for expected credit losses resulting from expected credit losses model was lower comparing to previous years thanks to the scale of financial shield, adjustments in credit policy and lower demand for loans due to pandemic. Above impact was offset by worsening macroeconomic projection, but in the second half of 2020 they were positive revised. Additional, the Bank made an additional impairment provisions that part of expected credit losses were happened in the portfolio, but the true effect of these losses was deferred thanks to financial shield and is no statistic visible.

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

PLN '000	Change			
	2020	2019	PLN '000	%
Provision for expected credit losses on amounts due from banks				
Provision creation	(7,495)	(3,244)	(4,251)	131.0%
Provision reversals	8,595	4,664	3,931	84.3%
	1,100	1,420	(320)	-22.5%
Provision for expected credit losses on amounts due from customers				
Provision creation and reversals	(202,369)	(216,110)	13,741	-6.4%
Provision creation	(403,620)	(365,127)	(38,493)	10.5%
Provision reversals	205,557	151,861	53,696	35.4%
Other	(4,306)	(2,844)	(1,462)	51.4%
Recoveries from sold debts	(112)	4,293	(4,405)	-102.6%
	(202,481)	(211,817)	9,336	-4.4%
Provision for expected credit losses on debt investment financial assets measured at fair value through other comprehensive income				
Provision creation	(3,255)	(166)	(3,089)	1860.8%
Provision reversals	-	-	-	-
	(3,255)	(166)	(3,089)	1860.8%
Provision for expected credit losses on financial assets	(204,636)	(210,563)	5,927	-2.8%
Created provision for granted financial and guarantee commitments	(69,068)	(68,808)	(260)	0.4%

PLN '000	Change			
	2020	2019	PLN '000	%
Release of provision for granted financial and guarantee commitments	83,437	33,653	49,784	147.9%
Provision for expected credit losses for granted off-balance sheet commitments	14,369	(35,155)	49,524	-140.9%
Provision for expected credit losses on financial assets and for off-balance sheet commitments	(190,267)	(245,718)	55,451	-22.6%

Consolidated statement of comprehensive income

PLN '000	2020	2019
Net profit	172,395	480,124
Other comprehensive income, that might be subsequently reclassified to profit or loss:	335,516	30,474
Changes in value of financial assets measured at fair value through other comprehensive income	335,124	30,521
Currency translation differences	392	(47)
Other comprehensive income, that cannot be subsequently reclassified to profit or loss	(1,599)	(4,026)
Net actuarial profits on specific services program valuation	(1,599)	(4,026)
Other comprehensive income net of tax	333,917	26,448
Total comprehensive income	506,312	506,572

Consolidated statement of financial position

As of December 31, 2020, total assets of the Group amounted to PLN 60.9 billion, up by 17.2% compared to the end of 2019.

The biggest nominal increase was observed in debt investment financial assets. They amounted to PLN 27.3 billion, up by PLN 11.8 billion (or 76.5%) compared to the end of 2019, due to higher volumes of Polish Treasury bonds. At the same time, debt investment financial assets had the biggest share in the Group's total assets at the end of 2020 and amounted to 45% (up by 15 percentage points compared to the end of 2019), due to a significant increase in deposit volumes, especially in the Institutional Banking segment, and their allocation on the active side of the Group's balance sheet. The loan-to-deposit ratio fell to 51% at the end of 2020 (down by 9 percentage points compared to the end of December 2019).

The second largest share in the structure of the Group's assets at the end of 2020 had the net amounts due from customers. Their share in total assets was 36% at the end of December 2020. At the end of the fourth quarter of 2020, the value of net amounts due from customers amounted to PLN 21.9 billion and was lower by PLN 1.8 billion (i.e. 7.7%) compared to the end of 2019.

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 14.7 billion, down by PLN 1.7 billion (or 10.1%) compared to the end of 2019. The decrease in loan volumes was related to lower demand for loans (mainly for overdrafts), especially of Commercial Bank customers, whose activities were significantly affected by the COVID-19 pandemic (a decrease in revenues from the sale of enterprises, on the other hand, their liquidity was supported by government aid programs).

The volume of net loans made to individual customers dropped by PLN 165 million (or 2.2%) to PLN 7.2 billion compared to the end of December 2019. The drop in loan volumes was due to unsecured receivables (due to weaker customer demand for cash loans caused by the COVID-19 pandemic - customers' uncertainty as to their financial situation). On the other hand, mortgage loans increased by PLN 311 million (i.e. 16.4%) compared to the end of 2019.

As of the end of 2020 total liabilities amounted to PLN 53.4 billion, up by PLN 8.5 billion (or 18.8%) compared to the end of 2019. As of the end of 2020 amounts due to customers were the dominant source of financing of the Group's activity and they accounted for 71% 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 84% (an increase by 12 percentage points compared to the end of 2019). The biggest share of customer deposits growth was driven by the individual clients including current accounts (the number of high affluent customers growth by 7% yoy).

Consolidated statement of financial position

PLN '000	State as at		Change	
	31.12.2020	31.12.2019	PLN '000	%
ASSETS				
Cash and balances with the Central Bank	4,488,332	3,736,706	751,626	20.1%
Amounts due from banks	570,247	1,165,684	(595,437)	(51.1%)
Financial assets held-for-trading	4,350,540	5,446,511	(1,095,971)	(20.1%)
Debt financial assets measured at fair value through other comprehensive income	27,323,571	15,484,578	11,838,993	76.5%

PLN '000	State as at		Change	
	31.12.2020	31.12.2019	PLN '000	%
Equity and other instruments measured at fair value through income statement	78,473	62,638	15,835	25.3%
Amounts due from customers	21,914,223	23,731,874	(1,817,651)	(7.7%)
Tangible fixed assets	476,909	499,753	(22,844)	(4.6%)
Intangible assets	1,252,583	1,443,139	(190,556)	(13.2%)
Income tax assets	48,714	3,016	45,698	1515.2%
Deferred income tax asset	174,282	238,065	(63,783)	(26.8%)
Other assets	257,560	166,579	90,981	54.6%
Fixed assets held-for-sale	6,163	-	6,163	-
Total assets	60,941,597	51,978,543	8,963,054	17.2%
LIABILITIES				
Due to banks	5,118,861	2,125,495	2,993,366	140.8%
Financial liabilities held-for-trading	3,656,422	1,877,898	1,778,524	94.7%
Hedging derivatives	98,025	19,226	78,799	409.9%
Due to customers	43,393,906	39,787,802	3,606,104	9.1%
Provisions	84,775	65,199	19,576	30.0%
Current income tax liabilities	3,666	41,725	(38,059)	(91.2%)
Deferred income tax liabilities	59	-	59	-
Other liabilities	1,004,916	986,543	18,373	1.9%
Total liabilities	53,360,630	44,903,888	8,456,742	18.8%
EQUITY				
Share capital	522,638	522,638	-	-
Share premium	3,002,265	3,003,290	(1,025)	-
Revaluation reserve	450,017	114,893	335,124	291.7%
Other reserves	2,793,561	2,867,358	(73,797)	(2.6%)
Retained earnings	812,486	566,476	246,010	43.4%
Total equity	7,580,967	7,074,655	506,312	7.2%
Total liabilities and equity	60,941,597	51,978,543	8,963,054	17.2%

Amounts due from customers - credit risk classification

PLN '000	31.12.2020	31.12.2019	Change	
			PLN '000	%
Loans without recognized impairment (Stage 1), including:	20,619,102	21,225,119	(606,017)	(2.9%)
financial sector entities	3,739,156	3,152,788	586,368	18.6%
non-financial sector entities	16,879,946	18,072,331	(1,192,385)	(6.6%)
institutional clients*	10,412,915	11,659,740	(1,246,825)	(10.7%)
individual customers	6,467,031	6,412,591	54,440	0.8%
Loans without recognized impairment (Stage 2), including:	1,309,795	2,355,543	(1,045,748)	(44.4%)
financial sector entities	-	14	(14)	(100.0%)
non-financial sector entities	1,309,795	2,355,529	(1,045,734)	(44.4%)
institutional clients*	507,135	1,376,283	(869,148)	(63.2%)
individual customers	802,660	979,246	(176,586)	(18.0%)
Loans with recognized impairment (Stage 3), including:	822,992	831,720	(8,728)	(1.0%)
financial sector entities	-	-	-	-
non-financial sector entities	822,992	831,720	(8,728)	(1.0%)
institutional clients*	470,963	516,611	(45,648)	(8.8%)
individual customers	352,029	315,109	36,920	11.7%
Amounts due from matured transactions in derivative instruments (Stage 3)	4,080	10,040	(5,960)	(59.4%)
Total gross loans to customers, including:	22,755,969	24,422,422	(1,666,453)	(6.8%)
financial sector entities	3,739,156	3,152,802	586,354	18.6%
non-financial sector entities	19,012,733	21,259,580	(2,246,847)	(10.6%)
institutional clients*	11,391,013	13,552,634	(2,161,621)	(15.9%)

PLN '000	31.12.2020	31.12.2019	Change	
			PLN '000	%
individual customers	7,621,720	7,706,946	(85,226)	(1.1%)
Expected credit losses, including:	(841,746)	(690,548)	(151,198)	21.9%
Amounts due from matured transactions in derivative instruments	(4,077)	(4,241)	164	(3.9%)
Total net amounts due from customers	21,914,223	23,731,874	(1,817,651)	(7.7%)
Expected credit losses provisions coverage ratio	77.1%	66.7%		
institutional clients*	75.4%	60.4%		
individual customers	79.3%	77.1%		
Non-performing loans ratio (NPL)**	3.6%	3.4%		

* 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.

Customer net receivables

PLN '000	31.12.2020	31.12.2019	Change	
			PLN '000	%
Receivables from financial sector entities	3,735,746	3,150,586	585,160	18.6%
Receivables from non-financial sector entities including:	18,178,477	20,581,288	(2,402,811)	(11.7%)
Institutional customers*	10,963,662	13,201,441	(2,237,779)	(17.0%)
Individual customers, including:	7,214,815	7,379,847	(165,032)	(2.2%)
Unsecured receivables	5,015,003	5,490,546	(475,543)	(8.7%)
Mortgage loans	2,199,812	1,889,301	310,511	16.4%
Total net customer receivables	21,914,223	23,731,874	(1,817,651)	(7.7%)

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

Receivables from individual clients – management view

PLN '000	31.12.2020	31.12.2019	Change	
			PLN '000	%
Unsecured receivables, including:	5,015,003	5,490,546	(475,543)	(8.7%)
Credit cards	2,486,574	2,766,068	(279,494)	(10.1%)
Cash loans	2,481,093	2,675,032	(193,939)	(7.2%)
Other unsecured receivables	47,336	49,446	(2,110)	(4.3%)
Mortgage loans	2,199,812	1,889,301	310,511	16.4%
Total net individual clients' receivables	7,214,815	7,379,847	(165,032)	(2.2%)

Customer liabilities

PLN '000	31.12.2020	31.12.2019	Change	
			PLN '000	%
Current accounts of:	36,242,776	28,512,209	7,730,567	27.1%
financial sector entities	1,640,351	797,540	842,811	105.7%
non-financial sector entities, including:	34,602,425	27,714,669	6,887,756	24.9%
institutional customers*, including:	20,631,117	17,379,160	3,251,957	18.7%
budgetary units	3,335,108	3,388,779	(53,671)	(1.6%)
individual customers	13,971,308	10,335,509	3,635,799	35.2%
Term deposits from:	6,929,242	11,007,282	(4,078,040)	(37.0%)
financial sector entities	2,931,313	3,759,106	(827,793)	(22.0%)
non-financial sector entities, including:	3,997,929	7,248,176	(3,250,247)	(44.8%)
institutional customers*, including:	2,472,391	4,121,754	(1,649,363)	(40.0%)
budgetary units	17,585	66,653	(49,068)	(73.6%)
individual customers	1,525,538	3,126,422	(1,600,884)	(51.2%)
Total customers deposits	43,172,018	39,519,491	3,652,527	9.2%

PLN '000	31.12.2020	31.12.2019	Change	
			PLN '000	%
Other liabilities to customers	221,888	268,311	(46,423)	(17.3%)
Total liabilities towards customers	43,393,906	39,787,802	3,606,104	9.1%

* 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)	2020	2019	Change	
			FTEs	%
Average employment in the period	3,026	3,161	(135)	(4%)
Employment at the end of quarter	2,994	3,071	(77)	(2%)

Consolidated income statement of the Group by business segments

PLN '000	For the period			01.01-31.12.2020			01.01-31.12.2019		
	Institutional Banking	Consumer Banking	Total	Institutional Banking	Consumer Banking	Total	Institutional Banking	Consumer Banking	Total
Net interest income	549,720	451,957	1,001,677	514,992	638,735	1,153,727			
Internal interest income, including:	(53,838)	53,838	-	(71,563)	71,563	-			
Internal income	-	53,838	53,838	-	71,563	71,563			
Internal expenses	(53,838)	-	(53,838)	(71,563)	-	(71,563)			
Net fee and commission income	348,767	211,195	559,962	303,405	261,471	564,876			
Dividend income	1,489	10,305	11,794	2,360	8,720	11,080			
Net income on trade financial instruments and revaluation	279,668	31,737	311,405	351,856	27,669	379,525			
Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income	203,402	-	203,402	97,969	-	97,969			
Net gain/(loss) on equity and other instruments measured at fair value through income statement	7,554	8,282	15,836	16,467	925	17,392			
Net loss on hedge accounting	556	-	556	(3,493)	-	(3,493)			
Net other operating income	5,902	(42,234)	(36,332)	9,915	(14,237)	(4,322)			
General administrative expenses	(525,349)	(589,989)	(1,115,338)	(533,086)	(595,183)	(1,128,269)			
Depreciation and amortization	(21,583)	(85,070)	(106,653)	(19,846)	(66,653)	(86,499)			
Net impairment allowances on non-financial assets	-	(214,707)	(214,707)	-	-	-			
Profit on sale of other assets	(179)	(301)	(480)	(113)	(241)	(354)			
Provisions for expected credit losses on financial assets and provisions for off-balance sheet commitments	(81,968)	(108,299)	(190,267)	(168,266)	(77,452)	(245,718)			
Operating income	767,979	(327,124)	440,855	572,160	183,754	755,914			
Tax on some financial institutions	(97,193)	(26,385)	(123,578)	(73,155)	(24,567)	(97,722)			
Profit before tax	670,786	(353,509)	317,277	499,005	159,187	658,192			
Income tax expense			(144,882)			(178,068)			
Net profit			172,395			480,124			