

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, 2023 and in the Bank's Annual Report for the year ended December 31, 2023, which will be disclosed on 22 March 2024

Subject: Information on the preliminary unaudited consolidated financial statements of the Capital Group of Bank Handlowy w Warszawie S.A. for 2023

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 2023.

In 2023 the Group recorded preliminary net profit amounting to PLN 2,256.3 million, which was higher by PLN 710.7 million (i.e. 46.0%) comparing to the profit for 2022. The increase in net profit was driven by higher revenues, which grew by PLN 861.0 million (i.e. 23.6% YoY) to the level of PLN 4,508.6 million. The driving factor impacting the increase in revenues was higher net interest income driven mainly in the area of treasury activity due to high interest rates maintaining in 2023. In segments view, the revenues in 2023 in Institutional Banking segment increased by PLN 607.6 million (i.e. 23.3% YoY), while the Consumer Banking segment also recorded an increase in revenues by PLN 253.4 million (i.e. by 24.5% YoY).

The preliminary stand-alone net profit of the Bank (distributable) for 2023 amounted to PLN 2,255.2 million and was higher by PLN 685.9 million than the profit for 2022.

The Group's key business achievements in 2023 are as follows:

- **The Bank granted a total of PLN 4.2 billion in financing for clients of Institutional Banking**, of which PLN 2.2 billion for Commercial Banking Clients, PLN 1.1 billion for Global Clients and PLN 0.9 billion for Corporate Clients;
- The Bank **organized a bond issue for international financial institution in the amount of PLN 4.6 billion (+48% YoY)**;
- Also, **the Bank supported initiatives in the area of sustainable growth**, including for example: signing a reverse factoring agreement with a company from the retail sales industry, based on the implementation of goals in the area of responsible business, and as part of a consortium of banks, Citi Handlowy provided financing in the Sustainability-Linked Loan formula for acquisition and investment purposes for a company from the medical industry;
- The Bank developed its platforms and conducted extensive commercialization of the **CitiDirect 3.0 electronic banking system - as a result, an increase in transactions processed electronically by 4% YoY was recorded**;
- The Bank's focus on automating processes and settlements in real time resulted in a **9.5-fold increase in the volumes of Express Elixir instant payments** compared to 2022;
- 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) by 22% YoY**. In total, **deposits of individual customers grew by 8% YoY**, which shows that the Bank has built an attractive offer for its strategic group of clients;
- Increases were also observed in the area of investment products - **the total value of funds managed in investment products** purchased by individual clients through the Bank was **15% higher** than the value at the end of the corresponding period in 2022;
- The Bank's intensive efforts to make its credit card offer more attractive also resulted in an **increase in credit card acquisition by 65% YoY, and the volume of transactions processed via cards increased by 7% YoY and was the highest in last 4 years**;
- The observed return of **customer interests in cash loans resulted in an increase in sales of these products by 25% YoY**;
- The Bank also focused on improving customer experience, incl. digital tools such as CitiKantor. **The number of FX transactions in the Consumer Banking segment increased by 8% YoY**.

At the same time, in 2023, the Group maintained a strong and safe capital position, achieving a total capital ratio of 23.6% as at the end of December 2023, i.e. 2.8 p.p. above the TLAC capital requirement.

Consolidated income statement

PLN '000	2023	2022	Change	
			PLN '000	%
Net interest income	3,278,718	2,740,874	537,844	19.6%
Net fee and commission income	561,499	579,715	(18,216)	(3.1%)
Dividend income	11,410	11,089	321	2.9%
Net income on trade financial instruments and revaluation	796,754	647,198	149,556	23.1%
Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income	(147,758)	(323,054)	175,296	(54.3%)
Net gain/(loss) on equity investments and other instruments measured at fair value through income statement	35,351	10,886	24,465	224.7%
Net gain on hedge accounting	(10,067)	(1,814)	(8,253)	455.0%
Net other operating income	(17,352)	(17,352)	-	-
Total income	4,508,555	3,647,542	861,013	23.6%
General administrative expenses and depreciation	(1,439,548)	(1,337,859)	(101,689)	7.6%
General administrative expenses	(1,328,513)	(1,234,843)	(93,670)	7.6%
Amortization and depreciation	(111,035)	(103,016)	(8,019)	7.8%
Net gain on sale of other assets	(123)	2 869	(2,992)	(104.3%)
Provisions for expected credit losses on financial assets and provisions for off-balance sheet commitments	(18,006)	(104,840)	86,834	(82.8%)
Tax on some financial institutions	(190,255)	(213,024)	22,769	(10.7%)
Profit before tax	2,860,623	1,994,688	865,935	43.4%
Corporate income tax	(604,275)	449,008)	(155,267)	34.6%
Net profit	2,256,348	1,545,680	710,668	46.0%

The main drivers of the operating income of the Group in 2023 were the following:

- **Net interest income** amounted to PLN 3,278.7 million in comparison to PLN 2,740.9 million in 2022, which means an increase by PLN 537.8 million (which is 19.6% YoY).

Interest income amounted to PLN 4,399.6 million in 2023 and was higher by PLN 1,066.8 million (which is 32.0%) in comparison to 2022. The largest nominal increase by PLN 437.3 million (i.e. 249.2%) as compared to the 2022 was recorded by interest income on amounts due from banks resulting the increased volume of reverse repo transactions. Another significant factor of interest income increased was higher interest income on amounts due from customers, which amounted to PLN 1,784.6 million at the end of 2023 and were higher by PLN 301.7 million (i.e. 20.3%) comparing 2022 thanks to maintaining high interest rate environment. As a result, the average interest rate on loans increased from 6.86% in 2022 to 8.89% in 2023.

Interest expenses in 2023 also increased significantly - at the end of 2023 amounted to PLN 1,120.9 million and were higher by PLN 529.0 million compared to 2022. The largest nominal increase of PLN 505.4 million concerned amounts due to non-financial sector due to higher interest rates on deposits and an increase in the volume of term deposits from both institutional and individual clients in the entire deposit structure.

Net interest income

PLN '000	2023	2022	Change	
			PLN '000	%
Interest income from:	4,297,083	3,187,563	1,109,520	34.8%
financial assets measured at amortized cost	2,549,354	1,803,001	746,353	41.4%
Balances with Central Bank	151,938	144,562	7,376	5.1%
Amounts due from banks	612,795	175,490	437,305	249.2%
Amounts from customers, including:	1,784,621	1,482,949	301,672	20.3%
financial sector entities	284,639	167,311	117,328	70.1%
non-financial sector entities	1,499,982	1,315,638	184,344	14.0%
credit cards	348,259	373,279	(25,020)	(6.7%)
Financial assets measured at fair value through comprehensive income	1,747,729	1,384,562	363,167	26.2%
Debt investment financial assets measured at fair value through comprehensive income	1,747,729	1,384,562	363,167	26.2%
Similar income from:	102,517	145,241	(42,724)	(29.4%)
Debt securities held-for-trading	57,219	118,664	(61,445)	(51.8%)
Liabilities with negative interest rate	249	24,126	(23,877)	(99.0%)
Derivatives in hedge accounting	45,049	2,451	42,598	1738.0%

PLN '000	2023	2022	Change	
			PLN '000	%
Total:	4,399,600	3,332,804	1,066,796	32.0%
Interest expense and similar charges for:				
financial liabilities measured at amortized cost	(1,095,808)	(588,862)	(506,946)	86.1%
Amounts due to Central Bank	(5)	(4)	(1)	25.0%
Amounts due to banks	(134,655)	(155,428)	20,773	(13.4%)
Amounts due to financial sector entities	(159,289)	(137,054)	(22,235)	16.2%
Amounts due to non-financial sector entities	(797,834)	(292,450)	(505,384)	172.8%
Leasing	(4,025)	(3,926)	(99)	2.5%
Assets with negative interest rate	-	(2,952)	2,952	(100.0%)
Derivatives in hedge accounting	(25,074)	(116)	(24,958)	-
Total:	(1,120,882)	(591,930)	(528,952)	89.4%
Net interest income	3,278,718	2,740,874	537,844	19.6%

- **Net fee and commission income** in the amount of PLN 561.5 million compared to PLN 579.7 million in 2022 - a decrease by PLN 18.2 million (i.e. 3.1% YoY). The decrease in net fee and commission income related to the Consumer Banking segment (decrease by PLN 17.1 million, i.e. at 9.6% YoY), mainly due to lower sale of unsecured products.

In the area of Institutional Banking segment, net fee and commission income remained almost unchanged (a slight decrease by PLN 1.1 million, i.e. 0.3% YoY). In 2023, the Bank observed increased activity of institutional clients in the area of transaction banking, which resulted in an increase of PLN 6.6 million (i.e. 6.3% YoY) in revenues from payment orders as a result of, inter alia, 9.5-fold increase in the volume of instant payments YoY, partially offset by lower revenues from bank accounts maintenance and revenues from custody services (high volatility on capital markets in 2022).

Net fee and commission income

PLN '000	2023	2022	Change	
			PLN '000	%
Fee and commission income				
Loans (other than income covered by the calculation of the effective interest rate process)	51,935	55,513	(3,578)	(6.4%)
Account maintenance	115,310	125,129	(9,819)	(7.8%)
Insurance and investment products	43,458	44,946	(1,488)	(3.3%)
Payment and credit cards	126,808	131,816	(5,008)	(3.8%)
Payment orders	110,820	104,248	6,572	6.3%
Custody services	116,596	121,685	(5,089)	(4.2%)
Brokerage operations	43,240	48,029	(4,789)	(10.0%)
Cash management services	20,953	20,233	720	3.6%
Financial liabilities granted	29,413	27,371	2,042	7.5%
Other	9,770	9,214	556	6.0%
Total	668,303	688,184	(19,881)	(2.9%)
Fee and commission expense				
Payment and credit cards	(35,631)	(35,754)	123	(0.3%)
Brokerage operations	(14,330)	(15,861)	1,531	(9.7%)
Fees paid to the National Depository for Securities (KDPW)	(32,169)	(28,563)	(3,606)	12.6%
Brokerage fees	(4,694)	(4,313)	(381)	8.8%
Other	(19,980)	(23,978)	3,998	(16.7%)
Total	(106,804)	(108,469)	1,665	(1.5%)
Net fee and commission income	561,499	579,715	(18,216)	(3.1%)

- **Other operating income (i.e. non-interest and non-commission income)** amounting to PLN 668.3 million in comparison to PLN 327.0 million in 2022 (increase by PLN 341.4 million or 104.4% YoY) – due to an increase in the result on treasury activities resulting from interbank activities.

- **General administrative and depreciation expenses** of PLN 1,439.5 million in 2023, which means an increase in expenses by PLN 101.7 million (i.e. 7.6% YoY) as a result of higher staff expenses (remuneration costs increased by PLN 71.5 million, i.e. 16.3% YoY due to the prevailing inflation pressure, employment growth and increase in provisions for deferred capital awards) and due to higher building maintenance and rent costs (an increase by PLN 24.4 million or 41.0% YoY), which was partially offset by a decrease in regulatory expenses by PLN 37.2 million (i.e. 31.3% YoY) and a decrease in the telecommunication fees and hardware purchase costs (a decrease by PLN 11.3 million, i.e. 4.8% YoY).

General administrative expenses and depreciation expense

PLN '000	2023	2022	Change	
			PLN '000	%
Staff expenses	(697,495)	(595,537)	(101,958)	17.1%
Remuneration costs	(511,361)	(439,845)	(71,516)	16.3%
Bonuses and rewards	(102,218)	(83,559)	(18,659)	22.3%
Social security costs	(83,916)	(72,133)	(11,783)	16.3%
Administrative expenses	(631,018)	(639,306)	8,288	(1.3%)
Telecommunication fees and hardware purchase costs	(224,344)	(235,635)	11,291	(4.8%)
Costs of external services, including advisory, audit and consulting	(55,512)	(49,200)	(6,312)	12.8%
Building maintenance and rent costs	(83,827)	(59,472)	(24,355)	41.0%
Advertising and Marketing costs	(42,084)	(37,707)	(4,377)	11.6%
Cash management services, clearing house (KIR) services and other transactional costs	(36,544)	(36,786)	242	(0.7%)
Costs of external services concerning distribution of banking products	(49,585)	(46,306)	(3,279)	7.1%
Postal services, office supplies and printmaking costs	(6,557)	(6,325)	(232)	3.7%
Training and education costs	(2,253)	(2,182)	(71)	3.3%
Banking and capital supervision costs	(7,663)	(7,702)	39	(0.5%)
Bank Guarantee Funds costs	(73,791)	(110,937)	37,146	(33.5%)
Other costs	(48,858)	(47,054)	(1,804)	3.8%
Depreciation/amortization of tangible and intangible assets	(111,035)	(103,016)	(8,019)	7.8%
General administrative expenses and depreciation expense in total	(1,439,548)	(1,337,859)	(101,689)	7.6%

- **Provision for expected credit losses** on financial assets and provisions for off-balance sheet commitments amounted to PLN 18.0 million (negative impact on P&L) versus PLN 104.8 million in 2022. The largest nominal change in the amount of net write-offs concerned the Institutional Banking segment (improvement by PLN 94.2 million YoY), mainly due to an improvement of macroeconomic outlook and the falling loan volume. The decrease in net write-offs in Institutional Banking was partially offset by their increase in the Consumer Banking segment (deterioration of the provision for expected credit losses by PLN 7.4 million YoY) due to the stabilization of the loan portfolio. Costs of risk in 2023 were 9 basis points below the average in the banking sector.

Provision for expected credit losses on financial assets and provisions for contingent liabilities

PLN '000	2023	2022	Change	
			PLN '000	%
Provision for expected credit losses on receivables, incl.:	(29,565)	(89,533)	59,968	(67.0%)
Provision for expected credit losses - stage 1	31,996	(6,786)	38,782	(571.5%)
Provision for expected credit losses - stage 2	(21,999)	(19,312)	(2,687)	13.9%
Provision for expected credit losses - stage 3	(42,607)	(64,378)	21,771	(33.8%)
Provision for expected credit losses - assets granted with impairment	3,045	943	2,102	222.9%
Provision for expected credit losses for contingent liabilities	9,371	(10,879)	20,250	(186.1%)
Provision for expected credit losses on debt investment financial assets measured at fair value through other comprehensive income	2,188	(4,428)	6,616	(149.4%)
Provision for expected credit losses on financial assets	(18,006)	(104,840)	86,834	(82.8%)

Consolidated statement of comprehensive income

<i>PLN '000</i>	2023	2022
Net profit	2,256,348	1,545,680
Other comprehensive income, that is or might be subsequently reclassified to profit or loss:	701,607	(261,421)
Remeasurement of financial assets measured at fair value through other comprehensive income (net)	582,250	(523,184)
Profit or loss reclassification to income statement after derecognition of financial assets measured at fair value through other comprehensive income (net)	119,684	261,674
Currency translation differences	(327)	89
Other comprehensive income, that cannot be subsequently reclassified to profit or loss	(12,677)	7,299
Net actuarial profits on specific services program valuation	(12,677)	7,299
Other comprehensive income net of tax	688,930	(254,122)
Total comprehensive income	2,945,278	1,291,558

Consolidated statement of financial position

As of December 31, 2023, total assets of the Group amounted to PLN 73.4 billion, up by PLN 3.6 billion (i.e. 5.1% compared to the end of 2022).

In terms of assets, the biggest nominal changes in the balance sheet took place on two lines: amounts due from banks and investment debt financial assets. The balance of amounts due from banks increased by PLN 14.5 billion (i.e. almost fifteen times) compared to the end of 2022, mainly due to the increase in the volume of receivables from Reverse Repo transactions. The balance of investment debt financial assets decreased by PLN 7.6 billion (i.e. 20.5%) compared to the end of 2022, as a result of the lower volume of NBP money bills. At the same time, debt financial assets had the largest share in the Group's asset structure at the end of 2023. Their share in total assets was 40.2%.

In turn, the second largest share in the structure of the Group's assets at the end of 2023 was amounts due from customers, their share in total assets was 27.3%. The value of amounts due from customers at the end of 2023 amounted to PLN 20.1 billion and was lower by PLN 1.6 billion (i.e. 7.2%) compared to the end of 2022 as a result of decline in loan volumes, mainly in the Institutional Banking segment. In 2023, the Bank observed lower demand for loans due to the good liquidity situation of customers and the actions of customers to diversify sources of financing other than traditional loans.

The value of amounts due from clients in the Institutional Banking segment, representing the sum of amounts due from both financial sector and non-financial sector entities (i.e. excluding individual clients), amounted to PLN 14.1 billion, down by PLN 1.4 billion (i.e. 8.9%) compared to the end of 2022 and concerned primarily Commercial Banking Clients and Corporate Clients.

The volume of amounts due from clients made to individual customers decreased by PLN 186.9 million (i.e. 3.1%) compared to the end of 2022 and amounted to PLN 5.9 billion. The above decrease relates both to unsecured receivables (decrease by PLN 224.7 million), mainly due to the lower cash loan balance, as well as a decrease in mortgage volumes (a decrease by PLN 37.8 million), which was driven, inter alia, by the lower sales of these loans and partial overpayments of mortgage loans. This trend reversed in the fourth quarter of 2023 compared to the third quarter of 2023, when mortgage loan volumes increased by 3.1% YoY.

As of the end of 2023 total liabilities amounted to PLN 63.7 billion, up by PLN 1.8 billion (or 2.9%) compared to the end of 2022.

As of the end of 2023 amounts due to customers were the dominant source of financing of the Group's activity (they accounted for 75.0% of the Group's liabilities and equity) and amounted to PLN 55.0 billion at the end of December 2023, which means an increase by PLN 4.5 billion (i.e. 8.9%) as compared to the end of 2022. At the same time, funds on current accounts were a dominant position in amounts due to customers with a share of 65.8% (a decrease by 5 percentage points in relation to the end of 2022), as a result of the continuation of the time deposit balance growth trend (up by PLN 3.9 billion or 29.5%) among both institutional and individual clients due to attractive interest rates on these deposits. The above increase in the deposit balance was partially offset by a decrease in funds on current accounts by PLN 523.2 million, i.e. 1.5% compared to the end of 2022.

The deposit volumes in the Institutional Banking segment as of the end of 2023 amounted to PLN 34.0 billion, up by PLN 3.0 billion (i.e. 9.8%) compared to the end of 2022. The above growth concerned mainly time deposits.

The deposit volumes in the Consumer Banking segment amounted to PLN 19.2 billion and increased by PLN 1.4 billion (i.e. 7.7%) compared to the end of December 2022 as a result of a higher balance of time deposits due to the attractive interest rates on these deposits for customers from the strategic customer group.

Consolidated statement of financial position

PLN '000	State as at		Change	
	31.12.2023	31.12.2022	PLN '000	%
ASSETS				
Cash and balances with the Central Bank	1,083,473	595,969	487,504	81.8%
Amounts due from banks	15,529,803	1,043,968	14,485,835	1387.6%
Financial assets held-for-trading	4,880,332	7,029,163	(2,148,831)	(30.6%)
<i>Assets pledged as collateral</i>	-	60,988	(60,988)	(100.0%)
Hedging derivatives	6,731	623	6,108	980.4%
Debt financial assets measured at fair value through other comprehensive income	29,560,292	37,180,808	(7,620,516)	(20.5%)
<i>Assets pledged as collateral</i>	697,771	697,698	73	-
Equity and other instruments measured at fair value through income statement	141,495	106,144	35,351	33.3%
Amounts due from customers	20,054,454	21,620,507	(1,566,053)	(7.2%)
Tangible fixed assets	508,403	455,418	52,985	11.6%
Intangible assets	1,285,314	1,263,863	21,451	1.7%
Income tax assets	9	-	9	-
Deferred income tax asset	115,413	287,368	(171,955)	(59.8%)
Other assets	217,535	217,571	(36)	-
Fixed assets held-for-sale	9,266	-	9,266	-
Total assets	73,392,520	69,801,402	3,591,118	5.1%
LIABILITIES				
Due to banks	3,375,687	4,794,671	(1,418,984)	(29.6%)
Financial liabilities held-for-trading	3,522,203	4,896,099	(1,373,896)	(28.1%)
Hedging derivatives	92,869	6,917	85,952	1242.6%
Due to customers	55,008,001	50,512,860	4,495,141	8.9%
Provisions	111,689	112,507	(818)	(0.7%)
Current income tax liabilities	457,871	245,937	211,934	86.2%
Provision on deferred income tax	94	165	(71)	(43.0%)
Other liabilities	1,094,615	1,272,001	(177,386)	(13.9%)
Total liabilities	63,663,029	61,841,157	1,821,872	2.9%
EQUITY				
Share capital	522,638	522,638	-	-
Share premium	3,001,260	3,001,259	1	-
Revaluation reserve	128,406	(573,28)	701,934	(122.4%)
Other reserves	3,190,659	2,833,345	357,314	12.6%
Retained earnings	2,886,528	2,176,531	709,997	32.6%
Total equity	9,729,491	7,960,245	1,769,246	22.2%
Total liabilities and equity	73,392,520	69,801,402	3,591,118	5.1%

Amounts due from customers - credit risk classification

PLN '000	31.12.2023	31.12.2022	Change	
			PLN '000	%
Loans without recognized impairment (Stage 1), including:	17,683,703	19,027,051	(1,343,348)	(7.1%)
financial sector entities	4,178,181	3,813,160	365,021	9.6%
non-financial sector entities, including:	13,505,522	15,213,891	(1,708,369)	(11.2%)
institutional clients*	8,795,125	10,162,452	(1,367,327)	(13.5%)
individual customers	4,710,397	5,051,439	(341,042)	(6.8%)
Loans without recognized impairment (Stage 2), including:	2,286,856	2,558,056	(271,200)	(10.6%)
financial sector entities	25	869	(844)	(97.1%)
non-financial sector entities	2,286,831	2,557,187	(270,356)	(10.6%)
institutional clients*	1,075,188	1,484,776	(409,588)	(27.6%)
individual customers	1,211,643	1,072,411	139,232	13.0%
Loans with recognized impairment (Stage 3), including:	793,882	874,631	(80,749)	(9.2%)
financial sector entities	-	-	-	-
non-financial sector entities	793,882	874,631	(80,749)	(9.2%)
institutional clients*	379,303	455,104	(75,801)	(16.7%)
individual customers	414,579	419,527	(4,948)	(1.2%)
Purchased or originated credit-impaired loans, including:	27,205	16,948	10,257	60.5%
financial sector entities	27,205	16,948	10,257	60.5%
institutional clients*	8,936	7,007	1,929	27.5%
individual customers	18,269	9,941	8,328	83.8%
Total gross loans to customers, including:	20,791,646	22,476,686	(1,685,040)	(7.5%)
financial sector entities	4,178,206	3,814,029	364,177	9.5%
non-financial sector entities	16,613,440	18,662,657	(2,049,217)	(11.0%)
institutional clients*	10,258,552	12,109,339	(1,850,787)	(15.3%)
individual customers	6,354,888	6,553,318	(198,430)	(3.0%)
Expected credit losses	(737,192)	(856,179)	118,987	(13.9%)
Total net amounts due from customers	20,054,454	21,620,507	(1,566,053)	(7.2%)
Expected credit losses provisions coverage ratio	71.3%	74.8%		
institutional clients*	68.9%	72.1%		
individual customers	75.1%	77.6%		
Non-performing loans ratio (NPL)**	4.0%	4.0%		

* 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 and POCI) to total gross loans. Total gross loans consist of financial sector entities and non-financial sector entities (denominator)

Customer net receivables

PLN '000	31.12.2023	31.12.2022	Change	
			PLN '000	%
Receivables from financial sector entities	4,175,333	3,810,512	364,821	9.6%
Loans	3,993,717	3,810,512	183,205	4.8%
Reverse Repo	181,616	-	181,616	-
Receivables from non-financial sector entities including:	15,879,121	17,809,995	(1,930,874)	(10.8%)
Institutional customers*	9,951,131	11,695,148	(1,744,017)	(14.9%)
Individual customers, including:	5,927,990	6,114,847	(186,857)	(3.1%)
Unsecured receivables including:	3,715,799	3,940,483	(224,684)	(5.7%)
Credit cards	2,191,783	2,385,671	(193,888)	(8.1%)
Cash loans	1,483,981	1,504,606	(20,625)	(1.4%)
Mortgage loans	2,212,191	2,174,364	37,827	1.7%
Total net customer receivables	20,054,454	21,620,507	(1,566,053)	(7.2%)

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

Customer liabilities

PLN '000	31.12.2023	31.12.2022	Change	
			PLN '000	%
Current accounts of:	36,187,031	35,663 793	523,238	1.5%
financial sector entities	939,624	1,166 947	(227,323)	(19.5%)
non-financial sector entities, including:	35,247,407	34,496 846	750,561	2.2%
institutional customers*	23,804,849	22,368 700	1,436,149	6.4%
individual customers	11,442,558	12,128 146	(685,588)	(5.7%)
Term deposits from:	17,005,728	13,131 695	3,874,033	29.5%
financial sector entities	2,848,319	2,468 204	380,115	15.4%
non-financial sector entities, including:	14,157,409	10,663 491	3,493,918	32.8%
institutional customers*	6,429,998	4,992 903	1,437,095	28.8%
individual customers	7,727,411	5,670 588	2,056,823	36.3%
Total customers deposits	53,192,759	48,795 488	4,397,271	9.0%
Other liabilities to customers	1,815,242	1,717,372	97,870	5.7%
Total liabilities towards customers	55,008,001	50,512,860	4,495,141	8.9%

* 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)	2023	2022	Change	
			FTEs	%
Average employment in the period	2,967	2,907	60	2.1%
Employment at the end of quarter	2,978	2,910	68	2.3%

Consolidated income statement of the Group by business segments

PLN '000	For the period			01.01-31.12.2023			01.01-31.12.2022		
	Institutional Banking	Consumer Banking	Total	Institutional Banking	Consumer Banking	Total	Institutional Banking	Consumer Banking	Total
Net interest income	2,193,183	1,085,535	3,278,718	1,917,894	822,980	2,740,874			
Internal interest income, including:	(583,676)	583,676	-	(188,764)	188,764	-			
Internal income	-	583,676	583,676	-	188,764	188,764			
Internal expenses	(583,676)	-	(583,676)	(188,764)	-	(188,764)			
Net fee and commission income	400,403	161,096	561,499	401,530	178,185	579,715			
Dividend income	3,111	8,299	11,410	3,323	7,766	11,089			
Net income on trade financial instruments and revaluation	760,613	36,141	796,754	601,891	45,307	647,198			
Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income	(147,758)	-	(147,758)	(323,054)	-	(323,054)			
Net gain/(loss) on equity and other instruments measured at fair value through income statement	8,442	26,909	35,351	8,035	2,851	10,886			
Net loss on hedge accounting	(10,067)	-	(10,067)	(1,814)	-	(1,814)			
Net other operating income	11,436	(28,788)	(17,352)	3,958	(21,310)	(17,352)			
General administrative expenses	(647,096)	(681,417)	(1,328,513)	(628,752)	(606,091)	(1,234,843)			
Depreciation and amortization	(24,989)	(86,046)	(111,035)	(24,058)	(78,958)	(103,016)			
Profit on sale of other assets	(37)	(86)	(123)	3,097	(228)	2,869			
Provisions for expected credit losses on financial assets and provisions for off-balance sheet commitments	36,580	(54,586)	(18,006)	(57,649)	(47,191)	(104,840)			

For the period	01.01-31.12.2023			01.01-31.12.2022		
	Institutional Banking	Consumer Banking	Total	Institutional Banking	Consumer Banking	Total
<i>PLN '000</i>						
Operating income	2,583,821	467,057	3,050,878	1,904,401	303,311	2,207,712
Tax on some financial institutions	(133,157)	(57,098)	(190,255)	(182,949)	(30,075)	(213,024)
Profit before tax	2,450,664	409,959	2,860,623	1,721,452	273,236	1,994,688
Income tax expense			(604,275)			(449,008)
Net profit			2,256,348			1,545,680