ING Bank Śląski S.A. Group

Quarterly consolidated report for the 3rd quarter of 2023

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SELECTED FINANCIAL DATA FROM CONSOLIDATED FINANCIAL STATEMENTS

Performance highlights

	3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022
Net interest income	2,089.9	6,004.3	173.3	3,804.4
Net commission income	552.1	1,607.8	530.6	1,583.4
Net income on basic activities	2,661.6	7,744.9	717.0	5,383.0
Gross profit	1,492.2	4,125.3	-470.0	1,429.3
Net profit attributable to shareholders of ING Bank Śląski S.A.	1,162.0	3,170.1	-317.3	1,048.5
Earnings per ordinary share (PLN)	8.93	24.36	-2.44	8.06

as at	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Loans and other receivables to customers at amortized cost (net)	158,085.7	156,213.4	154,974.6	154,350.2
Liabilities to customers	202,417.4	199,740.2	192,731.3	186,580.5
Total assets	232,840.2	227,735.8	217,266.1	213,012.2
Share capital	130.1	130.1	130.1	130.1
Equity attributable to shareholders of ING Bank Śląski S.A.	15,182.4	12,962.6	9,344.3	7,422.9
Book value per share (PLN)	116.70	99.64	71.82	57.06

Key performance indicators

as at	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
C/I - cost/income ratio	41.2%	42.7%	55.5%	63.5%
ROA - return on assets	1.7%	1.1%	0.8%	0.8%
ROE - return on equity	34.2%	24.2%	17.4%	15.0%
NIM - net interest margin	3.59%	2.77%	2.75%	2.60%
L/D - loan-to-deposit ratio	78.1%	78.2%	80.4%	82.7%
Total capital ratio	16.56%	16.95%	16.22%*	14.43%

*) On 26 April 2023, the Bank's General Meeting approved the distribution of profit for 2022. Including the net profit earned in 2022 as at 31 December 2022 in own funds resulted in an increase in the Group's total capital ratio (TCR) to 16.22%. According to the value presented in the annual consolidated financial statements for 2022, the Group's total capital ratio as at 31 December 2022 was 15.23%.

Explanations:

C/I - cost/income ratio – general and administrative expenses to net income on basic activities.

ROA - return on assets - net profit attributable to shareholders of ING Bank Śląski S.A. for 4 subsequent quarters to average assets for 5 subsequent quarters.

ROE - return on equity – net profit attributable to shareholders of ING Bank Śląski S.A. for 4 subsequent quarters to average equity for 5 subsequent quarters.

NIM - total net interest income for 4 consecutive quarters to average interest assets for 5 consecutive quarters.

L/D - loans-to-deposits ratio – loans and receivables to customers (net) to liabilities due to customers.

Total capital ratio - relationship between own funds and total risk exposure amount.

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF ING BANK ŚLĄSKI S.A. GROUP

Interim condensed consolidated income statement

	Note	3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022
Net interest income		3,176.9	9,293.0	1,018.2	5,249.4
calculated using the effective interest rate method		2,932.5	8,458.6	705.5	4,640.8
other interest income		244.4	834.4	312.7	608.6
Interest expense		-1,087.0	-3,288.7	-844.9	-1,445.0
Interest income	8.1	**2,089.9**	**6,004.3**	**173.3**	**3,804.4**
Commission income		695.3	2,023.2	670.2	1,976.5
Commission expense		-143.2	-415.4	-139.6	-393.1
Net commission income	8.2	**552.1**	**1,607.8**	**530.6**	**1,583.4**
Net income on financial instruments measured at fair value through profit or loss and FX result	8.3	108.8	219.8	25.4	30.2
Net income on the sale of securities measured at amortised cost	8.4	0.0	0.0	-9.1	-24.8
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	8.4	3.6	13.4	-0.2	26.6
Net (loss)/income on hedge accounting	8.5	-93.6	-101.8	-1.7	-34.4
Net (loss)/income on other basic activities		0.8	1.4	-1.3	-2.4
Net income on basic activities		**2,661.6**	**7,744.9**	**717.0**	**5,383.0**
General and administrative expenses	8.6	-860.4	-2,713.3	-821.6	-2,953.1
Impairment for expected credit losses	8.7	-151.2	-436.2	-206.0	-539.5
including profit on sale of receivables		0.0	0.0	73.5	82.7
Cost of legal risk of FX mortgage loans		0.0	0.0	0.0	-1.3
Tax on certain financial institutions		-164.1	-488.3	-164.8	-477.8
Share of the net profits of associates measured by equity method		6.3	18.2	5.4	18.0
Gross profit		**1,492.2**	**4,125.3**	**-470.0**	**1,429.3**
Income tax		-330.2	-955.2	152.7	-380.8
Net profit		**1,162.0**	**3,170.1**	**-317.3**	**1,048.5**
including attributable to shareholders of ING Bank Śląski S.A.		1,162.0	3,170.1	-317.3	1,048.5

	3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022
Net profit attributable to shareholders of ING Bank Śląski S.A.	1,162.0	3,170.1	-317.3	1,048.5
Weighted average number of ordinary shares	130,117,033	130,119,525	130,100,000	130,100,000
Earnings per ordinary share (in PLN)	**8.93**	**24.36**	**-2.44**	**8.06**

The value of diluted earnings per share is equal to the value of earnings per ordinary share.

Interim condensed consolidated income statement shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof.

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Interim condensed consolidated statement of comprehensive income

	3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022
Net profit for the reporting period	**1,162.0**	**3,170.1**	**-317.3**	**1,048.5**
Total other comprehensive income, including:	**1,055.1**	**2,663.3**	**20.0**	**-6,470.9**
Items that may be reclassified to profit or loss, including:	**1,055.1**	**2,658.6**	**19.9**	**-6,439.1**
debt instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	-48.7	93.8	-37.1	-463.2
debt instruments measured at fair value through other comprehensive income – reclassification to financial result due to sale	-2.9	-4.9	0.3	-16.0
cash flow hedge - gains on revaluation carried through equity	546.6	861.0	-478.1	-6,619.7
cash flow hedge - reclassification to profit or loss	560.1	1,708.7	534.8	659.8
Items that will not be reclassified to profit or loss, including:	**0.0**	**4.7**	**0.1**	**-31.8**
equity financial instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	-	4.7	-	-32.4
fixed assets revaluation	-	-	0.1	0.6
Net comprehensive income for the reporting period	**2,217.1**	**5,833.4**	**-297.3**	**-5,422.4**
including attributable to shareholders of ING Bank Śląski S.A.	2,217.1	5,833.4	-297.3	-5,422.4

Interim condensed consolidated statement of comprehensive income shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof.

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Interim condensed consolidated statement of financial position

as at	Note	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Assets					
Cash in hand and balances with the Central Bank	8.8	3,389.9	2,267.8	2,337.6	2,069.5
Loans and other receivables to other banks	8.9	11,683.7	11,288.2	5,161.1	2,257.6
Financial assets measured at fair value through profit or loss	8.10	1,885.1	2,339.7	1,952.3	3,396.3
Derivative hedge instruments		361.0	195.7	139.2	504.0
Investment securities	8.11	54,003.3	41,150.6	48,432.8	42,363.9
Transferred assets	8.10, 8.11 8.13	464.6	11,307.9	163.8	3,206.4
Loans and other receivables to customers measured at amortised cost	8.12	158,085.7	156,213.4	154,974.6	154,350.2
Investments in associates accounted for using the equity method		169.6	163.3	178.9	173.3
Property, plant and equipment		932.2	926.0	950.0	950.1
Intangible assets		477.8	467.1	417.2	406.8
Current income tax assets	8.14	6.7	6.7	572.2	760.7
Deferred tax assets	8.14	1,178.7	1,194.8	1,828.6	2,408.6
Other assets		201.9	214.6	157.8	164.8
Total assets		**232,840.2**	**227,735.8**	**217,266.1**	**213,012.2**

as at	Note	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Liabilities					
Liabilities to other banks	8.15	7,253.4	7,381.4	5,639.6	9,151.0
Financial liabilities measured at fair value through profit or loss	8.16	1,466.9	1,589.3	2,203.8	3,478.5
Derivative hedge instruments		390.0	328.4	369.5	842.0
Liabilities to customers	8.17	202,417.4	199,740.2	192,731.3	186,580.5
Liabilities from debt securities issued	11	412.7	404.8	404.8	407.9
Subordinated liabilities		1,626.7	1,561.2	1,643.9	1,705.7
Provisions	8.18	370.6	367.1	359.0	346.5
Current income tax liabilities	8.14	211.4	124.4	19.9	13.3
Deferred tax loss	8.14	0.1	0.2	0.4	0.4
Other liabilities	8.19	3,508.6	3,276.2	4,549.6	3,063.5
Total liabilities		**217,657.8**	**214,773.2**	**207,921.8**	**205,589.3**
Equity					
Share capital	1.4	130.1	130.1	130.1	130.1
Share premium		956.3	956.3	956.3	956.3
Accumulated other comprehensive income		-5,376.0	-6,431.1	-8,039.3	-9,291.9
Retained earnings		19,472.0	18,311.5	16,297.2	15,628.4
Own shares for the purposes of the incentive program		0.0	-4.2	0.0	0.0
Total equity		**15,182.4**	**12,962.6**	**9,344.3**	**7,422.9**
including attributable to shareholders of ING Bank Śląski S.A.		15,182.4	12,962.6	9,344.3	7,422.9
Total liabilities and equity		**232,840.2**	**227,735.8**	**217,266.1**	**213,012.2**

Interim condensed consolidated statement of financial position shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof.

6 | ING Bank Śląski S.A. Group | Quarterly consolidated report for the 3rd quarter of 2023 | Data in PLN million

Interim condensed consolidated statement of changes in equity

3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Own shares for the purposes of the incentive program	Total equity
Opening balance of equity	**130.1**	**956.3**	**-6,431.1**	**18,311.5**	**-4.2**	**12,962.6**
Net profit for the current period	-	-	-	1,162.0	-	**1,162.0**
Other net comprehensive income, including:	**0.0**	**0.0**	**1,055.1**	**0.0**	**0.0**	**1,055.1**
financial assets measured at fair value through other comprehensive income – revaluation gains / losses recognized in equity	-	-	-48.7	-	-	-48.7
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-2.9	-	-	-2.9
cash flow hedge - revaluation gains / losses recognized in equity	-	-	546.6	-	-	546.6
cash flow hedge – reclassification to profit or loss	-	-	560.1	-	-	560.1
Other changes in equity, including:	**0.0**	**0.0**	**0.0**	**-1.5**	**4.2**	**2.7**
valuation of employee incentive programs	-	-	-	2.6	-	2.6
settlement of the acquisition of own shares and their transfer to employees	-	-	-	-4.1	4.2	0.1
Closing balance of equity	**130.1**	**956.3**	**-5,376.0**	**19,472.0**	**0.0**	**15,182.4**

3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Own shares for the purposes of the incentive program	Total equity
Opening balance of equity	**130.1**	**956.3**	**-8,039.3**	**16,297.2**	**0.0**	**9,344.3**
Net profit for the current period	-	-	-	3,170.1	-	**3,170.1**
Other net comprehensive income, including:	**0.0**	**0.0**	**2,663.3**	**0.0**	**0.0**	**2,663.3**
financial assets measured at fair value through other comprehensive income – revaluation gains / losses recognized in equity	-	-	98.5	-	-	98.5
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-4.9	-	-	-4.9
cash flow hedge - revaluation gains / losses recognized in equity	-	-	861.0	-	-	861.0
cash flow hedge – reclassification to profit or loss	-	-	1,708.7	-	-	1,708.7
Other changes in equity, including:	**0.0**	**0.0**	**0.0**	**4.7**	**0.0**	**4.7**
valuation of employee incentive programs	-	-	-	8.8	-	8.8
acquisition of own shares for the purposes of the employee incentive program	-	-	-	-	-4.2	-4.2
settlement of the acquisition of own shares and their transfer to employees	-	-	-	-4.1	4.2	0.1
Closing balance of equity	**130.1**	**956.3**	**-5,376.0**	**19,472.0**	**0.0**	**15,182.4**

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2022 the period from 01 Jan 2022 to 31 Dec 2022

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	**Total equity**
Opening balance of equity	**130.1**	**956.3**	**-2,821.0**	**15,266.0**	**13,531.4**
Net profit for the current period	-	-	-	1,714.4	**1,714.4**
Other net comprehensive income, including:	**0.0**	**0.0**	**-5,218.3**	**0.0**	**-5,218.3**
financial assets measured at fair value through other comprehensive income - revaluation gains / losses recognized in equity	-	-	-449.0	-	-449.0
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-15.9	-	-15.9
cash flow hedge - revaluation gains / losses recognized in equity	-	-	-6,064.6	-	-6,064.6
cash flow hedge – reclassification to profit or loss	-	-	1,307.2	-	1,307.2
fixed assets revaluation	-	-	0.1	-	0.1
actuarial gains/losses	-	-	3.9	-	3.9
Other changes in equity, including:	**0.0**	**0.0**	**0.0**	**-683.2**	**-683.2**
valuation of employee incentive programs	-	-	-	6.3	6.3
dividend payment	-	-	-	-689.5	-689.5
Closing balance of equity	**130.1**	**956.3**	**-8,039.3**	**16,297.2**	**9,344.3**

3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	**Total equity**
Opening balance of equity	**130.1**	**956.3**	**-2,821.0**	**15,266.0**	**13,531.4**
Net profit for the current period	-	-	-	1,048.5	**1,048.5**
Other net comprehensive income, including:	**0.0**	**0.0**	**-6,470.9**	**0.0**	**-6,470.9**
financial assets measured at fair value through other comprehensive income - revaluation gains / losses recognized in equity	-	-	-495.6	-	-495.6
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-16.0	-	-16.0
cash flow hedge - revaluation gains / losses recognized in equity	-	-	-6,619.7	-	-6,619.7
cash flow hedge – reclassification to profit or loss	-	-	659.8	-	659.8
fixed assets revaluation	-	-	0.6	-	0.6
Other changes in equity, including:	**0.0**	**0.0**	**0.0**	**-686.1**	**-686.1**
valuation of employee incentive programs	-	-	-	3.4	3.4
dividend payment	-	-	-	-689.5	-689.5
Closing balance of equity	**130.1**	**956.3**	**-9,291.9**	**15,628.4**	**7,422.9**

Interim condensed consolidated statement of changes in equity shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof.

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Interim condensed consolidated cash flow statement

	3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022 *(transformed data)*
Net profit	**1,162.0**	**3,170.1**	**-317.3**	**1,048.5**
Adjustments, including:	**2,319.8**	**-4,182.7**	**-1,159.7**	**-364.5**
Share of net profit (loss) of associates accounted for using the equity method	-6.3	-18.2	-5.4	-18.0
Depreciation and amortisation	73.2	219.2	71.1	207.8
Interest accrued (from the income statement)	-2,089.9	-6,004.3	-173.3	-3,804.4
Interest paid	-1,009.0	-3,098.1	-751.4	-1,322.5
Interest received	3,170.7	9,043.0	814.1	4,775.1
Dividends received	0.0	-7.4	-5.2	-6.8
Gains (losses) on investing activities	-0.1	0.5	3.3	3.4
Income tax (from the income statement)	330.2	955.2	-152.7	380.8
Income tax paid	-486.9	-740.1	39.4	-43.7
Change in provisions	3.5	11.6	7.8	9.6
Change in loans and other receivables to other banks	139.8	-6,124.2	65.1	32.1
Change in financial assets measured at fair value through profit or loss	448.8	69.8	92.4	-1,851.2
Change in hedge derivatives	1,262.5	2,971.1	97.8	-7,004.9
Change in investment securities	-10,898.7	-7,035.6	-3,382.2	336.1
Change in transferred assets	10,656.6	-299.3	3,672.2	-925.5
Change in loans and other receivables to customers measured at amortised cost	-1,796.8	-2,987.5	-2,183.2	-7,572.4
Change in other assets	-4.6	475.2	7.7	-21.0
Change in liabilities to other banks	-323.9	470.6	-160.3	-1,832.8
Change in liabilities measured at fair value through profit or loss	-122.4	-736.8	183.7	1,799.0
Change in liabilities to customers	2,638.8	9,614.8	1,403.9	15,876.2
Change in liabilities from debt securities issued	7.2	7.9	0.4	1.1
Change in subordinated liabilities	66.7	-17.2	66.2	94.6
Change in other liabilities	260.4	-952.9	-871.1	522.9
Net cash flows from operating activities	**3,481.8**	**-1,012.6**	**-1,477.0**	**684.0**

	3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022
Acquisition of property, plant and equipment	-28.7	-66.3	-32.7	-102.3
Disposal of property, plant and equipment	0.1	0.1	0.6	0.6
Acquisition of intangible assets	-31.5	-122.1	-16.0	-84.9
Acquisition of debt securities measured at amortized cost	-1,899.0	-2,208.7	0.0	-1,270.7
Disposal of debt securities measured at amortized cost	0.0	3,909.1	408.9	3,744.4
Dividends received	0.0	7.4	5.2	6.8
Net cash flows from investment activities	**-1,959.1**	**1,519.5**	**366.0**	**2,293.9**
Long-term loans received	462.0	2,754.8	690.4	1,687.2
Repayment of long-term loans	-228.7	-1,529.5	-167.2	-754.2
Interest payment on long-term loans	-77.5	-185.4	-5.5	-13.7
Redemption of debt securities	0.0	0.0	0.0	-575.0
Interest on debt securities issued	0.0	-16.1	0.0	-4.5
Repayment of lease liabilities	-25.6	-78.2	-26.2	-78.7
Purchase of own shares for the purposes of the employee incentive program	0.0	-4.2	0.0	0.0
Dividends paid	0.0	0.0	0.0	-689.5
Net cash flows from financial activities	**130.2**	**941.4**	**491.5**	**-428.4**
Net increase/(decrease) in cash and cash equivalents	**1,652.9**	**1,448.3**	**-619.5**	**2,549.5**
of which effect of exchange rate changes on cash and cash equivalents	174.4	888.2	927.0	521.2
Opening balance of cash and cash equivalents	**2,845.1**	**3,049.7**	**4,546.6**	**1,377.6**
Closing balance of cash and cash equivalents	**4,498.0**	**4,498.0**	**3,927.1**	**3,927.1**

Interim condensed consolidated cash flow statement shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof.

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Additional information to interim condensed consolidated financial statements

Additional information to the interim condensed consolidated financial statements

1. Bank and the Group details

1.1. Key Bank data

ING Bank Śląski S.A. ("Parent company", "Parent entity", "Bank") with the registered office in Poland, Katowice, Sokolska Str. 34, was entered into the Entrepreneurs Register with the National Court Register maintained by the Commercial Division of the District Court in Katowice under the number KRS 5459. The Parent company statistical number is REGON 271514909, and the tax identification number is NIP 634-013-54-75.

1.2. Scope and duration of operations

ING Bank Śląski S.A. offers a broad range of banking services rendered to individual and institutional clients in line with the scope of services outlined in the Bank's charter. The Bank runs operations both in the home currency and in foreign currencies. Additionally, through subsidiaries the Group conducts leasing and factoring activity, as well as provides banking and other financial services. The duration of business of the Parent company is indefinite.

1.3. Shereholding structure of ING Bank Śląski S.A.

ING Bank Śląski S.A. is a subsidiary of ING Bank NV, which as at 30 September 2023 held 75% shares in the share capital of ING Bank Śląski S.A. and 75% shares in the total number of votes at the General Meeting of ING Bank Śląski S.A. ING Bank NV belongs to the Group, herein referred to as ING Group.

The remaining part of the Bank's shares (25.0%) is in free float. They are owned by institutional investors - in particular Polish pension funds and domestic and foreign investment funds, as well as individual investors.

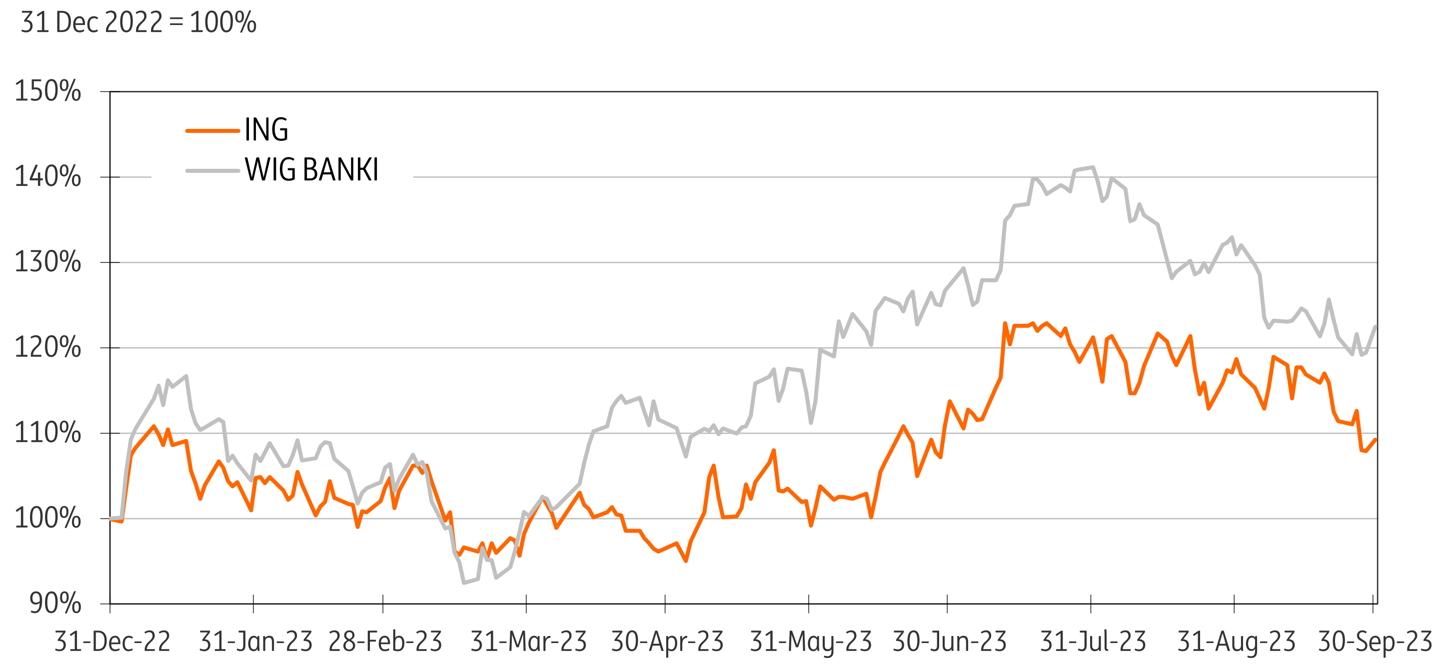
As at 30 September 2023, shareholders holding 5 or more percent of the votes at the General Meeting of ING Bank Śląski S.A. were the following entities:

No.	Entity	Number of shares and votes	% of total number of shares and votes at General Meeting
1.	ING Bank N.V.	97,575,000	75.00
2.	Allianz Polska Otwarty Fundusz Emerytalny	12,102,036	9.30

1.4. Share capital

The share capital of ING Bank Śląski S.A. amounts to PLN 130,100,000 and is divided into 130,100,000 ordinary bearer shares with a nominal value of PLN 1.00 each. The Bank's shares are listed on the Warsaw Stock Exchange (sector: banks).

On 30 September 2023 the share price of ING Bank Śląski S.A. amounted to PLN 180.0, compared to PLN 187.4, PLN 164.8 and PLN 139.2 as at 30 June 2023, 31 December 2022 and 30 September 2022, respectively. In the period of 3 quarters of 2023, the share price of ING Bank Śląski S.A. was as follows:



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1.5. ING Bank Śląski S.A. Group

ING Bank Śląski S.A. is the parent of the ING Bank Śląski S.A. Group (the Group).

As at 30 September 2023 the composition of the ING Bank Śląski Group was as follows:

name	type of activity	headquarters	% of the Group's share in the share capital and votes on the General Meeting as at 30 Sept 2022	% of the Group's share in the share capital and votes on the General Meeting as at 31 Dec 2022	nature of the capital relationship	recognition in the Group financial statements
ING Investment Holding (Polska) S.A., which holds shares in the following subsidiaries and associates:	financial holding	Katowice	100	100	subsidiary	full consolidation
ING Commercial Finance S.A.	factoring services	Warszawa	100	100	subsidiary	full consolidation
ING Lease (Polska) Sp. z o.o.*	leasing services	Warszawa	100	100	subsidiary	full consolidation
SAIO Spółka Akcyjna	software sales, robotization of processes	Katowice	100	100	subsidiary	full consolidation
Paymento Financial S.A.	financial services and IT solutions for the financial sector	Tychy	100	n/a	subsidiary	full consolidation
Goldman Sachs TFI S.A.	investment funds	Warszawa	45	45	associate	consolidation with the equity method
ING Bank Hipoteczny S.A.	banking services	Katowice	100	100	subsidiary	full consolidation
ING Usługi dla Biznesu S.A.	accounting, HR and payroll services	Katowice	100	100	subsidiary	full consolidation
Nowe Usługi S.A.	education and promotion for the financial market and TURBO Certificates	Katowice	100	100	subsidiary	full consolidation

*) In the ING Lease (Poland) Sp. z o.o. Group there are 5 special purpose vehicles in which ING Lease (Poland) Sp. z o.o. holds 100% of the shares.

1.6. Number of shares of ING Bank Śląski S.A. held by Bank Management Board and Supervisory Board members

As part of the Incentive Scheme addressed to persons having a significant impact on the Bank's risk profile, the Bank grants its own shares free of charge as a component of variable remuneration. In the period from 12 May to 19 June 2023, the Bank carried out the repurchase of the first tranche of own shares, as a result of which, on 3 July 2023, Members of the Management Board of the Bank were granted non-deferred own shares for the period from 1 July to 31 December 2022 in the total number of 7,772 shares.

1.7. Approval of the financial statements

This interim condensed consolidated financial statements were approved for publication by the Bank's Management Board on 31 October 2023.

The annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2022 to 31 December 2022 were approved by the General Meeting on 26 April 2023.

2. Significant events in the 3rd quarter of 2023

Monetary Policy Council decision to lower interest rates

On 5-6 September 2023, the Monetary Policy Council (MPC) held a meeting, during which the MPC decided to reduce the interest rates of Narodowy Bank Polski by 75 basis points to:

- reference rate: 6.00% per annum,
- lombard rate: 6.50% per annum,
- deposit rate: 5.50% on an annual basis,
- rediscount rate of bills of exchange: 6.05% on an annual basis,
- discount rate of the bill of exchange: 6.10% per year.

This was the first interest rate cut since September 2022, and although market analysts had expected the reduction, its scale came as a surprise (most economists had expected a decrease of 25 basis points).

The change in interest rates will affect future financial results of the Group.

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3. Significant events after balance sheet date

Another decision of the Monetary Policy Council on the reduction of interest rates

On 4 October, the Monetary Policy Council decided to reduce interest rates by 25 basis points. Therefore, the reference rate from 5 October 2023 is 5.75%.

4. Compliance with International Financial Reporting Standards

These interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2023 to 30 September 2023 were prepared under the International Accounting Standards (IAS) 34 Interim Financial Reporting as endorsed by the European Commission and effective as at the reporting date, that is 30 September 2023 as well as in accordance with the Ordinance of Finance Minister of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state (Journal of Laws of 2018, item 757).

Presented financial statements have been prepared in a condensed version. The interim condensed financial statements do not provide all data or disclosures required in the annual financial statements and should be interpreted together with the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2022 to 31 December 2022, which was approved on 26 April 2023 by the Bank's General Meeting and is available on the website of ING Bank Śląski S.A. (www.ing.pl).

Interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated cash flow statement for the period from 1 January 2023 to 30 September 2023 and interim condensed consolidated statement of financial position as at 30 September 2023, together with comparable data were prepared according to the same principles of accounting for each period.

4.1. Changes in accounting standards

In these interim condensed consolidated financial statements, the Group included the following amendments to standards and interpretations that were approved by the European Union with the effective date for annual periods beginning on or after 1 January 2023:

Change	Impact on the Group financial statements
IFRS 17 Insurance contracts with the extension of the temporary exemption from the application of IFRS 9.	The Group's analyses show that the implementation of the amendments does not have a significant impact on the Group's financial statements.
IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies	Change in the scope of disclosure of significant accounting principles in the financial statements. Pursuant to the introduced changes, only the accounting principles that have a significant impact on the information contained in the financial statements will be disclosed. The practical stand attached to the amendment contains a detailed illustrative example. The implementation of the change have a significant impact on the scope of disclosures of significant accounting principles in the Group's financial statements.
IAS 8 Definition of Accounting Estimates	Amendment to clarify the definition of accounting estimates, i.e. monetary amounts recognized in the financial statements that are subject to measurement uncertainty. The implementation of the change does not have a significant impact on the financial statements of the Group.
IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Amendment specifies the accounting requirements for income tax and possible exemption from recognising deferred tax. The amendments clarify that the exemption does not apply to transactions such leases and decommissioning obligations i.e. transactions for which simultaneously are recognise both an asset and a liability. The application of the amendment does not have an impact on the financial statements of the Group.
IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	The implementation of the changes had no impact on the Group's financial statements.

The standards and interpretations which were already issued but are still ineffective because they are not endorsed by the European Union or endorsed by the European Union but not yet applied by the Group were presented in the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2022 to 31 December 2022.

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In the period of 3 quarters of 2023 has been published following new amendments to the standards.

Change (in brackets expected date of application)	Impact on the Group financial statements
IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Annual periods beginning on or after 1 January 2024)	The Group's analyses show that the implementation of this amendments will impact of the scope of the disclosure however does not have a significant impact on the Group's financial statements.
IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (Immediately but disclosure requirements are required for annual periods commencing on or after 1 January 2024)	The amendment introduces the possibility to apply temporary exception in term of the accounting for deferred taxes arising from jurisdictions implementing the global tax rules. The Group's analyses show that the implementation of this amendments can impact on the scope of the disclosure however does not have a significant impact on the Group's financial statements.
IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Annual periods beginning on or after 1 January 2025)	The Group's analyses show that the implementation of this amendments will not have a significant impact on the Group's financial statements.

European Union does not endorse any new amendments to the standards.

As at the date of approval of this report for publication, taking into account the ongoing process of introducing IFRS standards in the EU and the Group's operations, with respect to the accounting principles applied by the Group there are no differences between the IFRS standards that have entered into force and the IFRS standards endorsed by the EU.

4.2. The impact of the benchmark rate reform

Interbank offered rates (IBORs), such as WIBOR and EURIBOR, are widely used as benchmarks to set interest rates across a broad range of financial products and contracts. In line with recommendations from the Financial Stability Board, regulators have undertaken a fundamental review and reform of the major interest rates benchmarks. This review and the reform have been already implemented across several major currencies.

As of 30 September 2023, the Group was exposed to one significant interest rate benchmarks that are expected to be discontinued i.e.: WIBOR. According to the announcement of the Steering Committee of the National Working Group of 25 October 2023, the publication of the WIBOR is to be completed and replaced by the WIRON by the end of 2027.

These changes in the reference rate in Poland affect the Group, its customers and the financial industry as a whole and expose the Group to risks. These risks include legal, operational risk and financial risk. Legal risks are related to any required changes to documentation for new and existing transactions. Operational risks due to the requirement to adapt IT systems, trade reporting infrastructure and operational processes to the new benchmark rates. Financial risks (predominantly limited to interest rate risk) as a consequence of changes in the valuation of financial instruments linked to such benchmarks and declining liquidity may impact a contract directly or the ability to hedge the risks in that contract. Changes in valuation, interest calculation methodology or documentation may also result in customer complaints or litigation.

To mitigate these risks, the Group established an IBOR programme. This programme has an extensive governance in place, with progress being tracked by a steering committee. The programme assesses and coordinates the actions necessary to manage the required changes to internal processes and systems, including pricing, risk management, legal documentation and the impact on customers. The Group continues to monitor market developments, and the outcome of several remaining uncertainties such as the availability of term rates and any regulatory standards governing the transitions, to anticipate the impact on the programme, customers and related risks.

WIBOR

The planned replacement of WIBOR results in uncertainty in WIBOR cash flows designated in macro cash flow hedge accounting relationships. As a result, the Group applied the IAS 39 Phase 1 amendments. The IAS 39 Phase 1 amendments describe that in determining whether a forecast cash flows occure in a future and in assessing hedge effectiveness, it must be assumed that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the reform. Therefore, for the affected cash flow hedge relationships the Group assumes that the WIBOR based cash flows from the hedging instruments and hedged items will remain unaffected. The same assumption is used to assess the likelihood of occurrence of the forecast transactions that are subject to cash flow hedges. As a result, the Group continued the hedge accounting relationships. The IAS 39 Phase 1 amendments cease to apply when uncertainty arising from WIBOR replacement is no longer present with respect to the timing and amount of the IBOR-based cash flows of the relevant instruments.

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The table below presents the notional amount of hedging instruments that are referencing WIBOR.

	the net nominal value of the position on the hedging instrument			
	as at 30 Sep 2023		as at 31 Dec 2022	
	Hedging assets	Hedging liabilities	Hedging assets	Hedging liabilities
Cash flow hedges	91,850.0	9,481.3	87,728.0	31,206.7
Fair value hedges	10,162.0	-	812.0	-

As at 30 September 2023 the following financial instruments use a reference to a WIBOR benchmark rate that is planned to be discontinued and is significant to the Group. Non-derivative financial assets and non-derivative financial liabilities are presented at the gross carrying value, off-balance sheet items are presented at the commited amount and derviatives are presented in nominal amounts.

	as at 30 Sep 2023		as at 31 Dec 2022	
	With maturity date after 30 Sep 2023	With maturity date after 31 Dec 2027	With maturity date after 31 Dec 2022	With maturity date after 31 Dec 2027
Non-derivative financial assets	134,923.5	71,393.0	133,457.9,	67,816.0
Non-derivative financial liabilities	551.5	0.0	2,752.4,	0.0
Derivatives	1,110,502.9	238,720.9	958,446.8,	164,626.0
Off-balance sheet items	14,131.9	1,564.3	8,269.1,	2,432.8

4.3. Going-concern

These interim condensed consolidated financial statements of the ING Bank Śląski S.A. Capital Group have been prepared on a going-concern basis as regards the foreseeable future, namely as regards the period of minimum 12 months from the date of publication, i.e. from 2 November 2023. As at the date of adoption of these consolidated financial statements for publication, the Management Board of the Bank does not state any facts or circumstances that would indicate a threat to the Group's ability to continue as a going concern within 12 months from the date of publication as a result of the Group's intentional or forced discontinuation or significant limitation of its current operations.

4.4. Financial statements scope and currency

These interim condensed consolidated financial statements of the Group for the period from 1 January 2023 to 30 September 2023 contain data of the Bank and its subsidiaries and associates (collectively referred to as the "Group"). It has been drawn up in Polish zlotys ("PLN"). All values, unless indicated otherwise, are rounded up to million zlotys with one decimal place. As a result, there may be instances of mathematical inconsistency in the totals or between individual notes.

4.5. Reporting period and comparable data

Interim condensed consolidated financial statements of ING Bank Śląski S.A. Group covers the period from 1 January 2023 to 30 September 2023 and includes comparative data:

- as at 30 June 2023, 31 December 2022 and 30 September 2022 - for the interim condensed consolidated statement of financial position,
- for the period from 1 January 2022 to 30 September 2022 and from 1 July 2022 to 30 September 2022 - for the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income and the interim condensed consolidated cash flow statement,
- for the period from 1 January 2022 to 31 December 2022 and from 1 January 2022 to 30 September 2022 – for the interim condensed statement of changes in consolidated equity.

5. Significant accounting principles and key estimates

Detailed accounting principles and key estimates are presented in the annual consolidated financial statements of the of ING Bank Śląski S.A. Group for the period from 1 January 2022 to 31 December 2022, available on the website of ING Bank Śląski S.A. (www.ing.pl).

In addition, with respect to interim financial statements, the Group applies the principle of recognizing the financial result income tax charges based on the best estimate of the weighted average annual income tax rate expected by the Group in the full financial year.

In the period of 3 quarters of 2023, no significant changes were made to the accounting principles applied by the Group.

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5.1. Key estimates

Below are the most important estimates that changed in the period of 3 quarters of 2023 in relation to those presented in the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2022 to 31 December 2022.

5.1.1. Impairment for expected credit losses

The methodology for calculating expected credit losses was presented in the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2022 to 31 December 2022.

Macroeconomic factors

Credit risk models for the purposes of IFRS 9 were built on the basis of historical relationships between changes in economic parameters (i.e. GDP or interest rates) and their subsequent effect on the implementation of changes in the level of credit risk (PD/LGD). Until the end of 2019, changes in macroeconomic forecasts were implemented relatively slowly, smoothly moving from one phase of the cycle to another, without drastic and shock events changing the macroeconomic situation. The current economic situation caused, among others, by the war in Ukraine has completely different characteristics - a sudden increase in interest rates, inflation, disruption of supply chains, further reduction of GDP forecasts. In addition, due to the effect of aid programs for mortgage loans, the effect of changing macroeconomic forecasts was softened in relation to what would be shown by macroeconomic indicators alone.

As at 30 September 2023, the Group revised the forecasts of macroeconomic indicators. Macroeconomic assumptions used to determine expected credit losses are based on forecasts prepared by the Bank's Macroeconomic Analysis Office. The net effect of changes in macroeconomic assumptions resulted in a reduction of the level of provisions for expected credit losses at the end of the 3rd quarter of 2023 by PLN 51.0 million compared to the end of 2022 and by PLN 4.7 million compared to the end of the 1st half of 2023.

Management adjustments

In times of heightened volatility and uncertainty, where portfolio quality and the economic environment are changing rapidly, models are undermined in their ability to accurately predict losses. To mitigate model risk, additional adjustments can be made to address data quality issues, model issues or expert opinions. They also include adjustments resulting from overestimation or underestimation of allowances for expected credit losses by IFRS 9 models.

The current high level of inflation and interest rates has not been observed in the last few years. The historical correlation of risk parameters (PDs in IFRS models) with macroeconomic parameters does not fully reflect the current credit risk of the portfolios and therefore the Bank has applied a management adjustment by increasing the value of impairment for expected credit losses in Stages 1 and 2. At the same time, the backtracking of retail portfolio models has identified excess conservativeness of LGD models for exposures with determined impairment. Therefore, appropriate scalling factors were used to obtain adequate levels of impairment for expected credit losses in Stage 3.

The introduction of management adjustments at the end of the 3rd quarter of 2023, addressing the above-mentioned issues resulted in a decrease of the allowance for expected credit losses by PLN 49.4 million for the retail client portfolio (compared to a decrease by PLN 28.1 million at the end of the 1st half of 2023 and by PLN 4.7 million at the end of 2022) and an increase of PLN 62.5 million for the corporate client portfolio (compared to an increase by PLN 75.9 million at the end of the 1st half of 2023 and a decrease by PLN 70.5 million at the end of 2022).

For strategic clients, the main macroeconomic factor influencing the portfolio risk parameters is the change in GDP, but the current high interest rates and inflation have a point-to-point effect on the growth of individual clients and industries particularly exposed to these macroeconomic factors. In the Group's assessment, current IFRS models for corporate clients do not fully cover the risk of exposure to inflation and the interest rate of individual sectors. Consequently, the Group analyzed the sectors in which strategic clients operate (within the portfolio of corporate clients), in terms of the risk of future problems related to the significant increase in operating costs and debt service, and decided to increase the allowance for expected credit losses for this portfolio by PLN 46.3 million at the end of the 3rd quarter of 2023 (compared to PLN 57.7 million at the end of the 1st half of 2023 and PLN 84.3 million at the end of 2022).

On 29 July 2022, a statutory aid program was introduced allowing customers with mortgage loans in PLN to suspend 4 installments in 2022 and 4 installments (one per quarter) in 2023 (credit holidays). Due to the specificity of PD models, which use information on behavior in accounts (in particular in terms of timely repayments), model parameters may be underestimated in relation to the actual situation of the customer. In connection with the above, the impairment loss was adjusted and part of the exposure portfolio was reclassified to Stage 2 (customers with arrears on other products or with an uncertain economic situation, e.g. with a high DSTI ratio, meaning a high ratio of debt servicing cost to income). As a consequence, the Group decided to increase the allowance for expected credit losses for the mortgage loan portfolio by PLN 27.7 million at the end of 3rd quarter of 2023 (compared to PLN 28.2 million at the end of 1st half of 2023 and PLN 25.0 million at the end of 2022).

Breakdown of adjustments into stages and into corporate and retail segments was presented in note 8.12. *Loans and other receivables to customers measured at amortised cost*.

5.1.2. Legal risk of mortgage loans indexed to CHF

The Group has receivables from retail mortgage loans indexed to the CHF exchange rate. The table below presents the number and individual elements of the gross and net carrying amount of these receivables.

In addition, the Group estimated the provision for legal risk of CHF-indexed mortgage loans in the amount of PLN 93.4 million, which applies to CHF-indexed mortgage loans removed from the statement of financial position and some loans recognized in the statement of financial position for which the estimated loss value exceeds gross exposure. This provision is presented in liabilities under *Provisions*. As at 30 June 2023, the corresponding reserve amounted to PLN 86.7 million. As at 31 December 2022 and 30 September 2022, the provision amounted to PLN 53.7 million and PLN 31.4 million, respectively, and related entirely to CHF-indexed mortgage loans removed from the statement of financial position.

as at	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
number of contracts (in pieces)	2,868	3,021	3,318	3,452
capital balance	627.6	623.4	719.0	804.2
the amount of the adjustment to the gross carrying amount	-475.7	-473.0	-581.6	-375.5
other elements of the gross carrying amount (interest, ESP)	2.7	2.3	2.1	2.1
gross carrying amount	**154.6**	**152.7**	**139.5**	**430.8**
impairment for expected credit losses	-11.2	-12.4	-16.2	-19.1
Net carrying amount of CHF-indexed mortgage loans	**143.4**	**140.3**	**123.3**	**411.7**
Provision for legal risk of CHF-indexed mortgage loans	93.4	86.7	53.7	31.4

As at 30 September 2023, 1,305 court cases were pending against the Bank in connection with concluded loan agreements in PLN indexed to the CHF exchange rate (compared to 1,214 cases as at 30 June 2023, 1,041 cases as at 31 December 2022 and 969 cases as at 30 September 2022). As at 30 September 2023, the outstanding principal of the loans covered by the proceedings in question amounted to PLN 291.7 million (PLN 265.5 million as at 30 June 2023, PLN 251.8 million as at 31 December 2022 and PLN 259.1 million as at 30 September 2022).

Changes during the period concerning the estimate of the adjustment/provision for legal risk both for loans in the Bank's portfolio and for repaid loans are presented by the Bank in the income statement under *Cost of legal risk of FX mortgage loans*.

The following table presents the change in the period of 3 quarters of 2023 and in 2022:

- in gross carrying amount adjustments for CHF-indexed mortgage loans recognised in the statement of financial position, and
- in provision for legal risk of CHF-indexed mortgage loans.

	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023		2022 the period from 01 Jan 2022 to 31 Dec 2022	
	an adjustment to the gross carrying amount for loans recognized in the statement of financial position	provision for legal risk of CHF-indexed mortgage loans	an adjustment to the gross carrying amount for loans recognized in the statement of financial position	provision for legal risk of CHF-indexed mortgage loans
Balance at the beginning of the period	**581.6**	**53.7**	**345.6**	**37.6**
Changes in the period, including:	**-105.9**	**39.7**	**236.0**	**16.1**
provisions recognised/ reversed	-	-	271.5	21.4
transfer between provisions	-46.5	46.5	-3.0	3.0
utilisation, including from settlements	-62.5	-6.8	-82.0	-8.3
FX differences	3.1	-	49.5	-
Balance at the end of the period	**475.7**	**93.4**	**581.6**	**53.7**

In the period of 3 quarters of 2023, the Group did not change the assumptions regarding the calculation of the amounts described above. The presentation of part of the loss, previously recognized as an adjustment to the gross carrying amount of loans recognized in the statement of financial position, was transferred to the provision for legal risk of CHF-indexed mortgage loans for loans for which the estimated loss value exceeded the gross exposure (PLN 46.6 million as at 30 September 2023 compared to PLN 38.9 million as at 30 June 2023).

Details of changes in the legal environment related to the legal risk of the CHF-indexed loan portfolio can be found further in the note 8.18. *Provisions*.

6. Comparability of financial data

6.1. Changes in income statement

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In these interim condensed consolidated financial statements for the period from 1 January 2023 to 30 September 2023, the Group resigned from presenting in the income statement *the impact of the adjustment to the gross carrying amount of loans due to credit moratoria*, which was a more detailed presentation of interest income. This item was added in the interim condensed consolidated financial statements for 3rd quarter of 2022 and in the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2022 to 31 December 2022. The Group presented these amounts separately due to the nature and significance of the adjustments in these periods. Because the effect of the credit moratoria was recognised in its entirety in 2022, the presentation of a separate line in the income statement in the financial statements for the period from 1 January 2023 to 30 September 2023 was no longer relevant.

6.2. Changes in cash flow statement

In these interim condensed consolidated financial statements for the period from 1 January 2023 to 30 September 2023, compared to the consolidated financial statements for the period from 1 January 2022 to 30 September 2022, the Group introduced changes in the presentation of individual items of the consolidated cash flow statement, which consist in separating the following items in the operational activities:

- *Change in transferred assets* – in the reports for previous periods, the amounts corresponding to the change in these assets were presented – depending on the adopted valuation category – in the lines *Change in financial assets measured at fair value through profit or loss* or/and *Change in investment securities*.
- *Change in liabilities from debt securities issued* – to this item amounts corresponding to non-monetary changes in the carrying amount of liabilities arising from the issue of securities – other than accrued and unpaid interest - were transferred. In the financial statements for the previous periods, the Group presented these amounts in the item *Change in other liabilities*.
- *Change in subordinated liabilities* – to this item amounts corresponding to non-monetary changes in the carrying amount of subordinated liabilities – other than accrued and unpaid interest - were transferred. In the financial statements for the previous periods, the Group presented these amounts in the item *Change in other liabilities*.

The introduction of the above changes was aimed at a more complete reflection in the cash flows statement of changes in items presented in assets and liabilities of the statement of financial position.

The table contains individual items presented in the operating activities of the cash flows statement, in the breakdown and by the values presented in the interim condensed consolidated financial statements for the period from 1 January 2022 to 30 September 2022 and in the breakdown and by values presented in these interim condensed consolidated financial statements. Cash flows from investment and financial activities did not change and did not require restatements.

3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022

	in interim condensed consolidated financial statements for the period from 01 Jan 2022 to 30 Sep 2022 (*published data*)	change	in interim condensed consolidated financial statements for the period from 01 Jan 2023 to 30 Sep 2023 (*comparable data*)
Net profit	**1,048.5**		**1,048.5**
Adjustments, including:	**-364.5**	**0.0**	**-364.5**
Share of net profit (loss) of associates accounted for using the equity method	-18.0		-18.0
Depreciation and amortisation	207.8		207.8
Interest accrued (from the income statement)	-3,804.4		-3,804.4
Interest paid	-1,322.5		-1,322.5
Interest received	4,775.1		4,775.1
Dividends received	-6.8		-6.8
Gains (losses) on investing activities	3.4		3.4
Income tax (from the income statement)	380.8		380.8
Income tax paid	-43.7		-43.7
Change in provisions	9.6		9.6
Change in loans and other receivables to other banks	32.1		32.1
Change in financial assets measured at fair value through profit or loss	-1,608.0	-243.2	-1,851.2
Change in hedge derivatives	-7,004.9		-7,004.9
Change in investment securities	-832.6	1,168.7	336.1
Change in transferred assets	not applicable	-925.5	-925.5
Change in loans and other receivables to customers measured at amortised cost	-7,572.4		-7,572.4
Change in other assets	-21.0		-21.0
Change in liabilities to other banks	-1,832.8		-1,832.8
Change in liabilities measured at fair value through profit or loss	1,799.0		1,799.0
Change in liabilities to customers	15,876.2		15,876.2
Change in liabilities from debt securities issued	not applicable	1.1	1.1
Change in subordinated liabilities	not applicable	94.6	94.6
Change in other liabilities	618.6	-95.7	522.9
Net cash flows from operating activities	**684.0**	**0.0**	**684.0**

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7. Segment reporting

Segments of operation

The management of the Group's activity is conducted within the areas defined in the Group's business model. The Group's business model, above all for the purpose of management reporting, includes division of clients into two main segments:

- retail banking segment
- corporate banking segment.

The basis for distinguishing individual segments are entity criteria and - in the case of division into sub-segments - financial criteria (especially turnover, level of collected assets). The specific rules of assigning clients to respective segments are governed by the clients segmentation criteria specified in the Group's internal regulations. The Group has separated in organisational terms the operations performed by the Centre of Expertise Treasury. The Centre of Expertise Treasury manages short-term and long-term liquidity risk in line with the effective regulations and risk appetite internally set at the Group, manages interest rate risk and invests surpluses obtained from business lines while maintaining the liquidity buffer in the form of liquid assets. The Centre of Expertise Treasury's net income on operations is allocated to the business lines considering its support function for the Group's business lines.

Retail banking segment

Within the framework of retail banking, the Group provides services to private individuals - the mass client segment and wealthy clients segment.

This activity is analyzed in terms of the main products, including: loan products (overdraft facilities, card-related loans, installment loans, mortgage loans), deposit products (current accounts, term deposits, savings accounts), structured, fund participation units, brokerage services and bank cards.

Corporate banking segment

Corporate banking area encompasses as follows:

- providing services to institutional clients,
- providing services to individual entrepreneurs,
- financial market products.

Services to institutional clients encompass strategic clients, large corporate entities and mid-sized companies. For corporate activity, the Bank provides reporting broken down by leading products covering i.e. loan products (working loans, investment loans), deposit products (current accounts, term deposits and negotiated deposits, savings accounts), financial markets products, trust services, capital market operations conducted by the Parent company, products related to leasing and factoring services offered by ING Lease (Polska) Sp. z o.o. and ING Commercial Finance Polska S.A.

The service of individual entrepreneurs includes natural persons conducting business activity and partner companies that do not keep full accounting in accordance with the provisions of the Act on accounting, civil partnerships or general partnerships whose partners are only natural persons who do not keep full accounting in accordance with the provisions of the Accounting Act, and housing communities. The activity of entrepreneurs is reported in terms of the main products, including credit products (cash loan, credit line, credit card), deposit products (company account, foreign currency account, account for housing communities), leasing products offered by ING Lease (Polska) Sp. z o.o., accounting services, terminals and payment gateways.

Financial markets products encompass operations performed in money and capital markets, conducted both on the proprietary basis as well as for the customers' benefit. Within the framework of this activity, currency, money and derivative instrument market products and securities operations (treasury securities, shares and notes) are specified.

Measurement

The measurement of the segment's assets and liabilities, segment's revenue and costs is based on the accounting standards applied by the Group, included in notes describing applied accounting standards. In particular, both internal and external interest income and costs for individual segments are determined with the use of the transfer price system within the Risk Transfer System (RTS). Transfer prices are defined based on the yield curve for a given currency that is common for assets and liabilities. The transfer price that is determined for the products being assets and liabilities with the same position on the yield curve is identical. The original transfer price – coming from the product measurement regarding the yield curve can be modified and the factors adjusting the transfer price can be the following: a premium for obtaining long-term liquidity, matching of the Group's position, a hedging cost for sophisticated products and the pricing policy. Thereafter, based on quotation rates available at news services, yield curves are developed using mathematical equations. Revenue, costs, results, assets and liabilities for a given segment account for elements that are directly attributable to the segment in question, as well as element that may be attributed to that segment based on reasonable premises. The Group presents segment's interest income reduced by the cost of the interest.

Income statement by segment

	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023			3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022		
	Retail banking segment	Corporate banking segment	**Total**	Retail banking segment	Corporate banking segment	**Total**
Income total	**3,202.5**	**4,542.4**	**7,744.9**	**1,574.9**	**3,808.1**	**5,383.0**
net interest income	2,782.7	3,221.6	6,004.3	1,074.7	2,729.7	3,804.4
net commission income, including:	425.9	1,181.9	1,607.8	447.8	1,135.6	1,583.4
commission income, including:	668.8	1,354.4	2,023.2	679.9	1,296.6	1,976.5
transaction margin on currency exchange	59.4	467.5	526.9	67.6	453.1	520.7
account maintenance fees	81.2	240.3	321.5	85.7	249.3	335.0
lending commissions	18.6	357.4	376.0	19.6	330.6	350.2
payment and credit cards fees	283.4	127.7	411.1	269.6	108.3	377.9
participation units distribution fees	45.8	0.0	45.8	48.3	0.0	48.3
insurance product offering commissions	142.6	27.5	170.1	141.4	26.1	167.5
factoring and lease contracts commissions	0.0	45.5	45.5	0.0	38.0	38.0
other commissions	37.8	88.5	126.3	47.7	91.2	138.9
commission expenses	-242.9	-172.5	-415.4	-232.1	-161.0	-393.1
other income/expenses	-6.1	138.9	132.8	52.4	-57.2	-4.8
General and administrative expenses	**-1,407.9**	**-1,305.4**	**-2,713.3**	**-1,730.5**	**-1,222.6**	**-2,953.1**
Segment operating result	**1,794.6**	**3,237.0**	**5,031.6**	**-155.6**	**2,585.5**	**2,429.9**
impairment for expected credit losses	-126.1	-310.1	-436.2	-190.5	-349.0	-539.5
cost of legal risk of FX mortgage loans	0.0	0.0	0.0	-1.3	0.0	-1.3
tax on certain financial institutions	-172.6	-315.7	-488.3	-185.2	-292.6	-477.8
share of profit/(loss) of associates accounted for using the equity method	18.2	0.0	18.2	18.0	0.0	18.0
Gross profit	**1,514.1**	**2,611.2**	**4,125.3**	**-514.6**	**1,943.9**	**1,429.3**
Income tax	-	-	-955.2	-	-	-380.8
Net profit	-	-	**3,170.1**	-	-	**1,048.5**
attributable to shareholders of ING Bank Śląski S.A.	-	-	3,170.1	-	-	1,048.5

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8. Supplementary notes to interim condensed consolidated income statement and interim condensed consolidated statement of financial position

8.1. Net interest income

	3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022
Interest income, including:	**3,176.9**	**9,293.0**	**1,018.2**	**5,249.4**
interest income calculated using effective interest rate method, including:	**2,932.5**	**8,458.6**	**705.5**	**4,640.8**
interest on financial instruments measured at amortised cost	2,529.9	7,346.6	468.0	4,151.8
interest on loans and other receivables to other banks	229.0	600.5	123.9	244.5
interest on loans and other receivables to customers	2,086.0	6,036.8	154.9	3,429.7
interest on investment securities	214.9	709.3	189.2	477.6
interest on investment securities measured at fair value through other comprehensive income	402.6	1,112.0	237.5	489.0
other interest income, including:	**244.4**	**834.4**	**312.7**	**608.6**
other interest income related to the settlement of valuations of cash flow hedging derivatives	243.7	832.3	311.8	606.6
interest on loans and other receivables to customers measured at fair value through profit or loss	0.7	2.1	0.9	2.0
Interest expenses, including:	**-1,087.0**	**-3,288.7**	**-844.9**	**-1,445.0**
interest on deposits from other banks	-105.5	-324.4	-112.4	-267.8
interest on deposits from customers	-810.1	-2,426.7	-561.0	-830.0
interest on issue of debt securities	-7.9	-24.0	-6.1	-14.0
interest on subordinated liabilities	-20.6	-54.3	-5.9	-14.2
interest on lease liabilities	-4.2	-12.8	-2.3	-5.5
other interest cost related to the settlement of valuations of cash flow hedging derivatives	-138.7	-446.5	-157.2	-313.5
Net interest income	**2,089.9**	**6,004.3**	**173.3**	**3,804.4**

In 2022, in connection with the entry into force of the Act *on crowdfunding for business ventures and assistance to borrowers*, the Group recognized in net interest income (as a reduction of income from *interest on loans and other receivables to customers*) an adjustment to the gross carrying amount of mortgage loans in PLN. The amount of the adjustment as at 31 December 2022 was PLN 1,644.9 million (PLN 1,549.2 million on a stand-alone basis).

In the period of 3 quarters of 2023, credit moratoria covered, on average, 66.6% of the portfolio of mortgage loans in PLN (in terms of value in relation to the entire portfolio meeting the criteria required to take advantage of credit holidays). The indicator was defined as the average customer interest in holidays based on three quarters 2023 in which customers could take advantage of credit moratoria. As at 30 September 2023, the Group assumed in its estimates that in the 4th quarter of 2023, customer interest in terms of value would amount to 77.5%. In the estimates for the end of 2022, the Group assumed that in 2023 customer interest in terms of value would amount to 75% in the 1st half of the year and 77.5% in the 2nd half of the year.

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8.2. Net commission income

	3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022
Commission income, including:	**695.3**	**2,023.2**	**670.2**	**1,976.5**
transaction margin on currency exchange transactions	180.6	526.9	180.6	520.7
account maintenance fees	108.7	321.5	106.0	335.0
lending commissions	122.6	376.0	118.5	350.2
payment and credit cards fees	150.2	411.1	136.9	377.9
participation units distribution fees	16.9	45.8	14.3	48.3
insurance product offering commissions	57.3	170.1	58.1	167.5
factoring and lease contracts commissions	19.8	45.5	14.8	38.0
brokerage activity fees	11.6	37.3	12.5	46.2
fiduciary and custodian fees	6.0	17.9	5.8	18.7
foreign commercial business	11.1	32.9	10.8	32.3
other commission	10.5	38.2	11.9	41.7
Commission expenses, including:	**-143.2**	**-415.4**	**-139.6**	**-393.1**
payment and credit cards fees	-84.5	-241.2	-77.9	-216.3
Net commission income	**552.1**	**1,607.8**	**530.6**	**1,583.4**

8.3. Net income on financial instruments measured at fair value through profit or loss and FX result

	3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022
FX result and net income on interest rate derivatives, including	78.8	172.5	-6.2	-127.2
FX result	135.2	-36.8	337.2	462.8
currency derivatives	-56.4	209.3	-343.4	-590.0
Net income on interest rate derivatives	14.2	12.9	21.9	132.6
Net income on debt instruments held for trading	12.8	26.5	5.0	20.1
Net income on repo transactions	3.1	8.0	4.4	8.7
Net income on measurement of loans to customers	0.0	0.0	0.0	0.0
Net income on equity instruments	-0.1	-0.1	0.3	-4.0
Total	**108.8**	**219.8**	**25.4**	**30.2**

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8.4. Net income on the sale of securities and dividend income

	3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022
Net income on the sale of securities measured at amortised cost	0.0	0.0	-9.1	-24.8
Net income on sale of securities measured at fair value through other comprehensive income and dividend income, including:	3.6	13.4	-0.2	26.6
sale of debt securities	3.6	6.0	-0.2	19.8
dividend income	0.0	7.4	0.0	6.8
Total	**3.6**	**13.4**	**-9.3**	**1.8**

8.5. Net (loss)/income on hedge accounting

	3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022
Net income on hedge accounting	5.7	-6.4	-1.7	-34.4
valuation of the hedged transaction	161.7	350.2	-100.2	-551.0
valuation of the hedging transaction	-156.0	-356.6	98.5	516.6
Cash flow hedge accounting	-99.3	-95.4	0.0	0.0
ineffectiveness under cash flow hedges	-99.3	-95.4	0.0	0.0
Total	**-93.6**	**-101.8**	**-1.7**	**-34.4**

8.6. General and administrative expenses

	3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022
Personnel expenses	**-474.8**	**-1,363.6**	**-414.9**	**-1,185.9**
Other general and administrative expenses, including:	**-385.6**	**-1,349.7**	**-406.7**	**-1,767.2**
cost of marketing and promotion	-41.5	-112.9	-38.0	-107.2
depreciation and amortisation	-73.2	-219.2	-71.2	-207.8
obligatory Bank Guarantee Fund payments, of which:	0.0	-153.6	0.0	-226.6
resolution fund	0.0	-153.6	0.0	-172.8
bank guarantee fund	0.0	0.0	0.0	-53.8
contribution to the Commercial Banks Protection System	0.0	0.0	-40.9	-470.7
fees to the Polish Financial Supervisory Commission	0.0	-24.5	-0.2	-22.2
IT costs	-108.6	-333.3	-81.5	-271.6
maintenance costs of buildings and real estate valuation to fair value	-39.9	-111.0	-29.5	-87.1
other	-122.4	-395.2	-145.4	-374.0
Total	**-860.4**	**-2,713.3**	**-821.6**	**-2,953.1**

8.6.1. Number of employees

The headcount in the ING Bank Śląski S.A. Group was as follows:

as at	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
FTEs	8,445.5	8,494.0	8,358.4	8,409.1
Individuals	8,490	8,536	8,399	8,452

The headcount in the ING Bank Śląski S.A. was as follows:

as at	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
FTEs	7,986.1	8,032.8	7,931.5	7,980.2
Individuals	8,016	8,063	7,961	8,008

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8.7. Impairment for expected credit losses

	3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022
Corporate banking segment	-105.4	-310.1	-187.3	-349.0
Retail banking segment	-45.8	-126.1	-18.7	-190.5
Total	**-151.2**	**-436.2**	**-206.0**	**-539.5**

8.8. Cash in hand and balances with the Central Bank

as at	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Cash in hand	966.0	903.9	932.6	1,072.0
Balances with the Central Bank	2,423.9	1,363.9	1,405.0	997.5
Total	**3,389.9**	**2,267.8**	**2,337.6**	**2,069.5**

The Bank maintains a mandatory reserve in the current account with the National Bank of Poland, the amount of which at the end of the 3rd quarter of 2023 was 3.5% of the value of deposits received (similarly to 30 June 2023 and 31 December and 30 September 2022).

8.9. Loans and other receivables to other banks

as at	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Current accounts	304.3	326.0	329.1	278.5
Interbank deposits:	844.3	23.0	398.8	1,133.5
including O/N deposits	678.7	23.0	21.9	1,058.4
Loans and advances	563.5	312.9	312.8	325.3
Reverse repo transactions	9,845.4	10,395.4	3,759.5	0.0
Placed call deposits	126.3	231.0	361.1	520.6
Total (gross)	**11,683.8**	**11,288.3**	**5,161.3**	**2,257.9**
Impairment for expected credit losses	-0.1	-0.1	-0.2	-0.3
Total (net)	**11,683.7**	**11,288.2**	**5,161.1**	**2,257.6**

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8.10. Financial assets measured at fair value through profit or loss

as at	30 Sep 2023			30 Jun 2023			31 Dec 2022			30 Sep 2022		
	transferred debt securities*	other financial assets measured at fair value through profit or loss	**Total**	transferred debt securities*	other financial assets measured at fair value through profit or loss	**Total**	transferred debt securities*	other financial assets measured at fair value through profit or loss	**Total**	transferred debt securities*	other financial assets measured at fair value through profit or loss	**Total**
Financial assets held for trading, including:	**0.0**	**1,844.0**	**1,844.0**	**0.0**	**2,296.9**	**2,296.9**	**163.8**	**1,895.8**	**2,059.6**	**0.0**	**3,335.0**	**3,335.0**
valuation of derivatives	-	1,149.5	**1,149.5**	-	1,371.8	**1,371.8**	-	974.9	**974.9**	-	2,735.2	2,735.2
other financial assets held for trading, including:	-	694.5	**694.5**	-	925.1	**925.1**	163.8	920.9	**1,084.7**	-	599.8	599.8
debt securities:	-	432.1	**432.1**	-	852.5	**852.5**	163.8	443.3	**607.1**	-	353.0	353.0
Treasury bonds in PLN	-	150.5	**150.5**	-	695.7	**695.7**	125.2	441.7	**566.9**	-	159.4	159.4
Czech Treasury bonds	-	281.1	**281.1**	-	156.3	**156.3**	38.6	1.2	**39.8**	-	193.2	193.2
European Investment Bank bonds	-	0.5	**0.5**	-	0.5	**0.5**	-	0.4	**0.4**	-	0.4	0.4
repo transactions	-	262.4	**262.4**	-	72.6	**72.6**	-	477.6	**477.6**	-	246.8	246.8
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	-	**41.1**	**41.1**	-	**42.8**	**42.8**	-	**56.5**	**56.5**	-	**61.3**	**61.3**
loans obligatorily measured at fair value through profit or loss	-	40.7	**40.7**	-	42.3	**42.3**	-	54.6	**54.6**	-	60.4	60.4
equity instruments	-	0.4	**0.4**	-	0.5	**0.5**	-	1.9	**1.9**	-	0.9	0.9
Total	**0.0**	**1,885.1**	**1,885.1**	**0.0**	**2,339.7**	**2,339.7**	**163.8**	**1,952.3**	**2,116.1**	**0.0**	**3,396.3**	**3,396.3**

*) Securities that can be pledged or sold by the collateral recipient are presented as *transferred debt securities*. These assets, as required by IFRS 9, are presented separately by the Group in the consolidated statement of financial position under *Transferred assets*. As at 30 September 2023, as at 30 June 2023 and on 30 September 2022, the Group did not have such securities in the portfolio of financial assets measured at fair value through profit or loss.

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8.11. Investment securities

as at	30 Sep 2023			30 Jun 2023			31 Dec 2022			30 Sep 2022		
	transferred debt securities*	other investment securities	Total	transferred debt securities*	other investment securities	Total	transferred debt securities*	other investment securities	Total	transferred debt securities*	other investment securities	Total
Measured at fair value through other comprehensive income, including:	**464.6**	**23,246.4**	**23,711.0**	**8,059.6**	**15,643.8**	**23,703.4**	**0.0**	**15,812.7**	**15,812.7**	**1,002.3**	**14,957.3**	**15,959.6**
debt securities, including:	464.6	23,119.7	**23,584.3**	8,059.6	15,517.1	**23,576.7**	0.0	15,691.8	**15,691.8**	1,002.3	14,829.7	**15,832.0**
Treasury bonds in PLN	464.6	19,631.3	**20,095.9**	8,059.6	12,113.9	**20,173.5**	-	12,153.8	**12,153.8**	1,002.3	11,258.6	**12,260.9**
Treasury bonds in EUR	-	1,710.9	**1,710.9**	-	1,643.1	**1,643.1**	-	1,803.4	**1,803.4**	-	1,803.1	**1,803.1**
European Investment Bank bonds	-	1,354.8	**1,354.8**	-	1,355.0	**1,355.0**	-	1,308.9	**1,308.9**	-	1,317.7	**1,317.7**
Austrian government bonds	-	422.7	**422.7**	-	405.1	**405.1**	-	425.7	**425.7**	-	450.3	**450.3**
equity instruments	-	126.7	**126.7**	-	126.7	**126.7**	-	120.9	**120.9**	-	127.6	**127.6**
Measured at amortised cost, including:	**0.0**	**30,756.9**	**30,756.9**	**3,248.3**	**25,506.8**	**28,755.1**	**0.0**	**32,620.1**	**32,620.1**	**2,204.1**	**27,406.6**	**29,610.7**
debt securities, including:	0.0	30,756.9	**30,756.9**	3,248.3	25,506.8	**28,755.1**	0.0	32,620.1	**32,620.1**	2,204.1	27,406.6	**29,610.7**
Treasury bonds in PLN	-	13,334.0	**13,334.0**	3,248.3	10,108.1	**13,356.4**	-	13,352.5	**13,352.5**	2,204.1	11,196.6	**13,400.7**
Treasury bonds in EUR	-	3,139.2	**3,139.2**	-	3,016.3	**3,016.3**	-	3,192.1	**3,192.1**	-	3,226.3	**3,226.3**
European Investment Bank bonds	-	6,736.5	**6,736.5**	-	6,741.2	**6,741.2**	-	6,815.7	**6,815.7**	-	6,827.2	**6,827.2**
Bonds of the Polish Development Fund (PFR)	-	3,844.2	**3,844.2**	-	3,827.5	**3,827.5**	-	3,858.4	**3,858.4**	-	3,838.0	**3,838.0**
Bank Gospodarstwa Krajowego bonds	-	1,803.3	**1,803.3**	-	1,813.7	**1,813.7**	-	1,802.1	**1,802.1**	-	2,318.5	**2,318.5**
NBP money market bills	-	1,899.7	**1,899.7**	-	0.0	**0.0**	-	3,599.3	**3,599.3**	-	0.0	**0.0**
Total, of which;	**464.6**	**54,003.3**	**54,467.9**	**11,307.9**	**41,150.6**	**52,458.5**	**0.0**	**48,432.8**	**48,432.8**	**3,206.4**	**42,363.9**	**45,570.3**
total debt securities	464.6	53,876.6	**54,341.2**	11,307.9	41,023.9	**52,331.8**	0.0	48,311.9	**48,311.9**	3,206.4	42,236.3	**45,442.7**
total equity instruments	-	126.7	**126.7**	-	126.7	**126.7**	-	120.9	**120.9**	-	127.6	**127.6**

*) Securities that can be pledged or sold by the collateral recipient are presented as *transferred debt securities*. These assets, as required by IFRS 9, are presented separately by the Group in the consolidated statement of financial position under *Transferred assets*.

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8.12. Loans and other receivables to customers measured at amortised cost

as at	30 Sep 2023			30 Jun 2023			31 Dec 2022			30 Sep 2022		
	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net
Loan portfolio, of which:	**160,271.7**	**-3,728.5**	**156,543.2**	**158,099.6**	**-3,549.6**	**154,550.0**	**156,360.4**	**-3,269.2**	**153,091.2**	**155,922.0**	**-3,083.7**	**152,838.3**
Corporate banking	**95,550.0**	**-2,514.3**	**93,035.7**	**94,172.3**	**-2,389.0**	**91,783.3**	**92,478.0**	**-2,192.2**	**90,285.8**	**91,722.4**	**-2,113.0**	**89,609.4**
loans in the current account	15,933.7	-545.8	**15,387.9**	16,235.0	-537.9	**15,697.1**	15,444.8	-484.0	**14,960.8**	16,498.7	-462.6	**16,036.1**
term loans and advances	54,863.9	-1,782.5	**53,081.4**	53,608.2	-1,671.7	**51,936.5**	53,021.0	-1,518.9	**51,502.1**	51,808.0	-1,479.5	**50,328.5**
lease receivables	13,285.5	-99.4	**13,186.1**	12,694.8	-94.5	**12,600.3**	12,479.1	-115.6	**12,363.5**	12,545.7	-106.7	**12,439.0**
factoring receivables	7,217.8	-85.4	**7,132.4**	7,390.4	-82.4	**7,308.0**	7,751.0	-69.0	**7,682.0**	7,525.9	-61.9	**7,464.0**
debt securities (corporate and municipal)	4,249.1	-1.2	**4,247.9**	4,243.9	-2.5	**4,241.4**	3,782.1	-4.7	**3,777.4**	3,344.1	-2.3	**3,341.8**
Retail banking	**64,721.7**	**-1,214.2**	**63,507.5**	**63,927.3**	**-1,160.6**	**62,766.7**	**63,882.4**	**-1,077.0**	**62,805.4**	**64,199.6**	**-970.7**	**63,228.9**
mortgages	55,567.3	-315.6	**55,251.7**	54,997.5	-307.8	**54,689.7**	55,155.6	-269.1	**54,886.5**	55,467.7	-218.9	**55,248.8**
loans in the current account	702.0	-72.0	**630.0**	693.7	-68.1	**625.6**	697.5	-63.5	**634.0**	682.9	-59.8	**623.1**
other loans and advances	8,452.4	-826.6	**7,625.8**	8,236.1	-784.7	**7,451.4**	8,029.3	-744.4	**7,284.9**	8,049.0	-692.0	**7,357.0**
Other receivables, of which:	**1,542.5**	**0.0**	**1,542.5**	**1,663.4**	**0.0**	**1,663.4**	**1,883.4**	**0.0**	**1,883.4**	**1,511.9**	**0.0**	**1,511.9**
call deposits placed	526.8	0.0	**526.8**	677.0	0.0	**677.0**	827.6	0.0	**827.6**	595.5	0.0	**595.5**
other	1,015.7	0.0	**1,015.7**	986.4	0.0	**986.4**	1,055.8	0.0	**1,055.8**	916.4	0.0	**916.4**
Total	**161,814.2**	**-3,728.5**	**158,085.7**	**159,763.0**	**-3,549.6**	**156,213.4**	**158,243.8**	**-3,269.2**	**154,974.6**	**157,433.9**	**-3,083.7**	**154,350.2**

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Quality of loan portfolio

stan na	30 Sep 2023			30 Jun 2023			31 Dec 2022			30 Sep 2022		
	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net
Corporate banking	**95,550.0**	**-2,514.3**	**93,035.7**	**94,172.3**	**-2,389.0**	**91,783.3**	**92,478.0**	**-2,192.2**	**90,285.8**	**91,722.4**	**-2,113.0**	**89,609.4**
assets in Stage 1	79,299.3	-174.6	**79,124.7**	78,072.9	-174.9	**77,898.0**	75,521.7	-196.5	**75,325.2**	76,615.8	-202.5	**76,413.3**
assets in Stage 2	12,988.5	-485.8	**12,502.7**	13,021.9	-501.8	**12,520.1**	14,301.7	-491.0	**13,810.7**	12,488.9	-471.5	**12,017.4**
assets in Stage 3	3,208.3	-1,853.9	**1,354.4**	3,026.3	-1,712.3	**1,314.0**	2,601.8	-1,504.7	**1,097.1**	2,563.5	-1,439.0	**1,124.5**
POCI assets	53.9	0.0	**53.9**	51.2	0.0	**51.2**	52.8	0.0	**52.8**	54.2	0.0	**54.2**
Retail banking	**64,721.7**	**-1,214.2**	**63,507.5**	**63,927.3**	**-1,160.6**	**62,766.7**	**63,882.4**	**-1,077.0**	**62,805.4**	**64,199.6**	**-970.7**	**63,228.9**
assets in Stage 1	57,409.0	-184.6	**57,224.4**	56,772.8	-176.7	**56,596.1**	56,942.3	-191.0	**56,751.3**	61,298.2	-161.8	**61,136.4**
assets in Stage 2	6,185.2	-280.5	**5,904.7**	6,090.5	-280.3	**5,810.2**	6,013.7	-292.3	**5,721.4**	2,052.4	-223.4	**1,829.0**
assets in Stage 3	1,124.8	-749.1	**375.7**	1,060.7	-703.6	**357.1**	924.3	-593.7	**330.6**	847.0	-585.5	**261.5**
POCI assets	2.7	0.0	**2.7**	3.3	0.0	**3.3**	2.1	0.0	**2.1**	2.0	0.0	**2.0**
Total, of which:	160,271.7	-3,728.5	156,543.2	158,099.6	-3,549.6	154,550.0	156,360.4	-3,269.2	153,091.2	155,922.0	-3,083.7	152,838.3
assets in Stage 1	136,708.3	-359.2	**136,349.1**	134,845.7	-351.6	**134,494.1**	132,464.0	-387.5	**132,076.5**	137,914.0	-364.3	**137,549.7**
assets in Stage 2	19,173.7	-766.3	**18,407.4**	19,112.4	-782.1	**18,330.3**	20,315.4	-783.3	**19,532.1**	14,541.3	-694.9	**13,846.4**
assets in Stage 3	4,333.1	-2,603.0	**1,730.1**	4,087.0	-2,415.9	**1,671.1**	3,526.1	-2,098.4	**1,427.7**	3,410.5	-2,024.5	**1,386.0**
POCI assets	56.6	0.0	**56.6**	54.5	0.0	**54.5**	54.9	0.0	**54.9**	56.2	0.0	**56.2**

The Group identifies POCI financial assets whose carrying value as at 30 September 2023 is PLN 56.6 million (PLN 54.5 million as at 30 June 2023, PLN 54.9 million as at 31 December 2022 and PLN 56.2 million as at 30 September 2022). These are exposures due to impaired receivables acquired in connection with the acquisition of SKOK Bieszczadzka in 2017 and exposures that were significantly modified as a result of restructuring, which involved the need to remove the original credit or lease commitment and re-recognition of the asset in the statement of financial position.

ING Bank Śląski S.A. Group does not operate directly in Ukraine, Russia or Belarus. Nevertheless, the Group analyzes the customer receivables portfolio on an ongoing basis in terms of links with these markets and risks related to the effects caused by the war (in particular disruptions in the energy sector) and the introduced sanctions. As at 30 September 2023, the effects of the war in Ukraine had no significant direct impact on the quality of the loan portfolio.

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Changes in impairment for expected credit losses

	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023				3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022			
	Stage 1	Stage 2	Stage 3	**Total**	Stage 1	Stage 2	Stage 3	**Total**
Opening balance	**387.5**	**783.3**	**2,098.4**	**3,269.2**	**275.7**	**357.8**	**2,480.1**	**3,113.6**
Changes in the period, including:	**-28.3**	**-17.0**	**504.6**	**459.3**	**88.6**	**337.1**	**-455.6**	**-29.9**
loans granted in the period	137.8	-	-	**137.8**	132.4	-	-	**132.4**
transfer to Stage 1	14.6	-124.9	-9.3	**-119.6**	9.4	-53.4	-16.0	**-60.0**
transfer to Stage 2	-53.4	352.8	-48.4	**251.0**	-41.7	410.5	-101.2	**267.6**
transfer to Stage 3	-11.8	-111.3	560.1	**437.0**	-6.8	-46.8	378.1	**324.5**
repayment (total and partial) and the release of new tranches	-59.6	-102.2	-172.3	**-334.1**	-29.9	-59.7	-166.6	**-256.2**
changed provisioning under impairment for expected credit losses	-36.3	59.3	191.6	**214.6**	-7.6	-67.6	40.8	**-34.4**
management adjustments	-20.4	-88.8	-25.9	**-135.1**	30.5	150.6	-50.2	**130.9**
Total impairment for expected credit losses in the profit and loss account	**-29.1**	**-15.1**	**495.8**	**451.6**	**86.3**	**333.6**	**84.9**	**504.8**
derecognition from the balance sheet (write-downs, sale)	-	-	-37.8	**-37.8**	-	-	-523.2	**-523.2**
calculation and write-off of effective interest	-	-	64.4	**64.4**	-	-	-41.6	**-41.6**
other	0.8	-1.9	-17.8	**-18.9**	2.3	3.5	24.3	**30.1**
Closing balance	**359.2**	**766.3**	**2,603.0**	**3,728.5**	**364.3**	**694.9**	**2,024.5**	**3,083.7**

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8.13. Debt securities

as at	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Measured at fair value through profit or loss (Note 8.10)	**432.1**	**852.5**	**607.1**	**353.0**
transferred assets in accordance with IFRS 9.3.2.23(a)	0.0	0.0	163.8	0.0
other	432.1	852.5	443.3	353.0
Measured at fair value through other comprehensive income in the investment securities portfolio (Note 8.11)	**23,584.3**	**23,576.7**	**15,691.8**	**15,832.0**
transferred assets in accordance with IFRS 9.3.2.23(a)	464.6	8,059.6	0.0	1,002.3
other	23,119.7	15,517.1	15,691.8	14,829.7
Measured at amortised cost in the investment securities portfolio (Note 8.11)	**30,756.9**	**28,755.1**	**32,620.1**	**29,610.7**
transferred assets in accordance with IFRS 9.3.2.23(a)	0.0	3,248.3	0.0	2,204.1
other	30,756.9	25,506.8	32,620.1	27,406.6
Measured at amortised cost in the loans and other receivables to customers portfolio (Note 8.12)	**4,247.9**	**4,241.4**	**3,777.4**	**3,341.8**
other	4,247.9	4,241.4	3,777.4	3,341.8
Total of which:	**59,021.2**	**57,425.7**	**52,696.4**	**49,137.5**
transferred assets in accordance with IFRS 9.3.2.23(a)	464.6	11,307.9	163.8	3,206.4
other	58,556.6	46,117.8	52,532.6	45,931.1

The Group presents separately in the consolidated statement of financial position, assets securing liabilities that can be pledged or resold by the collateral recipient (transferred assets). IFRS 9.3.2.23(a) requires these assets to be segregated and presented separately from other assets in the statement of financial position. These assets are measured at fair value through profit or loss, at fair value through other comprehensive income or at amortised cost.

8.14. Income tax assets and liabilities

as at	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Assets				
Current income tax assets	6.7	6.7	572.2	760.7
Deferred tax assets	1,178.7	1,194.8	1,828.6	2,408.6
Liabilities				
Current income tax liabilities	211.4	124.4	19.9	13.3
Deferred tax loss	0.1	0.2	0.4	0.4

The Group recognizes a deferred tax asset for deductible temporary differences and unsettled tax losses to the extent that it is probable that taxable profit will be available against which the deductible differences can be offset and tax losses settled. Based on the forecast of the Group's tax results for the years 2024-2027, it was estimated that the Group will generate sufficient taxable income to reduce the tax base by the full amount of the tax loss. Therefore, the Group recognized the full amount of the tax loss in the deferred tax asset. At the end of 3rd quarter of 2023, the deferred tax asset related to unsettled tax losses amounted to PLN 517.4 million (PLN 1,038.1 million at the end of 2022).

8.15. Liabilities to other banks

as at	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Current accounts	448.3	424.4	487.7	498.6
Interbank deposits	115.2	643.7	71.5	2,796.6
Loans received*	6,227.6	5,943.9	4,994.0	4,811.4
Repo transactions	0.0	0.0	0.0	422.9
Received call deposits	459.7	367.2	80.0	612.2
Other liabilities	2.6	2.2	6.4	9.3
Total	**7,253.4**	**7,381.4**	**5,639.6**	**9,151.0**

*) The item *Loans received* includes financing of long-term leasing contracts in EUR (so-called "matched funding") received by the subsidiary ING Lease Sp. z o. o. from ING Bank N.V. and other banks not related to the Group.
As at 30 September and 30 June 2023, this item also includes liabilities due to a Non Preferred Senior (NPS) loan received by ING Bank Śląski S.A. from ING Bank N.V. For more information on the NPS loan, see chapter 9.2. *MREL requirements*.

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8.16. Financial liabilities measured at fair value through profit or loss

as at	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Financial liabilities held for trading, including:				
valuation of derivatives	1,364.5	1,543.2	1,602.3	3,305.3
book short position in trading securities	102.4	46.1	437.3	173.2
repo transactions	0.0	0.0	164.2	0.0
Total	**1,466.9**	**1,589.3**	**2,203.8**	**3,478.5**

8.17. Liabilities to customers

as at	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Deposits, including:	**199,621.1**	**186,849.3**	**189,538.3**	**181,752.2**
Corporate banking	**86,574.8**	**80,998.5**	**84,738.9**	**81,992.7**
current deposits	55,755.2	51,064.9	53,716.8	53,269.8
including O/N deposits	5,864.8	3,712.8	2,529.3	4,949.1
saving deposits	17,550.6	16,656.5	18,053.5	16,488.9
term deposits	13,269.0	13,277.1	12,968.6	12,234.0
Retail banking	**113,046.3**	**105,850.8**	**104,799.4**	**99,759.5**
current deposits	28,527.1	28,170.6	27,530.3	28,255.8
saving deposits	70,050.5	64,598.9	69,381.1	65,311.9
term deposits	14,468.7	13,081.3	7,888.0	6,191.8
Other liabilities, including:	**2,796.3**	**12,890.9**	**3,193.0**	**4,828.3**
liabilities under monetary hedges	773.5	752.1	742.9	610.1
repo transactions	465.9	10,894.2	0.0	2,415.5
call deposits	26.5	9.8	11.4	25.0
other liabilities	1,530.4	1,234.8	2,438.7	1,777.7
Total	**202,417.4**	**199,740.2**	**192,731.3**	**186,580.5**

Starting from 2023, the Group changed the presentation of data in this note (mostly these are the balances of closed customer accounts), transferring to deposits (current and term) the amounts presented in previous financial statements under *Other liabilities - other*. Data as at 31 December and 30 September 2022 have been restated to ensure comparability.

8.18. Provisions

as at	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Provision for off-balance sheet liabilities	94.0	93.9	107.9	112.6
Provision for retirement benefits	78.5	77.3	74.0	77.2
Provision for litigation	36.7	36.1	34.9	36.3
Provision for restructuring	37.5	42.2	49.4	55.7
Provision for legal risk of FX mortgage loans *	93.4	86.7	53.7	31.4
Other provisions	30.5	30.9	39.1	33.3
Total	**370.6**	**367.1**	**359.0**	**346.5**

*) The values presented represent a provision for CHF-indexed mortgage loans removed from the statement of financial position and some loans recognized in the statement of financial position for which the estimated loss value exceeds the gross exposure. In addition, with respect to CHF-indexed mortgage loans recognised in the statement of financial position, the Group estimates the adjustment to the gross carrying amount and recognises it in the consolidated statement of financial position, under *Loans and other receivables to customers measured at amortised cost*. Detailed information on the legal risk of CHF-indexed mortgage loans is provided in the chapter on key estimates, in point 5.1.2. *Legal risk of mortgage loans indexed to CHF*.

Provision for litigation

The value of proceedings regarding liabilities or receivables pending in 2023 did not exceed 10% of the Group's equity. In the Group's opinion, none of the individual proceedings pending in 2023 before a court, an arbitration body or a body public administration, as well as all proceedings taken together do not pose a threat to the financial liquidity of the Group.

	3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022
Provision for litigation at the beginning of the period	**36.1**	**34.9**	**42.3**	**42.4**
Changes during the period, including:	**0.6**	**1.8**	**-6.0**	**-6.1**
provisions recognised	1.5	5.3	16.2	20.8
provisions reversed	-0.4	-1.3	-0.3	-0.7
provisions utilised	-0.5	-2.2	-21.9	-26.2
Provision for litigation at the end of the period	**36.7**	**36.7**	**36.3**	**36.3**

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Legal risk related to the portfolio of loans indexed to CHF

To date, the Bank has not received any class action, and neither of the clauses used by the Bank in the agreements has been entered in the register of prohibited clauses.

Information on changes in the legal environment related to the legal risk of the portfolio of loans indexed to CHF, in particular on the judgments of the Court of Justice of the European Union (CJEU) and the judgments and resolutions of the Supreme Court (SN) issued by 31 December 2022 are included in the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2022 to 31 December 2022.

- On 5 April 2023, the Supreme Court issued a judgment in which it confirmed that the presence of abusive clauses in the contract does not automatically invalidate the entire contract. The purpose of Directive 93/13 is not to annul all contracts containing prohibited terms, but to restore the balance between the parties. It is therefore possible, on the basis of a specific court case, for the court to recognize that without the abusive indexation clause, the contract may continue to be in force. It seems, however, that the impact of this ruling on the jurisprudence of the courts is limited, because currently the courts conclude that the contract is invalid not from the mere fact of the presence of abusive clauses in them, but from the fact that without these clauses the contract cannot continue to function.
- On 15 June 2023, the European Court of Justice (CJEU) issued a judgment in a case regarding the answer to the question of the referring court regarding whether the parties, in addition to reimbursement of money paid in performance of the contract (bank - loan principal, consumer - installments, fees, commissions and insurance premiums) and statutory interest for delay from the time of request for payment, may also demand any other benefits, including receivables (in particular remuneration, compensation, reimbursement of costs or indexation of the benefit).

  As regards consumer claims, the CJEU referred to national law and emphasized that it is for the referring court to assess, in the light of all the circumstances of the dispute, whether the inclusion of such consumer claims complies with the principle of proportionality.

  As regards banks' claims, the Court pointed out that the Directive precludes banks from being entitled to demand compensation from the consumer beyond the repayment of the capital paid out and beyond the payment of statutory interest for late payment, if this would lead to “compensation for the loss of profit which it intended to make from that contract.” Indicating the need to return the capital, the Court did not determine whether it is about its real or nominal value, which is a particularly important question in the light of high inflation. A sectoral analysis of the above-mentioned ruling is underway.
- In its judgment of 21 September 2023 in Case C-139/22, the CJEU held that:

  1) In order for a contractual term to be regarded as unfair, it is sufficient to establish that its content corresponds to the terms of a standard contract entered in the register of prohibited clauses, which does not preclude, however, that in the particular proceedings the bank can prove that, in the light of all the relevant circumstances of the case, that term is not abusive (in particular, it does not produce effects identical to those entered in the register of prohibited clauses).
  2) An unfair contract term shall not be made unfair by the fact that the consumer may choose to perform his contractual obligations under the contract on the basis of another contract term which is fair.
  3) The trader shall be required to provide information on the essential characteristics of the contract and the risks inherent in the contract of each consumer, including where the relevant consumer has appropriate knowledge and experience in the specific field.
  4) In view of the answer to Question No 3, the CJEU considered it pointless to answer Question No 4 (that question was asked only in the event that the third question was answered in the negative, which was not the case here).

  However, in the opinion of the banks, this judgment does not close the way for Polish courts to assess consumer claims from the perspective known to Polish law and also the institution of abuse of rights present in other European legal orders.

Settlement programme

From 25 October 2021, the Bank offers the possibility for borrowers to conclude voluntary settlements in accordance with the proposal presented in December 2020 by the Chairman of the Polish Financial Supervision Authority. The Bank's customers may submit a request for mediation through the Mediation Center of the Court of Arbitration of the Polish Financial Supervision Authority. The mediation process can be used by customers who have a housing mortgage loan or a housing construction and mortgage loan indexed with the CHF exchange rate at the Bank for their own housing purposes, excluding mortgage loans and the above-mentioned loans, where one of the purposes of lending was to consolidate non-housing liabilities. A mediation agreement can only be signed for one of the active housing loans. The conversion takes place on the terms presented by the Chairman of the Polish Financial Supervision Authority. Detailed rules for the settlement of the loan and determination of the type of interest rate for the future are the subject of arrangements in the mediation process before the Polish Financial Supervision Authority in accordance with the current offer of settlements offered by the Bank. From the moment the settlement programme was launched until the end of 3rd quarter of 2023, the Bank concluded 683 agreements under the programme.

Other proceedings

Proceedings on provisions providing for the possibility of changing a standard contract, contract or table of fees and commissions for important reasons, the so-called modification clauses

On 1 April 2019, the President of the Office of Competition and Consumer Protection (UOKiK) initiated ex officio proceedings to recognize a standard contract as illegal in terms of contractual provisions that may violate Art. 23a of the Act on competition and consumer protection. The proceedings concern provisions providing for the possibility of changing the standard contract, contract or table of fees and commissions for important reasons, the so-called modification clauses.

The scope of the procedure relates to the provisions in various general terms and conditions, regulations and contracts concluded with consumers: for cash loans, overdraft limit, granting and repayment of loans in a brokerage account, using a credit card – in the version effective from 7 March 2016; for checking and checking accounts and savings accounts – in the version effective from 9 November 2015; for maintaining payment accounts – in the version applicable from 6 August 2018; for prepaid cards – in the version valid from 1 January 2016.

In the opinion of the President of UOKiK, the analysed modification clauses may constitute prohibited contractual provisions due to:

- the possibility of unilaterally changing the general terms and conditions of the contract as to its essential provisions, in the scope of contracts enabling the generation of debt on the part of consumers, concluded for a specified period,
- general, imprecise nature of the premises for a unilateral amendment to the contract, which does not allow consumers to verify them correctly, and in some provisions there are no time limits as to the scope of changes,
- no provisions regarding the possibility of continuing a contract concluded for a specified period of time regarding crediting consumer needs under the existing rules in the event of failure to accept unilateral proposed changes from the bank.

In the letter of 13 May 2021, the Office for Competition and Consumer Protection notified the Bank that the collection of evidence had been completed. The Office for Competition and Consumer Protection decided to extend the deadline for the completion of the proceedings until 31 December 2023.

As at 30 September 2022, the Group has not identified any rationale for making provisions on this account.

Proceedings on the allegation of practices restricting competition on the market of acquiring services related to payments with payment cards in Poland

After conducting antitrust proceedings against ING Bank Śląski S.A. and other banks, at the request of the Polish Trade and Distribution Organization - the Employers' Association (POHiD), the President of the Office of Competition and Consumer Protection issued a decision on 29 December 2006 stating that the Bank had committed practices restricting competition. As restricting competition, UOKiK found the practice consisting in the participation by various Polish banks, including the Bank, in an agreement restricting competition on the acquiring services market related to the settlement of consumers' obligations towards merchants, for payments for goods and services purchased by consumers, with the use of payment cards on territory of Poland by jointly setting the amount of the interchange fee charged for transactions made with Visa and MasterCard cards in Poland. Due to the finding of competition restricting practices, UOKiK imposed fines, including penalties on the Bank in the amount of PLN 14.1 million.

From this decision, among others The bank appealed to the Court of Competition and Consumer Protection (SOKiK). By ruling on 12 November 2008, SOKiK changed the decision of UOKiK, so that it did not find any practice restricting competition. On 22 April 2010, this judgment was quashed by a judgment of the Court of Appeal, which referred the case to SOKiK for re-examination. On 27 April 2021, the files of the main case regarding the interchange fee were submitted to SOKiK. After an exchange of pleadings between the parties, a hearing was held on 29 November 2022. Another trial was held on 14 September 2023.

Due to the lack of final decisions, the amount of the refunded penalty was not recognized in the profit and loss account. As at 30 September 2022, the value of the provision was PLN 14.1 million.

PFSA proceedings

As described in the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2022 to 31 December 2022, on 17 June 2020, the Polish Financial Supervision Authority (PFSA, KNF) initiated administrative proceedings to impose a penalty on ING Bank Śląski S.A, in connection with suspicion of breach of depositary duties defined in art. 72 of the Act on investment funds and management of alternative investment funds in connection with the Bank's function of depositary of specific funds and Article 9(2) of the above mentioned act. The proceedings ended on 17 December 2021 with the issuance of a Decision under which the PFSA imposed an administrative penalty of PLN 4.3 million on the Bank. The fine of PLN 4.3 million was paid. On 21 November 2022, the Bank filed a complaint with the Provincial Administrative Court. Pursuant to the content of the complaint, the Bank demands that the Decision imposing an administrative penalty be repealed in its entirety. In a judgment of 8 March 2023, the Provincial Administrative Court dismissed the Bank's complaint in its entirety. The justification for the judgment was received on 21 June 2023, after analyzing it, the Bank decided to file a cassation complaint with the Supreme Administrative Court. The complaint was prepared and submitted on time. The date of the hearing before the Supreme Administrative Court has not been set.

Information on other pending proceedings, which did not significantly change in the period of 3 quarters of 2023, is included in the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2022 to 31 December 2022.

8.19. Other liabilities

as at	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Accruals, including:	**1,202.1**	**1,207.3**	**952.0**	**1,104.6**
due to employee benefits	318.6	241.4	333.4	316.6
due to commissions	235.7	248.5	193.5	217.1
due to general and administrative expenses	647.8	563.8	425.1	570.9
liabilities due to the obligatory annual contribution to the BFG resolution fund	0.0	153.6	0.0	0.0
Other liabilities, including:	**2,306.5**	**2,068.9**	**3,597.6**	**1,958.9**
lease liabilities	420.1	407.0	422.9	431.4
interbank settlements	958.1	883.0	2,355.9	710.0
settlements with suppliers	99.7	110.9	138.2	95.0
public and legal settlements	176.5	171.1	172.3	142.7
commitment to pay to the BFG guarantee fund	171.6	171.6	171.6	171.6
commitment to pay to the BFG resolution fund	199.0	199.0	199.0	199.0
other	281.5	126.3	137.7	209.2
Total	**3,508.6**	**3,276.2**	**4,549.6**	**3,063.5**

8.20. Fair value

8.20.1. Financial assets and liabilities measured at fair value in the statement of financial position

In 2023, there were no transfers between measurement levels, as in 2022. In 2023, the valuation techniques for Levels 1 and 2 did not change.

The tables present the carrying amount of financial assets and liabilities broken down by individual measurement levels.

as at 30 Sep 2023

	Level 1	Level 2	Level 3	Total
Financial assets, including:	**24,016.4**	**2,035.3**	**167.8**	**26,219.5**
Financial assets held for trading, including:	**432.1**	**1,674.3**	**-**	**2,106.4**
valuation of derivatives	-	1,149.5	-	1,149.5
other financial assets held for trading, including:	432.1	262.4	-	694.5
debt securities, including:	432.1	-	-	432.1
treasury bonds in PLN	150.5	-	-	150.5
Czech Treasury bonds	281.1	-	-	281.1
European Investment Bank bonds	0.5	-	-	0.5
repo transactions	-	262.4	-	262.4
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	**-**	**-**	**41.1**	**41.1**
loans are obligatorily measured at fair value through profit or loss	-	-	40.7	40.7
equity instruments	-	-	0.4	0.4
Derivative hedge instruments	**-**	**361.0**	**-**	**361.0**
Financial assets measured at fair value through other comprehensive income, including:	**23,119.7**	**-**	**126.7**	**23,246.4**
debt securities, including:	23,119.7	-	-	23,119.7
treasury bonds in PLN	19,631.3	-	-	19,631.3
treasury bonds in EUR	1,710.9	-	-	1,710.9
European Investment Bank bonds	1,354.8	-	-	1,354.8
Austrian government bonds	422.7	-	-	422.7
equity instruments	-	-	126.7	126.7
Transferred assets, including:	**464.6**	**-**	**-**	**464.6**
treasury bonds in PLN from portfolio of financial assets measured at fair value through other comprehensive income	464.6	-	-	464.6
Financial liabilities, including:	**102.4**	**1,754.5**	**0.0**	**1,856.9**
Financial liabilities held for trading, including:	**102.4**	**1,364.5**	**-**	**1,466.9**
valuation of derivatives	-	1,364.5	-	1,364.5
book short position in trading securities	102.4	-	-	102.4
Derivative hedge instruments	**-**	**390.0**	**-**	**390.0**

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as at 31 Dec 2022

	Level 1	Level 2	Level 3	Total
Financial assets, including:	**16,300.7**	**1,591.7**	**175.6**	**18,068.0**
Financial assets held for trading, including:	**443.3**	**1,452.5**	-	**1,895.8**
valuation of derivatives	-	974.9	-	974.9
other financial assets held for trading, including:	443,3	477,6	-	920,9
debt securities, including:	443.3	-	-	443.3
treasury bonds in PLN	441.7	-	-	441.7
Czech Treasury bonds	1.2	-	-	1.2
European Investment Bank bonds	0.4	-	-	0.4
repo transactions	-	477.6	-	477.6
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	**1.8**	-	**54.7**	**56.5**
loans are obligatorily measured at fair value through profit or loss	-	-	54.6	54.6
equity instruments	1.8	-	0.1	1.9
Derivative hedge instruments	-	**139.2**	-	**139.2**
Financial assets measured at fair value through other comprehensive income, including:	**15,691.8**	-	**120.9**	**15,812.7**
debt securities, including:	15,691.8	-	-	15,691.8
treasury bonds in PLN	12,153.8	-	-	12,153.8
treasury bonds in EUR	1,803.4	-	-	1,803.4
European Investment Bank bonds	1,308.9	-	-	1,308.9
Austrian government bonds	425.7	-	-	425.7
equity instruments	-	-	120.9	120.9
Transferred assets, including:	**163.8**	-	-	**163.8**
Treasury bonds in PLN from the portfolio of financial assets measured at fair value through profit or loss	125.2	-	-	125.2
bonds of the Czech State Treasury in CZK from the portfolio of financial assets measured at fair value through profit or loss	38.6	-	-	38.6
Financial liabilities, including:	**437.3**	**2,136.0**	**0.0**	**2,573.3**
Financial liabilities held for trading, including:	**437.3**	**1,766.5**	-	**2,203.8**
valuation of derivatives	-	1,602.3	-	1,602.3
book short position in trading securities	437.3	-	-	437.3
repo transactions	-	164.2	-	164.2
Derivative hedge instruments	-	**369.5**	-	**369.5**

Financial assets classified to level 3 of the measurement as at 30 September 2023 and 31 December 2022 include unlisted equity instruments and loans that did not meet the SPPI criterion according to IFRS 9.

Equity instruments

Fair value measurement of unquoted equity interests in other companies is based on the discounted cash flow, dividend or economic value added model. Estimates of future cash flows were prepared based on medium-term profitability forecasts prepared by the Management Boards of these companies. The discount rate is based on the cost of equity estimated using the CAPM (Capital Asset Pricing Model). At the end of 3rd quarter of 2023, the discount rate was in the range of 12.7%-14.7%, depending on the company, compared to 13.2%-15.2% at the end of 2022. Fair value measurement of unquoted equity interests in other companies as at 30 September 2023 and 31 December 2022 covered the following entities: Biuro Informacji Kredytowej S.A., Krajowa Izba Rozliczeniowa S.A. and Polski Standard Płatności sp. z o.o.

Loans

The fair value methodology of the loan portfolio is based on the discounted cash flow method. Under this method, for each contract being valued, expected cash flows are estimated, discount factors for particular payment dates and the value of discounted cash flows is determined as at the valuation date. Valuation models are powered by business parameters for individual contracts and parameters observable by the market, such as interest rate curves, liquidity cost and cost of capital. The change in the parameters adopted for the valuation did not have a significant impact on the valuation value as at 30 September 2023.

8.20.2. Financial assets and liabilities not measured at fair value in the statement of financial position

The Group discloses data on the fair value of financial assets and liabilities measured at amortized cost using the effective interest rate. The fair value calculation methods for disclosure purposes adopted as at 30 September 2023 have not changed compared to those used at the end of 2022 (a detailed description of the approach to fair value measurement of assets and liabilities that are not presented at fair value in the statement of financial position is in the annual consolidated financial statements for the period from 1 January 2022 to 31 December 2022).

In 2023 there were no transfers between valuation levels. In 2022, the Group changed the valuation level for bonds for the National Road Fund issued by Bank Gospodarstwa Krajowego. In previous periods, they were presented in level 1 of the valuation, and starting from 1st half of 2022, the Group presents them in level 2 of the valuation.

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as at 30 Sep 2023

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Investment securities at amortised cost	**30,756.9**	**21,644.8**	**7,017.5**	**-**	**28,662.3**
treasury bonds in PLN	13,334.0	12,519.8	-	-	12,519.8
treasury bonds in EUR	3,139.2	2,820.3	-	-	2,820.3
European Investment Bank bonds	6,736.5	6,304.7	-	-	6,304.7
bonds of the Polish Development Fund (PFR)	3,844.2	-	3,437.3	-	3,437.3
Bank Gospodarstwa Krajowego bonds	1,803.3	-	1,681.1	-	1,681.1
NBP bills	1,899.7	-	1,899.1	-	1,899.1
Loans and receivables to customers at amortised cost, including:	**158,085.7**	**-**	**-**	**159,345.4**	**159,345.4**
Corporate banking segment, including:	93,035.7	-	-	93,812.7	93,812.7
loans and advances (in the current account and term ones)	68,469.3	-	-	69,416.3	69,416.3
lease receivables	13,186.1	-	-	13,035.6	13,035.6
factoring receivables	7,132.4	-	-	7,132.4	7,132.4
corporate and municipal debt securities	4,247.9	-	-	4,228.4	4,228.4
Retail banking segment, including:	63,507.5	-	-	63,990.2	63,990.2
mortgages	55,325.1	-	-	55,419.5	55,419.5
other loans and advances	8,182.4	-	-	8,570.7	8,570.7
Other receivables	1,542.5	-	-	1,542.5	1,542.5
Liabilities to customers	**202,417.4**	**-**	**-**	**202,363.5**	**202,363.5**
Liabilities from debt securities issued	**412.7**	**-**	**-**	**418.0**	**418.0**
Subordinated liabilities	**1,626.7**	**-**	**-**	**1,311.7**	**1,311.7**

as at 31 Dec 2022

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Investment securities at amortised cost	**32,620.1**	**20,778.2**	**8,287.3**	**-**	**29,065.5**
treasury bonds in PLN	13,352.5	11,892.2	-	-	11,892.2
treasury bonds in EUR	3,192.1	2,838.1	-	-	2,838.1
European Investment Bank bonds	6,815.7	6,047.9	-	-	6,047.9
bonds of the Polish Development Fund (PFR)	3,858.4	-	3,124.8	-	3,124.8
Bank Gospodarstwa Krajowego bonds	1,802.1	-	1,564.0	-	1,564.0
NBP bills	3,599.3	-	3,598.5	-	3,598.5
Loans and receivables to customers at amortised cost, including:	**154,974.6**	**-**	**-**	**156,104.1**	**156,104.1**
Corporate banking segment, including:	90,285.8	-	-	91,692.1	91,692.1
loans and advances (in the current account and term ones)	66,462.9	-	-	67,771.6	67,771.6
lease receivables	12,363.5	-	-	12,406.4	12,406.4
factoring receivables	7,682.0	-	-	7,682.0	7,682.0
corporate and municipal debt securities	3,777.4	-	-	3,832.1	3,832.1
Retail banking segment, including:	62,805.4	-	-	62,528.6	62,528.6
mortgages	54,886.5	-	-	54,024.6	54,024.6
other loans and advances	7,918.9	-	-	8,504.0	8,504.0
Other receivables	1,883.4	-	-	1,883.4	1,883.4
Liabilities to customers	**192,731.3**	**-**	**-**	**192,670.3**	**192,670.3**
Liabilities from debt securities issued	**404.8**	**-**	**-**	**409.8**	**409.8**
Subordinated liabilities	**1,643.9**	**-**	**-**	**1,298.8**	**1,298.8**

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9. Capital adequacy

9.1. Total capital ratio

as at	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
A. Own equity in the statement of financial position, including:	**15,182.4**	**12,962.6**	**9,344.3**	**7,422.9**
A.I. Own equity included in the own funds calculation	**17,194.6**	**17,243.5**	**17,096.2**	**15,816.6**
A.II. Own equity excluded from own funds calculation	-2,012.2	-4,280.9	-7,751.9	-8,393.7
B. Other elements of own funds (decreases and increases), including:	**527.4**	**595.9**	**700.0**	**303.4**
intangible assets	-518.2	-512.6	-467.6	-453.3
subordinated liabilities	1,622.5	1,557.6	1,641.4	1,704.4
surplus of provisions over the expected credit losses under the IRB Approach	0.0	0.0	0.0	0.9
adjustments during the transition period	160.0	173.6	594.5	550.1
value adjustments due to the requirements for prudent valuation	-27.1	-27.6	-20.1	-22.8
deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-517.4	-517.6	-1,038.1	-1,470.2
shortage of credit risk adjustments versus AIRB expected losses	-166.0	-52.4	0.0	0.0
coverage shortfall for non-performing exposures	-26.4	-25.1	-10.1	-5.7
Own funds taken into account in total capital ratio calculation (A.I. + B), including:	**17,722.0**	**17,839.4**	**17,796.2**	**16,120.0**
Core Tier 1 capital	16,099.5	16,281.8	16,154.8	14,414.7
Tier 2 capital	1,622.5	1,557.6	1,641.4	1,705.3
Risk weighted assets, including:	**106,992.5**	**105,258.9**	**109,739.3**	**111,715.7**
for credit risk	93,022.4	91,607.9	95,759.9	99,082.1
for operational risk	12,566.4	12,566.4	12,566.4	11,163.9
other	1,403.7	1,084.6	1,413.0	1,469.7
Total capital requirements	**8,559.4**	**8,420.7**	**8,779.1**	**8,937.3**
Total capital ratio (TCR)	**16.56%**	**16.95%**	**16.22%**	**14.43%**
minimum required level	11.510%	11.510%	11.505%	11.382%
surplus TCR ratio over the regulatory requirement	5.05 p.p.	5.44 b.p.	4.71 b.p.	3.05 p.p.
Tier 1 ratio (T1)	**15.05%**	**15.47%**	**14.72%**	**12.90%**
minimum required level	9.510%	9.510%	9.505%	9.382%
surplus T1 ratio over the regulatory requirement	5.54 p.p.	5.96 b.p.	5.21 b.p.	3.52 p.p.

On 26 April 2023, the Bank's General Meeting approved the distribution of profit for 2022. Including the net profit earned in 2022 in own funds as at 31 December 2022, resulted in an increase in the TCR and Tier1 ratios to 16.22% and 14.72%, respectively, which was presented in the table. According to the values presented in the annual consolidated financial statements for the period from 1 January 2022 to 31 December 2022, the Group's TCR and Tier1 ratios as at 31 December 2022 were 15.23% and 13.70%, respectively.

In the calculation of capital ratios, the Group used transitional provisions to mitigate the impact of the implementation of IFRS 9 on the level of own funds. If the Group did not apply the transition period, the Group's capital ratios TCR and T1 would be as follows:

- 16.42% and 14.91% as at 30 September 2023,
- 16.79% and 15.31% as at 30 June 2023.

As at 31 December 2022 and 30 September 2022, the Group additionally applied the temporary treatment of unrealized gains and losses measured at fair value through other comprehensive income in accordance with Art. 468 of the CRR. If the Group does not apply the transition period for the purposes of implementing IFRS 9 or temporarily treat unrealized gains and losses measured at fair value through other comprehensive income in accordance with Art. 468 of the CRR Regulation, the Group's TCR and T1 ratios would be respectively:

- 15.81% and 14.21% as at 31 December 2022,
- 14.07% and 12.45% as at 30 September 2022.

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9.2. MREL requirements

as at

	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
MREL - TREA	**19.38%**	**19.70%**	**17.84%**	**15.65%**
minimum required level (including combined buffer requirement)	15.15%	15.15%	17.19%	15.37%
surplus (+) / deficiency (-) of the MREL – TREA ratio	*4.23 p.p.*	*4.55 b.p.*	*0.65 b.p.*	*0.28 p.p.*
minimum required level (not including combined buffer requirement)	12.14%	12.14%	14.18%	12.12%
surplus (+) / deficiency (-) of the MREL – TREA ratio	*7.24 p.p.*	*7.56 b.p.*	*3.66 b.p.*	*3.53 p.p.*
MREL - TEM	**8.27%**	**8.47%**	**8.32%**	**7.74%**
minimum required level	4.46%	4.46%	4.46%	3.00%
surplus (+) / deficiency (-) of the MREL – TEM ratio (p.p.)	*3.81 p.p.*	*4.01 b.p.*	*3.86 b.p.*	*4.74 p.p.*

On 17 April 2023 the Bank received a letter from the Bank Guarantee Fund (BGF) on the joint decision of resolution bodies; i.e. Single Resolution Board (SRB) and the BGF on the minimum requirement for own funds and eligible liabilities (MREL). The decision was taken following the Single Point of Entry (SPE) resolution strategy applicable to ING Group.

In liaison with the SRB, the BGF set the MREL for the Bank of 16.29% of the total risk exposure amount (TREA) and 5.91% of the total exposure measure (TEM) on an individual basis. The Bank is required to meet the MREL by 31 December 2023 both measures, the TREA and the TEM, at the same time. The total MREL should be satisfied with own funds and eligible liabilities under Article 98 of the BGF Act transposing Article 45f(2) of the BRRD2.

Further, the BGF stated that the recapitalisation-equivalent portion of the MREL should be met with the following instruments: additional Tier 1 (AT1) instruments, Tier 2 (T2) instruments and other subordinated eligible liabilities bought directly or indirectly by the parent entity. The additional requirement refers to the target level of the MREL. Based on the BGF's methodology, the Bank Management Board estimate the recapitalisation amount-related portion of the MREL at 8.29% of the TREA and 2.91% of the TEM.

Furthermore, the BGF set interim MREL goals which for:

- the TREA are 12.14%, and
- the TEM are 4.46%,

from the moment of receiving the BGF letter.

At the same time, the Tier 1 capital (CET1) instruments kept by the Bank for the purposes of the combined buffer requirement cannot be included in the MREL expressed as a percentage of the total risk exposure amount (TREA).

On 22 December 2022, the Bank concluded with ING Bank N.V. a Non Preferred Senior (NPS) loan agreement. The transaction was completed on 5 January 2023. The loan was granted for a period of 6 years and its amount is EUR 260 million. The Bank has the right to early repayment of the loan after 5 years, subject to the approval of the Bank Guarantee Fund. Granted by ING Bank N.V. the loan is part of the SPE strategy for ING Group. Starting from 2023, the Bank includes funds from the loan in eligible liabilities for the purposes of the minimum requirement for own funds and eligible liabilities (MREL). As at 30 September 2023, the carrying amount of liabilities under the NPS loan amounted to PLN 1,222.8 million (compared to PLN 1,172.2 million as at 30 June 2023) and was recognized in the statement of financial position under *Liabilities to other banks*.

10. Dividends paid

On 7 April 2022, the Ordinary General Meeting of the Bank adopted a resolution on the payment of dividends from the profit for 2021. Pursuant to this resolution, on 4 May 2022, the Bank paid a dividend in the total amount of PLN 689.5, i.e. in the amount of PLN 5.30 gross per share.

11. Issue and redemption of securities

In the period of 3 quarters of 2023, the Group did not issue or redeem any securities.

In the corresponding period of the previous year, i.e. in the period of 3 quarters of 2022, there were no issues of securities, while the Group's subsidiary - ING Bank Hipoteczny S.A. - redeemed bonds with a total nominal value of PLN 575 million, issued under the Bond Issue Program in 2021.

12. Off-balance sheet items

as at

	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Off-balance sheet commitments given	54,216.6	51,013.5	48,158.2	49,275.2
Off-balance sheet commitments received	20,378.6	24,952.2	17,481.2	22,544.3
Off-balance sheet financial instruments	1,311,507.7	1,244,771.8	1,137,721.0	1,213,878.7
Total	**1,386,102.9**	**1,320,737.5**	**1,203,360.4**	**1,285,698.2**

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13. Transactions with related parties

ING Bank Śląski S.A. is a subsidiary of ING Bank NV, which as at 30 September 2023 held 75% shares in the share capital of ING Bank Śląski S.A. and 75% shares in the total number of votes at the General Meeting of ING Bank Śląski S.A. The ultimate Parent entity is ING Groep N.V. based in the Netherlands.

ING Bank Śląski carries out operations with ING Bank N.V. and its subsidiaries on the inter-bank market. These are both short-term deposits and loans, as well as operations in derivatives. The Bank also maintains bank accounts of entities from the ING Group. Moreover, the Bank's subsidiary - ING Lease Sp. z o. o. received from ING Bank NV long-term financing of lease contracts in EUR ("matched funding").

All of the above transactions are carried out on an arm's length basis.

Operating costs incurred by the Bank for the Parent entity result primarily from contracts for the provision of consultancy and advisory services, data processing and analysis, provision of software licenses and IT support. In terms of costs incurred by the Bank for other related entities, outsourcing agreements play a dominant role regarding the provision of system resource hosting services for various applications, lease of IT equipment, monitoring the availability and performance of applications and IT infrastructure as well as penetration testing and IT security monitoring.

Costs are presented as per their net value (VAT excluded).

The table presents numerical information on revenues and costs as well as receivables and liabilities resulting from transactions concluded between the Group and its related entities.

	ING Bank N.V.	other ING Group entities	associates	ING Bank N.V.	other ING Group entities	associates
	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023			3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022		
Income and expenses						
Income, including:	201.1	8.1	30.1	-107.1	1.2	30.5
net interest and commission income	-24.8	7.4	30.1	-39.3	5.9	30.5
net income on financial instruments	224.2	0.5	-	-69.5	-5.5	-
net (loss)/income on other basic activities	1.7	0.2	-	1.7	0.8	-
General and administrative expenses	-200.5	-47.9	-	-131.8	-30.5	-

	ING Bank N.V.	other ING Group entities	associates	ING Bank N.V.	other ING Group entities	associates
	as at 30 Sep 2023			as at 31 Dec 2022		
Receivables						
Nostro accounts	6.4	2.7	-	2.2	174.4	-
Deposits placed	678.7	-	-	227.7	-	-
Loans granted	-	8.3	-	-	10.5	-
Positive valuation of derivatives	219.8	-	-	207.4	-	-
Reverse repo	9,845.4	-	-	3,759.3	-	-
Other receivables	4.1	1.8	-	4.4	3.8	-
Liabilities						
Deposits received	293.6	344.5	24.2	11.0	156.4	9.3
Loans received, including:	6,227.6	-	-	4,994.0	-	-
Non Preferred Senior (NPS) loan	1,222.8	-	-	-	-	-
Subordinated loan	1,626.7	-	-	1,643.8	-	-
Loro accounts	19.3	59.5	-	59.5	32.4	-
Negative valuation of derivatives	83.8	1.1	-	208.2	-	-
Other liabilities	232.3	20.2	-	92.0	9.7	-
Off-balance-sheet operations						
Off-balance sheet liabilities granted	520.2	706.3	0.1	532.2	759.2	0.1
Off-balance sheet liabilities received	1,141.2	-	-	2,405.9	21.6	-
FX transactions	20,144.5	-	-	16,307.9	-	-
Forward transactions	-	36.7	-	-	-	-
IRS	192.6	-	-	187.1	-	-
Options	633.0	-	-	400.5	-	-

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14. Indication of factors that may affect the financial results in the following quarters

- Contrary to the concerns of many analysts and economists, hitherto higher interest rates have not caused a significant deterioration in the labor market in the USA or the euro area. As a result, the main central banks have consistently communicated that they intend to keep interest rates high for a longer period of time in order to combat, among other things, the risk of anchoring inflation expectations. Money market rates are valuing the increasingly subsequent reductions in interest rates in major economies, as well as their smaller scale. The Federal Reserve's lowest rate level in the next cycle was estimated at around 3% in the spring, and now it is over 4%.
- In the opinion of the ING Group economists, there is no room for further rate increases in the US and the euro area. The effects of the Fed's tightening policy so far will come in 2024, further reinforced by the strong growth in long-term government bond yields (which is especially evident in the US). In turn, the economic situation in Europe is already relatively weak, although there are some signs of stabilization, including in industry. As a result, ING Group analysts expect the policy of the Fed and the ECB to be relaxed next year. However, there is some debate as to whether the level of the US neutral rate is higher than previously assumed by the Fed. This may mean that the rate cuts in the US and Europe in 2024 will not take place or will be smaller than expected.
- As the Federal Reserve's monetary policy is approaching a loosening moment, ING Group analysts expect a gradual increase in the EUR/USD pair. The weakening of the dollar against the euro will be less than expected a few months ago, because the announcements made by the Federal Reserve do not indicate an aggressive cycle of rate cuts in the US. However, geopolitical tensions, which are the consequence of the attack on Israel and generally support the US currency, may pose a risk to this scenario.
- In the opinion of the Bank's economists, the gradual weakening of the dollar will allow to maintain a relatively stable EUR/PLN exchange rate in 2024, despite the deterioration of the macroeconomic foundations behind the zloty. Inflation in the country was generally higher than in Poland's trading partners, which led to a real appreciation of the zloty (according to the International Monetary Fund's estimates by over 10%). Economists of the Bank also expect that with the expected domestic demand rebound, imports will also increase, leading to a decrease in Poland's trade surplus.
- In the opinion of the Bank's economists, the situation on the national labor market remains determined by unfavorable demographic trends and the potential outflow of refugees from Poland. Therefore, even in relatively weak economic times, the unemployment rate has not increased significantly and this situation should not change in 2024. The generally tight labor market, combined with high minimum wage growth next year, is likely to support the maintenance of double-digit wage growth in 2024.
- According to the Bank's economists, the period of the fastest decline in inflation in Poland, caused by lower prices of energy resources, is coming to an end. The Bank's analysts' estimates indicate that the disinflation process will significantly slow down in the second half of 2024 and inflation will stabilize at an elevated level (5-6%). Therefore, the Bank's economists estimate that by the end of the year the Monetary Policy Council will lower the interest rates no deeper than 5.50%. The Bank's analysts also estimate that the MPC may still gradually reduce rates to around 4.75% in the first half of next year, but the central bank's reaction function is unclear and it is possible that the rate cuts will end sooner.
- According to the Bank's economists, the third quarter of 2023 may have been a turning point in the Polish economy. Maintaining the double-digit increase in salaries, combined with a reduction in inflation in Poland, will result in a gradual increase in the purchasing power of Poles. Therefore, the Bank's economists expect that private consumption will be the driving force of the economic recovery. At the turn of the year, the contribution of stocks to GDP is likely to weaken - companies declare that they are still excessive in relation to demand. At the same time, net exports should gradually deteriorate. We maintain the forecast of GDP growth in 2023 at 0.4%. In 2024, we expect an acceleration to 2.5%. If the new government quickly agrees with Brussels and is able not only to unblock the funds from the NIP, but also to obtain payment of part of the outstanding tranches, the chances of higher growth rates are increasing.

15. Other information

15.1. Ratings

Fitch Ratings Ltd.

Fitch Ratings agency (Fitch Ratings Ireland Limited with its seat in Dublin) assigns full rating to ING Bank Śląski S.A. under the agreement between the Bank and the Agency. The Bank's rating given by the Fitch Agency, valid as of 30 September 2023, was as follows:

Rating	Level
Long-term Issuer Default Rating (IDR)	A+
Long-term IDR Outlook	Stable
Short-term Issuer Default Rating	F1+
Viability rating	bbb
Shareholder Support Rating	a+
National Long-term Rating	AAA (pol)
National Long-term Rating Outlook	Stable
National Short-term Rating	F1+ (pol)

Moody's Investors Service Ltd.

Moody's Investors Sevice (Moody's Investors Service Cyprus Ltd.) assigns their rating to our bank on the basis of public information. As of 30 September 2023 the Bank's rating from the Moody's Agency was as follows:

Rating	Level
Long-term Deposits Rating (LT rating)	A2
Short-term Deposits Rating (ST rating)	P-1
Baseline Credit Assessment (BCA)	baa2
Adjusted Baseline Credit Assessment (Adjusted BCA)	baa1
Outlook	Stable
Counterparty Risk Assessment (CR Assessment) long-term/short-term	A1 (cr) / P-1 (cr)
Counterparty Risk Rating (CR Rating) long-term/short-term	A1 / P-1

15.2. Number of branches and ATMs, CDMs

The number of outlets of the Bank in particular periods was as follows:

as at	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Liczba placówek	214	218	228	237
Liczba punktów ING Express w centrach handlowych	55	54	53	54

As of 30 September 2023, a network of 782 cash self-service machines, including 84 standard ATMs and 698 dual machines, has been put at the disposal of customers.

In comparable periods, i.e. on 30 June 2023 (and on 31 December and 30 September 2022 respectively) there were 791 (889, 903) cash self-service machines, including 106 (144, 146) standard ATMs and 685 (745, 757) dual machines.

15.3. Banking cards

ING Bank Śląski S.A. is one of the largest issuers of banking cards in Poland. The data concerning the number of payment cards issued to ING Bank Śląski S.A. clients are as follows:

as at in thousands	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
debit cards	3 321	3 206	3 383	3 388
credit cards	309	307	300	298
other*	246	250	234	227
Total, of which:	**3 876**	**3 763**	**3 917**	**3 913**
paywave	3 697	3 567	3 705	3 692
virtual cards	179	196	212	221

* including charge and prepaid cards

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS OF ING BANK ŚLĄSKI S.A.

2023-10-31	**Brunon Bartkiewicz** President	The original Polish document is signed with a qualified electronic signature
2023-10-31	**Joanna Erdman** Vice-President	The original Polish document is signed with a qualified electronic signature
2023-10-31	**Marcin Giżycki** Vice-President	The original Polish document is signed with a qualified electronic signature
2023-10-31	**Bożena Graczyk** Vice-President	The original Polish document is signed with a qualified electronic signature
2023-10-31	**Ewa Łuniewska** Vice-President	The original Polish document is signed with a qualified electronic signature
2023-10-31	**Michał H. Mrożek** Vice-President	The original Polish document is signed with a qualified electronic signature
2023-10-31	**Sławomir Soszyński** Vice-President	The original Polish document is signed with a qualified electronic signature
2023-10-31	**Alicja Żyła** Vice-President	The original Polish document is signed with a qualified electronic signature

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2023-10-31	**Jolanta Alvarado Rodriguez** Lead of Centre of Expertise Accounting Policy and Financial Reporting	The original Polish document is signed with a qualified electronic signature

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INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS OF ING BANK ŚLĄSKI S.A.

Interim condensed income statement

	3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022
Net interest income	3,032.9	8,856.3	1,011.2	5,061.4
calculated using the effective interest rate method	2,788.5	8,021.9	698.5	4,452.8
other interest income	244.4	834.4	312.7	608.6
Interest expense	-1,037.7	-3,160.5	-838.0	-1,434.6
Interest income	**1,995.2**	**5,695.8**	**173.2**	**3,626.8**
Commission income	673.4	1,966.4	652.9	1,929.4
Commission expense	-145.9	-423.2	-142.7	-402.6
Net commission income	**527.5**	**1,543.2**	**510.2**	**1,526.8**
Net income on financial instruments measured at fair value through profit or loss and FX result	106.8	214.7	24.5	28.8
Net income on the sale of securities measured at amortised cost	0.0	0.0	-9.1	-24.8
Net income on the sale of financial assets measured at fair value through other comprehensive income and dividend income	3.6	4.6	-0.2	26.6
Net (loss)/income on hedge accounting	-93.6	-101.8	-1.7	-34.4
Net (loss)/income on other basic activities	-1.8	-4.8	-1.2	-2.6
Net income on basic activities	**2,537.7**	**7,351.7**	**695.7**	**5,147.2**
General and administrative expenses	-808.9	-2,571.1	-784.7	-2,839.9
Impairment for expected credit losses	-132.7	-414.7	-175.7	-499.3
including profit on sale of receivables	0.0	0.0	73.5	82.7
Cost of legal risk of FX mortgage loans	0.0	0.0	0.0	-1.3
Tax on certain financial institutions	-164.1	-488.3	-164.8	-477.8
Share of the net profits of subsidiaries and associates measured by equity method	48.6	199.6	-33.9	81.3
Gross profit	**1,480.6**	**4,077.2**	**-463.4**	**1,410.2**
Income tax	-318.6	-907.1	146.1	-361.7
Net profit	**1,162.0**	**3,170.1**	**-317.3**	**1,048.5**

	3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022
Net profit	1,162.0	3,170.1	-317.3	1,048.5
Weighted average number of ordinary shares	130,117,033	130,119,525	130,100,000	130,100,000
Earnings per ordinary share (PLN)	**8.93**	**24.36**	**-2.44**	**8.06**

The diluted earnings per share are the same as the profit per one ordinary share.

Interim condensed standalone income statement shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof.

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Interim condensed statement of comprehensive income

	3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022
Net profit for the reporting period	**1,162.0**	**3,170.1**	**-317.3**	**1,048.5**
Total other comprehensive income, including:	**1,074.4**	**2,672.5**	**214.4**	**-6,226.3**
Items that may be reclassified to profit or loss, including:	**1,074.4**	**2,667.8**	**214.3**	**-6,194.5**
debt instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	-48.7	93.8	-37.1	-463.2
debt instruments measured at fair value through other comprehensive income – reclassification to financial result due to sale	-2.9	-4.9	0.3	-16.0
loans measured at fair value through other comprehensive income - revaluation gains / losses related to equity	19.3	9.2	194.4	244.6
cash flow hedge - gains on revaluation carried through equity	546.6	861.0	-478.1	-6,619.7
cash flow hedge - reclassification to profit or loss	560.1	1,708.7	534.8	659.8
Items that will not be reclassified to profit or loss, including:	**0.0**	**4.7**	**0.1**	**-31.8**
equity financial instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	-	4.7	-	-32.4
fixed assets revaluation	-	-	0.1	0.6
Net comprehensive income for the reporting period	**2,236.4**	**5,842.6**	**-102.9**	**-5,177.8**

Interim condensed standalone statement of comprehensive income shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof.

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Interim condensed statement of financial position

as at	Note	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Assets					
Cash in hand and balances with the Central Bank		3,389.9	2,267.8	2,337.6	2,069.5
Loans and other receivables to other banks		13,969.1	13,695.8	7,204.2	4,449.6
Financial assets measured at fair value through profit or loss		1,885.1	2,339.7	1,952.3	3,396.3
Derivative hedge instruments		361.0	195.7	139.2	504.0
Investment securities		53,917.8	41,064.8	48,348.2	42,280.1
Transferred assets		464.6	11,307.9	163.8	3,206.4
Loans and other receivables to customers	4.1	148,771.4	147,055.0	145,733.5	145,220.6
Investments in subsidiaries and associates accounted for using the equity method		1,707.7	1,659.2	1,624.1	1,570.0
Property, plant and equipment		908.9	903.4	926.5	926.3
Intangible assets		432.5	421.9	393.2	381.5
Current income tax assets		0.0	0.0	566.0	758.7
Deferred tax assets		968.2	999.1	1,650.1	2,241.5
Other assets		126.8	247.6	120.6	119.3
Total assets		**226,903.0**	**222,157.9**	**211,159.3**	**207,123.8**

as at	Note	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Liabilities					
Liabilities to other banks		2,248.4	2,612.3	657.7	4,355.6
Financial liabilities measured at fair value through profit or loss		1,466.9	1,589.3	2,203.8	3,478.5
Derivative hedge instruments		390.0	328.4	369.5	842.0
Liabilities to customers		202,101.1	199,555.9	192,242.6	186,100.6
Subordinated liabilities		1,626.7	1,561.2	1,643.9	1,705.7
Provisions		365.7	362.3	347.8	341.7
Current income tax liabilities		201.4	118.9	0.0	0.0
Other liabilities		3,388.6	3,154.5	4,427.1	2,947.5
Total liabilities		**211,788.8**	**209,282.8**	**201,892.4**	**199,771.6**
Equity					
Share capital	1.4	130.1	130.1	130.1	130.1
Share premium		956.3	956.3	956.3	956.3
Accumulated other comprehensive income		-5,444.2	-6,518.6	-8,116.7	-9,362.6
Retained earnings		19,472.0	18,311.5	16,297.2	15,628.4
Own shares for the purposes of the incentive program		0.0	-4.2	0.0	0.0
Total equity		**15,114.2**	**12,875.1**	**9,266.9**	**7,352.2**
Total liabilities and equity		**226,903.0**	**222,157.9**	**211,159.3**	**207,123.8**

Interim condensed standalone statement of financial position shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof.

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Interim condensed statement of changes in equity

3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Own shares for the purposes of the incentive program	Total equity
Opening balance of equity	**130.1**	**956.3**	**-6,518.6**	**18,311.5**	**-4.2**	**12,875.1**
Net profit for the current period	-	-	-	1,162.0	-	**1,162.0**
Other net comprehensive income, including:	**0.0**	**0.0**	**1,074.4**	**0.0**	**0.0**	**1,074.4**
financial assets measured at fair value through other comprehensive income – revaluation gains / losses recognized in equity	-	-	-29.4	-	-	-29.4
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-2.9	-	-	-2.9
cash flow hedge - revaluation gains / losses recognized in equity	-	-	546.6	-	-	546.6
cash flow hedge – reclassification to profit or loss	-	-	560.1	-	-	560.1
Other changes in equity, including:	**0.0**	**0.0**	**0.0**	**-1.5**	**4.2**	**2.7**
valuation of employee incentive programs	-	-	-	2.6	-	2.6
settlement of the acquisition of own shares and their transfer to employees	-	-	-	-4.1	4.2	0.1
Closing balance of equity	**130.1**	**956.3**	**-5,444.2**	**19,472.0**	**0.0**	**15,114.2**

3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Own shares for the purposes of the incentive program	Total equity
Opening balance of equity	**130.1**	**956.3**	**-8,116.7**	**16,297.2**	**0.0**	**9,266.9**
Net profit for the current period	-	-	-	3,170.1	-	**3,170.1**
Other net comprehensive income, including:	**0.0**	**0.0**	**2,672.5**	**0.0**	**0.0**	**2,672.5**
financial assets measured at fair value through other comprehensive income – revaluation gains / losses recognized in equity	-	-	107.7	-	-	107.7
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-4.9	-	-	-4.9
cash flow hedge - revaluation gains / losses recognized in equity	-	-	861.0	-	-	861.0
cash flow hedge – reclassification to profit or loss	-	-	1,708.7	-	-	1,708.7
Other changes in equity, including:	**0.0**	**0.0**	**0.0**	**4.7**	**0.0**	**4.7**
valuation of employee incentive programs	-	-	-	8.8	-	8.8
acquisition of own shares for the purposes of the employee incentive program	-	-	-	-	-4.2	-4.2
settlement of the acquisition of own shares and their transfer to employees	-	-	-	-4.1	4.2	0.1
Closing balance of equity	**130.1**	**956.3**	**-5,444.2**	**19,472.0**	**0.0**	**15,114.2**

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2022 the period from 01 Jan 2022 to 31 Dec 2022

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Total equity
Opening balance of equity	130.1	956.3	-3,136.3	15,266.0	13,216.1
Net profit for the current period	-	-	-	1,714.4	1,714.4
Other net comprehensive income, including:	0.0	0.0	-4,980.4	0.0	-4,980.4
financial assets measured at fair value through other comprehensive income – revaluation gains / losses recognized in equity	-	-	-211.1	-	-211.1
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-15.9	-	-15.9
cash flow hedge - revaluation gains / losses recognized in equity	-	-	-6,064.6	-	-6,064.6
cash flow hedge – reclassification to profit or loss	-	-	1,307.2	-	1,307.2
fixed assets revaluation	-	-	0.1	-	0.1
actuarial gains/losses	-	-	3.9	-	3.9
Other changes in equity, including:	0.0	0.0	0.0	-683.2	-683.2
valuation of employee incentive programs	-	-	-	6.3	6.3
dividend payment	-	-	-	-689.5	-689.5
Closing balance of equity	130.1	956.3	-8,116.7	16,297.2	9,266.9

3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Total equity
Opening balance of equity	130.1	956.3	-3,136.3	15,266.0	13,216.1
Net profit for the current period	-	-	-	1,048.5	1,048.5
Other net comprehensive income, including:	0.0	0.0	-6,226.3	0.0	-6,226.3
financial assets measured at fair value through other comprehensive income - revaluation gains / losses recognized in equity	-	-	-251.0	-	-251.0
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-16.0	-	-16.0
cash flow hedge - revaluation gains / losses recognized in equity	-	-	-6,619.7	-	-6,619.7
cash flow hedge – reclassification to profit or loss	-	-	659.8	-	659.8
fixed assets revaluation	-	-	0.6	-	0.6
Other changes in equity, including:	0.0	0.0	0.0	-686.1	-686.1
valuation of employee incentive programs	-	-	-	3.4	3.4
dividend payment	-	-	-	-689.5	-689.5
Closing balance of equity	130.1	956.3	-9,362.6	15,628.4	7,352.2

Interim condensed standalone statement of changes in equity shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof.

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Interim condensed cash flow statement

	3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022 *(transformed data)*
Net profit	**1,162.0**	**3,170.1**	**-317.3**	**1,048.5**
Adjustments, including:	**2,506.2**	**-4,326.1**	**-640.3**	**-7.8**
Share of profit/(loss) of subsidiaries and associates accounted for using the equity method	-48.6	-199.6	33.9	-81.3
Depreciation and amortisation	68.3	206.5	67.9	198.9
Interest accrued (from the income statement)	-1,995.2	-5,695.8	-173.2	-3,626.8
Interest paid	-961.4	-2,988.9	-751.8	-1,327.7
Interest received	3,027.2	8,609.5	807.4	4,596.0
Dividends received	0.0	-7.4	-5.2	-6.8
Gains (losses) on investing activities	-0.1	0.5	0.8	0.9
Income tax (from the income statement)	318.6	907.1	-146.1	361.7
Income tax paid	-469.5	-651.5	61.7	-7.4
Change in provisions	3.4	17.9	7.5	9.3
Change in loans and other receivables to other banks	261.1	-6,366.4	550.5	300.0
Change in financial assets measured at fair value through profit or loss	448.8	69.8	92.4	-1,851.2
Change in hedge derivatives	1,262.5	2,971.1	97.8	-7,004.9
Change in investment securities	-10,898.7	-7,034.2	-3,374.3	367.1
Change in transferred assets	10,656.6	-299.3	3,672.2	-925.5
Change in loans and other receivables to customers measured at amortised cost	-1,616.9	-2,906.6	-1,855.6	-7,396.9
Change in other assets	104.4	602.8	-43.7	-67.7
Change in liabilities to other banks	-366.6	358.0	-307.8	-1,858.9
Change in liabilities measured at fair value through profit or loss	-122.4	-736.8	183.7	1,799.0
Change in liabilities to customers	2,506.8	9,787.3	1,265.1	15,902.1
Change in subordinated liabilities	66.7	-17.2	66.2	94.6
Change in other liabilities	261.2	-952.9	-889.7	517.7
Net cash flows from operating activities	**3,668.2**	**-1,156.0**	**-957.6**	**1,040.7**

	3 quarter 2023 the period from 01 Jul 2023 to 30 Sep 2023	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022
Acquisition of property, plant and equipment	-27.3	-63.9	-32.3	-101.7
Disposal of property, plant and equipment	0.1	0.1	0.0	0.0
Acquisition of intangible assets	-28.0	-91.9	-12.8	-75.4
Acquisition of debt securities measured at amortized cost	-1,899.0	-1,899.0	0.0	-1,270.7
Disposal of debt securities measured at amortized cost	0.0	3,599.3	408.9	3,729.4
Dividends received	0.0	7.4	5.2	6.8
Net cash flows from investment activities	**-1,954.2**	**1,552.0**	**369.0**	**2,288.4**
Long-term loans received	0.0	1,214.4	0.0	0.0
Interest payment on long-term loans	-36.4	-82.2	-5.5	-13.7
Repayment of lease liabilities	-24.7	-75.7	-25.4	-76.4
Purchase of own shares for the purposes of the employee incentive program	0.0	-4.2	0.0	0.0
Dividends paid	0.0	0.0	0.0	-689.5
Net cash flows from financial activities	**-61.1**	**1,052.3**	**-30.9**	**-779.6**
Net increase/(decrease) in cash and cash equivalents	**1,652.9**	**1,448.3**	**-619.5**	**2,549.5**
of which effect of exchange rate changes on cash and cash equivalents	174.4	888.2	927.0	521.2
Opening balance of cash and cash equivalents	**2,845.1**	**3,049.7**	**4,546.6**	**1,377.6**
Closing balance of cash and cash equivalents	**4,498.0**	**4,498.0**	**3,927.1**	**3,927.1**

Interim condensed standalone cash flow statement shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof.

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Additional information to the interim condensed standalone financial statements

1. Introduction

1.1. Going concern

These interim condensed standalone financial statements of the ING Bank Śląski S.A. have been prepared on a going-concern basis as regards the foreseeable future, namely as regards the period of minimum 12 months from the date of publication, i.e. from 2 November 2023. As at the date of adoption of these financial statements for publication, the Bank Management Board have not identified any events that could pose a threat to the Group members continuing their operations during the period of 12 months from the date of publication as a result of intentional or forced abandonment or significant limitation of its operations by the Bank.

1.2. Compliance with International Financial Reporting Standards

These interim condensed standalone financial statements of the ING Bank Śląski S.A. for the period from 1 January 2023 to 30 September 2023 were prepared under the IAS 34 Interim Financial Reporting (International Accounting Standards) in a version approved by the European Commission and effective as at the reporting date, that is 30 September 2023 as well as in accordance with the Ordinance of Finance Minister of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state (Journal of Laws of 2018, item 757).

Presented financial statements have been prepared in a condensed version. The interim condensed financial statements do not provide all data or disclosures required in the annual financial statements and should be interpreted together with and the annual financial statements of the ING Bank Śląski S.A. for the period from 1 January 2022 to 31 December 2022, which was approved on 26 April 2023 by the Bank's General Meeting and is available on the website of ING Bank Śląski S.A. (www.ing.pl) and the interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2023 to 30 September 2023.

Interim condensed standalone income statement, interim condensed standalone statement of comprehensive income, interim condensed standalone statement of changes in equity and interim condensed standalone cash flow statement for the period from 1 January 2023 to 30 September 2023 and interim condensed standalone statement of financial position as at 30 September 2023, together with comparable data were prepared according to the same principles of accounting for each period.

1.3. Reporting period and comparable data

Interim condensed standalone financial statements of ING Bank Śląski S.A. covers the period from 1 January 2023 to 30 September 2023 and includes comparative data:

- as at 30 June 2023, 31 December 2022 and 30 September 2022 - for the interim condensed statement of financial position,
- for the period from 1 January 2022 to 30 September 2022 and from 1 July 2022 to 30 September 2022 - for the interim condensed income statement, the interim condensed statement of comprehensive income and the interim condensed cash flow statement,
- for the period from 1 January 2022 to 31 December 2022 and from 1 January 2022 to 30 September 2022 – for the interim condensed statement of changes in equity.

1.4. Financial statements scope and currency

All significant disclosures from the Bank's point of view were presented in the interim condensed consolidated financial statements for the period from 1 January 2023 to 30 September 2023.

These interim condensed separate financial statements have been prepared in Polish zlotys ("PLN"). All values, unless indicated otherwise, are rounded up to million zlotys with one decimal place. As a result, there may be instances of mathematical inconsistency in the totals or between individual notes.

1.5. Approval of the financial statements

This interim condensed standalone financial statements were approved for publication by the Bank's Management Board on 31 October 2023.

The annual financial statements of the ING Bank Śląski S.A. for the period from 1 January 2022 to 31 December 2022 were approved by the General Meeting on 26 April 2023.

1.6. Changes in accounting standards

In these interim condensed separate financial statements, the same accounting principles were applied as applied in the preparation of the full annual financial statements for 2022 (annual financial statements of ING Bank Śląski S.A. for the period from 1 January 2022 to 31 December 2022) and the standards and interpretations approved by the European Union, applicable to annual periods beginning on or after 1 January 2023, which were presented in the interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2023 to 30 September 2023.

2. Significant accounting principles and key estimates

Detailed accounting principles and key estimates are presented in the annual financial statements of the of ING Bank Śląski S.A. for the period from 1 January 2022 to 31 December 2022, available on the website of ING Bank Śląski S.A. (www.ing.pl).

In addition, with respect to interim financial statements, the Bank applies the principle of recognizing the financial result income tax charges based on the best estimate of the weighted average annual income tax rate expected by the Bank in the full financial year.

In the period of 3 quarters of 2023, no significant changes were made to the accounting principles applied by the Bank. The most important estimates that changed in 2023 compared to those presented in the annual financial statements of ING Bank Śląski S.A. for the period from 1 January 2022 to 31 December 2022 are described in the interim condensed consolidated financial statements in point 5.1. *Key estimates*.

3. Comparability of financial data

3.1. Changes in income statement

In these interim condensed financial statements for the period from 1 January 2023 to 30 September 2023, the Bank resigned from presenting in the income statement *the impact of the adjustment to the gross carrying amount of loans due to credit moratoria*, which was a more detailed presentation of interest income. This item was added in the interim condensed financial statements for the period from 1 January 2022 to 30 September 2022 and in the annual financial statements of the ING Bank Śląski S.A. for the period from 1 January 2022 to 31 December 2022. The Bank presented these amounts separately due to the nature and significance of the adjustments in these periods. Because the effect of the credit moratoria was recognised in its entirety in 2022, the presentation of a separate line in the income statement in the financial statements for the period from 1 January 2023 to 30 September 2023 was no longer relevant.

3.2. Changes in cash flow statement

In these interim condensed financial statements for the period from 1 January 2023 to 30 September 2023, compared to the financial statements for the period from 1 January 2022 to 30 September 2022, the Bank introduced changes in the presentation of individual items of the cash flow statement, which consist in separating the following items in the operational activities:

- *Change in transferred assets* – in the reports for previous periods, the amounts corresponding to the change in these assets were presented – depending on the adopted valuation category – in the lines *Change in financial assets measured at fair value through profit or loss* or/and *Change in investment securities*.
- *Change in subordinated liabilities* – to this item amounts corresponding to non-monetary changes in the carrying amount of subordinated liabilities – other than accrued and unpaid interest - were transferred. In the financial statements for the previous periods, the Bank presented these amounts in the item *Change in other liabilities*.

  The introduction of the above changes was aimed at a more complete reflection in the cash flows statement of changes in items presented in assets and liabilities of the statement of financial position.

The table contains individual items presented in the operating activities of the cash flows statement, in the breakdown and by the values presented in the interim condensed financial statements for the period from 1 January 2022 to 30 September 2022 and in the breakdown and by values presented in these interim condensed financial statements. Cash flows from investment and financial activities did not change and did not require restatements.

3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022

	in interim condensed financial statements for the period from 01 Jan 2022 to 30 Sep 2022 (*published data*)	change	in interim condensed financial statements for the period from 01 Jan 2023 to 30 Sep 2023 (*comparable data*)
Net profit	**1,048.5**		**1,048.5**
Adjustments, including:	**-7.8**	**0.0**	**-7.8**
Share of net profit (loss) of associates accounted for using the equity method	-81.3		-81.3
Depreciation and amortisation	198.9		198.9
Interest accrued (from the income statement)	-3,626.8		-3,626.8
Interest paid	-1,327.7		-1,327.7
Interest received	4,596.0		4,596.0
Dividends received	-6.8		-6.8
Gains (losses) on investing activities	0.9		0.9
Income tax (from the income statement)	361.7		361.7
Income tax paid	-7.4		-7.4
Change in provisions	9.3		9.3
Change in loans and other receivables to other banks	300.0		300.0
Change in financial assets measured at fair value through profit or loss	-1,608.0	-243.2	-1,851.2
Change in hedge derivatives	-7,004.9		-7,004.9
Change in investment securities	-801.6	1,168.7	367.1
Change in transferred assets	not applicable	-925.5	-925.5
Change in loans and other receivables to customers measured at amortised cost	-7,396.9		-7,396.9
Change in other assets	-67.7		-67.7
Change in liabilities to other banks	-1,858.9		-1,858.9
Change in liabilities measured at fair value through profit or loss	1,799.0		1,799.0
Change in liabilities to customers	15,902.1		15,902.1
Change in subordinated liabilities	not applicable	94.6	94.6
Change in other liabilities	612.3	-94.6	517.7
Net cash flows from operating activities	**1,040.7**	**0.0**	**1,040.7**

4. Supplementary notes to interim condensed standalone financial statements

4.1. Loans and other receivables to customers

as at	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Measured at amortised cost	141,683.2	139,965.0	137,520.3	136,710.2
Measured at fair value through other comprehensive income	7,088.2	7,090.0	8,213.2	8,510.4
Total	**148,771.4**	**147,055.0**	**145,733.5**	**145,220.6**

Some of the mortgage loans have been designated by the Bank for the "Holding and Sell" business model and may be sold to ING Bank Hipoteczny S.A. (being a subsidiary of the Bank) as part of the so-called pooling. These loans are measured at fair value through other comprehensive income.

From the point of view of the consolidated financial statements, pooled loans still meet the criterion of the "Maintenance" business model, due to the fact that pooling transactions take place within the Capital Group.

The Bank uses the discounted cash flow model to measure mortgage loans assigned to the portfolio measured at fair value. Due to the use of input data in the valuation model that is not based on observable market data, the valuation technique belongs to Level 3.

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Loans and receivables to customers measured at amortised cost

as at	30 Sep 2023			30 Jun 2023			31 Dec 2022			30 Sep 2022		
	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net
Loan portfolio, of which:	**143,598.5**	**-3,428.7**	**140,169.8**	**141,594.4**	**-3,263.4**	**138,331.0**	**138,648.9**	**-2,977.6**	**135,671.3**	**138,012.1**	**-2,813.8**	**135,198.3**
Corporate banking	**89,275.7**	**-2,256.8**	**87,018.9**	**88,201.1**	**-2,144.0**	**86,057.1**	**86,025.4**	**-1,934.8**	**84,090.6**	**85,500.7**	**-1,868.2**	**83,632.5**
loans in the current account	19,190.9	-546.6	**18,644.3**	19,486.2	-538.7	**18,947.5**	19,035.3	-484.1	**18,551.2**	19,996.3	-462.6	**19,533.7**
term loans and advances	65,835.7	-1,709.0	**64,126.7**	64,471.0	-1,602.8	**62,868.2**	63,208.0	-1,446.0	**61,762.0**	62,160.3	-1,403.3	**60,757.0**
debt securities (corporate and municipal)	4,249.1	-1.2	**4,247.9**	4,243.9	-2.5	**4,241.4**	3,782.1	-4.7	**3,777.4**	3,344.1	-2.3	**3,341.8**
Retail banking	**54,322.8**	**-1,171.9**	**53,150.9**	**53,393.3**	**-1,119.4**	**52,273.9**	**52,623.5**	**-1,042.8**	**51,580.7**	**52,511.4**	**-945.6**	**51,565.8**
mortgages	45,168.4	-273.3	**44,895.1**	44,463.6	-266.6	**44,197.0**	43,896.7	-234.9	**43,661.8**	43,779.5	-193.8	**43,585.7**
loans in the current account	702.0	-72.0	**630.0**	693.7	-68.1	**625.6**	697.5	-63.5	**634.0**	682.9	-59.8	**623.1**
other loans and advances	8,452.4	-826.6	**7,625.8**	8,236.0	-784.7	**7,451.3**	8,029.3	-744.4	**7,284.9**	8,049.0	-692.0	**7,357.0**
Other receivables, of which:	**1,513.4**	**0.0**	**1,513.4**	**1,634.0**	**0.0**	**1,634.0**	**1,849.0**	**0.0**	**1,849.0**	**1,511.9**	**0.0**	**1,511.9**
call deposits placed	526.8	0.0	**526.8**	677.0	0.0	**677.0**	827.6	0.0	**827.6**	595.5	0.0	**595.5**
other	986.6	0.0	**986.6**	957.0	0.0	**957.0**	1,021.4	0.0	**1,021.4**	916.4	0.0	**916.4**
Total	**145,111.9**	**-3,428.7**	**141,683.2**	**143,228.4**	**-3,263.4**	**139,965.0**	**140,497.9**	**-2,977.6**	**137,520.3**	**139,524.0**	**-2,813.8**	**136,710.2**

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Quality of loan portfolio

as at	30 Sep 2023			30 Jun 2023			31 Dec 2022			30 Sep 2022		
	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net
Corporate banking	**89,275.7**	**-2,256.8**	**87,018.9**	**88,201.1**	**-2,144.0**	**86,057.1**	**86,025.4**	**-1,934.8**	**84,090.6**	**85,500.7**	**-1,868.2**	**83,632.5**
assets in Stage 1	76,435.8	-160.8	**76,275.0**	75,034.6	-163.4	**74,871.2**	72,485.8	-173.1	**72,312.7**	73,648.7	-183.6	**73,465.1**
assets in Stage 2	10,190.1	-453.1	**9,737.0**	10,655.5	-464.4	**10,191.1**	11,415.6	-444.2	**10,971.4**	9,779.5	-434.5	**9,345.0**
assets in Stage 3	2,649.8	-1,642.9	**1,006.9**	2,511.0	-1,516.2	**994.8**	2,124.0	-1,317.5	**806.5**	2,072.5	-1,250.1	**822.4**
Retail banking	**54,322.8**	**-1,171.9**	**53,150.9**	**53,393.3**	**-1,119.4**	**52,273.9**	**52,623.5**	**-1,042.8**	**51,580.7**	**52,511.4**	**-945.6**	**51,565.8**
assets in Stage 1	48,234.2	-177.1	**48,057.1**	47,458.3	-169.6	**47,288.7**	46,873.4	-183.6	**46,689.8**	49,840.1	-154.1	**49,686.0**
assets in Stage 2	4,999.4	-258.5	**4,740.9**	4,907.9	-258.4	**4,649.5**	4,857.2	-276.0	**4,581.2**	1,855.2	-214.1	**1,641.1**
assets in Stage 3	1,086.5	-736.3	**350.2**	1,024.5	-691.4	**333.1**	890.8	-583.2	**307.6**	814.1	-577.4	**236.7**
POCI assets	2.7	0.0	**2.7**	2.6	0.0	**2.6**	2.1	0.0	**2.1**	2.0	0.0	**2.0**
Total, of which:	**143,598.5**	**-3,428.7**	**140,169.8**	**141,594.4**	**-3,263.4**	**138,331.0**	**138,648.9**	**-2,977.6**	**135,671.3**	**138,012.1**	**-2,813.8**	**135,198.3**
assets in Stage 1	124,670.0	-337.9	**124,332.1**	122,492.9	-333.0	**122,159.9**	119,359.2	-356.7	**119,002.5**	123,488.8	-337.7	**123,151.1**
assets in Stage 2	15,189.5	-711.6	**14,477.9**	15,563.4	-722.8	**14,840.6**	16,272.8	-720.2	**15,552.6**	11,634.7	-648.6	**10,986.1**
assets in Stage 3	3,736.3	-2,379.2	**1,357.1**	3,535.5	-2,207.6	**1,327.9**	3,014.8	-1,900.7	**1,114.1**	2,886.6	-1,827.5	**1,059.1**
POCI assets	2.7	0.0	**2.7**	2.6	0.0	**2.6**	2.1	0.0	**2.1**	2.0	0.0	**2.0**

The Bank identifies POCI financial assets whose carrying value as at 30 September 2023 is PLN 2.7 million (PLN 2.6 million as at 30 June 2023, PLN 2.1 million as at 31 December 2022 and PLN 2.0 million as at 30 September 2022). These are exposures due to impaired receivables acquired in connection with the acquisition of SKOK Bieszczadzka in 2017 and exposures that were significantly modified as a result of restructuring, which involved the need to remove the original credit commitment and re-recognition of the asset in the statement of financial position.

4.2. Fair value

4.2.1. Financial assets and liabilities measured at fair value in the statement of financial position

In 2023, there were no transfers between measurement levels, as in 2022. The fair value calculation methods adopted as at 30 September 2023 have not changed compared to those used at the end of 2022 (a detailed description of the approach to fair value measurement of assets and liabilities is included in the annual financial statements for the period from 1 January 2022 to 31 December 2022).

The tables present the carrying amount of financial assets and liabilities broken down by individual measurement levels.

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as at **30 Sep 2023**

	Level 1	Level 2	Level 3	Total
Financial assets, including:	**23,930.9**	**2,035.3**	**7,256.0**	**33,222.2**
Financial assets held for trading, including:	**432.1**	**1,674.3**	-	**2,106.4**
valuation of derivatives	-	1,149.5	-	1,149.5
other financial assets held for trading, including:	432.1	262.4	-	694.5
debt securities, including:	432.1	-	-	432.1
treasury bonds in PLN	150.5	-	-	150.5
Czech Treasury bonds	281.1	-	-	281.1
European Investment Bank bonds	0.5	-	-	0.5
repo transactions	-	262.4	-	262.4
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	-	-	**41.1**	**41.1**
loans are obligatorily measured at fair value through profit or loss	-	-	40.7	40.7
equity instruments	-	-	0.4	0.4
Derivative hedge instruments	-	**361.0**	-	**361.0**
Financial assets measured at fair value through other comprehensive income, including:	**23,034.2**	-	**126.7**	**23,160.9**
debt securities, including:	23,034.2	-	-	23,034.2
treasury bonds in PLN	19,545.8	-	-	19,545.8
treasury bonds in EUR	1,710.9	-	-	1,710.9
European Investment Bank bonds	1,354.8	-	-	1,354.8
Austrian government bonds	422.7	-	-	422.7
equity instruments	-	-	126.7	126.7
Transferred assets, including:	**464.6**	-	-	**464.6**
treasury bonds in PLN from portfolio of financial assets measured at fair value through other comprehensive income	464.6	-	-	464.6
Loans measured at fair value through other comprehensive income	-	-	**7,088.2**	**7,088.2**

	Level 1	Level 2	Level 3	Total
Financial liabilities, including:	**102.4**	**1,754.5**	**0.0**	**1,856.9**
Financial liabilities held for trading, including:	**102.4**	**1,364.5**	-	**1,466.9**
valuation of derivatives	-	1,364.5	-	1,364.5
book short position in trading securities	102.4	-	-	102.4
Derivative hedge instruments	-	**390.0**	-	**390.0**

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as at **31 Dec 2022**

	Level 1	Level 2	Level 3	Total
Financial assets, including:	**16,216.1**	**1,591.7**	**8,388.8**	**26,196.6**
Financial assets held for trading, including:	**443.3**	**1,452.5**	-	**1,895.8**
valuation of derivatives	-	974.9	-	974.9
other financial assets held for trading, including:	443.3	477.6	-	920.9
debt securities, including:	443.3	-	-	443.3
treasury bonds in PLN	441.7	-	-	441.7
Czech Treasury bonds in CZK	1.2	-	-	1.2
European Investment Bank bonds	0.4	-	-	0.4
repo transactions	-	477.6	-	477.6
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	**1.8**	-	**54.7**	**56.5**
loans are obligatorily measured at fair value through profit or loss	-	-	54.6	54.6
equity instruments	1.8	-	0.1	1.9
Derivative hedge instruments	-	**139.2**	-	**139.2**
Financial assets measured at fair value through other comprehensive income, including:	**15,607.2**	-	**120.9**	**15,728.1**
debt securities, including:	15,607.2	-	-	15,607.2
treasury bonds in PLN	12,069.2	-	-	12,069.2
treasury bonds in EUR	1,803.4	-	-	1,803.4
European Investment Bank bonds	1,308.9	-	-	1,308.9
Austrian government bonds	425.7	-	-	425.7
equity instruments	-	-	120.9	120.9
Transferred assets, including:	**163.8**	-	-	**163.8**
Treasury bonds in PLN from the portfolio of financial assets measured at fair value through profit or loss	125.2	-	-	125.2
bonds of the Czech State Treasury in CZK from the portfolio of financial assets measured at fair value through profit or loss	38.6	-	-	38.6
Loans measured at fair value through other comprehensive income	-	-	**8,213.2**	**8,213.2**

	Level 1	Level 2	Level 3	Total
Financial liabilities, including:	**437.3**	**2,136.0**	**0.0**	**2,573.3**
Financial liabilities held for trading, including:	**437.3**	**1,766.5**	-	**2,203.8**
valuation of derivatives	-	1,602.3	-	1,602.3
book short position in trading securities	437.3	-	-	437.3
repo transactions	-	164.2	-	164.2
Derivative hedge instruments:	-	**369.5**	-	**369.5**

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4.2.2. Financial assets and liabilities not measured at fair value in the statement of financial position

In 2023 there were no transfers between valuation levels. In 2022, the Bank changed the valuation level for bonds for the National Road Fund issued by Bank Gospodarstwa Krajowego. In previous periods, they were presented in level 1 of the valuation, and starting from 1st half of 2022, the Bank presents them in level 2 of the valuation.

as at **30 Sep 2023**

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Investment securities at amortised cost	**30,756.9**	**21,644.8**	**7,017.5**	-	**28,662.3**
treasury bonds in PLN	13,334.0	12,519.8	-	-	12,519.8
treasury bonds in EUR	3,139.2	2,820.3	-	-	2,820.3
European Investment Bank bonds	6,736.5	6,304.7	-	-	6,304.7
bonds of the Polish Development Fund (PFR)	3,844.2	-	3,437.3	-	3,437.3
Bank Gospodarstwa Krajowego bonds	1,803.3	-	1,681.1	-	1,681.1
NBP bills	1,899.7	-	1,899.1	-	1,899.1
Loans and receivables to customers at amortised cost, including:	**141,683.2**	-	-	**143,112.1**	**143,112.1**
Corporate banking segment, including:	87,018.9	-	-	87,946.4	87,946.4
loans and advances (in the current account and term ones)	82,771.0	-	-	83,718.0	83,718.0
corporate and municipal debt securities	4,247.9	-	-	4,228.4	4,228.4
Retail banking segment, including:	53,150.9	-	-	53,652.3	53,652.3
mortgages	44,968.6	-	-	45,081.7	45,081.7
other loans and advances	8,182.3	-	-	8,570.6	8,570.6
Other receivables	1,513.4	-	-	1,513.4	1,513.4
Liabilities to customers	**202,101.1**	-	-	**202,047.2**	**202,047.2**
Subordinated liabilities	**1,626.7**	-	-	**1,311.7**	**1,311.7**

as at **31 Dec 2022**

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Investment securities at amortised cost	**32,620.1**	**20,778.2**	**8,287.3**	-	**29,065.5**
treasury bonds in PLN	13,352.5	11,892.2	-	-	11,892.2
treasury bonds in EUR	3,192.1	2,838.1	-	-	2,838.1
European Investment Bank bonds	6,815.7	6,047.9	-	-	6,047.9
bonds of the Polish Development Fund (PFR)	3,858.4	-	3,124.8	-	3,124.8
Bank Gospodarstwa Krajowego bonds	1,802.1	-	1,564.0	-	1,564.0
NBP bills	3,599.3	-	3,598.5		3,598.5
Loans and receivables to customers at amortised cost, including:	**137,520.3**	-	-	**138,653.8**	**138,653.8**
Corporate banking segment, including:	84,090.6	-	-	85,454.0	85,454.0
loans and advances (in the current account and term ones)	80,313.2	-	-	81,621.9	81,621.9
corporate and municipal debt securities	3,777.4	-	-	3,832.1	3,832.1
Retail banking segment, including:	51,580.7	-	-	51,350.8	51,350.8
mortgages	43,661.8	-	-	42,846.8	42,846.8
other loans and advances	7,918.9	-	-	8,504.0	8,504.0
Other receivables	1,849.0	-	-	1,849.0	1,849.0
Liabilities to customers	**192,242.6**	-	-	**192,181.6**	**192,181.6**
Subordinated liabilities	**1,643.9**	-	-	**1,298.8**	**1,298.8**

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5. Capital adequacy

5.1. Total capital ratio

as at	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Own funds	17,785.6	17,875.8	17,823.1	16,171.6
Total capital requirements	7,846.0	7,733.4	7,992.9	8,267.0
Total capital ratio (TCR)	**18.13%**	**18.49%**	**17.84%**	**15.65%**
Tier 1 ratio (T1)	**16.48%**	**16.88%**	**16.18%**	**13.98%**

On 26 April 2023, the Bank's General Meeting approved the distribution of profit for 2022. Including the net profit earned in 2022 in own funds as at 31 December 2022, resulted in an increase in the TCR and Tier1 ratios to 17.84% and 16.18%, respectively, which was presented in the table. According to the values presented in the annual financial statements for the period from 1 January 2022 to 31 December 2022, the Bank's TCR and Tier1 ratios as at 31 December 2022 were 16.77% and 15.10%, respectively.

In the calculation of capital ratios, the Bank used transitional provisions to mitigate the impact of the implementation of IFRS 9 on the level of own funds. If the Bank did not apply the transition period, the Bank's TCR and T1 ratios would be as follows:

- 17.99% and 16.34% - as at 30 September 2023,
- 18.34% and 16.72% - as at 30 June 2023.

As at 31 December 2022 and 30 September 2022, the Bank additionally applied the temporary treatment of unrealized gains and losses measured at fair value through other comprehensive income in accordance with Art. 468 of the CRR. If the Bank does not apply the transition period for the purposes of implementing IFRS 9 or temporarily treat unrealized gains and losses measured at fair value through other comprehensive income in accordance with Art. 468 of the CRR Regulation, the Bank's TCR and T1 ratios would be respectively:

- 17.40% and 15.64% as at 31 December 2022,
- 15.27% and 13.50% as at 30 September 2022.

5.2. MREL requirements

The most important information regarding the MREL requirements is described in the interim condensed consolidated financial statements in chapter 9.2. *MREL requirements*.

6. Dividends paid

Information on dividends paid is provided in the interim condensed consolidated financial statements in the item 10. *Dividends paid*.

7. Off-balance sheet items

as at	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Off-balance sheet commitments given	53,692.1	50,883.3	49,982.9	52,899.4
Off-balance sheet commitments received	19,328.0	23,916.6	17,256.2	23,930.0
Off-balance sheet financial instruments	1,311,507.7	1,244,771.8	1,137,721.0	1,213,878.7
Total	**1,384,527.8**	**1,319,571.7**	**1,204,960.1**	**1,290,708.1**

8. Significant events in the 3rd quarter of 2023

Significant events that occurred in the 3rd quarter of 2023 are described in the interim condensed consolidated financial statements in item 2. *Significant events in the 3rd quarter of 2023*.

9. Significant events after balance sheet date

Significant events that occurred after balance sheet date are described in the interim condensed consolidated financial statements in item 3. *Significant events after balance sheet date*.

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10. Transactions with related parties

The most important information regarding the Bank's transactions with related entities is presented in the interim condensed consolidated financial statements in point 13. *Transactions with related entities*.

Additionally, in 2023, the Bank completed a sale transaction to ING Bank Hipoteczny S.A. (a subsidiary of the Bank) a portfolio of mortgage-secured housing loans in the total amount of PLN 649.1 million. The purchase price was set at the market value. As at 30 September 2023, receivables from ING Bank Hipoteczny S.A. related to the deferred payment for this transaction in the amount of PLN 64.1 million was recognized in *Loans and other receivables to other banks*.

The tables present numerical information on receivables and liabilities as well as revenues and costs resulting from transactions concluded between the Bank and its related entities.

	ING Bank NV	other ING Group entities	subsidiaries	associates	ING Bank NV	other ING Group entities	subsidiaries	associates
	as at 30 Sep 2023				as at 31 Dec 2022			
Receivables								
Nostro accounts	6.4	2.7	-	-	2.2	174.4	-	-
Deposits placed	678.7	-	-	-	227.7	-	-	-
Loans granted	-	7.6	14,064.9	-	-	8.6	13,401.4	-
Positive valuation of derivatives	219.8	-	-	-	207.4	-	-	-
Reverse repo	9,845.4	-	-	-	3,759.3	-	-	-
Other receivables	4.1	1.8	6.2	-	4.4	3.8	2.4	-
Liabilities								
Deposits received	293.6	344.5	65.9	24.2	11.0	156.4	128.8	9.3
Loans received*	1,222.8	-	-	-	-	-	-	-
Subordinated loan	1,626.7	-	-	-	1,643.8	-	-	-
Loro accounts	19.3	59.5	0.1	-	59.5	32.4	2.4	-
Negative valuation of derivatives	83.8	1.1	-	-	208.2	-	1.6	-
Other liabilities	232.3	20.2	1.7	-	92.0	9.7	4.3	-
Off-balance-sheet operations								
Off-balance sheet liabilities granted	520.2	706.3	7,878.8	0.1	532.2	759.2	8,475.7	0.1
Off-balance sheet liabilities received	90.5	-	-	-	1,276.3	21.6	-	-
FX transactions	20,144.5	-	-	-	16,307.9	-	-	-
Forward transactions	-	36.7	-	-	-	-	-	-
IRS	192.6	-	-	-	187.1	-	49.2	-
Options	633.0	-	-	-	400.5	-	-	-

*) Non Preferred Senior (NPS) loan

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	ING Bank NV	other ING Group entities	subsidiaries	associates	ING Bank NV	other ING Group entities	subsidiaries	associates
	3 quarters 2023 YTD the period from 01 Jan 2023 to 30 Sep 2023				3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022			
Income and expenses								
Income, including:	305.3	6.4	689.7	30.1	-110,0	1,0	481,2	30,5
net interest and commission income	81.1	6.0	694.9	30.1	-40,5	5,8	480,7	30,5
net income on financial instruments	224.2	0.5	1.0	-	-69,5	-5,5	-1,9	-
net income on sale of financial assets measured at fair value through other comprehensive income	-	-	-8.8	-	-	-	-	-
net (loss)/income on other basic activities	-	-0.1	2.6	-	-	0,7	2,4	-
General and administrative expenses	-196.7	-41.1	-3.4	-	-131,7	-27,7	-3,7	-
Outlays for non-current assets								
Outlays for intangible assets	-	-	0.1	-	-	-	-	-

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SIGNATURES OF THE MANAGEMENT BOARD MEMBERS OF ING BANK ŚLĄSKI S.A.

2023-10-31	**Brunon Bartkiewicz** President	The original Polish document is signed with a qualified electronic signature
2023-10-31	**Joanna Erdman** Vice-President	The original Polish document is signed with a qualified electronic signature
2023-10-31	**Marcin Giżycki** Vice-President	The original Polish document is signed with a qualified electronic signature
2023-10-31	**Bożena Graczyk** Vice-President	The original Polish document is signed with a qualified electronic signature
2023-10-31	**Ewa Łuniewska** Vice-President	The original Polish document is signed with a qualified electronic signature
2023-10-31	**Michał H. Mrożek** Vice-President	The original Polish document is signed with a qualified electronic signature
2023-10-31	**Sławomir Soszyński** Vice-President	The original Polish document is signed with a qualified electronic signature
2023-10-31	**Alicja Żyła** Vice-President	The original Polish document is signed with a qualified electronic signature

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2023-10-31	**Jolanta Alvarado Rodriguez** Lead of Centre of Expertise Accounting Policy and Financial Reporting	The original Polish document is signed with a qualified electronic signature

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