



Management Board Report on Operations of the ING Bank Śląski S.A. Group in 2023

Covering the Report on Operations of ING Bank Śląski S.A.





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Introduction

The past 2023 was a period of heightened uncertainty and persistent geopolitical tensions. The war in Ukraine went through a phase of Ukrainian counter-offensive during the year, which, however, weakened towards the end of the year and the conflict turned into a positional war with limited changes in the situation on the frontline. Some of the Ukrainian refugees who found a home in our country thanks to the wonderful openness of Poles decided to return to their homeland or go to other countries. At the same time, Ukraine is facing increasing problems in securing continued military support from the US, due to the polarisation of the political scene ahead of this year's elections in the country, protracted decisions in the EU forum on financial support for Ukraine. The West's sanctions on Russia have been maintained and, in some areas, extended, there is no indication of an end to this war in the short or even medium term.

On 7 October 2023, a Hamas attack on Israel took place, prompting a military response from that country and hostilities in Gaza. The war has led to many Palestinian casualties, a humanitarian disaster in the area and heightened tensions in the Middle East. Towards the end of the year, pro-Palestinian Huti militants in Yemen began attacking ships in the Red Sea. In early 2024, there were attacks on a US base in Jordan. These factors have led to disruption in supply chains and a sharp increase in sea freight prices, although not on the same scale as occurred in the pandemic.

A positive trend over the course of the year was the subsiding of inflationary pressures, largely due to normalisation in energy markets (the EU managed without Russian fuels) and normalisation in global supply chains (before the aforementioned destabilisation in the Middle East).

We enter 2024 with accelerating GDP growth and with gradually falling inflation, but also with uncertainties arising from geopolitical tensions, including on the US-China line, also in the context of the recent elections in Taiwan.

The Management Report on the ING Bank Śląski S.A. Group is our response to our stakeholders' expectations for information about us, how we operate and what the results are – including in difficult circumstances such as those cited above. We begin the report by presenting our Group, indicating where we are in the sector, identifying the trends we face and our response to them through our operating strategy and our value creation model. In the next section, we provide information about the environment in which we operate. Corporate governance is a very important element for us and we devote a significant part of the report to it. We then outline our approach to managing the security of the bank and our clients, describing the management of capital and the various risks (both financial and non-financial). In the following chapters, we present our actions in relation to the areas that are important to us, starting with clients, then climate and environment, moving on to communities and employees.

As in the previous year, the management report was prepared based on the Integrated Reporting Framework as revised (published in January 2021) issued by the IIRC (now IFRS Foundation). It also uses GRI Standards and additionally introduces the UN Sustainable Development Goals (SDGs) label. They are presented next to the text in the relevant designation: **GRI** (we also use this colour for our own indicators) and **SDGs**. In addition, we use the Greenhouse Gas Protocol – a Corporate Accounting and Reporting Standard (Revised edition) and the Global GHG Accounting and Reporting Standard for the Financial Industry for the counting of our greenhouse gas emissions in the report. The auditing firm for the 2023 financial statements was Mazars. In addition, the management report was verified for all GRI indicators by KPMG.

This management report presents our presentation of the value creation model. We also carried out a comprehensive materiality analysis following GRI Standards 2021. In the process, we used, among other things, the AA1000SES standard, and the survey conducted, involving a large number of our stakeholders, allowed us to identify a list of relevant topics that we address in this report. Material from this study will also feed into our other work, such as future strategic and business decisions.



Letter from the President

Dear Ladies and Gentlemen,

It is my pleasure to present you the 2023 Annual Report of the ING Bank Śląski S.A. Group. I trust that the commercial and financial results achieved demonstrate that the direction of our Group and the Bank is the right one. We invariably focus on clients' needs, quality of service, good offerings, modern and innovative products – believing that these have a positive impact on our competitive position. For the bank, it was another year of stable development in line with its long-term strategy. However, it was a period full of unpredictability and challenges for the economy as a whole, marked by rising inflation, credit holidays, the war in Ukraine, changes in the WIBOR and WIRON benchmarks, among others.

However, the burden of this uncertainty has not impeded our development. Over the years, we have built a bank that is resilient to unpredictable events and shocks, yet stable and maintains a high quality of service. The basis for stability is our strategy, which we have built around our clients' needs, supporting them in making important life decisions. These are the objectives we focus on regardless of market conditions.

In 2023 we successively improved the quality and attractiveness of digital solutions and we encouraged clients to use remote channels for contact with the bank and cashless transactions and operations. We follow the changes in consumer behaviour in digital areas and the use of mobile devices, which are now an essential tool for individual clients, but also increasingly for businesses. This trend marks the continued digital development, new directions and challenges of digital application, infrastructure redesign and the role of client-facing.

We have made changes to Moje ING online and mobile banking. Content and features are more personalised and the system has taken on a new look to make banking easier to use. ING was the first bank in Poland to enable the registration of a hardware security key in the FIDO2 standard, popularly known as the U2F

key, in its mobile app. This is one of the strongest protections for online platforms against social engineering phishing attacks, which are based on phishing.

At the end of December 2023, we had more than 4.5 million retail clients and 559,000 corporate clients. We increased loans by 1.2% to PLN 158.3 billion and deposits by 6.7% to PLN 202.2 billion. Our market share in the corporate segment lending market was 11.9% and in the retail lending market it reached 9.4%. In contrast, the deposit market share for corporate clients was 10.7% and for the retail part 10.0%. We are proud of the financial results achieved in 2023. Consolidated net profit in 2023 was PLN 4,440.9 million, compared to PLN 1,714.4 million in the previous year. The increase in profit is the result of a significant increase in interest income due to an improvement in the interest margin (in addition, interest income in 2022 was burdened by the impact of credit holidays) while maintaining cost discipline and reducing the level of risk costs incurred.

We are actively involved in the transformation of benchmarks. We have made WIRON-based financing available for both individual clients and companies in 2023.

We have put a lot of effort into ESG transformation activities, which are already part of our daily operations. We introduced the Future account, a carbon footprint calculator for companies. As part of an international consortium of financial institutions, we signed a loan agreement with Baltic Power, which is co-owned by Orlen and Northland Power. The deal is for the construction of the first offshore wind farm with a capacity of up to 1.2 GW, and the total budget for this investment is estimated to be around EUR 4.73 billion. The Baltic Power farm will be put into operation in 2026, will cover an area of around 130 km² and will produce energy to power more than 1.5 million households.

The past year has been another period of events with a high social impact. We have responded, including by donating to earthquake victims in Turkey and Syria and continuing to support Ukraine. Last year we consistently met our sustainability targets. At ING, we always start with ourselves, but we also see our

role in taking initiatives together with our clients to reduce energy consumption and switch to renewable energy sources. In November last year, we published the document "ING BSK's roadmap for reducing GHG emissions", which sets out our ambitions to reduce emissions in our own economy and loan portfolio. We are actively involved in supporting the energy transition and reducing our carbon footprint. I am convinced that the introduction of ESG principles is an opportunity for Polish companies to gain a sustainable competitive advantage, to be present in the economy of the future and in new markets. It can still be a challenge for companies to have an element of awareness in terms of ESG obligations, but also opportunities. At ING, we see it as our duty to support them in this process. We also want to support Polish start-ups and researchers developing innovative solutions in this area. Four editions of the ING Grant Programme are already behind us. We have an impact on what the world of tomorrow will look like and – in line with our mission – we want to help people stay one step ahead – in life and in business.

The Polish banking sector faces numerous challenges related to the regulatory and legal environment. However, I believe that we are prepared for changes in the environment both in terms of capital, liquidity and organisation. We want our clients to see us as partners and establish long-term relationships with us. We are constantly developing the products and services we offer in response to changing needs and technological advances. We hope that, as in previous years, this approach will contribute to a further increase in the number of clients, their satisfaction with the Group's services and allow the ING Bank Śląski Group's business to grow.

I encourage you to read the report and see a detailed description of our activities.

Sincerely yours,

Brunon Bartkiewicz, President of the Bank Management Board



Summary 2023

Environment

-30.0% **507 kWp**

Reduction of CO₂e emissions in Scope I and II in a market-based approach relative to baseline year (2019)

Total capacity of our photovoltaic installations

In caring for the environment, we attach great importance to the impact we ourselves have through our operational activities. We undertake activities in the field of our own economy with the ambition to achieve climate neutrality in Scope I and II by 2030 (market-based approach). We present more on this topic in the [ING for environment](#) chapter.

PLN 0.8 billion **PLN 2 million**

Value of RES projects financed by our bank

Value of grants provided in the ING Grant Programme

We consistently implement the provisions of the ING Bank Śląski Group Green Statement. At the same time, in 2023, we published the “ING BSK’s roadmap for reducing GHG emissions” document setting out the reduction ambitions for our own economy and loan portfolio. We continue to work on financing RES and supporting the environmental transformation of our clients. We present more on this topic in the [ING for environment](#) chapter.

Society

8,379 **5,000**

Number of our employees at the end of the year

People in the Orange Team at the “Run Warsaw” event

We are committed to creating a friendly workplace where we care about the well-being of our employees. We care about *wellbeing* and health, but also support employees in their development. We present more on this topic in the [ING for employees](#) chapter.

PLN 667.3 ths. **#1**

For earthquake victims in Turkey and Syria

Highest NPS in the retail segment (25 points)

We organised, together with the ING for Children Foundation and ING Hubs Poland, a collection to help those affected by the earthquake on the Turkish-Syrian border. We refer to the [ING for Communities](#) chapter for detailed information in this respect.

We also pay great attention to the quality of our relationship with our clients. Details are referred to in the [ING for clients](#) chapter.

Corporate governance

50% and 50% **95%**

Participation of women in the bank’s Supervisory Board and Management Board

Ratio of total remuneration of women to men (adjusted)

Diversity and gender equality in our bank is very important to us. That is why the policies we have adopted in this area have been in place for many years. You can read about the details of our activities in this area in the section on [Corporate Governance](#).

2.7% **75%**

Share of stage 3 loans and POCI

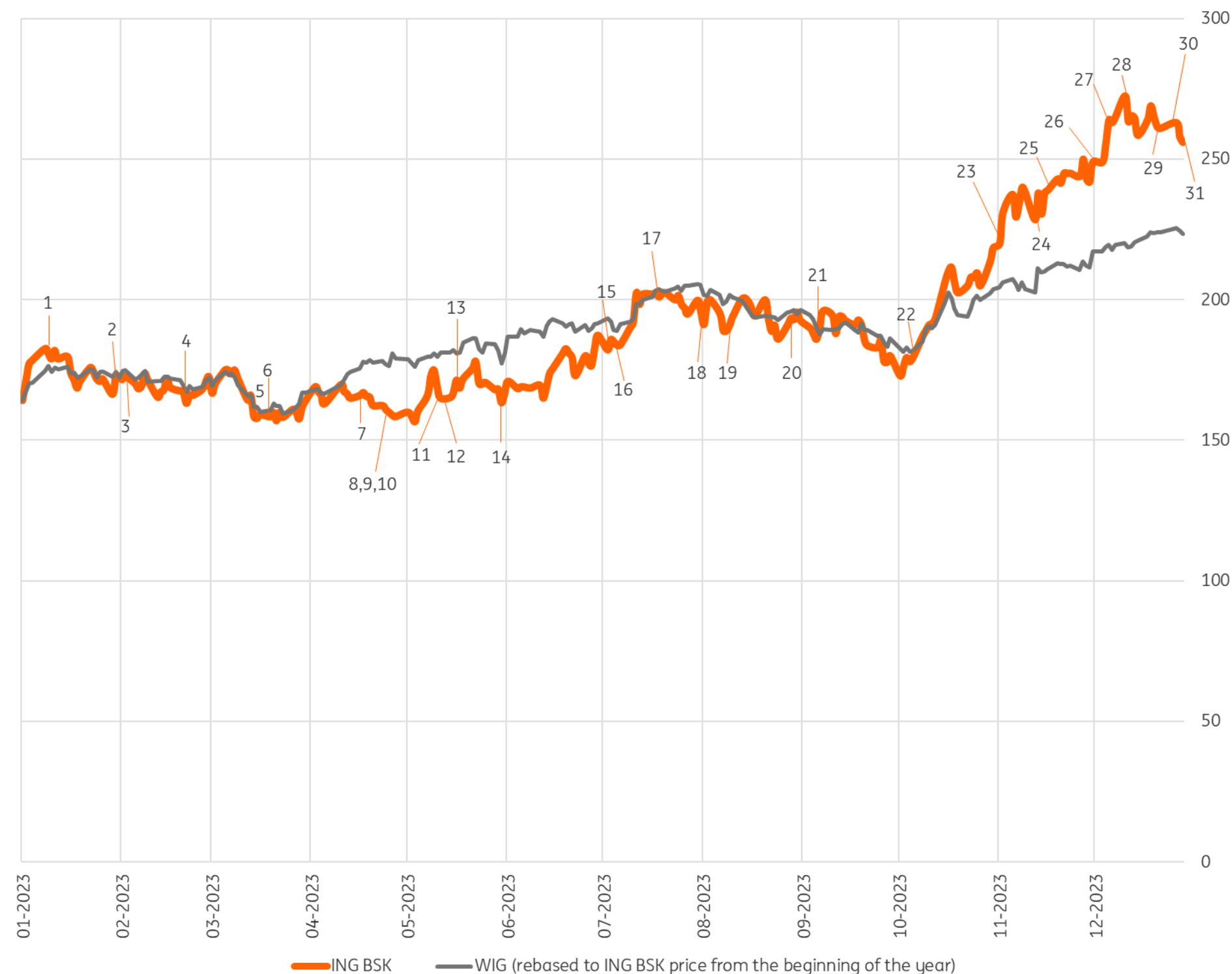
Management Board’s intention to pay a dividend from the profit for 2023

We take the utmost care in managing the capital entrusted to us. We take care to maintain capital above regulatory minimum levels while maintaining high asset quality and profitability of our business. This allows us to share the profit with our shareholders, all the while taking care and precautions to protect our clients and their data. You can read more about this in the chapter on [Bank and client safety](#).



2023 events

The price of ING Bank Śląski S.A. shares in 2023 (PLN)



1. **10 January** – share in the total number of votes at the Bank’s AGM increased above 5% by Allianz PTE ([link](#))
2. **31 January** – we were recognised for our work on gender equality in business and were included in the global Bloomberg Gender-Equality Index (GEI) ([link](#))
3. **2 February** – we published preliminary unaudited financial results for Q4 2022 ([link](#))
4. **22 February** – increased legal risk costs of foreign currency mortgage loans in Q4 2022 ([link](#))
5. **17 March** – decision of the Bank Management Board on the proposal for profit distribution for 2022 ([link](#))
6. **21 March** – information on the convening of the Ordinary General Meeting and draft resolutions ([link](#))
7. **17 April** – update on the MREL requirement for ING Bank Śląski S.A. ([link](#))
8. **26 April** – information on the annual contribution to the BGF’s forced restructuring fund in 2023. ([link](#))
9. **26 April** – appointment of members of the Supervisory Board of ING Bank Śląski S.A. ([link](#))
10. **26 April** – resolutions adopted by the Ordinary General Meeting of ING Bank Śląski S.A. ([link](#))
11. **11 May** – we published the interim report for Q1 2023 ([link](#))
12. **12 May** – information on the buyback of the first tranche of own shares ([link](#))
13. **17 May** – change in the share of the total number of votes at the Bank’s General Meeting above 5% by Allianz PTE. ([link](#))
14. **31 May** – we resumed sales of variable-rate mortgage loans. The loans will be based on the benchmark WIRON 1M Compound Rate. ([link](#))
15. **6 July** – we introduced a new solution to strengthen cyber security – U2F keys in Moje ING ([link](#))
16. **7 July** – we joined the United Nations Global Compact (UN Global Compact), the UN Secretary-General’s largest global initiative for sustainable business leaders. ([link](#))
17. **19 July** – we were named Best Bank in Poland in the international *Awards for Excellence* competition of the financial magazine Euromoney ([link](#))
18. **3 August** – we published the interim report for H1 2023 ([link](#))
19. **10 August** – we offered WIRON-based loans to entrepreneurs and housing communities ([link](#))
20. **30 August** – we released a carbon footprint calculator for companies on Firmove.pl ([link](#))
21. **6 September** – the MPC cut the reference rate from 6.75% to 6.00% ([link](#))
22. **4 October** – the MPC cut the reference rate from 6.00% to 5.75% ([link](#))
23. **2 November** – we published the interim report for Q3 2023 ([link](#))
24. **13 November** – Moje ING app was made available in a new version ([link](#))
25. **21 November** – we announced action lines for reductions relating to our own economy and loan portfolio ([link](#))
26. **1 December** – information that the Polish Financial Supervision Authority has no objections to the payment of dividends by the Bank from the dividend reserve ([link](#))
27. **5 December** – information on the repurchase of the second tranche of own shares ([link](#))
28. **14 December** – information on the imposition of a Pillar 2 (P2G) recommended capital charge by the Polish Financial Supervision Authority ([link](#))
29. **21 December** – we entered into a non-preferred senior loan (NPS) agreement to meet the MREL requirement ([link](#))
30. **27 December** – Sustainable Fitch has assigned us an ESG rating for the second time ([link](#))
31. **28 December** – information on additional costs in Q4 2023 ([link](#))



ING Bank Śląski

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In this chapter you will find out who we are, the history behind us and how we operate as a group in Poland. What’s more, you will also find information about the scale of our operations, our market shares and the awards and distinctions we have received. You will also learn the answer to the question of how ING Bank Śląski creates value for its stakeholders. You will also read a description of our integrated business strategy.

Who we are

GRI [2-1] [2-6]

Our history goes back to 1988. It was in that year, exactly on 11 April, that the Council of Ministers issued a regulation on the establishment of Bank Śląski in Katowice, and this is where our head office is still located today. Less than a year later, at the beginning of February 1989, Bank Śląski began its operations. In 1992, our bank was transformed from a state-owned bank into a public limited company. In 1993, we received approval from the Securities Commission to list our shares to the public. In January 1994, ING acquired 2.4 million shares in our bank which corresponded to 25.9% of the share capital. On 25 January 1994, the shares of Bank Śląski made their debut on the Warsaw Stock Exchange.

Since 6 September 2001 – following the merger of Bank Śląski with the ING branch – we have been operating under our current name, ING Bank Śląski S.A. At that time, ING Group N.V. became the majority shareholder in our bank (with a stake of 87.77%, which was reduced to 75.00% in March 2005).

The bank is effectively growing organically. The bank’s mission is to inspire and assist clients in making the right life decisions. Achieving this requires a committed and responsive workforce. We pursue this mission through our bank, its subsidiaries and, above all, through our group of over 8,000 employees.

After more than 30 years of continuous development, we are now ranked 4th in terms of total assets and commercial balance (total deposits and loans) in the Polish commercial banking sector. Our scale of operation contributes to the development of the Polish economy, but it also brings with it an awareness of the enormous responsibility for our employees, clients, society and the environment.

We are a universal bank that serves both retail clients and businesses. The primary channel of communication with our nearly 5 million clients is the Internet, with a strongly growing role for mobile banking. We also serve our clients through a network of 205 meeting places. These are places where our clients can ask for advice and have a chat.

In 2023, ING is once again ranked as the leader in brand power (Demand Power) among banks (based on Kantar Polska survey). The high level of the indicator indicates the role of brand image in increasing market share, in

particular the bank’s fit with clients’ needs, the brand’s differentiation from competitors and ING’s recognition among banks. In 2023, ING was the most trusted brand among consumers and a bank that continuously improves the quality of its products and services in response to changing client needs and expectations. The strong image translated into the highest preference for ING among banks when consumers chose: a savings account and a loan, and second place for: mortgage loans, personal accounts and a mobile app. The brand has an aspirational image: a bank for entrepreneurial people and a socially engaged brand.

How we operate as the ING Group in Poland

ING Bank Śląski S.A. is the parent company of the ING Bank Śląski S.A. Group. As a group, we have established ourselves as one of the largest financial institutions in Poland over our more than 30 years of operation. Our core business is banking, i.e., among other things, placing the funds entrusted to us by our clients at risk (this is indicated in detail in paragraph 8 of our charter). As a bank, together with our subsidiaries, we form a group in which we are also active in, among other things:

- leasing,
- factoring,
- payroll and accounting services,
- sales and implementation of business process robotisation software,
- the provision of payment services for the processing of e-commerce transactions.

Group companies are also founders of the ING for Children Foundation and the ING Polish Arts Foundation.

In 2023, the bank and its subsidiaries did not enter into any transactions with related parties that would be individually or in aggregate material transactions entered into on other than arm’s length terms.

ING Bank Śląski conducts interbank market operations with ING Bank N.V. and its subsidiaries. These include deposits, loans, borrowings and derivative operations. The bank also maintains the bank accounts of ING Group N.V. entities, as well as providing outsourcing and advisory services. All of the above transactions take place on an arm’s length basis.



The operating expenses incurred by the bank for the parent entity mainly result from contracts for consultancy and advisory services, operational support, operational handling of payment cards and data processing and analysis, the purchase of IT services and the provision of software licences. In terms of costs incurred by the bank for other related parties, outsourcing contracts for the provision of system resource hosting services for various applications and IT security monitoring and penetration testing play a dominant role. You can read more about related party transactions in the “Affiliates” note in the Annual Consolidated Financial Statements of the ING Bank Śląski S.A. Group for 2023.

Composition of the ING Bank Śląski Group

The Bank, through ING Investment Holding (Polska) S.A., holds a 45% stake in Goldman Sachs TFI S.A. and treats this company as an associate. Subsidiaries are consolidated by our bank using the full method and an associated company (Goldman Sachs TFI S.A.) is consolidated using the equity method. In addition to its subsidiaries and associates, the bank holds minority equity investments in the following companies, among others:

- Biuro Informacji Kredytowej S.A. (9.0% of shares),
- Krajowa Izba Rozliczeniowa S.A. (5.7% of shares),
- Polski Standard Płatności Sp. z o.o. (14.3% of shares).

ING Investment Holding (Poland) S.A.

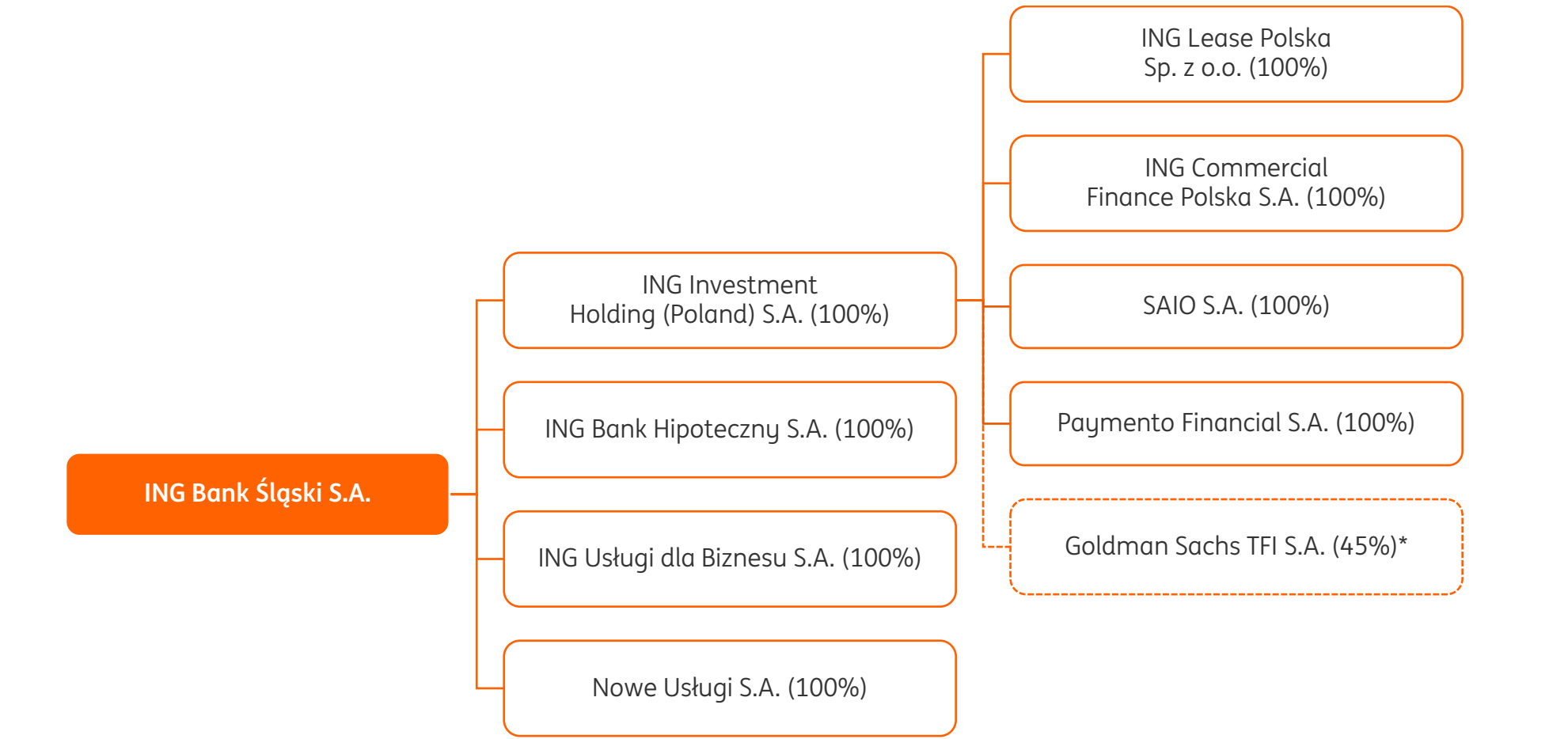
ING Investment Holding (Poland) is a holding company. Through it, the bank holds shares in five companies: ING Lease (Poland) (100%), ING Commercial Finance (100%), SAIO S.A. (100%), Paymento Financial (100%) and Goldman Sachs TFI S.A. (45%).

ING Lease (Polska) Sp. z o.o.

ING Lease (Polska) has been present in the market since 1995. Since 2012, it has been a member of the ING Bank Śląski S.A. Group. ING Lease (Polska) offers all basic types of leasing which allow financing both movables (in the form of cars, vans, heavy transport vehicles, machinery and equipment, construction, medical, equipment and IT equipment) and real estate. The ING Lease (Polska) Group comprises an additional five subsidiaries in which ING Lease (Polska) Sp. z o.o. holds 100% of the shares. The company addresses its services to all client groups: large, medium and small companies, as well as micro (entrepreneurs).

In 2023, the company’s new leasing production amounted to PLN 6.9 billion (+6.7% y/y). As at 2023 yearend, the company served more than 36,200 clients (down by 0.4% y/y) and the portfolio value was PLN 13.7 billion (+6.5% y/y; based on management accounting data).

Subsidiaries and associates within the ING Bank Śląski S.A. Group as at 31 December 2023



**Until 24 April 2023 under the name NN Investment Partners TFI.*

*A solid frame line indicates a subsidiary and a dashed frame line indicates an associated company; *the ING Lease (Polska) Group comprises an additional 5 subsidiaries in which ING Lease (Polska) Sp. z o.o. holds 100% of the shares.*

ING Commercial Finance Polska S.A.

ING Commercial Finance Polska offers factoring. The company was founded in 1994 under the name Handlowy Heller. Since 2006, it has been operating under the name ING Commercial Finance, having been integrated into ING Group N.V. Since 2012, it has been part of the ING Bank Śląski Group – as has ING Lease (Poland).

In 2023, ING Commercial Finance Polska’s turnover amounted to PLN 66 billion (down by 1% y/y), representing 14.7% of the turnover of the entire market. In 2023, the company had 10.3 thousand clients (up by 9% y/y) and redeemed 4.2 million invoices (down 1% y/y).



SAIO S.A.

SAIO is active in the sale and implementation of RPA/RDA-class business process robotisation software. It is a versatile tool that can be used by many industries. It works equally well in sales, finance, accounting, HR, purchasing processes, IT or even operational management. SAIO provides clients with a full range of robotisation services: from process review to training to implementation. The final product is a robot that automatically executes the process in the company. The company is developing business based on its own operations and the partner network it is building in Poland and abroad.

SAIO’s innovative software was again ranked in the Everest Group – South Africa Products PEAK Matrix® Assessment for 2023 and earned “Star performer” status, awarded to the most dynamic automation market players. The product guarantees security, speed of implementation and full control over the implemented robots. The results of implementing SAIO are improved business performance, reduced costs, reduced risk of human error, resilience to volume spikes and employee satisfaction.

Paymento Financial S.A.

Paymento Financial was founded in 2016 as an initiative by private individuals and an equity infusion by venture capital funds. The company entered into a partnership with ING Bank Śląski 2017 and has been part of its Group since 31 March 2023.

The company is a regulated entity authorised by the Polish Financial Supervision Authority to provide payment services as a National Payment Institution. The aim of the company is to provide e-commerce transaction processing services to financial market players, particularly in the white-label formula.

The subject of the cooperation with ING Bank Śląski – which is gradually being developed – is the development and transaction handling of the imoje payment gateway. Paymento also provides services to entities outside our group of companies – of the 3 national banks that have a payment gateway (as a bank service), Paymento supports 2 of them.

Goldman Sachs TFI S.A.

Goldman Sachs TFI is the second largest TFI on the Polish market in terms of assets in capital market funds. It is also one of the longest-established investment fund companies in Poland. It has been operating in the local market since 1997. It is authorised by the Polish Financial Supervision Authority to operate. According to data as at 2023 yearend, the company served more than 645,000 individuals and institutions and managed assets worth more than PLN 38 billion.

Goldman Sachs TFI S.A. is part of Goldman Sachs Asset Management, a US-based asset management firm. For 150 years, Goldman Sachs Asset Management has provided investment and advisory services to the world’s leading institutions, financial advisers and individuals. It benefits from a global network and a wealth of expertise in every region and market of the world. On 31 December 2022, Goldman Sachs Asset Management managed USD 2.81 billion of assets worldwide.

ING Bank Hipoteczny S.A.

The strategic objective of ING Bank Hipoteczny, which started operations in 2019, is to raise and then increase the share of long-term funding on the balance sheet of the ING Bank Śląski Group by issuing mortgage bonds.

The achievement of the set goal will support:

- strengthening the stability of funding in the ING Bank Śląski S.A. Group,
- diversification of funding sources for the existing retail mortgage portfolio,
- matching the term structure of assets and liabilities in the balance sheet of the ING Bank Śląski S.A. Group,
- lowering the cost of financing the conducted lending activity in the part of the loan portfolio financed with other long-term instruments.

In 2023, due to the unfavourable market environment, ING Bank Hipoteczny did not issue mortgage bonds. As at 2023 yearend, the nominal value of the bank’s issued and outstanding mortgage bonds remained unchanged from the end of 2022 and amounted to PLN 404.4 million (the nominal value of the issue amounted to PLN 400 million).

Mortgage bonds issued by the bank are listed on the Luxembourg Stock Exchange and the parallel market of the Warsaw Stock Exchange. The bank’s mortgage bonds can serve as collateral for lombard credit, technical credit and repo operations conducted by the National Bank of Poland.

In addition, the bank – in order to increase the diversification of its existing sources of funding – established an own-bond programme, under which it issued short-term debt securities. In 2023, the bank issued three series of its own bonds for a total of PLN 376 million. All of the above series were redeemed in the current year.

ING Usługi dla Biznesu S.A.

ING Usługi dla Biznesu was founded in 2012 and offers innovative business services that go beyond traditional banking.



The company's main objective is to provide tools that make running a business easier. ING Usługi dla Biznesu currently offers the following solutions:

- ALEO.com – the largest online database of companies (registration data, financial data),
- ING Accounting – invoicing and payment management platform, as well as accounting and payroll services,
- Firmove.pl – a service to support future and existing entrepreneurs in business creation and development.

Nowe Usługi S.A.

The Nowe Usługi Company conducts educational and marketing activities. In terms of education, he runs the [edukacjagiieldowa.pl](#) website. This is a site about investing and the stock market, for both novice and advanced investors. The website publishes investment-related material on an ongoing basis and a knowledge base is available.

Marketing activities are carried out to popularise Turbo certificates in the Polish market. These are instruments listed on the Warsaw Stock Exchange, of which ING Bank N.V. is the issuer. The company's main activities include organising marketing campaigns, providing training, operating the ING Turbo helpline or providing technical support for the [ingturbo.pl](#) website.

Changes in the structure of the ING Bank Śląski Group

Purchase of Paymento Financial

On 31 March 2023, ING Investment Holding (Poland) S.A. signed an agreement to purchase a 100% stake in the capital of Paymento Financial S.A., after the Polish Financial Supervision Authority on 27 January 2023 found that there were no grounds to object to ING Investment Holding (Poland) S.A.'s acquisition. – a wholly owned subsidiary of ING Bank Śląski S.A. – controlling stake in Paymento Financial S.A. The purchase price was PLN 24.4 million and the payment was settled in cash.

The scale of our business

GRI [2-6]

Our clients

In 2023, we acquired 284,000 new individual clients (322,000 in 2022), 50,400 entrepreneurs (56,400 in 2022) and 19,500 corporate clients (15,500 in 2022).

At the end of December 2023, the number of clients stood at 5.01 million (up by 95,900 y/y) and was divided into the following business segments:

- 4.45 million individual clients (up by 70.1 thousand y/y),
- 559,000 corporate clients (up by 25,800 y/y), including:
 - 442,000 entrepreneurs (up by 5,400),
 - 114,000 medium and large companies (up by 20,400),
 - 3,400 strategic clients (no change y/y).

The growth of our client base is better described by the number of *primary* clients, i.e. those for whom we are the bank of first choice and who have several (specific) products. We had a total of 2.41 million such clients as at 2023 yearend, 87,000 more than as at 2022 yearend, including:

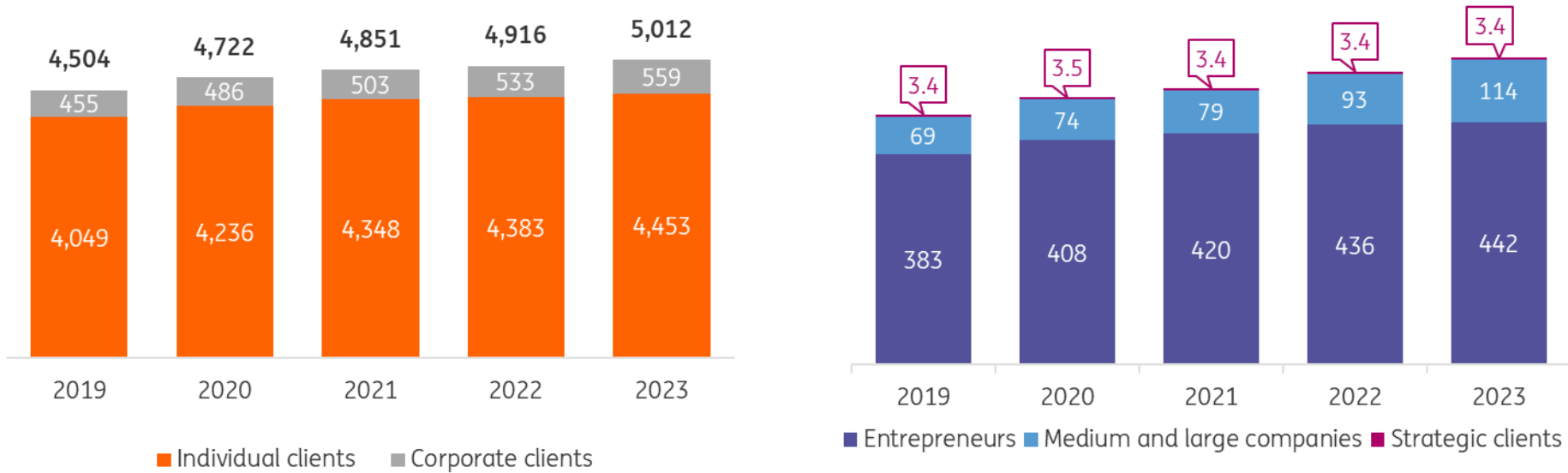
- 2.19 million individual clients (up by 79.7 thousand y/y),
- 157,000 entrepreneurs (up by 314.0 y/y), and
- 56,000 corporate clients (excluding strategic clients; up by 7.600 y/y).

Primary clients accounted for 48% of our total clients as at 2023 yearend (47% as at 2022 yearend).

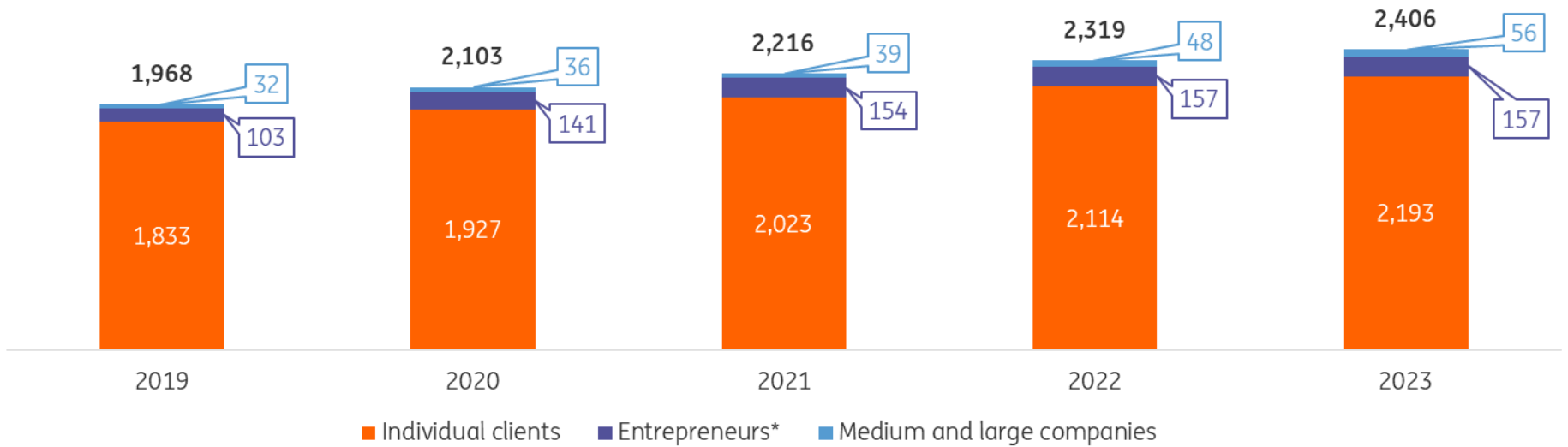
The constantly growing number of clients is the result of the activities pursued by us to foster long-term relationships with clients. These relationships are based on the trusted brand, transparent and flexible product offer and a continuously developed modern distribution and client service system.



Number of clients of the ING Bank Śląski S.A. Group (thousands, end of year)



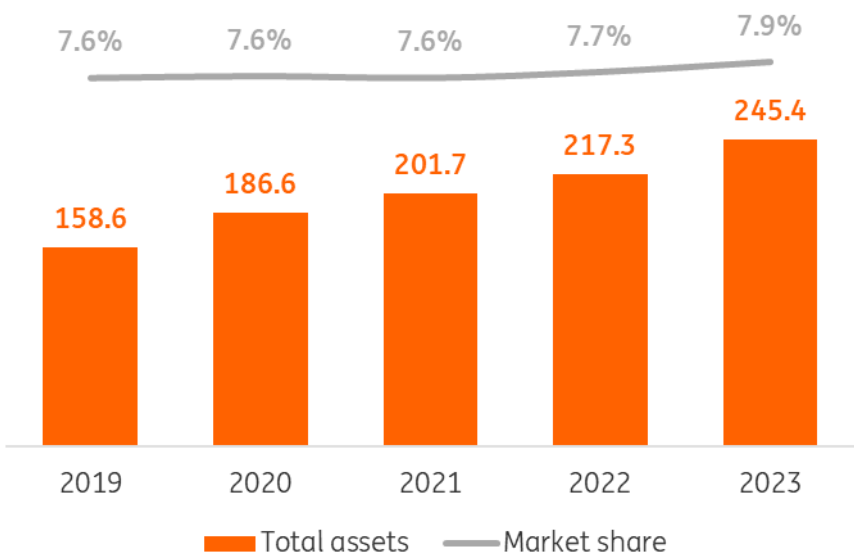
Primary clients (thousands, end of year)



*In the area of entrepreneurs from 2020 we use the updated definition, data for 2019 based on the previous definition.

Asset value and market share

The ING Bank Śląski Group assets (PLN billion) and market share in sector assets



The value of our assets as at 2023 yearend was PLN 245.4 billion. This was 12.9% higher than as at 2022 yearend. Compared to the end of 2019, our balance sheet total increased by 54.7% (by PLN 86.8 billion). Total asset growth in the sector was 9.4% y/y in 2023 and 48.3% relative to 2019, respectively. Our bank’s share of the sector’s assets was 7.9% as at 2023 yearend against 7.6% at the end of 2019. As at 2023 yearend, we were the fourth bank in the market by asset value.

Source: Market data – NBP (Aggregate balance sheet of other monetary financial institutions).

Value of receivables from clients and market share

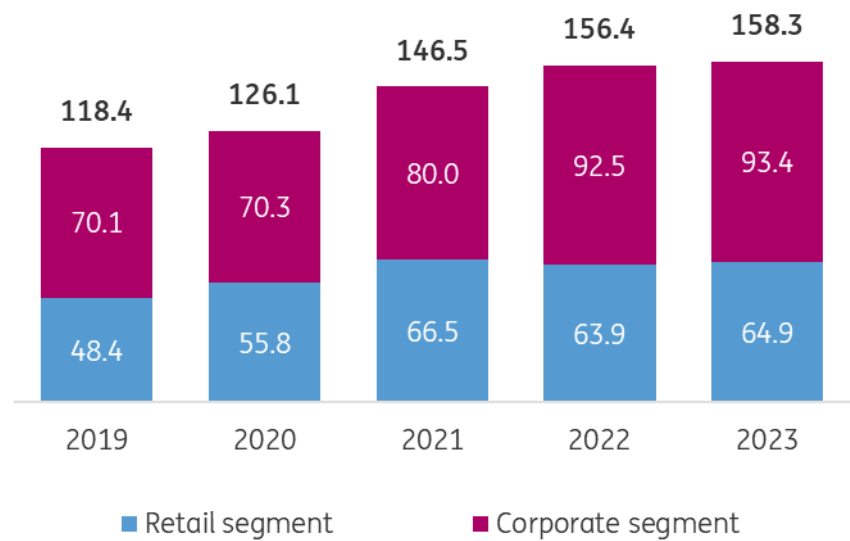
The volume of gross receivables (including loans measured at fair value) from our clients as at 2023 yearend amounted to PLN 158.3 billion and was by 1.2% higher than as at 2022 yearend. This translated into keeping our market share in loans relatively stable at 10.6% as at 2023 yearend.

The most significant part of the gross receivables portfolio is still receivables from corporate clients, their share of the structure in 2023 compared to 2022 was unchanged at 59%.

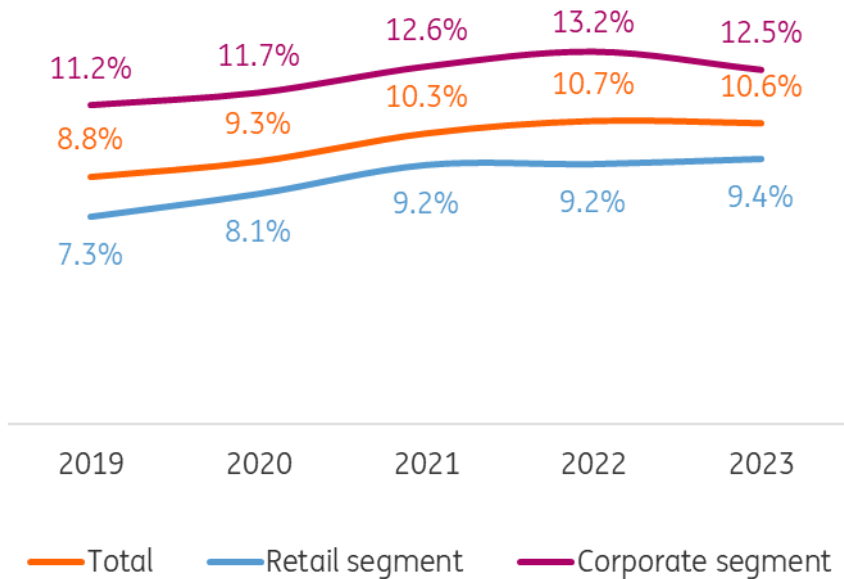
In terms of the size of the total client receivables portfolio, we were the fourth bank in the market as at 2023 yearend.



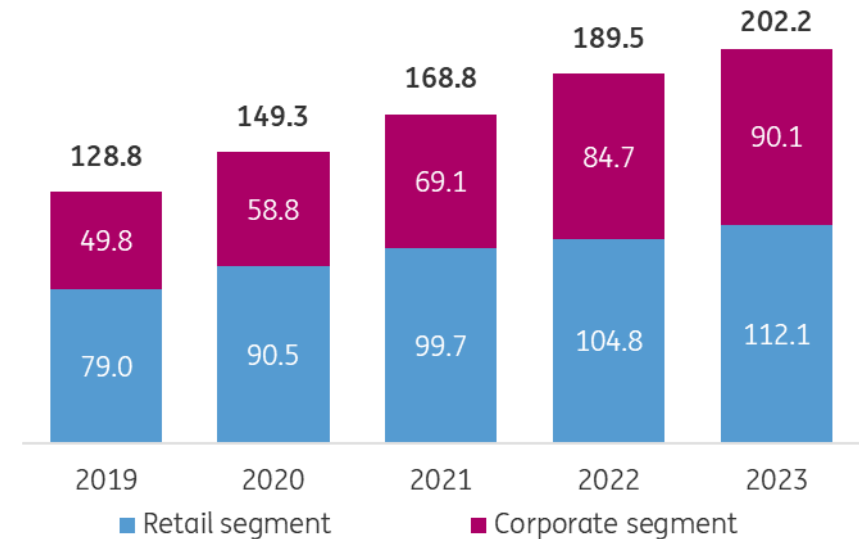
Gross receivables from clients of the ING Bank Śląski Group (PLN billion)



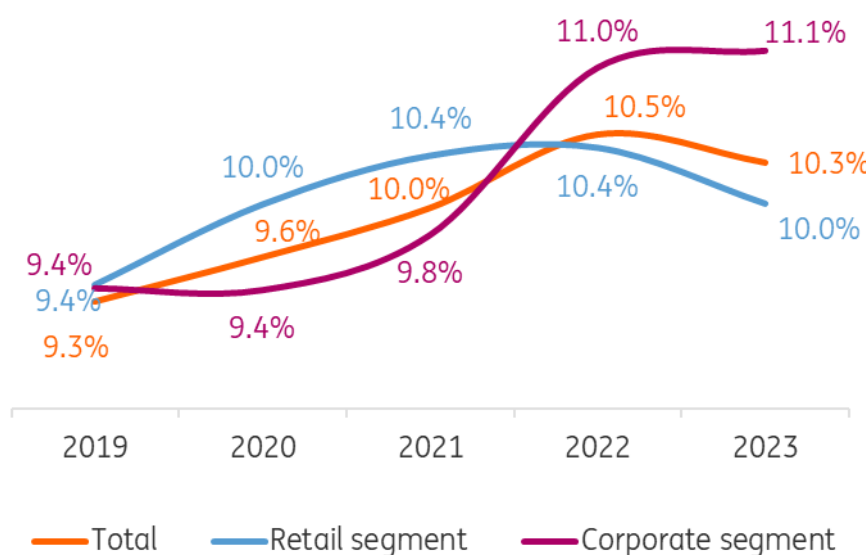
Market share in gross receivables



Amounts owed to clients of the ING Bank Śląski Group (PLN billion)



Market share in deposits



Value of deposits and market share

Our clients’ savings (excluding off-balance-sheet savings of the retail banking segment) amounted to PLN 202.2 billion as at 2023 yearend, up by 6.7% y/y. Our market share as at 2023 yearend was 10.3%, down from 10.5% a year earlier.

Liabilities to the retail segment remain the predominant part of our clients’ balance sheet savings (they accounted for 55.4% of total deposits as at 2023 yearend, compared to 55.3% as at 2022 yearend).

In terms of the size of the total client liabilities portfolio, we were the 4th bank in the market as at 2023 yearend.

Business segments

In 2023, we divide our business activities into two segments – the retail banking segment and the corporate banking segment. Other business areas, including, for example, treasury activities, are allocated between the two segments. Within the retail banking segment, individual clients are served. Within the corporate banking segment, we serve entrepreneurs and companies run on a full accounting basis. We divide the corporate banking segment into three client groups, which depend on the value of annual turnover – as shown in the diagram below:



Entrepreneurs up to EUR 1.2 million



Medium and large companies up to EUR 200



Strategic clients over EUR 200 million



Retail segment

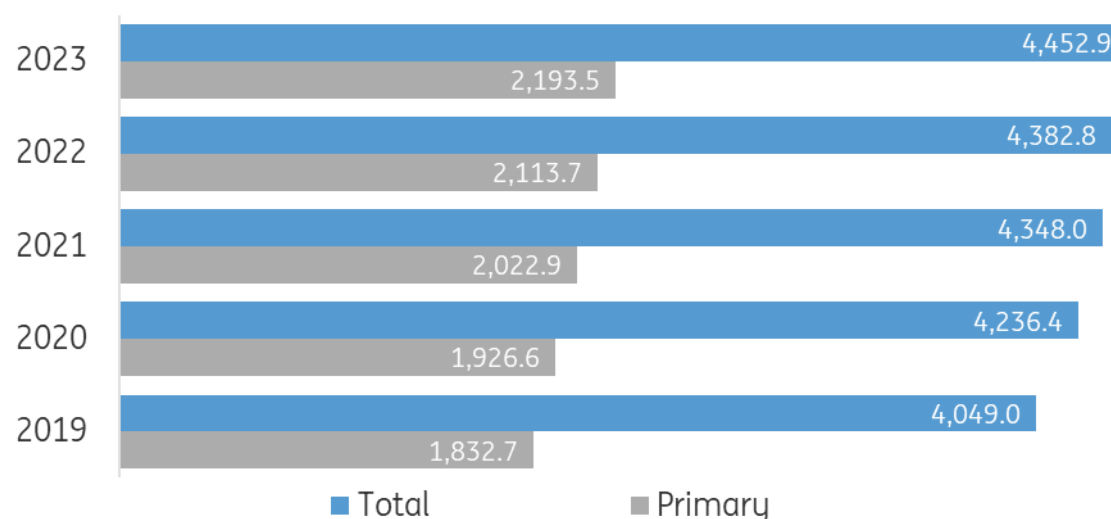
Within the retail segment, we serve individual clients – we already have 4.45 million of them, of which 2.19 million are *primary* clients for whom we are the bank of first choice.

Commentary on segment performance

The gross result of the retail segment amounted to PLN 2,170.7 million in 2023 (compared to a gross loss of PLN -346.3 million in 2022). Such a large difference in gross profit between 2023 and 2022 is due to the charge to the segment's results in 2022 of the costs associated with the assumed credit moratoria for PLN mortgage loans (the total cost of the moratoria is PLN 1,644.9 million). If the gross result were to be adjusted for the impact of credit moratoria, the segment's gross result in 2022 would amount to PLN 1,298.6 million and net interest income would be PLN 3,556.9 million. In addition, the segment's results in 2022 were burdened by additional regulatory costs, in particular the establishment of the Commercial Bank Protection Scheme.

The improvement in the performance of the retail segment in 2023 compared to the previous year was simultaneously driven by an improvement in the cost of risk, which was 81.1% lower in 2023 compared to the previous year, as well as a slight increase in net fee and commission income, which rose by PLN 8.4 million, or 1.4% y/y.

Number of clients (thousands)

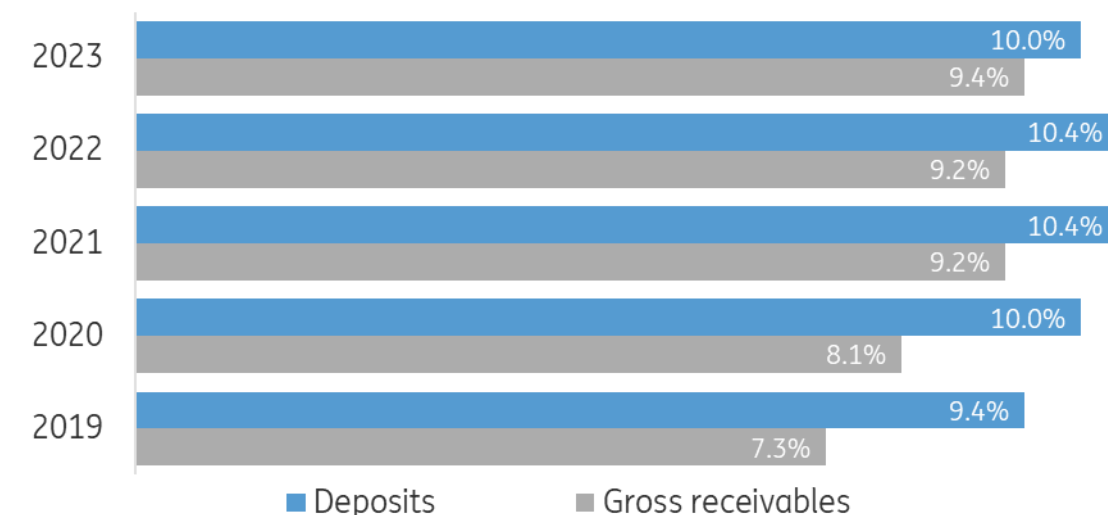


Profit and loss account

(PLN million)	2019	2020	2021	2022	2023	y/y (PLN million)	y/y (%)
Net interest income	2,310	2,440	2,715	1,912	3,779	1,867	98%
Net fee and commission income	418	460	558	580	589	8	1%
Other income*	72	61	32	88	99	11	12%
Income	2,800	2,961	3,305	2,581	4,466	1,886	73%
Operating expenses	-1,324	-1,440	-1,544	-2,094	-1,954	140	-7%
Result before risk costs	1,476	1,522	1,762	487	2,513	2,026	416%
Risk cost**	-194	-586	-134	-587	-111	476	-81%
Bank tax	-167	-196	-232	-247	-231	15	-6%
Gross result	1,115	739	1,395	-346	2,171	2,517	+16%

*Including share of profit of associates; **Including legal risk costs of foreign currency mortgage loans.

Market shares

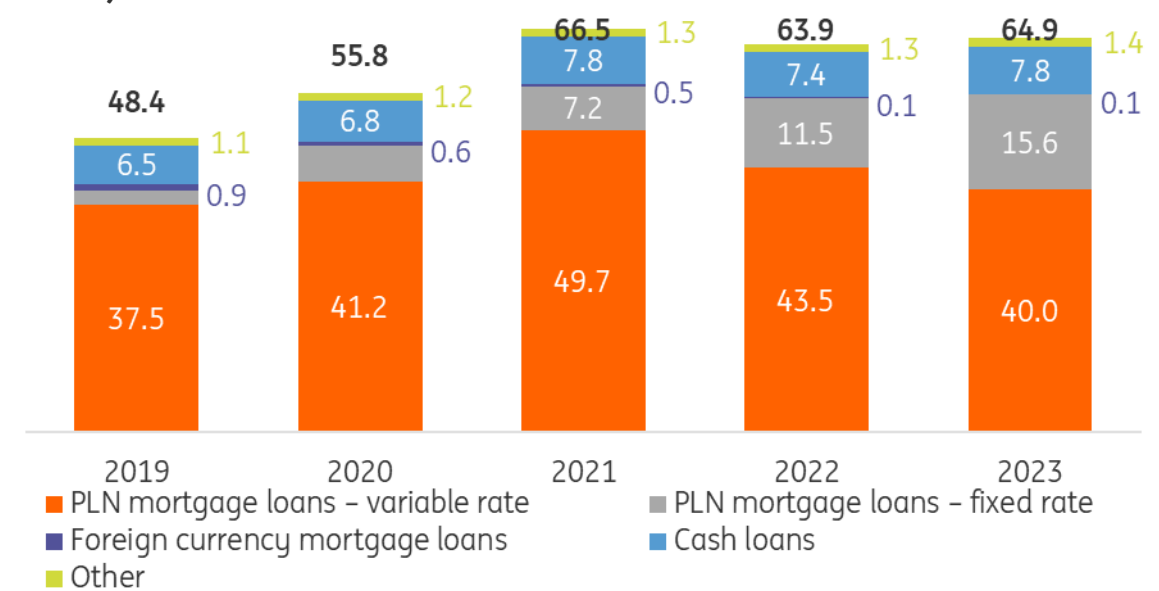


Balance sheet and key indicators

(PLN billion)	2019	2020	2021	2022	2023	y/y (PLN billion)	y/y (%, p.p.)
Total assets	67.9	83.1	92.0	93.0	104.3	11.2	12.1%
Receivables from clients (gross)	48.4	55.8	66.5	63.9	64.9	1.0	1.6%
Liabilities to clients	79.0	90.5	99.7	104.8	112.1	7.3	7.0%
Loans (gross) to deposits	61%	62%	67%	61%	58%		-3 p.p.
Costs to income	47.3%	48.6%	46.7%	81.1%	43.7%		-37.4 p.p.
Costs (including bank levy) to income	53.3%	55.2%	53.7%	90.7%	48.9%		-41.8 p.p.
Cost of risk margin	0.44%	1.12%	0.22%	0.90%	0.17%		-0.73 p.p.
Participation of Stage 3 and POCI	1.26%	1.89%	1.52%	1.45%	1.59%		+0.14 p.p.

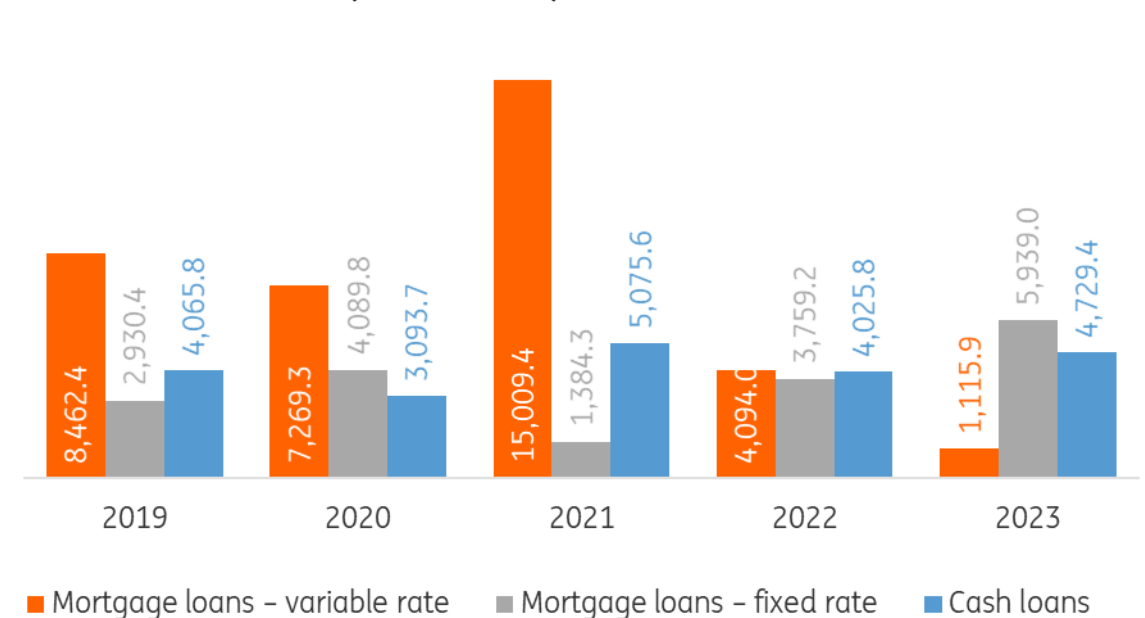


Gross portfolio of receivables from segment clients by product (PLN billion)



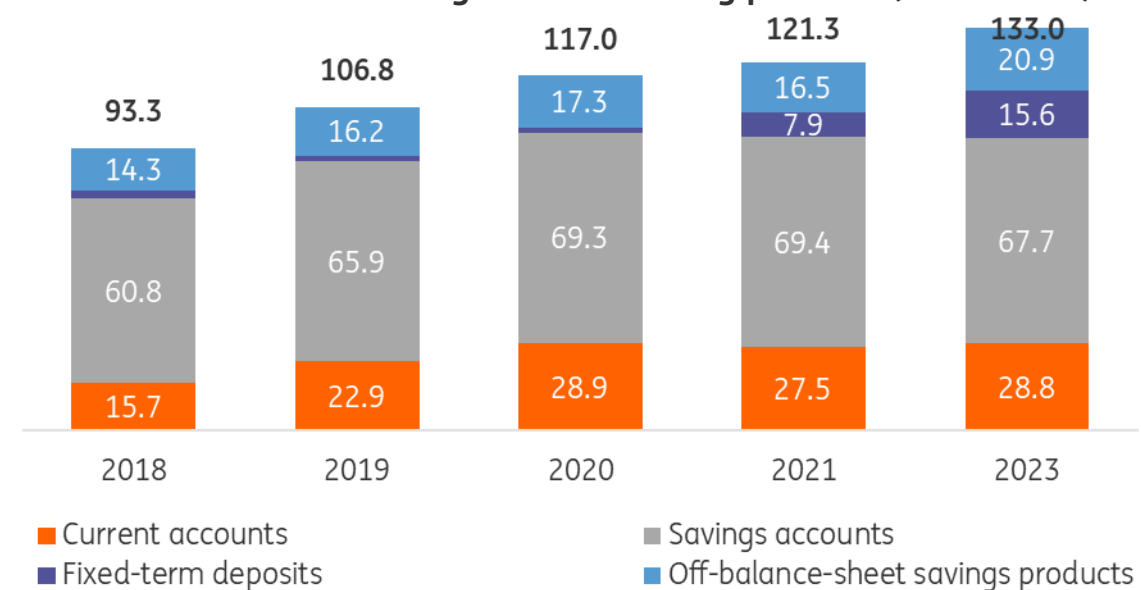
As at 2023 yearend, total gross receivables from retail clients increased by 1.6% y/y to PLN 64.9 billion. The biggest increase was recorded in the portfolio of PLN fixed-rate mortgage loans (PLN +4.1 billion, 36.2% y/y), with a decrease in the portfolio of PLN variable-rate mortgage loans (PLN -3.5 billion, -8.1% y/y). At the end of 2022, the bank decided to suspend the sale of loans based on the variable WIBOR rate. [The offer for these loans](#) reappeared on sale from 26 June 2023, but already based on the WIRON 1 M Compound Rate benchmark. The mortgage portfolio for the energy-efficient home option stood at PLN 2.9 billion as at 2023 yearend (+7.4% y/y). The cash loan portfolio recorded an increase of PLN 0.4bn, or 5.0% y/y.

Sales of retail loans (PLN million)



In 2023, we granted a total of PLN 7.1 billion in mortgage loans (down 10.2% y/y). The level of sales achieved was undoubtedly influenced by the fact that the bank did not participate in the government's 2% Safe Loan programme, which made it possible to obtain a mortgage at preferential interest rates. The high level of interest rates was also not insignificant for the level of mortgage sales. In 2023, we saw an increase in client interest in periodic fixed-rate mortgage loans, with a total of PLN 5.9 billion sold (+58.0% y/y), and their share of total mortgage sales rising to 84.2% (47.9% a year earlier). Sales of mortgage loans for an energy-efficient home in 2023 amounted to PLN 288.4 million (PLN 681.8 million a year earlier). In 2023, we granted PLN 4.7 billion in cash loans to individuals, up by 17.5% y/y. We sold 80.1% of these loans through the online channel (81.6% in 2022).

Portfolio of liabilities to segment clients by product (PLN billion)



The portfolio of on-balance sheet liabilities to retail clients increased by 7.0% y/y to PLN 112.1 billion. The largest y/y growth was recorded in term deposits (+97.2% y/y to PLN 15.6 billion). Funds held in savings accounts fell to PLN 67.7 billion (-2.4% y/y), while funds held in current accounts increased to PLN 28.8 billion (+4.7% y/y). Thus, time deposits gained in importance within the portfolio of balance sheet liabilities to retail clients, with their share reaching 13.9% of the portfolio as at 2023 yearend, compared to 7.5% a year earlier.

As part of our off-balance sheet products, we offer, among other things, brokerage services and broker the sale of funds managed by TFIs. As at 2023 yearend, the savings accumulated in our clients' brokerage accounts amounted to PLN 8.8 billion (+2.2% y/y) and our clients' savings accumulated in TFIs amounted to PLN 12.1 billion (+52.5% y/y). Assets worth PLN 400 million represented investments in funds complying with Articles 8 and 9 of the SFDR.



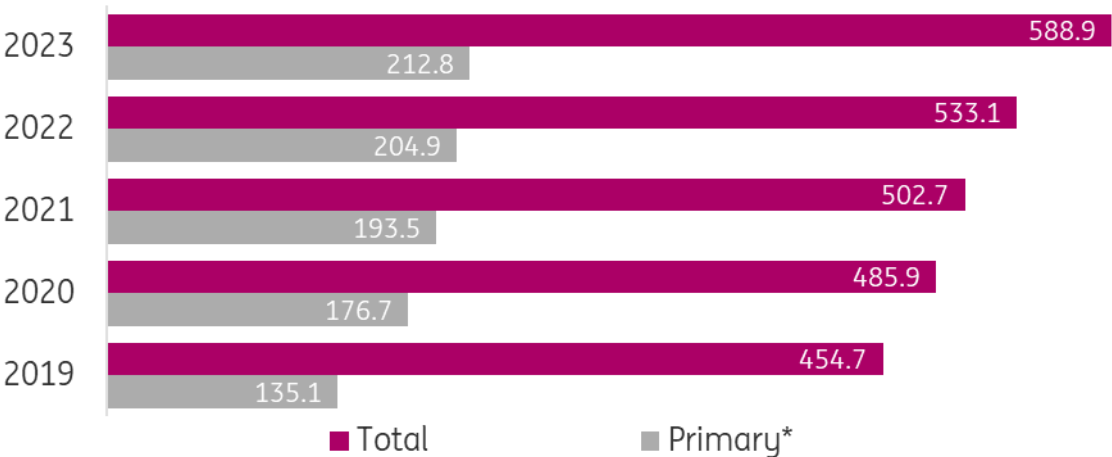
Corporate segment

Within the corporate segment, we serve companies, of whom we had 588,900 as at 2023 yearend, of which 212,800 were *primary* clients for whom we are the main bank.

Commentary on segment performance

The gross result of the corporate segment was higher in 2023 by PLN 799.9 million (+29.1% y/y). This marked improvement was backed up by strong revenue growth (+20.8% y/y), particularly due to the increase in net interest income (+18.6% y/y). This is mainly a result of the high interest rate environment. On a slightly smaller scale, net fee and commission income (+4.0% y/y) also contributed to the improvement in corporate segment income in 2023. The high growth in revenue helped to absorb the increase in operating costs (up 12.8% y/y), as well as the increase in the cost of risk (+13.3% y/y). The asset quality of this business segment remained good and was clearly better than the sector average.

Number of clients (thousands)



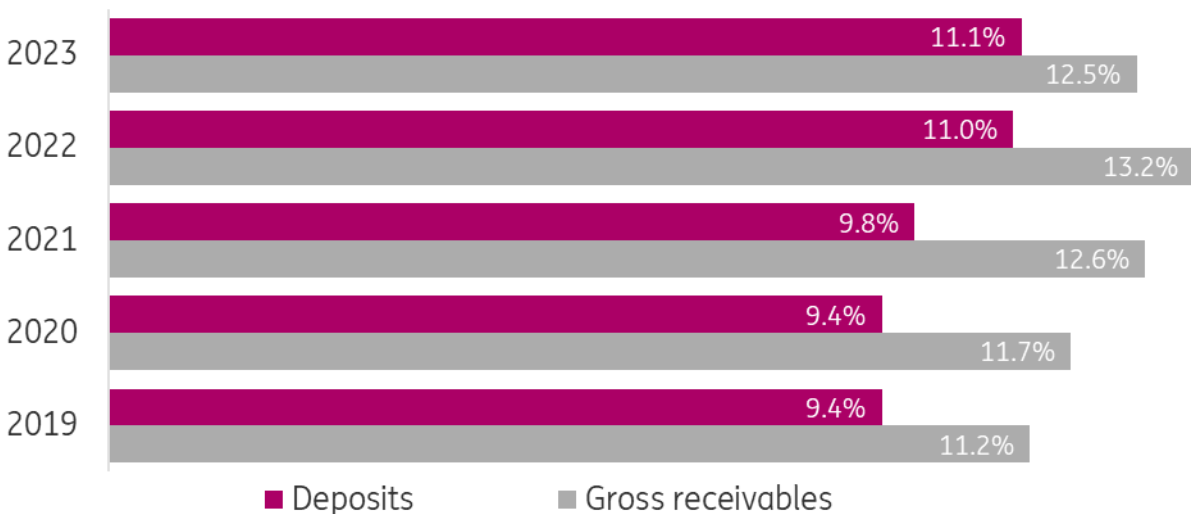
*In the area of entrepreneurs, from 2020 we use an updated definition.

Profit and loss account

(PLN million)	2019	2020	2021	2022	2023	y/y (PLN million)	y/y (%)
Net interest income	2015	2102	2254	3702	4392	690	19%
Net fee and commission income	923	1068	1287	1515	1576	61	4%
Other income*	59	99	51	-75	244	319	-
Income	2,997	3,269	3,592	5,142	6,211	1,070	21%
Operating expenses	-1,173	-1,323	-1,421	-1,548	-1,747	-198	13%
Result before risk costs	1,823	1,946	2,171	3,593	4,465	872	24%
Risk cost	-412	-489	-238	-444	-503	-59	13%
Bank tax	-268	-285	-313	-400	-413	-13	3%
Gross result	1,143	1,173	1,620	2,749	3,549	800	29%

*Total including share in profit of associates.

Market shares



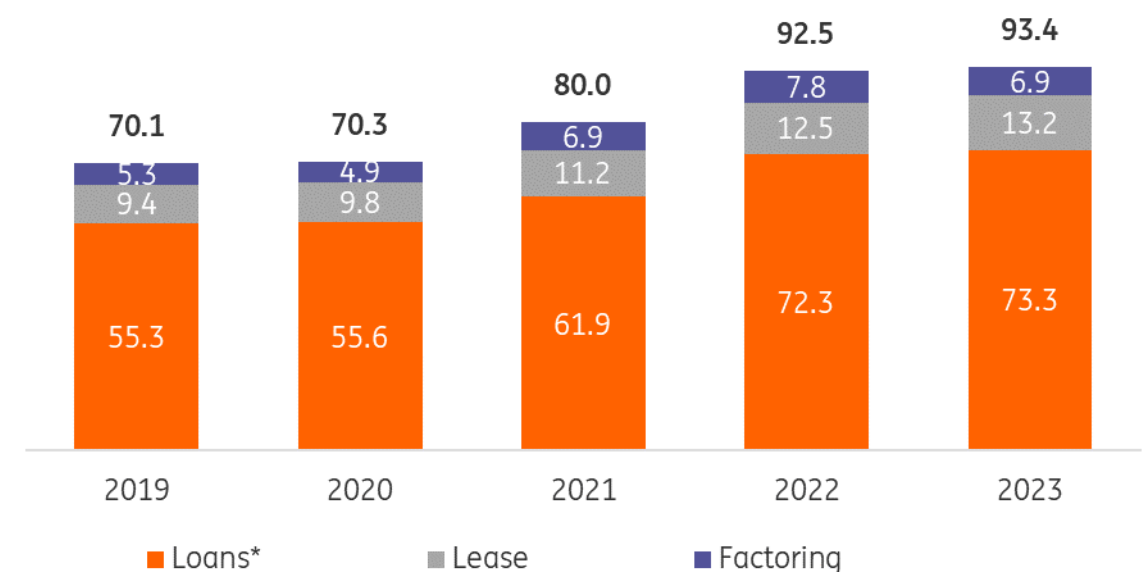
Balance sheet and key indicators

(PLN billion)	2019	2020	2021	2022	2023	y/y (PLN billion)	y/y (% p.p.)
Total assets	88.8	101.7	106.4	120.5	138.6	18.1	15%
Receivables from clients (gross)*	70.1	70.3	80.0	92.5	93.4	0.9	0.9%
Liabilities to clients	49.8	58.8	69.1	84.7	90.1	5.4	6.4%
Loans (gross) to deposits	141%	120%	116%	109%	104%		-5 p.p.
Costs (including bank levy) to income	48.1%	49.2%	48.3%	37.9%	34.8%		-3.1 p.p.
Costs to income	39.2%	40.5%	39.6%	30.1%	28.1%		-2 p.p.
Cost of risk margin	0.61%	0.69%	0.32%	0.51%	0.53%		+0.02 p.p.
Participation of Stage 3 and POCI	4.18%	4.41%	3.50%	2.87%	3.43%		+0.56 p.p.

*Including loans measured at fair value.



Gross portfolio of receivables from segment clients by product (PLN billion)



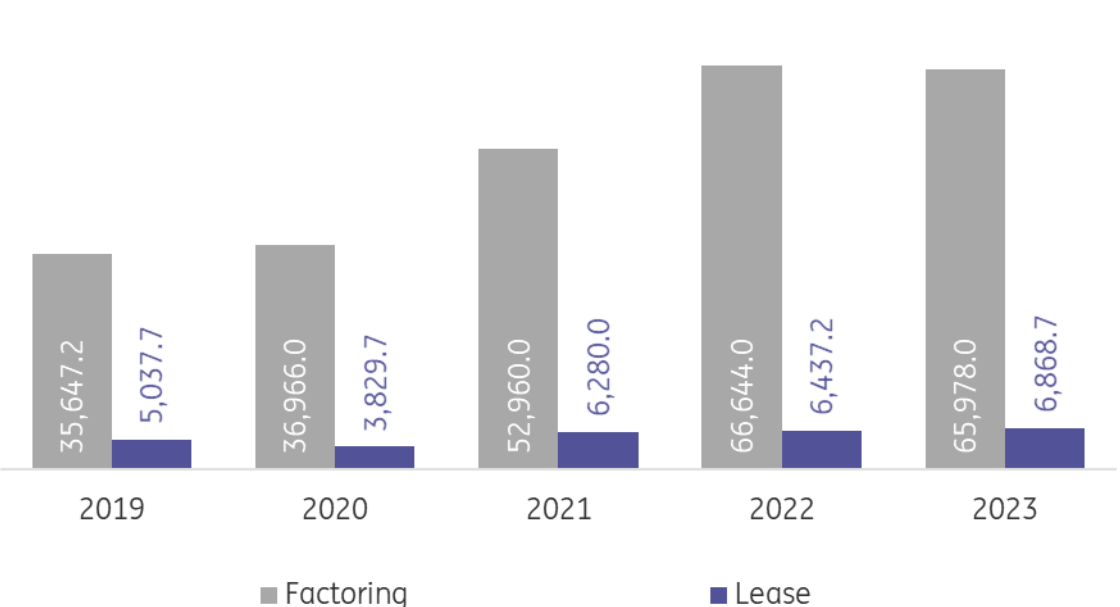
*Including loans measured at fair value.

As at 2023 yearend, total gross receivables (including loans at fair value) from corporate segment clients increased by 0.9% y/y to PLN 93.4 billion.

The loan portfolio increased by 1.4% y/y (by PLN 1.0 billion to PLN 73.3 billion). The leasing receivables portfolio increased by 5.8% y/y to PLN 13.2 billion (mainly due to the portfolio of medium and large companies and strategic clients). On the other hand, the value of the factoring portfolio decreased by 11.6% y/y to PLN 6.9 billion (the portfolios of medium and large companies and strategic clients were mainly responsible for the decrease).

As at 2023 yearend, our on-balance sheet exposure to RES was PLN 2.3bn (+20% y/y), with PLN 0.8bn of sales in 2023 vs. 1.6 billion in sales in 2022. As at 2023 yearend, our on-balance-sheet exposure to clients whose business is directly dependent on thermal coal to the extent of more than 5% amounted to PLN 51 million gross, a decrease of 84% y/y.

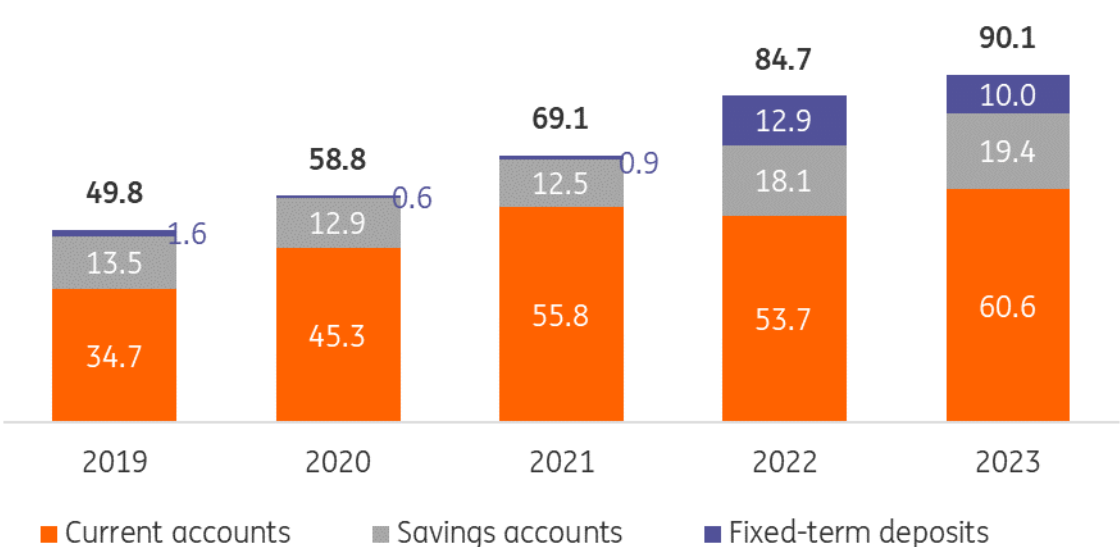
Factoring turnover and leasing sales (PLN million)



Factoring turnover in 2023 was PLN 66.0 billion, 1.0% lower than in 2022. Turnover in 2023 allowed us to achieve a 14.7% market share. The number of our factoring clients increased by 9% y/y to 10.3 thousand In 2023, we bought back 4.2 million invoices – 1% less than last year.

Sales of leasing products amounted to PLN 6.9 billion in 2023, 6.7% higher than a year earlier. Vehicle sales alone amounted to PLN 4.1 billion, 13.7% higher than the figure achieved in 2022. Our market share in sales of leasing products was 6.7% in 2023 (7.3% in 2022). The number of leasing clients is 36,300 (-0.45% y/y).

Portfolio of liabilities to segment clients by product (PLN billion)



The funds deposited by our corporate clients as at 2023 yearend amounted to PLN 90.1 billion and were by 6.4% higher than at the end of the previous year.

Current account balances continue to account for the most significant proportion of liabilities to this group of clients (67.3% compared to 63.4% a year earlier). Funds held in current accounts increased by 12.9% y/y to PLN 60.6 billion, with the strongest growth in current accounts of medium and large companies (+17.6% y/y) and, to a lesser extent, current accounts of entrepreneurs (+4.4% y/y), with a 10.2% increase in current accounts of strategic clients. Funds accumulated in savings accounts increased by 7.7% y/y to PLN 19.4 billion, mainly due to an influx of funds accumulated by medium and large companies (+9.9% y/y). Time deposits fell by 22.6% y/y, mainly as a result of the decline in strategic client time deposits (-63.0% y/y). On the other hand, term deposits of medium and large companies and entrepreneurs increased (by 114.6% y/y and 117.9% y/y respectively).



Our market position

We are the fourth bank in Poland based on the size of assets, deposits and receivables from clients – on a consolidated basis at the end of Q4 2023. In terms of profitability – among Polish banks listed on the WSE – we are in fourth place based on MCFH-adjusted return on equity. We were also the fourth largest bank in terms of market capitalisation (PLN 33.3 billion) as at 2023 yearend, with our Price to Book Value ratio being the highest at 2.0x.

Our competitive position			
Measure	Value		Market position
Number of clients (million)	5.01	31 December 2023	4
Total assets (PLN billion)	245.4	31 December 2023	4
Client deposit portfolio (PLN billion)	202.2	31 December 2023	4
Gross receivables portfolio from clients (PLN billion)	158.3	31 December 2023	4
Commercial balance (PLN billion)	360.5	31 December 2023	4
Return on equity (ROE)*	22.9%	2023	4
Capitalisation (PLN billion)	33.3	29 December 2023	4
P/BV ratio	2,0x	29 December 2023**	1

**Calculated as the sum of net profit for 2023 to the average equity (MCFH-adjusted) for the five consecutive quarters ending Q4 2023; **ratio calculated based on the share price as at 2023 yearend.*

Prizes and awards

Our daily efforts in offering attractive products and services to our clients, our attention to high quality service and transparent communication, our sustainability measures and practices, and our outstanding commercial and financial performance are recognised by the market. Here are some of the awards from 2023. You can find the complete list [here](#).

For all of its activities

- ING Bank Śląski was awarded the title “Best Bank in Poland”, in the 8th edition of the “Institution of the Year” ranking, as well as prizes in 8 categories.
- ING Bank Śląski was among the “Best Banks 2023”, in the 14th edition of the “Golden Banker” ranking, including being named the best bank in social media.
- ING’s office space in Ruda Śląska, was recognised in the “Architecture of the Year of the Silesian Province 2023” competition.

- “Golden Leonardo” at the Art In Architecture Festival for ING for Gallery 1. Floor at Unii Lubelskiej Square in Warsaw and a special mention for the ING Polish Arts Foundation.
- ING Bank Śląski’s team of economists, led by Rafał Benecki, received an award, in the 15th edition of the competition for the best macroeconomic analyst, organised by the editors of “Parkiet” and “Rzeczpospolita”.
- In the ranking of the “Most influential women in the Polish payments industry”, organised by the Cashless.pl website, awards were given to 3 ING representatives: Barbara Borgieł-Cury (Bank Director responsible for Retail Client Operations) Agnieszka Lidke-Orzechowska (Director of the Daily Banking Centre) and Katarzyna Rudnicka-Mróz (Principal Expert, Business Client Division).
- The Banking Forum, organised by the Association of Polish Banks, has awarded the prof. Remigiusz Kaszubski for Barbara Borgieł-Cury.

For quality client service and innovation

- ING Bank Śląski received the highest score in the satisfaction ranking of individual bank clients – a survey carried out by ARC Rynek i Opinia for 2022.
- ING Bank Śląski won first place, in the “mobile banking” category, for the development of the Moje ING app, in the Mobile Trends Awards 2022.
- ING Bank Śląski received capital market leadership awards in 2 categories (“highest share in client trading in structured products”, “leader of the Treasury BondSpot Poland contingent trading market”), during the Stock Exchange Year Summary 2022.
- ING Bank Śląski has been recognised as a Mediation-Friendly Financial Institution.
- ING Bank Śląski was awarded the CESSIO Laurel, during the Receivables Management Congress.
- ING Business online banking system – ranked 1st in the “Best Digital Solutions for SMEs in the CEE region 2023”, in the “Best Online Banking” category. ING also won 1st place, in the category “The Best Digital Factoring in the CEE region” and 2nd place in the category “Digital SME Lending” for its modern lending solutions for the entrepreneurial segment and medium and large companies.
- ING received three nominations in the Invest Cuffs competition – in the categories “Investment product of the year”, “Brokerage of the year” and “Online exchange house of the year”.
- SAIO, the business process robotisation platform from ING, has been named “Star Performer”.



- ING Lease was awarded the “Order of Finance”, in the “Leasing” category for online leasing, in a poll organised by the editors of the Home&Market monthly.
- ING Lease was ranked 1st in the “Car Leasing” category, in the “Consumer Quality Leader” programme.
- ING Lease was awarded the “Pearls of Polish Leasing”, the “Electromobility Leader 2023”, the “Innovative Company 2023” award and was among the “Best Products for Business 2023”.

For ESG activities and practices

- ING Bank Śląski was awarded the “Golden CSR Leaf” by Polityka.
- ING Bank Śląski was awarded the “Golden Consumer Laurel”, in the category “Green strategies in business”.
- ING Bank Śląski with an ESG rating for the second time, awarded by Sustainable Fitch. The agency has assigned an ESG rating of “2” for ING Bank Śląski on a five-point scale, with “1” being the best rating and “5” being the worst.
- ING Bank Śląski was awarded the title of “Super Ethical Company 2022” for actions carried out to build and strengthen an organisational culture based on ethics and corporate social responsibility.

For communication with clients, the market and employees

- ING Bank Śląski was awarded – for the fourteenth time in a row – the “Top Employer Poland” certificate.
- ING Bank Śląski has been awarded the title of “Poland’s Best Employers 2023” (1st place in the “Banks and financial services” category), in the “300 Best Polish Employers” ranking, prepared by Forbes Poland and Statista.
- ING Bank Śląski has been shortlisted for the Diversity IN Check, a list of employers most advanced in diversity and inclusion management in Poland.
- ING Bank Śląski won three awards in The Best Annual Report competition organised by the Institute of Accounting and Taxation. For the sixth consecutive year, it received The Best of the Best award for model financial reporting. In addition, it took first place in the Best Integrated Report category and first place in the Special Mention category for The Best of The Best winners.
- ING Bank Śląski has been awarded twice in the “Sustainability Reports 2023” competition.
- ING Bank Śląski was awarded the “Brand of the Year” distinction, in the “Brand and Marketer of the Year” report, prepared by the editors of “Media and Marketing Polska”.

- ING Bank Śląski won 4 statuettes at the “Effie Awards Poland”.
- ING Bank Śląski has won a bronze statuette in the “In – Gaming” category, at the international MIXX Awards Europe 2023.
- ING Bank Śląski won “Best in Show”, two golds, four silvers and three bronzes at the “MIXX Awards”.
- NG Bank Śląski won eight statuettes in the Innovation 2023 competition.
- ING Bank Śląski won four awards in the “KTR” competition.
- ING Bank Śląski has won 6 awards in the PR competition “Golden Clips”.
- In the “CMO Awards”, no fewer than three prizes were awarded to Barbara Pasterczyk (Bank Director responsible for Marketing Communications), in the categories “Digital Champion”, “Purpose Ambassador” and Grand Prix of the entire competition.

Awards for the ING for Children Foundation

- The Foundation received, together with ING Bank Śląski, a distinction from the Warsaw Banking Institute for its involvement in the BAKCYL programme, the Kariatyda Czytelnictwa from the Universal Reading Foundation for promoting reading.
- The Foundation was among the winners of the ESG Innovator 2023 competition – it received an award in the “Innovation in Area S” category for its “Orange Power” programme.
- The Foundation also received the “Golden Bench” award for its cooperation and support of the Teach for Poland Foundation in its activities for the Ukrainian community.

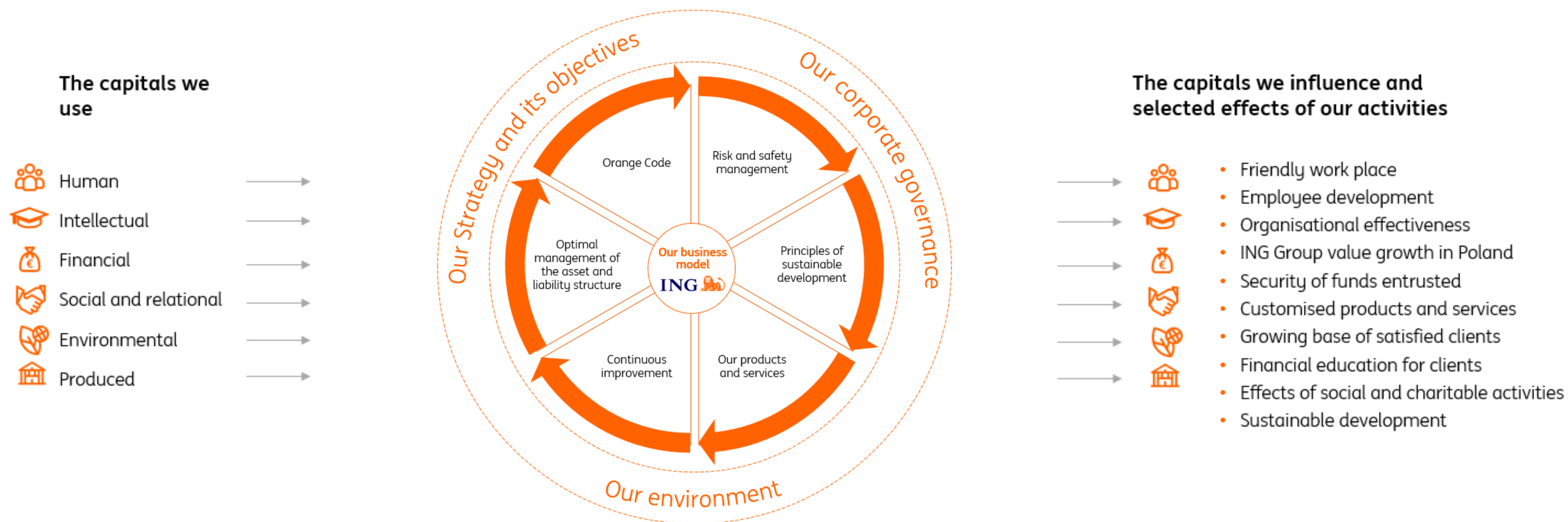


Business model and value creation

Integrated thinking

Our business model and strategy are firmly rooted in the concept of integrated thinking. Integrated thinking). As a bank, we contribute more than just our financial value to society. The role of a financial institution is to support and promote economic, social and environmental progress leading to a better quality of life for people in society, while generating adequate profits and an increase in enterprise value. Integrated thinking helps us to make decisions and take actions that take into account the creation and preservation of value for our stakeholders in the short, medium and long term. Our value creation model, which we present later in this chapter, shows in a simplified way which capitals we use to create value for and with our stakeholders.

Our value creation model





Our business model

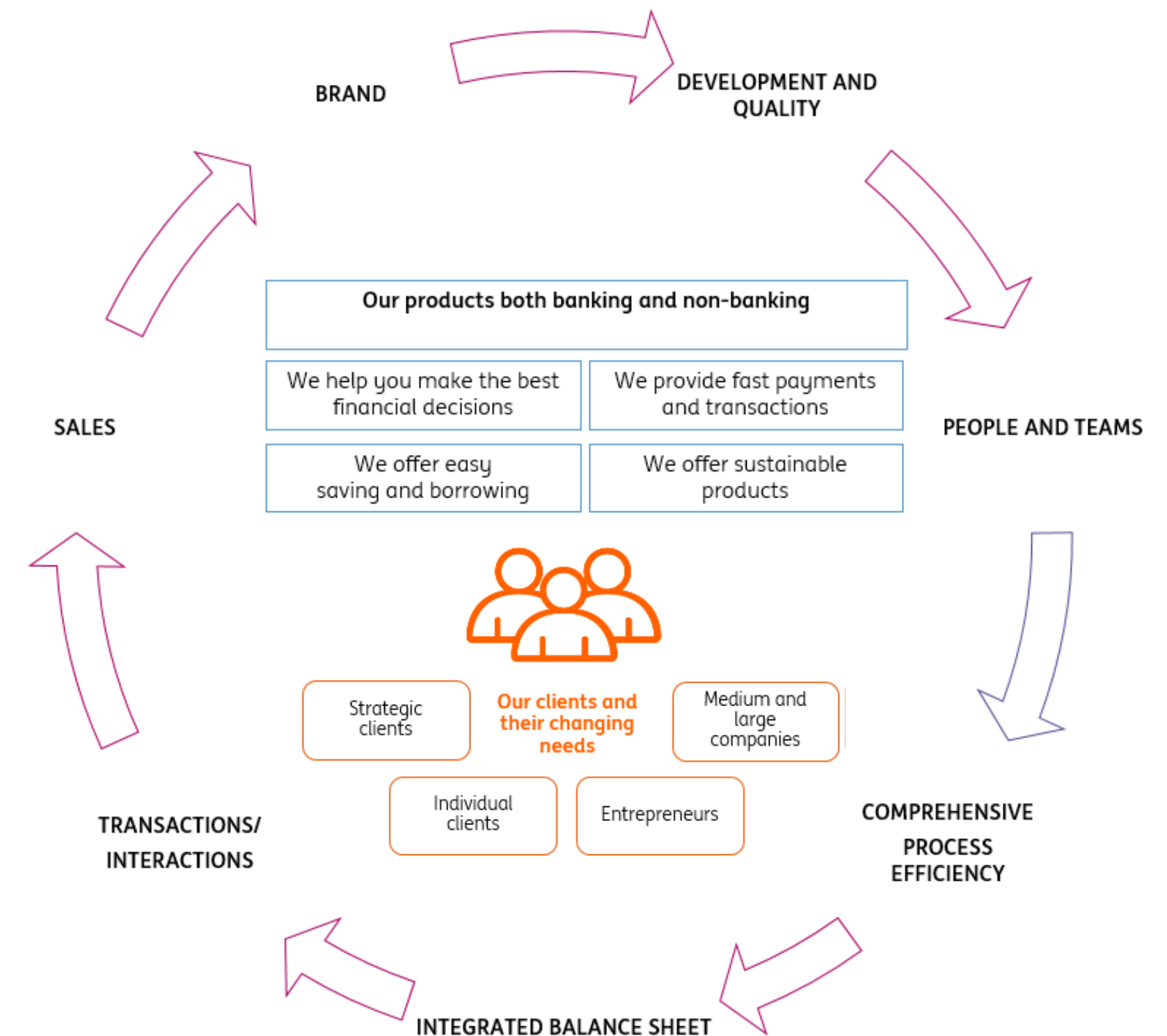
We are a universal bank which, together with the other companies in its group, serves both individual clients and companies as part of its operations. We want to be seen as the **bank of the future for entrepreneurial people** – a bank that provides its clients with practical solutions that they need and are happy to use. We want people to be able to achieve their goals with our support.

Our mission is to **support and inspire people to be one step ahead in life and business**. In every person's life, the roles they play in society change: from a child, to a student, to a parent, to an entrepreneur, to a bank employee, to our supplier or an employee of another company, to a pensioner. It is a confident journey during which the client will make different and important – both privately and for business – choices. We, as a bank, help him to make the best financial decisions for him. That is why we provide our clients with knowledge and tools, as well as simple, useful and tailor-made solutions. We also enable you to better understand your financial situation.

Our role is to enable you to save money safely and effectively. Deposits entrusted by some finance loans and credits granted to other clients, and these promote the development of both society and the economy. The financing granted allows the purchase of housing, the start-up of a business or the development of a company. We develop and offer products to support sustainable operations for both individuals and companies.

We offer our clients banking products and services (such as loans or savings accounts and transfers), but also in the area of *beyond banking*, i.e. not related to traditional banking. Our expertise allows us to build a positive client experience. These are not just insurance products or investment products. We also offer our clients a wide range of financial management tools.

As the bank of the future, **we are innovating** to meet the needs of our clients. We also use *big data* and artificial intelligence and work with fintechs, which allows us to reach higher. We take care of a smooth payment and transaction system. At the same time – with the growing popularity of cashless trading – an efficient electronic payment system is becoming increasingly important. We provide our clients with transactional banking, processing transfers, card, phone or BLIK payments and developing tools for cashless payments. To this end, we have provided specific solutions to support the development of e-commerce, such as the imoje payment gateway – the first online payment for online shops offered by a bank in Poland.



They allow clients to quickly and conveniently complete payment for their purchases. In 2021, we were the first bank in Poland to decide to replace the central system. We have opted for a cloud solution that will further accelerate the digital and technological transformation of our bank. This will make it possible to build reliable banking and ensure that the offer is fully personalised and tailored to individual clients' needs. This will eliminate planned unavailability due to maintenance work or the implementation of new products and solutions.



For us, the primary channel of interaction with clients – both retail and corporate – is electronic and mobile banking. We want our clients to have tools that enable them to make modern payments and remotely deal with simple issues such as paying for public transport tickets, parking and motorway journeys. Our electronic banking also allows you to deal with official matters more conveniently, e.g. you can submit applications for social benefits. At the end of 2023, we introduced changes to online and mobile banking to make it even easier for clients to use these channels. Following the changes, content and functions are more personalised and the system has taken on a new, clear look.

At the same time, we recognise the changing role of establishments. That is why, for several years now, we have no longer been talking about branches, but about meeting places where our advisers help clients to make important decisions – to bank every day, to live better, to grow their business and to take care of their financial future. For corporate clients, we also provide a service at their company’s premises, depending on their needs. The task of our employees is to support clients in making financial decisions, including by analysing their financial needs and objectives, financial situation or the level of risk of investments.

We are aware that we influence many economic processes and individual choices, and that our decisions have an impact on how the world will look and what reality the next generation will find. We are therefore guided by the

principles of sustainability in our business and non-business decisions. This applies to the areas of climate and environment (E), society (S) and corporate governance (G). We support our clients in their energy transition, in being entrepreneurial and help them manage their finances. We work towards equal social opportunities and care for the health of employees. We operate ethically based on values, principles and processes and in accordance with regulations and with reference to market best practice.

As a public trust institution, we know how important aspects of a stable and effective risk management system are for the banking sector and the economy as a whole. In our bank, it is structured according to the best market standards based on the principles of three lines of defence, where the first line is business management, the second line is risk and financial management and the third line is internal audit and compliance. We manage ESG risks as an integral part of each group of risks, both financial (e.g. credit risk or market risk) and non-financial (e.g. operational risk). We also take care to optimally manage the asset and liability structure of our balance sheet within the limits of our risk appetite.



Key capitals used in our business model and key results in 2023

Capitals – description, status and effects of their processing in 2023			
Equity	Description	Input	Outcomes
Human and intellectual	It is our employees, their knowledge, competence and commitment. Intellectual capital is our skills and knowledge, which we use to create cutting-edge products and services that meet current and future client needs. Our employees are the carrier of our organisation's intellectual capital. It is the employees who directly contribute to the growth of intellectual capital and its exploitation (operationalisation).	<ul style="list-style-type: none">• We have 8,400 employees in our group (8,400 a year earlier).• We have a Step up system in place and Individual Development Plans for our employees.• We have an organisational culture in place (Orange Code) that we are proud of.• We work on the basis of Agile and PACE methodologies.	<ul style="list-style-type: none">• The average number of development activities per employee was 24 (24 a year earlier).• The female-to-male pay ratio is 95%. Our ambition is that this difference should not exceed 1 p.p.• We have received the Top Employer certification for many years.• We belong to the Gender-Equality Index (Bloomberg).• We are implementing a new cloud-based central system (TM Vault).• The availability of Moje ING and ING Business as at 2023 yearend was 99.95% and 99.91% respectively.• Our employee Net Promoter Score (eNPS) in the November 2022 OHI survey as well as the May 2023 OHI survey is 53 and the November 2023 OHI survey is 48.
Financial	By financial capital we mean funds entrusted to us by clients, capital provided by shareholders and bondholders. These are all funds available to us from our wider capital providers and through which we finance our operations.	<ul style="list-style-type: none">• Our portfolio of liabilities to clients amounts to PLN 205.3 billion (PLN 192.7 billion a year earlier).• Our equity balance is PLN 16.7 billion (PLN 9.3 billion a year earlier).• The balance of our Tier-2 subordinated liabilities is PLN 1.5bn (1.6bn a year earlier) and MREL liabilities are PLN 7.7bn.• Our total capital adequacy ratio is 16.73% (16.22% a year earlier) and our MREL (TREA, standalone, including combined buffer requirement) is 25.79%.	<ul style="list-style-type: none">• Net profit increased to PLN 4.4 billion against PLN 1.7 billion a year earlier.• MCFH-adjusted return on equity was 22.9% (10.2% a year earlier).• Interest expenses amounted to PLN 4.2 billion (PLN 2.5 billion a year earlier).
Social	Social capital is the relationship with our surrounding stakeholders: clients, suppliers, local communities or social and charitable organisations.	<ul style="list-style-type: none">• We serve 4.5 million retail clients (4.4 million a year ago), of which more than 2.2 are <i>primary</i> clients (2.1 million a year ago).• We also serve 559,000 corporate clients (533,000 a year ago), of which 213,000 are <i>primary</i> clients (205,000 a year ago).• We are guided in our activities by the Sustainable Development Goals (SDGs).• We are the founders of two corporate foundations (ING for Children Foundation and ING Polish Arts Foundation).• We have published the ING Bank Śląski S.A. Group Declaration on Respect for Human Rights.• We signed the Children's Rights Charter in Business.	<ul style="list-style-type: none">• The NPS of retail clients was 28 points (25 a year earlier) and remained the highest in the survey's peer group.• The NPS for the corporate segment is divided into categories:<ul style="list-style-type: none">• Entrepreneurs – 42 points (similar to 2022),• Medium companies – 39 points (down 3 points compared to 2022),• Large companies – 52 points (an increase of 3 points compared to 2022),• Strategic clients – 90 points (an increase of 9 points compared to 2022).• Our employees dedicated 8,400 hours to volunteering (42.5% more than in 2022).• In total, ING Bank Śląski donated PLN 6.37 million to social- and charitable activities (the amount of charitable donations and donations to corporate foundations).
Environmental	Environmental capital is the natural environment and its resources. The direct negative impact of our organisation on this capital is not material at the scale of our organisation. Nevertheless, we are obliged to reduce it. More importantly, we aim to minimise our indirect negative impact on this capital, mainly through the clients we fund.	<ul style="list-style-type: none">• In 2023, we published the “ING BSK's roadmap for reducing GHG emissions”.• We are constantly developing our sustainability product range.• We have developed and implemented an ESG Risk Management Policy.	<ul style="list-style-type: none">• We have reduced Scope I and II greenhouse gas emissions by 30.0% relative to the base year (2019) and 6.6% y/y (market-based approach).• The electricity produced by our photovoltaic panels amounted to 305 MWh.• We provided PLN 0.8 billion of financing for renewable energy projects (PLN 1.6 billion a year earlier).• In 2023, we implemented a Futures account for retail clients to support sustainability.• We are changing the structure of our car fleet towards electric and hybrid cars, which in total already account for 97% of the total.



Business strategy

GRI [3-3]

Our mission is unchanged – we support and inspire people to be one step ahead in life and business. We are building our operational strategy around this mission. In a world that is constantly changing, we are focusing our efforts on the digitalisation of processes and client relationships, as well as on sustainability activities. The implementation of our strategy is based on three, key pillars:

- Excellent client service,
- People,
- A safe, sustainable and resilient organisation.

The implementation of our strategy within its three strong pillars is based on interrelated groups and mutually supportive priorities, which we explain below.



Increased client activity and digitalisation

We are focused on continuous growth in the number of active clients and *primary* clients in all our business segments. We are committed to the highest quality of service and keep our promises. We are building a

comprehensive range of products and services, and its digitalisation and high accessibility are increasing the level of self-service by our clients. We are constantly optimising ourselves in order to better adapt our processes to the needs of different client groups.

Operational efficiency, AI and data management

We aim for fully automated processes, very high availability and error-free transactional and operational systems. We focus on a modern working environment and tools. We effectively manage and use data to support our operations and client interactions.

Motivation and commitment, strong teams

We provide a safe and healthy workplace for all our employees. We want them to be proud of their employer. We create a consistent, positive and professional corporate image. We are building an organisational culture designed to foster responsibility, commitment and identification of employees with the company. We want our employees to build strong and motivated teams with their professionalism and commitment.

Stability, accessibility, modernity

We want to be a strong, flexible and continuously change-oriented organisation. We want to develop these features on the basis of integrated, state-of-the-art transactional and operational systems. We aim to standardise the tools and systems we use. We place emphasis on ensuring the stability, security and resilience of our operating systems. Our competitive advantage must be our ability to change at a faster rate than the changes taking place in our environment.

Compliance with regulatory requirements

Our activities must be characterised by total compliance with regulatory requirements. This compliance must be built into all operational layers of our business. We are committed to a high risk culture, whereby each of our employees is aware of the risk factors associated with their responsibilities and our business.

Sustainable development

We are building a strong ESG culture, increasing our employees' awareness, knowledge and commitment to sustainability. In terms of our own economy, we are taking action with the ambition of achieving neutrality in 2030 (Scope I and II in market-based terms). In terms of reducing emissions from the loan portfolio, our actions are consistent with the framework and guidelines promoted by organisations such as the Net Zero Banking Alliance (NZBA). Their aim is to fund ambitious climate action to move the real economy towards net zero greenhouse gas emissions by 2050. ING Bank Śląski, as part of the ING Group N.V., a member of the NZBA, also joins in the objectives



it promotes. We support and further intend to actively support our clients in complying with ESG requirements to remain competitive. The way we plan to do this is described in the document “[Roadmap for reducing GHG emissions](#)“, where we describe, among other things, the plan to support clients in their sustainable transformation. We integrate ESG into our business and operations at all levels.



Our business strategy for 2022-2024 and our financial ambitions for 2024 and the status of their achievement in 2023

As part of the implementation of our strategy, we have set ourselves a number of key strategic areas to work on until the end of 2024. The level of achievement of these targets in 2023 is shown in the table below:

Business strategy objectives for 2022-2024		
Key priorities	Area and measure of ambition in 2024	State of ambition in 2023
Increased client activity and digitalisation	<ul style="list-style-type: none">Number of <i>primary</i> clients: 2.3 million in the retail segment and 215,000 in the corporate segmentRelational NPS around: 29 for individual clients, 42 for entrepreneurs, 42 for medium companies, 49 for large companies and 69 for strategic clientsTransfer of business services from Moje ING to ING Business (100%)	<ul style="list-style-type: none">2.2 million in the retail segment and 213,000 in the corporate segment (2.1 million and 205,000, respectively, a year earlier)28 for retail clients, 42 for entrepreneurs, 39 for medium-sized companies, 52 for large companies and 90 for strategic clientsThe process of transferring clients to ING Business was completed in January 2023
Operational efficiency, AI and data management	<ul style="list-style-type: none">Number of meeting places – 200Number of cash service points at meeting places – 50*Number of clients per FTE in the Operations Division – 3,100Ratio of general and administrative expenses to average commercial balance – a level 10 p.p. lower than in 2021 (2021 = 100%)	<ul style="list-style-type: none">205 meeting places (228 a year earlier)55 cash service points (no change y/y)2,900 (2,800 a year earlier)104% (previous year 109%)
Motivation and commitment, strong teams	<ul style="list-style-type: none">Employee NPS of around 60 pointsOHI score around 85 pointsPercentage of internal recruitments for management positions around 80%Recruitment time (<i>time to hire</i>) around 45 days	<ul style="list-style-type: none">48 points (53 a year earlier)84 points (result for 2022, the survey is conducted every other year)77% (65% a year earlier)41 days (50 days a year earlier)
Stability, availability, modernity	<ul style="list-style-type: none">Availability of Moje ING and ING Business at a minimum of 99.94%Percentage of applications migrated to the cloud at a minimum of 50%Control automation of a minimum of 90%	<ul style="list-style-type: none">99.95% for Moje ING and 99.91% for ING Business (99.98% and 99.86%, respectively, a year earlier)27% (6% a year earlier)65% (35% a year earlier)
Compliance with regulatory requirements	<ul style="list-style-type: none">Non-financial risk level of no more than 2.4Compliance risk level not higher than 2.4Timely implementation of all audit recommendations (no delays)	<ul style="list-style-type: none">2.1 (2.2 a year earlier)2.2 (2.5 a year earlier)No overdue payments (similar to the previous year)
Sustainable development	<ul style="list-style-type: none">Gender pay gap index – difference of no more than 1 p.p.Set a minimum of one ESG-related target – for 100% of managers and 50% of employeesNew financing for RES and environmental projects (implementation of the Green Statement) – PLN 4.5 billion over the period 2015-2023. The new goal for 2024-2030 is PLN 5 billion of new renewable energy financing (in accordance with the document "Roadmap for reducing GHG emissions")	<ul style="list-style-type: none">5 p.p. difference. (4 p.p. a year earlier)100% of managers reporting directly to Management Board members had an ESG goalBetween 2015 and 2023, we have earmarked PLN 13.2 billion in the corporate area for financing: Renewable Energy Sources (PLN 4.1 billion) and pro-environmental projects (PLN 9.1 billion)

*During 2024, the assumptions were updated, according to which the target number of box office points is 55.

The full presentation summarising our strategy and plans up to 2024 is available at [this link](#).



Our financial ambitions for 2024 published in 2022 and an assessment of the extent to which they have been achieved in 2023

	Indicator	2021	2022	2023	Ambition 2024	Comments on implementation in 2023
Growth area	Average annual* growth in gross loan portfolio	16.2%	6.8%	1.2%	~9%	The lower growth rate of the loan portfolio in 2023 is the result of unfavourable market conditions, in particular a marked slowdown in GDP growth and persistently high market interest rates.
	Average annual* increase in net fee and commission income	20.7%	13.6%	3.3%	>7%	The increase in net fee and commission income was supported by an increase in commissions from payment cards, lending, from the sale of insurance products and transaction margins on currency exchange transactions. The average annual growth in commission income between 2021 and 2023 was 8.3%.
Performance area	Cost/income ratio**	43.0%	47.2%	34.7%	<40%	The marked y/y improvement in the ratio is due to the absence of negative chargeable events on both revenue (credit holidays) and expenses (costs of setting up the Commercial Bank Protection Scheme) that occurred in 2022.
	Risk cost margin ratio***	23 pbs	48 pbs	32 pbs	<50 pbs	The cost of risk margin decreased y/y (partly due to improving macroeconomic parameters in the risk models).
Area of stability	Total solvency ratio	16.05%	16.22%	16.73%	>15%	The total capital adequacy ratio increased by 51 bps y/y remained above target.
	Loan-to-deposit ratio	85.9%	80.4%	76.2%	90-95%	Credit growth was lower than deposit growth. The sector, and with it our bank, struggled with increasing deposit inflows, while lending slowed down.
Area of profitability	Return on equity (adjusted for MCFH)	14.4%	10.2%	22.9%	>13%	The significant improvement in net income has translated into higher profitability.
	Dividend payout ratio from profit	30%	-	75%	30-50%	We plan to pay out 75 per cent of the net profit for 2023 and PLN 1,008.3 million from reserves, from profits for 2019 and 2022, in the form of dividends.

*Average for 2021-2024; **Income including share of profits of associates, expenses excluding bank tax;***Excluding legal risk costs of foreign currency mortgage loans.



Risks in the implementation of the business strategy in 2024	
Geopolitical tensions	<ul style="list-style-type: none">Increasing number of armed conflicts.The timing, manner and effects of the end of the war in Ukraine.Strained US and EU relations with China.
Climate change	<ul style="list-style-type: none">Energy transformation of economies and businesses, including the costs of implementation.Accelerating the pace of technological change.Burdening economic growth with the cost of CO₂ emissions.
Sovereign debt	<ul style="list-style-type: none">High debt servicing costs due to the persistence of elevated levels of market interest rates.High costs incurred to resolve military conflicts (including the war in Ukraine) and the energy crisis.
Inflation	<ul style="list-style-type: none">Persistently high local inflation in Poland over the next 2-3 years.Ease of transfer of rising product prices and wages to the final consumer.Wage inflation. Continued pressure on companies' costs.Increased unpredictability.
Cyber security	<ul style="list-style-type: none">The acceleration of technological change and the proliferation of remote services exposes clients to new risks. This requires the ability to respond quickly, including in concert with other payment system actors.The need to maintain full resilience of banking systems against failures.
Regulatory uncertainty	<ul style="list-style-type: none">Large number of announced regulatory changes awaiting implementation (e.g. AI Act, DORA, MiFiD III).High regulatory volatility. Interpretative challenges (including mutual conflicts) in regulatory provisions requiring rapid implementation.Lack of predictability of regulatory changes.
Reform of the benchmarks	<ul style="list-style-type: none">Difficult and complicated process of implementing benchmark reform.
Housing market financing model	<ul style="list-style-type: none">Uncertainty of regulation and legal prejudices.Restoring the sustainability of contractual relationships.Streamlining the relationship between monetary policy and the impact on the client/consumer.Failure to finalise a standard contract template, lack of defined terms and conditions for prepayments.

Structural over-liquidity of the sector	<ul style="list-style-type: none">Inflow of deposits and funding from the professional market.Lack of demand for loanIncreased levels of investment in Treasury securities.
Opportunities in the implementation of the business strategy in 2024	
Clients	<ul style="list-style-type: none">Maintain (above market levels) the rate of acquisition, transactionality and new client activity.Increasing the share of primary clients in the total number of clients.Realising the potential of electronic banking.High adaptability of new solutions, including technology, positively influencing cost efficiency.
Economic growth	<ul style="list-style-type: none">Expected acceleration of economic growth (GDP).High potential for investment growth, including foreign direct investment (FDI).Additional potential impetus related to the reconstruction of Ukraine
Sustainable development	<ul style="list-style-type: none">Potential for investment and economic activity as a strong boost to GDP growth rates.Increased environmental awareness among the public, which will generate greater demand for sustainable products.Increased availability of green energy sources.EU climate neutrality.New sources of state funding, including access to the EU Reconstruction Fund and how to use it.
Stability of the financial sector	<ul style="list-style-type: none">All fundamental risks to the financial sector remain moderate or low.High level of provisions made for the risk of foreign currency mortgage loans.High level of capital buffers and meeting the MREL target.Growing dividend capacity.
New technologies	<ul style="list-style-type: none">Acceleration of the momentum of productivity gains resulting from new technologies, faster ability to make a technological leap.Improving the stability and flexibility of IT systems.Ability to roll out new products and services faster and personalise them to clients. Increasing client protection against losses generated through the actions of criminals.



Sustainability in our business strategy

[GRI \[2-12\]](#) [\[2-13\]](#) [\[2-17\]](#) [\[2-23\]](#) [\[2-24\]](#) [\[3-3\]](#)

[SDG 3, 4, 5, 7, 8, 10, 12, 13, 16](#)

At ING, the responsible management of ESG (Environmental, Social, Governance) issues is firmly embedded in our business strategy as one of our [priorities](#) and follows directly from our mission and values. We see the area of sustainability as a field for building long-term competitive advantages – both ours and those of our clients. We have been working to decarbonise our own economy for many years, and as at 2023 yearend we announced the “ING BSK’s roadmap for reducing GHG emissions”, a follow-up to the Green Statement announced in mid-2021. You can read more about this topic [here](#). We are creating a welcoming workplace, working for diversity and equality, including minimising the wage gap. We are committed to the highest quality of client service and the availability of our services. We are continually working to develop a sustainable product range and undertake numerous sustainability measures, both in our own operations and by supporting our clients and suppliers in the transformation process.

Compliance with regulations, including in the ESG area, is our priority. We are convinced that sustainability impact and its robust reporting will increasingly become a factor of choice for different stakeholder groups, including clients, employees or investors.

Governance structure for ESG issues

In 2022, the Management Board of ING Bank Śląski established two committees in the organisational structure of the bank: ESG Council and ESG Risk Committee. These committees have decision-making functions vis-à-vis all organisational units of the bank and advisory functions vis-à-vis the Management Board for matters requiring its approval.

In 2022, the ESG Innovation Expert Centre (coordinating activities related to the building and implementation of ESG goals and the functioning of the ESG Council) and the ESG Risk Team within the Risk Regulation Department have also been established at the bank. We write about the measures being implemented to manage ESG risks in 2023 [here](#).

To achieve our ESG objectives, we have adopted two ways of working. The ESG Transformation Programme has been set up to carry out new, complex, multi-faceted tasks. On the other hand, relatively homogeneous topics, which we have been pursuing for a long time and where we have already reached an appropriate level of maturity,

are carried out in interdisciplinary teams – guilds – which take care of the continuity and synergy of the work. In 2023, as part of the ESG Transformation Programme, the ESG Data Model project has been established to prepare a consistent ESG data model for the needs of different stakeholders. It will lay the foundations for an ESG management system within the bank and its subsidiaries.

Both the ESG Transformation Programme and the individual ESG Guilds report to the ESG Council.

From 2023, 100% of managers reporting directly to Board Members have an ESG target in their KPIs. In addition, the employees of the units directly involved in the implementation of the sustainability business strategy from 2023 onwards have ESG targets. Responsibility for the achievement of ESG objectives is also expressed in the objectives set for the Management Board for the year and is directly reflected in the level of variable remuneration (see more under [Remuneration principles for members of the Management Board](#)).

Interdisciplinary collaboration and knowledge sharing

We want to make it natural for everyone in our organisation to think and act in terms of sustainability. We are strengthening the bank’s ESG culture by increasing awareness, knowledge and engagement of employees in this area. We are developing sustainability and ESG education programmes for employees, available on the internal My Learning system. The bank’s management has been actively promoting the idea of responsible business within and outside the organisation for years, emphasising, among other things, the major role of the banking sector in supporting the energy transition of Polish companies.

Bank officials regularly speak at events and in publications on sustainability issues. We work with the NGO community and are involved in their projects. We are actively working to build the ESG ecosystem. The [ING Grant Programme](#) supports innovative projects linked to the Sustainable Development Goals. We organise round tables to foster the exchange of knowledge and experience between experts from different backgrounds, industries and organisations working for sustainable development. You can read more about our involvement in industry initiatives and organisations [here](#). We are convinced that the future is our shared responsibility.

Our ESG targets for 2022-2024

As part of the “Sustainability” priority of our business strategy, we have set directions, targets and measures, in the individual areas of environment, society and corporate governance, which have been approved by the ESG Council and the Supervisory Board. We have divided our objectives into three categories:

- for ourselves – we act and lead by example,



- for our clients – we inspire and support them,
- for the society – together we are building a better world.

In determining these, we have taken into account:

- an analysis of the current degree of implementation of sustainability measures and the Green Statement,
- identifying ING Group N.V.’s ESG strategic directions on a global level to ensure a consistent approach in the ESG area,
- an analysis of the external environment, including the formal and regulatory environment,
- materiality analysis based, inter alia, on stakeholder dialogue.



ESG targets for 2022-2024

Environment (E)		Entrepreneurship and equal opportunities (S)	Ethics and regulatory compliance (G)
WE (we act by example)	<ul style="list-style-type: none">We run a sustainable economy of our own.We digitise processes with an environmental impact in mind.We take climate factors into account in our business decisions.	<ul style="list-style-type: none">We create a working environment where we take care of well-being of employees (health, energy, activity and finances).We support employees in being entrepreneurial.We are committed to diversity and inclusion among the bank's employees.	<ul style="list-style-type: none">We are building ESG awareness and culture among employees, developing ESG competences.We integrate ESG into the bank's strategy, organisational structure, product design processes, risk management, purchasing policy and corporate governance.We are adapting to regulation – risk, finance, compliance and client portfolio.
Key objectives: Achieve zero-carbon in Scope I and II by 2030.		Maintain the male-female pay gap indicator (wage gap) – 1% by 2024 according to the methodology of the Polish Bank Association.	Designation of min. 1 ESG-related target for 100% of managers and 50% of employees by 2024.
CLIENTS (we inspire and support)	<ul style="list-style-type: none">We are developing a pro-climate product offering for our clients.We finance sustainable projects.We support clients in their environmental transformation and in assessing how sustainable their business is.	<ul style="list-style-type: none">We support clients in managing their finances and educate them on how to be entrepreneurial.We facilitate technology and digital transformation for business clients.We make banking easier for groups at risk of exclusion.	<ul style="list-style-type: none">We build awareness and understanding of ESG business and regulatory issues among clients.We care about the safety of our clients.
Key objectives: Allocating PLN 4.5 billion to finance RES and green projects in the corporate area in line with the Green Statement by the end of 2023. In addition, we are aiming to provide PLN 5 billion of RES financing in the corporate segment between 2024 and 2030, as declared in ING's Emissions Reduction Orientation document.		Full alignment of the Moje ING mobile app, the Moje ING online banking system and the bank's website with WCAG 2.1 guidelines by 2024.	Achieve client satisfaction of 4/5 from ongoing education activities by 2024.
SOCIETY (building a better world together)	<ul style="list-style-type: none">We support climate innovation (grants for startups and scientists).We support local environmental action.	We support local community action.	We share good practice and knowledge through industry collaboration and with our stakeholders. We work out common solutions.
Key objectives: Implementing the 6th edition of the grant programme and providing PLN 6 million by 2024.		150 volunteer actions within the framework of the Good Idea programme carried out with the ING Foundation for Children, 40 Smiling Holidays in Wisła organised by the Foundation until 2024.	Organisation of national conferences in cooperation with NGOs and sectoral organisations (total 2022-2024) – organise minimum 10 conferences by 2024.

An accounting of the achievement of the 2023 ESG targets (as one of the pillars of the business strategy) is available [here](#). The implementation of the 2023 Green Statement targets is described [here](#). We write about our client, community, employee, environment and corporate governance activities in individual sections of this Report.

We also write about our commitment in the ESG area on our [website](#).



Respect for human rights

We know that our activities affect many stakeholder groups and we are conducting work to best understand the scale of our impact on human rights. In December 2023, we published [the ING Bank Śląski S.A. Group Declaration on Respect for Human Rights](#). In it, we describe the actions taken to respect human rights at different levels of our value chain. The development of the Declaration was preceded by activities carried out in cooperation with external human rights experts, the Polish Institute for Human Rights and Business. We will continue to work on the development of a human rights due diligence process (HRDD), identifying risks and their possible – existing or potential – negative impact on human rights that we may be involved with either through our own activities or as a result of business relationships.

Responsibility in the supply chain

GRI [2-6] [3-3] [308-1] [414-1]

As a large bank, we work with numerous suppliers and business partners. We are a buyer of various types of products and services – the main categories being IT, marketing or office space rental, among others.

The vendors the bank works with are 91% Polish (90% a year earlier). The remaining 9% are foreign suppliers. In 2023 alone, we completed 369 procurement processes (459 a year earlier). At the end of 2023, we have qualified a total of 837 suppliers to work with the bank, of which 101 were strategic suppliers.

We work with our vendors in accordance with business ethics and market best practice. At the same time, we carefully vet our vendors, including in terms of social and environmental risks. We select suppliers on a level playing field, based on objective criteria.

Supply chain management is regulated in our country:

- Manual for Making Purchases at ING Bank Śląski S.A.,
- ING Bank Śląski S.A. Outsourcing Manual,
- ING Bank Śląski S.A. Vendor Management Manual.

Professional supplier relationship management is based on the study of comprehensive information about suppliers. As part of our vendor management process, which includes establishing and maintaining relationships, we have set the following objectives:

- a coherent vision and strategy for working with the bank’s suppliers,
- minimising risks associated with cooperation with suppliers,
- the extension of a unified management process to suppliers, including comprehensive management information on the supplier.

The Centre of Expertise – Procurement creates and maintains standards for working with vendors, sets objectives and responsibilities for participants in the process. An important element of supplier management is supplier qualification.

In compliance with the *Procurement Policy*, in 2023 we continued activities related to vendor classification. The *Know Your Supplier (KYS)* process reduces the risk of working with suppliers involved in undesirable criminal, financial and economic activities, including those bearing the hallmarks of bribery and corruption, or with precarious financial, social or environmental credentials. Consequently, this process reduces the risk of ING Bank Śląski’s reputation as a trustworthy bank, thereby confirming that ING operates in accordance with the law, regulations and only works with suppliers that follow the same rules.

Vendor qualification is carried out every three years. We carry it out on the basis of established criteria in line with the values and ethical principles contained in the bank’s mission and strategy. The supplier qualification process includes:

- identification of the company in a business intelligence service,
- verification of financial standing,
- verification on checklists,
- verification against negative press,
- verification concerning the policies on counteraction to financial and economic crime, on counteraction to bribery and corruption and on environmental and social policies.

In terms of cooperation with suppliers who are outsourcing providers (as defined by the Banking Act), we use additional verification mechanisms in the form of *onsite* audits of suppliers and inspection surveys. In 2023, we expanded the inspection survey to include additional questions related to the management of ESG issues.

An important aspect when starting to work with a supplier is the attitude to ensure compliance with [ING Bank Śląski S.A. Code of Conduct for Vendors](#). The Code applies to all vendors, regardless of their place of business. Vendors thus



commit themselves to basic standards. These include respecting human rights, complying with applicable law, including labour rights, in their relations with employees, as well as respecting their personal dignity, privacy and individual rights. The vendor should also provide a safe and health-friendly workplace for its employees and take care to protect the environment by aiming to minimise the environmental load of its operations and taking measures to improve it. It should also respect the prohibitions on forced labour, child labour, corruption and discrimination. For us, it is important to be able to document compliance with these standards. For this purpose, we can approach suppliers asking them to provide so-called evidence:

- certificates issued by third parties attesting the supplier’s compliance, if available,
- copies of current internal documents confirming the actions taken by the supplier to establish and comply with them.

The Bank or its appointed auditing firm has the right to audit the supplier with regard to compliance with the principles contained in the Code. In the event of a breach of the principles in the Code by a supplier, we have the right to demand a recovery plan from suppliers within 30 days of discovering a breach of the principles described in the Code. If a recovery plan is not submitted or if there is a further breach of the above rules, we will be entitled to terminate the contracts with the supplier. In addition, our suppliers guarantee compliance with the above principles contained in the Code by their subcontractors if they collaborate with them in the execution of the subject matter of the contract concluded with us.

Good communication is the basis for finding agreement in mutual cooperation, which is why, when choosing a partner, we pay attention to the financial, but also to the non-financial aspects of the cooperation. We expect our suppliers to be innovative and supportive, to share knowledge, to respond flexibly to our needs and to build partnerships.

In 2023, the strategic vendors we surveyed rated their cooperation with the bank as very good and good. In addition, on the basis of the documentation received from suppliers, we analyse:

- how vendors comply with contractual requirements under Employment Screening,
- complying with the principles contained in ING Bank Śląski S.A. Code of Conduct for Vendors,
- how they minimise the environmental burden of their operations.

In addition, we ask our suppliers to provide information on the innovations they have introduced or plan to introduce in the company. With this information, we are more aware of which partners we are working with and what development plans they have.

In 2023, we coordinated the inspection process with suppliers regarding the outsourcing of personal data processing. The process is designed to verify the vendor, confirming that all safety requirements and standards have been met. We performed the inspection for selected contracts (149 out of 1,290). It was carried out in terms of:

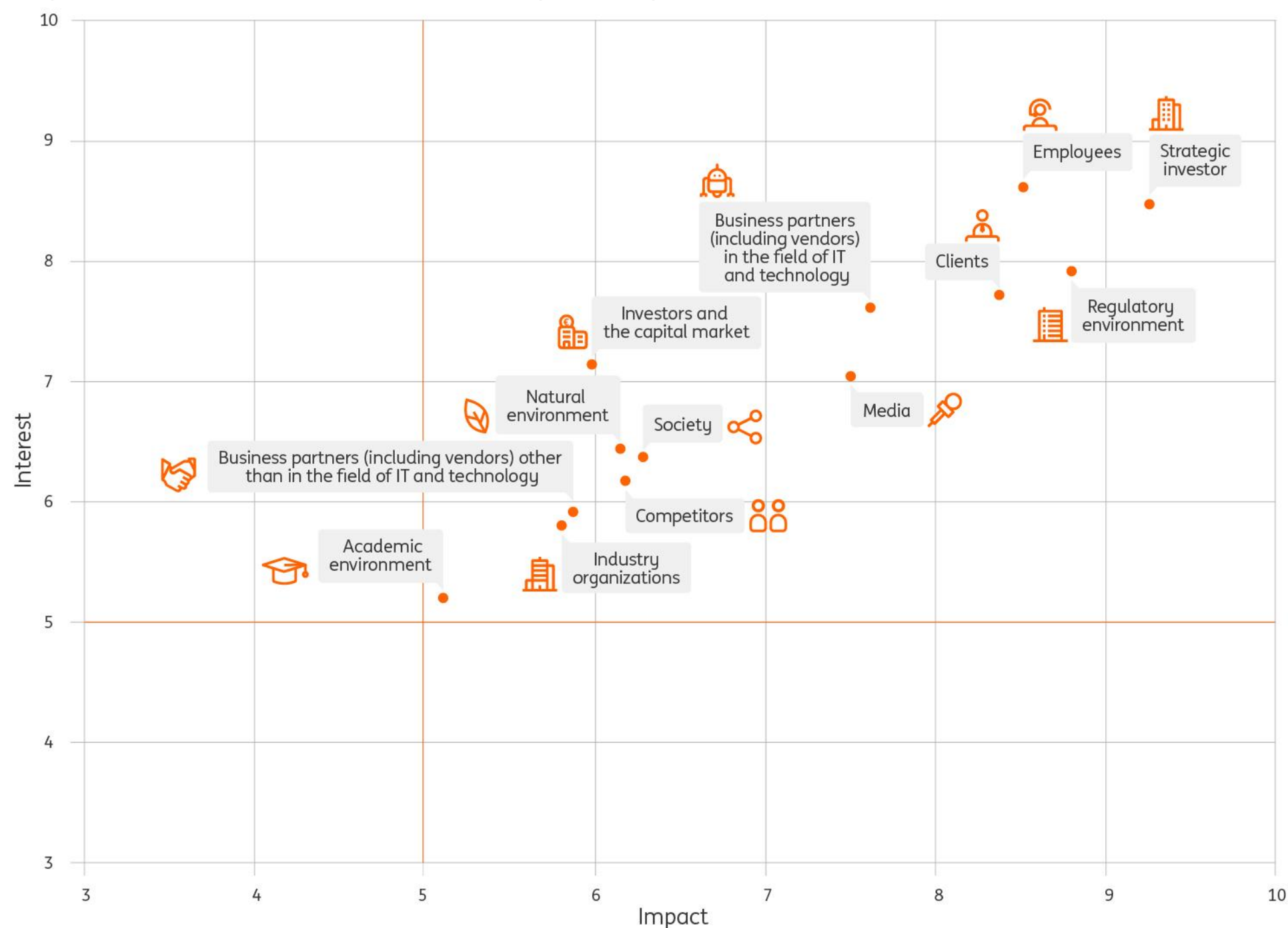
- bank and personal data security,
- physical security,
- identity and access management,
- management and configuration of the system infrastructure,
- monitoring and incident management.



Managing relationships with our stakeholders

GRI [2-29]

Map of stakeholders of the ING Bank Śląski Capital Group



ING's stakeholders are all those we influence and who interact with our organisation. In our business, their needs are very important and we want to know them well and respond accordingly. We are aware that our stakeholders' expectations are different. In our daily work, we work to respond to these diverse expectations. We ensure that our bank communicates in a professional yet straightforward manner with both the internal and external environment. We rely on constant and open dialogue, not least because the opinions of our stakeholders enable us to take account of changing socio-economic conditions in the bank's plans.

In the course of working on last year's report, we updated the stakeholder map of our capital group. There have been no significant changes in our bank's operations in 2023 that could alter the key stakeholders, hence the map verification results have been assumed to be valid.

Throughout the year, we regularly engage with our stakeholders to listen to their views and understand their needs as best we can. We give a strategic dimension to the topics that are most relevant to them. At the same time, we speak out and present our point of view on issues that are important in an economic, social or environmental context.

Communication with the public is a key element of our core business and a natural consequence of the bank's social activities. In our dialogue with stakeholders we apply both highly parametrised tools (satisfaction surveys, audits) and daily contacts. A dialogue meeting and individual interviews with representatives of key stakeholder groups were also part of the materiality study we conducted in Q4 2023. We write about the Materiality assessment [here](#).

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Stakeholder group	Objectives	How do we get involved?	Contact channels
Employees	We are committed to creating a friendly and engaging workplace that follows the changing needs of employees.	It is, among other things, thanks to the voice of the employees, their commitment and openness that we can continue to grow as an organisation. We get to know the opinions and evaluations of employees through, among other things, the regularly conducted Organisational Health Survey (OHI). We value and support our employees' commitment to volunteering. You can read more about employee volunteering here .	On the intranet, employees discuss via the community and the CEO's blog. We also organise anonymous chats with management board members. For more on this, see Communication with employees . The interests of workers and their rights are represented by the workers' organisations – the workers' council and the trade unions.
Clients	Clients are one of our most important stakeholder groups, because without them our organisation would not exist. Their feedback and needs are of the utmost importance to us, so we collect them on an ongoing basis, analyse them and try to implement them into our products and services.	Understanding our clients' needs allows us to create a tailored, attractive offer. Client satisfaction surveys are conducted on a continuous basis. We write about our efforts to provide the best client experience here .	Our clients can contact us through various communication channels, which we describe in more detail in in this section .
Investors and the capital market	We are committed to the equal treatment of all capital market participants and attach importance to broad access to information and effective communication with them. We comply with the Best Practice for GPW Listed Companies.	We are in constant contact with capital market participants, for example by holding quarterly conferences with management on the occasion of the publication of financial results. We make sure that key and comprehensive information reaches capital market participants as quickly as possible – that is why we report earnings estimates for the fourth quarter of the year and our management report is an integrated report, showing a holistic picture of our organisation (giving equal weight to financial and non-financial information).	We base our communication on our Information Policy . For more information on our bank's investor relations, please see this section .
Regulatory environment	Regulatory compliance is one of our priorities.	We take care of regulatory compliance and fulfil supervisory recommendations.	We respond to enquiries on an ongoing basis and are in contact with supervisory authorities. We actively speak out on sectoral regulatory topics. We actively participate in the work of the Polish Bank Association, NGR working groups. We are working with the regulator to develop new regulatory solutions.
Business partners, including vendors	We work with our vendors in accordance with business ethics and market best practice. At the same time, we carefully vet our vendors, including in terms of social and environmental risks.	We select vendors on a level playing field, based on objective criteria. We work with vendors in an open and honest way. All vendors declare their compliance with the standards contained in ING Bank Śląski S.A. Code of Conduct for Vendors The Code is available on our website .	Good communication is the basis for finding agreement in mutual cooperation, which is why, when choosing a partner, we pay attention to the financial, but also to the non-financial aspects of the cooperation. Sharing knowledge, responding flexibly to the bank's needs and building partnerships are important to us.
Society	Community involvement is an important part of how we operate. We implement them independently, with our community partners and our corporate foundations: ING for Children Foundation and the Polish Art Foundation.	We are an engaged member of the community, working with many organisations in the NGO sector. We write about our commitment to the community here .	We interact with community organisations on an ongoing basis through a variety of tools. We invite you to meetings, enter into partnerships, engage in joint initiatives. In addition, we make financial and in-kind charitable donations every year.



Stakeholder group (continued)	Objectives	How do we get involved?	Contact channels
Environment	Sustainability is an important part of our long-term strategy. We identify risks and responsibly shape relationships with clients and partners who operate in areas that affect the environment in which we live.	We finance investments in Renewable Energy Sources (RES) and projects that support sustainable development. As part of the ING Grant Programme we support start-ups and young researchers pursuing innovative projects in the area of sustainable development.	We carry out environmental education activities and continuously cooperate with environmental organisations.
Media	The media ensure that our bank’s many stakeholder groups are informed about our activities and performance.	We contact the media by, among other things, answering current questions, distributing press releases, organising press conferences and initiating meetings.	Information about the press office can be found on our website .
Organisations and industry environment	We are an active member of trade associations and organisations. This allows us to share knowledge, identify what is important to us, co-create and participate in many relevant projects.	We share our experience and knowledge with our community. We organise round tables to foster the exchange of ideas and thoughts.	We write about our partnerships and memberships under Involvement with industry initiatives and organisations .
Academic environment	The academic community, especially students, is a very important stakeholder for us. We want to support the development of young people and provide them with attractive opportunities to start their careers.	We organise meetings with students and participate in initiatives dedicated to them. We also organise an Internship with the Lion aimed at students who want to develop their career in banking. We are present at universities, among other things through our Ambassadors among students.	We write more on this topic under Undergraduate and graduate programmes .



Organisational culture

GRI [2-23] [3-3]

SDG 16

Our organisational culture is based on clearly defined ethical principles. In defining them, we were guided by the requirements indicated by the Financial Supervisory Commission, the EBA, the Code of Banking Ethics, as well as the ING Group Global Code of Conduct. We make sure that employees know the ethical principles and apply them in their work. To this end, employees undergo regular e-learning training on the applicable ethical principles and sign annual declarations of knowledge of and compliance with the ethical principles.



The professional ethics of our employees are based, among other things, on the Orange Code, whose main slogan is “ethics and integrity first”. We believe that our actions affect many people: clients, employees, shareholders, suppliers and the entire social environment, and we therefore strive to find a balance between the expectations of all these stakeholders. Within the Orange Code we have defined “ING Values and Behaviours”.

Values indicate that we are honest, we are considerate/use common sense and we are responsible. ING behaviour involves taking initiative and acting effectively, helping others to succeed, always being one step ahead.

Code Orange is an important part of our organisation’s culture. It is also present in many banking processes, such as the employee appraisal

system. Employees, together with their supervisors, designate the activities through which they support the implementation of the Orange Code. Our values and behaviours are also part of the recruitment process. Additionally, employees are encouraged to incorporate feedback based on the Stop, Start, Continue model into their daily activities as a way of expressing appreciation, supporting development and change, reinforcing behaviours that build effectiveness and helping others succeed.

A particular element of our culture is taking the initiative, where, in the spirit of internal entrepreneurship, every employee is encouraged to identify relevant problems to be solved and seek ways to address them. How to be entrepreneurial and act effectively is helped by the employees at the business incubator, where you work with an

idea under the guidance of mentors. This is our way of evolving to adapt to change and contemporary faiths, through which we learn in practice and build our resilience.

We also shape our organisational culture by building a mature risk culture. It consists of, among other things:

- Building employees’ knowledge and awareness of applicable laws and internal regulations as well as risk identification and management – numerous training courses for both all employees and selected groups, workshops, webinars (in 2023, between 50 and almost 600 people participated, depending on the topic), chats with experts, communications, competitions (in 2023, the Risk Hero competition received more than 200 entries in both the individual award and team award categories, and around 1,300 employees took part in the voting).
- Example from the top from management (so-called Tone from the Top) – messages, discussions about risks at meetings with employees.
- Decision-making according to the Orange Code – a developed methodology used to make balanced decisions in situations where an ethical dilemma arises.
- A defined risk appetite and regular monitoring of its compliance in our bank’s various risk areas.
- An appropriate remuneration system for employee as defined, inter alia, in the *Remuneration Policy and Staff Appraisal Principles*, which sets out an incentive system based not only on financial but also on non-financial criteria.
- By building a risk culture, we want each of our employees, regardless of their position, to be aware of the risks they may face in their work and know how to deal with them.

We also write about the Culture of Risk in the organisation [here](#).

Our ethics and compliance policies

We have put in place numerous regulations defining how employees of the ING Bank Śląski Group are to conduct themselves in order to comply with ethical principles and applicable laws.

The basic document in this respect is the *Regulations – Principles of Professional Ethics of Employees of ING Bank Śląski S.A.* On the other hand, specific principles for different areas of employee conduct are described in related regulations such as: *Work Regulations; Policy for a Caring Work Environment Free of Discrimination and Mobbing; Whistleblowing Policy for Infringements of Law, Internal Regulations and Ethical Standards; Personal Data Protection*



Policy; Know Your Client Policy; Competition Law Compliance Policy; Complaints Management Policy at ING Bank Śląski S.A.; Conflict of Interest Policy; Market Abuse Policy and other accompanying instructions, regulations, procedures.

Counteracting corruption and conflicts of interest

GRI [3-3] [205-2] [205-3]

As a public trust institution, we treat the issue of safeguarding against the threat of corruption and conflicts of interest as priority issues in our relations with clients, business partners and government officials. The *Regulations – Principles of Professional Ethics of Employees of ING Bank Śląski S.A.*, which lay down the principles of conduct for each employee in the context of anti-corruption and combating corruption and conflicts of interest, information protection, and the whistleblowing procedure is the formal document regulating those aspects.

We counteract bribery and corruption

All forms of corruption are absolutely prohibited. Our bank has an *Anti-Bribery and Corruption Policy*, which all our employees are required to follow. The policy covers active, passive as well as direct and indirect forms of bribery and corruption and sets out the rules for accepting and giving benefits (both tangible and intangible) in relations with clients, business partners and public officials in terms of:

- gifts or invitations to attend special events,
- cash or cash equivalents (giving or receiving benefits in this form is prohibited),
- funding of travel and accommodation costs,
- participation in business meals,
- employment at the Bank, including in the form of an internship or apprenticeship,
- engaging with business partners.

As a matter of policy, we operate in an honest and ethical manner, applying the principle of "zero tolerance for unfair behavior".

Accepting or giving gifts or invitations to special events by employees must always have a rational business justification. In each case, there must be a lawful purpose for accepting or giving the benefit, and its acceptance or giving must not create a conflict of interest or give the impression that such a conflict has occurred.

We do not allow gifts or donations for political purposes on behalf of ING Bank Śląski or companies belonging to the ING Bank Śląski Group, or offering gifts or benefits related to participation in special events to candidates for political positions.

Decisions regarding the employment or secondment of an employee must be based on substantive, objective criteria and must not be intended to exert undue influence. The policy sets out the rules, including limits on the value of gifts and participation in special events, that may be given or accepted by our employees.

Benefits given, accepted and rejected are recorded in the Register of Benefits - if they exceed a certain value and whenever they concern a relationship with a government official or show signs of attempted corruption.

The rules of conduct described above are communicated to our suppliers and are part of the *Code of Conduct for Suppliers of ING Bank Śląski S.A* (available [on our website](#)). According to the code, the Bank, as well as the entire ING Group, do not accept activities that constitute corruption or may give the impression of an attempt to commit corruption. The supplier qualification process includes verification for the presence of elements that constitute indications of so-called "corruption schemes" in accordance with the Anti-Bribery and Corruption Policy and the Know Your Supplier Policy. However, the content of these documents is not made available to suppliers, as they are an internal regulation of the Bank. The condition for starting cooperation with us the supplier must pass the verification process and sign a statement on compliance with anti-corruption legislation and the provisions of the *Code of Conduct for suppliers*, which is an annex to contracts concluded with suppliers.

In order for our employees to better recognize the phenomenon of corruption and be able to counteract it effectively, we constantly raise their awareness of the principles of the Anti-bribery and Corruption Policy. We carry out this task, among others: through e-learning training and regular awareness-raising activities, e.g. e-mail messages or information posted on the intranet, and these activities are intensified especially during the holiday season, which is usually a favorable time for accepting and giving gifts or other benefits. All newly employed employees are covered by an extensive training program on the standards of conduct applicable in our bank.

Anti-Bribery and Corruption training was completed on time by 97.44% of the employees of our bank's capital group. The indicator is determined based on the number of employees who completed the training in relation to all those registered for this training (including people on long-term absences).As part of our bank's internal control system, elements of the anti-corruption process are subject to:



- on-going verification, in particular of reports entered in the Register of Benefits,
- independent compliance testing,
- annual testing of key controls (KCT).

No cases of corruption were identified in 2023.

Communication and training about anti-corruption policies and procedures	
Percentage of Board members, that the organization’s anticorruption policies and procedures have been communicated to.	100%
Percentage of employees, that has completed on time Anti-Bribery and Corruption training	97,44%
Percentage of suppliers who signed a commitment to comply with the provisions of the Code of Conduct for Suppliers.	100%

We address conflicts of interest

GRI [2-15]

We have internal procedures and controls in place to counter conflicts of interest. The Bank’s *Conflict of Interest Policy* provides for the registration of conflicts of interest: structural and incidental, in order to manage their risks effectively.

The policy sets out conflict of interest requirements covering:

- the operation of the organisation and the methods used in the bank to manage conflicts of interest at the organisational level,
- personal interests of employees that may contribute to a conflict of interest, e.g. between the interests of the bank, clients or other stakeholders and the interests of employees, including the bank’s management.

The controls in place at the bank include:

- the division of responsibilities in the bank’s organisational structure and the relationship between the different levels of management, as well as the staff links between employees,

- that employees consult and notify the bank when they undertake additional professional activities and personal interests that may give rise to a conflict of interest. In addition, employees were required to make annual declarations of personal interests,
- implementation of private investments by employees with access to protected information,
- the process of determining remuneration in a way that ensures that the interests of clients are central and that quantitative elements are balanced by qualitative indicators when determining variable remuneration ratios.

We comply with the requirements under the Best Practices and the Corporate Governance Principles for managing conflicts of interest:

- The Bank discloses on its [website](#) the principles of conflict of interest management arising from its *Conflict of Interest Policy*.
- The policy sets out standards of behaviour addressed to members of the bank’s bodies in connection with their functions.
- Members of the bank’s governing bodies should refrain from engaging in professional activities that could lead to a conflict of interest and should inform the bank immediately if a conflict of interest arises or is likely to arise.
- Members of the Bank’s bodies may not participate in decision-making or take part in the settlement of matters in a situation that could give rise to a conflict of interest.
- Issues of potential conflicts of interest of members of the bank’s bodies are also examined in the adequacy assessment process.
- The policy also introduces the obligation to assess transactions carried out with related parties for conflicts of interest and to publish information about such conflicts on the bank’s website.

Conflict of interest risks are assessed annually as part of the review of the bank’s Conflict of Interest Registers. The results of this assessment are presented at the Non-Financial Risk Committee or, in the case of conflicts concerning members of the Bank Management and Supervisory Boards and persons reporting directly to the Bank’s Management Board, are reviewed by each of these bodies respectively.

In 2023, the risk of conflict of interest globally was assessed as low.



All employees are obliged to report irregularities related to corruption or conflicts of interest. Questionable behaviour should be challenged and (suspicious) improper payments or actions should be reported to management or through channels for anonymous reporting of violations of laws, internal regulations and ethical standards.

Mechanism of reporting breaches

GRI [2-16] [2-24] [2-26]

Our processes for reporting violations of the law and applicable internal standards and regulations are governed by the *Policy on Anonymous Reporting of Violations of: Applicable Law, Internal Regulations and Ethical Standards*, the *Manual for Handling Anonymous Reports of Infringements of Law, Internal Regulations and Ethical Standards*, the *Procedure for handling Whistleblower reports* and the *Procedure for conducting checks for potential retaliation against Whistleblowers*.

Employees can report suspected breaches of the law, internal regulations and ethical standards through established reporting channels:

- the electronic *Whistleblower* channel (named or anonymous submissions),
- by traditional post (named or anonymous applications).

Reports can be named or anonymous, in either case we are committed to confidentiality and discretion and to protecting whistleblowers from retaliation.

As a rule, each report is received by the President of the Management Board, who decides on the investigative action and accepts the outcome.

The Manual for Handling Anonymous Reports of Infringements of Law, Internal Regulations and Ethical Standards also defines the path to be followed in the case of a report concerning a member of the Management Board or a Compliance Officer. Such applications are addressed to the Supervisory Board.

Employees can also ask questions and clarify doubts about the applicable conduct rules by contacting the Compliance department at the dedicated email address.

Our employees may also report (namely or anonymously) a violation of ethical principles using the website provided by the ING Group N.V. breach reporting channel operated by a third party, via a telephone line (available

24/7), website or e-mail address. The reports are then forwarded to the Chief Compliance Officer of ING Group N.V., who leads the investigation at ING Group N.V. level.

In 2023, 34 reports were submitted that were eligible to be processed under the procedure set out in the *Whistleblowing Policy for Infringements of Law, Internal Regulations and Ethical Standards* concerning, inter alia, discrimination, harassment or violations of the bank's internal regulations. After analysis and investigation, irregularities were confirmed in 4 cases and corrective actions were applied (interviews with employees reminding them of the rules of conduct in certain cases, updating internal regulations).

We ensure that our employees are aware of and trust the established channels for reporting violations. Every new employee in our Group undergoes mandatory training on *the Orange Code*, the code of ethics applicable in the entire ING Group N.V., as well as training on Reporting Ethics and Standards Breaches. This training is cyclical and is repeated by each employee every three years. An awareness campaign was conducted in Q3 2023 to remind bank employees of the topics of whistleblowing and whistleblowers and their importance to the organisation and society. A reminder was also given on how to report breaches at the bank.



The environment in which we operate

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The environment in which we operate is very complex. As a capital group, we interact with a wide range of stakeholders. It is therefore very important for us to manage these relationships. In this chapter you will find information on how we approach this, our presence in the capital market, what characterises the current economic situation and what our economists expect in this respect and what other trends we observe that have or may have an impact on our business.

Our presence on the capital market

Investor relations

ING Bank Śląski S.A. strives after the highest standards of capital market communications. We pay particular attention to reliable and transparent information and to equal treatment of all stakeholders as well as observe all the laws regarding disclosure duties of listed companies. We carry out these tasks on the basis of, among other things, the principles of corporate governance and *the Information Policy* (described in more detail in the section on [Corporate Governance](#)).

Important financial and business information in the form of financial reports, current reports, investor presentations and editable files with key bank data are presented to the broad capital market. Communication with investors, analysts and rating agencies (both credit and ESG ratings) is handled by a dedicated unit, the Investors Relations, ESG Reporting and Market Analysis Bureau.



Contact details:

Investors Relations, ESG Reporting and Market Analysis Bureau

e-mail: investor@ing.pl

simultaneously broadcast over the Internet. Remote participants of the conference were still able to ask questions via the broadcast page or by contacting the Investors Relations, ESG Reporting and Market Analysis Bureau directly by email. Recordings of our conference broadcasts are available for viewing on the website in the Investor Relations tab.

We pay a lot of attention to the quality of communication with stakeholders through [our website](#). The website offers up-to-date information such as shares quotations on the WSE, company shareholding structure, General Meetings, dividend payout track or credit and ESG ratings. Current, interim and annual reports, results presentations, excel sheets with key financial and business information are also published on the website. The website has been designed in the RWD technology, so it is adjusted to mobile devices – tablets and smartphones.

Employees of the Investors Relations, ESG Reporting and Market Analysis Bureau also engage in educational activities. In 2023, they shared their knowledge and experience as lecturers to postgraduate students and conference panellists, among others.

Our bank is among the companies subject to market observation and analysis. As at 2023 yearend, analysts representing 11 domestic and foreign financial institutions published reports and recommendations for the ING Bank Śląski's shares.

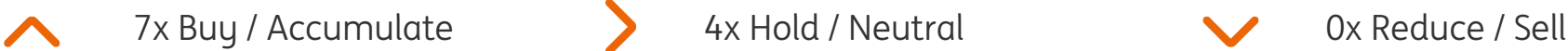
On the bank's Investor Relations website and in the separate Analysts and Market Consensus tab (located [at this address](#)), a summary of recommendations issued by analysts is updated on a monthly basis, together with the average target price and the market consensus based on the average of expectations.

In 2023, representatives of the Management Board and the Investors Relations, ESG Reporting and Market Analysis Bureau participated in individual and group meetings with investors and also attended key investor conferences.

As a rule, open meetings for investors, analysts and journalists are organised by the Investors Relations, ESG Reporting and Market Analysis Bureau and Press Office once a quarter, at the quarterly report publication date. In 2023, we organised conferences in a hybrid mode, i.e. as meetings at the bank's premises, which we



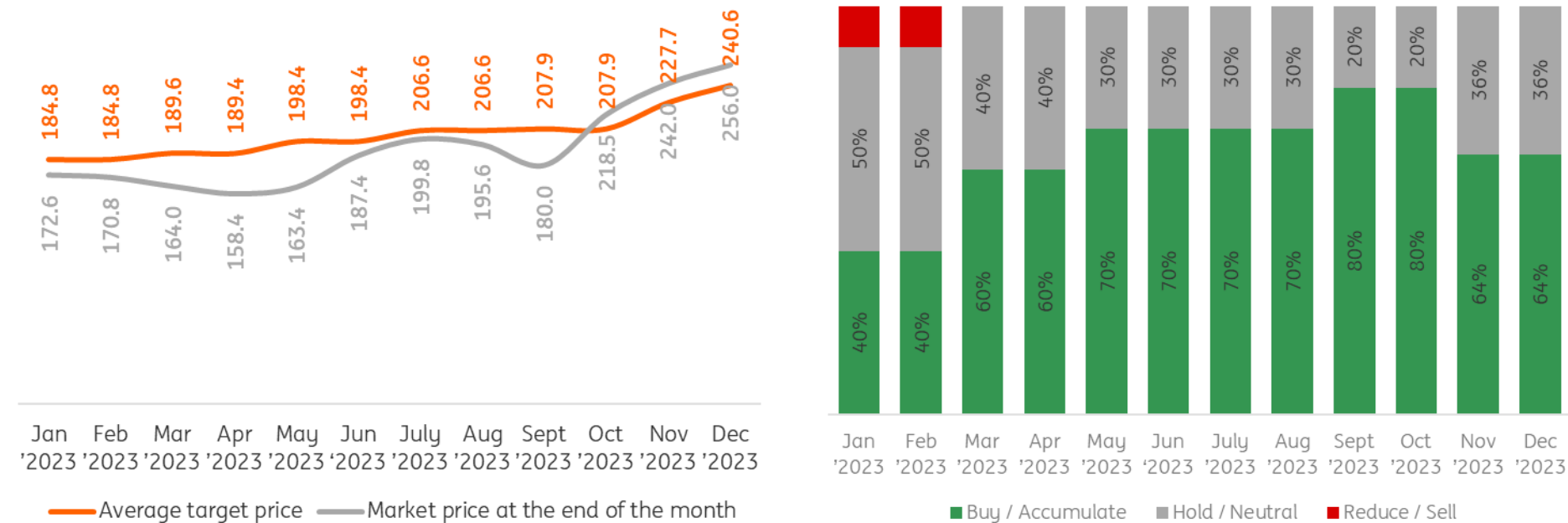
Structure of share recommendations for ING Bank Śląski S.A. as at 31 December 2023



Average target price for ING Bank Śląski S.A.'s shares as at 31 December 2023

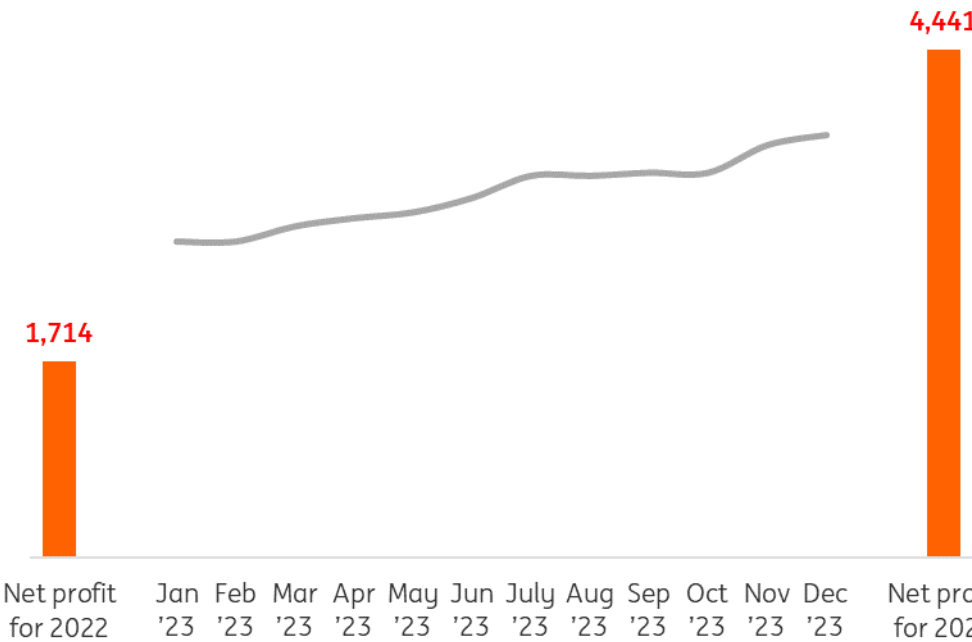
PLN 240.58

Structure of share recommendations and average target price over 2023

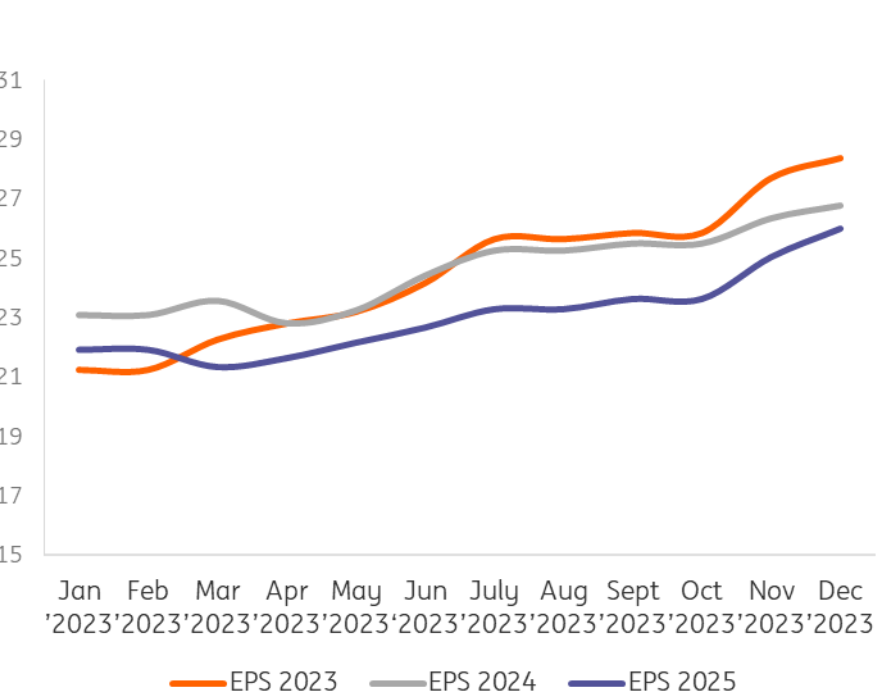


Analysts' expectations of the bank's 2023 result have gradually changed over the course of the year. Despite the ongoing war in Ukraine and operating in a high-legal risk environment, thanks to interest rates remaining relatively high (even despite cuts at the end of Q3 and the beginning of Q4), the average target price of ING BSK shares remained in an upward trend, with a clear strengthening at the end of the year.

Analysts' expectations regarding the consolidated result of ING Bank Śląski in 2023 (PLN million)



Change in analysts' earnings per share (EPS) expectations for the 2023-2025 result (PLN per share)



The Investors Relations, ESG Reporting and Market Analysis Bureau also prepares a consensus of quarterly results based on the expectations of analysts covering our company. Looking ahead to the last four quarters (2023 results), the differences between the reported and expected results are shown in the table below. The highest divergence (relating to Q4 2023) was +27.4% and was driven by higher-than-expected market revenues, with lower-than-expected costs of risk.

Reported net profit versus quarterly market expectations (PLN million)

	Q1 2023	Q2 2023	Q3 2023	Q4 2023*
Reported net result	908.7	1,099.4	1,162.0	1,270.8
Consensus of expectations	809.3	1,012.2	1,134.0	997.8
Difference	+12.3%	+8.6%	+2.5%	+27.4%

*Consensus and net profit for preliminary, unaudited data.



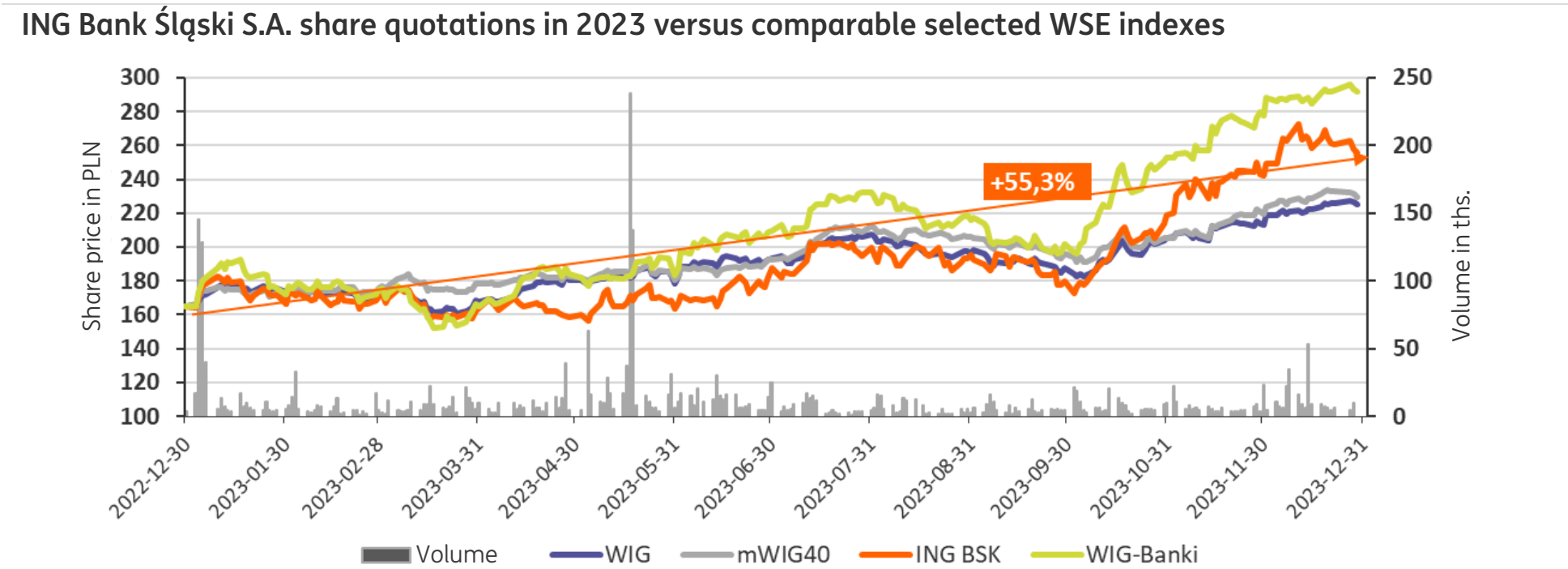
Share price

In 2023, the price of ING Bank Śląski shares on the WSE fluctuated from PLN 151.6 to PLN 275.5. On 29 December 2023, our bank's share price was PLN 256.0 at the close of trading, 55.3% higher than on the last trading day of 2022. For comparison, the WIG-banks sector index grew by 76.9% at that time.

As at 2023 yearend, the market value of our bank was PLN 33.3 billion, while the book value of the bank's capital group was PLN 16.7 billion.

Our bank has been part of the WIG (share 2.065%), mWIG40 (share 9.995%) and WIG-ESG (share 3.074%) indices since their inception.

Participation in the main stock indices of ING Bank Śląski SA (based on the last revision in a given year)					
	2019	2020	2021	2022	2023
WIG	2.2023%	1.8181%	2.3694%	1.8698%	2.065%
mWIG40	9.9998%	9.7038%	9.9999%	8.6946%	9.995%
WIG-ESG	-	2.0845%	3.3669%	2.8014%	3.074%



ING Bank Śląski S.A. shares data					
	2019	2020	2021	2022	2023
Share price as at the yearend (PLN)	202.5	171.0	267.0	164.8	256.0
Top share price (PLN)	204.5	207.0	282.0	287.0	275.5
Bottom share price (PLN)	180.0	102.6	167.2	130.0	151.6
Turnover weighted average spread (basis points)	35	43	43	50	41
Yearend capitalization (PLN billion)	26.3	21.8	34.7	21.4	33.3
Number of shares (thousands)	130,100	130,100	130,100	130,100	130,100
Total number of transactions	39,974	88,567	60,865	63,709	68,759
Number of block trades	3	0	2	1	0
Average number of transactions per session	161	351	242	254	275
Trading volume	1,949,283	3,799,640	2,404,219	2 203 660	2,840,678
Average trading volume per session	7,860	17,078	9,579	8,780	11,363
Market makers' share in turnover	9.85%	12.41%	8.78%	8.39%	9.23%
Dealers' share in turnover	11.93%	3.50%	2.50%	0.61%	0.99%
Earnings per share in PLN	12.75	10.3	17.7	13.2	34.1
Share book value (PLN)	117.01	143.1	104.0	71.8	128.6
Dividend per share* (PLN)	3.50	0.00	5.10	5.30	0.00
P/E ratio**	15.9	16.6	15.0	12.5	7.5
P/BV** ratio	1.7	1.2	2.6	2.3	2.0

*Paid in the year; **index calculated based on the share price at the end of the year in question.

Our Bank's shares are under the number ISIN PLBSK0000017. The ticker on the WSE market is "ING", and information about our bank on Bloomberg and Reuters is available under "ING PW" and "INGP.WA", respectively.



Our position in the ratings

Confirmation of our stable financial position and very good sustainability performance is provided by external credit and ESG ratings. Our bank cooperates with the following rating agencies:

- on credit ratings:
 - Fitch Ratings and
 - Moody’s Investors Service,
- in terms of ESG ratings from Sustainable Fitch.

The history of the changes in credit ratings assigned by the two agencies can be found on [our website](#).

Fitch Ratings Ltd.

Fitch Ratings agency (Fitch Ratings Ireland Limited with its seat in Dublin) assigns a full rating under the agreement between our bank and the agency. As at the 2023 annual report’s signing date, the ratings are as follows:

Fitch Ratings Ltd.	
Long-Term IDR	A+
Outlook for sustaining the rating	Stable
Short-Term IDR	F1+
Viability rating	bbb
Shareholder Support Rating	a+
National Long-Term Rating	AAA (pol)
Outlook for sustaining the above rating	Stable
National Short-Term Rating	F1+ (pol)

In the press release published by Fitch on 6 September 2023, as part of the annual review, the agency sustained the ratings for ING Bank Śląski SA The outlook for the entity’s long-term rating and the outlook for this rating on a national scale is Stable.

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 at the 2023 annual report’s signing date, the ratings are as follows:

Moody’s Investors Service Ltd.	
LT Rating	A2
ST Rating	P-1
Baseline Credit Assessment (BCA)	baa2
Adjusted BCA	baa1
Rating Outlook	Stable
Long-term/ short-term CR Assessment	A1 (cr) / P-1 (cr)
CR Rating	A1 / P-1

In the press releases published on 20 December 2022, the agency sustained the ratings assigned to the bank. In it, she stressed that the bank’s rating reflects the bank’s good capitalisation and profitability, which provide sufficient risk absorption buffers.

Sustainable Fitch Ltd.

In 2022, our bank started working with Sustainable Fitch rating agency (Sustainable Fitch Limited, based in London).

In an announcement published by Sustainable Fitch Limited on 19 December 2023, as part of its annual review, the agency sustained the ESG rating for ING Bank Śląski at “2” on a five-point scale, with “1” being the best rating and “5” being the worst. The agency indicated that the rating awarded reflects the bank’s very good sustainability performance and the integration of environmental and social criteria and corporate governance principles into its operations, strategy and management.





ING Bank Hipoteczny S.A. ratings

Moody’s Investors Service Ltd.

Moody’s Investors Service assesses the risk of both ING Bank Hipoteczny and mortgage bonds issued by the bank under an agreement between the bank and the agency. As at the date of signing of the 2023 Annual Report, ING Bank Hipoteczny had the following ratings assigned by the agency:

Moody’s Investors Service Ltd.	
Rating of covered bonds	Aa1
Long-term rating (LT Issuer Ratings)	A3
Short-term rating (ST Issuer Ratings)	P-2
Long-term counterparty risk rating (LT Counterparty Risk)	A1
Short-term counterparty risk rating (ST Counterparty Risk)	P-1
Rating Outlook	Stable
Long-term/ short-term CR Assessment	A1 (cr) / P-1 (cr)

The agency stresses that the rating assigned to ING Bank Hipoteczny reflects:

- 100% ownership of ING Bank Śląski and its stable growth prospects,
- strategic alignment and operational integration within ING Bank Śląski Group structures,
- commitment from ING Bank Śląski to support ING Bank Hipoteczny’s capital and liquidity position to meet regulatory requirements.

Involvement in industry initiatives and organisations

GRI [2-28]

We are an active member of trade associations and organisations. This allows us to share knowledge, identify what is important to us, co-create and participate in many relevant projects.

Round tables

We organise round tables to foster the exchange of knowledge between representatives of different sectors, including on sustainability measures. In 2023, we organised roundtables with companies on sustainability, climate competitiveness, energy efficiency and how the banking sector can support them in their transformation.

We also collaborated with the financial sector and NGOs, with whom we worked in a roundtable format on the role of the banking sector in the development of sustainable finance in Poland, as well as social topics in the financial sector and the issue of preventing greenwashing.

Membership of organisations and associations

ING Group N.V. at international level is a signatory to, among others:

- United Nations Global Compact (UNGC),
- United Nations Guiding Principles on Business and Human Rights (UNGPR),
- UN Environment Programme Finance Initiative Principles for Responsible Banking (PRB),
- United Nations-backed Principles for Responsible Investment (PRI).

ING Group N.V. is also owned by, among others:

- Academy of Business in Society (ABIS),
- Association for Financial Markets in Europe (AFME),
- Climate Markets and Investment Association (CMIA),
- Equator Principles Association (EP),
- International Integrated Reporting Council (IIRC),
- United Nations Environment Programme Finance Initiative (UNEP FI),
- United Nations-convened Net-Zero Banking Alliance,
- All ING Group partnerships are available at [this link](#).



In Poland, we are a member of, among others:

- Polish Bank Association, including the Banking Law Council and the Council of Bank Card Issuers,
- Polish Factors Union,
- Polish Leasing Association,
- Association of Stock Exchange Issuers,
- Polish Committee of SWIFT Users,
- Polish Association of Capital Investors,
- United Nations Global Compact (UNGC),
- UNEP/GRID,
- Polish Alternative Fuels Association,
- Responsible Business Forum.

In 2023, we were also involved in the work of the Sustainable Finance Platform (an initiative of the Ministry of Finance) and the ESG Committee of the National Chamber of Commerce, among others. We signed the Children’s Rights Charter in Business (an initiative of the Responsible Business Forum, companies and social organisations). We write about our cooperation with the United Nations Global Compact Network Poland [here](#). You can read more about our activities with NGOs in the section [ING for the community](#).

Representatives of ING Bank Śląski also sit on the supervisory boards of, among others, the Credit Information Bureau, the Polish Payments Standard and the National Clearing House. We do not include here the bank’s representatives sitting on the supervisory boards of our subsidiaries (our bank group).

Financial market and its regulations

We look at sector data, just like our business, broken down into two segments:

- retail segment,

- individuals,

- corporate segment,
 - individual entrepreneurs,
 - individual farmers,
 - companies,
 - non-profit institutions serving households,
 - non-monetary financial institutions,
 - local government institutions and the Social Security Funds (FUS).

Banking sector

Liabilities

As of the end of December 2023, the basic cash categories were as follows:

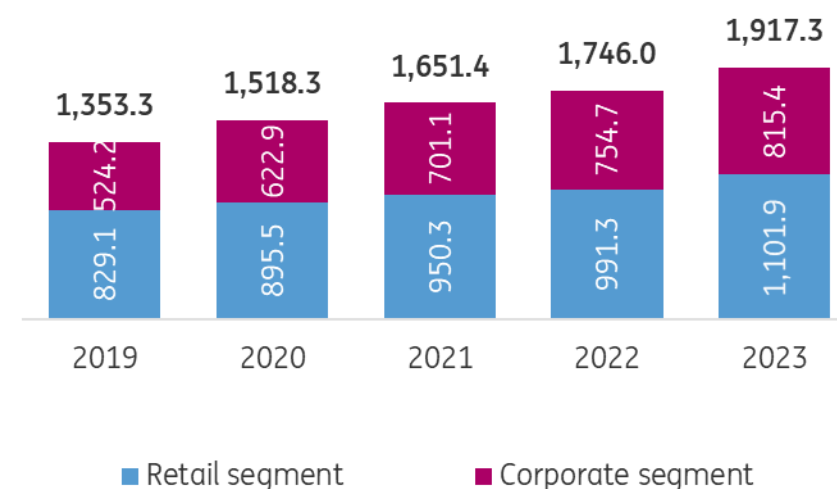
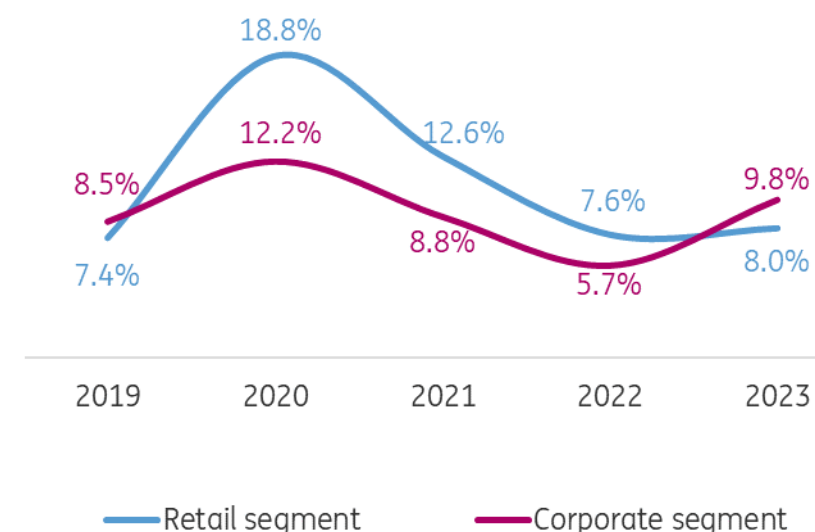
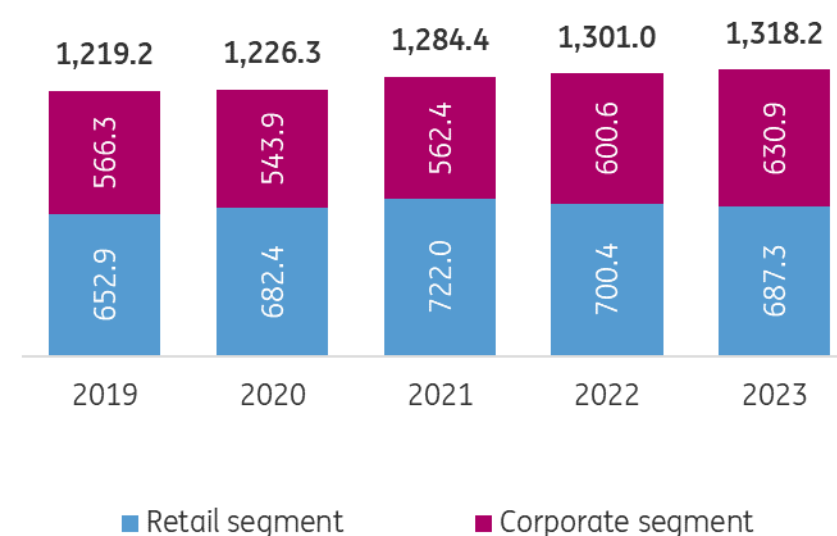
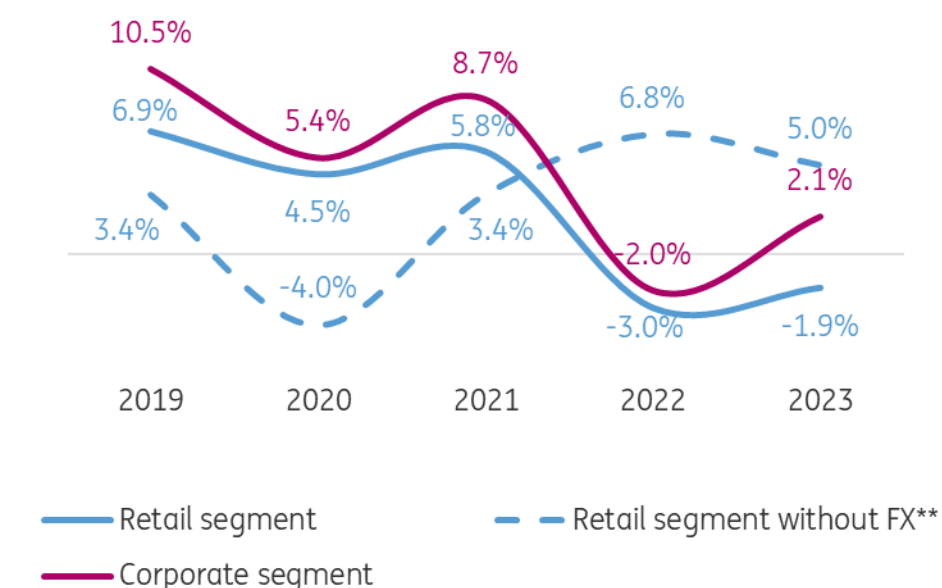
- Total liabilities increased by 9.8% y/y to a total of PLN 1,917.3 billion (up by PLN 171.3 billion y/y) and were characterised by a higher growth rate on the deposits side of the retail segment than on the corporate segment.
- Liabilities to the retail segment reached PLN 1,101.8 billion, an increase of PLN 110.6 billion y/y (+11.2% y/y) compared to the end of December 2023.
- Liabilities to the corporate segment amounted to PLN 815.4 billion, i.e. they were 8.0% higher than as at the end of December 2022. The volume increase by PLN 60.7 billion y/y was primarily attributed to higher liabilities vis-a-vis companies (up by 8.8% i.e. by PLN 41.1 billion i.e. by PLN 505.7 billion) In nominal terms, a smaller scale increase was also recorded in deposits from individual farmers (PLN 6.3 billion, but +24.2% y/y) and deposits from non-commercial institutions acting for households (PLN +3.5 billion, +9.7% y/y). In contrast, deposits to local government institutions and the Social Security Fund recorded a decline (PLN -10.2 billion, -13.0% y/y).

Receivables

- Total receivables at the end of December 2023 decreased by 1.3% y/y (down by PLN 17.2 billion to a total of PLN 1,318.2 billion). The decrease in the portfolio of receivables from clients was mainly due to the negative growth achieved in the retail segment.



- Receivables from the retail segment reached PLN 687.3 billion in December 2023 and were 1.9% lower than in the previous year. Housing loans, which constitute the main part of banks' credit exposure to the retail segment (constitute 69.8% of receivables from this group of clients, compared to 70.9% in the previous year), decreased by 3.4% to PLN 479.7 billion. As at the end of December 2023, the portfolio of PLN-denominated housing loans amounted to PLN 403.9 billion and was up by PLN 8.8 billion y/y. Mortgage sales alone – based on NBP data – amounted to PLN 58.8 billion from January to December 2023 (+21% y/y). The portfolio of FX housing loans decreased by PLN 25.8 billion y/y to PLN 75.8 billion due to the natural depreciation of the portfolio and the incurring of provisions for the legal risk of this portfolio and the implementation of settlement programmes with clients by banks. Other retail loans, including consumer loans, were up by 1.9% (by PLN 3.9 billion in value terms) compared to the end of December 2022 and reached PLN 207.6 billion. Sales of other retail loans – based on NBP data – amounted to PLN 116.4 billion from January to December 2023, an increase of 22.0% y/y.
- Receivables from corporate clients increased by PLN 30.3 billion (+5.0% y/y) compared to December 2022 to PLN 630.9 billion. The receivables from companies alone decreased by PLN 2.5 billion (-0.7% y/y) to the level of PLN 373.2 billion. Demand for corporate loans remained in a downward trend y/y between January and December 2023. Sales of loans to non-financial companies – based on NBP data – amounted to PLN 202.5 billion in 2023, a decrease of 3% y/y. Receivables from individual entrepreneurs declined, with their balance falling by 4.1% y/y (PLN -2.3 billion) to PLN 54.4 billion.

Balance of liabilities* (PLN billion)**Growth rate of balance of liabilities*****Balance of receivables* (PLN billion)****Receivables dynamics***

*Based on NBP data; ** excluding FX mortgage loan portfolio.



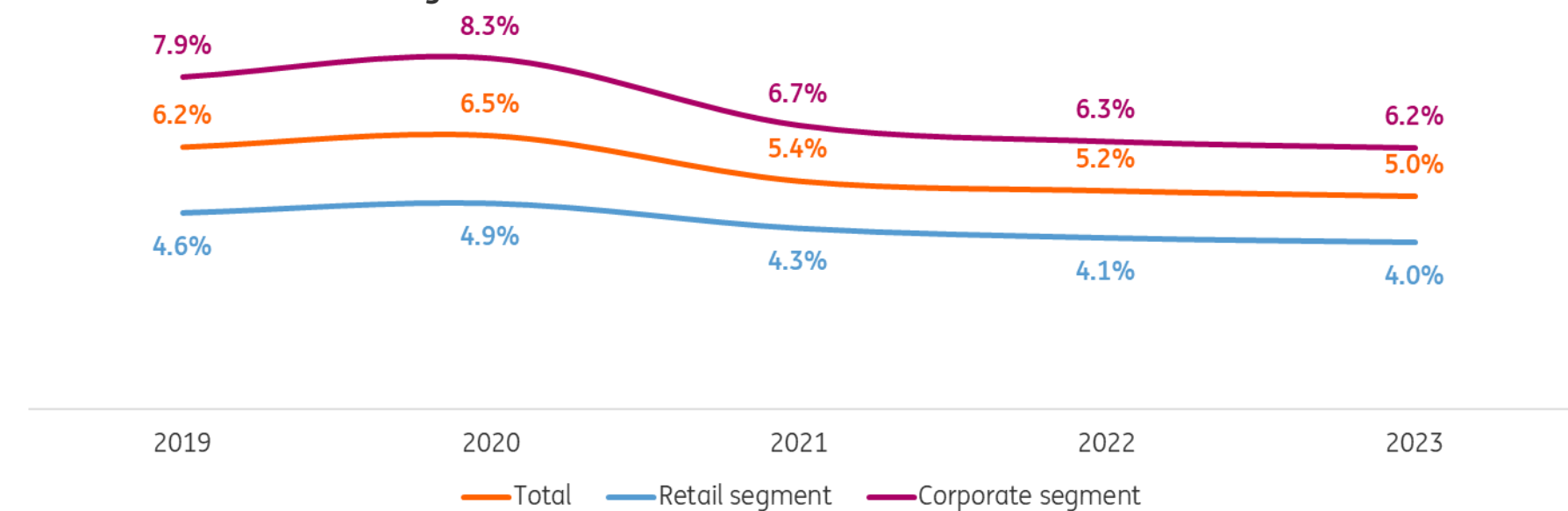
Asset quality

In terms of asset quality, as at the end of 2023, the share of Stage 3 loans in total loans measured at amortised cost was 5.0% (vs 5.2% as at the end of December 2022).

Asset quality in the retail segment stood at the end of 2023. 4.0%, a slight improvement on the end of 2022. A category that has seen a marked deterioration in quality is CHF-indexed/denominated real estate loans (up from 8.2% at the end of 2022 to 15,2% at the end of 2023).

In the corporate segment, the share of Stage 3 and POCI exposures was 6.2% at the end of December 2023, a slightly lower level compared to the end of 2022. A slight decline in the quality of operating loans can be observed during this period, but at the same time a slight improvement in the quality of investment and real estate loans.

Share of receivables at stage 3



Source: estimate based on PFSA data.

Financial results

The banking sector’s net profit increased to PLN 27.9 billion in 2023 as compared to PLN 10,7 billion in 2022. The gross result of the banking sector amounted to PLN 41,9 billion, and was more than twice higher (119.1%) in comparison with 2022.

The apparent improvement in the sector’s performance in 2023 is mainly the result of a lack of provisions for credit moratoria and a higher interest rate environment, which supported net interest income – it improved by 43.4% y/y.

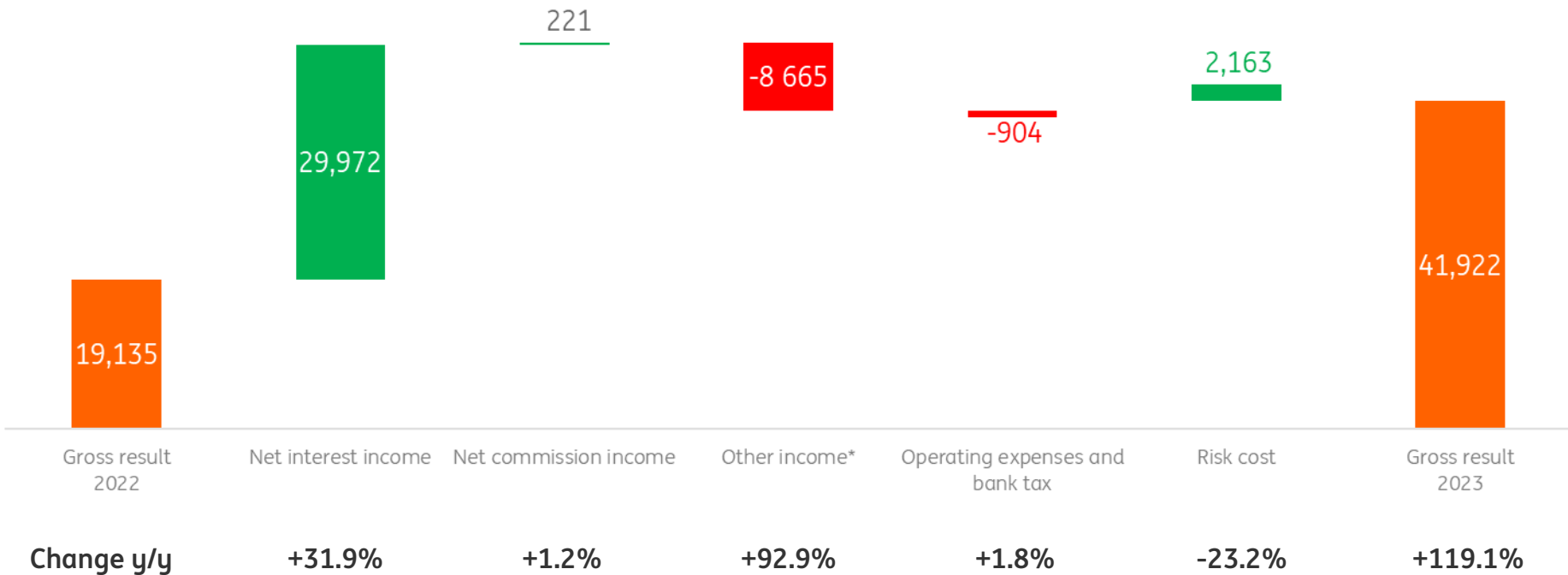
It should be noted that the interest margin in the sector in 2023 counted on the basis of average assets amounted slightly more than 4.0% and was by 1 p.p. higher vs. 2022.

Net fee and commission income was in 2023 at a year before, while other income was as much as PLN 8.7 billion lower (and consequently negative in 2023 similarly to 2022) due to significant provisions for the legal risk of FX mortgage loans.

The improvement in revenue was in an insignificant part offset by an increase in cost items. Operating costs were 1.8% higher than in the previous year, mainly in terms of salary costs (+21.7% y/y), with a low increase in depreciation and amortisation (9.0% y/y) and other lower operating costs (including bank tax) by 15.9% vs 2022. In the latter respect, costs related to the BGF were lower by 33.8% (a 14.1% decrease in the sector's contribution to the resolution fund and no fees to the deposit guarantee fund) and there were no costs related to the creation of the Commercial Bank Protection System.

Risk costs were lower y/y (decrease by 23.2% y/y).

Change drivers for gross profit of the banking sector in 2023 (PLN billion)



Source: estimate based on PFSA data; *including share in profits of associates.



Capital market

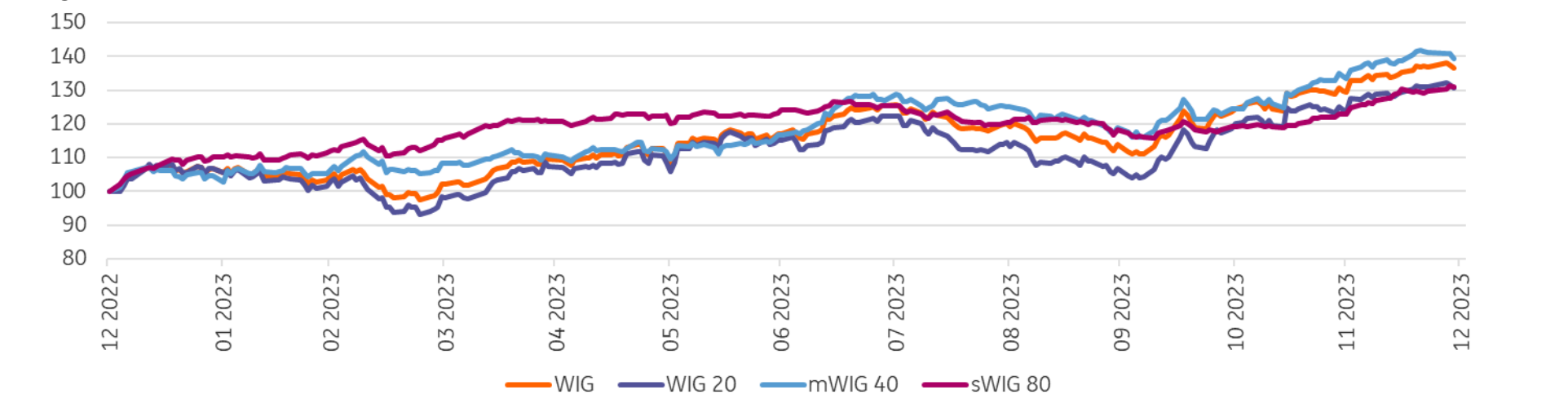
Warsaw Stock Exchange (WSE)

The main indices on the Warsaw Stock Exchange ended 2023 at a higher level than at the end of 2022. The broad market index, the WIG, has gained 36.5% compared to the end of 2022. The index grouping the largest-cap companies – WIG20 (30.7%) – also gained more than 30%. the mWIG40, in turn, gained 39.3% and the index of smaller companies – the sWIG80 – increased by 30.9% in 2023 compared to the end of 2022.

At the end of December 2023, 413 companies were listed on the WSE Main Market, including 42 foreign companies. The capitalisation of domestic companies was PLN 760.2 billion which was by 32.3% higher versus the end of December 2022. The combined capitalisation of domestic and foreign companies amounted to PLN 1,440.3 billion, an increase of 29.3% y/y. In the past year, there were 10 IPOs (nine of which involved a transition from the NewConnect market), while 12 other companies were delisted.

2023 was characterised by a slight decrease in turnover on the Main Market. The value of session trading in shares, rights to shares and pre-emptive rights fell by 3.9% y/y to PLN 274.5 billion. The value of total turnover (including block trades) decreased by 3.8% up to PLN 282.1 billion.

Major WSE indices in 2023 (as of 30 December 2022 = 100)



Source: Warsaw Stock Exchange (WSE).

Investment funds

As at the end of December 2023, the assets of investment funds (based on IZFiA data) amounted to PLN 320.2 billion, i.e. up by PLN 51.2 billion (+19%) compared to the end of December 2022. Each of the months from January

to December 2023 was characterised by positive net inflows (total net inflows amounted to PLN 22.9 billion), in contrast to the period January to December 2022 (net redemptions then amounted to PLN 23.1 billion).

The increase in assets was due to a higher value of funds accumulated in non-dedicated funds (available to a wide range of investors) – an increase of PLN 48.2 billion (to PLN 195.7 billion in December 2023). At the end of December 2023, dedicated funds managed assets worth PLN 124.4 billion (PLN 2.97 billion more than December 2022).

Within the non-dedicated funds (excluding Employee Capital Plans), at the end of December 2023, in nominal terms, asset values had gained y/y, primarily debt and cash funds (PLN +24.9 billion), followed by equity funds (PLN +6.8 billion) and mixed funds (PLN +2.3 billion).

Source: Chamber of Fund and Asset Management Companies.

Open Pension Funds

In December 2023, the assets of open pension funds amounted to PLN 208.1 billion, i.e. up by PLN 51.7 billion (+33.1%) compared to the end of December 2022. As at the end of December 2023, 91.4% of these assets consisted of shares of domestic and foreign issuers (88.9% at the end of December 2022).

Source: The Polish Financial Supervision Authority.

Employee Capital Plans

Based on data from the Employee Capital Plans Register, these funds had accumulated PLN 21.74 billion in assets at the end of December 2023 in a total of 3.95 million Employee Capital Plans accounts (12.0 billion and 3.0 million respectively at the end of 2022). At the end of December 2023, 320,000 entities allow their employees to save for their retirement through Employee Capital Plans, and participation in the programme was 45.6% (52.0% in the private sector and 26.1% in the public sector).

Source: mojeppk.pl

Legal changes

Detailed information on legal changes concerning the banking sector can be found in the Appendix, under [Legal changes](#).



Business environment

2023

Gross Domestic Product

According to a preliminary estimate by the Central Statistical Office (CSO), economic growth has slowed to 0.2% in 2023, following a 5.3% increase in Gross Domestic Product (GDP) in 2022. The decline in private consumption (-1%) and the increase in investment (8%) were accompanied by a high positive contribution to GDP growth from the improvement in the external trade balance, due to a deeper decline in imports than in exports, and a large negative contribution from the change in inventories).

Over the course of the year, the annual growth rate rebounded from -0.5% in the first half of the year to around 0.8% in the second half of 2023. The recovering economy was, among other things, linked to the fall in inflation, which favoured an improvement in real household disposable income and improved private consumption, which rose in the second half of the year, after declines in the first part of the year. The latest estimates for Q4 2023 point to a renewed stagnation in private consumption. According to economists at ING Bank Śląski, the process of rebuilding consumer demand will continue in 2024, which, with less pressure from inventories, will translate into an acceleration of GDP growth in the current year to around 3%. Access to European funds under the National Recovery Plan should sustain investment growth, despite the end of the disbursement of funds from the European Union's 2014-20 financial perspective in 2023 (t+3 rule). However, the rate of investment in 2024 will be close to 3% y/y, i.e. lower than in 2023 (8%) when there were large projects concentrated in the largest companies, while investment in smaller companies continued to decline.

According to estimates by economists at ING Bank Śląski, GDP growth in the last quarter of 2023 was around 1.0%. Private consumption increased by around 0.1% y/y and investment by around 7.6% y/y. In Q4 2023, the improvement in the foreign trade balance continued to support GDP, while the change in inventories continued to have a negative impact on the y/y change in GDP.

According to the bank's economists, the economic situation was improving slowly at the end of 2023 and the beginning of 2024 should bring a continuation of positive trends. The outlook for the rest of the year also looks better than the economic situation in 2023, although the economic rebound will rely mainly on domestic demand, while the health of the main trading partners and exports are uncertain.

Start of monetary easing cycle with still loose fiscal policy

The year 2023 was marked by the extinction of the inflationary impulse generated in 2022 by the strong increase in commodity prices, including energy prices, linked to, among other things, the pandemic and the subsequent Russian aggression against Ukraine and the embargo on commodity imports from Russia. After the biggest jump in energy prices since the 1970s, last year brought a clear disinflationary trend globally and in Poland, including a normalisation of raw material prices. However, the economy entered 2023 under the weight of the inflationary impulse generated by the earlier pandemic and energy crises, which initially negatively affected real household incomes and their propensity to consume. The consequence was a decline in GDP in Q1 2023 and Q2 2023 on an annual basis. Over the course of the year, falling inflation and sustained double-digit growth in nominal wages have helped to rebuild consumers' real purchasing power.

Inflation peaked in February last year (18.4% y/y) after which a disinflationary process began, prompting the Monetary Policy Council (MPC) to cut interest rates in the second half of the year. In September, the reference rate of the National Bank of Poland (NBP) was cut by 75 bps to 6.00% and in October by a further 25 bps to 5.75%. At the end of 2023, the Monetary Policy Council's attitude changed and the monetary policy easing cycle was stopped. The change in the Monetary Policy Council's attitude was the result of uncertainty regarding the development of regulated prices, actions to protect households against increases in energy prices and fiscal policy in 2024. In 2023, electricity and gas prices for households were "frozen" at 2022 levels. The zero VAT rate on food also continued. However, the basic rates (23%) for energy carriers and fuels have been reinstated. According to the autumn fiscal notification, the general government deficit could be as high as 5.6% in 2023.

International economic environment

In 2023, the global economy grew below its long-term growth rate. This was due, among other things, to the earlier inflation shock and was the result of aggressive monetary tightening in the US and Western Europe and the exposure of structural weaknesses in the Chinese economy. Geopolitical tensions were fuelled by the continuation of Russia's war in Ukraine, necessitating further support for Ukraine from the West and further tightening of sanctions against Russia. In contrast, the Gaza war began after Hamas attacked Israel on 7 October last year. Tensions in the Middle East also extended to attacks by pro-Palestinian militants in Yemen on ships in the Red Sea or drone attacks on a US military base in Jordan, which triggered new disruptions in international trade after supply chains returned to normal during 2023.



After the EU and UK countries intervened strongly in the energy market in the crisis year 2022 (price caps and energy demand reduction measures), 2023 saw a normalisation in the natural gas and electricity market. Alongside the fall in global commodity prices (energy, metals, food) – this was a strong disinflationary factor. The process of falling inflation was also supported by the rapid tightening of monetary policy by central banks including the Fed, ECB. Central banks were increasing monetary policy tightness in 2023, with interest rates reaching their target level for the tightening cycle in mid-2023 (Fed rate in the range of 5.25%-5.50% in July 2023) and for the ECB in autumn 2023 (refinancing rate of 4.5% in September 2023). The Fed and ECB then adopted a “rates higher for longer” approach, emphasising determination in bringing inflation to the 2% target. The disinflation process was supported by a slower-than-expected recovery in China following the lifting of the Zero-Covid policy at the end of 2022, while the effects of the real estate crisis and fiscal stress, led to a decline in the country’s GDP growth rate and a downward revision of medium-term forecasts.

In its January 2024 forecasts, the International Monetary Fund (IMF) predicts global economic growth of 3.1% in 2024, similar to 2023 but below the 3.5% in 2022. The IMF expects a slowdown in the US economy to 2.1 per cent in 2024 from 2.5 per cent in 2023 and an acceleration – albeit from a very low level – of GDP growth in the eurozone to 0.9 per cent in 2024 from just 0.5 per cent in the eurozone. Low growth in the eurozone as a whole has been affected by weak economic conditions in its largest economies, particularly Germany, struggling with weakening external demand, fiscal uncertainty and an increased propensity to save among consumers experiencing high inflation. In 2022 and the first half of 2023, high inflation led to a stronger erosion of real consumer income in Europe than in the US, with a gradual recovery. A factor supporting growth in both areas, particularly in the US, is the good health of the labour market and the low unemployment rate.

2023 was a period of disinflation in the underlying markets. US consumer CPI inflation peaked at 9.1 per cent y/y in June 2022 and has been falling steadily and rapidly since then – to 3.0 per cent in June 2023, then rebounding slightly to 3.4 per cent in December 2023. Eurozone consumer inflation peaked (10.6% y/y) in October 2022 and since then a clear downward trend has taken shape to 2.4% y/y in November 2023 and a rebound to 2.9% in December 2023. In addition to the subsidence of supply shocks (normalisation in supply chains and the energy market in 2023), disinflation was supported by restrictive monetary policy, which led to a cooling of domestic demand, and a moderate recovery in China, which lowered commodity prices.

The aggressive tightening of monetary policy in response to powerful supply shocks was aimed at containing the anchoring of inflation expectations and counteracting so-called second-round effects in other goods and services prices, as illustrated by changes in core inflation. The response from the Fed has been more decisive than the ECB,

with the US rate hike cycle (March 2022) starting a few months earlier than in the eurozone (July 2022) and interest rates rising higher (5.5% – the Fed’s rate cap) than in the eurozone (4.5%). Against the backdrop of falling inflation and a favourable inflation outlook for 2024, as well as a weakening of the economy in Q4 2023 and a further slowdown in 2024, market participants expect faster and deeper interest rate cuts in the US this year than in the eurozone.

ING Group economists expect a cycle of interest rate cuts to begin in Q2 2024 and a tapering of the quantitative tightening programme. Similar to the valuations in financial instruments at the start of 2024, for the full year ING group economists expect cumulative reductions of 150 bps, clearly deeper than the Fed’s December projection indicating cumulative reductions of around 75 bps. In contrast, the first ECB rate cut is possible – in the opinion of ING economists – in June 2024 year, and by a total of 75 bps throughout the year. This expectation is based on the marked disinflation of the headline consumer price index and core inflation for 2024 and the favourable inflation outlook for this year amid an expected slowdown in US GDP growth or continued stagnation in the eurozone.

2024

The forecasts and expectations of economists at ING Bank Śląski presented below were made at the turn of 2023 and 2024.

Gross Domestic Product

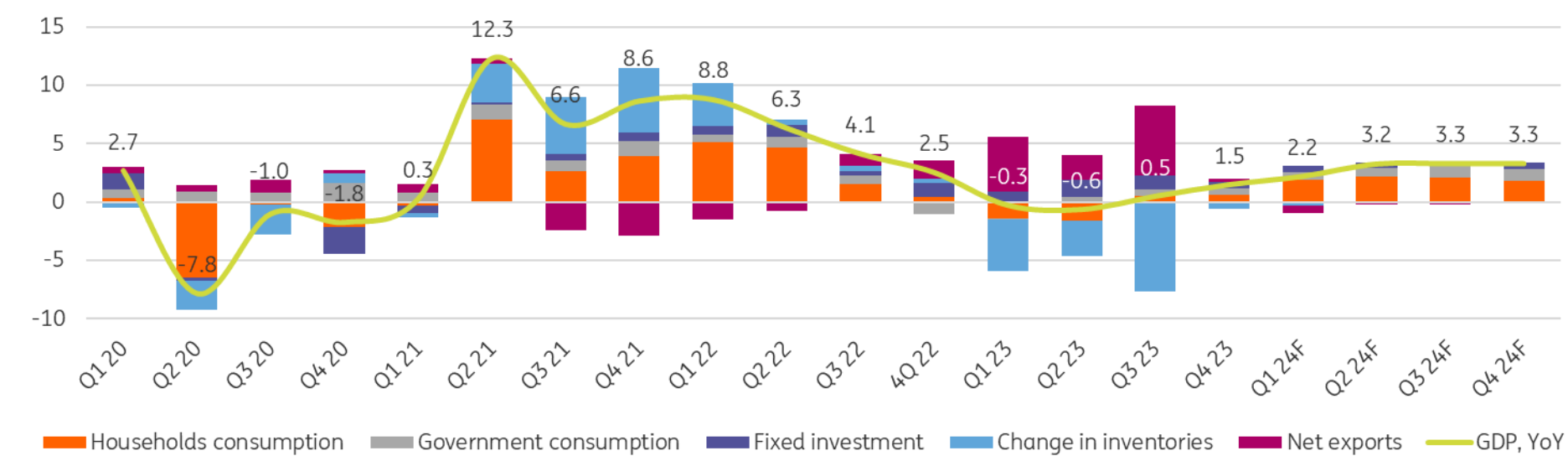
Economists at ING Bank Śląski forecast that economic growth in Poland will accelerate to 3% in 2024 from 0.2% in 2023. Although inflation remains elevated, it has declined significantly, while wage growth remains at double-digit levels. A further recovery in the real purchasing power of households and improving consumer sentiment will translate into an increase in consumption, albeit at a rate of around 3%, which is lower than that recorded during the good times of recent years. Private investment should be encouraged by the continued implementation of energy transition projects by large companies. In turn, the scale of the deceleration in public investment will be limited by the unblocking of funds from the National Recovery Plan. In 2024, Poland is expected to receive around PLN 77 billion from the European Union, of which around PLN 37 billion are grants and around PLN 40 billion preferential loans. Rebuilding domestic demand will limit the positive impact of foreign trade on GDP. At the same time, stock adjustments should no longer be such a burden on growth as in 2023.

The economic outlook for 2024 remains fraught with risks and high uncertainty. Changes to the forecasts could occur if geopolitical tensions further escalate or de-escalate, including in particular those related to military action



in Ukraine and the Middle East. Weakness in external demand due to the expected continuation of unfavourable economic conditions in Germany, Poland’s main trading partner, is also a challenge.

Decomposition of GDP growth (%)



Source: CSO, projection by ING.

Labour market and salary levels

Despite the unfavourable economic climate last year, the labour market remains in good shape, largely for structural reasons. The shrinking working-age population limits labour supply and encourages economic immigration and labour activation of refugees from Ukraine. The main barrier to employment growth is limited labour supply, not insufficient demand. Poland’s unemployment rate is one of the lowest in the European Union. This translates into upward pressure on wages, further conquered by the dynamic increase in the minimum wage. At the beginning of 2024, the minimum monthly salary was increased from PLN 3,600 to PLN 4,242 (+17.8%), and will rise to PLN 4,300 from July. In addition, the state budget for 2024 assumes a 30 per cent increase in salaries for teachers (including pre-service teachers and academic staff) and a 20 per cent increase in salaries in the public sector. Economists at ING Bank Śląski expect 2024 to be another year with double-digit growth in average wages.

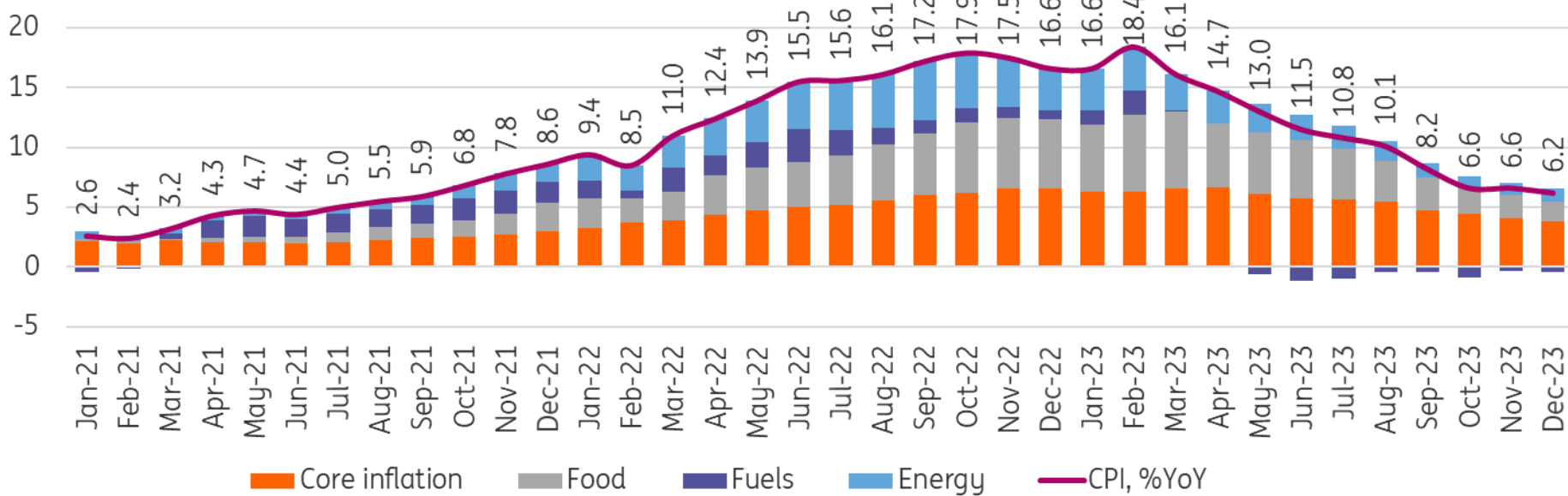
Inflation

In 2024, average inflation will be around 5%. The beginning of 2024 will be a period of further disinflation, but inflation will rise again in Q2 2024 and its level will be determined by fiscal and regulatory decisions. The zero VAT rate on food has been extended until the end of March 2024, while electricity, gas and heating prices will remain frozen at 2022 levels until the end of June this year. Combined with the high baseline of early 2023, when there was

a rapid increase in consumer prices, this means that inflation will fall towards the NBP target in the first quarter 2024, but this will be a transitional process. Economists at ING Bank assume that VAT on food will be restored from April, and there will be a partial “unfreezing” of energy prices for households from July. In such a scenario, CPI inflation could return to around 5-6% in the second half of 2024.

Core inflation, excluding food and energy prices, will remain at an elevated level. This will mainly be the result of high wage growth and the related increases in service prices. In a global disinflationary environment, elevated inflation in Poland will be driven mainly by domestic factors – both market (tight labour market) and administrative (decisions on regulated energy prices).

Inflation (CPI) – decomposition (%)



Source: CSO, projection by ING.



Impact of the situation in global financial markets on Poland's economy

Foreign investors have been reducing their long positions in the PLN since the beginning of the year. For the time being, this counteracts the strengthening of PLN indicated by the solid foundations behind PLN. Consequently, breaking through 4.30 may prove difficult at the beginning of Q1 2024.

Nevertheless, we expect PLN to continue to rise this year with target levels around 4.20-25. The market continues to price in aggressive NBP rate cuts of more than 200 bps this year, starting in March. The MPC's rhetoric suggests that the room for cuts is much smaller, given the likely rebound in CPI in H2 2024. In addition, we expect a slow inflow of capital from abroad, both investment capital (the foreign share of Polish bonds is still half that of other CEE countries) and from the EU. Poland should also maintain a current account surplus. The conflict in Ukraine remains a key risk for PLN as Ukrainian success becomes increasingly remote.

PLN exchange rates



Source: NBP, projection by ING

Public finances

The year 2023 saw a further increase in public finance imbalances, with the general government deficit rising above 5% of GDP, up from 3.8% of GDP in 2022. Despite the restoration of the basic rates of Value Added Tax (VAT) on electricity, gas, heating and fuels, revenue from this tax grew more slowly than anticipated in the Budget Act, necessitating a mid-year amendment. Corporate income tax (CIT) receipts also turned out to be lower than previously assumed. The record high refunds of overpaid personal income tax (PIT) for 2022 did not materially affect the execution of PIT revenue relative to plans, not least due to robust wage growth. On the expenditure side,

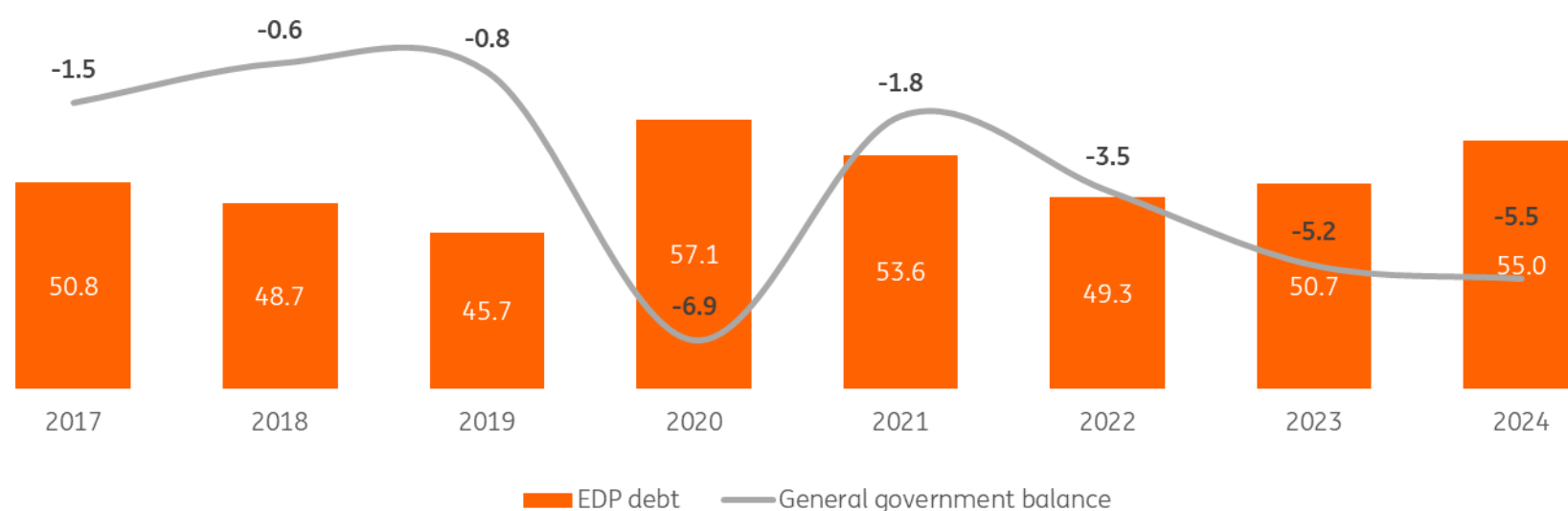
upward pressure on fiscal imbalances was generated by the valorisation of pensions, the maintenance of supplementary pension benefits (13 and 14), compensation to energy suppliers and the increase in arms expenditure. The high deficit was accompanied by an increase in public debt in nominal terms, but in an environment of buoyant nominal GDP growth, the public debt-to-GDP ratio increased modestly last year and remained around 50 per cent.

Economists at ING Bank Śląski expect expansionary fiscal policy to be maintained in 2024 and the general government deficit to remain above 5% of GDP. Revenue collection should be supported by the economic recovery, including a consumption-based growth structure favourable to tax revenue. In turn, the difficulty will be the lower level of inflation than in the previous two years. The decision to extend the zero VAT rate on food to Q1 2024 may also make it a challenge to meet the revenue target for this tax (the budget act assumes an increase of nearly 25% y/y). Sheltering measures on energy prices for households have also been extended. Child benefits have been valorised (from PLN 500 per child to PLN 800). The budget will also bear the cost of the announced salary increases for teachers (30%) and public employees (20%). In the 2024 budget, the new ruling coalition did not include the most fiscally costly election announcement in the form of raising the tax-free personal income allowance from 40,000 per year to 80,000. The implementation of this demand will most likely put a strain on future budgets. Due to the threat from Russia (the ongoing war in Ukraine), increased arms spending is to be expected in the coming years.

According to the budget act for 2024, net borrowing needs will reach a record high of PLN 252 billion and gross borrowing needs close to PLN 450 billion. Faced with such high needs, the government is planning more issuance activity in foreign markets than in previous years and has not ruled out issuing treasury bills. In addition to the needs of the central budget, extra-budgetary funds are also planned to incur debt, including, among others, the Armed Forces Support Fund, on whose shoulders the burden of financing the armaments programme mainly rests. As a result, government debt is expected to rise to around 55% of GDP by the end of 2024.



Public debt and budget deficit according to EU methodology (ESA2010; %)



Source: CSO, projection by ING

Monetary policy

According to economists at ING Bank Śląski, the Monetary Policy Council (MPC) will keep interest rates of the National Bank of Poland (NBP) unchanged in the first months of 2024, but in the medium term it may resume the monetary easing cycle started in H2 2023. Given the expectation that inflation will pick up again in H2 2024, the room for interest rate cuts appears limited to around 25 bps. The MPC is showing a very reluctant attitude towards rate cuts, but in an environment of rate cuts by major central banks, the NBP may decide to ease monetary policy if the prospects of inflation returning to target allow.

At the end of 2023, NBP interest rates were:

- deposit rate – 5.25%,
- reference rate – 5.75%,
- bill discount rate – 5.85%,
- bill re-discount rate – 5.80%,
- lombard rate – 6.25%.

Economists at ING Bank Śląski expect inflation to remain elevated in the coming quarters and monetary easing to occur gradually. The NBP's own projections indicate that inflation will not return to the vicinity of the central bank's

target until late 2025. A pro-inflationary effect can be exerted by a tight labour market and a consumption-based growth structure. In the opposite direction, strong disinflationary trends in the external environment and a persistent negative output gap in the Polish economy should have an impact.

Summary

According to economists at ING Bank Śląski, the economic recovery in the eurozone will be relatively slow in 2024 due to the gradual recovery of real incomes after the high inflation of previous years. This experience may lead consumers to refrain from spending more, in addition geopolitical instability and relatively high interest rates will discourage investment. A positive factor is the stabilisation of energy prices, including a slight reaction of energy commodity markets to developments in the Middle East. In 2023 and probably also in 2024, the German economy will be the weak link in the eurozone when it comes to recovery. In recent quarters, this economy has been balancing between recession (GDP decline) and stagnation (growth around 0%), while moderate GDP growth has been recorded by southern European countries such as Spain, Portugal and Italy. Weakness in Germany – where around 30% of Polish exports go – will limit the scale of Poland's economic recovery.

We expect private and public consumption to be the main drivers of growth in the Polish economy in 2024, driven by a recovery in real household incomes. The increase in investment this year will depend on the effectiveness of the use of EU funds, including grants and loans, the inflow of foreign investment and the unblocking of the investment potential of Polish companies, which have shied away from investment projects in recent years. A major challenge will be the reduction in the inflow of cohesion policy funds after the end of the previous EU multi annual budget, but an opportunity is nevertheless created by the use of funds of the National Recovery Plan. The net balance of EU funds Poland will receive (grants and loans combined) will be as high as 2.7% of GDP compared to 2.1% of GDP in 2023. An additional factor supporting investment may be Poland's investment attractiveness on an international basis for European and US companies in times of geopolitical instability.



Macroeconomic projections

	2021	2022	2023	2024F	2025F
GDP growth (%)	6.9	5.3	0.2	3.0	3.5
General government sector debt according to EU methodology (% GDP)	53.6	49.3	50.7	55.0	55.7
Average annual inflation (CPI) (%)	5.1	14.4	11.4	4.5	4.3
Registered unemployment rate (%; CSO)	5.8	5.2	5.1	4.9	4.7
USD/PLN exchange rate (year-end)	4.06	4.40	3.94	3.65	3.77
EUR/PLN exchange rate (year-end)	4.60	4.69	4.35	4.20	4.22
WIBOR 3M (year-end)	2.5	7.0	5.9	5.7	5.0

Market trends

Market trends are factors influencing the future of the economy, society, the sector and our bank, among others, over a horizon of the next 2-3 years.

Standardisation in the European energy market in 2023

The Russian invasion of Ukraine and the energy shock of 2022, especially in the European gas and electricity market, forced interventions in public policies and actions by economic actors. Although temporary disruptions were inevitable, Europe efficiently and quickly diversified its gas supply sources and accelerated investment in RES and energy efficiency and became independent of Russia. By the end of 2023, gas prices on European markets had fallen to pre-Ukraine levels.

2023 was a period of rapid disinflation in the underlying markets and in Poland, in addition to the receding of the energy shock, the aggressive policies of key central banks and the need to counteract the pass-through of high energy prices and manage inflation expectations had a significant impact. The parliamentary elections in Poland brought a change of government and improved relations with the European Union, which was positively received by financial investors.

Multi-dimensional security and regionalisation

Pandemics and war (in Ukraine or Gaza) have demonstrated the risks posed by interdependence within global supply chains or over-concentration of supplies from insecure directions. In public policies and company strategies, security issues, became a leading priority, which entailed compliance costs.

Ensuring internal and external security has necessitated an increase in government spending on defence, increased purchases of military equipment, more effective cooperation with NATO and EU allies, including the rebuilding of production capacity in the arms industry. Energy security required diversification of suppliers, in particular a shift away from Russian gas in the EU to LNG supplied from multiple directions and investment in renewables and energy efficiency. Security in global chains has been about diversifying suppliers and shortening supply chains and growing inventories. Health security requires securing pharmaceutical reserves and supporting indigenous production. Cyber security remains crucial in an era of proliferation of digital channels, including in the banking sector, and the growing use of generative artificial intelligence (AI) in the economy.

Growing use of artificial intelligence, polarisation and social inequality

2023 was also a year of unprecedented development and application of artificial intelligence solutions. With uneven capacity and preparedness at the level of countries and sectors, the impressively rapid application of AI solutions can lead to divisive winners at the level of countries, sectors, companies or professional groups. AI raises hopes for increased productivity in many sectors and a new source of economic growth, but at the same time there are concerns arising from the differing opportunities for benefits across industries, occupational groups, and the adaptation of older workers, which could result in growing inequalities and polarised societies. AI solutions can also intensify the technological risks associated with disinformation.

According to a recent report by the World Economic Forum, the top 5 risks for the next two years were, in order of importance: risk of misinformation and misrepresentation, extreme weather events, social polarisation, threat to cyber security and risk of armed conflict between states. Technological and social risks will overlap in 2024 due to multiple general elections. This year, elections will be held in 7 of the 10 most populous countries in the world (Bangladesh, India, USA, Indonesia, Pakistan, Russia, Mexico).

Relatively long approach to the 2.5% inflation target in Poland

After a period of unprecedentedly aggressive monetary tightening in 2022-23, the Fed and ECB are likely to opt for interest rate cuts in 2024. At the beginning of 2024, market instruments priced rapid and decisive reductions. ING economists expect the Fed to start cuts in May and cut interest rates by 150 bps for the full year, while the ECB will



start cuts mid-year and cut interest rates by a total of 75 bps for the full year. The timing and scale of the reductions remains an open question and, in line with central banks’ rhetoric, will depend on data and an assessment of the balance of risks to inflation and economic activity. The countries in our region (Czech Republic and Hungary) are also expected to continue their monetary easing cycles in 2024.

ING economists expect that after a rapid decline in inflation in Poland in Q1 2024, the second half of the year could see a marked rebound, with the prospects of inflation returning to the NBP’s target (2.5%, +/- 1 percentage point) not improving significantly. As a result, the room for possible monetary easing in 2024 remains limited. While external disinflationary factors are favourable, the problem remains a tight labour market and dynamic wage growth (including increases in the minimum wage and public sector wages), which will sustain service price increases and consequently core inflation at elevated levels. Although the President of the NBP allows reductions when inflation falls to single-digit levels, the inflation target of 2.5% with a tolerance of +1/-1 pp seems a long way off. Persistent elevated inflation will mean elevated interest rates. This has the effect of increasing the banking sector’s profitability from interest income. At the same time, there are growing concerns about the impact of higher interest rates on the deterioration of the quality of banks’ loan portfolios.

Technology that supports important change

The digitalisation of business is accelerating, despite market uncertainties. Companies are increasingly using the potential of digitalisation to create new business models, improve efficiency or optimise resources. Regulatory changes, including in the ESG area, are accelerating technological innovation. An example is companies that work with foreign contractors and need technological solutions, for example to monitor supply chains.

In banking, technology provides clients with the ability to use secure banking services on a large scale, anytime, anywhere. We are seeing the growing impact of technology on the experience of clients, employees or business partners. Of particular importance here is the automation of processes through the use of data analysis, machine learning or cloud solutions or artificial intelligence. Automated processes are efficient, consistent and more accurate. In doing so, they improve the quality of services and also free up staff time and potential for higher-value creative tasks.

ESG factors in corporate operations and the path towards climate neutrality

We expect an acceleration of the green transition in Poland and increased investment in renewables and energy efficiency in the face of relatively high fossil fuel prices and record volatility. This is necessary in order to get on a path that coincides with the goal of climate neutrality for our economy by 2050, in line with the Paris Agreement.

As a bank, we support this trend by, among other things, announcing emission reduction courses of action concerning our own economy and loan portfolio, financing energy investments – such as photovoltaic farms – as well as on the educational side. We emphasise the importance of environmental protection or improving air quality in our marketing communications, educational campaigns for our employees, publications and participation in public debate. In addition, new regulations for the financial sector at European level require greater transparency of sustainability measures and the consideration of ESG (environmental, social and corporate governance) factors in operational activities. ESG requirements will increasingly affect the entire supply chain, both sellers of final goods and Polish sub-suppliers.

Climate education in companies

The younger generation is demanding more climate action from their employers. It also recognises the key role of employers in providing the necessary skills training to prepare the workforce for the transition to a low-carbon economy (Global Gen Z & Millennial Survey Report, Deloitte 2023). This implies the need for specific educational programmes, both at a basic and advanced level, and the integration of initiatives in the area of social and environmental responsibility into employees’ activities and tasks.

Among other things, generational changes in companies make it crucial to strive to reduce stress levels and take care of the psycho-physical condition of employees. All activities that make up the area of well-being, with a particular focus on mental health, and the further flexibilisation of working time, including activities that support managers in building psychological safety within the team and a sense of belonging of employees to the organisation, will gain in importance.

We are seeing an increase in the use of technology, with a particular emphasis on AI, which has created several new types of work, but is also successively eliminating entire segments of work. This implies improving the ability to quickly identify competency gaps and build new skills (re-skilling) and significantly increase the level of skills used to date (up-skilling), both at an individual and organisational level. By 2030, the first Millennials will be approaching 50 and, together with Gen-Zers, will make up the vast majority of the workforce. At the same time, in line with the trend of an ageing population, the earlier generations will not yet be leaving the labour market, which implies the need for cooperation based on diverse priorities and values.

Increase in social inequality and exclusion

As new technologies change business models and the way organisations work, directly impacting society as a whole, people’s sense of loneliness, opposition to change and loss of trust in the existing order is growing, and this



in turn is increasing the polarisation of society and the growing popularity of populist leaders proposing simple, but sometimes harmful, solutions. The challenge for business leaders is communication that explains what these changes mean for people, entire organisations, their value chains and society, and action to prevent exclusion.

Clients expect the financial industry to support their financial health

According to the Global Web Index report, 73% of Gen-Zers believe that banks should provide more advice on budgeting, spending habits, debt repayment and loans. 80% of people worldwide agree that companies should support clients in the face of a cost-of-living crisis. (BCW 2023 report).

According to the Edelman Trust Barometer 2023 report, 64% of consumers expect the financial industry to play a significant role in ensuring their best financial health.



Our financial results

Consolidated results of the ING Bank Śląski Group	60
ING Bank Śląski standalone results	72



In this chapter, we describe our financial results on both the consolidated and standalone bases. We identify the most important factors influencing the reported results. We believe that a transparent presentation of our financial results will help stakeholders in making future investment decisions.

Consolidated results of the ING Bank Śląski Group

Key effectiveness ratios

Key effectiveness ratios for the ING Bank Śląski S.A. Group in 2019-2023						
	2019	2020	2021	2022	2023	Change 2023 to 2022
Cost share ratio* (C/I)	43.1%	44.3%	43.0%	47.2%	34.7%	-12.5 p.p.
Cost share ratio** (C/I)	50.6%	52.1%	50.9%	55.5%	40.7%	-14.8 p.p.
Return on assets (ROA)	1.10%	0.76%	1.18%	0.81%	1.93%	1.12 p.p.
Return on equity (ROE)	11.6%	7.6%	13.6%	17.4%	33.9%	16.5 p.p.
Return on equity (ROE) – adjusted for MCFH	12.9%	9.4%	14.4%	10.2%	22.9%	12.7 p.p.
Interest margin ratio	2.96%	2.63%	2.59%	2.75%	3.63%	0.88 p.p.
L/D ratio	90.7%	82.6%	85.9%	80.4%	76.3%	-4.1 p.p.
LCR	130%	220%	164%	152%	272%	120 p.p.
NSFR	130%	144%	157%	155%	180%	25 p.p.
LR according to transitional definition	7.2%	7.3%	6.9%	7.0%	6.3%	-0.7 p.p.
MREL by TREA (standalone)	-	-	17.1%	17.8%	25.8%	8.0 p.p.
Total capital ratio	16.88%	19.52%	16.05%	16.22%	16.73%	0.51 p.p.
Tier 1 capital ratio	14.42%	16.91%	14.41%	14.72%	15.32%	0.6 p.p.

*Net profit of associates accounted for using the equity method; ** costs including bank tax and income including net profit of associates accounted for using the equity method.

Key financial data

Brief information on the financial results of the ING Bank Śląski S.A. Group in 2019-2023						
PLN million	2019	2020	2021	2022	2023	Change 2023 to 2022
Income*	5,796	6,231	6,897	7,722	10,678	38%
Cost	-2497	-2763	-2965	-3642	-3700	2%
Risk cost**	-606	-1075	-372	-1030	-613	-40%
Gross profit	2,258	1,912	3,015	2,403	5,720	138%
Net profit**	1,659	1,338	2,308	1,714	4,441	159%
Balance sheet total	158,611	186,596	201,654	217,266	245,361	13%
Liabilities to clients	130,474	151,029	170,610	192,731	205,290	7%
Loans and other receivables to clients, net***	118,288	124,762	146,614	155,029	156,559	1%
Equity****	15,223	18,618	13,531	9,344	16,736	79%
Earnings per share (EPS) (PLN)	12.75	10.28	17.74	13.18	34.13	159%
Dividend per 1 share (in PLN) for a given year	0.00	5.10	5.30	-	-	-

*Including net profit of associates accounted for using the equity method; ** including legal costs of foreign currency mortgage loans; *** including fair value loans; ****attributable to shareholders of the parent company.

For the purposes of converting the data presented above into EUR, the Bank shall use the following rates:

- for the items specified in the statement of financial position – National Bank of Poland exchange rate prevailing on 29 December of the year,
- for profit and loss account items – exchange rate calculated as an average of the National Bank of Poland rates prevailing on the last day of each month in the year.



EUR/PLN exchange rate

	2019	2020	2021	2022	2023
For the items specified in the statement of financial position	4.2585	4.6148	4.5994	4.6899	4.3480
For profit and loss account items	4.3018	4.4742	4.5775	4.6883	4.5284

Brief information on the financial results of the ING Bank Śląski S.A. Group in 2019-2023

EUR million	2019	2020	2021	2022	2023	Change 2023 to 2022
Income*	1,347	1,393	1,507	1,647	2,358	43%
Cost	-581	-617	-648	-777	-817	5%
Risk cost**	-141	-240	-81	-220	-135	-38%
Gross profit	525	427	659	513	1,263	146%
Net profit**	386	299	504	366	981	168%
Balance sheet total	37,246	40,434	43,844	46,326	56,431	22%
Liabilities to clients	30,638	32,727	37,094	41,095	47,215	15%
Loans and other receivables to clients, net***	27,777	27,035	31,877	33,056	36,007	27%
Equity****	3,575	4,034	2,942	1,992	3,849	93%
Earnings per share (EPS) (PLN)	2.96	2.30	3.88	2.81	7.54	168%
Dividend per 1 share (in PLN) for a given year	0.00	1.14	1.16	-	-	-

*Including net profit of associates accounted for using the equity method; **including legal costs of foreign currency mortgage loans; *** including fair value loans; ****attributable to shareholders of the parent company.

Position of the Management Board on the feasibility of the previously published forecasts

The Bank has not published its projected financial results for 2023.

Profit and loss account

Basic figures of the consolidated profit and loss account of the ING Bank Śląski S.A. Group for 2023 and changes compared to the previous year are presented in the table below.

Basic figures of the consolidated profit and loss account in analytical terms

PLN million	2019	2020	2021	2022	2023	Change 2023 to 2022
						PLN million %
Net interest income	4,325	4,542	4,970	5,614	8,171	2,557 46%
Net commission income	1,341	1,528	1,845	2,095	2,165	70 3%
Other income*	131	161	82	13	343	329 26x
Total income	5,796	6,231	6,897	7,722	10,678	2,955 38%
Operating expenses	-2497	-2763	-2965	-3642	-3700	-58 2%
Impairment allowances and provisions**	-606	-1075	-372	-1030	-613	417 -40%
Bank tax	-436	-482	-545	-647	-644	3 0%
Gross financial result	2,258	1,912	3,015	2,403	5,720	3,317 138%
Income tax	-599	-574	-707	-689	-1279	-590 86%
Net financial result	1,659	1,338	2,308	1,714	4,441	2,727 159%

*Including the share in net profits of associates accounted for using the equity method; **including legal costs of foreign currency mortgage loans.

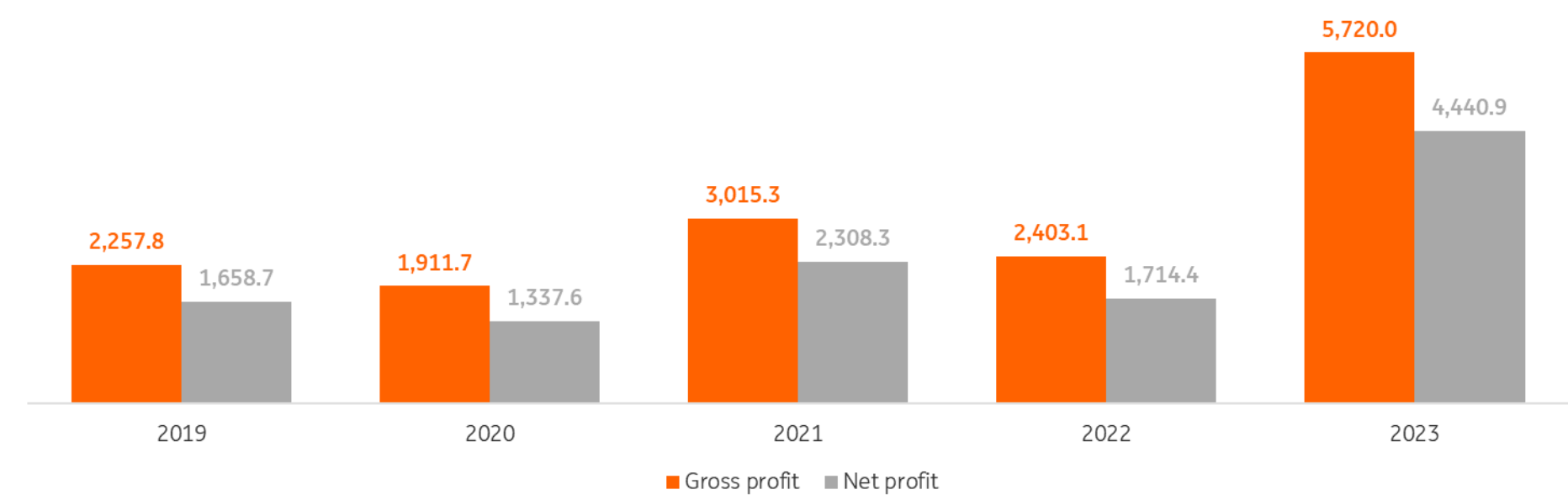
Gross profit and net profit

In 2023, the bank's net profit reached a record level of PLN 4,440.9 million, an improvement of as much as 159.0% y/y.

As since the beginning of 2018, the bank has applied, in its financial statements, the equity method to measure investments in its subsidiaries and associates, the bank's consolidated group net income is equal to the bank's individual net income.



Gross profit and net profit of the ING Bank Śląski S.A. Group (PLN million)

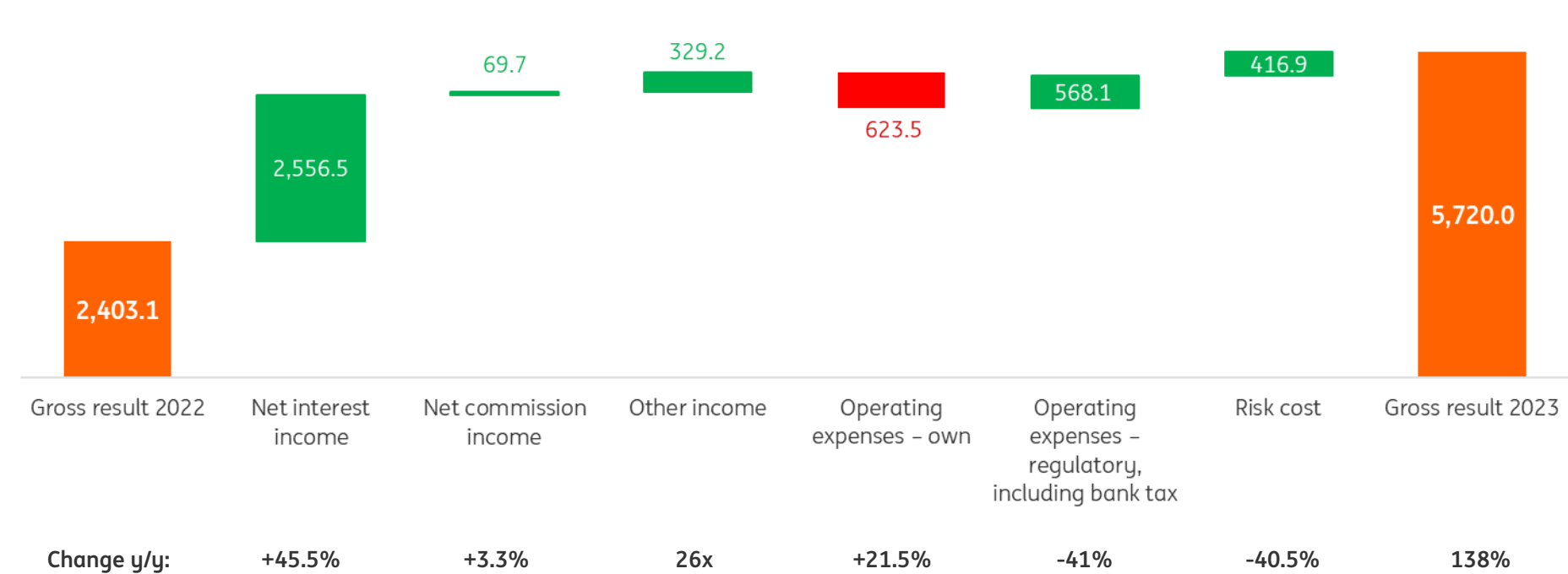


The gross result stood at PLN 5,720.0 million, an increase of 138.0% compared to 2022.

The increased profit before tax in 2023 was up by PLN 3,316.9 million compared to 2022 mainly due to:

- an increase in net interest income by 45.5% on a reported basis taking into account credit holidays, or by 12.6% when adjusted for the effect of credit holidays (which reduced the result by PLN 1,644.9 million in 2022), thanks to higher volumes and an improved interest margin,
- 26x higher y/y result from other income, in particular the result from financial instruments measured at fair value and the foreign exchange result, which is linked to high market volatility, both in terms of exchange rates and interest rates,
- lower regulatory costs (costs of the PFSA, BGF, Borrower Support Fund, Commercial Bank Protection Scheme and bank tax) by 40.9% y/y, in particular due to the PLN 470.7 million cost of the Commercial Bank Protection Scheme incurred in 2022, and
- a 40.5% decrease in the cost of risk (PLN -416.9 million y/y), mainly as a result of lower legal risk costs of foreign currency mortgage loans and positive changes in the level of loan write-downs resulting from changes in macroeconomic assumptions.

Change drivers for gross result of the ING Bank Śląski Group in 2023 (PLN million)



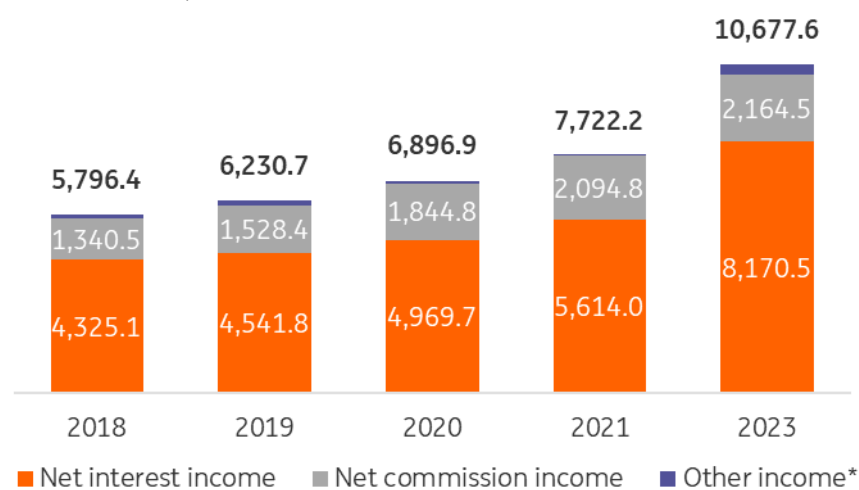
In 2023 the total income of the ING Bank Śląski Group attributable to the shareholders of the parent company (including, apart from net profit, also other income and cost items included in equity) amounted to PLN 7,385.5 million compared to PLN -3,503.9 million in 2022. The significant change in this item was mainly due to a change in the valuation of derivatives under hedge accounting from negative in 2022 to positive in 2023.

Income

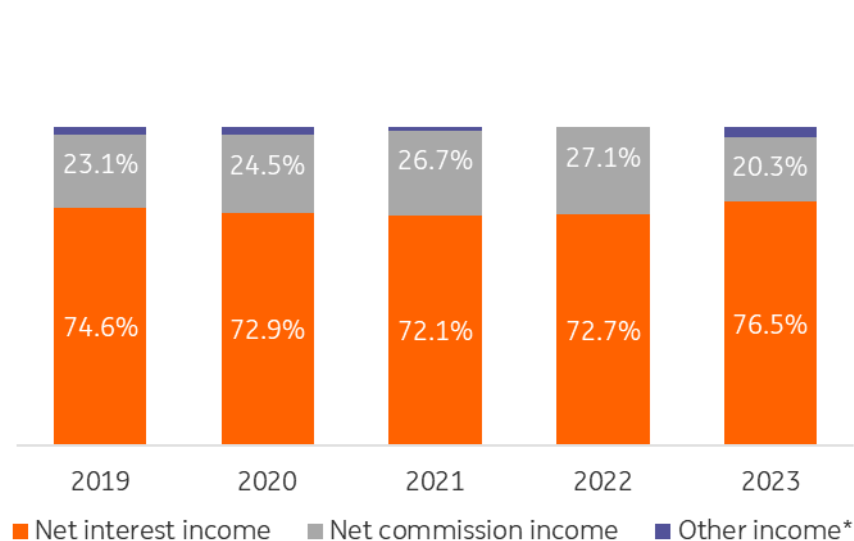
In 2023 the total income of the ING Bank Śląski Group amounted to PLN 10,677.6 million. This means that the improvement compared to 2022 amounted to PLN 2,955.4 million (+38.3%) and was due to higher net interest income and other income.



Income* by income statement category (PLN million)



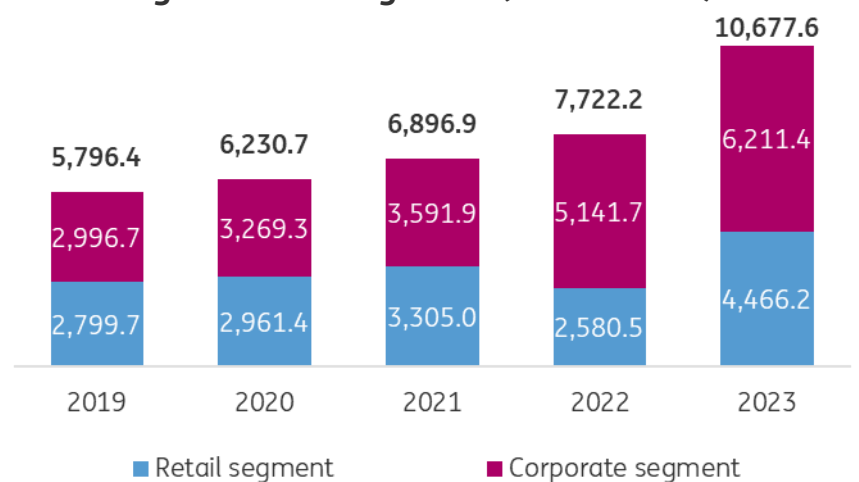
Income structure*



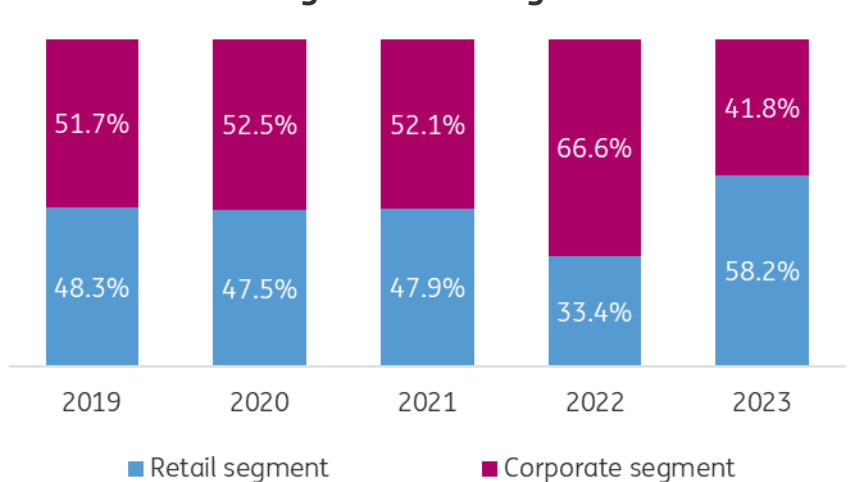
*Including the share in net profits of associates accounted for using the equity method.

In 2023, the retail segment was the main income growth contributor. Its income was up by PLN 1,885.7 million, or 73.1%, to up to the level of PLN 4,466.2 million. Consequently its share in the structure was up by 8.4 p.p. to the level of 41.8%. Corporate segment income increased by PLN 1,069.7 million, or 20.8%, to PLN 6,211.4 million. This significant increase in income in the retail segment was due to the fact that this segment's interest income in 2022 was burdened by the impact of credit moratoria related to mortgage loans (the total negative impact of credit moratoria of PLN 1,644.9 million was recognised in the retail segment). The improvement in segment income was also influenced by the improvement in the cumulated interest margin.

Income* by business segment (PLN million)



Income structure by business segments*

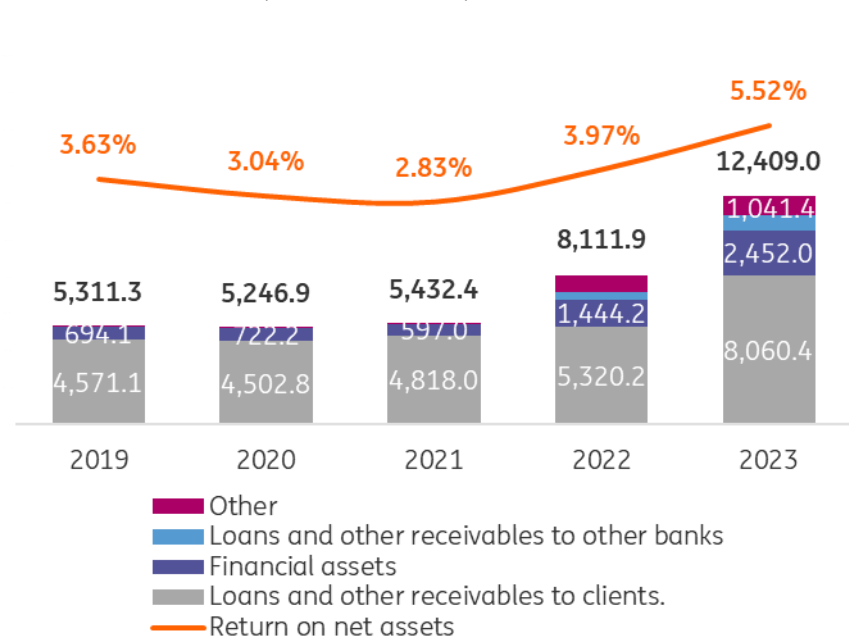


*Including the share in net profits of associates accounted for using the equity method.

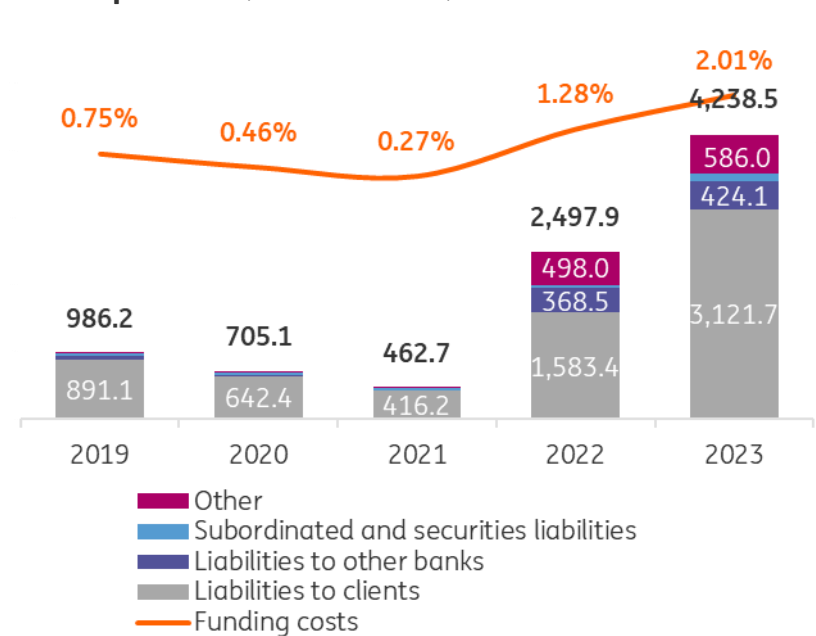
Net interest income

In 2023, interest income increased by 53.0% compared to 2022. On the other hand, interest expenses increased by 69.7% y/y. Consequently, the net interest income was up by 45.5% y/y, i.e. by PLN 2,556.5 million to the level of PLN 8,170.5 million. After adjusting the 2022 result for the effect of credit holidays (PLN +1,644.9 million), the increase in interest income in 2023 vs. 2022 would be 13.0%. Interest income in 2023 was also positively affected by the relatively high interest rate environment (improvement in the accumulated interest margin).

Interest income (PLN million)



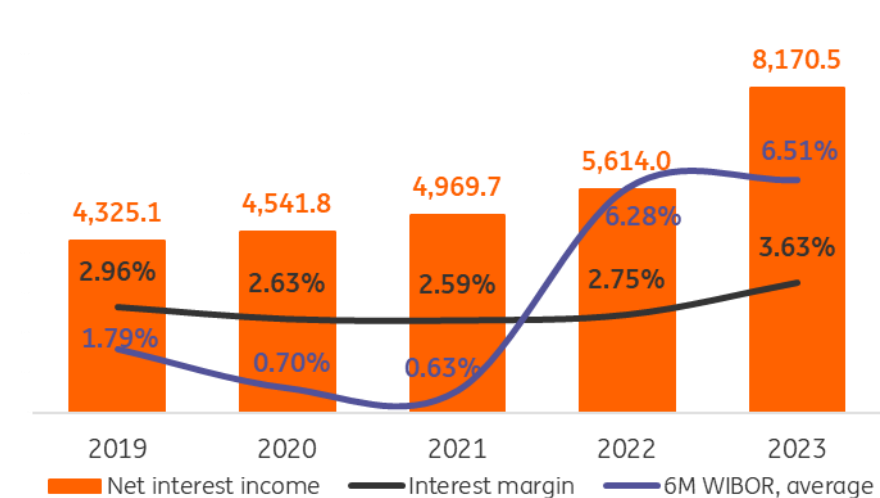
Interest expenses (PLN million)



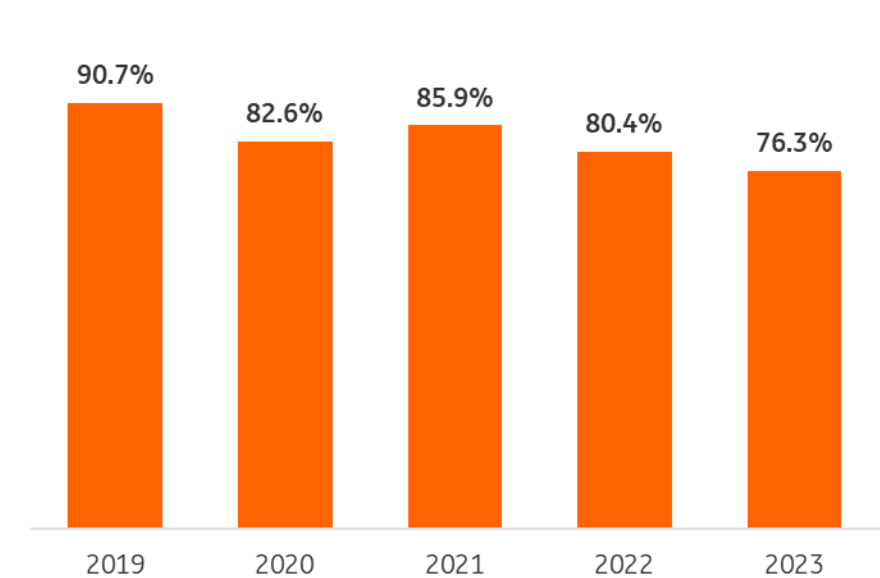
The net interest margin was 3.63% in 2023, 88 bps above the 2022 result (2.75%). If the interest income for 2022 were removed from the impact of credit moratoria, the interest margin in 2023 compared to 2022 would improve by 7 bps.



Net interest income (PLN million) and interest margin



L / D ratio



Average basic interest rate* in 2023

	Segment		Total
	Retail	Corporate	
Deposits			
PLN	2.64%	2.19%	2.45%
in foreign currencies	0.12%	0.17%	0.15%
Loans			
PLN	8.52% (8.48%**)	8.31%	8.42% (8.40%**)
in foreign currencies	2.15%	4.79%	4.70%
of which: retail mortgage loans			
PLN	8.04% (6.89%**)	-	8.04% (6.89%**)
in foreign currencies	2.15%	-	2.15%

*Based on management data; ** adjusted for the impact of credit moratoria.

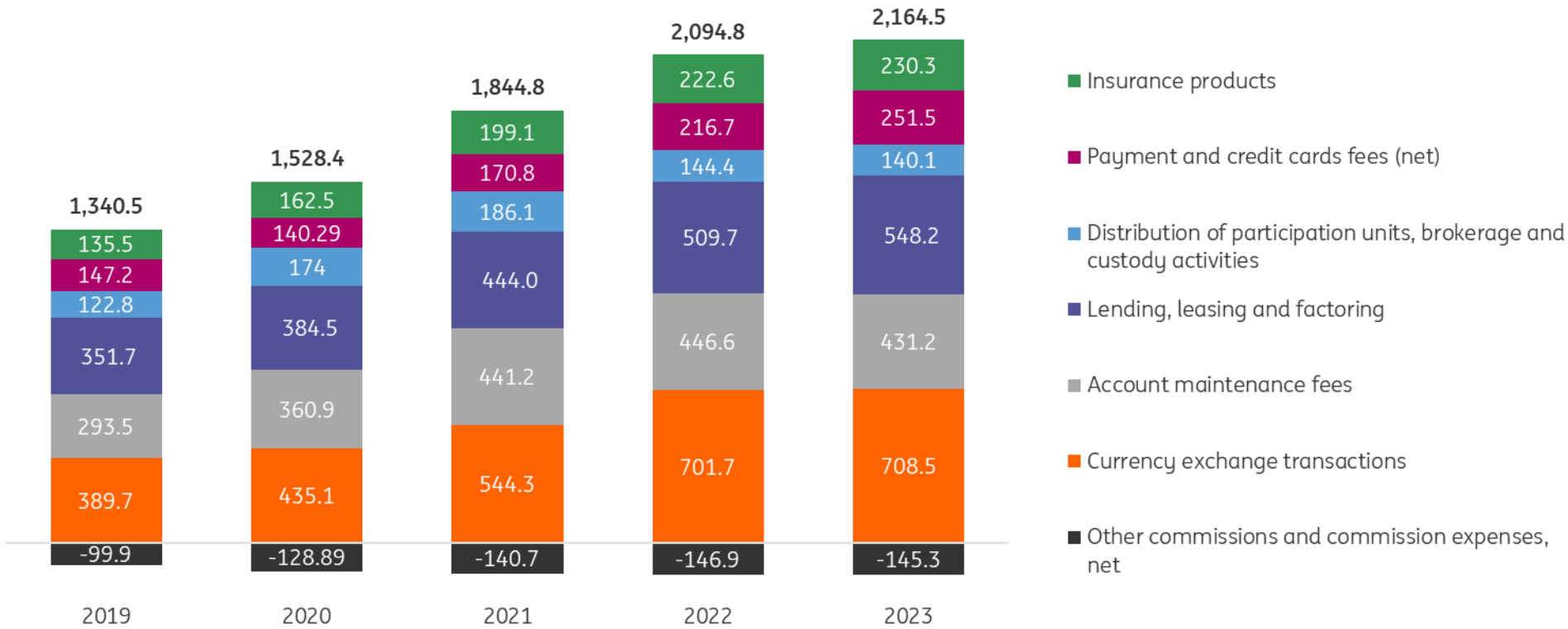
Net fee and commission income

In 2023, the ING Bank Śląski Group’s net fee and commission income increased by PLN 69.7 million (+3.3%) compared to 2022 to PLN 2,164.5 million.

The most significant increase in the fee and commission income was recorded for the following items:

- lending – an increase of PLN 38.5 million (+7.6% y/y), driven by lending activity in the corporate segment,
- payment and credit cards (net) – an increase of PLN 34.8 million (+16.1% y/y), as a result of higher transaction volumes from our clients.

Net fee and commission income (PLN million)



Other income

In 2023, other income of the Group (including the share in the net result of associates accounted for using the equity method) amounted to PLN 342.6 million and were higher by PLN 329.2 million compared to the previous year. The increase was mainly due to an increase in the result on financial instruments measured at fair value through profit or loss and the foreign exchange result (PLN +300.0 million y/y).



Other income

PLN million	2019	2020	2021	2022	2023	Change 2023 to 2022	
						PLN million	%
Net income on financial instruments measured at fair value through profit or loss and foreign exchange result	108.3	103.5	64.3	32.1	332.1	300.0	93%
Result on sale of securities	36.3	38.4	41.2	1.7	1.1	-0.6	-35%
Result on hedge accounting	-14.3	11.5	-52.5	-39.4	-4.8	34.6	-88%
Result on other basic activities	-6.1	-9.0	0.1	-6.6	-15.3	-8.7	132%
Share in net profits of associates accounted for using the equity method	6.6	16.1	29.3	25.6	29.5	3.9	15%
Other income	130.8	160.5	82.4	13.4	342.6	329.2	26x

Operating expenses (including bank tax)

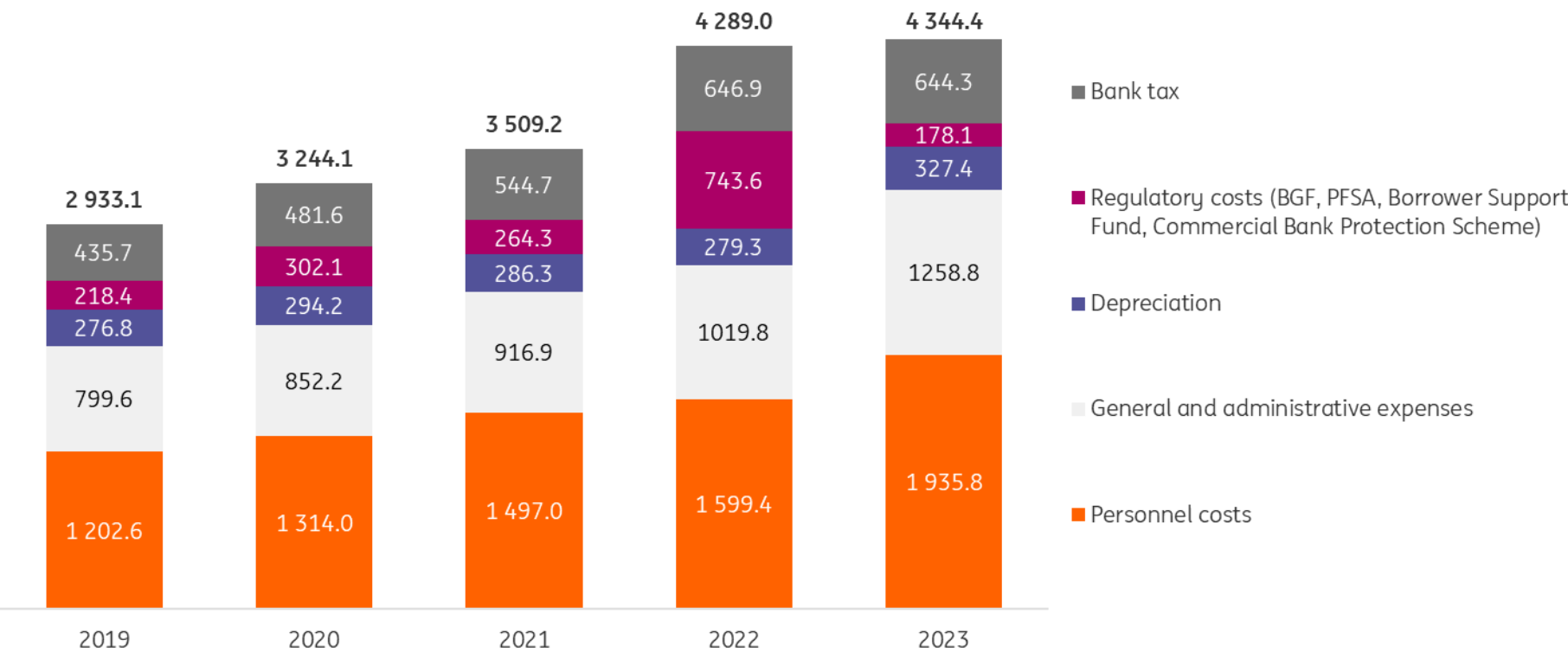
In 2023, the ING Bank Śląski Group’s operating expenses (including bank tax) increased by 1.3% y/y to PLN 4,344.4 million, of which own costs increased by 21.5% y/y to PLN 3,522.0 million, and regulatory costs – including the costs of the BGF, the PFSA, payments to the Borrower Support Fund, the costs of establishing the Commercial Bank Protection Scheme and bank tax – decreased by 40.9% y/y to PLN 822.4 million.

The cost of fees for the BGF was PLN 73.5 million lower y/y (-32.4%) – the fee for the restructuring fund fell to PLN 153.6 million from PLN 172.8 million a year earlier, and the fee for the guarantee fund was not charged compared to PLN 54.3 million in 2022 (pursuant to Article 294(1) of the BGF Act, the Board of the Bank Guarantee Fund decided not to charge a contribution to the guarantee fund of banks in 2023). Supervision costs of the Polish Financial Supervision Authority rose to PLN 24.5 million from PLN 22.1 million a year earlier (+10.9% y/y). At the same time the Bank did not incur any costs related to the Commercial Bank Protection Scheme in 2023, while the total cost incurred for this purpose in 2022 was PLN 470.7 million. There were also no Borrower Support Fund costs in 2023 compared to PLN 23.7 million in 2022. In 2023, the ING Bank Śląski Group paid a tax on certain financial institutions (so-called bank tax) of PLN 644.3 million (-0.4% compared to 2022).

Personnel costs increased by 21.0% y/y (+PLN 336.4 million y/y), mainly as a result of salary increases, a change in the bank’s employment structure and the setting up of a restructuring provision of PLN 86.1 million (excluding the

restructuring provision, the increase in personnel costs in 2023 vs. 2022 would be 15.6% y/y, PLN +250.3 million y/y). Operating expenses and general and administrative expenses increased by 23.4% y/y (PLN +239 million y/y), largely due to inflation, which, among other things, contributed to higher IT and property costs.

Operating expenses including bank tax (PLN million)

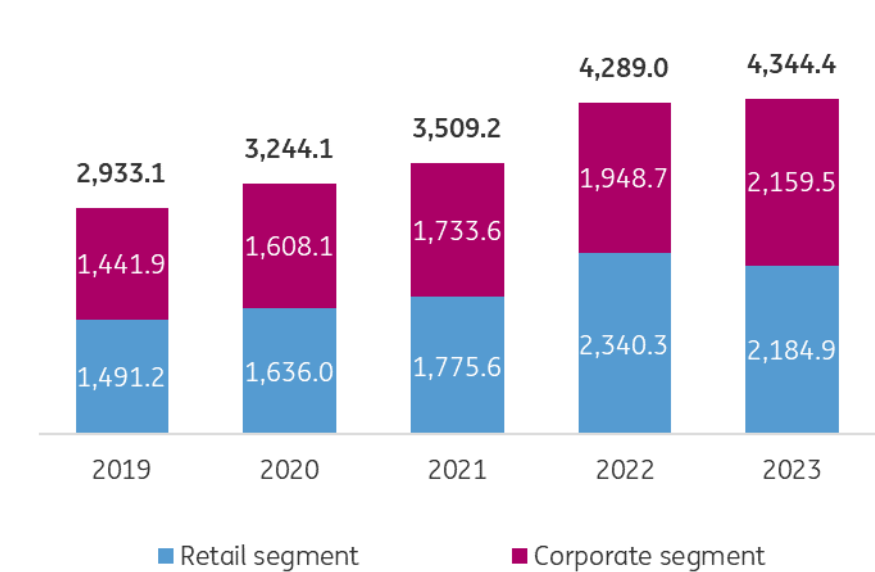


The headcount level in the ING Bank Śląski Group increased y/y from 8,322 FTEs as at 2022 yearend to 8,333 FTEs as at 2023 yearend.

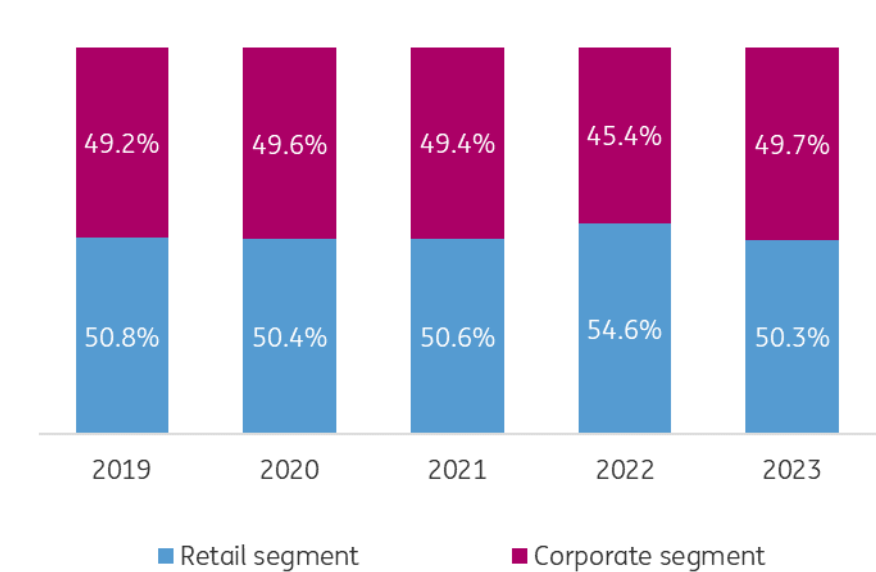
Retail segment operating expenses decreased by PLN 155.4 million y/y (-6.6%) to PLN 2,184.9 million in 2023, while corporate segment operating expenses increased by PLN 210.8 million y/y (+10.8%) to PLN 2,159.5 million. The decrease in costs in the retail segment was influenced by the reduction in the volume of regulatory costs allocated to this segment compared to 2022.



Operating expenses (including bank tax) by business segment (PLN million)

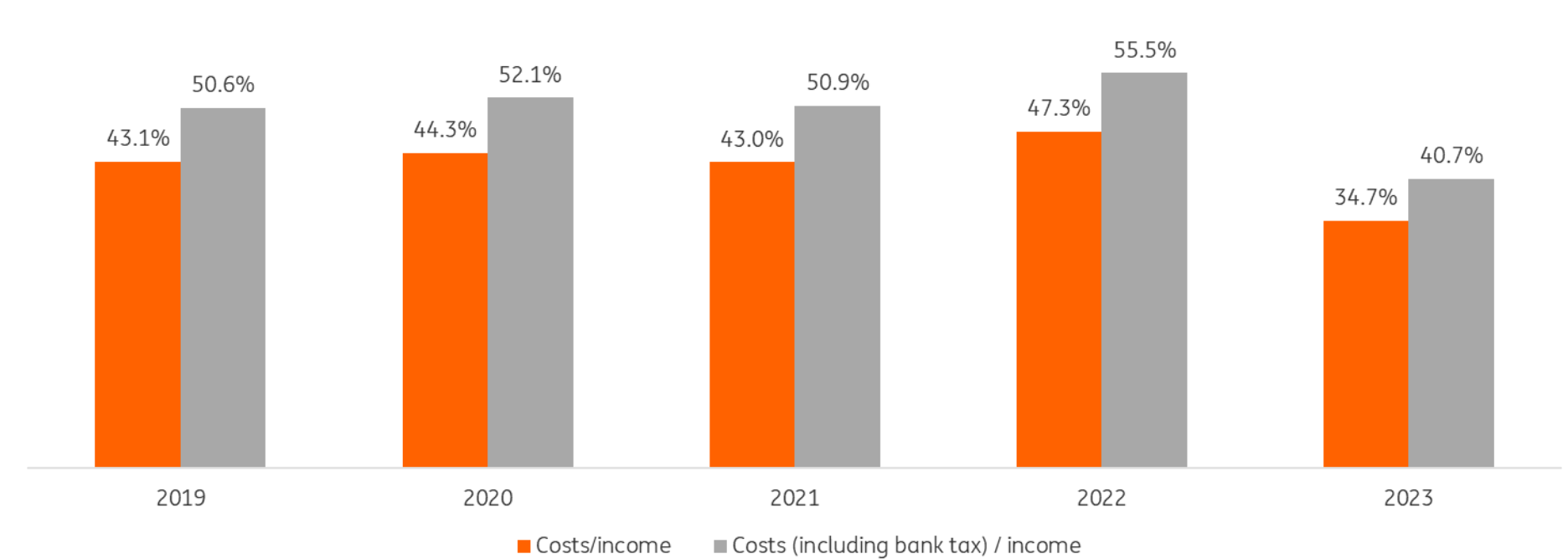


Structure of operating expenses (including bank tax) by business segment



Due to the faster growth rate of income than operating expenses, the cost-to-income ratio was up in 2023 compared to the previous year. The ratio of costs including bank tax to income was 40.7% compared to 55.5% a year earlier.

Cost-to-income ratio



Allowances for expected losses, including legal risk costs of foreign currency mortgage loans

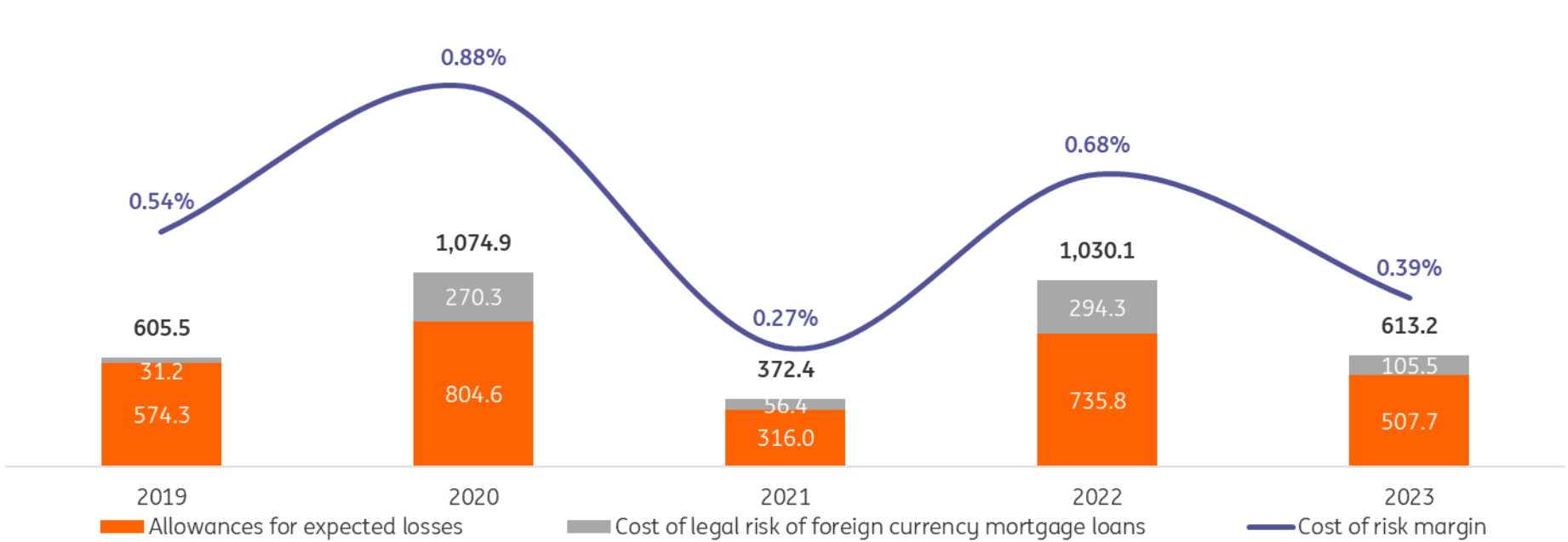
In 2023, there was a decrease in the risk cost margin ratio (the ratio of the allowance for net expected credit losses and provisions for legal risk of foreign currency mortgage loans to the gross loan portfolio) to 0.39% from 0.68% in the previous year. This was mainly due to lower legal risk costs of foreign currency mortgage loans and positive changes in the level of credit write-downs resulting from changes in macroeconomic assumptions.

The total cost of risk (allowances for expected losses and legal risk costs of foreign currency mortgage loans) amounted to PLN 613.2 million in 2023, down 40.5% y/y.

The legal risk costs of mortgage loans amounted to PLN 105.1 million in 2023, compared to PLN 294.3 million a year earlier. The additional costs result from periodically revising the main assumptions of the calculation taking into account the projected number of new litigation cases and updating other model parameters.

In 2023, changes in the macroeconomic parameters in the models reduced the cost of risk by PLN 42.3 million (86% related to the corporate segment). In 2022, on the other hand, the total impact of the change in macroeconomic parameters increased the cost of risk by PLN 217.7 million, spreading practically equally between the retail and corporate segments.

Consolidated allowances for expected losses including legal risk costs of foreign currency mortgage loans (PLN million)

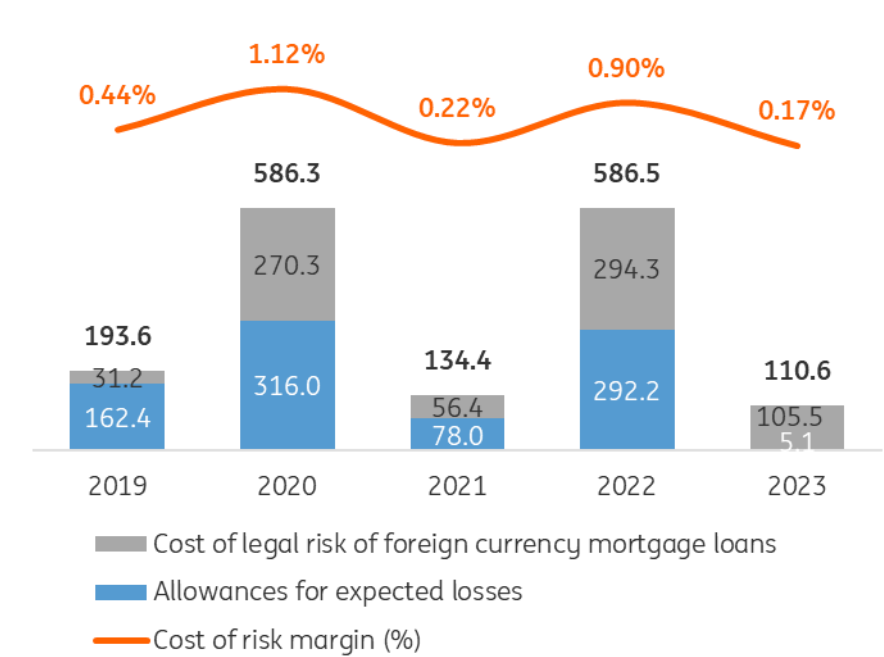




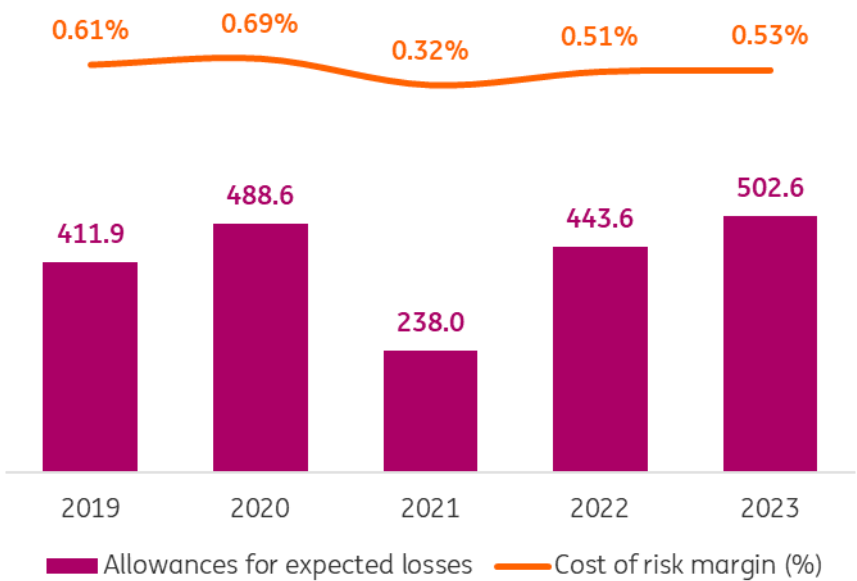
Risk costs in the retail segment in 2023 amounted to PLN 110.6 million (vs. PLN 586.5 million in 2022, down 81.1% y/y). Risk costs in the corporate segment amounted to PLN 502.6 million (vs. PLN 443.6 million in 2022, an increase of 13.3% y/y).

In Q4 2023, the bank sold a stage 3 corporate and retail receivables. The positive impact of these transactions on the cost of risk amounted to PLN 24.3 million. The Bank regularly sells stage 3 receivables portfolios under its credit risk management policy. Similar transactions were also completed in Q1 and Q3 2022, with a total positive impact of PLN 82.7 million on the cost of risk.

Allowances for expected losses in the retail segment, including legal risk costs of foreign currency mortgage loans (PLN million)



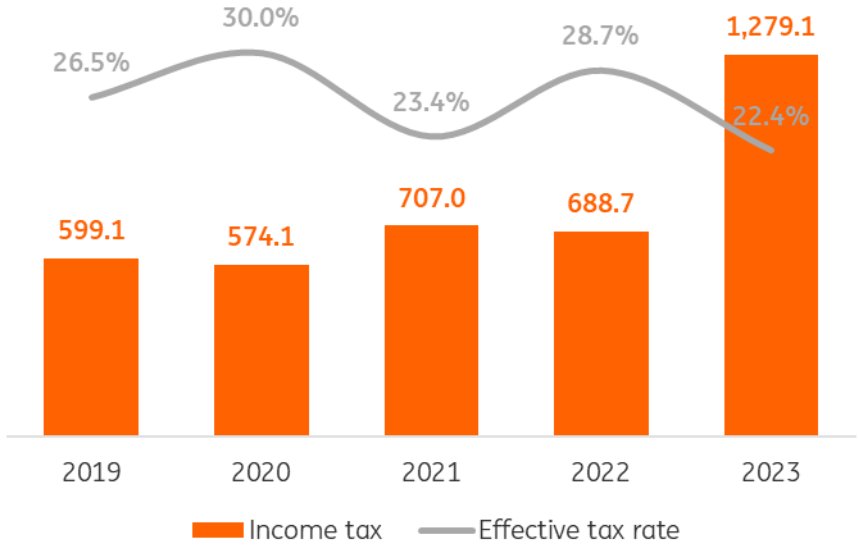
Allowances for expected losses in the corporate segment (PLN million)



The quality of our loan portfolio is described in the chapter “Bank and client security”, in the section [Credit risk](#).

Income tax

Income tax (PLN million) and effective tax rate



In 2023, the ING Bank Śląski Group recorded income tax in the amount of PLN 1,279.1 million. This increased by 85.7% compared to the previous year, as a result of the significantly higher y/y gross profit. The effective tax rate in 2023 was 22.4%, compared to 28.7% in the previous year.

Pursuant to Article 16(1)(71) of the CIT Act – the contribution to the banks’ guarantee fund, as well as the contribution to the banks’ forced restructuring fund, are not deductible costs. Bank tax is not a tax deductible cost either (pursuant to Article 16(1)(70) of the CIT Act).

Statement of financial position

Assets

The ING Bank Śląski Group’s total assets reached PLN 245.4 billion as at 2023 yearend (PLN 217.3 billion a year earlier). It implies they were up by 12.9% compared to the end of 2022.

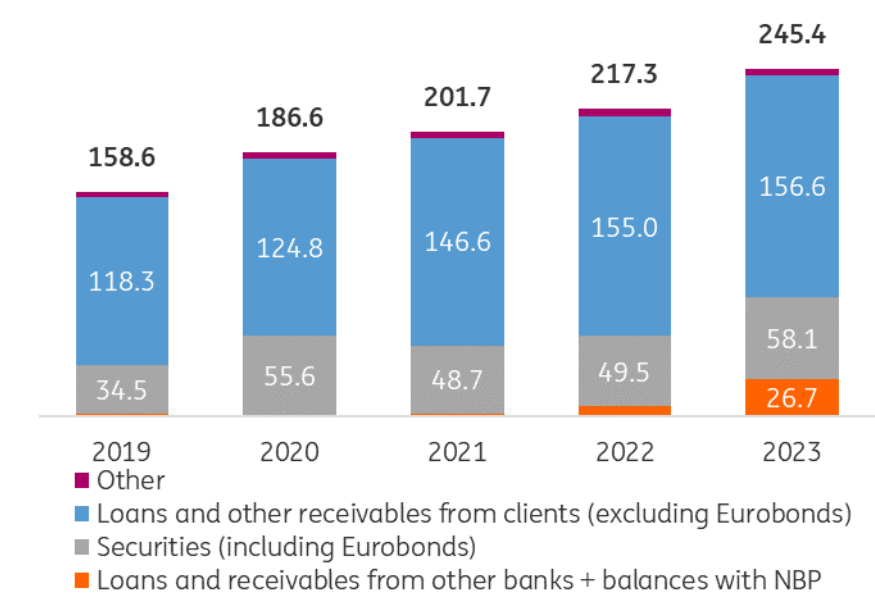
The main drivers of their growth were receivables to other banks (up by PLN 14.7 billion, +285.8% y/y), investment securities (up by PLN 8.2 billion, +16.9% y/y) and funds at the Central Bank (up by PLN 4.4 billion, 188.8% y/y).

At the same time, loans and other receivables from clients increased by PLN 1.5 billion, +1.0% y/y, to PLN 155.6 billion in 2023 compared to the end of 2022. They remain the most important assets item (63.8% compared to 71.4% a year earlier).

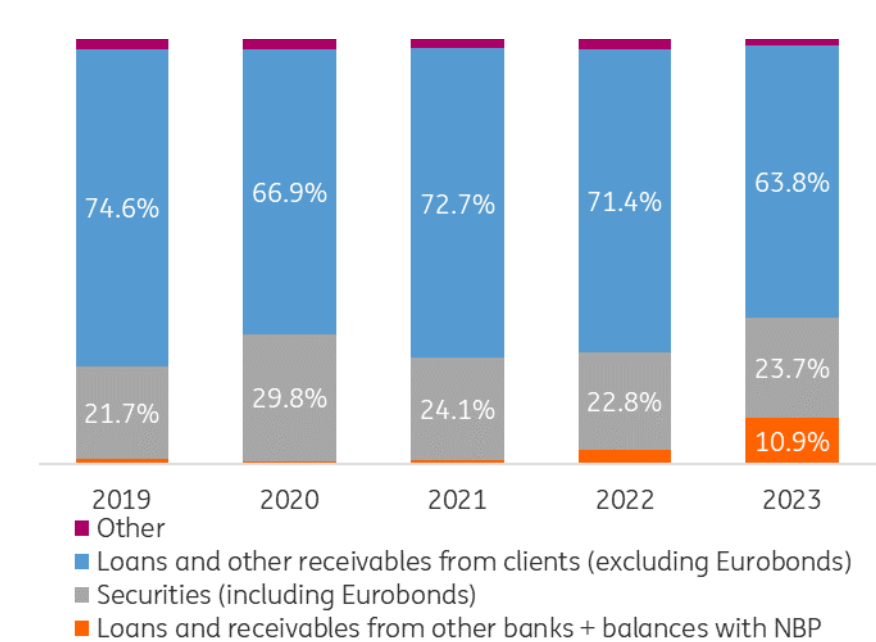
In 2023, an increase in net loans and other receivables was recorded in the retail segment (+1.8% y/y, to PLN 63.9 billion), while volumes in the corporate segment remained similar to 2022 (+0.6% y/y to PLN 90.9 billion as at yearend). The retail segment’s share of the net loans and other receivables portfolio remained virtually unchanged at 40.8% in 2023 (40.5% in 2022).



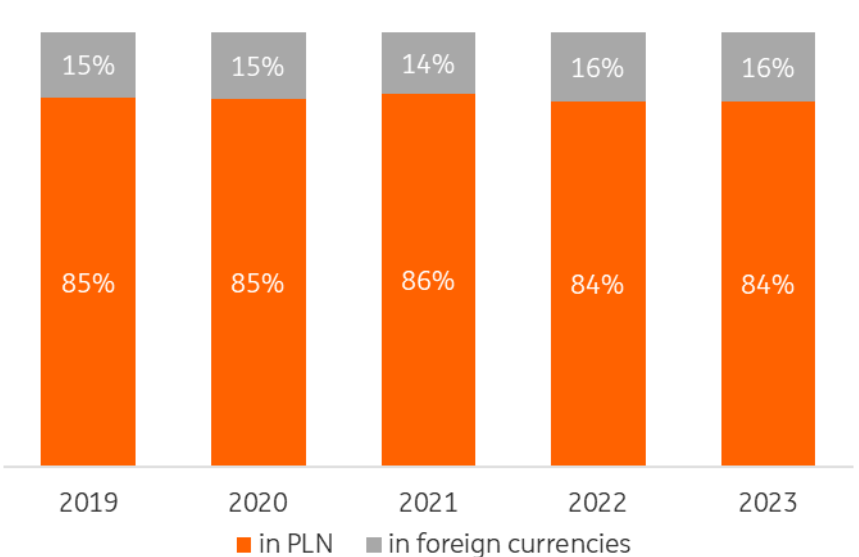
Assets of the ING Bank Śląski Group (PLN billion)



Structure of assets of the ING Bank Śląski Group

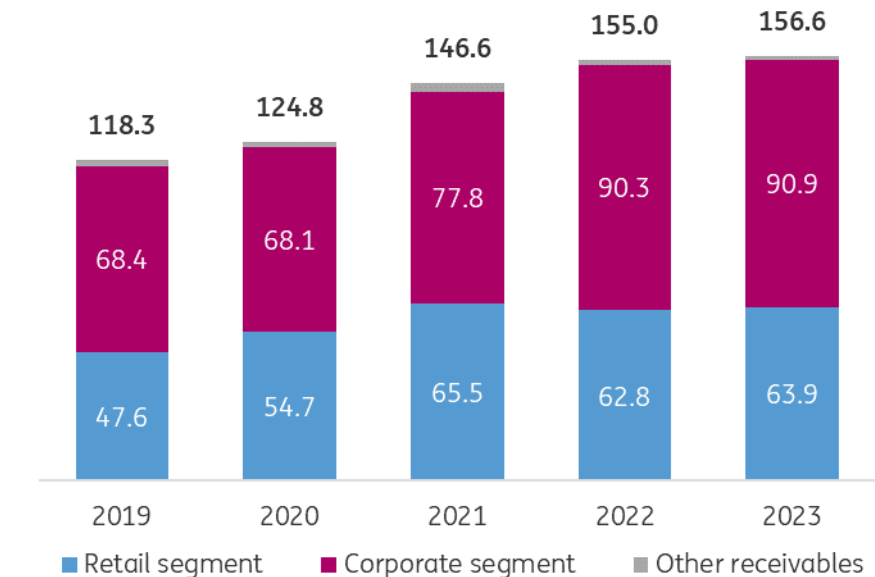


Structure of net loans by currency

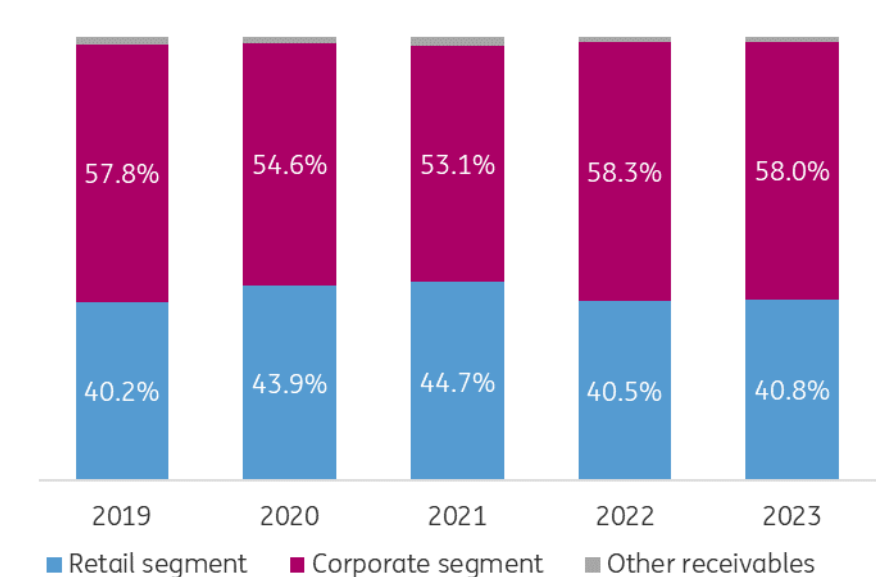


Within the structure of the net customer receivables portfolio broken down by currency, the share of exposures denominated in PLN increased slightly in 2023 to 84.2% from 83.7% in 2022. This is a consequence of an increase in receivables denominated in PLN by PLN 2.1 billion, (1.6%) y/y and a decrease in exposures denominated in foreign currencies by PLN 0.6 billion (-2.2%) y/y.

Net loans by segment (PLN billion)



Structure of net lending



Within the structure of the portfolio of receivables from clients (net) by currency, the share of exposures denominated in PLN increased to 84.2%. This is a consequence of an increase in PLN-denominated receivables (by PLN 2.1 billion compared to 2022; +1.6%) compared to a decrease in foreign currency-denominated exposures (by PLN 0.6 billion y/y; -2.2%). One of the reasons behind this is the strengthening of the zloty against other currencies.



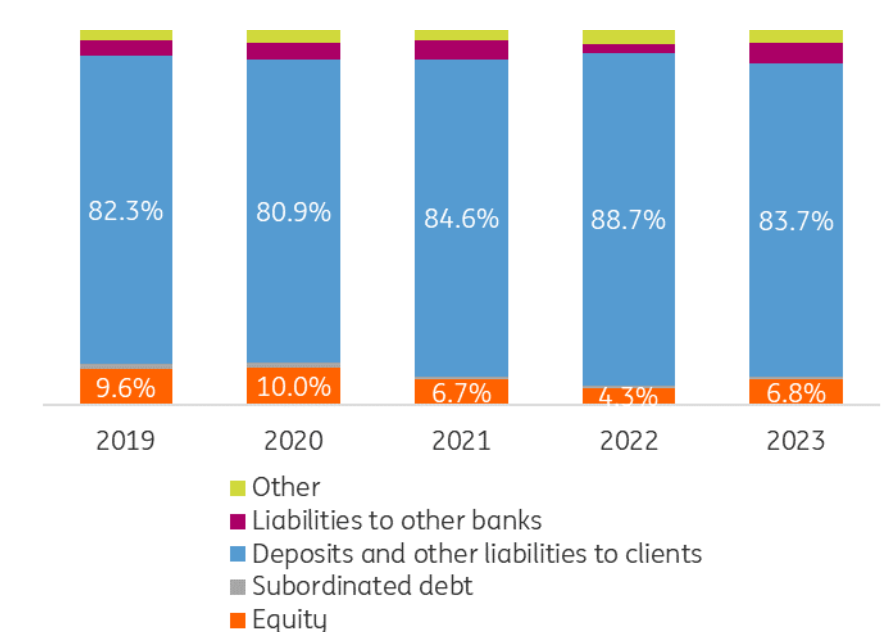
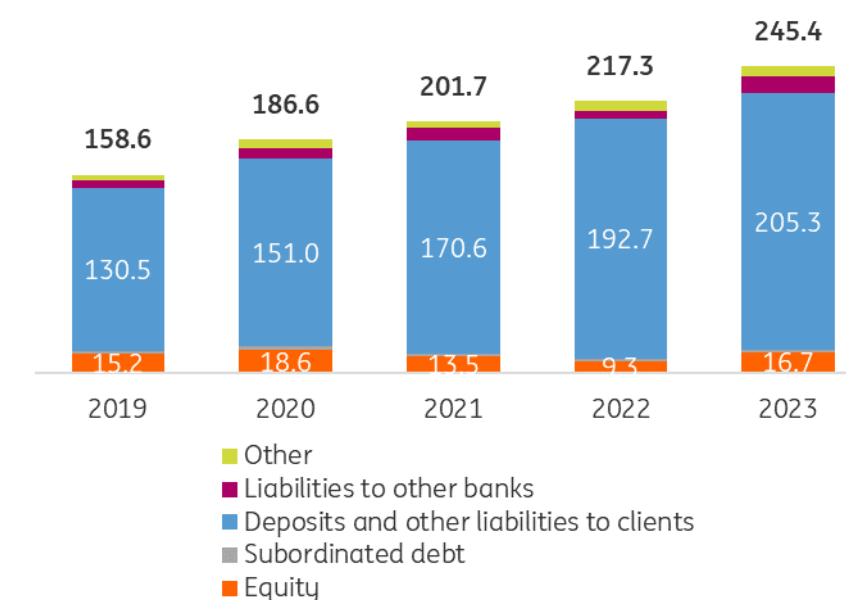
Net receivables portfolio from clients

PLN billion	2019	2020	2021	2022	2023	Change 2023 to 2022	
						PLN billion	%
Total net receivables portfolio from clients							
Measured at amortised cost	118.1	124.7	146.5	155.0	156.5	1.5	1%
Measured at fair value through profit or loss	0.16	0.11	0.08	0.05	0.04	-0.02	-29%
Total	118.3	124.8	146.6	155.0	156.6	1.5	1%
Net receivables portfolio from clients measured at amortised cost							
Loan portfolio, of which:	115.8	122.7	143.3	153.1	154.7	1.7	1%
households	57.3	63.3	75.4	72.7	72.8	0.1	0%
business entities	55.5	56.1	64.9	77.3	78.8	1.4	2%
central and local government institutional sector	3.0	3.3	2.9	3.1	3.2	0.1	3%
Total, of which:	115.8	122.7	143.3	153.1	154.7	1.7	1%
corporate banking	68.2	68.0	77.8	90.3	90.8	0.6	1%
overdrafts in current account	11.0	9.0	11.8	15.0	13.6	-1.4	-9%
term loans and borrowings	40.1	41.5	44.7	51.5	53.2	1.7	3%
lease receivables	9.3	9.7	11.1	12.4	13.1	0.8	6%
factoring receivables	5.3	4.8	6.8	7.7	6.7	-0.9	-12%
debt securities (corporate and municipal)	2.5	3.0	3.3	3.8	4.2	0.4	11%
retail banking	47.6	54.7	65.5	62.8	63.9	1.1	2%
mortgage loans and borrowings	40.6	47.6	57.2	54.9	55.5	0.6	1%
overdrafts in current account	0.6	0.6	0.6	0.6	0.6	0.0	2%
other loans and borrowings	6.4	6.5	7.7	7.3	7.8	0.5	7%
Other receivables, of which:	2.3	1.9	3.2	1.9	1.8	-0.1	-6%
opened call deposits	1.6	1.3	2.5	0.8	0.6	-0.2	-27%
other receivables	0.7	0.7	0.7	1.1	1.2	0.1	10%
Total	118.1	124.7	146.5	155.0	156.5	1.5	1%

Equity and liabilities

The dominant source of financing of the ING Bank Śląski Group's operations was clients' funds. As at 2023 yearend, liabilities to clients amounted to PLN 205.3 billion (+12.6 billion, +6.5% y/y) and accounted for 83.7% of total liabilities. Equity increased by PLN 7.4 billion to PLN 16.7 billion at the end of 2023, driven by the record net result generated during 2023 and the positive valuation of cash flow hedging instruments (PLN +2.6 billion at the end of 2023 compared to the end of 2022). This valuation forms part of accumulated other comprehensive income. In contrast, Article 33(1a) of the CRR indicates that provisions reflecting the fair value associated with gains or losses on cash flow hedges of financial instruments (which are not measured at fair value) are not included in own funds. This means that, in principle, an increase in equity on this account does not translate into an increase in own funds and consequently has no direct impact on the bank's capital ratios.

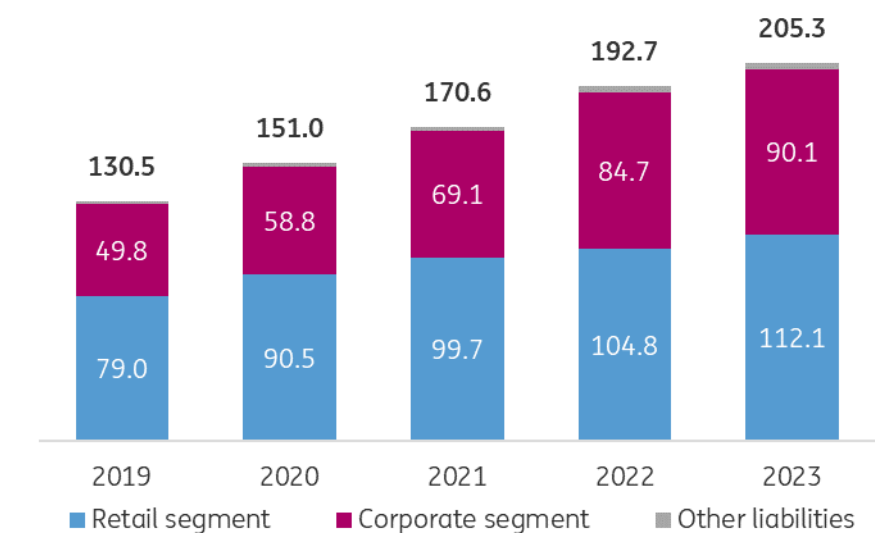
Equity and liabilities of the ING Bank Śląski Group (PLN billion)



Deposits and other liabilities to clients of the retail segment increased by PLN 7.3 billion (+7.0% y/y) and to the corporate segment by PLN 5.4 billion (+6.4% y/y). The structure of deposits and other liabilities by business segment in 2023 compared to 2022 is virtually unchanged.



Deposits* by segment (PLN billion)



*Deposits and other liabilities to clients.

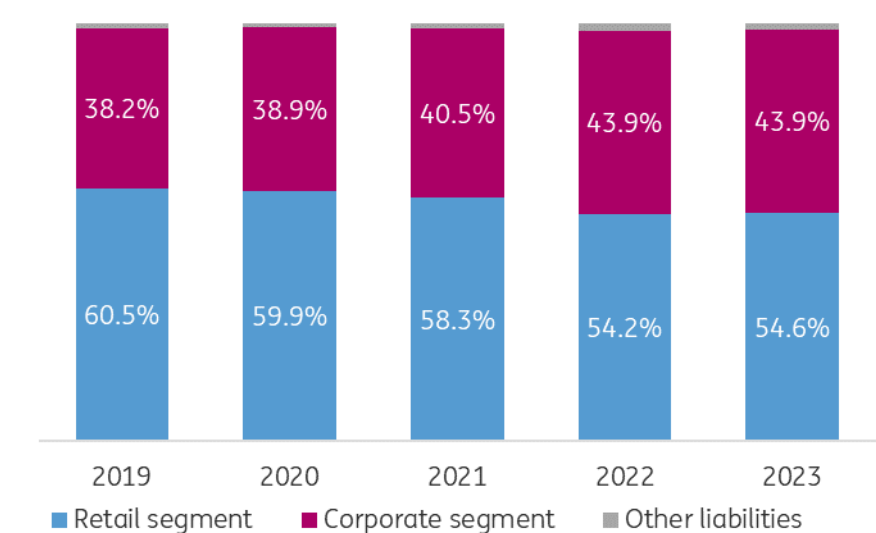
At ING Lease (Poland), the sources of funding for long-term leasing contracts in EUR are loans received from ING Bank N.V. in Amsterdam and from ING Bank Śląski S.A. The current Loan Agreement with ING Bank N.V. of 15 July 2021 introduced a total funding limit for the ING Lease (Poland) group of EUR 1,305 million, while the Loan Agreement with ING Bank Śląski S.A. of 24 November 2016, together with subsequent annexes, introduced a sublimit for long-term funding of EUR 200 million.

At the end of 2023, the outstanding balance was EUR 1,114.97 million with ING Bank N.V. and EUR 181.1 million with ING Bank Śląski S.A. Disbursements are made in the form of loan tranches, which are drawn down in accordance with the needs arising from the leases and loans being drawn down. Repayment of the borrowed financing is carried out on time in accordance with the repayment schedules of the disbursed credit tranches.

In 2023, as in 2022, the Group's subsidiary ING Bank Hipoteczny S.A. will issue bonds under the Bond Issue Programme. – issued 3 series of bonds, which were fully acquired by an entity within the Bank's Group. The bonds were registered with the National Securities Depository in Warsaw and had a total issued nominal value of PLN 376 million (PLN 361 million in 2022). In 2023, ING Bank Hipoteczny S.A. redeemed bonds, acquired by an entity of the Bank's Group, for a total of PLN 510 million, including 1 series of bonds issued in 2022 and 3 series of bonds issued in 2023. At the end of 2023, ING Bank Hipoteczny S.A. had no issued and unredeemed own bonds.

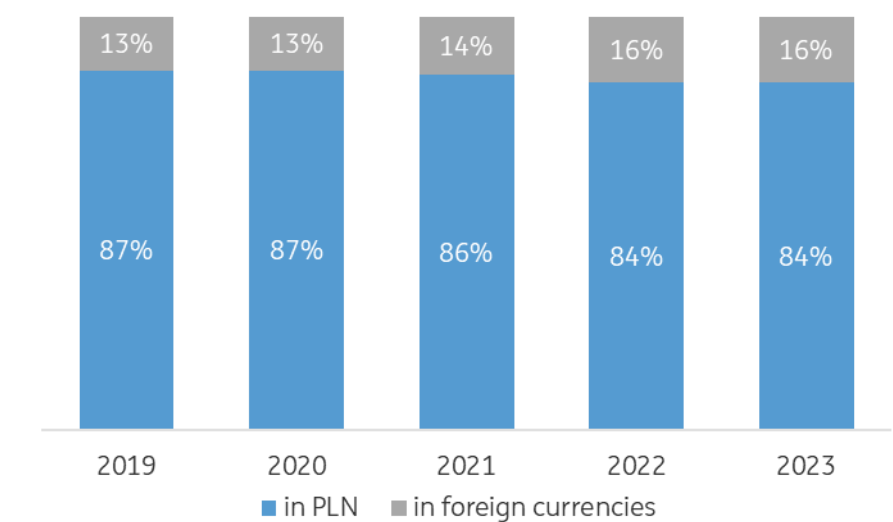
In 2023, due to the unfavourable market environment, ING Bank Hipoteczny S.A. did not issue mortgage bonds. As at 31 December 2023, the nominal value of ING Bank Hipoteczny's issued and outstanding mortgage bonds

Structure of deposits*



remained unchanged from the end of 2022 and amounted to PLN 404,4 million (nominal value of the issue amounted to PLN 400 million).

Structure of deposits* by currency



*Deposits and other liabilities to clients.

Within the currency structure of the deposit portfolio (and other liabilities to customers), customer deposits denominated in PLN accounted for 84,2% of the deposit portfolio, while deposits in foreign currencies accounted for the remaining 15,8% in 2023.

Deposits and other liabilities to customers denominated in PLN increased by PLN 11 billion, i.e. +6.8% compared to 2022. Those denominated in foreign currencies increased by PLN 1.5 billion, i.e. +4.8% y/y.



Portfolio of liabilities to clients

PLN billion	2019	2020	2021	2022	2023	Change 2023 to 2022	
						PLN billion	%
Deposits, including:	128.8	149.3	168.8	189.5	202.2	12.7	7%
households	87.6	102.9	113.9	118.5	125.6	7.1	6%
business entities	36.2	43.5	51.5	64.3	73.0	8.7	14%
central and local government institutional sector	5.0	2.9	3.5	6.7	3.6	-3.1	-46%
Total, of which:	128.8	149.3	168.8	189.5	202.2	12.7	7%
corporate banking	49.8	58.8	69.1	84.7	90.1	5.4	6%
current deposits	34.7	45.3	55.8	53.7	60.6	6.9	13%
savings accounts	13.5	12.9	12.5	18.1	19.4	1.4	8%
term deposits	1.6	0.6	0.8	13.0	10.0	-2.9	-23%
Retail banking	79.0	90.5	99.7	104.8	112.1	7.3	7%
current deposits	15.7	22.9	28.9	27.5	28.8	1.3	5%
savings accounts	60.8	65.9	69.3	69.4	67.7	-1.7	-2%
term deposits	2.4	1.7	1.5	7.9	15.6	7.7	97%
Other liabilities, including:	1.7	1.8	1.8	3.2	3.1	-0.1	-3%
liabilities under monetary hedges	0.4	0.5	0.5	0.7	0.8	0.1	11%
call deposits	0.01	0.02	0.01	0.01	0.01	0.00	-5%
other liabilities	1.3	1.2	1.3	2.4	2.2	-0.2	-8%
Total	130.5	151.0	170.6	192.7	205.3	12.6	7%

Off-balance sheet items

Off-balance items of the ING Bank Śląski Group

PLN billion	2019	2020	2021	2022	2023
Contingent liabilities granted	36.5	43.6	48.7	48.2	53.2
unused credit lines	27.7	34.0	39.0	37.2	41.7
guarantees	5.8	6.1	6.2	7.5	8.1
Undrawn overdrafts in current account	1.4	1.6	1.6	1.5	1.4
credit card limits	1.4	1.5	1.5	1.5	1.7
letters of credit	0.2	0.4	0.4	0.4	0.3
Contingent liabilities received	8.6	11.6	21.6	17.5	20.3
Total off-balance items	45.2	55.2	70.3	65.6	73.5

Details of off-balance items are presented in the Annual Consolidated Financial Statements of the ING Bank Śląski S.A. Group for 2023.



ING Bank Śląski standalone results

Key effectiveness ratios

Key effectiveness ratios for ING Bank Śląski S.A. in 2019-2023						
	2019	2020	2021	2022	2023	Change 2023 to 2022
Cost share ratio* (C/I)	42.4%	44.0%	42.2%	46.6%	33.8%	-12.8 p.p.
Cost share ratio** (C/I)	-50.2%	-52.1%	-50.3%	-55.3%	-40.0%	15.3 p.p.
Return on assets (ROA)	1.13%	0.78%	1.21%	0.84%	1.98%	1.14 p.p.
Return on equity (ROE)	11.7%	7.7%	13.8%	17.8%	34.1%	16.3 p.p.
L / D ratio	85.0%	77.3%	80.8%	75.8%	71.5%	-4.3 p.p.
LCR	135%	214%	167%	156%	277%	121 p.p.
NSFR	126%	140%	159%	157%	181%	24 p.p.
LR according to transitional definition	8.1%	8.0%	7.4%	7.6%	6.7%	-0.9 p.p.
MREL by TREA	-	-	17.1%	17.8%	25.8%	8 p.p.
Total capital ratio	18.30%	20.87%	17.09%	17.84%	18.02%	0.18 p.p.
Tier 1 capital ratio	15.63%	18.05%	15.31%	16.18%	16.50%	0.32 p.p.

*Net profit of associates accounted for using the equity method; **costs including bank tax and income including net profit of associates accounted for using the equity method.

Key financial data

Brief information on the financial results of ING Bank Śląski S.A. in 2019-2023						
PLN million	2019	2020	2021	2022	2023	Change 2023 to 2022
Income*	5,591	5,951	6,670	7,467	10,375	39%
Expenses	-2370	-2616	-2813	-3480	-3509	1%
Risk cost**	-569	-970	-342	-966	-563	-42%
Gross profit	2,217	1,883	2,971	2,375	5,659	138%
Net profit	1,659	1,338	2,308	1,714	4,441	159%
Balance sheet total	153,917	181,117	195,905	211,159	239,600	13%
Liabilities to clients	130,037	150,737	170,104	192,243	205,040	7%
Loans and other receivables to clients, net***	110,537	116,459	137,419	145,788	146,702	1%
Equity	15,115	18,371	13,216	9,267	16,619	79%
Earnings per share (EPS) (PLN)	12.75	10.28	17.74	13.18	34.13	159%
Dividend per 1 share (in PLN) for a given year	0.00	5.10	5.30	-	-	-

*Including net profit of associates accounted for using the equity method; **including legal risk costs of foreign currency mortgage loans; ***including fair value loans.

For the purposes of converting the figures presented above into EUR, we use the same exchange rates as those referred to in the section on our bank's consolidated results.



Brief information on the financial results of ING Bank Śląski S.A. in 2019-2023

EUR million	2019	2020	2021	2022	2023	Change 2023 to 2022
Income*	1,300	1,330	1,457	1,631	2,291	40%
Cost	-551	-585	-614	-760	-775	2%
Risk cost**	-132	-217	-75	-211	-124	-41%
Gross profit	515	421	649	519	1,250	141%
Net profit	386	299	504	375	981	162%
Balance sheet total	36,144	39,247	42,594	45,910	55,106	20%
Liabilities to clients	30,536	32,664	36,984	41,797	47,157	13%
Loans and other receivables to clients, net***	25,957	25,236	29,878	31,697	33,740	6%
Equity	3,549	3,981	2,873	2,015	3,822	90%
Earnings per share (EPS) (PLN)	2.96	2.30	3.88	2.88	7.54	162%
Dividend per 1 share (in PLN) for a given year	0.00	1.14	1.16	-	-	-

*Including net profit of associates accounted for using the equity method; **including legal risk costs of foreign currency mortgage loans; ***including fair value loans.

Profit and loss account

Basic figures of the profit and loss account of ING Bank Śląski for 2023 and changes compared to the previous year are presented in the table below.

Basic figures of the profit and loss account in analytical terms

PLN million	2019	2020	2021	2022	2023	Change 2023 to 2022
						PLN million %
Net interest income	4,090	4,277	4,673	5,330	7,762	2,431 46%
Net commission income	1,296	1,472	1,779	2,019	2,079	60 3%
Other income*	205	202	219	118	535	417 354%
Total income	5,591	5,951	6,670	7,467	10,375	2,908 39%
Operating expenses	-2370	-2616	-2813	-3480	-3509	-29 1%
Impairment allowances and provisions**	-569	-970	-342	-966	-563	402 -42%
Bank tax	-436	-482	-545	-647	-644	3 0%
Gross financial result	2,217	1,883	2,971	2,375	5,659	3,284 138%
Income tax	-558	-545	-663	-660	-1218	-558 84%
Net financial result	1,659	1,338	2,308	1,714	4,441	2,727 159%

*Including the share in net profits of associates accounted for using the equity method; **including legal costs of foreign currency mortgage loans.

Gross profit and net profit

In 2023, ING Bank Śląski S.A. generated a net profit of PLN 4,440.9 million. It implies that the net result improved by 159.0% from 2022.

The gross result was PLN 5,658.8 million and it was up by 138.3% compared to 2022. The profit before tax in 2023 was up by PLN 3,284.0 million compared to 2022 mainly due to:

- an increase in net interest income of 45.6% on a reported basis, taking into account credit holidays, or by 12.8% when adjusted for the effect of credit holidays (PLN +882.0 million y/y), thanks to higher volumes and an improved interest margin,



- a PLN 417.2 million higher y/y result from other income, in particular the result from financial instruments measured at fair value and the foreign exchange result, which is linked to high market volatility, both in terms of exchange rates and interest rates,
- 40.9% lower y/y regulatory costs including bank tax and
- 41.7% lower y/y cost of risk (PLN -402.3 million), mainly as a result of lower legal risk costs of foreign currency mortgage loans and positive changes in risk calculation models and macroeconomic assumptions.

In 2023, ING Bank Śląski’s total income (which includes, in addition to net profit, other income and expense items included in equity) amounted to PLN 7,345.8 million, compared to PLN -3,266.0 million in 2022.

Net interest income

In 2023, net interest income of ING Bank Śląski was up by PLN 2,431.2 million compared to 2022 (+45.6% y/y) up to the level of PLN 7,761.5 million. After adjusting the 2022 result for the effect of credit holidays (+1,549.2 million), the increase in interest income in 2023 vs. 2022 would be 12.8%. The Bank’s operation in a high interest rate environment (improvement in the cumulative interest margin) also had a positive impact on interest income in 2023.

Net commission income

In 2023, net commission income of the bank was up by PLN 59.7 million (+3.0% y/y) compared to 2022 to the level of PLN 2,078.5 million.

The most significant increase in the net commission income was recorded for the following items in the:

- payment and credit cards (net) – up by PLN 34.8 million (+16.1% y/y),
- lending – up by PLN 32.8 million, (+6.9% y/y),
- margin on currency exchange transactions – up by PLN 7 million (+1.0% y/y).

Operating expenses including bank tax

In 2023, ING Bank Śląski’s operating expenses (including bank tax) increased by 0.6% y/y to PLN 4,153.0 million. Within the main cost categories, the dynamics were as follows:

- employee costs were up by PLN 320.3 million (+21,3% y/y),
- marketing and promotion costs were up by PLN 21.9 million, (+15.5% y/y),

- other own costs increased by PLN 206.5 million (+24.9% y/y),
- regulatory costs (including the costs of the BGF, the PFSA, the Borrower Support Fund, the Commercial Bank Protection Scheme and the bank tax) fell by PLN 563.5 million (-68.4% y/y),
- depreciation costs increased by PLN 41.2 million (+15.4% y/y).

ING Bank Śląski’s headcount was 7,874 FTEs at the end of 2023, compared to 7,895 FTEs at the end of 2022 (down by 21 FTEs).

Allowances for expected losses, including legal risk costs of foreign currency mortgage loans

In 2023, the value of allowances for expected credit losses (including costs of legal risk of foreign currency mortgage loans) stood at PLN 563.4 million, compared with PLN 965.7 million a year earlier (-41.7% y/y). The decrease in risk costs has to do with the lower legal risk costs of foreign currency mortgage loans compared to a year ago: 105.5 million in 2023 vs. 294.3 million in 2022, and with changes in macroeconomic parameters in credit risk models.

Income tax

In 2023, ING Bank Śląski recorded income tax of PLN 1,217.9 million (+84.4% y/y). The effective tax rate in 2023 was 21.5%, compared to 27.8% the year before.

Pursuant to Article 16(1)(71) of the CIT Act – the contribution to the banks’ guarantee fund, as well as the contribution to the banks’ forced restructuring fund, are not deductible costs. Bank levy is not a tax deductible cost either (pursuant to Article 16(1)(70) of the CIT Act).



Statement of financial position

Assets

Total assets of ING Bank Śląski amounted to PLN 239.6 billion as at 2023 yearend. It implies they were up by 13.5% compared to the end of 2022. The main drivers of the increase were loans and other receivables granted to other banks (up by PLN 15.6 billion, +216.9% y/y) and investment securities (up by PLN 8.2 billion, +16.9% y/y).

In terms of the net client receivables portfolio, growth was recorded by both the corporate and retail segments. The retail segment's portfolio increased by PLN 2.0 billion (+3.9% y/y), making the segment's share of the total net receivables portfolio increase by 0.7 p.p. to 38.2%. The corporate segment's portfolio increased by PLN 0.76 billion (+0.9% y/y) – the segment's share of the total portfolio at the end of 2023 was 60.5% (-0.6 p.p. y/y).

ING Bank Śląski is also providing financing to its subsidiaries (corporate segment) for a total of PLN 14.3 billion as at 2023 yearend vs 13.4 billion at the end of 2022. All transactions shall take place on a basis which does not deviate from market conditions.

Portfolio of loans to subsidiaries of ING Bank Śląski S.A. – 2023

PLN million	ING Commercial Finance S.A.	ING Bank Hipoteczny S.A.	ING Lease (Polska) Sp. z o.o.*	Total
Breakdown by maturity				
Up to 1 year	3,187.5	78.0	306.7	3,572.2
Over 1 year	0.0	2,842.9	7,891.3	10,734.2
Total	3,187.5	2,920.9	8,198.0	14,306.4
Breakdown by currency				
PLN	2,149.3	2,920.9	7,353.7	12,423.9
EUR	979.7	0.0	844.3	1,824.0
Other	58.4	0.0	0.0	58.4
Total	3,187.4	2,920.9	8,198.0	14,306.3

*Including subsidiaries.

Portfolio of loans to subsidiaries of ING Bank Śląski S.A. – 2022

PLN million	ING Commercial Finance S.A.	ING Bank Hipoteczny S.A.	ING Lease (Polska) Sp. z o.o.*	Total
Breakdown by maturity				
Up to 1 year	4,062.7	94.5	218.8	4,376.0
Over 1 year	0.0	1,948.6	7,077.2	9,025.8
Total	4,062.7	2,043.0	7,296.0	13,401.7
Breakdown by currency				
PLN	2,754.3	2,043.0	7,217.4	12,014.7
EUR	1,218.9	0.0	78.7	1,297.6
Other	89.4	0.0	0.0	89.4
Total	4,062.7	2,043.0	7,296.0	13,401.7

*Including subsidiaries.

Equity and liabilities

The predominant source of funding for ING Bank Śląski's operations was client funds. As at 2023 yearend liabilities to clients amounted to PLN 205.0 billion, or 85.6% of total liabilities.

The next material important source of financing was equity, which at the end of December 2023 amounted to PLN 16.6 billion and accounted for 6.9% of total liabilities.

In 2023, deposits and other liabilities to clients increased by PLN 12.8 billion y/y, or 6.7%, driven by both deposits from the corporate segment (PLN +5.5 billion, +6.5% y/y) and the retail segment (PLN +7.3 billion, +7.0% y/y).



Off-balance sheet items

Off-balance sheet items of ING Bank Śląski					
PLN billion	2019	2020	2021	2022	2023
Contingent liabilities granted	37.6	47.5	51.4	50.0	55.1
unused credit lines	29.3	38.2	41.5	39.0	43.6
guarantees	5.3	5.8	6.4	7.5	8.1
undrawn overdrafts in current account	1.4	1.6	1.6	1.5	1.4
credit card limits	1.4	1.5	1.5	1.5	1.7
letters of credit	0.2	0.4	0.4	0.4	0.3
Contingent liabilities received	8.3	11.7	19.6	17.3	19.5
Total off-balance items	45.9	59.3	71.0	67.2	74.6

Details of off-balance items were presented in the Annual Financial Statements of ING Bank Śląski S.A. for the year 2023.



ING Bank Śląski S.A. Management Board statement on the application of corporate governance principles

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In this chapter, we provide information and a corporate governance statement, including information about our shareholders, articles of association (the company’s charter), general meeting, Supervisory Board and our Management Board.

ING Bank Śląski S.A. Management Board present the Statement on the application of corporate governance principles in 2023, pursuant to Article 70.6.5 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognizing as equivalent information required by the law of a non-member state (Journal of Laws, item 57).

Principles and scope of application of corporate governance

Corporate governance determines how the bank’s bodies operate and how its processes and systems function. The Bank Management Board accepted and the Supervisory Board approved: *Policy – Principles of Internal Governance at ING Bank Śląski S.A. and Policy – Principles of Internal Governance in the ING Bank Śląski S.A. Group*.

These documents describe the key principles for:

- the bank’s management system, its organisational structure, internal and external relations, (including relations with shareholders and clients), their organisation,
- the functioning of internal supervision and key internal systems and functions, the rules of operation, powers, duties and responsibilities, and the interrelationship of the Supervisory Board, the Management Board and the bank’s key functionaries; and
- assessment of the bank’s internal governance.

The principles indicated in the Policies, which are followed by ING Bank Śląski S.A., are the implementation and realisation of the requirements resulting from, among others:

- The Banking Law Act of 29 August 1997 (Journal of Laws of 2020, item 1896, as amended),
- The Act of 15 September 2000 of Commercial Companies and Partnerships Code (Journal of Laws of 2020 item 1526 as amended),
- Recommendation Z of the PFSA concerning the principles of internal governance in banks,
- Principles for corporate governance for Supervised Institutions of the PFSA,
- EBA’s internal governance guidelines,

- Best Practice for GPW Listed Companies 2021.

ING Bank Śląski S.A. Management Board declare that the Bank complied in 2023 with the corporate governance principles set out in the “Best Practice for GPW Listed Companies” and “Principles for corporate governance for Supervised Institutions”.

The Bank found no breaches of the corporate governance principles adopted by the bank in the period covered by this report.

Internal governance in the bank is based on legal compliance, transparency and efficiency. The implementation of the stated objectives is achieved by implementing the principles described in the internal regulations indicated above and basing the internal governance model on a defined hierarchy. The Bank, to the extent permitted by generally applicable law and guidelines of supervisory authorities, takes into account in its internal governance the considerations arising from its membership of ING Group N.V.

Our bank’s internal governance consists of the following elements:

- bank management system;
- organisation of the bank;
- principles of operation, powers, duties and responsibilities and mutual relations of the Bank Supervisory Board, Management Board and persons holding key positions in the Bank.

In order to ensure efficiency with regard to the elements comprising our bank’s internal governance, the tasks, responsibilities and powers of the various bodies and organisational units (Management Board, Supervisory Board, General Meeting and other bodies/units) with regard to the implementation, operation, assessment and supervision of internal governance at the bank, together with the assignment of responsibility for these tasks.



In 2023, the Bank Management Board and Supervisory Board positively assessed the functioning and observance of internal governance in our bank in 2022.

Principles for corporate governance for Supervised Institutions

The bank applies the *Principles for corporate governance for Supervised Institutions* introduced by Resolution No. 218/2014 of the Polish Financial Supervision Authority of 22 July 2014 (Journal of Laws of the PFSA, item 17) (hereinafter: “Principles for corporate governance”). The Principles for corporate governance were adapted to the extent set out in the Management Board statement of 30 December 2014, as posted on the Bank’s website at [this address](#).

In order to fulfil the commitment of the Management Board of the Bank made in the aforementioned. Statement, the Ordinary General Meeting of the Bank on 31 March 2015 passed resolutions 25 and 26, the text of which is available [under this address](#).

Since 2020, in connection with the conduct of the General Meeting with the possibility of electronic participation, the bank has used the principle resulting from Article 8.4 of the Principles for corporate governance. This means that ING Bank Śląski S.A. applies all *Principles for corporate governance for Supervised Institutions*.

Best Practice for GPW Listed Companies 2021

The set of corporate governance principles to which the bank was subject in 2023 is contained, inter alia, in the *Best Practice for GPW Listed Companies 2021* introduced by a resolution of the Board of the Warsaw Stock Exchange S.A. of 29 March 2021. The text of this document, together with information on the application of the various principles, is available [on the bank’s website](#).

Pursuant to a resolution of the Bank Management Board and a decision of the Supervisory Board, the Bank has adopted for application DPSN 2021 with the exclusion of principles 1.4.1, 1.4.2 and 2.9 as announced in our [EIB report of 30 July 2021](#) (including [the appendix](#)).

On 29 November 2021, the EGM made changes to the composition of the Bank Supervisory Board. It allowed for the publication of a further [EIB report](#) (with [the appendix](#)) on 30 November 2021 reporting on the application of principle 2.9 (“The chair of the supervisory board should not combine his/her function with the leadership of the board audit committee”). The EGM also passed a resolution regarding the application of the DPSN addressed to the General Meeting and shareholders.

The presentation in the Bank’s 2021 Annual Report of the value of the equality ratio of the remuneration paid to its employees in accordance with principle 1.4.2, allowed for the publication on 11 March 2022 of a further EIB report (with annex) reporting on the application of principle 1.4.2.

On 6 March 2023, we published information on managing sustainability issues, including the competences and roles of the ESG Council and the ESG Risk Committee, on the ESG section of our bank’s website. This allowed the publication on the same day of another [EIB report](#) (with [the appendix](#)) reporting on the application of principle 1.4.1.

The bank currently applies all the principles set out in the Best Practice for GPW Listed Companies 2021.

Application of Good Practices of WSE Listed Companies 2021	
Chapter 1 Information policy and communication with investors	Maintains active communication with stakeholders through a transparent and honest information policy, analyzes and meets investors' current expectations regarding access to information and communication channels. The rules for conducting the information policy towards the capital market are available on the company's website at this address . It indicates that we respond to stakeholders' questions, as a rule, no later than within 7 days. We provide comprehensive communication with investors via a dedicated website: https://en.ing.pl/company-profile/investor-relations/ , where information required by law, result presentations and recordings of selected, important corporate events are regularly made available. We regularly organize quarterly earnings conferences. We publish annual reports in Polish and English. Our business strategy takes into account ESG issues, and details about long-term goals and their implementation are available at https://en.ing.pl/company-profile/esg-strategy . In annual reports, we also present information on expenditure on supporting culture, sports, charitable institutions, etc.
Chapter 2 Management Board and Supervisory Board	The Regulations of the Management Board and the Supervisory Board are available on the website https://en.ing.pl/company-profile/legal-documents . Information about the current composition of the bodies is available at https://en.ing.pl/company-profile/authorities . Only persons with appropriate competences, skills and experience are appointed to the Management Board and the Supervisory Board. Our bank has a diversity policy for members of the Management Board and Supervisory Board of ING Bank Śląski S.A. The policy assumes striving to ensure representatives of both sexes in the selection and succession planning processes, taking into account the provisions on equal treatment in the field of establishing an employment relationship.
Chapter 3 Internal systems and functions	We maintain effective internal control, risk management, compliance systems and an internal audit function. The organizational units responsible for individual areas are organizationally separated and have scopes of responsibility in accordance with legal requirements, and the persons managing these units report directly to the President of the Management Board or



Chapter 4
General meeting
and relations
with
shareholders

another member of the Management Board. The remuneration of people responsible for risk management and compliance and the head of internal audit depends on the implementation of assigned tasks, and not on the company's short-term results. The Supervisory Board supervises the operation and effectiveness of the system and internal functions of our bank.

The general rules regarding the General Meeting are described in the Regulations of the General Meeting, which is available on the website at [this address](#). The regulations also take into account issues of relations with shareholders. The rules and conditions of participating in the General Meeting using electronic means of communication are specified in the Regulations of participation in the General Meeting of ING Bank Śląski S.A. using electronic means of communication, adopted by the Supervisory Board and made available on the website at [this address](#). In accordance with the Bank's Articles of Association, the Supervisory Board gives opinions on draft resolutions submitted by the Management Board to the agenda of the General Meeting.

Chapter 5
Conflict of
interest and
transactions with
related entities

One of the elements of our bank's corporate governance is the conflict of interest management system, established to identify, assess and manage actual and potential conflicts of interest and prevent conflicts of interest that may arise between the bank and the private interests of employees, including the interests of members of the bank's management staff and the Supervisory Board, the interests of clients, shareholders, significant suppliers or business partners of the bank and between the bank's clients. The bank's internal regulations also set standards for the protection of protected and confidential information against misuse, an appropriate management structure, and the separation of physical, technical and/or functional barriers to the flow of information in order to control protected and confidential information.

Chapter 6
Remuneration

We have internal regulations ensuring that the remuneration of members of the Management Board and Supervisory Board and key managers is sufficient to recruit, retain and motivate people with the competences necessary to properly manage and supervise the company. The remuneration of members of the Supervisory Board does not depend on the number of meetings held or on the short-term results of our bank.

Code of Banking Ethics

Notwithstanding the Principles for corporate governance, until March 2023, the bank applied the 2013 Code of Banking Ethics (available at [the website of the Polish Bank Association](#)). From April 2023, the new Code of Banking Ethics (available at [the website of the Polish Bank Association](#)).

Principles of professional ethics of the employees of ING Bank Śląski S.A.

The bank also implemented the Regulations – Principles of Professional Ethics of Employees of ING Bank Śląski S.A. Their purpose is to reduce the compliance risk by indicating to employees the principles, compliance with which is a prerequisite for ensuring the integrity of the bank’s activities, including compliance with the law, regulatory requirements and ethical standards applicable in the financial services industry. The principles specified in the Regulations shall apply to the employee’s all activities related to the performance of official duties. Some of the principles may also apply to the employee’s private activity, if such private activity may negatively affect the bank’s reputation or cause a conflict of interest.

Information policy of ING Bank Śląski

The bank, as an institution of public trust, conducts an information policy based on open and transparent communication towards shareholders, investors, the media and all interested parties. In implementing the information policy, the bank complies with the legal requirements relating to confidentiality and information security incumbent on the bank as a public company and supervised institution. In implementing the information policy, the bank follows the Principles for corporate governance, in particular by providing shareholders, investors, media and all interested parties with proper access to the bank’s information. The full content of the Information Policy is available on [this website](#).

Shares and shareholders of ING Bank Śląski S.A.

GRI [2-1]

Shares and share capital

In accordance with the Bank Charter, the share capital of ING Bank Śląski S.A. is split into 130,100,000 shares with the nominal value of PLN 1 each share. All the shares issued by the bank are ordinary bearer shares. No special control rights are attached to the bank shares. The Charter of ING Bank Śląski does not provide for any restrictions as to transfer of title to the shares issued by the bank, exercising voting rights and contains no provisions according to which equity rights related to securities are separate from holdings of securities.

Additionally, the Bank Charter authorises the Management Board to increase the share capital but maximum PLN 26 million (or issues of maximum 26 million shares) by 26 April 2026 (authorised capital) and to waive pre-emption



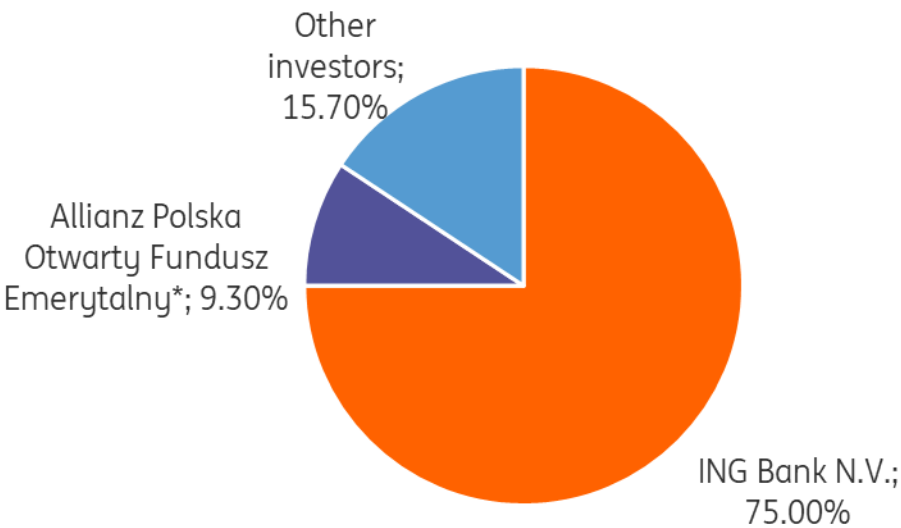
rights at share issues of the authorised capital. The decisions taken by the Management Board on the share issue price and waiver of pre-emption rights require approval by the Supervisory Board. The authorisation to issue the target capital will enable the Management Board to take, if necessary, quick actions aimed at the capital strengthening of the bank. A full justification in this regard was attached to the draft resolution of the General Meeting on this issue (p. 13 [of this document](#)).

Shareholding structure

ING Bank Śląski S.A. is a subsidiary company of ING Bank N.V., which as at 31 December 2023, held a 75% shareholding in the share capital of ING Bank Śląski S.A. and 75% of the total number of votes at the General Meeting – the figures that have not changed since March 2005. The remaining shares of the Bank (25.0%) are in free float. They are held by institutions investors, especially Polish pension funds and national and foreign investment funds, and also individual investors.

The share of all OFEs in our bank’s shareholding at the end of 2023 was 21.23% (compared to 21.54% at the end of 2022), of which Allianz OFE’s share was 9.30%.

In 2023, the value of the share capital of ING Bank Śląski S.A. and the share of the main shareholder in the capital did not change.



*Based on the annual information on the asset structure of Allianz Polska Otwarty Fundusz Emerytalny as at 31 December 2023.

As at the publication hereof, ING Bank Śląski S.A. is not aware of any agreements that may in the future generate changes to the proportions of shareholdings by the existing shareholders. The bank is also not aware that any shareholder other than those indicated below in the table has exceeded the 5% shareholding threshold.

Shareholding structure				
Shareholder's name	Number of shares/Number of votes at GM		Share in the share capital and the total number of votes at the GM	
	31 December 2022	31 December 2023	31 December 2022	31 December 2023
ING Bank N.V. (a subsidiary of ING Groep N.V.)	97,575,000	97,575,000	75.00%	75.00%
Aviva Otwarty Fundusz Emerytalny Aviva Santander* (Open Pension Fund)	11,205,030		8.61%	
Allianz Polska Otwarty Fundusz Emerytalny (Open Pension Fund)**	1,469,297	12,102,036	1.13%	9.30%
Others	19,850,673	20,422,964	15.26%	15.70%
Total	130,100,000	130,100,000	100.00%	100.00%

*Based on the annual information on the asset structure of the Aviva Otwarty Fundusz Emerytalny Aviva Santander fund as at 31 December 2022;
**based on the annual information on the asset structure of the Allianz Polska Otwarty Fundusz Emerytalny fund as at 31 December 2022 and 31 December 2023; on 2 January 2023, the Aviva OFE Aviva Santander fund changed its name to the Drugi Allianz Polska Otwarty Fundusz Emerytalny fund. On 12 May 2023, the assets of the Drugi Allianz Polska Otwarty Fundusz Emerytalny fund were transferred to the Allianz Polska OFE fund.

Characteristics of the dominating shareholder

ING Bank N.V. is a member of ING Group – a leading European universal bank with a global reach, offering retail and corporate banking services to ~39 million customers. ING Group employs over 60 thousand employees and operates in over 40 countries. Its products include savings, payments, investments, loans and mortgages in most of its retail markets. For Wholesale Banking clients, ING provides specialised lending, tailored corporate finance, debt and equity market solutions, sustainable finance solutions, payments & cash management and trade and treasury services.



ING Groep N.V. was created in 1991 as a result of a merger of the Dutch insurance company Nationale-Nederlanden and the national postal bank NMB Postbank. For years, ING Group developed both organically as well as inorganically. After the 2008-2009 global financial crisis the insurance activities were divested, and ING Groep continued as a bank with Europe-focused retail activities and a global Wholesale Bank.

ING Groep NV is a public company listed on the stock exchange in Amsterdam (INGA NA, INGA.AS), Brussels and New York (ADR: ING US, ING.N). ING Groep N.V. has a diversified shareholder ownership. As at end 2023, shareholders with a shareholding of more than 3% (based on filings with the Dutch AFM) are: BlackRock Inc., Goldman Sachs Group Inc., Norges Bank, Capital Research and Management Company; shareholders holding more than 5% in the company’s capital (based on US SEC filings) are: BlackRock, Inc. In 2023, according to preliminary data ING Group generated a net profit of EUR 7,287 million compared to EUR 3,674 million in 2022. Total assets amounted to EUR 975.6 billion at the end of 2023. According to preliminary data, the assets of the ING Bank Śląski S.A. Group accounted for 5.8% of total assets of the ING Group as at yearend 2023. Our net profit accounted for 13.5% of the net profit of the ING Group.

More information on the dominant shareholder is available at <https://www.ing.com/Home.htm>.

The Charter and the principles for its amendment

The current charter of ING Bank Śląski S.A. is available on the website at [this address](#).

Principles for changing the Charter

Amending the Bank Charter requires a resolution of the General Meeting and an entry in the register of entrepreneurs of the National Court Register. An amendment to the Bank Charter also requires the approval of the Polish Financial Supervision Authority.

Any change to the Bank Charter relating to the bank’s business shall not require the redemption of shares held by those shareholders who do not approve the change provided the resolution of the General Meeting on the change is approved by a majority of 2/3 votes in the attendance of persons representing minimum one half of share capital.

Changes made to the Bank Charter in 2023

The changes to the Bank Charter registered in 2023 include:

- expanding the focus of our bank’s activities to include brokering loans and credits,
- indicating that the redemption or repurchase of shares requires the authorisation of the Polish Financial Supervision Authority (PFSA),
- clarifying the tasks of the Chair and Deputy Chairs of the Supervisory Board in connection with amendments to the Commercial Companies and Partnerships Code,
- authorising the Management Board to increase the share capital within the framework of authorised capital for a further period until 26 April 2026,
- simplification of the provision concerning the conduct of our bank’s activities pursuant to Article 70(2) of the Financial Instruments Trading Act.

We informed you about the above mentioned amendments to the Bank Charter by current report No. 22/2023 of 12 June 2023 (link to [the report](#) and [the appendix](#)) and current report no. 26/2023 of 2 August 2023 (link to [the report](#) and [the appendix](#)).

General Meeting

Principles of convening and powers of the General Meeting

The General Meeting is convened by an announcement on the bank’s website and in the manner specified for the provision of current information by public companies. The General Meeting works in compliance with the principles specified in the Commercial Companies and Partnerships Code and these Charter as an Ordinary General Meeting or Extraordinary General Meeting.

General Meetings are convened on a date enabling the participation of all authorised and interested shareholders.

The competences of the General Meeting (apart from other matters stipulated in generally applicable provisions of law) include adopting resolutions, among others in the following cases:

- considering and approving the annual financial statements as well as the Management Board reports on Operations of the ING Bank Śląski S.A. Group, including the Report on Operations of ING Bank Śląski S.A., and the Statement on the application of corporate governance principles and considering and approving the reports on non-financial information of the ING Bank Śląski S.A. Group, including non-financial information,



- accepting reports of the Supervisory Board and assessing the Bank’s remuneration policy,
- acknowledging the fulfilment of duties by members of the Bank Management Board and Supervisory Board,
- distribution of profit and coverage of loss,
- dividend payment, determining the dividend record date and dividend payment date,
- amendments to the Bank Charter,
- changes in the composition of the Supervisory Board,
- assessment of compliance by Supervisory Board Members with the requirements referred to in Article 22aa of the Banking Law Act (adequacy assessment),
- the remuneration policy for members of the Bank Management Board and Supervisory Board,
- increasing or decreasing the Bank’s share capital.

Shareholders’ rights

The bank’s shareholders representing at least 1/20 of the share capital may:

- demand that an Extraordinary General Meeting be convened,
- demand that certain matters be placed on the agenda of the next General Meeting,
- submit, before the date of the General Meeting, draft resolutions concerning matters placed on the agenda.

Each shareholder may, during the General Meeting, submit draft resolutions regarding matters placed on the agenda.

Operation of the General Meeting

In the case of convening an extraordinary General Meeting, the Bank Management Board presents the justification for convening and putting certain matters in order or asks for such justification if the request comes from another authorised entity.

Draft resolutions are submitted to the General Meeting by the Bank Management Board after obtaining the opinion of the Supervisory Board.

Subject to the cases specified in the Commercial Companies and Partnerships Code, the General Meeting is valid regardless of the number of shares represented at it. Each share shall entitle to one vote. Resolutions of the General Meeting are generally adopted by an absolute majority of votes, except for matters specified in the provisions of the Commercial Companies and Partnerships Code and the provisions of the Charter. Apart from the Commercial Companies and Partnerships Code, the issues related to the convening and functioning of the General Meeting are specified in the Bank Charter, the Regulations of the General Meeting and the announcement on convening the General Meeting.

General Meetings are held at the registered office of the Company in Katowice. The proceedings of the General Meeting are broadcast on the Internet. The Company may organise General Meetings in a manner enabling shareholders to participate by means of electronic communication, including, in particular, two-way communication in real time, enabling shareholders to express themselves during the General Meeting, as well as exercising voting rights in person or through a proxy. The interested representatives of the media may participate in the deliberations of the Assembly – as observers.

The principles of shareholders’ participation in the General Meeting and the procedure to be followed during the General Meeting, as well as the method of communication between shareholders and the bank are set out in the Regulations of the General Meeting. Only persons who are the Bank’s shareholders sixteen days before the date of the General Meeting (the date of registering participation in the General Meeting) are entitled to participate in the General Meeting of the Bank. Shareholders may participate in the General Meeting and exercise their voting rights in person or through proxies.

A shareholder has the right to, among other things:

- vote, submit motions and objections,
- propose a candidate for the position of Chair of the General Meeting,



- submit draft resolutions on matters placed on the agenda and submit motions on a formal matter, in particular regarding the manner of deliberating and voting,
- propose changes and supplements to draft resolutions included in the agenda of the General Meeting,
- propose candidates for the Supervisory Board,
- dividends in the event of its adoption by the General Meeting (the list of authorised shareholders is determined on the dividend date specified in the resolution).

During the General Meeting, the Bank Management Board are obliged to provide the shareholder, at their request, with information about the company, if it is justified for the assessment of an issue on the agenda.

The Bank Management Board refuse to provide information if it could harm the company, an associated company or a subsidiary, in particular by disclosing technical, commercial or organisational secrets of the enterprise. A member of the Bank Management Board may also refuse to provide information if providing information could constitute the basis of his criminal, civil or administrative liability.

The Bank Management Board may provide information in writing outside the general meeting if there are important reasons for it.

The shareholders also have the right to appeal against the resolutions of the General Meeting. This right may be exercised by a shareholder who:

- voted against the resolution and, after its adoption, demanded that the objection be recorded in the minutes,
- was unreasonably prevented from participating in the General Meeting,
- was not present at the General Meeting in the event of a defective convocation of the General Meeting or adoption of a resolution on a matter not placed on the agenda.

The right to appeal against the resolutions of the General Meeting includes the possibility of:

- bringing an action to repeal a resolution in the event of a resolution contrary to the articles of association or morality and harming the company’s interest or aimed at harming a shareholder,
- bringing an action for the declaration of invalidity of a resolution contrary to the Act.

The full text of the General Meeting Bylaw can be found under [this address](#).

The competences of the General Meeting are defined in particular by the provisions of the Commercial Companies and Partnerships Code, the Banking Law and the provisions of the Bank Charter.

Supervisory Board

GRI [2-9] [2-10] [2-11] [2-17] [2-18]

The composition of the Supervisory Board

The Supervisory Board of ING Bank Śląski S.A. operate pursuant to the Banking Act, the Commercial Companies and Partnerships Code, the Bank Charter and the Supervisory Board Bylaw. The Supervisory Board consist of 5 to 11 members appointed by the General Meeting for a joint term of office, which begins on the date of appointment and covers four consecutive full financial years.

The General Meeting determine the number of members of the Supervisory Board for a given term of office. Members of the Supervisory Board may be dismissed at any time by a resolution of the General Meeting. The current term of office started on 29 March 2019 and expires on the date of the General Meeting approving the financial statements for 2023.

The Supervisory Board are composed of independent members, pursuant to the corporate governance principles adopted by the bank and legal requirements. Pursuant to the Bank Charter, at least two members of the Supervisory Board should be free from any relations with the bank, its shareholders or employees, if such relations could significantly affect the member’s ability to make impartial decisions (Independent Members). The minimum number of independent members of the Supervisory Board and the detailed criteria of independence result from the provisions of law and the Best Practice for GPW Listed Companies adopted by the bank and are specified in detail in the Supervisory Board Bylaw.

In 2023, there were changes in the composition of the Supervisory Board:

In accordance with current report 2/2023 27 January 2023, Mr Aris Bogdaneris resigned as a Supervisory Board member as of the date of the next Ordinary General Meeting of the bank. The reason for the resignation was the planned termination of his employment with ING Group N.V.



Following the information received, the agenda of the Ordinary General Meeting of 26 April 2023 includes an item on changes to the Supervisory Board. Furthermore, the agenda included an item on the change of the number of the Supervisory Board Members – from seven to eight.

On 26 April 2023, the Ordinary General Meeting passed a resolution to change the number of members of the Supervisory Board from seven to eight members. The Ordinary General Meeting also appointed Mr Hans De Munck and Ms Katarzyna Zajdel-Kurowska to the Supervisory Board. Mr Hans De Munck is related to ING Group N.V. Ms Katarzyna Zajdel-Kurowska is an Independent Member of the Supervisory Board within the meaning of the Act on Statutory Auditors, Auditing Firms and Public Oversight of 11 May 2017.

Taking account of the above changes and existing suitability assessments of individual Supervisory Board Members, and in view of Mr Aleksander Galos’ resignation from his membership in the Risk Committee and Audit Committee, and of Mr Stephen Creese’s resignation from his membership in the Audit Committee, on 2 June 2023, the Supervisory Board changed the compositions of the Audit Committee and of the Risk Committee. Effective as of 5 June 2023, the Supervisory Board appointed Mr Hans De Munck and Ms Katarzyna Zajdel-Kurowska to the Audit Committee. The Supervisory Board appointed Ms Katarzyna Zajdel-Kurowska to the Risk Committee as of the same date.

Proportion of women and men on the
Supervisory Board as at 31 December 2023

50% / 50%

Composition of the Supervisory Board as at 31 December 2023

	Function in the Supervisory Board	Audit Committee	Remuneration and Nomination Committee	Risk Committee
Mr Aleksander Galos	Chair, Independent Member		●	
Ms Małgorzata Kołakowska	Deputy Chair I		●	●
Mr Michał Szczurek	Deputy Chair	●		
Mr Stephen Creese	Member			●
Ms Dorota Dobija	Independent Member	●	●	●
Ms Monika Marcinkowska	Independent Member	●		●
Mr Hans De Munck	Member	●		
Ms Katarzyna Zajdel-Kurowska	Independent Member	●		●

● – Chair(s) ● – Member

Competency Profiles of Supervisory Board Members

Supervisory Board Members have high qualifications. All Members have the relevant experience and knowledge that enable them to exercise oversight of the bank. Six out of the eight Supervisory Board Members are Polish citizens and native speakers of Polish. As for the other two Members, one of them is British and the other one is Belgian.

In accordance with the bank’s *Policy for the Assessment of the Suitability of the Members of the Supervisory Board, Management Board and key function holders at ING Bank Śląski S.A.* Suitability assessment of Supervisory Board Members and candidates for Supervisory Board Members was performed. This assessment was carried out by an independent external entity, i.e. Deloitte Doradztwo Podatkowe Dąbrowski i Wspólnicy sp. k. The assessment confirmed that all persons have the knowledge, skills and experience appropriate to perform the function of a Supervisory Board Member of ING Bank Śląski S.A., guarantee the proper performance of duties related to the performance of this function and fulfil other requirements specified in Article 22aa of the Banking Law, and thus meet the adequacy criteria specified in the Policy. At the same time, the Remuneration and Nomination Committee stated that the individual competences of individual members of the Supervisory Board complement each other in such a way as to enable the exercise of an appropriate level of collective supervision over all areas of the bank.

Following the principle set out in the Best Practice for GPW Listed Companies concerning the application of a diversity policy, our bank has a diversity policy and ensures a 30% diversity and with regard to women and men in the Management Board and the Supervisory Board. Hence, the composition of the Supervisory Board is diverse and



includes individuals from different backgrounds with a variety of skills, practical experience and knowledge, thus ensuring that the Supervisory Board are effectively supervised in all areas of the bank’s activities and that the Board is able to duly perform the tasks and responsibilities assigned to it.

For more information on diversity among the members of the Supervisory Board and the Management Board and the principles adopted in this respect, see [here](#).

The qualifications of the members of the Supervisory Board of ING Bank Śląski S.A. are set out on the bank’s website. Personal bios of Board Members showing their individual competencies have been given below.

Mr Aleksander Galos – Chair of the Supervisory Board, Independent Supervisory Board Member

(Chair of the Remuneration and Nomination Committee)

He graduated from the School of Law and Administration of the Jagiellonian University in Kraków, where he received his master’s degree in law. He is a licensed attorney. He completed with diploma post-graduate studies in Management at the Warsaw School of Economics. He studied at the Warsaw School of Economics – post-graduate studies in Accounting (without diploma). He was a Supervisory Board Member of Bank PKO BP S.A. and Bank Zachodni WBK S.A., amongst others. He has been engaged by the Law Firm Kocharński Zięba i Partnerzy Sp. k. He has been a Supervisory Board Member of ING Bank Śląski S.A. since April 2014, and a Supervisory Board Chair since November 2021 (previously, he was the Secretary to the Supervisory Board).

Mrs Malgorzata Kolakowska – Deputy Chair I of the Supervisory Board

(Remuneration and Nomination Committee Member, Risk Committee Member)

She graduated from the Faculty of International Trade Economics and Organisation at the Main School of Planning and Statistics (at present Warsaw School of Economics). She completed the Advanced Management Program (AMP) at the Harvard Business School. She was the President of the ING Bank Śląski S.A. Management Board between 2010-2016, and then moved on to hold the function of the Global Head for Wholesale Banking Network. Since 2018, she has been the CEO of ING Bank N.V., London Branch (the United Kingdom, Middle East). Before joining ING, she was the Director at the European Bank of Reconstruction and Development and McDonalds’s Poland. He has been a Supervisory Board Member of ING Bank Śląski S.A. since 2016.

Mr Michał Szczurek – Deputy Chair of the Supervisory Board

(Audit Committee Member)

He graduated, with a master’s degree in economic science, from a joint programme of Warsaw University and Columbia University. Also studied at the Faculty of Law and Administration, University of Warsaw and at the Department of Computer Sciences, Faculty of Electronics, University of Warsaw. He has been working at ING Group N.V. since the formative years of his career. He sat on the Management Boards of: Nationale-Nederlanden Polska PTE S.A. (later known as ING Nationale-Nederlanden Polska Powszechne Towarzystwo Emerytalne S.A.), Towarzystwo Ubezpieczeń na Życie ING Nationale-Nederlanden, ING Nationale-Nederlanden Polska S.A. and ING Bank Śląski S.A. (where he supervised the retail banking area). He also held functions on the Management Board of TMB Bank in Thailand, ING Bank Romania and was the Head of Challengers & Growth Markets (C&G), ING Asia. Since 2023, Country Manager for ING Bank Italia. He has been a Supervisory Board Member of ING Bank Śląski S.A. since 2018.

Mr Stephen Creese – Supervisory Board Member

(Risk Committee Member)

He graduated, with a bachelor’s (BA) degree, from University of Manchester, Economics and Economic History, Faculty of Arts. He is also a Certified Information Systems Security Professional (CISSP). From 1998 to 2021, he worked for Citigroup Inc., where he was responsible for Forex & Local Markets, and acted as the audit manager, then Regional Head of Operational Risk and Managing Director – EMEA countries. He has been with ING Group N.V. since June 2021 in the role of Global Head of Non-Financial Risk and has been on the Supervisory Board of ING Bank Śląski S.A. since the same year.

Ms Dorota Dobija – Independent Supervisory Board Member

(Chair of the Risk Committee, Remuneration and Nomination Committee Member, Audit Committee Member)

She received her master’s degree in Cybernetics and Computer Science (specialty: Data Processing and Accounting). She got her PhD in economic science (specialty: Accounting) and habilitation degree in economic science (management science). She has been Full Professor in economic science since 2015. She is a certified accountant, a lecturer and researcher. She gave lectures at the Cracow University of Economics, the University of Warsaw, amongst others, and Kozminski University where she has worked to this day. She was also a visiting professor at various universities around the world, including in Australia, Hongkong, the United Kingdom and others. She held



supervisory functions in XIII National Investment Fund “Fortuna” and Pekao Investment Banking. She has been a Supervisory Board Member of ING Bank Śląski S.A. since 2021.

Ms Monika Marcinkowska – Independent Supervisory Board Member

(Chair of the Audit Committee, Risk Committee Member)

She received her master’s degree from the University of Łódź, Faculty of Management and Marketing, specialty: Accounting. She got her PhD in economic science (management science) and habilitation degree in economic science. She has been Full Professor in economic science since 2014. She is a lecturer and researcher at the University of Łódź. During her professional career, she held executive positions at PBG S.A., Pekao S.A., PKO BP S.A. and BRE Bank S.A., as well as held supervisory functions at Pocztylion-Arka PTE SA, DI Xelion sp. z o.o., and Polski GAZ TUW. She has also been Member of the European Banking Authority’s Banking Stakeholder Group, and has acted as coordinator of the Sustainable Finance Working Group since March 2020. She has been a Supervisory Board Member of ING Bank Śląski S.A. since 2021.

Mr Hans De Munck – Supervisory Board Member

(Audit Committee Member)

He graduated from the University of Chicago, Graduate School of Business, receiving his Master in Business Administration with high honours. He also completed the General Management Program at Vlerick Business School. He was a teaching and research assistant at the Faculty of Applied Economics, Catholic University of Leuven in Belgium. He has worked at ING Group N.V. since the formative years of his career, where he has held managerial functions in the area of asset and liabilities management, market risk management, integration and risk analyses. He has been the Chief Financial Officer at ING Belgium since 2018. He joined the Supervisory Board of ING Bank Śląski S.A. in 2023.

Ms Katarzyna Zajdel-Kurowska – Independent Supervisory Board Member

(Risk Committee Member, Audit Committee Member)

She graduated, with a master’s degree, from the Warsaw University, Faculty of Economic Sciences. She was with Citibank Poland (Citibank Handlowy) for many years; while working there, she held the functions of the Chief Economist and Head of Treasury Research for CEE, among others. She was the Undersecretary of State in the Polish Ministry of Finance, and Alternate Executive Director at the International Monetary Fund. She sat on the

Management Board of the National Bank of Poland. She was also Alternate Executive Director and Executive Director at the World Bank Group. Between January 2023 and 7 January 2024, she was the Advisor to the CEO of the Polish Development Fund. She joined the Supervisory Board of ING Bank Śląski S.A. in 2023.

Independence criterion and competencies

Satisfies the criterion of independence as per the Act on Statutory Auditors, Auditing Firms and Public Oversight		Knowledge of and competency in accounting or financial statements auditing, confirmed with the qualifications of the chartered auditor (including confirmation with the qualifications of the statutory auditor)		Has knowledge of and competency in the banking area
		satisfies the criterion	qualifications	
Mr Aleksander Galos	yes	no	n.a.	yes
Ms Małgorzata Kotakowska	no	yes	competence acquired through professional career and in executive positions in Bank authorities	yes
Mr Michał Szczurek	no	yes	competence acquired through professional career and in executive positions in Bank authorities	yes
Mr Stephen Creese	no	no	n.a.	yes
Ms Dorota Dobija	yes	yes	Certified Accountant, Professor in economic science university degree – main specialty: data processing and accounting	yes
Ms Monika Marcinkowska	yes	yes	Professor in economic science university degree – speciality: accounting	yes
Mr Hans de Munck	no	yes	competence acquired through professional career and in executive positions in Bank authorities	yes
Ms Katarzyna Zajdel-Kurowska	yes	yes	competence acquired through professional career	yes



Professional diversity of Supervisory Board members		
Number of Supervisory Board Members from legal sector	Number of Supervisory Board Members from banking sector	Number of Supervisory Board Members from higher education sector
1	5	2

Competences, rights and obligations of the Supervisory Board

The basic mission of the Supervisory Board is to perform the supervisory function – the Supervisory Board exercise permanent supervision over the bank’s activities in all areas. The specific competences and duties of the Supervisory Board include the assessment of the report on the bank’s operations and the financial statements for the previous financial year, the Management Board’s motions regarding the distribution of profit or coverage of loss, as well as submitting an annual written report on the results of this assessment to the General Meeting.

Apart from the above-mentioned rights and obligations, the Supervisory Board adopt resolutions on matters specified in the Bank Charter. Resolutions of the Supervisory Board are passed by an absolute majority of votes, and in the event of a tie, the Chair of the Supervisory Board has the casting vote. Resolutions of the Supervisory Board may be adopted if the meeting is attended by more than half of the members of the Supervisory Board, including its Chair or Deputy Chair, provided that all members of the Supervisory Board have been invited. Meetings of the Supervisory Board are held at least 5 times a year. Resolutions of the Supervisory Board may – in the cases specified in the Charter and on the principles set out in the Supervisory Board Bylaw – be adopted without holding a meeting, in writing or by means of remote communication.

Detailed principles of the Supervisory Board’s operation are set out in the Bank Charter and the Supervisory Board Bylaw adopted by the Supervisory Board. In addition to the rights and obligations provided for in these regulations, the powers of the Supervisory Board include in particular:

- approving the following adopted by the Board: the ING Bank Śląski strategy and the annual financial plan,
- approving the overall level of risk acceptable to the Management Board, including operational and compliance risks,
- supervising the introduction and operation of an adequate and effective risk management system and internal control system at the bank,

- supervising the compliance of the bank’s risk-taking regulations in line with the bank’s strategy and financial plan,
- selection of an audit firm to audit and review the bank’s financial statements and the consolidated financial statements of the bank’s capital group,
- adopting the Supervisory Board Bylaw and its committees,
- approving the strategies and procedures developed by the Management Board in the scope of the internal control system, risk management system, internal capital assessment process, capital management and capital planning,
- approving the policies and regulations adopted by the Management Board, including: Dividend Policy, Remuneration Policy, Regulations of the Management Board, Organisational Regulations of the Bank,
- giving opinions on motions and matters subject to resolutions of the General Meeting, including draft resolutions of the General Meeting,
- presenting to the Ordinary General Meeting reports and assessments specified in the regulations, recommendations of the supervision authority and other regulations adopted by the bank, including the assessment of the bank’s situation, including the assessment of internal control systems, risk management, Compliance and the internal audit function,
- assessment of the functioning of the remuneration policy at the bank,
- assessment of the bank’s application of the Principles for corporate governance for supervised institutions,
- appointing and dismissing Management Board members, as well as suspending Management Board members and delegating members of the Supervisory Board to temporarily perform the duties of members of the Management Board,
- applying to the Polish Financial Supervision Authority for consent to appoint the President of the Management Board and a member of the Management Board overseeing the management of risks relevant to the bank’s operations,



- concluding agreements with members of the Bank Management Board regarding the performance of their functions and determining the remuneration resulting from these agreements (as part of the general principles adopted by the General Meeting),
- approving the policy of variable components of remuneration for persons holding managerial positions at the bank,
- expressing consent for Members of the Bank Management Board to act as governing bodies of companies, societies, organisations and associations outside the bank’s capital group,
- granting consent to grant credits, loans, bank guarantees and sureties to members of the Management Board and Supervisory Board and entities related to them by capital or organisation,
- expressing consent to activities that meet certain statutory criteria, including for the purchase and sale of fixed assets, establishment of a company, acquisition or purchase of shares and stocks, conclusion by the bank of significant transactions with a shareholder, including the consent or opinion on certain transactions with the bank’s related entities,
- expressing consent to the appointment and dismissal of directors of the Internal Audit Department and the Centre of Expertise – Compliance and approval of their remuneration,
- considering the regular and exhaustive information received from the Management Board on all significant matters relating to the bank’s operations, risks related to the business as well as the methods and effectiveness of risk management.

When exercising supervision over the bank’s operations, the Supervisory Board have the right to control the full scope of the bank’s operations, in particular:

- checking books, files and documentation,
- auditing the bank’s assets and financial control,
- request the Bank Management Board to present all documents, materials and information regarding the Company’s operations,
- request relevant reports and explanations from the bank’s employees,
- participate in the meetings of the Bank Management Board.

Attendance and topics of the Supervisory Board meetings in 2023

In 2023, Members of the Bank Supervisory Board devoted the necessary amount of time to perform their duties. Between 1 January and 31 December 2023, the Supervisory Board held eight meetings. The Supervisory Board also passed resolution by way of circulation (14 cases). Meetings were held on site and in hybrid mode.

Dates of Supervisory Board meetings in 2023

3 February	10 March	17 March	26 April	2 June	23 June	22 September	1 December
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Dates of Supervisory Board meetings by circulation in 2023

1 February	13 February	16 February	21 March	12 April	19 April	17 May
23 May	18 October	24 October	2 November	15 November	14 December	19 December

In total, the Supervisory Board adopted 112 resolutions, including 18 passed by way of circulation. All the meetings were quorate and held in line with the procedures so that binding resolutions could be taken; the attendance rate during the meetings was high.



Attendance of the Supervisory Board Members in 2023 has been shown in the table below.

Attendance in 2023 (Meeting attendance / Number of meetings during the term of office)	
Aleksander Galos	22/22
Małgorzata Kołakowska	21/22
Michał Szczurek	21/22
Stephen Creese	22/22
Dorota Dobija	22/22
Monika Marcinkowska	22/22
Hans De Munck (Member since the appointment date by the OGM, i.e. 26 April 2023)	11/13
Katarzyna Zajdel-Kurowska (Member since the appointment date by the OGM, i.e. 26 April 2023)	13/13
Aris Bogdaneris (Board Member until the date of the OGM, i.e. 26 April 2023)	6/9

During its meetings, the Supervisory Board considered matters resulting from legal regulations and supervisory recommendations, as well as matters related to the current operations of the company. The Supervisory Board received from the Bank Management Board extensive information on the current economic and financial situation of the bank, its operation, action plans and any important events that may affect its operation.

In addition to regular meetings, the Members of the Supervisory Board stayed in regular and direct contact with the Bank Management Board and took an active part in all the material matters concerning the Company business.

The Chair of the Audit Committee regularly meets with the Bank CFO to discuss the Bank’s financial statements prior to their publication as well as with the Chief Audit Executive and Centre of Expertise Lead III – Compliance, to discuss the aspects typical for the internal audit and compliance risk management functions. The Chair of the Risk Committee holds regular meetings with the managers of individual risk areas, and the Chair of the Remuneration and Nomination Committee meets with the management of the HR Expert Centre.

In the course of the work carried out in Q1 2023, the Supervisory Board prepared and presented to the Ordinary General Meeting: the required assessment of the company’s situation, including the assessment of internal control

systems, risk management, compliance and internal audit functions, as well as a report on the activities of the Supervisory Board. Moreover, the Supervisory Board presented the Ordinary General Meeting with an assessment of the manner in which the bank fulfils its disclosure obligations, which relate to the application of corporate governance principles, as well as an assessment of the rationality of the bank’s sponsorship and charity policy. In 2023, the Supervisory Board considered and gave a favourable opinion on the draft resolutions presented to the General Meeting convened on 26 April 2023.

In the course of its work, the Supervisory Board discuss ESG topics (including ESG risks). The Board approves the ESG strategy as part of the Bank’s Business Strategy. ESG risks, including climate risk, also form part of the cyclical Risk Report presented to the Board and Risk Committee. In addition, the Board periodically reviews reports on the bank’s employees’ compliance with ethical principles, assesses the adequacy and effectiveness of the system of anonymous reporting of violations of law, internal regulations and ethical standards at ING Bank Śląski S.A. and analyses information on employee issues as part of the bank’s cyclical OHI surveys.

Board members are continuously improving their competences. In 2023, Board members participated in internal training sessions organised by the bank. Those training sessions focused on the new non-financial risk dashboards (NFRD), WIRON and WIBOR transition. Members of the Supervisory Board also attended cybersecurity and anti-fraud training sessions as well as workshops on the hybrid work model.

In order to support members of the Supervisory Board in their tasks, the Supervisory Board shall appoint members of the Audit Committee, Remuneration and Nomination Committee and Risk Audit Committee from among its members.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee support the Supervisory Board in terms of monitoring and supervision over the bank’s human resources and payroll area, and in particular, in the selection of Management Board Members, the diversity policy, suitability assessment of Management Board Members, succession plans, staff rotation processes, satisfaction surveys of the bank’s employees, and the remuneration and bonus policy, including the policy of variable remuneration components.

The activities of the Remuneration and Nomination Committee are described in detail in the Regulations of the Remuneration and Nomination Committee of the Supervisory Board of ING Bank Śląski S.A. adopted by the Supervisory Board.



The Remuneration and Nomination Committee meet at least once a quarter.

The Remuneration and Nomination Committee consists of at least 3 members of the Supervisory Board. Most of the Remuneration and Nomination Committee members, including the Chair, should meet the criteria for Independent Members of the Supervisory Board. Currently, the Committee consist of three members, including two independent members of the Supervisory Board. There were no changes to the composition of the Remuneration and Nomination Committee in 2023.

As at 31 December 2023, the composition of the Remuneration and Nomination Committee was as follows:

- Aleksander Galos – Chair (independent member),
- Dorota Dobija – Member (independent member),
- Małgorzata Kołakowska – Member.

Biographical sketches of the Committee members showing individual competences are presented [here](#).

Competences, powers and tasks of the Remuneration and Nomination Committee

The Remuneration and Nomination Committee’s competences include, inter alia:

- selecting and assessing the suitability of Management Board members, including analysing candidates for Management Board members and presenting recommendations to the Supervisory Board in this regard and determining the scope of duties for a candidate to the Bank Management Board,
- presenting proposals regarding the content of contracts for the performance of the functions of a Management Board member, taking into account the amount of remuneration, including variable remuneration,
- overseeing the policy regarding the selection and appointment of persons holding managerial positions at the bank,
- monitoring succession plans, employee rotation processes and employee satisfaction surveys of the bank,
- supervising the policy of the remuneration system in place at the bank, including monitoring of the remuneration and bonus policy,
- supervising the Variable Remuneration Policy of Identified Staff of ING Bank Śląski S.A.,

- monitoring the control mechanisms for the level of remuneration of employees of the Internal Audit Department and the Centre of Expertise – Compliance and protection of employees of these units against unjustified termination of employment,
- supervising the remuneration package for persons responsible for control functions reporting directly to the Management Board of ING Bank Śląski S.A.,
- submitting recommendations to the Supervisory Board regarding the approval of the Policy for the Assessment of the Suitability of the Members of the Supervisory Board, Management Board and key function holders at ING Bank Śląski S.A. and changes to its content,
- determining the target value of the representation of the underrepresented gender in the Bank Management Board and Supervisory Board,
- developing a diversity policy in the composition of the Bank Management Board and Supervisory Board,
- periodic assessment of the structure, size, composition and effectiveness of the Management Board,
- periodic analysis of the knowledge, competences and experience of the Management Board as a whole and of individual members of the Management Board,
- analysis of succession and employee development plans, in particular of managerial staff,
- monitoring the fluctuation process of the bank’s employees based on interim reports presented by the Management Board,
- monitoring the processes of testing the satisfaction of the bank’s employees, in particular with regard to methodology, research results and actions taken on their basis,
- developing proposals for the remuneration of members of the Supervisory Board and presenting them to the Supervisory Board in order to submit a motion to the General Meeting,
- analysis of the remuneration and bonus policy, with particular emphasis on remuneration of senior management,
- presenting the Supervisory Board with recommendations on the results of the review carried out by the heads of units of the Internal Audit Department and the Centre of Expertise – Compliance in cooperation with HR regarding the level and structure of employment and remuneration,



- presenting the Supervisory Board with recommendations regarding information on the implementation of the remuneration policy in relation to the manager and employees of the Internal Audit Department, as well as the manager and employees of the Centre of Expertise – Compliance, taking into account possible changes and the remuneration budget.

Attendance and topics of the Remuneration and Nomination Committee meetings in 2023

Between 1 January to 31 December 2023, the Remuneration and Nomination Committee held nine meetings. The Remuneration and Nomination Committee also issued recommendations by way of circulation (two cases). The meetings of the Remuneration and Nomination Committee were held at the following dates: 10 March, 17 March, 12 April, 26 April, 2 June, 23 June, 21 September as well as 30 November and 1 December, and meetings by way of circulation were held on: 21 March and 23 May. The Committee issued 52 recommendations in total (including 2 by way of circulation), 6 opinions and 3 decisions.

All the meetings were quorate and held in line with the procedures so that binding recommendations could be issued; the attendance rate during the meetings was high. Attendance of the Remuneration and Nomination Committee Members in 2023 has been shown in the table below.

Attendance in 2023 (Meeting attendance / Number of meetings)	
Aleksander Galos	11/11
Dorota Dobija	11/11
Małgorzata Kołakowska	10/11

In 2023, the work of the Committee focused primarily on the following areas:

- proactively overseeing the process of assessing the suitability of the members of the Supervisory Board, the Management Board and persons performing key functions in the bank, including:
 - periodic annual suitability assessment of the Bank Supervisory Board and Management Board,
 - assessing the suitability of the candidate for membership of the Supervisory Board,
 - suitability assessment of the Audit Committee,

- suitability assessment of a Supervisory Board Member following a change in engagement,
- monitoring the adequacy and effectiveness of the bank’s employment policy,
- overseeing the recruitment process for a member of the Bank Management Board in the event of changes to the Bank Management Board,
- succession review for the positions of the Management Board Members,
- monitoring the adequacy and effectiveness of the bank’s remuneration policy,
- analysing information on pay policy/practice assumptions for 2023 and 2024,
- assessment of the level of achievement of goals for 2022 by members of the Bank Management Board and setting bonus tasks for 2023,
- development and submission to the Supervisory Board of recommendations on the Report regarding the implementation of the pay policy in relation to the internal audit employees and the Chief Audit Executive,
- development and submission to the Supervisory Board of recommendations on the Report regarding the implementation of the pay policy in relation to the employees and Lead II of the Centre of Expertise – Compliance,
- analysis of proposals of remuneration packages of people holding control functions at the bank, submitted by the Management Board,
- analysis of the results of the remuneration review based on the Hay Group report.

Risk Committee

The Risk Committee supports the Supervisory Board in terms of monitoring and supervision over the risk management process, including the operational risk, the credit risk, and the market risk, and also the internal capital estimation process, capital management and planning and the model risk, and the capital adequacy area.

The activities of the Risk Committee are described in detail in the Regulations of the Risk Committee of the Supervisory Board of ING Bank Śląski S.A. adopted by the Supervisory Board.

The Risk Committee meet at least once a quarter.



According to the Regulations, the Risk Committee are composed of at least 3 members of the Supervisory Board. Most Committee Members, including the Chair, should meet the criteria for Independent Members of the Board.

In 2023, there were changes to the composition of the Risk Committee. As stated above, on 2 June 2023, the Supervisory Board appointed Ms Katarzyna Zajdel-Kurowska as the Risk Committee Member, effective as of 5 June. At the same time, Mr Aleksander Galos resigned from his membership in the Risk Committee. Therefore, as at 31 December 2023, the Risk Committee worked in the following composition:

- Dorota Dobija – Chair (independent member),
- Stephen Creese – Member,
- Małgorzata Kołakowska – Member,
- Monika Marcinkowska – Member (independent member),
- Ms Katarzyna Zajdel-Kurowska (independent member).

Currently, the Risk Committee consists of 5 members, including 3 independent members.

Biographical sketches of the Committee members showing individual competences are presented [here](#).

Competences, powers and tasks of the Risk Committee

The competences of the Risk Committee include inter alia:

- determining the bank’s current and future risk appetite,
- giving opinions on the risk management strategy in the bank’s operations developed by the Bank Management Board and the information submitted by the Management Board regarding the implementation of this strategy,
- supporting the Supervisory Board in supervising the implementation of the risk management strategy in the bank’s operations by senior management, estimating internal capital and reviewing strategies and procedures for estimating internal capital and maintaining internal capital on a permanent basis,
- verification whether the prices of liabilities and assets offered to clients fully reflect the bank’s business model and its risk strategy,
- giving opinions on the appointment of external experts by the Supervisory Board,

- making recommendations to the Supervisory Board regarding changes in key risk positions,
- presenting the Supervisory Board with recommendations on granting a cash loan, bank guarantee, surety or other off-balance sheet obligations to members of the Management Board, Supervisory Board and other persons indicated in Article 79-79c of the Banking Law, to the extent that the consent of the Board is required.

Attendance and topics of the Risk Committee meetings in 2023

Between 1 January and 31 December 2023, the Risk Committee held five meetings. The Risk Committee also issued recommendations by way of circulation (twelve cases). The meetings of the Risk Committee were held at the following dates: 9 January, 2 June, 22 June, 22 September and 30 November, by way of circulation on: 16 February, 17 March, 21 March, 19 April, 10 May, 17 May, 2 August, 18 October, 30 October, 2 November, 15 November and 19 December. The Committee issued 32 recommendations in total (including 10 by way of circulation) as well as 3 decisions (all by way of circulation). All the meetings were quorate and held in line with the procedures so that binding recommendations could be issued; the attendance rate during the meetings was high.

Attendance of the Risk Committee Members in 2023 has been shown in the table below.

Attendance in 2023 (Meeting attendance / Number of meetings during the term of office)	
Dorota Dobija	17/17
Stephen Creese	17/17
Małgorzata Kołakowska	17/17
Monika Marcinkowska	17/17
Katarzyna Zajdel-Kurowska (Committee member as of 5 June 2023)	9/9
Aleksander Galos (Committee member until 5 June 2023)	8/8

As part of the risk monitoring process at the bank, the risk report was a regular item on the Risk Committee agenda in 2023. The Report is structured into the reports from the credit risk, market risk, operational (non-financial) risk and model risk areas. Information on ESG risk, climate and non-compliance (compliance), the risk situation due to the war in Ukraine and in the area of credit holiday facilities and CHF mortgage loans were an important part of the report.



In 2023, the work of the Committee was also focused, inter alia, in the following areas:

- development and presentation of recommendations to the Supervisory Board in the field of documents relating to the risk management area, including the Risk Management Strategy for 2023-2025,
- development and submission to the Supervisory Board of recommendations on High Level Risk Appetite Statement Limits for the retail and corporate credit risk areas and the Non-Financial Risk Appetite Statement,
- development and submission to the Supervisory Board of recommendations regarding the types of agreements made by the bank that, in the Committee's view, should be classified as having a material impact on the financial- and legal standing of the bank,
- analysis of the 2022 ING Bank Śląski S.A. ICAAP Report, and
- analysis of the ING Bank Śląski S.A. ILAAP Review Report for 2022.

To fulfil the requirement arising from Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms amending Regulation (EU) No. 648/2012 as amended as well as from Recommendation M concerning operational risk management at banks and Recommendation Z concerning internal governance principles at banks, in 2023 the Risk Committee also focused on the process of development and quarterly disclosure by the Bank of interim qualitative and quantitative information on capital adequacy which is disclosed on a quarterly basis for the Bank Group. In 2023, the Risk Committee issued three decisions by circulation in this regard.

Audit Committee

The Audit Committee supports the Supervisory Board in monitoring and supervising the financial reporting process, internal and external audit and the management system at the bank and its subsidiaries, in particular the adequacy and effectiveness of the internal control system and the risk management system, relations between the bank and the entity performing the audit bank's financial statements.

The activities of the Audit Committee are described in detail in the Regulations of the Audit Committee of the Supervisory Board of ING Bank Śląski S.A. adopted by the Supervisory Board.

The Audit Committee meets at least once a quarter. While performing its tasks, the Audit Committee may use the assistance of experts.

Pursuant to the Regulations, the Audit Committee consists of at least 3 members of the Supervisory Board. Most members of the Audit Committee, including its Chair, should meet the criteria of independence, and at least one of the Independent Members in the Audit Committee should additionally have qualifications in the field of accounting or financial audit. Currently, the Audit Committee consists of three independent members of the Supervisory Board, which meets the requirements set out in the Act of 11 May 2017 on Statutory Auditors, Auditing Firms and Public Oversight.

In 2023, there were changes to the composition of the Audit Committee. As stated above, having received the recommendation of the Remuneration and Nomination Committee concerning assessment of candidates for the Members of the Audit Committee, issued under the individual evaluation process of the Audit Committee candidates and the collective evaluation of the body, on 2 June 2023 the Supervisory Board appointed Ms Katarzyna Zajdel-Kurowska and Mr Hans de Munck as Committee Members. At the same time, Messrs Aleksander Galos and Stephen Creese resigned from their membership of the Committee.

The Remuneration and Nomination Committee has confirmed that the Audit Committee meets the criterion of collective suitability, which includes having a sufficient number of members with knowledge and skills in accounting, auditing and banking, and the criterion of independence of a sufficient number of members, including the independence of the Chair of the Audit Committee of the Supervisory Board of ING Bank Śląski.

Thus, as at 31 December 2023, the composition of the Audit Committee was as follows:

- Monika Marcinkowska – Chair (independent member),
- Dorota Dobija – Member (independent member),
- Michał Szczurek – Member,
- Hans de Munck – Member,
- Katarzyna Zajdel-Kurowska – Member (independent member).

As required under the Statutory Auditors Act of 11 May 2017, the majority of the Committee members, the Committee Chair included, satisfy the independence criteria. Ms Monika Marcinkowska and Ms Dorota Dobija demonstrate know-how and expertise in accounting or financial auditing, as further substantiated with the professor title. Other Committee members, i.e.: Mr Hans De Munck, Mr Michał Szczurek, and Ms Katarzyna Zajdel-Kurowska acquired the competence through professional career.



Biographical sketches of the Committee members showing individual competences are presented [here](#).

Competences, powers and tasks of the Audit Committee

The competences of the Audit Committee include inter alia:

- monitoring of the financial reporting process,
- monitoring the effectiveness of internal control systems, internal audit and risk management, including financial reporting,
- monitoring of financial audit activities, especially performance of an audit by an auditing firm taking into consideration conclusions and findings of the National Audit Oversight Committee resulting from controls conducted in an auditing firm,
- controlling and monitoring of the independence of a statutory auditor and an auditing firm, especially in the event whereby an auditing firm performs services other than audit.

The tasks of the Audit Committee also include:

- supervising the bank’s relations with related entities by monitoring the agreements concluded by the bank with these entities,
- performing other supervisory activities in the areas specified separately by the Supervisory Board or resulting from internal regulations approved by the Supervisory Board,
- assessment and presentation of recommendations in the field of dividend policy,
- development and presentation of recommendations to the Supervisory Board regarding the implementation of the policy of selecting an audit firm to conduct the audit and the policy of providing permitted non-audit services by the audit company conducting the audit, by entities related to this audit company and by a member of the audit company’s network,
- defining and adopting the procedure for selecting an audit firm.

Attendance and topics of the Audit Committee meetings in 2023

Between 1 January and 31 December 2023, the Audit Committee met seven times. The Committee also issued recommendations by way of circulation (two cases). The meetings were held at the following dates: 9 March, 16

March, 2 June, 22 June, 21 September, 23 October and 30 November, and by way of circulation on: 13 February and 14 December.

In line with the requirements of the Good practices for public interest entities concerning the rules of establishment, composition and functioning of the Audit Committee issued by the Polish Financial Supervision Authority Office of 24 December 2019 and the Audit Committee Bylaw, on 9 and 16 March and on 30 November 2023 the Audit Committee also held separate closed meetings with: Vice-President of the Management Board overseeing the CFO Division and with representatives of the internal auditor and external auditor.

The Audit Committee issued 20 recommendations for the Supervisory Board in total (including 2 by way of circulation) as well as 2 opinions. All the meetings were quorate and held in line with the procedures so that binding recommendations could be issued; the attendance rate during the meetings was high.

Attendance of the Audit Committee Members in 2023 has been shown in the table below.

Attendance in 2023 (Meeting attendance / Number of meetings during the term of office)	
Monika Marcinkowska	9/9
Dorota Dobija	9/9
Hans De Munck (Committee member since 5 June 2023)	5/5
Michał Szczurek	8/9
Katarzyna Zajdel-Kurowska (Committee member as of 5 June 2023)	5/5
Aleksander Galos (Committee member until 5 June 2023)	4/4
Stephen Creese (Committee member until 5 June 2023)	4/4

In 2023, the work of the Committee focused primarily on the following areas:

- monitoring of the adequacy and effectiveness of the internal control system and risk management system, including compliance risk,



- development and presentation of recommendations to the Supervisory Board regarding the implementation of changes to the policy of selecting an audit firm to conduct an audit and the policy of providing permitted non-audit services by the audit company conducting the audit, by entities associated with this audit company and by a member of the audit company’s network,
- determining the scope of work of the entity authorised to audit the financial statements of ING Bank Śląski S.A. and the consolidated financial statements of the ING Bank Śląski S.A. Group after selecting the entity authorised by the Supervisory Board,
- supervision of the bank’s relationship with the entity auditing the financial statements of the bank, including analysis of the work performed by the entity authorised to audit the financial statements and audit results as well as Management Letter assumptions,
- assessment of the annual financial statements of ING Bank Śląski S.A. and the ING Bank Śląski S.A. Group,
- analysis of the information and materials provided from time to time by the external auditor and presentations of the external auditor delivered for the Audit Committee Members directly at Committee meetings,
- constant analysis of the periodic reports provided by the Director of the Internal Audit Department on the status of the implementation of the audit plan of the Internal Audit Department and the status and changes in the timing of the implementation of post-audit recommendations,
- participation in the process of appointing a new Director of the Internal Audit Department,
- monitoring compliance area works (Compliance).

Other areas of the Audit Committee works in 2023 included but were not limited to:

- monitoring of the bank’s relationship with related entities, including analysis of a periodic update on agreements with related entities,
- supervision of compliance area at the bank, including development and submission to the Supervisory Board of recommendations on approval of amendments to the Policy – Principles for corporate governance at ING Bank Śląski S.A. Group,
- constant analysis of interim reports quarterly report of Compliance risk,
- analysis of a list of critical- and high-risk recommendations,

- analysis of information on financial and regulatory reporting and control environment for reporting.

In addition, in the course of its work in 2023, the Committee worked, on an ongoing basis, on the issues identified in the Best Practice for Public Interest Entities concerning the principles for the appointment, composition and functioning of the audit committee published on 24 December 2019 by the Office of the Polish Financial Supervision Authority. Bearing in mind the provisions of the Practices regarding the activities of:

- monitoring of the financial reporting process,
- monitoring of effectiveness of internal control systems, internal audit as well as risk management,
- monitoring of financial revision,
- as well as control and monitoring of independence of the statutory auditor and the auditing firm, notably, when the auditing firm provides the public interest entity with non-audit services.

The Audit Committee – based on the information and documents provided by the Bank Management Board as well as analyses during the sessions – made assessment of risk of the processes and areas under monitoring. The Committee’s assessment did not differ from the assessments made by the Board. No areas were identified for which the activities taken by the Bank Management Board would be inadequate to the situation of the bank, market requirements or regulatory recommendations. Particular attention was paid to the following areas of banking activity: ensuring the Bank’s compliance with legislation, fraud prevention, Know Your Client (KYC), model risk, IT and outsourcing.

Internal audit

The bank’s risk management and internal control systems are organised on three independent levels (the so-called Three Lines of Defence Model), where the Internal Audit Department (hereinafter: Internal Audit) acts as the third line of defence (more about the risk management system [here](#)). Internal Audit’s primary responsibility is to independently and objectively assess the adequacy and effectiveness of the functioning of the internal control system, the risk management system, organisational governance and the systems and processes in place. This task is carried out through regular audits conducted at the bank, covering all significant areas of the bank’s and its subsidiaries’ activities. In addition, the internal audit functions of ING Bank Śląski Group have been separated into ING Bank Hipoteczny S.A.



Internal Audit’s tasks are carried out in accordance with the *Audit Charter* approved by the Bank Supervisory Board and with the provisions of the *International Standards for the Professional Practice of Internal Auditing* set out by the Institute of Internal Auditors (IIA), taking into account the requirements set out by the supervision authority (PFSA Office) in particular in Recommendation H. The last positive external verification of the IAD’s compliance with these provisions, carried out over a five-year cycle, took place in May 2021. In addition, the bank’s internal auditors are required to comply with the principles set out in the Institute of Internal Auditors’ Code of Ethics.

A key factor for the proper performance of audit tasks is to ensure the full independence of the bank’s internal audit function. A number of organisational arrangements are used for this purpose, the most important of which are:

- proper positioning in the organisational structure – Internal Audit reports directly to the Bank’s CEO and is supervised directly by the Audit Committee in terms of audit activities and methodology,
- the auditors’ remuneration is not linked to the bank’s financial performance,
- approving the appointment and removal of the Head of Internal Audit by the Bank Supervisory Board,
- monitoring potential conflicts of interest of auditors.

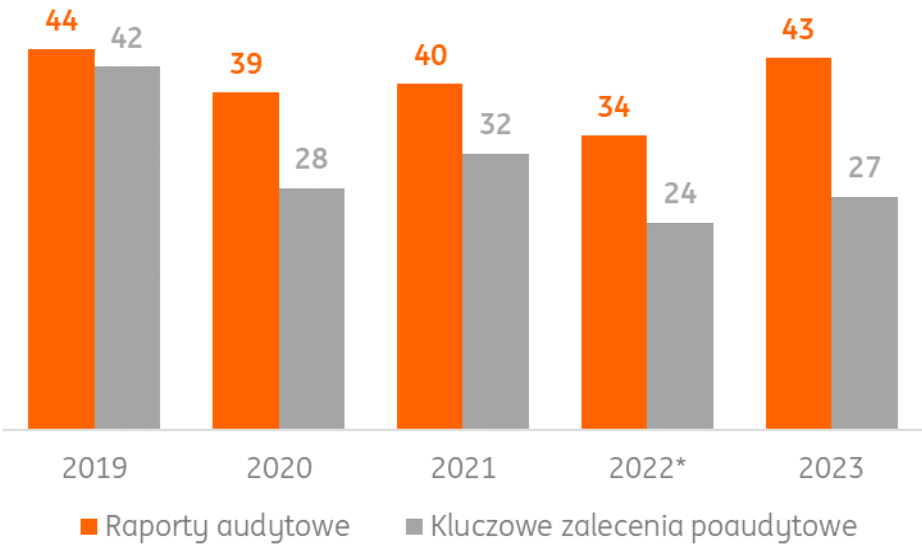
Internal Audit’s independence is further strengthened by:

- direct contact between internal auditors and members of the Management Board, Audit Committee, Supervisory Board and the bank’s auditor,
- participation of Internal Audit representatives in all meetings of the Bank Management Board, Audit Committee and Supervisory Board,
- non-involvement of internal auditors in the bank’s operational activities.

Internal Audit auditors are required to perform their tasks with objectivity and due professional care. At the end of 2023, 57% of the bank’s internal auditors held recognised industry certifications (e.g. CIA, CISA, ACCA). In addition, the bank supported them to further develop their professional skills. The average training hours completed per auditor in 2023 was 70. In 2023, Internal Audit performed all planned audit tasks, issuing 43 reports and 27 key post-audit recommendations.

The audit plan was periodically reviewed and modified to cover areas currently relevant to the bank’s strategy and to take into account the expectations of the supervision authority. In addition, nine audits assessed the maturity level of the organisation’s risk culture in the audited area. Internal Audit monitored the status of the implementation of the post-audit recommendations and those from the regulators on an ongoing basis and gave an opinion on the correctness of their implementation. In 2023, the bank implemented the key audit recommendations substantially on time and there were no overdue items as at 31 December 2023. The results of the work and monitoring carried out by Internal Audit were periodically reported to the Management Board, the Audit Committee and the Bank Supervisory Board.

Audit plan 2019-2023



*The operational planning period has been changed from December/December to November/November, which has had the effect of shortening the reporting period and reducing the number of audit reports in 2022.



Risk control and management system in the process of preparing financial statements

The process of preparing financial statements is carried out within the CFO Division as one of the key elements of compliance with the standards. The basic elements enabling the implementation of the process are the *Accounting Policy* adopted by the Bank Management Board and the organisation of accounting in the bank, defining the main principles of recording the bank's economic events. As a consequence of recording events, the bank's books are created, which are the basis for the preparation of financial statements.

In the process of preparing financial statements, the bank identified the following types of risk:

- the risk of incorrect input data,
- the risk of incorrect data presentation in financial statements,
- the risk of untimely reporting to external recipients,
- the risk of using incorrect estimates,
- the risk of lack of integration of IT systems and operational and reporting applications.

In order to mitigate this risk, the bank defined the structure of the process of preparing financial statements in two layers: application and content.

The application part of the process consists of the data flow from the bank's basic operating systems through a series of interfaces to the reporting database on which reporting applications are embedded. The application layer is controlled in line with the IT systems security policy adopted by the bank. Controls include user management, development environment management, integrity of data transfer systems, including the correct operation of interfaces in terms of completeness of data transfer from operating systems to the reporting environment.

The bank has a description of the process according to the principles adopted at the Bank for the purposes of correct management of the process of preparing financial statements. The description includes the key elements occurring in the process and the identification of their performers. In addition, the *Manual Describing the Approach to Financial and Regulatory Reporting at ING Bank Śląski S.A.* identifies key control points. The key controls embedded in the process of preparing the bank's financial statements include the following:

- quality control of input data for financial statements, supported by data control applications; a number of data correctness rules have been defined in the applications, the error correction path and strict monitoring of the data quality level,
- assessing the impact of new and/or updated regulations on the reporting process,
- monitoring the timeliness of reports submitted,
- review and approval of manual postings/corrections, including supporting documentation,
- review and approval of the results of the reconciliation,
- control of data mapping from source systems to financial statements, which ensures correct data presentation,
- an analytical review based on the knowledge of specialists, the main goal of which is to confront the knowledge of business with financial data and to detect possible signals of incorrect data presentation, or incorrect input data,
- approval of reporting reports.

The description of the estimates adopted by the bank, in accordance with IAS / IFRS, is included in the accounting policy. To avoid the risk of incorrect estimates, the bank adopted, inter alia, the following solutions:

- for the assessment of loan impairment – the bank has implemented specific models and applications as well as internal regulations for credit risk assessment,
- for the valuation of debt financial instruments quoted on active markets or for which the valuation is based on these quotations – the bank has implemented the required functionality of the basic systems, and also introduced controls to be exercised by market risk management units,
- for the estimation of provisions for legal risk related to CHF-indexed mortgage loans – the bank estimated their impact based on a scenario analysis differentiated by the probability of invalidation judgments and the bank's expected scale of settlements with clients,
- for the estimation the impact of a change in the interpretation of the provisions on commission reimbursements on consumer loans – assumptions were made regarding the expected outflows from complaints and prepayment profiles based on historical data,



- for the valuation of financial instruments not quoted on active markets – the bank implemented valuation models that were subject to prior verification before their application,
- for the estimation of the provision for retirement and disability benefits – the bank commissioned an independent actuary to make the estimate,
- for the estimation of the provision for employee and managerial bonuses – the bank uses calculations in accordance with the bonus regulations adopted by the bank, using the forecast of the bank’s results,
- for the valuation of its own real estate – the bank adopted as a rule obtaining a valuation from independent experts with a frequency of 3-5 years.

A detailed description of the accounting policies is included in the Annual Consolidated Financial Statements of ING Bank Śląski S.A. for 2023, under *Accounting Policy and Additional Notes*.

The introduced organisational structure of the bank allows for the separation of duties between the *Front-office*, *Back-office*, Risk and Finance. Additionally, the introduction of an appropriate internal control system enforces the implementation of control of transactions and financial data in back-office units and support units. This area is subject to an independent and objective assessment by the Internal Audit Department, both in terms of the adequacy of the internal control system, risk management and corporate governance. Read more about Internal Audit’s role in control and risk management processes [here](#).

Selection of an entity authorised to audit financial statements

The selection of the audit firm to audit the standalone and consolidated financial statements for 2023 was made in accordance with the applicable regulations, including the provisions on the selection and selection procedure of an audit firm.

The Bank has the *Policy of Selecting an Audit Firm to Audit Financial Statements, Assessing its Independence and Providing Other permitted Services at ING Bank Śląski S.A.*, which includes a policy for selecting an audit firm and a policy for providing services to the bank – by an auditing company, related entity with an audit firm or a member of

its network – additional non-audit services, including services conditionally exempt from the prohibition of the audit firm from providing.

The selection of the independent auditor for the audit of the financial statements is made by the Bank’s Supervisory Board on the recommendation of the Audit Committee (read more about the role of the Audit Committee [here](#)). The selection is made taking into account the need for consolidation of the financial statements and the related unified approach of ING NV Group regarding the rules for auditor changes. This approach meets the requirements of existing EU legislation.

Main assumptions of the developed Policy of selecting an audit firm to audit financial statements, assess its independence and provide other permitted services at ING Bank Śląski:

- The Audit Committee decides on consenting to the involvement of a statutory auditor (the audit company conducting the audit, an entity related to that audit firm and by a member of the audit firm’s network) to provide permitted non-audit services,
- the provision of permitted services is possible only to the extent unrelated to the bank’s tax policy, after the Audit Committee assesses the threats and safeguards to the independence of the statutory auditor and the audit firm,
- verification and monitoring of the independence of a statutory auditor or audit firm are performed at every stage of the process of selecting an audit firm to audit financial statements.

When making the final selection, the Supervisory Board, and the Audit Committee at the stage of preparing recommendations, are guided by the following transparent and non-discriminatory selection criteria, which are used by the bank to evaluate offers submitted by audit firms:

- assessment of the independence of the audit firm to conduct the audit already at the stage of the selection procedure,
- the ability to provide the full range of services specified by the bank (audit of standalone statements, audits of consolidated statements, reviews, etc.),
- the company’s experience to date in auditing reports of entities with a profile of activity similar to that of the bank,
- the company’s experience to date in auditing reports of public interest entities from the banking sector,



- professional qualifications, experience relevant to the activities performed as part of the audit and the number of people directly involved in the study conducted at the bank,
- proposed price conditions by the auditing company to conduct the audit,
- a commitment to ensuring the quality of the examination as required by the relevant professional standards.

On 9 December 2022, the Bank Supervisory Board selected Mazars Audyt spółka z ograniczoną odpowiedzialnością based in Warsaw, as the entity authorised to audit and review the financial statements of ING Bank Śląski and the Bank’s Capital Group for the years 2023-2025. The selection was made on the basis of the recommendation of the Audit Committee, which was drawn up following a selection procedure organised by the bank that met the applicable criteria. The selection was made taking into account the two bids submitted and the Audit Committee’s recommendation met the applicable conditions, with the proviso that, in view of the non-fulfilment of the condition regarding the need to obtain authorisation from the PFSA included in one of the bids, the recommendation identified one proposed audit firm. The contract for the audit and review of the 2023-2025 financial statements between the bank and Mazars Audyt spółka z ograniczoną odpowiedzialnością was signed on 22 June 2023. The audit for 2023 is the first year of cooperation with Mazars Audyt spółka z ograniczoną odpowiedzialnością (in previous years, the bank did not use the services of the selected audit company).

According to the presented statement, the audit company Mazars Audyt spółka z ograniczoną odpowiedzialnością and members of the audit team met the conditions for drawing up an impartial and independent report on the audit of the annual financial statements in accordance with the applicable regulations, professional standards and the principles of professional ethics.

The bank complies with applicable regulations regarding the rotation of the audit firm and the key statutory auditor as well as mandatory grace periods. According to the currently applicable law, the maximum uninterrupted period of employment of the same audit firm cannot exceed 10 years. The maximum 10-year period of the mandate granted by the bank to the previous audit company (KPMG Audyt spółka z ograniczoną odpowiedzialnością sp.k.) ended with the audit of the report for 2022. The entity auditing the consolidated financial statements of the parent company ING Bank Śląski S.A. (ING Groep N.V.) for the years 2023-2025 remains KPMG Accountants N.V. For the purposes of preparing the consolidated financial statements of ING Groep N.V. KPMG Audyt spółka z ograniczoną odpowiedzialnością sp.k. provided (at the request of ING Bank N.V.) review and examination services of consolidation packages of ING Bank Śląski S.A. for 2023, thus ensuring a consistent approach in the audit implementation process at the ING Group level.

Non-audit services

In 2023, the audit firm that audited the Bank’s financial statements (Mazars Audyt Spółka z ograniczoną odpowiedzialnością) provided the following non-audit services:

- review of the semi-annual financial statements of the bank and the ING Bank Śląski Group,
- assurance service – fulfilment of client asset custody requirements,
- assurance service – compliance of annual information on the bank’s capital adequacy.

The provision of the above-mentioned services was approved by the Audit Committee after assessing the threats and safeguards to the independence of the statutory auditor and the audit firm.

Auditor's remuneration

Remuneration of the entity authorized to statutory audit the financial statements of entities of the Capital Group of ING Bank Śląski S.A. broken down by entity conducting the audit									
thousand PLN net	2019		2020		2021		2022		2023
	KPMG*	Other auditor	KPMG	Other auditor	KPMG	Other auditor	KPMG	Other auditor	Mazars** Other auditor***
Examination of annual reports financial	790.0	129.5	567.6	129.0	567.6	129.0	661.1	146.0	1,088.7 498.8
Other certification services assurance, including reviews of financial statements	392.0	56.5	234.0	30.0	234.0	50.0	359.9	40.0	481.7 40.0

*Additionally, reimbursement of documented expenses;
**the remuneration does not include: the supervision fee (in the amount resulting from the Act on Statutory Auditors, Auditing Firms and Public Oversight), and reimbursement of additional costs related to the provision of services (limit of 3% of the audit fee for the annual financial statements);
***including KPMG's fees for the audit of financial subsidiaries.



Remuneration of the entity authorized to statutory audit the financial statements of entities of the Capital Group of ING Bank Śląski S.A. divided into the bank and its subsidiaries										
thousand PLN net	2019*		2020		2021		2022		2023**	
	Bank	Companies	Bank	Companies	Bank	Companies	Bank	Companies	Bank	Companies
Audit of annual accounts	490.0	429.5	257.5	439.1	257.5	439.1	351.0	456.1	930.7	656.8
Other assurance services, including reviews of financial statements	392.0	56.5	234.0	30.0	234.0	50.0	359.9	40.0	481.7	40.0

**In addition, reimbursement of documented expenses;*
***the remuneration does not include: the supervision fee (in the amount resulting from the Act on Statutory Auditors, Auditing Firms and Public Oversight), and reimbursement of additional costs related to the provision of services (limit of 3% of the audit fee for the annual financial statements).*

Bank Management Board

GRI [2-9] [2-10] [2-11] [2-18]

Composition of the Management Board

Pursuant to the provisions of the Bank Charter, the Bank Management Board consist of 3 to 8 members appointed by the Supervisory Board. The number of members of the Management Board in a given term of office is determined by the Supervisory Board. Members of the Management Board are appointed for a joint term of office, which begins on the date of their appointment and covers four consecutive full financial years. The current term of office started on 02 April 2020 and expires on the date of the General Meeting approving the financial statements for 2024. Appointment takes place after conducting the qualification procedure, the purpose of which is to check and evaluate the qualifications of the candidates. The suitability assessment process is carried out with the involvement of an external entity in order to increase the objectivity of the work related to the verification of documents and preliminary suitability assessment. As part of this procedure, the Supervisory Board, based on the recommendations of the Remuneration and Nomination Committee, assess the individual suitability of candidates for functions in the Management Board (in particular, meeting the requirements of Article 22aa of the Banking Law), as well as the collective suitability of the Management Board as a whole.

According to the Charter of ING Bank Śląski S.A., at least half of the members of the Management Board should be Polish citizens. Two members of the Management Board, including the President and the Vice-President of the Management Board, supervising the management of risks relevant to the bank’s operations, are appointed with the approval of the Polish Financial Supervision Authority. Management Board Members may be dismissed at any time by the Supervisory Board. The dismissal of the Vice-President of the Management Board takes place after obtaining the opinion of the President of the Management Board by the Supervisory Board.

Composition of the Management Board in 2023

There were no changes to the composition of the Bank Management Board in 2023. Thus, the composition and division of responsibilities of the Board Members as at 31 December 2023 was as follows:

- Mr Brunon Bartkiewicz – President of the Bank Management Board, supervising the CEO Division,
- Ms Joanna Erdman – Vice-President of the Bank Management Board supervising the CRO Division,
- Mr Marcin Giżycki – Vice-President of the Bank Management Board supervising the Retail Banking Division and its subsidiary Nowe Usługi S.A.,
- Ms Bożena Graczyk – Vice-President of the Bank Management Board supervising the CFO Division and the subsidiary ING Bank Hipoteczny S.A.,
- Ms Ewa Łuniewska – Vice-President of the Bank Management Board supervising the Business Clients Division and the following subsidiaries: ING Usługi dla Biznesu S.A. and ING Investment Holding (Polska) S.A.,
- Mr Michał H. Mrożek – Vice-President of the Bank Management Board, supervising the Wholesale Banking Division,
- Mr Sławomir Soszyński – Vice-President of the Bank Management Board, supervising the CIO Division,
- Ms Alicja Żyła – Vice-President of the Bank Management Board supervising the COO Division.



Brunon Bartkiewicz
President of the Management Board

Mr Brunon Bartkiewicz meets all the requirements specified in the provisions of Article 22aa of the Act of 29 August 1997 – Banking Law.

In the position of President of the Management Board at ING Bank Śląski S.A. since 2016 (previously in 1995-2000 and 2004 -2009).

From June 2021 a Supervisory Board Member of ING Bank Hipoteczny S.A. – he also held this position during the period March – April 2018. Previously (April 2018 – June 2021) Chair of the Supervisory Board of this company. For two years (2014 2016) Chief Innovation Officer at ING Bank N.V. From 2012 to 2014 Managing Director of the International Retail Banking Division at ING Bank N.V., where he oversaw ING's activities in France, Italy, Poland, Spain, Romania and Turkey.

He held supervisory positions at Bank Śląski S.A. from 2000 to 2001 and at ING Bank Śląski S.A. from 2010 to 2016. (from 2000 to 2001 and April 2010 to May 2011) a Supervisory Board Member and then (May 2011 to March 2016) a Deputy Chair of the Supervisory Board. From 2010 to 2012 he was associated with ING Direct N.V. as General Manager.

From October 2010 to March 2012 a Management Board Member of ING Bank (Australia) Ltd. He also served on the Management Board of ING Oyak Bank A.S. (now ING Bank A.S.) between 2008 and 2009. For 5 years (2004-2009), a Supervisory Board Member of ING Towarzystwo Ubezpieczeń na Życie. In 2004 he became President of the Management Board of ING Bank Śląski S.A. and held this position until the end of 2009. In 2000, he took on the role of Chief Executive Officer and Member of the Management Board at ING Direct N.V. for a further four years. From 2002 to 2003 a Management Board Member of ING Direct (UK) N.V.

In addition, from 2000 to 2004 he was: A Member of the Board of Directors of ING Bank Canada, ING Direct Canada, a Member of the Supervisory Board of ING DiBa AG and at ING Bank (Australia) Ltd. he was Chair of the Board of Directors. From 1991 to 2009, he was associated with Bank Śląski S.A., first as a Bank Director, then as Management Board Member and First Vice-President and President of the Management Board. He previously worked at Penetrator S.A. (1990-1991), Digital Laboratories International S.A. (1986-1990) and at the Central School of Planning and Statistics (now the Warsaw School of Economics), Department of International Finance (1986-1989).

Between 1991 and 2009, he held supervisory positions in the following entities: Dom Maklerski Banku Śląskiego S.A. in Katowice – a Supervisory Board Member, Nationale Nederlanden Polska – a Supervisory Board Member, CERA – a Supervisory Board Member, ING BSK Asset Management – a Supervisory Board Member, ING Securities S.A. – a Chair of the Supervisory Board and a Supervisory Board Member, as well as functions as a Management Board Member at ING Direct – Italian Branch (from 2001 to 2014) and ING Direct – French Branch (from 2001 to 2013).

In addition, he has been a Member of the Programme Board of the Businesswomen’s Leadership Foundation since April 2021. He has been involved in the activities of the Polish Bank Association for many years, where, among others, he was a Management Board Member (2005 – 2010), Chair of the Union Council (June 2020 – April 2021), Member of the Presidium of the Union Council (April 2021 – November 2022), and is currently a Member of the Union Council (since November 2022). For two years (2019-2020) he was a Member of the University Council of the Cracow University of Economics. He has also been a Supervisory Board Member of Interhyp AG (Munich, Germany) since June 2022.

Graduate of the Central School of Planning and Statistics (now the Warsaw School of Economics) in Warsaw. He has participated in management and banking training courses including CEDEP – Insead France and the Executive Program at the Graduate School of Business at Stanford University.



Joanna Erdman
Vice-President of the Management Board Supervises CRO Division

Ms Joanna Erdman meets all the requirements set out in the provisions of Article 22aa of the Act of August 29, 1997 – Banking Law.

She assumed the position of Vice-President of the Management Board at ING Bank Śląski S.A. in April 2013. Since 24 May 2021, he has held the position of Vice-President of the Bank Management Board responsible for overseeing material risk management.

Since June 2020, she has been a Supervisory Board Member of the subsidiaries: ING Commercial Finance Polska S.A., ING Lease (Polska) Sp. z o.o. and in Nowe Usługi S.A., where she was previously a Chair of the Supervisory Board.

In December 2018, she became a Deputy Chair of the Supervisory Board of ING Investment Holding (Poland) S.A. and continues in this role (she served as a Supervisory Board Member from June to September 2023). Since March 2018, she has been a Supervisory Board Member of ING Bank Hipoteczny S.A.

From 2010 to 2013, Bank Director overseeing the Strategic Clients Division at ING Bank Śląski S.A.. In 2007, she took up the position of Director of the Strategic Clients Department in the Strategic Clients Division at ING Bank Śląski S.A., which she held until 2010. From 2001 to 2007, she was Director of the Strategic Client Centre in the Corporate Banking Division at ING Bank Śląski S.A.. From 1996 to 2001, she worked in the corporate part of the ING Bank N.V. branch, and before that in the Marketing Department of Bank Pekao S.A. from 1995 to 1996.

In addition, from June 2020 to September 2021, she was a Supervisory Board Member of Biuro Informacji Kredytowej S.A. (Credit Information Bureau), then a Deputy Chair of the Supervisory Board, a Chair of the Supervisory Board and since August 2023 she has been a Supervisory Board Member of Biuro Informacji Kredytowej S.A. .

From 2020 to 2021 (June 2020 to April 2021), she was a Board Member of the Responsible Business Forum. For 5 years – from June 2016 to April 2021 she was associated with the ING Children’s Foundation. First as a Member of the Foundation Board and then as Chair of the Foundation Board (June 2019 – April 2021).

Graduate of the Warsaw School of Economics and London Business School. She has participated in development programmes in the areas of risk management and ESG/Sustainability: Advanced Risk Management Program at Wharton University, University of Cambridge Sustainable Finance and Global Association of Risk Professionals (GARP) – Sustainability and Climate Risk.



Marcin Giżycki
Vice-President of the Management Board
Supervises the Retail Clients Division

Mr Marcin Giżycki meets all the requirements set out in the provisions of Article 22aa of the Act of 29 August 1997 – Banking Law.

In the position of Vice-President of the Management Board at ING Bank Śląski S.A. since August 2016.

Since December 2018, he has been a Supervisory Board Member at ING Investment Holding (Poland) S.A. He was a Supervisory Board Member at ING Bank Hipoteczny S.A. from March to April 2018 and subsequently became Deputy Chair of the Supervisory Board and continues to hold this position. Since August 2015, he has held supervisory positions in the company Nowe Usługi S.A. – first as a Supervisory Board Member and currently as Chair of the Supervisory Board. In 2015, he became a Management Board Member of ING Securities S.A. and later President of the Board (August 2015 – May 2016). In 2006, he took on the role of Bank Director responsible for part of the Retail Banking Division at ING Bank Śląski S.A. and held this position for 10 years, while in 2016 he held the position of Bank Director of the Brokerage Division. Between 1996 and 2006, he held various positions in sales and retail network management at ING Bank Śląski S.A.

In addition, from May 2017 to June 2020, he held supervisory positions at the Biuro Informacji Kredytowej S.A. as a Deputy Chair of the Supervisory Board, a Chair of the Supervisory Board and a Supervisory Board Member).

He has been a Board Member at the ING for Children Foundation since May 2021.

Graduate of the University of Economics in Katowice and Poznań School of Banking. He participated in the Executive Program at the Graduate School of Business at Stanford University.



Bożena Graczyk
Vice-President of the Management Board
Supervises the CFO Division

Ms Bożena Graczyk meets all the requirements set out in the provisions of Article 22aa of the Act of 29 August 1997 – Banking Law.

She assumed the position of Vice-President of the Management Board at ING Bank Śląski S.A. in June 2017.

Since June 2021, she has been a Chair of the Supervisory Board of ING Bank Hipoteczny S.A. and was previously a Supervisory Board Member.

She also serves as a Supervisory Board Member in subsidiaries: ING Commercial Finance Polska S.A., ING Lease (Polska) Sp. z o.o., ING Investment Holding (Polska) S.A., ING Usługi dla Biznesu S.A. and SAIO S.A.. From April 2018 to June 2020, she was a Supervisory Board Member of Solver Sp. z o.o. in liquidation, and from June 2020 to August 2022, she was a Chair of the Supervisory Board of this company.

From 1994 to 2017 she was associated with KPMG, in 2001 she became Partner in the audit and advisory area for the financial services sector. She held the positions of Director of the Accounting Advisory Services Team and then Director of the Financial Risk Management Team. Between 1996 and 1997, she participated in the audit of the financial statements of financial institutions carried out by KPMG Spain.

Additionally, she has been a member of the Presidium of the Diversity and Inclusion Committee of the Polish Bank Association since February 2023.

Graduate of the University of Łódź. She completed the Executive MBA in International Business, University of Bristol and École Nationale des Ponts et Chaussées, as well as the Advanced Management Program, IESE Business School at the University of Navarra and participated in the Tempus programme of the University of Limburg.

She is qualified as a chartered accountant.



Ewa Łuniewska

**Vice-President of the Management Board
Supervises the Businesse Clients Division**

Ms Ewa Łuniewska meets all the requirements set out in the provisions of Article 22aa of the Act of 29 August 1997 – Banking Law.

In the position of Vice-President of the Management Board at ING Bank Śląski S.A. since January 2021.

She is a Chair of the Supervisory Board of subsidiaries: ING Lease (Polska) Sp. z o.o., ING Commercial Finance Polska S.A., ING Usługi dla Biznesu S.A. and ING Investment Holding (Polska) S.A., and a Supervisory Board Member of SAIO S.A.

Between 2012 and 2023, she also held other supervisory roles in companies: ING Commercial Finance Polska S.A., ING Usługi dla Biznesu S.A., ING Investment Holding (Polska) S.A., Nowe Usługi S.A. and functions in subsidiaries of ING Lease (Polska) Sp. z o.o.

From the beginning of 2016 until the end of 2020, she held the position of President of the Management Board of ING Lease (Polska) Sp. z o.o. and until November 2018 the position of a Management Board Member of ING Investment Holding (Polska) S.A.

In 2006, she was appointed Bank Director in the Corporate Sales Network Division of ING Bank Śląski S.A., where she worked until 2015. Prior to that, she was Head of Strategic Clients in the Strategic Clients Division from 2001 to 2005. For two years (2000 – 2001) she was with ING Bank N.V., where as Managing Director she supervised the Corporate Banking Department, the Treasury Management Department, the Structured Finance Department and was a member of the Executive Committee.

From April 1997 to 1999 she was Deputy Director and then Director of the Capital Markets and Structured Finance Department at ING Bank N.V. She started her career in 1991 in the Corporate Banking Department of ING Bank N.V.

In 2020, she held the position of Chair of the Executive Committee of the Polish Leasing Association. Since 2016, she has been involved in the ING Polish Arts Foundation, where she first served as a member of the Foundation’s Council and has been Chair of the Foundation’s Council since 2021.

Graduate of the Warsaw School of Economics.



Michał H. Mrożek

**Vice-President of the Management Board
Supervises the Wholesale Division**

Mr Michał H. Mrożek meets all the requirements specified in the provisions of Article 22aa of the Act of 29 August 1997 – Banking Law.

In the position of Vice-President of the Management Board at ING Bank Śląski S.A. since July 2020.

He has been a Supervisory Board Member of the subsidiary SAIO S.A. since October 2022.

From April 2019 to June 2020, he held the position of General Manager and Head of Wholesale Banking at HSBC France HBFR, Poland Branch. He was President of HSBC Bank Polska S.A. from 2015 to 2019, while he was Managing Director of Citibank N.A. from 2011 to 2014. Previously, between 1998 and 2011, he was with Citibank Handlowy – first as Deputy Head of Corporate Banking, then as Director of Strategic Planning and Corporate Development, and between 2004 and 2011 he was Deputy CEO of the Management Board. Between 1995 and 1998, he was Head of Corporate Banking Department at Bank Handlowy in Warsaw.

From 1991 to 1995 he was with Price Waterhouse (International Privatisation Group), Washington, D.C., first as Manager and then as Department Head. He started his professional career at a branch of Bank Austria in New York.

In addition, he served as Vice-President at the Employers’ Association of Banks and Financial Institutions LEWIATAN from 2019 to 2021. From 2018 to 2019, he was Chair of the Board at the Council of the Polish Bank Association. Since 2013, he has been a member of the New York Council of the Kościuszko Foundation and the Council of the Jan Karski Educational Foundation.

Graduate of Georgetown University School of Foreign Service in Washington, DC.

In 2013, awarded by the Minister of Foreign Affairs with the Badge of Honour “Bene Merito” for his contribution to promoting and strengthening the role of Poland in the international arena. In 2011 awarded the Bronze Cross of Merit by the President of the Republic of Poland for his contribution to the development of the Polish banking market.



Sławomir Soszyński
Vice-President of the Management Board
Supervises the CIO Division

Mr Sławomir Soszyński meets all the requirements set out in the provisions of Article 22aa of the Act of 29 August 1997 – Banking Law.

He assumed the position of Vice-President of the Management Board at ING Bank Śląski S.A. in October 2019.

From 2017 to 2019, he was a board member overseeing J.P.’s Global Corporate Centre. Morgan Poland Services Spółka z o.o. in Warsaw. Previously, he had been associated with J.P. since 2015. Morgan in London as Executive Director of Architecture for the Corporate Technology and Technology Infrastructure Sector.

From 2014 to 2015, he served as Global Head of Technology at OSTC Group in Poland.

Previously, he spent 10 years with Citibank in Poland, London, New York and Singapore. During this time he was responsible for IT security, technology in the Global Audit Division and then retail banking technology and IT architecture in EMEA as CTO.

Since April 2023, he has been Deputy Chair of the Presidium of the Electronic Banking Council of the Polish Bank Association, where he has served as a Member since February 2020.

Graduate of the Nicolaus Copernicus University. He completed the MBA programme at Kozminski University.



Alicja Żyła
Vice-President of the Management Board,
Supervises the COO Division

Ms Alicja Żyła meets all the requirements specified in the provisions of Article 22aa of the Banking Law Act of 29 August 1997.

She assumed the position of Vice-President of the Management Board at ING Bank Śląski S.A. in September 2021.

She has been a Chair of the Supervisory Board of the subsidiary SAIO S.A. since October 2022.

From November 2018 to August 2021 associated with ING Lease (Poland) Sp. z o.o., first as Vice-President of the Management Board (November 2018 – February 2021) and then as President of the Board (March 2021 – August 2021). For 10 years, from 2008 to 2018, Bank Director responsible for the Operations Division at ING Bank Śląski S.A. From 1998, she worked for 10 years in the Retail Banking Division, where she held a number of key positions, including as Head of Product Development since 2006. In 1996, she started working at ING Bank Śląski S.A. in the HR department.

In addition, from 2009 to 2020 she served as a Supervisory Board Member of the National Clearing House (Krajowa Izba Rozliczeniowa S.A.), and from August 2019 to August 2021 she served as a Supervisory Board Member of NN Investment Partners TFI S.A. From July to August 2021, she was a ING Polish Arts Foundation Board Member. From May to August 2021, she served as Deputy Chair of the Executive Committee at the Polish Leasing Association.

Graduate of the University of Economics in Katowice. She participated in the ING International Management Development Programme at the University of Business Studies in Tilburg.



Competencies of the Management Board

The Management Board shall manage and represent the bank. All the matters not otherwise reserved by law or the Bank Charter to the competence of the other bank’s governing bodies shall be within the scope of the Management Board’s responsibilities. The Management Board operate collectively, subject to the matters which, pursuant to the provisions of the bank’s internal regulations, were entrusted to individual members of the Management Board. As a rule, the bank has two-person representation – in the following configurations:

- two Members of the Bank Management Board,
- one Member of the Bank Management Board with a proxy,
- two proxies.

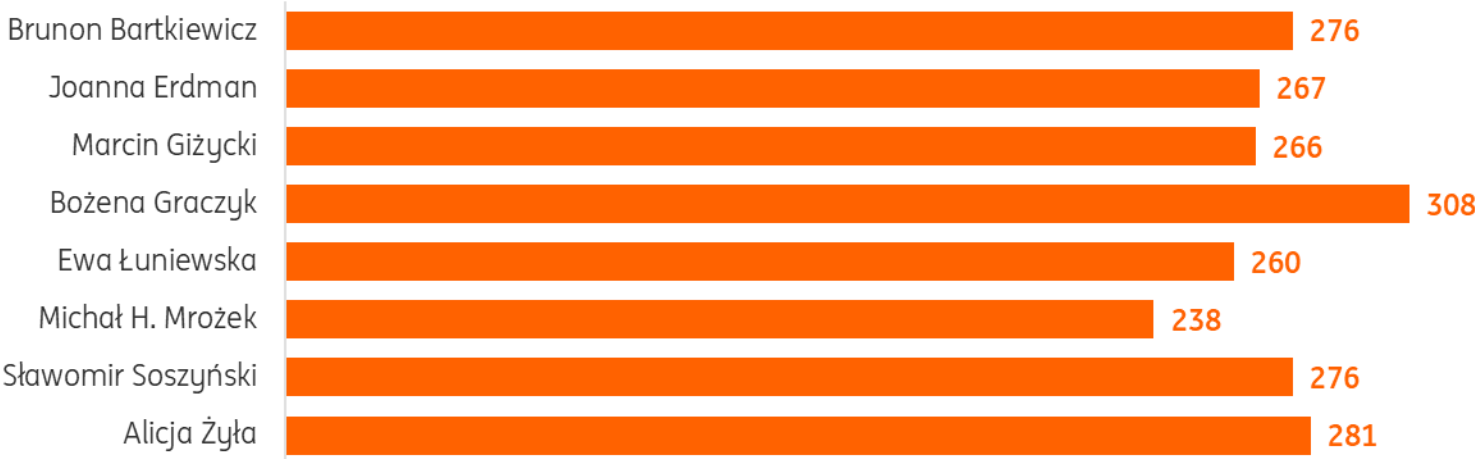
Proxies acting independently or jointly with the persons indicated above or with another representative may be appointed to perform specific activities or perform certain types of activities.

The Bank Management Board formulate the bank’s operating strategy as part of the rolling three-year action plan, which requires approval by the Supervisory Board.

The Management Board may approve valid resolution if the meeting is attended by more than one half of its members and all the members of the Management Board have been correctly invited. Resolutions of the Management Board shall be adopted by an absolute majority of votes. In the event of equal votes, the President of the Management Board shall have a casting vote.

In 2023, 71 meetings of the Bank Management Board were held. A total of 312 resolutions were adopted unanimously.

Number of resolutions in which individual Members of the Bank Management Board participated



Members of the Bank Management Board supervise individual divisions and organisational units, in accordance with the division of powers established by the Management Board and approved by the Supervisory Board, being responsible for the implementation of their mission and basic tasks. The organisation of work of the Management Board, matters requiring resolutions of the Management Board and its mode of functioning are set forth in the Regulations of the Management Board resolved by the Management Board and approved by the Supervisory Board.

In addition to the matters listed in the Charter or the Organisational Regulations, the following matters in particular (subject to the competence of the Supervisory Board) require resolutions of the Management Board:

- all matters which, in accordance with generally applicable laws and the provisions of the Bank Charter, require decisions of other statutory bodies of the bank,
- defining the bank’s policies, including in particular the credit policy, risk management policy and remuneration policy,
- determining the rules for acquiring funds from other financial institutions and the rules for their use, and setting the rules for investing own funds in other banks,
- defining the principles for determining the interest rate on products offered by the bank, including, in particular, the interest rate on loans and advances, funds on term accounts and payable on demand, and penalty interest,
- considering applications for recognition of extraordinary losses and the creation of provisions in excess of the amounts determined by the Bank Management Board separately,



- adopting investment plans and determining the principles of investment implementation,
- decisions on matters related to the purchase, encumbrance, sale and lease of real estate and other property rights, to the extent exceeding the amounts separately determined by the Management Board,
- decisions on the purchase and sale by the bank shares or stocks of other legal persons with a value exceeding the amounts separately determined by the Management Board,
- establishing principles for granting and revoking powers of attorney to perform specific activities or activities of a specific type,
- matters beyond the scope of day-to-day management, including in particular matters falling outside the competences of individual members of the Management Board and Committees appointed by the Management Board,
- other matters where the decisions have been reserved for the competence of the Management Board in separate regulations adopted by the Management Board and other matters brought by the President of the Management Board or another Management Board Member,
- matters where legal or other regulations require an opinion by the Management Board.

In matters other than those listed above, decisions are made in accordance with the following principles:

- decisions in matters where no collective action is required by the Management Board and that have been delegated to the competencies of individual members of the Management Board, are to be made in the form of decisions of such member of the Management Board; however, the Management Board by way of a resolution may identify matters that require a decision of minimum two members of the Management Board,
- decisions in matters that have been delegated by the Management Board to the competencies of the competent committee established by the Management Board, are made in the form of resolutions of such committee,
- decisions in matters not reserved for the competences of the Management Board, a member of the Management Board or the appropriate Committee shall be made in the form of decisions managing the organisational unit at the appropriate level, within the scope of the competences entrusted to him/her.

The competences of individual members of the Management Board are specified in the Organisational Regulations and the regulations concerning the functioning of their areas introduced by the Management Board.

Additionally, the Management Board are authorised to increase the share capital but maximum PLN 26 million (or issues of maximum 26 million shares) by 26 April 2026 (authorised capital) and to waive pre-emption rights at share issues of the authorised capital. The decisions taken by the Management Board on the share issue price and waiver of pre-emption rights require approval by the Supervisory Board.

As at 31 December 2023, the Bank had the following standing committees, which are appointed by the Bank Management Board, approving their composition, tasks and regulations:

- Assets and Liabilities Committee (ALCO),
- Credit Policy Committee,
- Credit Committee of ING Bank Śląski S.A.,
- Restructuring Credit Committee,
- Retail Product Committee,
- Corporate Products and Financial Markets Committee,
- Model Validation Policy at ING Bank Śląski S.A.,
- Product Parameterisation Committee of the Financial Markets Division and the Treasury Department,
- Client Protection and Product Approval Committee,
- Evaluation Team (SOX) Committee,
- Donation Committee,
- Operational Risk in a Trading Environment (ORiate) Committee,
- IT Architecture Committee,
- Retail Price Committee,
- Reference Rates Committee,



- Client Risk Management Committee (CIRC) at ING Bank Śląski S.A.,
- Know Your Client Committee (KYC) at ING Bank Śląski S.A.,
- IT Risk and Security Committee in ING Bank Śląski S.A,
- Pricing Committee for Business Clients,
- ESG Council Committee,
- ESG Risk Committee,
- Model Risk Committee at ING Bank Śląski S.A.

Remuneration of the Management Board and the Supervisory Board members

GRI [2-18] [2-19] [2-20]

Since 2020, the bank has been operating a resolution adopted by the Ordinary General Meeting of ING Bank Śląski S.A. [Remuneration Policy for Supervisory Board and Management Board Members of ING Bank Śląski S.A.](#)

The policy has been prepared in line with the requirements arising from EU regulations and national legislation including:

- The Banking Law,
- Principles for corporate governance for Supervised Institutions,
- The Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.

The policy sets out the principles for the remuneration of members of our bank’s governing bodies. The latest amendments to the Policy were adopted by Resolution of the Ordinary General Meeting of ING Bank Śląski S.A. No. 32 of 7 April 2022. The changes made related to the level of remuneration for members of the Supervisory Board, changes to the incentive programme for members of the Management Board and clarification of the provisions

relating to the link between the total remuneration of members of the Management Board and that of other employees.

At the end of 2023, none of the members of the Supervisory Board held shares in ING Bank Śląski or in the bank’s related entities. For the members of the Bank Management Board, non-deferred treasury shares for 2022 totalling 7,772 were granted under the Incentive Scheme based on this financial instrument. These shares were transferred to the individual brokerage accounts of the Management Board members.

Number of shares allotted to members of the Management Board of ING Bank Śląski		Number of shares
First name and surname		Number of shares
Brunon Bartkiewicz		1,438
Michał Mrożek		937
Giżycki Marcin		987
Ewa Łuniewska		873
Joanna Erdman		926
Bożena Graczyk		1,058
Alicja Żyła		782
Sławomir Soszyński		771
Total		7,772

Remuneration of Supervisory Board members

Each Supervisory member Board serves by virtue of appointment by resolution of the General Meeting. The members of the Supervisory Board are appointed for a joint term of office which commences on the date of appointment and covers four consecutive full financial years.

In determining the level of remuneration of the Supervisory Board members and allowances for additional functions on the Board, market medians for these positions in the banking sector are taken into account, taking into account the scale of the Bank’s activities and its financial position. Supervisory Board members’ remuneration is analysed annually based on Sedlak & Sedlak’s independent remuneration report, which presents financial data from the banking sector on remuneration levels and fringe benefits.



In accordance with the Regulations, members of the Supervisory Board who perform other functions at ING Bank N.V. at the same time perform their tasks on the Supervisory Board free of charge. Supervisory Board Members waive their right to remuneration by submitting a declaration to that effect in writing.

No variable remuneration is granted to members of the Supervisory Board. The fixed remuneration of members of the Supervisory Board consists of:

- a basic salary,
- a monthly fixed allowance for the performance by the Supervisory Board Members of any additional function on the Supervisory Board or its committees, set as a percentage of the basic remuneration in the amount of:
 - for the Chair of the Supervisory Board – 100%,
 - Deputy Chair of the Supervisory Board and Board Members serving as a Chair of Board Committees – 25%,
 - Members not serving as Chairs of Council Committees – 15%.

Below are the values of the remuneration due and paid by the bank to the members of the Supervisory Board in 2023.

Benefits payable to members of the Supervisory Board of ING Bank Śląski for 2023 (in PLN thousand)					
First name and surname	Period from – to	Remuneration	Awards	Other benefits	Total
Aleksander Galos	01.01.2023 – 31.12.2023	379.4	0.0	0.0	379.4
Dorota Dobija	01.01.2023 – 31.12.2023	247.4	0.0	0.0	247.4
Monika Marcinkowska	01.01.2023 – 31.12.2023	223.4	0.0	0.0	223.4
Katarzyna Zajdel-Kurowska	26.04.2023 – 31.12.2023	136.1	0.0	0.0	136.1
Małgorzata Kołakowska	01.01.2023 – 31.12.2023	0.0	0.0	0.0	0.0
Michał Szczurek	01.01.2023 – 31.12.2023	0.0	0.0	0.0	0.0
Stephen Creese	01.01.2023 – 31.12.2023	0.0	0.0	0.0	0.0
Aris Bogdaneris	01.01.2023 – 26.04.2023	0.0	0.0	0.0	0.0
Total		986.3	0.0	0.0	986.3

Benefits paid to members of the Supervisory Board of ING Bank Śląski for the year 2023 (in PLN thousand)					
First name and surname	Period from – to	Remuneration*	Awards	Other benefits	Total
Aleksander Galos	01.01.2023 – 31.12.2023	379.7	0.0	0.0	379.7
Dorota Dobija	01.01.2023 – 31.12.2023	250.8	0.0	0.0	250.8
Monika Marcinkowska	01.01.2023 – 31.12.2023	229.4	0.0	0.0	229.4
Katarzyna Zajdel-Kurowska	26.04.2023 – 31.12.2023	136.1	0.0	0.0	136.1
Małgorzata Kołakowska	01.01.2023 – 31.12.2023	0.0	0.0	0.0	0.0
Michał Szczurek	01.01.2023 – 31.12.2023	0.0	0.0	0.0	0.0
Stephen Creese	01.01.2023 – 31.12.2023	0.0	0.0	0.0	0.0
Aris Bogdaneris	01.01.2023 – 26.04.2023	0.0	0.0	0.0	0.0
Total		996.0	0.0	0.0	996.0

*The remuneration includes the return of contributions to the Social Insurance Institution due to exceeding the annual basis of contributions for retirement and disability pension insurance in keeping with a decision by the Social Insurance Institution.

The monthly fixed remuneration for individual Supervisory Board Members is no more than 10 times the average basic salary received by an employee at ING Bank Śląski.

The principles of the Management Board Members remuneration

Internal regulations governing remuneration

The remuneration of a member of the Bank Management Board is determined in accordance with *the Regulations for the Remuneration of Members of the Management Board of ING Bank Śląski S.A.* adopted by the Bank Supervisory Board. The latest amendments to the Regulations were made by Resolution of the Supervisory Board No. 103/XX/2023 of 05 December 2023.

The Regulations are a clarification of the principles resulting from the *Remuneration Policy for Supervisory Board and Management Board Members of ING Bank Śląski S.A.* and at the same time constitute the implementation of the *Variable Remuneration Policy for the Identified Staff of ING Bank Śląski S.A.*



Agreements with members of the Management Board

The members of the Management Board are employed on the basis of employment contracts concluded for a joint term of office, which commences on the date of appointment of the body and covers four consecutive full financial years.

The agreements set out the terms and conditions of employment and the full remuneration package of the Board member. In this respect, the agreements comply with applicable laws and internal regulations. In addition, the Management Board members have entered into non-competition agreements with the Bank upon termination of their employment, which formulate the principles applicable to a member of the Management Board and the benefits to which they are entitled upon termination.

Board Member remuneration package

In accordance with the regulations indicated above, the benefits of a Management Board Member consist of:

- fixed remuneration comprising basic remuneration and fringe benefits, and
- variable remuneration, i.e. an annual bonus.

The remuneration package for the members of the Management Board is reviewed annually by the Remuneration and Nomination Committee of the Supervisory Board. In determining the terms and conditions of remuneration for members of the Management Board, the Supervisory Board take into account a market comparison, including the median values of comparable positions in comparable organisations. Market data sourced from:

- payroll reports, including Korn Ferry, Sedlak & Sedlak,
- stock exchange reports of banks listed on the Warsaw Stock Exchange (internal bank benchmarking).

Comparative market data sourced from independent salary reports includes data for the banking sector covering base salary, variable salary, termination benefits and other benefits. These figures provide a benchmark for the remuneration policy for the members of the Management Board.

As part of the review of the remuneration package, the Remuneration and Nomination Committee of the Supervisory Board:

- analyses salary data from the market,
- recommends the level of fixed remuneration and the proportion of the annual bonus to the basic salary.

Fixed remuneration

The base salary is set in relation to the market salary level, according to the grade according to Korn Ferry’s job evaluation methodology. When determining the basic remuneration of a Management Board Member, the following in particular shall be taken into account: the function performed, the scope of responsibility, qualifications and professional experience.

The Bank provides its Management Board members with the following fringe benefits:

- Life and accident insurance with a guaranteed insured sum in the amount of gross annual basic remuneration, another type of protection and investment insurance or an investment fund, with the same premium,
- payments towards an investment fund in the amount of 15% of the monthly basic remuneration of a Management Board member,
- medical care (Golden Family Card Package).

A separate part of the benefits included in the fixed remuneration are benefits related to the termination of the employment contract, i.e.: severance pay and punitive damages. The employment contracts provide for a severance payment of six times the average monthly basic salary of the last six months of service preceding the termination of employment. Severance pay is not payable if a Management Board member is dismissed for cause:

- an employment relationship be terminated under Article 52 of the Labour Code,
- termination of employment on the resignation of a Management Board member, when the termination of the relationship occurs on the initiative of a Management Board member who terminates his or her employment contract in order to take up employment with another entity or to pursue his or her own business,
- the suspension of a Management Board member or the suspension of the entire Management Board by the Polish Financial Supervision Authority under the provisions of the Banking Law.

Severance pay is also not paid in situations where a Management Board member continues to be employed by ING Group N.V. after termination of the contract with the bank.

In addition, the members of the Management Board have entered into non-compete agreements with the bank setting out the rights and obligations of the parties to the agreement with regard to competitive activities during and after the termination of the employment relationship. Under the terms of the contract, for a period of 12



months from the date of termination of employment, the Management Board member is entitled to payment of punitive damages equal to 12 months of the gross base salary received by the Management Board member in the last year of the contract. The amount of punitive damages is reduced in the event of:

- dismissal of a Management Board member for reasons justifying termination of the employment relationship without notice (Article 52 of the Labour Code) or due to suspension of a Management Board member or the entire Management Board of the Bank by the Polish Financial Supervision Authority under the provisions of the Banking Law – up to 25% of the 12-month gross basic remuneration received in the last year of the contract,
- termination of the employment relationship due to the resignation of a member of the Management Board on his/her own initiative who terminates his/her employment contract in order to take up employment in another entity or to pursue his/her own business – up to 50% of the 12-month gross basic salary received in the last year of the contract. The Supervisory Board may authorise the Chair to increase the punitive compensation above this level.

The members of the Management Board do not receive remuneration or rewards for their functions in the authorities of subsidiaries and associates of the ING Bank Śląski Group.

Furthermore, the Supervisory Board may decide on granting other benefits, e.g. covering private school tuition for children, rent and fittings of an apartment or a house or payment of a rent allowance, covering membership fees in clubs and associations in Poland and abroad, provided this is justified by interest of the bank.

Variable remuneration

A Management Board member may receive a bonus of up to 100% of the annual base salary for the performance of bonus tasks set by the Supervisory Board. The objectives set by the Board support the creation of long-term value for the bank and include attention to the bank’s cost of risk, cost of capital and liquidity risk. The objectives include both non-financial and financial elements.

- Targets of a financial nature include selected ratios set according to financial or management accounting standards taking into account the cost of risk, cost of capital and liquidity risk (including long-term). The target levels of the financial criteria are consistent with the Strategy and Financial Plan of ING Bank Śląski S.A. adopted by the Supervisory Board for the respective assessment period. As a rule, tasks of a financial nature cannot be linked to the results obtained in the areas controlled by the Board Member concerned.

- Non-financial targets account for at least 50% of all targets, excluding the Board Member responsible for control functions. As a rule of thumb, the objectives of the Management Board Member in charge of control functions only include non-financial tasks.

The weights for financial and non-financial purposes are determined annually by the Supervisory Board.

A right to an annual bonus depends on the attainment by the bank in a financial year representing an assessment period of at least 80% of a gross profit forecast in a plan for the given year. Should such profit not be achieved, a Management Board Member shall not have the right to an annual bonus and a base value thereof shall not be computed. In compliance with the Capital Management Policy at ING Bank Śląski S.A., ING Bank Śląski tests capital to ensure that a total bonus pool for all the employees does not limit the bank’s ability to maintain an adequate capital base. In case of such limitation, a decision may be taken not to activate the bonus pool.

The final decision on the amount of the annual bonus for individual Management Board Members is made by the Supervisory Board based on the recommendation of the Remuneration and Nomination Committee of the Supervisory Board. As a rule, 40% of the bonus is deferred and 60% of the bonus is deferred if the amount specified in the regulations is exceeded. The deferral period is five years from the determination of the variable remuneration by the Supervisory Board. The award of deferred variable remuneration is made annually over a period of five years, in five equal parts, unless there are grounds for reduction or non-payment. For the CEO, the deferral period is six years and the deferred variable remuneration is divided into six equal parts.

Non-deferred and deferred variable remuneration is divided into two parts:

- at least 50% in financial instruments – as of 1 July 2022, the treasury share (previously a phantom share) became the primary instrument;
- the remainder in cash to the Board Member’s bank account designated for the purpose of remuneration payment, no later than within seven working days after the General Meeting of ING Bank Śląski approves the Bank’s annual financial statements.

Own shares based incentive scheme

The Bank’s own shares based incentive scheme was adopted by resolution of the Bank’s Ordinary General Meeting No. 29 of 7 April 2022 in the bank and in the bank’s group companies subject to mandatory consolidation, excluding ING Bank Hipoteczny S.A.



Under the Programme, own shares are awarded free of charge as a component of variable remuneration to *Identified Staff* within the meaning of the Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system and internal control system and remuneration policy in banks (Journal of Laws 2021, item 1045).

The operation of the Programme is conditional on a sufficient number of treasury shares being raised from the market. Pursuant to the Programme, the Bank’s Ordinary General Meeting authorised the Bank Management Board to purchase the Bank’s own shares on the terms and conditions described below:

- own shares will be fully paid up,
- own shares will only be acquired for the purpose of implementing the Programme,
- the maximum number of own shares acquired will not exceed 800,000 (in words: eight hundred thousand) shares, representing 0.6% of the bank’s share capital and representing 0.6% of the total number of votes in the bank, and in no case will the total nominal value of the own shares acquired, taking into account own shares previously acquired by the bank and its subsidiaries which have not been sold or cancelled, exceed 0.6% of the bank’s share capital,
- the total amount that may be allocated for the acquisition of own shares, including the costs of their acquisition, shall not exceed PLN 200 million (in words: two hundred million) and shall in no case exceed the amount of the reserve capital created for this purpose,
- treasury shares will be acquired through an investment firm selected for this purpose,
- the unit purchase price per own share will be no less than PLN 50 (in words: fifty) and no more than PLN 500 (in words: five hundred), with the price per own share determined taking into account Article 5 of the MAR Regulation and the Technical Standards.

In the event that, for any reason, the repurchase of shares from the market is in fact impracticable or not possible without undue difficulty or within the assumed timetable, for the purpose of further fulfilment of the bank’s obligations under the Programme, the Bank Management Board, with the consent of the Supervisory Board, may decide to replace the bank’s own shares with another financial instrument whose value depends on the value of the bank’s shares or to fulfil the bank’s obligations under the Programme in another manner that achieves its objectives.

Phantom share rights granted prior to the start date of the new scheme will be exercised under the existing principles. In particular, the deferred portions of the remuneration granted in phantom shares will not be convertible into treasury shares.

As a result of the transactions carried out as part of the buyback of the first tranche of treasury shares, i.e. from 12 May 2023 to 3 July 2023, the bank acquired a total of 24,931 treasury shares for a total amount of PLN 4.2 million, representing approximately 0.01916% of the share capital and approximately 0.01916% in the total number of votes at the Bank’s General Meeting. Own shares were transferred to the individual brokerage accounts of the members of the Management Board and Identified Staff in number:

Bank Management Board	Identified Staff
7,772 own shares	17,159 own shares

No bonus shall be due should an employment contract be terminated under Article 52 of the Labour Code. The Supervisory Board may also decide to reduce the annual bonus or not to pay it out in a given bonus award period based on the verification of assessment of the execution of the bonus tasks, taking the ex post risk into account.

Linking remuneration principles to sustainability issues

The criteria for awarding variable remuneration are in line with our bank’s long-term business strategy, values and risk appetite, promote and support the process of effective risk management, and support the long-term interests of the bank and its clients. As of 2020, the following are in force *the provisions of the Remuneration Policy in the ING Bank Śląski S.A. Capital Group.*, which refer to the linking of remuneration principles at all levels to sustainability objectives. The remuneration policy is consistent with the bank’s strategy for the period, which is reflected in the objectives set for the Management Board and employees for the year and directly translates into the level of variable remuneration. In 2023, the objectives set for the Management Board members were ESG-related and included, among other things, the tasks of:

- development and introduction of (specific) sustainable products,
- aiming for zero CO₂-equivalent emissions by 2030 in Scope I and II – progress in line with the Environmental Declaration published in July 2021,



- to meet the agreed targets along the climate risk chain in the ESG project in accordance with the adopted roadmap,
- providing green technological solutions in the workplace that contribute to the reduction of CO₂-equivalent emissions,
- promoting increased employee involvement in ESG, Culture of Risk, entrepreneurship and self-development programmes,
- we are strengthening the bank's ESG culture by increasing staff awareness, knowledge and engagement in the area of sustainability,
- readiness of ESG reporting in line with reporting requirements. Completion of concept of non-finance data mart for ESG reporting and concept for data and control framework.



Quantitative and qualitative criteria for awarding the variable remuneration components to Members of the Bank's Management Board (1/2)

Year 2023								Brunon Bartkiewicz (CEO)			Bożena Graczyk (CFO)			Joanna Erdman (CRO)			Michał Mrożek (Wholesale Banking)													
				Minimum	Target	Maximum	Performance	Weight	Performance %	Assess ment	Score points	Performance %	Assess ment	Score points	Performance %	Assess ment	Score points	Performance %	Assess ment	Score points										
On Job	Financial	TOTAL BANK			33.3			33.3	100	33.3	120	40.0	100	33.3																
		Profit before tax																			2,844.4	2,932.3	3,078.9	4,310.3	147%	147%	not applicable	147%		
		Return on equity																			15%	16%	16%	25%	159%	159%	not applicable	159%		
		Operational expenses																			3,186.6	3,155.0	2,997.3	3,329.6	94%	94%	not applicable	94%		
		Manage total FTE																							--**	--**	not applicable	--**		
		BUSINESS LINE																							111%	102%	not applicable	141%		
	Non-financial*	Customers																							93%	100%	not applicable	107%		
		Risk																							100%	100%	100%	100%		
		Strategy Execution																							119%	112%	120%	100%		
		Environment																							120%	107%	110%	110%		
		Social (People)																							110%	110%	105%	100%		
		Quantitative Performance																								100%				
Orange Code				Individual goals, related to the way in which tasks are performed and supporting their realisation			Goals set as a part of the behavior: - You take it on and make it happen - You help others to be successful - You are always a step ahead			33.3			110%			100			33.3			100%			100			33.3		
Strech ambition				Goals that go beyond the requirements of the position, resulting in e.g. new quality for the customer			Key goals to highlight priorities for the year, in line with ING's strategy			33.3			110%			100			33.3			120%			120			40.0		
Total							100.0						100.0			113.3			100.0						113.3					
Final performance of 2023										100.0			113.3			100.0						113.3								
% of variable remuneration (80% target, 100% max)										80%			93,3%			80%						93.3%								

*Non-financial goals are set within areas in accordance with ING's strategy in a given year; **The target has not been set for 2023.



Quantitative and qualitative criteria for awarding the variable remuneration components to Members of the Bank's Management Board (2/2)

Year 2023								Marcin Giżycki (Retail Banking)			Ewa Łuniewska (Business Banking)			Alicja Żyła (COO)			Sławomir Soszyński (CIO)										
			Minimum	Target	Maximum	Performance	Weight	Performance %	Assessment	Score points	Performance %	Assessment	Score points	Performance %	Assessment	Score points	Performance %	Assessment	Score points								
On Job	Financial	TOTAL BANK					33.3		100	33.3		120	40.0		100	33.3		100	33.3								
		Profit before tax	2,844.4	2,932.3	3,078.9	4,310.3		147%			147%			147%			147%										
		Return on equity	15%	16%	16%	25%		159%			159%			159%			159%										
		Operational expenses	3,186.6	3,155.0	2,997.3	3,329.6		94%			94%			94%			94%										
		Manage total FTE						--**			--**			101%			101%										
		BUSINESS LINE						102%			127%			100%			106%										
	Non-financial*	Customers						94%			110%			108%			100%			100%							
		Risk						100%			100%			107%			100%			100%							
		Strategy Execution						100%			119%			109%			104%			104%							
		Environment						100%			100%			120%			100%			100%							
		Social (People)						100%			110%			100%			100%			100%							
		Quantitative Performance																									
		Orange Code		Individual goals, related to the way in which tasks are performed and supporting their realisation							Goals set as a part of the behavior: - You take it on and make it happen - You help others to be successful - You are always a step ahead						40.0					110%	100	33.3	106%	100	33.3
Strech ambition		Goals that go beyond the requirements of the position, resulting in e.g. new quality for the customer					Key goals to highlight priorities for the year, in line with ING's strategy					100					33.3	100%	100	33.3	110%	100	33.3	100%	100	33.3	
Total			100.0					106.7					106.7					100.0					100.0				
Final performance of 2023 goals								106.7					106.7					100.0					100.0				
% of variable remuneration (80% target, 100% max)								86.7%					86.%					80%					80%				

*Non-financial goals are set within areas in accordance with ING's strategy in a given year; **The target has not been set for 2023.



Remuneration of Management Board members

Remuneration due and paid in 2023

Below are the values of the remuneration due and paid by the Bank to members of the Bank Management Board in 2023.

Benefits payable to members of the Management Board of ING Bank Śląski for 2023 (in PLN thousand)					
First name and surname	Period from – to	Remuneration	Awards*	Other benefits**	Total
Brunon Bartkiewicz	01.01.2023 – 31.12.2023	2,845.5	-	514.3	3,359.8
Joanna Erdman	01.01.2023 – 31.12.2023	1,548.6	-	286.6	1,835.2
Ewa Łuniewska	01.01.2023 – 31.12.2023	1,347.8	-	267.2	1,615.1
Marcin Giżycki	01.01.2023 – 31.12.2023	1,523.7	-	304.6	1,828.3
Bożena Graczyk	01.01.2023 – 31.12.2023	1,515.6	-	252.1	1,767.7
Sławomir Soszyński	01.01.2023 – 31.12.2023	1,316.1	-	241.2	1,557.3
Michał Mrożek	01.01.2023 – 31.12.2023	1,446.9	-	265.3	1,712.2
Alicja Żyła	01.01.2023 – 31.12.2023	1,276.8	-	232.9	1,509.7
Total		12,821.0	-	2,364.3	15,185.3

*Benefits of ING Bank Śląski S.A. Management Board Members for 2023 under the Variable Remuneration Programme have not yet been awarded. In keeping with the bank’s remuneration system, the Bank Management Board members may be entitled to a 2023 bonus to be paid out in 2024-2031. Accordingly, a provision was set up for the payment of the 2023 bonus for the Management Board members, which as at 31 December 2023 stood at PLN 14.0 million. The Bank Supervisory Board will take a final decision on the amount of the bonus;

**Insurance, investment fund contributions, medical care and other benefits granted by the Bank Supervisory Board.

Benefits paid to members of the Management Board of ING Bank Śląski for 2023 (in PLN thousand)					
First name and surname	Period from – to	Remuneration	Awards*	Other benefits**	Total
Brunon Bartkiewicz	01.01.2023 – 31.12.2023	2,845.5	1,376.6	514.3	4,736.4
Joanna Erdman	01.01.2023 – 31.12.2023	1,548.6	924.0	286.6	2,759.2
Ewa Łuniewska	01.01.2023 – 31.12.2023	1,347.8	470.4	267.2	2,085.5
Marcin Giżycki	01.01.2023 – 31.12.2023	1,523.7	955.8	304.6	2,784.1
Bożena Graczyk	01.01.2023 – 31.12.2023	1,515.6	991.2	252.1	2,758.9
Sławomir Soszyński	01.01.2023 – 31.12.2023	1,316.1	551.3	241.2	2,108.6
Michał Mrożek	01.01.2023 – 31.12.2023	1,446.9	589.0	265.3	2,301.2
Alicja Żyła	01.01.2023 – 31.12.2023	1,276.8	314.3	232.9	1,824.0
Total		12,821.0	6,172.7	2,364.3	21,358.0

*Bonus resulting from the Variable Compensation Plan: for 2022 cash not deferred, for 2021 cash 1st tranche deferred, for 2020 cash 1st tranche deferred, for 2019 cash 2nd tranche deferred, for 2018 cash 3rd tranche deferred and for 2017 cash 4th tranche deferred – Phantom Shares resulting from the Variable Compensation Plan: for 2021 held, for 2019 1st tranche deferred, for 2018 2nd tranche deferred and for 2017 3rd tranche deferred;

**Insurance, investment fund contributions, medical care and other benefits granted by the Bank Supervisory Board.

Equal pay

GRI [2-21]

We pay very close attention to equal pay in our bank. In addition to the area of equal pay between men and women, an important element is not to allow disparities between the remuneration of Management Board Members and the average remuneration of our employees. Therefore, this area is governed by two policies: *Remuneration Policy for Supervisory Board and Management Board Members of ING Bank Śląski S.A.* and *Remuneration Policy in the ING Bank Śląski S.A. Group*.

According to the provisions of the regulations cited above, the average gross annual total remuneration of Management Board members does not exceed 40 times the average gross total remuneration of the other employees in an annual period. This relationship is reviewed annually as part of the pay policy review. The average basic salary received by an employee in our bank is PLN 11.6 thousand gross per month.



Information on the ratio of remuneration of Management Board members to the average for employees

	Limit	2021	2022	2023
Ratio of times the average gross basic salary (monthly)	40	13	12	12
Ratio of times the average gross total remuneration (annual)	40	22	27	22

Index of total annual remuneration

	2021	2022	2023
Ratio of annual total remuneration for the highest paid person in the organisation to the median annual total remuneration for all employees (excluding the highest paid person)	41.9	40.6	36.7
Ratio of the percentage increase in total annual remuneration for the highest paid person in the organisation to the median percentage increase in total annual remuneration for all employees (excluding the highest paid person)	0.25	0.79	0.15

Diversity policy for supervisory, managing and administrative bodies

GRI [405-1]

ING Bank Śląski applies the principle of diversity in the selection, qualification assessment and succession of supervisory and management bodies. The bank’s *Diversity Policy for ING Bank Śląski S.A. Management Board and Supervisory Board Members*. (approved by Resolution of the Ordinary General Meeting of ING Bank Śląski S.A. No. 34 of 7 April 2022) formulates principles to ensure that the members of these bodies are characterised by a broad range of competencies, high professional qualifications, adequate professional experience, skills and good repute. At the same time the policy assumes aiming at ensuring representation of both genders in the processes of selection and succession plans, keeping in mind the laws on fair treatment while establishing employment relationship.

In making its decision when appointing members to the governing bodies, the bank takes into account that more diverse governing bodies foster constructive dissent and discussion based on different points of view.

The principles specified in the policy aim to:

- reach a broad spectrum of competence when appointing Supervisory Board and Management Board members so as to have diverse points of view and experience and to facilitate independent opinions and reasonable decisions to be issued by a given body,
- ensure the high quality of tasks performed by managing bodies by way of selecting competent individuals to the Supervisory Board and Management Board, primarily applying objective business-related criteria and taking into account benefits stemming from diversity.

As regards business-related criteria, the diversity strategy ensures selection of persons with diverse knowledge, skills and experience, suitable for positions held by them and duties entrusted to them, who complement each other at the level of the Management Board and Supervisory Board. The criteria are verified in the suitability assessment process described in the *Policy for the Assessment of the Suitability of the Members of the Supervisory Board, Management Board and key function holders at ING Bank Śląski S.A.* Moreover, apart from knowledge, competences and professional experience, the diversity policy covers gender- and age-related differences, and applies them to arrive at the best outcome.

The Remuneration and Nomination Committee of the Supervisory Board of ING Bank Śląski defines the target value of the representation of the underrepresented gender in the Bank Management Board and Supervisory Board and adopts a plan aimed at achieving the target value. The target value is determined according to the term of office of the Supervisory Board and the Management Board of the Bank, i.e. once every four consecutive full financial years counted from the beginning of the term of office of a given body.



Information on diversity in the Management Board and Supervisory Board

	Management Board	Supervisory Board
Sex		
Females	4	4
Males	4	4
Age		
41-50 years	2	4
51-60 years	5	3
61-70 years	1	1
Citizenship		
Polish	8	6
Other	-	2
Seniority		
to 5 years	4	5
6-10 years	3	3
>10 years	1	-

Work experience of Management Board members and Supervisory Board members

Name and surname	Position	Work experience	Education
Work experience of Management Board members:			
Brunon Bartkiewicz	President	banking, finance	finance and economy
Joanna Erdman	Vice-President	banking, finance	finance and economy
Marcin Giżycki	Vice-President	banking, finance	banking and finance
Bożena Graczyk	Vice-President	banking, finance	finance and economy
Ewa Łuniewska	Vice-President	banking, finance	finance and economy
Michał Mrożek	Vice-President	banking, finance	finance and economy
Sławomir Soszyński	Vice-President	banking, IT	IT
Alicja Żyła	Vice-President	banking, finance	finance and economy
Work experience of Supervisory Board members:			
Aleksander Galos	Chair, Independent Member (Independent Member)	banking, legal	legal, management, banking
Małgorzata Kołakowska	Deputy Chair I	banking, finance	economy
Michał Szczurek	Deputy Chair	banking, finance	economy, legal, IT
Stephen Creese	Member	banking	economy
Dorota Dobija	Independent Member	banking, finance	economy, IT
Monika Marcinkowska	Independent Member	banking, finance	economy, management
Hans De Munck	Member	banking	economy
Katarzyna Zajdel-Kurowska	Independent Member	banking, finance	economy



Since the implementation of the Policy in 2019, the target value of the under-represented gender has been set at 30% of women and 70% of men (with a deviation of +/- 2%). The means to achieve the target value is to verify and update the database of successors. The target value is reviewed annually on the basis of reports prepared by the HR units and presented to the Remuneration and Nomination Committee of the Supervisory Board of ING Bank Śląski S.A. If the target value is not achieved, the bank will document the reasons, the measures to be taken and the timing of such measures to ensure that the target value is achieved.

As at 2023 yearend, the Management Board consisted of 4 women (50% of the number of Management Board members), and the Supervisory Board comprised 4 women (50% of the number of Supervisory Board members). On the Supervisory Board, 25% (2 people) have a nationality other than Polish.

Other information

Tax policy

ING Group N.V. is bound by the following *ING Global Tax Policy*, which applies to the entire ING Groep. It aims to ensure that, with regard to tax matters, all ING N.V. Group employees act in accordance with the tax laws contained in local legislation, the ING Values and the ING Tax Principles.

ING Bank Śląski has in place policy which regulates the principles we follow with regard to tax matters. In accordance with this policy, we comply with the principles described in the *ING Global Tax Policy* and the Orange Code. In order to mitigate potential tax risks, we implement lower-level documents, i.e. tax procedures and instructions, inter alia:

- ING Bank Śląski S.A. Corporate Income Tax settlement Manual,
- Procedure on how to document and determine tax liability and deferred tax at ING Bank Śląski S.A.,
- Manual on Tax Documentation for Transactions with Related Parties and Those Established in Countries with Harmful Tax Competition,
- Manual on Flat-rate Income Taxes on Certain Income (revenue) Earned by Individuals and Non-resident Legal Entities, Together with Operating Procedures,

- Manual on the Preparation by the Bank of information on Income from Other Sources and Information on Certain Income from Monetary Capital,
- ING Bank Śląski S.A. Value Added Tax Settlement Manual,
- Manual and Procedure for Accounting for the Tax on Certain Financial Institutions (bank levy),
- Procedure for dealing with non-compliance with the obligation to provide information on tax schemes, etc.,
- Manual on the Definition of Activities to be Performed by Individual Units at ING Bank Śląski S.A. When Obtaining and Submitting Information on US Reported Accounts,
- CRS Reporting Manual (Common Reporting Standard),
- Instructions and Procedure for the settlement of excise duty at ING Bank Śląski S.A.

We apply the arm’s length principle in our transactions with related parties. We strive to comply with national and international laws and regulations, taking into account both the letter and spirit of the law, as well as standards such as the OECD (Organisation for Economic Co-operation and Development) Guidelines.

We take a transparent approach to tax issues. Our disclosures are made in accordance with the relevant national legislation, as well as applicable requirements and reporting standards, such as IFRS.

The tax area is run by the Centre of Expertise TAX (CoE TAX). The mission of this team, following the adopted Policy, is:

- providing high-quality tax support to the bank’s business units and management,
- handling of the bank’s tax settlements in accordance with applicable laws and regulations,
- ensuring, in cooperation with other units of the CFO Division, that the bank’s tax position is correctly reflected in our financial statements.

The main tasks of CoE TAX include:

- rendering opinion, developing and implementing solutions relating to the bank’s taxes,
- keeping tax reporting and tax settlements in compliance with applicable laws and the bank’s internal needs,



- rendering opinions concerning internal regulations, instructions and procedures, external legal acts, draft contracts and other internal documents of the bank with respect to tax effects,
- providing information on material amendments to tax regulations,
- developing and updates or principles and procedures relating to tax liabilities under CIT, VAT, banking tax, flat/withholding tax, excise tax, customs duties, civil law tax.

Summary information on the tax strategy implemented by the bank in each year is available on [this website](#).

Management Board Statement on agreements concluded

The Bank Management Board declare that as at 31 December 2023 ING Bank Śląski S.A. did not hold:

- material loan agreements, sureties and guarantees not related to operating activities,
- material underwriting agreements,
- material guarantee agreements granted to subsidiaries,
- liabilities to the central bank,
- material agreements with the central bank or supervision authorities,
- agreements referred to in Article 141t (1) of the Banking Law Act.

Detailed information on transactions with related parties was presented in the Annual Consolidated Financial Statements of the ING Bank Śląski S.A. Group for 2023 and in the 2023 Financial Statements of ING Bank Śląski S.A.



Bank and client safety (G)

Risk and capital management system	122
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Liquidity and funding risk	136
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Operational risk	138
Compliance risk	140
Transaction security and stability of IT systems	141
Cyber security	143
Personal data security	145
ESG risks	147
Model risk	156
Business risk	156





Over the last few years, we have been proving that the rapid organic growth of the ING Bank Śląski Group S.A. does not come at the expense of compromising the quality of our assets. The speed and consistency of credit decisions can be a competitive advantage. This is due to the entire organization as well as the experience and motivation of our employees. Due to the increasing use of modern technology, the area of IT security and our clients’ data is becoming more and more important.

Risk and capital management system

GRI [3-3]

Risk management system

Our management system allows us to manage risks in line with the size and profile of the risks we incur. We continuously identify, measure or assess, monitor and control risks, including mitigation and reporting with an assessment of the effectiveness of the actions taken.

A risk management system is a set of principles, mechanisms, methodologies, models and tools (including, but not limited to, policies and procedures) embedded in risk processes. It covers all spheres of our bank’s activities and those of the entire bank group, as well as cooperation with outsourcers, clients and partners.

We hedge or mitigate risks by putting in place appropriate controls, a system of limits and an adequate level of provisions (allowances), as well as capital and liquidity buffers.

Our risk management system provides us with:

- maintaining a safe level of solvency, liquidity and non-financial risks (comprising operational, compliance and model risks), as well as an adequate level of provisions,
- supporting the effective achievement of business objectives,
- providing compliance with the law and supervisory requirements.

As part of the risk management system:

- we measure or assess risks at a set frequency that is appropriate to the scale and complexity of our bank’s activities,
- we use formalised principles that are used to determine the size of undertaken risks and principles governing risk management,

- we use formalised procedures aimed at risk identification, measurement, or estimation that also includes a predicable risk level in the future,
- we apply formalised limits to mitigate risk and rules in the event of exceeded limits, including ways and means to eliminate future exceeded limits,
- we use an approved management information system supporting risk level monitoring,
- we have an organisational structure in place that is adjusted to the size and profile of the risk that the bank incurs,
- we have a qualified risk management unit and provide training for first and second line of defence staff,
- we have a well-defined process for assessing and measuring credit risk, independent of the lending function,
- we have a documented range of reviews for the estimation of expected credit losses (including the models used to estimate impairment allowances under IFRS 9 (impairment models)) and the timing of these, with at least an annual frequency.

Three lines of defence model

The risk management system is described in the Policy – General principles of risk management at ING Bank Śląski S.A. Our risk management structure is based on a model of three lines of defence. It provides us with a solid foundation for risk management by defining and implementing three layers, with separate enforcement and oversight responsibilities.

First line of defence – is responsible for developing, implementing and executing mitigating controls and monitoring their effectiveness. Its responsibilities include:

- analysis,
- control and
- managing risks in the processes, including for outsourced activities.



The management of the business units and support functions has primary responsibility for assessing, controlling and mitigating all risks affecting their operations, and for the completeness and accuracy of financial and risk reports relating to their areas of responsibility.

The second line of defence is responsible for formulating and translating risk appetite into methodologies and policies. Moreover, it objectively verifies and challenges risk management and control processes implemented by the first line of defence. It also coordinates the reporting of risks and controls by the first line of defence.

Its main task is:

- support,
- instructing,
- opinion,
- counselling,
- questioning and
- overseeing the first line of risk management.

The third line of defence is the Internal Audit Department, which provides the Management Board, Supervisory Board and Audit Committee with independent assurance on the quality and effectiveness of the system of internal control, risk management, corporate governance and the systems and processes in place.

Diagram of the three lines of defence model



Internal control system

We have defined the internal control system in the Policy – Internal Control System in ING Bank Śląski S.A. A special role in the risk management process is performed by the Bank Management Board and Supervisory Board. The Bank operates a number of committees that are active in the management of specific risk types. Information on active committees is referred to in the chapter on [Corporate Governance](#).

Principles of risk management

We manage credit, market and non-financial (operational and compliance) risks in accordance with the principles set out by:

- norms of Polish law,
- regulations of the Polish Financial Supervision Authority and other authorised bodies, as well as
- standards set by ING Group N.V. to an extent that does not lead to a breach of the aforementioned regulations and best practice documents.

Irrespective of the need to ensure regulatory and legal compliance (Compliance), we treat credit, market and operational risk management as a fundamental and integral part of the overall management of ING Bank Śląski Group.

Risk appetite

The risk appetite determines the maximum amount of risk that the ING Bank Śląski Group is prepared to accept in support of stability and further growth. As part of our risk and capital management, we set risk appetite parameters (the so-called Risk Appetite Statement – RAS) and strategic capital targets to deliver the business strategy, including dividend targets.

Capital adequacy objectives

In the capital strategic objectives, the bank maintains a systemic risk buffer and a management buffer, enabling it to implement its strategy under conditions of unexpected regulatory and business changes.

The minimum level of capital adequacy results from the obligation to maintain minimum levels of capital ratios under the following external regulations:



- Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 (4.5% for CET1, 6% for T1 and 8% for TCR),
- Act of 5 August 2015 on macro-prudential supervision over the financial system and crisis management in the financial system sanctioning additional equity buffers, including:
 - the conservation buffer, which in 2023 (as in 2022) was 2.5%,
 - another systemically important institution buffer of 0.50% imposed by a decision of the PFSA, received on 20 December 2022 (no change in 2023),
- a countercyclical buffer to be applied to exposures to which that buffer has been imposed by competent authorities. The countercyclical buffer varies over time depending on the structure of the relevant exposures and the levels of countercyclical buffer rates imposed on the relevant exposures (as of the end of December 2023, the countercyclical buffer was effectively 0.012% (solo: 0.013%), compared to 0.005% (solo: 0.006%) as at the end of December 2022),
- Regulations of the Minister of Development and Finance of 18 March 2020 repealing the Regulation on the systemic risk buffer; however, following a prudent approach, we monitor capital ratios taking into account the size of the systemic risk buffer,
- As part of the capital adequacy RAS, we also set capital limits for specific risks.

Own funds and capital requirement

Minimum capital requirements

On 20 December 2022, we received a letter from the Polish Financial Supervision Authority (which we reported on in our [current report](#)) regarding a change in the level of the buffer of another systemically important institution, the adequate amount of which, based on the principles adopted by the PFSA, was set at an equivalent of 0.5% of the total risk exposure amount. We did not receive an update of this level in 2023, which means that the buffer of another systemically important institution for us did not change and was 0.5%.

On 14 December 2023, we received a letter from the Polish Financial Supervision Authority (as reported in our [current report](#)) recommending that we mitigate the risks inherent in our business by maintaining own funds to cover an additional capital charge (P2G) to absorb potential losses resulting from stress events, of 0.32 p.p. at the individual level and 0.31 p.p. at the consolidated level. The recommendation should be met above each of the

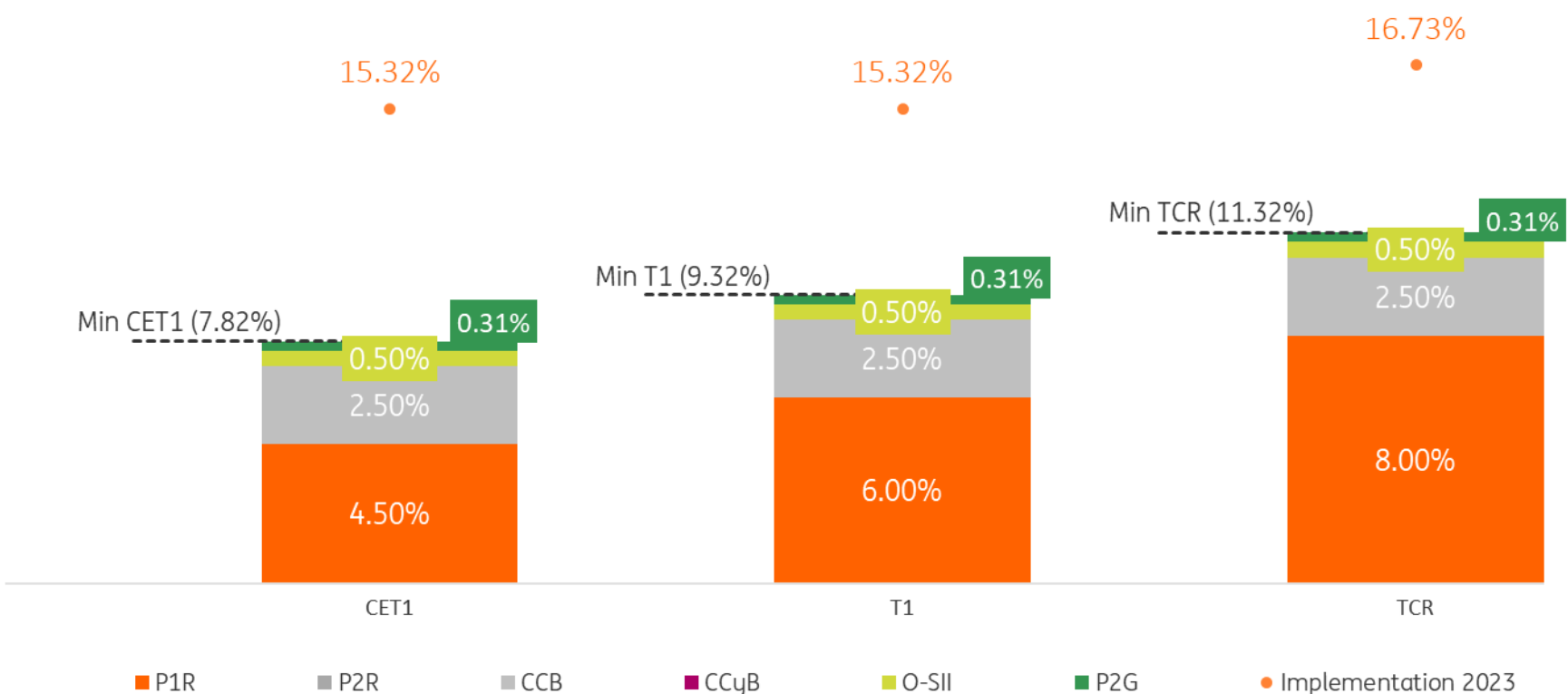
capital ratios (referred to in Article 92(1)(c) of Regulation No 575/2013), plus the additional own funds requirement (“P2R”, referred to in Article 138(2)(2) of the Banking Act) and the combined buffer requirement (referred to in Article 55(4) of the Macroprudential Supervision Act). The P2G capital charge should consist entirely of Common Equity Tier 1 capital.

Consequently, as at 31 December 2023, the minimum capital requirements for the ING Bank Śląski Group are:

- the Common Equity Tier 1 (CET1) requirement is 7.82%, of which:
 - 4.50% Pillar 1 Requirement (P1R),
 - 0.00% Pillar 2 Requirement (P2R),
 - 2.50% Capital Conservation Buffer (CCB),
 - 0.01% Countercyclical Buffer (CCyB),
 - 0.50% Other systemically important institution (O-SII) buffer,
 - 0.31% Pillar 2 Guidance (P2G) recommendation.
- The Tier 1 (T1) requirement is 9.32%, of which:
 - 7.82% (solo: 7.83%) CET1 requirement,
 - 1.50% Pillar 1 requirement for Additional Tier 1 (AT1) instruments.
- The total capital ratio (TCR) requirement is 11.32%, of which:
 - 9.32% T1 requirement,
 - 2.00% Pillar 1 requirement for Tier 2 (T2) capital.



Structure of minimum capital requirements for the ING Bank Śląski Group as at 31 December 2023:



Own funds

Our own funds on a consolidated basis consist of:

- common Equity Tier 1 capital, which amounted to PLN 16,321.7 million as at 2023 yearend (PLN 16,154.8 million as at 2022 yearend),
- Tier 2 capital, which amounted to PLN 1,507.0 million as at 2023 yearend (PLN 1,641.4 million as at 2022 yearend).

At 31 December 2023, as at 31 December 2022, no Additional Tier 1 (AT1) capital is identified in the Group.

Capital requirement

In 2022 and 2023, for reporting purposes, we used the calculation of capital requirement relating to credit risk with an advanced method of internal ratings and the standard method. We are approved by the Polish Financial Supervisory Authority and the National Bank of the Netherlands to use the Advanced Internal Ratings Based Approach (AIRB) for exposure classes: companies and credit institutions for our bank and ING Lease (Polska) Sp. z

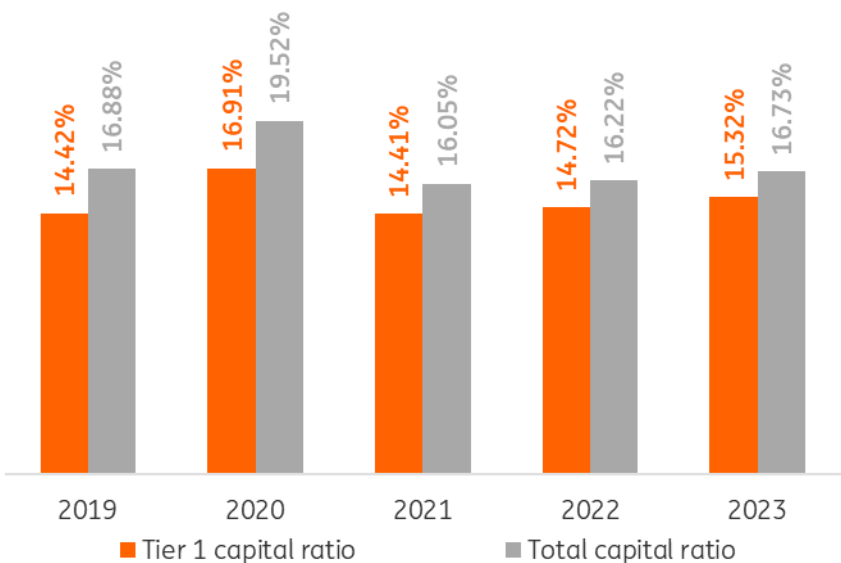
o.o. in the area of operational risk, from June 2020 we use the TSA (the standardised approach). In the area of market risk, we use the basic method and the updated average return period method (depending on the type of risk). We determine capital requirements relating to concentration risk, settlement risk and adjustment risk or credit valuation (CVA). In all cases, the requirements are set in accordance with the CRR Regulation.

Our total capital requirement as at 2023 yearend amounted to PLN 8,524.4 million and was PLN 254.7 million lower than a year earlier. Within its structure, it was dominated by the credit risk requirement. As at 2023 yearend, it represented 87% (similar to the end of 2022).

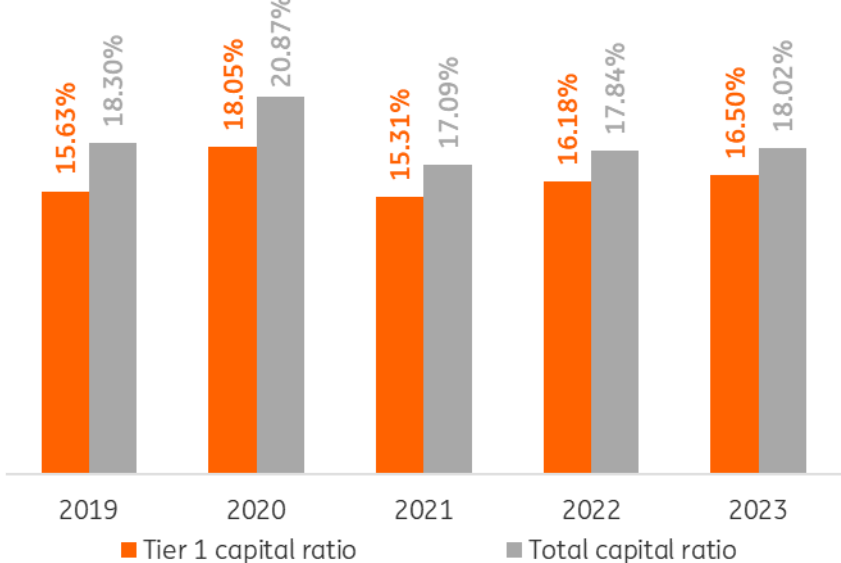
Capital Adequacy

As at 2023 yearend, the value of our total capital ratio on a consolidated basis was 16.73% compared to 16.22% as at 2022 yearend, and the value of our Tier 1 ratio was 15.32% compared to 14.72% as at 2022 yearend.

Capital ratios for the ING Bank Śląski S.A. Group



Capital ratios for ING Bank Śląski S.A



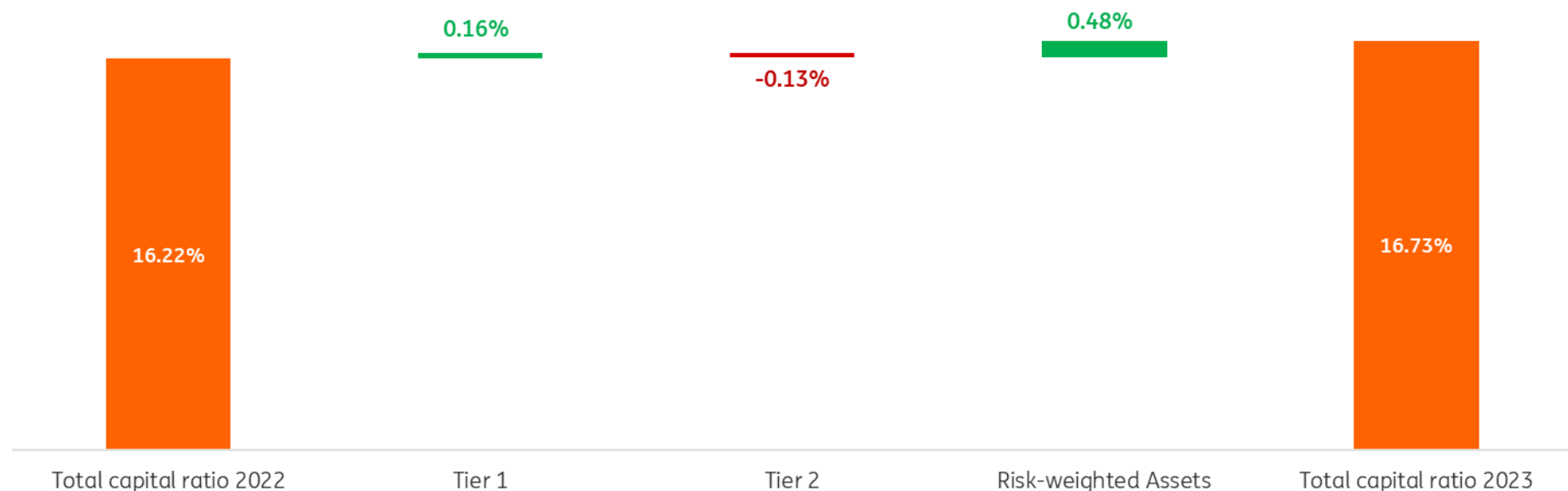
The main drivers of the change in the total capital ratio are:

- as part of Common Equity Tier 1 capital:
 - a reduction in the negative impact of deferred tax assets based on future profitability and not resulting from temporary differences, due to the realised tax loss for 2021 and 2022 as a result of the valuation of the IRS portfolio – an increase of 0.49 p.p. in the total capital ratio,



- a reduction in the negative impact from unrealised gains and losses on the portfolio measured at fair value through other comprehensive income – increase in the total capital ratio of 0.12 p.p.,
- a temporary increase in the shortfall of credit risk adjustments against expected losses according to the IRB approach – decrease in the total capital ratio by 0.26 p.p.,
- a decrease in positive impact due to transition periods regarding IFRS9 – decrease in total capital ratio by 0.21 p.p.,
- under Tier 2 capital:
 - a decrease in subordinated borrowings in EUR due to exchange rate changes between reporting periods – decrease in total capital ratio by 0.11 p.p.,
- as part of the capital requirement:
 - a reduction in risk-weighted assets, including positive changes regarding risk migration – 0.48 p.p. increase in the total capital ratio.

Breakdown of the annual change in the total capital ratio (consolidated approach)



The excess of the total capital ratio over the regulatory requirement (including P2G) increased from 4.71% to 5.41% and the excess of the Tier 1 ratio increased from 5.22% to 6.00%.

In the calculation of capital ratios, we take advantage of the transitional provisions in terms of mitigating the impact of the implementation of IFRS 9 on the level of own funds. If this transitional period had not been applied, our capital ratios at 31 December 2023 would have been as follows:

- at the consolidated level, the total capital ratio would have been at 16.60% and the Tier 1 capital ratio at 15.19%,
- at the standalone level, the total capital ratio would have been at 17.89% and the Tier 1 capital ratio at 16.37%.

Dividend policy

The most important assumptions of our dividend policy are as follows:

- a stable realisation of dividend payments in a foreseeable perspective in the amount of up to 50% of our bank's annual net profit in compliance with the prudent management principle and all regulatory requirements we are obliged to comply with, and taking into account the adopted Best Practice for GPW Listed Companies 2021,
- a proposal to pay dividends in an amount higher than the ratio indicated above is possible if justified by the bank's financial situation (e.g. from retained earnings) and provided that all other requirements of the law and the dividend policy are met,
- possibility of dividend payouts from capital surplus over the minimum capital adequacy ratios and above the minimum levels of capital ratios determined by the Polish Financial Supervision Authority for dividend payouts.

When deciding on the proposed amount of dividend payment, the Bank Management Board takes into account the supervisory requirements communicated within the framework of the official communication of the PFSA concerning the dividend policy of banks, as well as the following considerations:

- the current economic and financial condition of the bank and the capital group, including limitations when financial losses are generated or in case of low profitability (low return on assets / equity),
- the assumptions of the management and risk management strategy of the bank and the bank's group,
- restrictions resulting from Article 56 of the Act on Macro-prudential Supervision over the Financial System and Crisis Management in the Financial System of 5 August 2015,
- the need to reduce current period profits or unapproved annual profits included in own funds by foreseeable dividends, in accordance with Article 26 of EU Regulation No 575/2013,
- macroeconomic environment.



PFSA’s guidelines with respect to dividend for 2023

On 14 December 2023, the Polish Financial Supervisory Authority published its position on dividend policy in 2024. An amount of up to 50% of the profit for 2023 can only be paid out by banks that meet the following criteria at the same time:

- that do not pursue any recovery plan,
- are positively evaluated as part of the Supervisory Revision and Evaluation Process (final SREP score not worse than 2.5),
- have a leverage ratio (LR) of more than 5%,
- that hold their Tier 1 (CET1) core capital ratio not lower than the required minimum: $4.5\% + 56.25\% \cdot \text{P2R requirement} + \text{combined buffer requirement} + \text{P2G}^{[1]}$,
- that hold their Tier 1 (T1) capital ratio not lower than the required minimum: $6\% + 75\% \cdot \text{P2R requirement} + \text{combined buffer requirement} + \text{P2G}$,
- that hold their total capital ratio (TCR) not lower than the required minimum: $8\% + \text{P2R requirement} + \text{combined buffer requirement} + \text{P2G}$.

An amount of up to 75% of the 2023 profit can only be paid out by banks that meet the criteria for a 50% payout and also whose portfolio of receivables from the non-financial sector has good credit quality (share of NPLs, including debt instruments, of no more than 5%).

We should meet the criteria set out above both at the standalone and consolidated level, as at 2023 yearend and on the date the General Meeting decides to pay dividends.

The maximum dividend payable is capped at 75 per cent due to the expectation of strengthening the capital base in order to absorb the possible materialisation of risks accumulated in the environment of the Polish banking sector.

Dividends paid

On the basis of the PFSA’s position on the banks’ dividend policy for 2022, on 7 April 2022 the Bank’s Ordinary General Meeting passed a resolution on the payment of dividends from the 2021 profit. Based on this resolution, on 4 May 2022 the Bank paid a total dividend of PLN 689.5 million, i.e. a gross dividend of PLN 5.30 per share.

The Ordinary General Meeting of our bank of 26 April 2023 passed a resolution on the distribution of net profit for 2022. The resolution provided for the allocation of PLN 1,200.5 million to the general reserve and PLN 513.9 million to the dividend reserve, including advances on expected dividends.

The history of dividends paid in the last five years is shown in the table below. The full story is available on [our website](#).

Abridged history of dividend payment by ING Bank Śląski S.A.					
	2018	2019	2020	2021	2022
Dividend amount in a given year (PLN million)	455.4	0	663.5	689.5	0
Dividend amount per share (PLN)	3.50	0	5.10	5.30	0
Dividend payment rate (to consolidated profit)	29.8%	0%	49.6%	29.9%	0%
Dividend payment rate (to the share price on the dividend rights acquisition day)	1.8%	0%	2.0%	2.3%	0%

Declared dividends

The Bank Management Board is recommending to the General Meeting a total dividend for 2023 of PLN 4,338.8 million. This amount consists of PLN 3,330.6 million representing 75% of the consolidated profit of the ING Bank Śląski Group and 75% of the stand-alone profit of ING Bank Śląski and PLN 1,008.3 million from the dividend reserve. The proposed dividend per share is PLN 33.35 gross. The proposed ex-dividend date is 17 April 2024 and the proposed dividend payout date is 6 May 2024. The amount of the proposed dividend provides both for the current

^[1] Pillar 2 Guidance or Additional Capital Recommendation – measures a bank’s vulnerability to an adverse macroeconomic scenario using the results of supervisory stress tests. Sensitivity defined as: the relative change in CET1 calculated between the lowest level of CET1 in the scenario horizon and CET1 at the start of the test, including supervisory adjustments.



financial situation of the Group and the Bank and their development plans. We provided information in this regard in our current report of 5 March 2024.

In a [current report](#) dated 21 February 2024, the Management Board of our bank announced that the bank had received a letter from the PFSA indicating that the bank meets the requirements to pay a dividend of up to 75% of the net profit for 2023.

On 1 December 2023, we received a letter from the Polish Financial Supervision Authority indicating that it had no objections to our bank’s ability to pay a dividend of PLN 1,008.3 million from the dividend reserve. The aforementioned amount consists of PLN 494.4 million from the profit for 2019 and PLN 513.9 million from the profit for 2022, earmarked by decisions of the General Meeting for the replenishment of the dividend reserve.

Recovery plan and enforced restructuring

On 24 February 2023, we, as the ING Bank Śląski S.A. Group, received a positive decision from the PFSA to approve the updated Recovery Plan document. The Recovery Plan complies with the provisions of Polish law transposing the requirements of the BRR Directive, that is:

- with the Bank Guarantee Fund Act of 10 June 2016 (as amended) and
- the implementing provisions of that Act.

In parallel to the bank’s work on the Recovery Plan, the Bank Guarantee Fund (BGF) – as part of the tasks described in the Act – is obliged to participate in compulsory restructuring colleges established by competent compulsory restructuring authorities for groups that include a domestic entity or a significant branch operating on the territory of the Republic of Poland.

In carrying out these tasks, the BGF participates in the Single Resolution Board (SBR), which was set up by the Single Resolution Board (SRB) of the ING Group N.V., consisting of the parent company ING Groep N.V. and subsidiaries, including ING Bank Śląski S.A. The BGF, in a letter of 17 April 2023, reported that, in cooperation with the SRB, acting within the framework of the college, they had agreed and adopted, in the form of a joint decision, a Minimum Requirement for Own Funds and Eligible Liabilities (MREL), on a consolidated basis for ING Group N.V. and for subsidiaries, including ING Bank Śląski, at the standalone level (internal MREL). The joint decision indicates that the group compulsory restructuring plan provides for a compulsory restructuring strategy involving a single point of contact in the event of the commencement of a compulsory restructuring (Single Point of Entry, SPE). The preferred compulsory restructuring tool for ING Group N.V. is the bail-in instrument.

As part of the activities related to the compulsory restructuring process, we have prepared an operational Bail-in Manual, which outlines step-by-step the actions to be taken in a situation where a bail-in procedure is triggered. We have handed over the manual to the BGF. We plan to finalise the next update of the Manual by 30 September 2024.

The MREL requirement set by the BGF, in consultation with the SRB, for us is 19.30% of the *total risk exposure amount* (TREA) – including a combined buffer requirement of 3.01% as at 2023 yearend, and 5.91% of the total exposure *measure* (TEM), at the unit level. As at 31 December 2023, the MREL TREA ratio was 25.79% and the MREL TEM ratio was 10.51%. The entire MREL requirement should be met in the form of own funds and liabilities that meet the criteria set out in Article 98 of the BGF Act, which transposes Article 45f(2) of the BRR Directive. The part of MREL corresponding to the recapitalisation amount should be met in the form of the following instruments: additional Tier 1 (AT1), Tier 2 (T2) capital instruments and other subordinated eligible liabilities acquired directly or indirectly by the parent company.

MREL requirement – under the current BGF methodology for subsidiaries in cross-border group structures for which SPE strategies have been defined – with respect to risk exposure, can be estimated based on the formula:

$$(CRR_{TCR} + BFX) + [1 - (CRR_{TCR} + BFX)] * (CRR_{TCR} + BFX) + MCC$$

- CRR_{TCR} – The minimum required by CRR with respect to the total capital ratio,
- BFX – Pillar 2, i.e. add-on for foreign currency mortgage exposure,
- MCC – market credibility buffer (the nominal difference between the MREL requirement on a consolidated basis for the bank and the MREL requirement on a stand-alone basis, expressed as a percentage of the risk exposure on a stand-alone basis).

The MREL requirement, in relation to a measure of total exposure, can be estimated based on the formula:

$$(CRR_{LR}) + [1 - CRR_{LR}] * CRR_{LR}$$

- CRR_{LR} – The minimum leverage ratio required by the CRR.

Common Equity Tier 1 (CET1) instruments held by an entity for the purposes of the combined buffer requirement cannot be counted towards the MREL requirement expressed as a percentage of total risk exposure.



The restructuring strategy and the MREL requirement may be subject to change, in particular in connection with work within the supervisory colleges.

As at 2023 yearend, the value of non-preferred senior loans from ING Bank N.V amounted to PLN 7,681 million. This value consists of:

- a loan of EUR 260 million (which we reported ([in our current report of 22 December 2022](#)) concluded for a period of 6 years (with the bank having the right of early repayment after 5 years), and
- a loan of EUR 1.5 billion (which we reported ([in our current report of 21 December 2023](#)) concluded for a period of 4 years (with the bank having the right of early repayment after 3 years).

Both loans granted are an implementation of the *Single Point of Entry* strategy for ING Group N.V.

Credit risk

Introduction

The overarching documents governing credit risk management are: *General Principles of Risk Management at ING Bank Śląski S.A. and Credit Risk Management Policy at ING Bank Śląski*.

Credit risk is understood as:

- the risk of the ING Bank Śląski Group incurring a financial loss as a result of a debtor failing to meet its loan obligations to the Group in full and on time,
- a risk of reduced economic value of credit exposures or groups of credit exposures as a result of impaired ability of debtors to service their debt at the agreed time.

The policy of the ING Bank Śląski Group on the risk of the credit exposure portfolio takes into account the fact that activities generating credit risk may also be associated with other risks, i.e. among others:

- liquidity risk,
- market risk,
- operational risk,

- legal risk,
- reputational risk,
- also takes ESG risks into account.

These risks can reinforce each other. The Group optimises and mitigates losses relating to risk exposure by:

- setting internal limits,
- an adequate structure of credit products,
- applying collateral,
- applying functional controls,
- effective monitoring, restructuring and collection,
- monitoring of changes to the clients' credit worthiness and reliability,
- regular monitoring and validation of models used to identify and measure credit risk,
- performing analyses of trends and the values of key risk indicators.

Our primary objective in the credit risk management process is to support the effective achievement of business objectives through proactive risk management and organic growth activities, while:

- maintaining a safe level of capital and liquidity ratio standards and an adequate level of reserves,
- ensuring compliance with the law and supervisory requirements.

We manage credit risk in an integrated manner based on:

- strategic planning,
- a consistent system of limits, policies and procedures, and
- tools for risk management, including those to identify, measure and control risks.



This integrated system consists of all the processes carried out in connection with credit activities. Detailed credit risk management objectives are as follows:

- support to business initiatives,
- maintenance of credit losses at a pre-determined level,
- ongoing verification, review of adequacy and development of the applied procedures, models and other elements of the risk management system,
- adaptation of activities to the changing external conditions,
- maintaining an adequate level of credit risk capital requirements and provisions,
- ensuring compliance with the regulator’s requirements.

Risk management strategy and risk appetite parameters

We regard credit risk management as a fundamental and integral part of overall management. The core elements of risk management include determination and monitoring of strategy implementation and RAS parameters.

Credit risk management strategy

The credit risk management strategy supports implementation of business objectives while maintaining our bank’s safe level of solvency and liquidity and an adequate level of provisions. We determine the strategy in order to ensure an optimum development of the credit portfolio while maintaining an adequate quality and profitability of credit operations and capital allocation. The primary goal of defining the credit risk management strategy is to optimise the risk/return on equity ratio, while considering information on the current and prospective macroeconomic environment, the bank’s portfolio and the level of execution of the RAS limits.

In the credit risk management strategy we provide for a “lookout to the future”, including the need to remain competitive, attractive and to develop the bank’s offer.

Determining the bank-wide risk appetite (RAS)

RAS is the bank’s bank-wide risk appetite, which we define by setting strategic limits. It is on the basis of these that we set operational limits, internal limits and other measures of risk (risk appetite instruments). Determining and monitoring the bank-wide risk appetite (including its instruments) is an integral part of the planning and concentration risk management process.

Types of RAS limits for credit risk:

- sales and portfolio size limits,
- portfolio quality limits/risk parameter values,
- monitoring and recovery efficiency limits,
- sectoral limits,
- concentration limits, including limits for the portfolio of mortgage-backed credit exposures, resulting from the requirements of Recommendation S,
- RAS quality parameters for ESG risk.

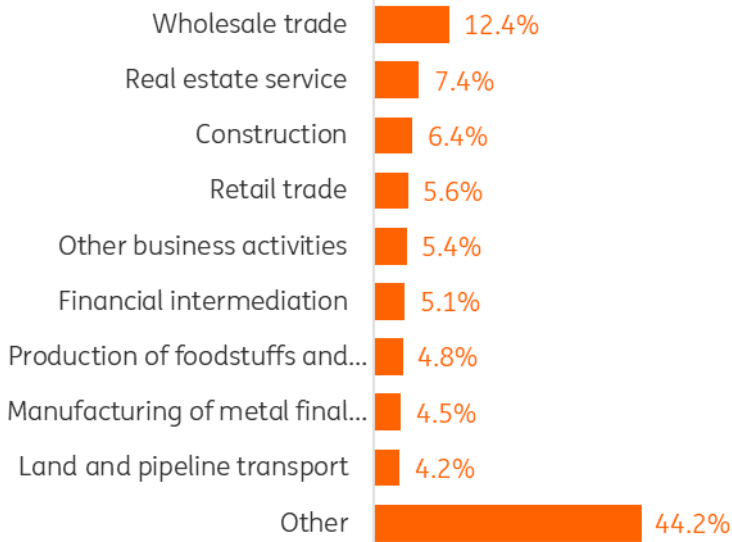
In addition to RAS limits, we set credit risk limits for individual areas, business lines and products, as well as transaction limits that are accepted by the relevant credit decision-maker. In addition, we set internal concentration limits for:

- industries,
- forms of collateral accepted,
- regions,
- mortgage-backed credit exposures.

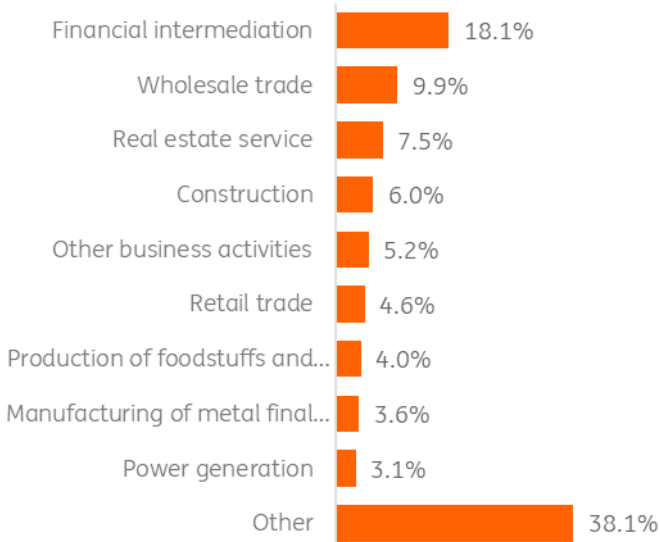
The ongoing execution of RAS limits is monitored and reported during the year on a monthly basis.



Structure of non-bank corporate portfolio – on- and off-balance sheet exposure
ING Bank Śląski Group



ING Bank Śląski



Credit risk management process

Credit risk management is a continuous process which includes all activities of the bank related to its credit business. All units and persons that perform tasks in the credit process closely cooperate in order to:

- improve the effectiveness of risk management, and
- maintain risk at a level consistent with the strategy, the approved bank-wide risk appetite (RAS) and the bank’s financial plans.

We implement the credit risk management process through three organisationally and functionally independent lines of defence. The bank applies organisational solutions providing for separation of the sales functions of banking products from the risk underwriting functions at all levels of the organisational structure, including the Bank Management Board. The separation of the monitoring functions and risk control of credit exposures (including concentration risk) from the sales functions of banking products and the risk underwriting functions is maintained below the level of the Bank Management Board; for retail credit exposures – also at the level of the Management Board.

In case of simplified, automatic credit process paths, the separation of the sales functions of banking products from the risk underwriting functions of credit exposures relies on the independence of the development and validation process of tools supporting the process of risk underwriting from the sales and operational functions. Competences

with respect to credit decisions relating to individual credit transactions are separated from decision authority on the development of credit policies and credit risk management principles.

Risk management organisational structure

Within the CRO Division (which is headed by the Executive Vice-President responsible for risk, Chief Risk Officer):

- the Risk Integration Area, which reports to the Bank’s Director, has been identified. It includes:
 - Risk Model Department,
 - Risk Regulation Department, including the ESG Risk Team,
 - Risk Integration Department,
 - Risk Change and Data Tribe,
 - Management Support Team;
- organisational units related to credit risk have been set up, which report directly to the Vice-President of the Management Board responsible for risk. It is composed of the following:
 - Department of Wholesale Banking Credit Risk,
 - Credit Risk Department in the Regions,
 - Consumer Credit Risk Department,
 - Business Credit Risk Department;
- other separate organisational units are:
 - Increased Risk Credits Department,
 - Model Validation Department,
 - Operational Risk Management Department,
 - Market Risk Management Department and
 - Credit Risk Inspection Department, which report directly to the Vice-President of the Management Board responsible for risk.



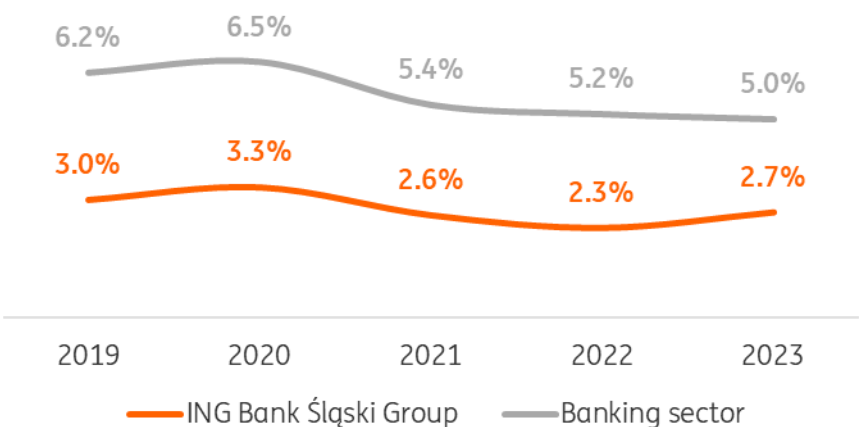
Each area controls and supervises the bank’s business and risk management processes assigned to them.

Detailed information on the principles of lending activities, credit risk management, risk management system is presented in the Annual Consolidated Financial Statements of the ING Bank Śląski S.A. Group for 2023.

The quality of the loan portfolio

Share of receivables in stage 3 and POCI

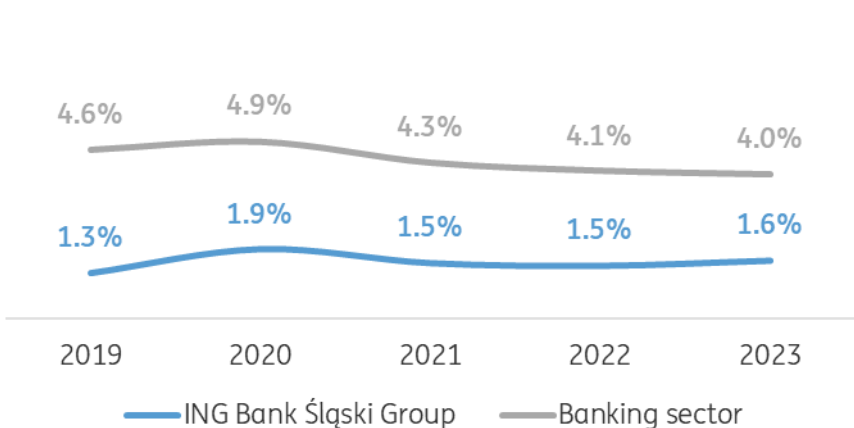
Share of Stage 3 and POCI loans for the ING Bank Śląski Group



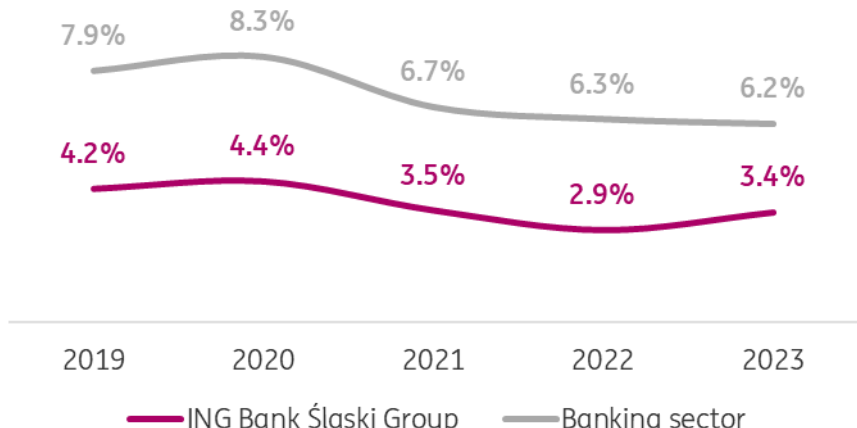
In 2023, the quality of our loan portfolio deteriorated slightly compared to 2022. The share of Stage 3 and POCI loans in our bank’s group decreased from 2.3% as at 2022 yearend to 2.7% as at 2023 yearend. Stage 3 and POCI loans in the group stood at PLN 4,231.6 million compared to PLN 3,581.0 million as at 2022 yearend (up by 18.2% y/y).

As at 2023 yearend, the share of Stage 3 and POCI loans in the retail segment in the ING Bank Śląski Group was 1.6% against 4.0% for the sector. The corresponding ratios for the corporate segment are 3.4% for the ING Bank Śląski S.A. Group and 6.2% for the sector, respectively.

Share of Stage 3 and POCI loans in the retail portfolio



Share of Stage 3 and POCI loans in the corporate portfolio



In 2023, the quality of our loan portfolio, apart from the increase in business volumes and prudent lending policy, was also affected by the sale of receivables classified as Stage 3 loans. As a result of these transactions, gross loans decreased by PLN 93.5 million in the corporate segment and by PLN 140.7 million in the retail segment.



Quality of the portfolio of loans to clients* of the ING Bank Śląski Group

PLN billion	2019	2020	2021	2022	2023	Change 2023 to 2022	
						PLNbn	%
Total exposure	118.3	126.0	146.4	156.4	158.3	1.9	1%
Stage 1 and 2	114.7	121.8	142.6	152.8	154.0	1.2	1%
Stage 3 and POCI	3.5	4.2	3.8	3.6	4.2	0.7	18%
Impairment allowance	2.4	3.3	3.1	3.3	3.5	0.2	7%
Allowance for stages 1 and 2	0.5	0.8	0.6	1.2	0.9	-0.2	-21%
Allowance for stage 3 and POCI	1.9	2.5	2.5	2.1	2.6	0.5	23%
Portfolio share in stage 3 and POCI	3.0%	3.3%	2.6%	2.3%	2.7%	-	0.4 p.p.
Portfolio coverage ratio in stage 3 and POCI	54.1%	60.7%	65.2%	58.6%	60.9%	-	2.3 p.p.
Exposure – corporate banking	69.9	70.2	79.9	92.5	93.4	0.9	1%
Stage 1 and 2	67.0	67.1	77.1	89.8	90.2	0.3	0%
Stage 3 and POCI	2.9	3.1	2.8	2.7	3.2	0.5	21%
Impairment allowance	1.7	2.2	2.2	2.2	2.5	0.3	15%
Allowance for stages 1 and 2	0.2	0.4	0.4	0.7	0.6	-0.1	-13%
Allowance for stage 3 and POCI	1.5	1.8	1.8	1.5	1.9	0.4	28%
Portfolio share in stage 3 and POCI	4.2%	4.4%	3.5%	2.9%	3.4%	-	0.5 p.p.
Portfolio coverage ratio in stage 3 and POCI	50.5%	57.0%	63.4%	56.7%	60.1%	-	3.4 p.p.
Exposure – Retail Banking	48.4	55.8	66.5	63.9	64.9	1.0	2%
Stage 1 and 2	47.8	54.8	65.5	63.0	63.9	0.9	1%
Stage 3 and POCI	0.6	1.1	1.0	0.9	1.0	0.1	11%
Impairment allowance	0.8	1.1	1.0	1.1	1.0	-0.1	-9%
Allowance for stages 1 and 2	0.3	0.3	0.2	0.5	0.3	-0.2	-32%
Allowance for stage 3 and POCI	0.4	0.8	0.7	0.6	0.7	0.1	10%
Portfolio share in stage 3 and POCI	1.3%	1.9%	1.5%	1.5%	1.6%	-	-0.1 p.p.
Portfolio coverage ratio in stage 3 and POCI	71.5%	71.4%	70.0%	64.1%	63.6%	-	-0.5 p.p.

*Excluding other receivables.

Quality of the portfolio of receivables granted to clients * of ING Bank Śląski

PLN billion	2019	2020	2021	2022	2023	Change 2023 to 2022	
						PLN bn	%
Total exposure	102.5	106.8	126.8	138.6	141.7	3.0	2%
Stage 1 and 2	99.6	103.3	123.5	135.6	138.1	2.5	2%
Stage 3 and POCI	2.9	3.5	3.2	3.0	3.6	0.6	20%
Impairment allowance	2.3	3.0	2.9	3.0	3.2	0.3	9%
Allowance for stages 1 and 2	0.5	0.7	0.6	1.1	0.9	-0.2	-18%
Allowance for stage 3 and POCI	1.7	2.3	2.3	1.9	2.3	0.4	24%
Portfolio share in stage 3 and POCI	2.8%	3.2%	2.6%	2.2%	2.5%	-	0.3 p.p.
Portfolio coverage ratio in stage 3 and POCI	60.6%	66.4%	69.6%	63.0%	65.1%	-	2.1 p.p.
Exposure – corporate banking	65.2	65.6	74.7	86.0	87.1	1.1	1%
Stage 1 and 2	62.9	63.2	72.5	83.9	84.5	0.6	1%
Stage 3 and POCI	2.3	2.4	2.3	2.1	2.6	0.5	24%
Impairment allowance	1.5	1.9	1.9	1.9	2.3	0.3	18%
Allowance for stages 1 and 2	0.2	0.4	0.4	0.6	0.6	0.0	-7%
Allowance for stage 3 and POCI	1.3	1.6	1.6	1.3	1.7	0.4	29%
Portfolio share in stage 3 and POCI	3.5%	3.7%	3.0%	2.5%	3.0%	-	0.5 p.p.
Portfolio coverage ratio in stage 3 and POCI	57.6%	64.2%	68.9%	62.0%	64.9%	-	2.9 p.p.
Exposure – Retail Banking	37.3	41.2	52.1	52.6	54.57	1.9	4%
Stage 1 and 2	36.7	40.2	51.1	51.7	53.58	1.9	4%
Stage 3 and POCI	0.6	1.0	1.0	0.9	0.99	0.1	11%
Impairment allowance	0.8	1.1	0.9	1.0	0.96	-0.1	-8%
Allowance for stages 1 and 2	0.3	0.3	0.2	0.5	0.31	-0.1	-32%
Allowance for stage 3 and POCI	0.4	0.7	0.7	0.6	0.64	0.1	11%
Portfolio share in stage 3 and POCI	1.6%	2.5%	1.9%	1.7%	1.8%	-	-0.1 p.p.
Portfolio coverage ratio in stage 3 and POCI	71.5%	71.7%	71.2%	65.3%	64.9%	-	-0.4 p.p.

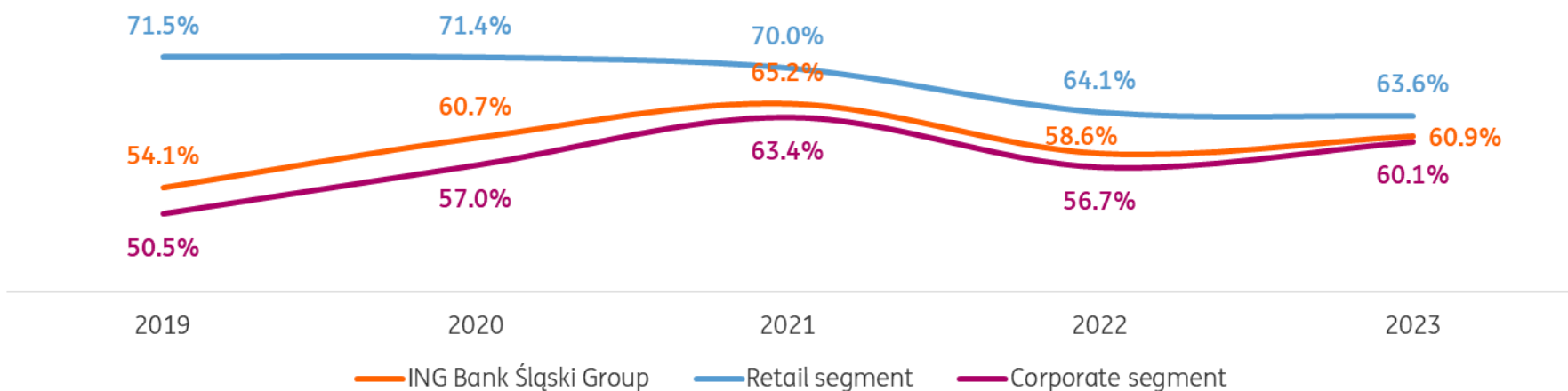
*Excluding other receivables.



Coverage of Stage 3 portfolio with allowances

As at the end of December 2023, the ING Bank Śląski Group held provisions for the stage 3 and POCI loan portfolio of PLN 2,578.6 million. The portfolio allowance rate in Stage 3 and POCI was 60.9%, compared to 58.6% last year.

Impairment/Stage 3 and POCI portfolio coverage ratio



Risk cost

In 2023, there was a y/y decrease in the risk cost margin ratio (the ratio of the allowance for net loan provisions and provisions for legal risk of foreign currency mortgage loans to the gross loan portfolio). For more information on the cost of risk, see [Our financial results](#) section.

Types of applied credit risk collaterals

In order to secure the risks associated with our lending activities, we accept legal personal and material collateral in various forms, such as:

- bank guarantee,
- surety under civil law,

- blank promissory note,
- surety on a bill of exchange,
- the transfer of claims,
- mortgages,
- registered pledge,
- ordinary pledge,
- transfer of ownership for collateral,
- transfer of a certain amount to the Bank's account,
- blocking of funds in a bank account.

As at 2023 yearend, the value of Basel2 collaterals on the accounts or assets of the borrowers amounted to PLN 214,147.8 million (of which 66.8% were mortgages) for the ING Bank Śląski S.A. Group and PLN 172,971.8 million (of which 78.1% are mortgages) for ING Bank Śląski S.A.

Development of our competences

As part of the promotion of a risk culture, we improve the skills of our employees by organising internal or participating in external training courses on topics such as:

- knowledge of credit principles,
- knowledge of credit risk models and interpretation of the parameters estimated by these models,
- knowledge of systems and risk reporting,
- principles of writing in plain language,
- ESG and sustainability,
- general banking issues organised by ING Group N.V. and other units of the bank.



Market risk

Introduction

The main objectives of market risk management at ING Bank Śląski S.A. are:

- ensuring awareness and understanding of our bank’s exposure to market risk,
- ensuring that the bank’s exposure to market risk is adequately managed,
- ensuring (where applicable) that the exposure is within accepted limits.

We define market risk as the potential loss we may incur due to:

- adverse movements in market prices (such as yield curves, exchange rates, capital market prices),
- market parameters (market price volatility,
- the correlation between individual price movements) and
- client behaviour (e.g. early repayment of loans).

Policy of market risk management

The Market Risk Management Department has normative documents that describe its scope, principles and responsibilities. In order to optimise the market risk management process, we created the *Market Risk Management Policy at ING Bank Śląski S.A.* In it, we describe the bank’s approach to market risk management, define the principles, methodology for managing and measuring market risk in the bank, as well as the general principles for managing the process.

The document is a further specification of *the document General Principles for the Management and Mitigation of Credit, Market and Operational Risk at ING Bank Śląski*, which is approved by the bank’s Supervisory Board, based

on the recommendations of the Risk Committee. The policy is approved by the Bank Management Board.

Another document is the policy describing our approach to the process of defining risk appetite in the area of market and liquidity risk (*Policy for determining and monitoring risk appetite in the area of market and liquidity risk*). It is also approved by the Bank Management Board.

The bank’s market risk management process includes:

- identification,
- measurement,
- monitoring and
- risk reporting.

The Market Risk Management Department provides the managers of the Financial Markets Area in the Wholesale Banking Division, the Centre of Expertise Treasury, selected members of the Management Board and the ALCO Committee with regular risk reports.

Additionally, the ALCO, the Bank Management Board and Supervisory Board are provided with periodic reports with the major measures of market risk. We carry out the approval of individual market risk limits at the level of the ALCO committee, the Bank Management Board or the Supervisory Board, in accordance with the division of responsibilities in determining the levels of limits defined in the Policy for determining and monitoring risk appetite in the area of market risk, liquidity and capital adequacy.

Employees of the Market Risk Management Department are qualified specialists and the independence of the department is assured by its separation from the risk generating units.

Our bank’s market risk management also includes the Product Control function (“Product Control”), which ensures the correctness of the pricing of

Financial Markets products in the Wholesale Banking Division and the Centre of Expertise Treasury by monitoring the correctness of the pricing models and controlling the quality of the market data used for valuation and calculation of the financial result.

Decisions related to valuation process issues such as:

- sources of market data used for valuation,
- calculation of adjustments for market valuation models(*bid-offer spread* and *BVA*),

are undertaken by the Financial Markets Product Parameterisation Committee of the Wholesale Banking Division and the Centre of Expertise Treasury.

In the period under report, the market risk profile and the risk management methods were not materially changed.

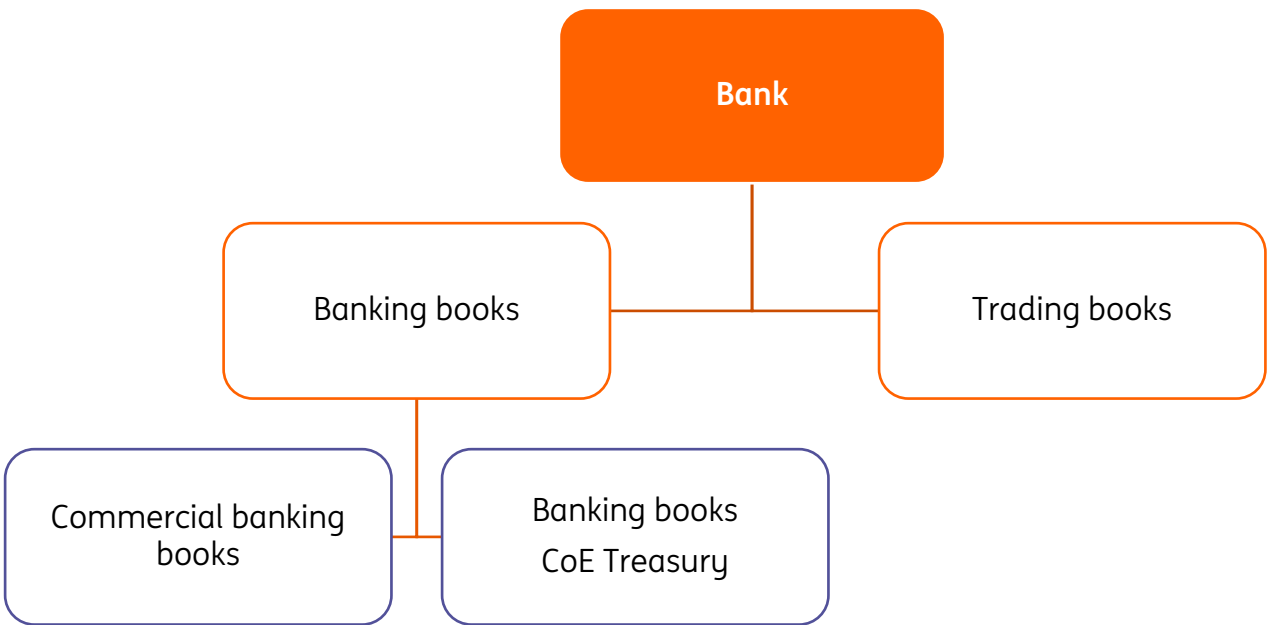
Book structure and risk measurement methods

The Bank maintains the structure of its books relying on intentions which is translated into multiple processes, including market risk management. The book structure reflects the types of market risk that are anticipated and accepted in the Bank’s areas and of the fact that market risk should be internally transferred/mitigated. The books are grouped by an intention to maintain positions split into:

- “trading” (positions taken in order to generate benefits in a short period of time due to market price fluctuations), and
- “banking” (all other positions).



General structure of the bank's books



Banking books are divided into commercial banking books and Centre of Expertise Treasury (CoE Treasury) banking books. The commercial banking books include books of the retail and corporate divisions containing deposits and commercial loans. The risks relating to those positions are transferred to:

- CoE Treasury's banking books (to manage the banking book's interest rate risk, basis risk and liquidity risk as a whole), and
- the trading books of the Financial Markets Area in the Wholesale Banking Business Line (for foreign exchange risk) through internal transactions.

The process ensures that the banking commercial books do not retain any material economic market risk.

Maintaining open positions in CoE Treasury's banking books is permitted within the limits of accepted market risk limits.

For more on risk measurement methods, please refer to the 2023 Annual Consolidated Financial Statements of the ING Bank Śląski S.A. Group.

Measurement of interest rate risk in the banking book

In its measurements of interest rate risk in its banking book, the bank applies measures required by the European Banking Authority (EBA/GL/2022/14).

For more on the measurement of interest rate risk in the banking book, please refer to the 2023 Annual Consolidated Financial Statements of the ING Bank Śląski S.A. Group.

Measurement of market risk in the trading book

The VaR measured by the Bank is compliant with the best market practices. In the calculation of VaR, the Bank applies the following assumptions:

- one-day positions, 99% confidentiality level,
- 260-day observation period.

For more on the measurement of market risk in the trading book, please refer to the 2023 Annual Consolidated Financial Statements of the ING Bank Śląski S.A. Group.

Sensitivity of the result to interest rate risk

To present the sensitivity of net interest income to interest rate changes, the Bank analysed the impact of shock changes in the yield curve (relative to that of 31 December 2023) on net interest income for 2024 compared to the base scenario. The analysis was carried out using two scenarios assuming parallel shifting of the curve up and down by 100b.p., which would occur gradually in the next 12 months (monthly change by 1/12 from 100b.p.). The baseline scenario assumes no change on the yield curve.

Impact on net interest income	
PLN million	100b.p.
parallel upward shift of the yield curve*	215.1
parallel downward shift of the yield curve*	-228.5

*Compared to data for 31 December 2023.

The above analysis assumes dynamic changes in the levels of balance sheets, consistent with the business plans in force as at 31 December 2023. These balance sheet changes are common to all scenarios analysed.

For further information on the interest rate sensitivity of the bank's result and capital, please refer to the 2023 Annual Consolidated Financial Statements of the ING Bank Śląski S.A. Group.

Liquidity and funding risk

Introduction

It considers the process of stable liquidity and funding risk management as one of the most important processes in our bank.

Liquidity and funding risk – the risk of the lack of ability to perform financial liabilities under on- and off-balance sheet items at reasonable prices. We maintain liquidity so that financial liabilities can always be repaid with the available funds, inflows from maturing transactions, available funding sources at market prices and/or liquidation of negotiable assets.

Types of liquidity risk

We divide liquidity risk into two groups:

- liquidity risk resulting from external factors, and
- risk of internal factors relating to the specific bank.



Our aim is to take a conservative approach to liquidity risk management that will enable us to safely withstand events specific not only to our bank but to the banking sector as a whole.

In terms of time horizon, we divide liquidity risk into:

- operational – focused on current funding of the bank’s position and on managing intraday liquidity,
- strategic – focused on ensuring that the bank’s structural liquidity positions are at an acceptable level.

Considering the tenor and clients’ behaviour (the two aspects affecting the bank’s liquidity), we identify three types of liquidity and funding risk:

- structural,
- related to client behaviour,
- related to stress conditions.

Management process

In order to optimise the liquidity and funding risk management process, we have developed the *Management Policy of Liquidity and Funding Risk at ING Bank Śląski S.A.* which sets forth the principles ensuring adequate funding sources and mitigation of risks and costs related to funding. The Policy describes a general approach to the liquidity and funding risk management process in the bank. The main objective of this process is to maintain an adequate level of liquidity to ensure the safe and stable operation of the bank under normal market conditions and during a crisis. This policy is complemented by the *Emergency Funding Plan Manual at ING Bank Śląski S.A.*, which sets out the organisation and actions to address liquidity shortfalls under stress conditions.

The Policy was developed on the basis of the market management strategy in business, approved by the Supervisory Board (including the liquidity and

funding risk management strategy). In particular, it reflects the risk appetite specified in the strategy and approved by the Supervisory Board.

The acceptable level of liquidity and funding risk is defined through a multi-element system. This approach is in line with that described in the *Policy for determining and monitoring risk appetite in the area of market and liquidity risk*.

In addition, we are preparing an ILAAP process report. We present here, in a comprehensive and consistent manner, key indicators and figures on the bank’s liquidity risk profile. There we take into account the strategy, the financing plan and the bank’s risk tolerance. The results of the report are approved by the Management Board which informs the Supervisory Board of the results.

The general approach to liquidity and funding risk management is composed of five recurring activities:

1. Risk identification

We perform risk identifications on an annual basis or ad-hoc by organising risk identification workshops.

2. Risk assessment

We assess each identified risk to determine the significance of such risks for the bank. We also carry out risk identification in the implementation of new products. We assess the valuation of risks and their materiality based on the probability with which these risks occur and the magnitude of the financial impact should they materialise.

3. Risk control

We control risks through actions that reduce the likelihood of their occurrence or actions that reduce the impact should they materialise. Definition of acceptable risk levels is an element of risk control.

4. Risk monitoring

Important elements of risk management include ongoing verification if the implemented controls are performed. Regular inspection should evidence that risk control actions are effective.

5. Risk reporting

Adequate reporting is a major element of the liquidity and funding risk management process which provides the managers with information required for risk management. Being able to show shareholders and partners that we are controlling risk efficiently helps to gain their trust and is one of the most important elements in banking.

In-depth analysis of long-term liquidity

In line with the requirements of Recommendation S, we are preparing an in-depth analysis of long-term liquidity, with a particular focus on mortgage loans. The above liquidity analysis shows risk levels related to long-term funding of mortgage loans.

Liquidity management in relation to currencies

We have an active liquidity management policy in relation to major currencies. For those currencies, liquidity risk measurement and limitation is made per currency and the management of operational liquidity is performed separately for each currency and it is incorporated in the risk transfer system.



Management of intraday liquidity

Intraday liquidity is actively managed by the Centre of Expertise Treasury. In this process, the short-term (overnight and intraday) liquidity position and risk is of paramount importance, with the aim of meeting payment and settlement obligations in a timely manner under regular business conditions and in emergency / stressful situations.

Transfer and pricing of liquidity risk

The bank operates a risk transfer system under which market risks, including liquidity risk, are transferred to the Centre of Expertise Treasury. Applying adequate tools, it manages the risks in a centralised manner within the limit system applied by the Bank.

Framework risk management principles

The framework liquidity and funding risk management principles contain all material methods with respect to intraday, shorty-term, medium-term and long-term liquidity and funding risk management. This is made up of the following key elements:

- limit system and liquidity risk measurement,
- monitoring of funding sources and concentration risk,
- liquidity reserve management,
- management of intraday liquidity,
- management of collateral items,
- stress tests and contingency plans.

For more on the liquidity and funding risk management framework, please refer to the 2023 Annual Consolidated Financial Statements of the ING Bank Śląski S.A. Group.

Development of our competences

The liquidity risk management procedures adopted at the bank are presented annually to the relevant bank staff involved in the Bank’s liquidity management process. Those involved in the process confirm that they have read and understood the procedures used and that they are checking that they are being carried out correctly.

In 2023, the bank’s staff participated in specialised training courses on liquidity and funding, as well as market risk, organised internally and by specialised external companies.

For more on the structure and organisation of the liquidity and funding risk management process, please refer to the 2023 Annual Consolidated Financial Statements of the ING Bank Śląski S.A. Group.

Non-financial risk

GRI [2-12] [2-13] [2-16] [2-25] [3-3]

Non-financial risk encompasses operational risk management functions (together with legal risk) and compliance risk and is based on a common framework that sets out clear principles and standards for identifying, assessing, monitoring, mitigating and reporting risk.

We manage non-financial risks in compliance with the Strategy and Risk Appetite Statement for Non-financial Risks approved by the Bank Management Board that set forth risk limits and tolerance. Compliance with the declared risk appetite is monitored in a periodic Report on the status of non-financial risk (NFRD). Additionally, the bank operates the Non-financial Risk Committee appointed by the Bank Management Board – the Committee advises the Bank Management Board with respect to the management of non-financial risks. The Supervisory Board, with the support of the Risk Committee, supervises the management of operational risk and

assesses the effectiveness of its activities in this respect at least once a year.

The common management framework of non-financial risks support the Bank in active identification of core hazards and gaps and the related risks which may result in undesirable events. The framework supports such processes as self-assessment of risks and controls, scenario analyses, monitoring of key risk indicators or testing of key controls. The results of analyses of internal and external events keep improving the adequacy and effectiveness of the internal control system functioning in the bank.

We believe that an effective control environment is essential to building and maintaining a sustainable business, and retains and enhances the confidence of clients, employees and shareholders.

In terms of information on material events that may affect risk, senior management, including the Bank Management Board, is notified as part of the quarterly Non-Financial Risk Report (NFRR). . The report presents the events with the highest actual losses – with the greatest financial impact on the bank. Qualification is carried out by operational risk and compliance experts. In 2023, 1,579 reported incidents were analysed, the most important ones resulting in the highest risk impact were related to compliance, fraud and processing errors.

Operational risk

GRI [2-12] [2-13] [2-25] [3-3]

Introduction

We define operational risk as the possibility of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. The scope of the operational risk also includes the legal risk and the model risk.



Operational risk management is an integral part of the bank’s management process. The operational risk management process and business processes show interdependence, which means that information obtained within the operational risk management process is included while taking decision on business, and the operational risk management process incorporates business decisions.

Operational risk management objectives

We define operational risk management objectives, which are part of the overall risk management strategy, based on:

- regulatory requirements,
- recommendations of the Bank Management Board and Supervisory Board,
- ING Group N.V.’s plans and good practices,
- the need to implement mitigating measures identified during assessments and external and internal audits,
- improvement plans in the area of risk management.

The Bank Management Board – subject to approval of the Supervisory Board – has developed a strategy of operational risk management. This strategy takes into account legal and regulatory requirements and builds on the good practices of ING Group N.V.

Additionally, the Management Board – in agreement with the Supervisory Board – in its risk appetite statement defined the maximum acceptable loss limits, capital limits and risk scope that it is willing to accept in the pursuance of the planned business objectives – subject to full compliance with the law and regulations. The level of limit utilisation is monitored and periodically submitted to the Management Board, Risk Committee and the Supervisory Board.

The main objective in operational risk management is to continuously improve the security of the bank and its clients, reduce operating costs and improve operational efficiency.

In addition to implementing core processes in the area of operational risk, in 2023 we focused our activities on:

- building integrated tools for non-financial risks, including in the area of fraud,
- maintaining a single control framework covering subsidiaries,
- raising the maturity level of the risk culture among our employees,
- including ESG risks in the list of risk factors affecting operational risk levels,
- updating the risk management principles in the area of new technologies used in the bank,
- proactive identification of high-risk areas,
- analysing a new approach to reporting non-financial risks based on data metrics and we continued to implement a new risk categorisation.

Operational risk management policies

With regard to operational risk management, we have a coherent and continuously updated set of internal normative documents. The principles and guidelines contained in the regulations are designed to limit the impact and likelihood of financial and reputational losses.

The operational risk management system is based on:

- legal standards,
- requirements arising from internal regulations that form part of the Bank’s strategy – the Non-Financial Risk Appetite Statement and the

Operational Risk Management Policy setting out the main operational risk management processes,

- other regulations at the Policy level concerning the Internal Control System, Anti-Fraud, IT Risks, as well as Business Continuity Management, the implementation, modification, review and liquidation of the bank’s client products (PARP), the transfer of non-financial risks to the insurance market, Outsourcing, security of persons and resources,
- more detailed regulations, instructions and procedures of the bank relating to risk management issues.

Risk management organisational structure

We have a governance structure with clearly defined, transparent and consistent areas of responsibility based on a three-line-of-defence model.

We have defined responsibilities starting with the Supervisory Board and its supporting Risk Committee and the Bank Management Board, through all organisational units of the bank. In terms of operational risk, we also supervise the bank’s significant subsidiaries.

For years, the Bank has had a permanent Non-Financial Risk Committee, whose main task is to support the Management Board in the management of non-financial risks on an ongoing basis.

Operational risk management process

We have effective and consistent processes for identifying and controlling non-financial risks across all of the Bank’s products, activities, processes and systems.

The operational risk management system applies to all business spheres of the bank and the activity of the bank capital group, cooperation with clients, providers and partners. It is a cohesive, regular practice that covers the following elements:



- risk identification and assessment, including, inter alia, risk assessments, internal and external event analysis or scenario analyses and stress tests,
- mitigation or risks and monitoring of mitigation activities,
- performance of inspections,
- quality monitoring and assurance.

Identified areas of higher risk in 2023 and key actions on the operational risk side

In 2023, risks related to models, external fraud as well as the IT technologies used, including operational resilience, were the main areas for analysis and the introduction of additional mitigating actions.

The result of the measures taken in our bank is an acceptable level of risk and no exceeded values of the core limits under the Non-Financial Risk Appetite Statement as at 2023 yearend.

The main activities of the Operational Risk Unit within the Second Line of Defence in support of the First Line of Defence in 2023 are as follows:

Subject		Operational risk data for 2023
Legislative changes – opinion/analysis		about 900 initiatives
Product development – opinion/analysis, including product review		about 400 initiatives, including about 30 reviews
Number of registered recommendations		about 500 recommendations created, including no overdue high priority recommendations at the end of each quarter

Conducted workshops to assess risks in processes	about 140 assessments
Risk project support	about 30 projects
Monitoring of outsourcing agreements	about 60 agreements
Number of scenario analyses carried out	about 20 analyses
Monitoring of KRIs	about 150 indicators
Number of internal events/incidents	about 1,600 incidents

Compliance risk

Introduction

Our compliance mission is to build an organisational culture based on knowledge of and compliance with laws, internal regulations, market standards and ING Values and Behaviours, as defined in the [Orange Code](#).

Compliance risk management process

At the bank, we understand compliance risk as the risk of the consequences of non-compliance in processes with laws, internal regulations and market standards operating in the bank.

The Bank Supervisory Board oversees compliance risk management and the Bank Management Board is responsible for effective compliance risk management, including:

- the implementation of organisational arrangements, regulations and procedures that enable compliance risk to be managed effectively, and

- ensuring that the resources and means required to perform the tasks are adequate.

The Centre of Expertise – Compliance is an organisationally separate, independent unit that is responsible for the organisation and operation of the compliance risk management process. The aim of the Centre of Expertise – Compliance is to shape solutions for identifying, assessing, controlling and monitoring the risk of non-compliance of the bank’s activities with the law, internal regulations and market standards, and to provide reports in this respect. Compliance activities are aimed at the active participation of the bank’s employees in the compliance risk management by shaping a risk culture based on knowledge and compliance with the law, internal regulations and market standards.

Centre of Expertise – Compliance flexibly adapts organisationally to the changing external environment. The changes are necessary to further increase the effectiveness of compliance risk management and to effectively mitigate these risks. With this in mind, the Compliance unit:

- developed the required procedures and methodologies on the basis of which it carried out independent inspections, training programs, issued recommendations and recommendations in banking processes, including in the process of giving opinions on product and legislative changes and marketing materials,
- strengthen the competences of subordinate employees,
- implemented an automation plan in the area of compliance risk,
- continued to cooperate with regulators in monitoring the implementation of the audit recommendations received.



Key initiatives in 2023

In 2023, the bank continued work to improve the compliance risk management system, including the following elements:

- AML/CFT, as well as regulations on counteracting the use of the financial sector for fiscal fraud,
- amendments to banking regulations to align with the EBA’s guidance on compliance management policies and procedures and the role and responsibilities of the AML/CFT inspector in line with the regulator’s expectations,
- raising staff knowledge and awareness of risk culture and ethical standards through the Culture of Risk programme,
- protecting the bank’s reputation,
- implementing solutions to change the WIBOR reference index to WIRON,
- monitoring the application of the Best Practice for GPW Listed Companies.

The following regulations, among others, have been updated:

- Policy – Principles for Reputational Risk Management at ING Bank Śląski S.A.,
- “Know Your Client” policy,
- Conflict of interest policy,
- Policy – the tasks of the statutory bodies of ING Bank Śląski S.A. in the AML/CFT area,
- Sanctions policy,
- Policy – sanctions manual,

- Policy – Manual on US Withholding Tax & Information Reporting.

Transaction security and stability of IT systems

Introduction

The security of client and partner funds and data is a key issue to which we pay particular attention in our day-to-day operations. We continuously monitor threats and analyses their impact on the ICT infrastructure (applications, systems, networks), as well as business processes, processes of our partners and service providers and their potential impact on clients. On this basis, we design and implement appropriate organisational and technical solutions in the areas of prevention, detection and response.

The bank’s ICT systems protect multi-layered cyber security mechanisms and systems.

An extremely important aspect of our efforts to provide the right level of banking services to clients is to ensure that systems are stable. To attain this goal, various measures are taken such as:

- ensuring an appropriate process of change management in IT systems, which guarantees adequate tests of the impact of changes on the operation of systems,
- ensuring the proper architecture of critical systems that guarantees full redundancy of components and resistance to failures,
- implementation of a mechanism for monitoring the correct operation of systems, allowing for early detection of symptoms of malfunctioning components and quick diagnostics of errors,

- implementation of the process of managing the increase in demand for resources ensuring that hardware and software resources are adapted to changes in business volumes and changes in the way clients operate.

IT security management process

Ensuring security for IT systems and the data processed in them is a priority for the bank, therefore its aspects are embedded in every process or area of the bank’s operations. The processes aimed at ensuring security, resulting from the policies, standards and procedures adopted in the bank (e.g. IT Security Standards, including in the area of security monitoring, connections and external service providers, identity management, web applications or cryptography), are subjected to continuous performance monitoring, which allows for the continuous improvement of procedures related to: counteracting, detecting and responding to threats, as well as taking action to eliminate their potential effects (e.g. unavailability of banking services).

We approach to security management in the IT area is systemic and continuous, identifying threats regularly, strengthening protection mechanisms, and implementing a long-term cyber security strategy. IT security processes and roles are organized in accordance with the best and recognized international standards.

IT security activities are overseen by the Bank Management Board and by the IT Risk and Security Committee appointed by the Board. It comprises, among others, the management of the units: Tech, cyber security, operational risk, data security and internal audit.

A dedicated unit, the IT Security Department (transformed in 2024 into the Expert Centre Cyber Security and IT Risk), is responsible for cyber security tasks, including continuous security monitoring. Nevertheless, the bank adopts the principle that each employee is responsible for ensuring the security of data and ICT systems to the extent adequate to their functions, tasks performed and their powers. Raising the awareness and competence



of employees in the area of risk protection is an ongoing element of the training and awareness-raising activities carried out (e.g. training within the Tech Academy and a series of webinars as part of the bank's risk culture programme).

We are constantly improving security solutions and systems used to protect our clients, as well as our bank itself, constantly testing their real effectiveness through, among others, penetration tests of banking infrastructure and applications, APT tests (Advanced Persistent Threat), tests of immunity to DDoS (Distributed Denial of Service) and many others.

We design and update existing security standards and architectures on an ongoing basis. Based on their requirements, ICT systems are designed, built and implemented according to the principle to ensure safety at the earliest possible stages of their life. During development, before implementation and periodically after implementation, the systems are subjected to various tests, verifying the resistance of systems and applications to attempts to breach their integrity and to bypass the applied security measures.

Components of the ICT system are subject to a continuous scanning process aimed at detecting any vulnerabilities and eliminating them immediately. In addition, banking systems (network, infrastructure and applications) have security monitoring in place to detect any anomalies, adverse effects and security incident attempts. Multi-layered protection against malware (such as ransomware) is also implemented.

As part of the activities increasing the level of security, mechanisms of multi-factor authentication of users' access to ICT systems and data and monitoring of their activity are implemented.

We develop model security requirements for each ICT technology and specific application solution, and their effectiveness and correctness of implementation is regularly verified as part of security tests and reviews, as

well as internal and external audits. Such audits and tests are performed by reputable expert companies.

We have maintained and updated existing and implement new tools for early detection of all types of fraud and abuse, advanced targeted attacks, including preventing information leakage or execution of unauthorized transfer of large amounts of money from the banking system.

We use solutions of leading providers of tools and services in the area of cyber security and unique solutions developed in-house by inner specialists. At the same time, we constantly cooperate with ING Group N.V. member companies and other companies and organisations in Poland (banks, internet service providers, trade associations). This allows us to observe trends, detect new vulnerabilities and counteract IT security threats in advance.

We actively cooperate with governmental and financial supervision institutions, complying with all recommendations and recommendations of these institutions, including the requirements for the operator of the key service, which the bank has been designated pursuant to the Act on the National Cyber Security System.

In activities related to ensuring the security of client data, we are not limited only to the bank's infrastructure, but we require an equally high level of security from its partners, both by means of appropriate contractual provisions with IT security requirements and verification of their fulfilment as part of periodically performed audits.

In September 2023, thanks to ING Hubs Poland, our Bank migrated its Vision card management system from ING Bank Śląski's infrastructure to ING Private Cloud. The main benefits of migration are:

- moving the card management system to a secure environment certified by the Payment Card Industry Data Security Standard – PCI DSS – which means greater security and reliability for our clients,

- increased performance and scalability – the environment is designed to handle 15 million cards.

In November 2023, we stopped using the explicit card number in our applications and processes, and completed the migration of our banking apps to a set of card communication interfaces, the Common API, which ensures that our apps' communications are compliant with the Payment Card Industry Data Security Standard. Our actions have been confirmed by an internal audit opinion and by an external independent auditor, S.C. 2 Labs. For our clients, this means increased security in the handling of card processes and transactions.

In online banking applications, we use the following solutions to enhance client security:

- Authorisation of operations (transactions, logins, data changes, etc.) with a one-time code or the PUSH method – this method enables authorisation of instructions in the internet banking system by means of an authorisation code or confirmation of a message in the mobile application Moje ING. Along with the request for transaction confirmation, the client is provided with comprehensive information on the details of the transaction, which allows for additional verification of the instruction.
- FIDO2-compliant U2F key – is an additional security feature when logging into an online banking system on a computer, which effectively protects the user against phishing scams.
- Hard daily limit – an amount limit up to which transfers can be made on a given day in online banking.
- Encrypted Internet connection – access to banking systems is possible only after entering an ID and password. Communication between clients' computers and the bank's server is encrypted with the TLS protocol. The ingbank.pl service and the internet banking system are protected by



digital certificates with a high level of trust, which secure the connection via an encrypted HTTPS protocol. This guarantees fully secure data transfer in an encrypted form, protects it from external changes and authenticates computers communicating with each other.

- 3D Secure (standard for on-line card payments) – when our clients pay with a card in an on-line shop that supports 3D Secure, they additionally confirm the payment with a one-time SMS code. In order to use 3D Secure payments in our Bank, you don't need to run or activate anything – just a card that supports on-line payments.
- Masked password – logging into the internet banking system is done without entering the whole password – the system automatically draws only selected characters.
- Automatic logout in the event of user inactivity.
- Voice-code as an additional authentication factor used in the loan agreement process.
- Behavioural biometrics – analysis of user interactions with a computer in order to detect possible interference by undesirable persons. During this verification, it is not checked what a given user does, but how he/she does it. Among other things, we collect and analyse information on how quickly and often the user clicks on individual keys on the keyboard, how they scroll the screen, how quickly and often they click the mouse. The user profile is built only after logging into the Moje ING online banking system and the user's behaviour is compared after each login.
- Transaction monitoring – the bank monitors the use of internet banking in real time, both in detection and prevention modes.
- Malware detection – a tool has been implemented to detect malware activity at the client's station when using online banking.

With regard to mobile banking, we apply the following security solutions:

- Authorization of transactions in the mobile application – this method is available to clients who use the Moje ING internet banking system, make a transfer on their computer and have Moje ING mobile application installed; it is used interchangeably with SMS code.
- Fingerprint login (this option is available for phones with a fingerprint reader) or using FaceID. Activation of this login method is available after logging into the application.
- FIDO2-compliant U2F key – is an additional security feature when logging into the online banking system on a mobile device, which effectively protects the user against phishing scams.
- Hard daily limit – the amount limit up to which transfers can be made on a given day via the mobile app, which was halved in 2023.
- Automatic logout in the event of user inactivity.
- Voice-code as an additional authentication factor used in the process of pairing a mobile device with a client account.
- Voice-code as an additional authentication factor used in the loan agreement process.

In the event of a justified suspicion of a threat of cyber crime or fraud against clients, we take preventive measures, e.g. rejecting transactions, blocking services, protecting clients against taking over their data or funds by unauthorized persons.

Cyber security

GRI [3-3]

Introduction

Developments in technology, including the increasing use of AI (artificial intelligence) solutions and the continuing tension caused by the armed conflict in Ukraine, have meant that the threat level and frequency of attacks by cyber criminals remains high. Attempts to destabilise the operation of individual market players through DDoS attacks (resulting in the unavailability of services), which have been observed for several years, also occurred in 2023. ING Bank Śląski was one of the financial market entities targeted (dedicated) DDoS attacks by a criminal group linked to Russia in 2023. Attacks in which criminals impersonate a bank are also systematically increasing.

Fraudsters use both modern technical means and social engineering in their attacks. At the same time, they are constantly modifying attack scenarios, which requires us to constantly analyse the bank's resilience to existing threats, adjusting defence mechanisms, high flexibility and speed of response.

One of the most common methods of attack remains *phishing*, in which a criminal impersonates another person or institution in order to phish for confidential information, usually using emails.

The high number of attacks using telephone calls (*spoofing*) also continues. Spoofing fraudsters pretend to be the bank's helpline or security department, using appropriate techniques so that the client's phone displays the bank's real helpline number when they call. Criminals urge clients to make transfers or withdraw funds via BLIK and deposit them into another account convincing them that this will secure their funds.



Clients were also exposed to attacks by criminals using attack methods based on social engineering involving, among other things, defrauding client funds under the pretext of high returns after investing them on cryptocurrency exchanges or in securities of well-known Polish companies listed on the WSE.

Advanced *Ransomware* attacks often carried out by organised criminal groups, based on the infection of IT devices with malware, also using the previously mentioned social engineering attack techniques, have continuously been one of the most serious threats faced by banks and clients for several years.

The sophistication of targeted attacks on state institutions, companies and the financial services sector (mainly banks) carried out by organised groups of cyber criminals was similar to previous years.

Developments in technology and financial services require keeping up with legal and regulatory developments, building a coherent system of resilience against threats and raising awareness among clients through campaigns to raise awareness of the most common threat methods associated with cyber criminals.

The initiated changes in the regulatory area have the potential to contribute positively to a safer use of new technologies based, for example, on cloud solutions, and to increase the resilience of the entire financial and public services sector.

Bearing this in mind, we are constantly strengthening and developing our own cyber security system at the local level and across the ING Group N.V. in order to prevent acts of cyber crime against clients, employees and our bank’s information and communication system.

The measures taken in the area of cyber security meant that we did not record any significant incidents or frauds as a result of weaknesses in the bank’s security system.

Our cyber security activities

All employees are responsible for ensuring the security of data and information systems, within their respective areas and tasks. In particular, this responsibility falls to staff from the IT and risk units, dedicated to countering and responding to cyber threats. The purpose of the Anti-Fraud Expert Centre is to coordinate all fraud activities and to react quickly and adapt preventive measures to the activity of fraudsters, while the purpose of the IT Security Department is to protect the bank’s infrastructure, services and employees from cyber threats. In 2023, these units continued their core operation.

Cyber resilience is one of the core principles of how our bank builds its IT solutions and client interaction channels. We follow the rules:

- Security at the heart of everything we do in the ICT infrastructure area.
- Security as an integral part of business awareness.
- Security as a competitive advantage.

Due to the continuous development of new, advanced attack methods, the bank’s security teams are constantly improving existing systems and building new, more effective detection and prevention mechanisms. We have performed, among other things:

- improving security architecture and implementation of security tools and processes for resources created within the Google cloud for ING Bank Śląski,
- one of the first implementations in Poland of workstation protection tools based on modern solutions made available in a cloud model,
- optimisation of the protection of the infrastructure of applications providing services made available to clients on the internet,

- the development of non-signature (based on threat analysis and dedicated scenarios) detection and prevention mechanisms for the bank’s workstations and ICT infrastructure,
- extending vulnerability monitoring across all banking systems,
- improving security monitoring of the bank’s systems, workstations and networks,
- improving the control process for managing network access principles,
- more than 300 security (penetration) tests of banking systems, including “Red&Blue” exercises and simulated *Advanced Persistent Threat* attacks.

Basic regulations for cyber security in its broadest sense include Information Risk Policies and IT Security Standards, for example:

- Information Risk Policy – Platform Security Standard at ING Bank Śląski S.A.,
- IT Security Standard – Security Monitoring,
- IT Security Standard – Security Validation and Testing,
- IT Security Standard – Identity and Access Management,
- Security Policy for Internet Payment Services at ING Bank Śląski S.A.

These and other policies are further clarified in related downstream internal regulations (e.g. procedures, instructions).

We care about the awareness of our clients and employees. We carry out a number of educational activities on fraud risks, cyber security and programmes to improve the skills and knowledge of staff to ensure that they are well aware of the bank’s fraud and cyber security risks. We provide a range of IT risk control system training, technical training aimed at cyber security professionals, IT Academy activities and online training continue. We are constantly expanding the range of training platforms available to



employees. We are also continuing the *Security Champions* programme, aimed at developing competence in the areas of cyber security and secure coding among application developers.

We have been also carrying out a number of activities to educate clients on threats and cyber security, including presentations at conferences and the Tech Blog, as well as a campaign involving recognised cyber security authorities in the market.

Online, e-learning and on-site training courses, particularly for new employees, are provided by highly qualified experts.

One of the important elements of the bank's development strategy remains the continuous improvement of the competence of security professionals and the testing of systems, processes and people through numerous exercises and tests. Cyber resilience is one of the basic principles of building an online banking system. Cyber security and fraud prevention activities are formalised and based on the bank's internal regulations. Despite rapidly changing trends, fraud scenarios and technology, the Bank's security units, acting on the basis of and in accordance with internal regulations, efficiently and, above all, effectively counter threats.

All these activities are aimed at protecting the bank's resources from threats from inside and outside and thus protecting our clients and the funds entrusted to us.

We have implemented and are continuously developing behavioural verification methods to identify potential attempts at criminal activity in the area of electronic banking channels. With this solution, we counteract the impersonation of Moje ING users by third parties. Behavioural verification allows for a better adjustment of protective mechanisms to the user of electronic banking by creating a dedicated behavioural profile of the client. These methods are used after obtaining the consent of the client. In order to

encourage clients to use this type of solution, we continue to run awareness campaigns.

We also improve mechanisms for detecting anomalies both in the bank's transaction system itself and in transactions ordered by clients, thus catching suspicious transactions – ordered by unauthorised persons – and we take care of the integrity of transactions ordered by clients, reducing the risk of internal fraud.

We are constantly developing tools, algorithms and rules to detect various types of fraud and abuse, including preventing confidential data leakage. We execute many of these tasks together with other ING Group N.V. member companies, as well as in cooperation with financial institutions, state bodies and law enforcement agencies. As in previous years, we actively participate in the work of the Banking Cyber Security Centre Fincyber.pl operating within the Polish Bank Association.

We establish cooperation with suppliers of modern technologies in order to introduce new authorisation methods based, for example, on biometrics or client behaviour.

In addition, information campaigns for our bank's clients warning them of current risks are already a regular feature of the services we provide. On current basis we keep our clients informed about existing threats through our websites, social media and educate them and show them how to behave in order to use online and mobile banking safely. Such activities are visible in our e-banking system for each user, and information is systematically placed on the basis of the currently detected threat targeting each electronic banking user. As part of client awareness, we also conducted a number of dedicated training courses for selected corporate and strategic clients.

The bank's activities are not only limited to resources and data managed directly by the bank, but are also carried out in relation to third-party

providers of key services. To this end, the bank's agreements are continuously reviewed for compliance with applicable regulations such as: the PFSA's Cloud Communiqué, the EBA's guidelines and ING Group N.V. standards regarding security requirements for IT and cloud providers. We oblige the companies we work with to apply the best standards and guidelines in protecting the data and services entrusted to them. We verify this requirement in the course of supplier security audits with special attention to the entire business processes, taking into account activities also carried out by subcontractors.

Personal data security

GRI [3-3]

Introduction

The stability of IT systems also means the protection of personal data of clients, business partners and employees. However, in addition to IT security, we also take care of the physical security of the data and information held at the bank and are constantly improving our approach to data protection. Our internal regulations strictly define the permissibility and rules for the presence of members of the public in the offices and exclude the connection of unverified devices to the bank's ICT network.

We regularly test the physical safeguards and the findings of the inspections inspire us to make changes. Testing physical security and any method of remote access to systems has become an integral part of the bank's APT testing of the bank's cyber security resilience.

Management of personal data security

We are committed to ensuring that the rights to privacy and protection of personal data, as set out in the *Charter of Fundamental Rights of the European Union*, the *European Convention on Human Rights*, the *Data*



Protection Regulation (GDPR) and the case law of the European Court of Justice, are taken into account when processing personal data.

We have regulated this area in our Data Protection Policy, which reflects the requirements under the law and sets out the bank's obligations in this respect. It also includes principles relating to the processing of personal data, inter alia, their confidentiality, data minimisation and processing for a well-defined purpose, transparency and information requirements for individuals with regard to the processing and their rights.

We have appointed a Data Protection Officer whom any data subject can contact by writing to the bank's postal address or email address abi@ing.pl. For more information on data protection and its implementation at the bank, please visit this page.

In 2023, we found no substantiated complaints regarding breaches of client privacy, although there are administrative proceedings pending before the Provincial Administrative Court in five cases and before the Supreme Administrative Court in three cases.

We have implemented the recommendations of the Polish Bank Association "Principles of good practice for the processing and protection of personal data in the banking sector".

In 2023, the data protection officer confirmed the occurrence of 192 data protection breaches, of which 85 breaches required notification to the President of the Personal Data Protection Authority. In the required cases – where violations of the rights and freedoms of individuals were assessed at a high level – we informed the affected persons of these incidents, as well as of possible measures to minimise the negative consequences for them.

Our employees demonstrate a high level of awareness of personal, financial and business data protection by completing mandatory training cycles on an ongoing basis.

We continuously implement Programmes aimed at continuously increasing the competence of our employees in the field of data protection, indicating the importance of protecting the privacy of clients, business partners and employees themselves. In this respect, the bank uses meetings, workshops, as well as periodic communication to employees.

The security of using banking services also depends on clients, so we share with them information about potential threats and recommend security solutions on devices supporting Internet banking transactions made by the clients. We put at each client's disposal a set of rules for the correct use of online banking:

- we suggest how to create a secure password,
- we keep informing about hazards in Internet banking,
- we remind of secure banking rules,
- we explain how to protect against data theft on the Internet,
- we teach how to protect the devices used by our clients,
- we block services when reasonable to protect clients against unauthorized access to their data,
- we make our clients aware of hazards during their meetings in our facilities,
- we attend workshops for academic circles aimed at raising awareness,
- we carry out numerous awareness-raising activities using bank communication channels.

We care about both the security of retail clients and the security of corporate clients. As in previous years, we continue to hold conferences for corporate and strategic clients, during which we present threats related to

cyber crime and the mechanisms of applications and solutions to counteract abuse.

Not only do we implement the requirements associated with the introduction of the *European Union Data Protection Regulation*, but we also analyse the changes and incorporate them into internal procedures and regulations without undue delay. Within the framework of the Polish Bank Association, we cooperate with other banks to develop the *Principles of Good Practice for the Processing and Protection of Personal Data in the Banking Sector*, as well as to develop consistent solutions related to the protection of personal data.

GRI [418-1] [own indicator – 7]

Key figures on data protection					
	2019	2020	2021	2022	2023
Substantiated complaints about breaches of client privacy	0	0	0	0	5
Percentage of employees trained in personal data security*	97%	97%	99%	98%	98%

**Does not include long-term absentees.*



ESG risks

GRI [2-12] [2-13] [3-3] [2-25]

SDG 3, 8, 13, 14, 15

ESG issues are an important, enduring and intrinsic element for the entire organisation, integrated into our sustainability business strategy. You can read more about our objectives in this regard [here](#), while you can read more about our approach to managing these issues [here](#).

ESG risk as an enabler of core risk categories

We have identified ESG risk as a factor that reinforces existing traditional risk categories – credit, market, liquidity and funding and operational risks – as interpreted in the *ECB Guide on climate-related and environmental risks – supervisory expectations relating to risk management and disclosure* of November 2020. ESG risk management is therefore about integrating mechanisms for its identification, measurement, assessment, mitigation, monitoring, reporting into the standard processes of credit, market, liquidity and funding and operational risk management.

Below we identify those ESG risks that we believe will have the greatest impact on our business. We present them in order of most significant expected impact. We have grouped them according to traditional risk categories, starting with the impact within credit risk:

a) ESG risks in credit risk:

under **transformation** risk, the risk of deterioration of receivables from companies in carbon-intensive industries due to a decline in their revenues/increase in costs/increase in debt due to:

- regulations unfavourable to them,

- the need for significant investment in green solutions/products/processes,
- loss of competitiveness as a result of support (at macro level) for alternative low-carbon technologies,
- changing audience preferences,
- increase in legal costs,
- increased reporting costs,
- write-offs of assets related to technology/products that have gone out of use.

What action we have taken:

- We are consistently delivering on our pledge to move away from financing activities related to the mining, trading or generation of electricity/heat from thermal coal – with the end of 2025, the last remaining financings in our portfolio will come to an end.
- We have identified the sectors most at risk of transformation (as part of a so-called heatmap of climate and environmental risks) and require that:
 - in manual processes: each credit decision package referred to this risk and identified its mitigants,
 - in semi-automatic and automatic processes: transformation risk is one of the factors influencing the overall assessment of the sector and thus affects the credit limits offered.
- We periodically estimate issues from the corporate loan portfolio.
- We have started collecting information on the emissions and transformation plans of our largest clients in the sectors with the highest transformation risk.

- We performed a stress test including transformation risk, which showed the impact of transformation risk on the level of the cost of risk of the corporate loan portfolio.
- We take this risk into account in the rating process by including a corporate client rating in the list of reasons for appeal.
- We have launched several initiatives to capture data on corporate client issues.

under **transformation risk**:

- the risk of a decline in the value of real estates accepted as collateral with low energy efficiency,
- the risk of deterioration in the quality of receivables from mortgage loans granted to individual clients using a real estate with low energy efficiency,
- the risk of deterioration in the quality of receivables from loans financing commercial real estates with low energy efficiency.

What action we have taken:

- We periodically review the retail mortgage portfolio for the energy efficiency of the real estates accepted as collateral and have identified a high-risk portfolio.
- In the retail mortgage segment, we have set a maximum share of new financing earmarked for real estates with lowest energy efficiency (RAS – risk appetite parameters for new sales).
- On a cyclical basis, we estimate issues from the retail mortgage portfolio and the commercial real estate loan portfolio.



- We have identified courses of action for decarbonisation in the areas of retail mortgage loans and commercial real estate loans.(details [here](#)).
- We have implemented and are in the process of improving processes to collect information on the energy efficiency of the real estates accepted as collateral (for existing and new loans).
- In the retail segment, we promote products designed to finance energy-efficient real estates and to finance energy efficiency improvements in real estates.
- We performed stress tests in the retail mortgage segment, which showed the impact of transformation risk on the level of the cost of risk of the retail mortgage portfolio.

under **physical climate risk**, the risk of a decline in the value of energy efficiency of the real estates accepted as collateral that are exposed to sudden or prolonged physical hazards.

What action we have taken:

- In the retail mortgage segment, we introduced mandatory flood insurance for new financing, based on an analysis that identified the risk of flooding as the most significant of the physical risks to which this portfolio is exposed.
- We periodically review portfolios in terms of the exposure of real estates accepted as collateral to sudden and prolonged physical hazards (by location per postcode and city).
- We are in the process of building processes to accurately assess the physical threat in a location with street and building number accuracy.

under **physical climate risk**, the risk of a decline in the value of energy efficiency of the real estates accepted as collateral that are exposed to sudden or prolonged physical hazards.

What action we have taken:

- We have developed a methodology to assess the share of exposures sensitive to sudden or prolonged physical hazards in the exposure to companies and monitor this share on a cyclical basis.
- We are working on new, increasingly precise, methods of indicating exposure to companies vulnerable to violent and prolonged physical threats.
- under physical environmental risk and social risk, the risk of deterioration in the quality of receivables from companies due to a decline in their revenues/increase in costs/increase in debt due to their activities having a negative impact on the environment or a negative impact on employees/communities.

What action we have taken:

- The bank’s largest clients are subject to constant monitoring of the so-called “adverse press”.
- In manual credit processes, we require each credit decision package to address this risk and identify its mitigants.
- In accordance with our ESG Manual, we exclude from financing or impose restrictions on financing environmentally or socially harmful activities (including the aforementioned departure from financing activities related to the mining, trading or generation of electricity/heat from thermal coal, or, inter alia, departure from financing companies whose activities are materially related to the cultivation, processing, production and sale of tobacco products and e-cigarettes).

b) ESG risk in Compliance risk:

under **regulatory compliance risk**, the risk of financial loss to the bank as a result of regulatory sanctions for non-compliance of internal policies and instructions with external ESG regulations, as well as for inadequacy of processes to ensure such compliance.

What action we have taken:

- Our bank’s organisational structure ensures proper oversight of ESG risks, and the ESG Transformation Programme established in 2022 enables and accounts for specific actions.
- The bank has an ESG Risk Management Policy and an ESG Manual in place.
- Established in 2023, the ESG Data Model Project, among other things, ensures regulatory compliance of the bank’s ESG reporting.

under **greenwashing risk**, the risk of financial loss to the bank as a result of regulatory sanctions, litigation loss, business disruption and reputational damage due to ING’s ESG risk-related statements in the social factors (S), environmental factors (E) or corporate governance area (G) that the client would perceive as false, opaque, misleading or unsubstantiated.

What action we have taken:

- We are keeping a close eye on the implementation of our publicly made pledges, including moving away from financing activities linked to the mining, trading or generation of electricity/heat from thermal coal, or those substantially involving the production, cultivation, processing and sale of tobacco.
- We have implemented and apply the Manual for defining green, sustainable and sustainability-supporting products.



- We include in our product approval processes the need to verify ESG elements/features.
- We review environmental communications for greenwashing risks.
- We are in the process of assessing the risk of greenwashing for all existing products across business lines.
- We are implementing the Instruction – Greenwashing Risk Prevention Guidelines.

c) ESG risk in liquidity risk:

under **transformation risk and physical climate risk**, the risk of disruption to the bank’s liquidity as a result of increased deposit outflows from the bank or increased credit needs of clients due to the need to cover additional expenses resulting from the materialisation of transformation risk or physical risk.

What action we have taken:

- In 2021, we estimated the impact of this risk in liquidity stress tests over a horizon of 5, 10, 20 years. They showed that the bank would maintain an adequate level of liquidity in a negative impact situation. We will carry out such tests periodically, at least every three years (the next one in 2024).
- We performed an analysis of the impact on the bank’s liquidity of client deposits with high climate risk in 2023. The results of the analysis do not make it clear that client volumes with high climate risk represent a homogeneous volume of deposits that can be treated separately due to the expected costs of climate risk.

d) ESG risks in other areas

We also manage other ESG risks, without describing them in detail, among others:

- due to the estimated low impact of these risks (e.g. ESG risks within market risks, operational risks of disruption to business continuity and security of people and resources due to physical climate risks),
- due to the historically firmly established and effective system for managing these risks (e.g. social risks arising from poor human resources practices, social and environmental risks associated with working with suppliers).

Oversight of ESG risk management

We expect the impact of ESG risks to become increasingly strong and therefore our organisational structure addresses these concerns well. It ensures that ESG risks are effectively supervised and that the implementation of ESG risk management mechanisms is carried out correctly and in a timely manner.

The organisational structure of risk management, including the role of the Supervisory Board, the Bank Management Board and the Division supervised by the CRO (Chief Risk Officer), is defined by the *General Principles for Managing and Mitigating Credit, Market, Liquidity and Funding and Operational Risks at ING Bank Śląski S.A.* The Bank Management Board monitors and oversees the risk management process, including credit, market, liquidity and funding and operational risks. It is supported in this task by the Risk Committee, which includes a minimum of three members of the Supervisory Board.

At the beginning of 2023, the Board approved a Risk Management Strategy, in which among the key objectives for 2023-2025 is the continuation of efforts to increasingly identify, measure and assess ESG risks, as well as efforts to ensure that the bank’s policies, procedures and processes are in line with requirements under external regulations.

The Bank Management Board is involved in monitoring and overseeing the risk management process, including credit, market, liquidity and funding

and operational risks. The Bank Management Board approves the Bank’s business strategy and risk management strategy which include ESG risk strategies as elements. In addition, the Bank Management Board set up a standing ESG Risk Committee, tasked with creating the structure, policies, methods, models and tools for ESG risk management, and appointed the members of the Committee.

The Management Board has designated the CRO as the Board Member responsible for carrying out key tasks in the implementation of ESG risk management into the risk management system.

ESG Risk Committee

The ESG Risk Committee is the Bank’s standing committee dealing with ESG risk issues. Within the scope of its activities, it has decision-making functions vis-à-vis all organisational units of the bank and advisory functions vis-à-vis the Bank Management Board. The CRO acts as chairman of the ESG Risk Committee.

The tasks of the Committee include:

- setting and changing the level of ESG risk appetite limits,
- creating a policy for managing ESG risks:
 - approving methodologies for managing ESG risks, including their metrics,
 - validating the tools used to assess ESG risks,
 - deciding on the implementation and modifications of regulations dedicated to ESG risks,
 - defining credit analysis standards for ESG risks,
 - defining the general principles of the ESG risk assessment and monitoring process,



- determining the principles for including ESG risks in collateral valuation,
- defining a process for the comprehensive management of ESG risks, including the definition of IT systems to support the management process,
- approving ESG risk models, including their documentation, the results of their monitoring and validation,
- monitoring and assessing the level of ESG risks at stand-alone and consolidated levels,
- ensuring compliance with laws, supervisory regulations, deciding on the implementation of ING Group’s ESG risk guidance and recommendations and approving any other ESG risk issues.

The Committee is composed of the following:

- President of the Bank Management Board,
- Members of the Bank Management Board,
- Bank Directors in the CRO Division,
- Bank Director – Tribe Financing,
- Director of the Strategic Clients Financing Department,
- Tribe Lead III – Bank Director Loans and Insurance,
- Director of the Investor Relations, ESG Reporting and Market Analysis Bureau.

As a general rule, the unit that informs the ESG Risk Committee and provides solutions for the management of ESG risks is the ESG Risk Team within the Risk Regulation Department (the tasks of the Team are further outlined in the information below on the division into three lines of defence).

The ESG Risk Team prepared an *ESG Risk Management Policy*, which was approved by the Board in January 2023.

ESG risk management under the three lines of defence

First line of defence

With regard to ESG risks, which are an element that reinforces traditional risks, the first line of defence identifies, assesses and monitors ESG risks as part of its standard process/role, described in separate regulations:

- Credit risk management policy at ING Bank Śląski S.A.,
- Operational Risk Management Policy at ING Bank Śląski S.A.,
- The Compliance Policy of ING Bank Śląski S.A.

Second line of defence

The units of the CRO Division ensure that ESG risks are duly and effectively addressed in all relevant processes managed by the unit. They advise the Governing Body on the actions to be taken to ensure compliance with applicable laws, rules, regulations and standards, and assess the possible impact of any changes in the legal or regulatory environment on the bank’s operations and compliance framework. Given that sustainability rules and standards may change over time, the bank may be more exposed to liability, litigation and/or reputational risks in the future. Second line of defence units ensure that all risks are appropriately identified, assessed, measured, monitored, managed and reported. For individual credit transactions, they provide independent analysis and provide an expert opinion on risk exposures, including ESG risks. As ESG risks materialise through existing traditional risks, this analysis/assessment takes place as part of the standard activities performed within the CRO Division units.

The specialised ESG risk management unit within the 2nd line of defence is the Risk Regulation Department, within which the ESG Risk Team has been separated and is responsible for the creation of the ESG risk management policy within the CRO Division and its implementation, including:

- development of methods to manage ESG risks, including their measurement,
- developing the tools used to measure ESG risks,
- implementing and updating ESG risk regulations,
- developing and updating standards for assessing ESG risks in the credit process,
- developing the general principles of the ESG risk assessment and monitoring process,
- how ESG risks are taken into account in collateral valuation,
- development of a comprehensive ESG risk management process including identification of IT systems used in the process,
- supervision of ESG models, including documentation, monitoring results and validation,
- monitoring of the level of ESG risks at stand-alone and consolidated levels,
- ensuring compliance with the law, supervisory regulations and best practice of ING Group N.V.

In January 2023, the Management Board approved the *ESG Risk Management Policy* prepared by the ESG Risk Team, which sets out how ESG risk is managed at the Bank, including how ESG risk management fits into the existing framework for managing credit, market, liquidity and funding



and operational risks. It describes in detail the channels for transferring ESG risks, including environmental risks, into traditional risk categories.

In addition, within the CRO Division, sector specialists, through their transactional specialisation in a particular sector, add value in terms of, among other things, lending directions through, for example, sector guidelines and spreading knowledge of the sector situation based on the analysis of individual transactions and available portfolio analyses. The credit risk factors analysed include ESG risk factors.

The Centre of Expertise Compliance ensures that compliance risks arising from ESG risks are properly and effectively addressed in the relevant processes. It advises the Governing Body on the measures to be taken to ensure compliance with applicable laws, rules, regulations and standards, and assess the possible impact of any changes in the legal or regulatory environment on the bank's operations and compliance framework. Takes into account that, as sustainability principles and standards may evolve over time, a bank may be more exposed over time to risks related to liability, litigation and/or reputational damage that arise from climate and environmental issues (E) as well as social risk (S) and corporate governance (G) issues. It verifies whether there were planned mitigating actions and, if there were, whether they were designed correctly and executed.

Third line of defence

Internal Audit Department, which – in terms of ESG risks – takes into account and assesses in its reviews the extent to which the bank is prepared to manage these risks. It performs internal controls of the risk management framework, including ESG risks, taking into account changes in the risk profile and in products and/or business lines. The assessment covers the adequacy of ESG risk management policies and procedures and their compliance with the bank's internal policies and procedures and external requirements.

Reporting of ESG risk

We disclose information on environmental risk, social policy and corporate governance in the Annual Management Report of ING Bank Śląski Group.

The ESG Risk team in the Risk Regulation Department, as part of its internal reporting on ESG risks, prepares and periodically presents reports on the level of ESG risks to the Bank Management Board, Supervisory Board and ESG Risk Committee to enable decision-making and appropriate further action if necessary. This reporting includes:

- periodic reports – provide information on status and developments, and support regular ESG risk management decisions; depending on their content and purpose, they may be provided on a monthly or quarterly basis; an example would be the monthly reports prepared for the Management Board on the environmental risk assessment of client exposures by sector,
- (ad-hoc) reports – these are any reports prepared to decide on a course of action for the ESG Team's internal use or at the request of management.

Reports to regulatory authorities may also be prepared.

ESG risk tolerance framework

Risk tolerance framework – corporate clients

The primary internal document that indicates the risk framework in relation to environmental and social issues is the ESG Manual. As part of the process of identifying ESG risks, we identified sectors and areas excluded from funding and restricted. These are activities/areas with which – in our assessment – there is, among other things, a particularly high risk of negative environmental impact and a high risk of negative social impact.

The environmental and social risk assessment covers the client and the transaction. We make our assessment to the best of our knowledge. At

client level, we assess whether the business is conducted with respect for human rights, environmental principles and is not covered by exclusionary policies. At the transaction level, we assess whether it complies with the requirements of the detailed policies.

We apply *the Sector Exclusion Policy* to corporate clients to whom credit and other banking products/services are offered. It applies to activities with a particularly high risk of negative impacts on the environment and the principles of sustainable development and a risk of human rights violations. In line with this policy:

- we do not establish relationships with clients whose core business is covered by ING Bank Śląski's exclusion policy,
- past relationships with this type of client have been terminated or an exit path is agreed.

Sector-specific policies apply to corporate clients to whom credit products are offered. We identify and appropriately manage relationships with clients who operate in areas of greater social or environmental vulnerability. We have specific policies in place to support the protection of the environment and to minimise risks in exposed business areas.

Detailed policies concern the following areas:

- animal welfare,
- forestry and plantations,
- tobacco industry,
- industrial processing,
- chemical industry and utilisation of chemicals,
- defence and the arms industry,
- hard coal mining, coal-fired power industry, and related businesses,



- other mining and power industry, petrochemical industry and metal manufacturing.

We respect and care for the environment and expect a similar approach from all clients. After 2025, we will not finance coal clients whose business is directly dependent on thermal coal to the extent of more than 5%. Furthermore, we do not fund:

- new coal-fired power plants and oil sands projects and dedicated oil sands infrastructure,
- fishing with harmful methods or against protected species,
- harmful or illegal tree felling,
- ship dismantling activities without the appropriate environmental certification,
- operations located in UNESCO World Heritage sites, wetlands listed in the Ramsar Convention or significantly affecting these areas or critical habitats registered by the International Union for Conservation of Nature (IUCN).

We support clients on their journey towards environmentally sustainable operations. We help them to build awareness of:

- environmental impact of their business and the impact of ESG factors on their financial situation,
- take action to eliminate or reduce negative impacts and implement (where possible) sectoral best practice.

We require credit clients operating in sectors with significant environmental risk or significant exposure to environmental risk – in the standard credit process (*Normal Track*), commensurate with the size of the client, type of transaction and materiality of risk:

- transparency as to the client’s environmental impact,
- as far as possible – have a policy/strategy/plan to move towards an environmentally sustainable economy,
- information on environmental objectives/activities – undertaken and planned, as well as the extent to which ESG risk mitigation actions have been implemented.

As part of social risk management, in line with the Exclusion Policy, the full funding ban applies to the following areas:

- human rights violations/abuses, including in forced labour situations, child labour, inadequate working conditions, use of violence,
- the risk to the health of workers and local communities, including contact with harmful chemical materials, transmission of animal diseases to humans, non-compliance with labour laws,
- production of and trade in controversial weapons, including: anti-personnel mines, cluster munitions, phosphorus bombs, depleted uranium munitions, nuclear, chemical, biological weapons,
- cultivation, processing, production and sale of tobacco and tobacco products and e-cigarettes,
- asbestos-related activities, fur farming, gambling.

We have a detailed policy on defence financing and activities related to the arms industry. We are not opposed to establishing relationships with this type of client. We believe that sovereign states, within the limits of the law, regulations, national and international conventions, have the right to maintain public order, to participate in joint military missions or peacekeeping missions, and to defend themselves and to have armed forces properly equipped. However, we believe that certain companies, weapons and activities violate our values and business ethics. We do not

engage with controversial weapons because of their particularly destructive nature and the results of their use: mass casualties and destruction in the area under attack, from which it is difficult to exclude civilians. By key components of controversial weapons we mean infrastructure, equipment parts and materials, services and programmes and systems (mechanical, electronic and digital) specifically designed for controversial weapons.

In the *ESG Manual*, we have identified selected standards, guidelines and initiatives whose application can be an important reference in the social risk assessment process, such as: *Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, International Labour Organisation Conventions on Labour Standards, UN Global Compact, Guiding Principles on Business and Human Rights, ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, OECD Guidelines for Multinational Companies*.

The exclusions and restrictions in the *ESG Manual* also apply to our bank’s suppliers (KYS process – *Know Your Supplier*).

We also pay increased attention to the credit analysis of corporate clients who operate in sectors we have identified as higher environmental and social risk.

We are working on creating a climate risk appetite limit (Climate RAS) for a portfolio of clients in the medium and large corporate segment. Our target for 2024 will be to define such limits for individual sectors based on average GHG intensity. We plan to monitor and introduce warning signals for Climate RAS on a regular basis, in line with our existing practice of controlling RAS limits.

Risk tolerance framework – retail mortgage exposures

For the retail mortgage portfolio, we have identified the key transformation risks and the likelihood of their occurrence in the short, medium and long term. We have identified the part of the portfolio exposed to high transition



risk, based on an analysis of existing and planned regulations at European Union level. We assessed the materiality of transformation risk for this portfolio as a combination of the probability and size of the portfolio exposed to high transformation risk. We have also implemented a methodology for determining the RAS for transformation risk and determined the risk appetite by year to 2030 for new sales. The defined objectives of the RAS are, expressed in concrete figures, a gradual reduction in the share of mortgage loans exposed to high transition risk in new sales.

Definitions and methodology

In establishing the principles and framework for ESG risk management, we are guided by the EBA guidelines EBA/GL/2020/06 of May 2020 on Loan origination and monitoring. From 30 June 2021, the bank is obliged, among other things, to include an assessment of the ESG exposure of its clients' business in its lending process. Guided by these guidelines, we have included environmental, social and governance factors in our credit risk appetite and incorporated them into our credit assessment processes for corporate clients. We have developed Environmental Risk Heatmaps, which provide a benchmark for individual corporate client assessments in manual pathways and also allow for sector and/or portfolio approaches in environmental risk assessment. Heatmaps for retail portfolios indicate which risks may be material for a specific product group and were the starting point for further analysis.

In the introduced standards on ESG risk management, we have also taken into account the provisions of the ECB Guide on climate-related and environmental risks – Supervisory expectations relating to risk management and disclosure, November 2020, and the EBA Report on management and supervision on ESG risk for credit institutions and investment firms, EBA/REP 2021/18, July 2021.

We have indicated in the ESG Risk Management Policy the methods, definitions and international standards used. Among other things, there we

defined environmental, social and corporate governance risks, using the provisions of the *EBA Report on management and supervision on ESG risk for credit institutions and investment firms*, EBA/REP 2021/18, July 2021. There, we also identified the key ESG risk factors and their channels of transmission to traditional risks.

We continually monitor regulatory risks arising from changes in the legal environment in relation to the financial sector – following the work of regulators and legislative proposals. We participate in the work of the Polish Bank Association on the interpretation of ESG regulations.

Processes to identify, measure and monitor ESG risk-sensitive activities and exposures

As we treat ESG risk as an enabler of the core risks (credit, market, liquidity and funding, operational), most of the processes to identify, measure, monitor these risks have been built into the standard processes for managing these core risks.

Environmental risk within credit risk

The KYC process excludes the risk of establishing a new relationship with a client carrying out environmentally harmful activities, and allows us to identify clients carrying out such activities among existing relationships, with the result that we stop offering them new products and services. Thus, the KYC process significantly mitigates environmental risks in the short, medium and long term, thereby affecting the level of credit, liquidity and funding and reputational risks.

As part of our standard corporate client credit risk management processes, we have included the identification, measurement/assessment and monitoring of individual client environmental risk (assessment in the credit application and the possibility of rating appeals), which affects the level of funding in manual processes. We have also included a sectoral assessment

of environmental risk, which influences the level of financing in automated and semi-automated processes and provides a benchmark in the individual client's assessment. The relevant regulations and internal rules are contained in documents: *Credit Risk Management Policy, Sector Guidelines, Business Banking and Wholesale Banking client environmental risk heatmaps, ESG Manual, Corporate Client Credit Manual and Strategic Client Credit Manual*.

These *Environmental Risk Heatmaps* are based on an expert assessment of the environmental risk factors of each sector. They therefore provide both a benchmark for assessing the ESG risks of an individual client, but also allow for portfolio consideration and assessment of these risks, e.g.:

- by incorporating the Heatmap's assessment of the sector into the process of determining the overall classification of the sector, which is translated into the corporate client's credit limits in the automated and semi-automated processes,
- in the internal reporting of the bank's credit exposure to corporate clients in sectors with a certain level of risk.

Environmental risk heatmaps were drawn up with a medium time horizon of up to 5 years.

For investment projects subject to the *Equator Principles*, we apply this socio-environmental principles standard in the assessment of transactions. Projects that do not comply with the *Equator Principles* are not financed by our bank.

For the mortgage portfolio and the cash loan portfolio in the retail segment, we have also drawn up *Environmental risk heatmaps*. For the mortgage portfolio, the risks identified are related to physical risk factors of the financed real estate with low energy efficiency. These heatmaps were the starting point for further more detailed analyses. For the cash loan portfolio, we assessed the impact of ESG factors as indirect, mainly resulting from the



potential destruction of client-owned real estate, loss/reduction of income due to, for example, loss of a job in a high-risk environmental sector, or reduction or loss of creditworthiness due to increases in energy prices.

For real estates securing retail and corporate credit exposures, we assess the physical risk at a given date using an internal tool that assigns a risk level for a specific physical risk. We have preliminarily examined threats to locations at postcode and city level. We are working on an even more accurate indication of the level of risk – at the level of the exact address. From our analysis to date, the only threat whose impact could be significant to our defences is the threat of river flooding. For new retail collateralised credit exposures, we implemented mandatory presentation of flood insurance in March 2023. In addition, there is a stipulation in the segment-specific collateral instructions that we do not accept collateral exposed to environmental risk (for individual cases of identified risk).

In 2023, we carried out for the second time an estimation of the physical climate risk in the bank's banking portfolio, in accordance with the *EU Commission Regulation (2022) laying down implementing technical standards with regard to the disclosure of information on environmental, social and corporate governance risks*. A table with the data together with a discussion of the estimates can be found in the Appendices, under [Figures regarding ESG risk](#).

We have defined a method for estimating/measuring the energy efficiency of the real estates accepted as collateral. A table with the data together with a discussion of the estimates can be found in the Appendices, under [Figures regarding ESG risk](#).

In 2023, we conducted a dedicated transition risk stress test for the corporate and retail mortgage portfolio. The task was carried out as part of the ICAAP stress tests and the results were discussed and approved by the ALCO Committee.

The basis for the transition risk stress test was the three scenarios used as a standard in ICAAP stress tests, differing in assumptions and macroeconomic parameters, degree of severity and probability of implementation. We have considered which areas of our corporate clients' business are at high risk of transformation, and we have included this selection in the exercise. We have considered carbon intensity, energy intensity and vulnerability to changing climate policies as factors influencing transition risk. For retail mortgage loans, we applied a selection for the energy efficiency of the real estates financed. The calculations were carried out over a three-year horizon, in line with the financial plan. The results of the stress test confirmed that, under internally chosen assumptions, transformation risk affects the level of the cost of risk of both the retail mortgage portfolio and the corporate loan portfolio. The task also allowed observation of the potential magnitude of the impact of transformation risk on the loan portfolio depending on the future (projected) macroeconomic parameters and the severity of the chosen scenario. The stress test will be repeated depending on the needs we identify.

Social risk within credit risk

In the KYC process for the bank's largest clients (strategic client segment), the ESG risk assessment at client level and the risk assessment at transaction level take into account social factors. Social risk factors such as, for example: human rights, labour rights, the impact of the activity on communities and societies are taken into account. We do not fund clients with an unacceptable level of ESG risk, and for clients with a high level of ESG risk, we conduct an in-depth assessment. We also have specific policies for the financing of areas with – in our view – high social risks, in line with the *ESG Manual* (e.g. arms, tobacco, chemicals, industrial processing, animal welfare).

In the credit process for clients in the medium and large business segment, in the standard path of the credit process we assess the client's sensitivity

to social risk factors and its ability to mitigate these risks. In addition, we have identified and indicated sectors/areas sensitive to social risk – we require additional information from clients operating in these sectors/areas to assess social risk. We do not finance new clients for whom social risk has been assessed at an unacceptable level, and we can set corrective actions for clients with credit exposure with a high risk level. Reporting on the distribution of the portfolio of medium and large companies by level of social risk takes place on a semi-annual basis.

We do not accept collateral with which to bear social risks – the relevant provisions are contained in the internal collateral instructions for each segment.

Corporate governance risk within credit risk

We have defined corporate governance risk factors in the *ESG Manual* and take them into account in the ESG risk assessment of the bank's largest clients (strategic clients), carried out as part of the KYC process, at the individual client level. Among other things, we analyse issues such as how the client reports the impact of the E and S factors, having a human rights policy, information on negative NGO/media campaigns or possible stakeholder protests.

In the manual credit process, credit analysis standards for strategic clients and medium and large companies include the requirement to assess the client's sensitivity to corporate governance risk factors (on a best knowledge basis) and to assess its ability to mitigate these risks. For large companies, the assessment of ESG risks is made on the basis of information contained in published non-financial risk strategies/reports.

ESG risk within liquidity risk

As part of our liquidity risk management, we performed a climate stress test in 2021 with horizons of 5, 10 and 20 years. The test scenarios identified risks, trends in climate, business, legal and social changes that affect the



Bank’s liquidity. The results of this liquidity test indicate that the bank will maintain an adequate level of liquidity, despite negative factors related to physical or transformation risks. As part of this test, we also included the impact of physical and transformation risk on bond pricing and the impact on changes in credit volumes. The conclusions of this analysis will be used in determining the bank’s development directions. Such a test will be repeated as and when necessary and, by design, at least every three years (we will conduct the next one in 2024).

As part of the liquidity risk analyses, an analysis of the impact on the bank’s liquidity of client deposits with high climate risk was carried out in 2023. The results of the analysis do not make it clear that client volumes with high climate risk represent a homogeneous volume of deposits that can be treated separately due to the expected costs of climate risk. The costs of climate risk can arise both from the need to cover damage – in terms of physical risk , and from transition costs (or the need to terminate operations) due to regulation. Consequently, the additional costs of climate risk may affect deposit volumes of clients with high climate risk.

ESG risks within operational risk

The non-financial risk management system, including operational risk, recognises ESG risk as a factor that can affect the levels of the various risk subcategories, pointing to climate and environmental risks and social and corporate governance risks.

Of the 10 operational risk categories identified at the bank – business interruption risk, employment malpractice risk or risk of breach of security of persons and property – are particularly linked to the ESG area. The risk management process is described in the *Operational Risk Management Policy at ING Bank Śląski S.A.* and in the document *Policy – Principles of Reputational Risk Management at ING Bank Śląski S.A.* , while the principles of risk identification and assessment are defined in the *Non-financial Risk Identification and Assessment Manual*.

ESG risks within compliance risk

We avoid practices that could mislead our stakeholders about environmental activities. To this end, we are implementing the principles of greenwashing risk assessment within Compliance. We have also developed *Principles for the Assessment of Environmental Messages* to moderate risks in the first line of defence. These measures aim to effectively mitigate the adverse effects of greenwashing risk in our bank.

Mitigating ESG risks by building knowledge

We provide training as well as participate in external events on ESG risks. Training aims to build awareness of ESG risks and mitigate them through effective action by employees within the processes in which they participate.

ESG data

We are working to acquire environmental risk data, including highly precise location data for the risk of violent and progressive weather events, data on clients’ greenhouse gas emissions and precise data on the energy efficiency of buildings. Data from the internal physical risk assessment tool, data provided by Biuro Informacji Kredytowej [Credit Information Bureau] and data from the public database of energy efficiency certificates allowed an initial estimate of the exposure to physical climate risk, the CO₂ emissions of the loan portfolio and the emission intensity of the real estates accepted as collateral. When financing income-generating real estates, we take and record information from energy efficiency certificates. In December 2023, we started downloading information on energy efficiency certificates for new retail mortgage exposures.

In 2023, we launched the ESG Data Model project, which aims to implement a single consistent ESG data model across the organisation and develop a concept and roadmap for a target reporting process that is as automated as possible in line with regulatory requirements.

In 2023, we introduced a pilot programme on the Transformation Environmental Risk Assessment Form. Its completion is mandatory in the lending process for the largest clients in the medium and large corporate segment that meet certain conditions, such as operating in the high or medium transformation risk sector, according to our bank’s methodology for assessing environmental risks. As part of the form, we asked clients, among other things, about their carbon footprint in Scopes I, II, III and their plans to reduce it, about board responsibility and human resources in the context of ESG / sustainability, and about fossil fuel revenues and costs. During the pilot, we obtained responses from nearly 400 clients.

Channels of transmission of ESG factors into core risk categories

We expect the impact of higher energy costs from non-renewable sources on the debt repayment and debt service capacity of corporate and retail clients. For corporate clients in high-risk sectors for transformation, we would additionally expect higher levels of their debt for the necessary transformation investments, possibly with increasingly lower yields if they did not address the transformation risks. We have excluded corporate clients with environmentally damaging activities from financing, and have introduced steps in our lending processes to take a more prudent approach towards clients in sectors with high environmental risk.

We have taken steps to limit the impact of physical risk on the real estates securing new retail mortgage exposures (mandatory flood insurance). We are testing a new approach to identifying the location of medium and large business clients and assigning a level of physical risk to that location. When assessing the physical risks in our corporate clients’ operations, we take into account the physical risks to the real estates we secure and additionally analyse heat waves and water scarcity. We expect these risks to affect productivity in some sectors. An impact on the PD of corporate clients is therefore likely.



The results of the climatic liquidity stress test conducted in 2021 indicate that the bank will maintain an adequate level of liquidity despite negative factors related to physical or transformation risks.

We have assessed that in the short term, social risks may materialise mainly through: major social incidents, fines paid resulting, for example, from non-compliance with labour laws, court cases, investor preferences – which may translate into higher costs of raising capital, contractor and consumer choices, the outflow of valuable labour (costs of recruitment processes, training for new employees, etc.).

Serious incidents in the area of human rights violations or accidents at work, especially when publicised in the media, can lead to a change in investor preferences (increased cost of raising capital) and a change in counterparty and consumer choices, thereby realising themselves in credit and market risk (reduced creditworthiness, reduced asset value).

Inadequate OHS standards, e.g. a high number of serious occupational accidents or serious incidents of discrimination (especially publicised in the media), can result in court cases (costs) and the payment of fines or damages or compliance costs – Compliance (reduced profitability of the company, reduced asset value). Failure to invest in employee well-being can lead to an exodus of the most valuable workforce (recruitment costs, costs of acquiring and training new employees). Consumer boycotts resulting from controversies around the conduct of business, manufacturing of products, services, unethical supply chain, conflicts of interest, can translate into a reduction/loss of creditworthiness, value of assets.

We recognise that the materiality of social risk may increase in the medium to long term, in particular due to changes in policy and market sentiment related to social transformation, the introduction of enforcement mechanisms into the legal system (e.g. equal pay) and the implementation of social risk reporting requirements (ESRS) to ensure comparability of disclosures. Social risks can be realised in particular in the case of clients

who are not prepared or willing to adapt or do not have the necessary resources, and can therefore become the target of complaints, be affected by lawsuits, market pressures or reputational risks.

We expect changes in external legislation to regulate greenwashing. We attach great importance to transparency in our information policy and transparency in the products and services we offer. In our view, this approach minimises the risk of being suspected of greenwashing.

Model risk

We manage model risk in accordance with the *Model Risk Management Policy at ING Bank Śląski*. This policy defines the key model risk management responsibilities that must be followed for each type of model. These responsibilities are defined in relation to the general principles of model risk management, as well as in relation to the different stages of the model life cycle.

The Model Validation Department provides a model register, which is a repository of information on the models in operation in the bank group and which is updated by participants in the model risk management process, including model owners, validators and modellers. The register and model logs contain, among other things, information on the relevance of the models, their risk levels and the results of monitoring their effectiveness and the results of model validation.

The bank’s capital group regularly assesses the risks of the individual models and, if required, allocates capital charges to the models in accordance with the principles adopted in the internal regulations.

The quality of the performance of the models is verified as part of the monitoring of the effectiveness of the models and model validation, model

validation is performed in accordance with the *Model Validation Policy at ING Bank Śląski* and the validation instructions.

Management reporting to the Model Risk Committee, the Bank Management Board and the Supervisory Board on the status of model management and validation activities includes, among other things, an assessment of the aggregate level of model risk in the context of the accepted tolerance level for this risk, the results of the model risk assessment and the status of the validation plan.

Business risk

Within business risk, the group distinguishes one significant risk – macroeconomic risk

Macroeconomic risk is the risk due to macroeconomic factors and their impact on the levels of minimum capital requirements. The Group manages this risk by conducting regular internal and supervisory stress tests, in accordance with the Stress Testing Policy, which allows for ongoing monitoring of the sensitivity of the minimum capital requirements to macroeconomic factors.

Based on the results of the internal stress tests, in accordance with *the Methodology for Calculating Economic Capital for Macroeconomic Risk*, the group estimates additional *economic* capital to protect against the effects of the materialisation of the tested scenario. Due to the events of recent years, including the war in Ukraine, dynamic changes in the macroeconomic and political environment and the results of stress tests, the group continues to hold additional economic capital for macroeconomic risk.



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Our mission is to support and inspire people to be one step ahead in life and business. We focus on technological development and supporting clients in their daily operations. We are responding to their needs, increasing our availability and flexibility. We are committed to plain language and understandable banking.

Our clients

ING Bank Śląski provides comprehensive financial services to individual clients and companies in all segments. We serve clients through remote channels (including online and mobile banking) and a branch network fully equipped with self-service areas.

We have 4.5 million individual clients and 559,000 corporate clients, of which 441,600 are entrepreneurs, 113,900 are medium and large companies and 3,400 are strategic clients. Additionally:

- in 2023, we acquired 284,000 new retail clients and 70,000 new corporate clients,
- we provide services to 2.19 million *primary* clients in the retail segment and 213,000 primary clients in the corporate segment,
- 4.2 million of our clients have access to online banking (-1% y/y), 78% of whom are actively using it,
- 2.7 million of our clients are actively using the mobile app (+8% y/y) and the number of “mobile only” clients in retail banking increased to 2.0 million (+9% y/y).

Technological development

GRI [3-3]

SDG 9

We invest in state-of-the-art technology. We see them as a catalyst for change based on digitalisation and data management and as a source of innovation within the company. We support our clients by offering modern, digital solutions tailored to their needs. We are introducing further innovations because banking apps are now the natural centre of expense management.

We are implementing a new central system and more...

The year 2023 was very important in terms of implementing the bank's strategy for technological transformation. The project to implement the new central system was extended to include additional applications under the newly established NextGen Architecture (NGA) program. The core banking system, in this case the Vault platform from Thought Machine, remains the central point of the new program, but as part of the change in architecture from monolithic to modular, work has begun on further services and systems that are aimed at both modernizing the solutions used in the bank, but also implementing another priority, i.e. the cloud program. While maintaining, of course, the primary goals of providing customers with uninterrupted access to banking services and applications, faster delivery of new products and services to customers, and continuous improvement of customer and bank security.

What important things happened in 2023?

- The first product, a retail cash loan, was made available to all bank clients after a pilot phase in friends and family mode. Currently, some of the loan applications, from the offer prepared by the bank, are posted on the TM Vault platform after passing the client's creditworthiness analysis. The change, although huge on the technological side for the bank, is transparent to the client. From the MING website or mobile app, it makes no difference whether the loan is already on the new platform. But the frequency and speed with which new changes are introduced and thus made available to the client increases significantly.
- As mentioned in the introduction, the bank's digital and technological transformation is not just about a new core banking system. We have started work to build further applications in new technologies, in microservice architecture and based on cloud solutions. In addition to the completely new integration layer based on microservice architecture, applications (services) are built that are responsible for individual functions supporting the operation of a given product or process. Such an example is the service for calculating the loan repayment schedule – instead of several calculators used in different areas of the bank, a single service was created. Currently, whenever a repayment schedule or simulation is required, one and the same tool is used (e.g. in the process of simulating credit terms for a client). The added value is that if you need to make a change to the scheduling algorithm, it only needs to be implemented in this one tool.

A technology transformation of this scale requires a broader view of the overall application architecture in the bank. This is why the NextGen Core Banking project is expanding to NextGen Architecture. The solutions being



built are not only state-of-the-art, but are created using modern techniques and tools, which enables the development of employees and also ensures the reliability of the solutions introduced, security for the client and for the bank itself.

Last year saw, in particular, the full operationalization of the TM Vault platform in the production environment, which means that the new central system is now ready for subsequent products, such as a mortgage loan or a term deposit. These are new processes for post-sale cash loan servicing, largely automatic, built on the modern Ferryt platform and integrated with the TM Vault platform and other services created as part of the NextGen Architecture program.

In 2024, in terms of the new core banking platform, we plan to:

- improve the cash loan product and making further variants available through various channels,
- work on a mortgage loan and a term deposit,
- build new and further develop existing services to support the operation of these aforementioned cloud-based products, as part of the implementation of the bank’s digital and technology transformation strategy.

Moje ING

[own indicator – 5]

The Moje ING mobile app is the main channel for our clients to interact with the bank. It is already used by more than 2.7 million clients, 74% of which are on phones and tablets. In 2023, they logged in more than one billion times (80% on the mobile app) and made around 670 million transfers.

We care about the performance and reliability of our systems. Moje ING’s availability as at 2023 yearend was 99.95%(99.98% a year earlier).

The new face of banking

ING Bank Śląski introduced changes to its Moje ING online and mobile banking on 12 November 2023. Content and features are more personalised and the system has taken on a new, clear look to make banking easier to use. The login page in the browser is now:

- more visible safety messages;
- an expanded help section for logging in and activating banking;
- on-screen keyboard now also for the login field (and not just the password).

The screen before logging into the app is now:

- faster login thanks to better positioning of the Login button;
- better adaptation of functions by the client to his or her preferences;
- active parking and public transport tickets visible without logging in.

The banking home page is divided into 3 intuitive main sections:

- My finances, which shows all the client’s financial products,
- Shortcuts, with which you can quickly get to the functions you need most,
- Chosen for you: a section where the client will see personalised prompts and offers.

The browser-based version will additionally show an Expenditure Analysis section, providing a refreshed summary of the client’s budget – the company will see the Income and Expenditure Analysis section here, and the affluent client will personalise it themselves.

Convenience and usability

In Moje ING, we have released a revised “Services” menu, where clients will find the most important functionalities of the app grouped in a clear way. The menu works on a two-tier basis – once the main category is selected, clients can access the relevant services for that category. The change is aimed at simplifying navigation through the system and accessing additional functionality more easily.

We have also changed the Moje ING login pages – for browsers and the mobile app. The new layout makes it easier to log in, clearer and, in the mobile app, clients have more freedom to manage their shortcuts. The online and mobile banking homepage has also changed. Clients have access to a clearer layout of finances and can switch between individual and brokerage accounts more quickly. A dedicated shortcuts section has appeared on the homepage, where clients can set up the functions they need most. Communication has also been improved – in the “Chosen for You” section, clients receive personalised prompts and offers tailored to their needs and interests.

Confirmation of identity

Clients who run an errand on their phone that requires proof of identity can complete it entirely in the mobile app (by logging in with their fingerprint, for example), rather than by logging in with their online banking login and password in the browser as before. The change applies to both commercial cases and the Trusted Profile.

Clients calling the helpline can confirm their identity more quickly and conveniently. Moje ING mobile users, via a PUSH message, confirm it directly in the app. Other clients receive an authorisation code via text messages or answer questions from a specialist about their details and their products with the bank.



The phone number provided to authorise changes and transactions in Moje ING is one of the most vulnerable processes to phishing. We have therefore redesigned and rebuilt it from A to Z, improving its security and readability, including resistance to client manipulation by fraudsters. In some cases, we have added additional authorisation with the entry of a code that we dictate to the client over the phone.

Automatic sending of PUSH messages

For newly opened personal and savings accounts, we automatically send PUSH notifications about changes in account balances. Previously, clients had to manually set this functionality for new products. The change provides better control over the savings and ongoing finances of clients using the app.

Cancellation of an erroneous transfer

Mistakes happen. Clients who have made a mistake in a transfer can cancel it via a link in the transaction history until the bank has processed it. The money from a cancelled transfer is returned to the account on the next working day at the latest.

Closure of a term deposit and foreign currency account

We have added the possibility for the client to independently close a term deposit in PLN and currencies in Moje ING. The client can transfer the money from the deposit to an account of his or her choice or any savings, brokerage or investment account. Also on their own, directly in the app, the client can close the foreign currency account and the credit card and prepaid card. Previously, a visit to the branch was required.

Mobi account management

Parents of our youngest clients can specify the options they want their child’s Mobi card and account to have for 13-17 year olds, e.g. limits, consents, notifications. They will find them in the details of the child’s

account, in the Parent Panel under “Management”. They also have the option to give permission for the child to manage the cards themselves, or they can conveniently – in the Moje ING app – close their child’s Mobi Account. Previously, a visit to the branch was required.

Parents will find all documents relating to child-related banking services in ING’s secure safe – the “My Documents” functionality.

New way of presenting savings and investments

Our clients have gained access to a new version of their investment funds’ quotes and charts. They are easier to read and better suited to operating in a mobile app, on a narrow phone screen.

We have refreshed and updated the details view of the Open Savings Account and its Premium version. We have added information on the free amount, i.e. the amount not paid into savings. We have also added the ability to generate and download savings account certificates and statements, as well as a “Questions and answers” section.

Management of fund notarised representatives

Our clients have gained the ability to independently add and revoke notarised representatives for their investment fund units in Moje ING. The investment fund unitholder sends a request for the notarised representative’s approval via a message in Moje ING. Once accepted, the notarised representative has access to the holder’s fund units and the holder can manage the authorised persons in view of its fund product.

New features of the IKZE Investment

Clients using the IKZE [Individual Pension Security Account] Investment product were given the option to check their transaction history directly in the app. They can also set up a regular investment instruction for it and buy a fund with the option to pay at a later date.

New loan mortgage functionality

Clients have the option to overpay their mortgage loan instalments through Moje ING. By paying a higher instalment – they automatically shorten the commitment time. Overpayment of the loan is free of charge.

In November 2023, we made it possible for clients to purchase mortgage payment protection insurance conveniently through Moje ING. With insurance, the client or their relatives do not have to worry about repayment in the event of unforeseen situations, such as an accident, loss of job or death. The client has the choice of insurance with either Nationale-Nederlanden or Allianz.

Clients interested in a mortgage offer, or already using one, gained the opportunity to have a remote video meeting with an ING specialist who will help them choose the best mortgage option, answer questions and guide them step-by-step through the process. The pre-arranged call takes place in the browser, on the client’s computer or phone.

Online debt repayment declaration

In online banking in Moje ING, we have made available a modern self-service solution that allows you to declare your debt repayment unattended. Clients who are in arrears without contacting the helpline determine the date and amount of repayment according to their ability and needs. Until now, clients have only made repayment arrangements with helpline staff. This form of contact is based on staff availability hours, and clients do not always have the time or inclination to talk. This is why we have focused on a solution that provides a positive experience – combining security, convenience of use with an intuitive and accessible service at all times.

Digitisation and improvement of card processes

In June 2023, we provided clients with the functionality to close a prepaid card in Moje ING. With this implementation, we are supporting clients and making it easier for them to bank every day, without having to leave their



homes. At the same time, we are educating and encouraging greater use of online and mobile banking.

Our clients have also gained the ability to change the PIN code number of a card they have just ordered and which has not yet arrived. This is particularly important for those of them who use it immediately after ordering by adding it to their electronic wallets. In practice – they have the opportunity to use it immediately after ordering.

Subscription management

Moje ING mobile banking is not only about banking services, but also a financial management app. We have provided our clients with a convenient module where they can keep track of all their active subscriptions paid for with our bank’s credit cards. This gives them better awareness and control over their spending, blocking authorisation of unwanted or suspicious subscriptions if necessary.

BLIK payment

In 2023 in the BLIK area, we focused on streamlining the individual BLIK processes in the Moje ING mobile app, through which we raised the quality of our clients’ experience. We have also worked on security – we have implemented solutions to help protect our clients from cybercrimes.

Q1 2023 saw innovations in BLIK communication with clients via the Moje ING mobile app. In the PUSH notification after the payment has been made, we inform the client which BLIK method was used to make the payment. In addition, when a client is unable to pay for his or her purchases, for example because there is no money in the account or the transaction limits have been exceeded, we suggest what needs to be done and display a link that directs you to change the limit settings or allows you to make a transfer of your own here and now.

In September 2023, we joined the ranks of banks that provide their clients with BLIK coin deposits at NBP machines (coin machines). The facilities are

located in the main provincial cities at the NBP headquarters. The service can be used by retail clients.

In Q3 2023, we also made the BLIK service easier to manage for young clients in the 13-17 age group. We have provided them with a process for changing the account assigned to BLIK payments.

Paying for car parking

Clients with cars equipped with Android Auto can use the option to pay for parking directly on their car’s screen. The Moje ING app connects to the car’s system and adapts its options to its interface. This makes paying for parking faster and more convenient.

Joining the National Hub and government programmes

The Moje ING app joins the National Hub – a new standard for the circulation of electronic identities used by our clients to deal with official and, in the future, commercial matters. This solution improves the availability of the Trusted Profile at ING and, in the long term, will allow the immediate availability of services attached to the National Node. In 2023, our clients used the identity confirmation service via the National Node around 12.7 million times and via MojeID/eID 405,000 times. In the Moje ING mobile app, where the National Node identity confirmation service has been available since November 2023, clients have confirmed their identity as many as 315,000 times.

Our clients like to use Moje ING to apply for government programmes. In 2023, we have submitted around 449,000 applications under the 500+ programme, 307,000 applications under the 300+ programme and around 13,000 applications under the Family Care Capital.

ING Business

[own indicator - 6]

The online banking platform for corporate clients ING Business includes: a browser-based version, native smartphone apps and an H2H channel – ING WebService. We are successively working on further improvements and updates and making new solutions available to clients.

ING Business availability was 99.91% as at 2023 yearend (99.86% a year earlier).

Changes to the app

In 2023, we focused on changes in several areas of the mobile app such as:

- navigation and the appearance of the main lists,
- card functions,
- communication to clients,
- product range,
- video verification and
- logging performance.

As part of our work on the navigation and design of the app, we have introduced a new design for the list of accounts, orders, counterparties and operation history, which responds to user feedback. We simplified the navigation in the app and rebuilt the main menu. We have added a “Products” section to the navigation menu, where clients can not only find a list of their products, but also learn about the bank’s offerings.

We have implemented the “Information” module. From now on, clients have a convenient overview of the information being sent, including critical and offer information, and the most important of these is informed by sending a



PUSH notification, after selecting which the client is taken to the details of the information.

We have also released a new video verification process in response to client feedback – it is simpler, includes prompts and incorporates the new look of the app.

In terms of login performance, in 2023 we were able to reduce the login time to the mobile app for the 95th percentile of clients by 50%.

“Applications” module

In the new “Applications” module, two key functions have changed: the management of entered applications and the search for new applications that the user can submit remotely via ING Business.

The most important changes are:

- new information architecture on screens;
- separation of the Conclusions module into a separate item in the system navigation (in the main menu);
- limiting the number of available application statuses – we are introducing new ones, which clearly indicate to the user at which stage of the processing the application is and, if necessary, what action they should take. The new statuses are: draft, to be signed, to be sent, sent, we are implementing, implemented, rejected and cancelled;
- an easier way to search and filter submitted applications;
- the ability to easily search for a request or matter that the user wishes to pursue.

The new list of applications includes all cases that have been entered by users since 1 January 2023. Applications prior to 2023 will be available on an earlier version of the application list.

“Cards” module

In July 2023, we provided a new, more intuitive and functional “Cards” module, changed the navigation and improved the readability of the screens. We have also made technological changes that provide even greater security in line with the latest standards (PCI DSS).

We have added new card functions to the ING Business mobile app: temporarily locking and unlocking the card, locking and stopping the card and the ability to enable and disable contactless card payment options.

Card statement encryption functionality was also implemented in November 2023. This allows the client to set a password for the file it downloads on the system. The information contained in the file is encrypted and only available to the user downloading the statement.

mObywatel [mCitizen]

In order to be able to support clients identifying themselves with the new mObywatel identity document type, we have made a number of changes to data synchronisation in ING Business. We also implemented changes to the Electronic Disbursement System product (cash withdrawal), enabling the process to be carried out based on a new document type.

In addition, we have adapted the identity verification (KYC) process for the newly added representative from the “Add new user” request (in the medium and large company and strategic client segments) and from the remote onboarding process.

Cookie policy

We have adapted the cookie policy at ING Business in reference to the current regulations. Users are able to efficiently adjust their individual cookie preferences on their device and can check pre-selected consent types and make changes to them in an accessible way. The content of the

cookie policy has also been updated so that the user has clear information on the function and use of cookies on the system.

We improve develop and support

Retail segment

WIRON in mortgage loans

In June 2023, we resumed the sale of mortgage loans with variable interest rates - based on the WIRON 1M Compound Rate reference index - complementing our existing offer of mortgage loans with a periodically fixed rate. Thanks to this change, the Bank implemented the assumptions of the Road Map published by the National Working Group on the reform of reference indices for the process of replacing WIBOR with WIRON and is the first bank on the Polish market to offer such an interest rate structure for new mortgage loans.

Process for opening an individual client account online

In 2023, we have made a number of improvements to the account application resulting from the voice of the client. When applying for a savings account, the client simultaneously sees a tile with an offer for a Mobi or Direct account. We have improved the “Face&ID” module as part of the proposal with the selfie method. Now the client has more time to take a photo of each side of the proof. On the account application, which requires the addition of ID photos, we have provided the option to add photos with a phone via QR code. Clients who do not meet the necessary conditions to open an account via this route will be called by the BOT with the relevant information.

Implementation of a new account details page

The new account details page aims to make the client find all the information, products and services they need to use their account in one



place. This is an important step in building a relationship with the bank, as research shows that the page where clients view their account details is the starting point of their interaction with the product, and therefore with the bank.

Implementation of the Future Account

We have introduced the Future Account. This is a proposition for our retail clients. The account supports sustainability and is part of our ongoing sustainability business strategy “The future is our shared responsibility”. For every Future Account opened by a client, the bank donates PLN 10 from its funds each month to a project of the client’s choice that supports sustainable development. During the life of the projects, the client can check the progress of the fundraising in real time, as well as change it to another project. The client can choose from three designs:

- Biocenotic garden,
- Urban greenery island in the form of a pocket forest or
- 30 micro-reserves (protection zones) for rare bird species.

Once the collection for the project has been completed and implemented, the client will receive a summary with the results of the activities. We declare that we will use the equivalent of the money the client accumulates in this account to finance buildings with lower primary energy requirements. The fee for the Future Account is PLN 20 per month. They can be set up through an application on the bank’s website. It is possible to switch from the current offer to the Future Account via Moje ING or at the venue.

Dual authorisation in the consumer credit application process

We have implemented additional anti-fraud protection in the application process for cash loans, overdraft limits and credit cards. In the process, a double authorisation takes place – the second authorisation factor is Voice-

Code. The code is provided during the client’s telephone call and is then entered by the client in Moje ING. This solution provides greater security and no possibility of code interception via a remote desktop.

New images for Moje ING Card

Responding to the needs of our youngest clients (up to the age of 13), we have released a new graphic for the child prepaid card. The graphic is inspired by the educational game “Miasto ING” [“ING City”], available on the Roblox platform. In addition, we have expanded the card gallery for young clients (aged 13 and over) with a limited edition card designed by the well-known young singer Bryska. Inspired by the city, the artist not only created the song “Miasto tętni” [“The city is vibrant”] and a music video, but also, together with ING and Visa, prepared an account card with her photo on it and autographed it. We support young people “in doing their own thing”, exploring new possibilities and developing their creativity.

Strong authentication in the process of adding cards to external digital wallets

In May 2023, we aligned the card digitisation process in external digital wallets with the requirements of strong authentication. We have disabled the text message authorisation code as a confirmation method for adding retail cards to digital payment wallets. Currently, the only way to confirm the addition of a retail card to digital wallets is to confirm the process in the Moje ING mobile app with a PIN code for the app. The change increases the security of the process and ensures that the process is in line with the expectations of the European regulator (EBA).

New model for premium client acquisition and service

In July 2023, we launched a new business model for premium clients. Based on research, analysis and the voice of clients, we have learned which areas are key for ING’s Premium segment to grow dynamically and strengthen its market competitiveness.

- We have tailored our offering to differentiate it more strongly from the standard offering and to bring it closer to the Private Banking offering.
- We have assigned clients to portfolios of dedicated premium specialists, spread across all regions of Poland building a personalised relationship. Thanks to the Wealth Management System app, our specialists have full knowledge of the client, their products, preferences and contact history with the bank in one place.
- Client service is provided in face-to-face meetings at the outlets or remotely over the telephone, and ultimately also using the video channel.
- We have simplified the entire client acquisition process by automating the issuing of invitations in real time, as soon as the client meets the financial and non-financial conditions for using the offer.
- We have modified the 18+ relationship opening standard to better recognise client potential at the first interaction with the bank. We have trained all specialists in the premium offering.
- We have refreshed the communication in Moje ING to clients: both inviting them to use the offer and promoting the new offer differentiator – service by a dedicated specialist. Clients can see the name and telephone number of a dedicated Premium Specialist under the “Help and Contact” tab.

The new Premium model increased the average monthly client growth in this segment by 5 times.

In 2023, a total of more than 1,000 clients previously using the Standard or Premium offering and meeting the financial conditions for Private Banking were automatically serviced by us in this segment. In doing so, they gained access to a range of benefits, including the care of a personal advisor, an



investment advisory service or the opportunity to use the Visa Infinite card. We plan to continue these activities in 2024.

Development of the investment advisory service in Private Banking

The investment advisory service is one of the key services offered to clients in the Private Banking segment. In 2023, we focused on developing this service. A new, clearer investment recommendation template has been made available to clients, making it easier to make changes to their portfolio. We also developed the concept of model portfolios, tailored to clients’ investment profiles, prepared by the Investment Competence Centre. Currently, more than 80% of new Private Banking clients in the investment advisory service are already using this form of recommendation.

Best Private Banking in Poland according to the Institution of the Year ranking

Our activities aimed at building a unique experience for clients using our Private Banking offering have been recognised by external experts. The bank was ranked 1st in Institution of the Year – Private Banking client service among the 10 banks assessed. Three areas were particularly appreciated: the adviser’s attitude and approach to the client, the presentation of the offer and the standards and materials for the client.

Corporate segment

WIRON in corporate lending

We are one of the first banks to make WIRON-based financing available to corporate clients. In August 2023, we made a WIRON-based financing offer available to entrepreneurs and housing associations, and in October to a further group of clients – companies, regardless of the form of bookkeeping, and individuals conducting business on a full accounting basis. In these cases, the offer includes an overdraft facility and a loan for any purpose and applies to a total lending of up to PLN 400,000. Due to WIRON’s variable

interest rate design, the interest rate on the overdraft facility will change daily and interest will be charged monthly. In the case of the loan, the variable interest rate will be based on the WIRON 1M Compound Rate, which means a monthly change in the rate. The Bank is fully implementing the Roadmap and the recommendations published by the National Working Group on Benchmark Reform for the process of replacing WIBOR with WIRON. We plan to introduce WIRON to all corporate client credit products, no later than the end of Q2 2024.

EU Loans, Technology Loan and Green Loan

In 2023, we supported entrepreneurs applying for grants under the first competitions of the next EU financial perspective 2021-2027. We signed a total of 62 agreements with a total value of more than PLN 764 million for loans or issued promises of loans to finance projects.

We are consistently at the forefront of the statistics in terms of the number of grant applications submitted and technology loan grants obtained. In the first call for technology loan, we issued 80 promises amounting to around PLN 750 million. With the support gained, our clients will implement innovations in their businesses and strengthen their competitive position in the domestic as well as the global market.

We also hold a leading position in terms of promises issued for green loan. In total, we have issued 69 promises amounting to nearly PLN 240 million. The green loan will finance projects that aim to improve energy efficiency by upgrading a company’s existing infrastructure. The support provided will thus facilitate the energy transformation of companies.

Loan to support sustainable development

Acting in line with our organisation’s strategic objectives, we support the economy in its transformation towards more sustainable, sustainable and efficient business models. We make it easier for companies to invest in sustainability by offering them financing under the “Sustainability Support

Loan” at preferential pricing conditions – no margin for the first 13 months of financing. We write more about sustainable financing [here](#).

Automation in after-sales processes

We are continuing to automate the fulfilment of after-sales instructions. As a result of these measures, 99% of the Facility / Release and Drawdown Instructions under the Multi-product Agreement are handled remotely. In terms of repayment and overpayment instructions – we handle 94% of repayment instructions remotely and 92% fully automatically. In terms of Credit Mobilisation Instructions – 78% of instructions are handled remotely and 64% fully automatically.

We support start-up companies

The rising cost of running your own business, especially in the first year, is challenging. ING makes it easy for people who decide to start their own business to get started and supports them with solutions that enable them to successfully grow without unnecessary start-up costs. With ING, business clients can benefit from a free account for 2 years, a fixed-price bookkeeping service for 2 years and a terminal for PLN 0 (in the pay-when-you-use model). In addition, for this group, we have prepared the “Profit with Mastercard” promotion aimed at new clients – both start-ups and existing businesses – regardless of the form of business (companies and sole proprietorships) who have opened their first business account at ING and ordered a Mastercard debit card for it. During the promotional period, clients received up to PLN 1,500 in reimbursement for payments made with this card at terminals and online.

A similar promotion was available to new ING clients with sole proprietorships when they opened their first business account with ING. They could receive up to PLN 600 cashback for VISA debit card transactions.



Partnerships transferred to ING Business

At the beginning of 2023, we completed the process of making the ING Business system available to partnerships (civil, general, general partnerships). In order to provide a convenient and fast banking service to those clients who have several representatives and several online banking users at the same time – we transferred these clients from Moje ING. Such a change allows them to self-serve existing products as well as purchase new products directly on the app, without having to visit a branch.

OneOnboarding for entrepreneurs

In H1 2023, we made a new account opening process (OneOnboarding) available to clients with sole proprietorships (entrepreneurs). This solution is analogous to the one already used previously in the companies segment. This standardisation of the process has allowed for better KYC assessment, including in the online channel – meaning that every client in this segment is now able to open their first business account on their own, fully remotely. We have also extended the OneOnboarding process to include, among other things, the handling of documents other than the Polish identity card, which has had a significant impact on its availability also in the small and medium business segments.

Remote account and representation processes for entrepreneurs

In 2023, we made the processes for granting and revoking powers of attorney and closing an account available to businesses using the Moje ING system. Until now, these processes could only be carried out at a bank branch. Nowadays, the client is able to independently add or remove a notarised representative who handles the company's accounts on its behalf. This is a major convenience for clients.

A similar facility is the process of closing the account / relationship with the bank. Directly in Moje ING, the client can select the accounts they wish to close and execute such an instruction.

BGK guarantees

In 2023, we continued the de minimis (PLD-KFG) and FG-POIR (Biznesmax) guarantee programmes agreed with the BGK, as well as the PLD-FGK (Crisis Guarantee Fund) liquidity guarantee programme, implemented in connection with the war in Ukraine and the programme to support businesses affected by this crisis, dedicated to medium and large businesses.

As at 2023 yearend, the volume of guarantees issued through our bank:

- De minimis guarantees (PLD-KFG) – exceeded PLN 35.4 billion since the beginning of the programme and thus we are in 2nd place in terms of the volume of transactions granted with the PLD-KFG guarantee in the ranking of all banks that have it on offer.
- Biznesmax (FG-POIR) – exceeded PLN 1.09 million, placing us 2nd in terms of the volume of transactions granted with the Biznesmax guarantee (FG-POIR) in the ranking of all banks with it.
- PLD-KFG's liquidity guarantee provided support to clients for whom the war in Ukraine has increased the need for funds. Under the Liquidity Guarantee, we provided support of PLN 3.6 billion.

Firmove.pl

Firmove.pl is a service that supports entrepreneurial individuals in starting and growing a business and raises awareness in the area of ESG. The service is free and open to all. We share up-to-date business knowledge and provide tools useful for running your business. Step by step, we guide users through a variety of issues: from vetting a business idea, to financing and accounting, to green business solutions.

The first year of operation of the service has seen its intensive development. In 2023, we published almost 400 articles – mostly written content, but also videos and podcasts. In preparing the content, we cooperate with experts

from ING Bank Śląski and external parties. We have provided a database of document templates that can be downloaded in an editable format. We have developed a B2B calculator to help users decide on the right form of taxation and a [carbon footprint calculator](#), which in turn allows companies to calculate how much greenhouse gas they emit. Based on this data, companies are able to develop a strategy to reduce emissions, achieve savings and strengthen their competitive advantage.

ALEO

ALEO.com is the largest online database of information on Polish companies, where we provide up-to-date registration and financial data as well as reliable reviews and ratings. They are growing in popularity. In 2023, we reached a figure of more than 5 million visits per month. This is, among other things, a result of the improvements implemented, which have improved the website's visibility in search results.

Setting up a business with an accountant from ING

Setting up a business with the support of an accountant from ING, is one of the most important services we have developed in 2023. In the first and third quarters of this year, the service was widely promoted in marketing campaigns. The Client Support team and accountants ensure that would-be entrepreneurs not only open their businesses with ING, but also take advantage of the whole range of tools for businesses – a business account, free invoicing software, independent bookkeeping or an accounting office.

Preparations for implementation of the National e-Invoicing System (KSeF)

The second half of 2023 will see intensive preparations for the implementation of the National e-Invoicing System. Changes to the invoice issuing and sending structure will affect all businesses. The ING Accounting team has spent the last few months gaining knowledge of the new system in order to be able to pass it on to clients in the form of educational



materials and webinars. The National e-Invoicing System is also a huge amount of work in terms of changes to the app and the implementation of solutions to allow integration with the National eInvoicing System.

New products at ING Accounting

The year 2023 also marks changes in the accounting office’s offer to entrepreneurs. The Micro Package is a new subscription that has been made available to clients accounting on a flat-rate basis. The most cost-effective offer, paves the way to attracting a new group of clients. The Mini package has been enhanced by the possibility of contacting an accountant by telephone during the first three months of cooperation.

Another completed project is the implementation of an e-commerce module. Clients who run online shops and use the Invoicing service in ING Accounting can integrate their e-shop into the app with the help of the API. This ensures that sales invoices are issued automatically and the system sends them directly to the client’s e-mail address. Currently, the app allows integration for users using WooCommerce, Baselinker and PrestaShop.

Closure of the Accounting Office for Companies

In mid-2023, the decision was taken to close the Companies’ Accounting Office service (full accounting). Existing clients, were given full support, as well as an offer to continue working with Partners, thus maintaining continuity in service and minimising the discomfort of change. Currently, all activities and resources are focused on the development of the Entrepreneurs’ Accounting Office and the acquisition of new clients running sole a sole proprietorships or partnerships.

imoje

imoje is the first online banking payment gateway for online shops. We launched the service in 2017 and now serve more than 5,800 clients. We offer all the most popular payment methods as a one-stop solution for online shops.

In 2023, we worked on further product development:

- As part of imoje pay later, we implemented deferred payments for B2B clients from PragmaGO.
- We have added the possibility of paying by instalments – imoje instalments. The amount of financing ranges from PLN 300 to PLN 50,000, which can be spread over convenient instalments – from 3 to 60.
- We automated the process of issuing and sending invoices by integrating the payment gateway with ING Accounting.
- We have simplified logging into the administration panel via electronic banking with SingleSignOn.
- We have expanded the ability to pay with Visa Mobile.
- We have expanded instant payments to include Blik One Click, which allows for faster payment times. This will enable clients returning to the online shop to complete a transaction with just one click, without having to enter their BLIK code.
- We have developed the imoje paywall, among other things, enabling e-shop owners to personalise it, introduce new payment methods such as traditional bank transfer or lease payment, and created a new e-wallet section.
- We implemented EasySell, a generator for creating sales pages and accepting payments from clients. With this solution, our clients can sell online without their own web shop.
- We have made the split payment method – Split Payment – available.

ETerminal app

In 2023, we have been actively developing the eTerminal App in the market, which allows you to accept payments on a phone or tablet with the

recommended Android 11.0 or higher and an NFC antenna. the eTerminal from ING is offered on a “pay as you use” pricing model. There are no fees for activation or use of the app, commission is only charged on transactions.

The app is also available as part of the Poland Without Cash programme, to which ING is adding another two months of free use. Mastercard, Visa and digital wallet payments are accepted: Apple Pay and Google Pay, as well as BLIK contactless and BLIK codes. The eTerminal app from ING complies with all security requirements set by organisations: Mastercard, Visa and Payment Card Industry. It can be downloaded from the Google Play shop.

We are working on the further development of the eTerminal app. Our clients can benefit from additional features such as:

- biometric login with fingerprint,
- changing the language to English,
- BLIK cheque handling,
- a new intuitive layout of screens and buttons for registration and logging into the app,
- inverted screen function,
- integration of the app with the Virtual Fiscal Cash Register,
- describing transactions with additional data.

In addition, under the tabs Help and Contact, clients will find answers to additional questions directed to the bank via Moje ING online banking, ING Business, important telephone numbers, as well as instructional videos.

Cash collection

Clients operating in sectors where a large part of sales revenues is received in cash were looking for improvements in this area to reduce financial risk, increase the efficiency of operations and speed up postings in the bank



account. In 2023, we implemented advanced cash collection service models for clients using various types of cash devices located in company branches. Such solutions allow for safe deposit of cash, error-free settlement of cash sales and faster posting of cash to the bank account.

Account for a family foundation

Account for a family foundation – in view of the entry into force of the law on 22 May 2023, which allows for the establishment and registration of family foundations, and in order to meet client expectations, we were one of the first banks in Poland to provide family foundations and family foundations in organisation with the possibility of applying for a company account.

ING Invoice Financing

ING Invoice Financing is a service that accelerates the payment of deferred sales invoices. We pay special attention to the convenience and accessibility of the service for our clients in a remote manner.

In 2023, we made the product available on the Moje ING app. This allows clients without leaving their online banking system to activate the service in a faster way and can then use invoice finance without having to log into a separate system.

In addition, ING’s Invoice Financing service was voted the best factoring in Central and Eastern Europe and the Baltics by the SME Banking Club for the third time in a row. Particularly praised by the competition’s judging panel were the integration with accounting systems, the client experience of the platform, its simplicity and intuitiveness, and the short time taken to pay out invoices.

Lease Now

ING Lease Now is a platform that connects manufacturers, sellers of machinery and equipment and entrepreneurs and business owners who

need these machines to grow their business. The premise of Lease Now is to support the sales of the bank’s partners through a sales conversation tool and to expand the opportunities they can offer their clients. More than 370 vendors already offer Lease Now payment options. On the other hand, clients gain fast and convenient access to financing.

At the beginning of 2023, ING Lease entered into a partnership with Shoper S.A., a company that provides e-commerce merchants with turnkey software for online shops on a subscription basis. Consequently, the ING Lease Now app is available on the Shoper platform as one of the components of choice.

In the third quarter of 2023, the ING Lease Now payment option was introduced in the imoje payment gateway.

Online lease application

We are developing and actively promoting remote leasing sales channels. Clients with access to one of the Moje ING or ING Business online banking systems can apply for a lease fully online, anywhere, anytime. Financing covers cars, vans up to 3.5t, motorbikes, scooters (for which the client is guaranteed a minimum limit of PLN 150,000), trucks, machinery, equipment and even forklifts.

Entrepreneurs and business owners who are not ING clients can also apply for a lease online using the LeaseClick application. In response, the client receives an offer with a link to the application. The application itself is four simple steps.

For both the application submitted via ING’s online banking and the LeaseClick application, the client can sign the agreement using an electronic qualified signature or a one-time qualified mSzafor signature. If a client does not have a qualified signature but has a business account with one of the cooperating banks, ING Lease provides a discount code to generate a one-time mSzafor signature free of charge.

At the end of December 2023, 4,049 lease applications in the entrepreneurial segment had been submitted online, of which 1,105 contracts had been signed using a digital signature.

New developments at ING Lease

1. Easy Leasing / prescoleasing – a leasing offer in the Moje ING and ING Business online banking channels. On the basis of the receipts in the company account, the client is provided with an individually determined leasing limit, within which they can finance a car, van or truck, as well as machinery, equipment, construction equipment and forklifts needed by the company.
2. The special offer “Car with a discount for you” – clients interested in leasing vehicles can take advantage of attractive prices for selected car makes and models. The offer is available through the Moje ING and ING Business online banking channels, as well as on the website www.inglease.pl.
3. ING Smart Factory – the programme allows for the financing of state-of-the-art machines, robots and industrial cobots, entire technological lines, but also complex end-to-end projects. As part of this programme, clients are able to benefit from a robotisation allowance.

ESG products at ING Lease

We actively participate in the financing of pro-environmental assets. We offer products to support clients in running their business in a sustainable way:

- EKOLEasing programme, which is dedicated to financing electric and hydrogen cars and vans, as well as electric motorbikes and scooters. A special benefit is the 0% commission and PLN 0 for the registration of such vehicles.



- As part of our EKOLEasing offer, we finance photovoltaic panels, ground-mounted and roof-mounted, as well as other eco-solutions.
- “My Electric car” programme, which allows people to take advantage of leasing offers for electric vehicles and receive up to a PLN 70,000 subsidy under the government programme.
- Special offer “Leasing to support sustainable development”, which is dedicated to investments that support sustainable development and progress towards ESG goals. Clients taking advantage of the offer will pay no interest on the first two instalments and payment for them will be deferred to subsequent billing months.

Business responsibility

GRI [3-3]

SDG 10

At ING Bank Śląski, we are guided by responsibility in our business and non-business activities. In addition to being guided in our daily work by the Orange Code and the principles of the Code of Banking Ethics, we devote much of our attention to ensuring the highest quality and safety of our services and products.

KYC – Know Your Customer

ING Bank Śląski’s priority is to protect clients and the financial system from financial and economic crime. The Know Your Client (KYC) process plays a key role here, which includes FEC requirements (*Financial Economic Crime*), tax avoidance including FATCA. (Foreign Account Tax Compliance Act), CRS (*Common Reporting Standard*), DAC 6. (*Directive on Administrative Cooperation 6*) and the ESR (Environmental Social Risk).

Our KYC Policy sets out the requirements and internal controls to ensure bank-wide compliance with regulations on:

- getting to know clients and business partners,
- reducing the risk of financial, economic, fiscal and environmental crime,
- preventing breaches of social norms by employees as well as clients and business partners.

Our activities comply with laws and regulations in the field:

- the Act on the Prevention of Money Laundering and Terrorist Financing,
- the Financial and Economic Crime Policy,
- the Agreement between the Government of the Republic of Poland and the Government of the United States of America on Improving Fulfilment of International Tax Obligations and Implementation of FATCA Legislation and the accompanying Final Arrangements, as well as the Act on Implementation of the Agreement,
- the Act on exchange of tax information with other countries (CRS),
- the Environmental and Social Risk Policy (ESR),
- the detailed requirements for reporting MDR tax schemes (Mandatory Disclosure Rules) and the tax integrity of CTI clients (Client Tax Integrity).

In the process of getting to know clients and business partners, we are guided by the following principles:

- we comply with laws and regulations relating to FEC, FATCA, CRS, CTI, MDR and ESR. Therefore, we do not participate, enable or engage in activities prohibited by Polish law, EU, Dutch, UN and US regulations and the banking KYC Policy,

- we do not advise clients on laws and regulations or on how to circumvent them,
- we only accept and maintain relationships with clients and business partners after conducting Client Due Diligence (CDD, client review),
- we do not establish new relationships with clients from extremely high-risk countries and we exit existing such relationships,
- we are transparent with our clients regarding information and reporting requirements,
- we invest in expertise and the right tools to ensure data quality and compliance with KYC Policy requirements,
- we can provide evidence of effective implementation of KYC requirements at any time.

We undertake a number of activities that build awareness among our clients of the importance and relevance of KYC activities, including:

- we made Tracker available in Moje ING for individual clients. This is the place where the client will see the status of the information or documents provided to the bank in real time. The client can also go from the Tracker to complete missing information or documents about the source of funds and assets,
- we have given clients the opportunity to self-declare their sources of funds and sources of assets. With the new forms in Moje ING, the client can add a document and description, both on a computer and on mobile devices. The client confirms the declaration with an authorisation code,
- on our bank’s website, we have launched a subpage for companies entitled “KYC – Know Your Client” , which describes why and how we conduct KYC checks, what we check and what happens if we do not



receive a response or information from the client. An analogous subpage also functions for individual clients,

- for clients in the corporate segment, we have built Roboweryfikator [Robo verifier], which enables the automatic and mass collection of data about their suppliers and contractors. The tool improves the quality of the information collected, saves time and warns against unreliable trading partners,
- we facilitated the process of updating client data by adapting KYC processes and procedures to process the new mObywatel document, which is in fully digital form. We have also updated the content of our messages, letters and post-login messages that clients receive.

Building client knowledge of KYC

The subject of anti-money laundering (AML) and the resulting consequences implemented under Know Your Client policies is still an area not recognised by some market participants. Clients’ unawareness on this subject sometimes leads to unexpected and undesirable effects such as restricted access to new products or inability to transact.

In order to raise awareness of KYC, in 2023 we conducted educational activities aimed at companies using our services to introduce them to KYC and their responsibilities. We have rebuilt the website, which includes information describing not only the regulations from which the banks’ AML checks stem, but, above all, explanations, prepared in a client-friendly manner, of what we can expect from them or how the cyclical client verification process itself works. It also provides answers to frequently asked questions. The initiative was supported by communication campaigns, both directly to clients in online banking and through press releases.

Anti-money laundering

As part of its AML/CFT activities, we constantly assess, monitor and review client relationships. Potentially suspicious transactions are investigated and reported to the relevant authorities.

In recent years, we have taken a number of independent steps to improve and strengthen processes related to ensuring the application of financial security measures. We are also involved in industry projects aimed at systemically strengthening anti-money laundering and counter-terrorist financing processes in the Polish banking market. The fight against financial crime can only be effective by joining forces and exchanging information – banks, authorities, the judiciary, as well as public institutions and market participants – at national and international levels. We therefore strongly support initiatives to fight financial crime together.

In recent years, we have terminated business relationships with clients in Poland when, as a result of a transaction analysis and due to documentation deficiencies, the bank was not in a position to apply financial security measures. We carry out these activities on an ongoing basis.

Administrative penalties

GRI [2-27]

In 2023, ING Bank Śląski did not receive administrative penalties in connection with its AML/CFT obligations.

Responsible marketing

GRI [417-3]

We are guided by three principles when creating advertising activities.

1. The message in our advertising materials must be tailored to the target audience, their competence and financial knowledge.
2. The content provided shall be accurate, not questionable or misleading.
3. Where possible, materials should refer recipients to a website or other place where they can read full and comprehensive information about the product or service.

Our marketing activities must comply with the law and good morals. In particular, with the acts:

- on the fight against unfair competition,
- on counteracting unfair market practices,
- on the protection of personal data,
- on competition and consumer protection,
- on consumer credit,
- banking law,
- regulation on the procedure and conditions for the conduct of investment firms, banks referred to in Article 70(2) of the Act on Trading in Financial Instruments and custodian banks,
- the Act on Mortgage Loan and on the Supervision of Mortgage Brokers and Agents, and
- The PFSA’s rules on advertising of banking services.

In addition, our activities are guided by the guidelines and recommendations contained in:

- Code of Ethics for Advertising prepared by the Association of Marketing Communication SAR.



- The Polish Bank Association's 2015 Good Practice Standards for Consumer Credit Advertising.
- Children Rights' Charter in Business.
- Internal Regulations, including the Principles for Environmental Assessment of Communications.

All advertising content prepared by ING is subject to review by participants in the process, including the Legal Department and the Centre of Expertise Compliance.

Environmental communication

We are committed to communicating information about our impact on the natural environment and commitment to sustainable development in a reliable and transparent manner. To ensure the highest possible quality of such communication and minimize the risk of greenwashing, we have introduced special rules for preparing our environmental communications. In November, we made available to ZOŚKA employees - Principles for the Assessment of Environmental Communications (and Initiatives), a practical document for all those who create internal and external communications as well as products or services in the bank. The bank has also launched a special internal e-mail box to which employees send content that requires verification in terms of the risk of greenwashing.

Administrative penalties

GRI [2-27]

No penalty related to advertising communications has been imposed on us in 2023 and no proceedings have been initiated in this regard.

Responsible product offering

GRI [417-1]

PARP Process

ING Bank Śląski has a process for the implementation, modification, review and disposal of client products, the so-called PARP, or the Product Approval and Review Process. It serves to provide an appropriate oversight and risk management framework for the development of new products and the modification of existing ones.

This process is governed by the *Policy – Standard for the implementation, modification, review and liquidation of products for bank clients at ING Bank Śląski S.A.* (PARP). We apply the PARP policy to all products (including bancassurance products) for bank clients. It aims to ensure an effective product development and review process in line with ING Bank Śląski’s strategy, regulatory requirements, common law and internal regulations, compliance standards and ING Group N.V. standards. Any amendment to the PARP Policy requires that it be presented to the Bank’s Management Board and Supervisory Board for acceptance and approval.

Responsible product offering risk is one type of operational risk. Its reporting is done as part of the Non-Financial Risk Dashboard.

According to the PARP Policy, each product should ensure that the interests, objectives and characteristics of clients have been taken into account to avoid potential client harm and to minimise conflicts of interest.

The implementation of changes on products as part of the PARP process follows the diagram below:

Product solution preparation process



We assess all new products and changes to existing products through the PARP process as part of a standardised approach that results in compliant, client-appropriate, consistent, high-quality products that add value for clients and the bank. At the same time, the requirements and course of the PARP process ensure that the scope of the product risk assessment includes the application of Polish, EU and other legislation, e.g. FATCA/CRS, BGF, GDPR, MiFID II, ESG and sanction regulations.

In terms of Polish law, we are obliged to comply with, among other things, the regulations that condition the level of prices in the credit area. This includes the provisions of the Civil Code, which sets maximum levels for contractual and penalty interest rates. Important regulations are also the Mortgage Loan Act (regulates the calculation of the APR and the total cost of loan, the requirements for the content of the agreement, e.g. regarding fees and costs, and the amount of the early repayment commission) and the Consumer Credit Act (regulates the amount of non-interest loan costs and the amount of the early repayment commission).

When implementing a product initiative, product management units and product regulation developers must adhere to the following principles:

- products should be in line with the bank’s strategy and their design should be transparent and easy to understand by the target client group,
- the financial and non-financial risks associated with the implementation of the product initiative must not exceed the acceptable risk level established at the bank,



- product initiatives implemented under PARP comply with the provisions of commonly applicable laws and internal regulations,
- the target client group for the products/services is clearly identified and defined on the basis of commercial and risk assessment criteria and (if applicable) in terms of sustainability preferences,
- information about the product, target client groups, functionalities, pricing, sustainability aspects, pilots, risks and exclusions is clearly communicated and is clear to clients,
- the bank does not use loopholes in the law to circumvent financial reporting regulations or to avoid tax burdens, either for the bank or the client – the bank’s products do not support the client in potential tax evasion,
- the bank does not use clauses considered to be abusive in its regulations and agreements concluded with clients,
- information is provided to clients in a fair, clear and comprehensive manner, presenting all product features of relevance, in particular the conditions of use and the related costs and potential financial risks for the client,
- the bank complies with the requirements set out in the Golden Rules of Client Service,
- the bank does not infringe the principles of fair competition, in particular by using unreliable or misleading advertising,
- the bank subjects the products offered to periodic reviews.

Golden Rules of Client Service

The Golden Rules of Client Service are a set of overarching principles that guide our dealings with our clients, i.e.:

- we offer products and services that are suitable for clients throughout the life cycle of the relationship,
- we offer products and services at a fair price taking into account the market situation, costs and risks,
- we provide information on products and services in a clear and not misleading manner,
- we provide services and trusted advice (where consultancy is provided) through professional staff with the necessary knowledge,
- we take into account the Environmental, Social and Governance (ESG) risks and impacts of our products and services.

Guidelines for setting fair prices

In addition, we have set fair pricing guidelines to support our pricing decisions:

- price levels are considered fair if they are consistent with client expectations and market practice,
- price levels may vary depending on the client’s relationship with the bank, taking into account risk, costs and profitability,
- discounts are allowed if the conditions are transparent and applied in a consistent manner,
- campaign promotional prices should avoid undesirable effects on price positioning for the ING brand.

The role of management bodies in responsible product offering

The implementation of a new product or significant changes is carried out following a mandatory decision by the relevant standing product committee appointed by the Bank Management Board. Those are:

- Retail Product Committee,

- Corporate Products and Financial Markets Committee, and
- Credit Policy Committee for credit products.

In terms of price changes, decisions are made:

- Retail Price Committee,
- Pricing Committee for Business Clients.

The primary objective of the product committee, as a decision-making body in the PARP process, is to create an optimal portfolio of retail and corporate banking products (including bancassurance products) and financial markets products. The tasks of such a committee include:

- making, while ensuring compliance with the Golden Rules for clients, decisions on:
 - the implementation of a new product, including a new activity, including a new distribution channel related to a new or existing product,
 - a significant change to a process and/or system, product-related platform, including:
 - the implementation of a new process or a significant change in the redesign of an existing process/product resulting in an increase in risk, including operational, legal, compliance risks,
 - the implementation of a new or substantial modification of an IT resource, including in the case of an external provider of such an IT resource or service, related to new/altered products or new/altered activities,
 - the introduction of new regulations, binding on the client and the bank, e.g. regulations, contracts,
 - the liquidation of the product or its withdrawal from the offer,



- the implementation of changes resulting from the recommendations of external regulators and supervisory institutions, which concerned banking products or the processes by which products are offered to clients,
- approving a periodic or ad hoc review of an existing product,
- periodically informing the Bank Management Board about decisions taken,
- approving the results of the periodic quality verification of the implementation, modification, review and decommissioning of products.

The decision of the product committee is published each time in the form of an order issued by the CEO.

In addition to these committees, a Client Protection and Product Approval Committee was additionally established in 2014. The mission of this committee is to create the right environment for the bank's business activities related to the production, recommendation and/or offering of financial instruments and structured deposits by minimising the so-called mis-selling risk, i.e. the risk of selling a product unsuitable for the client. The Committee's activities ensure that product transparency and relevance are improved and that market integrity problems are avoided, across all client segments, regardless of distribution channel. The unit that acts as the owner of the process of implementing, modifying, reviewing and liquidating products for the bank's clients communicates each time to the business units carrying out this process any changes to the standard outlined above and organises training to raise and make more consistent the knowledge of the applicable standards of the process and the operation of the app supporting its implementation.

Responsible business in client service

In 2023, we continued our development activities for investment professionals in venues and Private Banking advisers. All Private Banking advisers are EFPA-certified, and we currently have 68 professionals in venues who are certified as EFPA EIP European Investment Practitioners. We want to provide the highest standards of service and up-to-date investment knowledge.

Social responsibility – promoting financial security attitudes and solutions for the future

We are continuing with our 2022 ESG target related to promoting solutions that look after the financial health of our clients. We focused on responsibly offering IKE and IKZE pension products based on long-term investing. During the year, we targeted clients with four special offers to promote pension products. We provided substantive support to a project by the Foundation for Financial Advice Standards EFPA Poland to promote retirement security topics among professionals and inspire conversations with clients. During the series of posts, the foundation drew on our knowledge and experience from market research carried out on behalf of the bank on clients' retirement behaviour. Our aim is invariably to be the market leader in offering pension products.

Administrative penalties

GRI [2-27]

No administrative penalties were imposed on the bank in 2023 in connection with the products and services offered.

We reliably inform clients about product risks

In accordance with MiFID guidelines, we define target and negative groups for the financial instruments distributed. Before offering investment products or services to a client, we conduct an investment survey with the

client, on the basis of which we assess whether the investment product or service is appropriate to the client's knowledge and experience and determine which financial instruments are in the client's target market.

We only target information on specific financial instruments within the target groups of these financial instruments ensuring that it is in line with the needs and investment objectives of clients within these groups. We pay great attention to clear and transparent communication of products and services to our clients.

Under MiFID II regulation, when we offer financial instruments to clients, we inform them before they enter into a transaction in a fair and not misleading manner of all material risks associated with that instrument or investment service. Clients are informed about risks during discussions with employees of our bank, who are authorised to provide information on financial instruments, and they also receive information on risks in the so-called permanent medium, as well as they can read it on our bank's website. The obligation to report risks applies to all client segments. In addition, on the basis of the Regulation on key information documents for packaged retail and insurance-based investment products (PRIIPs), clients in the retail segment (according to MiFID II categorisation) receive a standardised document called a KID (Key Information Document), which contains key product information, including information on the associated risks. In addition, in accordance with the SFDR Regulation, clients using the counselling service are informed about how sustainability factors are taken into account in the service provided.

Retail segment

In terms of savings and investment products, promotional offers have simple and transparent terms and conditions and are available to all clients. We equip clients with numerous tools to manage their finances and savings. In terms of investment products, we have a friendly and simple process for



profiling the client and assigning risk profiles – we avoid complicated terminology in the survey and the survey itself has a simple and friendly form. We provide simple solutions and tools for clients taking their first steps in investing: Fund Account, Investment Robot, Regular Investment of small amounts. Each of these products is available in a low investment risk variant. We conduct educational activities so that clients make investment decisions with, among other things, an awareness of current economic conditions. We do not aggressively sell investment products. Assets worth PLN 400.1 million represented investments in funds complying with Articles 8 (funds promoting sustainable development) and 9 (impact funds) of the SFDR.

Clients taking out cash loans based on a variable interest rate receive information about the risk of a variable rate, together with simulations of the impact of a change in the interest rate on the instalment, before the conclusion of the agreement. Our consumer loan advertisements include a representative example of a loan.

In turn, at the stage of applying for a mortgage product, we provide clients with a range of information regarding, among other things, the risks in terms of changes in property prices, the term of the loan, the interest rate (variable and fixed), changes in the situation after retirement during the loan or the reference index. In addition, we also provide the necessary simulations, which include information on the risks associated with the interest rate, including simulations of changes in the WIBOR index. The application for a mortgage product shall include, inter alia, statements concerning the risks associated with the commitment requested arising from a loan term longer than 25 years (if applicable) and the deterioration of the financial situation after retirement. Along with a positive credit decision, we provide the clients concerned with a statement from the bank on the consequences of the increased risk resulting from the exceeded DSTI level, indicating the risk of limiting the ability to build savings with a high

loan instalment burden. The loan agreement itself cites variable interest rate risks, those arising from the long duration of the loan and those associated with a high DSTI.

As far as insurance products are concerned, prior to the purchase of insurance, each client receives documents containing the details of the offer: general insurance conditions, product card, information card and policy specimen. As part of direct sales, our employees are obliged (in accordance with the sales procedure) to provide clients with the most important information, including coverage and exclusions of liability, prior to purchase. Regardless of the information in the sales processes – the full range of information (the above documents) and descriptions of the scope and cases of protected risks are provided on our website and in the ING Offer section in Moje ING.

Corporate segment

In the product and service design phase, we define the target client groups and a standard range of needs for each of these groups.

Products are individually selected to meet the needs of the business client following a comprehensive analysis carried out on the basis of a number of factors, in particular: the period of business activity, financial data, the industry of the core activity, the experience of the management, the client’s business plans, the financial operations performed and the demand for banking products. We make sure that products and services generate benefits for the client.

We explain the risks, financial benefits and costs associated with products and services in a clear and understandable way by presenting their characteristics, benefits and risks associated with them, as well as information on their components. MiFID II guidelines are binding for Financial Markets products.

We operate a pricing policy that is transparent and understandable to all clients, properly reflecting the costs of individual products.

We train our employees

We regularly train staff involved in offering financial instruments. The training courses conducted in the area of distribution of financial instruments (MIFID) contain all the information required by law in accordance with Article 41.1 and Article 41.2 of the Regulation on detailed technical and organisational conditions for investment firms, banks referred to in Article 70.2 of the Act on Trading in Financial Instruments, and Custodian Banks.

In the area of insurance products offered under the agency model, all persons involved in their distribution and servicing are obliged to complete mandatory professional training to improve general insurance and product knowledge to the extent of 15 hours per year. Training is provided in accordance with Article 12 of the Insurance Distribution Act of 15 December 2017, as amended.

Settlement scheme for clients with CHF-indexed housing loans

On 25 October 2021, we launched a settlement programme for clients with CHF-indexed housing loans, in line with the proposal of the Chairman of the PFSA. Since the start of the programme until the end of December 2023, our clients have submitted 1,613 applications, 705 of which have resulted in signed settlements. As at 2023 yearend, we had 2,753 active CHF-indexed PLN mortgage agreements.

Information on legal risks of FX mortgage loans

As at 2023 yearend, 1,389 court cases were pending against our bank (1,041 cases as at 2022 yearend) in connection with CHF-indexed PLN loan agreements. The outstanding principal of the loans affected by these



proceedings amounted to PLN 290.6 million (PLN 251.8 million as at 2022 yearend).

As at 2023 yearend, the amount of gross carrying amount adjustment resulting from legal risk for this loan portfolio was PLN 510.2 million (PLN 581.6 million a year earlier). In addition, our bank estimated a provision for the legal risk of CHF-indexed mortgage loans in the amount of PLN 128.4 million, which relates to CHF-indexed mortgage loans removed from the statement of financial position and a portion of the loans included in the statement of financial position for which the estimated loss exceeds the gross exposure (as at 2022 yearend, the provision amounted to PLN 53.7 million and related entirely to CHF-indexed mortgage loans removed from the statement of financial position).

Total adjustments and provisions (PLN 638.6 million as at 2023 yearend against PLN 635.3 million as at 2022 yearend) to the gross portfolio (before gross carrying amount adjustments) represented 109% as at 2023 yearend against 88% a year earlier. At the end of 2023, ING BSK's share in the mortgage loan market in foreign currencies was 0.77%.

Please refer to our 2023 Annual Consolidated Financial Statements for detailed information on the legal risks associated with the CHF-indexed loan portfolio.

Client experience

GRI [3-3]

Client experience management

We continually focus our efforts on creating exceptional client experiences, which directly supports the bank's strategy. We strive to make the products and services we provide to clients stand out in the marketplace, so when designing them we are guided by our differentiators – *easy, relevant,*

personal and *instant*. Client experience management at ING is helped by client journey maps, research, Service Design methods and constantly listening to the voice of clients. In this way, we are able to look broadly at our processes, taking into account the feelings of the client and the context in which they use our products.

We actively involve employees from different areas in designing solutions for our clients at the annual CX Day. We then uniquely focus on the experience of our retail and corporate banking clients, designing and presenting the best solutions.

Retail client

In 2023, we released *CXownik*, a collection of tools that support solution design and help us in our daily work. It takes into account both tools that support the exploration of client needs and pathways and those that help to design and test solutions tailored to the needs of the audience.

We also take into account increasing social change when designing solutions. With almost 2.5 million clients building an image of ING in 2022 solely by using Moje ING, we do not want the app to be just a collection of functionalities. That is why we also undertake the creation of communications that help us to build relationships and a sense of appreciation among clients at Moje ING. This year's CX Day also focused on building this kind of communication. Twelve teams made up of people from different units have developed 70 ideas for relational and appreciative messages for our clients, which are now being successively implemented.

Specialist expertise a priority in client relations

We are keen for clients to get their case done in one visit. We are at the venues organised into expert teams with diverse specialisations. To ensure that every client visit and case they come to us with is professionally and comprehensively looked after. We provide clients with the opportunity to conveniently schedule their appointments with the appointment

functionality available on the bank's website and in Moje ING e-banking. We build relationships with clients by prioritising convenience and flexibility, redirecting them to subject matter experts to fulfil their current and future needs. We show how simple banking can be using a mobile app. We support and assist clients in dealing with simple matters such as changing limits, updating data, processing transfers and much more. We encourage you to take advantage of additional functionalities to make everyday life (errands) easier with access to offices, payments for journeys, parking fees, traffic tickets, subscriptions and much more.

Business clients

We use our clients' experiences as a guideline to design and simplify our products and processes. We get to know them through NPS surveys, voices from phone calls and direct contact with clients. Through the successive digitisation of our processes, we are increasing the availability of services that business clients can use in online banking and the mobile app. This year, we have made more processes available directly in Moje ING and in ING Business, allowing clients to get most things done without visiting a bank branch.

We also support current and future entrepreneurs, which is why we have actively developed the service Firmove.pl and organised further webinars for our clients. At this year's CX Day in the Business Clients Division and Wholesale Banking Division, our specialists generated 89 ideas on building ESG awareness among business clients and supporting them in their environmental transformation. The first implementation of the competition idea is already behind us!



Net Promoter Score

[own indicator – 4]

We are continually improving our products and services to best match client expectations and dynamic market realities. The voice of the client is very important to us. It is this that allows us to more precisely identify our strengths and areas for improvement, so that we are able to respond more precisely to the current needs of our clients.

With the NPS (Net Promoter Score; Net Recommendation Index), we measure the propensity of clients to recommend our bank. Monitoring changes in client satisfaction levels is a key part of measuring the effectiveness of our activities. There is additional value in being able to compare results between banks, but it is essential that data for all banks are collected as part of a single research project (guaranteeing consistent survey parameters).

In order to more accurately determine the reason for the results, the survey is extended with a qualitative question in which clients can justify their assessment.

We combine the results of the research with other sources of client knowledge, including the voice of our clients categorised using elements of artificial intelligence. We analyse them by type of client relationship, product, channel. This allows us to better understand the context and take appropriate action.

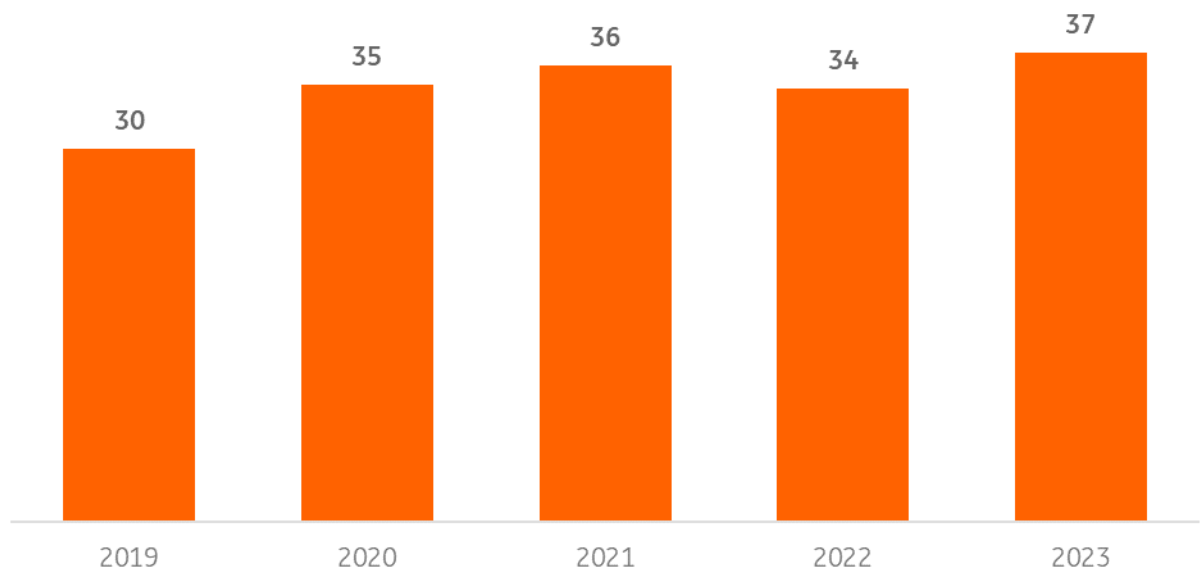
Retail segment

We see an increase in the NPS value for ING in 2023. For total clients, it averaged 28 (annual score) for the four quarters, compared to 25 points a year earlier. This result allowed the company to maintain its position as

leader of the annual statement and a 16-point lead over the market average.

For clients maintaining a primary relationship with our bank, the NPS index increased from 34 points in 2022 to 37 points in 2023, indicating increasing satisfaction among this group of clients. ING was once again the leader in this category as well.

Relational NPS in the retail client area (main relationship)



The data comes from an independently syndicated NPS benchmark survey (Bermuda project) conducted by Minds & Roses. The survey was conducted using the CATI method and is representative of all Poles, bank clients, aged 15 and over.

In addition, we are also exploring and measuring more and more client paths with the bank. In surveys, clients rated us and shared what they appreciated us for and what we could do better. In these studies, we use measures such as satisfaction, CES (Client Effort Score), FCR (First Contact Resolution).

At ING, we are focusing on the digital client experience, while ensuring the comfort of those who visit the outlets. Over the next year, we will invariably

work on developing research in the area of digital interaction, particularly focusing on the Moje ING system. This is an area that is important to us and our clients, which is why we take a comprehensive approach.

During the year, we also carried out several Mystery Shopper Method surveys verifying the implementation of standards and the level of service provided to clients visiting our venues and ING Expresses with various product and service needs.

We follow the results of the most popular banking market rankings. ING's place in the top positions tells us that our efforts focused on providing the best possible service are appreciated and bring noticeable results.

Corporate segment

In 2023, we maintained our leadership position in all corporate segments (entrepreneurs, medium and large companies) by achieving a significantly higher referral rate score than the market average for the industry:

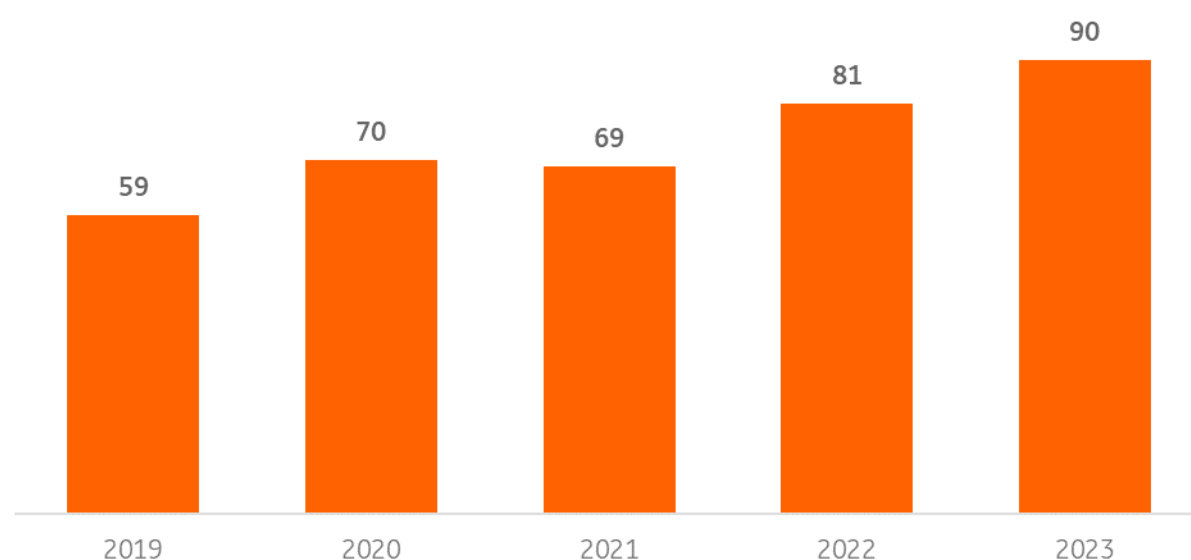
- in the area of entrepreneurs, the NPS index was 42 points (similar to 2022), 19 points higher than the market average,
- in the area of medium companies, the NPS index was 39 points (a decrease of 3 points compared to 2022) and was 24 points higher than the market average,
- in the area of large companies, the NPS index was 52 points (an increase of 3 points compared to 2022) and was 30 points higher than the market average.

The reported indicator values are based on the results of the NPS benchmark survey, which is part of an international research project carried out by the research institute IPSOS on behalf of ING Group N.V. (2nd wave of the survey) in the markets of the Business Banking segment. Measurements are mainly carried out using the CATI method.



In the area of strategic clients, the relational NPS stood at 89.6 points (an increase of 8.6 points compared to 2022). The research in this area is also part of an international research project carried out by the ING Group N.V.

Relational NPS in the area of strategic clients



We do not only measure relational NPS – in all segments we also conduct a CX check at the transactional level. We regularly gather feedback from company representatives for key processes and channels within the 9 points of contact. In 2023, we collected more than 23,000 surveys with evaluations and feedback from our clients, which enabled us to make improvements and offer solutions that better match companies' expectations.

The high satisfaction and loyalty ratings are due, among other things, to:

- high ratings for digital channels for company services, through which clients can handle most banking matters online,
- a high level of service quality through a network of branches, company advisers and a company hotline,
- consistently supporting companies and adapting the offer and service to changing client needs and market conditions,

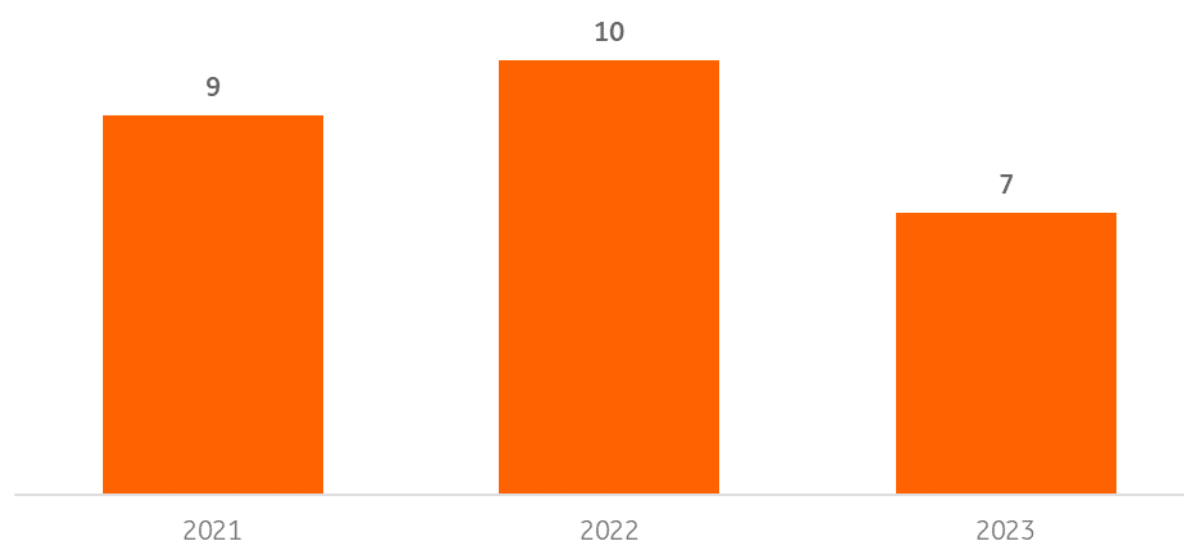
- perception of the brand as a reliable and trustworthy partner.

Complaints

Client complaints provide us with important information about the quality of our services. Based on the analysis of requests, we can react, make improvements and nurture the relationship.

Our aim is to handle claims as quickly as possible – many of them (43% in 2023) are handled on the day of the claim, and we have reduced the average claim handling time from 10 days in 2022 to less than seven days in 2023.

Average time for complaint handling (calendar days)



We recognise that a situation in which a client decides to make a complaint is not comfortable for them, so we are committed to making the process simple, intuitive, tailored to the client's needs and available at their fingertips.

As at 2023 yearend, we made it available to clients to make a claim themselves in Moje ING. The system intuitively guides you step-by-step through the registration process and forwards your requests directly to the

analysts responsible for the complaint topic. The client can check at any time in Moje ING what the status of the application is.

In 2023, we have extended the provision of information on the status of requests – in addition to complaints, the client can also check the status of the request they have made. We also introduced a new voice solution, Voice Bot, which informs the client caller at what stage their complaint is at. Most importantly, clients have access to this information at all times, regardless of the availability of specialists on the chat, helpline or meeting place.

We are continuously developing the claims app – our efforts have made the system more efficient, claims are processed faster and further improvements make it easier and faster to handle claims.

We also look at the reasons for the complaints made – this gives us valuable information and guidance on how we can improve the quality of our services. We are constantly updating the knowledge base available in the Virtual Assistant in Moje ING. As a result, we saw a 10% decrease in reported complaints compared to last year.

Service in meeting places

GRI [3-3]

Our meeting places

Retail segment

In accordance with the Bank's Organisational Regulations, we serve individual clients at banking branches, which we divide into:

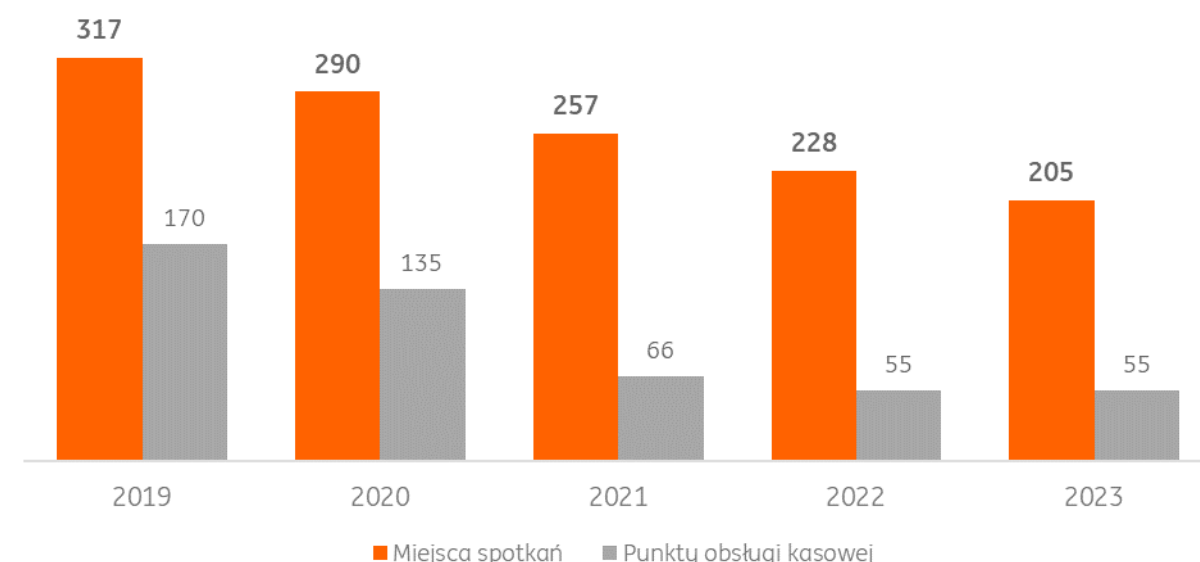
- meeting places: we will arrange a convenient day and time with the client to discuss their needs. Specialists will help you take care of your financial future, live better, as well as in everyday banking,



- private Banking meeting places – Private Banking clients will meet their advisor here,
- cash service points – here we take care of the comfort of withdrawing and depositing cash at the cash desk; a specialist will help to make the transaction smooth and safe,
- ING Express sales outlets – operate in shopping malls; our clients can open an account there along with access to online banking.

As at 2023 yearend, we had 205 meeting places and 55 cash service points dedicated to cash deposits and withdrawals at the counter. We are consistently in the process of modernising our bank outlets, which involves changing equipment and décor and introducing new functional solutions.

Number of our meeting places



Geographical structure of venue locations as at 2023 yearend



We continue optimization activities by relocating and consolidating outlets to the most attractive business locations in individual cities and regions.

As at 2023 yearend, the bank also had 55 ING Express outlets located in major shopping centres across Poland. The ING Express network of points of sale is a response to the expectations of clients who are looking for a bank that is available anywhere at any time.

Corporate segment

The bank served corporate clients in the medium and large company segment through 36 corporate branches and 14 corporate banking centres, almost all of which operated in the same locations as the bank's branches. Our largest strategic clients were serviced by the Strategic Clients Department in Warsaw and a regional office in Katowice.

Implementation of video meetings for client service

In March 2023, we made it possible for clients interested in a new mortgage to meet with an ING specialist via video. Nowadays we want to do most things remotely. However, there are some where we nevertheless need personal contact, a conversation with an expert, before making an important decision. The solution we developed combines both needs perfectly.

Clients can make their own video appointment in Moje ING or via the contact form at www.ing.pl. When making such an appointment, the client can choose the facility with which they wish to speak. In the next step, they select a date convenient for them, enter their contact details and that's it. In addition, if they do not find an appointment at the chosen location, they can use the 'here and now' video call option. The specialist will identify their needs and prepare them for a proper offer conversation.

All the paperwork can be done remotely, only one visit to the meeting place is necessary (to sign the contract), which is undoubtedly a big advantage of the whole process.

We are also implementing and developing the remote video channel in other areas of our offering. Currently, all Private Banking advisers are ready to fully service their clients remotely. During the video meetings, they have the opportunity to both provide investment advice and present the bank's full savings and investment offering. The video tool completes our strategy of full flexibility and spacing for Private Banking clients in any channel. Clients are increasingly willing to use this solution. The connection is fully secure and easy – no additional software or banking login is required. The interview itself is no different from one conducted in the traditional way. During the video, you can not only listen but also see, thanks to the possibility of screen-sharing, how the offer is constructed, the credit application submitted. The ability to send documents via chat is an added bonus.



ATMs

By 2023, the network of fee-free ATMs available to our clients will have increased by around 400 machines. As a result, at the end of the year, our clients had as many as 4,700 fee-free ATMs at their disposal, and most of these also allow money to be deposited.

The most important ATM/withdrawal activities with the ING logo in 2023 focused on two aspects:

- client safety,
- equipment replacement.

In order to strengthen our clients' awareness of the cyber threats lurking in front of them, we have designed 6 different educational screens. They are displayed on devices and warn clients against, among other things, giving out their data, giving another person their BLIK code and opening suspicious attachments.

In addition, in situations where our clients are called by fraudsters pretending to be bank employees and expecting to withdraw their money – a screen will be displayed on the devices to make clients aware of a possible phishing attempt. An analogous solution has also been implemented at Cash Service Points for staff handling cash transactions.

In 2023, we have spent a lot of time on the process of replacing equipment. We have identified the oldest and most worn-out branch ATMs / deposit machines and they have been replaced with brand new equipment. At the same time, we decided to replace all mono-functional ATMs (which only have a withdrawal function) with dual-function devices (recyclers) that allow withdrawal as well as deposit of money. A total of 232 units have been replaced and from 2024 every unit with the ING logo is a recycler. Another piece of good news for our clients in terms of ATMs is the increase

in the number of dual-currency machines. In 2023, 10 ATMs allowing Euro withdrawals were added, making 79 such machines at the end of the year.

Simplicity accessibility and flexibility

GRI [3-3]

SDG 10

Simple and understandable banking

Following the “Simply” principle, we have been consistently simplifying our language since 2014. We want the language we use to be understandable to our clients – so they can make informed financial decisions more easily.

Language technology

In 2023, we are again betting on technology – this time in an already more advanced version. We have been working on Prostomat 2.0 – a text simplification app that not only evaluates and simplifies text, but can also evaluate, the so-called brand voice. The whole thing is based on machine learning. Our aim was to create an algorithm that would be universal not only in Polish, but also in other languages within the ING N.V. Group.

We train

Training is the main task of the Simply team: to check, analyse communication and conduct workshops so that our employees write as simply as possible. This year, one of the main areas we covered was KYC – or Know Your Client – communication, financial health and digital accessibility issues.

We can also boast that 10 people from our bank took the exam and became certified experts in simple Polish by the Straight Polish Workshop at the University of Wrocław. This is a prestigious achievement – the

Laboratory is one of the best academic units dealing with plain language in Poland. And the exam was not an easy one.

We promote plain language

We widely promote the idea of plain language and share our knowledge and experiences.

In 2023, we already organised the 5th Plain Language Conference at ING. on 28 November 2023, we hosted 200 guests at ING's Katowice headquarters, with more than 1,300 people watching online. A wide range of male and female experts talked about plain language from different perspectives. We always try to keep the themes varied. Not only from the banking or commercial side, but also from the public side. That is why this year we hosted, among others, the communication design team of the mObywatel app. There was also the language of law, or *legal design*, and the language of inclusion. Our conference is always a powerful dose of knowledge, inspiration and good practice. The conference has already become a firm fixture on the autumn conference calendar.

Recipients see and appreciate our efforts. In 2023, we were once again number 1 in the Kantara brand survey, in the financial industry – a question about plain language.

Implementing the mObywatel functionality

As of 1 September 2023, we are accepting a new identity document – mDowód [mIDcard] – on a par with the ID card. In order for us to be able to verify the client in the credit processes on the basis of an electronic document, we made modifications to the processes and systems. The client will be able to indicate the mDowód as the document on the basis of which they wish to be identified to the bank in the future.



Sensitivity to serving people with disabilities

We educate, support and sensitise our staff to client groups at risk of exclusion, including people with disabilities and individual needs. Therefore, we have updated and widely communicated internally the document on serving people with disabilities. It is a valuable resource with practical tips on how to serve clients with different types of disabilities, including: mobility, vision, hearing or clients with other disabilities.

Since 2015, we have continued to maintain the “MIGAM” [I know sign language] sign language interpreter access service in all our branches and on the bank’s helpline. It allows deaf people to have easy and quick access to bank services via mobile phones. Clients can use the service provided by MIGAM at meeting points and at the bank's helpline.

We are adapting the Moje ING system to be used by visually impaired people in accordance with Web Content Accessibility Guidelines 2.1 (WCAG 2.1). Telephone and written contact of our clients we support through a helpline that operates 24 hours a day, 7 days a week, modern chat, contact forms and in social media.

Telephone and written contact

We support the remote contact of our clients through a helpline, modern chat in online banking and the mobile app, contact forms and social media. In 2023, our helpline specialists handled more than 2.15 million inbound calls, conducted more than 520,000 chats and replied to 155,000 emails and 130,000 social media posts.

Client support in Moje ING

We continue to expand our help section in online banking and the Moje ING mobile app. In 2023, we kept the most common topics raised by our clients up to date by updating the FAQ database and the answers of our Chatbot, the Virtual Assistant. At the end of the year, the chatbot in Moje ING had a

database of 3.4 thousand facts with which it managed to handle nearly 130 thousand chat conversations.

Voice bots

We are constantly expanding the competences of our Voicebot – Inga. We make sure that it helps our clients with ad hoc issues without the need to wait to be connected to a specialist. In 2023, she answered more than 2.7 million phone calls from our clients, answering their most common questions and pointing out solutions to problems. The share of connections served by Inga has been steadily increasing – in 2023 it was already over 50% and for the last quarter over 70%.

Social media

As ING Bank Śląski, we are active on all major social media platforms in Poland. Social media is an important channel for us to communicate with our clients, where we can respond to their questions and concerns in real time. It’s a place where we share valuable content, engage and build relationships. As a result, we have been at the forefront of banks with the most followings and building the most engagement over the years.

In 2023:

- we were the second bank most talked about by internet users on social media and the third most talked about bank in terms of opinion sentiment,
- over 130,000 questions and comments were received. More than 80% of these conversations took place on Facebook, but clients also interacted with us on Instagram, YouTub, TikTok, X (former Twitter), Linkedin, Google Play shops, the App Store and even Wykop,
- on YouTube, our video content attracted the highest number of subscribers of all banking profiles, at 244,000, and internet users interacted with us most frequently compared to other banking profiles.

We educate and share knowledge

GRI [3-3]

Knowledge availability and education of retail clients

The Expert Centre Helping You Secure Your Financial Future invariably pursues the mission of providing our clients with access to knowledge – not only about savings and investment offers, but also about the current market environment and the functioning of the financial market. As in the previous year, we offered Private Banking clients both online meetings and locally organised face-to-face meetings, in various cities. A total of around 40 such events were held. We have prepared online meetings with retail banking clients in mind. Statements from experts from the bank and our TFI partners were combined with client interaction, in the form of a question and answer session, which clients were keen to use. We are continuing our Cyclical Investment Bulletin for the Bank’s clients. Experts from the Investment Competence Centre prepare monthly market commentaries for clients in the form of an e-Bulletin, available [here](#). Clients find summaries of key market information and an assessment of the prospects for future directions.

Financial education through Moje ING

We support our clients in managing their daily finances and suggest how they can organise their finances in Moje ING. In 2023, we encouraged clients to proactively use tools to help them manage their finances, including expense analysis, budgeting, the Add Account service from another bank, scheduled payments or the ability to block card subscriptions. We focus on supporting the financial health of our clients. We educate and motivate them to actively build financial security – now and in the future.

To support the financial health of our clients, we have added a new Financial Health section to the existing website [ing.pl/wiem](#) with interesting articles



on topics of interest to our clients. The most popular are: budget planning, saving in difficult times, and rational borrowing. The content is based on internal and external research, the website serves an educational purpose and is not intended to promote our services.

The website is accompanied by a quiz - a short survey thanks to which users can easily examine their approach to finances. Based on the results, we offer them a list of articles with advice that will help them manage their budget and savings.

Learning to invest in Moje ING

We have made available in Moje ING a set of guides for clients interested in the bank's investment products. The articles are divided into three levels – from investors who are beginners or just want to enter the world of investment, through intermediate to advanced. In a simple and accessible way, we explain the most important phenomena, terms and mechanisms guiding the investment world and teach you how to manage your money consciously and responsibly.

Webinars and online meetings for corporate segment clients

2023 also features a series of webinars dedicated to corporate clients, prepared by our experts. In order to provide clients with up-to-date and reliable knowledge about the Polish and global economy, information about banking product solutions and changes that may have a significant impact on their business, we conducted 11 online meetings on a variety of topics. Nearly 4,000 people have taken part in our webinars and their recordings, available on the @ING Polska channel on YouTube, have been watched by almost 30,000 viewers.

We have repeatedly tried to show our clients that we provide them with up-to-date and relevant know-how for their businesses, so we have traditionally realised an online meeting hosted by the chief economist of the Macroeconomic Analysis Bureau at ING Bank Śląski. During the webinar,

our expert discussed, among other things, what the consequences might be due to a jump in global interest rates after 40 years of gradual decline, and also provided an analysis of the situation in Poland and abroad.

A series of webinars organised by the ING Accounting team were also of particular interest, of which the following should be highlighted:

- Webinars delivered for prospective entrepreneurs wishing to set up a sole a sole proprietorship or limited company. During these events, ING Accounting experts talked about all the most important issues related to opening and running a sole a sole proprietorship discussed how much it costs to set up a company, gave tips on choosing the form of taxation and PKD, discussed subsidies and discounts for new entrepreneurs and changes in the payment of social security contributions in 2023, and showed how to plan a marketing strategy when wanting to attract first clients online. During the webinar, ING Accounting experts talked about the most important issues related to setting up and accounting for companies, showed how to easily open a company online, and discussed issues related to preparing the necessary documents and bookkeeping.
- Another webinar in the series “Debt collection”, which we delivered again with our partner Kaczmarewski Inkaso. During the meeting, our experts talked about how to effectively deal with recovering money from debtors, discussed the biggest risks associated with a company losing its cash flow, and presented facts and myths about the debt collection service.
- Webinar on the National eInvoicing System (KSeF). During the meeting, ING Accounting experts talked in detail about the new system that will record and store invoices in a structured form, presented the most important information about the upcoming changes that will apply to every entrepreneur, discussed how to prepare your company for the launch of KSeF, and answered many questions that participants asked during the meeting.

Also worthy of mention here are ESG webinars:

- A webinar on the BGK-subsidised green loan, during which our EU funding experts discussed who can benefit from a green loan, the amount of funding they can receive, which eligible costs can be financed with a green loan and how the application and assessment process works.
- A webinar about the carbon footprint calculator on Firmove.pl, which we created in collaboration with our partner Climate Strategies Poland Foundation. During the meeting, we discussed what a carbon footprint is, how to build and strengthen a climate competitive advantage, how to calculate a company's carbon footprint independently and free of charge, and demonstrated how the carbon footprint calculator on Firmove.pl works.

We also organize Round Tables to facilitate the exchange of knowledge between representatives of various sectors, including: in the field of activities for sustainable development. We write more about them [here](#).

Safety education

The year 2023 will see the development of products – and thus communication more broadly – to support client online security. This was the basis for the Security Package, where we promoted My Protection insurance, as well as the CyberRescue service, behavioural verification and BIK Alerts, which clients can use for free. We invariably educate clients on the principles of safe banking and encourage them to participate in webinars with experts in this field.

We pay particular attention to online safety. Educating our clients about the dangers of cyber fraud is an extremely important aspect.

In 2023, we were quick to respond to emerging fraud variants. We sent communications in Moje ING and online banking and published warnings on our website. The biggest risks we reported on were:



- fraud on sales portals,
- impersonating bank employees in phone calls, text messages and emails,
- BLIK phishing scams.

We also took care to educate our clients. We regularly sent out communications in Moje ING addressing the most important aspects of security. We educated our clients about, amongst other things:

- verification of the sites where we want to provide our data,
- methods used by fraudsters,
- strengthening their online safety,
- social engineering.

On our website, clients will find an up-to-date security knowledge base. We continuously update the news section, articles and information on additional features to strengthen online security.

Helping clients bank safely in Moje ING

We want our clients to get to know the functionalities of our app well. Already more than 90 per cent of new clients who open relationships at the venue are banking on the app.

We make sure that when we talk to clients we not only show them how to do everyday things in an easy way, buy more products and services and use the functionality of our app, but also talk about how to use it safely. An important aspect of the conversations we have with our clients is information about safety rules. We help to enable free security for our clients – such as behavioural verification and CyberRescue. When U2F security key authentication becomes available in July 2023, clients will activate their first key with the support of our specialists. We consistently

support and educate our clients in identifying and avoiding dangerous situations when banking on a computer and smartphone. We remind you to: never give out your full password, never share your login, PIN code and card details or authorisation codes with anyone. They paid attention and read the content of text messages carefully and checked the correctness of the data of the operation being approved. We pay a lot of attention to telephone communication with clients so that they have no doubts when a bank employee calls them, how to act during such a call, to be careful and to verify such a call.

More secure login – U2F key

Concern for client safety is at the forefront. That is why we were one of the first banks in Poland to implement additional security in the form of the U2F hardware key, with which our clients can confirm logging into Moje ING. The key works for both browsers and the mobile app. It can be used by plugging into a computer's USB port or wirelessly, using Bluetooth or NFC. Clients who use a key login are further protected even if someone steals their login and password. As at 2023 yearend, more than 3,000 of our clients were using this protection.

In early 2023, we introduced strong authentication when logging in from the browser. In addition to a login and password, clients are asked to authenticate with a second factor (confirmation in the mobile app, code from a text message or U2F key). They also have the option to add their browser as trusted, in which case we will only ask for additional authentication every 90 days. The change increases the security of clients even if their Moje ING access data ends up in the wrong hands.

Security in ING Business

We have introduced additional transaction monitoring mechanisms, thereby increasing the level of security for clients in the system. The new

functionality is designed to catch potential security incidents and protect client funds at the bank.

Meetings with medium and large companies and strategic clients

In the medium and large company and strategic client segments, we support our clients in the areas of digitalisation and digital security. We run closed online webinars or invite you to live meetings. The themes of these meetings were:

- cyber security,
- new Cards module in ING Business,
- self-service solutions in ING Business,
- ING WebService,
- Trade Finance.

With the solutions we offer, our clients can achieve their own efficiency and automation goals for corporate financial processes. Necessarily in a safe manner. Clients appreciate this very much and, thanks to them, we follow the implementation of technological trends in various sectors of the economy.

We write more about our cyber security activities in the section [Bank and client safety](#).



ING for environment (E)

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We want to act for the climate by supporting our clients in their environmental transformation. We are setting ourselves new targets for sustainable financing, while consistently withdrawing from businesses that harm the environment. We ourselves also reduce our negative impact on the environment. We are reducing our carbon footprint.

Green Statement

GRI [3-3] [2-23] [2-24]

SDG 7, 11, 13, 15

At ING, we regard active participation in climate and environmental action as an important part of our responsibility. We promote solutions related to sustainability. We develop and offer products that support sustainability and responsibly manage environmental risks. Environmental degradation measurably and negatively affects our lives. We feel that the future is our shared responsibility. That is why in July 2021, the ING Bank Śląski S.A. Group announced a new Green Statement. In the document, we upheld the basic tenets of the 2017 Declaration and committed to specific goals in the coming years. In November 2023, we published the document “ING BSK’s roadmap for reducing GHG emissions”, which sets out ambitions to reduce emissions in our own economy and loan portfolio. It presents decarbonisation initiatives and progress to date towards reducing greenhouse gas emissions. We also clarify the plan to support clients in their sustainable transformation. The full document is available [here](#).

Status of achievement of the goals from the Green Statement as at 2023 yearend

We are consistently delivering on our commitments in the Green Statement.

In 2017, we declared that by the end of 2025, we would gradually reduce (until full repayment) our existing credit exposures to clients whose business is directly dependent on thermal coal by more than 5%. At the end of 2023, our total exposure to such clients was PLN 340 million, 22% less than a year ago, including on-balance sheet exposure of PLN 51 million gross (-84% y/y) and off-balance sheet exposure of PLN 289 million (+150% y/y). The balance sheet exposure as at 2023 yearend represents 0.06% of gross receivables from corporate segment clients compared to 0.36% a year earlier. This significant reduction in exposure is due to repayments made by clients classified as coal. In 2022, there was a merger in the market, as a result of which, the client classified as coal at the end of 2021 is no longer so recognised. This is because this client as a legal entity has ceased to exist and its general successor does not meet the definition of a coal client. At the end of 2022 and 2023, this total exposure – understood as the

amount of the allocated limit – amounted to PLN 1 billion, of which PLN 800 million at the end of 2022 and PLN 1 billion at the end of 2023 remained as unused.

In 2021, we committed to reduce the share of our funding to the fossil fuel industry by 19% by 2040 with respect to 2019. We know that the use of fossil fuels is harmful to the environment. Such fuels include gas. It is a transitional fuel for the Polish economy, thanks to which the energy transition of local businesses towards renewable energy sources can take place in a gradual and well-planned manner. We want to help our clients effectively implement transformational change, while not compromising on environmental goals. At the end of 2023, our on-balance sheet exposure to *upstream oil and gas* clients was 4.0 million gross, down 56% from 2019, while our off-balance sheet exposure was 0.9 million, down 94% from 2019. The on-balance-sheet exposure at the end of 2023 represents 0.004% of the gross receivables from clients of the corporate segment.

In addition, the bank, in line with its environmental and social risk policy, does not finance the tobacco industry or other industries that negatively affect protected areas, forestry or animal welfare.

By the end of 2023, we have earmarked:

- Between 2015 and 2023, PLN 13.2 billion in the corporate area to finance Renewable Energy Sources (PLN 4.1 billion) and environmental projects (PLN 9.1 billion). Our target for the end of 2023 was PLN 4.5 billion.
- PLN 524 million to support Local Government Units in investing in pro-environmental projects. Our target for the end of 2023 was PLN 500 million.
- PLN 337 million for further support and promotion of electromobility – financing of electric and hybrid vehicles by ING Lease Polska, including construction of charging stations and promotion of driving electric vehicles. Our target for the end of 2023 was PLN 300 million.

We have implemented an offer for financing prosumer energy projects in the retail segment for individual clients. Clients can now take advantage of the Loan for Better offer, which can be used for such things as photovoltaic installations, the purchase of a bicycle or a scooter. In addition, we offer retail clients a mortgage loan for energy-efficient homes with documented low energy consumption (Energy Efficient Home Loan).



In 2021, we included housing loans in TERRA, ING Group N.V.’s initiative to, among other things, adopt long-term decarbonisation targets for lending in line with the Paris Agreement.

We intermediate the sale of investment products based on ESG criteria, these are investments in funds that comply with Articles 8 (funds promoting sustainable development) and 9 (impact funds) of the SFDR. As at 2023 yearend, assets of PLN 400 million represented investments in funds compliant with Articles 8 and 9 of the SFDR.

In 2023, we organised two more editions of the ING Grant Programme and disbursed grants totalling PLN 2 million to start-ups and young researchers for sustainable development projects. In addition, we provided start-ups and scientists with training on topics such as business models, experimentation and media promotion and mentoring tailored to their needs.

One of the goals enshrined in the new Green Statement is to achieve climate neutrality by 2030 in Scope I and II in *market-based* terms (a summary of the 2023 actions can be found [here](#). In 2023, we have reduced our Scope I and II carbon footprint by 30.0% (*market-based* approach) compared to the base year (2019).

As part of our educational activities, together with the ING for Children Foundation until 2023, we donated 10,100 copies of the children’s book “Ty też możesz uratować świat. Ekoopowieści z Pietruszkowej Woli” [You too can save the world. Eco-tales from Pietruszkowa Wola] published by our bank. Our target from the Green Statement was 25,000 units by the end of 2023. However, due to the rising costs of printing and distributing books, we had to change the implementation of this objective – we created an attractive online educational package (an electronic version of the book and an audio book). We are currently promoting the book in an online version on the foundation’s website. We reached more than 14,000 people with the book in electronic form (100%) of primary schools in Poland.

In the years 2021-2023, together with external partners, we also implemented an educational program on climate change for several hundred primary schools. More than 34,000 students from 416 schools in 307 locations across the country took part in the first edition of the “We Save the World (OŚ)” programme, which ended in 2023. At the same time, we actively support employee volunteering. Read more in the [ING for community](#) chapter.

Supporting innovation for sustainable development

GRI [3-3] [own indicator – 2] [own indicator – 8]

SDG 9, 12

We want to help people to be one step ahead in life and in business. We know that the future is our shared responsibility, which is why we actively support innovative sustainability efforts.

ING Grant Programme for start-ups and young researchers

In the Green Statement announced in 2021, we pledged, among other things, to create a Grant Programme for start-ups and young scientists, for projects in the area of sustainable development, with an annual budget of PLN 2 million. The first two editions were held in 2022. In each of them, we have allocated prizes worth a total of PLN 1 million to the best solutions responding to the competition challenge – the selected UN Sustainable Development Goal. In the first edition it was clean and accessible energy (SDG 7), in the second edition it was sustainable production and consumption (SDG 12). In 2023, we continued the initiative. For the third edition, we set the challenge “How can we take care of clean water resources?” (SDG 6). In the fourth edition, we addressed social themes for the first time and sought solutions that support healthy living at any age (SDG 3).

What sets the Programme apart is its focus on supporting not only start-ups, but also young researchers. We help you go from an innovative idea to a thriving business. In creating the formula for the ING Grant Programme, we researched the needs of start-ups and researchers. We have found that teams creating innovative solutions need grants to develop ideas, mentoring, business partners and promotion. We have included all these elements in the Programme.

The ING Grant Programme has been very popular, with a total of more than 650 start-ups and young scientists having already applied in four editions. The solutions and ideas promoted through the Programme reach a wide audience, raising awareness of the UN Sustainable Development Goals. The programme supports the popularisation in Poland of the idea of entrepreneurship and business, creative thinking – particularly focused on how to create and develop innovative solutions in the area of ESG. You can find more information about the ING Grant Programme [here](#).



Carbon footprint calculator for companies

In August 2023, we released a carbon footprint calculator for companies on Firmove.pl. The calculator provides a comprehensive and free calculation of Scope I and II greenhouse gas emissions. The calculator was prepared in cooperation with experts from the Climate Strategies Poland Foundation, which deals with counting the carbon footprint of companies and cities, decarbonisation strategies, climate education and efforts to provide reliable information on climate change.

It is a free, convenient, intuitive tool, available to all, that allows you to reliably calculate your own company's emissions data in an accessible way. The calculator responds to the needs of companies that are looking for solutions to help address the growing expectations of regulators or consumers in the area of sustainability. The calculator is accompanied by a wealth of educational content published on Firmove.pl.

Any company that completes the calculator with data will receive an automatically generated report (also downloadable in pdf format). In addition to the results, the report provides information on the calculation standard used, the company's carbon footprint reduction levers and examples to help understand the scale of the result obtained. The calculations are made in accordance with the GHG Protocol standard and are based on around 500 included indicators in the calculator, including emission factors obtained from individual national electricity and heat suppliers. The indicators will be systematically updated for subsequent periods.

Link to the calculator: [Carbon footprint calculator | Firmove](#)

We support employees in designing sustainable innovations

In June 2023, we organised an in-house Masterclass for our service designers at ING, the theme of which was *Humanity Centered Design*. It is an approach to service design in which we combine an “obsession” with delivering exceptional client experiences with a concern for a positive impact of our solutions on the environment, the planet and communities. The masterclass was part of a development path designed for service designers for 2023, in which we included areas such as *humanity-centred design*, *futures thinking* and *data-driven*.

ESG issues also guided us at the recent CX Day, an annual international event dedicated to creating solutions across ING Group N.V. that will make banking easier for our clients. The task for this edition in the Business Clients Division and Wholesale Banking Division was to develop distinctive solutions that will support our business clients in the development of their companies by, among other things, building ESG awareness and helping them with their environmental transformation. You can read more [here](#).

Sustainable financing

GRI [3-3]

SDG 7, 13

We support our clients with a sustainable financing strategy

We have consistently delivered on priorities and strategic objectives focused on supporting our clients to move towards a low-carbon economy. We are developing our product offering and sharing knowledge.

- In line with our Green Statement, we are allocating funds to finance Renewable Energy Sources (RES), environmental projects and support and promotion of electromobility, including the leasing of electric and hybrid vehicles.
- We are developing our product range and looking for innovative solutions to best address the needs of our clients in the transition towards a climate-neutral economy.
- At ING, we focus on education. We combine local expertise with ING Group N.V.'s international experience to maximise value for our clients. We are continuously strengthening our ESG competence – we have, for example, organised a series of workshops for employees combining elements of new product solutions and knowledge of ESG regulation. We share our knowledge and experience both at conferences and thematic events and in daily dialogue with our clients.
- A sustainable development investment loan has been made available to clients from a wide range of medium and large companies, giving companies the chance to finance their objectives on preferential terms.
- A special leasing offer has been made available to clients in the area of medium and large companies to support one of the sustainable development goals.



Business activities

Supporting clients in sustainability is one of the key elements of our bank's strategy. In light of emerging ESG standards, we are focused on aligning our activities and solutions to help clients strengthen their competitive advantages. Responding to both client needs and regulatory requirements, including in particular sustainable financing standards, we are constantly developing our product offering. As part of a global organisation, drawing on the experience and sector knowledge of our experts, we have actively continued to support clients in their quest for climate neutrality in 2023. We offer solutions aimed at meeting the needs arising from the transformation process – financing sustainable assets directly as well as supporting the growth process.

On a sectoral basis, we operate where we see the needs of clients with regard to our policies and climate manifestos. In addition to the energy sector, an area in which we have set ourselves ambitious targets in line with our Green Statement, we have also supported clients in other sectors by structuring financing with an ESG component through agreements with a total value of PLN 2.22 billion (the value shown is our bank's share of signed agreements).

Sustainable financing

Below we present selected transactions that we carried out in 2023:

- We participated in the structuring of bank financing for the Polsat Plus Group, totalling PLN 8,255 million and EUR 506 million, acting as one of the Global Banking Coordinators and ESG Junior Coordinator. The financing is earmarked, among other things, for the implementation of the Polsat Plus Group's strategy focused on investments in clean energy production and has been linked to the realisation of objectives from these strategies (under the so-called Sustainability Linked Loan formula).
- In the transport and logistics sector, we also introduced the Sustainability Linked Loan in the financing structure for Rohlig Suus Logistics S.A., a logistics operator, adding an ESG component in the form of an EcoVadis rating.
- We joined the consortium of banks financing TELE-FONIKA Kable S.A., taking part in a transaction to refinance the company's existing debt and finance capital expenditure to a total of PLN 1.95 billion, with ING Bank Śląski's share of PLN 265 million. The syndicated agreement was structured under the Sustainability Linked Loan formula and includes ESG targets in line with the company's ESG strategy, in terms of the amount of emissions and the use of recycled materials in the company's production process.

- In Q4 2023, we signed an annex to the syndicated loan agreement with Inter Cars with regard to the extension and increase of financing, while making margins conditional on meeting sustainability targets (introducing the Sustainability Linked Loan formula). In this transaction, we acted as one of two ESG Coordinators structuring the ESG objectives and implementing them into the agreement.
- We also implemented the Sustainability Linked Loan formula into an existing financing provided to one of the leading FMCG companies in Central and Eastern Europe (by adding a margin adjustment mechanism to the EcoVadis rating).

In the area of medium and large companies we have prepared a financing offer for commonly available solutions that allow companies to offset the environmental impact of their activities. Until now, these types of solutions have been available for large corporations and complex projects. With the new sustainable financing offer, smaller companies also have the chance to finance their goals and will do so on favourable terms, as we have waived the bank's margin during the first investment period (for the sustainability loan).

Financing of RES projects, supporting the energy transition

[own indicator – 1]

A continuing priority in our business is projects carried out with care for the environment.

Financing of RES by the corporate segment :					
PLN million	2019	2020	2021	2022	2023
Photovoltaics	63.2	723.9	174.8	1,359.8	72.1
Wind energy	0.0	273.2	136.9	203.9	688.4
Hydropower	0.0	27.6	24.0	0.0	0.0
Biogas plants	0.0	14.6	0.0	0.0	37.6
Total	63.2	1,039.3	335.7	1,563.7	798.2

In Q3 2023, as part of an international consortium of financial institutions, we signed a loan agreement with Baltic Power. We acted as the ESG coordinator here. The deal was for the construction of the first offshore wind farm with a capacity of up to 1.2 GW, with a total budget of around EUR 4.73 billion. This is the most advanced investment in the area of the Polish Exclusive Economic Zone of the Baltic Sea. We also provided new financing to our client INTEC



EU, which specialises in developing and building high-quality turnkey solar power plants. The transaction (credit and guarantee limit) was qualified as a so-called *Green Loan* based on the Green Loan Principles standards.

We are committed to the highest standards in the commercial real estate segment

In the area of commercial real estate financing, 62% of our portfolio is made up of assets with BREEAM certification at a minimum of *very good* and Leed certification at a minimum of *gold*. In 2023, acting as collateral agent, we participated in the Green Loan Facility transaction for Neptune Property Venture. The total loan amounted to EUR 169 million and ING Bank Śląski's exposure was EUR 65 million. The loan provided refinances a portfolio of five outlet centres in Poland.

Funding of zero-emission vehicles

In March 2022, ING Lease joined the government's "My electric car" zero-emission car subsidy programme. Thanks to the programme, clients can benefit from subsidised leasing of, among other things, electric vehicles, which can significantly support the development of electromobility in Poland. In 2023, we leased electric cars for a total of PLN 95.4 million (PLN 87.7 million a year earlier), including PLN 49.9 million (PLN 24.0 million a year earlier) in the "My electric car" programme. The number of leased cars increased from 244 (including 127 in the "My electric car" programme) in 2022 to 461 (including 252 in the "My electric car" programme).

Credit products to support energy-saving measures for individual clients

We provide clients with financing through products that support sustainability: "Loan for better" or "Mortgage for an energy-efficient home". These products have more favourable pricing conditions than other loan products offered by the bank to individual clients. All the paperwork for a mortgage loan can be done without leaving home, e.g. in the form of a video call with a specialist. The client only comes to the branch to sign the prepared loan agreement.

We share our knowledge

[own indicator – 2]

ING at the European Economic Congress

ING Bank Śląski – as the bank for the enterprising – has supported the European Economic Congress in Katowice for many years. During this year's edition, our bank was represented on the Congress stage by, among others, Brunon Bartkiewicz in the session on digitalisation, Michał H. Mrożek in the panels on the economy, energy and climate, Ewa Łuniewska in the session on investments and foreign markets, Joanna Erdman in the panel on "ESG – requirements and strategies", and Robert Dąbrowski in the session on green investments and their financing.

During the 15th edition of the European Economic Congress, leaders and experts discussed the trends and challenges of the global economy. Topics included the environmental- and climate impact of the economy, the green transformation of energy and industry, war in Europe, as well as the impact of pandemics and the raw materials crisis.

European Financial Congress

Joanna Erdman, Vice-President of the Management Board of ING Bank Śląski participated in the debate "ESG: The challenges of planning for financial sector transformation". They discussed, among other things, the increased interest in ESG topics due to new regulations and growing expectations from investors, business partners and consumers. A reporting methodology for transition participants and the banking sector to standardise these processes was also an important thread.

Michał H. Mrożek, Vice-President of the Management Board, took part in the debate "Poland at the threshold of the energy transition – challenges and opportunities in the 2030 horizon", during which, among other things, the need to build new energy capacity (especially from renewable energy sources), necessary legislative changes and financial institutions financing the sector for years were discussed.

The European Financial Congress (EFC) in Sopot is one of the most important meetings of representatives of the financial sector, leading experts and business leaders, as well as academics. The congress offers a platform for unconstrained debate on the stability of the European and Polish financial system and the development of recommendations for systemic solutions for safe and sustainable development.

EEC Trends 2023

Ewa Łuniewska, Vice-President of the Management Board of ING Bank Śląski, took part in the debate "Green investments" during EEC Trends 2023. Topics discussed included the wave of investment in sustainable production and the growing role of ESG criteria from the perspective of the client, cooperator or investor. The topic of climate technology and sources of funding was also discussed.

EEC Trends is a series of debates that forms the substantive foundation for Central Europe's largest business event, the European Economic Congress in Katowice.

ESG Compass Congress

Brunon Bartkiewicz, CEO of ING, took part in the panel "Economy 4.0 – what it should mean in our reality". The subject of discussion was a new vision of how the economy should function in the digital age – meaning the need to



adapt, invest in education and developing the skills of the future, and use technology responsibly to serve people and the environment.

The ESG Compass is an information and education initiative to support business in the sustainable transformation and implementation of ESG strategies, which is the basis for ratings and non-financial assessments of companies.

ING at the Open Eyes Economy Summit 2023

The 2023 Open Eyes Economy Summit was held for the eighth time and ING was a strategic partner of the event. The congress was attended by representatives from politics, business, public administration, NGOs, science, media and culture. Michał H. Mrożek, Vice-President of the Management Board, participated in the debate “Europe’s drive towards decarbonisation and zero-emission industry”.

Greenhouse gas emissions

GRI [305-1] [305-2] [305-3] [305-4] [305-5]

In line with our Green Statement 2021, we are working to reduce our carbon footprint and achieving climate neutrality by 2030 in Scope I and II (*market-based*). In addition, we want to achieve climate neutrality for all three scopes by 2050.

Updated calculations for 2021-2022

Due to the further development of our methodology for estimating emissions from Investments (category 15 of Scope III, which primarily concerns receivables from clients), we have decided to recalculate emissions for 2021-2022. It is this category of updated calculations that accounts for virtually all of the revision of data previously presented. In addition, for the remaining own-economy emissions (other than Investments), we have also included data in the updated data for 2022 that was not yet available at the time of the previous reporting.

Quantitative information on CO₂e emissions update for 2021-2022

tonnes of CO ₂ e	2021	2022
Data before recalculation		
Scope I	3,223	3,811
Scope II – market-based	6,229	4,923
Scope II – location-based	22,560	21,421
Scope III – <i>market-based</i>	6,093,112	5,835,890
Scope III – <i>location-based</i>	6,093,112	5,835,890
categories 1, 3, 5 and 6	6,389	6,014
category 15	6,086,722	5,829,876
Total – market-based	6,102,563	5,844,624
Total – location-based	6,118,894	5,861,122
Data after recalculation		
Scope I	3,223	3,788
Scope II – market-based	6,229	5,018
Scope II – location-based	22,560	21,691
Scope III – market-based	11,535,983	10,269,857
Scope III – location-based	11,535,983	10,273,890
categories 1, 3, 5 and 6	6,389	6,083
category 15	11,529,594	10,267,807
Total – market-based	11,545,435	10,278,663
Total – location-based	11,561,766	10,299,370
Dynamics of change		
Scope I	0.0%	-0.6%
Scope II – market-based	0.0%	1.9%
Scope II – location-based	0.0%	1.3%
Scope III – market-based	89.3%	76.0%
Scope III – location-based	89.3%	76.0%
categories 1, 3, 5 and 6	0.0%	1.1%
category 15	89.4%	76.1%
Total – market-based	89.2%	75.9%
Total – location-based	89.0%	75.7%



Update of the calculations for Investment (category 15 of Scope III)

In 2023, we continued the process of quantifying the CO₂e emissions associated with our Investments, i.e. primarily the portfolio of client receivables (own calculations, not verified by an external party). As we continue to develop methodologies for estimating these emissions, we have recalculated. The changes from the data presented a year ago are significant: an increase of 89.4% for the 2021 data and 76.1% for the 2022 data.

Quantitative information on the update of CO ₂ e emissions from the Project (Category 15, Scope III) for 2021-2022		
tonnes of CO ₂ e	2021	2022
Data before recalculation		
Mortgage-backed retail portfolio	641,153	602,761
Receivables from clients of the corporate segment	5,445,569	5,227,115
Investment portfolio*	-	-
Total	6,086,722	5,829,876
Data after recalculation		
Mortgage-backed retail portfolio	757,300	699,677
Receivables from clients of the corporate segment	8,507,162	7,794,837
Investment portfolio*	2,265,131	1,773,293
Total	11,529,594	10,267,807
Dynamics of change		
Mortgage-backed retail portfolio	18.1%	16.1%
Receivables from clients of the corporate segment	56.2%	49.1%
Investment portfolio*	-	-
Total	89.4%	76.1%

* includes government bonds and equity investments

Changes in the calculation for the corporate receivables portfolio account for 56% for 2021 and 58% for 2022 of the increase in emissions compared to previous calculations. They result mainly from:

- the inclusion of income-generating real estate financing exposures in the calculation of the carrying amount;
- the inclusion of Scope II emissions of funded entities in the calculation (previously we only included Scope I);
- the inclusion in the calculation of entitlements for entrepreneurs (i.e. mainly sole proprietorships);
- the inclusion of actual data from published non-financial reports for the listed companies we fund;

- in the case of vehicle leasing, the use of emissions and mileage data from the Central Register of Vehicles and Drivers (CEPiK).

The changes in the calculations for the retail mortgage portfolio for 2021-2022 account for 2% of the increase in emissions compared to the calculations presented a year ago and are mainly due to:

- the inclusion of actual emissions data from the Central Register of Energy Performance of Buildings in the calculations;
- the adaptation of the calculations to the modified CRREM methodology. Revision of the basis of emissions calculations for real estates for which data from energy performance certificates for buildings is not available. Using final energy demand (EK) related to heating, ventilation and hot water preparation as the basis for the calculation, instead of primary energy demand (EP). In addition, in line with the revised CRREM approach, the exclusion of energy losses incurred during transmission and distribution (WTT) from the calculation;
- including the calculation of emissions from energy consumption resulting from the operation of the building (lighting, cooking), i.e. Scope II of the real estate’s financial emissions;
- the exclusion from the calculation of mortgage loans which, despite being secured by a mortgage, are by definition for any purpose.

Additional, currently our calculations also take into account the bank’s investment portfolio, including investments in government bonds and equities. They account for 42% for 2021 and 40% for 2022 of the increase in emissions compared to the previously presented calculations for category 15 of Scope III.

Updated calculations for other CO₂e emission sources (own economy)

As a result of obtaining information on actual consumption for locations for which we relied on estimated data after the publication date of the 2022 report, we have decided to recalculate the emission values for 2022. The main changes from the data presented a year ago are due to:

- the actual data for the missing time periods were lower than the estimated data (for natural gas and district heating),
- additional consumption was taken into account after receipt of the final bill from the supplier (concerns electricity),



- additional locations have been included for which consumption was not previously calculated separate *market-based* reporting has been provided for locations where the owners hold RES certificates of origin or purchase guarantees of origin. In accordance with the GHG standard for these locations, we assume zero emission from the electricity used to generate cooling (applies to purchased cooling),
- the methodology for estimating water consumption was clarified for locations where information on actual consumption was not available.

Calculation methodology

GRI [305-1] [305-2] [305-3] [305-4] [305-5]

We have prepared our emissions calculations in accordance with [the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard](#). The calculation includes the bank and its subsidiaries (operational control). For our Scope I and II emissions, we have adopted 2019 as the base year.

Methodology for estimating emissions from the Project (Category 15 of Scope III)

As in the previous year, we have decided to publish our estimates for emissions in category 15 of Scope III (Investments). For banks, this category relates primarily to the loan portfolio. Financed emissions will be a key focus area and priority for the bank in order to move towards climate neutrality in the 2050 timeframe.

We prepared the calculations presented in relation to corporate segment loans (including income-generating real estates and vehicle leasing), investment securities (including government debt) and retail mortgage-backed loans based on [the Global GHG Accounting and Reporting Standard for the Financial Industry](#) (PCAF methodology). In 2023, with the support of an external consultant, a set of methodologies for calculating the carbon footprint for the Investment, i.e. for category 15 of Scope III, was approved. The calculations for the different asset classes are in line with the PCAF, with the exception of loans to local authorities, for which the method of calculating the carbon footprint has not yet been defined by the PCAF. Although most of the calculation is based on statistical data, we are increasingly using actual emissions data. This applies in particular to data from energy efficiency certificates for residential buildings and income-generating real estates, as well as data on emissions of listed companies financed by our bank. In future periods, we will strive to improve the accuracy of the estimates, including by acquiring more precise data. We will continue to work on our emissions calculation in future years, both in terms of the methodology itself and the greater availability of higher quality data. Therefore, we cannot exclude the possibility that we will make retrospective recalculations in the future as market practice develops.

Retail mortgage-backed portfolio

Depending on the availability of data in the Central Register of Building Energy Performance, we used two approaches to calculate the building's emissivity. Where information from energy performance certificates is available, the calculation is based on the actual emission intensity of the building. In other cases, we based the approach on the year of construction of the real estate and the corresponding technical and building regulations. At the end of 2023, we applied the energy performance certificate data to 13.4% of the retail real estate portfolio (at the end of 2022, the coverage was 10.7%). In the calculation, we also use information made available by the Central Statistical Office on the structure of energy consumption in households, data from the European Environment Agency on emissions associated with electricity production, data from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, as well as data on the production and transmission of energy and heat from the Energy Regulatory Office and the National Balancing and Emissions Management Centre.

In accordance with the PCAF methodology, the emission volume was adjusted by the LTV (gross carrying amount to collateral value ratio) to reflect the actual emission related to our financial exposure. In the calculation, we focus on residential units and single-family buildings, considering 95% of our bank's total mortgage portfolio at the end of 2023 (93% at the end of 2022).

General financing in the corporate segment

The calculations for the financing of the overall corporate segment portfolio (excluding financing of income-generating real estates) and our bank's equity investments include exposures from ING Bank Śląski, ING Lease (Poland) and ING Commercial Finance. For the purpose of estimating the emissions of funded Scope I entities, we used data on greenhouse gas emissions (CO₂ and CO₂e for other gases) by sector of activity. Data are published annually by Eurostat, with the latest data available for 2022. On the basis of sector data, we have estimated emissivity in relation to revenue generated and in relation to assets. We then translated the estimates at the level of the national economy sectors to the corporate clients of our capital group, using the client's core business as a key. In the case of funded listed clients, we used their published carbon footprint data (1.9% of the portfolio described in 2023).

Vehicle leasing

In the case of vehicle leasing, we first estimated the emissivity of ING Lease (Poland)'s financed motor vehicle portfolio on the basis of an internally validated, PCAF-compliant methodology. We performed the calculations as at the end of 2021-2023. The basis for calculating the emissions of financed vehicles is the in-house vehicle fleet



database built and developed, which is fed with actual data from public registers (CEPiK) or estimates calculated on the basis of actual or market data.

Income-generating real estates

For the emissivity calculations for the income-generating real estate segment, we primarily rely on information from the energy performance certificates held. They cover almost 80% of the gross carrying amount of our loan portfolio. In the absence of these data, we use PCAF data on the average emissivity of individual building types in Poland.

Investment in government bonds

In 2023, we estimated for the first time the emissivity of our bank’s investment in government debt, which includes sovereign bonds and sovereign loans of all maturities issued in domestic or foreign currencies. Estimates are in line with the PCAF methodology for public debt and calculations have been made for 2021-2023.

Methodology for estimating emissions from own economy

Emissions for all non-investment sources presented (Scope III category 15) are emissions related to our operational activities as an organisation, i.e. emissions within our own economy.

With regard to emissions related to our own economy, for the preparation of the Scope I emissions estimate we analysed the consumption of energy carriers in stationary sources for heating (natural gas, fuel oil, coal), the consumption of liquid fuels for powering the vehicle fleet (petrol, diesel) and generators (diesel), the loss of refrigerant from air-conditioning equipment. For Scope II we analysed the amount of electricity, district heating and cooling purchased. For Scope III of the report, we focused on emissions related to employee business travel (by rail, air, taxi and coach and private car), as well as water consumption, paper consumption and the amount of waste generated. In Scope III, we also include emissions related to energy and fuels not included in Scopes I and II (WTT).

Calculations were made using an operational approach and adopting a *market-based* method for calculating Scope II GHG emissions and Scope III WTT emissions. In 2019, the bank obtained guarantees of origin for electricity from RES covering 97% of the total volume of consumption. Between 2020 and 2022, the bank entered into an agreement with an energy seller for the purchase of an Eco-Premium product guaranteeing the supply of energy exclusively from renewable sources (which was documented by relevant certificates), while for the remaining volume of electricity the bank purchased guarantees of energy origin. In contrast, the bank had an agreement with a supplier for the purchase of electricity in 2023 as part of the “Naturally that Energy” product. The supplier

undertook to provide the bank with a guarantee of origin for electricity generated from renewable energy sources. The remainder of the electricity purchased in 2023 was covered by guarantees of origin purchased by the bank and by the owners of the real estates in which the bank leases space for its operations (applies to real estates where the owner purchases such guarantees himself or has an agreement for the supply of energy from RES).

Included in our emissions are direct CO₂ emissions from biogenic combustion associated with the use of fuel (petrol and diesel) in our bank’s vehicle fleet, in generator sets and fuel oil used for heating purposes. These emissions amounted to 172.3 tonnes of CO₂ in 2023.

Data for 2019-2023 includes a full calendar year. For 2023, we did not have full information on actual consumption, so we adopted estimates where necessary. We will update the calculations for 2023 with the actual consumption received in the 2024 report. A source report with comprehensive information on the methodology, data sources (including Global Warming Potential indicators) and calculation results for 2023 is available at [this link](#).

Nominal greenhouse gas emissions

The table below shows the aggregated data for 2019-2023 in terms of CO₂e emissions for our bank group. We present Scope II and Scope III in both *market-based* and *location-based* terms. In the following sections of this section, we also recall the breakdown of emissions by gas and recall the main factors behind the change in emissions in 2023 compared to the previous year (2022) as well as the base year (2019). We present data for Investments (category 15 of Scope III) from 2021 onwards.

CO ₂ e emissions							
tonnes of CO ₂ e						Change 2023 vs	
	2019	2020	2021	2022	2023	2019	2022
Scope I	5,219	3,427	3,223	3,788	3,795	-27.3%	0.2%
Scope II – <i>market-based</i>	6,536	5,693	6,229	5,018	4,431	-32.2%	-11.7%
Scope II – <i>location-based</i>	28,176	23,571	22,560	21,691	19,444	-31.0%	-10.4%
Scope III – <i>market-based</i>	6,530*	4,807*	11,535,983	10,269,857	9,694,062	-**	-5.6%
Scope III – <i>location-based</i>	6,530*	4,807*	11,535,983	10,273,890	9,697,694	-**	-5.6%
Total – <i>market-based</i>	18,285*	13,927*	11,545,435	10,278,663	9,702,289	-**	-5.6%
Total – <i>location-based</i>	39,924*	31,805*	11,561,766	10,299,370	9,720,933	-**	-5.6%
Total I-II – <i>market-based</i>	11,755	9,120	9,452	8,806	8,226	-30.0%	-6.6%
Total I-II – <i>location-based</i>	33,394	26,998	25,783	25,479	23,239	-30.4%	-8.8%



Our emissions for 2023 amounted to 9,702 thousand tonnes of CO₂e on a *market-based basis* and 9,721 thousand tonnes of CO₂e on a *location-based* basis. This figure is 5.6% lower than the previous year and is due to the lower emissivity of our Investments (mainly receivables from clients).

Compared to 2019, our emissions for the Scope I and II total decreased by 30.0% on a *market-based basis* and 30.4% on a *location-based* basis, mainly due to lower emissions related to heat and electricity consumption. The sum of all three scopes is not comparable vis-à-vis 2019 due to the fact that we only count emissions for category 15 from Scope III from 2021 onwards. In 2023, it represents as much as 99.9% of our total emissions.

The main reasons for the changes in CO₂e missions in each scope are explained below.

Scope I emissions

Our Scope I emissions in 2023 were 0.2% higher y/y. The burning of petrol by the bank’s car fleet is responsible for 81% of emissions in this category. The increase in emissions from petrol fuel (+17.7% y/y) is due to its higher consumption – more intensive use of company cars in 2023. partially offset by a change in the structure of the car fleet (increase in the share of hybrid cars). In 2023, our car fleet grew by 181 hybrid cars.

The dynamics of Scope I emissions in 2023 compared to 2019 was -27.3%. The main factor behind the decrease in emissions in this figure is the decrease in emissions from diesel (car fleet), which is due to the change in the structure of our car fleet and the shift away from diesel-powered cars (in part this effect was consumed by the increase in emissions from petrol fuel). Significantly lower emissions were also associated with the refrigerant in air conditioning. Behind the decline in these emissions is the significantly lower number and size of our sites (resulting, among other things, from fewer meeting venues).

Scope I CO₂e emissions

tonnes of CO ₂ e	Change 2023 vs						
	2019	2020	2021	2022	2023	2019	2022
Natural gas	595	592	528	482	444	-25.4%	-8.0%
Fuel oil	67	29	33	44	53	-21.0%	20.6%
Coal	3	3	3	0	0	-100.0%	-
Petrol fuel	1,753	1,691	2,099	2,599	3,059	74.5%	17.7%
Diesel – car fleet	2,121	835	417	284	30	-98.6%	-89.5%
Diesel – generators	47	63	66	56	40	-15.9%	-29.4%
Refrigerants	633	214	76	323	170	-73.1%	-47.3%
Total	5,219	3,427	3,223	3,788	3,795	-27.3%	0.2%

**Do not include an emissions estimate for the Investment (category 15 in Scope III), which the bank calculates from 2021 onwards.; **Data not comparable due to different scope of calculations.*

Scope II emissions

Scope II emissions on a *market-based basis* fell by 11.7% in 2023 compared to 2022. This is primarily the result of lower district heating consumption, which is linked to the reduction in office space in use, an increase in the average annual temperature and winter shutdowns in office buildings in Katowice and Warsaw. In 2023, all the electricity we consume (based in part on estimates) comes from renewable sources – hence the value of electricity emissions on a *market-based basis* is zero.

The reduction in Scope II emissions in 2023 compared to the base year was 32.2%. This change is driven by lower emissions from purchased district heating which is a result of the reduction in the number and area of our sites over the years.

Location-based Scope II emissions are down 10.4% y/y in 2023 and 31.0% compared to 2019. The main driver of the decline is electricity emissions, although district heating also contributes to this positive trend. To the greatest extent, this is due to the reduction in the amount of office space used, but our many measures to reduce energy consumption are also having an effect.



Scope II CO₂e emissions

tonnes of CO ₂ e							Change 2023 vs	
	2019	2020	2021	2022	2023		2019	2022
Scope II – market-based								
Electric energy	672	127	595	0	0	-100.0%	-	-
Cold	829	765	432	691	622	-25.0%	-10.0%	-10.0%
District heating	5,035	4,801	5,202	4,327	3,809	-24.3%	-12.0%	-12.0%
Total	6,536	5,693	6,229	5,018	4,431	-32.2%	-11.7%	-11.7%
Scope II – location-based								
Electric energy	22 312	18 006	16 926	16 613	14 897	-33,2%	-10,3%	-10,3%
Cold	829	765	432	751	737	-11,1%	-1,9%	-1,9%
District heating	5 035	4 801	5 202	4 327	3 809	-24,3%	-12,0%	-12,0%
Total	28 176	23 571	22 560	21 691	19 444	-31,0%	-10,4%	-10,4%

Scope III emissions

Our Scope III emissions, both *market-based* and *location-based* , decreased by 5.6% y/y, due to lower Category 15 – Investment emission. The second largest contributor to the decline in *location-based* terms was WTT emissions, which fell by 8.3% which is mainly linked to lower electricity consumption and district heating.

Scope III CO₂e emissions

tonnes of CO ₂ e							Change 2023 vs	
	2019	2020	2021	2022	2023		2019	2022
Category 1	217	160	131	87	55	-74.8%	-37.3%	-37.3%
Paper	190	134	122	81	47	-75.4%	-42.4%	-42.4%
Water supply	28	26	9	6	8	-71.1%	29.1%	29.1%
Category 3 – <i>market-based</i> WTT emissions	5,617	4,413	6,127	1,720	1,647	-70.7%	-4.3%	-4.3%
Category 3 – WTT emissions – <i>location-based</i>	5,617	4,413	6,127	5,754	5,279	-6.0%	-8.3%	-8.3%
Category 5	143	128	91	72	67	-52.7%	-6.1%	-6.1%
Water treatment	57	53	17	11	9	-84.0%	-19.4%	-19.4%
Municipal waste	75	74	74	60	58	-22.1%	-3.5%	-3.5%
Recycled waste	11	0	0	0	0	-98.6%	-42.1%	-42.1%
Category 6	553	106	41	170	257	-53.5%	51.1%	51.1%
Rail journeys	197	31	13	64	110	-44.1%	71.3%	71.3%
Air travels	200	28	3	52	93	-53.6%	78.0%	78.0%
Coach travel	0	0	0	0	0	-100.0%	-	-
Taxi trips	7	8	7	14	14	86.5%	-2.4%	-2.4%
Travels in private cars	149	39	19	40	41	-72.7%	2.0%	2.0%
Category 15	-	-	11,529,594	10,267,807	9,692,036	-	-5.6%	-5.6%
Total – market-based	6,530	4,807	11,535,983	10,269,857	9,694,062	1,485	-5.6%	-5.6%
Total – location-based	6,530	4,807	11,535,983	10,273,890	9,697,694	1,486	-5.6%	-5.6%

Emissions from Investment (Category 15 of Scope III)

In 2023, the estimated CO₂e emissions for the Investment, a Scope III category 15, were 9.7 million tonnes of CO₂e, 5.6% less than in 2022 and 15.9% less than in 2021, despite an increase in gross carrying amount of 17.0% y/y and 22.3% compared to 2021. The reduction in emissions is largely due to the decline in market emission rates for sectors that significantly contribute to climate change.



Retail mortgage-backed portfolio

In 2023, the estimated CO₂e emissions for the retail mortgage-backed loan portfolio amounted to 660,000 tonnes of CO₂e, while the emission intensity stood at 12.5 tonnes of CO₂e per PLN 1 million of gross carrying amount. The reduction in both emission (-5.6%) and emission intensity (-8.2%) compared to the previous year is mainly due to the higher proportion of newer buildings in our loan portfolio. The decrease in the household emissions factor of 2.4% also has a significant impact. Another factor that has contributed significantly to the decrease in emissions is the greater coverage of actual data from energy performance certificates (from 11% in 2022 to 13% in 2023).

CO₂e emissions from the retail mortgage-backed loan portfolio

	2021	2022	2023	change y/y
CO ₂ e emissions (tonnes) for Scopes I+II	757,300	699,677	660,555	-5.6%
Gross exposure value (PLN million)	52,000	51,552	53,016	2.8%
Emission intensity (tonnes of CO ₂ e per PLN 1 million of exposure)	14.6	13.6	12.5	-8.2%

Corporate client receivables

The estimated total carbon footprint (Scope I and II client emissions) associated with the financing of our corporate clients decreased by 12.6% y/y in 2023 and by 19.9% compared to 2021 to 6.8 million tonnes of CO₂e. The reduction in emissions is largely due to the decline in market emission rates for sectors that significantly contribute to climate change, such as manufacturing (Section C) and transport (Section H). The increase in the volume of credit exposures in the area of renewables from PLN 1.9 billion in 2022 to PLN 2.3 billion in 2023 also had a positive impact.

The emissions estimate for the commercial income-generating real estate portfolio in 2023 decreased by 14.0% y/y to 116,000 tonnes of CO₂e. At the same time, the average CO₂e emission intensity per PLN 1 million gross carrying amount decreased by 3.6% y/y to 13.7 tonnes of CO₂e. Reducing the emission level results both from improving data quality, increasing data coverage from energy performance certificates (from 74% in 2022 to 79% in 2023), and from reducing the size of the income-generating real estate portfolio.

For corporate financing other than commercial income-generating real estates, the total emission intensity ratio was 54.0 tonnes of CO₂e per PLN 1 million gross carrying amount in 2023 (-30.1% y/y and -43.3% compared to 2021). For the group of sectors contributing significantly to climate change, the average estimated emission

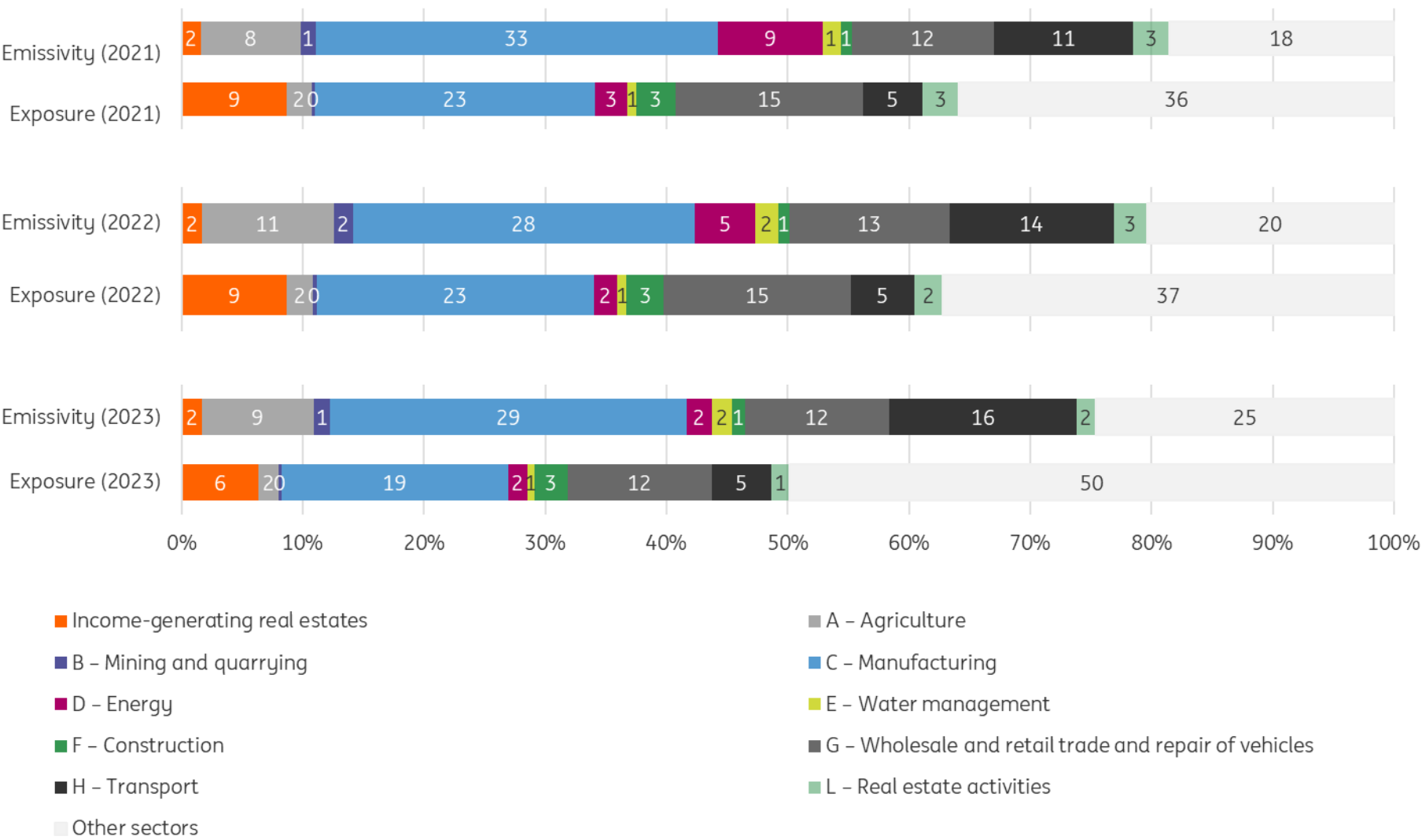
intensity was 86.6 tons of CO₂e per PLN 1 million of gross carrying amount (-16.1% y/y), while for the group of other sectors, the value of the indicator amounted to 25.3 tons of CO₂e per PLN 1 million of gross carrying amount (-35.5% y/y). The sectors contributing most to the total emission intensity of the corporate portfolio are manufacturing (Section C of the Polish Classification of Activities; 30% of total emission for corporate finance other than commercial income-generating real estates) and transport (Section H of the Polish Classification of Activities; 16%). The sectors with the highest emission intensity per PLN 1 million of funding provided are agriculture (Section A of the Polish Classification of Activities), mining and quarrying (Section B of the Polish Classification of Activities), water and waste management (Section E of the Polish Classification of Activities) and transport (Section H of the Polish Classification of Activities).

CO₂e emissions from the Investment (category 15 of Scope III)

	2021	2022	2023	change y/y
CO₂e emissions (tonnes) for Scopes I+II				
Corporate client receivables, including financial institutions:	8,507,162	7,794,837	6,810,455	-12.6%
commercial income-generating real estates	133,722	134,754	115,862	-14.0%
other forms of financing:	8,373,440	7,660,083	6,694,593	-12.6%
sectors contributing significantly to climate change	6,799,982	6,071,192	5,019,806	-17.3%
other sectors	1,573,458	1,588,891	1,674,787	5.4%
Gross exposure value (PLN million)				
Corporate client receivables, including financial institutions:	96,322	108,765	132,510	21.8%
commercial income-generating real estates	8,344	9,479	8,458	-10.8%
other forms of financing:	87,978	99,286	124,052	24.9%
sectors contributing significantly to climate change	53,391	58,818	57,946	-1.5%
other sectors	34,588	40,468	66,106	63.4%
Emission intensity (tonnes of CO₂e per PLN 1 million of exposure)				
Corporate client receivables, including financial institutions:	88.3	71.7	51.4	-28.3%
commercial income-generating real estates	16.0	14.2	13.7	-3.6%
other forms of financing:	95.2	77.2	54.0	-30.1%
sectors contributing significantly to climate change	127.4	103.2	86.6	-16.1%
other sectors	45.5	39.3	25.3	-35.5%



Exposure value structure in relation to the emission structure of sectors of the Polish Classification of Activities (%) for corporate client receivables 2021-2023



Investment portfolio

In 2023, the estimated CO₂e emissions for our bank's investment portfolio comprising government bonds and equity instruments amounted to 2,221 thousand tonnes of CO₂e , 25.2% more than in 2022, which is directly linked to a 23.8% higher portfolio value measured by gross carrying amount. Emission intensity stood at 57.4 tonnes of CO₂e per PLN 1 million gross carrying amount, 1.4% higher than the previous year.

CO ₂ e emissions from the investment portfolio				
	2021	2022	2023	change y/y
CO ₂ e emissions (tonnes) for Scopes I+II	2,265,131	1,773,293	2,221,026	25.2%
Gross exposure value (PLN million)	35,000	31,227	38,669	23.8%
Emission intensity (tonnes of CO ₂ e per PLN 1 million of exposure)	64.7	56.8	57.4	1.1%

Financed Scope III emissions for corporate client receivables and investment portfolio

In addition, for corporate client receivables and the investment portfolio, we estimated funded Scope III emissions. At the same time, due to major simplifications in the calculation method and the impossibility of avoiding double counting of financed emissions – and thus possible large deviations from the actual values, with a simultaneous very large impact on the total estimate of financed emissivity – we do not include these emissions in the summaries. We assume that in the future it will be possible to better estimate the total financed Scope III emission of corporate clients as a result of the greater precision of the available statistical data and the greater availability of actual client data.



Breakdown of CO₂e emissions by gas and pollutant

CO ₂ e emissions – a breakdown of gases emitted (included in the Kyoto Protocol)					
	Total (tonnes of CO ₂ e)	CO ₂ (tonnes)	CH ₄ (tonnes)	N ₂ O (tonnes)	HFCs (volumes)
2019					
Scope I*	5,219	4,572	0.17	0.03	0.25
Scope II – market-based	6,536	6,536	0.00	0.00	0.00
Scope II – location-based	28,176	28,176	0.00	0.00	0.00
Scope III*	12,147	952	0.05	0.02	0.00
TOTAL (I-III)* – market-based	23,902	12,060	0.22	0.06	0.25
TOTAL (I-III)* – location-based	45,541	33,699	0.22	0.06	0.25
2020					
Scope I*	3,427	3,204	0.12	0.02	0.11
Scope II – market-based	5,693	5,693	0.00	0.00	0.00
Scope II – location-based	23,571	23,571	0.00	0.00	0.00
Scope III*	4,807	105	0.01	0.00	0.00
TOTAL (I-III)* – market-based	13,927	9,001	0.12	0.03	0.11
TOTAL (I-III)* – location-based	31,805	26,879	0.12	0.03	0.11

CO ₂ e emissions – a breakdown of gases emitted (included in the Kyoto Protocol)					
	Total (tonnes of CO ₂ e)	CO ₂ (tonnes)	CH ₄ (tonnes)	N ₂ O (tonnes)	HFCs (volumes)
2021					
Scope I*	3,223	3,137	0.12	0.02	0.04
Scope II – market-based	6,229	6,229	0.00	0.00	0.00
Scope II – location-based	22,560	22,560	0.00	0.00	0.00
Scope III*	11,535,983	11,529,634	0.00	0.00	0.00
TOTAL (I-III)* – market-based	11,545,435	11,539,000	0.12	0.02	0.04
TOTAL (I-III)* – location-based	11,561,766	11,555,331	0.12	0.02	0.04
2022					
Scope I*	3,788	3,455	0.13	0.03	0.18
Scope II – market-based	5,018	5,018	0.00	0.00	0.00
Scope II – location-based	21,691	21,691	0.00	0.00	0.00
Scope III* – market-based	10,269,857	10,269,696	0.01	0.01	0.00
Scope III* – location-based	10,273,890	10,273,730	0.01	0.01	0.00
TOTAL (I-III)* – market-based	10,278,663	10,278,168	0.14	0.03	0.18
TOTAL (I-III)* – location-based	10,299,370	10,298,876	0.14	0.03	0.18
2023					
Scope I*	3,778	3,614	0.14	0.03	0.08
Scope II – market-based	4,431	4,431	0.00	0.00	0.00
Scope II – location-based	19,444	19,444	0.00	0.00	0.00
Scope III* – market-based	9,694,062	9,693,984	0.02	0.01	0.00
Scope III* – location-based	9,697,694	9,697,615	0.02	0.01	0.00
TOTAL (I-III)* – market-based	9 702 289	9,702,029	0.16	0.04	0,09
TOTAL (I-III)* – location-based	9 720 933	9,720,674	0.16	0.04	0,09

**Due to the design of the emission factors, the value of the part of the emissions for Scope I (refrigerant) and Scope III (category 1, 3, 5) has been converted into CO₂ equivalent emissions without a breakdown by individual greenhouse gas.*



Due to the improvement in the quality of calculations in the field of CO, NOx/NO₂, SOx/SO₂, NMVOC, NH₃ and PB for petrol and diesel fuel used in the vehicle fleet, it was decided to recalculate the values for 2019-2022. The updated data is presented in the table below.

Emissions from greenhouse gases not included in the Kyoto Protocol					
kg	2019	2020	2021	2022	2023
Total dust	10.36	9.65	9.23	7.51	6.93
PM10 dust	10.21	9.51	9.09	7.51	6.93
PM2.5 dust	9.95	9.26	8.83	7.51	6.93
Carbon monoxide (CO)	1,698.07	1,339.86	1,323.99	1,427.07	1,485.50
Nitrogen oxides (NOx/NO ₂)	9,864.33	7,363.10	7,443.73	8,423.70	8,892.36
Sulphur oxides (SOx/SO ₂)	145.93	119.97	127.81	112.62	104.37
Benzo(a)pyrene	0.00	0.00	0.00	0.00	0.00
Non-methane volatile organic compounds (NMVOC)	209.32	152.71	155.85	179.42	193.18
Ammonia (NH ₃)	49.71	36.27	37.01	42.61	45.88
Lead (Pb)	0.48	0.35	0.35	0.41	0.44

Total emission intensity factors

In the table below, we present our emission intensity ratios per key data (revenue, total assets and number of FTEs). We emphasise that the correct approach to analysing emission intensity for Scopes I and II is to convert emissions into FTEs. When we analyse the emission intensity covering category 15 of Scope III (emissions related to Investments, i.e. primarily receivables from our clients), the indicator that better reflects the nature of the sector in which we operate is the one per revenue or asset.

We would like to point out that we count our investment-related emissions from 2021 onwards, and it is this element that is behind the jump in performance indicators between 2020 and 2021 and makes it difficult to compare the latest results with 2019, which is our base year for Scope I and II emissions.

Performance indicators related to CO₂e emissions

kg of CO ₂ e	2019**	2020**	2021	2022	2023
Emissions per PLN 1 million of revenue*					
Scope I	900	550	467	491	355
Scope II – market-based	1,128	914	903	650	415
Scope II – location-based	4,861	3,783	3,271	2,809	1 821
Scope III – market-based	1,127	771	1,672,633	1,329,913	907 888
Scope III – location-based	1,127	771	1,672,633	1,330,436	908 228
Total – market-based	3,154	2,235	1,674,004	1,331,054	908 658
Total – location-based	6,888	5,105	1,676,371	1,333,735	910 404
Emissions per PLN 1 million of assets (average per year)					
Scope I	35	19	16	18	16
Scope II – market-based	43	32	32	24	19
Scope II – location-based	187	134	115	103	84
Scope III – market-based	43	27	58,803	48,700	42 117
Scope III – location-based	43	27	58,803	48,719	42 132
Total – market-based	121	79	58,851	48,742	42 152
Total – location-based	265	180	58,935	48,840	42 233
Emissions per FTE (average per year)					
Scope I	655	424	377	450	453
Scope II – market-based	821	705	728	596	528
Scope II – location-based	3,539	2,918	2,637	2,578	2 319
Scope III – market-based	820	595	1,348,351	1,220,801	1 156 080
Scope III – location-based	820	595	1,348,351	1,221,280	1 156 513
Total – market-based	2,297	1,724	1,349,456	1,221,847	1 157 061
Total – location-based	5,015	3,938	1,351,364	1,224,309	1 159 285

*Total including share in profit of associates.; **Data for 2019-2020 are not comparable with data for 2021-2023 in Scope III and Total due to a different scope of calculations.



Over the last five years, we have seen a positive trend in emission intensity factors when we take into account the change in the calculation range between 2020 and 2021. The ratios, in terms of income and assets, are decreasing both because of the reduction in emissions values themselves and because of the increase in our activities as measured by income or assets. The rate of decline of the indicator per FTE is lower than for the other two indicators, due to the different dynamics in terms of the number of FTEs. Due to the continued processes of optimising operations and reducing the number of venues, employment in our group has been growing significantly slower than total assets over the past five years.

Our directions of action in terms of emission reduction

SDG 13

In Q4 2023, ING Bank Śląski, in the spirit of the commitments enshrined in the Paris Agreement, published the document “[ING BSK's roadmap for reducing GHG emissions](#)”, which sets out ambitions for emissions reductions in its own economy and loan portfolio in the areas of residential real estate, commercial real estate and energy production. In an effort to minimise our environmental impact, we have created a plan that not only reflects our commitment to combating climate change, but also aims to inspire and encourage others to do the same. A key driver of our work is to support our clients and understand the magnitude of the challenges they will face.

This initiative is in line with national policy commitments. Our active involvement in supporting our clients in the transition is linked to the dynamic changes in the legal, social and economic environment. Those changes will have a significant impact on the operations of our clients, and we want to be a partner supporting them as they adapt to the new reality.

The plans to decarbonise our portfolio are integrated into our bank's business strategy, and the steps we have developed and our ambitions allow us to operationalise these actions.

Based on the available data, we estimated our bank's financed greenhouse gas emissions as a first step towards setting decarbonisation targets. For commercial and residential real estates, we have adopted as a baseline a reduction path aligned with the ambitious scenario of limiting global warming to 1.5°C compared to the pre-industrial era.

In order to meet the goal of decarbonising the real estate loan portfolio, ING Bank Śląski will increase financing for energy-efficient buildings, renewable energy sources and thermo-modernisation of existing real estates. Planned

courses of action also include working with real estate sector organisations on decarbonisation, promoting available financial support programmes and educational initiatives.

At the same time, we are continuing our policy in the power generation sector of moving away from financing high-carbon non-renewable sources of energy, i.e. coal and lignite, and redirecting resources mainly towards financing renewable energy sources, in line with the targets set. We have committed to provide PLN 5 billion of funding in renewable energy projects between 2024 and 2030.

We are working to include an increasing proportion of our portfolio in emission reduction plans and to expand our commitments to support portfolio decarbonisation, and our aim is to apply generally accepted and widely used methodologies for emissions calculations and decarbonisation scenarios and to successively increase the quality of our clients' emissions data as it becomes available.

Residential real estates

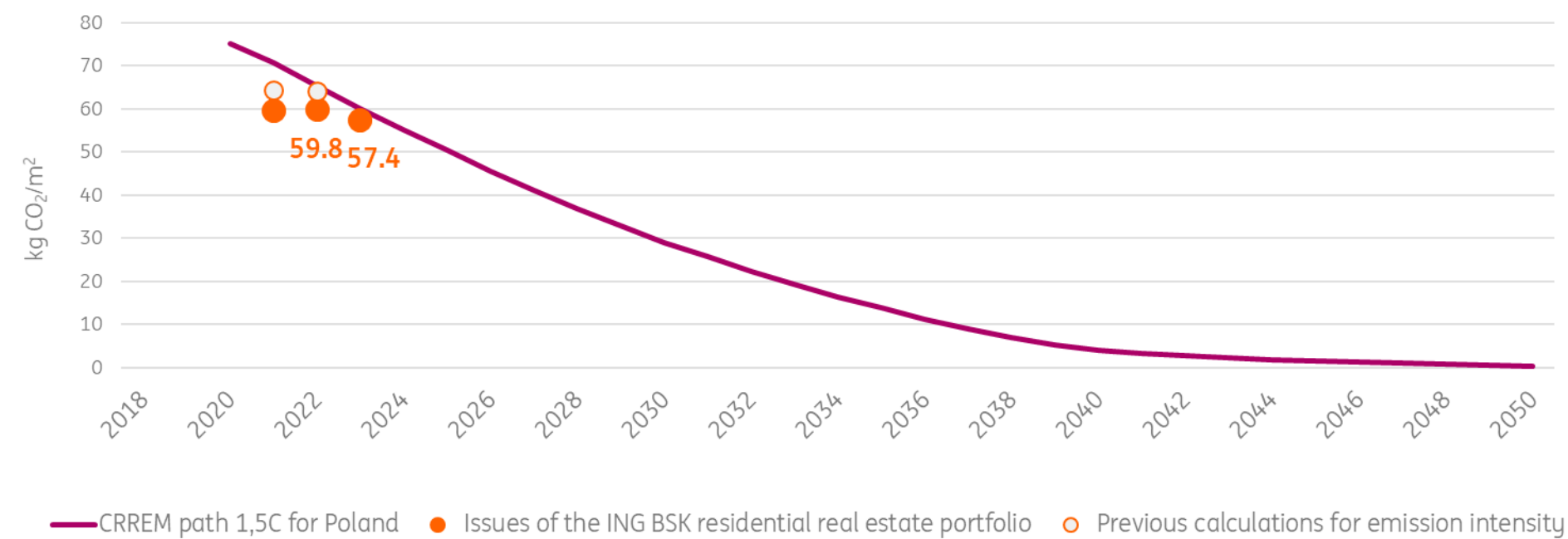
At the end of 2023, the emission intensity per surface area of financed real estates was 57.4 kg of CO₂e/m² compared to 59.8 kg of CO₂e/m² the year before. As described [here](#), the y/y reduction in emission intensity is mainly due to:

- a higher proportion of newer buildings in the portfolio. The share of the newest real estates with the lowest energy consumption (built after 2020) at the end of 2023 by total financed area was 20.9%, with the share at the end of 2022 at 15.8%,
- a 2.4% decrease in the household emissions factor. The factor reports the CO₂ equivalent emissions generated from the consumption of one kWh of energy. The decrease in the share of carbon-intensive energy carriers, such as coal, in the structure of household energy consumption in favour of less carbon-intensive carriers contributes to the decrease in emissions at portfolio level,
- a greater coverage of actual data from energy performance certificates.

Below is the current emission status of our retail mortgage-backed portfolio in relation to the decarbonisation paths taken. As we have decided to revise our methodology for calculating emissivity (which we write about [here](#)), we also show the results of previous calculations in the chart in order to maintain full transparency.



Emission intensity per m² of residential real estate portfolio against the decarbonisation paths taken



In Q4 2023, we started to implement the announced plan to support clients through, among other things:

- initiating discussions on potential cooperation with real estate sector organisations to coordinate emission reduction activities and to build awareness, promoting available financial support programmes, grants for thermal upgrading;
- an analysis of the tools available on the market to support our clients in planning measures to improve the energy efficiency of their real estates;
- working on preparing a dedicated offer for the renovation of real estates in our loan portfolio combined with the requirement to provide an energy performance certificate after the renovation;
- automating the collection of data from energy performance certificates for the new and existing loan portfolio;
- planning activities in the area of education of our employees and clients aimed at increasing their knowledge and promoting energy-efficient solutions.

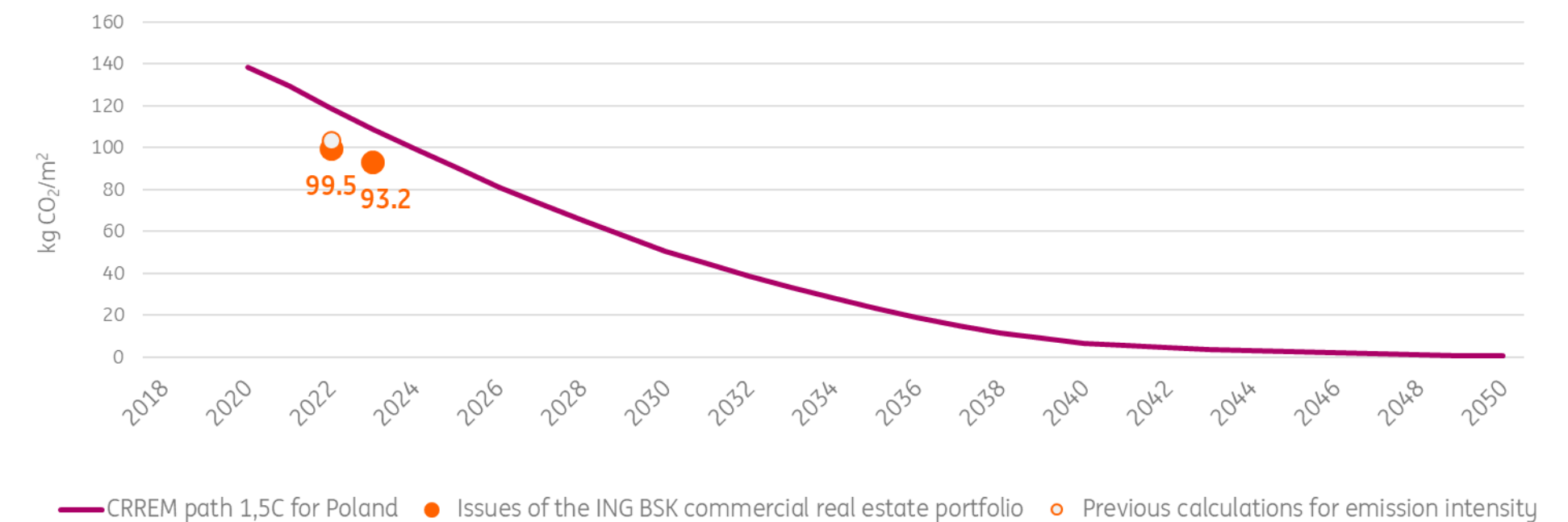
Commercial real estates

At the end of 2023, the emission intensity per surface area of financed real estates was 93.2 kg of CO₂e/m² compared to 99.5 kg of CO₂e/m² in 2022. As described [here](#), the reduction in emission intensity compared to the previous year is mainly due to:

- improve data quality, and
- increase coverage of data from energy performance certificates.

Below is the current state of the carbon footprint of our commercial real estate portfolio in relation to the decarbonisation paths taken. As we have decided to revise our methodology for calculating emissivity (which we write about [here](#)), we also show the results of previous calculations in the chart in order to maintain full transparency.

Emission intensity per m² of commercial real estate portfolio against the decarbonisation paths taken



In Q4 2023, we started to implement the announced plan to support clients through, among other things:

- initiating discussions on potential cooperation with real estate sector organisations to coordinate emission reduction activities and to build awareness, promoting available financial support programmes, grants for thermal upgrading;



- an analysis of the tools available on the market to support our clients in planning measures to improve the energy efficiency of their real estates;
- continuing to obtain energy performance certificates for every new real estate financed by our bank. In addition, we carried out a campaign to collect energy performance certificates for the real estates we financed. As a result of this action, we were able to acquire an additional 36 certificates.

Own economy

From 2019, we are gradually installing and increasing our photovoltaic power generation capacity on our buildings. The total installed capacity as at 2023 yearend is 507 kWp. We plan to invest further in this area in 2024. In connection with this initiative, we are reducing the demand for energy purchased from the market. Using an analogous methodology to the counting of the emissions calculations referred to earlier (KOBIZE index for Scope II, own calculations for Scope III), if we had to purchase the energy produced from photovoltaic panels on the market in 2023 (305 MWh in total), our emissions would be 248.9 tonnes of CO₂e higher in *location-based* terms. Within this figure, 198.3 tonnes of CO₂e are attributable to Scope II and the remainder (50.5 tonnes of CO₂e) to Scope III in category 3 (WTT).

We have reduced the use of our office space between December 2022 and February 2023. For the operation of key institutions in society – including schools, kindergartens or hospitals – for 38 days we saved:

- 159 GJ of heat energy and 126 MWh of electricity at the headquarters building in Warsaw at Puławska Street,
- 632 GJ of heat energy and 327 MWh of electricity at the headquarters building in Katowice at Sokolska Street and Chorzowska Street.

This initiative has enabled us to reduce our *location-based* emissions by 448.2 tonnes of CO₂e, including 365.4 tonnes of CO₂e in Scope II and 82.8 tonnes of CO₂e in Scope III in category 3 (WTT).

Management of natural resources

Fuel and energy consumption

GRI [302-1] [302-4]

In 2023, we have reduced our fuel consumption by 4.5% y/y and 24.5% against 2019, for Scope I and II fuels combined. For Scope I fuels, although our consumption fell by as much as 18.9% against 2019, it increased by 4.5% y/y due to higher petrol consumption (+18% y/y). This was due to the return to normal business contacts after the pandemic. The 8.0% y/y decrease in natural gas consumption in 2023 is due to a decrease in office space in use, a change in heating source and an increase in average annual temperature. The 20.6% y/y increase in fuel oil consumption is due to the irregular nature of oil orders. Consumption data is provided on the basis of purchase invoice orders and not on the basis of meters indicating its consumption.

As for fuel consumption in Scope II, it decreased by 8% y/y, mainly due to lower consumption of electricity (-8% y/y) and district heating (-9% y/y), which is linked to the reduction in office space in use and winter shutdowns in office buildings in Katowice and Warsaw. The decrease in relation to 2019 was as much as 27%.

In 2023, we have introduced the following measures to reduce energy consumption:

- as part of the redevelopment for the new space design standard, we successively replaced the existing fluorescent lighting with LED lighting in the retail outlets,
- we replaced fluorescent lighting with LED technology in rooms and technical cubicles in buildings in Katowice at 34 Sokolska Street and at 50 Chorzowska Street,
- we installed LED lighting with intelligent control system in the office space of the 10th floor, in a building in Katowice at 50 Chorzowska Street,
- we installed LED lighting with intelligent control system in a converted 1st floor office space in a building in Warsaw at 2 Puławska Street,
- as part of winter savings at all ING branches nationwide:
 - we switched off the night-time luminaires in the operating theatres and replaced them with LED luminaires dedicated to video surveillance, controlled by a motion sensor with an integrated light sensor,



- we switched off outdoor advertising at 10:00 pm.

Fuel consumption by source							
kWh						Change 2023 vs	
	2019	2020	2021	2022	2023	2019	2022
Natural gas	3,281,392	3,268,420	2,913,799	2,660,371	2,448,796	-25.4%	-8.0%
Fuel oil	254,904	109,969	125,206	166,935	201,292	-21.0%	20.6%
Coal	10,386	9,939	10,045	0	0	-100%	-
Petrol fuel	7,001,446	6,754,521	8,385,374	10,381,752	12,221,174	74.6%	17.7%
Diesel – car fleet	7,924,293	3,119,900	1,557,702	1,062,482	111,175	-98.6%	-89.5%
Diesel – power generators	176,984	234,346	247,507	210,814	148,868	-15.9%	-29.4%
TOTAL Scope I	18,649,406	13,497,095	13,239,632	14,482,354	15,131,304	-18.9%	4.5%
Electric energy	32,916,393	27,657,936	26,036,931	25,082,811	23,195,147	-29.5%	-7.5%
Cold	1,223,365	1,172,761	662,812	1,128,154	1,133,127	-7.4%	0.4%
District heating	14,597,698	14,268,466	15,470,384	12,563,273	11,422,389	-21.8%	-9.1%
TOTAL Scope II	48,737,456	43,099,163	42,170,127	38,774,238	35,750,663	-26.6%	-7.8%
TOTAL Scope (I-II)	67,386,862	56,596,258	55,409,759	53,256,592	50,881,967	-24.5%	-4.5%

Energy production from own photovoltaic installations

In April 2023, in Katowice at 41 Roździeńska Street, we have launched a 280 kWp photovoltaic farm, which is our largest investment in terms of generating capacity. At the end of 2023, we had photovoltaic installations with a total capacity of 507 kWp. In 2023, 1.3% of the electricity we use will come from our own production.

The electricity we produce (photovoltaic panels)							
kWh						Change 2023 vs:	
	2019	2020	2021	2022	2023	2019	2022
Electric energy	3,870	43,280	78,137	138,366	304,755	79x	120.3%

Car eco-policy

At the end of 2023, 97% of our car fleet will consist of hybrid or electric cars. We will gradually increase the fleet of electric cars, with the aim of achieving a minimum 36% reduction in CO₂ resulting from car use in 2030 compared to 2019.

As part of our efforts to support electromobility, we have installed 8 electric car charging stations in Katowice at 34 Sokolska Street. In total, we had 40 charging stations nationwide as at 2023 yearend.

Business travels

In 2023, we experienced an increase in business travel as a result of the return to normal business contacts after the pandemic. Nevertheless, the number of kilometres travelled, both by company car and by plane, is lower than in pre-pandemic 2019, by 7% and 52% respectively.

Business travels							
km						Change 2023 vs:	
	2019	2020	2021	2022	2023	2019	2022
Business travels by company cars	26,164,962	19,089,186	19,481,296	22,427,544	24,276,413	-7.2%	8.2%
Air travels	2,222,780	314,885	24,220	612,498	1,074,585	-51.7%	75.4%

Water consumption

GRI [303-3]

We systematically collect data and analyse water consumption for all our locations. Thanks to the developed standards for office buildings and bank branches, we use modern two-post toilets, dishwashers and aerators every time we upgrade. The measures are aimed at reducing water consumption.

Nevertheless, our water consumption increased by 9% y/y in 2023. This was primarily due to a failure of the grey water system at the Ruda Śląska facility, which caused water to leak into the sewer system.



Water consumption

m ³						Change 2023 vs:	
	2019	2020	2021	2022	2023	2019	2022
Water (the source of intake is municipal water supply system)	80,707	74,669	61,653	41,717	45,433	-43.7%	-8.9%

Waste

Hazardous and non-hazardous waste

In our business activities, we implement and apply the principles of environmental responsibility in many aspects. This also applies to the waste generated. Our activities aim to treat waste management in a comprehensive manner, therefore:

- we segregate waste compulsorily in meeting places and office buildings. Additionally, we collect and destroy data media (in paper and magnetic form),
- we replaced the mixed waste bins at desks with waste segregation bins in the open spaces of office buildings in Katowice, Warsaw and Ruda Śląska. The containers are made from 90% recycled materials,
- we collect office waste in the form of toner cartridges, furniture waste and electronic waste in meeting areas and office buildings, and hand it over to an authorised company for disposal,
- we extended the waste segregation with the collection of dead batteries,
- all employees in the office buildings in Warsaw and Katowice use the so-called follow-on printing system. This solution allows you to print the document only after we put our ID card to the printer, so we do not waste paper and toner.

GRI [306-3]

100% of our waste is sent for recycling.

Total weight of hazardous waste, broken down by the following disposal methods

kg						Change 2023 vs:	
	2019	2020	2021	2022	2023	2019	2022
Recycling	1,487	1,187	670	1,624	944	-51.7%	-41.9%

Total weight of non-hazardous waste, broken down by the following disposal methods

kg						Change 2023 vs:	
	2019	2020	2021	2022	2023	2019	2022
Recycling	507,880	18,992	17,652	10,428	7,848	-98.5%	-24.7%

All quantities of hazardous and non-hazardous waste are reported on the basis of Waste Transfer Cards in the Waste Database system. The method of disposal is determined by the company responsible for recycling the waste we provide.

Municipal waste

Municipal waste that is transferred to municipalities is not recorded – we are unable to obtain information on the weight of such waste generated from municipal clients. In 2022, we have developed a tool that estimates the amount of municipal waste generated across the bank based on estimated average full bin weights for different fractions, as well as real data on the number and capacity of bins and the frequency of waste collection in a given location.

Municipal waste

kg						Change 2023 vs:	
	2019	2020	2021	2022	2023	2019	2022
Municipal waste	3,489,626	3,485,256	3,454,168	2,827,593	2,729,542	-21.8%	-3.5%



Educational initiatives to support responsible management of resources

GRI [3-3] [own indicator – 2]

Every day, even small choices have an impact on the state of the environment. Starting with ourselves, we consistently promote environmentally friendly attitudes.

OFF Culture – in-house education programme

For years, we have been trying to educate and encourage our organisation to manage natural resources efficiently and sensibly. Such an example is the educational action Culture OFF, which we launched internally in 2016. Every year we organise a thematic educational campaign aimed at all employees to encourage, inspire and develop good habits. We have already touched on the topics of lighting, water, segregation, optimal use of air conditioning or eliminating plastic.

In April 2023, we summarised all the measures to reduce emissions from our direct operating activities (so-called own economy) that we have been involved in since 2016. Projects included: saving water and energy, using electricity exclusively from renewable sources, installing their own photovoltaic systems, giving a second life to furniture, reducing waste production and replacing their car fleet. In the November instalment of the OFF Culture campaign, we encouraged employees to consciously save electricity both in the office and at home. Stickers with slogans have appeared on office surfaces to remind people to switch off the lights, to encourage people to use the stairs instead of the lifts or to unplug appliances at the end of the day.

Baskets for nuts

Thanks to a campaign to collect plastic bottle tops in bins set up between office buildings in Katowice and in Ruda Śląska at 54 Niedurny Street, we collected more than 150 kg of nuts. The collection is not only an environmental endeavour, but also a tool to help. The nuts collected were donated to the charity.

A second life for coffee grounds

We want to help increase the recycling of coffee grounds, which are a source of valuable biomass. In the kitchens in our office buildings in Warsaw (Puławska Street), in Katowice (34 Sokolska Street and 50 Chorzowska Street) and in Ruda Śląska (Niedurny Street) we have placed containers intended for coffee grounds. In cooperation with EcoBean, our grounds are used to produce raw materials that are used, among other things, in the production of everyday objects, in the cosmetics industry or in the pharmaceutical industry.

Action “Give shirts a second life”

As part of the campaign , “Give shirts a new life”, we encouraged employees to donate used work shirts. Together, we collected almost 4,000 of them. As a result, around 1,200 kg of clothes were given a second life. Second-hand shirts were used to create backpacks that went to the workers.

Taxonomic disclosure

What is Taxonomy?

Taxonomy is the common name of a legal act of the European Union – Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment – that establishes harmonised pan-European principles for sustainable investment. The legislation is designed to increase the level of environmental protection by diverting capital from environmentally damaging investments to greener alternatives.

The taxonomy does not define which activities are “good” and which are “bad”, but only describes in detail investments that are environmentally sustainable. It is intended as a tool to support investors and entrepreneurs to make informed investment decisions towards measures that will contribute to achieving climate neutrality in the European Union by 2050.

The taxonomy does not prohibit investment in activities that do not meet its criteria, but gives additional preference preference for environmentally sustainable solutions. The implementation of regulations defining what investments are environmentally sustainable will also make it possible to identify pseudo-environmental activities – concerning the unjustified claim by some entities that their activities are environmentally friendly, when there are no grounds for this – this phenomenon is called greenwashing.

On 30 December 2021, the EU Commission Delegated Regulation (2021/2178) to Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment (later updated in March 2022 and June 2023) entered into force. It imposes an obligation on a number of European entities, including the banking sector and consequently ING Bank Śląski, to report both quantitative and qualitative information on environmentally sustainable business activities. This occurred for the first time in 2022 for 2021. The quantitative reporting of financial institutions in 2022, as in 2023, was transitional.



Reporting in 2024 for 2023 for the first time is reporting in target form. It concerns the banking book of credit institutions.

Our business strategy and the Taxonomy

In our business strategy, one of the ESG priorities is to support clients in their environmental transformation. The direction of this transformation is set by the environmental objectives of the EU Taxonomy:

- 1. climate change mitigation,
- 2. climate change adaptation,
- 3. the sustainable use and protection of water and marine resources,
- 4. the transition to a circular economy,
- 5. pollution prevention and control,
- 6. the protecting and restoration biodiversity and ecosystems.

By developing our product offer in the area of sustainable financing, we are mainly focused on the first two environmental objectives, i.e. climate change mitigation and climate change adaptation. The relevance of these objectives is reflected in the targets of our Green Statement 2021, which relate to the financing of renewable energy sources, zero- and low-carbon transport and other pro-environmental goals. We write about it [here](#). Our efforts in this area have been reinforced in 2023 with the publication of “ING BSK’s roadmap for reducing GHG emissions” document (we write more about it [here](#)), which sets out ambitions for emission reductions in our own economy and loan portfolio in the areas of residential real estate, commercial real estate and energy production. Read more about our way of working, our priorities and our sustainability goals [here](#).

As part of our work with clients, we actively educate them on the requirements that new regulations, including Taxonomy, place on the economy. We tailor our offering and financing appropriately to the client’s stage of transformation – by making financing conditions dependent on meeting the goals of the client’s ESG strategy or by financing assets necessary to implement this strategy, including assets eligible for taxonomy.

Reporting in 2024 for 2023 is the first time we are able to demonstrate that the part of the financing provided to our customers fully meets the requirements for alignment with the Taxonomy. Due to data limitations, we are unable to provide comparable data for 2022.

We are aware of the challenges posed by the availability and quality of data to assess environmentally sustainable activities. Access to the data and possible further EU regulatory adjustments in this respect will have an impact on our business strategy and our lending decisions, including the setting of quantitative targets.

As at the date of the report, the bank did not have quantitative targets in the form of GARs (Green Asset Ratio) and/or BTARs (Banking Book Taxonomy Alignment Ratio) as to future investment in environmentally sustainable activities.

Minimum safeguards

According to the definition, the Minimum Safeguards is a set of procedures used by the company to ensure compliance of:

- the OECD Guidelines for Multinational Enterprises, and
- UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the ILO Declaration on Fundamental Principles and Rights at Work and the principles and rights set out in the International Bill of Human Rights.

The *EU Platform on Sustainable Finance*, as an advisory body to the European Commission, defines two criteria for compliance with the company’s minimum safeguards, which should be met together:

- human rights due diligence procedures are in place within the company as referred to in the OECD Guidelines for Multinational Companies and the UN Guiding Principles on Business and Human Rights,
- no judicially established violations in relevant categories (human and labour rights, anti-corruption, tax and fair competition regulations).

In 2023, we conducted a voluntary self-assessment of compliance with the due diligence process guidelines and the requirements of the EU Taxonomy Minimum Safeguards for ING Bank Śląski’s business. The results of this analysis confirm that the compliance criteria for the 2023 Minimum Safeguards are met.

Nevertheless, we would like to point out that in the case of financial undertakings, including banks, when reporting financial instruments as Taxonomy-aligned, it is crucial to confirm that Minimum Safeguards have been met by the bank’s clients, and not by the bank directly. We write about our approach to reporting Taxonomy-aligned exposures [here](#).



The scope and conduct of the verification of compliance with the due diligence process guidelines and the requirements of the EU Taxonomy Minimum Safeguards for ING Bank Śląski’s business included:

- an analysis of internal regulations in terms of self-assessment in meeting the requirements of the Minimum Safeguards,
- establishing a due diligence process for investigating adverse human rights impacts of operations in line with the OECD Guidelines for Multinational Enterprises,
- a review of the anti-corruption processes in place,
- an analysis of tax risk management strategies and processes to ensure tax compliance,
- aspects of knowledge and awareness among employees of the importance of fair competition laws,
- verification of the existence of allegations of human rights violations and compliance with guidelines from the OECD National Focal Point and the Business and Human Rights Resource Centre – no allegations in 2023,
- verification of the existence of final judgments against ING Bank Śląski or executives in tax law cases and the scope of violation of fair competition rules – no final judgments in 2023,
- verification of the existence of final judgments in 2023 in labour law cases and related to human rights violations – one final judgment in this area in 2023, corrective actions taken and control mechanisms implemented.

Regarding the last point above, the 2023 ING Bank Śląski judgment concerned the area of HR for unlawful termination of employment due to lack of consultation with trade unions. In this specific case, corrective actions were taken and control mechanisms were implemented - the process of consulting the intention to terminate the employment contract with the company's trade union was changed so that such events would not occur in the future.

In December 2023, we published the ING Bank Śląski S.A. Group Declaration on Respect for Human Rights, which we write about [here](#). When a violation or risk of a human rights violation is identified, internal and external stakeholders can get in touch with us through whistleblowing channels, as we write about [here](#).

Our reporting obligations

Our quantitative reporting for 2021 and 2022 was in the form of transitional reporting, covering only information on exposures to business activities as described in the Taxonomy (Taxonomy-eligible) and exposures to economic

activities not described in the *Taxonomy (Taxonomy non-eligible)* to the first two environmental objectives (two climate objectives).

This year, for the first time, reporting has a target shape for two climate objectives and a transitional shape for the remaining four environmental objectives (Taxonomy-eligible and Taxonomy non-eligible). From the Taxonomy-eligible exposures, those that are Taxonomy-aligned will be selected. In order for an asset to be considered “green” (Taxonomy-aligned), it must holistically meet the technical screening criteria of substantial contribution and the “do no significant harm” principle. In addition, in the case of exposures to entities other than households, it should be also ensured that their activities are carried out in accordance with “minimum safeguards”.

In order to fulfil all these reporting obligations in preparing the 2023 disclosures, we relied on:

- data and information made public by our corporate clients in their non-financial reports for 2022; we obtained most of this data through the ESG database developed and made available by the BIK;
- actual data from energy performance certificates for buildings obtained from the Central Register of Energy Performance of Buildings;
- data related to the characteristics of the object of financing obtained in the course of the lending process for exposures to households and to corporate clients that have a “known use of proceeds” formula, i.e. the purpose for which the funds are to be used is known.

Our disclosures for 2023 as a credit institution are based on prudential consolidation. They are prepared in several ways:

- total financial assets as at the end of 2023 by type of client and financial instrument,
- credit financial guarantees granted to entities obliged to report non-financially as at the end of 2023,
- exposures to non-financial companies required to report non-financially as at the end of 2023, broken down by the sectors in which they operate,
- financial assets granted during 2023 by type of client and financial instrument at year-end.

In addition, each of these snapshots is presented in two approaches, based on revenue (turnover KPIs) and based on capital expenditure (capex KPIs).



It is worth noting that the taxonomy reporting framework is still not a closed catalogue, and the current rules leave a lot of room for interpretation, and market practice will systematically evolve.

Mandatory taxonomic disclosures

Financing of financial and non-financial entities

With regard to our corporate segment exposures, in a first step we identified those clients that are directly or indirectly through the parent shareholder subject to the obligation to publish non-financial information under Directive 2013/34/EU, as only these clients determine what proportion of their revenues (turnover), costs (operating expenses) and capital expenditures (capex) are related to the activities described in the Taxonomy (both eligible and aligned).

In a further step, we split the on-balance-sheet debt and equity exposures to these identified clients into those under a targeted funding formula (“known use of proceeds”) and those under a general funding formula (“unknown use of proceeds”).

For exposures under the general financing formula, the gross carrying amount multiplied by the relevant KPI (key indicator) reported by the respective client or its parent company in the 2022 report is recognised as activity eligible and aligned with the Taxonomy. For financial institutions, we only recognise eligibility, as their 2022 disclosures did not include data on alignment indicators. At the same time, we would like to point out that for non-financial companies, a breakdown of taxonomy- alignment KPIs by climate objective was available in the 2022 reports, while, no such breakdown was available for Taxonomy-eligible KPIs. Only the sum total for both objectives was available. In such a situation, we recognized eligibility for specific objectives based on the value for alignment (for a value to be aligned, it must first be eligible). Therefore, in our quantitative disclosures we may be dealing with a situation where the sum of the value eligible for individual climate objectives, separately for CCM and separately for CCA, is lower than the total value eligible for CCM+CCA.

Due to our cautious and conservative approach in recognising exposures to non-financial corporates granted under the special purpose financing formula, we have not recognised Taxonomy-eligible and Taxonomy-compliant assets from this, pending the formation of market practice in terms of documentation.

Household financing

With regard to our exposures to households, we analysed a portfolio of mortgage loans and a portfolio of cash loans that were taken out to buy a car or for building renovations.

Retail loans collateralised by residential real estate

For mortgage loans, in assessing their eligibility, based on the data at our disposal, we selected only those loans whose purpose was the purchase of real estate and the exercise of ownership of that real estate (activity 7.7 “Acquisition and ownership of buildings” indicated in annex I to the updated Delegated Regulation 2021/2139) and those loans whose purpose was the construction of a house or the purchase of a dwelling under construction (activity 7.1 “Construction of new buildings” indicated in annex I to the updated Delegated Regulation 2021/2139).

For loans eligible for activity 7.7, in the next step we assessed which loans make a substantial contribution to climate change mitigation on the basis of primary energy demand based on data from building energy performance certificates. For loans granted for residential real estate built by the end of 2020, we have assumed a threshold of 15% of the most efficient buildings in the country based on [estimates from the Ministry of Development and Technology](#), or 76.59 kWh/m². For loans granted for residential real estate built after 2020, we have assumed the level of the building standard for zero-emission buildings adjusted downwards by 10%, i.e. 63 kWh/m² for single-family houses and 58.5 kWh/m² for multi-family buildings.

For loans contributing significantly to climate change mitigation for activity 7.7, the final step of the analysis was to verify the principle of “do no significant harm” according to the technical screening criteria for this activity, i.e. to check whether the financed property is vulnerable to physical risk (acute or chronic) based on the address of the real estate. Only those exposures whose collateral was property not sensitive to high physical risk were considered to be Taxonomy-aligned.

Retail cash loans

In the case of cash loans for the purchase of a car (activity 6.5 indicated in annex I to the updated Delegated Regulation 2021/2139) or the building renovation (activity 7.3, 7.5 or 7.6 indicated in annex I to the updated Delegated Regulation 2021/2139), their eligibility is assessed on the basis of the proof provided to us by the customer (e.g. an invoice confirming the purchase), which amounts to at least 70% of the amount of the financing granted (and only this part is recognised as eligible). Due to our cautious and conservative approach in selecting financial assets as Taxonomy-aligned, we have not recognised “green” exposures from this, pending the formation of market practice in terms of documentation.

Financing of local authorities

As our business model is not based on financing public housing and the financing we provide to local authorities is not in the form of specialised lending, we have not taxonomically verified our exposure to local authorities.



Green asset indicator GAR

As a result of the revision, at the end of 2023 we have recognised PLN 42.8 billion of Taxonomy-eligible assets by turnover KPI and PLN 43.6 billion by capex KPI. From this pool, we have identified 460.4 million assets by turnover KPI and 526.9 million by capex KPI as environmentally sustainable. Retail loans secured by residential real estates are the main item in these values. Our GAR green asset ratio at the end of 2023 was 0.3%.

Summary of the GAR green asset indicator as of the end of 2023		
	Turnover KPI	capex KPI
Taxonomy-eligible assets (PLN million)	42,848.6	43,577.9
Environmentally sustainable assets (PLN million)	460.4	526.9
Green asset ratio GAR (%)	0.25%	0.29%

The quantitative information required of credit institutions by appendix VI of the updated Regulation 2021/2178 can be found [here](#).

Exposures eligible for the four environmental objectives (other than climate objectives)

As part of financial institutions’ transitional reporting for the four environmental objectives, other than the climate objectives, banks are required to disclose the proportion of total assets of exposures to Taxonomy-eligible and Taxonomy non-eligible economic activities for the 4 objectives in their 2023 reporting. On the pool of corporate entities identified as having non-financial reporting obligations, we made such an estimate based on their main Polish Classification of Activities/NACE code. As at the end of 2023, the share of activities eligible for the four environmental objectives in assets covered by the green asset ratio amounted to 0.51% according to the turnover KPI and 0.43% according to the capex KPI. On the other hand, the share of non-eligible activities amounted to 4.65% by turnover KPI and 4.73% by capex KPI. When calculating the above eligibility indicators, we only take into account the part of the gross carrying amount that is not included in the eligibility for the two climate objectives.

Share of eligible and non-eligible activities for the four environmental objectives other than climate objectives

	Turnover KPI	Capex KPI
Eligible activity		
As % of assets covered by the green asset ratio	0.51%	0.43%
As % of total assets*	0.37%	0.31%
Non-eligible activity		
As % of assets covered by the green asset ratio	4,65%	4.73%
As % of total assets*	3.38%	3.44%

*Total gross assets.

Financing related to nuclear energy and fossil gas

Among the identified non-financial entities required to publish non-financial reports, we selected clients who disclosed in their 2022 reports that they have Taxonomy-eligible activities related to fossil gas, none of these clients reported any Taxonomy-aligned or Taxonomy non-eligible values for fossil gas. In addition, on the same group of entities, we do not identify companies with Taxonomy-eligible or Taxonomy non-eligible activities related to nuclear energy.



Template 1: Nuclear energy and fossil gas activities

		Turnover KPI	Capex KPI
Nuclear energy related activities			
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO	NO
Fossil gas related activities			
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES	YES

Other quantitative information required by annex XII of the updated Regulation 2021/2178, can be found [here](#). We deviate from the publication of Templates 2, 3 and 5 in relation to stock and Templates 1-5 in relation to flow and for off-balance-sheet exposures as in these cases our gross carrying value associated with fossil gas and nuclear energy is not material.

Trading portfolio

ING Bank Śląski’s trading portfolio at year-end 2023 was in line with its product mandate and consisted of interest rate derivatives, FX derivatives, FX spot and Polish and Czech government bonds. We note that, relative to the 2022 year-end figures, the portfolio of IRS transactions hedging loans that were granted to finance investments related to sustainability support has increased. The portfolio characteristics did not deviate significantly from the average risk exposure during the year.



ING for community (S)

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Donations and sponsoring	214
Our corporate foundations	216





Community involvement is an important part of how we operate. We implement them independently, with our community partners and our corporate foundations: ING for Children Foundation and the Polish Art Foundation. We implement S (Social) activities based on our sustainability business strategy. We want to contribute to building a better world by levelling the social playing field – especially for children, by supporting them in their development, as well as increasing their financial literacy and helping them acquire the competences of the future. In addition to regular activities and partnerships stemming from our sustainability business strategy, we implement actions that respond to the social and humanitarian challenges of our time. Examples of activities being implemented in 2023 include post-earthquake aid in Syria and Turkey and continued support for those affected by the war in Ukraine.

Social involvement

GRI [3-3] [413-1]

SDG 4, 10, 16, 17

We attach particular importance to activities in the area of financial education, which we have been consistently targeting a wide range of audiences for many years. The implementation of these activities flows from the natural need to share the expertise we have as a financial institution. That is why, as part of their cooperation with partners in many projects, ING Bank Śląski Group employees participate as experts or mentors. We are also consistent with the expectations of our stakeholders. In the materiality survey conducted in Q4 2023, community engagement and innovation, environmental education and financial health were identified as important themes. In order to carry out social activities effectively, we establish key partnerships with organisations with a broad, nationwide reach that declare high standards of action. In order to determine the effectiveness and social impact of the programme together with the partners, we jointly set targets and measures. This way, we know what social change we are achieving as a result of our joint activities. In addition to the regular programmes and partnerships that stem from our sustainability business strategy, we also implement activities that respond to the social and humanitarian challenges of our time and have a significant impact on mitigating their impact. An example is the fundraising for earthquake victims in Syria and Turkey.

ING Bank Śląski conducts social and charity activities in priority areas in line with its business strategy for sustainable development. We carry out activities both independently and in cooperation with community partners and with the support of two corporate foundations – the ING for Children Foundation and the ING Polish Art Foundation.

We attach great importance to the transparency of our activities. We work with organisations that declare their compliance with anti-corruption, ethical and environmental standards. In the process of establishing cooperation, we ensure due diligence in cooperation with the Centre of Expertise – Compliance. Charitable financial donations are made on the basis of ING Bank Śląski S.A.'s Donations Policy in place at the bank, with a Donations Committee. Read more about donations under [Financial and in-kind charitable donations](#).

Continuing to support those affected by the war in Ukraine

Since the first days of the war, ING Bank Śląski and the ING for Children Foundation have been involved in various activities for Ukraine. They support charities and provide support to refugees in Poland.

SPLIT UA Residency

SPLIT UA Residency is a programme addressed to young people from Ukraine (18- to 30-year-olds) who are currently residing in Poland and are interested in creating social innovation prototypes related to the reconstruction of their homeland.

Participants – with the support of mentors – worked on topics based on the Ukraine Reconstruction Plans. The programme was delivered both online and at weekend meetings in the form of workshops, lectures and meetings with experts from various fields including: science, culture, art, engineering, design, economics and law. From ING Bank Śląski's side, there were as many as 11 experts, including Brunon Bartkiewicz, President of the Management Board, and Maja Chabińska-Rossakowska, HR Director of the bank.

ING staff engagement

ING Bank Śląski employees continued their commitment to helping their colleagues in Ukraine. A fundraiser among staff, at the end of April 2023, raised PLN 40,000. ING Bank Śląski subsidised these purchases, so that 80 packages with solar power banks, mats, electric pots and sweets went to ING Ukraine employees.

As part of Action-Auction, a charitable initiative by employees, auctions of donated items were held for 6 weeks. The event attracted 1,000 visitors and more than PLN 7,000 was collected from 60 auctions, which went to the GAJUSZ Foundation from Łódź to support the treatment and rehabilitation of children from Ukraine.

ING Bank Śląski continued its support for employees of Ukrainian origin in terms of medical care and housing rental, and for employees supporting people from Ukraine – occasional benefits for Easter and Christmas, Santa Claus for children and holidays for Ukrainian families.

Assistance to earthquake victims in Turkey and Syria

ING Bank Śląski, together with the ING for Children Foundation and ING Hubs Poland, organised a fundraiser to help those affected by the earthquake on the Turkish-Syrian border. In addition, the bank launched a temporary offer



of free transfers to Turkey. PLN 667.3 thousand was collected. The money went to UNICEF Poland, an organisation that helped provide safe shelter, food and medical care to families with children in devastated areas. ING Bank Śląski and ING Hubs Poland decided to donate an additional PLN 250,000 each to UNICEF Poland. The bank also purchased 14 large-scale specialist tents at a cost of PLN 1 million, which went to Hatay province – one of the worst affected by the earthquake.

Actions for financial education, climate education, entrepreneurial development and sustainable development

GRI [3-3] [own indicator – 2]

Save the World- eco-programme for primary school pupils

We Save the World is an educational programme aimed at primary school pupils at all levels, which combines the expansion of children’s and young people’s environmental knowledge with the shaping of their character and pro-social attitudes and the enhancement of their digital competences. The programme is part of ING Bank Śląski’s work on climate education for children in schools. The We Save the World Programme is organised by the “ABCXXI – Cała Polska Czyta Dzieciom” Foundation, with the WWF Polska Foundation as the content partner. ING Bank Śląski is a Strategic Partner. The Ministry of Climate and Environment and the National Library of Poland assumed Honorary Patronage of the Programme. The first edition of the programme, which ended in June 2023, involved more than 34,000 students from 416 schools in 307 locations across the country. The finale of the programme was for the students to carry out their own environmental projects for the benefit of the local community and to submit presentations of their implementation to the organiser for a competition. All award-winning presentations are available at:

<https://calapolskaczytadzieciom.pl/aktualnosci/wyniki-konkursu-na-najlepszy-projekt-proekologiczny-programu-ocalimy-swiat-2023/>.

In a follow-up on the first edition, up to 70% of participants confirmed that they had become more interested in the topic of ecology and had become more attentive to environmental problems in their surroundings. Meanwhile, almost 50% of participants learned new digital tools.

The inauguration of the second edition of the We Save the World Programme took place in October 2023.

Twenty-eight short stories, written by Polish authors for children and young people, were created for the We Save the World Programme. The stories have been published in three age-appropriate volumes for young audiences: “Oddech smoka” (for ages 7 and up), “Latający talerz” (for ages 10 and up) and “Sieci widmo” (for ages 13 and up). In addition to the three-volume story series “Ocalimy Świat” [We Save the World], the project materials package for the participating establishments included the book “Ty też możesz uratować świat. Ekoopowieści z Pietruszkowej Woli [“You too can save the world. Eco-tales from Pietruszkowa Wola”] by Justyna Bednarek, published by ING Bank Śląski and the ING for Children Foundation.

Warsaw Institute of Banking – Bakcyl and the Cybersecurity (BwC)

As part of the industry’s financial education programme Bakcyl and the Cybersecurity programme for primary and secondary school students, lessons on finance and cyber-security were taught by volunteers – employees of participating banks. Through its participation in the programme, ING Bank Śląski contributes to increasing financial literacy among young people and awareness of cyber threats. As part of the Cybersecurity project, lessons were held in secondary schools. 12,600 students took part. Around 2,500 students attended the lectures. In addition, around 2,900 students took part in the Cyber Genius competition, where questions were set by, among others, cyber security experts from

ING Bank Śląski. In H1 2023, more than 218,500 people (including seniors, participants in the Financial Education and Entrepreneurship Congress and academics) were directly reached by the BwC Project. In addition, as part of the collaboration, a banking expert conducted a nationwide online cyber-security lesson with ING Bank Śląski for 1,400 students and teachers from nearly 70 schools across Poland.

Bankers for Education (BdE) Programme and Analytical and Research Programme with the Warsaw Institute of Banking

The Bankers for Education programme is a joint educational initiative of banks and banking infrastructure companies in cooperation with public institutions, local governments, NGOs and the media, which has been ongoing since 2016. It is a response to long-standing societal- and development challenges on issues of economic education, cyber security and entrepreneurship. It is carried out on the initiative of the Polish Bank Association by the Warsaw Banking Institute – one of the leading NGOs in Poland in the field of broadly understood non-formal financial and cyber security education. The BdE programme comprises more than a dozen projects, varying in terms of audience groups, forms and frequency of implementation. In total, more than 800 actors participate – from public institutions, JST, banks and other financial sector institutions, to universities and schools, to NGOs and the media.

ING Bank Śląski supported the Analytical and Research Programme, which carries out research to create, develop and organise knowledge in the areas of:

- cyber security, e-banking and e-payments, and new technologies in a broad sense of the term,
- opportunities for the development of the banking sector and financial markets, the stability of banks and new business models related to electronic services.



The Analytical and Research Programme of the Warsaw Institute of Banking places great emphasis on developing collaborations with academia and experts, seeking synergies in the authors' research interests and the needs of the banking sector.

ING Group N.V.'s global grant fund - ING Community Investment Global Found

About the grant fund

The ING Group N.V.'s grant fund is dedicated to projects and programmes in individual countries for Community Investments – in the areas of financial health, supporting labour market resilient professional skills and supporting entrepreneurship. The projects, prepared by local NGOs in each country, are evaluated by a grant fund jury of international CSR experts. Grants for projects are provided through ING Bank Śląski on the basis of the ING Bank Śląski's Donations Policy. In 2023, ING Bank Śląski provided community partners with funds for the implementation of five projects totalling around PLN 2.4 million from the Community Investment Fund.

ING Bank Śląski, together with the Czepczyński Family Foundation and the ING for Children Foundation, implemented a financial- and economic education project for the youngest – ABC Economics. The project's purpose is to introduce children to the world of finance and develop sound financial habits. The programme uses educational kits for participants. The programme involves ING Volunteers who delivered a minimum of one financial education lesson at a location of their choice. Thanks to the commitment of the volunteers, the facility received a package of educational materials that will also be used by teachers and taught to other student groups. As a result, 80 ING volunteers went to 90 schools with the ABC Economy project, carrying out meetings for 2,300 children.

Zwolnieni z Teorii [Exempt from Theory] – Already Job Ready – CI Fund

In H1 2023, the Exempt from Theory Foundation implemented the Already Job Ready project with a Community Investment grant from ING Group N.V. Its aim was to support young people (15-24) to acquire competences to facilitate their entry into the labour market, through a community project. In addition, participants who carry out the project develop the competences of the future, i.e. the ability to cooperate, creativity, critical thinking- and communication skills. An important part of the programme is learning how to write a CV and include soft competences, describe experiences from the community project, as well as acquiring self-presentation skills through an e-learning course on the Exempt From Theory project platform.

The programme, which ran for eight months, involved 740 secondary schools and 884 teachers, with 6,200 young people completing their own community projects. As part of the programme, 3,300 students met potential employers, including ING, and 5,500 students and teachers confirmed that they felt better prepared for their job search.

In the follow-up survey, 89% of participants confirmed that they had improved at least one of the four competences of the future and 51% confirmed that running the social project had better prepared them for the labour market.

Fundacja Rozwoju Społeczeństwa Wiedzy Think! [Think!Foundation] – Financial Health Programme – Get Ready for Future

ING Bank Śląski continued the Financial Health project, implemented from March to August 2023 by the Think!Foundation. This was the culmination of a project initiated in February 2021. The aim of the Financial Health project is to build knowledge and good habits related to taking care of personal finances and to discover one's potential related to personal development. The project is addressed to adults (18+), working or at risk of losing their jobs, declining income, not working, who have found themselves in a

vulnerable situation as a result of the pandemic crisis. As part of the project, the educational portal ZdrowieFinansowe.pl, which is a repository of materials on finance.

As part of the project, quantitative surveys were prepared on the basis of which educational materials and guides were produced in the project (including the series “Zadbaj o siebie i bliskich” [Take care of yourself and your loved ones]).

The research report was published on the Financial Health Project portal: <https://www.zdrowiefinansowe.pl/analizy-raporty/308-jak-inflacja-zmienila-zachowania-konsumenckie-polek-i-polakow>.

Zwolnieni z Teorii [Exempt from Theory] – Social Projects Olympics

In 2023, ING Bank Śląski continued, together with the ING for Children Foundation, to implement the ING Challenge – A Step Ahead, in partnership with the Exempt From Theory Foundation. Once again, as part of the largest Social Projects Olympics in Poland, secondary school students organised their own social projects, responding to community-, cultural-, technological- or environmental needs.

ING Bank Śląski provided expert material in the form of videos on topics such as teamwork, communication, as well as support from mentors. The 57 youth teams benefited from the support of 50 expert mentors from the bank and foundation in the implementation of their projects. The mentors, employees from different areas of the bank, shared their knowledge and experience with the young people and supported the participants in their community projects throughout the programme.

A total of 495 people took part in our challenge, reaching almost 4 million beneficiaries.

The final gala, in April 2023, was attended by 3,500 students and teachers, including representatives from both the bank and the foundation. Among



the completed projects in the A Step Ahead challenge, there were as many as 10 finalists – the Silver Wolf awards went to nine projects and the Golden Wolf to one project.

ING CoderDojo

ING CoderDojo continued to offer online classes for children and young people in 2023. ING mentors led meetings in advanced groups that focused on programming puzzle games on a cloud platform using a database, as well as programming in Python in the Kivy framework using the KivyMD extension.

Lesław Paga Foundation

In 2023, ING Bank Śląski was a partner of the 18th edition of the Capital Market Leaders Academy. It is an intensive development- and education programme dedicated to talented university students and graduates up to the age of 27. The programme covers issues related to the financial market. During the programme, participants analysed the largest transactions, solved current problems of companies and practised problem solving using case studies. During meetings and workshops, experts from ING shared their knowledge of the importance of the banking sector for the economy as a whole and its impact on the capital market with programme participants. The bank is also a strategic partner of the ESG Women Leaders Academy programme, which follows on from five editions of the Women Leaders Academy. The aim of the programme is to support women responsible for implementing, promoting and reporting ESG solutions in their organisations. ESG experts led a workshop on the synergies between innovative product and service design and ESG and AI. Another element of the programme was a mentoring meeting with Joanna Erdman, the Bank’s Executive Vice President responsible for sustainability and ESG. The workshop was attended by 18 female participants. The programme will run until May 2024.

Responsible Business Forum

ING Bank Śląski continued its partnership in the Responsible Business Forum as an institution that is committed to social responsibility and sustainability as well as diversity and inclusion initiatives as a signatory of the Diversity Charter. In the Responsible Business Forum’s annual report “Responsible Business in Poland. Good practices” featured 10 good practices in the area of sustainable development from ING Bank Śląski. The practices highlighted in the report are:

- Organisational governance – managing the ESG area in the organisation;
- Human rights – #Aid Ukraine;
- Work placements – My Environment – a joint programme with the ING for Children Foundation;
- Mocodajnia;
- Bank employee mental health programme;
- Environment – Ocalimy Świat [We Save the World];
- OFF Culture;
- Consumer issues – online safety;
- Social engagement and community development Step forward – a joint project with the ING for Children Foundation and the Zwolnieni z Teorii Foundation [Exempt from Theory] and
- Grant programme for start-ups and young researchers.

United Nations Global Compact Network Poland (UNGC)

As part of its continued cooperation with the UN Global Compact Network Poland in 2023, ING Bank Śląski was a partner to the Business & Human Rights programme, which aims at implemeningt the UN Guiding Principles on Business and Human Rights and their practical application in ethical

programmes and corporate strategies. The bank was also a partner in the Climate Positive programme, which included initiatives related to the European Green Deal, green finance, promotion of clean energy technologies (e.g. hydrogen), energy efficiency, electrification of transport, among others. Representatives of ING Bank Śląski regularly and actively participated in the Steering Committee of this programme and spoke within the reports published by the UNGC.

In 2023, ING Bank Śląski joined the UN Global Compact as a direct member at country level (ING Group N.V. is a long-standing member of the UN Global Compact at global level).

ING Charity Football Tournament

On 17 June 2023, the ING Charity Football Tournament took place at the MORIS pitches in Chorzów. Twenty-nine teams from ING and 249 male and female players took part. Teams made up of employees of the bank and our group companies from all over the country competed. There were 228 goals scored in the sporting competition. The aim of the tournament, in addition to a healthy lifestyle, was to support charities that are involved in the sporting activation of people with disabilities. In 2023, support for activation activities for children and adults with disabilities (PLN 10,000 each) was received: Zero Załamki Foundation to support sports for people with disabilities, the Nadzieja Foundation to organise an international football tournament for wards of children’s homes (Mundial) and the Amp Futbol Poland Association to support a women’s football team.



Donations and sponsoring

[own indicator – 8]

SDG 1, 10

Financial and in-kind charitable donations

In 2023, ING Bank Śląski made charitable donations of a financial and in-kind nature. The bank made 22 financial charitable donations. Donations were made on the basis of the ING Bank Śląski’s Donations Policy. The policy sets out, among other things, the areas of the bank’s involvement in charitable activities.

The bank’s chosen areas for social investment are:

- activities for children and young people, including leisure activities for children and young people, as well as support for social and subsistence needs,
- science, education and upbringing – especially in the area of financial and climate education,
- health protection and prevention,
- environmental protection, combating climate change, and
- financial support in special circumstances, where an employee and/or his family members suffered damage.

We also clarify in the Policy what donations the Bank does not make:

- for political purposes,
- which may be regarded as an attempt to influence decisions made by government officials, including in particular donations to organisations that are directly or indirectly linked to government officials,

- if they have a business purpose and serve to establish or maintain a business relationship with a client or business partner of the bank,
- if there are circumstances indicating that the beneficiary has engaged in corruption, bribery or other unethical or illegal activities,
- if the donation could be judged as an attempt at corruption or bribery,
- for natural persons, with the exception of donations in the case of special circumstances, where an employee and/or his family members suffered damage.
- for organisations that discriminate against people on the basis of age, race, colour, religious belief, gender, disability, sexual orientation or country of origin,
- for organisations that are suspected of acting contrary to the values we hold in accordance with the ING Orange Code,
- for organisations that do not operate under the Act of 24 April 2003 on the activity of public benefit institutions and voluntary work,
- for projects designed to support religious worship, faith-based organisations,
- for student organisations if the purpose is to finance trips and/or student events,
- to cover the running costs of social organisations, e.g. office operation, service charges, salaries.

The Donations Policy sets out the roles of the Donations Committee, the Bank’s Management Board Bureau and the Management Board in the process, the due diligence requirements and the decision-making process. Each time a charitable donation is made, the Centre of Expertise – Compliance and the Donations Committee (made up of 5 representatives of the bank) are involved, as well as, depending on the amount, two members

of the bank’s management board or the bank management board. In 2023, ING Bank Śląski made charitable donations from its own funds totalling PLN 851,500.

The bank also made donations to the activities of the two corporate foundations:

- for the ING for Children Foundation in the amount of PLN 4.08 million,
- for the ING Polish Arts Foundation in the amount of PLN 1.44 million.

Objectives that the bank supported through donations, in selected areas of community investment in 2023:

- assistance to children and their families affected by the earthquake in Turkey and Syria – PLN 250,000,
- support and assistance to Ukraine – PLN 50,000,
- activities for children and young people, including holidays for children and young people – PLN 50,000,
- science, education and upbringing – especially in the area of financial- and climate education – the bank made 42 donations totalling PLN 235,500,
- health protection and prevention – the bank made 10 donations totalling PLN 266,000.

In total, ING Bank Śląski donated PLN 6.37 million to social- and charitable activities (the amount of charitable donations and donations to corporate foundations).

Among the activities supporting science, schooling, education and upbringing – particularly in the area of financial- and climate education – were donations to: The Exempt from Theory Foundation, the Warsaw Institute of Banking for the Bakcyl and Cybersecurity Programme, the



Analytical and Research Programme and the Bankers for Education Programme.

In the area of healthcare, donations were received by foundations that have carried out socially valuable activities for the improvement of health for many years, such as the Professor Zbigniew Religa Foundation of Cardiac Surgery Development in Zabrze and the Polish Foundation of Gastroenterology and the National Institute of Oncology. ING Bank Śląski continued to support regional- and local charities, including the Home Hospice for Children Foundation in Opole and the Wrocław Hospice for Children Foundation.

In 2023, the bank also made in-kind donations in the form of decommissioned IT equipment (in good working order) and office furniture (around 400 pieces), mostly to schools, kindergartens, care facilities and charitable organisations. The value of IT equipment donated to foundations, associations and care facilities amounted to PLN 184,000.

The bank donated 35 desktop computers, 319 monitors, 248 laptops and 12 printers. Donations in kind were made on the basis of the *Procedure for the Resale / Donation / Deprocessing of Fixed Assets at ING Bank Śląski S.A.*

Sponsoring

In 2023, ING Bank Śląski, continuing its strategy, engaged in activities targeting young people, in ESG-related activities (including social responsibility and cyber security), as well as in activities targeting entrepreneurs, owners and executives of medium- and large-sized companies. The area of sponsorship is governed by *ING Bank Śląski’s Sponsorship Policy*, while the area of partnerships is governed by the *Social Area Partnerships Policy*.

In 2023, ING Bank Śląski spent just under PLN 4 million on all sponsorships and partnerships.

Breakdown of sponsorship expenditure and partnership activities		
PLN thousand	2022	2023
Activities targeting entrepreneurs*	1,370	2,272
Activities targeting young people*	730	540
Activities related to social responsibility, ecology and environmental protection*	245	1,125
Total	2,345	3,937

**Including congresses, conferences, building and maintaining good business relationships*

European Economic Congress and EEC Trends

ING Bank Śląski as the bank for Entrepreneurs, has been supporting the European Economic Congress in Katowice and EEC Trends, the conference that constitutes the programme prologue of the European Economic Congress, for many years. This time in the role of EEC Trends Partner and Main Sponsor and the ECG Online Broadcast Main Sponsor.

The EEC Trends conference took place on 20 January 2023 in Warsaw. The agenda of the event included key issues for the Polish economy concerning phenomena that will change the economic and socio-economic reality in the near future.

The 15th edition of the Congress took place on 24-26 April 2023 at the International Congress Centre in Katowice. Experts from ING participated in discussions about trends and challenges in the global economy. Topics included the environmental- and climate impact of the economy, the green transformation of energy and industry, war in Europe, as well as the impact of pandemics and the raw materials crisis.

European Financial Congress

In 2023, ING Bank Śląski was one of the sponsors of the European Financial Congress (EFC). Discussions between representatives from the financial sector and market regulators covered the topics of war, geopolitical crisis,

technological advances, opportunities and challenges of artificial intelligence, inflation uncertainty and regulation. The congress provides a platform for the exchange of views on issues relevant to the banking sector. The outcome of the EFC is recommendations on Poland’s financial stability and economic development. Representatives of the Management Board and experts from ING Bank Śląski participated in panels during the Congress.

Open Eyes Economy Summit

ING Bank Śląski has supported the Open Eyes Economy Summit since its inception. The summit took place on 21 and 22 November 2023, at the ICE Congress Centre in Krakow and on a special streaming platform live.oees.pl. The hybrid form of this congress has become a permanent fixture among participants. During the eighth edition of the international congress on the economics of value, experts from different backgrounds, industries and companies, including ING, shared their knowledge and experience.

“Social energy” was the theme of this year’s event. Participants also discussed the economics of values and business, with values underpinning business actions and consumer choices, and social energy generators in business. ING, during the event in its zone, generated social energy in the form of a painting with artist, graduate of the Professional Artist programme, Jan Kowal.

Forbes Diamonds

In 2023, ING Bank Śląski became a Strategic Partner of the “Forbes Diamonds” ranking for the second time. Forbes Monthly Diamonds 2023 is an annual ranking in which the editors of Forbes Poland award the most dynamically developing Polish companies in the respective regions that have achieved the highest average annual growth in value. As many as 11,819 companies with a positive credit rating, high current liquidity and no overdue payments to their counterparties qualified for the 2023 anniversary edition of the ranking.



The ranking provides a starting point for a substantive discussion about the condition of Polish companies, the conditions in which they operate and the sources of their success. It also lays the perfect groundwork for meetings with local business leaders, which are organised every year as an aftermath of the publication of the ranking. Since March 2023, 12 regional galas have been held for the winners of the Forbes Monthly Diamonds 2023 ranking.

Silesian Science Festival

Once again, ING Bank Śląski has become a Partner of the 7th European Development Fund. Silesian Science Festival organised by Silesian universities. The 2023 edition of the festival, under the motto “Science will give us the future”, took place from 9-11 December 2023 at the International Congress Centre and Spodek in Katowice. 7. edition of the festival was as many as three days of inspiring meetings, during which, among other things, ING experts gave lectures and popular science workshops.

The main theme of the event was linked to the seventeen UN Sustainable Development Goals. Participants were able to see scientific demonstrations at more than 200 stands, as well as take part in a variety of events, workshops and lectures in Polish and English.

Our corporate foundations

GRI [3-3] [413-1]

SDGS 1, 4, 10

The ING for Children Foundation

The ING for Children Foundation is one of the oldest corporate foundations in Poland. It pursues its mission – Helping children to be one step ahead – in three areas: supporting development, nurturing health and levelling the

playing field. Each of these includes a number of original programmes (e.g. Bibliotherapy, Orange Power, Good Idea or My Environment) and those implemented in partnership with local- and national organisations (e.g. Exempt from Theory Olympics, ABC of Economics). The Foundation develops the ING Volunteer Programme, involving ING employees in various environmental- and educational projects for the benefit of local communities. It helps socially- and economically disadvantaged children, supports physical activity for children with disabilities, or helps children affected by the war in Ukraine.

In 2023, the Foundation carried out its activities in accordance with the ING for Children Foundation Strategy for 2023-2025, adopted and approved by the Management Board and the Council of the ING for Children Foundation. The Foundation, as a public benefit organisation, carries out its tasks in accordance with the Act on Public Benefit Activity and Volunteerism and within the scope set out in the Charter of the ING for Children Foundation. In 2023, funding for the Foundation’s activities came from:

- donation from the founder (ING Bank Śląski) in the amount of PLN 4.1 million (the funds were allocated to the Foundation’s current activities, including the implementation of programmes for children and young people),
- donations from subsidiaries (ING Lease Polska and ING Commercial Finance) totalling PLN 86 thousand (the funds were used to implement programmes for children and young people),
- donations from ING employees and clients and contributions to a charity fundraiser for earthquake victims in Turkey and Syria amounting to PLN 667.3 thousand (funds were donated to UNICEF Poland),
- from donations by ING employees and clients towards aid activities for Polish children in the amount of PLN 213.4 thousand (the funds were used to implement programmes for children and young people),

- proceeds from funds obtained from 1.5% of tax for public benefit organisations in the amount of PLN 93.6 thousand (funds to be transferred in 2024),
- Payroll programme (monthly donation from ING employees deducted from wages) of PLN 10.3 thousand (the funds were used for implementing programmes for children and young people),
- from the support of the local government authorities in Cieszyn – remuneration for the stay of children from Ukraine in our centre in the amount of PLN 544,000 (the funds were allocated to help and care for children from Zaporizhia, wards of the Foundation in the centre in Wisła).

The ING for Children Foundation’s total cash income for 2023 was PLN 5.8 million.

Aid to children from Ukraine

The ING for Children Foundation continued its aid activities for refugee children from Ukraine. All the time, a group of children from the orphanage in Zaporizhia remains under the care of the Foundation and the staff of the centre in Wisła.

In 2023, the children continued their education in educational establishments in Wisła. They had the support of a psychologist, legal assistance and medical assistance. ING volunteers also actively participated in organizing free time for children - 32 ING volunteers visited children at the Foundation's center in Wisła. Children celebrate holidays, birthdays and enjoyed summer holiday activities. In May, they took part in an art workshop with the ING Polish Arts Foundation. In December, they were invited to music classes at the National Polish Radio Symphony Orchestra in Katowice (NOSPR), which resulted in a joint concert with musicians from the NOSPR and the Royal Stockholm Philharmonic Orchestra Academy at the Wisła Municipal Public Library. The children are visited by ING volunteers



who provide them with sports activities, excursions and other outdoor activities.

The Foundation also continued to donate the Ukrainian edition of the book “Lucjan the Lion One of Its Kind”. In 2023, the book was given, among others, to children participating in a workshop at the ING Bank Śląski head office in Katowice.

The book “The Lucjan the Lion One of Its Kind”

In 2023, the ING for Children Foundation was a partner of the Intergenerational Children’s Literature Festival Fathers and Children [Międzypokoleniowy Festiwal Literatury Dziecięcej Ojce i Działki] in Katowice. For three days, children and their carers participated in numerous activities, workshops and meetings with authors. There was a fairy-tale therapy workshop based on the book and a meeting with the author Roksana Jędrzejewska-Wróbel. The culmination of the festival was a musical performance of “Przyjaciel, którego nie było” [The Friend Who Wasn’t There] staged at the headquarters of the National Polish Radio Symphony Orchestra in Katowice.

The book “Ty też możesz uratować świat. Ekoopowieści z Pietruszkowej Woli” [You too can save the world. Eco-tales from Pietruszkowa Wola]

In 2023, the ING for Children Foundation donated more than 3,500 hard copies of the book to public libraries and primary schools. In addition, through a competition for kindergartens in the Silesia Province and a nationwide competition for primary schools, it reached around 16,000 of those establishments with the book in the electronic form. Based on the book, the Foundation prepared a free multimedia scenario pack for teachers to conduct climate education for primary school grades 1-3.

Employee volunteering

ING Bank Śląski and the other ING Bank Śląski Group companies provide all employees with the opportunity to use 8 hours per year for volunteering, in

accordance with the ING Bank Śląski Work Regulations and the work regulations of the other Group companies. Every employee who takes advantage of that opportunity records their volunteering time in an internal system. Employees who volunteer for the ING for Children Foundation are covered by insurance.

Since 2006, the ING Group employees have participated in the Good Idea voluntary competition. In the first half of the year, projects were implemented as part of the 17th edition of the Good Idea competition, the results of which were decided in autumn 2022. As part of that edition, ING volunteers completed 40 projects, totalling PLN 192,8. The projects, which benefited local communities, schools and NGOs, involved 2.4 thousand children. Projects included sports, art, renovation and construction or educational projects. Half of these included elements of financial education. A total of 305 ING volunteers were involved in the implementation of the activities.

In June 2023, the “Good Idea” fund was announced for the first time. That change allowed ING volunteers to obtain financial- and content support more quickly and implement a community project with a beneficiary of their choice. The Foundation awarded funding to 57 ideas totalling PLN 295,200. Almost 3,700 children took part in the completed projects. 305 ING volunteers were involved.

In spring 2023, the grants as part of the second edition of the “My Environment” programme were awarded, where ING volunteers could win a grant for environmental activities with a community partner of their choice. Funding and content-related support was awarded to 48 projects, which were implemented across the country. Together with their beneficiaries, ING volunteers engaged the youngest children in landscaping or conducted environmental education activities. Projects totalling PLN 385,800 involved 452 volunteers who reached more than 3,000 children with their activities. The call for applications for the third edition of the My Environment

programme was announced in November 2023. The competition will be resolved in Q1 2024.

ING volunteers were also present at Orange Power events (sports events for children with disabilities), which were implemented in 10 locations in Poland. 54 ING volunteers helped organise sporting events, but above all accompanied children and young people in their sporting endeavours.

In 2023 ING volunteers were again involved in the “Pianissimo” concert series organised by the National Polish Radio Symphony Orchestra in Katowice. Those were sensory concerts with a unique idea – to enable people with high sensory sensitivity to participate in musical events. The “Pianissimo” concerts were supported by 18 ING volunteers.

In 2023 a total of 77 volunteers were involved in delivering events such as: Children’s Day at the head offices in Katowice and Warsaw, the Ojce i Działki Festival in Katowice, the ING Table Tennis Tournament and the ING Football Tournament.

[own indicator – 7]

Time spent on employee volunteering					
	2019	2020	2021	2022	2023
Number of hours used for volunteering by employees	7,283	1,072	1,099	5,867	8,360

In 2023, the ING for Children Foundation organised 9 volunteer trainings attended by 344 ING employees. Training courses covered financial education, environmental education and effective community project writing.

Orange Power

Orange Power is a programme that the Foundation implements thanks to the funds “run and marched” by ING employees in the Run Warsaw mass



run and the accompanying event I March – I Support. ING employees “ran” for PLN 64,000 in 2022, which in 2023 went towards sports activities for children with disabilities. This year’s edition brought together over a thousand children from 10 establishments in Poland around sporting events.

Oncology fundraisers for children

In 2023 the Foundation continued its children’s oncology fundraising programme among ING employees. Twenty-four fundraisers were published, raising PLN 46,200 among ING employees. The Foundation contributed PLN 10,000 to each fundraiser, bringing the grand total to PLN 286,200 in 2023.

The Children Rights’ Charter in Business

In September 2023, the ING Bank Śląski with ING for Children Foundation signed the Children Rights’ Charter in Business. It was an initiative of the Responsible Business Forum in cooperation with companies and social organisations.

Declaration of social organisations for the climate

ING for Children Foundation, as a member of the Polish Donors Forum, participated in the work on the [Declaration of Social Organisations for Climate](#), which it signed together with other Forum members in December 2023.

Other internal initiatives involving ING employees

This is the third time that ING employees have taken part in a memorial in honour of a deceased colleague. The funds from the campaign, amounting to PLN 10,000, were donated to the GAJUSZ Foundation in Łódź for a programme that supports therapy for children following oncological treatment.

As part of the Orange Backpack campaign, ING employees helped to complete 232 school starter kits for children in eight locations in Poland. A fundraiser was also launched to purchase additional school supplies.

In September and October 2023, another ING internal Action-Auction for Ukrainian children took place. Of the 60 auctions, PLN 7,300 was raised. The funds went to the GAJUSZ Foundation from Łódź, to support the treatment and rehabilitation of children from Ukraine.

At the end of November 2023, the Foundation, together with the bank, organised an internal Christmas campaign among ING employees – Letter to Santa Claus. The dreams of 294 children from 12 institutions and homes in Poland and 2 families from Ukraine came true. In addition, employees were able to donate money to the Foundation’s account for the purchase of additional Christmas gifts – the fundraiser amounted to PLN 3,700. The funds were used to purchase missing gifts for the children.

ING Polish Arts Foundation

The ING Polish Arts Foundation was established to support Polish male and female artists and to present the most current phenomena in art. The foundation builds a collection of contemporary art and carries out artistic and educational projects. At the same time, it carries out statutory activities related to the work of developing the collection and promoting the artists associated with it. 23 objects by three female and three male artists were added to the collection in the past year. The Foundation in 2023 implemented its projects in accordance with the action plan adopted and approved by the Management Board and the Foundation Council. The Foundation’s 2023 activities were funded by ING Bank Śląski and ING Hubs Poland, in line with ING Group’s global arts patronage programme, which plays an important role in creating the organisation’s culture.

Collection

The collection of the Foundation includes works created after 1990 by living Polish artists. The collection currently comprises almost 290 works – 90 paintings, 74 photographs, 42 works on paper, 51 objects (sculptures, ceramics, textiles, etc.), 13 videos and 16 installations. The collection includes works by 46 female- and 76 male artists. The collection of the Foundation remains one of the few corporate collections in Poland. In 2023, the collection included photographs by Anna Orłowska, a painting by Veronika Hapchenko, sculptures by Daniel Rycharski, an object (fabric) created as a result of a collaboration between Marta Niedbal and Paweł Olszczyński, and a video by Cezary Bodzianowski.

Galeria 1 Piętro [Gallery on the 1st Floor]

From May 2023, 120 works from the Foundation’s collection are presented permanently in the newly opened space of Galeria 1 Piętro in the Plac Unii building at 2 Puławska Street in Warsaw. The exhibition was located on the first floor of the shopping centre and became the first permanent presentation in the capital city of the most interesting phenomena in Polish art after the 1990s, with public access. It is also the only office and conference space of its kind for bank employees, with a permanent exhibition of contemporary art, meeting rooms and a café open to guests. The space features works by classics such as Jarosław Modzelewski and Zbigniew Libera, as well as those by artists of the young and the youngest generations – Karolina Jabłońska, Cezary Poniatowski and Agata Ingarden – while video works from the collection are presented at the entrance on a several-metre-high screen, accessible to all visitors to the building.

The new space, designed by the MIXD studio and based on works from the Foundation’s collection, has already won accolades and awards, including the first place in the Office category at the Art in Architecture Festival, as



well as numerous press articles (“AD Architectural Digest”, “Vogue” and others).

Other works from the collection are located in the founders’ office spaces, in Warsaw and Katowice, as well as the offices of ING Lease, ING Commercial Finance and the ING Hubs Poland.

The Foundation also shows its collection online. Images of works from the collection are made available on the Foundation’s website under a Creative Commons 3.0 (Attribution, Non-commercial Use, No Derivative Works) licence, allowing them to be downloaded in high resolution.

Exhibitions and events

In 2023, the Foundation continued its activities in the one-work gallery Podgląd [Preview], launched last year and located in the shop window of the bank’s headquarters at Puławska 2 in Warsaw. Thanks to its location, access to the work presented is available to all passers-by, 24 hours a day. In 2023, the gallery had 5 editions, during which works from the Foundation’s collection were presented, as well as the “Jabłko, gruszka, kolumna i klepsydra” [Apple, pear, column and hourglass] project specially realised for the Podgląd space by Martyna Kielesińska and curator Maja Demska.

To coincide with the opening of Galeria 1 Piętro, the Foundation also initiated a series of meetings open to the public around the Foundation’s activities, including those in support of artists.

As part of the programme of sharing and loaning works from the Foundation’s collection, works have been exhibited at the following exhibitions and events: Göteborgs Konsthall, Suno Menge Dzas/I have a Dream; PGS Sopot, Granice sztuki. 30 Years of the POLITYKA Passports; Museum of Literature, Żelazny kapitał ducha; Nowy złoty, Ceremoniał; Forum för levande historia Stockholm, Małgorzata Mirga-Tas; Brücke-

Museum, Małgorzata Mirga-Tas; Częstochowa City Art Gallery, Sacrum Art Triennale Ja-Ty/Ja-Ono; Künstlerhaus Wien, SYSTEMRELEVANT; Galeria -1, Mamy prawo!

Publications

In 2023, the Foundation released the publication “Zbieram nową sztukę” [I collect new art]. Based on interviews with 10 Polish collectors, that lavishly illustrated publication introduces that little-known community, along with its motivations and collecting strategies, from philanthropy to investment. The key of the selection of interviewees and interviewees and the almost 100 reproductions of works in their collections makes it possible to reconstruct the art history of the last 20 years. The book is aimed at people who would like to find out what and how others collect, learn about their stories and collections. It also aims to show that collecting does not have to be exclusive and that interacting with artists and artists is a privilege and a pleasure, and to encourage people to get involved in shaping the art scene.

Artysta-Zawodowiec [Artist – Professional]

The Artist-Professional project, aimed at students and budding artists, was held for the seventh time in 2023. The aim of the project is to prepare for the difficult moment of graduation and the professionalisation of artistic activity, to level the playing field and support in professional development. During the classes, you can learn about tools and practices helpful in functioning in the artist’s profession. Lectures, workshops and portfolio consultations are given by curators, artists and activists, exhibition producers and art market specialists, among others. They tell, among other things, how to properly present yourself to curators and gallery owners, how and where to organize the first exhibitions, where to insure and how to take care of your rights. The 2023 edition included 8 lectures in Polish and 250 portfolio consultations. All lectures were interpreted into Polish Sign Language (PJM) and were recorded with translation. The recordings from that edition, as from previous editions, along with additional supplementary

material, go into the Knowledge Base on the Foundation’s website (ingart.pl).

In 2020, the Artist-Professional project, due to constraints caused by the pandemic, moved online and continued in that form in 2022 and 2023.

Educational offer for bank employees

Traditionally, the Foundation started the year with a series of online meetings with ING employees. The third edition of the “Lunch Course on Art” looked at the value of ESG. During eight meetings, Foundation staff and invited lecturers presented how artists and the art world respond to issues that engage public attention. Works from the Foundation’s collection were used as a pretext for a broader discussion on the significant challenges of the contemporary world.

To coincide with the opening of Galeria 1 Piętro, the Foundation prepared special guided tours and meetings around works from the collection presented in the new spaces. As every year, there were also joint walks and exhibition visits as part of Warsaw Gallery Weekend 2023. In addition, the Foundation communicates its activities to the bank’s employees via a newsletter and the “Lew salonowy” channel on the intranet.



ING for employees (S)

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We are aware of the important role employees play in our day-to-day operations. That is why we want to create a friendly workplace and conditions for development. We support diversity and inclusion. We care about the health and wellbeing of employees.

HR management

GRI [3-3]

SDG 8

Strategy, policies, procedures

For our business strategy to succeed, we are creating an organisation that reflects the diversity of the clients and communities we serve. We believe that a diverse, inclusive and open culture makes people want to join and stay at ING. This is helped by a working environment where people feel safe and can speak up.

The way we work reflects our organisational structure which is flexible. Working in a bank is based on team effort – nobody works alone.

The principles for the organisation of our work are set out in the *Organisational Regulations of ING Bank Śląski*. It contains an organisational chart, as well as the basic rules that guide us when organizing mutual cooperation. We create space for all employees to be independent and responsible.

We focus on building the skills and commitment of our employees in such a way that they can achieve the goals and strategy of our organisation, while developing and caring for their overall well-being. We strive to provide the best working conditions. We support employees in leading a healthy lifestyle and encourage them to take care of their health at work and outside.

Our remuneration policy is based on equal treatment of all employees. An important element of this policy is the area of diversity, inclusion and belonging (DIB) and related gender equality. As a fair employer, we structurally address the pay gap, including exposing the gender pay gap.

The most important internal documents regarding the shaping of working conditions and remuneration in the ING Bank Śląski S.A. Group include:

- Remuneration Policy at the ING Bank Śląski S.A. Group,

- Regulations of Remuneration of Employees of ING Bank Śląski S.A.,
- Employee Evaluation regulations of ING Bank Śląski S.A. (Step up),
- Work Regulations of ING Bank Śląski S.A.,
- Procedure for the Organisation of Internships and Placements in the ING Bank Śląski S.A. Group,
- Regulations of the Employee Referral Scheme at ING Bank Śląski S.A.

Other regulations concern areas related to employee fringe benefits in the form of a cafeteria programme and assistance benefits as part of the operation of the Company Social Benefits Fund, as well as the granting of benefits in connection with disability.

Our employees in numbers

GRI [2-7] [2-8]

Every day, the ING Bank Śląski brand is created by over eight thousand people. We employ not only financiers. In our modern organisational structure, there is room for various professions and for employees with various interests and passions that contribute to increasing efficiency, increasing commitment to work, striving for development and innovation. 63% of our bank employees are women.

On 31 December 2023, the ING Bank Śląski S.A. Group employed 8,379 people. Compared to December of the previous year, the number of employees decreased by 16 (i.e. 0.19%). As at 2023 yearend, ING Bank Śląski employed 7,906 people, 19 fewer than in December 2022.



Number of employees (persons)

	2019	2020	2021	2022	2023
Head Office in Katowice	3,022	3,397	3,750	3,612	3,660
Head Office in Warsaw	744	825	882	994	1228
Branches	3,776	3,750	3,547	3,319	3,018
Total Bank	7,542	7,972	8,179	7,925	7,906
ING Lease (Polska) Sp. z o.o.	229	248	246	237	240
ING Commercial Finance Polska S.A.	112	114	116	114	113
ING Bank Hipoteczny S.A.	39	36	38	36	36
Solver Sp. z o.o.	2	2	-	-	-
ING Usługi dla Biznesu Sp. z o.o.	57	51	43	37	36
Nowe Usługi S.A.	3	3	3	3	3
SAIO Spółka Akcyjna	-	-	-	11	14
Paymento Financial S.A.	-	-	-	-	31
Total subsidiaries	442	454	446	438	473
ING Bank Śląski S.A. Group	7,984	8,426	8,625	8,363	8,379

The data for 2019-2022 has been adjusted by excluding individuals working with ING through an employment agency under a temporary employment contract – these individuals are now reported as Temporary Employees under other individuals working for the organisation at the end of the period.

Number of other persons working for the organisation at the end of the period*

Form of employment	Description	2021	2022	2023
B2B	The sole proprietorship, in agreement with the employer, determines the wages for the work performed and the place and time of work. Formula used to fill in missing competences in the organisation or to recruit colleagues for specialised periodic tasks.	150	178	216
Body Leasing	By this form we mean the conclusion of a contract between the commissioning party and the service provider. The contract does not concern the provision of employees, but the provision of services by a third party. Used to source competences not available within the organisation.	69	139	109
IT service/software providers	Collaboration under a contract with an IT service/software provider consists of entrusting the provider, on a contractual basis, with the performance of non-executable activities on the organisation's side relating to hardware, software and data processing, as well as the development of applications and the provision of business support for IT processes.	82	145	222
Outsourcing	Collaboration under contract with the company providing the service. The organisation pays the invoice for the service without entering into an employment relationship with the people employed by the company that provides the service. In addition, the outsourcing company's processes cannot be implemented on the organisation's side.	699	886	924
Temporary work**	It consists of performing tasks of a periodic nature for a single user-employer for a maximum of 18 months within a consecutive 36-month period. This form is used to fill staffing gaps for tasks that do not require specialised knowledge. It allows reacting dynamically to changes in processes with the fact that it responds to the need for timely employment related in particular to seasonal actions, variability of labour demand.	69	44	56
TOTAL		1,069	1,392	1,527

*These individuals are not included in the number of our employees; **Temporary work – employees employed by a temporary employment agency under a contract of mandate and a contract of employment.



Number of employees by gender and region as at 2023 yearend

	FTE			Part-time post	Employed on non-guaranteed hours*	Employed on a contract basis
	Indefinite period of time	Definite period of time defined	Total			
Dolnośląskie	217	8	225	2		3
Female	163	8	171	2		2
Male	54		54			1
Kujawsko-pomorskie	97	4	101	1		5
Female	68	3	71	1		2
Male	29	1	30			3
Lubelskie	46	1	47			5
Female	31	1	32			2
Male	15		15			3
Lubuskie	30	7	37	1		
Female	24	5	29			
Male	6	2	8			
Łódzkie	154	8	162			4
Female	108	6	114			2
Male	46	2	48			2
Małopolskie	291	7	298	4		7
Female	223	5	228	3		6
Male	68	2	70	1		1
Mazowieckie	1,635	100	1,735	23	4	122
Female	907	46	953	13	2	61
Male	728	54	782	10	2	61
Opolskie	153	5	158	2		2
Female	124	5	129	2		2
Male	29		29			
Podkarpackie	88	3	91	1		1

Female	65	3	68	1		1
Male	23		23			
Podlaskie	48	1	49			2
Female	35	1	36			1
Male	13		13			1
Pomorskie	124	3	127			4
Female	91	3	94			2
Male	33		33			2
Śląskie	4,690	106	4,796	97	10	214
Female	2,888	65	2,953	56	1	128
Male	1,802	41	1,843	41	9	86
Świętokrzyskie	83	1	84			3
Female	69	1	70			2
Male	14		14			1
Warmińsko-mazurskie	26	2	28			2
Female	17		17			1
Male	9	2	11			1
Wielkopolskie	206	7	213	2		4
Female	152	5	157	2		3
Male	54	2	56			1
Zachodniopomorskie	92	3	95			2
Female	68	3	71			
Male	24		24			2
Poland in total	7,980	266	8,246	133	14	380
Female	5,033	160	5,193	81	3	215
Male	2,947	106	3,053	52	11	165

*Non-guaranteed hourly workers – people on a contract for work were given in this group. Due to the nature of the contract, all persons in the accounting period were included.



Number of employees broken down by gender and type of employment contract

	2019	2020	2021	2022	2023
Female	5,371	5,543	5,568	5,354	5,274
FTE	5,262	5,445	5,468	5,275	5,193
Part time	109	98	100	79	81
Male	2,613	2,883	3,057	3,009	3,105
FTE	2,558	2,827	3,007	2,965	3,053
Part time	55	56	50	44	52
Total	7,984	8,426	8,625	8,363	8,379
FTE	7,820	8,272	8,475	8,240	8,246
Part time	164	154	150	123	133

The data for 2019-2022 has been adjusted by excluding individuals working with ING through an employment agency under a temporary employment contract – these individuals are now reported as Temporary Employees under other individuals working for the organisation at the end of the period.

Number of employees by region and type of employment contract

	2019	2020	2021	2022	2023
Dolnośląskie	248	248	249	238	227
Unspecified	241	231	227	226	219
Temporary	7	17	22	12	8
Kujawsko-pomorskie	119	113	116	108	102
Unspecified	112	106	108	101	98
Temporary	7	7	8	7	4
Lubelskie	59	58	57	52	47
Unspecified	57	56	55	50	46
Temporary	2	2	2	2	1
Lubuskie	36	36	37	36	38
Unspecified	31	34	34	35	31
Temporary	5	2	3	1	7
Łódzkie	189	183	181	170	162
Unspecified	180	173	173	166	154
Temporary	9	10	8	4	8
Małopolskie	357	356	330	319	302
Unspecified	337	336	315	306	294
Temporary	20	20	15	13	8
Mazowieckie	1,500	1,570	1,596	1,668	1,758
Unspecified	1,410	1,451	1,495	1,532	1,656
Temporary	90	119	101	136	102
Opolskie	200	199	183	172	160
Unspecified	188	193	182	170	155
Temporary	12	6	1	2	5

Podkarpackie	100	99	96	93	92
Unspecified	94	92	88	85	89
Temporary	6	7	8	8	3
Podlaskie	51	48	49	50	49
Unspecified	51	48	49	49	48
Temporary	0	0	0	1	1
Pomorskie	147	146	138	135	127
Unspecified	136	134	127	129	124
Temporary	11	12	11	6	3
Śląskie	4,480	4,870	5,115	4,873	4,893
Unspecified	4,294	4,475	4,648	4,687	4,783
Temporary	186	395	467	186	110
Świętokrzyskie	95	102	93	88	84
Unspecified	92	101	91	85	83
Temporary	3	1	2	3	1
Warmińsko-mazurskie	34	34	32	28	28
Unspecified	33	31	31	26	26
Temporary	1	3	1	2	2
Wielkopolskie	262	259	245	227	215
Unspecified	244	242	235	216	208
Temporary	18	17	10	11	7
Zachodniopomorskie	107	105	108	106	95
Unspecified	101	100	99	100	92
Temporary	6	5	9	6	3

The data for 2029-2022 has been adjusted by excluding individuals working with ING through an employment agency under a temporary employment contract – these individuals are now reported as Temporary Employees under other individuals working for the organisation at the end of the period.



Employment structure

GRI [405-1]

Number of employees by employment level and age group and gender															
	2019			2020			2021			2022			2023		
	Females	Males	Total	Females	Males	Total	Females	Males	Total	Females	Males	Total	Females	Males	Total
Senior management	54	125	179	59	124	183	62	130	192	65	138	203	64	144	208
30-50 years	37	85	122	38	82	120	35	85	120	34	91	125	32	89	121
Over 50 years	17	40	57	21	42	63	27	45	72	31	47	78	32	55	87
Management	322	235	557	285	230	515	291	245	536	293	247	540	298	255	553
Below 30 years		1	1		3	3	2	7	9	1	6	7	3	4	7
30-50 years	267	195	462	226	185	411	220	191	411	214	185	399	203	188	391
Over 50 years	55	39	94	59	42	101	69	47	116	78	56	134	92	63	155
Other employees	4,995	2,253	7,248	5,199	2,529	7,728	5,215	2,682	7,897	4,996	2,624	7,620	4,912	2,706	7,618
Below 30 years	597	416	1,013	687	531	1,218	748	574	1,322	614	480	1,094	569	470	1,039
30-50 years	3,652	1,553	5,205	3,697	1,679	5,376	3,631	1,744	5,375	3,470	1,763	5,233	3,364	1,808	5,172
Over 50 years	746	284	1,030	815	319	1,134	836	364	1,200	912	381	1,293	979	428	1,407
Total	5,371	2,613	7,984	5,543	2,883	8,426	5,568	3,057	8,625	5,354	3,009	8,363	5,274	3,105	8,379
Below 30 years	597	417	1,014	687	534	1,221	750	581	1,331	615	486	1,101	572	474	1,046
30-50 years	3,956	1,833	5,789	3,961	1,946	5,907	3,886	2,020	5,906	3,718	2,039	5,757	3,599	2,085	5,684
Over 50 years	818	363	1,181	895	403	1298	932	456	1,388	1,021	484	1,505	1,103	546	1,649

The data for 2019-2022 has been adjusted by excluding individuals working with ING through an employment agency under a temporary employment contract – these individuals are now reported as Temporary Employees under other individuals working for the organisation at the end of the period. In order to standardise reporting, the categorisation has been changed. The Bank Management Board is included in Senior Management.



GRI [405-2]

Employee category	Number of women	Number of men	Ratio of total pay for women to men
2023			
Senior management	60	139	93%
Management	298	255	96%
Other employees	5,077	2,763	95%
Total	5,435	3,157	95%
2022			
Senior management	61	135	94%
Management	291	246	95%
Other employees	5,205	2,687	96%
Total	5,557	3,068	96%
2021			
Senior management	62	127	93%
Management	299	254	94%
Other employees	5,422	2,719	99%
Total	5,783	3,100	99%
2020			
Senior management	59	121	92%
Management	298	245	96%
Other employees	5,380	2,583	98%
Total	5,737	2,949	98%

GRI [401-1]

Percentage of new hires and turnover rate					
	2019	2020	2021	2022	2023
Breakdown of new hires during the reporting period by age group					
Below 30 years	51.0%	51.8%	56.4%	40.5%	47.8%
30 to 50 years	46.7%	45.9%	40.5%	55.8%	47.8%
Over 50 years	2.3%	2.3%	3.1%	3.6%	4.6%
Breakdown of new hires during the reporting period by gender					
Females	48.3%	48.0%	46.4%	50.7%	45.1%
Males	51.7%	52.0%	53.6%	49.3%	54.8%
Employee turnover					
Voluntary	4.5%	3.6%	5.5%	6.3%	4.5%
Involuntary	2.7%	3.4%	3.4%	4.9%	3.7%
Employees who left by age category					
Below 30 years	22.1%	20.6%	26.5%	31.6%	28.9%
30 to 50 years	60.2%	59.4%	57.3%	59.0%	55.7%
Over 50 years	17.7%	20.0%	16.2%	9.4%	15.4%
Employees who left by gender					
Females	67.2%	64.9%	62.5%	54.7%	55.8%
Males	32.8%	35.1%	37.5%	45.3%	44.2%
Percentage* of newly employed persons – breakdown by gender					
	2019	2020	2021	2022	2023
Females	4.4%	6.8%	7.3%	5.4%	4.3%
Males	9.8%	14.9%	15.2%	10.1%	9.1%
Total	6.2%	9.5%	10.1%	7.1%	6.0%

*The numerator is the number of newly employed people of a given age, and the denominator is the sum of all employees of a given age, not just newly hired people.

Percentage* of newly employed persons– breakdown by age					
	2019	2020	2021	2022	2023
Below 30 years	24.9%	36.7%	37.5%	22.1%	21.9%
30 to 50 years	4.0%	6.1%	5.8%	5.6%	4.2%
Over 50 years	1.1%	1.5%	2.0%	1.2%	1.4%

*The numerator is the number of newly employed people of a given age, and the denominator is the sum of all employees of a given age, not just newly hired people.

Percentage* of newly employed persons – breakdown by location					
	2019	2020	2021	2022	2023
Dolnośląskie	3.2%	4.5%	8.1%	4.5%	2.6%
Kujawsko-pomorskie	4.1%	6.1%	5.2%	5.4%	3.8%
Lubelskie	3.6%	0.0%	1.8%	1.9%	2.1%
Lubuskie	16.8%	0.0%	11.1%	5.5%	13.3%
Łódzkie	3.2%	5.8%	1.6%	2.3%	3.6%
Małopolskie	2.7%	1.9%	2.6%	3.1%	2.6%
Mazowieckie	9.6%	12.5%	12.8%	15.6%	14.1%
Opolskie	3.9%	3.0%	1.0%	1.7%	3.0%
Podkarpackie	2.0%	3.0%	7.2%	5.3%	1.1%
Podlaskie	1.9%	3.9%	4.0%	2.0%	4.0%
Pomorskie	5.4%	5.9%	4.8%	5.8%	5.2%
Śląskie	6.0%	10.9%	11.5%	5.7%	4.2%
Świętokrzyskie	3.1%	3.0%	1.1%	1.1%	0.0%
Warmińsko-mazurskie	5.9%	6.0%	6.0%	3.3%	7.1%
Wielkopolskie	4.2%	3.5%	3.2%	1.7%	4.1%
Zachodniopomorskie	10.3%	9.6%	6.7%	1.9%	1.9%

*The numerator is the number of newly employed in a given voivodeship, and the denominator is the sum of all working employees in a given voivodeship, not just newly employed.



Redundancies – breakdown by gender

	2019	2020	2021	2022	2023
Women – voluntary redundancy	4.4%	3.2%	4.4%	5.1%	4.0%
Women – involuntary redundancy	2.8%	3.6%	3.9%	5.5%	4.2%
Men – voluntary redundancy	2.3%	2.1%	4.2%	4.7%	5.4%
Men – involuntary redundancy	1.3%	1.5%	1.3%	2.2%	2.7%
Total – voluntary redundancy	4.5%	3.6%	5.5%	6.3%	4.5%
Total – involuntary redundancy	2.7%	3.4%	3.4%	4.9%	3.7%

**The numerator is the sum of dismissed employees of a given gender, and the denominator is the sum of all working employees of a given gender, not only those dismissed.*

Redundancies – breakdown by age

		2019	2020	2021	2022	2023
>30 years	voluntary redundancy	9.4%	7.5%	12.5%	13.1%	10.1%
	involuntary redundancy	3.7%	2.9%	3.0%	14.4%	5.3%
30-50 years	voluntary redundancy	3.6%	2.8%	4.6%	5.7%	3.6%
	involuntary redundancy	2.4%	3.1%	2.8%	3.0%	3.2%
<50 years	voluntary redundancy	4.9%	3.5%	2.7%	3.7%	3.8%
	involuntary redundancy	3.6%	5.3%	6.3%	5.4%	4.1%

**The numerator is the sum of those dismissed at a given age, and the denominator is the sum of all working employees of a given age, not just those dismissed.*

Redundancies – breakdown by location

	Voluntary redundancies					Involuntary redundancies				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Dolnośląskie	6%	6%	7%	9%	6%	2%	4%	2%	4%	4%
Kujawsko-pomorskie	4%	3%	2%	7%	5%	7%	4%	3%	8%	6%
Lubelskie	2%	0%	0%	4%	4%	7%	5%	5%	6%	8%
Lubuskie	11%	3%	8%	8%	13%	6%	3%	6%	0%	3%
Łódzkie	3%	4%	2%	3%	3%	4%	10%	4%	6%	6%
Małopolskie	4%	2%	7%	6%	5%	3%	6%	7%	2%	5%
Mazowieckie	7%	5%	9%	10%	7%	3%	3%	3%	3%	3%
Opolskie	6%	4%	2%	3%	4%	2%	3%	7%	7%	4%
Podkarpackie	3%	0%	4%	3%	3%	5%	9%	6%	4%	4%
Podlaskie	4%	2%	0%	0%	2%	4%	6%	0%	0%	2%
Pomorskie	5%	9%	7%	7%	4%	3%	4%	5%	4%	8%
Śląskie	3%	3%	5%	6%	3%	3%	3%	3%	6%	3%
Świętokrzyskie	5%	2%	0%	2%	4%	2%	1%	14%	6%	4%
Warmińsko-mazurskie	9%	9%	6%	10%	4%	0%	6%	6%	7%	4%
Wielkopolskie	5%	4%	4%	3%	4%	1%	4%	6%	5%	13%
Zachodniopomorskie	9%	7%	2%	6%	4%	2%	8%	3%	1%	0%

**W liczniku jest suma zwolnionych w danym województwie, a w mianowniku jest suma wszystkich pracujących pracowników w danym województwie, a nie tylko zwolnionych.*

Relations with the social partners

GRI [2-30]

At the bank, we work closely with social partners in the form of the Employee Council and trade unions. We cooperate with the Council within the scope of the Employee Information and Consultation Act, which includes periodic meetings and ongoing consultation on organisational changes that are being implemented. Cooperation with the company trade union

organisation implies ongoing agreements and consultations within the scope of the Trade Union Act. Together with the trade union organisation, we have decided not to conclude a collective agreement, while it is a standard of our relationship to agree annually on the principles of the increase shares to be launched and the package of additional benefits for employees leaving the bank as a result of restructuring processes (cash severance).

Percentage of employees who are members of a trade union organisation active in the bank

	2019	2020	2021	2022	2023
Percentage of employees who are members of a trade union organisation active in the bank	6.0%	5.6%	5.4%	5.5%	6.0%

The costs related to the activities of trade unions in 2023 amounted to PLN 500.6 thousand and in 2022 to PLN 467.2 thousand.

Recruiting new employees

Recruitment and selection of new employees is a standardised and continuously monitored process at the bank. The main principles and rules of the recruitment and selection process are set out in the updated Recruitment and Selection Manual at ING Bank Śląski S.A. published at the beginning of 2023.

Cyclical improvements to the process aim to adapt efficiently and quickly to changing labour market trends, business needs and applicant needs.

The recruitment process usually follows the following steps, the number of which may vary depending on the type of position sought:





The candidate selection process is carried out with due care and attention to the quality of selecting the best employees. For additional verification of candidates' competences, we have the option of using competence tests or conducting Assessment Centre sessions.

At the final stage of recruitment, before a binding job offer is made, each candidate is subject to an Employment Screening process, in which the recruiter verifies potential risks and conflicts of interest relating to the vetted candidate's employment with the bank. Through these measures, we maximise the chances of hiring the best and the right fit for our organisation.

The diversity of candidate sourcing sources used (the ING Careers website, external advertising services, the Employee Referral Programme, direct search, recruitment marketing, cooperation with Careers Offices and academia, cooperation with recruitment agencies/executive search), allows us to effectively fill sought-after positions while maintaining an optimal recruitment time ratio for the candidate and our organisation.

Candidate Experience

At every stage of the recruitment process, we pay attention to and care about our candidates' positive impressions, the Candidate Experience. In the past year, we implemented a survey to measure the satisfaction of candidates applying to the bank and its subsidiaries. Based on the results so far, we can confidently state that candidates positively evaluate the speed and ease of application, the qualitative content of the advertisements, the pleasant, substantive and professional atmosphere of the recruitment interviews and the maintenance of constant contact throughout the process.

At the same time, we have taken steps to build knowledge and consolidate good practice in the recruitment process and Candidate Experience among Hiring Managers. To this end, we periodically organise workshops where the

managers of the bank and its subsidiaries can learn more about the subject and the essence of the Candidate Experience, with particular attention paid to the importance of giving candidates full feedback.

We also provided e-learning training on the recruitment and hiring process at ING, and provided tools to help guide the process in an efficient and quality way, such as: message templates to candidates with the possibility to edit and personalise, a benefit flyer "Benefit Bingo", a message in response to a recruitment request with links to useful recruitment tips.

Inclusiveness in the recruitment process

The recommended recruitment method in our bank and in our subsidiaries is the global recruitment standard Hiring 1-2-3. The standard aims to ensure that the recruitment process is based on specific competences and their measurable assessment. We support a fair and objective approach to the recruitment and selection process based on evidence and without the interference of our unconscious beliefs.

Internal recruitment process

A special category of ongoing recruitment is internal processes that enable our employees to develop professionally within the organisation's structures. In the past year, we have developed a new standard for internal recruitment processes, with a strong focus on building a positive experience for our employees. The standard involves providing full feedback after each stage of recruitment, additional interviews exploring the motivation and direction of the expected change in employees and an information guide on internal recruitment for Candidates and Managers. The process establishes and reinforces communication about internal opportunities to support development, such as career counselling, internal job fairs and development internships.

In Q4 2023, the first edition of the newsletter created for Employees "Development MailING" was published. In the newsletter, we promote the

bank's open internal job offers, developmental internships and the opportunity to use tools to support employees' professional development. Each month, employees also receive practical guidance on recruitment and development topics such as:

- advice on how to participate in internal recruitment processes – creating a CV, preparing for an interview in an internal recruitment process, difficult recruitment questions, managing stress during an interview, etc.,
- interviews with employees whose development history at the bank can inspire others,
- advice on improving specific competences, e.g. language skills.

The newsletter goes out to more than 2,500 employees of the bank and its subsidiaries who have expressed a wish to receive monthly development content.

Employees as ambassadors for their workplace

We involve our employees in many ways in building and promoting our employer brand. In addition to the Employee Referral Programme, our employees also get involved in industry events, job fairs and career days at universities, sharing their knowledge and experience. They are an important and authentic voice, the basis of our communication. They are featured in videos showing their work together, speak in articles and interviews about their careers at ING, and are actively involved in academic activities by giving webinars and content lectures, and share their stories in podcasts. It is thanks to their involvement that we show how things work at ING and tell others about it. We have written more about working at the bank through the eyes of our employees and also interns on [our website](#).



Parents at work

GRI [401-3]

SDG 5

Parents are entitled to different types of leave, depending on their situation:

- maternity leave,
- parental leave,
- paternity leave,
- childcare leave.

Maternity leave is compulsory leave to which every employee who has given birth is entitled, regardless of the type of employment contract under which she is employed. The length of maternity leave depends on the number of children born at one birth and ranges from 20 to 37 weeks. The period of maternity leave is entitled to a maternity allowance of 100% of the allowance base.

Employees-parents of a child are entitled to parental leave to care for the child, in principle of 41 or 43 weeks. Parental leave can be taken by both parents of a child. The total amount of parental leave may not exceed the overall entitlement. Each parent of a child has an exclusive right to 9 weeks of parental leave out of the above leave entitlement. This right cannot be transferred to the child's other parent. An allowance of 70% of the benefit base is payable for the entire period of parental leave.

In addition, the employee-father is entitled to paternity leave of up to two weeks, but no longer than until the child is 12 months old.

In addition, according to the Labour Regulations, any employee who has a child with a disability is entitled to an additional 5 days of leave.

Parents can also benefit from:

- 2 days off per year to care for a child under 18,
- child sickness allowance – up to 60 days per year if the child is up to 14 years old and 14 days per year for an older child,
- care allowance in connection with the care of a healthy child up to the age of 8 – in the event of the nanny's illness or the sudden closure of a day nursery or kindergarten.

We attach great importance to protecting the sustainability of employment upon return from parental leave and the inclusion of employees returning after a long absence. We provide employees who have become parents with full information on their entitlements and privileges and pay a childbirth benefit. Men working in our bank take advantage of a two-week paid paternity leave. They have this option until the end of their second year of life.

Employee maintenance index after parental leave (percentage of people entitled to parental leave who returned and remained employed by min. 12 months after returning) *

	2022	2023
Female	99.0%	99.3%
Male	98.8%	99.2%
Total	99.0%	99.3%

**Excluding persons whose temporary employment contract has ended.*

On 1 July 2021, we implemented new benefits that support childcare workers and modified one existing benefit:

- additional maternity leave – any mother raising a child up to 2 years of age can take 10 additional days of maternity leave with pay;

- additional paternity leave – any dad raising a child up to 2 years of age can take 5 additional days of paternity leave with pay. The condition is that the basic paternity leave is taken in advance;
- childcare – parents raising children up to the age of 18 may use 2 days of childcare (previously, the entitlement was for children up to the age of 14), regardless of whether the other parent used this opportunity.

Since the current year, we have been reporting the indicator on parental leave in a complete way, taking into account the GRI Standards guidelines for retention of employee departures after parental leave, hence the lack of presentation of indicators on a historical basis. Previously, we reported on the retention rate of employees upon return from parental leave, excluding those whose term contract has ended and those dismissed on their own initiative.

Data on employees eligible for parental leave in 2023

	Females	Males	Total
Employees entitled to parental leave*	1450	835	2285
Employees who have taken parental leave	512	193	705
Employees who have returned to work after parental leave**	458	187	645
Employees who have returned to work after parental leave and remained in employment for a min. 12 months***	2701	909	3610
Percentage of employees who returned to work after parental leave**	89.6%****	97.4%****	91.7%****
Percentage of employees who returned to work after parental leave and remained in employment for a min. 12 months***	99.3%****	99.2%****	99.3%****



Employees with children, until the child turns 6 years old in 2023 or 18 years old in the case of a disabled child; **of employees who took parental leave between 31 December 2022 and 31 December 2023; *of employees who took parental leave until the end of 2022. ****including employees who submitted their own notice of termination.*

Our flexible working arrangements

GRI [3-3]

At ING, we are changing our working model so that we secure the needs of our clients on the one hand and look after the wellbeing of our employees on the other.

We live in a world where technology is changing the world at a rapid pace. This requires a change in dialogue with clients, but also an internal adaptation of working models and the creation of new products or services. As ING, we are changing all the time. We are evolutionarily adjusting the way we operate to the changing world. We are looking for solutions that are consistent with our organisational culture.

We believe that the best solutions are created in teams, which is why working at our bank is all about teamwork. It is the tasks that determine the way we work, not the other way around. We call this model of working the Way of Working – it accommodates departments as well as expert teams or squads. We focus on close cooperation with clients, flexibility, commitment and efficiency. To achieve this, we use specific teamwork principles: working in short cycles, decomposing strategies into shorter periods, prioritising tasks, regularly presenting achievements and incorporating feedback, retrospectives and continuous improvement of work.

In Way of Working:

- we work around common goals,
- together with the team we are looking for the best solutions,

- we have the ability to co-decide with leads,
- we carry out tasks according to priorities and in relation to strategic goals,
- teams have autonomy in the way they improve their work,
- we work cross-sectionally with people with different competences,
- we communicate directly and often receive feedback,
- we demonstrate the effects of solutions with clients and stakeholders,
- we adjust the plan to the changing reality.

Development and training programs

GRI [3-3] [404-2]

SDG 4

At ING, we are creating an adaptive learning organisation, giving employees the opportunity to develop key capabilities and skills that both help deliver strategic objectives and provide personal satisfaction. To support the implementation of the bank’s strategy and unleash the full potential of our employees, we provide the right environment in which our employees can develop and create the best version of themselves. Our strategy of self-management of their development encourages employees to develop skills in a continuous and integrated way that is appropriate to emerging changes and allows us to respond adequately to needs. We want our employees to develop curiosity and be advocates for learning, sharing knowledge and teaching others in their current and future roles (#doyourthing). This is why we have moved away from a “teaching culture”, to a “learning culture”, in which:

- we are lifelong learners,

- the learning initiative is bottom-up (employees know what they want and need to learn),
- we create a diverse learning environment,
- we support team and community learning,
- learning is geared towards problem solving and critical thinking,
- in learning, we focus on outcomes and concrete results.

We have democratised learning by making it universal. Anyone can create content and actively share with others. Together with the business academies, we make our offer relevant and linked to the business strategy. Our aim is an employee experience that is as enjoyable, fast and personal as the client experience. This is fully supported by LXP’s global learning platform My Learning and our culture of self-directed learning.

Every year, we implement a range of activities to promote and support a strong learning culture through which we aim to unlock people’s potential and ultimately strengthen business performance.

Conference I grow because I want to – digital learning

The development conference is an annual event dedicated to issues in the area of effective learning in line with the digital learning strategy. The conference is a unique opportunity to teach, learn about innovations, tools, inspiration – invited experts (internal and external) provide numerous examples, transferable and implementable in everyday organisational work. In 2023, the event was delivered in a hybrid format – stationary in Katowice, where the conference took place; in Warsaw, where employees had the chance to watch streaming in the Auditorium; and online. The main theme was career path building and career path mapping – the programme focused around understanding the need for career path building, building motivation to create a developmental career plan and the practical application of tools to implement a career development plan.



The conference – the first stage of the event – was attended by 813 participants. The second stage consisted of workshops and interactive webinars, held from April to August, which brought together a total of 345 people. The internal workshops focused on promoting the platforms and other development solutions available at the Bank and implementing the crafting method of their work. During this time, the Udemmy Business platform gained 1,046 unique users and the eTutor language tool gained 444 new learners.

Individual Development Plan

An Individual Development Plan (IDP) is a process and tool that facilitates career development planning and reflects an employee’s career needs and aspirations. It is aimed at all employees, regardless of grade, role or experience.

The IDP consists of 3 parts:

- Plan for now – includes developmental activities that will contribute to the goal of increasing effectiveness in the current position,
- Plan for the next year – development activities that help to realise a goal related to the next step in an employee’s career at ING e.g.: by expanding opportunities in the current position (duties, responsibilities, new role),
- Long-term plan – a goal and development activities that can prepare the employee for the new role (this defines long-range aspirations).

In 2023, 1,730 IDPs (20% of the workforce) were registered in the system. However, the overarching aim of the process is not to formalise the plans in the HR system, but to have meaningful conversations with the manager, advice and contracted support in the implementation of the development plans prepared in advance. We estimate that the number of IDPs prepared and implemented has at least 30% of the bank’s population. In the group of

successors to leadership positions, the IDP process is mandatory and implemented as part of a formal approach.

Development support tools

We understand that all people are different, with different learning preferences, different skills and different rates at which they assimilate knowledge. ING offers every employee a wide range of development opportunities aimed at achieving their personal goals, taking into account the latest findings on the learning process. Learning through experience and social interaction where it makes sense remains a priority.

My Learning

Learning Experience Platform (LXP), a development platform that supports employees in building competences faster than before, relevant to the current need and using different methods than traditional training approaches. It combines new technologies with the potential brought by user interactions and relationships. Through the platform, employees have access to educational material from different countries. The solution implemented has allowed employees to take their development into their own hands, keeping up to date with their knowledge and seeing their progress and managing their development in one place. The use of artificial intelligence (AI Watson) algorithms and advanced analytics builds a completely new and personalised employee learning experience, resulting in impact and speed of learning. The platform also enables social learning and knowledge sharing by experts through the creation of thematic channels.

In 2023, the use of My Learning platform resources (including Udemmy Business courses in My Learning resources) is at:

- 8,446 unique users,
- 343,294 learning activities,

- 285,905 learning hours.

Udemmy Business

In November 2022, we replenished My Learning and made over 16,000 engaging courses, highly rated by experts and users, available to all employees. Courses from the Udemmy Business catalogue allow you to gain new knowledge, improve your skills, develop in areas outside your day-to-day role and refresh your existing knowledge.

2,726 employees used 8,028 courses in 2023. They completed 589 courses, resulting in 2,295 hours of learning with Udemmy Business.

GetAbstract, Pluralsight and the virtual library

Employees have access to getAbstract, a service that provides summaries of business books – in text and audio form. Of the more than 10,000 titles, the majority are English titles. It usually takes about 10 minutes to read or listen to one abstract. For those wishing to read in full, we have provided employees with a virtual library – a lending library of ebooks, audiobooks and video courses in Polish. For technology teams, we have also provided the specialist Pluralsight platform with hundreds of courses building skills in mobile technologies, programming languages, data analytics or cyber security.

eTutor – Language courses

Since December 2022, ING employees have had access to one of the largest online language learning websites and mobile apps in Poland, eTutor. It is a state-of-the-art platform that allows you to quickly learn English, German, Spanish and Polish, also via a mobile app. It fosters language learning for several reasons:

- enables flexible learning from anywhere, at any time, which promotes the adaptation of learning to our individual needs,



- offers diverse learning materials, interactive lessons and tools that support an effective learning process,
- is also an opportunity to learn at your own pace, which promotes better understanding of the material.

4,047 employees have already registered with eTutor and spent more than 1,130,000 minutes learning languages in 2023. An average of 1,460 employees logged into the app each month.

Career guidance

Career guidance is a new solution we made available to employees in April 2023. A group of in-house certified career advisors supports employees in creating individual career paths based on the employee's intrinsic motivation. We want employees to take responsibility for their development, a career that fulfils their aspirations and gives them joy and satisfaction. The advisor's role is to help you discover your predispositions, passions, explore career opportunities at ING and identify your goal and the path to get there. More than 300 people have already registered their willingness to attend individual meetings with a career advisor to review or plan their career at ING.

Coaching

Coaching is one-to-one meetings with a certified coach to support your development, consolidate your skills by listening and sharing your observations and asking questions to allow for discovery. Coaching helps to broaden awareness, perspective and development goals. At ING, we work with external coaches and have a group of employees in the role of internal coaches who have been prepared for this role under the accreditation of ICC- *International Coaching Community*, ICF- *International Coaching Federation* (these are the organisations that accredit/certify the coaching skills of Coaches).

Mentoring

Mentoring is one-to-one meetings with a person prepared to be a Mentor. It is a colleague or a colleague from the organisation who has experience and success in a particular field. A mentor, through guidance and inspiration, will help you develop in your field, overcome obstacles and strengthen the necessary competences. At ING, mentoring is available to all employees, including specialist mentoring carried out in IT. In 2023, employees benefited from 42 formal and many non-formal mentoring processes.

The bank employees also participate in external initiatives such as mentoring through the Polish Human Resources Management Association, Exempt From Theory, the Global Mentoring Walk, and Dare IT – a women's mentoring programme for women in IT.

Diagnostics

Through surveys (psychometric tools and 360-degree assessments) and individual feedback, male and female employees can gain:

- greater knowledge of their strengths,
- knowledge of how behaviours can affect professional relationships,
- greater awareness of their motivators and values in terms of their fit with the job and the organisation,
- support in identifying areas for development and improvement,
- the opportunity to consciously develop their competences, to work on changing their behaviour, to realise their career plans.

In 2023, more than 170 people benefited from the individual diagnostics we provide based on the Hogan Assessment tools and the internal 360-degree Assessment (20% of the leadership staff went through a 360-degree survey).

Development internships

An internal internship is a proven method for professional development. As part of the activity, the employee gains work experience in another organisational unit of the bank, either at home or abroad. A development internship usually lasts from one to three months. This solution allows you to get to know the specifics of work in a given place, but most of all it is an opportunity to gain new competences and professional experience.

The number of employees taking part in internal placements is linked to the formal process of moving to another unit for the duration of the placement. The bank also operates internships without the employee being seconded to another unit, so that employees are encouraged to take the initiative themselves, proactively seek development opportunities and approach their development in an entrepreneurial manner.

In 2023, the development internship programme underwent a revitalisation by separating 2 options for employees:

Development internship #berightback

The internship involves a full secondment to another unit, lasting up to a maximum of three months. It is recommended that this option is chosen when the employee needs competences or knowledge that can be most effectively acquired in another unit, the internship is a stage in the development path and is in line with the needs of the organisation, the knowledge of the area is helpful in the performance of current duties.

Development internship #task-based

It is a short stay with another team to acquire new knowledge and skills. The extent of the employee's involvement is decided on an individual basis – between the intern and the leaders of the two teams. The task-based internship can be agreed on different cycles: days/hours.



In order to facilitate and promote this form of development, the #hereiswork initiative was established in 2023. It's a series of hour-long meetings held every month that anyone can join, it's a virtual in-house job fair where leaders present the current job offers in their teams, it's a meeting divided into two parts – in the first, leaders talk about employment offers, in the next; about opportunities for developmental internships.

In 2023, 6 editions of the #hereiswork internal job fair were held, with 900 participants.

In 2023, 81 employees opted for professional development in the form of an internship, an increase of 30% compared to 2022, when 62 employees decided to take such a step.

Priorities for the development of working people

ING's aim is to support and inspire people to be one step ahead in life and business, so we provide working people with the tools and resources to take the lead in managing their personal and professional development. At the same time, HR is working with business lines to identify current and future development needs based on a so-called skill-based approach, so that we can build an organisation based on skills and capabilities. The learning forecast helps us to do this.

The key skills we will further develop touch on several areas: sustainability (ESG) and working with data; multi-channel client service and digitisation of processes; inclusive culture, leadership quality and adaptation to change.

Building ESG awareness among working people will help us achieve the bank's mission. It is important that we not only understand what ESG is, but above all that we are able to design products, services or processes in the spirit of sustainability.

Working with data is no longer just collecting, cleaning or processing data, we are taking the next step to make our decisions data-driven, using AI tools and creating a data-driven work culture.

The digitalisation of relationships and the lifestyles of our clients requires us to have a different flexibility and ability to conduct business whether it is over the phone, chat, in a meeting place or on video calls.

Demographic and social changes show us how important it is to build an inclusive working environment, where diverse people come together, not only because of their age or background, but also because of their neurodiversity. Inclusive behaviour – we make it a habit.

At ING, we have always embraced the development of people in leadership roles and will continue to do so. We develop inclusive leadership and agility to manage complex change.

Skills for the future

At ING, we keep an eye on trends and developments that help us prepare for the challenges ahead. In the face of increasingly complex security and regulatory issues, knowledge of legal and cyber security aspects is operationally crucial. The ability to use advanced digital tools, analyse data or understand financial technology is becoming essential. Finally, interpersonal skills such as effective communication and relationship building remain important in client service. Investing in such skills enables effective adaptation to new challenges and the creation of progress and innovation.

In an effort to meet the demands of the market and our clients, we have developed a map of the universal skills of the future based on international research:

- cognitive,
- social,

- technological.

Each employee can check his or her skill level in a test, at the end of which he or she receives recommendations on which area he or she needs to develop. By choosing one of the three educational pathways prepared, employees can plan their development. The digital learning paths consist of 150 different activities such as selected Udemy Business courses, podcasts, guides, articles or videos, which are available at a convenient time for employees. Some statistics from 2023:

- 250 employees joined together for the opening webinar – Back to the Future;
- 1,287 times the skills level test was completed;
- 436 employees used the materials on the learning paths.

EX Day

In August 2023, the People Services team inaugurated the EX Capsule initiative, launching a journey into the world of employee experience. In the course of this initiative, new relationships were forged, using tools and, above all, exploring diverse experiences. By building strong collaborative relationships, more than 30 applications from HR professionals were registered and inspiring solutions were presented at the final on 4 October. The event brought together around 60 participants, including HR employees, elected business unit representatives and Service Designers who supported the project work. Solutions presented included the development of an app to support employees and Hiring Managers in identifying new development opportunities within the organisation, the creation of a platform to engage with retired employees and facilitating the process of requesting a break for natural breastfeeding. The organisation is consciously shaping the employee experience by listening to the voice of the client, is not slowing down and is planning future editions of EX Day.



CX Day

Every year at ING we celebrate a global client holiday – CX Day. During the event, we invite our employees to design solutions that will delight clients and be worth remembering. CX Day is all about lots of ideas for making banking easier for clients. On 28 September, the CX Day 2023 Final took place. Nearly 450 people attended the business section live and online.

This year we received 89 competition entries from corporate divisions. During this year’s final, 10 teams presented their ideas. The solutions were extremely interesting and inspiring. In each area, the jury selected one winner and honoured one additional team.

CX Day is also an opportunity to expand your knowledge, strengthen your Client Experience competences, but also your presentation skills, storytelling, persuasion and catch inspiration that is useful for all those designing client solutions.

Professional competence development programmes in the Retail Division

We focus on skills that directly impact the client experience in line with the client service model and Orange Touch. We build a supportive, safe learning environment based on Blended learning – we experiment, seek, give and receive feedback, design specific learning processes. We listen and respond to needs, providing educational and developmental content. We present conclusions, recommendations.

Key development projects in 2023:

- We carried out 12 editions of the StartING onboarding programme, which prepares new and returning professionals after a long absence for their work in Meeting Places, Contact Centres and Cash Service Points, with 128 professionals taking part.

- We performed tasks in the area of multi-channel service – we co-designed and implemented the model and service standards for video meetings.
- We have been updating the client service model, standards, CX principles and strategy in response to ongoing learning and development needs. We organised local/central trainings, workshops, an Engaging Lead programme for Circle Leads and CX-influencers.
- We have been building the behavioural mindset and community of Orange Touch – a development programme focused on relationships, having conversations and enhancing the expertise of professionals at meeting places.
- Together with the Chapter Leads, we supported professionals in developing specialist competencies within daily banking, investment and pension and mortgage products and services.
- We co-created learning and development content for all specialisations (MyLearning), e.g. We all have Digi competences; MyWay – as part of everyday banking solutions.
- We developed and implemented a model for onboarding and specialist trainers, sales technique trainers (coaching community, webinars, workshops).
- We have designed and are implementing a proprietary “With a passion for sales” programme for Sales&Services professionals. The programme strengthens the competences and sales skills of professionals. It is based on sales techniques. In 2023, 20 professionals participated in the pilot. In November 2023, we launched the programme for the first two groups, with 100 professionals taking part.

Professional competence development programmes in the Business Clients Division

The programmes target the development of sales, analytical and leadership skills. We draw on both the knowledge and skills that are already in the teams, building platforms for mutual learning and sharing of experience, and use training provided by proven external partners. Training is delivered in a modern blended learning format, combining face-to-face contact, online meetings and self-study. Programmes are built on the basis of in-depth interviews with prospective audiences and tailored to their needs.

Master of Corporate Lending

The Master of Corporate Lending is a comprehensive credit education programme building competence in regulations, products, processes and credit pathways, financial and risk analysis, collateral, monitoring and credit application writing. It was carried out on 3 levels: beginner, advanced and master. Learning took place in a blended learning format using elements of remote working, webinars, online consultations and onsite workshops. The trainings were conducted by managers, experienced advisors, analysts from the sales network, front and back office risk representatives, representatives from ING Lease, ING Commercial Finance and external trainers. The programme has been creating a credit culture in ING’s corporate banking for many years. In 2023, around 100 people completed the programme.

Advisor programme #TheBestBankForCompanies

The Advisor #TheBestBankForCompanies programme is aimed at strengthening sales competencies, including nurturing the client experience in remote channels and building acquisition skills in a competitive and digitalised market. The training courses were conducted in a modern format allowing new skills to be practised in practice. This mode of learning quickly translated into work results, as participants repeatedly confirmed. Around 200 people took part in the programme.



30 under 30 programme

The programme supports the development of young women by building self-awareness and personal effectiveness. The initiative is geared towards supporting women to achieve their career goals by working consciously towards a goal, as well as equipping participants with practical tools, knowledge and skills crucial to their role as future business leaders.

Creative discussions

A series of leadership meetings exemplifying learning: peer to peer. An initiative that encourages the exchange of experiences, the joint search for solutions, fostering critical thinking and reflection on problems. During the 20 meetings, the topics addressed were: the leader in tomorrow's banking, emotions in change, motivation versus diversity, development, entrepreneurship and overload. Each meeting generated ideas, good practices and ways to solve real managerial dilemmas. The creative discussions are of enduring interest to the participants, which best demonstrates their value and the possibility of practical application of the solutions developed. Around 35% of the leaders from the Business Clients Division participated in the discussions.

Standard of service for entrepreneurs

The programme has trained more than 200 professionals and 20 managers in proven practices for getting to know the client. Trainees learnt inspirational questions to help them select products tailored to their clients' needs.

Educational programme to support the transition to other segments

SE/Micro specialists assigned to serve the companies were included in an educational programme building knowledge of the product offering, financial analysis and the tools used to serve the new client group. Managers were trained in reading financial statements and financial

analysis. Education took place through internal resources and collaboration with an external company.

E-commerce Academy

A series of training courses at the first level introduced key concepts and information on e-commerce platforms, analytics, marketing and client communication. In the next stage, the participant learnt about the more technical elements of the area, i.e. sales funnels, Google Ads, Google Analytics, content marketing, SEO, activities related to setting up an online shop. A key premise of the programme is to outline the day-to-day activities of clients in the e-commerce area, and thereby gain a better understanding of how their businesses operate. Thanks to the training, employees who have contact with clients have the opportunity to present the imoje payment gateway themselves and showcase themselves as e-business specialists. Around 350 people completed the programme.

Special programmes

Masterclass programme for experienced service designers at ING

Service design is a field that is constantly evolving and changing. In order to be able to meet the changing expectations of our clients or business partners, we too need to step up to a higher level of service design. That is why, in 2023, we have set our sights on developing the expertise of experienced service designers at ING.

On the basis of interviews with experts and detailed research, we selected key skills whose development at ING supports the implementation of tasks related to sustainability, among other things. These are the two competences of service designers of the future-designing services with social and environmental impact and the ability to look ahead, catching signals of change or analysing the future consequences of services.

The Masterclass is a series of 3 workshop meetings and 2 in-depth sessions focused on the development of key competences. The first one was the

design of services taking into account ESG (Humanity Centered Design) aspects. In the next step, we focused on future-oriented design for clients and beyond, using change signals and FutureS Thinking tools. We concluded the series with a talk on how to use data in the service design process. The Masterclass was attended by 25 people from different areas of the bank and the NPS of the participants was 100.

Service design community at ING

In 2023, we continued to develop a community of 100 service designers at ING. The community was designed to be a platform for collaboration, sharing experiences and broadening horizons. Each meeting was focused around the discussion of a specific competency (Humanity Centered Design, FutureS Thinking and Data Driven Service Design) with practical exercises.

Training with Azure Boards

In 2023, the CoE Way of Working, in collaboration with CoE Transformation & Change, prepared all SNOW backlog managers for Azure Boards. Around 1,300 people have benefited from the training and self-learning materials. Some of them have already started working in the new tool. In this way, we have increased the number of people using tools to support backlog management at the bank.

Supporting teams in the Way of Working

In 2023, CoE Way of Working led workshops as part of Agile Weeks on: facilitating effective meetings, practically building a culture of feedback, non-violent communication, mediating in teams, introducing agile to maintenance teams and creating a definition of completion for backlog tasks. We have also delivered a range of training courses on strategy building, change management and workshops on facilitation of steering committee meetings for Project Managers. We organised 4 webinars on personal and team productivity, which received very high ratings from participants and attendees, with around 400 people attending each.



Recordings of the webinars and Q&A sessions enriched our content on the MyLearning platform.

Educational programme “ESG and sustainability”

In February, we provided Employees with the basic educational programme “ESG and sustainability” – a solid dose of knowledge and inspiration. We have divided it into four thematic modules that can be completed at a time that is convenient for everyone. Each module contains trivia, examples, quizzes – it also gives access to up-to-date data: reports and Polish and global publications on ESG.

Confirmation of the completion of the Programme is provided by a certificate. 2,139 people completed the entire programme and more than 2,500 completed at least 1 part. The next step is the “ESG for professionals” programme aimed at employees who need specialised knowledge in a specific area. A series of webinars, workshops and training sessions will cover a wide range of ESG issues.

ESG Day

750 participants, 25 speakers and panellists, 5 thematic blocks and 4 inspiration zones – that was our premiere ESG Day in numbers. On 17 May, our experts and invited guests discussed global environmental, social and economic challenges. They advised on how to build the competences of the future, how to responsibly create spaces for living and working, and how to integrate ESG into the design of products and services. They presented examples of implemented solutions that help our clients get on the path to transformation and financial health. They further demonstrated the importance of dialogue and collaboration – with suppliers, business partners or local communities – in ESG.

Global Sustainability Week

Following the premiere ESG Day, on 5 June – World Environment Day – we kicked off Global Sustainability Week – a week packed with inspiring global

and local events, opportunities to expand knowledge and build commitment to sustainability. In total, more than 80 activities focused on ESG issues took place across the ING N.V. Group. In Poland, we invited employees to, among other things, a Climate Mosaic workshop and a webinar on greenwashing.

Knowledge centre on ESG and sustainable development

For all those who want to keep up to date with ESG topics, we have launched a dedicated intranet page at ING. It contains key information about our strategy and current ESG initiatives. Employees can also easily find a range of training and development activities and a database of ESG documents and policies in place at ING.

ESG awareness survey

At the end of 2023, we conducted an ESG awareness survey among our employees. More than 1,000 employees, or as many as 91% of those who took part in the survey, consider ESG and sustainability to be very important or important topics. Above:

- 89% of respondents are interested in ESG and sustainability topics,
- 83% of respondents believe that their knowledge and awareness related to ESG topics has increased over the past year.

Development of new technologies

Banking is one of those industries where employee development in the area of technology is particularly important. Technology is playing an increasingly important role in increasing business efficiency and client satisfaction by offering new services and products based on technological solutions. Specific areas of development activities geared towards building new skills are in the area of transaction and client data security, improving client service using automation and chatbots, increasing business efficiency through automation using AI and digitalisation. Most important, however, is the ability of teams to create and implement new solutions, products and

services – based on the practice of designing innovative services and the agility of working with large data sets.

A not insignificant part of this is the increasing need for employees to develop their skills in technology, which is linked to a sense of personal efficacy in the digital age, increasing value in the labour market and adaptability to implement innovative solutions.

Power of Data conference – AI in action

The Power of Data conference was held for the sixth time in 2023. This is an annual technology event for all bank employees organised within the CIO division. During the conference, experts from the bank introduced the conference participants to the 7 AI solutions operating in the bank. We saw concrete examples and above all the “technical behind the scenes” of these solutions. In addition, tools to improve the work of Data Scientists and the development opportunities offered by the bank in the area of AI were also presented. In addition, an external expert gave an inspiring talk on how companies are approaching the use of AI and the future of AI. The conference was attended – stationary and remote – by more than 350 people.

AI Trek programme

It is in our nature to create ever better, more efficient services and processes using modern technology. The world is offering us more and more advanced technologies, and we are able to use and implement them. Artificial intelligence is one of them.

The AI Trek is a bank-wide employee development programme that provides a better understanding of AI from different perspectives. We have divided the programme into 3 missions – Understanding AI, Creating AI, Implementing AI. We showed how the reality around us is changing, uncovered the potential of artificial intelligence and inspired ideas for using artificial intelligence in the bank.



During the webinar “Get to know AI”, we spoke to Professor Aleksandra Przegalińska on what AI is, what opportunities it gives us and the possible risks. Our in-house experts introduced the topic of generative AI during the webinar “About generative AI”. The “Power of Data” conference provided a better understanding of how we build, develop and maintain the security of AI-based technology solutions. This is the fifth edition of the event, but this year for the first time organised as part of the AI Trek programme. During “Inspiration”, together with our Data Science experts and special guest Maria Parysz, we talked about the development of artificial intelligence, learnt about examples of specific AI-based solutions and how they can be applied, took a close look at the solutions presented during marketplaces and were inspired to generate ideas.

In total, more than 2,500 bank employees were involved in all events.

After the Inspiration, 189 people from all areas of the bank submitted 109 ideas for using AI. From these, we selected 20 of the best to present during the Bootcamp to Tribe Leads and external guest Maria Parysz. In this way, we selected the nine final ideas.

The work ahead of us is to further develop ideas, build solutions and implement them.

CodING Academy

CodING Academy is one of our main development offerings for bank employees. Over the course of 4 months, participants acquire and develop coding skills. In 2023, we delivered beginner and intermediate editions. Of great interest to employees is learning Python coding skills to further develop their ability to create solutions using Machine Learning and AI. The programme has been comprehensively prepared by our mentors – high-level experts from our bank. Mentors prepared introductory materials for each module, recorded training sessions, consulted with participants and

developed various practical challenges. The programme has graduated 160 people in 2023, with 512 graduates since its inception.

AI Academy – shaping Data Science champions

The AI Academy aims to introduce participants to the world of Data Science. In 2023, we continued to follow up on the programme, delivering further editions of training paths at two different levels and enhancing the automated version of level one, lasting around 12 hours and available to all employees at any time. Since its inauguration, nearly 400 people have graduated from the AI Academy programme, with more than 30 graduating in 2023. The fourth edition of the AI Academy was launched at the end of October and will conclude in Q1 2024.

WAW IT

The Virtual IT Support Academy is an initiative launched by the Service Desk Team. It is made up of eight trainers who organise training courses and workshops in which they present the latest IT tools and teach how to use them effectively. The initiative is complemented by the internal WAW IT website, a compendium of tools and applications. The website allows for quick and easy enrolment in training courses. In 2023, WAW IT held 62 regular meetings for 3,323 participants, including 4 meetings as part of WAWIT for Safe, attended by 945 people.

Tech Academy

The Tech Academy is an initiative we have been running for many years, in which CIO Division employees share knowledge from their areas. The training offer is created according to the current demand for specific training topics. Training topics can be submitted by both those wishing to lead training and those seeking specific knowledge. Very often the training courses are recorded and uploaded to My Learning so that those interested can watch them at any time. In 2023, there were 24 training courses led by

20 trainers and attended by 1,511 participants. The average for all training courses rated by participants is 5.26 (scale 1-6).

Cloud Academy

The use of cloud technologies is an important part of the bank’s IT strategy. Accordingly, we are building specialised, task-specific competences among different classes of audience. The cloud is not only a technological aspect, but also issues related to security, IT risk and applicable laws and regulations.

We are pursuing our development objectives on cloud issues through:

- specialised training programmes, including on Udemy and Pluralsight,
- internal materials developed by bank employees,
- panel discussions and workshops to build awareness among the general public of the benefits of cloud solutions.

The above-mentioned sources of knowledge acquisition have a significant impact on increasing the technical competence of IT employees, which is reflected in the specialist certificates they acquire. Ongoing development programmes also enhance the knowledge of employees in other units of the bank working with IT.

Cloud training also plays a significant role at the onboarding stage for new employees, introducing them not only to the technology standards developed, but also to the bank’s strategy for exploiting the potential offered by the cloud. More than 150 employees benefited from the available forms of development in 2023.



The AI Connect community – a space for creative thinking about AI



With the aim of deploying AI solutions in the bank more efficiently and effectively, in mid-2023 we updated our approach to building a community of AI stakeholders and established the AI Connect community.

AI Connect is a community focused on the topic of artificial intelligence, aimed at AI enthusiasts. We want to integrate AI experts on the Viva Engage platform, enabling them to effectively exchange knowledge, experiences and opinions. We are committed to inspiring each other, validating emerging visions and ideas and bringing together experts from different fields. The platform also provides useful links to the bank's AI knowledge base (documents, recordings, presentations, reports). Here we keep all internal and external information about events, training and development programmes for Data Scientists and those interested in AI up to date.

The AI & Data Engineering team (based in the Operational Applications Tribe at the CIO) responsible for coordinating and supporting the community is always happy to discuss ideas and help resolve any concerns for all community supporters. At the end of 2023, the community had more than 410 members.

AI Business Translator – the link between project knowledge and Data Science

In 2023, the AI & Data Engineering team, with the support of the ESG Innovation Expert Centre, conducted two editions of the AI Business Translator training course and trained more than 75 people. And that means we have a total of more than 360 AI Business Translators on board at the bank.

AI Business Translator is a practical training for representatives from all business areas who want to learn how to combine their domain knowledge with Data Science. During the 3 days, participants go through the entire process of building an AI product and analyse the successive phases of the process from a business perspective. The different phases and work products that need to be realised to deliver a great AI solution are discussed. The training also collects ideas from participants on how to use AI in our daily work. Ideas are fleshed out by the AI & Data Engineering team, in dedicated meetings after the workshop.

Training on Generative AI offered by Google Cloud – discovering the future of technology

The last year has shown that AI-based solutions surround us at every turn. It is essential to understand how generative AI works and how we can use it effectively. The projects we are currently implementing using this technology are at the experimental stage and the results are under our control. We believe that building awareness and understanding of the basics of how this technology works is particularly important for us, as it helps us to mitigate the risks associated with it. That is why the AI & Data Engineering and CoE HR | Talent & Learning teams have made available a series of Generative AI training courses delivered by Google Cloud. Between October 2023 and the end of April 2024, employees have access to five types of sessions designed for different roles in the organisation – from leaders to product and process developers to specialists involved in the development of artificial intelligence algorithms. At the end of November, we also held an additional three, two-hour closed sessions – Google Generative AI for Business Leaders – providing selected employees with a total of 300 dedicated seats in sessions exclusively for ING.

Meetings around AI – inspiring and seeking ideas

The AI & Data Engineering team is committed to sharing and building awareness of AI both within and outside our organisation, developing

awareness of AI. In 2023, we had the opportunity to give our presentations at various events such as the Silesian Science Festival, the CDO Forum, as well as at universities (SGH, Warsaw University of Technology, Bialystok University of Technology) and in webinars and articles.

At the bank, we gave two talks as part of the Town Hall Meeting, aimed at the CEO and CFO. In addition, we held 14 AI & Business meetings dedicated to business areas. The meetings were aimed at training to build knowledge about the basics of AI in business (in the market as well as in our bank). A total of more than 540 people attended these meetings.

In addition, we run regular AI & Big Data Forum meetings, open to all Data Scientists in the bank and those interested in AI. These meetings are held monthly and focus on discussing challenges, market inspirations, trends and realised AI initiatives in different areas. This year, 12 such meetings were held, with live attendance averaging 55 people each meeting, demonstrating the strong interest in this form of knowledge exchange.

In addition, ING experts led a series of eight presentations on generative artificial intelligence for different areas of the bank and a webinar for more than 1,000 employees in 2023. Four local workshops were also held with over 80 participants.

Leadership at ING

We believe that everyone at ING has the potential to grow and make an impact, which is why over the years we have continually built and supported an organisational culture where we can all develop our strengths. Highly competent leaders (formally and informally) are crucial to the wellbeing and effectiveness of teams and individuals working at ING, which is why we make sure we have agile leadership that fits the ever-changing world. In 2023, leaders benefited from a rich, publicly accessible development offer and additional activities targeted at them, such as:



- Leadership Fundamentals and ING Leadership Experience workshops: Power Up! – leadership programmes for experienced individuals and those new to leadership roles, in which 493 people, or 64% of ING’s leadership cadre in Poland, have participated since 2021 (in 2023 125 people, or 16% of the cadre).
- Inspirational Discussions – the Masterclasses series comprised three stationary meetings of top executives, where they collectively looked to the future and discussed the possible implications of trends for our bank. It was also an introduction to teamwork on strategic themes, which resulted in numerous initiatives in the units centred around AI and generational diversity. Recordings of speeches by external and internal experts were viewed more than 1,300 times.
- Simulation in a Virtual Reality (VR) environment to practise difficult conversation skills. 22% of the leadership staff (171 people) benefited from the solution and saw an average increase in skills of 15%, and the motivation of leaders to have challenging conversations increased by an average of 16%.
- “Valued 1-on-1 meetings” – a webinar to promote the idea and best practice of one-to-one meetings between leaders and employees. 150 people attended the live event and a further 882 benefited from the recording.
- “Vitality Working Habits” workshop, where 461 leaders (60% of staff) learned how to build a balance between challenging goals, getting things done and vitality for themselves and their team. We will also be strengthening competences in this area over the next year in a series of training courses deepening the theme of the four habits for maintaining vitality.

In 2023, we implemented a new approach to the talent management process (for GJA19+ positions) based on talent segmentation and advanced

data analytics. We conducted a review and discussion of the proposals taking into account the targets for women’s representation. We have equipped leaders with the knowledge and tools to conduct development conversations with talent and plan the next steps in their development (which have been used more than 1,300 times). The implementation was also accompanied by a workshop on “Conducting great development conversations” built on practical case studies.

Special programmes – support in re-entering the labour market (outplacement)

For those dismissed from the bank for organisational reasons, we offer substantive and psychological support in preparation for re-entering the labour market, including the possibility to meet with a psychologist for personal empowerment and recruitment experts to prepare recruitment documents and learn about labour market mechanisms, recruitment tools and effective job search methods.

Special programmes – retirement support to facilitate continued employment in retirement

Employees approaching the end of their career path and retirement have access to development resources and tools just like any bank employee, so they can keep their knowledge and skills up-to-date, which are key to working in their current role and towards aspirations for the future. At the same time, employees can find complete information on how to prepare for retirement in our HR Direct system.

As part of the process of building their development path based on individual development plans (IDPs), we encourage employees in the 50+ age group to build a long-term plan that includes development goals and activities to prepare the employee for retirement and the aspirations planned for that time.

Employees in the 50+ age group are invited to become active members of the Baby Boomers community, which initiates activities to keep people in this group engaged and prolong their working lives, and educates managers on the skills to effectively lead diverse teams.

Recognising employees with long experience at ING, for those with 25, 30 and 35 years’ seniority, we prepare personalised gifts and an extra day off as a reward.

Development at ING in figures

GRI [404-1]

Number of training hours per year per employee:

Quantitative information on development activities					
	2019	2020	2021	2022	2023
Number of development activities per employee	12.5	22.0	25.0	24.0	40.0
Number of hours of development activities per employee	24.4	57.6	29.0	32.2	36.0
Percentage of employees who participated in at least one development activity	97%	99%	98%	99%	98%

For many years, training activities were associated with the transfer of theoretical knowledge in training courses lasting many hours. We are now encouraging employees to acquire knowledge in a more diversified way, in a variety of forms, more digital and in interaction with others. We are also creating the capacity to do so, with the implementation of the state-of-the-art My Learning platform in 2021 and Udemy Business and the eTutor language platform in late 2022. On the platform, multi-hour classroom training sessions have been replaced by shorter forms, including substantive



webinars, learning materials and knowledge pills, hence the apparent decrease in the measurable number of hours of development activities. In 2023, employees spent more than 311,163 hours learning on development platforms (My Learning, ILC, Udemy Business, eTutor, GetAbstract), using nearly 347,341 development activities.

Summary 2023	
Development budget per person (PLN)	
Females	PLN 2,896.94
Males	PLN 2,408.21
Total	PLN 2,717.07
Average number of hours of development activities per employee	
Females	35
Males	39
Total	36
Average number of hours of development activities per employee – grade level	
Senior management (including the Management Board)	34
Managerial staff	42
Other employees	36

**Total Reward data – Total Reward is all the expenses an employer incurs on an employee in the area of development activities.*

Programmes for students and graduates

We believe that everyone at ING has the potential to grow, which is why for years we have continuously reinforced an organisational culture where we can all learn, use and develop our strengths. The Internship with the Lion programme and programmes dedicated to young learners or graduates seeking their career path have a special place in our activities. Initiatives such as these give young people the chance to get to know ING as a future

employer and find a place in the team and area where they would like to gain experience.

In 2023, more than 350 people benefited from working with us through initiatives and internship programmes. This allowed them to test themselves in practical tasks, reinforce the knowledge and skills necessary on the labour market and meet many experts from different areas of ING’s operations.

Internship with the Lion

Internship with the Lion is a unique internship on the market, aimed at male and female students who are agile in the world of technology and have diverse passions. At ING Bank Śląski, we carry out internships throughout the year, in different areas and teams. We cover our trainees and interns with a dedicated onboarding process, and then they carry out assigned tasks under the guidance of their mentors, working with the best experts in the market. They learn about numerous technologies and solutions and participate in various projects, learning how to work in Agile and PACE methodologies, among other things. The resources of the My Learning and Udemy Business platforms are fully available to them and they can also use the eTutor language platform.

- In 2023, we launched a dedicated online “Open MeetING” for interns. We organised them once a week during the summer internship period and they continued in the autumn as well, due to the great interest of our interns and trainees in this form of meeting. This time together was aimed at really helping with organisational issues regarding the internship, but above all it was the hour-long webinars with ING experts from different areas. Presentations included topics related to development, AI, ESG, the area of work in the Risk Division, “Simply” tools or plain language and much more.

- In August 2023, our interns also had the opportunity to meet together and get to know the CEO in person at the inspiring event “Together we create the Bank of the future”. During the event, there was a Q&A session with Bank President Bruno Bartkiewicz and a number of other interesting presentations. We talked about the topic “Gen-Zers in an ESG world”, and during a panel discussion, employees who had just started their career path with an internship at the bank shared their tips and experiences.
- We also actively communicated throughout with the participants of the Internship with the Lion through a dedicated community on the Viva Engage portal. This platform provides an open space for all employees to communicate with each other, speak freely and share various information.

During the recruitment process for the 2023 summer internship, more than 27,000 applications were received from people interested in an internship. In the end, 364 young people from all over the country interned at ING throughout the year. Some of them also stayed with us after the internship period.

Participants in the Internship with the Lion programme rate ING as an employer very well.

- The NPS rate, or recommendation of ING as an employer, from those who responded to the final internship evaluation survey is 65%, and 72% belong to the promoter group.
- What the interns appreciate most is the working atmosphere created by friendly and helpful colleagues. ING’s strengths also include interesting tasks and the opportunity for self-fulfilment, great opportunities for development and work in a variety of areas, as well as modern working solutions and tools.



- 83% of participants from the final survey respondents rated the Internship with the Lion as a 5 (on a scale of 1 lowest – 5 highest), with a further 13% rating it a 4.

ChallengING

ChallengING is a year-long development programme for technology enthusiasts, intensive learning and working on challenging tasks within the student’s chosen technology pathway. Participants in the programme are entrusted with independent tasks. On the design and software development pathway, they are given tasks related to business analysis of internal client needs, solution design, programming and testing. As part of the Data Science pathway, they complete tasks by taking on rotating roles.

Ambassador programme

Once again, we organized the Ambassador Programme, which is a form of cooperation between ING Bank Śląski and university communities all over Poland. ING’s student ambassadors and ambassadors work with us to build the bank’s image as an attractive employer at selected universities and events. Last year, 8 selected male/female students represented us in academia. The ambassadors work under the mentorship of our employees and carry out promotional activities on social media and stationary at their universities.

International Talent Programme

The International Talent Programme is an international talent programme dedicated to university graduates at the beginning of their career path. It gives participants the opportunity to take part in important projects, numerous development activities and an internship abroad. It is implemented on 9 specialisation tracks: Risk, IT, Wholesale Banking, Finance, HR, Operations, Data analytics, retail banking, business banking. The aim of the programme is to attract a pool of talent with diverse competences and knowledge. The distinguishing feature of this programme is the

certification path and individually selected by the participants themselves a programme of rotations in units of the bank, in which one of the rotations is carried out abroad. Importantly, participants gain international certifications as part of the programme in their fields such as CFA, Green Belt Six Sigma, Advanced Data Science with Python, etc. funded by ING. As part of the programme, participants also benefit from coaching. It is a very prestigious and demanding programme and only a few talents choose to join. In 2023, six new employees joined the programme. The 4 individuals recruited in 2022 are still continuing with the programme as part of the overseas rotation at ING Australia.

Strategy for cooperation with the academic community

In H1 2023, we continued to work with the Partners Club of the Warsaw School of Economics (SGH) . At as part of this collaboration, we undertake activities in the areas of employer branding and recruitment. We also aim to work in partnership with economic universities and polytechnics across the country and co-teach students practical solutions related to the issues of their field of study. We have also updated our strategy for working with the academic community, identifying priority universities, types of activity and how to measure the effectiveness of activities.

We also created a recruitment video for students entitled. “You must have that something in you”. The mockumentary film was intended to encourage students to apply for an internship with the Business Clients Division. As it was dedicated to young people just starting out on their career path, we showed that experience is important but not crucial – what really counts is the attitude derived from the Orange Code.

We know how employees rate us

[own indicator – 3]

The basis of our organisation are committed employees, so we systematically ask them what influences their work the most and what they need to achieve full satisfaction. Employees are invited to participate in regular and anonymous surveys such as OHI, OHI Pulse (Organisational Health Survey) and thematic surveys on Diversity and Inclusion, Hybrid Working Model, and Risk Culture.

This year, we also implemented a tool for self-administered Teams – the Team Engagement Pulse survey. Although our mode of working has changed significantly in recent years, we are more flexible and often work remotely, the sense of team bonding remains an extremely important aspect of our work, and we recommend that all teams take a survey at least once a year to analyse together how they work together? What are the strengths of a particular team, and what is worth leaning on and paying more attention to in order to make it even stronger? Among other things, the survey examines aspects of teams such as psychological safety, commitment or team relationships. The tool is available to employees at any time – all they need to do is apply for the survey via the application form. A discussion facilitation guide helps employees to work with the results.

The *Organisation Health Index Pulse* survey measures an organisation’s ability to adapt and innovate for long-term success. The study focuses on key organisational skills and capabilities related to issues such as leadership, innovation and education. As part of this survey, we also look at how our relationships with clients and the outside world are going. Employees also have the opportunity to add comments in response to open questions.



“What are the best aspects of working at ING” and “what could be improved at ING”.

The survey and methodology is provided by the renowned McKinsey & Company, which guarantees the reliability of the result. With a sample of more than 780 different organisations worldwide and a total surveyed population of almost 3 million corporate employees, the study provides meaningful references to a general benchmark outside ING.

In the biannual OHI Pulse survey, we regularly gather employee insights – in terms of selected priorities, as well as our employees’ engagement, workload and sense of belonging, these enable us to monitor ING’s progress and ultimately improve the health of our organisation. The survey also helps us not to lose momentum, to have an ongoing dialogue and to respond quickly to employee feedback.

In 2023, two OHI Pulse surveys took place in May and November. This year we achieved a record turnout of 80% in the May survey and 78% in the November survey; compared to the November 2022 survey in which 69% of employees took part.

Compared to the benchmark, i.e. other organisations in the FinTech sector, the performance of ING Bank Śląski Group’s priorities: “clarity of strategy”, “client focus”, “operational discipline” and “supportive leadership”, fall into the top decile, i.e. that our score is higher than 90% of the organisations surveyed globally; while the score for the priority “clarity of role” falls into the top quartile, i.e. that our score is higher than 75% of the organisations surveyed.

We measure employee satisfaction and engagement with the following indicators:

- Commitment to work, i.e. response to the question “work gives me a sense of personal satisfaction” In the November 2023 OHI survey, 80% of respondents agree with this statement, compared to 77% in 2022.

- Commitment to the organisation, defined as the answer to the question “I would most likely recommend ING as a good employer” In the November 2023 OHI survey, 84% of respondents agree with this statement, compared to 85% in 2022.

In 2023, we also asked our employees about aspects of their work experience such as work-life balance, workload, relationship with their supervisor and sense of belonging. 79% of our employees confirmed that they are able to combine work and private life; 76% rate their workload as manageable and 81% can be themselves at work. This is combined with supportive leadership – 86% of employees rate having an effective working relationship with their supervisors, 82% agree that Leaders at ING (including their supervisor) foster an atmosphere of teamwork and mutual support throughout the organisation, and 80% of employees said that Leaders at ING (including their supervisor) show interest and concern for the wellbeing of employees.

In addition, we study the employee Net Promoter Score (eNPS) by asking the question “How likely would you be to recommend to family, colleagues and friends to become an ING client”? The eNPS score for the November 2022 OHI as well as the May 2023 OHI is 53 and the November 2023 OHI is 48. Following the NPS methodology, we subtract the percentage score of promoters (responses 9-10) from the percentage score of detractors (responses 1-6) and obtain the eNPS score.

In addition to answering the questionnaire, our employees also left precise indications of what they needed in the form of comments on the open-ended questions. There were more than 7,000 comments in both surveys.

After each survey, the results and comments are thoroughly analysed and, based on these, plans are made on how to improve our organisation – how to strengthen our strengths and develop areas that need improvement. On this basis, we prepare action plans and report their implementation. As part of our post survey activities, we want to focus not only on areas that need

to be improved, but above all on our strengths. Our priorities are therefore: Clarity of Strategy, Clarity of Role, Client Focus, Operational Excellence and Supportive Leadership.

Annual performance assessment talks

Annual interviews are the basic tool that supports employees in their development. This is a special type of meeting between an employee and a supervisor. During this conversation, we create development plans for the coming year, set new priorities, and settle tasks. We also talk about aspirations and challenges. Feedback and its reciprocity are important here – so that it can be heard by both the employee and the superior.

Employee evaluation intuitively combines the evaluation of work results with an increased role of the so-called soft, i.e. non-financial, categories. It also influences our strong organisational culture.

The assessment model – Step Up – combines values, supports commitment and ensures partnership. Step Up is a philosophy of dialogue with employees and an approach to motivating at the same time. We focus on continuous dialogue and ongoing feedback – not only during formal meetings. This philosophy introduces four major changes:

- reinforces ongoing feedback: supplementing formal conversations with ongoing feedback that has a positive impact on all employees, both at an individual and team level;
- turns the Orange Code into the incentive system: Orange Code behaviours are one of the three dimensions of goal-setting and employee appraisal;
- focuses on reinforcing the practice of setting individual Challenges for each employee: encouraging them to step out of their comfort zone.



We want our employees to discover their potential, realise their ambitions and feel fully supported. It is an approach in which we focus on dialogue and employee motivation.

The Step Up model assumes setting annual goals in three independent categories: Work Results, Orange Code and Challenges. All goals set for a given year should be consistent with the bank’s strategy. As part of the annual interview, each employee evaluates himself or herself (self-assessment) and is assessed by his or her manager (manager’s assessment) in all categories. Both the employee’s self-assessment and the manager’s assessment are carried out on a descriptive scale: Needs improvement, As expected, Above expectations. Based on the descriptive assessment, award points will be automatically calculated for a given category. The final assessment of the employee is determined by the supervisor and discussed with the employee during the interview.

GRI [404-3]

Percentage of employees who participated in annual interviews*					
	2019	2020	2021	2022	2023
Females	91%	92%	94%	94%	95%
Senior management	98%	100%	100%	100%	100%
Management	99%	99%	100%	99%	97%
Other employees	91%	92%	93%	93%	95%
Males	98%	99%	99%	99%	100%
Senior management	100%	100%	100%	100%	99%
Management	99%	100%	100%	100%	99%
Other employees	98%	99%	99%	99%	100%
Total	93%	94%	96%	96%	97%

*Only long-term absentees did not participate in the interviews.

Diversity and equal opportunities

GRI [3-3]

SDG 5, 10

Diversity, inclusion and belonging strategy

“At ING, we promote diversity – we actively promote non-discrimination and equal opportunities, inclusion of people with disabilities and respect for diversity, because it is the right thing to do. This approach also ensures that we deliver on our strategy.” – These are the opening words of ING’s Diversity Manifesto, which we adopted in 2016 and which explains what diversity is for ING, why it is important and necessary, and what employees can do to promote it. To stay one step ahead, we need teams that are a healthy mix of different perspectives and backgrounds. Such teams are more creative, adapt more quickly to change and their proposed solutions are more innovative.

As of 2019, we are a signatory to the Diversity Charter. It is a voluntary initiative joined by employers from the following sectors: business, NGOs, public administration, local government and academia. As participants in this endeavour, we are committed to supporting diversity and fostering inclusion in the workplace.

Our approach

Along with the development of our company, the group of our clients becomes more and more diverse. Providing them with the best possible experience is a key element of our business strategy. To better understand our diverse clients, we need a team that is just as diverse. At the same time, we want to make sure that every person who works at ING feels like a part of it and is accepted for who they are, regardless of their origin or beliefs – everyone is welcomed at ING. Inclusion is enshrined in our Orange Code,

which encourages us to help others succeed. The organisation benefits from it because we work better when we feel part of the team and can be ourselves.

Our Diversity, Inclusion and Belonging Strategy:

- defines diversity management focus areas at the Bank;
- lays down the way of diversity management at our Bank;
- integrates all actions, including processes, procedures and other documents, that are associated with diversity management at our Bank;
- ensures equal treatment and friendly work environment for all employees and candidates for employees;
- supports the organisation in building the awareness of the principles of equal treatment at work, which means no discrimination in any manner whatsoever, both direct and indirect, because of: gender, age, disability, health condition, race, nationality, ethnic origin, religion, denomination, irreligion, political convictions, trade union membership, sexual orientation, gender identity, family status, lifestyle, form, scope and basis of employment, other cooperation types and other triggers of discriminatory behaviours;
- applies to all employees, regardless of their position, with a particular focus on the bank’s authorities (read more about Management Board and Supervisory Board diversity [here](#)) and key managers, as well as candidates applying to ING;
- is regularly monitored, every six months.

The 70% principle

We value diversity and inclusion, but we also recognize that we have a lot of work to do. That is why we introduced the 70% principle. Our aim is that no group should consist of more than 70% people of the same sex, nationality



or belonging to the same age group. Of course, we recognize that this may not always be appropriate or possible at all levels. This is why managers have ultimate responsibility for building diverse teams and selecting the appropriate dimensions of diversity to focus on – while taking into account the 70% principle and our global priorities (gender, nationality and age group). We recognize that diversity is more than these global priorities, and we will continue our efforts to include everyone, regardless of their cultural background, experience, religion, sexual orientation, perspectives, viewpoints etc. This is part of our ongoing efforts to creating meaningful change.

Diversity management

In 2023, we implemented ING Group N.V.’s global strategy to equalise the representation of women and men in senior management. The strategy calls for at least 30% of women to be in senior management positions by 2025 (GJA 19+). By December 2023, we had achieved 31%. Furthermore, the strategy assumes that by 2028, min. 35% of women will hold Director positions (GJA 22+). In December 2023, we achieved 58%.

These goals do not represent the ultimate endpoint, but are milestones on the way to achieving true gender equality at the top of our organisation, which will ultimately translate into minimising the pay gap.

We are also taking coordinated action to attract, develop and retain female talent.

A Chief Diversity Officer (CDO) position has been created within ING Group N.V., responsible for implementing the policy globally and locally the HR Director is responsible for the implementation of this strategy in ING Bank Śląski.

Gender equality management indicators			
KPIs	Definition	2022	2023
Percentage of women in total management	Percentage of women in managerial positions (including management, senior management and lower management) among all employees in such positions	48%	48%
Percentage of women in senior management	Including the Management Board and senior management – percentage of women who hold a position in the hierarchy up to the second level from the CEO among all employees in such positions	31%	31%
Percentage of women in middle management	Percentage of women who hold a managerial position below the second level from the CEO, among all employees in such positions	54%	54%
Percentage of women in non-managerial positions	Percentage of women in non-managerial positions among all employees in such positions	66%	64%
Percentage of women in total staff	Percentage of women in the organisation, relative to all employees	64%	63%
Percentage of female promotions	Percentage of women who were promoted to a higher position, compared to the number of total promotions that took place in a given year	66%	68%
Percentage of women in IT	Percentage of women in engineering and programming roles, relative to all people employed in such roles	24%	25%
Percentage of new female employees	Percentage of female new hires to total new hires for the year	51%	45%

Percentage of women dismissed	Percentage of women dismissed in relation to total number of employees dismissed in the year	55%	56%
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We care about equal pay

The Remuneration Policy in the ING Bank Śląski S.A. Group is gender-neutral, which means that no conditions are created to unjustifiably favour either gender in terms of remuneration conditions. We monitor the gender pay ratio on an ongoing basis. From 2024 onwards, we calculate the gender pay gap ratio based on two methodologies – the existing approach jointly developed by the banking sector at the Polish Bank Association (ZBP) and the methodology contained in the [European Banking Authority Guidelines](#).

Indicator calculation methodology

- The methodology of the Polish Bank Association – Average ratio of female to male salaries weighted by employment structure by grade. Other assumptions used in the calculation include the conversion of full-time salaries for part-time employees and the annualisation of salaries for employees included in the analysis. The variable remuneration included in the calculation represents the remuneration paid in 2023. The adjusted ratio in 2023 was 95%.
- EBA methodology – Ratio of the difference between average male and female pay to average male pay. Other assumptions used in the calculation include the conversion of full-time salaries for part-time employees and the annualisation of salaries for employees included in the analysis. The variable remuneration included in the calculation represents the remuneration awarded for 2023. The unadjusted rate in 2023 was 32%.

The new calculation of the ratio is due to the entry into force of the EBA Guidelines and the obligation to report the pay gap to the Polish Financial



Supervision Authority and the National Bank of Poland in accordance with these guidelines. At the same time, we are continuing to calculate the gender pay gap ratio based on the previously developed approach to enable a comparison of performance over time, also taking into account the bank’s ambitions for the next years within the key priorities of the business strategy for the period 2022-2024.

The change in the wage gap from 96 per cent in 2022 to 95 per cent in 2023 was mainly influenced by changes in the workforce structure, especially transfers of employees between grades (promotions). An important element influencing this indicator is the bonus paid, which, for newly recruited employees and women on long-term absences under the current regulations, is not accrued.

We are taking steps to ensure that the gender pay gap is reduced over time. For each employee group and grade, the wage gap develops as shown in the table below.

GRI [405-2]

Employee category	Number of women	Number of men	Ratio of total pay for women to men
2023			
Senior management	60	139	96%
Management	298	255	96%
Other employees	5,077	2,763	94%
Total	5,435	3,157	95%
2022			
Senior management	61	135	94%

Management	291	246	95%
Other employees	5,205	2,687	96%
Total	5,557	3,068	96%
2021			
Senior management	62	127	93%
Management	299	254	94%
Other employees	5,422	2,719	99%
Total	5,783	3,100	99%

In addition to the gender pay gap index, from 2022 onwards, we continue with an in-depth analysis on *equal pay for equal work*, which shows the pay mismatch index for the same positions, grades, competences. In this way, we identify individuals who earn statistically more or less for a given profile, also relative to the opposite sex. The results of the analyses are one of the key elements considered by managers when deciding on salary increases.

We have a number of diversity and inclusion initiatives in place to equalise opportunities for women and men and to raise awareness among managers and employees of our bank’s gender non-discrimination policy. One of the Board’s annual objectives in recent years has been to ensure that there is an appropriate gender balance in senior management succession plans.

Education and awareness-raising activities

Our main focus is on building diversity and inclusion awareness among bank employees and leaders, focusing on gender, generation, multiculturalism and diversity by workplace. We support the activities of employee networks and other initiatives organised by the teams.

The main promoter of diversity and inclusion activities is the employee network Diverse, which includes people from different parts of the organisation. Sponsored by board member Sławomir Soszyński and supported by HR, the network is leading an effort focused on making every person feel comfortable at ING, no matter who they are. The group’s ventures have enabled a number of diversity and inclusivity awareness and knowledge-building initiatives to be realised.

This year saw the creation of two new employee networks to support Diverse in building an inclusive workplace. Topics related to the LGBTQ+ community are addressed by Rainbow Lions, and topics of gender equality and women’s representation are supported by the ING Women’s Network together with the WomenInTech community.

We talk about diversity and our impact on building an inclusive culture regularly. In March, we organised a Masterclass session for leaders focusing on intergenerational diversity. Every May, we dedicate the month of May to Diversity in its broadest sense, offering thematic webinars, webcasts and e-learning courses. We communicated to the organisation the possibility of using feminatives in job titles and produced a series of educational posts that delved deeper into the topic of the feminine end of language. In June, we celebrated Pride Month together with the Variety Network. There have been a number of educational posts on the Viva Engage community, and a webinar on allyship for those new to diversity and inclusion. We also invited all those interested in the idea of the Equality March to march together, both in Warsaw and in Katowice. This year saw the premiere of the Wellbeing Newsletter, which allows all subscribers to keep up to date with our benefit offerings. In November, during the “*Why differences matter?*” conference, we talked about neurodiversity. In December, we also celebrated the International Day of Persons with Disabilities. Which included a webinar with a psychologist and a panel on “When disability ‘comes’ to us unexpectedly”.



We have provided our employees with development programmes on a training platform dedicated to diversity and inclusion. Those in the workforce will find a series of webinars and microlearning on various aspects of diversity, inclusive behaviour and language, and identifying unconscious beliefs.

We run an internal news channel on diversity and inclusion, for which we saw a 35% increase in subscribers. Two new channels dedicated to the LGBTQ+ community and women’s representation gained 211 and 576 subscribers respectively.

In terms of promoting equal opportunities for women and men, we organised a qualitative study, “Honestly about equality”, in which almost 70 people took part. We spoke to groups of our colleagues about their understanding of equality and how they perceive the work we are doing to build a diverse and inclusive workplace. We see the survey as a compass that will enable us to better address the needs of all those working in the bank. In addition, we have developed workshops for leaders on managing diverse teams and how to work on unconscious beliefs. In addition, leadership people working at ING are involved in mentoring initiatives, not only internally but also externally, such as the Busola project.

ING Bank Śląski is a member of the Polish Bank Association’s Committee on Diversity & Inclusion, which was inaugurated in October 2022. The committee’s main objectives include: promoting diversity and gender equality; increasing the representation of women on management boards, supervisory boards and in management positions; promoting the environment of women in the financial sector built on their competence and experience in business; supporting the implementation of European regulations and standards; and increasing women’s financial awareness and independence. More than 20 banks and financial institutions present on the Polish market are participating in the initiative.

The President of the Management Board of ING Bank Śląski, Brunon Bartkiewicz has been a member of the programme council of the Business Women Leaders Foundation since 2021. The foundation supports women in discovering their potential and strengthening their leadership skills. The foundation’s activities focus on promoting female entrepreneurship, developing talents and supporting their aspirations and professional independence.

A package of benefits related to disability

We are building a working environment where all employees have level playing field. As part of the Disability Benefits Package, which supports employees and their families, monthly fixed allowances funded from the Company’s Social Benefits Fund for employees with moderate or severe disabilities and those raising children with a disability certificate, introduced from 2019, are available.

By supporting people who take care of their loved ones with a moderate or significant degree of disability, we offer an option of taking an additional 2 days off from work, when caring for a spouse / partner, parents, parents-in-law or grandparents. In the case of caring for a child with a recognised disability, the employee may benefit from an additional 5 days of care. Taking care of our employees with a certified slight degree of disability, we offer an additional 3 days off, retaining the right to remuneration.

Employees with disabilities					
	2019	2020	2021	2022	2023
Females	115	128	131	147	158
Males	41	43	51	55	57
Number (persons)	156	171	182	202	215
Percentage of employees with disabilities	1.9%	2.0%	2.1%	2.4%	2.6%

Diversity management awards

We found ourselves in the line-up for the next edition of the *Diversity&Inclusion Rating*. Diversity&Inclusion Rating is an initiative of Responsible Business Forum, which was created in cooperation with Deloitte experts. In the last edition, we were included in a group of companies that scored 80% of the points possible. The initiative brings together stakeholders drawing strength from the various dimensions of diversity, allows for an assessment of a company’s level of maturity in diversity management and inclusive organisational culture and also provides a summary of activities in this area. The questionnaire that was completed by the companies consisted of 4 parts: the rudiments of management, Programmes and activities, commitment building and performance indicators.

We were among twelve companies awarded the title of Super Ethical Company 2022 by the editors of Puls Biznesu. The companies were recognised for their efforts to build and strengthen an organisational culture based on ethics and corporate social responsibility.

During the Polish Diversity Awards 2023 gala, we received the Diversity Company award. The award is presented to companies, organisations and individuals that promote diversity, equality and inclusivity.

We were also recognised for our work on gender equality in business and were included in the global Bloomberg Gender-Equality Index (GEI). The bank’s gender equality activities have been assessed by independent experts. ING’s presence in the Bloomberg GEI index is the result of high scores in a survey on five areas of the company’s performance: women’s leadership and talent development, equal pay, inclusive work culture, gender protection policies and a pro-woman brand. The index analyses the performance of public companies with a capitalisation of more than USD 1 billion that provide data on employee gender. Only companies that have



achieved a score that meets or exceeds a globally defined threshold qualify for the prestigious index.

Anti-discrimination

GRI [406-1] [2-25] [2-26]

At ING, we condemn all forms of discrimination, bullying and harassment. We work together to create an inclusive workplace and therefore play our part in building an inclusive world. One example is our Global Code of Conduct. It lists 10 basic principles that we expect from employees. ING Global Code of Conduct is based on the values and behaviour of our Orange Code and applies to all ING employees worldwide.

We actively counter discrimination. All employees starting work at ING must undergo mandatory anti-bias training.

Each of us, anonymously or by name, may report irregularities related to material breaches of labour standards, internal regulations, as well as ethical standards in the bank's business practices. We can do this through channels such as: *Whistle-blower* (electronic form on the intranet site) and email notification to the Mobbing-Discrimination mailbox.

Applications by name are assured of confidentiality and discretion. In the Whistle app, you can also make a report anonymously. The President of the Management Board is informed about each report from the Whistle application, who makes decisions on explanatory actions and accepts their result. The report sent to the Mobbing-Discrimination mailbox goes to the representatives of the HR area. *In the years 2017-2022, none of the applications that we received as part of the "Whistle" application was classified as "discrimination". In 2021, one report submitted through the Bullying – Discrimination channel fell into this category.*

The 2023 Mobbing-Discrimination box received three submissions. Investigations were carried out and none of the reports confirmed bullying.

Remuneration principles

GRI [3-3]

SDG 8

The document defining the remuneration principles is the *Remuneration Policy in the ING Bank Śląski S.A. Group*. The remuneration system is open and transparent and its principles are communicated to all bank employees. This policy specifies the key assumptions for shaping the remuneration policy used to attract and retain employees by ensuring a market-competitive level of remuneration, and defines the components of remuneration. Remuneration policy:

- supports the implementation of the business strategy and the long-term interests of the bank and its clients,
- supports sound and effective risk management to maintain and protect the bank's secure capital base and does not encourage excessive risk taking beyond the risk appetite approved by the Supervisory Board of ING Bank Śląski S.A.,
- is gender-neutral, which means not creating conditions for undue preference for either gender in terms of employment, career development, promotions and the award and payment of remuneration. Read more about equal pay [here](#),
- determines the level of remuneration of the members of the Management Board in relation to the remuneration of other employees,

- identifies the elements that make up the annual review of the remuneration system and the remuneration-related indicators monitored.

The Bank identifies social and environmental risks diagnosed as part of its sustainability strategy. The remuneration policy is consistent with the bank's strategy for the period and supports corporate social responsibility, which is reflected in the objectives set for employees for the year. At the same time, the policy does not support activities incompatible with sustainable development.

The assumptions of the remuneration package are further clarified in the Regulations of Remuneration of Employees of ING Bank Śląski S.A. The principles for bonuses, on the other hand, are set out in the *Employee Evaluation regulations of ING Bank Śląski S.A.* (Step up), which describes the principles for assigning tasks, evaluating employees and awarding bonuses.

The total remuneration is divided into a fixed and a variable part.

Fixed remuneration

An employee's fixed remuneration consists of the following elements:

- basic salary,
- supplementary benefits granted on the basis of generally applicable laws and the bank's internal regulations,
- fringe benefits that form part of the bank's overall policy, i.e.:
 - medical care,
 - occupational pension scheme,
 - life insurance,
 - company cars,



- remote working / office allowance,
- benefits granted to employees under the Cafeteria Scheme Regulations.

Variable remuneration

Variable remuneration is all forms of remuneration and other benefits provided in return for performance, and is determined on the basis of an assessment of balanced and risk-adjusted performance taking into account quantitative and qualitative criteria. Variable remuneration includes an annual bonus and financial rewards.

Review of the remuneration package and results

To ensure competitive remuneration levels, we review remuneration levels annually. The subject of the analysis is market data – independent salary reports and economic information. On the basis of the above data, the Management Board decides on the principles for the increase action for the year. The Remuneration and Nominations Committee and the Supervisory Board are informed of the approved principles for increases. The analysis of employee remuneration by gender is combined with a presentation of the gender pay equality index for the last year, together with information on the measures taken to eliminate any inequalities in this respect.

On the basis of benchmarking in 2023, we carried out a pay raise action that covered all employees in April. The increases consisted of an automatic part and a discretionary part decided by the manager. The main thrust of the pay raise action included an increase in the minimum wage to PLN 5,000 gross (full-time). We have also introduced a new basic salary table, in which we have increased the minimum salary amounts in the four lowest grades.

Remote working benefits / office and other allowances

2023 was another year in which we worked remotely. At the bank, we have permanently introduced a working model, which involves carrying out work tasks alternately from the office and from home. In December 2023, as in the previous year, we paid our employees the financial benefit associated with this model in the form of a lump-sum remote working allowance of PLN 1,500 gross. The amount of the allowance was paid to all those entitled to it at the same rate, regardless of full-time equivalent. The allowance partially compensates employees for the expenses associated with remote working. An analogous amount supported employees who, by virtue of their duties, carry out their tasks from the office in the form of a new office allowance. The amount paid out is to support these workers in subsidising their commuting costs.

Linking employee remuneration to the minimum wage

We offer our employees stable employment contract using the arm's length principle. The object of the analyses is to relate the level of remuneration offered to the market, including an examination of the relation to the statutory minimum wage level. The remuneration of the lowest-level employees – in relation to the minimum wage – is presented below.

GRI [202-1]

Ratio of pay of lowest-level employees by gender to minimum wage					
	2019	2020	2021	2022	2023
Female	178%	154%	159%	169%	156%
Male	178%	154%	154%	166%	156%

Differentiation

During the recruitment process, as well as during promotion decisions, candidates' salaries are consulted with individual HR Business Partners. This practice is intended to counteract unjustified pay gaps. At the same time, the bank has a simplified management structure with an expert path, the purpose of which is to increase employee development opportunities. This allows for the systematic promotion of employees and an increase in the level of remuneration.

Remuneration of the bottom-level employees vis-à-vis the market*					
	2019	2020	2021	2022	2023
Bank / Market	119%	114%	120%	116%	113%

*Basic salary compared to the banking sector.



We develop friendly work place

GRI [3-3] [401-2] [403-6]

SDG 3

Benefits offered to employees

In a world where we face the lack of time for favourite activities, pursuing passion and developing relationships with loved ones, every free moment gains exceptional value. That is why, alongside other forms of rewarding and appreciating employees, we offer employees an extensive catalogue of benefits and perks to make the workplace more attractive.

We do not leave the selection of benefits and fringe benefits offered to employees to chance – we thoroughly analyse trends and listen to the voices of employees regarding their expectations of fringe benefits. In 2023, we continued the education and communication campaign of the benefit offer. Throughout the year, we met with employees in the form of workshops to talk about our offer and get feedback on expectations. In total, more than 1,100 employees from different areas of the bank attended the 12 meetings.

In 2023, we launched periodic communication to employees in the form of a wellbeing newsletter. An up-to-date calendar of events is included in the newsletter addressed to all employees, giving them the opportunity to sign up for organised activities on offer. In addition, employees are informed of all new products in a dedicated email communication.

Our offer to employees is built on four pillars: Health, Activity, Energy and Finance.

In addition to the benefits and perks on offer, the solid foundation is complemented by an attractive package of *wellbeing* activities. Wellbeing as

a strategic project has been operating at the bank since 2018. Over time, the approach to wellbeing has evolved from individual actions, generally being bottom-up initiatives by individual divisions, to a company-wide project that is developed annually.

Health

Medical care

Employees are offered high-standard medical care. The appeal of our offer is influenced by the comprehensive dental package included in the care, along with an enticing reimbursement scheme for you and your family when using medical services outside the provider network. As part of the package, we offer employees access to flu vaccinations. This year also saw a review of medical care which confirmed that the offer we currently have is the best offer available on the market, so we are continuing to work with our current provider.

LUX MED preventive health check

Among our employees, we are widely promoting the extended 2022 preventive health check included in LUX MED private healthcare packages. The wide range on offer makes it possible to significantly reduce the risk of contracting serious diseases or detecting them too late. Through extended communication, we are informing employees of the opportunity to take advantage of the research available in the packages. In total, around 2,100 people benefited from the preventive health check.

In previous years, we have invited employees to participate in webinars on various types of oncological diseases, and we continue to promote awareness in this area through regular outreach events. We also participated in webinars, for example on breast cancer prevention with a specialist in the field, who educated about breast self-examination as part of Pink October.

If a cancer has been diagnosed, each of the employees can count on support in the treatment process, recovery and professional activity. We know that, in addition to support in completing the formalities of the illness, the presence and support of someone who has struggled with cancer themselves is very important. This is the role of the Oncology Treatment Coordinator at ING today.

Oncology Prevention Programme

The Oncology Prevention Programme is an important component of the initiatives taken to support the wellbeing of ING employees. As the incidence of cancer increases each year, we have set ourselves the goal of raising employee awareness of oncological prevention. We are committed to promoting preventive examinations and mobilising and creating the conditions for all employees to participate in such examinations.

As of October 2019, we continue to collaborate with renowned diagnostic and therapeutic centres in Poland. In 2023 alone, around 400 people had preventive screening for breast and gastrointestinal diseases. Employees are entitled to one day off per year for gastroenterology examinations, which does not count towards annual leave. If an irregularity is detected, the employee is covered by further diagnosis and treatment at the centre performing the test. In November 2023, for the fourth time, we offered employees subsidised genetic testing to assess their cancer risk through the “We test genes at ING” programme. As every year, we gave employees the opportunity to test their genes in two options (basic and extended).

Vaccination against HPV and tick-borne encephalitis

Support in the area of oncology is directed not only to employees, but also to their children. We are running a subsidised HPV vaccination campaign for children aged 9-18 years from 2022. 180 children have already been vaccinated and the campaign will stay with us for longer. In addition, employees were offered reimbursement for tick-borne encephalitis vaccines



for themselves and their families. Around 350 people benefited from the refunds.

A month for the eyes

To mark World Sight Day, we organised the Month for the Eyes. In both Warsaw and Katowice, we provided employees with free consultations with an optometrist. In addition, on 11 October, a webinar entitled “Prevention of Eye Diseases” was held, led by optometrist Magdalena Gwozdek. It was a meeting filled with knowledge and reaffirmed the importance of taking care of one’s eyesight, especially when working at a screen monitor on a daily basis.

Energy

Mindgram psychological support platform

Employees are increasingly able to receive psychological support at the bank. The Mindgram platform gave employees the opportunity to speak to a therapist, a coach, as well as a financial or legal advisor. The total number of participants on the platform is 1,400. In addition, employees can participate in thematic podcasts, webinars and recordings. Within the platform, employees have unlimited access to workshops and development sessions. The meetings are broadcast live and additionally available for replay for those who could not attend directly. Workshop topics are selected according to current needs and changed periodically. Employees were also able to invite a loved one to take advantage of this form of assistance. Since October, when World Mental Health Day is celebrated, we are enabling employees to benefit from 50 additional hours for psychotherapy within the platform.

Orange hotline

In the interest of the mental wellbeing of employees and those close to them, an anonymous helpline operated by certified psychologists continued to operate, providing the opportunity to talk about wellbeing, concerns or

problems. All ING employees, together with their immediate family members who are in the same household with the employee, can benefit from the support.

Additional days off

The benefits package includes a number of additional days off well beyond the statutory framework. We support employees, including in difficult life situations, by offering them additional days off:

- additional days of special leave on the occasion of the birth of a child or a wedding (at a higher rate than that prescribed by law),
- an additional 5 days of leave per year for parents of a child with a disability certificate,
- an additional 2 days off for employees caring for the disabled family members,
- an additional 3 days off for employees with a certified mild degree of disability,
- an additional day off for the family, which employees can use in full or on an hourly basis,
- an option to receive days off as an award, up to 5 days per calendar year,
- an additional day off for employees working on a shift basis (i.e. at night, on Sundays and public holidays),
- an option to take advantage of sabbatical (a longer break at work to regenerate forces or for additional training),
- 8 hours per year for voluntary activities,
- an additional day off in respect of an anniversary.

Sabbatical

As part of the Sabbatical Programme, it is designed to enable employees to take a break from their work, our employees can enjoy:

- one month off – once every 3 years,
- three months off – once every 5 years,
- six months off – once every 7 years.

The programme allows employees to take a free break from work, the purpose of which is to rest from everyday work. The employee is on excused leave from work during the Sabbatical period without entitlement to remuneration, but at the same time is entitled to benefits, i.e. medical care, social fund, benefits related to the Cafeteria Programme, group insurance, Employee Pension Plans, company car (if granted as a status benefit).

Upon return from Sabbatical leave, the employee is guaranteed to return to his or her current position with his or her current salary. Since the start of the programme in June 2018, 75 employees have already benefited from this form of rest from work.

Events for employees’ children

In 2023, we organised a Children’s Day at our offices in Katowice and Warsaw. Children of employees from all over Poland had the opportunity to take part in numerous workshops, attractions and competitions.

In December, as in the previous year, all parents received a topping up of their cafeteria account of PLN 50 per child, which they could give as a voucher to their children or buy them a Santa gift themselves.

Wellbeing day

To mark Wellbeing Day, celebrated on 8 September, employees received an extra 50 cafeteria points, which they could use, for example, on the food delivery platform and spend this time together with the team.



Energy Days

In October, Energy Days were held throughout the week. Employees benefited from various forms of relaxation, including mindfulness sessions or sound relaxation sessions.

We create friendly spaces

We know very well that the proper arrangement of space is important not only for the ergonomics of work, but also for our creativity, therefore:

- we are gradually replacing desks with electronic ones and chairs with more ergonomic ones,
- we modernize ventilation in buildings,
- we create new arrangements of common spaces (restaurants, cafes, rest areas),
- we implemented the “Escape” (Odkocznia) project as part of which we launched a Juice Point, Bakery, Play room and a meeting zone,
- we have ordered new recycled bins to help us look after the environment in communal spaces too.

Activities

Active ING

A growing number of people are participating in the challenges that are set up on the Active ING platform. At this point there are more than 1,300 registered participants taking part in various activities.

Run Warsaw

We have been taking part in Run Warsaw since 2013. The Orange Team is made up of employees and their accompanying persons and families. Every year we run and march for the ING for Children Foundation. In 2023, we broke the enrolment record. The event was attended by more than 5,000

people and we donated PLN 120,350 to the Foundation. Traditionally, after the run and march we met for a family picnic.

Mocodajnia

This location in Katowice at 50 Chorzowska Street, which, depending on your needs, is a meeting room, a creative workshop space or an exercise room. Equipment and activities are tailored to the needs reported by our employees. We pay particular attention to classes aimed at preventing back disorders that result from prolonged sitting while working at a computer, reducing stress levels and muscle tension resulting from the pace of work and the number of tasks we face on a daily basis, relaxation with Tibetan bowls for people who need to calm down after a week of work.

As part of the next edition of Exercise Under the Cloud, employees exercised with instructors outdoors in 5 different cities in July and August. The idea behind the meetings was to promote healthy and active outdoor recreation. It is an opportunity for our employees of all ages or levels to be physically active, relax and get in touch with nature.

In September, in an effort to encourage physical activity, we organised Mocodajnia Open Days, during which employees in Katowice were able to take part in more than 20 diverse activities such as morning start-up, stretching, Krav Maga, yoga and relaxation, as well as dance classes where they could learn the steps of the rumba and cha-cha, among others. Employees also had the opportunity to benefit from individual consultations with a personal trainer. Everyone who took part in the activities received a voucher for healthy, freshly squeezed juice.

Sports budget

The sports budget is a new initiative that emerged mid-year, allowing active people to receive financial support to participate in tournaments, events, competitions and other sporting events. The main purpose of the sports budget is to support the sporting passions of our employees, to promote

healthy lifestyles and physical activity and to promote and consolidate the bank’s image as an employer that cares about the wellbeing of its employees. More than 1,000 people have benefited from the sports budget to date.

Active Break

As part of the prevention of spinal disorders, we launched a programme called “Active Break” in October 2020. We have recorded 75 exercise videos that can be used as many times as you like at any time. In 2023, employees continued the exercise using the recorded videos. Since October 2020, they have practised almost 900 hours and played the videos 22,534 times.

Football Tournament

On 17 June, we once again organised the ING Football Tournament. In Chorzów, we played 81 games of 2x6 minutes in length and scored 228 goals. The tournament was attended by 249 male and female players and supported by 139 supporters. The whole event was for charity. The winning teams, in a bid to promote sporting activity, donated cheques of PLN 10,000 to three charities: Amp Futbol Polska, Nadzieja Na Mundial, Zero Załamki.

Table tennis tournament

In 2023, the first Table Tennis Tournament was held. More than 100 employees competed in the games. The players competed on 12 tables.

Move June

In 2023, we promoted active leisure and healthy lifestyles among employees. We organised an engagement campaign called Move June, which involved more than 5,000 employees. Throughout June, they opened windows in the e-calendar at <http://poruszczerwiec>; where active challenges, discounts and the “All sports allowed” photo competition awaited them. The employees showed us their interests and incredible passions and proved that every initiative, even the smallest one, is also a



sport. We combined the whole action with the Active ING app on Worksmile – where, in addition, everyone could register their activities, including yoga, walking, reading a book, cooking – also all kinds of hobbies that make you forget about your daily chores. The calendar also included World Bike Day (3 June), the ING Football Tournament (17 June) and International Yoga Day (21 June). Employees engaged in challenges and initiatives, and the competition received more than 400 exceptional photos.

Yoga Day and Yoga in Warsaw

On International Yoga Day, we caught our breath and balance as we practised together. Not only have we prepared unique classes with experienced trainers, but also a surprise ING yoga mat. Due to the strong interest of employees in Yoga classes, we offered classes in 2023 in Warsaw as well. Every Wednesday at 5.30pm at the Floor Hub at 2 Puławska Street, employees had the opportunity to practice yoga.

Finance

Cafeteria Programme

The cafeteria programme has already been in operation at the bank since 2017. Employees have access to sports cards and flexible offer of benefits. The cafeteria is available to all employees and the number of scored points depends on the employee's salary level. Employees can choose from a wide range of products on-line, such as cinema or theatre tickets, weekend or vacation time, or they can do shopping at sports stores or bookstores.

An important element of the Cafeteria Programme is the possibility of transferring the remaining and unused points at the end of the year to the ING Children Foundation, which allows for supporting the statutory goals of the Foundation and more effective use of the pool of points that the employee received during the year. The cafeteria offer is constantly being developed, and employees can themselves nominate potential suppliers whose products they would like to see in the system. Employees have

access to a mobile app for the cafeteria programme, which further increases the flexibility of using this benefit.

In 2023, we undertook a comprehensive review of the cafeteria offer. As a result of the review, we offered employees access to a new flexible cafeteria from the new year. After the change, employees can use the full range of all suppliers. At the same time, we introduced a second sports card provider.

Employee Pension Programme

The Employee Pension Programme (PPE) is a solution thanks to which we enable employees to collectively and voluntarily accumulate additional funds for retirement. The programme is intended for all employees employed for a period of at least 3 months. It is enough to submit a declaration of participation. For employees who join the scheme, the bank finances the basic contribution, which is invested in selected investment funds. The programme also allows for systematic investment of additional own funds. The account balance can be viewed via the internet application. By joining the PPE, ING Bank Śląski S.A. pays contributions to the individual employee register each month, which build additional capital for future retirement.

Our goal is to maintain employee participation in the Employee Pension Programme at a level above 60%. The achievement of this objective was as shown in the table below.

Participation of employees in the Employee Pension Programme					
	2019	2020	2021	2022	2023
Percentage of employees	77%	77%	75%	79%	81%

The increased interest in the PPE offer was largely due to the 2023 campaign to promote the benefit offer to employees. Under this form of saving for future pensions, the bank finances a base contribution of 3.5% of

salary for employees who join the scheme. Due to the favourable principles of the existing Employee Pension Programme, the bank was able to decide not to launch the Employee Capital Plans programme. From January 2022, the programme is operated exclusively online via a dedicated transaction service. This means that the whole process is convenient, secure and paperless for the employees, which fits in with the eco-friendly activity.

Group life insurance

Employees are offered the opportunity to take out group insurance with two insurance companies. The real benefit is the possibility for employees to take advantage of the employer-sponsored insurance option, which not only includes life insurance but also protects employees against serious illness. Employees are still able to take advantage of other insurance options under the self-funded offer from both Nationale Nederlanden and PZU. The total percentage of insured employees is almost 79%, of which 25.5% have insurance with both insurance companies. The sponsored insurance option is used by approximately 77% of employees.

Interim shares

Our aim is to educate employees on financial matters and promote their financial well-being by imparting useful knowledge. The launch of activities in this area was preceded by a survey of employees' opinions, which confirmed their interest in such activities. Responding to their needs, we focus on areas such as:

- promoting knowledge about saving programmes for future retirement,
- support in the field of personal taxes in the form of conferences, chats and brochures prepared by external experts,
- providing knowledge and support on the market situation in Poland, the psychology of finance or the household budget.



A new working model, or how we work in a hybrid model

As of March 2022, the bank has implemented a hybrid working model, i.e. a combination of remote and onsite working in different configurations. It is an approach that strikes a balance between the needs and preferences of employees and the comfort of working in the office and interacting with colleagues.

The hybrid working model is applicable, among other things, to units that develop products with software, carry out pre- and after-sales service, set standards, know-how and provide employees and administrative services.

As a general rule, work in the hybrid model is carried out with at least two days of office work per week. The forms of teamwork and hybrid working patterns of the division are decided by the Management Board member supervising the division in consultation with the managers. Any exceptions or deviations from the rules of the hybrid working model are decided by the Management Board member overseeing the division or the unit manager.

Working in a home office means concentrating on completing individual tasks. Working in a banking office is a time for team activities.

If our responsibilities include identifying a client's needs, making a sale or closing a deal, as a general rule we work in a five-day office model. Remote working may be carried out occasionally, at the employee's request, up to a maximum of 24 days per calendar year.

If we don't want to work from a home office, we can only work from an office in the bank. Working from home, we remain available to the employer during the hours agreed with our immediate supervisor.

BYOD – Bring Your Own Device

Employees can work on their equipment that they know. They choose the hardware to suit their preferences from their favourite brand, operating system and set of applications to weight, display size, resolution and design.

By using only one device for work and personal purposes, we have less equipment in our homes, which saves us space in our daily lives and is an added convenience. Your own device also means greater accessibility to applications and the freedom to use external website resources. The BYOD model can be used by supporters of Windows, MacOS (+ iPad/iPhone) and Android, who no longer need to move from one system to another, wasting valuable time.

All these advantages make this model increasingly popular and it is no longer only large corporations that opt for it, but also small and medium-sized companies and the public sector. A total of 1,447 users are already using the BYOD model at the end of 2023, including:

- ING Bank Śląski employees: 930 persons,
- employees of outsourcing companies: 455 persons,
- employees of ING companies: 62 persons.

Communication with employees

ING Today, Viva and Stream

We use state-of-the-art technology that allows us to focus on the really important things in our daily work. Our ING Today intranet brings together the information most important to employees and is integrated with the Viva Engage communities, which give employees a space for discussion, and the Stream platform, through which employees can post and view videos important to the organisation. In all communication channels, we

write simply – briefly, clearly and comprehensibly. In addition, personalisation provides each employee with the information they most need to perform their daily duties.

The subscription system also allows users to view content on a variety of topics, including from intranets, the Viva community and Stream channels from other ING Group N.V. countries. Thanks to the integration of the intranet with Office 365 applications, we can easily combine different communication channels: contact the author of a publication, ask a question, view a video or engage through discussion – ratings and comments. An important element of communication is the community thread. We can comment, post and also set up our own communities in Viva. We also have the ability to follow ING's social profiles and post videos within channels on the Stream platform. In 2023, our employees actively participated in more than 250 social channels. The publications, in which employees find up-to-date information, competitions, interviews and interesting initiatives in the organisation, are very popular.

The most popular communities in 2023 include @Dobrzepoinformowni, Diverse, Responsible in ESG or the ING Volunteer community, which is run jointly with the ING for Children Foundation, where employees share experiences and photos of their volunteer actions. Closed communities, dedicated to selected topics and groups, are also very popular.

CEO's blog

The CEO's blog is one example of open dialogue with employees. The blog is hosted by Brunon Bartkiewicz, CEO of ING Bank Śląski. He shares his thoughts and insights, and publishes information on important developments at the bank and on everyday events. Entries are freely commented on. Since 2021, BBblog has been operating as part of the Viva Engage platform, also available on phones. This makes it easier to stay in touch, access content and engage. 2023 brought further interesting and



engaging entries that perfectly complemented the overall communication, fostering a sense of safety and community.

Chats with Management Board members

We know that it takes courage and maturity to participate in a chat room. At ING, we can boast that, for more than 11 years, several times a year employees have been able to ask questions to members of the Management Board in an anonymous chat. Each question is answered by the management directly in chat or, if time is short, by publication on the intranet. Each chat is an average of 400 questions on employee and business topics, but also more private topics such as holiday plans or recommended books. The chat is accessible from computers or in a special app.

Newsletter “Let’s be in touch”

In 2023 internal communications, we stayed in touch and continued to send out the president’s newsletter regularly. With this solution, we reach employees with relevant topics and events to remember. The newsletter features content on safety, business, work organisation, education and trends. The systematic work on the newsletter “Let’s be in touch” has kept many people waiting for the next edition, because, among other things, it is from this publication that employees get information about the life and workings of the organisation. In 2023, the newsletter had 30 editions, and last June we celebrated its 100th publication.

Events, competitions, discounts

The calendar, available to every employee on the intranet homepage, was one of the most visited pages in 2023 in the age of online meetings. Employees could find invitations to conferences, workshops, webinars, chats and training courses at any time. In addition, they will also find the current competitions and discounts we have prepared for them on the website. The calendar also acted as a repository for archive recordings, which was

particularly appreciated as it allowed access to training materials after the event. Thanks to the Outlook email integration, any event of interest to employees can be added to their calendar.

“Baśka” magazine

We have been creating and publishing our employee magazine continuously since 1994. Until 2021, “Baśka” was published in paperback. From July 2021, the magazine is published in a digital version available on computers, laptops, tablets and phones. From the very beginning, we have been creating a magazine about workers and with workers. They are responsible for the texts published in “Baśka”. They write articles, conduct interviews, talk to ING experts and produce coverage of banking events. Together, we are committed to the success and publishing tradition of the magazine.

In 2023, we published four electronic editions and one special edition. We decided to put together a special year-end paper edition and take our employees on a sentimental journey to the paper version of our magazine. In it, we can find interviews with the management, a handful of information from experts, advice from psychologists, a text by Jarosław Kuźniar, a crossword puzzle with prizes. And to top it all off, there are lots of interesting extras, not just for Christmas.

Culture book

The culture book “Simply ING” is a book about the people and the ING brand represented by ING Bank Śląski and other ING Bank Śląski Group companies. It all started in 2018, when the culture book “Simply ING” was first published. It turned out that we had so much energy and, above all, courage in us that we wanted to create a culture book every year and share it with everyone. We are preparing it for employees, managers, potential job candidates, graduates or clients who want to learn more about the ING brand. The book shows the employees and the organisation as a whole – who we are and

how we work together. It is a real pill of knowledge about our organisational culture – values, principles, working style and communication. The publication is jointly prepared by a team comprising HR and communication experts. Each year, the publication is available in a printed and electronic version.. It can be found both on the recruitment pages and at ING stands at universities. The Culture Book’s sixth edition, published in 2023, was more expansive, spanning 268 pages.

Employee engagement activities

The first recipients of any new marketing campaign and current events and initiatives are the bank employees. On this occasion, special internal communications are created with engagement activities. In 2023, within the context of the “Keepers of Cool Ideas” campaign for companies, employees had the opportunity to unleash their imagination, showcase their creativity, and design a jacket as part of the accompanying campaign. The competition was very popular – over 5,500 views – as it was none other than the employees themselves who cast votes (reactions) for their favourite projects. Other engaging campaigns included a collaboration with VISA, where together with the young generation artist Bryska, we created a unique piece entitled “Miasto tętni” [“The city is vibrant”]. Employees engaged in two campaigns where they could win a special sweatshirt from VISA’s “The City Moves Us” collection and win tickets to an intimate Bryska concert. This unique event, organised at the ING office in Katowice, was most popular with parents, who were able to give a special gift to their teenagers. Both actions involved more than 4,000 employees. At the end of the year, as part of the ING Campaign. “Your assistant. Informs, prompts, reminds”, we also involved employees who gave us a hint as to which voice they would choose for their assistant. We received more than 260 entries and the competition entry was viewed by more than 4 000 of them.

In other campaigns such as the “Green Tesla for Green Code”, employees promoted green solutions and submitted their ideas for reducing their



carbon footprint. We received more than 387 unique ideas from them, of which we awarded the best. In addition, we organised a quiz on the carbon footprint, which was attended by 2,200 employees. Many of them also actively engaged in “Open Days with Tesla”, where they were able to sign up for consultations with experts and test drive Tesla cars. The communication was displayed by more than 7,000 employees.

Strategic communication

We regularly inform employees about important topics related to the bank and brand strategy, Orange Code and ESG activities. Four times a year we publish internally “Financial Results”. We send the organisation a video with

the CEO explaining our achievements and challenges in a simple and friendly way and summarising the current quarter. In 2023, we also paid particular attention to informing our employees about ESG and sustainability. We made sure they learned key information about our strategic approach to environmental (E), social (S) and corporate governance (G) issues; and what ESG initiatives we are currently implementing in different areas of the bank.

Risk culture in the organisation

It is equally important for us to promote the right attitudes among our employees – especially when it comes to the safety of our clients and

ourselves. In an age of many high-tech risks, effective communication in the area of Risk Culture is one of our priorities. Through various communication channels (ING Today, the Viva Engage community, mailing), we ran an outreach campaign for the second time in which, among other things, we promoted dialogues about the Culture of Risk and talked about risks in the ways we communicate, greenwashing and AI. We also organised a competition Risk Hero Awards which was very popular. We received more than 200 nominations. More than 1,200 employees cast their votes. Posts on communities about the competition were widely received (average of more than 1,000 views/post).



Occupational health and safety

GRI [403-1] [403-3] [403-5] [403-9]

SDG 3

OHS management

Health and safety management is based on the applicable external regulations and the internal banking procedures, instructions and employee handbooks drawn up on the basis of these.

In order to create safe working conditions and continuously monitor the state of risks, we regularly carry out and update an Occupational Risk Assessment (ORZ). It identifies the significant risks present in the workplace and the preventive measures implemented to minimise them. The work on the Occupational Risk Assessment is carried out in cooperation with the company’s occupational physician and the workers’ representative, including the Company Social Labour Inspector during meetings of the Occupational Health and Safety Committee. In 2023, we have updated the existing Occupational Risk Assessments and, due to changes in the legislation on remote working, we have prepared a new Occupational Risk Assessment for remote working. Under the new legislation, every employee was required to be familiarised with it during a dedicated training course. The Occupational Risk Assessment is an integral and compulsory part of initial and periodic training.

Employees are required to report hazards directly to their supervisor and the OHS Officer. Applications are made via the dedicated OHS email box. Due to the specific nature of work in the bank and the hazards present in the workplaces, accidents suffered by employees are classified as light accidents for which no additional preventive measures need to be taken. The most common injuries sustained by employees are bruises, cuts, sprains and fractures. OHS officers inspect the working conditions of each facility once a year. In addition, whenever an employee reports a OHS irregularity (e.g. glare), OHS employees take action to address it. In addition, OHS officers are involved in the technical acceptance of newly built and modernised facilities.

IR, accident frequency rate calculated as the total number of people injured in accidents/employment × 1,000; **LDR, total days lost to work due to occupational accidents calculated as the ratio of the total number of days lost to the number of planned hours worked by employees in the reported period ×200,000; * accident severity rate calculated as the number of days lost to work due to accidents/number of accidents; ****AR, absenteeism rate calculated as the total number of days absent from work/number of days worked per year × 200,000.*

Accidents at work by gender					
	2019	2020	2021	2022	2023
Number of light accidents	20	8	14	22	13
Females	18	7	12	18	8
Males	2	1	2	4	5
Number of serious accidents	0	0	0	0	0
Females	0	0	0	0	0
Males	0	0	0	0	0
Number of fatal accidents	0	0	0	0	0
Females	0	0	0	0	0
Males	0	0	0	0	0
Total number of accidents at work	20	8	14	22	13
Females	18	7	12	18	8
Males	2	1	2	4	5
Total number of persons injured in accidents	20	8	14	22	13
Accident frequency rate*	2.6	0.99	1.66	2.65	1.60
Females	3.47	1.32	2.17	3.33	1.55
Males	0.80	0.36	0.68	1.38	1.68
Total number of days of work incapacity due to accidents at work**	2.34	0.65	2.45	3.87	1.39
Females	3.23	0.97	3.35	5.29	1.65
Males	0.52	0.04	0.75	1.23	0.94
Accident severity rate***	9.05	6.63	14.93	14.68	8.69
Females	10.06	7.57	15.58	15.94	10.63
Males	6.50	1.00	11.00	9.00	5.60
Absenteeism rate****	18.75	5.20	19.61	30.97	11.13
Females	25.84	7.74	26.82	42.32	13.20
Males	4.13	0.29	5.97	9.87	7.55



We have created a dedicated tab on the internal portal where all the important information on Health and Safety at Work is placed, i.e.: contact details of OHS employees, procedures, instructions and other information in this area. We strive to ensure that OHS instructions and procedures are clear and transparent for employees. That is why we present all documents in pictorial form, which makes it easier to remember the principles.

OHS employees respond on an ongoing basis to the needs of our employees, which are reported on the SNOW/WILCO platform. These reports relate to accidents, first aid kit equipment, reimbursement requests, protective equipment needs, OHS training and, in addition, waste disposal and confidential documents.

OHS Committee

The bank has an Occupational Health and Safety Committee, which includes an occupational physician, an OHS officer, an HR representative and representatives from the social side. During the meetings, current topics and initiatives in the field of Health and Safety at Work are discussed. Investigations are carried out with the Company Social Labour Inspector to determine the circumstances and causes of accidents at work, and inspections of bank facilities are carried out when necessary.

OHS training

To ensure compliance with the bank’s labour legislation, we provide Health and Safety training. All employees are required to complete training, and this process is monitored by OHS employees. Training takes place on an e-learning platform according to the training programme, and performance is systematically monitored and reported.

In order to continuously raise employees’ awareness of occupational health and safety, in June 2023 we organised OHS Days in office buildings in Katowice and Warsaw. As part of this initiative, we provided 30 on-site training courses on the principles of pre-medical first aid, which any employee could sign up for. Each three-hour theoretical and practical meeting was led by paramedics from Luxmed. During the training, employees had the opportunity to refresh their theoretical knowledge of first aid, as well as take part in practical exercises conducted using phantoms. The training also included practical exercises on how to use the AED. Each participant received a certificate of completion. An additional initiative for employees who were unable to attend training with paramedics was the organisation of modern virtual reality technology stations manned by first aid instructors. In an exciting new feature, employees were able to quickly remind themselves of the principles of Cardiopulmonary resuscitation (CPR), body positioning in the lateral position, operation of the Automated External Defibrillator (AED) and fire

safety rules. Employees also had the opportunity to use a reaction time trainer, alcohol impairment goggles and, in Katowice, a rollover and crash simulator and a smoke tent.

OHS training among employees					
	2019	2020	2021	2022	2023
Preliminary	595	1,270	1,544	1,229	1,347
Periodic	1,303	2,675	2,013	1,356	2,478

Preventive examinations

Preventive occupational health examinations for employees include initial, periodic and follow-up examinations. An employee is allowed to work in a given position on the basis of a medical certificate stating that there are no contraindications to work. All data concerning the health of employees is kept at the centre providing occupational health services, and medical certificates for the employee’s admission to work are kept in the employees’ individual folders. In 2023, we reimbursed approximately 1,800 employees for the cost of purchasing corrective glasses or lenses for computer work. This process is fully automated. The procedure by which an employee can apply for reimbursement is available to all employees on our internal portal.

In the spirit of “prevention is better than cure”, in October we organised “Month for the Eyes” for our employees. We have arranged free optometric consultations in Katowice and Warsaw. In addition, a webinar on the prevention of eye diseases was held specifically for employees.

As part of our concern not only for safety, but also for the health of employees in the workplace, we held Health Days every month in the head office buildings and more than ten Meeting Places. As part of this initiative, employees were able to benefit from consultations with a dietician and a physiotherapist, as well as making an appointment for an office massage. In 2023, we recorded around 7 500 sign-ups for the services offered at the event.

AEDs

Our head office buildings and meeting places are systematically equipped with AEDs – devices used to save human lives in the event of sudden cardiac arrest. Alongside the delivery of the equipment, OHS employees provide training for employees, during which they demonstrate how the defibrillator works, how to use it correctly and allow practical exercises on the training device. In 2023, we bought 11 AEDs. There are currently 95 defibrillators



available at our locations nationwide. We regularly monitor the condition of the devices and replace the electrodes and batteries in them. All our AEDs are marked on a map in the *Staying alive* app, which is available to all.



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Our integrated report

[GRI \[2-2\]](#) [\[2-3\]](#) [\[2-4\]](#) [\[2-5\]](#) [\[2-14\]](#)

We are pleased to present the Management Report on ING Bank Śląski S.A. Group 2023, which is our integrated report. We issued our first integrated report for 2016 (in 2017). We believe that this format allows our stakeholders to receive a comprehensive set of information about our activities in one document and at the same time.

We have prepared the report in accordance with the best global standards:

- the international non-financial data reporting guidelines of the *Global Reporting Initiative – GRI Standards 2021* and
- integrated Reporting Guidelines *International<IR>Framework* as updated in 2021.

This report also meets the formal requirements of the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities and on the conditions under which information required by legal regulations of a third country may be recognised as equivalent.

This report presents the activities of ING Bank Śląski S.A. Group from 1 January 2023 to 31 December 2023 unless a different period is indicated in the text. Both financial and non-financial data relate to the ING Bank Śląski S.A. Group (and selected financial data of ING Bank Śląski S.A.). We write about the changes in the structure of ING Bank Śląski Group during the reported period [here](#). We continue to deepen our understanding of ESG issues in our operations, including our approach to monitoring indicators and responding to regulatory requirements in this area. This year, we updated our methodology for counting indicators related to the retention of employees after they return from family leave (GRI 404-3), as well as pay gap indicators, which we report according to two methodologies: GRI and EBA guidelines. In addition we have decided to recalculate the previously reported greenhouse gas emission values and self-economy data for 2021-2022. We write about the details of the new methodology [here](#) and about the update of the calculation for the own economy [here](#).

The report covers the activities of the ING Bank Śląski S.A. Group and the effects of these activities. In the report we have included relevant information on the strategy, management, performance and prospects of our bank. We presented them taking into account the economic, social and environmental context. We also present our understanding of business responsibility and the impact we have on the environment – now and in the future. We

believe that our integrated report explains how the non-financial aspects of our business affect our ability to create and sustain value (limiting their erosion wherever possible) in the short, medium and long term.

The list of material topics identified in the Materiality assessment described below has been approved by the President of the Management Board ING Bank Śląski. The report was subject to the opinion of the members of the bank Management Board and Supervisory Board during its creation and was subsequently adopted by them.

We issue the report on an annual basis. The previous report for 2022 was published in March 2023.

The report has been independently, externally reviewed for:

- compliance with GRI Standards of all presented GRI indicators, including indicators regarding carbon footprint calculation in all disclosed categories and scopes other than Category 15 from Scope III,
- compliance of qualitative and quantitative disclosures arising from Regulation 2021/2178 together with delegated acts (taxonomic disclosure) with the requirements of Regulation 2021/2178,
- compliance of qualitative and quantitative disclosures under Regulation 2019/2088 and Delegated Regulation 2022/1288 in relation to basic PAI indicators (SFDR disclosure) with the requirements of these regulations.

The attestation service was performed by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. The assurance report was published in the ESPI system as part of the annual report package and is available on [the investor relations website](#).

How the Integrated Report was created

Materiality assessment

[GRI \[3-1\]](#)

We have followed best practice and standards in our reporting for many years. We endeavour to cover the topics most important to our stakeholders and reflect our impact on environmental, social and corporate governance issues in the annual report. As we did last year, we decided to carry out the materiality screening process in a comprehensive and inclusive way with our stakeholders. We carried out some of the work in collaboration with an independent consultancy. The findings of the materiality study carried out serve us not only to fulfil the GRI



requirements in this Management Report – they are also a valuable source of feedback on our commitment to sustainability and inspiration for planning our next steps.

In the course of working on last year’s report, we updated the stakeholder map of the ING Bank Śląski Group and assess it as still relevant. In 2023, there have been no significant changes in ING Bank Śląski’s operations that could alter the bank’s key stakeholders. The map is available [at this point](#).

The purpose of the materiality study was to identify the key areas of our impact on aspects of sustainable development and, based on this, to update a list of relevant topics. The scope of the impact areas analysed was defined with reference to the issues identified in the ESRS (*European Sustainability Reporting Standards*) and extended to include issues arising from last year’s materiality analysis.

As part of the materiality study, we carried out the following work:

- Analysis of foundational data – benchmarking competitor companies to identify relevant topics for the industry, analysing the requirements of key ESG ratings and SASB(*Sustainability Accounting Standards Board*) guidelines.
- Stakeholder dialogue session and one-to-one interviews – we organised a dialogue session and one-to-one interviews with representatives of key stakeholder groups at the end of 2023. The meetings were conducted by an independent facilitator based on the international standard for stakeholder engagement (AA1000SES). During the meetings, stakeholders assessed the challenges facing the financial sector, the ING Bank Śląski Group’s ESG activities to date (with a focus on 2023), presented their expectations for future activities, and identified important topics that they believe should be included in the Management Report on Operations for 2023. More than 20 representatives of our key stakeholder groups – including clients, investors, representatives of capital market institutions, academia, social and environmental organisations, business partners or the media – took part in the session and individual interviews.
- Stakeholders identified a number of activities that they view positively and appreciate in our business, but we also learned about specific expectations of ING, and the financial sector more broadly. After the dialogue meeting and each interview, an independent moderator produced reports summarising the main themes of the discussion, which were then passed to the participants’ review and approval.
- Impact assessment by internal stakeholders – we invited employees of the ING Bank Śląski S.A. Group to complete an anonymous questionnaire. In it, we asked whether the bank has a direct or indirect impact (e.g. by financing client investments) on sustainability issues. Employees were asked to assess whether there was an

impact (and whether it was positive, negative or both positive and negative in a particular case) and to assess the strength of the impact. More than 200 people completed the survey.

- We have endeavoured to address the expectations and issues raised by our external and internal stakeholders within the pages of this Report. For us, stakeholder dialogue is a very valuable source of knowledge and inspiration for further ESG activities.
- Expert assessment of the bank’s impact on sustainability issues – an external advisor reviewed last year’s assessment in relation to the current market situation, trends in ESG areas and the specifics of ING Bank Śląski’s business. The bank’s impact on sustainability issues was assessed in 3 dimensions: as an organisation, through its products and its supply chain.

Based on the above work, we have developed a broad list of relevant themes. We then prioritised it. An aspect was considered relevant if it appeared in a minimum 3 out of 5 assessment elements: benchmark reports, ESG ratings and SASB guidelines, dialogue session and individual interviews with stakeholders, impact assessment by employees, impact assessment by external advisor. During the internal validation among the key units responsible for the reporting process, we also took into account the results of analyses carried out at the bank as part of projects on important issues in our sustainability footprint (e.g. human rights or greenhouse gas emissions). We have also taken into account the relevant themes resulting from the international materiality study conducted by ING Group N.V. The final list of relevant topics was approved by the President of the Management Board of ING Bank Śląski.



GRI [3-2]

List of relevant topics		
E (environment)	S (society)	G (corporate governance)
<ul style="list-style-type: none">• Climate change• Sustainable financing, client energy transformation• Measuring and reducing greenhouse gas emissions• Environmental education	<ul style="list-style-type: none">• Respect for human rights• Employees• Working conditions, <i>wellbeing</i>• Diversity and remuneration policies at all levels of the organisation• Employee development• Activities for clients• Responsible selling• Financial health• Accessible banking• Responsibility in relations with suppliers• Commitment to community and innovation	<ul style="list-style-type: none">• Integrated business strategy• Business ethics• Counteraction of corruption• Cyber security, data security• Risk management (including ESG risks)

Compared to last year’s list of relevant topics, there have been no major changes. As a result of this year’s materiality study, some issues have been expanded to include additional aspects and some have been combined.

A constant theme from the environmental area is climate issues, including greenhouse gas emissions in all three scopes and their reduction, sustainable financing or environmental education (last year it was environmental education). This year, an additional aspect is the impact on the energy transformation of the bank’s clients.

In the social area, the issue of human rights was again included among the relevant themes. The growing importance of respecting human rights is reflected in regulations and international guidelines, including the OECD Guidelines for Multinational Companies, the pending Directive on Corporate Sustainability Due Diligence or, finally, the GRI reporting standards themselves. The issue of human rights was considered important in several elements of the materiality study, including the views of our stakeholders. For employees, working conditions, *wellbeing*, diversity and remuneration policies at all levels of the organisation (last year we included this aspect in the “G” segment) and employee development remain important themes. Among the measures for clients, responsible sales and accessible banking are invariably important (last year, we additionally emphasised plain language with this theme; now we have treated it as one of the elements indicating the level of accessibility of the banking offer). Last

year’s theme of financial education this year was extended to include the financial health of clients as a broader dimension of bank impact. Responsibility in relations with suppliers remains an important theme. This year, we have chosen to encapsulate our commitment to community and innovation under one theme.

In terms of corporate governance themes, integrated business strategy, business ethics, anti-corruption, cyber security and data security, and risk management, including ESG risks, resonate again. What is not on the list is economic performance, but this is an obvious part of integrated reporting.

Who was involved in the drafting of the report

Work on the report was coordinated by a team comprising representatives from the areas of sustainable development and ESG, investor relations and financial reporting. However, the report is the result of the involvement of our entire organisation.

These included primarily:

- employees at all levels who participated in the preparatory work and prepared the data for the report, as well as participating in the audit process,
- representatives of our key stakeholder groups who took part in the materiality study.

The contribution of all the people and institutions allowed us to prepare the Management Board Report on Operations of the ING Bank Śląski S.A. Group in 2023.

GRI [2-3]

Please direct any questions relating to this report to:

Contact details	
First name and surname	Iza Rokicka
Position	Director of the Investors Relations, ESG Reporting and Market Analysis Bureau
Division	CFO Division
E-mail address	iza.rokicka@ing.pl



GRI Content Index

Statement of use: ING Bank Śląski S.A. Capital Group has reported in accordance with the GRI Standards for the period from 1 January to 31 December 2023.

GRI 1 used: GRI 1: Foundation 2021

General Disclosures

Disclosure number	GRI Standard	Disclosure name	Location in the report
The organization and its reporting practices			
GRI 2-1	GRI 2: General Disclosures 2021	Organizational details	Who we are Shares and shareholders of ING Bank Śląski S.A.
GRI 2-2	GRI 2: General Disclosures 2021	Entities included in the organization’s sustainability reporting	About the report
GRI 2-3	GRI 2: General Disclosures 2021	Reporting period, frequency and contact point	About the report Who was involved in the drafting of the report
GRI 2-4	GRI 2: General Disclosures 2021	Restatements of information	About the report
GRI 2-5	GRI 2: General Disclosures 2021	External assurance	About the report
Activities and workers			
GRI 2-6	GRI 2: General Disclosures 2021	Activities, value chain and other business relationships	Who we are The scale of our business Business model and value creation Responsibility in the supply chain
GRI 2-7	GRI 2: General Disclosures 2021	Employees	HR Management
GRI 2-8	GRI 2: General Disclosures 2021	Workers who are not employees	HR Management
Governance			
GRI 2-9	GRI 2: General Disclosures 2021	Governance structure and composition	Supervisory Board Management Board
GRI 2-10	GRI 2: General Disclosures 2021	Nomination and selection of the highest governance body	Supervisory Board Management Board
GRI 2-11	GRI 2: General Disclosures 2021	Chair of the highest governance body	Supervisory Board Management Board



GRI 2-12	GRI 2: General Disclosures 2021	Role of the highest governance body in overseeing the management of impacts	Governance structure of ESG issues Non-financial risk Operational risk ESG Risks
GRI 2-13	GRI 2: General Disclosures 2021	Delegation of responsibility for managing impacts	Governance structure of ESG issues Non-financial risk Operational risk ESG Risks
GRI 2-14	GRI 2: General Disclosures 2021	Role of the highest governance body in sustainability reporting	About the report
GRI 2-15	GRI 2: General Disclosures 2021	Conflicts of interest	Counteracting corruption and conflicts of interest
GRI 2-16	GRI 2: General Disclosures 2021	Communication of critical concerns	Non-financial risk
GRI 2-17	GRI 2: General Disclosures 2021	Collective knowledge of the highest governance body	Governance structure of ESG issues Interdisciplinary collaboration and knowledge sharing
GRI 2-18	GRI 2: General Disclosures 2021	Evaluation of the performance of the highest governance body	Supervisory Board Management Board Remunerations of Management Board and Supervisory Board members
GRI 2-19	GRI 2: General Disclosures 2021	Remuneration policy	Remunerations of Management Board and Supervisory Board members
GRI 2-20	GRI 2: General Disclosures 2021	Process to determine remuneration	Remunerations of Management Board and Supervisory Board members
GRI 2-21	GRI 2: General Disclosures 2021	Annual total compensation ratio	Remuneration of Management Board members
Strategy, policies and practices			
GRI 2-22	GRI 2: General Disclosures 2021	Sustainability Strategy Statement	Letter from the President Business strategy
GRI 2-23	GRI 2: General Disclosures 2021	Sustainability commitments	Sustainability in our business strategy Organisational culture Green Statement
GRI 2-24	GRI 2: General Disclosures 2021	Fulfillment of commitments included in policies	Sustainability in our business strategy Organisational culture Green Statement
GRI 2-25	GRI 2: General Disclosures 2021	Processes for eliminating negative impacts	ESG Risks Mechanism of reporting breaches Anti-discrimination
GRI 2-26	GRI 2: General Disclosures 2021	Mechanisms for seeking advice and reporting concerns	Mechanism of reporting breaches



			Anti-discrimination
GRI 2-27	GRI 2: General Disclosures 2021	Compliance with laws and regulations	Anti-money laundering Responsible marketing Responsible product offering – Administrative penalties
Stakeholder engagement			
GRI 2-28	GRI 2: General Disclosures 2021	Membership associations	Involvement in industry initiatives and organisations
GRI 2-29	GRI 2: General Disclosures 2021	Approach to stakeholder engagement	Managing relationships with our stakeholders
GRI 2-30	GRI 2: General Disclosures 2021	Collective bargaining agreements	Relations with the social partners
Material Topics			
GRI 3-1	GRI 3: Material Topics 2021	Process to determine material topics	Materiality assessment
GRI 3-2	GRI 3: Material Topics 2021	List of material topics	Materiality assessment
Climate changes (E)			
GRI 3-3	GRI 3: Material Topics 2021	Management of material topic, including: <ul style="list-style-type: none">Sustainable financing, customers' energy transformationMeasuring and reducing CO₂ emissions (organization, portfolio of receivables from customers)Environmental education	Green Statement Sustainable financing Supporting innovation for sustainable development Our directions of action in terms of emission reduction Actions for financial education, climate education, entrepreneurial development and sustainable development
GRI 302-1	GRI 302: Energy 2016	Energy consumption within the organization	Fuel and energy consumption
GRI 302-4	GRI 302: Energy 2016	Reduction of energy consumption	Fuel and energy consumption
GRI 303-3	GRI 303: Water and Effluents 2018	Water withdrawal	Water consumption
GRI 305-1	GRI 302: Energy 2016	Direct (Scope 1) GHG emissions	Greenhouse gas emissions
GRI 305-2	GRI 302: Energy 2016	Energy indirect (Scope 2) GHG emissions	Greenhouse gas emissions
GRI 305-3	GRI 302: Energy 2016	Other indirect (Scope 3) GHG emissions	Greenhouse gas emissions
GRI 305-4	GRI 302: Energy 2016	GHG emissions intensity	Greenhouse gas emissions
GRI 305-5	GRI 302: Energy 2016	Reduction of GHG emissions	Our directions of action in terms of emission reduction Greenhouse gas emissions
GRI 306-3	GRI 306: Waste 2020	Waste generated	Waste
Own indicator - 1	Not applicable	Financing of RES by the corporate segment	Sustainable financing



Own indicator - 2	Not applicable	The scale of reaching recipients with activities in the field of climate education	Supporting innovation for sustainable development Actions for financial education, climate education, entrepreneurial development and sustainable development
Human rights (S)			
GRI 3-3	GRI 3: Material Topics 2021	Management of material topic Topics, where the bank's activities have or may have an impact on human rights, including: <ul style="list-style-type: none">• Employees• Responsibility in the supply chain• ESG risk management	Sustainability in our business strategy Respect for human rights Responsibility in the supply chain Organisational culture ING for employees ESG Risks
Employees (S)			
GRI 3-3	GRI 3: Material Topics 2021	Management of material topic, including: <ul style="list-style-type: none">• Working conditions, well-being• Employee development	HR management Our flexible working arrangements Development and training programs Remuneration principles We develop friendly work place
GRI 202-1	GRI 202: Market Presence 2016	The ratio of the remuneration of lowest-level employees by gender to the minimum wage	Linking employee remuneration to the minimum wage
GRI 401-1	GRI 401: Employment 2016	New employee hires and employee turnover	Employment structure
GRI 401-2	GRI 401: Employment 2016	Benefits provided to full-time employees	We develop friendly work place
GRI 401-3	GRI 401: Employment 2016	Parental leave	Parents at work
GRI 403-1	GRI 403: Occupational Health and Safety 2018	Occupational health and safety management system	Occupational health and safety
GRI 403-3	GRI 403: Occupational Health and Safety 2018	Occupational health and safety services	Occupational health and safety
GRI 403-5	GRI 403: Occupational Health and Safety 2018	Employee training in the area of occupational safety	Occupational health and safety
GRI 403-6	GRI 403: Occupational Health and Safety 2018	Health promotion among employees	We develop friendly work place
GRI 403-9	GRI 403: Occupational Health and Safety 2018	Type and rate of work-related injuries	Occupational health and safety



GRI 404-1	GRI 404: Training and Education 2016	Number of training hours per year per employee according to employment structure	Development at ING in figures
GRI 404-2	GRI 404: Training and Education 2016	Professional competence development programs and support programs during the transition period	Development and training programs
GRI 404-3	GRI 404: Training and Education 2016	Percentage of employees subject to regular job quality assessments and career development reviews, by gender and employment category	Annual performance assessment talks
Own indicator - 3	Not applicable	Results of the OHI Puls survey	We know how employees rate us
Responsibility in relations with suppliers (S)			
GRI 3-3	GRI 3: Material Topics 2021	Management of material topic	Responsibility in the supply chain
GRI 308-1	GRI 308: Supplier Environmental Assessment 2016	Percentage of new suppliers assessed according to environmental criteria	Responsibility in the supply chain
GRI 414-1	GRI 414: Supplier Social Assessment 2016	Percentage of new suppliers assessed according to social criteria	Responsibility in the supply chain
Activities for clients (S)			
GRI 3-3	GRI 3: Material Topics 2021	Management of material topic, including: <ul style="list-style-type: none">Responsible sellingFinancial healthAccessible banking (including plain language)	Business responsibility Client experience Simplicity accessibility and flexibility Service in meeting places We educate and share knowledge
GRI 417-1	GRI 417: Marketing and Labeling 2016	Requirements for product and service information and labeling	Responsible product offering
GRI 417-3	GRI 417: Marketing and Labeling 2016	Incidents of non-compliance concerning marketing communications	Responsible marketing
Own indicator - 4	Not applicable	Customer satisfaction indicator - Net Promoter Score (NPS)	Net Promoter Score
Own indicator - 5	Not applicable	Availability of Moje ING in 2023	Moje ING
Own indicator - 6	Not applicable	Availability of ING Business in 2023	ING Business
Community involvement (S)			
GRI 3-3	GRI 3: Material Topics 2021	Management of material topic	Social involmment
GRI 413-1	GRI 413: Local Communities 2016	Locations of activities taking into account local community involvement, impact assessment and/or development programs	Social involmment Our corporate foundations
Own indicator - 7	Not applicable	Number of hours used for volunteering by employees	Employee volunteering



Promoting innovation (S)

GRI 3-3	GRI 3: Material Topics 2021	Management of material topic	Technological development Supporting innovation for sustainable development Special programmes - Development of new technologies
Own indicator - 8	Not applicable	Funds to support educational initiatives and innovation	Donations and sponsoring Supporting innovation for sustainable development

Diversity and remuneration policy at all levels of the organization (S and G)

GRI 3-3	GRI 3: Material Topics 2021`	Management of material topic	Diversity and equal opportunities Remuneration principles Diversity policy for supervisory, managing and administrative bodies
GRI 2-19	GRI 2: General Disclosures 2021	Remuneration policy	Renumerations of Management Board and Supervisory Board members
GRI 2-20	GRI 2: General Disclosures 2021	The process of determining remuneration	Renumerations of Management Board and Supervisory Board members
GRI 2-21	GRI 2: General Disclosures 2021	Total annual salary indicator	Remuneration of Management Board members
GRI 405-1	GRI 405: Diversity and equal opportunities 2016	Diversity of management bodies and employees	Diversity policy for supervisory, managing and administrative bodies Employment structure
GRI 405-2	GRI 405: Diversity and equal opportunities 2016	The ratio of men's basic pay to women's pay according to the position held	We care about equal pay

Integrated business strategy (G)

GRI 3-3	GRI 3: Material Topics 2021	Management of material topic	Business strategy Sustainability in our business strategy
GRI 2-12	GRI 2: General Disclosures 2021	Role of the highest governance body in overseeing the management of impacts	Governance structure of ESG issues Non-financial risk Operational risk ESG Risks
GRI 2-13	GRI 2: General Disclosures 2021	Delegation of responsibility for managing impacts	Governance structure of ESG issues Non-financial risk Operational risk ESG Risks
GRI 2-22	GRI 2: General Disclosures 2021	Statement on sustainable development strategy	Letter from the President Business strategy
GRI 2-23	GRI 2: General Disclosures 2021	Sustainability commitments	Sustainability in our business strategy











			Organisational culture Green Statement
GRI 2-24	GRI 2: General Disclosures 2021	Fulfillment of obligations included in the Policies	Sustainability in our business strategy Organisational culture Green Statement
Risk management (including ESG risks) (G)			
GRI 3-3	GRI 3: Material Topics 2021	Management of material topic	Risk and capital management system Business strategy Non-financial risk Operational risk ESG Risks
GRI 2-16	GRI 2: General Disclosures 2021	Communication of critical concerns	Non-financial risk
GRI 2-24	GRI 2: General Disclosures 2021	Fulfillment of obligations included in the Policies	Sustainability in our business strategy Organisational culture Green Statement
GRI 2-25	GRI 2: General Disclosures 2021	Processes to remediate negative impacts	ESG Risks Mechanism of reporting breaches Anti-discrimination
Cyber security, data security (G)			
GRI 3-3	GRI 3: Material Topics 2021	Management of material topic	Transaction security and stability of IT systems Cyber security Personal data security
GRI 418-1	GRI 418: Customer Privacy 2016	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Personal data security
Own indicator - 9	Not applicable	Percentage of employees trained in personal data security	Personal data security
Business ethics (G)			
GRI 3-3	GRI 3: Tematy istotne 2021	Management of material topic	Organisational culture Counteracting corruption and conflicts of interest
GRI 406-1	GRI 406: Zapobieganie dyskryminacji 2016	Total number of incidents of discrimination (incidents of a discriminatory nature) and corrective actions taken	Anti-discrimination
GRI 2-26	GRI 2: Ogólne ujawnienia 2021	Mechanisms for seeking advice and raising concerns	Mechanism of reporting breaches
Counteraction of corruption (G)			



GRI 3-3	GRI 3: Material Topics 2021	Management of material topic	Przeciwdziałanie korupcji i konfliktom interesów Responsibility in the supply chain Donations and sponsoring
GRI 205-2	GRI 205: Anti-corruption 2016	Training for employees and managers on anti-corruption policies and procedures	Przeciwdziałanie korupcji i konfliktom interesów
GRI 205-3	GRI 205: Anti-corruption 2016	Confirmed incidents of corruption and actions taken in response	Przeciwdziałanie korupcji i konfliktom interesów



SDG index

The UN Sustainable Development Goals index, which we refer to in this report		
SDG Number	UN Sustainable Development Goal	Location in the report
	End poverty in all its forms everywhere	Social involmment Donations and sponsoring Our corporate foundations
	Ensure healthy lives and promote well-being for all at all ages	Sustainability in our business strategy ESG risk We develop a friendly work place Occupational health and safety
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Sustainability in our business strategy Social involvement Our corporate foundations Development and training programs
	Achieve gender equality and empower all women and girls	Sustainability in our business strategy Diversity and equal opportunities Diversity policy for supervisory, managing and administrative bodies Parents at work
	Ensure access to affordable, reliable, sustainable and modern energy for all	Sustainability in our business strategy Environmental Declaration Sustainable financing Supporting innovation for sustainable development
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Sustainability in our business strategy ESG risk HR management Remuneration principles
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Technological development Supporting innovation for sustainable development Special programmes – development of new technologies
	Reduce inequality within and among countries	Sustainability in our business strategy Business responsibility Simplicity availability and flexibility Social involmment Our corporate foundations



Make cities and human settlements inclusive, safe, resilient and sustainable

[Diversity and equal opportunities](#)



Ensure sustainable consumption and production patterns

[Sustainability in our business strategy](#)
[Environmental Declaration](#)
[Supporting innovation for sustainable development](#)



Take urgent action to combat climate change and its impacts

[Sustainability in our business strategy](#)
[ESG risk](#)
[Environmental Declaration](#)
[Sustainable financing](#)



Conserve and sustainably use the oceans, seas and marine resources for sustainable development

[ESG risk](#)



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, as well ashalt and reverse land degradation and halt biodiversity loss

[ESG risk](#)
[Environmental Declaration](#)



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

[Sustainability in our business strategy](#)
[Organizational culture](#)
[Counteracting corruption and conflicts of interest](#)
[Social involmment](#)
[Diversity and equal opportunities](#)



Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

[Sustainability in our business strategy](#)
[Involvement in industry initiatives and organisations](#)
[Social involmment](#)



Attachments

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Figures regarding Taxonomy

The tables below present exposures at gross carrying amount in the banking book of the ING Bank Śląski S.A. Group, in line with prudential consolidation, as of 31 December 2023.

Summary

Summary of key performance indicators under Article 8 the EUT (PLN million)								
Main KPI	Total environmentally sustainable assets based on turnover KPI	Total environmentally sustainable assets based on capex KPI	based on turnover KPI	based on capex KPI	% coverage in Total assets	% of assets excluded from the numerator of the GAR over total assets**	% of assets excluded from the denominator of the GAR over total assets***	
Green asset ratio GAR stock	460.4	526.9	0.3%	0.3%	72.7%	38.4%	27.3%	
Additional KPI	Total environmentally sustainable assets based on turnover KPI	Total environmentally sustainable assets based on capex KPI	based on turnover KPI	based on capex KPI	% coverage in Total assets	% of assets excluded from the numerator of the GAR over total assets**	% of assets excluded from the denominator of the GAR over total assets***	
Green asset ratio (GAR) flow	144.7	180.3	0.3%	0.3%	79.8%	51.0%	20.2%	
Trading book*								
Financial guarantees	0.5	4.0	4.7%	34.9%				
Assets under management	0.0	0.0	0.0%	0.0%				
Fees and commissions income*								

* Not reported for 2023 (not mandatory); ** Article 7(2) and (3) and Section 1.1.2 of appendix V of the act delegated to Article 8 of the EUT; *** Article 7(1) and Section 1.2.4 of appendix V of the act delegated to Article 8 of the EUT.



Turnover KPI

1.Assets for the calculation of GAR - turnover KPI (PLN million, 1/2)

		Total gross carrying amount	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
			of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)					
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)					
				of which KUoP	of which transitional	of which enabling		of which KUoP	of which enabling			of which KUoP	of which transitional	of which enabling		
GAR - Covered assets in both numerator and denominator		85,397.1	42,093.1	456.7	281.2	11.8	155.0	3.7	3.7	0.0	2.9	42,848.6	460.4	281.2	11.8	157.9
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	85,397.1	42,093.1	456.7	281.2	11.8	155.0	3.7	3.7	0.0	2.9	42,848.6	460.4	281.2	11.8	157.9
2	Financial undertakings	2,293.2	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	230.0	0.1	0.0	0.0	0.0
3	Credit institutions	365.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	72.7	0.0	0.0	0.0	0.0
4	Loans and advances	365.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	72.7	0.0	0.0	0.0	0.0
5	Debt securities, including KUoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0
7	Other financial corporations	1,927.4	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	157.3	0.1	0.0	0.0	0.0
8	of which investment firms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including KUoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0
12	of which management companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Debt securities, including KUoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0
16	of which insurance undertakings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Debt securities, including KUoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0
20	Non-financial undertakings	7,033.3	175.5	175.5	0.0	11.8	155.0	3.6	3.6	0.0	2.9	702.5	179.1	0.0	11.8	157.9
21	Loans and advances	6,963.3	173.1	173.1	0.0	11.8	155.0	3.6	3.6	0.0	2.9	700.2	176.7	0.0	11.8	157.9
22	Debt securities, including KUoP	70.1	2.4	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	2.4	0.0	0.0	0.0
23	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0
24	Households	76,070.7	41,917.6	281.2	281.2	0.0	0.0	0.0	0.0	0.0	0.0	41,916.0	281.2	281.2	0.0	0.0
25	of which loans collateralised by residential immovable property	55,373.7	41,916.6	281.2	281.2	0.0	0.0	0.0	0.0	0.0	0.0	41,915.1	281.2	281.2	0.0	0.0
26	of which building renovation loans	1.2	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0
27	of which motor vehicle loans	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
28	Local governments financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29	Housing financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Other local government financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



1.Assets for the calculation of GAR - turnover KPI (PLN million, 2/2)

			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			TOTAL (CCM + CCA)				
			of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)			of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)			of which environmentally sustainable (Taxonomy-aligned)				
				of which KUoP	of which transitional	of which enabling			of which KUoP	of which enabling		of which KUoP	of which transitional	of which enabling	
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	95,572.7													
33	Financial and Non-financial undertakings	91,425.2													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	89,631.5													
35	Loans and advances	86,937.8													
36	of which loans collateralised by commercial immovable	26,138.7													
37	of which building renovation loans	0.0													
38	Debt securities	2,458.2													
39	Equity instruments	235.4													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1,793.8													
41	Loans and advances	1,793.8													
42	Debt securities	0.0													
43	Equity instruments	0.0													
44	Derivatives	208.4													
45	On demand interbank loans	217.8													
46	Cash and cash-related assets	782.4													
47	Other categories of assets (e.g. goodwill, commodities etc.)	2,938.9													
48	Total GAR assets	180,969.8													
49	Assets not covered for GAR calculation	67,945.8													
50	Central governments and Supranational issuers	55,279.4													
51	Central banks exposure	10,266.3													
52	Trading book	2,400.0													
53	Total Assets	248,915.6													
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations		11.4	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.0	0.4	0.9	0.5	0.0	0.4
54	Financial guarantees	11.4	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.0	0.4	0.9	0.5	0.0	0.4
55	Assets under management	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
56	Of which debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
57	Of which equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



2. GAR sector information - Non-financial corporates (Subject to NFRD) - turnover KPI (PLN million, 1/2)

Breakdown by sector - NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)	
		Gross carrying amount					
		Total	Of which environmentally sustainable (CCM)	Total	Of which environmentally sustainable (CCA)	Total	Of which environmentally sustainable (CCM+CCA)
1	B9.10 - Support activities for petroleum and fossil gas extraction	0.1	0.0	0.1	0.0	0.1	0.0
2	C16.10 - Sawmilling and planing of wood	1.0	0.0	1.0	0.0	1.0	0.0
3	C17.11 - Manufacture of pulp	47.5	3.1	47.5	0.0	47.5	3.1
4	C17.22 - Manufacture of household and sanitary goods and of toilet requisites	1.4	0.0	1.4	0.0	1.4	0.0
5	C20.14 - Manufacture of other organic basic chemicals	72.3	0.6	72.3	0.0	72.3	0.6
6	C20.15 - Manufacture of fertilisers and nitrogen compounds	884.6	0.0	884.6	0.0	884.6	0.0
7	C21.10 - Manufacture of basic pharmaceutical products	6.1	0.0	6.1	0.0	6.1	0.0
8	C22.11 - Manufacture of rubber tires and tubes; retreading and rebuilding of rubber tires	0.6	0.0	0.6	0.0	0.6	0.0
9	C22.21 - Manufacture of plastic plates, sheets, tubes and profiles	0.0	0.0	0.0	0.0	0.0	0.0
10	C22.22 - Manufacture of plastic packing goods	27.5	0.0	27.5	0.0	27.5	0.0
11	C22.29 - Manufacture of other plastic products	93.2	0.0	93.2	0.0	93.2	0.0
12	C23.99 - Manufacture of other non-metallic mineral products n.e.c.	0.0	0.0	0.0	0.0	0.0	0.0
13	C24.10 - Manufacture of basic iron and steel and of ferro-alloys	0.5	0.0	0.5	0.0	0.5	0.0
14	C24.20 - Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	0.1	0.0	0.1	0.0	0.1	0.0
15	C24.42 - Aluminum production	73.0	13.2	73.0	0.0	73.0	13.2
16	C24.51 - Casting of iron	0.0	0.0	0.0	0.0	0.0	0.0
17	C25.12 - Manufacture of doors and windows of metal	79.4	21.5	79.4	0.0	79.4	21.5
18	C25.29 - Manufacture of other tanks, reservoirs and containers of metal	2.7	0.0	2.7	0.0	2.7	0.0
19	C25.50 - Forging, pressing, stamping and roll-forming of metal; powder metallurgy	44.9	0.0	44.9	0.0	44.9	0.0
20	C25.61 - Treatment and coating of metals	13.7	0.0	13.7	0.0	13.7	0.0
21	C25.71 - Manufacture of cutlery	11.5	0.0	11.5	0.0	11.5	0.0
22	C25.99 - Manufacture of other fabricated metal products n.e.c.	15.2	0.0	15.2	0.0	15.2	0.0
23	C26.51 - Manufacture of instruments and appliances for measuring, testing and navigation	115.8	42.8	115.8	0.0	115.8	42.8
24	C27.12 - Manufacture of electricity distribution and control apparatus	16.2	0.2	16.2	0.0	16.2	0.2
25	C27.90 - Manufacture of other electrical equipment	500.2	0.0	500.2	0.0	500.2	0.0
26	C28.14 - Manufacture of other taps and valves	0.4	0.0	0.4	0.0	0.4	0.0
27	C28.92 - Manufacture of machinery for mining, quarrying and construction	22.6	0.0	22.6	0.0	22.6	0.0
28	C30.20 - Manufacture of railway locomotives and rolling stock	73.2	63.5	73.2	0.0	73.2	63.5
29	D35.11 - Production of electricity	92.8	0.6	92.8	0.0	92.8	0.6
30	E38.31 - Dismantling of wrecks	0.0	0.0	0.0	0.0	0.0	0.0
31	F41.20 - Construction of residential and non-residential buildings	33.6	4.0	33.6	2.1	33.6	6.1
32	F42.13 - Construction of bridges and tunnels	2.6	0.0	2.6	0.0	2.6	0.0
33	F42.99 - Construction of other civil engineering projects n.e.c.	59.5	1.5	59.5	0.5	59.5	2.0



2. GAR sector information - Non-financial corporates (Subject to NFRD) - turnover KPI (PLN million, 2/2)

Breakdown by sector - NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)	
		Gross carrying amount					
		Total	Of which environmentally sustainable (CCM)	Total	Of which environmentally sustainable (CCA)	Total	Of which environmentally sustainable (CCM)
34	F43.22 - Plumbing, heat and air-conditioning installation	6.3	0.5	6.3	0.8	6.3	1.3
35	F43.29 - Other construction installation	0.2	0.0	0.2	0.0	0.2	0.0
36	G46.19 - Agents involved in the sale of a variety of goods	5.0	0.0	5.0	0.0	5.0	0.0
37	G46.21 - Wholesale of grain, unmanufactured tobacco, seeds and animal feeds	0.1	0.0	0.1	0.0	0.1	0.0
38	G46.42 - Wholesale of clothing and footwear	0.0	0.0	0.0	0.0	0.0	0.0
39	G46.46 - Wholesale of pharmaceutical goods	59.5	0.0	59.5	0.0	59.5	0.0
40	G46.49 - Wholesale of other household goods	45.5	0.0	45.5	0.0	45.5	0.0
41	G46.52 - Wholesale of electronic and telecommunications equipment and parts	0.0	0.0	0.0	0.0	0.0	0.0
42	G46.75 - Wholesale of chemical products	0.0	0.0	0.0	0.0	0.0	0.0
43	G47.11 - Retail sale in non-specialised stores with food, beverages or tobacco predominating	551.4	0.2	551.4	0.2	551.4	0.4
44	G47.19 - Other retail sale in non-specialised stores	0.0	0.0	0.0	0.0	0.0	0.0
45	G47.43 - Retail sale of audio and video equipment in specialised stores	0.3	0.0	0.3	0.0	0.3	0.0
46	G47.76 - Retail sale of flowers, plants, seeds, fertilisers, pet animals and pet food in specialised stores	0.0	0.0	0.0	0.0	0.0	0.0
47	G47.91 - Retail sale via mail order houses or via Internet	0.1	0.0	0.1	0.0	0.1	0.0
48	H49.20 - Freight rail transport	230.7	0.0	230.7	0.0	230.7	0.0
49	H49.41 - Freight transport by road	48.0	0.0	48.0	0.0	48.0	0.0
50	H52.21 - Service activities incidental to land transportation	0.2	0.0	0.2	0.0	0.2	0.0
51	J59.11 - Motion picture, video and television programme production activities	0.0	0.0	0.0	0.0	0.0	0.0
52	J61.10 - Wired telecommunications activities	595.9	0.0	595.9	0.0	595.9	0.0
53	J61.20 - Wireless telecommunications activities	595.6	7.7	595.6	0.0	595.6	7.7
54	J61.90 - Other telecommunications activities	219.6	2.9	219.6	0.0	219.6	2.9
55	J62.01 - Computer programming activities	10.6	2.8	10.6	0.0	10.6	2.8
56	J62.02 - Computer consultancy activities	0.2	0.1	0.2	0.0	0.2	0.1
57	J62.09 - Other information technology and computer service activities	80.8	0.0	80.8	0.0	80.8	0.0
58	L68.20 - Renting and operating of own or leased real estate	139.2	0.0	139.2	0.0	139.2	0.0
59	L68.31 - Real estate agencies	0.0	0.0	0.0	0.0	0.0	0.0
60	M71.11 - Architectural activities	0.0	0.0	0.0	0.0	0.0	0.0
61	M71.12 - Engineering activities and related technical consultancy	0.5	0.0	0.5	0.0	0.5	0.0
62	M71.20 - Technical testing and analysis	1.2	0.0	1.2	0.0	1.2	0.0
63	N77.11 - Renting and leasing of cars and light motor vehicles	35.6	0.0	35.6	0.0	35.6	0.0
64	N77.40 - Leasing of intellectual property and similar products, except copyrighted works	15.2	0.0	15.2	0.0	15.2	0.0
65	S95.22 - Repair of household appliances and home and garden equipment	0.2	0.0	0.2	0.0	0.2	0.0

The table above presents only taxonomy relevant sectors according to NACE codes, where the gross carrying amount has non-zero values.



3. GAR KPI stock – turnover KPI

		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			TOTAL (CCM + CCA)					Proportion of covered assets in Total assets	
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
			of which KUoP	of which transitional	of which enabling		of which KUoP	of which enabling		of which KUoP	of which transitional	of which enabling				
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	49.3%	0.5%	0.3%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	50.2%	0.5%	0.3%	0.0%	0.2%	34.3%
2	Financial undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.9%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.9%	0.0%	0.0%	0.0%	0.0%	0.1%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.9%	0.0%	0.0%	0.0%	0.0%	0.1%
5	Debt securities, including KUoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.2%	0.0%	0.0%	0.0%	0.0%	0.8%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including KUoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including KUoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	18.1%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	18.1%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including KUoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
20	Non-financial undertakings	2.5%	2.5%	0.0%	0.2%	2.2%	0.1%	0.1%	0.0%	0.0%	10.0%	2.5%	0.0%	0.2%	2.2%	2.8%
21	Loans and advances	2.5%	2.5%	0.0%	0.2%	2.2%	0.1%	0.1%	0.0%	0.0%	10.1%	2.5%	0.0%	0.2%	2.3%	2.8%
22	Debt securities, including KUoP	3.4%	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.4%	3.4%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
24	Households	55.1%	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	55.1%	0.4%	0.4%	0.0%	0.0%	30.6%
25	of which loans collateralised by residential immovable property	75.7%	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	75.7%	0.5%	0.5%	0.0%	0.0%	22.2%
26	of which building renovation loans	70.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	70.0%	0.0%	0.0%	0.0%	0.0%	0.0%
27	of which motor vehicle loans	70.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	70.0%	0.0%	0.0%	0.0%	0.0%	0.0%
28	Local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Total GAR assets	23.3%	0.3%	0.2%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	23.7%	0.3%	0.2%	0.0%	0.1%	72.7%



4. GAR KPI flow - turnover KPI

		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					Proportion of covered new assets in Total assets
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy- aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
			of which KUoP	of which transitional	of which enabling		of which KUoP	of which enabling		of which KUoP	of which transitional	of which enabling				
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	21.8%	0.8%	0.5%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	24.2%	0.8%	0.5%	0.0%	0.2%	28.8%
2	Financial undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	17.9%	0.0%	0.0%	0.0%	0.0%	1.2%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.9%	0.0%	0.0%	0.0%	0.0%	0.5%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.9%	0.0%	0.0%	0.0%	0.0%	0.5%
5	Debt securities, including KUoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	16.5%	0.0%	0.0%	0.0%	0.0%	0.7%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including KUoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including KUoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including KUoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
20	Non-financial undertakings	1.2%	1.2%	0.0%	0.1%	1.1%	0.1%	0.1%	0.0%	0.1%	10.1%	1.1%	0.0%	0.1%	1.1%	5.6%
21	Loans and advances	1.2%	1.2%	0.0%	0.1%	1.1%	0.1%	0.1%	0.0%	0.1%	10.1%	1.1%	0.0%	0.1%	1.1%	5.6%
22	Debt securities, including KUoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
24	Households	28.2%	0.7%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	28.2%	0.7%	0.7%	0.0%	0.0%	22.0%
25	of which loans collateralised by residential immovable property	53.2%	1.3%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	49.4%	1.3%	1.3%	0.0%	0.0%	11.6%
26	of which building renovation loans	70.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	70.0%	0.0%	0.0%	0.0%	0.0%	0.0%
27	of which motor vehicle loans	70.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	70.0%	0.0%	0.0%	0.0%	0.0%	0.0%
28	Local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Total GAR assets	7.8%	0.3%	0.2%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	8.7%	0.3%	0.2%	0.0%	0.1%	79.8%



5. KPI off-balance sheet exposures – turnover KPI

		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				of which KUoP	of which transitional	of which enabling			of which KUoP	of which enabling			of which KUoP	of which transitional	of which enabling
1	Financial guarantees (FinGuar KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	4.7%	4.7%	0.0%	3.3%	7.6%	4.7%	0.0%	0.0%	3.3%
2	Assets under management (AuM KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

We are departing from the publication of data in relation to the key performance indicator on financial guarantees in relation to flow due to the fact that we have not provided credit guarantees in 2023 to any client that we have identified as having non-financial reporting obligations.



Capex KPI

1.Assets for the calculation of GAR - capex KPI (PLN million, 1/2)

		Total gross carrying amount	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
			of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)					
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)					
of which KUoP	of which transitional	of which enabling														of which KUoP
GAR - Covered assets in both numerator and denominator		85,397.1	42,118.9	482.4	281.2	13.5	123.7	22.4	22.4	0.0	4.2	43,577.9	526.9	281.2	13.5	127.9
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	85,397.1	42,118.9	482.4	281.2	13.5	123.7	22.4	22.4	0.0	4.2	43,577.9	526.9	281.2	13.5	127.9
2	Financial undertakings	2,293.2	0.1	0.1	0.0	0.0	0.0	1.3	1.3	0.0	0.2	126.7	1.5	0.0	0.0	0.2
3	Credit institutions	365.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	66.7	0.0	0.0	0.0	0.0
4	Loans and advances	365.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	66.7	0.0	0.0	0.0	0.0
5	Debt securities, including KUoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0
7	Other financial corporations	1,927.4	0.1	0.1	0.0	0.0	0.0	1.3	1.3	0.0	0.2	60.0	1.5	0.0	0.0	0.2
8	of which investment firms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including KUoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0
12	of which management companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Debt securities, including KUoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0
16	of which insurance undertakings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Debt securities, including KUoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0
20	Non-financial undertakings	7,033.3	201.2	201.1	0.0	13.5	123.7	21.1	21.1	0.0	4.0	1,535.1	244.2	0.0	13.5	127.7
21	Loans and advances	6,963.3	200.6	200.4	0.0	13.5	123.7	21.1	21.1	0.0	4.0	1,534.5	243.6	0.0	13.5	127.7
22	Debt securities, including KUoP	70.1	0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.6	0.0	0.0	0.0
23	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0
24	Households	76,070.7	41,917.6	281.2	281.2	0.0	0.0	0.0	0.0	0.0	0.0	41,916.0	281.2	281.2	0.0	0.0
25	of which loans collateralised by residential immovable property	55,373.7	41,916.6	281.2	281.2	0.0	0.0	0.0	0.0	0.0	0.0	41,915.1	281.2	281.2	0.0	0.0
26	of which building renovation loans	1.2	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0
27	of which motor vehicle loans	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
28	Local governments financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29	Housing financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Other local government financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



1.Assets for the calculation of GAR - capex KPI (PLN million, 2/2)

		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			TOTAL (CCM + CCA)					
			of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)			of which towards taxonomy relevant sectors (Taxonomy-eligible)					
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)			of which environmentally sustainable (Taxonomy-aligned)					
				of which KUoP	of which transitional	of which enabling		of which KUoP	of which enabling		of which KUoP	of which transitional	of which enabling			
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	95,572.7														
33	Financial and Non-financial undertakings	91,425.2														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	89,631.5														
35	Loans and advances	86,937.8														
36	of which loans collateralised by commercial immovable	26,138.7														
37	of which building renovation loans	0.0														
38	Debt securities	2,458.2														
39	Equity instruments	235.4														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1,793.8														
41	Loans and advances	1,793.8														
42	Debt securities	0.0														
43	Equity instruments	0.0														
44	Derivatives	208.4														
45	On demand interbank loans	217.8														
46	Cash and cash-related assets	782.4														
47	Other categories of assets (e.g. goodwill, commodities etc.)	2,938.9														
48	Total GAR assets	180,969.8														
49	Assets not covered for GAR calculation	67,945.8														
50	Central governments and Supranational issuers	55,279.4														
51	Central banks exposure	10,266.3														
52	Trading book	2,400.0														
53	Total Assets	248,915.6														
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations		11.4	0.0	0.0	0.0	0.0	0.0	1.2	1.2	0.0	0.4	7.1	4.0	0.0	0.0	0.4
54	Financial guarantees	11.4	0.0	0.0	0.0	0.0	0.0	1.2	1.2	0.0	0.4	7.1	4.0	0.0	0.0	0.4
55	Assets under management	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
56	Of which debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
57	Of which equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



2. GAR sector information - Non-financial corporates (Subject to NFRD) - capex KPI (PLN million, 1/2)

Breakdown by sector - NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)	
		Gross carrying amount					
		Total	Of which environmentally	Total	Total	Of which environmental	Total
1	B9.10 - Support activities for petroleum and fossil gas extraction	0.1	0.0	0.1	0.0	0.1	0.0
2	C16.10 - Sawmilling and planing of wood	1.0	0.0	1.0	0.0	1.0	0.0
3	C17.11 - Manufacture of pulp	47.5	2.7	47.5	0.0	47.5	2.7
4	C17.22 - Manufacture of household and sanitary goods and of toilet requisites	1.4	0.0	1.4	0.0	1.4	0.0
5	C20.14 - Manufacture of other organic basic chemicals	72.3	3.8	72.3	0.0	72.3	3.8
6	C20.15 - Manufacture of fertilisers and nitrogen compounds	884.6	9.3	884.6	16.4	884.6	25.7
7	C21.10 - Manufacture of basic pharmaceutical products	7.6	0.2	7.6	0.0	7.6	0.2
8	C22.11 - Manufacture of rubber tires and tubes; retreading and rebuilding of rubber tires	23.3	0.3	23.3	0.0	23.3	0.3
9	C22.21 - Manufacture of plastic plates, sheets, tubes and profiles	6.1	0.1	6.1	0.0	6.1	0.1
10	C22.22 - Manufacture of plastic packing goods	0.6	0.0	0.6	0.0	0.6	0.0
11	C22.29 - Manufacture of other plastic products	0.0	0.0	0.0	0.0	0.0	0.0
12	C23.99 - Manufacture of other non-metallic mineral products n.e.c.	27.5	2.8	27.5	0.0	27.5	2.8
13	C24.10 - Manufacture of basic iron and steel and of ferro-alloys	93.2	0.0	93.2	0.0	93.2	0.0
14	C24.20 - Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	0.0	0.0	0.0	0.0	0.0	0.0
15	C24.42 - Aluminum production	0.1	0.0	0.1	0.0	0.1	0.0
16	C24.51 - Casting of iron	0.0	0.0	0.0	0.0	0.0	0.0
17	C25.12 - Manufacture of doors and windows of metal	79.4	15.0	79.4	0.0	79.4	15.0
18	C25.29 - Manufacture of other tanks, reservoirs and containers of metal	2.7	0.0	2.7	0.0	2.7	0.0
19	C25.50 - Forging, pressing, stamping and roll-forming of metal; powder metallurgy	44.9	0.0	44.9	0.0	44.9	0.0
20	C25.61 - Treatment and coating of metals	13.7	0.0	13.7	0.0	13.7	0.0
21	C25.71 - Manufacture of cutlery	11.5	0.0	11.5	0.0	11.5	0.0
22	C25.99 - Manufacture of other fabricated metal products n.e.c.	15.2	0.0	15.2	0.0	15.2	0.0
23	C26.51 - Manufacture of instruments and appliances for measuring, testing and navigation	115.8	41.7	115.8	0.0	115.8	41.7
24	C27.12 - Manufacture of electricity distribution and control apparatus	16.2	0.8	16.2	0.0	16.2	0.8
25	C27.90 - Manufacture of other electrical equipment	500.2	0.0	500.2	0.0	500.2	0.0
26	C28.14 - Manufacture of other taps and valves	0.4	0.0	0.4	0.0	0.4	0.0
27	C28.92 - Manufacture of machinery for mining, quarrying and construction	22.6	0.0	22.6	0.0	22.6	0.0
28	C30.20 - Manufacture of railway locomotives and rolling stock	73.2	49.6	73.2	3.7	73.2	53.3
29	D35.11 - Production of electricity	92.8	3.8	92.8	0.0	92.8	3.8
30	E38.31 - Dismantling of wrecks	0.0	0.0	0.0	0.0	0.0	0.0
31	F41.20 - Construction of residential and non-residential buildings	33.6	0.2	33.6	0.0	33.6	0.2
32	F42.13 - Construction of bridges and tunnels	2.6	0.0	2.6	0.0	2.6	0.0
33	F42.99 - Construction of other civil engineering projects n.e.c.	59.5	0.0	59.5	0.1	59.5	0.1



2. GAR sector information - Non-financial corporates (Subject to NFRD) - capex KPI (PLN million, 2/2)

Breakdown by sector - NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)	
		Gross carrying amount					
		Total	Of which environmentally	Total	Total	Of which environmental	Total
34	F43.22 - Plumbing, heat and air-conditioning installation	6.3	0.6	6.3	0.5	6.3	1.2
35	F43.29 - Other construction installation	0.2	0.0	0.2	0.0	0.2	0.0
36	G46.19 - Agents involved in the sale of a variety of goods	5.0	0.0	5.0	0.0	5.0	0.0
37	G46.21 - Wholesale of grain, unmanufactured tobacco, seeds and animal feeds	0.1	0.0	0.1	0.0	0.1	0.0
38	G46.42 - Wholesale of clothing and footwear	0.0	0.0	0.0	0.0	0.0	0.0
39	G46.46 - Wholesale of pharmaceutical goods	59.5	0.2	59.5	0.0	59.5	0.2
40	G46.49 - Wholesale of other household goods	45.5	0.0	45.5	0.0	45.5	0.0
41	G46.52 - Wholesale of electronic and telecommunications equipment and parts	0.0	0.0	0.0	0.0	0.0	0.0
42	G46.75 - Wholesale of chemical products	0.0	0.0	0.0	0.0	0.0	0.0
43	G47.11 - Retail sale in non-specialised stores with food, beverages or tobacco predominating	551.4	0.3	551.4	0.3	551.4	0.6
44	G47.19 - Other retail sale in non-specialised stores	0.0	0.0	0.0	0.0	0.0	0.0
45	G47.43 - Retail sale of audio and video equipment in specialised stores	0.3	0.0	0.3	0.0	0.3	0.0
46	G47.76 - Retail sale of flowers, plants, seeds, fertilisers, pet animals and pet food in specialised stores	0.0	0.0	0.0	0.0	0.0	0.0
47	G47.91 - Retail sale via mail order houses or via Internet	0.1	0.0	0.1	0.0	0.1	0.0
48	H49.20 - Freight rail transport	230.7	0.0	230.7	0.0	230.7	0.0
49	H49.41 - Freight transport by road	48.0	0.0	48.0	0.0	48.0	0.0
50	H52.21 - Service activities incidental to land transportation	0.2	0.0	0.2	0.0	0.2	0.0
51	J59.11 - Motion picture, video and television programme production activities	0.0	0.0	0.0	0.0	0.0	0.0
52	J61.10 - Wired telecommunications activities	595.9	0.0	595.9	0.0	595.9	0.0
53	J61.20 - Wireless telecommunications activities	595.6	5.5	595.6	0.0	595.6	5.5
54	J61.90 - Other telecommunications activities	219.6	2.0	219.6	0.0	219.6	2.0
55	J62.01 - Computer programming activities	10.6	2.7	10.6	0.0	10.6	2.7
56	J62.02 - Computer consultancy activities	0.2	0.1	0.2	0.0	0.2	0.1
57	J62.09 - Other information technology and computer service activities	80.8	0.0	80.8	0.0	80.8	0.0
58	L68.20 - Renting and operating of own or leased real estate	139.2	0.0	139.2	0.0	139.2	0.0
59	L68.31 - Real estate agencies	0.0	0.0	0.0	0.0	0.0	0.0
60	M71.11 - Architectural activities	0.0	0.0	0.0	0.0	0.0	0.0
61	M71.12 - Engineering activities and related technical consultancy	0.5	0.0	0.5	0.0	0.5	0.0
62	M71.20 - Technical testing and analysis	1.2	0.0	1.2	0.0	1.2	0.0
63	N77.11 - Renting and leasing of cars and light motor vehicles	35.6	0.0	35.6	0.0	35.6	0.0
64	N77.40 - Leasing of intellectual property and similar products, except copyrighted works	15.2	0.0	15.2	0.0	15.2	0.0
65	S95.22 - Repair of household appliances and home and garden equipment	0.2	0.0	0.2	0.0	0.2	0.0

The table above presents only taxonomy relevant sectors according to NACE codes, where the gross carrying amount has non-zero values.



3. GAR KPI stock – capex KPI

		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			TOTAL (CCM + CCA)						Proportion of covered assets in Total assets
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
			of which KUoP	of which transitional	of which enabling		of which KUoP	of which enabling		of which KUoP	of which transitional	of which enabling				
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	49.3%	0.6%	0.3%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	51.0%	0.6%	0.3%	0.0%	0.1%	34.3%
2	Financial undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	5.5%	0.1%	0.0%	0.0%	0.0%	0.9%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	18.2%	0.0%	0.0%	0.0%	0.0%	0.1%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	18.2%	0.0%	0.0%	0.0%	0.0%	0.1%
5	Debt securities, including KUoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	3.1%	0.1%	0.0%	0.0%	0.0%	0.8%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including KUoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including KUoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	17.8%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	17.8%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including KUoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
20	Non-financial undertakings	2.9%	2.9%	0.0%	0.2%	1.8%	0.3%	0.3%	0.0%	0.1%	21.8%	3.5%	0.0%	0.2%	1.8%	2.8%
21	Loans and advances	2.9%	2.9%	0.0%	0.2%	1.8%	0.3%	0.3%	0.0%	0.1%	22.0%	3.5%	0.0%	0.2%	1.8%	2.8%
22	Debt securities, including KUoP	0.9%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	0.9%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
24	Households	55.1%	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	55.1%	0.4%	0.4%	0.0%	0.0%	30.6%
25	of which loans collateralised by residential immovable property	75.7%	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	75.7%	0.5%	0.5%	0.0%	0.0%	22.2%
26	of which building renovation loans	70.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	70.0%	0.0%	0.0%	0.0%	0.0%	0.0%
27	of which motor vehicle loans	70.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	70.0%	0.0%	0.0%	0.0%	0.0%	0.0%
28	Local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Total GAR assets	23.3%	0.3%	0.2%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	24.1%	0.3%	0.2%	0.0%	0.1%	72.7%



4. GAR KPI flow – capex KPI

		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					Proportion of new covered assets in Total assets
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
			of which KUoP	of which transitional	of which enabling		of which KUoP	of which enabling		of which KUoP	of which transitional	of which enabling				
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	21.8%	0.8%	0.5%	0.0%	0.1%	0.1%	0.1%	0.0%	0.0%	25.9%	0.9%	0.5%	0.0%	0.1%	28.8%
2	Financial undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.0%	0.0%	0.0%	0.0%	0.0%	1.2%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	18.6%	0.0%	0.0%	0.0%	0.0%	0.5%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	18.6%	0.0%	0.0%	0.0%	0.0%	0.5%
5	Debt securities, including KUoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.6%	0.0%	0.0%	0.0%	0.0%	0.7%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including KUoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including KUoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including KUoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
20	Non-financial undertakings	1.5%	1.5%	0.0%	0.2%	0.5%	0.4%	0.4%	0.0%	0.0%	20.4%	2.1%	0.0%	0.2%	0.5%	5.6%
21	Loans and advances	1.5%	1.5%	0.0%	0.2%	0.5%	0.4%	0.4%	0.0%	0.0%	20.4%	2.1%	0.0%	0.2%	0.5%	5.6%
22	Debt securities, including KUoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
24	Households	28.2%	0.7%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	28.2%	0.7%	0.7%	0.0%	0.0%	22.0%
25	of which loans collateralised by residential immovable property	53.2%	1.3%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	53.2%	1.3%	1.3%	0.0%	0.0%	11.6%
26	of which building renovation loans	70.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	70.0%	0.0%	0.0%	0.0%	0.0%	0.0%
27	of which motor vehicle loans	70.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	70.0%	0.0%	0.0%	0.0%	0.0%	0.0%
28	Local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Total GAR assets	7.9%	0.3%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.3%	0.3%	0.2%	0.0%	0.0%	79.8%



5. KPI off-balance sheet exposures – capex KPI

		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				of which KUoP	of which transitional	of which enabling			of which KUoP	of which enabling			of which KUoP	of which transitional	of which enabling
1	Financial guarantees (FinGuar KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	10.4%	10.4%	0.0%	3.6%	62.4%	34.9%	0.0%	0.0%	3.6%
2	Assets under management (AuM KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

We are departing from the publication of data in relation to the key performance indicator on financial guarantees in relation to flow due to the fact that we have not provided credit guarantees in 2023 to any client that we have identified as having non-financial reporting obligations.



Nuclear energy and fossil gas

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities in relation to stock (PLN million)

Row	Economic activities	Turnover KPI						Capex KPI					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%	0.0	0.00%	0.0	0.00%	0.0	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%	0.0	0.00%	0.0	0.00%	0.0	0.00%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%	0.0	0.00%	0.0	0.00%	0.0	0.00%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.4	0.00%	0.0	0.00%	1.4	0.00%	4.3	0.00%	3.4	0.00%	0.9	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.0	0.00%	2.0	0.00%	0.0	0.00%	5.3	0.01%	5.3	0.01%	0.0	0.00%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.1	0.00%	0.1	0.00%	0.0	0.00%	0.0	0.00%	0.0	0.00%	0.0	0.00%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	42,845.2	23.68%	42,091.0	23.26%	2.3	0.00%	43,568.3	24.07%	42,114.5	23.27%	20.2	0.01%
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	42,848.6	23.68%	42,093.1	23.26%	3.6	0.00%	43,577.9	24.08%	42,123.2	23.28%	21.1	0.01%



Figures regarding ESG risks

The tables below present exposures at gross carrying amount in the banking book of the ING Bank Śląski S.A. Group, in line with prudential consolidation, as of 31 December 2023. We do not accept security interests in real estates, which is why there is no such information in the tables.

Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity (PLN million; 1/2)

Sector	Gross carrying amount					Accumulated impairment			Maturity – gross carrying amount (years)				Average weighted maturity
	of which exposures towards companies excluded from EU Paris-aligned Benchmarks in - accordance with points (d) to (g) of Article 12.1 and Article 12.2 of Climate Benchmark Standards Regulation	of which environmentally sustainable (CCM)	of which stage 2	of which non-performing exposures		of which stage 2	of which non-performing exposures		<= 5	> 5 <= 10	> 10 <= 20	> 20	
Exposures towards sectors that highly contribute to climate change*	58,894.9	595.2	158.8	9,780.4	2,092.4	1,574.8	231.4	1,247.8	47,207.0	10,132.0	1,513.2	42.7	3
A - Agriculture, forestry and fishing	1,355.2	0.0	0.0	247.4	47.1	41.2	7.2	31.3	1,002.0	348.9	4.3	0.0	3
B - Mining and quarrying	297.7	30.3	0.0	42.1	5.5	4.5	0.3	3.9	241.2	56.5	0.0	0.0	3
B.05 - Mining of coal and lignite	0.9	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.9	0.0	0.0	0.0	1
B.06 - Extraction of crude petroleum and natural gas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1
B.07 - Mining of metal ores	2.7	0.0	0.0	0.3	0.1	0.1	0.0	0.0	0.9	1.8	0.0	0.0	5
B.08 - Other mining and quarrying	247.8	0.0	0.0	33.1	3.5	3.8	0.2	3.4	193.1	54.7	0.0	0.0	3
B.09 - Mining support service activities	46.3	30.3	0.0	8.7	1.8	0.5	0.1	0.4	46.3	0.0	0.0	0.0	1
C - Manufacturing	22,502.7	79.9	152.0	4,076.1	663.6	549.2	143.3	367.1	18,510.7	3,990.8	0.0	1.2	3
C.10 - Manufacture of food products	3,105.6	0.0	0.0	576.3	187.8	118.7	14.6	100.3	2,583.2	521.6	0.0	0.8	2
C.11 - Manufacture of beverages	473.3	0.0	0.0	38.1	5.2	1.5	0.3	0.4	451.0	22.3	0.0	0.0	2
C.12 - Manufacture of tobacco products	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	,
C.13 - Manufacture of textiles	218.1	0.0	0.0	27.2	6.5	6.7	0.4	6.0	189.0	29.1	0.0	0.0	2
C.14 - Manufacture of wearing apparel	105.8	0.0	0.0	9.4	15.8	5.4	0.5	4.7	84.6	21.2	0.0	0.0	2
C.15 - Manufacture of leather and related products	19.9	0.0	0.0	4.2	0.4	0.6	0.3	0.3	15.8	4.1	0.0	0.0	3
C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1,227.4	0.0	0.0	267.7	75.8	52.9	2.0	49.1	863.5	363.9	0.0	0.0	3
C.17 - Manufacture of pulp, paper and paperboard	1,010.4	0.0	3.1	58.6	36.7	36.1	1.4	33.5	641.2	369.2	0.0	0.0	4
C.18 - Printing and service activities related to printing	579.6	0.0	0.0	97.4	10.6	7.9	2.1	4.7	361.6	218.0	0.0	0.0	4
C.19 - Manufacture of coke oven products	344.9	3.9	2.8	0.5	0.0	0.1	0.0	0.0	344.9	0.0	0.0	0.0	0
C.20 - Production of chemicals	2,141.4	72.4	0.6	1,021.2	12.3	106.2	87.9	5.5	2,027.7	113.7	0.0	0.000	1
C.21 - Manufacture of pharmaceutical preparations	338.2	0.0	0.0	22.1	2.4	1.5	0.4	0.9	308.8	29.4	0.0	0.0	1
C.22 - Manufacture of rubber products	2,709.1	0.0	0.0	246.8	40.0	31.2	3.7	23.9	2,144.3	564.7	0.0	0.1	3
C.23 - Manufacture of other non-metallic mineral products	959.3	0.0	0.0	124.8	6.8	9.9	4.6	4.2	756.4	202.9	0.0	0.0	3
C.24 - Manufacture of basic metals	473.3	0.0	13.2	148.6	15.8	6.9	0.6	6.0	371.5	101.8	0.0	0.0	3
C.25 - Manufacture of fabricated metal products, except machinery and equipment	3,264.6	0.4	21.5	588.2	154.0	89.3	8.3	76.6	2,492.3	772.2	0.0	0.1	3
C.26 - Manufacture of computer, electronic and optical products	341.2	0.0	42.8	24.3	3.3	3.8	0.3	2.9	290.4	50.8	0.0	0.0	3
C.27 - Manufacture of electrical equipment	1,216.3	0.0	0.2	85.9	29.3	15.6	2.9	11.3	1,162.5	53.8	0.0	0.0	2
C.28 - Manufacture of machinery and equipment n.e.c.	950.0	3.2	0.0	280.1	20.4	22.8	5.4	15.7	754.5	195.5	0.0	0.0	3
C.29 - Manufacture of motor vehicles, trailers and semi-trailers	292.5	0.0	0.0	36.3	6.8	4.3	0.4	3.5	222.8	69.7	0.0	0.0	3
C.30 - Manufacture of other transport equipment	237.5	0.0	63.5	20.6	1.0	1.3	0.2	0.5	186.7	50.8	0.0	0.0	2
C.31 - Manufacture of furniture	521.3	0.0	0.0	159.5	13.7	12.7	5.2	6.4	401.4	119.9	0.0	0.0	3
C.32 - Other manufacturing	1,891.3	0.0	4.3	228.2	17.6	13.4	1.7	10.4	1,775.0	116.1	0.0	0.2	3
C.33 - Repair and installation of machinery and equipment	81.7	0.0	0.0	10.1	1.4	0.4	0.1	0.3	81.6	0.1	0.0	0.0	3



Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity (PLN million; 2/2)

Sector	Gross carrying amount					Accumulated impairment			Maturity – gross carrying amount (years)				Average weighted maturity
	of which exposures towards companies excluded from EU Paris-aligned Benchmarks in - accordance with points (d) to (g) of Article 12.1 and Article 12.2 of Climate Benchmark Standards Regulation	of which environmentally sustainable (CCM)	of which stage 2	of which non-performing exposures		of which stage 2	of which non-performing exposures		<= 5	> 5 <= 10	> 10 <= 20	> 20	
D - Electricity, gas, steam and air conditioning supply	2,589.6	65.6	0.6	257.1	99.0	101.3	4.5	90.5	650.4	394.0	1,508.0	37.2	10
D35.1 - Electric power generation, transmission and distribution	2,587.0	65.6	0.6	256.8	97.8	101.0	4.5	90.2	647.8	394.0	1,508.0	37.2	10
D35.11 - Production of electricity	11.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	8.7	2.3	0.0	0.0	4
D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	,
D35.3 - Steam and air conditioning supply	2.6	0.0	0.0	0.3	1.2	0.3	0.0	0.3	2.6	0.0	0.0	0.0	0
E - Water supply; sewerage, waste management and remediation activities	637.1	0.0	0.0	54.3	35.1	25.1	1.3	22.6	516.8	120.3	0.0	0.0	3
F - Construction	2,842.8	0.0	6.0	637.6	243.6	158.7	16.6	134.4	2,422.1	420.7	0.0	0.0	2
F.41 - Construction of buildings	1,146.6	0.0	4.0	296.0	95.5	59.1	5.2	50.3	936.1	210.5	0.0	0.0	3
F.42 - Civil engineering	785.1	0.0	1.5	134.6	82.0	55.4	2.9	51.2	734.0	51.1	0.0	0.0	2
F.43 - Specialised construction activities	911.1	0.0	0.5	207.0	66.1	44.2	8.5	32.9	752.0	159.1	0.0	0.0	3
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	14,441.0	403.2	0.2	1,917.2	644.5	459.9	32.2	405.0	12,533.6	1,903.1	0.0	4.3	2
H - Transportation and storage	5,102.4	3.4	0.0	887.3	118.2	67.8	14.2	46.3	4,022.2	1,079.3	0.9	0.0	3
H.49 - Land transport and transport via pipelines	3,918.6	2.9	0.0	723.6	95.6	54.0	11.0	37.3	3,118.4	799.3	0.9	0.0	3
H.50 - Water transport	5.0	0.0	0.0	1.5	0.0	0.0	0.0	0.0	4.5	0.5	0.0	0.0	2
H.51 - Air transport	33.0	0.0	0.0	9.8	0.0	0.9	0.8	0.0	32.5	0.5	0.0	0.0	2
H.52 - Warehousing and support activities for transportation	1,070.6	0.5	0.0	150.4	21.3	11.7	2.2	8.1	798.2	272.4	0.0	0.0	3
H.53 - Postal and courier activities	75.2	0.0	0.0	2.0	1.3	1.2	0.2	0.9	68.6	6.6	0.0	0.0	1
I - Accommodation and food service activities	684.2	0.5	0.0	45.2	16.6	16.4	3.9	9.5	478.9	205.3	0.0	0.0	5
L - Real estate activities	8,442.2	12.3	0.0	1,616.1	219.2	150.7	7.9	137.2	6,829.1	1,613.1	0.0	0.0	3
Exposures towards sectors other than those that highly contribute to climate change*	9,598.8	7.3	19.5	918.2	255.0	199.6	27.5	152.6	8,626.3	895.7	76.8	0.0	3
K - Financial and insurance activities	32.9	0.0	0.0	6.7	1.0	1.8	0.5	1.2	27.7	5.2	0.0	0.0	4
Exposures to other sectors (NACE codes J, M - U)	9,565.9	7.3	19.5	911.5	254.0	197.8	27.0	151.4	8,598.6	890.5	76.8	0.0	3
Total	68,493.7	602.5	178.3	10,698.6	2,347.4	1,774.4	258.9	1,400.4	55,833.3	11,027.7	1,590.0	42.7	3

*In accordance with Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU climate transition benchmarks and EU benchmarks adapted to the Paris Agreement – Recital 6: sectors listed in Sections A-H and L of appendix I to Regulation (EC) No 1893/2006

In the table above, we provide a summary of the gross balance sheet value of credit exposures to non-financial companies operating in sectors that are major contributors to climate change.

We have also listed exposures to entities excluded from the EU Paris Aligned Benchmarks (PABs) in accordance with Article 12(1)1(d) to (g) and Article 12.2 of Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transformation Benchmarks and EU Paris Aligned Benchmarks. The bank group’s exposure to entities excluded from the PAB at the end of 2023 is PLN 602.5 million. Due to a change in the methodology for identifying excluded clients relative to the approach used a year ago, the value of the exposure is not comparable to the data disclosed in the 2022 report. The approach we have taken in reporting for 2023 is more precise.

Consequently, the number of identified clients has increased significantly. However, the client list selected for 2023 reporting includes all entities included in the PAB exclusions identified for 2022 reporting.

In the case of Article 12.1, we made our choice of exposure based on:

- an internal list of clients whose activities are related to thermal coal or energy production; and
- selection by codes of the Polish Classification of Activities – for activities related to the exploration, extraction, distribution or refining of oil or gas fuels.

With regard to Article 12.2, we have not made such a verification due to lack of data. However, we are working to obtain such information from the selected PAB administrator, which may affect our future disclosures and their comparability over time.



Pro recalculating the 2022 figures according to the updated approach, the exposure decreased by 47% y/y and represents 0.9% of our total gross balance sheet exposure to non-financial companies (as shown in the table above).

Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral (PLN million)

	Gross carrying amount	Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
		0 <= 100	> 100 <= 200	> 200 <= 300	> 300 <= 400	> 400 <= 500	> 500	A	B	C	D	E	F	G	of which level of energy efficiency estimated (EP score in kWh/m² of collateral)	
Total EU area	87,473.7	30,640.3	28,132.5	6,558.3	4,978.2	59.1	115.6	-	-	-	-	-	-	-	73,637.6	76.9%
Of which Loans collateralised by commercial immovable property	30,462.3	254.5	12,735.4	1,598.8	1,776.2	44.7	95.1	-	-	-	-	-	-	-	24,972.2	44.1%
Of which Loans collateralised by residential immovable property	57,011.4	30,385.8	15,397.1	4,959.4	3,202.0	14.4	20.5	-	-	-	-	-	-	-	48,665.4	93.8%
Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	56,647.9	24,049.0	22,657.5	5,372.5	4,568.8	0.0	0.0	-	-	-	-	-	-	-	56,647.9	100.0%

The table above shows the value of loans secured by commercial and residential real estates, together with information on the energy efficiency level of the collateral as measured by energy consumption in kWh/m².

We have prepared the disclosure for commercial real estates based on the information we had from the energy performance certificates of the buildings or, in the absence thereof, on calculations based on available statistics (we used statistics for real estates located in Poland that were made publicly available by the PCAF (Partnership for Carbon Accounting Financials)).

In the case of disclosures for residential real estates, we have prepared the disclosures based on the information we have from the energy performance certificates of the buildings or, in the absence thereof, on our own methodology based on the year of construction of the real estate and the corresponding technical and building regulations. This

means that for real estates for which we have estimated energy efficiency, we do not take into account any thermal upgrades that may have occurred after the year of construction, as we do not have this information.

We do not publish information by energy efficiency class of buildings, as there are no such legal regulations in Poland.

In the column with total gross carrying amount, we report the sum of loans secured by real estates, including those that are not subject to an energy efficiency assessment (e.g. land). This approach ensures that we are compliant with the table showing physical risk sensitive exposures (Template 5).



Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk (PLN million)

Poland	Total (gross carrying amount)	Exposures sensitive to impact from climate change physical events											Accumulated impairment		
		Breakdown by maturity bucket (years)					Gross carrying amount								
							of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	of which stage 2	of which nonperforming exposures				
		<= 5	> 5 <= 10	> 10 <= 20	> 20	Average weighted maturity						of which stage 2	of which nonperforming exposures		
A - Agriculture, forestry and fishing	1,355.2	10.6	0.0	0.0	0.0	0.37	8.7	1.7	0.3	0.2	0.5	0.0	0.0	0.0	
B - Mining and quarrying	297.6	18.2	0.8	0.0	0.1	1.67	14.7	4.3	0.1	7.6	0.0	0.1	0.1	0.0	
C - Manufacturing	22,502.6	2,083.6	144.6	0.0	7.5	0.81	1,855.1	316.1	64.5	416.2	32.4	49.2	26.3	17.6	
D - Electricity, gas, steam and air conditioning supply	2,589.6	144.2	27.8	785.7	13.7	0.31	492.6	386.0	92.8	108.8	23.8	25.5	1.8	22.2	
E - Water supply; sewerage, waste management and remediation activities	637.1	28.5	1.1	0.0	0.2	1.36	28.3	1.3	0.1	1.0	0.8	0.9	0.1	0.7	
F - Construction	2,842.8	96.2	15.7	0.0	1.5	0.64	100.9	11.5	1.1	16.1	9.4	7.5	1.1	6.0	
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	14,441.0	1,074.0	91.6	0.0	6.4	0.41	942.9	222.6	6.5	117.2	40.0	27.7	1.2	25.0	
H - Transportation and storage	5,102.4	416.9	104.0	0.9	1.3	1.89	458.3	57.2	7.5	55.5	12.5	7.4	1.4	5.3	
L - Real estate activities	8,442.2	10.3	1.4	0.0	0.3	0.02	11.2	0.7	0.1	3.7	0.0	1.3	0.0	1.2	
Loans collateralised by residential immovable property	57,011.4	15.3	16.5	131.5	337.5	21.18	0.0	500.8	0.0	43.0	413.0	1.9	0.6	0.8	
Loans collateralised by commercial immovable property	30,462.3	64.1	38.3	2.8	2.3	0.17	0.0	107.4	0.0	16.5	0.8	1.6	0.6	0.7	
Reposessed collaterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other relevant sectors	10,283.0	1,563.9	26.2	47.5	6.9	0.00	1,244.8	338.9	60.8	76.7	19.3	17.8	2.1	13.1	

The table above shows the exposures that are vulnerable to the impact of both long-term and abrupt climate change risks. These are presented by:

- sectors of economic activity, and
- type of real estate that constitutes the collateral.

Total gross carrying amount in the sector lines is the entire exposure of the ING Bank Śląski S.A. Group to non-financial companies operating in the specified sectors. The remaining columns in the sector lines present sensitive exposures excluding loans secured by real estates, as those are presented in dedicated lines. In the table, we have not taken into account in any way the fact that the real estate is insured against physical risks (nevertheless, we indicate that for retail mortgages we expect the share of loans with flood insurance to increase rapidly due to the introduction of such a requirement for policy renewals and for new sales).



For the indication of the physical risk of the collateralised exposure, the main difference between the methodology we used for the 2022 data and that used for the 2023 data is the use of two different data sources – in 2022 we used data from Ambiental, while in 2023 we used data from the internal Physical Risk Tool. In both cases, the main physical hazard to which our collateral portfolio was vulnerable was flooding and in both cases the proportion of exposures at risk was less than 1%.

To indicate the physical risk of unsecured exposure to corporate clients in 2022, we used heatmaps. This was a very general approach, whereby if a sector was considered sensitive to physical risk, all exposure from that sector was indicated as sensitive. Thus, it was completely independent of the location of the corporate segment clients. While we still do not use the exact business address in the 2023 methodology, we have improved the precision of the estimate: either we use a simplification that attempts to indicate this location, or we use an estimate that attempts

to indicate the share of exposures at risk by location actually exposed to physical risk. In both cases, data from the Physical Risk Tool is used.

The new method, although better differentiating exposure within a sector than the one used in the previous year, is still based on simplifications and estimations, so the result of the analysis should be taken as an approximation. We will continue to work on increasing the precision of the calculations.

For the purpose of identifying exposure of the 20 most carbon-intensive companies in the world, we chose to use the compilation published by CDP *The Carbon Majors Database – CDP Carbon Majors Report 2017*. As at 2023 yearend, we had no direct exposure to any of those 20 companies or any exposure under loan agreements to their related entities.



PAI indicators according to SFDR

SFDR* (Sustainable Finance Disclosure Regulation) indicators of the ING Bank Śląski Capital Group as an entity in which the investment was made

Table 1 – Statement of the main adverse impacts of investment decisions on sustainability factors

Adverse sustainability indicator			Metric	Year 2023
Climate and other environment-related indicator				
Greenhouse gas emissions	1	GHG emissions	Scope I GHG emission	3,795 [tons of CO ₂ e]
			Scope II GHG emission	4,431 – market-based / 19,444 – location-based [tons of CO ₂ e]
			Scope III GHG emission	9,694,062 – market-based / 9,697,694 – location-based [tons of CO ₂ e]
			Total greenhouse gas emissions	9,702,289 – marked-based / 9,720,933 – location-based [tons of CO ₂ e]
	2	Carbon footprint	Total greenhouse gas emissions	9,702,289 – marked-based / 9,720,933 – location-based [tons of CO ₂ e]
	3	GHG emission intensity	CO ₂ e emissions from scope I - III per PLN 1 million of income of the ING Bank Śląski Capital Group	908,658 – marked-based / 910,404 – location-based [tons of CO ₂ e]
	4	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel secto	The ING Bank Śląski Capital Group does not operate in the fossil fuel sector.
	5	Share of non-renewable energy consumption and production	The share of energy from non-renewable sources consumed and produced in relation to energy resources from renewable sources, expressed as a percentage of total energy resources.	3.93% (for 96.07% of the remaining energy, the bank has certificates of origin).
	6	Energy consumption intensity per high impact climate sector	Energy consumption expressed in GWh	The ING Bank Śląski Capital Group does not operate in sectors with a significant impact on the climate.
Biodiversity	7	Activities negatively affecting biodiversitysensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversitysensitive areas where activities of those investee companies negatively affect those areas	The ING Bank Śląski Capital Group does not operate in or near biodiversity-sensitive areas.
Water	8	Emissions to water	Tonnes of emissions to water - expressed as a weighted average	The ING Bank Śląski Capital Group does not generate emissions of priority substances defined in Art. 2 section 30 of Directive 2000/60/EC of the European Parliament and of the Council (6) and direct emissions of nitrates, phosphates and pesticides.



Waste	9	Hazardous waste and radioactive waste ratio	Tons of hazardous waste and radioactive waste - indicator expressed as a weighted average	0.944 tons
Metric			Year 2023	
Indicatora for socail and employee, respect for human rights, anti-corruption and anti-bribery matters				
Social and employee matters	10	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The ING Bank Śląski Capital Group monitors compliance with the principles of the Global Compact initiative and the OECD Guidelines for Multinational Enterprises. In 2023, in the area of labor law, there was one final judgment for illegal termination of an employment relationship - lack of consultation with trade unions. In this case, corrective actions were taken and additional control mechanisms were implemented to prevent such events from occurring in the future.	
	11	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	The ING Bank Śląski Capital Group analyzed the OECD guidelines for multinational enterprises and the UN guidelines on business and human rights, including the principles and rights set out in the eight basic conventions indicated in the Declaration of the International Labor Organization. The effect of the analysis was to confirm the processes and ensure compliance with the guidelines in internal regulations. Additionally, in 2023, ING Bank Śląski formally joined the United Nations Global Compact (UN Global Compact) - the largest global initiative of the UN Secretary General, bringing together sustainable business leaders.	
	12	Unadjusted gender pay gap	32% - the ratio of the difference between the average salary of men and women to the average salary of men according to the EBA methodology (unadjusted indicator).	
	13	Diversity of management board members by gender - average ratio of the number of women to the number of men sitting on company management boards, expressed as a percentage of all management board members.	50% in ING Bank Śląski.	
	14	Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	The ING Bank Śląski Capital Group does not finance entities involved in the production or sale of controversial types of weapons.	
Indicators applicable to investments in sovereigns and supranational				
Environmental	15	GHG intensity of investee countries	Not applicable	
Social	16	Number of investee countries subject to social violations	Not applicable	
Indicators applicable to investments in real estate assets				
Fossil fuels	17	Exposure to fossil fuels through real estate assets	Not applicable	
Energy efficiency	18	Exposure to energy-inefficient real estate assets	Not applicable	

*Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.



Dictionary

Add-on – Imposed on the capital requirements in keeping with Regulation No. 575/2013 (CRR).

Agile – It is a new way of working at selected bank units, adopted from the IT sector. It enables fast response to changing client and market needs.

AIRB Advanced Internal Rating-Based – is an advanced internal rating method used to measure credit risk.

ALCO / ALCO Committee Asset-Liabilities Committee.

Bank levy – a popular name of the tax on certain financial institutions. a tax of 0.0366% per month (0.44% per annum) is levied on the value of assets at the end of the month after previous deductions.

BGF – Bank Guarantee Fund – a deposit guarantee and resolution scheme. BGF guarantee covers deposits being the equivalent of up to EUR 100,000. .

BGK – Bank Gospodarstwa Krajowego – a state-owned development bank. The main task of BGK is to support economic development of Poland and improve the quality of life for Poles.

BIK – Credit Information Bureau – an institution that processes information on the timeliness of repayment of financial obligations of natural and legal persons.

BRRD Bank Recovery and Resolution Directive – Directive of the European Parliament and of the Council on the recovery and resolution of credit institutions and investment firms.

Capital conservation buffer – An element of macroeconomic supervision of the banking sector. Buffer imposed on all banks; it must consist of the highest quality capital (Tier 1) and amounts to a maximum of 2.5% of the

capital requirement. In 2016-2017, it was 1.25%; in 2018, it went up to 1.875%; and in 2019 has increased to 2.5%.

Carbon footprint – The total set of greenhouse gas emissions caused directly or indirectly by an individual, organisation, event or product.

Compliance – Ensuring observance of laws, norms and standards, and recommendations.

Corporate segment – Simply: natural persons running their own business, clients of mid and big companies segments and strategic clients.

Cost share ratio (C/I) Cost to Income ratio – Ratio calculated as the ratio of operating expenses (excluding bank levy) to income, including net profit of associates consolidated by the equity method.

Costs of risk – Pursuant to IAS 39: the balance of provisions made and released under impairment of assets, credit facilities and cash loans granted to clients, first and foremost. Under IFRS 9: the balance of the allowance for expected losses and the provision for legal risk of foreign currency mortgage loans.

Coverage of the loan portfolio in stage 3 with write-offs - NPL coverage ratio. Ratio of impairment allowances on loans and other receivables granted to clients to impaired loans and other receivables granted to clients. Under IFRS 9, it is the ratio of the write-downs of receivables in stage 3 and POCI to the value of these receivables.

CPI – Consumer Price Index that measures changes in the price level of consumer goods and services. The most popular global inflation/deflation index.

Credit rating – Evaluation of the ability of a legal entity drawing a loan to repay the debt in full that is to repay interest and principal on the contractual terms and conditions. The entity can be both a company and a state, for example.

Credit Value Adjustment (CVA) – The credit value adjustment resulting from the difference between the risk-free value of the portfolio and the real value of the portfolio, which includes the possibility of counterparty default.

CRR – Regulation (EU) No 575/2013 of the European Parliament and of the Council.

CSR – Corporate Social Responsibility.

EBA – European Banking Authority.

ESG – Enviromental, Social, Governance – an acronym for environmental, social and corporate governance factors respectively.

ESR Environmental and Social Risk.

Factoring – Purchase by the factor of not past-due receivables of companies (clients) due thereto from business partners (offtakers) under delivery of goods and services.

FCR First Call Resolution – contact centre effectiveness study. It checks what volume of problems reported by clients to the contact centre is solved at the first contact

Funding cost – interest cost/ average interest liabilities for 5 subsequent quarters.

GDP – Gross Domestic Product – Aggregated market value of goods and services produced by national and foreign factors in a given country and in a given period.

Global Reporting Initiative (GRI) – An international organisation which publishes non-financial reporting guidelines.

Guarantee – a bank guarantee is a written commitment of the bank to pay the amount given there to the beneficiary on the terms and conditions



stated therein. The agreement is, however, of securing nature only. It is not a tool to settle commercial agreements.

IAS – International Accounting Standards; gradually superseded by the IFRS, i.e. International Financial Reporting Standards.

ICAAP – Internal Capital Adequacy Assessment Process – this is a model for estimating internal capital.

IFRS – International Financial Reporting Standards and their interpretations approved by the International Accounting Standards Board.

ILAAP – Internal Liquidity Adequacy Assessment Process – this is a model for estimating liquidity resources.

Integrated thinking – An organisation’s active consideration of the relationships between its various operational and functional units and capitals – the resources and relationships that the organisation uses or influences in its business activities. Integrated thinking leads to integrated decision-making and actions that take into account the creation, preservation or erosion of value in the short, medium and long term for the organisation, capitals and the external environment.

Interest assets – Assets earning interest income for the bank; loans granted to clients form their major portion.

Interest margin ratio – Annual net interest result / average interest assets for 5 consecutive quarters.

International Integrated Reporting Council (IIRC) – International Committee for Integrated Reporting.

LCR Liquidity Coverage Ratio. Computed as a ratio of very liquid assets to short-term liabilities. It is introduced in stages. The minimum value is: 60% in 2014 and 2015, 70% in 2016, 80% in 2017 and 100% starting from 2018.

Leasing – The agreement, whereunder the owner of an assets item (lessor) provides the user (lessee) with the right to use the assets item for a defined period in exchange for payment or a series of payments.

Loans and other receivables from clients (gross/net) – unless otherwise indicated, includes all receivables from clients regardless of the valuation model adopted.

Loans/Deposits (L/D) ratio – Loans and other receivables granted to clients net of liabilities to clients.

Markets in Financial Instruments Directive II (MiFID II) – Directive on the service and sale of investment products and advice thereon.

Minimum Requirement for own funds and Eligible Liabilities (MREL) – minimum level of own funds and liabilities subject to write down or conversion. The institution transposed into Polish law under the Act on the Bank Guarantee Fund, Deposit Guarantee Scheme and Resolution of 10 June 2016.

Monetary Policy Council (MPC) – a body of the National Bank of Poland (NBP). Its tasks include but are not limited to determining the NBP interest rates.

Mystery Shopper – One of the methods used to score the client service satisfaction where service quality is assessed during client sales and service points visits.

NBP – National Bank of Poland – a central bank which acts as the issue bank, the bank of banks and the central state-owned bank.

Non-performing loans (NPL) – in simple terms, these are 'bad' loans; this means that clients fail to repay their loans on time or are very likely not to do so in the future. Pursuant to IFRS 9 the term covers receivables reflected in Stage 3 and POCI (purchased or originated credit impairment) assets.

NPS Net Promoter Score – a method for assessing client loyalty. Client database is split into three categories: promoters, neutral clients and detractors. NPS ratio is the difference between the share of promoters and detractors in the entire client database.

NSFR Net Stable Funding Ratio. It is computed as the ratio of available stable funding to require stable funding. In accordance with the Regulation of the European Parliament and of the Council (EU) No 876/2019, the minimum level of the ratio is 100% and is valid from the end of June 2021.

OHI Organisational Health Index – a survey of organisational health.

Other Systemically Important Institution Buffer – is part of the macro-prudential supervision of the banking sector. The buffer is imposed on banks of systemic importance on both the standalone and consolidated bases. The buffer takes values from 0% to 2% of the capital requirement.

Own funds – Funds comprising Tier 1 capital (comprising, inter alia, share capital, supplementary capital, reserves, retained earnings) and Tier 2 capital (comprising, inter alia – with the approval of the relevant supervision authority – subordinated liabilities).

PACE – An organised process boosting innovations across ING Group. It fosters a fast market launch of new products and services, developed by small and independent scrums.

PD Probability of Default – a measure of the likelihood of default.

PFSA – Polish Financial Supervision Authority – supervises the banking sector as well as the capital, insurance and pension markets, payment institutions and payment services offices, electronic money institutions and the sector of credit unions.

RAS Risk Appetite Statement – a document that sets out the maximum amount of risk the group is prepared to accept against a given type of risk.



Retail segment – Simply: natural persons and natural persons running business.

Return on Assets (ROA) Return On Assets – annual net profit / average assets for 5 consecutive quarters.

Return on Equity (ROE) – adjusted for MCFH – Return on equity adjusted for MCHF excluding the revaluation reserve for the cash-flow hedging instruments – net profit/ average equity for 5 subsequent quarters (excluding the revaluation reserve for the cash-flow hedging instruments).

Return on Equity (ROE) Return On Equity – annual net profit / average capital value over 5 consecutive quarters.

Risk cost margin ratio – Net loan loss provisions (pursuant to IFRS 9: allowances for expected credit losses and provisions for legal risk of foreign currency mortgage loans) to the average value of the gross loan portfolio for 5 consecutive quarters.

Share of loans in stage 3 and POCI – Non-Performing Loans Ratio – simplified, this is the share of “bad” loans in the total gross loan portfolio. Under IFRS 9, this is the share of Stage 3 and POCI receivables in the total gross receivables portfolio.

SREP – Supervisory Review and Evaluation – One of the supervisory tools of the Polish Financial Supervision Authority. The aim of the BION process is to identify the size and nature of the risk to which the bank is exposed, to assess the quality of the risk management process, to assess the level of capital covering the risk arising from the bank’s operations and bank management.

SWIFT Society for Worldwide Interbank Financial Telecommunication. SWIFT participates in international transactions between financial institutions.

Tier 1 – Top-quality capital, computed in line with Basel III regulations.

Tier 1 capital ratio – Ratio of Tier 1 capital to assets and off-balance sheet liabilities including risk weights; ratio calculated in accordance with Basel III regulations.

Total capital ratio (TCR) – Calculated as the ratio of own funds to assets and off-balance sheet liabilities including risk weights; a ratio calculated in accordance with Basel III regulations.

United Nations Environment Program Finance Initiative – a global partnership between the United Nations and over 200 representatives of the world financial sector. The partnership seeks to promote sustainable funding.

United Nations Global Compact – The largest global initiative gathering business striving after sustainable growth.

Value at Risk (VaR) – this indicator measures the potential loss that is expected not to be exceeded given a certain level of probability.

WCAG – International guidelines on making Web content more accessible. These guidelines read how to make content accessible to everyone, regardless of one’s ability, age, equipment or software.

WIBOR Warsaw Interbank Offered Rate – It is a reference interest rate of loans on the Polish interbank market.

WIRON 1M Compound Rate – a benchmark index that is determined in accordance with the WIRON Compound Index Family Regulations. The index is administered by WSE Benchmark SA, based in Warsaw. For more on the current value and how the WIRON index is developed, see the administrator’s website: <https://gpwbenchmark.pl/>



Legal changes

Changes in the banking sector regulations		
Name	Effective date	Description
Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088	The regulation entered into force on 12 July 2020, but the specific requirements apply from 1 January 2022/1 January 2023	The EU taxonomy provides for the extension of the scope of non-financial reporting to include information on how and to what extent a company’s activities are related to economic activities that qualify as environmentally sustainable.
Act of 7 October 2022 amending the Act on corporate income tax and certain other acts	1 January 2023	<p>The following modifications have been made to the tax legislation under this Act:</p> <ul style="list-style-type: none">the “hidden dividend” provisions introduced by the Act of 29 October 2021 (the so-called Polish Deal 1.0) on the basis of Article 16(1)(15b) and (1d) and (1e) to the Corporate Income Tax Act, which was added at that time, have been repealed,the provisions on tax on flipped income have been amended and clarified,withholding tax (WHT) rules have been relaxed by, among other things, extending the deadlines for filing the so-called initial declaration and follow-up declaration,the obligation to apply the arm’s length principle and the documentation obligation for indirect domestic transactions on transfer pricing grounds have been repealed,the deadline for submitting the monthly JPK_CIT file has been extended.
Act of 16 November 2022 amending the Act on tax on certain financial institutions and certain other acts	1 January 2023	Based on the amendment, there was an exclusion from the tax base in the tax on certain financial institutions of the value of assets resulting from so-called repurchase transactions involving treasury securities.
Act of 1 December 2022 on the Financial Information System	10 February 2023	The Act provides for the creation of the Financial Information System. Obligated institutions, i.e., among others, national banks, will be obliged to provide the Financial Information System with the information on accounts indicated in the Act, as well as agreements for the safekeeping of objects and securities and the provision of a safe deposit box.
Act of 1 December 2022 amending the Act – Labour Code and certain other acts	7 April 2023	The Act is specifically concerned with the introduction of remote working as a permanent form of work provision mandated by the Labour Code.
Act of 9 March 2023 on amending the Act – Code of Procedure Code and on amendment to certain other Acts.	1 July 2023	Changes to civil proceedings include, inter alia, a new procedure in cases involving consumers, as well as a change in the local jurisdiction of courts in cases involving consumer claims related to the conclusion of a credit agreement that is valorised, denominated or indexed to a currency other than the Polish currency.
Act of 26 May 2023 amending the Act on tax on goods and services and certain other acts	1 July 2023	<p>The amendment to the act, referred to as the SLIM VAT 3 package, introduced changes to, among other things:</p> <ul style="list-style-type: none">an increase in the amount allowing the proportion of the deduction determined by the taxpayer to be deemed to be 100%, where this proportion exceeded 98% for it, from PLN 500 to PLN 10,000,



	1 January 2024	<ul style="list-style-type: none">• using the option to waive the adjustment if the difference between the initial and final proportion does not exceed 2 percentage points, taking into account the insignificance of this amount,• abolition of the obligation to agree with the head of the tax office, in the form of a protocol, the proportion of input tax to be deducted, and instead introduces the requirement to notify the head of the tax office of the proportion adopted,• clarification of the rules for applying the conversion rate for correcting invoices where the invoice was issued in a foreign currency,• abandonment of the obligatory issuing of decisions by tax authorities on the credit of a tax payment/overpayment/refund against tax arrears and default interest in favour of the issuing of these decisions by tax authorities at the request of taxpayers. <p>In terms of income taxes, the amended legislation addresses issues such as:</p> <ul style="list-style-type: none">• changing the way tax is accounted for on income from investment funds,• clarification of WHT payer obligations,• determining the tax treatment of income from the issuer’s redemption of bonds on which periodic benefits are due, etc.
Regulation of the Minister of Health of 14 June 2023 on the cancellation of an epidemic emergency in the territory of the Republic of Poland	1 July 2023	<p>The regulation abolished the state of epidemic emergency, which had the effect of removing the special arrangements associated with this state:</p> <ul style="list-style-type: none">• reinstatement of the standard, i.e. 3-month, deadline for issuing an individual interpretation,• start of the deadlines for reporting domestic tax schemes,• reinstatement of the standard deadline for filing a ZAW-NR notice, which is 7 days,• need for payers of flat-rate income tax to use up-to-date tax residence certificates from 1 September 2023.
Act of 26 May 2023 on the mCitizen application	14 July 2023	<p>The act provides for the legal equalisation of digital documents handled in the mCitizen app with documents in traditional form. In particular, this includes clarifying the conditions for the use and recognition of an electronic document, supported by the mCitizen app, to be used as a mobile identity document.</p>
Act of 7 July 2023 amending certain laws to reduce certain effects of identity theft	22 July/17 November 2023/1 June 2024	<p>The solutions provided by the law allow the data subject to reserve and withdraw the reservation of the PESEL number free of charge. The law requires banks to verify that the PESEL number is reserved, among other things, before entering into or amending certain agreements.</p>
Act of 16 August 2023 amending certain acts in connection with ensuring the development of the financial market and the protection of investors in this market	29 September 2023	<p>The Act amended many regulations in the financial market area, including the Banking Act, the Financial Instruments Trading Act, the Payment Services Act, the Investment Funds Act or the Bonds Act. The changes concern, among other things, the catalogue of banking activities, the rules on banking outsourcing and the provision of explanations regarding the applicant’s creditworthiness assessment. The Act also introduces the so-called single banking licence, allowing banks to carry out brokerage activities on the basis of the statute, without the need to obtain an additional brokerage licence.</p>
Recommendation J on rules on collection and processing of real estate market data by banks	31 December 2023 / 31 March 2024	<p>The new Recommendation J will replace the 2012 document. Recommendation J is a set of good practices for the collection and processing by banks of real estate market data contained in internal and external databases to support the risk management process of mortgage-backed credit exposures.</p>



[Recommendation A on banks' risk management of derivatives activities](#)

31 December 2023

The new recommendation will replace the 2010 Recommendation A. The provisions of Recommendation A are a set of good practices concerning the duties and responsibilities of the management and the board, the identification and assessment of risks, monitoring, the internal control system and the control and reporting of derivative risks.

[Act of 14 April 2023 amending the Act on tax on goods and services and certain other acts \(Journal of Laws of 2023, item 996\)](#)

1 January 2024

The amendment is designed to tighten up the VAT system in the e-commerce sector. As a result, CESOP, which will be the Central Electronic Payment Information System, a new reporting obligation for payment institutions, is being introduced. National banks, branches of foreign banks, credit institutions, payment institutions and credit unions will be obliged to keep, store and send to the head of the National Revenue Administration records of cross-border payments if a payment service provider makes more than 25 payments to the same payee in a quarter. Reporting will take place on a quarterly basis.

[Act of 16 June 2023 amending the Act on tax on goods and services and certain other acts](#)

1 July 2024

The law introduces the obligation of electronic invoicing, using the National e-Invoicing System (KSeF), for all so-called active VAT taxpayers registered in Poland. The new rules implement a number of changes that will directly affect invoicing obligations, in particular with regard to the issuing, sending and receiving of so-called structured invoices, i.e. invoices issued via the government platform – KSeF.



Management Board statement

Correctness and reliability of the presented financial statements

According to the best knowledge of the Bank’s Management Board, the financial data for 2023 and comparable data presented in the annual financial statements of ING Bank Śląski S.A. and the annual consolidated financial statements of the ING Bank Śląski S.A. Group have been prepared in accordance with the applicable accounting principles and reflect truthfully, fairly and clearly the financial and economic standing of the Bank and the Bank’s Group and the financial result achieved by the Bank and the Bank’s Group. The Management Board’s report contained in this document presents a true view of the development, achievements and situation (including a description of the basic types of threats and risks) of the Bank and the Bank’s Group in 2023.

In the opinion of the Management Board, this Management Report on ING Bank Śląski Group 2023 has been prepared in accordance with the Integrated Reporting Guidelines (The International <IR> Framework).



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

2024-03-06	Brunon Bartkiewicz President	The original Polish document is signed with a qualified electronic signature
2024-03-06	Joanna Erdman Vice-President	The original Polish document is signed with a qualified electronic signature
2024-03-06	Marcin Giżycki Vice-President	The original Polish document is signed with a qualified electronic signature
2024-03-06	Bożena Graczyk Vice-President	The original Polish document is signed with a qualified electronic signature
2024-03-06	Ewa Łuniewska Vice-President	The original Polish document is signed with a qualified electronic signature
2024-03-06	Michał H. Mrożek Vice-President	The original Polish document is signed with a qualified electronic signature
2024-03-06	Sławomir Soszyński Vice-President	The original Polish document is signed with a qualified electronic signature
2024-03-06	Alicja Żyła Vice-President	The original Polish document is signed with a qualified electronic signature