

ING Bank Śląski S.A. Group

Quarterly consolidated report

for the 3rd quarter of 2021



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SELECTED FINANCIAL DATA FROM FINANCIAL STATEMENTS

Performance highlights

	3 quarter 2021 the period from 1 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 1 Jan 2021 to 30 Sep 2021	3 quarter 2020 the period from 1 Jul 2020 to 30 Sep 2020	3 quarters 2020 YTD the period from 1 Jan 2020 to 30 Sep 2020
Net interest income	1,236.7	3,553.3	1,136.3	3,387.6
Net commission income	484.2	1,368.8	393.6	1,096.7
Net income on basic activities	1,744.1	4,992.1	1,548.4	4,614.8
Gross profit	839.1	2,182.8	618.1	1,435.2
Net profit attributable to shareholders of ING Bank Śląski S.A.	638.4	1,639.3	440.2	1,023.7
Earnings per ordinary share (PLN)	4.91	12.60	3.38	7.87

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
Loans and other receivables to customers measured at amortised cost (net)	141,168.6	133,768.8	124,655.3	122,382.0
Liabilities to customers	164,586.3	161,998.3	151,028.5	154,399.8
Total assets	200,543.3	197,282.3	186,595.7	184,859.5
Equity attributable to shareholders of ING Bank Śląski S.A.	17,440.8	17,857.6	18,618.3	18,595.8
Share capital	130.1	130.1	130.1	130.1

Key performance indicators

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
C/I - cost/income ratio (%)	44.2%	46.6%	44.5%	45.1%
ROA - return on assets (%)	1.0%	0.9%	0.8%	0.9%
ROE - return on equity (%)	10.8%	9.7%	7.6%	8.7%
NIM - net interest margin (%)	2.48%	2.48%	2.63%	2.71%
L/D - loans-to-deposits ratio (%)	85.8%	82.6%	82.5%	79.3%
Total capital ratio (%)	17.21%	18.08%	19.52%*	18.64%

*) On 15 April 2021, the Bank's General Meeting approved the distribution of the profit for 2020. Including the net profit generated in 2020 as equity as at 31 December 2020 resulted in an increase in the Group's total capital ratio (TCR) to 19.52%. According to the value presented in the annual consolidated financial statements for 2020, the Group's total capital ratio as at 31 December 2020 was 18.72%.

Explanations:

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

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

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

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

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

Total capital ratio – equity to risk weighted assets and off-balance sheet liabilities.

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

Interim condensed consolidated income statement

	Note	3 quarter 2021 the period from 1 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 1 Jan 2021 to 30 Sep 2021	3 quarter 2020 the period from 1 Jul 2020 to 30 Sep 2020	3 quarters 2020 YTD the period from 1 Jan 2020 to 30 Sep 2020
Interest income		1,352.3	3,917.0	1,277.3	3,967.9
calculated using effective interest rate method		1,352.3	3,916.6	1,276.6	3,965.7
other interest income		0.0	0.4	0.7	2.2
Interest expenses		115.6	363.7	141.0	580.3
Net interest income	7.1	1,236.7	3,553.3	1,136.3	3,387.6
Commission income		602.5	1,694.4	506.4	1,415.6
Commission expenses		118.3	325.6	112.8	318.9
Net commission income	7.2	484.2	1,368.8	393.6	1,096.7
Net income on financial instruments measured at fair value through profit or loss and FX result	7.3	22.4	72.1	24.4	82.6
Net income on the sale of securities measured at amortised cost	7.4	0.0	0.0	0.0	7.3
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	7.4	3.9	11.6	5.4	26.0
Net (loss)/income on hedge accounting	7.5	-4.8	-19.0	-14.1	14.5
Net (loss)/income on other basic activities		1.7	5.3	2.8	0.1
Net income on basic activities		1,744.1	4,992.1	1,548.4	4,614.8
General and administrative expenses	7.6	694.2	2,207.0	666.7	2,080.2
Impairment for expected credit losses	7.7	80.0	227.9	125.1	722.0
including profit on sale of receivables		0.0	61.6	0.0	4.1
Cost of legal risk of FX mortgage loans	7.8	0.4	0.4	20.2	30.4
Tax on certain financial institutions		138.2	395.0	122.0	359.1
Share of profit/(loss) of associates accounted for using the equity method		7.8	21.0	3.7	12.1
Gross profit		839.1	2,182.8	618.1	1,435.2
Income tax		200.7	543.5	177.9	411.5
Net profit		638.4	1,639.3	440.2	1,023.7
attributable to shareholders of ING Bank Śląski S.A.		638.4	1,639.3	440.2	1,023.7
attributable to non-controlling interests		0.0	0.0	0.0	0.0
Net profit attributable to shareholders of ING Bank Śląski S.A.		638.4	1,639.3	440.2	1,023.7
Weighted average number of ordinary shares		130,100,000	130,100,000	130,100,000	130,100,000
Earnings per ordinary share (PLN)		4.91	12.60	3.38	7.87

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

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

Interim condensed consolidated statement of comprehensive income

	3 quarter 2021 the period from 1 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 1 Jan 2021 to 30 Sep 2021	3 quarter 2020 the period from 1 Jul 2020 to 30 Sep 2020	3 quarters 2020 YTD the period from 1 Jan 2020 to 30 Sep 2020
Net profit for the period	638.4	1,639.3	440.2	1,023.7
Total other comprehensive income, including:	-1,055.2	-2,817.2	-79.9	2,348.8
Items which can be reclassified to income statement, including:	-1,054.8	-2,834.5	-79.9	2,342.8
debt instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	55.0	33.3	55.2	-23.4
debt instruments measured at fair value through other comprehensive income – reclassification to financial result due to sale	-3.2	-4.0	-4.4	-14.2
cash flow hedging – gains on revaluation carried through equity	-868.6	-2,190.0	52.6	2,774.7
cash flow hedging – reclassification to profit or loss	-238.0	-673.8	-183.3	-394.3
Items which will not be reclassified to income statement, including:	-0.4	17.3	0.0	6.0
equity instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	0.0	18.0	0.0	6.0
fixed assets revaluation	-0.3	-0.5	0.0	0.0
disposal of fixed assets	0.1	0.0	0.0	0.0
actuarial gains/losses	-0.2	-0.2	0.0	0.0
Net comprehensive income for the reporting period	-416.8	-1,177.9	360.3	3,372.5
attributable to shareholders of ING Bank Śląski S.A.	-416.8	-1,177.9	360.3	3,372.5

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

Interim condensed consolidated statement of financial position

as at

	Note	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
Assets					
Cash in hand and balances with the Central Bank		747.1	850.8	867.3	1,193.6
Loans and other receivables to other banks	7.9	913.8	709.5	704.6	731.3
Financial assets measured at fair value through profit or loss	7.10	1,969.6	1,471.1	2,017.7	1,259.2
Derivative hedge instruments		593.3	882.0	1,194.8	1,054.1
Investment securities	7.11	52,450.1	57,103.1	54,933.5	56,084.1
Loans and other receivables to customers measured at amortised cost	7.12	141,168.6	133,768.8	124,655.3	122,382.0
Investments in associates accounted for using the equity method		176.3	168.7	174.1	170.2
Property, plant and equipment		828.0	857.1	913.1	917.1
Intangible assets		405.6	410.3	426.6	424.6
Assets held for sale		1.4	1.4	3.6	3.4
Current income tax assets		426.2	307.8	2.7	0.0
Deferred tax assets		594.6	463.2	423.2	409.7
Other assets		268.7	288.5	279.2	230.2
Total assets		200,543.3	197,282.3	186,595.7	184,859.5
Liabilities					
Liabilities to other banks	7.14	10,306.1	9,422.5	8,228.0	4,883.1
Financial liabilities measured at fair value through profit or loss	7.15	1,434.4	1,040.4	1,530.8	696.9
Derivative hedge instruments		406.0	454.0	558.5	449.7
Liabilities to customers	7.16	164,586.3	161,998.3	151,028.5	154,399.8
Liabilities from debt securities issued		547.2	546.2	1,370.5	397.3
Subordinated liabilities		2,318.2	2,262.1	2,309.2	2,265.2
Provisions	7.17	252.9	248.4	256.3	196.1
Current income tax liabilities		3.5	1.8	389.6	445.2
Deferred tax liabilities		0.0	0.0	0.0	5.3
Other liabilities	7.18	3,247.9	3,451.0	2,306.0	2,525.1
Total liabilities		183,102.5	179,424.7	167,977.4	166,263.7
Equity					
Share capital		130.1	130.1	130.1	130.1
Share premium		956.3	956.3	956.3	956.3
Accumulated other comprehensive income		1,103.0	2,158.7	3,923.4	4,216.1
Retained earnings		15,251.4	14,612.5	13,608.5	13,293.3
Equity attributable to shareholders of ING Bank Śląski		17,440.8	17,857.6	18,618.3	18,595.8
Non-controlling interests		0.0	0.0	0.0	0.0
Total equity		17,440.8	17,857.6	18,618.3	18,595.8
Total equity and liabilities		200,543.3	197,282.3	186,595.7	184,859.5
Carrying amount		17,440.8	17,857.6	18,618.3	18,595.8
Number of shares		130,100,000	130,100,000	130,100,000	130,100,000
Carrying amount per share (PLN)		134.06	137.26	143.11	142.93

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

Interim condensed consolidated statement of changes in equity

3 quarters 2021 YTD

the period from 1 Jan 2021 to 30 Sep 2021

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Non-controlling interests	Total equity
Opening balance of equity	130.1	956.3	3,923.4	13,608.5	0.0	18,618.3
Profit for the current period	-	-	-	1,639.3	-	1,639.3
Other net comprehensive income, including:	0.0	0.0	-2,820.4	3.2	0.0	-2,817.2
financial assets measured at fair value through other comprehensive income – gains/losses on revaluation carried through equity	-	-	51.3	-	-	51.3
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-4.0	-	-	-4.0
cash flow hedging – gains on revaluation carried through equity	-	-	-2,190.0	-	-	-2,190.0
cash flow hedging – reclassification to profit or loss	-	-	-673.8	-	-	-673.8
fixed assets revaluation	-	-	-0.5	-	-	-0.5
disposal of fixed assets	-	-	-3.2	3.2	-	0.0
actuarial gains/losses	-	-	-0.2	-	-	-0.2
Other changes in equity, including:	0.0	0.0	0.0	0.4	0.0	0.4
valuation of share-based payments	-	-	-	0.4	-	0.4
Closing balance of equity	130.1	956.3	1,103.0	15,251.4	0.0	17,440.8

year 2020

the period from 1 Jan 2020 to 31 Dec 2020

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Non-controlling interests	Total equity
Opening balance of equity	130.1	956.3	1,867.3	12,269.6	0.0	15,223.3
Profit for the current period	-	-	-	1,337.6	-	1,337.6
Other net comprehensive income, including:	0.0	0.0	2,056.1	1.3	0.0	2,057.4
financial assets measured at fair value through other comprehensive income – gains/losses on revaluation carried through equity	-	-	133.7	-	-	133.7
debt instruments measured at fair value through other comprehensive income – reclassification to financial result due to sale	-	-	-18.3	-	-	-18.3
cash flow hedging – gains on revaluation carried through equity	-	-	2,562.5	-	-	2,562.5
cash flow hedging – reclassification to profit or loss	-	-	-617.1	-	-	-617.1
disposal of fixed assets	-	-	-1.3	1.3	-	0.0
actuarial gains/losses	-	-	-3.4	-	-	-3.4
Closing balance of equity	130.1	956.3	3,923.4	13,608.5	0.0	18,618.3

3 quarters 2020 YTD

the period from 1 Jan 2020 to 30 Sep 2020

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Non- controlling interests	Total equity
Opening balance of equity	130.1	956.3	1,867.3	12,269.6	0.0	15,223.3
Profit for the current period	-	-	-	1,023.7	-	1,023.7
Other net comprehensive income, including:	0.0	0.0	2,348.8	0.0	0.0	2,348.8
financial assets measured at fair value through other comprehensive income – gains/losses on revaluation carried through equity	-	-	-17.4	-	-	-17.4
debt instruments measured at fair value through other comprehensive income – reclassification to financial result due to sale	-	-	-14.2	-	-	-14.2
cash flow hedging – gains on revaluation carried through equity	-	-	2,774.7	-	-	2,774.7
cash flow hedging – reclassification to profit or loss	-	-	-394.3	-	-	-394.3
Closing balance of equity	130.1	956.3	4,216.1	13,293.3	0.0	18,595.8

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

Interim condensed consolidated cash flow statement

	3 quarters 2021 YTD the period from 1 Jan 2021 to 30 Sep 2021	3 quarters 2020 YTD the period from 1 Jan 2020 to 30 Sep 2020
Net profit	1,639.3	1,023.7
Adjustments, including:	-1,537.8	18,827.9
Share of profit/(loss) of associates accounted for using the equity method	-21.0	-13.8
Depreciation and amortisation	213.8	215.8
Interest accrued (from the income statement)	-3,553.3	-3,387.6
Interest paid	-346.9	-546.9
Interest received	3,937.9	3,744.8
Dividends received	-6.7	-8.4
Gains (losses) on investing activities	0.5	0.6
Income tax (from the income statement)	543.5	411.5
Income tax paid	-863.8	-857.3
Change in provisions	-3.4	-9.6
Change in loans and other receivables to other banks	1.0	-134.3
Change in financial assets measured at fair value through profit or loss	48.5	129.4
Change in investment securities	1,625.9	-2,339.2
Change in hedge derivatives	-3,086.5	2,640.0
Change in loans and other receivables to customers measured at amortised cost	-16,415.3	-4,104.2
Change in other assets	4.8	330.7
Change in liabilities to other banks	1,887.1	-1,223.4
Change in liabilities measured at fair value through profit or loss	-96.4	-217.9
Change in liabilities to customers	13,559.6	23,938.3
Change in other liabilities	1,032.9	259.4
Net cash flow from operating activities	101.5	19,851.6
Purchase of property, plant and equipment	-41.0	-56.1
Disposal of property, plant and equipment	3.5	1.3
Purchase of intangible assets	-44.5	-55.3
Disposal of assets held for sale	0.0	0.1
Purchase of equity instruments measured at fair value through other comprehensive income	0.0	-1.1
Purchase of debt securities measured at amortised cost	-1,772.9	-23,001.4
Disposal of debt securities measured at amortised cost	2,569.1	3,116.3
Dividends received	6.7	10.1
Net cash flows from investing activities	720.9	-19,986.1
Long-term loans received	1,176.1	663.9
Long-term loans repaid	-978.4	-841.2
Interest on long-term loans repaid	-20.8	-19.9
Issue of debt securities	150.0	0.0
Redemption of debt securities	-975.0	0.0
Interests from issued debt securities	-2.8	0.0
Repayment of lease liabilities	-82.0	-78.0
Net cash flows from financing activities	-732.9	-275.2
Effect of exchange rate changes on cash and cash equivalents	103.7	134.2
Net increase/(decrease) in cash and cash equivalents	89.5	-409.7
Opening balance of cash and cash equivalents	1,228.1	1,997.4
Closing balance of cash and cash equivalents	1,317.6	1,587.7

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

Additional information

1. Bank and the Group details

1.1. Key Bank data

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

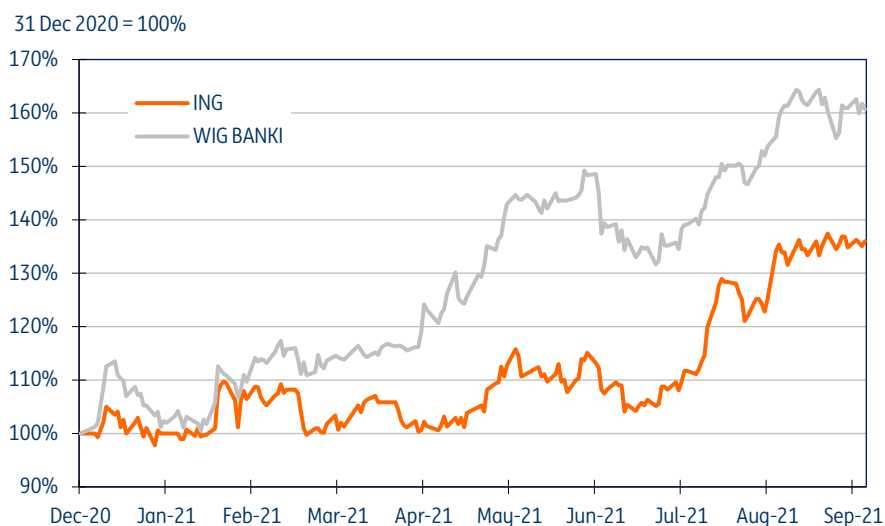
1.2. Scope and duration of operations

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

1.3. Share capital

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

On 30 September 2021, the share price of ING Bank Śląski S.A. was PLN 232.5, compared to PLN 185.0, PLN 171.0 and PLN 123.0 as at 30 June 2021, 31 December 2020 and 30 September 2020 respectively. In the period of 9 months of 2021, the share price of ING Bank Śląski S.A. was as follows:



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

ING Bank Śląski S.A. is a subsidiary of ING Bank NV, which as at 30 September 2021 held 75% share in the share capital of ING Bank Śląski S.A. and 75% shares in the total number of votes at the General Meeting. ING Bank NV belongs to the Group, herein referred to as ING Group.

The remaining part of the Bank's shares (25.0%) is in free float. They are owned by institutional investors - in particular Polish pension funds and domestic and foreign investment funds, as well as individual investors. The largest of them as at 30 September 2021 was AVIVA Otwarty Fundusz Emerytalny AVIVA Santander, which, according to the semi-annual information on the structure of assets of Aviva Otwarty Fundusz Emerytalny AVIVA Santander, as at 30 June 2021, held 8.50% of the share capital and the total number of votes at the General Meeting.

No.	Entity	Number of shares and votes	% of total number of shares and votes at General Meeting
1.	ING Bank NV	97,575,000	75.00
2.	AVIVA Otwarty Fundusz Emerytalny AVIVA Santander	11,055,030	8.50

1.5. ING Bank Śląski S.A. Group

ING Bank Śląski S.A. is the parent company of the ING Bank Śląski S.A. Group ("Capital Group", "Group"). As at 30 September 2021, the composition of ING Bank Śląski S.A. Group was the following:

name	type of activity	registered office	% of the Group share in equity	% of the Group share in the General Meeting votes	type of capital relationship	recognition in the Group Financial Statements
ING Investment Holding (Polska) S.A., that holds shares at the following subsidiaries and associates:	financial holding	Katowice	100	100	subsidiary	full consolidation
ING Commercial Finance S.A.	factoring services	Warsaw	100	100	subsidiary	full consolidation
ING Lease (Polska) Sp. z o.o.*	leasing services	Warsaw	100	100	subsidiary	full consolidation
NN Investment Partners TFI S.A.	investment funds	Warsaw	45	45	associated	consolidation with the equity method
ING Bank Hipoteczny S.A.	banking services	Katowice	100	100	subsidiary	full consolidation
ING Usługi dla Biznesu S.A.	accountancy services, payroll services	Katowice	100	100	subsidiary	full consolidation
Solver Sp. z o.o. w likwidacji**	holiday and training courses organisation	Katowice	100	100	subsidiary	full consolidation
Nowe Usługi S.A.	education and promotion for the financial market and TURBO Certificates	Katowice	100	100	subsidiary	full consolidation

*) The ING Lease (Polska) Sp. z o.o Group incorporates 5 special-purpose vehicles wherein ING Lease (Polska) Sp. z o.o holds 100% of shares.

***) On 1 August 2021, the liquidation of Solver Sp. z o.o. began.

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

On 30 September 2021, members of the Bank's Management Board and Supervisory Board did not hold any shares of ING Bank Śląski S.A., similarly to the date of publishing the financial statements for the previous reporting period.

1.7. Approval of financial statements

The annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2020 to 31 December 2020 were approved by the General Meeting on 15 April 2021.

These interim condensed consolidated financial statements have been approved by the Bank's Management Board on 2 November 2021.

2. Significant events in the 3rd quarter of 2021

- Confirmation of ratings by Fitch

On 23 September 2021 Fitch Ratings, as part of the annual review, confirmed the ratings for ING Bank Śląski S.A.

The Bank's rating assigned by the Fitch Agency is presented in the section *Other information* in point 17.1 *Ratings*.

- Appointment of a Vice-President of the Bank Management Board

On 31 August 2021 the Supervisory Board appointed Ms Alicja Żyła as the Vice-President of the Bank Management Board, effective as of 1 September 2021.

- Resignation of a Member of the ING Bank Śląski S.A. Supervisory Board

On 26 August 2021 the Bank has received Ms Susan Poot's letter of resignation from the capacity as member of the Bank Supervisory Board, effective as at 30 September 2021.

- Opinion of the Bank Supervisory Board on application of the individual recommendation from the PFSA concerning the dividend policy for the 2nd half of 2021

On 19 July 2021 the Bank Supervisory Board issued a positive opinion on the statement of the Bank Management Board concerning implementation of the individual recommendation of the Polish Financial Supervision Authority regarding the dividend policy of commercial banks ("Dividend Policy") for the 2nd half of 2021.

The statement of the Management Board of the Bank expressed in the Resolution of 16 July 2021 was made following the recommendation of the PFSA formulated in their letter of 15 July 2021. In their letter, the PFSA recommend that the Bank mitigate the inherent risk of operations by not taking, without prior consultation with the supervision authority, actions other than payment of a dividend from the 2020 profit. The foregoing applies in particular to any actions being beyond the ordinary business and operational activity which may result in a reduction of the capital base, including possible dividend payments from undivided profit from previous years (i.e. 2019 and earlier years) and the share buy-backs.

In the letter, the PFSA further communicated that as at 31 March 2021 and 31 May 2021 the Bank fulfils (in terms of the basic criteria of the Dividend Policy) the requirements for the payment of up to 100% of dividend from the 2020 Bank's profit.

3. Significant events after balance sheet date

- Bank offers settlement option to clients with housing loans in CHF

From 25 October 2021, it offers the possibility of converting a CHF-indexed mortgage loan into a PLN loan as if it had been granted in the Polish currency from the moment it was taken out. To this end, the Bank has made it possible for clients to apply for mediation through the Mediation Centre of the Arbitration Court of the Polish Financial Supervision Authority.

The mediation process is available to clients who have a housing mortgage loan or a housing construction and mortgage loan indexed to CHF exchange rate with the Bank for their own housing

purposes, excluding mortgage loans and the above loans where one of the purposes of the loan was the consolidation of non-housing liabilities. A mediation agreement can only be signed for one of client's active housing loans.

The loan will be recalculated from the date of its disbursement, assuming that it was a loan granted in Polish zloty from the beginning. The conversion will take place on the terms and conditions presented by the Chairman of the Polish Financial Supervision Authority. The detailed rules for the settlement of the loan and the determination of the type of interest rate for the future (periodically fixed or variable) will be the subject of arrangements in the mediation process before the PFSA.

- Resignation of a Member of the ING Bank Śląski S.A. Supervisory Board

On 25 October 2021 the Bank has received Mr Aleksander Kutela's letter of resignation from the capacity as member of the Bank Supervisory Board for personal reasons, effective as at the date of the Extraordinary General Meeting, i.e. 29 November 2021.

- Convening of an Extraordinary General Meeting

An Extraordinary General Meeting will be held on 29 November 2021, the subject of which will be the adoption of the following resolutions:

- a) on distribution of a portion of 2020 profit retained as undivided profit,
- b) 2020 dividend payout,
- c) changes on the Supervisory Board,
- d) assessing satisfaction by the members of the Supervisory Board of the requirements referred to in Article 22aa of the Banking Law Act (suitability assessment),
- e) implementation of the Code of Best Practice for WSE Listed Companies 2021,
- f) amendments to the Bylaw of the General Meeting of ING Bank Śląski S.A.

- Bank Management Board decision on 2020 dividend payout proposal

On 19 October 2021 the Bank Management Board took a decision on submitting to the Extraordinary General Meeting a proposal on distribution of a portion of the Bank's 2020 net profit retained as undivided profit as per Resolution No. 25 of the Ordinary General Meeting of 15 April 2021. The Bank Management Board propose to earmark the amount of PLN 663.51 million, i.e. PLN 5.10 gross per share, for dividend payout.

The proposed dividend equals 50% of the standalone and consolidated 2020 net profit of the Bank. According to the Management Board's proposal, the record date would be 4 December 2021, and the dividend payment date would be 10 December 2021.

- The Financial Stability Committee opinion on the level of a buffer of other systemically-important institution

On 11 October 2021 the Bank received the Financial Stability Committee (FSC) opinion issued at the request of the Polish Financial Supervision Authority (PFSA) under the administrative proceedings conducted by the PFSA regarding the adequacy review of the buffer of other systemically-important institution imposed on the Bank.

The FSC expressed a positive opinion on imposing on the Bank (on a consolidated basis and standalone basis) the buffer of other systemically-important institution equal to 0.75% of the total risk exposure. The present buffer of other systemically-important institution for the Bank has been established as equal to 0.50% of the total risk exposure. The Bank is waiting for the PFSA to issue a decision.

4. Compliance with International Financial Reporting Standards

These interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for the period of 3rd quarter of 2021 were prepared under the International Accounting Standards (IAS) 34

Interim Financial Reporting in a version approved by the European Commission and effective as at the reporting date, that is 30 September 2021 as well as in accordance with the Ordinance of Finance Minister of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state (Journal of Laws of 2018, item 757).

Presented financial statements have been prepared in a condensed version. The interim condensed financial statements do not provide all data or disclosures required in the annual financial statements and should be interpreted together with the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2020 to 31 December 2020, approved on 15 April 2021 by the Bank's General Meeting.

Interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated cash flow statement for the period from 1 January 2021 to 30 September 2021 and interim condensed consolidated statement of financial position as at 30 September 2021, together with comparable data were prepared according to the same principles of accounting for each period.

4.1. Changes in accounting standards

In these interim condensed consolidated financial statements, the same accounting standards have been applied as in the annual consolidated financial statements for the year 2020 (Annual Consolidated Financial Statements of the ING Bank Śląski S.A. Capital Group for the period started 1 Jan 2020 and ended 31 Dec 2020) and the standards and interpretations adopted by the European Union and applicable to the annual periods starting 1 January 2021 or afterwards, which have been presented in the interim condensed consolidated financial statements of the Capital Group of ING Bank Śląski S.A. for the period of 6 months ending on 30 June 2021.

The standards and interpretations which were already issued but are still ineffective because they are not approved by the European Union or approved by the European Union but not yet applied by the Group were presented in the 2020 Group Annual Consolidated Financial Statements. In the 1st half of 2021, several changes to the accounting standards were published, which was presented in the interim consolidated financial statements of the Capital Group of ING Bank Śląski S.A. for the period of 6 months ending 30 June 2021. In the 3rd quarter of 2021 no amendments in accounting standards were published.

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

4.2. Going concern

These interim condensed consolidated financial statements of the ING Bank Śląski S.A. Capital Group have been prepared on a going-concern basis as regards the foreseeable future, namely as regards the period of minimum 12 months from the approval date, i.e. from 2 November 2021. As at the approval date hereof, the Bank Management Board have not identified any events that could pose a threat to the Group members continuing their operations during the period of 12 months from the approval date as a result of intentional or forced abandonment or significant limitation of its operations by the Capital Group.

4.3. Discontinued operations

In the period of 3 quarters of 2021, as in 2020, there was no discontinuation of significant activities in the Group.

4.4. Financial statements scope and currency

These interim condensed consolidated financial statements of the Group for the 3rd quarter of 2021 contain data of the Bank and its subsidiaries and associates (collectively referred to as the "Group"). It have been prepared in Polish zlotys ('PLN'). Unless provided for otherwise, all values were given rounded up to PLN million. Therefore, there may be cases of mathematical inconsistency in the summaries or between individual notes.

4.5. Comparative data

The comparative data cover the following periods:

- for the interim condensed consolidated income statement and the interim condensed consolidated statement of comprehensive income - the period from 1 January 2020 to 30 September 2020 and the period from 1 July 2020 to 30 June 2020,
- for the interim condensed consolidated cash flow statement - the period from 1 January 2020 to 30 September 2020,
- for the interim condensed consolidated statement of changes in equity - the period from 1 January 2020 to 30 December 2020 and the period from 1 January 2020 to 30 September 2020,
- for the interim condensed consolidated statement of financial position - data as at 30 June 2021 and 31 December and 30 September 2020.

5. Significant accounting principles and key estimates

Detailed accounting principles and key estimates are presented in the annual consolidated financial statements of the of ING Bank Śląski S.A. Group for the period from 1 January 2020 to 31 December 2020, published on 12 March 2021 and available on the website of ING Bank Śląski S.A. (www.ing.pl).

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

In the 3rd quarter of 2021, no significant changes in the accounting principles applied by the Group were introduced.

At the same time, as a result of the market situation caused by Covid-19 epidemic, changes were made to the key estimates, which are described below.

Impairment for expected credit losses

The methodology for calculating the expected losses was presented in the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2020 to 31 December 2020. During 3 quarters of 2021, the Group continued the adopted approach, including the probability-weighted macroeconomic scenarios, complementing them with management adjustments where, in the opinion of management, recent economic events were not fully captured.

Macroeconomic forecasts

Credit risk models for the purposes of IFRS 9 were built on the basis of historical relationships between changes in economic parameters (ie GDP or Inflation) and their subsequent effect in the implementation of changes in the level of credit risk (PD / LGD). Until the end of 2019, changes in macroeconomic forecasts have been realized relatively slowly, moving smoothly from one phase of the cycle to the next. The current economic situation related to the Covid-19 pandemic has completely different characteristics, a rapid and deep decline in GDP followed by a rapid and equally dynamic rebound of the economy. It was noted that, unlike in the previous crisis, the decline in GDP growth and

the peak of insolvency will not occur at the same time. In addition, due to the effect of aid programs, liquidity and employment maintenance programs (i.e. support from BGK, PFR, statutory and non-statutory moratoria), the effect of changing macroeconomic forecasts was somewhat "stretched and softened" in relation to what the macroeconomic indicators alone would show.

As of 30 September 2021, the Group revised its forecasts of macroeconomic indicators. The macroeconomic assumptions used to calculate expected credit losses are based on a consensus built on macroeconomic forecasts collected from a wide range of institutions.

Due to the dynamic development of the pandemic and high uncertainty, the forecasts adopted by the Group may not fully covered the impact of the macroeconomic situation on the level of expected losses, both in the short and long term. In making its estimate, the Group considered the International Accounting Standards Board's statement of 27 March 2020 regarding the recognition of IFRS 9 expected losses, taking into account the uncertainty associated with the Covid-19 pandemic. The Group made appropriate judgments, however, taking into account the existing significant uncertainty, in particular with regard to 1) future macroeconomic conditions and the impact of government actions in counteracting the effects of the pandemic, and 2) assessing whether there has been a significant increase in credit risk for credit exposures.

Management adjustments

In times of increased volatility and uncertainty, when portfolio quality and the economic environment change rapidly, models have a reduced ability to accurately predict losses. To reduce the model risk, additional adjustments can be made to address data quality issues, model issues, or expert judgment. They also include adjustments where the impact of updated macroeconomic scenarios is overestimated or underestimated by IFRS 9 models.

In connection with the ongoing pandemic, the Bank adjusted the additional charges made in 2020 for the expected increased losses resulting from statutory and non-statutory moratoria. At the end of the 3rd quarter of 2021, their total value was PLN 13.6 million (compared to PLN 50.7 million at the end of 2020).

During 3 quarters of 2021, an improvement in macroeconomic forecasts was observed, which had a positive impact on the amount of provisions determined on the basis of models, while we are still dealing with a growing wave of disease, unknown duration of a pandemic or vaccination rate. In this situation, sudden write-offs do not necessarily correlate with the improvement of the clients' financial situation. In addition, aid programs as well as liquidity and employment maintenance programs, especially in the corporate segment, may result in the risk of delaying the moment of insolvency of borrowers. In this situation, the Group decided to create an additional write-off aimed at mitigating the effect of releasing provisions in connection with the improving macroeconomic forecasts. Based on expert estimates, its amount at the end of the 3rd quarter of 2021, was set at PLN 115.9 million (compared to PLN 33.1 million at the end of 2020).

6. Comparability of financial data

- *Change in accounting principles regarding the recognition of provisions resulting from legal risk for the portfolio of CHF indexed mortgage loans*

As described in the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2020 to 31 December 2020, the Group changed the recognition of expected losses due to legal risk on the portfolio of CHF indexed mortgage loans, which in the financial statements for earlier periods were recognized as write-offs for expected credit losses in the statement of financial position in correspondence with the costs of expected losses in the profit and loss account.

The Group applied the provisions of IFRS 9.B.5.4.6 to recognize these losses and recognized them as an adjustment to the gross carrying amount of the portfolio of CHF-indexed mortgage loans. In accordance with IFRS 9.B.5.4.6, when an entity changes its estimate of payments or receipts (excluding immaterial modifications and changes to the estimate of expected credit losses), it adjusts

the gross carrying amount of the asset or group of financial instruments so that it reflects the actual and changed estimated cash flows under the contract.

This change has no impact on the statement of financial position as it does not change the carrying amount (net) of the CHF-indexed mortgage portfolio. However, it does affect additional disclosures, in Note 7.12 to this report, regarding gross amounts and expected loss provisions for the CHF-indexed mortgage portfolio. The data as at 30 September 2020, presented in Note 7.12, have been restated to ensure comparability.

In the income statement, the Group introduced an additional line *Cost of legal risk of FX mortgage loans* (**change a**), which presents the costs related to the legal risk of CHF-indexed mortgage loans included in the statement of financial position and loans derecognised from the statement of financial position (repaid loans).

- Presentation changes in the income statement

In these interim condensed consolidated financial statements for the 3rd quarter of 2021 in relation to the interim condensed consolidated financial statements for earlier periods, the Group changed the presentation of the costs of writing off receivables due to suspended commissions - in earlier periods they were presented as a reduction of *Commission income* and are currently recognized in *Commission expenses* (**change b**). In the Group's opinion, the change increases the information value of the consolidated income statement.

The table below presents individual items of the consolidated income statement according to the values presented in the interim consolidated financial statements for the 3rd quarter of 2020 and at the values presented in these interim consolidated financial statements.

3 quarters 2020 YTD

the period from 1 Jan 2020 to 30 Sep 2020

	in the interim consolidated financial statements for the 3 rd quarter of 2020 (approved data)	change a)	change b)	in the interim consolidated financial statements for the 3 rd quarter of 2021 (comparable data)
Interest income	3,967.9			3,967.9
Interest expenses	580.3			580.3
Net interest income	3,387.6			3,387.6
Commission income	1,414.5		1.1	1,415.6
Commission expenses	317.8		1.1	318.9
Net commission income	1,096.7			1,096.7
Net income on financial instruments measured at fair value through profit or loss and FX result	82.6			82.6
Net income on the sale of securities measured at amortised cost	7.3			7.3
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	26.0			26.0
Net (loss)/income on hedge accounting	14.5			14.5
Net (loss)/income on other basic activities	0.1			0.1
Net income on basic activities	4,614.8			4,614.8
General and administrative expenses	2,083.2	-3.0		2,080.2
Impairment for expected credit losses	749.4	-27.4		722.0
Cost of legal risk of FX mortgage loans	0.0	30.4		30.4
Tax on certain financial institutions	359.1			359.1
Share of profit/(loss) of associates accounted for using the equity method	12.1			12.1
Gross profit	1,435.2			1,435.2
Income tax	411.5			411.5
Net profit	1,023.7	0.0	0.0	1,023.7

- Presentation changes in the statement of financial position

In these interim condensed consolidated financial statements for the 3rd quarter of 2021, the Group changed the presentation of individual items of the consolidated statement of financial position in relation to the interim condensed consolidated financial statements for prior periods. The Group created a new item in the assets of the consolidated statement of financial position called *Financial assets measured at fair value through profit or loss*, to which the loans obligatorily measured at fair value through profit or loss were transferred (previously presented under *Loans and other receivables to customers*), equity instruments designated to be measured at fair value through profit or loss and *Financial assets held for trading*. The change was aimed at recognizing in one item of the consolidated statement of financial position all financial assets measured at fair value with the measurement effect recognised in the income statement. Simultaneously with this change, the names of some items of the consolidated statement of financial position were made more precise, which, in the Group's opinion, will increase the transparency of the financial statements.

The table below presents the individual items of the consolidated statement of financial position according to the values presented in the interim consolidated financial statements for the 3rd quarter of 2020 and according to the values presented in these interim consolidated financial statements.

as at 30 Sep 2020

in the interim consolidated financial statements for the 3 rd quarter of 2020 (approved data)		change	in the interim consolidated financial statements for the 3 rd quarter of 2021 (comparable data)	
Assets			Assets	
Cash in hand and balances with the Central Bank	1,193.6		Cash in hand and balances with the Central Bank	1,193.6
Loans and other receivables to other banks	731.3		Loans and other receivables to other banks	731.3
Financial assets held for trading	1,039.3	219.9	Financial assets measured at fair value through profit or loss	1,259.2
Derivative hedge instruments	1,054.1		Derivative hedge instruments	1,054.1
Investment securities	56,084.2	-0.1	Investment securities	56,084.1
Loans and other receivables to customers	122,601.8	-219.8	Loans and other receivables to customers measured at amortised cost	122,382.0
Investments in associates	170.2		Investments in associates accounted for using the equity method	170.2
Property, plant and equipment	917.1		Property, plant and equipment	917.1
Intangible assets	424.6		Intangible assets	424.6
Assets held for sale	3.4		Assets held for sale	3.4
Deferred tax assets	409.7		Deferred tax assets	409.7
Other assets	230.2		Other assets	230.2
Total assets	184,859.5	0.0	Total assets	184,859.5
Liabilities			Liabilities	
Liabilities to other banks	4,883.1		Liabilities to other banks	4,883.1
Financial liabilities measured at fair value through income statement	696.9		Financial liabilities measured at fair value through profit or loss	696.9
Derivative hedge instruments	449.7		Derivative hedge instruments	449.7
Liabilities to customers	154,399.8		Liabilities to customers	154,399.8
Liabilities from debt securities issued	397.3		Liabilities from debt securities issued	397.3
Subordinated liabilities	2,265.2		Subordinated liabilities	2,265.2
Provisions	196.1		Provisions	196.1
Current income tax liabilities	445.2		Current income tax liabilities	445.2
Deferred tax liabilities	5.3		Deferred tax liabilities	5.3
Other liabilities	2,525.1		Other liabilities	2,525.1
Total liabilities	166,263.7	0.0	Total liabilities	166,263.7
Total equity	18,595.8	0.0	Total equity	18,595.8
Total equity and liabilities	184,859.5	0.0	Total equity and liabilities	184,859.5

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

7.1. Net interest income

	3 quarter 2021 the period from 1 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 1 Jan 2021 to 30 Sep 2021	3 quarter 2020 the period from 1 Jul 2020 to 30 Sep 2020	3 quarters 2020 YTD the period from 1 Jan 2020 to 30 Sep 2020
Interest income, including:	1,352.3	3,917.0	1,277.3	3,967.9
interest income calculated using effective interest rate method, including:	1,352.3	3,916.6	1,276.6	3,965.7
interest on financial instruments measured at amortised cost	1,317.0	3,802.6	1,205.3	3,669.2
interest on loans and other receivables to other banks	3.0	7.8	2.1	17.0
interest on loans and other receivables to customers	1,209.2	3,465.8	1,089.9	3,382.6
interest on investment securities	104.8	329.0	113.3	269.6
interest on investment securities measured at fair value through other comprehensive income	35.3	114.0	71.3	296.5
other interest income, including:	0.0	0.4	0.7	2.2
interest on loans and other receivables to customers measured at fair value through profit or loss	0.0	0.4	0.7	2.2
Interest expenses, including:	115.6	363.7	141.0	580.3
interest on deposits from other banks	0.8	2.6	1.7	18.3
interest on deposits from customers	106.2	334.3	128.5	528.7
interest on issue of debt securities	1.2	4.5	2.1	7.0
interest on subordinated liabilities	7.1	20.9	7.7	23.1
interest on lease liabilities	0.3	1.4	1.0	3.2
Net interest income	1,236.7	3,553.3	1,136.3	3,387.6

7.2. Net commission income

	3 quarter 2021 the period from 1 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 1 Jan 2021 to 30 Sep 2021	3 quarter 2020 the period from 1 Jul 2020 to 30 Sep 2020	3 quarters 2020 YTD the period from 1 Jan 2020 to 30 Sep 2020
Commission income, including:	602.5	1,694.4	506.4	1,415.6
transaction margin on currency exchange transactions	146.1	393.3	109.8	313.9
account maintenance fees	107.5	311.5	91.7	248.0
lending commissions	100.0	302.0	86.4	265.5
payment and credit cards fees	115.1	309.6	95.8	259.5
participation units distribution fees	23.9	67.0	19.8	57.6
insurance product offering commissions	51.4	144.8	40.6	119.3
factoring and lease contracts commissions	13.3	30.4	10.2	24.6
brokerage activity fees	13.7	52.6	23.0	54.3
fiduciary and custodian fees	7.2	18.2	9.0	24.5
foreign commercial business	10.9	32.2	10.0	23.1
other commission	13.4	32.8	10.1	25.3
Commission expenses, including:	118.3	325.6	112.8	318.9
payment and credit cards	67.4	182.8	61.4	174.2
Net commission income	484.2	1,368.8	393.6	1,096.7

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

	3 quarter 2021 the period from 1 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 1 Jan 2021 to 30 Sep 2021	3 quarter 2020 the period from 1 Jul 2020 to 30 Sep 2020	3 quarters 2020 YTD the period from 1 Jan 2020 to 30 Sep 2020
FX result and net income on interest rate derivatives, including	5.3	33.1	14.2	52.7
FX result	208.9	447.9	4.1	139.9
currency derivatives	-203.6	-414.8	10.1	-87.2
Net income on interest rate derivatives	14.2	32.6	6.3	-6.1
Net income on debt instruments held for trading	1.6	5.1	4.2	36.1
Net income on measurement of loans to customers which are measured at fair value through profit or loss	0.2	0.2	-0.3	-0.1
Net income on equity instruments measured at fair value through profit or loss	1.1	1.1	0.0	0.0
Total	22.4	72.1	24.4	82.6

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

	3 quarter 2021 the period from 1 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 1 Jan 2021 to 30 Sep 2021	3 quarter 2020 the period from 1 Jul 2020 to 30 Sep 2020	3 quarters 2020 YTD the period from 1 Jan 2020 to 30 Sep 2020
Net income on sale of securities measured at amortised cost	0.0	0.0	0.0	7.3
Net income on sale of securities measured at fair value through other comprehensive income and dividend income, including:	3.9	11.6	5.4	26.0
sale of debt securities	3.9	4.9	5.4	17.6
dividend income	0.0	6.7	0.0	8.4
Total	3.9	11.6	5.4	33.3

7.5. Net (loss)/income on hedge accounting

	3 quarter 2021 the period from 1 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 1 Jan 2021 to 30 Sep 2021	3 quarter 2020 the period from 1 Jul 2020 to 30 Sep 2020	3 quarters 2020 YTD the period from 1 Jan 2020 to 30 Sep 2020
Net income on hedge accounting	-5.4	-20.6	-13.7	22.9
valuation of the hedged transaction	-173.2	-574.8	-25.2	398.0
valuation of the hedging transaction	167.8	554.2	11.5	-375.1
Cash flow hedge accounting	0.6	1.6	-0.4	-8.4
ineffectiveness under cash flow hedges	0.6	1.6	-0.4	-8.4
Total	-4.8	-19.0	-14.1	14.5

7.6. General and administrative expenses

	3 quarter 2021 the period from 1 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 1 Jan 2021 to 30 Sep 2021	3 quarter 2020 the period from 1 Jul 2020 to 30 Sep 2020	3 quarters 2020 YTD the period from 1 Jan 2020 to 30 Sep 2020
Personnel expenses	359.9	1,072.9	330.9	949.4
Other general and administrative expenses, including:	334.3	1,134.1	335.8	1,130.8
cost of marketing and promotion	32.0	99.5	32.4	84.2
depreciation and amortisation	70.8	213.8	72.5	215.9
obligatory Bank Guarantee Fund payments, of which:	28.1	216.6	41.9	246.9
resolution fund	0.0	132.6	0.0	125.4
bank guarantee fund	28.1	84.0	41.9	121.5
fees to the Financial Supervisory Commission	0.1	19.3	0.0	13.3
IT costs	87.5	243.8	77.0	228.7
maintenance of buildings	24.5	80.0	26.0	77.3
costs of short-term leasing and low-value leasing	2.6	7.9	3.1	9.5
other	88.7	253.2	82.9	255.0
Total	694.2	2,207.0	666.7	2,080.2

7.6.1. Number of employees

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

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
FTEs	8,714.1	8,731.1	8,451.2	8,238.0
Individuals	8,763	8,786	8,507	8,290

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

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
FTEs	8,279.8	8,293.3	8,013.0	7,807.3
Individuals	8,314	8,333	8,053	7,842

7.7. Impairment for expected credit losses

	3 quarter 2021 the period from 1 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 1 Jan 2021 to 30 Sep 2021	3 quarter 2020 the period from 1 Jul 2020 to 30 Sep 2020	3 quarters 2020 YTD the period from 1 Jan 2020 to 30 Sep 2020
Corporate banking segment	48.5	155.7	62.9	489.7
Retail banking segment	31.5	72.2	62.2	232.3
Total	80.0	227.9	125.1	722.0

7.8. Cost of legal risk of FX mortgage loans

	3 quarter 2021 the period from 1 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 1 Jan 2021 to 30 Sep 2021	3 quarter 2020 the period from 1 Jul 2020 to 30 Sep 2020	3 quarters 2020 YTD the period from 1 Jan 2020 to 30 Sep 2020
Provisions for legal risk of FX indexed mortgage loans, including:	0.4	0.4	20.2	30.4
relating to loans in the Bank's portfolio	0.0	0.0	20.2	27.4
relating to repaid loans	0.4	0.4	0.0	3.0
Total	0.4	0.4	20.2	30.4

7.9. Loans and other receivables to other banks

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
Current accounts	435.8	237.6	92.1	209.7
Interbank deposits	0.0	0.0	0.0	0.0
Loans and advances	343.3	361.3	344.3	337.5
Placed call deposits	134.8	110.8	268.7	184.3
Total (gross)	913.9	709.7	705.1	731.5
Impairment for expected credit losses, including:	-0.1	-0.2	-0.5	-0.2
concerning loans and advances	-0.1	-0.2	-0.5	-0.2
Total (net)	913.8	709.5	704.6	731.3

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

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
Financial assets held for trading, including:	1,882.0	1,376.0	1,910.7	1,039.3
valuation of derivatives	1,131.2	1,287.2	1,199.8	716.6
other financial assets held for trading, including:	750.8	88.8	710.9	322.7
debt securities:	465.2	88.8	436.0	310.4
Treasury bonds in PLN	364.0	82.3	419.2	293.6
Czech Treasury bonds in CZK	100.7	6.0	0.0	0.0
European Investment Bank bonds	0.5	0.5	16.8	16.8
repo transactions	285.6	0.0	274.9	12.3
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	87.6	95.1	107.0	219.9
loans obligatorily measured at fair value through profit or loss	87.5	94.3	106.2	219.8
equity instruments	0.1	0.8	0.8	0.1
Total	1,969.6	1,471.1	2,017.7	1,259.2

Starting from the consolidated financial statements for 2020 the Group created a new item in the assets of the consolidated statement of financial position called *Financial assets measured at fair value through profit or loss*, to which the loans obligatorily measured at fair value through profit or loss were transferred (previously presented under *Loans and other receivables to customers*), equity instruments designated to be measured at fair value through profit or loss and financial assets held for trading. Data as at 30 September 2020 have been transformed in order to bring them comparable. The change is described in Chapter 6 *Comparability of financial data*.

7.11. Investment securities

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
Measured at fair value through other comprehensive income, including:	19,900.1	23,003.8	21,393.4	23,547.4
debt securities, including:	19,720.8	22,823.9	21,235.7	23,422.3
Treasury bonds in PLN	17,163.0	20,280.5	18,608.0	20,836.8
Treasury bonds in EUR	1,043.1	1,017.2	1,057.7	1,038.0
European Investment Bank bonds	1,027.2	1,050.6	1,078.1	1,062.5
Austrian government bonds	487.5	475.6	491.9	485.0
equity instruments, including:	179.3	179.9	157.7	125.1
Biurow Informacji Kredytowej S.A.	60.9	61.0	70.3	57.8
Krajowa Izba Rozliczeniowa S.A.	16.5	16.5	19.2	15.2
other	101.9	102.4	68.2	52.1
Measured at amortised cost, including:	32,550.0	34,099.3	33,540.1	32,536.7
debt securities, including:	32,550.0	34,099.3	33,540.1	32,536.7
Treasury bonds in PLN	16,644.8	18,257.6	17,982.2	17,724.6
Treasury bonds in EUR	4,059.0	3,959.9	4,094.3	4,015.2
Bank Gospodarstwa Krajowego bonds	2,316.5	2,324.6	2,103.4	2,119.8
European Investment Bank bonds	5,689.4	5,700.5	6,170.9	5,502.7
Bonds of the Polish Development Fund (PFR)	3,840.3	3,823.7	3,016.7	3,002.3
Treasury bills	0.0	0.0	172.6	172.1
NBP money market bills	0.0	33.0	0.0	0.0
Total, of which:	52,450.1	57,103.1	54,933.5	56,084.1
total debt securities	52,270.8	56,923.2	54,775.8	55,959.0
total equity instruments	179.3	179.9	157.7	125.1

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

	as at 30 Sep 2021			as at 30 Jun 2021			as at 31 Dec 2020			as at 30 Sep 2020		
	gross	expected credit losses	net	gross	expected credit losses	net	gross	expected credit losses	net	gross	expected credit losses	net
Loan portfolio, of which:	141,163.0	-3,033.3	138,129.7	134,620.2	-3,008.5	131,611.7	125,992.4	-3,270.3	122,722.1	123,745.2	-3,185.7	120,559.5
Corporate banking	76,654.6	-2,085.0	74,569.6	73,115.6	-2,094.1	71,021.5	70,159.9	-2,183.2	67,976.7	69,981.1	-2,181.6	67,799.5
loans in the current account	12,523.5	-544.8	11,978.7	11,508.0	-517.7	10,990.3	9,549.9	-567.8	8,982.1	9,949.8	-588.2	9,361.6
term loans and advances	44,603.5	-1,373.9	43,229.6	42,726.6	-1,374.7	41,351.9	42,928.5	-1,417.7	41,510.8	42,733.6	-1,409.0	41,324.6
lease receivables	10,648.3	-96.5	10,551.8	10,406.0	-138.1	10,267.9	9,832.1	-134.5	9,697.6	9,626.2	-121.5	9,504.7
factoring receivables	6,241.9	-69.4	6,172.5	5,756.4	-63.2	5,693.2	4,857.1	-62.6	4,794.5	4,674.2	-62.3	4,611.9
debt securities (corporate and municipal)	2,637.4	-0.4	2,637.0	2,718.6	-0.4	2,718.2	2,992.3	-0.6	2,991.7	2,997.3	-0.6	2,996.7
Retail banking	64,508.4	-948.3	63,560.1	61,504.6	-914.4	60,590.2	55,832.5	-1,087.1	54,745.4	53,764.1	-1,004.1	52,760.0
mortgages	55,535.6	-245.2	55,290.4	52,983.0	-257.1	52,725.9	47,901.1	-279.3	47,621.8	45,923.9	-255.2	45,668.7
loans in the current account	692.0	-51.3	640.7	652.7	-50.4	602.3	655.0	-60.7	594.3	654.3	-53.2	601.1
other loans and advances	8,280.8	-651.8	7,629.0	7,868.9	-606.9	7,262.0	7,276.4	-747.1	6,529.3	7,185.9	-695.7	6,490.2
Other receivables, of which:	3,038.9	0.0	3,038.9	2,157.1	0.0	2,157.1	1,933.3	-0.1	1,933.2	1,822.6	-0.1	1,822.5
call deposits placed	2,257.3	0.0	2,257.3	1,397.6	0.0	1,397.6	1,272.2	0.0	1,272.2	1,213.0	-0.1	1,212.9
other	781.6	0.0	781.6	759.5	0.0	759.5	661.1	-0.1	661.0	609.6	0.0	609.6
Total	144,201.9	-3,033.3	141,168.6	136,777.3	-3,008.5	133,768.8	127,925.7	-3,270.4	124,655.3	125,567.8	-3,185.8	122,382.0

Quality of loan portfolio

	as at 30 Sep 2021			as at 30 Jun 2021			as at 31 Dec 2020			as at 30 Sep 2020		
	gross	expected credit losses	net	gross	expected credit losses	net	gross	expected credit losses	net	gross	expected credit losses	net
Corporate banking	76,654.6	-2,085.0	74,569.6	73,115.6	-2,094.1	71,021.5	70,159.9	-2,183.2	67,976.7	69,981.1	-2,181.6	67,799.5
assets in stage 1	67,164.7	-166.5	66,998.2	63,786.5	-169.5	63,617.0	59,222.1	-192.1	59,030.0	57,069.4	-181.9	56,887.5
assets in stage 2	6,688.3	-214.8	6,473.5	6,478.8	-227.0	6,251.8	7,842.2	-227.7	7,614.5	9,792.8	-256.8	9,536.0
assets in stage 3	2,800.1	-1,703.7	1,096.4	2,848.8	-1,697.6	1,151.2	3,094.3	-1,763.4	1,330.9	3,117.9	-1,742.9	1,375.0
POCI assets	1.5	0.0	1.5	1.5	0.0	1.5	1.3	0.0	1.3	1.0	0.0	1.0
Retail banking	64,508.4	-948.3	63,560.1	61,504.6	-914.4	60,590.2	55,832.5	-1,087.1	54,745.4	53,764.1	-1,004.1	52,760.0
assets in stage 1	61,787.9	-117.4	61,670.5	58,743.7	-128.6	58,615.1	52,646.0	-150.2	52,495.8	50,226.6	-120.4	50,106.2
assets in stage 2	1,708.0	-142.9	1,565.1	1,788.6	-148.7	1,639.9	2,129.6	-181.8	1,947.8	2,647.2	-228.8	2,418.4
assets in stage 3	1,010.2	-688.0	322.2	970.0	-637.1	332.9	1,054.7	-755.1	299.6	888.0	-654.9	233.1
POCI assets	2.3	0.0	2.3	2.3	0.0	2.3	2.2	0.0	2.2	2.3	0.0	2.3
Total, of which:	141,163.0	-3,033.3	138,129.7	134,620.2	-3,008.5	131,611.7	125,992.4	-3,270.3	122,722.1	123,745.2	-3,185.7	120,559.5
assets in stage 1	128,952.6	-283.9	128,668.7	122,530.2	-298.1	122,232.1	111,868.1	-342.3	111,525.8	107,296.0	-302.3	106,993.7
assets in stage 2	8,396.3	-357.7	8,038.6	8,267.4	-375.7	7,891.7	9,971.8	-409.5	9,562.3	12,440.0	-485.6	11,954.4
assets in stage 3	3,810.3	-2,391.7	1,418.6	3,818.8	-2,334.7	1,484.1	4,149.0	-2,518.5	1,630.5	4,005.9	-2,397.8	1,608.1
POCI assets	3.8	0.0	3.8	3.8	0.0	3.8	3.5	0.0	3.5	3.3	0.0	3.3

The Group identifies POCI financial assets whose carrying value as at 30 September 2021 is PLN 3.8 million (PLN 3.8 million as at 30 June 2021, PLN 3.5 million as at 31 December 2020 and PLN 3.3 million as at 30 September 2020). These are exposures due to impaired receivables acquired in connection with the acquisition of SKOK Bieszczadzka in 2017 and exposures that were significantly modified as a result of restructuring, which involved the need to remove the original credit commitment and re-recognition of the asset in the statement of financial position.

Changes in impairment for expected credit losses

	3 quarters 2021 YTD				3 quarters 2020 YTD			
	the period from 1 Jan 2021 to 30 Sep 2021				the period from 1 Jan 2020 to 30 Sep 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of impairment	342.3	409.5	2,518.5	3,270.3	123.2	413.8	1,909.0	2,446.0
Changes in the period, including:	-58.4	-51.8	-126.8	-237.0	179.1	71.8	488.8	739.7
impairments for granted loans during the period	107.6	-	-	107.6	104.1	-	-	104.1
transfer to Stage 1	13.8	-95.9	-8.7	-90.8	30.4	-135.5	-6.7	-111.8
transfer to Stage 2	-23.5	163.8	-30.9	109.4	-23.6	218.7	-19.8	175.3
transfer to Stage 3	-7.2	-55.4	395.9	333.3	-3.0	-68.7	415.9	344.2
changed provisioning under impairment for expected credit losses	-146.7	-64.4	-6.9	-218.0	70.6	56.3	82.2	209.1
derecognition from the balance sheet (write-downs, sale)	-	-	-474.2	-474.2	-	-	-35.7	-35.7
calculation and write-off of effective interest	-	-	-18.5	-18.5	-	-	71.1	71.1
other	-2.4	0.1	16.5	14.2	0.6	1.0	-18.2	-16.6
Closing balance of impairment	283.9	357.7	2,391.7	3,033.3	302.3	485.6	2,397.8	3,185.7

Exposures covered by aid tools due to Covid-19

In connection with the Covid-19 pandemic, in 2020 the Group made the following assistance tools available to its clients:

- non-statutory moratorium, i.e. tools resulting from the banks' position regarding the unification of the rules for offering support tools for banking sector clients (non-statutory moratorium within the meaning of the guidelines of the European Banking Authority - EBA),
- the so-called statutory moratorium, i.e. support under the anti-crisis shield.

The introduced moratorium significantly improved the financial condition of borrowers. Non-statutory moratorium meeting the EBA guidelines were classified to Stage 1, the remaining, depending on individual assessment, to Stage 2 or 3. Statutory moratorium, due to the identified loss of the main source of income, were classified to Stage 3. In the corporate segment, due to the lack of statutory moratorium, only non-statutory moratorium were available. Non-statutory moratorium meeting the EBA guidelines were classified under Stage 1.

In the 3rd quarter of 2021, the Group continued to offer its retail clients the opportunity to take advantage of statutory moratoria. Corporate clients had the opportunity to take advantage of the renewed non-statutory moratorium only in the 1st quarter of 2021, after in December 2020 the European Banking Authority (EBA) decided to reactivate the "Guidelines on statutory and non-statutory loan repayment moratoria applied in the face of the crisis caused by Covid-19". As part of the renewed non-statutory moratorium, aid tools were intended for entrepreneurs from specific industries eligible for benefits from the PFR 2.0 Financial Shield. They consisted in deferring the repayments of principal or principal and interest installments for a maximum period of 9 months, with the detailed solutions differing depending on the type of client (micro, small, medium or large entrepreneur) or type of product (loans, leasing, factoring, renewable products).

The tables below present the gross carrying amount of loans subject to statutory and non-statutory moratoria as at 30 September 2021 and 31 December 2020.

as at **30 Sep 2021**

	Number of debtors	Gross carrying amount					
		Total, of which:	statutory	expired	unexpired		
					total, of which:	residual term under 3 months	residual term above 3 months
Loans on which a moratorium has been proposed	45,596	7,425.3	-	-	-	-	-
Loans subject to moratorium (granted), of which:	44,491	7,219.1	242.6	7,201.0	18.1	15.8	2.3
Retail banking customers	-	2,594.2	242.6	2,579.5	14.7	14.7	0.0
of which: secured with residential property	-	1,874.3	152.5	1,865.1	9.2	9.2	0.0
Corporate banking customers	-	4,624.9	0.0	4,621.5	3.4	1.1	2.3
of which: secured with commercial properties	-	2,474.8	0.0	2,472.9	1.9	0.0	1.9

	Gross carrying amount				Impairment for expected credit losses			
	Total, of which:	performing	Including Stage 2	non-performing	Total, of which:	performing	Including Stage 2	non-performing
Loans subject to moratorium, of which:	18.1	1.7	1.0	16.4	-5.6	-0.1	-0.1	-5.5
Retail banking customers	14.7	0.4	0.4	14.3	-5.6	-0.1	-0.1	-5.5
of which: secured with residential property	9.2	0.3	0.3	8.9	-2.4	0.0	0.0	-2.4
Corporate banking customers	3.4	1.3	0.6	2.1	0.0	0.0	0.0	0.0
of which: secured with commercial properties	1.9	0.0	0.0	1.9	0.0	0.0	0.0	0.0

as at **31 Dec 2020**

	Number of debtors	Gross carrying amount					
		Total, of which:	statutory	expired	unexpired		
					total, of which:	residual term under 3 months	
Loans on which a moratorium has been proposed	44,962	9,805.6	-	-	-	-	-
Loans subject to moratorium (granted), of which:	44,394	8,667.4	164.2	8,426.2	241.2	241.2	
Retail banking customers	-	2,890.0	164.2	2,688.9	201.1	201.1	
of which: secured with residential property	-	2,011.4	104.7	1,891.6	119.8	119.8	
Corporate banking customers	-	5,777.4	0.0	5,737.3	40.1	40.1	
of which: secured with commercial properties	-	2,647.7	0.0	2,631.8	15.9	15.9	

	Gross carrying amount				Impairment for expected credit losses			
	Total, of which:	performing	Including Stage 2	non-performing	Total, of which:	performing	Including Stage 2	non-performing
Loans subject to moratorium, of which:	241.2	162.3	29.3	78.9	-35.5	-4.5	-3.1	-31.0
Retail banking customers	201.1	130.0	22.0	71.1	-32.2	-3.7	-2.5	-28.5
of which: secured with residential property	119.8	74.7	10.0	45.1	-15.9	-0.9	-0.9	-15.0
Corporate banking customers	40.1	32.4	7.3	7.7	-3.3	-0.7	-0.6	-2.6
of which: secured with commercial properties	15.9	13.6	0.5	2.3	-0.4	0.0	0.0	-0.4

7.13. Debt securities

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
Measured at fair value through profit or loss (Note 7.10)	465.2	88.8	436.0	310.4
Measured at fair value through other comprehensive income in the investment securities portfolio (Note 7.11) Błąd! Nie można odnaleźć źródła odwołania.)	19,720.8	22,823.9	21,235.7	23,422.3
Measured at amortised cost in the investment securities portfolio (Note 7.11)	32,550.0	34,099.3	33,540.1	32,536.7
Measured at amortised cost in the loans and other receivables to customers portfolio (Note 7.12)	2,637.0	2,718.2	2,991.7	2,996.7
Total	55,373.0	59,730.2	58,203.5	59,266.1

7.14. Liabilities to other banks

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
Current accounts	378.4	489.4	421.3	474.3
Interbank deposits	2,571.7	2,871.0	2,861.6	284.7
Loans received*	3,714.9	3,623.7	3,517.1	3,462.1
Repo transactions	3,025.7	1,873.3	762.9	0.0
Call deposits received	576.3	535.3	660.3	652.0
Other	39.1	29.8	4.8	10.0
Total	10,306.1	9,422.5	8,228.0	4,883.1

*) The financing of the long-term leasing contracts in EUR ("the matched funding") received by the subsidiary ING Lease (Polska) Sp. z o.o. from ING Bank NV and other banks not related to the Group is presented in item *Loans received*.

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

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
Valuation of derivatives	1,171.8	1,040.4	1,065.3	684.8
Other financial liabilities measured at fair value through profit or loss, including:	262.6	0.0	465.5	12.1
book short position in trading securities	250.5	0.0	265.5	12.1
financial liabilities held for trading, including:	12.1	0.0	200.0	0.0
repo transactions	12.1	0.0	200.0	0.0
Total	1,434.4	1,040.4	1,530.8	696.9

7.16. Liabilities to customers

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
Deposits, including:	162,559.4	160,016.4	149,269.9	152,724.2
Corporate banking	66,035.6	64,074.2	58,755.4	65,293.3
current deposits	53,052.4	50,961.7	45,250.6	48,310.0
saving deposits	12,351.2	12,638.0	12,920.5	16,144.6
term deposits	632.0	474.5	584.3	838.7
Retail banking	96,523.8	95,942.2	90,514.5	87,430.9
current deposits	27,082.1	26,370.2	22,924.1	20,297.9
saving deposits	68,072.5	68,094.5	65,896.2	65,342.5
term deposits	1,369.2	1,477.5	1,694.2	1,790.5
Other liabilities, including:	2,026.9	1,981.9	1,758.6	1,675.6
liabilities under cash collateral	475.9	509.5	547.1	501.3
other liabilities, including:	1,551.0	1,472.4	1,211.5	1,174.3
call deposits received	11.0	9.3	20.7	32.6
other	1,540.0	1,463.1	1,190.8	1,141.7
Total	164,586.3	161,998.3	151,028.5	154,399.8

7.17. Provisions

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
Provision for off-balance sheet liabilities	77.1	76.9	86.9	97.3
Provision for retirement benefits	66.0	65.4	63.8	58.3
Provision for disputes*	29.1	28.8	21.4	18.3
Provision for restructuring	40.7	44.0	49.5	0.0
Other provisions*	40.0	33.3	34.7	22.2
Total	252.9	248.4	256.3	196.1

*) Detailed information on provisions for disputes and other provisions can be found further in the financial statements in point 13. *Settlements due to disputes and other provisions.*

7.18. Other liabilities

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
Accruals, including:	461.5	413.5	439.7	409.9
due to employee benefits	268.9	210.6	274.8	233.8
due to commissions	185.1	199.1	154.0	171.1
other	7.5	3.8	10.9	5.0
Other liabilities, including:	2,786.4	3,037.5	1,866.3	2,115.2
lease liabilities	342.4	361.7	393.7	395.8
interbank settlements	1,357.3	1,569.7	611.7	873.6
settlements with suppliers	485.5	431.4	290.7	379.4
public and legal settlements	101.7	102.6	101.3	101.8
liability to pay to the BFG guarantee fund	147.0	138.5	121.8	109.3
liability to pay to the BFG resolution fund	148.0	109.6	113.5	113.5
liabilities due to the obligatory annual contribution to the BFG resolution fund	0.0	132.6	0.0	0.0
other	204.5	191.4	233.6	141.8
Total	3,247.9	3,451.0	2,306.0	2,525.1

7.19. Fair value

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

The carrying amounts of financial assets and liabilities broken down by measurement categories (levels) are presented below. In 2021 there were no movements between valuation levels.

as at 30 Sep 2021

	Level 1	Level 2	Level 3	TOTAL
Financial assets, including:	20,186.0	1,724.5	266.9	22,463.0
Valuation of derivatives	-	1,131.2	-	1,131.2
Financial assets held for trading, including:	465.2	-	-	750.8
debt securities, including:	465.2	-	-	465.2
treasury bonds in PLN	364.0	-	-	364.0
Czech Treasury bonds in CZK	100.7	-	-	100.7
European Investment Bank bonds	0.5	-	-	0.5
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	-	-	87.6	87.6
loans are obligatorily measured at fair value through profit or loss	-	-	87.5	87.5
equity instruments	-	-	0.1	0.1
Derivative hedge instruments	-	593.3	0.0	593.3
Financial assets measured at fair value through other comprehensive income, including:	19,720.8	-	179.3	19,900.1
debt securities, including:	19,720.8	-	-	19,720.8
treasury bonds in PLN	17,163.0	-	-	17,163.0
treasury bonds in EUR	1,043.1	-	-	1,043.1
European Investment Bank bonds	1,027.2	-	-	1,027.2
Austrian government bonds	487.5	-	-	487.5
equity instruments	-	-	179.3	179.3
Financial liabilities, including:	250.5	1,589.9	0.0	1,840.4
Valuation of derivatives	-	1,171.8	-	1,171.8
Other financial liabilities measured at fair value through profit or loss, including:	250.5	12.1	-	262.6
book short position in trading securities	250.5	-	-	250.5
financial liabilities held for trading, including:	-	12.1	-	12.1
repo transactions	-	12.1	-	12.1
Derivative hedge instruments	-	406.0	-	406.0

as at 31 Dec 2020

	Level 1	Level 2	Level 3	TOTAL
Financial assets, including:	21,672.4	2,669.5	264.0	24,605.9
Valuation of derivatives	-	1,199.8	-	1,199.8
Financial assets held for trading, including:	436.0	274.9	-	710.9
debt securities, including:	436.0	-	-	436.0
Treasury bonds in PLN	419.2	-	-	419.2
European Investment Bank bonds	16.8	-	-	16.8
repo transactions	-	274.9	-	274.9
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	0.7	-	106.3	107.0
loans are obligatorily measured at fair value through profit or loss	-	-	106.2	106.2
equity instruments	0.7	-	0.1	0.8
Derivative hedge instruments	-	1,194.8	-	1,194.8
Financial assets measured at fair value through other comprehensive income, including:	21,235.7	-	157.7	21,393.4
debt securities, including:	21,235.7	-	-	21,235.7
Treasury bonds in PLN	18,608.0	-	-	18,608.0
treasury bonds in EUR	1,057.7	-	-	1,057.7
European Investment Bank bonds	1,078.1	-	-	1,078.1
Austrian government bonds	491.9	-	-	491.9
equity instruments	-	-	157.7	157.7
Financial liabilities, including:	265.5	1,823.8	0.0	2,089.3
Valuation of derivatives	-	1,065.3	-	1,065.3
Other financial liabilities measured at fair value through profit or loss, including:	265.5	200.0	-	465.5
book short position in trading securities	265.5	-	-	265.5
financial liabilities held for trading, including:	-	200.0	-	200.0
repo transactions	-	200.0	-	200.0
Derivative hedge instruments	-	558.5	-	558.5

During 3 quarters of 2021 the measurement techniques for levels 1 and 2 did not change. The financial assets classified to measurement level 3 as at 30 September 2021 include unquoted equity instruments and loans which did not meet the SPPI criterion as per IFRS 9.

Fair value measurement of unquoted equity interests in other companies is based on the discounted cash flow, dividend or economic value added model. Estimates of future cash flows were prepared based on medium-term profitability forecasts prepared by the Management Boards of these companies. The discount rate is based on the cost of equity estimated using the CAPM (Capital Asset Pricing Model). At the end of 3rd quarter of 2021 it was in the range of 8.7%-14.5% depending on the company, compared to 7.7% -13.5% at the end of 2020. The fair value measurement of unlisted equity interests in other companies as at 30 September 2021 and 31 December 2020 included the following entities: Biuro Informacji Kredytowej S.A., Krajowa Izba Rozliczeniowa S.A., Polski Standard Płatności sp. z o.o. and Twisto Polska sp. z o.o.

The fair value methodology of the loan portfolio is based on the discounted cash flow method. Under this method, for each contract being valued, expected cash flows are estimated, discount factors for particular payment dates and the value of discounted cash flows is determined as at the valuation date. Valuation models are powered by business parameters for individual contracts and parameters observable by the market, such as interest rate curves, liquidity cost and cost of capital. The change in the parameters adopted for the valuation did not have a significant impact on the valuation value as at 30 September 2021.

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

as at 30 Sep 2021

	Carrying amount	Fair value			TOTAL
		Level 1	Level 2	Level 3	
Investment securities at amortised cost	32,550.0	27,186.5	5,622.8	-	32,809.4
treasury bonds in PLN	16,644.8	16,789.0	-	-	16,789.0
treasury bonds in EUR	4,059.0	4,131.4	-	-	4,131.4
Bank Gospodarstwa Krajowego bonds	2,316.5	539.8	1,766.8	-	2,306.6
European Investment Bank bonds	5,689.4	5,726.3	-	-	5,726.3
bonds of the Polish Development Fund (PFR)	3,840.3	-	3,856.1	-	3,856.1
Loans and receivables to customers at amortised cost, including:	141,168.6	-	-	141,487.7	141,487.7
Corporate banking segment, including:	74,569.6	-	-	75,204.8	75,204.8
loans and advances (in the current account and term ones)	55,208.3	-	-	55,754.0	55,754.0
lease receivables	10,551.8	-	-	10,695.6	10,695.6
factoring receivables	6,172.5	-	-	6,172.5	6,172.5
corporate and municipal debt securities	2,637.0	-	-	2,582.7	2,582.7
Retail banking segment, including:	63,560.1	-	-	63,244.0	63,244.0
mortgages	55,290.4	-	-	54,949.8	54,949.8
other loans and advances	8,269.7	-	-	8,294.2	8,294.2
Other receivables	3,038.9	-	-	3,038.9	3,038.9
Liabilities to customers	164,586.3	-	-	164,592.1	164,592.1
Liabilities from debt securities issued	547.2	-	-	552.4	552.4
Subordinated liabilities	2,318.2	-	-	2,321.8	2,321.8

as at 31 Dec 2020

	Carrying amount	Fair value			TOTAL
		Level 1	Level 2	Level 3	
Investment securities at amortised cost	33,540.1	29,416.1	4,704.5	-	34,120.6
Treasury bonds in PLN	17,982.2	18,462.8	-	-	18,462.8
Treasury bonds in EUR	4,094.3	4,133.9	-	-	4,133.9
Bank Gospodarstwa Krajowego bonds	2,103.4	537.6	1,555.4	-	2,093.0
European Investment Bank bonds	6,170.9	6,281.8	-	-	6,281.8
bonds of the Polish Development Fund (PFR)	3,016.7	-	2,976.5	-	2,976.5
treasury bills	172.6	-	172.6	-	172.6
Loans and receivables to customers at amortised cost, including:	124,655.3	-	-	124,318.4	124,318.4
Corporate banking segment, including:	67,976.7	-	-	68,103.5	68,103.5
loans and advances (in the current account and term ones)	50,492.9	-	-	50,765.5	50,765.5
lease receivables	9,697.6	-	-	9,677.8	9,677.8
factoring receivables	4,794.5	-	-	4,794.5	4,794.5
corporate and municipal debt securities	2,991.7	-	-	2,865.7	2,865.7
Retail banking segment, including:	54,745.4	-	-	54,281.7	54,281.7
mortgages	47,621.8	-	-	47,127.0	47,127.0
other loans and advances	7,123.6	-	-	7,154.7	7,154.7
Other receivables	1,933.2	-	-	1,933.2	1,933.2
Liabilities to customers	151,028.5	-	-	151,032.9	151,032.9
Subordinated liabilities	2,309.2	-	-	2,160.0	2,160.0

7.20. The impact of the benchmark rate reform

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

The reform of WIBOR was completed in 2020 and consisted of a change to the underlying calculation methodology. The GPW Benchmark S.A. granted authorisation with respect to WIBOR under the EU Benchmarks Regulation. This allows market participants to continue to use WIBOR for both existing and new contracts. ING Bank expects that WIBOR will continue to exist as a benchmark rate for the foreseeable future.

The ICE Benchmark Administration, as the administrator of LIBOR, announced that it will stop publishing most LIBOR rates that are based on submission from panel banks, after 31 December 2021. Only the overnight rate and the 1-, 3-, and 12-month USD LIBOR will continue to be published until 30 June 2023, to support legacy products. ING Bank is in the process of amending or preparing to amend contractual terms in response to these reforms and is proactively reaching out to industry participants, counterparties and clients to create awareness and offer support on the ongoing transition.

On 22 October 2021 (i.e. after the end of the reporting period), the European Commission published the Regulation with regard to the decision about the designation of SARON compound rates published in term structure as statutory replacement for certain settings of CHF LIBOR rates for CHF LIBOR. This Regulation shall apply as of 1 January 2022.

Bank's IBOR programme has an extensive governance in place, with progress being tracked by business line steering committees reporting into a central IBOR steering committee. The programme assesses and coordinates the actions necessary to manage the required changes to internal processes and systems, including pricing, risk management, legal documentation, hedge arrangements, as well as the impact on customers. Bank continues to monitoring market developments, and the outcome of several remaining uncertainties such as the availability of term rates, to anticipate the impact on the program, our customers and any related risks.

Structure of financial assets and liabilities according to reference rates

as at 30 Sep 2021

	maturity date after 31 Dec 2021 nominal value	maturity date after 30 Jun 2023 nominal value
Financial assets by benchmark rate		
GBP LIBOR	9.6	-
USD LIBOR	369.5	156.2
CHF LIBOR	894.6	-
All other benchmarks including LIBOR and EONIA contracts which mature before 31 Dec 2021	170,819.2	-
Total financial assets	172,092.8	156.2
Financial liabilities by benchmark rate		
GBP LIBOR	0.1	-
USD LIBOR	4.1	0.0
CHF LIBOR	149.5	-
All other benchmarks including LIBOR and EONIA contracts which mature before 31 Dec 2021	3,824.0	-
Total financial liabilities	3,977.7	0.0

as at 31 Dec 2020

	maturity date after 31 Dec 2021 nominal value	maturity date after 30 Jun 2023 nominal value
Financial assets by benchmark rate		
GBP LIBOR	5.1	-
USD LIBOR	291.0	192.8
CHF LIBOR	962.6	-
All other benchmarks including LIBOR and EONIA contracts which mature before 31 Dec 2021	148,684.4	-
Total financial assets	149,943.1	192.8
Financial liabilities by benchmark rate		
GBP LIBOR	0.2	-
USD LIBOR	0.2	0.0
CHF LIBOR	362.5	-
All other benchmarks including LIBOR and EONIA contracts which mature before 31 Dec 2021	7,015.5	-
Total financial liabilities	7,378.4	0.0

Structure of off-balance sheet items according to reference rates

as at 30 Sep 2021

	maturity date after 31 Dec 2021 nominal value	maturity date after 30 Jun 2023 nominal value
Off-balance sheet items by benchmark rate		
USD LIBOR	4,778.9	4,066.4
All other benchmarks including LIBOR and EONIA contracts which mature before 31 Dec 2021	869,097.9	-
Total	873,876.8	4,066.4

as at 31 Dec 2020

	maturity date after 31 Dec 2021 nominal value	maturity date after 30 Jun 2023 nominal value
Off-balance sheet items by benchmark rate		
USD LIBOR	5,160.6	4,395.4
All other benchmarks including LIBOR and EONIA contracts which mature before 31 Dec 2021	788,452.3	-
Total	793,612.9	4,395.4

IBOR reform impact on the hedge accounting

Bank applies fair value and cash flow hedge accounting in accordance with IAS 39, and interest rate and foreign currency risks are designated as hedged risks in various micro and macro models. The hedged exposures are mainly loan portfolios, purchased debt securities and savings/deposits.

Bank applied the amendments to IAS 39 issued in September 2019 to hedging relationships that are based on LIBOR CHF, as this hedging relationship is directly affected by the IBOR reform. Nevertheless Bank decided to revoke this hedge accounting relationships in 3rd quarter of 2021. By applying the IAS 39 amendments Bank assumes that the LIBOR CHF based cash flows from the hedged item included in this revoked hedging relationship will remain not be unaffected by the IBOR reform.

In terms of the hedge accounting relationships that based on WIBOR and EURIBOR aforementioned amendments to IAS 39 are not applied because these rates have already been reformed and their publication will be continued. Considering that the currently Bank is applying the hedge accounting rules only regarding WIBOR and EURIBOR rates, therefore impact of the IBOR reform on hedge accounting relationships introduced in Bank is very limited.

8. Total capital ratio

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020* (after taking into account the net profit generated in 2020 in own funds)	as at 31 Dec 2020 (according to the values reported in the annual consolidated financial statements for 2020)	as at 30 Sep 2020
Own funds					
A. Own equity in the statement of financial position, including:	17,440.8	17,857.6	18,618.3	18,618.3	18,595.8
A.I. Own equity included in the own funds calculation	15,185.3	15,133.8	15,138.3	14,266.1	14,122.5
A.II. Own equity excluded from own funds calculation	2,255.5	2,723.8	3,480.0	4,352.2	4,473.3
B. Other elements of own funds (decreases and increases), including:	1,956.0	1,954.2	2,082.0	2,127.8	2,093.9
subordinated debt	2,233.5	2,213.6	2,307.4	2,307.4	2,263.4
goodwill and other intangible assets	-449.3	-453.3	-466.9	-466.9	-514.0
adjustment in the transitional period due to adaptation to IFRS 9 requirements	-0.9	251.9	316.0	361.8	0.0
value adjustments due to the requirements for prudent valuation	237.0	-25.5	-24.9	-24.9	370.0
deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-23.3	-31.7	-49.6	-49.6	-25.5
coverage shortfall for non-performing exposures	-41.0	-0.8	0.0	0.0	0.0
Own funds taken into account in total capital ratio calculation (A.I. + B), including:	17,141.3	17,088.0	17,220.3	16,393.9	16,216.4
Core Tier 1 capital	14,907.8	14,874.4	14,912.9	14,086.5	13,953.0
Tier 2 capital	2,233.5	2,213.6	2,307.4	2,307.4	2,263.4
Risk weighted assets, including:	99,593.2	94,513.9	88,211.1	87,555.4	86,997.5
for credit risk	88,101.5	83,155.5	77,239.7	77,449.5	76,671.3
for operational risk	10,209.5	10,209.5	10,209.5	9,344.0	9,344.0
other	1,282.2	1,148.9	761.9	761.9	982.2
Total capital requirements	7,967.5	7,561.1	7,056.9	7,004.4	6,959.8
Total capital ratio (TCR)	17.21%	18.08%	19.52%	18.72%	18.64%
Minimum required level	11.003%	11.003%	11.002%	11.002%	11.001%
Surplus TCR ratio over the regulatory requirement (p.p)	6.21	7.08	8.52	7.72	7.64
Tier 1 ratio (T1)	14.97%	15.74%	16.91%	16.09%	16.04%
Minimum required level	9.003%	9.003%	9.002%	9.002%	9.001%
Surplus T1 ratio over the regulatory requirement (p.p)	5.97	6.74	7.91	7.09	7.04

*) On 15 April 2021, the General Meeting of the Bank approved the distribution of profit for 2020. Including the net profit generated in 2020 in own funds as at 31 December 2020 resulted in an increase in TCR and Tier1 ratios to 19.52% and 16.91%, respectively, as presented in the table above.

In calculating the capital ratios, the Group used the transitional provisions to mitigate the impact of the implementation of IFRS 9 on the level of own funds. If the impact of the implementation of IFRS 9 was fully recognized, the capital ratios as at 30 September 2021 would be as follows:

- 17.05% - the total capital ratio (TCR),
- 14.74% - Tier 1 capital ratio (T1).

For the comparative periods, if the impact of the implementation of IFRS 9 was fully recognized, the TCR and T1 ratios would be, respectively:

- 17.91% and 15.48% as at 30 June 2021,
- 18.48% and 15.69% as at 31 December 2020,

- 19.28% and 16.56% as at 31 December 2020 after taking into account the net profit generated in 2020 in own funds and
- 18.38% and 15.62% as at 30 September 2020.

9. Factors that may affect the financial results in the following quarters

- According to the Group's economists, the downturn in the global economy in 3rd quarter 2021 was temporary and a stronger recovery is expected in 4th quarter 2021 and the following quarters. The number of new Covid-19 cases worldwide has recently fallen below 400,000 per day, the lowest since early July, which – with an increasing proportion fully vaccinated (around 55% in the US and around 65% on average in the EU) – could mean the 4th wave of the pandemic is contained.
- The outbreak situation in the US was still very serious in September, when the country accounted for about 30% of new Covid-19 infections worldwide. Although significant epidemic restrictions had already ceased by spring, the high number of infections was taking its toll on service sectors and making it difficult to rebuild employment. The expiry of covid benefits at the federal and state levels and the return of children to school, with progress in containing the epidemic, will translate into a recovery in employment and stronger growth from Q4 2021 (5.8% y/y) after slight perturbations in 3rd quarter 2021 (5.4% y/y). The huge fiscal stimulus launched by the J. Biden administration (equivalent to more than 10% of GDP) and the still soft monetary policy are helping the recovery. However, the economic recovery is accompanied by strong inflationary pressures (CPI above 5% in recent months), which – despite the moderate pace of post-pandemic employment recovery – should prompt the Fed to announce a reduction in its QE programme as early as November. Of particular concern is the rise in inflation expectations of financial market participants, firms and households. According to Group economists, the Federal Reserve will decide to start a cycle of interest rate hikes in autumn 2022. On the one hand, inflationary pressures are high, but on the other, the Fed is trying to avoid prematurely tightening its monetary policy, as employment is still 11 million lower than before the pandemic.
- Europe's economic outlook for the end of 2021 is positive, as EU countries have made huge progress in the vaccination programme, allowing epidemic restrictions to be lifted. While the economic recovery in 2nd quarter 2021 was impressive, the following quarter saw supply-side bottlenecks resulting from increasing disruption in global supply chains, which particularly affected the automotive industry. However, the final quarter of this year should see economic growth accelerate to 5.1% y/y, compared with 3.5% in 3rd quarter 2021. This is due to the high level of consumer confidence and the launch of disbursements under the EU Reconstruction Fund. EU funds should have a significant impact on investment next year. Italy and Spain, which were hit hard by the pandemic and are the biggest beneficiaries of the Reconstruction Fund, will benefit in particular. With inflationary pressures mounting, the ECB decided in the summer to adjust its asset purchase programme mildly, but the monetary policy stance remained very soft. According to the Group's economists, the European Central Bank will not decide to raise interest rates until the end of 2022, and most likely even until the end of 2023. Recently, the economic situation in Europe has been complicated by energy shocks, in particular, the several-fold increase in wholesale natural gas prices.
- Subsequent waves of Covid-19 in Poland carried less and less strain on the economy and GDP in 2nd quarter recovered to pre-pandemic levels. In addition to continued growth in industry, market services also increased on an annualised basis for the first time since 1st quarter 2020. Increasing vaccination rates reduce the scale of necessary sanitary restrictions, which encourages population mobility and supports the service sector. Disturbances in supply chains are mitigated by the high diversity of production, but they are increasingly weighing on manufacturing firms. Domestic demand, mainly consumer demand due to the good labour market situation, remains strong. Investment demand is worse. While investment by medium and large companies and the production of capital goods are increasing, investment by SMEs

and in the public sector is weak. For companies, a growing barrier to increased production is the shortage of raw materials, materials and semi-finished products. Despite these limitations, the Group's economists see chances for GDP growth of 5.4% in real terms this year and around 5.0% next year. According to economists, the main driver of growth will be private consumption with a negative contribution to net export growth.

- Sustained demand at home and abroad allows manufacturing firms to pass on the costs of supply and raw material shocks to finished goods prices. Industrial output price inflation is rising in Poland to the highest levels since 2011. This also translates into the highest CPI inflation in 20 years. The easing of inflationary shocks is not supported by Poland's economic growth model. For several years it has been based on consumption with a declining share of private investment in GDP. ING economists forecast that CPI inflation in Poland this year could average 4.8%, and remain at a similar level next year. In 2022, as the economy continues to recover, demand pressures will have a greater impact on inflation, supported by, among other things, loose fiscal policy and a pro-inflationary impulse from the Polish Deal shifting household incomes towards those less wealthy with a higher propensity to consume. The problem of rising inflation and the risk of anchoring inflation expectations was recognised by the MPC when it raised interest rates by 40bp in October. Group economists believe that this is the beginning of a cycle of increases. The MPC is anyway late in reacting relative to other central banks in the region, and inflation in Poland is higher than in, say, the Czech Republic or Hungary. The Group's economists predict that interest rates in Poland will rise steadily, to around 2% by the turn of 2022/2023.
- Rising inflation is now a global problem. In the case of the US, the combination of high inflation and strong economic growth means that the Fed will soon (most likely later this year) start tapering asset purchases. The first rate hike in the US, according to the Group's economists, could come as early as next year, although more likely in the second half of the year. This contrasts with the situation in the euro area economies, where both inflation and GDP growth are significantly weaker. It is therefore most likely that the ECB will not decide to change interest rates until 2024. This means that the scenario widely priced in by markets just a few months ago, i.e. a sharp rise in EUR/USD towards the end of the year as the pandemic expires, is unlikely to happen. Group economists rather expect the dollar to stabilise against the euro.
- Sentiment towards investing capital in emerging markets may be tempered by the uncertain situation in China, not least due to problems in the construction industry. CEE currencies are also not helped by a strong dollar. An additional problem for the zloty is the very soft stance of the MPC – the NBP stands apart from the Czech and Hungarian central banks. Therefore, for most of 4th quarter 2021, Group economists expect the EUR/PLN pair to remain above 4.60. They also see a significant risk of the zloty weakening in November. The market is pricing in an aggressive scale of NBP rate hikes (e.g. by 50 bps in November). According to the Group's economists, should the disappointment with the NBP policy overlap with the worse moods on the markets, an increase in EUR/PLN even to 4.70-4.80 cannot be ruled out.

10. Off-balance sheet items

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
Off-balance sheet liabilities granted	45,905.9	45,685.6	43,587.5	41,656.8
Off-balance sheet liabilities received	20,853.6	13,014.6	11,586.1	11,477.4
Off-balance sheet financial instruments	893,581.9	868,045.0	797,919.5	816,244.4
Total off-balance sheet items	960,341.4	926,745.2	853,093.1	869,378.6

11. Issues, redemption or repayments of debt securities and equities

In the 3rd quarter of 2021, as part of the Bonds Issue Program (Bond Program), a subsidiary of the Group - ING Bank Hipoteczny S.A. - issued another 5th Series of bonds with a nominal value of PLN 79 million

(i.e. 158 bonds with a nominal value of PLN 500 thousand each) and maturity fixed at 6 months. The bonds were registered with the National Depository for Securities in Warsaw. The entire issue was purchased by an entity from the Bank's Capital Group. As at 30 September 2021, the carrying amount of liabilities from the bond issue in the consolidated statement of financial position was PLN 150.0 million (compared to PLN 150.2 million as at 30 June 2021 and PLN 975.1 million as at 31 December 2020).

In the corresponding period of 2020, there were no issues, redemptions or repayments of debt and equity securities.

As at 30 September 2021, the Group had liabilities arising from the issue of mortgage bonds issued as part of the ING Bank Hipoteczny S.A. covered bond issue program established in 2019 (Covered Bond Program). The purpose of establishing the Covered Bond Program was to create a legal infrastructure under which the Group will be able to issue covered bonds both on the local and foreign market. The funds obtained from the inaugural 5-year "green" issue, carried out in the 4th quarter of 2019, were used to refinance PLN mortgage loans for natural persons secured by on real estate belonging to 15% of the most energy-efficient buildings in Poland. The issue will be redeemed in October 2024. As at 30 September 2021, the carrying amount of liabilities due to the issue of mortgage bonds was PLN 397.2million (compared to PLN 396.0 million as at 30 June 2021 and PLN 395.4 million and PLN 397.3 million as at 31 December and 30 September 2020 respectively).

12. Dividends paid

On 2 April 2020, the General Meeting adopted a resolution on the distribution of the profit for 2019, in such a way that the amount previously allocated to the dividend, i.e. PLN 494,380,000.00, was left undivided.

On 15 April 2021, the General Meeting approved the allocation of the entire net profit of the Group's parent entity for 2020 to equity, with the amount of PLN 663,510,000.00 being left as undistributed profit in order to retain the possibility of its distribution in the future, taking into account the payment of dividends.

On 19 October 2021, the Management Board of the Bank took a decision on submitting to the Extraordinary General Meeting a proposal on distribution of a portion of the Bank's 2020 net profit retained as undivided profit, allocating it entirely to the payment of dividends, which at the amount of PLN 663,510,000.00 means payment of PLN 5.10 gross per share. More information on the decisions of the Bank's Management Board can be found in chapter 3. *Significant events after balance sheet date.*

13. Settlements due to disputes and other provisions

The values of the provisions created by the Group are presented in note 7.17 *Provisions.*

Provision for disputes

The value of proceedings regarding liabilities or receivables pending in the 3rd quarter of 2021 did not exceed 10% of the Group's equity, as in 2020. In the Group's opinion, none of the individual proceedings pending in 2021 before a court, an arbitration body or a body public administration, as well as all proceedings taken together do not pose a threat to the financial liquidity of the Group.

Change in provision for disputes

	3 quarter 2021 the period from 1 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 1 Jan 2021 to 30 Sep 2021	3 quarter 2020 the period from 1 Jul 2020 to 30 Sep 2020	3 quarters 2020 YTD the period from 1 Jan 2020 to 30 Sep 2020
Opening balance	28.8	21.4	18.3	18.1
Changes during the period, including:	0.3	7.7	0.0	0.2
provisions recognised	0.5	8.3	0.6	1.4
provisions reversed	-0.1	-0.4	-	-0.4
provisions utilised	-0.1	-0.2	-0.6	-0.7
reclassifications	-	-	-	-0.1
Closing balance	29.1	29.1	18.3	18.3

Other provisions

The item *Other provisions* presented in note 7.17 *Provisions* includes provisions for paid CHF indexed mortgage loans and provisions for commission reimbursement on consumer loans prepaid by customers.

- Legal risk related to the portfolio of loans indexed to CHF

As at 30 September 2021, the amount of the adjustment to the gross carrying amount resulting from the legal risk for the portfolio of CHF-indexed mortgage loans disclosed in the statement of financial position amounted to PLN 314.3 million (compared to PLN 289.2 million as at 30 June 2021 and PLN 300.0 million at the end of 2020).

Regarding CHF-indexed mortgage loans already removed from the statement of financial position, as at 30 September 2021, the Group maintained a provision amounted to PLN 10.9 million (compared to PLN 11.1 million as at 30 June 2021 and PLN 11.8 million at the end of 2020). This amount is presented in liabilities under *Provisions*.

At the end of the 3rd quarter of 2021, the net value of the Group's FX mortgage loan portfolio was PLN 516.7 million, of which PLN 504.4 million was the value of the CHF-indexed loan portfolio (PLN 534.4 million and PLN 521.3 million as at 30 June 2021 and PLN 600.7 million and PLN 584.9 million at the end of 2020, respectively).

Significant assumptions regarding the calculation of the amount of the adjustment to gross carrying amount due to legal risk for the portfolio of CHF-indexed mortgage loans reported in the statement of financial position and the amount of provisions for CHF-indexed mortgage loans already removed from the statement of financial position are described in the annual consolidated financial statements of the of ING Bank Śląski S.A. Group for the period from 1 January 2020 to 31 December 2020.

As at 30 September 2021, 701 court cases were pending against the Bank (617 and 450 cases as at 30 June and at the end of 2020 respectively) in connection with the concluded loan agreements in PLN indexed with CHF. As at 30 September 2021, the outstanding capital of the loans concerned by the proceedings was PLN 180.8 million (PLN 162.0 million as at 30 June 2021 and PLN 129.6 million at the end of 2020).

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

On 3 October 2019, the CJEU issued a judgment which did not concern the assessment of clauses in CHF-indexed loan agreements in terms of their possible abusiveness, but only the possible consequences of recognizing the abusiveness of a given provision by the domestic court. The judgment contains some guidelines that should be followed by national courts. The Court reaffirmed that contract evaluation should not be automatic. It is also for the national court to assess whether, following the finding that a given provision is abusive, the contract – in accordance with national law – cannot continue to apply without such a provision. Only when the domestic court comes to the

conclusion that the contract cannot continue to apply without a condition deemed abusive, does the client consent to the maintenance of the provisions considered abusive or expressly opposes it. It is also for the national court to assess the potential consequences for the consumer of the annulment of the credit agreement concerned. The CJEU also questioned the possibility of transforming the loan into a PLN loan with an interest rate of LIBOR. In the opinion of the Tribunal, such an option could be an excessive interference with the nature of the main subject of the contract.

In July 2019 the Polish Bank Association applied to the President of the Supreme Court (hereinafter the Supreme Court) to analyse by the Supreme Court a defective, from a legal and economic point of view, the concept of transforming a CHF-indexed loan agreement into a PLN loan at the LIBOR rate, expressed in the opinion of the CJEU General Counsel. In August 2019, the Supreme Court issued a publication in which the above -mentioned solution proposed by the Counsel was approved.

Therefore, in the opinion of the Bank, the judgments of domestic courts in these cases may still vary.

At the same time, the information provided by attorneys representing banks in CHF disputes shows that in many courts a practice has been developed to refrain from examining the grounds for abusiveness of indexation clauses. More and more judges are of the opinion that it has already been decided that if an indexation clause refers to the bank's exchange rate table, it is abusive. Therefore, judges give up the assessment of a given, specific contractual provision, and their considerations focus only on the analysis of whether the contract can continue to be performed without this provision. Recent rulings show that most often the courts do not see such a possibility and declare the loan agreement invalid. The above practice manifests itself in the increase in the number of court cases lost by banks in 2020 and 2021. However, due to the overall number of cases and the number of courts involved, it will be a process spread over time.

On 11 May 2021, a meeting of the full composition of the Civil Chamber of the Supreme Court took place (originally planned for 25 March 2021). During the session, the application of the First President of the Supreme Court of 29 January 2021 for the adoption of a resolution on the following legal issues regarding loans denominated and indexed in foreign currencies was to be considered (legal basis Art. 83 § 1 of the Act of December 8, 2017 on the Supreme Court):

1. If it is found that the provision of an indexed or denominated loan agreement relating to the method of determining the foreign currency exchange rate constitutes an illegal contractual provision and does not bind the consumer, it is possible to assume that this provision is replaced by another method of determining the foreign currency exchange rate resulting from legal provisions or customs?

If the answer to the above question is in the negative:

2. If it is impossible to establish a binding exchange rate for a foreign currency in a loan agreement indexed to such currency, can the agreement be binding on the parties in the remaining scope?
3. If it is impossible to establish a binding exchange rate for a foreign currency in a loan agreement denominated in a foreign currency, can this agreement be binding on the parties in the remaining scope?

Regardless of the content of the answers to questions 1-3:

4. In the event of the invalidity or ineffectiveness of a loan agreement, in the performance of which the bank paid out to the borrower all or part of the loan amount and the borrower repaid the loan, separate claims arise for undue performance for each of the parties, or is there only one claim, equal to the difference in the benefits provided to the party whose total benefit was higher?
5. In the event of the invalidity or ineffectiveness of a loan agreement due to the unlawful nature of some of its provisions, does the limitation period for the bank's claim for reimbursement of the amounts paid under the loan start from the moment of their payment?
6. If, in the event of the invalidity or ineffectiveness of a credit agreement, either party is entitled to a claim for reimbursement of the performance provided in the performance of such a contract, may that party also demand remuneration for the use of its funds by the other party?

While examining the motion of the First President of the Supreme Court in closed session, the composition of the entire Civil Chamber of the Supreme Court decided to notify the Ombudsman and the Ombudsman for Children about the pending proceedings and requested that these entities take a position on the legal issues covered by the motion. Moreover, the Supreme Court decided to ask for such a position to be taken by the President of the National Bank of Poland, the Polish Financial Supervision Authority and the Financial Ombudsman. The next meeting of the Supreme Court, which took place on 2 September 2021, did not bring any decisions - the Supreme Court did not pass a resolution on the issues covered by the request, but decided to refer to the CJEU three questions for a preliminary ruling on the issue of appointing judges in the Republic of Poland.

The ruling of the Supreme Court may affect the assumptions made in the model for estimating the Group's gross book value adjustments resulting from legal risk for the portfolio of CHF-indexed mortgage loans disclosed in the statement of financial position and provisions for legal risk for CHF-indexed mortgage loans already removed from the report from the financial situation. In particular, it may affect the number and resolution of disputes and the interest of borrowers in entering into voluntary agreements regarding conversion into PLN loans. The Bank monitors the legal situation related to the judgment of the Supreme Court, which may have an impact on changing the assumptions in the model regarding costs related to legal risk of CHF-indexed loans in subsequent reporting periods.

On 29 April 2021, the CJEU issued another judgment in response to a Polish court inquiry regarding CHF-indexed loans. The CJEU confirmed that if the unfair terms had already been eliminated from the contract through an addendum, the court should not invalidate the contract. The CJEU confirmed the primacy of maintaining the contract against nullity. As long as it is legally possible to maintain the contract, it cannot be canceled. The evaluation of the continuation of the contract should always be made on the basis of an objective approach, it cannot be based on the interests of the consumer. The CJEU ruled that it is in line with EU law for a national court not to invalidate the foreign currency loan agreement. Instead, the national court should uphold the foreign currency loan agreement by removing only the elements found to be unfair from the loan agreement (the so-called "blue pencil test") and retaining all other elements - and this is in line with EU law. The cancellation of long-term contracts, such as credit agreements, should be the last resort. As foreseen, the CJEU left it to the national courts to decide what would happen if the loan agreement could not continue to apply after the unfair terms were excluded from it and how the parties should account for such agreements. The national court should inform consumers (objectively and comprehensively) of any legal consequences of removing a term considered unfair, even where the parties are represented by professional representatives.

On 7 May 2021, the Supreme Court adopted a resolution composed of seven Supreme Court judges regarding the issues presented by the Financial Ombudsman, i.e. the parties' settlements in the event of invalidity or bankruptcy of an indexed or denominated loan agreement. The Supreme Court confirmed the position expressed in the resolution of 16 February 2021 (III CZP 11/20) that in the event of invalidity of the contract, each party has a claim for the return of the service provided by that party (the so-called two-law theory). The Supreme Court did not decide that each indexed or denominated loan agreement should be canceled. A finding that a contractual provision is abusive should, in principle, result in domestic courts applying solutions that restore the balance. According to the Supreme Court, the contract should be considered definitively ineffective if the consumer - duly informed about the effects - refuses to consent to be bound by a provision deemed abusive.

In December 2020, the chairman of the Polish Financial Supervision Authority presented a proposal for banks to conclude voluntary settlements with borrowers. The assumption of the settlements is the conversion of loans into loans denominated in PLN, under which the loan agreement is converted and repayments made on its basis by the borrower as if the loan had been granted in PLN from the beginning. The interest rate on the loan in PLN is determined based on the WIBOR rate, taking into account the loan margin resulting from the average interest rate on new loans in PLN from the month of granting the loan in CHF published in NBP statistics.

- *Provision for commission refunds on prepaid consumer loans*

On 11 September 2019, the European Court of Justice (CJEU) announced a judgment in the case of the question referred by the Lublin-Wschód District Court for a preliminary ruling regarding the interpretation of Art. 16 clause 1 of Directive 2008/48 / EC of the European Parliament and of the Council of 23 April 2008 on consumer credit agreements. The Consumer Credit Act (Ukk) in force in Poland contains in Art. 49 analogous provision, which up to 2016 had no interpretation doubts, and banks, as a rule, charging a commission for granting a loan, did not refund its client in the event of early repayment (except for withdrawal from the contract). The discussion on the interpretation of Art. 49 Ukk was started by UOKiK by issuing a joint position with the Financial Ombudsman in 2016. The judgment of the CJEU resolves this issue in such a way that in the event of early repayment of consumer credit, banks should:

- reduce the total cost of the loan along with all its components (e.g. fees, commission, insurance),
- make a proportional reimbursement of these costs, i.e. the reimbursement should cover the period from the date of actual repayment of the loan to the date of final repayment specified in the contract.

After the publication of the above judgment, the President of UOKiK presented his position in which he fully shared the findings of the CJEU judgment.

In connection with the judgment of the CJEU and the statement of the Office of Competition and Consumer Protection, the Group now automatically reimburses a proportionate part of the commission in the case of early repayment of the consumer loan (for repayments made after 11 September 2019). For early repayments made before 11 September 2019, the Group makes refunds if the client submits a complaint and its verification proves that the refund is justified.

On 9 October 2019, the Bank was served with a notice of initiation by the Office of Competition and Consumer Protection and a request to provide information on banking products on offer from 16 May 2016, to which the provisions of the Consumer Credit Act, including Art. 49 of this act. The explanatory proceeding concerns the settlement by the Bank of commission refunds in cases of early repayment of consumer loans. On 29 October 2019 the Bank provided the requested information to the Office of Competition and Consumer Protection. On 24 December 2019, the Bank received another letter from the Office of Competition and Consumer Protection in the same procedure with the request for additional information. The Bank responded to them on 3 January 2020.

The amount of the provision for returns made on the complaint path at the end of the 3rd quarter of 2021 it was PLN 7.6 million. As at 30 September 2021 there was no change in assumptions regarding commission returns realized on the complaint path.

The Group monitors the impact of the CJEU judgments on the behaviour of borrowers, the practice and jurisprudence of Polish courts in these cases, and assesses the probability of cash outflow in relation to CHF-indexed mortgage loans and commission reimbursements on consumer loans on an ongoing basis.

Proceedings before the President of the Office of Competition and Consumer Protection (UOKiK)

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

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

The scope of the procedure relates to the provisions in various general terms and conditions, regulations and contracts concluded with consumers: for cash loans, overdraft limit, granting and repayment of loans in a brokerage account, using a credit card – in the version effective from 7 March

2016; for checking and checking accounts and savings accounts – in the version effective from 9 November 2015; for maintaining payment accounts – in the version applicable from 6 August 2018; for prepaid cards – in the version valid from 1 January 2016.

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

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

By letter of 13 May 2021, UOKiK notified the Bank of the completion of the collection of evidence. UOKiK decided to extend the deadline for completion of the proceedings until 31 December 2021.

As at 30 September 2021, the Group has not identified any premises for the creation of provisions on this account.

- *Proceedings on the use of practices violating collective consumer interests*

Before the President of the Office of Competition and Consumer Protection, an ex officio proceeding was conducted on 9 July 2014 regarding the use of practices violating collective consumer interests, consisting in: during the validity of payment card contracts, replacement of payment cards not equipped with a contactless function for cards equipped with this function without changing the content of the contract ; deriving the legal effects from the communication for the account holder specified in the *Regulations for the provision of services by ING Bank Śląski as part of keeping savings and checking accounts and savings accounts for natural persons*; failure to provide consumers with information about the possibilities and rules of making the so-called contactless transactions, spending limits for payment transactions performed with these payment cards, on paper or on another durable medium, in due time before the conclusion of the contract. The Bank's proposed obligations presented to the supervisor as part of the procedure were already implemented. On 18 December 2018, the Office of Competition and Consumer Protection decided to extend the procedure. In July 2021, UOKiK asked for information whether the Bank is upholding its will to commit. In relation with the implementation of all the proposed commitments submitted as part of the proceedings and the absence of practices questioned by the office, the Bank applied for discontinuation of the proceedings. Until the date of publication of this report, the status of the proceedings has not changed. As at 30 September 2021, the Group has not identified any premises for the creation of provisions on this account.

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

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

From this decision, among others The bank appealed to the Court of Competition and Consumer Protection (SOKiK). By ruling on 12 November 2008, SOKiK changed the decision of UOKiK, so that it did not find any practice restricting competition. On 22 April 2010, this judgment was quashed by a judgment of the Court of Appeal, which referred the case to SOKiK for re-examination.

By the ruling of the SOKiK of 21 November 2013, the Court did not change the decision of the Office of Competition and Consumer Protection with regard to the allegation of restriction of competition, but reduced the Bank's fine to PLN 0.4 million. However, the judgment of the SOKiK was changed by the judgment of the Court of Appeal, which on 6 October 2015 ruled to change the judgment of the SOKiK in such a way that all appeals were dismissed in full. As a result of this ruling, the President's decision became final, and in October 2015 the Bank paid the imposed fine of PLN 14.1 million.

The Bank, like other banks participating in the proceedings, filed a cassation appeal against the judgment of the Court of Appeal. On 25 October 2017, the Supreme Court quashed the judgment of the Court of Appeal, referring the case to that court for re-examination. According to the position of UOKiK, the penalty was returned to the Bank.

On 23 November 2020, the Court of Appeal overruled the SOKiK judgment of 21 November 2013 and remitted the SOKiK case, leaving the court to decide on the costs.

On 27 April 2021, the files of the main interchange fee case were transferred to SOKiK.

Due to the lack of final decisions, the amount of the refunded penalty was not recognized in the profit and loss account. As at 30 September 2021, the value of the provision was PLN 14.1 million.

Other proceedings

On 28 June 2021, the Bank received a post-inspection statement from the General Inspector of Financial Information (GIFI) pursuant to Art. 142 of the Act of 1 March 2018 on counteracting money laundering and terrorist financing regarding the control carried out at the Bank on from 16 November 2020 to 7 March 2021. On 22 September 2021, the Bank received a notification from the GIFI about the initiation of ex officio administrative proceedings in this area. In the course of the proceedings, the Bank takes the actions required by the law.

As for other proceedings against the Bank, in the 3rd quarter of 2021 there were no significant changes affecting the financial data presented in these consolidated financial statements.

14. Seasonality or cyclicity of activity

Activity of ING Bank Śląski Group is not subject to seasonality or cyclicity within the meaning of §21 of IAS 34.

15. Transactions with related entities

ING Bank Śląski S.A. is a subsidiary of ING Bank NV, which as at 30 September 2021 held 75% shares in the share capital of ING Bank Śląski S.A. and 75% shares in the total number of votes at the General Meeting of ING Bank Śląski S.A. The ultimate Parent entity is ING Groep N.V. based in the Netherlands.

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

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

Operating costs incurred by the Bank for the Parent entity result primarily from contracts for the provision of consultancy and advisory services, data processing and analysis, provision of software licenses and IT support. In terms of costs incurred by the Bank for other related entities, outsourcing agreements play a dominant role regarding the provision of system resource hosting services for

various applications, lease of IT equipment, monitoring the availability and performance of applications and IT infrastructure as well as penetration testing and IT security monitoring.

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

Numerical information on transactions between related entities

	as at 30 Sep 2021			as at 31 Dec 2020		
	ING Bank NV	Other ING Group entities	Associates	ING Bank NV	Other ING Group entities	Associates
Receivables						
Nostro accounts	44.6	7.4	-	2.3	8.1	-
Call deposits placed	-	-	-	105.6	1.1	-
Loans	22.3	8.0	-	21.5	22.6	-
Positive valuation of derivatives	208.6	-	-	78.3	3.7	-
Other receivables	2.9	1.7	-	4.9	0.5	-
Liabilities						
Deposits received	423.0	120.8	23.5	1,476.3	550.0	10.9
Loans received	3,695.6	-	-	3,400.0	-	-
Subordinated loan	2,318.3	-	-	2,309.3	-	-
Loro accounts	20.7	101.4	-	34.3	182.6	-
Negative valuation of derivatives	88.1	-	-	197.6	0.1	-
Other liabilities	106.0	2.0	-	39.7	0.2	-
Off-balance-sheet operations						
Off-balance sheet liabilities granted	409.2	640.6	0.1	471.9	890.3	0.1
Off-balance sheet liabilities received	2,406.4	19.2	-	808.6	17.5	-
FX transactions	17,270.3	-	-	9,649.5	58.2	-
IRS	652.6	-	-	910.4	140.0	-
Options	1,406.0	16.8	-	2,355.0	17.0	-

	3 quarters 2021 YTD the period from 1 Jan 2021 to 30 Sep 2021			3 quarters 2020 YTD the period from 1 Jan 2020 to 30 Sep 2020		
Income and expenses						
Income, including:	-7.3	6.3	38.7	-93.7	8.0	36.6
net interest and commission income	-28.6	4.7	38.7	-36.6	3.5	36.6
net income on financial instruments	20.2	0.6	-	-57.8	4.3	-
net (loss)/income on other basic activities	1.1	1.0	-	0.7	0.2	-
General and administrative expenses	120.6	6.9	-	103.3	5.5	-

16. Segment reporting

Segments of operation

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

- retail banking segment,
- corporate banking segment.

The basis for distinguishing individual segments are entity criteria and - in the case of division into sub-segments - financial criteria (especially turnover, level of collected assets). The specific rules of assigning clients to respective segments are governed by the clients segmentation criteria specified in the Group's internal regulations.

The Group has separated in organisational terms the operations performed by the Centre of Expertise Treasury. The Centre of Expertise Treasury manages short-term and long-term liquidity risk in line with the effective regulations and risk appetite internally set at the Group, manages interest rate risk and

invests surpluses obtained from business lines while maintaining the liquidity buffer in the form of liquid assets. The Centre of Expertise Treasury's net income on operations is allocated to the business lines considering its support function for the Group's business lines.

Retail banking segment

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

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

Corporate banking segment

Corporate banking area encompasses as follows:

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

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

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

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

Measurement

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

reasonable premises. The Group presents segment's interest income reduced by the cost of the interest.

	Retail banking segment	Corporate banking segment	TOTAL	Retail banking segment	Corporate banking segment	TOTAL
	3 quarters 2021 YTD the period from 1 Jan 2021 to 30 Sep 2021			3 quarters 2020 YTD the period from 1 Jan 2020 to 30 Sep 2020		
Income total	2,404.5	2,587.6	4,992.1	2,184.5	2,430.3	4,614.8
net interest income	1,961.6	1,591.7	3,553.3	1,807.1	1,580.5	3,387.6
net commission income, including:	419.4	949.4	1,368.8	332.3	764.4	1,096.7
commission income, including:	619.5	1,074.9	1,694.4	540.0	875.6	1,415.6
transaction margin on currency exchange transactions	51.9	341.4	393.3	47.8	266.1	313.9
account maintenance fees	87.8	223.7	311.5	72.6	175.4	248.0
lending commissions	12.5	289.5	302.0	16.6	248.9	265.5
payment and credit cards fees	225.9	83.7	309.6	189.9	69.6	259.5
participation units distribution fees	67.0	0.0	67.0	57.6	0.0	57.6
insurance product offering commissions	119.2	25.6	144.8	100.0	19.3	119.3
factoring and lease contracts commissions	0.0	30.4	30.4	0.0	24.6	24.6
other commissions	55.2	80.6	135.8	55.5	71.7	127.2
commission expenses	200.1	125.5	325.6	207.7	111.2	318.9
other income/expenses	23.5	46.5	70.0	45.1	85.4	130.5
General and administrative expenses	1,149.8	1,057.2	2,207.0	1,092.7	987.5	2,080.2
Segment operating result	1,254.7	1,530.4	2,785.1	1,091.8	1,442.8	2,534.6
Impairment for expected credit losses	72.2	155.7	227.9	232.3	489.7	722.0
Cost of legal risk of FX mortgage loans	0.4	0.0	0.4	30.4	0.0	30.4
Tax on certain financial institutions	168.0	227.0	395.0	145.7	213.4	359.1
Share of profit/(loss) of associates accounted for using the equity method	21.0	0.0	21.0	12.1	0.0	12.1
Gross profit	1,035.1	1,147.7	2,182.8	695.5	739.7	1,435.2
Income tax	-	-	543.5	-	-	411.5
Net profit	-	-	1,639.3	-	-	1,023.7
attributable to shareholders of ING Bank Śląski S.A.	-	-	1,639.3	-	-	1,023.7
	as at 30 Sep 2021			as at 31 Dec 2021		
Allocated equity	7,591.5	9,849.3	17,440.8	7,906.2	10,712.1	18,618.3
ROE - Return on equity (%)*	10.3	11.3	10.8	7.1	8.0	7.6

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

Geographic segments

The Group pursues business within the territory of the Republic of Poland.

17. Other information

17.1. Ratings

Fitch Ratings Ltd.

Fitch Ratings agency (Fitch Ratings Ireland Limited with its seat in Dublin) assigns full rating to ING Bank Śląski S.A. under the agreement between the Bank and the Agency.

The Bank's rating given by the Fitch Agency, valid as of 30 September 2021, was as follows:

Rating	Level
Long-term IDR	A+
Outlook for sustaining the above rating	Negative
Short-term IDR	F1+
Viability rating	bbb+
Support rating	1
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 23 September 2021, as part of the annual review, the Agency sustained the ratings for ING Bank Śląski S.A. Fitch emphasized in the announcement that Viability Rating for ING Bank Śląski S.A. reflect its moderate risk appetite, robust asset quality, solid capital buffers, but also strong deposit-driven funding and ample liquidity. Fitch also considers the Bank's established corporate and retail franchise and seasoned business model, translating into limited variability of the Bank's performance through the cycle.

The entity's long-term rating outlook is Negative. Fitch indicated that this was directly due to the negative rating outlook for the parent entity of the Bank, ING Bank N.V. The perspective of the long-term rating on the national scale is Stable.

Moody's Investors Service Ltd.

Moody's Investors Service (Moody's Investors Service Cyprus Ltd.) assigns their rating to our bank on the basis of public information.

As at 30 September 2021 the Bank's rating from the Moody's Agency was as follows:

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

In the press releases published on 21 October 2019, the Agency sustained the ratings assigned to the Bank. The Agency emphasised there that the rating of the Bank reflects:

- Bank's credit portfolio of good quality, though not seasoned, with very limited exposure to FX mortgage loans,
- adequate, though decreasing, total capital ratio of the Bank,
- moderate profitability, and
- a good funding and liquidity profiles of the Bank based on deposits and high liquidity buffers.

17.2. Number of branches and ATMs, CDMs

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

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
Number of outlets	262	272	290	298
Number of ING Express sales points at shopping malls	60	60	63	63

As at 30 September 2021 clients could use 945 machines for cash self-service, including 164 standard ATMs and 781 dual machines.

In comparable periods, i.e. as at 30 June 2020 (and as at 31 December and 30 September 2020, respectively) there were 965 (1 001, 1 009) machines for cash self-service, including 170 (174, 176) standard ATMs and 795 (827, 833) of dual machines.

17.3. Electronic distribution channels

Development of electronic distribution channels is one of the Bank's priorities. A regular update of this offer results in an increase of the number of Clients interested in e-banking.

The figures for electronic banking clients are as follows (the number of clients is not the same as the number of users as one client may represent several users in a given system):

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
Moje ING, ING BusinessOnLine (in million)	4.4	4.3	4.2	4.2
ING BankMobile, Moje ING Mobile* (in million)	4.6	4.3	3.9	3.7
ING BusinessMobile (in thousands)	38.0	36.4	33.4	31.9

*) Ilość pobrań aplikacji

The monthly number of transactions carried out using electronic banking systems in September 2021 reached the level of 55.3 million. In the same period of the previous year it was 39.2 million.

17.4. Banking cards

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

in thousands	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
debit cards	3,310	3,271	3,243	3,205
credit cards	288	284	278	275
other*	187	176	167	162
Total, of which:	3,785	3,731	3,688	3,642
paywave**	3,545	3,503	3,473	3,435
virtual cards	240	228	215	207

* including charge and prepaid cards

** including cards: Contactless VISA, Contactless Visa Business, Contactless MasterCard Debit, Visa Zbliżak, Zbliżak, VISA 2016, VISA NFC, Mastercard in EUR, MasterCard Debit in mobile phone, Mastercard in Business mobile phone.

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

2021-11-02	Brunon Bartkiewicz <i>President</i>	The original Polish document is signed with a qualified electronic signature
2021-11-02	Joanna Erdman <i>Vice-President</i>	The original Polish document is signed with a qualified electronic signature
2021-11-02	Marcin Giżycki <i>Vice-President</i>	The original Polish document is signed with a qualified electronic signature
2021-11-02	Bożena Graczyk <i>Vice-President</i>	The original Polish document is signed with a qualified electronic signature
2021-11-02	Ewa Łuniewska <i>Vice-President</i>	The original Polish document is signed with a qualified electronic signature
2021-11-02	Michał H. Mrozek <i>Vice-President</i>	The original Polish document is signed with a qualified electronic signature
2021-11-02	Sławomir Soszyński <i>Vice-President</i>	The original Polish document is signed with a qualified electronic signature
2021-11-02	Alicja Żyła <i>Vice-President</i>	The original Polish document is signed with a qualified electronic signature

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2021-11-02	Jolanta Alvarado Rodriguez	Lead of Centre of Expertise Accounting Policy and Financial Reporting	The original Polish document is signed with a qualified electronic signature
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INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS OF ING BANK ŚLĄSKI S.A.

Interim condensed standalone income statement

	3 quarter 2021	3 quarters 2021 YTD	3 quarter 2020	3 quarters 2020 YTD
	the period from 1 Jul 2021 to 30 Sep 2021	the period from 1 Jan 2021 to 30 Sep 2021	the period from 1 Jul 2020 to 30 Sep 2020	the period from 1 Jan 2020 to 30 Sep 2020
Interest income	1,274.7	3,699.6	1,209.6	3,759.7
calculated using effective interest rate method	1,274.7	3,699.2	1,208.9	3,757.5
other interest income	0.0	0.4	0.7	2.2
Interest expenses	115.1	360.1	138.0	570.5
Net interest income	1,159.6	3,339.5	1,071.6	3,189.2
Commission income	582.1	1,648.5	492.3	1,379.4
Commission expenses	119.5	330.3	114.2	323.4
Net commission income	462.6	1,318.2	378.1	1,056.0
Net income on financial instruments measured at fair value through profit or loss and FX result	22.4	71.5	22.5	80.1
Net income on the sale of securities measured at amortised cost	0.0	0.0	0.0	7.3
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	3.8	3.9	5.4	14.4
Net (loss)/income on hedge accounting	-4.8	-19.0	-14.1	14.5
Net (loss)/income on other basic activities	0.4	0.4	1.6	-2.1
Net income on basic activities	1,644.0	4,714.5	1,465.1	4,359.4
General and administrative expenses	657.8	2,097.5	631.9	1,974.9
Impairment for expected credit losses	77.7	205.0	111.2	633.7
including profit on sale of receivables	0.0	61.6	0.0	4.1
Cost of legal risk of FX mortgage loans	0.4	0.4	20.2	30.4
Tax on certain financial institutions	138.2	394.9	122.0	359.1
Share of profit/(loss) of subsidiaries and associates accounted for using the equity method	53.7	132.2	30.7	54.0
Gross profit	823.6	2,148.9	610.5	1,415.3
Income tax	185.2	509.6	170.3	391.6
Net profit	638.4	1,639.3	440.2	1,023.7
Weighted average number of ordinary shares	130,100,000	130,100,000	130,100,000	130,100,000
Earnings per ordinary share (PLN)	4.91	12.60	3.38	7.87

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

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

Interim condensed standalone statement of comprehensive income

	3 quarter 2021 the period from 1 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 1 Jan 2021 to 30 Sep 2021	3 quarter 2020 the period from 1 Jul 2020 to 30 Sep 2020	3 quarters 2020 YTD the period from 1 Jan 2020 to 30 Sep 2020
Net profit for the period	638.4	1,639.3	440.2	1,023.7
Total other comprehensive income, including:	-1,002.6	-2,763.0	-218.1	2,135.4
Items which can be reclassified to income statement, including:	-1,002.2	-2,780.3	-218.1	2,129.4
debt instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	55.0	33.3	55.2	-23.4
debt instruments measured at fair value through other comprehensive income – reclassification to financial result due to sale	-3.2	-4.0	-4.4	-14.2
loans measured at fair value through other comprehensive income - revaluation gains / losses related to equity	52.6	54.2	-138.2	-213.4
cash flow hedging – gains on revaluation carried through equity	-868.6	-2,190.0	52.6	2,774.7
cash flow hedging – reclassification to profit or loss	-238.0	-673.8	-183.3	-394.3
Items which will not be reclassified to income statement, including:	-0.4	17.3	0.0	6.0
equity instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	0.0	18.0	0.0	6.0
fixed assets revaluation	-0.3	-0.5	0.0	0.0
disposal of fixed assets	0.1	0.0	0.0	0.0
actuarial gains/losses	-0.2	-0.2	0.0	0.0
Net comprehensive income for the reporting period	-364.2	-1,123.7	222.1	3,159.1

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

Interim condensed standalone statement of financial position

as at

	Note	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
Assets					
Cash in hand and balances with the Central Bank		747.1	850.8	867.3	1,193.6
Loans and other receivables to other banks		3,913.0	3,972.5	2,674.2	3,784.4
Financial assets measured at fair value through profit or loss		1,969.6	1,471.1	2,017.7	1,259.2
Derivative hedge instruments		593.3	882.0	1,194.8	1,054.1
Investment securities		52,399.5	57,018.9	54,882.2	56,033.3
Loans and other receivables to customers	4.1	132,239.8	124,896.5	116,352.3	114,087.9
Investments in subsidiaries and associates accounted for using the equity method		1,485.5	1,432.5	1,354.1	1,332.2
Property, plant and equipment		811.4	840.1	894.4	894.9
Intangible assets		381.9	387.2	404.3	400.9
Assets held for sale		1.4	1.4	0.5	3.4
Current income tax assets		422.2	301.6	0.0	0.0
Deferred tax assets		461.2	321.3	271.1	243.2
Other assets		147.5	176.8	204.0	173.2
Total assets		195,573.4	192,552.7	181,116.9	180,460.3
Liabilities					
Liabilities to other banks		6,594.4	5,830.6	4,776.6	1,487.2
Financial liabilities measured at fair value through profit or loss		1,434.4	1,040.4	1,530.8	696.9
Derivative hedge instruments		406.0	454.0	558.5	449.7
Liabilities to customers		164,175.7	161,757.0	150,736.5	154,220.5
Subordinated liabilities		2,318.2	2,262.1	2,309.2	2,265.2
Provisions		248.5	244.0	250.8	191.8
Current income tax liabilities		0.0	0.0	387.4	445.6
Other liabilities		3,149.0	3,353.2	2,196.6	2,429.5
Total liabilities		178,326.2	174,941.3	162,746.4	162,186.4
Equity					
Share capital		130.1	130.1	130.1	130.1
Share premium		956.3	956.3	956.3	956.3
Accumulated other comprehensive income		909.4	1,912.5	3,675.6	3,894.2
Retained earnings		15,251.4	14,612.5	13,608.5	13,293.3
Total equity		17,247.2	17,611.4	18,370.5	18,273.9
Total equity and liabilities		195,573.4	192,552.7	181,116.9	180,460.3
Carrying amount		17,247.2	17,611.4	18,370.5	18,273.9
Number of shares		130,100,000	130,100,000	130,100,001	130,100,000
Carrying amount per share (PLN)		132.57	135.37	141.20	140.46

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

Interim condensed standalone statement of changes in equity

3 quarters 2021 YTD

the period from 1 Jan 2021 to 30 Sep 2021

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Total equity
Opening balance of equity	130.1	956.3	3,675.6	13,608.5	18,370.5
Profit for the current period	-	-	-	1,639.3	1,639.3
Other net comprehensive income, including:	0.0	0.0	-2,766.2	3.2	-2,763.0
financial assets measured at fair value through other comprehensive income – gains/losses on revaluation carried through equity	-	-	105.5	-	105.5
debt instruments measured at fair value through other comprehensive income – reclassification to financial result due to sale	-	-	-4.0	-	-4.0
cash flow hedging – gains on revaluation carried through equity	-	-	-2,190.0	-	-2,190.0
cash flow hedging – reclassification to profit or loss	-	-	-673.8	-	-673.8
fixed assets revaluation	-	-	-0.5	-	-0.5
disposal of fixed assets	-	-	-3.2	3.2	0.0
actuarial gains/losses	-	-	-0.2	-	-0.2
Other changes in equity, including:	0.0	0.0	0.0	0.4	0.4
valuation of share-based payments	-	-	-	0.4	0.4
Closing balance of equity	130.1	956.3	909.4	15,251.4	17,247.2

year 2020

the period from 01 Jan 2020 to 31 Dec 2020

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Total equity
Opening balance of equity	130.1	956.3	1,758.8	12,269.6	15,114.8
Profit for the current period	-	-	-	1,337.6	1,337.6
Other net comprehensive income, including:	0.0	0.0	1,916.8	1.3	1,918.1
financial assets measured at fair value through other comprehensive income – gains/losses on revaluation carried through equity	-	-	-5.6	-	-5.6
debt instruments measured at fair value through other comprehensive income – reclassification to financial result due to sale	-	-	-18.3	-	-18.3
cash flow hedging – gains on revaluation carried through equity	-	-	2,562.5	-	2,562.5
cash flow hedging – reclassification to profit or loss	-	-	-617.1	-	-617.1
disposal of fixed assets	-	-	-1.3	1.3	0.0
actuarial gains/losses	-	-	-3.4	-	-3.4
Closing balance of equity	130.1	956.3	3,675.6	13,608.5	18,370.5

3 quarters 2020 YTD

the period from 1 Jan 2020 to 30 Sep 2020

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Total equity
Opening balance of equity	130.1	956.3	1,758.8	12,269.6	15,114.8
Profit for the current period	-	-	-	1,023.7	1,023.7
Other net comprehensive income, including:	0.0	0.0	2,135.4	0.0	2,135.4
financial assets measured at fair value through other comprehensive income – gains/losses on revaluation carried through equity	-	-	-230.8	-	-230.8
debt instruments measured at fair value through other comprehensive income – reclassification to financial result due to sale	-	-	-14.2	-	-14.2
cash flow hedging – gains on revaluation carried through equity	-	-	2,774.7	-	2,774.7
cash flow hedging – reclassification to profit or loss	-	-	-394.3	-	-394.3
Closing balance of equity	130.1	956.3	3,894.2	13,293.3	18,273.9

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

Interim condensed standalone cash flow statement

	3 quarters 2021 YTD the period from 1 Jan 2021 to 30 Sep 2021	3 quarters 2020 YTD the period from 1 Jan 2020 to 30 Sep 2020
Net profit	1,639.3	1,023.7
Adjustments, including:	-2,176.8	19,029.3
Share of profit/(loss) of subsidiaries and associates accounted for using the equity method	-132.2	-55.7
Depreciation and amortisation	204.3	207.5
Interest accrued (from the income statement)	-3,339.5	-3,189.2
Interest paid	-340.7	-559.1
Interest received	3,711.9	3,536.8
Dividends received	-6.7	-8.4
Gains (losses) on investing activities	0.7	0.7
Income tax (from the income statement)	509.6	391.6
Income tax paid	-849.2	-842.4
Change in provisions	-2.3	-10.1
Change in loans and other receivables to other banks	-1,028.6	-700.6
Change in financial assets measured at fair value through profit or loss	48.5	129.4
Change in investment securities	1,625.2	-2,339.5
Change in hedge derivatives	-3,086.5	2,640.0
Change in loans and other receivables to customers	-15,726.1	-3,783.5
Change in other assets	31.4	480.9
Change in liabilities to other banks	1,817.8	-1,135.2
Change in liabilities measured at fair value through profit or loss	-96.4	-217.8
Change in liabilities to customers	13,441.0	24,195.7
Change in other liabilities	1,041.0	288.2
Net cash flow from operating activities	-537.5	20,053.0
Purchase of property, plant and equipment	-40.3	-54.6
Disposal of property, plant and equipment	0.1	0.0
Purchase of intangible assets	-34.9	-46.8
Disposal of assets held for sale	0.0	0.1
Purchase of shares in subsidiaries and associates	0.0	-170.0
Purchase of debt securities measured at amortised cost	-1,772.9	-22,986.1
Disposal of debt securities measured at amortised cost	2,569.1	2,886.3
Dividends received	6.7	8.4
Net cash flows from investing activities	727.8	-20,362.7
Interest on long-term loans repaid	-21.2	-24.2
Repayment of lease liabilities	-79.6	-75.8
Net cash flows from financing activities	-100.8	-100.0
Effect of exchange rate changes on cash and cash equivalents	103.7	134.2
Net increase/(decrease) in cash and cash equivalents	89.5	-409.7
Opening balance of cash and cash equivalents	1,228.1	1,997.4
Closing balance of cash and cash equivalents	1,317.6	1,587.7

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

Additional information to the interim condensed standalone financial statements

1. Introduction

1.1. Going concern

These interim condensed standalone financial statements of the ING Bank Śląski S.A. have been prepared on a going-concern basis as regards the foreseeable future, namely as regards the period of minimum 12 months from the date of approval, i.e. from 2 November 2021. As at the approval date hereof, the Bank Management Board have not identified any events that could pose a threat to the Group members continuing their operations during the period of 12 months from the date of publication as a result of intentional or forced abandonment or significant limitation of its operations by the Bank.

1.2. Discontinued operations

In the period of 3 quarters of 2021 and 2020, the Bank did not discontinue any significant activities .

1.3. Compliance with International Financial Reporting Standards

These interim condensed standalone financial statements of the ING Bank Śląski S.A. for the 3rd quarter of 2021 were prepared under the IAS 34 Interim Financial Reporting (International Accounting Standards) in a version approved by the European Commission and effective as at the reporting date, that is 30 September 2021 as well as in accordance with the Ordinance of Finance Minister of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state (Journal of Laws of 2018, item 757).

Presented financial statements have been prepared in a condensed version. The interim condensed financial statements do not provide all data or disclosures required in the annual financial statements and should be interpreted together with and the annual financial statements of the ING Bank Śląski S.A. for the period from 1 January 2020 to 31 December 2020, approved on 15 April 2021 by the Bank's General Meeting and the interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for the 3rd quarter of 2021.

Interim condensed standalone income statement, interim condensed standalone statement of comprehensive income, interim condensed standalone statement of changes in equity and interim condensed standalone cash flow statement for the period from 1 January 2021 to 30 September 2021 and interim condensed standalone statement of financial position as at 30 September 2021, together with comparable data were prepared according to the same principles of accounting for each period.

1.4. Comparative data

The comparative data cover the following periods:

- for the interim condensed income statement and the interim condensed statement of comprehensive income - the period from 1 January 2020 to 30 September 2020 and the period from 1 July 2020 to 30 September 2020,
- for the interim condensed cash flow statement - the period from 1 January 2020 to 30 September 2020,
- for the interim condensed statement of changes in equity - the period from 1 January 2020 to 30 December 2020 and the period from 1 January 2020 to 30 September 2020,
- for the interim condensed statement of financial position - data as at 30 June 2021 and 31 December and 30 September 2020.

1.5. Financial statements scope and currency

From the Bank's point of view all significant disclosures are presented in interim condensed consolidated financial statements.

These interim condensed standalone financial statements have been prepared in Polish zlotys ('PLN'). Unless provided for otherwise, all values were given rounded up to PLN million. Therefore, there may be cases of mathematical inconsistency in the summaries or between individual notes.

1.6. Approval of financial statements

These interim condensed standalone financial statements have been approved by the Bank's Management Board on 2 November 2021.

1.7. Changes in accounting standards

In these interim condensed standalone financial statements, the same accounting standards have been applied as in the case of annual financial statements for the year 2020 (Annual Financial Statements of the ING Bank Śląski S.A. for the period started 1 January 2020 and ended 31 December 2020) and the standards and interpretations adopted by the European Union and applicable to the annual periods starting 1 January 2021 or afterwards which were presented in the interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for the 3rd quarter of 2021.

2. Significant accounting principles and key estimates

Detailed accounting principles were presented in the annual financial statements of the ING Bank Śląski S.A. for the period started 1 January 2020 and ended 31 December 2020, published on 12 March 2021 and available on the website of ING Bank Śląski S.A. (www.ing.pl).

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

During 3 quarters of 2021, no significant changes were made to the accounting policies applied by the Bank, however, changes were made to key estimates regarding the loss allowances expected in connection with the effects of the Covid-19 epidemic, which was described in the interim condensed consolidated financial statements, in chapter *Additional information*, in point 5 *Significant accounting principles and key estimates*.

3. Comparability of financial data

- *Change in accounting principles regarding the recognition of provisions resulting from legal risk for the portfolio of CHF indexed mortgage loans*

As described in the annual financial statements of the ING Bank Śląski S.A. for the period from 1 January 2020 to 31 December 2020, the Bank changed the recognition of expected losses due to legal risk on the portfolio of CHF indexed mortgage loans, which in the financial statements for 2019 were recognized as write-offs for expected credit losses in the statement of financial position in correspondence with the costs of expected losses in the profit and loss account.

The Bank applied the provisions of IFRS 9.B.5.4.6 to recognize these losses and recognized them as an adjustment to the gross carrying amount of the portfolio of CHF-indexed mortgage loans. In accordance with IFRS 9.B.5.4.6, when an entity changes its estimate of payments or receipts (excluding immaterial modifications and changes to the estimate of expected credit losses), it adjusts the gross carrying amount of the asset or group of financial instruments so that it reflects the actual and changed estimated cash flows under the contract.

This change has no impact on the statement of financial position as it does not change the carrying amount (net) of the CHF-indexed mortgage portfolio. However, it does affect additional disclosures, in Note 4.1 to this report, regarding gross amounts and expected loss provisions for the CHF-indexed mortgage portfolio. The data as at 30 September 2020, presented in Note 4.1, have been restated to ensure comparability.

In the income statement, the Bank introduced an additional line *Cost of legal risk of FX mortgage loans* (**change a**), which presents the costs related to the legal risk of CHF-indexed mortgage loans included in the statement of financial position and loans derecognised from the statement of financial position (repaid loans).

- *Presentation changes in the income statement*

In these interim condensed standalone financial statements for the 3rd quarter of 2021 in relation to the interim condensed standalone financial statements for earlier periods, the Bank changed the presentation of the costs of writing off receivables due to suspended commissions - in earlier periods they were presented as a reduction of *Commission income* and are currently recognized in *Commission expenses* (**change b**). In the Bank's opinion, the change increases the information value of the profit and loss account.

The table below presents individual items of the standalone income statement according to the values presented in the interim standalone financial statements for the 3rd quarter of 2020 and at the values presented in these interim standalone financial statements.

3 quarters 2020 YTD

the period from 1 Jan 2020 to 30 Sep 2020

	in the interim standalone financial statements for the 3 rd quarter of 2020 (approved data)	change a)	change b)	in the interim standalone financial statements for the 3 rd quarter of 2021 (comparable data)
Interest income	3,759.7			3,759.7
Interest expenses	570.5			570.5
Net interest income	3,189.2			3,189.2
Commission income	1,378.3		1.1	1,379.4
Commission expenses	322.3		1.1	323.4
Net commission income	1,056.0			1,056.0
Net income on financial instruments measured at fair value through profit or loss and FX result	80.1			80.1
Net income on the sale of securities measured at amortised cost	7.3			7.3
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	14.4			14.4
Net (loss)/income on hedge accounting	14.5			14.5
Net (loss)/income on other basic activities	-2.1			-2.1
Net income on basic activities	4,359.4			4,359.4
General and administrative expenses	1,977.9	-3.0		1,974.9
Impairment for expected credit losses	661.1	-27.4		633.7
Cost of legal risk of FX mortgage loans	0.0	30.4		30.4
Tax on certain financial institutions	359.1			359.1
Share of profit/(loss) of associates accounted for using the equity method	54.0			54.0
Gross profit	1,415.3			1,415.3
Income tax	391.6			391.6
Net profit	1,023.7	0.0	0.0	1,023.7

- Presentation changes in the statement of financial position

In these interim condensed standalone financial statements for the 3rd quarter of 2021, the Bank changed the presentation of individual items of the statement of financial position in relation to the interim condensed standalone financial statements for prior periods.

The Bank created a new item in the assets of the statement of financial position called *Financial assets measured at fair value through profit or loss*, to which the obligatory loans measured at fair value through profit or loss were transferred (previously presented under *Loans and other receivables to customers*), equity instruments designated to be measured at fair value through profit or loss and *Financial assets held for trading*. The change was aimed at recognizing in one item of the statement of financial position all financial assets measured at fair value with the measurement effect recognised in the income statement.

The table below presents the individual items of the statement of financial position according to the values presented in the interim standalone financial statements for the 3rd quarter of 2020 and according to the values presented in these interim standalone financial statements.

as at 30 Sep 2020

in the interim standalone financial statements for the 3 rd quarter of 2020 (approved data)		change	in the interim standalone financial statements for the 3 rd quarter of 2021 (comparable data)	
Assets			Assets	
Cash in hand and balances with the Central Bank	1,193.6		Cash in hand and balances with the Central Bank	1,193.6
Loans and other receivables to other banks	3,784.4		Loans and other receivables to other banks	3,784.4
Financial assets held for trading	1,039.3	219.9	Financial assets measured at fair value through profit or loss	1,259.2
Derivative hedge instruments	1,054.1		Derivative hedge instruments	1,054.1
Investment securities	56,033.4	-0.1	Investment securities	56,033.3
Loans and other receivables to customers	114,307.7	-219.8	Loans and other receivables to customers	114,087.9
Investments in subsidiaries and associates accounted for using the equity method	1,332.2		Investments in subsidiaries and associates accounted for using the equity method	1,332.2
Property, plant and equipment	894.9		Property, plant and equipment	894.9
Intangible assets	400.9		Intangible assets	400.9
Assets held for sale	3.4		Assets held for sale	3.4
Deferred tax assets	243.2		Deferred tax assets	243.2
Other assets	173.2		Other assets	173.2
Total assets	180,460.3	0.0	Total assets	180,460.3
Liabilities			Liabilities	
Liabilities to other banks	1,487.2		Liabilities to other banks	1,487.2
Financial liabilities measured at fair value through income statement	696.9		Financial liabilities measured at fair value through income statement	696.9
Derivative hedge instruments	449.7		Derivative hedge instruments	449.7
Liabilities to customers	154,220.5		Liabilities to customers	154,220.5
Subordinated liabilities	2,265.2		Subordinated liabilities	2,265.2
Provisions	191.8		Provisions	191.8
Current income tax liabilities	445.6		Current income tax liabilities	445.6
Other liabilities	2,429.5		Other liabilities	2,429.5
Total liabilities	162,186.4	0.0	Total liabilities	162,186.4
Total equity	18,273.9	0.0	Total equity	18,273.9
Total equity and liabilities	180,460.3	0.0	Total equity and liabilities	180,460.3

4. Supplementary notes to interim condensed standalone financial statements

4.1. Loans and other receivables to customers

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
Measured at amortised cost	121,809.2	114,532.0	105,725.5	104,922.2
Measured at fair value through other comprehensive income	10,430.6	10,364.5	10,626.8	9,165.7
Total	132,239.8	124,896.5	116,352.3	114,087.9

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

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

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

Loans and receivables to customers measured at amortised cost

	as at 30 Sep 2021			as at 30 Jun 2021			as at 31 Dec 2020			as at 30 Sep 2020		
	gross	expected credit losses	net	gross	expected credit losses	net	gross	expected credit losses	net	gross	expected credit losses	net
Loan portfolio, of which:	121,539.4	-2,769.0	118,770.4	115,095.9	-2,721.1	112,374.8	106,779.9	-2,987.7	103,792.2	106,023.1	-2,923.4	103,099.7
Corporate banking	71,777.9	-1,840.5	69,937.4	68,449.6	-1,827.3	66,622.3	65,586.4	-1,922.5	63,663.9	65,605.4	-1,931.4	63,674.0
loans in the current account	15,996.4	-544.9	15,451.5	14,864.6	-517.8	14,346.8	12,294.2	-567.8	11,726.4	12,511.4	-588.2	11,923.2
term loans and advances	53,144.1	-1,295.2	51,848.9	50,866.4	-1,309.1	49,557.3	50,299.9	-1,354.1	48,945.8	50,096.7	-1,342.6	48,754.1
debt securities (corporate and municipal)	2,637.4	-0.4	2,637.0	2,718.6	-0.4	2,718.2	2,992.3	-0.6	2,991.7	2,997.3	-0.6	2,996.7
Retail banking	49,761.5	-928.5	48,833.0	46,646.3	-893.8	45,752.5	41,193.5	-1,065.2	40,128.3	40,417.7	-992.0	39,425.7
mortgages	40,788.7	-225.4	40,563.3	38,124.7	-236.5	37,888.2	33,262.1	-257.4	33,004.7	32,577.5	-243.1	32,334.4
loans in the current account	692.0	-51.3	640.7	652.7	-50.4	602.3	655.0	-60.7	594.3	654.3	-53.2	601.1
other loans and advances	8,280.8	-651.8	7,629.0	7,868.9	-606.9	7,262.0	7,276.4	-747.1	6,529.3	7,185.9	-695.7	6,490.2
Other receivables, of which:	3,038.8	0.0	3,038.8	2,157.2	0.0	2,157.2	1,933.3	0.0	1,933.3	1,822.6	-0.1	1,822.5
call deposits placed	2,257.3	0.0	2,257.3	1,397.6	0.0	1,397.6	1,272.2	0.0	1,272.2	1,213.0	-0.1	1,212.9
other	781.5	0.0	781.5	759.6	0.0	759.6	661.1	0.0	661.1	609.6	0.0	609.6
Total	124,578.2	-2,769.0	121,809.2	117,253.1	-2,721.1	114,532.0	108,713.2	-2,987.7	105,725.5	107,845.7	-2,923.5	104,922.2

Quality of loan portfolio

	as at 30 Sep 2021			as at 30 Jun 2021			as at 31 Dec 2020			as at 30 Sep 2020		
	gross	expected credit losses	net	gross	expected credit losses	net	gross	expected credit losses	net	gross	expected credit losses	net
Corporate banking	71,777.9	-1,840.5	69,937.4	68,449.6	-1,827.3	66,622.3	65,586.4	-1,922.5	63,663.9	65,605.4	-1,931.4	63,674.0
assets in stage 1	65,029.1	-149.2	64,879.9	61,669.8	-151.8	61,518.0	57,786.0	-172.3	57,613.7	55,860.7	-160.9	55,699.8
assets in stage 2	4,545.7	-198.6	4,347.1	4,552.5	-208.0	4,344.5	5,384.5	-200.1	5,184.4	7,309.0	-225.4	7,083.6
assets in stage 3	2,201.6	-1,492.7	708.9	2,225.8	-1,467.5	758.3	2,414.6	-1,550.1	864.5	2,434.7	-1,545.1	889.6
POCI assets	1.5	0.0	1.5	1.5	0.0	1.5	1.3	0.0	1.3	1.0	0.0	1.0
Retail banking	49,761.5	-928.5	48,833.0	46,646.3	-893.8	45,752.5	41,193.5	-1,065.2	40,128.3	40,417.7	-992.0	39,425.7
assets in stage 1	47,126.1	-112.1	47,014.0	43,985.5	-121.6	43,863.9	38,111.7	-140.5	37,971.2	36,975.0	-115.5	36,859.5
assets in stage 2	1,648.1	-139.5	1,508.6	1,710.6	-145.1	1,565.5	2,040.0	-177.5	1,862.5	2,558.6	-223.7	2,334.9
assets in stage 3	985.0	-676.9	308.1	947.9	-627.1	320.8	1,039.6	-747.2	292.4	881.8	-652.8	229.0
POCI assets	2.3	0.0	2.3	2.3	0.0	2.3	2.2	0.0	2.2	2.3	0.0	2.3
Total, of which:	121,539.4	-2,769.0	118,770.4	115,095.9	-2,721.1	112,374.8	106,779.9	-2,987.7	103,792.2	106,023.1	-2,923.4	103,099.7
assets in stage 1	112,155.2	-261.3	111,893.9	105,655.3	-273.4	105,381.9	95,897.7	-312.8	95,584.9	92,835.7	-276.4	92,559.3
assets in stage 2	6,193.8	-338.1	5,855.7	6,263.1	-353.1	5,910.0	7,424.5	-377.6	7,046.9	9,867.6	-449.1	9,418.5
assets in stage 3	3,186.6	-2,169.6	1,017.0	3,173.7	-2,094.6	1,079.1	3,454.2	-2,297.3	1,156.9	3,316.5	-2,197.9	1,118.6
POCI assets	3.8	0.0	3.8	3.8	0.0	3.8	3.5	0.0	3.5	3.3	0.0	3.3

The Bank identifies POCI financial assets whose carrying value as at 30 September 2021 is PLN 3.8 million (PLN 3.8 million as at 30 June 2021, PLN 3.5 million as at 31 December 2020 and PLN 3.3 million as at 30 September 2020). These are exposures due to impaired receivables acquired in connection with the acquisition of SKOK Bieszczadzka in 2017 and exposures that were significantly modified as a result of restructuring, which involved the need to remove the original credit commitment and re-recognition of the asset in the statement of financial position

4.2. Fair value

In 2021, there were no transfers between the valuation levels, as in 2020.

as at 30 Sep 2021

	Level 1	Level 2	Level 3	TOTAL
Financial assets, including:	20,135.9	1,724.5	10,697.0	32,843.0
Valuation of derivatives	-	1,131.2	-	1,131.2
Financial assets held for trading, including:	465.2	-	-	750.8
debt securities, including:	465.2	-	-	465.2
treasury bonds in PLN	364.0	-	-	364.0
Czech Treasury bonds in CZK	100.7	-	-	100.7
European Investment Bank bonds	0.5	-	-	0.5
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	-	-	87.6	87.6
loans are obligatorily measured at fair value through profit or loss	-	-	87.5	87.5
equity instruments	-	-	0.1	0.1
Derivative hedge instruments	-	593.3	-	593.3
Financial assets measured at fair value through other comprehensive income, including:	19,670.7	-	178.8	19,849.5
debt securities, including:	19,670.7	-	-	19,670.7
treasury bonds in PLN	17,112.9	-	-	17,112.9
treasury bonds in EUR	1,043.1	-	-	1,043.1
European Investment Bank bonds	1,027.2	-	-	1,027.2
Austrian government bonds	487.5	-	-	487.5
equity instruments	-	-	178.8	178.8
Loans measured at fair value through other comprehensive income	-	-	10,430.6	10,430.6
Financial liabilities, including:	250.5	1,589.9	0.0	1,840.4
Valuation of derivatives	-	1,171.8	-	1,171.8
Other financial liabilities measured at fair value through profit or loss, including:	250.5	12.1	-	262.6
book short position in trading securities	250.5	-	-	250.5
financial liabilities held for trading, including:	-	12.1	-	12.1
repo transactions	-	12.1	-	12.1
Derivative hedge instruments	-	406.0	-	406.0

as at 31 Dec 2020

	Level 1	Level 2	Level 3	TOTAL
Financial assets, including:	21,622.2	2,669.5	10,889.7	35,181.4
Valuation of derivatives	-	1,199.8	-	1,199.8
Financial assets held for trading, including:	436.0	274.9	-	710.9
debt securities, including:	436.0	-	-	436.0
treasury bonds in PLN	419.2	-	-	419.2
European Investment Bank bonds	16.8	-	-	16.8
repo transactions	-	274.9	-	274.9
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	0.7	-	106.3	107.0
loans are obligatorily measured at fair value through profit or loss	-	-	106.2	106.2
equity instruments	0.7	-	0.1	0.8
Derivative hedge instruments	-	1,194.8	-	1,194.8
Financial assets measured at fair value through other comprehensive income, including:	21,185.5	-	156.6	21,342.1
debt securities, including:	21,185.5	-	-	21,185.5
treasury bonds in PLN	18,557.8	-	-	18,557.8
treasury bonds in EUR	1,057.7	-	-	1,057.7
European Investment Bank bonds	1,078.1	-	-	1,078.1
Austrian government bonds	491.9	-	-	491.9
equity instruments	-	-	156.6	156.6
Loans measured at fair value through other comprehensive income	-	-	10,626.8	10,626.8
Financial liabilities, including:	265.5	1,823.8	0.0	2,089.3
Valuation of derivatives	-	1,065.3	-	1,065.3
Other financial liabilities measured at fair value through profit or loss, including:	265.5	200.0	-	465.5
book short position in trading securities	265.5	-	-	265.5
financial liabilities held for trading, including:	-	200.0	-	200.0
repo transactions	-	200.0	-	200.0
Derivative hedge instruments	-	558.5	-	558.5

4.3. Total capital ratio

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020* (after taking into account the net profit generated in 2020 in own funds)	as at 31 Dec 2020 (according to the values reported in the annual financial statements for 2020)	as at 30 Sep 2020
Own funds	17,079.3	16,965.2	17,114.2	16,287.0	15,986.6
Total capital requirements	7,392.3	7,008.9	6,561.6	6,515.1	6,478.2
Total capital ratio (TCR)	18.48%	19.36%	20.87%	20.00%	19.74%
Tier 1 ratio (T1)	16.07%	16.84%	18.05%	17.17%	16.95%

*) On 15 April 2021, the General Meeting of the Bank approved the distribution of profit for 2020. Including the net profit generated in 2020 in own funds as at 31 December 2020 resulted in an increase in TCR and Tier1 ratios to 20.87% and 18.05%, respectively, as presented in the table above.

In calculating the capital ratios, the Bank used the transitional provisions to mitigate the impact of the implementation of IFRS 9 on the level of own funds. If the impact of the implementation of IFRS 9 was fully recognized, the capital ratios as at 30 September 2021 would be as follows:

- 18.32% - the total capital ratio (TCR),
- 15.83% - Tier 1 capital ratio (T1).

For the comparative periods, if the impact of the implementation of IFRS 9 was fully recognized, the TCR and T1 ratios would be, respectively:

- 19.19% and 16.57% as at 30 June 2021,
- 19.74% and 16.75% as at 31 December 2020,
- 20.61% and 17.69% as at 31 December 2020 after taking into account the net profit generated in 2020 in own funds and
- 19.48% and 16.52% as at 30 September 2020.

5. Significant events in the 3rd quarter of 2021

Significant events that occurred in the 3rd quarter of 2021 are described in the interim condensed consolidated financial statement in chapter *Additional information* in point 2 *Significant events in the 3rd quarter of 2021*.

6. Significant events after balance sheet date

Significant events that took place after the end of the reporting period have been described in the interim condensed consolidated financial statements in chapter *Additional information* in point 3. *Significant events after balance sheet date*.

7. Seasonality or cyclicity of activity

Activity of ING Bank Śląski S.A. is not subject to seasonality or cyclicity within the meaning of §21 of IAS 34.

8. Issues, redemption or repayments of debt securities and equities

None.

9. Dividends paid

Information on dividends paid is provided in the interim condensed consolidated financial statements in chapter *Additional information* in point no 12. *Dividends paid*.

10. Acquisitions

During 3 quarters of 2021 ING Bank Śląski S.A. did not make any acquisitions, as in 2020.

11. Off-balance sheet items

	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Dec 2020	as at 30 Sep 2020
Off-balance sheet liabilities granted	47,533.8	47,627.8	47,544.0	47,405.8
Off-balance sheet liabilities received	19,405.1	13,443.2	11,727.3	10,734.8
Off-balance sheet financial instruments	893,581.9	868,045.0	797,919.5	816,244.4
Total off-balance sheet items	960,520.8	929,116.0	857,190.8	874,385.0

12. Transactions with related entities

Numerical information on transactions between related entities

	ING Bank NV	Other ING Group entities	Subsidiaries	Associates	ING Bank NV	Other ING Group entities	Subsidiaries	Associates
	as at 30 Sep 2021				as at 31 Dec 2020			
Receivables								
Nostro accounts	44.6	7.4	-	-	2.3	8.1	-	-
Call deposits placed	-	-	-	-	105.6	1.1	-	-
Loans	-	0.2	13,773.8	-	-	0.2	11,443.8	-
Positive valuation of derivatives	208.6	-	1.5	-	78.3	3.7	2.2	-
Other receivables	2.9	1.7	0.3	-	4.9	0.5	0.8	-
Liabilities								
Deposits received	423.0	120.8	112.7	23.5	1,476.3	550.0	245.1	10.9
Subordinated loan	2,318.3	-	-	-	2,309.3	-	-	-
Loro accounts	20.7	101.4	2.7	-	34.3	182.6	3.0	-
Negative valuation of derivatives	88.1	-	-	-	197.6	0.1	0.3	-
Other liabilities	106.0	2.0	3.5	-	39.7	0.2	1.6	-
Off-balance-sheet operations								
Off-balance sheet liabilities granted	385.9	640.6	6,482.5	0.1	458.9	865.6	8,813.0	0.1
Off-balance sheet liabilities received	56.2	19.2	-	-	55.2	17.5	-	-
FX transactions	17,270.3	-	-	-	9,649.5	58.2	-	-
Forward transactions	-	-	-	-	-	-	13.9	-
IRS	652.6	-	55.2	-	910.4	140.0	58.9	-
Options	1,406.0	16.8	-	-	2,355.0	17.0	-	-
Income and expenses								
	3 quarters 2021 YTD the period from 1 Jan 2021 to 30 Sep 2021				3 quarters 2020 YTD the period from 1 Jan 2020 to 30 Sep 2020			
Income, including:	-9.2	5.9	85.8	38.7	-90.9	7.4	138.1	36.6
net interest and commission income	-29.4	4.4	90.9	38.7	-33.1	2.9	147.8	36.6
net income on financial instruments	20.2	0.7	0.2	-	-57.8	4.3	-0.2	-
net income on the sale of securities measured at fair value through other comprehensive income	-	-	-7.6	-	-	-	-11.6	-
net (loss)/income on other basic activities	-	0.8	2.3	-	-	0.2	2.1	-
General and administrative expenses	120.5	4.2	2.2	-	103.2	3.0	0.6	-
Expenditure on intangible assets	-	-	-	-	-	-	0.5	-

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

2021-11-02	Brunon Bartkiewicz <i>President</i>	The original Polish document is signed with a qualified electronic signature
2021-11-02	Joanna Erdman <i>Vice-President</i>	The original Polish document is signed with a qualified electronic signature
2021-11-02	Marcin Giżycki <i>Vice-President</i>	The original Polish document is signed with a qualified electronic signature
2021-11-02	Bożena Graczyk <i>Vice-President</i>	The original Polish document is signed with a qualified electronic signature
2021-11-02	Ewa Łuniewska <i>Vice-President</i>	The original Polish document is signed with a qualified electronic signature
2021-11-02	Michał H. Mrozek <i>Vice-President</i>	The original Polish document is signed with a qualified electronic signature
2021-11-02	Sławomir Soszyński <i>Vice-President</i>	The original Polish document is signed with a qualified electronic signature
2021-11-02	Alicja Żyła <i>Vice-President</i>	The original Polish document is signed with a qualified electronic signature

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2021-11-02	Jolanta Alvarado Rodriguez	Lead of Centre of Expertise Accounting Policy and Financial Reporting	The original Polish document is signed with a qualified electronic signature
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