

ING Bank Śląski S.A. Group



Quarterly consolidated report for the 1st quarter of 2024



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SELECTED FINANCIAL DATA FROM CONSOLIDATED FINANCIAL STATEMENTS

Performance highlights

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024	1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023
Net interest income	2,162.6	1,860.4
Net commission income	576.0	523.7
Net income on basic activities	2,753.3	2,454.6
Gross profit	1,287.6	1,208.8
Net profit attributable to shareholders of ING Bank Śląski S.A.	993.3	908.7
Earnings per ordinary share (PLN)	7.63	6.98

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
Loans and other receivables to customers at amortized cost (net)	158,425.5	156,520.7	156,050.9
Liabilities to customers	214,125.8	205,289.9	201,651.9
Total assets	252,720.7	245,361.4	227,656.6
Share capital	130.1	130.1	130.1
Equity attributable to shareholders of ING Bank Śląski S.A.	17,439.7	16,736.0	11,239.2
Book value per share (PLN)	134.05	128.64	86.39

Key performance indicators

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
C/I - cost/income ratio	46.2%	40.7%	47.2%
ROA - return on assets	1.9%	1.9%	0.8%
ROE - return on equity	30.8%	33.9%	19.5%
NIM - net interest margin	3.6%	3.6%	2.7%
L/D - loan-to-deposit ratio	74.0%	76.2%	77.4%
Total capital ratio	16.95%	17.41%*	16.37%

*) On 11 April 2024, the Ordinary General Meeting of the Bank approved the distribution of the profit for 2023. Including the net profit earned in 2023 as at 31 December 2023 in own funds resulted in an increase in the Group's total capital ratio (TCR) to 17.41%. According to the value presented in the annual consolidated financial statements for 2023, the total capital ratio of the Group as at 31 December 2023 was 16.73%.

Explanations:

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

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

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

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

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

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



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

Interim condensed consolidated income statement

	Note	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024	1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023
Net interest income		3,232.2	2,982.1
calculated using the effective interest rate method		3,026.0	2,679.7
other interest income		206.2	302.4
Interest expense		-1,069.6	-1,121.7
Interest income	8.1	2,162.6	1,860.4
Commission income		714.2	651.6
Commission expense		-138.2	-127.9
Net commission income	8.2	576.0	523.7
Net income on financial instruments measured at fair value through profit or loss and FX result	8.3	18.9	73.6
Net income on the sale of securities measured at amortised cost	8.4	-6.3	0.0
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	8.4	2.2	1.2
Net (loss)/income on hedge accounting	8.5	-2.9	-4.7
Net (loss)/income on other basic activities		2.8	0.4
Net income on basic activities		2,753.3	2,454.6
General and administrative expenses	8.6	-1,089.3	-1,004.6
Impairment for expected credit losses	8.7	-196.2	-88.2
Cost of legal risk of FX mortgage loans		-0.8	0.0
Tax on certain financial institutions		-186.6	-158.6
Share of the net profits of associates measured by equity method		7.2	5.6
Gross profit		1,287.6	1,208.8
Income tax		-294.3	-300.1
Net profit		993.3	908.7
including attributable to shareholders of ING Bank Śląski S.A.		993.3	908.7

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024	1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023
Net profit attributable to shareholders of ING Bank Śląski S.A.	993.3	908.7
Weighted average number of ordinary shares	130,102,356	130,106,149
Earnings per ordinary share (in PLN)	7.63	6.98

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

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



Interim condensed consolidated statement of comprehensive income

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024	1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023
Net profit for the reporting period	993.3	908.7
Total other comprehensive income, including:	-284.6	984.2
Items that may be reclassified to profit or loss, including:	-284.7	984.2
debt instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	149.4	144.8
debt instruments measured at fair value through other comprehensive income – reclassification to financial result due to sale	-1.8	-1.0
cash flow hedge - gains on revaluation carried through equity	-831.3	244.5
cash flow hedge - reclassification to profit or loss	399.0	595.9
Items that will not be reclassified to profit or loss, including:	0.1	0.0
fixed assets revaluation	0.1	0.0
Net comprehensive income for the reporting period	708.7	1,892.9
including attributable to shareholders of ING Bank Śląski S.A.	708.7	1,892.9

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	31 Mar 2024	31 Dec 2023	31 Mar 2023
Assets				
Cash in hand and balances with the Central Bank		4,217.4	6,751.4	6,706.5
Loans and other receivables to other banks	8.8	20,521.6	19,909.1	9,163.4
Financial assets measured at fair value through profit or loss	8.9	2,010.7	2,273.9	1,584.4
Derivative hedge instruments		327.0	208.4	243.0
Investment securities	8.10	64,439.3	56,613.7	40,976.7
Transferred assets	8.9, 8.10, 8.12	0.0	165.2	9,416.6
Loans and other receivables to customers measured at amortised cost	8.11	158,425.5	156,520.7	156,050.9
Investments in associates accounted for using the equity method		188.2	180.9	184.5
Property, plant and equipment		990.0	1,002.4	959.0
Intangible assets		492.2	494.1	462.1
Current income tax assets		59.0	0.6	258.6
Deferred tax assets		838.9	1,096.8	1,457.5
Other assets		210.9	144.2	193.4
Total assets		252,720.7	245,361.4	227,656.6

as at	Note	31 Mar 2024	31 Dec 2023	31 Mar 2023
Liabilities				
Liabilities to other banks	8.13	13,590.5	13,654.8	7,144.8
Financial liabilities measured at fair value through profit or loss	8.14	1,314.4	1,821.6	1,702.3
Derivative hedge instruments		411.1	280.3	418.7
Liabilities to customers	8.15	214,125.8	205,289.9	201,651.9
Liabilities from debt securities issued		410.9	404.4	413.0
Subordinated liabilities		1,509.7	1,526.2	1,639.6
Provisions	8.16	522.5	541.8	347.2
Current income tax liabilities		17.1	114.8	16.8
Deferred tax loss		0.0	0.0	0.3
Other liabilities	8.17	3,379.0	4,991.6	3,082.8
Total liabilities		235,281.0	228,625.4	216,417.4
Equity				
Share capital	1.4	130.1	130.1	130.1
Share premium		956.3	956.3	956.3
Accumulated other comprehensive income		-5,379.3	-5,094.7	-7,055.1
Retained earnings		21,743.9	20,749.6	17,207.9
Own shares for the purposes of the incentive program		-11.3	-5.3	0.0
Total equity		17,439.7	16,736.0	11,239.2
including attributable to shareholders of ING Bank Śląski S.A.		17,439.7	16,736.0	11,239.2
Total liabilities and equity		252,720.7	245,361.4	227,656.6

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

1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Own shares for the purposes of the incentive program	Total equity
Opening balance of equity	130.1	956.3	-5,094.7	20,749.6	-5.3	16,736.0
Net profit for the current period	-	-	-	993.3	-	993.3
Other net comprehensive income, including:	0.0	0.0	-284.6	0.0	0.0	-284.6
financial assets measured at fair value through other comprehensive income - revaluation gains / losses recognized in equity	-	-	149.4	-	-	149.4
debt securities measured at fair value through other comprehensive income - reclassification to profit or loss due to sale	-	-	-1.8	-	-	-1.8
cash flow hedge - revaluation gains / losses recognized in equity	-	-	-831.3	-	-	-831.3
cash flow hedge - reclassification to profit or loss	-	-	399.0	-	-	399.0
fixed assets revaluation	-	-	0.1	-	-	0.1
Other changes in equity, including:	0.0	0.0	0.0	1.0	-6.0	-5.0
valuation of employee incentive programs	-	-	-	1.0	-	1.0
purchase of own shares for the purposes of the employee incentive program	-	-	-	-	-6.0	-6.0
Closing balance of equity	130.1	956.3	-5,379.3	21,743.9	-11.3	17,439.7

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.



2023 the period from 01 Jan 2023 to 31 Dec 2023

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Own shares for the purposes of the incentive program	Total equity
Opening balance of equity	130.1	956.3	-8,039.3	16,297.2	0.0	9,344.3
Net profit for the current period	-	-	-	4,440.9	-	4,440.9
Other net comprehensive income, including:	0.0	0.0	2,944.6	0.0	0.0	2,944.6
financial assets measured at fair value through other comprehensive income - revaluation gains / losses recognized in equity	-	-	366.2	-	-	366.2
debt securities measured at fair value through other comprehensive income - reclassification to profit or loss due to sale	-	-	5.1	-	-	5.1
cash flow hedge - revaluation gains / losses recognized in equity	-	-	425.0	-	-	425.0
cash flow hedge - reclassification to profit or loss	-	-	2,158.1	-	-	2,158.1
fixed assets revaluation	-	-	0.1	-	-	0.1
actuarial gains/losses	-	-	-9.9	-	-	-9.9
Other changes in equity, including:	0.0	0.0	0.0	11.5	-5.3	6.2
valuation of employee incentive programs	-	-	-	16.5	-	16.5
purchase of own shares for the purposes of the employee incentive program	-	-	-	-	-9.5	-9.5
settlement of the acquisition of own shares and their transfer to employees	-	-	-	-4.1	4.2	0.1
settlement of the acquisition of an organized part of the enterprise	-	-	-	-0.9	-	-0.9
Closing balance of equity	130.1	956.3	-5,094.7	20,749.6	-5.3	16,736.0

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.



1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Total equity
Opening balance of equity	130.1	956.3	-8,039.3	16,297.2	9,344.3
Profit for the current period	-	-	-	908.7	908.7
Other net comprehensive income, including:	0.0	0.0	984.2	0.0	984.2
financial assets measured at fair value through other comprehensive income – gains/losses on revaluation carried through equity	-	-	144.8	-	144.8
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-1.0	-	-1.0
cash flow hedging – gains/losses on revaluation carried through equity	-	-	244.5	-	244.5
cash flow hedging – reclassification to profit or loss	-	-	595.9	-	595.9
Other changes in equity, including:	0.0	0.0	0.0	2.0	2.0
valuation of employee incentive programs	-	-	-	2.0	2.0
Closing balance of equity	130.1	956.3	-7,055.1	17,207.9	11,239.2

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

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024	1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023
Net profit	993.3	908.7
Adjustments, including:	-471.9	-1,065.1
Share of net profit (loss) of associates accounted for using the equity method	-7.2	-5.6
Depreciation and amortisation	80.5	73.1
Interest accrued (from the income statement)	-2,162.6	-1,860.4
Interest paid	-893.6	-1,028.7
Interest received	2,691.7	2,478.1
Gains (losses) on investing activities	0.3	0.0
Income tax (from the income statement)	294.3	300.1
Income tax paid	-125.9	-31.9
Change in provisions	-19.3	-11.8
Change in loans and other receivables to other banks	-579.8	-4,107.7
Change in financial assets measured at fair value through profit or loss	270.0	370.7
Change in hedge derivatives	-521.5	982.8
Change in investment securities	-4,419.6	4,516.6
Change in transferred assets	164.6	-9,021.5
Change in loans and other receivables to customers measured at amortised cost	-1,858.5	-981.4
Change in other assets	-105.7	96.8
Change in liabilities to other banks	29.6	243.4
Change in liabilities measured at fair value through profit or loss	-507.1	-501.4
Change in liabilities to customers	8,794.5	8,857.3
Change in liabilities from debt securities issued	6.5	8.2
Change in subordinated liabilities	-16.5	-4.3
Change in other liabilities	-1,586.6	-1,437.5
Net cash flows from operating activities	521.4	-156.4

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024	1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023
Purchase of property, plant and equipment	-5.1	-12.2
Purchase of intangible assets	-22.4	-64.9
Purchase of debt securities measured at amortised cost	-8,737.7	-309.6
Disposal of debt securities measured at amortised cost	5,970.8	3,599.3
Net cash flows from investing activities	-2,794.4	3,212.6
Long-term loans received	401.6	1,727.3
Long-term loans repaid	-449.7	-453.9
Interest on long-term loans repaid	-180.5	-41.4
Repayment of lease liabilities	-24.8	-26.8
Purchase of own shares for the purposes of the employee incentive program	-6.0	0.0
Net cash flows from financing activities	-259.4	1,205.2
Net increase/(decrease) in cash and cash equivalents	-2,532.4	4,261.4
of which effect of exchange rate changes on cash and cash equivalents	227.4	887.5
Opening balance of cash and cash equivalents	7,040.0	3,049.7
Closing balance of cash and cash equivalents	4,507.6	7,311.1

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



Selected
financial data

Interim condensed
consolidated
income statement

Interim condensed
consolidated statement
of comprehensive income

Interim condensed
consolidated statement
of financial position

Interim condensed
consolidated statement
of changes in equity

Interim condensed
consolidated
cash flow statement

**Additional information
to the interim condensed
consolidated financial statements**

Interim condensed standalone
financial statements
of ING Bank Śląski S.A.

Additional information

to interim condensed consolidated financial statements

1. Bank and the Group details
2. Significant events in the 1st quarter of 2024
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Additional information to the interim condensed consolidated financial statements

1. Bank and the Group details

1.1. Key Bank data

ING Bank Śląski S.A. ("Parent company", "Parent entity", "Bank") with the registered office in Poland, Katowice, ulica Sokolska 34, zip code 40-086, was entered into the Entrepreneurs Register with the National Court Register maintained by the Commercial Division of the District Court in Katowice under the number KRS 5459. The Parent company statistical number is REGON 271514909, and the tax identification number is NIP 634-013-54-75.

1.2. Scope and duration of operations

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

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

ING Bank Śląski S.A. is a subsidiary of ING Bank NV, which as at 31 March 2024 held 75% shares in the share capital of ING Bank Śląski S.A. and 75% shares in the total number of votes at the General Meeting of ING Bank Śląski S.A. ING Bank NV belongs to the Group, herein referred to as ING Group.

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

As at 31 March 2024, shareholders holding 5 or more percent of the votes at the General Meeting of ING Bank Śląski S.A. were the following entities:

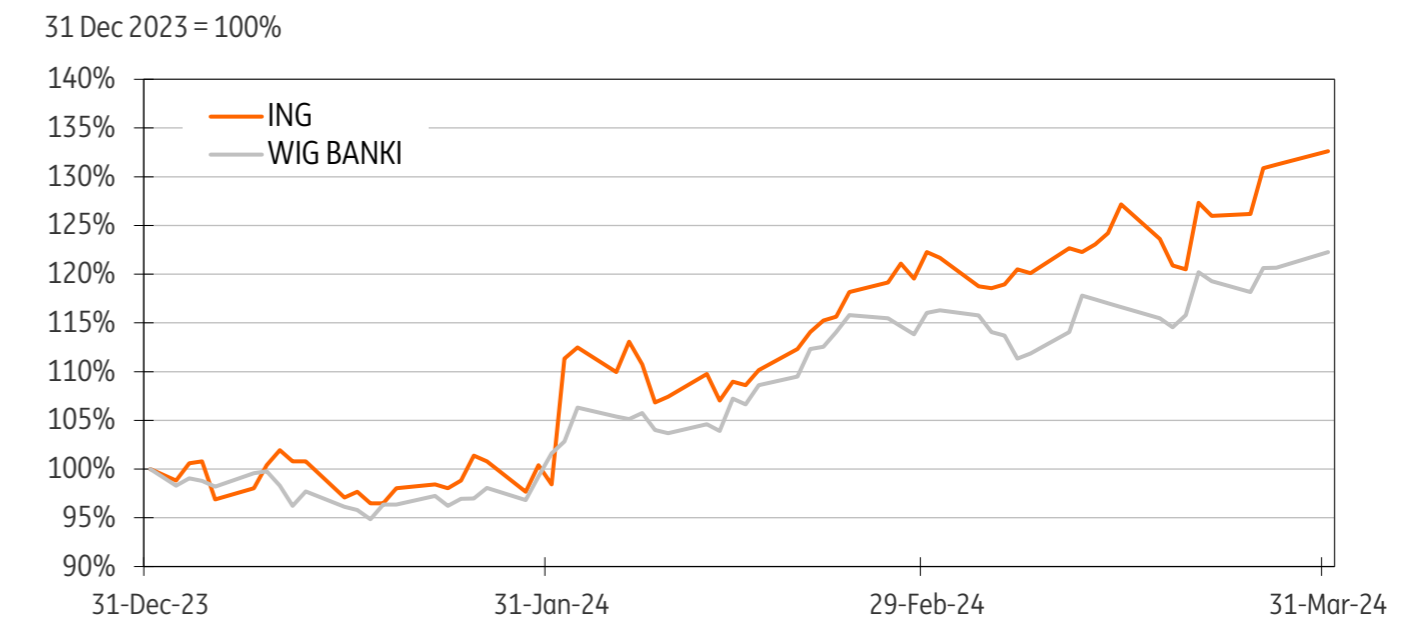
No.	Entity	Number of shares and votes	% of total number of shares and votes at General Meeting
1.	ING Bank N.V.	97,575,000	75.00
2.	Allianz Polska Otwarty Fundusz Emerytalny*	12,102,036	9.30

*As per annually reported assets structure of Allianz Polska Otwarty Fundusz Emerytalny as at 29 December 2023.

1.4. Share capital

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

On 31 March 2024, the share price of ING Bank Śląski S.A. was PLN 339.5, compared to PLN 256.0 and PLN 164.0, respectively, as at 31 December 2023 and 31 March 2023. In the 1st quarter of 2024, the price of ING Bank Śląski S.A. shares was as follows:





1.5. ING Bank Śląski S.A. Group

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

As at 31 March 2024 the composition of the ING Bank Śląski Group was as follows:

name	type of activity	headquarters	% of the Group's share in the share capital and votes on the General Meeting		nature of the capital relationship	recognition in the Group financial statements
			as at	as at		
			31 Mar 2024	31 Dec 2023		
ING Investment Holding (Polska) S.A., which holds shares in the following subsidiaries and associates:	financial holding	Katowice	100	100	subsidiary	full consolidation
ING Commercial Finance S.A.	factoring services	Warszawa	100	100	subsidiary	full consolidation
ING Lease (Polska) Sp. z o.o.*	leasing services	Warszawa	100	100	subsidiary	full consolidation
SAIO Spółka Akcyjna	software sales, robotization of processes	Katowice	100	100	subsidiary	full consolidation
Paymento Financial S.A.	financial services and IT solutions for the financial sector	Tychy	100	100	subsidiary	full consolidation
Goldman Sachs TFI S.A.	investment funds	Warszawa	45	45	associate	consolidation with the equity method
ING Bank Hipoteczny S.A.	banking services	Katowice	100	100	subsidiary	full consolidation
ING Usługi dla Biznesu S.A.	accounting, HR and payroll services	Katowice	100	100	subsidiary	full consolidation
Nowe Usługi S.A.	education and promotion for the financial market and TURBO Certificates	Katowice	100	100	subsidiary	full consolidation
Dom Data IDS Sp. z o.o.**	IT services	Poznań	40	n/a	associate	consolidation with the equity method

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

***) as at 31 March 2024, the company's name was Dom Data Services Sp. z o.o. In April 2024, the company's name was changed to Dom Data IDS Sp. z o.o.

Changes in the composition of the Capital Group - acquisition of the associate Dom Data IDS Sp. z o.o.

On 19 January 2024, ING Bank Śląski S.A. obtained the consent of the President of the Office of Competition and Consumer Protection (UOKiK) for the concentration related to the acquisition of 40% of shares in Dom Data Services Sp. z o.o. in the 4th quarter of 2023. (the approval of the UOKiK's president was a condition for the finalisation of the acquisition). In April 2024, the company's name was changed to Dom Data IDS Sp. z o.o.

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

As part of the Incentive Programme addressed to persons having a significant impact on the Bank's risk profile, the Bank grants free-of-charge own shares as a component of variable remuneration. As at 31 March 2024, Members of the Bank's Management Board held a total of 18,435 shares, which consisted of non-deferred own shares for the period from 1 July to 31 December 2022 (7,772 shares), the first part of deferred shares for the period from 1 July to 31 December 2022 (1,079 shares) and non-deferred shares for the period from 1 January to 31 December 2023 (9,584 shares).

As at 31 March 2023, members of the Bank's Management Board and the Supervisory Board of the Bank did not hold shares in ING Bank Śląski S.A.

1.7. Approval of the financial statements

This interim condensed consolidated financial statements were approved for publication by the Bank's Management Board on 2 May 2024.

The annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2023 to 31 December 2023 were approved by the General Meeting of ING Bank Śląski S.A. on 11 April 2024.

2. Significant events in the 1st quarter of 2024

Resignation of the Supervisory Board members

On 8 March 2024 the Bank received a letter from Mr Aleksander Galos, the Chair of the ING Bank Śląski S.A. Supervisory Board, concerning his resignation from standing for re-election to the Supervisory Board for the next term of office. The decision on the resignation from standing for re-election for the next term of office is dictated by the fact that the above Member of the Supervisory Board would be unable to fulfil the independence criteria throughout the entire next term of office due to his long-term membership on the Bank Supervisory Board.

On 12 February 2024 the Bank has received from Ms Katarzyna Zajdel-Kurowska a letter of resignation from the capacity as Member of the Bank Supervisory Board, effective as at 29 February 2024. The reason for resignation is the appointment to a position with the international financial institution.



Individual recommendation from the Polish Financial Supervision Authority regarding satisfaction of criteria for dividend payout from the 2023 net profit

On 21 February 2024 the Bank received a letter from the Polish Financial Supervision Authority (“PFSA”) wherein the PFSA stated that the Bank satisfied the criteria for dividend payout of up to 75% of the 2023 net profit, while the maximum dividend amount should not exceed the amount of the annual profit less profit earned in 2023 and recognised under own funds. Bank did not recognise interim profit during 2023 under own funds, therefore, the maximum dividend from the 2023 profit for the Bank equals 75%. At the same time, the PFSA recommended that the Bank mitigate the inherent risk of operations by refraining from taking any other actions without prior consultation with the supervision authority, in particular being beyond the ordinary business and operational activity which may result in a reduction in own funds, including possible dividend payments from undivided profit from previous years and own shares buy-backs.

3. Significant events after balance sheet date

Extension of credit holidays in 2024

In April 2024, the Sejm passed a law on extending credit holidays in 2024. The Senate passed the bill without amendments, and now the bill awaits the decision of the President. Credit holidays in 2024 are to allow mortgage instalments drawn in Polish currency to be suspended. This form of support will be available to borrowers who:

- they took out a mortgage loan in zlotys to meet their own housing needs, and its value does not exceed PLN 1.2 million,
- incur expenses related to servicing the monthly principal and interest instalment of the loan (RdD, Instalment to Income) in the amount exceeding 30% of income calculated for the period of the last 3 months before submitting the application or maintain at least three children (up to the age of 18 or up to the age of 25 when they are continuing education or disabled children, regardless of age) - then the RdD criterion does not apply,
- concluded a mortgage loan agreement before 1 July 2022

According to the assumptions, borrowers will be able to take advantage of the mortgage loan instalment deferral as part of the credit holidays for two months from 1 June to 31 August and twice between 1 September and 31 December.

The amount of the annual contribution to the BFG resolution fund in 2024

18 April 2024 from the Bank Guarantee Fund the information about the amount of annual contribution for the banks' compulsory resolution fund for 2024. The total cost for the Bank Group is PLN 150.9 million, including the past-year adjusted contributions. The entire contribution amount was recognised in costs for the 1st quarter of 2024. The amount attributable to the Bank is PLN 149.5 million and to ING Bank Hipoteczny S.A. PLN 1.4 million.

Supervisory Board's decision to commence the recruitment process for the position of the President of the Bank Management Board

At its meeting on 11 April 2024, the Bank's Supervisory Board decided to start the recruitment process for the position of the President of the Bank's Management Board. The above decision has been taken due to the upcoming expiry in 2025 of the mandate of Mr Brunon Bartkiewicz in the position of the President of the Bank Management Board after the end of the current term of office; i.e. as of the date of the General Meeting approving the 2024 financial statements. Mr Brunon Bartkiewicz has been President of the Bank Management since 2016.

The recruitment process will be conducted, considering the succession plan for the position of the President of the Management Board, on the terms and conditions set out in the Policy of appointing, onboarding and recalling Members of the Management Board of ING Bank Śląski S.A.

Changes to the Composition of the Supervisory Board

In connection with the expiry of the term of office of the Supervisory Board, on 11 April 2024, the General Meeting of ING Bank Śląski S.A. appointed a new Supervisory Board of the Bank composed of:

- Monika Marcinkowska – Chairwoman of the Supervisory Board,
- Małgorzata Kołakowska – I Vice-Chairman of the Supervisory Board,
- Michał Szczurek – Vice-Chairman of the Supervisory Board,
- Stephen Creese,
- Dorota Dobija,
- Aneta Hryckiewicz-Gontarczyk,
- Arkadiusz Krasowski,
- Hans De Munck,
- Serge Offers.

Mr Stephen Creese, Ms Dorota Dobija, Ms Małgorzata Kołakowska, Ms Monika Marcinkowska, Mr Hans De Munck and Mr Michał Szczurek held functions on the Supervisory Board during the previous term of office.

The appointed Supervisory Board Members satisfy the requirements laid down in Article 22aa of the Banking Law Act of 29 August 1997. They neither pursue competitive activity towards ING Bank Śląski S.A. nor participate in competitive companies/partnerships as partners to civil law partnerships, partnerships, companies or any competitive legal entity as members of their bodies. They are not listed in the Register of Insolvent Debtors maintained pursuant to the National Court Register Act of 20 August 1997.



General Meeting of ING Bank Śląski S.A.

On 11 April 2024, the Bank's General Meeting was held, at which resolutions were adopted on the following issues:

- on reviewing and approving the annual financial statements for 2023 (standalone statement of ING Bank Śląski S.A. and consolidated statement of ING Bank Śląski S.A. Capital Group),
- on reviewing and approving the Management Board Report on Operations of ING Bank Śląski S.A. Group in 2023 covering the Report on Operations of ING Bank Śląski S.A., including the Statement on the application of corporate governance rules, as well as reviewing and approving the Report on non-financial information of ING Bank Śląski S.A. Group for 2023, including non-financial information of ING Bank Śląski S.A.,
- on acknowledging the 2023 report of the ING Bank Śląski S.A. Supervisory Board and assessment of the adequacy of internal regulations concerning the functioning of the Supervisory Board and the effectiveness of the Supervisory Board operations,
- on the opinion to the Supervisory Board's report on the ING Bank Śląski S.A. Supervisory Board and Management Board Members remuneration in 2023 and to the evaluation of the Bank's remuneration policy,
- on acknowledging fulfilment of duties in 2023 by Members of the Bank's Management Board and Members of the Bank's Supervisory Board,
- on distribution of the 2023 profit and the undistributed profit from previous years,
- on 2023 dividend payout and payout from the reserve capital earmarked for the dividend payout,
- on amending the *Charter of ING Bank Śląski Spółka Akcyjna*,
- on assessing satisfaction by the existing members of the Supervisory Board of the requirements referred to in Article 22aa of the Banking Law Act (suitability assessment),
- on determining the number of Supervisory Board Members,
- on the appointment of Supervisory Board Members for a new term of office,
- on the collective suitability assessment of the Supervisory Board,
- on amending the *ING Bank Śląski S.A. Supervisory Board and Management Board Members Remuneration Policy* and amending the *Policy of appointing, onboarding and recalling Members of the Supervisory Board of ING Bank Śląski S.A.*

4. Compliance with International Financial Reporting Standards

These interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for the 1st quarter 2024 were prepared under the International Accounting Standards (IAS) 34 Interim Financial Reporting as endorsed by the European Commission and effective as at the reporting date, that is 31 March 2024 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 2023 to 31 December 2023, which was approved on 11 April 2024 by the Bank's General Meeting and is available on the website of ING Bank Śląski S.A. (www.ing.pl).

Interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated cash flow statement for the period from 1 January 2024 to 31 March 2024 and interim condensed consolidated statement of financial position as at 31 March 2024, together with comparable data were prepared according to the same principles of accounting for each period.



4.1. Changes in accounting standards

In these interim condensed consolidated financial statements, the Group included the following amendments to standards and interpretations that were approved by the European Union with the effective date for annual periods beginning on or after 1 January 2024:

Amendments to	Impact on the Group financial statements
IAS 1 Presentation of Financial Statements: • Classification of Liabilities as Current or Non-current, • Classification of Liabilities as Current or Non-current - Deferral of Effective Date and • Non-current Liabilities with Covenants	The classification of financial liabilities as non-current is depend on the existence of rights to extend the liability for a period longer than 12 months and on the fulfilment of the conditions (covenants) for the implementation of such a deferral at the balance sheet date. Disclosure of these covenants in notes to the financial statements is also required. The implementation of the changes did not have an impact on the Group's financial statements.
IFRS 16 Leases: Lease Liability in a Sale and Leaseback	The implementation of the changes did not have an impact on the Group's financial statements.

The standards and interpretations which were already issued but are still ineffective because they are not endorsed by the European Union or endorsed by the European Union but not yet applied by the Group were presented in the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2023 to 31 December 2023.

In the 1st quarter of 2024 has not been published any new amendments to the standards and interpretations. European Union does not endorse any new amendments to the standards also.

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

4.2. The impact of the benchmark rate reform

In its annual consolidated financial statements for the period from 1 January 2023 to 31 December 2023, the Group presented a disclosure on the impact of the benchmark reform. Currently, the reform of only one reference rate is continuing (i.e. WIBOR), to which the Group has significant exposures as at 31 March 2024. The WIBOR rate is expected to be closed and replaced by a Risk-Free-Rate (RFR) after 31 December 2027.

At the request of the Ministry of Finance, on 29 March 2024, the Steering Committee of the National Working Group (NGR) decided to start a review and analysis of alternative RFR rates that could potentially replace WIBOR. These actions are aimed at reviewing the NGR's decision taken in September 2022 to replace WIBOR with WIRON. The

analyses are to be carried out on the basis of a wider range of market information, in the light of the needs of all parties to contracts, in particular consumers, as well as ensuring the stability of the financial system, safety of trading and continuity of contracts.

Structure of financial assets and liabilities according to reference rates

As at 31 March 2024, the following financial instruments refer to the WIBOR reference rate, which is expected to be discontinued and is material for the Group. Non-derivative financial assets and liabilities are presented at gross carrying amount, off-balance sheet items are presented at liability amount and derivatives are presented at nominal value.

Financial instruments referencing WIBOR

	31 Mar 2024		31 Dec 2023	
	with maturity date after 31 Mar 2024	with maturity date after 31 Dec 2027	with maturity date after 31 Dec 2023	with maturity date after 31 Dec 2027
Non-derivative financial assets	131,765.6	78,933.6	131,114.8	79,439.9
Non-derivative financial liabilities	467.2	0.1	583.7	0.0
Derivatives	1,290,843.2	289,037.4	1,228,231.9	260,349.4
Off-balance sheet items	12,708.0	1,921.7	13,720.2	1,596.1

Impact of the benchmark rate reform on hedge accounting

The Group applied the amendment to IAS 39 Phase 1 and thus assumes that the reference rate, on the basis of which the cash flows resulting from WIBOR are calculated in terms of the hedging instrument and the hedged item, remain unchanged as a result of the reform. The following table presents the nominal values of hedging instruments referencing WIBOR.

	net nominal value of the position on the hedging instrument			
	31 Mar 2024		31 Dec 2023	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedging instruments	96,935.6	13,315.8	88,496.1	13,345.3
Instruments hedging the fair value of securities	14,512.0	-	11,862.0	-



4.3. Going-concern

These interim condensed consolidated financial statements of the ING Bank Śląski S.A. Capital Group have been prepared on a going-concern basis as regards the foreseeable future, namely as regards the period of minimum 12 months from the date of publication, i.e. from 6 May 2024. As at the date of adoption of these consolidated financial statements for publication, the Management Board of the Bank does not state any facts or circumstances that would indicate a threat to the Group's ability to continue as a going concern within 12 months from the date of publication as a result of the Group's intentional or forced discontinuation or significant limitation of its current operations.

4.4. Financial statements scope and currency

These interim condensed consolidated financial statements of the Group for the 1st quarter of 2024 contain data of the Bank and its subsidiaries and associates (collectively referred to as the "Group"). It has been drawn up in Polish zlotys ("PLN"). All values, unless indicated otherwise, are rounded up to million zlotys with one decimal place. As a result, there may be instances of mathematical inconsistency in the totals or between individual notes.

4.5. Reporting period and comparable data

Interim condensed consolidated financial statements of ING Bank Śląski S.A. Group covers the period from 1 January 2024 to 31 March 2024 and includes comparative data:

- as at 31 December 2023 and 31 March 2023 - for the interim condensed consolidated statement of financial position,
- for the period from 1 January 2023 to 31 March 2023 - for the interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income and interim condensed consolidated statement of cash flows,
- for the period from 1 January 2023 to 31 December 2023 and from 1 January 2023 to 31 March 2023 - for the interim condensed statement of changes in consolidated equity.

5. Significant accounting principles and key estimates

Detailed accounting principles and key estimates are presented in the annual consolidated financial statements of the of ING Bank Śląski S.A. Group for the period from 1 January 2023 to 31 December 2023, 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 1st quarter of 2024, no significant changes were made to the accounting principles applied by the Group.

5.1. Key estimates

Below are the most important estimates that changed in the 1st quarter of 2024 in relation to those presented in the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2023 to 31 December 2023.

5.1.1. Impairment for expected credit losses

The methodology for calculating expected credit losses was presented in the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2023 to 31 December 2023.

Macroeconomic factors

Credit risk models for the purposes of IFRS 9 were built on the basis of historical relations between changes in economic parameters (i.e. GDP or interest rates) and their subsequent effect on changes in the level of credit risk (PD/LGD). By the end of 2019, changes in macroeconomic forecasts were relatively slow, moving smoothly from one phase of the cycle to another, without drastic and shocking events changing the macroeconomic situation. After sharp increases in interest rates and inflation, caused, among others, by the war in Ukraine, the situation is now beginning to stabilise. However, the introduced additional support programmes for mortgage loans mitigate the effects of changing macroeconomic forecasts in relation to what macroeconomic indicators alone would show.

As at 31 March 2024, the Group revised its macroeconomic indicators forecasts. The macroeconomic assumptions used to determine the expected credit losses are based on forecasts prepared by the Bank's Macroeconomic Analysis Office, supplemented by management adjustments where, in the opinion of the management, recent economic events have not been fully captured. The effect of changes in macroeconomic assumptions reduced the level of provisions for expected credit losses at the end of 1st quarter 2024 by PLN 60.9 million (compared to the end of 2023).



Management adjustments

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

The current high levels of inflation and interest rates have not materialised in the last few years. The historical correlation of risk parameters (PD in IFRS models) with macroeconomic parameters does not fully reflect the current credit risk of portfolios, therefore the Bank applied a management adjustment increasing the value of write-offs in Stages 1 and 2.

The introduction of management adjustments addressing the above-mentioned issue at the end of 1st quarter 2024 resulted in an increase of the allowance for expected credit losses by PLN 64.4 million for the retail client portfolio and by PLN 88.0 million for the corporate client portfolio (at the end of 2023 an increase by PLN 52.1 million and PLN 82.5 million, respectively).

In the case of strategic customers, the main macroeconomic factor affecting the portfolio risk parameters is the change in GDP, however, the current high interest rates and inflation have a point effect on the increase in risk in individual industries particularly exposed to these macroeconomic factors. In the Group's opinion, current IFRS models for corporate clients do not fully cover the risk of exposure to inflation and the interest rate of individual sectors. As a result, the Group analysed the sectors in which strategic clients operate (within the corporate client portfolio) in terms of the risk of future problems related to a significant increase in operating costs and debt service and decided to increase, at the end of 1st quarter 2024, the allowance for expected credit losses for this portfolio by PLN 42.9 million (increase by PLN 43.4 million at the end of 2023).

According to the new strategic plan of development of the uLPD IFRS9 model, all portfolios with very low default levels (i.e. ultra low default portfolios - uLDP) will be integrated into one model, while reflecting the specificity of the portfolios by using underlying models. Until the current models are integrated into one, a management adjustment will be applied to increase the value of impairment losses, which in the 1st quarter of 2024 amounted to PLN 17.2 million (compared to PLN 17.4 million at the end of 2023).

The Bank has developed a new IFRS9 model for corporate clients (SMEs). The planned implementation of the model is waiting for the implementation of the new AIRB model. The Bank estimated the impact of the use of the new reserve model on the amount of allowances. As a result, the Group introduced a management adjustment reducing the value of impairment losses, which in the 1st quarter of 2024 amounted to PLN -63.4 million (compared to PLN -87.4 million at the end of 2023).

At the end of 2023, the Group also introduced a management adjustment resulting from incomplete implementation of the in-default module for the SME portfolio in the amount of PLN 46.4 million and a management adjustment in the amount of PLN 39.6 million related to the change of the credit risk model from SME model to SBF model for exposures for which the Bank received regulatory approval to transfer them from AIRB method to standard method (SA). As at the end of the 1st quarter of 2024, the Group withdrew from these adjustments.

The above management adjustments did not affect the classification of exposures to Stages presented in these financial statements.

In 2022, a statutory assistance programme was introduced enabling customers with PLN mortgage loans to suspend 4 instalments in 2022 and 4 instalments (one per quarter) in 2023 (credit moratoria). Due to the specificity of PD models, which use information on account behaviour (in particular in terms of timeliness of repayments), model parameters may be underestimated in relation to the customer's actual situation. In connection with the above, the Group decided to introduce a management adjustment increasing the value of provisions for expected credit losses for the mortgage loan portfolio and reclassified a part of the exposure portfolio to Stage 2 (customers in arrears on other products or characterised by an uncertain economic situation, e.g. with a high DSTI ratio, meaning a high debt service cost-to-income ratio). At the end of the 1st quarter of 2024, the amount of the adjustment was PLN 18.0 million (compared to PLN 18.5 million at the end of 2023).

The division of adjustments into stages and into corporate and retail segments is presented in note [8.11. Loans and other receivables to customers measured at amortised cost](#).



5.1.2. Legal risk of mortgage loans indexed to CHF

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

Additionally, as at 31 March 2024, the Group estimated a provision for legal risk of CHF-indexed mortgage loans in the amount of PLN 133.1 million (PLN 128.4 million as at 31 December 2023), which relates to CHF-indexed mortgage loans removed from the statement of financial position and parts of loans recognised in the statement of financial position for which the estimated loss value exceeds the gross exposure. As at 31 March 2023, the provision amounted to PLN 50.2 million and related entirely to CHF-indexed mortgage loans removed from the statement of financial position. This provision is presented in liabilities under *Provisions*.

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
number of contracts (in pieces)	2,657	2,753	3,175
capital balance	529.1	583.6	672.9
the amount of the adjustment to the gross carrying amount	-456.9	-510.2	-548.1
other elements of the gross carrying amount (interest, ESP)	3.3	3.1	2.1
gross carrying amount	75.5	76.5	126.9
impairment for expected credit losses	-6.6	-7.6	-13.3
Net carrying amount of CHF-indexed mortgage loans	68.9	68.9	113.6
Provision for legal risk of CHF-indexed mortgage loans	133.1	128.4	50.2

As at 31 March 2024, there were 1,489 court cases against the Bank in connection with concluded CHF-indexed loan agreements in PLN (compared to 1,389 cases as at 31 December 2023 and 1,121 cases as at 31 March 2023). As at 31 March 2024, the outstanding principal of the mortgage loans in these proceedings amounted to PLN 286.6 million (PLN 290.6 million as at 31 December 2023 and PLN 259.0 million as at 31 March 2023).

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

The following table presents the change in the 1st quarter of 2024 and in 2023:

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

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024		2023 the period from 01 Jan 2023 to 31 Dec 2023	
	an adjustment to the gross carrying amount for loans recognized in the statement of financial position	provision for legal risk of CHF-indexed mortgage loans	an adjustment to the gross carrying amount for loans recognized in the statement of financial position	provision for legal risk of CHF-indexed mortgage loans
Balance at the beginning of the period	510.2	128.4	581.6	53.7
Changes in the period, including:	-53.3	4.7	-71.4	74.7
provisions recognised/ reversed	-	-	93.5	11.6
transfer between provisions	-7.0	7.0	-73.1	73.1
utilisation, including from settlements	-17.7	-2.3	-80.9	-10.0
FX differences	-28.6	-	-10.9	-
Balance at the end of the period	456.9	133.1	510.2	128.4

Assumptions regarding the estimation of the adjustment/provision for legal risk were presented in the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2023 to 31 December 2023. In the 1st quarter of 2024, the Group did not change its assumptions regarding the calculation of the amounts described above. As part of the quarterly review of loans subject to court proceedings, the Group verifies the amount of the adjustment/provision for legal risk and transfers to the provision for legal risk the part of the loss, previously recognised as an adjustment to the gross carrying amount of loans recognised in the statement of financial position, in relation to loans for which the estimated loss value exceeded the gross exposure.

Detailed information on the legal environment related to the legal risk of the portfolio of CHF-indexed loans is presented later in the report in Note 8.16. *Provisions*.

6. Comparability of financial data

In these interim condensed consolidated financial statements for the 1st quarter of 2024, compared to the consolidated financial statements for the 1st quarter of 2023, the Group has not introduced any changes in the method of data presentation.



7. Segment reporting

Segments of operation

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

- retail banking segment,
- corporate banking segment.

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

The Group has separated in organisational terms the operations performed by the Centre of Expertise Treasury. The Centre of Expertise Treasury manages short-term and long-term liquidity risk in line with the effective regulations and risk appetite internally set at the Group, manages interest rate risk and invests surpluses obtained from business lines while maintaining the liquidity buffer in the form of liquid assets. The Centre of Expertise Treasury's net income on operations is allocated to the business lines considering its support function for the Group's business lines.

Retail banking segment

Within the framework of retail banking, the Group provides services to private individuals - the mass client segment and wealthy clients segment. This activity is analyzed in terms of the main products, including: loan products (overdraft facilities, card-related loans, installment loans, mortgage loans), deposit products (current accounts, term deposits, savings accounts), structured, fund participation units, brokerage services and bank cards.

Corporate banking segment

Corporate banking area encompasses as follows:

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



Income statement by segment

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024			1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023		
	Retail banking segment	Corporate banking segment	Total	Retail banking segment	Corporate banking segment	Total
Income total	1,170.5	1,582.8	2,753.3	993.0	1,461.6	2,454.6
net interest income	1,011.3	1,151.3	2,162.6	847.6	1,012.8	1,860.4
net commission income, including:	160.2	415.8	576.0	132.0	391.7	523.7
commission income, including:	243.2	471.0	714.2	208.7	442.9	651.6
transaction margin on currency exchange transactions	19.8	156.2	176.0	18.0	148.8	166.8
account maintenance fees	26.7	78.7	105.4	26.1	82.7	108.8
lending commissions	5.2	132.9	138.1	6.0	121.9	127.9
payment and credit cards fees	107.2	44.8	152.0	84.4	38.1	122.5
participation units distribution fees	20.5	-	20.5	14.0	-	14.0
insurance product offering commissions	49.9	10.1	60.0	47.1	8.4	55.5
factoring and lease contracts commissions	-	13.6	13.6	-	12.2	12.2
other commissions	13.9	34.7	48.6	13.1	30.8	43.9
commission expenses	-83.0	-55.2	-138.2	-76.7	-51.2	-127.9
other income/expenses	-1.0	15.7	14.7	13.4	57.1	70.5
General and administrative expenses	-545.4	-543.9	-1,089.3	-486.5	-518.1	-1,004.6
Segment operating result	625.1	1,038.9	1,664.0	506.5	943.5	1,450.0
impairment for expected credit losses	-33.3	-162.9	-196.2	-19.6	-68.6	-88.2
cost of legal risk of FX mortgage loans	-0.8	-	-0.8	-	-	-
tax on certain financial institutions	-61.7	-124.9	-186.6	-57.2	-101.4	-158.6
share of profit/(loss) of associates accounted for using the equity method	7.2	-	7.2	5.6	-	5.6
Gross profit	536.5	751.1	1,287.6	435.3	773.5	1,208.8
Income tax	-	-	-294.3	-	-	-300.1
Net profit	-	-	993.3	-	-	908.7
of which attributable to shareholders of ING Bank Śląski S.A.	-	-	993.3	-	-	908.7



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

8.1. Net interest income

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024	1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023
Interest income, including:	3,232.2	2,982.1
interest income calculated using effective interest rate method, including:	3,026.0	2,679.7
interest on financial instruments measured at amortised cost	2,627.4	2,370.6
interest on loans and other receivables to other banks	342.1	167.9
interest on loans and other receivables to customers	2,002.5	1,941.6
interest on investment securities	282.8	261.1
interest on investment securities measured at fair value through other comprehensive income	398.6	309.1
other interest income, including:	206.2	302.4
other interest income related to the settlement of valuations of cash flow hedging derivatives	205.8	301.6
interest on loans and other receivables to customers measured at fair value through profit or loss	0.4	0.8
Interest expenses, including:	-1,069.6	-1,121.7
interest on deposits from other banks	-188.7	-92.1
interest on deposits from customers	-727.7	-848.4
interest on issue of debt securities	-6.4	-8.3
interest on subordinated liabilities	-20.9	-15.4
interest on lease liabilities	-4.6	-4.2
other interest cost related to the settlement of valuations of cash flow hedging derivatives	-121.3	-153.3
Net interest income	2,162.6	1,860.4

8.2. Net commission income

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024	1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023
Commission income, including:	714.2	651.6
transaction margin on currency exchange transactions	176.0	166.8
account maintenance fees	105.4	108.8
lending commissions	138.1	127.9
payment and credit cards fees	152.0	122.5
participation units distribution fees	20.5	14.0
insurance product offering commissions	60.0	55.5
factoring and lease contracts commissions	13.6	12.2
brokerage activity fees	12.8	13.3
fiduciary and custodian fees	7.4	5.9
foreign commercial business	11.7	10.8
other commission	16.7	13.9
Commission expenses, including:	-138.2	-127.9
payment and credit cards fees	-79.4	-74.0
Net commission income	576.0	523.7

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

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024	1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023
FX result and net income on interest rate derivatives, including	36.0	60.3
FX result	218.5	-92.5
currency derivatives	-182.5	152.8
Net income on interest rate derivatives	-28.1	3.4
Net income on debt instruments held for trading	8.5	6.5
Net income on repo transactions	2.5	3.4
Total	18.9	73.6

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

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024	1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023
Net income on the sale of securities measured at amortised cost	-6.3	0.0
Net income on sale of securities measured at fair value through other comprehensive income and dividend income, including:	2.2	1.2
sale of debt securities	2.2	1.2
Total	-4.1	1.2

8.5. Net (loss)/income on hedge accounting

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024	1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023
Net income on hedge accounting	-2.9	-7.8
valuation of the hedged transaction	-227.3	35.1
valuation of the hedging transaction	224.4	-42.9
Cash flow hedge accounting	0.0	3.1
ineffectiveness under cash flow hedges	0.0	3.1
Total	-2.9	-4.7

8.6. General and administrative expenses

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024	1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023
Personnel expenses	-469.4	-423.0
Other general and administrative expenses, including:	-619.9	-581.6
cost of marketing and promotion	-40.8	-33.4
depreciation and amortisation	-80.5	-73.1
obligatory Bank Guarantee Fund payments, of which:	-150.9	-153.6
resolution fund	-150.9	-153.6
fees to the Polish Financial Supervisory Commission	-27.9	-24.5
IT costs	-111.1	-119.1
maintenance costs of buildings and real estate valuation to fair value	-44.6	-35.2
other	-164.1	-142.7
Total	-1,089.3	-1,004.6



8.6.1. Number of employees

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

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
FTEs	8,260.3	8,332.9	8,406.6
Individuals	8,305	8,379	8,447

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

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
FTEs	7,808.2	7,874.2	7,975.9
Individuals	7,840	7,906	8,005

8.7. Impairment for expected credit losses

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024	1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023
Corporate banking segment	-162.9	-68.6
Retail banking segment	-33.3	-19.6
Total	-196.2	-88.2

8.8. Loans and other receivables to other banks

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
Current accounts	264.9	146.6	181.7
Interbank deposits:	37.0	137.8	193.4
including O/N deposits	-	72.9	150.3
Loans and advances	757.3	555.3	305.5
Reverse repo transactions	19,437.2	19,000.3	8,210.3
Placed call deposits	25.3	69.1	272.6
Total (gross)	20,521.7	19,909.1	9,163.5
Impairment for expected credit losses	-0.1	0.0	-0.1
Total (net)	20,521.6	19,909.1	9,163.4



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

as at

	31 Mar 2024			31 Dec 2023			31 Mar 2023		
	transferred debt securities*	other financial assets measured at fair value through profit or loss	Total	transferred debt securities*	other financial assets measured at fair value through profit or loss	Total	transferred debt securities*	other financial assets measured at fair value through profit or loss	Total
Financial assets held for trading, including:	0.0	1,983.2	1,983.2	165.2	2,234.9	2,400.1	0.0	1,534.1	1,534.1
valuation of derivatives	-	1,091.2	1,091.2	-	899.8	899.8	-	1,136.5	1,136.5
other financial assets held for trading, including:	-	892.0	892.0	165.2	1,335.1	1,500.3	-	397.6	397.6
debt securities:	-	753.8	753.8	165.2	719.3	884.5	-	329.5	329.5
Treasury bonds in PLN	-	598.3	598.3	133.1	599.7	732.8	-	225.5	225.5
Czech Treasury bonds	-	155.5	155.5	32.1	119.1	151.2	-	103.5	103.5
European Investment Bank bonds	-	-	-	-	0.5	0.5	-	0.5	0.5
repo transactions	-	138.2	138.2	-	615.8	615.8	-	68.1	68.1
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	-	27.5	27.5	-	39.0	39.0	-	50.3	50.3
loans obligatorily measured at fair value through profit or loss	-	27.1	27.1	-	38.6	38.6	-	50.2	50.2
equity instruments	-	0.4	0.4	-	0.4	0.4	-	0.1	0.1
Total	0.0	2,010.7	2,010.7	165.2	2,273.9	2,439.1	0.0	1,584.4	1,584.4

*) Securities that can be pledged or sold by the collateral recipient are presented as *transferred debt securities*. These assets, as required by IFRS 9, are presented separately by the Group in the consolidated statement of financial position under *Transferred assets*. As at 31 March 2024 and 31 March 2023 the Group did not have such securities in the portfolio of financial assets measured at fair value through profit or loss.



8.10. Investment securities

as at

	31 Mar 2024			31 Dec 2023			31 Mar 2023		
	transferred debt securities*	other investment securities	Total	transferred debt securities*	other investment securities	Total	transferred debt securities*	other investment securities	Total
Measured at fair value through other comprehensive income, including:	0.0	28,922.9	28,922.9	0.0	23,916.2	23,916.2	5,784.4	15,193.4	20,977.8
debt securities, including:	-	28,687.0	28,687.0	-	23,680.3	23,680.3	5,784.4	15,072.5	20,856.9
Treasury bonds in PLN	-	25,470.3	25,470.3	-	21,345.4	21,345.4	5,784.4	11,570.7	17,355.1
Treasury bonds in EUR	-	-	-	-	546.1	546.1	-	1,717.0	1,717.0
European Investment Bank bonds	-	2,813.0	2,813.0	-	1,377.7	1,377.7	-	1,355.7	1,355.7
Austrian government bonds	-	403.7	403.7	-	411.1	411.1	-	429.1	429.1
equity instruments	-	235.9	235.9	-	235.9	235.9	-	120.9	120.9
Measured at amortised cost, including:	-	35,516.4	35,516.4	-	32,697.5	32,697.5	3,632.2	25,783.3	29,415.5
debt securities, including:	-	35,516.4	35,516.4	-	32,697.5	32,697.5	3,632.2	25,783.3	29,415.5
Treasury bonds in PLN	-	13,070.2	13,070.2	-	13,095.0	13,095.0	3,632.2	9,824.2	13,456.4
Treasury bonds in EUR	-	2,896.4	2,896.4	-	2,940.4	2,940.4	-	3,169.5	3,169.5
European Investment Bank bonds	-	6,682.0	6,682.0	-	6,700.4	6,700.4	-	6,800.8	6,800.8
Bonds of the Polish Development Fund (PFR)	-	3,868.8	3,868.8	-	3,859.7	3,859.7	-	3,867.5	3,867.5
Bank Gospodarstwa Krajowego bonds	-	1,813.6	1,813.6	-	1,804.8	1,804.8	-	1,811.6	1,811.6
NBP money market bills	-	7,185.4	7,185.4	-	4,297.2	4,297.2	-	309.7	309.7
Total, of which;	0.0	64,439.3	64,439.3	0.0	56,613.7	56,613.7	9,416.6	40,976.7	50,393.3
total debt securities	-	64,203.4	64,203.4	-	56,377.8	56,377.8	9,416.6	40,855.8	50,272.4
total equity instruments	-	235.9	235.9	-	235.9	235.9	-	120.9	120.9

*) Securities that can be pledged or sold by the collateral recipient are presented as *transferred debt securities*. These assets, as required by IFRS 9, are presented separately by the Group in the consolidated statement of financial position under *Transferred assets*. As at 31 March 2024 and 31 December 2023 the Group did not have such securities in the portfolio of investment securities.



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

as at

	31 Mar 2024			31 Dec 2023			31 Mar 2023		
	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net
Loan portfolio, of which:	160,251.1	-3,733.5	156,517.6	158,255.8	-3,508.1	154,747.7	157,978.6	-3,367.7	154,610.9
Corporate banking	94,177.7	-2,717.7	91,460.0	93,364.1	-2,525.1	90,839.0	94,617.0	-2,271.9	92,345.1
loans in the current account	14,799.2	-208.3	14,590.9	13,739.3	-140.1	13,599.2	15,937.1	-535.5	15,401.6
term loans and advances	55,110.5	-2,316.9	52,793.6	55,373.1	-2,201.0	53,172.1	53,994.5	-1,544.6	52,449.9
lease receivables	13,281.9	-89.5	13,192.4	13,208.5	-78.1	13,130.4	12,641.9	-116.5	12,525.4
factoring receivables	6,774.4	-102.1	6,672.3	6,851.5	-104.2	6,747.3	7,753.5	-73.7	7,679.8
debt securities (corporate and municipal)	4,211.7	-0.9	4,210.8	4,191.7	-1.7	4,190.0	4,290.0	-1.6	4,288.4
Retail banking	66,073.4	-1,015.8	65,057.6	64,891.7	-983.0	63,908.7	63,361.6	-1,095.8	62,265.8
mortgages	56,715.1	-220.7	56,494.4	55,718.5	-226.3	55,492.2	54,698.2	-292.0	54,406.2
loans in the current account	678.9	-64.3	614.6	706.4	-62.7	643.7	680.6	-63.0	617.6
other loans and advances	8,679.4	-730.8	7,948.6	8,466.8	-694.0	7,772.8	7,982.8	-740.8	7,242.0
Other receivables, of which:	1,907.9	0.0	1,907.9	1,773.0	0.0	1,773.0	1,440.0	0.0	1,440.0
call deposits placed	814.5	0.0	814.5	606.9	0.0	606.9	550.8	0.0	550.8
other	1,093.4	0.0	1,093.4	1,166.1	0.0	1,166.1	889.2	0.0	889.2
Total	162,159.0	-3,733.5	158,425.5	160,028.8	-3,508.1	156,520.7	159,418.6	-3,367.7	156,050.9



Quality of loan portfolio

as at	31 Mar 2024			31 Dec 2023			31 Mar 2023		
	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net
Corporate banking	94,177.7	-2,717.7	91,460.0	93,364.1	-2,525.1	90,839.0	94,617.0	-2,271.9	92,345.1
assets in Stage 1	77,207.9	-148.6	77,059.3	77,535.9	-188.4	77,347.5	79,572.7	-175.1	79,397.6
assets in Stage 2	13,539.3	-487.2	13,052.1	12,625.7	-413.1	12,212.6	12,160.5	-493.7	11,666.8
assets in Stage 3	3,379.4	-2,081.9	1,297.5	3,151.4	-1,923.6	1,227.8	2,830.6	-1,603.1	1,227.5
POCI assets	51.1	-	51.1	51.1	-	51.1	53.2	-	53.2
Retail banking	66,073.4	-1,015.8	65,057.6	64,891.7	-983.0	63,908.7	63,361.6	-1,095.8	62,265.8
assets in Stage 1	59,406.3	-133.3	59,273.0	58,256.5	-127.9	58,128.6	56,310.6	-175.0	56,135.6
assets in Stage 2	5,584.7	-179.2	5,405.5	5,606.1	-200.1	5,406.0	6,053.0	-269.5	5,783.5
assets in Stage 3	1,079.9	-703.3	376.6	1,026.4	-655.0	371.4	995.2	-651.3	343.9
POCI assets	2.5	-	2.5	2.7	-	2.7	2.8	-	2.8
Total, of which:	160,251.1	-3,733.5	156,517.6	158,255.8	-3,508.1	154,747.7	157,978.6	-3,367.7	154,610.9
assets in Stage 1	136,614.2	-281.9	136,332.3	135,792.4	-316.3	135,476.1	135,883.3	-350.1	135,533.2
assets in Stage 2	19,124.0	-666.4	18,457.6	18,231.8	-613.2	17,618.6	18,213.5	-763.2	17,450.3
assets in Stage 3	4,459.3	-2,785.2	1,674.1	4,177.8	-2,578.6	1,599.2	3,825.8	-2,254.4	1,571.4
POCI assets	53.6	-	53.6	53.8	-	53.8	56.0	-	56.0

The Group identifies POCI financial assets whose carrying value as at 31 March 2024 is PLN 53.6 million (PLN 53.8 million as at 31 December 2023 and PLN 56.0 million as at 31 March 2023). These are exposures due to impaired receivables acquired in connection with the acquisition of SKOK Bieszczadzka in 2017 and exposures that were significantly modified as a result of restructuring, which involved the need to remove the original credit or lease commitment and re-recognition of the asset in the statement of financial position.



Changes in impairment for expected credit losses

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024				1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	316.3	613.2	2,578.6	3,508.1	387.5	783.3	2,098.4	3,269.2
Changes in the period, including:	-34.4	53.2	206.6	225.4	-37.4	-20.1	156.0	98.5
loans granted in the period	55.2	-	-	55.2	48.3	-	-	48.3
transfer to Stage 1	14.3	-78.1	-6.8	-70.6	13.9	-86.0	-3.8	-75.9
transfer to Stage 2	-40.5	190.8	-19.4	130.9	-24.5	147.0	-18.0	104.5
transfer to Stage 3	-3.9	-57.0	223.0	162.1	-3.4	-58.9	184.6	122.3
repayment (total and partial) and the release of new tranches	-21.5	-36.4	-115.0	-172.9	-5.2	-29.8	-74.1	-109.1
changed provisioning under impairment for expected credit losses	-12.0	-18.6	189.0	158.4	-57.5	32.5	73.0	48.0
management adjustments	-26.0	53.3	-72.6	-45.3	-9.1	-24.5	-9.9	-43.5
Total impairment for expected credit losses in the profit and loss account	-34.4	54.0	198.2	217.8	-37.5	-19.7	151.8	94.6
derecognition from the balance sheet (write-downs, sale)	-	-	-11.7	-11.7	-	-	-7.3	-7.3
calculation and write-off of effective interest	-	-	28.9	28.9	-	-	16.8	16.8
other	-	-0.8	-8.8	-9.6	0.1	-0.4	-5.3	-5.6
Closing balance	281.9	666.4	2,785.2	3,733.5	350.1	763.2	2,254.4	3,367.7

**8.12. Debt securities**

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
Measured at fair value through profit or loss (Note 8.9)	753.8	884.5	329.5
transferred assets in accordance with IFRS 9.3.2.23(a)	-	165.2	-
other	753.8	719.3	329.5
Measured at fair value through other comprehensive income in the investment securities portfolio (Note 8.10)	28,687.0	23,680.3	20,856.9
transferred assets in accordance with IFRS 9.3.2.23(a)	-	-	5,784.4
other	28,687.0	23,680.3	15,072.5
Measured at amortised cost in the investment securities portfolio (Note 8.10)	35,516.4	32,697.5	29,415.5
transferred assets in accordance with IFRS 9.3.2.23(a)	-	-	3,632.2
other	35,516.4	32,697.5	25,783.3
Measured at amortised cost in the loans and other receivables to customers portfolio (Note 8.11)	4,210.8	4,190.0	4,288.4
other	4,210.8	4,190.0	4,288.4
Total of which:	69,168.0	61,452.3	54,890.3
transferred assets in accordance with IFRS 9.3.2.23(a)	-	165.2	9,416.6
other	69,168.0	61,287.1	45,473.7

The Group presents separately in the consolidated statement of financial position, assets securing liabilities that can be pledged or resold by the collateral recipient (transferred assets). IFRS 9.3.2.23(a) requires these assets to be segregated and presented separately from other assets in the statement of financial position. These assets are measured at fair value through profit or loss, at fair value through other comprehensive income or at amortised cost. As at 31 March 2024, the Group did not have such assets in its portfolio.

8.13. Liabilities to other banks

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
Current accounts	435.1	633.4	609.3
Interbank deposits	507.2	167.8	46.9
Loans received*	12,403.1	12,534.8	6,281.7
Repo transactions	-	-	21.8
Received call deposits	243.2	316.4	182.6
Other liabilities	1.9	2.4	2.5
Total	13,590.5	13,654.8	7,144.8

* The item *Loans received* includes financing of long-term leasing contracts in EUR (so-called "matched funding") received by the subsidiary ING Lease Sp. z o. o. from ING Bank N.V. and other banks not related to the Group. This item also includes liabilities due to non-preferred senior loans (NPS) received by ING Bank Śląski S.A. from ING Bank N.V. More information on NPS loans can be found in chapter 9.2. *MREL requirements*.

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

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
Financial liabilities held for trading, including:			
valuation of derivatives	1,250.7	1,060.3	1,634.9
book short position in trading securities	63.7	595.6	67.4
repo transactions	-	165.7	-
Total	1,314.4	1,821.6	1,702.3



8.15. Liabilities to customers

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
Deposits, including:	211,340.0	202,208.5	190,317.1
Corporate banking	88,864.9	90,122.6	79,836.4
current deposits	54,563.0	60,649.4	50,396.6
including O/N deposits	6,250.5	6,453.0	3,517.6
saving deposits	19,953.9	19,440.8	18,960.0
term deposits	14,348.0	10,032.4	10,479.8
Retail banking	122,475.1	112,085.9	110,480.7
current deposits	29,830.9	28,816.0	27,485.2
saving deposits	76,965.6	67,713.1	72,501.8
term deposits	15,678.6	15,556.8	10,493.7
Other liabilities, including:	2,785.8	3,081.4	11,334.8
liabilities under monetary hedges	784.5	823.2	754.4
repo transactions	-	-	9,225.5
call deposits	14.0	10.8	9.3
other liabilities	1,987.3	2,247.4	1,345.6
Total	214,125.8	205,289.9	201,651.9

8.16. Provisions

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
Provision for off-balance sheet liabilities	94.6	115.6	101.8
Provision for retirement benefits	94.4	93.3	75.1
Provision for litigation	37.8	38.6	36.1
Provision for restructuring	111.3	116.1	45.8
Provision for legal risk of FX mortgage loans*	133.1	128.4	50.2
Other provisions	51.3	49.8	38.2
Total	522.5	541.8	347.2

* The presented values constitute a provision that applies to CHF-indexed mortgage loans removed from the statement of financial position and parts of loans recognised in the statement of financial position for which the estimated loss value exceeds the gross exposure.

Provision for litigation

The value of proceedings regarding liabilities or receivables pending in the 1st quarter of 2024 did not exceed 10% of the Group's equity. In the Group's opinion, none of the individual proceedings pending in the 1st quarter of 2024 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.

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024	1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023
Provision for litigation at the beginning of the period	38.6	34.9
Changes during the period, including:	-0.8	1.2
provisions recognised	1.1	2.4
provisions reversed	-1.0	-0.2
provisions utilised	-0.9	-1.0
Provision for litigation at the end of the period	37.8	36.1

Legal risk related to the portfolio of loans indexed to CHF

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

Information on changes in the legal environment related to the legal risk of the portfolio of loans indexed to CHF, in particular on the judgments of the Court of Justice of the European Union (CJEU) and the judgments and resolutions of the Supreme Court (SN) issued by 31 December 2023 are included in the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2023 to 31 December 2023.

By the resolution of the Supreme Court of 25 April 2024, the Supreme Court resolved legal issues regarding loans indexed to or denominated in foreign currency (the so-called Swiss franc loans), presented by the First President of the Supreme Court, stating that:

- 1) If it is concluded that a provision of an indexed or denominated loan agreement relating to the method of determining the exchange rate of a foreign currency constitutes an unlawful contractual term and is not binding, in the current legal situation it cannot be assumed that this provision is replaced by another method of determining the exchange rate of a foreign currency resulting from legal or customary provisions.
- 2) If it is not possible to determine the foreign currency exchange rate binding on the parties in an indexed or denominated loan agreement, the agreement is also not binding to the remaining extent.



- 3) If, in performance of a loan agreement, which is not binding due to the unlawful nature of its provisions, the bank has disbursed to the borrower all or part of the loan amount, and the borrower has made repayments of the loan, independent claims for repayment of undue performance to each of the parties arise.
- 4) If the loan agreement is not binding because of the unlawful nature of its provisions, the limitation period for the bank's claim for repayment of the amounts paid under the loan shall, as a rule, start to run from the day following the day on which the borrower has challenged the bank's binding effect on the provisions of the agreement.
- 5) If the loan agreement does not bind due to the unlawful nature of its provisions, there is no legal basis for either party to claim interest or other remuneration for the use of its funds in the period from the fulfilment of undue performance until the moment of delay in the reimbursement of this benefit.

The above answers are in principle consistent with the approach to these issues in the existing case law, in particular in the CJEU judgments. Therefore, it seems that the resolution will not significantly change the situation of banks in these processes. However, it may cause courts to stop ruling on the 'de-franking' of loans in the event of clauses on exchange rate tables being found abusive, and in any event annul them.

Settlement programme

From 25 October 2021, the Bank offers the possibility for borrowers to conclude voluntary settlements in accordance with the proposal presented in December 2020 by the Chairman of the Polish Financial Supervision Authority. The Bank's customers may submit a request for mediation through the Mediation Center of the Court of Arbitration of the Polish Financial Supervision Authority. The mediation process can be used by customers who have a housing mortgage loan or a housing construction and mortgage loan indexed with the CHF exchange rate at the Bank for their own housing purposes, excluding mortgage loans and the above-mentioned loans, where one of the purposes of lending was to consolidate non-housing liabilities. A mediation agreement can only be signed for one of the active housing loans. The conversion takes place on the terms presented by the Chairman of the Polish Financial Supervision Authority. Detailed rules for the settlement of the loan and determination of the type of interest rate for the future are the subject of arrangements in the mediation process before the Polish Financial Supervision Authority in accordance with the current offer of settlements offered by the Bank. From the moment the settlement programme was launched until the end of 1st quarter of 2024, the Bank concluded 728 agreements under the programme (in the 1st quarter of 2024, the Bank concluded 23 settlements, compared to 246 settlements concluded in 2023).

Other proceedings

Information on pending proceedings is provided in the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2023 to 31 December 2023. In the 1st quarter of 2024, there were no significant changes in this area.

8.17. Other liabilities

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
Accruals, including:	1,242.0	1,163.2	1,113.9
due to employee benefits	176.4	375.1	180.6
due to commissions	275.9	206.5	259.2
due to general and administrative expenses	638.8	581.6	520.5
liabilities due to the obligatory annual contribution to the BFG resolution fund	150.9	-	153.6
Other liabilities, including:	2,137.0	3,828.4	1,968.9
lease liabilities	501.5	484.2	440.4
interbank settlements	774.1	2,462.4	707.8
settlements with suppliers	153.0	169.2	93.7
public and legal settlements	197.2	161.9	184.7
commitment to pay to the BFG guarantee fund	171.6	171.6	171.6
commitment to pay to the BFG resolution fund	199.0	199.0	199.0
other	140.6	180.1	171.7
Total	3,379.0	4,991.6	3,082.8

8.18. Fair value

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

In 2024, there were no transfers between levels of the valuation hierarchy, as in 2023. In the 1st quarter of 2024, valuation techniques for levels 1 and 2 did not change. The tables present the carrying amounts of financial assets and liabilities measured at fair value, broken down by measurement hierarchy levels.



as at 31 Mar 2024

	level 1	level 2	level 3	Total
Financial assets, including:	29,440.8	1,556.4	263.4	31,260.6
Financial assets held for trading, including:	753.8	1,229.4	-	1,983.2
valuation of derivatives	-	1,091.2	-	1,091.2
other financial assets held for trading, including:	753.8	138.2	-	892.0
debt securities, including:	753.8	-	-	753.8
treasury bonds in PLN	598.3	-	-	598.3
Czech Treasury bonds	155.5	-	-	155.5
repo transactions	-	138.2	-	138.2
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	-	-	27.5	27.5
loans are obligatorily measured at fair value through profit or loss	-	-	27.1	27.1
equity instruments	-	-	0.4	0.4
Derivative hedge instruments	-	327.0	-	327.0
Financial assets measured at fair value through other comprehensive income, including:	28,687.0	-	235.9	28,922.9
debt securities, including:	28,687.0	-	-	28,687.0
treasury bonds in PLN	25,470.3	-	-	25,470.3
European Investment Bank bonds	2,813.0	-	-	2,813.0
Austrian government bonds	403.7	-	-	403.7
equity instruments	-	-	235.9	235.9
Financial liabilities, including:	63.7	1,661.8	0.0	1,725.5
Financial liabilities held for trading, including:	63.7	1,250.7	-	1,314.4
valuation of derivatives	-	1,250.7	-	1,250.7
book short position in trading securities	63.7	-	-	63.7
Derivative hedge instruments	-	411.1	-	411.1

as at 31 Dec 2023

	level 1	level 2	level 3	Total
Financial assets, including:	24,564.8	1,724.0	274.9	26,563.7
Financial assets held for trading, including:	719.3	1,515.6	-	2,234.9
valuation of derivatives	-	899.8	-	899.8
other financial assets held for trading, including:	719.3	615.8	-	1,335.1
debt securities, including:	719.3	-	-	719.3
treasury bonds in PLN	599.7	-	-	599.7
Czech Treasury bonds	119.1	-	-	119.1
European Investment Bank bonds	0.5	-	-	0.5
repo transactions	-	615.8	-	615.8
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	-	-	39.0	39.0
loans are obligatorily measured at fair value through profit or loss	-	-	38.6	38.6
equity instruments	-	-	0.4	0.4
Derivative hedge instruments	-	208.4	-	208.4
Financial assets measured at fair value through other comprehensive income, including:	23,680.3	-	235.9	23,916.2
debt securities, including:	23,680.3	-	-	23,680.3
treasury bonds in PLN	21,345.4	-	-	21,345.4
treasury bonds in EUR	546.1	-	-	546.1
European Investment Bank bonds	1,377.7	-	-	1,377.7
Austrian government bonds	411.1	-	-	411.1
equity instruments	-	-	235.9	235.9
Transferred assets, including:	165.2	-	-	165.2
Treasury bonds in PLN from the portfolio of financial assets measured at fair value through profit or loss	133.1	-	-	133.1
bonds of the Czech State Treasury in CZK from the portfolio of financial assets measured at fair value through profit or loss	32.1	-	-	32.1
Financial liabilities, including:	595.6	1,506.3	0.0	2,101.9
Financial liabilities held for trading, including:	595.6	1,226.0	-	1,821.6
valuation of derivatives	-	1,060.3	-	1,060.3
book short position in trading securities	595.6	-	-	595.6
repo transactions	-	165.7	-	165.7
Derivative hedge instruments	-	280.3	-	280.3



The financial assets classified to level 3 of the valuation as at 31 March 2024 and as at 31 December 2023 include unlisted equity instruments and loans that did not meet the SPPI criterion according to IFRS 9.

Equity instruments

Fair value measurement of unquoted equity interests in other companies is based on the discounted cash flow, dividend or economic value added model. Estimates of future cash flows were prepared based on medium-term profitability forecasts prepared by the Management Boards of these companies. The discount rate is based on the cost of equity estimated using the CAPM (Capital Asset Pricing Model). At the end of 1st quarter of 2024, it was in the range of 11.4%-13.4%, depending on the company, similar to the end of 2023. Fair value measurement of unquoted equity interests in other companies as at 31 March 2024 and 31 December 2023 covered the following entities: Biuro Informacji Kredytowej S.A., Krajowa Izba Rozliczeniowa S.A. and Polski Standard Płatności sp. z o.o.

Loans

The fair value methodology of the loan portfolio is based on the discounted cash flow method. Under this method, for each contract being valued, expected cash flows are estimated, discount factors for particular payment dates and the value of discounted cash flows is determined as at the valuation date. Valuation models are powered by business parameters for individual contracts and parameters observable by the market, such as interest rate curves, liquidity cost and cost of capital. The change in the parameters adopted for the valuation did not have a significant impact on the valuation value as at 31 March 2024.

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

The Group discloses data on the fair value of financial assets and liabilities measured at amortised cost including the effective interest rate. The methods used to calculate fair value for disclosures as at 31 March 2024 have not changed compared to those used at the end of 2023 (a detailed description of the approach to fair value measurement of assets and liabilities that are not presented at fair value in the statement of financial position is included in the annual consolidated financial statements for the period from 1 January 2023 to 31 December 2023).

There were no transfers between valuation levels in 2024, as in 2023.



as at 31 Mar 2024

	Carrying amount	Fair value			Total
		level 1	level 2	level 3	
Investment securities at amortised cost, including:	35,516.4	21,510.3	12,437.9	0.0	33,948.2
treasury bonds in PLN	13,070.2	12,409.3	-	-	12,409.3
treasury bonds in EUR	2,896.4	2,699.6	-	-	2,699.6
European Investment Bank bonds	6,682.0	6,401.4	-	-	6,401.4
bonds of the Polish Development Fund (PFR)	3,868.8	-	3,528.4	-	3,528.4
Bank Gospodarstwa Krajowego bonds	1,813.6	-	1,727.6	-	1,727.6
NBP bills	7,185.4	-	7,181.9	-	7,181.9
Loans and receivables to customers at amortised cost, including:	158,425.5	0.0	0.0	158,679.4	158,679.4
Corporate banking segment, including:	91,460.0	-	-	91,755.8	91,755.8
loans and advances (in the current account and term ones)	67,384.5	-	-	68,029.1	68,029.1
lease receivables	13,192.4	-	-	13,014.0	13,014.0
factoring receivables	6,672.3	-	-	6,672.3	6,672.3
corporate and municipal debt securities	4,210.8	-	-	4,040.4	4,040.4
Retail banking segment, including:	65,057.6	-	-	65,015.7	65,015.7
mortgages	56,494.4	-	-	56,220.3	56,220.3
other loans and advances	8,563.2	-	-	8,795.4	8,795.4
Other receivables	1,907.9	-	-	1,907.9	1,907.9
Liabilities to customers	214,125.8	-	-	214,075.6	214,075.6
Liabilities from debt securities issued	410.9	-	-	411.9	411.9
Subordinated liabilities	1,509.7	-	-	1,251.7	1,251.7

as at 31 Dec 2023

	Carrying amount	Fair value			Total
		level 1	level 2	level 3	
Investment securities at amortised cost, including:	32,697.5	21,570.9	9,505.2	0.0	31,076.1
treasury bonds in PLN	13,095.0	12,409.0	-	-	12,409.0
treasury bonds in EUR	2,940.4	2,744.3	-	-	2,744.3
European Investment Bank bonds	6,700.4	6,417.6	-	-	6,417.6
bonds of the Polish Development Fund (PFR)	3,859.7	-	3,507.3	-	3,507.3
Bank Gospodarstwa Krajowego bonds	1,804.8	-	1,702.7	-	1,702.7
NBP bills	4,297.2	-	4,295.2	-	4,295.2
Loans and receivables to customers at amortised cost, including:	156,520.7	0.0	0.0	156,755.5	156,755.5
Corporate banking segment, including:	90,839.0	-	-	91,155.1	91,155.1
loans and advances (in the current account and term ones)	66,771.3	-	-	67,452.2	67,452.2
lease receivables	13,130.4	-	-	12,940.3	12,940.3
factoring receivables	6,747.3	-	-	6,747.3	6,747.3
corporate and municipal debt securities	4,190.0	-	-	4,015.3	4,015.3
Retail banking segment, including:	63,908.7	-	-	63,827.4	63,827.4
mortgages	55,492.2	-	-	55,115.4	55,115.4
other loans and advances	8,416.5	-	-	8,712.0	8,712.0
Other receivables	1,773.0	-	-	1,773.0	1,773.0
Liabilities to customers	205,289.9	-	-	205,253.3	205,253.3
Liabilities from debt securities issued	404.4	-	-	405.7	405.7
Subordinated liabilities	1,526.2	-	-	1,260.8	1,260.8



9. Capital adequacy

9.1. Total capital ratio

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
A. Own equity in the statement of financial position, including:	17,439.7	16,736.0	11,239.2
A.I. Own equity included in the own funds calculation	18,717.0	18,574.2	17,242.0
A.II. Own equity excluded from own funds calculation	-1,277.3	-1,838.2	-6,002.8
B. Other elements of own funds (decreases and increases), including:	486.9	455.4	495.7
value adjustments due to prudent valuation requirements	-32.2	-28.2	-24.2
goodwill and other intangible assets	-454.8	-436.4	-507.7
deferred tax assets based on future profitability and not arising from temporary differences after deducting related income tax liabilities	-315.4	-519.2	-775.2
shortfall in credit risk adjustments against expected losses under the IRB approach	-190.9	-141.0	-
shortfall in coverage for non-performing exposures	-24.5	-14.1	-16.8
transitional adjustments to common equity Tier 1 capital	35.4	70.8	183.2
equity instruments qualifying as Tier 2 capital	1,469.3	1,507.0	1,636.4
surplus of provisions over the expected credit losses under the IRB Approach	-	16.5	-
Own funds taken into account in total capital ratio calculation (A.I. + B), including:	19,203.9	19,029.6	17,737.7
Core Tier 1 capital	17,734.6	17,506.1	16,101.3
Tier 2 capital	1,469.3	1,523.5	1,636.4
Risk weighted assets, including:	113,295.7	109,295.2	108,369.5
for credit risk	95,991.2	92,465.7	94,689.1
for operational risk	15,476.5	15,476.5	12,566.4
other	1,828.0	1,353.0	1,114.0
Total capital requirements	9,063.6	8,743.5	8,669.5
Total capital ratio (TCR)	16.95%	17.41%	16.37%
minimum required level	11.321%	11.322%	11.509%
surplus TCR ratio	5.63 p.p.	6.09 p.p.	4.86 p.p.
Tier 1 ratio (T1)	15.65%	16.02%	14.86%
minimum required level	9.321%	9.322%	9.509%
surplus T1 ratio	6.33 p.p.	6.70 p.p.	5.35 p.p.

On 11 April 2024, the Ordinary General Meeting of the Bank approved the distribution of the profit for 2023. The inclusion of the net profit earned in 2023 in own funds as at 31 December 2023 resulted in an increase in the

Group's TCR and Tier 1 ratios to 17.41% and 16.02%, respectively, as presented in the table. According to the values presented in the Group's annual consolidated financial statements for the period from 1 January 2023 to 31 December 2023, the Group's TCR and Tier 1 ratios as at 31 December 2023 were 16.73% and 15.32%, respectively.

Transitional provisions

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

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
Total capital ratio (TCR)	16.92%	17.35%	16.28%
Tier 1 capital ratio	15.62%	15.96%	14.70%

9.2. MREL requirements

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
MREL - TREA	24.96%	26.31%	19.12%
minimum required level (including combined buffer requirement)	19.30%	19.30%	17.19%
surplus (+) / deficiency (-) of the MREL - TREA ratio	5.66 p.p.	7.01 p.p.	1.93 p.p.
minimum required level (not including combined buffer requirement)	16.29%	16.29%	14.18%
surplus (+) / deficiency (-) of the MREL - TREA ratio	8.67 p.p.	10.02 p.p.	4.94 p.p.
MREL - TEM	10.76%	11.02%	8.47%
minimum required level	5.91%	5.91%	4.46%
surplus (+) / deficiency (-) of the MREL - TEM ratio	4.85 p.p.	5.11 p.p.	4.01 p.p.

At the end of the 1st quarter of 2024, the Bank had two non-preferred senior loans (NPS) from ING Bank N.V. with a nominal value of EUR 1,760 million. The loans are part of the SPE strategy for the ING Group. The Bank includes NPS loan funds in eligible liabilities for the purposes of the Minimum Requirement of Own Funds and Eligible Liabilities (MREL). The value of held eligible liabilities instruments results from the expectation that the part of MREL corresponding to the recapitalisation amount should be satisfied in the form of the following instruments: additional Tier 1 (AT1), Tier 2 instruments (T2) and other subordinated eligible liabilities acquired directly or indirectly by the parent entity. The Bank estimates that the part of the MREL requirement regarding the recapitalisation amount is 8.29% TREA and 2.91% TEM. As at 31 March 2024, the carrying amount of liabilities



due to NPS loans was PLN 7,597.2 million (compared to PLN 7,680.7 million as at 31 December 2023) and was recognised in the statement of financial position in the item *Liabilities to banks*.

10. Dividends paid

On 11 April 2024, the Ordinary General Meeting of the Bank adopted a resolution on the payment of dividends from the profit for 2023 and from the reserve capital intended for the payment of dividends. Pursuant to this resolution, the Bank will pay a dividend in the total amount of PLN 4,338.8 million, i.e. PLN 33.35 gross per share. The dividend date (i.e. the date on which the owners of the shares acquire the right to dividend) is set for 17 April 2024 and the dividend payment date is set for 6 May 2024.

11. Off-balance sheet items

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
Off-balance sheet commitments given	54,670.5	53,197.9	51,485.1
Off-balance sheet commitments received	20,683.4	20,317.0	20,481.5
Off-balance sheet financial instruments	1,509,233.1	1,433,302.4	1,202,691.1
Total	1,584,587.0	1,506,817.3	1,274,657.7

12. Transactions with related parties

ING Bank Śląski S.A. is a subsidiary of ING Bank NV, which as at 31 March 2024 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 conducts transactions with ING Bank N.V. and its subsidiaries on the interbank market. These are both short-term deposits and loans as well as derivatives operations. The Bank also maintains bank accounts of ING Group entities, and also receives and provides guarantees to ING Group entities.

ING Lease Sp. z o.o., a subsidiary, received from ING Bank N.V. long-term financing of leasing contracts in EUR (so-called "matched funding"). In addition, the Bank has two subordinated loans and two non-preferred senior (NPS) loans in its balance sheet, which result from agreements concluded with ING Bank N.V.

All the above-mentioned transactions are carried out on market terms.

The operating costs incurred by the Bank on behalf of the parent entity result primarily from contracts for the provision of consulting and advisory services, data processing and analysis, providing software licences and IT support. As regards costs incurred by the Bank on behalf of other related parties, outsourcing agreements concerning the provision of system resource hosting services for various applications, lease of IT equipment, monitoring of availability and performance of IT applications and infrastructure, as well as penetration tests and IT security monitoring play a dominant role.

Costs are presented at net value (excluding VAT).

The table presents numerical information pertaining to receivables and liabilities as well as revenues and costs that result from transactions concluded between the Group and its related parties.



	ING Bank N.V.	other ING Group entities	associates	ING Bank N.V.	other ING Group entities	associates
	as at 31 Mar 2024			as at 31 Dec 2023		
Receivables						
Nostro accounts	2.2	3.2	-	17.5	0.8	-
Deposits placed	2.1	-	-	72.9	-	-
Loans granted	-	0.6	-	-	0.9	-
Positive valuation of derivatives	121.9	-	-	137.6	-	-
Reverse repo	19,437.2	-	-	19,000.3	-	-
Other receivables	0.8	4.0	-	3.8	8.4	-
Liabilities						
Deposits received	601.2	91.0	40.4	130.8	128.8	40.3
Loans received, including:	12,403.1	-	-	12,534.8	-	-
Non Preferred Senior (NPS) loan	7,597.2	-	-	7,680.7	-	-
Subordinated loan	1,509.8	-	-	1,526.2	-	-
Loro accounts	69.7	11.8	-	61.1	155.7	-
Negative valuation of derivatives	23.2	-	-	69.9	0.0	-
Other liabilities	222.8	13.9	-	251.6	16.1	-
Off-balance-sheet operations						
Off-balance sheet liabilities granted	398.0	584.2	0.1	599.4	384.4	0.1
Off-balance sheet liabilities received	895.3	-	-	922.2	-	-
FX transactions	15,093.3	-	-	16,988.1	-	-
IRS	189.7	-	-	191.0	-	-
Options	583.1	-	-	591.9	-	-
	1 quarter 2024			1 quarter 2023		
	the period from 01 Jan 2024 to 31 Mar 2024			the period from 01 Jan 2023 to 31 Mar 2023		
Income and expenses						
Income, including:	143.8	1.8	12.7	-63.6	0.0	9.2
net interest and commission income	0.5	1.8	12.7	-21.5	0.1	9.2
net income on financial instruments	142.6	-0.2	-	-42.6	-0.1	-
net (loss)/income on other basic activities	0.7	0.2	-	0.5	-	-
General and administrative expenses	-88.7	-7.7	-	-63.3	-12.1	-

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

- The economic situation in the U.S., including the labour market, remains strong. The situation remains much better than a few months ago, when many economists feared a recession in the U.S. As a result, unemployment remains relatively low, but at the same time wage pressure is falling. Inflation in the US remains above levels consistent with the Federal Reserve's inflation target. In response to this, the Fed's rhetoric has become more stringent, which indicates that rate cuts in the US may take place in the third quarter of 2024. The scale of this year's rate cuts in the US is also likely to be significantly smaller than economists expected just a few months ago.
- In turn, the economic situation in the eurozone, especially in Germany, remains difficult. While some improvement is evident in the cyclical data, it has still not been more reflected in the performance of the real economy. European economies are experiencing problems in their industrial sector, which is still being hit by the secondary effects of higher prices for raw materials, particularly energy, and competition from Asia. Low household spending and weak domestic demand also pose problems. Nor has fiscal support of GDP growth been decided in the EU's largest economy, Germany. As a result, although the economic downturn in the euro area has most likely already occurred, the recovery will be relatively slow in the coming quarters. Combined with global commodity price disinflation, this triggered a clear deceleration of inflation in the euro area. In response to the slowing down of price pressure and the slow economic recovery, the European Central Bank has de facto announced the start of a cycle of rate cuts from June.
- Just a few months ago, most analysts expected the Federal Reserve to be the first to start cutting rates and make them on a larger scale than the European Central Bank. This was reflected in forecasts indicating a significant increase in the EUR/USD exchange rate. However, the change in the Fed's attitude and the imminent start of the cuts by the ECB indicate that the exchange rate may remain below 1.10 until the end of the year.
- The country is experiencing a slow recovery. Due to the weakness of Poland's trading partners, as well as strong competition from Asia, export industries have a relatively difficult situation. The delay in obtaining access to funds from the Recovery Fund, as well as the slow start of projects from the European Union's new perspective, indicate that public investment is also unlikely to rebound before 2025.
- Household spending should be the engine of growth of the national economy this year. The tense situation on the labour market, combined with the government's actions (including another high increase in the minimum wage), result in maintaining the double-digit rate of wage growth. At the same time, inflation has come to a significant standstill. As a result, disposable incomes adjusted for price increases are now growing even faster than before the pandemic and fastest since the end of the 1990s. This allows us to expect a gradual increase in consumer spending, despite the fact that the propensity to save by Poles increased after a period of high inflation, and an additional factor supporting this caution may be the threat of war across our eastern border.



- High wages will most likely prevent core inflation from falling near the NBP target. Thus, the high inflation rate of services will remain high. Wages should rise half as slowly to get on the path towards the 2.5% inflation target. Combined with the gradual phasing out of shielding measures in the electricity market, this suggests a rebound in price pressure later in the year. Therefore, the most likely scenario is that the National Bank of Poland will maintain interest rates unchanged until the end of this year.
- In the second quarter of 2024, the zloty is likely to further strengthen, even closer to 4.20 against the euro. Part of the funds from the EU (e.g. from the Common Agricultural Policy) must be exchanged for PLN, which will probably take place partially on the market. The outlook for the zloty and currencies in the region is somewhat undermining the strong dollar. The American currency is supported by a better economic situation in the US than in Europe and the reversal of reduction expectations - the ECB may lower rates earlier and on a larger scale than the American Fed. The PLN is also supported by the current account surplus and high NBP rates. In the second half of 2024, the geopolitical situation after the US presidential election may be a certain risk for the national currency.
- In April 2024, the Sejm passed a law on extending credit holidays in 2024. The Senate passed the bill without amendments, and now the bill awaits the decision of the President of the Republic of Poland. The impact of the holidays will be recognised in the Group's profit and loss account when the Act is signed by the President, which is expected in the 2nd quarter of 2024.

14. Other information

14.1. Number of branches and ATMs, CDMs

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

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
Number of outlets	205	205	227
Number of ING Express points in shopping centres	54	55	54

As at 31 March 2024, a network of 851 cash self-service devices (dual devices) was made available to customers, similar to 31 December 2023. As of 31 March 2023, there were 875 devices, including 130 standard ATMs and 745 dual devices.

14.2. Banking cards

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

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
in thousands			
debit cards	3,338	3,311	3,361
credit cards	310	309	303
other*	229	237	242
Total, of which:	3,877	3,857	3,906
paywave	3,731	3,694	3,699
virtual cards	146	163	207

* including charge and prepaid cards

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

2024-05-02	Brunon Bartkiewicz President	The original Polish document is signed with a qualified electronic signature
2024-05-02	Joanna Erdman Vice-President	The original Polish document is signed with a qualified electronic signature
2024-05-02	Marcin Giżycki Vice-President	The original Polish document is signed with a qualified electronic signature
2024-05-02	Bożena Graczyk Vice-President	The original Polish document is signed with a qualified electronic signature
2024-05-02	Ewa Łuniewska Vice-President	The original Polish document is signed with a qualified electronic signature
2024-05-02	Michał H. Mrozek Vice-President	The original Polish document is signed with a qualified electronic signature
2024-05-02	Sławomir Soszyński Vice-President	The original Polish document is signed with a qualified electronic signature
2024-05-02	Alicja Żyła Vice-President	The original Polish document is signed with a qualified electronic signature

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2024-05-02	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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Selected financial data

Interim condensed consolidated income statement

Interim condensed consolidated statement of comprehensive income

Interim condensed consolidated statement of financial position

Interim condensed consolidated statement of changes in equity

Interim condensed consolidated cash flow statement

Additional information to the interim condensed consolidated financial statements

Interim condensed standalone financial statements of ING Bank Śląski S.A.

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

Interim condensed income statement

Interim condensed statement of comprehensive income

Interim condensed statement of financial position

Interim condensed statement of changes in equity

Interim condensed cash flow statement

Additional information to the interim condensed standalone financial statements





Interim condensed income statement

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024	1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023
Net interest income	3,086.4	2,837.0
calculated using the effective interest rate method	2,880.2	2,534.6
other interest income	206.2	302.4
Interest expense	-1,019.8	-1,086.0
Interest income	2,066.6	1,751.0
Commission income	695.8	635.5
Commission expense	-140.9	-129.8
Net commission income	554.9	505.7
Net income on financial instruments measured at fair value through profit or loss and FX result	18.4	71.9
Net income on the sale of securities measured at amortised cost	-6.3	0.0
Net income on the sale of financial assets measured at fair value through other comprehensive income and dividend income	2.2	-7.6
Net (loss)/income on hedge accounting	-2.9	-4.7
Net (loss)/income on other basic activities	1.5	-0.7
Net income on basic activities	2,634.4	2,315.6
General and administrative expenses	-1,038.7	-956.6
Impairment for expected credit losses	-170.9	-73.6
Cost of legal risk of FX mortgage loans	-0.8	0.0
Tax on certain financial institutions	-186.6	-158.6
Share of the net profits of subsidiaries and associates measured by equity method	39.5	64.6
Gross profit	1,276.9	1,191.4
Income tax	-283.6	-282.7
Net profit	993.3	908.7

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024	1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023
Net profit	993.3	908.7
Weighted average number of ordinary shares	130,102,356	130,106,149
Earnings per ordinary share (PLN)	7.63	6.98

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 statement of comprehensive income

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024	1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023
Net profit for the reporting period	993.3	908.7
Total other comprehensive income, including:	-275.0	993.9
Items that may be reclassified to profit or loss, including:	-275.1	993.9
debt instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	149.4	144.8
debt instruments measured at fair value through other comprehensive income – reclassification to financial result due to sale	-1.8	-1.0
loans measured at fair value through other comprehensive income - revaluation gains / losses related to equity	9.6	9.7
cash flow hedge - gains on revaluation carried through equity	-831.3	244.5
cash flow hedge - reclassification to profit or loss	399.0	595.9
Items that will not be reclassified to profit or loss, including:	0.1	0.0
fixed assets revaluation	0.1	0.0
Net comprehensive income for the reporting period	718.3	1 902.6

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 statement of financial position

as at	Note	31 Mar 2024	31 Dec 2023	31 Mar 2023
Assets				
Cash in hand and balances with the Central Bank		4,217.4	6,751.4	6,706.5
Loans and other receivables to other banks		23,247.7	22,827.1	11,998.3
Financial assets measured at fair value through profit or loss		2,010.7	2,273.9	1,584.4
Derivative hedge instruments		327.0	208.4	243.0
Investment securities		64,353.1	56,527.4	40,581.4
Transferred assets		0.0	165.2	9,416.6
Loans and other receivables to customers	4.1	148,904.7	146,663.0	146,454.7
Investments in subsidiaries and associates accounted for using the equity method		1,800.8	1,761.0	1,689.9
Property, plant and equipment		957.1	965.1	936.1
Intangible assets		448.6	450.1	416.1
Current income tax assets		57.7	0.0	252.8
Deferred tax assets		612.2	888.1	1,265.2
Other assets		173.8	119.1	131.2
Total assets		247,110.8	239,599.8	221,676.2

as at	Note	31 Mar 2024	31 Dec 2023	31 Mar 2023
Liabilities				
Liabilities to other banks		8,787.8	8,826.7	2,108.0
Financial liabilities measured at fair value through profit or loss		1,314.4	1,821.6	1,702.3
Derivative hedge instruments		411.1	280.3	418.7
Liabilities to customers		214,021.7	205,039.9	201,329.1
Subordinated liabilities		1,509.7	1,526.2	1,639.6
Provisions		517.2	536.4	336.0
Current income tax liabilities		0.0	100.5	0.0
Other liabilities		3,216.7	4,849.3	2,971.0
Total liabilities		229,778.6	222,980.9	210,504.7
Equity				
Share capital	1.4	130.1	130.1	130.1
Share premium		956.3	956.3	956.3
Accumulated other comprehensive income		-5,486.8	-5,211.8	-7,122.8
Retained earnings		21,743.9	20,749.6	17,207.9
Own shares for the purposes of the incentive program		-11.3	-5.3	0.0
Total equity		17,332.2	16,618.9	11,171.5
Total liabilities and equity		247,110.8	239,599.8	221,676.2

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 statement of changes in equity

1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Own shares for the purposes of the incentive program	Total equity
Opening balance of equity	130.1	956.3	-5,211.8	20,749.6	-5.3	16,618.9
Net profit for the current period	-	-	-	993.3	-	993.3
Other net comprehensive income, including:	0.0	0.0	-275.0	0.0	0.0	-275.0
financial assets measured at fair value through other comprehensive income – revaluation gains / losses recognized in equity	-	-	159.0	-	-	159.0
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-1.8	-	-	-1.8
cash flow hedge - revaluation gains / losses recognized in equity	-	-	-831.3	-	-	-831.3
cash flow hedge – reclassification to profit or loss	-	-	399.0	-	-	399.0
fixed assets revaluation	-	-	0.1	-	-	0.1
Other changes in equity, including:	0.0	0.0	0.0	1.0	-6.0	-5.0
valuation of employee incentive programs	-	-	-	1.0	-	1.0
purchase of own shares for the purposes of the employee incentive program	-	-	-	-	-6.0	-6.0
Closing balance of equity	130.1	956.3	-5,486.8	21,743.9	-11.3	17,332.2

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



2023 the period from 01 Jan 2023 to 31 Dec 2023

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Own shares for the purposes of the incentive program	Total equity
Opening balance of equity	130.1	956.3	-8,116.7	16,297.2	0.0	9,266.9
Net profit for the current period	-	-	-	4,440.9	-	4,440.9
Other net comprehensive income, including:	0.0	0.0	2,904.9	0.0	0.0	2,904.9
financial assets measured at fair value through other comprehensive income - revaluation gains / losses recognized in equity	-	-	326.5	-	-	326.5
debt securities measured at fair value through other comprehensive income - reclassification to profit or loss due to sale	-	-	5.1	-	-	5.1
cash flow hedge - revaluation gains / losses recognized in equity	-	-	425.0	-	-	425.0
cash flow hedge - reclassification to profit or loss	-	-	2,158.1	-	-	2,158.1
fixed assets revaluation	-	-	0.1	-	-	0.1
actuarial gains/losses	-	-	-9.9	-	-	-9.9
Other changes in equity, including:	0.0	0.0	0.0	11.5	-5.3	6.2
valuation of employee incentive programs	-	-	-	16.5	-	16.5
purchase of own shares for the purposes of the employee incentive program	-	-	-	-	-9.5	-9.5
settlement of the acquisition of own shares and their transfer to employees	-	-	-	-4.1	4.2	0.1
settlement of the acquisition of an organized part of the enterprise	-	-	-	-0.9	-	-0.9
Closing balance of equity	130.1	956.3	-5,211.8	20,749.6	-5.3	16,618.9

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.



1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Total equity
Opening balance of equity	130.1	956.3	-8,116.7	16,297.2	9,266.9
Profit for the current period	-	-	-	908.7	908.7
Other net comprehensive income, including:	0.0	0.0	993.9	0.0	993.9
financial assets measured at fair value through other comprehensive income – gains/losses on revaluation carried through equity	-	-	154.5	-	154.5
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-1.0	-	-1.0
cash flow hedging – gains/losses on revaluation carried through equity	-	-	244.5	-	244.5
cash flow hedging – reclassification to profit or loss	-	-	595.9	-	595.9
Other changes in equity, including:	0.0	0.0	0.0	2.0	2.0
valuation of employee incentive programs	-	-	-	2.0	2.0
Closing balance of equity	130.1	956.3	-7,122.8	17,207.9	11,171.5

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 cash flow statement

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024	1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023
Net profit	993.3	908.7
Adjustments, including:	-567.9	-1,368.4
Share of profit/(loss) of subsidiaries and associates accounted for using the equity method	-39.5	-64.6
Depreciation and amortisation	76.2	69.9
Interest accrued (from the income statement)	-2,066.6	-1,751.0
Interest paid	-844.1	-1,002.4
Interest received	2,546.4	2,336.8
Gains (losses) on investing activities	0.3	0.0
Income tax (from the income statement)	283.6	282.7
Income tax paid	-101.5	-0.1
Change in provisions	-19.2	-11.8
Change in loans and other receivables to other banks	-388.3	-4,899.0
Change in financial assets measured at fair value through profit or loss	270.0	370.7
Change in hedge derivatives	-521.5	982.8
Change in investment securities	-4,419.2	4,518.1
Change in transferred assets	164.6	-9,021.5
Change in loans and other receivables to customers measured at amortised cost	-2,183.7	-619.1
Change in other assets	-97.6	120.0
Change in liabilities to other banks	-37.2	222.2
Change in liabilities measured at fair value through profit or loss	-507.1	-501.4
Change in liabilities to customers	8,940.4	9,031.2
Change in subordinated liabilities	-16.5	-4.3
Change in other liabilities	-1,607.4	-1,427.6
Net cash flows from operating activities	425.4	-459.7

	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024	1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023
Acquisition of property, plant and equipment	-4.7	-11.6
Acquisition of intangible assets	-19.6	-40.3
Acquisition of debt securities measured at amortized cost	-8,737.7	0.0
Disposal of debt securities measured at amortized cost	5,970.8	3,599.3
Net cash flows from investment activities	-2,791.2	3,547.4
Long-term loans received	0.0	1,214.4
Interest payment on long-term loans	-136.1	-14.7
Repayment of lease liabilities	-24.0	-26.0
Purchase of own shares for the purposes of the employee incentive program	-6.0	0.0
Net cash flows from financial activities	-166.1	1,173.7
Net increase/(decrease) in cash and cash equivalents	-2,531.9	4,261.4
of which effect of exchange rate changes on cash and cash equivalents	227.4	887.5
Opening balance of cash and cash equivalents	7,038.4	3,049.7
Closing balance of cash and cash equivalents	4,506.5	7,311.1

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



Additional information to the interim condensed standalone financial statements

1. Introduction

1.1. Going concern

These interim condensed separate financial statements of ING Bank Śląski S.A. have been prepared on the assumption that business activity will continue in the foreseeable future, i.e. for at least 12 months from the date of publication, i.e. from 6 May 2024. As at the date of adoption for publication of this report by the Management Board of the Bank, no facts or circumstances have been identified that would indicate a threat to the Bank's ability to continue as a going concern within 12 months from the date of publication as a result of the Bank's intentional or forced discontinuation or significant limitation of its existing activity.

1.2. Compliance with International Financial Reporting Standards

These interim condensed standalone financial statements of the ING Bank Śląski S.A. for the 1st quarter 2024 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 31 March 2024 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 2023 to 31 December 2023, which was approved on 11 April 2024 by the Bank's General Meeting and is available on the website of ING Bank Śląski S.A. (www.ing.pl) and the interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for the 1st quarter 2024.

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 2024 to 31 March 2024 and interim condensed standalone statement of financial position as at 31 March 2024, together with comparable data were prepared according to the same principles of accounting for each period.

1.3. Reporting period and comparable data

Interim condensed standalone financial statements of ING Bank Śląski S.A. covers the period from 1 January 2024 to 31 March 2024 and includes comparative data:

- as at 31 December 2023 and 31 March 2023 - for the interim condensed statement of financial position,
- for the period from 1 January 2023 to 31 March 2023 - for the interim condensed income statement, interim condensed statement of comprehensive income and interim condensed statement of cash flows,
- for the period from 1 January 2023 to 31 December 2023 and from 1 January 2023 to 31 March 2023 - for the interim condensed statement of changes in equity.

1.4. Financial statements scope and currency

All significant disclosures from the Bank's point of view were presented in the interim condensed consolidated financial statements for the 1st quarter 2024.

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

1.5. Approval of the financial statements

This interim condensed standalone financial statements were approved for publication by the Bank's Management Board on 2 May 2024.

The annual financial statements of the ING Bank Śląski S.A. for the period from 1 January 2023 to 31 December 2023 were approved by the General Meeting on 11 April 2024.

1.6. Changes in accounting standards

In these interim condensed separate financial statements, the same accounting principles were applied as applied in the preparation of the full annual financial statements for 2023 (annual financial statements of ING Bank Śląski S.A. for the period from 1 January 2023 to 31 December 2023) and the standards and interpretations approved by the European Union, applicable to annual periods beginning on or after 1 January 2024, which were presented in the interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for the 1st quarter 2024.



2. Significant accounting principles and key estimates

Detailed accounting principles and key estimates are presented in the annual financial statements of the of ING Bank Śląski S.A. for the period from 1 January 2023 to 31 December 2023, available on the website of ING Bank Śląski S.A. (www.ing.pl).

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

In the 1st quarter of 2024, no significant changes were made to the accounting principles applied by the Bank. The most important estimates that changed in the 1st quarter of 2024 compared to those presented in the annual financial statements of ING Bank Śląski S.A. for the period from 1 January 2023 to 31 December 2023 are described in the interim condensed consolidated financial statements in point [5.1. Key estimates](#).

3. Comparability of financial data

In these interim condensed financial statements for the 1st quarter of 2024, compared to the financial statements for the 1st quarter of 2023, the Group has not introduced any changes in the method of data presentation.

4. Supplementary notes to interim condensed standalone financial statements

4.1. Loans and other receivables to customers

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
Measured at amortised cost	142,177.2	140,189.8	139,154.4
Measured at fair value through other comprehensive income	6,727.5	6,473.2	7,300.3
Total	148,904.7	146,663.0	146,454.7

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	31 Mar 2024			31 Dec 2023			31 Mar 2023		
	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net
Loan portfolio, of which:	143,771.1	-3,445.8	140,325.3	141,698.8	-3,236.6	138,462.2	140,806.8	-3,062.5	137,744.3
Corporate banking	88,104.4	-2,456.7	85,647.7	87,129.4	-2,280.4	84,849.0	88,284.1	-2,005.7	86,278.4
loans in the current account	17,629.9	-209.2	17,420.7	16,480.9	-141.5	16,339.4	19,431.6	-535.5	18,896.1
term loans and advances	66,262.8	-2,246.6	64,016.2	66,456.8	-2,137.2	64,319.6	64,562.5	-1,468.6	63,093.9
debt securities (corporate and municipal)	4,211.7	-0.9	4,210.8	4,191.7	-1.7	4,190.0	4,290.0	-1.6	4,288.4
Retail banking	55,666.7	-989.1	54,677.6	54,569.4	-956.2	53,613.2	52,522.7	-1,056.8	51,465.9
mortgages	46,308.4	-194.0	46,114.4	45,396.2	-199.5	45,196.7	43,859.3	-253.0	43,606.3
loans in the current account	678.9	-64.3	614.6	706.4	-62.7	643.7	680.6	-63.0	617.6
other loans and advances	8,679.4	-730.8	7,948.6	8,466.8	-694.0	7,772.8	7,982.8	-740.8	7,242.0
Other receivables, of which:	1,851.9	0.0	1,851.9	1,727.6	0.0	1,727.6	1,410.1	0.0	1,410.1
call deposits placed	814.5	0.0	814.5	606.9	0.0	606.9	550.8	0.0	550.8
other	1,037.4	0.0	1,037.4	1,120.7	0.0	1,120.7	859.3	0.0	859.3
Total	145,623.0	-3,445.8	142,177.2	143,426.4	-3,236.6	140,189.8	142,216.9	-3,062.5	139,154.4



Quality of loan portfolio

as at	31 Mar 2024			31 Dec 2023			31 Mar 2023		
	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net
Corporate banking	88,104.4	-2,456.7	85,647.7	87,129.4	-2,280.4	84,849.0	88,284.1	-2,005.7	86,278.4
assets in Stage 1	75,158.4	-142.9	75,015.5	74,494.8	-183.8	74,311.0	76,293.7	-154.7	76,139.0
assets in Stage 2	10,141.8	-456.3	9,685.5	10,008.4	-391.6	9,616.8	9,696.5	-452.5	9,244.0
assets in Stage 3	2,804.2	-1,857.5	946.7	2,626.2	-1,705.0	921.2	2,293.9	-1,398.5	895.4
Retail banking	55,666.7	-989.1	54,677.6	54,569.4	-956.2	53,613.2	52,522.7	-1,056.8	51,465.9
assets in Stage 1	50,185.4	-129.9	50,055.5	49,097.5	-124.4	48,973.1	46,687.7	-167.6	46,520.1
assets in Stage 2	4,442.7	-167.3	4,275.4	4,485.3	-187.4	4,297.9	4,870.7	-249.1	4,621.6
assets in Stage 3	1,036.1	-691.9	344.2	983.9	-644.4	339.5	961.9	-640.1	321.8
POCI assets	2.5	-	2.5	2.7	-	2.7	2.4	-	2.4
Total, of which:	143,771.1	-3,445.8	140,325.3	141,698.8	-3,236.6	138,462.2	140,806.8	-3,062.5	137,744.3
assets in Stage 1	125,343.8	-272.8	125,071.0	123,592.3	-308.2	123,284.1	122,981.4	-322.3	122,659.1
assets in Stage 2	14,584.5	-623.6	13,960.9	14,493.7	-579.0	13,914.7	14,567.2	-701.6	13,865.6
assets in Stage 3	3,840.3	-2,549.4	1,290.9	3,610.1	-2,349.4	1,260.7	3,255.8	-2,038.6	1,217.2
POCI assets	2.5	-	2.5	2.7	-	2.7	2.4	-	2.4

The Bank identifies POCI financial assets whose carrying value as at 31 March 2024 is PLN 2.5 million (PLN 2.7 million as at 31 December 2023 and PLN 2.4 million as at 31 March 2023). These are exposures due to impaired receivables acquired in connection with the acquisition of SKOK Bieszczadzka in 2017 and exposures that were significantly modified as a result of restructuring, which involved the need to remove the original credit commitment and re-recognition of the asset in the statement of financial position.

4.2. Fair value

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

In 2024, there were no transfers between levels of the valuation hierarchy, as in 2023. The fair value measurement methods adopted as at 31 March 2024 have not changed compared to those used at the end of 2023 (a detailed description of the approach to fair value measurement of assets and liabilities can be found in the annual financial statements for the period from 1 January 2023 to 31 December 2023).

The carrying amounts of financial assets and liabilities measured at fair value are presented below, broken down by measurement hierarchy levels.



as at 31 Mar 2024

	level 1	level 2	level 3	Total
Financial assets, including:	29,354.6	1,556.4	6,990.9	37,901.9
Financial assets held for trading, including:	753.8	1,229.4	-	1,983.2
valuation of derivatives	-	1,091.2	-	1,091.2
other financial assets held for trading, including:	753.8	138.2	-	892.0
debt securities, including:	753.8	-	-	753.8
treasury bonds in PLN	598.3	-	-	598.3
Czech Treasury bonds	155.5	-	-	155.5
repo transactions	-	138.2	-	138.2
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	-	-	27.5	27.5
loans are obligatorily measured at fair value through profit or loss	-	-	27.1	27.1
equity instruments	-	-	0.4	0.4
Derivative hedge instruments	-	327.0	-	327.0
Financial assets measured at fair value through other comprehensive income, including:	28,600.8	-	235.9	28,836.7
debt securities, including:	28,600.8	-	-	28,600.8
treasury bonds in PLN	25,384.1	-	-	25,384.1
treasury bonds in EUR	0.0	-	-	0.0
European Investment Bank bonds	2,813.0	-	-	2,813.0
Austrian government bonds	403.7	-	-	403.7
equity instruments	-	-	235.9	235.9
Loans measured at fair value through other comprehensive income	-	-	6,727.5	6,727.5
Financial liabilities, including:	63.7	1,661.8	-	1,725.5
Financial liabilities held for trading, including:	63.7	1,250.7	-	1,314.4
valuation of derivatives	-	1,250.7	-	1,250.7
book short position in trading securities	63.7	-	-	63.7
Derivative hedge instruments	-	411.1	-	411.1

as at 31 Dec 2023

	level 1	level 2	level 3	Total
Financial assets, including:	24,478.5	1,724.0	6,748.1	32,950.6
Financial assets held for trading, including:	719.3	1,515.6	-	2,234.9
valuation of derivatives	-	899.8	-	899.8
other financial assets held for trading, including:	719.3	615.8	-	1,335.1
debt securities, including:	719.3	-	-	719.3
treasury bonds in PLN	599.7	-	-	599.7
Czech Treasury bonds	119.1	-	-	119.1
European Investment Bank bonds	0.5	-	-	0.5
repo transactions	-	615.8	-	615.8
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	-	-	39.0	39.0
loans are obligatorily measured at fair value through profit or loss	-	-	38.6	38.6
equity instruments	-	-	0.4	0.4
Derivative hedge instruments	-	208.4	-	208.4
Financial assets measured at fair value through other comprehensive income, including:	23,594.0	-	235.9	23,829.9
debt securities, including:	23,594.0	-	-	23,594.0
treasury bonds in PLN	21,259.1	-	-	21,259.1
treasury bonds in EUR	546.1	-	-	546.1
European Investment Bank bonds	1,377.7	-	-	1,377.7
Austrian government bonds	411.1	-	-	411.1
equity instruments	-	-	235.9	235.9
Transferred assets, including:	165.2	-	-	165.2
Treasury bonds in PLN from the portfolio of financial assets measured at fair value through profit or loss	133.1	-	-	133.1
bonds of the Czech State Treasury in CZK from the portfolio of financial assets measured at fair value through profit or loss	32.1	-	-	32.1
Loans measured at fair value through other comprehensive income	-	-	6,473.2	6,473.2
Financial liabilities, including:	595.6	1,506.3	0.0	2,101.9
Financial liabilities held for trading, including:	595.6	1,226.0	-	1,821.6
valuation of derivatives	-	1,060.3	-	1,060.3
book short position in trading securities	595.6	-	-	595.6
repo transactions	-	165.7	-	165.7
Derivative hedge instruments	-	280.3	-	280.3



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

The Bank discloses data on the fair value of financial assets and liabilities measured at amortised cost including the effective interest rate. The methods used to calculate fair value for disclosures as at 31 March 2024 have not changed compared to those used at the end of 2023 (a detailed description of the approach to fair value measurement of assets and liabilities that are not presented at fair value in the statement of financial position is included in the annual financial statements for the period from 1 January 2023 to 31 December 2023).

In 2024, there were no transfers between levels of the valuation hierarchy, as in 2023.

as at **31 Mar 2024**

	Carrying amount	Fair value			Total
		level 1	level 2	level 3	
Investment securities at amortised cost, including:	35,516.4	21,510.3	12,437.9	0.0	33,948.2
treasury bonds in PLN	13,070.2	12,409.3	-	-	12,409.3
treasury bonds in EUR	2,896.4	2,699.6	-	-	2,699.6
European Investment Bank bonds	6,682.0	6,401.4	-	-	6,401.4
bonds of the Polish Development Fund (PFR)	3,868.8	-	3,528.4	-	3,528.4
Bank Gospodarstwa Krajowego bonds	1,813.6	-	1,727.6	-	1,727.6
NBP bills	7,185.4	-	7,181.9	-	7,181.9
Loans and receivables to customers, including:	142,177.2	0.0	0.0	142,654.4	142,654.4
Corporate banking segment, including:	85,647.7	-	-	86,121.9	86,121.9
loans and advances (in the current account and term ones)	81,436.9	-	-	82,081.5	82,081.5
corporate and municipal debt securities	4,210.8	-	-	4,040.4	4,040.4
Retail banking segment, including:	54,677.6	-	-	54,680.6	54,680.6
mortgages	46,114.4	-	-	45,885.2	45,885.2
other loans and advances	8,563.2	-	-	8,795.4	8,795.4
Other receivables	1,851.9	-	-	1,851.9	1,851.9
Liabilities to customers	214,021.7	-	-	213,971.5	213,971.5
Subordinated liabilities	1,509.7	-	-	1,251.7	1,251.7

as at **31 Dec 2023**

	Carrying amount	Fair value			Total
		level 1	level 2	level 3	
Investment securities at amortised cost, including:	32,697.5	21,570.9	9,505.2	0.0	31,076.1
treasury bonds in PLN	13,095.0	12,409.0	-	-	12,409.0
treasury bonds in EUR	2,940.4	2,744.3	-	-	2,744.3
European Investment Bank bonds	6,700.4	6,417.6	-	-	6,417.6
bonds of the Polish Development Fund (PFR)	3,859.7	-	3,507.3	-	3,507.3
Bank Gospodarstwa Krajowego bonds	1,804.8	-	1,702.7	-	1,702.7
NBP bills	4,297.2	-	4,295.2	-	4,295.2
Loans and receivables to customers, including:	140,189.8	0.0	0.0	140,664.2	140,664.2
Corporate banking segment, including:	84,849.0	-	-	85,355.2	85,355.2
loans and advances (in the current account and term ones)	80,659.0	-	-	81,339.9	81,339.9
corporate and municipal debt securities	4,190.0	-	-	4,015.3	4,015.3
Retail banking segment, including:	53,613.2	-	-	53,581.4	53,581.4
mortgages	45,196.7	-	-	44,869.4	44,869.4
other loans and advances	8,416.5	-	-	8,712.0	8,712.0
Other receivables	1,727.6	-	-	1,727.6	1,727.6
Liabilities to customers	205,039.9	-	-	205,003.3	205,003.3
Subordinated liabilities	1,526.2	-	-	1,260.8	1,260.8



5. Capital adequacy

5.1. Total capital ratio

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
Own funds	19,242.7	19,051.6	17,786.9
Total capital requirements	8,613.6	8,132.2	7,957.6
Total capital ratio (TCR)	17.87%	18.74%	17.88%
Tier 1 ratio (T1)	16.51%	17.24%	16.24%

On 11 April 2024, the Ordinary General Meeting of the Bank approved the distribution of the profit for 2023. The inclusion of the net profit earned in 2023 in own funds as at 31 December 2023 resulted in an increase in the Bank's TCR and Tier 1 ratios to 18.74% and 17.24%, respectively, as presented in the table. According to the values presented in the Bank's annual financial statements for the period from 1 January 2023 to 31 December 2023, the Bank's TCR and Tier 1 ratios as at 31 December 2023 were 18.02% and 16.50%, respectively.

Transitional provisions

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

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
Total capital ratio (TCR)	17.84%	18.68%	17.79%
Tier 1 capital ratio	16.48%	17.17%	16.08%

5.2. MREL requirements

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

6. Dividends paid

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

7. Off-balance sheet items

as at	31 Mar 2024	31 Dec 2023	31 Mar 2023
Off-balance sheet commitments given	57,768.4	55,101.7	51,751.2
Off-balance sheet commitments received	19,870.2	19,492.1	19,432.7
Off-balance sheet financial instruments	1,509,233.1	1,433,302.4	1,202,691.1
Total	1,586,871.7	1,507,896.2	1,273,875.0

8. Significant events in the 1st quarter of 2024

Significant events that occurred in the 1st quarter of 2024 are described in the interim condensed consolidated financial statements in point 2. *Significant events in the 1st quarter of 2024*.

9. Significant events after balance sheet date

Significant events that occurred after the end of the reporting period are described in the interim condensed consolidated financial statements in point 3. *Significant events after balance sheet date*.

10. Transactions with related parties

The most important information regarding the Bank's transactions with related parties is presented in the interim condensed consolidated financial statements in point 12. *Transactions with related parties*.

The table presents numerical information on receivables and liabilities, revenues and costs as well as outlays on fixed assets, which result from transactions concluded between the Bank and its related entities.



	ING Bank NV	other ING Group entities	subsidiaries	associates	ING Bank NV	other ING Group entities	subsidiaries	associates
	as at 31 Mar 2024				as at 31 Dec 2023			
Receivables								
Nostro accounts	2.2	3.2	-	-	17.5	0.8	-	-
Deposits placed	2.1	-	-	-	72.9	-	-	-
Loans granted	-	0.1	14,385.5	-	-	0.3	14,306.5	-
Positive valuation of derivatives	121.9	-	-	-	137.6	-	-	-
Reverse repo	19,437.2	-	-	-	19,000.3	-	-	-
Other receivables	0.8	4.0	5.5	-	3.8	8.4	8.3	-
Liabilities								
Deposits received	601.2	91.0	242.3	40.4	130.8	128.8	221.0	40.3
Loans received*	7,597.2	-	-	-	7,680.7	-	-	-
Subordinated loan	1,509.8	-	-	-	1,526.2	-	-	-
Loro accounts	69.7	11.8	1.4	-	61.1	155.7	-	-
Negative valuation of derivatives	23.2	-	-	-	69.9	-	-	-
Other liabilities	222.8	13.9	5.3	-	251.6	16.1	7.9	-
Off-balance-sheet operations								
Off-balance sheet liabilities granted	398.0	584.2	8,422.6	0.1	599.4	384.4	7,276.4	0.1
Off-balance sheet liabilities received	82.0	-	-	-	95.9	-	-	-
FX transactions	15,093.3	-	-	-	16,988.1	-	-	-
IRS	189.7	-	-	-	191.0	-	-	-
Options	583.1	-	-	-	591.9	-	-	-
	1 quarter 2024 the period from 01 Jan 2024 to 31 Mar 2024				1 quarter 2023 the period from 01 Jan 2023 to 31 Mar 2023			
Income and expenses								
Income, including:	187.8	1.6	213.7	12.7	-36.0	-0.1	216.4	9.2
net interest and commission income	45.2	1.8	213.2	12.7	6.6	-	224.3	9.2
net income on financial instruments	142.6	-0.2	0.1	-	-42.6	-	0.1	-
net income on sale of financial assets	-	-	-	-	-	-	-8.8	-
net (loss)/income on other basic activities	-	-	0.4	-	-	-0.1	0.8	-
General and administrative expenses	-86.9	-11.2	-0.8	-	-62.2	-11.0	-1.3	-
Outlays for non-current assets								
Outlays for intangible assets	-	-	-	-	-	-	0.1	-

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

2024-05-02	Brunon Bartkiewicz President	The original Polish document is signed with a qualified electronic signature
2024-05-02	Joanna Erdman Vice-President	The original Polish document is signed with a qualified electronic signature
2024-05-02	Marcin Giżycki Vice-President	The original Polish document is signed with a qualified electronic signature
2024-05-02	Bożena Graczyk Vice-President	The original Polish document is signed with a qualified electronic signature
2024-05-02	Ewa Łuniewska Vice-President	The original Polish document is signed with a qualified electronic signature
2024-05-02	Michał H. Mrozek Vice-President	The original Polish document is signed with a qualified electronic signature
2024-05-02	Sławomir Soszyński Vice-President	The original Polish document is signed with a qualified electronic signature
2024-05-02	Alicja Żyła Vice-President	The original Polish document is signed with a qualified electronic signature

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2024-05-02	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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