ING Bank Śląski S.A. Group

Semi-annual consolidated report for the period of 6 months ending on 30 June 2024

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SELECTED FINANCIAL DATA FROM FINANCIAL STATEMENTS

Selected financial data from consolidated financial statements

	in PLN million		in EUR milion*	
	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
Net interest income	4,203.9	3,914.4	975.2	848.6
Net commission income	1,147.0	1,055.7	266.1	228.9
Net income on basic activities	5,446.6	5,083.3	1,263.4	1,101.9
Gross profit	2,513.5	2,633.1	583.1	570.8
Net profit attributable to shareholders of ING Bank Śląski S.A.	1,958.0	2,008.1	454.2	435.3
Earnings per ordinary share (in PLN / in EUR)	15.05	15.43	3.49	3.34
Net cash flows	-3,701.9	-204.6	-858.7	-44.4

	in PLN million			in EUR milion*		
	as at 30.06.2024	as at 31.12.2023	as at 30.06.2023	as at 30.06.2024	as at 31.12.2023	as at 30.06.2023
Loans and other receivables to customers at amortized cost (net)	161,384.8	156,520.7	156,213.4	37,418.2	35,998.3	35,101.8
Liabilities to customers	213,541.5	205,289.9	199,740.2	49,511.1	47,214.8	44,882.4
Total assets	249,278.5	245,361.4	227,735.8	57,797.0	56,430.9	51,173.1
Share capital	130.1	130.1	130.1	30.2	29.9	29.2
Equity attributable to shareholders of ING Bank Śląski S.A.	14,173.6	16,736.0	12,962.6	3,286.3	3,849.1	2,912.7
Book value per share (in PLN / in EUR)	108.94	128.64	99.64	25.26	29.59	22.39

Selected financial data from standalone financial statements

	in PLN million		in EUR milion*	
	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
Net interest income	4,019.1	3,700.6	932.3	802.2
Net commission income	1,102.7	1,015.7	255.8	220.2
Net income on basic activities	5,203.5	4,814.0	1,207.1	1,043.6
Gross profit	2,493.8	2,596.6	578.5	562.9
Net profit	1,958.0	2,008.1	454.2	435.3
Earnings per ordinary share (in PLN / in EUR)	15.05	15.43	3.49	3.34
Net cash flows	-3,701.9	-204.6	-858.7	-44.4

	in PLN million			in EUR milion*		
	as at 30.06.2024	as at 31.12.2023	as at 30.06.2023	as at 30.06.2024	as at 31.12.2023	as at 30.06.2023
Loans and other receivables to customers at amortized cost (net)	151,692.6	146,663.0	147,055.0	35,171.0	33,731.1	33,043.8
Liabilities to customers	213,518.4	205,039.9	199,555.9	49,505.8	47,157.3	44,841.0
Total assets	243,763.8	239,599.8	222,157.9	56,518.4	55,105.7	49,919.8
Share capital	130.1	130.1	130.1	30.2	29.9	29.2
Equity	14,066.3	16,618.9	12,875.1	3,261.4	3,822.2	2,893.1
Book value per share (in PLN / in EUR)	108.12	127.74	98.96	25.07	29.38	22.24

*) the following exchange rates were used to convert selected data into EUR:

- for items of the statement of profit or loss and for net cash flows - exchange rate calculated as an average of the NBP exchange rates prevailing on the last day of each month in the 6 months of 2024 (PLN 4.3109) and 6 months of 2023 (PLN 4.6130),
- for items of the statement of financial position - average exchange rate of the NBP prevailing on 30 June 2024 (PLN 4.3130), as at 31 December 2023 (PLN 4.3480) and as at 30 June 2023 (4.4503 PLN).

Key consolidated performance indicators

as at	30 Jun 2024	31 Dec 2023	30 Jun 2023
C/I - cost/income ratio	44.6%	40.7%	42.7%
ROA - return on assets	1.8%	1.9%	1.1%
ROE - return on equity	28.7%	33.9%	24.2%
NIM - net interest margin	3.6%	3.6%	2.8%
L/D - loan-to-deposit ratio	75.6%	76.2%	78.2%
Total capital ratio	15.42%	17.41%*	16.95%

*) 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.

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

Interim condensed consolidated income statement

	Note	2 quarter 2024 the period from 01 Apr 2024 to 30 Jun 2024	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	2 quarter 2023 the period from 01 Apr 2023 to 30 Jun 2023	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
Net interest income		3,114.0	6,346.2	3,134.0	6,116.1
calculated using the effective interest rate method		2,915.1	5,941.1	2,846.4	5,526.1
other interest income		198.9	405.1	287.6	590.0
Interest expense		-1,072.7	-2,142.3	-1,080.0	-2,201.7
Interest income	8.1	**2,041.3**	**4,203.9**	**2,054.0**	**3,914.4**
Commission income		718.9	1,433.1	676.3	1,327.9
Commission expense		-147.9	-286.1	-142.0	-272.2
Net commission income	8.2	**571.0**	**1,147.0**	**534.3**	**1,055.7**
Net income on financial instruments measured at fair value through profit or loss and FX result	8.3	66.7	85.6	37.4	111.0
Net income on the sale of securities measured at amortised cost	8.4	0.9	-5.4	-	-
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	8.4	10.9	13.1	8.6	9.8
Net (loss)/income on hedge accounting	8.5	2.3	-0.6	-3.5	-8.2
Net (loss)/income on other basic activities		0.2	3.0	0.2	0.6
Net income on basic activities		**2,693.3**	**5,446.6**	**2,631.0**	**5,083.3**
General and administrative expenses	8.6	-978.1	-2,067.4	-850.6	-1,852.9
Impairment for expected credit losses	8.7	-291.9	-488.1	-196.8	-285.0
Cost of legal risk of FX mortgage loans		-25.9	-26.7	-	-
Tax on certain financial institutions		-179.5	-366.1	-165.6	-324.2
Share of the net profits of associates measured by equity method		8.0	15.2	6.3	11.9
Gross profit		**1,225.9**	**2,513.5**	**1,424.3**	**2,633.1**
Income tax		-261.2	-555.5	-324.9	-625.0
Net profit		**964.7**	**1,958.0**	**1,099.4**	**2,008.1**
including attributable to shareholders of ING Bank Śląski S.A.		964.7	1,958.0	1,099.4	2,008.1

	2 quarter 2024 the period from 01 Apr 2024 to 30 Jun 2024	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	2 quarter 2023 the period from 01 Apr 2023 to 30 Jun 2023	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
Net profit attributable to shareholders of ING Bank Śląski S.A.	964.7	1,958.0	1,099.4	2,008.1
Weighted average number of ordinary shares	130,158,661	130,130,664	130,135,128	130,120,799
Earnings per ordinary share (in PLN)	**7.41**	**15.05**	**8.45**	**15.43**

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.

6 | ING Bank Śląski S.A. Group | Semi-annual consolidated report for the period of 6 months ending on 30 June 2024 | Data in PLN million

Interim condensed consolidated statement of comprehensive income

	2 quarter 2024 the period from 01 Apr 2024 to 30 Jun 2024	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	2 quarter 2023 the period from 01 Apr 2023 to 30 Jun 2023	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
Net profit for the reporting period	**964.7**	**1,958.0**	**1,099.4**	**2,008.1**
Total other comprehensive income, including:	**105.2**	**-179.4**	**624.0**	**1,608.2**
Items that may be reclassified to profit or loss, including:	**103.3**	**-181.4**	**619.3**	**1,603.5**
debt instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	-31.4	118.0	-2.3	142.5
debt instruments measured at fair value through other comprehensive income – reclassification to financial result due to sale	-2.4	-4.2	-1.0	-2.0
cash flow hedge - gains on revaluation carried through equity	-283.1	-1,114.4	69.9	314.4
cash flow hedge - reclassification to profit or loss	420.2	819.2	552.7	1,148.6
Items that will not be reclassified to profit or loss, including:	**1.9**	**2.0**	**4.7**	**4.7**
equity financial instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	1.8	1.8	4.7	4.7
fixed assets revaluation	0.1	0.2	-	-
Net comprehensive income for the reporting period	**1,069.9**	**1,778.6**	**1,723.4**	**3,616.3**
including attributable to shareholders of ING Bank Śląski S.A.	1,069.9	1,778.6	1,723.4	3,616.3

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.

7 | ING Bank Śląski S.A. Group | Semi-annual consolidated report for the period of 6 months ending on 30 June 2024 | Data in PLN million

Interim condensed consolidated statement of financial position

as at	Note	30 Jun 2024	31 Dec 2023	30 Jun 2023
Assets				
Cash in hand and balances with the Central Bank		3,163.7	6,751.4	2,267.8
Loans and other receivables to other banks	8.8	19,820.1	19,909.1	11,288.2
Financial assets measured at fair value through profit or loss	8.9	1,315.9	2,273.9	2,339.7
Derivative hedge instruments		102.5	208.4	195.7
Investment securities	8.10	58,930.7	56,613.7	41,150.6
Transferred assets	8.9, 8.10 8.12	1,996.0	165.2	11,307.9
Loans and other receivables to customers measured at amortised cost	8.11	161,384.8	156,520.7	156,213.4
Investments in associates accounted for using the equity method		196.2	180.9	163.3
Property, plant and equipment		1,014.8	1,002.4	926.0
Intangible assets		495.5	494.1	467.1
Current income tax assets		2.3	0.6	6.7
Deferred tax assets		684.4	1,096.8	1,194.8
Other assets		171.6	144.2	214.6
Total assets		**249,278.5**	**245,361.4**	**227,735.8**

as at	Note	30 Jun 2024	31 Dec 2023	30 Jun 2023
Liabilities				
Liabilities to other banks	8.13	13,877.0	13,654.8	7,381.4
Financial liabilities measured at fair value through profit or loss	8.14	974.6	1,821.6	1,589.3
Derivative hedge instruments		148.7	280.3	328.4
Liabilities to customers	8.15	213,541.5	205,289.9	199,740.2
Liabilities from debt securities issued		405.3	404.4	404.8
Subordinated liabilities		1,513.7	1,526.2	1,561.2
Provisions	8.16	644.9	541.8	367.1
Current income tax liabilities		69.6	114.8	124.4
Deferred tax loss		-	-	0.2
Other liabilities	8.17	3,929.6	4,991.6	3,276.2
Total liabilities		**235,104.9**	**228,625.4**	**214,773.2**
Equity				
Share capital	1.3	130.1	130.1	130.1
Share premium		956.3	956.3	956.3
Accumulated other comprehensive income		-5,274.3	-5,094.7	-6,431.1
Retained earnings		18,372.8	20,749.6	18,311.5
Own shares for the purposes of the incentive program		-11.3	-5.3	-4.2
Total equity		**14,173.6**	**16,736.0**	**12,962.6**
including attributable to shareholders of ING Bank Śląski S.A.		14,173.6	16,736.0	12,962.6
Total liabilities and equity		**249,278.5**	**245,361.4**	**227,735.8**

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.

8 | ING Bank Śląski S.A. Group | Semi-annual consolidated report for the period of 6 months ending on 30 June 2024 | Data in PLN million

Interim condensed statement of changes in consolidated equity

1 half of 2024 the period from 01 Jan 2024 to 30 Jun 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	-	-	-	1,958.0	-	**1,958.0**
Other net comprehensive income, including:	-	-	**-179.6**	**0.2**	-	**-179.4**
financial assets measured at fair value through other comprehensive income – revaluation gains / losses recognized in equity	-	-	119.8	-	-	119.8
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-4.2	-	-	-4.2
sale of equity instruments measured at fair value through other comprehensive income	-	-	-0.2	0.2	-	0.0
cash flow hedge - revaluation gains / losses recognized in equity	-	-	-1,114.4	-	-	-1,114.4
cash flow hedge – reclassification to profit or loss	-	-	819.2	-	-	819.2
fixed assets revaluation	-	-	0.2	-	-	0.2
Other changes in equity, including:	-	-	-	**-4,335.0**	**-6.0**	**-4,341.0**
valuation of employee incentive programs	-	-	-	3.8	-	3.8
dividend payment	-	-	-	-4,338.8	-	-4,338.8
purchase of own shares for the purposes of the employee incentive program	-	-	-	-	-6.0	-6.0
Closing balance of equity	**130.1**	**956.3**	**-5,274.3**	**18,372.8**	**-11.3**	**14,173.6**

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.

9 | ING Bank Śląski S.A. Group | Semi-annual consolidated report for the period of 6 months ending on 30 June 2024 | Data in PLN million

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:	-	-	**2,944.6**	-	-	**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:	-	-	-	**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

10 | ING Bank Śląski S.A. Group | Semi-annual consolidated report for the period of 6 months ending on 30 June 2024 | Data in PLN million

1 half of 2023 the period from 01 Jan 2023 to 30 Jun 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	-	-	-	2,008.1	-	**2,008.1**
Other net comprehensive income, including:	-	-	**1,608.2**	-	-	**1,608.2**
financial assets measured at fair value through other comprehensive income - revaluation gains / losses recognized in equity	-	-	147.2	-	-	147.2
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-2.0	-	-	-2.0
cash flow hedge - revaluation gains / losses recognized in equity	-	-	314.4	-	-	314.4
cash flow hedge – reclassification to profit or loss	-	-	1,148.6	-	-	1,148.6
Other changes in equity, including:	-	-	-	**6.2**	**-4.2**	**2.0**
valuation of employee incentive programs	-	-	-	6.2	-	6.2
purchase of own shares for the purposes of the employee incentive program	-	-	-	-	-4.2	-4.2
Closing balance of equity	**130.1**	**956.3**	**-6,431.1**	**18,311.5**	**-4.2**	**12,962.6**

11 | ING Bank Śląski S.A. Group | Semi-annual consolidated report for the period of 6 months ending on 30 June 2024 | Data in PLN million

Interim condensed consolidated cash flow statement

	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
Net profit	**1,958.0**	**2,008.1**
Adjustments, including:	**-4,397.8**	**-6,502.5**
Share of net profit (loss) of associates accounted for using the equity method	-15.2	-11.9
Depreciation and amortisation	159.9	146.0
Interest accrued (from the income statement)	-4,203.9	-3,914.4
Interest paid	-1,875.9	-2,089.1
Interest received	6,055.0	5,872.3
Dividends received	-2.1	-7.4
Gains (losses) on investing activities	0.2	0.6
Income tax (from the income statement)	555.5	625.0
Income tax paid	-148.6	-253.2
Change in provisions	103.1	8.1
Change in loans and other receivables to other banks	9.1	-6,264.0
Change in financial assets measured at fair value through profit or loss	953.9	-379.0
Change in hedge derivatives	-390.2	1,708.6
Change in investment securities	-5,533.5	3,863.1
Change in transferred assets	-1,819.6	-10,955.9
Change in loans and other receivables to customers measured at amortised cost	-4,841.5	-1,190.7
Change in other assets	-131.8	479.8
Change in liabilities to other banks	327.4	794.5
Change in liabilities measured at fair value through profit or loss	-846.9	-614.4
Change in liabilities to customers	8,266.8	6,976.0
Change in liabilities from debt securities issued	0.9	0.7
Change in subordinated liabilities	-12.5	-83.9
Change in other liabilities	-1,007.9	-1,213.3
Net cash flows from operating activities	**-2,439.8**	**-4,494.4**

	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
Acquisition of property, plant and equipment	-17.8	-37.6
Disposal of property, plant and equipment	0.1	-
Acquisition of intangible assets	-51.6	-90.6
Sale of equity instruments measured at fair value through other comprehensive income	-0.2	-
Acquisition of debt securities measured at amortized cost	-12,668.0	-309.7
Disposal of debt securities measured at amortized cost	16,254.5	3,909.1
Dividends received	2.1	7.4
Net cash flows from investment activities	**3,519.1**	**3,478.6**
Long-term loans received	866.4	2,292.8
Repayment of long-term loans	-875.8	-1,300.8
Interest payment on long-term loans	-365.3	-107.9
Interest on debt securities issued	-12.2	-16.1
Repayment of lease liabilities	-49.5	-52.6
Purchase of own shares for the purposes of the employee incentive program	-6.0	-4.2
Dividends paid	-4,338.8	-
Net cash flows from financial activities	**-4,781.2**	**811.2**
Net increase/(decrease) in cash and cash equivalents	**-3,701.9**	**-204.6**
of which effect of exchange rate changes on cash and cash equivalents	282.7	713.8
Opening balance of cash and cash equivalents	**7,040.0**	**3,049.7**
Closing balance of cash and cash equivalents	**3,338.1**	**2,845.1**

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

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Additional information to interim condensed consolidated financial statements

Additional information to the interim condensed consolidated financial statements

1. Bank and the Group details

1.1. Key Bank data

ING Bank Śląski S.A. ("Parent company", "Parent entity", "Bank") with the registered office in Poland, Katowice, 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. 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).

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

ING Bank Śląski S.A. is a subsidiary of ING Bank NV, which as at 30 June 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 is a part of the Capital Group, defined for the purposes of these interim condensed consolidated financial statements as ING Group.

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

As at 30 June 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*	11,312,036	8.69

*) Based on semi-annual information on the asset structure of Allianz Polska Otwarty Fundusz Emerytalny as at 28 June 2024.

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1.5. ING Bank Śląski S.A. Group

ING Bank Śląski S.A. is the parent of the ING Bank Śląski S.A. Group (the Group). As at 30 June 2024 the composition of the ING Bank Śląski Group was as follows:

No	name	type of activity	headquarters	% of the Group's share in the share capital and votes on the General Meeting as at 30 Jun 2024	% of the Group's share in the share capital and votes on the General Meeting as at 31 Dec 2023	nature of the capital relationship	recognition in the Group cosolidated financial statements
1.	ING Investment Holding (Polska) S.A., which holds shares in the following subsidiaries and associates:	financial holding	Katowice	100	100	subsidiary	full consolidation
1.1.	ING Commercial Finance S.A.	factoring services	Warszawa	100	100	subsidiary	full consolidation
1.2.	ING Lease (Polska) Sp. z o.o.*	leasing services	Warszawa	100	100	subsidiary	full consolidation
1.3.	Paymento Financial S.A.	financial services and IT solutions for the financial sector	Tychy	100	100	subsidiary	full consolidation
1.4.	Goldman Sachs TFI S.A.	investment funds	Warszawa	45	45	associate	consolidation with the equity method
2.	ING Bank Hipoteczny S.A.	banking services	Katowice	100	100	subsidiary	full consolidation
3.	ING Usługi dla Biznesu S.A.	accounting, HR and payroll services	Katowice	100	100	subsidiary	full consolidation
4.	Nowe Usługi S.A.	education and promotion for the financial market and TURBO Certificates	Katowice	100	100	subsidiary	full consolidation
5.	SAIO Spółka Akcyjna	software sales, robotization of processes	Katowice	100	100**	subsidiary	full consolidation
6.	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.

**) At the end of 2023, ING Investment Holding (Polska) S.A. was the direct owner of SAIO S.A.

Changes in the structure of the Capital Group

Acquisition by the Bank 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.

Acquisition by the Bank of shares in subsidiary SAIO S.A.

On 27 May 2024, i.e. on the date of entry in the shareholder register, ownership of 100% of the shares of SAIO S.A. was transferred from ING Investment Holding (Poland) S.A. to ING Bank Śląski S.A. (in accordance with the provisions of the sale agreement concluded on 20 May 2024 between ING Investment Holding (Poland) S.A. and the Bank).

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 30 June 2024, Members of the Bank's Management Board held a total of 17,498 shares, which consisted of non-deferred own shares for the period from 1 July to 31 December 2022 (6,835 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 30 June 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 6 August 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.

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2. Significant events in the 1st half of 2024

Extension of credit holidays in 2024

On 7 May 2024, the Act of 12 April 2024 amending the Act on supporting borrowers who have taken out a housing loan and are in a difficult financial situation and the Act on crowdfunding for business ventures and support to borrowers was published in the Journal of Laws. The Act introduces, among others, the possibility for some borrowers to suspend repayment of up to 4 monthly mortgage loan instalments in the period from 1 June to 31 December 2024 (credit holidays).

With regard to instalment deferral, estimated, in accordance with the requirements of IFRS 9 and based on the adopted assumptions, the amount of the adjustment resulted in a one-off reduction of the Bank's consolidated gross result (as a decrease in revenues) for the 2nd quarter of 2024 by PLN 170.5 million.

The value of the adjustment was determined as the difference in the present value of the estimated cash flows resulting from loan agreements, taking into account the suspension of instalment payments and the gross current balance sheet value of the loan portfolio, assuming that borrowers representing approx. 11.4% of the PLN mortgage loan portfolio of the Bank's Capital Group are entitled and decide to use the suspension of instalment payments. The estimation of the percentage of interested customers was based on the number of applications observed until the date of these interim condensed consolidated financial statements and on the assumption that the number of customer applications that will benefit from the suspension of at least one instalment may increase.

Dividend payment from the 2023 profit and from the reserve capital allocated for dividend payment

On 6 May 2024, pursuant to a resolution of the Ordinary General Meeting of the Bank dated 11 April 2024, the Bank paid a dividend of PLN 4,338.8 million.

The dividend amount consisted of:

- PLN 3,330.56 million from the profit for 2023 and
- PLN 1,008.28 million from the reserve capital for dividend payments.

On 1 December 2023, the Bank received a letter in which the Polish Financial Supervision Authority (PFSA) indicated that, after analysing the current economic and financial situation of the Bank and the arguments presented by the Bank, it did not raise any objections regarding the possibility of the Bank paying out a dividend in the amount of PLN 1,008.3 million from the reserve capital earmarked for the payment of dividends. This amount includes PLN 494.4 million from the 2019 profit and PLN 513.9 million from the 2022 profit.

The payment of outstanding dividends from the reserve capital was the main reason for the decrease in the level of own funds and, consequently, the decrease in capital ratios in the second quarter of 2024.

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 is 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.*

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 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

Refer a question to the Court of Justice of the European Union (CJEU) on variable rate agreement provisions based on the WIBOR reference rate

The Regional Court in Częstochowa, in a case against one of the banks in which the plaintiff raises objections regarding the WIBOR rate, decided to refer the following questions to the Court of Justice of the European Union by order of 31 May 2024:

1) Does Article 1(2) of Directive 93/13, which excludes from the scope of the directive the terms of a contract reflecting, inter alia, the applicable laws or regulations, permit the examination of variable-rate contractual terms on the basis of the WIBOR benchmark?
2) If the first question is answered in the affirmative, does Article 4(2) of Directive 93/13, which excludes the assessment of the unfairness of contractual terms relating to the determination of the main subject-matter of the contract or of the price/remuneration, allow the contract terms relating to variable interest rates to be examined on the basis of the WIBOR benchmark?
3) In the event of a positive answer to the first and second questions, can the provisions of the agreement on variable interest rates based on the WIBOR reference rate be regarded as contrary to the requirements of good faith and causing a significant imbalance in the parties' rights and obligations arising under the agreement to the detriment of the consumer, due to the consumer's inadequate information regarding the exposure to the risk of a variable interest rate, including, in particular, the failure to indicate how the benchmark on which the variable interest rate is set is determined and what doubts are related to its non-transparency and the uneven distribution of this risk among the parties to the agreement?
4) In the event of a positive answer to the previous questions, is it possible to continue the operation of a contract in which the interest rate on the amount of the loan principal will be based on the second component determining the interest rate contained in the contract, i.e. the bank's fixed margin, which will change the interest rate on the loan from variable to fixed?

On 3 July 2024, the request for a preliminary ruling was formally lodged with the CJEU and the case was given the reference number C-471/24.

4. Compliance with International Financial Reporting Standards

These interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for the 1st half of 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 30 June 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 interim consolidated 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. The annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2023 to 31 December 2023 are 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 statement of changes in consolidated equity and interim condensed consolidated cash flow statement for the period from 1 January 2024 to 30 June 2024 and interim condensed consolidated statement of financial position as at 30 June 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.
IAS 7 Statement of cash flows and IFRS 7 Financial Instruments: Disclosures - Supplier financing agreements	The implementation of the changes affect the scope of disclosures, but did not have a significant 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.

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The following new standards and amendments the standards have been published in the 1st half of 2024:

Change (expected IASB effective date provided for in the parentheses)	Impact on the Group financial statements
IFRS 18 Presentation and disclosure in financial statements (financial year beginning of 1st January 2027)	The new standard published in April 2024 will replace IAS 1. Implementation of new requirements aim to improve comparability and transparency of entities' financial performance reporting. The Group's analyses show that the implementation of new standard will affect presentation and the scope of disclosures in the Group's financial statements.
IFRS 19 Subsidiaries without public accountability: disclosures (financial year beginning of 1st January 2027)	The new standard published in May 2024 voluntary applies to eligible subsidiaries which does not have public accountability and are subsidiaries of the parent that produces consolidated financial statements available for public use. The Group's analysis show that the implementation of new standard will not have an impact on Group's financial statements.
IFRS 9 Financial instruments and IFRS 7 Financial instruments: disclosures – Classification and measurement of financial instruments (financial year beginning on 1st January 2026)	Introduced amendments result from the conclusions of the post-implementation review of both standards. These amendments were only a clarifications in terms of classification of financial assets (i.e. with ESG and similar features) and derecognition of financial instruments which are subject to the settlement through electronic payment systems. Implementation of these amendments will not have a significant impact on the Group's financial statements.

In the 1st half of 2024 the European Union endorsed the amendments to IAS 7 and IFRS 7 published on 25 May 2023, which application have been disclosed in the first table above.

As at the date of approval of these interim condensed consolidated financial statements 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 30 June 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, in March 2024, the Steering Committee of the National Working Group (NWG) decided to start a review and analysis of alternative RFR rates that could potentially replace WIBOR. The review includes WIRON, as well as other possible interest rate indices. In accordance with the intention, the analyses are 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.

The public consultation that had been started in May 2024 with all stakeholders and financial market participants has been completed on 1 July 2024. This consultation focused on the evaluation of the quality of the considered indices, their characteristics and other considerations including money market development with the aim of identifying an alternative index that best meets the criteria of a Risk Free Rate or near Risk Free Rate index and corresponds to the characteristics of the domestic financial market. The conclusions form this public consultation will serve as one of the elements considered in the NWG decision to choose the optimal index/reference rate which will replace the WIBOR and become the commonly used interest benchmark rate on the market as well as the decision on the update of the benchmark rate reform roadmap in Poland providing a safe national path within the framework of the benchmark reform.

Structure of financial assets and liabilities according to reference rates

As at 30 June 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

as at	30 Jun 2024		31 Dec 2023	
	with maturity date after 30 June 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	129,787.0	79,840.4	131,114.8	79,439.9
Non-derivative financial liabilities	484.4	-	583.7	-
Derivatives	1,266,711.9	317,303.7	1,228,231.9	260,349.4
Off-balance sheet items	12,708.0	1,921.7	13,720.2	1,596.1

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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.

as at	net nominal value of the position on the hedging instrument			
	30 Jun 2024		31 Dec 2023	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedging instruments	88,807.6	9,640.8	88,496.1	13,345.3
Instruments hedging the fair value of securities	14,712.0	-	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 7 August 2024. As at the date of adoption of these interim condensed 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 half 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 30 June 2024 and includes comparative data:

- as at 31 December 2023 and 30 June 2023 - for the interim condensed consolidated statement of financial position,
- for the period from 1 January 2023 to 30 June 2023 and from 1 April 2023 to 30 June 2023 - for the interim condensed consolidated income statement and the interim condensed consolidated statement of comprehensive income,
- for the period from 1 January 2023 to 30 June 2023 - for the interim condensed consolidated cash flow statement,
- for the period from 1 January 2023 to 31 December 2023 and from 1 January 2023 to 30 June 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.

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 half 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 half 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.

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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 30 June 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 half of 2024 by PLN 53.4 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 half of 2024 resulted in an increase of the allowance for expected credit losses by PLN 69.0 million for the retail client portfolio and by PLN 86.2 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 half of 2024, the allowance for expected credit losses for this portfolio by PLN 34.5 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 allowance for expected credit losses, which at the end of 1st half of 2024 amounted to PLN 21.5 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 model on the amount of allowances. As a result, the Group introduced a management adjustment reducing the value of allowance for expected credit losses, which at the end of 1st half of 2024 amounted to PLN 47.5 million (compared to PLN 87.4 million at the end of 2023).

The currently used LGD SBF model does not include collateral in the form of BGK guarantees, which constitute high-quality collateral. This is due to historical circumstances - at the time of creating the model, such guarantees did not exist. Due to the fact that BGK guarantee collateral is currently commonly used in the case of newly granted loans to customers from the of entrepreneurs (SBF) within the portfolio of clients from the corporate segment and to ensure an adequate level of allowances, the Group applied a management adjustment reducing the value of allowance for expected credit losses for this portfolio, consisting in taking into account the recovery from the aforementioned collateral. At the end of the 1st half of 2024, the value of the adjustment amounted to PLN 60.3 million.

At the end of 2023, the Group also introduced a management adjustment resulting from incomplete implementation of the in-default module for the SME (small and medium companies) 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 half of 2024, the Group withdrew from these adjustments.

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

In the 2nd quarter of 2024, the Group decided to reverse the management adjustment that was created in connection with the statutory aid programme enabling customers with PLN mortgage loans to suspend 4 instalments in 2022 and 2023, respectively (at the end of 2023, the management adjustment for this was PLN 18.5 million). At the same time, in connection with the introduction of a new aid programme in May 2024, the Group decided to cover exposures benefiting from support, the collective criterion of a significant increase in risk. As a result, loans benefiting from the support are transferred to Stage 2. This resulted in an increase of model provisions in the 2nd quarter of 2024 by PLN 6.9 million.

Breakdown of adjustments into stages and into corporate and retail segments was presented in note 8.11 *Loans and other receivables to customers measured at amortised cost.*

Sensitivity analysis of expected credit losses on assumed PD threshold

In order to show the sensitivity of expected losses to the level of the adopted PD threshold, the Group estimated the allowances for expected losses in Stages 1 and 2 with the following assumptions:

- all these financial assets would be below the PD threshold and assigned 12-month expected losses and
- all of these assets would exceed this PD threshold and have lifetime expected losses assigned to them.

These estimates show, as at 30 June 2023, hypothetical lower expected losses for Stage 1 and Stage 2 assets by approximately PLN 290 million (including PLN 220 million for corporate portfolio and PLN 70 million for retail portfolio) or higher by approximately PLN 700 million (respectively PLN 450 million for corporate portfolio and PLN 250 million for retail portfolio).

The estimates made as at 31 December 2023, hypothetical lower expected losses for Stage 1 and Stage 2 assets by approximately PLN 280 million (including PLN 190 million for corporate portfolio and PLN 90 million for retail portfolio) or higher by approximately PLN 600 million (respectively PLN 360 million for corporate portfolio and PLN 240 million for retail portfolio).

Macroeconomic forecasts and probability weights applied to each of macroeconomic scenarios

Below are presented the macroeconomic forecasts of of key factors adopted as at 30 June 2024 and 31 December 2023 and the deviations of expected losses in the upside, baseline and negative scenarios from the reported expected losses, weighted by the probability of the scenarios - broken down into corporate, retail and for the entire loan portfolio. The analysis takes into account changes in the time horizon of expected losses (migrations between Stages) resulting from the macroeconomic scenarios used in the analysis. The presented deviations from reported losses do not take into account the impact of management adjustments described earlier. The macroeconomic assumptions used to determine these deviations for the base scenario are based on forecasts prepared by the Bank's Macroeconomic Analysis Office, with forward curves for interest rates based as at the end of the first half of 2024.

The tables present the results of the analysis of the change of exposure in Stages and the change of allowance coverage for the entire loan portfolio and separately for the corporate and retail portfolios.

For both the entire loan portfolio and its corporate and retail part, the selective application of a negative scenario with a weight of 100% increases the level of provisions in all Stages (1/2/3). The average increase of the allowance for the entire portfolio, on a consolidated basis, is about 19% compared to the average scenario used in the calculation of allowances for the 1st half of 2024 (for the corporate portfolio an increase of the allowance by 27% and for the retail portfolio by 5%). The increase of provisions in this scenario is mainly caused by the migration of exposures to Stage 2 caused mainly by negative GDP growth in the short term and moderate increase of the unemployment rate.

If a 100% weight were applied, for the positive scenario there would be a decrease of allowance by approx. 11% on the entire portfolio (for corporate portfolio by 15% and for retail portfolio by 4%). A positive effect of GDP growth and stable values of other variables are observed here (unemployment rate: about 2%, interest rate: about 8%).

The application of a weight of 100% for the base scenario remains almost neutral for the amount of provisions (decrease by 2% on the entire portfolio).

as at 30 June 2024

total loan portfolio

		2024	2025	2026	Expected losses weighted by probability – deviation from losses reported in % Total	Expected losses weighted by probability – deviation from losses reported in % by Stages	Change in the share of Stage 2 in relation to the entire portfolio in %	Weight assigned to the scenario to determine the reported expected losses	Reported expected losses (collective assessment in Stage 1, 2 and 3) Total	Reported expected losses (collective assessment in Stage 1, 2 and 3) by Stages
Upside scenario	GDP	3.3%	5.7%	5.6%	-11%	Stage 1 -14% Stage 2 -31% Stage 3 -3%	-9%	100%		
	Unemployment	2.6%	2.3%	2.0%						
	Real estate price index	9.3%	5.0%	5.9%						
	3 months' interest rate	7.7%	8.3%	8.2%						
Baseline scenario	GDP	3.0%	3.5%	3.5%	-2%	Stage 1 -1% Stage 2 -6% Stage 3 0%	-2%	100%	2 831,4	Stage 1 365.2 Stage 2 693.7 Stage 3 1,772.5
	Unemployment	3.0%	3.0%	3.0%						
	Real estate price index	7.6%	3.9%	4.1%						
	3 months' interest rate	5.7%	4.9%	4.6%						
Negative scenario	GDP	2.6%	-0.1%	0.1%	19%	Stage 1 4% Stage 2 67% Stage 3 2%	47%	100%		
	Unemployment	3.6%	5.2%	6.6%						
	Real estate price index	2.8%	2.1%	2.1%						
	3 months' interest rate	5.1%	3.1%	2.6%						

corporate portfolio

		2024	2025	2026	Expected losses weighted by probability – deviation from losses reported in % Total	Expected losses weighted by probability – deviation from losses reported in % by Stages	Change in the share of Stage 2 in relation to the entire portfolio in %	Weight assigned to the scenario to determine the reported expected losses	Reported expected losses (collective assessment in Stage 1, 2 and 3) Total	Reported expected losses (collective assessment in Stage 1, 2 and 3) by Stages
Upside scenario	GDP	3.3%	5.7%	5.6%	-15%	Stage 1 -18% Stage 2 -36% Stage 3 -2%	-13%	100%		
	Unemployment	2.6%	2.3%	2.0%						
	Real estate price index	9.3%	5.0%	5.9%						
	3 months' interest rate	7.7%	8.3%	8.2%						
Baseline scenario	GDP	3.0%	3.5%	3.5%	-2%	Stage 1 -1% Stage 2 -7% Stage 3 0%	-3%	100%	1,846.5	Stage 1 220.5 Stage 2 528.6 Stage 3 1,097.4
	Unemployment	3.0%	3.0%	3.0%						
	Real estate price index	7.6%	3.9%	4.1%						
	3 months' interest rate	5.7%	4.9%	4.6%						
Negative scenario	GDP	2.6%	-0.1%	0.1%	27%	Stage 1 4% Stage 2 80% Stage 3 2%	67%	100%		
	Unemployment	3.6%	5.2%	6.6%						
	Real estate price index	2.8%	2.1%	2.1%						
	3 months' interest rate	5.1%	3.1%	2.6%						

as at 31 Dec 2023

total loan portfolio

		2024	2025	2026	Expected losses weighted by probability – deviation from losses reported in % Total	Expected losses weighted by probability – deviation from losses reported in % by Stages	Change in the share of Stage 2 in relation to the entire portfolio in %	Weight assigned to the scenario to determine the reported expected losses	Reported expected losses (collective assessment in Stage 1, 2 and 3) Total	Reported expected losses (collective assessment in Stage 1, 2 and 3) by Stages
Upside scenario	GDP	5.4%	4.6%	4.6%	-8%	Stage 1 -15% Stage 2 -21% Stage 3 -2%	-7%	100%		
	Unemployment	2.2%	2.2%	2.0%						
	Real estate price index	5.6%	5.4%	7.8%						
	3 months' interest rate	7.0%	7.9%	8.1%						
Baseline scenario	GDP	2.5%	3.5%	3.0%	-2%	Stage 1 -4% Stage 2 -4% Stage 3 0%	-2%	100%	2,427.3	Stage 1 371.6 Stage 2 637.7 Stage 3 1,418.0
	Unemployment	3.0%	3.0%	3.0%						
	Real estate price index	3.7%	4.1%	6.0%						
	3 months' interest rate	4.4%	4.4%	4.6%						
Negative scenario	GDP	-1.7%	1.5%	0.9%	16%	Stage 1 9% Stage 2 52% Stage 3 3%	57%	100%		
	Unemployment	4.7%	5.9%	7.1%						
	Real estate price index	-1.9%	2.2%	3.9%						
	3 months' interest rate	2.8%	2.3%	2.2%						

corporate portfolio

		2024	2025	2026	Expected losses weighted by probability – deviation from losses reported in % Total	Expected losses weighted by probability – deviation from losses reported in % by Stages	Change in the share of Stage 2 in relation to the entire portfolio in %	Weight assigned to the scenario to determine the reported expected losses	Reported expected losses (collective assessment in Stage 1, 2 and 3) Total	Reported expected losses (collective assessment in Stage 1, 2 and 3) by Stages
Upside scenario	GDP	5.4%	4.6%	4.6%	-10%	Stage 1 -20% Stage 2 -26% Stage 3 -2%	-7%	100%		
	Unemployment	2.2%	2.2%	2.0%						
	Real estate price index	5.6%	5.4%	7.8%						
	3 months' interest rate	7.0%	7.9%	8.1%						
Baseline scenario	GDP	2.5%	3.5%	3.0%	-2%	Stage 1 -7% Stage 2 -6% Stage 3 0%	-2%	100%	1,493.4	Stage 1 238.4 Stage 2 434.6 Stage 3 820.4
	Unemployment	3.0%	3.0%	3.0%						
	Real estate price index	3.7%	4.1%	6.0%						
	3 months' interest rate	4.4%	4.4%	4.6%						
Negative scenario	GDP	-1.7%	1.5%	0.9%	21%	Stage 1 10% Stage 2 67% Stage 3 2%	67%	100%		
	Unemployment	4.7%	5.9%	7.1%						
	Real estate price index	-1.9%	2.2%	3.9%						
	3 months' interest rate	2.8%	2.3%	2.2%						

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as at 30 June 2024

retail portfolio

Scenario		2024	2025	2026	Expected losses weighted by probability – deviation from losses reported in % – Total	Expected losses weighted by probability – deviation from losses reported in % – by Stages	Change in the share of Stage 2 in relation to the entire portfolio in %	Weight assigned to the scenario to determine the reported expected losses	Reported expected losses (collective assessment in Stage 1, 2 and 3) – Total	Reported expected losses (collective assessment in Stage 1, 2 and 3) – by Stages
Upside scenario	GDP	3.3%	5.7%	5.6%	**-4%**	Stage 1 -5% Stage 2 -11% Stage 3 -3%	-1%	100%	**984.9**	Stage 1 144.7 Stage 2 165.1 Stage 3 675.1
	Unemployment	2.6%	2.3%	2.0%						
	Real estate price index	9.3%	5.0%	5.9%						
	3 months' interest rate	7.7%	8.3%	8.2%						
Baseline scenario	GDP	3.0%	3.5%	3.5%	**0%**	Stage 1 0% Stage 2 -1% Stage 3 0%	0%	100%		
	Unemployment	3.0%	3.0%	3.0%						
	Real estate price index	7.6%	3.9%	4.1%						
	3 months' interest rate	5.7%	4.9%	4.6%						
Negative scenario	GDP	2.6%	-0.1%	0.1%	**5%**	Stage 1 4% Stage 2 16% Stage 3 2%	2%	100%		
	Unemployment	3.6%	5.2%	6.6%						
	Real estate price index	2.8%	2.1%	2.1%						
	3 months' interest rate	5.1%	3.1%	2.6%						

as at 31 Dec 2023

retail portfolio

Scenario		2024	2025	2026	Expected losses weighted by probability – deviation from losses reported in % – Total	Expected losses weighted by probability – deviation from losses reported in % – by Stages	Change in the share of Stage 2 in relation to the entire portfolio in %	Weight assigned to the scenario to determine the reported expected losses	Reported expected losses (collective assessment in Stage 1, 2 and 3) – Total	Reported expected losses (collective assessment in Stage 1, 2 and 3) – by Stages
Upside scenario	GDP	5.4%	4.6%	4.6%	**-5%**	Stage 1 -8% Stage 2 -11% Stage 3 -3%	-9%	100%	**933.9**	Stage 1 133.2 Stage 2 203.1 Stage 3 597.6
	Unemployment	2.2%	2.2%	2.0%						
	Real estate price index	5.6%	5.4%	7.8%						
	3 months' interest rate	7.0%	7.9%	8.1%						
Baseline scenario	GDP	2.5%	3.5%	3.0%	**0%**	Stage 1 0% Stage 2 -2% Stage 3 0%	-2%	100%		
	Unemployment	3.0%	3.0%	3.0%						
	Real estate price index	3.7%	4.1%	6.0%						
	3 months' interest rate	4.4%	4.4%	4.6%						
Negative scenario	GDP	-1.7%	1.5%	0.9%	**7%**	Stage 1 8% Stage 2 17% Stage 3 3%	13%	100%		
	Unemployment	4.7%	5.9%	7.1%						
	Real estate price index	-1.9%	2.2%	3.9%						
	3 months' interest rate	2.8%	2.3%	2.2%						

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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 individual elements of the gross and net carrying amount of these receivables.

as at	30 Jun 2024	31 Dec 2023	30 Jun 2023
number of contracts (in pieces)	2 574	2 753	3 021
capital balance	514.8	583.6	623.4
the amount of the adjustment to the gross carrying amount	-389.6	-510.2	-473.0
other elements of the gross carrying amount (interest, ESP)	3.7	3.1	2.3
gross carrying amount	**128.9**	**76.5**	**152.7**
impairment for expected credit losses	-6.4	-7.6	-12.4
Net carrying amount of CHF-indexed mortgage loans	**122.5**	**68.9**	**140.3**
Provision for legal risk of CHF-indexed mortgage loans	213.7	128.4	86.7

Additionally, the table below presents the change in 1st half 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 half of 2024 the period from 01 Jan 2024 to 30 Jun 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:	**-120.6**	**85.3**	**-71.4**	**74.7**
provisions recognised/ reversed	-47.9	73.8	93.5	11.6
transfer between provisions	-17.8	17.8	-73.1	73.1
utilisation, including from settlements	-32.3	-6.3	-80.9	-10.0
FX differences	-22.6	-	-10.9	-
Balance at the end of the period	**389.6**	**213.7**	**510.2**	**128.4**

Provision for legal risk of CHF-indexed mortgage loans is presented in liabilities under *Provisions* and applies to:

- mortgage loans indexed to CHF removed from the statement of financial position,
- parts of CHF-indexed mortgage loans recognised in the statement of financial position, for which the estimated loss value exceeds the sum of gross exposures,
- costs resulting from court proceedings with respect to CHF-indexed loans recognised in the statement of financial position.

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 half of 2024, the Group updated the provision estimate of the approach to costs related to penalty interest and court costs and the estimates of the expected number of litigation cases, and introduced a discount for the assumed future cash flows, which affected the calculation of losses in the event of cancellation of the agreement. Other assumptions have not changed significantly.

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*.

As at 30 June 2024, there were 1,570 court cases against the Bank in connection with concluded CHF-indexed loan agreements (compared to 1,389 cases as at 31 December 2023 and 1,214 cases as at 30 June 2023). As at 30 June 2024, the outstanding capital of the mortgage loans in these proceedings amounted to PLN 291.2 million (PLN 290.6 million as at 31 December 2023 and PLN 265.5 million as at 30 June 2023).

Detailed information on the legal environment related to the legal risk of the portfolio of CHF-indexed loans is presented later in these interim condensed consolidated financial statements in note 8.16 *Provisions*.

6. Comparability of financial data

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

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7. Segment reporting

Segments of operation

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

- retail banking segment,
- corporate banking segment.

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

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

Retail banking segment

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

Corporate banking segment

Corporate banking area encompasses as follows:

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

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

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

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

Measurement

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

Income statement by segment

	1 half of 2024 the period from 01 Jan 2024 to 30 Jun 2024			1 half of 2023 the period from 01 Jan 2023 to 30 Jun 2023		
	Retail banking segment	Corporate banking segment	**Total**	Retail banking segment	Corporate banking segment	**Total**
Income total	**2,290.7**	**3,155.9**	**5,446.6**	**2,093.9**	**2,989.4**	**5,083.3**
net interest income	1,941.7	2,262.2	4,203.9	1,813.6	2,100.8	3,914.4
net commission income, including:	326.4	820.6	1,147.0	273.4	782.3	1,055.7
commission income, including:	500.7	932.4	1,433.1	432.4	895.5	1,327.9
transaction margin on currency exchange	41.5	312.7	354.2	38.4	307.9	346.3
account maintenance fees	53.5	158.6	212.1	52.7	160.1	212.8
lending commissions	9.2	250.0	259.2	12.2	241.2	253.4
payment and credit cards fees	224.0	92.4	316.4	179.9	81.0	260.9
participation units distribution fees	43.3	-	43.3	28.9	-	28.9
insurance product offering commissions	100.7	20.0	120.7	94.7	18.1	112.8
factoring and lease contracts commissions	-	28.5	28.5	-	25.7	25.7
other commissions	28.5	70.2	98.7	25.6	61.5	87.1
commission expenses	-174.3	-111.8	-286.1	-159.0	-113.2	-272.2
other income/expenses	22.6	73.1	95.7	6.9	106.3	113.2
General and administrative expenses	**-1,007.7**	**-1,059.7**	**-2,067.4**	**-953.3**	**-899.6**	**-1,852.9**
Segment operating result	**1,283.0**	**2,096.2**	**3,379.2**	**1,140.6**	**2,089.8**	**3,230.4**
impairment for expected credit losses	-60.0	-428.1	-488.1	-80.3	-204.7	-285.0
cost of legal risk of FX mortgage loans	-26.7	-	-26.7	-	-	-
tax on certain financial institutions	-122.7	-243.4	-366.1	-114.3	-209.9	-324.2
share of profit/(loss) of associates accounted for using the equity method	15.2	-	15.2	11.9	-	11.9
Gross profit	**1,088.8**	**1,424.7**	**2,513.5**	**957.9**	**1,675.2**	**2,633.1**
Income tax	-	-	-555.5	-	-	-625.0
Net profit	-	-	**1,958.0**	-	-	**2,008.1**
attributable to shareholders of ING Bank Śląski S.A.	-	-	1,958.0	-	-	2,008.1

Assets and liabilities by segment

	as at 30 Jun 2024			as at 31 Dec 2023		
	Retail banking segment	Corporate banking segment	**Total**	Retail banking segment	Corporate banking segment	**Total**
Assets of the segment	106,494.4	140,442.6	246,937.0	104,080.0	138,585.7	242,665.7
Segment investments in associates accounted for using	196.2	-	196.2	180.9	-	180.9
Other assets (not allocated to segments)	-	-	2,145.3	-	-	2,514.8
Total Assets	**106,690.6**	**140,442.6**	**249,278.5**	**104,260.9**	**138,585.7**	**245,361.4**
Segment liabilities	128,314.1	102,146.7	230,460.8	120,136.2	102,841.0	222,977.2
Other liabilities (not allocated to segments)	-	-	4,644.1	-	-	5,648.2
Equity	-	-	14,173.6	-	-	16,736.0
Total equity and liabilities	**128,314.1**	**102,146.7**	**249,278.5**	**120,136.2**	**102,841.0**	**245,361.4**

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

8.1. Net interest income

	2 quarter 2024 the period from 01 Apr 2024 to 30 Jun 2024	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	2 quarter 2023 the period from 01 Apr 2023 to 30 Jun 2023	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
Interest income, including:	**3,114.0**	**6,346.2**	**3,134.0**	**6,116.1**
interest income calculated using effective interest rate method, including:	**2,915.1**	**5,941.1**	**2,846.4**	**5,526.1**
interest on financial instruments measured at amortised cost	2,479.1	5,106.5	2,446.1	4,816.7
interest on loans and other receivables to other banks	315.7	657.8	203.6	371.5
interest on loans and other receivables to customers*	1,916.7	3,919.2	2,009.2	3,950.8
interest on investment securities	246.7	529.5	233.3	494.4
interest on investment securities measured at fair value through other comprehensive income	436.0	834.6	400.3	709.4
other interest income, including:	**198.9**	**405.1**	**287.6**	**590.0**
other interest income related to the settlement of valuations of cash flow hedging derivatives	198.6	404.4	287.0	588.6
interest on loans and other receivables to customers measured at fair value through profit or loss	0.3	0.7	0.6	1.4
Interest expenses, including:	**-1,072.7**	**-2,142.3**	**-1,080.0**	**-2,201.7**
interest on deposits from other banks	-205.2	-393.9	-126.8	-218.9
interest on deposits from customers	-723.7	-1,451.4	-768.2	-1,616.6
interest on issue of debt securities	-6.7	-13.1	-7.8	-16.1
interest on subordinated liabilities	-20.6	-41.5	-18.3	-33.7
interest on lease liabilities	-4.2	-8.8	-4.4	-8.6
other interest cost related to the settlement of valuations of cash flow hedging derivatives	-112.3	-233.6	-154.5	-307.8
Net interest income	**2,041.3**	**4,203.9**	**2,054.0**	**3,914.4**

*) in the data for 2024, in the item *Interest on loans and other receivables to customers*, the impact of an adjustment to the gross carrying amount of PLN mortgage loans due to credit holidays in the amount of PLN -170.5 million was recognised. For more information on the credit holidays extended in the 2nd quarter of 2024, see chapter nr 2. *Significant events in the 1st half of 2024*.

8.2. Net commission income

	2 quarter 2024 the period from 01 Apr 2024 to 30 Jun 2024	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	2 quarter 2023 the period from 01 Apr 2023 to 30 Jun 2023	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
Commission income, including:	**718.9**	**1,433.1**	**676.3**	**1,327.9**
transaction margin on currency exchange transactions	178.2	354.2	179.5	346.3
account maintenance fees	106.7	212.1	104.0	212.8
lending commissions	121.1	259.2	125.5	253.4
payment and credit cards fees	164.4	316.4	138.4	260.9
participation units distribution fees	22.8	43.3	14.9	28.9
insurance product offering commissions	60.7	120.7	57.3	112.8
factoring and lease contracts commissions	14.9	28.5	13.5	25.7
brokerage activity fees	14.2	27.0	12.4	25.7
fiduciary and custodian fees	5.9	13.3	6.0	11.9
foreign commercial business	12.8	24.5	11.0	21.8
other commission	17.2	33.9	13.8	27.7
Commission expenses, including:	**-147.9**	**-286.1**	**-142.0**	**-272.2**
payment and credit cards fees	-82.6	-162.0	-80.4	-156.7
Net commission income	**571.0**	**1,147.0**	**534.3**	**1,055.7**

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

	2 quarter 2024 the period from 01 Apr 2024 to 30 Jun 2024	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	2 quarter 2023 the period from 01 Apr 2023 to 30 Jun 2023	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
FX result and net income on interest rate derivatives, including	61.5	97.5	33.4	93.7
FX result	-56.4	162.1	-79.5	-172.0
currency derivatives	117.9	-64.6	112.9	265.7
Net income on interest rate derivatives	-3.7	-31.8	-4.7	-1.3
Net income on debt instruments held for trading	5.3	13.8	7.2	13.7
Net income on repo transactions	3.6	6.1	1.5	4.9
Total	**66.7**	**85.6**	**37.4**	**111.0**

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

	2 quarter 2024 the period from 01 Apr 2024 to 30 Jun 2024	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	2 quarter 2023 the period from 01 Apr 2023 to 30 Jun 2023	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
Net income on the sale of securities measured at amortised cost	0.9	-5.4	-	-
Net income on sale of securities measured at fair value through other comprehensive income and dividend income, including:	10.9	13.1	8.6	9.8
sale of debt securities	3.0	5.2	1.2	2.4
dividend income	7.9	7.9	7.4	7.4
Total	**11.8**	**7.7**	**8.6**	**9.8**

8.5. Net (loss)/income on hedge accounting

	2 quarter 2024 the period from 01 Apr 2024 to 30 Jun 2024	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	2 quarter 2023 the period from 01 Apr 2023 to 30 Jun 2023	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
Net income on hedge accounting	2.3	-0.6	-4.3	-12.1
valuation of the hedged transaction	-44.6	-271.9	153.4	188.5
valuation of the hedging transaction	46.9	271.3	-157.7	-200.6
Cash flow hedge accounting	-	-	0.8	3.9
ineffectiveness under cash flow hedges	-	-	0.8	3.9
Total	**2.3**	**-0.6**	**-3.5**	**-8.2**

8.6. General and administrative expenses

	2 quarter 2024 the period from 01 Apr 2024 to 30 Jun 2024	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	2 quarter 2023 the period from 01 Apr 2023 to 30 Jun 2023	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
Personnel expenses	**-502.8**	**-972.2**	**-465.8**	**-888.8**
Other general and administrative expenses, including:	**-475.3**	**-1,095.2**	**-384.8**	**-964.1**
cost of marketing and promotion	-45.0	-85.8	-38.0	-71.4
depreciation and amortisation	-79.4	-159.9	-72.9	-146.0
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	-142.3	-253.4	-105.6	-224.7
maintenance costs of buildings and real estate valuation to fair value	-42.2	-86.8	-35.9	-71.1
other	-166.4	-330.5	-132.4	-272.8
Total	**-978.1**	**-2,067.4**	**-850.6**	**-1,852.9**

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8.6.1. Number of employees

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

as at	30 Jun 2023	31 Dec 2022	30 Jun 2022
FTEs	8,194.0	8,332.9	8,461.0
Individuals	8,242	8,379	8,503

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

as at	30 Jun 2023	31 Dec 2022	30 Jun 2022
FTEs	7,738.0	7,874.2	7,999.8
Individuals	7,781	7,906	8,030

8.7. Impairment for expected credit losses

	2 quarter 2024 the period from 01 Apr 2024 to 30 Jun 2024	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	2 quarter 2023 the period from 01 Apr 2023 to 30 Jun 2023	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
Corporate banking segment	-265.2	-428.1	-136.1	-204.7
Retail banking segment	-26.7	-60.0	-60.7	-80.3
Total	**-291.9**	**-488.1**	**-196.8**	**-285.0**

8.8. Loans and other receivables to other banks

as at	30 Jun 2024	31 Dec 2023	30 Jun 2023
Current accounts	138.6	146.6	326.0
Interbank deposits:	15.7	137.8	23.0
including O/N deposits	-	72.9	23.0
Loans and advances	756.9	555.3	312.9
Reverse repo transactions	18,873.2	19,000.3	10,395.4
Placed call deposits	35.8	69.1	231.0
Total (gross)	**19,820.2**	**19,909.1**	**11,288.3**
Impairment for expected credit losses	-0.1	-	-0.1
Total (net)	**19,820.1**	**19,909.1**	**11,288.2**

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

as at	30 Jun 2024			31 Dec 2023			30 Jun 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**	**1,289.6**	**1,289.6**	**165.2**	**2,234.9**	**2,400.1**	**0.0**	**2,296.9**	**2,296.9**
valuation of derivatives	-	633.7	**633.7**	-	899.8	**899.8**	-	1,371.8	**1,371.8**
other financial assets held for trading, including:	-	655.9	**655.9**	165.2	1,335.1	**1,500.3**	-	925.1	**925.1**
debt securities:	-	481.1	**481.1**	165.2	719.3	**884.5**	-	852.5	**852.5**
Treasury bonds in PLN	-	349.9	**349.9**	133.1	599.7	**732.8**	-	695.7	**695.7**
Czech Treasury bonds	-	131.2	**131.2**	32.1	119.1	**151.2**	-	156.3	**156.3**
European Investment Bank bonds	-	-	-	-	0.5	**0.5**	-	0.5	**0.5**
repo transactions	-	174.8	**174.8**	-	615.8	**615.8**	-	72.6	**72.6**
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	-	**26.3**	**26.3**	-	**39.0**	**39.0**	-	**42.8**	**42.8**
loans obligatorily measured at fair value through profit or loss	-	25.9	**25.9**	-	38.6	**38.6**	-	42.3	**42.3**
equity instruments	-	0.4	**0.4**	-	0.4	**0.4**	-	0.5	**0.5**
Total	**0.0**	**1,315.9**	**1,315.9**	**165.2**	**2,273.9**	**2,439.1**	**0.0**	**2,339.7**	**2,339.7**

*) Securities that can be pledged or sold by the collateral recipient are presented as *transferred debt securities*. These assets, as required by IFRS 9, are presented separately by the Group in the consolidated statement of financial position under *Transferred assets*. As at 30 June 2024, the Group did not have such securities in the portfolio of financial assets measured at fair value through profit or loss.

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8.10. Investment securities

as at	30 Jun 2024			31 Dec 2023			30 Jun 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:	**1,778.7**	**30,046.6**	**31,825.3**	**0.0**	**23,916.2**	**23,916.2**	**8,059.6**	**15,643.8**	**23,703.4**
debt securities, including:	1,778.7	29,808.8	**31,587.5**	-	23,680.3	**23,680.3**	8,059.6	15,517.1	**23,576.7**
Treasury bonds in PLN	1,778.7	24,515.0	**26,293.7**	-	21,345.4	**21,345.4**	8,059.6	12,113.9	**20,173.5**
Treasury bonds in EUR	-	-	-	-	546.1	**546.1**	-	1,643.1	**1,643.1**
European Union bonds	-	2,076.7	**2,076.7**	-	-	-	-	-	-
European Investment Bank bonds	-	2,814.0	**2,814.0**	-	1,377.7	**1,377.7**	-	1,355.0	**1,355.0**
Austrian government bonds	-	403.1	**403.1**	-	411.1	**411.1**	-	405.1	**405.1**
equity instruments	-	237.8	**237.8**	-	235.9	**235.9**	-	126.7	**126.7**
Measured at amortised cost, including:	217.3	**28,884.1**	**29,101.4**	-	**32,697.5**	**32,697.5**	**3,248.3**	**25,506.8**	**28,755.1**
debt securities, including:	217.3	28,884.1	**29,101.4**	-	32,697.5	**32,697.5**	3,248.3	25,506.8	**28,755.1**
Treasury bonds in PLN	217.3	11,781.1	**11,998.4**	-	13,095.0	**13,095.0**	3,248.3	10,108.1	**13,356.4**
Treasury bonds in EUR	-	2,904.2	**2,904.2**	-	2,940.4	**2,940.4**	-	3,016.3	**3,016.3**
European Investment Bank bonds	-	5,954.9	**5,954.9**	-	6,700.4	**6,700.4**	-	6,741.2	**6,741.2**
Bonds of the Polish Development Fund (PFR)	-	3,828.3	**3,828.3**	-	3,859.7	**3,859.7**	-	3,827.5	**3,827.5**
Bank Gospodarstwa Krajowego bonds	-	1,815.6	**1,815.6**	-	1,804.8	**1,804.8**	-	1,813.7	**1,813.7**
NBP money market bills	-	2,600.0	**2,600.0**	-	4,297.2	**4,297.2**	-	-	-
Total, of which;	**1,996.0**	**58,930.7**	**60,926.7**	**0.0**	**56,613.7**	**56,613.7**	**11,307.9**	**41,150.6**	**52,458.5**
total debt securities	1,996.0	58,692.9	**60,688.9**	-	56,377.8	**56,377.8**	11,307.9	41,023.9	**52,331.8**
total equity instruments	-	237.8	**237.8**	-	235.9	**235.9**	-	126.7	**126.7**

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

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

as at	30 Jun 2024			31 Dec 2023			30 Jun 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:	**163,813.4**	**-3,997.9**	**159,815.5**	**158,255.8**	**-3,508.1**	**154,747.7**	**158,099.6**	**-3,549.6**	**154,550.0**
Corporate banking	**95,792.6**	**-2,950.5**	**92,842.1**	**93,364.1**	**-2,525.1**	**90,839.0**	**94,172.3**	**-2,389.0**	**91,783.3**
loans in the current account	15,618.9	-228.6	15,390.3	13,739.3	-140.1	13,599.2	16,235.0	-537.9	15,697.1
term loans and advances	55,371.4	-2,509.2	52,862.2	55,373.1	-2,201.0	53,172.1	53,608.2	-1,671.7	51,936.5
lease receivables	13,506.8	-108.5	13,398.3	13,208.5	-78.1	13,130.4	12,694.8	-94.5	12,600.3
factoring receivables	7,114.0	-102.7	7,011.3	6,851.5	-104.2	6,747.3	7,390.4	-82.4	7,308.0
debt securities (corporate and municipal)	4,181.5	-1.5	4,180.0	4,191.7	-1.7	4,190.0	4,243.9	-2.5	4,241.4
Retail banking	**68,020.8**	**-1,047.4**	**66,973.4**	**64,891.7**	**-983.0**	**63,908.7**	**63,927.3**	**-1,160.6**	**62,766.7**
mortgages	58,292.2	-212.2	58,080.0	55,718.5	-226.3	55,492.2	54,997.5	-307.8	54,689.7
loans in the current account	690.7	-68.6	622.1	706.4	-62.7	643.7	693.7	-68.1	625.6
other loans and advances	9,037.9	-766.6	8,271.3	8,466.8	-694.0	7,772.8	8,236.1	-784.7	7,451.4
Other receivables, of which:	**1,569.3**	-	**1,569.3**	**1,773.0**	-	**1,773.0**	**1,663.4**	-	**1,663.4**
call deposits placed	526.8	-	526.8	606.9	-	606.9	677.0	-	677.0
other	1,042.5	-	1,042.5	1,166.1	-	1,166.1	986.4	-	986.4
Total	**165,382.7**	**-3,997.9**	**161,384.8**	**160,028.8**	**-3,508.1**	**156,520.7**	**159,763.0**	**-3,549.6**	**156,213.4**

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Quality of loan portfolio

as at	30 Jun 2024			31 Dec 2023			30 Jun 2023		
	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net
Corporate banking	**95,792.6**	**-2,950.5**	**92,842.1**	**93,364.1**	**-2,525.1**	**90,839.0**	**94,172.3**	**-2,389.0**	**91,783.3**
assets in Stage 1	78,107.1	-172.0	77,935.1	77,535.9	-188.4	77,347.5	78,072.9	-174.9	77,898.0
assets in Stage 2	13,592.1	-491.9	13,100.2	12,625.7	-413.1	12,212.6	13,021.9	-501.8	12,520.1
assets in Stage 3	4,041.6	-2,286.6	1,755.0	3,151.4	-1,923.6	1,227.8	3,026.3	-1,712.3	1,314.0
POCI assets	51.8	-	51.8	51.1	-	51.1	51.2	-	51.2
Retail banking	**68,020.8**	**-1,047.4**	**66,973.4**	**64,891.7**	**-983.0**	**63,908.7**	**63,927.3**	**-1,160.6**	**62,766.7**
assets in Stage 1	61,349.6	-137.4	61,212.2	58,256.5	-127.9	58,128.6	56,772.8	-176.7	56,596.1
assets in Stage 2	5,537.1	-161.3	5,375.8	5,606.1	-200.1	5,406.0	6,090.5	-280.3	5,810.2
assets in Stage 3	1,131.5	-748.7	382.8	1,026.4	-655.0	371.4	1,060.7	-703.6	357.1
POCI assets	2.6	-	2.6	2.7	-	2.7	3.3	-	3.3
Total, of which:	**163,813.4**	**-3,997.9**	**159,815.5**	**158,255.8**	**-3,508.1**	**154,747.7**	**158,099.6**	**-3,549.6**	**154,550.0**
assets in Stage 1	139,456.7	-309.4	139,147.3	135,792.4	-316.3	135,476.1	134,845.7	-351.6	134,494.1
assets in Stage 2	19,129.2	-653.2	18,476.0	18,231.8	-613.2	17,618.6	19,112.4	-782.1	18,330.3
assets in Stage 3	5,173.1	-3,035.3	2,137.8	4,177.8	-2,578.6	1,599.2	4,087.0	-2,415.9	1,671.1
POCI assets	54.4	-	54.4	53.8	-	53.8	54.5	-	54.5

The Group identifies POCI financial assets whose carrying value as at 30 June 2024 is PLN 54.4 million (PLN 53.8 million as at 31 December 2023 and PLN 54.5 million as at 30 June 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 consolidated statement of financial position.

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Changes in impairment for expected credit losses

	1 half of 2024 the period from 01 Jan 2024 to 30 Jun 2024				1 half of 2023 the period from 01 Jan 2023 to 30 Jun 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:	**-6.9**	**40.0**	**456.7**	**489.8**	**-35.9**	**-1.2**	**317.5**	**280.4**
loans granted in the period	106.5	-	-	**106.5**	99.3	-	-	**99.3**
transfer to Stage 1	19.3	-109.7	-10.7	**-101.1**	14.7	-110.7	-7.0	**-103.0**
transfer to Stage 2	-60.3	327.1	-32.4	**234.4**	-39.9	260.0	-31.4	**188.7**
transfer to Stage 3	-10.5	-78.5	486.6	**397.6**	-7.7	-91.0	402.9	**304.2**
repayment (total and partial) and the release of new tranches	-49.4	-65.4	-215.2	**-330.0**	-44.3	-76.7	-137.5	**-258.5**
changed provisioning under impairment for expected credit losses	8.0	13.6	262.6	**284.2**	-23.0	103.7	127.1	**207.8**
management adjustments	-20.8	-46.5	-63.9	**-131.2**	-33.5	-82.9	-25.6	**-142.0**
Total impairment for expected credit losses in the profit and loss account	**-7.2**	**40.6**	**427.0**	**460.4**	**-34.4**	**2.4**	**328.5**	**296.5**
derecognition from the balance sheet (write-downs, sale)	-	-	-20.7	**-20.7**	-	-	-23.7	**-23.7**
calculation and write-off of effective interest	-	-	59.8	**59.8**	-	-	37.4	**37.4**
other	0.3	-0.6	-9.4	**-9.7**	-1.5	-3.6	-24.7	**-29.8**
Closing balance	**309.4**	**653.2**	**3,035.3**	**3,997.9**	**351.6**	**782.1**	**2,415.9**	**3,549.6**

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8.12. Debt securities

as at	30 Jun 2024	31 Dec 2023	30 Jun 2023
Measured at fair value through profit or loss (Note 8.11)	**481.1**	**884.5**	**852.5**
transferred assets in accordance with IFRS 9.3.2.23(a)	-	165.2	-
other	481.1	719.3	852.5
Measured at fair value through other comprehensive income in the investment securities portfolio (Note 8.10)	**31,587.5**	**23,680.3**	**23,576.7**
transferred assets in accordance with IFRS 9.3.2.23(a)	1,778.7	-	8,059.6
other	29,808.8	23,680.3	15,517.1
Measured at amortised cost in the investment securities portfolio (Note 8.10)	**29,101.4**	**32,697.5**	**28,755.1**
transferred assets in accordance with IFRS 9.3.2.23(a)	217.3	-	3,248.3
other	28,884.1	32,697.5	25,506.8
Measured at amortised cost in the loans and other receivables to customers portfolio (Note 8.11)	**4,180.0**	**4,190.0**	**4,241.4**
other	4,180.0	4,190.0	4,241.4
Total of which:	**65,350.0**	**61,452.3**	**57,425.7**
transferred assets in accordance with IFRS 9.3.2.23(a)	1,996.0	165.2	11,307.9
other	63,354.0	61,287.1	46,117.8

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

8.13. Liabilities to other banks

as at	30 Jun 2024	31 Dec 2023	30 Jun 2023
Current accounts	374.7	633.4	424.4
Interbank deposits	744.1	167.8	643.7
Loans received*	12,459.6	12,534.8	5,943.9
Received call deposits	293.5	316.4	367.2
Other liabilities	5.1	2.4	2.2
Total	**13,877.0**	**13,654.8**	**7,381.4**

*) 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	30 Jun 2024	31 Dec 2023	30 Jun 2023
Financial liabilities held for trading, including:			
valuation of derivatives	864.4	1,060.3	1,543.2
book short position in trading securities	110.2	595.6	46.1
repo transactions	-	165.7	-
Total	**974.6**	**1,821.6**	**1,589.3**

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8.15. Liabilities to customers

as at	30 Jun 2024	31 Dec 2023	30 Jun 2023
Deposits, including:	**209,157.5**	**202,208.5**	**186,849.3**
Corporate banking	**89,626.6**	**90,122.6**	**80,998.5**
current deposits	56,307.8	60,649.4	51,064.9
including O/N deposits	6,689.2	6,453.0	3,712.8
saving deposits	18,595.7	19,440.8	16,656.5
term deposits	14,723.1	10,032.4	13,277.1
Retail banking	**119,530.9**	**112,085.9**	**105,850.8**
current deposits	30,757.0	28,816.0	28,170.6
saving deposits	73,143.8	67,713.1	64,598.9
term deposits	15,630.1	15,556.8	13,081.3
Other liabilities, including:	**4,384.0**	**3,081.4**	**12,890.9**
liabilities under monetary hedges	789.6	823.2	752.1
repo transactions	1,997.6	-	10,894.2
call deposits	9.9	10.8	9.8
other liabilities	1,586.9	2,247.4	1,234.8
Total	**213,541.5**	**205,289.9**	**199,740.2**

8.16. Provisions

as at	30 Jun 2024	31 Dec 2023	30 Jun 2023
Provision for off-balance sheet liabilities	140.4	115.6	93.9
Provision for retirement benefits	95.5	93.3	77.3
Provision for litigation	37.9	38.6	36.1
Provision for restructuring	106.4	116.1	42.2
Provision for legal risk of FX mortgage loans	213.7	128.4	86.7
Other provisions	51.0	49.8	30.9
Total	**644.9**	**541.8**	**367.1**

Provision for litigation

The value of proceedings regarding liabilities or receivables pending in the 1st half 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 half 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.

	2 quarter 2024 the period from 01 Apr 2024 to 30 Jun 2024	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	2 quarter 2023 the period from 01 Apr 2023 to 30 Jun 2023	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
Provision for litigation at the beginning of the period	**37.8**	**38.6**	**36.1**	**34.9**
Changes during the period, including:	**0.1**	**-0.7**	**0.0**	**1.2**
provisions recognised	0.5	1.6	1.4	3.8
provisions reversed	-0.2	-1.2	-0.7	-0.9
provisions utilised	-0.2	-1.1	-0.7	-1.7
Provision for litigation at the end of the period	**37.9**	**37.9**	**36.1**	**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.

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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 half of 2024, the Bank concluded 761 agreements under the programme (in the 1st half of 2024, the Bank concluded 56 settlements, compared to 246 settlements concluded in 2023).

Other proceedings

Information on other pending proceedings, which did not significantly change 1st half of 2024, is 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.

8.17. Other liabilities

as at	30 Jun 2024	31 Dec 2023	30 Jun 2023
Accruals, including:	**1,317.3**	**1,163.2**	**1,207.3**
due to employee benefits	237.9	375.1	241.4
due to commissions	250.7	206.5	248.5
due to general and administrative expenses	677.8	581.6	563.8
liabilities due to the obligatory annual contribution to the BFG resolution fund	150.9	-	153.6
Other liabilities, including:	**2,612.3**	**3,828.4**	**2,068.9**
lease liabilities	547.8	484.2	407.0
interbank settlements	1,226.3	2,462.4	883.0
settlements with suppliers	126.8	169.2	110.9
public and legal settlements	186.9	161.9	171.1
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	153.9	180.1	126.3
Total	**3,929.6**	**4,991.6**	**3,276.2**

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 half 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.

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	level 1	level 2	level 3	Total
Financial assets, including:	**32,068.6**	**911.0**	**264.1**	**33,243.7**
Financial assets held for trading, including:	**481.1**	**808.5**	-	**1,289.6**
valuation of derivatives	-	633.7	-	633.7
other financial assets held for trading, including:	481.1	174.8	-	655.9
debt securities, including:	481.1	-	-	481.1
treasury bonds in PLN	349.9	-	-	349.9
Czech Treasury bonds	131.2	-	-	131.2
repo transactions	-	174.8	-	174.8
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	-	-	**26.3**	**26.3**
loans are obligatorily measured at fair value through profit or loss	-	-	25.9	25.9
equity instruments	-	-	0.4	0.4
Derivative hedge instruments	-	**102.5**	-	**102.5**
Financial assets measured at fair value through other comprehensive income, including:	**29,808.8**	-	**237.8**	**30,046.6**
debt securities, including:	29,808.8	-	-	29,808.8
treasury bonds in PLN	24,515.0	-	-	24,515.0
European Union bonds	2,076.7	-	-	2,076.7
European Investment Bank bonds	2,814.0	-	-	2,814.0
Austrian government bonds	403.1	-	-	403.1
equity instruments	-	-	237.8	237.8
Transferred assets, including:	**1,778.7**	-	-	**1,778.7**
Treasury bonds in PLN from the portfolio of financial assets measured at fair value through other comprehensive income	1,778.7	-	-	1,778.7
Financial liabilities, including:	**110.2**	**1,013.1**	-	**1,123.3**
Financial liabilities held for trading, including:	**110.2**	**864.4**	-	**974.6**
valuation of derivatives	-	864.4	-	864.4
book short position in trading securities	110.2	-	-	110.2
Derivative hedge instruments	-	**148.7**	-	**148.7**

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**	-	**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**

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Financial assets classified to level 3 of the measurement as at 30 June 2024 and 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 half of 2024, it was in the range of 11.6%-13.6%, depending on the company, compared to 11.4%-13.4% at the end of 2023. Fair value measurement of unquoted equity interests in other companies as at 30 June 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 30 June 2024.

Movements in financial assets classified to the level 3 of measurement

In the 1st half of 2024, the change in the valuation of equity instruments classified to level 3 included in other comprehensive income amounted to PLN 2.2 million (compared to PLN 5.8 million in the 1st half of 2023).

The impact of the valuation of loans classified to valuation level 3 on the profit and loss account was insignificant in the 1st half of 2024, similarly to the 1st half of 2023.

	1 half of 2024 the period from 01 Jan 2024 to 30 Jun 2024			1 half of 2023 the period from 01 Jan 2023 to 30 Jun 2023		
	loans obligatorily measured at fair value through profit or loss	equity instruments measured at fair value through profit or loss	equity instruments measured at fair value through other comprehensive income	loans obligatorily measured at fair value through profit or loss	equity instruments measured at fair value through profit or loss	equity instruments measured at fair value through other comprehensive income
Opening balance	**38.6**	**0.4**	**235.9**	**54.6**	**0.1**	**120.9**
Additions, including:	-	-	**2.0**	-	**0.4**	**5.8**
acquisition of investments	-	-	-	-	0.4	-
valuation referred to accumulated other comprehensive income	-	-	2.0	-	-	5.8
Reductions, including:	**-12.7**	-	**-0.1**	**-12.3**	-	-
loan repayments / disposal of investments	-12.7	-	-0.1	-12.3	-	-
Closing balance	**25.9**	**0.4**	**237.8**	**42.3**	**0.5**	**126.7**

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 of fair value calculation adopted as at 30 June 2024 for the purposes of the disclosures have not changed in relation 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), except for the issue of including credit holidays for the mortgage loan portfolio. As at 30 June 2024, in connection with the entry into force of the Act amending the Act on support for borrowers who have taken out a housing loan and are in a difficult financial situation and the Act on crowdfunding for business ventures and assistance to borrowers, the Group took into account in the valuation of PLN mortgage loans the expected impact of credit holidays, assuming that borrowers representing approx. 11.4% of the Group's PLN mortgage portfolio are entitled and will decide to take advantage of the instalment repayment suspension.

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

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as at 30 Jun 2024

	Carrying amount	Fair value			
		level 1	level 2	level 3	**Total**
Investment securities at amortised cost, including:	**28,884.1**	**19,561.8**	**7,865.1**	-	**27,426.9**
treasury bonds in PLN	11,781.1	11,161.3	-	-	11,161.3
treasury bonds in EUR	2,904.2	2,712.3	-	-	2,712.3
European Investment Bank bonds	5,954.9	5,688.2	-	-	5,688.2
bonds of the Polish Development Fund (PFR)	3,828.3	-	3,518.2	-	3,518.2
Bank Gospodarstwa Krajowego bonds	1,815.6	-	1,748.1	-	1,748.1
NBP bills	2,600.0	-	2,598.8	-	2,598.8
Transferred assets, including:	**217.3**	**217.7**	**-**	**-**	**217.7**
Treasury bonds in PLN from the portfolio of financial assets measured at amortised cost	217.3	217.7	-	-	217.7
Loans and receivables to customers at amortised cost, including:	**161,384.8**	-	-	**161,893.0**	**161,893.0**
Corporate banking segment, including:	92,842.1	-	-	93,418.6	93,418.6
loans and advances (in the current account and term ones)	68,252.5	-	-	69,161.5	69,161.5
lease receivables	13,398.3	-	-	13,193.2	13,193.2
factoring receivables	7,011.3	-	-	7,011.3	7,011.3
corporate and municipal debt securities	4,180.0	-	-	4,052.6	4,052.6
Retail banking segment, including:	66,973.4	-	-	66,905.1	66,905.1
mortgages	58,080.0	-	-	57,785.9	57,785.9
other loans and advances	8,893.4	-	-	9,119.2	9,119.2
Other receivables	1,569.3	-	-	1,569.3	1,569.3
Liabilities to customers	**213,541.5**	-	-	**213,476.5**	**213,476.5**
Liabilities from debt securities issued	**405.3**	-	-	**406.2**	**406.2**
Subordinated liabilities	**1,513.7**	-	-	**1,253.0**	**1,253.0**

as at 31 Dec 2023

	Carrying amount	Fair value			
		level 1	level 2	level 3	**Total**
Investment securities at amortised cost, including:	**32,697.5**	**21,570.9**	**9,505.2**	-	**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**	-	-	**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**

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9. Capital adequacy

9.1. Total capital ratio

as at	30 Jun 2024	31 Dec 2023*	30 Jun 2023
A. Own equity in the consolidated statement of financial position, including:	**14,173.6**	**16,736.0**	**12,962.6**
A.I. Own equity included in the own funds calculation	**17,679.6**	**18,574.2**	**17,243.5**
A.II. Own equity excluded from own funds calculation	-3,506.0	-1,838.2	-4,280.9
B. Other elements of own funds (decreases and increases), including:	**609.5**	**455.4**	**595.9**
value adjustments due to prudent valuation requirements	-34.1	-28.2	-27.6
goodwill and other intangible assets	-469.4	-436.4	-512.6
deferred tax assets based on future profitability and not arising from temporary differences after deducting related income tax liabilities	-1.3	-519.2	-517.6
shortfall in credit risk adjustments against expected losses under the IRB approach	-336.5	-141.0	-52.4
shortfall in coverage for non-performing exposures	-36.5	-14.1	-25.1
transitional adjustments to common equity Tier 1 capital	35.4	70.8	173.6
equity instruments qualifying as Tier 2 capital	1,451.9	1,507.0	1,557.6
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:	**18,289.1**	**19,029.6**	**17,839.4**
Core Tier 1 capital	16,837.2	17,506.1	16,281.8
Tier 2 capital	1,451.9	1,523.5	1,557.6
Risk weighted assets, including:	**118,603.4**	**109,295.2**	**105,258.9**
for credit risk	101,831.6	92,465.7	91,607.9
for operational risk	15,476.5	15,476.5	12,566.4
other	1,295.3	1,353.0	1,084.6
Total capital requirements	**9,488.2**	**8,743.5**	**8,420.7**
Total capital ratio (TCR)	**15.42%**	**17.41%**	**16.95%**
minimum required level	11.32%	11.32%	11.51%
surplus TCR ratio	4.10 p.p.	6.09 p.p.	5.44 p.p.
Tier 1 ratio (T1)	**14.20%**	**16.02%**	**15.47%**
minimum required level	9.32%	9.32%	9.51%
surplus T1 ratio	4.88 p.p.	6.70 p.p.	5.96 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.

In the second quarter of 2024, the Bank paid out a dividend in the amount of PLN 4,338.8 million, of which PLN 1,008.3 million was from the reserve capital earmarked for the payment of dividends (on which amounts from profits for 2019 and 2022 were set aside). The payment of outstanding dividends from the reserve capital was the main reason for the decrease in the level of own funds and, consequently, the decrease in capital ratios in the second quarter of 2024. For more information on the dividend payment, see chapter 2. *Significant events in the 1st half of 2024*.

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	30 Jun 2024	31 Dec 2023	30 Jun 2023
Total capital ratio (TCR)	15.39%	17.35%	16.79%
Tier 1 capital ratio	14.17%	15.96%	15.31%

9.2. MREL requirements

as at	30 Jun 2024	31 Dec 2023	30 Jun 2023
MREL - TREA (including combined buffer requirement)	**23.14%**	**26.31%**	**19.70%**
minimum required level (including combined buffer requirement)	19.45%	19.30%	15.15%
surplus (+) / deficiency (-) of the MREL – TREA ratio	*3.69 p.p.*	*7.01 p.p.*	*4.55 p.p.*
minimum required level (not including combined buffer requirement)	16.44%	16.29%	12.14%
surplus (+) / deficiency (-) of the MREL – TREA ratio	*6.70 p.p.*	*10.02 p.p.*	*7.56 p.p.*
MREL - TEM	**10.50%**	**11.02%**	**8.47%**
minimum required level	5.91%	5.91%	4.46%
surplus (+) / deficiency (-) of the MREL – TEM ratio (p.p.)	*4.59 p.p.*	*5.11 p.p.*	*4.01 p.p.*

At the end of the 1st half 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

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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 8.44% TREA and 2.91% TEM. As at 30 June 2024, the carrying amount of liabilities due to NPS loans was PLN 7,614.9 million (compared to PLN 7,680.7 million as at 31 December 2023) and was recognised in the interim condensed consolidated 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, on 6 May 2024, the Bank paid out a dividend in the total amount of PLN 4,338.8 million, i.e. PLN 33.35 gross per share. For more information on the dividend payment, see chapter 2. *Significant events in the 1st half of 2024*.

11. Off-balance sheet items

as at	30 Jun 2024	31 Dec 2023	30 Jun 2023
Off-balance sheet commitments given	53,389.1	53,197.9	51,013.5
Off-balance sheet commitments received	22,689.8	20,317.0	24,952.2
Off-balance sheet financial instruments	1,498,100.2	1,433,302.4	1,244,771.8
Total	**1,574,179.1**	**1,506,817.3**	**1,320,737.5**

12. Transactions with related parties

ING Bank Śląski S.A. is a subsidiary of ING Bank NV, which as at 30 June 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).

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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 30 Jun 2024			as at 31 Dec 2023		
Receivables						
Nostro accounts	2.4	7.9	-	17.5	0.8	-
Deposits placed	-	-	-	72.9	-	-
Loans granted	-	0.5	-	-	0.9	-
Positive valuation of derivatives	121.2	-	-	137.6	-	-
Reverse repo	18,863.0	-	-	19,000.3	-	-
Other receivables	2.4	5.4	-	3.8	8.4	-
Liabilities						
Deposits received	823.0	170.0	95.1	130.8	128.8	40.3
Loans received, including:	12,459.6	-	-	12,534.8	-	-
Non Preferred Senior (NPS) loan	7,614.9	-	-	7,680.7	-	-
Subordinated loan	1,513.8	-	-	1,526.2	-	-
Loro accounts	22.2	30.4	-	61.1	155.7	-
Negative valuation of derivatives	21.7	-	-	69.9	-	-
Other liabilities	247.0	20.1	-	251.6	16.1	-
Off-balance-sheet operations						
Off-balance sheet liabilities granted	425.8	541.0	0.1	599.4	384.4	0.1
Off-balance sheet liabilities received	862.2	-	-	922.2	-	-
FX transactions	13,174.4	-	-	16,988.1	-	-
IRS	189.5	-	-	191.0	-	-
Options	660.5	-	-	591.9	-	-
	1 half 2024 the period from 01 Jan 2024 to 30 Jun 2024			1 half 2023 the period from 01 Jan 2023 to 30 Jun 2023		
Income and expenses						
Income, including:	227.9	2.8	26.3	-12.5	2.0	19.1
net interest and commission income	1.0	2.7	26.3	-27.9	1.7	19.1
net income on financial instruments	225.4	-0.3	-	14.3	0.2	-
net (loss)/income on other basic activities	1.5	0.4	-	1.1	0.1	-
General and administrative expenses	-177.2	-26.0	-	-121.8	-29.0	-

12.1. Remuneration of the members of the Board and Supervisory Board of ING Bank Śląski

Benefits due to the members of the Management Board of ING Bank Śląski S.A.

	1 half of 2024 the period from 01 Jan 2024 to 30 Jun 2024	1 half of 2023 the period from 01 Jan 2023 to 30 Jun 2023
Salaries	6.8	6.3
Other benefits*	1.3	1.2
Total	**8.1**	**7.5**

*) Other benefits include insurance, payments to the investment fund, medical care and other benefits granted by the Supervisory Board of the Bank.

Benefits for 2024 for members of the Management Board of ING Bank Śląski S.A. resulting from the Variable Remuneration Program have not yet been granted.

In accordance with the remuneration system in force at the Bank, members of the Bank's Management Board may be entitled to a bonus for 2024, the payment of which will take place in the years 2025-2032. Therefore, a provision was created for the payment of the bonus for 2024 for members of the Management Board, which as at 30 June 2024 amounted to PLN 5.5 million. The final decision regarding the amount of this bonus will be taken by the Supervisory Board of the Bank.

Benefits paid to members of the Management Board of ING Bank Śląski S.A.

	1 half of 2024 the period from 01 Jan 2024 to 30 Jun 2024	1 half of 2023 the period from 01 Jan 2023 to 30 Jun 2023
Salaries	6.8	6.3
Awards*	7.6	6.2
Other benefits**	1.3	1.2
Total	**15.7**	**13.7**

*) The awards for the 1st half of 2024 include components such as:

- Bonus under the Variable Remuneration Program: for 2023 non-deferred cash, for 2022 first tranche deferred cash, for 2021 second tranche cash deferred, for 2020 second tranche cash deferred, for 2019 third tranche cash deferred, for 2018 fourth tranche cash deferred and for 2017 fifth deferred cash tranche.
- Phantom Shares under the Variable Remuneration Program: for 2022 held over, for 2021 first tranche deferred, for 2020 first tranche deferred, for 2019 second tranche deferred, for 2018 third tranche deferred and for 2017 fourth tranche deferred.

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*) The awards for the 1st half of 2023 include components such as:

– Bonus under the Variable Remuneration Program: for 2022 non-deferred cash, for 2021 first tranche deferred cash, for 2020 first tranche cash deferred, for 2019 second tranche cash deferred, for 2018 third tranche cash deferred and for 2017 fourth deferred cash tranche.
– Phantom Shares under the Variable Remuneration Program: for 2021 held over, for 2019 first tranche deferred, for 2018 second tranche deferred and for 2017 third tranche deferred.

**) Other benefits include insurance, payments to the investment fund, medical care and other benefits granted by the Supervisory Board of the Bank.

Remuneration of the members of the Supervisory Board of ING Bank Śląski S.A.

In the 1st half of 2024 the total amount of remuneration due and paid by ING Bank Śląski S.A. members of the Supervisory Board amounted to PLN 0.6 million compared to PLN 0.5 million in the 1st half of 2023.

13. Risk and capital management

13.1. Capital management

In the 1st half of 2024, the Group continued its efforts to implement the capital management strategy. In the process of assessing the adequacy of internal capital in the 1st quarter of 2024, the Group summarized the next workshops for assessing the significance of risk. During the Workshop, no modifications were made that affected the classification of risk materiality.

Currently, the Group identifies 9 types of permanently significant risk (default and counterparty risk, residual risk, concentration risk, residual value risk, currency risk, general and specific interest rate risk in the trading book, interest rate risk in the banking book, liquidity and financing risk and operational risk) and 2 types of material risk (other non-credit assets risk and macroeconomic risk).

As at 30 June 2024, the minimum capital requirements for the ING Group of Bank Śląski are:

- Common Equity Tier 1 (CET1) capital requirement is 7.82%,
- Tier 1 ratio (T1) requirement is 9.32%,
- Total capital ratio (TCR) is 11.32%.

On 14 December 2023, the Polish Financial Supervision Authority published its position on the dividend policy in 2024. Up to 50% of the 2023 profit can be paid out only by banks that simultaneously meet the following criteria:

- do not implement a recovery programme,
- are positively assessed as part of the Supervisory Review and Evaluation process (final BION rating not worse than 2.5),
- have a leverage level (LR) of more than 5%,
- have a Common Equity Tier 1 (CET1) ratio not lower than the required minimum: 4.5% + 56.25% * P2R requirement + combined buffer + P2G requirement (P2G - *Pillar II Guidance*, i.e. an additional capital recommendation - measures the bank's sensitivity to an adverse macroeconomic scenario using the results of supervisory stress tests. Sensitivity defined as the relative change in CET1 calculated between the lowest CET1 level in the scenario horizon and CET1 at the start of the test, taking into account supervisory adjustments),
- have a Tier 1 capital ratio (T1) not lower than the required minimum: 6% + 75% * P2R requirement + combined buffer requirement + P2G,
- have a total capital ratio (TCR) not lower than the minimum required: 8% + P2R + combined buffer + P2G.

The amount of up to 75% of the 2023 profit can be paid out only by banks that meet the criteria for a 50% payout, and at the same time whose portfolio of receivables from the non-financial sector is characterised by good credit quality (the share of NPL, including debt instruments, at a level not exceeding 5%).

The Bank should meet the criteria set out above both on an individual and consolidated level, as at the end of 2023 and on the date of the decision on the payment of dividend by the General Meeting.

The maximum dividend level possible to pay is limited to 75%, due to the expectation of strengthening the capital base in order to absorb the possible materialisation of risks accumulated in the Polish banking sector environment.

13.2. Credit risk

Main changes in the Group's credit policy:

Retail segment

In the area of mortgage and consumer loans, an analysis and update of parameters used in the assessment of customers' creditworthiness was made, including interest rate risk buffers, foreign exchange rates and maintenance costs.

In the area of mortgage loans:

- Recommendation S (new requirements for interest rate risk buffers) was implemented,
- the possibility of statutory suspension of mortgage instalment repayment has been extended,
- the sale of retail mortgage products with variable interest rate based on the reference rate WIRON 1M Compound rate from 24 June 2024 was discontinued,
- order agreement has been implemented as an acceptable source of income (up to 80% of the main income),
- changes to the criteria for assessing the automatic value of the property were approved, thereby improving the efficiency of the process using the Rainforest model used for assessing the value of residential real estate.

In the area of consumer loans:

- completed the pilot of the application of the BIK Overdebt Score model, which addresses the risk of customer re-crediting and defined the target rules for using this tool in the credit process,
- the level of automatic decisions was increased and the period of examining historical arrears in the Credit Information Bureau and the Bank Register was extended from 12 to 24 months,
- a new decision model was implemented in the area of consumer loans for the standard offer.

Corporate segment

- The "Joint Supervisory Decision of the ECB (European Central Bank) and the Polish Financial Supervision Authority on the gradual implementation of the IRB Approach and continuous application of the SA Approach in the calculation of the capital requirement for credit risk" was implemented in terms of:
  - continued application of the standardised approach (SA) for estimating capital requirements for credit risk in relation to the existing portfolio serviced under the Easy Lending path,
  - transfer of the portfolio of corporate clients meeting the definition of small and medium-sized enterprises (SMEs) with the total exposure of the Bank over PLN 400 thousand to PLN 1.2 million, to the portfolio supported under the Easy Lending path, together with:
    - with the change from the Advanced Internal Ratings Based Approach (A-IRB) to the Standardised Approach (SA),
    - applying to the above-mentioned portfolio the approach appropriate for exposures classified to retail categories in accordance with CRR, in all sales and after-sales processes, the default identification process and the rating process, which are currently applicable to clients serviced under the Easy Lending path.
- In the entrepreneurs segment:
  - lending to high-risk clients has been reinstated, provided that BGK guarantees are used as collateral,
  - a new process of granting loans to housing communities was implemented, including the increase of the maximum loan amount to PLN 4 million and the extension of the maximum loan period to 20 years.
- New rating models for revenue real estate financing have been introduced - for real estate financing (IPRE) and RD for construction financing (Construction).
- Revenue property financing rules in the corporate segment have been updated.
- In addition, in response to current economic events, the loan portfolio was analysed in terms of clients' resilience to possible further increase of operating costs and financial costs, and the portfolio was reviewed in terms of sectoral risks, including commercial real estate and construction sectors.
- Solutions have been implemented for strategic clients to improve the credit process of financial institutions. Additionally, the range of available collateral for credit exposures was extended.

Stress tests

In accordance with *the Policy for conducting stress tests*, ING Bank Śląski S.A. Group regularly conducts stress tests (scenario analyses and sensitivity analyses) in order to assess the Bank's resilience to negative scenarios. The report with the results of the stress tests is approved by the ALCO Committee and presented to the Management Board and Supervisory Board. Currently, the Group is conducting a project of rebuilding stress-tests in order to increase flexibility and shorten the time of this process.

13.3. Market risk

In the area of market risk, the Group manages the risk according to developed principles, methodologies and approved policies.

13.4. Liquidity and funding risk

In the area of liquidity and funding risk, the Group manages the risk according to developed principles, methodologies and approved policies.

In the 1st half of 2024, the Group continued its efforts to mitigate liquidity and financing risk - in accordance with the principles of the liquidity and financing risk management policy, the Group's strategy, as well as regulatory requirements. All monitored measures remain within limits. The Group performs systematic reviews of internal regulations and documents, as well as continuously improves its reporting and modelling processes.

13.5. Operational risk

In the area of operational risk, the Group manages risk in accordance with developed principles, methodologies and approved policies in accordance with the requirements of law and the guidelines of the regulator.

In the 1st half of 2024, the Bank's goal was still to reduce the risk of external and internal fraud. In view of repeated sociotechnical attacks on the Bank's clients and cases of fraud on credit products, the definitions of credit fraud were clarified and the monitoring and reporting of losses was strengthened.

Further actions focus on IT risk mitigation. The Bank has conducted dedicated audits for cloud computing and third party services as part of the process of improving cyclical tests in the area of IT risk. The Bank has started work on the implementation of the DORA (Digital Operational Resilience Act) and RTS (Regulatory Technical Standards) related to this process by updating its approach to the risk analysis of operational resilience and business continuity. The Bank analysed internal regulations in the field of ICT (Information and Communication Technologies) risk management and did not identify significant deficiencies in this area in relation to DORA requirements.

To support the ESG (Environmental, Social, Governance) risk management process, the Bank has implemented a new document - Instructions for the implementation of environmental risk to non-financial risk management.

In the 1st half of 2024, the Bank completed its design work on replacing the existing application supporting operational risk management and implemented a new application based on cloud solutions. Work is underway to review the scope of processes and the quality of data used in the area of operational risk management.

In addition, the Bank began work on reviewing and updating the non-financial risk management framework in the Bank's subsidiaries.

At the same time, work is underway on implementing a new model for calculating the bank's risk level based on data metrics. The rules for calculating the level of non-financial risk have been defined.

The implementation process also includes: optimising the division of tasks related to operational risk management in the Bank between the 1st and 2nd line of defence and strengthening the risk culture among the Bank's employees. Training was provided on the role of 1 defence line and process owners in operational risk management. In addition, the Bank structured the control assessment process, updated guidelines describing risk management in the area of robotisation in new technologies used by the Bank and risk management in change.

13.6. ESG risk

In the 1st half of 2024, the Group continued its ESG risk management activities, including, among others:

- implemented the Physical risk assessment methodology,
- implemented a methodology and assessed the materiality of risks related to the climate and environment of the retail portfolio, entrepreneurs and small, medium and large companies,
- included the result of the materiality assessment of climate and environmental risks in the sector guidelines for the portfolio of entrepreneurs and small, medium and large companies,
- included an assessment of the sector's emissivity in credit RAS (*Risk Appetite Statement*) limits for the portfolio of entrepreneurs and small, medium and large companies and in RAS limits for the portfolio of corporate clients,
- developed the concept of including physical risk and transformation in the valuation of real estate collateral,
- as part of the pilot project, the Group started to initially estimate the impact of ESG risk on the valuation of newly accepted real estate in the segment of entrepreneurs and small, medium and large companies,
- updated the ESG risk management policy and the ESG Instruction taking into account the solutions implemented in 2024,
- systematised the approach to assessing customers with high transformation risk (including the use of a tool to compare emissions) and assessing the risk of flooding in the Normal Track expert credit path for medium and large companies' customers,
- started building a model for assessing transformation risk for clients from the entrepreneurs' segment and small, medium and large companies; the model will be based on issues reported by the Group's clients to the National Centre for Emissions Management (KOBIZE),
- based on the scenarios of the Network for Greening the Financial System (NGFS), the Group has prepared the assumptions necessary to conduct a long-term climate stress test for credit risk in the 2nd half of 2024,

- implemented a scenario analysis taking into account the climate risk factor as part of local liquidity stress-tests,
- worked together with other financial institutions to develop recommendations for the banking sector on the inclusion of ESG risk factors in banking risk management.

13.7. Other risks

Compliance risk

In the 1st half of 2024, the Group continued its efforts to ensure compliance with regulatory requirements, in particular the European Banking Authority (EBA), the Polish Financial Supervision Authority and General Inspector of Financial Information (GIIF) guidelines. Internal regulations on compliance risk, including reputational risk, were updated.

The Group is involved in the work at the level of the Polish Bank Association and industry organisations. As in the previous year, control mechanisms in business processes are improved, in particular in the field of Know Your Customer (KYC) and personal data protection. The Group regularly builds and strengthens the awareness of the Group's employees in matters of professional ethics and applicable regulations in the area of compliance, including personal data.

Model risk

In the 1st half of 2024, the Group continued its activities in the area of model risk management, which included, among others: quarterly reporting of model risk, model validation and monitoring of their effectiveness. New and updated existing standards for model validation, risk assessment and reporting have been approved and the corresponding processes have been adapted. Data migration from the local model register to the ING Group central model register (iModel) was also ongoing.

Business risk

The Group identifies one significant risk as the macroeconomic risk. In the 1st half of 2024, the Group conducted full capital tests as at the end of 2023. Based on the obtained results, the value of the macroeconomic risk requirement for 2024 was updated.

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

2024-08-06	**Brunon Bartkiewicz** President	The original Polish document is signed with a qualified electronic signature
2024-08-06	**Joanna Erdman** Vice-President	The original Polish document is signed with a qualified electronic signature
2024-08-06	**Marcin Giżycki** Vice-President	The original Polish document is signed with a qualified electronic signature
2024-08-06	**Bożena Graczyk** Vice-President	The original Polish document is signed with a qualified electronic signature
2024-08-06	**Ewa Łuniewska** Vice-President	The original Polish document is signed with a qualified electronic signature
2024-08-06	**Michał H. Mrożek** Vice-President	The original Polish document is signed with a qualified electronic signature
2024-08-06	**Sławomir Soszyński** Vice-President	The original Polish document is signed with a qualified electronic signature
2024-08-06	**Alicja Żyła** Vice-President	The original Polish document is signed with a qualified electronic signature

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2024-08-06	**Jolanta Alvarado Rodriguez** Lead of Centre of Expertise Accounting Policy and Financial Reporting	The original Polish document is signed with a qualified electronic signature

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

Interim condensed income statement

	2 quarter 2024 the period from 01 Apr 2024 to 30 Jun 2024	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	2 quarter 2023 the period from 01 Apr 2023 to 30 Jun 2023	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
Net interest income	2,975.6	6,062.0	2,986.4	5,823.4
calculated using the effective interest rate method	2,776.7	5,656.9	2,698.8	5,233.4
other interest income	198.9	405.1	287.6	590.0
Interest expense	-1,023.1	-2,042.9	-1,036.8	-2,122.8
Interest income	**1,952.5**	**4,019.1**	**1,949.6**	**3,700.6**
Commission income	699.3	1,395.1	657.5	1,293.0
Commission expense	-151.5	-292.4	-145.2	-277.3
Net commission income	**547.8**	**1,102.7**	**512.3**	**1,015.7**
Net income on financial instruments measured at fair value through profit or loss and FX result	66.1	84.5	36.0	107.9
Net income on the sale of securities measured at amortised cost	0.9	-5.4	-	-
Net income on the sale of financial assets measured at fair value through other comprehensive income and dividend income	0.4	2.6	8.6	1.0
Net (loss)/income on hedge accounting	2.3	-0.6	-3.5	-8.2
Net (loss)/income on other basic activities	-0.9	0.6	-2.3	-3.0
Net income on basic activities	**2,569.1**	**5,203.5**	**2,500.7**	**4,814.0**
General and administrative expenses	-922.1	-1,960.8	-807.9	-1,762.2
Impairment for expected credit losses	-265.3	-436.2	-208.4	-282.0
Cost of legal risk of FX mortgage loans	-25.9	-26.7	-	-
Tax on certain financial institutions	-179.5	-366.1	-165.6	-324.2
Share of the net profits of subsidiaries and associates measured by equity method	40.6	80.1	86.4	151.0
Gross profit	**1,216.9**	**2,493.8**	**1,405.2**	**2,596.6**
Income tax	-252.2	-535.8	-305.8	-588.5
Net profit	**964.7**	**1,958.0**	**1,099.4**	**2,008.1**

	2 quarter 2024 the period from 01 Apr 2024 to 30 Jun 2024	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	2 quarter 2023 the period from 01 Apr 2023 to 30 Jun 2023	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
Net profit	964.7	1,958.0	1,099.4	2,008.1
Weighted average number of ordinary shares	130,158,661	130,130,664	130,135,128	130,120,799
Earnings per ordinary share (in PLN)	**7.41**	**15.05**	**8.45**	**15.43**

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

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

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Interim condensed statement of comprehensive income

	2 quarter 2024 the period from 01 Apr 2024 to 30 Jun 2024	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	2 quarter 2023 the period from 01 Apr 2023 to 30 Jun 2023	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
Net profit for the reporting period	**964.7**	**1,958.0**	**1,099.4**	**2,008.1**
Total other comprehensive income, including:	**105.4**	**-169.6**	**604.2**	**1,598.1**
Items that may be reclassified to profit or loss, including:	**103.5**	**-171.6**	**599.5**	**1,593.4**
debt instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	-31.4	118.0	-2.3	142.5
debt instruments measured at fair value through other comprehensive income – reclassification to financial result due to sale	-2.4	-4.2	-1.0	-2.0
loans measured at fair value through other comprehensive income - revaluation gains / losses related to equity	0.2	9.8	-19.8	-10.1
cash flow hedge - gains on revaluation carried through equity	-283.1	-1,114.4	69.9	314.4
cash flow hedge - reclassification to profit or loss	420.2	819.2	552.7	1,148.6
Items that will not be reclassified to profit or loss, including:	**1.9**	**2.0**	**4.7**	**4.7**
equity financial instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	1.8	1.8	4.7	4.7
fixed assets revaluation	0.1	0.2	-	-
Net comprehensive income for the reporting period	**1,070.1**	**1,788.4**	**1,703.6**	**3,606.2**

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

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Interim condensed statement of financial position

as at	Note	30 Jun 2024	31 Dec 2023	30 Jun 2023
Assets				
Cash in hand and balances with the Central Bank		3,163.7	6,751.4	2,267.8
Loans and other receivables to other banks		22,809.3	22,827.1	13,695.8
Financial assets measured at fair value through profit or loss		1,315.9	2,273.9	2,339.7
Derivative hedge instruments		102.5	208.4	195.7
Investment securities		58,844.1	56,527.4	41,064.8
Transferred assets		1,996.0	165.2	11,307.9
Loans and other receivables to customers	4.1	151,692.6	146,663.0	147,055.0
Investments in subsidiaries and associates accounted for using the equity method		1,815.0	1,761.0	1,659.2
Property, plant and equipment		982.2	965.1	903.4
Intangible assets		453.1	450.1	421.9
Deferred tax assets		444.5	888.1	999.1
Other assets		144.9	119.1	247.6
Total assets		**243,763.8**	**239,599.8**	**222,157.9**

as at	Note	30 Jun 2024	31 Dec 2023	30 Jun 2023
Liabilities				
Liabilities to other banks		9,043.6	8,826.7	2,612.3
Financial liabilities measured at fair value through profit or loss		974.6	1,821.6	1,589.3
Derivative hedge instruments		148.7	280.3	328.4
Liabilities to customers		213,518.4	205,039.9	199,555.9
Subordinated liabilities		1,513.7	1,526.2	1,561.2
Provisions		639.7	536.4	362.3
Current income tax liabilities		50.5	100.5	118.9
Other liabilities		3,808.3	4,849.3	3,154.5
Total liabilities		**229,697.5**	**222,980.9**	**209,282.8**
Equity				
Share capital	1.3	130.1	130.1	130.1
Share premium		956.3	956.3	956.3
Accumulated other comprehensive income		-5,381.6	-5,211.8	-6,518.6
Retained earnings		18,372.8	20,749.6	18,311.5
Own shares for the purposes of the incentive program		-11.3	-5.3	-4.2
Total equity		**14,066.3**	**16,618.9**	**12,875.1**
Total liabilities and equity		**243,763.8**	**239,599.8**	**222,157.9**

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

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Interim condensed statement of changes in equity

1 half of 2024 the period from 01 Jan 2024 to 30 Jun 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	-	-	-	1,958.0	-	**1,958.0**
Other net comprehensive income, including:	-	-	**-169.8**	**0.2**	-	**-169.6**
financial assets measured at fair value through other comprehensive income - revaluation gains / losses recognized in equity	-	-	129.6	-	-	129.6
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-4.2	-	-	-4.2
sale of equity instruments measured at fair value through other comprehensive income	-	-	-0.2	0.2	-	0.0
cash flow hedge - revaluation gains / losses recognized in equity	-	-	-1,114.4	-	-	-1,114.4
cash flow hedge – reclassification to profit or loss	-	-	819.2	-	-	819.2
fixed assets revaluation	-	-	0.2	-	-	0.2
Other changes in equity, including:	-	-	-	**-4,335.0**	**-6.0**	**-4,341.0**
valuation of employee incentive programs	-	-	-	3.8	-	3.8
dividend payment	-	-	-	-4,338.8	-	-4,338.8
purchase of own shares for the purposes of the employee incentive program	-	-	-	-	-6.0	-6.0
Closing balance of equity	**130.1**	**956.3**	**-5,381.6**	**18,372.8**	**-11.3**	**14,066.3**

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

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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:	-	-	**2,904.9**	-	-	**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:	-	-	-	**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**

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1 half of 2023 the period from 01 Jan 2023 to 30 Jun 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	-	-	-	2,008.1	-	**2,008.1**
Other net comprehensive income, including:	-	-	**1,598.1**	-	-	**1,598.1**
financial assets measured at fair value through other comprehensive income – revaluation gains / losses recognized in equity	-	-	137.1	-	-	137.1
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-2.0	-	-	-2.0
cash flow hedge - revaluation gains / losses recognized in equity	-	-	314.4	-	-	314.4
cash flow hedge – reclassification to profit or loss	-	-	1,148.6	-	-	1,148.6
Other changes in equity, including:	-	-	**0.0**	**6.2**	**-4.2**	**2.0**
valuation of employee incentive programs	-	-	-	6.2	-	6.2
purchase of own shares for the purposes of the employee incentive program	-	-	-	-	-4.2	-4.2
Closing balance of equity	**130.1**	**956.3**	**-6,518.6**	**18,311.5**	**-4.2**	**12,875.1**

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Interim condensed cash flow statement

	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
Net profit	**1,958.0**	**2,008.1**
Adjustments, including:	**-4,517.3**	**-6,859.9**
Share of profit/(loss) of subsidiaries and associates accounted for using the equity method	-80.1	-151.0
Depreciation and amortisation	150.7	138.2
Interest accrued (from the income statement)	-4,019.1	-3,700.6
Interest paid	-1,787.6	-2,055.1
Interest received	5,772.0	5,582.3
Dividends received	-2.1	-7.4
Gains (losses) on investing activities	0.2	0.6
Income tax (from the income statement)	535.8	588.5
Income tax paid	-103.1	-182.0
Change in provisions	103.3	14.5
Change in loans and other receivables to other banks	-60.0	-6,627.5
Change in financial assets measured at fair value through profit or loss	953.9	-379.0
Change in hedge derivatives	-390.2	1,708.6
Change in investment securities	-5,532.9	3,864.5
Change in transferred assets	-1,819.6	-10,955.9
Change in loans and other receivables to customers measured at amortised cost	-4,998.5	-1,289.7
Change in other assets	-107.6	498.4
Change in liabilities to other banks	221.6	724.6
Change in liabilities measured at fair value through profit or loss	-846.9	-614.4
Change in liabilities to customers	8,493.7	7,280.5
Change in subordinated liabilities	-12.5	-83.9
Change in other liabilities	-988.3	-1,214.1
Net cash flows from operating activities	**-2,559.3**	**-4,851.8**

	1 half of 2024 YTD the period from 01 Jan 2024 to 30 Jun 2024	1 half of 2023 YTD the period from 01 Jan 2023 to 30 Jun 2023
Acquisition of property, plant and equipment	-17.3	-36.6
Disposal of property, plant and equipment	0.1	-
Acquisition of intangible assets	-45.6	-63.9
Sale of equity instruments measured at fair value through other comprehensive income	-0.2	-
Acquisition of debt securities measured at amortized cost	-12,668.0	-
Disposal of debt securities measured at amortized cost	16,254.5	3,599.3
Dividends received	2.1	7.4
Net cash flows from investment activities	**3,525.6**	**3,506.2**
Long-term loans received	-	1,214.4
Interest payment on long-term loans	-275.3	-18.2
Repayment of lease liabilities	-48.1	-51.0
Purchase of own shares for the purposes of the employee incentive program	-6.0	-4.2
Dividends paid	-4,338.8	-
Net cash flows from financial activities	**-4,668.2**	**1,141.0**
Net increase/(decrease) in cash and cash equivalents	**-3,701.9**	**-204.6**
of which effect of exchange rate changes on cash and cash equivalents	282.7	713.8
Opening balance of cash and cash equivalents	**7,038.4**	**3,049.7**
Closing balance of cash and cash equivalents	**3,336.5**	**2,845.1**

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

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Additional information to the interim condensed standalone financial statements

1. Introduction

1.1. Going concern

These interim condensed standalone financial statements of 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 7 August 2024. As at the date of adoption for publication of these interim condensed standalone financial statements 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 half of 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 30 June 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 interim standalone 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 were approved on 11 April 2024 by the Bank's General Meeting and are 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 half of 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 30 June 2024 and interim condensed standalone statement of financial position as at 30 June 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 30 June 2024 and includes comparative data:

- as at 31 December 2023 and 30 June 2023 - for the interim condensed statement of financial position,
- for the period from 1 January 2023 to 30 June 2023 and from 1 April 2023 to 30 June 2023 - for the interim condensed income statement and the interim condensed statement of comprehensive income,
- for the period from 1 January 2023 to 30 June 2023 - for the interim condensed cash flow statement,
- for the period from 1 January 2023 to 31 December 2023 and from 1 January 2023 to 30 June 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 half of 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 6 August 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 half of 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.

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 half of 2024, no significant changes were made to the accounting principles applied by the Bank. The most important estimates that changed in the 1st half 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 chapter 5.1. *Key estimates*.

3. Comparability of financial data

In these interim condensed standalone financial statements for the 1st half of 2024, compared to the interim condensed standalone financial statements for the 1st half of 2023, the Bank 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	30 Jun 2024	31 Dec 2023	30 Jun 2023
Measured at amortised cost	144,820.7	140,189.8	139,965.0
Measured at fair value through other comprehensive income	6,871.9	6,473.2	7,090.0
Total	**151,692.6**	**146,663.0**	**147,055.0**

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

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

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

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Loans and receivables to customers measured at amortised cost

as at	30 Jun 2024			31 Dec 2023			30 Jun 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:	**146,970.1**	**-3,688.8**	**143,281.3**	**141,698.8**	**-3,236.6**	**138,462.2**	**141,594.4**	**-3,263.4**	**138,331.0**
Corporate banking	**89,722.4**	**-2,667.2**	**87,055.2**	**87,129.4**	**-2,280.4**	**84,849.0**	**88,201.1**	**-2,144.0**	**86,057.1**
loans in the current account	18,598.5	-229.0	18,369.5	16,480.9	-141.5	16,339.4	19,486.2	-538.7	**18,947.5**
term loans and advances	66,942.4	-2,436.7	64,505.7	66,456.8	-2,137.2	64,319.6	64,471.0	-1,602.8	**62,868.2**
debt securities (corporate and municipal)	4,181.5	-1.5	4,180.0	4,191.7	-1.7	4,190.0	4,243.9	-2.5	**4,241.4**
Retail banking	**57,247.7**	**-1,021.6**	**56,226.1**	**54,569.4**	**-956.2**	**53,613.2**	**53,393.3**	**-1,119.4**	**52,273.9**
mortgages	47,519.1	-186.4	47,332.7	45,396.2	-199.5	45,196.7	44,463.6	-266.6	**44,197.0**
loans in the current account	690.7	-68.7	622.0	706.4	-62.7	643.7	693.7	-68.1	**625.6**
other loans and advances	9,037.9	-766.5	8,271.4	8,466.8	-694.0	7,772.8	8,236.0	-784.7	**7,451.3**
Other receivables, of which:	**1,539.4**	-	**1,539.4**	**1,727.6**	-	**1,727.6**	**1,634.0**	-	**1,634.0**
call deposits placed	526.8	-	526.8	606.9	-	606.9	677.0	-	**677.0**
other	1,012.6	-	1,012.6	1,120.7	-	1,120.7	957.0	-	**957.0**
Total	**148,509.5**	**-3,688.8**	**144,820.7**	**143,426.4**	**-3,236.6**	**140,189.8**	**143,228.4**	**-3,263.4**	**139,965.0**

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Quality of loan portfolio

as at	30 Jun 2023			31 Dec 2022			30 Jun 2022		
	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net
Corporate banking	**89,722.4**	**-2,667.2**	**87,055.2**	**87,129.4**	**-2,280.4**	**84,849.0**	**88,201.1**	**-2,144.0**	**86,057.1**
assets in Stage 1	76,278.4	-161.2	76,117.2	74,494.8	-183.8	74,311.0	75,034.6	-163.4	**74,871.2**
assets in Stage 2	10,161.4	-454.7	9,706.7	10,008.4	-391.6	9,616.8	10,655.5	-464.4	**10,191.1**
assets in Stage 3	3,282.6	-2,051.3	1,231.3	2,626.2	-1,705.0	921.2	2,511.0	-1,516.2	**994.8**
Retail banking	**57,247.7**	**-1,021.6**	**56,226.1**	**54,569.4**	**-956.2**	**53,613.2**	**53,393.3**	**-1,119.4**	**52,273.9**
assets in Stage 1	51,737.4	-133.6	51,603.8	49,097.5	-124.4	48,973.1	47,458.3	-169.6	**47,288.7**
assets in Stage 2	4,418.9	-151.5	4,267.4	4,485.3	-187.4	4,297.9	4,907.9	-258.4	**4,649.5**
assets in Stage 3	1,088.9	-736.5	352.4	983.9	-644.4	339.5	1,024.5	-691.4	**333.1**
POCI assets	2.5	-	2.5	2.7	-	2.7	2.6	-	**2.6**
Total, of which:	**146,970.1**	**-3,688.8**	**143,281.3**	**141,698.8**	**-3,236.6**	**138,462.2**	**141,594.4**	**-3,263.4**	**138,331.0**
assets in Stage 1	128,015.8	-294.8	127,721.0	123,592.3	-308.2	123,284.1	122,492.9	-333.0	**122,159.9**
assets in Stage 2	14,580.3	-606.2	13,974.1	14,493.7	-579.0	13,914.7	15,563.4	-722.8	**14,840.6**
assets in Stage 3	4,371.5	-2,787.8	1,583.7	3,610.1	-2,349.4	1,260.7	3,535.5	-2,207.6	**1,327.9**
POCI assets	2.5	-	2.5	2.7	-	2.7	2.6	-	**2.6**

The Bank identifies POCI financial assets whose carrying value as at 30 June 2024 is PLN 2.5 million (PLN 2.7 million as at 31 December 2023 and PLN 2.6 million as at 30 June 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 30 June 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), except for the issue of including credit holidays for the mortgage loan portfolio. As at 30 June 2024, in connection with the entry into force of the Act on amending the Act on support for borrowers who have taken out a housing loan and are in a difficult financial situation and the Act on crowdfunding for business ventures and assistance to borrowers, the Bank took into account in the valuation of mortgage loans in PLN the expected impact of credit holidays, assuming that borrowers representing approx. 11.4% of the Bank's PLN mortgage portfolio are entitled and will decide to take advantage of the suspension of instalment repayment.

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

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as at **30 Jun 2024**

	level 1	level 2	level 3	Total
Financial assets, including:	**31,982.0**	**911.0**	**7,136.0**	**40,029.0**
Financial assets held for trading, including:	**481.1**	**808.5**	-	**1,289.6**
valuation of derivatives	-	633.7	-	633.7
other financial assets held for trading, including:	481.1	174.8	-	655.9
debt securities, including:	481.1	-	-	481.1
treasury bonds in PLN	349.9	-	-	349.9
Czech Treasury bonds	131.2	-	-	131.2
repo transactions	-	174.8	-	174.8
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	-	-	**26.3**	**26.3**
loans are obligatorily measured at fair value through profit or loss	-	-	25.9	25.9
equity instruments	-	-	0.4	0.4
Derivative hedge instruments	-	**102.5**	-	**102.5**
Financial assets measured at fair value through other comprehensive income, including:	**29,722.2**	-	**237.8**	**29,960.0**
debt securities, including:	29,722.2	-	-	29,722.2
treasury bonds in PLN	24,428.4	-	-	24,428.4
European Union bonds	2,076.7	-	-	2,076.7
European Investment Bank bonds	2,814.0	-	-	2,814.0
Austrian government bonds	403.1	-	-	403.1
equity instruments	-	-	237.8	237.8
Transferred assets, including:	**1,778.7**	-	-	**1,778.7**
Treasury bonds in PLN from the portfolio of financial assets measured at fair value through other comprehensive income	1,778.7	-	-	1,778.7
Loans measured at fair value through other comprehensive income	-	-	6,871.9	**6,871.9**
Financial liabilities, including:	**110.2**	**1,013.1**	-	**1,123.3**
Financial liabilities held for trading, including:	**110.2**	**864.4**	-	**974.6**
valuation of derivatives	-	864.4	-	864.4
book short position in trading securities	110.2	-	-	110.2
Derivative hedge instruments	-	**148.7**	-	**148.7**

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**	-	**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**

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Movements in financial assets classified to the level 3 of measurement

In the 1st half of 2024, the change in the valuation of equity instruments classified to level 3 included in other comprehensive income amounted to PLN 2.2 million (compared to PLN 5.8 million in the 1st half of 2023).

The impact of the valuation of loans classified under level 3 of the measurement was in the 1st half of 2024:

- for loans mandatorily measured at fair value through profit or loss: PLN 0.0 million (similar to the 1st half of 2023),
- for loans measured at fair value through other comprehensive income: PLN 12.0 million (compared to PLN -12.5 million in the 1st half of 2023) and was reflected in the Bank's statement of financial position under *Accumulated other comprehensive income*.

	1 half of 2024 the period from 01 Jan 2024 to 30 Jun 2024				1 half of 2023 the period from 01 Jan 2023 to 30 Jun 2023			
	loans obligatorily measured at fair value through profit or loss	equity instruments measured at fair value through profit or loss	equity instruments measured at fair value through other comprehensive income	loans measured at fair value through other comprehensive income	loans obligatorily measured at fair value through profit or loss	equity instruments measured at fair value through profit or loss	equity instruments measured at fair value through other comprehensive income	loans measured at fair value through other comprehensive income
Opening balance	**38.6**	**0.4**	**235.9**	**6,473.2**	**54.6**	**0.1**	**120.9**	**8,213.2**
Increases, including:	-	-	**2.0**	**1,025.8**	-	**0.4**	**5.8**	**66.2**
loans granted in the period / acquisition of investments	-	-	-	1,025.8	-	0.4	-	-
valuation referred to accumulated other comprehensive income	-	-	2.0	-	-	-	5.8	66.2
Reductions, including:	**-12.7**	-	**-0.1**	**-627.1**	**-12.3**	-	-	**-1,189.4**
loan repayments / disposal of investments	-12.7	-	-0.1	-246.0	-12.3	-	-	-540.3
valuation referred to accumulated other comprehensive income	-	-	-	-17.3	-	-	-	-
sale to ING Bank Hipoteczny S.A.	-	-	-	-363.8	-	-	-	-649.1
Closing balance	**25.9**	**0.4**	**237.8**	6,871.9	**42.3**	**0.5**	**126.7**	**7,090.0**

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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 30 June 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 30 Jun 2024

	Carrying amount	Fair value level 1	Fair value level 2	Fair value level 3	Total
Investment securities at amortised cost, including:	**28,884.1**	**19,561.8**	**7,865.1**	-	**27,426.9**
treasury bonds in PLN	11,781.1	11,161.3	-	-	11,161.3
treasury bonds in EUR	2,904.2	2,712.3	-	-	2,712.3
European Investment Bank bonds	5,954.9	5,688.2	-	-	5,688.2
bonds of the Polish Development Fund (PFR)	3,828.3	-	3,518.2	-	3,518.2
Bank Gospodarstwa Krajowego bonds	1,815.6	-	1,748.1	-	1,748.1
NBP bills	2,600.0	-	2,598.8	-	2,598.8
Transferred assets, including:	**217.3**	**217.7**	-	-	**217.7**
Treasury bonds in PLN from the portfolio of financial assets measured at amortised cost	217.3	217.7	-	-	217.7
Loans and receivables to customers, including:	**144,820.7**	-	-	**145,576.4**	**145,576.4**
Corporate banking segment, including:	87,055.2	-	-	87,836.8	87,836.8
loans and advances (in the current account and term ones)	82,875.2	-	-	83,784.2	83,784.2
corporate and municipal debt securities	4,180.0	-	-	4,052.6	4,052.6
Retail banking segment, including:	56,226.1	-	-	56,200.2	56,200.2
mortgages	47,332.7	-	-	47,081.0	47,081.0
other loans and advances	8,893.4	-	-	9,119.2	9,119.2
Other receivables	1,539.4	-	-	1,539.4	1,539.4
Liabilities to customers	**213,518.4**	-	-	**213,453.4**	**213,453.4**
Subordinated liabilities	**1,513.7**	-	-	**1,253.0**	**1,253.0**

as at 31 Dec 2023

	Carrying amount	Fair value level 1	Fair value level 2	Fair value level 3	Total
Investment securities at amortised cost, including:	**32,697.5**	**21,570.9**	**9,505.2**	-	**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**	-	-	**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**

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5. Capital adequacy

5.1. Total capital ratio

as at	30 Jun 2024	31 Dec 2023	30 Jun 2023
Own funds	18,338.2	19,051.6	17,875.8
Total capital requirements	8,992.7	8,132.2	7,733.4
Total capital ratio (TCR)	**16.31%**	**18.74%**	**18.49%**
Tier 1 ratio (T1)	**15.02%**	**17.24%**	**16.88%**

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	30 Jun 2024	31 Dec 2023	30 Jun 2023
Total capital ratio (TCR)	16.29%	18.68%	18.34%
Tier 1 capital ratio	14.99%	17.17%	16.72%

5.2. MREL requirements

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

6. Dividends paid

Information on dividends paid is provided in the interim condensed consolidated financial statements in chapter 10. *Dividends paid* and in chapter 2. *Significant events in the 1st half of 2024*.

7. Off-balance sheet items

as at	30 Jun 2024	31 Dec 2023	30 Jun 2023
Off-balance sheet commitments given	56,316.7	55,101.7	50,883.3
Off-balance sheet commitments received	21,900.9	19,492.1	23,916.6
Off-balance sheet financial instruments	1,498,100.2	1,433,302.4	1,244,771.8
Total	**1,576,317.8**	**1,507,896.2**	**1,319,571.7**

8. Significant events in the 1st half of 2024

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

9. Significant events after balance sheet date

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

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10. Transactions with related parties

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

Additionally, in the 1st half of 2024, the Bank completed a sale transaction to ING Bank Hipoteczny S.A. (a subsidiary of the Bank) a portfolio of mortgage-secured housing loans in the total amount of PLN 363.8 million. The purchase price was set at the market value. As at 30 June 2024, receivables from ING Bank Hipoteczny S.A. related to the deferred payment for this transaction in the amount of PLN 162.5 million was recognized in *Loans and other receivables to other banks*.

The tables present numerical information on receivables and liabilities as well as revenues and costs and outlays for non-current assets, resulting from transactions concluded between the Bank and its related entities.

	ING Bank NV	other ING Group entities	subsidiaries	associates	ING Bank NV	other ING Group entities	subsidiaries	associates
	as at 30 Jun 2024				as at 31 Dec 2023			
Receivables								
Nostro accounts	2.4	7.9	-	-	17.5	0.8	-	-
Deposits placed	-	-	-	-	72.9	-	-	-
Loans granted	-	0.1	14,982.7	-	-	0.3	14,306.5	-
Positive valuation of derivatives	121.2	-	-	-	137.6	-	-	-
Reverse repo	18,863.0	-	-	-	19,000.3	-	-	-
Other receivables	2.4	5.4	6.7	-	3.8	8.4	8.3	-
Liabilities								
Deposits received	823.0	170.0	271.2	95.1	130.8	128.8	221.0	40.3
Loans received*	7,614.9	-	-	-	7,680.7	-	-	-
Subordinated loan	1,513.8	-	-	-	1,526.2	-	-	-
Loro accounts	22.2	30.4	1.4	-	61.1	155.7	-	-
Negative valuation of derivatives	21.7	-	-	-	69.9	-	-	-
Other liabilities	247.0	20.1	6.0	-	251.6	16.1	7.9	-
Off-balance-sheet operations								
Off-balance sheet liabilities granted	425.8	541.0	7,862.4	0.1	599.4	384.4	7,276.4	0.1
Off-balance sheet liabilities received	73.3	9.5	-	-	95.9	-	-	-
FX transactions	13,174.4	-	-	-	16,988.1	-	-	-
IRS	189.5	-	-	-	191.0	-	-	-
Options	660.5	-	-	-	591.9	-	-	-

*) Non Preferred Senior (NPS) loan

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	ING Bank NV	other ING Group entities	subsidiaries	associates	ING Bank NV	other ING Group entities	subsidiaries	associates
		1 half of 2024 the period from 01 Jan 2024 to 30 Jun 2024				1 half of 2023 the period from 01 Jan 2023 to 30 Jun 2023		
Income and expenses								
Income, including:	315.4	2.4	424.0	26.3	50.2	1.8	452.0	19.1
net interest and commission income	90.0	2.7	433.4	26.3	35.9	1.7	458.4	19.1
net income on financial instruments	225.4	-0.3	0.1	-	14.3	0.2	0.6	-
net (loss)/income on other basic activities	-	-	1.0	-	-	-0.1	1.8	-
net income on sale of financial assets	-	-	-10.5	-	-	-	-8.8	-
General and administrative expenses	-173.6	-30.1	-1.6	-	-119.1	-25.3	-3.0	-
Outlays for non-current assets								
Outlays for intangible assets	-	-	-	-	-	-	0.1	-

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

2024-08-06	**Brunon Bartkiewicz** President	The original Polish document is signed with a qualified electronic signature
2024-08-06	**Joanna Erdman** Vice-President	The original Polish document is signed with a qualified electronic signature
2024-08-06	**Marcin Giżycki** Vice-President	The original Polish document is signed with a qualified electronic signature
2024-08-06	**Bożena Graczyk** Vice-President	The original Polish document is signed with a qualified electronic signature
2024-08-06	**Ewa Łuniewska** Vice-President	The original Polish document is signed with a qualified electronic signature
2024-08-06	**Michał H. Mrożek** Vice-President	The original Polish document is signed with a qualified electronic signature
2024-08-06	**Sławomir Soszyński** Vice-President	The original Polish document is signed with a qualified electronic signature
2024-08-06	**Alicja Żyła** Vice-President	The original Polish document is signed with a qualified electronic signature

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2024-08-06	**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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