

The data contained in this document are of the preliminary and estimated nature. The final financials will be presented in the consolidated annual report of the Bank Group for the year ended 31 December 2023 and in the annual report of the Bank for the year ended 31 December 2023, which will be published on 8 March 2024.

Information on preliminary and unaudited consolidated financial results of the ING Bank Śląski S.A. Group for the fourth quarter of 2023

- **The most important financial and business data of the ING Bank Śląski S.A. Group in the fourth quarter of 2023**

In four quarters of 2023, ING Bank Śląski's consolidated net profit amounted to PLN 4,440.9 million, which means an increase of 159.0% compared to the same period last year. ING Bank Śląski Group recorded an increase in the basic commercial volumes - gross loans by 1.2% y/y and deposits by 6.7% y/y.

Key financial data of ING Bank Śląski Group for 4 quarters of 2023 compared to the same period last year:

- the result on the basic activity increased by 38.3% to PLN 10,648.1 million, including:
 - net interest income increased by 45.5% to PLN 8,170.5 million,
 - net commission income improved by 3.3% to PLN 2,164.5 million,
- total costs (including the tax on certain financial institutions) increased by 1.3% to PLN 4,344.4 million,
- impairment for expected credit losses decreased by 31.0% to PLN 507.7 million,
- gross profit increased by 138.0% to PLN 5,720.0 million,
- net profit increased by 159.0% to PLN 4,440.9 million,
- the return on equity (ROE) reached 33.9% compared to 17.4% last year,
- the cost to income ratio (C/I) was 40.7% compared to 55.5% in the previous year,
- the net interest margin reached 3.63% compared to 2.75% last year,
- the total capital ratio was 16.73% compared with 16.22% in the previous year.

Key business results of ING Bank Śląski Group achieved after 4 quarters of 2023 compared to the same period last year:

- increase in gross value of loans from customers by 1.2% to PLN 158.3 billion, including:
 - gross loans from retail clients - increase by 1.6% to PLN 64.9 billion,
 - gross loans from corporate clients - increase by 1.0% to PLN 93.4 billion,
- increase in deposits by 6.7% to PLN 202.2 billion.

Key financial data of ING Bank Śląski for 4 quarters of 2023 compared to the same period last year:

- net profit increased by 159.0% to PLN 4,440.9 million,
- total assets increased by 13.5% to PLN 239.6 billion,
- equity increased by 79.3% to PLN 16.6 billion,
- the total capital ratio was 18.02% compared with 17.84% in the previous year.

- Selected financial data and key effectiveness ratios

	4 quarter 2023	4 quarters 2023 YTD	4 quarter 2022	4 quarters 2022 YTD	change 4th quarter 2023/ 4th quarter 2022	change y/y
	the period from 1 Oct 2023 to 31 Dec 2023	the period from 1 Jan 2023 to 31 Dec 2023	the period from 1 Oct 2022 to 31 Dec 2022	the period from 1 Jan 2022 to 31 Dec 2022		
Net interest income	2,166.2	8,170.5	1,809.6	5,614.0	19.7%	45.5%
Net commission income	556.7	2,164.5	511.4	2,094.8	8.9%	3.3%
Net income on basic activities	2,903.2	10,648.1	2,313.6	7,696.6	25.5%	38.3%
Gross profit	1,594.7	5,720.0	973.8	2,403.1	63.8%	138.0%
Net profit attributable to shareholders of ING Bank Śląski S.A.	1,270.8	4,440.9	665.9	1,714.4	90.8%	159.0%
Earnings per ordinary share (PLN)	9.77	34.13	5.12	13.18	90.8%	159.0%

	as at 31 Dec 2023	as at 30 Sep 2023	as at 31 Dec 2022	change Q/Q	change y/y
Loans and other receivables to customers (net)	156,520.7	158,085.7	154,974.6	-1.0%	1.0%
Liabilities to customers	205,289.9	202,417.4	192,731.3	1.4%	6.5%
Total assets	245,361.4	232,840.2	217,266.1	5.4%	12.9%
Equity attributable to shareholders of ING Bank Śląski S.A.	16,736.0	15,182.4	9,344.3	10.2%	79.1%
Share capital	130.1	130.1	130.1	0.0%	0.0%

C/I - cost/income ratio (%)	40.7%	41.2%	55.5%	-1.3%	-26.7%
ROA - return on assets (%)	1.9%	1.7%	0.8%	12.5%	137.3%
ROE - return on equity (%)	33.9%	34.2%	17.4%	-0.7%	94.6%
NIM - net interest margin (%)	3.63%	3.59%	2.75%	1.3%	32.1%
L/D - loans-to-deposits ratio (%)	76.2%	78.1%	80.4%	-2.4%	-5.2%
Total Group's capital ratio (%)	16.73%	16.56%	16.22%	1.0%	3.1%
Total Bank's capital ratio (%)	18.02%	18.13%	17.84%	-0.6%	1.0%

Explanations:

C/I - cost/income ratio – the ratio of the sum of total costs and tax on certain financial institutions to the result on basic activities increased by the amount of share in the net profit of associates accounted for using the equity method.

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.

- Consolidated income statement

		4 quarter 2023	4 quarters 2023 YTD	4 quarter 2022	4 quarters 2022 YTD
	Note	the period from 1 Oct 2023 to 31 Dec 2023	the period from 1 Jan 2023 to 31 Dec 2023	the period from 1 Oct 2022 to 31 Dec 2022	the period from 1 Jan 2022 to 31 Dec 2022
Net interest income		3,116.0	12,409.0	2,862.5	8,111.9
calculated using the effective interest rate method		2,909.0	11,367.6	2,521.3	7,162.1
other interest income		207.0	1,041.4	341.2	949.8
Interest expense		-949.8	-4,238.5	-1,052.9	-2,497.9
Interest income	1	2,166.2	8,170.5	1,809.6	5,614.0
Commission income		699.1	2,722.3	660.2	2,636.7
Commission expense		-142.4	-557.8	-148.8	-541.9
Net commission income	2	556.7	2,164.5	511.4	2,094.8
Net income on financial instruments measured at fair value through profit or loss and FX result	3	112.3	332.1	1.9	32.1
Net income on the sale of securities measured at amortised cost		0.0	0.0	0.0	-24.8
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income		-12.3	1.1	-0.1	26.5
Net (loss)/income on hedge accounting	4	97.0	-4.8	-5.0	-39.4
Net (loss)/income on other basic activities		-16.7	-15.3	-4.2	-6.6
Net income on basic activities		2,903.2	10,648.1	2,313.6	7,696.6
General and administrative expenses	5	-986.8	-3,700.1	-689.0	-3,642.1
Impairment for expected credit losses		-71.5	-507.7	-196.3	-735.8
including profit on sale of receivables		24.3	24.3	0.0	82.7
Cost of legal risk of FX mortgage loans	7	-105.5	-105.5	-293.0	-294.3
Tax on certain financial institutions		-156.0	-644.3	-169.1	-646.9
Share of the net profits of associates measured by equity method		11.3	29.5	7.6	25.6
Gross profit		1,594.7	5,720.0	973.8	2,403.1
Income tax		-323.9	-1,279.1	-307.9	-688.7
Net profit		1,270.8	4,440.9	665.9	1,714.4
including attributable to shareholders of ING Bank Śląski S.A.		1,270.8	4,440.9	665.9	1,714.4

- Consolidated statement of comprehensive income

	4 quarter 2023	4 quarters 2023 YTD	4 quarter 2022	4 quarters 2022 YTD
	the period from 1 Oct 2023 to 31 Dec 2023	the period from 1 Jan 2023 to 31 Dec 2023	the period from 1 Oct 2022 to 31 Dec 2022	the period from 1 Jan 2022 to 31 Dec 2022
Net profit for the period	1,270.8	4,440.9	665.9	1,714.4
Total other comprehensive income, including:	281.3	2,944.6	1,252.6	-5,218.3
Items which can be reclassified to income statement, including:	202.6	2,861.2	1,254.5	-5,184.6
debt instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	179.2	273.0	51.9	-411.3
debt instruments measured at fair value through other comprehensive income – reclassification to financial result due to sale	10.0	5.1	0.1	-15.9
cash flow hedging – gains on revaluation carried through equity	-436.0	425.0	555.1	-6,064.6
cash flow hedging – reclassification to profit or loss	449.4	2,158.1	647.4	1,307.2
Items which will not be reclassified to income statement, including:	78.7	83.4	-1.9	-33.7
equity instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	88.5	93.2	-5.3	-37.7
fixed assets revaluation	0.1	0.1	-0.5	0.1
actuarial gains/losses	-9.9	-9.9	3.9	3.9
Net comprehensive income for the reporting period	1,552.1	7,385.5	1,918.5	-3,503.9
attributable to shareholders of ING Bank Śląski S.A.	1,552.1	7,385.5	1,918.5	-3,503.9

- Consolidated statement of financial position

	Note	as at 31 Dec 2023	as at 30 Sep 2023	as at 31 Dec 2022
Assets				
Cash in hand and balances with the Central Bank		6,751.4	3,389.9	2,337.6
Loans and other receivables to other banks		19,909.1	11,683.7	5,161.1
Financial assets measured at fair value through profit or loss		2,273.9	1,885.1	1,952.3
Derivative hedge instruments		208.4	361.0	139.2
Investment securities		56,613.7	54,003.3	48,432.8
Transferred assets		165.2	464.6	163.8
Loans and other receivables to customers measured at amortised cost	8	156,520.7	158,085.7	154,974.6
Investments in associates accounted for using the equity method		180.9	169.6	178.9
Property, plant and equipment		1,002.4	932.2	950.0
Intangible assets		494.1	477.8	417.2
Current income tax assets		0.6	6.7	572.2
Deferred tax assets		1,096.8	1,178.7	1,828.6
Other assets		144.2	201.9	157.8
Total assets		245,361.4	232,840.2	217,266.1
Liabilities				
Liabilities to other banks		13,654.8	7,253.4	5,639.6
Financial liabilities measured at fair value through profit or loss		1,821.6	1,466.9	2,203.8
Derivative hedge instruments		280.3	390.0	369.5
Liabilities to customers	9	205,289.9	202,417.4	192,731.3
Liabilities from debt securities issued		404.4	412.7	404.8
Subordinated liabilities		1,526.2	1,626.7	1,643.9
Provisions		541.8	370.6	359.0
Current income tax liabilities		114.8	211.4	19.9
Deferred tax loss		0.0	0.1	0.4
Other liabilities		4,991.6	3,508.6	4,549.6
Total liabilities		228,625.4	217,657.8	207,921.8
Equity				
Share capital		130.1	130.1	130.1
Share premium		956.3	956.3	956.3
Accumulated other comprehensive income		-5,094.7	-5,376.0	-8,039.3
Retained earnings		20,749.6	19,472.0	16,297.2
Own shares for the purposes of the incentive program		-5.3	0.0	0.0
Total equity		16,736.0	15,182.4	9,344.3
including attributable to shareholders of ING Bank Śląski S.A.		16,736.0	15,182.4	9,344.3
Total liabilities and equity		245,361.4	232,840.2	217,266.1

- Additional information

1. Net interest income

	4 quarter 2023	4 quarters 2023 YTD	4 quarter 2022	4 quarters 2022 YTD
	the period from 1 Oct 2023 to 31 Dec 2023	the period from 1 Jan 2023 to 31 Dec 2023	the period from 1 Oct 2022 to 31 Dec 2022	the period from 1 Jan 2022 to 31 Dec 2022
Interest income, including:	3,116.0	12,409.0	2,862.5	8,111.9
interest income calculated using effective interest rate method, including:	2,909.0	11,367.6	2,521.3	7,162.1
interest on financial instruments measured at amortised cost	2,519.6	9,866.2	2,259.8	6,411.6
interest on loans and other receivables to other banks	254.7	855.2	153.2	397.7
interest on loans and other receivables to customers	2,023.6	8,060.4	1,890.5	5,320.2
interest on investment securities	241.3	950.6	216.1	693.7
interest on investment securities measured at fair value through other comprehensive income	389.4	1,501.4	261.5	750.5
other interest income, including:	207.0	1,041.4	341.2	949.8
interest income related to the settlement of valuations of cash flow hedging derivatives	206.5	1,038.8	340.3	946.9
interest on loans and other receivables to customers measured at fair value through profit or loss	0.5	2.6	0.9	2.9
Interest expenses, including:	-949.8	-4,238.5	-1,052.9	-2,497.9
interest on deposits from other banks	-99.7	-424.1	-100.7	-368.5
interest on deposits from customers	-695.0	-3,121.7	-753.4	-1,583.4
interest on issue of debt securities	-6.7	-30.7	-8.3	-22.3
interest on subordinated liabilities	-21.7	-76.0	-11.5	-25.7
interest on lease liabilities	-4.6	-17.4	-2.5	-8.0
interest cost related to the settlement of valuations of cash flow hedging derivatives	-122.1	-568.6	-176.5	-490.0
Net interest income	2,166.2	8,170.5	1,809.6	5,614.0

2. Net commission income

	4 quarter 2023	4 quarters 2023 YTD	4 quarter 2022	4 quarters 2022 YTD
	the period from 1 Oct 2023 to 31 Dec 2023	the period from 1 Jan 2023 to 31 Dec 2023	the period from 1 Oct 2022 to 31 Dec 2022	the period from 1 Jan 2022 to 31 Dec 2022
Commission income, including:	699.1	2,722.3	660.2	2,636.7
transaction margin on currency exchange transactions	181.6	708.5	181.0	701.7
account maintenance fees	109.7	431.2	111.6	446.6
lending commissions	114.8	490.8	108.2	458.4
payment and credit cards fees	155.7	566.8	134.9	512.8
participation units distribution fees	17.9	63.7	12.9	61.2
insurance product offering commissions	60.2	230.3	55.1	222.6
factoring and lease contracts commissions	11.9	57.4	13.3	51.3
brokerage activity fees	13.2	50.5	11.8	58.0
fiduciary and custodian fees	8.0	25.9	6.5	25.2
foreign commercial business	11.5	44.4	11.1	43.4
other commission	14.6	52.8	13.8	55.5
Commission expenses, including:	-142.4	-557.8	-148.8	-541.9
payment and credit cards fees	-74.1	-315.3	-79.8	-296.1
Net commission income	556.7	2,164.5	511.4	2,094.8

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

	4 quarter 2023	4 quarters 2023 YTD	4 quarter 2022	4 quarters 2022 YTD
	the period from 1 Oct 2023 to 31 Dec 2023	the period from 1 Jan 2023 to 31 Dec 2023	the period from 1 Oct 2022 to 31 Dec 2022	the period from 1 Jan 2022 to 31 Dec 2022
FX result and net income on interest rate derivatives, including	45.5	218.0	21.2	-106.0
FX result	229.5	192.7	-269.7	193.1
currency derivatives	-184.0	25.3	290.9	-299.1
Net income on interest rate derivatives	40.6	53.5	-38.7	93.9
Net income on debt instruments held for trading	19.4	45.9	15.3	35.4
Net income on repurchase transactions	6.3	14.3	4.8	13.5
Net income on measurement of loans to customers	0.5	0.5	0.0	0.0
Net income on equity instruments	0.0	-0.1	-0.7	-4.7
Total	112.3	332.1	1.9	32.1

4. Net (loss)/income on hedge accounting

	4 quarter 2023	4 quarters 2023 YTD	4 quarter 2022	4 quarters 2022 YTD
	the period from 1 Oct 2023 to 31 Dec 2023	the period from 1 Jan 2023 to 31 Dec 2023	the period from 1 Oct 2022 to 31 Dec 2022	the period from 1 Jan 2022 to 31 Dec 2022
Net income on hedge accounting	-2.4	-8.8	-1.0	-35.4
valuation of the hedged transaction	50.8	401.0	23.4	-527.6
valuation of the hedging transaction	-53.2	-409.8	-24.4	492.2
Cash flow hedge accounting	99.4	4.0	-4.0	-4.0
ineffectiveness under cash flow hedges	99.4	4.0	-4.0	-4.0
Total	97.0	-4.8	-5.0	-39.4

5. General and administrative expenses

	4 quarter 2023	4 quarters 2023 YTD	4 quarter 2022	4 quarters 2022 YTD
	the period from 1 Oct 2023 to 31 Dec 2023	the period from 1 Jan 2023 to 31 Dec 2023	the period from 1 Oct 2022 to 31 Dec 2022	the period from 1 Jan 2022 to 31 Dec 2022
Personnel expenses*	-572.2	-1,935.8	-413.5	-1,599.4
Other general and administrative expenses, including:	-414.6	-1,764.3	-275.5	-2,042.7
cost of marketing and promotion	-52.5	-165.4	-35.9	-143.1
depreciation and amortisation	-108.2	-327.4	-71.5	-279.3
obligatory Bank Guarantee Fund payments, of which:	0.0	-153.6	-0.5	-227.1
resolution fund	0.0	-153.6	0.0	-172.8
bank guarantee fund	0.0	0.0	-0.5	-54.3
fees to the Polish Financial Supervisory Commission	0.0	-24.5	0.1	-22.1
contributions to the Commercial Banks Protection System	0.0	0.0	0.0	-470.7
IT costs	-51.9	-385.2	-58.2	-329.8
maintenance costs of buildings and real estate valuation to fair value	-60.2	-171.2	-31.3	-118.4
other	-141.8	-537.0	-78.2	-452.2
Total	-986.8	-3,700.1	-689.0	-3,642.1

*) In the data for 2023, the amount of the restructuring provision in the amount of PLN 86.1 million is recognised in the *Personnel expenses* item. In 2023, the Bank's Management Board decided to continue in 2024-2026 the process initiated in 2016, which is related to the employment restructuring resulting from the continuation of a long-term project to evolve the Bank's organisational structure, including, above all, further optimisation of the number of outlets and development of digital channels in the retail segment, reconstruction of the organisational structure and processes in the corporate segment, as well as optimisation and automation of processes in the Bank's business support units. The created restructuring reserve is intended to cover personnel costs.

6. The headcount in the ING Bank Śląski S.A. Group

	as at 31 Dec 2023	as at 30 Sep 2023	as at 31 Dec 2022
FTEs	8,332.9	8,403.5	8,322.4
Individuals	8,379	8,448	8,363

7. Cost of legal risk of FX mortgage loans

	4 quarter 2023	4 quarters 2023 YTD	4 quarter 2022	4 quarters 2022 YTD
	the period from 1 Oct 2023 to 31 Dec 2023	the period from 1 Jan 2023 to 31 Dec 2023	the period from 1 Oct 2022 to 31 Dec 2022	the period from 1 Jan 2022 to 31 Dec 2022
Provisions for legal risk of FX indexed mortgage loans, including:	-105.5	-105.5	-293.0	-294.3
relating to loans in the Bank's portfolio	-93.5	-93.5	-271.2	-271.5
relating to repaid loans	-12.0	-12.0	-21.8	-22.8
Total	-105.5	-105.5	-293.0	-294.3

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

	as at 31 Dec 2023			as at 30 Sep 2023			as at 31 Dec 2022		
	gross	impairment for ECL	net	gross	impairment for ECL	net	gross	impairment for ECL	net
Loan portfolio, of which:	158,255.8	-3,508.1	154,747.7	160,271.7	-3,728.5	156,543.2	156,360.4	-3,269.2	153,091.2
Corporate banking	93,364.1	-2,525.1	90,839.0	95,550.0	-2,514.3	93,035.7	92,478.0	-2,192.2	90,285.8
loans in the current account	13,739.3	-140.1	13,599.2	15,933.7	-545.8	15,387.9	15,444.8	-484.0	14,960.8
term loans and advances	55,373.1	-2,201.0	53,172.1	54,863.9	-1,782.5	53,081.4	53,021.0	-1,518.9	51,502.1
lease receivables	13,208.5	-78.1	13,130.4	13,285.5	-99.4	13,186.1	12,479.1	-115.6	12,363.5
factoring receivables	6,851.5	-104.2	6,747.3	7,217.8	-85.4	7,132.4	7,751.0	-69.0	7,682.0
debt securities (corporate and municipal)	4,191.7	-1.7	4,190.0	4,249.1	-1.2	4,247.9	3,782.1	-4.7	3,777.4
Retail banking	64,891.7	-983.0	63,908.7	64,721.7	-1,214.2	63,507.5	63,882.4	-1,077.0	62,805.4
mortgages	55,718.5	-226.3	55,492.2	55,567.3	-315.6	55,251.7	55,155.6	-269.1	54,886.5
loans in the current account	706.4	-62.7	643.7	702.0	-72.0	630.0	697.5	-63.5	634.0
other loans and advances	8,466.8	-694.0	7,772.8	8,452.4	-826.6	7,625.8	8,029.3	-744.4	7,284.9
Other receivables, of which:	1,773.0	0.0	1,773.0	1,542.5	0.0	1,542.5	1,883.4	0.0	1,883.4
call deposits placed	606.9	0.0	606.9	526.8	0.0	526.8	827.6	0.0	827.6
other	1,166.1	0.0	1,166.1	1,015.7	0.0	1,015.7	1,055.8	0.0	1,055.8
Total	160,028.8	-3,508.1	156,520.7	161,814.2	-3,728.5	158,085.7	158,243.8	-3,269.2	154,974.6

Quality of loan portfolio

	as at 31 Dec 2023			as at 30 Sep 2023			as at 31 Dec 2022		
	gross	impairment for ECL	net	gross	impairment for ECL	net	gross	impairment for ECL	net
Corporate banking	93,364.1	-2,525.1	90,839.0	95,550.0	-2,514.3	93,035.7	92,478.0	-2,192.2	90,285.8
assets in stage 1	77,535.9	-188.4	77,347.5	79,299.3	-174.6	79,124.7	75,521.7	-196.5	75,325.2
assets in stage 2	12,625.7	-413.1	12,212.6	12,988.5	-485.8	12,502.7	14,301.7	-491.0	13,810.7
assets in stage 3	3,151.4	-1,923.6	1,227.8	3,208.3	-1,853.9	1,354.4	2,601.8	-1,504.7	1,097.1
POCI assets	51.1	0.0	51.1	53.9	0.0	53.9	52.8	0.0	52.8
Retail banking	64,891.7	-983.0	63,908.7	64,721.7	-1,214.2	63,507.5	63,882.4	-1,077.0	62,805.4
assets in stage 1	58,256.5	-127.9	58,128.6	57,409.0	-184.6	57,224.4	56,942.3	-191.0	56,751.3
assets in stage 2	5,606.1	-200.1	5,406.0	6,185.2	-280.5	5,904.7	6,013.7	-292.3	5,721.4
assets in stage 3	1,026.4	-655.0	371.4	1,124.8	-749.1	375.7	924.3	-593.7	330.6
POCI assets	2.7	0.0	2.7	2.7	0.0	2.7	2.1	0.0	2.1
Total, of which:	158,255.8	-3,508.1	154,747.7	160,271.7	-3,728.5	156,543.2	156,360.4	-3,269.2	153,091.2
assets in stage 1	135,792.4	-316.3	135,476.1	136,708.3	-359.2	136,349.1	132,464.0	-387.5	132,076.5
assets in stage 2	18,231.8	-613.2	17,618.6	19,173.7	-766.3	18,407.4	20,315.4	-783.3	19,532.1
assets in stage 3	4,177.8	-2,578.6	1,599.2	4,333.1	-2,603.0	1,730.1	3,526.1	-2,098.4	1,427.7
POCI assets	53.8	0.0	53.8	56.6	0.0	56.6	54.9	0.0	54.9

9. Liabilities to customers

	as at 31 Dec 2023	as at 30 Sep 2023	as at 31 Dec 2022
Deposits, including:	202,208.5	199,621.1	189,538.3
Corporate banking	90,122.6	86,574.8	84,738.9
current deposits	60,649.4	55,755.2	53,716.8
saving deposits	19,440.8	17,550.6	18,053.5
term deposits	10,032.4	13,269.0	12,968.6
Retail banking	112,085.9	113,046.3	104,799.4
current deposits	28,816.0	28,527.1	27,530.3
saving deposits	67,713.1	70,050.5	69,381.1
term deposits	15,556.8	14,468.7	7,888.0
Other liabilities, including:	3,081.4	2,796.3	3,193.0
liabilities under monetary hedges	823.2	773.5	742.9
repo transactions	0.0	465.9	0.0
call deposits	10.8	26.5	11.4
other liabilities	2,247.4	1,530.4	2,438.7
Total	205,289.9	202,417.4	192,731.3

10. Total capital ratio

	as at 31 Dec 2023	as at 30 Sep 2023	as at 31 Dec 2022
Own funds			
A. Own equity in the statement of financial position, including:	16,736.0	15,182.4	9,344.3
A.I. Own equity included in the own funds calculation	17,463.9	17,194.6	17,096.2
A.II. Own equity excluded from own funds calculation	-727.9	-2,012.2	-7,751.9
B. Other elements of own funds (decreases and increases), including:	364.8	527.4	700.0
value adjustments due to the requirements for prudent valuation	-28.2	-27.1	-20.1
goodwill and other intangible assets	-436.4	-518.2	-467.6
deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-519.2	-517.4	-1,038.1
shortage of credit risk adjustments versus AIRB expected losses	-281.6	-166.0	0.0
coverage shortfall for non-performing exposures	-22.9	-26.4	-10.1
transitional adjustments to Common Equity Tier 1 capital	146.1	160.0	594.5
capital instruments that qualify as Tier 2 capital	1,507.0	1,622.5	1,641.4
Own funds taken into account in total capital ratio calculation (A.I. + B), including:	17,828.7	17,722.0	17,796.2
Core Tier 1 capital	16,321.7	16,099.5	16,154.8
Tier 2 capital	1,507.0	1,622.5	1,641.4
Risk weighted assets, including:	106,555.6	106,992.5	109,739.3
for credit risk	92,636.2	93,022.4	95,759.9
for operational risk	12,566.4	12,566.4	12,566.4
other	1,353.0	1,403.7	1,413.0
Total capital requirements	8,524.4	8,559.4	8,779.1
Total capital ratio (TCR)	16.73%	16.56%	16.22%
Minimum required level	11.322%	11.510%	11.505%
Surplus TCR ratio over the regulatory requirement	5.41 p.p.	5.05 p.p.	4.71 p.p.
Tier 1 ratio (T1)	15.32%	15.05%	14.72%
Minimum required level	9.322%	9.510%	9.505%
Surplus T1 ratio over the regulatory requirement	6.00 p.p.	5.54 p.p.	5.21 p.p.

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

- 16.60% and 15.19% as at 31 December 2023,
- 16.42% and 14.91% as at 30 September 2023.

Additionally, from 31 December 2022, the Group temporarily treats unrealized gains and losses measured at fair value through other comprehensive income in accordance with Art. 468 of the CRR Regulation. If the Group does not apply the transitional period for the implementation of IFRS 9 or temporarily treat unrealized gains and losses measured at fair value through other comprehensive income in accordance with Art. 468 of the CRR Regulation, capital ratios as at 31 December 2022 would be as follows:

- 15.81% - the total capital ratio (TCR),
- 14.21% - Tier 1 capital ratio (T1).

11. Income statement by segment

	Retail banking segment	Corporate banking segment	TOTAL	Retail banking segment	Corporate banking segment	TOTAL
	4 quarters of 2023 YTD the period from 01 Jan 2023 to 31 Dec 2023			4 quarters of 2022 YTD the period from 01 Jan 2022 to 31 Dec 2022		
Income total	4,436.7	6,211.4	10,648.1	2,555.0	5,141.6	7,696.6
net interest income	3,778.6	4,391.9	8,170.5	1,912.0	3,702.0	5,614.0
net commission income, including:	588.6	1,575.9	2,164.5	580.2	1,514.6	2,094.8
commission income, including:	911.5	1,810.8	2,722.3	900.8	1,735.9	2,636.7
transaction margin on currency exchange transactions	79.1	629.4	708.5	87.8	613.9	701.7
account maintenance fees	108.5	322.7	431.2	112.7	333.9	446.6
lending commissions	24.5	466.3	490.8	25.7	432.7	458.4
payment and credit cards fees	393.3	173.5	566.8	364.2	148.6	512.8
participation units distribution fees	63.7	0.0	63.7	61.2	0.0	61.2
insurance product offering commissions	192.1	38.2	230.3	188.6	34.0	222.6
factoring and lease contracts commissions	0.0	57.4	57.4	0.0	51.3	51.3
other commissions	50.3	123.3	173.6	60.6	121.5	182.1
commission expenses	-322.9	-234.9	-557.8	-320.6	-221.3	-541.9
other income/expenses	69.5	243.6	313.1	62.7	-74.9	-12.2
General and administrative expenses	-1,953.6	-1,746.5	-3,700.1	-2,093.7	-1,548.4	-3,642.1
Segment operating result	2,483.1	4,464.9	6,948.0	461.3	3,593.2	4,054.5
impairment for expected credit losses	-5.1	-502.6	-507.7	-292.2	-443.6	-735.8
cost of legal risk of FX mortgage loans	-105.5	0.0	-105.5	-294.3	0.0	-294.3
tax on certain financial institutions	-231.3	-413.0	-644.3	-246.6	-400.3	-646.9
share of profit/(loss) of associates accounted for using the equity method	29.5	0.0	29.5	25.6	0.0	25.6
Gross profit	2,170.7	3,549.3	5,720.0	-346.2	2,749.3	2,403.1
Income tax	-	-	-1,279.1	-	-	-688.7
Net profit	-	-	4,440.9	-	-	1,714.4
of which attributable to shareholders of ING Bank Śląski S.A.	-	-	4,440.9	-	-	1,714.4

12. Legal risk related to the portfolio of loans indexed to CHF

The Group has receivables due to retail mortgage loans indexed with the CHF exchange rate. The table presents the number and individual elements of the gross and net balance sheet value of these receivables.

In addition, as at 31 December 2023, the Group estimated the provision for legal risk of CHF-indexed mortgage loans in the amount of PLN 128.4 million (PLN 93.4 million as at 30 September 2023), which applies to CHF-indexed mortgage loans removed from the statement of financial position and some loans recognized in the statement of financial position for which the estimated loss value exceeds gross exposure. As at 31 December 2022, the provision amounted to PLN 53.7 million, related entirely to CHF-indexed mortgage loans removed from the statement of financial position. The described provision is presented in liabilities under *Provisions*.

	as at 31 Dec 2023	as at 30 Sep 2023	as at 31 Dec 2022
number of contracts (in pieces)	2,753	2,868	3,318
capital balance	583.6	627.6	719.0
the amount of the adjustment to the gross carrying amount	-510.2	-475.7	-581.6
other elements of the gross carrying amount (interest, ESP)	3.1	2.7	2.1
gross balance sheet value	76.5	154.6	139.5
impairment for expected credit losses	-7.6	-11.2	-16.2
Net carrying amount of CHF-indexed mortgage loans	68.9	143.4	123.3
Provision for legal risk of CHF-indexed mortgage loans	128.4	93.4	53.7

As at 31 December 2023, there were 1,389 court cases pending against the Bank (1,305 cases as at 30 September 2023 and 1,041 cases at the end of 2022) in connection with concluded CHF-indexed loan agreements in PLN. The outstanding principal of the mortgage loans to which the proceedings related was PLN 290.6 million as at 31 December 2023 (PLN 291.7 million as at 30 September 2023 and PLN 251.8 million at the end of 2022).

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.

At 31 December 2023, potential losses from legal risk are estimated as a probability-weighted average of the three scenarios – baseline, positive and negative – taking into account the estimated probability of occurrence. The scenarios on which the estimation is based are varied in terms of the expected number of court cases (calculated on the basis of the Bank's professional judgment resulting from the Bank's previous experience and analysis of the current market situation in cases ended with an annulment judgment), as well as the scale of settlements with clients expected by the Bank.

As at 31 December 2023, for the portfolio of CHF-indexed mortgages included in the statement of financial position, the Bank assumes in each scenario that for a specific part of the portfolio, the following may occur:

- cancellation of the loan agreement at the end of the final judicial proceedings or
- conversion of loans from CHF-indexed to PLN-denominated loans (whose interest rate is based on the WIBOR rate) through voluntary settlements.

The calculation of losses in the event of annulment of the loan agreement is based on the assumption that the Bank will return the installments to the customer and return the principal of the loan granted to the Bank by the customer, without taking into account the Bank's recovery of remuneration for the borrower's use of the capital. This solution, depending on the scenario, covers from 60% to 75% of the portfolio of CHF-indexed mortgage loans included in the statement of financial position, which are not subject to legal proceedings. For CHF-indexed mortgage loans recognised in the statement of financial position being the subject of litigation, the Bank recognised the full loss resulting from the annulment.

Calculation of losses in the case of conversion of loans indexed to CHF into loans denominated in PLN through voluntary settlements was made in accordance with current estimates and terms of settlements offered by the Bank together with the right to remuneration. This solution, depending on the scenario, covers from 5% to 15% of the portfolio of CHF-indexed mortgage loans recognized in the statement of financial position.

As at 31 December 2023, for financial assets already removed from the statement of financial position, the Bank assumes in each of the scenarios that for a specific part of the portfolio, the loan agreement may be invalidated after the end of final court proceedings. The calculation of losses in the event of annulment of a loan agreement is analogous to the one in the case of the portfolio of CHF-indexed mortgage loans recognized in the statement of financial position. This solution, depending on the scenario, covers 11% to 19% of financial assets already

removed from the statement of financial position, which are not subject to legal proceedings. For mortgage loans already removed from the statement of financial position being the subject of litigation, the Bank recognised the full loss resulting from the annulment.

The change in the estimate due to the adjustment to the gross carrying amount of CHF-indexed mortgage loans recognised in the statement of financial position and the provision for financial assets already removed from the statement of financial position in 2023 compared to their balance as at 31 December 2022 resulted from the periodic review of the main assumptions of the calculation, taking into account the expected number of new cases and the update of other model parameters.

The main source of uncertainty for the estimates described above is the number of disputes and the willingness of customers to conclude settlements in accordance with the program offered by the Bank.

- Income statement of ING Bank Śląski S.A.

	4 quarter 2023	4 quarters 2023 YTD	4 quarter 2022	4 quarters 2022 YTD
	the period from 1 Oct 2023 to 31 Dec 2023	the period from 1 Jan 2023 to 31 Dec 2023	the period from 1 Oct 2022 to 31 Dec 2022	the period from 1 Jan 2022 to 31 Dec 2022
Net interest income	2,964.9	11,821.2	2,732.2	7,793.6
calculated using the effective interest rate method	2,758.0	10,779.9	2,391.0	6,843.8
other interest income	206.9	1,041.3	341.2	949.8
Interest expense	-899.2	-4,059.7	-1,028.7	-2,463.3
Interest income	2,065.7	7,761.5	1,703.5	5,330.3
Commission income	682.4	2,648.8	642.2	2,571.6
Commission expense	-147.1	-570.3	-150.2	-552.8
Net commission income	535.3	2,078.5	492.0	2,018.8
Net income on financial instruments measured at fair value through profit or loss and FX result	112.2	326.9	0.5	29.3
Net income on the sale of securities measured at amortised cost	0.0	0.0	0.0	-24.8
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	-19.8	-15.2	-0.1	26.5
Net (loss)/income on hedge accounting	97.0	-4.8	-5.0	-39.4
Net (loss)/income on other basic activities	-18.9	-23.7	-5.6	-8.2
Net income on basic activities	2,771.5	10,123.2	2,185.3	7,332.5
General and administrative expenses	-937.6	-3,508.7	-639.8	-3,479.7
Impairment for expected credit losses	-43.2	-457.9	-172.1	-671.4
including profit on sale of receivables	24.3	24.3	0.0	82.7
Cost of legal risk of FX mortgage loans	-105.5	-105.5	-293.0	-294.3
Tax on certain financial institutions	-156.0	-644.3	-169.1	-646.9
Share of the net profits of subsidiaries and associates measured by equity method	52.4	252.0	53.3	134.6
Gross profit	1,581.6	5,658.8	964.6	2,374.8
Income tax	-310.8	-1,217.9	-298.7	-660.4
Net profit	1,270.8	4,440.9	665.9	1,714.4

- Statement of comprehensive income of ING Bank Śląski S.A.

	4 quarter 2023	4 quarters 2023 YTD	4 quarter 2022	4 quarters 2022 YTD
	the period from 1 Oct 2023 to 31 Dec 2023	the period from 1 Jan 2023 to 31 Dec 2023	the period from 1 Oct 2022 to 31 Dec 2022	the period from 1 Jan 2022 to 31 Dec 2022
Net profit for the period	1,270.8	4,440.9	665.9	1,714.4
Total other comprehensive income, including:	232.4	2,904.9	1,245.9	-4,980.4
Items which can be reclassified to income statement, including:	153.7	2,821.5	1,247.8	-4,946.7
debt instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	179.2	273.0	51.9	-411.3
debt instruments measured at fair value through other comprehensive income – reclassification to financial result due to sale	10.0	5.1	0.1	-15.9
loans measured at fair value through other comprehensive income - revaluation gains / losses related to equity	-48.9	-39.7	-6.7	237.9
cash flow hedging – gains on revaluation carried through equity	-436.0	425.0	555.1	-6,064.6
cash flow hedging – reclassification to profit or loss	449.4	2,158.1	647.4	1,307.2
Items which will not be reclassified to income statement, including:	78.7	83.4	-1.9	-33.7
equity instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	88.5	93.2	-5.3	-37.7
fixed assets revaluation	0.1	0.1	-0.5	0.1
actuarial gains/losses	-9.9	-9.9	3.9	3.9
Net comprehensive income for the reporting period	1,503.2	7,345.8	1,911.8	-3,266.0

- Statement of financial position of ING Bank Śląski S.A.

	as at 31 Dec 2023	as at 30 Sep 2023	as at 31 Dec 2022
Assets			
Cash in hand and balances with the Central Bank	6,751.4	3,389.9	2,337.6
Loans and other receivables to other banks	22,827.1	13,969.1	7,204.2
Financial assets measured at fair value through profit or loss	2,273.9	1,885.1	1,952.3
Derivative hedge instruments	208.4	361.0	139.2
Investment securities	56,527.4	53,917.8	48,348.2
Transferred assets	165.2	464.6	163.8
Loans and other receivables to customers	146,663.0	148,771.4	145,733.5
Investments in subsidiaries and associates accounted for using the equity method	1,761.0	1,707.7	1,624.1
Property, plant and equipment	965.1	908.9	926.5
Intangible assets	450.1	432.5	393.2
Current income tax assets	0.0	0.0	566.0
Deferred tax assets	888.1	968.2	1,650.1
Other assets	119.1	126.8	120.6
Total assets	239,599.8	226,903.0	211,159.3
Liabilities			
Liabilities to other banks	8,826.7	2,248.4	657.7
Financial liabilities measured at fair value through profit or loss	1,821.6	1,466.9	2,203.8
Derivative hedge instruments	280.3	390.0	369.5
Liabilities to customers	205,039.9	202,101.1	192,242.6
Subordinated liabilities	1,526.2	1,626.7	1,643.9
Provisions	536.4	365.7	347.8
Current income tax liabilities	100.5	201.4	0.0
Other liabilities	4,849.3	3,388.6	4,427.1
Total liabilities	222,980.9	211,788.8	201,892.4
Equity			
Share capital	130.1	130.1	130.1
Share premium	956.3	956.3	956.3
Accumulated other comprehensive income	-5,211.8	-5,444.2	-8,116.7
Retained earnings	20,749.6	19,472.0	16,297.2
Own shares for the purposes of the incentive program	-5.3	0.0	0.0
Total equity	16,618.9	15,114.2	9,266.9
Total equity and liabilities	239,599.8	226,903.0	211,159.3