

Management Board Report on Operations

of ING Bank Śląski S.A. Group

in H1 2024





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Outlook

Business strategy objectives for 2022-2024

Key priorities	Selected ambitions for 2024
Increase in client activity and digitisation	<ul style="list-style-type: none"> Number of <i>primary</i> clients: 2.3 million in the retail segment and 215,000 in the corporate segment Relational NPS approx.: 29 for individual clients, 42 for entrepreneurs, 42 for medium-sized enterprises, 49 for large enterprises and 69 for strategic clients Transfer of entrepreneur services from Moje ING to ING Business (100%)
Operating effectiveness, AI and data management	<ul style="list-style-type: none"> Number of meeting places – 200 Number of POS at meeting places – 50* Number of clients per FTE of the Operations Division – 3,100 Ratio of general and administrative expenses to the average commercial balance – 10 p.p. lower than in 2021 (2021 = 100%)
Motivation and commitment, strong teams	<ul style="list-style-type: none"> Employee NPS – around 60 points OHI score – around 85 points Percentage of internal recruitments for management positions around 80% <i>Time to hire</i> around 45 days
Stability, availability, modernity	<ul style="list-style-type: none"> Availability of Moje ING and ING Business at a minimum of 99.94% Percentage of applications migrated to the cloud at a minimum of 50% Control automation of a minimum of 90%
Compliance with regulatory requirements	<ul style="list-style-type: none"> Non-financial risk level of no more than 2.4 Compliance risk level no more than 2.4 Timely implementation of all post-audit recommendations (no delays)
Sustainable development	<ul style="list-style-type: none"> Gender pay gap ratio – difference of no more than 1 p.p.** Setting a minimum of one ESG-related goal for 100% of managers and 50% of employees New financing for RES and environmental projects (implementation of the Green Statement) – PLN 4.5 billion between 2015 and 2023. A new target for 2024-2030 is PLN 5 billion

Sustainable development

new RES financing (in line with the document “ING BSK’s roadmap for reducing GHG emissions”)

* During 2024, the assumptions were updated with a target of 55 cash points; **Gender Pay Gap indicator calculated according to the methodology developed at the Polish Bank Association.

Our financial targets for 2024

	Indicator	2022	2023	H1 2024	2024 target
Growth area	Average annual* growth in gross loan portfolio	6.8%	1.2%	3.6% y/y	~9%
	Average annual* increase in net fee and commission income	13.6%	3.3%	8.6% y/y (H1)	>7%
Performance area	Cost-to-income ratio**	47.2%	34.7%	37.9% (H1)	<40%
	Risk cost margin ratio***	48 bp	32 bp	44 bp (cumulative value)	<50 bp
Area of stability	Total solvency ratio	16.22%	17.41%	15.42%	>15%
	Loan-to-deposit ratio	80.4%	76.3%	75.6%	90-95%
Area of profitability	Return on equity (adjusted for MCFH)	10.2%	22.9%	21.1% (cumulative value)	>13%
	Dividend payout ratio from profit	-	75%****	-	30-50%

* Average for 2021-2024; **Income including share of profits of associates; ***Excluding legal risk costs of foreign currency mortgage loans; ****In 2024, the Bank distributed an additional PLN 1,008.3 million from the dividend reserve: PLN 494.4 million from the 2019 profit and PLN 513.9 million from the 2022 profit.

Due to the highly volatile macroeconomic environment, there may be short-term disruptions to the targets set in the 2024 horizon. You can read more about our business strategy and its objectives [here](#).



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Who we are

Our history goes back to 1988. It was in that year, exactly on 11 April, that the Council of Ministers issued a regulation on the establishment of Bank Śląski in Katowice, and this is where our head office is still located today. Less than a year later, at the beginning of February 1989, Bank Śląski began its activities. In 1992 our Bank was transformed from a state-owned bank into a joint stock company. In 1993, we received approval from the Securities Commission to have our shares listed. In January 1994, ING acquired 2.4 million shares in our Bank, corresponding to 25.9% of the share capital. On 25 January 1994, the shares of Bank Śląski were quoted for the first time on the Warsaw Stock Exchange.

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

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

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

We are a universal bank that serves both retail clients and businesses. The Internet is the primary channel of communication with our over 5 million clients, with mobile banking playing a rapidly growing role. We also serve our clients through a network of 188 meeting places. These are meeting places where our clients can ask for advice and talk.

After H1 2024, ING ranks second in brand strength – Demand Power among banks (Kantar Polska). In addition, the ING brand is a leader in Future Power, indicating the potential of the brand image to increase its market shares in the future. The Bank is perceived by clients as the most innovative and the ING brand is highly trusted. A strong image translates into a willingness to use ING products. Consumers are most likely to consider ING over its competitors in their choice of savings account and loans, with strong preferences also evident in mortgages,

personal accounts and mobile applications, where ING is the second most considered brand among banks. Invariably, ING is a brand whose clients are seen as entrepreneurial, which translates into a well-established image position in the corporate market.

How the ING Group operates in Poland

ING Bank Śląski S.A. is a parent entity of the ING Bank Śląski S.A. Group. As a group, we have established ourselves as one of the largest financial institutions in Poland over our over 30 years of operation. Our core business is banking, which means, among other things, risking the funds entrusted to us by our clients (this is detailed in Article 8 of our Articles of Association). As a bank, together with our subsidiaries, we form a capital group in which we are also active in, among other things:

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

The group members are also the founders of ING for Children Foundation and ING Polish Arts Foundation.

In H1 2024, the Bank and its subsidiaries did not conclude any transactions with related entities that would be individually or jointly significant and concluded other than on the arm's length basis.

ING Bank Śląski performs operations with ING Bank N.V. and its subsidiaries on the interbank market. These are both short-term deposits and loans, as well as operations in derivatives. The Bank also maintains bank accounts for ING Group entities, as well as provides outsourcing and advisory services. All of the above transactions are carried out on an arm's length basis.

The operating expenses incurred by the Bank for the parent entity mainly result from contracts for consultancy and advisory services, operational support, operational handling of payment cards and data processing and analysis, the purchase of IT services and the provision of software licences. In addition, the Bank incurs costs associated with



maintaining non-preferred senior loans from ING Bank N.V, which are the implementation of the Single Point of Entry strategy for the ING N.V. Group. The value at the end of H1 2024 was PLN 7,615 million. This value consists of:

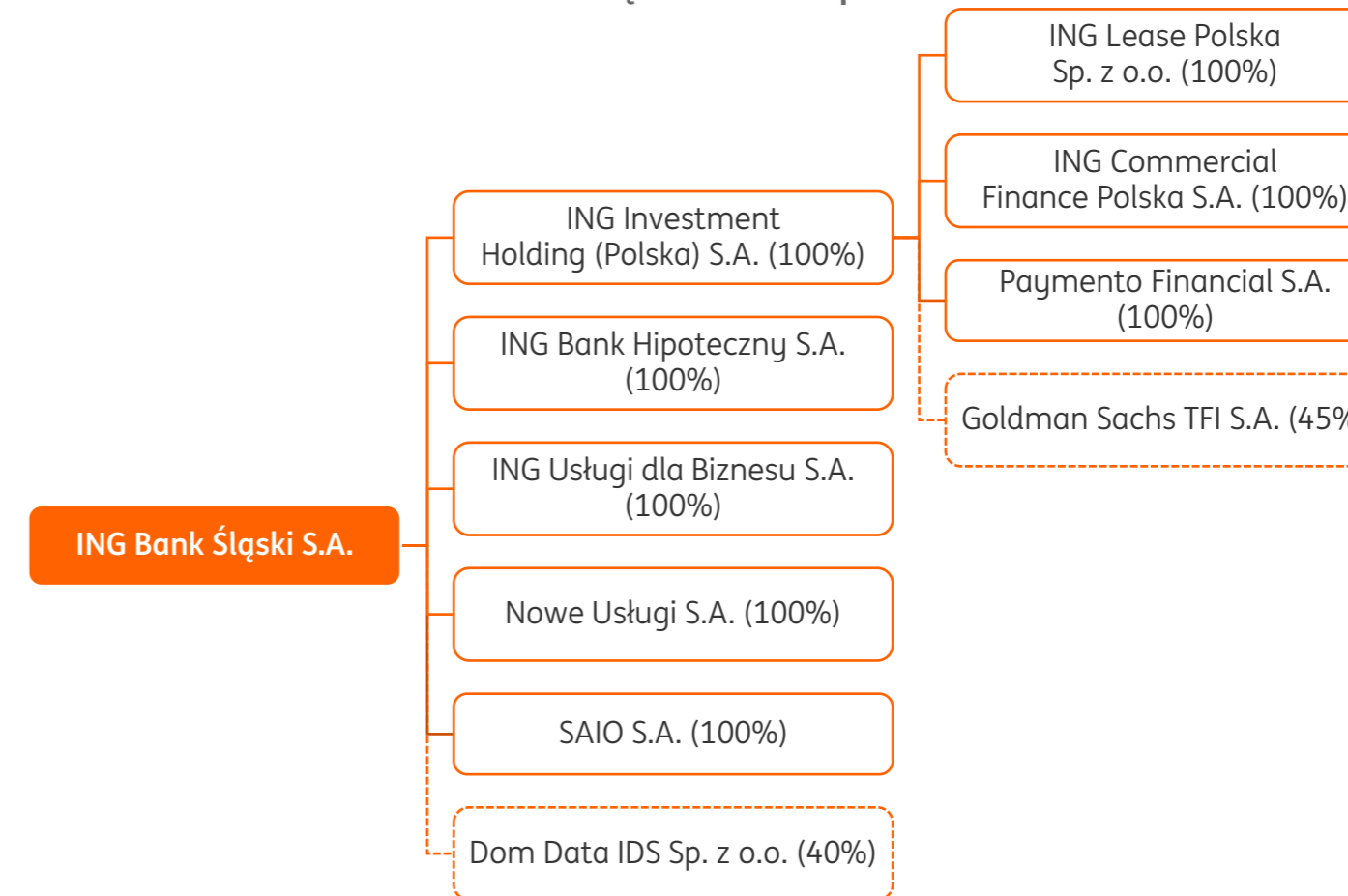
- a loan of EUR 260 million (as reported [in our current report](#) of 22 December 2022), concluded for a period of 6 years (with the Bank having the right of pre-repayment after 5 years); and
- a loan of EUR 1.5 billion (which we reported [on in our current report](#) of 21 December 2023), concluded for a period of 4 years (with the Bank having the right of pre-repayment after 3 years).

In terms of costs incurred by the Bank for other affiliates, outsourcing contracts for the provision of system resource hosting services for various applications and IT security monitoring and penetration testing play a dominant role.

For more information on transactions with affiliates, read the note “Transactions with affiliates” in the Consolidated Half-Yearly Report of the ING Bank Śląski S.A. Group for the six months ended on 30 June 2024.

ING Bank Śląski S.A. Group composition

Subsidiaries and associates within the ING Bank Śląski S.A. Group as at 30 June 2024



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

The Bank holds a 40% stake in Dom Data IDS Sp. z o.o. and, through ING Investment Holding (Polska) S.A., holds a 45% stake in Goldman Sachs TFI S.A. and treats these companies as associates. Subsidiaries are consolidated by our Bank using the full method, and the associated companies (Dom Data ISD Sp. z o.o. and Goldman Sachs TFI S.A.) are accounted for using the equity method. In addition to its subsidiaries and associated companies, the Bank has minority capital investments, including in the following companies:

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



Changes in the Group's structure

On 19 January 2024, ING Bank Śląski S.A. obtained the approval of the President of the Office of Competition and Consumer Protection (UOKiK) for a concentration involving the acquisition of a 40% stake in Dom Data Services Sp. z o.o. in Q4 2023. (the approval of the President of the Office of Competition and Consumer Protection was a condition for finalising the acquisition). In April 2024, the company's name was changed to Dom Data IDS Sp. z o. o.

On 27 May 2024, i.e. the date of entry to the shareholder register, the transfer of 100% of the shares in SAIO S.A. from ING Investment Holding (Polska) S.A. to ING Bank Śląski S.A. took place. (in accordance with the provisions of the sale agreement of 20 May 2024 between ING Investment Holding (Polska) S.A. and the Bank).

ING Investment Holding (Polska) S.A.

ING Investment Holding (Polska) S.A. is a holding company. Through it, the Bank primarily holds shares in four companies: ING Lease Polska Sp. z o.o. (100%), ING Commercial Finance Polska S.A. (100%), Paymento Financial S.A. (100%) and Goldman Sachs TFI S.A. (45%).

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

ING Lease (Polska) has been present in the market since 1995. Since 2012, it has been a member of the Bank Group. ING Lease (Polska) offers leasing to finance both movables (in the form of cars, vans, heavy transport vehicles, machinery and equipment, construction, medical, equipment and IT equipment) and properties. ING Lease (Polska) focuses on modern solutions, digital sales channels and tailoring offers to individual client needs.

The ING Lease (Polska) Group is composed of 5 subsidiaries wherein ING Lease (Polska) Sp. z o.o. holds 100% of shares. The company services are targeted at all market segments: large, medium-sized and small enterprises as well as micro clients (entrepreneurs).

In H1 2024, the company's new leasing production amounted to PLN 3.2 billion (-1.0% y/y). As at the end of H1 2024, the company served over 36,800 clients (up 0.8% y/y) and the portfolio value was PLN 14.1 billion (+7.6% y/y; based on management accounting data).

ING Commercial Finance Polska S.A.

ING Commercial Finance Polska offers factoring and receivables financing services. The company was incorporated in 1994 under the name of Handlowy Heller. Upon its incorporation into the ING Group N.V., since 2006 the company has been operating under the name of ING Commercial Finance. Since 2012, it has been part of the ING Bank Śląski Group.

In H1 2024, the turnover of ING Commercial Finance Polska amounted to PLN 31 billion (-6% y/y), representing 13.5% of the turnover of the entire market. At the end of June 2024, the company had 8,300 clients (down 19% y/y, related to the cleaning of the portfolio from inactive clients) and had purchased 2.0 million invoices (down 2% y/y).

Paymento Financial S.A.

Paymento Financial was founded in 2016 as an initiative by private individuals and an equity infusion by venture capital funds. The company became part of the Bank Group on 31 March 2023 as a result of the acquisition by ING Investment Holding (Polska) S.A. of 100% of the shares from existing shareholders.

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

The company entered into a partnership with ING Bank Śląski in 2017. The subject of the cooperation is the development and transaction handling of the imoje payment gateway, the cooperation is being gradually developed. The company also provides services to entities outside our group.

SAIO S.A.

SAIO was established in 2022 as a technology spin-off. It is active in the sale and implementation of RPA/RDA-class business process robotisation software, based on software originally developed by the Bank for its own needs.

The company is developing the business based on its own resources and the partner network it is building in Poland and abroad. SAIO's innovative software has been ranked in the Everest Group's 2022 RPA Products PEAK Matrix® Assessment and the SAIO brand has won a Red Dot award.

ING Bank Hipoteczny S.A.

ING Bank Hipoteczny's strategic objective is to acquire and then increase the share of long-term funding on the ING Bank Śląski Group S.A.'s balance sheet by issuing mortgage bonds.



The achievement of the set goal will support:

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

As at the end of June 2024, the nominal value of the mortgage bonds issued by the Bank was unchanged from that at the end of 2023 and amounted to PLN 400 million.

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

ING Usługi dla Biznesu S.A.

ING Usługi dla Biznesu was established in 2012 and offers innovative business services that go beyond traditional banking. The company's main objective is to provide tools that make running a business easier. ING Usługi dla Biznesu currently offers the following solutions:

- ALEO.com – the largest on-line database of companies (registration data, financial data),
- ING Księgowość – an invoicing and payment management platform as well as accounting and payroll services for entrepreneurs,
- Firmove – a service supporting potential and existing entrepreneurs in business creation and development.

Nowe Usługi S.A.

Nowe Usługi S.A. conducts educational and marketing activities. In the field of education, it runs the website [Edukacjagieldowa.pl](#). This is a website about investing and the stock market, both for newcomers and fully-fledged investors. The knowledge database and investment-related materials are published on an ongoing basis on the website.

Marketing activity centres around popularisation of ING Turbo certificates on the Polish market. The instruments are issued by ING Bank N.V. Amsterdam and listed at the Warsaw Stock Exchange. The main activities of the company include the organisation of marketing campaigns, ING Turbo helpline service or technical support while running the [ingturbo.pl](#) website.

Goldman Sachs TFI S.A.

In Poland, Goldman Sachs TFI S.A. has been present since 1997. It is the second largest TFI on the Polish market in terms of assets in capital market funds. As at the end of June 2024, the company managed assets of over PLN 30 billion (as reported by IZFiA), held in funds and portfolios for a wide range of clients. It supports over 650 thousand clients by offering them a wide range of investment products.

Goldman Sachs TFI S.A. is part of the international Goldman Sachs Group after the Goldman Sachs Group announced the completion of its acquisition of NN Investment Partners TFI S.A. Group on 11 April 2022. As a result of this transaction, NN Investment Partners TFI S.A. changed its name to Goldman Sachs TFI S.A. in April 2023.

Dom Data IDS Sp. z o.o.

Dom Data IDS Sp. z o.o. is a special purpose vehicle created jointly by ING Bank Śląski S.A. and Dom Data AG Sp. z o.o. in order to provide services in a new, expanded formula, which offers much broader cooperation opportunities.

Dom Data AG is a Polish company operating in the IT market and implementing projects both in Poland and in the countries of the European Union. Among other things, it is the author of the Ferryt BPM process platform and additionally provides comprehensive solutions for the banking sector.

The intention of the joint venture is to further automate and digitise the Bank's processes, accelerate technology transition, as well as migrate to the public cloud and develop and maintain the Ferryt platform (a lowcode platform for business process automation) and the IWA application.

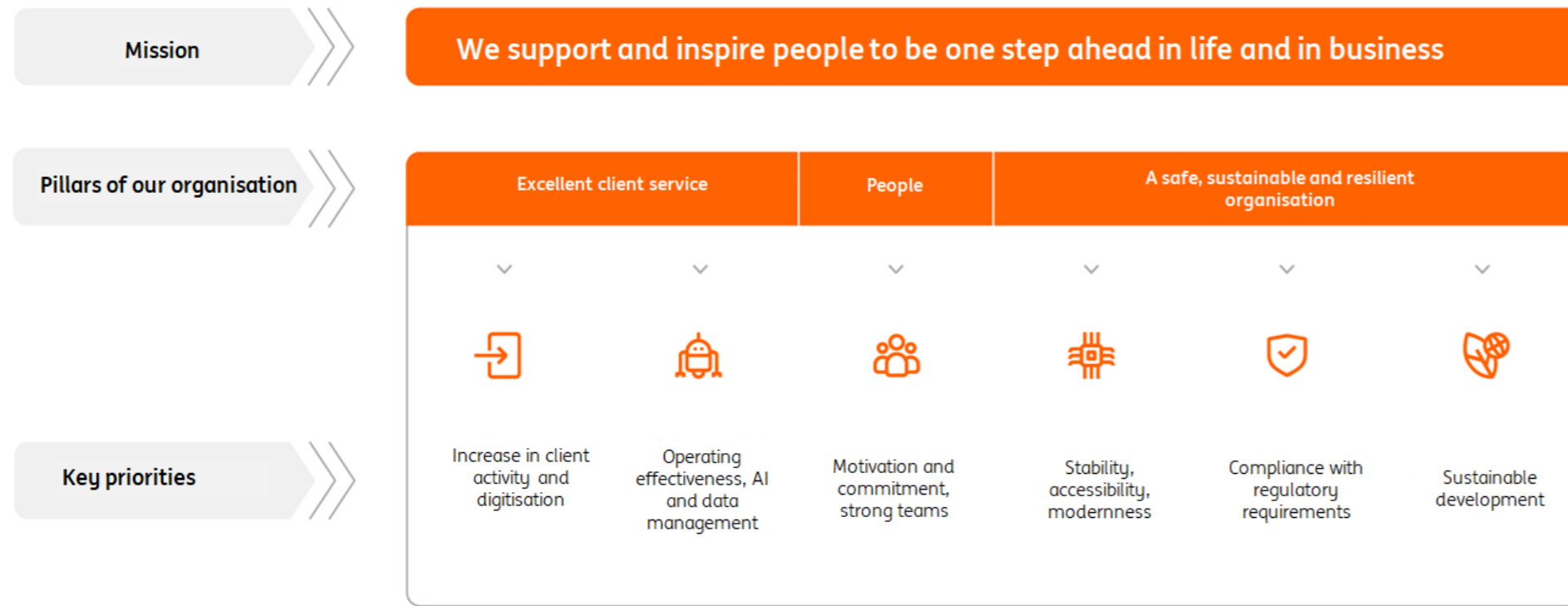
Our strategy

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



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

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



Increase in client activity and digitisation

We are focused on continuous growth in the number of active clients and *primary* clients in all our business segments. We are committed to the highest quality of service and are building a comprehensive range of products and services, and its digitisation and high accessibility means that the level of self-service by our clients is increasing. We keep optimising ourselves in order to better adapt our processes to the needs of different client groups.

Operating effectiveness, AI and data management

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

Motivation and commitment, strong teams

We provide a safe and healthy workplace for all our employees. We want them to be proud of their employer. We create a consistent, positive and professional corporate image.

We are building an organisational culture designed to foster responsibility, commitment and identification of employees with the company. We want our employees to build strong and motivated teams with their professionalism and commitment.

Stability, accessibility, modernity

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

Compliance with regulatory requirements

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

Sustainable development

We are building a strong culture in the area of sustainability (ESG), increasing the awareness, knowledge and commitment of our employees. We integrate ESG into our business and operations at all levels. We are consistently implementing measures to reduce greenhouse gas emissions in our own operations. ING Bank Śląski as part of the ING Group N.V., a member of the Net Zero Banking Alliance (NZBA), joins the goals promoted by the Group to reduce emissions from its loan portfolio and to move the real economy towards net zero greenhouse gas emissions by 2050. In [“ING BSK’s roadmap for reducing GHG emissions”](#), we describe the decarbonisation initiatives and progress to date towards reducing greenhouse gas emissions, as well as the plan to support clients in their sustainable transition.



Objectives of our strategy and the main risks of achieving them in 2022-2024

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

Business strategy objectives for 2022-2024	
Key priorities	Status of ambitions in H1 2024
Increase in client activity and digitisation	<ul style="list-style-type: none"> We acquired 141.8 thousand new retail clients and 32.7 thousand new corporate clients. We have 2.23 million primary clients in the retail segment and 220,000 primary clients in the corporate segment. The number of mobile only clients in retail banking increased to 2.1 million (+12% y/y). The number of outgoing electronic transfers of individual clients in Moje ING amounted to 319 million in H1 2024 (+10% y/y) and the total number of bank card transactions amounted to 620 million (+8% y/y), of which the number of transactions in ATMs decreased by 8% y/y, with an increase in the number of POS and Internet transactions by 8% y/y, for comparison the number retail cash transactions in branches amounted to 417 thousand (-4% y/y). We processed 31.7 million transactions at our payment terminals (+25% y/y). Our clients made a total of 103.5 million BLIK transactions (+27% y/y).
Operating effectiveness, AI and data management	<ul style="list-style-type: none"> The value of the DigilIndex* is 85% (the target for 2024 is 86.4%). In Moje ING, we have implemented forms to make it easier for clients to confirm that their personal data is up to date, and we have enabled them to register complaints themselves. We have made further processes available to clients in a self-service model using low-code design technology (Ferryt platform), including in the areas of loans for individual clients and accounts for Business Banking clients. On a continuous basis, we are implementing further process changes that have allowed us to increase STP (straight through processing) for key client journeys. We keep educating employees about artificial intelligence, including by organising lectures by external experts and presentations by companies involved in AI innovations. We continue to move applications and their modules to the cloud – in Q2 2024, we already have over 25% of all applications planned for migration in the cloud.
Motivation and commitment, strong teams	<ul style="list-style-type: none"> We paid the 2023 bonus and implemented the annual base salary increase for employees. We implemented the Legimi virtual library and added Italian on the e-tutor platform. We have implemented an electronic HR workflow – paperless HR. We organised a development conference “I grow because I want to”, focusing on diagnostics and building key skills for the future, and employee networks organised a “Diversity Day” conference promoting a diverse workplace and culture of inclusion. We piloted a new product in private mental health care – the possibility of additional visits to a psychologist or psychiatrist. We subsidised tick-borne encephalitis vaccinations for employees and continued the HPV vaccinations that had begun earlier. We have prepared a wide range of wellbeing offers in the area of health: reimbursement for the We test genes programme, providing employees with the opportunity to take advantage of tests as part of oncology prevention, subsidised eye tests during the “Month for the Eye” and other activities: a charity event for the ING for Children Foundation – Active Charity, a football and table tennis tournament and a Children’s Day for employees.



Business strategy objectives for 2022-2024

Key priorities	Status of ambitions in H1 2024
Stability, availability, modernity	<ul style="list-style-type: none"> The availability of both Moje ING and ING Business was 99.98% at the end of Q2 2024. We moved the ING Business application to the cloud in a way that was unnoticeable to clients. We keep working on the next phases of the cash loan on the new core banking platform – we are currently focusing on the post-sales processes.
Compliance with regulatory requirements	<ul style="list-style-type: none"> We have fulfilled all the regulators' recommendations with a maturity date in H1 2024 on time. We updated the Policies in the areas of whistleblowing and AML and the Policies in the areas of compliance, client focus and markets and investor protection.
Sustainable development	<ul style="list-style-type: none"> ING has announced the winners of the third edition of its Grant Programme, addressed at start-ups and young scientists. EcoReg (energy storage from regenerated batteries) took 1st place. This time, the Bank has allocated PLN 1 million for the best solutions that can improve the energy efficiency of buildings. 470 company representatives took part in a webinar on carbon emissions and the carbon footprint calculator, which we organised together with the National Chamber of Commerce. We organised the ESG Academy for companies – a series of 6 webinars for small and medium-sized enterprises on how to implement sustainability measures and practices. In a roundtable format, we shared knowledge with companies in the BB area (regions: Warsaw, Rybnik and Łódź). Climate competitiveness and sustainability were the core themes. A new version of the educational game “ING City” has been launched. Over 12,000 fans took part in a video shot live at the opening of the virtual Cyber Security Academy. From 18 until 22 March, the ING Group celebrated the Global Sustainability Week. The Polish edition of the event was held under the theme “ESG as an element of building competitive advantage”. We have published the results of the survey “Poles' attitude to thermomodernisation”, which ING Bank Śląski conducted on a group of flat and house owners. Around 7,500 young people carried out community projects this school year as part of the record tenth edition of the Zwolnieni z Teorii (Exempt from Theory) Olimpiad. 124 projects were selected to be implemented as part of the Step Forward pathway, created together with mentors from ING Bank Śląski and the ING for Children Foundation. In June, we paid a donation to WWF Poland Foundation – it will be used for activities related to the protection and habitat restoration of rare Polish birds in the naturally valuable Natura 2000 site – Błota Rakutowskie. We carried out a quantitative assessment of the materiality of environmental risks for the Retail and Business Banking client segments. Based on this, we have implemented changes to the credit risk assessment process to include the assessment of physical and transformation risks at the credit application stage.

* ING DIGI Index – the digitisation index is the percentage of the client journey that is handled without any manual intervention. The DigilIndex covers a selection of 33 client journeys common to the ING Group.



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

	Indicator	2022	2023	H1 2024	2024 ambition	Comments on implementation in H1 2024
Growth area	Average annual* growth in gross loan portfolio	6.8%	1.2%	3.6% y/y	~9%	The portfolio growth rate in H1 2024 is a reflection of the market situation. In June 2024, the annual growth in monetary receivables of financial institutions from other domestic sectors was 2.6%. Some market segments saw a decline: enterprise receivables down by 0.5% y/y and the sole trader segment down by as much as 20% y/y. In an unfavourable environment, the Bank achieved dynamics 1 p.p. higher than that of the market.
	Average annual* increase in net fee and commission income	13.6%	3.3%	8.6% y/y (H1)	>7%	The improvement in fee and commission income was mainly due to an increase in net income from payment cards (+48% y/y; PLN +50.2 million), commissions for the distribution of investment fund units (+50.2% y/y; PLN +14.5 million) and for the provision of financing, offering of insurance products and currency exchange transactions. A slight decrease was recorded in commissions for client accounts (PLN -0.7 million y/y), due to lower commission income for maintaining a high balance.
Performance area	Cost-to-income ratio**	47.2%	34.7%	37.9% (H1)	<40%	Realisation in H1 2024 was 1.5 p.p. higher compared to H1 2023 due to the negative impact of the government's credit holiday programme. After eliminating this factor, the ratio stands at 36.5%, similar to the level achieved in H1 of the previous year (36.4%).
	Risk cost margin ratio***	48 bp	32 bp	44 bp (cumulative value)	<50 bp	The risk cost margin in line with the level of ambition.
Area of stability	Total solvency ratio	16.22%	17.41%	15.42%	>15%	The total solvency ratio remains above ambition despite the dividend payment. Its value was also influenced by the moderate rate of increase in the capital requirement for credit risk.
	Loan-to-deposit ratio	80.4%	76.2%	75.6%	90-95%	The banking sector remains influenced by high liquidity while credit sales slowdown. As a consequence of market trends, the indicator remains below a certain level of ambition. In H1 2024, the market saw an increase in the growth rate of client receivables volumes compared to the growth rate of client deposits. Furthermore, in H1 2024, the Bank ranked second in the market in terms of mortgage loan sales. The continuation of these trends should favour an improvement in the value of the indicator in the future. At the same time, the increase in the balance owed to clients for repurchase transactions reduced the ratio versus the end of 2023.
Area of profitability	Return on equity (adjusted for MCFH)	10.2%	22.9%	21.1% (cumulative value)	>13%	The return of capital in H1 2024 was affected by a one-off event – the cost of a loan holiday – and by the gradual increase – adjusted for the MCFH effect – in equity.
	Dividend payout ratio from profit	-	75%****	-	30-50%	Details of the dividend payments are described here .

* Average for 2021-2024; **Income including share of profits of associates; bank tax is not included in the operating expenses; ***Excluding legal risk costs of foreign currency mortgage loans; ****In 2024, the Bank distributed an additional PLN 1,008.3 million from the dividend reserve: PLN 494.4 million from the 2019 profit and PLN 513.9 million from the 2022 profit.

A description of the types of risks and opportunities in the implementation of the business strategy is included in the Management Report on Operations of the ING Bank Śląski S.A. Group for 2023.



Major events in H1 2024

A list and description of core events in H1 2024 can be found in item 2 of the Consolidated semi-annual report of ING Bank Śląski S.A. Group for the period of 6 months ended on 30 June 2024.

Awards and distinctions

Our actions focusing on offering attractive products to clients, our care for high service quality, actions and practices for sustainable development and outstanding commercial and financial results have been honoured with multiple awards and distinctions. Below we present the most important ones awarded to us in H1 2024:

- March 2024 – Two ING representatives were recognised in the Cashless ranking – Most influential women in the Polish payments industry.
- March 2024 – ING Bank Śląski received a Grand Prix and two awards at the YouTube Works 2023 Gala. The jury recognised ING for the best addressed insight and an excellent example of innovative marketing and use of digital media.
- March 2024 – ING Bank Śląski became the “Best Bank in Poland” in the Institution of the Year ranking for the third consecutive year and won awards in as many as nine categories. 27 ING outlets received individual awards and the title of Best Banking Outlet in Poland.
- March 2024 – The Moje ING mobile application was recognised at the Mobile Trends Awards as the best banking application.

- April 2024 – ING Bank Śląski was awarded the title of Poland’s Best Employer 2024. ING Bank Śląski took first place in the Banks and Financial Services category.
- April 2024 – The Bank was once again ranked the best bank on social media in the Golden Banker ranking.
- April 2024 – In this year’s Responsible Business Forum report, five good practices of ING Bank Śląski were awarded: a carbon footprint calculator for companies, an ESG education programme, a charity initiative in the form of an internal auction from which the funds raised were donated to children from Ukraine, a programme to support sports activities for children with disabilities, and an ING charity football tournament.
- May 2024 – The Bank was recognised at the ESG Eagles Gala, where we were awarded the title “ESG Eagle for a number of ESG-related activities”. The award was presented during the European Economic Congress in Katowice.
- May 2024 – ING Bank Śląski once again ranked among the employers most advanced in diversity and inclusion management in Poland. The list was created based on the results of the Diversity IN Check survey conducted by the Responsible Business Forum with its partner organisations.
- June 2024 – ING Bank Śląski was awarded the Star of Banking in the client relations category.
- June 2024 – Politics, Deloitte and the Responsible Business Forum awarded the Bank the green and silver ESG leaf.
- June 2024 – ING Bank Śląski was recognised in the ESG Ranking – Responsible Management (formerly the Ranking of Responsible Companies). The Bank took first place (ex aequo) in Area G and third place in the overall and industry rankings.
- June 2024 – In a ranking organised by cashless.pl, ING Bank Śląski became the leader of the fourth edition of the ranking of financial institutions that care about professional and social equality for LGBT+ people.

The full list is available at www.ing.pl/o-banku/nagrody-i-wyroznienia.



Our environment

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Business environment

International economic environment

This July marked more than 2.5 years since the start of the full-scale, unjustified Russian military invasion of Ukraine. Every day, the Russian war adds to the huge economic losses for Ukraine and prolongs its dependence on foreign military and financial aid. According to World Bank calculations from the end of 2023, the cost of rebuilding Ukraine over the next 10 years will be almost US\$ 500 billion. An estimated 6-8 million Ukrainians are currently outside their country, a significant proportion of whom live in Poland. Nevertheless, with the focus of the main hostilities in the east of Ukraine and the adaptation of Western economies to operate to the exclusion of Russian supplies (e.g. in the energy, metals, food markets), a period of receding supply shocks has already started from the end of 2022.

The West is supporting Ukraine, although maintaining regular aid at an adequate level already in the third year of the war is a political challenge. Coordinated financial, economic and personal sanctions on Russia and Belarus are maintained and expanded. The EU recently adopted its 14th package of sanctions, while the US and EU maintain an embargo on Russian energy resources and dual-use technologies for civilian and military purposes. At a summit in Italy in June, the G7 countries agreed to a loan to Ukraine secured by the income from Russian assets that had been frozen once the war began.

Since the end of 2022, stabilisation has been observed in global commodity markets, despite the fact that oil prices have been influenced by the escalating conflict in the Middle East. For about a year now, European benchmark prices for natural gas have remained relatively low, although higher than a few months before the outbreak of the war in Ukraine. Tensions in global supply chains also declined markedly during 2023, although pressure for higher freight prices began to build towards the end of last year due to attacks by pro-Iranian militants on trade routes.

In 2023, the global economy grew at a lower rate (3.3%) than in 2022 (3.5%), primarily due to a slowdown in the euro area (to 0.5% from 3.4%, including Germany from 1.8% to -0.2%). Over the past year, the economic condition of European industry in particular deteriorated, with a relatively good, although weaker than previously expected, the condition in the services sector. The dichotomy between the economic condition in industry and services also continued in H1 of this year. In contrast, the growth in the US economy accelerated to 2.5 % in 2023 from 1.9 % a year earlier, while China's GDP growth accelerated from just 3.0 % in 2022, which was linked to the maintenance of pandemic restrictions for most of the year, to 5.2 % in 2023.

A positive side-effect of the relatively weak economy this year (the IMF forecasts a further slowdown in global GDP growth to 3.2 % in 2024) is a reduction in price pressures in commodity markets and a fall in corporate price margins. Lower inflationary pressures are particularly evident in producer prices, both in the US, the euro area and China. Lower producer prices support the process of lowering consumer inflation in the US and Europe and stabilising at low levels in China.

After consumer inflation peaked in the US and Europe in H2 of 2022, disinflation, i.e. lowering the level of inflation, continued in 2023. However, it still remained above the 2% inflation target. This required the maintenance of restrictive monetary policies, following a very rapid cycle of interest rate rises from levels of around 0% during the pandemic. At the end of 2023, Fed rates were in a range of 5.25-5.50% and the ECB's main refinancing rate at 4.50%. These levels are justified by the need to prevent inflationary expectations from unlocking and by the persistently high wage dynamics. In addition, the US economy proved to be very resilient to the high interest rate policy and avoided a recession, with the so-called soft landing scenario only starting to materialise in H1 of 2024.

In response to weak economic performance, lower inflation (2.5% y/y in June this year) and a favourable inflation outlook, the ECB decided to cut interest rates by 25 bp in June this year. The process of monetary easing has been initiated by smaller central banks, including the Swiss National Bank and the Czech National Bank. Another ECB cut is possible in September. In the case of Fed policy, financial markets are expecting the first cut in September, although based on the rhetoric of Fed officials, the prerequisite for a cut is progress in curbing inflation in recent months on the basis of incoming data on inflation and the state of the labour market. The persistence of core inflation remains a factor of uncertainty, linked to elevated inflationary pressures in services, overcoming which requires a cooling of the labour market. In the event of favourable data, 2-3 Fed interest rate cuts are possible by the end of this year and an additional two in Euroland.

According to the latest projections from the International Monetary Fund, US GDP will grow by 2.6% in 2024 and slow down to 1.9% in 2025, in the eurozone – the growth in 2024-2025 will be 0.9% and 1.5% respectively, while in Germany it will be just 0.2% and 1.3%. At the same time, the IMF highlighted elevated inflation in services, which complicates the normalisation of monetary policies and could mean keeping interest rates at restrictive levels for an extended period, not least because of international trade tensions and heightened geopolitical uncertainty, particularly related to the US presidential election in November.

Economists at the ING Group expect the cycle of interest rate cuts by the ECB and the Fed to continue into 2025. They forecast that by the end of next year, Fed rates could fall to 3.75%-4.0% and the ECB refinancing rate to 3.0%.



They expect other central banks to continue the reductions (Switzerland, Canada, Sweden, among others) or start them in H2 of this year. (e.g. UK, Norway).

Over the past 12 months, the EUR/US dollar exchange rate has remained in a relatively narrow range of 1.05-1.11 and has had a limited impact on the quotations of CEE currencies, including the zloty. The previous appreciation trend of the euro was supportive of currency quotations in our region. Significant support for the Polish currency is provided by the unblocking of the inflow of EU funds from the National Recovery Plan and from the traditional cohesion policy, a solid surplus in the current account of the balance of payments and the 'hawkish' rhetoric of the President of the NBP.

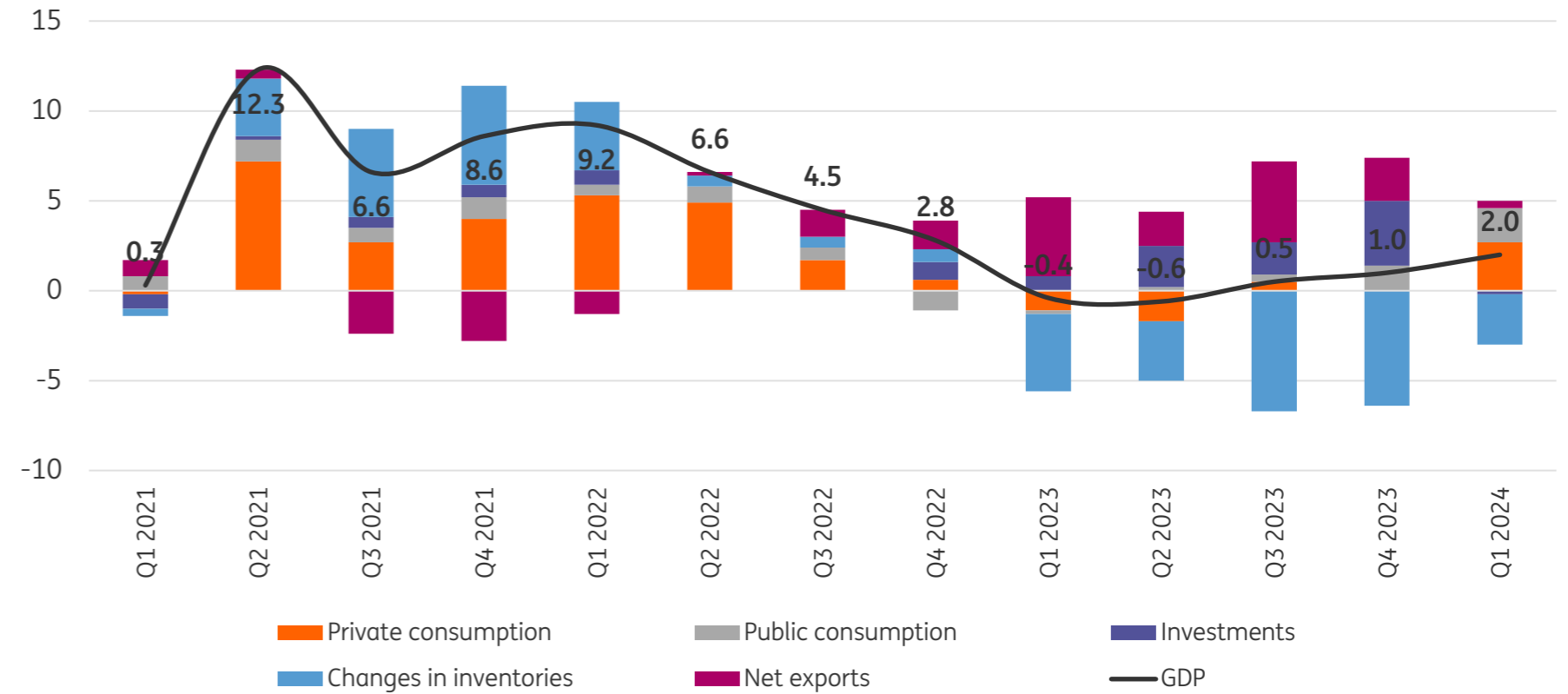
Sovereign bonds of countries in our region will be supported by expectations of interest rate cuts by global central banks in H2 2024 and in 2025. However, the space for further bond appreciation in the Czech Republic and Hungary appears limited due to the advanced cycles of interest rate cuts in these countries in H1 2024. However, the next steps in interest rate policies in our region will depend on Fed and ECB decisions, exchange rates (especially the volatile forint) and inflation.

Core trends in Poland's economy

Gross Domestic Product

H1 2024 saw a rebound in the Polish economy. In Q1 of this year, Gross Domestic Product grew by 2.0% y/y versus a 1.0% y/y increase in Q4 of the previous year. The higher annual GDP growth rate was primarily the result of a marked improvement in consumer spending dynamics, which reached 4.6% y/y in Q1 of this year versus stagnation (0.0% y/y) in the final quarter of last year. The main reason for this improvement was the recovery of real household disposable income amid falling inflation and continued high nominal wage growth. Public consumption also increased significantly (10.9% y/y). In contrast, there was a marked deterioration in investment: gross fixed capital investment declined in Q1 2024 by 1.8% y/y, following a 15.8% y/y increase in Q4 2023. This was largely due to a slowdown in investment activity in the public sector due to, among other things, the completion of projects funded by the European Union Financial Perspective 2014-2020 and delays in the implementation of projects under the National Recovery Plan (NRP). The change in inventories had a negative impact on growth in Q1 (-2.8 p.p.), while an improvement in the foreign trade balance added 0.4 p.p. to GDP growth. The 0.5% y/y increase in exports of goods and services was accompanied by a 0.1% y/y decrease in imports.

Breakdown of GDP growth (%)



Source: CSO, projection by ING.

Economists at ING Bank Śląski estimate that in Q2 2024 there was a further improvement in the economy and an acceleration in annual GDP growth to slightly below 3% y/y. Monthly frequency data for retail sales suggest a continuation of the annual rate of growth in consumption on a scale similar to that recorded in Q1 this year. In turn, the slowing down of the scale of the decline in construction and assembly production allows us to expect slightly better investment dynamics in Q2 in annual terms versus the previous quarter. For 2024 as a whole, economic growth is forecast at 3%, the main source of which will be solid consumption dynamics driven by a recovery in real disposable income. In particular, household income growth will be sufficient to allow both consumption to rebound and savings to recover. With regard to investment activity, its volume in 2024 will be adversely affected by the end of spending from the previous EU budget, the slow start-up of projects from the 2021-2027 financial perspective and the delay in the use of NRP funds. At the same time, restrictive monetary policies are increasing the cost of external financing for investment projects, and some companies may be holding back their commencement in anticipation of grants and preferential loans from European funds. As a result of the above trends, economists at ING Bank Śląski forecast that household consumption will increase by 4.3% in 2024, while gross fixed capital



investment will increase by only 0.6%. In terms of the other components of GDP, the stock adjustment will subtract 1.3 p.p. from economic growth, and net exports will have little effect on the change in GDP.

Labour market and salary levels

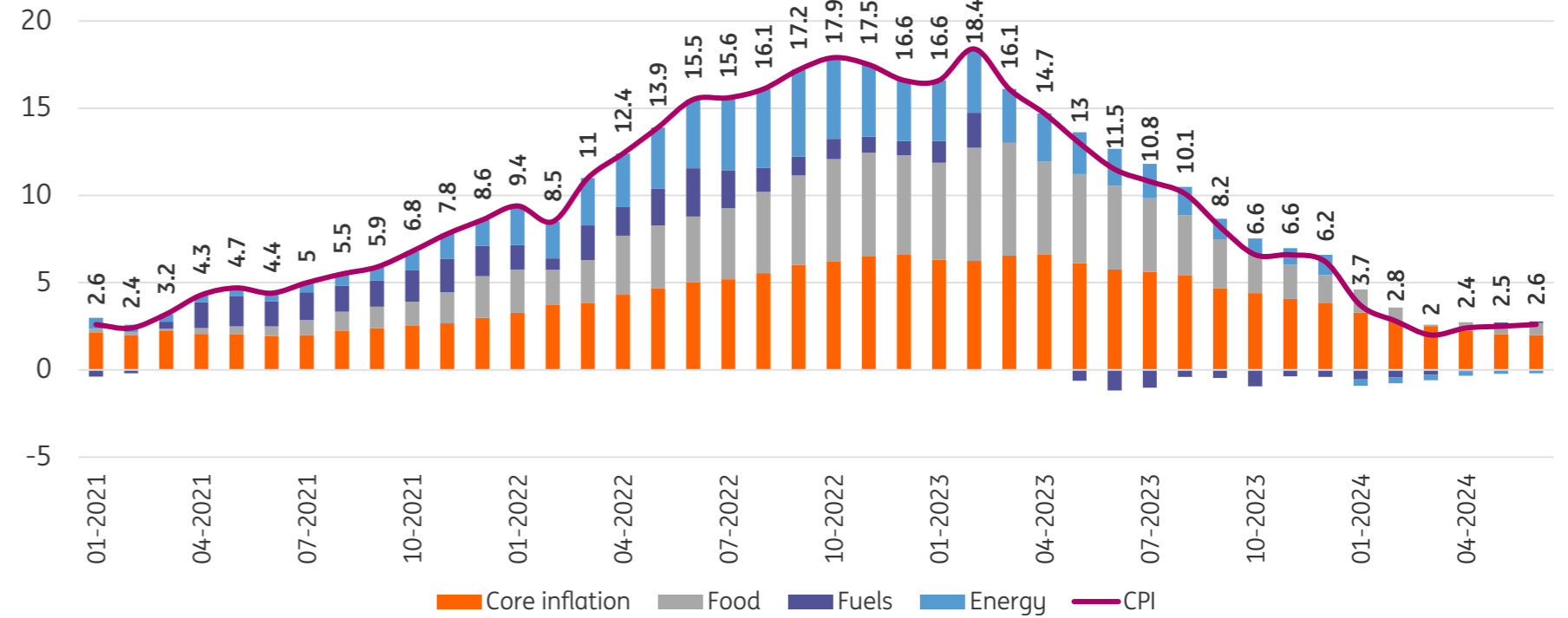
The labour market is reacting with some delay to the weaker economy in 2023, while remaining under pressure from demographic trends (depopulation, decline in the working-age population, less favourable net migration balance). In such an environment, despite the decline in employment in the enterprise sector, in H1 2024 by 10,000 FTEs versus December 2023, the unemployment rate remains low. The Ministry of Family, Labour and Social Policy indicates that the registered unemployment rate at the end of June stood at 4.9%, the same level as in mid-2023. In turn, the unemployment rate according to the Labour Force Survey (LFS) in Q1 2024 was 3.1% and among the lowest in the EU. Economists at ING Bank Śląski expect the registered unemployment rate to remain slightly below 5% and the LFS unemployment rate to remain close to 3%.

Nominal wage growth remains at a double-digit pace, which, combined with the rapid decline in CPI inflation in H1 2024, has translated into robust real wage growth, driving a recovery in household consumption. Nominal wage growth is supported by the tense labour market situation (low unemployment, staff shortages in some industries) and the high scale of minimum wage increases. In January 2024, the minimum wage increased from PLN 3,600 to PLN 4,242 (17.8%) and to PLN 4,300 from July. High increases also took place in public administration (30% for teachers and 20% for budget employees). Economists at ING forecast that average wages in the enterprise sector will grow by around 11-12% in 2024, with growth slowing to 7.5% in 2025.

Inflation

The beginning of 2024 was marked by rapid disinflation. As recently as December 2023, consumer prices were growing by 6.2% y/y, while by the middle of this year inflation was close to the NBP's target and stood at 2.6% y/y in June. The rate of growth in food prices has slowed from 5.5% y/y in December last year to 2.2% y/y in June 2024, partly as a result of the price wars of the major retail chains. At the same time, core inflation excluding food and energy prices decreased to 3.6% y/y in June from 6.9% y/y at the end of last year. The consequences of the earlier energy shock were also subsiding. In H1 2024, the so-called energy shield was still in place, which meant that electricity prices, gas prices and distribution charges for households remained at 2022 levels.

Inflation (CPI) – breakdown (%)



Source: CSO, projection by ING.

According to economists at ING Bank Śląski, the average CPI inflation in H2 2024 will increase to 4.3% y/y, versus 2.7% y/y on average in H1 of the year. The withdrawal of most of the Energy Shield measures will contribute significantly to this. The removal of gas market protective measures and the increase in distribution charges (electricity and gas) will translate into an increase in average household energy bills, despite the fixing of a cap price for electricity in H2 2024 and the abolition of the power fee during this period. The withdrawal of the two latter measures, while maintaining the Energy Regulatory Office (ERO) tariffs approved in July, could result in a further increase in electricity bills in early 2025. Economists at ING Bank Śląski estimate average annual CPI inflation in 2024 at 3.5% and forecast it to rise to 4.4% in 2025, due in part to rising energy prices for residential consumers. Recently, however, there have been declarations to keep electricity prices unchanged in 2025.

Situation on global financial markets

The October 2023 general election was followed by a strong strengthening of the zloty. In 2024, the rate of appreciation slowed down, despite the NBP maintaining relatively high interest rates and the existence of a surplus in Poland's current account balance. Investors are trying to reduce their zloty positions due to geopolitical risks.

According to economists at ING Bank Śląski, the room for further strengthening of the zloty is limited. The current value of the zloty is so high that, according to an NBP study, the EUR/PLN exchange rate is close to the level at

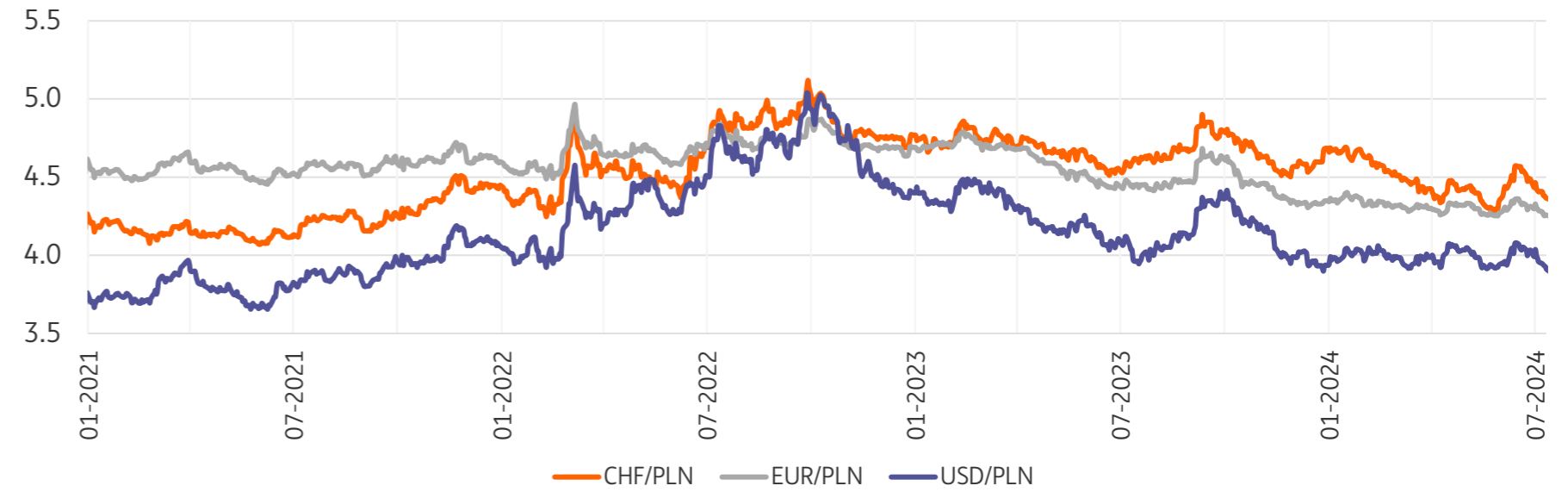


which exports become unprofitable. This is because the high level of inflation in Poland has led to a real strengthening of the zloty against the currencies of its trading partners. Moreover, in view of the weak industrial situation, the government is likely to decide to exchange a significant part of the EU funds at the NBP rather than in the market. Added to this are the geopolitical risks associated with, among other things, the ongoing conflict in Ukraine.

In 2024, long-term, domestic government bond yields have risen in line with the changes seen in the underlying markets. This is because at the beginning of the year investors mistakenly expected aggressive interest rate cuts by the Federal Reserve or the European Central Bank. The change in these expectations has led to a valuation correction in the US and European debt markets. Yields on shorter-term Treasuries, meanwhile, are close to levels seen at the start of the year, as investors believe the moment for the resumption of the NBP cut cycle is approaching, despite hawkish comments from the MPC.

According to economists at ING Bank Śląski, there will be a reduction in long-term government bond yields this year, while short-term bond yields will be relatively stable. The start of the cycle of cuts by the Fed and its continuation by the ECB should result in yields falling in the main markets. This is likely to be followed by a corresponding move in long-term Treasuries, traditionally characterised by a high correlation with these markets. At the same time, the expected course of domestic inflation supports the MPC's "hawkish" rhetoric. This suggests that although NBP policy loosening is imminent, it will come later and on a smaller scale than the market is expecting. Therefore, short-term Treasuries yields should not fall this year.

PLN exchange rates



Source: NBP.

Public finances

Fiscal policy remains expansionary, supported in part by geopolitical factors related to the war in Ukraine (increased arms spending, cost of anti-inflationary shields, refugee aid). In 2023, the general government deficit was 5.1% of GDP, up from 3.4% of GDP in 2022. At the same time, sustained high nominal GDP growth, associated with rapid price increases, meant that this did not translate into a significant increase in the public debt-to-GDP ratio. At the end of 2023, public debt stood at 49.6% of GDP, versus 49.2% of GDP at the end of 2022.

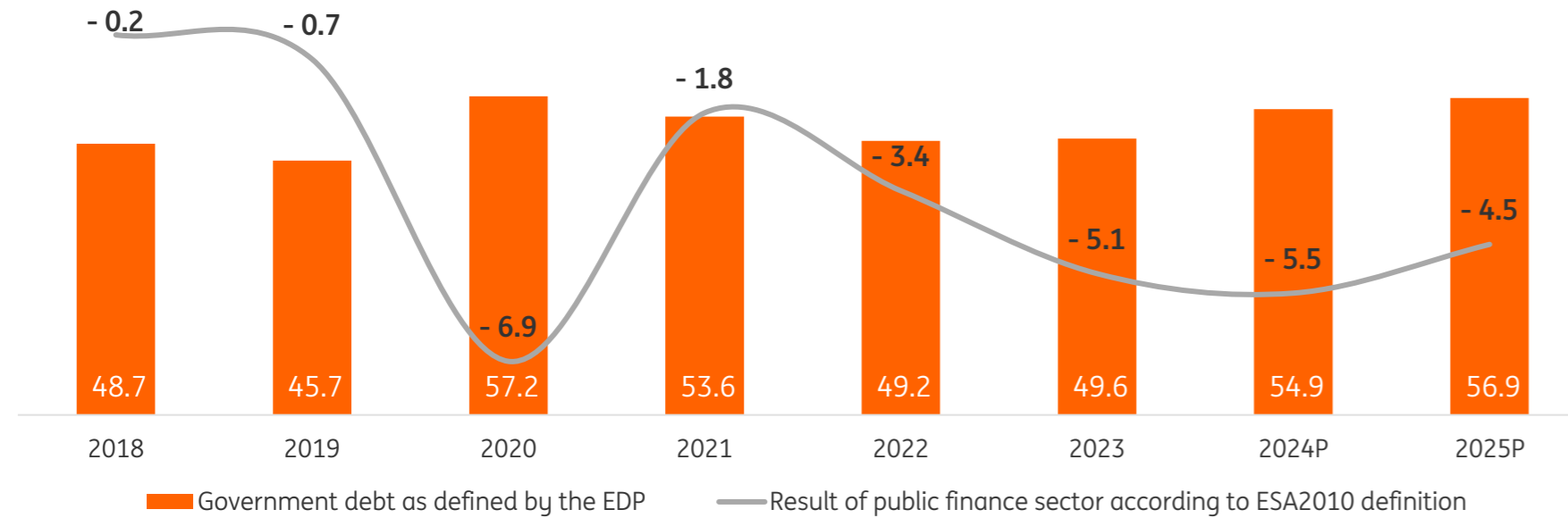
The so-called general exit clause expired at the end of last year. This means that fiscal policy coordination mechanisms have been re-established in EU countries. Thus, as a result of the high deficit in 2023 (over 3% of GDP), the European Commission recommended to the European Council that Poland be placed under the excessive deficit procedure. In the next steps, the Commission will make recommendations on the pace of correction of the excessive deficit and the amount of public expenditure in the following years. It is worth mentioning here that in 2024, new fiscal rules will be in force in the EU for the first time, which increase flexibility in the approach to correcting excessive deficits in member states.

Over the course of 2024, some of the mechanisms designed to protect households from price rises have been withdrawn (reinstatement of VAT on food, significant reduction in the energy shield), but this has been accompanied by spending increases in other areas. In particular, high inflation in 2023 has necessitated a significant indexation of pensions (12.1%) and other social benefits. In addition, there has been an increase in child



benefits (from PLN 500 up to PLN 800 per child) and salaries in public administration have been raised significantly (by 30% for teachers and 20% for budget employees). Defence spending remains high on the list of priorities. As a result, economists at ING Bank Śląski expect the general government deficit to reach 5.5% of GDP in 2024 and to be limited to 4.5% of GDP in 2025. This will be accompanied by an increase in public debt to 54.9% of GDP at the end of 2024 and 56.9% of GDP at the end of 2025. Increasing debts of extra-budgetary funds at Bank Gospodarstwa Krajowego (BGK), including the COVID-19 Prevention Fund, the Armed Forces Support Fund and the Assistance Fund, among others, will contribute to the growth of public debt.

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



Source: CSO, projection by ING.

Monetary policy

Economists at ING Bank Śląski believe that the NBP will not change the level of interest rates this year. Comments from the MPC indicate that no further rate cuts will occur in the coming months due to the expected rise in inflation, linked to, among other things, the partial marketisation of household energy prices, strong wage growth and expansionary fiscal policy. In our view, persistently high core inflation is a bigger problem for the MPC than the fluctuations in CPI caused by administrative prices. Once CPI inflation peaks in H1 of 2025, a gradual easing of monetary policy parameters is expected. The most likely time for the first rate cut seems to be right after the peak of inflation, i.e. Q2 2025. However, the space for rate cuts will be limited by maintaining an elevated rate of wage growth, limiting a clear decline in core inflation. Therefore, ING Bank Śląski economists believe that NBP rates will be reduced in 2025 by 75bps. The recent deterioration in global and domestic economic growth prospects, as well as

concerns about the medium-term GDP growth rate in the Eurozone, the Central European region and Poland, indicate that the scale of cuts may be larger and the easing cycle may be prolonged.

Summary

The European and Polish economies have adapted to the Russian war in eastern Europe, although the inflationary shock it caused has led to an erosion of real household incomes, reduced consumption and slower economic growth in 2023. The energy crisis has been overcome, but the costly diversification of supplies requires new investment in energy infrastructure, including the expansion of power and energy grids. Increased prices for energy carriers, compared to the relatively high price of emission allowances, hit particularly hard fossil fuel-based economies in the electricity sector with a relatively high share of industry in the value-added structure. Poland or Germany are such countries.

The European and Polish economies are likely to be past their weakest period at the end of 2023 and the beginning of 2024. However, recent data and leading indicators from Europe do not point to a strong rebound in H2 of this year. The scenario of a gradual recovery in Poland will be based mainly on a recovery in domestic demand thanks to a rebound in real incomes, linked to solid nominal wage dynamics and a decline in inflation (euro area) or a limited and temporary increase in inflation in Poland (due to the phasing out of the energy shield).

The war in Ukraine and other geopolitical factors, including the US presidential election, remain a major source of uncertainty for the prospects of the European and Polish economies. The scenario for ending the war is being debated and negotiated, not least because of the rising costs of waging the war for both sides of the conflict. In this respect, arrangements for further financial and military support for Ukraine are important.

Economists at ING Bank Śląski expect a gradual improvement in Poland's economy over the course of 2024, leading to a full-year growth of 3%, and a further acceleration of growth to 3.5% in 2025. Unfortunately, the collapse of recovery in global industry and euro zone economies suggests a risk of weaker growth in 2024. The recovery will be mainly based on the recovery of domestic demand, in particular consumer demand, thanks to a strong increase in real wages. After a solid mobilisation of investment spending in 2023, particularly public spending, economists at ING expect low investment growth in 2024 and a more pronounced rebound only in 2025. Such a forecast is made plausible by the gradual increase in the inflow of EU funds following the unblocking of the NRP and cohesion funds from the new EU multi-annual budget. Poland can also benefit from the relocation of foreign investment closer to Western markets and to countries belonging to the same economic or political bloc (nearshoring and friendshoring).



Lessons from the energy crisis highlight the need to accelerate the green transition in Poland. It requires a stepped and sustained increase in investment in electricity, energy efficiency and the modernisation and expansion of distribution and transmission grids. This direction of investment is indicated, among other things, by interviews with Polish business leaders conducted by economists at ING Bank Śląski in cooperation with the organiser of the European Economic Congress. In addition to energy investments, representatives of Polish companies are hoping for a revival of investments in areas such as digitisation, automation, robotisation and Industry 4.0, IT and the application of AI solutions, transport, especially rail, and investments in the construction sector.

The processes of energy and digital transformation of the Polish economy may accelerate due to the availability of funding, both from public sources, including the EU, and private sources, including bank loans. Green and digital transformation can be a lever for development and strengthening the competitiveness of the Polish economy. Investment in strengthening Poland's economic potential serves at the same time to reinforce the potential for national security in times of intensified geopolitical uncertainty.

Macroeconomic projections

	2021	2022	2023	2024F	2025F
GDP growth (%)	6.9%	5.6%	0.2%	3.0%	3.5%
General government deficit according to EU methodology (% GDP)	-1.8%	-3.4%	-5.1%	-5.5%	-4.5%
General government sector debt according to EU methodology (% GDP)	53.6%	49.2%	49.6%	54.9%	56.9%
Average annual inflation (CPI) (%)	5.1%	14.4%	11.4%	3.5%	4.4%
Unemployment rate (%; CSO)	5.8%	5.2%	5.1%	4.9%	4.7%
USD/PLN exchange rate (year-end)	4.06	4.40	3.94	3.86	3.91
EUR/PLN exchange rate (year-end)	4.60	4.69	4.35	4.25	4.30
WIBOR 3M (year-end)	2.54%	7.02%	5.88%	5.90%	5.20%



Financial market

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

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

Banking sector

Liabilities

As of the end of June 2024, the basic cash categories were as follows:

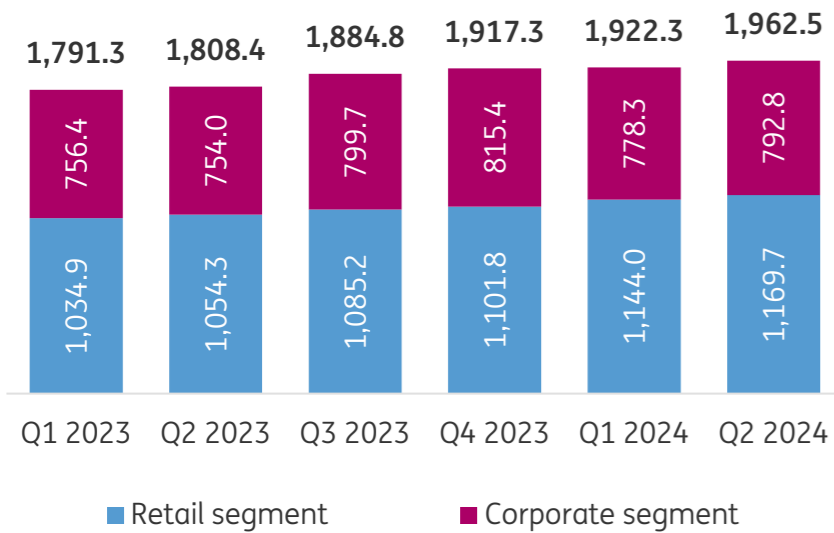
- Total liabilities increased by 8.5% y/y to a total of PLN 1,962.5 billion (up by PLN 154.1 billion y/y) and were characterised by a higher growth rate on the deposits side of the retail segment than on the corporate segment.
- Liabilities to the retail segment reached PLN 1,169.7 billion, an increase of PLN 115.4 billion y/y (+10.9% y/y) compared to the end of June 2023.
- Liabilities to the corporate segment amounted to PLN 792.8 billion, i.e. they were 5.1% higher than as at the end of June 2023. The volume increase by PLN 38.8 billion y/y was primarily attributed to higher liabilities vis-a-vis local government institutions and the Social Security Fund (up by PLN 20.1 billion, +28.0% y/y to PLN 92.0 billion) and companies (up by 2.3% i.e. by PLN 10.8 billion to PLN 482.0 billion). Relatively small increases in nominal terms were recorded in deposits from individual farmers (PLN +5.5 billion, but +21.4% y/y) and deposits from non-commercial institutions acting for households (PLN +4.0 billion, +10.9% y/y). In turn, there was a y/y decline in deposits in the case of non-monetary financial institutions (-5.1%, i.e. down by PLN -3.4 billion to PLN 62.8 billion).

Receivables

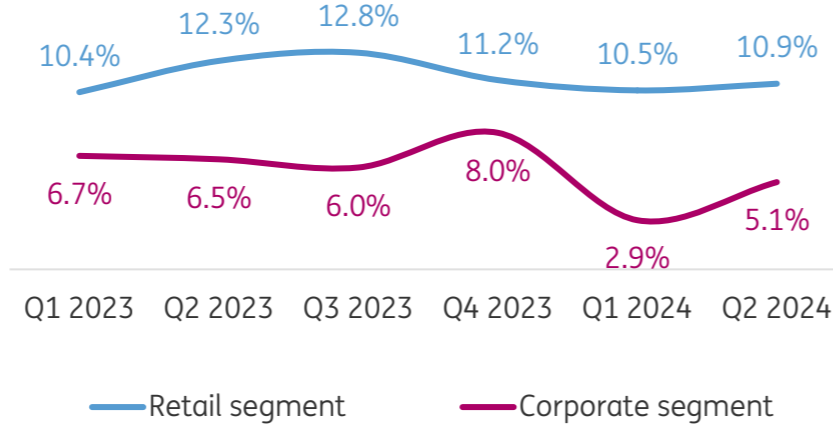
- Total receivables at the end of June 2024 increased by 3.7% y/y (up by PLN 47.7 billion to a total of PLN 1,347.4 billion). The increase in the portfolio of receivables from customers resulted from the dynamics achieved in both the retail and corporate segments.
- Receivables from the retail segment reached PLN 702.9 billion in June 2024 and were 2.8% higher than in the previous year. Housing loans, which constitute the main part of banks' credit exposure to the retail segment (constitute 69.6% of receivables from this group of clients, compared to 70.0% in the previous year), increased by 2.1% to PLN 489.1 billion. At the end of June 2024, the portfolio of PLN-denominated housing loans amounted to PLN 423.4 billion and was up by PLN 32.7 billion y/y. The sales of mortgage loans alone – based on NBP data – in the first six months of 2024 amounted to PLN 45.6 billion (+146% y/y). The portfolio of FX housing loans decreased by PLN 22.5 billion y/y to PLN 65.7 billion due to the natural amortisation of the portfolio and the establishment of provisions for the legal risk of the portfolio and the implementation of settlement programmes with clients by banks. Other retail loans, including consumer loans, increased by 4.3% (by PLN 8.8 billion) compared to the end of June 2023 and amounted to PLN 213.8 billion. Sales of other retail loans – based on NBP data – amounted to PLN 61.1 billion in the first six months of 2024, up by 19.3% y/y.
- Receivables from corporate clients increased by PLN 28.7 billion (+4.7% y/y) compared to June 2023 to PLN 644.5 billion. The receivables from companies alone increased by PLN 4.6 billion (+1.2% y/y) to the level of PLN 383.8 billion. Sales of loans to non-financial companies – based on NBP data – in the first six months of 2024 amounted PLN 99.1 billion, down by 3.2% y/y. Receivables from individual entrepreneurs declined, with their balance falling by 11.0% y/y (PLN -6.2 billion) to PLN 50.6 billion.



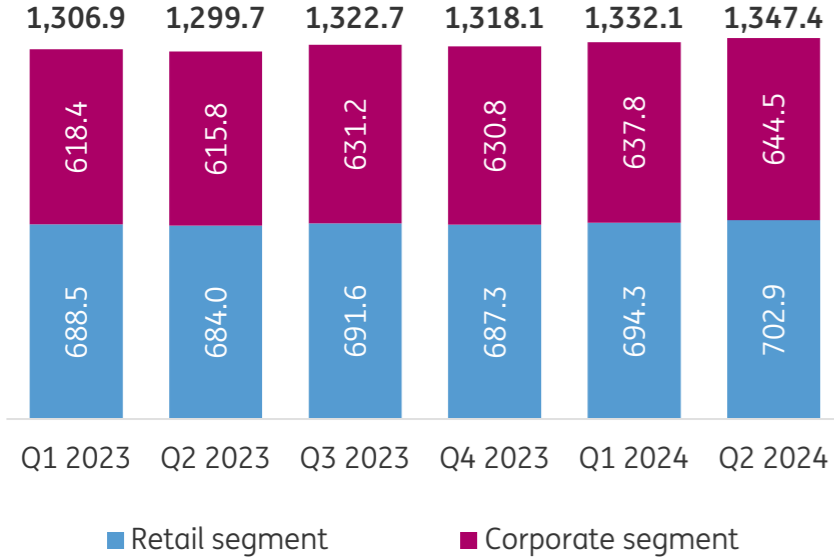
Balance of liabilities* (PLN billion)



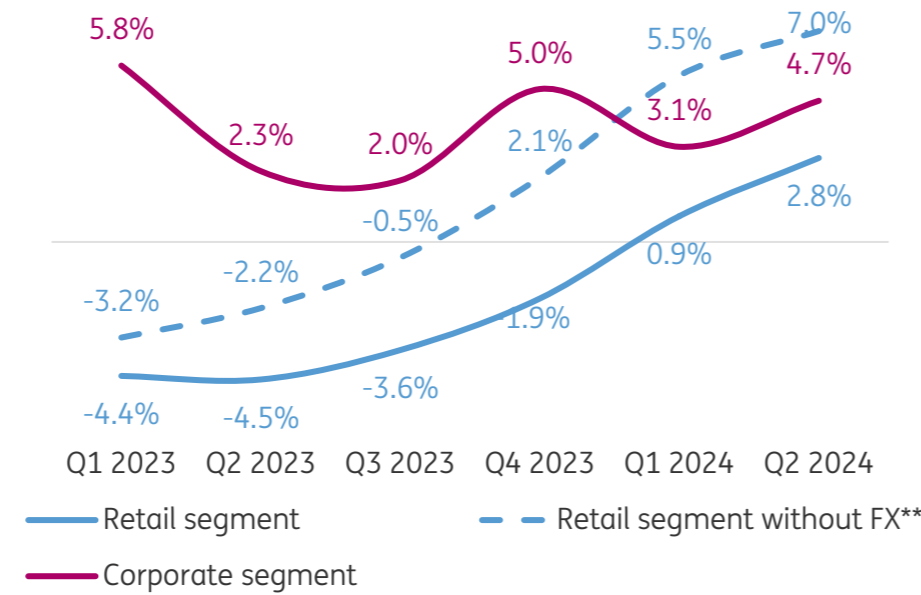
Growth rate of balance of liabilities*



Balance of receivables* (PLN billion)



Growth rate of balance of receivables*



* Based on NBP data; ** excluding foreign currency mortgage loan portfolio.

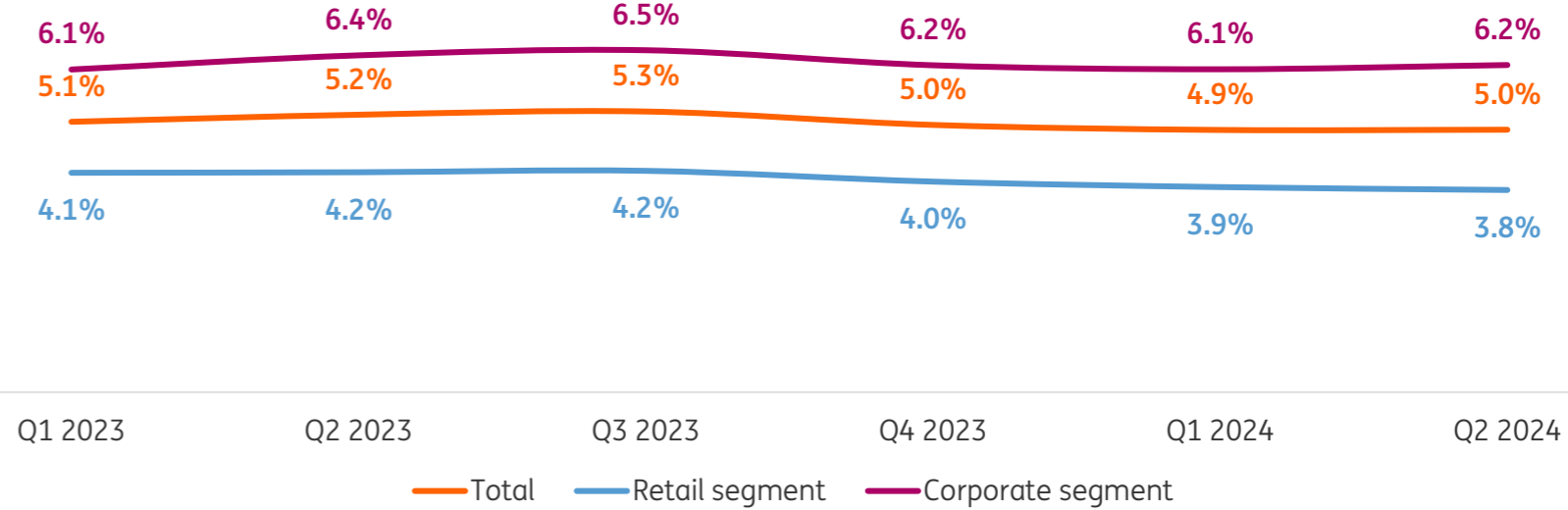
Asset quality

With respect to asset quality, in December 2024 the share of loans in Stage 3 versus all the loans measured at amortised cost was 5.0% (versus 5.0% as at December 2023).

Asset quality in the retail segment was 3.8%, a slight improvement versus the end of 2023. Real estate loans are a category that has seen a slight improvement (down from 2.4% at the end of 2023 to 2.2% in May 2024).

In the corporate segment, the share of Stage 3 and POCl exposures was 6.2% at the end of May 2023, a similar level to the end of 2023.

Share of receivables at Stage 3



Source: estimates based on PFSA's data; data for May 2024 for Q2 2024.

Financial results

In the first five months of 2024, the banking sector's net profit increased to PLN 17.4 billion versus PLN 17.0 billion in the same period of 2023. The gross result of the banking sector amounted to PLN 22.8 billion and was 1% lower versus the first five months of 2023.

The slight deterioration in the sector's profit before tax in 2024 is mainly the result of higher operating expenses (+10.5% y/y), which was not fully offset by revenue growth (+3.2% y/y). It should be noted that the sector's interest margin was at a marginally lower level in the 2024 period under review versus the same period last year. In contrast, the Costs / Income ratio in the first 5 months of 2024 was 48.1% and was just by over 3 p.p. higher versus 2023.

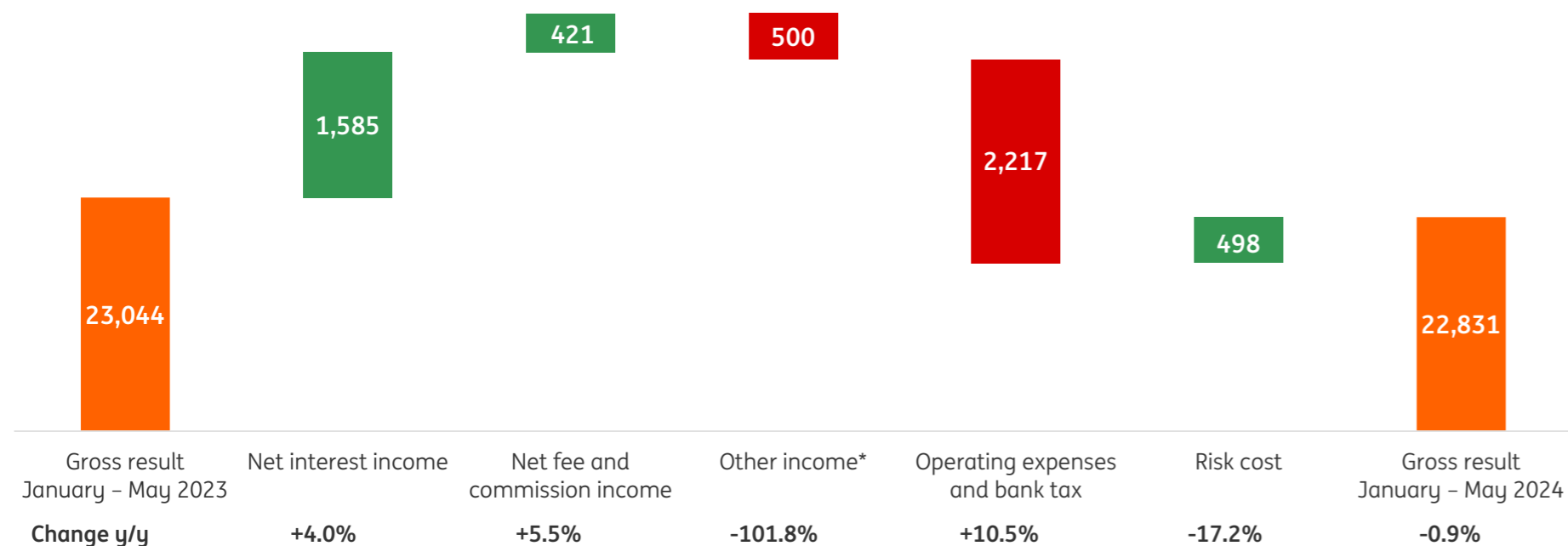
Fee and commission income was by 5.5 % higher in January-May 2024 compared to the first five months of 2023, while other income was PLN 0.5 billion lower (and consequently, like a year ago, negative), due to significant provisions for the legal risk of foreign currency mortgage loans.



The aforementioned increase in operating expenses was mainly due to an increase in staff costs (+14.6%) – the effect of wage pressures – as well as an inflation-driven 6.8% y/y increase in material costs (including bank levy).

Risk costs were by 17.2% lower y/y.

Change drivers for gross result of the banking sector in January – May 2024 (PLN million)



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

Capital market

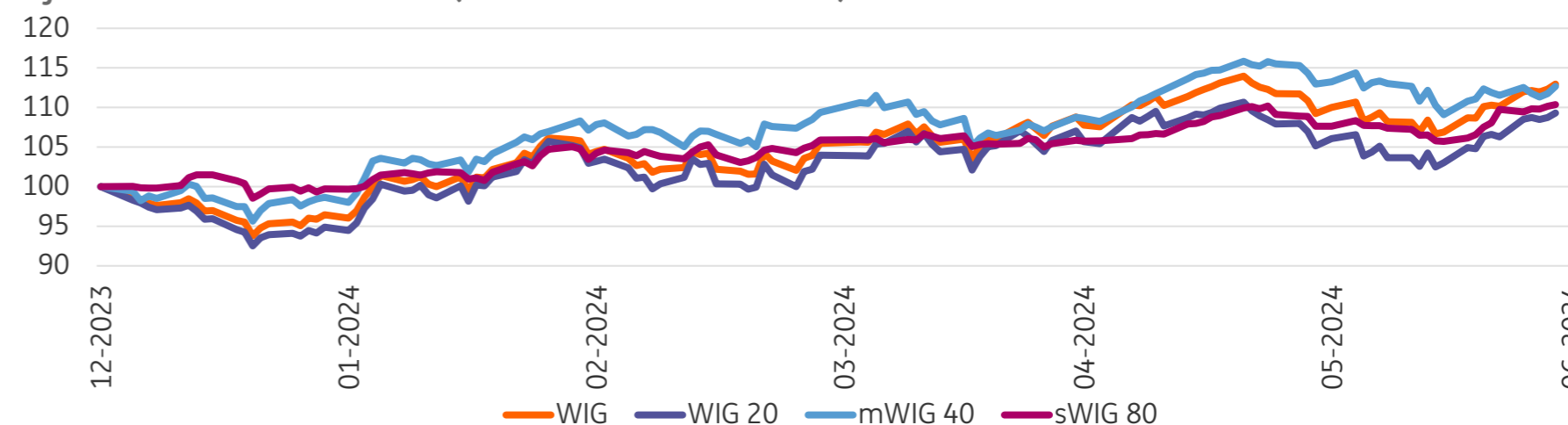
Warsaw Stock Exchange (WSE)

The core indices at the Warsaw Stock Exchange closed H1 2024 at higher levels than at the end of 2023. The broad market index – WIG lost 12.9% versus the end of 2023. In contrast, the index grouping the companies with the largest capitalisation, the WIG20, gained 9.3% and the mWIG40 gained 12.7%. The index of smaller companies – sWIG80 – closed H1 2024 with an increase – it gained 10.4% versus the end of 2023.

At the end of June 2024, 410 companies, including 42 foreign companies, were listed at the Main WSE floor. The capitalisation of domestic companies was PLN 825.4 billion which was by 8.6% lower versus the end of December 2023. The total capitalisation of domestic and foreign companies was PLN 1,584.6 billion which was a growth by 10.0% versus the end of December 2023. There were five IPOs in the past six months, while eight other companies were delisted.

H1 2024 was characterised with a significant growth of trading volumes in the Main Floor. The value of session trading in shares, rights to shares and pre-emptive rights increased by 27.3% versus the same period of the previous year and amounted to PLN 171.1 billion. The value of total turnover (including block trades) grew by 26.0% up to PLN 175.3 billion.

Major WSE indices in H1 2024 (29 December 2023 = 100)



Source: Warsaw Stock Exchange (WSE).

Investment funds

As at the end of June 2024, the assets of investment funds (based on IZFiA data) amounted to PLN 358.2 billion, i.e. up by PLN 38.0 billion (+11.8%) versus the end of December 2023. Each of the months of H1 2024 was characterised by positive net inflows totalling PLN 22.3 billion. In comparison, net inflows in H1 2023 amounted to PLN 8.7 billion.

The increase in assets was due to a higher value of funds in non-dedicated investment funds (available for a broad group of investors) by PLN 33.5 billion (up to PLN 229.2 billion) versus the end of 2023. Dedicated funds at the end of H1 2024 managed assets worth PLN 128.9 billion (PLN 4.4 billion more than at the end of 2023).

Within non-dedicated investment funds (excluding Employee Capital Plans), in H1 2024, in nominal terms, assets grew primarily of debt and cash funds (PLN +21.0 billion), followed by equity funds (PLN +3.9 billion) and mixed funds (PLN +2.3 billion) – a result of the scale of their popularity among clients and the size of funds under management.

Source: Chamber of Fund and Asset Management Companies.



Open-End Pension Funds

In June 2024, the assets of OFE amounted to PLN 232.1 billion, i.e. up by PLN 52.8 billion (+29.5%) compared to the end of June 2023. As at the end of June 2024, 90.8% of those assets were stocks by Polish and foreign issuers (91.7% as at the end of June 2023).

Source: Polish Financial Supervision Authority.

Employee Capital Plans

Based on data from the Employee Capital Plans Register, these funds had accumulated PLN 27.5 billion in assets at the end of June 2024 in a total of 4.18 million Employee Capital Plans accounts (PLN 21.7 billion and PLN 3.95 million respectively at the end of 2023). At the end of June 2024, 324,000 entities allow their employees to save for their retirement through Employee Capital Plans, and participation in the programme was 48.0% (55.1% in the private sector and 27.0% in the public sector).

Source: mojepk.pl



Our activity

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Our business model

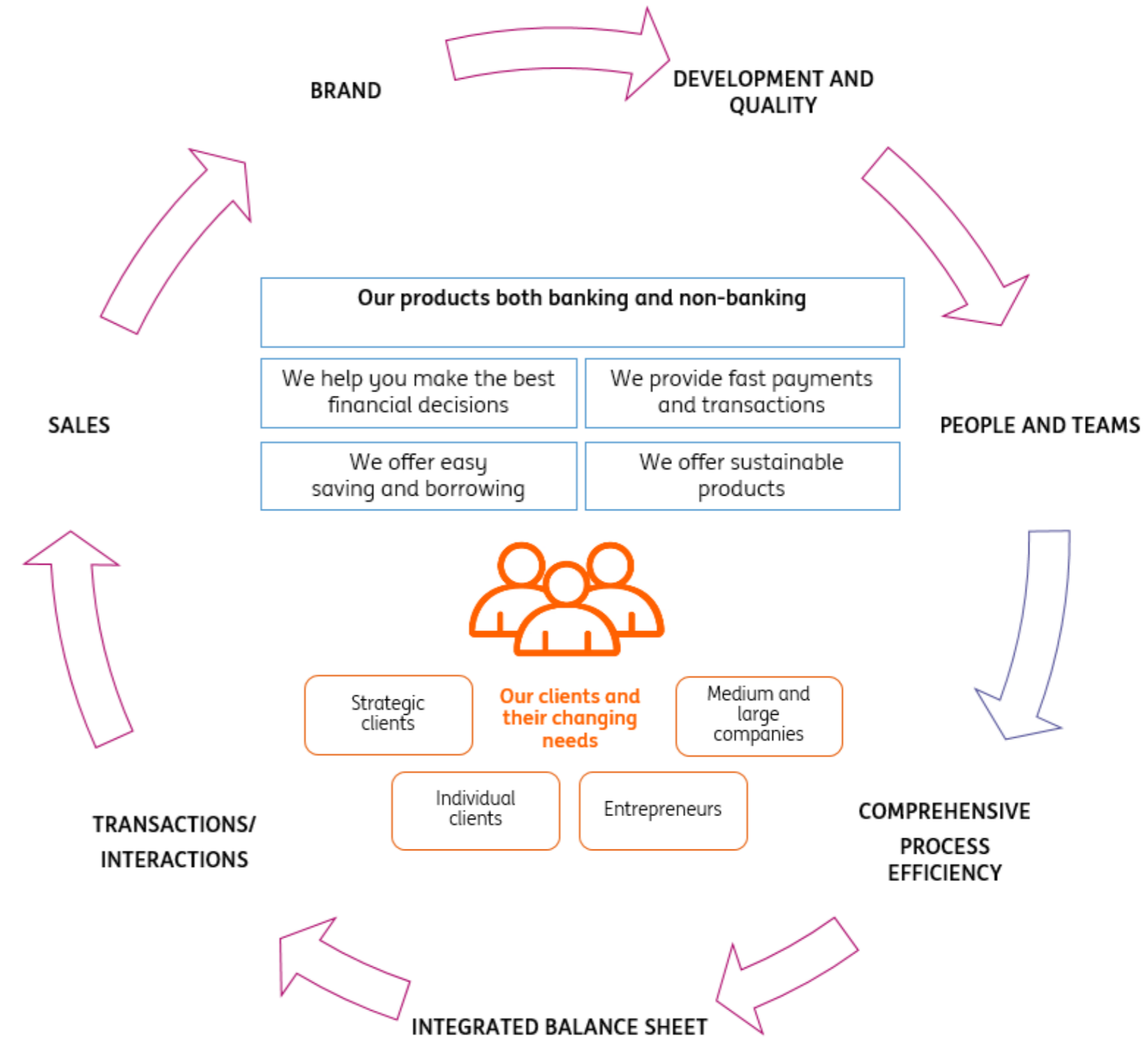
We are a universal bank and along with other companies in the group we provide services to both individual clients and corporate clients. We want to be seen as the **bank of the future for entrepreneurial people** – a bank that provides its clients with practical solutions that they need and are happy to use. We want people to be able to achieve their goals with our support.

Our mission is to **support and inspire people to be one step ahead in life and business**. In everybody’s life, roles in the society change: from a child, to student, parent, entrepreneur, bank employee, our vendor or employee of another company until retirees. This is a certain trip during which clients will make various important private and business choices. We, as a Bank, help them in taking the best financial decisions for them. That is why we share knowledge and provide tools to our clients as well as solutions that are simple, useful and suited to their needs. We make them better understand their own financial situation.

Our role is to provide opportunities for secure and effective savings. Deposits placed by certain clients fund loans granted to other clients which support the development of the society and economy alike. The financing granted supports purchases of housing, opening business activity or development of companies. We develop and offer products to support sustainable operations for both individuals and companies.

We offer our clients banking products and services (such as loans or savings accounts and transfers), but also in the area of *beyond banking*, i.e. not related to traditional banking. Our competencies support us in building a positive client experience. Those are not solely insurance products, accounting services or investment products. We offer our clients a broad range of tools for financial management.

As the Bank of the future, **we are launching innovations** to meet the needs of our clients. We also use *big data* and artificial intelligence and cooperate with fintechs to reach beyond. We take care that our payment and transactional systems are effective. And now – in view of the growing popularity of non-cash transactions – an efficient electronic payment system becomes increasingly important. We provide our clients with transactional banking, processing transfers, card, phone or BLIK payments and developing tools for cashless payments. To this end, we have provided specific solutions to support the development of e-commerce, such as the imoje payment gateway – the first on-line payment for on-line shops offered by a bank in Poland.



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



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

We also note the changing role of bank branch offices. That is why, for several years now, we have no longer been talking about branches, but about meeting places where our advisers help clients to make important decisions – to bank every day, to live better, to grow their business and to take care of their financial future. For corporate clients, we also provide a service at their company's premises, depending on their needs. The task of our employees is to support clients in taking financial decisions, inter alia by analysing their financial needs and objectives, financial condition or risk levels of investments.

We are aware that we impact multiple economic processes and individual choices and it is up to our decisions what the world will look like and what the reality will be like for the next generations. That is why in our business and non-business decisions we follow the principles of sustainable development. This applies to the areas of climate and environment (E), society (S) and corporate governance (G). We support our clients in their energy transition, in being entrepreneurial and support them in managing their finances. We work towards equal social opportunities and we care for the health of our employees. We operate ethically based on values, principles and processes and in line with regulations and with reference to market best practice.

As a public trust institution, we are aware of the importance of stability and an effective risk management system for the banking sector and the entire economy. In our Bank, the system is constructed in compliance with best market standards on the basis of three lines of defence with the first line managing business, the second line managing risk and finances and the third line comprises internal audit and compliance. We manage ESG risks as an integral part of each group of risks, both financial (e.g. credit risk or market risk) and non-financial (e.g. operational risk). We also care for optimum management of the asset and liability structure of our balance sheet in line with our risk appetite limits.



Retail banking

Number of clients

At the end of June 2024, 4.50 million individual clients (62,800 more y/y) were using ING Bank Śląski's services in the retail segment. We had a total of 2.23 million *primary* clients within the retail segment at the end of June 2024, 99.8 thousand more than at the end of June 2023 and 37.9 thousand more than at the end of December 2023. We consider *primary* clients in the retail segment to be clients with a current account with a balance of over PLN 100 (into which salary is paid) and who have another active product.

In H1 2024, our Bank acquired 141.8 thousand new individual clients which resulted in a growth of the number of clients serviced by 46.1 thousand clients versus the end of 2023.

Deposit activity

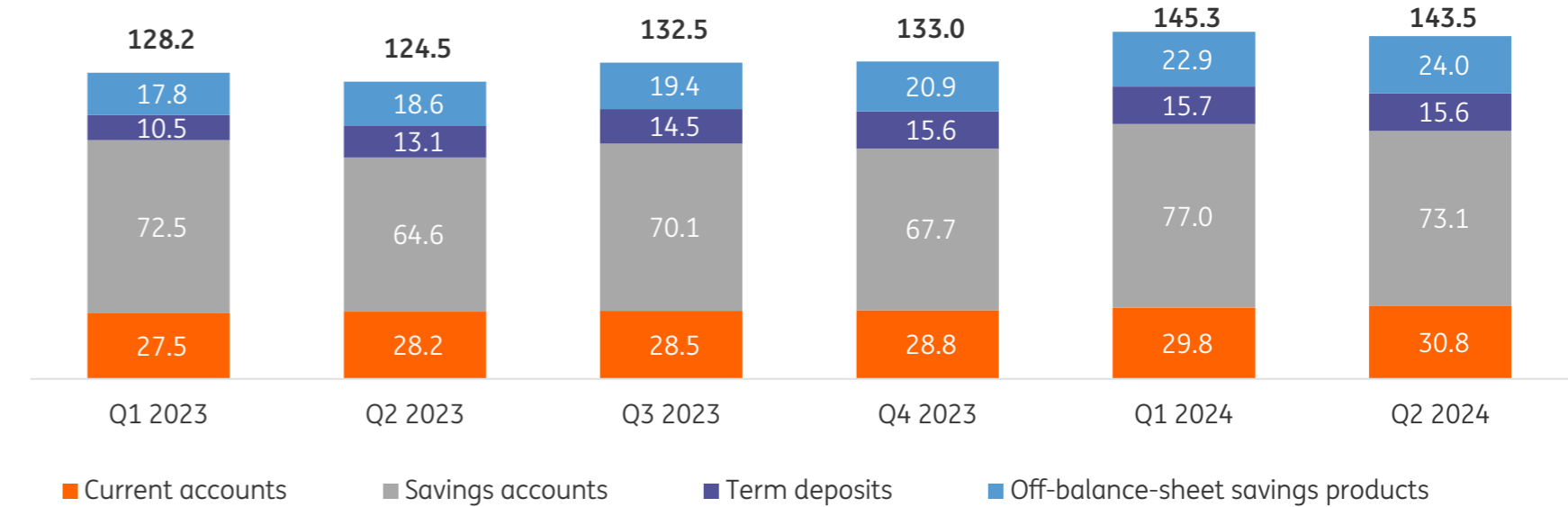
As at 30 June 2024, the total amount of funds deposited by our retail clients was PLN 143.5 billion – there was an increase by PLN 10.6 billion (+8.0%) in H1 2024 and by PLN 19.1 billion (+15.3%) y/y.

The balance sheet funds of our retail clients amounted to PLN 119.5 billion at the end of June 2024, up by PLN 7.4 billion on the end of 2023. That was due to the higher value of funds accumulated in savings accounts (an increase of PLN 5.4 billion versus the end of 2023).

The amount of our clients' savings in off-balance sheet products (financial instruments in brokerage accounts and in investment funds) as at the end of June 2024 was PLN 24.0 billion and was by PLN 3.1 billion (+15.0%) higher than at the end of 2023 and by PLN 5.4 billion higher y/y (+29.0%). Assets accumulated in TFIs at the end of June 2024 amounted to PLN 15.3 billion (PLN +3.2 billion, +26.5% versus the end of 2023). The assets of investment funds complying with Articles 8 and 9 of the SFDR amounted to PLN 4.89 billion (+14x y/y, +11x q/q – the increase in their balance was due to the change in their classification by TFIs as meeting the criteria of Article 8 or 9 of the SFDR starting from Q2 this year). Financial assets accumulated in brokerage accounts decreased by PLN 0.1 billion (-0.7%) versus the end of 2023 to a total of PLN 8.7 billion.

The slower growth of the bank's deposit base versus the growth of volumes in the sector translated into a decline in the market share of retail deposits in H1 2024. At the end of June, the share was 10.1% while at the end of December 2023 it was 10.0%.

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

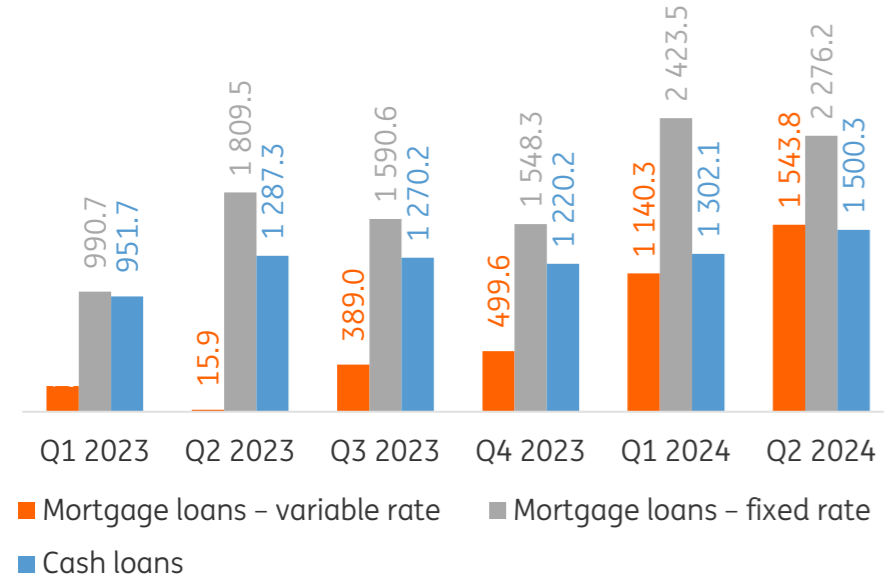


Lending activity

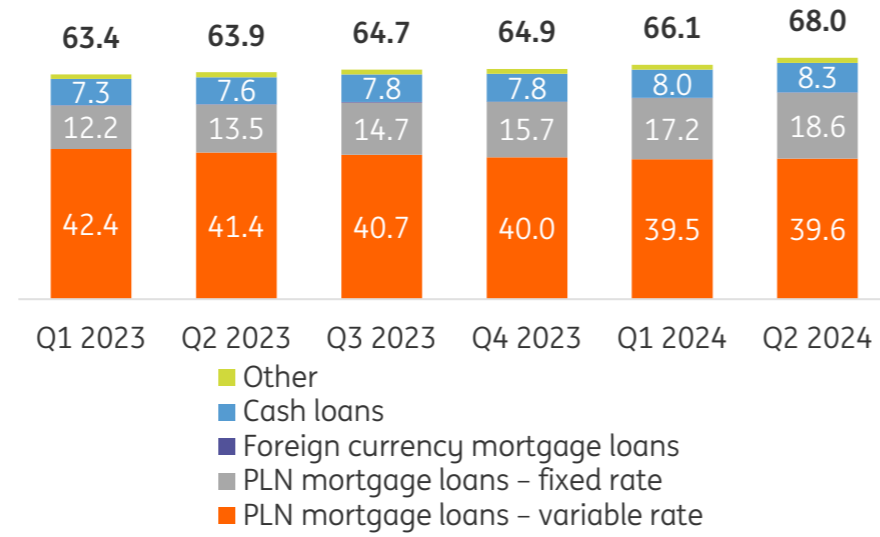
As at the end of June 2024, the Bank's retail gross loan receivables amounted to PLN 68.0 billion. In H1 2024, the Bank's loan exposure to that group of clients grew by PLN 3.1 billion or by +4.8%. The highest increase in volumes was in the area of fixed-rate mortgage loans (PLN +2.9 billion, +18.6% versus December 2023). We slightly increased our market share of retail loan receivables to 9.6% (versus 9.4% in December 2023). Net of foreign currency mortgage loans, our market share in loans to retail clients would be 10.5% (June 2024) and 10.4% (end of 2023) respectively.



Retail loan sales (PLN million)



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



In H1 2024, the Bank sold PLN 7,383.9 million worth of mortgage loans which was a decrease versus H1 2023 by PLN 4,356.3 million or by 143.9%. In accordance with the data of the Polish Bank Association, in H1 2024 ING Bank Śląski S.A. occupied the second position in the market with a 16.3% share in the sale of housing loans to individuals.

In the area of cash loans, in H1 2024 we granted loans totalling PLN 2,802.5 million or by 25.2% (PLN 563.5 million) more than in H1 2023. 82.4% of these sales were made through remote channels (79.1% the year before).

Corporate banking

Number of clients

At the end of June 2024, the services of ING Bank Śląski in the corporate segment were used by 567.9 thousand corporate clients, of which:

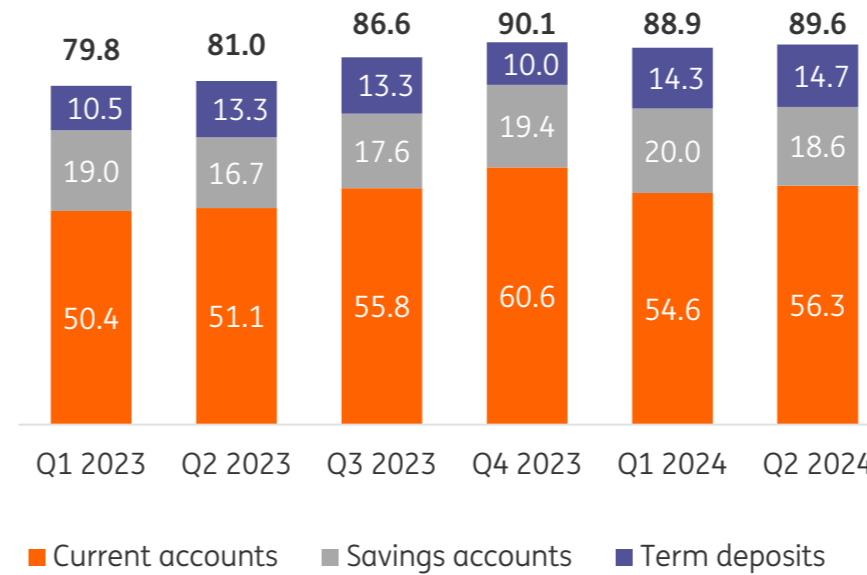
- 3.4 thousand strategic clients,
- 117.1 thousand medium-sized and large enterprises, and
- 447.4 thousand entrepreneurs.

We had a total of 220,000 *primary* clients within the corporate segment at the end of June 2024 or 11,300 thousand more than a year earlier. In H1 2024, our Bank acquired 32.7 thousand new corporate clients which resulted in a growth of the number of clients serviced by 9.0 thousand versus the end of 2023.

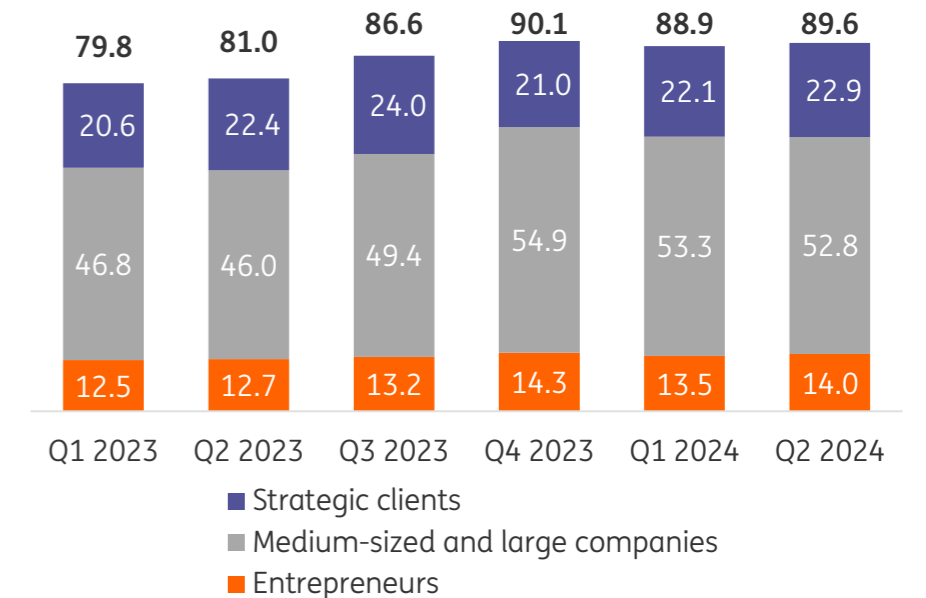
Deposit activity

At the end of June 2024, the amount of funds deposited by corporate clients with our Bank was PLN 89.6 billion and thus the Bank held a share of 10.9% in the deposit market of corporate clients (10.7% at the end of 2023). The decrease in deposit volumes relative to the end of 2023 was due to lower balances of deposits from strategic clients (PLN -2.1 billion) and entrepreneurs (PLN -0.3 billion), which was partly offset by an increase in deposits from medium-sized and large enterprises (PLN +1.9 billion).

The portfolio of liabilities to clients of the segment by product (PLN billion)



The portfolio of liabilities to clients of the segment by client group (PLN billion)

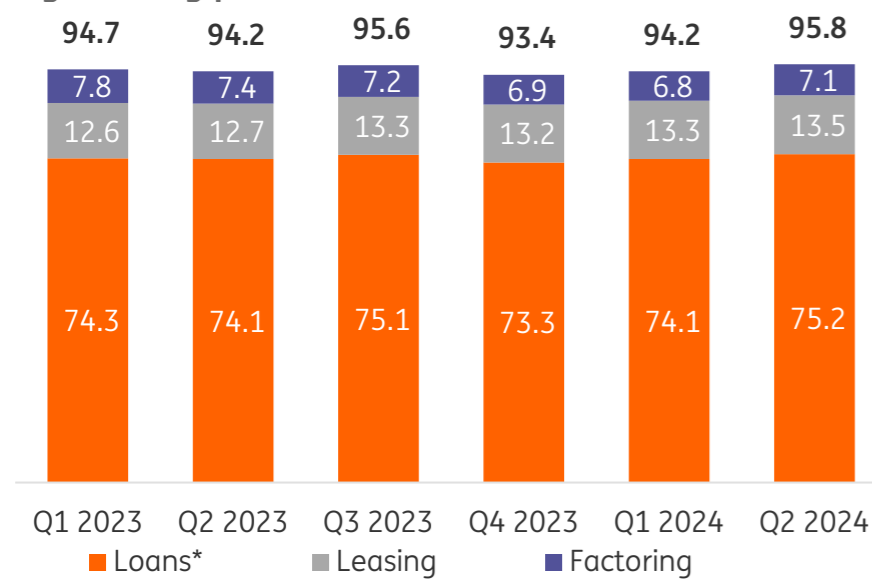


Lending activity

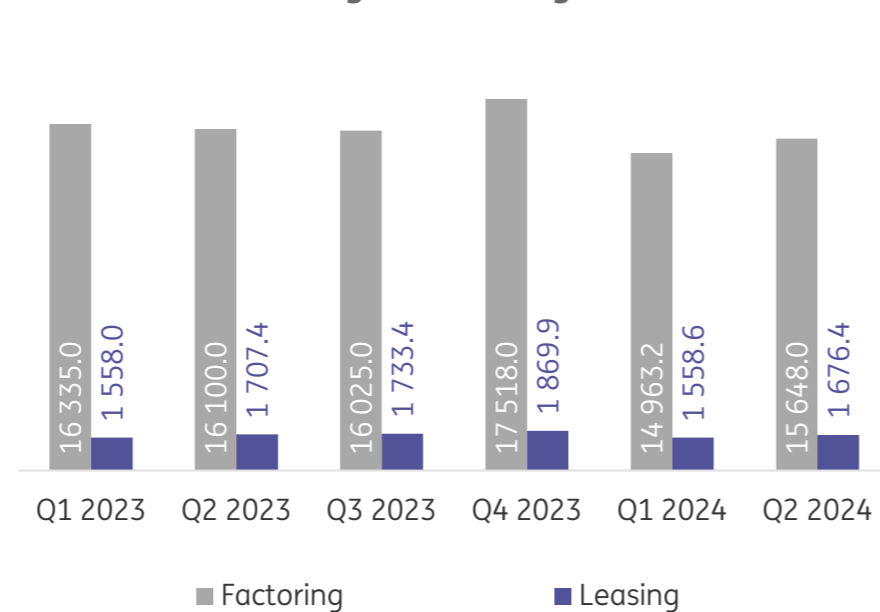
At the end of H1 2024, the amount of financing provided by our group to corporate clients amounted to PLN 95.8 billion gross. Over 6 months of 2024 the amount increased by PLN 2.4 billion (+2.6%). During this period of time, our exposure to all corporate clients increased -- starting with entrepreneurs (PLN +624.5 million), to medium-sized and large enterprises (PLN +728.5 million), to strategic clients (PLN +1,062.8 million). The increase in this exposure included bank financing (PLN +1.9 billion), but also in the form of leasing (PLN +0.3 billion) or factoring (PLN +0.3 billion). We estimate that in June 2024 our Bank held a 12.1% share in the loan market of corporate clients (versus 11.9% at the end of June 2023).



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



Turnover in factoring and leasing sales (PLN million)



* Including loans measured at fair value.



Sustainable development

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Achieving sustainable development goals

At ING, we are aware of the environmental, social and economic challenges faced by the world. This is why we are maintaining our course and are consistently working towards our sustainability goals (ESG – *Environmental, Social, Governance*).

Our sustainability business strategy (available on the website [at this link](#)) allows us to set a clear direction. It covers environmental, social and governance aspects in a three-year perspective.

A detailed account of the achievement of the 2023 ESG Strategy targets is available [here](#). We also write about our commitment in the ESG area on our [website](#). A summary of our priorities and commitments for 2024 is available at the [link](#). Examples of activities implemented in H1 2024 are described below.

Environment (E)

We strive for climate neutrality

Loan portfolio

Society is moving towards a low-carbon economy – our clients are doing it, ING Bank Śląski is also doing it. We fund many sustainable activities, but still more of those that are not. In the 2023 report, we presented GHG emissions data from over 91% of the bank’s assets, covering all asset categories that can be calculated in line with the Partnership for Carbon Accounting Financials (PCAF) standard. Calculating emissions is an essential step to developing and implementing an effective emissions reduction strategy. In an effort to minimise our environmental impact, we have developed a plan that reflects our commitment to sustainability and to inspire others to do the same. In H4 2023, we published [ING BSK’s roadmap for reducing GHG emissions](#) document which sets out our ambitions to reduce emissions from our own assets and loan portfolio across residential, commercial properties and energy generation. In the document, we present our progress to date on the path to reducing GHG emissions and our plan to support clients in their transition. We want to accompany our clients on this journey, understanding the scale of the challenges they face. In order to meet the goal of decarbonising the property loan portfolio, we will increase the financing of energy-efficient buildings, renewable energy sources and thermal upgrades of the properties we finance. We want to support companies in their transition and decarbonisation. We are also continuing our existing policy of moving away from financing high-carbon non-renewable energy sources. After

2025, we will not finance clients whose business is directly dependent on thermal coal to the extent of over 5%. At the same time, between 2024 and 2030, we will allocate PLN 5 billion to finance renewables in the corporate segment.

Activities relating to our own assets

We consistently implement activities to reduce greenhouse gas emissions in our own economy.

Examples of the activities we carry out:

- We are aiming for 100% of the energy purchased by the Bank and its subsidiaries to come from renewable sources. Since 2016, in order to achieve this objective, we have been purchasing certificates and guarantees of origin certifying that the electricity comes from renewable sources.
- We are modernising existing installations in our buildings. For example, we launched a new heating and cooling installation based on a VRF system with heat recovery on the second floor at our head office in Katowice, ul. Sokolska 34. The new installation is the start of an HVAC upgrade for this building.
- We are gradually modernising the exterior and interior lighting and replacing the existing lighting with LED lighting.
- We conduct numerous education and awareness-raising campaigns among our employees.
- We donate office furniture and other office equipment to foundations and schools as in-kind donations, and organise furniture resale campaigns for employees.

Extension of photovoltaic installation

We carried out a procurement exercise and selected a contractor for a photovoltaic skylight to replace the worn-out glazing over the atrium in the building at ul. Sokolska 34 in Katowice. The skylight will also be an extension of the existing photovoltaic installation on the roof and will increase its output by 93 kWp. This is another investment in our own RES.

Vehicle fleet

We withdrew the last DIESEL powered car and replaced it with an electric car. There is no longer any diesel-powered car in our fleet. At the end of Q2 2024, 99% of the cars in our fleet were hybrid and electric cars.



Electromobility Day

On 19 June, ING Bank Śląski hosted an Electromobility Day. The event was not only an overview of state-of-the-art electric vehicle solutions, but also an excellent opportunity to exchange ideas. Participants had the opportunity to listen to inspiring speeches, learn about visions of the future and talk to experts in a Q&A session. The event culminated in the presentation of electric car models and a hydrogen car. Everyone could see that electromobility had ceased to be the domain of a narrow public and had become widely available.

We support clients in their environmental transition

Mortgage loan for an energy-efficient home

Mortgage loans for energy-efficient homes offered by ING Bank Śląski can be used for the construction or purchase of a house, a dwelling or a renovated house in accordance with the Special Offer Regulations. The demand for non-renewable primary energy is an important parameter of the offer, which must be documented – depending on the type and stage of construction of the property – by design documentation or by an energy performance certificate for the building. The offer is designed to help clients apply energy efficiency solutions. All the paperwork can be dealt with without leaving home, such as a video call with a specialist. The client only comes to the branch to sign the prepared loan agreement.

Implemented next edition of Loan for Better with an additional bonus for providing an energy certificate for a property in our portfolio

Since February, we have implemented another edition of Loan for Better with an additional bonus for individual clients. The client can receive a basic bonus of PLN 500 if they meet the conditions of the Promotion and provide the Bank with an invoice confirming the purchase/installation of goods such as solar collectors, electric bicycles, heat pumps or photovoltaic systems. In addition, the client can receive an additional bonus of PLN 500 if they upgrade the property that is the collateral for the mortgage/construction/mortgage loan granted by ING Bank Śląski and they submit an invoice that confirms the purchase/installation of goods for upgrading the property and send to the Bank via Moje ING the number of the energy certificate made after the date of the loan, together with the date on which the certificate was issued.

Investment loan to support sustainable development and leasing to support sustainable development

We continue to offer a sustainability loan and a sustainability leasing facility aimed at a wide range of medium-size and large companies. They enable smaller companies to benefit from solutions that were previously addressed solely for larger corporations and complex projects.

Examples of funding provided

We focus on aligning our activities and solutions to help clients strengthen their competitive advantages, including in the area of sustainability. We offer products that broadly address the needs arising from the transition process. Below there are examples of transactions concluded in H1 2024.

- In January 2024, we introduced the following into our contracts with Eurocash Group S.A. – for an overdraft facility and a guarantee line for a total of PLN 180 million – ESG objectives in line with Eurocash Group’s strategy for the coming years, making the margin and fees dependent on their achievement. The loan and the guarantee line have been classified as Sustainability Linked Loan (SLL) financing.
- In consortium with other banks, we signed a 5-year financing agreement with a total value of EUR 800 million with AmRest, with an option to convert it to an ESG-linked structure. ING Bank Śląski’s share was EUR 100 million. The AmRest team entrusted us with the role of one of the two ESG coordinators in connection with its plans to convert the financing into a Sustainability Linked Loan.
- As part of the syndicated financing, we signed a Sustainability Linked Loan for Atman for a total of PLN 1.3 billion. The share of our Bank, one of the main arrangers of the financing, amounted to PLN 182 million. Poland is becoming a data processing leader in the CEE region, and the construction of the data centre in Duchnice is a giant step towards increasing computing power.
- We provided the Wirtualna Polska Group with syndicated financing of PLN 1,067 million to refinance existing debt and to finance acquisitions. The loan agreement is linked to sustainable development and was concluded under the SLL formula.
- In April 2024 ING Bank Śląski became the exclusive ESG coordinator in the consortium agreement with Światłowód Inwestycje in 2021. Drawing on our sector knowledge and international experience in the area of Sustainability Finance, we structured the provisions in the facility agreement to classify assets that are key in the implementation of the Company’s ESG Strategy in line with the requirements of the Green Loan Principles. Światłowód Inwestycje, which is co-owned by Orange Polska and the Dutch pension fund APG, offers its services exclusively to telecoms operators, which, based on the fibre-optic infrastructure made available to them, provide Internet to end users. With the funding raised, the company will reach around 2.4 million households with the fibre optic network under construction by 2025, including in areas with limited internet access.



Carbon footprint calculator for companies

A free carbon footprint calculator for companies has been available on Firmove.pl for almost a year now. The calculator enables the calculation of Scope I and Scope II greenhouse gas emissions. The calculator was prepared in cooperation with experts from the Climate Strategies Poland Foundation, which deals with counting the carbon footprint of companies and cities, decarbonisation strategies, climate education and efforts to provide reliable information on climate change.

This free, convenient and intuitive tool, available to all, allows you to calculate your own company's emissions. The calculator was developed in response to the needs of companies that want to respond to the growing expectations of regulators or consumers in the area of sustainability.

Any company that completes the calculator with data will receive an automatically generated report (also downloadable in pdf format). In addition to the results, the report provides information on the calculation standard used, the company's carbon footprint reduction levers and examples to help understand the scale of the result obtained.

The calculations are made in accordance with the GHG Protocol standard and are based on approximately 500 indicators embedded in the calculator, including emission factors obtained from individual national electricity and heat providers. Currently, calculations for 2021 and 2022 are possible, and by the end of August we will also make the possibility of calculations for 2023 available. The indicators will be systematically updated for subsequent periods. [Link to calculator: Carbon footprint calculator | Firmove.](#)

Supporting innovation and local climate and environmental action

ING has donated PLN 1 million to grants for start-ups and young scientists for the third time

ING has announced the winners of the third edition of its Grant Programme addressed at start-ups and young scientists. In each edition, the Bank allocates PLN 1 million for the best solutions linked to the Sustainable Development Goals. We have over 14 million buildings in Poland, but a significant proportion of them are energy inefficient. This means that they will need upgrading in the future. That is why, in this edition of the Programme, the Bank addressed issues related to the eleventh UN's Sustainable Development Goal (SDG 11) and sought solutions to respond to the challenge: How can we improve the energy efficiency of buildings?

The selection of the best solutions, out of several dozen submissions, was made by a jury made up of representatives from ING Bank Śląski, the world of business, science and NGOs. The fifth edition of the competition was resolved at the final gala held on 27 June 2024. The main prize of PLN 400 000 went to EcoReg (energy storage

from regenerated batteries). The second place went to the solution submitted by NTW Wind Systems (a system of sun-tracking heliostats with photovoltaic panels and wind turbines), and its authors received PLN 300,000. The third place went to the idea presented by Solhotair (airborne solar collectors for space heating), with its creators receiving PLN 150,000. In addition, the chapter awarded a distinction worth PLN 100,000 to Terra (rammed earth products used in construction). For the third time, an Audience Award of PLN 50,000 was granted – this was awarded to Enklava (thermal insulation made from compressed straw).

PLN 1.5 million for the protection of Błota Rakutowskie

In June, we paid a donation of PLN 1.5 million to WWF Poland Foundation. The donation will be used for measures to protect and restore the habitats of rare Polish birds (lapwing, gotwit, curlew, common redshank) in the naturally valuable Natura 2000 site Błota Rakutowskie. The project will be implemented by WWF and an experienced local partner (ALAUDA Nature Society) based on the Taxonomy and Technical Eligibility Criteria for the Biodiversity Target. UNEP/GRID-Warszawa (within the structure of the National Environmental Foundation, an affiliated centre of the United Nations Environment Programme, UNEP) acts as an independent certification body (taxonomic requirement). While working on the project together with three renowned NGOs, we learned from each other, combining the world of European regulations and our experience in the area of sustainable financing with the knowledge of natural scientists and environmental experts. Joint activities with NGOs are an important aspect of broader outreach, both in terms of education and building best practices for future activities. Project is an ESG innovation – we believe it will raise general awareness of the environmental role of wetlands and pave the way for other worthwhile initiatives.

Entrepreneurship and equal opportunities (S)

We have a friendly and diverse working environment

Equal opportunities and remuneration principles

Equal treatment of women and men in terms of remuneration is one of our priorities, which is why we continuously monitor the gender pay ratio in the ING Bank Śląski Group. The regular analyses include not only a *gender pay gap* index but also a detailed analysis of *equal pay for equal work* indicating pay mismatch gaps in the same jobs, grades and competences. ING Bank Śląski is taking steps to gradually reduce the occurrence of pay gaps (e.g. by strengthening managers' awareness of this issue), and the results of cyclical analyses are one of the dimensions of decisions taken on pay rises and during recruitment processes.



In order to strengthen managers' awareness of their pay rise decisions and to gradually bridge the pay gap in our organisation, a model for the optimal distribution of the allocated pay rise budget for each manager was developed during the last cyclical pay rise campaign. The proposed individual pay rises for employees took into account a number of variables, i.e. the *Gender Pay Gap, Equal Pay for Equal Work*, as well as the market benchmark and the employee's annual appraisal. Managers had comprehensive information about the employees in their teams in terms of their remuneration level, with an indication of which employees were paid statistically significantly more/less than the average remuneration in their respective grades and among employees in the same positions, for both the same and opposite sex (*the so-called positive/negative outliers group*).

The Entrepreneurial Gene

Employees are encouraged not only to identify problems, but also to verify their relevance before they start to solve them. We are continuing our efforts to support employee development in the area of entrepreneurship by, among other things, promoting the 6 Steps of Effective Idea Work educational programme and the business incubator, a "place" where, in a safe environment, an employee can learn to work effectively with an idea.

We help employees take responsibility for their own development, encourage self-directed learning and create an environment that enables the most effective learning and development based on digital platforms and practical application of skills in everyday work.

On 2024 we continue Career Guidance in our organisation to enable talents to be mobile within ING and to increase employment opportunities if employees decide to leave our organisation. There are currently 28 certified Career Advisers at ING. The tasks of the advisers is to support employees in making career decisions based on individual preferences, motivation, designing individual career paths, exploring career opportunities at ING. Consultation with a Career Adviser is open to all employees as well as those working under alternative forms of cooperation.

We write about our approach to diversity and Wellbeing activities [here](#).

We support the financial health of our clients

Plan for the financial future

ING Bank Śląski clients can use daily financial management tools in the banking application to help plan and monitor their household budget. On [Financial Health – knowledge and guidance \(ing.pl\)](#), we publish interesting articles addressing topics of interest to our clients. The most popular are: budgeting, saving in difficult times, and lending rationally. Content is based on internal and external research, the website has an educational role and is not intended to promote our services.

ING has been promoting an attitude towards saving for the future and ensuring financial independence. The Bank supports clients – the Bank prompts, reminds, offers personalised solutions so that they can focus on their plans and do the things that are most important to them. That is why, in the next edition of the savings account campaign, we continued our motivational communication, encouraging people to save for a "rainy day".

At ING, we encourage clients not only to think about retirement, but above all to act and take care of the future early. For many, it is a complex subject and one that is put off. It is this thinking among our clients that we want to change. At the beginning of April, we launched a new retirement education website – [Retirement time to start thinking about it!](#) Wanting to be a leader in the pension market in Poland, we write straightforwardly about what lies ahead. Retirement is not a taboo subject, so the website is written in a simple and accessible way for the viewers and has the feel of a conversation between us and clients. Clients on the site can "get a tip" by watching one of 8 videos with financial blogger Tomek Jaroszek. This is a new client support idea in the form of short educational films that confront pension myths popular among Poles. In H1 of this year, sales of pension products exceeded 30,000 units. It was supported by another edition of the special offer "Invest in your future", which ran from 20 February until 17 May. At the end of H1 2024, over 153,700 clients were already putting money aside for retirement at ING Bank Śląski using one of the dedicated products. Nowadays, one in three IKEs and almost one in four IKZEs on the market was purchased through ING Bank Śląski.

In H1 of this year, we also published an investor education page – "Learning to invest with ING". Learning to Invest is as many as 32 investment topics and 27 pages of educational content. We tell in simple words about passive and active investing, ETFs, technical and fundamental analysis and dividends or investment inheritance, among other things. We explain these and other topics as simply as possible in order to make the knowledge for clients accessible and valuable. Only then will they be able to put it into practice. Learning to invest is aimed at both professionals and people who are already investing but want to do it better. We are convinced that the substantive knowledge now at the fingertips will help our clients learn about investing, make informed decisions and achieve their goals.

Easy blocking of payments for subscriptions

Almost half of Poles are currently using some kind of subscription, according to a survey commissioned by ING Bank Śląski*. In H1 of the year, we encouraged clients to consciously manage their subscriptions and thus not incur unnecessary costs. In the Moje ING application, one can see which services regularly charge the account if payment is made with a bank card – more than 40 popular services are already identified. The projections of these payments help to realise the number of sites on which we are active and the amount of the spending on a monthly basis. If



necessary, upcoming recurring subscription and subscription payments can be blocked, the forecasts of which we see in Moje ING. The provider of the product or service will not automatically charge the card, and the client gains time to consider whether they will still want to use the subscription in question in the future, or whether they might nevertheless contact the provider and cancel it altogether. It is possible to have up to five subscriptions blocked on each card at any one time and you can unblock them at any time.

** The survey was conducted on the Ariadna panel on commission of ING Bank Śląski on 22-27 February 2024 using the CAWI method. The survey was conducted on a nationwide sample of people.*

We support local community action and facilitate banking for groups at risk of exclusion

Accessibility measures

We aim to ensure that our services are fully accessible to our clients in line with the requirements of the EAA Directive and local requirements. At all Meeting Places and at the Bank's helpline, we provide the sign language interpreter access service "MIGAM", which allows people with impaired hearing to access the Bank's services easily and quickly. We remove architectural barriers at our outlets that impede access for clients with visual, hearing, motor or cognitive impairments. We are retrofitting our facilities with induction loops to support the service of hearing-impaired clients. We provide the possibility of ordering regulations in a form adapted to the requirements of the recipients. We are also adapting the website and the Moje ING application for use by visually impaired people in line with the Web Content Accessibility Guidelines (WCAG).

ING as a partner of educational programme "We Save the World"

"We Save the World" is an eco-educational programme for primary schools. The programme is implemented by the "ABCXXI – All of Poland Reads to Kids" Foundation in cooperation with its substantive partner WWF Poland Foundation and Strategic Partners: ING Bank Śląski and Visa. The programme is under the Honorary Patronage of the Ministry of Climate and Environment and of the National Library. In June 2024, the final of the second edition of the Eduprogramme OCALIMY WORLD [WE SAVE THE WORLD], aimed at students at all primary school levels, took place. Nearly 17,000 students and over 400 educators from 219 institutions in 172 locations across Poland took part.

Exempt from Theory Olympiad

In April 2024, ING Bank Śląski, together with the ING for Children Foundation, completed the 2023/2024 edition of the "Step Forward" programme as part of the Exempt from Theory Social Project School Competition. The

programme helps young people to carry out their own projects for the benefit of their local communities and develops the competences of the future. The completed, record-breaking edition attracted over 7,500 participants, 600 of them in the Step Forward programme. Participants in the programme carried out 124 community projects, of which 72 projects were supported by 71 ING mentors. Among the projects supported by ING Mentors there were 19 Golden Wolf Award-winning projects.

You A(nd)I Programme

In the 2023/2024 school year, ING Bank Śląski, together with Intel, implemented a partnership programme for participants in the Zwolnieni z Teorii (Exempt from Theory) Olympiad who based their social projects on AI tools. Knowledge about the use of AI tools is not disseminated in the traditional education system. Therefore, AI experts from ING Bank Śląski shared their knowledge during 2 thematic webinars and a classroom training session held at ING Bank Śląski's headquarters in Warsaw. The programme attracted 160 teams, from which experts selected 23 projects that reached 873,203 beneficiaries, helped establish 47 partnerships and reached 886,993 recipients through their communication channels. The teams used AI tools in their activities and educated on topics related to artificial intelligence.

8th Financial Education and Entrepreneurship Congress

ING Bank Śląski was a partner of the 8th Financial Education and Entrepreneurship Congress, organised by the Warsaw Banking Institute and the WSE Foundation. This year's event was held as part of the Year of Economic Education 2024 initiative. The conference brought together representatives from business, politics and science to collaborate and develop educational activities in finance, cyber security and entrepreneurship. ING experts in the area of AI also shared their knowledge and experience, conducting a lesson for 8,900 participants – teachers and students from 320 schools across Poland, entitled "Artificial intelligence – facts and myths". The lesson conducted by ING experts was the most popular "congress" lesson, with the highest number of students, teachers and schools participating.

My Environment competition

The aim of the competition is to implement volunteer projects supporting environmental education for children and young people. At the beginning of April, the ING for Children Foundation published the results of the third edition of the competition. ING volunteers submitted as many as 68 projects. Funding totalling PLN 313,350 was awarded to 41 projects. Over 400 ING volunteers have declared to participate in the projects. The projects will run until the end of October 2024.



ING Charity Football Tournament

In June, footballers – ING employees – took part in a football tournament in which financial prizes – PLN 15,000 from each team on the podium – went to three organisations that support physical activity and equal opportunities: Amp Futbol Poland for a women’s football team, the Avalon Association for a sports activities project for children with disabilities and the Hope for the World Cup Foundation for the organisation of a football tournament for children from orphanages. The tournament attracted 21 teams from all over Poland.

Good Idea Grant Fund

In April this year, the ING for Children Foundation announced the second edition of the Good Idea Fund, where any ING employee can apply for a volunteering project with a community partner of their choice. Successful ideas receive financial and substantive support from the ING for Children Foundation. The call for ideas is continuous. Projects can be submitted in one of four categories: artistic, educational, renovation/construction and sports. By the end of June, 24 projects were submitted.

Orange Power

It is a programme that supports the sporting activities of children with disabilities, thanks to the funds run and marched by ING employees in the Run Warsaw mass run and the accompanying “I March and I Support” event. This year, the foundation allocated the funds raised to support as many as 12 organisations. Thanks to this cooperation, children all over Poland take part in competitions, runs and Olympiads, as well as regular sports activities during the school year.

Sensory concerts at the NOSPR

Once again, ING volunteers participated in and supported the family sensory-friendly concert “Espressivo”, prepared by the NOSPR in Katowice. Over 500 young participants took part in the two concerts. The “Espressivo” concert series was supported by the ING for Children Foundation.

Guidance on working with children in the autism spectrum

On the World Autism Awareness Day, we made available two publications by Katarzyna Makulec: “Teacher’s Guide. Working with Children in the Autism Spectrum” and “A Guide for Parents of Children in the Autism Spectrum”, which are a continuation of the cooperation between the ING for Children Foundation and the SYNAPSIS Foundation, which began with the book “Kosmita”. The publications are free of charge and available on the ING for Children Foundation website.

Artist-Professional Programme

The Artist-Professional Programme, organised by the ING Polish Arts Foundation, was the result of conversations with artists from the Foundation’s collection. The aim of the programme is to supplement academic knowledge with practical tools – art market skills, studio organisation and finances. The Foundation supports this group in financial health and in being entrepreneurial. For years, it has been inviting top experts, curators, artists, critics and gallery owners to share their knowledge: it organises lectures and individual portfolio consultations for beginning artists. This part of the project is organised by the foundation every spring in the form of on-line meetings. This year marks the 8th. Programme edition. More information is available [here](#).

ABC of Economics – Financial education for children

In 2024, the ING for Children Foundation is continuing its cooperation with the Czepczyński Family Foundation. Together we invite ING volunteers to participate in a financial and economic education project for the youngest. The project aims to introduce children to the world of finance and develop sound financial habits. The programme is run on the basis of the publication entitled “The ABC of Economics or the First Steps in the World of Finance”, dedicated to pre-schoolers and students in grades I-III. This year, 121 ING volunteers signed up to the programme and decided to teach a minimum of 1 lesson in a kindergarten or primary school of their choice.

Ethics and regulatory compliance (G)

We integrate ESG into internal processes and organisational culture, strive for regulatory compliance

Management of sustainability issues

We understand that our activities have an impact on many stakeholder groups. In December 2023 we published the [Declaration of the ING Bank Śląski S.A. Group on Respect for Human Rights](#). In the Declaration, we describe the actions taken regarding respect for human rights at different levels of our value chain. We are a signatory to the Diversity Charter and the Children’ Rights Charter in Business. We feel responsible for our impact on the society, the environment and the economy. We care about the availability of our services and the safety of our clients. We create a welcoming workplace and an environment for employee development and support diversity and inclusion. We work with our suppliers in accordance with business ethics and market best practices. At the same time, we carefully vet our suppliers, including in terms of social and environmental risks. Each of our suppliers pledges to



comply with the standards contained in the [Supplier Code](#). The documents and key internal policies governing the ESG area in our organisation can be found [here](#).

The Bank has an ESG Council and an ESG Risk Committee. These committees have decision-making functions vis-à-vis all organisational units of the Bank and advisory functions vis-à-vis the Management Board for matters requiring its approval. In 2022, the ESG Innovation Expert Centre (coordinating activities related to the building and implementation of the ESG Strategy and the functioning of the ESG Council) and the ESG Risk Team within the Risk Regulation Department were also established at the Bank. We write about the activities implemented in the field of ESG risk management in H1 2024 [here](#).

In order to meet the sustainability objectives incorporated in our business strategy, we have adopted two courses of action. The ESG Transformation Programme has been set up to carry out new, complex, multi-faceted tasks. On the other hand, relatively homogeneous topics, which we have been pursuing for a long time and where we have already reached an appropriate level of maturity, are carried out in interdisciplinary teams – guilds – which take care of the continuity and synergy of the work. Both the ESG Transformation Programme and the individual ESG Guilds report to the ESG Council. A detailed description of how sustainability issues are managed is available [here](#).

We are strengthening the Bank's ESG culture by increasing staff awareness, knowledge and engagement in the area of sustainability. From 2023, 100% of managers reporting directly to Management Board Members have ESG targets set in their KPIs. This year, we have set a target for 100% of leaders and 50% of staff have ESG targets in their roles. Ultimately, 100% of leaders and as many as 97% of employees set ESG-related tasks. Such a high overshoot of the target shows the level of commitment to ESG topics in the organisation. We are also developing an ESG education programme for employees, available on the internal My Learning system.

Global Sustainability Week

From 18 until 22 March, the ING Group celebrated the Global Sustainability Week. The Polish edition of the event was held under the theme “ESG as an element of building competitive advantage”. During five days full of lectures, webinars and debates, our employees had the opportunity to expand their knowledge of the ESG and sustainability. In addition to the events aimed at employees, an open webinar was held, entitled “Climate as a new dimension of company strategy and business risks”, prepared jointly with the Climate Strategies Poland Foundation. In turn, the “Sustainable Future” conference was an opportunity to share our ESG practices and activities with suppliers, clients and employees. Over 1,570 participants attended the events organised as part of the Polish edition of the Sustainability Week.

Key awards for ESG activities in H1 2024

Green and silver ESG Policy Leaf for ING

For the 13th time, Polityka weekly, Deloitte and the Responsible Business Forum have honoured Polish leaders committed to sustainable development. For 12 years, companies have been awarded POLITYKA's CSR Leaves. This year, ESG Leaves were awarded for the first time. This is a name change resulting not only from new EU regulations, but also from an evolving approach to corporate social responsibility related to environmental, social and governance aspects. ING has been present in the ranking since the first edition of the survey. We are delighted to be systematically included in the ranking of Polityka Leaves winners every year. We are particularly honoured to receive this year's Green Leaf Award – awarded to climate neutrality leaders who measure their carbon footprint reliably across all three scopes.

Triple distinction in the ESG Ranking. Responsible Management.

ING Bank Śląski has been awarded a triple distinction in the *ESG Ranking. Responsible Management*. The Bank won first place in the “G” area and third place overall and in the “Banking, financial and insurance sector” industry ranking. This is the 18th edition of the Ranking (until now the Ranking of Responsible Companies), organised by the Kozminski Business Hub at Kozminski University. The ranking is based on the results in the area of responsible and sustainable management presented by companies in a questionnaire and verified in line with a methodology prepared by the authors.

Building client awareness in the area of ESG

Internet Security

ING Bank Śląski offers solutions that provide support in taking care of Internet security. It allows the use of behavioural verification, activation of the free CyberRescue service and expert support, setting secure limits and notifications for payments and transfers, setting payment authorisation methods, temporarily blocking the card. ING also regularly organises security education activities.

Firmove.pl platform

We are developing Firmove.pl, launched at the end of 2022, which supports entrepreneurs at every stage of business development and raises awareness in the ESG area. Firmove.pl has been prepared for people who are planning to set up or are already running sole proprietorships, micro-enterprises and small companies.

The service supports users by providing reliable and up-to-date business knowledge. Step by step, we guide them through the various issues: from vetting the business idea, to financing and accounting, to business solutions to



support sustainability. Over 600 articles and document templates await clients on the Firmove.pl platform, as well as useful tools (e.g. calculators) to support strategic decision-making, financing planning or the introduction of the ESG in the company. At the end of Q2 2024, the service had 390,000 unique users.

Education on energy efficiency

We carry out educational activities aimed at both individual and business clients as well as other market participants. Society is moving towards a low-carbon economy and ensuring the energy efficiency of buildings is one of the most important challenges of today. Therefore, in addition to a dedicated product offering, ING is committed to building awareness and knowledge among clients and external partners. On [esg.ing.pl](#), we regularly publish expert articles and we also organise webinars with opportunities to ask questions and get answers from expert partners. One example was a meeting on the BGK-subsidised green loan, during which an ING financing expert and a representative from the Energy Conservation Foundation explained the rules for obtaining support and the energy audit process.

Report “Attitudes of Poles towards thermal modernisation”

In June, ING published a report entitled “[Attitudes of Poles towards thermal modernisation](#)” based on a survey of flat and house owners to check their attitudes to thermal modernisation and their knowledge of the Energy Performance of Buildings Directive (EPBD). The results confirm that there is a need for knowledge about thermal modernisation and the solutions available on the market. The main barriers holding homeowners back from thermal upgrading are fears of high costs and a lack of confidence that the investment will pay off.

Educational game on cyber security in Roblox

ING also teaches on-line safety to the youngest. In February, we presented the educational game “ING City” in Roblox in a new version. In the latest third season of the game, the Bank is expanding on the theme of on-line safety and inviting children to the ING City Cyber Security Academy. The opening of the virtual school was accompanied by a performance by the on-line creator SmileSlow and the recording of a live music video with fans in the metaverse space. This event, the first of its kind in the world, gathered over 12,000 fans. “ING City” is very popular and was the first Polish commercial game on Roblox to already exceed 2.5 million visits. The principles of financial education and security through play have so far been taught to over 1 million players.

We share knowledge and cooperate in the field of ESG

ESG Academy for companies

We have expanded the [ESG page in ING](#), which was made available last year in a new format. In addition to information about our objectives and current activities, corporate clients will now find the section “ESG in your Company”, a package of practical tips on ESG implementation and transformation in the SME area. The recently organised “[ESG Academy for companies](#)” is a series of 6 webinars for small and medium-sized enterprises that need practical knowledge on how to implement sustainability measures and practices in their companies.

Round tables and participation in events

At ING, we focus on education. We combine local expertise with ING N.V. Group’s international experience to maximise value for our clients. We are constantly strengthening our competences in the area of sustainability. We share our knowledge and experience both at conferences and thematic events and in daily dialogue with our clients.

In H1 2024, we continued to hold roundtables with corporate clients in the regions (April, May and June). The topics of the meetings concerned climate competitiveness (based, inter alia, on a report by the Climate Strategies Poland Foundation, titled “Reporting alone will not protect the climate. Decarbonising your business – Climate Competitiveness 2.0”, of which the Bank is a partner), carbon emissions and how to reduce them, and how the banking sector can support businesses in 2024.

We share knowledge and our best practices in the ESG area on an ongoing basis through publications and events (e.g. webinars, lectures) within social partnerships (e.g. UN Global Compact Network Poland, UNEP/GRID – Warsaw, the Responsible Business Forum, the Polish Chamber of Commerce or universities – e.g. the Warsaw School of Economics). Our representatives speak at numerous events and conferences, such as the European Economic Congress in Katowice or the European Financial Congress in Sopot.

The report “Investment in Poland through the eyes of business. Regression and hope”

The joint report by ING Bank Śląski and PTWP Group, the organiser of the European Economic Congress (EEC), was based on structured interviews with representatives of large and medium-sized enterprises and chambers of commerce operating in Poland. The voice of Poland’s business leaders indicates that basing Poland’s investment strategy on future areas such as energy and digital transformation, automation, robotisation, AI solutions and even semiconductor production, as well as the expansion of electricity grids and the modernisation of rail transport, are



the most promising areas for investment recovery. The report is available on the website: [Investment in Poland through the eyes of business. Regression and hope | ING Economics Service.](#)



Our consolidated financial results

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Key financial data

Abridged information on the financial performance of the Capital Group of ING Bank Śląski S.A.

PLN million	H1 2023	H2 2023	H1 2024	Change H1 2024 to H1 2023
Income*	5,095.2	5,582.4	5,461.8	7.2%
Cost	-1,852.9	-1,847.2	-2,067.4	11.6%
Risk cost	-285.0	-328.2	-514.8	80.6%
Gross profit	2,633.1	3,086.9	2,513.5	-4.5%
Net profit**	2,008.1	2,432.8	1,958.0	-2.5%
Balance sheet total	227,735.8	245,361.4	249,278.5	9.5%
Liabilities to clients	199,740.2	205,289.9	213,541.5	6.9%
Loans granted and other receivables, net	156,255.7	156,559.3	161,410.7	3.3%
Equity**	12,962.6	16,736.0	14,173.6	9.3%

* Including the net profit of associates accounted for using the equity method; ** attributable to shareholders of the parent company.

Key effectiveness ratios

Key performance ratios of the Capital Group of ING Bank Śląski S.A.

	H1 2023	H2 2023	H1 2024	Change H1 2024 to H1 2023
Cost share ratio (C/I)*	36.4%	33.1%	37.9%	+1.5 p.p.
Return on assets (ROA)	1.07%	1.93%	1.82%	+0.74 p.p.
Return on equity (ROE)	24.2%	33.9%	28.7%	+4.5 p.p.
Return on equity (ROE) – adjusted**	13.5%	22.9%	21.1%	+7.6 p.p.
Interest margin ratio (cumulated, adjusted***)	3.54%	3.63%	3.64%	+0.10 p.p.
LTD ratio	78.2%	76.3%	75.6%	-2.6 p.p.
LCR****	143%	216%	197%	+54 p.p.
NSFR****	155%	171%	172%	+17 p.p.
LR according to transitional definition	6.72%	6.75%	6.36%	-0.36 p.p.
MREL by TREA (unit)	19.70%	26.31%	23.14%	+3.43 p.p.
Total capital ratio	16.95%	17.41%	15.42%	-1.53 p.p.
Tier 1 capital ratio	15.47%	16.02%	14.20%	-1.27 p.p.

* Costs including bank tax; ** the sum of net profit for 4 consecutive quarters / average value of capital for 5 consecutive quarters net of revaluation reserve of instruments hedging cash flows; ***margin adjusted for the impact of credit holidays; **** data in comparative periods regarding liquidity measures have changed. The corrections are due to improved data quality for the retail flag.



Income statement

Basic consolidated income statement figures of the ING Bank Śląski S.A. Group for 2024 and changes for H1 2023 are presented in the table below.

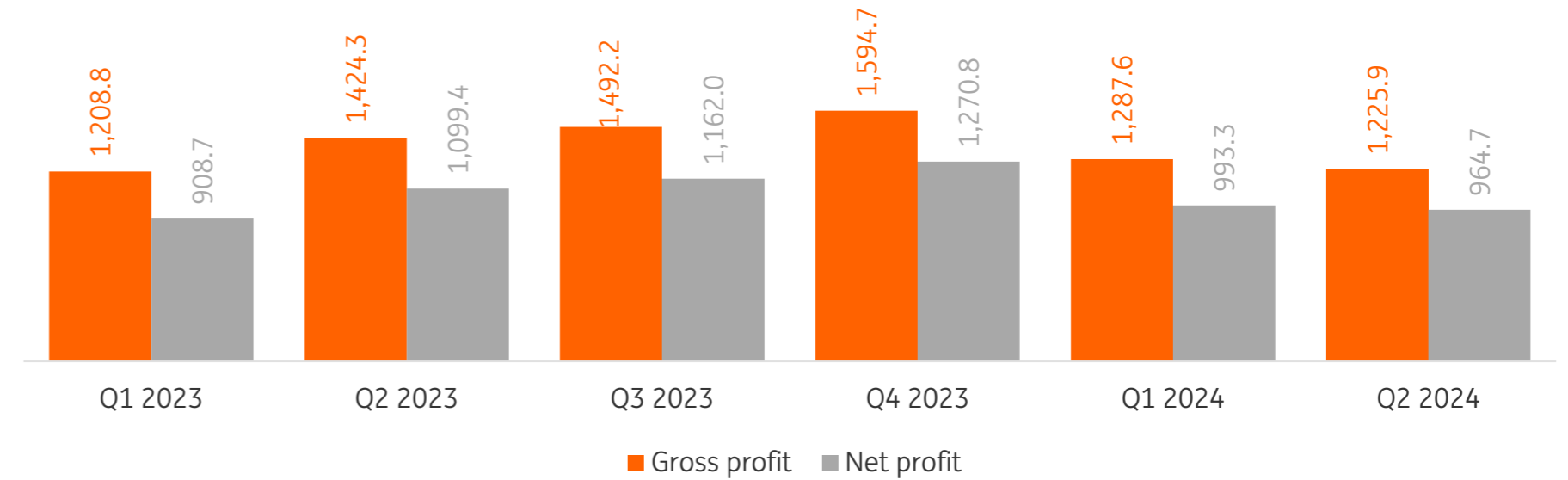
Basic figures of the consolidated income statement in analytical terms					
	H1 2023	H2 2023	H1 2024	Change H1 2024 to H1 2023	
PLN million				PLN million	%
Net interest income	3,914.4	4,256.1	4,203.9	289.5	7.4%
Net fee and commission income	1,055.7	1,108.8	1,147.0	91.3	8.6%
Other income*	125.1	217.5	110.9	-14.2	-11.4%
Total income	5,095.2	5,582.4	5,461.8	366.6	7.2%
Operating expenses	-1,852.9	-1,847.2	-2,067.4	-214.5	11.6%
Allowances for expected credit losses and legal risk costs of foreign currency mortgage loans	-285.0	-328.2	-514.8	-229.8	80.6%
Bank tax	-324.2	-320.1	-366.1	-41.9	12.9%
Gross financial result	2,633.1	3,086.9	2,513.5	-119.6	-4.5%
Income tax	-625.0	-654.1	-555.5	69.5	-11.1%
Net result attributable to non-controlling shareholders	0.0	0.0	0.0	0.0	-
Net financial result	2,008.1	2,432.8	1,958.0	-50.1	-2.5%

* The result on financial instruments measured through income statement and net foreign exchange result, the result on sales of securities measured at amortised cost, the result on sales of securities measured at fair value through other comprehensive income and dividend income, the result on investments, the result on hedge accounting, the result on other core activities and net profit of associates consolidated using the equity method.

Gross and net profit

In H1 2024, the ING Bank Śląski S.A. Group posted the net profit attributable to the shareholders of the parent entity of PLN 1,958.0 million. That implies that the net profit dropped by 2.5% versus H1 2023. The gross result amounted to PLN 2,513.5 million (-4.5% y/y).

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



The drop of the profit before tax for H1 2024 by PLN 119.6 million or 4.5% versus H1 2023 was mainly due to:

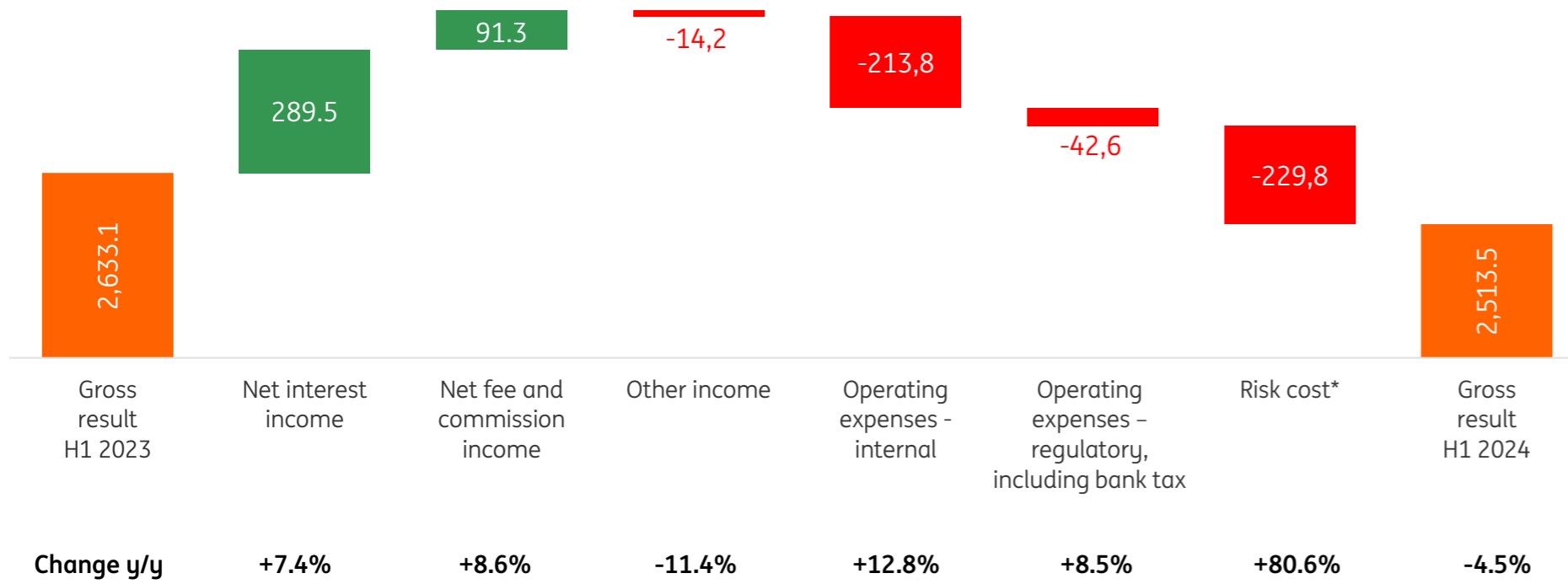
- an increase in risk costs by PLN 229.8 million (+80.6% y/y),
- an increase of operating expenses and bank tax by PLN 256.4 million (+11.8% y/y).

The increase in net interest income by PLN 289.5 million (+7.4% y/y) and the increase in net fee and commission income by PLN 91.3 million (+8.6% y/y) had the biggest positive impact on gross result.

In addition, net interest income for Q2 2024 was subject to a one-off adjustment in respect of the suspension of instalments (“credit holidays”), estimated in accordance with the requirements of IFRS 9 and based on the assumptions applied, which reduced the Capital Group’s interest income by PLN 170.5 million.



Change drivers for gross result of the ING Bank Śląski S.A. Group in H1 2024 (PLN million)



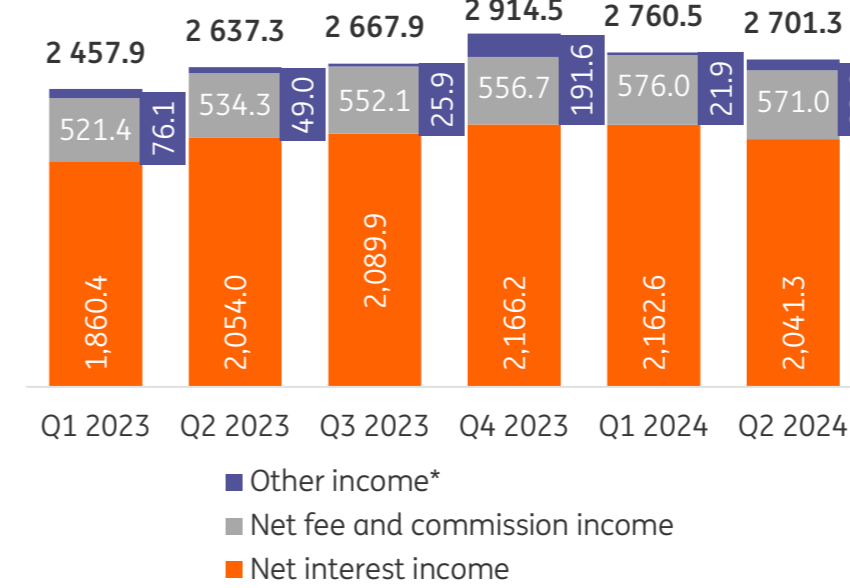
* Including costs of legal risk of foreign currency mortgage loans.

Income

In H1 2024, total income of the ING Bank Śląski S.A. Group amounted to PLN 5,461.8 million. That means that the improvement compared to H1 2023 was PLN 366.6 million or 7.2% and was mainly driven by higher net interest income.

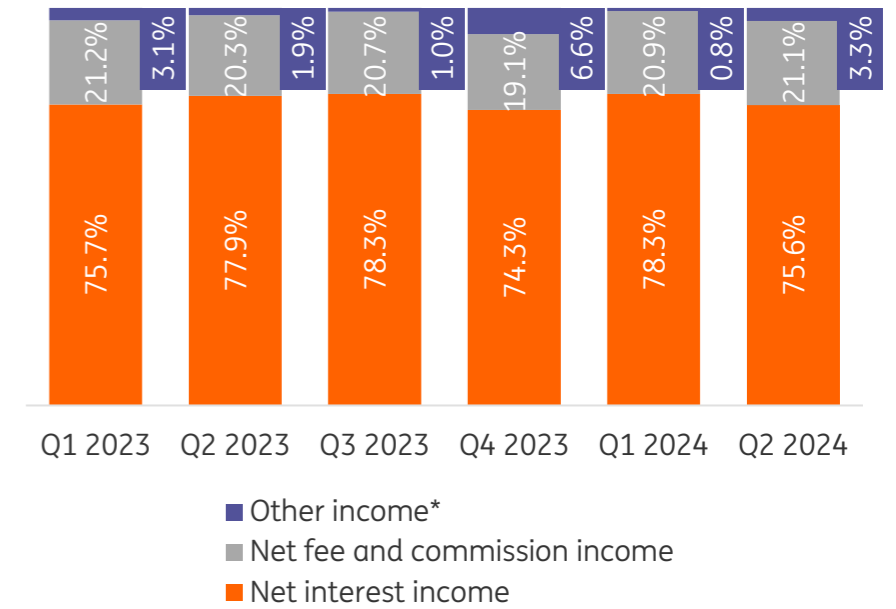
In H1 2024, the retail segment was the main income growth contributor. Its income was up by PLN 200.1 million, or 9.5%, to up to the level of PLN 2,305.9 million. Consequently its share in the structure was up by 0.9 p.p. to the level of 42.2%. Income of the corporate segment was up by PLN 166.5 million, or by 5.6%, to reach PLN 3,155.9 million.

Income* by income statement categories (PLN million)

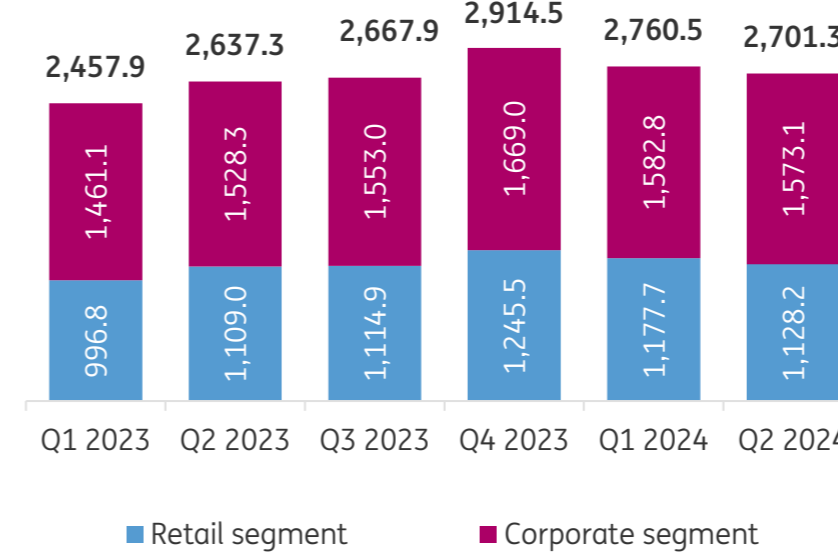


* Including the share in net profits of associates accounted for using the equity method.

Income structure*

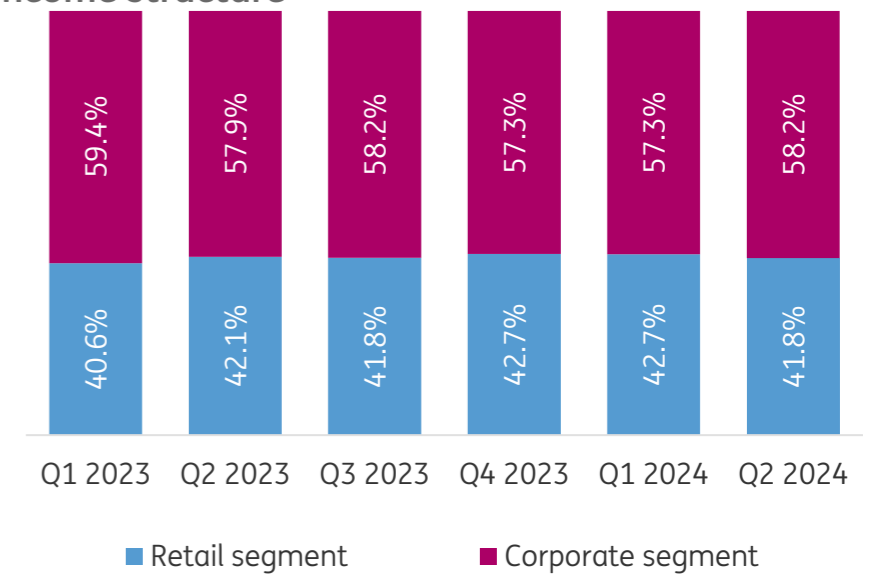


Income* by segments (PLN million)



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

Income structure*

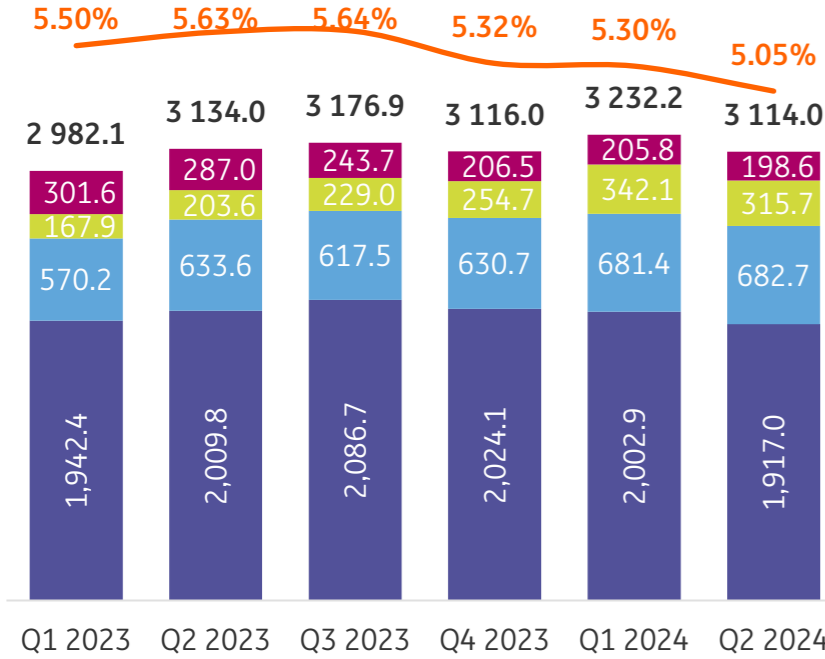




Net interest income

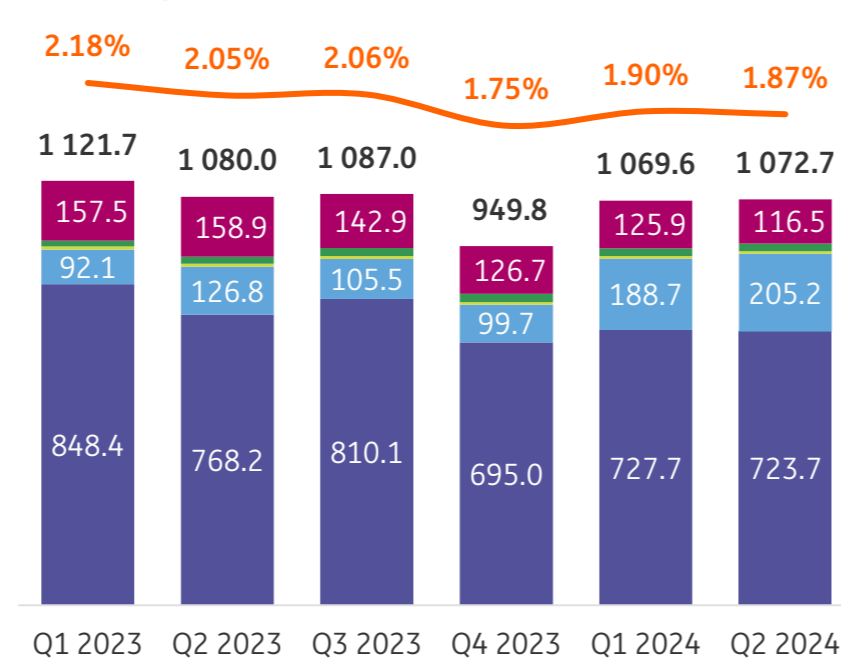
In H1 2024, interest income was up by 3.8% compared to H1 2023, mainly due to higher interest on loans and other receivables from clients. On the other hand, interest expenses dropped by 2.7% y/y, mainly due to lower costs of liabilities to clients. Consequently, the net interest income was up by 7.4% y/y, i.e. by PLN 289.5 million to the level of PLN 4,203.9 million.

Interest income (PLN million)



- Other
- Loans and other receivables to other banks
- Financial assets
- Loans and other receivables to clients
- Return on net assets (quarterly)

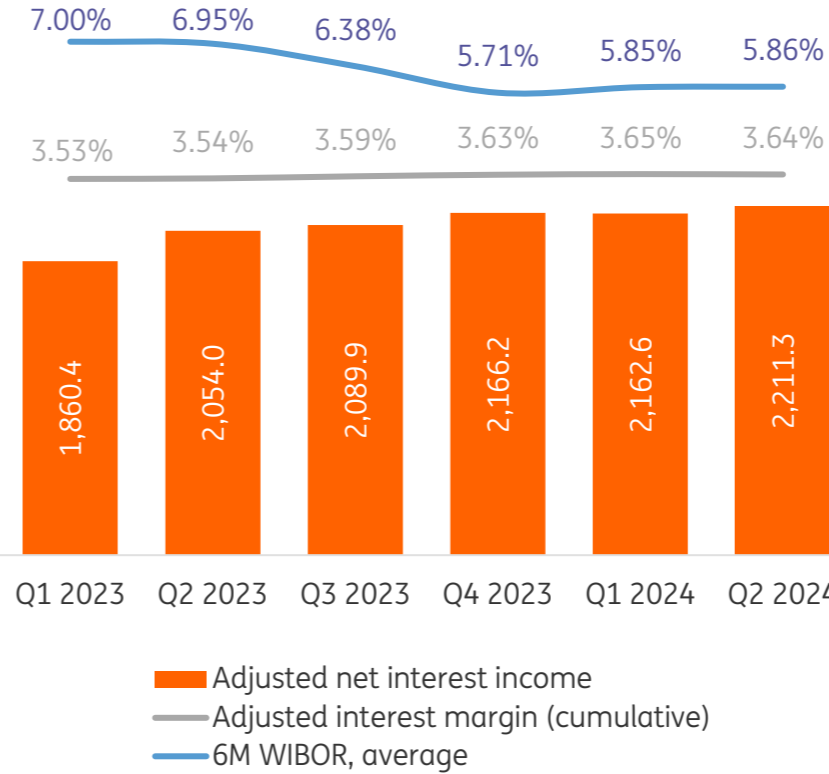
Interest expenses (PLN million)



- Other
- Subordinated liabilities
- Liabilities under debt securities issued
- Liabilities due to other banks
- Liabilities to clients
- Funding cost (quarterly)

In H1 2024, the Bank's interest margin was 3.57% versus 3.54% at the end of H1 2023, representing a 3 bp y/y margin increase. On the other hand, after adjusting interest income for the impact of credit holiday costs in Q2 2024 of PLN 170.5 million, the margin increase was 10 bp y/y.

Adjusted* net interest income (PLN million) and adjusted* interest margin against average 6M WIBOR



* After adjustment for the impact of interest holidays for mortgage loans.

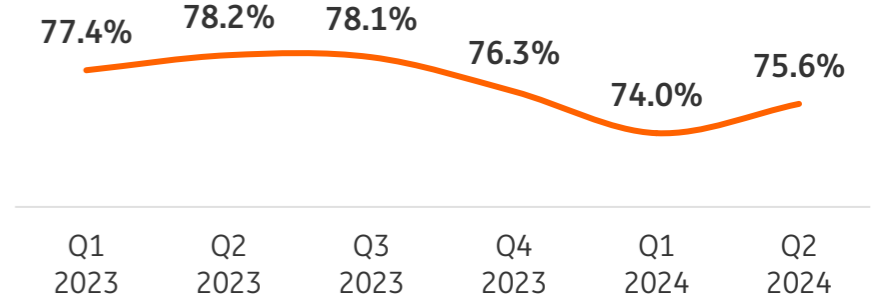
Net fee and commission income

In H1 2024, net fee and commission income of the ING Bank Śląski S.A. Group was up by PLN 91.3 million or by 8.6% compared to H1 2023 to PLN 1,147.0 million.

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

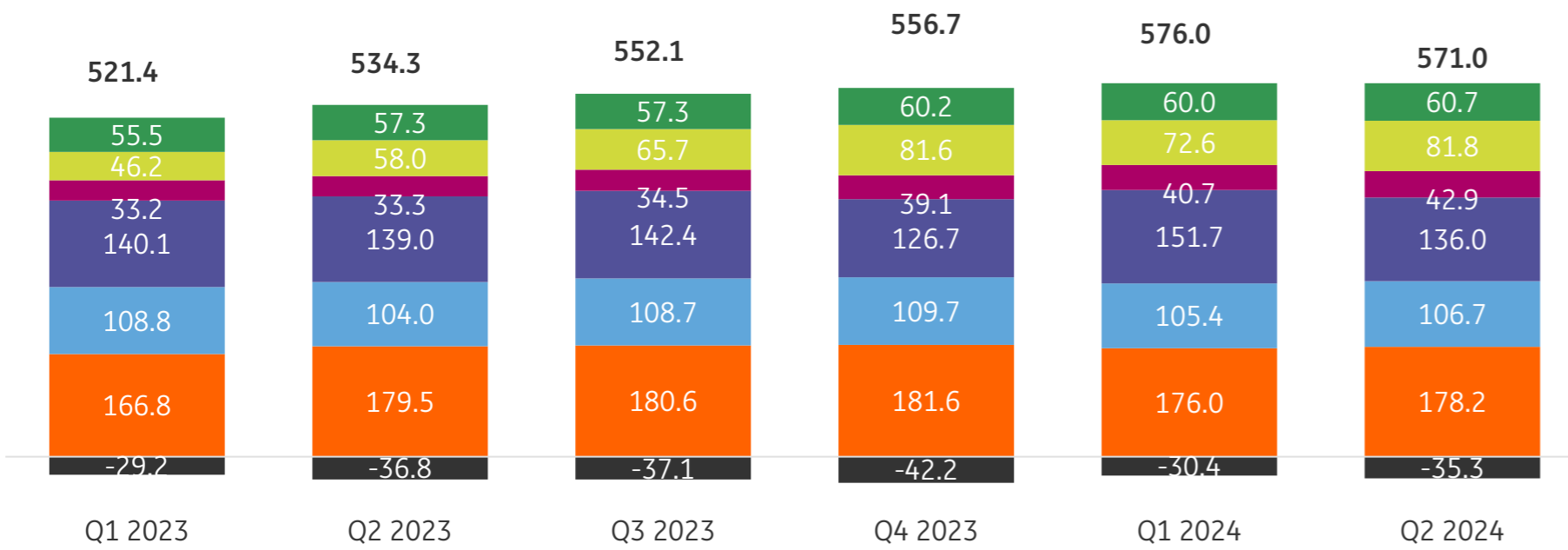
- fees and commissions for bank and credit cards – by PLN 50.2 million (+48.2% y/y),
- fees and commissions for unit distribution, brokerage and custody activities – by PLN 17.1 million (+25.7% y/y),
- fees and commissions for providing financing – by PLN 8.6 million (+3.1% y/y),
- fees and commissions for insurance products – by PLN 7.9 million (+7.0% y/y),
- fees and commissions for currency exchange transactions – by PLN 7.9 million (+2.3% y/y).

LTD ratio





Net fee and commission income (PLN million)



- Other commissions and commission expenses, net
- FX transactions
- Account maintenance fees
- Provision of financing (loans, leasing, factoring)
- Distribution of units, brokerage and custody activities
- Payment and credit cards fees (net)
- Insurance products

Other income

In H1 2024, the Group's other income (including the share in the net result of associates accounted for using the equity method) amounted to PLN 110.9 million and was up by PLN 14.2 million versus H1 of the previous year. The decrease was due to a deterioration in the result on financial instruments measured at fair value through profit or loss and the foreign exchange result. Income in this category dropped by PLN 25.4 million y/y in H1 2024.

Operating expenses (including bank tax)

In H1 2024, the ING Bank Śląski S.A. Group's operating expenses (including bank levy) increased by 11.8% y/y up to PLN 2,433.5 million.

Our own costs (excluding regulatory costs and bank tax) increased by PLN 213.8 million (+12.8% y/y) in H1 2024.

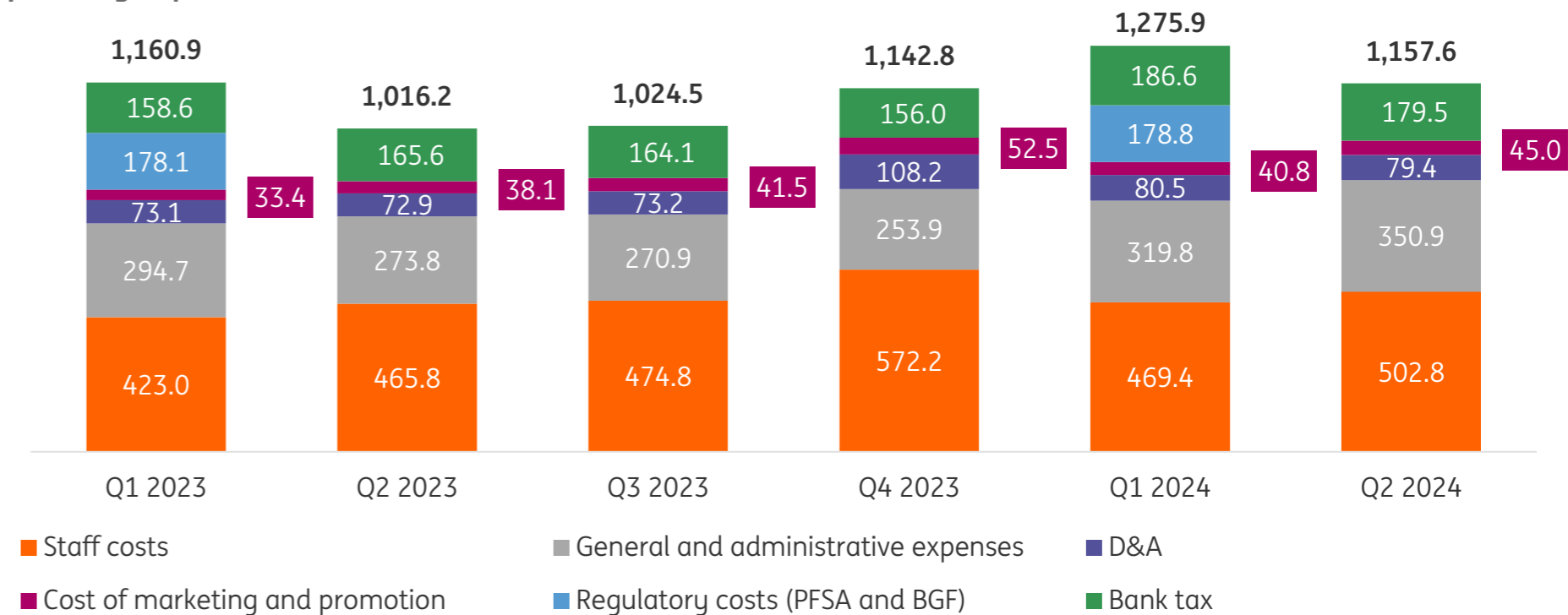
This is due, among other things, to an increase in wage costs (+9.4% y/y) and general and administrative expenses

(+18.0% y/y; here we see high dynamics in IT costs – 12.8% y/y, or property costs – 22.1% y/y). Marketing and promotion costs increased by 20.0% y/y and D&A costs by 9.5% y/y.

Regulatory costs, including bank tax, were by PLN 42.6 million higher in H1 2024 versus the same period last year – contribution to the bank resolution fund fell by PLN 2.7 million y/y to PLN 150.9 million in H1 2024, and fees to the Polish Financial Supervision Authority increased to PLN 27.9 million versus PLN 24.5 million a year earlier (+13.9% y/y). Contribution to the guarantee fund has not been charged – pursuant to Article 294(1) of the BGF Act, the Council of the Bank Guarantee Fund has decided not to charge a contribution to the banks' guarantee fund in 2023 and 2024. In H1 2024, the ING Bank Śląski S.A. Group paid tax on certain financial institutions (the so-called bank tax) in the amount of PLN 366.1 million (+12.9% versus the previous year).

The headcount level in the ING Bank Śląski S.A. Group decreased y/y from 8,461 FTEs as at the of June 2023 to 8,194 FTEs as at the end of June 2024.

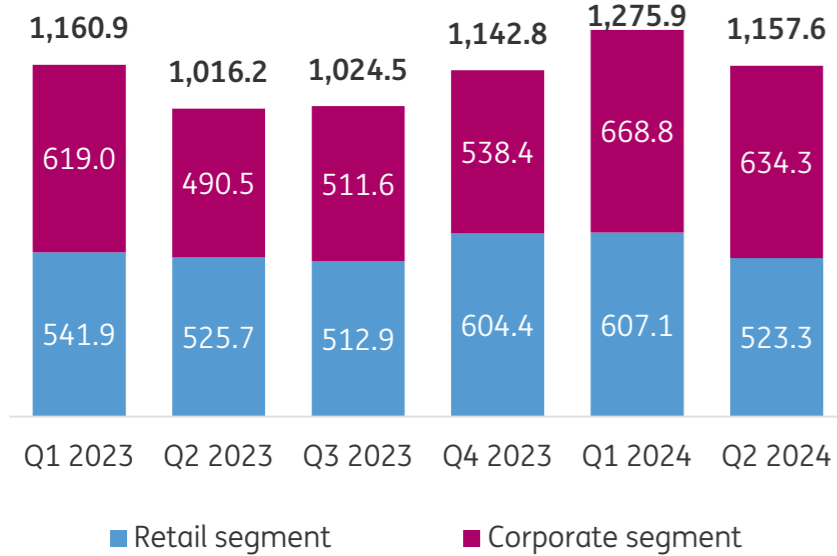
Operating expenses (PLN million)



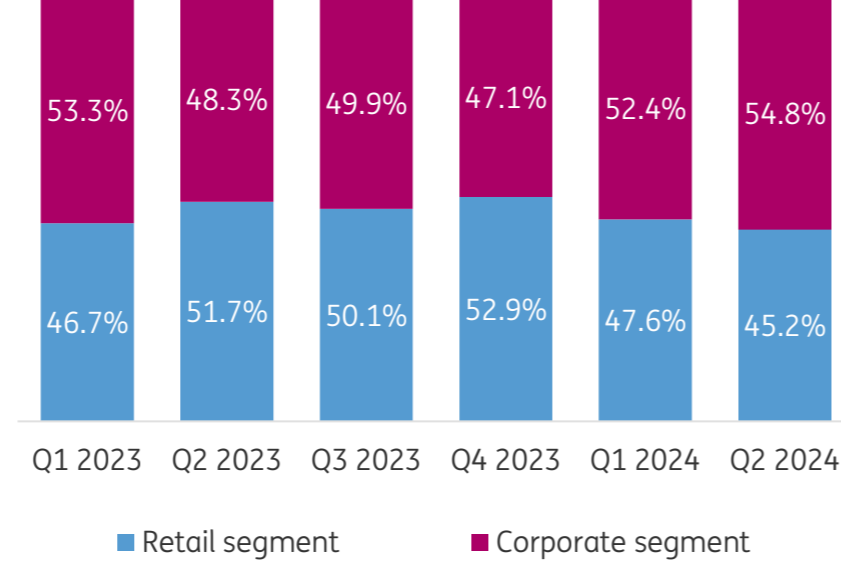
The operating expenses (including bank tax) of the retail segment increased by PLN 62.8 million y/y (+5.9%) to PLN 1,130.4 million, while the operating expenses of the corporate segment increased by PLN 193.6 million y/y (+17.4%) to PLN 1,303.1 million. Consequently, the share of the retail segment in expenses dropped by 2.6 p.p. to 46.5% compared to H1 2023.



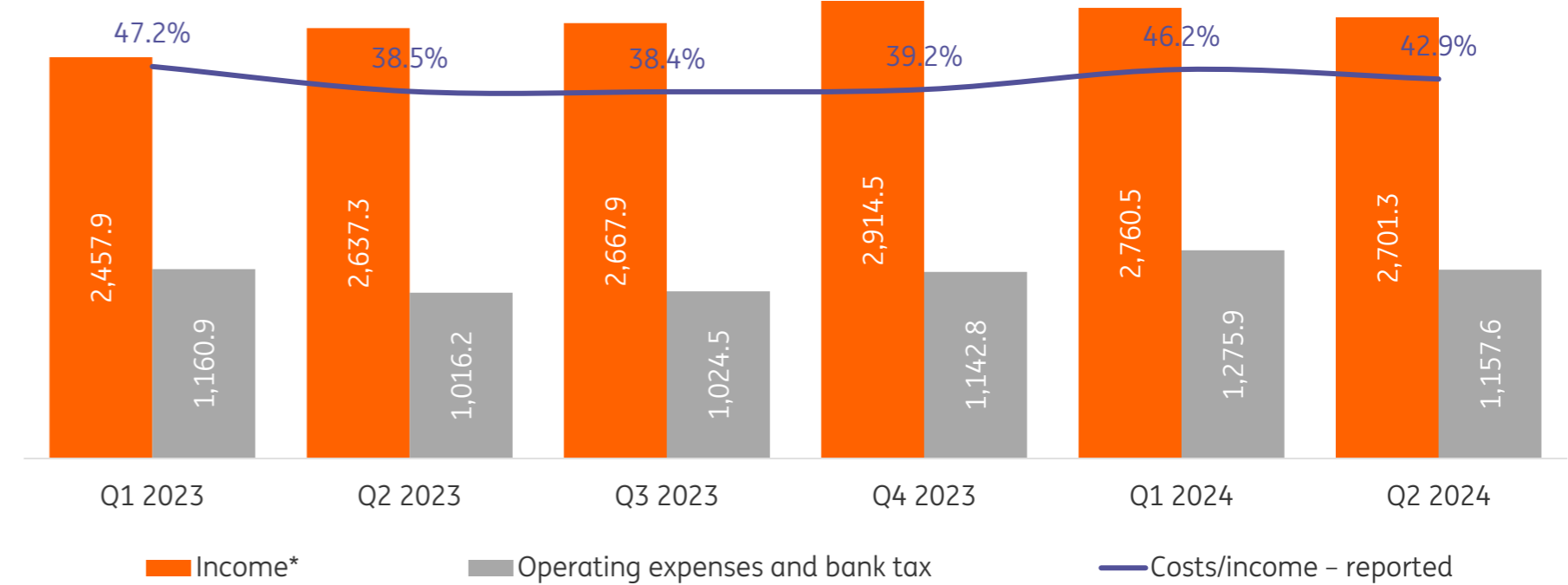
Operating expenses* by segment (PLN million)



Operating expenses structure*



Income* against operating expenses and bank tax (PLN million) and cost/income ratio



* Including bank tax.

Due to a higher growth rate in operating expenses (including bank tax) than in total income, the efficiency ratio – costs to income – deteriorated in H1 2024 versus the previous year. It was 44.6%, which means a growth by 1.8 p.p. r/r. The ratio of own costs alone (excluding regulatory costs and bank tax) to revenue was 34.6% in H1 2024 (+1.7 p.p. y/y).

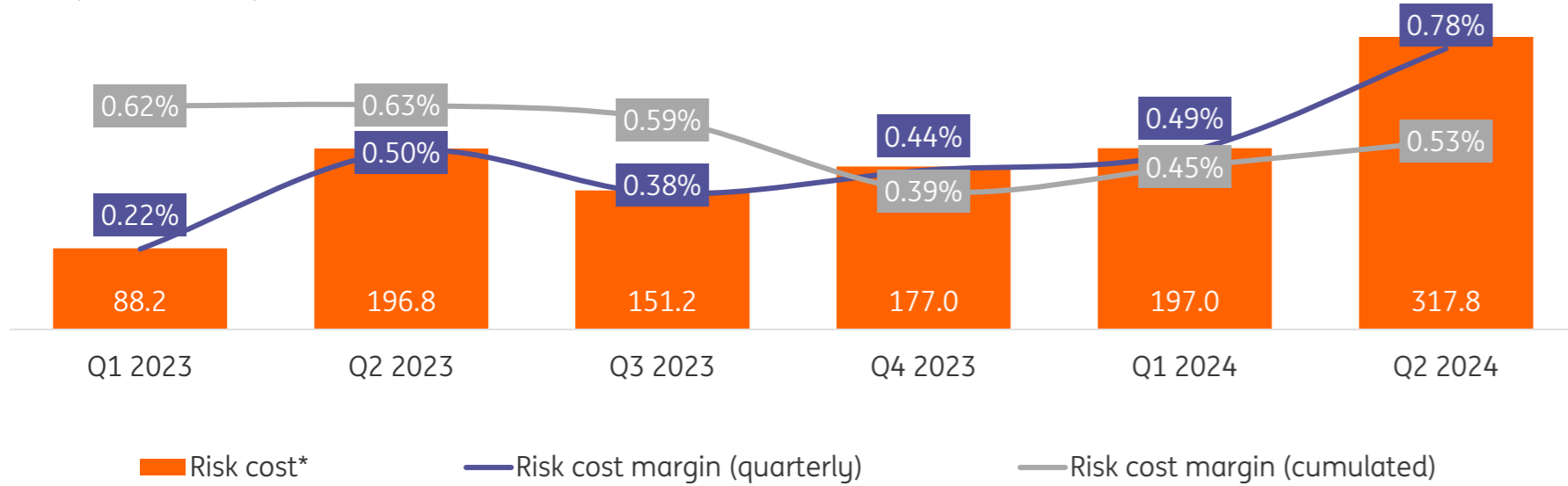
* Including the share in net profits of associates accounted for using the equity method.

Allowances for expected losses

In H1 2024, the ratio of the cumulative risk cost margin (the ratio of the allowance for expected losses and legal risk costs of foreign currency mortgage loans to the gross loan portfolio) decreased to 0.53% from 0.63% in the previous year. In the retail segment, the cumulative cost of risk margin (including legal risk costs of foreign currency mortgage loans) decreased from 0.77% in H1 2023 to 0.18% in H1 2024. This was due to the establishment of lower provisions for the legal risk of foreign currency mortgage loans – PLN 132.2 million of provisions in the period from Q3 2023 until Q2 2024 inclusive versus PLN 293.0 million of provisions in the period from Q3 2022 until Q2 2023. In the corporate segment, the cumulative cost of risk margin increased from 0.53% in H1 2023 to 0.77% in H1 2024.



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

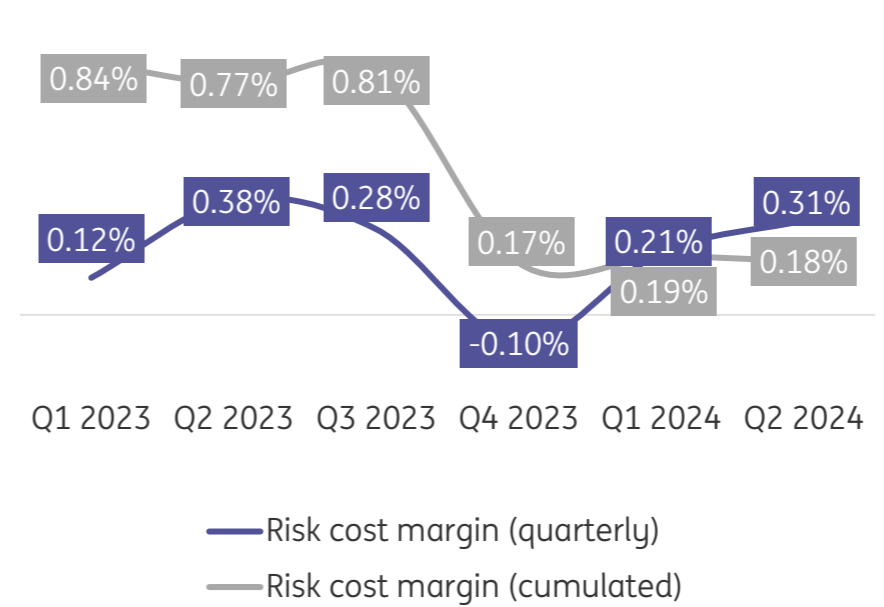
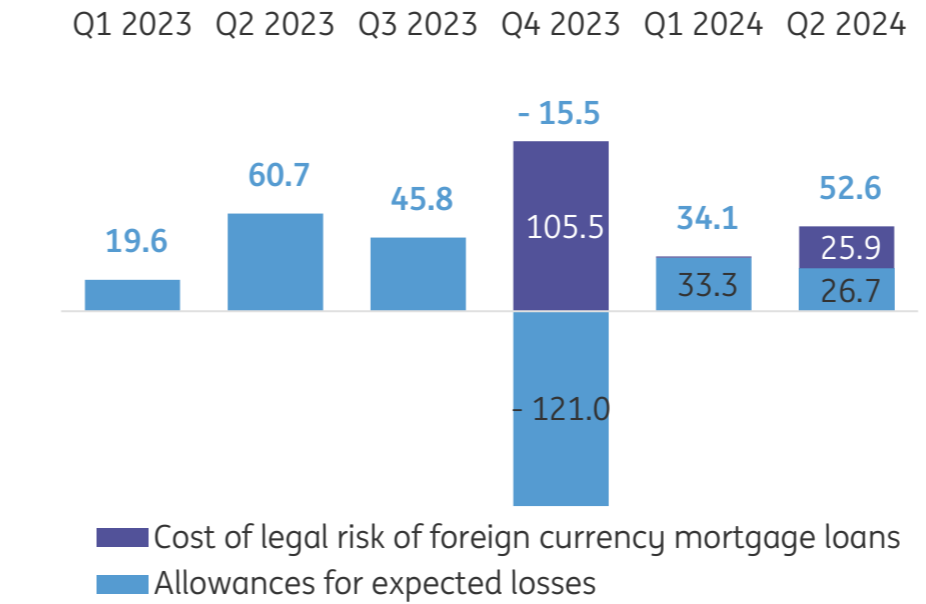


* Allowance for expected losses and legal risk costs of foreign currency mortgage loans.

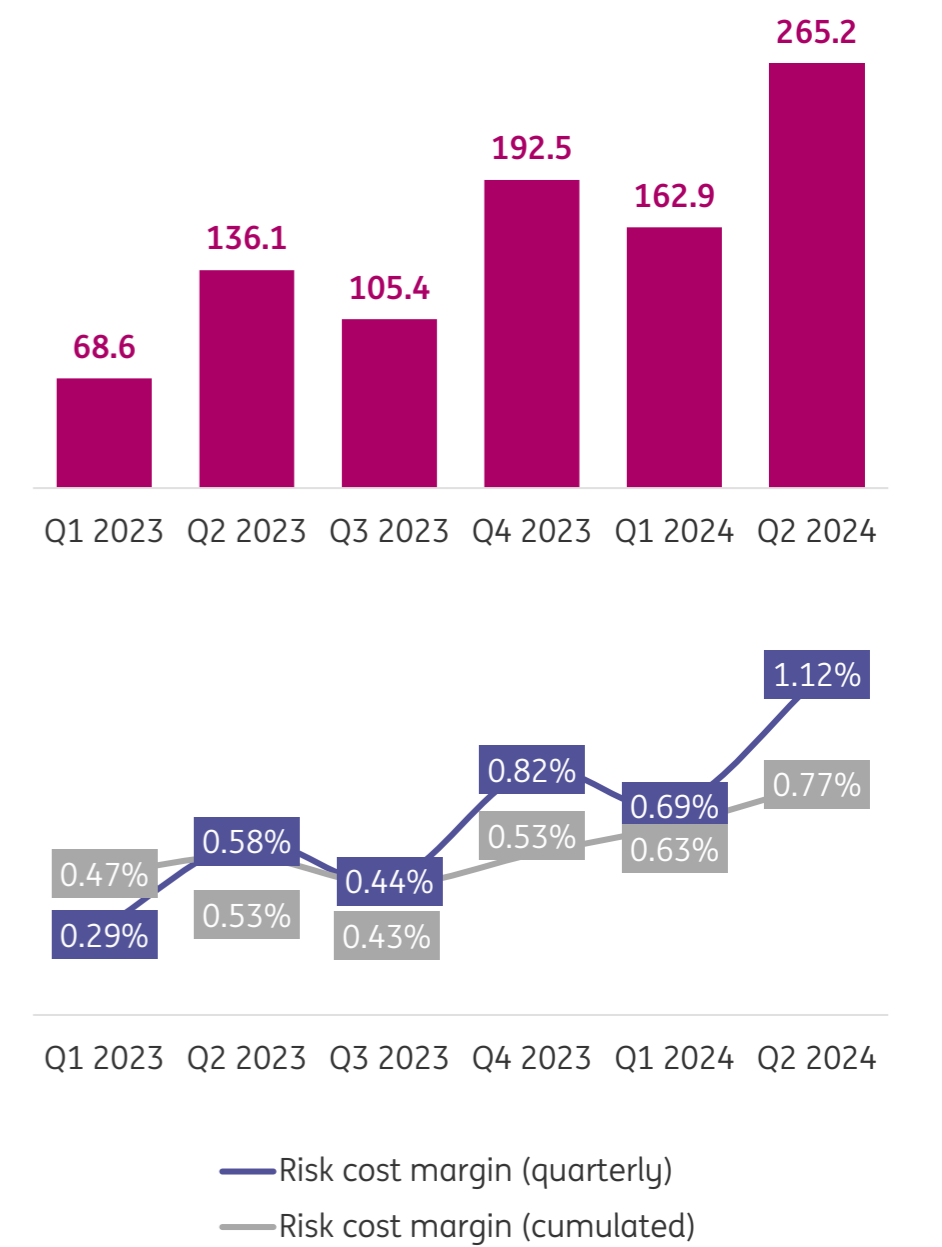
In H1 2024, the change in macroeconomic parameters in the models had a positive impact on the level of expected credit loss allowances (reduction) of PLN 53.4 million (PLN -8.6 million in the retail segment and PLN -44.8 million in the corporate segment). Similarly, in H1 2023, when this impact amounted to PLN 46.3 million.

In both H1 2024 and in H1 2023, our Capital Group did not carry out any sales of Stage 3 receivables portfolios.

Allowances (and margin) for expected losses on net financial assets and legal risk costs on foreign currency mortgage loans in the retail segment (PLN million)



Allowances (and margin) for expected losses on net financial assets in the corporate segment (PLN million)



Income tax

In H1 2024, the ING Bank Śląski S.A. Group recognized the income tax impact in the amount of PLN 555.5 million. It was 11.1% lower than the previous year. The effective income tax rate was 22.1% versus 23.7% a year earlier.

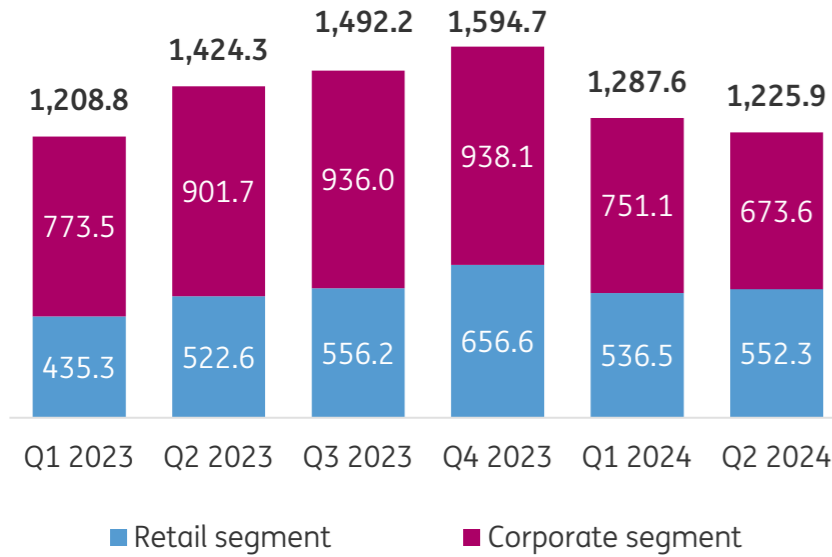


Report by business segment

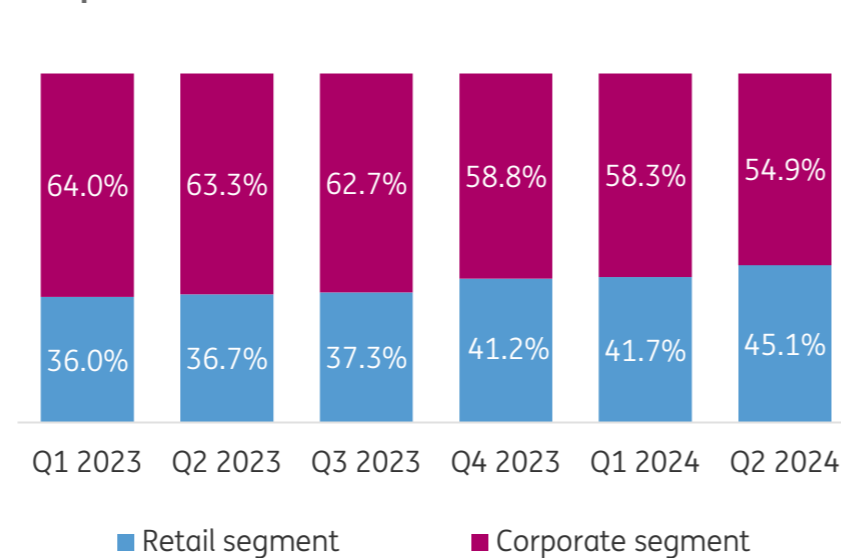
Our Bank's business model is divided into two major segments:

- retail banking segment within which individuals are serviced,
- the corporate banking segment, which comprises service of entrepreneurs, institutional clients (commercial companies) and operations in financial market products.

Gross profit by segment (PLN million)



Gross profit structure



In H1 2024, results of the retail banking segment and of the corporate banking segment accounted for 43.3% and 56.7% of the Group's gross result respectively (last year: 36.4% and 63.6% respectively).

Gross result in retail banking segment

	H1 2023	H2 2023	H1 2024	Change H1 2024 to H1 2023	
PLN million				PLN million	%
Net interest income	1,813.6	1,965.0	1,941.7	128.1	7.1%
Net fee and commission income	273.4	315.2	326.4	53.0	19.4%
Other income*	18.8	80.2	37.8	19.0	101.1%
Total income	2,105.8	2,360.4	2,305.9	200.1	9.5%
Operating expenses	-953.3	-1,000.3	-1,007.7	-54.4	5.7%
Risk cost**	-80.3	-30.3	-86.7	-6.4	8.0%
Bank tax	-114.3	-117.0	-122.7	-8.4	7.3%
Gross financial result	957.9	1,212.8	1,088.8	130.9	13.7%

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

Result before tax in corporate banking segment

	H1 2023	H2 2023	H1 2024	Change H1 2024 to H1 2023	
PLN million				PLN million	%
Net interest income	2,100.8	2,291.1	2,262.2	161.4	7.7%
Net fee and commission income	782.3	793.6	820.6	38.3	4.9%
Other income*	106.3	137.3	73.1	-33.2	-31.2%
Total income	2,989.4	3,222.0	3,155.9	166.5	5.6%
Operating expenses	-899.6	-846.9	-1,059.7	-160.1	17.8%
Risk cost	-204.7	-297.9	-428.1	-223.4	109.1%
Bank tax	-209.9	-203.1	-243.4	-33.5	16.0%
Gross financial result	1,675.2	1,874.1	1,424.7	-250.5	-15.0%

* Including net profit of associates consolidated using the equity method.

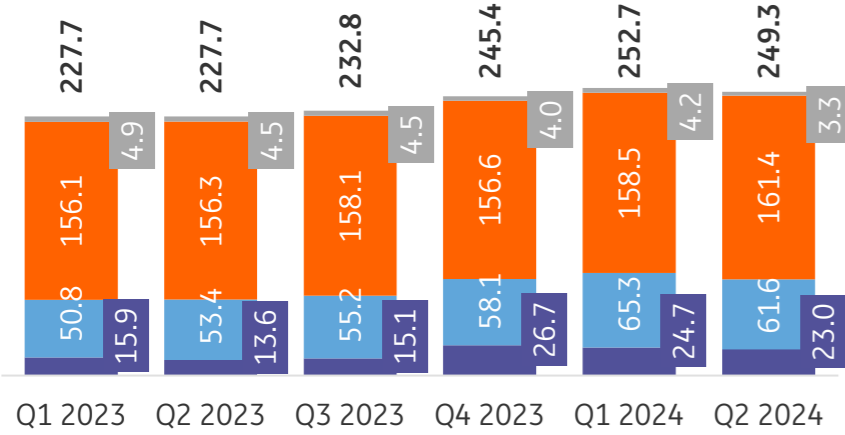


Statement of financial position

Assets

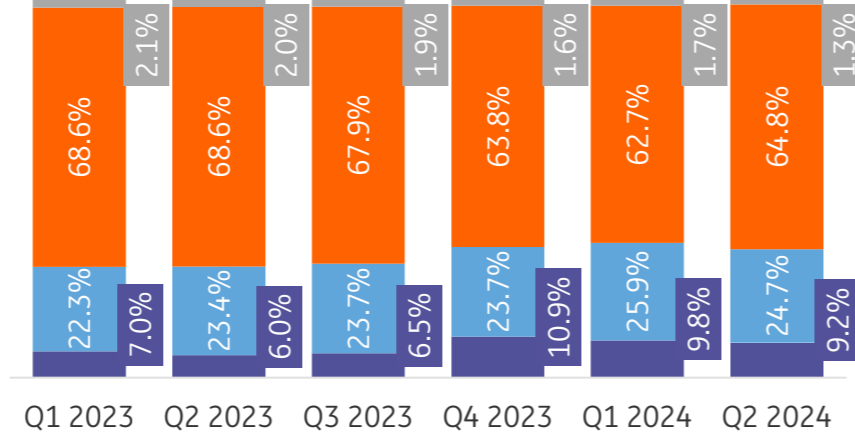
Total assets of the ING Bank Śląski S.A. Group amounted to PLN 249.3 billion at the end of June 2024. This implies that they were up by 1.6% (PLN 3.9 billion) compared to the end of 2023. The main driver of the growth was the portfolio of loans and other receivables from clients (PLN +4.9 billion, +3.1% versus the end of 2023) and securities (up PLN 3.5 billion, +6.0% versus the end of 2023), with a decrease by PLN 3.7 billion in the portfolio of loans and receivables from other banks and funds with the NBP (-13.8%).

Assets of the ING Bank Śląski S.A. Group (PLN billion)



- Other
- Loans and other receivables from clients
- Securities
- Loans and receivables from other banks + funds in the NBP

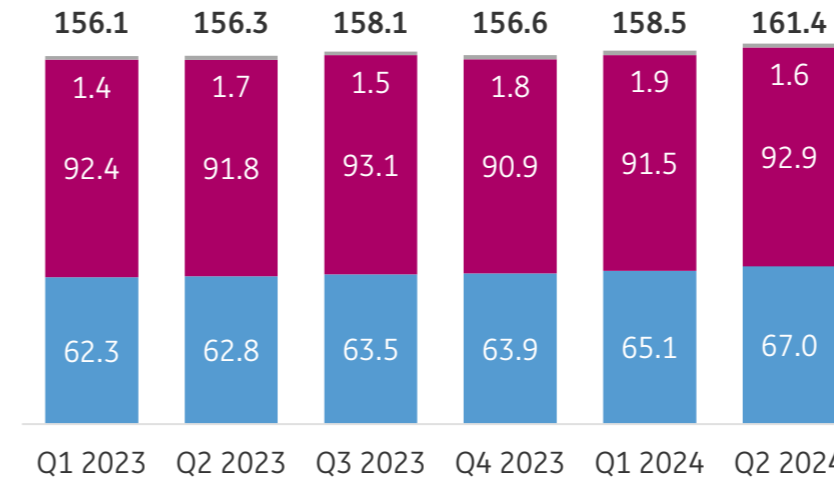
Structure of assets of the ING Bank Śląski S.A. Group



- Other
- Loans and other receivables from clients
- Securities
- Loans and receivables from other banks + funds in the NBP

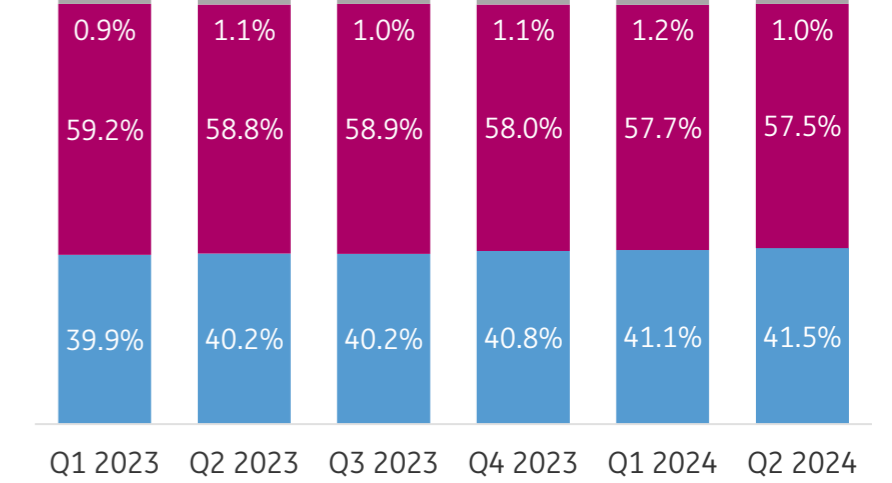
Retail segment receivables increased by PLN 3.1 billion versus the end of 2023 (+4.8%) and corporate segment receivables increased by PLN 2.0 billion (+2.2%). Thus, the share of the corporate segment in total receivables decreased by 0.5 p.p. to 57.5% versus 58.0% at the end of 2023, while the share of the retail segment increased by 0.7 p.p. to 41.5% at the end of H1 2024.

Net loans* by segment (PLN billion)



- Retail segment
- Corporate segment
- Other receivables

Net lending structure*



- Retail segment
- Corporate segment
- Other receivables

* Loans and other receivables from clients.

Net receivables from clients

	June 2023	December 2023	June 2024	Change June 2024 to June 2023	
PLN million				PLN million	%
measured at amortised cost	156,213.4	156,520.7	161,384.8	5,171.4	3.3%
measured at fair value through income statement	42.3	38.6	25.9	-16.4	-38.8%
Total	156,255.7	156,559.3	161,410.7	5,155.0	3.3%



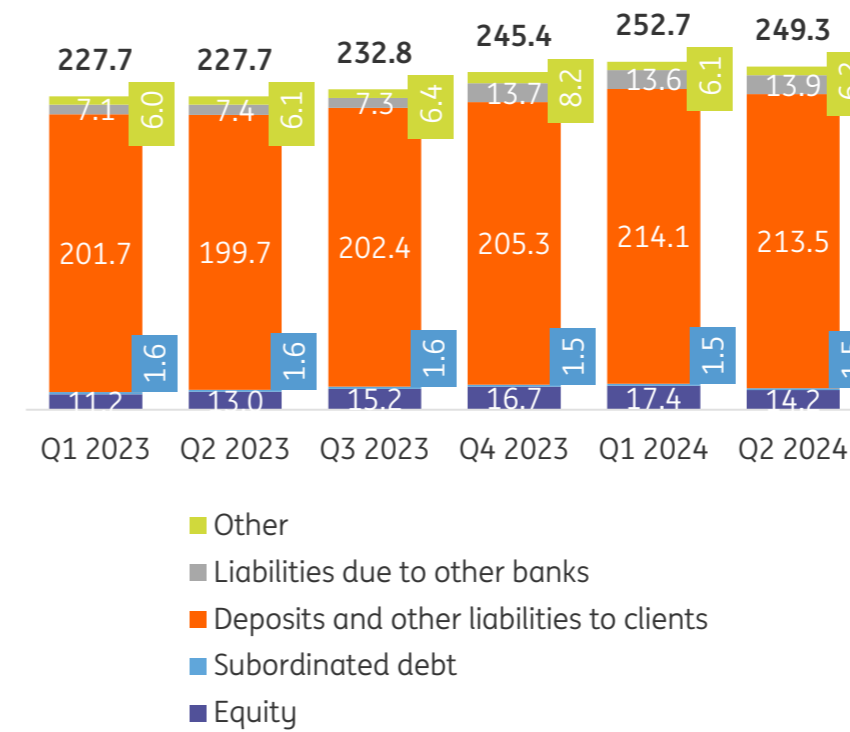
Net receivables from clients measured at amortised cost

	June 2023	December 2023	June 2024	Change June 2024 to June 2023	
PLN million				PLN million	%
Loan portfolio, of which:	154,550.0	154,747.7	159,815.5	5,265.5	3.4%
households	73,111.6	72,840.8	73,812.1	700.5	1.0%
business entities	78,378.5	78,753.3	82,956.6	4,578.1	5.8%
central and local government institutional sector	3,059.9	3,153.6	3,046.8	-13.1	-0.4%
Total, of which:	154,550.0	154,747.7	159,815.5	5,265.5	3.4%
Corporate banking	91,783.3	90,839.0	92,842.1	1,058.8	1.2%
overdraft facilities	15,697.1	13,599.2	15,390.3	-306.8	-2.0%
terms loans and borrowings	52,722.3	53,146.8	53,226.3	504.0	1.0%
lease receivables	11,894.3	12,439.0	12,363.5	469.2	3.9%
factoring receivables	7,228.2	7,464.0	7,682.0	453.8	6.3%
debt securities	4,241.4	4,190.0	4,180.0	-61.4	-1.4%
Retail banking	62,766.7	63,908.7	66,973.4	4,206.7	6.7%
mortgage loans and borrowings	54,689.7	55,492.2	58,080.0	3,390.3	6.2%
overdraft facilities	625.6	643.7	622.1	-3.5	-0.6%
other loans and borrowings	7,451.4	7,772.8	8,271.3	819.9	11.0%
Other receivables, of which:	1,663.4	1,773.0	1,569.3	-94.1	-5.7%
opened call deposits	677.0	606.9	526.8	-150.2	-22.2%
other receivables	986.4	1,166.1	1,042.5	56.1	5.7%
Total	156,213.4	156,520.7	161,384.8	5,171.4	3.3%

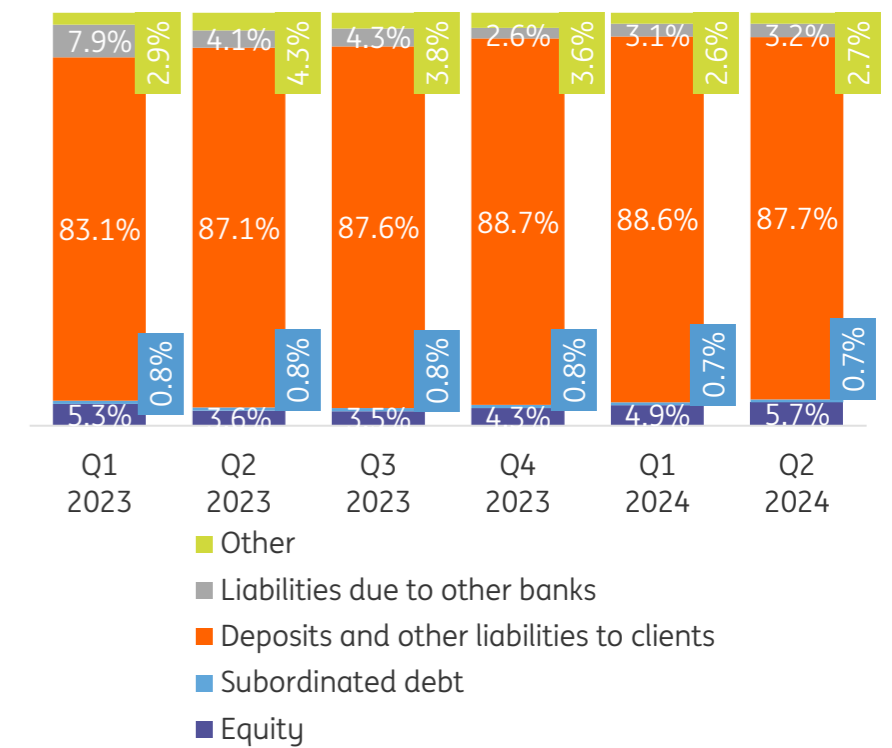
Equity and liabilities

Client funds were the dominant source of funding for ING Bank Śląski Group's operations. At the end of June 2024, liabilities to clients amounted to PLN 213.5 billion, or 85.7% of total liabilities. The Bank's equity accounted for 5.7% of total assets and stood at PLN 14.2 billion at the end of June 2024. The PLN 3.9 billion increase in liabilities versus the end of 2023 was driven by a PLN 8.3 billion increase in deposits and other liabilities due to clients, with a decrease in the Bank's equity as a result of the distribution of a total of PLN 4.3 billion in dividend to shareholders in H2 this year (read more about this [here](#)).

Liabilities of the ING Bank Śląski S.A. Group (PLN billion)



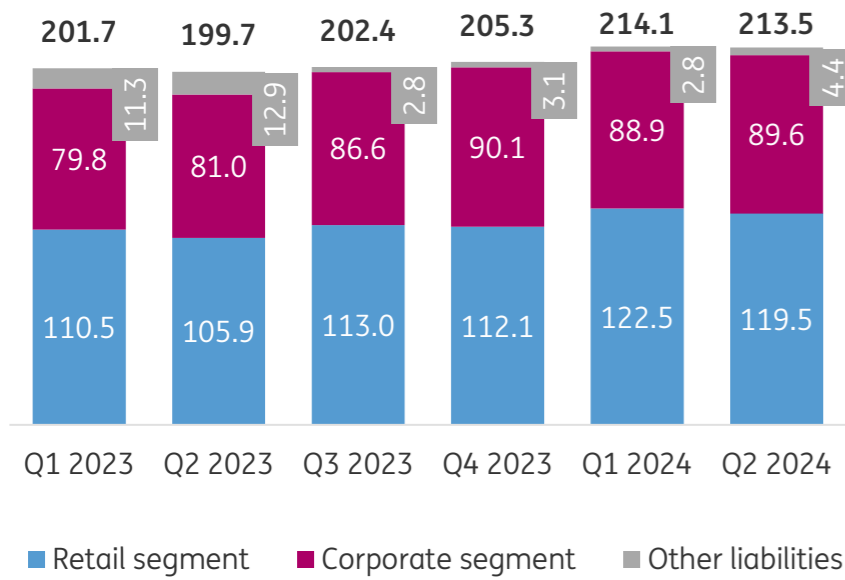
Structure of the ING Bank Śląski S.A. Group liabilities



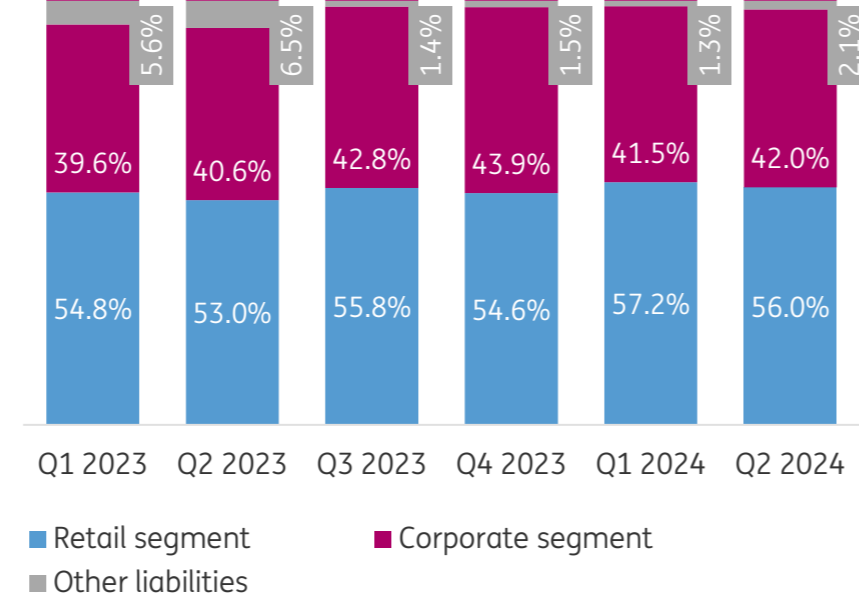
The 4.0% increase in deposits and other liabilities due to clients versus the end of 2023 was generated by liabilities due to clients, mainly in the retail segment (PLN +7.4 billion), with a decrease in the corporate segment (PLN -0.5 billion).



Deposits* by segment (PLN billion)



Structure of deposits*



* Deposits and other liabilities to clients.

Liabilities portfolio due to clients

PLN million	June 2023	December 2023	June 2024	Change June 2024 to June 2023	%
Deposits, of which:	186,849.3	202,208.5	209,157.5	22,308.2	11.9%
households	119,115.8	125,608.5	131,807.7	12,691.9	10.7%
business entities	60,823.0	73,017.4	69,745.2	8,922.2	14.7%
central and local government institutional sector	6,910.5	3,582.6	7,604.6	694.1	10.0%
Total, of which:	186,849.3	202,208.5	209,157.5	22,308.2	11.9%
Corporate banking	80,998.5	90,122.6	89,626.6	8,628.1	10.7%
current deposits	51,064.9	60,649.4	56,307.8	5,242.9	10.3%
saving deposits	16,656.5	19,440.8	18,595.7	1,939.2	11.6%
term deposits	13,277.1	10,032.4	14,723.1	1,446.0	10.9%
Retail banking	105,850.8	112,085.9	119,530.9	13,680.1	12.9%
current deposits	28,170.6	28,816.0	30,757.0	2,586.4	9.2%
saving deposits	64,598.9	67,713.1	73,143.8	8,544.9	13.2%
term deposits	13,081.3	15,556.8	15,630.1	2,548.8	19.5%
Other liabilities, including:	12,890.9	3,081.4	4,384.0	-8,506.9	-66.0%
liabilities under monetary hedges	752.1	823.2	789.6	37.5	5.0%
repo transactions	10,894.2	0.0	1,997.6	-8,896.6	-81.7%
other liabilities	1,244.6	2,258.2	1,596.8	352.2	28.3%
Total	199,740.2	205,289.9	213,541.5	13,801.3	6.9%

Quality of the loan portfolio

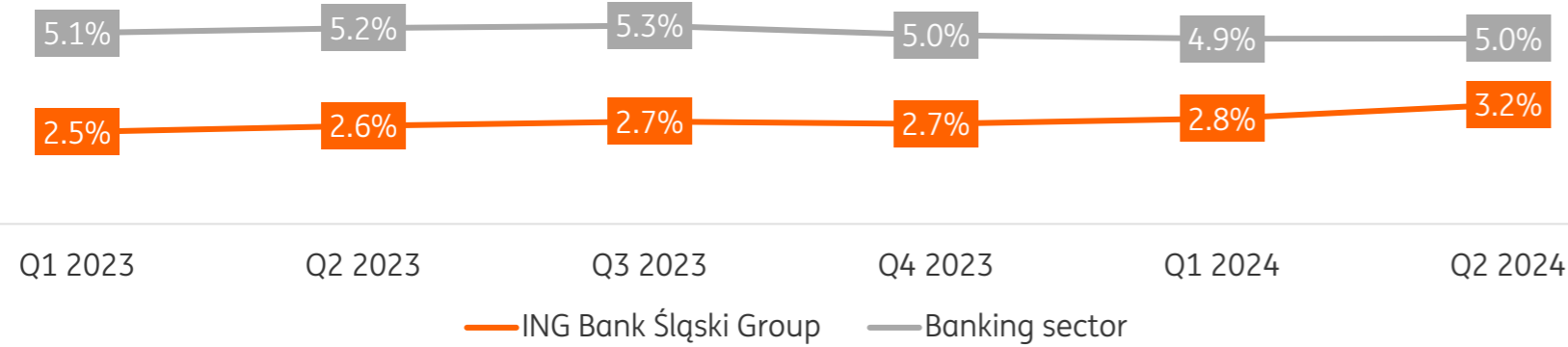
Share of Stage 3 receivables and POCI

In H1 2024, the quality of our loan portfolio deteriorated versus to the end of 2023. The share of Stage 3 and POCI loans in the ING Bank Śląski S.A. Group rose from 2.7% at the end of 2023 to 3.2% at the end of June 2024. Stage 3 and POCI loans in our group stood at PLN 5,227.5 million compared to PLN 4,231.6 million at the end of 2023 (up by



23.5%). Both in H1 2024 and in H1 2023, our bank did not conduct sales transactions of receivables portfolios from stage 3. The quality of our Bank's loan portfolios keeps being higher than the banking sector average when a comparison is made of the ratio of the share of Stage 3 loans. The share of Stage 3 receivables in the sector at the end of May 2024 was 5.0%.

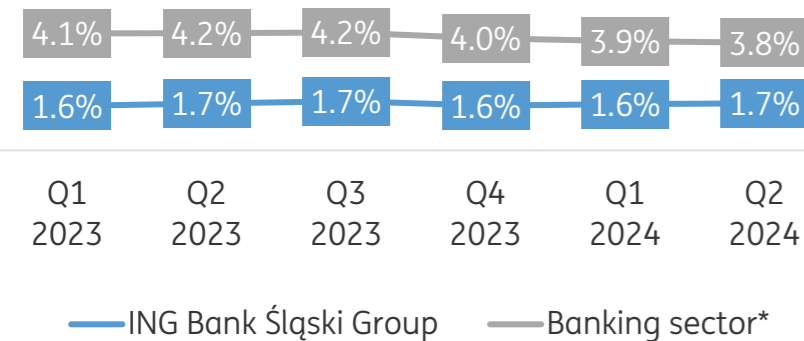
Share of Stage 3 loans at the ING Bank Śląski S.A. Group against sector average*



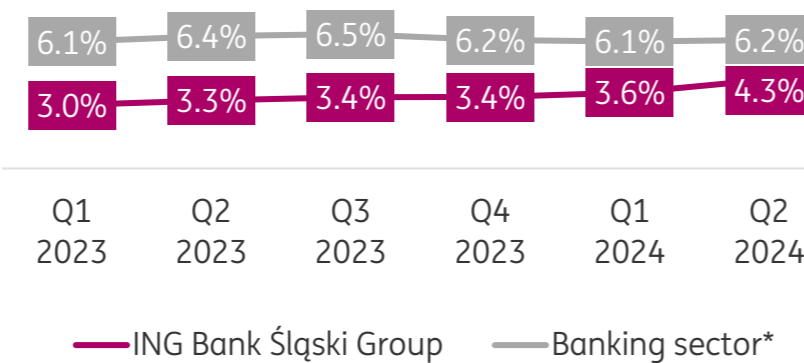
* Estimate on the basis of PFSA's data; data for May 2024 for Q2 2024 in the sector.

Importantly, both our retail and corporate loans are of a higher credit quality than the respective averages for the entire banking sector. As at end of June 2024, the share of Stage 3 loans and POCI in the retail segment in the ING Bank Śląski S.A. Group accounted for 1.7% against 3.8% for private individuals in the sector (data for May 2024). Equivalent ratios for the corporate segment are 4.3% for the ING Bank Śląski S.A. Group and 6.2% for the corporate clients sector, respectively (data for May 2024).

Share of Stage 3 and POCI loans in the retail portfolio



Share of Stage 3 and POCI loans in the corporate portfolio



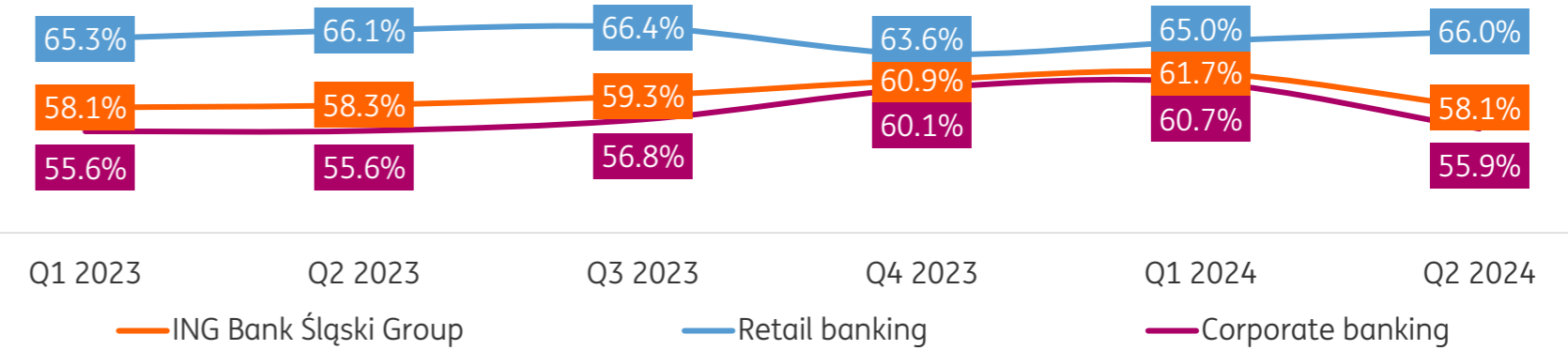
* Estimate on the basis of PFSA's data; data for May 2024 for Q2 2024 in the sector.

Coverage of Stage 3 and POCI loan portfolio by allowances

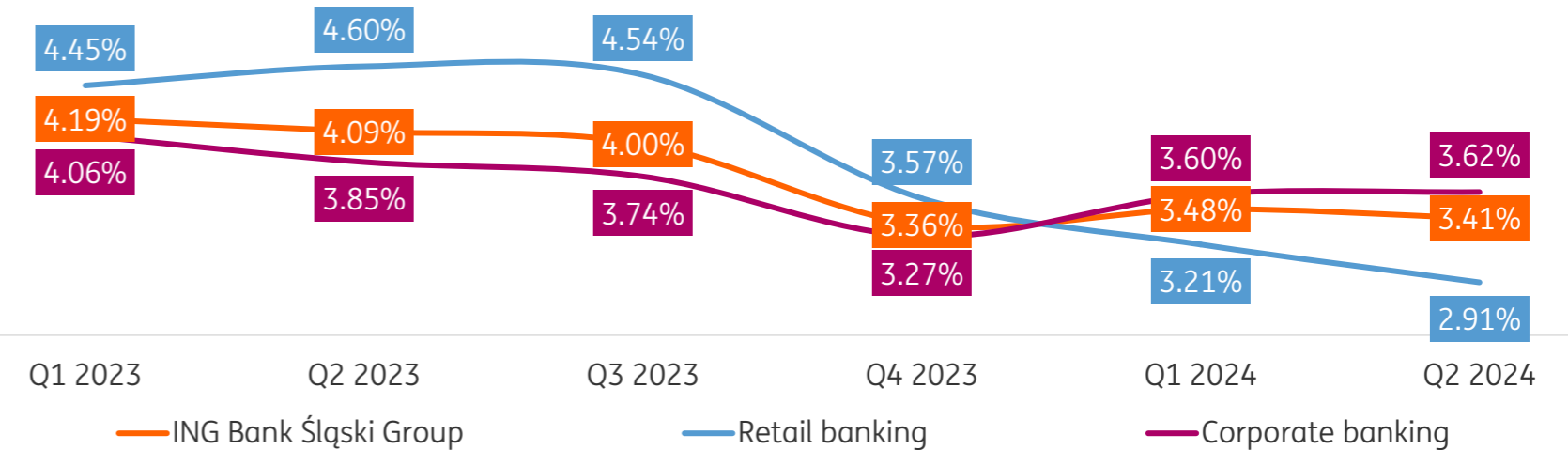
As at the end of June 2024, the ING Bank Śląski S.A. Group held provisions for the Stage 3 and POCI loan portfolio of PLN 3,035.3 million. The coverage of the Stage 3 and POCI loan portfolio with allowances was 58.1%.

As at the end of June 2024, the ING Bank Śląski S.A. Group held provisions for the Stage 2 loan portfolio of PLN 653.2 million. The coverage of the Stage 2 loan portfolio with allowances was 3.4%.

Coverage ratio of the Stage 3 and POCI loan portfolio with allowances



Coverage ratio of the Stage 2 loan portfolio with allowances

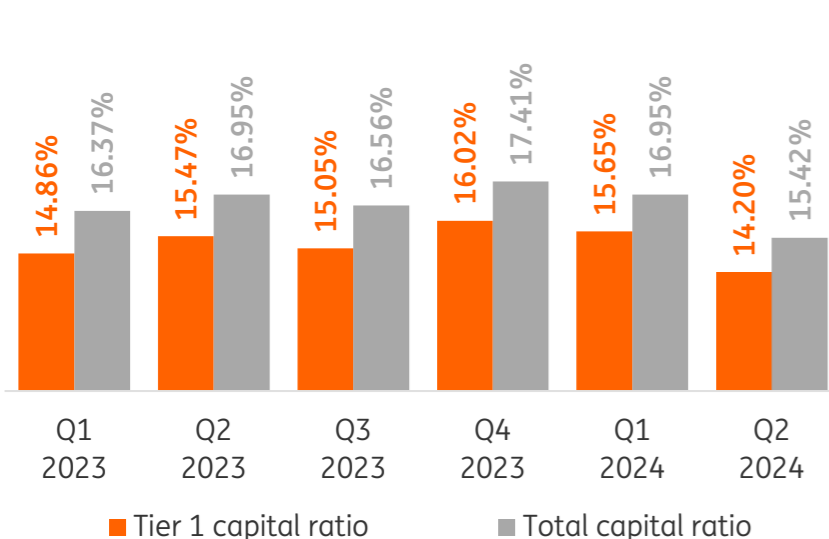




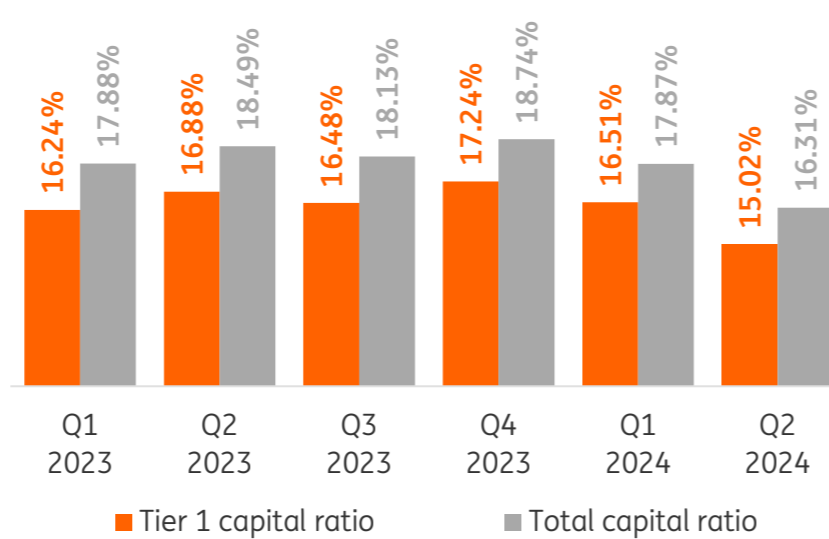
Capital adequacy

On 30 June 2024, the TCR (total capital ratio) for the ING Bank Śląski S.A. Group was 15.42%, compared to 17.41% at the end of 2023, and the Tier 1 ratio was 14.20% and 16.02% respectively.

Capital ratios for the ING Bank Śląski S.A. Group



Capital ratios for ING Bank Śląski



If the Bank had not applied the transition period for the implementation of IFRS 9, the total capital ratio and the Tier 1 capital ratio would have been respectively:

- at the consolidated level – 15.39% and 14.17%,
- at the standalone level – 16.29% and 14.99%.

Declared and paid dividend

Abridged history of dividend payment by ING Bank Śląski S.A.

	2019	2020	2021	2022*	2023*
Dividend amount in a given year (PLN million)	0	663.5	689.5	0	4,338.8
Dividend amount per share (PLN)	0	5.10	5.30	0	33.35
Dividend payment rate (to consolidated profit)	0%	49.6%	29.9%	0%	97.7%
Dividend payment rate (to the share price on the dividend rights acquisition day)	0%	2.0%	2.3%	0%	11.0%

* Including: PLN 3,330.5 million from the Bank's 2023 profit, representing 75% of ING Bank Śląski S.A.'s standalone and consolidated 2023 profit, and PLN 1,008.3 million from the dividend reserve. The amount of PLN 1,008.3 million consists of: PLN 494.4 million in profit for 2019 and PLN 513.9 million in profit for 2022.

Dividend from 2023 profit

In 2024, ING Bank Śląski paid a dividend from its 2023 profit.

The Bank Management Board recommended to the General Meeting a dividend for 2023 of PLN 3,330.5 million, representing 75% of ING Bank Śląski's standalone and consolidated profit for 2023, and PLN 1,008.3 million from the dividend reserve, totalling PLN 4,338.8 million. The proposed dividend per share is PLN 33.35 gross. The amount of the proposed dividend provides both for the current financial situation of the Group and the Bank and their development plans. We provided information in this regard in our [current report of 6 March 2024](#). In the [current report of 21 February 2024](#), the Bank Management Board informed of a letter from the PFSA containing an individual dividend recommendation.

The General Meeting of 11 April 2024 adopted a resolution on dividend payment as proposed by the Management Board. We reported on this in our [current report of 11 April 2024](#). The dividend was distributed on 6 May 2024.

More information on dividend policy of our Bank and the history of dividend distribution can be found at: <https://en.ing.pl/company-profile/investor-relations>.



Dividend from 2022 profit

In 2023, ING Bank Śląski did not pay dividends from the profit for 2022.

According to the [current report of 17 March 2023](#), the Management Board presented a proposal for the distribution of net profit for 2022, which did not include the payment of a dividend. The Management Board proposed that PLN 513.9 million (30% of the net profit for 2022) be allocated to the dividend reserve, including advances on expected dividends.

The Ordinary General Meeting of 26 April 2023 passed a resolution with regard to the distribution of profit for 2022 as proposed by the Management Board ([resolution number 23](#)).



Our resources and infrastructure

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On-line banking:

We offer our clients products and services tailored to their needs. We provide access to on-line and mobile banking, which allows you to do most things remotely. We offer traditional banking products, but also services and products that go beyond traditional banking such as motorway payments or parking, subscription management in a mobile application or educational handbooks.

Moje ING – individual clients and entrepreneurs

In H1 2024, we introduced solutions that enhance security and self-service for our clients and we kept developing our existing processes.

Security and accessibility

Security of credit processes

We have introduced additional security in all loan processes, which will make an even greater impact on the security of our clients' funds. If a client has blocked their PESEL number, they will not be able to sign a facility agreement with us until they unlock it.

Anti-spoofing

For Moje ING clients, we have launched the first phase of an anti-spoofing service – Verify your phone with ING. We have developed a mechanism to notify clients (via PUSH messages) of the specialist's caller details, available when they log in to the application. In this way, during the call, the client can confirm the authenticity of the call from the Bank. In addition, in the Security and Help and Contact sections, at any time the client can see if we are calling them.

We are more accessible

We want to be accessible to everyone, so we have brought more and more services up to the WCAG 2.1 digital accessibility standard, including the investment survey, stock quotes, fund purchases and mortgage loan details.

Convenience and usefulness

Convenient navigation from the website to Moje ING

We have implemented a solution that allows clients to quickly navigate from our ing.pl website to the Moje ING mobile application in the iOS operating system. When a client clicks on a link of interest in the browser on their phone, they will be redirected to a place in the application where they will continue their activities, order a product of interest, view an offer or complete a business process.

New view of Scheduled Payments and convenient management of recurring payments

We have changed the default view of Scheduled Payments to payments over 6 months. This way, the client does not have to set up the next month's view using a filter, as they will see it under the current month. Clients can also independently select the accounts for which they see payments and specific transaction types listed. We have also improved the design of the transfer prompts section. All these changes aim to make navigating the application even more convenient.

In addition, each payment type – standing order, direct debit and regular investment – now has its own separate management page. We have improved their design to make it easier for clients to use these services.

Voicebot of ING Bank Śląski – Inga

- Inga has appeared on new helplines – after the main helpline, it was time for a mortgage helpline, a card helplines (servicing, activation and stopping) and a corporate and small business client helpline. In May, Inga answered around 80% of all calls from retail helplines and 99% of calls from corporate helplines.
- Inga sends notifications – during a self-service call on the helpline, Inga is already able to send a notification in the application with a link to the case the client is asking about. The ability to send a PUSH message has already been added to seven competences.
- Inga handles the client's case – the bot is able to register a complaint concerning ATM withdrawals (ours and at other banks). If necessary, the bot inquires and assists the client, guiding them through the process.
- Inga has new information competences – the bot is able to provide information on cash deposits, card payments abroad, on topics related to creditworthiness, anti-spoofing, credit holidays or on the topic of Family 800+. She has also learned new issues in card topics – unlocking, activation or expiry of the card, related to the operation of Moje ING and many others, such as transfers, changing PIN code or limit, activating Moje ING, helping the client when they forget their login, password or ran out of SMS codes, among others. In total, Inga can assist clients in as many as 86 areas.
- Inga examines client satisfaction after a conversation – after a self-service conversation, the client can give feedback. Inga asks if she helped to settle the case and asks for an evaluation of the conversation.



Everyday banking

Government programmes

We launched the new 800+ edition and experimented with new communication possibilities. We have also prepared an application for the new edition of “Good start – PLN 300 for a student”, which started on 1 July.

We are changing for the young

We made it possible for 13-17 year olds to use the Exchange Office (Kantor). This will allow them to exchange PLN into EUR, USD and GBP, set up exchange rate notifications and order automatic exchanges. Previously, only adults could use the Kantor.

We have also provided young clients with the opportunity to set up a Smart Saver in Moje ING, without having to visit the Bank.

Game top-ups and gift cards

We have added two new non-bank products to the Moje ING application: a gift card to H&M shops and top-ups to the Canal+ platform. We look forward to even greater interest from our clients in this offer.

Parking fees

We have launched the ability to pay for parking fees via Apple CarPlay. A client who connects their phone to their car using Apple CarPlay, via the car’s display, can pay for parking fees.

Education

Learning to invest with ING

We have made the third part of the guide available on ing.pl and in Moje ING for clients interested in the Bank’s investment products. In a simple and understandable way, we explain the most important phenomena, terms

and mechanisms governing the world of the stock market and teach how to manage the money consciously and responsibly.

ING Business – business operating as commercial companies

The on-line banking platform is designed for corporate clients (companies operating as a company, i.e. other than entrepreneurs who are serviced through Moje ING). The ING Business consists of a browser version, native smartphone applications and a H2H channel – ING WebService. We are successively working on further regular updates and releasing new important features.

Mobile application

In H1, we provided clients with further updates to the ING Business mobile application. The changes were in several areas: PUSH notifications, a new start screen for the application, a new advertising slot on the start screen and a preview of card details including limits and balance.

As part of our work on the navigation and appearance of the application, we have redesigned the application’s start screen to make it simpler and easier to read. We have listened to our clients – we have shown the funds available in the account and the last operations. We allow the client to choose which account they want to see on the dashboard.

The vast majority of clients using the mobile application are corporate business decision-makers. With the new advertising slot on the start screen, we can reach them even more effectively with the solutions or the offer we have developed for them.

We have also made the card details available on the mobile application. This allows users to check the most important information (limits or balance) on the main card view and access card details. In addition, in June

we implemented the ability to add cards directly from the application to the Apple Pay wallet.

Notifications

We have provided clients with a new version of PUSH account event notifications. They replaced the existing ones: SMS and e-mail and other banking notifications and at the same time became the only and free form of notification available to clients. To take advantage of the new notifications, it is necessary to update the mobile application to the latest version 4.9.0.

With our clients’ needs in mind, we have included the following notifications in PUSH form:

- Transfer information: debits/credits and rejected transfers.
- Selected currency exchange transactions: execution of FX offers, termination of FX offers, execution of FX Alerts and rejection of FX Transactions.
- Card transaction information (set up from the ING Business Cards module): debit transactions, payment rejections, card blocking and no repayment (for credit cards).
- Statuses on completed and rejected requests.

To sign up for notifications, simply log into banking in your browser or mobile application, go to the Notifications tab and configure the types of notification you want.

LiveBank

At the beginning of the year, we implemented LiveBank at ING Business – a communication tool that allows users to interact with the Bank via chat, audio and video. The tool makes it significantly easier to get the information clients need and shortens the conversation time. Anyone connecting to us



via LiveBank is authorised by the system, so they do not have to answer a large number of questions to verify their identity.

In the first phase, we included the possibility of chatting, which was very much welcomed by clients. Their feedback shows that they have been waiting for such a solution and they appreciate it very much. By the end of June 2024, around 4,500 chats had taken place. We plan to make further forms of contact available in H2 2024.

Security

In May 2024, we provided clients with a new module in ING Business – Security Principles – where users can find all the necessary information and guidance on the security of their data and the safe use of on-line and mobile banking. The new tab in the system aims to raise awareness among clients using the system and the mobile application about the protection and security of information stored in banking.

Our meeting places

At the end of Q2 2024, ING Bank Śląski had 188 retail meeting places. All our meeting places are equipped with self-service areas where clients can both withdraw and deposit cash themselves. The Bank continues to modernise its meeting places by replacing equipment and interior decoration and by implementing new functional solutions.

At the end of June 2024, the Bank also had 54 ING Express sales outlets located in major shopping centres across Poland and 55 cash service points where only cash at the counter (deposits, withdrawals) can be dealt with.

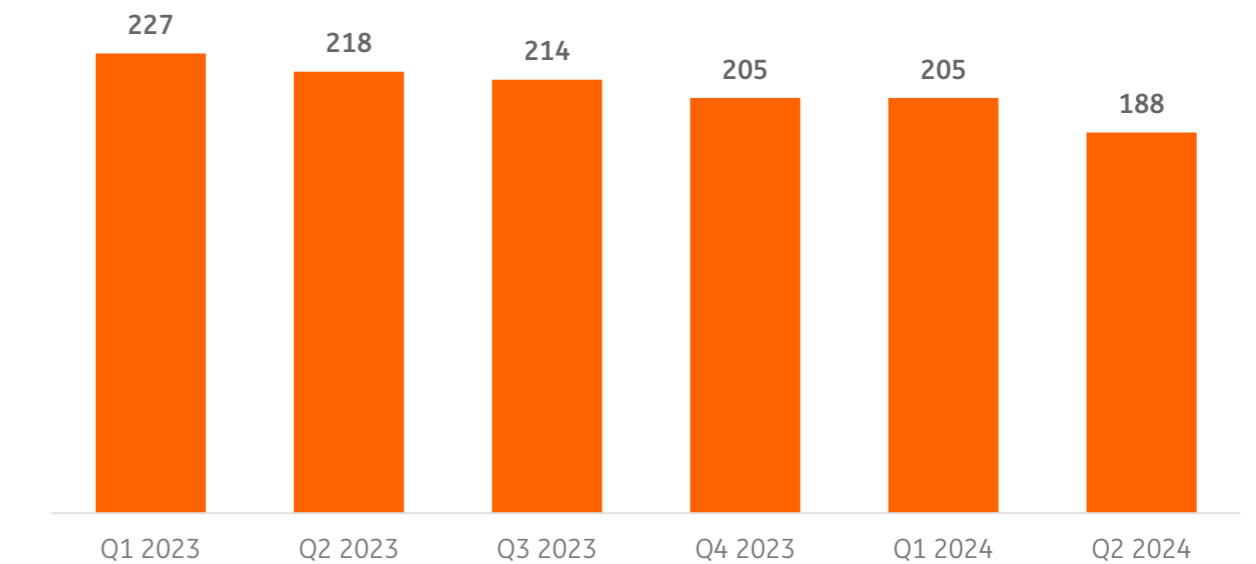
Our outlets were normally available to clients for seven hours (10 am – 5 pm) on Mondays, Tuesdays, Thursdays and Fridays and on Wednesdays (10 am – 3 pm).

Contact Centre specialists were at our clients' disposal 24/7 at all times.

Structure of the distribution network at the end of Q2 2024

Province	Meeting places and counter service points (including counter service points)	ING Express
dolnośląskie	14 (4)	5
kujawsko-pomorskie	6 (3)	5
lubelskie	2 (1)	2
lubuskie	2 (2)	0
łódzkie	13 (2)	2
małopolskie	21 (6)	7
mazowieckie	26 (6)	5
opolskie	10 (3)	1
podkarpackie	6 (3)	3
podlaskie	3 (1)	3
pomorskie	8 (2)	6
śląskie	51 (14)	3
świętokrzyskie	4 (2)	2
warmińsko-mazurskie	3 (1)	3
wielkopolskie	14 (3)	5
zachodnio-pomorskie	5 (2)	2
Total	188 (55)	54

Number of our bank outlets



Our Bank serviced corporate clients in the medium-sized and large enterprise segment through 29 business banking centres and 14 corporate banking centres. Almost all of them operated in the same locations as retail branches. The largest corporate clients, meanwhile, were served by the Sector and Product Departments in the Strategic Client Area based in Warsaw and through the regional office in Katowice.

As at the end of June 2024, there was a network of 844 recyclers available to clients – devices with a deposit-withdrawal function, all with a contactless reader.

Human resources management

Headcount

As at 30 June 2024, the ING Bank Śląski S.A. Group employed 8,242 people (of which ING Bank Śląski S.A. employed 7,781 people). The number of employees increased by 137 versus December last year. The reported decrease in headcount is due to the continuation of a multi-year project to evolve the Bank's organisational structure, including above all the further



optimisation of the number of outlets and the development of digital channels in the retail segment, the redesign of the organisational structure and processes in the corporate segment and the optimisation and automation of processes in the Bank's business area support units.

Employment in the ING Bank Śląski S.A. Group

	31 December 2023		30 June 2024	
	persons	FTEs	persons	FTEs
Head Office in Warsaw	1,228	1,222.9	1,244	1,237.1
Head Office in Katowice	3,660	3,645.9	3,707	3,680.1
Branches	3,018	3,005.4	2,830	2,820.9
Bank Total	7,906	7,874.2	7,781	7,738.1
ING Lease (Poland)	240	239.4	231	230.5
ING Commercial Finance	113	112.6	114	114.0
ING Bank Hipoteczny	36	35.9	35	35.0
ING Usługi dla Biznesu	36	35.1	32	31.1
Nowe Usługi	3	2.9	3	2.9
Paymento Financial	31	29.5	30	28.5
SAIO	14	3.4	16	14
Subsidiaries	473	458.8	461	456.0
ING Bank Śląski Group	8,379	8,332.9	8,242	8,194.1

At the Ordinary General Meeting held on 11 April 2024 a report was presented in the functioning of the remuneration policy at ING Bank Śląski in 2023 in line with the guidelines of the "Principles of Corporate Governance for Supervised Institutions". The General Meeting found the remuneration policy pursued by the Bank as supporting the development and security of the Bank's operations.

Fixed remuneration

In H1 2024, ING Bank Śląski S.A. maintained the core task of the remuneration policy to effectively support strategic objectives. The assumptions underlying the policy include market levels as well as transparency and consistency of remuneration offered to employees. We

have followed a consistent remuneration policy for many years. In the last two years, we have paid particular attention to the pay gap, which we identify on the basis of the *gender pay gap* and *equal pay for equal work* indicators, as well as pay benchmarks. These analyses allow us to plan the assumptions of pay rise actions so as to gradually eliminate the gap – which is one of the main objectives of the HR strategy.

Based on the results of a market analysis taking into account macroeconomic conditions and the level of inflation, the Bank Management Board has decided to launch a pay rise action targeting employees on 1 April 2024. The action assumed an increase in the ING Bank Śląski Group's base salary fund by approximately 7.5%.

The main assumptions of the pay rise action were:

- An increase in the minimum salary to PLN 5,500 gross full-time. This represents an increase of PLN 500 versus the previous minimum.
- The introduction of a new pay scale, where we will increase minimum wages in all categories.
- Discretionary pay rises are intended for employees who stand out with their competence and good performance.

The indicated rises of the pay fund do not include higher salary costs related to completed staff promotions.

2024 is the next year of the hybrid working model, for which a remote working allowance is paid to offset its costs. In December 2023, the allowance was paid to all employees. The allowance compensates for the costs of remote working for the full year of 2024. In addition, after the end of each quarter, an adaptation allowance is paid to employees newly recruited and those returning from long-term absences.

Variable remuneration

The bonus amount for 2023 for each employee was subject to assessments in three areas:

- work results,
- orange code,
- challenges.

The Bank also settled the bonus of employees covered by the Variable Remuneration Policy for Identified Staff of ING Bank Śląski. In accordance with the Policy, variable remuneration is deferred and at least 50% is paid in financial instruments.

In H1 2024, a portion of the non-deferred bonus for 2023 and a portion of the deferred bonus for 2017 and 2018 (applicable to the President of the Bank Management Board), 2019, 2020, 2021 and 2022 Identified Staff were paid. A portion of the variable remuneration awarded in phantom shares for these years was also settled.

Implementation of the new approach to variable remuneration for Identified Staff

In 2022, an incentive programme was established at the Bank for persons with a significant influence on the Bank's risk profile, under which treasury shares are awarded free of charge as a component of variable remuneration within the meaning of the Regulation of the Minister of Finance, Funds and Regional Policy.

In December 2023 and March 2024, we completed the repurchase of the second and third tranches of treasury shares, acquiring 39,092 shares for a total amount of PLN 11.3 million, representing approximately 0.01916% of the share capital and approximately 0.03004% in the total number of votes at our General Meetings. We reported on the completion of the repurchase of both Tranche II and Tranche III with our current reports numbered



[33/2023](#) (including the [appendix](#)) and [9/2024](#) (including the [appendix](#)), respectively.

Tranche II and III of shares acquired represent the first part of the deferred financial instruments granted for the period from 1 July until 31 December 2022 and the non-deferred financial instruments granted for the period from 1 January until 31 December 2023. The shares are subject to a holding period of one year from the date of grant – in the case of members of the Management Board, transactions in the acquired shares may take place after 20 March 2025 while in the case of other Identified Staff after 18 March 2025.

Recruitment and development of the image of the organisation as a desirable employer (employer branding)

The employer brand is a reflection of how people work in our company, our organisational culture and the way we treat each other. The image and atmosphere we build as an employer influences the recruitment of suitable candidates to work whose values are in line with our Orange Code. It also affects the commitment and willingness of our employees to stay longer with the company. In H1 2024, we positioned the ING brand as an employer, focusing on external communication in social media, at Meet the Lion events organised at universities, and at job fairs and university career days.

Communication activities to promote the ING brand as an employer

In H1 2024, we continued actions to promote the employer’s brand and to support recruitment activities in social media (mainly LinkedIn, Instagram, Bank’s career site). We reached candidates with posts that were directly or indirectly related to work at the Bank, by publishing job offers, recruitment marketing, actions of managers, recruiters and employees with the aim to build and develop contacts. These measures result in us maintaining a constant, unique number of visitors to our on-line careers website, including

job vacancies, with a constant amount of time the visitor remains on the site.

In H1 2024, we launched the Employee Advocacy programme, through which we acquired 76 Ambassadors. These are individuals who regularly publish content on LinkedIn – through their publications, we reinforce the image of a friendly, safe and modern organisation that is a good place for professional development.

Job fair

In H1 2024, we carried out numerous activities in the area of activities addressed to specialists with professional experience. We used different types of activities and outreach channels. Those included inter alia: attendance in thematic conferences (webinars, workshops, conferences, expert communications) and attendance of job fairs.

ING Bank Śląski was a participant in the Warsaw IT Days and one of the largest career events for students and graduates – Absolvent Talent Days in Katowice. Our Bank received a distinction in the Golden Zebra poll from fair participants in the “Content” category – first place and second place in the “Stand” category.

Employer brand advocates

We are continually improving and making the Employee Referral Programme more attractive to our employees. In H1 2024, we received 776 referrals and employed 27 people.

The presence of our employer brand in channels dedicated to young talent (students, graduates) was supported by activities carried out by participants in the Ambassador Programme. A group of seven male and female students represented the Bank at seven universities. Mentored by Bank employees who supported the Ambassadors in getting to know ING, they organised initiatives to promote development paths and raised awareness of ING’s organisational culture.

Candidate experience survey

We keep paying particular attention to our candidates’ experiences and impressions during and after the recruitment process at the Bank. Based on the results of the survey and the NPS study of the recruitment process, we are developing improvements to the process on an ongoing basis to foster an even better experience for applicants to the Bank and its subsidiaries. In H1 2024, we conducted a series of educational webinars for Hiring Managers and Manageresses on the topics of recruitment and “candidate experience”. At the same time, we started publishing a quarterly newsletter for the Bank’s hiring managers, describing best recruitment practices concerning, among other things, the provision of feedback to applicants, recommended recruitment times or the essence of the role of the Hiring Manager(s) in the recruitment process.

The Bank’s internal processes are an extremely important category of the recruitment area. We want to treat our male and female employees with special attention and to enhance opportunities for growth and career change within the organisation. We send out a monthly newsletter (Development Mailing) to interested persons with a dose of knowledge and advice on topics such as how to properly create CV documents, how to prepare for and participate in internal recruitment interviews or how to strengthen your personal brand within the organisation.

Internship with the Lion

H1 of the year also saw the launch of another recruitment for the Internship with the Lion – the summer edition. Efforts to respond to business needs regarding recruitment for internships beyond the summer edition are also continuing. We continue to focus on building positive experiences for young people related to their first steps in building a career.

Internships with the Lion have been promoted at university job fairs, as well as through career offices and widely communicated on social media. We



are constantly communicating through the careers website, where we have updated information for candidates interested in internships.

Other programmes and activities

We continue to implement our existing programmes and activities for young talent:

- ChallengING internship programme – a one-year programme, currently continuing in the IT area (programming and data science).
- Promotion of ING in the academic community based on the established Strategy for cooperation with the academic community. The plan includes participation in events organised by universities or student organisations and scientific circles operating at universities, combined with the organisation of Meet the Lion events (the content part based on knowledge sharing) and the organisation of ING’s own initiatives. ING Activists, an informal group of employees who are in contact with universities from their regions and actively promote ING’s employer brand and initiate interaction between universities and the Bank, play a major role in the implementation of these activities.
- International Talent Programme (ITP) – is a programme dedicated to graduates (holders of Bachelor’s or Master’s degrees) from universities with up to two years’ professional experience and fluency in English. ITP offers participants the opportunity to take part in important projects for the Bank, numerous development activities, and internships abroad. We offer programme participants a training budget to acquire internationally recognised certifications, such as the CFA. Individuals in the ITP programme rotate between different teams in our Bank as part of their specialisation track for the first 18 months at ING. The programme aims at providing a variety of experiences and establishing professional relationships, with a view to participants finding a permanent position within the Bank that matches their expectations and aspirations.

Individuals in the ITP programme have the opportunity to complete a secondment abroad for several months in one of the countries where ING operates. There are six participants in the programme this year who are developing within the following specialisations: Risk, Wholesale Banking, Finance, Business Banking, Operations, Data Science.

- This year, four 2022 graduates completed the programme and are continuing their careers within the ING Group.

Employee development and culture of continuous learning

Our mission is to provide an intuitive and inclusive educational experience. A learning culture based on self-development and the openness of employees to informal ways of learning linked directly to the rhythm and scope of work plays an important role in developing and building new skills. We are building an environment at ING that allows every employee to acquire knowledge according to their individual aptitude and market needs. In H1 2024, we delivered development activities in line with the strategic objectives:

- We support employees in building the skills for the future: we organised the next edition of the “I grow because I want to” conference. Inspiring speeches in the cognitive, social and technological areas awaited the participants. The latest trends and valuable tips were presented on stage to help employees build skills and prepare for the challenges of tomorrow. Over 900 participants attended the conference in a hybrid format.
- We invariably focus on digital learning – employees can gain expertise on the Udemy Business platform, where courses in technology (artificial intelligence, Python, Cloud Computing, SQL) are the most popular. In addition, they can reinforce their language competences through the

eTutor application. In February, we added Italian to the courses of English, German, Spanish and Polish in Ukrainian.

- We have opened the doors of the Legimi virtual library for ING employees. There, employees have access to over 250,000 ebooks and audiobooks. Using the resources they can expand their business knowledge, develop their interests and relax with their favourite reading at any time. In the first few months, 3,590 employees registered with Legimi – they used 33,123 books, reading or listening to almost 5 million pages.
- We build development programmes for designated organisational units or identified audiences, responding to strategic challenges in areas such as leadership among others. In April, we completed the first edition of 30 Under 30. The objectives of the programme were to strengthen the self-confidence of young women in the financial sector, to raise awareness of the female participants’ own talents and potential, and to develop their skills. 38 female participants completed the programme.
- Male and female leaders develop their leadership skills in the direction of inclusive leadership through facilitated discussions, workshops and dedicated training tracks on psychological safety, inclusive language, identification of unconscious biases and coping strategies in everyday decisions. For the fourth year, we continue to participate in global development programmes for leaders, where successive large groups of managers develop leadership awareness and skills at two levels: fundamentals and advanced. In June, we provided leaders with another simulation in a virtual environment (VR), this time focused on inclusive communication based on the NVC model. In June, leaders were also invited to a specially designed Inclusive Leadership workshop, where they would be able to develop inclusive skills in an interactive way and learn how to mitigate the risks of discrimination and other excluding abuses.



Diversity and Inclusion

We are greatly encouraged by the increased interest in diversity and inclusion measures. Employee networks, which have gained over 500 followers since the beginning of the year, have contributed to this. The beginning of Q2 also provided us with a fourth employee network – Gen Z. In April, we also held the first conference of our new employee network – ING Women. A total of 735 people signed up for the event.

Celebrating Diversity Month is now a tradition for us. This year, in addition to numerous educational activities such as posts with knowledge pills and book and film recommendations, we organised the first Diversity Day together with all employee networks. This year, we have chosen the slogan Networks Connect Us as the theme for the event. 961 people signed up for this event.

On 23 May, the report on Diversity Management in commercial banks, which we prepared jointly as part of the Diversity & Inclusion Committee of the Polish Bank Association, had its première at the Finance of Tomorrow conference.

In the fourth edition of the Diversity IN Check, we were among the top eight employers most advanced in diversity management and inclusion in Poland.

At the end of May, we had the opportunity to attend the third LGBTQIA Parents' Congress, from which we derived much inspiration. It was a perfect event to sum up Diversity Month and to warm up for the Pride Month.

We started the Pride Month with a message from Rainbow Lions network sponsor Sławek Soczyński, who encouraged participation in the activities prepared by the network. This year, our male and female employees had the opportunity to take part in Rainbow Meetings. The meetings made it possible to meet interesting people from the LGBTQ+ community who work with the Tęczówka Foundation on a daily basis. We are also very pleased

with the interest in the format, with 49 people choosing to take part in the meetings. A webinar on the history of the LGBTQ+ movement in Poland is also behind us. We also took part in a global internal campaign presenting the history of people in the community.

The end of June brought us yet another reason to be proud. In the fourth edition of the Cashless project's ranking of financial institutions that care about professional and social equality for LGBT+ people, we acquired the maximum number of points.

This year we also summed up the pilot of the 30 Under 30 development programme for future female leaders and are preparing the next edition, which we are expanding to include three more divisions.

WellbeING activities

Following on from the assumptions made in 2023 regarding Wellbeing, we are taking intensive action to raise awareness and encourage employees to look after their own mental, physical and financial wellbeing.

In the area of FINANCE, we provided staff with access to quite a number of meetings and training sessions, which gave guidance during the Finance Days held earlier in the year on how best to look after finances. Employees had the opportunity to participate in interactive meetings, in the form of a chat and workshops, listen to webinars or test themselves in an investment game. Retirement planning meetings were held, as well as PIT2 training, tax returns, including properties. We also launched a series of meetings – children's financial education and the "My Ways to Financial Health" competition, where we encouraged people to share proven ways and methods for financial peace of mind – good tips and habits on how to manage and plan their finances on a daily basis. We received over 160 ideas.

In the HEALTH area, a year-long HEALTH DAY campaign is underway, during which head office and branch employees can enjoy massages,

consultations with a nutritionist and physiotherapist. We have added new locations for such services since the new year. We are intensively promoting a preventive health review as part of our private healthcare offer.

As prevention is very important to us, we also subsidise tick-borne encephalitis vaccinations for employees and we continue HPV vaccinations for employees' children. The annual Health Week event took place in April. This year, the focus was on a healthy heart, the principles of good nutrition or preventive eye care. Throughout the month, employees also had the opportunity to have examinations with an optometrist.

Cancer prevention activities are also continued. Employees have the opportunity to sign up for a colonoscopy, gastroscopy, breast ultrasound or mammography together with a test package and get tested at a number of renowned centres in Poland. The tests are combined with specialist consultations and offer the possibility of detecting diseases at early stages. Since the beginning of the year, 639 people have taken advantage of such an opportunity. In addition, employees benefit from a prevention programme called Gene Testing. To date, 236 people have benefited from the tests. This year, in order to promote oncology prevention, we organised, as part of the day against cancer, the workshop "O! disease..." in cooperation with the Rak'n'Roll Foundation, on the situation when the difficult topic of oncological disease arises in the company or among employees' families. In addition, a webinar on cancer prevention was held.

There is also a lot of activity going on in the Bank around Energy and the mental health of employees. The mental health platform MINDGRAM is dynamically supporting our activities in this area, and the additional hours added each month show how important it is to support employees in this area. Employees benefit from a wide range of webinars, podcasts, relaxation sessions and, most importantly, one-to-one consultations with psychotherapists in various fields. We also support our leaders all the time and help them to recognise symptoms of burnout, or other emotional



difficulties that may arise with their subordinate employees. Leaders have the opportunity to attend workshops or individual consultations with a business coach. In addition, we organise days dedicated to health – such as the anti-depression day, during which employees are given tips on how to support those affected by the disease.

In June, we received an award from the HR Academy in the area of mental health, which was the culmination of the activities we develop and promote in this area.

Within the ACTIVITY area, we support our employees in developing their sporting passions by organising sports tournaments. This year we have had a table tennis tournament and a football tournament. “Run Warsaw” and “March and I Support” and a volleyball tournament. The sports budget, through which we support employees in the sports activities they undertake, continues to operate and is very popular. In addition, there is the Worksmile platform, where we encourage healthy competition and teamwork through participation in competitions, sports actions and through individual recording and tracking of activities undertaken. In June, we invited our colleagues to join the Active June campaign. Yoga classes, a photo competition, discounts on bicycles and much more awaited our colleagues. Male and female employees uploaded over 170 photos, which received over 1,700 different reactions (e.g., likes).

Activities related to war in Ukraine

In support of the Bank’s employees who host evacuees from Ukraine privately, for Easter we have prepared gifts in the form of gift vouchers worth PLN 500 for each person hosted.

We continue to operate within the framework:

- Community I support visitors from Ukraine – for sharing information, exchanging good practices and proven ways to solve problems.
- An assistance platform to enable shopping for Ukrainian visitors.



Core changes to risk and equity management

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In the Management Report on Operations in H1 2024, we present core changes to risk and equity management that occurred since the end of 2023. The risk and equity management system, risk types description and their quantification were presented in detail in the annual consolidated financial statements of the ING Bank Śląski S.A. Group for 2023 in chapter “Risk and equity management” (from page 120).

Equity management

In H1 2024 we continued our activities aimed at pursuing our capital management strategy. In the assessment process of internal capital adequacy, in Q1 2024 we summed up the recent Workshop in assessment of risk materiality. The Workshop did not make modifications affecting the materiality classification of risks.

We currently identify 9 types of permanently significant risk (default risk 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 funding risk and operational risk) and 2 types of material risk (risk of other non-credit assets and macroeconomic risk).

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

- The Core Tier 1 (CET1) capital requirement is 7.82%,
- The Tier 1 (T1) requirement is 9.32%,
- The total capital ratio (TCR) requirement is 11.32%.

On 14 December 2023, the Polish Financial Supervision Authority published its position on dividend policies for 2024. An amount of up to 50% of the 2023 profit can only be distributed by banks that meet the following criteria at the same time:

- that do not pursue any recovery plan,
- that are positively evaluated as part of the Supervisory Revision and Evaluation Process (final SREP score not worse than 2.5),
- that have a leverage ratio (LR) of over 5%,
- that hold their Tier 1 (CET1) core capital ratio not lower than the required minimum: 4.5% + 56.25%* P2R requirement + combined buffer requirement + P2G*,

- that hold their Tier 1 (T1) capital ratio not lower than the required minimum: 6% + 75%* P2R requirement + combined buffer requirement +P2G,
- that hold their total capital ratio (TCR) not lower than the required minimum: 8% + P2R requirement + combined buffer requirement +P2G.

** Pillar II Guidance, or supplementary capital recommendation – measures a bank’s vulnerability to an adverse macroeconomic scenario using the results of supervisory stress tests. Sensitivity defined as: the relative change in CET1 calculated between the lowest level of CET1 in the scenario horizon and CET1 at the start of the test, including supervisory adjustments.*

An amount of up to 75% of the 2023 profit can only be distributed by banks that meet the criteria for a 50% payout and whose portfolio of receivables from the non-financial sector has good credit quality (share of NPLs, including debt instruments, of no more than 5%).

We should meet the criteria set out above on both a standalone and consolidated level, as at the end of 2023 and on the date the General Meeting decides to distribute dividend.

The maximum dividend payable is capped at 75% due to the expectation of strengthening the capital base in order to absorb the possible materialisation of risks accumulated in the environment of the Polish banking sector.

You can read the details in terms of dividends declared and paid [here](#).

Credit risk

Major changes in the Bank’s lending policy

Retail segment

Mortgage and consumer loan segment

- We have performed an analysis and update of the parameters used in assessing clients’ creditworthiness, including buffers for interest rate risk, exchange rates and maintenance costs.



Mortgage loan segment

- We have implemented Recommendation S (new requirements for interest rate risk buffers).
- We have extended the possibility of statutory suspension of instalment repayment for mortgage products.
- As of 24 June 2024, we have withdrawn the sale of retail mortgage products with variable interest rates based on the WIRON 1M Reference Compound Rate.
- We have implemented the commission contract as an accepted source of income (up to a maximum of 80% of the main income).
- We have approved changes to the criteria for automatic assessment of the value of a property, making the process more efficient with the Rainforest model used to assess residential property values.

Consumer loan segment

- We have completed a pilot of the use of the BIK Overdebt Score model, which addresses a client's risk of overdebt, and have set out target principles for the use of this tool in the lending process.
- We have increased the level of automatic decisions and we have extended the period for investigating historical arrears in the Credit Information Bureau and Bank Register from 12 to 24 months.
- We have implemented a new decision-making model in the consumer loan segment for the standard offer.

Corporate segment

- We have implemented the “Joint Supervisory Decision (ECB and PFSA) on the gradual implementation of the IRB approach and the continuous application of the SA approach in the calculation of the capital requirement for credit risk” in terms of:
 - a) the continued application of the Standardised Approach (SA) for the estimation of credit risk capital requirements for the legacy portfolio handled under the Easy Lending path, and
 - b) the transfer of a portfolio of corporate clients meeting the definition of small and medium-sized enterprises (SMEs) with a total Bank exposure of over PLN 400,000 to PLN 1.2 million, to a portfolio handled under the Easy Lending path, together with:

- the change in the calculation method for credit risk capital requirements from the advanced internal ratings-based approach (A-IRB) to the standardised approach (SA),
- using the approach appropriate for exposures classified as retail under the CRR for the aforementioned portfolio, in all sales and post-sales processes, the default identification process and the rating process as currently in place for clients serviced under the Easy Lending path.
- In the entrepreneurs segment:
 - a) we have reinstated lending to high-risk clients, subject to collateral in the form of a BGK guarantee,
 - b) we have implemented a new process for lending to housing communities, including raising the maximum loan amount to PLN 4 million and extending the maximum loan period to 20 years.
- We have introduced new rating models for the financing of income-generating properties – for property operation financing (IPRE) and RD for construction financing.
- We have updated the financing principles for income-generating properties in the corporate segment.
- We reacted to current economic developments: we analysed the loan portfolio in terms of clients' resilience to possible further increases in operating and finance costs, and reviewed the portfolio for sectoral risks, including in relation to the commercial real estate and construction sectors.
- For strategic clients, we have implemented solutions to streamline the credit process of financial institutions. In addition, we have expanded the range of collateral available for credit commitments.

Stress tests

In line with the “Stress Testing Policy”, the ING Bank Śląski Group regularly carries out stress tests (scenario and sensitivity analyses) to estimate the Bank's resilience to negative scenarios. A report with the results of the stress tests is approved by the ALCO Committee and presented to the Management and Supervisory Boards. We are currently carrying out a project to redesign stress-testing in order to make the process more flexible and faster.

Market risk

In the area of market risk, the Bank manages risk in line with the developed principles, methodologies and approved policies.



Liquidity and funding risk

In H1 2024 we continued our actions to mitigate liquidity and funding risk – in line with the principles of the liquidity, funding risk management policy, the Bank’s strategy and regulatory requirements. All the monitored metrics remain within limits. We perform regular reviews of internal regulations and documents and continue to improve our reporting and modelling processes.

Model risk

In H1 2024, we continued our model risk management activities, which included: quarterly model risk reporting, model validations and model performance monitoring. New and updated existing standards for validating and assessing and reporting model risks were approved and the corresponding processes were aligned. The migration of data from the local model register to ING Group’s central model register (iModel) was also underway.

Operational risk

In the area of operational risk, the Bank manages risks in accordance with developed principles, methodologies and approved policies in line with legal requirements and regulatory guidelines.

In H1 2024, the Bank’s objective continued to be to mitigate external and internal fraud risks. Due to repeated social engineering attacks on the Bank’s clients and cases of fraud on credit products, the definitions of credit fraud have been clarified and the monitoring and reporting of losses have been strengthened.

Further efforts are focused on mitigating IT risks. We carried out dedicated controls for cloud computing and third-party services as part of our IT risk cyclical testing improvement process. We have started work on the implementation of the DORA regulation (Digital Operational Resilience Act) and the associated RTS process (Regulatory Technical Standards) by updating the approach to operational resilience and business continuity risk analysis. The Bank analysed its internal regulations for ICT (Information and Communication Technologies) risk management and did not identify any significant shortcomings in this respect in relation to the DORA requirements.

In support of the ESG (Environmental, Social, Governance) risk management, the Bank has implemented a new document, the Environmental Risk Implementation Manual for non-financial risk management.

In H1 2024, the Bank completed project work to replace the legacy application supporting operational risk management and implemented a new cloud-based application. 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 has started work on reviewing and updating the non-financial risk management framework in the Bank’s subsidiaries.

At the same time, work is underway to implement a new model for calculating the Bank’s risk level based on data metrics. Principles for calculating the level of non-financial risk have been defined.

Optimisation of the allocation of operational risk management tasks in the Bank between the first and second line of defence and strengthening the risk culture among the Bank’s employees also remains in progress. We delivered training on the role of the first line of defence and process owners in operational risk management. In addition, we have structured the control assessment process, updated the guidelines describing risk management in the area of robotisation in new technologies used in the Bank and risk management in change.

Compliance risk

In H1 2024, we continued our efforts to ensure compliance with regulatory requirements, in particular the EBA, PFSA and GIIIF guidelines. We have updated our internal regulations on compliance risk, including reputation risk.

We are involved in work at the level of the Polish Bank Association and industry organisations. As last year, we are improving the controls in our business processes, particularly in the areas of Know Your Client (KYC) and personal data protection. We regularly build and strengthen the awareness of the Bank’s employees on issues of professional ethics and applicable regulations in the area of compliance, including personal data.

ESG risks

In H1 2024, we continued our ESG risk management activities.

- We have implemented the Physical Risk Assessment Methodology.



- We have implemented the methodology and carried out a materiality assessment of the climate and environmental risks of the retail portfolio, entrepreneurs and small, medium-sized and large enterprises.
- We have included the result of the assessment of the materiality of climate and environmental risks in the sector guidelines for the portfolio of entrepreneurs and small, medium-sized and large enterprises.
- We have included an assessment of portfolio sector emissions in the credit RAS limits for the portfolio of entrepreneurs and small, medium-sized and large enterprises and in the RAS limits for the portfolio of corporate clients.
- We have developed a concept of including physical risk and transformation in the valuation of property collateral.
- As part of the pilot, we have started to preliminarily estimate the impact of ESG risks on the valuation of newly accepted properties for collateral in the entrepreneurs and small, medium-sized and large enterprise segments.
- We have updated the ESG Risk Management Policy and ESG Manual with the solutions implemented in 2024.
- We have structured the approach to assessing clients with high transition risk (including the use of the benchmarking tool for emissions) and the assessment of flooding risk in the expert Normal Track credit track for medium-sized and large enterprises.
- We have started to build a model for assessing transition risk for clients in the entrepreneurs segment and small, medium-sized and large enterprises. The model will be based on emissions reported by our clients to the National Centre for Emissions Management (KOBIZE).
- Based on Network for Greening the Financial System (NGFS) scenarios, we have prepared the assumptions necessary for a long-term climate stress test for credit risk in H2 2024.
- We have implemented a scenario analysis taking into account the climate risk factor as part of local liquidity stress-testing.
- We are working together with other financial institutions to develop recommendations from the banking sector on integrating ESG risk factors into the management of banking risks.

Business risk

Macroeconomic risk

Macroeconomic risk is the risk due to macroeconomic factors and their impact on the levels of minimum capital requirements. The Bank manages the risk by regular holding of internal stress tests to support ongoing monitoring of sensitivity or minimum capital requirements to macroeconomic factors. In H1 2024 the Bank held complete capital tests as at the end of 2023. Based on the results, the macroeconomic risk requirement was updated for 2024.



Information for investors

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Shares and shareholders of ING Bank Śląski S.A.

Shareholding structure

ING Bank Śląski S.A. is a subsidiary company of ING Bank N.V., which as at 30 June 2024, held a 75% shareholding in the share capital of ING Bank Śląski S.A. and 75% of the total number of votes at General Meetings – the figures that have not changed since March 2005. The remaining shares of our Bank (25.0%) are in free float. They are held by institutions investors, especially Polish pension funds and national and foreign investment funds, and also individual investors. As at the end of June 2024, Allianz Polska Otwarty Fundusz Emerytalny (Allianz Polska OFE) was the largest investor which – according to semi-annual information on the structure of assets of Allianz Polska OFE as at 30 June 2024 held 8.69% in the share capital and overall number of votes at General Meetings. As at the date of the report, we are not aware of any other shareholder exceeding the threshold of 5% of our company’s capital.

During H1 2024 the value of share capital of ING Bank Śląski S.A. and the shareholding of its core shareholder in capital were not changed.

Shareholder's name	Number of shares/Number of votes at GM		Share in the share capital and the total number of votes at the General Meeting	
	31 December 2023	30 June 2024	31 December 2023	30 June 2024
ING Bank N.V. (a subsidiary of ING Groep N.V.)	97,575,000	97,575,000	75.00%	75.00%
Allianz Polska Otwarty Fundusz Emerytalny*	12,102,036	11,312,036	9.30%	8.69%
Others	20,422,964	21,212,964	15.70%	16.31%
Total	130,100,000	130,100,000	100.00%	100.00%

* Based on semi-annual information (for 2024) on the asset structure of Allianz Polska Otwarty Fundusz Emerytalny.

Characteristics of the dominating shareholder

ING Bank N.V. belongs to the ING Group N.V. (ING Groep N.V.) – Europe’s leading universal bank with a global reach, offering retail and corporate banking services to more than 39 million clients. ING Group N.V. has over 60,000 employees and operates in over 40 countries. ING Group N.V.’s products include savings accounts, payments, investments, loans and mortgage loans in most of the retail markets in which it operates. For the largest corporate

clients (Wholesale Banking), ING Group N.V. provides specialised loans, tailored corporate financing, debt and equity-based solutions in securities markets, sustainable financing, payments and cash management, and trading and treasury services.

ING Group N.V. was established in 1991 as a result of a merger between the Dutch insurance company Nationale-Nederlanden and the domestic postal bank NMB Postbank. Over the years, ING Group N.V. has grown both organically and through mergers and acquisitions. After the global financial crisis of 2008-2009, the insurance business was sold and ING Group N.V. continued to operate as a European-focused retail bank and a global bank for the largest corporate clients (Wholesale Banking).

ING Groep N.V. is a public company listed on the stock exchange in Amsterdam (INGA NA, INGA.AS), Brussels and New York (ADR: ING US, ING.N) and its shareholding is dispersed. At the end of H1 2024, shareholders with a holding of over 3% (based on filings with the Netherlands AFM) were BlackRock Inc., Goldman Sachs Group Inc., Capital Research and Management Company; a shareholder with a holding of over 5% in the company capital (based on filings with the US SEC) is: BlackRock, Inc.

In H1 2024 the ING Group N.V. generated net profit of EUR 3,358 million versus EUR 3,746 million in H1 2023. Total assets at the end of H1 2024 amounted to EUR 1,041.4 billion. At the end of H1 2024, ING Bank Śląski Group’s assets represented approximately 5.6% of those of ING Group N.V., while our net profit represented approximately 13.5% of ING Group N.V.’s net profit.

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



Shares and share capital

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

Additionally, the Articles of Association authorise the Management Board to increase the share capital by maximum PLN 26 million (or issues of maximum 26 million shares) by 26 April 2026 (authorised capital) and to waive pre-emption rights at share issues of the authorised capital. The decisions taken by the Management Board on the share issue price and waiver of pre-emption rights require approval by the Supervisory Board. The authorisation to issue the authorised capital will enable the Management Board to take, if necessary, quick actions aimed at the capital strengthening of the Bank. The full justification in this regard was attached to the draft resolution of the General Meeting on this matter (p. 19 [of this document](#)).

Share price

In H1 2024, the price of ING Bank Śląski shares on the WSE fluctuated from PLN 242.5 to PLN 357.5. On 30 June 2024, our Bank's share price was PLN 304 at the close of trading, 18.8% higher than on the last trading day of 2023. For comparison, the WIG-banks sector index grew by 24.9% at that time.

Our Bank has been listed in the mWIG40 and WIG-ESG indexes since their beginnings. Our shares are also included in the WIG-banks index.

Participation in the main stock indices of ING Bank Śląski SA (based on the last revision in a given year)					
	2020	2021	2022	2023	H1 2024
WIG	1.8181%	2.3694%	1.8698%	2.065%	2.235%
mWIG40	9.7038%	9.9999%	8.6946%	9.995%	10.601%
WIG-ESG	2.0845%	3.3669%	2.8014%	3.074%	3.756%

As at the end of June 2024, the market value of our Bank was PLN 39.6 billion, while the book value of the Bank's group was PLN 14.2 billion.

ING Bank Śląski S.A. shares data

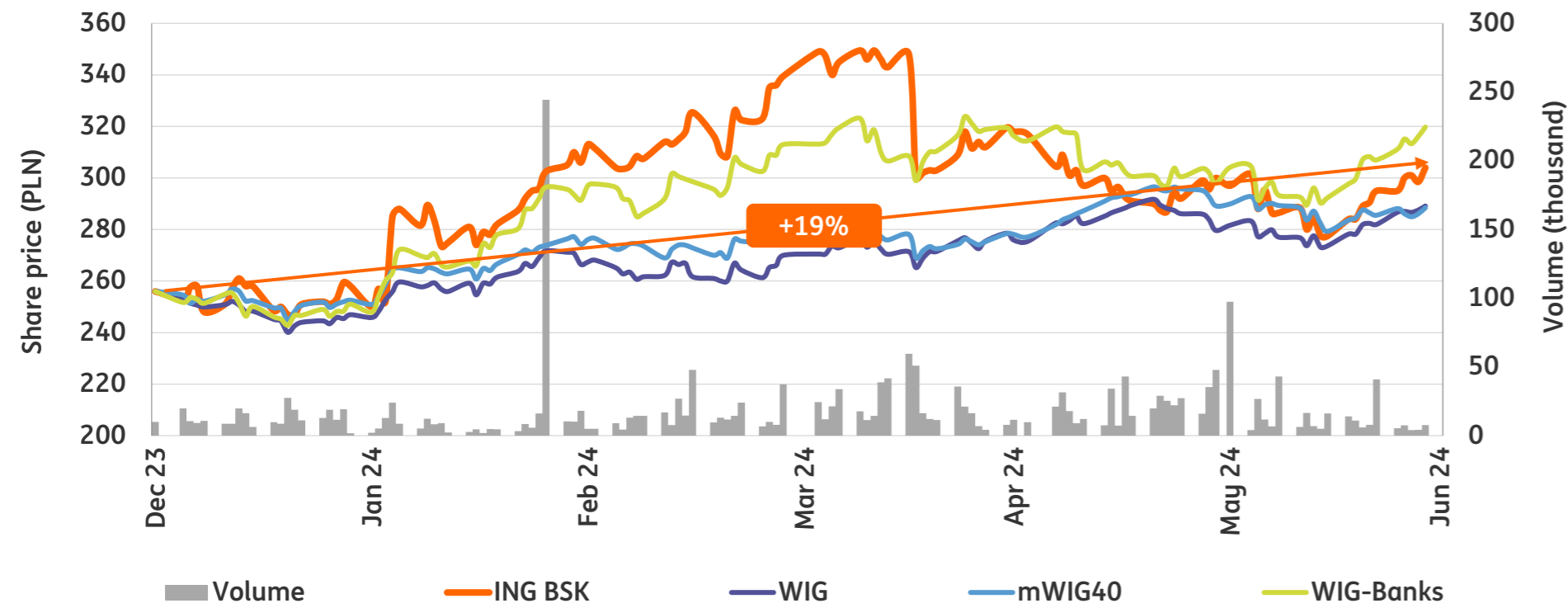
	2020	2021	2022	2023	H1 2024
Share price as at the year-end (PLN)	171.0	267.0	164.8	256.0	304.0
Top share price (PLN)	207.0	282.0	287.0	275.5	357.5
Bottom share price (PLN)	102.6	167.2	130.0	151.6	242.5
Turnover weighted average spread (basis points)	43	43	50	41	38
Year-end capitalisation (PLN billion)	21.8	34.7	21.4	33.3	39.6
Number of shares (thousands)	130,100	130,100	130,100	130,100	130,100
Total number of transactions	88,567	60,865	63,709	68,759	71,107
Number of block trades	0	2	1	0	2
Average number of transactions per session	351	242	254	275	573
Trading volume	3,799 640	2,404 219	2,203 660	2,840 678	2,238,293
Average trading volume per session	17,078	9,579	8,780	11,363	18,051
Market makers' share in turnover	12.41%	8.78%	8.39%	9.23%	6.60%
Dealers' share in turnover	3.50%	2.50%	0.61%	0.99%	1.80%
Earnings per share in PLN	10.3	17.7	13.2	34.1	33.7
Share book value (PLN)	143.1	104.0	71.8	128.6	108.9
Dividend per share* (PLN)	0.00	5.10	5.30	0.00	33.35
P/E ratio**	16.6	15.0	12.5	7.5	9.0
C/WK** ratio	1.2	2.6	2.3	2.0	2.8

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

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



ING Bank Śląski S.A. share quotations H1 in 2024 versus selected comparable selected WSE indexes



ING Bank Śląski ratings

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

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

The history of the credit ratings changes issued by both agencies is available on [our website](#).

Fitch Ratings Ltd.

Fitch Ratings agency (Fitch Ratings Ireland Limited with its seat in Dublin) assigns a full rating under the agreement between our Bank and the Agency. As at the date of signing of the 2024 half-yearly management report, the rating assigned to our Bank from the Agency is as follows:

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

In the press release published by Fitch on 17 July 2024, as part of the annual review, the Agency sustained the ratings for ING Bank Śląski SA. The outlook for the entity's long-term rating and the outlook for this rating on a national scale is Stable.

Moody's Investors Service Ltd.

Moody's Investors Service (Moody's Investors Service Cyprus Ltd.) assigns their rating to our Bank on the basis of public information. As at the date of signing of the half-yearly management report for 2024, the Bank's rating from the Agency is as follows:



Moody's Investors Service Ltd.

Long Term Rating (LT rating)	A2
Short Term Rating (ST rating)	P-1
Baseline Credit Assessment (BCA)	baa2
Adjusted Baseline Credit Assessment (Adjusted BCA)	baa1
Rating outlook (Outlook)	Stable
Counterparty long-term/ short-term assessment (CR Assessment)	A1 (cr) / P-1 (cr)
Counterparty Risk Rating (CR Rating)	A1 / P-1

In the press releases published on 11 April 2024, the Agency sustained the ratings assigned to the Bank. The Agency stressed that the Bank's rating reflects the Bank's good capitalisation and profitability, which provide sufficient risk absorption buffers.

Sustainable Fitch Ltd.

In 2022, our Bank started working with Sustainable Fitch Agency (Sustainable Fitch Limited, based in London).

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



ING Bank Hipoteczny ratings

Moody's Investors Service Ltd.

Moody's Investors Service (the Agency) provides a full risk assessment of ING Bank Hipoteczny. As at the date of signing of this report, ING Bank Hipoteczny's rating assigned by the Agency was as follows:

Moody's Investors Service Ltd.

Long Term Counterparty Risk (LT Counterparty Risk)	A1
Short Term Counterparty Risk (ST Counterparty Risk)	P-1
Long Term Issuer Ratings (LT Issuer Ratings)	A3
Short Term Issuer Ratings (ST Issuer Ratings)	P-2
Issuer rating outlook (Outlook)	Stable
Counterparty long-term/ short-term assessment (CR Assessment)	A1 (cr) / P-1 (cr)

In the Agency's view, the likelihood that the parent entity – i.e. ING Bank Śląski – in a stress situation will change its priorities in terms of fulfilling its obligations in a way that is detrimental to ING Bank Hipoteczny is low. In addition, the Agency maintained in its latest announcement that ING Bank Hipoteczny's current rating reflects:

- 100% ownership of ING Bank Śląski and its stable growth prospects,
- the significant strategic importance of ING Bank Hipoteczny as an issuer of mortgage bonds and its operational integration within the structures of the ING Bank Śląski S.A. Group,
- commitment of ING Bank Śląski to support the capital and liquidity position of ING Bank Hipoteczny in order to meet all regulatory requirements.



Changes to statutory bodies

Supervisory Board

In H1 2024, the following changes took place in the composition of the Supervisory Board and the Supervisory Board Committees:

- On 12 February 2024, Ms Katarzyna Zajdel-Kurowska resigned as a member of the Supervisory Board of ING Bank Śląski, effective 29 February 2024. The reason for the resignation was an appointment to a position with an international financial institution.
- On 8 March 2024, Mr Aleksander Galos, acting Chairman of the Supervisory Board of ING Bank Śląski S.A., resigned to seek election to the Supervisory Board for the next term. The decision to decline to stand for election for the next term was dictated by the inability of Mr Alexander Galos to meet the independence criteria for the entire period of the next full term, due to his long-standing service on the Bank Supervisory Board.
- On 11 April 2024, the Ordinary General Meeting passed resolutions to change the number of members of the Supervisory Board from eight to nine members and, following the expiry of the term of office of the Supervisory Board, to appoint the Bank Supervisory Board for a new term of office with the following composition: Mr Stephen Creese, Ms Dorota Dobija, Ms Aneta Hryckiewicz-Gontarczyk, Ms Małgorzata Kołakowska, Mr Arkadiusz Krasowski, Ms Monika Marcinkowska, Mr Hans De Munck, Mr Serge Offers and Mr Michał Szczurek. Mr Stephen Creese, Ms Dorota Dobija, Ms Małgorzata Kołakowska, Ms Monika Marcinkowska, Mr Hans De Munck and Mr Michał Szczurek all served on the Supervisory Board in the previous term. Mr Stephen Creese, Ms Małgorzata Kołakowska, Mr Hans De Munck, Mr Serge Offers and Mr Michał Szczurek are affiliated with the ING Group, while Ms Dorota Dobija, Ms Aneta Hryckiewicz-Gontarczyk, Mr Arkadiusz Krasowski and Ms Monika Marcinkowska have no affiliation with the ING Group and have independent member status. In addition, the Ordinary General Meeting adopted an assessment of the individual and collective suitability of the Supervisory Board Members, as recommended by the Remuneration and Nomination Committee.
- On 11 April 2024, during the first meeting in the new term, the Supervisory Board appointed Ms Monika Marcinkowska as Chairperson of the Supervisory Board of ING Bank Śląski S.A.. At the same time, the Supervisory Board decided to commission an additional assessment of the suitability of Ms Monika Marcinkowska with a view to performing the function of Chairperson of the Supervisory Board of ING Bank Śląski S.A.
- At the same meeting, the Supervisory Board appointed Ms Małgorzata Kołakowska as First Vice-Chairperson of the Supervisory Board of ING Bank Śląski S.A. and Mr Michał Szczurek as Vice-Chairman of the Supervisory Board of ING Bank Śląski S.A.. In addition, the Supervisory Board appointed members of the Supervisory Board Committees for the new term, i.e.: Audit Committee, Risk Committee and Remuneration and Nomination Committee. At the same time, the Supervisory Board decided to commission an additional individual assessment of the adequacy of Mr Arkadiusz Krasowski with a view to performing the function of Chairman of the Audit Committee and an additional collective assessment of the adequacy of the Audit Committee in its new composition. Similarly, an additional individual assessment of the Chairperson of the Risk Committee and an additional collective assessment of the Risk Committee with its new composition were commissioned, as well as an additional individual assessment of the Chairperson of the Remuneration and Nomination Committee and an additional collective assessment of the Remuneration and Nomination Committee with its new composition.
- On 23 May 2024, after reviewing the recommendation of the Remuneration and Nomination Committee, the Supervisory Board approved the above assessments.



Thus, the composition of the Supervisory Board and the Board Committees as at 30 June 2024 was as follows:

Composition of the Supervisory Board as at 30 June 2024

Member of the Supervisory Board	Function in the Supervisory Board	Audit Committee	Remuneration and Appointment Committee	Risk Committee
Ms Monika Marcinkowska	Chairperson, Independent Member	●	●	●
Ms Małgorzata Kotakowska	First Vice-Chairperson		●	●
Mr Michał Szczurek	Vice-Chairperson		●	
Mr Stephen Creese	Member			●
Ms Dorota Dobija	Independent Member	●	●	●
Ms Aneta Hryckiewicz-Gontarczyk	Independent Member		●	●
Mr Arkadiusz Krasowski	Independent Member	●		●
Mr Hans De Munck	Member	●		
Mr Serge Offers	Member	●		

● – Chairperson(s) ● – Member

Bank Management Board

In H1 2024 there were no changes to the composition of the Bank Management Board in H1 2024.

On 11 April 2024, the Supervisory Board decided to start the recruitment process for the position of President of the Bank Management Board. The above decision was taken in connection with the expiry of Mr Bruno Bartkiewicz's mandate in 2025 after the end of his current term as President of the Bank Management Board, i.e. on the date of

the General Meeting approving the financial statements for 2024. On 07 June 2024, the Supervisory Board, on the basis of a positive recommendation of the Remuneration and Nomination Committee, approved the secondary individual and collective suitability assessment of the members of the Bank Management Board. The composition of the Bank Management Board and responsibilities of Members of the Management Board as at 30 June 2024 were as follows:

Composition of the Management and responsibilities as at 30 June 2024

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



Remuneration of the Management Board and the Supervisory Board members

Remuneration due to members of the Management Board of ING Bank Śląski S.A. (PLN million)

Period	Remuneration	Other benefits*	Total
H1 2023	6.3	1.2	7.5
H1 2024	6.8	1.3	8.1

* Other benefits inter alia include insurance, deposits to an investment fund, medical care and other benefits approved by the Bank Supervisory Board.

Emoluments of Members of the ING Bank Śląski Management Board for 2024 under the Variable Remuneration Programme have not yet been awarded.

In keeping with our Bank's remuneration system, the Bank Management Board members may be entitled to a 2024 bonus to be disbursed in 2025–2032. Accordingly, a provision was set up for the payment of the 2024 bonus for the Management Board members, which as at 30 June 2024 stood at PLN 5.5 million. The Bank's Supervisory Board will take a final decision on the amount of the bonus.

Remuneration paid to members of the Management Board of ING Bank Śląski S.A. (PLN million)

Period	Remuneration	Bonus*	Other benefits**	Total
H1 2023	6.3	6.2	1.2	13.7
H1 2024	6.8	7.6	1.3	15.7

* The bonus for H1 2024 covers the following components: 1) Bonus resulting from the Variable Remuneration Programme: for 2023 non-deferred cash, for 2022 first tranche deferred cash, for 2021 second tranche deferred cash, for 2020 second tranche deferred cash, for 2019 third tranche deferred cash, for 2018 fourth tranche deferred cash and for 2017 fifth tranche deferred cash. 2) Phantom Shares arising from the Variable Remuneration Programme: for 2022 retained, 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.

* The bonus for H1 2023 covers the following components: 1) Bonus resulting from the Variable Remuneration Programme: for 2022 non-deferred cash, for 2021 first tranche deferred cash, for 2020 first tranche deferred cash, for 2019 second tranche deferred cash, for 2018 third tranche deferred cash and for 2017 fourth tranche deferred cash. 2) Phantom Shares arising from the Variable Remuneration Programme: for 2021 retained, for 2019 first tranche deferred, for 2018 second tranche deferred and for 2017 third tranche deferred.

* Other benefits inter alia include insurance, deposits to an investment fund, medical care and other benefits approved by the Bank Supervisory Board.

In H1 2024 the total amount of remuneration due and disbursed by ING Bank Śląski S.A. to members of the Supervisory Board was PLN 0.6 million.

Remuneration of members of the Supervisory Board of ING Bank Śląski S.A. (PLN million)

Period	Remuneration	Bonus and other benefits	Total
H1 2023	0.5	0.0	0.5
H1 2024	0.6	0.0	0.6

As part of the Incentive Scheme addressed to people with a significant impact on the Bank's risk profile, the Bank awards treasury shares free of charge as a component of variable remuneration. As at 30 June 2024, the members of the Bank Management Board held a total of 17,498 shares, consisting of non-deferred treasury shares for the period from 1 July until 31 December 2022 (6,835 shares), the first part of deferred shares for the period from 1 July until 31 December 2022 (1,079 shares) and non-deferred shares for the period from 1 January until 31 December 2023 (9,584 shares).

Bank share-based incentive scheme

In 2022, an incentive scheme was established at the Bank aimed at persons with a significant influence on the Bank's risk profile, under which treasury shares are awarded free of charge as a component of variable remuneration within the meaning of [the Regulation of the Minister of Finance, Funds and Regional Policy](#).

In December 2023 and March 2024, we completed the repurchase of the second and third tranches of treasury shares, acquiring 39,092 shares for a total amount of PLN 11.3 million, representing approximately 0.03004% of the share capital and approximately 0.03004% in the total number of votes at our General Meeting. We reported on the completion of the repurchase of both the second tranche and the third tranche with current reports numbered [33/2023](#) (including the [appendix](#)) and [9/2024](#) (including the [appendix](#)), respectively.

The second and third tranches of shares acquired represent the first part of the deferred financial instruments granted for the period from 1 July until 31 December 2022 and the non-deferred financial instruments granted for the period from 1 January until 31 December 2023. The shares are subject to a holding period of one year from the date of grant – in the case of members of the Management Board, transactions in the acquired shares may take place after 20 March 2025 while in the case of other *Identified Staff* after 18 March 2025.



The tables below present information on the number of shares granted in our Bank to members of the Management Board in 2024. We also reported on the taking up of shares by members of the Board of Management with the current reports numbered [12/2024](#) (with [appendix](#)), [14/2024](#) (with [appendix](#)) and [15/2024](#) (with [appendix](#)).

Bank shares held by members of the Management Board – as allocated in 2024	
Member of the Management Board	Number of shares
Mr Brunon Bartkiewicz	1,989
Ms Joanna Erdman	1,076
Mr Marcin Giżycki	1,147
Ms Bożena Graczyk	1,227
Ms Ewa Łuniewska	1,464
Mr Michał H. Mrozek	1,162
Mr Sławomir Soszyński	1,316
Ms Alicja Żyła	1,282
Total	10,663

Independence of Supervisory Board Members and Board Committees

According to Article 19(3) of the [Bank's Articles of Association](#), the composition of the Supervisory Board includes minimum two independent members who are free of any relations with the Bank, its shareholders or employees, that could materially affect the ability of such member to take impartial decisions – independent members. In addition, Article 22(6) of the Bank's Articles of Association provides that the criteria of independence should be met by the majority of members of the Board Committees, i.e. the Audit Committee, the Remuneration and Nomination Committee and the Risk Committee, including the chairmen of these Committees. In accordance with the above provisions, reflected in the [Supervisory Board Bylaw](#) (Article 3(4)), there are four independent members of the Bank's Supervisory Board who are free from any relationship with the Bank and ING Group. Independent members

furthermore form the majority of the Board Committees and serve as chairs of the Remuneration and Nomination Committee, the Risk Committee and the Audit Committee. Those are:

- Ms Monika Marcinkowska, President of the Supervisory Board,
- Ms Dorota Dobija, Chairperson of the Supervisory Board, Chairperson of the Risk Committee,
- Ms Monika Marcinkowska, Member of the Supervisory Board, Chairperson of the Audit Committee,
- Ms Aneta Hryckiewicz-Gontarczyk, Member of the Supervisory Board, Chairperson of the Remuneration and Nomination Committee.

The criteria for the independence of independent members derive from the law, inter alia, and the Best Practice for WSE Listed Companies adopted by the Bank, and are described in detail in the [Supervisory Board Bylaw](#) (Article 3(5)).

Also our Bank has an independent internal audit unit with the task of reviews and assessment – in an independent and objective manner – the adequacy and effectiveness of the risk management system and the internal control system, with the exception of the internal audit unit. The independence of the audit unit from other units of the Bank is ensured, inter alia, by the direct contact of the head of the audit unit with members of the Bank Management Board, Audit Committee, Supervisory Board and the auditor on matters requiring their attention and by the fact that the appointment and dismissal of the head of the audit unit is subject to the approval of the Supervisory Board, after recommendation by the Audit Committee.

Diversity policy for supervisory, managing and administrative bodies

ING Bank Śląski has a *Diversity Policy for ING Bank Śląski S.A Management Board and Supervisory Board Members* in place. The Policy seeks to:

- reach a broad spectrum of competence when appointing Supervisory Board and Management Board members so as to have diverse points of view and experience and to facilitate independent opinions and reasonable decisions to be taken by a given body,



- ensure the high quality of tasks performed by managing bodies by way of selecting competent individuals to the Supervisory Board and Management Board, primarily applying objective business-related criteria and taking into account benefits stemming from diversity.

As regards business-related criteria, the diversity strategy ensures selection of persons with diverse knowledge, skills and experience, suitable for positions held by them and duties entrusted to them, who complement each other at the level of the Management Board and Supervisory Board. The criteria are verified in the suitability assessment process described in the *Policy for the assessment of the suitability of the members of the Supervisory Board, Management Board and key function holders at ING Bank Śląski S.A.* Moreover, apart from knowledge, competences and professional experience, the diversity policy covers gender- and age-related differences, and applies them to arrive at the best outcome. In making its decision when appointing members to the governing bodies, the Bank takes into account that more diverse governing bodies foster constructive dissent and discussion based on different points of view.

The policy assumes aiming at ensuring representation of both genders in the processes of selection and succession plans, keeping in mind the laws on fair treatment while establishing employment relationship. The Remuneration and Nomination Committee of the Supervisory Board of ING Bank Śląski S.A. defines the target value of the representation of the underrepresented gender in the Bank Management Board and Supervisory Board and adopts a plan aimed at achieving the target value. The target value is determined according to the term of office of the

Supervisory Board and the Bank Management Board, i.e. once every four consecutive full financial years counted from the beginning of the term of office of the relevant body.

Since the implementation of the Policy in 2018, the target for under-represented gender has been set at 30% women and 70% men.

At the end of H1 2024, the Management Board comprised four women out of eight members (50% of the number of Management Board members) and the Supervisory Board comprised four women out of eight members (44% of the number of Supervisory Board members).



Supplementary information

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

The Bank has not published its projected financial performance for 2024.

Proceedings before the President of the Office of Competition and Consumer Protection

Detailed information on proceedings pending before the Office of Competition and Consumer Protection is included in the Consolidated Half-Yearly Report of the ING Bank Śląski S.A. Group for the six months ended 30 June 2024.

Legal risks of the Swiss franc-indexed mortgage portfolio

Information on the legal risk of the Swiss franc-indexed mortgage loan portfolio is presented in the Consolidated Semi-Annual Report of the ING Bank Śląski S.A. Group for the six months ended 30 June 2024. The information contained therein relates, inter alia, to the value of the subject matter of the litigation and the provisions established, the number of litigation cases and the ongoing programme of settlements with clients.

Contingent commitments granted

ING Bank Śląski and its subsidiaries provide sureties to loans and guarantees as part of its statutory activity. The value of off-balance-sheet financial liabilities granted at the end of H1 2024 was PLN 53.4 billion.

Off-balance liabilities of the ING Bank Śląski S.A. Group						
PLN billion	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Unused credit lines	40.3	39.9	43.0	41.7	43.5	42.0
Guarantees	7.8	7.8	7.8	8.1	7.8	8.0
Undrawn overdrafts in current account	1.4	1.4	1.4	1.4	1.4	1.4
Credit card limits	1.6	1.6	1.7	1.7	1.7	1.8
Letters of Credit	0.4	0.3	0.3	0.3	0.3	0.3
Total	51.5	51.0	54.2	53.2	54.7	53.4



Changes in the banking sector regulations

Changes in the banking sector regulations		
Name	Effective date	Description
Act of 7 July 2023 amending certain laws to mitigate certain effects of identity theft	22 July/17 November 2023 /1 June 2024	The solutions provided by the law allow the data subject to reserve and withdraw the reservation of the PESEL number free of charge. The law requires banks to verify that the PESEL number is reserved, among other things, before entering into or amending certain agreements.
Recommendation J on the principles relating the collection and processing of real estate market data by banks	31 December 2023 / 31 March 2024	The new Recommendation J replaced the 2012 document. Recommendation J is a set of good practices for the collection and processing by banks of property market data contained in internal and external databases to support the risk management process of mortgage-backed credit exposures.
Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards	1 January 2024	The Regulation is linked to Directive (EU) 2022/2464 (CSRD), which is awaiting implementation into Polish law. Regulation 2023/2772 sets out the European Sustainability Reporting Standards (ESRS). For large entities (such as our Bank), reporting under the new principles should occur for 2024 (the report will be published in 2025).
Act of 14 April 2023 amending the Value Added Tax Act and certain other acts	1 January 2024	<p>The Act implemented Council Directive (EU) 2020/284 of 18 February 2020 amending Directive 2006/112/EC as regards introducing certain requirements for payment service providers into the Polish legal system (OJ EU L 62 of 02.03.2020, p. 7), – CESOP reporting: CESOP, or the Central Electronic System of Payment Information, is an information system on participants in international payment transactions that aims to combat VAT fraud and counter the VAT gap, particularly in the cross-border e-commerce industry.</p> <p>The new CESOP obligations are imposed on payment service providers, which include: domestic banks, branches of foreign banks, credit institutions, electronic money institutions and branches of electronic money institutions, payment institutions, co-operative savings and credit associations or National Co-operative Savings and Credit Associations, branches of entities providing postal payment services in a Member State other than the Republic of Poland, authorised under the law of that State to provide payment services, and Poczta Polska Spółka Akcyjna to the extent that separate regulations authorise it to provide payment services.</p> <p>Apart from keeping records, payment service providers are also required to make the data collected available to the relevant authority in the Member State concerned. CESOP reporting is done electronically, through the interfaces of the Standard Audit File for Tax services, in the form of a structured XML file.</p> <p>The data collected in the records are subject to electronic reporting to the Head of KAS [National Revenue Administration] or to the Member State of origin of the payment service provider, in a situation when the payment services covered by the reporting are provided by a foreign entity. CESOP reports should be sent at the latest by the end of the month following the quarter to which the records relate.</p>
Announcement by the Minister of Finance of 22 March 2024 on the list of countries and territories subject to the reporting obligation for 2023	22 March 2024	<p>Pursuant to Article 33(5) of the Act of 9 March 2017 on the exchange of tax information with other states (consolidated text: Journal of Laws of 2023, item 241), i.e. the CRS (Common Reporting Standard) Act, the Minister of Finance has published a notice with the list of countries and territories subject to the reporting obligation for 2023 attached to the announcement. The list included 61 countries.</p> <p>Compared to the previous year, the list was reduced by 27 countries (for 2022, the Minister of Finance’s announcement included 86 countries), i.e. the following countries were deleted: Anguilla, Belize, Bermuda, British Virgin Islands, Cayman Islands, Kingdom of Bahrain, Kingdom of Morocco, Montserrat, Independent State of Samoa, Niue, New Caledonia, Brunei Darussalam, State of Qatar, State of Kuwait,</p>



		<p>State of the United Arab Emirates, Republic of Lebanon, Republic of Liberia, Republic of Nauru, Republic of Vanuatu, Republic of the Marshall Islands, Saint Vincent and the Grenadines, Sint Maarten, Macao Special Administrative Region, Sultanate of Oman, the Turks and Caicos Islands, Commonwealth of the Bahamas and Commonwealth of Dominica.</p> <p>In turn, two new countries have been added: Kingdom of Thailand (which has been absent from CRS reporting until now), as well as Bonaire, Sint Eustatius and Saba, which returned after not being present in 2021 and 2022. In addition, accounts of holders from Ukraine and Georgia were reported for the first time, according to information obtained under the due diligence procedures applied in 2023.</p>
<p>Regulation (EU) 2024/886 of the European Parliament and of the Council of 13 March 2024 amending Regulations (EU) No 260/2012 and (EU) 2021/1230 and Directives 98/26/EC and (EU) 2015/2366 as regards instant credit transfers in euro</p>	<p>8 April 2024 subject to transitional provisions</p>	<p>Regulation (EU) No. 260/2012 of the European Parliament and of the Council provides the basis for the Single Euro Payments Area (SEPA). The amendment to the Regulation provides for the definition of specific requirements applicable to immediate transfer orders in euro, in addition to the general requirements applicable to all transfer orders. The Regulation also contains provisions on verification of the recipient of transfer orders, screening for restrictive measures and reporting obligations.</p>
<p>Act of 12 April 2024 amending the Act on support for borrowers who have taken out housing loans and are in financial difficulty and the Act on community financing for economic undertakings and assistance to borrowers</p>	<p>15 May 2024</p>	<p>The Act temporarily extends the protective arrangements in the form of credit holidays (possibility to suspend mortgage loan repayments for two months from 1 June 2024 until 31 August 2024 and for two months from 1 September 2024 until 31 December 2024). It also aims to increase the use of the Borrower Support Fund.</p>
<p>Act of 23 May 2024 amending the Act on exchange of tax information with other states and certain other acts</p>	<p>1 July 2024</p>	<p>The primary purpose of the Act is to implement the provisions of Council Directive (EU) 2021/514 of 22 March 2021 amending Directive 2011/16/EU on administrative cooperation in the field of taxation (OJ EU L 104 of 25.03.2021, p. 1), hereinafter: DAC7.</p> <p>The amendments introduced under DAC7 extend the existing provisions of Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC (OJ EU L 64, 11.03.2011, p. 1, as amended) imposing new reporting requirements on digital platform operators. In addition to this, the Polish law implementing the EU directive also introduces an additional obligation for facilitators and promoters with regard to the protection of individuals' personal data.</p> <p>Pursuant to Article 86da § 1 of the Tax Ordinance, the promoter and facilitator providing information on a tax scheme are obliged to provide in writing the following information to the individual to whom the information on the tax scheme relates:</p> <ol style="list-style-type: none"> 1. on the collection, processing and transmission of information in line with this Chapter, and 2. on the person's right to obtain from the controller the information they are entitled to obtain from that controller, in sufficient time to exercise their data protection rights, before the information is transferred. <p>Pursuant to Article 2 of the aforementioned provision, the promoter and facilitator providing the tax scheme information shall immediately notify the individual to whom the tax scheme information relates in writing of the likelihood of a security breach of their personal data collected and processed for the purposes of the automatic exchange of information, where the breach is likely to adversely affect the protection of the individual's personal data.</p> <p>In addition, the amendments to the Act on the exchange of tax information with other states concern:</p> <ol style="list-style-type: none"> a) procedures for dealing with personal data breaches; b) the scope of tax information exchanged with other countries; c) the principles on appeals and complaints against decisions and orders related to tax information matters;

[Act of 9 May 2024 amending the Act amending the Value Added Tax Act and certain other acts](#)

1 July 2024
 finally the date was moved to 1 February 2026 after an audit of the system commissioned by the Ministry of Finance

- d) interpretations and general explanations of the tax law on the Act on exchange of tax information with other countries;
- e) the definitions of the regulations and procedure for the automatic exchange of information on sellers, including reporting procedures, due diligence procedures, platform operator registration procedures and the principles and procedure for the KAS to control the reporting platform operator's compliance with due diligence and reporting obligations;
- f) the introduction of fines against financial institutions and obliged institutions that fail to comply with the obligation to provide the information held and breach other obligations set out in the provisions of the Act;
- g) the introduction of a new anti-abuse clause.

Act of 16 June 2023 amending the Value Added Tax Act certain other acts (Journal of Laws, item 1598), hereinafter referred to as the "KSeF Act", an obligation to issue invoices (e-invoicing) in the National e-Invoicing System (KSeF) was introduced from 1 July 2024. Obligatory e-invoicing will generally cover activities that currently need to be documented with an invoice issued in line with the Value Added Tax Act of 11 March 2004 (consolidated text: Journal of Laws of 2024, item 361), hereinafter referred to as "uVAT". In the first instance, active VAT taxpayers were to be covered from 1 July 2024, followed by taxpayers who are exempt (small entrepreneurs) or who only perform exempt activities from 1 January 2025. Due to identified system performance issues that prevent the KSeF obligation from being implemented within the anticipated timeframe, it is necessary to postpone its implementation. The proposed law proposes that the obligation to implement the KSeF will apply to all taxpayers (active and VAT-exempt) on a single date, i.e. 1 February 2026.



Representations of the Management Board of ING Bank Śląski S.A.

Correctness and reliability of the presented financial statements

To the best knowledge of the Bank Management Board, the semi-annual abbreviated consolidated financial statements and the comparable data were prepared in line with the applicable accounting standards and in a manner reliably and clearly presenting the economic and financial condition of the Bank Group and its financial result. The semi-annual Management Board Report on Operations of the Bank Group contains a true picture of development and achievements and of the condition of the Bank Group in H1 2024, including a description of core hazards and risks.



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

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