ING Bank Śląski S.A. Group

Quarterly consolidated report for the 3rd quarter of 2022

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SELECTED FINANCIAL DATA FROM CONSOLIDATED FINANCIAL STATEMENTS

Performance highlights

	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022	3 quarter 2021 the period from 01 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021
Net interest income	173,3	3,804,4	1,236,7	3,553,3
Net commission income	530,6	1,583,4	484,2	1,368,8
Net income on basic activities	717,0	5,383,0	1,744,1	4,992,1
Gross profit	-470,0	1,429,3	839,1	2,182,8
Net profit attributable to shareholders of ING Bank Śląski S.A.	-317,3	1,048,5	638,4	1,639,3
Earnings per ordinary share (PLN)	-2,44	8,06	4,91	12,60

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Loans and other receivables to customers at amortized cost (net)	154,350.2	152,117.7	146,536.0	141,168.6
Liabilities to customers	186,580.5	185,095.1	170,609.9	164,586.3
Total assets	213,012.2	212,395.0	201,654.2	200,543.3
Share capital	130.1	130.1	130.1	130.1
Equity attributable to shareholders of ING Bank Śląski S.A.	7,422.9	7,716.9	13,531.4	17,440.8
Book value per share (PLN)	57.06	59.32	104.01	134.06

Key performance indicators

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
C/I - cost/income ratio	54.9%	45.7%	43.2%	44.2%
ROA - return on assets	0.8%	1.3%	1.2%	1.0%
ROE - return on equity	15.0%	19.7%	13.6%	10.8%
NIM - net interest margin	2.60%	3.16%	2.59%	2.49%
L/D - loan-to-deposit ratio	82.7%	82.2%	85.9%	85.8%
Total capital ratio	14.43%	14.72%*	16.05%	17.65%

*) By the decision of 19 October 2022, the Group obtained the consent of the Polish Financial Supervision Authority to include in the consolidated Common Equity Tier 1 capital part of the prudentially consolidated net profit for the period from 1 April 2022 to 30 June 2022 in the amount of PLN 250.0 million (i.e. prudentially consolidated net profit after less expected charges and dividends). Data as of 30 June 2022 have been recalculated taking into account the said consent. According to the value presented in the semi-annual consolidated financial statements for the 1st half of 2022, the Group's total capital ratio as at 30 June 2022 was 14.41%.

Explanations:

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

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

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

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

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

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

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

Interim condensed consolidated income statement

	Note	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022	3 quarter 2021 the period from 01 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021
Net interest income		1,018.2	5,249.4	1,352.3	3,917.0
calculated using the effective interest rate method, of which:		705.5	4,640.8	1,352.3	3,916.6
the impact of the adjustment to the gross carrying amount of loans due to credit moratoria		-1,632.1	-1,632.1	0.0	0.0
other interest income		312.7	608.6	0.0	0.4
Interest expense		-844.9	-1,445.0	-115.6	-363.7
Interest income	8.1	**173.3**	**3,804.4**	**1,236.7**	**3,553.3**
Commission income		670.2	1,976.5	602.5	1,694.4
Commission expense		-139.6	-393.1	-118.3	-325.6
Net commission income	8.2	**530.6**	**1,583.4**	**484.2**	**1,368.8**
Net income on financial instruments measured at fair value through profit or loss and FX result	8.3	25.4	30.2	22.4	72.1
Net income on the sale of securities measured at amortised cost	8.4	-9.1	-24.8	0.0	0.0
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	8.4	-0.2	26.6	3.9	11.6
Net (loss)/income on hedge accounting	8.5	-1.7	-34.4	-4.8	-19.0
Net (loss)/income on other basic activities		-1.3	-2.4	1.7	5.3
Net income on basic activities		**717.0**	**5,383.0**	**1,744.1**	**4,992.1**
General and administrative expenses	8.6	-821.6	-2,953.1	-694.2	-2,207.0
Impairment for expected credit losses	8.7	-206.0	-539.5	-80.0	-227.9
including profit on sale of receivables		73.5	82.7	0.0	61.6
Cost of legal risk of FX mortgage loans	8.8	0.0	-1.3	-0.4	-0.4
Tax on certain financial institutions		-164.8	-477.8	-138.2	-395.0
Share of the net profits of associates measured by equity method		5.4	18.0	7.8	21.0
Gross profit		**-470.0**	**1,429.3**	**839.1**	**2,182.8**
Income tax		152.7	-380.8	-200.7	-543.5
Net profit		**-317.3**	**1,048.5**	**638.4**	**1,639.3**
including attributable to shareholders of ING Bank Śląski S.A.		-317.3	1,048.5	638.4	1,639.3

	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022	3 quarter 2021 the period from 01 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021
Net profit attributable to shareholders of ING Bank Śląski S.A.	-317.3	1,048.5	638.4	1,639.3
Weighted average number of ordinary shares	130,100,000	130,100,000	130,100,000	130,100,000
Earnings per ordinary share (in PLN)	**-2.44**	**8.06**	**4.91**	**12.60**

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

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

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Interim condensed consolidated statement of comprehensive income

	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022	3 quarter 2021 the period from 01 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021
Net profit for the reporting period	**-317.3**	**1,048.5**	**638.4**	**1,639.3**
Total other comprehensive income, including:	**20.0**	**-6,470.9**	**-1,055.2**	**-2,817.2**
Items that may be reclassified to profit or loss, including:	**19.9**	**-6,439.1**	**-1,054.8**	**-2,834.5**
debt instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	-37.1	-463.2	55.0	33.3
debt instruments measured at fair value through other comprehensive income – reclassification to financial result due to sale	0.3	-16.0	-3.2	-4.0
cash flow hedge - gains on revaluation carried through equity	-478.1	-6,619.7	-868.6	-2,190.0
cash flow hedge - reclassification to profit or loss	534.8	659.8	-238.0	-673.8
Items that will not be reclassified to profit or loss, including:	**0.1**	**-31.8**	**-0.4**	**17.3**
equity financial instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	0.0	-32.4	0.0	18.0
fixed assets revaluation	0.1	0.6	-0.3	-0.5
disposal of fixed assets	0.0	0.0	0.1	0.0
actuarial gains/losses	0.0	0.0	-0.2	-0.2
Net comprehensive income for the reporting period	**-297.3**	**-5,422.4**	**-416.8**	**-1,177.9**
including attributable to shareholders of ING Bank Śląski S.A.	-297.3	-5,422.4	-416.8	-1,177.9

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

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Interim condensed consolidated statement of financial position

as at	Note	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Assets					
Cash in hand and balances with the Central Bank	8.9	2,069.5	2,718.1	1,100.0	747.1
Loans and other receivables to other banks	8.10	2,257.6	2,293.2	704.8	913.8
Financial assets measured at fair value through profit or loss	8.11	3,396.3	3,487.6	1,538.3	1,957.5
Derivative hedge instruments		504.0	834.2	250.4	593.3
Investment securities	8.12	42,363.9	39,283.0	45,584.4	49,443.6
Transferred assets	8.11, 8.12 8.14	3,206.4	6,878.6	2,280.9	3,018.6
Loans and other receivables to customers measured at amortised cost	8.13	154,350.2	152,117.7	146,536.0	141,168.6
Investments in associates accounted for using the equity method		173.3	165.9	184.8	176.3
Property, plant and equipment		950.1	926.2	831.2	828.0
Intangible assets		406.8	409.2	377.4	405.6
Current income tax assets	8.15	760.7	820.5	734.5	426.2
Deferred tax assets	8.15	2,408.6	2,238.6	1,245.0	594.6
Other assets		164.8	222.2	286.5	270.1
Total assets		**213,012.2**	**212,395.0**	**201,654.2**	**200,543.3**

as at	Note	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Liabilities					
Liabilities to other banks	8.16	9,151.0	8,788.0	10,051.0	10,306.1
Financial liabilities measured at fair value through profit or loss	8.17	3,478.5	3,294.8	1,679.6	1,434.4
Derivative hedge instruments		842.0	1,144.4	235.4	406.0
Liabilities to customers	8.18	186,580.5	185,095.1	170,609.9	164,586.3
Liabilities from debt securities issued	11	407.9	401.8	972.4	547.2
Subordinated liabilities		1,705.7	1,638.8	1,610.3	2,318.2
Provisions	8.19	346.5	338.7	336.9	252.9
Current income tax liabilities	8.15	13.3	11.7	3.9	3.5
Deferred tax loss	8.15	0.4	0.0	0.0	0.0
Other liabilities	8.20	3,063.5	3,964.8	2,623.4	3,247.9
Total liabilities		**205,589.3**	**204,678.1**	**188,122.8**	**183,102.5**
Equity					
Share capital	1.4	130.1	130.1	130.1	130.1
Share premium		956.3	956.3	956.3	956.3
Accumulated other comprehensive income		-9,291.9	-9,311.9	-2,821.0	1,103.0
Retained earnings		15,628.4	15,942.4	15,266.0	15,251.4
Total equity		**7,422.9**	**7,716.9**	**13,531.4**	**17,440.8**
including attributable to shareholders of ING Bank Śląski S.A.		7,422.9	7,716.9	13,531.4	17,440.8
Total liabilities and equity		**213,012.2**	**212,395.0**	**201,654.2**	**200,543.3**

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

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Interim condensed consolidated statement of changes in equity

3 quarters 2022 YTD period from 01 Jan 2022 to 30 Sep 2022

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Total equity
Opening balance of equity	**130.1**	**956.3**	**-2,821.0**	**15,266.0**	**13,531.4**
Net profit for the current period	-	-	-	1,048.5	**1,048.5**
Other net comprehensive income, including:	**0.0**	**0.0**	**-6,470.9**	**0.0**	**-6,470.9**
financial assets measured at fair value through other comprehensive income – revaluation gains / losses recognized in equity	-	-	-495.6	-	-495.6
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-16.0	-	-16.0
cash flow hedge - revaluation gains / losses recognized in equity	-	-	-6,619.7	-	-6,619.7
cash flow hedge – reclassification to profit or loss	-	-	659.8	-	659.8
fixed assets revaluation	-	-	0.6	-	0.6
Other changes in equity, including:	**0.0**	**0.0**	**0.0**	**-686.1**	**-686.1**
valuation of employee incentive programs	-	-	-	3.4	3.4
dividend payment	-	-	-	-689.5	-689.5
Closing balance of equity	**130.1**	**956.3**	**-9,291.9**	**15,628.4**	**7,422.9**

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

7 | ING Bank Śląski S.A. Group | Quarterly consolidated report for the 3rd quarter of 2022 | Data in PLN million

2021 the period from 01 Jan 2021 to 31 Dec 2021

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	**Total equity**
Opening balance of equity	**130.1**	**956.3**	**3,923.4**	**13,608.5**	**18,618.3**
Net profit for the current period	-	-	-	2,308.3	**2,308.3**
Other net comprehensive income, including:	**0.0**	**0.0**	**-6,744.4**	**12.3**	**-6,732.1**
financial assets measured at fair value through other comprehensive income - revaluation gains / losses recognized in equity	-	-	-225.8	-	-225.8
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-25.7	-	-25.7
sale of equity instruments measured at fair value through other comprehensive income	-	-	-7.1	7.1	0.0
cash flow hedge - revaluation gains / losses recognized in equity	-	-	-5,566.7	-	-5,566.7
cash flow hedge – reclassification to profit or loss	-	-	-907.8	-	-907.8
fixed assets revaluation	-	-	-0.3	-	-0.3
disposal of fixed assets	-	-	-5.2	5.2	0.0
actuarial gains/losses	-	-	-5.8	-	-5.8
Other changes in equity, including:	**0.0**	**0.0**	**0.0**	**-663.1**	**-663.1**
valuation of employee incentive programs	-	-	-	0.4	0.4
dividend payment	-	-	-	-663.5	-663.5
Closing balance of equity	**130.1**	**956.3**	**-2,821.0**	**15,266.0**	**13,531.4**

8 | ING Bank Śląski S.A. Group | Quarterly consolidated report for the 3rd quarter of 2022 | Data in PLN million

3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021

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

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Interim condensed consolidated cash flow statement

	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022	3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021
Net profit	**1,048.5**	**1,639.3**
Adjustments, including:	**-364.5**	**-1,537.8**
Share of net profit (loss) of associates accounted for using the equity method	-18.0	-21.0
Depreciation and amortisation	207.8	213.8
Interest accrued (from the income statement)	-3,804.4	-3,553.3
Interest paid	-1,322.5	-346.9
Interest received	4,775.1	3,937.9
Dividends received	-6.8	-6.7
Gains (losses) on investing activities	3.4	0.5
Interest accrued (from the income statement)	380.8	543.5
Income tax paid	-43.7	-863.8
Change in provisions	9.6	-3.4
Change in loans and other receivables to other banks	32.1	1.0
Change in financial assets measured at fair value through profit or loss	-1,608.0	48.5
Change in investment securities	-832.6	1,625.9
Change in hedge derivatives	-7,004.9	-3,086.5
Change in loans and other receivables to customers measured at amortised cost	-7,572.4	-16,415.3
Change in other assets	-21.0	4.8
Change in liabilities to other banks	-1,832.8	1,887.1
Change in liabilities measured at fair value through profit or loss	1,799.0	-96.4
Change in liabilities to customers	15,876.2	13,559.6
Change in other liabilities	618.6	1,032.9
Net cash flows from operating activities	**684.0**	**101.5**

	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022	3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021
Acquisition of property, plant and equipment	-102.3	-41.0
Disposal of property, plant and equipment	0.6	3.5
Acquisition of intangible assets	-84.9	-44.5
Acquisition of debt securities measured at amortized cost	-1,270.7	-1,772.9
Disposal of debt securities at amortized cost	3,744.4	2,569.1
Dividends received	6.8	6.7
Net cash flows from investment activities	**2,293.9**	**720.9**
Long-term loans received	1,687.2	1,176.1
Repayment of long-term loans	-754.2	-978.4
Interest payment on long-term loans	-13.7	-20.8
Issue of debt securities	0.0	150.0
Redemption of debt securities	-575.0	-975.0
Interest on debt securities issued	-4.5	-2.8
Repayment of lease liabilities	-78.7	-82.0
Dividends paid	-689.5	0.0
Net cash flows from financial activities	**-428.4**	**-732.9**
Net increase/(decrease) in cash and cash equivalents	**2,549.5**	**89.5**
of which effect of exchange rate changes on cash and cash equivalents	521.2	103.7
Opening balance of cash and cash equivalents	**1,377.6**	**1,228.1**
Closing balance of cash and cash equivalents	**3,927.1**	**1,317.6**

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

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Additional information to to interim condensed consolidated financial statements

Additional information to the interim condensed consolidated financial statements

1. Bank and the Group details

1.1. Key Bank data

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

1.2. Scope and duration of operations

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

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

ING Bank Śląski S.A. is a subsidiary of ING Bank NV, which as at 30 September 2022 held 75% shares in the share capital of ING Bank Śląski S.A. and 75% shares in the total number of votes at the General Meeting of ING Bank Śląski S.A. ING Bank NV belongs to the Group, herein referred to as ING Group.

The remaining part of the Bank's shares (25.0%) is in free float. They are owned by institutional investors - in particular Polish pension funds and domestic and foreign investment funds, as well as individual investors. The largest of them as at 30 September 2022 was AVIVA Otwarty Fundusz Emerytalny AVIVA Santander, which, according to the semi-annual information on the structure of assets of Aviva Otwarty Fundusz Emerytalny AVIVA Santander at the end of 1st half of 2022, held 8.61% of the share capital and the total number of votes at the General Meeting.

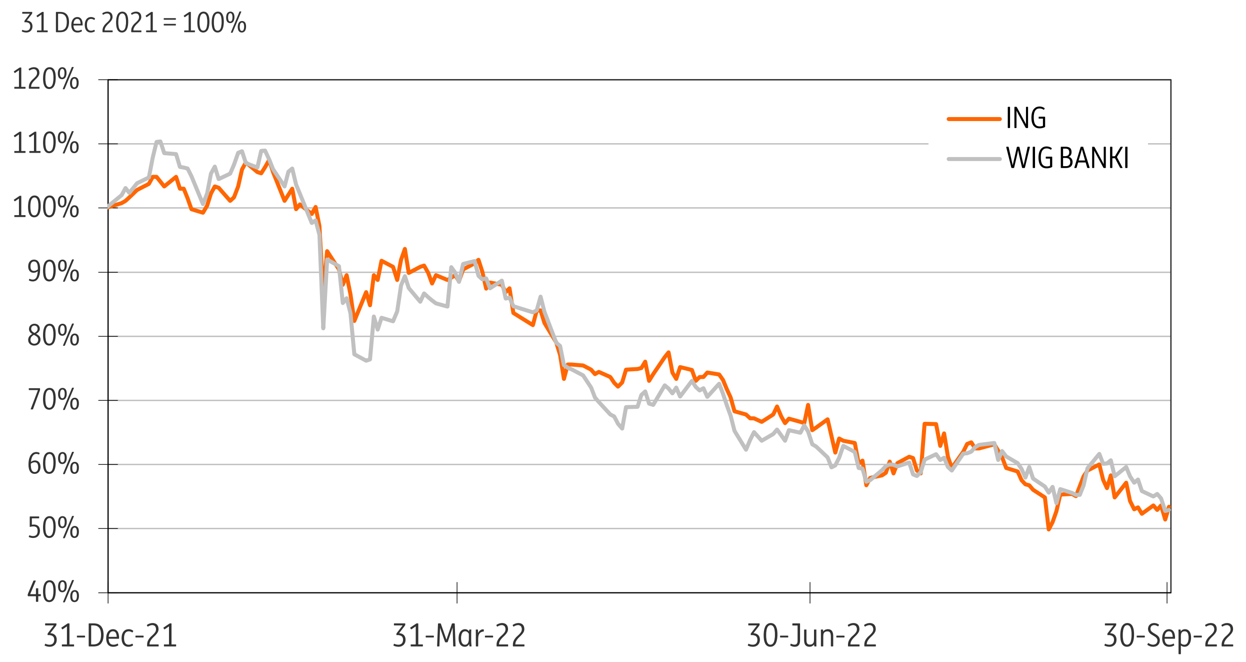
As at 30 September 2022, shareholders holding 5 or more percent of the votes at the General Meeting of ING Bank Śląski S.A. were the following entities:

No.	Entity	Number of shares and votes	% of total number of shares and votes at General Meeting
1.	ING Bank N.V.	97,575,000	75.00
2.	AVIVA Otwarty Fundusz Emerytalny AVIVA Santander	11,205,030	8.61

1.4. Share capital

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

On 30 September 2022, the share price of ING Bank Śląski S.A. was PLN 139.2, compared with PLN 170.4, PLN 260.7 and PLN 232.5 as at 30 June 2022, 31 December 2021 and 30 September 2021 respectively. In the period of 3 quarters of 2022, the price of ING Bank Śląski S.A. shares developed as follows:



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1.5. ING Bank Śląski S.A. Group

ING Bank Śląski S.A. is the parent of the ING Bank Śląski S.A. Group (the Group). As at 30 September 2022 the composition of the ING Bank Śląski Group was as follows:

name	type of activity	headquarters	% of the Group's share in the share capital	% of the Group's share of votes in the General Meeting	nature of the capital relationship	recognition in the Group financial statements
ING Investment Holding (Poland) S.A., which holds shares in the following subsidiaries and associates:	financial holding	Katowice	100	100	subsidiary	full consolidation
ING Commercial Finance S.A.	factoring services	Warszawa	100	100	subsidiary	full consolidation
ING Lease (Poland) Sp. z o.o.*	leasing services	Warszawa	100	100	subsidiary	full consolidation
NN Investment Partners TFI S.A.	investment fund company	Warszawa	45	45	associate	consolidation with the equity method
ING Bank Hipoteczny S.A.	banking services	Katowice	100	100	subsidiary	full consolidation
ING Usługi dla Biznesu S.A.	accounting, personnel and wage services	Katowice	100	100	subsidiary	full consolidation
Nowe Usługi S.A.	education and promotion for the financial market and TURBO certificates	Katowice	100	100	subsidiary	full consolidation

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

On 18 May 2022, the liquidation of the Bank's subsidiary, SOLVER Sp. z o.o, was completed. On 25 August 2022, the District Court in Katowice issued a decision to remove the company from the National Court Register (date of the decision becoming final: 9 September 2022).

In the 3rd quarter of 2022, a new subsidiary of the Capital Group was established - SAIO S.A. The direct owner of the entity is ING Investment Holding (Polska) S.A., which holds a 100% share in the company's share capital, amounting to PLN 1 million. The company was registered in the National Court Register on 4 October 2022. The business of the newly established company is the sale of SAIO robotization software and the implementation of business process robotization at customers as part of its own activities and the partner network being built. The company took over the operations previously carried out in ING Usługi dla Biznesu. The purpose of the change is to concentrate all functions in a dedicated entity in order to broadly scale the process robotization business.

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

On 30 September 2022, the members of the Bank's Management Board and Supervisory Board did not hold any shares of ING Bank Śląski S.A., similarly to the date of publishing the financial statements.

1.7. Approval of the financial statements

This interim condensed consolidated financial statement was approved by the Bank's Management Board on 2 November 2022.

The annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2021 to 31 December 2021 were approved by the General Meeting on 7 April 2022.

2. Significant events in the 3rd quarter of 2022

Credit moratoria

On 14 July 2022, the President of the Republic of Poland signed *the act on crowdfunding for business ventures and support for borrowers*. Among others, the act provides borrowers with a PLN-denominated mortgage the option to suspend the payment of up to 8 monthly instalments – two instalments per quarter in the 2nd half of 2022 and one instalment per quarter in 2023 ('credit moratoria', 'credit holidays').

Due to the change in law, as at 30 September 2022, the Group recognized a reduction of the gross carrying amount of mortgage loans in PLN, estimated in accordance with IFRS 9. The adjustment, amounting to PLN 1,632.1 million (PLN 1,531.5 million in the case of the Bank's separate financial statements), was determined as the difference between the present value of estimated contractual cash flows resulting from the loan agreements, taking into account the suspension of instalment payments, and the current gross carrying amount of the loans.
In the 3rd quarter, customers used 62% of the available credit moratoria (in terms of value in relation to the entire portfolio). On 30 September 2022, the Bank estimates that in the following quarters customers will use 70% of the available credit moratoria (in terms of value), reaching 75% in the 2nd half of 2023.

The reduction to the gross carrying amount of the affected assets recognised in the financial result of the 3rd quarter of 2022 is presented in the income statement as a reduction in interest income on loans to customers (see note 8.1.).

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Polish Financial Supervision Authority request for opinion of the Financial Stability Committee on determining the buffer of other systemically-important institution

On 22 September 2022, the Bank received a request from the Polish Financial Supervision Authority (PFSA) for opinion of the Financial Stability Committee (FSC) on determining the buffer of other systemically-important institution ("O-SII") for the Bank, whose adequate value resulting from the principles adopted by the PFSA should be determined in the amount equivalent to 0.5% of the total risk exposure amount. By the decision of 23 September 2022, the FSC expressed a positive opinion on the request. Until the publication date, the Bank has not received the KNF's decision regarding the amount of the O-SII buffer.

The current O-SII buffer is set for the Bank at the amount equivalent to 0.75% of the total risk exposure amount.

Contribution to the Borrower Financial Assistance Fund

The aforementioned *act on crowdfunding for business ventures and support for borrowers*, also introduced an obligation for the banking sector to make an additional contribution in the amount of PLN 1.4 billion by the end of 2022 to the Borrower Financial Assistance Fund (BFAF). This amount was divided into two parts - PLN 400 million payable in the 3rd quarter and PLN 1,000 million payable in the 4th quarter 2022.

On 19 September 2022, the Bank received a letter from the BFAF Council with the amount of the contribution to the BFAF for the 2nd quarter of 2022. Taking into account the value of housing loans portfolio with a delay in principal or interest payments of more than 90 days, the BFAF Council determined the amounts of the contribution at PLN 7.2 million for the Bank and at PLN 7.3 million for the Group. The information from the BFAF Council on the amount of the payment for the 2nd quarter concerned the first part, i.e. the amount of PLN 400 million. The contribution for the 2nd quarter of 2022 was paid on 30 September 2022.

The Bank Management Board expect to be informed in 4th quarter of 2022 about the BFAF contribution for 3rd quarter of 2022, concerning the second part, i.e. the amount of PLN 1,000 million. The Bank estimates that it will be around PLN 18 million at the separate and consolidated levels.

The Group recognized in the costs of the 3rd quarter of 2022 both the amount of the contribution for the 2nd quarter of 2022 and the estimated amount of the contribution for the 3rd quarter of 2022.

Sale of non-performing receivables

In the 3rd quarter of 2022, the Group carried out two transactions of sale of non-performing receivables. The Group has concluded the following agreements:

- An agreement for the sale of retail receivables from its impaired portfolio. As a result of the transaction, the portfolio of impaired receivables decreased by PLN 218.9 million. The positive impact of the transaction on the Group's gross result was PLN 64.9 million.
- An agreement for the sale of corporate receivables from its impaired portfolio. . As a result of the transaction, the portfolio of impaired receivables decreased by PLN 106.7 million. The positive impact of the transaction on the Group's gross result was PLN 8.6 million.

The result on the sale of receivables is presented in the income statement, in the line *Profit on the sale of receivables* under *Impairment for expected credit losses*.

The Commercial Banks Protection System

In the 1st half of 2022, eight Polish banks, including ING Bank Śląski S.A. (participating banks), has established an Commercial Banks Protection System. The System is managed by a joint stock company established for this purpose (the Managing Entity), whose share capital was set at PLN 1 million. The Bank's share in the share capital and the total number of votes is 13.0%. On 1 August 2022, the Commercial Bank Protection System was entered into the National Court Register.

An aid fund has been set up in the Managing Entity, to which the participating banks contribute cash. The aid fund can be used to ensure the liquidity and solvency of each of its participants (up to the level of available aid fund), and to assist in the resolution of participating and non-participating banks. The cost of contributions of the participants of the protection system to the aid fund are tax deductible.

In August 2022, the Bank paid PLN 429.7 million to the aid fund. The amount of the contribution charged the financial result of the 2nd quarter of 2022.

In September 2022, the General Meeting of the Commercial Bank Protection System adopted a resolution on additional contributions to the aid fund. The amount of PLN 40.9 million, attributable to ING Bank Śląski S.A., charged the financial result of the 3rd quarter of 2022. Any further contributions to the aid fund are subject to the unanimous approval of the participating banks, including the Bank.

Contributions to the aid fund are recognized in the income statement under *General and administrative expenses*.

Work on the reform of the WIBOR reference rate

In July 2022, a National Working Group (NGR) for the reform of the WIBOR benchmark was established. The aim of NGR's work is to prepare the process of effective implementation of the new benchmark on the Polish financial market and to replace the WIBOR interest rate benchmark currently used with it. The principle of operation of NGR in the scope of the above-mentioned goals is to act in a manner consistent with the regulations, in an orderly manner, and to avoid threats to the stability of the Polish financial sector and the Polish economy. The Polish Financial Supervision Authority (PFSA) invited participants of the domestic financial market. The works of NGR are supervised and coordinated by a Steering Committee, composed of representatives of key institutions.

In the course of the NGR work, the identification, prioritization and estimation of time-consuming tasks were performed, the implementation of which by all market participants is required for the correct and safe replacement of the previously used WIBOR and WIBID benchmarks by a new benchmark. The selected WIRON index (Warsaw Interest Rate Overnight) is ultimately to become the key interest rate benchmark within the meaning of the BMR Regulation.

A Road Map was published by the NGR with the aim of ensuring that the process of replacing benchmarks complies with the provisions of the BMR Regulation, creating a liquid market of cash and derivative financial instruments using the selected RFR (Risk Free Rate) benchmark for the Polish zloty (PLN), operational and technical preparedness of all financial market participants (issuers, investors, market infrastructure institutions) to replace the WIBOR and WIBID benchmarks by WIRON, implement the required changes in law and build full awareness of the reform and its consequences among all participants of the financial market, in particular consumers. Due to the large number of interrelated elements involved in the reform of benchmarks, the process will be staggered over time. NGR specified in the Road Map that with the effective cooperation of all parties involved, the reform of benchmarks in Poland will be fully implemented by the end of 2024, while the implementation by market participants of a new offer of financial products using the WIRON index is planned for 2023 and 2024. The Road Map indicates the readiness to stop developing and publishing the WIBOR and WIBID benchmarks from the beginning of 2025.

Due to the current, preparatory stage of activities and the resulting uncertainties, it is too early to present information about the effects of this event on the financial statements.

3. Significant events after balance sheet date

BFG announcement on lowering the target level of funds of the deposit guarantee system in banks

On 26 October 2022, the Bank Guarantee Fund (BFG) Council announced the adoption of a resolution on the reduction of the target level of funds of the deposit guarantee system in banks to 1.6% of the amount of guaranteed funds in banks and branches of foreign banks covered by the mandatory deposit guarantee scheme.

Taking into account the value of guaranteed funds at banks and branches of foreign banks covered by the obligatory deposit guarantee scheme according to the data as at the date of publication of the BFG Council's announcement, the target level of 1.6% was achieved, which means that the condition set out in Art. 294 paragraph. 1 of the BFG Act, with regard to the non-collection of contributions to the bank guarantee fund.

The new total amount of contributions to the bank guarantee fund, set by the BFG Council for 2022, amounts to PLN 502 million. This amount corresponds approximately to the sum of contributions made by banks and branches of foreign banks to the bank guarantee fund in the 1st quarter of 2022.

Therefore, the Bank did not recognize cost of payments to the banks' guarantee fund for the 3rd quarter of 2022 (similar to 2nd quarter of 2022). The required contribution for the 1st quarter of 2022 was PLN 53.8 million.

4. Compliance with International Financial Reporting Standards

These interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for the 3rd quarter of 2022 were prepared under the International Accounting Standards (IAS) 34 Interim Financial Reporting as endorsed by the European Commission and effective as at the reporting date, that is 30 September 2022 as well as in accordance with the Ordinance of Finance Minister of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state (Journal of Laws of 2018, item 757).

Presented financial statements have been prepared in a condensed version. The interim condensed financial statements do not provide all data or disclosures required in the annual financial statements and should be interpreted together with the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2021 to 31 December 2021, approved on 7 April 2022 by the Bank's General Meeting.

Interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated cash flow statement for the period from 1 January 2022 to 30 September 2022 and interim condensed consolidated statement of financial position as at 30 September 2022, together with comparable data were prepared according to the same principles of accounting for each period, except for changes in accounting principles described in point 5.1.

4.1. Changes in accounting standards

In these interim condensed consolidated financial statements, the Group included the following amendments to standards and interpretations that were approved by the European Union with the effective date for annual periods beginning on or after 1 January 2022:

Change	Impact on the Group financial statements
Changes resulting from the cyclical review of IFRS 2018-2020	Changes to: IFRS 1 – subsidiary applying accounting standards for the first time IFRS 9 – fees in the "10%" test (to determine the possibility of excluding financial liabilities from the consolidated statement of financial position) – in accordance with the change in the test, all fees paid or received should be included, including those settled by the borrower or lender on behalf of other entities Illustrative examples for IFRS 16 – lease incentives IAS 41 – agriculture: taxation measured at fair value measurement. The implementation of the amendments does not have a significant impact on the Group's financial statements.
IFRS 3	The amendment introduces to the content of the standard references to the conceptual framework published in March 2018. The implementation of the changes do not have a impact on the Group's financial statements.
Reference to conceptual assumptions	A change consisting in clarifying the concept of the costs of meeting obligations under contracts, where the costs exceed the economic benefits resulting from them. The implementation of the amendments do not have impact on the Group's financial statements.
IAS 37	The amendment consists in the exclusion of the possibility of deducting from the production expenses of property, plant and equipment amounts received from the sale of products manufactured at the stage of pre-implementation tests. This type of sales revenues and the corresponding expenses should be included in the income statement. The amendments do not have an impact on the Group's financial statements.
Onerous contracts – the costs of meeting the contract	Change in the scope of leasing modification, the purpose of which is to extend by 1 year the period of withdrawal from the evaluation of leasing modification, in a situation where the change in leasing payments is a direct consequence of the Covid-19 pandemic. The application of the amendment does not have an impact on the financial statements of the Group.

The standards and interpretations which were already issued but are still ineffective because they are not endorsed by the European Union or endorsed by the European Union but not yet applied by the Group were presented in the 2021 Annual Consolidated Financial Statements.

In the 3rd quarter of 2022 has been published following amendment to the standards:

Change (in brackets expected date of application)	Impact on the Group financial statements
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (the financial year starting on or after 1 January 2024)	Analysis undertaken by the Group shows that the implementation of the change will not have an impact on the financial statements of the Group.

In the period of three quarters of 2022 the European Union endorsed following amendments to the standards:

Change (in brackets expected date of application)	Impact on the Group financial statements
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (the financial year starting on or after 1 January 2023)	Analysis undertaken by the Group shows that the implementation of the change will not have a significant impact on the financial statements of the Group.
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (the financial year starting on or after 1 January 2023)	Amendment specifies the accounting requirements for income tax and possible exemption from recognising deferred tax. The amendments clarify that the exemption does not apply to transactions such leases and decommissioning obligations i.e. transactions for which simultaneously are recognise both an asset and a liability. The application of the amendment will not have an impact on the financial statements of the Group.
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (the financial year starting on or after 1 January 2023)	Change in the scope of disclosure of significant accounting principles in the financial statements. Pursuant to the introduced changes, only the accounting principles that have a significant impact on the information contained in the financial statements will be disclosed. The practical stand attached to the amendment contains a detailed illustrative example. The implementation of the change will have a significant impact on the scope of disclosures of significant accounting principles in the Group's financial statements.
Amendments to IAS 8: Definition of Accounting Estimates (the financial year starting on or after 1 January 2023)	Amendment to clarify the definition of accounting estimates, i.e. monetary amounts recognized in the financial statements that are subject to measurement uncertainty. The implementation of the change will not have a significant impact on the financial statements of the Group.

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

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4.2. Going-concern

These interim condensed consolidated financial statements of the ING Bank Śląski S.A. Capital Group have been prepared on a going-concern basis as regards the foreseeable future, namely as regards the period of minimum 12 months from the approval date, i.e. from 2 November 2022. As at the approval date hereof, the Bank Management Board have not identified any events that could pose a threat to the Group members continuing their operations during the period of 12 months from the approval date as a result of intentional or forced abandonment or significant limitation of its operations by the Capital Group.

4.3. Financial statements scope and currency

These interim condensed consolidated financial statements of the Group for the 3rd quarter of 2022 contain data of the Bank and its subsidiaries and associates (collectively referred to as the "Group").

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

4.4. Reporting period and comparable data

Interim condensed consolidated financial statements of ING Bank Śląski S.A. Group covers the period from 1 January 2022 to 30 September 2022 and includes comparative data:

- as at 30 June 2022, 31 December 2021 and 30 September 2021 - for the interim condensed consolidated statement of financial position,
- for the period from 1 January 2021 to 30 September 2021 and from 1 April 2021 to 30 September 2021 - for the interim condensed consolidated income statement and the interim condensed consolidated statement of comprehensive income,
- for the period from 1 January 2021 to 30 September 2021 - for the interim condensed consolidated cash flow statement,
- for the period from 1 January 2021 to 31 December 2021 and from 1 January 2021 to 30 September 2021 - for the interim condensed statement of changes in consolidated equity.

5. Significant accounting principles and key estimates

Detailed accounting principles and key estimates are presented in the annual consolidated financial statements of the of ING Bank Śląski S.A. Group for the period from 1 January 2021 to 31 December 2021, published on 11 March 2022 and available on the website of ING Bank Śląski S.A. (www.ing.pl).

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

5.1. Changes in significant accounting principles

The changes to the accounting principles applied by the Capital Group, which were introduced in the period of three quarters of 2022, are presented below.

The changes were introduced to the item Modification of contractual cash flows and consisted of further specifying the qualitative criteria and adding a quantitative criterion for assessing whether a modification of a financial assets results in the extinguishment of the asset. The changes are introduced with prospective effect on 1 January 2022 in accordance with IAS 8 par. 25, because retrospective application of the new rules is impracticable. The Group is not able to determine the total effect of the application of the changed accounting principles in relation to all previous periods, as the Group has no data from earlier periods that would allow for a retrospective application of the new accounting principles.

Because comparative data is not adjusted for this change, significant accounting principles in this respect have been presented in the layout presenting both the principles applicable before and after 1 January 2022.

Modification of contractual cash flows

Principles before 1 January 2022

If, as a result of renegotiating the terms of a loan or credit agreement, the cash flows related to a given financial asset are subject to modification, the Group assesses whether the modification in question is significant and leads to the expiry of that financial asset from the statement of financial position of the Group and the recognition of a new financial asset.

The Group assumes that a significant modification to the terms of the contract takes place when it occurs:

- change of the debtor with the consent of the Group, or
- change of the legal form/type of the financial instrument, or
- change of loan currency unless it was included in the pre-modified contractual terms.

In a situation where the modification is not significant and thus does not lead to the exclusion of a financial asset from the statement of financial position of the Group, the Group recalculates the gross carrying amount of the financial asset and recognizes a profit or loss on the modification in the financial result.

Principles after 1 January 2022

When the terms of the loan and cash loan agreements are renegotiated and contractual cash flows of a financial asset are modified, the Group assesses if such modification was significant and should result in the extinguishment of that financial asset and recognition of a new financial asset. A financial asset is extinguished if either the qualitative or the quantitative criteria are met.

Qualitative criteria

The Group assumes that a substantial modification of the terms of the agreement has taken place in the following circumstances in case:

- change of the debtor with the consent of the Group, or
- change of the legal form/type of the financial instrument, or
- change of loan currency unless it was included in the pre-modified contractual terms, or
- the modified financial asset does not meet the SPPI test, i.e. the cash flows from the financial asset do not represent, on specified dates, solely payments of principal and interest on the principal amount outstanding, or
- change in interest rate from fixed to floating or vice versa for financial assets that are not credit-impaired, or
- change of the financial instruments from revolving to non-revolving or vice versa for financial assets that are not credit-impaired, or
- increase of the exposure amount of 50% or an extension of the tenor of the facility/instrument by 50%, if the present value of cash flows under the modified terms, discounted at the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original agreement, discounted using the original effective interest rate.

Quantitative trigger

A financial asset is deemed to be extinguished when the present value of cash flows under the modified loan terms, discounted at the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original agreement, discounted using the original effective interest rate.

For modifications that do not lead to a derecognition of the financial asset, the net present value difference (using the original effective interest rate) between the cash flows of the asset before and after modification is recognised in the statement of profit and loss.

5.2. Changes in key estimates

Impairment for expected credit losses

The methodology for calculating expected credit losses was presented in the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2021 to 31 December 2021.

In the 3rd quarter of 2022, the Group modified the triggers for a significant increase in credit risk, resulting in the classification of the exposure to Stage 2, in particular, a threefold increase in the PD parameter from the moment of granting the exposure was introduced as one of the triggers, and the limiting conditions for the presence of a client / exposure on the watch list were removed (i.e. all exposures from the watch list are treated as meeting the trigger of a significant increase in credit risk). The estimated impact of the above-mentioned changes in the triggers is the reclassification of approximately PLN 2.7 billion of exposures from Stage 1 to Stage 2 and an increase in the impairment for expected credit losses by PLN 10 million to PLN 15 million.

In the 3rd quarter of 2022, the Group continued the adopted approach, including in the field of probability-weighted macroeconomic scenarios, supplementing them with management adjustments where, in the opinion of management, recent economic events were not fully captured.

The Group revised the forecasts of macroeconomic indicators. The macroeconomic assumptions used to determine the expected credit losses are based on the forecasts prepared by the Bank's Macroeconomic Analysis Bureau, with forward curves for interest. This contributed to an increase in impairment for expected credit losses at the end of 3rd quarter 2022 by PLN 10.1 million for retail segment and PLN 131.5 million for corporate segment.

Management adjustments

The sharp rise in inflation and interest rates currently observed has not occurred in recent history. Therefore, historical correlation of risk parameters (PD in IFRS models) does not fully reflect the actual credit risk of the portfolios. At the same time, as a result of model backtests for the mortgage and corporate clients portfolios, an excessive conservativeness of the LGD in default model was identified. The introduction of management adjustments at the end of the 3rd quarter of 2022, addressing the above-mentioned issues resulted in an increase in the impairment for expected credit losses by PLN 15.4 million to PLN 49.2 million for the retail clients portfolio and a decrease in the impairment by PLN 101.2 million for the corporate client portfolio.

Additionally, in the Group's opinion, the observed negative economic changes related to the war in Ukraine, in particular those related to supply chain disruptions, increases in energy prices and labor shortages, are not sufficiently covered by the current models for strategic clients. As a consequence, the Group analyzed the portfolio of strategic clients in terms of customer projections in the future and decided to increase the impairment for expected credit losses for this portfolio by PLN 37.3 million to PLN 87.7 million at the end of the 3rd quarter of 2022.

The management adjustments did not affect the classification of exposures to IFRS 9 Stages presented in these financial statements. The division of the adjustments into stages and into the corporate and retail segments is presented in the supplementary note 8.13. *Loans and other receivables to customers measured at amortised cost.*

6. Comparability of financial data

In these interim condensed consolidated financial statements for the 3rd quarter of 2022 in relation to the interim condensed consolidated financial statements for earlier periods, the Group has made changes to the presentation of individual items in the consolidated statement of financial position and consolidated income statement.

The changes in the statement of financial position

- Separation of *Transferred assets* (**change a**)

The Group has separated a new item in the consolidated statement of financial position – Transferred assets – which presents assets that can be pledged or resold by the collateral recipient. IFRS 9.3.2.23(a) requires these assets to be segregated and presented separately from other assets in the statement of financial position. The new item included debt securities resold with a repurchase agreement under repo or buy-sell-back transactions. These assets are measured at fair value through profit or loss, at fair value through other comprehensive income or at amortised cost. The change was intended to better reflect the risk characteristics of these financial assets. The figures as at 30 September 2021 have been restated to ensure comparability.

- Inclusion of non-current assets held for sale under *Other assets* (**change b**)

Following the principle of materiality, the Group departed from the presentation of non-current assets held for sale in a separate line item in the consolidated statement of financial position and from 31 December 2021 onwards shows them in Other assets. The figures as at 30 September 2021 have been restated.

The changes in the income statement

- Beginning with the interim consolidated financial statements for the 3rd quarter of 2022, the Group added to the profit and loss account the line for the *impact of the adjustment to the gross carrying amount of loans due to credit moratoria*, which is a detailed presentation of interest income. The Group decided to make this change due to the significant share of the said adjustment in total interest income. The adjustment is the result of a change in the law, i.e. the entry into force in the 3rd quarter of 2022 of the *act on crowdfunding for business ventures and assistance to borrowers*. More on this subject in point 2. *Significant events in the 3rd quarter of 2022*.
- Due to the interest rate environment, the price alignment amount (PAA) received on derivatives in cash flow hedge accounting relationships has become material. Following a review of the presentation of these amounts, the Group moved the amount of PAA from the item *Net (loss)/income on hedge accounting* (from the detailed item *ineffectiveness under cash flow hedges*) to *Interest income* and *Interest expenses* (to specific items *other income/cost on derivatives hedging cash flows*). The comparative financial statements are not adjusted due to the immateriality of these amount in the comparative periods.

The table presents individual asset items of the consolidated statement of financial position according to the values presented in the interim condensed consolidated financial statements for the 3rd quarter of 2021 and according to the values presented in these interim condensed consolidated financial statements. Liabilities and equity did not change.

as at **30 Sep 2021**

	in interim condensed consolidated financial statements for the 3rd quarter of 2021 *(approved data)*	change a	change b	in interim condensed consolidated financial statements for the 3rd quarter of 2022 *(comparable data)*
Assets				
Cash in hand and balances with the Central Bank	747.1			747.1
Loans and other receivables to other banks	913.8			913.8
Financial assets measured at fair value through profit or loss	1,969.6	-12.1		1,957.5
Derivative hedge instruments	593.3			593.3
Investment securities	52,450.1	-3,006.5		49,443.6
Transferred assets	0.0	3,018.6		3,018.6
Loans and other receivables to customers measured at amortised cost	141,168.6			141,168.6
Investments in associates accounted for using the equity method	176.3			176.3
Property, plant and equipment	828.0			828.0
Intangible assets	405.6			405.6
Assets held for sale	1.4		-1.4	0.0
Current income tax assets	426.2			426.2
Deferred tax assets	594.6			594.6
Other assets	268.7		1.4	270.1
Total assets	**200,543.3**		**0.0**	**200,543.3**
Total liabilities and equity	**200,543.3**		**0.0**	**200,543.3**

7. Segment reporting

Segments of operation

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

- retail banking segment
- corporate banking segment.

The basis for distinguishing individual segments are entity criteria and - in the case of division into sub-segments - financial criteria (especially turnover, level of collected assets). The specific rules of assigning clients to respective segments are governed by the clients segmentation criteria specified in the Group's internal regulations. The Group has separated in organisational terms the operations performed by the Centre of Expertise Treasury. The Centre of Expertise Treasury manages short-term and long-term liquidity risk in line with the effective regulations and risk appetite internally set at the Group, manages interest rate risk and invests surpluses obtained from business lines while maintaining the liquidity buffer in the form of liquid assets. The Centre of Expertise Treasury's net income on operations is allocated to the business lines considering its support function for the Group's business lines.

Retail banking segment

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

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

Corporate banking segment

Corporate banking area encompasses as follows:

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

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

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

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

Measurement

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

Income statement by segment

	3 quarters of 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022			3 quarters of 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021		
	Retail banking segment	Corporate banking segment	Total	Retail banking segment	Corporate banking segment	Total
Income total	**1,574.9**	**3,808.1**	**5,383.0**	**2,407.7**	**2,584.4**	**4,992.1**
net interest income	1,074.7	2,729.7	3,804.4	1,961.6	1,591.7	3,553.3
net commission income, including:	447.8	1,135.6	1,583.4	422.6	946.2	1,368.8
commission income, including:	679.9	1,296.6	1,976.5	622.7	1,071.7	1,694.4
transaction margin on currency exchange	67.6	453.1	520.7	51.9	341.4	393.3
account maintenance fees	85.7	249.3	335.0	87.8	223.7	311.5
lending commissions	19.6	330.6	350.2	15.7	286.3	302.0
payment and credit cards fees	269.6	108.3	377.9	225.9	83.7	309.6
participation units distribution fees	48.3	0.0	48.3	67.0	0.0	67.0
insurance product offering commissions	141.4	26.1	167.5	119.2	25.6	144.8
factoring and lease contracts commissions	0.0	38.0	38.0	0.0	32.0	32.0
other commissions	47.7	91.2	138.9	55.2	79.0	134.2
commission expenses	-232.1	-161.0	-393.1	-200.1	-125.5	-325.6
other income/expenses	52.4	-57.2	-4.8	23.5	46.5	70.0
General and administrative expenses	**-1,730.5**	**-1,222.6**	**-2,953.1**	**-1,149.8**	**-1,057.2**	**-2,207.0**
Segment operating result	**-155.6**	**2,585.5**	**2,429.9**	**1,257.9**	**1,527.2**	**2,785.1**
impairment for expected credit losses	-189.1	-350.4	-539.5	-72.2	-155.7	-227.9
cost of legal risk of FX mortgage loans	-1.3	0.0	-1.3	-0.4	0.0	-0.4
tax on certain financial institutions	-185.2	-292.6	-477.8	-168.0	-227.0	-395.0
share of profit/(loss) of associates accounted for using the equity method	18.0	0.0	18.0	21.0	0.0	21.0
Gross profit	**-513.2**	**1,942.5**	**1,429.3**	**1,038.3**	**1,144.5**	**2,182.8**
Income tax	-	-	-380.8	-	-	-543.5
Net profit	-	-	**1,048.5**	-	-	**1,639.3**
of which attributable to shareholders of ING Bank Śląski	-	-	1,048.5	-	-	1,639.3
	as at 30 Sep 2022			as at 31 Dec 2021		
Allocated equity	**2,959.7**	**4,463.2**	**7,422.9**	**5,996.2**	**7,535.2**	**13,531.4**
ROE - Return on Equity (%)*	**-1.7%**	**27.7%**	**15.0%**	**14.4%**	**13.0%**	**13.6%**

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

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

8.1. Net interest income

	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022	3 quarter 2021 the period from 01 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021
Interest income, including:	**1,018.2**	**5,249.4**	**1,352.3**	**3,917.0**
interest income calculated using effective interest rate method, including:	**705.5**	**4,640.8**	**1,352.3**	**3,916.6**
interest on financial instruments measured at amortised cost	468.0	4,151.8	1,317.0	3,802.6
interest on loans and other receivables to other banks	123.9	244.5	3.0	7.8
interest on loans and other receivables to customers, including:	154.9	3,429.7	1,209.2	3,465.8
the impact of the adjustment to the gross carrying amount of loans due to credit moratoria	-1,632.1	-1,632.1	0.0	0.0
interest on investment securities	189.2	477.6	104.8	329.0
interest on investment securities measured at fair value through other comprehensive income	237.5	489.0	35.3	114.0
other interest income, including:	**312.7**	**608.6**	**0.0**	**0.4**
other income on derivatives hedging cash flows**	311.8	606.6	0.0	0.0
interest on loans and other receivables to customers measured at fair value through profit or loss	0.9	2.0	0.0	0.4
Interest expenses, including:	**-844.9**	**-1,445.0**	**-115.6**	**-363.7**
interest on deposits from other banks	-112.4	-267.8	-0.8	-2.6
interest on deposits from customers	-561.0	-830.0	-106.2	-334.3
interest on issue of debt securities	-6.1	-14.0	-1.2	-4.5
interest on subordinated liabilities	-5.9	-14.2	-7.1	-20.9
interest on lease liabilities	-2.3	-5.5	-0.3	-1.4
other costs on derivatives hedging cash flows**	-157.2	-313.5	0.0	0.0
Net interest income	**173.3**	**3,804.4**	**1,236.7**	**3,553.3**

*) Information on credit moratoria (credit holidays) introduced by the *act on crowdfunding for business ventures and assistance to borrowers* is included in point 2. *Significant events in the 3rd quarter of 2022.*

**) Starting from the 3rd quarter of 2022, the Group moved the price alignment amount (PAA) received on derivatives in cash flow hedge accounting relationships from the item *Net (loss)/income on hedge accounting* to *Interest income* and *Interest expenses* (to specific items *other income/cost on derivatives hedging cash flows*). More information on this subject is provided in section 6. *Comparability of financial data.*

8.2. Net commission income

	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022	3 quarter 2021 the period from 01 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021
Commission income, including:	**670.2**	**1,976.5**	**602.5**	**1,694.4**
transaction margin on currency exchange transactions	180.6	520.7	146.1	393.3
account maintenance fees	106.0	335.0	107.5	311.5
lending commissions	118.5	350.2	100.0	302.0
payment and credit cards fees	136.9	377.9	115.1	309.6
participation units distribution fees	14.3	48.3	23.9	67.0
insurance product offering commissions	58.1	167.5	51.4	144.8
factoring and lease contracts commissions	14.8	38.0	13.8	32.0
brokerage activity fees	12.5	46.2	13.7	52.6
fiduciary and custodian fees	5.8	18.7	7.2	18.2
foreign commercial business	10.8	32.3	10.9	32.2
other commission	11.9	41.7	12.9	31.2
Commission expenses, including:	**-139.6**	**-393.1**	**-118.3**	**-325.6**
payment and credit cards fees	-77.9	-216.3	-67.4	-182.8
Net commission income	**530.6**	**1,583.4**	**484.2**	**1,368.8**

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

	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022	3 quarter 2021 the period from 01 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021
FX result and net income on interest rate derivatives, including	-6.2	-127.2	5.3	33.1
FX result	337.2	462.8	208.9	447.9
currency derivatives	-343.4	-590.0	-203.6	-414.8
Net income on interest rate derivatives	21.9	132.6	14.2	32.6
Net income on debt instruments held for trading	5.0	20.1	1.6	5.1
Net income on repurchase transactions	4.4	8.7	0.0	0.0
Net income on measurement of loans to customers	0.0	0.0	0.2	0.2
Net income on equity instruments	0.3	-4.0	1.1	1.1
Total	**25.4**	**30.2**	**22.4**	**72.1**

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

	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022	3 quarter 2021 the period from 01 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021
Net income on the sale of securities measured at amortised cost	-9.1	-24.8	0.0	0.0
Net income on sale of securities measured at fair value through other comprehensive income and dividend income, including:	-0.2	26.6	3.9	11.6
sale of debt securities	-0.2	19.8	3.9	4.9
dividend income	0.0	6.8	0.0	6.7
Total	**-9.3**	**1.8**	**3.9**	**11.6**

8.5. Net (loss)/income on hedge accounting

	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022	3 quarter 2021 the period from 01 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021
Net income on hedge accounting	-1.7	-34.4	-5.4	-20.6
valuation of the hedged transaction	-100.2	-551.0	-173.2	-574.8
valuation of the hedging transaction	98.5	516.6	167.8	554.2
Cash flow hedge accounting	0.0	0.0	0.6	1.6
ineffectiveness under cash flow hedges	0.0	0.0	0.6	1.6
Total	**-1.7**	**-34.4**	**-4.8**	**-19.0**

**) Starting from the 3rd quarter of 2022, the Group moved the price alignment amount (PAA) received on derivatives in cash flow hedge accounting relationships from the item *Net (loss)/income on hedge accounting* (from the detailed item *ineffectiveness under cash flow hedges*) to *Interest income* and *Interest expenses*. More information on this subject is provided in section 6. *Comparability of financial data.*

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8.6. General and administrative expenses

	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022	3 quarter 2021 the period from 01 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021
Personnel expenses	**-414.9**	**-1,185.9**	**-359.9**	**-1,072.9**
Other general and administrative expenses, including:	**-406.7**	**-1,767.2**	**-334.3**	**-1,134.1**
cost of marketing and promotion	-38.0	-107.2	-32.0	-99.5
depreciation and amortisation	-71.2	-207.8	-70.8	-213.8
contributions to the Commercial Banks Protection System*	-40.9	-470.7	0.0	0.0
obligatory Bank Guarantee Fund payments, of which:	0.0	-226.6	-28.1	-216.6
resolution fund	0.0	-172.8	0.0	-132.6
bank guarantee fund	0.0	-53.8	-28.1	-84.0
fees to the Polish Financial Supervisory Commission	-0.2	-22.2	-0.1	-19.3
IT costs	-81.5	-271.6	-83.7	-232.5
maintenance costs of buildings and real estate valuation to fair value	-29.5	-87.1	-24.5	-80.0
other**	-145.4	-374.0	-95.1	-272.4
Total	**-821.6**	**-2,953.1**	**-694.2**	**-2,207.0**

*) Information on payments to the aid fund of the Commercial Bank Protection System has been included in this report in point 2. *Significant events in the 3rd quarter of 2022.*

**) The value for the 3rd quarter of 2022 includes the cost of contribution to the Borrowers Support Fund for the 2nd quarter of 2022 in the amount of PLN 7.3 million and the expected cost of contribution for the 3rd quarter of 2022 in the amount of PLN 18 million. Information on contributions to the Borrowers Support Fund has been included in this report in point 2. *Significant events in the 3rd quarter of 2022.*

8.6.1. Number of employees

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

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
FTEs	8,409.1	8,441.0	8,642.9	8,714.1
Individuals	8,452	8,488	8,694	8,763

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

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Jun 2021
FTEs	7,980.2	8,011.1	8,211.0	8,279.8
Individuals	8,008	8,043	8,248	8,314

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8.7. Impairment for expected credit losses

	3 quarter 2022	3 quarters 2022 YTD	3 quarter 2021	3 quarters 2021 YTD
	the period from 01 Jul 2022 to 30 Sep 2022	the period from 01 Jan 2022 to 30 Sep 2022	the period from 01 Jul 2021 to 30 Sep 2021	the period from 01 Jan 2021 to 30 Sep 2021
Corporate banking segment	-188.4	-350.4	-48.5	-155.7
Retail banking segment	-17.6	-189.1	-31.5	-72.2
Total	**-206.0**	**-539.5**	**-80.0**	**-227.9**

8.8. Cost of legal risk of FX mortgage loans

	3 quarter 2022	3 quarters 2022 YTD	3 quarter 2021	3 quarters 2021 YTD
	the period from 01 Jul 2022 to 30 Sep 2022	the period from 01 Jan 2022 to 30 Sep 2022	the period from 01 Jul 2021 to 30 Sep 2021	the period from 01 Jan 2021 to 30 Sep 2021
Provisions for legal risk of FX indexed mortgage loans, including:	0.0	-1.3	-0.4	-0.4
relating to loans in the Bank's portfolio	0.0	-0.3	0.0	0.0
relating to repaid loans	0.0	-1.0	-0.4	-0.4
Total	**0.0**	**-1.3**	**-0.4**	**-0.4**

Detailed information on the legal risk of CHF-indexed mortgage loans is presented later in the report in note 8.19. *Provisions*.

8.9. Cash in hand and balances with the Central Bank

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Cash in hand	1,072.0	1,152.2	599.1	668.2
Balances with the Central Bank	997.5	1,565.9	500.9	78.9
Total	**2,069.5**	**2,718.1**	**1,100.0**	**747.1**

The Bank maintains a mandatory reserve on the current account with the National Bank of Poland, the amount of which at the end of the 3rd quarter of 2022 amounted to 3.5% of the value of deposits received (compared to 3.5% as at 30 June 2022, 2.0% at the end of 2021 and 0.5% as at 30 September 2021).

The arithmetic mean of balances of the mandatory reserve that the Bank is obliged to maintain during a given period in the current account with NBP amounts to:

- PLN 6,397.6 million for the period from 30 September 2022 to 30 October 2022,
- PLN 6,287.1 million for the period from 30 June 2022 to 31 July 2022,
- PLN 3,370.1 million for the period from 31 December 2021 to 30 January 2022,
- PLN 817.3 million for the period from 30 September 2021 to 1 November 2021.

8.10. Loans and other receivables to other banks

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Current accounts	278.5	167.3	95.0	435.8
Interbank deposits	1,133.5	1,417.2	125.2	0.0
Loans and advances	325.3	305.7	302.1	343.3
Placed call deposits	520.6	403.1	182.6	134.8
Total (gross)	**2,257.9**	**2,293.3**	**704.9**	913.9
Impairment for expected credit losses, including:	-0.3	-0.1	-0.1	-0.1
concerning loans and advances	-0.3	-0.1	-0.1	-0.1
Total (net)	**2,257.6**	**2,293.2**	**704.8**	**913.8**

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

as at	30 Sep 2022			30 Jun 2022			31 Dec 2021			30 Sep 2021		
	transferred debt securities*	other financial assets measured at fair value through profit or loss	**Total**	transferred debt securities*	other financial assets measured at fair value through profit or loss	**Total**	transferred debt securities*	other financial assets measured at fair value through profit or loss	**Total**	transferred debt securities*	other financial assets measured at fair value through profit or loss	**Total**
Financial assets held for trading, including:	**0.0**	**3,335.0**	**3,335.0**	**56.4**	**3,423.8**	**3,480.2**	**243.2**	**1,455.1**	**1,698.3**	**12.1**	**1,869.9**	**1,882.0**
valuation of derivatives	-	2,735.2	2,735.2	-	2,789.3	2,789.3	-	629.3	629.3	-	1,131.2	1,131.2
other financial assets held for trading, including:	0.0	599.8	599.8	56.4	634.5	690.9	243.2	825.8	1,069.0	12.1	738.7	750.8
debt securities:	-	353.0	353.0	56.4	386.3	442.7	243.2	301.1	544.3	12.1	453.1	465.2
Treasury bonds in PLN	-	159.4	159.4	56.4	246.9	303.3	243.2	259.2	502.4	12.1	351.9	364.0
Czech Treasury bonds in CZK	-	193.2	193.2	-	138.9	138.9	-	41.4	41.4	-	100.7	100.7
European Investment Bank bonds	-	0.4	0.4	-	0.5	0.5	-	0.5	0.5	-	0.5	0.5
repo transactions	-	246.8	246.8	-	248.2	248.2	-	524.7	524.7	-	285.6	285.6
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	-	**61.3**	**61.3**	-	**63.8**	**63.8**	-	**83.2**	**83.2**	-	**87.6**	**87.6**
loans obligatorily measured at fair value through profit or loss	-	60.4	60.4	-	63.2	63.2	-	78.4	78.4	-	87.5	87.5
equity instruments	-	0.9	0.9	-	0.6	0.6	-	4.8	4.8	-	0.1	0.1
Total	**0.0**	**3,396.3**	**3,396.3**	**56.4**	**3,487.6**	**3,544.0**	**243.2**	**1,538.3**	**1,781.5**	**12.1**	**1,957.5**	**1,969.6**

*) Securities that can be pledged or sold by the collateral recipient are presented as *transferred debt securities*. These assets, as required by IFRS 9, are presented separately by the Group in the consolidated statement of financial position under *Transferred assets*. As at 30 September 2022, the Group did not have such securities.

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8.12. Investment securities

as at	30 Sep 2022			30 Jun 2022			31 Dec 2021			30 Sep 2021		
	transferred debt securities*	other investment securities	Total	transferred debt securities*	other investment securities	Total	transferred debt securities*	other investment securities	Total	transferred debt securities*	other investment securities	Total
Measured at fair value through other comprehensive income, including:	**1,002.3**	**14,957.3**	**15,959.6**	**4,051.1**	**12,151.0**	**16,202.1**	**1,266.4**	**14,378.9**	**15,645.3**	**2,409.2**	**17,490.9**	**19,900.1**
debt securities, including:	1,002.3	14,829.7	15,832.0	4,051.1	12,023.5	16,074.6	1,266.4	14,211.5	15,477.9	2,409.2	17,311.6	19,720.8
Treasury bonds in PLN	1,002.3	11,258.6	12,260.9	4,051.1	8,409.8	12,460.9	1,266.4	11,765.9	13,032.3	2,409.2	14,753.8	17,163.0
Treasury bonds in EUR	-	1,803.1	1,803.1	-	1,817.5	1,817.5	-	1,022.9	1,022.9	-	1,043.1	1,043.1
European Investment Bank bonds	-	1,317.7	1,317.7	-	1,345.6	1,345.6	-	941.4	941.4	-	1,027.2	1,027.2
Austrian government bonds	-	450.3	450.3	-	450.6	450.6	-	481.3	481.3	-	487.5	487.5
equity instruments	-	127.6	127.6	-	127.5	127.5	-	167.4	167.4	-	179.3	179.3
Measured at amortised cost, including:	**2,204.1**	**27,406.6**	**29,610.7**	**2,771.1**	**27,132.0**	**29,903.1**	**771.3**	**31,205.5**	**31,976.8**	**597.3**	**31,952.7**	**32,550.0**
debt securities, including:	2,204.1	27,406.6	29,610.7	2,771.1	27,132.0	29,903.1	771.3	31,205.5	31,976.8	597.3	31,952.7	32,550.0
Treasury bonds in PLN	2,204.1	11,196.6	13,400.7	2,771.1	11,068.2	13,839.3	771.3	15,311.5	16,082.8	597.3	16,047.5	16,644.8
Treasury bonds in EUR	-	3,226.3	3,226.3	-	3,103.4	3,103.4	-	4,028.8	4,028.8	-	4,059.0	4,059.0
European Investment Bank bonds	-	6,827.2	6,827.2	-	6,812.7	6,812.7	-	5,695.2	5,695.2	-	5,689.4	5,689.4
Bank Gospodarstwa Krajowego bonds	-	2,318.5	2,318.5	-	2,323.4	2,323.4	-	2,299.8	2,299.8	-	2,316.5	2,316.5
Bonds of the Polish Development Fund (PFR)	-	3,838.0	3,838.0	-	3,824.3	3,824.3	-	3,855.2	3,855.2	-	3,840.3	3,840.3
NBP money market bills	-	0.0	0.0	-	0.0	0.0	-	15.0	15.0	-	0.0	0.0
Total, of which;	**3,206.4**	**42,363.9**	**45,570.3**	**6,822.2**	**39,283.0**	**46,105.2**	**2,037.7**	**45,584.4**	**47,622.1**	**3,006.5**	**49,443.6**	**52,450.1**
total debt securities	3,206.4	42,236.3	45,442.7	6,822.2	39,155.5	45,977.7	2,037.7	45,417.0	47,454.7	3,006.5	49,264.3	52,270.8
total equity instruments	-	127.6	127.6	-	127.5	127.5	-	167.4	167.4	-	179.3	179.3

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

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

as at	30 Sep 2022			30 Jun 2022			31 Dec 2021			30 Sep 2021		
	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net
Loan portfolio, of which:	**155,922.0**	**-3,083.7**	**152,838.3**	**153,760.1**	**-3,196.8**	**150,563.3**	**146,400.3**	**-3,113.6**	**143,286.7**	**141,163.0**	**-3,033.3**	**138,129.7**
Corporate banking	**91,722.4**	**-2,113.0**	**89,609.4**	**87,857.1**	**-2,074.3**	**85,782.8**	**79,914.5**	**-2,158.2**	**77,756.3**	**76,654.6**	**-2,085.0**	**74,569.6**
loans in the current account	16,498.7	-462.6	16,036.1	15,642.7	-440.1	15,202.6	12,408.6	-560.0	11,848.6	12,523.5	-544.8	11,978.7
term loans and advances	51,808.0	-1,479.5	50,328.5	49,648.5	-1,489.6	48,158.9	46,117.3	-1,441.7	44,675.6	44,603.5	-1,373.9	43,229.6
lease receivables	12,545.7	-106.7	12,439.0	11,978.5	-84.2	11,894.3	11,180.0	-90.0	11,090.0	10,648.3	-96.5	10,551.8
factoring receivables	7,525.9	-61.9	7,464.0	7,287.8	-59.6	7,228.2	6,890.0	-66.2	6,823.8	6,241.9	-69.4	6,172.5
debt securities (corporate and municipal)	3,344.1	-2.3	3,341.8	3,299.6	-0.8	3,298.8	3,318.6	-0.3	3,318.3	2,637.4	-0.4	2,637.0
Retail banking	**64,199.6**	**-970.7**	**63,228.9**	**65,903.0**	**-1,122.5**	**64,780.5**	**66,485.8**	**-955.4**	**65,530.4**	**64,508.4**	**-948.3**	**63,560.1**
mortgages	55,467.7	-218.9	55,248.8	56,899.8	-228.2	56,671.6	57,410.2	-217.9	57,192.3	55,535.6	-245.2	55,290.4
loans in the current account	682.9	-59.8	623.1	694.4	-67.9	626.5	685.9	-54.0	631.9	692.0	-51.3	640.7
other loans and advances	8,049.0	-692.0	7,357.0	8,308.8	-826.4	7,482.4	8,389.7	-683.5	7,706.2	8,280.8	-651.8	7,629.0
Other receivables, of which:	**1,511.9**	**0.0**	**1,511.9**	**1,554.4**	**0.0**	**1,554.4**	**3,249.3**	**0.0**	**3,249.3**	**3,038.9**	**0.0**	**3,038.9**
call deposits placed	595.5	0.0	595.5	474.3	0.0	474.3	2,531.5	0.0	2,531.5	2,257.3	0.0	2,257.3
other	916.4	0.0	916.4	1,080.1	0.0	1,080.1	717.8	0.0	717.8	781.6	0.0	781.6
Total	**157,433.9**	**-3,083.7**	**154,350.2**	**155,314.5**	**-3,196.8**	**152,117.7**	**149,649.6**	**-3,113.6**	**146,536.0**	**144,201.9**	**-3,033.3**	**141,168.6**

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Quality of loan portfolio

as at	30 Sep 2022			30 Jun 2022			31 Dec 2021			30 Sep 2021		
	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net	gross	impairment for expected credit loss	net
Corporate banking	**91,722.4**	**-2,113.0**	**89,609.4**	**87,857.1**	**-2,074.3**	**85,782.8**	**79,914.5**	**-2,158.2**	**77,756.3**	**76,654.6**	**-2,085.0**	**74,569.6**
assets in stage 1	76,615.8	-202.5	76,413.3	77,626.0	-119.1	77,506.9	70,654.1	-168.7	70,485.4	67,164.7	-166.5	66,998.2
assets in stage 2	12,488.9	-471.5	12,017.4	7,597.7	-302.8	7,294.9	6,466.2	-218.4	6,247.8	6,688.3	-214.8	6,473.5
assets in stage 3	2,563.5	-1,439.0	1,124.5	2,581.8	-1,652.4	929.4	2,743.1	-1,771.1	972.0	2,800.1	-1,703.7	1,096.4
POCI assets	54.2	0.0	54.2	51.6	0.0	51.6	51.1	0.0	51.1	1.5	0.0	1.5
Retail banking	**64,199.6**	**-970.7**	**63,228.9**	**65,903.0**	**-1,122.5**	**64,780.5**	**66,485.8**	**-955.4**	**65,530.4**	**64,508.4**	**-948.3**	**63,560.1**
assets in stage 1	61,298.2	-161.8	61,136.4	63,218.9	-134.5	63,084.4	64,102.6	-107.0	63,995.6	61,787.9	-117.4	61,670.5
assets in stage 2	2,052.4	-223.4	1,829.0	1,664.1	-229.2	1,434.9	1,370.8	-139.4	1,231.4	1,708.0	-142.9	1,565.1
assets in stage 3	847.0	-585.5	261.5	1,017.9	-758.8	259.1	1,010.2	-709.0	301.2	1,010.2	-688.0	322.2
POCI assets	2.0	0.0	2.0	2.1	0.0	2.1	2.2	0.0	2.2	2.3	0.0	2.3
Total, of which:	**155,922.0**	**-3,083.7**	**152,838.3**	**153,760.1**	**-3,196.8**	**150,563.3**	**146,400.3**	**-3,113.6**	**143,286.7**	**141,163.0**	**-3,033.3**	**138,129.7**
assets in stage 1	137,914.0	-364.3	137,549.7	140,844.9	-253.6	140,591.3	134,756.7	-275.7	134,481.0	128,952.6	-283.9	128,668.7
assets in stage 2	14,541.3	-694.9	13,846.4	9,261.8	-532.0	8,729.8	7,837.0	-357.8	7,479.2	8,396.3	-357.7	8,038.6
assets in stage 3	3,410.5	-2,024.5	1,386.0	3,599.7	-2,411.2	1,188.5	3,753.3	-2,480.1	1,273.2	3,810.3	-2,391.7	1,418.6
POCI assets	56.2	0.0	56.2	53.7	0.0	53.7	53.3	0.0	53.3	3.8	0.0	3.8

The Group identifies POCI financial assets whose carrying value as at 30 September 2022 is PLN 56.2 million (PLN 53.7 million as at 30 June, PLN 53.3 million as at 31 December 2021 and PLN 3.8 million as at 30 September 2021). These are exposures due to impaired receivables acquired in connection with the acquisition of SKOK Bieszczadzka in 2017 and exposures that were significantly modified as a result of restructuring, which involved the need to remove the original credit or lease commitment and re-recognition of the asset in the statement of financial position. The increase in the balance of POCI in December 2021 results from the recognition as POCI of a receivable arising from the sale of the restructured property resulting from a lease agreement with deferred part of the payment.

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Changes in impairment for expected credit losses

	3 quarters of 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022				3 quarters of 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021			
	Step 1	Step 2	Step 3	**Total**	Step 1	Step 2	Step 3	**Total**
Opening balance	**275.7**	**357.8**	**2,480.1**	**3,113.6**	**342.3**	**409.5**	**2,518.5**	**3,270.3**
Changes in the period, including:	**88.6**	**337.1**	**-455.6**	**-29.9**	**-58.4**	**-51.8**	**-126.8**	**-237.0**
loans granted in the period	132.4	-	-	**132.4**	107.6	0.0	0.0	**107.6**
transfer to Stage 1	9.4	-53.4	-16.0	**-60.0**	13.8	-95.9	-8.7	**-90.8**
transfer to Stage 2	-41.7	410.5	-101.2	**267.6**	-23.5	163.8	-30.9	**109.4**
transfer to Stage 3	-6.8	-46.8	378.1	**324.5**	-7.2	-55.4	395.9	**333.3**
repayment (total and partial) and the release of new tranches	-29.9	-59.7	-166.6	**-256.2**	-32.3	-53.6	-206.2	**-292.1**
changed provisioning under impairment for expected credit losses (including management adjustments)	22.9	83.0	-9.4	**96.5**	-114.4	-10.7	199.2	**74.1**
Total impairment for expected credit losses in the profit and loss account	**86.3**	**333.6**	**84.9**	**504.8**	**-56.0**	**-51.8**	**349.3**	**241.5**
derecognition from the balance sheet (write-downs, sale)	-	-	-523.2	**-523.2**	0.0	0.0	-474.2	**-474.2**
calculation and write-off of effective interest	-	-	-41.6	**-41.6**	0.0	0.0	-18.5	**-18.5**
other	2.3	3.5	24.3	**30.1**	-2.4	0.0	16.6	**14.2**
Closing balance	**364.3**	**694.9**	**2,024.5**	**3,083.7**	**283.9**	**357.7**	**2,391.7**	**3,033.3**

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Credit quality of exposures to clients related to the Russian, Belarusian and Ukrainian markets

In its annual consolidated financial statements for 2021, in the chapter on significant events after the balance sheet date, the Group disclosed the preliminary results of the analysis of the impact of the situation in Ukraine on the Polish economy, banking sector and the ING Bank Śląski S.A. Group. The Group constantly monitors the situation and reacts adequately to the sanctions of the European Union, as well as to similar sanctions imposed by the United States and the United Kingdom of Great Britain and Northern Ireland. Economic relations with customers and their beneficial owners related to or coming from the Russian Federation, Belarus and the separatist oblasts of Ukraine are monitored and, if necessary, sanctions are taken.

ING Bank Śląski S.A. Group does not operate directly in Ukraine, Russia or Belarus. Nevertheless, the Group analyzes the portfolio of clients' receivables on an ongoing basis in terms of links with these markets and risks related to the effects of the war (especially disturbances in the energy sector) and the sanctions introduced. The results of the preliminary analysis of the loan portfolio were disclosed by the Group in its annual consolidated financial statements for 2021.

As a result of further analyzes of the loan portfolio, at the end of the 3rd quarter of 2022, the Group updated the customer watch list. The data for 31 December 2021 presented in the table have been updated with the calculations for the list of customers as at 30 September 2022.

As at 30 September 2022, the Group classified in Stage 2 assets and off-balance sheet exposures with a total value of PLN 3,289.3 million. In the period of three quarters 2022, the impairment for expected credit losses related to the analyzed assets and off-balance sheet exposures increased by PLN 46.5 million.

The Group defines direct exposures as exposures to corporate segment customers with their registered office or owner in Russia, Belarus or Ukraine.

The Group defines indirect exposures as exposures to corporate segment customers whose share of revenues or costs in relation to the Ukrainian, Russian and / or Belarusian markets exceeds:

- 25% (or lower, if the dependence on these markets is significant in the individual assessment) for strategic clients,
- 20% for other corporate segment customers.

The table below summarizes the Group's exposures to direct and indirect exposures from the corporate client portfolio as at 30 September 2022 and comparable data for the same clients, calculated as at 31 December 2021.

	as at 30 Sep 2022			as at 31 Dec 2021		
	balance sheet exposure in the gross carrying amount	off-balance sheet exposure*	**Total**	balance sheet exposure in the gross carrying amount	off-balance sheet exposure*	**Total**
Direct exposures	**7.4**	**8.6**	**16.0**	**13.7**	**9.8**	**23.5**
Stage 1	0.9	0.4	1.3	8.5	8.5	17.0
Stage 2	3.3	0.1	3.4	1.8	1.2	3.0
Stage 3	3.2	8.1	11.3	3.4	0.1	3.5
Indirect exposures	**4,036.3**	**4,295.0**	**8,331.3**	**3,982.1**	**3,157.9**	**7,140.0**
Stage 1	2,577.1	2,463.7	5,040.8	3,493.2	3,032.3	6,525.5
including strategic companies of the State Treasury	1,313.4	1,187.6	2,501.0	2,052.0	1,708.5	3,760.5
Stage 2	1,454.7	1,831.2	3,285.9	487.1	125.4	612.5
including strategic companies of the State Treasury	631.8	1,649.9	2,281.7	0.0	0.0	0.0
Stage 3	4.5	0.1	4.6	1.8	0.2	2.0

*) value of the unused limit in the case of credit products granted, nominal value in the case of guarantees.

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8.14. Debt securities

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Measured at fair value through profit or loss (Note 8.11)	**353.0**	**442.7**	**544.3**	**465.2**
transferred assets in accordance with IFRS 9.3.2.23(a)	0.0	56.4	243.2	12.1
other	353.0	386.3	301.1	453.1
Measured at fair value through other comprehensive income in the investment securities portfolio (Note 8.12)	**15,832.0**	**16,074.6**	**15,477.9**	**19,720.8**
transferred assets in accordance with IFRS 9.3.2.23(a)	1,002.3	4,051.1	1,266.4	2,409.2
other	14,829.7	12,023.5	14,211.5	17,311.6
Measured at amortised cost in the investment securities portfolio (Note 8.12)	**29,610.7**	**29,903.1**	**31,976.8**	**32,550.0**
transferred assets in accordance with IFRS 9.3.2.23(a)	2,204.1	2,771.1	771.3	597.3
other	27,406.6	27,132.0	31,205.5	31,952.7
Measured at amortised cost in the loans and other receivables to customers portfolio (Note 8.13)	**3,341.8**	**3,298.8**	**3,318.3**	**2,637.0**
other	3,341.8	3,298.8	3,318.3	2,637.0
Total of which:	**49,137.5**	**49,719.2**	**51,317.3**	**55,373.0**
transferred assets in accordance with IFRS 9.3.2.23(a)	3,206.4	6,878.6	2,280.9	3,018.6
other	45,931.1	42,840.6	49,036.4	52,354.4

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

8.15. Income tax assets and liabilities

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Assets				
Current income tax assets	760.7	820.5	734.5	426.2
Deferred tax assets	2,408.6	2,238.6	1,245.0	594.6
Liabilities				
Current income tax liabilities	13.3	11.7	3.9	3.5
Deferred tax loss	0.4	0.0	0.0	0.0

For 2021, the Bank used a simplified form of paying advances for corporate income tax. For the year 2021, the Bank recorded a tax loss and therefore, due to the simplified form of paying advances for income tax, the paid advances constitute the Bank's receivable (overpayment) from the Tax Office. The decrease in current income tax receivables at the end of 3rd quarter 2022 results from the deduction from the overpayment of corporate income tax, which results from the submitted annual CIT-8 tax return for the period from 1 January to 31 December 2021, current tax liabilities due to other taxes.

The Group recognises a deferred tax asset for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and tax losses can be recovered. As at 30 September 2022, the deferred tax asset relating to unused tax losses amounted to PLN 1,470.2 million (PLN 544.5 million at the end of 2021). This increase is mainly due to the different accounting and tax treatment of settlements with CCPs due to derivative instruments. Pursuant to Polish corporate income tax regulations, the tax loss may be settled over the next 5 years. The amount of the loss settled in a given tax year may not exceed 50% of the total loss amount.

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8.16. Liabilities to other banks

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Current accounts	498.6	568.1	413.4	378.4
Interbank deposits	2,796.6	2,713.5	3,507.1	2,571.7
Loans received*	4,811.4	4,287.6	3,871.7	3,714.9
Repo transactions	422.9	1,040.1	1,991.4	3,025.7
Received call deposits	612.2	154.6	242.2	576.3
Other liabilities	9.3	24.1	25.2	39.1
Total	**9,151.0**	**8,788.0**	**10,051.0**	**10,306.1**

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

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

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Valuation of derivatives	3,305.3	3,010.1	949.0	1,171.8
Other financial liabilities measured at fair value through profit or loss, including:	173.2	284.7	730.6	262.6
book short position in trading securities	173.2	228.2	486.2	250.5
financial liabilities held for trading, including:	0.0	56.5	244.4	12.1
repo transactions	0.0	56.5	244.4	12.1
Total	**3,478.5**	**3,294.8**	**1,679.6**	**1,434.4**

8.18. Liabilities to customers

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Deposits, including:	**181,385.2**	**177,089.4**	**168,458.5**	**162,559.4**
Corporate banking	**81,912.6**	**80,451.8**	**69,029.9**	**66,035.6**
current deposits	53,237.4	53,790.0	55,776.1	53,052.4
saving deposits	16,488.9	13,204.3	12,462.4	12,351.2
term deposits	12,186.3	13,457.5	791.4	632.0
Retail banking	**99,472.6**	**96,637.6**	**99,428.6**	**96,523.8**
current deposits	28,000.2	28,589.5	28,641.5	27,082.1
saving deposits	65,311.9	65,171.9	69,286.6	68,072.5
term deposits	6,160.5	2,876.2	1,500.5	1,369.2
Other liabilities, including:	**5,195.3**	**8,005.7**	**2,151.4**	**2,026.9**
liabilities under monetary hedges	610.1	646.1	476.3	475.9
repo transactions	2,415.5	5,354.0	0.0	0.0
call deposits	25.0	21.7	12.5	11.0
other liabilities	2,144.7	1,983.9	1,662.6	1,540.0
Total	**186,580.5**	**185,095.1**	**170,609.9**	**164,586.3**

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8.19. Provisions

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Provision for off-balance sheet liabilities	112.6	90.3	78.6	77.1
Provision for retirement benefits	77.2	76.3	73.9	66.0
Provision for disputes	36.3	42.3	42.4	29.5
Provision for restructuring	55.7	60.4	67.6	40.7
Provision for legal risk of FX mortgage loans *	31.4	35.6	37.6	10.9
Other provisions	33.3	33.8	36.8	28.7
Total	**346.5**	**338.7**	**336.9**	**252.9**

*) The figures present the provision relating to CHF-indexed mortgages derecognised from the statement of financial position. With respect to CHF-indexed mortgage loans recognised in the statement of financial position, the Group estimates the adjustment to the gross carrying amount and recognises it in the consolidated statement of financial position, under *Loans and other receivables to customers measured at amortised cost*.

Provision for disputes

The value of proceedings regarding liabilities or receivables pending in the 3rd quarter of 2022 did not exceed 10% of the Group's equity. In the Group's opinion, none of the individual proceedings pending in the 3rd quarter of 2022 before a court, an arbitration body or a body public administration, as well as all proceedings taken together do not pose a threat to the financial liquidity of the Group.

	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022	3 quarter 2021 the period from 01 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021
Opening balance	**42.3**	**42.4**	**28.8**	**21.4**
Changes during the period, including:	**-6.0**	**-6.1**	0.7	8.1
provisions recognised	16.2	20.8	0.9	8.7
provisions reversed	-0.3	-0.7	-0.1	-0.4
provisions utilised	-21.9	-26.2	-0.1	-0.2
Closing balance	**36.3**	**36.3**	**29.5**	**29.5**

Legal risk related to the portfolio of loans indexed to CHF

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

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
number of contracts (in pieces)	3,452	3,592	3,920	4,132
capital balance	804.2	779.8	825.9	841.0
the amount of the adjustment to the gross carrying amount	-375.5	-343.7	-345.6	-314.3
other elements of the gross carrying amount (interest, ESP)	2.1	2.0	2.2	2.2
gross balance sheet value	**430.8**	**438.1**	**482.5**	**528.9**
impairment for expected credit losses	-19.1	-20.0	-13.7	-24.5
net balance sheet value	**411.7**	**418.1**	**468.8**	**504.4**

Additionally, for financial assets related to CHF indexed mortgage loans removed from the statement of financial position, a provision of PLN 31.4 million was recognized as at 30 September 2022 (PLN 35.6 million as at 30 June 2022, PLN 37.6 million as at 31 December 2021 and PLN 10.9 million as at 30 September 2021). Provision for legal risk of CHF indexed mortgage loans relating to repaid loans is presented in liabilities under *Provisions*.

As at 30 September 2022, 969 court cases were pending against the Bank in connection with the concluded CHF-indexed loan agreements (compared to 889 cases as at 30 June 2022, 755 cases as at 31 December 2021 and 701 cases as at 30 September 2021). As at 30 June 2022, the outstanding principal of the loans concerned by the proceedings in question amounted to PLN 259.1 million (PLN 229.3 million as at 30 June 2022, PLN 197.8 million as at 31 December 2021 and PLN 180.8 million as at 30 September 2021).

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

Information on changes in the legal environment related to the legal risk of the portfolio of loans indexed to CHF, in particular on the judgments of the Court of Justice of the European Union (CJEU) and the judgments and resolutions of the Supreme Court (SN) issued by 31 December 2021 are included in the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2021 to 31 December 2021.

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On 28 April 2022, the Supreme Court issued a resolution in the case of Syg, III CZP 40/22, in which it stated that provisions in which the lender is authorized to unilaterally determine the exchange rate of the currency appropriate to calculate the amount obligations of the borrower and determination of the amount of loan installments, if the content of the legal relationship does not indicate objective and verifiable criteria for determining this rate. Such provisions, if they meet the criteria for recognizing them as illegal contractual provisions, are not invalid, but do not bind the consumer within the meaning of Art. 385 (1) of the Civil Code. The analysis of the justification of the resolution in question leads to the conclusion that it is primarily of procedural importance and should not significantly affect the jurisprudence of the courts. It follows from it that it is possible that the final result of the customer not being bound by a provision deemed abusive will be the lack of being bound by the entire contract.

On 8 September 2022, the CJEU issued a judgment on mortgage loans denominated in a foreign currency. This judgment confirmed the position already presented by the Court in the past, i.e. in the judgment of 3 October 2019, according to which, if the consumer objects to it, the national court cannot replace the unfair contract term concerning the exchange rate with an optional provision of domestic law. Nor can the national court remove only the element of a contractual term which renders it genuinely unfair, leaving the remainder of it effective, if such removal would amount to altering the content of the term which affects its substance. If the loan agreement cannot continue to apply without a clause containing an unfair term, it should be declared invalid in absolute terms. The Tribunal also stated that the limitation period for the customer's claims may begin only when the consumer becomes aware of the unfair terms of the contract. The date of signing the contract does not matter.

Settlement programme

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

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

The mediation process is available to clients who have a housing mortgage loan or a housing construction and mortgage loan indexed to CHF exchange rate with the Bank for their own housing purposes, excluding mortgage loans and the above loans where one of the purposes of the loan was the consolidation of non-housing liabilities. A mediation agreement can only be signed for one of client's active housing loans.

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

From the moment the settlement programme was launched until the end of the 3rd quarter of 2022 clients filed 1,162 settlement applications and the Bank concluded 434 agreements under the programme.

Other proceedings

On 8 June 2021, the Bank received a notice from the Polish Financial Supervision Authority (PFSA) on the initiation of ex officio administrative proceedings for the imposition of an administrative penalty in connection with suspected breaches identified as a result of an audit conducted from 20 to 24 May 2019 in the area of anti-money laundering and terrorist financing.

On 20 January 2022, the Bank received a decision under which the PFSA imposed an administrative penalty of PLN 3.0 million on the Bank for breaches relating to:

1) incorrect application of financial security measures involving the ongoing monitoring of the client's business relations,
2) a failure to apply, and adequately intensify, financial security measures on an ongoing basis where there is a higher risk of money laundering or terrorist financing,
3) lack of documentation on the financial security measures applied to investigate the source of funds and assets of Private Banking segment clients.

In the 1st half of 2022, the Bank paid the above-mentioned administrative fine.

On 27 June 2021, the Bank received a notification from the General Inspector of Financial Information (GIFI) on the initiation of ex officio administrative proceedings regarding the imposition of an administrative penalty in connection with the suspected breach of obligations under the Act on counteracting money laundering and terrorist financing identified as part of an inspection carried out at the Bank in the period from 16 November 2020 to 7 March 2021.

On 31 August 2022, the Bank received a decision pursuant to which the GIFI imposed an administrative penalty on the Bank in the amount of PLN 21.7 million for violations related to:

1) apply and document security measures necessary to build customer knowledge and risk assessment, and
2) provide GIFI with full information regarding payments required by Art. 72 and Article 76 of the Act on counteracting money laundering and financing of terrorism.

In the 3rd quarter of 2022, the Bank paid the above-mentioned administrative fine.

Information on other pending proceedings, which did not significantly change in the period of three quarters of 2022, is included in the annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2021 to 31 December 2021.

8.20. Other liabilities

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Accruals, including:	**1,104.6**	**1,149.1**	**889.9**	**906.7**
due to employee benefits	316.6	243.4	348.0	295.8
due to commissions	217.1	234.5	180.9	194.5
due to general and administrative expenses	570.9	498.4	361.0	416.4
liabilities due to the obligatory annual contribution to the BFG resolution fund	0.0	172.8	0.0	0.0
Other liabilities, including:	**1,958.9**	**2,815.7**	**1,733.5**	**2,341.2**
lease liabilities	431.4	406.7	335.6	342.4
interbank settlements	710.0	1,299.6	709.1	1,357.3
settlements with suppliers	95.0	76.1	123.4	90.2
public and legal settlements	142.7	126.4	121.4	101.7
deposit liability for the Commercial Banks Protection System*	0.0	429.7	0.0	0.0
commitment to pay to the BFG guarantee fund	171.6	171.6	155.5	147.0
commitment to pay to the BFG resolution fund	199.0	148.0	148.0	148.0
other	209.2	157.6	140.5	154.6
Total	**3,063.5**	**3,964.8**	**2,623.4**	**3,247.9**

*) Information on payments to the aid fund of the Commercial Bank Protection System has been included in this report in point 2. *Significant events in the 3rd quarter of 2022.*

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8.21. Fair value

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

In 2022, there were no transfers between the measurement levels, as in 2021. In the period of three quarters of 2022, valuation techniques for Levels 1 and 2 have not changed.

The table below presents the balance-sheet figures for financial assets and liabilities per individual measurement levels.

as at **30 Sep 2022**

	Level 1	Level 2	Level 3	Total
Financial assets, including:	**16,185.8**	**3,486.0**	**188.1**	**19,859.9**
Valuation of derivatives	-	**2,735.2**	-	**2,735.2**
Financial assets held for trading, including:	**353.0**	**246.8**	-	**599.8**
debt securities, including:	353.0	0.0	-	353.0
treasury bonds in PLN	159.4	-	-	159.4
Czech Treasury bonds in CZK	193.2	-	-	193.2
European Investment Bank bonds	0.4	-	-	0.4
repo transactions	-	246.8	-	246.8
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	**0.8**	-	**60.5**	**61.3**
loans are obligatorily measured at fair value through profit or loss	-	-	60.4	60.4
equity instruments	0.8	-	0.1	0.9
Derivative hedge instruments	-	**504.0**	-	**504.0**
Financial assets measured at fair value through other comprehensive income, including:	**14,829.7**	-	**127.6**	**14,957.3**
debt securities, including:	14,829.7	-	-	14,829.7
treasury bonds in PLN	11,258.6	-	-	11,258.6
treasury bonds in EUR	1,803.1	-	-	1,803.1
European Investment Bank bonds	1,317.7	-	-	1,317.7
Austrian government bonds	450.3	-	-	450.3
equity instruments	-	-	127.6	127.6
Transferred assets, including:	**1,002.3**	-	-	**1,002.3**
treasury bonds in PLN from portfolio of financial assets measured at fair value through other comprehensive income	1,002.3	-	-	1,002.3

	Level 1	Level 2	Level 3	Total
Financial liabilities, including:	**173.2**	**4,147.3**	**0.0**	**4,320.5**
Valuation of derivatives	-	**3,305.3**	-	**3,305.3**
Other financial liabilities measured at fair value through profit or loss, including:	**173.2**	-	-	**173.2**
book short position in trading securities	173.2	-	-	173.2
Derivative hedge instruments	-	**842.0**	-	**842.0**

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as at **31 Dec 2021**

	Level 1	Level 2	Level 3	Total
Financial assets, including:	**16,026.9**	**1,404.4**	**245.9**	**17,677.2**
Valuation of derivatives	-	**629.3**	-	**629.3**
Financial assets held for trading, including:	**301.1**	**524.7**	-	**825.8**
debt securities, including:	301.1	0.0	-	301.1
treasury bonds in PLN	259.2	-	-	259.2
Czech Treasury bonds in CZK	41.4	-	-	41.4
European Investment Bank bonds	0.5	-	-	0.5
repo transactions	-	524.7	-	524.7
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	**4.7**	-	**78.5**	**83.2**
loans are obligatorily measured at fair value through profit or loss	-	-	78.4	78.4
equity instruments	4.7	-	0.1	4.8
Derivative hedge instruments	-	**250.4**	-	**250.4**
Financial assets measured at fair value through other comprehensive income, including:	**14,211.5**	-	**167.4**	**14,378.9**
debt securities, including:	14,211.5	-	-	14,211.5
treasury bonds in PLN	11,765.9	-	-	11,765.9
treasury bonds in EUR	1,022.9	-	-	1,022.9
European Investment Bank bonds	941.4	-	-	941.4
Austrian government bonds	481.3	-	-	481.3
equity instruments	-	-	167.4	167.4
Transferred assets, including:	**1,509.6**	-	-	**1,509.6**
treasury bonds in PLN from portfolio of financial assets measured at fair value through profit or loss	243.2	-	-	243.2
treasury bonds in PLN from portfolio of financial assets measured at fair value through other comprehensive income	1,266.4	-	-	1,266.4

	Level 1	Level 2	Level 3	Total
Financial liabilities, including:	**486.2**	**1,428.8**	**0.0**	**1,915.0**
Valuation of derivatives	-	**949.0**	-	**949.0**
Other financial liabilities measured at fair value through profit or loss, including:	**486.2**	**244.4**	-	**730.6**
book short position in trading securities	486.2	-	-	486.2
financial liabilities held for trading, including:	-	244.4	-	244.4
repo transactions	-	244.4	-	244.4
Derivative hedge instruments	-	**235.4**	-	**235.4**

The financial assets classified to measurement level 3 as at 30 September 2022 and 31 December 2021 include unquoted equity instruments and loans which did not meet the SPPI criterion as per IFRS 9.

Equity instruments

Fair value measurement of unquoted equity interests in other companies is based on the discounted cash flow, dividend or economic value added model. Estimates of future cash flows were prepared based on medium-term profitability forecasts prepared by the Management Boards of these companies. The discount rate is based on the cost of equity estimated using the CAPM (Capital Asset Pricing Model). The valuation at the end of the 3rd quarter of 2022 assumed a discount rate of 12.9% and 14.9%, depending on the company, compared to 9.1%-11.1% at the end of 2021. The fair value measurement of unlisted equity interests in other companies as at 30 September 2022 and 31 December 2021 included the following entities: Biuro Informacji Kredytowej S.A., Krajowa Izba Rozliczeniowa S.A. and Polski Standard Płatności sp. z o.o.

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Loans

The fair value methodology of the loan portfolio is based on the discounted cash flow method. Under this method, for each contract being valued, expected cash flows are estimated, discount factors for particular payment dates and the value of discounted cash flows is determined as at the valuation date. Valuation models are powered by business parameters for individual contracts and parameters observable by the market, such as interest rate curves, liquidity cost and cost of capital. The change in the parameters adopted for the valuation did not have a significant impact on the valuation value as at 30 September 2022.

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

The Group discloses data on the fair value of financial assets and liabilities measured at amortized cost using the effective interest rate. The fair value calculation methods for disclosure purposes adopted as at 30 September 2022 have not changed compared to those applied at the end of 2021 (a detailed description of the approach to the fair value measurement of assets and liabilities that are not presented at fair value in the statement of financial position is in the annual consolidated financial statements for the period from 1 January 2021 to 31 December 2022) except aspects regarding consideration of credit moratoria for the mortgage loan portfolio. As at 30 September 2022, in connection with the entry into force of the *act on crowdfunding for business ventures and support for borrowers*, the Group took into account in the valuation of PLN mortgage loans, the expected impact of credit moratoria, assuming that in the following quarters, customers will use 70% of the available credit moratoria (in terms of value in relation to the entire portfolio), reaching 75% in the 2nd half of 2023.

In 2022, the Group changed the valuation level for bonds issued by Bank Gospodarstwa Krajowego to the National Road Fund. In previous periods, they were presented at level 1 of the valuation and from the end of 1st half of 2022 the Group presents them at level 2 of the valuation. In 2021, there was no relocations between valuation levels.

as at **30 Sep 2022**

	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Investment securities at amortised cost	**27,406.6**	**18,657.4**	**5,039.8**	**0.0**	**23,697.2**
treasury bonds in PLN	11,196.6	9,862.7	-	-	9,862.7
treasury bonds in EUR	3,226.3	2,810.7	-	-	2,810.7
Bank Gospodarstwa Krajowego bonds	6,827.2	5,984.0	-	-	5,984.0
European Investment Bank bonds	2,318.5	-	2,032.5	-	2,032.5
bonds of the Polish Development Fund (PFR)	3,838.0	-	3,007.3	-	3,007.3
NBP money market bills	0.0	-	-	-	0.0
Transferred assets, including:	**2,204.1**	**1,793.5**	-	-	**1,793.5**
treasury bonds in PLN from portfolio of financial assets measured at amortised cost	2,204.1	1,793.5	-	-	1,793.5
Loans and receivables to customers at amortised cost, including:	**154,350.2**	-	-	**154,236.9**	**154,236.9**
Corporate banking segment, including:	89,609.4	-	-	90,483.3	90,483.3
loans and advances (in the current account and term ones)	66,364.6	-	-	67,329.2	67,329.2
lease receivables	12,439.0	-	-	12,431.0	12,431.0
factoring receivables	7,464.0	-	-	7,464.0	7,464.0
corporate and municipal debt securities	3,341.8	-	-	3,259.1	3,259.1
Retail banking segment, including:	63,228.9	-	-	62,241.7	62,241.7
mortgages	55,248.8	-	-	53,822.4	53,822.4
other loans and advances	7,980.1	-	-	8,419.3	8,419.3
Other receivables	1,511.9	-	-	1,511.9	1,511.9
Liabilities to customers	**186,580.5**	-	-	**186,512.3**	**186,512.3**
Liabilities from debt securities issued	**407.9**	-	-	**392.9**	**392.9**
Subordinated liabilities	**1,705.7**	-	-	**1,720.8**	**1,720.8**

as at **31 Dec 2021**

	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Investment securities at amortised cost	**31,205.5**	**24,519.3**	**5,251.9**	-	**29,771.2**
treasury bonds in PLN	15,311.5	14,533.1	-	-	14,533.1
treasury bonds in EUR	4,028.8	4,052.3	-	-	4,052.3
Bank Gospodarstwa Krajowego bonds	2,299.8	502.3	1,679.4	-	2,181.7
European Investment Bank bonds	5,695.2	5,431.6	-	-	5,431.6
bonds of the Polish Development Fund (PFR)	3,855.2	-	3,557.5	-	3,557.5
NBP money market bills	15.0	-	15.0	-	15.0
Transferred assets, including:	**771.3**	**710.1**	-	-	**710.1**
treasury bonds in PLN from portfolio of financial assets measured at amortised cost	771.3	710.1	-	-	710.1
Loans and receivables to customers at amortised cost, including:	**146,536.0**	-	-	**146,008.6**	**146,008.6**
Corporate banking segment, including:	77,756.3	-	-	78,216.9	78,216.9
loans and advances (in the current account and term ones)	56,524.2	-	-	57,056.2	57,056.2
lease receivables	11,090.0	-	-	11,275.0	11,275.0
factoring receivables	6,823.8	-	-	6,823.8	6,823.8
corporate and municipal debt securities	3,318.3	-	-	3,061.9	3,061.9
Retail banking segment, including:	65,530.4	-	-	64,542.4	64,542.4
mortgages	57,192.3	-	-	55,756.7	55,756.7
other loans and advances	8,338.1	-	-	8,785.7	8,785.7
Other receivables	3,249.3	-	-	3,249.3	3,249.3
Liabilities to customers	**170,609.9**	-	-	**170,609.2**	**170,609.2**
Liabilities from debt securities issued	**972.4**	-	-	**961.6**	**961.6**
Subordinated liabilities	**1,610.3**	-	-	**1,594.7**	**1,594.7**

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9. Total capital ratio

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
A. Own equity in the statement of financial position, including:	**7,422.9**	**7,716.9**	**13,531.4**	**17,440.6**
A.I. Own equity included in the own funds calculation	**15,816.6**	**16,008.6**	**15,836.3**	**15,685.8**
A.II. Own equity excluded from own funds calculation	-8,393.7	-8,291.7	-2,304.9	1,754.8
B. Other elements of own funds (decreases and increases), including:	**303.4**	**-130.2**	**1,010.3**	**1,904.3**
intangible assets	-453.3	-456.7	-425.1	-449.3
subordinated liabilities	1,704.4	1,638.2	1,609.8	2,233.5
surplus of provisions over the expected credit losses under the IRB Approach	0.9	43.5	111.8	0.0
adjustments during the transition period	550.1	393.9	280.5	184.3
value adjustments due to the requirements for prudent valuation	-22.8	-23.0	-19.1	-23.3
deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-1,470.2	-1,671.1	-544.5	-41.0
shortage of credit risk adjustments versus AIRB expected losses	0.0	-51.4	0.0	0.0
coverage shortfall for non-performing exposures	-5.7	-3.6	-3.1	0.1
Own funds taken into account in total capital ratio calculation (A.I. + B), including:	**16,120.0**	**15,878.4**	**16,846.6**	**17,590.1**
Core Tier 1 capital	14,414.7	14,196.7	15,125.0	15,356.6
Tier 2 capital	1,705.3	1,681.7	1,721.6	2,233.5
Risk weighted assets, including:	**111,715.7**	**107,905.2**	**104,950.8**	**99,657.3**
for credit risk	99,082.1	95,545.3	92,533.7	88,165.6
for operational risk	11,163.9	11,163.9	11,163.9	10,209.5
other	1,469.7	1,196.0	1,253.2	1,282.2
Total capital requirements	**8,937.3**	**8,632.4**	**8,396.1**	**7,972.6**
Total capital ratio (TCR)	**14.43%**	**14.72%**	**16.05%**	**17.65%**
minimum required level	11.382%	11.382%	11,251 %	11.003%
surplus TCR ratio over the regulatory requirement (p.p)	3.05	3.34	4.80	6.65
Tier 1 ratio (T1)	**12.90%**	**13.16%**	**14.41%**	**15.41%**
minimum required level	9.382%	9.382%	9,251 %	9.003%
surplus T1 ratio over the regulatory requirement (p.p)	3.52	3.78	5.16	6.41

By the decision of 20 June 2022, the Group obtained the consent of the Polish Financial Supervision Authority to include in the consolidated Common Equity Tier 1 capital part of the prudentially consolidated net profit for the period from 1 January 2022 to 31 March 2022 in the amount of PLN 396.4 million (i.e. net after deducting expected charges and dividends).

By the decision of 19 October 2022, the Group obtained the consent of the Polish Financial Supervision Authority to include in the consolidated Common Equity Tier 1 capital part of the prudentially consolidated net profit for the period from 1 April 2022 to 30 June 2022 in the amount of PLN 250.0 million (i.e. prudentially consolidated net profit after less expected charges and dividends). Data as of 30 June 2022 have been recalculated taking into account the said consent. According to the value presented in the semi-annual consolidated financial statements for the 1st half of 2022, the Group's total capital ratio as at 30 June 2022 was 14.41%.

In calculating the capital ratios, the Group used the transitional provisions to mitigate the impact of the implementation of IFRS 9 on the level of own funds. Additionally, from 31 December 2021, the Group temporarily treats unrealized gains and losses measured at fair value through other comprehensive income in accordance with Art. 468 of the CRR Regulation. If the Group does not apply the transitional period for the implementation of IFRS 9 or temporarily treat unrealized gains and losses measured at fair value through other comprehensive income in accordance with Art. 468 of the CRR Regulation, capital ratios as at 30 September 2022 would be as follows:

- 14.07% - the total capital ratio (TCR),
- 12.45% - Tier 1 capital ratio (T1).

For the comparative periods, the level of the TCR and T1 ratios would then be respectively:

- 14.39% and 12.82% as at 30 June 2022,
- 15.82% and 14.16% as at 31 December 2021,
- 17.05% and 14.74% as at 30 September 2021.

10. Dividends paid

On 7 April 2022, the Ordinary General Meeting of the Bank adopted a resolution on the payment of dividends from the profit for 2021. Pursuant to this resolution, on 4 May 2022, the Bank paid a dividend in the total amount of PLN 689.5, i.e. in the amount of PLN 5.30 gross per share.

On 29 November 2021, the Extraordinary General Meeting adopted a resolution on the payment of dividends from the profit for 2020. Pursuant to this resolution, on 10 December 2021, the Bank paid a dividend in the total amount of PLN 663.5 million, i.e. in the amount of PLN 5.10 gross per share.

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11. Issues, redemptions and repayments of debt and equity securities

Bond program

In the 3rd quarter of 2022, under the Bond Issue Programme (Bond Programme), a subsidiary of the Group - ING Bank Hipoteczny S.A. - issued another series of bonds with a nominal value of PLN 148 million (i.e. 296 bonds with a nominal value of PLN 500 thousand each) and maturity fixed at 3 months. The bonds were registered with the National Depository for Securities in Warsaw. The entire issue was purchased by an entity from the Bank's Capital Group.

In the same period of the previous year, i.e. in the 3rd quarter of 2021, ING Bank Hipoteczny S.A. under the Bond Programme, issued one series of bonds with a nominal value of PLN 79 million (i.e. 158 bonds with a nominal value of PLN 500 thousand each) and maturity fixed at 6 months. The issue was fully purchased by an entity from the Bank's Capital Group.

Both in the 3rd quarter of 2022 and in the 3rd quarter of 2021, there were no issues, redemption or repayment of equity securities, as well as redemption of debt securities.

As at 30 September 2022, the carrying amount of own bonds issued and not redeemed by entities outside the Group was PLN 0 similar to 30 June 2022 (compared to PLN 575.6 million as at 31 December 2021 and PLN 150.0 million as at 30 September 2021).

Covered Bond Programme

As at 30 September 2022, the Group had liabilities arising from the issue of covered bonds issued as part of the ING Bank Hipoteczny S.A. covered bond issue programme established in 2019 (Covered Bond Programme). The purpose of establishing the Programme was to create a legal infrastructure under which the Group will be able to issue covered bonds both on the local and foreign market. The funds obtained from the inaugural 5-year "green" issue, carried out under the Program, will be used to refinance PLN mortgage loans of natural persons secured on real estate belonging to 15% of the most energy-efficient buildings in Poland. The issue will be redeemed in October 2024. As at 30 September 2022, the carrying amount of liabilities due to the issue of covered bonds was PLN 407.9 million (compared to PLN 401.8 million as at 30 June 2022, PLN 396.8 million as at 31 December 2021 and PLN 397.2 million as at 30 September 2021).

12. Off-balance sheet items

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Off-balance sheet commitments given	49,275.2	47,975.6	48,693.8	45,905.9
Off-balance sheet commitments received	22,544.3	25,840.9	21,645.4	20,853.6
Off-balance sheet financial instruments	1,213,878.7	1,160,347.7	995,590.5	893,581.9
Total	**1,285,698.2**	**1,234,164.2**	**1,065,929.7**	**960,341.4**

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13. Transactions with related parties

ING Bank Śląski S.A. is a subsidiary of ING Bank NV, which as at 30 September 2022 held 75% shares in the share capital of ING Bank Śląski S.A. and 75% shares in the total number of votes at the General Meeting of ING Bank Śląski S.A. The ultimate Parent entity is ING Groep N.V. based in the Netherlands.

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

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

Operating costs incurred by the Bank for the Parent entity result primarily from contracts for the provision of consultancy and advisory services, data processing and analysis, provision of software licenses and IT support. In terms of costs incurred by the Bank for other related entities, outsourcing agreements play a dominant role regarding the provision of system resource hosting services for various applications, lease of IT equipment, monitoring the availability and performance of applications and IT infrastructure as well as penetration testing and IT security monitoring.

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

The table presents numerical information on receivables and payables, revenues and expenses, which result from transactions concluded between entities related to the Group.

	ING Bank N.V.	Other ING Group entities	Associates	ING Bank N.V.	Other ING Group entities	Associates
	as at 30 Sep 2022			as at 31 Dec 2021		
Receivables						
Nostro accounts	21.7	5.4	-	5.8	6.0	-
Loans	-	24.1	-	1.2	8.8	-
Positive valuation of derivatives	353.8	-	-	140.0	-	-
Other receivables	6.2	2.1	-	4.8	1.4	-
Liabilities						
Deposits received	2,773.5	133.0	24.9	3.378.5	142.1	13.6
Loans received	4,811.4	-	-	3.871.6	-	-
Subordinated loan	1,705.8	-	-	1.610.4	-	-
Loro accounts	9.8	42.8	-	39.1	40.1	-
Negative valuation of derivatives	393.8	-	-	102.1	-	-
Other liabilities	159.5	8.1	-	119.3	2.5	-
Off-balance-sheet operations						
Off-balance sheet liabilities granted	546.0	779.2	0.1	503.1	790.1	0.1
Off-balance sheet liabilities received	4,011.9	29.8	-	2.186.5	19.0	-
FX transactions	24,083.9	-	-	17.884.0	8.7	-
IRS	398.2	-	-	554.6	-	-
Options	1,074.1	10.3	-	1.020.1	16.7	-
	3 quarters of 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022			3 quarters of 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021		
Income and expenses						
Income, including:	-107.1	1.2	30.5	-7.3	6.3	38.7
net interest and commission income	-39.3	5.9	30.5	-28.6	4.7	38.7
net income on financial instruments	-69.5	-5.5	-	20.2	0.6	-
net (loss)/income on other basic activities	1.7	0.8	-	1.1	1.0	-
General and administrative expenses	131.8	30.5	-	120.6	6.9	-

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

- The divergence of base inflation in the United States (US) and the real Federal Reserve (Fed) rates reached two-thirds of what it was in the 1970s. Then the fight against inflation took a decade, because Fed waited too long to raise rates. Today, the banks of developed countries do not want to make old mistakes, so they are tightening their policies despite the risk of recession. Economists from ING Bank Śląski have been observing the systematic upward movement of the target rates for many quarters. Money market rates estimate that the US cycle of increases will end at 4.5-5%. For the euro area this is 2.5-3% and for Poland it is 8%.
- In the opinion of the Bank's macroeconomists, the USA still has room for interest rate rises from major central banks. The health of the US labour market is very good, and the unemployment rate has practically returned to pre-pandemic levels. This means maintaining uncomfortable wage pressure for the Fed. Moreover, the high number of vacancies suggests that even if the US economy is slowed down, unemployment will not increase significantly.
- According to the Bank's macroeconomists, the economic situation in Europe is more difficult than in the US. It is in old continent, that the effects of high energy commodity prices and their potential shortage in winter have concentrated. As a result, the situation has slowed down after the successful completion of 1st half of 2022 in the countries of southern Europe. At the same time, the problems of the processing industries are affecting the economies with greater industrial importance, such as Germany. The recovery in service industries, especially visible in the southern countries of the euro area, due to the longer holiday season, has also ended. This, according to the Bank's economists, means that the ECB may be less inclined than the Fed to further tighten its policy.
- According to the Bank's macroeconomists, the EUR/USD exchange rate could remain below parity most of the time by the end of the year. The dollar blames geopolitical tensions, the high risk of a halt to gas supplies to Europe and the related recession, although the associated risk has decreased due to high inventories and high temperatures so far. At the same time, despite the signs of a slowdown, the US economy remains rather strong. In the opinion of the Bank's economists, it is only in 2023 that the prospects of a weakening of the dollar appear as the Fed's rate cuts approach. However, this will also require easing geopolitical tensions.
- In the opinion of Bank economists, a strong dollar means keeping the EUR/PLN exchange rate at a high level or that the PLN depreciates again at the turn of the year. Economic fundamentals, especially the current account balance, started to deteriorate during the pandemic. In the current environment, currency interventions are required to protect the exchange rate or to raise rates (the rate of 3M in Hungary is around 17%). Therefore, relaxing RPP's rhetoric (the NBP President spoke about the near end of the cycle) is a risk of weakening the zloty again. These factors are only partially offset by the high cost of maintaining a position against the zloty.
- In the opinion of the Bank's macroeconomists, the domestic labour market is tight and many industries are struggling with employee shortages. The fundamental problem of the labour market is unfavourable demographics. As a result, it is highly dependent on immigration. About 2 million foreigners work in Poland, and the number of registered unemployed at the end of June was slightly over 800,000 persons. Therefore, the economic slowdown will not be accompanied by a strong increase in unemployment.
- According to the Bank's economists, the outbreak of the war in Ukraine increased the staffing problems of some industries. At the same time, on the basis of simplified procedures, as of February 24, approximately 420,000 Ukrainian citizens found work. NBP research shows record wage pressure and plans of wage increases by companies. Wage pressure will be sustained by high inflation and a strong increase in the minimum wage.
- A solid increase in activity in the 1st quarter of 2022 (8.5% y/y) is a high starting point for 2022. In the 2nd quarter of 2022 there was a slowdown to 5.5% y/y, mainly due to a significantly smaller contribution from the change in inventories than in the 1st quarter. According to the Bank's economists, this year it will probably be possible to avoid a technical recession, but in the second half of 2022 it will be much weaker. The deteriorating outlook for the industry (deep decline in PMI) is not confirmed in the hard data for 3rd quarter of 2022, but the winter period is still a big unknown, european processors fear gas shortages should the winter be cold.
- About 1.5 million Ukrainian refugees supported the demand for basic necessities in the 1st half of 2022, but the demand for durable goods was weaker due to high prices. After an increase by approx. 4% in 2022, according to the Bank's economists, in 2023 GDP growth will slow down to approx. 1.5%, with a clearly weaker private consumption. Increasing prices are increasingly weighing down on real incomes and the propensity to consume in Poland and abroad. Inventories will also have a large negative contribution to GDP.
- In the opinion of the Bank's macroeconomists, the economic policy combined (the "policy mix") is not restrictive enough to limit inflation. Therefore, in 2024 it may be necessary to tighten the NBP policy again. The Bank's economists forecast the target rate at 7-7.25% at the turn of 2022/23, and do not rule out minor rate cuts in 2023, before tightening again in 2024. The return of low rates in 2024 is not very realistic. The risk of persistently high inflation is high.

15. Other information

15.1. Ratings

Fitch Ratings Ltd.

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

The Bank's rating given by the Fitch Agency, valid as of 30 September 2022, was as follows:

Rating	Level
Long-term Issuer Default Rating (IDR)	A+
Long-term IDR Outlook	Stable
Short-term Issuer Default Rating	F1+
Viability rating	bbb
Shareholder Support Rating	a+
National Long-term Rating	AAA (pol)
National Long-term Rating Outlook	Stable
National Short-term Rating	F1+ (pol)

In the press release published on 14 September 2022, the Fitch Agency upheld the entity's Long-term IDR rating at A + with a stable outlook. The long-term rating on the national scale at the AAA (pol) level is the strongest among Polish banks and is based on the potential support from ING Bank N.V. At the same time, the agency lowered the Viability rating (VR) from "bbb +" to "bbb", solely because of the downgrading of the Polish operating environment rating due to the increased risk of government intervention in the Polish banking sector. of the The Fitch agency emphasized that the Viability Rating for ING Bank Śląski S.A. it balances solid business and risk profiles, good asset quality as well as solid funding and liquidity in the face of the intervention risks arising from an operational environment, which materialize as burdens affecting its solid underlying profitability and weakened capitalization.

Moody's Investors Service Ltd.

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

As of 30 September 2022 the Bank's rating from the Moody's Agency was as follows:

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

15.2. Number of branches and ATMs, CDMs

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

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Number of outlets	237	244	257	262
Number of ING Express sales points at shopping malls	54	54	56	60

As at 30 September 2022 clients could use 903 machines for cash self-service, including 146 standard ATMs and 757 dual machines.

In comparable periods, i.e. as at 30 June 2022 (and 31 December and 30 September 2021, respectively) there were 919 (932, 945) machines for cash self-service, including 155 (159, 164) standard ATMs and 764 (773, 781) dual machines.

15.3. Banking cards

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

as at in thousands	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
debit cards	3,388	3,376	3,328	3,310
credit cards	298	295	288	288
other*	227	215	196	187
Total, of which:	**3,913**	**3,886**	**3,812**	**3,785**
paywave	3,692	3,659	3,573	3,545
virtual cards	221	227	239	240

* including charge and prepaid cards

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

2022-11-02	**Brunon Bartkiewicz** President	The original Polish document is signed with a qualified electronic signature
2022-11-02	**Joanna Erdman** Vice-President	The original Polish document is signed with a qualified electronic signature
2022-11-02	**Marcin Giżycki** Vice-President	The original Polish document is signed with a qualified electronic signature
2022-11-02	**Bożena Graczyk** Vice-President	The original Polish document is signed with a qualified electronic signature
2022-11-02	**Ewa Łuniewska** Vice-President	The original Polish document is signed with a qualified electronic signature
2022-11-02	**Michał H. Mrożek** Vice-President	The original Polish document is signed with a qualified electronic signature
2022-11-02	**Sławomir Soszyński** Vice-President	The original Polish document is signed with a qualified electronic signature
2022-11-02	**Alicja Żyła** Vice-President	The original Polish document is signed with a qualified electronic signature

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2022-11-02	**Jolanta Alvarado Rodriguez** Lead of Centre of Expertise Accounting Policy and Financial Reporting	The original Polish document is signed with a qualified electronic signature

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

Interim condensed income statement

	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022	3 quarter 2021 the period from 01 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021
Net interest income	1,011.2	5,061.4	1,274.7	3,699.6
calculated using the effective interest rate method, of which:	698.5	4,452.8	1,274.7	3,699.2
the impact of the adjustment to the gross carrying amount of loans due to credit moratoria	-1,531.0	-1,531.0	0.0	0.0
other interest income	312.7	608.6	0.0	0.4
Interest expense	-838.0	-1,434.6	-115.1	-360.1
Interest income	**173.2**	**3,626.8**	**1,159.6**	**3,339.5**
Commission income	652.9	1,929.4	582.1	1,648.5
Commission expense	-142.7	-402.6	-119.5	-330.3
Net commission income	**510.2**	**1,526.8**	**462.6**	**1,318.2**
Net income on financial instruments measured at fair value through profit or loss and FX result	24.5	28.8	22.4	71.5
Net income on the sale of securities measured at amortised cost	-9.1	-24.8	0.0	0.0
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	-0.2	26.6	3.8	3.9
Net (loss)/income on hedge accounting	152.9	258.7	-4.8	-19.0
Net (loss)/income on other basic activities	-1.2	-2.6	0.4	0.4
Net income on basic activities	**695.7**	**5,147.2**	**1,644.0**	**4,714.5**
General and administrative expenses	-784.7	-2,839.9	-657.8	-2,097.5
Impairment for expected credit losses	-175.7	-499.3	-77.7	-205.0
including profit on sale of receivables	73.5	82.7	0.0	61.6
Cost of legal risk of FX mortgage loans	0.0	-1.3	-0.4	-0.4
Tax on certain financial institutions	-164.8	-477.8	-138.2	-394.9
Share of the net profits of subsidiaries and associates measured by equity method	-33.9	81.3	53.7	132.2
Gross profit	**-463.4**	**1,410.2**	**823.6**	**2,148.9**
Income tax	146.1	-361.7	-185.2	-509.6
Net profit	**-317.3**	**1,048.5**	**638.4**	**1,639.3**

	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022	3 quarter 2021 the period from 01 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021
Net profit	-317.3	1,048.5	638.4	1,639.3
Weighted average number of ordinary shares	130,100,000	130,100,000	130,100,000	130,100,000
Earnings per ordinary share (PLN)	**-2.44**	**8.06**	**4.91**	**12.60**

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

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

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Interim condensed statement of comprehensive income

	3 quarter 2022 the period from 01 Jul 2022 to 30 Sep 2022	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022	3 quarter 2021 the period from 01 Jul 2021 to 30 Sep 2021	3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021
Net profit for the reporting period	**-317.3**	**1,048.5**	**638.4**	**1,639.3**
Total other comprehensive income, including:	**214.4**	**-6,226.3**	**-1,002.6**	**-2,763.0**
Items that may be reclassified to profit or loss, including:	**214.3**	**-6,194.5**	**-1,002.2**	**-2,780.3**
debt instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	-37.1	-463.2	55.0	33.3
debt instruments measured at fair value through other comprehensive income – reclassification to financial result due to sale	0.3	-16.0	-3.2	-4.0
loans measured at fair value through other comprehensive income - revaluation gains / losses related to equity	194.4	244.6	52.6	54.2
cash flow hedge - gains on revaluation carried through equity	-478.1	-6,619.7	-868.6	-2,190.0
cash flow hedge - reclassification to profit or loss	534.8	659.8	-238.0	-673.8
Items that will not be reclassified to profit or loss, including:	**0.1**	**-31.8**	**-0.4**	**17.3**
equity financial instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	0.0	-32.4	0.0	18.0
fixed assets revaluation	0.1	0.6	-0.3	-0.5
disposal of fixed assets	0.0	0.0	0.1	0.0
actuarial gains/losses	0.0	0.0	-0.2	-0.2
Net comprehensive income for the reporting period	**-102.9**	**-5,177.8**	**-364.2**	**-1,123.7**

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

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Interim condensed statement of financial position

as at	Note	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Assets					
Cash in hand and balances with the Central Bank		2,069.5	2,718.1	1,100.0	747.1
Loans and other receivables to other banks		4,449.6	4,967.6	3,158.4	3,913.0
Financial assets measured at fair value through profit or loss		3,396.3	3,487.6	1,538.3	1,957.5
Derivative hedge instruments		504.0	834.2	250.4	593.3
Investment securities		42,280.1	39,209.5	45,519.8	49,393.0
Transferred assets		3,206.4	6,878.6	2,280.9	3,018.6
Loans and other receivables to customers	4.1	145,220.6	143,076.6	137,340.5	132,239.8
Investments in subsidiaries and associates accounted for using the equity method		1,570.0	1,602.9	1,531.9	1,485.5
Property, plant and equipment		926.3	901.9	815.4	811.4
Intangible assets		381.5	385.4	356.1	381.9
Current income tax assets		758.7	820.4	730.4	422.2
Deferred tax assets		2,241.5	2,146.1	1,115.8	461.2
Other assets		119.3	120.6	166.7	148.9
Total assets		**207,123.8**	**207,149.5**	**195,904.6**	**195,573.4**

as at	Note	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Liabilities					
Liabilities to other banks		4,355.6	4,664.9	6,216.4	6,594.4
Financial liabilities measured at fair value through profit or loss		3,478.5	3,294.8	1,679.6	1,434.4
Derivative hedge instruments		842.0	1,144.4	235.4	406.0
Liabilities to customers		186,100.6	184,754.0	170,104.1	164,175.7
Subordinated liabilities		1,705.7	1,638.8	1,610.3	2,318.2
Provisions		341.7	334.2	332.4	248.5
Other liabilities		2,947.5	3,866.6	2,510.3	3,149.0
Total liabilities		**199,771.6**	**199,697.7**	**182,688.5**	**178,326.2**
Equity					
Share capital	1.4	130.1	130.1	130.1	130.1
Share premium		956.3	956.3	956.3	956.3
Accumulated other comprehensive income		-9,362.6	-9,577.0	-3,136.3	909.4
Retained earnings		15,628.4	15,942.4	15,266.0	15,251.4
Total equity		**7,352.2**	**7,451.8**	**13,216.1**	**17,247.2**
Total liabilities and equity		**207,123.8**	**207,149.5**	**195,904.6**	**195,573.4**

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

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Interim condensed statement of changes in equity

3 quarters 2022 YTD period from 01 Jan 2022 to 30 Sep 2022

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Total equity
Opening balance of equity	**130.1**	**956.3**	**-3,136.3**	**15,266.0**	**13,216.1**
Net profit for the current period	-	-	-	1,048.5	**1,048.5**
Other net comprehensive income, including:	**0.0**	**0.0**	**-6,226.3**	**0.0**	**-6,226.3**
financial assets measured at fair value through other comprehensive income – revaluation gains / losses recognized in equity	-	-	-251.0	-	-251.0
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-16.0	-	-16.0
cash flow hedge - revaluation gains / losses recognized in equity	-	-	-6,619.7	-	-6,619.7
cash flow hedge – reclassification to profit or loss	-	-	659.8	-	659.8
fixed assets revaluation	-	-	0.6	-	0.6
Other changes in equity, including:	**0.0**	**0.0**	**0.0**	**-686.1**	**-686.1**
valuation of employee incentive programs	-	-	-	3.4	3.4
dividend payment	-	-	-	-689.5	-689.5
Closing balance of equity	**130.1**	**956.3**	**-9,362.6**	**15,628.4**	**7,352.2**

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

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2021 the period from 01 Jan 2021 to 31 Dec 2021

	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings	Total equity
Opening balance of equity	**130.1**	**956.3**	**3,675.6**	**13,608.5**	**18,370.5**
Net profit for the current period	-	-	-	2,308.3	**2,308.3**
Other net comprehensive income, including:	**0.0**	**0.0**	**-6,811.9**	**12.3**	**-6,799.6**
financial assets measured at fair value through other comprehensive income - revaluation gains / losses recognized in equity	-	-	-293.3	-	-293.3
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-25.7	-	-25.7
sale of equity instruments measured at fair value through other comprehensive income	-	-	-7.1	7.1	0.0
cash flow hedge - revaluation gains / losses recognized in equity	-	-	-5,566.7	-	-5,566.7
cash flow hedge – reclassification to profit or loss	-	-	-907.8	-	-907.8
fixed assets revaluation	-	-	-0.3	-	-0.3
disposal of fixed assets	-	-	-5.2	5.2	0.0
actuarial gains/losses	-	-	-5.8	-	-5.8
Other changes in equity, including:	**0.0**	**0.0**	**0.0**	**-663.1**	**-663.1**
valuation of employee incentive programs	-	-	-	0.4	0.4
dividend payment	-	-	-	-663.5	-663.5
Closing balance of equity	**130.1**	**956.3**	**-3,136.3**	**15,266.0**	**13,216.1**

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3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021

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

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Interim condensed cash flow statement

	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022	3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021
Net profit	**1,048.5**	**1,639.3**
Adjustments, including:	**-7.8**	**-2,176.8**
Share of profit/(loss) of subsidiaries and associates accounted for using the equity method	-81.3	-132.2
Depreciation and amortisation	198.9	204.3
Interest accrued (from the income statement)	-3,626.8	-3,339.5
Interest paid	-1,327.7	-340.7
Interest received	4,596.0	3,711.9
Dividends received	-6.8	-6.7
Gains (losses) on investing activities	0.9	0.7
Income tax (from the income statement)	361.7	509.6
Income tax paid	-7.4	-849.2
Change in provisions	9.3	-2.3
Change in loans and other receivables to other banks	300.0	-1,028.6
Change in financial assets measured at fair value through profit or loss	-1,608.0	48.5
Change in investment securities	-801.6	1,625.2
Change in hedge derivatives	-7,004.9	-3,086.5
Change in loans and other receivables to customers	-7,396.9	-15,726.1
Change in other assets	-67.7	31.4
Change in liabilities to other banks	-1,858.9	1,817.8
Change in liabilities measured at fair value through profit or loss	1,799.0	-96.4
Change in liabilities to customers	15,902.1	13,441.0
Change in other liabilities	612.3	1,041.0
Net cash flows from operating activities	**1,040.7**	**-537.5**

	3 quarters 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022	3 quarters 2021 YTD the period from 01 Jan 2021 to 30 Sep 2021
Acquisition of property, plant and equipment	-101.7	-40.3
Disposal of property, plant and equipment	0.0	0.1
Acquisition of intangible assets	-75.4	-34.9
Acquisition of debt securities measured at amortized cost	-1,270.7	-1,772.9
Disposal of debt securities at amortized cost	3,729.4	2,569.1
Dividends received	6.8	6.7
Net cash flows from investment activities	**2,288.4**	**727.8**
Interest payment on long-term loans	-13.7	-21.2
Repayment of lease liabilities	-76.4	-79.6
Dividends paid	-689.5	0.0
Net cash flows from financial activities	**-779.6**	**-100.8**
Net increase/(decrease) in cash and cash equivalents	**2,549.5**	**89.5**
of which effect of exchange rate changes on cash and cash equivalents	521.2	103.7
Opening balance of cash and cash equivalents	**1,377.6**	**1,228.1**
Closing balance of cash and cash equivalents	**3,927.1**	**1,317.6**

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

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Additional information to the interim condensed standalone financial statements

1. Introduction

1.1. Going concern

These interim condensed standalone financial statements of the ING Bank Śląski S.A. have been prepared on a going-concern basis as regards the foreseeable future, namely as regards the period of minimum 12 months from the date of approval, i.e. from 2 November 2022. As at the approval date hereof, the Bank Management Board have not identified any events that could pose a threat to the Group members continuing their operations during the period of 12 months from the date of publication as a result of intentional or forced abandonment or significant limitation of its operations by the Bank.

1.2. Compliance with International Financial Reporting Standards

These interim condensed standalone financial statements of the ING Bank Śląski S.A. for the 3rd quarter of 2022 were prepared under the IAS 34 Interim Financial Reporting (International Accounting Standards) in a version approved by the European Commission and effective as at the reporting date, that is 30 September 2022 as well as in accordance with the Ordinance of Finance Minister of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state (Journal of Laws of 2018, item 757).

Presented financial statements have been prepared in a condensed version. The interim condensed financial statements do not provide all data or disclosures required in the annual financial statements and should be interpreted together with and the annual financial statements of the ING Bank Śląski S.A. for the period from 1 January 2021 to 31 December 2021, approved on 7 April 2022 by the Bank's General Meeting and the interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for the 3rd quarter of 2022.

Interim condensed standalone income statement, interim condensed standalone statement of comprehensive income, interim condensed standalone statement of changes in equity and interim condensed standalone cash flow statement for the period from 1 January 2022 to 30 September 2022 and interim condensed standalone statement of financial position as at 30 September 2022, together with comparable data were prepared according to the same principles of accounting for each period, except for changes in accounting principles described in the interim condensed consolidated financial statements in item 5.1.

1.3. Reporting period and comparable data

Interim condensed standalone financial statements of the ING Bank Śląski S.A. covers the period from 1 January 2022 to 30 September 2022 and includes comparative data:

- as at 30 June 2022, 31 December 2021 and 30 September 2021 - for the interim condensed statement of financial position,
- for the period from 1 January 2021 to 30 September 2021 and from 1 July 2021 to 30 September 2021 - for the interim condensed income statement and the interim condensed statement of comprehensive income,
- for the period from 1 January 2021 to 30 September 2021 - for the interim condensed cash flow statement,
- for the period from 1 January 2021 to 31 December 2021 and from 1 January 2021 to 30 September 2021 - for the interim condensed statement of changes in equity.

1.4. Financial statements scope and currency

From the Bank's point of view all significant disclosures are presented in interim condensed consolidated financial statements for the 3rd quarter of 2022.

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

1.5. Approval of the financial statements

These interim condensed standalone financial statements have been approved by the Bank's Management Board on 2 November 2022.

The annual financial statements of the ING Bank Śląski S.A. for the period from 1 January 2021 to 31 December 2021 were approved by the General Meeting on 7 April 2022.

1.6. Changes in accounting standards

In these interim condensed standalone financial statements, the same accounting standards have been applied as in the case of annual financial statements for the year 2020 (Annual Financial Statements of the ING Bank Śląski S.A. for the period started 1 January 2021 and ended 31 December 2021) and the standards and interpretations adopted by the European Union and applicable to the annual periods starting 1 January 2022 or afterwards which were presented in the interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for the 3rd quarter of 2022.

2. Significant accounting principles and key estimates

Detailed accounting principles were presented in the annual financial statements of the ING Bank Śląski S.A. for the period started 1 January 2021 and ended 31 December 2021, published on 11 March 2022 and available on the website of ING Bank Śląski S.A. (www.ing.pl).

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

In the period of three quarters of 2022, the Bank introduced changes to the applied accounting principles and made changes to key estimates with regard to impairment for expected credit losses and costs of obligatory contributions to the bank guarantee fund, which was described in the interim condensed consolidated financial statements in item 5. *Significant accounting principles and key estimates*.

3. Comparability of financial data

In these interim condensed standalone financial statements for the 3rd quarter of 2022 in relation to the interim condensed standalone financial statements for earlier periods, the Bank has made changes to the presentation of individual items in the statement of financial position and in the income statement.

The changes in the statement of financial position

- Separation of *Transferred assets* (**change a**)

The Bank has separated a new item in the statement of financial position – *Transferred assets* – which presents assets that can be pledged or resold by the collateral recipient. IFRS 9.3.2.23(a) requires these assets to be segregated and presented separately from other assets in the statement of financial position. The new item included debt securities resold with a repurchase agreement under repo or buy-sell-back transactions. These assets are measured at fair value through profit or loss, at fair value through other comprehensive income or at amortised cost. The change was intended to better reflect the risk characteristics of these financial assets. The figures as at 30 September 2021 have been restated to ensure comparability.

- Inclusion of non-current assets held for sale under *Other assets* (**change b**)

Following the principle of materiality, the Bank departed from the presentation of non-current assets held for sale in a separate line item in the statement of financial position and from 31 December 2021 onwards shows them in Other assets. The figures as at 30 September 2021 have been restated.

The changes in the income statement

- Beginning with the interim financial statements for the 3rd quarter of 2022, the Bank added to the profit and loss account the line for the *impact of the adjustment to the gross carrying amount of loans due to credit moratoria*, which is a detailed presentation of interest income. The Bank decided to make this change due to the significant share of the said adjustment in total interest income. The adjustment is the result of a change in the law, i.e. the entry into force in the 3rd quarter of 2022 of the *act on crowdfunding for business ventures and assistance to borrowers*. More on this subject in point 2. *Significant events in the 3rd quarter of 2022*.
- Due to the interest rate environment, the price alignment amount (PAA) received on derivatives in cash flow hedge accounting relationships has become material. Following a review of the presentation of these amounts, the Bank moved the amount of PAA from the item *Net (loss)/income on hedge accounting* (from the detailed item *ineffectiveness under cash flow hedges*) to *Interest income* and *Interest expenses* (to specific items *other income/cost on derivatives hedging cash flows*). The comparative financial statements are not adjusted due to the immateriality of these amount in the comparative periods.

The table presents individual asset items of the statement of financial position according to the values presented in the interim condensed standalone financial statements for the 3rd quarter of 2021 and according to the values presented in these interim condensed standalone financial statements. Liabilities and equity did not change.

as at **30 Sep 2021**

	in interim condensed standalone financial statements for the 3rd quarter of 2021 *(approved data)*	change a	change b	in interim condensed standalone financial statements for the 3rd quarter of 2022 *(comparable data)*
Assets				
Cash in hand and balances with the Central Bank	747.1			747.1
Loans and other receivables to other banks	3,913.0			3,913.0
Financial assets measured at fair value through profit or loss	1,969.6	-12.1		1,957.5
Derivative hedge instruments	593.3			593.3
Investment securities	52,399.5	-3,006.5		49,393.0
Transferred assets	0.0	3,018.6		3,018.6
Loans and other receivables to customers	132,239.8			132,239.8
Investments in subsidiaries and associates accounted for using the equity method	1,485.5			1,485.5
Property, plant and equipment	811.4			811.4
Intangible assets	381.9			381.9
Assets held for sale	1.4		-1.4	0.0
Current income tax assets	422.2			422.2
Deferred tax assets	461.2			461.2
Other assets	147.5		1.4	148.9
Total assets	**195,573.4**	**0.0**	**0.0**	**195,573.4**
Total liabilities and equity	**195,573.4**	**0.0**	**0.0**	**195,573.4**

4. Supplementary notes to interim condensed standalone financial statements

4.1. Loans and other receivables to customers

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Measured at amortised cost	136,710.2	134,027.4	127,185.6	121,809.2
Measured at fair value through other comprehensive income	8,510.4	9,049.2	10,154.9	10,430.6
Total	**145,220.6**	**143,076.6**	**137,340.5**	**132,239.8**

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

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

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

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Loans and receivables to customers measured at amortised cost

as at	30 Sep 2022			30 Jun 2022			31 Dec 2021			30 Sep 2021		
	gross	impairment for expected credit loss	**net**	gross	impairment for expected credit loss	**net**	gross	impairment for expected credit loss	**net**	gross	impairment for expected credit loss	**net**
Loan portfolio, of which:	**138,012.1**	**-2,813.8**	**135,198.3**	**135,405.1**	**-2,932.1**	**132,473.0**	**126,791.5**	**-2,855.2**	**123,936.3**	**121,539.4**	**-2,769.0**	**118,770.4**
Corporate banking	**85,500.7**	**-1,868.2**	**83,632.5**	**82,250.6**	**-1,832.8**	**80,417.8**	**74,724.5**	**-1,917.1**	**72,807.4**	**71,777.9**	**-1,840.5**	**69,937.4**
loans in the current account	19,996.3	-462.6	19,533.7	19,216.7	-440.1	18,776.6	15,858.9	-560.1	15,298.8	15,996.4	-544.9	15,451.5
term loans and advances	62,160.3	-1,403.3	60,757.0	59,734.2	-1,391.9	58,342.3	55,547.0	-1,356.7	54,190.3	53,144.1	-1,295.2	51,848.9
debt securities (corporate and municipal)	3,344.1	-2.3	3,341.8	3,299.7	-0.8	3,298.9	3,318.6	-0.3	3,318.3	2,637.4	-0.4	2,637.0
Retail banking	**52,511.4**	**-945.6**	**51,565.8**	**53,154.5**	**-1,099.3**	**52,055.2**	**52,067.0**	**-938.1**	**51,128.9**	**49,761.5**	**-928.5**	**48,833.0**
mortgages	43,779.5	-193.8	43,585.7	44,151.3	-205.0	43,946.3	42,991.5	-200.6	42,790.9	40,788.7	-225.4	40,563.3
loans in the current account	682.9	-59.8	623.1	694.4	-67.9	626.5	685.9	-54.0	631.9	692.0	-51.3	640.7
other loans and advances	8,049.0	-692.0	7,357.0	8,308.8	-826.4	7,482.4	8,389.6	-683.5	7,706.1	8,280.8	-651.8	7,629.0
Other receivables, of which:	**1,511.9**	**0.0**	**1,511.9**	**1,554.4**	**0.0**	**1,554.4**	**3,249.3**	**0.0**	**3,249.3**	**3,038.8**	**0.0**	**3,038.8**
call deposits placed	595.5	0.0	595.5	474.3	0.0	474.3	2,531.5	0.0	2,531.5	2,257.3	0.0	2,257.3
other	916.4	0.0	916.4	1,080.1	0.0	1,080.1	717.8	0.0	717.8	781.5	0.0	781.5
Total	**139,524.0**	**-2,813.8**	**136,710.2**	**136,959.5**	**-2,932.1**	**134,027.4**	**130,040.8**	**-2,855.2**	**127,185.6**	**124,578.2**	**-2,769.0**	**121,809.2**

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Quality of loan portfolio

as at	30 Sep 2022			30 Jun 2022			31 Dec 2021			30 Sep 2021		
	gross	impairment for expected credit loss	**net**	gross	impairment for expected credit loss	**net**	gross	impairment for expected credit loss	**net**	gross	impairment for expected credit loss	**net**
Corporate banking	**85,500.7**	**-1,868.2**	**83,632.5**	**82,250.6**	**-1,832.8**	**80,417.8**	**74,724.5**	**-1,917.1**	**72,807.4**	**71,777.9**	**-1,840.5**	**69,937.4**
assets in stage 1	73,648.7	-183.6	73,465.1	74,607.6	-105.7	74,501.9	67,948.2	-153.0	67,795.2	65,029.1	-149.2	64,879.9
assets in stage 2	9,779.5	-434.5	9,345.0	5,553.2	-285.2	5,268.0	4,512.6	-205.2	4,307.4	4,545.7	-198.6	4,347.1
assets in stage 3	2,072.5	-1,250.1	822.4	2,089.8	-1,441.9	647.9	2,262.2	-1,558.9	703.3	2,201.6	-1,492.7	708.9
POCI assets	0.0	0.0	0.0	0.0	0.0	0.0	1.5	0.0	1.5	1.5	0.0	1.5
Retail banking	**52,511.4**	**-945.6**	**51,565.8**	**53,154.5**	**-1,099.3**	**52,055.2**	**52,067.0**	**-938.1**	**51,128.9**	**49,761.5**	**-928.5**	**48,833.0**
assets in stage 1	49,840.1	-154.1	49,686.0	50,603.1	-128.6	50,474.5	49,784.0	-103.5	49,680.5	47,126.1	-112.1	47,014.0
assets in stage 2	1,855.2	-214.1	1,641.1	1,565.1	-220.0	1,345.1	1,300.6	-135.5	1,165.1	1,648.1	-139.5	1,508.6
assets in stage 3	814.1	-577.4	236.7	984.2	-750.7	233.5	980.2	-699.1	281.1	985.0	-676.9	308.1
POCI assets	2.0	0.0	2.0	2.1	0.0	2.1	2.2	0.0	2.2	2.3	0.0	2.3
Total of which:	**138,012.1**	**-2,813.8**	**135,198.3**	**135,405.1**	**-2,932.1**	**132,473.0**	**126,791.5**	**-2,855.2**	**123,936.3**	**121,539.4**	**-2,769.0**	**118,770.4**
assets in stage 1	123,488.8	-337.7	123,151.1	125,210.7	-234.3	124,976.4	117,732.2	-256.5	117,475.7	112,155.2	-261.3	111,893.9
assets in stage 2	11,634.7	-648.6	10,986.1	7,118.3	-505.2	6,613.1	5,813.2	-340.7	5,472.5	6,193.8	-338.1	5,855.7
assets in stage 3	2,886.6	-1,827.5	1,059.1	3,074.0	-2,192.6	881.4	3,242.4	-2,258.0	984.4	3,186.6	-2,169.6	1,017.0
POCI assets	2.0	0.0	2.0	2.1	0.0	2.1	3.7	0.0	3.7	3.8	0.0	3.8

The Bank identifies POCI financial assets whose carrying value as at 30 September 2022 is PLN 2.0 million (PLN 2.1 million as at 30 June 2022, PLN 3.7 million as at 31 December 2021 and PLN 3.8 million as at 30 September 2021). These are exposures due to impaired receivables acquired in connection with the acquisition of SKOK Bieszczadzka in 2017 and exposures that were significantly modified as a result of restructuring, which involved the need to remove the original credit commitment and re-recognition of the asset in the statement of financial position.

4.2. Fair value

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

In the period of three quarters of 2022, there were no relocations between valuation levels, as in 2021.

The table below presents the balance-sheet figures for financial assets and liabilities per individual measurement levels.

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as at **30 Sep 2022**

	Level 1	Level 2	Level 3	Total
Financial assets, including:	**16,102.0**	**3,486.0**	**8,698.5**	**28,286.5**
Valuation of derivatives	-	**2,735.2**	-	**2,735.2**
Financial assets held for trading, including:	**353.0**	**246.8**	-	**599.8**
debt securities, including:	353.0	-	-	353.0
treasury bonds in PLN	159.4	-	-	159.4
Czech Treasury bonds in CZK	193.2	-	-	193.2
European Investment Bank bonds	0.4	-	-	0.4
repo transactions	-	246.8	-	246.8
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	**0.8**	-	**60.5**	**61.3**
loans are obligatorily measured at fair value through profit or loss	-	-	60.4	60.4
equity instruments	0.8	-	0.1	0.9
Derivative hedge instruments	-	**504.0**	-	**504.0**
Financial assets measured at fair value through other comprehensive income, including:	**14,745.9**	-	**127.6**	**14,873.5**
debt securities, including:	14,745.9	-	-	14,745.9
treasury bonds in PLN	11,174.8	-	-	11,174.8
treasury bonds in EUR	1,803.1	-	-	1,803.1
European Investment Bank bonds	1,317.7	-	-	1,317.7
Austrian government bonds	450.3	-	-	450.3
equity instruments	-	-	127.6	127.6
Transferred assets, including:	**1,002.3**	-	-	**1,002.3**
treasury bonds in PLN from portfolio of financial assets measured at fair value through other comprehensive income	1,002.3	-	-	1,002.3
Loans measured at fair value through other comprehensive income	-	-	**8,510.4**	**8,510.4**

	Level 1	Level 2	Level 3	Total
Financial liabilities, including:	**173.2**	**4,147.3**	**0.0**	**4,320.5**
Valuation of derivatives	-	**3,305.3**	-	**3,305.3**
Other financial liabilities measured at fair value through profit or loss, including:	**173.2**	-	-	**173.2**
book short position in trading securities	173.2	-	-	173.2
Derivative hedge instruments	-	**842.0**	-	**842.0**

The fair value calculation methods adopted as at 30 September 2022 have not changed compared to those applied at the end of 2021 (a detailed description of the approach to the fair value measurement of assets and liabilities is in the annual financial statements for the period from 1 January 2021 to 31 December 2022) except aspects regarding consideration of credit moratoria for the mortgage loan portfolio. As at 30 September 2022, in connection with the entry into force of the *act on crowdfunding for business ventures and support for borrowers*, the Bank took into account in the valuation of PLN mortgage loans, the expected impact of credit moratoria, assuming that in the following quarters, customers will use 70% of the available credit moratoria (in terms of value in relation to the entire portfolio), reaching 75% in the 2nd half of 2023.

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as at **31 Dec 2021**

	Level 1	Level 2	Level 3	Total
Financial assets, including:	**15,977.3**	**1,404.4**	**10,400.8**	**27,782.5**
Valuation of derivatives	-	**629.3**	-	**629.3**
Financial assets held for trading, including:	**301.1**	**524.7**	-	**825.8**
debt securities, including:	301.1	-	-	301.1
treasury bonds in PLN	259.2	-	-	259.2
Czech Treasury bonds in CZK	41.4			41.4
European Investment Bank bonds	0.5	-	-	0.5
repo transactions	-	524.7	-	524.7
Financial assets other than those held for trading, measured at fair value through profit or loss, including:	**4.7**	-	**78.5**	**83.2**
loans are obligatorily measured at fair value through profit or loss	-	-	78.4	78.4
equity instruments	4.7	-	0.1	4.8
Derivative hedge instruments	-	**250.4**	-	**250.4**
Financial assets measured at fair value through other comprehensive income, including:	**14,161.9**	-	**167.4**	**14,329.3**
debt securities, including:	14,161.9	-	-	14,161.9
treasury bonds in PLN	11,716.3	-	-	11,716.3
treasury bonds in EUR	1,022.9	-	-	1,022.9
European Investment Bank bonds	941.4	-	-	941.4
Austrian government bonds	481.3	-	-	481.3
equity instruments	-	-	167.4	167.4
Transferred assets, including:	**1,509.6**	-	-	**1,509.6**
treasury bonds in PLN from portfolio of financial assets measured at fair value through profit or loss	243.2	-	-	243.2
treasury bonds in PLN from portfolio of financial assets measured at fair value through other comprehensive income	1,266.4	-	-	1,266.4
Loans measured at fair value through other comprehensive income	-	-	**10,154.9**	**10,154.9**

	Level 1	Level 2	Level 3	Total
Financial liabilities, including:	**486.2**	**1,428.8**	-	**1,915.0**
Valuation of derivatives	-	**949.0**	-	**949.0**
Other financial liabilities measured at fair value through profit or loss, including:	**486.2**	**244.4**	-	**730.6**
book short position in trading securities	486.2	-	-	486.2
financial liabilities held for trading, including:	-	244.4	-	244.4
repo transactions	-	244.4	-	244.4
Derivative hedge instruments	-	**235.4**	-	**235.4**

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

In 2022, the Bank changed the valuation level for bonds issued by Bank Gospodarstwa Krajowego to the National Road Fund. In previous periods, they were presented at level 1 of the valuation and from the end of 1st half of 2022 the Bank presents them at level 2 of the valuation. In 2021, there was no relocations between valuation levels.

as at **30 Sep 2022**

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Investment securities at amortised cost	**27,406.6**	**18,657.4**	**5,039.8**	**0.0**	**23,697.2**
treasury bonds in PLN	11,196.6	9,862.7	-	-	9,862.7
treasury bonds in EUR	3,226.3	2,810.7	-	-	2,810.7
Bank Gospodarstwa Krajowego bonds	6,827.2	5,984.0	-	-	5,984.0
European Investment Bank bonds	2,318.5	-	2,032.5	-	2,032.5
bonds of the Polish Development Fund (PFR)	3,838.0	-	3,007.3	-	3,007.3
Transferred assets, including:	**2,204.1**	**1,793.5**	-	-	**1,793.5**
treasury bonds in PLN from portfolio of financial assets measured at amortised cost	2,204.1	1,793.5	-	-	1,793.5
Loans and receivables to customers at amortised cost, including:	**136,710.2**	-	-	**136,689.3**	**136,689.3**
Corporate banking segment, including:	83,632.5	-	-	84,514.4	84,514.4
loans and advances (in the current account and term ones)	80,290.7	-	-	81,255.3	81,255.3
corporate and municipal debt securities	3,341.8	-	-	3,259.1	3,259.1
Retail banking segment, including:	51,565.8	-	-	50,663.0	50,663.0
mortgages	43,585.7	-	-	42,243.7	42,243.7
other loans and advances	7,980.1	-	-	8,419.3	8,419.3
Other receivables	1,511.9	-	-	1,511.9	1,511.9
Liabilities to customers	**186,100.6**	-	-	**186,032.4**	**186,032.4**
Subordinated liabilities	**1,705.7**	-	-	**1,720.8**	**1,720.8**

as at **31 Dec 2021**

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Investment securities at amortised cost	**31,190.5**	**24,519.3**	**5,236.9**	-	**29,756.2**
treasury bonds in PLN	15,311.5	14,533.1	-	-	14,533.1
treasury bonds in EUR	4,028.8	4,052.3	-	-	4,052.3
Bank Gospodarstwa Krajowego bonds	2,299.8	502.3	1,679.4	-	2,181.7
European Investment Bank bonds	5,695.2	5,431.6	-	-	5,431.6
bonds of the Polish Development Fund (PFR)	3,855.2	-	3,557.5	-	3,557.5
Transferred assets, including:	**771.3**	**710.1**	-	-	**710.1**
treasury bonds in PLN from portfolio of financial assets measured at amortised cost	771.3	710.1	-	-	710.1
Loans and receivables to customers at amortised cost, including:	**127,185.6**	-	-	**126,927.0**	**126,927.0**
Corporate banking segment, including:	72,807.4	-	-	73,083.0	73,083.0
loans and advances (in the current account and term ones)	69,489.1	-	-	70,021.1	70,021.1
corporate and municipal debt securities	3,318.3	-	-	3,061.9	3,061.9
Retail banking segment, including:	51,128.9	-	-	50,594.7	50,594.7
mortgages	42,790.9	-	-	41,809.1	41,809.1
other loans and advances	8,338.0	-	-	8,785.6	8,785.6
Other receivables	3,249.3	-	-	3,249.3	3,249.3
Liabilities to customers	**170,104.1**	-	-	**170,103.4**	**170,103.4**
Subordinated liabilities	**1,610.3**	-	-	**1,594.7**	**1,594.7**

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5. Total capital ratio

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Own funds	16,171.6	15,741.3	16,660.6	17,531.3
Total capital requirements	8,267.0	8,011.6	7,801.2	7,402.1
Total capital ratio (TCR)	**15.65%**	**15.72%**	**17.09%**	**18.95%**
Tier 1 ratio (T1)	**13.98%**	**14.02%**	**15,31 %**	**16.53%**

By the decision of 20 June 2022, the Bank obtained the consent of the Polish Financial Supervision Authority to include in the Common Equity Tier 1 capital part of the net profit for the period from 1 January 2022 to 31 March 2022 in the amount of PLN 396.4 million (i.e. net after deducting expected charges and dividends).

By the decision of 19 October 2022, the Bank obtained the consent of the Polish Financial Supervision Authority to include in the Common Equity Tier 1 capital part of the net profit for the period from 1 April 2022 to 30 June 2022 in the amount of PLN 250.0 million (i.e. net profit after less expected charges and dividends). Data as of 30 June 2022 have been recalculated taking into account the said consent. According to the value presented in the semi-annual financial statements for the 1st half of 2022, the Bank's total capital ratio as at 30 June 2022 was 15.39%.

In calculating the capital ratios, the Bank used the transitional provisions to mitigate the impact of the implementation of IFRS 9 on the level of own funds. Additionally, from 31 December 2021, the Bank temporarily treats unrealized gains and losses measured at fair value through other comprehensive income in accordance with Art. 468 of the CRR Regulation. If the Bank does not apply the transitional period for the implementation of IFRS 9 or temporarily treat unrealized gains and losses measured at fair value through other comprehensive income in accordance with Art. 468 of the CRR Regulation, capital ratios as at 30 September 2022 would be as follows:

- 15.27% - the total capital ratio (TCR),
- 13.50% - Tier 1 capital ratio (T1).

For the comparative periods, the level of the TCR and T1 ratios would then be respectively:

- 15.37% and 13.67% as at 30 June 2022,
- 16.84% and 15.05% as at 31 December 2021,
- 18.82% and 16.35% as at 30 September 2021.

6. Dividends paid

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

7. Off-balance sheet items

as at	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Off-balance sheet commitments given	52,899.4	51,616.0	51,390.1	47,533.8
Off-balance sheet commitments received	23,930.0	26,924.9	19,564.0	19,405.1
Off-balance sheet financial instruments	1,213,878.7	1,160,347.7	995,590.5	893,581.9
Total	**1,290,708.1**	**1,238,888.6**	**1,066,544.6**	**960,520.8**

8. Significant events in the 3rd quarter of 2022

Significant events that occurred in the 3rd quarter of 2022 are described in the interim condensed consolidated financial statements in item 2. *Significant events in the 3rd quarter of 2022*.

9. Significant events after balance sheet date

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

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10. Transactions with related parties

	ING Bank NV	Other ING Group entities	Subsidiaries	Associates	ING Bank NV	Other ING Group entities	Subsidiaries	Associates
		as at **30 Sep 2022**				as at **31 Dec 2021**		
Receivables								
Nostro accounts	21.7	5.4	-	-	5.8	6.0	-	-
Loans	-	20.3	13,593.8	-	-	0.3	13,465.9	-
Positive valuation of derivatives	353.8	-	-	-	140.0	-	1.2	-
Other receivables	6.2	2.1	6.5	-	4.8	1.4	0.7	-
Liabilities								
Deposits received	2,773.5	133.0	117.6	24.9	3,378.5	142.1	151.0	13.6
Subordinated loan	1,705.8	-	-	-	1,610.4	-	-	-
Loro accounts	9.8	42.8	0.7	-	39.1	40.1	1.5	-
Negative valuation of derivatives	393.8	-	1.4	-	102.1	-	-	-
Other liabilities	159.5	8.1	1.5	-	119.3	2.5	1.6	-
Off-balance-sheet operations								
Off-balance sheet liabilities granted	546.0	779.2	10,284.5	0.1	503.1	790.1	7,697.3	0.1
Off-balance sheet liabilities received	2,493.1	29.8	-	-	56.1	19.0	-	-
FX transactions	24,083.9	-	-	-	17,884.0	8.7	-	-
IRS	398.2	-	52.5	-	554.6	-	53.5	-
Options	1,074.1	10.3	-	-	1,020.1	16.7	-	-
		3 quarters of 2022 YTD the period from 01 Jan 2022 to 30 Sep 2022				**3 quarters of 2021 YTD** the period from 01 Jan 2021 to 30 Sep 2021		
Income and expenses								
Income, including:	-110.0	1.0	481.2	30.5	-9.2	5.9	85.8	38.7
net interest and commission income	-40.5	5.8	480.7	30.5	-29.4	4.4	90.9	38.7
net income on financial instruments	-69.5	-5.5	-1.9	-	20.2	0.7	0.2	-
net (loss)/income on other basic activities	-	0.7	2.4	-	-	0.8	2.3	-
net income on the sale of financial assets	-	-	-	-	-	-	-7.6	-
General and administrative expenses	131.7	27.7	3.7	-	120.5	4.2	2.2	-

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

2022-11-02	**Brunon Bartkiewicz** President	The original Polish document is signed with a qualified electronic signature
2022-11-02	**Joanna Erdman** Vice-President	The original Polish document is signed with a qualified electronic signature
2022-11-02	**Marcin Giżycki** Vice-President	The original Polish document is signed with a qualified electronic signature
2022-11-02	**Bożena Graczyk** Vice-President	The original Polish document is signed with a qualified electronic signature
2022-11-02	**Ewa Łuniewska** Vice-President	The original Polish document is signed with a qualified electronic signature
2022-11-02	**Michał H. Mrożek** Vice-President	The original Polish document is signed with a qualified electronic signature
2022-11-02	**Sławomir Soszyński** Vice-President	The original Polish document is signed with a qualified electronic signature
2022-11-02	**Alicja Żyła** Vice-President	The original Polish document is signed with a qualified electronic signature

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2022-11-02	**Jolanta Alvarado Rodriguez** Lead of Centre of Expertise Accounting Policy and Financial Reporting	The original Polish document is signed with a qualified electronic signature

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