

ING Bank Śląski S.A.

1H/2Q 2013 Financial Results

Warsaw – 7 August 2013
www.ingbank.pl

ING BANK ŚLĄSKI



Disclaimer

ING Bank Śląski S.A. Annual Accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU').

In preparing the financial information in this document, the same accounting principles are applied as in the ING Bank Śląski S.A. Group Annual Accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, (2) changes in performance of financial markets, (3) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness, (4) changes affecting interest rate levels, (5) changes affecting currency exchange rates, (6) changes in general competitive factors, (7) changes in laws and regulations, (8) changes in the policies of governments and/or regulatory authorities, (9) conclusions with regard to purchase accounting assumptions and methodologies. ING Bank Śląski S.A. assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

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Content

- 1** Introduction to financial results and market position of the Bank
- 2** Business development
- 3** 1H/2Q 2013 financial results

Strategic targets of ING Bank Śląski

accomplishments in 1H 2013

Acquisition of new clients and increase of volumes:

- **PLN 62.1 bn** of deposits → **+PLN 8.3 bn** (+15%) y/y
- **PLN 41.4 bn** of retail clients deposits → **+PLN 5.2 bn** (+15%) y/y
- **3.32 m** retail clients → net increase by **172.2 th** y/y
- **31.3 th** corporate clients

Increase in lending products sales:

- **PLN 48.8 bn** of loans to customers → **+PLN 3.1 bn** (+7%) y/y
- **PLN 31.2 bn** of corporate lending (incl. leasing & factoring) → **+PLN 1.3 bn** (+4%) y/y
- **PLN 17.6 bn** of retail lending → **+PLN 1.8 bn** (+11%) y/y
- **PLN 13.0 bn** of retail mortgage loans → **+PLN 1.4 bn** (+12%) y/y; **8.3%** market share in retail mortgage loans sales in 1H2013

Maintaining high quality of customer service:

- 768 own ATMs and 721 CDMs, including **374** dual-function machines installed
- 421 branches, all with self-banking areas
- 82% of cash deposits transactions via self-service zones
- ING BankMobile – over 211 th downloads; special application for tablets coming soon

Development of simple and honest product offer:

- **2.3 million** of Current Accounts, **65%** are **Direct Current Account**
- New products / solutions: **ING Auto Leasing**, **ING CardsOnLine**, **ING e-faktura**
- **Smart Saver** – product supporting saving money

Translation of business activities into Bank's financial results:

- **PLN 1,655.6 m** of total income in 1H2013 → **+1%** y/y
- **PLN 719.1 m** of result before risk costs in 1H2013 → **0%** y/y
- **PLN 476.6 m** of net profit in 1H2013 → **+9%** y/y
- **L/D ratio** at the level of **72%** → **-7 p.p.** y/y



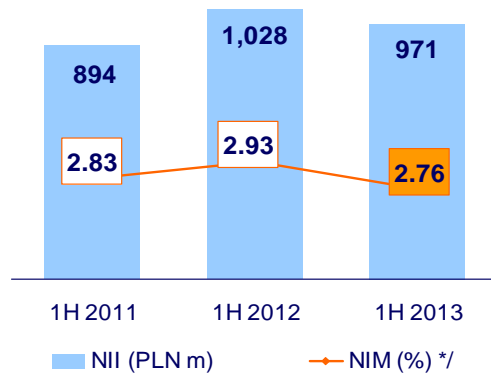
Major business results of the Bank

Bank's business volumes

| <i>in PLN million</i> | 31.03.12 | 30.06.12 | 31.12.12 | 31.03.13 | 30.06.13 | Change QoQ | Change YoY | Diff QoQ | Diff YoY |
|---|----------|----------|----------|----------|----------|------------|------------|----------|----------|
| Total deposits | 52,291 | 53,813 | 57,783 | 58,125 | 62,100 | 7% | 15% | 3,975 | 8,287 |
| Retail clients deposits | 34,587 | 36,128 | 38,378 | 39,915 | 41,372 | 4% | 15% | 1,457 | 5,244 |
| Corporate clients deposits | 17,704 | 17,685 | 19,405 | 18,210 | 20,728 | 14% | 17% | 2,518 | 3,043 |
| Total funds entrusted by retail clients | 40,149 | 40,971 | 43,517 | 45,220 | 46,877 | 4% | 14% | 1,657 | 5,906 |
| Mutual funds assets (TFI) + other off-BS products distributed by the Bank | 5,562 | 4,843 | 5,139 | 5,305 | 5,505 | 4% | 14% | 200 | 662 |
| Total loans | 44,729 | 45,727 | 46,307 | 47,365 | 48,816 | 3% | 7% | 1,451 | 3,089 |
| Loans to retail clients | 15,258 | 15,806 | 16,565 | 16,889 | 17,619 | 4% | 11% | 730 | 1,813 |
| Mortgage loans volume | 11,240 | 11,611 | 12,227 | 12,460 | 12,965 | 4% | 12% | 505 | 1,354 |
| Loans to corporate clients incl. leasing and factoring | 29,471 | 29,921 | 29,742 | 30,476 | 31,197 | 2% | 4% | 721 | 1,276 |

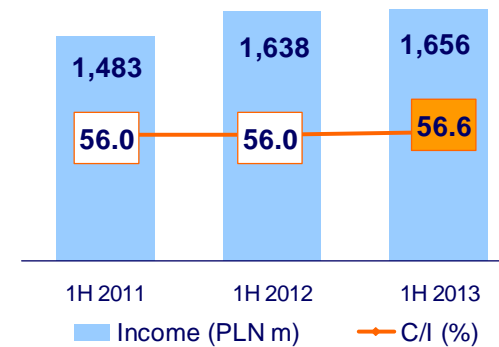
Efficiency

Net interest margin

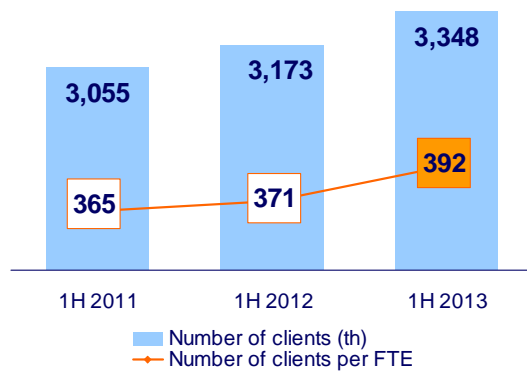


*/ NIM = sum of NII of 4 consecutive quarters / average interest earning assets of 5 consecutive quarters

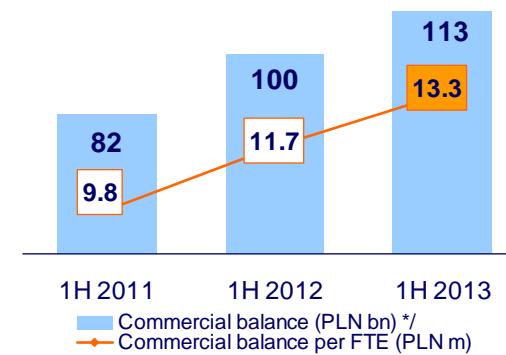
Income and cost effectiveness



No. of clients per employee



Commercial balances per employee



*/ Commercial balance = gross clients' loans & receivables excl. bonds incl. leasing and factoring + clients' liabilities



ING Bank Śląski financial performance – 1H 2013

| <i>PLN million</i> | 1H 2012 | 1H 2013 | change |
|---------------------------------|----------------|----------------|---------------|
| Total income | 1,638.3 | 1,655.6 | + 1% |
| Total expenses | 917.9 | 936.5 | + 2% |
| Result before risk costs | 720.4 | 719.1 | - 0% |
| Risk costs | 195.5 | 127.1 | - 35% |
| Profit before tax | 524.9 | 592.0 | + 13% |
| Net profit | 439.1 | 476.6 | + 9% |
| CAR */ | 13.0% | 15.8% | +2.8 p.p. |
| ROA (%) | 1.23% | 1.14% | - 0.09 p.p. |
| ROE (%) | 13.5% | 11.2% | -2.3 p.p. |
| C/I Ratio (%) | 56.0% | 56.6% | + 0.6 p.p. |

**/ CAR for 1H 2012 According to Financial Supervision Authority definition (mixed methodology); for 1H2013 according to AIRB for corporate portfolio*

ROA = sum of net profit of 4 consecutive quarters / average assets of 5 consecutive quarters

ROE = sum of net profit of 4 consecutive quarters / average equity of 5 consecutive quarters



ING Bank Śląski financial performance – 2Q 2013

| <i>PLN million</i> | 2Q 2012 | 2Q 2013 | change |
|---------------------------------|----------------|----------------|--------------------|
| Total income | 792.5 | 802.7 | + 1% |
| Total expenses | 454.0 | 465.6 | + 3% |
| Result before risk costs | 338.5 | 337.1 | - 0% |
| Risk costs | 131.2 | 69.1 | - 47% |
| Profit before tax | 207.3 | 268.0 | + 29% |
| Net profit | 167.6 | 216.9 | + 29% |
| CAR */ | 13.0% | 15.8% | +2.8 p.p. |
| ROA (%) | 1.23% | 1.14% | - 0.09 p.p. |
| ROE (%) | 13.5% | 11.2% | -2.3 p.p. |
| C/I Ratio (%) | 57.3% | 58.0% | + 0.7 p.p. |

**/ CAR for 2Q 2012 According to Financial Supervision Authority definition (mixed methodology); for 2Q2013 according to AIRB for corporate portfolio*

ROA = sum of net profit of 4 consecutive quarters / average assets of 5 consecutive quarters

ROE = sum of net profit of 4 consecutive quarters / average equity of 5 consecutive quarters

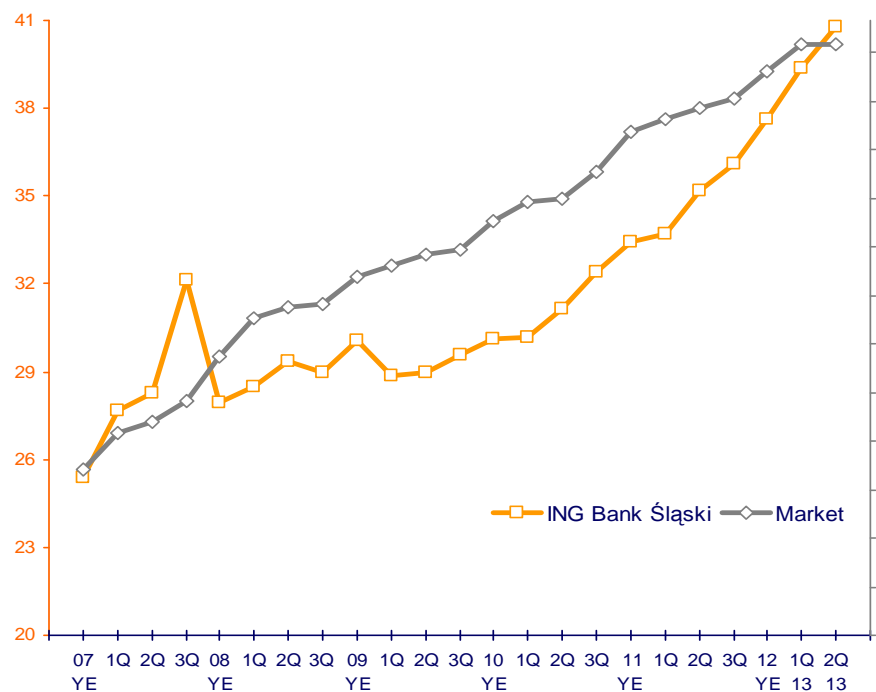


Market position of ING Bank Śląski

households market

Volumes and share in the households deposits market

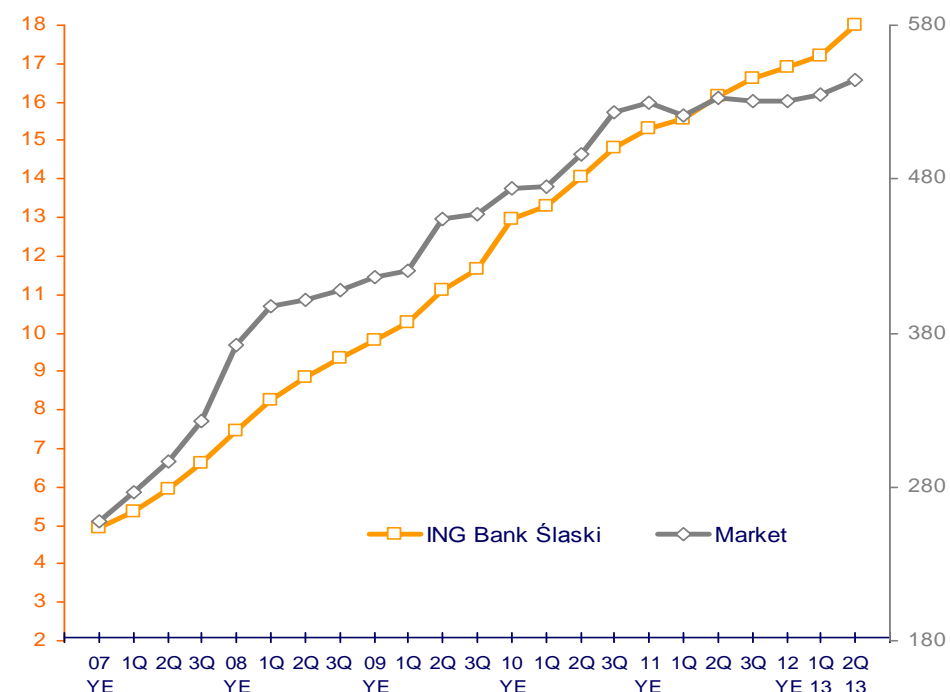
Households deposits - volumes (in PLN billion)



| market share (%) | | | | | | | | | | | | | | | | | | | | | | | |
|------------------|------|------|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|----|
| 07YE | 1Q | 2Q | 3Q | 08YE | 1Q | 2Q | 3Q | 09YE | 1Q | 2Q | 3Q | 10YE | 1Q | 2Q | 3Q | 11YE | 1Q | 2Q | 3Q | 12YE | 1Q | 13 2Q | 13 |
| 9.66 | 9.71 | 9.68 | 10.56 | 8.42 | 8.00 | 8.09 | 7.94 | 7.88 | 7.43 | 7.33 | 7.42 | 7.24 | 7.04 | 7.25 | 7.26 | 7.10 | 7.03 | 7.25 | 7.33 | 7.40 | 7.50 | 7.76 | |

Volumes and share in the households loans market

Households loans - volumes (in PLN billion)



| market share (%) | | | | | | | | | | | | | | | | | | | | | | | |
|------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|----|
| 07YE | 1Q | 2Q | 3Q | 08YE | 1Q | 2Q | 3Q | 09YE | 1Q | 2Q | 3Q | 10YE | 1Q | 2Q | 3Q | 11YE | 1Q | 2Q | 3Q | 12YE | 1Q | 13 2Q | 13 |
| 1.92 | 1.94 | 2.00 | 2.04 | 2.00 | 2.08 | 2.20 | 2.29 | 2.36 | 2.45 | 2.45 | 2.55 | 2.67 | 2.79 | 2.83 | 2.83 | 2.89 | 2.99 | 3.05 | 3.14 | 3.19 | 3.22 | 3.30 | |

Note: Market data according to NBP file for banking sector, including interests
 ING BS data – consolidated, deposits and gross loans (excluding other liabilities and receivables)

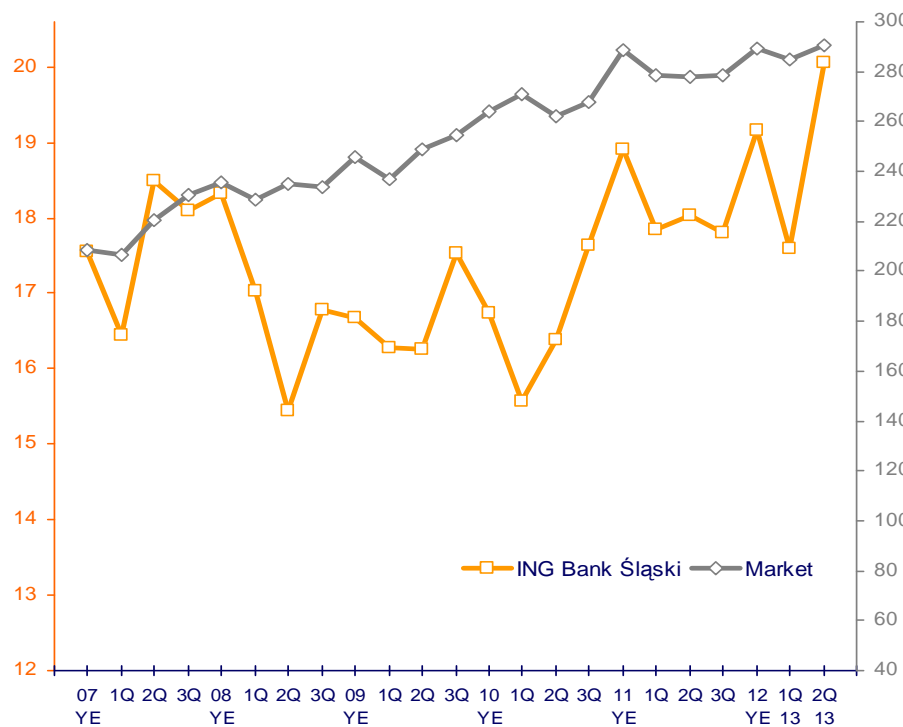


Market position of ING Bank Śląski

corporate market

Volumes and share in the corporate deposits market

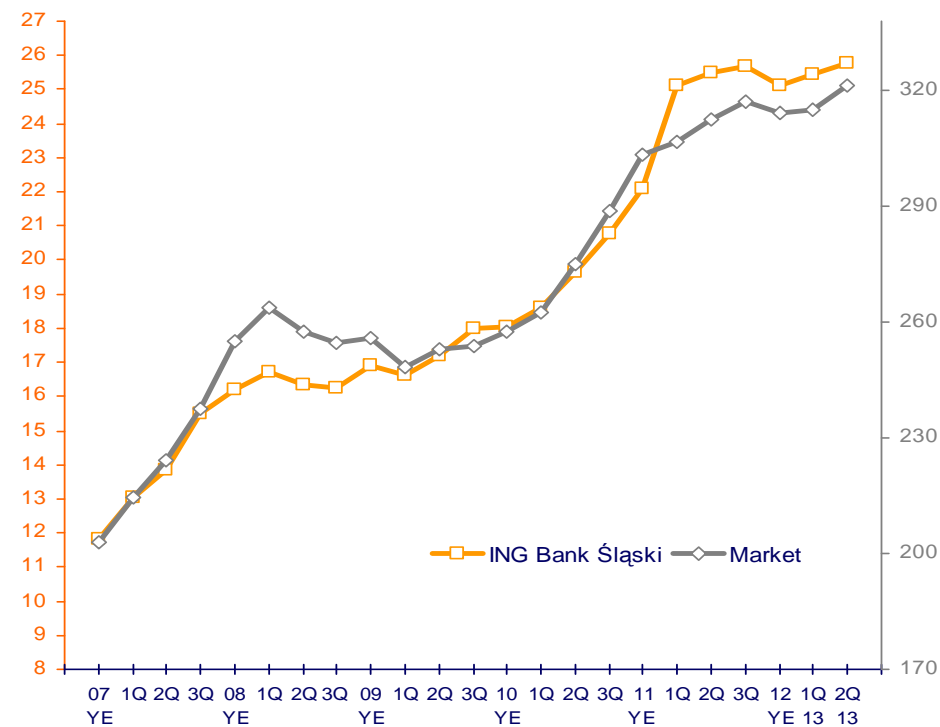
Corporate deposits - volumes (in PLN billion)



| market share (%) | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 07YE | 07Q1 | 07Q2 | 07Q3 | 08YE | 08Q1 | 08Q2 | 08Q3 | 09YE | 09Q1 | 09Q2 | 09Q3 | 10YE | 10Q1 | 10Q2 | 10Q3 | 11YE | 11Q1 | 11Q2 | 11Q3 | 12YE | 12Q1 | 12Q2 | 12Q3 | 13Q1 | 13Q2 |
| 8.43 | 7.96 | 8.39 | 7.85 | 7.77 | 7.44 | 6.58 | 7.18 | 6.80 | 6.88 | 6.53 | 6.89 | 6.33 | 5.75 | 6.24 | 6.59 | 6.54 | 6.41 | 6.49 | 6.40 | 6.63 | 6.17 | 6.90 | | | |

Volumes and share in the corporate loans market

Corporate loans - volumes (in PLN billion)



| market share (%) | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 07YE | 07Q1 | 07Q2 | 07Q3 | 08YE | 08Q1 | 08Q2 | 08Q3 | 09YE | 09Q1 | 09Q2 | 09Q3 | 10YE | 10Q1 | 10Q2 | 10Q3 | 11YE | 11Q1 | 11Q2 | 11Q3 | 12YE | 12Q1 | 12Q2 | 12Q3 | 13Q1 | 13Q2 |
| 5.84 | 6.09 | 6.19 | 6.52 | 6.34 | 6.34 | 6.34 | 6.39 | 6.60 | 6.70 | 6.79 | 7.10 | 7.09 | 7.04 | 7.08 | 7.08 | 7.19 | 8.19 | 8.04 | 8.09 | 7.99 | 8.07 | 8.03 | | | |

Note: Market data according to NBP file for banking sector, including interests
 ING BS data – consolidated, deposits and gross loans + internal financing of leasing & factoring companies (for comparability purposes)



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 - 2 **Business development**
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Retail Banking

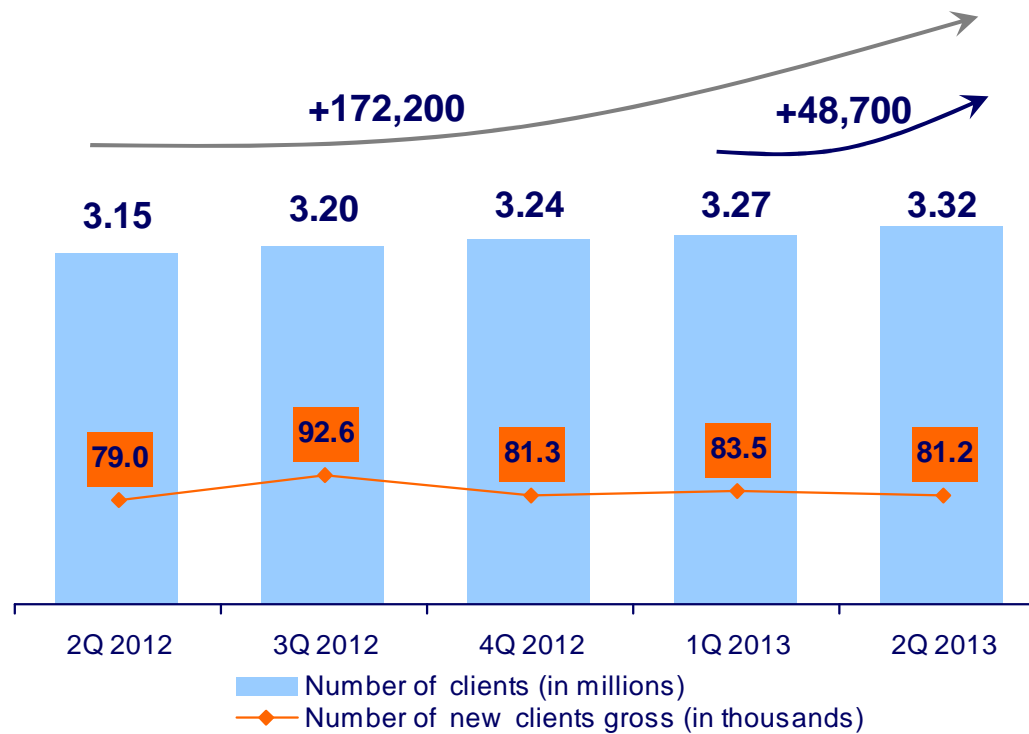
Increase in core products' sales

- **3.32 m** of retail clients number → 164.7 th of new clients acquired in 1H 2013
- **PLN 17.6 bn** of retail lending → **+PLN 1.8 bn (+11%) y/y** and +PLN 730 m (+4%) q/q
- **PLN 13.0 bn** of mortgage loans portfolio → **+PLN 1.4 bn (+12%) y/y** and +PLN 505 m (+4%) q/q
- **8.3%** market share in new production of mortgage loans in 1H 2013; 9.3% share in 2Q 2013 market sales
- Cash loans sales → PLN 981 m of cash loans sold to retail clients in 1H 2013 (+35% y/y); PLN 555 m sales in 2Q2013 (+24% y/y and +30% q/q)
- **PLN 41.4 bn** of retail clients deposits → **+PLN 5.2 bn (+15%) y/y** and +PLN 1.5 bn (+4%) q/q
- 2.3 m of retail current accounts; 65% of Direct Current Accounts
- Savings offers:
 - „**Welcome rate**” (promotional interests for 4 months on OKO saving account)
 - „**OKO Bonus**” (promotional interests for new funds on OKO Bonus saving account until 2 October 2013)
- *Smart Saver* – product supporting saving money
- 82% of self-service cash depositing transactions
- *ING BankMobile* – over 211 th downloads
- *ING BankMobile HD* – special application for tablets coming soon

Client base

3.32 million of retail clients

Number of retail clients



Current accounts

2.25 million of Current Accounts, 65% of Direct Accounts

Number of retail clients current accounts (in thousands)



Note: PLN denominated current accounts

Direct Account

⇒ PLN 0 for:

- maintaining a bank account
- Internet money transfers in PLN
- withdrawals from all ATMs in Poland
- cash depositing via CDMs
- a debit card (with min. PLN 200 of monthly expenses)
- cashback



⇒ Competition „A small great discovery”:

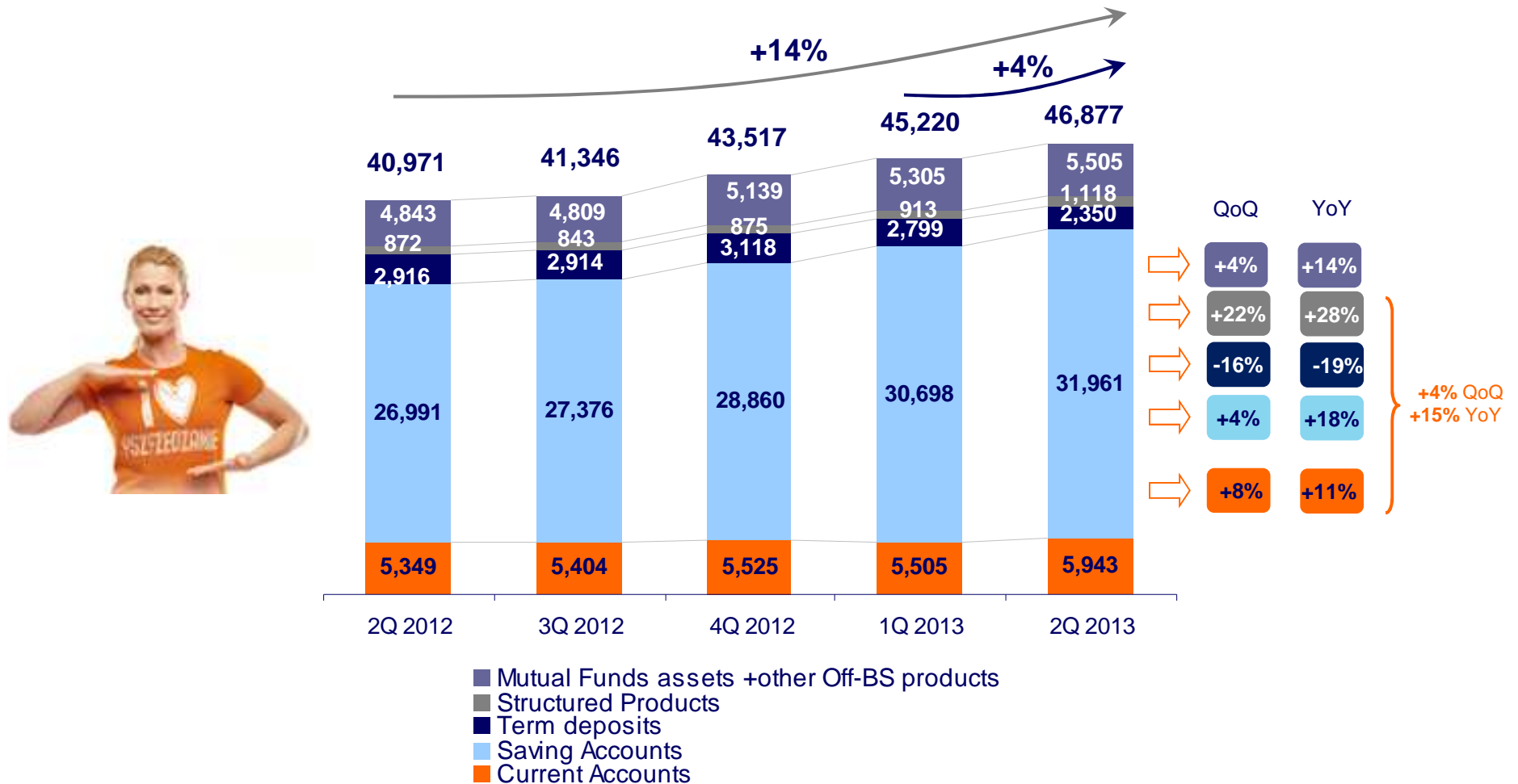
- open a Direct Account
- take a photo
- fill out and send a competition form
- WIN one out of 100 prizes



Funds entrusted

permanent growth of stable funding base

Portfolio of funds entrusted by retail clients (in PLN million)



New savings and investment product offer

New structured investment products

ING Turbo (launch on 12 June 2013)

- **ING Turbo** – listed on WSE **structured investment products** (Certificates Turbo / Knock-out) structured on base instruments (e.g. shares, commodities and indices)
- ING Turbo Issuer: ING Bank N. V., Netherlands

Product Features:

- **Ease of trading** – certificates can be traded through any brokerage account,
- **Mechanism limiting losses (knock-out)** - in case of unfavorable market conditions, the position of the investor is being automatically closed,
- **Financial leverage** - allows profit disproportionately larger than the change in the underlying rate,
- **A wide range of underlying instruments,**
- **High liquidity and small spread** between buy-sell offer , guaranteed by the issuer.



New product supporting saving money

Smart Saver (launch on 20 May 2013)

➤ **Two ways to save money:**

- rounding the transaction amount
– up to PLN 5 or PLN 10,
- percent of the transaction amount
– from 1% to 10%.



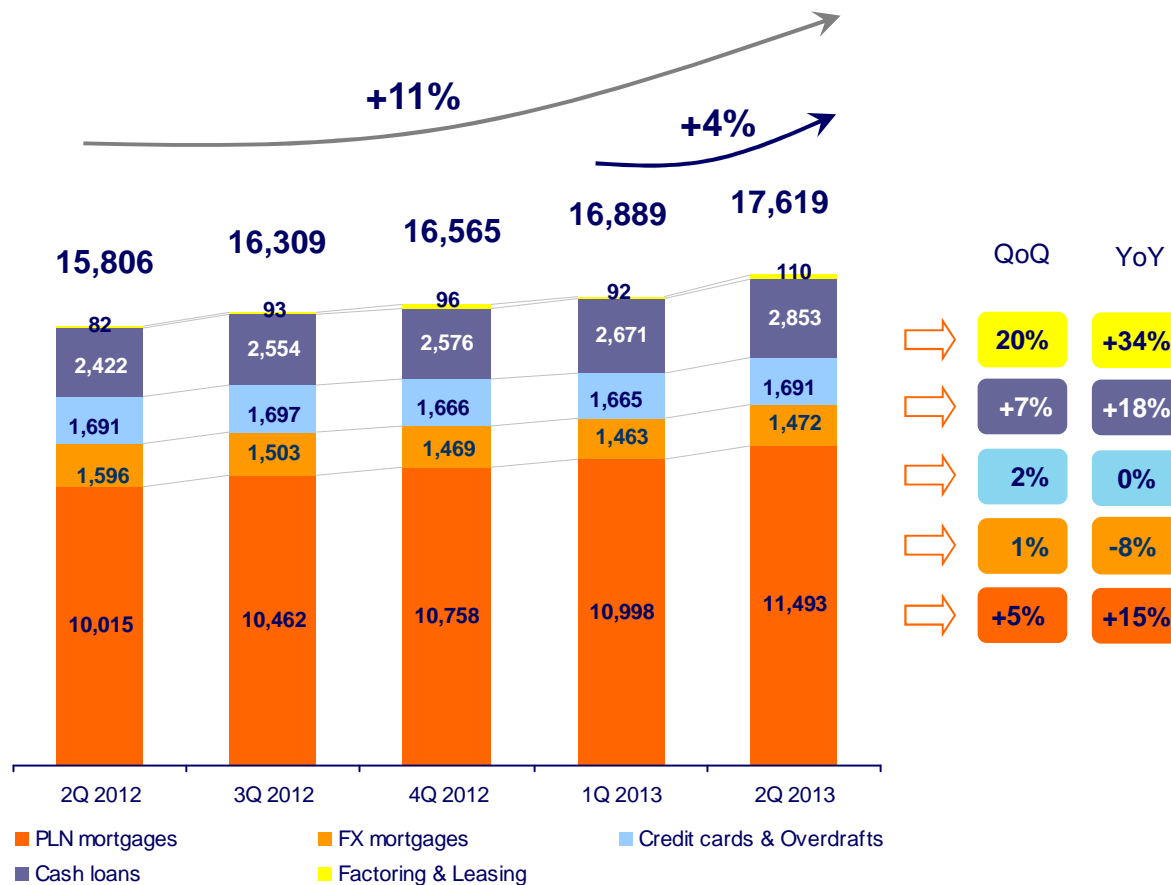
- ✓ **PLN 0** for opening and maintaining an account
- ✓ **No minimum amount** – interests accrued from the first money transferred
- ✓ **Attractive interest rates:**
 - **3.50%** for amounts up to PLN 5,000
 - **2.00%** for amounts above PLN 5,000



Loan portfolio of retail segment clients

constant growth in retail lending

Loan portfolio of retail segment clients (in PLN m)



Cash loans „Loan superfast”

- PLN 5,000 - 60,000 amount of the loan
- Up to 84 months loan's term
- PLN 0 commission for granting the loan
- provided during a single visit
(if no additional credit analysis is needed)

PLN 981 m of cash loans
sold to retail clients in 1H 2013
(+35% y/y)

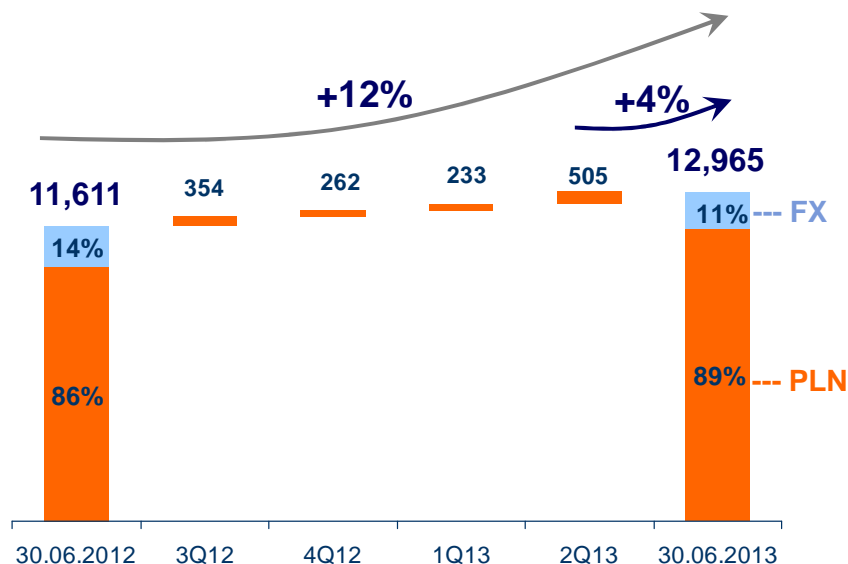
Sales of **PLN 555 m** in 2Q 2013
(+24% y/y and +30% q/q)



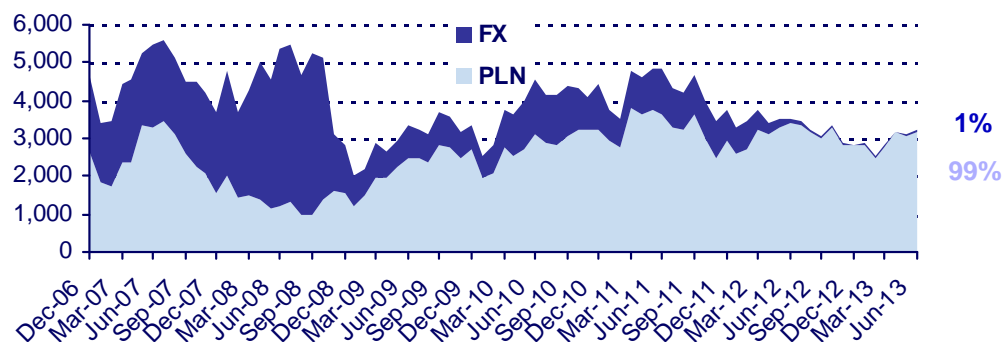
Mortgage loans

PLN 13.0 billion of mortgage loans

Retail mortgage loans (PLN m)



Banking sector: monthly sales of retail mortgages (PLN m)



- **8.3%** market share in mortgage loans' sales in 1H2013, 4th position on the market. The amount of 2Q2013 mortgage production is PLN 882 m (9.3% in quarterly market sales).
- **6.0%** share in PLN market housing loans volume as of 1H2013 EOP; **3.2%** in total housing loans market.

Złota rata do 12.06

- za wycenę nieruchomości
- + prowizji albo obniżona marża
- + pomoc specjalisty 7 dni w tygodniu

Zagwarantuj sobie **3 KLUCZOWE KORZYSCI** kredytu hipotecznego

Distribution and service network

enhanced access to banking services

Mobile Banking

ING BankMobile application

- **40 th** downloads since 9 January 2012 – iPhone
- **171 th** downloads since 8 May 2012 – Android

⇒ **1.6 million transfers**



over
211 th
downloads

- **421** branches, all with self-banking areas
- **768** own ATMs and **721** CDMs including **374** dual-function machines
(at the end of June 2013, contactless payment transactions available in 12 machines)
- **82%** of cash-in transactions are executed automatically
- **118** branches in a new format

ING BankMobile HD Mobile application for tablets



COMING SOON !!!



Corporate Banking

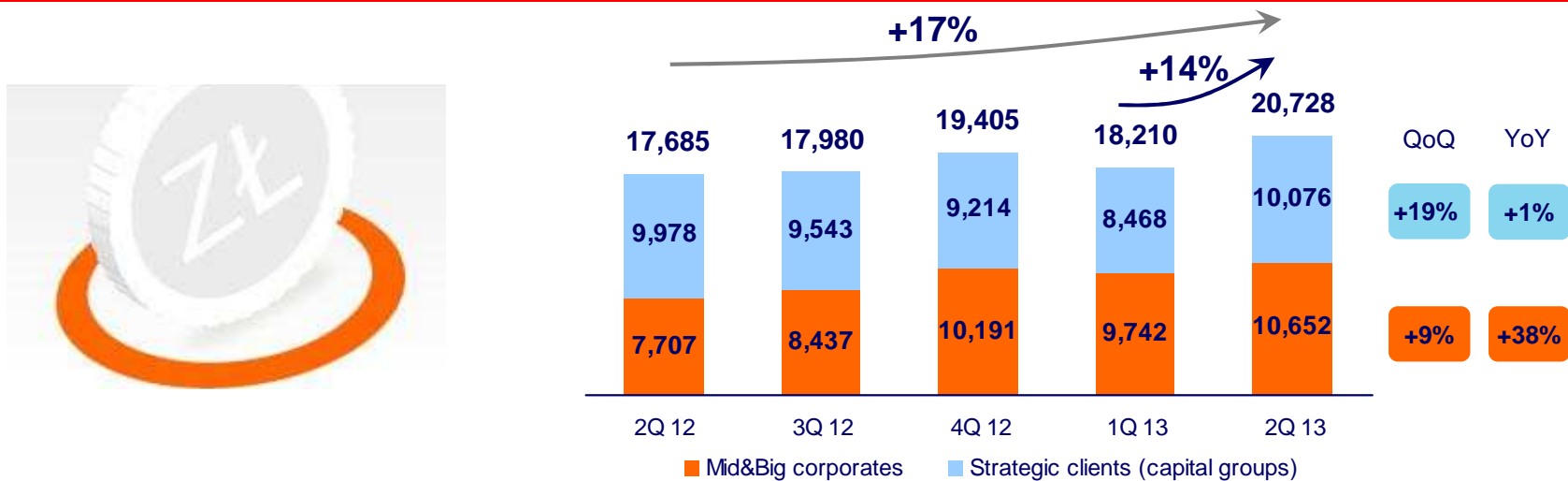
Growth in volumes

- **31.3 th** of corporate clients
- **PLN 31.2 bn** of corporate lending → +PLN 1.3 bn (+4%) y/y and +PLN 0.7 bn (+2%) q/q
- PLN 4.7 bn – leasing financing, PLN 1.5 bn – factoring volume
- **PLN 20.7 bn** of corporate deposits → +PLN 3.0 bn (+17%) y/y and +PLN 2.5 bn (+14%) q/q
- The largest deals of 1H 2013:
 - bond issuance program for Bank Gospodarki Żywnościowej S.A. (PLN 3.5 bn)
 - bond issuance for PGE S.A. (PLN 1.0 bn)
 - long term facility for Energa S.A. (PLN 800 m) – mandated lead arranger
 - debt refinancing agreement for Polkomtel Sp. z o.o. (PLN 7.95 bn) – mandated lead arranger
- Modern service channels: introduction of *ING BusinessMobile* in January 2013 (over 8,600 downloads in 1H2013)
- New products / solutions: *ING Auto Leasing, ING CardsOnLine, ING e-faktura*
- Portfolio Guarantee Line De Minimis

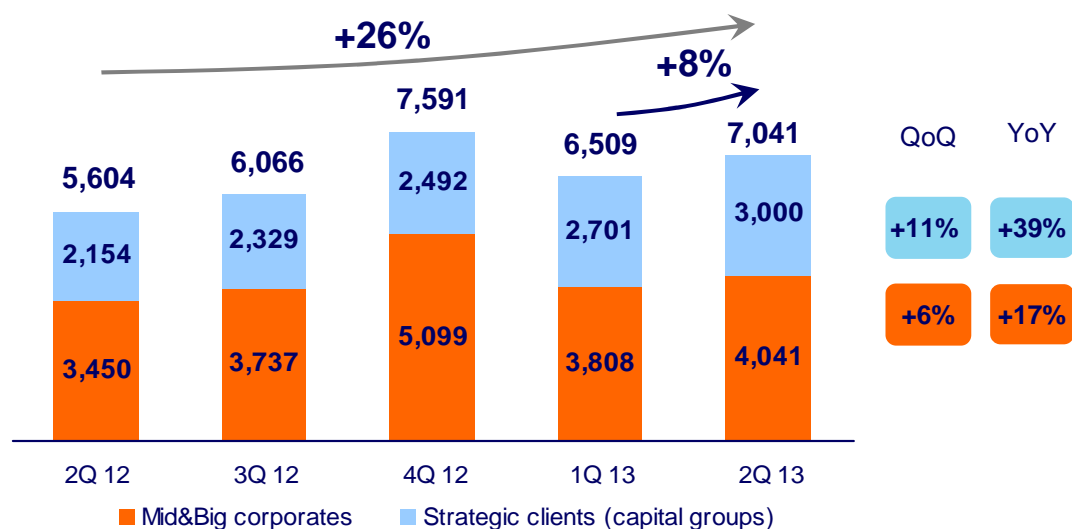


Cash Management

Volume of corporate deposits (in PLN m)



Volume of corporate clients' current accounts (in PLN m)



Lending

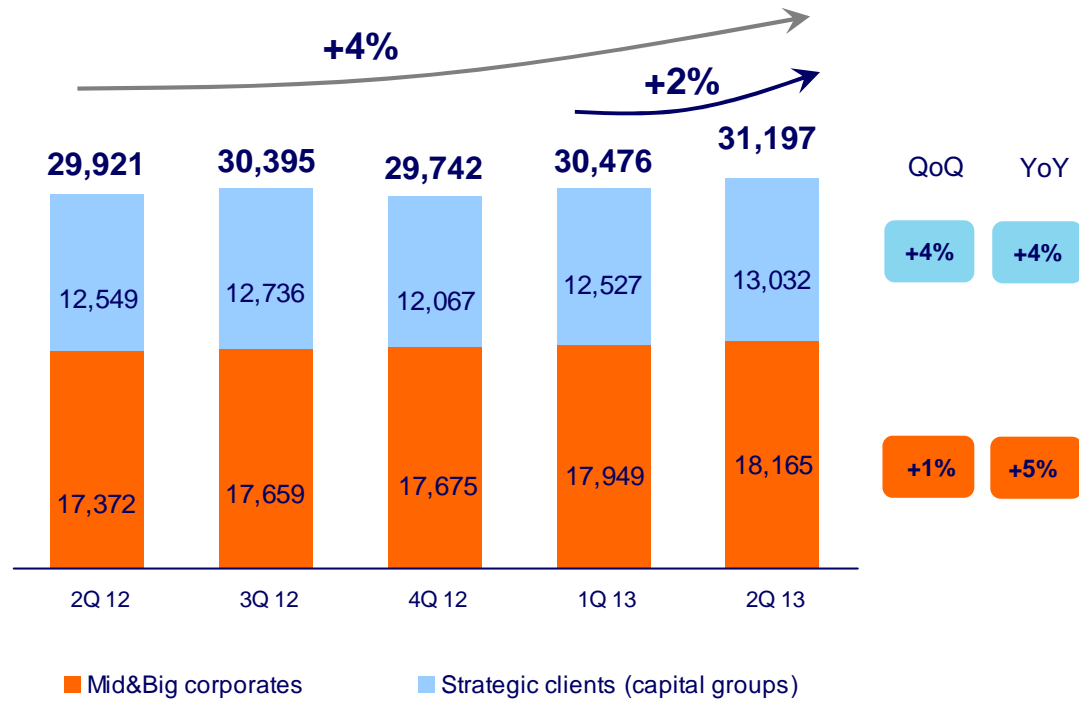


May 2011 June 2013

0% **75%**

of non-paper credit applications

Volume of loans to corporate clients (in PLN million)



Asset Based Lending

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

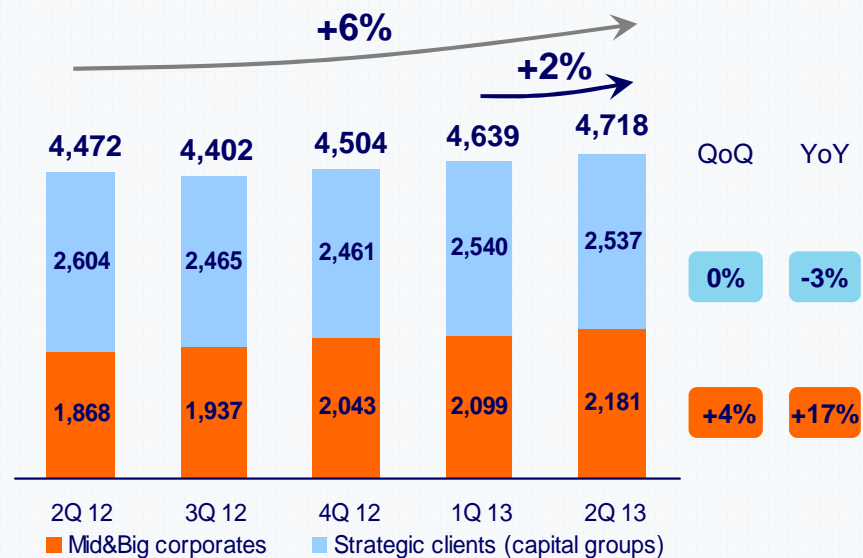
- **#2** on the market in terms of the whole portfolio value
- **5.0%** market share in terms of the new sales
- **7** regional offices
- Distinction for ING Auto Leasing (product introduced in March 2013) in „The best products for SMEs in 2013” ranking prepared by *Gazeta Finansowa*



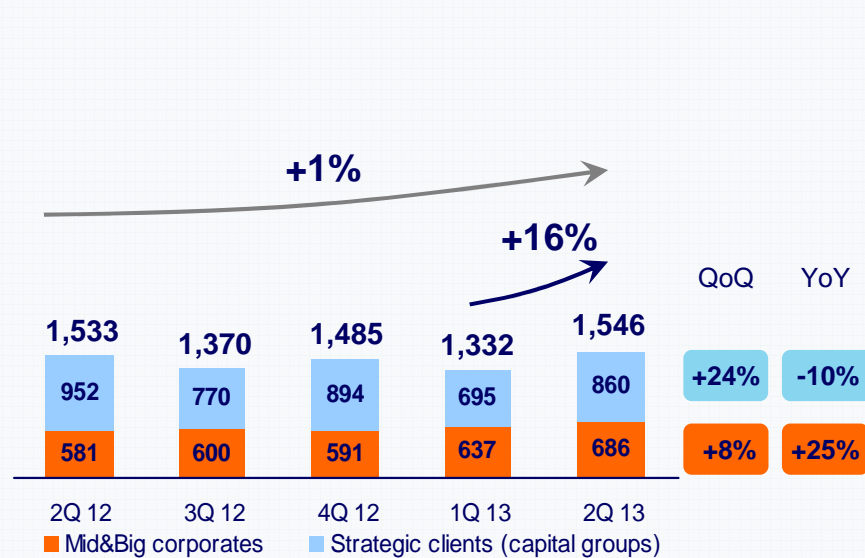
ING Commercial Finance Polska S.A. (factoring)

- **#3** on the market (market share of **12.7%**)
- **13** regional offices

Leasing – financing of the customers (in PLN m)



Factoring – financing of the customers (in PLN m)



New products / solutions

ING Auto Leasing

➤ For whom?

Offer is prepared for new and current customers doing business from min. 12 months

➤ What's the offer?

- Operational and financial leasing of:
 - passenger cars,
 - vehicles with a maximum mass not exceeding 3.5 tonnes.
- Available for new and second hand (up to 4 years old) vehicles purchased from an authorized dealer



| | Standard offer | Special offer* |
|---------------------------|-----------------|----------------|
| Currency | PLN | |
| Max. net value of the car | PLN 120 th | PLN 250 th |
| Own contribution | From 15% | From 10% |
| Lease term | Up to 60 months | |

* Special offer for active customers

Internet application supporting firms in the management of employees payment cards

ING CardsOnLine

➤ Benefits for customers:

- Direct access to information about employees payment cards,
- Faster accountability of expenditure,
- No need to print and send account statements.



Electronic Invoice Distribution and Payments System

ING e-faktura

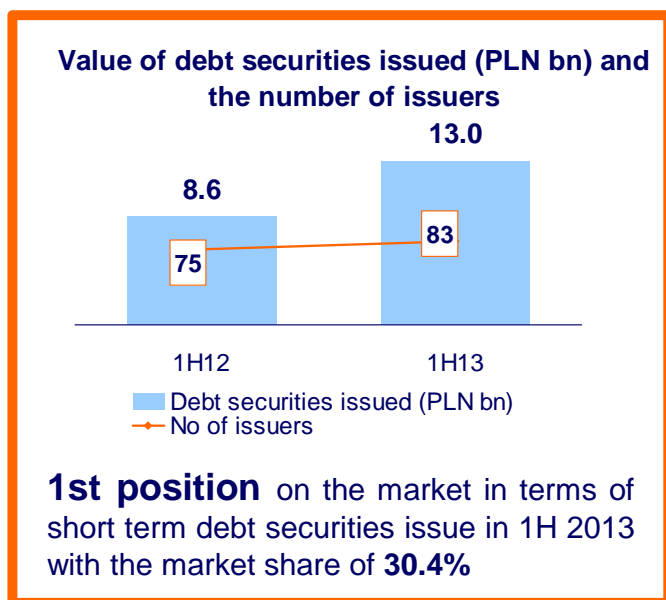
➤ Advantages:

- No more paper invoices - lower costs,
- Electronic invoices archive - more space,
- Error elimination - confidence,
- No delays - fast and easy.



Debt capital and investment banking

Debt capital



The largest deals of 1H 2013



ING Securities – major transaction in 1H 2013



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- 1 Introduction to financial results and market position of the Bank
 - 2 Business development
 - 3 **1H/2Q 2013 financial results**

ING Bank Śląski financial performance in 1H 2013

| <i>PLN million</i> | 1H 2012 | 1H 2013 | change |
|-----------------------------------|----------------|----------------|---------------|
| Net interest income | 1,027.6 | 971.1 | - 5% |
| Net commission income | 497.4 | 499.7 | + 0% |
| Trading & other income | 113.3 | 184.8 | + 63% |
| Total income | 1,638.3 | 1,655.6 | + 1% |
| Total expenses | 917.9 | 936.5 | + 2% |
| Result before risk costs | 720.4 | 719.1 | - 0% |
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| Income tax | 85.8 | 115.4 | + 34% |
| Net profit | 439.1 | 476.6 | + 9% |
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| ROA (%) | 1.23% | 1.14% | - 0.09 p.p. |
| ROE (%) | 13.5% | 11.2% | -2.3 p.p. |
| C/I Ratio (%) | 56.0% | 56.6% | + 0.6 p.p. |

*/ CAR for 1H 2012 According to Financial Supervision Authority definition (mixed methodology); for 1H2013 according to AIRB for corporate portfolio

ROA = sum of net profit of 4 consecutive quarters / average assets of 5 consecutive quarters

ROE = sum of net profit of 4 consecutive quarters / average equity of 5 consecutive quarters



ING Bank Śląski financial performance in 2Q 2013

| <i>PLN million</i> | 2Q 2012 | 2Q 2013 | change |
|-----------------------------------|----------------|----------------|---------------|
| Net interest income | 514.1 | 495.3 | - 4% |
| Net commission income | 250.4 | 259.9 | + 4% |
| Trading & other income | 28.0 | 47.5 | + 70% |
| Total income | 792.5 | 802.7 | + 1% |
| Total expenses | 454.0 | 465.6 | + 3% |
| Result before risk costs | 338.5 | 337.1 | - 0% |
| Risk costs | 131.2 | 69.1 | - 47% |
| Profit before tax | 207.3 | 268.0 | + 29% |
| Income tax | 39.7 | 51.1 | + 29% |
| Net profit | 167.6 | 216.9 | + 29% |
| CAR */ | 13.0% | 15.8% | +2.8 p.p. |
| ROA (%) | 1.23% | 1.14% | - 0.09 p.p. |
| ROE (%) | 13.5% | 11.2% | -2.3 p.p. |
| C/I Ratio (%) | 57.3% | 58.0% | + 0.7 p.p. |

*/ CAR for 2Q 2012 According to Financial Supervision Authority definition (mixed methodology); for 2Q2013 according to AIRB for corporate portfolio

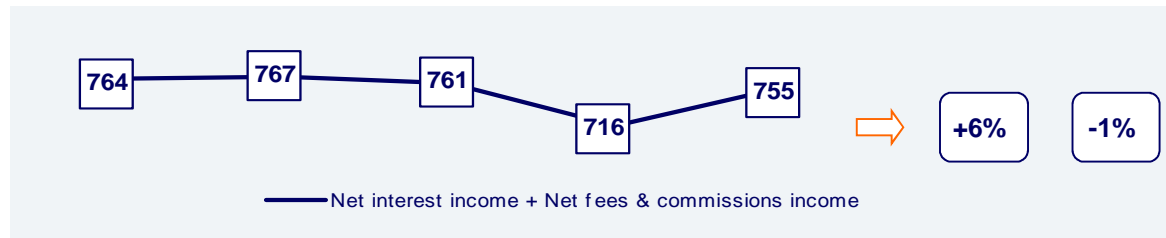
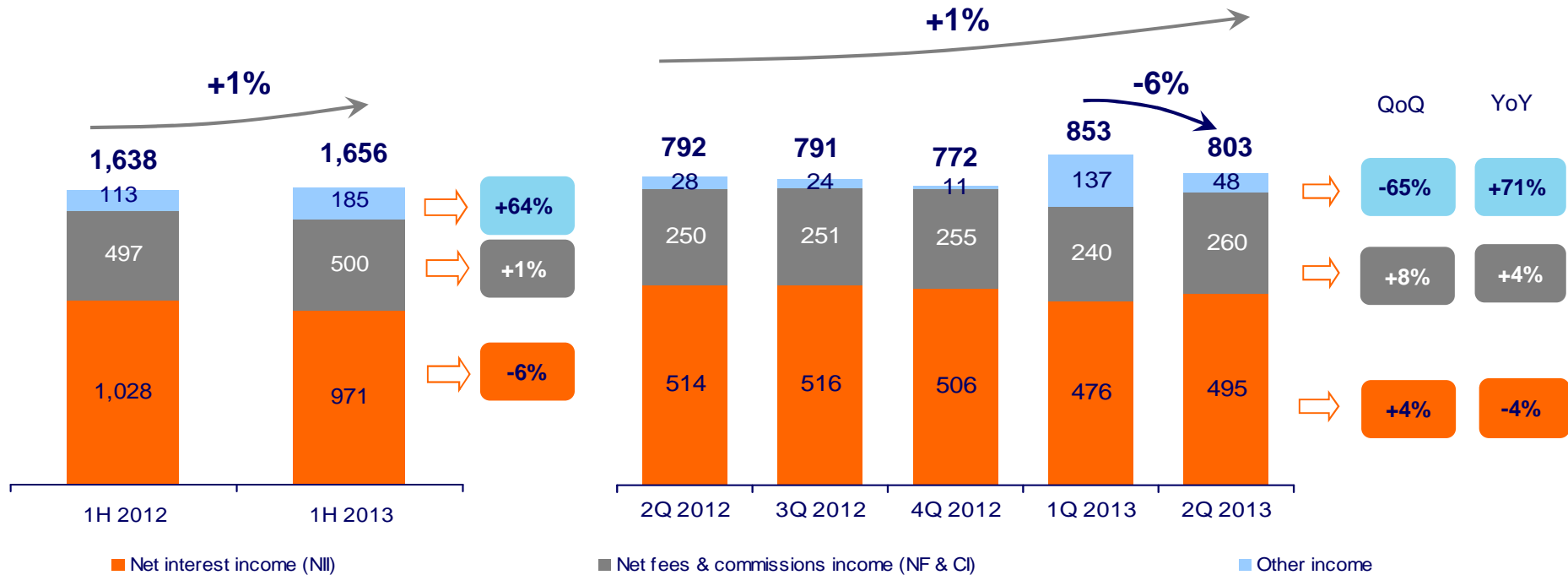
ROA = sum of net profit of 4 consecutive quarters / average assets of 5 consecutive quarters

ROE = sum of net profit of 4 consecutive quarters / average equity of 5 consecutive quarters



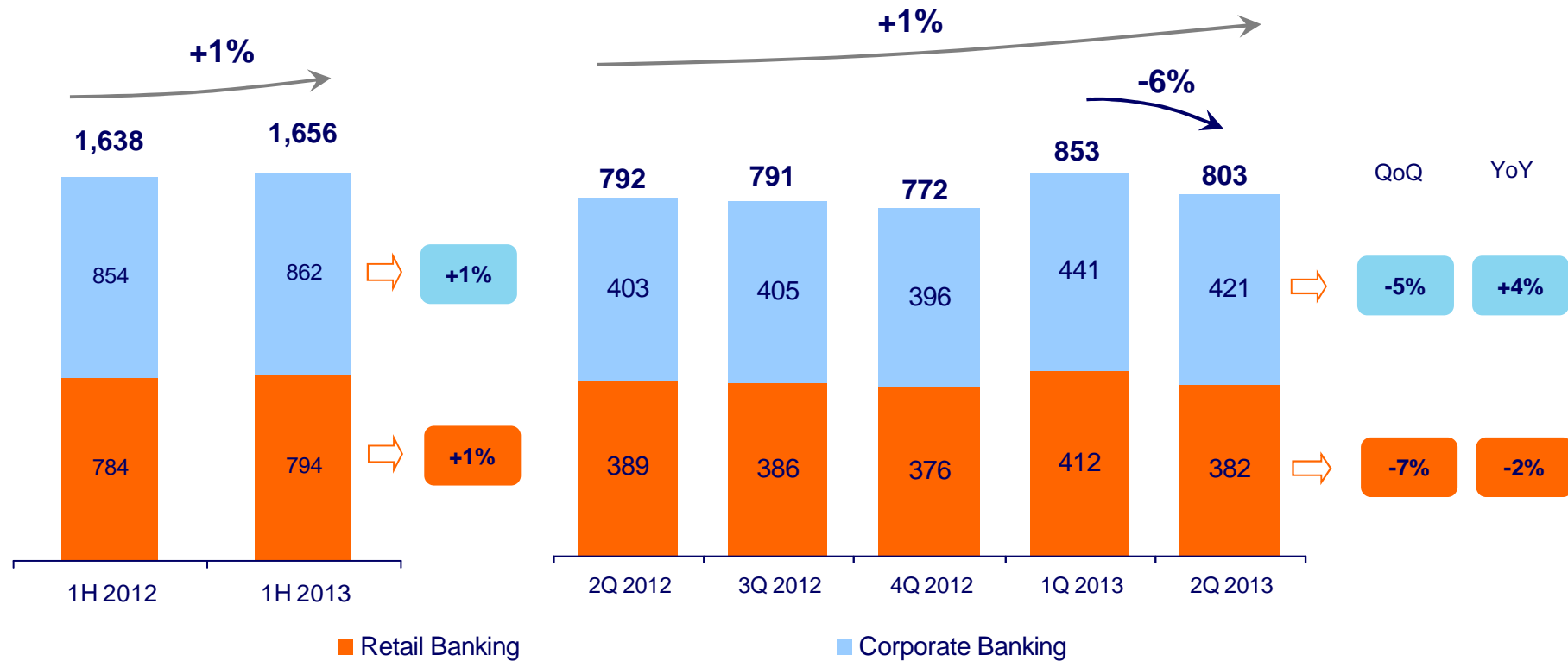
Revenue per category

Revenues per P&L category (PLN m)



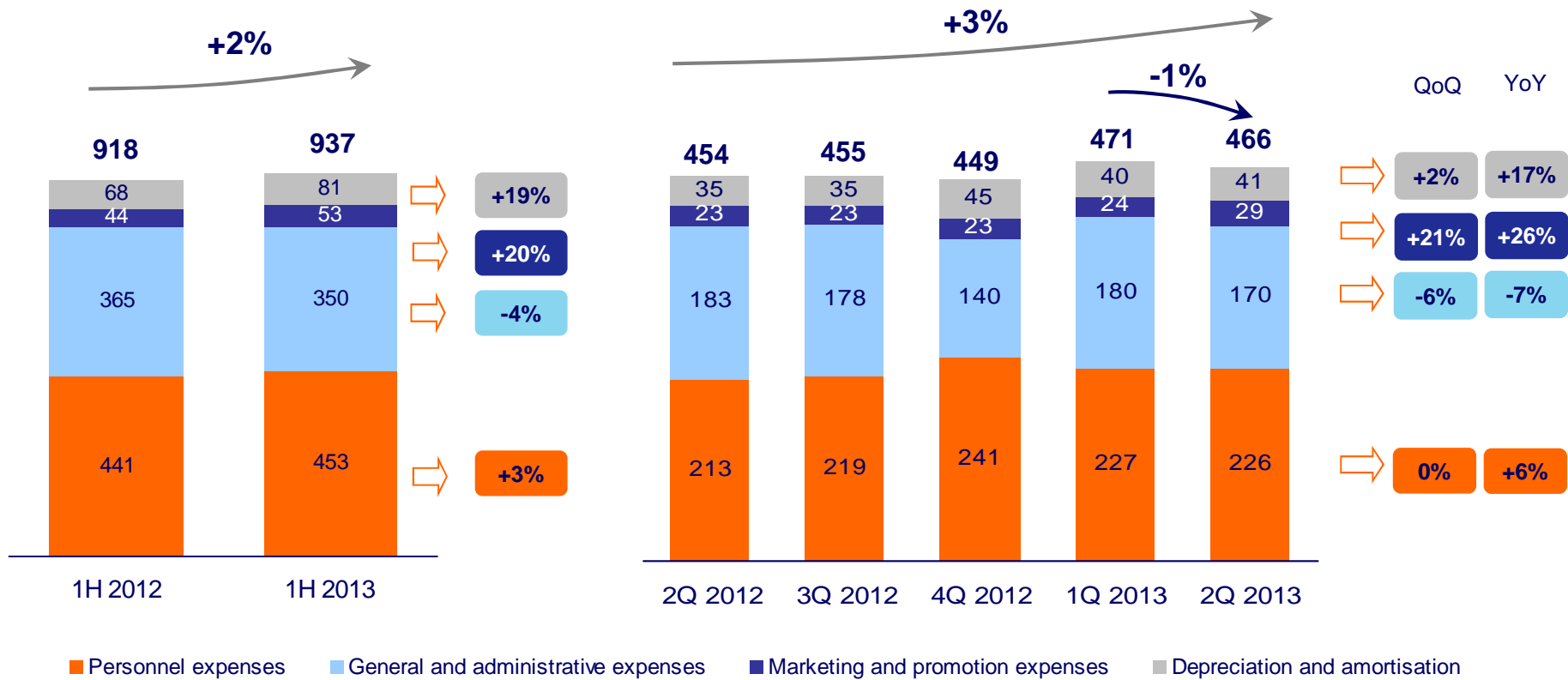
Revenue per business line

Revenues by business lines (PLN m)



Total expenses

Total costs (PLN m)

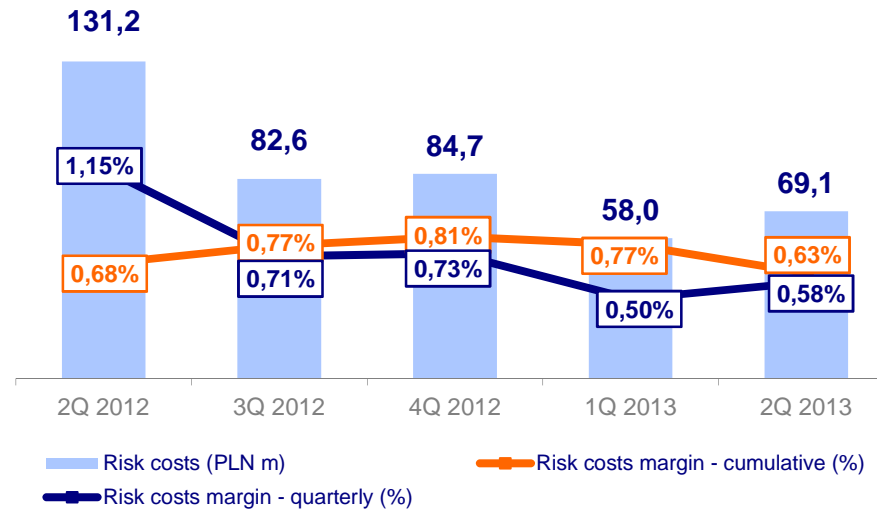


Note: Costs including result on other operating income and expenses

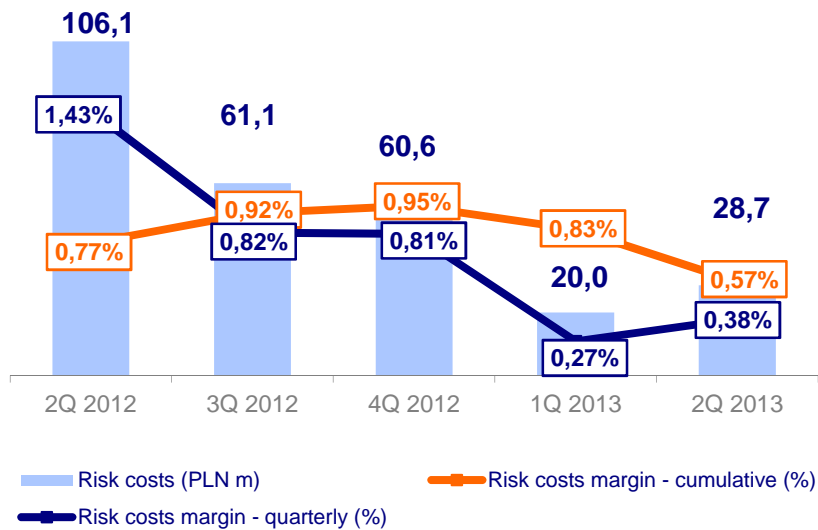


Risk costs

Bank



Corporate



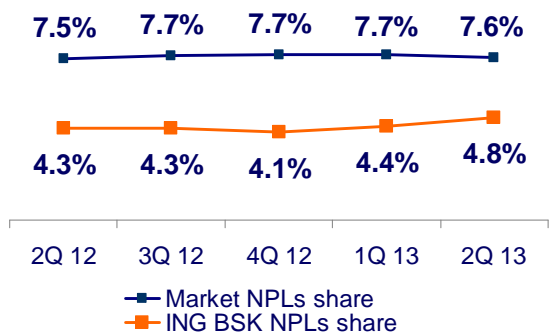
Retail



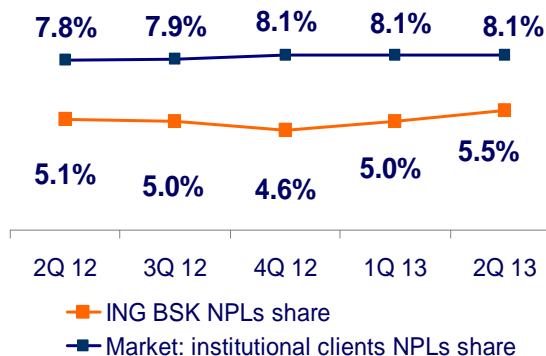
Loan portfolio quality and provisioning

Share of impaired portfolio in the total loan portfolio

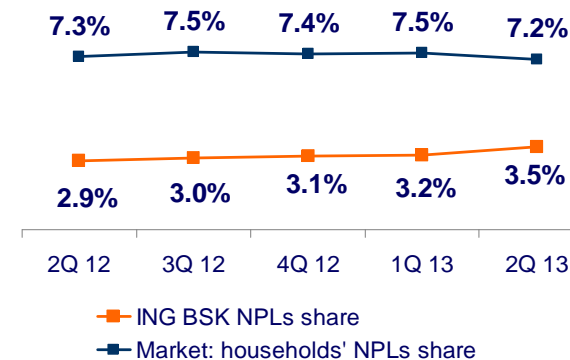
Bank



Corporate



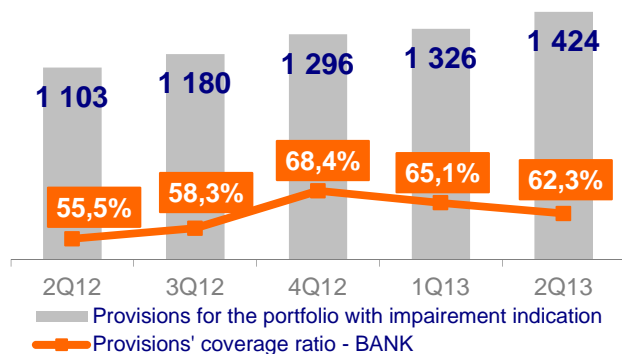
Retail



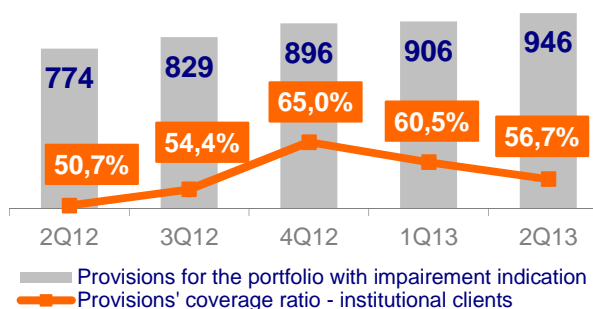
Note: market ratio estimated based on NBP data

Impairment losses and provisions related to impaired portfolio (PLN m) and impaired portfolio coverage ratio (%)

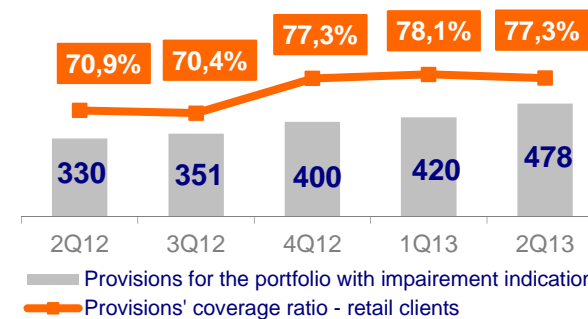
Bank



Corporate

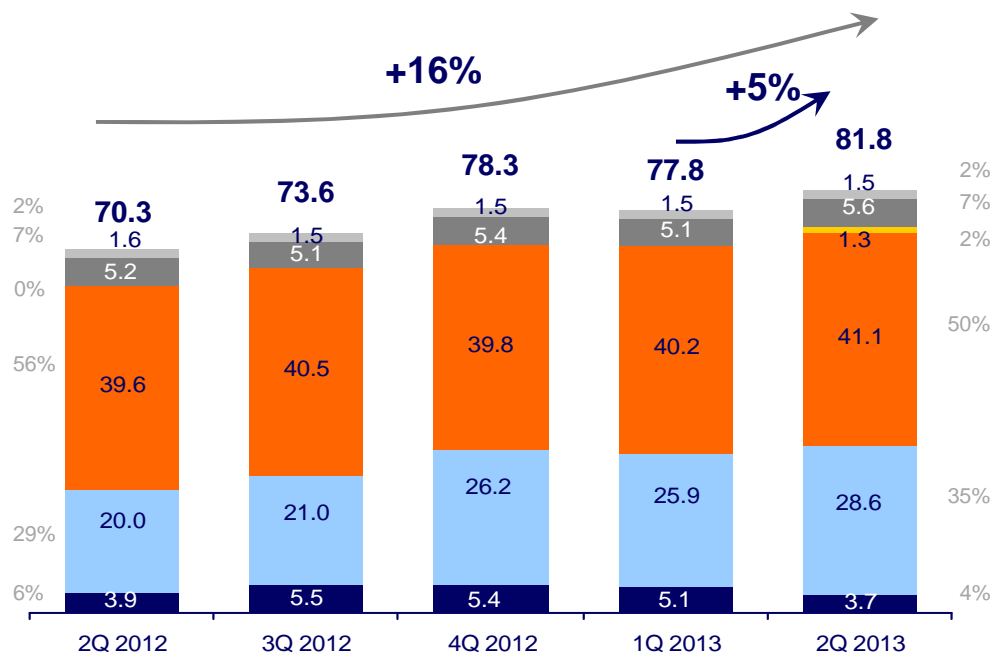


Retail



Bank assets

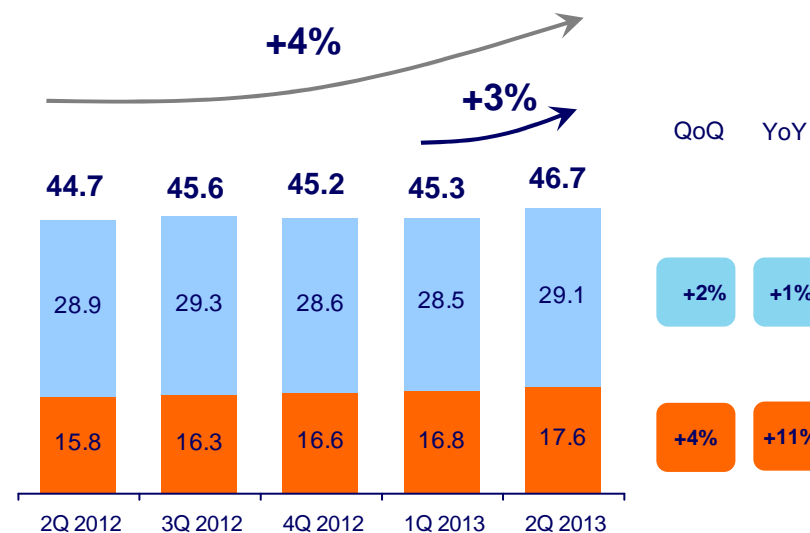
Assets structure (PLN bn / %)



- Other
- Leasing and factoring receivables
- Receivables from customers - BSB transactions
- Loans, corpo bonds and other receivables from customers
- Securities & derivatives
- Loans and receivables from other banks + cash within the Central Bank

Loans and receivables to customers

- non-bank sector (PLN bn)



- Households
- Institutional clients

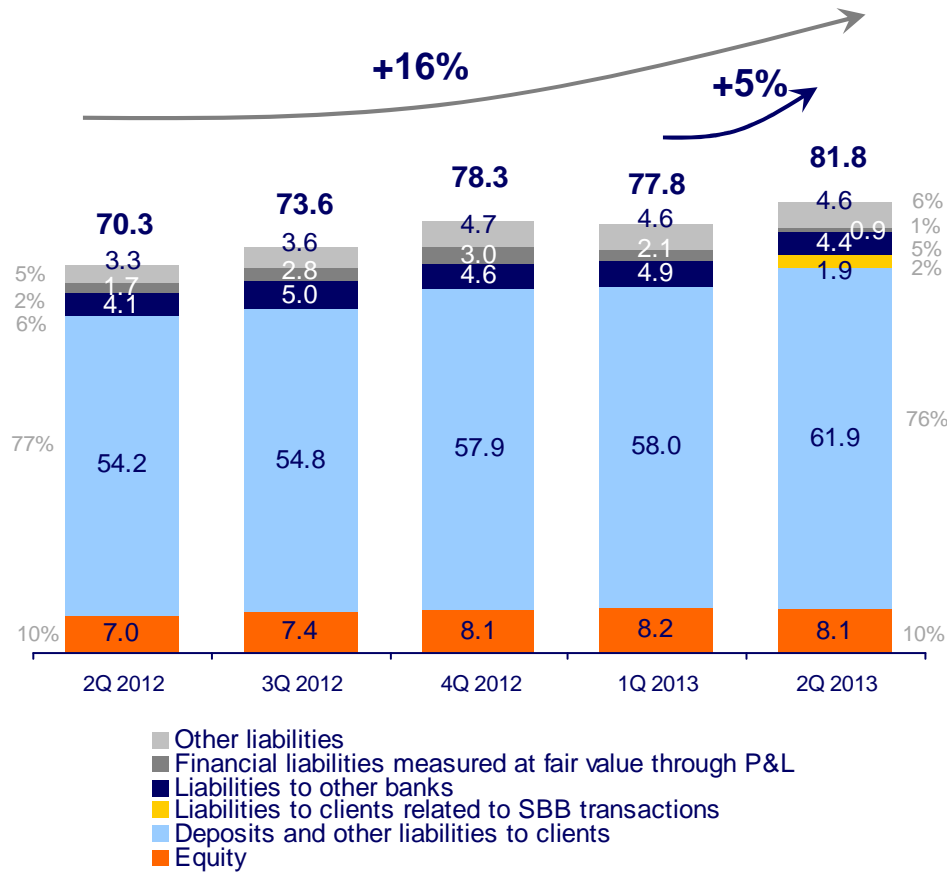
Note: Loans, corpo bonds and other receivables from customers do not include clients related buy-sell-back transactions as well as debt securities included in the consolidated statement of financial position (an equivalent of a former balance sheet statement) in the loans category (*Eurobonds*). Eurobonds are included in the securities & derivatives portfolio.



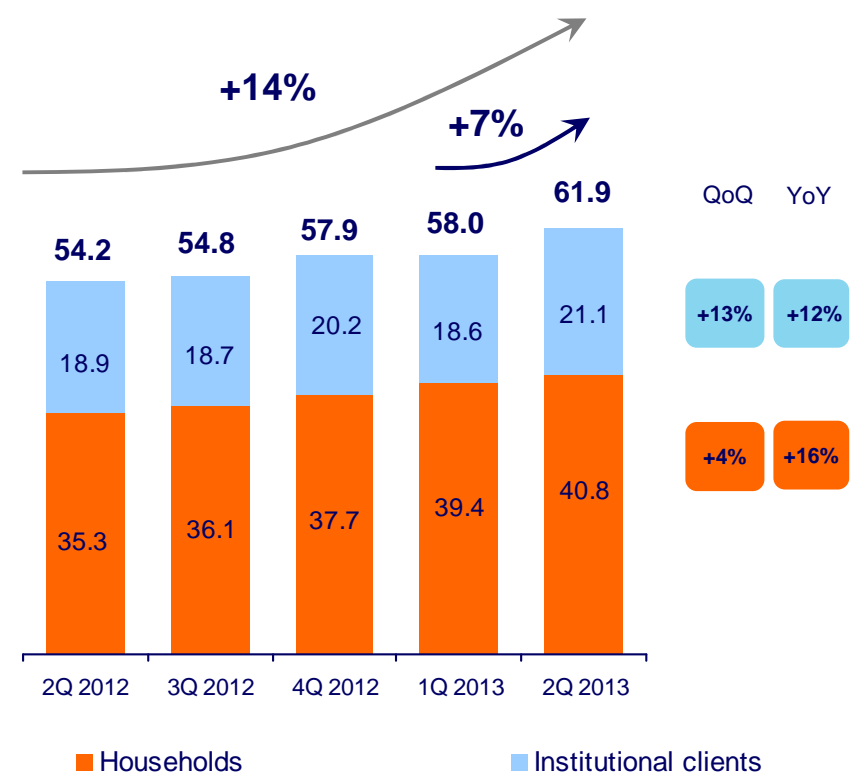
Bank liabilities

stable deposit base

Structure of liabilities (PLN bn / %)



Deposits and other liabilities to clients (PLN bn)

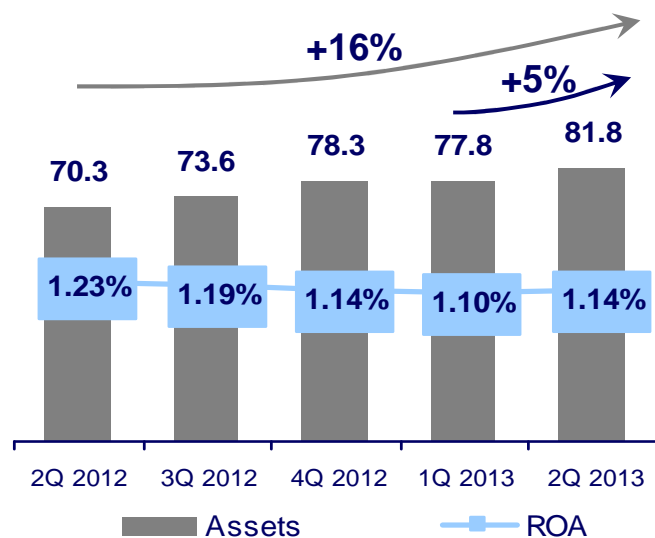


Note: deposits and other liabilities to clients do not include sell-buy-back transactions

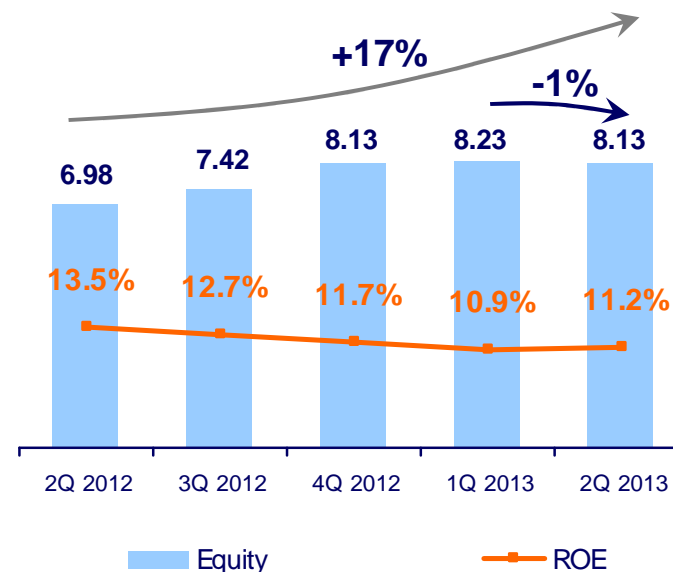


Assets, equity and profitability ratios

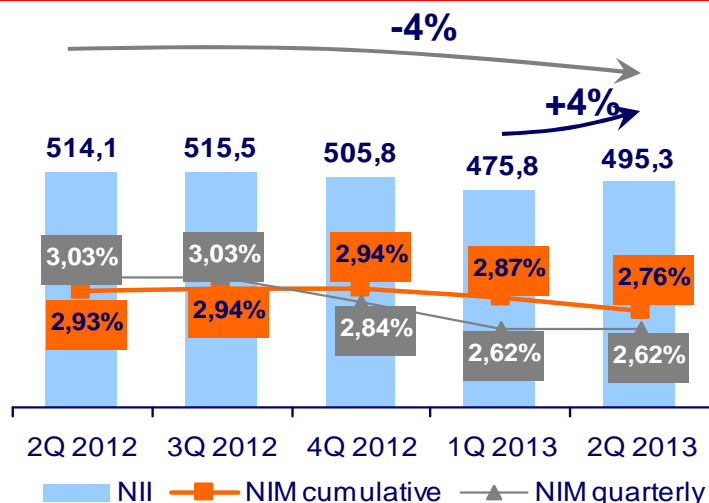
Assets (PLN bn) / ROA



Equity (PLN bn) / ROE



NII (PLN m) / NIM (%)



Definitions:

ROE = sum of net income of 4 consecutive quarters / average equity of 5 consecutive quarters

ROA = sum of net income of 4 consecutive quarters / average assets of 5 consecutive quarters

NII – including swap points and interests from derivatives

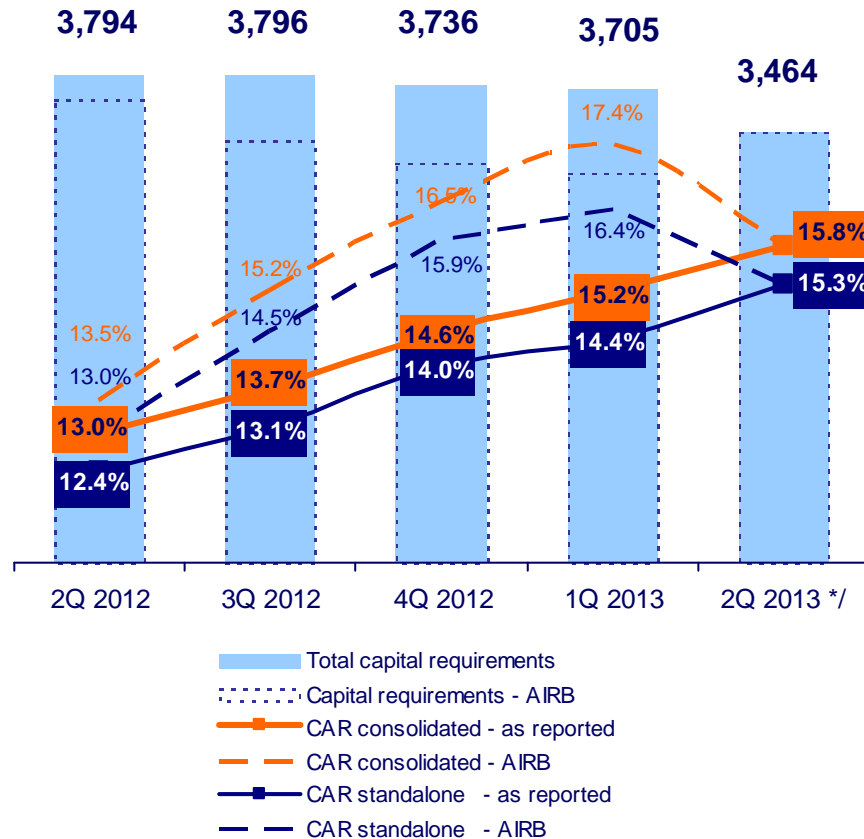
NIM annualized = sum of NII of 4 consecutive quarters / average interest earning assets of 5 consecutive quarters

NIM quarterly = quarterly NII x4 / average interest earning assets of a quarter

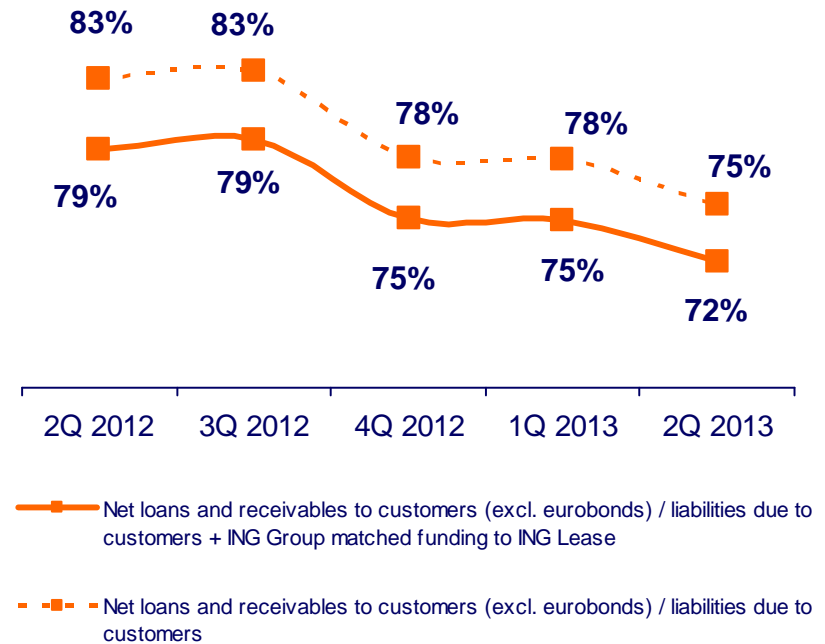


Capital Adequacy

Capital adequacy ratio and the total capital requirements



Loans-to-deposits ratio



*/ According to the DNB and KNF consent ING BS is eligible to report CAR according to the AIRB methodology for corporate portfolio starting from 30 June 2013 under the condition that the capital requirements calculated based on AIRB are equal or higher than 80% of capital requirements calculated based on SA. If the condition is not met ING BS would have to report according to the SA.



Appendix

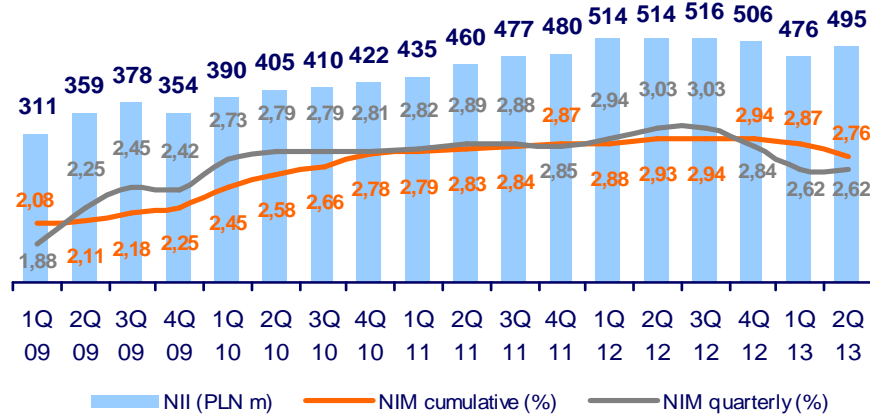
Quarterly P&L

| Interim condensed consolidated financial statements | 1Q 2012 | 2Q 2012 | 3Q 2012 | 4Q 2012 | 1Q 2013 | 2Q 2013 | QoQ | | Q YoY | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|-------------|
| | | | | | | | Δ | % | Δ | % |
| I. 5.1. Net interest income, of which: | 513.5 | 514.1 | 515.5 | 505.8 | 475.8 | 495.3 | 19.5 | 4% | -18.8 | -4% |
| Interest income, of which: | 945.2 | 945.2 | 963.2 | 977.9 | 925.1 | 902.8 | -22.3 | -2% | -42.4 | -4% |
| - from loans and receivables to banks | 26.9 | 31.0 | 37.4 | 40.5 | 27.8 | 25.3 | -2.5 | -9% | -5.7 | -18% |
| - from loans and receivables to customers | 641.7 | 664.4 | 672.0 | 669.9 | 623.1 | 610.7 | -12.4 | -2% | -53.7 | -8% |
| - from leasing | 42.1 | 42.8 | 44.0 | 39.2 | 40.2 | 37.8 | -2.4 | -6% | -5.0 | -12% |
| - from factoring | 23.9 | 25.8 | 26.2 | 27.1 | 22.0 | 20.3 | -1.7 | -8% | -5.5 | -21% |
| - from debt securities | 199.3 | 179.0 | 164.9 | 183.6 | 196.4 | 197.6 | 1.2 | 1% | 18.6 | 10% |
| - from BSB transactions (non trading) | | | | | | 8.7 | 8.7 | n/a | 8.7 | n/a |
| - interest result on derivatives | 11.3 | 2.2 | 18.7 | 17.6 | 15.6 | 2.4 | -13.2 | -85% | 0.2 | 9% |
| Interest expenses, of which: | 431.7 | 431.1 | 447.7 | 472.1 | 449.3 | 407.5 | -41.8 | -9% | -23.6 | -5% |
| - interest on deposits from banks | 39.8 | 31.4 | 24.2 | 32.3 | 26.3 | 24.5 | -1.8 | -7% | -6.9 | -22% |
| - interest on deposits from customers | 391.9 | 399.7 | 423.5 | 437.8 | 415.6 | 368.7 | -46.9 | -11% | -31.0 | -8% |
| - on SBB transactions (non trading) | | | | | | 7.0 | 7.0 | n/a | 7.0 | n/a |
| - interest on debt securities in issue | 0.0 | 0.0 | 0.0 | 2.0 | 7.4 | 6.8 | -0.6 | -8% | 6.8 | n/a |
| - on trading financial instruments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 | 0.5 | n/a | 0.5 | n/a |
| II. Net fees & commission income | 247.0 | 250.4 | 251.2 | 255.7 | 239.8 | 259.9 | 20.1 | 8% | 9.5 | 4% |
| III. Result on trade operations and revaluation (incl investments and HA) | 74.5 | 13.7 | 12.5 | -3.9 | 118.5 | 35.2 | -83.3 | n/a | 21.5 | 157% |
| Net income on instruments measured at fair value through profit or loss and FX result | 53.7 | 12.3 | 18.9 | 0.6 | 17.1 | 24.0 | 6.9 | 40% | 11.7 | 95% |
| Net income on investments | 19.1 | 6.6 | -0.9 | -0.2 | 120.4 | -0.3 | -120.7 | -100% | -6.9 | -105% |
| Net income on hedge accounting | 1.7 | -5.2 | -5.5 | -4.3 | -19.0 | 11.5 | 30.5 | -161% | 16.7 | -321% |
| IV. Net income on other basic activities | 4.0 | 3.1 | 3.7 | 4.6 | 9.8 | 4.5 | -5.3 | -54% | 1.4 | 45% |
| V. Share in net profit (loss) of associated entities recognised under the equity method | 6.8 | 11.2 | 7.6 | 10.1 | 9.0 | 7.8 | -1.2 | -13% | -3.4 | -30% |
| Income | 845.8 | 792.5 | 790.5 | 772.3 | 852.9 | 802.7 | -50.2 | -6% | 10.2 | 1% |
| Expenses | 463.9 | 454.0 | 455.2 | 449.1 | 470.9 | 465.6 | -5.3 | -1% | 11.6 | 3% |
| I. General and administrative expenses | 464.9 | 456.3 | 454.2 | 442.3 | 470.1 | 464.9 | -5.2 | -1% | 8.6 | 2% |
| - personnel expenses | 228.0 | 213.1 | 219.1 | 240.6 | 226.7 | 226.3 | -0.4 | 0% | 13.2 | 6% |
| - other expenses | 236.9 | 243.2 | 235.1 | 201.7 | 243.4 | 238.6 | -4.8 | -2% | -4.6 | -2% |
| II. Result on other operating income and expenses | 1.0 | 2.3 | -1.0 | -6.8 | -0.8 | -0.7 | 0.1 | -13% | -3.0 | n/a |
| Profit before risk costs | 381.9 | 338.5 | 335.3 | 323.2 | 382.0 | 337.1 | -44.9 | -12% | -1.4 | 0% |
| Cost of risk | 64.3 | 131.2 | 82.6 | 84.7 | 58.0 | 69.1 | 11.1 | 19% | -62.1 | -47% |
| - retail | 19.3 | 25.1 | 21.5 | 24.1 | 38.0 | 40.4 | 2.4 | 6% | 15.3 | 61% |
| - corporate | 45.0 | 106.1 | 61.1 | 60.6 | 20.0 | 28.7 | 8.7 | 43% | -77.4 | -73% |
| Profit (loss) before tax | 317.6 | 207.3 | 252.7 | 238.5 | 324.0 | 268.0 | -56.0 | -17% | 60.7 | 29% |
| Income tax | 46.1 | 39.7 | 49.5 | 48.5 | 64.3 | 51.1 | -13.2 | -21% | 11.4 | 29% |
| Net profit (loss), of which: | 271.5 | 167.6 | 203.2 | 190.0 | 259.7 | 216.9 | -42.8 | -16% | 49.3 | 29% |
| Net profit (loss) attributable to the shareholders of ING Bank Śląski S.A. | 271.5 | 167.6 | 203.2 | 190.0 | 259.7 | 216.9 | -42.8 | -16% | 49.3 | 29% |
| Net profit(loss) assigned to minority shareholders | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | n/a | 0.0 | n/a |
| CI (%) | 54.8% | 57.3% | 57.5% | 58.2% | 55.2% | 58.0% | | | | |

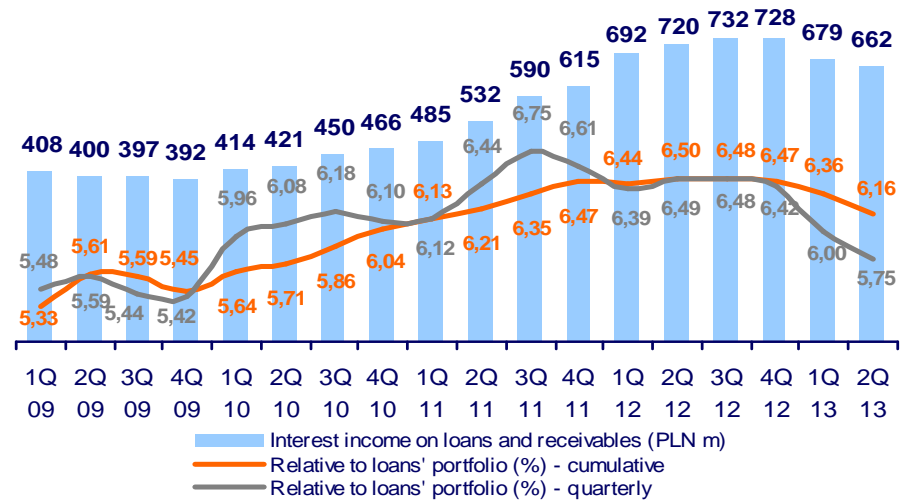


Net interest income and margins development

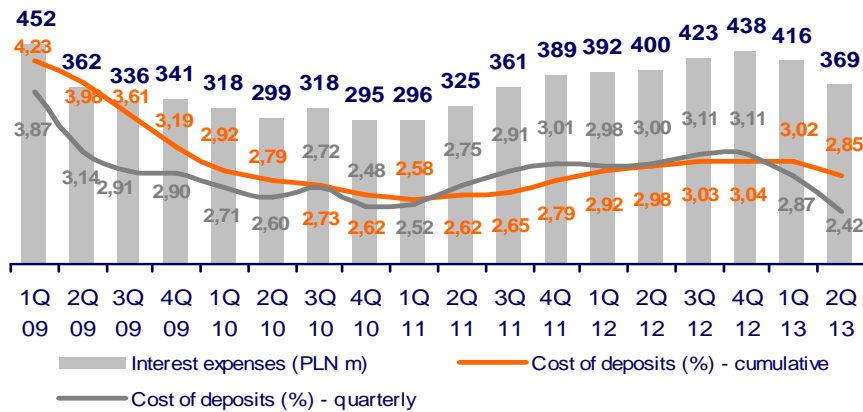
NII (PLN m) / NIM (%)



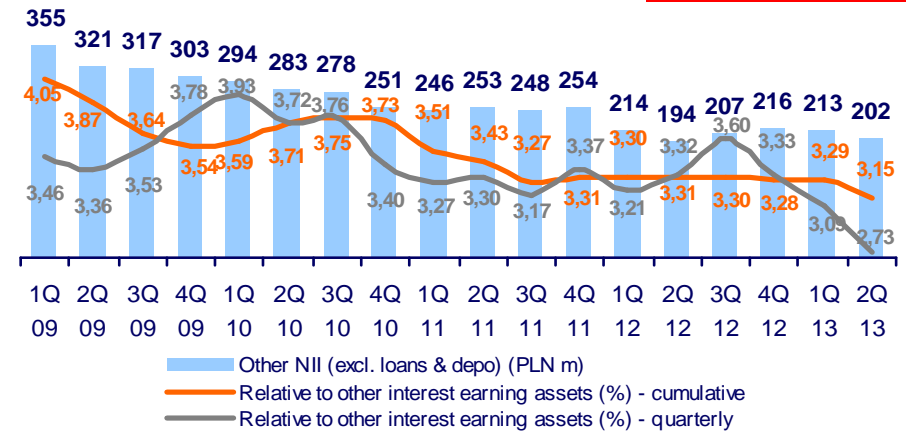
Interest income on customer loans & receivables (PLN m) / average interest (%)



Cost of customer deposits (PLN m) / average interest (%)



NII (excl. loans & depo) relative to other interest earning assets (PLN m) / average interest (%)

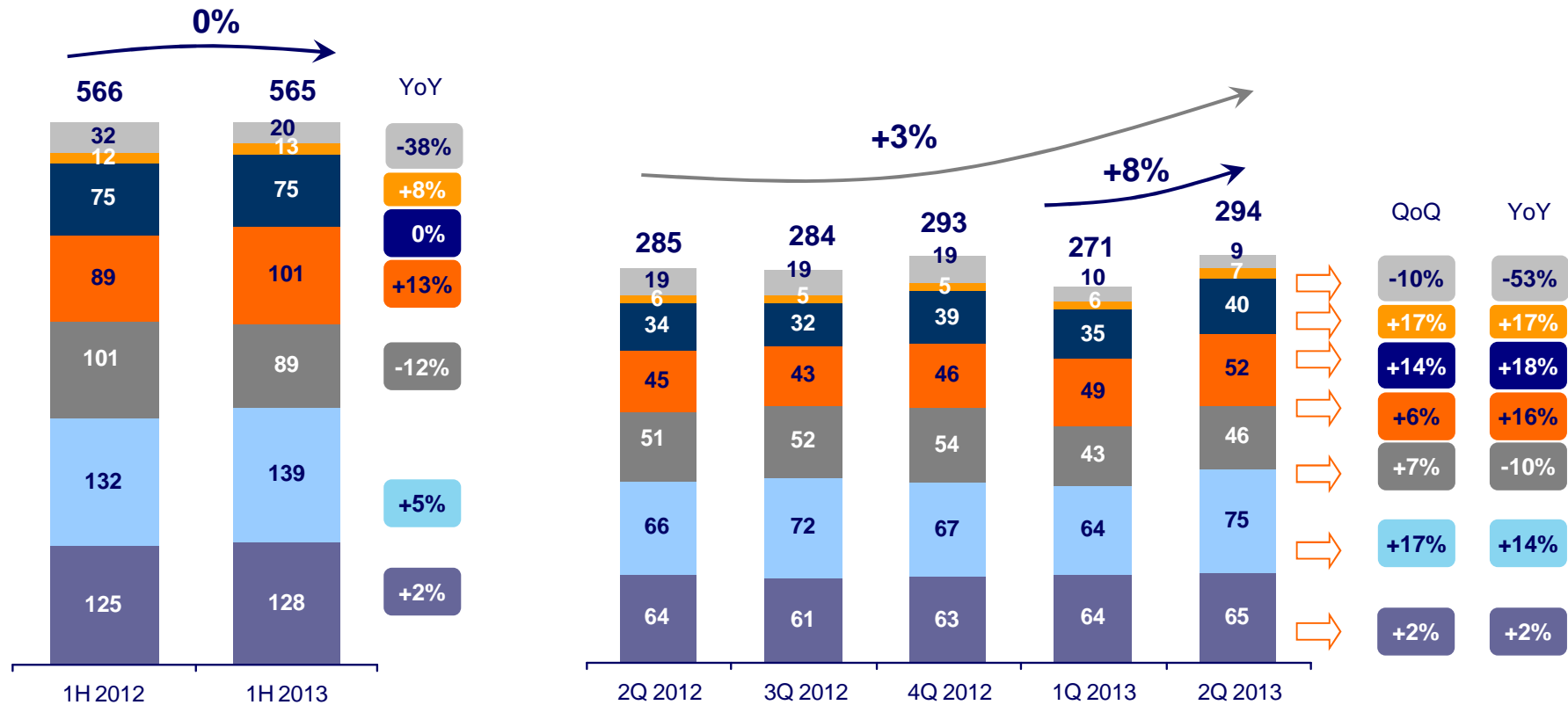


Definitions: NII – adjusted (including swap points and interests from derivatives)
 NIM annualized = sum of NII adjusted of 4 consecutive quarters / average interest earning assets of 5 consecutive quarters
 NIM quarterly = quarterly NII adjusted x4 / average interest earning assets of a quarter



Fees and commissions income

Fees and commissions income by categories (PLN m)



- Other
- Factoring & leasing
- TFI Distribution, brokerage and custody fees
- Fees related to loans
- Debit and credit cards
- FX margin
- Fees related to the clients' bank accounts



Lending exposure by industries

Non-bank corporate banking portfolio - BS exposure (PLN m)

Consolidated approach

| No | Industry | Exposure as of 30.06.2013 | % |
|-----------------------|--|------------------------------|---------------|
| 1 | WHOLESALE TRADE | 4,118 | 13.5% |
| 2 | PUBLIC ADMINISTRATION AND NATIONAL DEFENSE | 3,621 | 11.9% |
| 3 | REAL ESTATE SERVICE | 3,010 | 9.9% |
| 4 | FOODSTUFF AND BEVERAGE PRODUCTION | 1,951 | 6.4% |
| 5 | RETAIL TRADE | 1,802 | 5.9% |
| 6 | POWER INDUSTRY | 1,561 | 5.1% |
| 7 | CONSTRUCTIONS INDUSTRY | 1,332 | 4.4% |
| 8 | REMAINING SERVICES CONNECTED WITH RUNNING BUSINESS | 1,108 | 3.6% |
| 9 | EQUIPMENT RENT | 1,046 | 3.4% |
| 10 | LAND AND PIPELINE TRANSPORTATION | 1,007 | 3.3% |
| 11 | READY-MADE METAL GOODS PRODUCTIONS | 922 | 3.0% |
| 12 | FINANCIAL INTERMEDIATION | 872 | 2.9% |
| 13 | METALS PRODUCTIONS | 712 | 2.3% |
| 14 | RUBBER INDUSTRY | 701 | 2.3% |
| 15 | COMPUTER INDUSTRY AND ASSOCIATED SERVICE | 624 | 2.1% |
| 16 | FUEL INDUSTRY | 623 | 2.0% |
| 17 | AGRICULTURE , FORESTY , FISHERY | 582 | 1.9% |
| 18 | ENGINEERING INDUSTRY | 491 | 1.6% |
| 19 | MECHANICAL VEHICLES SALE , REPAIR AND SERVICE | 460 | 1.5% |
| 20 | Other | 3,881 | 12.8% |
| Total exposure | | 30,426 | 100.0% |

Note: breakdown of gross lending exposure including loans, corporate bonds and leasing & factoring receivables



Lending exposure by industries

Non-bank corporate banking portfolio - BS and Off-BS exposure (PLN m)

Consolidated approach

| No | Industry | Exposure as of 30.06.2013 | % |
|-----------------------|--|------------------------------|---------------|
| 1 | WHOLESALE TRADE | 7,326 | 16.0% |
| 2 | PUBLIC ADMINISTRATION AND NATIONAL DEFENSE | 4,022 | 8.8% |
| 3 | REAL ESTATE SERVICE | 3,223 | 7.0% |
| 4 | FOODSTUFF AND BEVERAGE PRODUCTION | 2,974 | 6.5% |
| 5 | POWER INDUSTRY | 2,778 | 6.1% |
| 6 | CONSTRUCTIONS INDUSTRY | 2,734 | 6.0% |
| 7 | RETAIL TRADE | 2,543 | 5.6% |
| 8 | EQUIPMENT RENT | 1,409 | 3.1% |
| 9 | REMAINING SERVICES CONNECTED WITH RUNNING BUSINESS | 1,319 | 2.9% |
| 10 | READY-MADE METAL GOODS PRODUCTIONS | 1,305 | 2.8% |
| 11 | LAND AND PIPELINE TRANSPORTATION | 1,202 | 2.6% |
| 12 | RUBBER INDUSTRY | 1,131 | 2.5% |
| 13 | FINANCIAL INTERMEDIATION | 1,127 | 2.5% |
| 14 | FUEL INDUSTRY | 1,126 | 2.5% |
| 15 | METALS PRODUCTIONS | 1,122 | 2.4% |
| 16 | COMPUTER INDUSTRY AND ASSOCIATED SERVICE | 1,055 | 2.3% |
| 17 | ENGINEERING INDUSTRY | 962 | 2.1% |
| 18 | MECHANICAL VEHICLES SALE , REPAIR AND SERVICE | 961 | 2.1% |
| 19 | CHEMICALS AND CHEMICAL GOODS PRODUCTION | 930 | 2.0% |
| 20 | Other | 6,573 | 14.3% |
| Total exposure | | 45,823 | 100.0% |

Note: breakdown of gross lending exposure including loans, corporate bonds and leasing & factoring receivables + off-BS exposure

