

ING Bank Śląski S.A.

1Q 2014 Business and Financial Results

Warsaw – 7 May 2014

www.ingbank.pl

ING BANK ŚLĄSKI

ING 

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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- 2** Business development
- 3** 1Q 2014 financial results

Strategic targets of ING Bank Śląski

Accomplishments in 1Q 2014

Acquisition of new clients and increase of volumes:

- **PLN 66.8 bn** of deposits → **+PLN 8.7 bn** (+15%) y/y
- **PLN 45.4 bn** of retail clients deposits → **+PLN 5.4 bn** (+14%) y/y
- **3.4 m** retail clients → net increase by **139 th** y/y
- **33.5 th** corporate clients

Increase in lending products sales:

- **PLN 52.5 bn** of loans to customers → **+PLN 5.1 bn** (+11%) y/y
- **PLN 33.5 bn** of corporate lending (incl. leasing & factoring) → **+PLN 3.1 bn** (+10%) y/y
- **PLN 19.0 bn** of retail lending → **+PLN 2.1 bn** (+12%) y/y
- **PLN 13.9 bn** of retail mortgage loans → **+PLN 1.5 bn** (+12%) y/y;
7.6% market share in retail mortgage loans sales in 1Q 2014

Maintaining high quality of customer service:

- 803 own ATMs and 725 CDMs, including **449** dual-function machines installed
- 412 branches, all with self-banking areas
- 83% of cash deposits transactions via self-service zones
- Mobile banking –**500 th** downloads of applications: *ING BankMobile* (smartphones) and *ING BankMobile HD* (tablets)

Development of simple and honest product offer:

- **2.38 million** of Current Accounts, **70%** are **Direct Current Account**
- **Smart Saver & Dream Saver** –products supporting saving money
- **Aleo** – **over 26,000** registered companies
- **Portfolio Guarantee Line De Minimis**

Translation of business activities into Bank's financial results:

- **PLN 884 m** of total income in 1Q 2014 → +2% y/y
- **PLN 413 m** of result before risk costs in 1Q 2014 → +8% y/y
- **PLN 255 m** of net profit in 1Q 2014 → -2% y/y
- **L/D ratio** at the level of 73% → -2 p.p. y/y

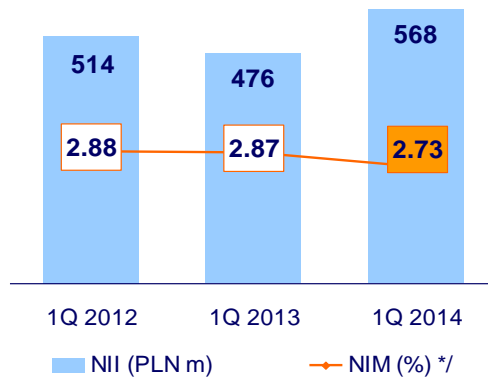
Major business results of the Bank

Bank's business volumes

<i>in PLN million</i>	31.12.12	31.03.13	31.12.13	31.03.14	Change QoQ	Change YoY	Diff QoQ	Diff YoY
Total deposits	57,783	58,125	67,485	66,787	-1%	15%	-698	8,662
Retail clients deposits	38,378	39,915	44,111	45,359	3%	14%	1,248	5,444
Corporate clients deposits	19,405	18,210	23,374	21,428	-8%	18%	-1,946	3,218
Total funds entrusted by retail clients	43,517	45,220	50,223	51,383	2%	14%	1,160	6,163
Mutual funds assets (TFI) + other off-BS products distributed by the Bank	5,139	5,305	6,112	6,024	-1%	14%	-88	719
Total loans	46,307	47,365	50,478	52,476	4%	11%	1,998	5,111
Loans to retail clients	16,565	16,889	18,416	18,950	3%	12%	534	2,061
Mortgage loans volume	12,227	12,460	13,615	13,930	2%	12%	315	1,470
Loans to corporate clients incl. leasing and factoring	29,742	30,476	32,062	33,526	5%	10%	1,464	3,050

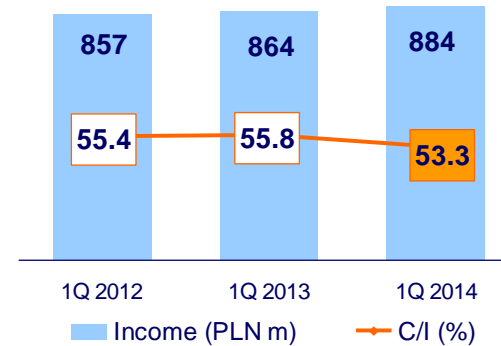
Efficiency

Net interest margin

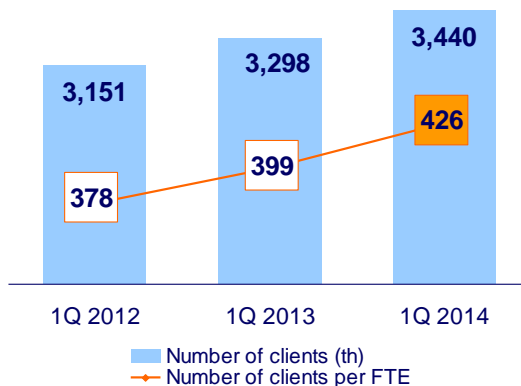


*/ NIM = sum of NII of 4 consecutive quarters / average interest earning assets of 5 consecutive quarters

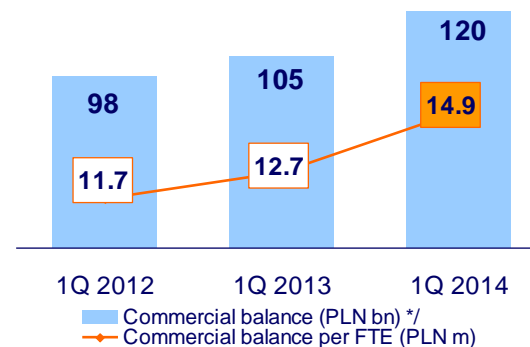
Income and cost effectiveness



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

<i>PLN million</i>	1Q 2013	1Q 2014	change
Total income	864.2	883.8	+ 2%
Total expenses	482.2	471.2	- 2%
Result before risk costs	382.0	412.6	+ 8%
Risk costs	58.0	84.1	+ 45%
Profit before tax	324.0	328.5	+ 1%
Net profit	259.7	254.6	- 2%
Total capital ratio */	15.2%	14.6%	- 0.6 p.p.
ROA (%)	1.10%	1.13%	+ 0.03 p.p.
ROE (%)	10.9%	11.3%	+ 0.4 p.p.
C/I Ratio (%)	55.8%	53.3%	- 2.5 p.p.

*/ Total capital ratio (former capital adequacy ratio) as at the end of Q1 2014 calculated in line with Basel III requirements, taking account of the so-called national options to-date (e.g. risk weights for mortgage loans). As at Q1 2013, the ratio is calculated using the then effective PFSA definition (i.e.. capital requirements according to the standard approach and equity according to advanced method).

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

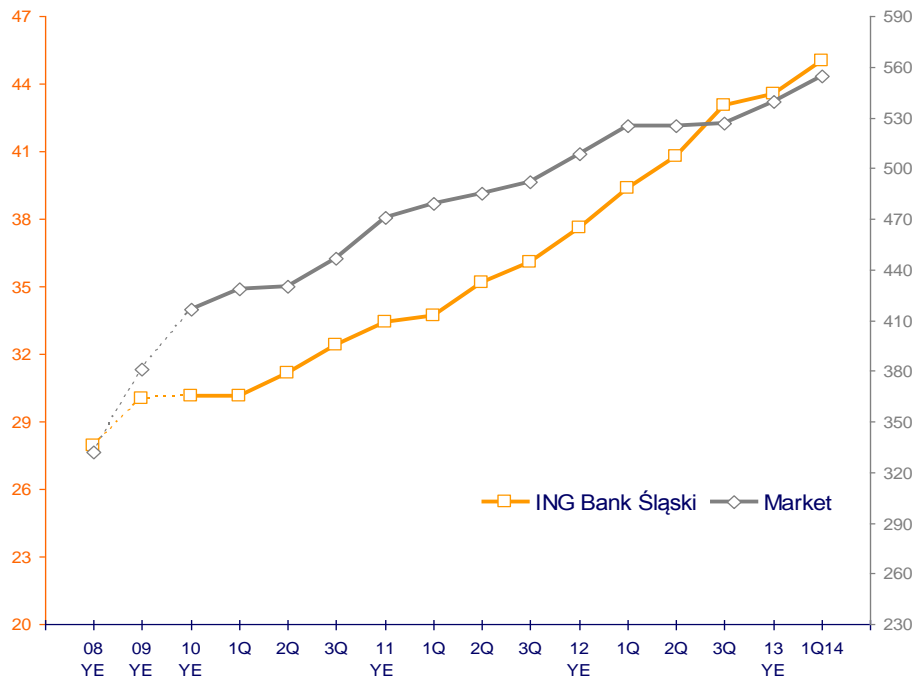


Market position of ING Bank Śląski

Households market

Volumes and share in the households deposits market

Households deposits - volumes (in PLN billion)

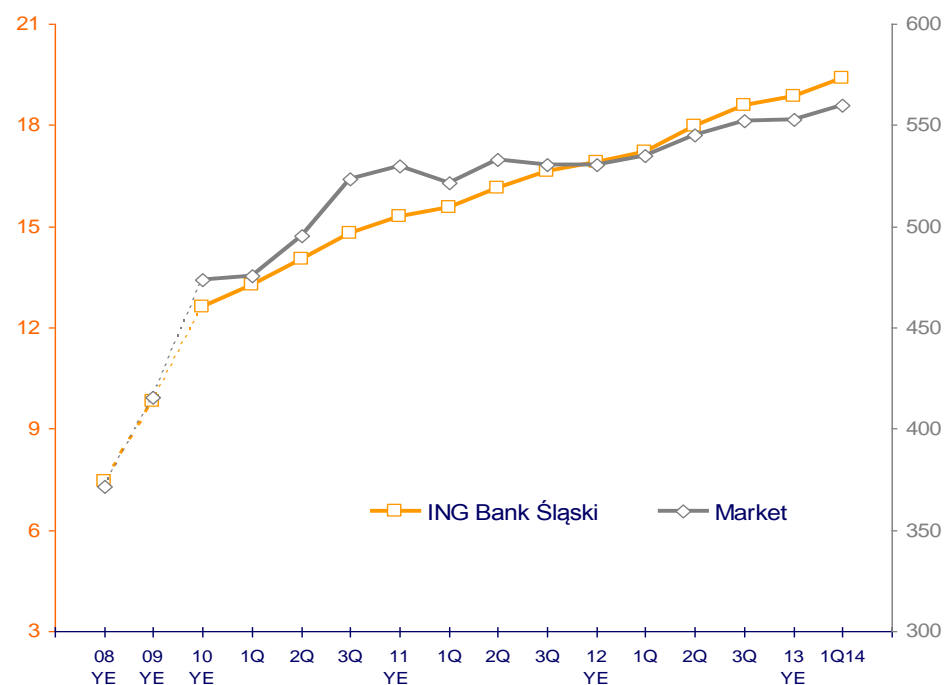


market share (%)

08YE	09YE	10YE	1Q	2Q	3Q	11YE	1Q	2Q	3Q	12YE	1Q	2Q	3Q	13YE	1Q14
8.42	7.88	7.24	7.04	7.25	7.26	7.10	7.03	7.25	7.33	7.40	7.50	7.76	8.18	8.07	8.13

Volumes and share in the households loans market

Households loans - volumes (in PLN billion)



market share (%)

08YE	09YE	10YE	1Q	2Q	3Q	11YE	1Q	2Q	3Q	12YE	1Q	2Q	3Q	13YE	1Q14
2.00	2.36	2.67	2.79	2.83	2.83	2.89	2.99	3.03	3.14	3.19	3.22	3.30	3.37	3.41	3.47

*Note: Market data according to NBP file for banking sector, including interest accrued
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)

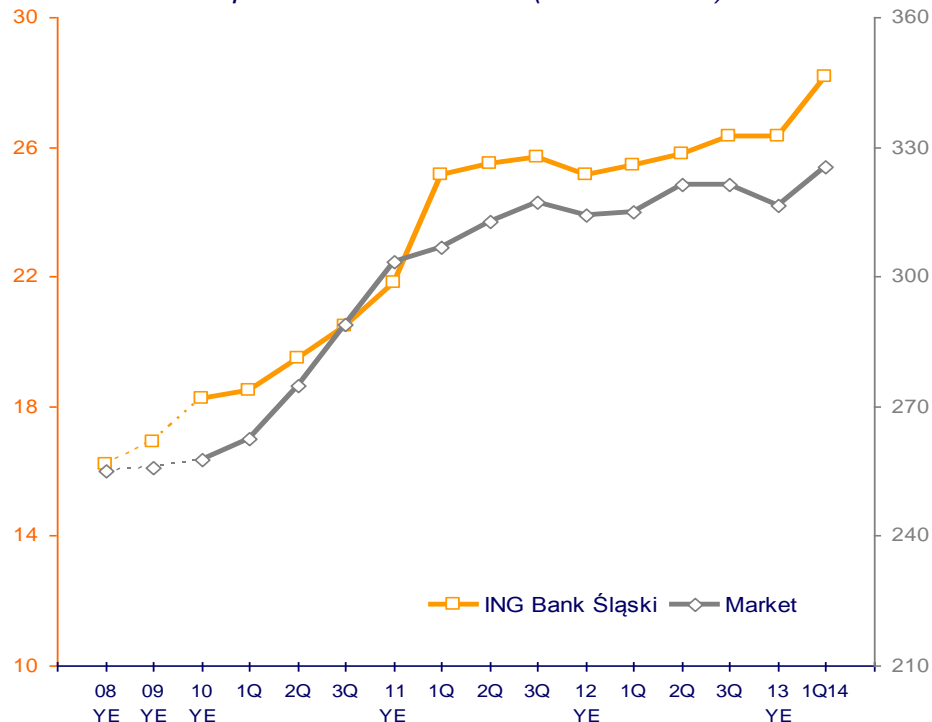


market share (%)

08YE	09YE	10YE	1Q	2Q	3Q	11YE	1Q	2Q	3Q	12YE	1Q	2Q	3Q	13YE	1Q14
7.77	6.80	6.33	5.75	6.24	6.59	6.54	6.41	6.49	6.40	6.63	6.17	6.90	7.50	7.38	7.04

Volumes and share in the corporate loans market

Corporate loans - volumes (in PLN billion)



market share (%)

08YE	09YE	10YE	1Q	2Q	3Q	11YE	1Q	2Q	3Q	12YE	1Q	2Q	3Q	13YE	1Q14
6.34	6.60	7.09	7.04	7.08	7.08	7.19	8.19	8.16	8.09	7.99	8.07	8.03	8.20	8.32	8.66

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



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Retail Banking

Increase in core products' sales

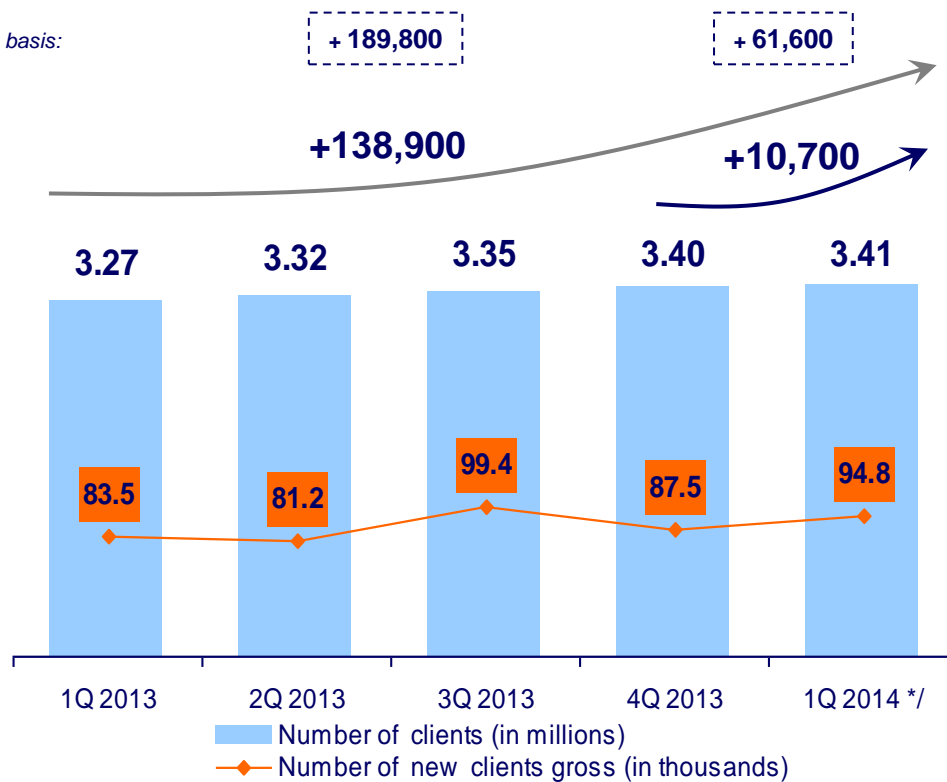
- **3.4 m** retail clients → **94.8 th** of new clients acquired in a 1Q 2014
- **PLN 19.0 bn** of retail lending → **+PLN 2.1 bn (+11%) y/y** and +PLN 0.5 bn (+3%) q/q
- **PLN 13.9 bn** of mortgage loans portfolio → **+PLN 1.5 bn (+12%) y/y** and +PLN 0.3 bn (+2%) q/q
- **7.6%** market share in retail mortgage loans sales in 1Q 2014
- Cash loans sales → **PLN 580 m** of cash loans sold to retail clients in 1Q 2014 (+36% y/y and +20% q/q)
- **PLN 45.4 bn** of retail clients deposits → **+PLN 5.4 bn (+14%) y/y** and +PLN 1.2 bn (+3%) q/q
- 2.38 m of retail current accounts; **70% of Direct Current Accounts**
- Savings offers:
 - „**Welcome rate**” (*promotional interest for 4 months on OKO saving account*)
 - „**OKO Bonus**” (*promotional interest for new funds on a new OKO Bonus saving account until 10 June 2014*)
- *Smart Saver & Dream Saver* – products supporting saving money
- 83% of self-service cash depositing transactions
- *ING BankMobile & ING BankMobile HD* – **500 th** downloads of mobile banking applications

Client base

3.4 million of retail clients

Number of retail clients

On comparable basis:



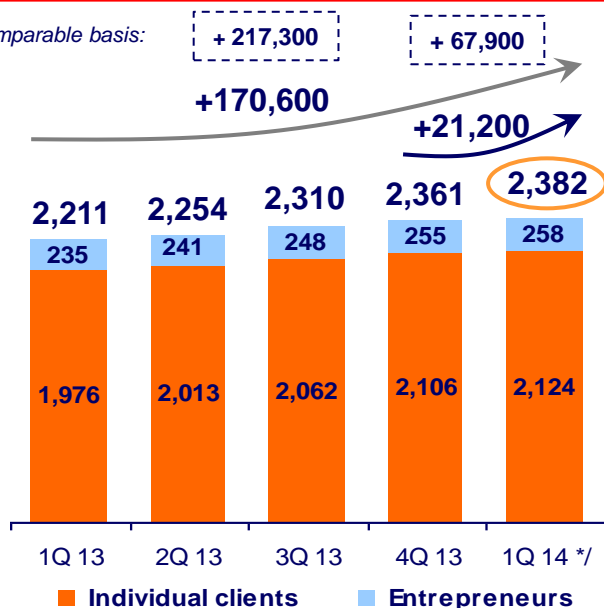
*/ In Q1 2014 51 th of non-active clients' accounts were closed

Current accounts

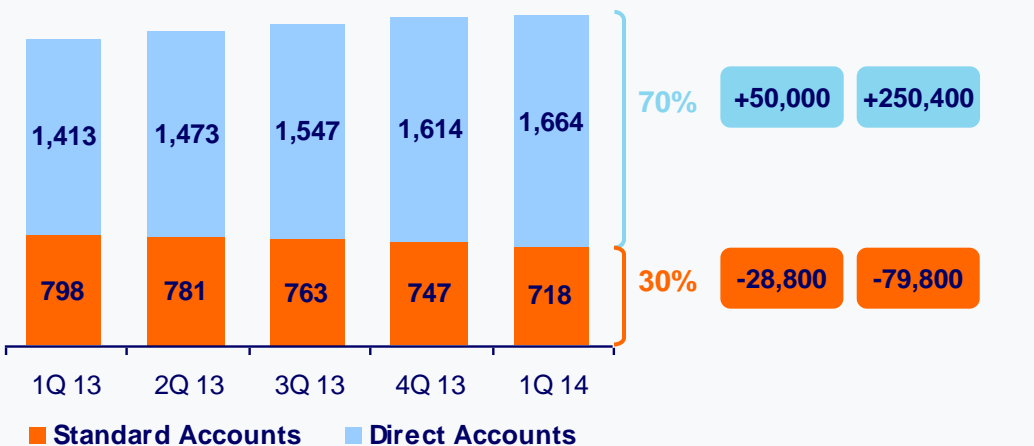
2.38 million of Current Accounts, 70% of Direct Accounts

Number of retail clients current accounts (in thousands)

On comparable basis:



* / 46.7 th non-active current accounts closed in Q1 2014



Note: PLN denominated current accounts



Direct Account



PLN 0 for:

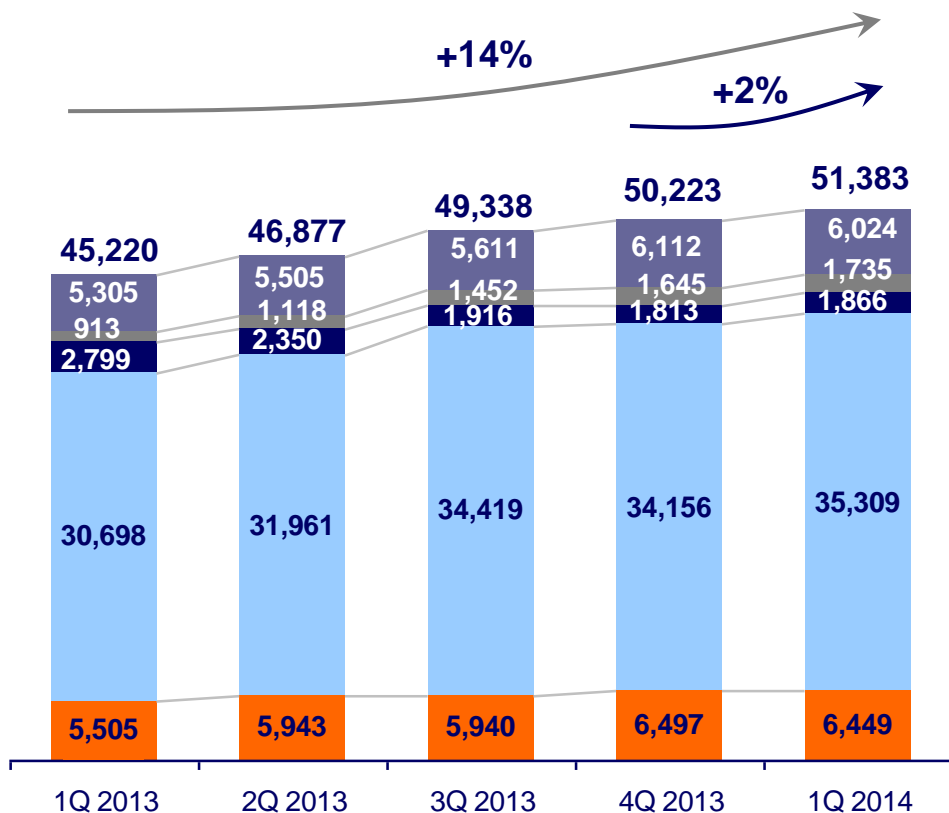
- maintaining a bank account
- Internet money transfers in PLN
- withdrawals from all ATMs in Poland
- cash depositing via CDMs
- a debit card (with min. PLN 200 of monthly expenses)
- cashback



Funds entrusted

Permanent growth of stable funding base

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



	QoQ	YoY
→	-1%	+14%
→	+5%	+90%
→	+3%	-33%
→	+3%	+15%
→	-1%	+17%

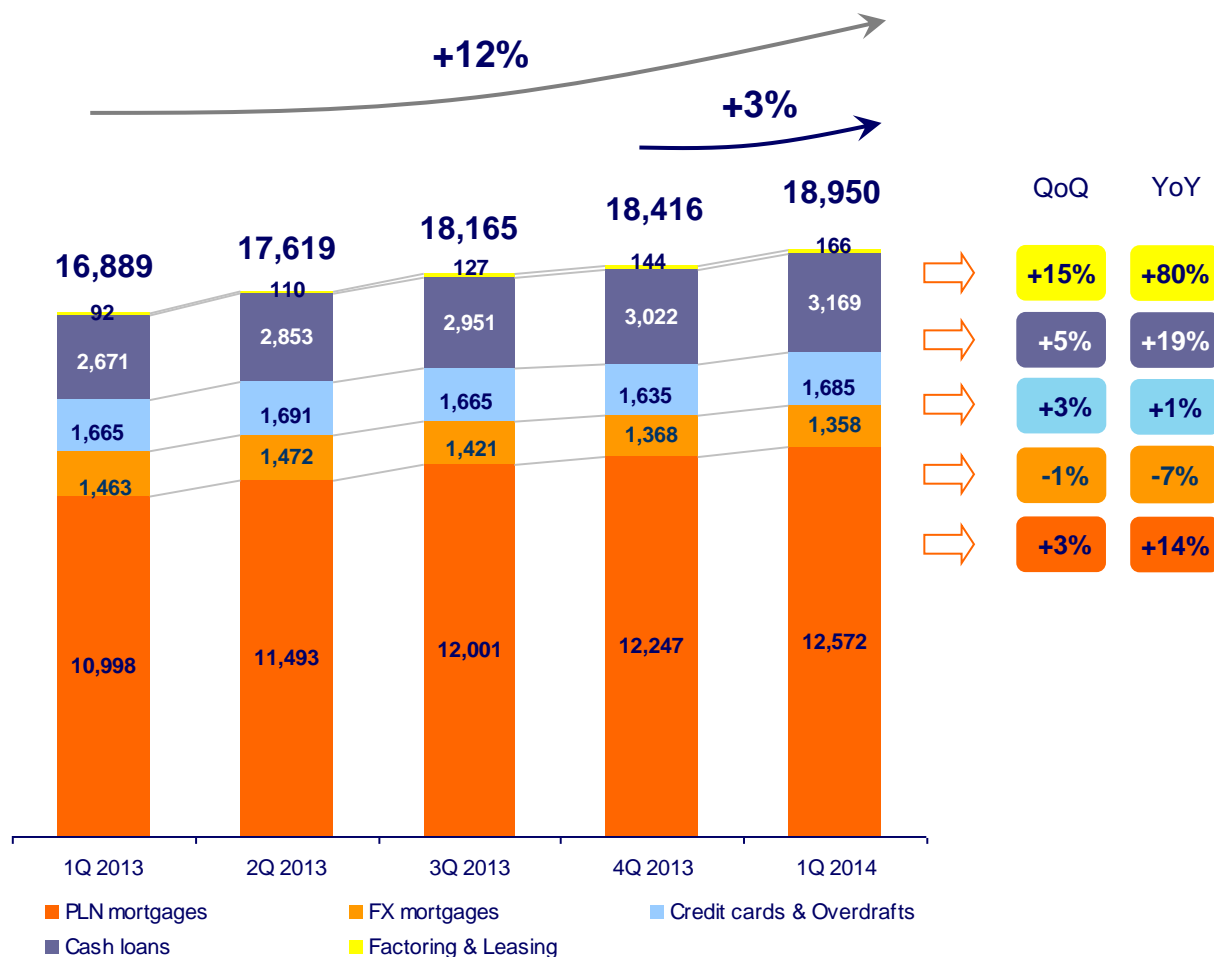
+3% QoQ
+14% YoY

- Mutual Funds assets + other Off-BS products
- Structured Products
- Term deposits
- Saving Accounts
- Current Accounts

Loan portfolio of retail segment clients

Constant growth in retail lending

Loan portfolio of retail segment clients (in PLN m)



PLN 581 m
of cash loans sold to retail clients in Q1 2014
(+36% y/y and +20% q/q)



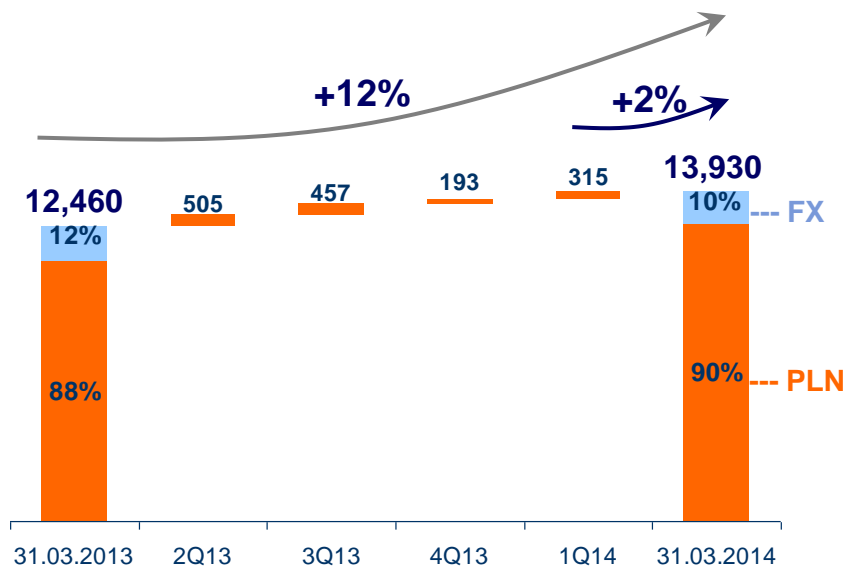
1. The loan and cash loan ranking for an internal client was conducted and published by the Totalmoney.pl portal in February 2014.
2. The online cash loan ranking was conducted and published by the Totalmoney.pl portal in February 2014. The total loan amount determined the banks position in the ranking. The cheapest cash loans available at banks received special mention.



Mortgage loans

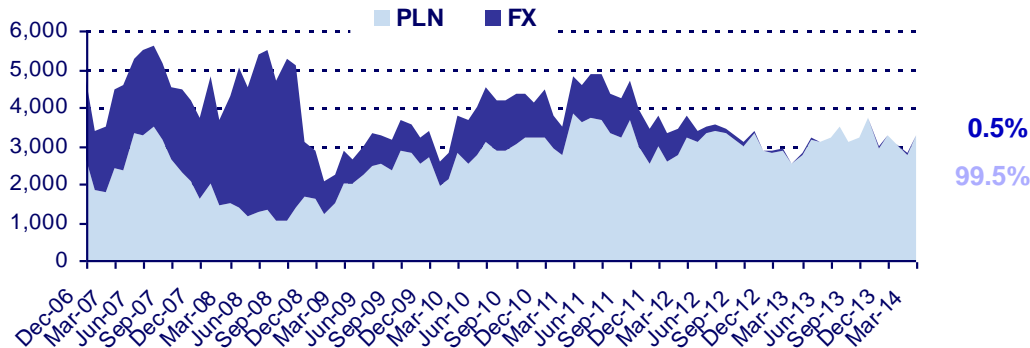
PLN 13.9 billion of mortgage loans

Retail mortgage loans (PLN m)



- **7.6%** market share in mortgage loans' sales in Q1 2014, **#3rd** position on the market
The amount of Q1 2014 mortgage production is **PLN 690 bn** (+18% y/y).
- **5.9%** share in PLN market housing loans volume
3.4% in total housing loans market (as of Q1 2014)

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



DOBRA RATA
KREDYTU HIPOTECZNEGO

BLIŻEJ PRACY

JUNIOR W DRODZE

50%
RABATU
NA UBEZPIECZENIE
NIERUCHOMOŚCI
W PIERWSZYM ROKU

ING 

Distribution and service network

Enhanced access to banking services

Mobile Banking (ING BankMobile / ING BankMobile HD - since 26 August 2013)

- ~ **730 th** transactions in April 2014 (transfers + phone top-ups)
- ~ **125 th** average daily number of logins
- ~ **70 th** average daily number of unique user logins



500 th
downloads

100 contactless ATMs



Unique network of contactless ATMs in Poland

Contactless withdrawals of the same amounts which are available in traditional ATMs

*However, a contactless withdrawal is **approx. 25% faster** and **more convenient** – clients hold their card in their hands during the whole transaction*

- **412** branches, all with self-banking areas
- **803** own ATMs and **725** CDMs including **449** dual-function machines
- **83%** of cash-in transactions are executed automatically
- **127** branches in a new format



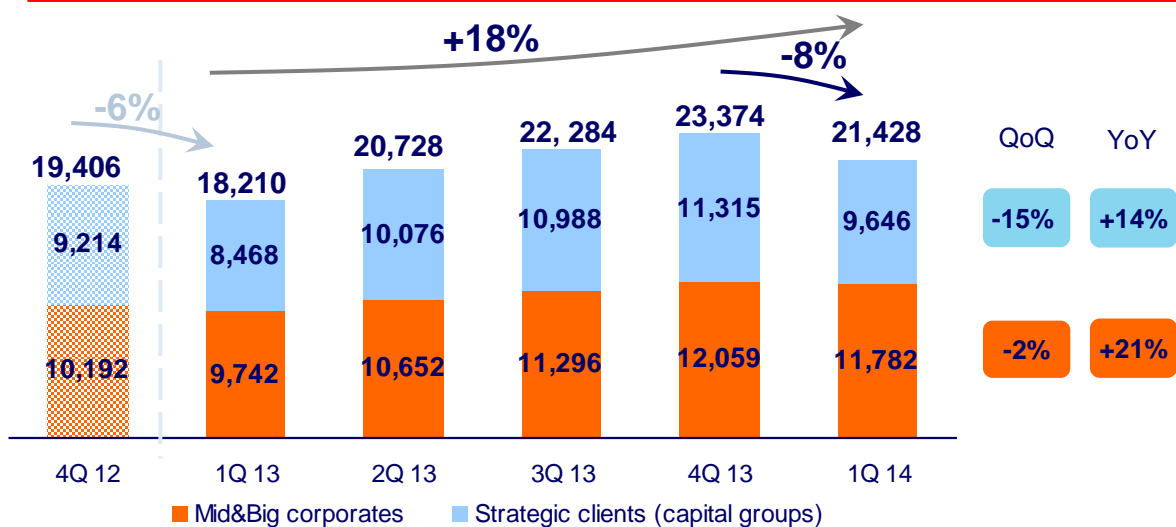
Corporate Banking

Growth in volumes

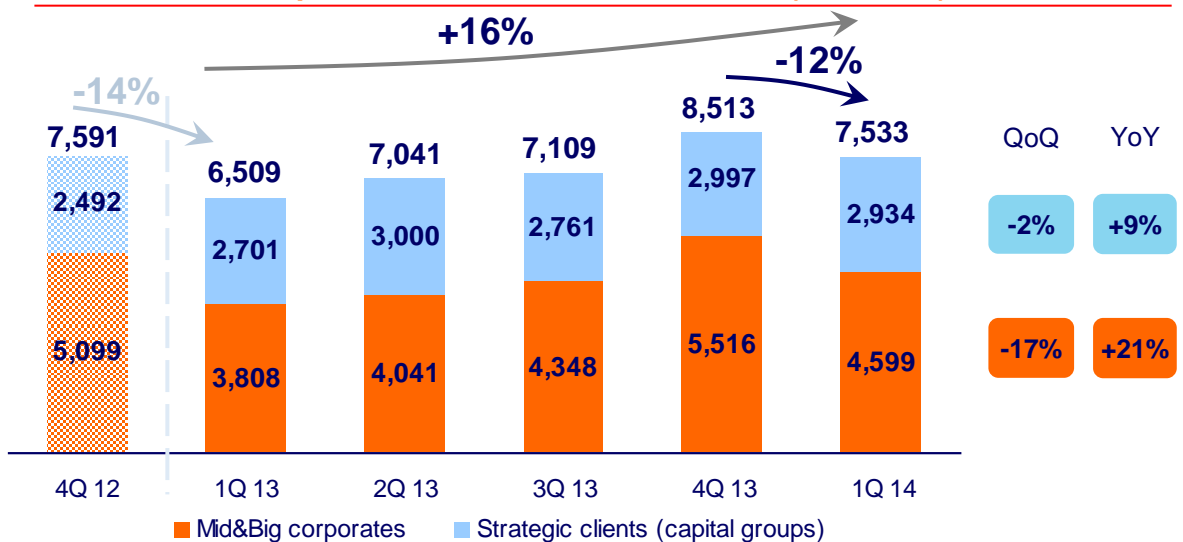
- **33.5 th** of corporate clients
- **PLN 33.5 bn** of corporate lending → **+PLN 3.1 bn (+10%) y/y** and +PLN 1.5 bn (+5%) q/q
- PLN 4.9 bn – leasing financing, PLN 1.8 bn – factoring volume
- **PLN 21.4 bn** of corporate deposits → **+PLN 3.2 bn (+18%) y/y** and -PLN 1.9 bn (-8%) q/q
- The largest deals of Q1 2014:
 - PLN 1.65 bn → bonds issue program for Zarządca Rozliczeń S.A. (company in the energy sector)
 - PLN 1.45 bn → financing package for the acquisition of Emitel
 - PLN 500 m → short-term bonds issue program for Eurocash S.A.
 - Financing for Valad Europe: EUR 169 m of refinancing of existing loan
EUR 66 m of investment financing
 - PLN 86 m → municipal bonds issue program for the City of Tychy
- **26 th downloads** of *ING BusinessMobile* (the application available since January 2013)
- **Aleo** – commerce and auction platform for companies: **over 26,000** registered companies
- Portfolio Guarantee Line De Minimis

Cash Management

Volume of corporate deposits (in PLN m)



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



Lending

PORTFOLIO GUARANTEE LINE DE MINIMIS

EASY. FAST. GUARANTEED.



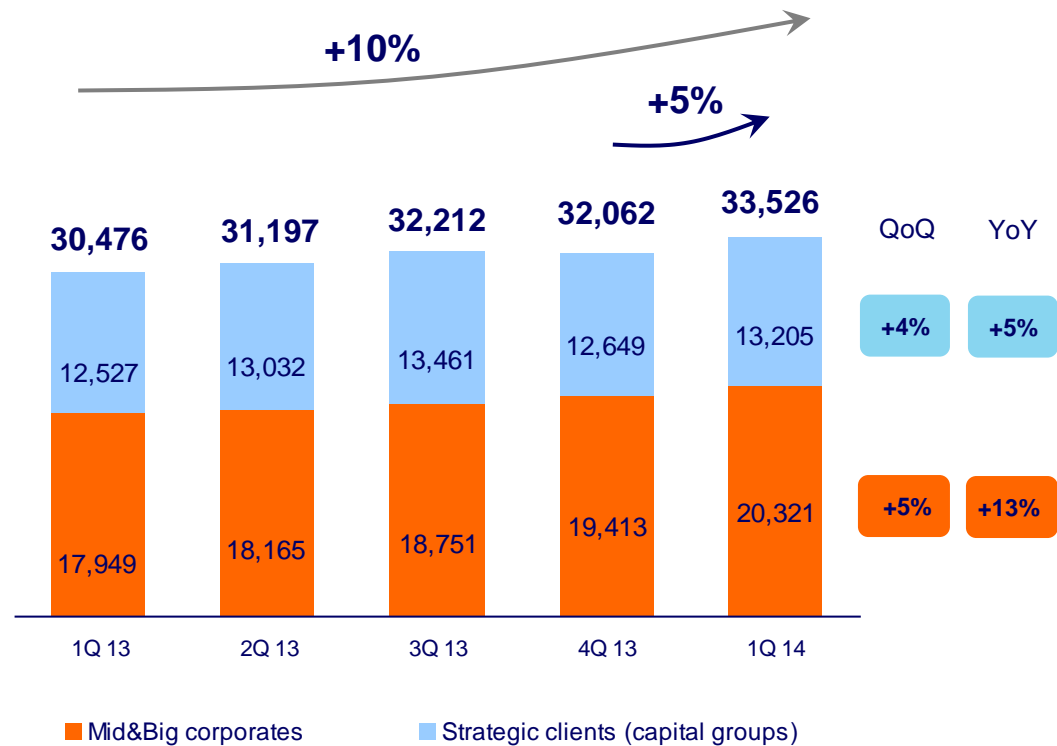
➤ **15 March 2013:** Product launch

➤ **By 31 March 2014** there were granted:

under the Portfolio Guarantee Line de minimis (PLD)
over 1,150 guarantees totalling **PLN 720 million**
 and loans covered thereby of PLN 1.3 billion

under the Portfolio Guarantee Line (PLP)
over 20 guarantees totalling **PLN 30 million**
 and loans covered thereby of PLN 60 million

Volume of loans to corporate clients (in PLN million)

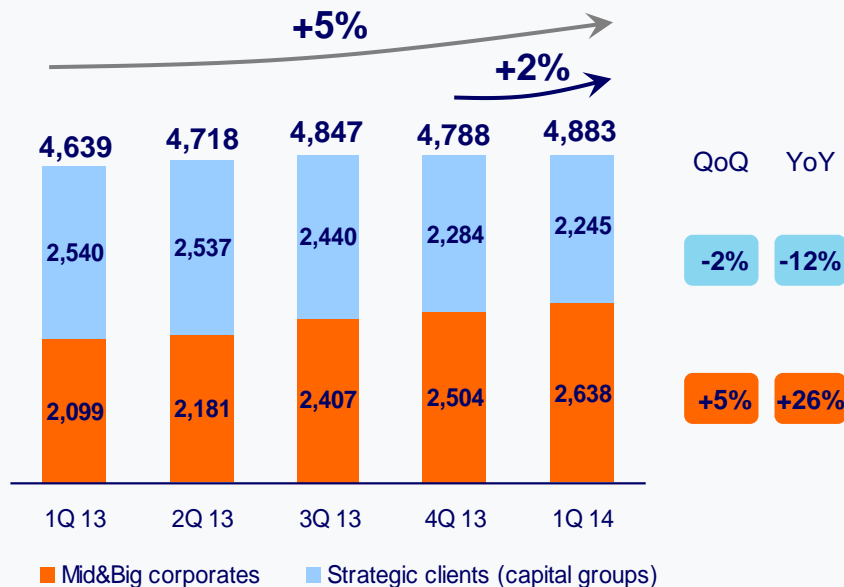


Asset Based Lending

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

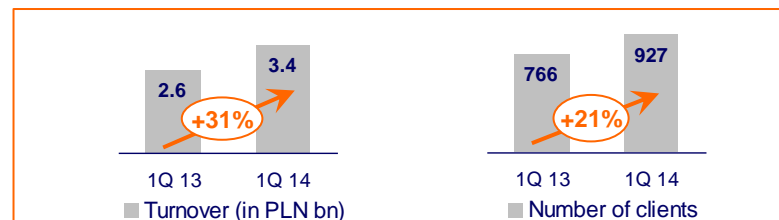
- **#1** on the market in terms of the whole portfolio value (end of 2013)
- **5.8%** market share in terms of the new sales
- Increase in market share in terms of the leasing of machinery (new sales): **7.1%** (**#6** position) in Q1 2014
- Nearly 5.5 thousand clients using leasing services

Leasing – financing of the customers (in PLN m)

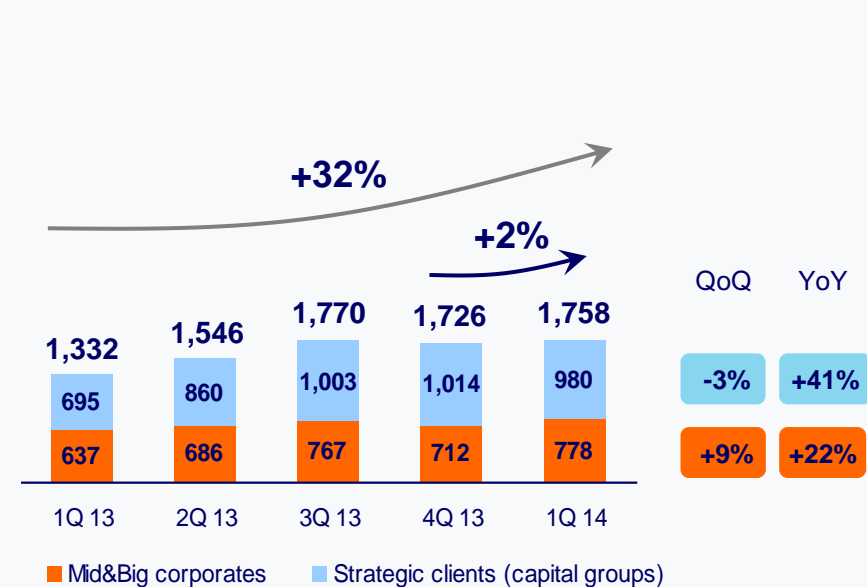


ING Commercial Finance Polska S.A. (factoring)

- **#2** on the market (market share of **14.3%**)



Factoring – financing of the customers (in PLN m)



Aleo - trading and auction platform for companies

THE BOSS OF ALL THE BOSSES
FOR BUSINESS





Over
26,000
registered
companies

ALEO ENABLES COMPANIES TO



CARRY OUT THE ELECTRONIC
PURCHASE PROCESS



CREATE BUY&SELL AUCTIONS



NEGOTIATE PRODUCTS AND
SERVICES PRICES



CREATE THEIR OWN
ONLINE SHOP



PROVE THEIR RELIABILITY
/ FIND VIABLE COUNTERPARTIES



FINANCE THEIR VENDORS

Over
160,000
of products/services
in the catalogue

PLN 0
for using
all
service
functionalities

Debt capital, brokerage and custody services

Awards for
EXCELLENCE

GC Survey Award Winner

ING Poland

SURVEY
Agent Banks in Emerging Markets 2013

🏆 2 Top Rated
🏆 1 Commended
25 Best in Class Awards



TOP RATED Status

granted by

GLOBAL CUSTODIAN

(prestigious and influential
American Publishing House)

to

ING Bank Śląski S.A.

**for custody services
run in Poland in 2013**

Brokerage

ING Securities

FOREX service

(introduced in February 2014)

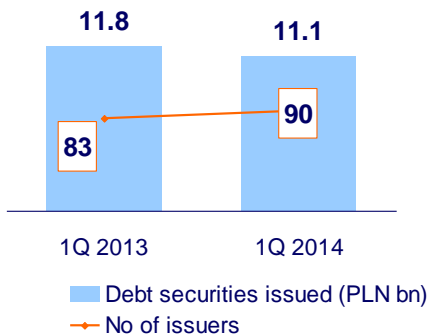


Currency trading on a professional trading platform

- ✓ **PLN 0** for account opening and maintenance, very low fee
(typically 0.0035% of the transaction value)
- ✓ **ING ProTrader** trading system with mobile access
- ✓ Free of charge DEMO platforms giving the opportunity to learn and test investment strategies in the real-like environment
- ✓ Professional Forex analysis and information service, including PAP and Reuters
- ✓ Available micro lots - possibility to conclude transactions starting from 1,000 units of currency
(lack of capital barriers for small investors)
- ✓ Extensive education and training section, video courses



Value of debt securities issued (PLN bn) and the number of issuers



1st position

on the market in terms of short term debt securities issue in Q1 2014 with the market share of **35.4%**


ING

Major transactions in Q1 2014

Corporate debt issue


Zarządca Rozliczeń S.A.
Bond Issuance Program
PLN 1.65 bn
*Arranger,
Issue and Paying Agent,
Depository*
March 2014


Eurocash S.A.
**Short Term Bonds
Issuance Program**
PLN 500 m
*Arranger,
Issue and Paying Agent,
Depository, Dealer*
March 2014

**Municipal bonds issue
program**

City of Tychy
PLN 86 m
March 2014

Business financing


Valad Europe
**Refinancing of existing
indebtedness**
EUR 169 m
*Mandated Lead Arranger,
Lender, Agent, Account Bank,
Hedging Provider*
January 2014


Valad Europe
Investment refinancing
EUR 66 m
*Mandated Lead Arranger,
Lender, Agent, Account Bank,
Hedging Provider*
January 2014


Emitel
**Financing of the acquisition
of the company**
PLN 1.45 bn
*Mandated Lead Arranger,
Security Agent*
February 2014

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ING Bank Śląski financial performance

1Q 2014

<i>PLN million</i>	1Q 2013	1Q 2014	change
Net interest income	475.8	567.9	+ 19%
Net commission income	251.1	276.1	+ 10%
Trading & other income	137.3	39.8	- 71%
Total income	864.2	883.8	+ 2%
Total expenses	482.2	471.2	- 2%
Result before risk costs	382.0	412.6	+ 8%
Risk costs	58.0	84.1	+ 45%
Profit before tax	324.0	328.5	+ 1%
Income tax	64.3	73.9	+ 15%
Net profit	259.7	254.6	- 2%
Total capital ratio */	15.2%	14.6%	- 0.6 p.p.
ROA (%)	1.10%	1.13%	+ 0.03 p.p.
ROE (%)	10.9%	11.3%	+ 0.4 p.p.
C/I Ratio (%)	55.8%	53.3%	- 2.5 p.p.

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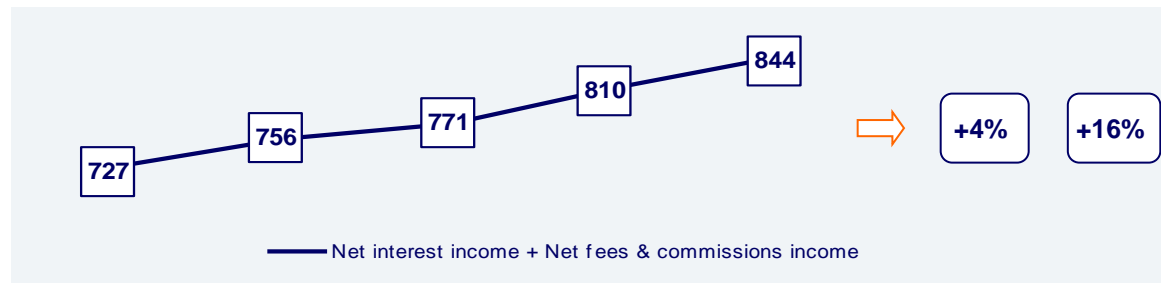
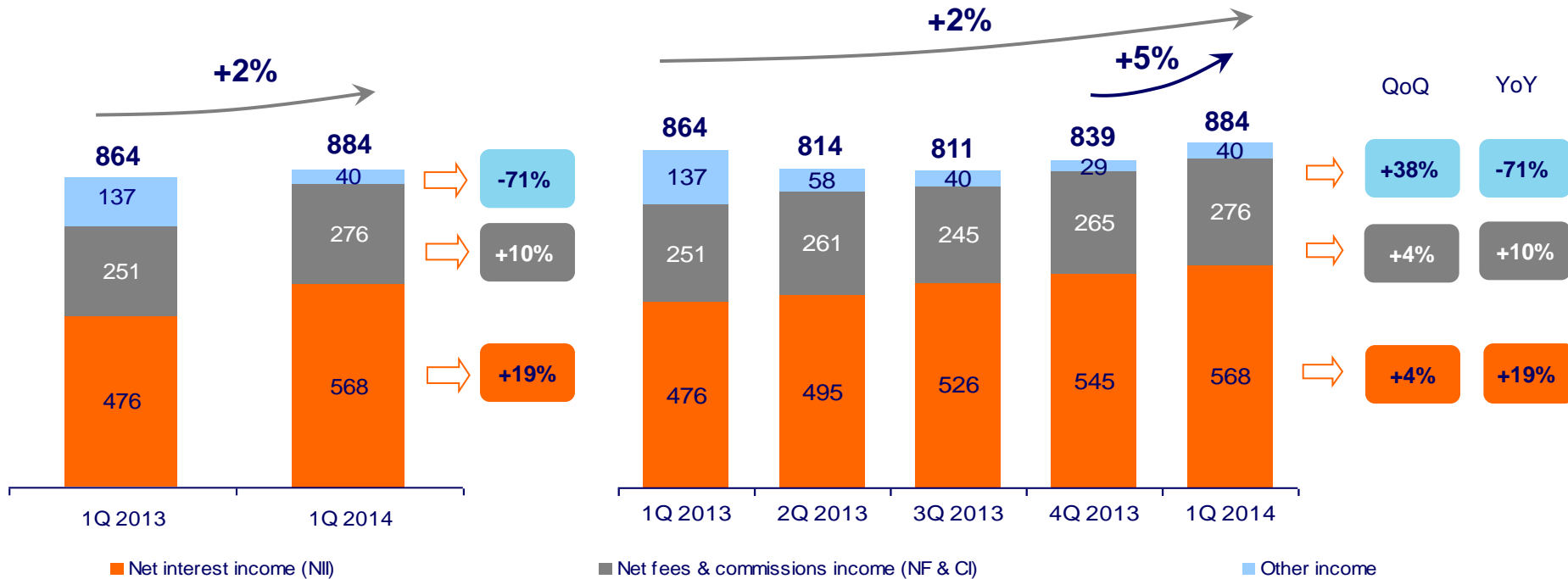
ROA = sum of net profit of 4 consecutive quarters / average assets of 5 consecutive quarters

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



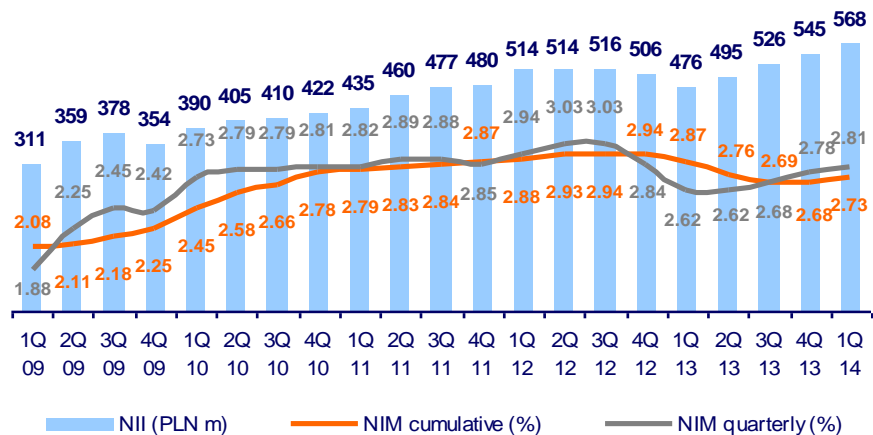
Revenue per category

Revenues per P&L category (PLN m)

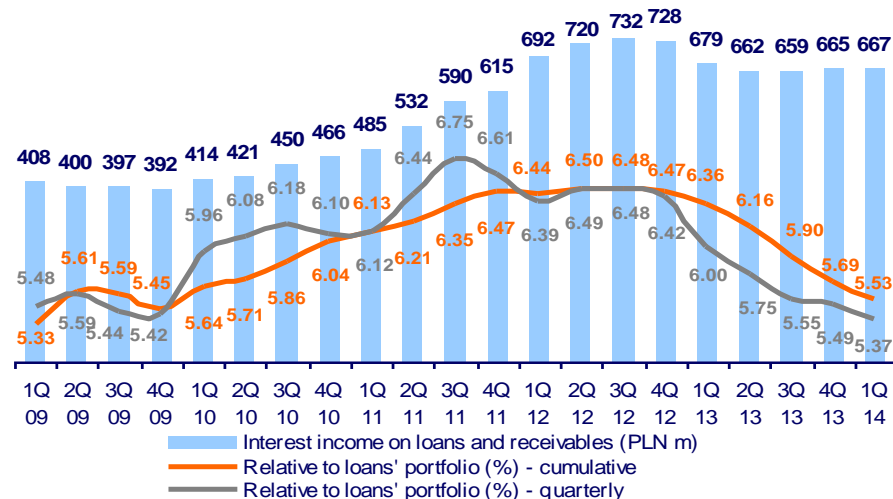


Net interest income and margins development

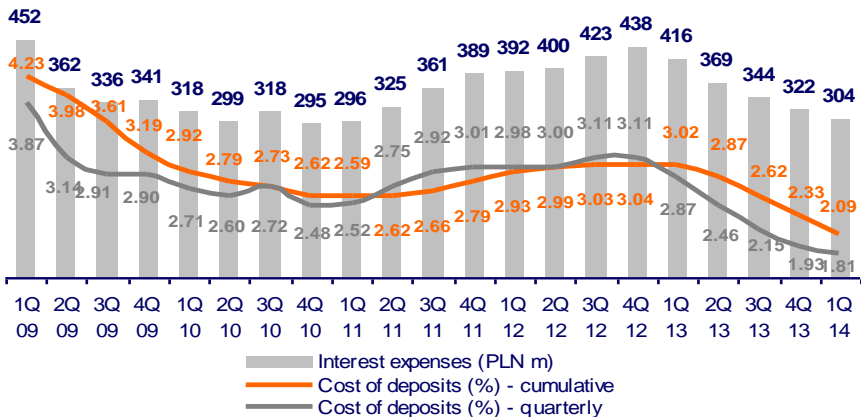
NII (PLN m) / NIM (%)



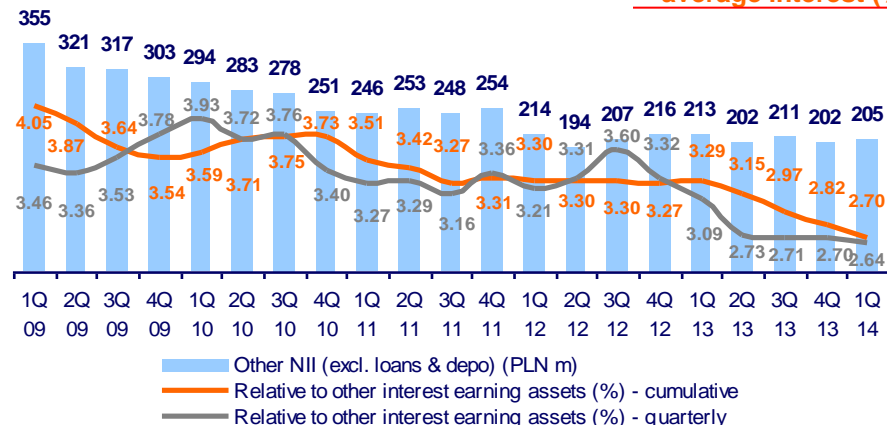
Interest income on customer loans & receivables (PLN m) / average interest (%)



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



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

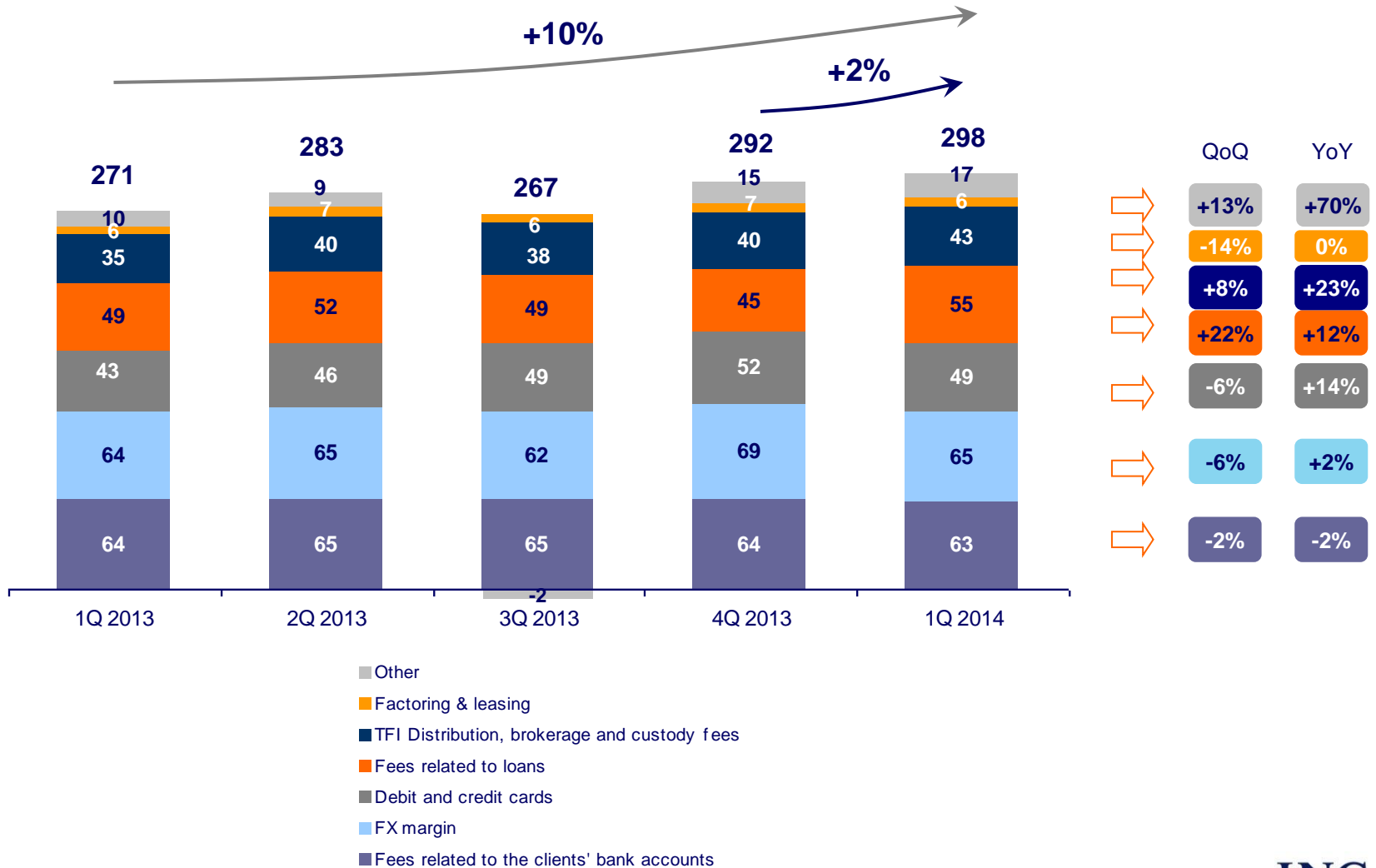


Definitions: NII – adjusted (including swap points and interest from derivatives)
 NIM annualized = sum of NII adjusted of 4 consecutive quarters / average interest earning assets of 5 consecutive quarters
 NIM quarterly = quarterly NII adjusted x4 / average interest earning assets of a quarter



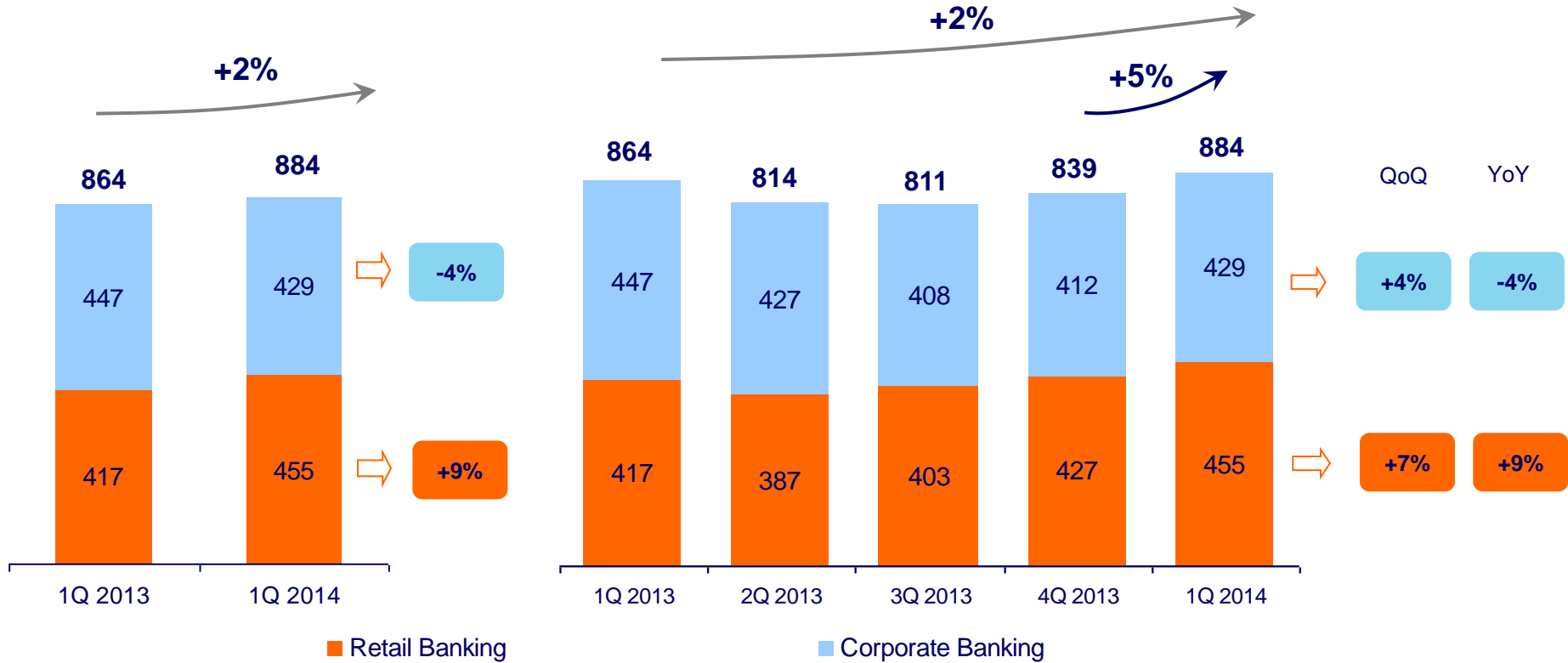
Fees and commissions income

Fees and commissions income by categories (PLN m)



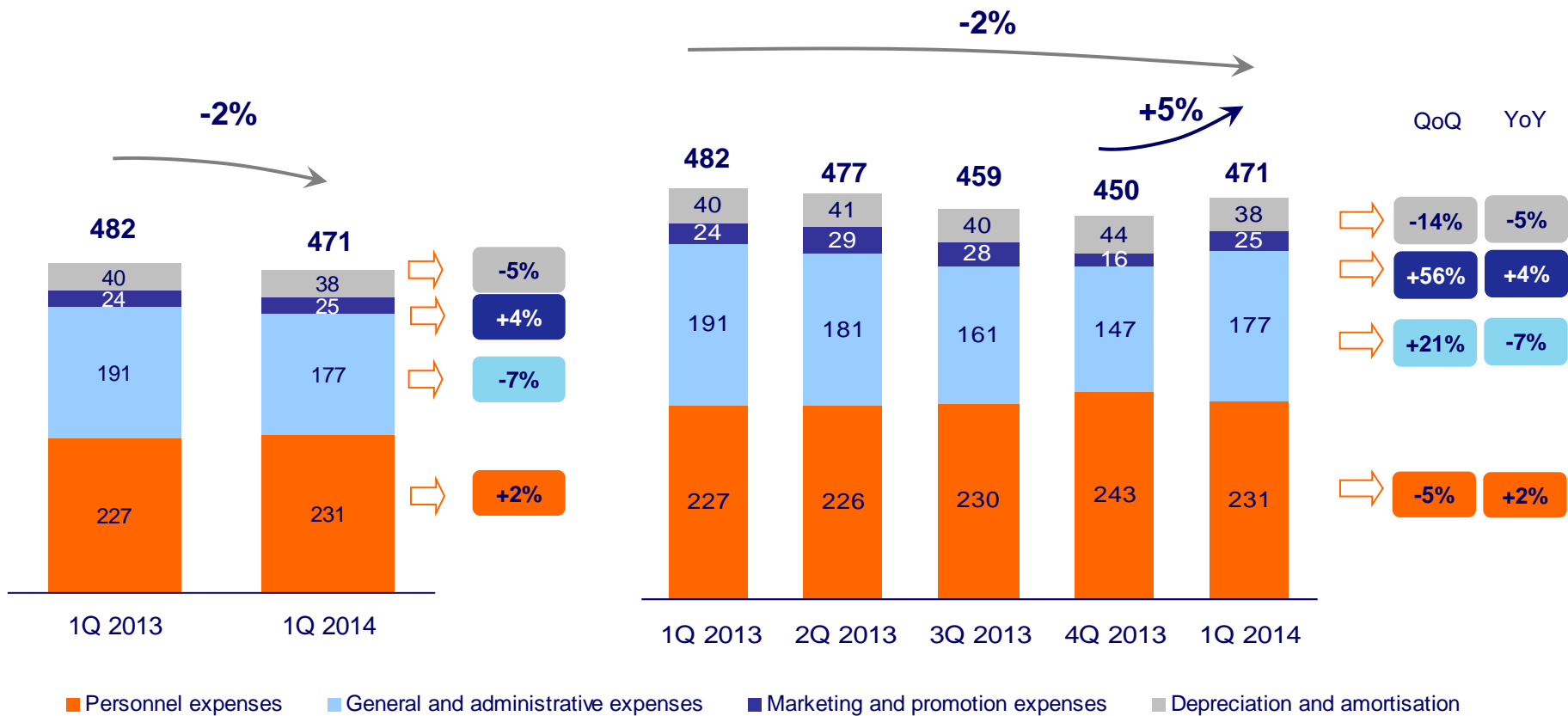
Revenue per business line

Revenues by business lines (PLN m)



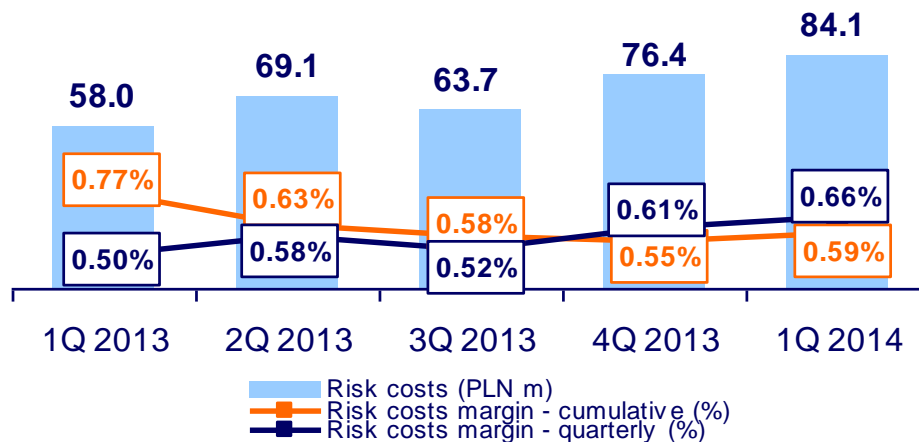
Total expenses

Total costs (PLN m)

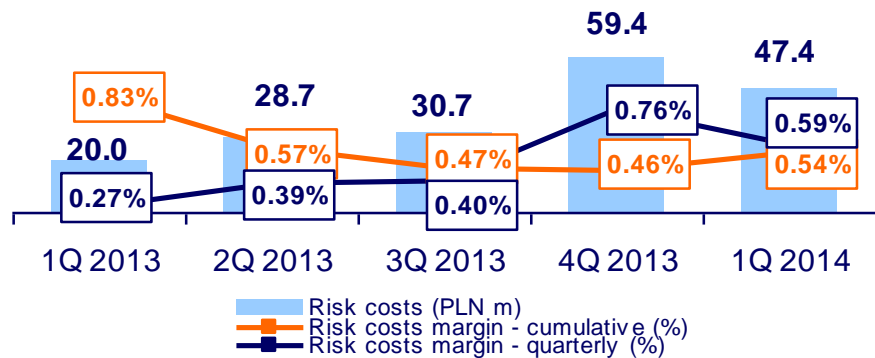


Risk costs

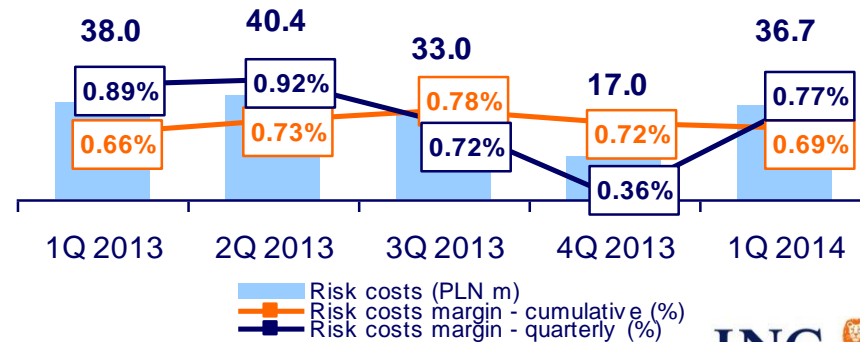
Bank



Corporate



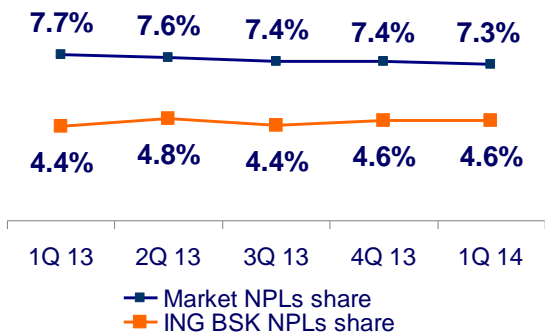
Retail



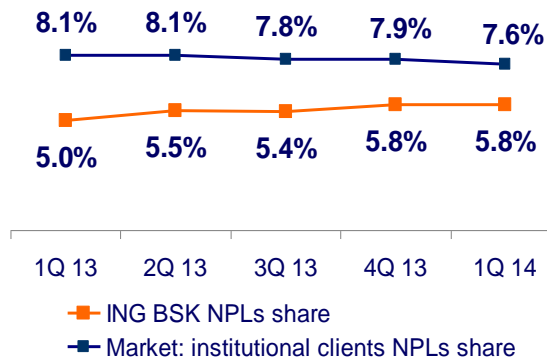
Loan portfolio quality and provisioning

Share of impaired portfolio in the total loan portfolio

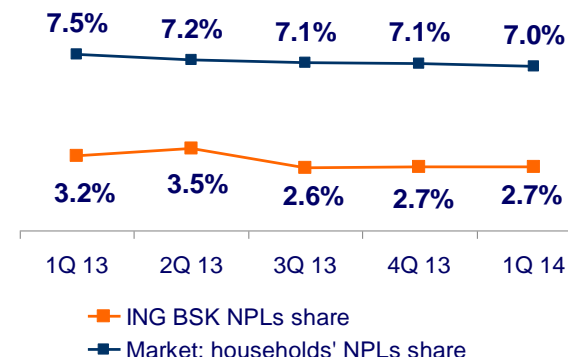
Bank



Corporate



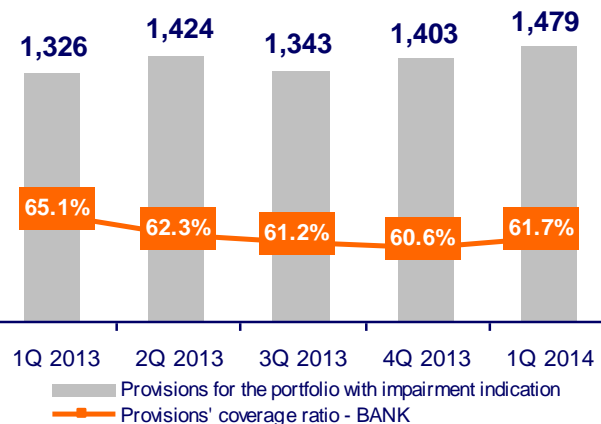
Retail



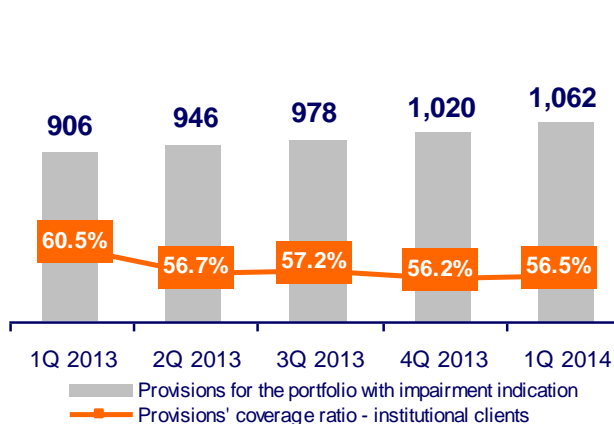
Note: market ratio estimated based on NBP data

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

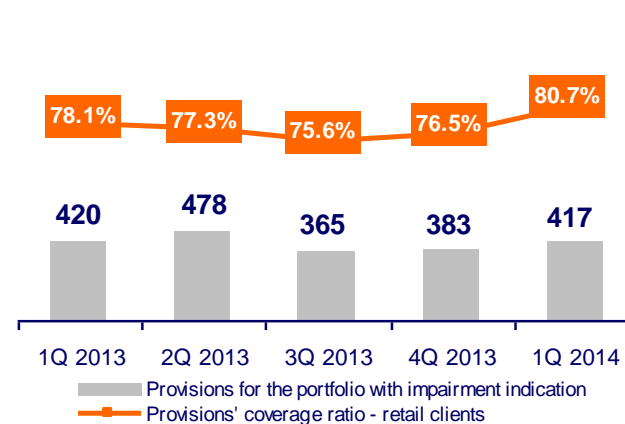
Bank



Corporate

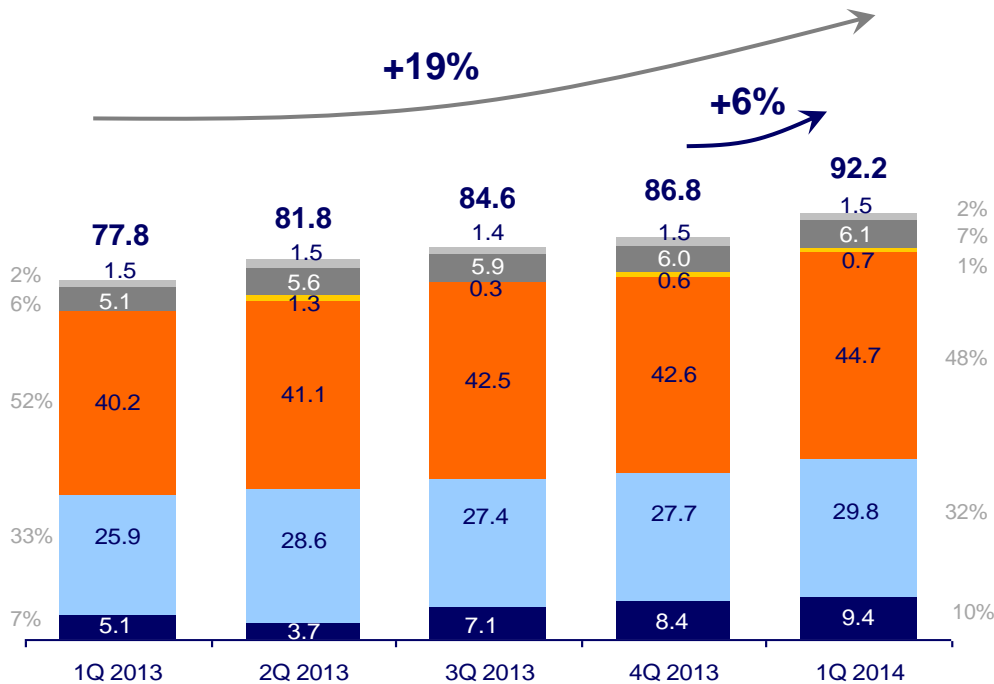


Retail



Bank assets

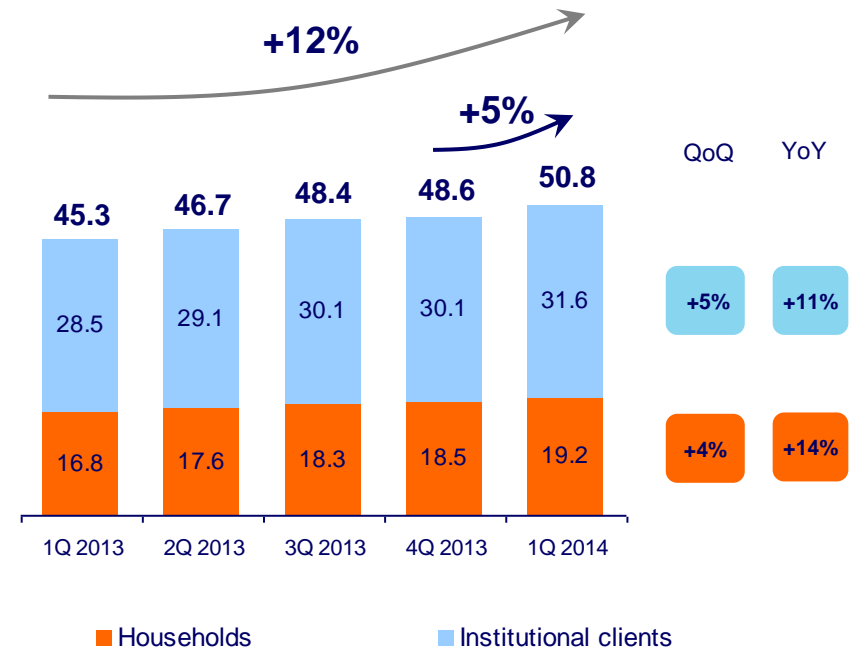
Assets structure (PLN bn / %)



- 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)



	QoQ	YoY
Households	+4%	+14%
Institutional clients	+5%	+11%

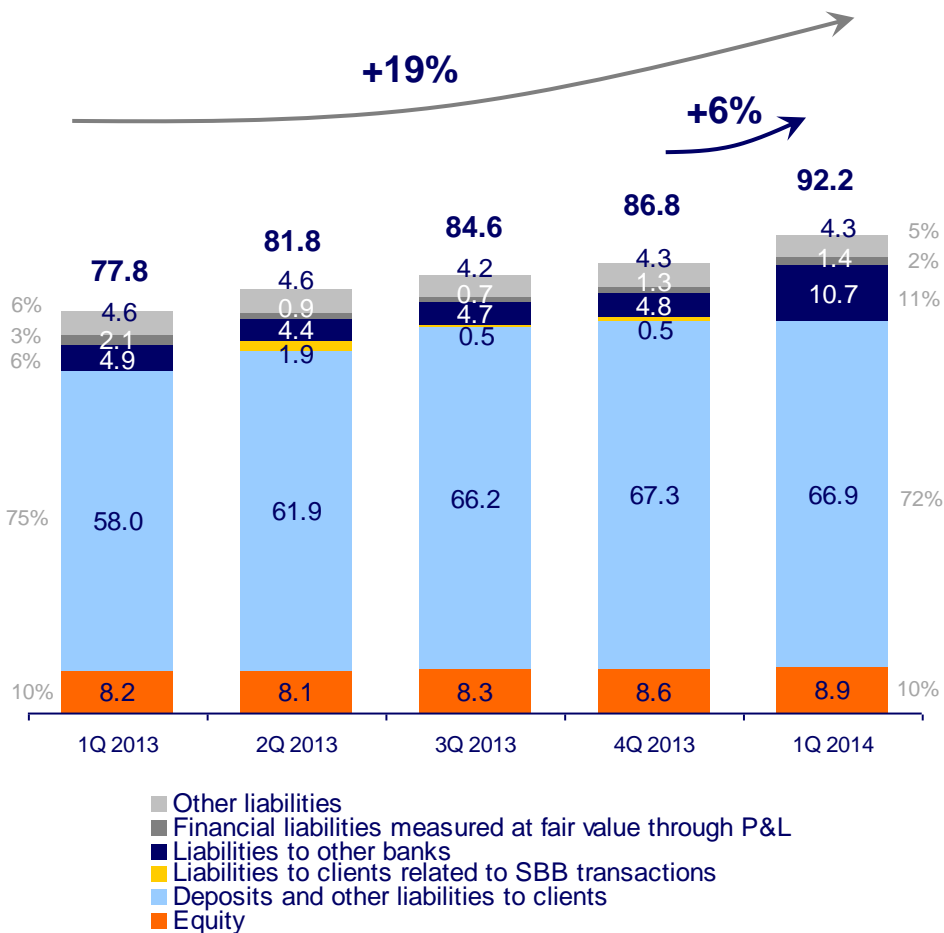
Note: Loans, corpo bonds and other receivables from customers do not include clients related buy-sell-back transactions as well as debt securities included in the consolidated statement of financial position (an equivalent of a former balance sheet statement) in the loans category (*Eurobonds*). Eurobonds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



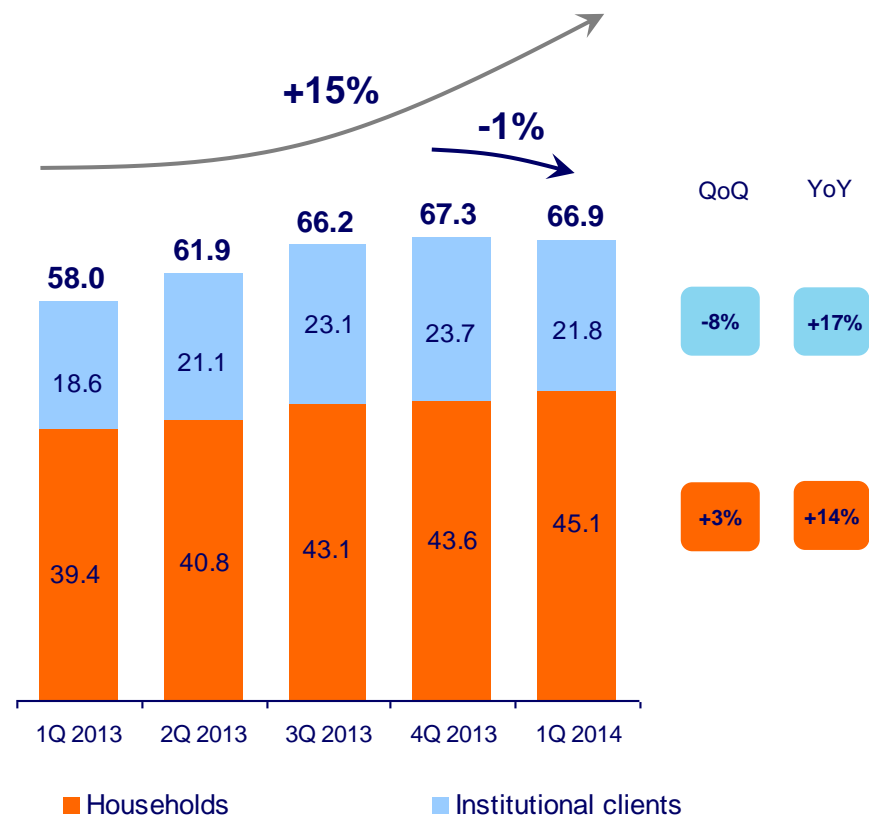
Bank liabilities

Stable deposit base

Structure of liabilities (PLN bn / %)



Deposits and other liabilities to clients (PLN bn)

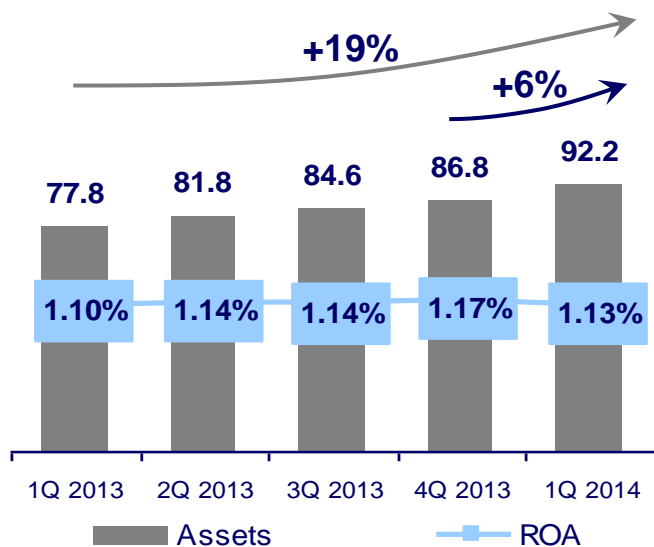


Note: deposits and other liabilities to clients do not include sell-buy-back transactions

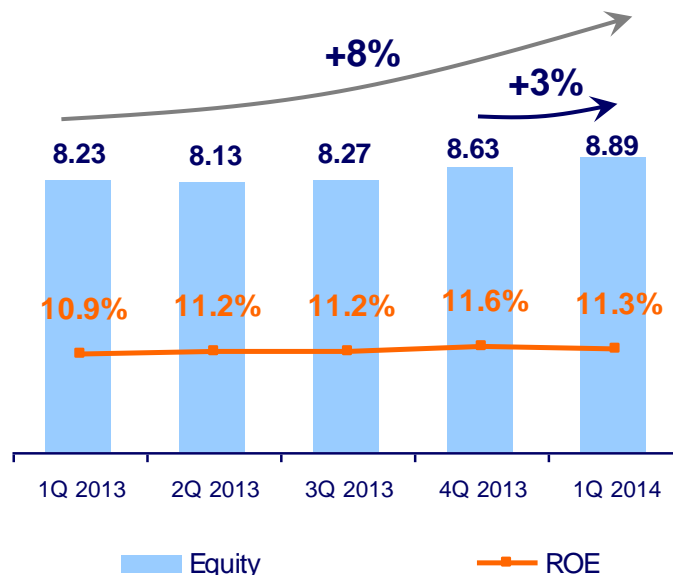


Assets, equity and profitability ratios

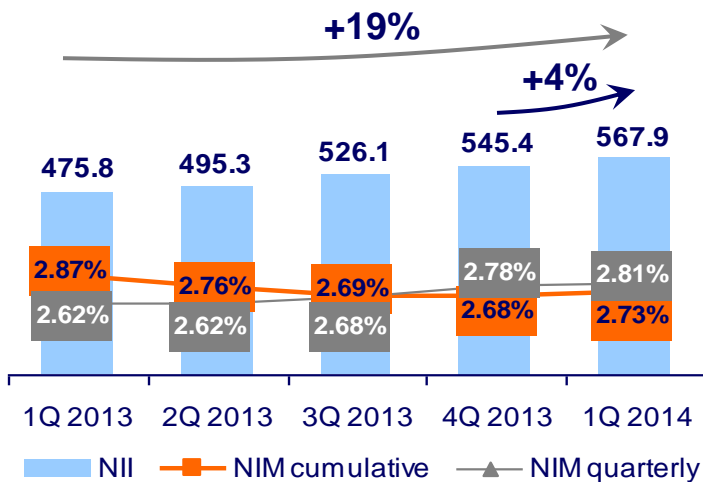
Assets (PLN bn) / ROA



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 interest from derivatives

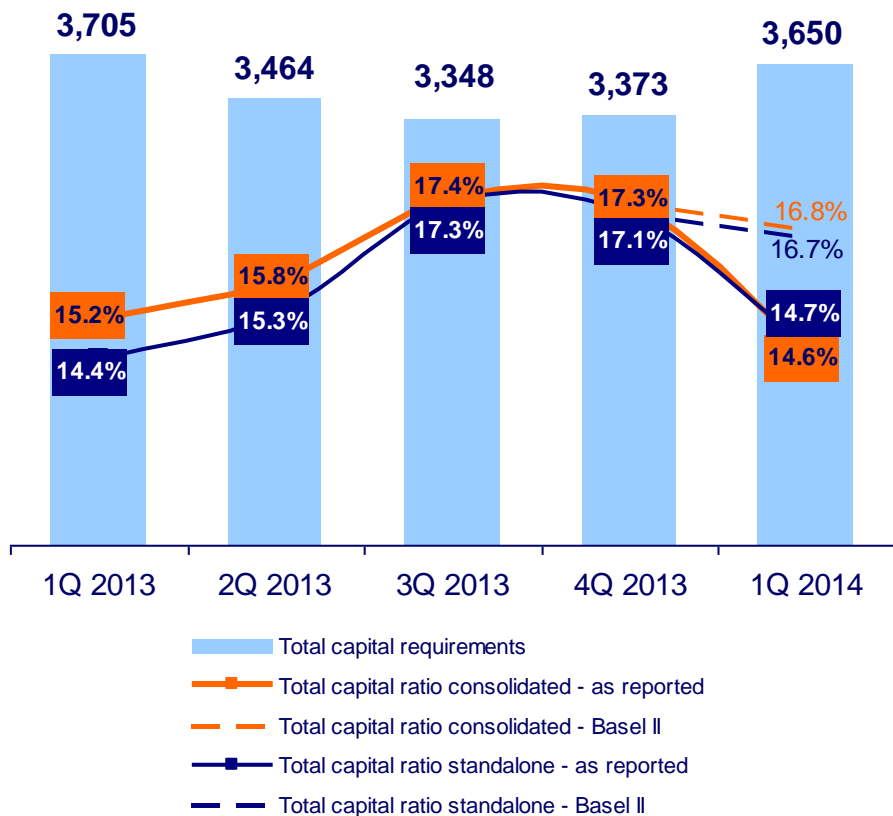
NIM annualized = sum of NII of 4 consecutive quarters / average interest earning assets of 5 consecutive quarters

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

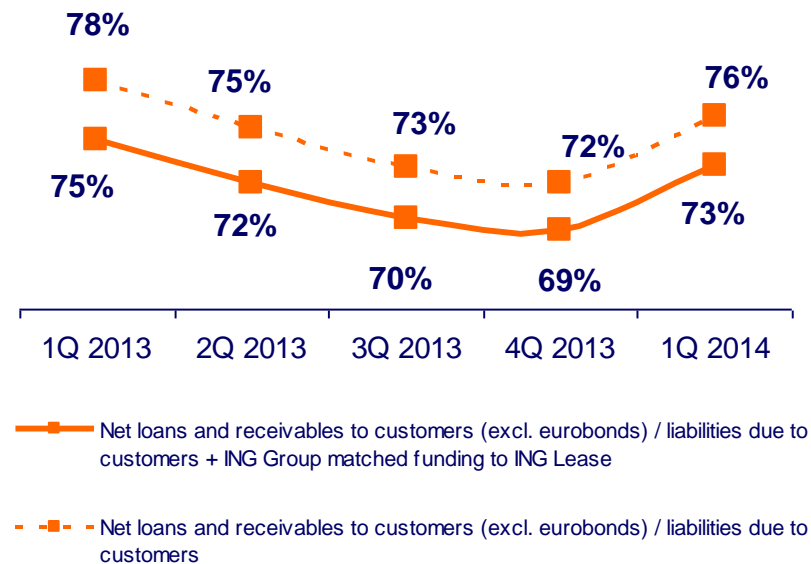


Capital Adequacy

Total capital ratio and the total capital requirements



Loans-to-deposits ratio



Total capital ratio (former capital adequacy ratio) as at the end of Q1 2014 calculated in line with Basel III requirements, taking account of the so-called national options to-date (e.g. risk weights for mortgage loans). Impact of calculation method change on the ratio value in Q1 2014 is -2.2 p.p.

The ratio as at the end of Q2 2013, Q3 2013 and Q4 2013, calculated according to AIRB method for corporate portfolio.

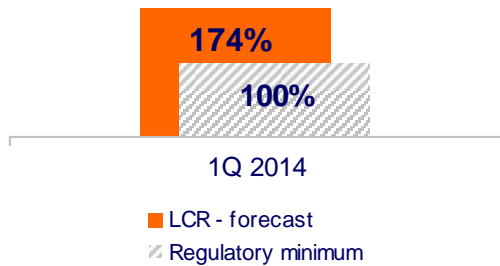
The ratio as at the end of Q1 2013 is calculated using the then effective PFSA definition (i.e. capital requirements according to the standard approach and equity according to advanced method).



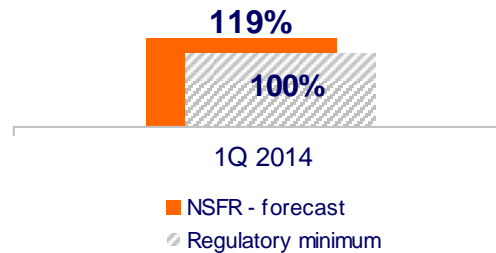
New liquidity and leverage ratios – CRD IV

Estimates on the basis of available assumptions - as at 31 March 2014

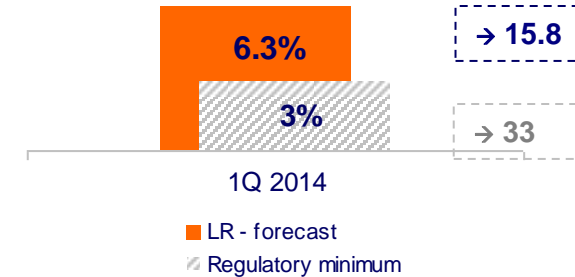
Liquidity Coverage Ratio (LCR)



Net Stable Funding Ratio (NSFR)



Leverage Ratio (LR)



$$\text{LCR} = \frac{\text{Stock of high liquid assets}}{\sum \left(\frac{\text{Market value}}{\text{Asset factor}} \right) - \sum \left(\frac{\text{Cash outflows} \times \text{Run-off factor}}{\text{Cash inflows} \times \text{Run-in factor}} \right)}$$

$$\text{NSFR} = \frac{\sum \left(\frac{\text{Available stable funding (ASF)}}{\text{ASF factor}} \right)}{\sum \left(\frac{\text{Required stable funding (RSF)}}{\text{RSF factor}} \right)}$$

$$\text{LR} = \frac{\text{Tier 1}}{\text{Total Asset Exposure}} = \frac{\text{Tier 1}}{\text{Balance exposure} + \text{OBS equivalent exposure}}$$

Appendix

Quarterly P&L

Interim condensed consolidated financial statements	1Q 2012	2Q 2012	3Q 2012	4Q 2012	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	QoQ		YoY	
										Δ	%	Δ	%
I. Net interest income, of which:	513.5	514.1	515.5	505.8	475.8	495.3	526.1	545.4	567.9	22.5	4%	92.1	19%
<i>Interest income, of which:</i>	945.2	945.2	963.2	977.9	925.1	902.8	895.4	891.4	903.8	12.4	1%	-21.3	-2%
- from loans and receivables to banks	26.9	31.0	37.4	40.5	27.8	25.3	23.8	28.5	28.7	0.2	1%	0.9	3%
- from loans and receivables to customers	641.7	664.4	672.0	669.9	623.1	610.7	608.8	610.5	613.8	3.3	1%	-9.3	-1%
- from leasing	42.1	42.8	44.0	39.2	40.2	37.8	37.2	39.5	39.3	-0.2	-1%	-0.9	-2%
- from factoring	23.9	25.8	26.2	27.1	22.0	20.3	20.8	22.7	21.3	-1.4	-6%	-0.7	-3%
- from debt securities	199.3	179.0	164.9	183.6	196.4	197.6	190.7	178.3	187.4	9.1	5%	-9.0	-5%
- from BSB transactions (non trading)						8.7	1.3	1.6	3.7	2.1	131%	3.7	n/a
- interest result on derivatives	11.3	2.2	18.7	17.6	15.6	2.4	12.8	10.3	9.6	-0.7	-7%	-6.0	-38%
Interest expenses, of which:	431.7	431.1	447.7	472.1	449.3	407.5	369.3	346.0	335.9	-10.1	-3%	-113.4	-25%
- interest on deposits from banks	39.8	31.4	24.2	32.3	26.3	24.5	17.3	16.9	25.6	8.7	51%	-0.7	-3%
- interest on deposits from customers	391.9	399.7	423.5	437.8	415.6	368.7	343.8	321.5	304.0	-17.5	-5%	-111.6	-27%
- on SBB transactions (non trading)						7.0	1.8	1.2	0.4	-0.8	-67%	0.4	n/a
- interest on debt securities in issue	0.0	0.0	0.0	2.0	7.4	6.8	5.1	5.1	5.0	-0.1	-2%	-2.4	-32%
- on trading financial instruments	0.0	0.0	0.0	0.0	0.0	0.5	1.3	1.3	0.9	-0.4	-31%	0.9	n/a
II. Net fees & commission income	258.0	261.4	262.2	266.7	251.1	261.0	245.0	264.8	276.1	11.3	4%	25.0	10%
III. Result on trade operations and revaluation (incl investments and HA)	74.5	13.7	12.5	-3.9	118.5	45.5	27.0	14.2	26.0	11.8	83%	-92.5	n/a
<i>Net income on instruments measured at fair value through profit or loss and FX result</i>	53.7	12.3	18.9	0.6	17.1	34.3	36.4	10.1	25.3	15.2	150%	8.2	48%
<i>Net income on investments</i>	19.1	6.6	-0.9	-0.2	120.4	-0.3	-11.7	0.4	0.1	-0.3	n/a	-120.3	n/a
<i>Net income on hedge accounting</i>	1.7	-5.2	-5.5	-4.3	-19.0	11.5	2.3	3.7	0.6	-3.1	-84%	19.6	n/a
IV. Net income on other basic activities	4.0	3.1	3.7	4.6	9.8	4.5	3.7	2.7	2.6	-0.1	-4%	-7.2	-73%
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	9.3	12.0	11.2	-0.8	-7%	2.2	24%
Income	856.8	803.5	801.5	783.3	864.2	814.1	811.1	839.1	883.8	44.7	5%	19.6	2%
Expenses	474.9	465.0	466.2	460.1	482.2	477.0	458.8	450.4	471.2	20.8	5%	-11.0	-2%
- personnel expenses	228.0	213.0	219.1	240.7	226.6	226.4	230.1	243.5	230.5	-13.0	-5%	3.9	2%
- other expenses	246.8	252.0	247.1	219.5	255.5	250.7	228.7	206.9	240.7	33.8	16%	-14.8	-6%
Result on other operating income and expenses	33.6	34.7	35.1	44.7	39.9	40.7	39.4	44.0	38.0	-6.0	n/a	-1.9	n/a
Profit before risk costs	381.9	338.5	335.3	323.2	382.0	337.1	352.3	388.7	412.6	23.9	6%	30.6	8%
Cost of risk	64.3	131.2	82.6	84.7	58.0	69.1	63.7	76.4	84.1	7.7	10%	26.1	45%
- retail	19.3	25.1	21.5	24.1	38.0	40.4	33.0	17.0	36.7	19.7	116%	-1.3	-4%
- corporate	45.0	106.1	61.1	60.6	20.0	28.7	30.7	59.4	47.4	-12.0	-20%	27.4	137%
Profit (loss) before tax	317.6	207.3	252.7	238.5	324.0	268.0	288.6	312.3	328.5	16.2	5%	4.5	1%
Income tax	46.1	39.7	49.5	48.5	64.3	51.1	54.2	61.8	73.9	12.1	20%	9.6	15%
Net profit (loss), of which:	271.5	167.6	203.2	190.0	259.7	216.9	234.4	250.5	254.6	4.1	2%	-5.1	-2%
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	234.4	250.5	254.6	4.1	2%	-5.1	-2%
	55.4%	57.9%	58.2%	58.7%	55.8%	58.6%	56.6%	53.7%	53.3%				

Lending exposure by industries

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

Consolidated approach

No	Industry	Exposure as of 31.03.2014	%
1	WHOLESALE TRADE	4,771	14.3%
2	REAL ESTATE SERVICE	3,747	11.3%
3	PUBLIC ADMINISTRATION AND NATIONAL DEFENSE	3,490	10.5%
4	FOODSTUFF AND BEVERAGE PRODUCTION	2,232	6.7%
5	RETAIL TRADE	1,895	5.7%
6	POWER INDUSTRY	1,735	5.2%
7	CONSTRUCTIONS INDUSTRY	1,207	3.6%
8	EQUIPMENT RENT	1,111	3.3%
9	LAND AND PIPELINE TRANSPORTATION	1,072	3.2%
10	READY-MADE METAL GOODS PRODUCTIONS	1,042	3.1%
11	RUBBER INDUSTRY	960	2.9%
12	REMAINING SERVICES CONNECTED WITH RUNNING BUSINESS	960	2.9%
13	FINANCIAL INTERMEDIATION	903	2.7%
14	AGRICULTURE , FORESTY , FISHERY	656	2.0%
15	METALS PRODUCTIONS	636	1.9%
16	FUEL INDUSTRY	599	1.8%
17	MECHANIKAL VEHICLES SALE , REPAIR AND SERVICE	557	1.7%
18	POST OFFICE AND TELECOMMUNICATIONS	556	1.7%
19	CHEMICALS AND CHEMICAL GOODS PRODUCTION	459	1.4%
20	Other	4,710	14.1%
Total exposure		33,298	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	
		31.03.2014	%
1	WHOLESALE TRADE	7,507	15.2%
2	PUBLIC ADMINISTRATION AND NATIONAL DEFENSE	4,099	8.3%
3	REAL ESTATE SERVICE	3,997	8.1%
4	POWER INDUSTRY	3,635	7.4%
5	FOODSTUFF AND BEVERAGE PRODUCTION	3,277	6.6%
6	RETAIL TRADE	2,809	5.7%
7	CONSTRUCTIONS INDUSTRY	2,633	5.3%
8	EQUIPMENT RENT	1,467	3.0%
9	READY-MADE METAL GOODS PRODUCTIONS	1,453	2.9%
10	RUBBER INDUSTRY	1,434	2.9%
11	REMAINING SERVICES CONNECTED WITH RUNNING BUSINESS	1,338	2.7%
12	LAND AND PIPELINE TRANSPORTATION	1,287	2.6%
13	FINANCIAL INTERMEDIATION	1,236	2.5%
14	FUEL INDUSTRY	987	2.0%
15	METALS PRODUCTIONS	955	1.9%
16	CHEMICALS AND CHEMICAL GOODS PRODUCTION	935	1.9%
17	ENGINEERING INDUSTRY	889	1.8%
18	MECHANIKAL VEHICLES SALE , REPAIR AND SERVICE	852	1.7%
19	COMPUTER INDUSTRY AND ASSOCIATED SERVICE	808	1.6%
20	Other	7,757	15.7%
Total exposure		49,357	100.0%

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

