

**DOBRCZE WIEDZIEĆ,
CZEGO SIĘ CHCE.
JESZCZE LEPIEJ TO ZROBIĆ.**
IT'S GOOD TO KNOW WHAT YOU WANT. BUT IT'S EVEN BETTER TO SEE IT.



ING 

LICZĄ SIĘ LUDZIE
PEOPLE ARE WHAT MATTER
ING BANK ŚLĄSKI

ING Bank Śląski S.A.

4Q/FY 2014 Business and Financial Results

Warsaw – 11 February 2015

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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Content

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- 2** Business development
- 3** 4Q/FY 2014 financial results

Strategic targets of ING Bank Śląski

Accomplishments in 2014

Acquisition of new clients and increase of volumes:

- **PLN 75.4 bn** deposits → **+PLN 7.9 bn** (+12%) y/y
- **PLN 50.1 bn** retail clients deposits → **+PLN 6.0 bn** (+14%) y/y
- **3.7 m** retail clients → **380 th** of new clients acquired in a year (net increase by **186 th** y/y)
- **36.8 th** corporate clients → increase by **4.2 th** in a year

Increase in lending products sales:

- **PLN 58.5 bn** loans to customers → **+PLN 8.1 bn** (+16%) y/y
- **PLN 36.7 bn** corporate lending (incl. leasing & factoring) → **+PLN 4.6 bn** (+14%) y/y
- **PLN 21.8 bn** retail lending → **+PLN 3.4 bn** (+19%) y/y
- **PLN 16.2 bn** retail mortgage loans → **+PLN 2.6 bn** (+19%) y/y; **11.2%** market share in retail mortgage loans sales in 2014

Maintaining high quality of customer service:

- 892 own ATMs and 772 CDMs, including **598** dual-function and **450** contactless machines installed
- 401 branches, all with self-banking areas
- Mobile banking: **800 th** downloads of applications: *ING BankMobile* (smartphones) and *ING BankMobile HD* (tablets); **35 th** downloads of application *ING BusinessMobile*

Development of simple and honest product offer:

- **2.55 million** Current Accounts, **73%** are **Direct Current Account**
- Mortgage loans offer '**Live without compromise**'
- Savings offers: '**Welcome rate**' and '**OKO Bonus**'
- **Aleo** – almost **40 th** registered companies

Translation of business activities into Bank's financial results:

- **PLN 3,545 m** of total income in 2014 → +6% y/y
- **PLN 1,615 m** of result before risk costs in 2014 → +11% y/y
- **PLN 1,041 m** of net profit in 2014 → +8% y/y
- **L/D ratio** at the level of **73%** → +4 p.p. y/y



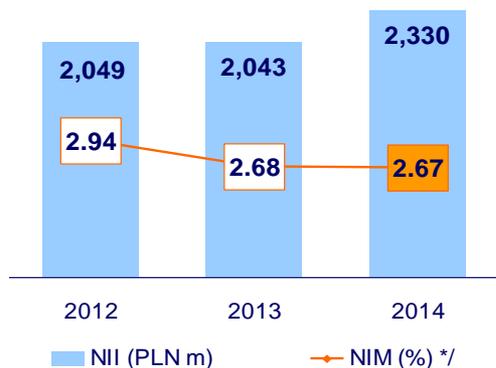
Major business results of the Bank

Bank business volumes

<i>in PLN million</i>	31.12.13	31.03.14	30.06.14	30.09.14	31.12.14	Change QoQ	Change YoY	Diff QoQ	Diff YoY
Total deposits	67,485	66,787	69,473	71,298	75,371	6%	12%	4,073	7,886
Retail clients deposits	44,111	45,359	46,149	47,329	50,141	6%	14%	2,812	6,030
Corporate clients deposits	23,374	21,428	23,324	23,969	25,230	5%	8%	1,261	1,856
Total funds entrusted by retail clients	50,223	51,383	52,489	54,030	57,309	6%	14%	3,279	7,086
Mutual funds assets (TFI) + other off-BS products distributed by the Bank	6,112	6,024	6,340	6,701	7,168	7%	17%	467	1,056
Total loans	50,478	52,476	55,225	57,559	58,531	2%	16%	972	8,053
Loans to retail clients	18,416	18,950	19,791	20,905	21,844	4%	19%	939	3,428
Mortgage loans volume	13,615	13,930	14,448	15,278	16,167	6%	19%	889	2,552
Loans to corporate clients incl. leasing and factoring	32,062	33,526	35,434	36,654	36,687	0%	14%	33	4,625

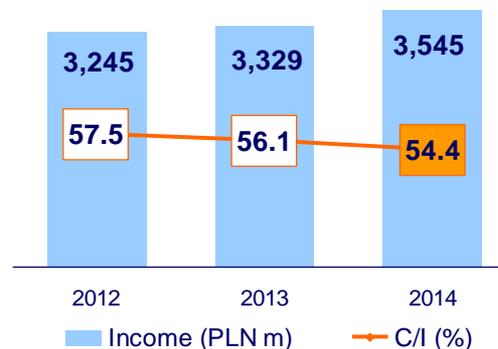
Efficiency

Net interest margin

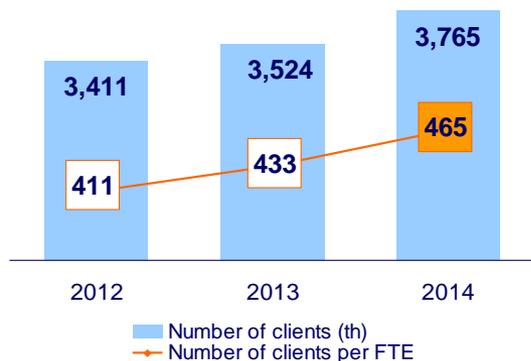


*/ NIM = sum of NII of 4 consecutive quarters / average interest earning assets of 5 consecutive quarters

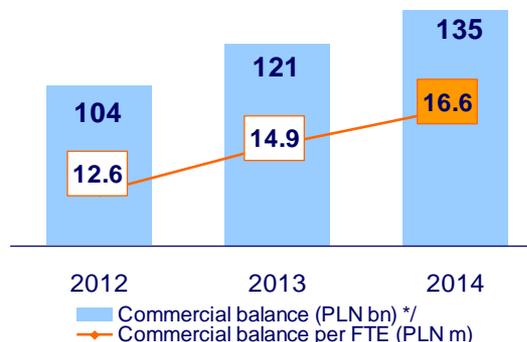
Income and cost effectiveness



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

PLN million	2013	2014	change
Total income	3,328.5	3,544.8	+ 6%
Total expenses	1,868.4	1,929.7	+ 3%
Result before risk costs	1,460.1	1,615.1	+ 11%
Risk costs	267.2	267.7	+ 0%
Profit before tax	1,192.9	1,347.4	+ 13%
Net profit	961.5	1,040.7	+ 8%
Total capital ratio */	17.3%	14.2%	- 3.1 p.p.
ROA (%)	1.17%	1.10%	- 0.07 p.p.
ROE (%)	11.6%	11.1%	- 0.5 p.p.
C/I Ratio (%)	56.1%	54.4%	- 1.7 p.p.

PLN million	4Q 2013	4Q 2014	change
Total income	839.1	866.0	+ 3%
Total expenses	450.4	488.5	+ 8%
Result before risk costs	388.7	377.5	- 3%
Risk costs	76.4	85.1	+ 11%
Profit before tax	312.3	292.4	- 6%
Net profit	250.5	230.8	- 8%
C/I Ratio (%)	53.7%	56.4%	+ 2.7 p.p.

*/ Total Capital Ratio (former solvency ratio) for 4Q 2014 calculated in line with Basel III requirements, taking account of the so-called national discretions as at the current status (e.g. risk weights for mortgage loans). The ratio for 4Q 2013 calculated in line with Basel II requirements (forecast of the ratio for 4Q 2013 calculated in line with Basel III requirements – 14.9%).

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

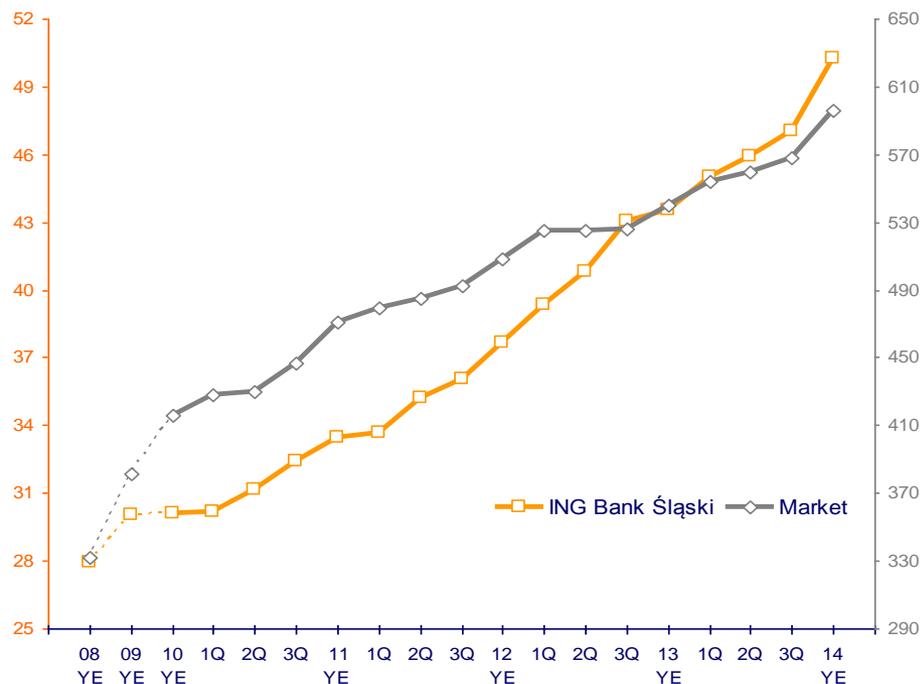


Market position of ING Bank Śląski

Households market

Volumes and share in the households deposits market

Households deposits - volumes (in PLN billion)

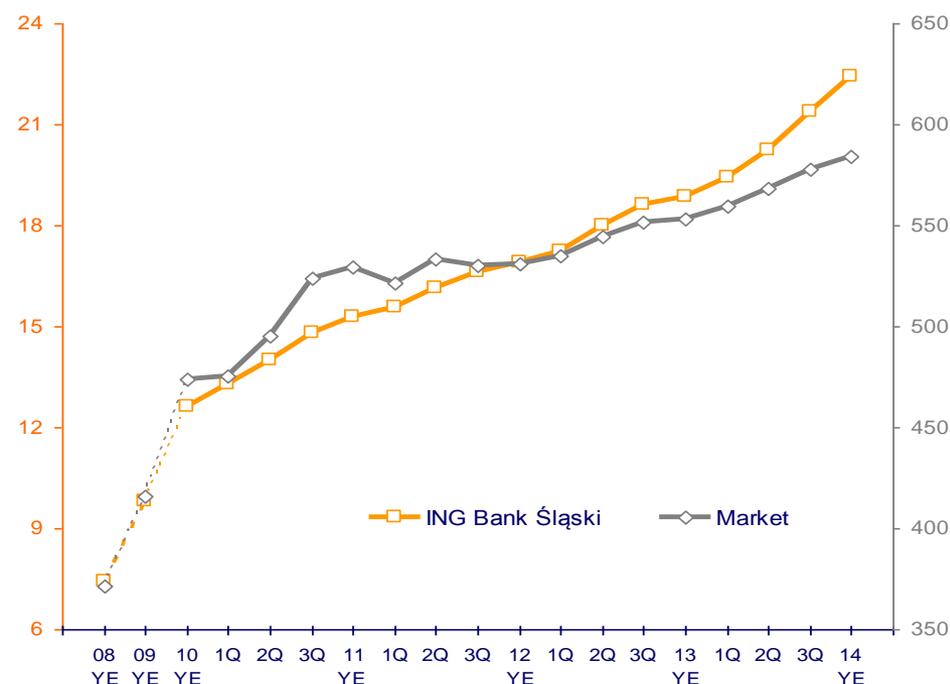


market share (%)

08YE	09YE	10YE	1Q	2Q	3Q	11YE	1Q	2Q	3Q	12YE	1Q	2Q	3Q	13YE	1Q	2Q	3Q	14YE
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	8.20	8.29	8.42

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	1Q	2Q	3Q	14YE
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	3.56	3.70	3.84

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

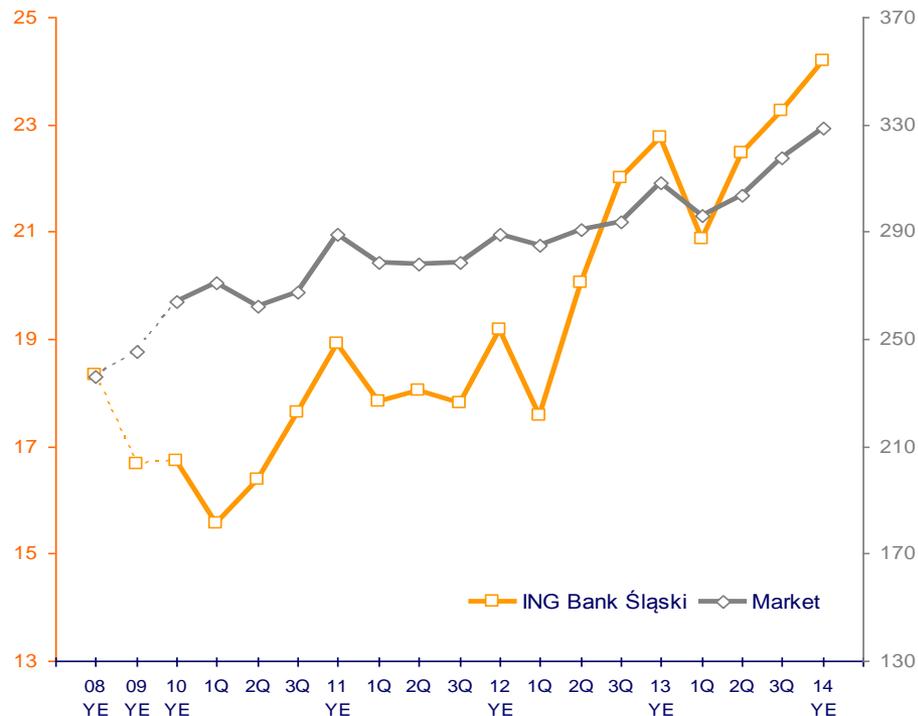


Market position of ING Bank Śląski

Corporate market

Volumes and share in the corporate deposits market

Corporate deposits - volumes (in PLN billion)

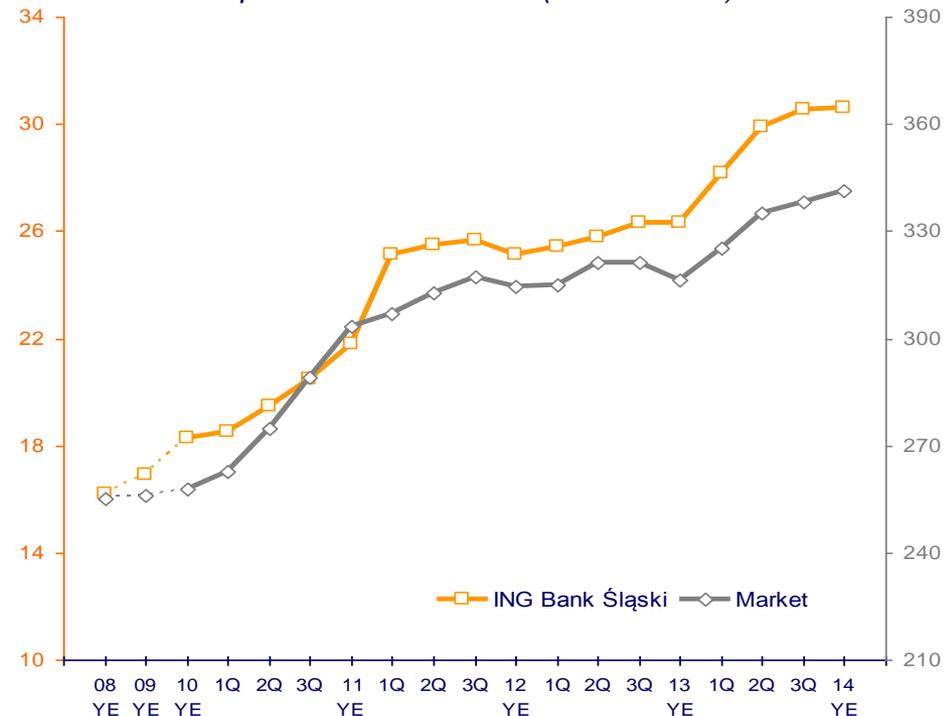


market share (%)

08YE	09YE	10YE	1Q	2Q	3Q	11YE	1Q	2Q	3Q	12YE	1Q	2Q	3Q	13YE	1Q	2Q	3Q	14YE
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	7.37	7.04	7.39	7.33	7.36

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	1Q	2Q	3Q	14YE
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	8.92	9.03	8.97

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



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 - 3 4Q/FY 2014 financial results

Retail Banking

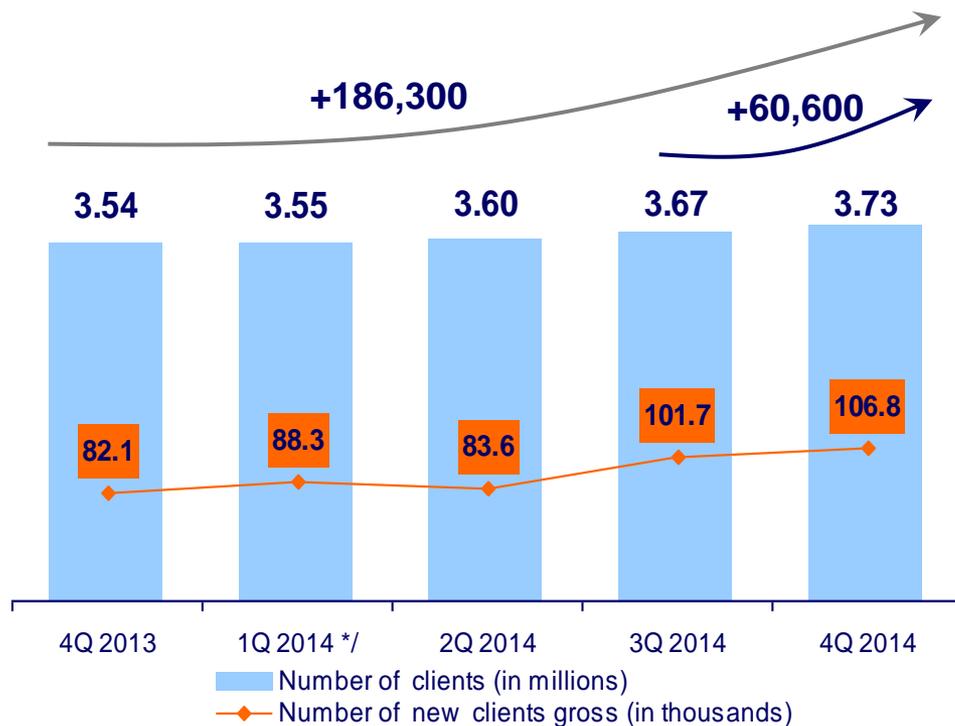
Increase in core products' sales

- **3.7 m** retail clients → **380 th** new clients acquired in 2014 (net increase by 186 th y/y)
- **PLN 21.8 bn** retail lending → **+ PLN 3.4 bn (+19%) y/y** and + PLN 0.9 bn (+4%) q/q
- **PLN 16.2 bn** mortgage loans portfolio → **+ PLN 2.6 bn (+19%) y/y** and + PLN 0.9 bn (+6%) q/q
- **11.2%** market share in retail mortgage loans sales in 2014
- Cash loans sales → **PLN 2.7 bn** cash loans sold to retail clients in 2014 (+32% y/y);
PLN **633 m** sales in 4Q 2014 (+31% y/y)
- **PLN 50.1 bn** retail clients deposits → **+ PLN 6.0 bn (+14%) y/y** and + PLN 2.8 bn (+6%) q/q
- 2.55 m retail current accounts, **73% of Direct Current Accounts**
- 84% of self-service cash depositing transactions
- *ING BankMobile & ING BankMobile HD:*
 - New functionalities – 'Receipts' and 'Split your expenses'
 - **800 th** downloads of mobile banking applications

Client base

3.7 million retail clients

Number of retail clients



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

380 th

(+13% y/y)

of new clients
acquired in a year



Current accounts

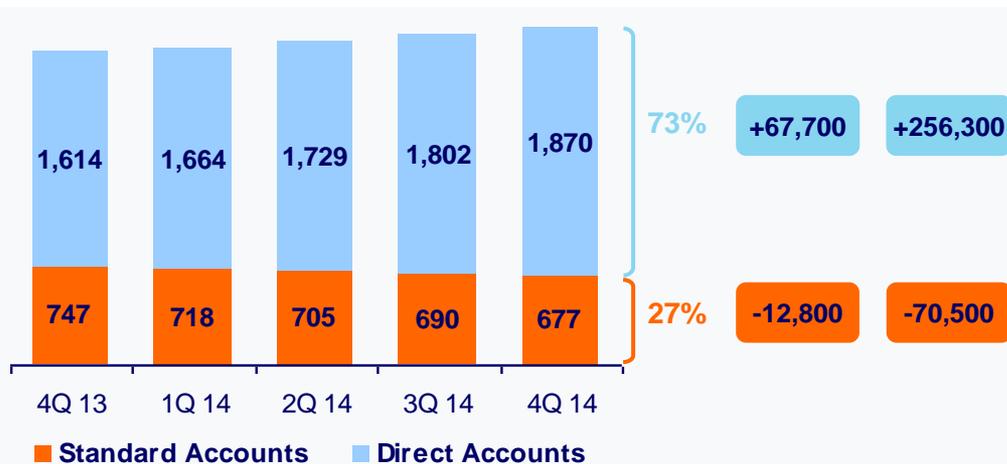
2.55 million Current Accounts, 73% of Direct Accounts

Number of retail clients' current accounts (in thousands)



QoQ	YoY
+6,800	+26,200
+48,100	+159,600

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

Brokerage account integrated with the ING BankOnline internet banking system

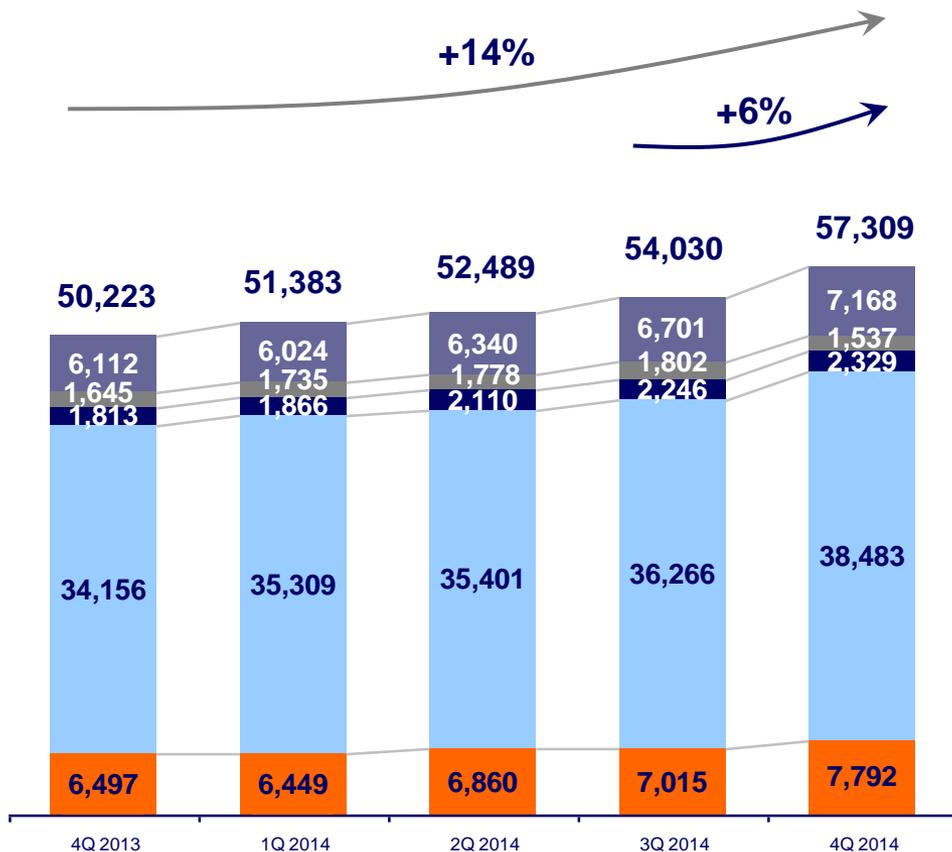
- ✓ **Commission of even 0.1%**
Always PLN 5 for internet transfers of up to PLN 5,000 for 12 months
- ✓ **Commission refund**
for 4 months for each transaction from which clients sustained a loss
- ✓ **Free account**
for the first 6 months and later with the flows from PLN 20,000 or 20 contracts every 6 months
- ✓ **Convenient investing**
via the internet in the ING BankOnLine system or HaloSłaski phone service
- ✓ **Online transfers**
available 24/7 between bank and brokerage accounts at ING Bank Śląski
- ✓ **Over 400 bank branches**
where you will complete all the necessary formalities



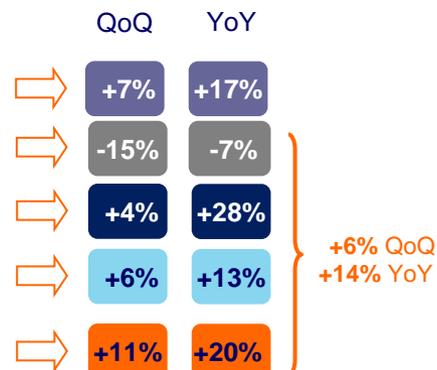
Funds entrusted

Permanent growth of stable funding base

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



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



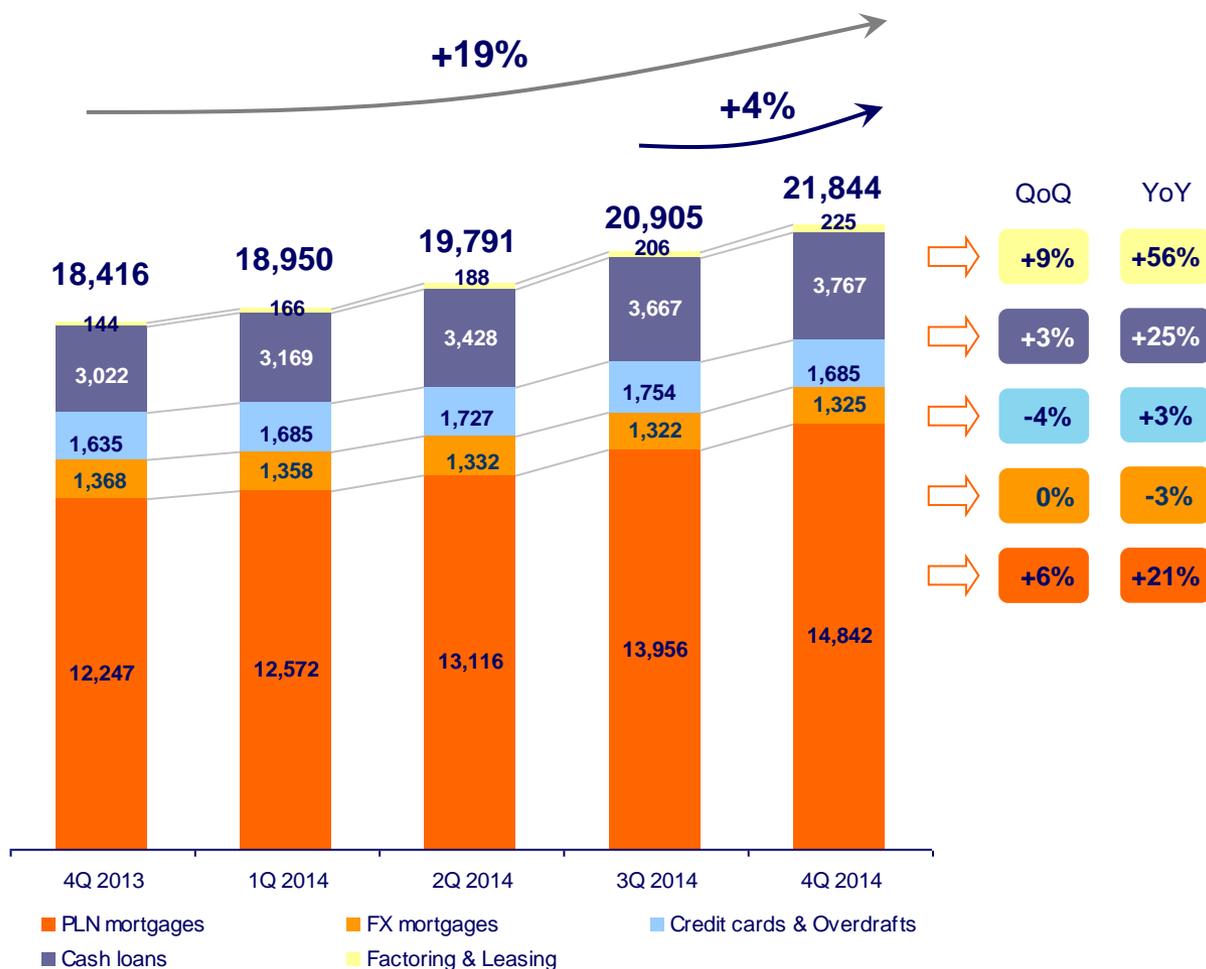
3%
for 4 months
on the savings
account



Loan portfolio of retail segment clients

Constant growth in retail lending

Loan portfolio of retail segment clients (in PLN m)



PLN 2.7 bn
cash loans sold to
retail clients in 2014

(+32% y/y)



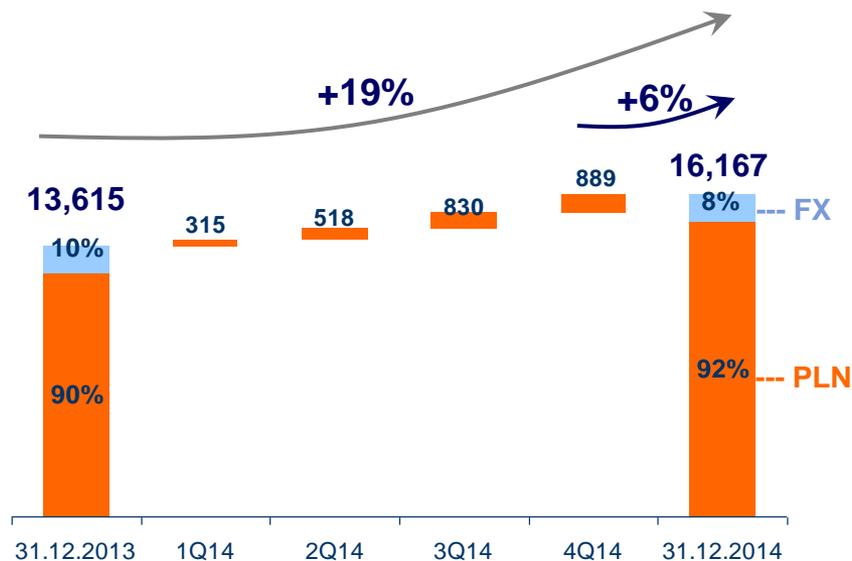
**TAKE OUT A LOAN
AND COME OUT ON TOP**



Mortgage loans

PLN 16.2 billion mortgage loans

Retail mortgage loans (PLN m)

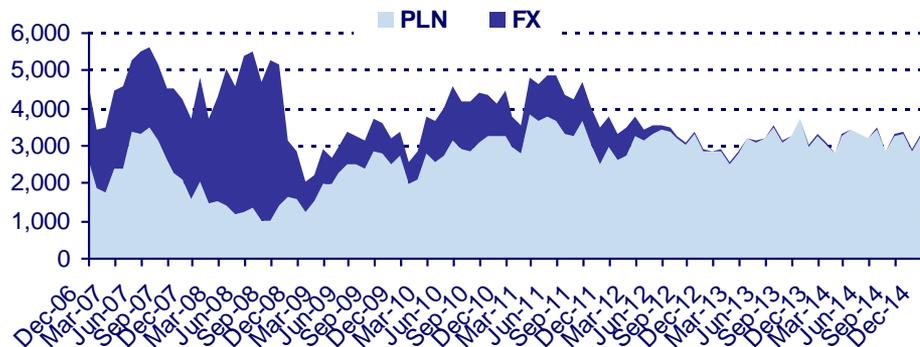


- **11.2% market share (#3 position)** in mortgage loans' sales in 2014, value of signed contracts: **PLN 4.2 bn (+57% y/y)**

The amount of 4Q 2014 mortgage production is **PLN 1.4 bn** (14.3 % market share).

- **6.6%** share in PLN market housing loans volume
3.9% in total housing loans market (as of 2014 YE)

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



'Live without compromise' offer



1.5%
98.5%



Innovative solutions

New service for home buyers NAVIDOM

➤ Wide array of offers

- ✓ Access to the offers from the otodom.pl database
- ✓ Option of flat search using discretionary criteria or ready-to-use filters
- ✓ Option of adding own photos and notes

➤ All details at one spot

- ✓ Free tools and hints on how to buy a flat step by step
- ✓ Logon option on the smartphone, tablet and laptop

➤ Budget calculation

- ✓ Option to calculate the budget and select only those offers that are in its brackets
- ✓ Prompts about extra costs

➤ Efficient purchase

- ✓ End-to-end support from ING specialists in the flat purchase process



PROWADZI
OD A DO
ZAMIESZKANIA
FROM IDEA TO MOVING IN



Distribution and service network

Enhanced access to banking services

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

800 th
downloads

- ~ **1.3 m transactions** in December 2014 (transfers + phone top-ups)
- ~ **185 th** average daily number of logins
- ~ **105 th** average daily number of unique users logins

1st place in the “**Mobile Banking**” category
in the **Newsweek Friendly Bank** ranking

- **401** branches, all with self-banking areas
- **892** own ATMs and **772** CDMs including **598** dual-function machines
- **450** contactless machines
- **55** ING Express points at shopping malls
- **84%** of cash-in transactions are processed automatically
- **173** branches in a new format



ING 

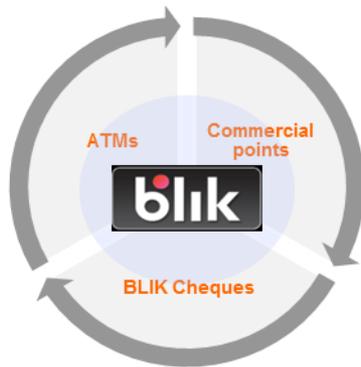
Novelties in mobile banking

New method of making payments BLIK

➤ BLIK

With this function one **can pay with the mobile** at brick and mortar as well as online shops or **withdraw money from ATMs** using digital codes

- ✓ Quick activation of services in the *ING BankMobile* application
- ✓ PLN 0 for activation
- ✓ No technical limitations
- ✓ BLIK Cheques – option to provide another person with a 9-digit code, the so-called BLIK Cheque and a BLIK password to make a transaction, e.g. to withdraw cash from ATM



New functionalities in the mobile application *ING BankMobile*

➤ 'Receipts'

Supports storage of images of shopping receipts so that they are easily accessible in the future

With this functionality receipts:

- ✓ Do not clutter your wallet
- ✓ Do not fade
- ✓ Are easy to find
- ✓ Stay where they are

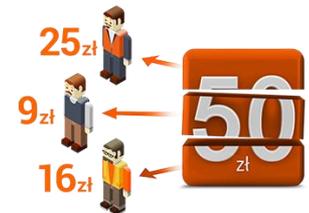


➤ 'Split your expenses'

Supports an easy and fast way of sharing the bill with friends and collecting money together for a gift

You just need to:

- ✓ Enter and split the amount
- ✓ Select persons
- ✓ Send the settlement



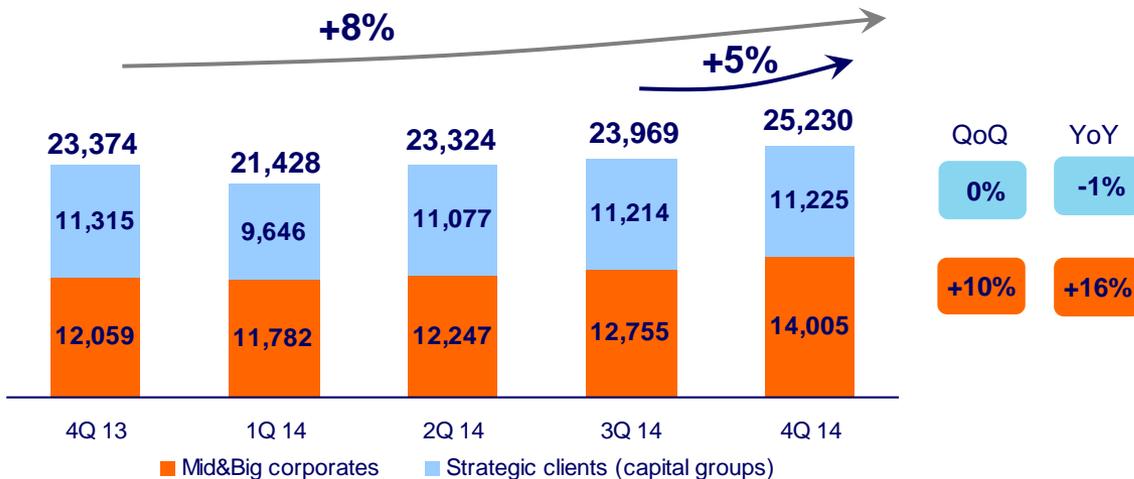
Corporate Banking

Growth in volumes

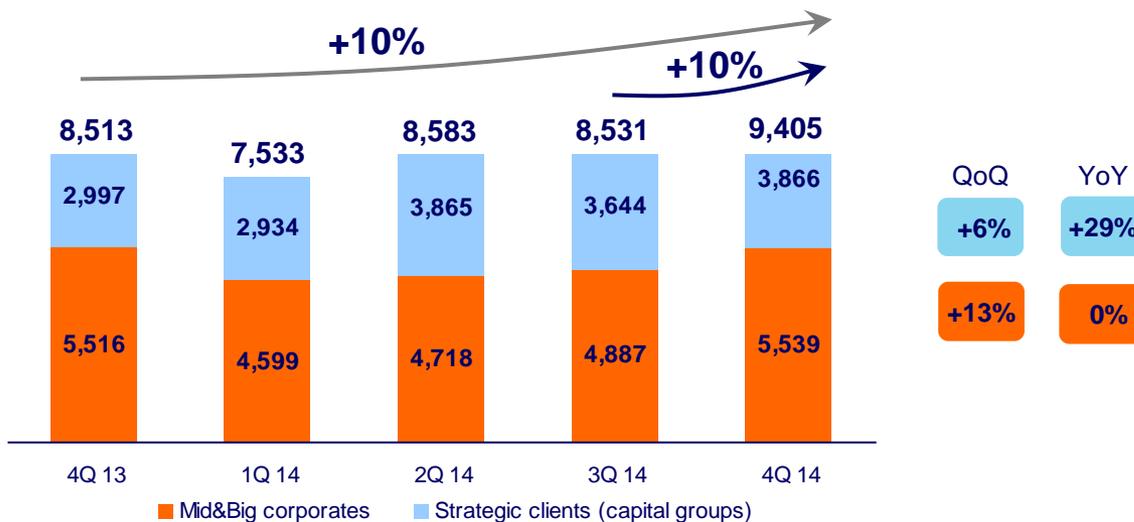
- **36.8 th** corporate clients
- **PLN 36.7 bn** corporate lending → **+ PLN 4.6 bn (+14%) y/y** and + PLN 0.0 bn (+0%) q/q
- PLN 5.2 bn – leasing financing; PLN 1.9 bn – factoring volume
- **PLN 25.2 bn** corporate deposits → **+ PLN 1.9 bn (+8%) y/y** and + PLN 1.3 bn (+5%) q/q
- The largest deals of 2014 :
 - USD 2.50 bn → syndicated credit facility for KGHM Polska Miedź S.A.
 - PLN 5.00 bn → bond issue program for Enea S.A.
 - PLN 3.00 bn → financing package for the acquisition of Polkomtel Sp. z o.o.
 - PLN 1.75 bn → issue of 5Y bonds of TAURON Polska Energia S.A.
 - PLN 1.65 bn → bond issue program for Zarządca Rozliczeń S.A. (company in the energy sector)
 - PLN 1.45 bn → financing package for the acquisition of Emitel
 - PLN 1.20 bn → bond issue program for Jastrzębska Spółka Węglowa S.A.
- Issuance of the second series of own bonds of ING Bank Śląski S.A. – PLN 300 million
- **35 th downloads** of *ING BusinessMobile* (the application available since January 2013)
- **Aleo** – commerce and auction platform for companies: nearly **40 th** registered companies

Cash Management

Volume of corporate deposits (in PLN m)

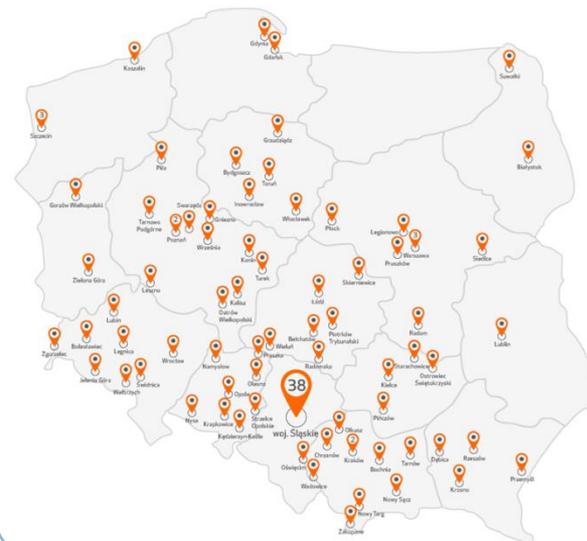


Volume of corporate clients' current accounts (in PLN m)



Comfort and safety of transactions

- ✓ Electronic signing of agreements
- ✓ Mini-CDMs,
- ✓ Over 100 electronic depositories (map)
- ✓ Light depositories



Lending

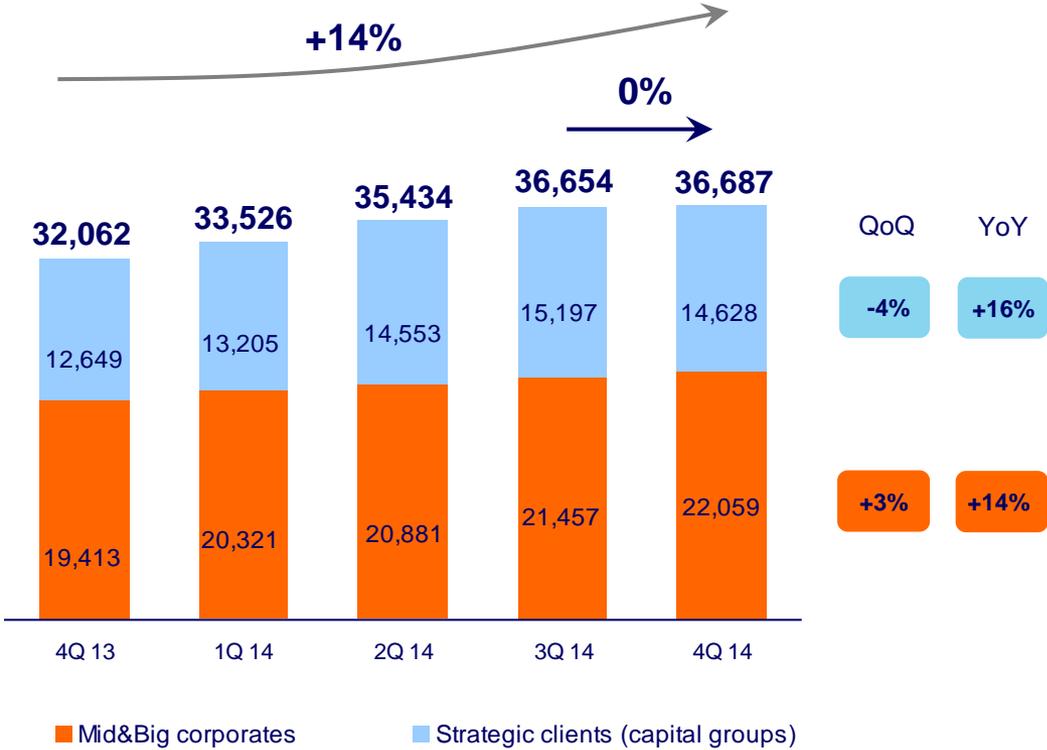
ING Direct Business Credit

Internet-based **funding**

-  **Selection of the credit facility**
-  **Credit capacity simulation**
-  **Credit application filing**

NO BRANCH VISIT

Volume of loans to corporate clients (in PLN million)

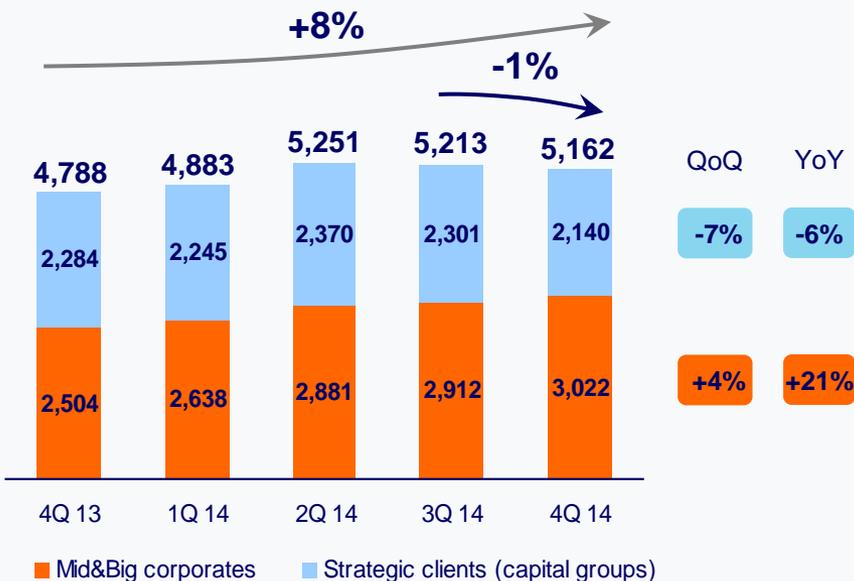


Asset Based Lending

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

- **#3** on the market in terms of the whole portfolio value (end of 2014)
- **5.9 %** market share in terms of the new sales
- Increase in market share in terms of the leasing of machinery (new sales): **7.4% (#4 position)** in 4Q 2014
- Over 7.2 thousand clients using leasing services (**up by 52%** from the end of 2013)

Leasing – financing of the customers (in PLN m)



ING Commercial Finance Polska S.A. (factoring)

#1 **#1 position** on the market with market share of **14.8%**



Factoring – financing of the customers (in PLN m)



Debt capital and money market

Zarządca Rozliczeń

Zarządca Rozliczeń S.A.

Bond Issuance Program

PLN 1.65 bn

Consortium Leader, Arranger, Issue and Paying Agent, Depository

March 2014

EUROCASH GRUPA

Eurocash S.A.

Short Term Bonds Issuance Program

PLN 500 m

Arranger, Issue and Paying Agent, Depository, Dealer

March 2014

Enea

Enea S.A.

Bond Issuance Program

PLN 5 bn

Arranger, Paying Agent, Depository, Dealer, Calculation Agent

June 2014

JSW SA

Jastrzębska Spółka Węglowa S.A.

Bond Issuance Program

PLN 1.2 bn

Arranger, Issue Program Underwriter, Paying Sub-Agent, Sub-Custodian, Security Agent

July 2014

ABC DATA

ABC Data S.A.

Bond Issuance Program

PLN 100 m

Sole Arranger, Paying Agent, Depository, Dealer

November 2014

TAURON POLSKA ENERGIA

TAURON Polska Energia S.A.

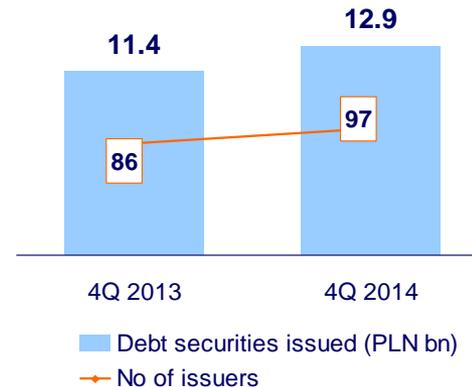
Issue of 5Y Bonds

PLN 1.75 bn

Consortium Leader, Paying Agent, Depository, Dealer, Calculation Agent, Technical Agent

November 2014

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 2014 with the market share of **35.2%**

Issuance of the second series of own bonds of ING Bank Śląski S.A. under the Programme set in 2012

- The total nominal value of bonds of the second series is **PLN 300 m**,
- The bonds were issued as bearer bonds of **5Y maturity**,
- The bonds are denominated in PLN and were offered under non-public issue,
- Bonds bear floating interest, paid every 6 months and based on **6M WIBOR plus margin of 0.75%** per annum.

December 2014

ING 

Business financing and investment banking

Major transactions in 2014

VALAD

Valad Europe

Refinancing of existing indebtedness

EUR 169 m

Investment financing

EUR 66 m

*Mandated Lead Arranger,
Lender, Agent, Account Bank,
Hedging Provider*

January 2014

emitel

Emitel

Financing of the acquisition
of the company

PLN 1.45 bn

*Mandated Lead Arranger,
Security Agent*

February 2014



Cyfrowy Polsat

Financing of the acquisition
of Polkomtel Sp. z o.

PLN 3 bn

*Global Banking
Coordinator*

April 2014

APSYS
Wyobraźmy sobie jutro

Apsys Polska

Investment financing

EUR 290 m

Co-funding Bank

May 2014

Blackstone

Blackstone Real Estate

Investment financing

EUR 92 m

Investment financing

EUR 82 m

*Mandated Lead Arranger, Lender,
Agent, Account Bank*

May – June 2014

KGHM Polska Miedź S.A.

Syndicated credit facility

USD 2.5 bn

*Mandated Lead Arranger,
Bookrunner*

July 2014



Prime Car Management S.A.

Syndicated credit facility

PLN 693.5 m
(increase by PLN 150.0 m)

Lender

August 2014

Raben

Raben Group NV

Syndicated credit facility

EUR 150 m

*Mandated Lead Arranger,
Bookrunner, Security Agent*

November 2014

ING Securities – Joint Bookrunner

VATTENFALL



Vattenfall AB

Sale of entire stake in Enea S.A. via ABB

PLN 1 bn

January 2014

ING Securities – Co-Lead Manager

LOTOS

Grupa LOTOS S.A.

Secondary Offering – Rights Issue

PLN 966 m

December 2014



-
- 1 Introduction to financial results and market position of the Bank
 - 2 Business development
 - 3 4Q/FY 2014 financial results**

ING Bank Śląski financial performance

2014

PLN million	2013	2014	change
Net interest income	2,042.6	2,330.2	+ 14%
Net commission income	1,021.9	1,062.9	+ 4%
Trading & other income	264.0	151.7	- 43%
Total income	3,328.5	3,544.8	+ 6%
Total expenses	1,868.4	1,929.7	+ 3%
Result before risk costs	1,460.1	1,615.1	+ 11%
Risk costs	267.2	267.7	+ 0%
Profit before tax	1,192.9	1,347.4	+ 13%
Income tax	231.4	306.6	+ 32%
Net profit	961.5	1,040.7	+ 8%
Total capital ratio */	17.3%	14.2%	- 3.1 p.p.
ROA (%)	1.17%	1.10%	- 0.07 p.p.
ROE (%)	11.6%	11.1%	- 0.5 p.p.
C/I Ratio (%)	56.1%	54.4%	- 1.7 p.p.

*/ Total Capital Ratio (former solvency ratio) for 4Q 2014 calculated in line with Basel III requirements, taking account of the so-called national discretions as at the current status (e.g. risk weights for mortgage loans). The ratio for 4Q 2013 calculated in line with Basel II requirements (forecast of the ratio for 4Q 2013 calculated in line with Basel III requirements – 14.9%).



ING Bank Śląski financial performance

4Q 2014

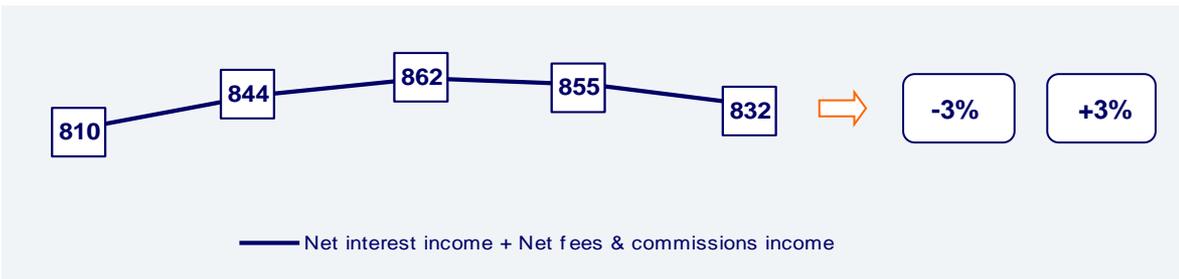
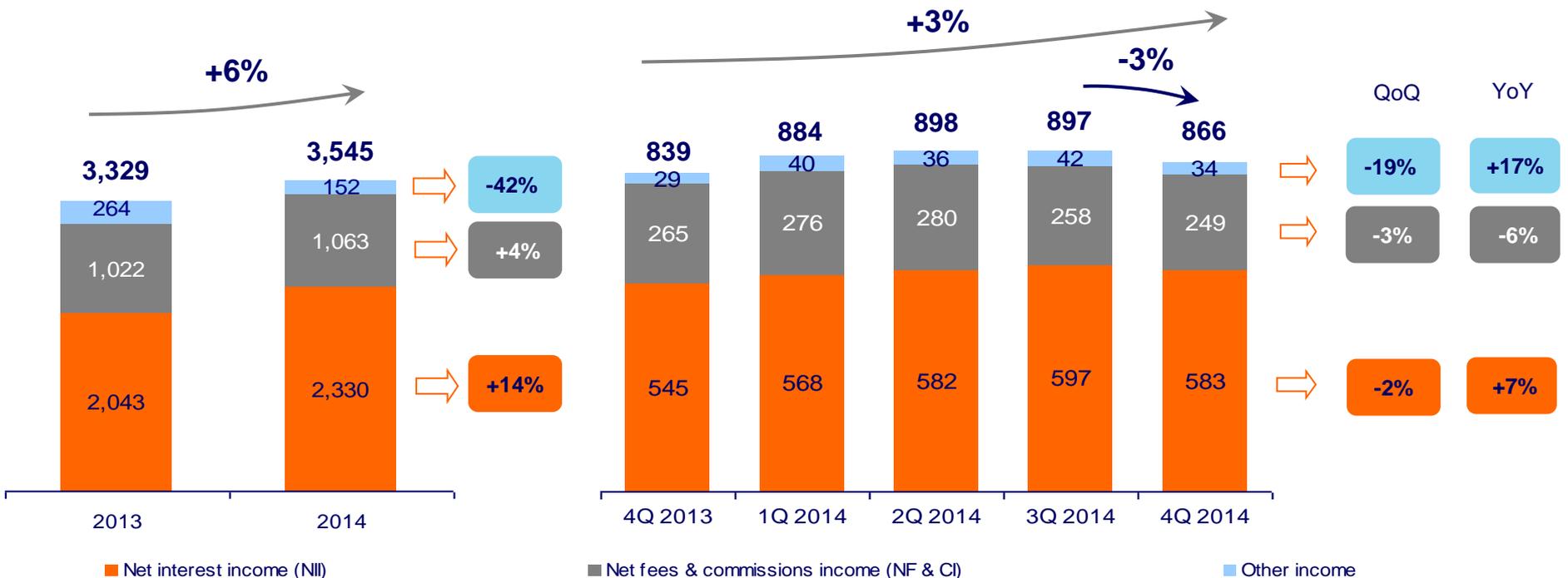
PLN million	4Q 2013	4Q 2014	change
Net interest income	545.4	583.2	+ 7%
Net commission income	264.8	248.9	- 6%
Trading & other income	28.9	33.9	+ 17%
Total income	839.1	866.0	+ 3%
Total expenses	450.4	488.5	+ 8%
Result before risk costs	388.7	377.5	- 3%
Risk costs	76.4	85.1	+ 11%
Profit before tax	312.3	292.4	- 6%
Income tax	61.8	61.7	- 0%
Net profit	250.5	230.8	- 8%
Total capital ratio */	17.3%	14.2%	- 3.1 p.p.
ROA (%)	1.17%	1.10%	- 0.07 p.p.
ROE (%)	11.6%	11.1%	- 0.5 p.p.
C/I Ratio (%)	53.7%	56.4%	+ 2.7 p.p.

*/ Total Capital Ratio (former solvency ratio) for 4Q 2014 calculated in line with Basel III requirements, taking account of the so-called national discretions as at the current status (e.g. risk weights for mortgage loans). The ratio for 4Q 2013 calculated in line with Basel II requirements (forecast of the ratio for 4Q 2013 calculated in line with Basel III requirements – 14.9%).



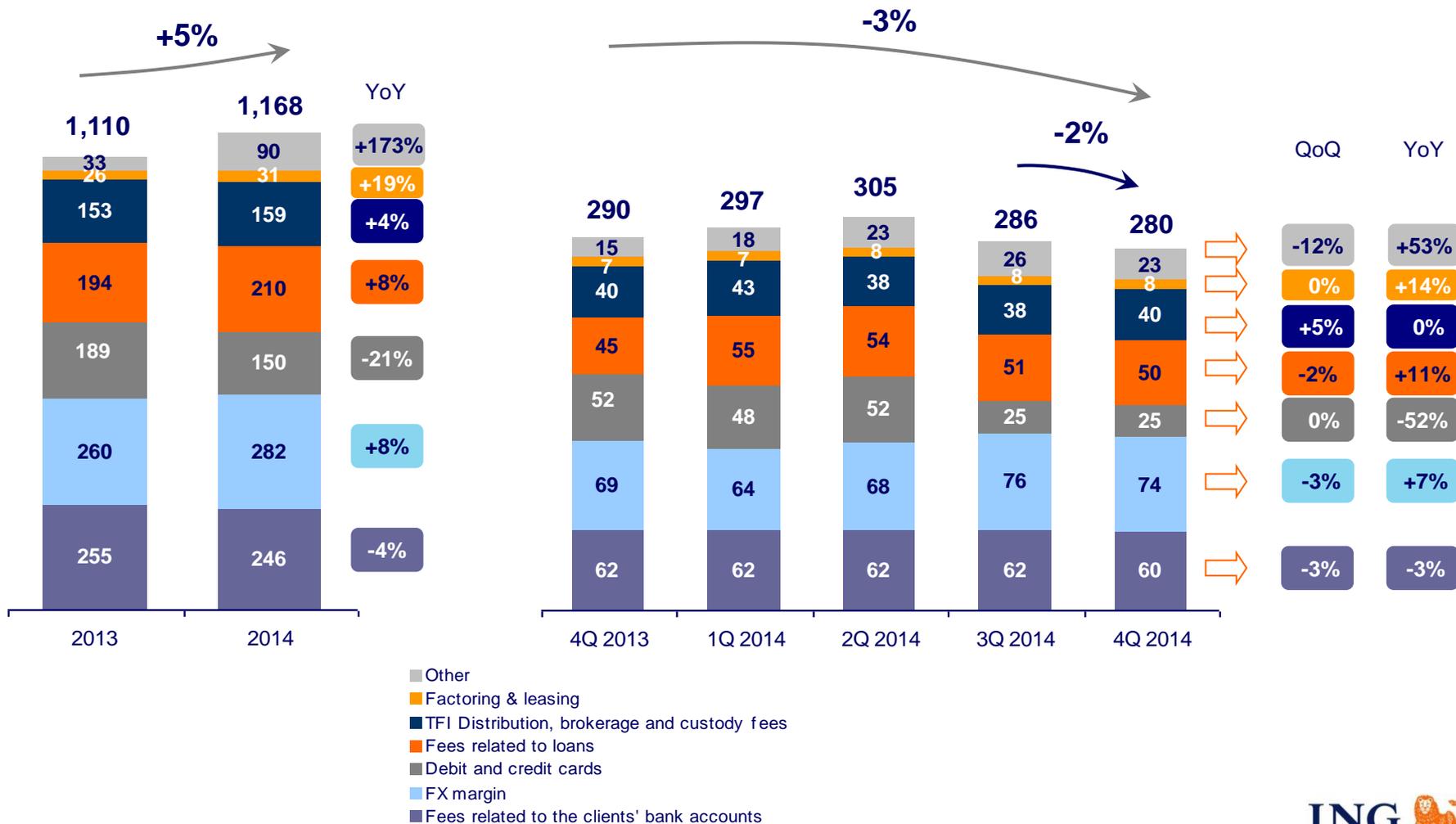
Revenue per category

Revenues per P&L category (PLN m)



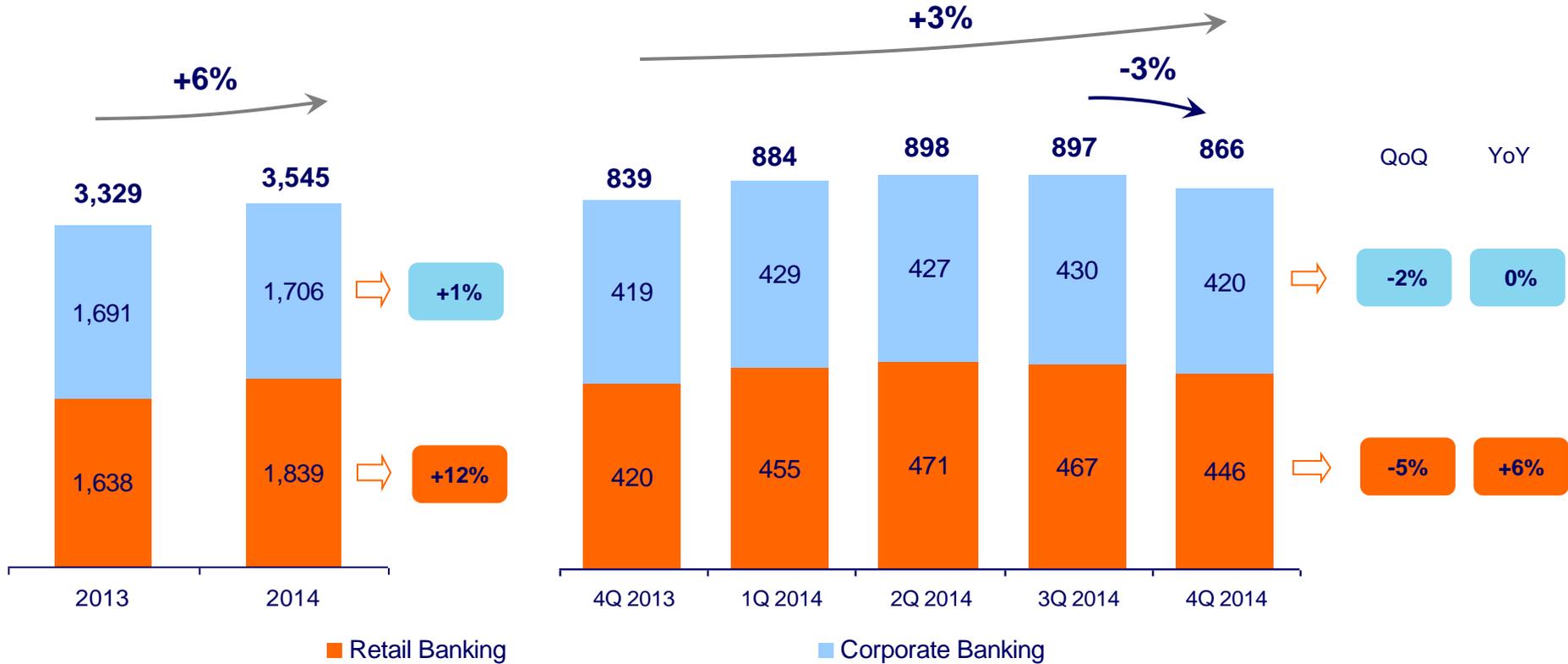
Fees and commissions income

Fees and commissions income by category (PLN m)



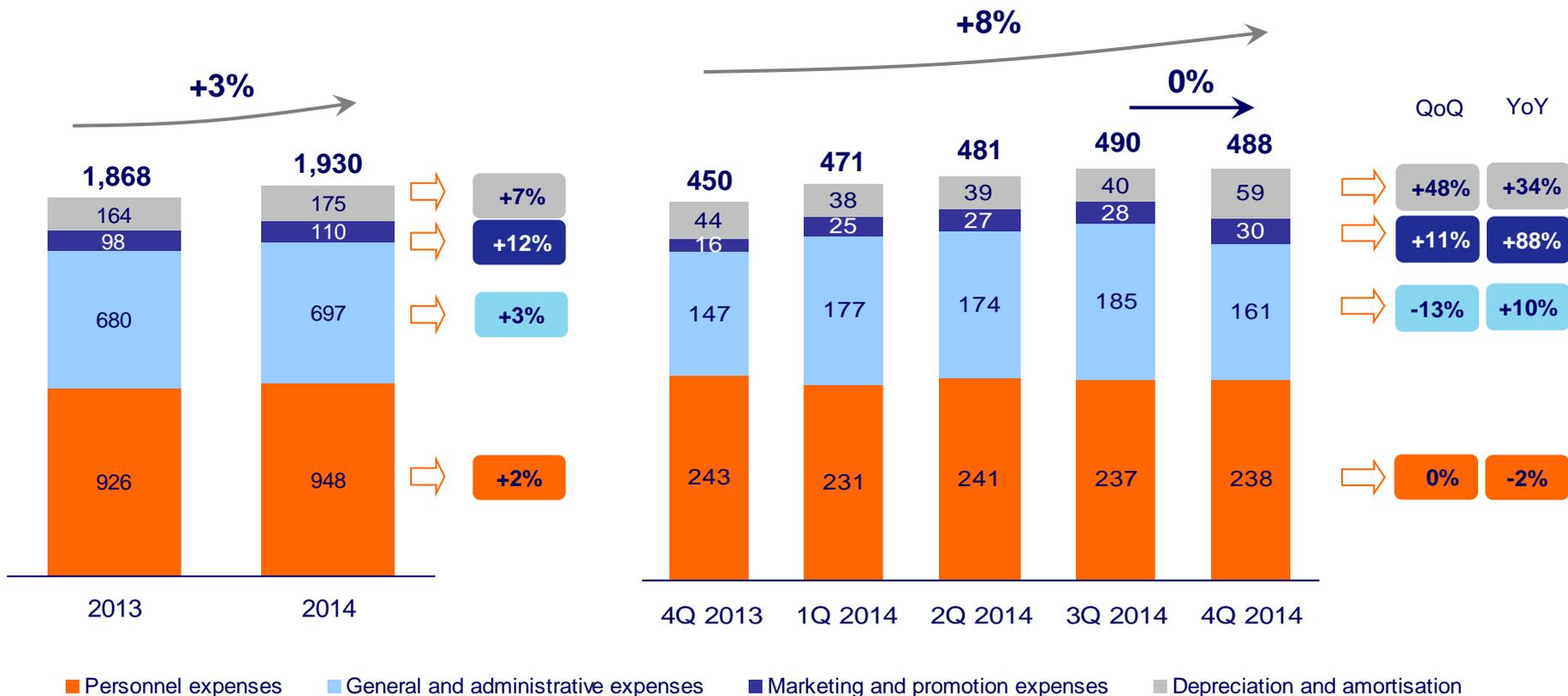
Revenue per business line

Revenues by business line (PLN m)



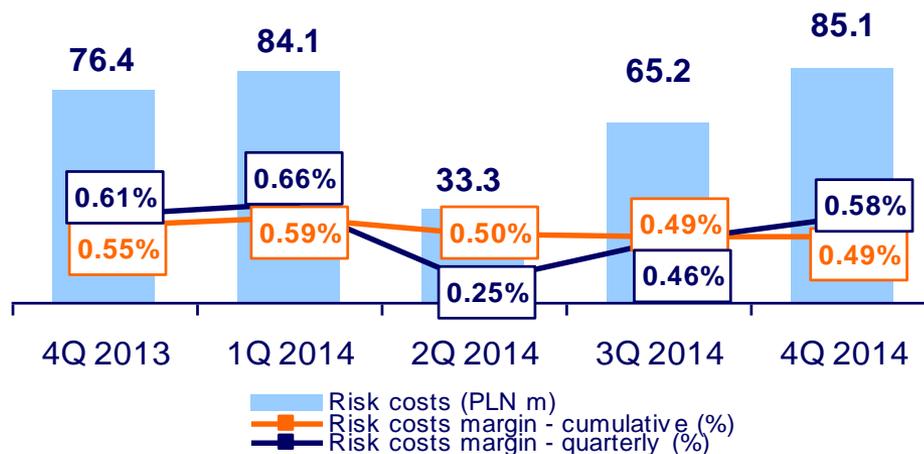
Total expenses

Total costs (PLN m)

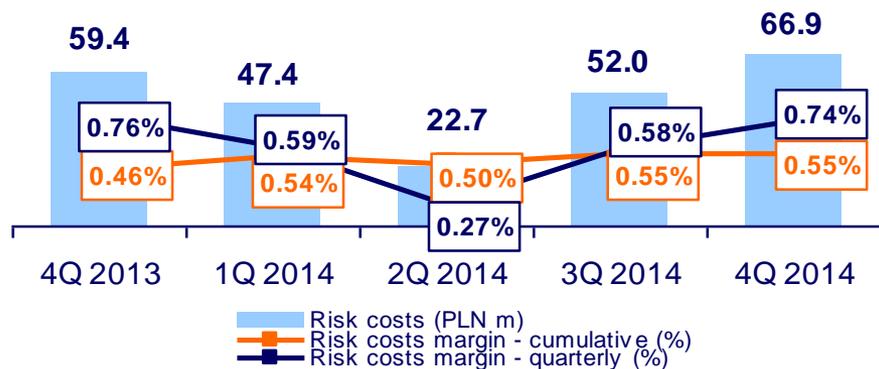


Risk costs

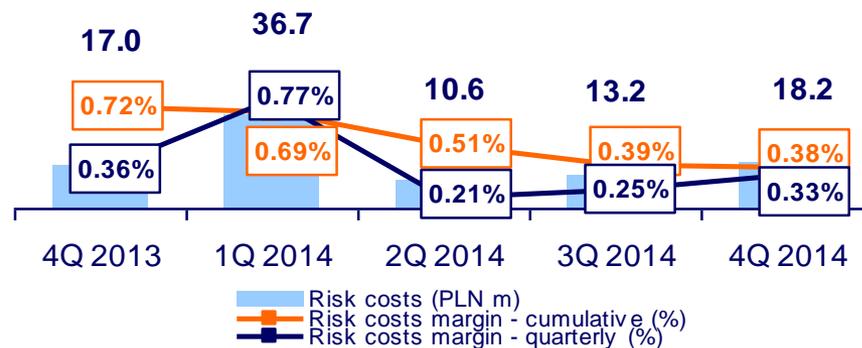
Bank



Corporate



Retail



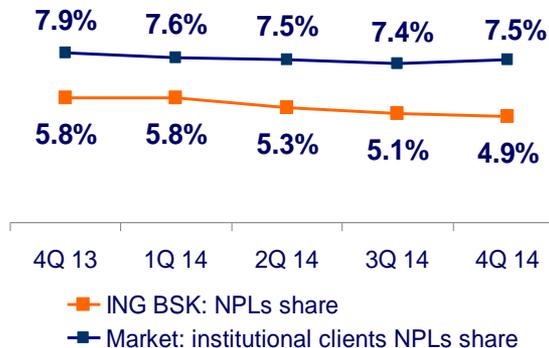
Loan portfolio quality and provisioning

Share of impaired portfolio in the total loan portfolio

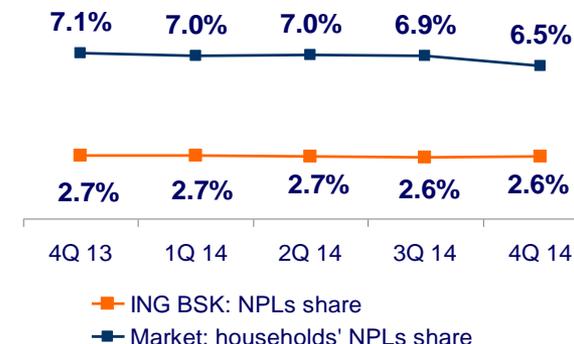
Bank



Corporate



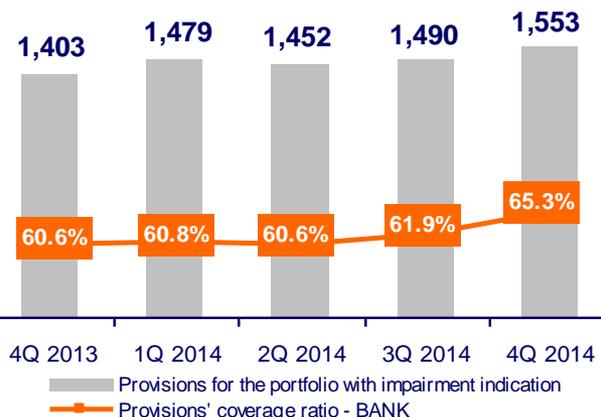
Retail



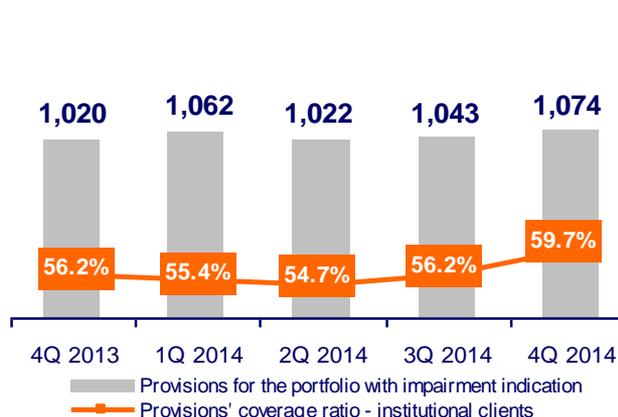
Note: market ratio estimated based on NBP data

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

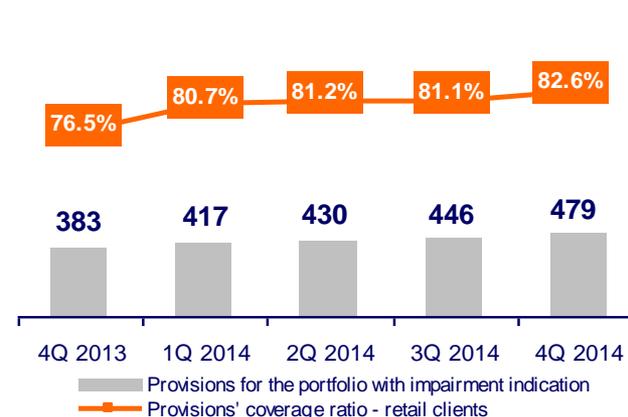
Bank



Corporate

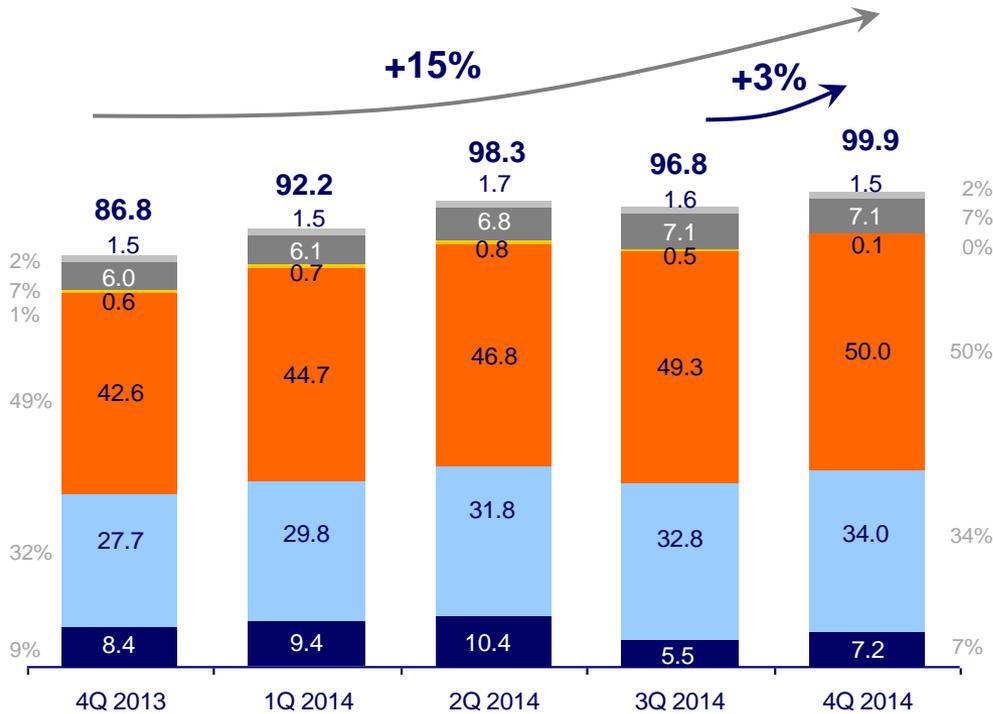


Retail



Bank assets

Assets structure (PLN bn / %)

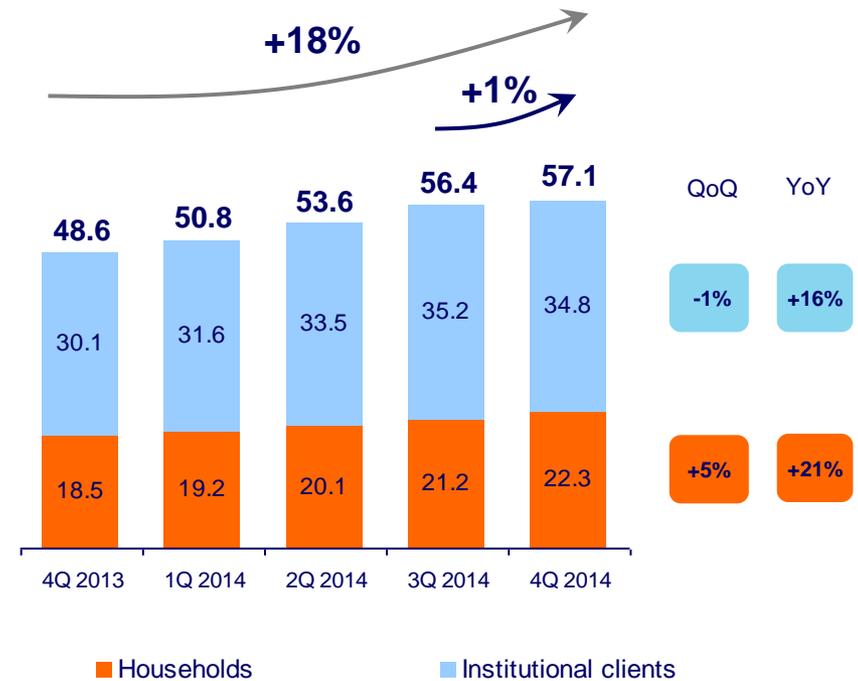


- Other
- Leasing and factoring receivables
- Receivables from customers - BSB transactions
- Loans, corpo bonds and other receivables from customers
- Securities & derivatives
- Loans and receivables from other banks + cash within the Central Bank

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.

Loans and receivables to customers

- non-bank sector (PLN bn)



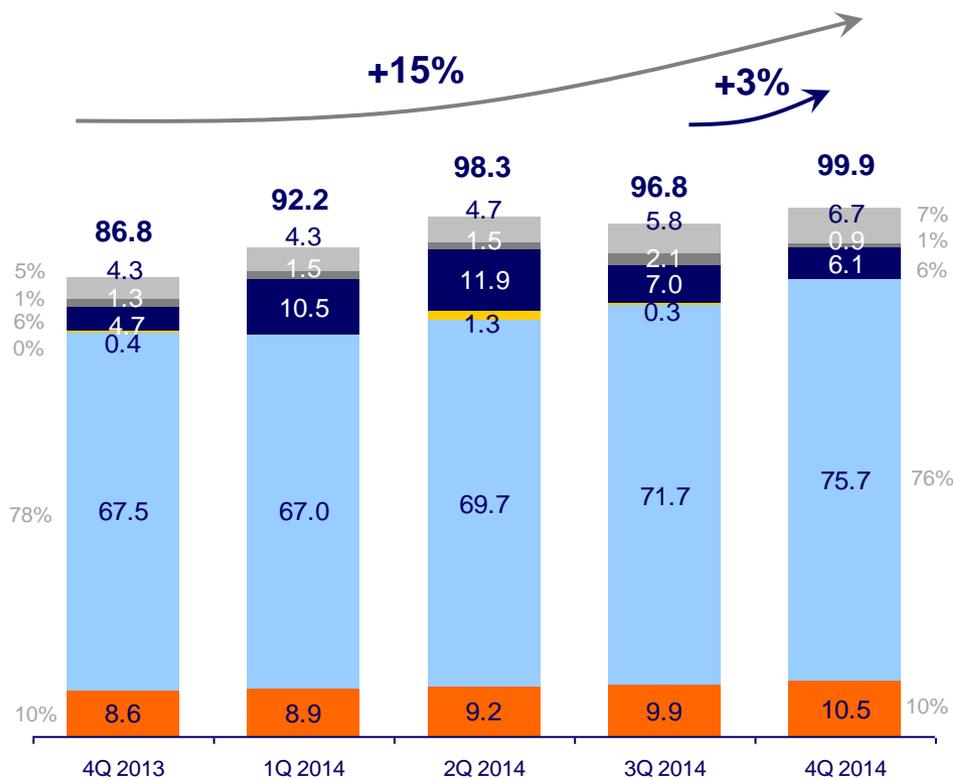
	QoQ	YoY
Households	+5%	+21%
Institutional clients	-1%	+16%



Bank liabilities

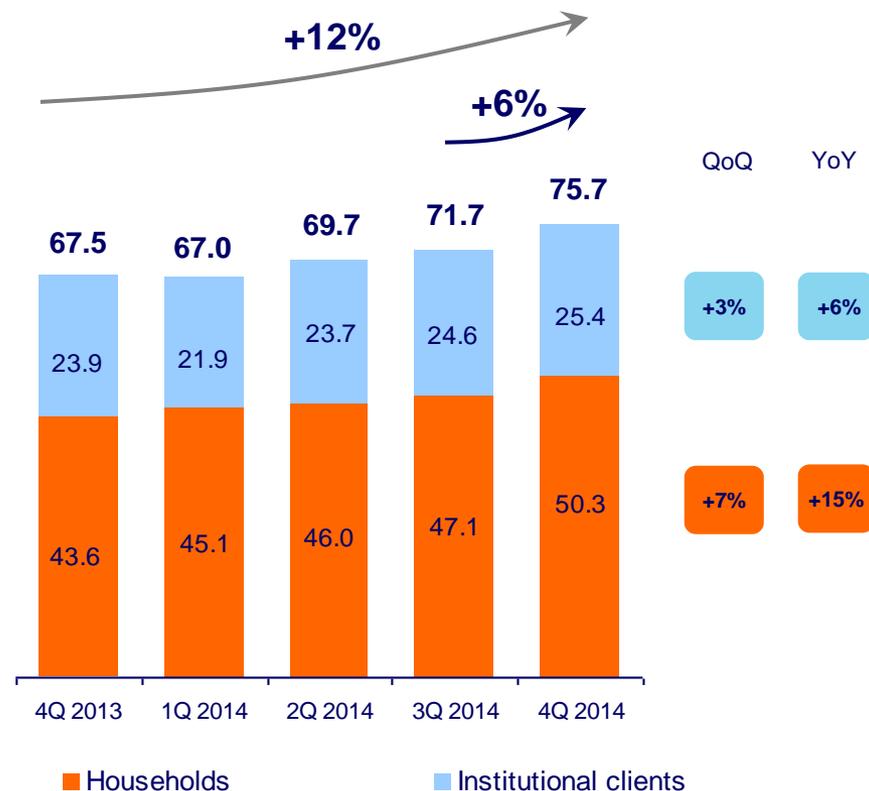
Stable deposit base

Structure of liabilities (PLN bn / %)



- Other liabilities
- Financial liabilities measured at fair value through P&L
- Liabilities to other banks
- Liabilities to clients related to SBB transactions
- Deposits and other liabilities to clients
- Equity

Deposits and other liabilities to clients (PLN bn)

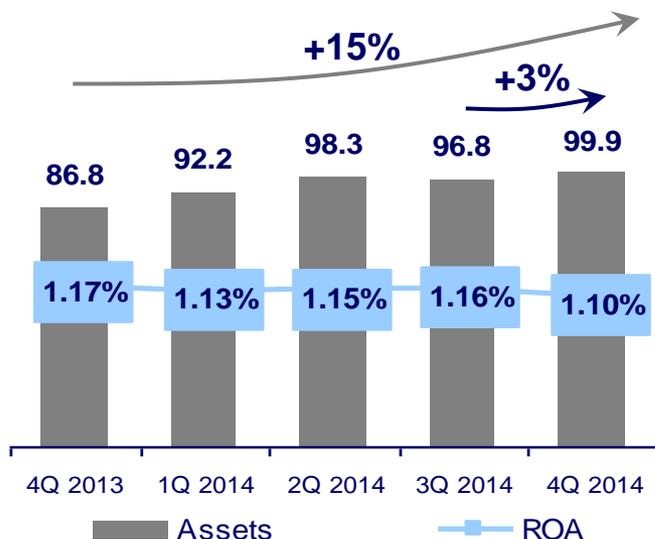


Note: deposits and other liabilities to clients do not include sell-buy-back transactions

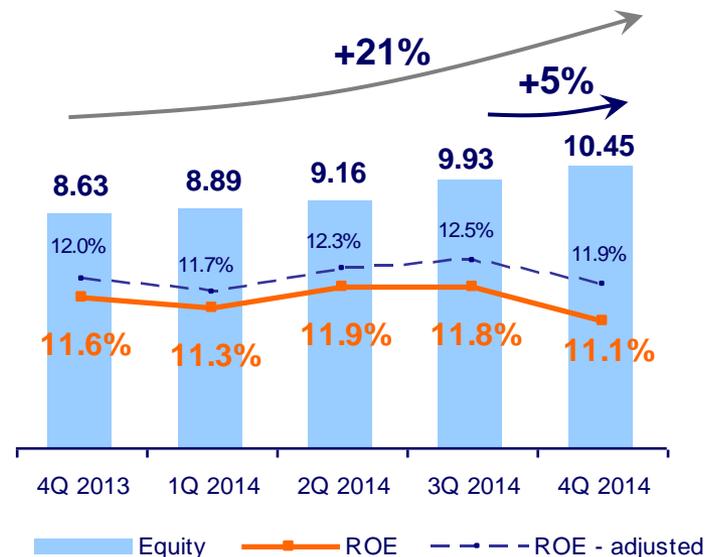


Assets, equity and profitability ratios

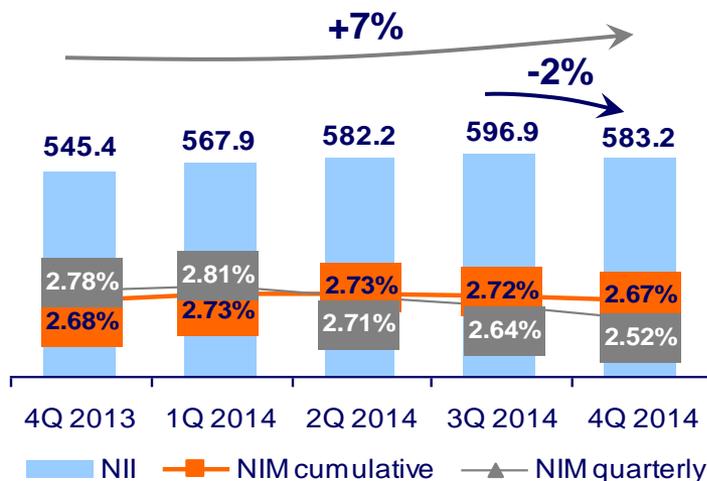
Assets (PLN bn) / ROA



Equity (PLN bn) / ROE



NII (PLN m) / NIM (%)



Definitions:

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

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

ROE - adjusted – return on equity excluding the revaluation reserve for the cash-flow hedging instruments = sum of net income of 4 consecutive quarters / average equity of 5 consecutive quarters (excluding the revaluation reserve for the cash-flow hedging instruments)

NII – including swap points and interest from derivatives

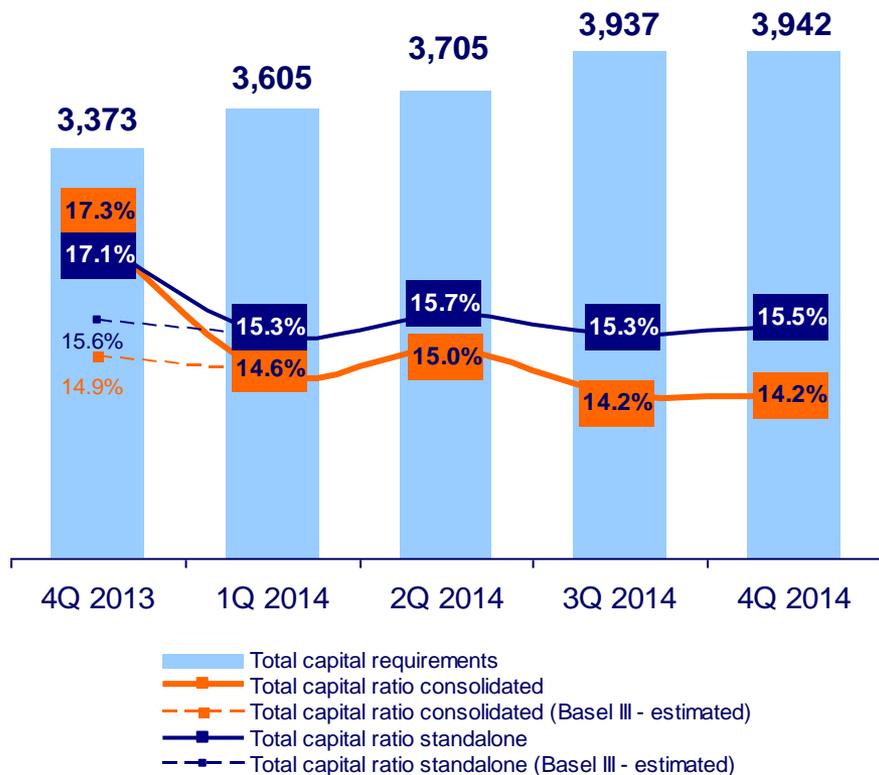
NIM annualized = sum of NII of 4 consecutive quarters / average interest earning assets of 5 consecutive quarters

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

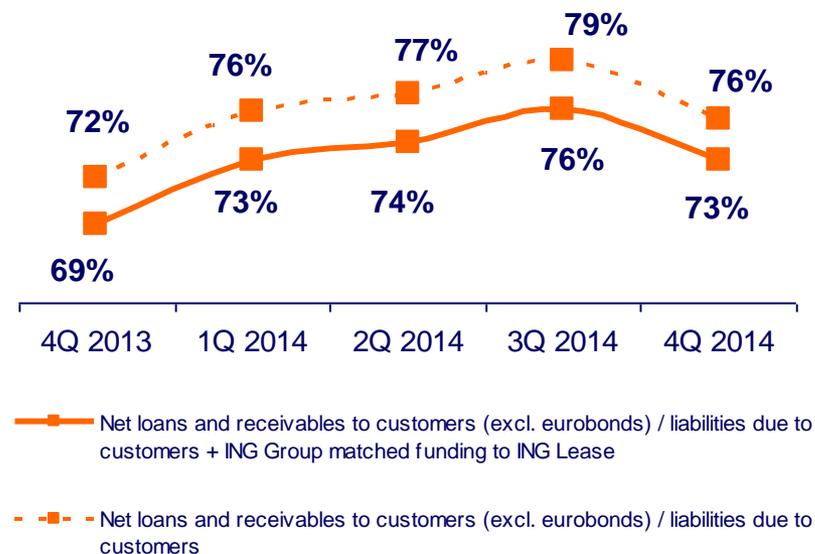


Capital Adequacy

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 , Q2 2014 , Q3 2014 and Q4 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). The ratio as at the end of Q4 2013, calculated in line with Basel II requirements.



New liquidity and leverage ratios – CRD IV

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

Liquidity Coverage Ratio (LCR)



Net Stable Funding Ratio (NSFR)



Leverage Ratio (LR)



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

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

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

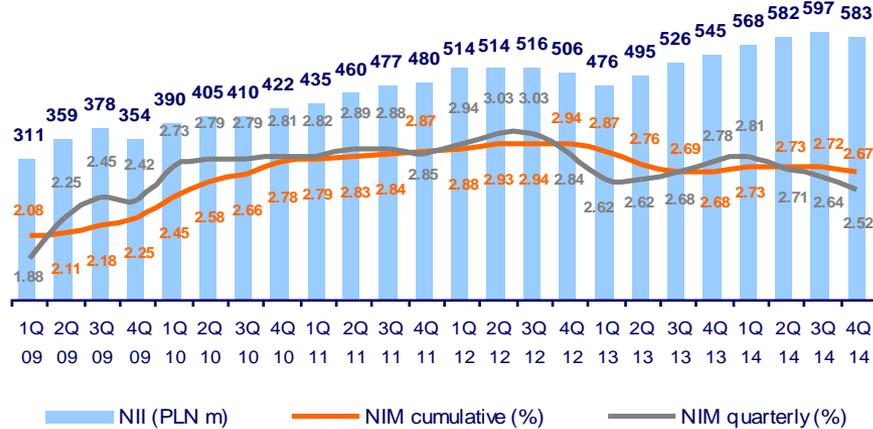
Appendix

Quarterly P&L

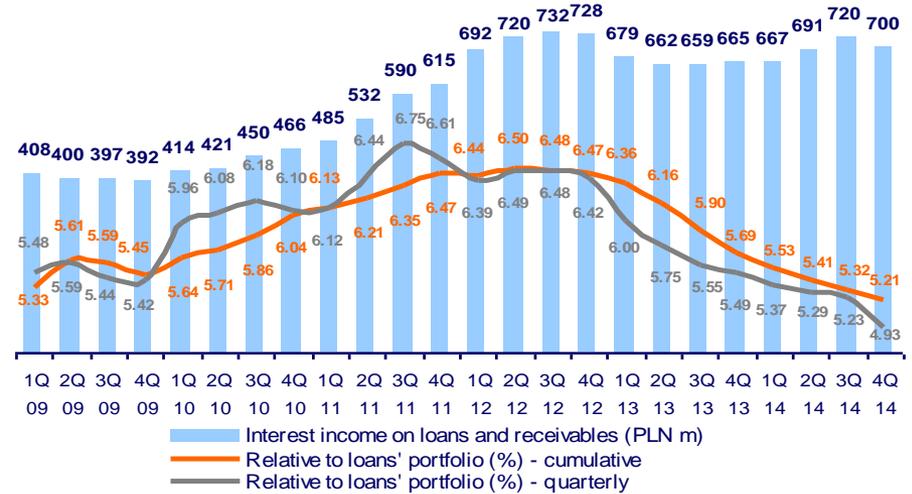
Interim condensed consolidated financial statements	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014	4Q 2014	QoQ		YoY		YTD 2013	YTD 2014	YoY	
									Δ	%	Δ	%			Δ	%
I. Net interest income, of which:	475.8	495.3	526.1	545.4	567.9	582.2	596.9	583.2	-13.7	-2.3%	37.8	6.9%	2,042.6	2,330.2	287.6	14.1%
Interest income, of which:	925.1	902.8	895.4	891.4	903.8	932.6	962.2	925.9	-36.3	-3.8%	34.5	3.9%	3,614.7	3,724.5	109.8	3.0%
- from loans and receivables to banks	27.8	25.3	23.8	26.5	28.7	23.8	22.3	17.8	-4.5	-20.2%	-10.7	-37.5%	105.4	92.6	-12.8	-12.1%
- from loans and receivables to customers	623.1	610.7	608.8	610.5	613.8	633.2	659.3	642.6	-16.7	-2.5%	32.1	5.3%	2,453.1	2,548.9	95.8	3.9%
- from leasing	40.2	37.8	37.2	39.5	39.3	42.1	44.5	42.4	-2.1	-4.7%	2.9	7.3%	154.7	168.3	13.6	8.8%
- from factoring	22.0	20.3	20.8	22.7	21.3	23.2	23.6	21.9	-1.7	-7.2%	-0.8	-3.5%	85.8	90.0	4.2	4.9%
- from debt securities	196.4	197.6	190.7	178.3	187.4	196.5	196.9	191.1	-5.8	-2.9%	12.8	7.2%	763.0	771.9	8.9	1.2%
- from BSB transactions (non trading)		8.7	1.3	1.6	3.7	4.8	4.4	2.2	-2.2	-50.0%	0.6	37.5%	11.6	15.1	3.5	30.2%
- interest result on derivatives	15.6	2.4	12.8	10.3	9.6	9.0	11.2	7.9	-3.3	-29.5%	-2.4	-23.3%	41.1	37.7	-3.4	-8.3%
Interest expenses, of which:	449.3	407.5	369.3	346.0	335.9	350.4	365.3	342.7	-22.6	-6.2%	-3.3	-1.0%	1,572.1	1,394.3	-177.8	-11.3%
- interest on deposits from banks	26.3	24.5	17.3	16.9	25.2	28.4	21.2	15.5	-5.7	-26.9%	-1.4	-8.3%	85.0	90.3	5.3	6.2%
- interest on deposits from customers	415.6	368.7	343.8	321.5	304.4	315.8	336.5	321.5	-15.0	-4.5%	0.0	0.0%	1,449.6	1,278.2	-171.4	-11.8%
- on SBB transactions (non trading)		7.0	1.8	1.2	0.4	0.7	2.0	0.1	-1.9	-95.0%	-1.1	-91.7%	10.0	3.2	-6.8	-68.0%
- interest on debt securities in issue	7.4	6.8	5.1	5.1	5.0	5.1	5.1	5.3	0.2	3.9%	0.2	3.9%	24.4	20.5	-3.9	-16.0%
- on trading financial instruments	0.0	0.5	1.3	1.3	0.9	0.4	0.5	0.3	-0.2	-40.0%	-1.0	-76.9%	3.1	2.1	-1.0	-32.3%
II. Net fees & commission income	251.1	261.0	245.0	264.8	276.1	279.6	258.3	248.9	-9.4	-3.6%	-15.9	-6.0%	1,021.9	1,062.9	41.0	4.0%
III. Result on trade operations and revaluation (incl investments and HA)	118.5	45.5	27.0	14.2	26.0	30.7	36.0	26.4	-9.6	-26.7%	12.2	85.9%	205.2	119.1	-86.1	-42.0%
<i>Net income on instruments measured at fair value through profit or loss and FX result</i>	17.1	34.3	36.4	10.1	25.3	22.8	23.6	23.1	-0.5	-2.1%	13.0	128.7%	97.9	94.8	-3.1	-3.2%
<i>Net income on investments</i>	120.4	-0.3	-11.7	0.4	0.1	4.9	5.2	5.4	0.2	3.8%	5.0	1250.0%	108.8	15.6	-93.2	-85.7%
<i>Net income on hedge accounting</i>	-19.0	11.5	2.3	3.7	0.6	3.0	7.2	-2.1	-9.3	n/a	-5.8	n/a	-1.5	8.7	10.2	-680.0%
IV. Net income on other basic activities	9.8	4.5	3.7	2.7	2.6	4.1	6.1	7.5	1.4	23.0%	4.8	177.8%	20.7	20.3	-0.4	-1.9%
V. Share in net profit (loss) of associated entities recognised under the equity method	9.0	7.8	9.3	12.0	11.2	1.1	0.0	0.0			-12.0		38.1	12.3	-25.8	-67.7%
Income	864.2	814.1	811.1	839.1	883.8	897.7	897.3	866.0	-31.3	-3.5%	26.9	3.2%	3,328.5	3,544.8	216.3	6.5%
Expenses	482.2	477.0	458.8	450.4	471.2	480.5	489.5	488.5	-1.0	-0.2%	38.1	8.5%	1,868.4	1,929.7	61.3	3.3%
- personnel expenses	226.7	226.3	230.1	243.5	230.5	241.3	237.3	238.3	1.0	0.4%	-5.1	-2.1%	926.6	947.5	20.9	2.3%
- other expenses	255.5	250.7	228.7	206.9	240.7	239.2	252.2	250.1	-2.1	-0.8%	43.2	20.9%	941.8	982.2	40.4	4.3%
Result on other operating income and expenses	39.9	40.7	39.4	44.0	38.0	38.5	39.6	59.0	19.4	49.1%	14.9	33.9%	164.0	175.0	11.1	6.8%
Profit before risk costs	382.0	337.1	352.3	388.7	412.6	417.2	407.8	377.5	-30.3	-7.4%	-11.2	-2.9%	1,460.1	1,615.1	155.0	10.6%
Cost of risk	58.0	69.1	63.7	76.4	84.1	33.3	65.2	85.1	19.9	30.5%	8.7	11.4%	267.2	267.7	0.5	0.2%
- retail	38.0	40.4	33.0	17.0	36.7	10.6	13.2	18.2	5.0	37.9%	1.2	7.1%	128.4	78.7	-49.7	-38.7%
- corporate	20.0	28.7	30.7	59.4	47.4	22.7	52.0	66.9	14.9	28.7%	7.5	12.6%	138.8	189.0	50.2	36.2%
Profit (loss) before tax	324.0	268.0	288.6	312.3	328.5	383.9	342.6	292.4	-50.2	-14.7%	-19.9	-6.4%	1,192.9	1,347.4	154.5	13.0%
Income tax	64.3	51.1	54.2	61.8	73.9	101.5	69.5	61.7	-7.8	-11.2%	-0.1	-0.2%	231.4	306.6	75.2	32.5%
Net profit (loss), of which:	259.7	216.9	234.4	250.5	254.6	282.4	273.1	230.7	-42.4	-15.5%	-19.8	-7.9%	961.5	1,040.8	79.3	8.2%
Net profit (loss) attributable to the shareholders of ING Bank Śląski S.A.	259.7	216.9	234.4	250.5	254.6	282.3	273.0	230.8	-42.2	-15.5%	-19.7	-7.9%	961.5	1,040.7	79.2	8.2%
Net profit (loss) attributable to non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.1	0.1	-0.1	-0.2	n/a	-0.1	n/a	0.0	0.1	0.1	n/a
	55.8%	58.6%	56.6%	53.7%	53.3%	53.5%	54.6%	56.4%					56.1%	54.4%		

Net interest income and margins development

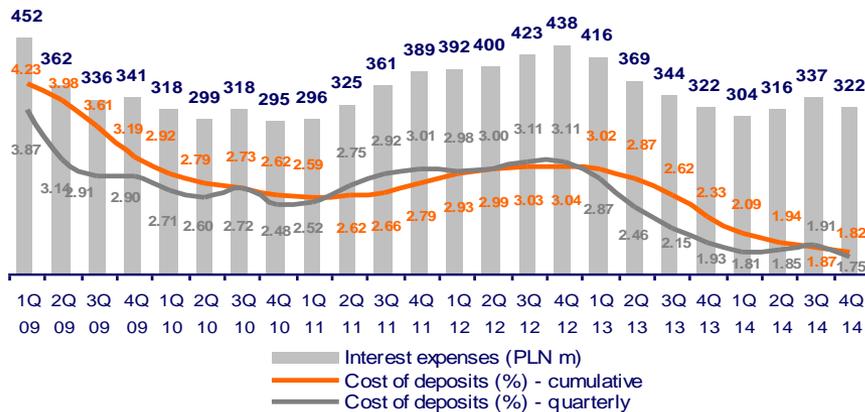
NII (PLN m) / NIM (%)



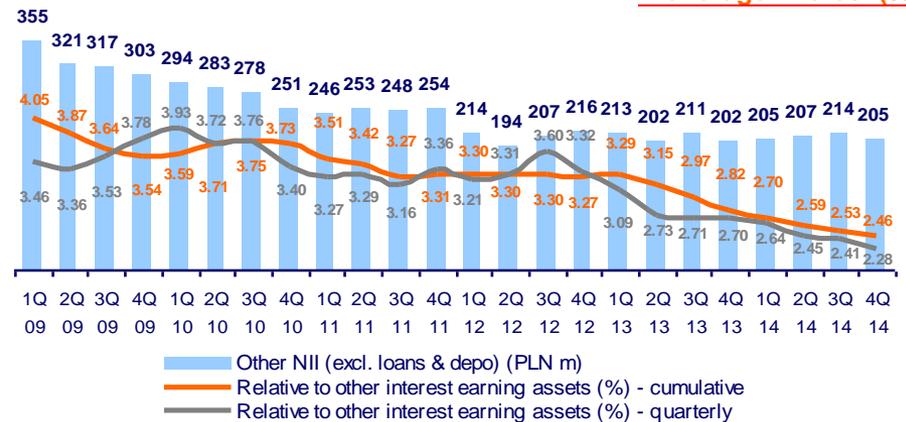
Interest income on customer loans & receivables (PLN m) / average interest (%)



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



Lending exposure by industry

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

Consolidated approach

No	Industry	Exposure as of 31.12.2014	%
1	WHOLESALE TRADE	5,426	14.8%
2	REAL ESTATE SERVICE	4,197	11.4%
3	PUBLIC ADMINISTRATION AND NATIONAL DEFENSE	3,727	10.1%
4	RETAIL TRADE	2,130	5.8%
5	FOODSTUFF AND BEVERAGE PRODUCTION	1,964	5.3%
6	POWER INDUSTRY	1,737	4.7%
7	FINANCIAL INTERMEDIATION	1,505	4.1%
8	LAND AND PIPELINE TRANSPORTATION	1,469	4.0%
9	AGRICULTURE, FORESTY, FISHERY	1,283	3.5%
10	EQUIPMENT RENT	1,281	3.5%
11	CONSTRUCTIONS INDUSTRY	1,219	3.3%
12	READY-MADE METAL GOODS PRODUCTIONS	1,088	3.0%
13	RUBBER INDUSTRY	956	2.6%
14	POST OFFICE AND TELECOMMUNICATIONS	715	1.9%
15	ENGINEERING INDUSTRY	641	1.7%
16	COMPUTER INDUSTRY AND ASSOCIATED SERVICE	603	1.6%
17	FUEL INDUSTRY	595	1.6%
18	WOOD AND PAPER INDUSTRY	535	1.5%
19	MECHANICAL VEHICLES SALE, REPAIR AND SERVICE	532	1.4%
20	Other	5,176	14.1%
Total exposure		36,781	100.0%

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



Lending exposure by industry

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

Consolidated approach

No	Industry	Exposure as of 31.12.2014	%
1	WHOLESALE TRADE	8,396	14.9%
2	REAL ESTATE SERVICE	4,662	8.3%
3	PUBLIC ADMINISTRATION AND NATIONAL DEFENSE	4,140	7.4%
4	POWER INDUSTRY	3,640	6.5%
5	RETAIL TRADE	3,314	5.9%
6	FOODSTUFF AND BEVERAGE PRODUCTION	3,255	5.8%
7	CONSTRUCTIONS INDUSTRY	2,906	5.2%
8	FINANCIAL INTERMEDIATION	2,161	3.8%
9	LAND AND PIPELINE TRANSPORTATION	2,068	3.7%
10	READY-MADE METAL GOODS PRODUCTIONS	1,665	3.0%
11	EQUIPMENT RENT	1,581	2.8%
12	RUBBER INDUSTRY	1,472	2.6%
13	AGRICULTURE, FORESTY, FISHERY	1,370	2.4%
14	COMPUTER INDUSTRY AND ASSOCIATED SERVICE	1,164	2.1%
15	ENGINEERING INDUSTRY	1,036	1.8%
16	METALS PRODUCTIONS	953	1.7%
17	MECHANICAL VEHICLES SALE, REPAIR AND SERVICE	895	1.6%
18	REMAINING NON-METAL RAW MATERIALS INDUSTRIES	887	1.6%
19	FUEL INDUSTRY	883	1.6%
20	Other	9,811	17.4%
Total exposure		56,259	100.0%

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

