

ING Bank Śląski S.A.

Business and Financial Results
For Q3 2016

Warsaw, 03 November 2016

Investor Information

ING Bank Śląski S.A. develops the financial statements under the International Accounting Standards (IAS) adopted by the European Union (IFRS-EU).

The financial information presented in this document has been prepared based on the same accounting principles as applied in the ING Bank Śląski S.A. Annual Report. All figures in this document are unaudited. Small differences in figures are possible.

Certain statements contained herein are not historical facts; some of them in particular are forecasts and future expectations that are based on current views and assumptions of the Management Board and that involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from data contained or implied in such statements due to the following: (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.

www.ingbank.pl

Table of contents

1. Introduction to financial results and the Bank's market position
2. Business development
3. Financial results for 3 quarters of 2016
4. Appendixes

Introduction to financial results and the Bank's market position

Strategic goals of ING Bank Śląski S.A.

Review of accomplishments in 1-3Q 2016

▶ New clients acquisition and volume growth

- **4.2 million** retail clients → net increase of **244 thousand** y/y (including 320 thousand entrepreneurs → net increase of **22 thousand** y/y)
- **46.9 thousand** corporate clients → net increase of **6.0 thousand** y/y
- **PLN 91.5bn** deposits → **PLN +7.6bn** (+9%) y/y
- **PLN 61.4bn** retail clients deposits → **PLN +5.6bn** (+10%) y/y

▶ Increase in lending sales volume

- **PLN 77.2bn** loans granted to clients → **PLN +8.0bn** (+12%) y/y
- **PLN 46.7bn** corporate loans (factoring and leasing included) → **PLN +3.0bn** (+7%) y/y
- **PLN 30.4bn** retail loans → **PLN +5.0bn** (+20%) y/y
- **PLN 22.4bn** retail mortgage loans → **PLN +3.4bn** (+18%) y/y
- **14.0%** market share in the sales of retail mortgage loans in 1-3Q 2016

▶ Top-notch customer service maintenance

- **1.7 million downloads** of *ING BankMobile*, *ING BankMobile HD* and *Moje ING*
- 38% of active retail electronic banking clients use mobile banking
- 14% of active ING Business clients use mobile banking
- **1,143 machines for cash self-service**, including **214 standard ATMs** and **929 recyclers**
- 386 branches with self-banking zones and 65 ING Express sales points
- **#1** in the category of “**Mortgage Banking**” in the ranking “Newsweek Friendly Bank” 2016

▶ Translation of business actions into Bank's financial performance

- **PLN 3,203 million** income in 1-3Q 2016 → +13% y/y
- **PLN 1,661 million** result before risk costs in 1-3Q 2016 → +26% y/y
- Net profit of **PLN 998 million** in 1-3Q 2016 → +8% y/y
- **LtD ratio of 83%** → +2p.p. y/y

Major business results of the Bank

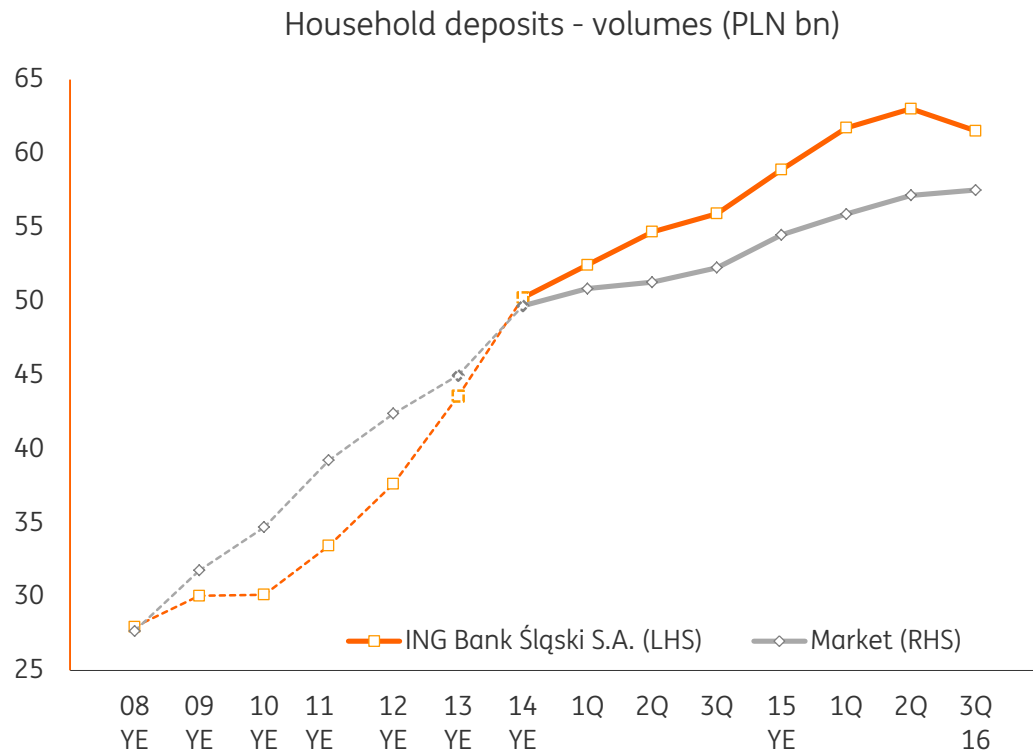
Bank's business volumes

<i>in PLN million</i>	30.09.15	31.12.15	31.03.16	30.06.16	30.09.16	Change q/q	Change YtD	Change y/y	Diff q/q	Diff YtD	Diff y/y
Total deposits	83 852	87 251	89 693	92 253	91 491	- 1%	+ 5%	+ 9%	-762	4 240	7 639
Corporate clients deposits	28 052	28 560	28 189	29 401	30 044	+ 2%	+ 5%	+ 7%	643	1 484	1 992
Retail clients deposits	55 800	58 691	61 504	62 852	61 447	- 2%	+ 5%	+ 10%	-1 405	2 756	5 647
Total funds entrusted by retail clients	63 490	66 436	68 908	70 245	69 315	- 1%	+ 4%	+ 9%	-930	2 879	5 825
Mutual funds assets (TFI) + other off-BS products distributed by the Bank	7 689	7 746	7 404	7 393	7 868	+ 6%	+ 2%	+ 2%	475	122	179
Total loans	69 172	69 565	72 404	75 009	77 169	+ 3%	+ 11%	+ 12%	2 160	7 604	7 997
Loans to corporate clients incl. leasing and factoring	43 767	43 270	44 805	45 617	46 749	+ 2%	+ 8%	+ 7%	1 132	3 479	2 982
Loans to retail clients	25 406	26 295	27 599	29 391	30 420	+ 4%	+ 16%	+ 20%	1 029	4 125	5 014
Mortgage loans volume	19 019	19 721	20 572	21 785	22 447	+ 3%	+ 14%	+ 18%	662	2 726	3 428

Market position of ING Bank Śląski S.A.

Household market

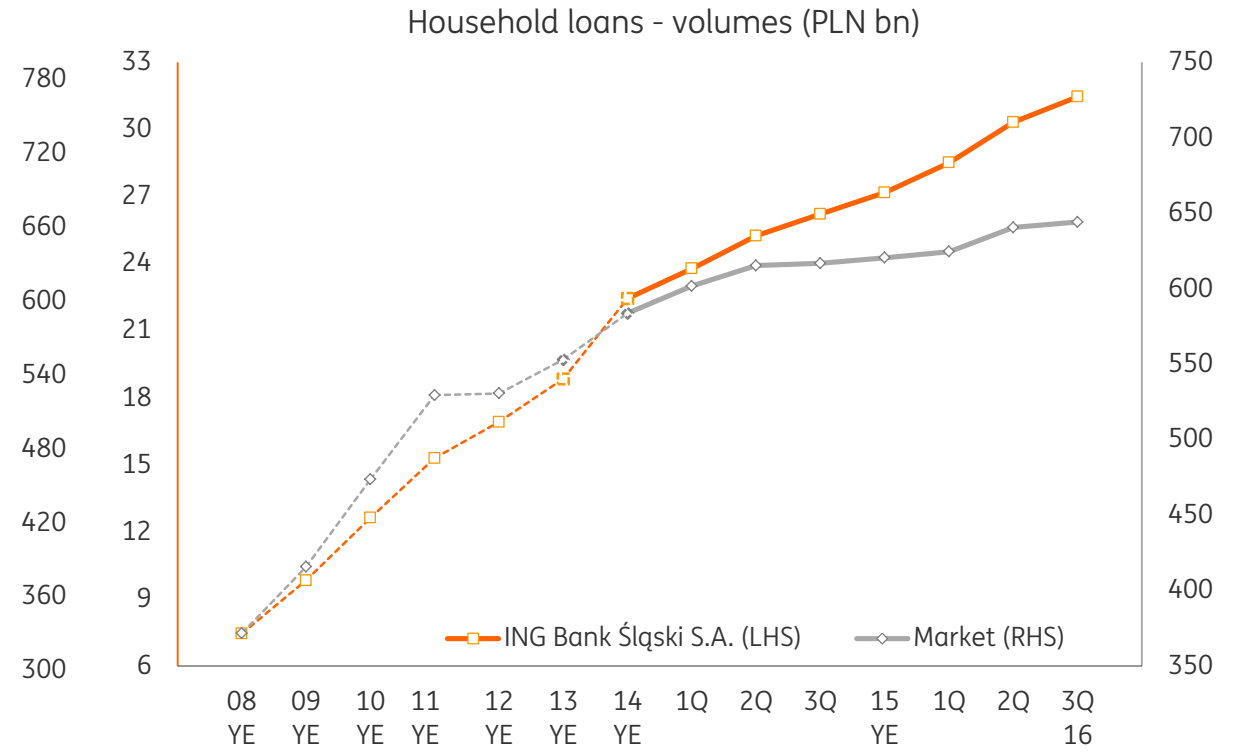
Share in the household deposits market



market share (%)

08YE	09YE	10YE	11YE	12YE	13YE	14YE	1Q	2Q	3Q	15YE	1Q	2Q	3Q16
8.42	7.88	7.24	7.10	7.40	8.07	8.42	8.60	8.89	8.92	9.01	9.21	9.19	8.91

Share in the household loans market



market share (%)

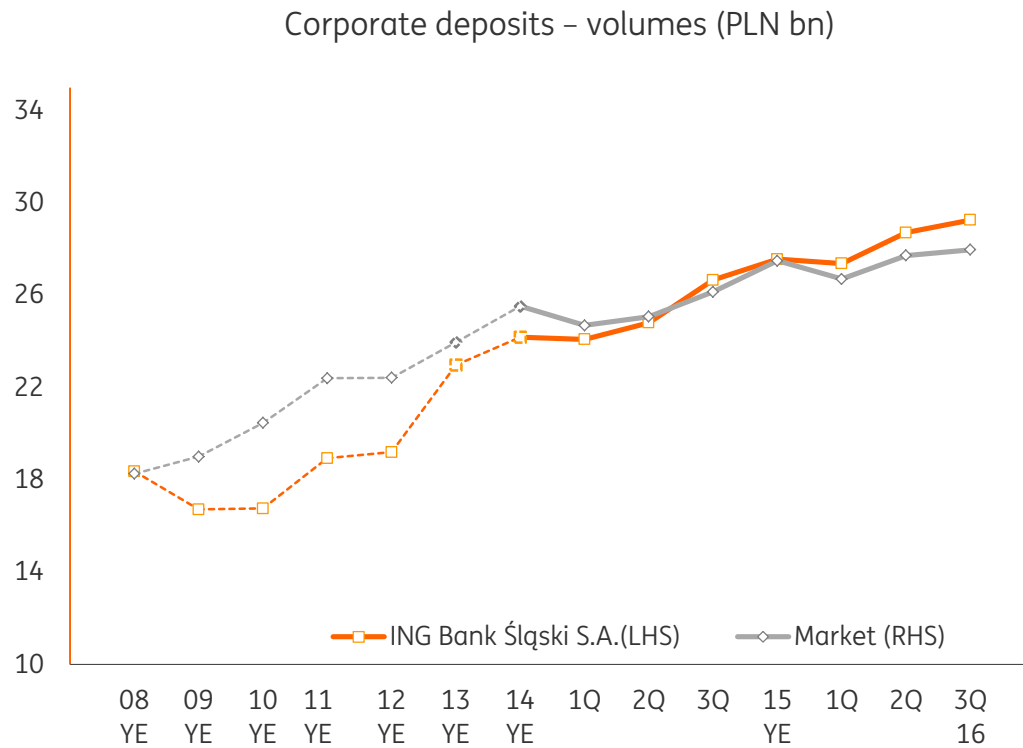
08YE	09YE	10YE	11YE	12YE	13YE	14YE	1Q	2Q	3Q	15YE	1Q	2Q	3Q16
2.00	2.36	2.67	2.89	3.19	3.41	3.84	3.95	4.10	4.25	4.38	4.56	4.73	4.88

Note: Market data - banking sector data of the National Bank of Poland (credit unions excluded), including interest accrued
 ING BS data - gross deposits and loans (excluding other liabilities and receivables)

Market position of ING Bank Śląski S.A.

Corporate market

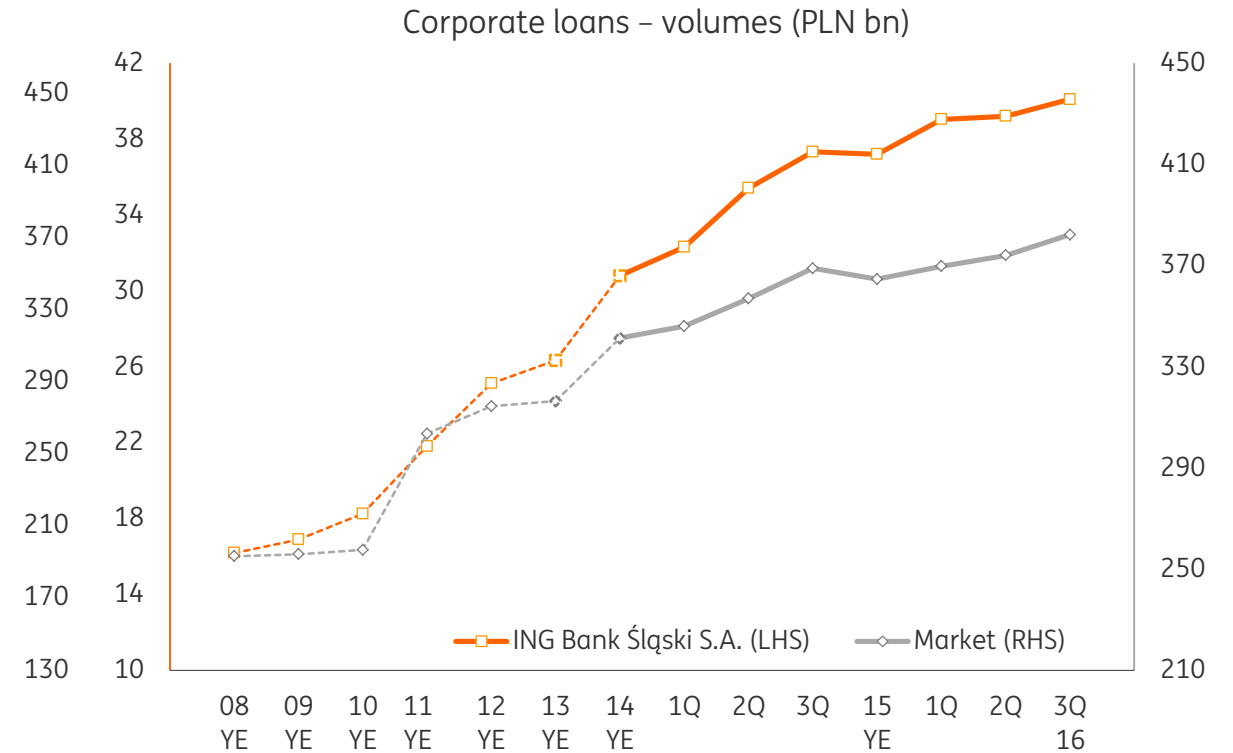
Share in the corporate deposits market



market share (%)

08YE	09YE	10YE	11YE	12YE	13YE	14YE	1Q	2Q	3Q	15YE	1Q	2Q	3Q16
7.79	6.82	6.35	6.56	6.64	7.44	7.36	7.57	7.68	7.92	7.80	7.96	8.05	8.13

Share in the corporate loans market



market share (%)

08YE	09YE	10YE	11YE	12YE	13YE	14YE	1Q	2Q	3Q	15YE	1Q	2Q	3Q16
6.34	6.60	7.09	7.19	7.99	8.32	9.02	9.34	9.92	10.12	10.20	10.56	10.48	10.49

Note: Market data – banking sector data of the National Bank of Poland (credit unions excluded), including interest accrued
 ING BS data – gross deposits and loans (excluding other liabilities and receivables)

ING Bank Śląski S.A. Financial Performance – reported

<i>PLN million</i>	9M 2015	9M 2016	change y/y
Total income	2 824,5	3 202,5	+ 13%
Total expenses	1 507,7	1 541,5	+ 2%
Result before risk costs	1 316,8	1 661,0	+ 26%
Risk costs	180,6	162,1	- 10%
Bank levy	0,0	203,0	-
Profit before tax	1 136,2	1 295,9	+ 14%
Net profit	921,4	998,1	+ 8%
Total capital ratio	13,7%	14,8%	+ 1,1 p.p.
Tier I	13,7%	13,8%	+ 0,1 p.p.
ROE (%)	11,4%	11,3%	- 0,1 p.p.
C/I Ratio (%)	53,4%	48,1%	- 5,2 p.p.

<i>PLN million</i>	3Q 2015	2Q 2016	3Q 2016	change q/q	change y/y
Total income	937,1	1 152,4	1 074,5	- 7%	+ 15%
Total expenses	509,8	517,2	515,5	- 0%	+ 1%
Result before risk costs	427,3	635,2	559,0	- 12%	+ 31%
Risk costs	32,0	33,5	49,7	+ 48%	+ 55%
Bank levy	0,0	76,8	75,7	- 1%	-
Profit before tax	395,3	524,9	433,6	- 17%	+ 10%
Net profit	315,7	406,9	332,0	- 18%	+ 5%
C/I Ratio (%)	54,4%	44,9%	48,0%	+ 3,1 p.p.	- 6,4 p.p.

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

ING Bank Śląski S.A. Financial Performance – recurring*

<i>PLN million</i>	9M 2015	9M 2016	change y/y
Total income*	2 724,0	3 013,0	+ 11%
Total expenses*	1 507,7	1 541,5	+ 2%
Result before risk costs*	1 216,3	1 471,5	+ 21%
Risk costs	180,6	162,1	- 10%
Profit before tax*	1 035,7	1 309,4	+ 26%
Net profit*	824,3	1 047,6	+ 27%
Total capital ratio	13,7%	14,8%	+ 1,1 p.p.
Tier I	13,7%	13,8%	+ 0,1 p.p.
ROE (%)*	10,5%	13,0%	+ 2,5 p.p.
C/I Ratio (%)*	55,3%	51,2%	- 4,2 p.p.

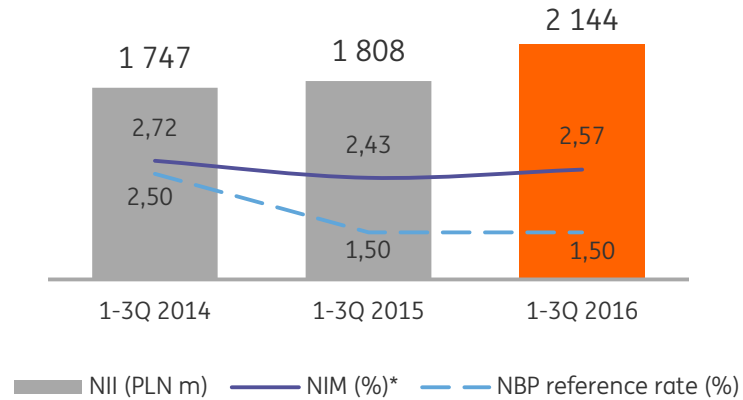
<i>PLN million</i>	3Q 2015	2Q 2016	3Q 2016	change q/q	change y/y
Total income*	918,7	962,8	1 074,5	+ 12%	+ 17%
Total expenses*	509,8	517,2	515,5	- 0%	+ 1%
Result before risk costs*	408,9	445,7	559,0	+ 25%	+ 37%
Risk costs	32,0	33,5	49,7	+ 48%	+ 55%
Profit before tax*	376,9	412,1	509,3	+ 24%	+ 35%
Net profit*	300,8	330,2	407,7	+ 23%	+ 36%
C/I Ratio (%)*	55,5%	53,7%	48,0%	- 5,7 p.p.	- 7,5 p.p.

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

*excluding bank levy and one-off trades (in gross terms: 2Q15 – dividend from ING PTE PLN 82.1m, 3Q15 – disposal of ING PTE PLN 18.4m, 2Q16 – disposal of Visa Europe PLN 189.6m)

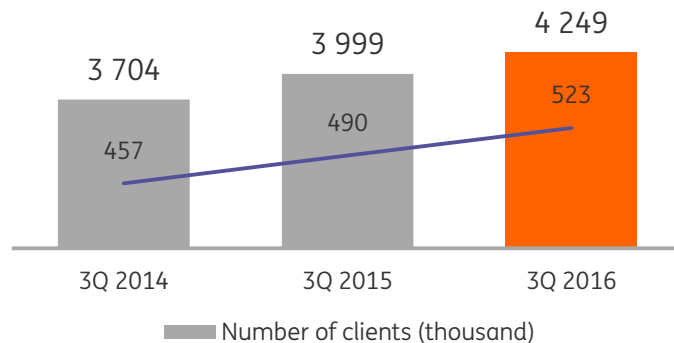
Efficiency growth

Net interest margin

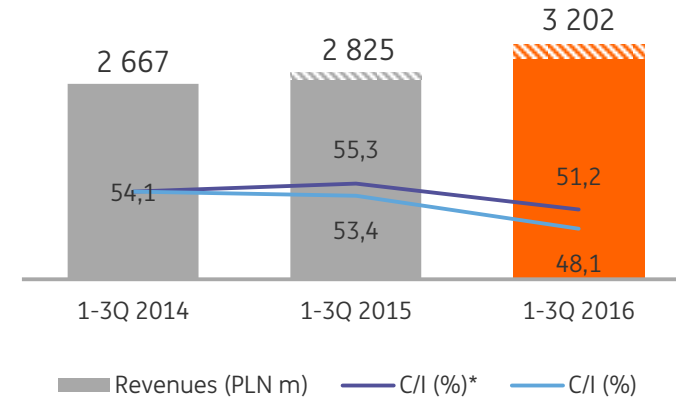


* Net Interest Margin = total of net interest income for 4 consecutive quarters / average interest assets for 5 consecutive quarters.

Number of clients per employee

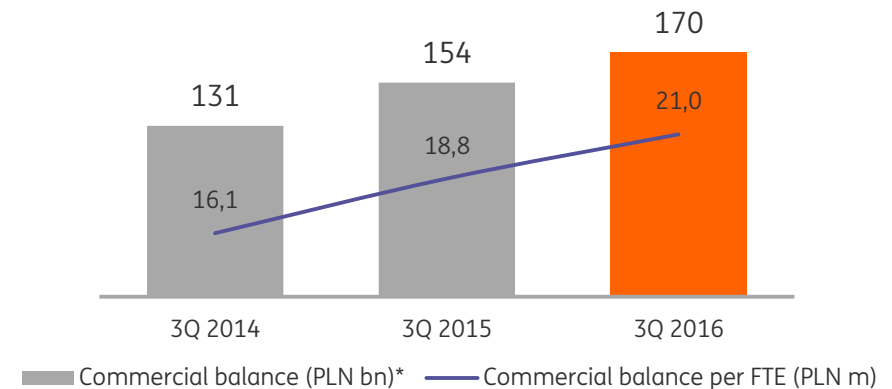


Income and cost effectiveness



*excluding income from one-off trades (ING PTE and Visa) and bank levy

Commercial balances per employee



*Commercial balance = gross loans and receivables from clients (leasing and factoring included) excluding bonds + liabilities to clients

Business development

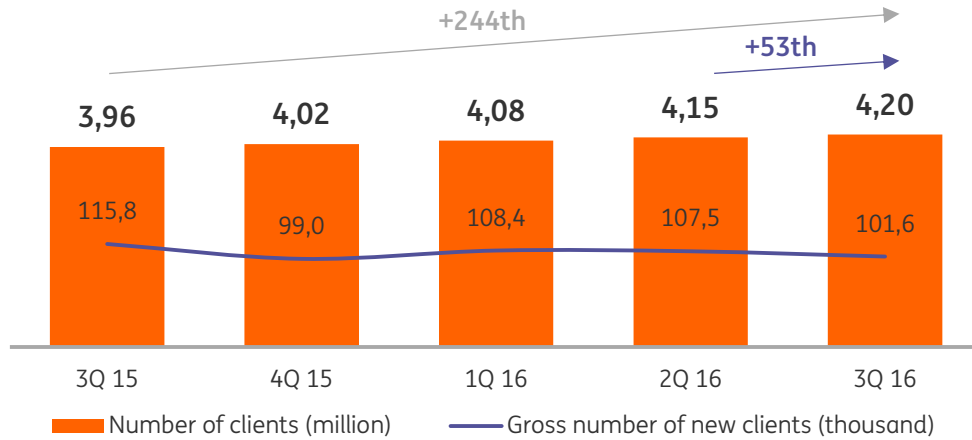
Increase in core products' sale

- 4.20 million retail clients → +102 thousand new clients acquired in Q3 2016 and +318 thousand YTD
- Nearly 850 thousand preapproved offers of cash loans → +760 thousand YTD
- 18.2 thousand new clients enjoying the mutual funds offer → +32% YTD
- 1.76 million individual clients use application *Moje ING*
- 38% of active retail electronic banking clients use mobile banking
- Initiation of tests of *Moje ING* platform for entrepreneurs
- #1 in the category of „Mortgage Banking” in the ranking “Newsweek Friendly Bank” 2016
- PLN 30.4 billion retail loans → PLN +5.0 billion (+20%) y/y and PLN +1.0 billion (+4%) q/q
- PLN 22.4 billion mortgage loans → PLN +3.4 billion (+18%) y/y and PLN +0.7 billion (+3%) q/q
- 14.0% market share in the sales of retail mortgage loans in 1-3Q 2016
- PLN 3.1 billion cash loans granted to retail clients in 1-3Q 2016 → +36% y/y
- PLN 61.4 billion retail deposits → PLN +5.6 billion (+10%) y/y and PLN -1.4 billion (-2%) q/q

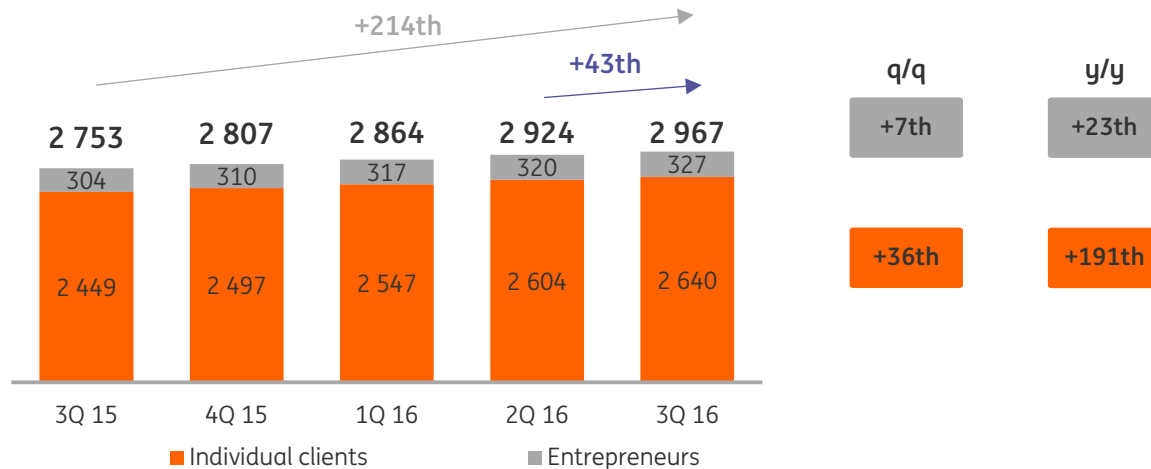
Client base

Over 4.2 million retail clients

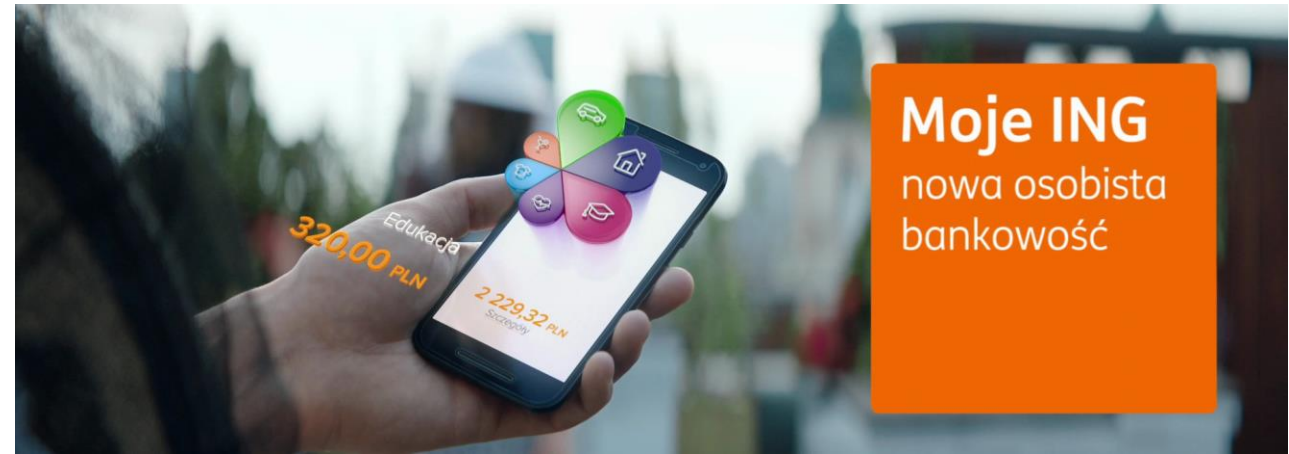
Number of retail clients



Number of retail clients' current accounts (thousand)



Note: PLN-denominated current accounts



Moje ING
nowa osobista bankowość

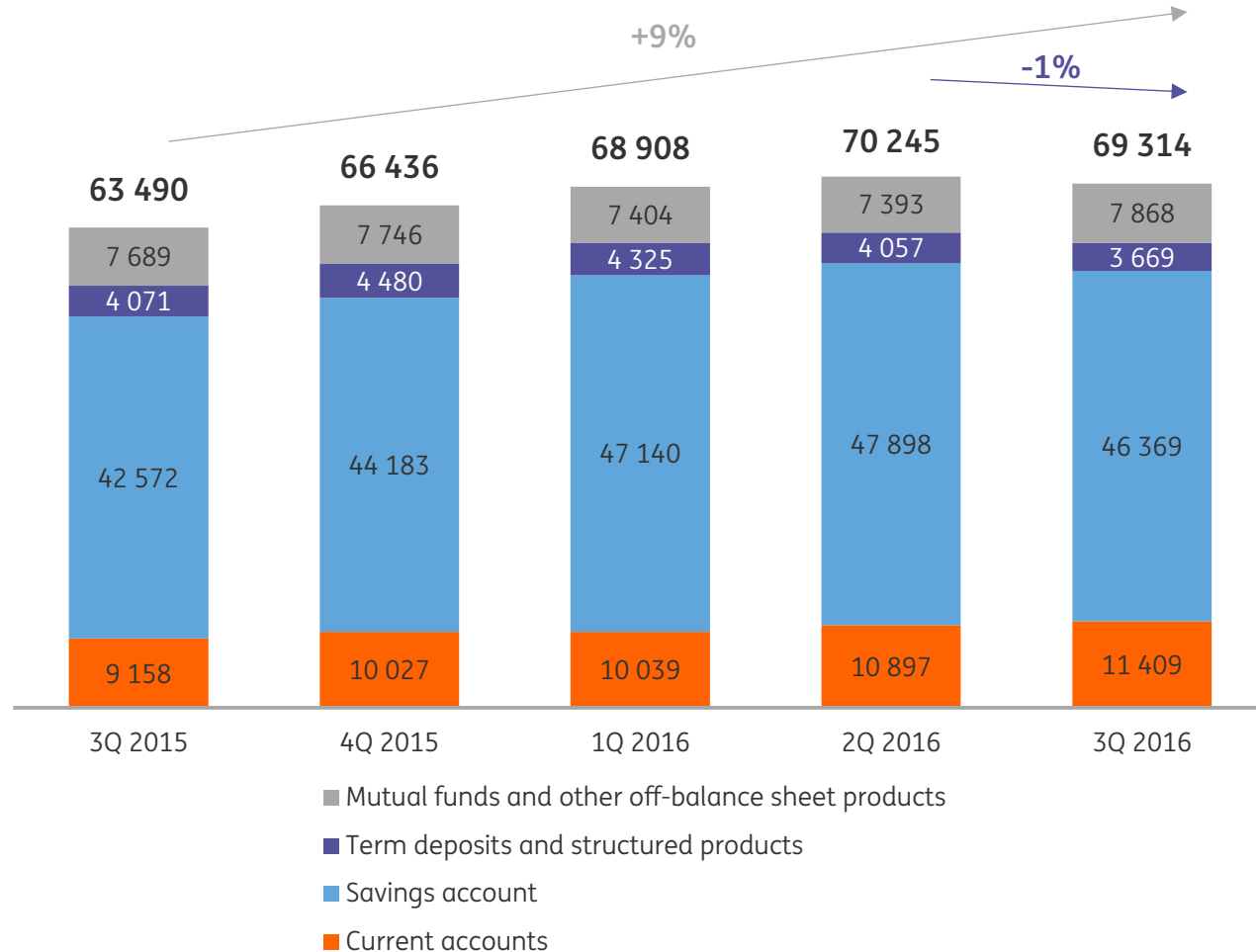
- Almost 3 million current accounts, 79% of which are Direct Accounts



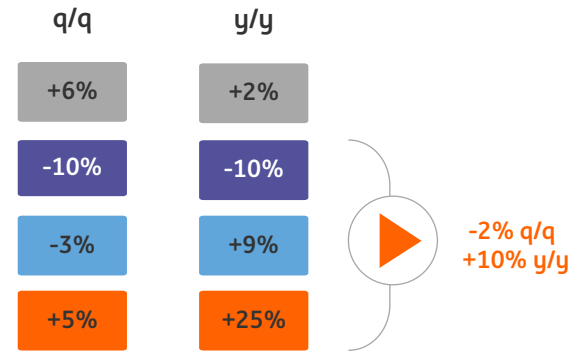
Funds entrusted

Permanent growth of stable funding base

Portfolio of funds entrusted by retail clients (PLN m)



Saving smarties reap benefits!

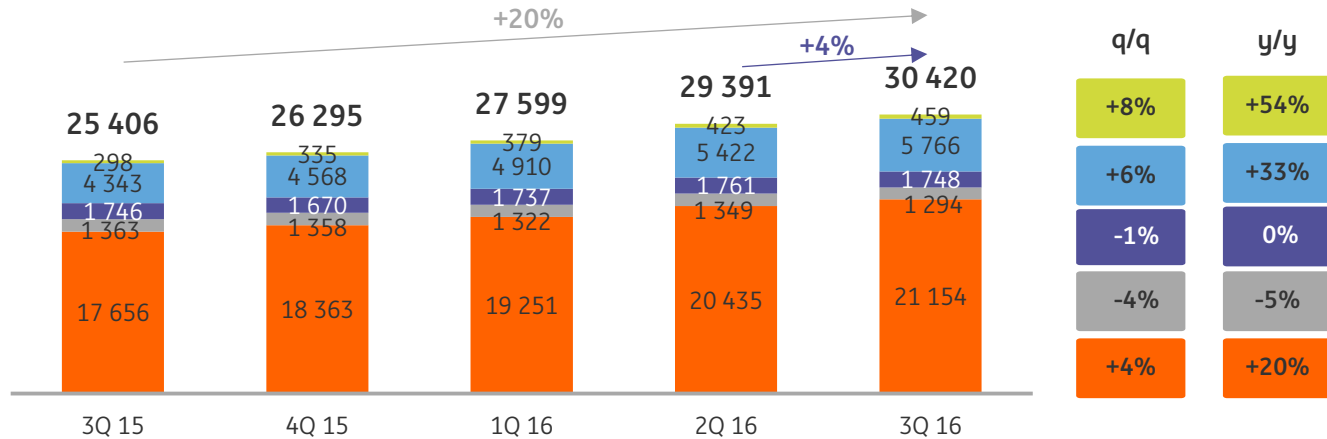


Two silver Effie statuettes

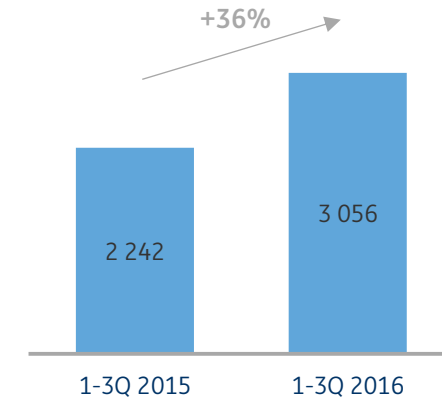
Retail lending

Constant growth in retail lending

Loan portfolio of retail clients (PLN m)

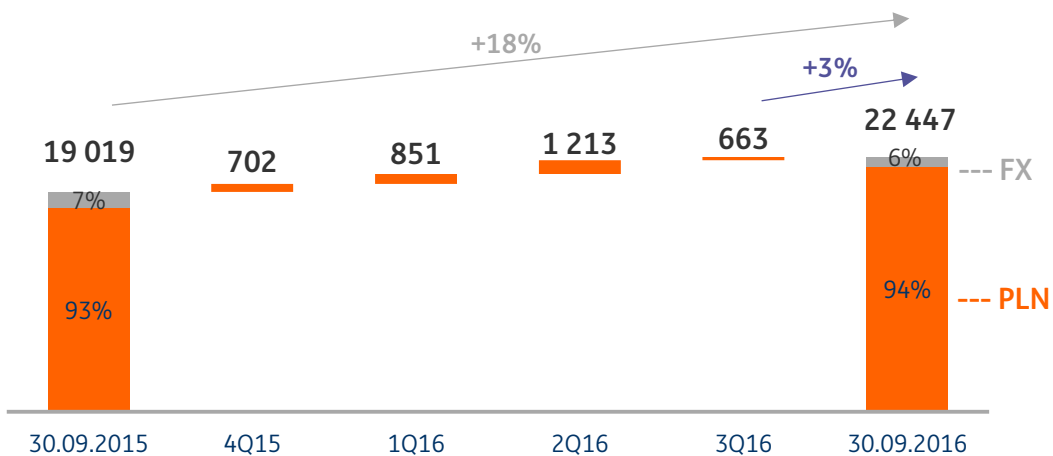


Cash loan production (PLN m)



■ PLN mortgage loans ■ FX mortgage loans ■ Credit cards & Overdrafts ■ Cash loans ■ Leasing

Retail mortgage loans (PLN m)



- **PLN 3.1 billion** cash loans granted to retail clients in 1-3Q 2016 (+36% y/y), including PLN 1 billion in Q3 2016 (-16% q/q and +21% y/y)
- **14.0%** market share in the sales of mortgage loans in 1-3Q 2016, #4 on the market.
Amount of signed agreements: PLN 4.3 billion (+6% y/y)
- **8.3%** market share in PLN housing loans; **5.2%** in total housing loans (as at the end of Q3 2016)

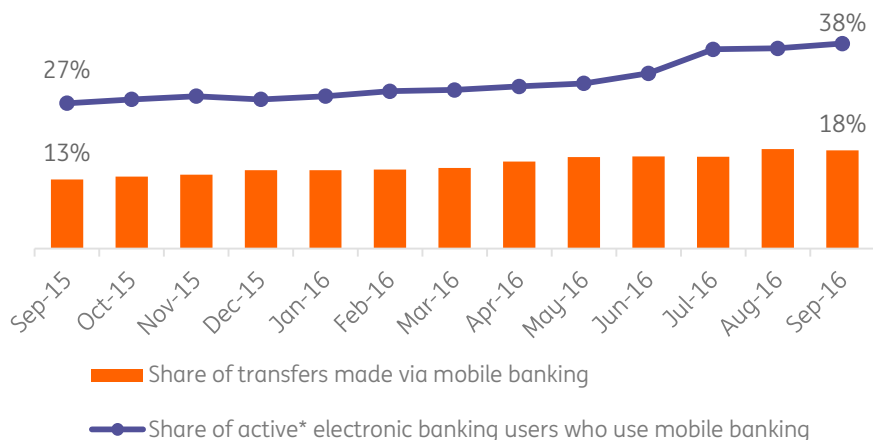
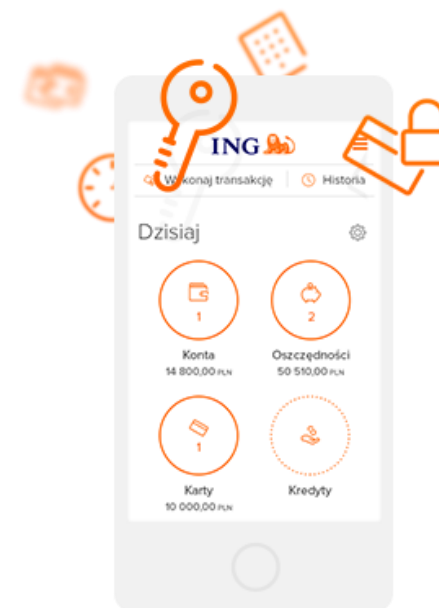
Distribution and service network

Wide availability of banking services for clients

Mobile banking (ING BankMobile / ING BankMobile HD / Moje ING Mobile)

- ~ **864 thousand** clients with access to mobile banking (+6% q/q, +32% y/y)
- ~ **604 thousand** active clients* (+6% q/q, +19% y/y)
- ~ **7.6 million** transfers in Q3 2016 (+4% q/q, +53% y/y)

1.7
million
application
downloads



- **386** branches with self-banking zones
- **1,143** machines for cash self-service, including **214** standard ATMs and **929** recyclers
- **Nearly 800** contactless ATMs/Recyclers
- **65** ING Express sales points at shopping malls

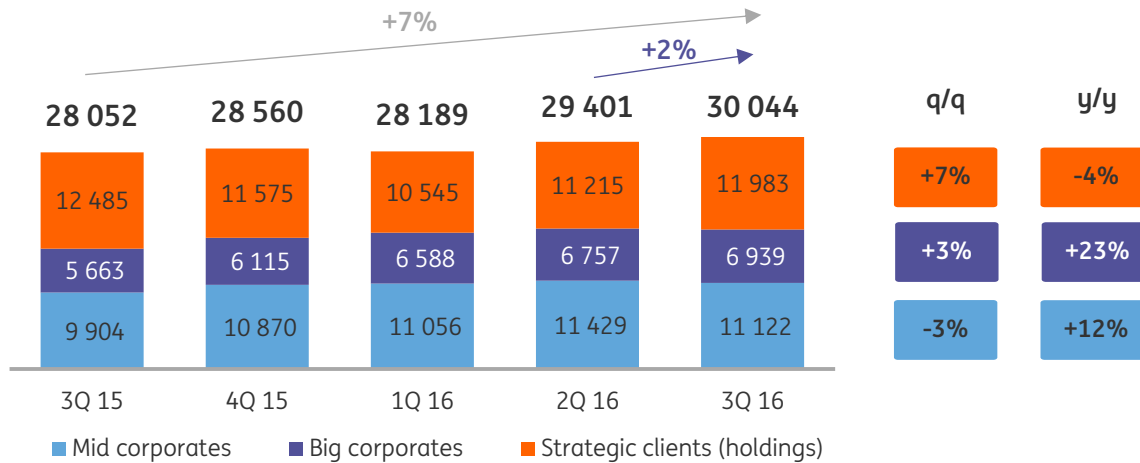
*users who used the application in the last month

Volumes growth

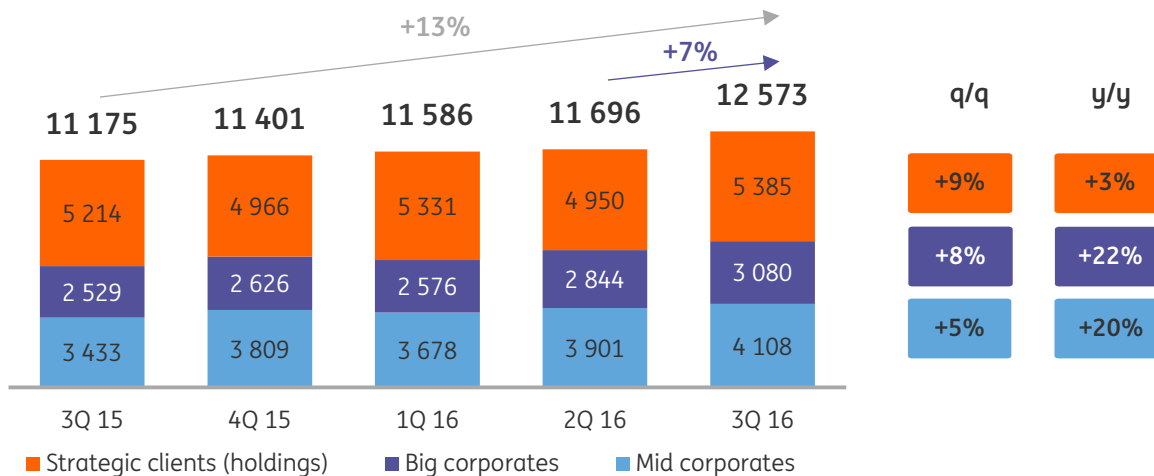
- 46.9 thousand corporate clients → 2.4 thousand new clients acquired in Q3 2016, +7.8 thousand 1-3Q 2016
- 1,780 new corporate clients acquired on-line (since the beginning of the project in July 2015)
- 14% of active ING Business clients use mobile banking
- Implementation of functionality to log in and authorize a transaction by a fingerprint (Touch ID)
- Implementation of facilities as to increase the number of credit applications serviced via Fast Track
- Implementation of facilities in Payment Factory – centralisation of the management of payments and reports used by the biggest international clients of ING Group
- Implementation of Virtual Payment Cards for tourism industry – as a first bank in Poland
- PLN 46.7 billion corporate loans → PLN +3.0 billion (+7%) y/y and PLN +1.2 billion (+3%) q/q
- PLN 6.0 billion leasing receivables → PLN +475 million (+9%) y/y and PLN +44 million (+1%) q/q
- PLN 3.1 billion factoring receivables → PLN +716 million (+30%) y/y and PLN +256 million (+9%) q/q
- PLN 30.0 billion corporate deposits → PLN +2.0 billion (+7%) y/y and PLN +0.6 billion (+2%) q/q

Cash management

Volume of corporate deposits (PLN m)



Volume of corporate current accounts (PLN m)



7.8 thousand
(+11% y/y)

new corporate clients acquired in 1-3Q 2016

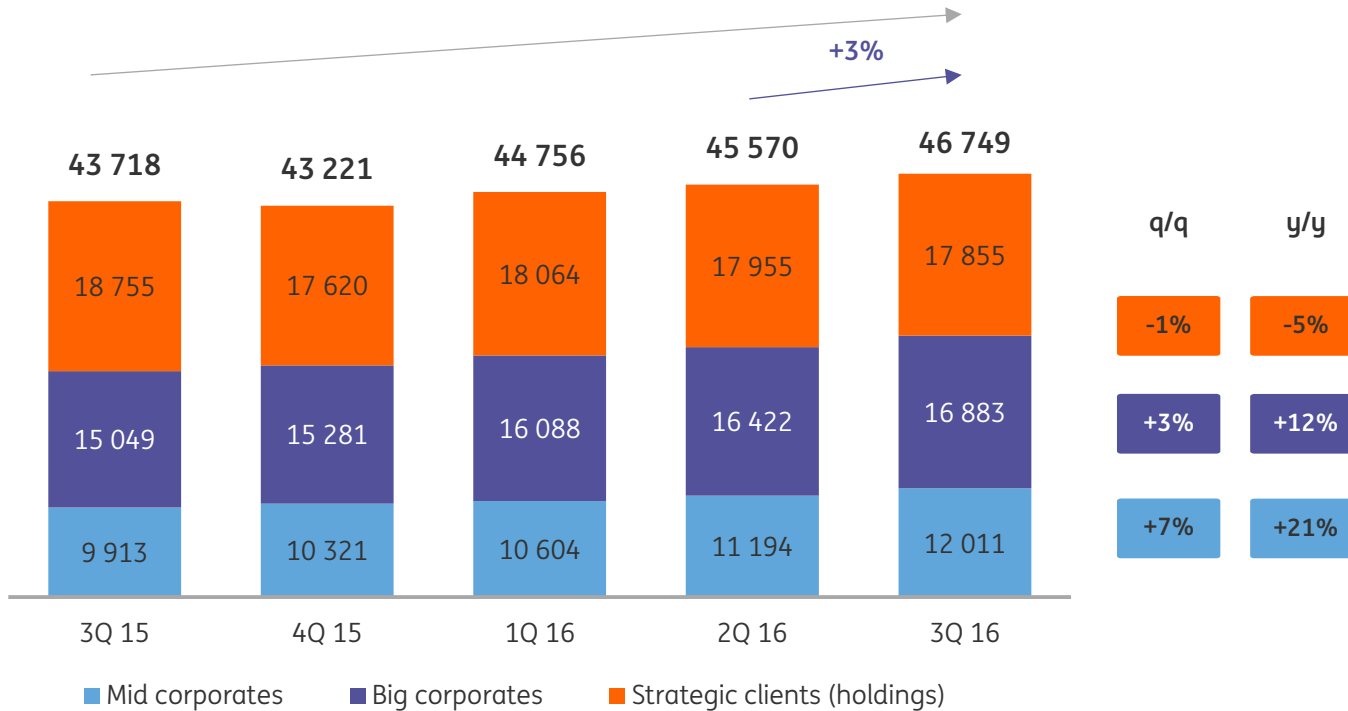


14% of active* ING Business clients use mobile banking

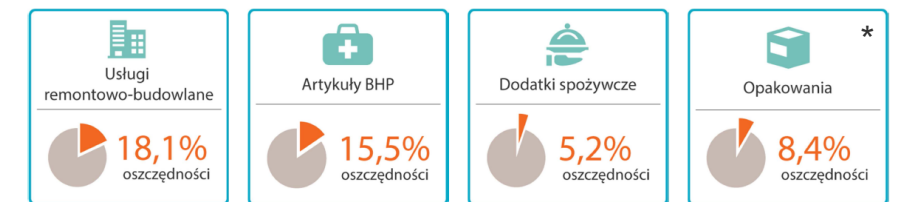
*users, who used electronic banking in the last three months

Loans

Volume of loans to corporate clients (PLN m)



- MLA and Security Agent role in PLN 1,734 million new credit facility related to refinancing of Emitel's debt with final take of PLN 185 million
- Wydawnictwa Szkolne i Pedagogiczne joined our Client base – participation in the debt refinancing and exclusivity on the issuance of guarantees

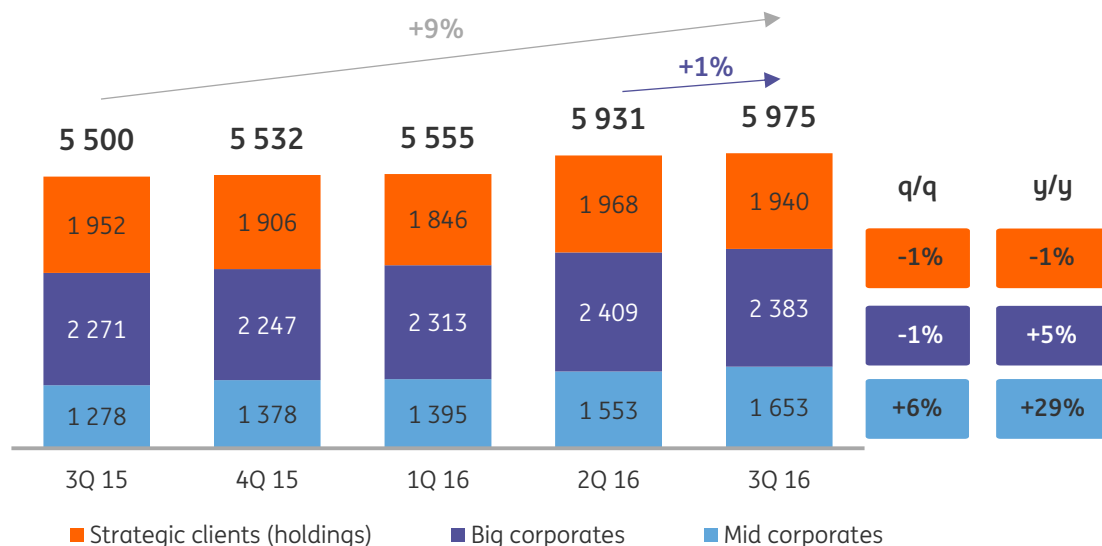


Asset Based Lending

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

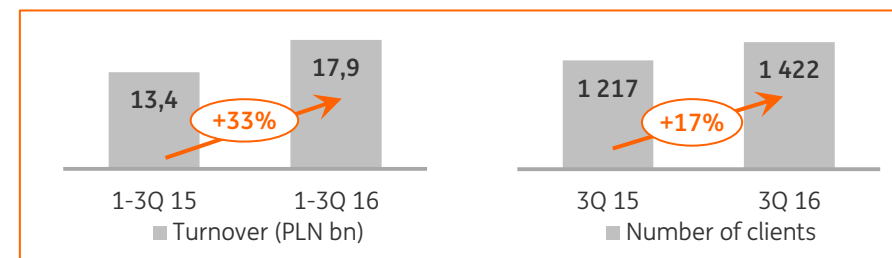
- **6.0%** market share in terms of the new sales (**#8** on the market)
- Market share in terms of the leasing of machinery (new sales): **7.2%** (**#6** on the market)
- **12.7 thousand** clients using leasing services (+38% y/y)
- **#3** on the market in terms of total portfolio value (2015 yearend)
- **Higher availability** of **ING Auto** program and **introduction** of **ING Truck** program

Leasing – financing of clients (PLN m)

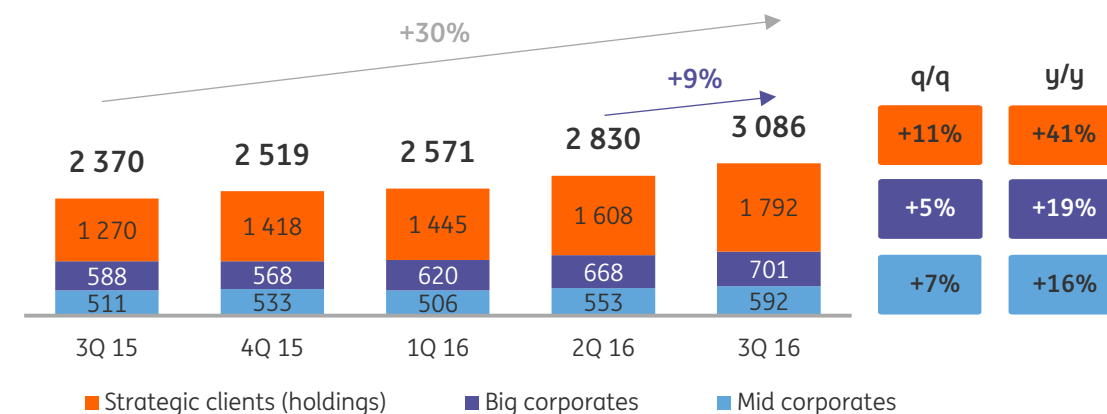


ING Commercial Finance Polska S.A. (factoring)

#1 on the market with market share of **15.9%** in 1-3Q 2016



Factoring – financing of clients (PLN m)



Financial results for Q3 2016

Financial results of ING Bank Śląski S.A. – reported

<i>PLN million</i>	3Q 2015	2Q 2016	3Q 2016	change q/q	change y/y	9M 2015	9M 2016	change y/y
Net interest income	644,6	690,9	784,9	+ 14%	+ 22%	1 807,7	2 143,9	+ 19%
Net commission income	248,9	258,1	269,3	+ 4%	+ 8%	762,4	781,3	+ 2%
Trading & other income	43,6	203,4	20,3	- 90%	- 53%	254,4	277,3	+ 9%
Total income	937,1	1 152,4	1 074,5	- 7%	+ 15%	2 824,5	3 202,5	+ 13%
Total expenses	509,8	517,2	515,5	- 0%	+ 1%	1 507,7	1 541,5	+ 2%
Result before risk costs	427,3	635,2	559,0	- 12%	+ 31%	1 316,8	1 661,0	+ 26%
Risk costs	32,0	33,5	49,7	+ 48%	+ 55%	180,6	162,1	- 10%
Bank levy	0,0	76,8	75,7	- 1%	-	0,0	203,0	-
Profit before tax	395,3	524,9	433,6	- 17%	+ 10%	1 136,2	1 295,9	+ 14%
Net profit	315,7	406,9	332,0	- 18%	+ 5%	921,4	998,1	+ 8%
Total capital ratio	13,7%	14,6%	14,8%	+ 0,2 p.p.	+ 1,1 p.p.	13,7%	14,8%	+ 1,1 p.p.
Tier I	13,7%	13,5%	13,8%	+ 0,3 p.p.	+ 0,1 p.p.	13,7%	13,8%	+ 0,1 p.p.
ROE (%)	11,4%	11,4%	11,3%	- 0,2 p.p.	- 0,1 p.p.	11,4%	11,3%	- 0,1 p.p.
C/I ratio (%)	54,4%	44,9%	48,0%	+ 3,1 p.p.	- 6,4 p.p.	53,4%	48,1%	- 5,2 p.p.

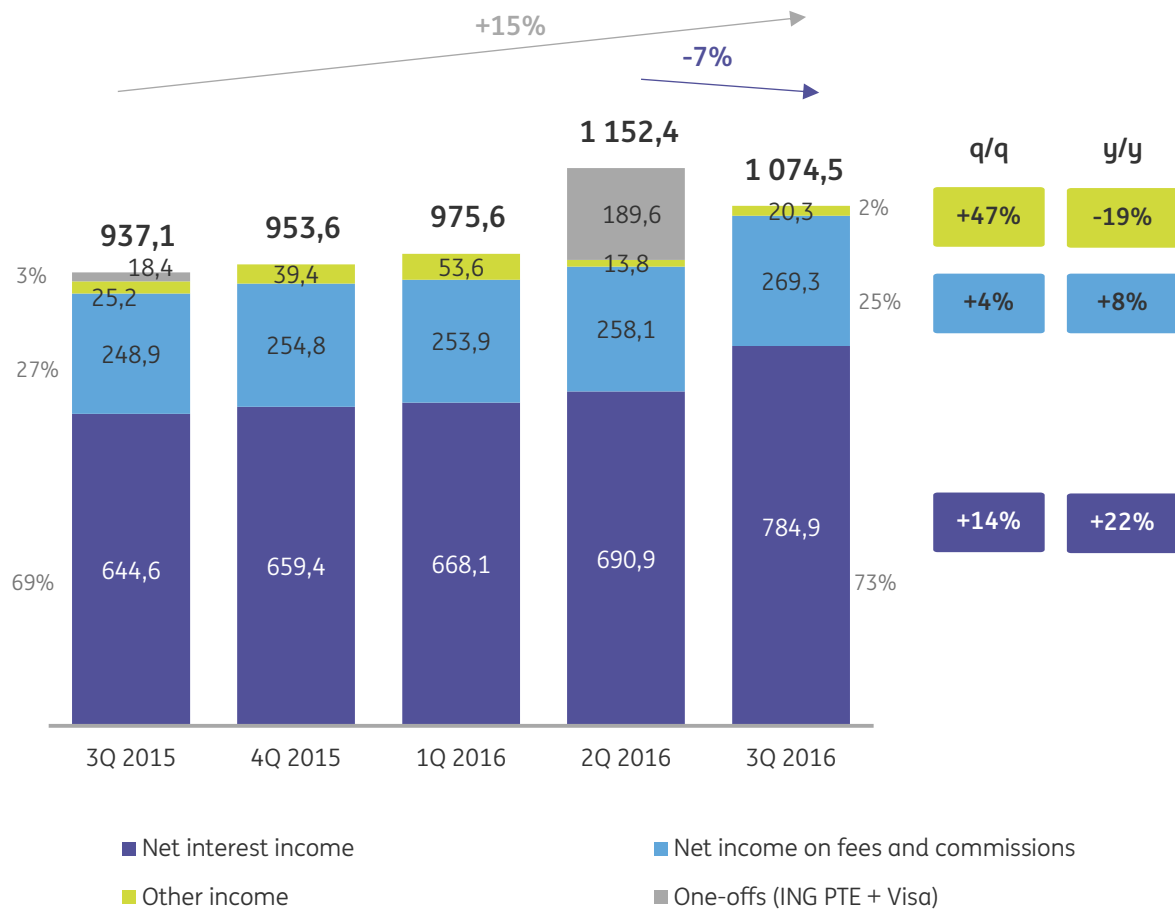
Financial results of ING Bank Śląski S.A. – recurring*

PLN million	3Q 2015	2Q 2016	3Q 2016	change q/q	change y/y	9M 2015	9M 2016	change y/y
Net interest income	644,6	690,9	784,9	+ 3%	+ 16%	1 807,7	2 143,9	+ 19%
Net commission income	248,9	258,1	269,3	+ 2%	- 2%	762,4	781,3	+ 2%
Trading & other income*	25,2	13,8	20,3	- 74%	- 67%	153,9	87,7	- 43%
Total income*	918,7	962,8	1 074,5	+ 12%	+ 17%	2 724,0	3 012,9	+ 11%
Total expenses*	509,8	517,2	515,5	- 0%	+ 1%	1 507,7	1 541,5	+ 2%
Result before risk costs*	408,9	445,7	559,0	+ 25%	+ 37%	1 216,3	1 471,5	+ 21%
Risk costs	32,0	33,5	49,7	+ 48%	+ 55%	180,6	162,1	- 10%
Profit before tax*	376,9	412,1	509,3	+ 24%	+ 35%	1 035,7	1 309,3	+ 26%
Net profit*	300,8	330,2	407,7	+ 23%	+ 36%	824,3	1 047,6	+ 27%
Total capital ratio	13,7%	14,6%	14,8%	+ 0,2 p.p.	+ 1,1 p.p.	13,7%	14,8%	+ 1,1 p.p.
Tier I	13,7%	13,5%	13,8%	+ 0,3 p.p.	+ 0,1 p.p.	13,7%	13,8%	+ 0,1 p.p.
ROE (%)*	10,4%	12,3%	13,0%	+ 0,7 p.p.	+ 2,5 p.p.	10,4%	13,0%	+ 2,5 p.p.
C/I ratio (%)*	55,5%	53,7%	48,0%	- 5,7 p.p.	- 7,5 p.p.	55,3%	51,2%	- 4,2 p.p.

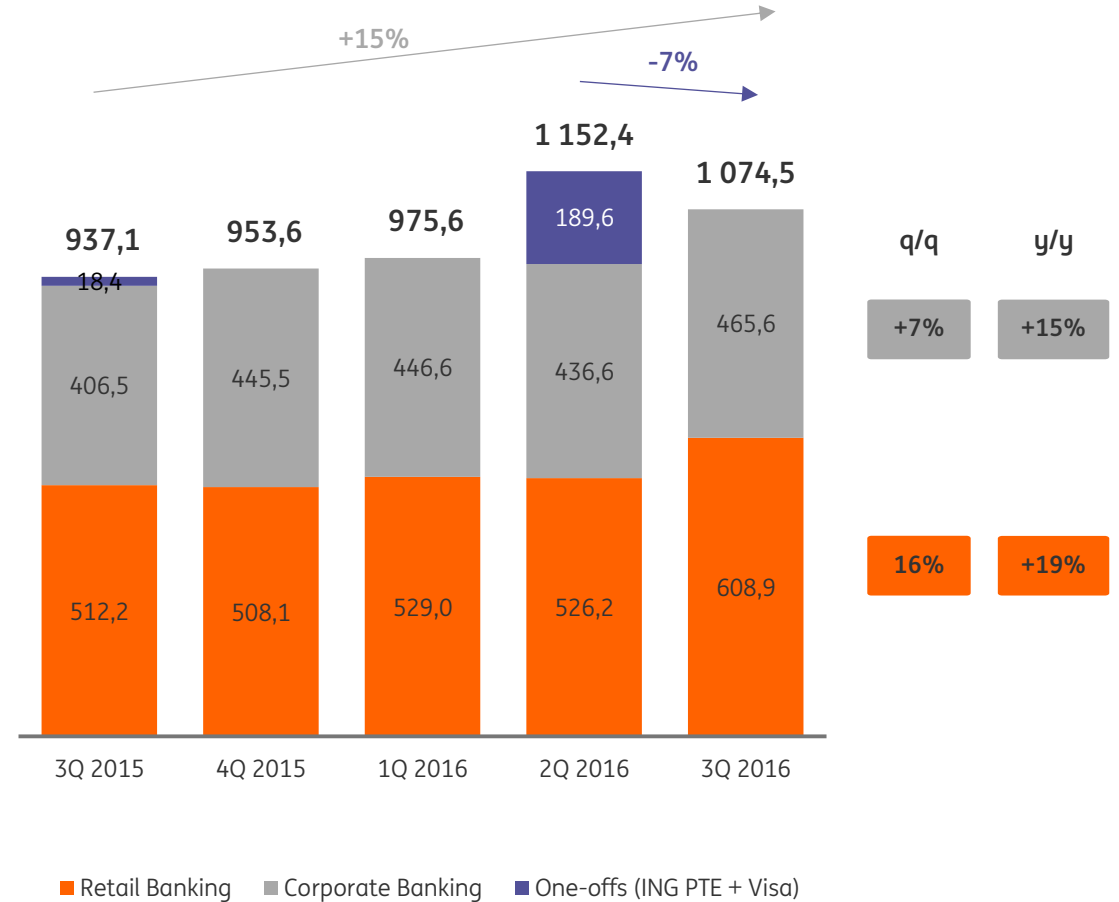
* revenues and net profit adjusted for bank levy and one-off trades: gross PLN 82.1m (& net) – ING PTE dividend in 2Q15; gross PLN 18.4m (net PLN 14.9m) – disposal of ING PTE in 3Q15; gross PLN 189.5m (net PLN 153.5m) – disposal of Visa Europe in 2Q16

Income per category

Income per P&L (PLN m)

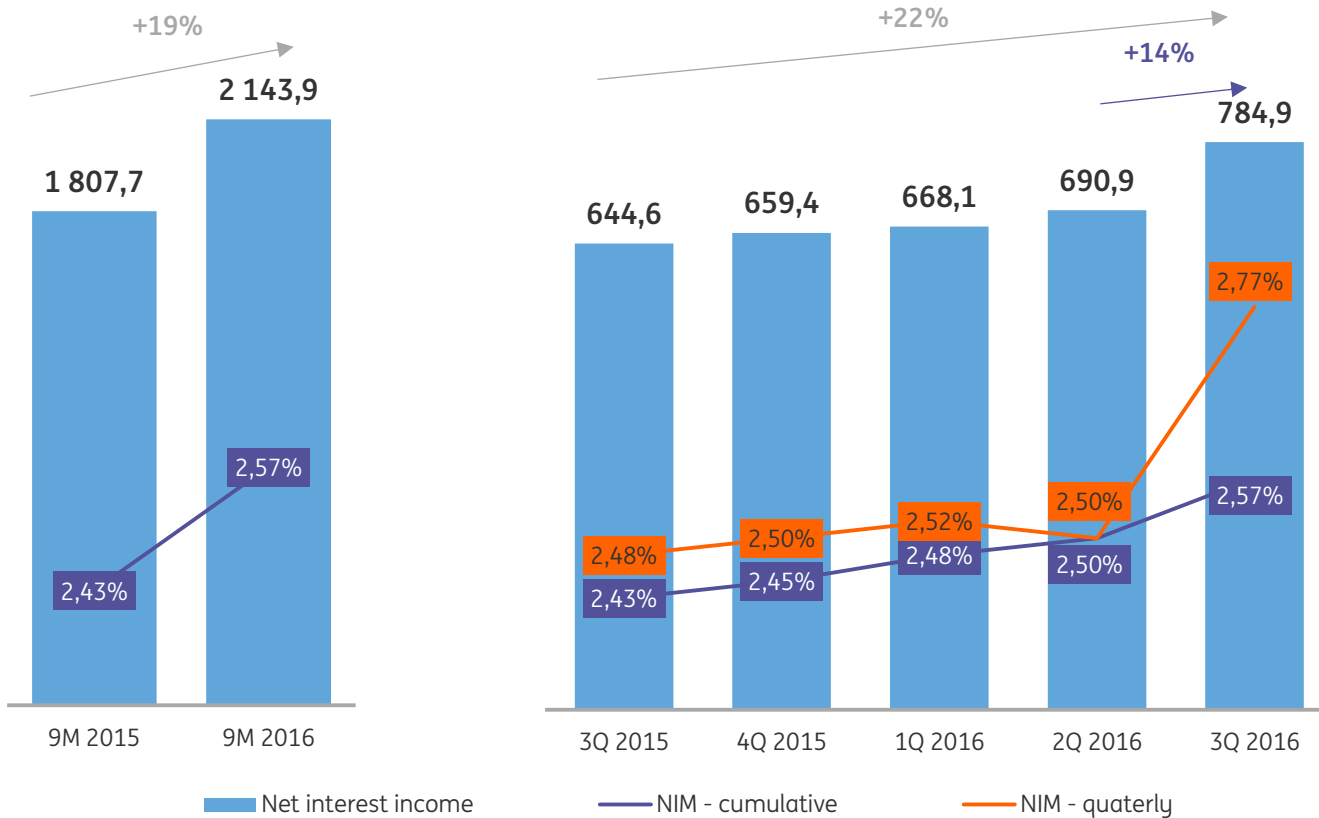


Income per business line (PLN m)



Net interest income

Net interest income (PLN m) and net interest margin



- Growth of net interest income by 14% q/q and 22% r/r
- Improvement of NIM to 2,77%

1.75%

1.69%

1.72%

1.73%

1.69%

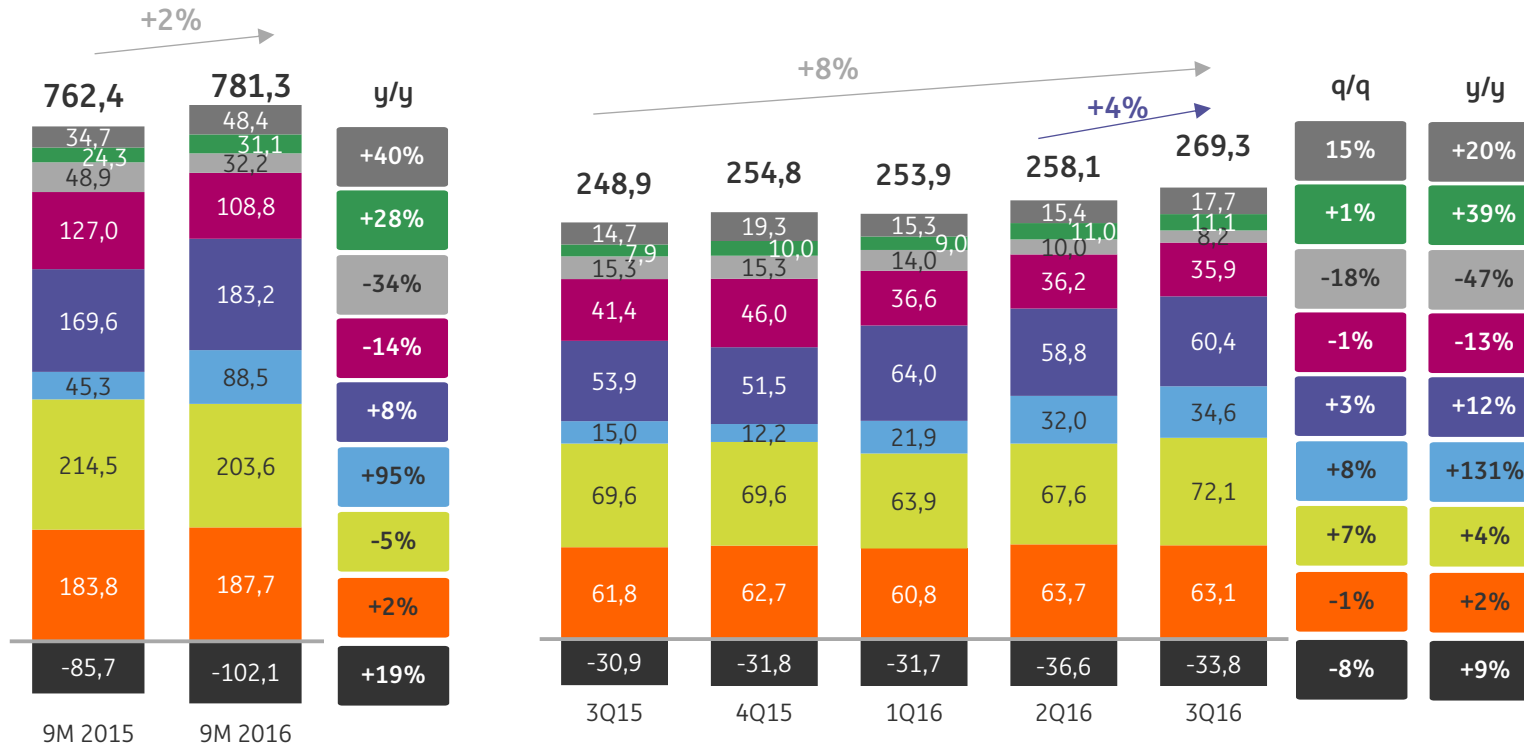
1.68%

1.71%

3M WIBOR

Fee and commission income

Fee and commission income per category (PLN m)

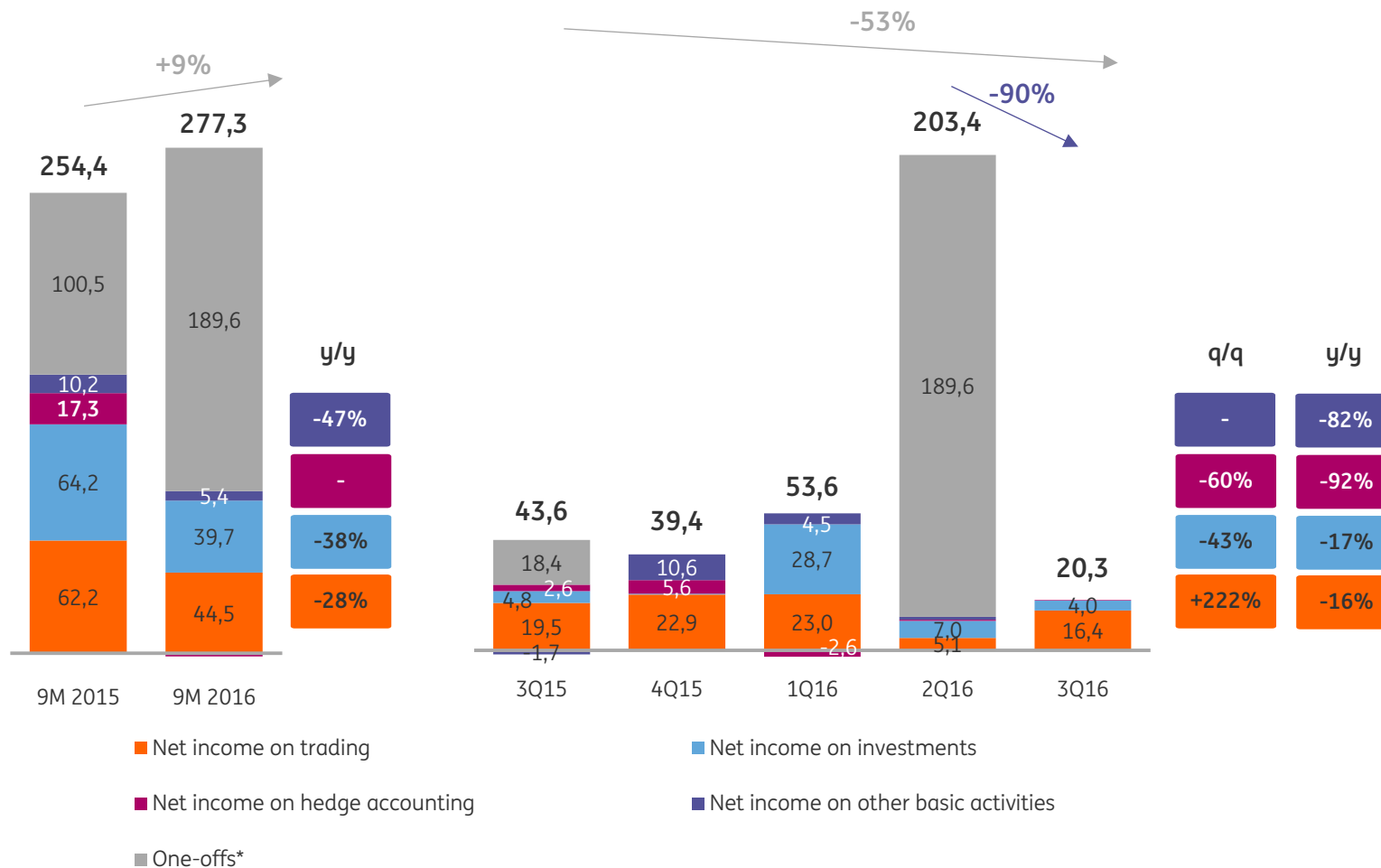


- Commission costs
- Client account maintenance
- FX transactions
- Payment and credit cards
- Loans
- Distribution of participation units, brokerage and custody services
- Bancassurance
- Factoring & leasing
- Other income

- Higher volume of FX trades
- Higher number of card transactions and higher revenues on usage of external ATMs
- Annual decrease of bancassurance driven by implementation of Recommendation U

Other income

Other income (PLN m)

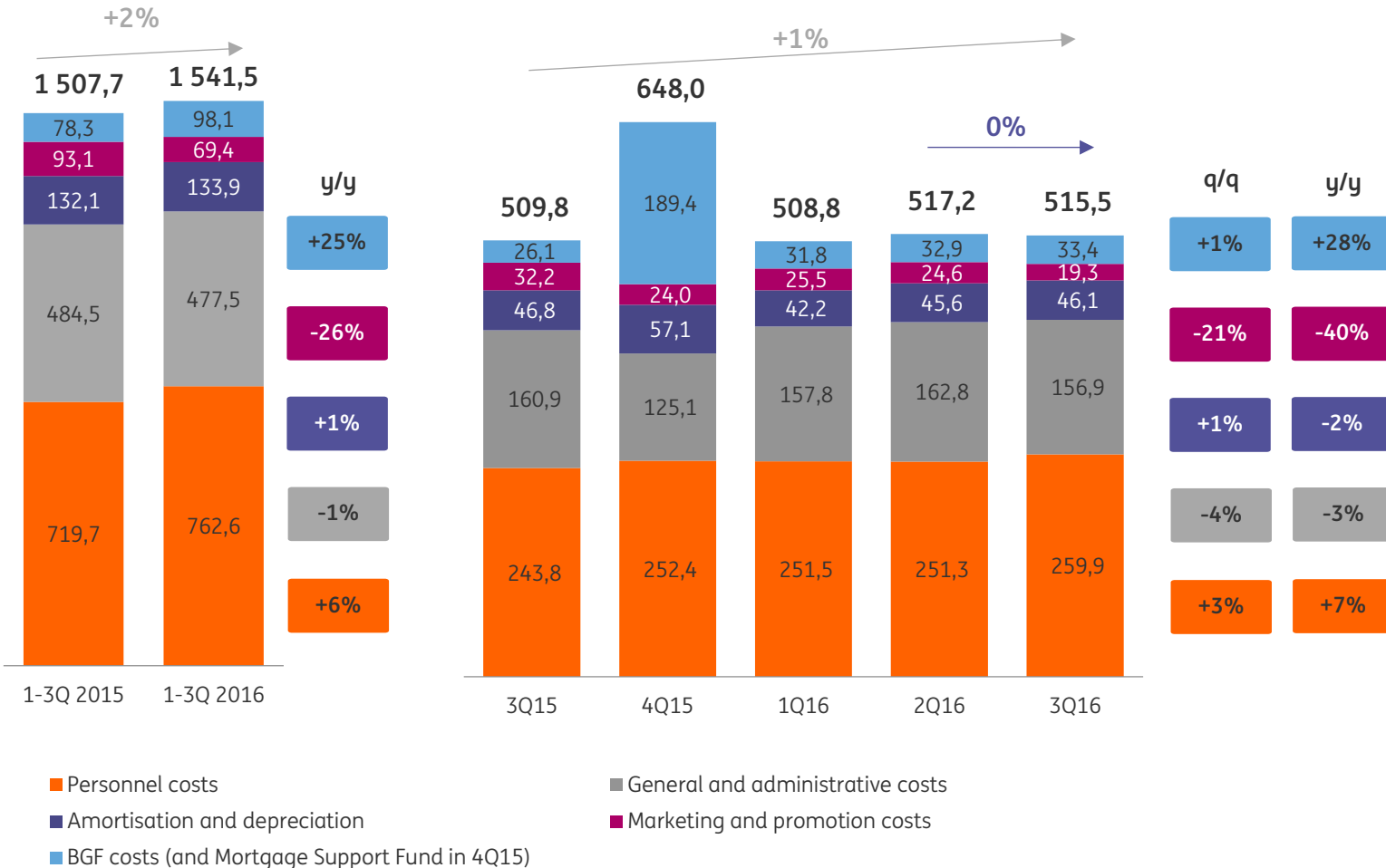


One-off trades*:

- 2Q 2016 – Visa disposal (PLN 189.6m)
- 3Q 2015 – ING PTE disposal (PLN 18.4m)
- 2Q 2015 – dividend from ING PTE (PLN 82.1m)

Total expenses

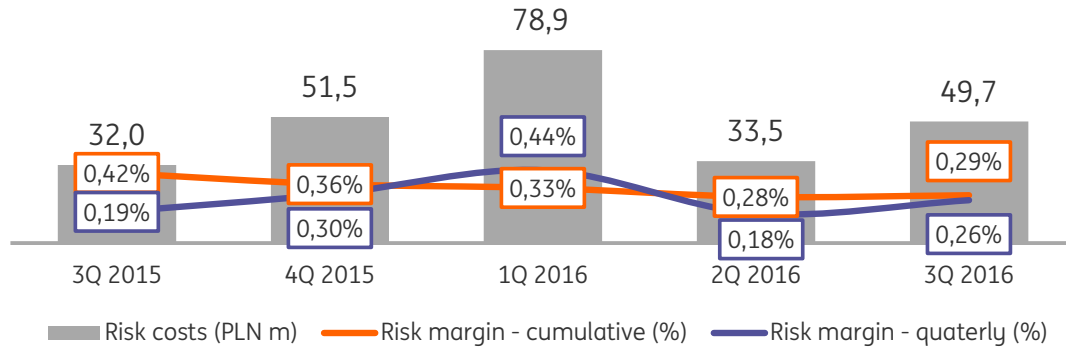
Total expenses (PLN m)



- Higher regulatory costs driven by increase of RWA
- 4Q 2016 – extraordinary costs related to bankruptcy of BS Nadarzyn (PLN 12.2m)
- 4Q 2015 – extraordinary contribution to the BGF (SK Bank; PLN157.4m), provision for Mortgage Support Fund (PLN 6.4m)

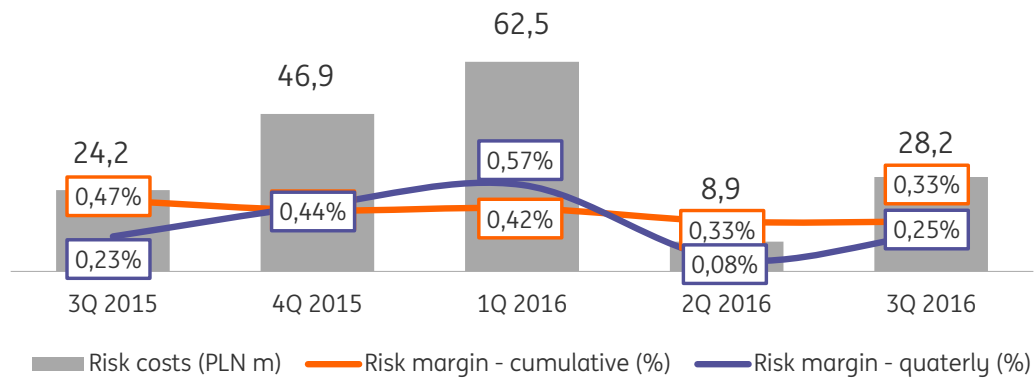
Risk costs

Group

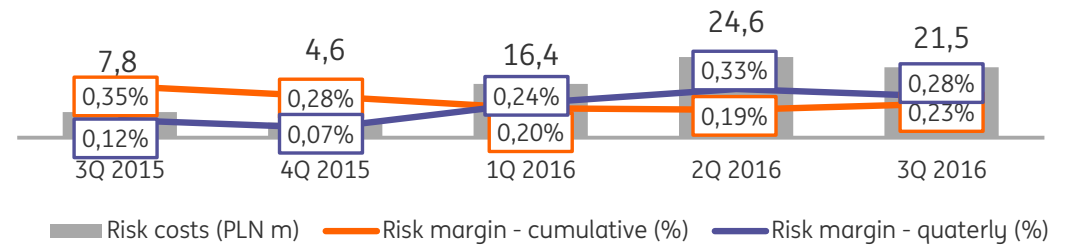


- Quarterly cost of risk at 26bp.
- July 2016 – sale of retail NPLs (PLN +13.8m pre-tax gain, out of which PLN +10.1m gain in risk cost)

Corporate Banking



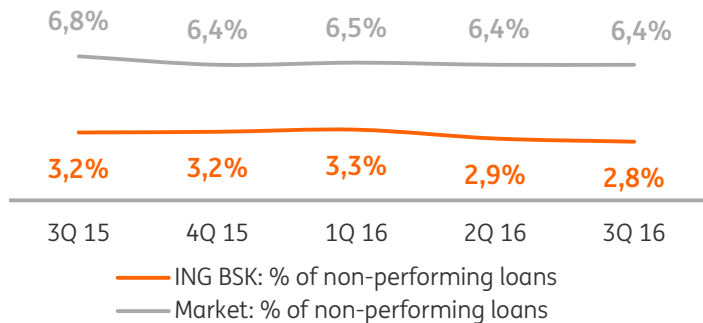
Retail Banking



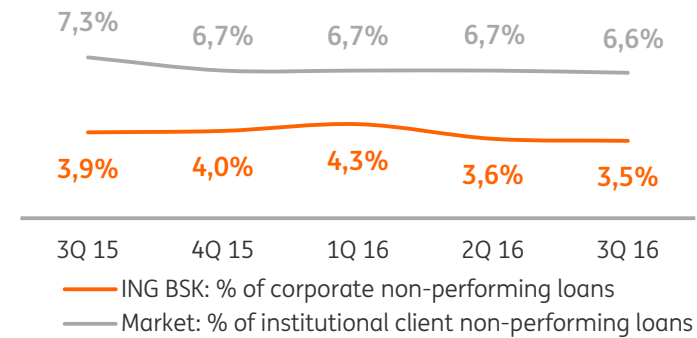
Portfolio quality and provisioning

Share of non-performing portfolio in the total loan portfolio

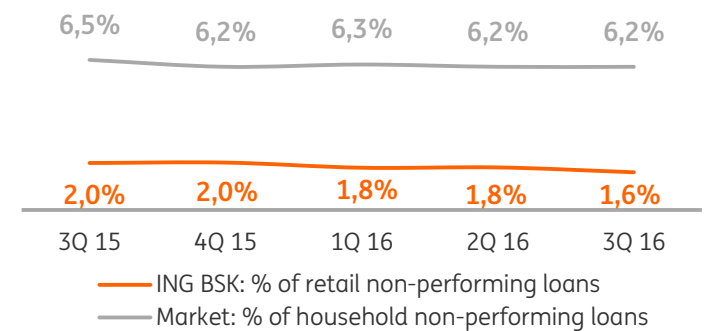
Group



Corporate Banking



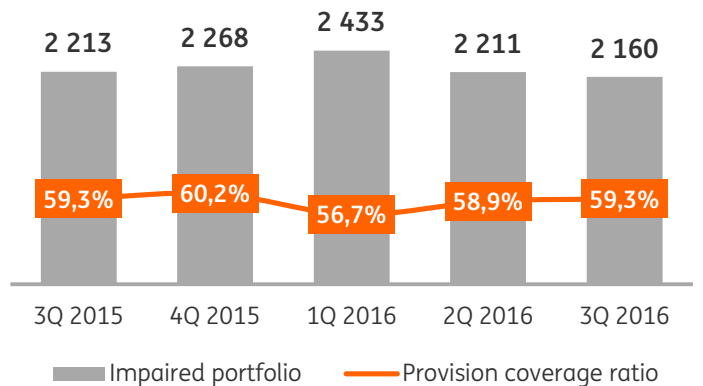
Retail Banking



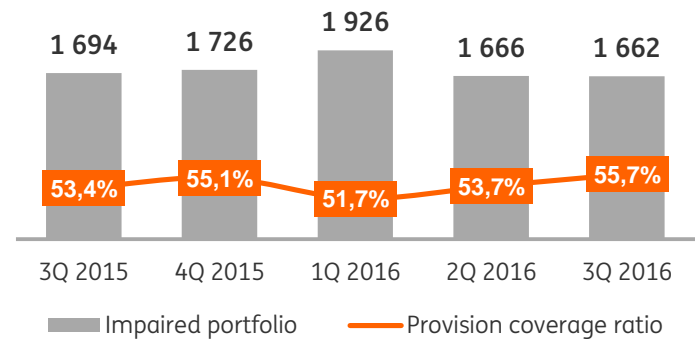
Note: market ratios - estimates based on NBP data for August 2016

Impaired loan portfolio (PLN m) and provision coverage ratio (%)

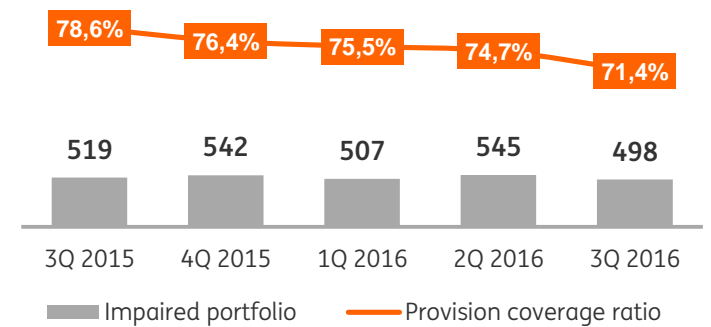
Group



Corporate Banking

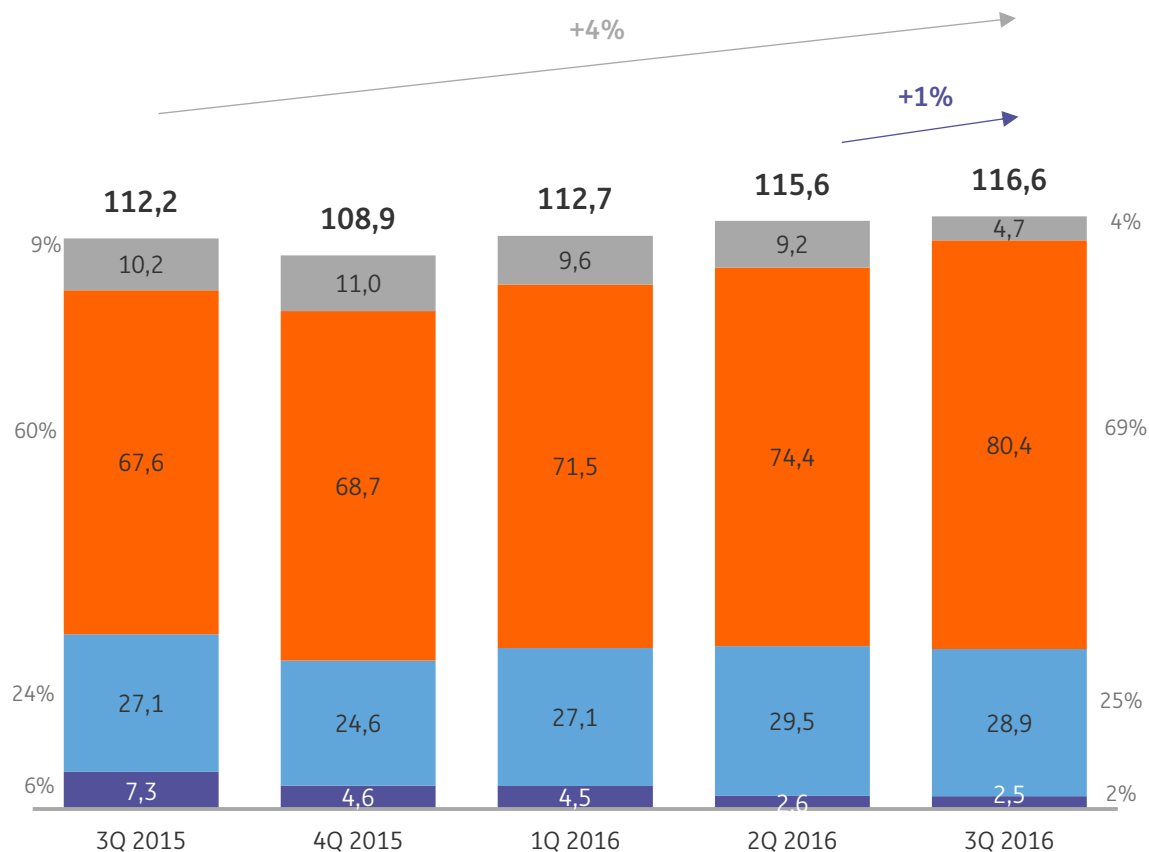


Retail Banking



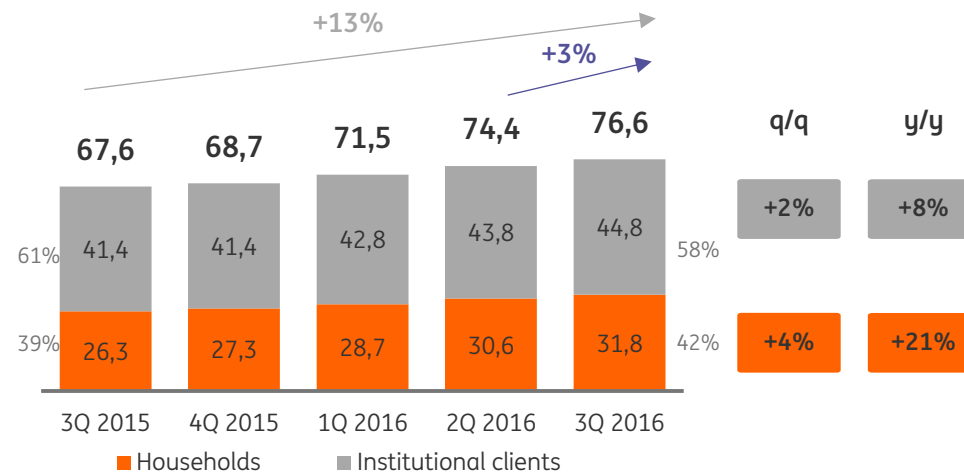
Bank assets

Assets structure (PLN bn / %)

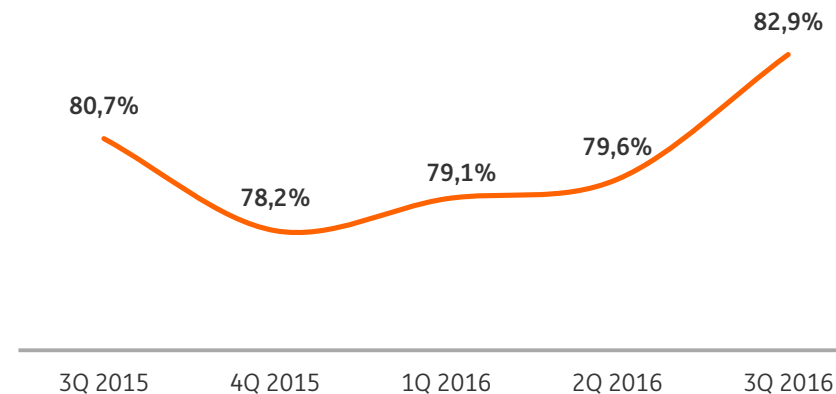


- Other
- Loans, corporate bonds and other receivables from customers
- Securities
- Loans and receivables from other banks + cash with NBP

Loans and other receivables to customers – non-financial sector (PLN bn)



Loan* to deposit ratio

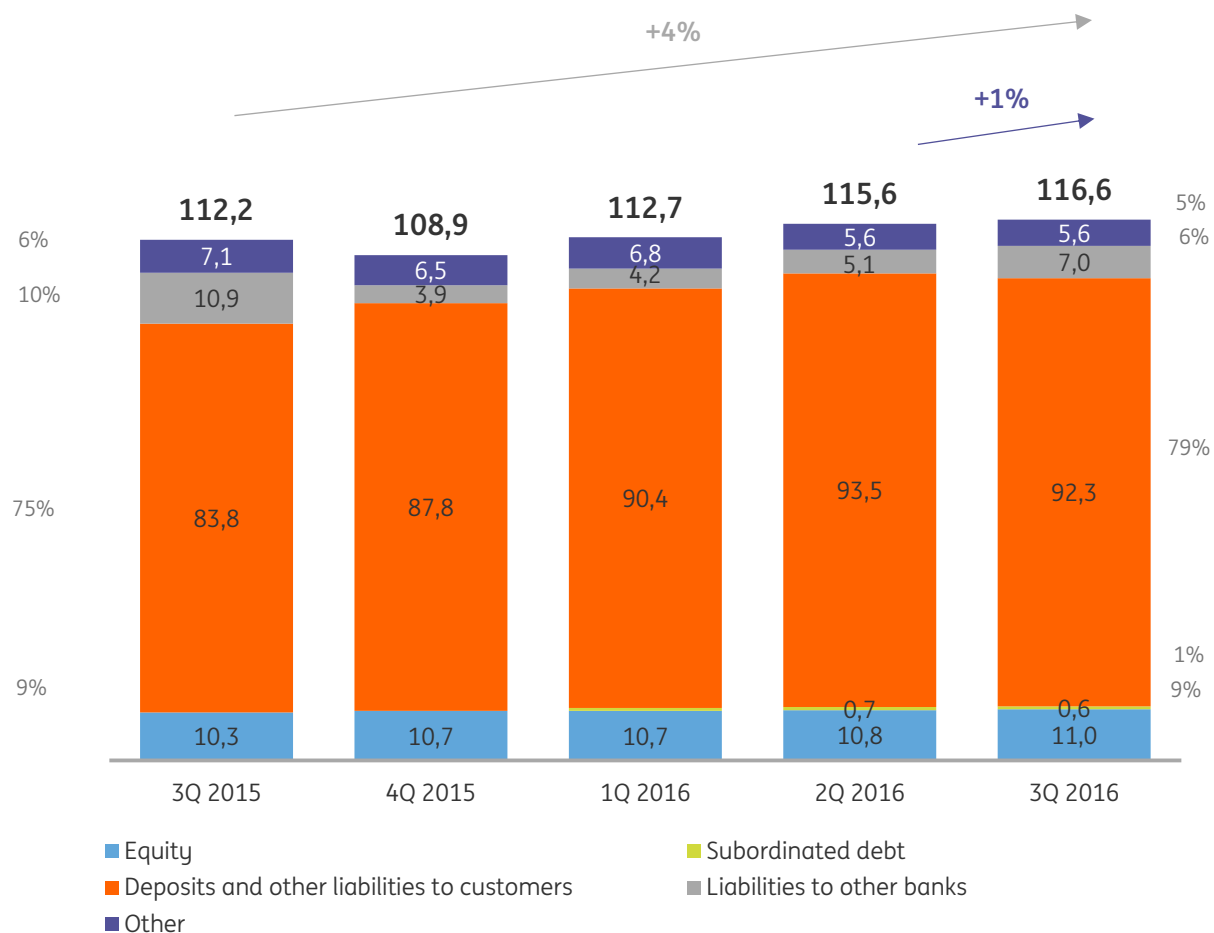


*Net loans excluding Eurobonds

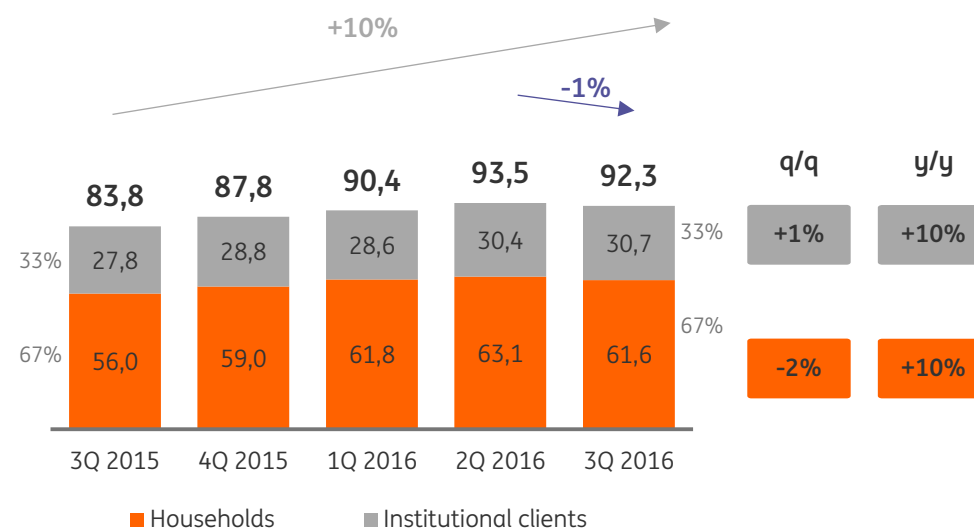
Bank equity and liabilities

Stable deposit base

Structure of equity and liabilities (PLN bn / %)



Deposits and other liabilities to customers (PLN bn)

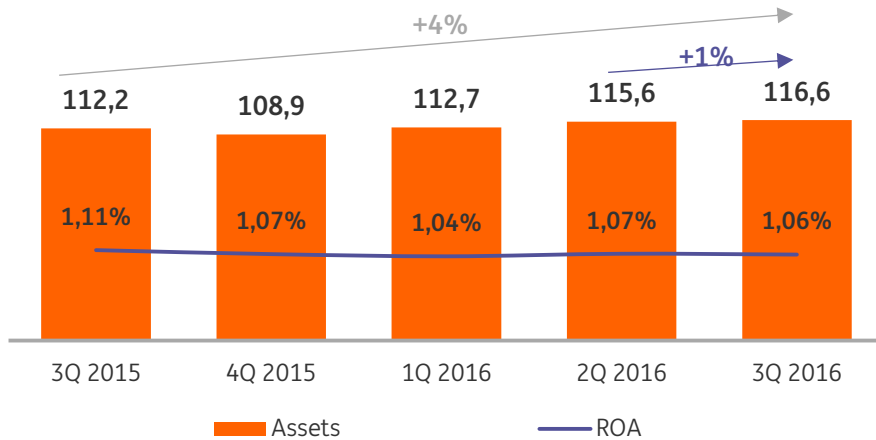


- Customer deposits as a main funding source
- Stable share of household deposits in total deposits

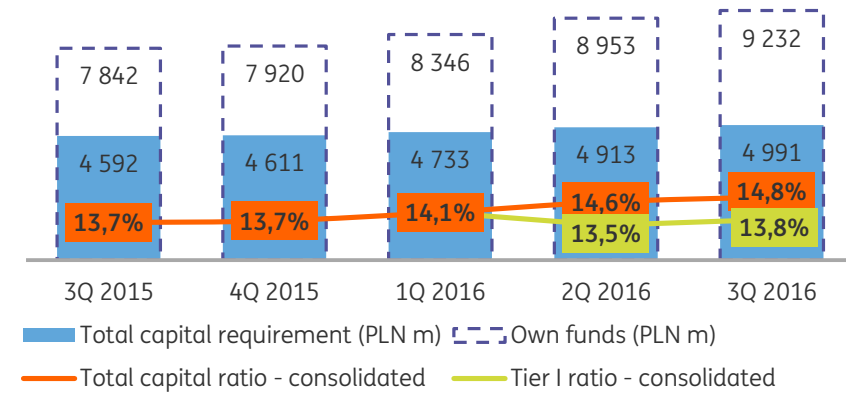
Note: deposits and other liabilities to customers do not include liabilities under repo transactions

Assets, equity, profitability ratios and capital adequacy

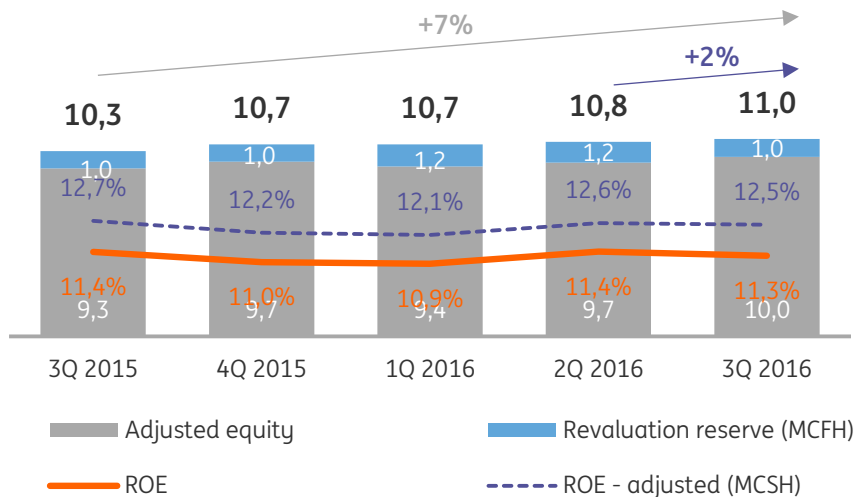
Assets (PLN bn) / ROA



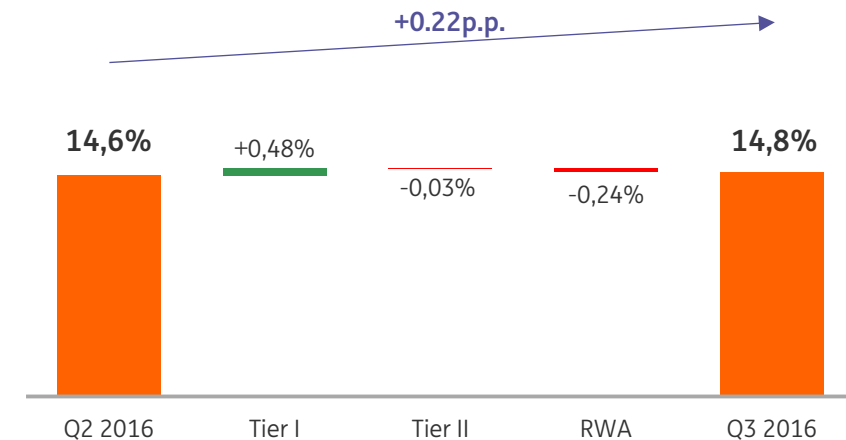
Total capital ratio and capital requirements



Equity (PLN bn) / PLN



Total capital ratio – decomposition of q/q change



Appendixes

Quarterly P&L

Interim condensed consolidated financial statements	2015							2016				2015 YTD		2016 YTD		y/y			
	1Q 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016	3Q 2016	q/q Δ	%	y/y Δ	%	2015 YTD	2016 YTD	y/y Δ	%	2015 YTD	2016 YTD	y/y Δ	%
Net interest income, of which:	569,0	594,1	644,6	659,4	668,1	690,9	784,9	94,0	13,6%	140,3	21,8%	1 807,7	2 143,9	336,2	18,6%	1 807,7	2 143,9	336,2	18,6%
Interest income, of which:	887,0	878,0	928,5	935,1	935,0	961,2	1 010,5	49,3	5,1%	82,0	8,8%	2 693,5	2 906,7	213,2	7,9%	2 693,5	2 906,7	213,2	7,9%
- from loans and receivables to banks	15,9	15,4	17,1	14,4	12,3	13,9	12,7	-1,2	-8,6%	-4,4	-25,7%	48,4	38,9	-9,5	-19,6%	48,4	38,9	-9,5	-19,6%
- from loans and receivables to customers	625,5	634,2	676,7	683,6	683,6	700,5	733,9	33,4	4,8%	57,2	8,5%	1 936,4	2 118,0	181,6	9,4%	1 936,4	2 118,0	181,6	9,4%
- from leasing	40,9	38,4	41,6	44,7	40,5	41,0	43,3	2,3	5,6%	1,7	4,1%	120,9	124,8	3,9	3,2%	120,9	124,8	3,9	3,2%
- from factoring	17,7	17,5	18,5	19,9	19,2	20,5	23,0	2,5	12,2%	4,5	24,3%	53,7	62,7	9,0	16,8%	53,7	62,7	9,0	16,8%
- from debt securities	175,4	168,5	166,1	156,3	156,0	158,4	176,3	17,9	11,3%	10,2	6,1%	510,0	490,7	-19,3	-3,8%	510,0	490,7	-19,3	-3,8%
- from BSB transactions (non trading)	3,6	1,0	1,2	2,2	3,3	2,7	2,3	-0,4	-14,8%	1,1	91,7%	5,8	8,3	2,5	43,1%	5,8	8,3	2,5	43,1%
- interest result on derivatives	8,0	3,0	7,3	14,0	20,1	24,2	19,0	-5,2	-21,5%	11,7	160,3%	18,3	63,3	45,0	245,9%	18,3	63,3	45,0	245,9%
Interest expenses, of which:	318,0	283,9	283,9	275,7	266,9	270,3	225,6	-44,7	-16,5%	-58,3	-20,5%	885,8	762,8	-123,0	-13,9%	885,8	762,8	-123,0	-13,9%
- interest on deposits from banks	14,9	16,5	19,5	14,3	8,6	7,8	15,2	7,4	94,9%	-4,3	-22,1%	50,9	31,6	-19,3	-37,9%	50,9	31,6	-19,3	-37,9%
- interest on deposits from customers	296,5	260,5	258,4	255,5	251,0	253,3	201,1	-52,2	-20,6%	-57,3	-22,2%	815,4	705,4	-110,0	-13,5%	815,4	705,4	-110,0	-13,5%
- on SBB transactions (non trading)	0,1	0,1	0,1	0,1	0,1	0,0	0,1	0,1	n/a	0,0	0,0%	0,3	0,2	-0,1	-33,3%	0,3	0,2	-0,1	-33,3%
- interest on debt securities in issue	6,1	6,2	5,7	5,7	5,7	5,6	5,6	0,0	0,0%	-0,1	-1,8%	18,0	16,9	-1,1	-6,1%	18,0	16,9	-1,1	-6,1%
- on trading financial instruments	0,4	0,6	0,2	0,1	0,2	0,2	0,3	0,1	50,0%	0,1	50,0%	1,2	0,7	-0,5	-41,7%	1,2	0,7	-0,5	-41,7%
- on subordinated debt	0,0	0,0	0,0	0,0	1,3	3,4	3,3	-0,1	-2,9%	3,3	n/a	0,0	8,0	8,0	n/a	0,0	8,0	8,0	n/a
Net commission income	250,0	263,5	248,9	254,8	253,9	258,1	269,3	11,2	4,3%	20,4	8,2%	762,4	781,3	18,9	2,5%	762,4	781,3	18,9	2,5%
Result on trade operations and revaluation (incl investments and HA)	77,5	121,4	45,3	28,8	49,1	202,2	20,6	-181,6	-89,8%	-24,7	-54,5%	244,2	271,9	27,7	11,3%	244,2	271,9	27,7	11,3%
Net income on instruments measured at fair value through profit or loss and FX result	15,2	27,5	19,5	22,9	23,0	5,1	16,4	11,3	221,6%	-3,1	-15,9%	62,2	44,5	-17,7	-28,5%	62,2	44,5	-17,7	-28,5%
Net income on investments	50,9	90,6	23,2	0,3	28,7	196,6	4,0	-192,6	-98,0%	-19,2	-82,8%	164,7	229,3	64,6	39,2%	164,7	229,3	64,6	39,2%
Net income on hedge accounting	11,4	3,3	2,6	5,6	-2,6	0,5	0,2	-0,3	-60,0%	-2,4	-92,3%	17,3	-1,9	-19,2	n/a	17,3	-1,9	-19,2	n/a
Net income on other basic activities	9,5	2,4	-1,7	10,6	4,5	1,2	-0,3	-1,5	n/a	1,4	-82,4%	10,2	5,4	-4,8	-47,1%	10,2	5,4	-4,8	-47,1%
Share in net profit (loss) of associated entities recognised under the equity method	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	n/a	0,0	n/a	0,0	0,0	0,0	n/a	0,0	0,0	0,0	n/a
Income	906,0	981,4	937,1	953,6	975,6	1 152,4	1 074,5	-77,9	-6,8%	137,4	14,7%	2 824,5	3 202,5	378,0	13,4%	2 824,5	3 202,5	378,0	13,4%
Expenses	495,6	502,3	509,8	648,0	508,8	517,2	515,5	-1,7	-0,3%	5,7	1,1%	1 507,7	1 541,5	33,8	2,2%	1 507,7	1 541,5	33,8	2,2%
- personnel expenses	238,9	237,0	243,8	252,3	251,5	251,3	259,8	8,5	3,4%	16,0	6,6%	719,7	762,6	42,9	6,0%	719,7	762,6	42,9	6,0%
- other expenses	256,7	265,3	266,0	395,7	257,3	265,9	255,7	-10,2	-3,8%	-10,3	-3,9%	788,0	778,9	-9,1	-1,2%	788,0	778,9	-9,1	-1,2%
- of which depreciation and amortisation	41,8	43,4	46,8	57,2	42,2	45,6	46,1	0,5	1,1%	-0,7	-1,5%	132,0	133,9	1,9	1,4%	132,0	133,9	1,9	1,4%
Profit before risk costs	410,4	479,1	427,3	305,6	466,8	635,2	559,0	-76,2	-12,0%	131,7	30,8%	1 316,8	1 661,0	344,2	26,1%	1 316,8	1 661,0	344,2	26,1%
Cost of risk	84,3	64,3	32,0	51,5	78,9	33,5	49,7	16,2	48,4%	17,7	55,3%	180,6	162,1	-18,5	-10,2%	180,6	162,1	-18,5	-10,2%
- retail	33,9	23,6	7,8	4,6	16,4	24,6	21,5	-3,1	-12,6%	13,7	175,6%	65,3	62,5	-2,8	-4,3%	65,3	62,5	-2,8	-4,3%
- corporate	50,4	40,7	24,2	46,9	62,5	8,9	28,2	19,3	216,9%	4,0	16,5%	115,3	99,6	-15,7	-13,6%	115,3	99,6	-15,7	-13,6%
Tax on certain financial institutions	0,0	0,0	0,0	0,0	50,5	76,8	75,7	-1,1	-1,4%	75,7	n/a	0,0	203,0	203,0	n/a	0,0	203,0	203,0	n/a
Profit (loss) before tax	326,1	414,8	395,3	254,1	337,4	524,9	433,6	-91,3	-17,4%	38,3	9,7%	1 136,2	1 295,9	159,7	14,1%	1 136,2	1 295,9	159,7	14,1%
Income tax	65,1	70,1	79,6	48,4	78,2	118,0	101,6	-16,4	-13,9%	22,0	27,6%	214,8	297,8	83,0	38,6%	214,8	297,8	83,0	38,6%
Net profit (loss), of which:	261,0	344,7	315,7	205,7	259,2	406,9	332,0	-74,9	-18,4%	16,3	5,2%	921,4	998,1	76,7	8,3%	921,4	998,1	76,7	8,3%
Net profit (loss) attributable to the shareholders of ING BSK	261,0	344,6	315,7	205,7	259,2	406,9	332,0	-74,9	-18,4%	16,3	5,2%	921,3	998,1	76,8	8,3%	921,3	998,1	76,8	8,3%
Number of shares issued	130,1	130,1	130,1	130,1	130,1	130,1	130,1	0,0	0,0%	0,0	0,0%	130,1	130,1	0,0	0,0%	130,1	130,1	0,0	0,0%
Earnings per share	8,02	10,59	9,71	6,32	7,97	12,51	10,21	-2,30	-18,4%	0,50	5,2%	9,44	10,23	0,79	8,3%	9,44	10,23	0,79	8,3%

Quarterly balance sheet

Consolidated statement of financial position

ASSETS

	1Q 2015 2Q 2015 3Q 2015 4Q 2015 1Q 2016 2Q 2016 3Q 2016							q/q		y/y	
								Δ	%	Δ	%
- Cash in hand and balances with the Central Bank	2 392,5	2 864,7	3 940,7	3 589,7	3 565,7	1 286,6	1 299,1	12,5	1,0%	-2 641,6	-67,0%
- Loans and receivables to other banks	2 111,3	2 315,4	3 325,7	1 014,6	954,3	1 285,4	1 192,7	-92,7	-7,2%	-2 133,0	-64,1%
- Financial assets measured at fair value through profit and loss	2 645,7	1 755,6	2 769,2	1 127,1	2 067,7	1 847,3	1 617,3	-230,0	-12,5%	-1 151,9	-41,6%
- Valuation of derivatives	2 608,0	1 949,8	1 947,2	1 990,9	1 613,8	1 320,5	1 124,9	-195,6	-14,8%	-822,3	-42,2%
- Investments	23 869,7	24 267,6	24 310,3	23 478,8	25 072,0	27 761,0	27 344,0	-417,0	-1,5%	3 033,7	12,5%
- Derivative hedge instruments	3 039,3	2 036,6	2 521,2	2 454,8	2 737,1	2 389,6	2 138,9	-250,7	-10,5%	-382,3	-15,2%
- Loans and receivables to customers	63 399,0	68 127,2	71 425,2	72 519,6	75 330,0	78 308,6	80 377,4	2 068,8	2,6%	8 952,2	12,5%
- Receivables from customers due to repo transactions	987,1	491,3	553,6	1 354,4	19,9	0,0	19,8	19,8	n/a	-533,8	-96,4%
- Investments in controlled entities recognised under the equity method	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	n/a	0,0	n/a
- Non-financial assets	1 017,9	1 005,4	1 022,6	1 070,5	1 037,8	1 032,5	1 025,0	-7,5	-0,7%	2,4	0,2%
- Property, plant and equipment held for sale	151,0	156,0	44,1	38,4	49,8	41,2	41,2	0,0	0,0%	-2,9	-6,6%
- Tax assets	77,8	65,9	55,8	59,6	71,4	76,9	77,5	0,6	0,8%	21,7	38,9%
- Other assets	269,0	283,4	265,1	194,7	213,2	290,1	292,2	2,1	0,7%	27,1	10,2%
Total assets	102 568,3	105 318,9	112 180,7	108 893,1	112 732,7	115 639,7	116 550,0	910,3	0,8%	4 369,3	3,9%

EQUITY AND LIABILITIES

LIABILITIES

- Liabilities due to the Central Bank	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	n/a	0,0	n/a
- Liabilities due to other banks	5 807,5	8 493,0	10 917,1	3 913,5	4 236,0	5 082,3	7 032,5	1 950,2	38,4%	-3 884,6	-35,6%
- Financial liabilities measured at fair value through profit and loss	1 187,7	412,1	934,1	629,4	319,9	299,3	598,6	299,3	100,0%	-335,5	-35,9%
- Valuation of derivatives	2 744,8	2 062,7	2 037,4	2 002,7	1 525,1	1 336,9	1 101,9	-235,0	-17,6%	-935,5	-45,9%
- Derivative hedge instruments	2 062,5	1 900,5	1 842,8	1 830,9	1 818,0	1 730,1	1 614,3	-115,8	-6,7%	-228,5	-12,4%
- Liabilities due to customers	77 606,7	80 750,6	83 825,9	87 818,5	90 403,0	93 483,3	92 304,6	-1 178,7	-1,3%	8 478,7	10,1%
- Liabilities due to customers under repo transactions	54,8	4,5	4,1	47,5	10,4	9,1	0,0	-9,1	-100,0%	-4,1	-100,0%
- Liabilities under issue of debt securities	872,7	866,3	872,0	866,3	872,0	866,3	871,9	5,6	0,6%	-0,1	0,0%
- Subordinated liabilities	0,0	0,0	0,0	0,0	641,6	665,2	648,1	-17,1	-2,6%	648,1	n/a
- Provisions	70,6	69,5	70,3	67,2	82,7	82,0	79,8	-2,2	-2,7%	9,5	13,5%
- Tax liabilities	247,3	10,2	122,9	156,8	221,7	181,4	146,8	-34,6	-19,1%	23,9	19,4%
- Other liabilities	1 681,6	1 190,8	1 249,7	879,8	1 932,1	1 091,2	1 172,5	81,3	7,5%	-77,2	-6,2%
Total liabilities	92 336,2	95 760,2	101 876,3	98 212,6	102 062,5	104 827,1	105 571,0	743,9	0,7%	3 694,7	3,6%

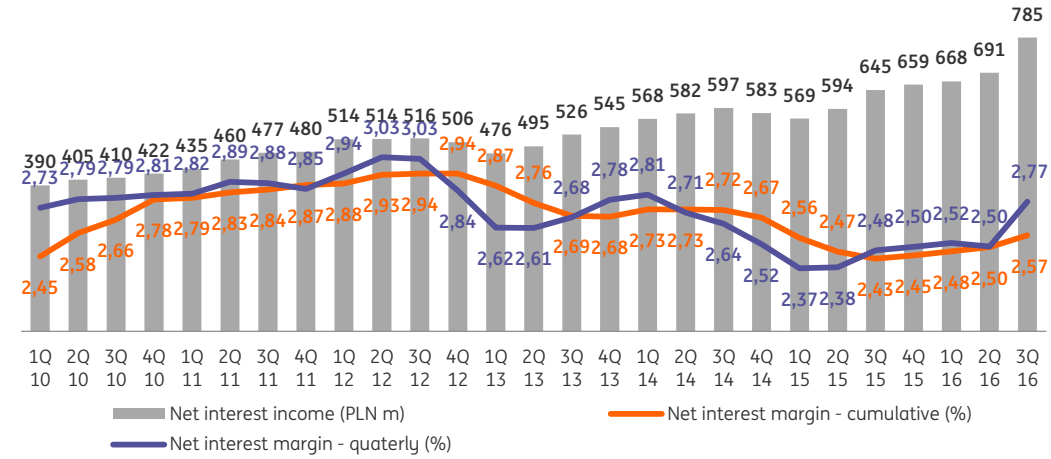
EQUITY

- Share capital	130,1	130,1	130,1	130,1	130,1	130,1	130,1	0,0	0,0%	0,0	0,0%
- Supplementary capital - issuance of shares over nominal value	956,3	956,3	956,3	956,3	956,3	956,3	956,3	0,0	0,0%	0,0	0,0%
- Revaluation reserve	1 908,8	888,3	1 316,9	1 485,0	1 774,8	1 508,0	1 341,8	-166,2	-11,0%	24,9	1,9%
- Retained earnings	7 234,3	7 581,4	7 898,5	8 106,5	7 806,5	8 215,7	8 548,5	332,8	4,1%	650,0	8,2%
Equity attributable to shareholders of ING BSK	10 229,5	9 556,1	10 301,8	10 677,9	10 667,7	10 810,1	10 976,7	166,6	1,5%	674,9	6,6%
- Non-controlling interests	2,6	2,6	2,6	2,6	2,5	2,5	2,3	-0,2	-8,0%	-0,3	-11,5%
Total equity	10 232,1	9 558,7	10 304,4	10 680,5	10 670,2	10 812,6	10 979,0	166,4	1,5%	674,6	6,5%
Total equity and liabilities	102 568,3	105 318,9	112 180,7	108 893,1	112 732,7	115 639,7	116 550,0	910,3	0,8%	4 369,3	3,9%

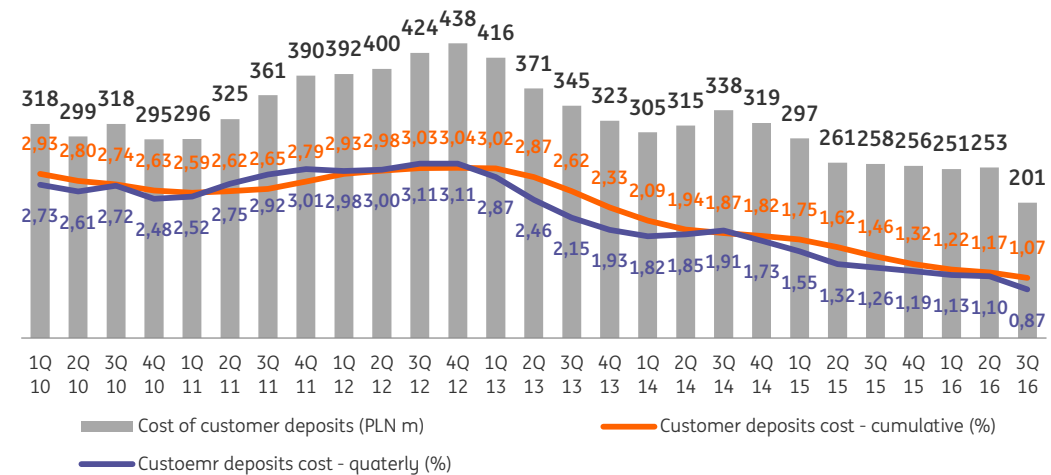
Number of shares issued	130,1	130,1	130,1	130,1	130,1	130,1	130,1	0,0	0,0%	0,0	0,0%
Book value per share	78,63	73,45	79,18	82,07	82,00	83,09	84,37	1,28	1,5%	5,19	6,6%

NII and NIM performance

NII (PLN m) / NIM (%)

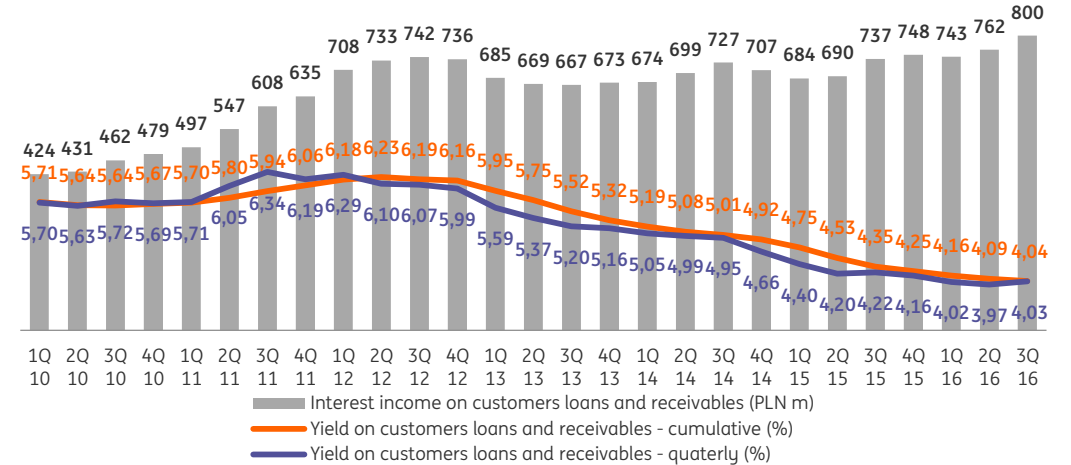


Cost of customer deposit funding (PLN m / %)



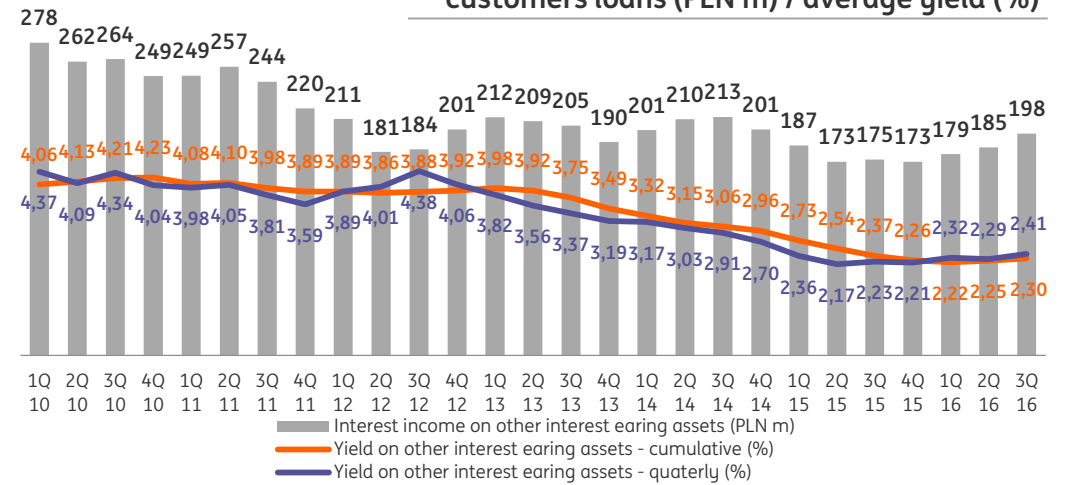
Interest income on loans and receivables from customers (PLN m)

/ average yield (%)



Interest income on other interest earning assets excluding interbank and

customers loans (PLN m) / average yield (%)



Definitions: Net interest income – net income on all interest earning assets, including income on derivatives and hedge accounting; Net interest margin cumulative = sum of NII of four quarters / average interest earning assets for five quarters; Net interest margin quarterly = quarterly net interest income x4 / average interest earning assets in a given quarter



Lending exposure by industry

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

Consolidated approach

No	Industry	Exposure as of 30.09.2016	%
1	WHOLESALE TRADE	6 903	14,6%
2	REAL ESTATE SERVICE	6 838	14,5%
3	PUBLIC ADMINISTRATION AND NATIONAL DEFENSE	3 600	7,6%
4	FOODSTUFF AND BEVERAGE PRODUCTION	2 747	5,8%
5	RETAIL TRADE	2 372	5,0%
6	FINANCIAL INTERMEDIATION	2 096	4,4%
7	POWER INDUSTRY	1 770	3,7%
8	AGRICULTURE , FORESTY , FISHERY	1 727	3,7%
9	LAND AND PIPELINE TRANSPORTATION	1 516	3,2%
10	CONSTRUCTIONS INDUSTRY	1 395	2,9%
11	READY-MADE METAL GOODS PRODUCTIONS	1 369	2,9%
12	RUBBER INDUSTRY	1 204	2,5%
13	REMAINING SERVICES CONNECTED WITH RUNNING BUSINESS	1 200	2,5%
14	POST OFFICE AND TELECOMMUNICATIONS	1 087	2,3%
15	WOOD AND PAPER INDUSTRY	1 076	2,3%
16	CHEMICALS AND CHEMICAL GOODS PRODUCTION	828	1,8%
17	MECHANICAL VEHICLES SALE , REPAIR AND SERVICE	795	1,7%
18	ENGINEERING INDUSTRY	749	1,6%
19	EQUIPMENT RENT	695	1,5%
20	Other	7 321	15,5%
Total exposure		47 288	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 30.09.2016	%
1	WHOLESALE TRADE	10 333	14,8%
2	REAL ESTATE SERVICE	7 151	10,2%
3	RETAIL TRADE	4 364	6,2%
4	PUBLIC ADMINISTRATION AND NATIONAL DEFENSE	3 932	5,6%
5	FOODSTUFF AND BEVERAGE PRODUCTION	3 839	5,5%
6	POWER INDUSTRY	3 673	5,3%
7	CONSTRUCTIONS INDUSTRY	3 553	5,1%
8	FINANCIAL INTERMEDIATION	2 701	3,9%
9	READY-MADE METAL GOODS PRODUCTIONS	2 049	2,9%
10	LAND AND PIPELINE TRANSPORTATION	1 919	2,7%
11	AGRICULTURE , FORESTY , FISHERY	1 881	2,7%
12	RUBBER INDUSTRY	1 818	2,6%
13	REMAINING SERVICES CONNECTED WITH RUNNING BUSINESS	1 652	2,4%
14	WOOD AND PAPER INDUSTRY	1 489	2,1%
15	ENGINEERING INDUSTRY	1 346	1,9%
16	AUXILIARY SERVICE FOR TRANSPORTATION	1 317	1,9%
17	CHEMICALS AND CHEMICAL GOODS PRODUCTION	1 255	1,8%
18	REMAINING NON-METAL RAW MATERIALS INDUSTRIES	1 217	1,7%
19	POST OFFICE AND TELECOMMUNICATIONS	1 194	1,7%
20	Other	13 208	18,9%
Total exposure		69 893	100,0%

Note: breakdown of gross lending exposure including loans, corporate bonds and leasing & factoring receivables plus off-balance sheet exposure

IR contact details

ING Bank Śląski S.A.

Ul. Puławska 2, 02-566 Warsaw

Investor Relations Bureau

E investor@ingbank.pl

F +48 22 602 09 97

Iza Rokicka

Head of IR

T +48 22 820 44 16

E iza.rokicka@ingbank.pl

Maciej Kałowski

IR Specialist

T +48 22 820 44 43

E maciej.kalowski@ingbank.pl

