



ING Bank Śląski S.A.

Business and Financial Results for Q4 2020

Warsaw, 12 March 2021



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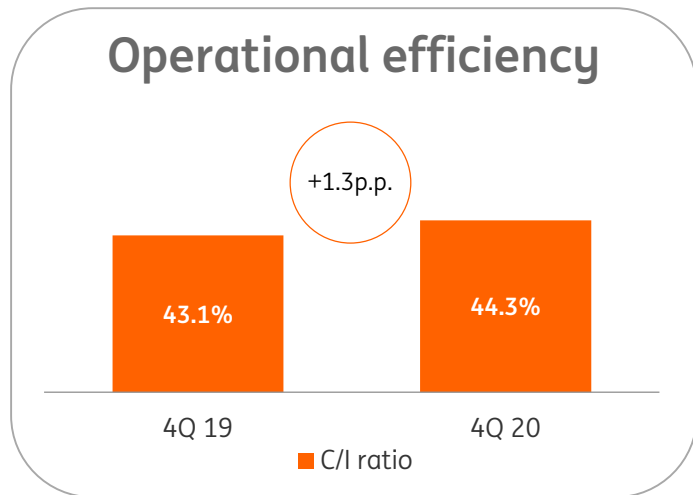
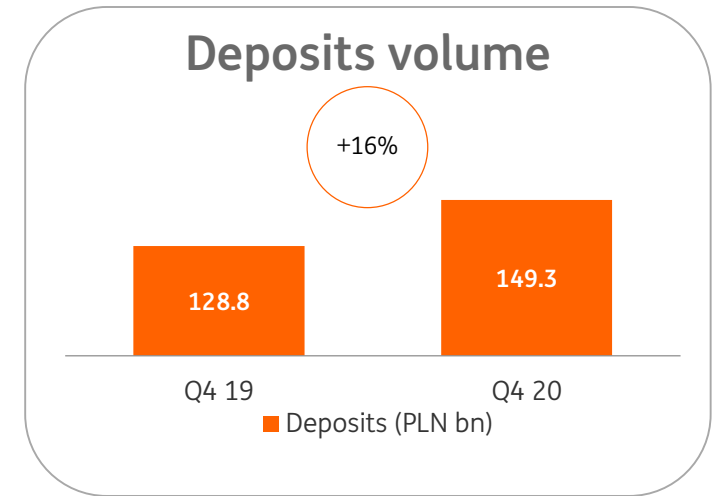
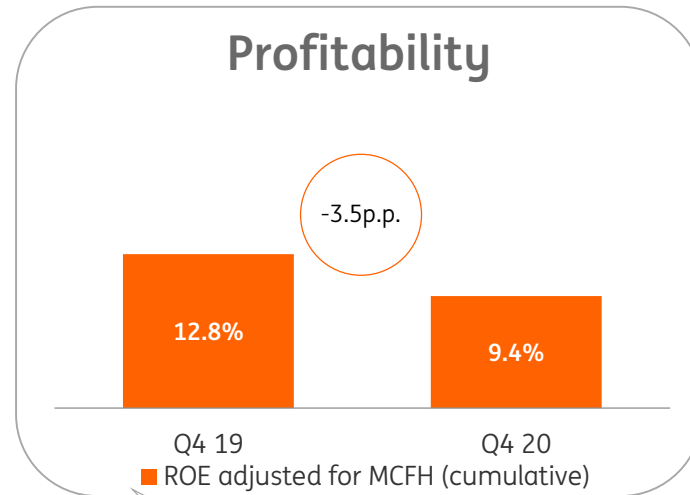
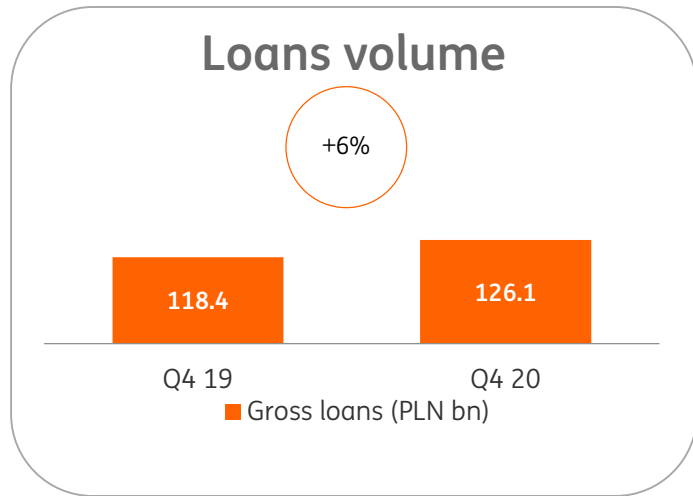
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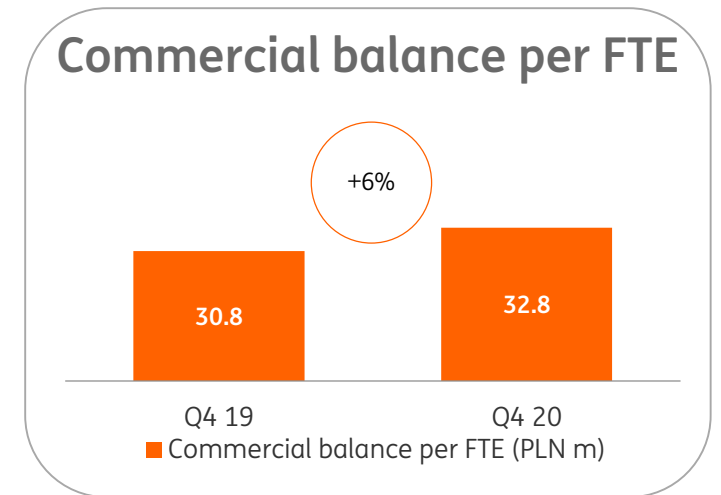
A photograph of two children playing in the snow on a wooden deck. The child on the left is laughing, wearing a blue and red patterned snow suit. The child on the right is wearing a colorful blue, green, and orange patterned snow suit. The deck is covered in snow, and there are red berries on branches in the foreground. The background shows a house with a stone chimney and a snow-covered roof.

**Introduction to financial results
and the Bank's market position**

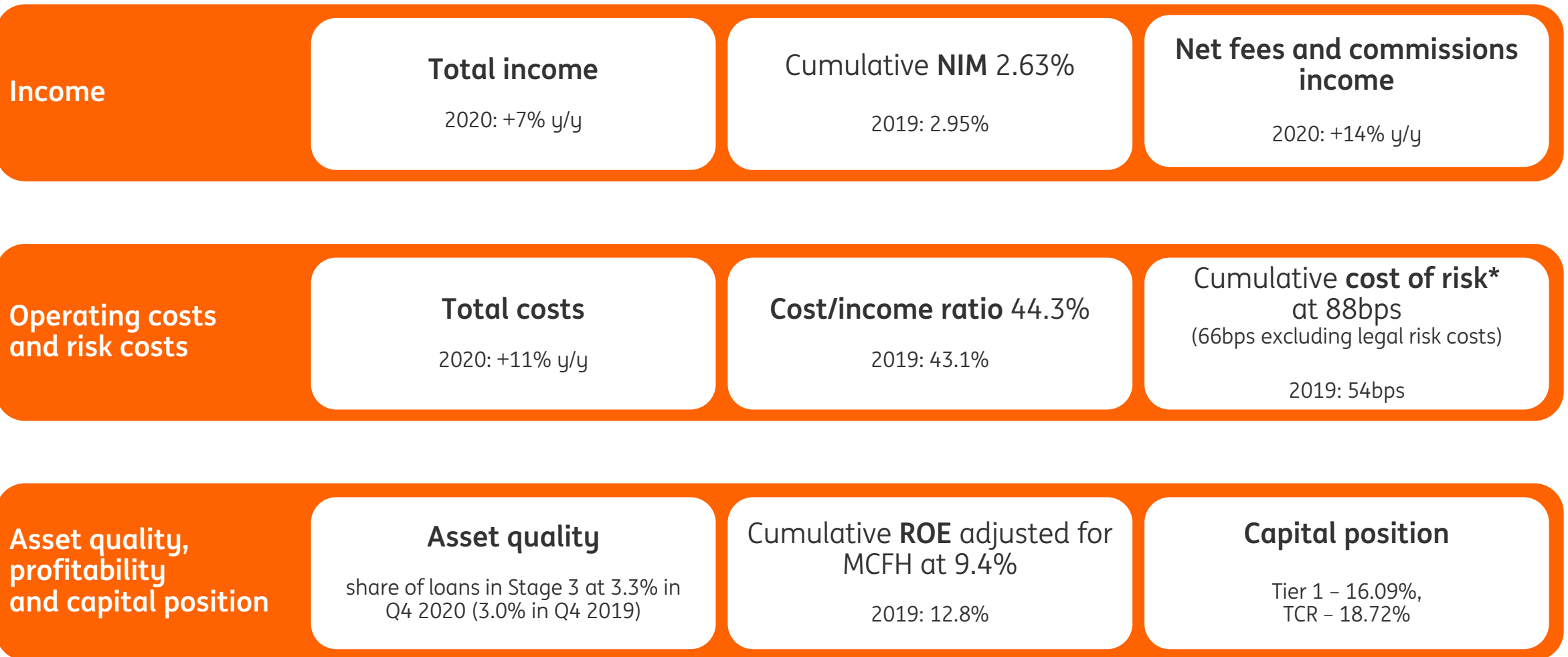
Basic performance indicators



Reported ROE was 7.6%
in Q4 2020 (11.6% in Q4 2019)



Elements shaping the income statement



Selected financial data

PLN million	Q4 2019	Q3 2020	Q4 2020	Change y/y	Change %y/y	2019	2020	Change y/y	Change % y/y
Total income	1,486.8	1,552.1	1,603.8	+117.0	+8%	5,796.4	6,230.7	+434.3	+ 7%
Total expenses	590.8	666.7	682.3	+91.5	+15%	2,497.4	2,762.5	+265.1	+ 11%
Result before risk costs	896.0	885.4	921.5	+25.5	+3%	3,299.0	3,468.2	+169.2	+ 5%
Risk costs including legal cost of risk for FX mortgage loans	164.4	145.3	322.5	+158.1	+96%	605.5	1,074.9	+469.4	+ 78%
Bank levy	113.6	122.0	122.5	+8.9	+8%	435.7	481.6	+45.9	+ 11%
Profit before tax	618.0	618.1	476.5	-141.5	- 23%	2,257.8	1,911.7	-346.1	- 15%
Income tax	167.7	177.9	162.6	-5.1	- 3%	599.1	574.1	-25.0	- 4%
Net profit	450.3	440.2	313.9	-136.4	- 30%	1,658.7	1,337.6	-321.1	- 19%
Total capital ratio	16.87%	18.64%	18.72%	+ 1.85 p.p.	-	16.87%	18.72%	+1.85 p.p.	-
Tier 1	14.41%	16.04%	16.09%	+ 1.68 p.p.	-	14.41%	16.09%	+1.68 p.p.	-
ROE* (%)	11.6%	8.7%	7.6%	-4.0 p.p.	-	11.6%	7.6%	-4.0 p.p.	-
ROE* adjusted for MCFH (%)	12.8%	10.6%	9.4%	-3.5 p.p.	-	12.8%	9.4%	-3.5 p.p.	-
C/I ratio (%)	39.7%	43.0%	42.5%	+2.8 p.p.	-	43.1%	44.3%	+1.3 p.p.	-

- The bank has reported an estimate of the negative impact of unforeseen interest rate cuts on the interest result of 2020 in the amount of PLN 255-305 million.
- The bank's regulatory costs in 2020 increased by PLN 83.6 million (+38% y/y) to PLN 302.0 million.
- Negative impact of changes in macroeconomic assumptions throughout 2020 in the amount of PLN 242.5 million (higher cost of risk).
- The Bank increased its portfolio provision for CHF mortgage loans in the fourth quarter of 2020 by PLN 239.9 million; at the end of 2020, the balance of provisions for the portfolio of active loans is PLN 300.0 million, and for loans repaid, PLN 11.8 million.

*ROE = total net profit for 4 subsequent quarters / average equity for 5 subsequent quarters

Major business accomplishments

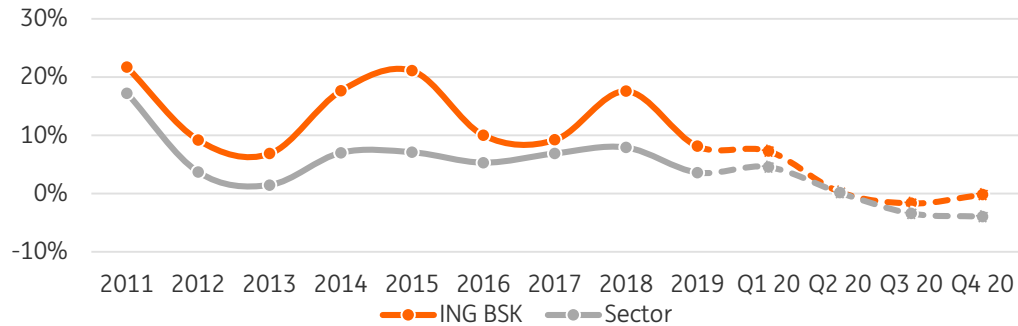
Business volumes

<i>PLN million</i>	Q4 2018	Q1 2019	Q2 2019	Q3 2019	4Q 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	% change y/y	change y/y
Total deposits	115,908	118,653	121,131	123,716	128,800	137,489	149,301	152,724	149,270	+ 15.9%	20,470
Corporate clients' deposits	44,957	44,855	46,486	47,240	49,848	52,497	61,911	65,293	58,755	+ 17.9%	8,907
Retail clients' deposits	70,952	73,798	74,645	76,476	78,952	84,992	87,390	87,431	90,515	+ 14.6%	11,563
Total funds entrusted by retail clients	82,665	86,310	87,692	90,119	93,254	96,609	101,096	102,764	106,757	+ 14.5%	13,504
Mutual funds assets (TFI) + other off-BS products distributed by the Bank	11,714	12,512	13,046	13,644	14,302	11,617	13,706	15,333	16,243	+ 13.6%	1,941
Total loans	104,445	108,445	111,473	116,383	118,437	124,018	121,697	123,965	126,099	+ 6.5%	7,661
Loans to corporate clients incl. leasing and factoring	64,604	67,053	67,772	70,188	70,077	73,078	69,088	70,201	70,266	+ 0.3%	189
Loans to retail clients	39,841	41,392	43,701	46,195	48,360	50,940	52,609	53,764	55,833	+ 15.5%	7,472
Mortgage loans	33,372	34,590	36,465	38,618	40,772	43,179	44,933	45,924	47,901	+ 17.5%	7,129
Cash loans	5,429	5,784	6,158	6,435	6,469	6,662	6,581	6,676	6,774	+ 4.7%	305

- The balance of corporate deposits increased by PLN 8.9 billion in 2020, mainly due to the inflow of funds from the PFR 1.0 Shield.
- The balance of corporate loans in 2020 increased by 0.3% y/y, while the sector decreased by 4% y/y.
- Sales of mortgage loans in 2020 amounted to PLN 11.4 billion (flat y/y), which translated into a 19.2% market share.

Market shares of ING Bank Śląski S.A.

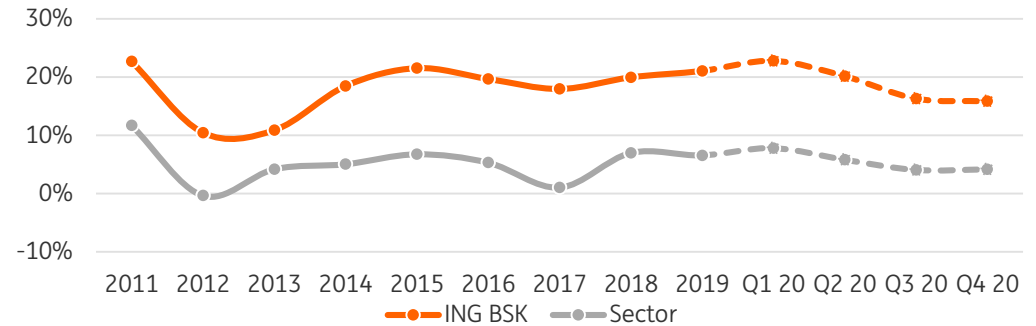
Corporate loans* (change y/y)



Market share (%)

6.71 7.07 7.45 8.19 9.26 9.68 9.89 10.78 11.25 11.32 11.17 11.51 11.69

Individuals' loans (change y/y)



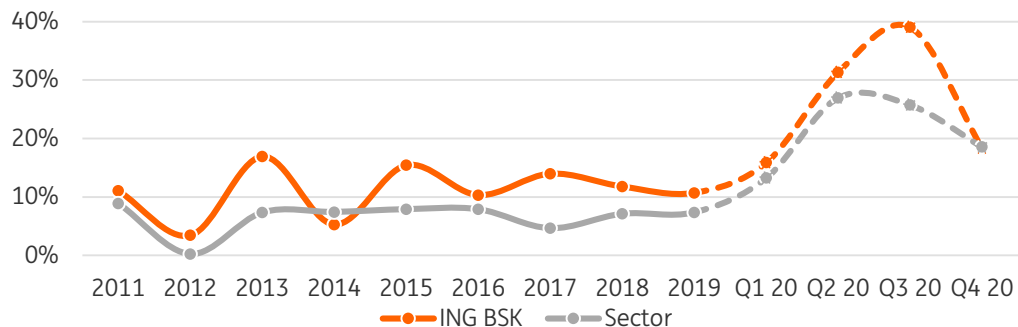
Market share (%)

2.76 3.06 3.25 3.67 4.18 4.75 5.54 6.21 7.06 7.25 7.49 7.58 7.86

Market share excl. FX** (%)

4.01 4.31 4.43 4.92 5.56 6.21 6.86 7.56 8.39 8.69 8.91 8.97 9.29

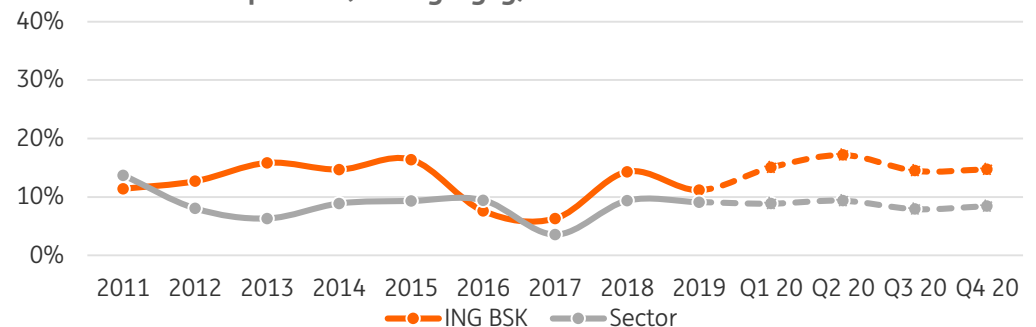
Corporate deposits* (change y/y)



Market share (%)

6.64 6.85 7.46 7.32 7.83 8.00 8.72 9.10 9.38 9.69 10.09 10.51 9.37

Individuals' deposits (change y/y)



Market share (%)

6.74 7.03 7.66 8.06 8.58 8.44 8.66 9.05 9.22 9.60 9.72 9.70 9.76

Note: Market data – monetary financial institutions data of the National Bank of Poland (Monrep, WEBIS); ING BSK – total unit data of ING BSK and ING Bank Hipoteczny, as per NBP segmentation (Monrep, WEBIS). * Including individual entrepreneurs; **Excluding FX mortgage loans.

A young boy in a blue and green jacket is pulling a sled on a frozen lake. The sled has another boy on it, who is wearing a blue and orange jacket. The background shows other people on the ice under a clear blue sky.

Business development



We focus on educating our customers

In the fourth quarter of 2020 we devoted our time largely to support and educate our clients by organising, inter alia, on-line webinars hosted by our experts. The following webinars and events that took place in this quarter are worth mentioning:

- ["Do you have to return the entire PFR grant?"](#)
- ["Remote robots to help"](#).
- ["Plain language - it goes without saying!"](#)
- ["Radical changes in energy prices for companies from 2021 - The impact of the new power fee on business competitiveness"](#)

We have also been partners in important initiatives:

- [Exempt from Theory \[Zwolnieni z Teorii\] Games](#)
- [Open Eyes Economy Summit](#)

Recordings of selected events and webinars are available on [our YouTube channel](#).

Retail banking

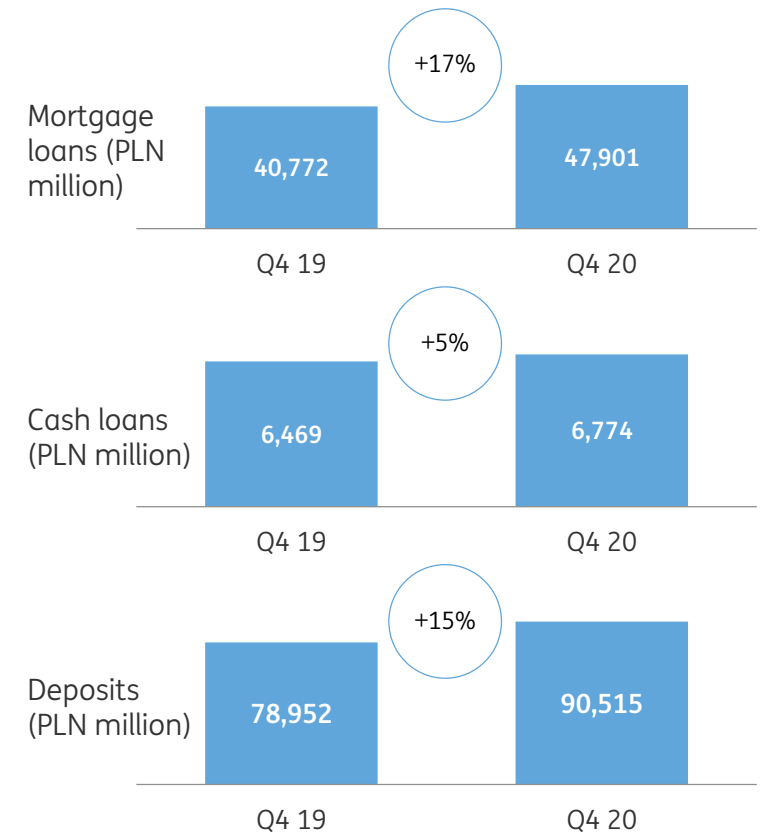
Customer transactions

- We operate 3.4 million current accounts for individual clients
- In Q4 2020, our individual clients made +11% y/y more transfers, a total of 110.0 million (99.96% electronically), of which 34.2 million transfers were made in mobile banking (+32% y/y) ...
- ... +81% y/y more BLIK transactions (17.4 million in total), ...
- ... the same number of debit card transactions as in last year (189.3 million in total) ...
- ... and -43% y/y fewer transactions in the branch (0.4 million in total).

Funding

- Retail receivables portfolio increased by PLN 7.5bn y/y and by PLN 2.1bn q/q to PLN 55.8bn
- We granted PLN 3.7bn in mortgage loans in Q4 2020 (+15% y/y), including PLN 706 for a fixed rate (-54% y/y)
- A 12.6% share in PLN mortgage loan volumes
- We granted PLN 834m in cash loans in Q4 2020 (-8% y/y) ...
- ... of which 83% were sold via online channels

Growing volumes



Corporate banking

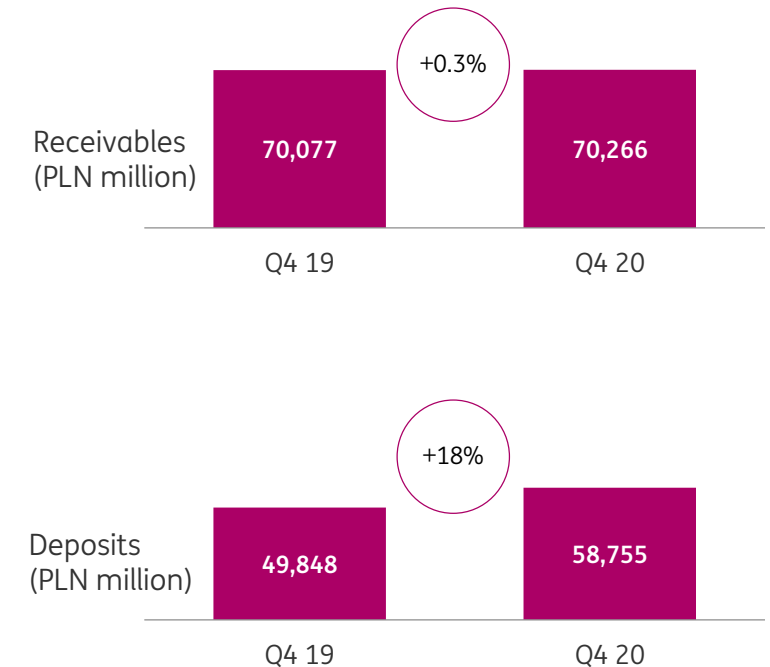
Customer transactions

- We service 485.9 thousand corporate clients, of which 408.0 thousand are entrepreneurs, 74.4 thousand are SME and mid-corporates and 3.5 thousand are strategic clients
- In Q4 2020, our corporate clients using ING Business made 22.7 million transfers (+6% y/y), of which 1.6 million were made in mobile banking (+40% y/y)
- We installed a total of 26.8 thousand payment terminals; We processed 7.8 million transactions in Q4 2020 (+24% y/y)
- 2,686 stores with an active imoje payment gateway (+1,417 from the beginning of the year), of which 504 stores with Twisto payments (+204 from the beginning of the year)

Funding

- Corporate receivables portfolio (including leasing and factoring) amounts to PLN 70.3bn (flat y/y)
- The portfolio of receivables from entrepreneurs increased by PLN 143 million y/y (+2% y/y) to the level of PLN 6.8 billion
- The portfolio of receivables from SME and mid-corporates increased by PLN 259 million y/y (+1% y/y) to the level of PLN 39.1 billion
- The portfolio of receivables from strategic customers decreased by PLN 213 million y/y (-1% y/y) to the level of PLN 24.4 billion

Growing volumes



A woman with blonde hair tied back, wearing a dark blue long-sleeved shirt, is kneeling on a light-colored wooden floor. She is focused on filling a wooden crate with small, round, biodegradable pots containing soil. She has a tattoo on her left forearm. A white cat with a collar is standing on the floor to her right, looking at her. In the background, there are wooden chairs with blue seats. The scene is lit with warm, natural light.

Q4 2020 financial results

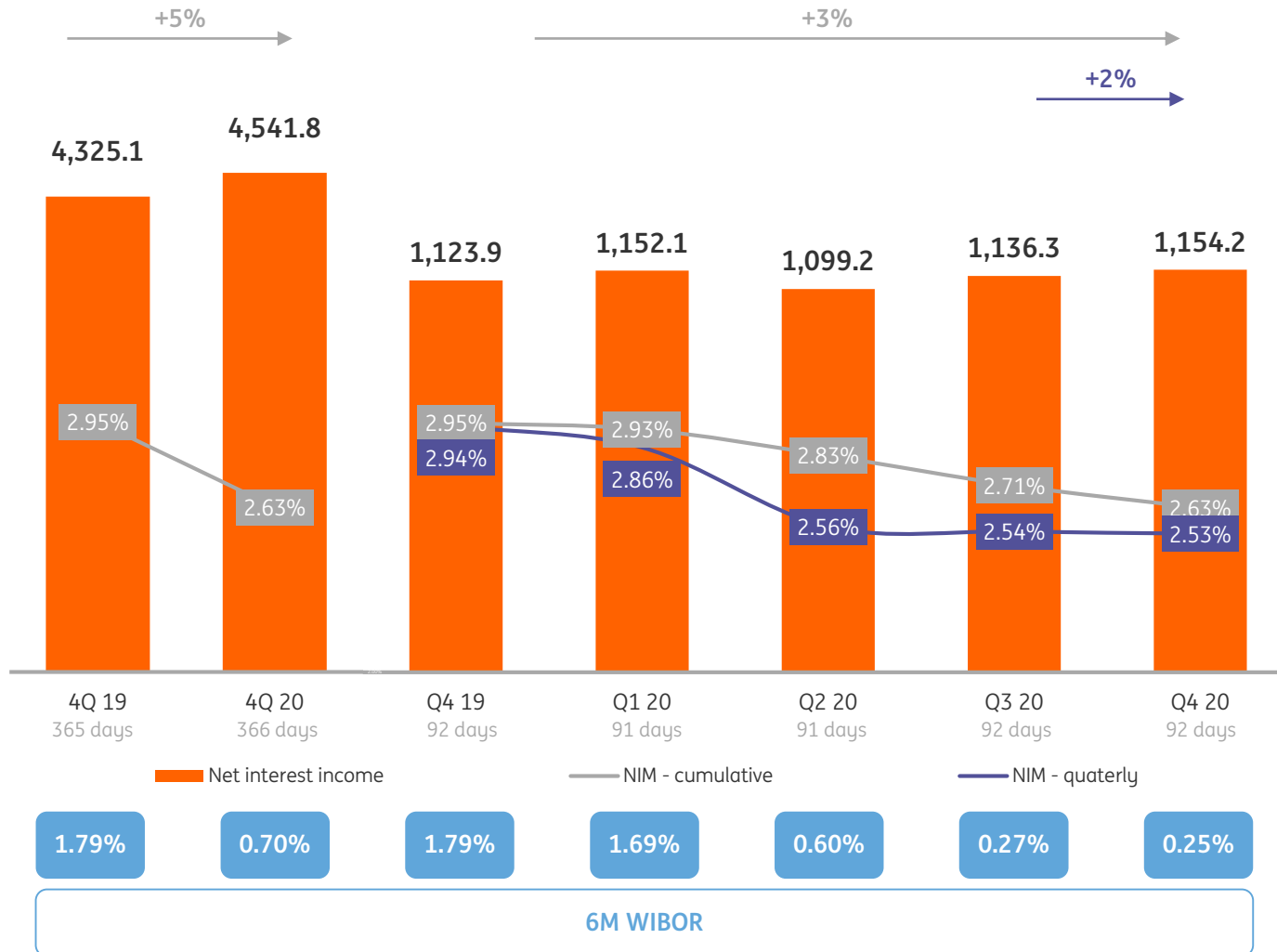
Financial results of ING Bank Śląski S.A.

PLN million	Q4 2019	Q3 2020	Q4 2020	change y/y	change % y/y	2019	2020	change y/y	change % y/y
Net interest income	1,123.9	1,136.3	1,154.2	+30.3	+3%	4,325.1	4,541.8	+216.7	+5%
Net commission income	336.4	393.6	431.7	+95.3	+28%	1,340.5	1,528.4	+187.9	+14%
Other income	26.5	22.2	17.9	-8.6	-32%	130.8	160.5	+29.7	+23%
Total income	1,486.8	1,552.1	1,603.8	+117	+8%	5,796.4	6,230.7	+434.3	+7%
Total expenses	590.8	666.7	682.3	+91.5	+15%	2,497.4	2,762.5	+265.1	+11%
Result before risk costs	896.0	885.4	921.5	+25.5	+3%	3,299.0	3,468.2	+169.2	+5%
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Net profit	450.3	440.2	313.9	-136.4	-30%	1,658.7	1,337.6	-321.1	-19%
Total capital ratio	16.87%	18.64%	18.72%	+1.85 p.p.	-	16.87%	18.72%	+1.85 p.p.	-
Tier 1	14.41%	16.04%	16.09%	+1.68 p.p.	-	14.41%	16.09%	+1.68 p.p.	-
ROE (%)*	11.6%	8.7%	7.6%	-4.0 p.p.	-	11.6%	7.6%	-4.0 p.p.	-
ROE* adjusted for MCFH (%)	12.8%	10.6%	9.4%	-3.5 p.p.	-	12.8%	9.4%	-3.5 p.p.	-
C/I ratio (%)	39.7%	43.0%	42.5%	+2.8 p.p.	-	43.1%	44.3%	+1.3 p.p.	-

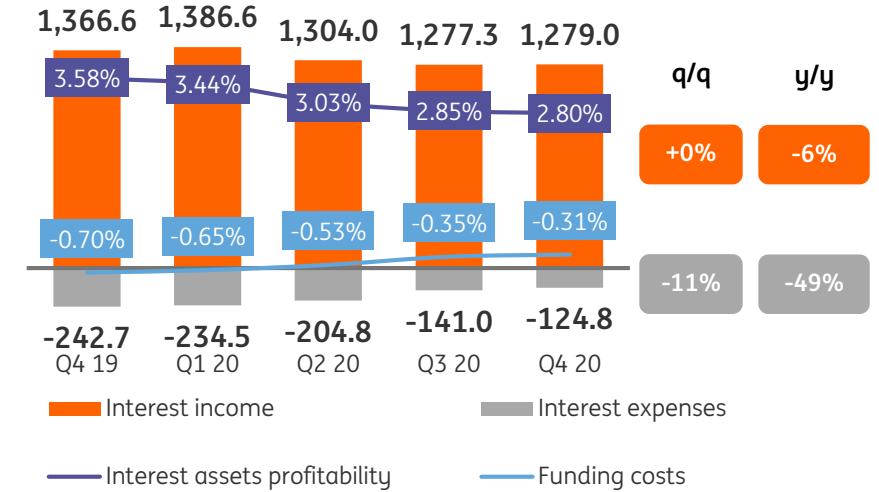
*ROE = total net profit for 4 consecutive quarters / average equity for 5 subsequent quarters

Net interest income

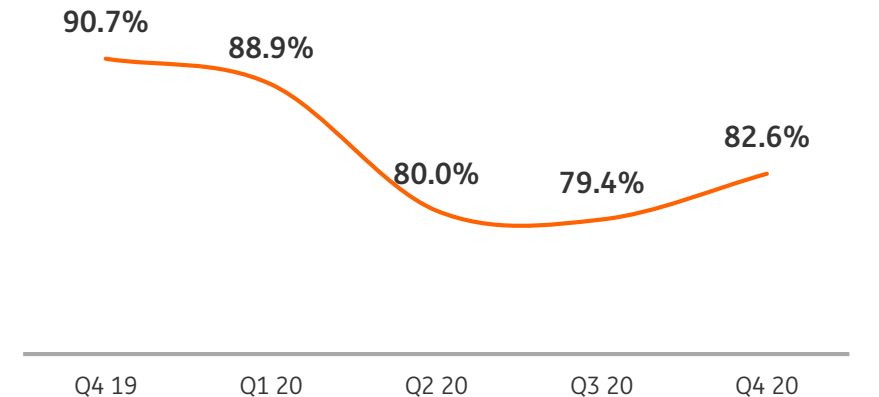
Net interest income (PLN million) and net interest margin



Interest income and expenses (PLN million)

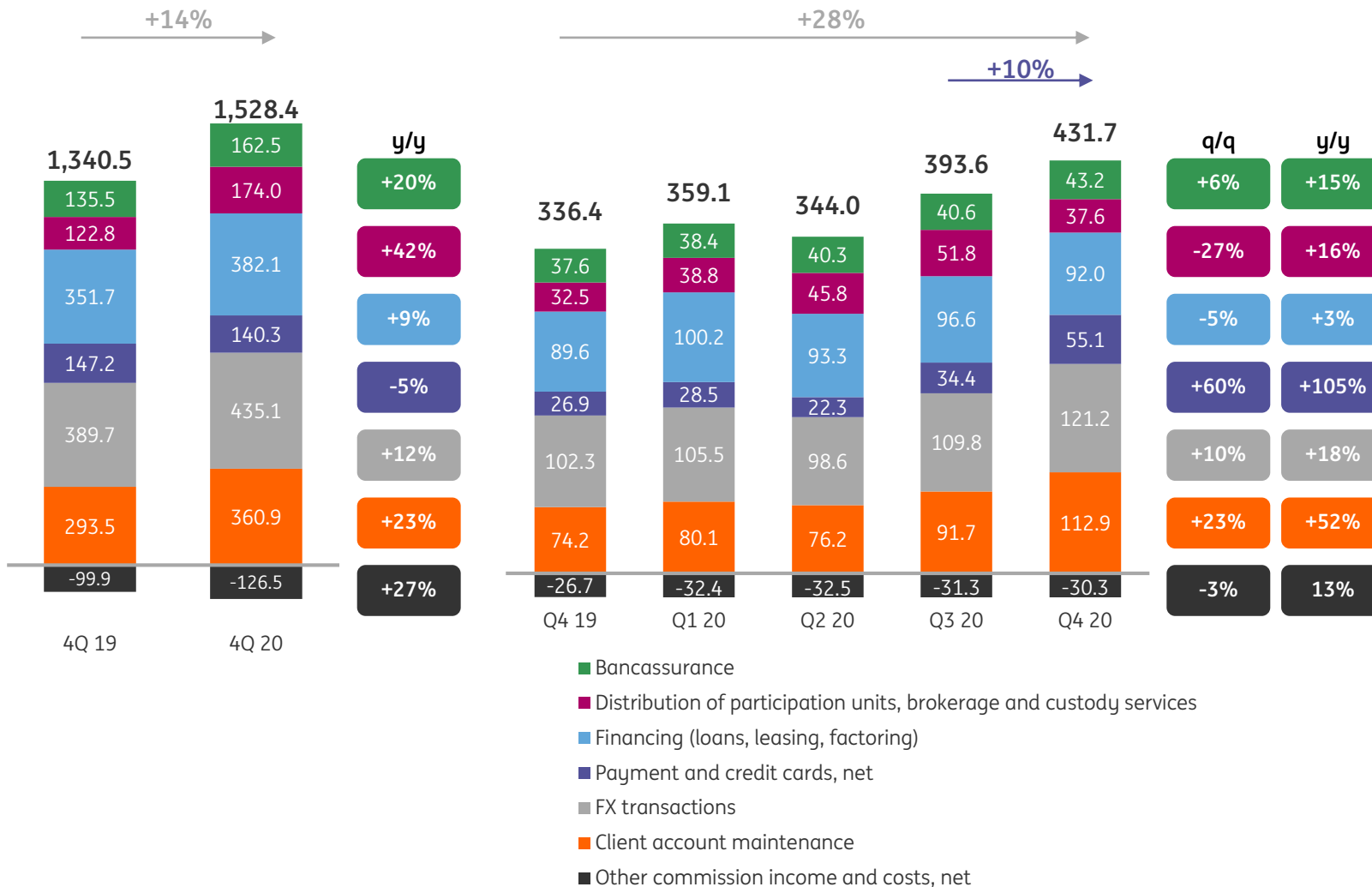


Loan to deposit ratio



Fee and commission income

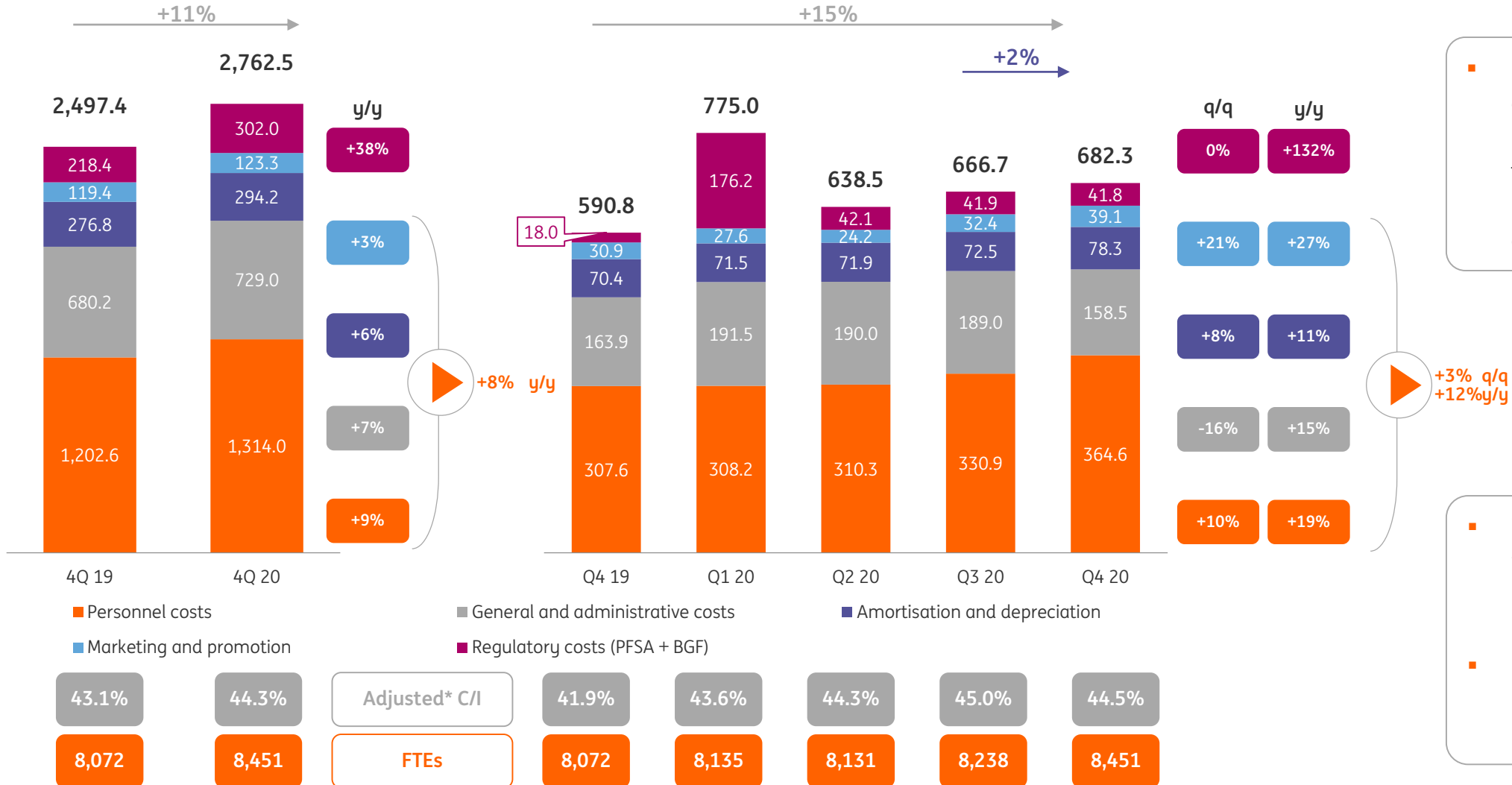
Fee and commission income per category (PLN million)



- The increase in the result on FX transactions is attributable to high turnover of our clients.
- The increase in the result for keeping accounts is mainly due to the revision of the TFC in the corporate segment.
- The improvement in the result on payment and credit cards in the fourth quarter of 2020 is the result of one-off settlements with partners.
- The quarterly decline in the result on brokerage activities is a consequence of actions after the ING Makler failure in December 2020.

Total expenses

Total expenses (PLN million)



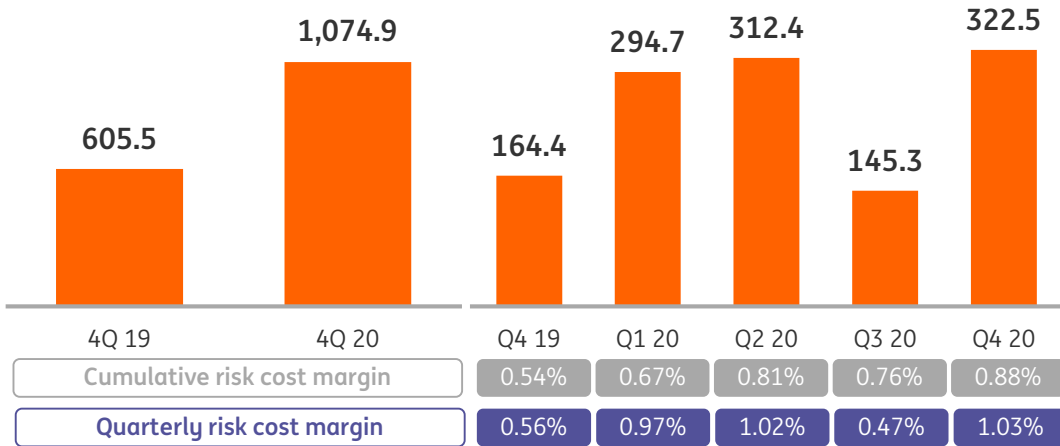
Personnel costs in the fourth quarter of 2020 include PLN 29.4 million of provisions for the continuation of the project to optimize the retail distribution network.

The annual contribution to the resolution fund amounted to PLN 124.4 million in Q1 2020. Annual PFSA costs incurred in Q1 2020 amounted to PLN 13.3 million.

*Adjusted for the contribution to the Resolution Fund to be paid over 4 quarters

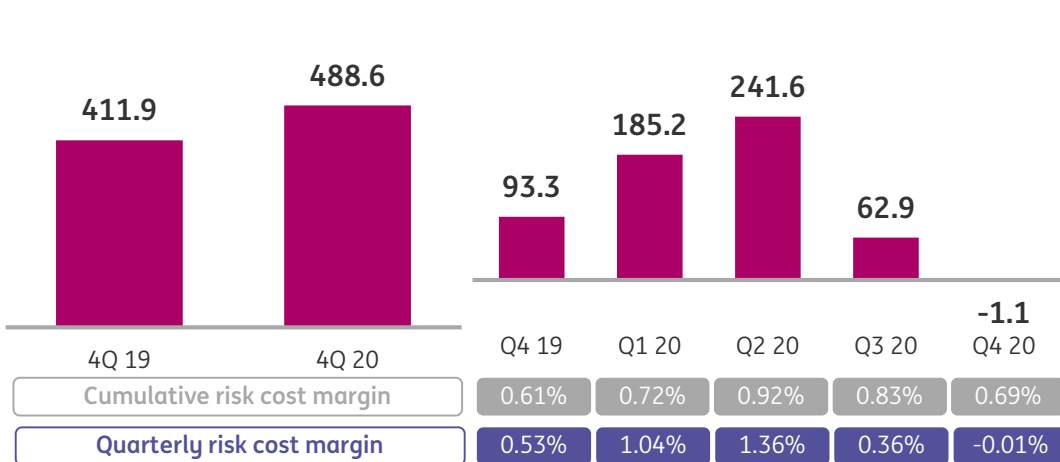
Cost of risk including legal cost of risk

Consolidated data for ING BSK (PLN million)

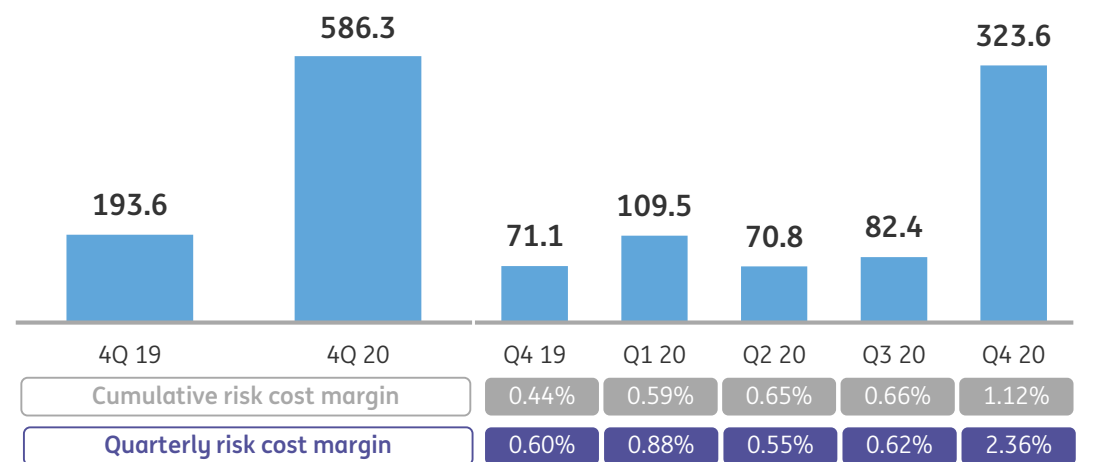


mln zł	Q1 20	Q2 20	Q3 20	Q4 20	2020
Impact of macroeconomic parameters on the provisions					
Retail segment	49.5	-24.1	30.5	-4.0	51.9
Corporate segment	97.2	173.8	12.3	-92.7	1906
Total	146.7	149.7	42.8	-96.6	242.5
Impact of legal risk of FX mortgage loan portfolio on the provisions					
Retail segment	0.0	10.2	20.2	239.9	270.3

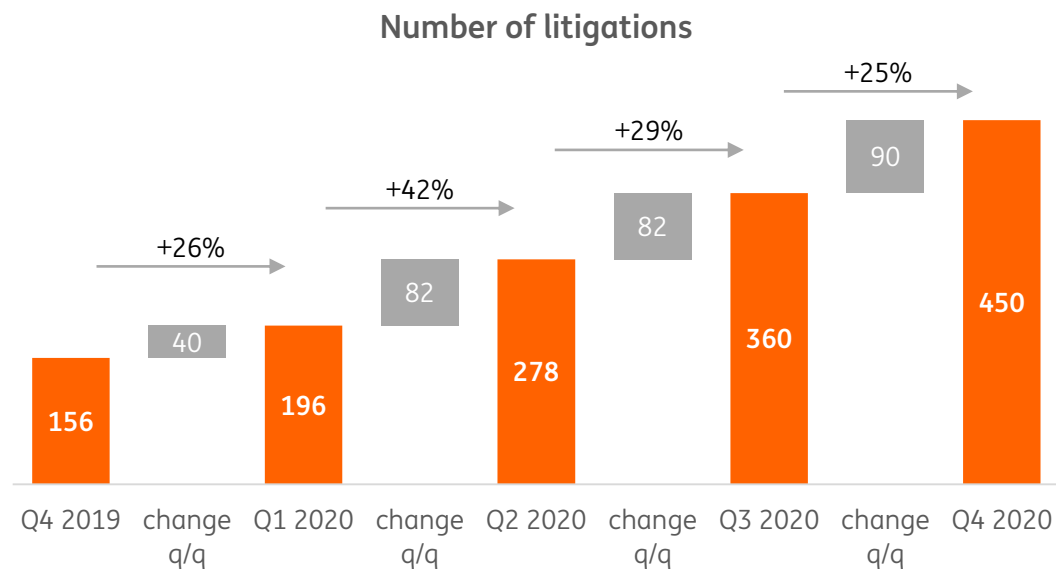
Corporate banking (PLN million)



Retail banking (PLN million)

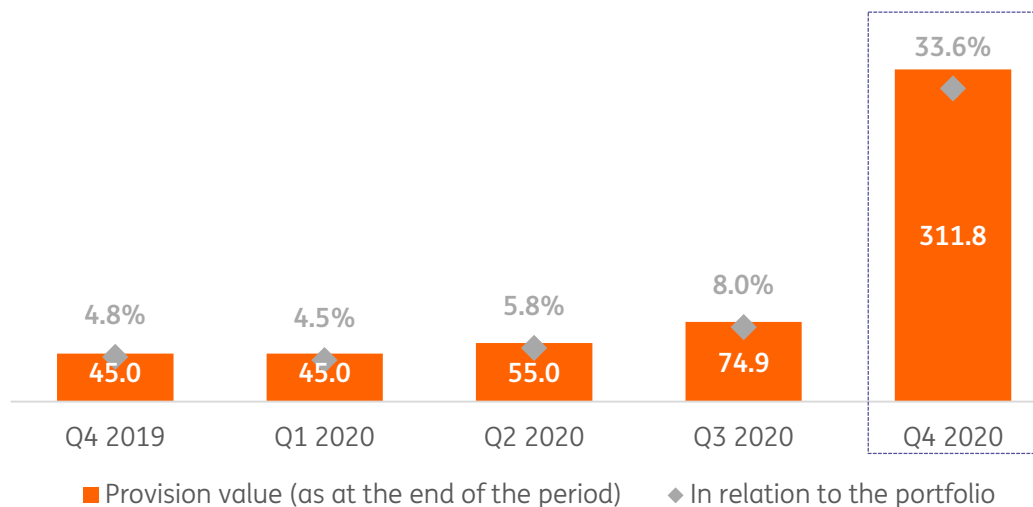


Legal risk of FX mortgage loans

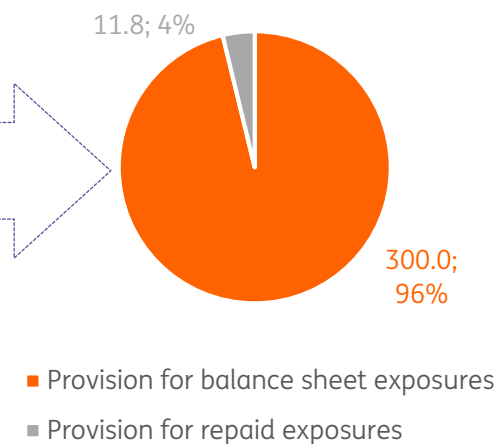


- In the fourth quarter of 2020, the assumptions in the model for estimating provisions for legal risk of FX mortgage loans were changed, including:
 - a new scenario based on settlements was taken into account, which is in line with the proposal presented in December 2020 by the PFSA, and
 - the number of forecasted litigations that may end with the cancellation of the contract has been increased.
- The Bank changed the presentation of the provision for legal risk of active FX mortgage loans; it is now a gross carrying amount adjustment.

Balance of provisions for litigations (PLN million; %)



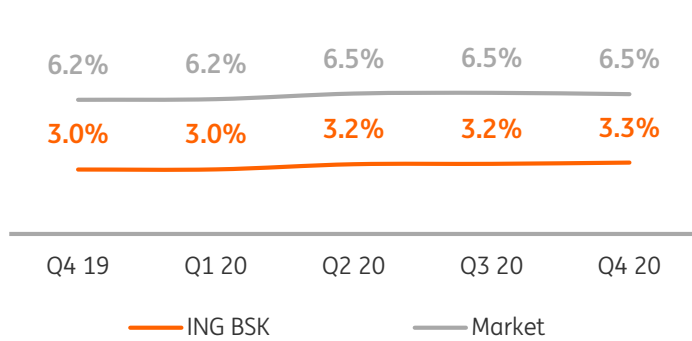
Structure of the provision as at the end of 2020 (PLN million; %)



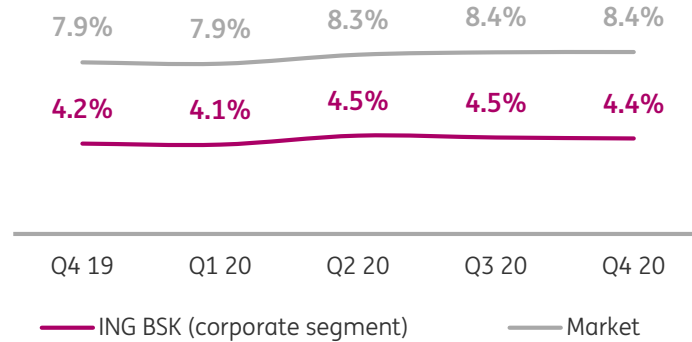
Portfolio quality and provisioning

Share of non-performing portfolio in the total portfolio

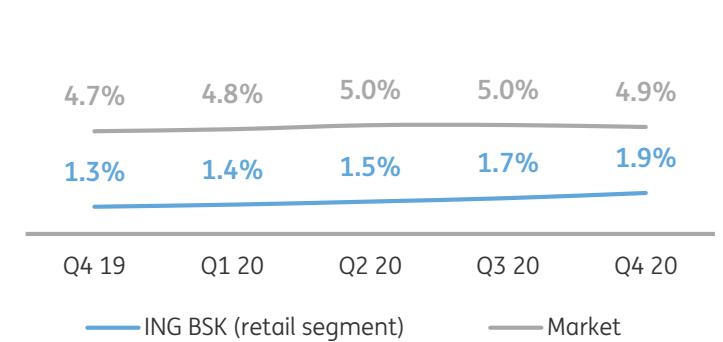
Consolidated data for ING BSK



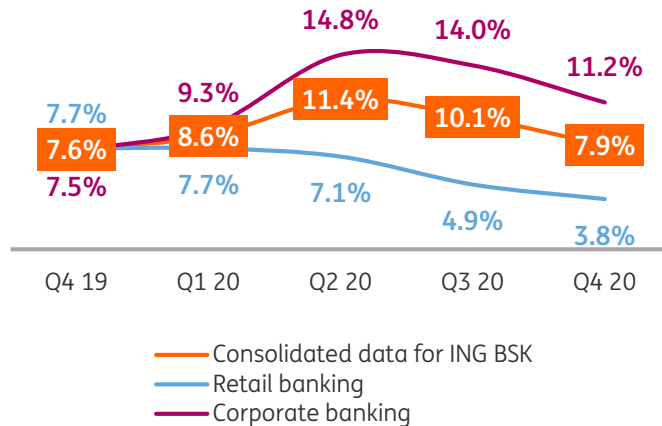
Corporate banking



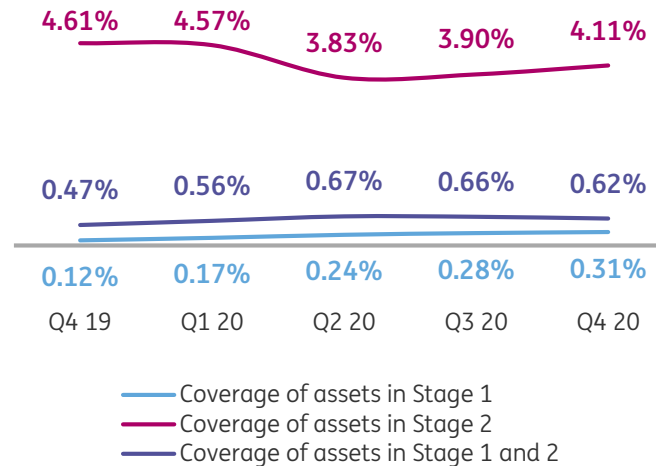
Retail banking



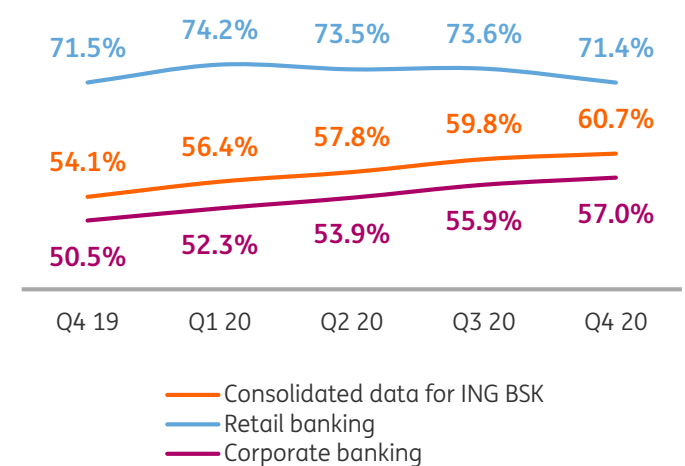
Share of Stage 2 in gross portfolio



Provisioning ratio – Stages 1 and 2



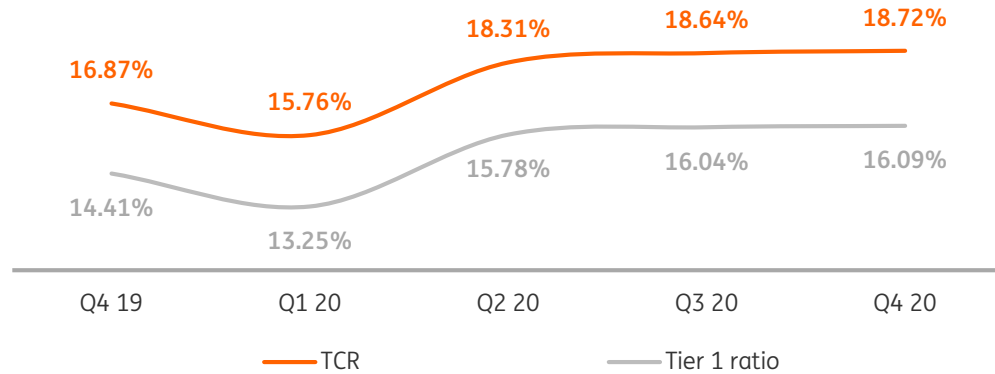
Provisioning ratio – Stage 3



Note: market ratios – estimates based on PFSA data; NPL= Stage 3 + POCI

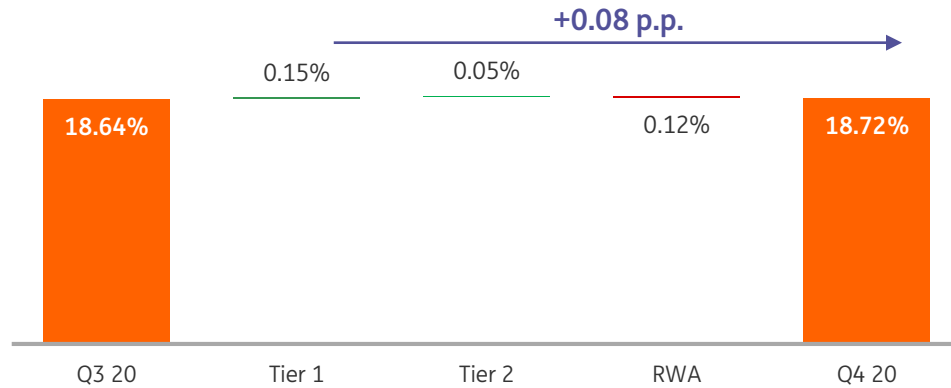
Capital adequacy

Consolidated total capital ratio and capital requirements

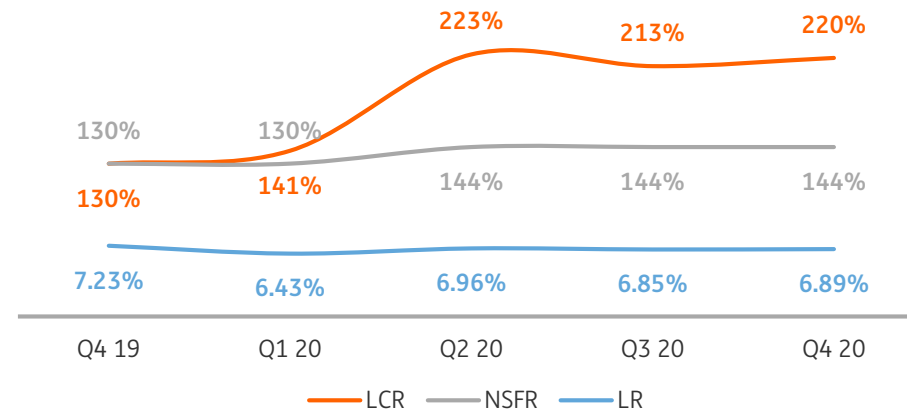


- Total capital ratio and Tier 1 ratio are, respectively, 7.72p.p., and 7.09p.p. above the minimum capital requirements for ING BSK, which are 11.002% and 9.002% respectively.
- The total capital ratio and tier 1 ratio would be 18.48% and 15.69%, respectively, if ING BSK did not apply a transition period for the implementation of IFRS 9.

Consolidated total capital ratio – decomposition of change on a q/q basis



Other capital and liquidity ratios



A person wearing a white winter jacket, dark pants, and a brown fur hat is falling into a deep snowdrift. They are smiling and looking towards the camera. Snow is falling around them, creating a dynamic and joyful scene. The background is a bright, snowy landscape.

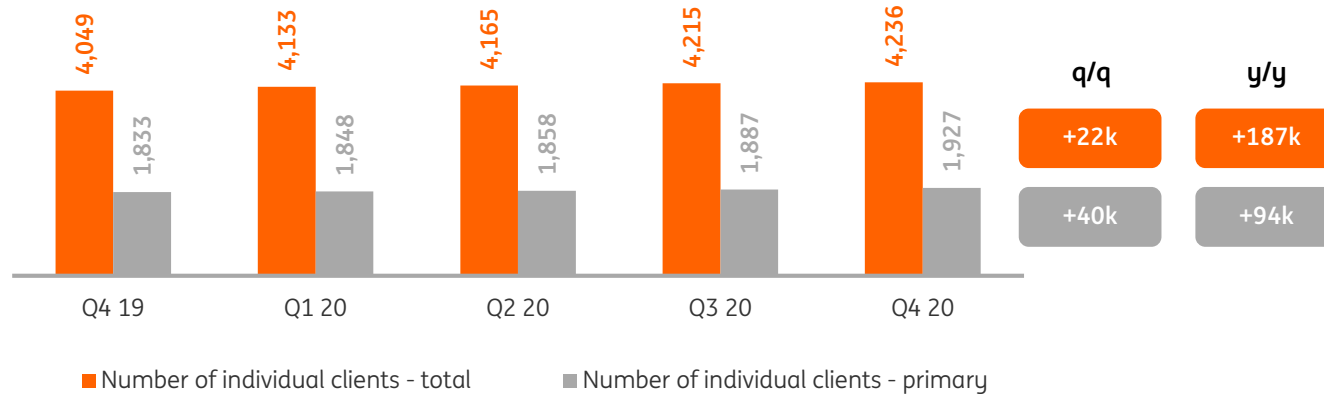
Appendixes

Retail banking

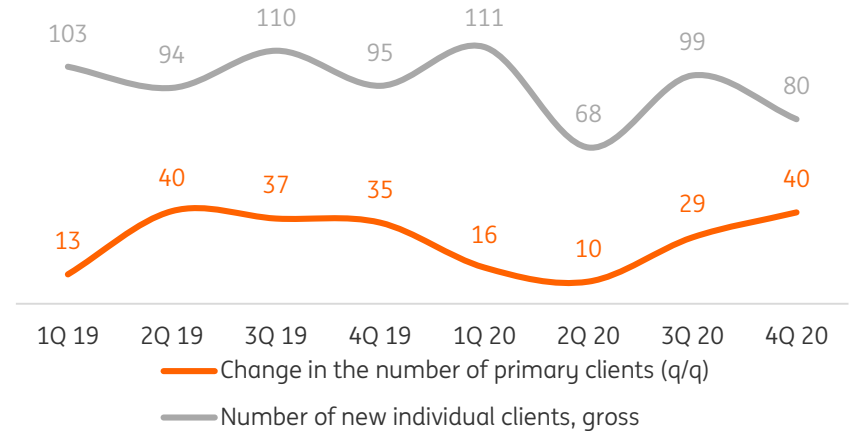
Retail client base

4.2 million individual clients

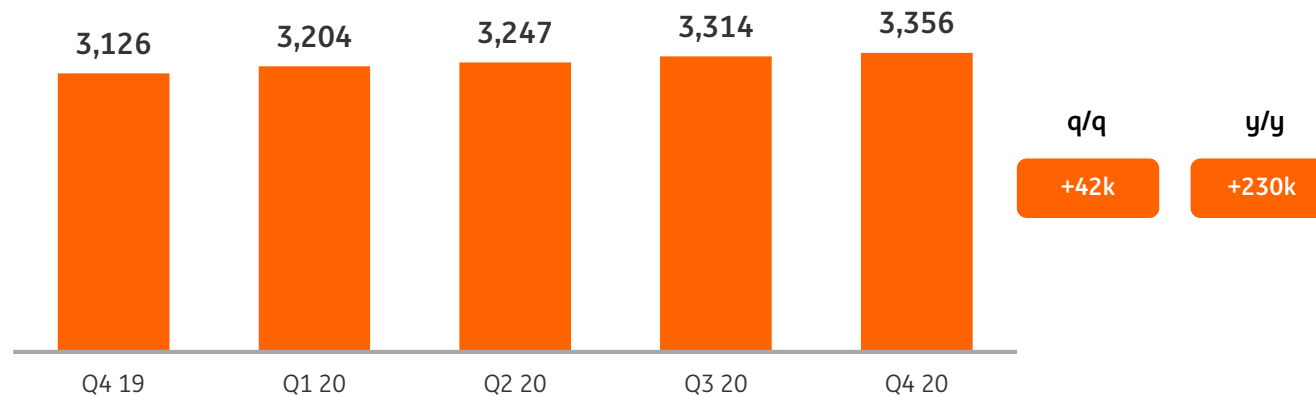
Number of individual clients (thousand)



Acquisition of individual clients (thousand)



Number of individual clients' current accounts (thousand)



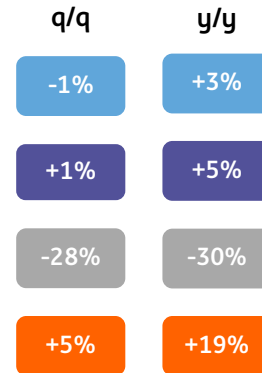
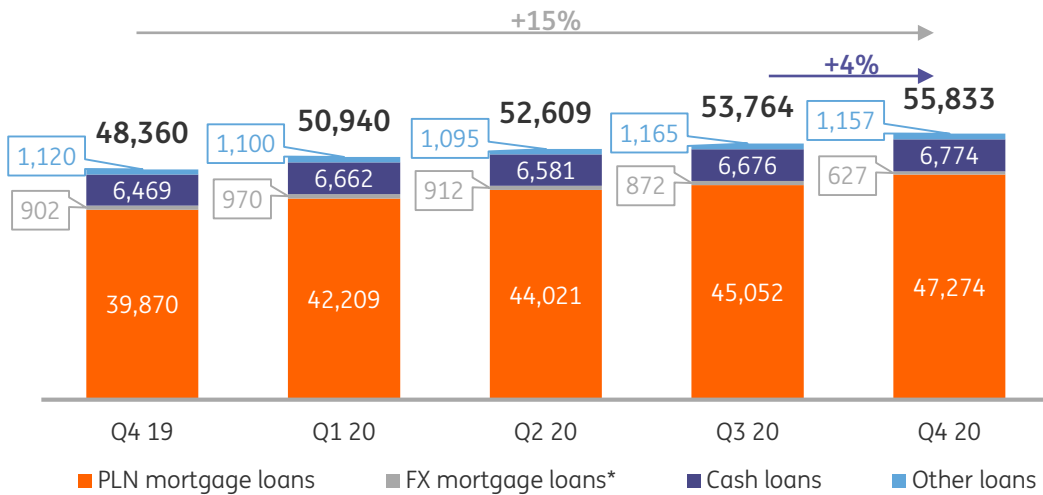
Note: current accounts in PLN

Primary clients - clients who have a current account with a balance higher than PLN 100 (salary inflows) and who also have another active product

- 85% of current accounts are Direct Accounts
- In Q4 2020, clients established **142.5 thousand trusted profiles** - there are already **1.6 million of them in total**. In Q4 2020, clients signed **755.5 thousand documents** using the trusted profiles.
- In Q4 2020, our clients submitted **8.8 thousand applications for 500+ child subsidy** as well as **8.5 thousand applications for 300+ subsidy** via ING

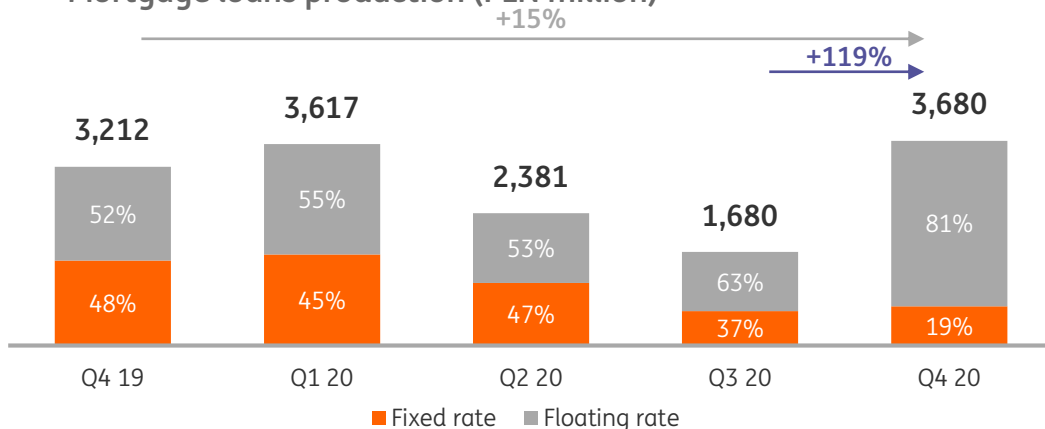
Retail lending

Loan portfolio of retail clients (gross; PLN million)

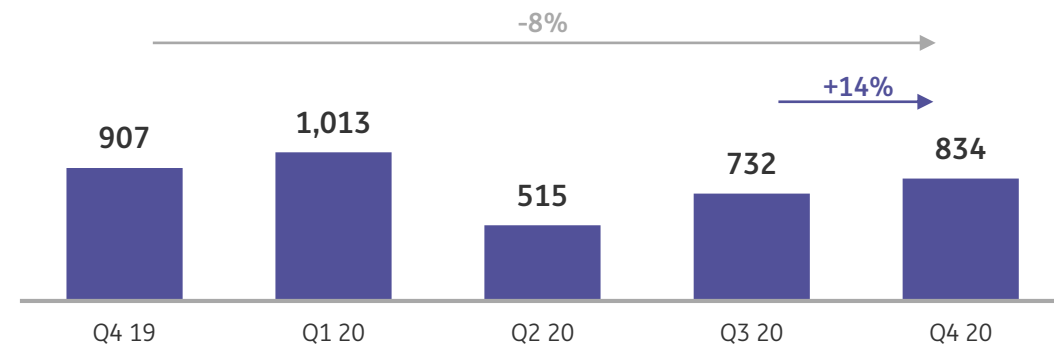


- **PLN 834 million** worth of cash loans granted to retail clients in Q4 2020 (-8% y/y)
- **PLN 3.7 billion** worth of mortgage loans granted in Q4 2020 (+15% y/y), which translates into a **22.9%** market share
 - Including PLN 0.7 billion worth of fixed interest rate mortgage loans (PLN 7.2 billion since the product launch)
- A **12.6%** market share in terms of PLN mortgage loans; **9.6%** in total mortgage loans (Q4 2020)

Mortgage loans production (PLN million)



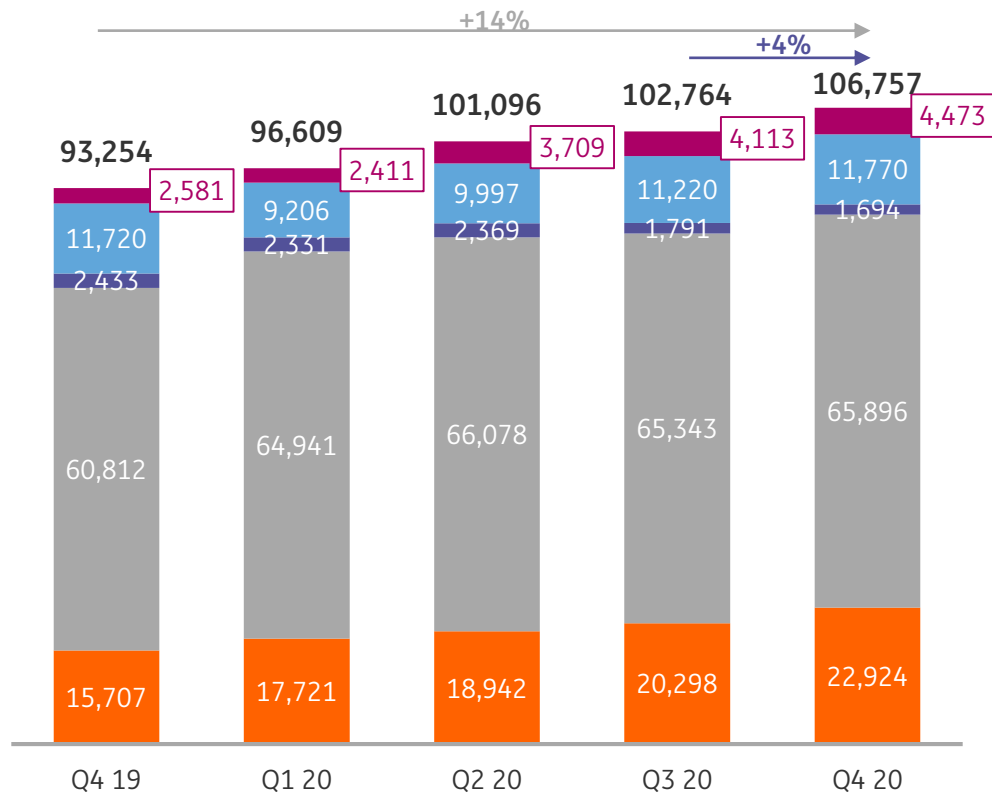
Cash loans production (PLN million)



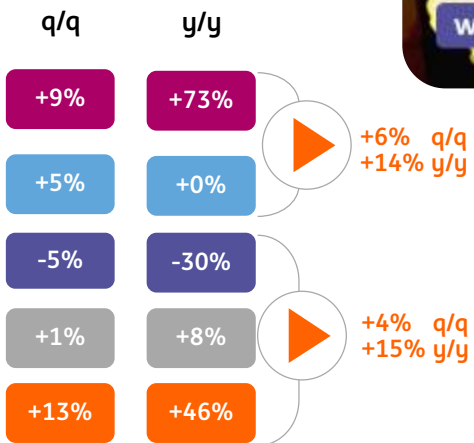
*FX mortgage loans after adjusting the gross carrying amount for legal risk provisions, which amounted to PLN 35.3 million in Q4 19 and Q1 20, PLN 42.4 million in Q2 20, PLN 62.3 million in Q3 20 and 300.0 PLN million in 4Q 20

Savings and investments

Portfolio of funds entrusted by retail clients (PLN million)



- Assets accumulated in brokerage accounts
- Mutual funds and other off-BS products
- Term deposits and structured products
- Savings accounts
- Current accounts



- At the end of Q4 2020, we run **133.6 thousand brokerage accounts (+42.7 thousand or 47% y/y)**; in Q4 2020 alone, the increase was 8.7 thousand accounts
- Our **brokerage office's turnover** on the stock market in Q4 2020 amounted to **PLN 10.2 billion, 40% more q/q and 594% y/y**
- 109.7 thousand bank clients invest on a regular basis**
- In Q4 2020, **38.6% of open investment fund units were purchased via mobile banking**

Progressive evolution of banking

ING is becoming more and more digital



Average rating of Moje ING mobile application in APP stores

Google Play ★ ★ ★ ★ ★ 4.8

App Store ★ ★ ★ ★ ★ 4.9

Electronic banking

We have a total of **719.6 thousand mobile cards** (+10% q/q, +65% y/y)

~ **2,127 thousand individual clients with active BLIK**, of which 847 thousand completed transactions in Q4 2020 (+13% q/q, +52% y/y)

~ **17.4 million BLIK transactions in Q4 2020** (+26% q/q, +81% y/y) made by individual clients, of which **14.4 million transactions on the Internet** (+34% q/q, +93% y/y)

~ **1,922 thousand active users of the mobile application** (+3% q/q, +20% y/y)

~ **1,294 thousand "mobile only" users** (+3% q/q, +20% y/y)

~ **34.2 million transfers** in mobile banking in Q4 2020 (+8.3 million y/y, +32% y/y)

In Q4 2020, we sold **83% of cash loans** for individual clients **via internet channels** (81% in Q4 2019).

2.3m
active mobile banking clients

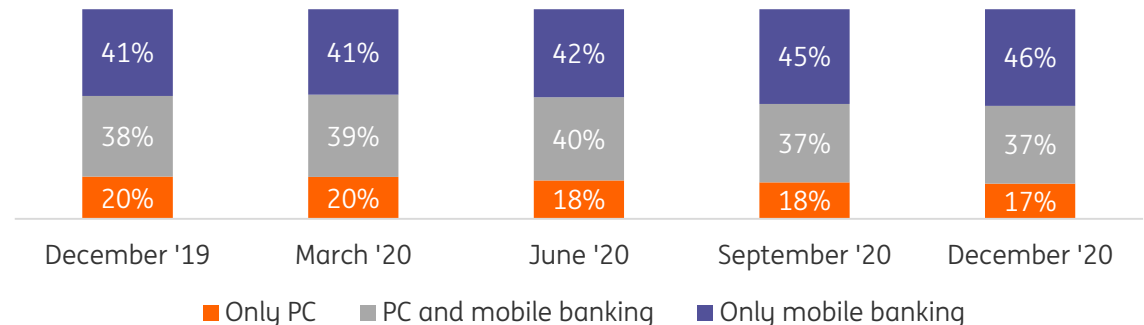
Physical distribution network

290 branches with self-service zones (317 as at the end of 2019), including 155 without cash-service (147 a year ago)

1,001 machines for cash self-service (including 827 cash recycling automated teller safes), out of which 837 are contactless ATMs/Recyclers

63 ING Express sales points at shopping malls

How our clients use internet banking (as per number of users)

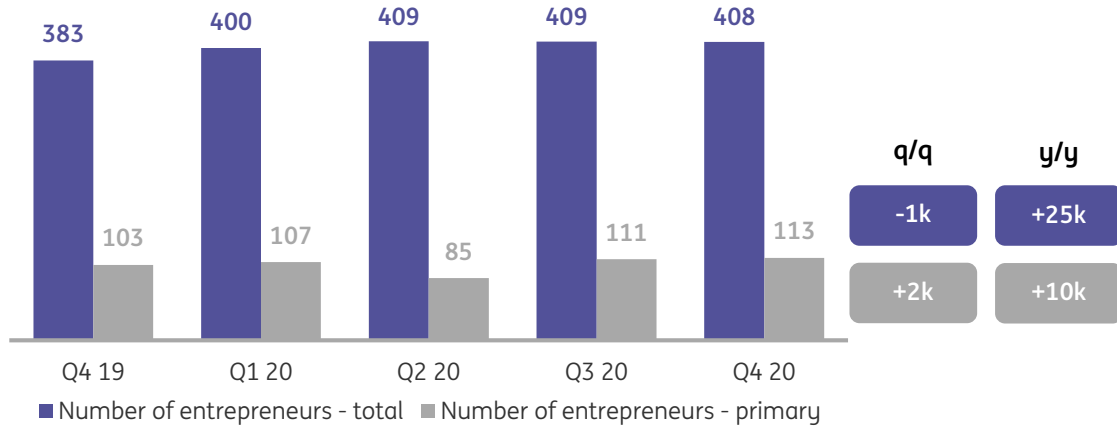


Corporate banking

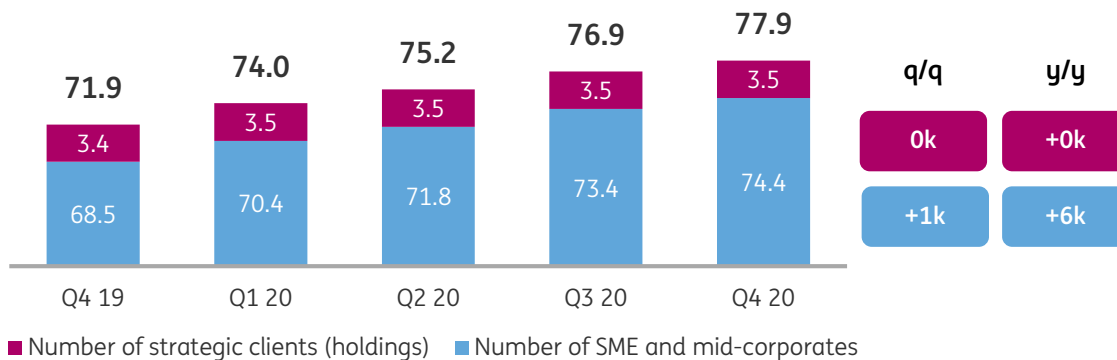
Corporate client base

486 thousand companies

Number of entrepreneurs (thousand)



Number of SME, mid-corporates and strategic clients (thousand)



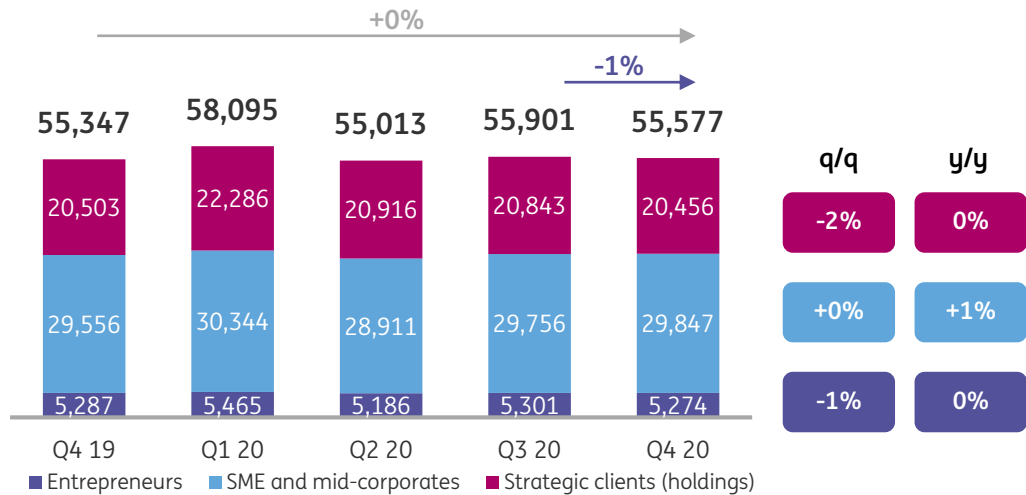
We maintain **418 thousand current accounts** for **408 thousand entrepreneurs**, of which **97% are Direct accounts**



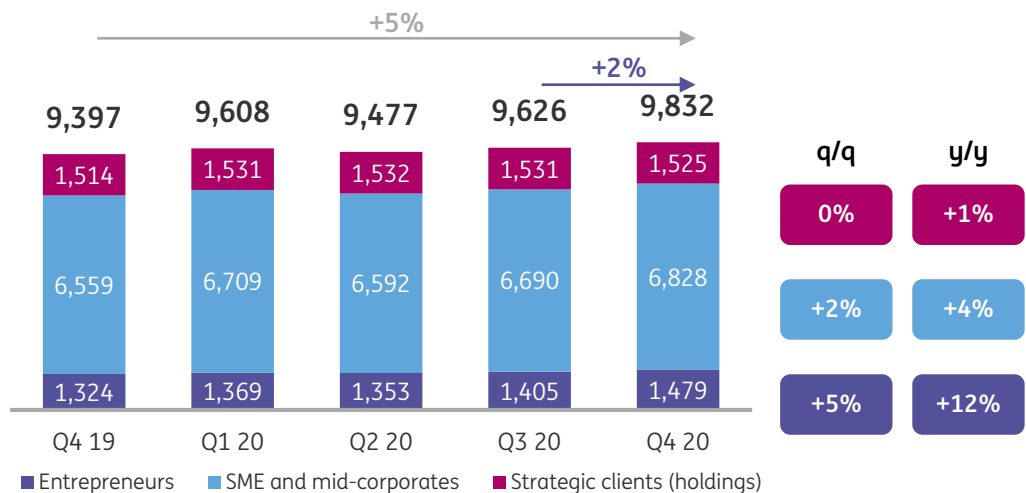
Primary clients - clients with a current account with a balance higher than PLN 100, which were charged with a transaction to the Social Insurance Institution / Tax Office and who had another active product

Corporate receivables

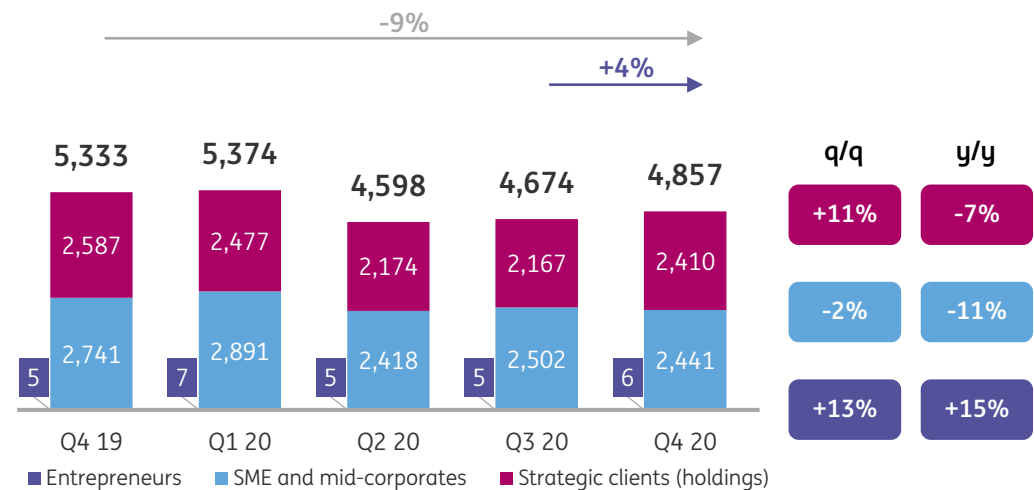
Loans volume (gross; PLN million)



Leasing receivables volume* (gross; PLN million)



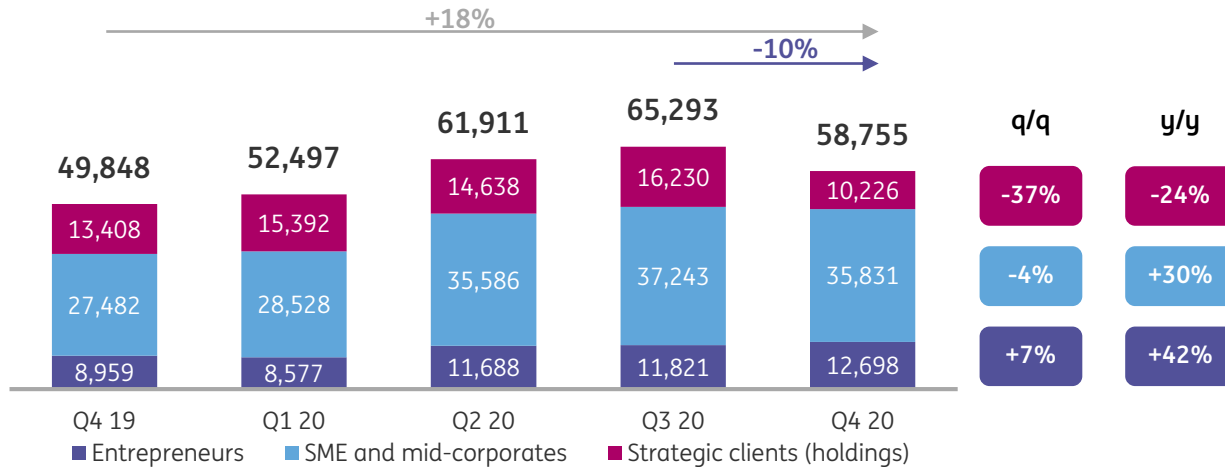
Factoring receivables volume (gross; PLN million)



*Leasing loans excluded

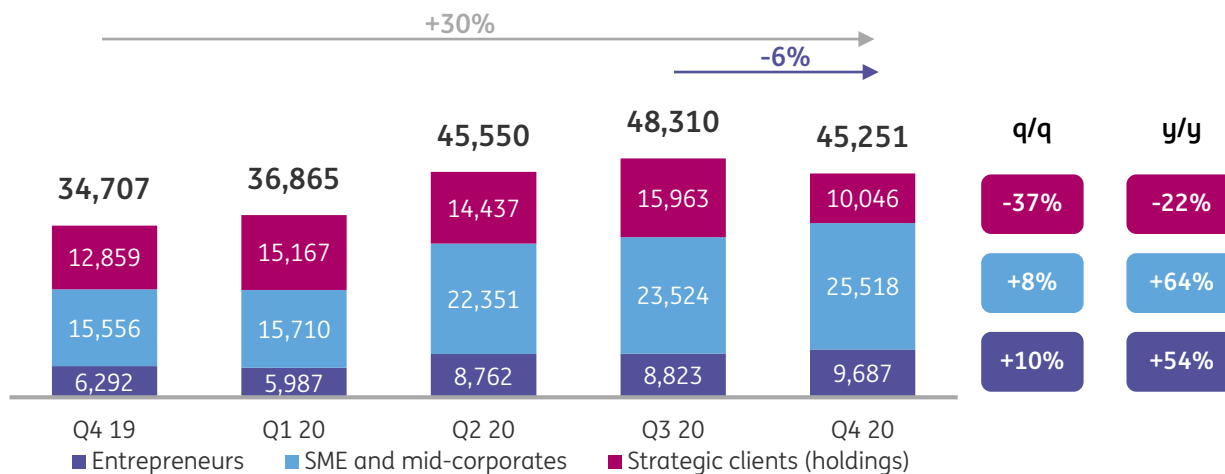
Cash management

Corporate deposit volume (PLN million)



+2,900
new SME and mid-corporate clients acquired in Q4 2020

Corporate current accounts volume (PLN million)



We offer our clients a network of self-service cash machines, including:

- 140 depositories,
- 140 depositories in customer locations,
- 164 CDMs in customer locations,
- 14 fee collection machines in customer locations.

Number of mobile transfers in ING Business increased by +40% y/y

Selected initiatives

ING Business mobile banking

In December 2020, we added a new functionality to our mobile application allowing our clients to make domestic transfers to recipients from outside the list of contractors. This function has become very popular and since its implementation such transfers account for about 20% of all orders created in the mobile application. Along with the December update, we also gave customers a new tax transfer form, which allows you to enter such orders using a convenient wizard. In addition, we have introduced a number of minor improvements, such as the possibility of duplicating transfers or hiding Split Payment related transactions in the history of operations.

The impact of the power fee on the business competitiveness

On 23 October 2020, the webinar "Radical changes in energy prices for companies from 2021 - the impact of the new power fee on business competitiveness", organized by the ING Energy Department. Almost 370 guests from our strategic clients participated in the online event. Leszek Kąsek from the ING Macroeconomic Analysis Office presented a wider context of the situation in the energy sector, Paweł Puacz from Clifford Chance Law Firm talked about the legal context of changes in regulations, and Dariusz Sokulski from Siemens presented technological solutions that may allow the company to reduce and optimize energy consumption during the production process.



Financial results

and other information

Income statement

Consolidated income statement (PLN m)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	q/q		y/y		2019	2020	y/y	
	2019	2019	2019	2019	2020	2020	2020	2020	Δ	%	Δ	%			Δ	%
Net interest income, of which:	1,020.2	1,053.2	1,127.8	1,123.9	1,152.1	1,099.2	1,136.3	1,154.2	17.9	1.6%	30.3	2.7%	4,325.1	4,541.8	216.7	5.0%
Interest income	1,263.1	1,314.1	1,367.5	1,366.6	1,386.6	1,304.0	1,277.3	1,279.0	1.7	0.1%	-87.6	-6.4%	5,311.3	5,246.9	-64.4	-1.2%
Interest expenses	242.9	260.9	239.7	242.7	234.5	204.8	141.0	124.8	-16.2	-11.5%	-117.9	-48.6%	986.2	705.1	-281.1	-28.5%
Net commission income	317.8	353.7	332.6	336.4	359.1	344.0	393.6	431.7	38.1	9.7%	95.3	28.3%	1,340.5	1,528.4	187.9	14.0%
Result on trade operations and revaluation	46.0	40.6	23.5	20.2	46.7	68.0	15.7	23.0	7.3	46.5%	2.8	13.9%	130.3	153.4	23.1	17.7%
- Net income on instruments measured at fair value through profit or loss and FX result	31.4	25.1	26.6	25.2	13.9	44.3	24.4	20.9	-3.5	-14.3%	-4.3	-17.1%	108.3	103.5	-4.8	-4.4%
- The result on the sale of securities measured at amortized cost	0.0	0.0	0.0	0.0	7.3	0.0	0.0	0.0	0.0	-	0.0	-	0.0	7.3	7.3	-
- Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	15.8	16.4	3.6	0.5	1.8	18.8	5.4	5.1	-0.3	-5.6%	4.6	920.0%	36.3	31.1	-5.2	-14.3%
- Net income on hedge accounting	-1.2	-0.9	-6.7	-5.5	23.7	4.9	-14.1	-3.0	11.1	-78.7%	2.5	-45.5%	-14.3	11.5	25.8	-
Net income on other core activities	2.4	3.8	-14.6	2.3	0.4	-3.1	2.8	-9.1	-11.9	-	-11.4	-	-6.1	-9.0	-2.9	47.5%
Share in net profit (loss) of associated entities recognised under the equity method	-0.1	-0.1	2.8	4.0	4.4	4.0	3.7	4.0	0.3	8.1%	0.0	0.0%	6.6	16.1	9.5	143.9%
Income	1,386.3	1,451.2	1,472.1	1,486.8	1,562.7	1,512.1	1,552.1	1,603.8	51.7	3.3%	117.0	7.9%	5,796.4	6,230.7	434.3	7.5%
Expenses	721.1	581.1	604.4	590.8	775.0	638.5	666.7	682.3	15.6	2.3%	91.5	15.5%	2,497.4	2,762.5	265.1	10.6%
- personnel expenses	286.4	292.7	315.9	307.6	308.2	310.3	330.9	364.6	33.7	10.2%	57.0	18.5%	1,202.6	1,314.0	111.4	9.3%
- other expenses	363.4	220.6	221.2	212.8	395.3	256.3	263.3	239.4	-23.9	-9.1%	26.6	12.5%	1,018.0	1,154.3	136.3	13.4%
- depreciation and amortisation	71.3	67.8	67.3	70.4	71.5	71.9	72.5	78.3	5.8	8.0%	7.9	11.2%	276.8	294.2	17.4	6.3%
Profit before risk costs	665.2	870.1	867.7	896.0	787.7	873.6	885.4	921.5	36.1	4.1%	25.5	2.8%	3,299.0	3,468.2	169.2	5.1%
Risk costs including legal cost of risk for FX mortgage loans	125.0	135.9	180.2	164.4	294.7	312.4	145.3	322.5	177.2	122.0%	158.1	96.2%	605.5	1,074.9	469.4	77.5%
- retail	29.3	32.4	60.8	71.1	109.5	70.8	82.4	323.6	241.2	292.7%	252.5	355.1%	193.6	586.3	392.7	202.8%
- corporate	95.7	103.5	119.4	93.3	185.2	241.6	62.9	-1.1	-64.0	-	-94.4	-	411.9	488.6	76.7	18.6%
Tax on certain financial institutions	102.2	108.4	111.5	113.6	116.0	121.1	122.0	122.5	0.5	0.4%	8.9	7.8%	435.7	481.6	45.9	10.5%
Profit (loss) before tax	438.0	625.8	576.0	618.0	377.0	440.1	618.1	476.5	-141.6	-22.9%	-141.5	-22.9%	2,257.8	1,911.7	-346.1	-15.3%
Income tax	113.5	156.7	161.2	167.7	109.7	123.9	177.9	162.6	-15.3	-8.6%	-5.1	-3.0%	599.1	574.1	-25.0	-4.2%
Net profit (loss), of which:	324.5	469.1	414.8	450.3	267.3	316.2	440.2	313.9	-126.3	-28.7%	-136.4	-30.3%	1,658.7	1,337.6	-321.1	-19.4%
Net profit (loss) attributable to the shareholders of ING BSK	324.5	469.1	414.8	450.3	267.3	316.2	440.2	313.9	-126.3	-28.7%	-136.4	-30.3%	1,658.7	1,337.6	-321.1	-19.4%
Number of shares issued (m)	130.1	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%
Earnings per share (PLN) - annualised	9.98	14.42	12.75	13.84	8.22	9.72	13.53	9.65	-3.88	-28.7%	-4.19	-30.3%	12.75	10.28	-2.47	-19.4%

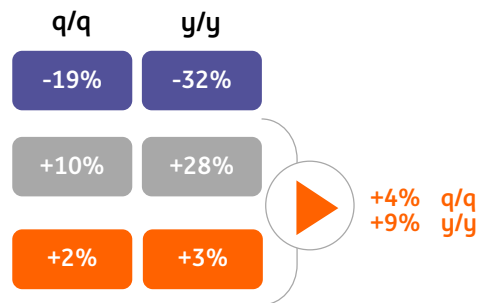
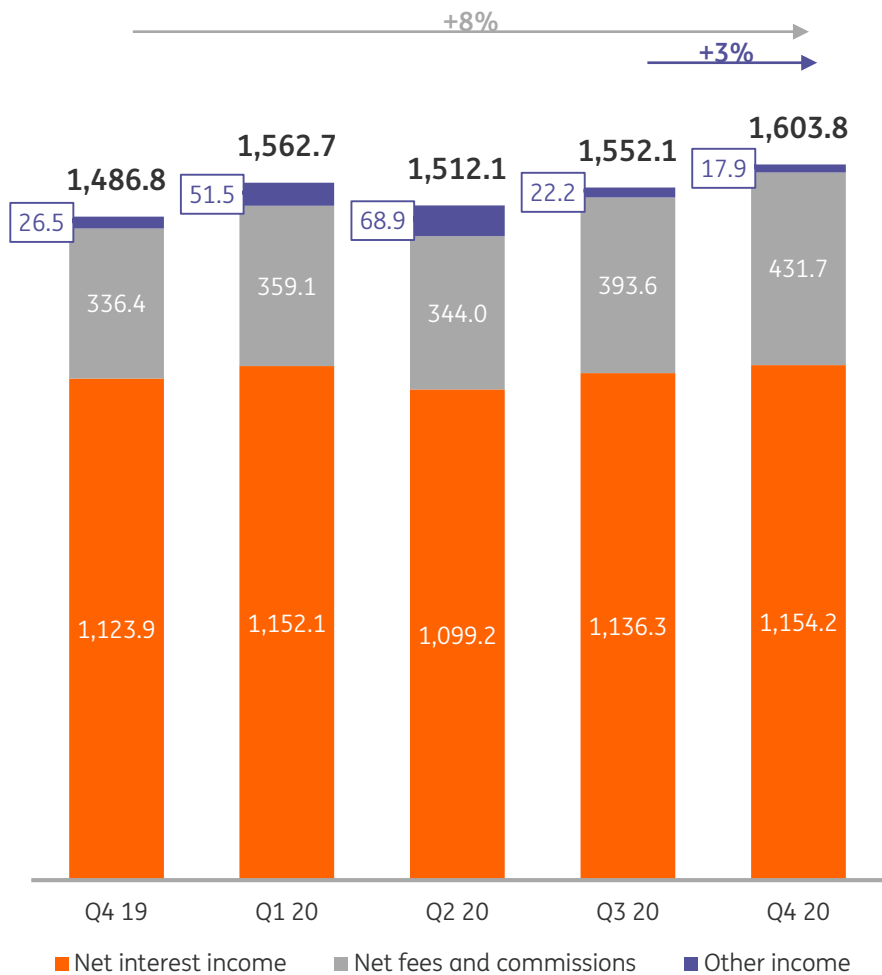
Statement of financial position

Consolidated statement of financial position (PLN m)

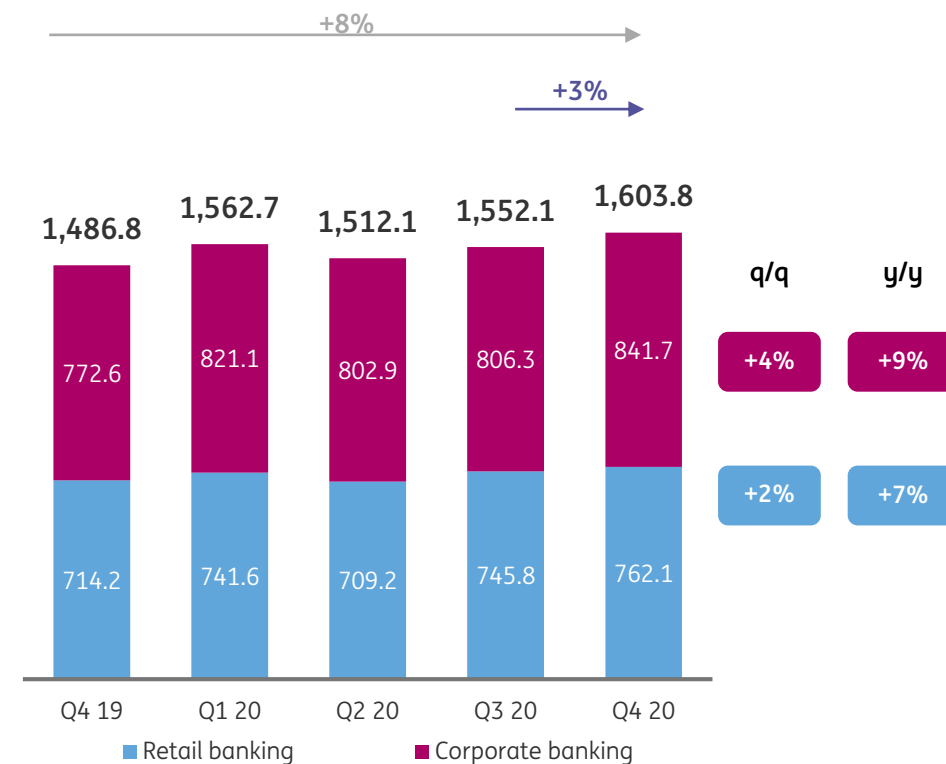
	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	q/q		y/y	
										Δ	%	Δ	%
ASSETS													
- Cash in hand and balances with the Central Bank	1,237.4	1,760.3	2,293.5	2,792.5	1,402.9	1,740.5	1,910.3	1,193.6	867.3	-326.3	-27.3%	-535.6	-38.2%
- Loans and receivables to other banks	776.5	987.9	694.3	804.7	798.5	1,082.3	744.4	731.3	704.6	-26.7	-3.7%	-93.9	-11.8%
- Financial assets measured at fair value through profit or loss	2,153.4	2,440.5	2,990.5	1,421.7	1,384.6	1,511.7	1,111.5	1,259.2	2,017.7	758.5	60.2%	633.1	45.7%
- Investments	31,937.2	29,977.2	31,315.2	32,063.3	33,824.4	40,196.1	53,077.6	56,084.1	54,933.5	-1,150.6	-2.1%	21,109.1	62.4%
- Derivative hedge instruments	909.6	929.3	869.0	883.6	851.6	1,075.8	1,095.9	1,054.1	1,194.8	140.7	13.3%	343.2	40.3%
- Loans and receivables to customers at amortised costs	102,907.4	107,181.3	110,316.4	115,551.0	118,127.8	123,459.7	120,598.1	122,382.0	124,655.3	2,273.3	1.9%	6,527.5	5.5%
- Non-financial assets	995.3	1,437.8	1,358.5	1,346.4	1,385.9	1,374.9	1,348.4	1,341.7	1,339.7	-2.0	-0.1%	-46.2	-3.3%
- Property, plant and equipment held for sale	10.9	12.1	20.7	2.8	3.6	2.2	3.4	3.4	3.6	0.2	5.9%	0.0	0.0%
- Tax assets	398.2	431.7	419.8	399.2	445.6	377.7	380.1	409.7	425.9	16.2	4.0%	-19.7	-4.4%
- Other assets	487.0	559.3	631.2	748.6	385.8	420.7	369.6	400.4	453.3	52.9	13.2%	67.5	17.5%
Total assets	141,812.9	145,717.4	150,909.1	156,013.8	158,610.7	171,241.6	180,639.3	184,859.5	186,595.7	1,736.2	0.9%	27,985.0	17.6%
EQUITY AND LIABILITIES													
LIABILITIES													
- Liabilities due to other banks	5,195.8	5,004.3	7,359.2	7,593.1	6,256.1	6,624.3	4,594.6	4,883.1	8,228.0	3,344.9	68.5%	1,971.9	31.5%
- Financial liabilities measured at fair value through profit or loss	1,687.6	1,329.9	1,560.5	991.5	915.1	1,027.6	617.2	696.9	1,530.8	833.9	119.7%	615.7	67.3%
- Derivative hedge instruments	611.8	727.4	505.1	569.7	546.0	510.4	480.9	449.7	558.5	108.8	24.2%	12.5	2.3%
- Liabilities due to customers	117,682.5	120,414.0	122,992.0	125,786.3	130,473.5	139,648.7	150,979.3	154,399.8	151,028.5	-3,371.3	-2.2%	20,555.0	15.8%
- Liabilities under issue of debt securities	300.3	302.2	300.2	302.2	399.7	397.6	395.4	397.3	1,370.5	973.2	245.0%	970.8	242.9%
- Subordinated liabilities	1,076.9	1,077.2	1,065.0	2,188.7	2,131.1	2,278.1	2,235.1	2,265.2	2,309.2	44.0	1.9%	178.1	8.4%
- Provisions	152.4	152.2	158.7	227.9	205.7	186.3	203.0	196.1	256.3	60.2	30.7%	50.6	24.6%
- Tax liabilities	280.3	345.4	212.3	389.0	381.3	705.5	431.5	450.5	389.6	-60.9	-13.5%	8.3	2.2%
- Other liabilities	1,503.7	2,951.5	2,536.3	2,702.7	2,078.9	2,522.1	2,466.8	2,525.1	2,306.0	-219.1	-8.7%	227.1	10.9%
Total liabilities	128,491.3	132,304.1	136,689.3	140,751.1	143,387.4	153,900.6	162,403.8	166,263.7	167,977.4	1,713.7	1.0%	24,590.0	17.1%
EQUITY													
- Share capital	130.1	130.1	130.1	130.1	130.1	130.1	130.1	130.1	130.1	0.0	0.0%	0.0	0.0%
- Supplementary capital – share premium account	956.3	956.3	956.3	956.3	956.3	956.3	956.3	956.3	956.3	0.0	0.0%	0.0	0.0%
- Revaluation reserve	1,169.7	1,392.2	1,729.2	2,357.3	1,867.3	3,717.7	4,296.0	4,216.1	3,923.4	-292.7	-6.9%	2,056.1	110.1%
- Retained earnings	11,065.5	10,934.7	11,404.2	11,819.0	12,269.6	12,536.9	12,853.1	13,293.3	13,608.5	315.2	2.4%	1,338.9	10.9%
Equity attributable to shareholders of ING BSK	13,321.6	13,413.3	14,219.8	15,262.7	15,223.3	17,341.0	18,235.5	18,595.8	18,618.3	22.5	0.1%	3,395.0	22.3%
- Non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
Total equity	13,321.6	13,413.3	14,219.8	15,262.7	15,223.3	17,341.0	18,235.5	18,595.8	18,618.3	22.5	0.1%	3,395.0	22.3%
Total equity and liabilities	141,812.9	145,717.4	150,909.1	156,013.8	158,610.7	171,241.6	180,639.3	184,859.5	186,595.7	1,736.2	0.9%	27,985.0	17.6%
Number of shares issued (m)	130.1	130.1	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 (PLN)	102.40	103.10	109.30	117.32	117.01	133.29	140.17	142.93	143.11	0.17	0.1%	26.10	22.3%

Income per category

Income per P&L line (PLN million)

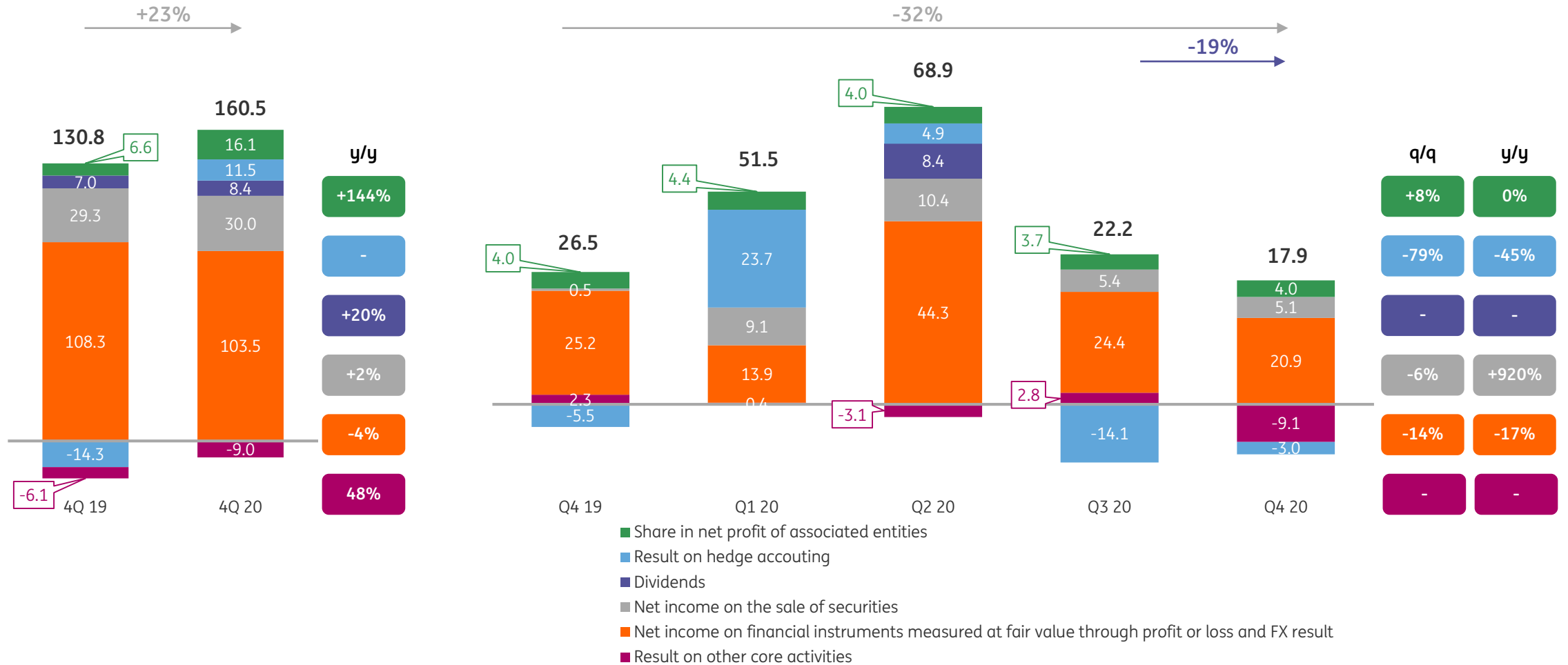


Income per business line (PLN million)



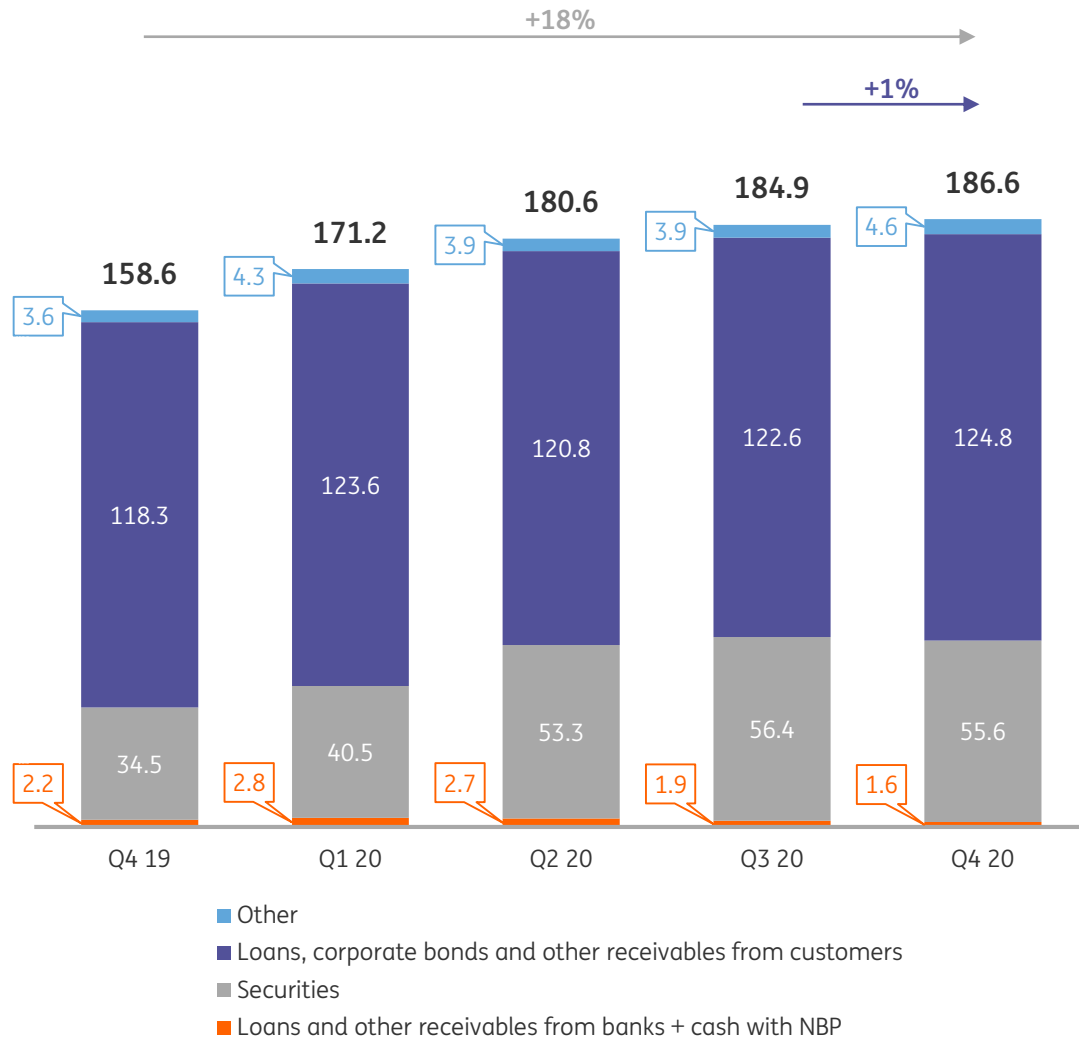
Other income

Other income (PLN million)

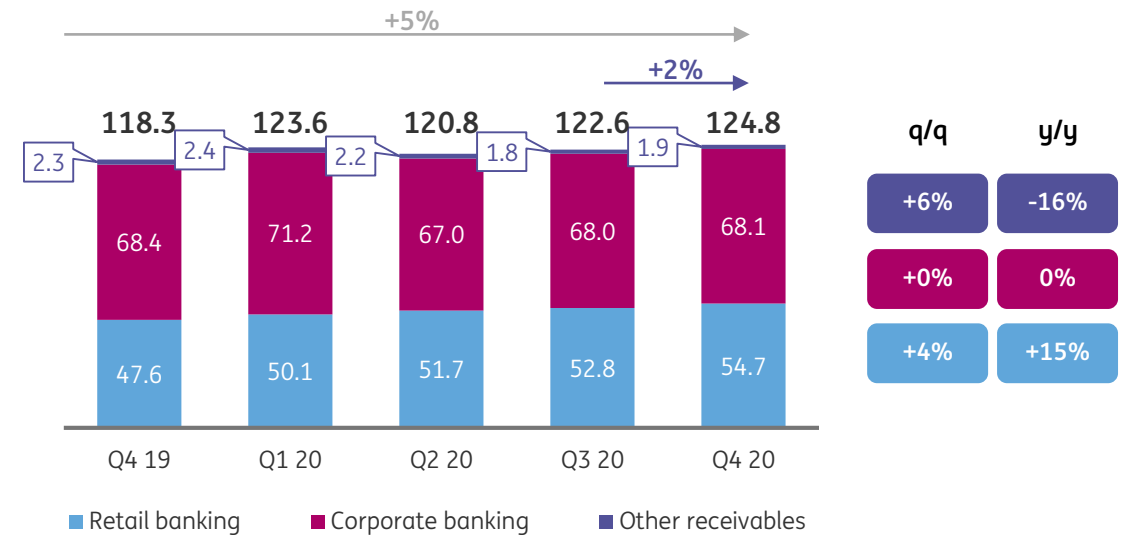


Bank assets

Assets structure (PLN billion; %)

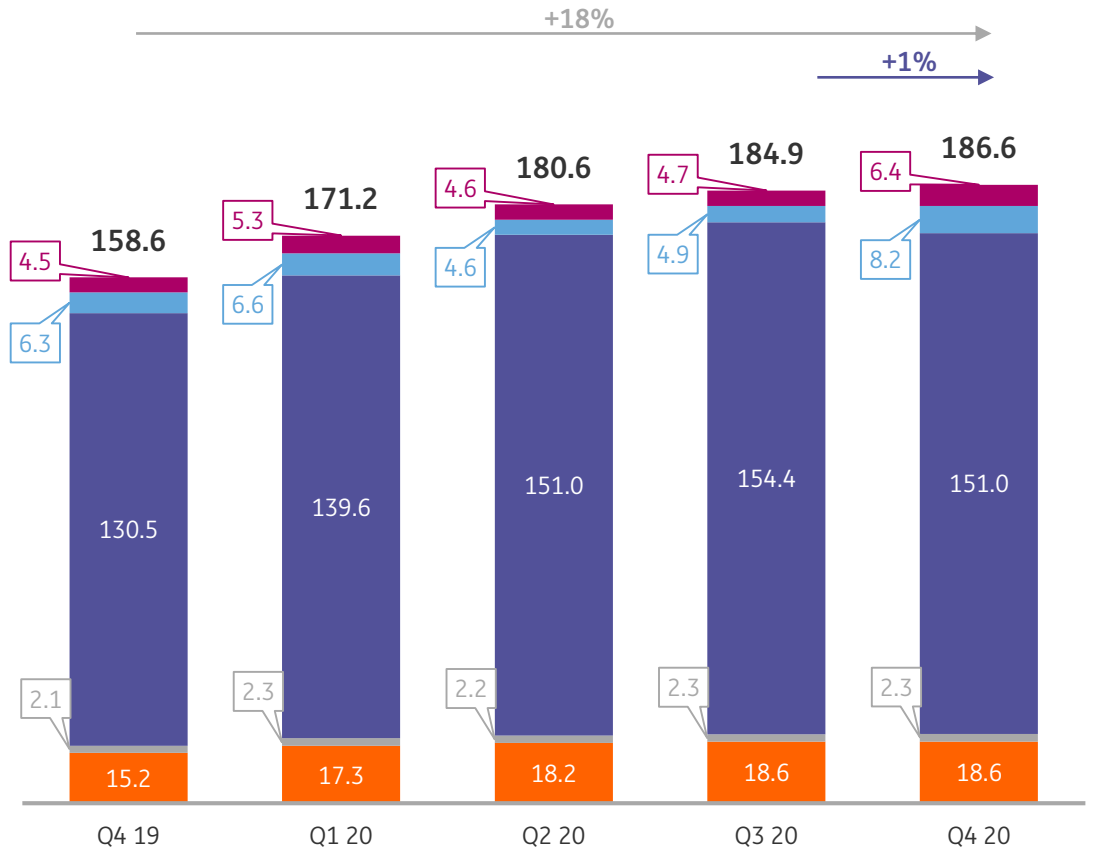


Loans and other receivables from customers (net; PLN billion)



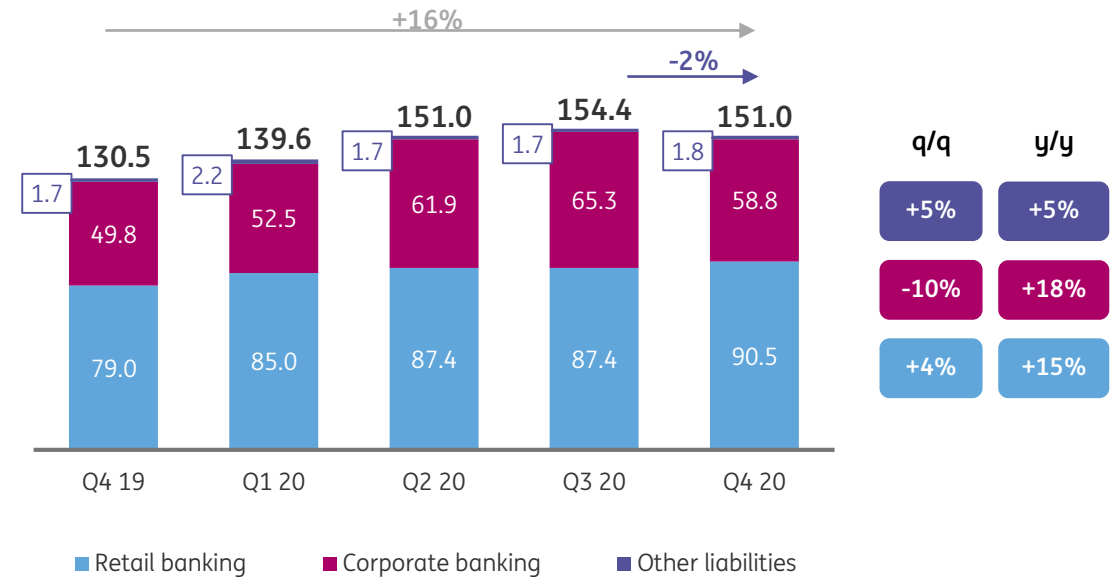
Bank equity and liabilities

Structure of equity and liabilities (PLN billion; %)



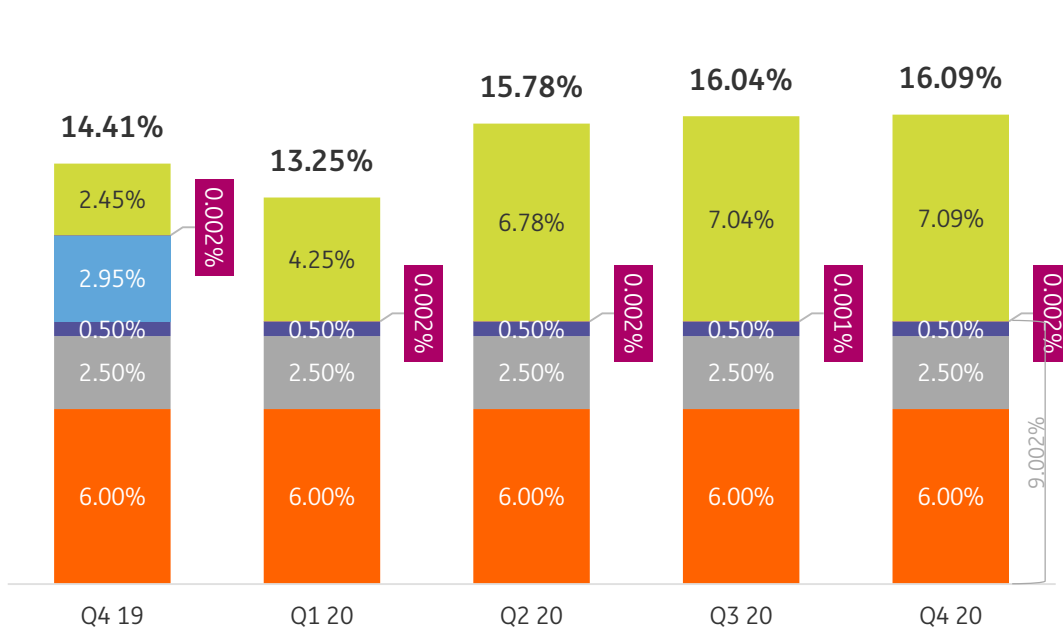
Equity Subordinated debt Deposits and other liabilities to clients Liabilities to banks Other

Deposits and other liabilities to customers (PLN billion)

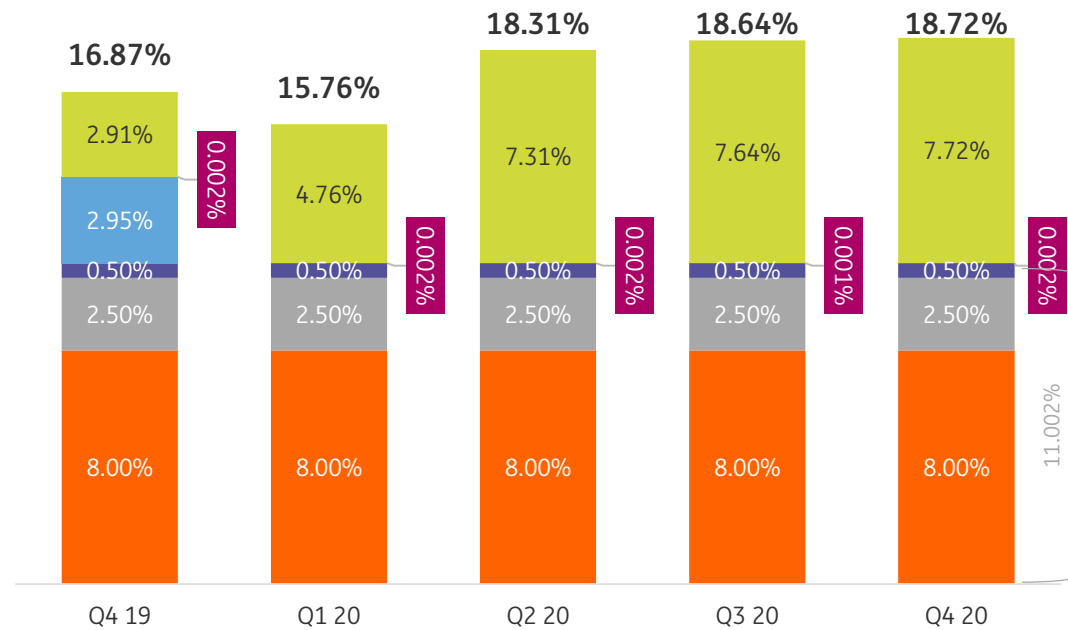


Capital requirement structure

Consolidated capital requirement structure – Tier 1



Consolidated capital requirement structure – TCR



■ Minimum (CRR)
 ■ Capital conservation buffer (CCB)
 ■ O-SII buffer (0-2%; OSII)
 ■ Pillar 2 (FXB)
 ■ Systemic risk buffer (0-3%*; SRB)
 ■ Countercyclical buffer (0-2.5%**; ACB)
 ■ Surplus

- Target MREL requirement (31 December 2022) communicated by BGF in February 2020: 21.28% of risk-weighted assets
- BGF methodology according to BRRD 1: $(CRR_{TCR} + FXB + OSII) + [1 - (CRR_{TCR} + FXB + OSII)] * (CRR_{TCR} + FXB + OSII + CCB + SRB + ACB)$

*It may reach the level of 3%-5% after the decisions of i) the European Commission, ii) the European Commission and the European Systemic Risk Board and iii) the European Banking Authority; the 5% level may be exceeded after the consent of the European Commission; **In justified cases, it may exceed 2.5%

Lending exposure by industry

Non-banking portfolio of corporate banking clients – balance sheet exposure (PLN m)

Consolidated approach

No	Industry	Exposure as at 30.12.2020	%
1	Real estate service	9,466	13.5%
2	Wholesale trade	7,959	11.3%
3	Remaining services connected with running business	4,100	5.8%
4	Foodstuff and beverage production	3,448	4.9%
5	Financial intermediation	3,436	4.9%
6	Public administration and national defense	3,300	4.7%
7	Land and pipeline transportation	3,098	4.4%
8	Retail trade	3,078	4.4%
9	Ready-made metal goods productions	2,813	4.0%
10	Rubber industry	2,538	3.6%
11	Constructions industry	2,491	3.6%
12	Wood and paper industry	1,908	2.7%
13	Equipment rental	1,806	2.6%
14	Agriculture, forestry, fishery	1,770	2.5%
15	Power industry	1,724	2.5%
16	Mechanical vehicles sale, repair and service	1,564	2.2%
17	Post office and telecommunications	1,357	1.9%
18	Remaining non-metal raw materials industries	1,004	1.4%
19	Means of transport industry	893	1.3%
20	Other	12,407	17.7%
Total exposure		70,160	100.0%

Note: gross credit exposure covering loans, corporate bonds and leasing and factoring receivables plus off-balance sheet exposures

Lending exposure by industry

Non-banking portfolio of corporate banking clients – balance sheet and off-balance sheet exposure (PLN m)

Consolidated approach

No	Industry	Exposure as at 30.12.2020	%
1	Wholesale trade	13,167	12.3%
2	Real estate service	9,873	9.2%
3	Constructions industry	6,256	5.8%
4	Remaining services connected with running business	6,173	5.7%
5	Retail trade	5,819	5.4%
6	Foodstuff and beverage production	5,139	4.8%
7	Financial intermediation	5,102	4.8%
8	Ready-made metal goods productions	5,033	4.7%
9	Land and pipeline transportation	4,051	3.8%
10	Power industry	3,745	3.5%
11	Rubber industry	3,605	3.4%
12	Public administration and national defense	3,411	3.2%
13	Wood and paper industry	2,712	2.5%
14	Mechanical vehicles sale , repair and service	2,501	2.3%
15	Equipment rental	2,388	2.2%
16	Agriculture, foresty, fishery	1,968	1.8%
17	Remaining non-metal raw materials industries	1,942	1.8%
18	Computer industry and associated service	1,859	1.7%
19	Machine industry	1,853	1.7%
20	Other	20,806	19.4%
Total exposure		107,402	100,0%

Note: gross credit exposure covering loans, corporate bonds and leasing and factoring receivables plus off-balance sheet exposures

About us

ING Bank Śląski - who we are

4th place in Poland in terms of commercial balance

Key facts

- We are a universal bank established in 1989
- We provide comprehensive financial services for individual and corporate clients in all segments
- We serve clients through remote channels (including internet and mobile banking) and a network of branches fully equipped with self-service zones
- We have 4.2 million individual clients and 486 thousand. corporate clients
- We employ 8.5 thousand employees
- We are fourth in Poland in terms of the number of customers, total assets and commercial balance (total deposits and customer loans) as at the end of Q4 2020

Credit ratings of ING Bank Śląski

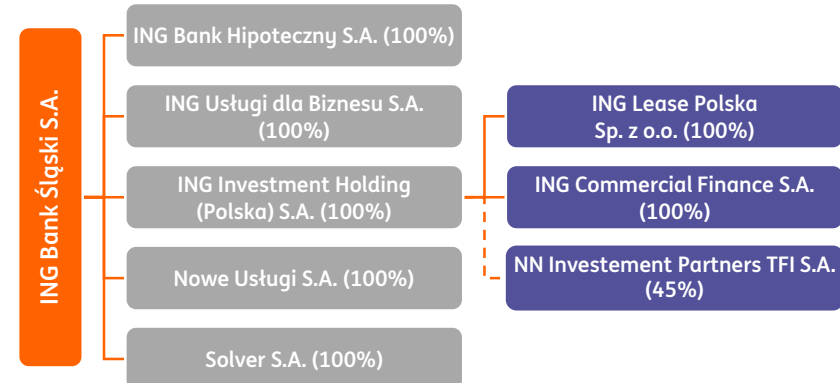
Fitch

- Entity Rating / Outlook: A + / Negative
- Short-term rating: F1 +
- Viability rating: bbb +
- Support Rating: 1
- Long-term rating on a national scale / outlook: AAA (pol) / Stable
- Short-term rating on a national scale: F1 + (pol)

Moody's

- Long / short term deposit rating: A2 / P-1; outlook: Stable
- Individual BCA Assessment: baa2
- Adjusted BCA Score: baa1
- Counterparty risk assessment long / short term: A1 (cr) / P-1 (cr)

Structure of the ING Bank Śląski Group



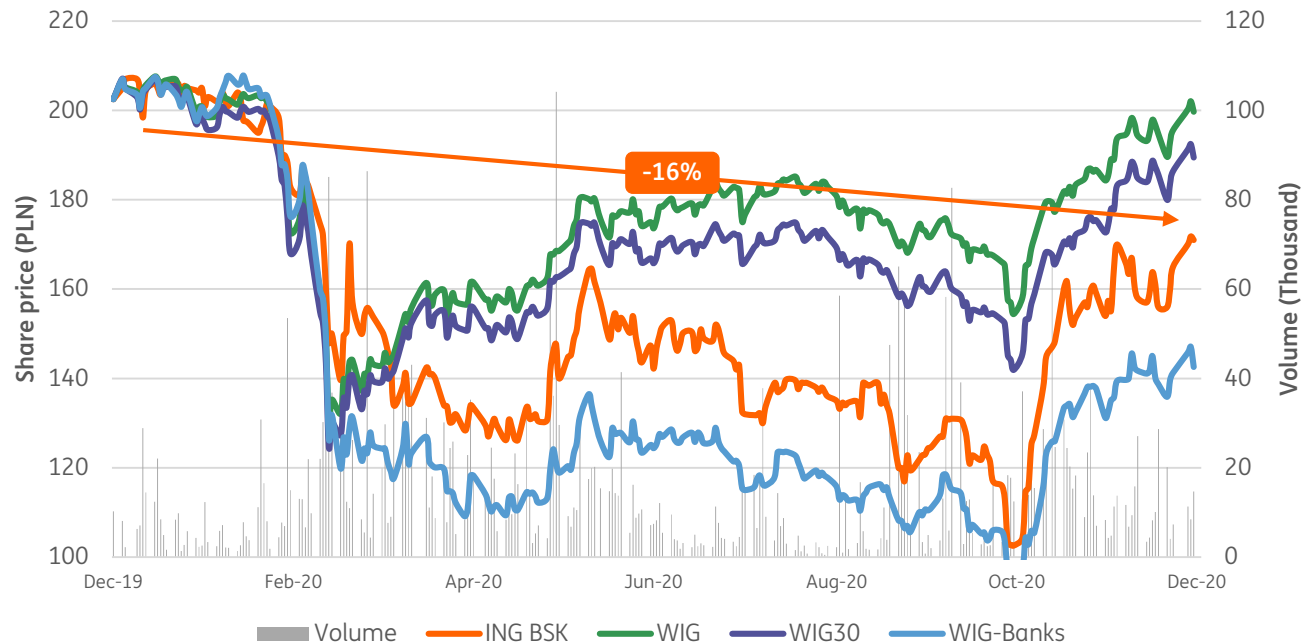
ING Bank Śląski S.A. shares

ING BSK share price:
PLN 171.0 (as at 31 December 2020)

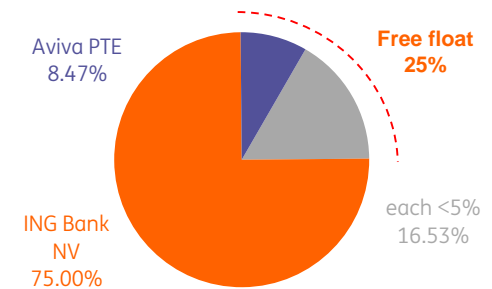
Capitalisation: **PLN 22.2bn** (EUR 4.9bn)
 Free float: **PLN 5.6bn** (EUR 1.2bn)

ISIN: PLBSK0000017
 Bloomberg: ING PW
 Reuters: INGP.WA

ING BSK shares vs. WSE indices recalculated for comparability



Shareholding structure



Market ratios (Q4 2020)

P/E 16.6x

P/BV 1.2x

Glossary

Simplified definitions of presentation terms :

- **LCR - Liquidity Coverage Ratio.** Computed as a ratio of high-liquid assets to short-term liabilities. It is introduced in stages. The minimum value is: 60% in 2014 and 2015, 70% in 2016, 80% in 2017 and ultimately 100% starting from 2018.
- **Retail clients** – individuals.
- **Corporate clients** – entrepreneurs, SME, mid-corporates and strategic clients (holdings).
 - Entrepreneurs – individuals running their own business activity
 - SME – corporates with annual turnover of up to EUR 10m.
 - Mid-corporates – corporates with annual turnover between EUR 10m and EUR 125m.
 - Strategic clients – holdings with annual turnover over EUR 125m.
- **NIM - Net Interest Margin** – the ratio of net interest income to the average value of interest earning assets (incl. loans, bonds) as at the end of individual quarters in a given period (five quarters for cumulative margin and two quarters for quarterly margin).
- **NSFR - Net Stable Funding Ratio.** It is computed as the ratio of available stable funding to required stable funding. In keeping with Regulation of the European Parliament and of the Council (EU) No. 575/2013, the target net stable funding ratio (NSFR) has not been defined.
- **C/I ratio – Cost / Income ratio** – the ratio of costs (excluding risk costs and bank levy) to bank's income (including the share in the net profit of associated entities).
- **Cost of risk** – the balance of provisions created and released due to the deterioration in value/quality of the bank's financial assets (e.g. loans) to the average value of gross loans.
- **Provisioning ratio** – the ratio of provisions established to impaired loans as part of Stage 3 loans.
- **Bank levy** – tax from certain financial institutions; in the case of banks it is paid monthly on the surplus of assets over own funds, treasury bonds and fixed level of PLN 4 billion; the tax rate is 0.0366% monthly (0.44% annually).
- **ROA – Return on Assets** – the ratio of net profit to the average assets in a given period.
- **ROE – Return on Equity** – the ratio of net profit to the average equity in a given period.
- **L/D ratio – loan to deposit ratio;** the ratio describing what portion of deposits was used to fund lending.
- **MCFH – Macro Cash Flow Hedge;** revaluation reserve from measurement of cash flow hedging instruments.
- **RWA - Risk weighted assets** – the sum of assets multiplied by the risk weights of a given asset category.
- **Tier 1 ratio** – the ratio of Tier 1 capital (the capital of the highest quality) to the bank's risk weighted assets.
- **TCR - Total capital ratio** – the ratio of total own funds (including subordinated debt (so-called Tier 2)) to the bank's risk weighted assets.

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Investor Information

ING Bank Śląski S.A. prepares 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. Minor 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 Bank 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, and (9) conclusions with regard to acquisition 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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