



ING Bank Śląski S.A.

Business and Financial Results

for Q3 2023

Warsaw, 2 November 2023





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

Key facts – Q3 2023

Client base

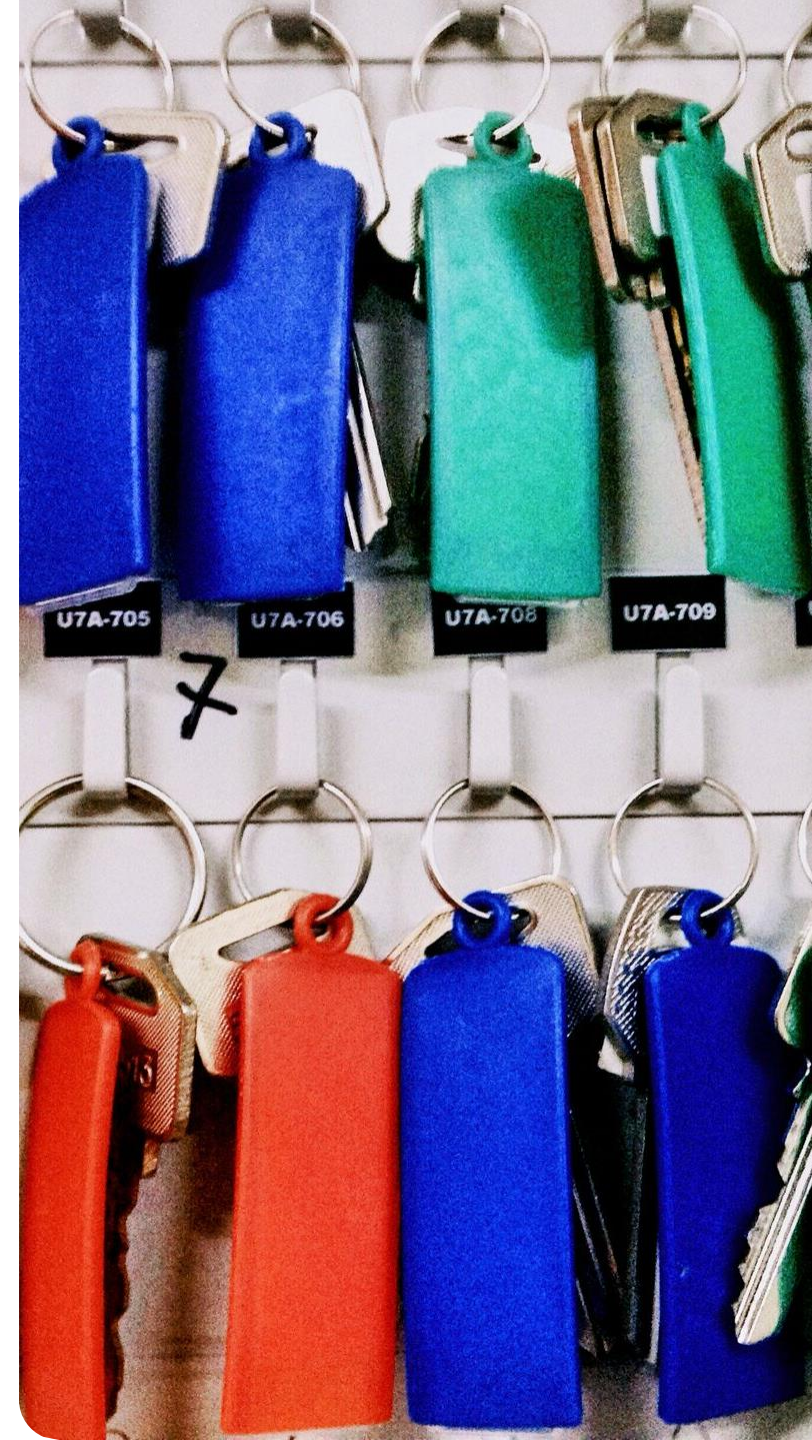
- 82 thousand new retail clients in Q3 2023 (231 thousand in 9M 2023)
- 17 thousand new corporate clients in Q3 2023 (53 thousand in 9M 2023)
- The number of active users of the My ING app increased by 63 thousand this quarter and by 167 thousand in 9M 2023
- The number of outgoing electronic transfers of individual clients in My ING amounted to 152 million in Q3 2023 (+11% y/y)

Client volumes

- Corporate receivables portfolio increased by PLN 1.4 billion q/q to the level of PLN 95.6 billion (+ PLN 3.1 billion in 9M 2023)
- Retail receivables portfolio increased by PLN 0.8 billion q/q to the level of PLN 64.7 billion (+ PLN 0.8 billion in 9M 2023)
- Clients' deposits increased by PLN 12.8 billion q/q to the level of PLN 199.6 billion (+ PLN 10.1 billion in 9M 2023)
- Commercial balance increased by PLN 14.9 billion q/q to the level of PLN 359.9 billion (+ PLN 14.0 billion in 9M 2023)

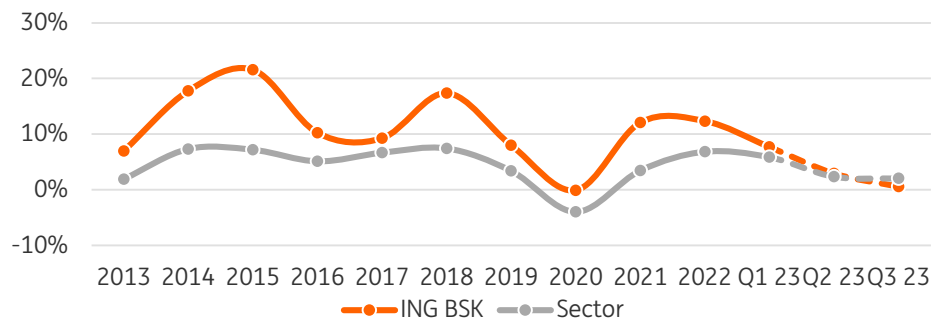
Financial results

- Gross profit of PLN 1,492.2 million in Q3 2023, and PLN 4,125.3 million in 9M 2023
- Net profit of PLN 1,162.0 million in Q3 2023, and PLN 3,170.1 million in 9M 2023
- NII amounted to PLN 2,089.9 million in Q3 2023, and PLN 6,004.3 million in 9M 2023
- Net fee and commission income of PLN 552.1 million in Q3 2023, and PLN 1,607.8 million in 9M 2023
- Cumulative ROE adjusted for MCFH is 21.0% (10.3% a year earlier)



Market shares

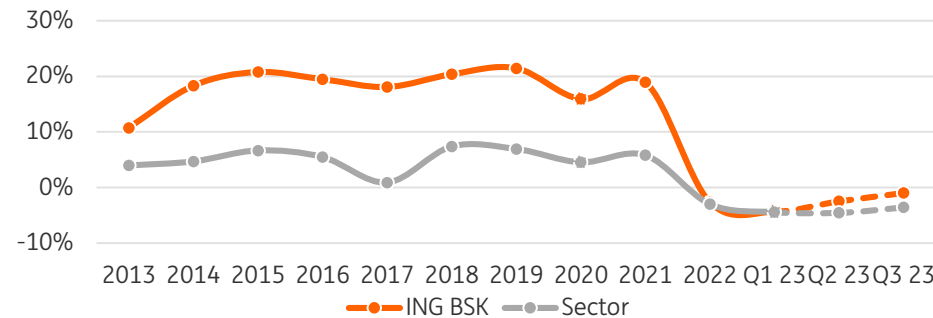
Corporate loans* (change y/y)



Market share (%)

6.98 7.67 8.69 9.12 9.34 10.21 10.66 11.09 12.02 12.63 12.30 12.39 12.26

Individuals' loans (change y/y)



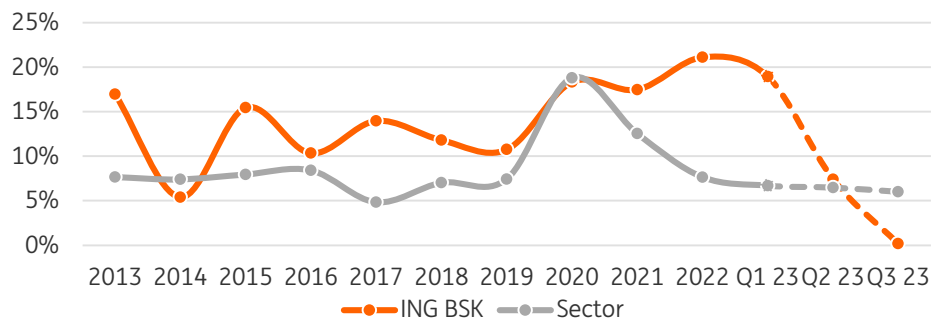
Market share (%)

3.40 3.85 4.36 4.93 5.77 6.47 7.35 8.15 9.16 9.19 9.23 9.33 9.31

Market share excl. FX** (%)

4.77 5.30 5.94 6.59 7.26 7.98 8.83 9.73 10.68 10.63 10.60 10.61 10.58

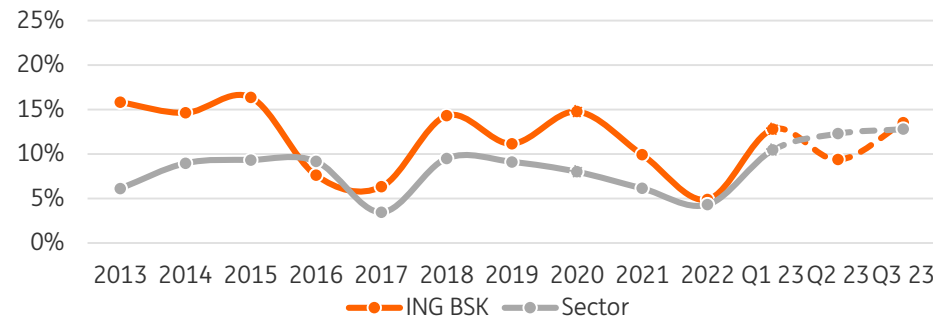
Corporate deposits* (change y/y)



Market share (%)

7.27 7.13 7.63 7.77 8.44 8.82 9.09 9.05 9.45 10.63 10.83 11.30 10.11

Individuals' deposits (change y/y)



Market share (%)

7.79 8.20 8.73 8.60 8.84 9.23 9.40 9.99 10.35 10.41 10.54 9.91 10.28

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

Business volumes

PLN million	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	% change YTD	% change y/y	Change YTD	Change y/y
Total deposits	169,602	177,452	181,752	189,538	190,317	186,849	199,621	+ 5%	+ 10%	10 083	17 869
Corporate deposits	71,573	80,532	81,993	84,739	79,836	80,999	86,575	+ 2%	+ 6%	1 836	4 582
Retail deposits	98,030	96,920	99,760	104,799	110,481	105,851	113,046	+ 8%	+ 13%	8 247	13 287
Total funds entrusted by retail clients	114,319	112,643	115,261	121,330	128,238	124,463	132,464	+ 9%	+ 15%	11 134	17 204
Mutual funds assets (TFI) + other off-BS products distributed by the Bank	16,290	15,723	15,501	16,531	17,757	18,613	19,418	+ 17%	+ 25%	2 887	3 917
Total loans	150,096	153,823	155,982	156,415	158,029	158,142	160,312	+ 2%	+ 3%	3 897	4 330
Loans to corporate clients incl. leasing and factoring	83,228	87,920	91,783	92,532	94,667	94,214	95,591	+ 3%	+ 4%	3 058	3 808
Loans to retail clients	66,868	65,903	64,200	63,882	63,362	63,927	64,722	+ 1%	+ 1%	839	522
Mortgage loans	57,861	56,900	55,468	55,156	54,698	54,998	55,567	+ 1%	+ 0%	412	100
Cash loans	7,747	7,682	7,418	7,385	7,348	7,553	7,751	+ 5%	+ 4%	366	333

Financial highlights

PLN million	Q3 2022	Q2 2023	Q3 2023	% change y/y
Total income	722.4	2,637.3	2,667.9	+269%
Total expenses	-821.6	-850.6	-860.4	+5%
Result before risk costs	-99.2	1,786.7	1,807.5	-
Risk costs including cost of risk for FX mortgage loans	-206.0	-196.8	-151.2	- 27%
Bank levy	-164.8	-165.6	-164.1	- 0%
Gross profit	-470.0	1,424.3	1,492.2	-
Income tax	152.7	-324.9	-330.2	-
Net profit	-317.3	1,099.4	1,162.0	-
Total capital ratio	14.43%	16.95%	16.56%	+ 2.13 p.p.
Tier 1	12.90%	15.47%	15.05%	+ 2.15 p.p.
ROE (%)	15.0%	24.2%	34.2%	+19.2 p.p.
ROE adjusted for MCFH (%)*	10.3%	13.5%	21.0%	+10.7 p.p.
Total expenses incl. bank levy / total income (%)	136.5%	38.5%	38.4%	-98.1 p.p.

9M 2022	9M 2023	% change y/y
5,401.0	7,763.1	+ 44%
-2,953.1	-2,713.3	- 8%
2,447.9	5,049.8	+ 106%
-540.8	-436.2	- 19%
-477.8	-488.3	+ 2%
1,429.3	4,125.3	+ 189%
-380.8	-955.2	+ 151%
1,048.5	3,170.1	+ 202%
14.43%	16.56%	+2.13 p.p.
12.90%	15.05%	+2.15 p.p.
15.0%	34.2%	+19.2 p.p.
10.3%	21.0%	+10.7 p.p.
63.5%	41.2%	-22.3 p.p.

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

Meeting 2023 strategic goals in Q3 2023

- **Clients' activities and digitalisation**
 - In the last quarter, we acquired 82 thousand new retail clients and 17 thousand new corporate clients.
 - We have 2.15 million primary clients in the retail segment and 210 thousand primary clients in the corporate segment.
 - The number of mobile only clients in retail banking increased to 2.0 million (+13% y/y).
 - The number of outgoing electronic transfers of individual clients in My ING amounted to 152 million in Q3 2023 (+11% y/y).
 - We processed 16.4 million transactions in our payment terminals (+20% y/y).
 - Our clients made a total of 44.9 million BLIK transactions (+26% y/y).
- **Full regulatory compliance**
 - We implemented all recommendations with deadlines in Q3 2023 on time.
 - We updated the Conflict of Interest Prevention Policy.
- **Employee motivation and empowerment**
 - We have rebuilt the offer of social benefits, directing funds from the fund to the lowest earners and large families. We have allocated a separate pool of funds for oncology benefits, thus shortening the payment acceptance path.
 - On September 30, we met again as part of the Run Warsaw and March - I Support event. The event was attended by over 5,000 participants.
 - During the Employee Experience Day finale, the 8 final teams worked on interesting improvements in the HR area.
- **System stability and availability, security**
 - The availability of My ING and ING Business at the end of Q3 2023 was 99.93% and 99.88%, respectively.
 - A cash loan was made available from the pre-approved offer. Work is underway to further expand the offer and automate subsequent operational post-sales processes. At the same time, further products are being developed on the new platform: a mortgage loan and a term deposit in PLN.
 - From November, we are introducing changes to My ING online and mobile banking. Content and features will be more personalized and the system will take on a new, transparent look. Thanks to this, we want to strengthen relationships with customers and make it even easier for them to use banking.
- **Operational Efficiency, AI and Data Management**
 - The value of the DIGI60* index is 68.1% (the target for 2023 is 57%).
 - We have implemented a model for categorising outgoing transactions for retail clients in KYC processes.
 - We have made further processes in the area of credit administration available to our clients using low-code design technology (Ferryt platform).
 - We continuously implement process changes that allowed us to increase the level of STP (straight through processing) for key customer journeys.
- **ESG**
 - We have made a [carbon footprint calculator](#) available for companies on the [Firmove.pl](#) website. The calculator enables comprehensive and free calculation of greenhouse gas emissions in scope 1 and 2.
 - ING Bank Śląski and the ING Dzieciom Foundation signed the [Charter of Children's Rights in Business](#).
 - We work for a strong position of women in the bank. We have launched a new employee network - ING Women. Over 400 women have already applied for it. We have also launched the 30under30 development program for future women leaders in the field of Business Banking, the aim of which is: strengthening women on the way to promotion to higher managerial levels.
 - We launched the installation of solar collectors for domestic hot water in a building in Katowice at ul. Chorzowska 50. Power installed collectors is 34 kW. Thanks to them, we can heat water by partially replacing network heat with solar energy.

*ING DIGI index - digitalisation rate is the percentage of volume of a client journey that is handled without any manual intervention. DIGI Index covers client journeys that amount to 80% of all interactions. In 2023 DIGI60 index covers top 9 client journeys.

Selected initiatives

We are financing the first offshore wind farm in Poland

As part of an international consortium of financial institutions, we signed a loan agreement with Baltic Power, co-owned by Orlen and Northland Power. The transaction concerns the construction of the first offshore wind farm with a capacity of up to 1.2 GW, and the total budget of this investment is estimated at approximately EUR 4.73 billion. The Baltic Power project, located approximately 23 km north of the coastline, near Choczewo and Łeba, is the most advanced investment in the Polish Exclusive Economic Zone of the Baltic Sea. According to the agreed schedule, the construction of the offshore wind farm is to begin in 2024, and its commissioning will take place in 2026. The Baltic Power farm will cover an area of approximately 130 km² and will consist of 76 wind turbines, each with a generating capacity of 15 MW. These are currently some of the most modern turbines available on the market. After completing the investment, Baltic Power will produce energy that will power over 1.5 million households.

[Read more](#)

We have introduced the Future Account to our offer

We have introduced Konto Future to our offer for individual clients. For each such account, the bank will donate PLN 10 each month to a project supporting sustainable development. The client can choose one of three projects implemented by partner foundations. The Natural Heritage Foundation wants to save the wildest places in Poland, where the last fragments of the Carpathian Forest have survived. In turn, the Kwietna Foundation cares for the preservation of natural biodiversity and introduces nature-friendly solutions to Polish cities. The third project is led by the Grunt Od Nowa Foundation, whose activities focus on improving the condition of soil in Poland. This is an element of the ESG strategy implemented by the Bank "The future is our common responsibility".

[Read more](#)

We have introduced loans based on WIRON for companies

Since October, we have made financing based on the WIRON index available to another group of clients. From now companies - regardless of the form of accounting and natural persons running a business in based on full accounting, they can benefit from such loans. The offer includes a working capital loan in the account current and a loan for any purpose and applies to a total loan of no more than PLN 400,000.

[Read more](#)





Q3 2023

financial results

Financial results

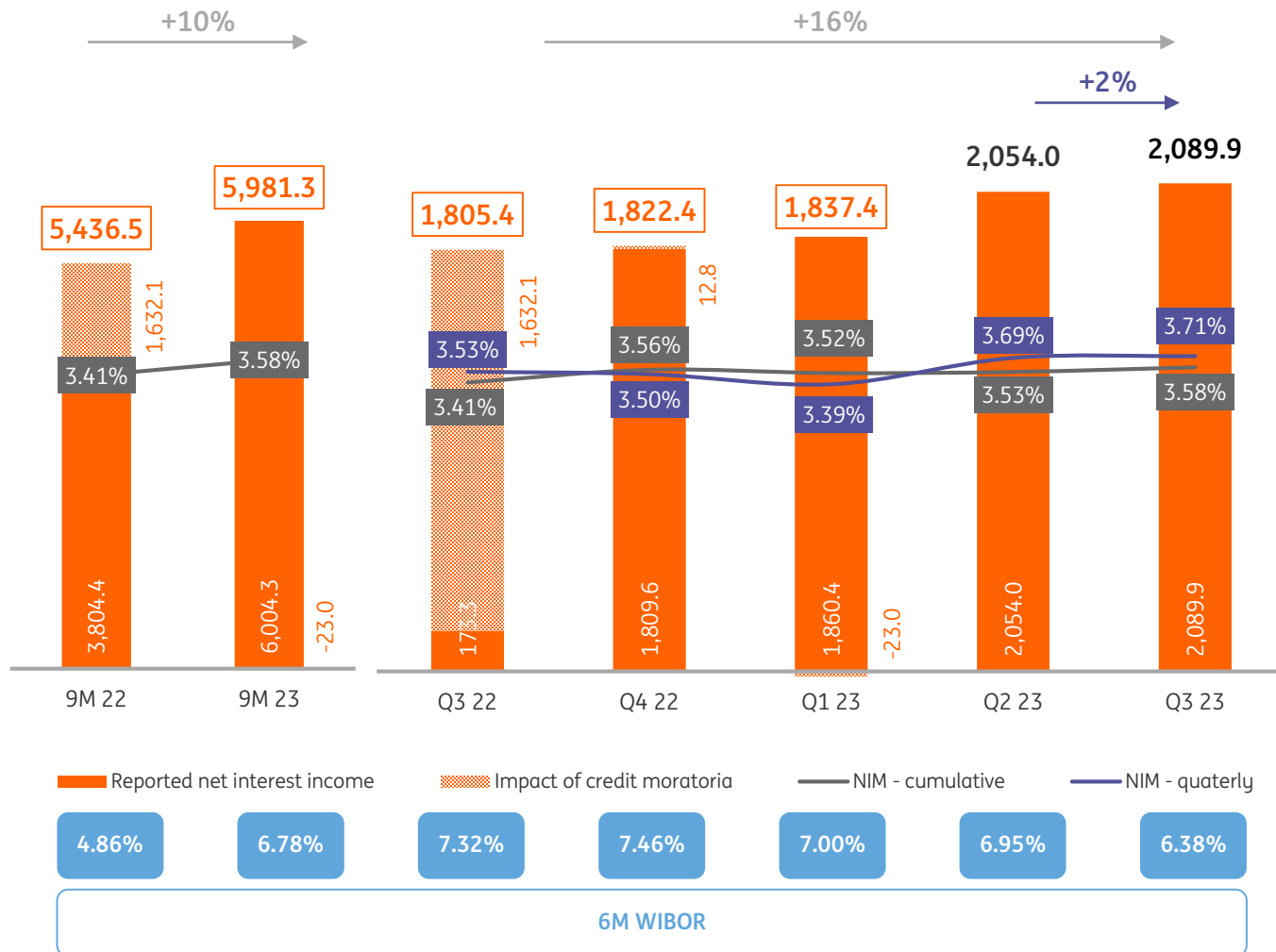
PLN million	Q3 2022	Q2 2023	Q3 2023	% change y/y
Net interest income	173.3	2,054.0	2,089.9	+1106%
Net commission income	530.6	534.3	552.1	+4%
Other income	18.5	49.0	25.9	+40%
Total income	722.4	2,637.3	2,667.9	+269%
Total expenses	-821.6	-850.6	-860.4	+5%
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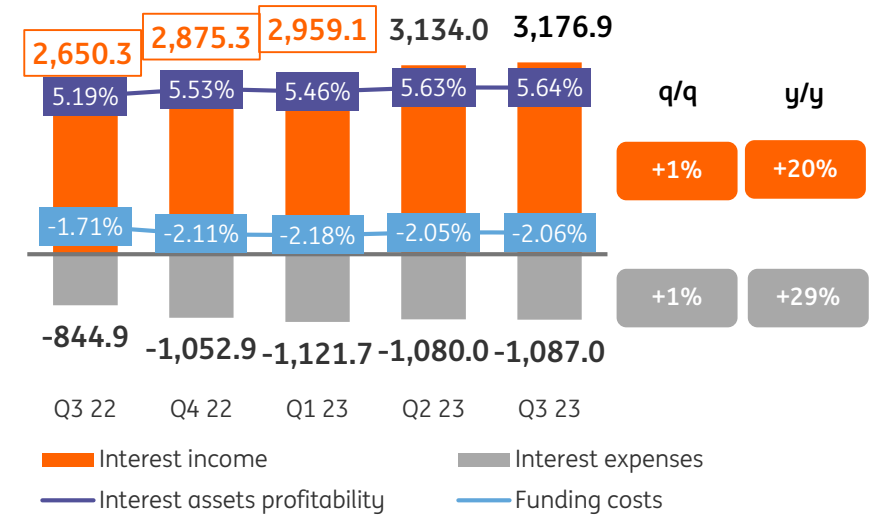
*ROE = total net profit for 4 consecutive quarters / average equity for 5 subsequent quarters

Net interest income adjusted for credit moratoria

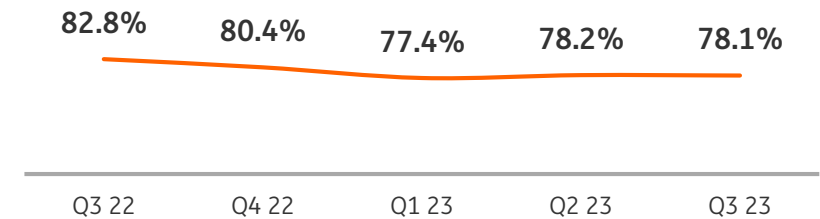
Net interest income (PLN million) and interest margin



Interest income and expenses (PLN million)

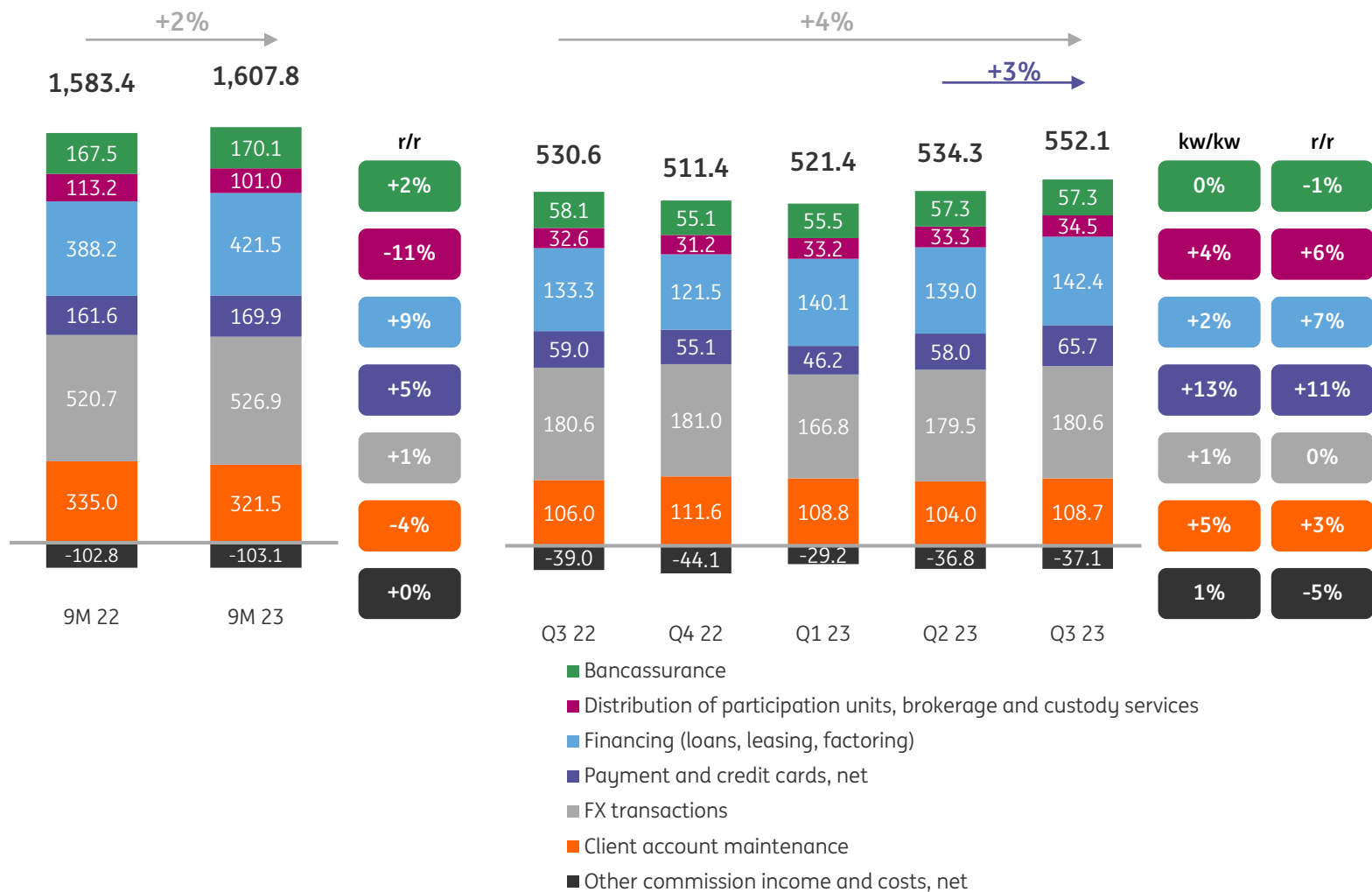


Loan to deposit ratio



Fee and commission income

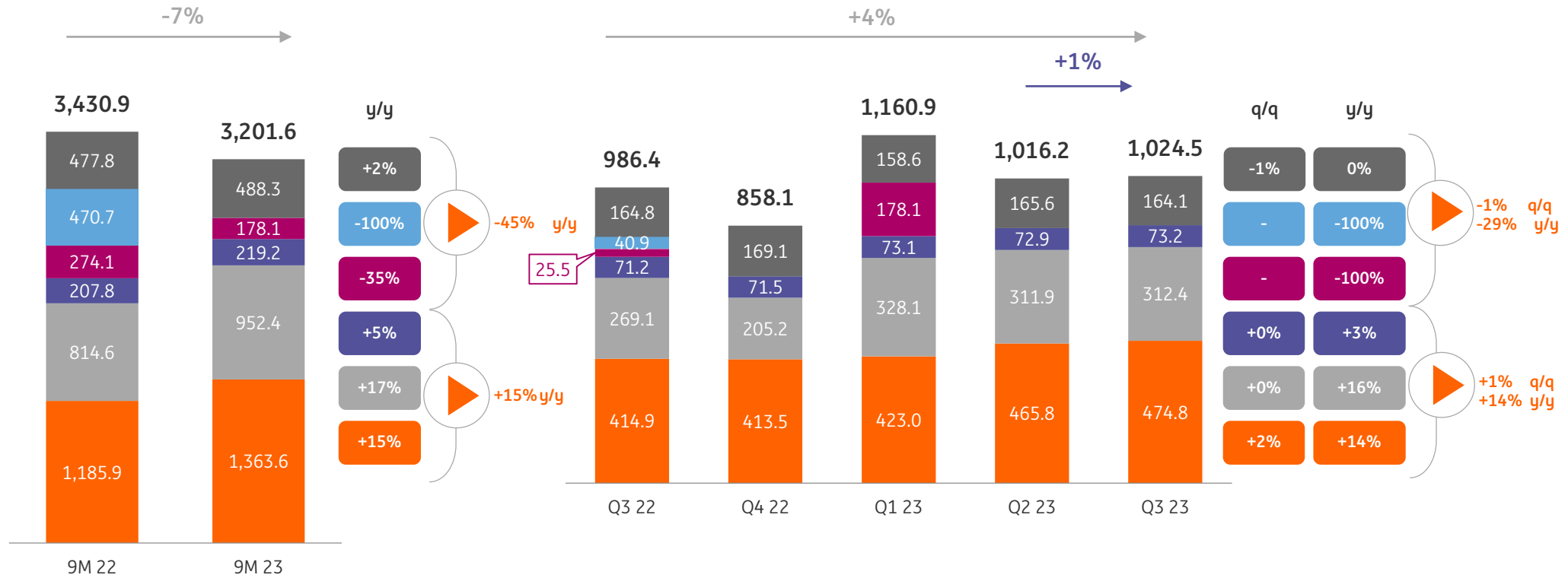
Fee and commission income per category (PLN million)



- The improvement in the result on payment and credit cards in Q3 2023 is the result of higher transaction volume of our clients.
- The improved result on financing is the result of lending activity in the corporate segment.
- The increase in the result from the distribution of participation units reflects the positive trends on the FI market observed in the third quarter of 2023.

Total expenses including bank levy

Total expenses including bank levy (PLN million)

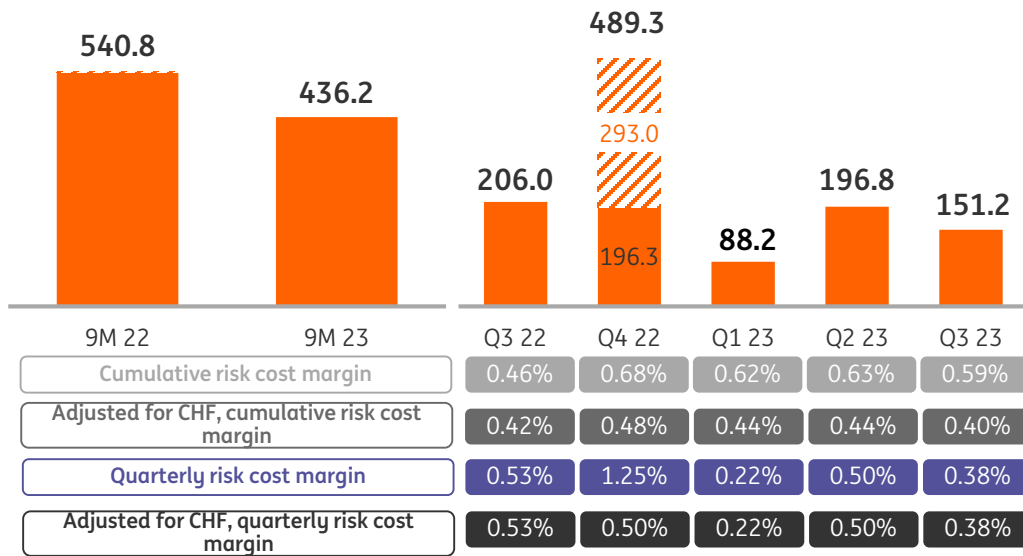


■ Personnel costs ■ General and administrative costs ■ Amortisation and depreciation ■ Regulatory costs (PFSA + BGF + MSF) ■ IPS ■ Bank levy

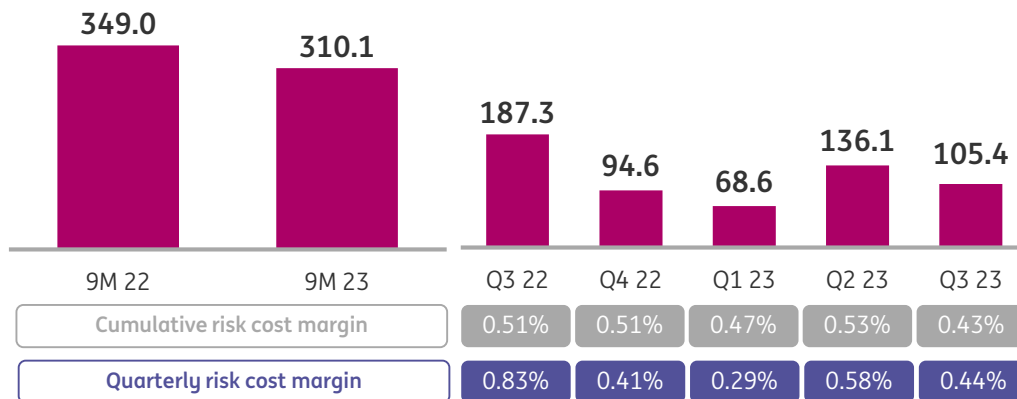
63.5%	41.2%	Total expenses including bank levy / total income	136.5%	37.0%	47.2%	38.5%	38.4%
40.9%	32.7%	Own expenses / total income	104.5%	29.7%	33.5%	32.3%	32.3%
8,409	8,445	FTEs	8,409	8,358	8,441	8,494	8,445

Cost of risk, including legal risk costs

Consolidated data for ING BSK (PLN million)

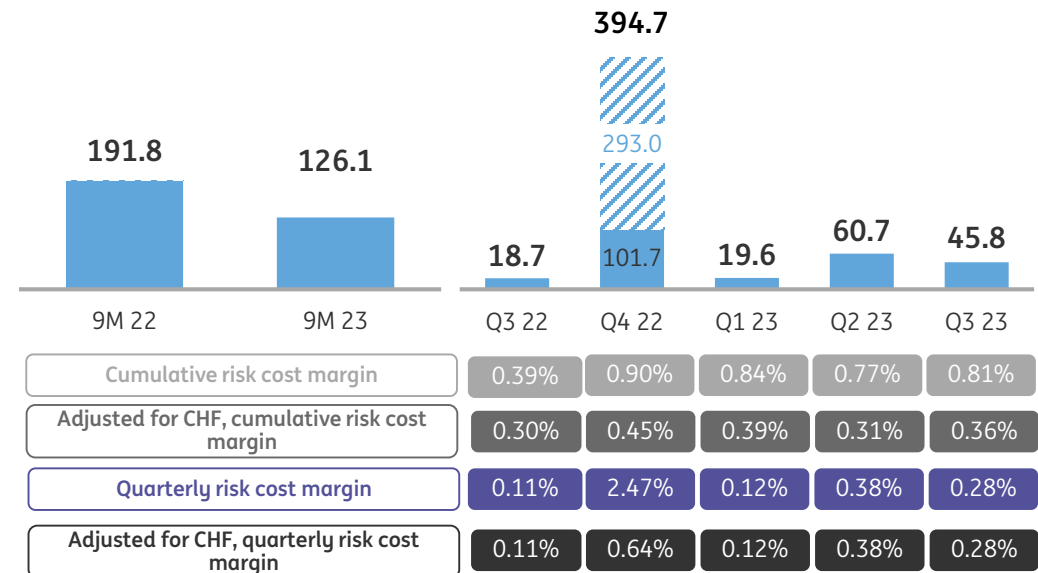


Corporate banking (PLN million)



PLN million	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
Impact of macroeconomic parameters on net provisions*					
Retail banking	+10.1	+47.3	-14.0	+11.1	+13.7
Corporate banking	+131.5	-29.9	-44.6	+1.2	-18.5
Total	+141.6	+17.4	-58.5	+12.2	-4.7
Impact of the sale of the Stage 3 and POCI receivables portfolios*					
Retail banking	-64.9	0.0	0.0	0.0	0.0
Corporate banking	-8.6	0.0	0.0	0.0	0.0
Total	-73.5	0.0	0.0	0.0	0.0

Retail banking (PLN million)

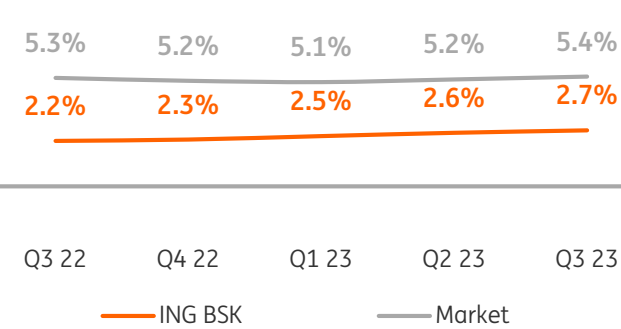


*Increase of provisions presented with the sign (+), decrease with the sign (-)

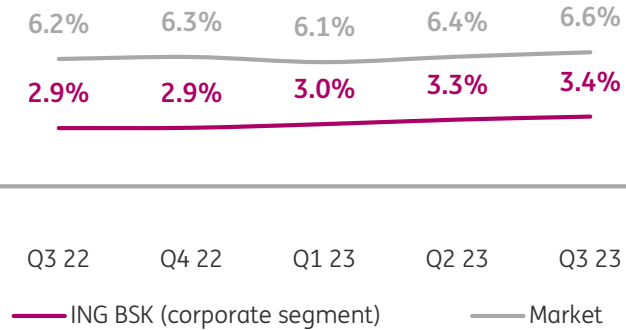
Portfolio quality and provisioning

Share of non-performing portfolio in the total loan portfolio

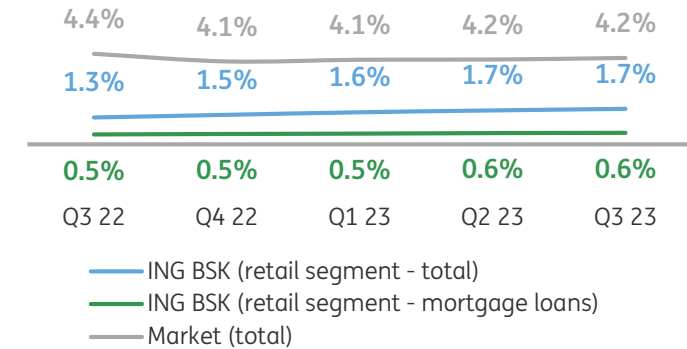
Consolidated data for ING BSK



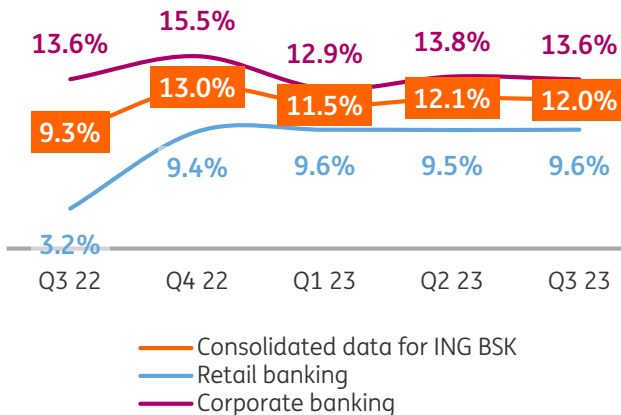
Corporate banking



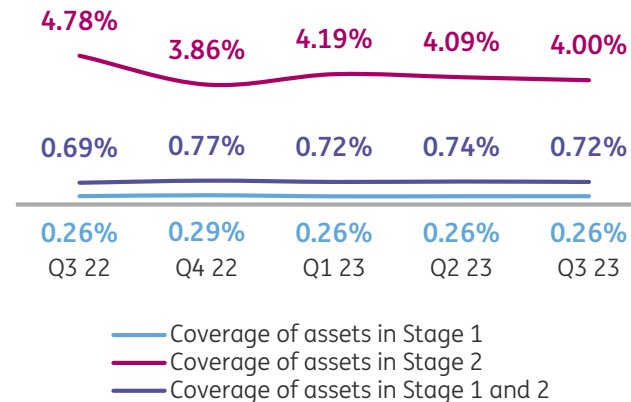
Retail banking



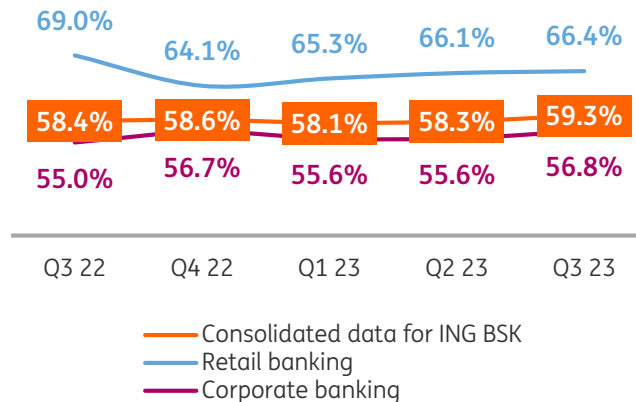
Share of Stage 2 in gross portfolio



Provisioning ratio – Stages 1 and 2



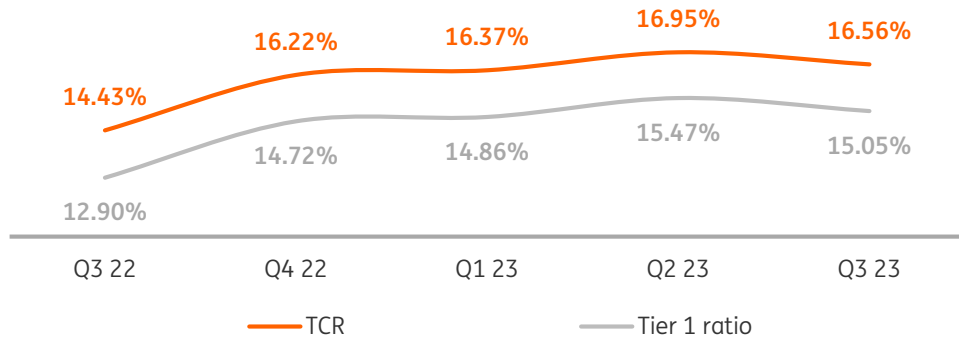
Provisioning ratio – Stage 3



Note: market ratios – estimates based on PFSA data (data for August 2023 for Q3 2023); NPL = Stage 3 + POCI

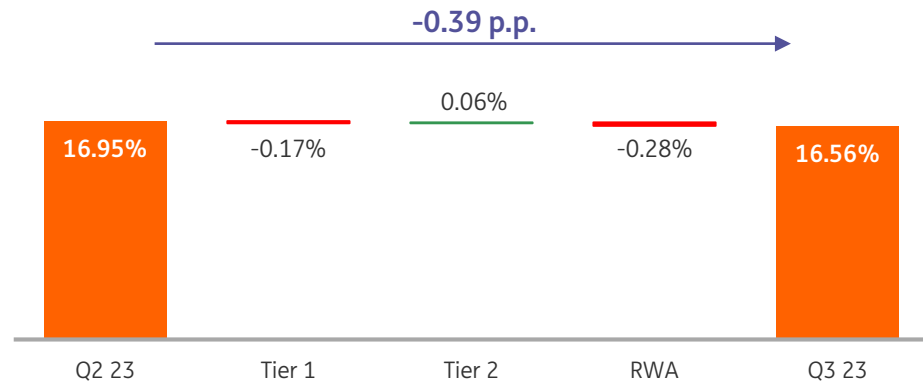
Capital adequacy

Consolidated total capital ratio

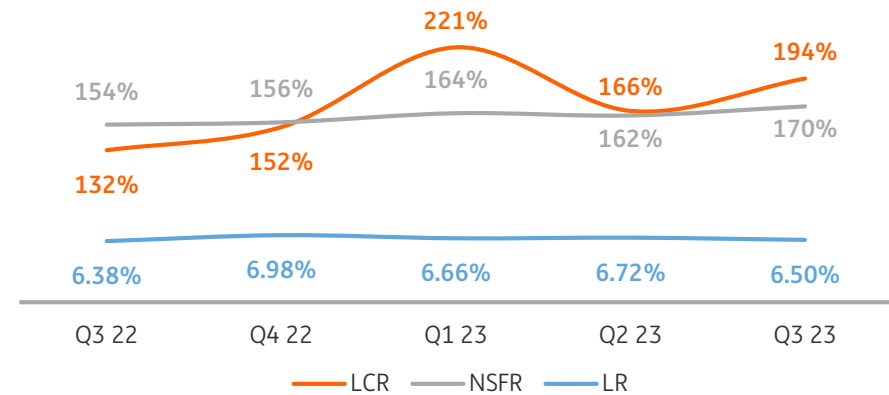


- Total capital ratio and Tier 1 ratio are respectively 5.05 p.p. and 5.54 p.p. above the minimum capital requirements for ING BSK, which are respectively 11.51% and 9.51%.
- The total capital ratio and Tier 1 ratio would have been 16.42% and 14.91%, respectively, if ING BSK did not apply a transition period for the implementation of IFRS 9.

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



Other capital and liquidity ratios



Appendices



Retail banking

Retail banking

Clients and ordered transactions

- We operate 3.7 million current accounts for individual clients
- In Q3 2023, our individual clients completed:
 - 11% y/y more outgoing electronic transfers in My ING (152 million)
 - 27% y/y more BLIK transactions (total 42.2 million)
 - 7% y/y more debit card transactions (total 290.5 million)
 - 10% y/y fewer transactions in branches (230 thousand)

Financing

- We granted PLN 1,980 million in mortgage loans in Q3 2023 (+22% y/y)
- We granted PLN 1,270 million in cash loans in Q3 2023 (+28% y/y) ...
- ... of which 79% were sold via online channels



6%

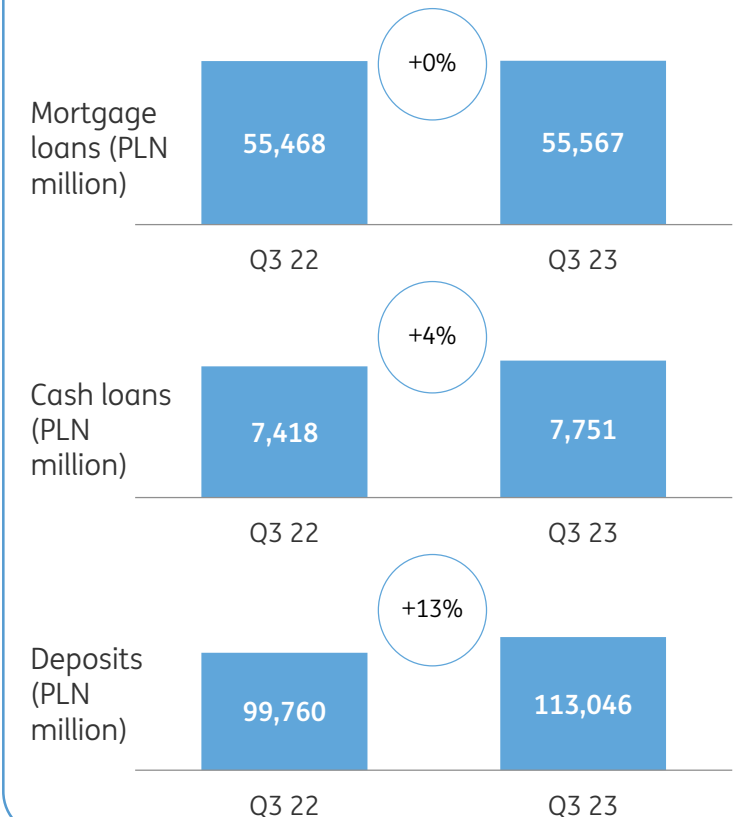
na koncie oszczędnościowym

Dla kwot poniżej 200 tys. zł przez 3 miesiące.
Oprocentowanie zmienne, obliczane w skali roku.

Skorzystaj z oferty



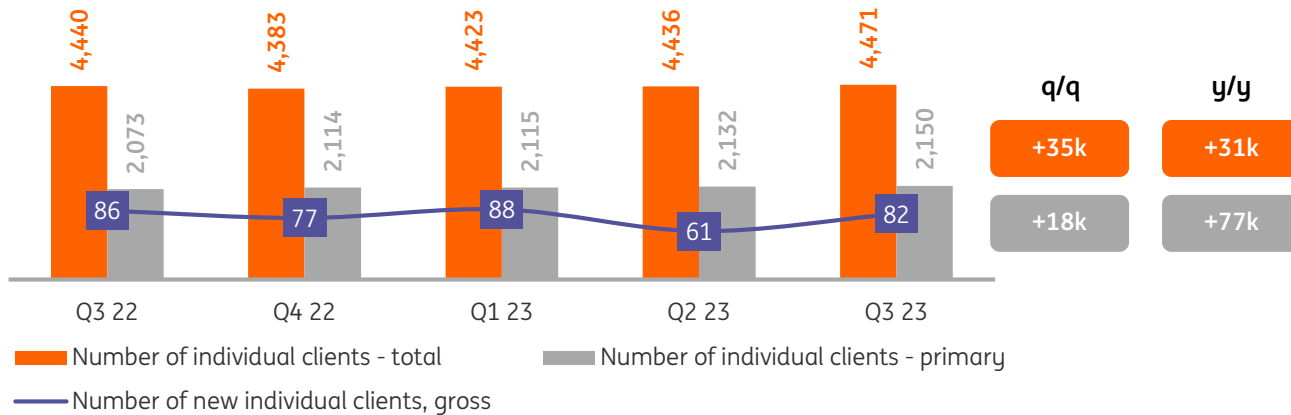
Growing volumes (y/y)



Retail client base

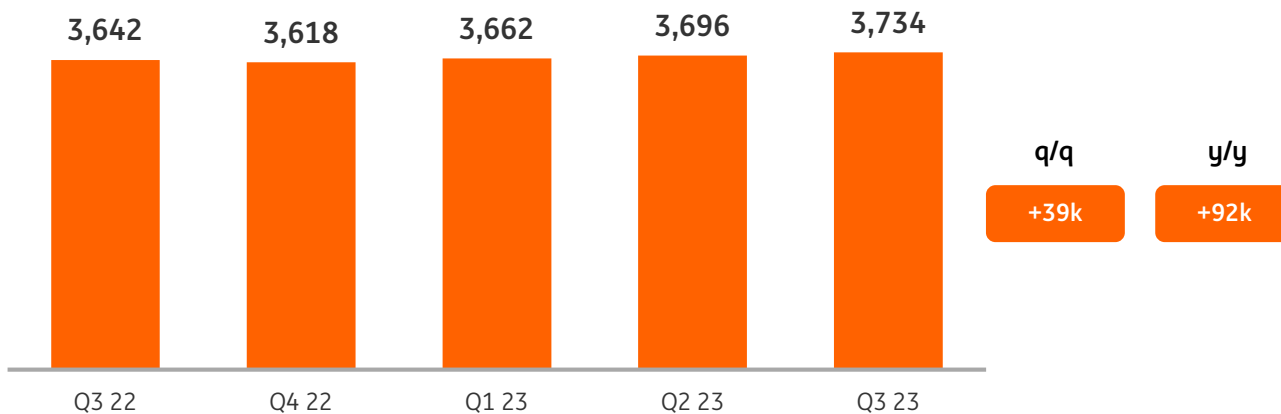
4.5 million individual clients

Number of individual clients (thousand)



q/q	y/y
+35k	+31k
+18k	+77k

Number of individual clients' current accounts (thousand)



q/q	y/y
+39k	+92k

Note: current accounts in PLN

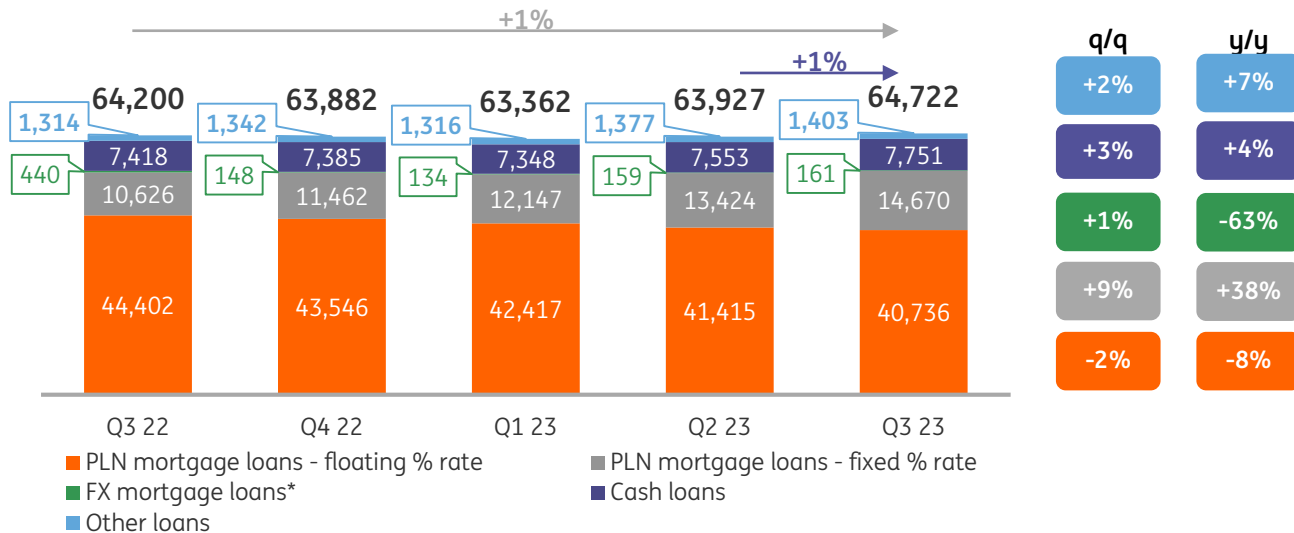
Primary clients - clients who have a current account with a balance higher than PLN 100 (salary inflows) and who also have another active product

- 87% of current accounts are Direct Accounts
- In Q3 2023 clients using the National Hub, i.e. the standard for the circulation of electronic identity used for administrative purposes and government services, confirmed their identity 5 million times
- In Q3 2023, our clients submitted 294 thousand applications for 300+ (-1% y/y) and 22 thousand applications for 500+ (-28% y/y) via our bank



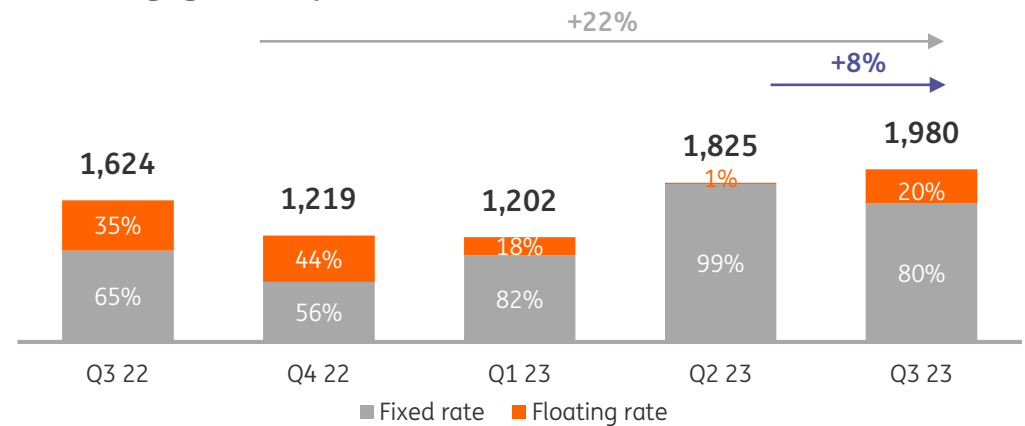
Retail lending

Loan portfolio of retail clients (gross; PLN million)

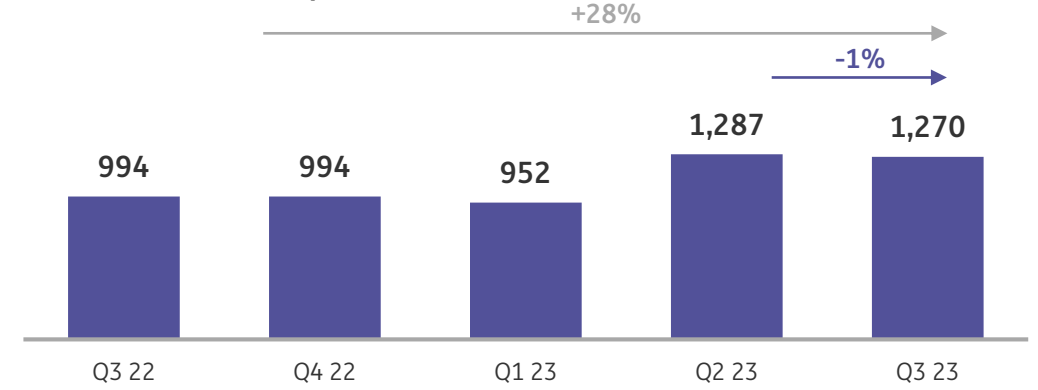


- PLN 1.3 billion worth of cash loans granted to retail clients in Q3 2023 (+28% y/y)
- PLN 2.0 billion worth of mortgage loans granted in Q3 2023 (+22% y/y), which translates into a 12.8% market share
 - including PLN 1,591 million worth of fixed interest rate mortgage loans (-48% y/y)
 - including PLN 96 million worth of mortgage ecoloans** (+34% y/y)
- A 13.5% market share in terms of PLN mortgage loans; 11.2% in total mortgage loans (Q3 2023)

Mortgage loans production (PLN million)



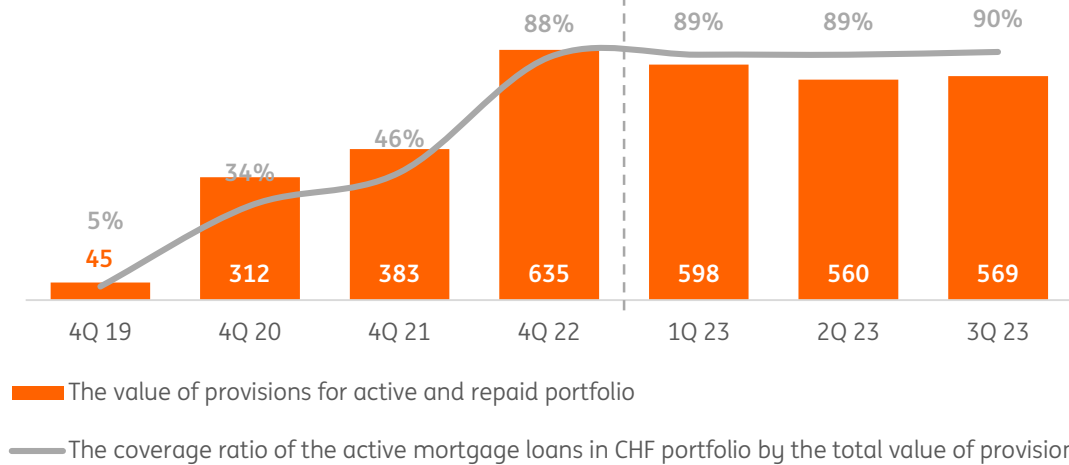
Cash loans production (PLN million)



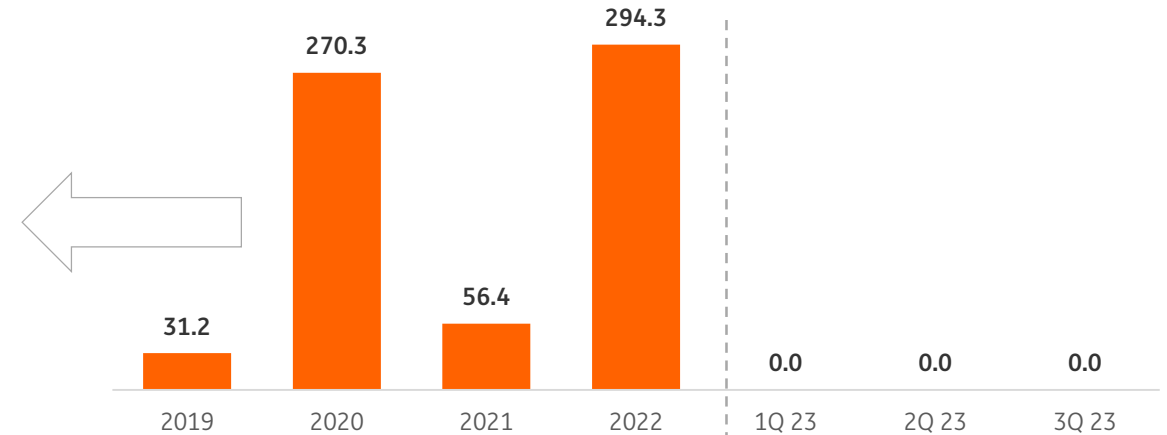
*FX mortgage loans after adjusting the gross carrying amount for legal risk provisions, which amounted to PLN 375.5 million in Q3 2022, PLN 581.6 million in Q4 2022, PLN 548.1 million in Q1 2023, PLN 473.0 million in Q2 2023 and PLN 475.7 million in Q3 2023;
 **We do not charge a commission and we offer a lower margin for a house or apartment, whose annual consumption of non-renewable primary energy for heating, ventilation and hot water does not exceed 57 kWh / m² / year for a house and 53 kWh / m² / year for an apartment.

Legal risk relating to FX mortgage loans

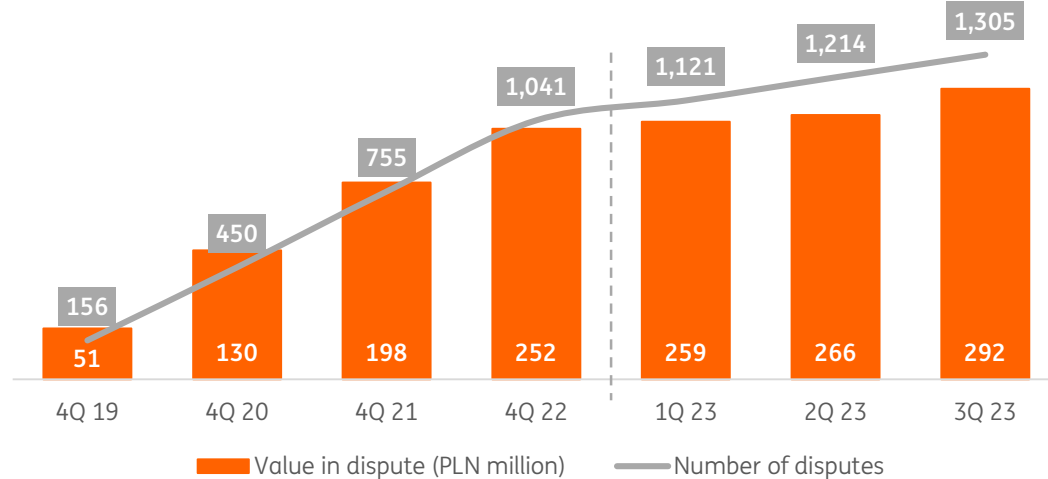
Total value of provisions for CHF mortgage loan portfolio (PLN million) and their level in relation to portfolio balance



The costs of legal risk of FX mortgage loans (in PLN million)



The number and value of disputes concerning FX mortgage loans



Mediation with clients

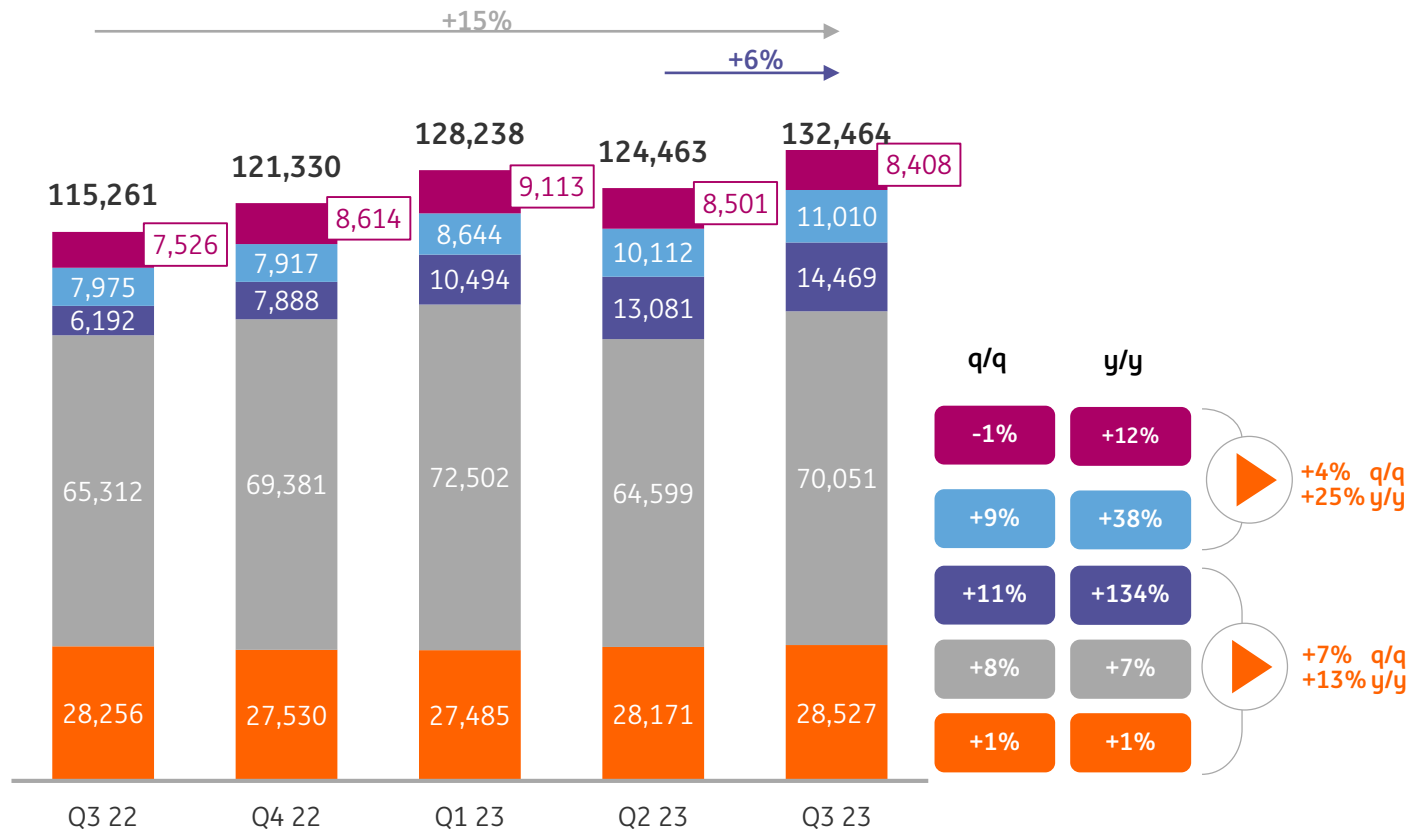
On 25 October 2021, we launched a settlement programme based on the assumptions of the Chairman of the Polish Financial Supervision Authority. From 25 October 2021 to 30 September 2023 we concluded **683 agreements** under the programme.

As at the end of Q3 2023 we had 2.9 thousand active mortgage loans indexed to CHF.

*The portfolio provisioning ratio is calculated as: Total provisions (active and repaid portfolio) / (gross portfolio + provisions for active portfolio).

Savings and investments

Portfolio of funds entrusted by retail clients (PLN million)



- Financial instruments accumulated in brokerage accounts
- Mutual funds
- Term deposits and structured products
- Savings accounts
- Current accounts

- 123.1 thousand bank clients invest on a regular basis and 126.6 thousand clients had a dedicated pension product at ING
- In Q3 2023, 54.0% of open investment fund units were purchased via mobile banking
- At the end of Q3 2023, we serviced 182.6 thousand brokerage accounts (+4% y/y)
- The turnover of our brokerage office on the stock market in Q3 2023 amounted to PLN 2.7 billion (-13% y/y, -6% q/q), which translates into a market share of 2.23% (-0.34 p.p. y/y, -0.09 p.p. q/q)
- Investment fund companies, which take into account ESG factors when selecting companies for their portfolios of funds, accounted for 100% of our clients' assets in these products, including PLN 346 million (+47% y/y, without changes q/q) worth of assets representing investments in funds compliant with Articles 8 and 9 of SFRD*

*funds promoting sustainable development (Art. 8) and having an impact (Art. 9)

Progressive evolution of banking

ING is becoming more and more digital



Average rating
of My ING mobile app
in the app stores

Google Play ★ ★ ★ ★ ★ 4.8

App Store ★ ★ ★ ★ ★ 4.9

Electronic banking

We have a total of **1,369 thousand mobile cards** (+5% q/q, +12% y/y)

42.2 million BLIK transactions in Q3 2023 (+4% q/q, +32% y/y) made by individual clients, of which **29.5 million transactions were made on the Internet** (+3% q/q, +24% y/y)

4 190 thousand clients with access to online banking (without changes q/q and y/y), including 77% of them actively using this access

2,682 thousand active users of the mobile application (+2% q/q, +9% y/y)

1,982 thousand "mobile only" users (+4% q/q, +13% y/y)

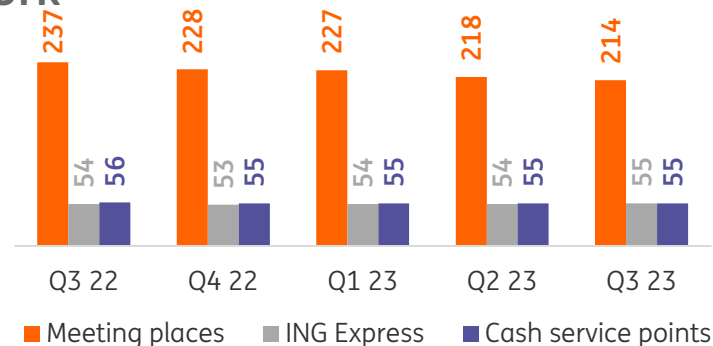
In Q3 2023, we sold **79% of cash loans** for individual clients **via internet channels** (82% in Q3 2022)

2.9m
active mobile
banking clients

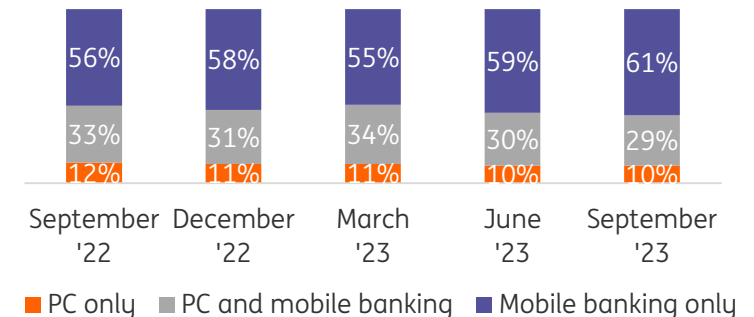
Physical distribution network

159 meeting places without a traditional cash service (173 as at the end of 2022 and 181 at the end of Q3 2022)

782 machines for cash self-service (including 698 recyclers), out of which 778 are contactless ATMs/Recyclers



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



Corporate banking

Corporate banking

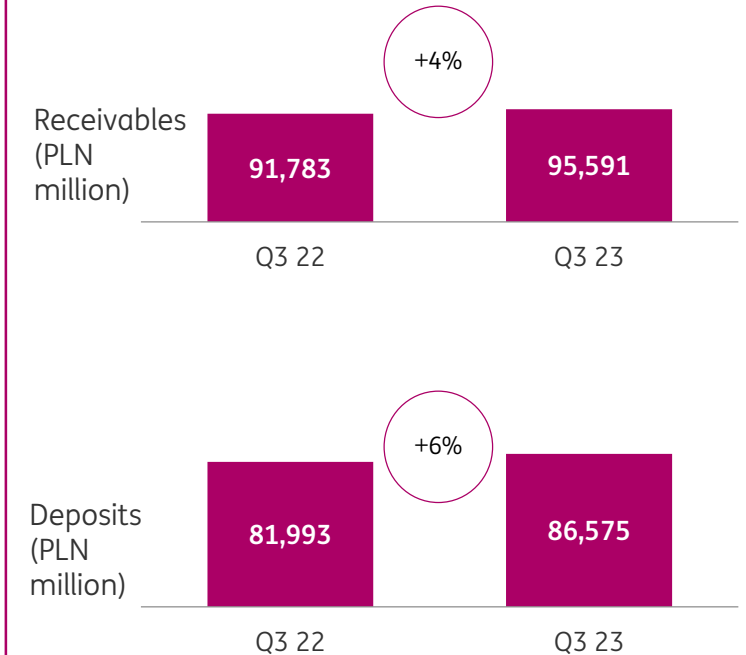
Clients and ordered transactions

- We service 553.1 thousand corporate clients, of which 438.3 thousand are entrepreneurs, 111.4 thousand are SMEs and mid-corporates and 3.4 thousand are strategic clients
- In Q3 2023, our corporate clients using ING Business made 45.5 million transfers (+87% y/y), of which 3.5 million were made in mobile banking (+26% y/y)
- We have 41.4 thousand payment terminals in total; we processed 16.4 million transactions in Q3 2023 (+20% y/y)
- 8,142 stores with an active imoje payment gateway (+30% y/y)

Financing

- The portfolio of receivables from entrepreneurs increased by PLN 379 million y/y (+5% y/y) to the level of PLN 8.3 billion
- The portfolio of receivables from SMEs and mid-corporates increased by PLN 141 million y/y (without changes y/y) to the level of PLN 52.3 billion
- The portfolio of receivables from strategic clients increased by PLN 3.3 billion y/y (+10% y/y) to the level of PLN 35.1 billion

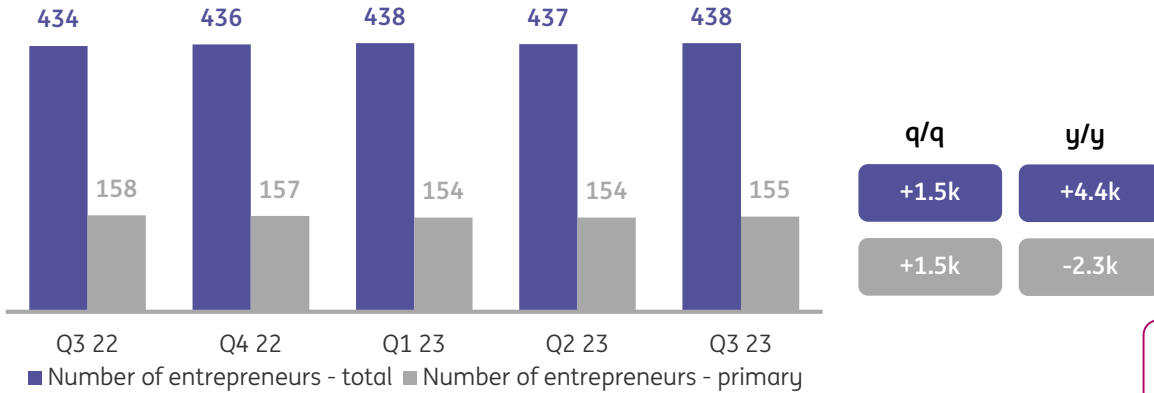
Growing volumes (y/y)



Corporate client base

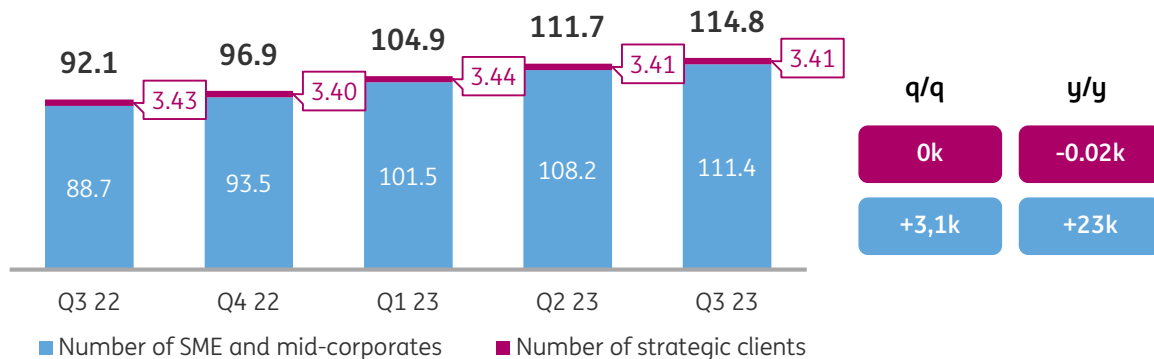
553 thousand companies

Number of entrepreneurs (thousand)



We maintain **447 thousand current accounts** for **442 thousand entrepreneurs**, of which **99% are Direct accounts**

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



ING

W biznesie to Ty decydujesz ile płacisz

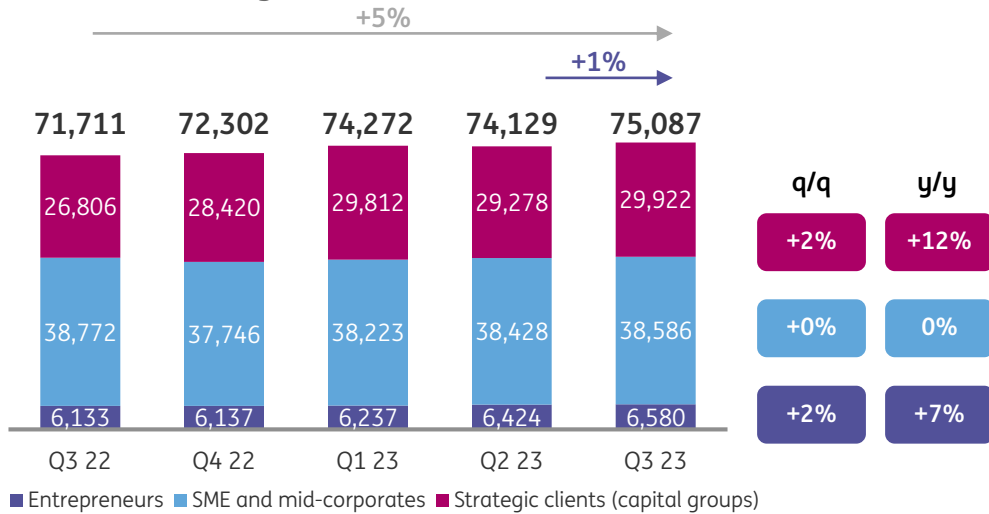
Otwórz konto dla spółki

Wybierz najkorzystniejszy dla siebie pakiet dla firm. Regulamin Promocji „Konto dla spółki za 0 zł przez 2 lata” dostępny na ing.pl

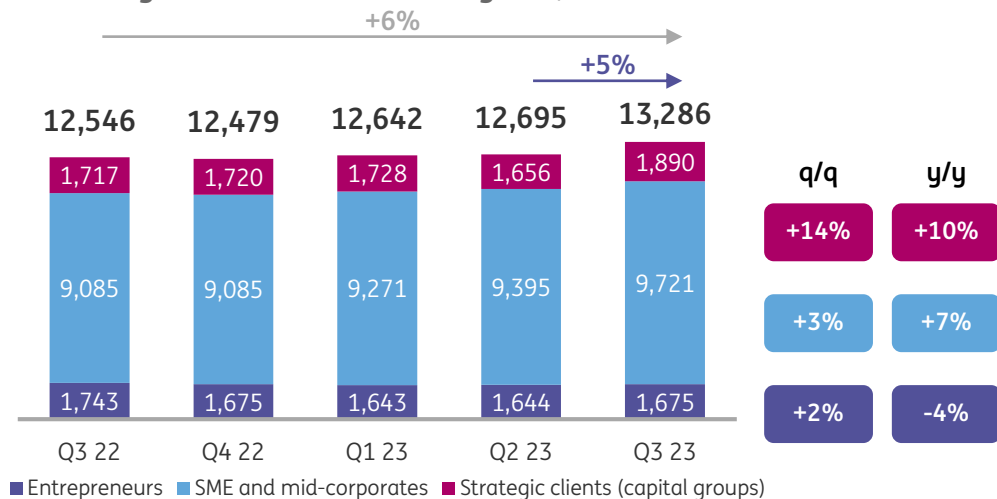
Primary clients - clients with a specified number of transactions and an average deposit or credit balance above a specified limit during the last year; the conditions are defined separately for each of the elements of the corporate segment (entrepreneurs, medium and large companies and strategic clients)

Corporate receivables

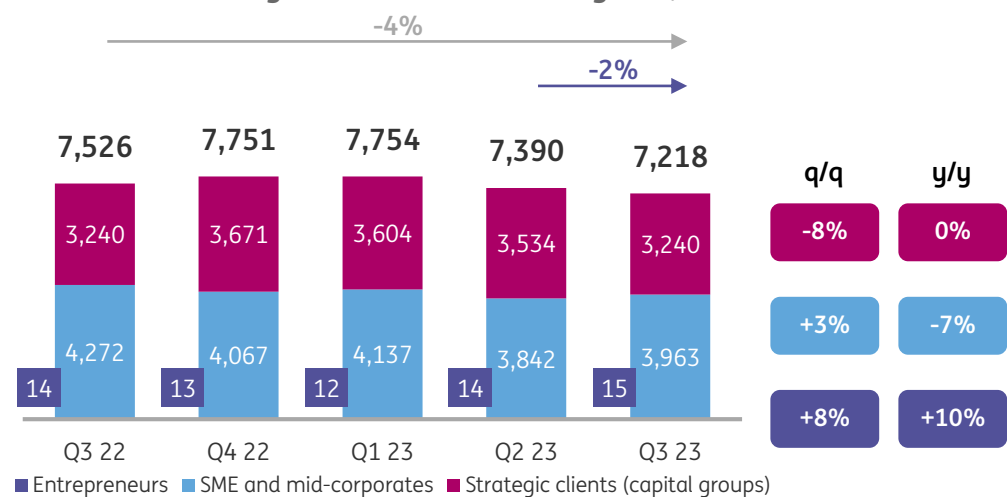
Loans volume (gross; PLN million)



Leasing receivables volume* (gross; PLN million)



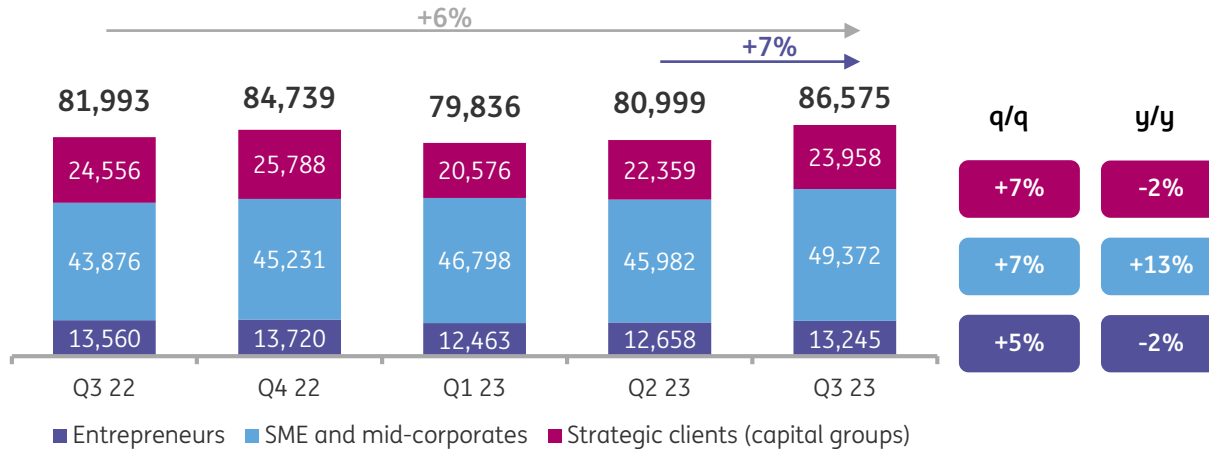
Factoring receivables volume (gross; PLN million)



*Leasing loans excluded

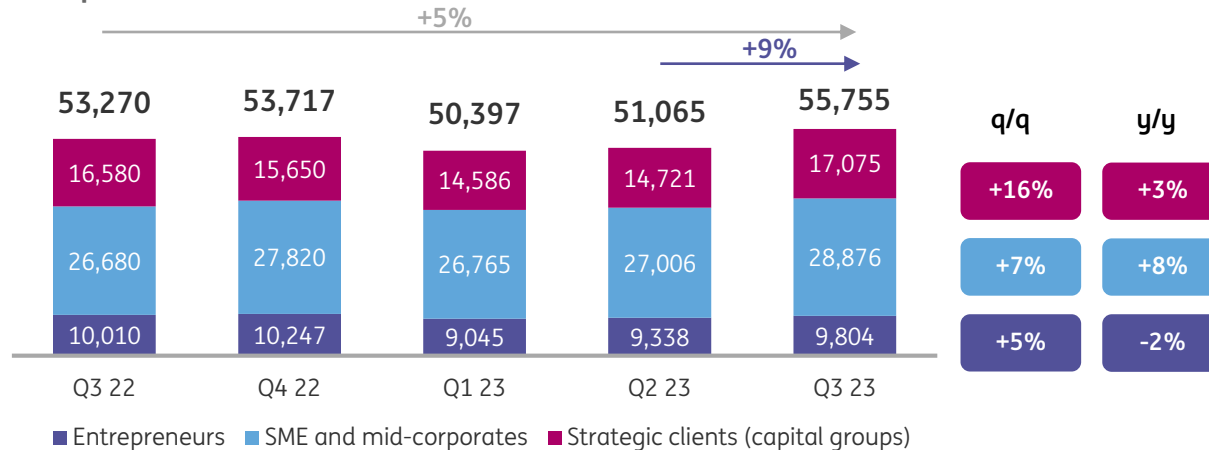
Cash management

Corporate deposit volume (PLN million)



+5.1 thousand
new SME and mid-corporate clients
attracted in Q3 2023

Corporate current accounts volume (PLN million)



**Number of mobile transfers in
ING Business increased by
+26% y/y to 3.5 million**

Financial results

and other information

Income statement

Consolidated income statement (PLN million)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	q/q		y/y	
								Δ	%	Δ	%
Net interest income, of which:	1,732.6	1,898.5	173.3	1,809.6	1,860.4	2,054.0	2,089.9	35.9	1.7%	1,916.6	1105.9%
Interest income	1,851.7	2,379.5	1,018.2	2,862.5	2,982.1	3,134.0	3,176.9	42.9	1.4%	2,158.7	212.0%
Interest expense	-119.1	-481.0	-844.9	-1,052.9	-1,121.7	-1,080.0	-1,087.0	-7.0	0.6%	-242.1	28.7%
Net fee and commission income	534.0	518.8	530.6	511.4	521.4	534.3	552.1	17.8	3.3%	21.5	4.1%
Result on trade operations and revaluation	30.8	-47.6	14.4	-3.2	70.1	42.5	18.8	-23.7	-55.8%	4.4	30.6%
Net income on instruments measured at fair value through profit or loss and FX result	47.1	-42.3	25.4	1.9	73.6	37.4	108.8	71.4	190.9%	83.4	328.3%
The result on the sale of securities measured at amortised cost	-3.9	-11.8	-9.1	0.0	0.0	0.0	0.0	0.0	-	9.1	-100.0%
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	2.1	24.7	-0.2	-0.1	1.2	8.6	3.6	-5.0	-58.1%	3.8	-
Net income on hedge accounting	-14.5	-18.2	-1.7	-5.0	-4.7	-3.5	-93.6	-90.1	2574.3%	-91.9	5405.9%
Net income on other core activities	-0.2	-0.9	-1.3	-4.2	0.4	0.2	0.8	0.6	300.0%	2.1	-
Share in net profit (loss) of associated entities recognised under the equity method	6.8	5.8	5.4	7.6	5.6	6.3	6.3	0.0	0.0%	0.9	16.7%
Income	2,304.0	2,374.6	722.4	2,321.2	2,457.9	2,637.3	2,667.9	30.6	1.2%	1,945.5	269.3%
Expenses	-931.4	-1,200.1	-821.6	-689.0	-1,002.3	-850.6	-860.4	-9.8	1.2%	-38.8	4.7%
Personnel expenses	-361.3	-409.7	-414.9	-413.5	-423.0	-465.8	-474.8	-9.0	1.9%	-59.9	14.4%
Depreciation and amortisation	-68.5	-68.1	-71.2	-71.5	-73.1	-72.9	-73.2	-0.3	0.4%	-2.0	2.8%
Regulatory expenses	-248.6	-429.8	-66.4	1.2	-178.1	0.0	0.0	0.0	-	66.4	-100.0%
Other expenses	-253.0	-292.5	-269.1	-205.2	-328.1	-311.9	-312.4	-0.5	0.2%	-43.3	16.1%
Profit before risk costs	1,372.6	1,174.5	-99.2	1,632.2	1,455.6	1,786.7	1,807.5	20.8	1.2%	1,906.7	-
Risk costs including legal cost of risk for FX mortgage loans	-151.6	-183.2	-206.0	-489.3	-88.2	-196.8	-151.2	45.6	-23.2%	54.8	-26.6%
Retail	-61.6	-111.5	-18.7	-394.7	-19.6	-60.7	-45.8	14.9	-24.5%	-27.1	144.9%
Corporate	-90.0	-71.7	-187.3	-94.6	-68.6	-136.1	-105.4	30.7	-22.6%	81.9	-43.7%
Tax on certain financial institutions	-151.7	-161.3	-164.8	-169.1	-158.6	-165.6	-164.1	1.5	-0.9%	0.7	-0.4%
Profit (loss) before tax	1,069.3	830.0	-470.0	973.8	1,208.8	1,424.3	1,492.2	67.9	4.8%	1,962.2	-
Income tax	-276.5	-257.0	152.7	-307.9	-300.1	-324.9	-330.2	-5.3	1.6%	-482.9	-
Net profit (loss), of which:	792.8	573.0	-317.3	665.9	908.7	1,099.4	1,162.0	62.6	5.7%	1,479.3	-
Net profit (loss) attributable to the shareholders of ING BSK	792.8	573.0	-317.3	665.9	908.7	1,099.4	1,162.0	62.6	5.7%	1,479.3	-
Number of shares issued (m)	130.1	130.1	130.1	130.1	130.1	130.1	130.1	0.0	0.0%	0.0	0.0%
Earnings per share (PLN) - annualised	24.38	17.62	-9.76	20.47	27.94	33.80	35.73	1.92	5.7%	45.48	-

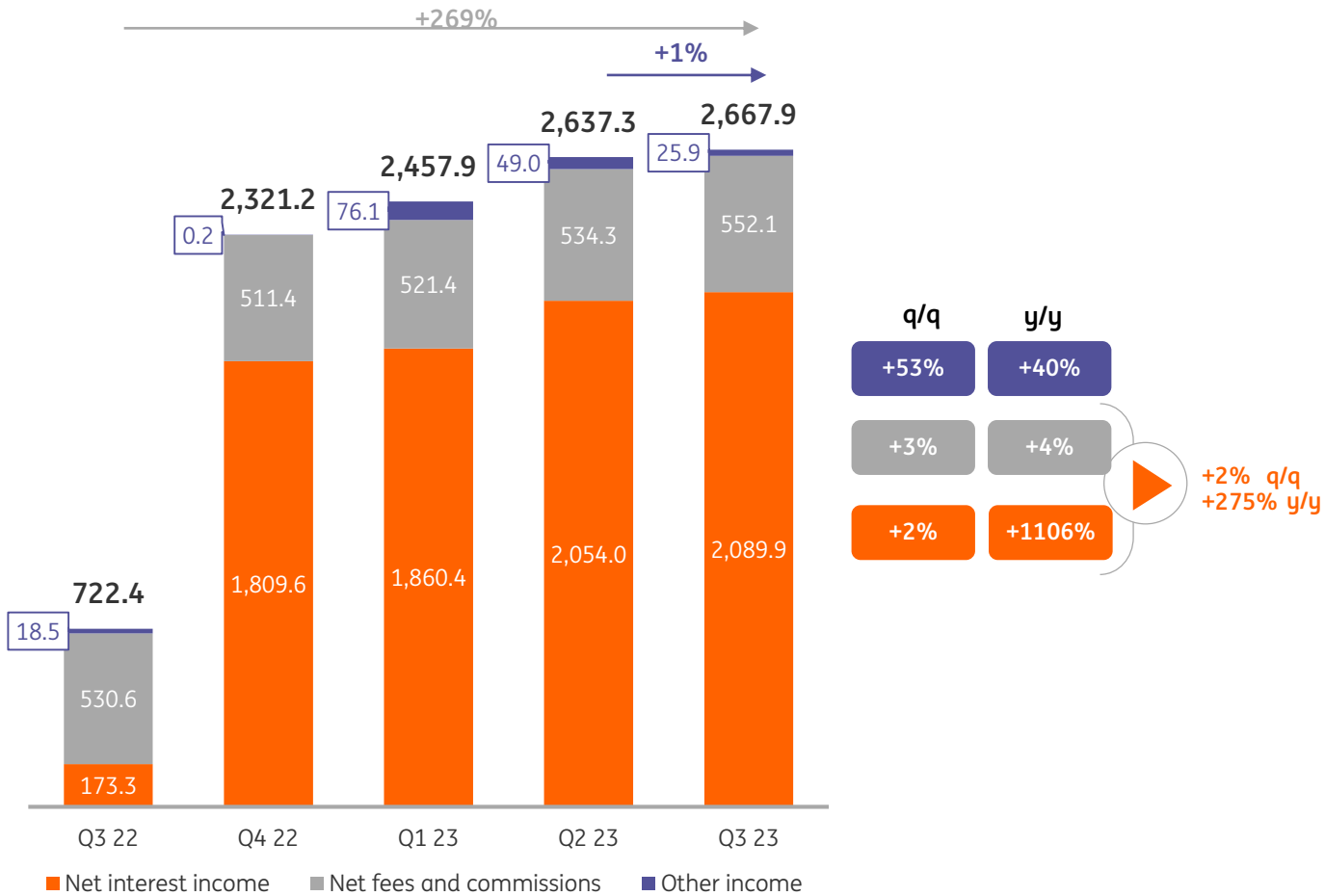
Statement of financial position

Consolidated statement of financial position (PLN million)

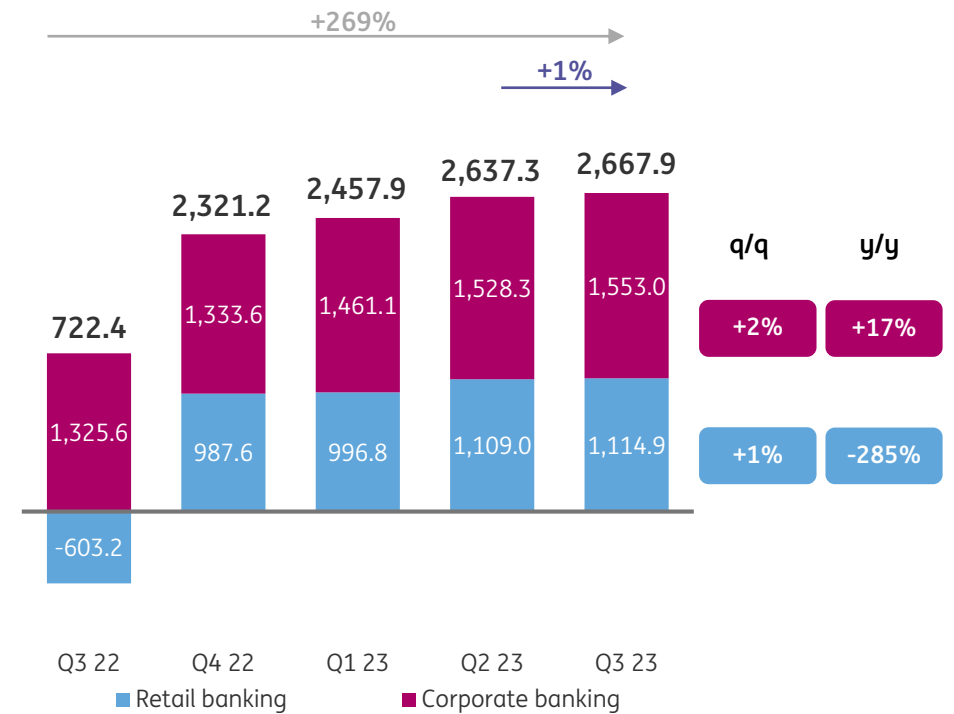
	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	q/q		y/y	
									Δ	%	Δ	%
ASSETS												
Cash in hand and balances with the Central Bank	1,100.0	4,998.3	2,718.1	2,069.5	2,337.6	6,706.5	2,267.8	3,389.9	1,122.1	49.5%	1,320.4	63.8%
Loans and receivables to other banks	704.8	1,074.4	2,293.2	2,257.6	5,161.1	9,163.4	11,288.2	11,683.7	395.5	3.5%	9,426.1	417.5%
Financial assets measured at fair value through profit or loss	1,459.9	1,425.4	3,424.4	3,335.9	1,897.7	1,534.2	2,297.4	1,844.4	-453.0	-19.7%	-1,491.5	-44.7%
Derivative hedge instruments	250.4	323.4	834.2	504.0	139.2	243.0	195.7	361.0	165.3	84.5%	-143.0	-28.4%
Investment securities	45,584.4	37,312.3	39,283.0	42,363.9	48,432.8	40,976.7	41,150.6	54,003.3	12,852.7	31.2%	11,639.4	27.5%
Assets securing liabilities	2,280.9	10,935.8	6,878.6	3,206.4	163.8	9,416.6	11,307.9	464.6	-10,843.3	-95.9%	-2,741.8	-85.5%
Loans and receivables to customers	146,614.4	149,782.6	152,180.9	154,410.6	155,029.2	156,101.1	156,255.7	158,126.4	1,870.7	1.2%	3,715.8	2.4%
Non-financial assets	1,208.6	1,317.9	1,335.4	1,356.9	1,367.2	1,421.1	1,393.1	1,410.0	16.9	1.2%	53.1	3.9%
Tax assets	1,979.5	2,519.0	3,059.1	3,169.3	2,400.8	1,716.1	1,201.5	1,185.4	-16.1	-1.3%	-1,983.9	-62.6%
Other assets	471.3	379.9	388.1	338.1	336.7	377.9	377.9	371.5	-6.4	-1.7%	33.4	9.9%
Total assets	201,654.2	210,069.0	212,395.0	213,012.2	217,266.1	227,656.6	227,735.8	232,840.2	5,104.4	2.2%	19,828.0	9.3%
EQUITY AND LIABILITIES												
LIABILITIES												
Liabilities due to other banks	10,051.0	16,491.8	8,788.0	9,151.0	5,639.6	7,144.8	7,381.4	7,253.4	-128.0	-1.7%	-1,897.6	-20.7%
Financial liabilities measured at fair value through profit or loss	1,679.6	1,794.4	3,294.8	3,478.5	2,203.8	1,702.3	1,589.3	1,466.9	-122.4	-7.7%	-2,011.6	-57.8%
Derivative hedge instruments	235.4	362.5	1,144.4	842.0	369.5	418.7	328.4	390.0	61.6	18.8%	-452.0	-53.7%
Liabilities due to customers	170,609.9	174,661.9	185,095.1	186,580.5	192,731.3	201,651.9	199,740.2	202,417.4	2,677.2	1.3%	15,836.9	8.5%
Liabilities under issue of debt securities	972.4	398.0	401.8	407.9	404.8	413.0	404.8	412.7	7.9	2.0%	4.8	1.2%
Subordinated liabilities	1,610.3	1,628.9	1,638.8	1,705.7	1,643.9	1,639.6	1,561.2	1,626.7	65.5	4.2%	-79.0	-4.6%
Provisions	336.9	350.2	338.7	346.5	359.0	347.2	367.1	370.6	3.5	1.0%	24.1	7.0%
Income tax liability	3.9	5.3	11.7	13.7	20.3	17.1	124.6	211.5	86.9	69.7%	197.8	1443.8%
Other liabilities	2,623.4	3,220.2	3,964.8	3,063.5	4,549.6	3,082.8	3,276.2	3,508.6	232.4	7.1%	445.1	14.5%
Total liabilities	188,122.8	198,913.2	204,678.1	205,589.3	207,921.8	216,417.4	214,773.2	217,657.8	2,884.6	1.3%	12,068.5	5.9%
EQUITY												
Share Capital	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	0.0	0.0%	0.0	0.0%
Revaluation reserve	-2,821.0	-5,989.5	-9,311.9	-9,291.9	-8,039.3	-7,055.1	-6,431.1	-5,376.0	1,055.1	-16.4%	3,915.9	-42.1%
Retained earnings	15,266.0	16,058.9	15,942.4	15,628.4	16,297.2	17,207.9	18,311.5	19,472.0	1,160.5	6.3%	3,843.6	24.6%
Own shares for the purposes of the incentive programme							-4.2	0.0	4.2	-100.0%	0.0	-
Equity attributable to shareholders of ING BSK	13,531.4	11,155.8	7,716.9	7,422.9	9,344.3	11,239.2	12,962.6	15,182.4	2,219.8	17.1%	7,759.5	104.5%
Non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
Total equity	13,531.4	11,155.8	7,716.9	7,422.9	9,344.3	11,239.2	12,962.6	15,182.4	2,219.8	17.1%	7,759.5	104.5%
Total equity and liabilities	201,654.2	210,069.0	212,395.0	213,012.2	217,266.1	227,656.6	227,735.8	232,840.2	5,104.4	2.2%	19,828.0	9.3%
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%
Book value per share (PLN)	104.01	85.75	59.32	57.06	71.82	86.39	99.64	116.70	17.06	17.1%	59.64	104.5%

Income per category

Income per P&L line (PLN million)



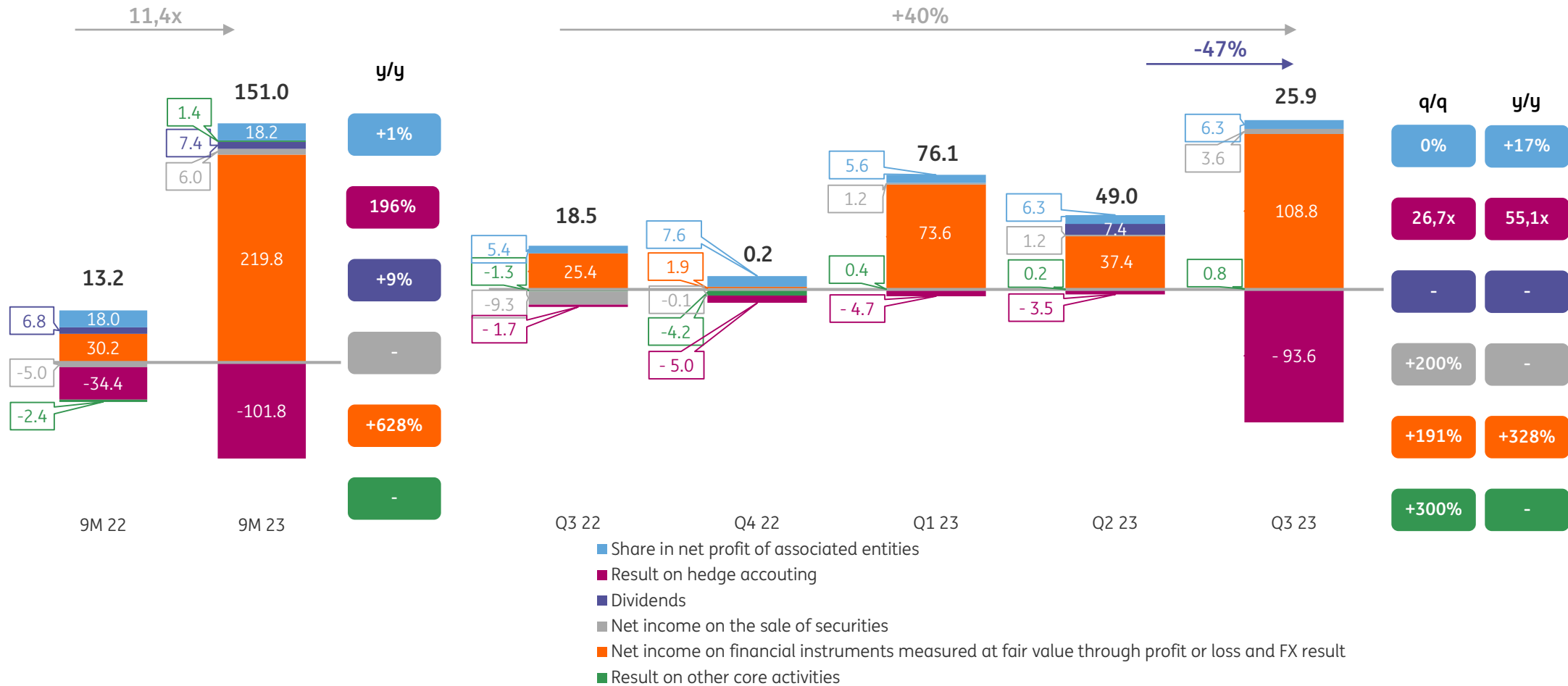
Income per business line (PLN million)



*PLN 1,632.1 million negative impact of credit moratoria in Q3 2022 and additional PLN 12.8 million in Q4 2022 and PLN 23.0 million positive impact in Q1 2023, fully allocated to the retail banking segment

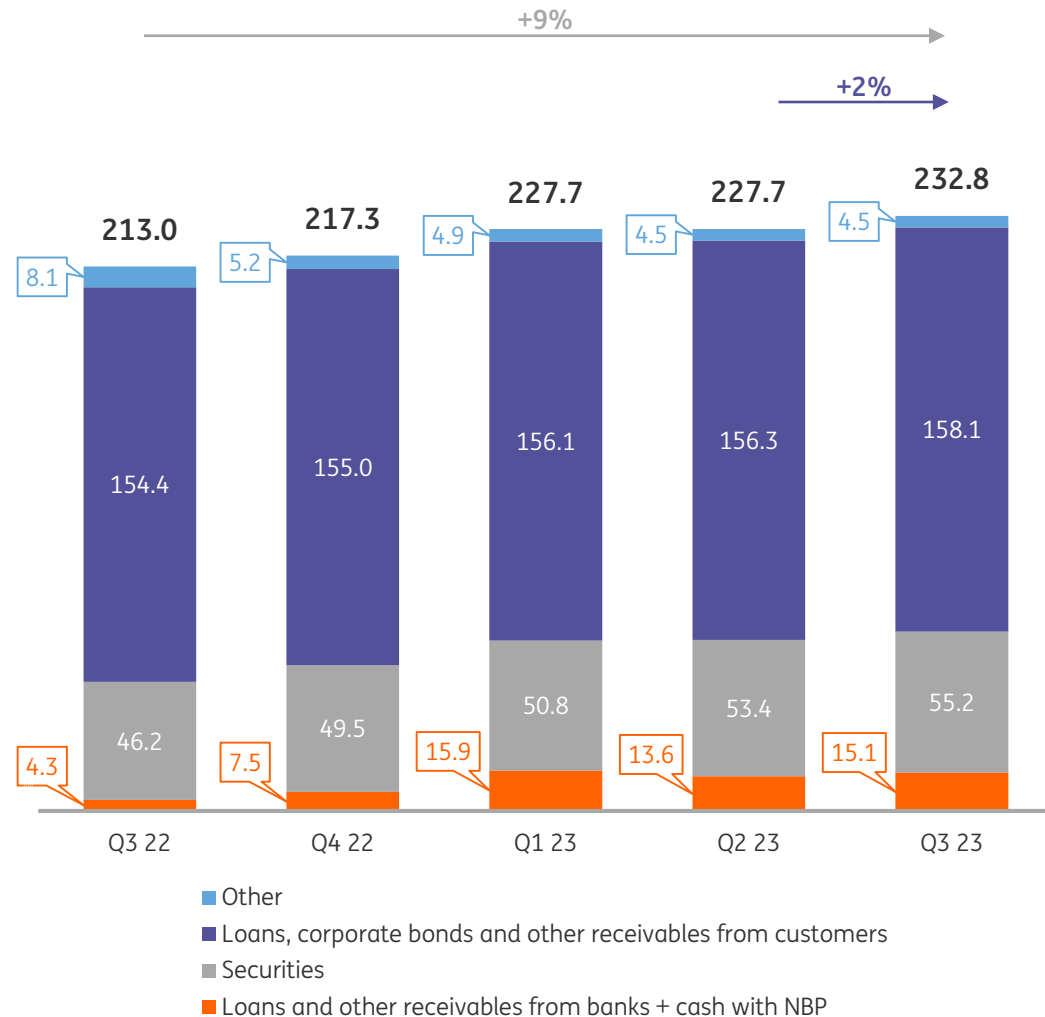
Other income

Other income (PLN million)

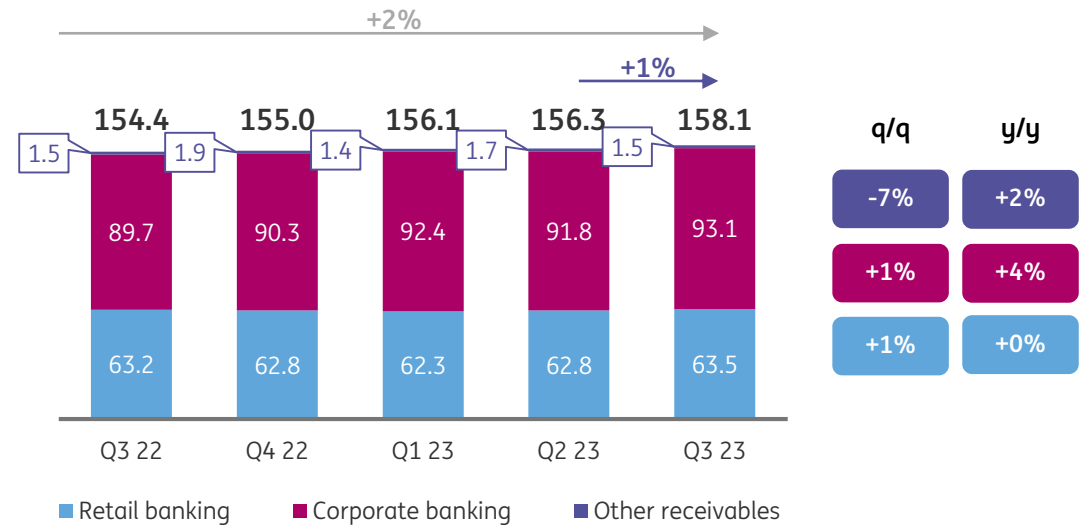


Bank assets

Asset structure (PLN billion)

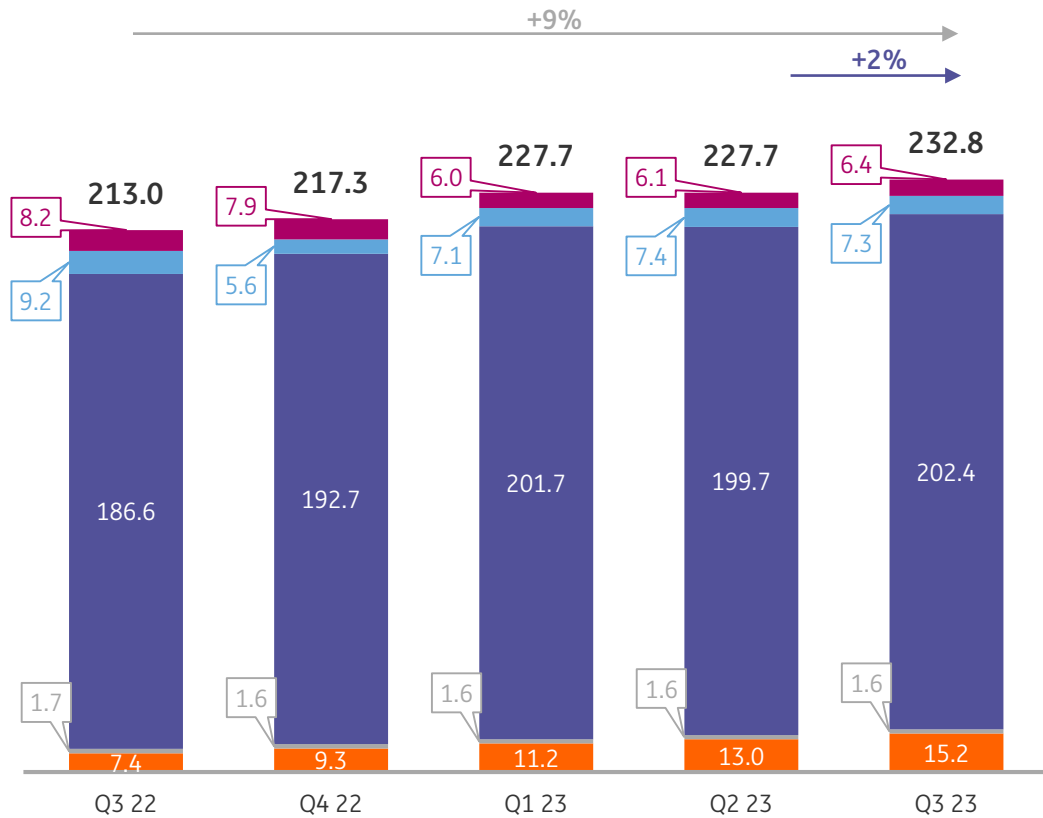


Loans and other receivables from customers (net; PLN billion)

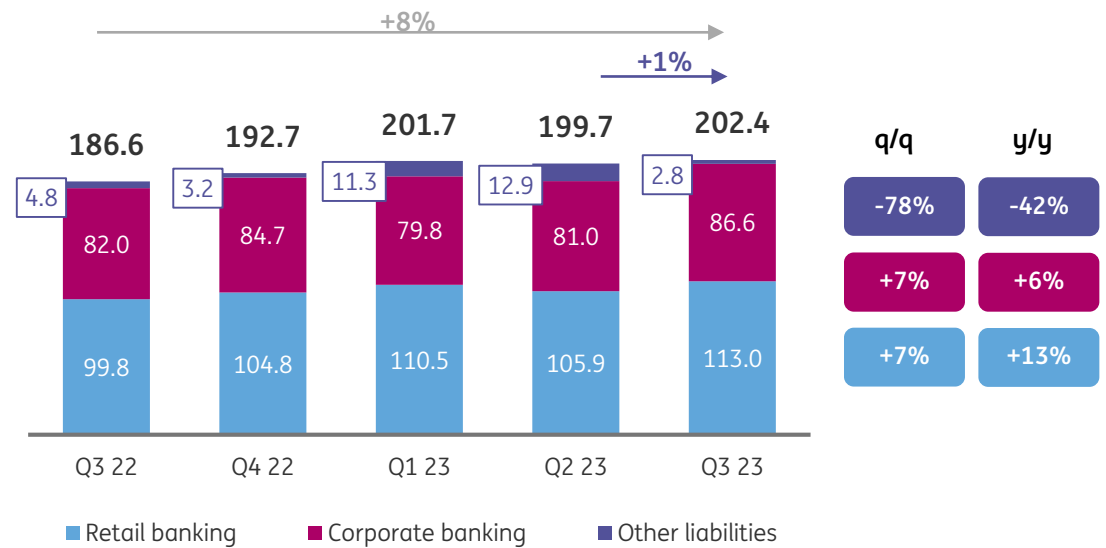


Bank equity and liabilities

Structure of equity and liabilities (PLN billion)



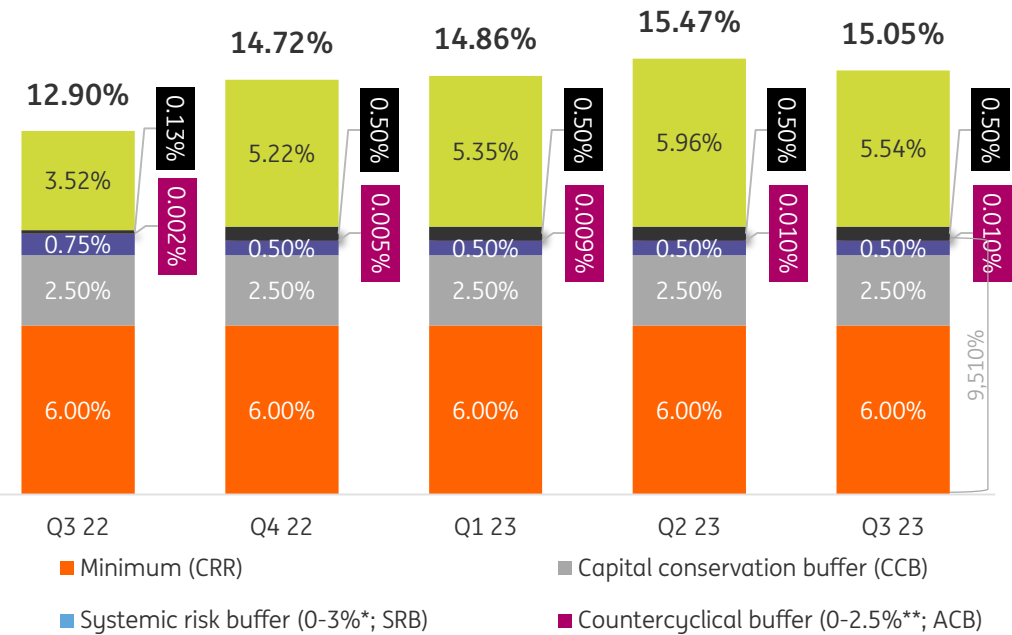
Deposits and other liabilities to customers (PLN billion)



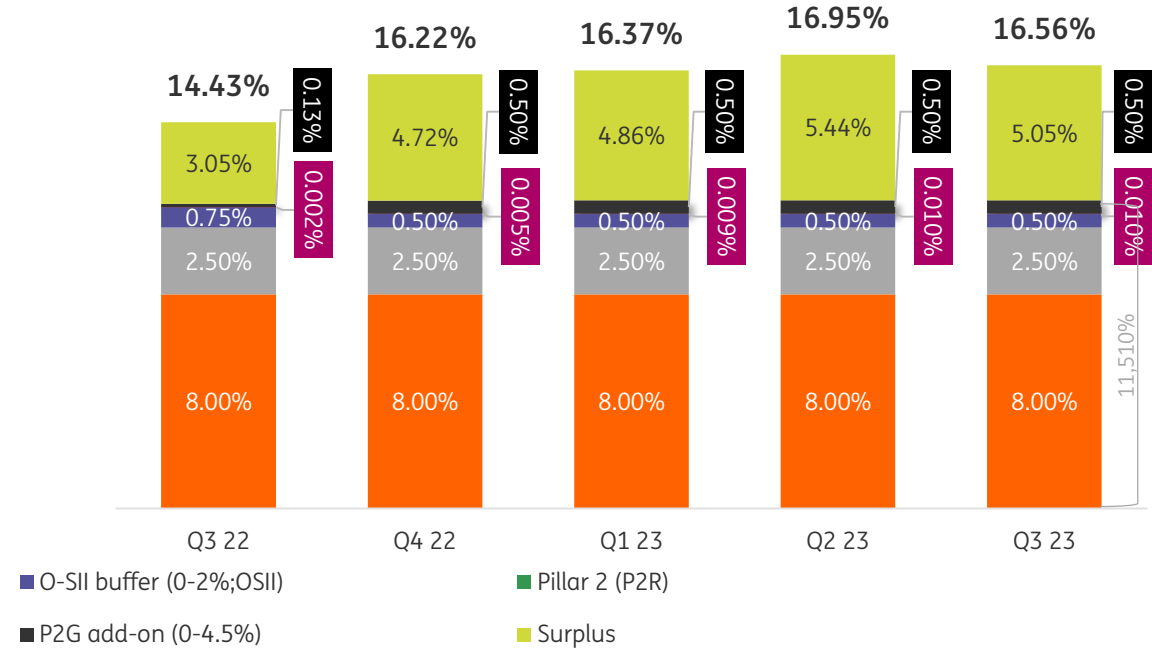
■ Equity ■ Subordinated debt ■ Deposits and other liabilities to clients ■ Liabilities to banks ■ Other

Capital requirement structure

Consolidated capital requirement structure – Tier 1



Consolidated capital requirement structure – TCR



MREL requirement (in accordance with the BGF announcement - Polish):

- The target level at the end of 2023 is 16.29% of the total risk exposure amount ("TREA") and 5.91% of the total exposure measure ("TEM") at the individual level. The mid-term targets are now respectively - 12.14% TREA and 4.46% TEM.
- The MREL requirement should be met irrespective of the combined buffer requirement (i.e. the sum of systemic risk requirement, countercyclical buffer, capital conservation buffer and O-SII buffer, currently 3.01%).
- At the end of Q3 2023, the MREL level in relation to TREA was 19.38% including the combined buffer requirement and 16.37% without combined buffer requirement.
- On 22 December 2022 the Bank concluded with ING Bank N.V. with its registered office in Amsterdam, a non-preferred senior loan agreement. The loan amount is EUR 260 million. The loan was granted for 6 years. The Bank shall recognise the funds obtained from the loan under the eligible liabilities for the purpose of the minimum requirement for own funds and eligible liabilities ("MREL") on the transaction processing date being 5 January 2023.

*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 subject to 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 30.09.2023	%
1	Wholesale trade	10,501	11.0%
2	Real estate service	9,078	9.5%
3	Other activity related to business running	6,153	6.4%
4	Financial intermediation	6,053	6.3%
5	Land transport and transport via pipelines	4,965	5.2%
6	Manufacture of fabricated metal products	4,051	4.2%
7	Foodstuff and beverage production	3,989	4.2%
8	Construction	3,963	4.1%
9	Retail trade	3,780	4.0%
10	Rubber industry	3,341	3.5%
11	Chemicals and chemical goods production	3,329	3.5%
12	Renting of equipment	3,030	3.2%
13	Public administration and national defense	2,970	3.1%
14	Post office and telecommunications	2,710	2.8%
15	Wood and paper industry	2,570	2.7%
16	Agriculture, forestry, fishery	2,198	2.3%
17	Sale, repair and maintenance of motor vehicles	2,149	2.2%
18	Power industry	2,071	2.2%
19	Engineering industry	1,980	2.1%
20	Other	16,671	17.4%
Total exposure		95,550	100.0%

Note: gross credit exposure at amortised cost covering loans, corporate bonds and leasing and factoring receivables

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 30.09.2023	%
1	Wholesale trade	17,643	12.2%
2	Real estate service	9,533	6.6%
3	Construction	9,460	6.6%
4	Financial intermediation	8,039	5.6%
5	Other activity related to business running	7,980	5.5%
6	Retail trade	7,809	5.4%
7	Foodstuff and beverage production	6,247	4.3%
8	Land transport and transport via pipelines	6,193	4.3%
9	Manufacture of fabricated metal products	6,172	4.3%
10	Chemicals and chemical goods production	5,231	3.6%
11	Rubber industry	4,970	3.4%
12	Wood and paper industry	3,888	2.7%
13	Power industry	3,804	2.6%
14	Renting of equipment	3,651	2.5%
15	Post office and telecommunications	3,604	2.5%
16	Public administration and national defense	3,280	2.3%
17	Sale, repair and maintenance of motor vehicles	3,200	2.2%
18	Engineering industry	2,758	1.9%
19	Agriculture, forestry, fishery	2,537	1.8%
20	Other	28,166	19.5%
Total exposure		144,164	100.0%

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

About us

ING Bank Śląski - who we are

4th largest bank in Poland

Key facts

- We are a universal bank established in 1989
- We provide comprehensive financial services to 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 4.5 million individual clients and 553 thousand corporate clients
- We employ 8.5 thousand people
- We are number four in Poland in terms of the total assets as at the end of Q3 2023

Credit ratings of ING Bank Śląski

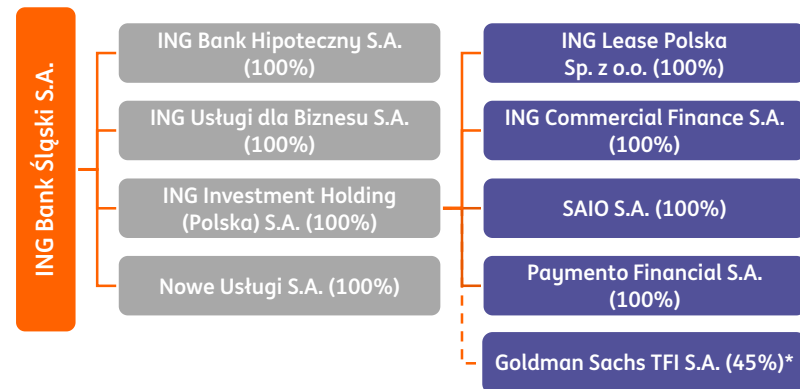
Fitch

- Entity Rating / Outlook: A+ / Stable
- Short-term rating: F1+
- Viability rating: bbb
- Shareholder Support Rating: a+
- 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



*Until April 24, 2023 under the name NN Investment Partners TFI.

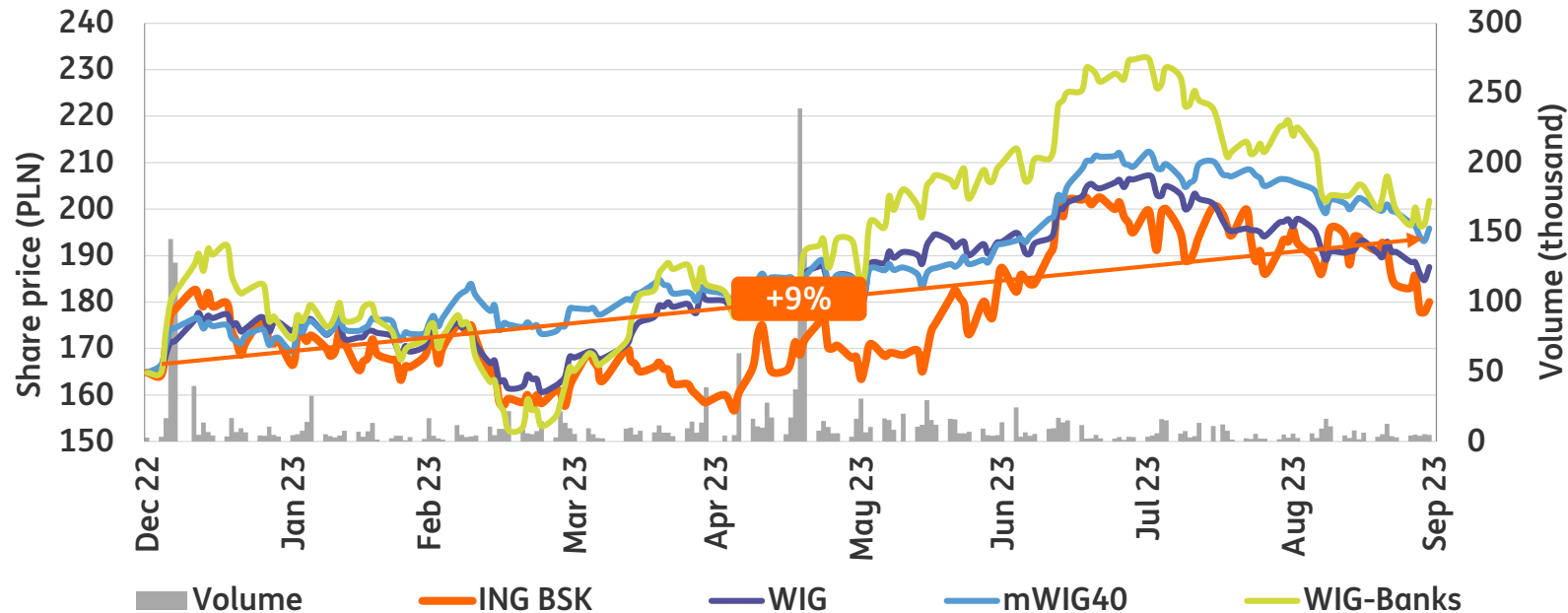
ING Bank Śląski S.A. shares

ING BSK share price:
PLN 180.0 (29 September 2023)

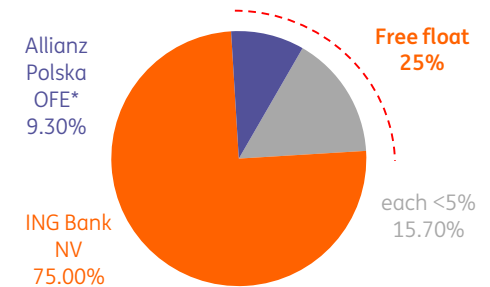
Capitalisation: **PLN 23.4 billion** (EUR 5.1 billion)
Free float: **PLN 5.9 billion** (EUR 1.3 billion)

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

ING BSK shares vs. WSE indices recalculated for comparability



Shareholding structure



*Based on half-yearly information on the asset structure of Allianz Polska OFE.

Market ratios (Q3 2023)

P/E 6.1x

P/BV 1.5x

Share capital of ING Bank Śląski S.A. is divided into 130,100,000 shares with a nominal value of PLN 1 each. The Bank's shares are ordinary bearer shares.

Our dividend policy

The key assumptions of the [ING Bank Śląski S.A. Dividend Policy](#):

ING Bank Śląski S.A. endorses in the foreseeable future a stable process of dividend payout up to 50% of a yearly net profit of the Bank, in adherence to the rules of prudent management and any and all regulatory requirements which the Bank shall comply with and taking into account the adopted Best Practice for WSE Listed Companies 2021.

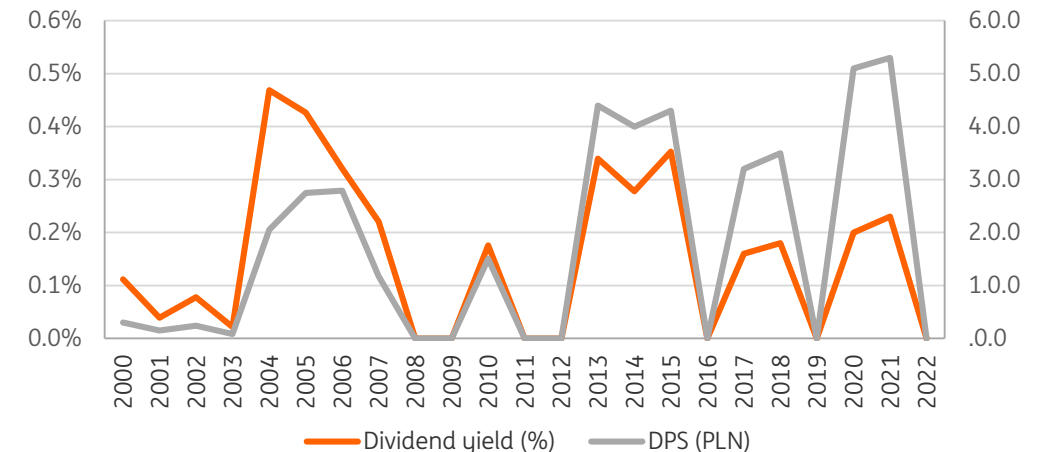
A proposal to pay a dividend in the amount higher than the dividend ratio referred to in point 1 is possible when it is justified by the financial standing of the Bank (e.g. from undivided profit from previous years) and provided that all other requirements set out in the law and the Policy are met. The Dividend Policy endorses the option to pay dividend from the capital surplus over the minimum capital adequacy ratios and over the minimum capital ratios set for the Bank by the PFSA for dividend payout purposes:

- minimum common equity Tier 1 (CET1) at the level of 4.5% + combined buffer requirement^[1],
- minimum Tier 1 (T1) at the level of 6.0% + combined buffer requirement^[1],
- minimum total capital ratios (TCR) at the level of 8.0% + combined buffer requirement^[1],
- where the footnote [1]] means the combined buffer requirement binding in the year of dividend payment.

When deciding on the proposed amount of dividend payout, the Bank Management Board considers Polish Financial Supervision Authority's stance on the banks' dividend policy, which is subject to official announcement, as well as the following terms and conditions:

- the current financial standing of the Bank and the Bank Group, including limitations in the case of sustaining a financial loss or low profitability (low ROA/ROE),
- Bank's and Bank Group's assumptions of the management strategy and risk management strategy,
- limitations under Article 56 of the Act on macroprudential supervision over the financial system and crisis management in the financial system of 5 August 2015,
- the need to adjust profits of the present period or unapproved annual profits recognised as own funds with foreseeable dividends, according to Article 26 of the EU Regulation No. 575/2013,
- macroeconomic environment.

History of ING BSK dividends



Note: Data prior to the November 2011 stock split (1:10) adjusted accordingly
Dividend yield as at the dividend date

Glossary

Simplified definitions of terms used in the presentation:

- **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 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 an annual turnover of up to EUR 10m.
 - Mid-corporates – corporates with an annual turnover between EUR 10m and EUR 125m.
 - Strategic clients – holdings with an 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. The minimum value (effective from the end of June 2021) is 100%.
- **C/I ratio** – ratio of the indicated cost category to the 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 impairment on the value/quality of the bank's financial assets (e.g. loans) including legal cost of risk for FX mortgage 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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Calendar for 2023

Date	Event
2 February 2023	Report for Q4 2022 (preliminary data)
17 March 2023	Annual report for 2022
26 April 2023	Ordinary General Meeting
11 May 2023	Report for Q1 2023
3 August 2023	Report for Q2 2023
2 November 2023	Report for Q3 2023

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 FX 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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