

## Information on preliminary and unaudited consolidated financial results of the ING Bank Śląski S.A. Group for the fourth quarter of 2019

- **The most important financial and business data of the ING Bank Śląski S.A. Group in the fourth quarter of 2019**

During the four quarters of 2019 the consolidated net profit of the ING Bank Śląski S.A. amounted to PLN 1 658.7 million and increased by 8.9% in comparison to the same period last year. The ING Bank Śląski S.A. Group recorded the increase of basic commercial volumes – loans by 14.7% and deposits by 10.9%.

Key financial data of the ING Bank Śląski Group for 4 quarters of 2019 in comparison to the corresponding period of the previous year:

- result on basic activities increased by 10.6% to PLN 5 789.8 million, including:
  - net interest income, which increased by 14.2% to PLN 4 293.9 million,
  - net commission income, which increased by 5.1% to PLN 1 371.7 million,
- general and administrative expenses increased by 7.3% to PLN 2 497.4 million,
- result before the risk costs increased by 13.1% to PLN 2 863.3 million,
- impairment losses increased by 20.9% to PLN 605.5 million,
- gross profit increased by 11.2% to PLN 2 257.8 million,
- net profit increased by 8.9% to PLN 1 658.7 million,
- return on equity (ROE) reached 11.62% compared to 12.45% last year,
- cost to income ratio (C/I) reached 43.1% compared to 44.5% in the previous year,
- net interest margin reached 2.93% compared to 2.93% in the previous year,
- total capital ratio was 16.95% compared to 15.60% last year.

Key business results of the ING Bank Śląski Group after 4 quarters of 2019 in comparison to the corresponding period of the previous year:

- increase in the value of loans by 14.7% to PLN 120.6 billion,
  - loans for retail clients – increase by 21.3% to PLN 55.0 billion,
  - loans for corporate clients – increase by 7.4% to PLN 63.3 billion,
- increase in deposits value by 10.9% to PLN 130.5 billion.

Key business results of the ING Bank Śląski Group for 4 quarters of 2019 in comparison to the corresponding period of the previous year:

- net profit increased by 8.9% to PLN 1.658.7 million,
- total assets increased by 11.6% to PLN 153.9 billion,
- equity increased by 13.5% to PLN 15.1 billion,
- total capital ratio amounted to 18.36% compared to 17.19% last year.

- Selected financial data and key effectiveness ratios

	IV quarter 2019	4Q 2019 YTD	IV quarter 2018	4Q 2018 YTD	change 4Q/4Q	change y/y
Net interest income	1 115.7	4 293.9	995.1	3 759.3	12.1%	14.2%
Net commission income	344.6	1 371.7	330.7	1 304.9	4.2%	5.1%
Result on basic activities	1 482.8	5 789.8	1 359.5	5 232.7	9.1%	10.6%
Result before tax	618.0	2 257.8	595.1	2 030.9	3.8%	11.2%
Net profit attributable to shareholders of ING Bank Śląski S.A.	450.3	1 658.7	451.6	1 523.8	-0.3%	8.9%
Earnings per ordinary share (PLN)	3.46	12.75	3.47	11.71	-0.3%	8.9%

	as at 31 Dec 2019	as at 30 Sep 2019	as at 31 Dec 2018	change Q/Q	change y/y
Loans and other receivables to customers (net)	118 288.1	115 728.9	103 125.8	2.2%	14.7%
Liabilities to customers	130 473.5	125 786.3	117 682.5	3.7%	10.9%
Total assets	158 610.7	156 013.8	141 812.9	1.7%	11.8%
Equity attributable to shareholders of ING Bank Śląski S.A.	15 223.3	15 262.7	13 321.6	-0.3%	14.3%
Share capital	130.1	130.1	130.1	0.0%	0.0%
<b>C/I - Cost/Income ratio (%)</b>	<b>43.1</b>	<b>44.3</b>	<b>44.5</b>	<b>-2.8%</b>	<b>-3.2%</b>
<b>ROA - Return on assets (%)</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>	<b>0.0%</b>	<b>-9.1%</b>
<b>ROE - Return on equity (%)</b>	<b>11.6</b>	<b>12.1</b>	<b>12.4</b>	<b>-4.3%</b>	<b>-6.9%</b>
<b>NIM - Net interest margin (%)</b>	<b>2.93</b>	<b>2.95</b>	<b>2.93</b>	<b>-0.7%</b>	<b>0.0%</b>
<b>L/D - Loans-to-deposits ratio (%)</b>	<b>90.7</b>	<b>92.0</b>	<b>87.6</b>	<b>-1.4%</b>	<b>3.4%</b>
<b>Total Group's capital ratio (%)</b>	<b>16.93</b>	<b>15.46</b>	<b>15.58</b>	<b>8.7%</b>	<b>8.0%</b>
<b>Total Bank's capital ratio (%)</b>	<b>18.36</b>	<b>16.96</b>	<b>17.17</b>	<b>7.6%</b>	<b>6.5%</b>

Explanations:

**C/I** - Cost to Income ratio – total costs to income from operating activity per type.

**ROA** - Return on assets – net profit attributable to shareholders of ING Bank Śląski S.A. for 4 subsequent quarters to average assets for 5 subsequent quarters.

**ROE** - Return on equity - net profit attributable to shareholders of ING Bank Śląski S.A. for 4 subsequent quarters to average equity for 5 subsequent quarters.

**NIM** - total net interest income for 4 consecutive quarters to average interest assets for 5 consecutive quarters.

**L/D** - Loans-to-deposits ratio – loans and receivables to customers (net) excluding Eurobonds to liabilities due to customers.

**Total capital ratio** – equity to risk weighted assets and off-balance sheet liabilities.

• Interim condensed consolidated income statement

	IV quarter 2019	4Q 2019 YTD	IV quarter 2018	4Q 2018 YTD	change 4Q/4Q	change y/y
Interest income, including	1 358.4	5 280.1	1 230.8	4 673.8	10.4%	13.0%
Interest income calculated using effective interest rate method	1 357.5	5 276.0	1 229.5	4 668.5	10.4%	13.0%
other interest income	0.9	4.1	1.3	5.3	-30.8%	-22.6%
Interest expenses	242.7	986.2	235.7	914.5	3.0%	7.8%
<b>Net interest income (note 1)</b>	<b>1 115.7</b>	<b>4 293.9</b>	<b>995.1</b>	<b>3 759.3</b>	12.1%	14.2%
Commission income	450.7	1 749.9	417.1	1 615.6	8.1%	8.3%
Commission expenses	106.1	378.2	86.4	310.7	22.8%	21.7%
<b>Net commission income (note 2)</b>	<b>344.6</b>	<b>1 371.7</b>	<b>330.7</b>	<b>1 304.9</b>	4.2%	5.1%
Net income on financial instruments at fair value through profit or loss and FX result	25.2	108.3	21.4	90.9	17.8%	19.1%
Net income on the sale of securities at amortized cost	0.0	0.0	0.0	1.0	-	-
Net income on the sale of securities at fair value through other comprehensive income and dividend income (note 4)	0.5	36.3	3.8	54.3	-86.8%	-33.1%
Net income on hedge accounting	-5.5	-14.3	4.4	7.9	-225.0%	-281.0%
Net income on other basic activities	2.3	-6.1	4.1	14.4	-43.9%	-142.4%
<b>Net income on basic activities</b>	<b>1 482.8</b>	<b>5 789.8</b>	<b>1 359.5</b>	<b>5 232.7</b>	9.1%	10.6%
General and administrative expenses (note 3)	590.8	2 497.4	566.3	2 326.8	4.3%	7.3%
Impairment for expected losses including: (note 5)	164.4	605.5	98.5	500.9	66.9%	20.9%
profit on sale of receivables	24.5	34.3	0.0	26.7	-	28.5%
Tax on certain financial institutions	113.6	435.7	99.5	373.8	14.2%	16.6%
Share in net profits of associates accounted for using the equity method	4.0	6.6	-0.1	-0.3	-4100.0%	-2300.0%
<b>Gross profit</b>	<b>618.0</b>	<b>2 257.8</b>	<b>595.1</b>	<b>2 030.9</b>	3.8%	11.2%
Income tax	167.7	599.1	143.5	507.1	16.9%	18.1%
<b>Net profit</b>	<b>450.3</b>	<b>1 658.7</b>	<b>451.6</b>	<b>1 523.8</b>	-0.3%	8.9%
<b>- attributable to shareholders of ING Bank Śląski S.A.</b>	<b>450.3</b>	<b>1 658.7</b>	<b>451.6</b>	<b>1 523.8</b>	<b>-0.3%</b>	<b>8.9%</b>

• **Interim condensed consolidated statement of comprehensive income**

	IV quarter 2019	4Q 2019 YTD	IV quarter 2018	4Q 2018 YTD	change 4Q/4Q	change y/y
<b>Net profit for the period</b>	<b>450.3</b>	<b>1 658.7</b>	<b>451.6</b>	<b>1 523.8</b>	-0.3%	8.9%
<b>Total other comprehensive income, including:</b>	<b>-489.7</b>	<b>698.2</b>	<b>722.1</b>	<b>679.4</b>	-167.8%	2.8%
Items which can be reclassified to income statement:	<b>-466.7</b>	<b>685.9</b>	<b>717.4</b>	<b>674.0</b>	-165.1%	1.8%
debt instruments measured at fair value through other comprehensive income – gains/losses on revaluation carried through equity	18.8	17.3	-3.4	12.1	-652.9%	43.0%
debt instruments measured at fair value through other comprehensive income – reclassification to the financial result due to sale	-0.4	-23.7	-3.1	-31.8	-87.1%	-25.5%
cash flow hedging – gains/losses on revaluation carried through equity	-391.0	1 083.3	817.7	1 033.1	-147.8%	4.9%
cash flow hedging – reclassification to profit or loss	-94.1	-391.0	-93.8	-339.4	0.3%	15.2%
<b>Items which will not be reclassified to income statement:</b>	<b>-23.0</b>	<b>12.3</b>	<b>4.7</b>	<b>5.4</b>	-589.4%	127.8%
equity instruments measured at fair value through other comprehensive income – gains/losses on revaluation carried through equity	-13.1	22.2	5.6	6.3	-333.9%	252.4%
revaluation of fixed assets	0.3	0.3	0.0	0.0	-	-
actuarial gains / losses	-10.2	-10.2	-0.9	-0.9	1033.3%	1033.3%
<b>Net comprehensive income for the reporting period</b>	<b>-39.4</b>	<b>2 356.9</b>	<b>1 173.7</b>	<b>2 203.2</b>	<b>-103.4%</b>	<b>7.0%</b>
- attributable to shareholders of ING Bank Śląski S.A.	-39.4	2 356.9	1 173.7	2 203.2	-103.4%	7.0%

- Interim condensed consolidated statement of financial position

	as of 31 Dec 2019	as of 30 Sep 2019	as of 31 Dec 2018	change Q/Q	change y/y
<b>Assets</b>					
Cash in hand and balances with the Central Bank	1 402.9	2 792.5	1 237.4	-49.8%	13.4%
Loans and other receivables to other banks	798.5	804.7	776.5	-0.8%	2.8%
Financial assets held for trading	1 224.2	1 243.7	1 934.9	-1.6%	-36.7%
Derivative hedge instruments	851.6	883.6	909.6	-3.6%	-6.4%
Investment securities	33 824.5	32 063.4	31 937.3	5.5%	5.9%
Loans and other receivables to customers ( <i>note 6</i> )	118 288.1	115 728.9	103 125.8	2.2%	14.7%
Investments in associates	181.0	171.5	1.0	5.5%	18000.0%
Property, plant and equipment	956.0	921.6	556.1	3.7%	71.9%
Intangible assets	429.9	424.8	439.2	1.2%	-2.1%
Assets held for sale	3,6	2,8	10,9	28,6%	-67,0%
Deferred tax assets	445,6	399,2	398,2	11,6%	11,9%
Other assets	204,8	577,1	486,0	-64,5%	-57,9%
<b>Total assets</b>	<b>158 610,7</b>	<b>156 013,8</b>	<b>141 812,9</b>	<b>1,7%</b>	<b>11,8%</b>
<b>Liabilities</b>					
Liabilities to other banks	6 256,1	7 593,1	5 195,8	-17,6%	20,4%
Financial liabilities at fair value through profit or loss	915,1	991,5	1 687,6	-7,7%	-45,8%
Derivative hedge instruments	546,0	569,7	611,8	-4,2%	-10,8%
Liabilities to customers ( <i>note 8</i> )	130 473,5	125 786,3	117 682,5	3,7%	10,9%
Liabilities under issue of debt securities	399,7	302,2	300,3	32,3%	33,1%
Subordinated liabilities	2 131,1	2 188,7	1 076,9	-2,6%	97,9%
Provisions	205,7	227,9	152,4	-9,7%	35,0%
Current income tax liabilities	381,3	389,0	280,3	-2,0%	36,0%
Other liabilities	2 078,9	2 702,7	1 503,7	-23,1%	38,3%
<b>Total liabilities</b>	<b>143 387,4</b>	<b>140 751,1</b>	<b>128 491,3</b>	<b>1,9%</b>	<b>11,6%</b>
<b>Equity</b>					
Share capital	130,1	130,1	130,1	0,0%	0,0%
Supplementary capital - issuance of shares over nominal value	956,3	956,3	956,3	0,0%	0,0%
Accumulated other comprehensive income	1 867,3	2 357,3	1 169,7	-20,8%	59,6%
Retained earnings	12 269,6	11 819,0	11 065,5	3,8%	10,9%
<b>Equity attributable to shareholders of ING Bank Śląski S.A.</b>	<b>15 223,3</b>	<b>15 262,7</b>	<b>13 321,6</b>	<b>-0,3%</b>	<b>14,3%</b>
<b>Total equity</b>	<b>15 223,3</b>	<b>15 262,7</b>	<b>13 321,6</b>	<b>-0,3%</b>	<b>14,3%</b>
<b>Total equity and liabilities</b>	<b>158 610,7</b>	<b>156 013,8</b>	<b>141 812,9</b>	<b>1,7%</b>	<b>11,8%</b>

- Additional information

### 1. Net interest income

	IV quarter 2019	4Q 2019 YTD	IV quarter 2018	4Q 2018 YTD
<b>Interest income, including:</b>	<b>1 358.4</b>	<b>5 280.1</b>	<b>1 230.8</b>	<b>4 673.8</b>
<b>Interest income calculated using effective interest rate method, including:</b>	<b>1 357.5</b>	<b>5 276.0</b>	<b>1 229.5</b>	<b>4 668.5</b>
interest on loans and receivables to other banks measured at amortised cost	11.1	42.0	8.9	36.4
interest on loans and receivables to customers measured at amortised cost	1 165.6	4 539.9	1 059.9	3 955.7
interest on securities measured at amortised cost	66.0	260.0	60.6	280.6
interest on securities measured at fair value through other comprehensive income	114.8	434.1	100.1	395.8
<b>Other interest income, including:</b>	<b>0.9</b>	<b>4.1</b>	<b>1.3</b>	<b>5.3</b>
interest on loans and receivables to other banks measured at fair value through profit or loss	0.9	4.1	1.3	5.3
<b>Interest expense, including:</b>	<b>242,7</b>	<b>986,2</b>	<b>235,7</b>	<b>914,5</b>
Interest on deposits from other banks	13,1	58,3	14,1	58,3
Interest on deposits from customers	216,9	891,1	215,8	835,5
Interest on issue of debt securities	4,1	9,8	1,9	7,6
Interest on subordinated liabilities	7,3	19,7	3,9	13,1
Interest on leasing liabilities*	1,3	7,3	n/a	n/a
<b>Net interest income</b>	<b>1 115,7</b>	<b>4 293,9</b>	<b>995,1</b>	<b>3 759,3</b>

\*) On 1<sup>st</sup> January 2019 the Group has implemented the new IFRS 16 Leasing standard. The Group applied a modified retrospective approach to its leasing contracts and did not transform comparative data.

## 2. Net commission income

	IV quarter 2019	4Q 2019 YTD	IV quarter 2018	4Q 2018 YTD
<b>Commission income, including:</b>				
transaction margin on currency exchange transactions	450.7	1 749.9	417.1	1 615.6
account maintenance fees	102.3	389.7	96.5	363.2
lending commissions	76.3	295.6	71.9	286.9
payment and credit cards fees	80.4	317.8	73.0	297.5
participation units distribution fees	87.6	351.9	68.4	271.4
insurance product offering commissions	21.0	74.5	20.1	99.6
factoring and lease agreements commissions	37.6	135.5	32.1	109.5
brokerage activity fees	12.0	53.3	14.6	57.5
fiduciary and custodian fees	4.5	20.1	5.3	21.4
foreign commercial business	7.0	28.2	8.2	29.3
other	7.5	36.0	9.3	35.1
<b>Total commission expenses</b>	<b>106.1</b>	<b>378.2</b>	<b>86.4</b>	<b>310.7</b>
including payment and credit cards	60.6	204.7	44.5	155.4
<b>Net commission income</b>	<b>344.6</b>	<b>1 371.7</b>	<b>330.7</b>	<b>1 304.9</b>

## 3. General and administrative expenses

	IV quarter 2019	4Q 2019 YTD	IV quarter 2018	4Q 2018 YTD
<b>Personnel expenses</b>	<b>307.5</b>	<b>1 202.5</b>	<b>259.0</b>	<b>1 104.7</b>
<b>Other general and administrative expenses, including:</b>	<b>283.3</b>	<b>1 294.9</b>	<b>307.3</b>	<b>1 222.1</b>
cost of marketing and promotion	30.9	119.4	31.3	118.1
depreciation and amortisation	70.4	276.8	59.3	193.5
including amortisation of the right of use	25.1	96.8	0.0	0.0
Bank Guarantee Fund payments	18.0	202.3	27.0	165.2
IT costs	40.8	221.3	31.8	196.2
Maintenance, refurbishment and rental of buildings*	n/a	n/a	51.3	197.8
maintenance and refurbishment of buildings*	27.6	103.5	n/a	n/a
short-term leases and leasing of low-value assets*	4.9	22.0	0.0	0.0
other	90.7	349.6	106.6	351.3
<b>Total</b>	<b>590.8</b>	<b>2 497.4</b>	<b>566.3</b>	<b>2 326.8</b>

\*) On 1<sup>st</sup> January 2019, the Group has implemented the new IFRS 16 Leasing standard. The Group applied a modified retrospective approach to its leasing contracts and did not transform comparative data. As a result of implementation, the costs of long-term lease were allocated to depreciation and interest costs, while the short-term lease costs were moved to the line: Costs for short-term leases and leasing of low-value assets. The costs of maintaining buildings present the costs associated with the maintenance and administration of real estate as well as non-leasing elements, not included in the calculation of the leasing liability, including VAT.

#### 4. Headcount

	as at 31 Dec 2019	as at 30 Sep 2019	as at 31 Dec 2018
FTEs	8 071.6	8 053.0	8 033.6
Individuals	8 135	8 113	8 086

#### 5. Impairment for expected losses

	IV quarter 2019	4Q 2019 YTD	IV quarter 2018	4Q 2018 YTD
Corporate banking	61.1	296.2	10.0	229.9
Retail banking	103.3	309.3	88.5	271.0
<b>Total</b>	<b>164.4</b>	<b>605.5</b>	<b>98.5</b>	<b>500.9</b>

#### 6. Loans and other receivables to customers

	as at 31 Dec 2019	as at 30 Sep 2019	as at 31 Dec 2018
Household	118 127.8	115 551.0	102 907.4
Business entities	160.3	177.9	218.4
<b>Total (net)</b>	<b>118 288.1</b>	<b>115 728.9</b>	<b>103 125.8</b>



**Loans and other receivables measured at amortised cost**

	As at 31.12.2019			As at 30.09.2019			As at 31.12.2018		
	gross	impairment	net	gross	impairment	net	gross	impairment	net
<b>Portfolio of loans, including:</b>	<b>118 312.3</b>	<b>-2 481.3</b>	<b>115 831.0</b>	<b>116 205.5</b>	<b>-2 534.9</b>	<b>113 670.6</b>	<b>104 226.8</b>	<b>-2 270.0</b>	<b>101 956.8</b>
Households	58 524.1	-1 239.2	57 284.9	56 220.3	-1 327.1	54 893.2	48 631.3	-1 105.6	47 525.7
Business entities	56 769.0	-1 241.8	55 527.2	56 793.9	-1 207.4	55 586.5	52 388.2	-1 164.3	51 223.9
The government and self-government institutions' sector	3 019.2	-0.3	3 018.9	3 191.3	-0.4	3 190.9	3 207.3	-0.1	3 207.2
<b>Total (gross), including:</b>	<b>118 312.3</b>	<b>-2 481.3</b>	<b>115 831.0</b>	<b>116 205.5</b>	<b>-2 534.9</b>	<b>113 670.6</b>	<b>104 226.8</b>	<b>-2 270.0</b>	<b>101 956.8</b>
<b>Corporate banking segment</b>	<b>63 300.5</b>	<b>-1 355.3</b>	<b>61 945.2</b>	<b>63 459.1</b>	<b>-1 311.1</b>	<b>62 148.0</b>	<b>58 863.5</b>	<b>-1 261.5</b>	<b>57 602.0</b>
loans in the current account	10 778.0	-463.0	10 315.0	8 432.5	-454.5	7 978.0	10 782.9	-460.1	10 322.8
term loans and advances	36 616.6	-791.8	35 824.8	38 864.7	-768.4	38 096.3	33 243.9	-726.6	32 517.3
leasing receivables	8 073.2	-59.8	8 013.4	8 214.8	-44.1	8 170.7	7 165.0	-46.9	7 118.1
factoring receivables	5 328.1	-40.1	5 288.0	5 327.4	-43.5	5 283.9	4 861.9	-27.4	4 834.5
corporate and municipal debt securities	2 504.6	-0.6	2 504.0	2 619.7	-0.6	2 619.1	2 809.8	-0.5	2 809.3
<b>Retail banking segment</b>	<b>55 011.8</b>	<b>-1 126.0</b>	<b>53 885.8</b>	<b>52 746.4</b>	<b>-1 223.8</b>	<b>51 522.6</b>	<b>45 363.3</b>	<b>-1 008.5</b>	<b>44 354.8</b>
mortgages	40 807.0	-209.6	40 597.4	38 618.2	-209.0	38 409.2	33 371.7	-224.9	33 146.8
loans in the current account	1 382.5	-101.5	1 281.0	1 457.2	-122.5	1 334.7	1 329.2	-105.8	1 223.4
leasing receivables	1 323.6	-2.3	1 321.3	1 254.8	-2.4	1 252.4	979.1	-3.6	975.5
other loans and advances	11 498.7	-812.6	10 686.1	11 416.2	-889.9	10 526.3	9 683.3	-674.2	9 009.1
<b>Other receivables, including:</b>	<b>2 296.8</b>	<b>0.0</b>	<b>2 296.8</b>	<b>1 880.4</b>	<b>0.0</b>	<b>1 880.4</b>	<b>950.6</b>	<b>0.0</b>	<b>950.6</b>
complex call deposits	1 598.6	0.0	1 598.6	1 451.7	0.0	1 451.7	733.0	0.0	733.0
other receivables	698.2	0.0	698.2	428.7	0.0	428.7	217.6	0.0	217.6
<b>Total</b>	<b>120 609.1</b>	<b>-2 481.3</b>	<b>118 127.8</b>	<b>118 085.9</b>	<b>-2 534.9</b>	<b>115 551.0</b>	<b>105 177.4</b>	<b>-2 270.0</b>	<b>102 907.4</b>

## 6.1. Quality of customer loan portfolio

	As at 31.12.2019			As at 30.09.2019			As at 31.12.2018		
	gross	impairment	net	gross	impairment	net	gross	impairment	net
<b>Corporate banking segment</b>	<b>63 300.5</b>	<b>-1 355.3</b>	<b>61 945.2</b>	<b>63 459.1</b>	<b>-1 311.1</b>	<b>62 148.0</b>	<b>58 863.5</b>	<b>-1 261.5</b>	<b>57 602.0</b>
assets in stage 1	56 469.2	-51.7	56 417.5	57 161.9	-51.7	57 110.2	51 733.2	-56.0	51 677.2
assets in stage 2	4 257.0	-52.5	4 204.5	3 973.5	-54.3	3 919.2	5 038.9	-62.8	4 976.1
assets in stage 3	2 574.3	-1 251.1	1 323.2	2 323.7	-1 205.1	1 118.6	2 091.4	-1 142.7	948.7
<b>Retail banking segment</b>	<b>55 011.8</b>	<b>-1 126.0</b>	<b>53 885.8</b>	<b>52 746.4</b>	<b>-1 223.8</b>	<b>51 522.6</b>	<b>45 363.3</b>	<b>-1 008.5</b>	<b>44 354.8</b>
assets in stage 1	49 309.2	-71.5	49 237.7	45 454.6	-72.0	45 382.6	38 633.0	-58.2	38 574.8
assets in stage 2	4 746.6	-396.6	4 350.0	6 210.9	-354.2	5 856.7	5 916.7	-362.0	5 554.7
assets in stage 3	956.0	-657.9	298.1	1 080.9	-797.6	283.3	813.6	-588.3	225.3
<b>Total</b>	<b>118 312.3</b>	<b>-2 481.3</b>	<b>115 831.0</b>	<b>116 205.5</b>	<b>-2 534.9</b>	<b>113 670.6</b>	<b>104 226.8</b>	<b>-2 270.0</b>	<b>101 956.8</b>

## 7. Liabilities to customers

	As at 31.12.201	As at 30.09.2019	As at 31.12.2018
<b>Deposits, including:</b>	<b>128 800.1</b>	<b>123 715.9</b>	<b>115 908.0</b>
Households	87 643.7	84 106.9	78 255.5
Business entities	36 191.2	36 685.1	35 735.0
Government and self-government institutions' sector	4 965.2	2 923.9	1 917.5
<b>Total (gross), including:</b>	<b>128 800.1</b>	<b>123 715.9</b>	<b>115 908.0</b>
<b>Corporate banking</b>	<b>40 889.3</b>	<b>39 366.3</b>	<b>37 589.9</b>
current accounts	28 415.4	24 267.0	25 478.6
savings accounts	10 937.4	10 759.2	9 969.3
term deposits	1 536.5	4 340.1	2 142.0
<b>Retail banking</b>	<b>87 910.8</b>	<b>84 349.6</b>	<b>78 318.1</b>
current accounts	21 998.5	20 286.3	18 051.2
savings accounts	63 387.7	61 396.5	57 948.1
term deposits	2 524.6	2 666.8	2 318.8
<b>Other liabilities, including:</b>	<b>1 673.5</b>	<b>2 070.4</b>	<b>1 774.5</b>
liabilities under cash collateral	400.1	423.5	329.5
other liabilities	1 273.3	1 646.9	1 445.0
<b>Total</b>	<b>130 473.5</b>	<b>125 786.3</b>	<b>117 2.5</b>

## 8. Total capital ratio

	As at 31 Dec 2019	As at 30 Sep 2019	As at 31 Dec 2018
<b>Own funds</b>			
<b>A. Own equity in the statement of financial position, including:</b>	<b>15 223.3</b>	<b>15 262.7</b>	<b>13 321.6</b>
A.I. Own equity included in the own funds calculation	12 879.3	12 617.1	11 697.7
A.II. Own equity excluded from own funds calculation	2 344.0	2 645.6	1 623.9
<b>B. Other elements of own funds (decreases and increases), including:</b>	<b>1 761.6</b>	<b>699.1</b>	<b>236.2</b>
subordinated debt	2 129.3	1 093.4	645.0
goodwill and other intangible assets	-521.5	-518.4	-435.0
AIRB shortfall/surplus of credit risk adjustments to expected losses	-67.4	-105.7	-185.5
adjustment during the transition period due to adjustment to IFRS 9 *	269.5	256.3	215.0
value adjustments due to the requirements for prudent valuation	-48.3	-26.5	-3.3
<b>Own funds taken into account in total capital ratio calculation (A.I. + B), including:</b>	<b>14 640.9</b>	<b>13 316.2</b>	<b>11 933.9</b>
Core Tier I capital	12 511.6	12 222.8	11 288.9
Tier II capital	2 129.3	1 093.4	645.0
<b>Risk weighted assets, including:</b>	<b>86 477.3</b>	<b>86 120.1</b>	<b>76 604.5</b>
due to credit risk	75 706.5	75 110.6	67 135.7
due to operational risk	8 762.9	8 762.9	7 836.0
other	2 007.9	2 246.6	1 632.8
<b>Total capital requirements</b>	<b>6 918.1</b>	<b>6 889.6</b>	<b>6 128.3</b>
<b>Total capital ratio (TCR)</b>	<b>16.93%</b>	<b>15.46%</b>	<b>15.58%</b>
minimum required level	13.955%	13.966%	13.342%
surplus of TCR (p.p)	2.97	1.49	2.24
<b>Tier I ratio (T1)</b>	<b>14.47%</b>	<b>14.19%</b>	<b>14.74%</b>
minimum required level	11.955%	11.966%	11.342%
surplus of T(1) (p.p)	2.51	2.22	3.40

\*) Group in the calculation of capital charges used with transitional provisions in the scope of mitigating the impact of applying IFRS 9 at the applicable level. If the full impact of the application of IFRS 9 was taken into account, the total capital ratio would be 16.64% and the Tier 1 ratio would be 14.18%.

## 9. Financial result divided into operating segments

	IV quarter 2019	4Q 2019 YTD	IV quarter 2018	4Q 2018 YTD
<b>Retail banking segment:</b>				
<b>Income total</b>	<b>830.2</b>	<b>3 325.7</b>	<b>783.9</b>	<b>3 034.2</b>
net interest income	705.8	2 721.3	623.4	2 386.4
net commission income	122.8	547.1	119.3	529.8
other income/expenses	1.6	57.3	41.2	118.0
<b>Expenses total</b>	<b>345.2</b>	<b>1 524.2</b>	<b>337.5</b>	<b>1 385.2</b>
<b>Segment result</b>	<b>485.0</b>	<b>1 801.5</b>	<b>446.4</b>	<b>1 649.0</b>
Impairment losses on expected credit losses / Impairment losses on financial assets	103.3	309.3	88.5	271.0
Tax on certain financial institutions	51.9	190.5	41.7	154.9
Share in net profits (losses) of associates measured by equity methods	3.5	6.6	0.0	0.0
<b>The gross financial result of the retail banking segment</b>	<b>333.2</b>	<b>1 308.2</b>	<b>316.2</b>	<b>1 223.1</b>
<b>Corporate banking segment:</b>				
<b>Income total</b>	<b>652.6</b>	<b>2 464.1</b>	<b>575.6</b>	<b>2 198.5</b>
net interest income	409.9	1 572.6	371.7	1 372.9
net commission income	221.8	824.6	211.4	775.1
other income/expenses	20.9	66.9	-7.5	50.5
<b>Expenses total</b>	<b>245.6</b>	<b>973.2</b>	<b>228.8</b>	<b>941.6</b>
<b>Segment result</b>	<b>407.0</b>	<b>1 490.9</b>	<b>346.8</b>	<b>1 256.9</b>
Impairment losses on expected credit losses / Impairment losses on financial assets	61.1	296.2	10.0	229.9
Tax on certain financial institutions	61.7	245.2	57.8	218.9
Share in net profits (losses) of associates measured by equity methods	0.5	0.0	-0.1	-0.3
<b>The gross financial result of the corporate banking segment</b>	<b>284.8</b>	<b>949.6</b>	<b>278.9</b>	<b>807.8</b>

- Interim income statement of ING Bank Śląski S.A.

	IV quarter 2019	4Q 2019 YTD	IV quarter 2018	4Q 2018 YTD	change 4Q/4Q	change y/y
Interest income, including:	1 296.0	5 071.2	1 198.6	4 526.8	8.1%	12.0%
Interest income calculated using effective interest rate method	1 295.1	5 067.1	1 197.3	4 521.5	8.2%	12.1%
Other interest income	0.9	4.1	1.3	5.3	-30.8%	-22.6%
Interest expenses	239.4	981.4	234.2	907.7	2.2%	8.1%
<b>Net interest income</b>	<b>1 056.6</b>	<b>4 089.8</b>	<b>964.4</b>	<b>3 619.1</b>	9.6%	13.0%
Commission income	432.8	1 681.5	397.3	1 548.9	8.9%	8.6%
Commission expenses	105.6	385.7	88.3	312.3	19.6%	23.5%
<b>Net commission income</b>	<b>327.2</b>	<b>1 295.8</b>	<b>309.0</b>	<b>1 236.6</b>	5.9%	4.8%
Net income on financial instruments at fair value through profit or loss and FX result	24.2	107.6	21.1	90.6	14.7%	18.8%
Net income on the sale of securities measured at amortised cost	0.0	0.0	0.0	1.0	-	-
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	-4.3	5.4	3.8	54.3	-213.2%	-90.1%
Net income on hedge accounting	-5.5	-14.3	4.4	7.9	-225.0%	-281.0%
Net income on other basic activities	1.1	-3.9	1.1	4.1	0.0%	-195.1%
<b>Net income on basic activities</b>	<b>1 399.3</b>	<b>5 480.4</b>	<b>1 303.8</b>	<b>5 013.6</b>	7.3%	9.3%
General and administrative expenses	558.3	2 369.8	528.6	2 212.9	5.6%	7.1%
Impairment for expected losses, including:	139.9	568.9	87.2	476.6	60.4%	19.4%
profit on sale of receivables	24.5	34.3	0.0	26.7	-	28.5%
Tax on certain financial institutions	113.6	435.7	99.5	373.8	14.2%	16.6%
Share of profit (loss) of subsidiaries and associates accounted for using the equity method	12.7	110.5	3.2	59.3	296.9%	86.3%
<b>Gross profit</b>	<b>600.2</b>	<b>2 216.5</b>	<b>591.7</b>	<b>2 009.6</b>	1.4%	10.3%
Income tax	149.9	557.8	140.1	485.8	7.0%	14.8%
<b>Net profit</b>	<b>450.3</b>	<b>1 658.7</b>	<b>451.6</b>	<b>1 523.8</b>	-0.3%	8.9%

- Interim statement of comprehensive income of ING Bank Śląski S.A.

	IV quarter 2019	4Q 2019 YTD	IV quarter 2018	4Q 2018 YTD	change 4Q/4Q	change y/y
<b>Net profit for the period</b>	<b>450.3</b>	<b>1 658.7</b>	<b>451.6</b>	<b>1 523.8</b>	-0.3%	8.9%
<b>Total other comprehensive income, including:</b>	<b>-540.2</b>	<b>589.7</b>	<b>722.1</b>	<b>679.4</b>	-174.8%	-13.2%
Items which can be reclassified to income statement:	<b>-517.2</b>	<b>577.4</b>	<b>717.4</b>	<b>674.0</b>	-172.1%	-14.3%
debt instruments measured at fair value through other comprehensive income – gains/losses on revaluation carried through equity	18.8	17.3	-3.4	12.1	-652.9%	43.0%
debt instruments measured at fair value through other comprehensive income – reclassification to the financial result due to sale	-0.4	-23.7	-3.1	-31.8	-87.1%	-25.5%
loans measured at fair value through other comprehensive income - revaluation gains / losses related to equity	-50.5	-108.5	0.0	0.0	n/a	n/a
cash flow hedging – gains/losses on revaluation carried through equity	-391.0	1 083.3	817.7	1 033.1	-147.8%	4.9%
cash flow hedging – reclassification to profit or loss	-94.1	-391.0	-93.8	-339.4	0.3%	15.2%
<b>Items which will not be reclassified to income statement:</b>	<b>-23.0</b>	<b>12.3</b>	<b>4.7</b>	<b>5.4</b>	-589.4%	127.8%
equity instruments measured at fair value through other comprehensive income – gains/losses on revaluation carried through equity	-13.1	22.2	5.6	6.3	-333.9%	252.4%
revaluation of fixed assets	0.3	0.3	0.0	0.0	-	-
actuarial gains / losses	-10.2	-10.2	-0.9	-0.9	1033.3%	1033.3%
<b>Net comprehensive income for the reporting period</b>	<b>-89.9</b>	<b>2 248.4</b>	<b>1 173.7</b>	<b>2 203.2</b>	<b>-107.7%</b>	<b>2.1%</b>

- Interim condensed statement of financial position of ING Bank Śląski S.A.

	as of 31 Dec 2019	as of 30 Sep 2019	as of 31 Dec 2018	change Q/Q	change y/y
<b>Assets</b>					
Cash in hand and balances with the Central Bank	1 402.9	2 792.6	1 237.4	-49.8%	13.4%
Loans and other receivables to other banks	3 285.3	3 271.9	776.5	0.4%	323.1%
Financial assets held for trading	1 224.2	1 242.9	1 934.9	-1.5%	-36.7%
Derivative hedge instruments	851.6	883.6	909.6	-3.6%	-6.4%
Investment securities	33 559.6	31 961.9	31 937.3	5.0%	5.1%
Loans and other receivables to customers	110 536.5	108 638.5	99 125.8	1.7%	11.5%
Investments in associates	1 112.2	1 096.1	634.6	1.6%	75.4%
Property, plant and equipment	932.8	898.0	550.4	3.9%	69.5%
Intangible assets	408.4	405.3	425.0	0.8%	-3.9%
Assets held for sale	3.6	2.8	10.9	28.6%	-67.0%
Deferred tax assets	270.8	208.7	209.0	8.8%	8.7%
Other assets	329.4	237.4	183.4	38.7%	79.6%
<b>Total assets</b>	<b>153 917.3</b>	<b>151 639.7</b>	<b>137 934.8</b>	<b>1.5%</b>	<b>11.6%</b>
<b>Liabilities</b>					
Liabilities to other banks	2 622.5	3 810.3	1 807.7	-31.2%	45.1%
Financial liabilities at fair value through profit or loss	915.1	990.7	1 687.6	-7.6%	-45.8%
Derivative hedge instruments	546.0	569.7	611.8	-4.2%	-10.8%
Liabilities to customers ( <i>note 8</i> )	130 036.8	125 365.4	117 293.8	3.7%	10.9%
Liabilities under issue of debt securities	0.0	302.2	300.3	-100.0%	-100.0%
Subordinated liabilities	2 131.1	2 188.7	1 076.9	-2.6%	97.9%
Provisions	201.9	225.2	149.5	-10.3%	35.1%
Current income tax liabilities	377.9	387.2	264.5	-13.7%	26.4%
Other liabilities	1 971.2	2 595.6	1 421.1	-24.1%	38.7%
<b>Total liabilities</b>	<b>138 802.5</b>	<b>136 435.0</b>	<b>124 613.2</b>	<b>1.7%</b>	<b>11.4%</b>
<b>Equity</b>					
Share capital	130.1	130.1	130.1	0.0%	0.0%
Supplementary capital - issuance of shares over nominal value	956.3	956.3	956.3	0.0%	0.0%
Accumulated other comprehensive income	1 758.8	2 299.3	1 169.7	-23.5%	50.4%
Retained earnings	12 269.6	11 819.0	11 065.5	3.8%	10.9%
<b>Total equity</b>	<b>15 114.8</b>	<b>15 204.7</b>	<b>13 321.6</b>	<b>-0.6%</b>	<b>13.5%</b>
<b>Total equity and liabilities</b>	<b>153 917.3</b>	<b>151 639.7</b>	<b>137 934.8</b>	<b>1.5%</b>	<b>11.6%</b>