

A close-up photograph of a person wearing a grey ski jacket, a colorful patterned scarf, and large, colorful ski goggles. They have their mouth wide open in a shout or cheer. In the background, another person in a purple jacket is visible on a ski lift, and the scene is set against a snowy, mountainous landscape with evergreen trees.

# ING Bank Śląski S.A.

Business and Financial Results

for Q4 2023

Warsaw, 1 February 2024





# Table of contents

1. [Introduction to financial results and the Bank's market position](#)
2. [Updated information on the macroeconomic situation according to the ING Analyses Bureau](#)
3. [Q4 2023 financial results](#)
4. [Appendices](#)



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

# Key facts – Q4 2023

## Client base

- 53 thousand new retail clients in Q4 2023 (284 thousand in 2023)
- 17 thousand new corporate clients in Q4 2023 (70 thousand in 2023)
- The number of active users of the My ING app increased by 39 thousand this quarter and by 205 thousand in 2023
- The number of outgoing electronic transfers of individual clients in My ING amounted to 155 million in Q4 2023 (+9% y/y)

## Client volumes

- Corporate receivables portfolio decreased by PLN 2.2 billion q/q to the level of PLN 93.4 billion (+ PLN 0.9 billion in 2023)
- Retail receivables portfolio increased by PLN 0.2 billion q/q to the level of PLN 64.9 billion (+ PLN 1.0 billion in 2023)
- Clients' deposits increased by PLN 2.6 billion q/q to the level of PLN 202.2 billion (+ PLN 12.7 billion in 2023)
- Commercial balance increased by PLN 0.6 billion q/q to the level of PLN 360.5 billion (+ PLN 14.5 billion in 2023)

## Financial results

- Gross profit of PLN 1,594.7 million in Q4 2023, and PLN 5,720.0 million in 2023
- Net profit of PLN 1,270.8 million in Q4 2023, and PLN 4,440.9 million in 2023
- NII amounted to PLN 2,166.2 million in Q4 2023, and PLN 8,170.5 million in 2023
- Net fee and commission income of PLN 556.7 million in Q4 2023, and PLN 2,164.5 million in 2023
- Cumulative ROE adjusted for MCFH is 22.9% (10.2% a year earlier)

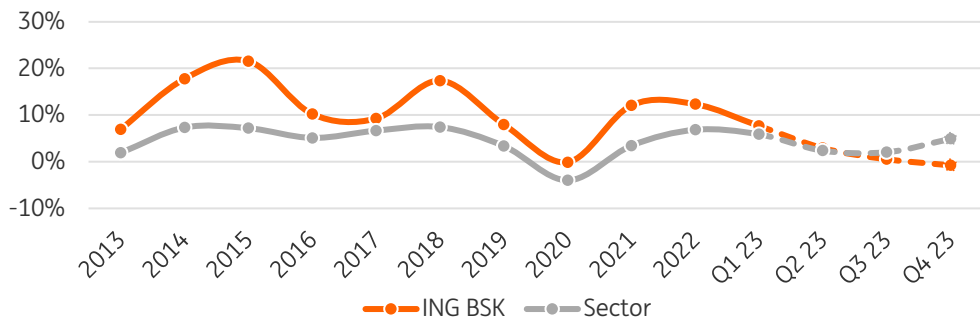


MCFH-adjusted ROE = total net profit for 4 consecutive quarters / average equity for 5 subsequent quarters excluding MCFH



# Market shares

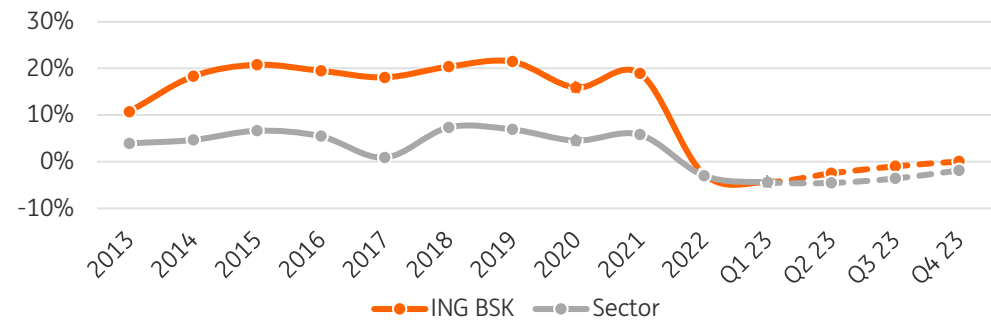
## Corporate loans\* (change y/y)



Market share (%)



## Individuals' loans (change y/y)



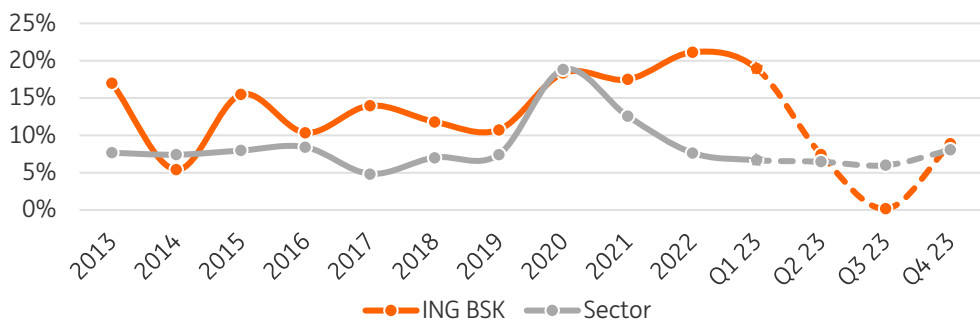
Market share (%)



Market share excl. FX\*\*\* (%)



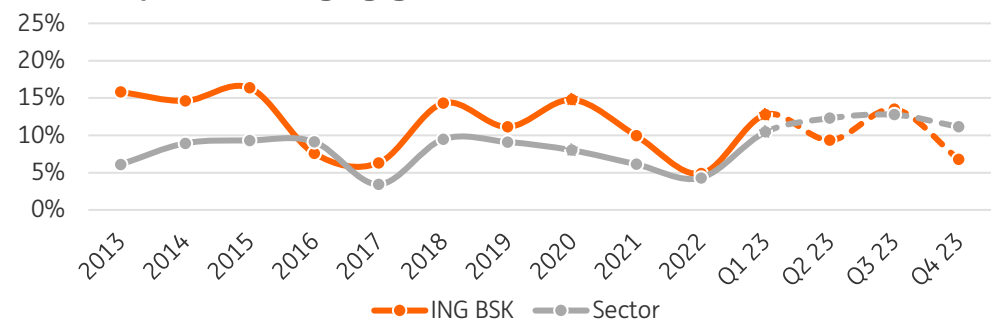
## Corporate deposits\* (change y/y)



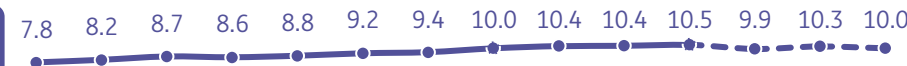
Market share (%)



## Individuals' deposits (change y/y)



Market share (%)



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	Q4 2023	% change q/q	% change y/y	change q/q	change y/y
<b>Total deposits</b>	169,602	177,452	181,752	189,538	190,317	186,849	199,621	202,209	+ 1%	+ 7%	2,587	12,670
Corporate deposits	71,573	80,532	81,993	84,739	79,836	80,999	86,575	90,123	+ 4%	+ 6%	3,548	5,384
Retail deposits	98,030	96,920	99,760	104,799	110,481	105,851	113,046	112,086	- 1%	+ 7%	-960	7,287
<b>Total funds entrusted by retail clients</b>	114,319	112,643	115,261	121,330	128,238	124,463	132,464	132,961	+ 0%	+ 10%	497	11,631
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	20,875	+ 8%	+ 26%	1,457	4,344
<b>Total loans</b>	150,096	153,823	155,982	156,415	158,029	158,142	160,312	158,294	- 1%	+ 1%	-2,018	1,880
Loans to corporate clients incl. leasing and factoring	83,228	87,920	91,783	92,532	94,667	94,214	95,591	93,403	- 2%	+ 1%	-2,188	870
Loans to retail clients	66,868	65,903	64,200	63,882	63,362	63,927	64,722	64,892	+ 0%	+ 2%	170	1,009
Mortgage loans	57,861	56,900	55,468	55,156	54,698	54,998	55,567	55,719	+ 0%	+ 1%	151	563
Cash loans	7,747	7,682	7,418	7,385	7,348	7,553	7,751	7,757	+ 0%	+ 5%	6	372

# Financial highlights

PLN million	Q4 2022	Q3 2023	Q4 2023	% change y/y
Total income	2,321.2	2,667.9	2,914.5	+26%
Total expenses	-689.0	-860.4	-986.8	+43%
Result before risk costs	1,632.2	1,807.5	1,927.7	+18%
Risk costs including cost of risk for FX mortgage loans	-489.3	-151.2	-177.0	- 64%
Bank levy	-169.1	-164.1	-156.0	- 8%
Gross profit	973.8	1,492.2	1,594.7	+64%
Income tax	-307.9	-330.2	-323.9	+5%
<b>Net profit</b>	<b>665.9</b>	<b>1,162.0</b>	<b>1,270.8</b>	<b>+91%</b>
Total capital ratio	16.22%	16.56%	16.73%	+ 0.51 p.p.
Tier 1	14.72%	15.05%	15.32%	+ 0.60 p.p.
ROE (%)	17.4%	34.2%	33.9%	+16.5 p.p.
ROE adjusted for MCFH (%)*	10.2%	21.0%	22.9%	+12.7 p.p.
Total expenses incl. bank levy / total income (%)	37.0%	38.4%	39.2%	+2.2 p.p.

2022	2023	% change y/y
7,722.2	10,677.6	+ 38%
-3,642.1	-3,700.1	+ 2%
4,080.1	6,977.5	+ 71%
-1,030.1	-613.2	- 40%
-646.9	-644.3	- 0%
2,403.1	5,720.0	+ 138%
-688.7	-1,279.1	+ 86%
<b>1,714.4</b>	<b>4,440.9</b>	<b>+ 159%</b>
16.22%	16.73%	+0.51 p.p.
14.72%	15.32%	+0.60 p.p.
17.4%	33.9%	+16.5 p.p.
10.2%	22.9%	+12.7 p.p.
55.5%	40.7%	-14.9 p.p.

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

Kiedy troszczysz się  
nie tylko o siebie

Wybierz projekt,  
który chcesz wspierać



Moje ING



## Meeting 2023 strategic goals in Q4 2023

- **Clients' activities and digitalisation**
  - In the last quarter, we acquired 53 thousand new retail clients and 17 thousand new corporate clients.
  - We have 2.19 million primary clients in the retail segment and 213 thousand primary clients in the corporate segment.
  - The number of mobile only clients in retail banking increased to 2.0 million (+9% y/y).
  - The number of outgoing electronic transfers of individual clients in My ING amounted to 155 million in Q4 2023 (+9% y/y).
  - We processed 14.7 million transactions in our payment terminals (+24% y/y).
  - Our clients made a total of 49.3 million BLIK transactions (+25% y/y).
- **Full regulatory compliance**
  - We implemented all recommendations with deadlines in Q4 2023 on time.
  - We updated the Policies in the area of FATCA and CRS.
- **Employee motivation and empowerment**
  - We have processed changes in the Step up Performance model and provided employees with a completely new cafeteria and new suppliers.
  - We have implemented the Future Skills Map allowing employees to identify, implement and develop critical skills for the future.
  - We have edited "MailING Rozwojowy" - a cyclical newsletter for employees regarding current internal job offers or development internships.
  - We have developed a new standard of communication about HR and HR for the entire organization.
  - We have prepared a day for people with disabilities.
- **IT system stability and availability, security**
  - The availability of My ING and ING Business at the end of Q4 2023 was 99.95% and 99.91%, respectively.
- **Operational Efficiency, AI and Data Management**
  - The value of the DIGI60\* index is 66.9% (the target for 2023 is 56.8%).
  - We have prepared a model that improves the card payment process by predicting rejected transactions.
  - We have automated the handling of opinions and certificates for business clients.
  - We organised an internal educational program on artificial intelligence, during which 2.5 thousand employees expanded their knowledge of AI.
  - We continuously implement process changes that allowed us to increase the level of STP (straight through processing) for key client journeys.
- **ESG**
  - The Sustainable Fitch rating agency has assigned an ESG rating for ING Bank Śląski for the second time at the level of "2" on a five-point scale, with "1" being the best and "5" being the worst.
  - We announced our lines of action in terms of emission reduction. More information on slide 9.
  - For the fourth time, ING donated PLN 1 million in grants for start-ups and young scientists. In this edition of the [Grant Programme](#), the Bank was looking for ideas on how to ensure a healthy life at all ages.
  - We conducted transformation risk stress tests for credit risk in the ICAAP process.
  - We have implemented a Security Package for sale at Moje ING, including 4 free services for a year, i.e.: my protection insurance, BIK reports, behavioural verification and the Cyber Rescue service. The offer was available until December 29, 2023 for clients when opening an account at Moje ING.

\*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.

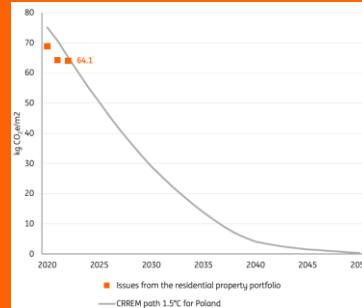


# Roadmap for reducing GHG emissions

- In the fourth quarter of 2023, we developed the "ING BSK Action Directions in the field of emission reduction", which define our ambitions regarding emission reduction in our business and loan portfolio. ING Bank Śląski presents decarbonisation initiatives and progress to date on reducing greenhouse gas emissions. It also specifies a plan to support clients in their sustainable transformation.
- The actions we take are consistent with frameworks and guidelines promoted by organisations such as the Net Zero Banking Alliance (NZBA).
- ING Bank Śląski, as part of the ING N.V. Group, a member of NZBA, also joins the implementation of the goals promoted by it.

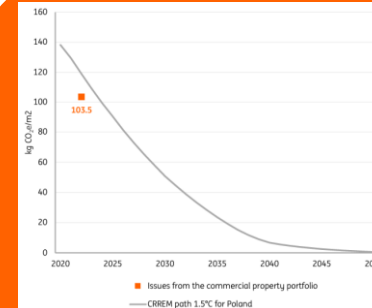
[More information](#)

## The first three areas covered by our emission reduction plan:



### Residential properties

A reduction in the average intensity of our financed emissions in the residential property sector. We take the CRREM 1.5°C path for Poland as the benchmark.



### Commercial properties

A reduction in the average intensity of our financed emissions in the commercial property sector. We take the CRREM 1.5°C path for Poland as the benchmark.



### Power generation

PLN 5 billion in financing for renewable energy projects between 2024 and 2030 for corporate clients.

# Selected initiatives

## Moje ING application available in a new version

ING Bank Śląski introduced changes to Moje ING online and mobile banking on November 12, 2023.

Content and functions are more personalised, and the system has a new, transparent look to make banking easier.

**The browser login page now has:** more visible security messages; developed help section for logging in and activating banking; on-screen keyboard now also for the login field (and not just the password).

**The screen before logging into the application is now:** faster login thanks to better location of the Login button; better customisation of functions by the client to their preferences; active parking and public transport tickets visible without logging in.

**The banking home page is divided into 3 intuitive main sections:**

- 1/ My finances, which shows all the client's financial products,
- 2/ Shortcuts, thanks to them you can quickly get to the most necessary functions,
- 3/ Selected for you: a section where the client will see personalised tips and offers.

In the browser version, the Expenditure Analysis section will also be visible, which is a refreshed summary of the client's budget - a corporate client will see the Income and Expense Analysis section here, and a wealthy client will personalise it themselves.

[Read more](#)

## Mortgage loan for an energy-efficient house from ING Bank Śląski

A mortgage loan for an energy-efficient house is part of our activities supporting clients in the energy transformation. The offer is intended for the construction or purchase of a house or residential premises on the primary market or the purchase of a ready-made house or residential premises on the secondary market, the annual demand for non-renewable primary energy for heating, ventilation and hot water preparation does not exceed 57 kWh/m<sup>2</sup>/year and respectively 53 kWh/m<sup>2</sup>/year. The loan will be available with a variable interest rate (margin and the WIRON 1M compound rate) and a periodically fixed interest rate. What distinguishes the offer is the reduced margin and no commission.

[Read more](#)

## ING Bank Śląski in the consortium of banks financing the Tele-Fonika company

ING joined the consortium of banks financing Tele-Fonika Kable S.A., taking part in the transaction of refinancing the company's existing debt and financing capital expenditure for a total amount of PLN 1.95 billion, with the participation of ING Bank Śląski in the amount of PLN 265 million. Tele-Fonika Kable S.A. is one of the largest producers of cables and wires in the world. The ESG area is an important pillar of Tele-Fonika's strategy, and the transaction was classified as a Sustainability Linked Loan, based on the ESG goals that the company has set for the coming years.

[Read more](#)

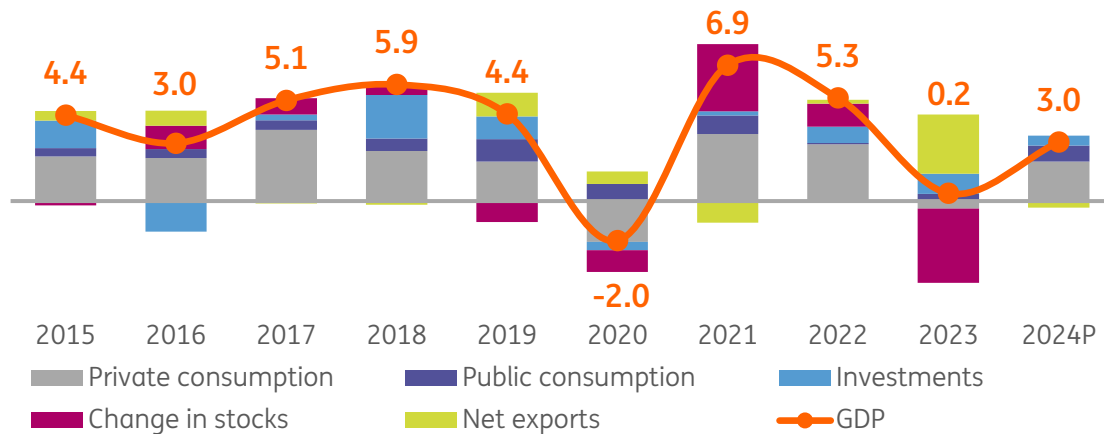


A person wearing a black winter jacket and red gloves is shown from the chest up, throwing a large amount of snow into the air. The snow is captured mid-air, creating a white, cloud-like shape against the clear blue sky. The person's hair is blonde and appears to be blowing in the wind. The overall scene is bright and cheerful, suggesting a winter day.

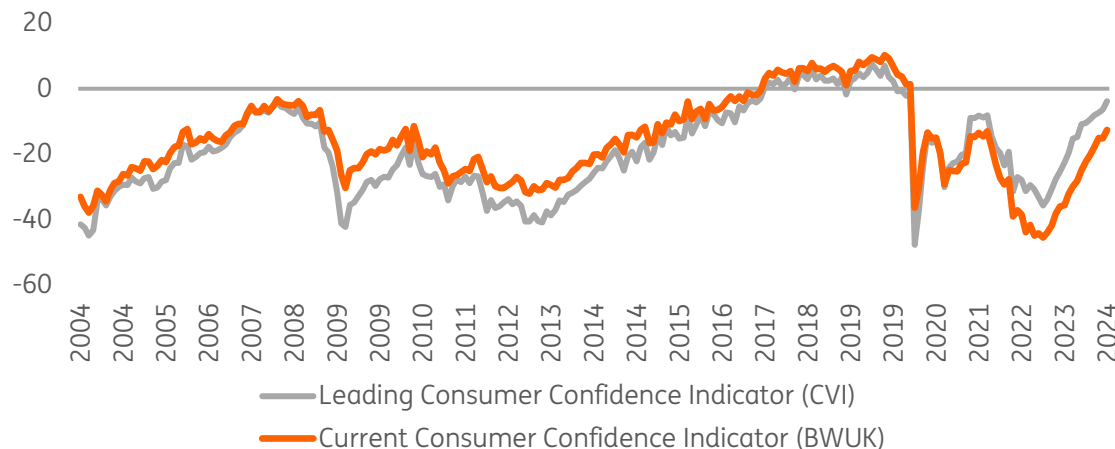
**Updated information on the macroeconomic situation  
according to the ING Analyses Bureau**

# Economic recovery in 2024

## GDP growth and structure, %, p.p.



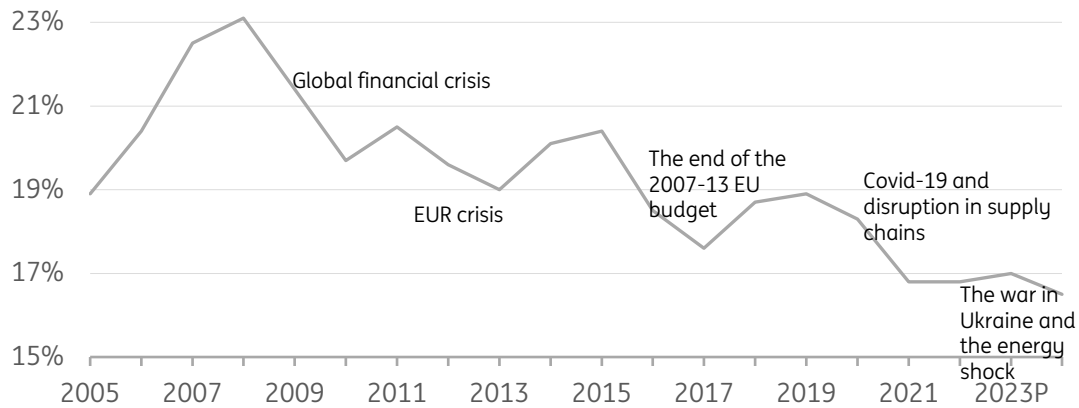
## Consumer sentiment indicators, points



- After a 0.5% y/y decline in GDP in H1 2023, there was a slight recovery in Q3 2023 and the slow recovery continued in Q4 2023. **For 2023 as a whole, GDP growth was low (~0.2%).**
- **Economic growth will accelerate to 3% in 2024**, mainly due to a recovery in consumption.
- The fall in average annual inflation to around 5% will be **accompanied by dynamic wage growth** (just over 10%).
- **Growth in consumption** should be supported primarily by a further improvement in real household disposable income.
- **Consumer sentiment is improving**, including the stated ability to make major purchases...
- ...but at the same time, consumers are showing a high inclination to save, as the prices of many goods have jumped significantly.
- The scale of consumption growth will depend on **the inclination** of households **to save**.
- The key risks are: geopolitics (Ukraine, Middle East) and weak global industry, including in Germany.

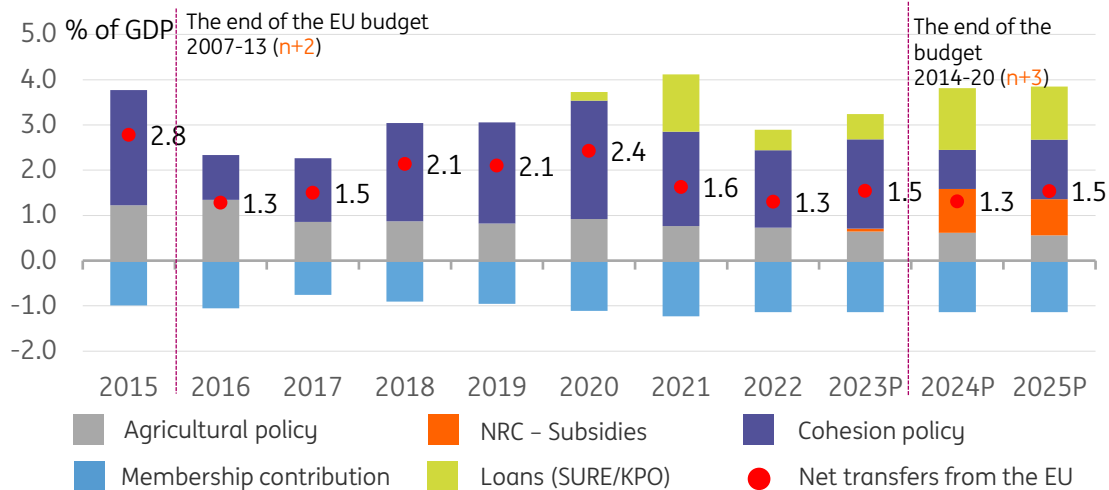
# Investment rate should rebound in 2024. Opportunities for increased private (including foreign) and public investment

## Investment rate in Poland, % of GDP



- **Investments surprised positively in 2023**, growing by an average of 8.2% y/y in the first three quarters, with double-digit growth in medium and large companies (11.5% y/y), strongly in large State-owned companies (energy and mining). However, the investment rate has recently fallen to around 17% and this year it is lower.
- The change of government has rekindled expectations of a rebound in private investment, which is what **ING and the EEC study**.
- **Once the National Recovery Plan is unblocked, the net transfer inflow will be 1.3% of GDP (excluding loans), without which it would be close to zero** (net transfers and loans were 2.1% of GDP in 2023 and 2.7% of GDP in 2024).

## EU transfers and loans, % of GDP

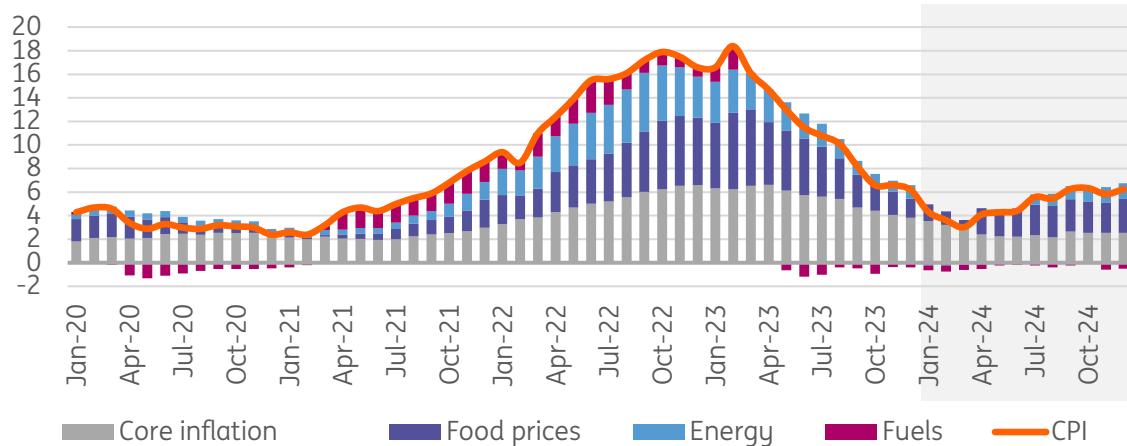


Source: GUS, MF, NBP, KE, ING projections.

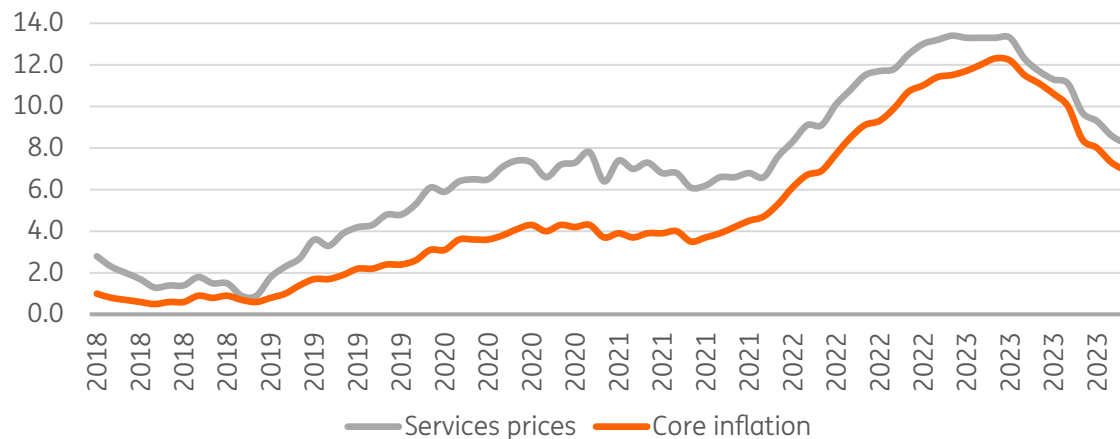
Macroeconomic outlook of the ING Analyses Bureau	2023	2024P	2025P
<b>GDP</b> (average)	0.2%	3.0%	3.5%
<b>Inflation</b> (average)	11.6%	5.2%	4.6%
<b>Reference rate</b> (at the end of the period)	5.75%	5.50%	4.75%
<b>Total loans</b> (at the end of the period; y/y)	-0.3%	2.9%	5.0%
Retail loans (at the end of the period; y/y)	-2.2%	-0.3%	1.3%
Consumer loans (at the end of the period; y/y)	-5.4%	0.9%	2.2%
Mortgage loan sales (PLN billion)	59.5	63.6	68.3
Corporate loans (at the end of the period; y/y)	2.3%	7.1%	9.8%
Loans for companies (at the end of the period; y/y)	-4.5%	10.8%	13.2%
<b>Total deposits</b> (at the end of the period; y/y)	9.6%	3.2%	3.6%
Retail deposits (at the end of the period; y/y)	9.9%	4.3%	3.5%
Corporate deposits (at the end of the period; y/y)	9.0%	1.4%	3.9%

# Inflation profile in 2024 dependent on administrative decisions

## CPI inflation and its sources, %, p.p.



## Core inflation and service prices, % y/y



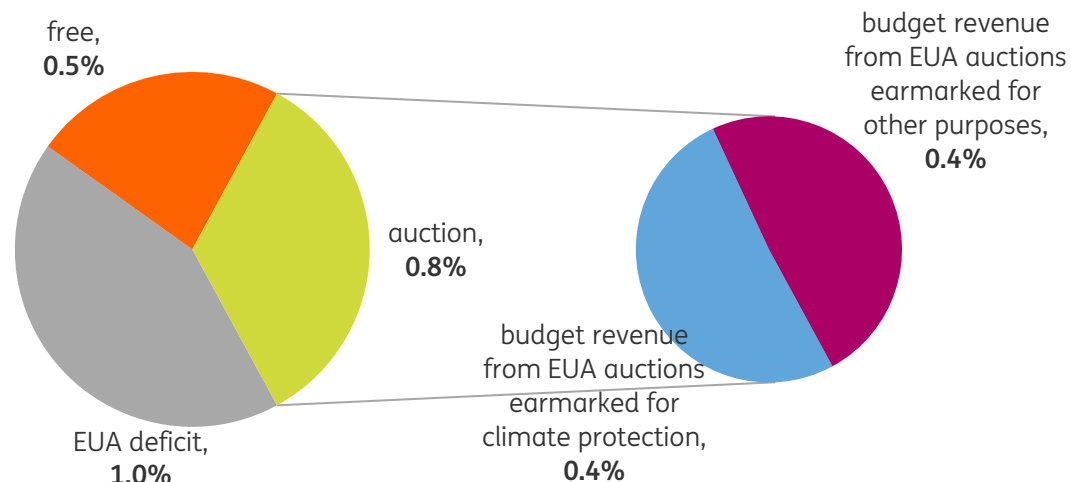
- At the end of 2023, CPI inflation declined to 6.2% y/y.
- **In Q1 2024 a continuation of rapid disinflation** and a fall in CPI inflation to around the NBP target (2.5%, +/- 1 p.p.).
- The decline in inflation will be supported by the high Q1 2023 baseline, the extension of the 0% VAT rate on food, the continued freezing of energy prices and the global disinflationary environment.
- **In the second half of 2024**, the partial unfreezing of energy prices and higher VAT on food will raise inflation to **around 6%**.
- We assume the reinstatement of VAT on food from Q2 2024 and a partial “unfreezing” of energy prices (10-15% increase in electricity and gas bills) from July.
- Inflationary pressures mainly **due to domestic factors**:
  - economic recovery (stronger consumer demand),
  - tense labour market (record low unemployment),
  - wage growth (record minimum wage increase).
- Rising labour costs and service prices will translate into **increased core inflation, mainly in services**.

# Investment in the electricity industry: Poland has a 1% of GDP deficit on CO2 emission rights, but also wide access to finance

## EUA allocations in 2022

	Poland	Czech Republic	Hungary	Romania
Verified emissions (million EUA)	184.1	57.0	15.6	28.2
Allowances granted, total	105.4	24.0	14.3	20.1
Free EUA allowances	42.5	15.6	8.5	14
Auction or sold EUA	62.9	8.4	5.9	6.1
Balance, EUA million	-78.8	-33.1	-1.2	-8.1
Value as % of GDP	-1.0	-1.0	-0.1	-0.2
Balance: acquisition/sale of non-financial assets (€ billion)	-4.2	-2.0	-0.05	0.1
Value as % of GDP	-0.6	-0.7	0.0	0.0
Budget revenue from EUA (€ billion)	5.0	0.7	0.5	0.5
Value as % of GDP	0.8	0.2	0.3	0.2
Revenue earmarked for climate and energy, % of revenue from EUA	51	27	50	57

## EUA allocations 2022 in Poland, % of GDP



- Poland stands apart from the CEE region with its highly emission energy mix – 70% share of coal.
  - **The energy shock and the high price of emission rights have led to a situation where today we are bearing the enormous cost of delaying the energy transition!**
  - In 2022, Polish energy and industrial companies used **emission rights worth 2.3% of GDP**. This consisted of:
    - free allowances (0.5% of GDP),
    - auction allowances (funds from their sale – 0.8% of GDP – went to the state budget),
    - Poland had to buy the missing allowances worth 1.0% of GDP abroad or use the ones it had previously purchased.
- Due to the expected increase in EUA prices in this decade, Poland will remain under cost pressure for years to come.
- **Accelerating investment in RES, nuclear and electricity grids is the way out in this situation.** It can be financed by unlocked grants (~€45bn by 2030) and EU loans (~€30bn by 2030) as well as private funds: capital market instruments and bank loans (e.g. a loan to Orlen for a wind farm in the Baltic Sea).



Q4 2023

financial results



# Financial results

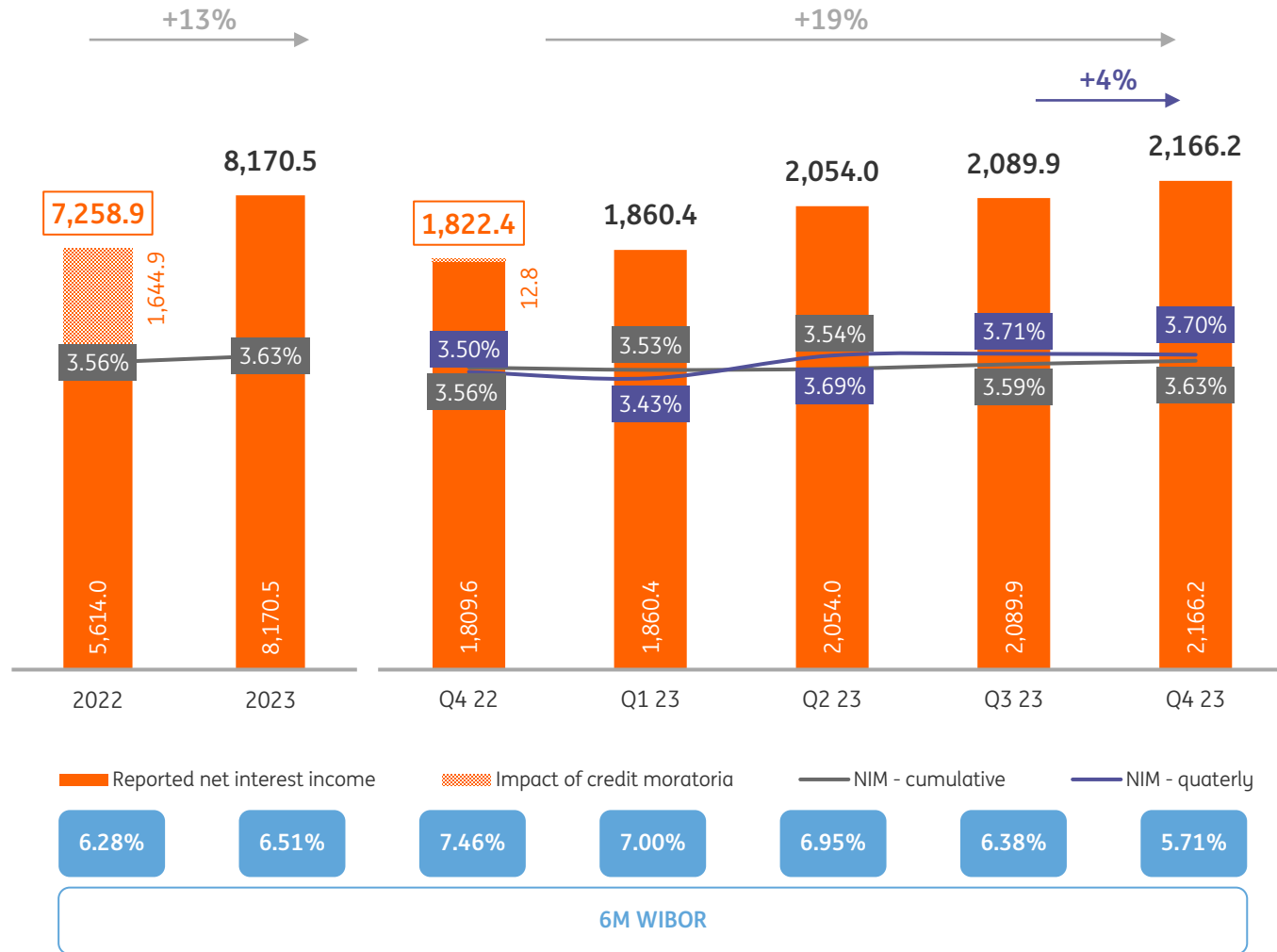
PLN million	Q4 2022	Q3 2023	Q4 2023	% change y/y
Net interest income	1,809.6	2,089.9	2,166.2	+20%
Net commission income	511.4	552.1	556.7	+9%
Other income	0.2	25.9	191.6	+958x
<b>Total income</b>	<b>2,321.2</b>	<b>2,667.9</b>	<b>2,914.5</b>	<b>+26%</b>
Total expenses	-689.0	-860.4	-986.8	+43%
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Total capital ratio	16.22%	16.56%	16.73%	+0.51 p.p.
Tier 1	14.72%	15.05%	15.32%	+0.60 p.p.
ROE (%)	17.4%	34.2%	33.9%	+16.5 p.p.
ROE adjusted for MCFH (%)*	10.2%	21.0%	22.9%	+12.7 p.p.
Total expenses incl. bank levy/total income (%)	37.0%	38.4%	39.2%	+2.2 p.p.

2022	2023	% change y/y
5,614.0	8,170.5	+46%
2,094.8	2,164.5	+3%
13.4	342.6	+26x
<b>7,722.2</b>	<b>10,677.6</b>	<b>+38%</b>
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55.5%	40.7%	-14.9 p.p.

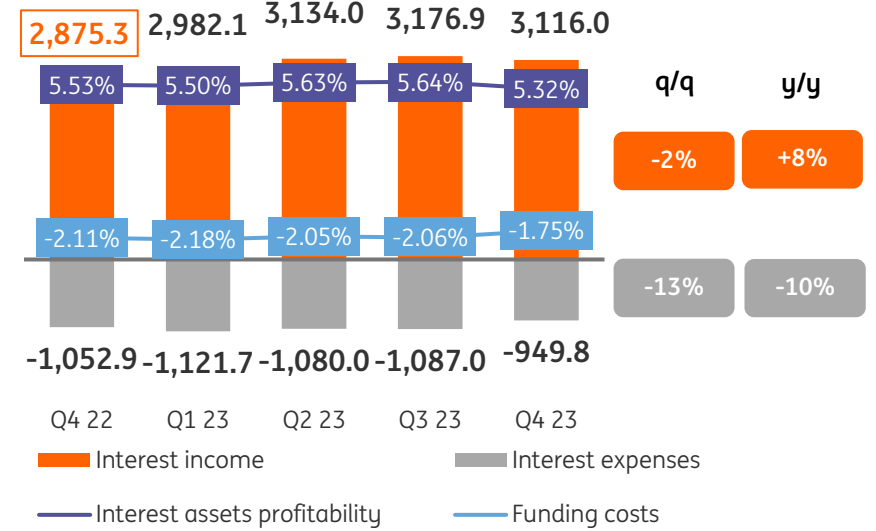
\*ROE = total net profit for 4 consecutive quarters / average equity for 5 subsequent quarters

# Net interest income adjusted for credit moratoria

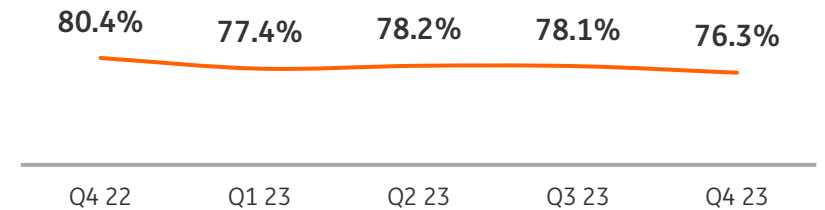
Net interest income (PLN million) and interest margin



Interest income and expenses (PLN million)

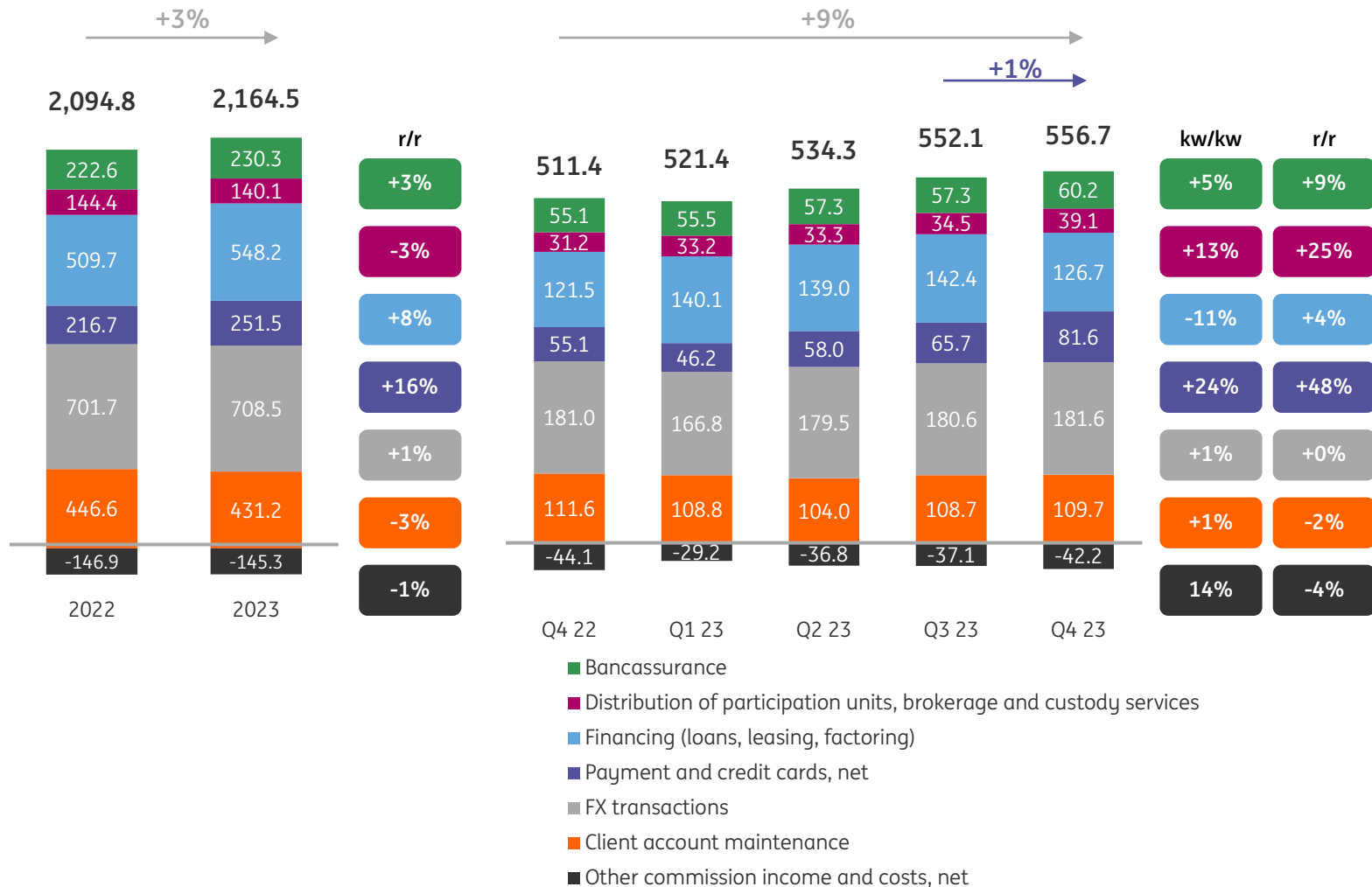


Loan to deposit ratio



# Fee and commission income

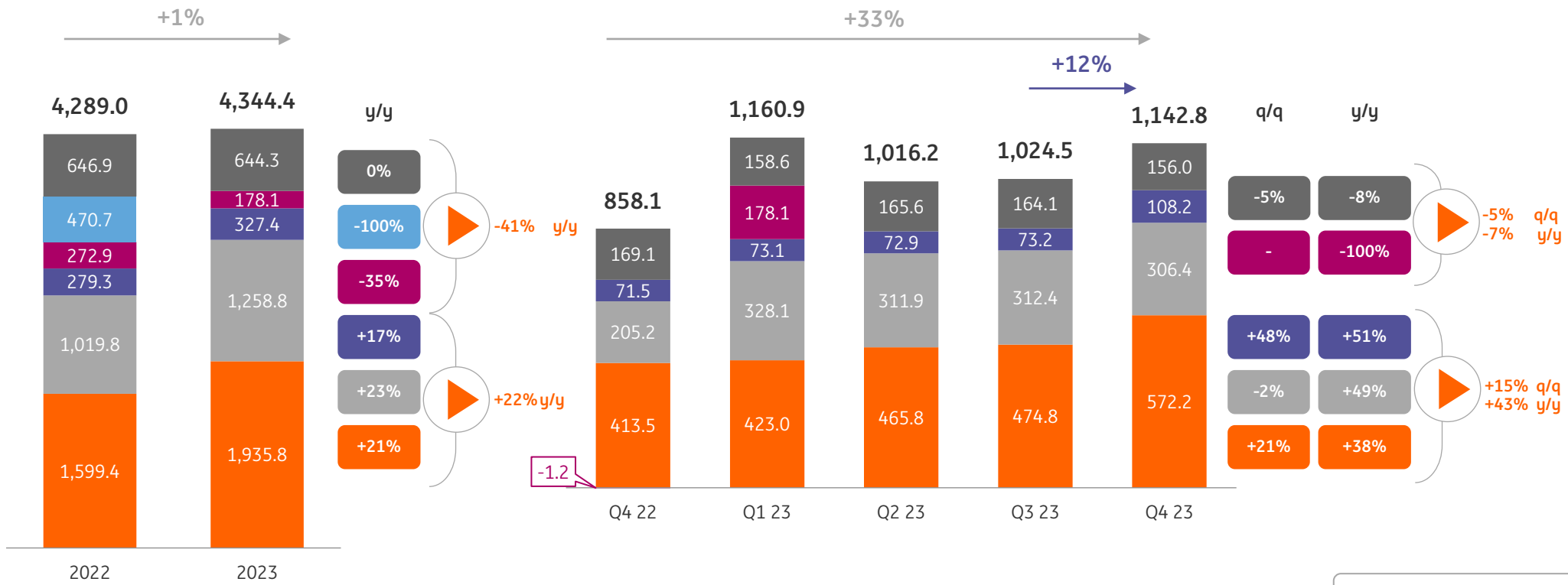
Fee and commission income per category (PLN million)



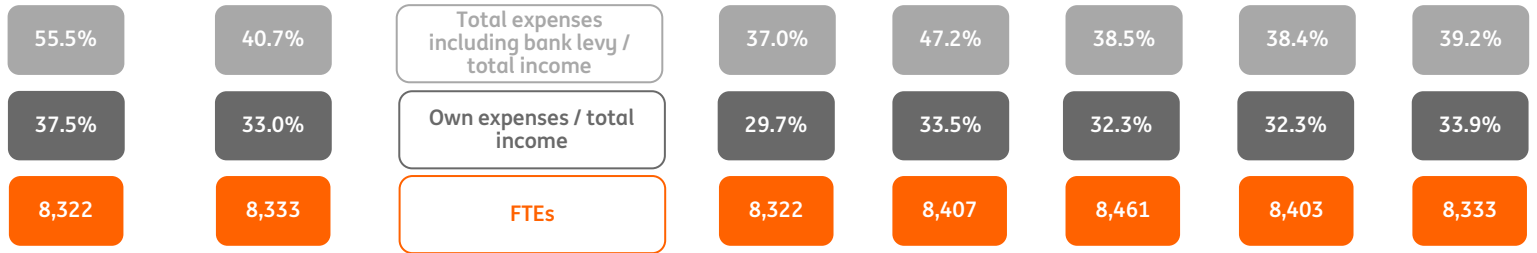
- The increase in the result from the distribution of participation units, brokerage and custody services reflects the positive trends on the capital market observed in Q4 2023.
- The improvement in the result on payment and credit cards in Q4 2023 is the result of lower costs of settlements with payment organisations.
- The q/q decrease in the result on granting financing is the effect of seasonality and lower client activity in the corporate segment.

# Total expenses including bank levy

Total expenses including bank levy (PLN million)



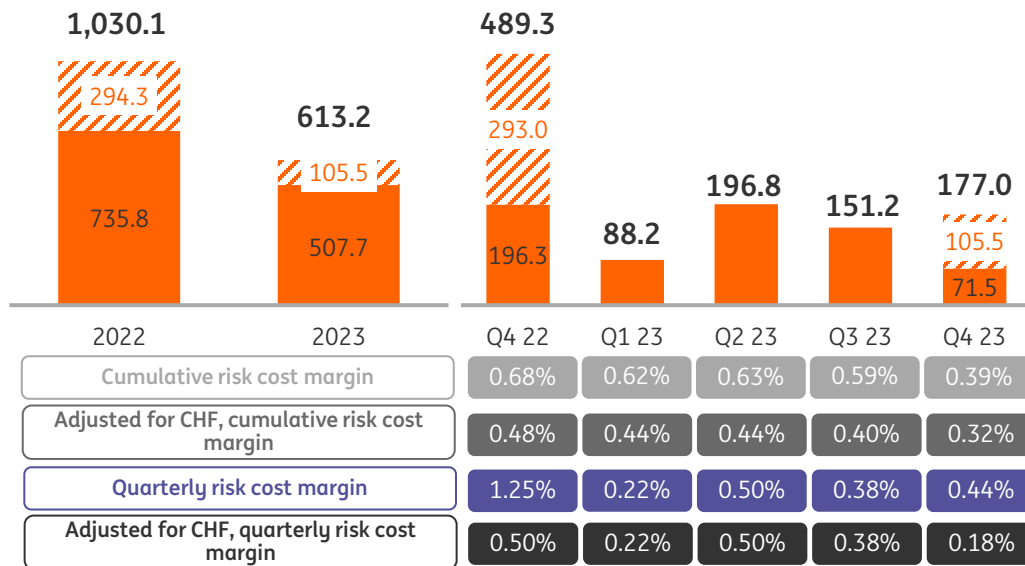
■ Personnel costs ■ General and administrative costs ■ Amortisation and depreciation ■ Regulatory costs (PFSA + BGF + MSF) ■ IPS ■ Bank levy



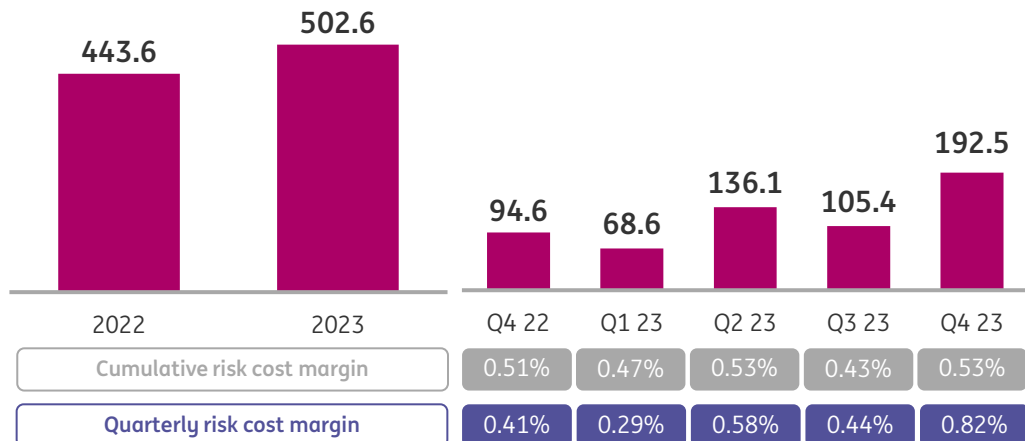
Employee costs in Q4 2023 increased by PLN 86.1 million in connection with the creation of a restructuring provision for 2024-2026.

# Cost of risk, including legal risk costs

## Consolidated data for ING BSK (PLN million)

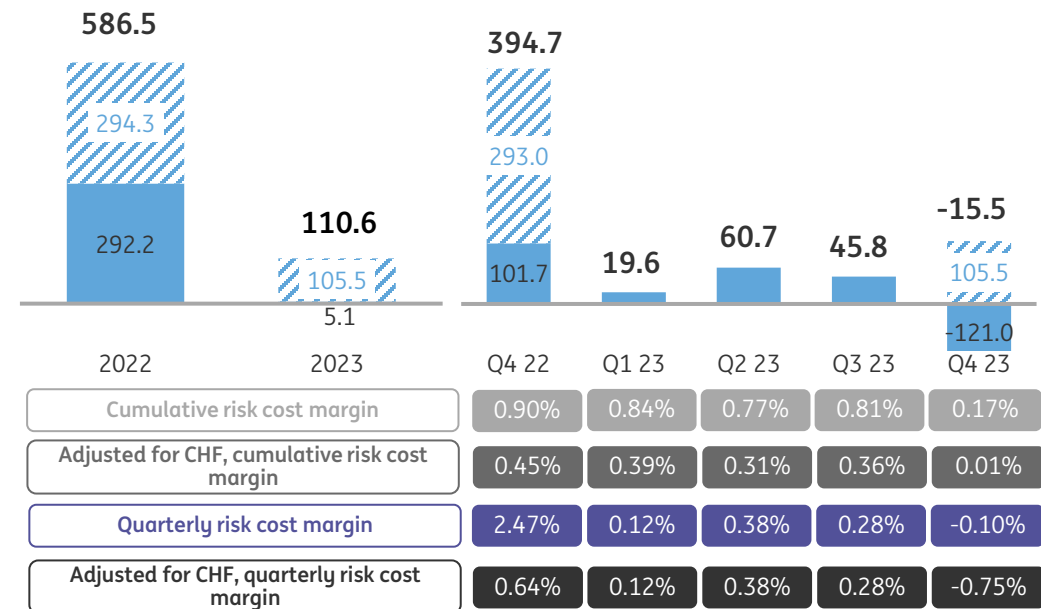


## Corporate banking (PLN million)



PLN million	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
Impact of macroeconomic parameters on net provisions*					
Retail banking	+47.3	-14.0	+11.1	+13.7	-16.8
Corporate banking	-29.9	-44.6	+1.2	-18.5	+25.5
<b>Total</b>	<b>+17.4</b>	<b>-58.5</b>	<b>+12.2</b>	<b>-4.7</b>	<b>+8.8</b>
Impact of the sale of the Stage 3 and POCI receivables portfolios*					
Retail banking	0.0	0.0	0.0	0.0	-22.1
Corporate banking	0.0	0.0	0.0	0.0	-2.2
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-24.3</b>

## Retail banking (PLN million)

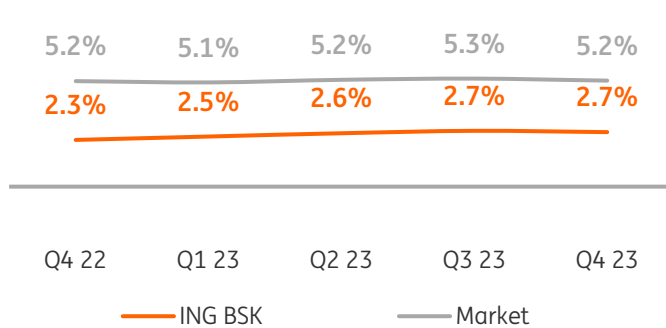


\*Increase of provisions presented with the sign (+), decrease with the sign (-)

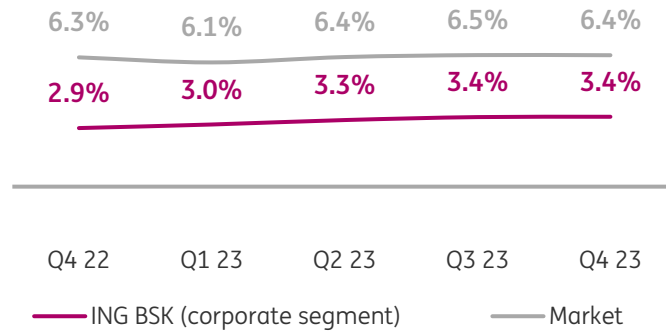
# Portfolio quality and provisioning

## Share of non-performing portfolio in the total loan portfolio

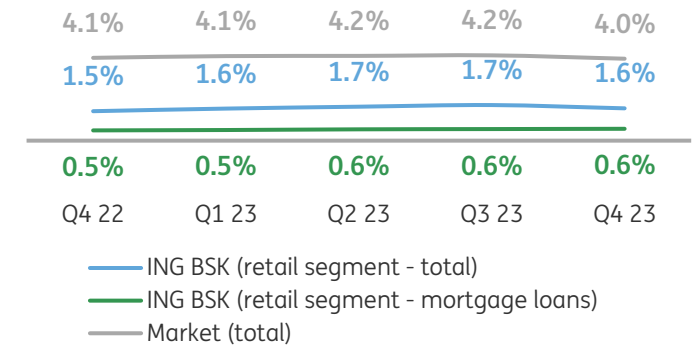
### Consolidated data for ING BSK



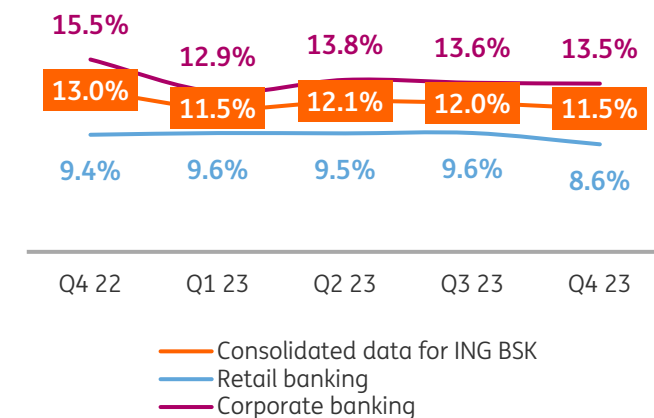
### Corporate banking



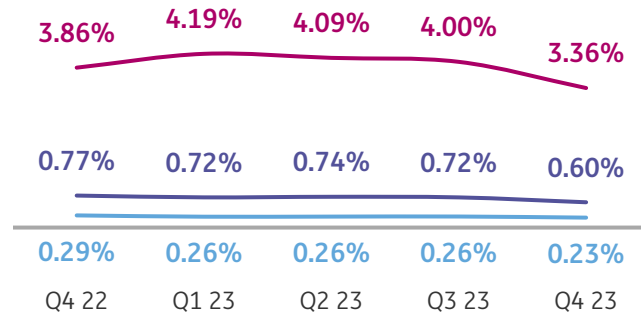
### Retail banking



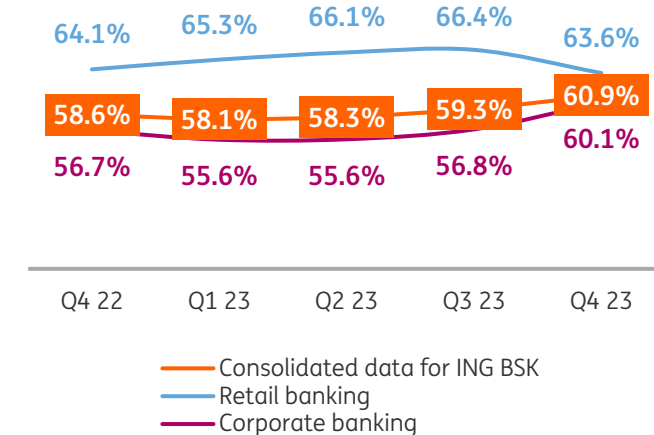
## Share of Stage 2 in gross portfolio



## Provisioning ratio – Stages 1 and 2



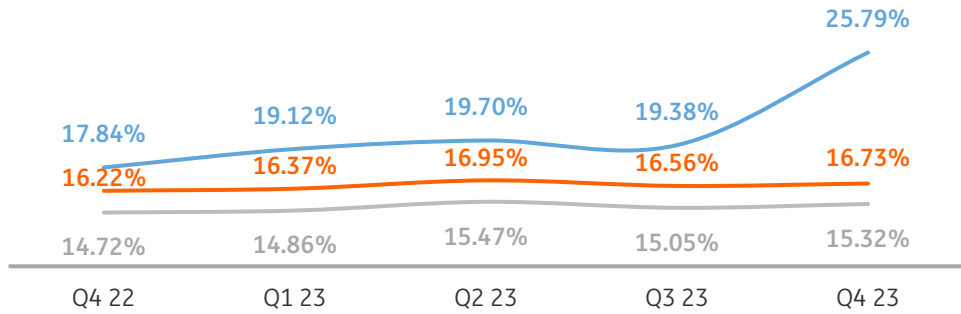
## Provisioning ratio – Stage 3



Note: market ratios – estimates based on PFSA data (data for November 2023 for Q4 2023); NPL = Stage 3 + POCI

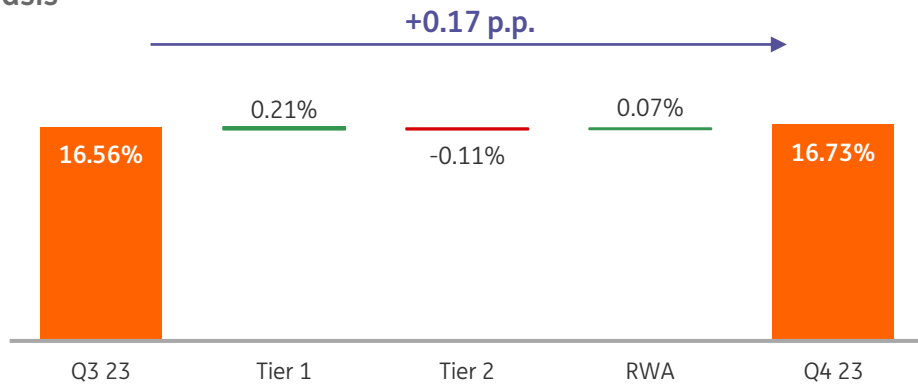
# Capital adequacy

## Capital ratios (consolidated) and MREL ratio (standalone)



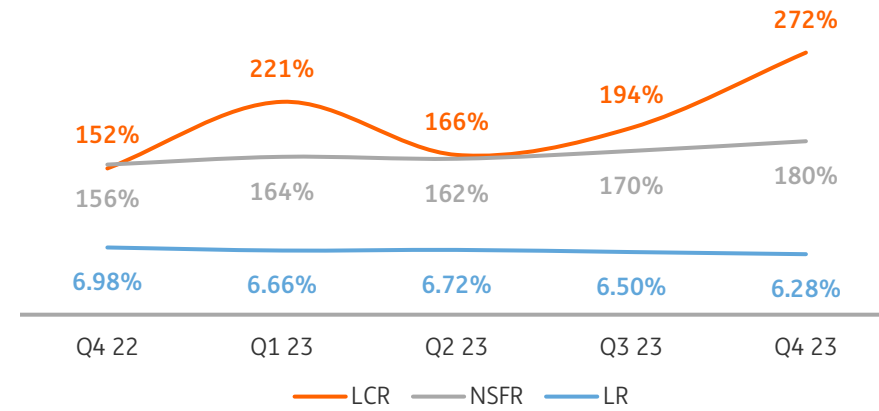
— TCR — Tier 1 ratio — MREL level (TREA), with combined buffer requirement

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



- Total capital ratio and Tier 1 ratio are respectively 5.41 p.p. and 6.00 p.p. above the minimum capital requirements for ING BSK, which are respectively 11.32% and 9.32%.
- The total capital ratio and Tier 1 ratio would have been 16.60% and 15.19%, respectively, if ING BSK did not apply a transition period for the implementation of IFRS 9.
- The MREL level at the end of 2023 is 6.49 p.p. above its minimum target target of 19.30% of Total Risk Exposure Amount (“TREA”) at the individual level (taking into account the combined buffer requirement of 3.01%).

## Other capital and liquidity ratios



# The Management Board's intention to pay dividends in 2024

## Dividend from profit for 2023

The Management Board's intention is to pay out approximately 75% of the net profit for 2023 in the form of a dividend

In the opinion of the Management Board, the bank satisfies the requirements of the Polish Financial Supervision Authority enabling the dividend payout from the 2023 profit at 75%.

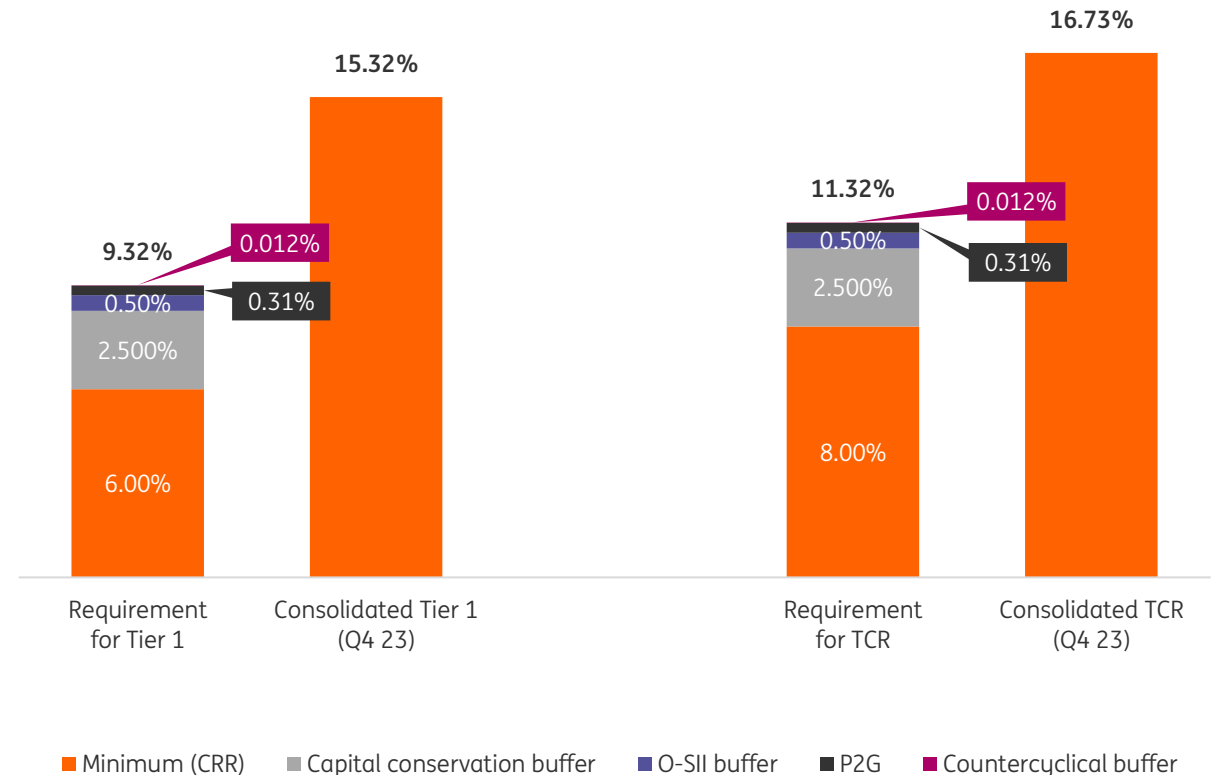
## Payment of dividend from reserve capital

In accordance with the letter from the Polish Financial Supervision Authority received on December 1, 2023, the Polish Financial Supervision Authority did not raise any objections to the bank's ability to pay a dividend in the amount of PLN 1,008.3 million from the reserve capital intended for dividend payment.

The above-mentioned amount consists of:

- PLN 494.4 million from profit for 2019 and
- PLN 513.9 million from profit for 2022.

The capital requirement indicated by the Polish Financial Supervision Authority





A man in a blue jacket and tan pants and a child in a grey puffer jacket and blue jeans are walking away from the camera on a cobblestone street, carrying a large, dense evergreen Christmas tree between them. The man is on the left, and the child is on the right. In the background, there is a building with a poster and a bicycle parked on the left.

Appendices

**Retail banking**

# Retail banking

## Clients and ordered transactions

- We operate 3.7 million current accounts for individual clients
- In Q4 2023, our individual clients completed:
  - 9% y/y more outgoing electronic transfers in My ING (155 million)
  - 26% y/y more BLIK transactions (total 46.5 million)
  - 6% y/y more debit card transactions (total 274.5 million)
  - 7% y/y fewer transactions in branches (213 thousand)

## Financing

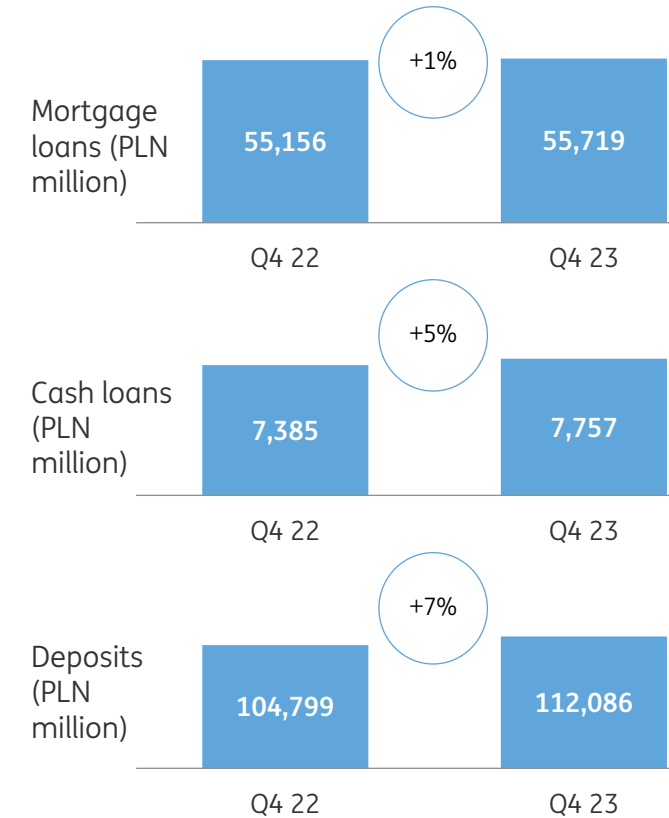
- We granted PLN 2,048 million in mortgage loans in Q4 2023 (+68% y/y)
- We granted PLN 1,220 million in cash loans in Q4 2023 (+23% y/y) ...
- ... of which 80% were sold via online channels

Na taką białą godzinę  
aż chce się oszczędzać

6% na koncie oszczędnościowym przez 3 miesiące

W promocji biorą udział wszystkie konta oszczędnościowe w PLN zaliczone do kategorii 'oszczędności' w regulaminie oferty. Obowiązuje dla kredytobiorców 200 tys. zł przez 3 miesiące od założenia konta. Po upływie tego okresu dla powstania prawa do otrzymania bonusu obowiązuje standardowe Znaczenie się z www. regulaminem dostępnym w siedzibie i punktach oraz na www.ing.pl

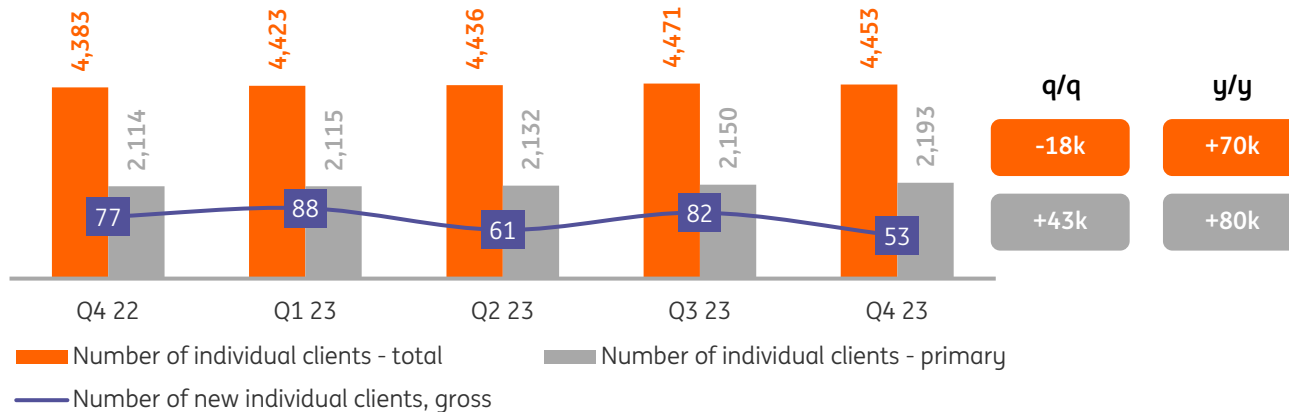
## Growing volumes (y/y)



# Retail client base

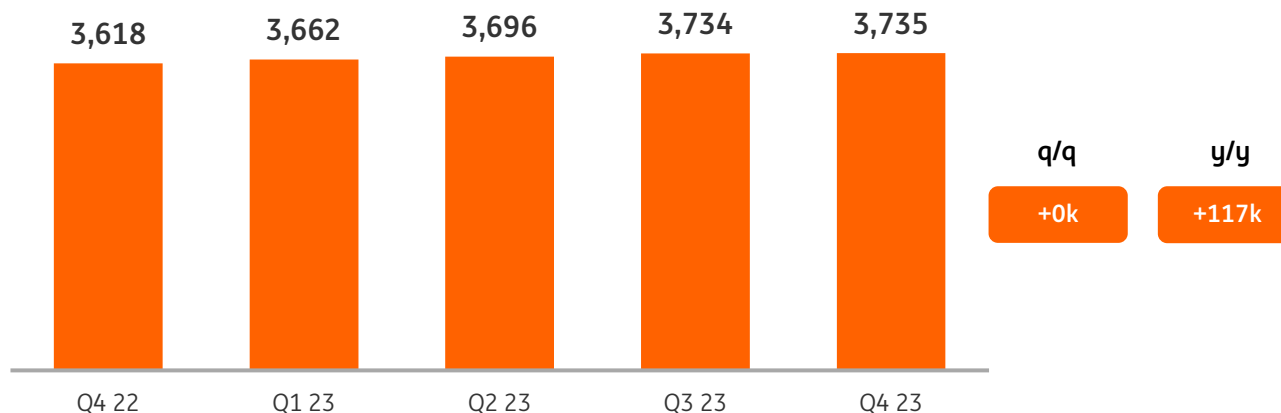
## 4.5 million individual clients

Number of individual clients (thousand)



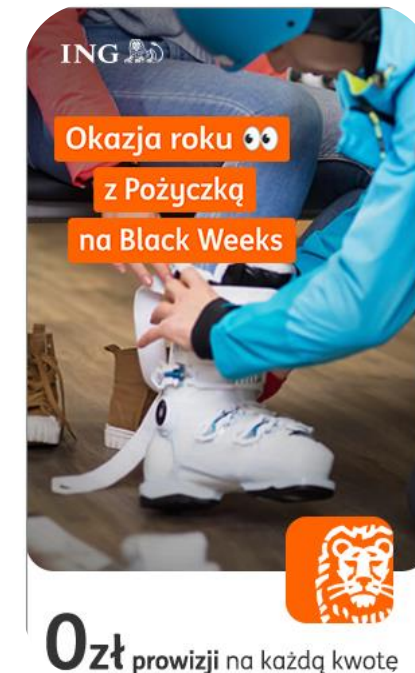
- 87% of current accounts are Direct Accounts
- In Q4 2023 clients using the National Hub, i.e. the standard for the circulation of electronic identity used for administrative purposes and government services, confirmed their identity 5.3 million times
- Our clients submitted via our bank:
  - 13 thousand 300+ applications in Q4 2023 (+53% y/y), and 307 thousand in the entire 2023 applications (+1% y/y) and
  - 8 thousand 500+ applications in Q4 2023 (-22% y/y), and 449 thousand in the entire 2023 applications (+1% y/y)

Number of individual clients' current accounts (thousand)



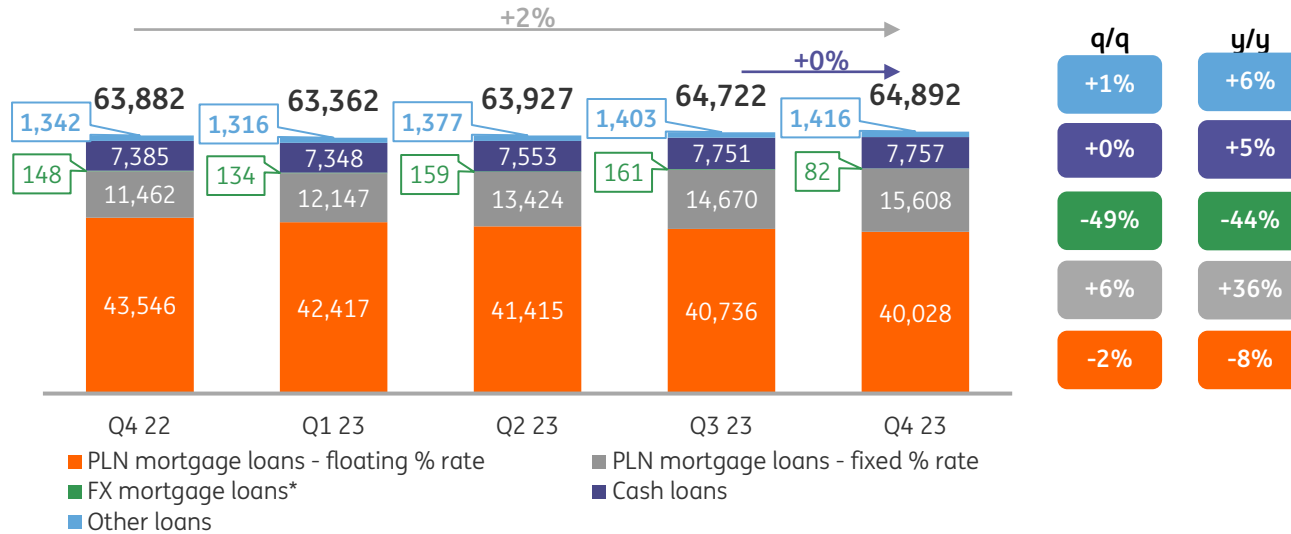
Note: current accounts in PLN

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



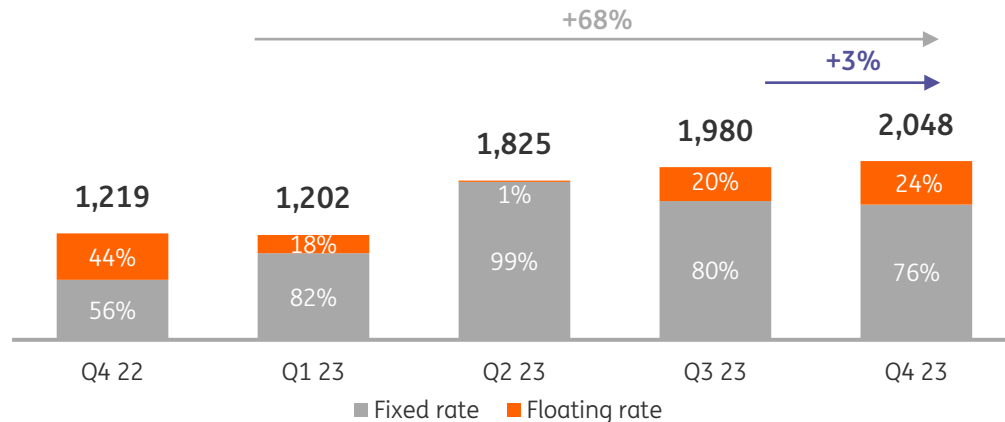
# Retail lending

Loan portfolio of retail clients (gross; PLN million)

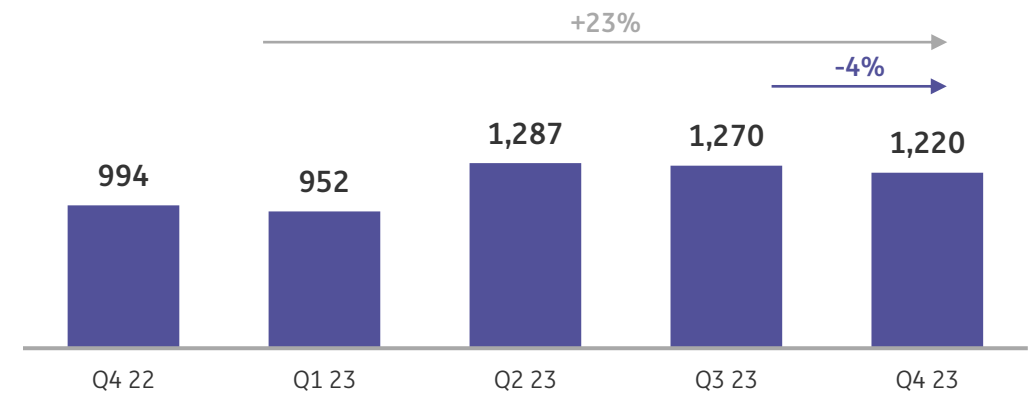


- **PLN 1.2 billion worth of cash loans** granted to retail clients in Q4 2023 (+23% y/y)
- **PLN 2.0 billion worth of mortgage loans** granted in Q4 2023 (+68% y/y), which translates into a **7.5%** market share
  - including PLN 1,548 million worth of fixed interest rate mortgage loans (-59% y/y)
  - including PLN 53 million worth of mortgage eco loans\*\* (+11% y/y)
- A **13.2%** market share in terms of PLN mortgage loans; **11.3%** in total mortgage loans (Q4 2023)

Mortgage loans production (PLN million)



Cash loans production (PLN million)

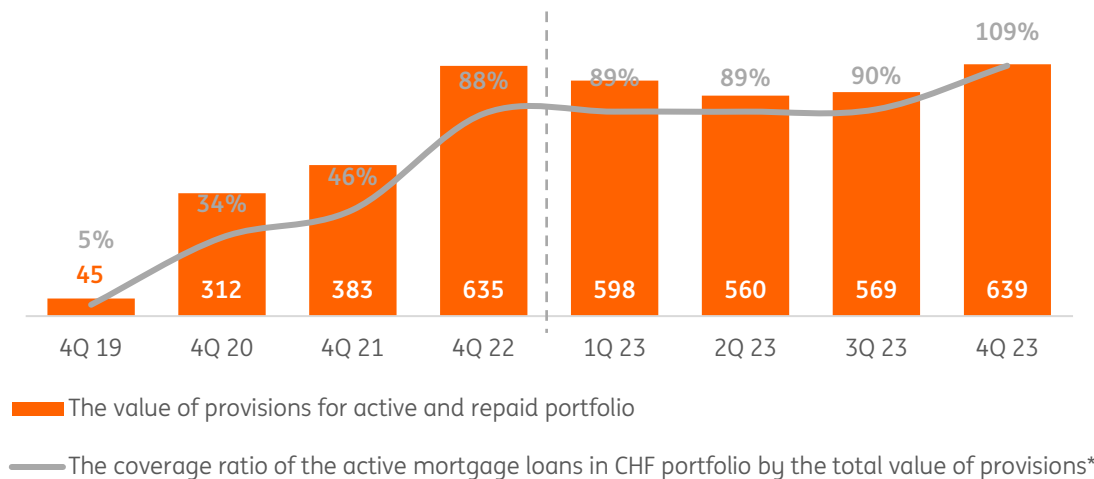


\*FX mortgage loans after adjusting the gross carrying amount for legal risk provisions, which amounted to PLN 581.6 million in Q4 2022, PLN 548.1 million in Q1 2023, PLN 473.0 million in Q2 2023, PLN 475.7 million in Q3 2023 and PLN 510.2 million in Q4 2023;

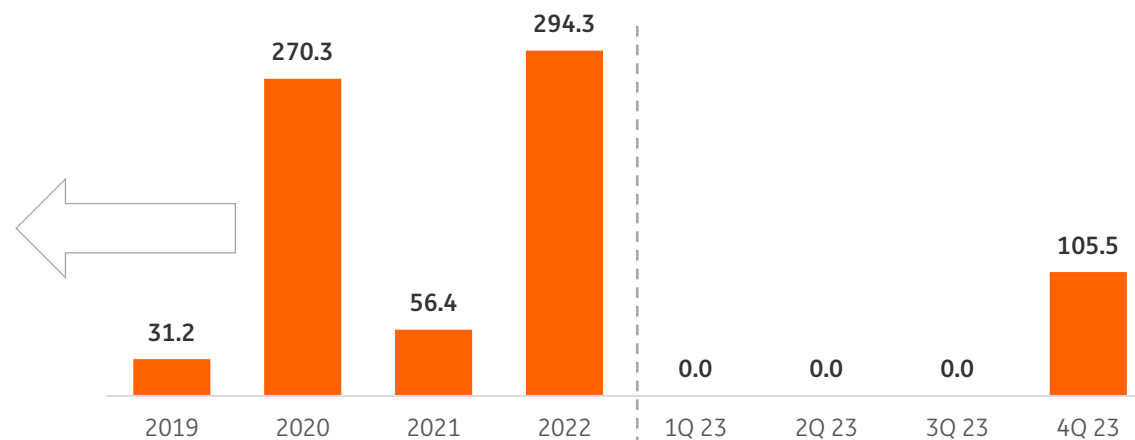
\*\*We do not charge a commission and we offer a lower margin for a house or apartment, whose annual consumption of non-renewable primary energy for heating, ventilation and hot water does not exceed 57 kWh / m<sup>2</sup> / year for a house and 53 kWh / m<sup>2</sup> / year for an apartment.

# Legal risk relating to FX mortgage loans

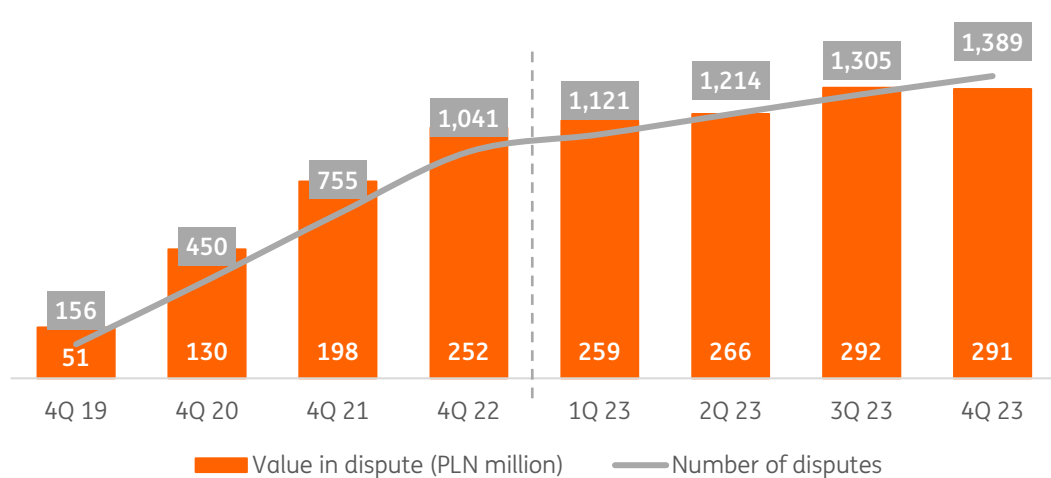
Total value of provisions for CHF mortgage loan portfolio (PLN million) and their level in relation to portfolio balance



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

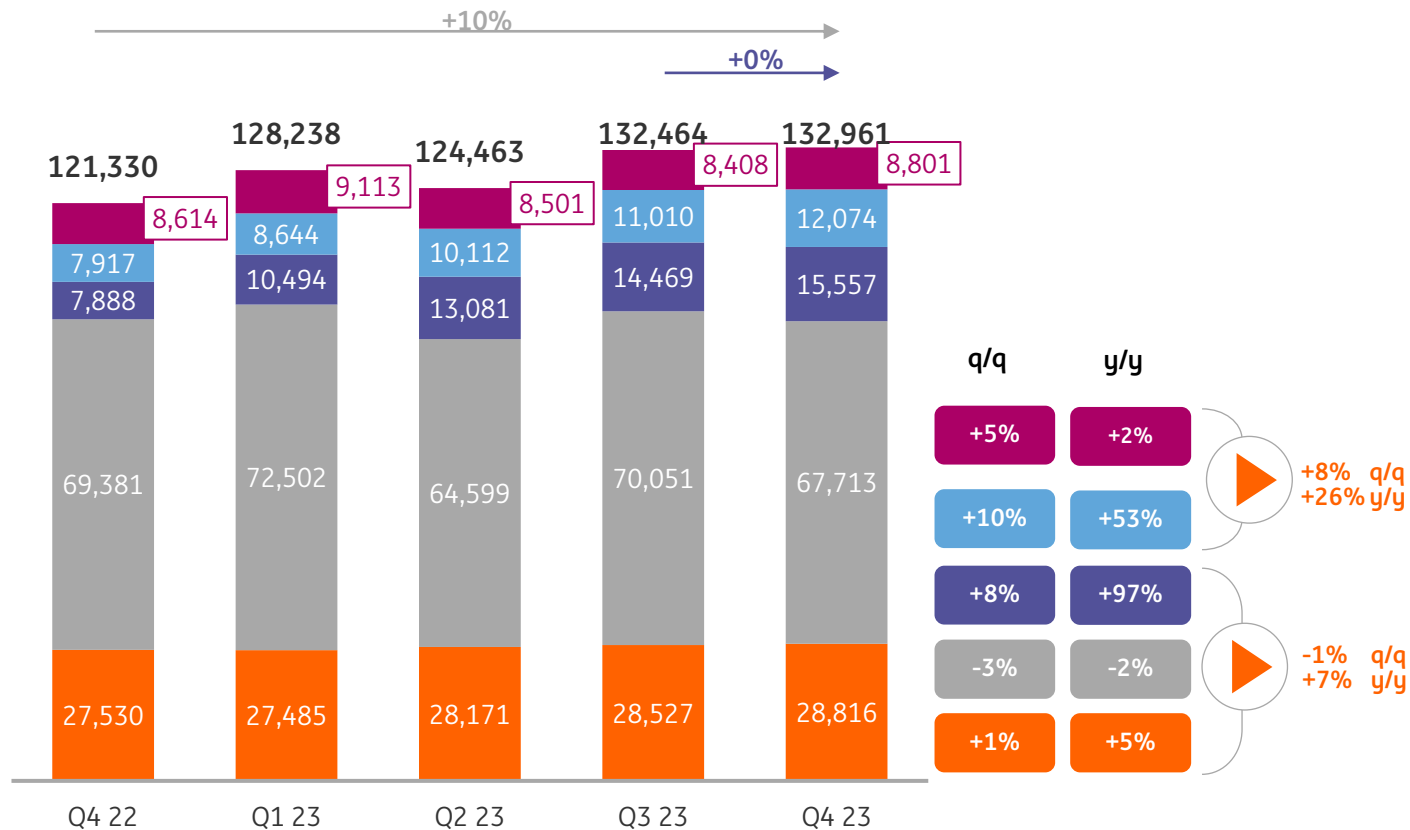
On 25 October 2021, we launched a settlement programme based on the assumptions of the Chairman of the Polish Financial Supervision Authority. From 25 October 2021 to 31 December 2023 we concluded **705 agreements** under the programme.

As at the end of 2023 we had 2.8 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

- **131.6 thousand** bank clients invest on a regular basis and **136.7 thousand** clients had a dedicated pension product at ING
- In Q4 2023, **58.1%** of open investment fund units were purchased **via mobile banking**
- At the end of Q4 2023, we serviced **184.1 thousand brokerage accounts** (+3% y/y)
- The **turnover of our brokerage office** on the stock market in Q4 2023 amounted to **PLN 3.0 billion** (-5% y/y, +9% q/q), which translates into a market share of **1.91%** (-0.7 p.p. y/y, -0.3 p.p. q/q)
- The assets representing investments in funds **compliant with Articles 8 and 9 of SFRD\*** amounted to **PLN 400 million** (+53% y/y, +15% q/q)

\*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 ★ ★ ★ ★ 4.4

App Store ★ ★ ★ ★ ★ 4.9

### Electronic banking

We have a total of **1,393 thousand mobile cards** (+2% q/q, +9% y/y)

**46.5 million BLIK transactions in Q4 2023** (+10% q/q, +26% y/y) made by individual clients, of which **34.3 million transactions were made on the Internet** (+17% q/q, +23% y/y)

**4 196 thousand clients with access to online banking** (without changes q/q, -1% y/y), including 78% of them actively using this access

**2,721 thousand active users of the mobile application** (+1% q/q, +8% y/y)

**2,006 thousand "mobile only" users** (+1% q/q, +9% y/y)

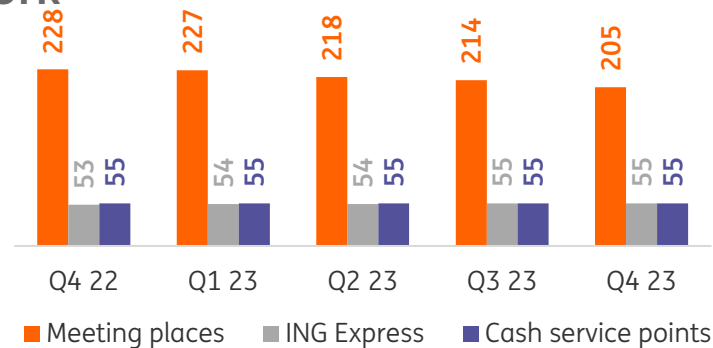
In Q4 2023, we sold **80% of cash loans** for individual clients **via internet channels** (82% in Q4 2022)

**2.9m**  
active mobile  
banking clients

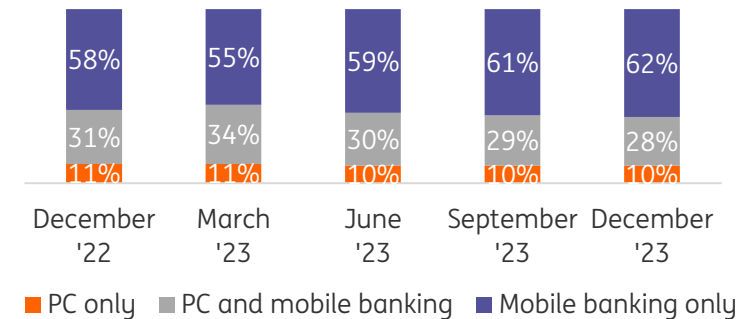
### Physical distribution network

150 meeting places without a traditional cash service (173 as at the end of 2022)

851 recyclers (devices with function deposit-withdrawal), of which 641 are contactless



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





**Corporate banking**

# Corporate banking

## Clients and ordered transactions

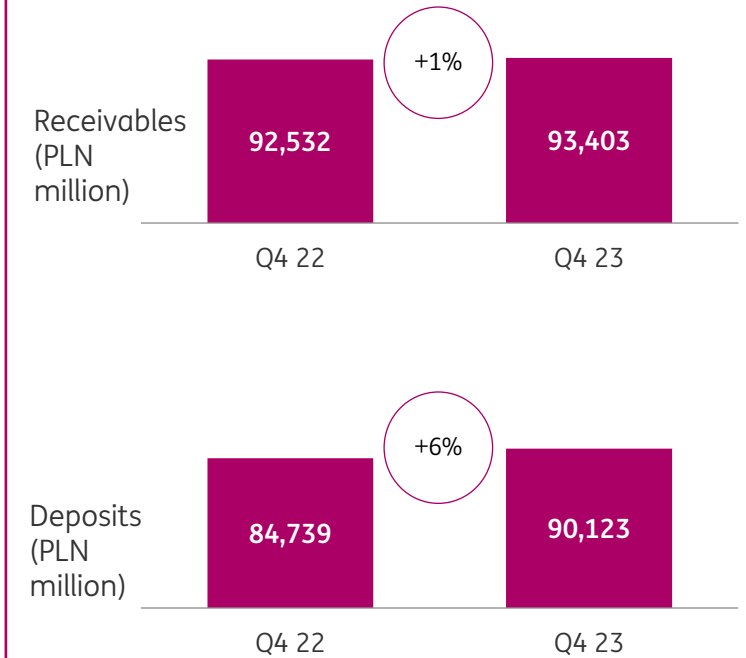
- We service 558.9 thousand corporate clients, of which 441.6 thousand are entrepreneurs, 113.9 thousand are SMEs and mid-corporates and 3.4 thousand are strategic clients
- In Q4 2023, our corporate clients using ING Business made 48.0 million transfers (+80% y/y), of which 3.8 million were made in mobile banking (+23% y/y)
- We have 42.2 thousand payment terminals in total; we processed 14.7 million transactions in Q4 2023 (+24% y/y)
- 8,682 stores with an active imoje payment gateway (+31% y/y)

## Financing

- The portfolio of receivables from entrepreneurs increased by PLN 433 million y/y (+6% y/y) to the level of PLN 8.3 billion
- The portfolio of receivables from SMEs and mid-corporates decreased by PLN 545 million y/y (-1% y/y) to the level of PLN 50.4 billion
- The portfolio of receivables from strategic clients increased by PLN 982 million y/y (+3% y/y) to the level of PLN 34.8 billion



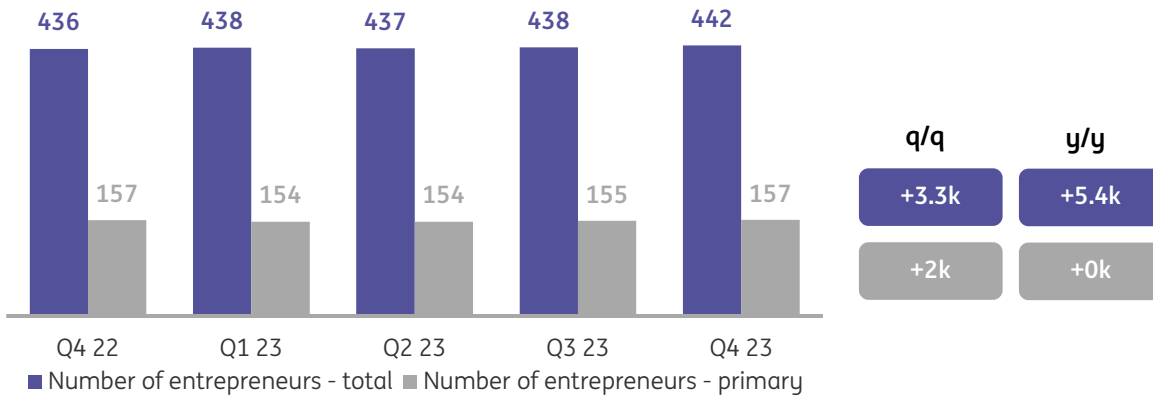
## Growing volumes (y/y)



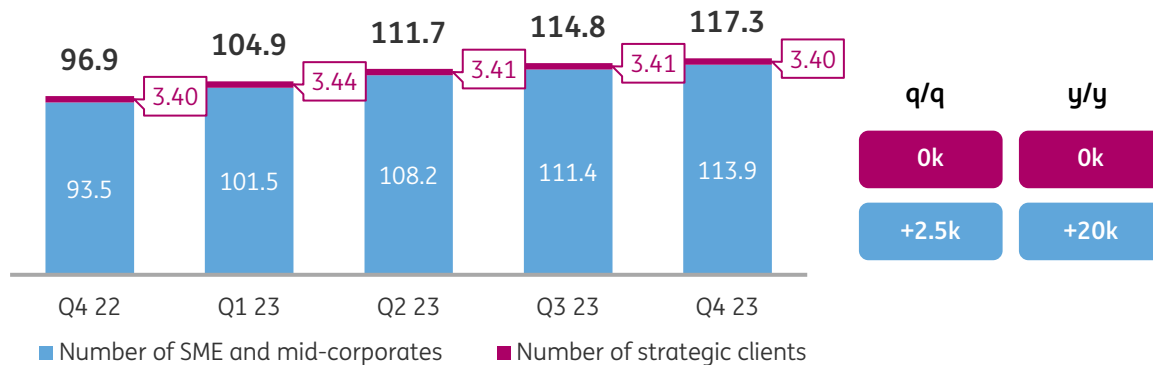
# Corporate client base

## 559 thousand companies

Number of entrepreneurs (thousand)



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



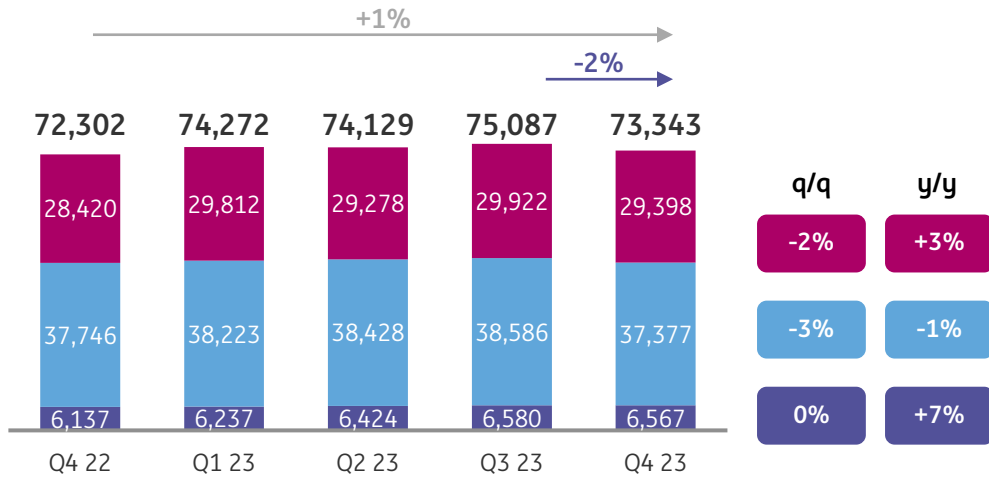
We maintain **450 thousand** current accounts for **442 thousand** entrepreneurs, of which **99%** are Direct accounts



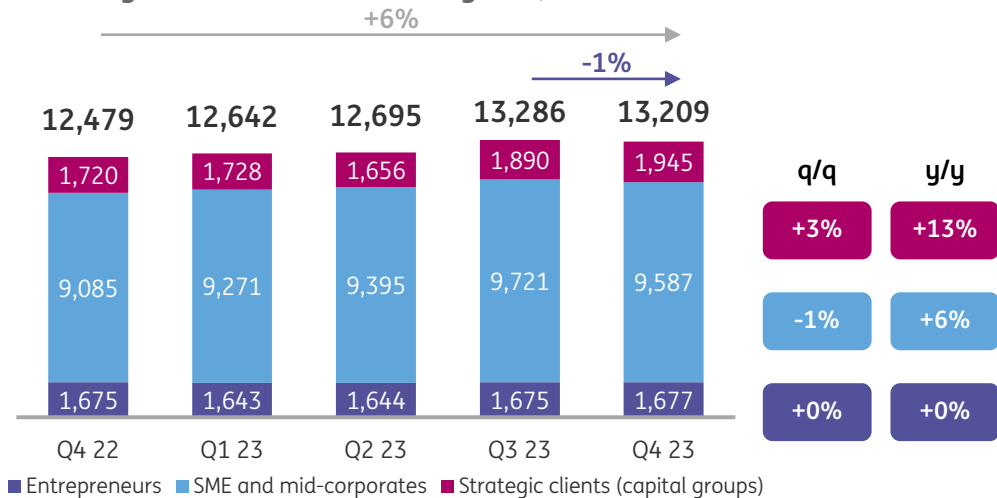
Primary clients - clients with a specified number of transactions and an average deposit or credit balance above a specified limit during the last year; the conditions are defined separately for each of the elements of the corporate segment (entrepreneurs, medium and large companies and strategic clients)

# Corporate receivables

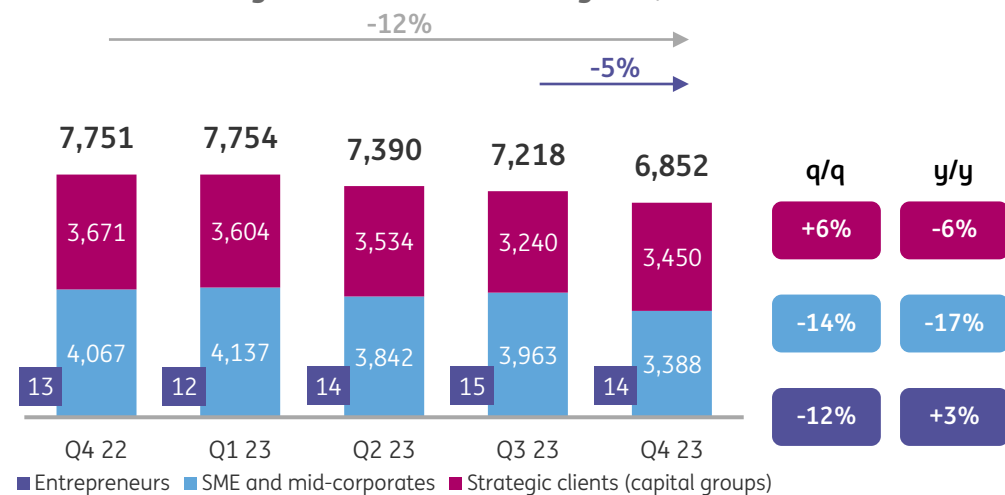
Loans volume (gross; PLN million)



Leasing receivables volume\* (gross; PLN million)



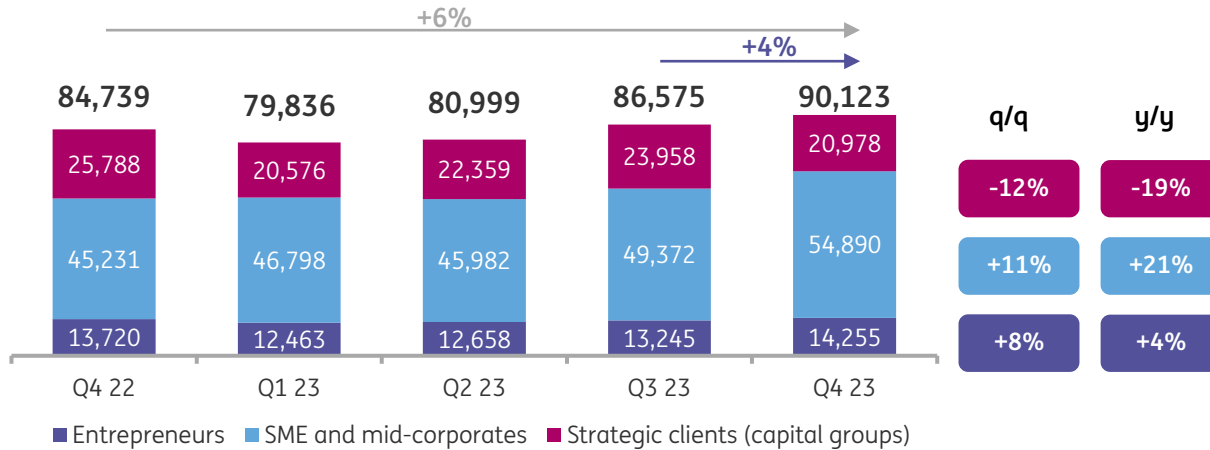
Factoring receivables volume (gross; PLN million)



\*Leasing loans excluded

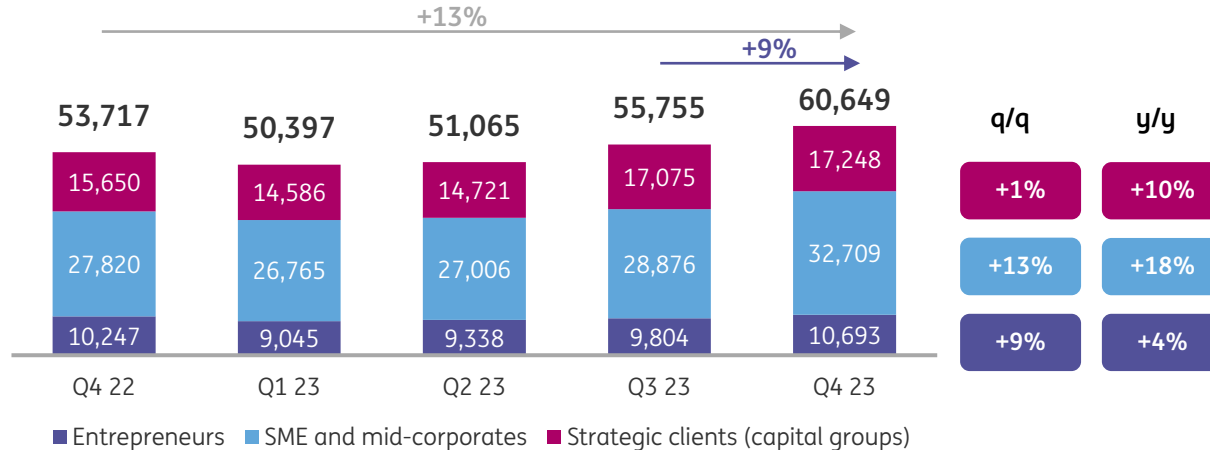
# Cash management

Corporate deposit volume (PLN million)



**+5.2 thousand**  
 new SME and mid-corporate clients  
 attracted in Q4 2023

Corporate current accounts volume (PLN million)



**Number of mobile transfers in  
 ING Business increased by  
 +23% y/y to 3.8 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	Q4 2023	q/q		y/y	
									Δ	%	Δ	%
<b>Net interest income, of which:</b>	<b>1,732.6</b>	<b>1,898.5</b>	<b>173.3</b>	<b>1,809.6</b>	<b>1,860.4</b>	<b>2,054.0</b>	<b>2,089.9</b>	<b>2,166.2</b>	<b>76.3</b>	<b>3.7%</b>	<b>356.6</b>	<b>19.7%</b>
Interest income	1,851.7	2,379.5	1,018.2	2,862.5	2,982.1	3,134.0	3,176.9	3,116.0	-60.9	-1.9%	253.5	8.9%
Interest expense	-119.1	-481.0	-844.9	-1,052.9	-1,121.7	-1,080.0	-1,087.0	-949.8	137.2	-12.6%	103.1	-9.8%
<b>Net fee and commission income</b>	<b>534.0</b>	<b>518.8</b>	<b>530.6</b>	<b>511.4</b>	<b>521.4</b>	<b>534.3</b>	<b>552.1</b>	<b>556.7</b>	<b>4.6</b>	<b>0.8%</b>	<b>45.3</b>	<b>8.9%</b>
<b>Result on trade operations and revaluation</b>	<b>30.8</b>	<b>-47.6</b>	<b>14.4</b>	<b>-3.2</b>	<b>70.1</b>	<b>42.5</b>	<b>18.8</b>	<b>197.0</b>	<b>178.2</b>	<b>947.9%</b>	<b>200.2</b>	<b>-</b>
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	112.3	3.5	3.2%	110.4	5810.5%
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	0.0	-	0.0	-
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	-12.3	-15.9	-	-12.2	12200.0%
Net income on hedge accounting	-14.5	-18.2	-1.7	-5.0	-4.7	-3.5	-93.6	97.0	190.6	-	102.0	-
<b>Net income on other core activities</b>	<b>-0.2</b>	<b>-0.9</b>	<b>-1.3</b>	<b>-4.2</b>	<b>0.4</b>	<b>0.2</b>	<b>0.8</b>	<b>-16.7</b>	<b>-17.5</b>	<b>-</b>	<b>-12.5</b>	<b>297.6%</b>
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	11.3	5.0	79.4%	3.7	48.7%
<b>Income</b>	<b>2,304.0</b>	<b>2,374.6</b>	<b>722.4</b>	<b>2,321.2</b>	<b>2,457.9</b>	<b>2,637.3</b>	<b>2,667.9</b>	<b>2,914.5</b>	<b>246.6</b>	<b>9.2%</b>	<b>593.3</b>	<b>25.6%</b>
<b>Expenses</b>	<b>-931.4</b>	<b>-1,200.1</b>	<b>-821.6</b>	<b>-689.0</b>	<b>-1,002.3</b>	<b>-850.6</b>	<b>-860.4</b>	<b>-986.8</b>	<b>-126.4</b>	<b>14.7%</b>	<b>-297.8</b>	<b>43.2%</b>
Personnel expenses	-361.3	-409.7	-414.9	-413.5	-423.0	-465.8	-474.8	-572.2	-97.4	20.5%	-158.7	38.4%
Depreciation and amortisation	-68.5	-68.1	-71.2	-71.5	-73.1	-72.9	-73.2	-108.2	-35.0	47.8%	-36.7	51.3%
Regulatory expenses	-248.6	-429.8	-66.4	1.2	-178.1	0.0	0.0	0.0	0.0	-	-1.2	-100.0%
Other expenses	-253.0	-292.5	-269.1	-205.2	-328.1	-311.9	-312.4	-306.4	6.0	-1.9%	-101.2	49.3%
<b>Profit before risk costs</b>	<b>1,372.6</b>	<b>1,174.5</b>	<b>-99.2</b>	<b>1,632.2</b>	<b>1,455.6</b>	<b>1,786.7</b>	<b>1,807.5</b>	<b>1,927.7</b>	<b>120.2</b>	<b>6.7%</b>	<b>295.5</b>	<b>18.1%</b>
<b>Risk costs including legal cost of risk for FX mortgage loans</b>	<b>-151.6</b>	<b>-183.2</b>	<b>-206.0</b>	<b>-489.3</b>	<b>-88.2</b>	<b>-196.8</b>	<b>-151.2</b>	<b>-177.0</b>	<b>-25.8</b>	<b>17.1%</b>	<b>312.3</b>	<b>-63.8%</b>
Retail	-61.6	-111.5	-18.7	-394.7	-19.6	-60.7	-45.8	15.5	61.3	-	410.2	-
Corporate	-90.0	-71.7	-187.3	-94.6	-68.6	-136.1	-105.4	-192.5	-87.1	82.6%	-97.9	103.5%
<b>Tax on certain financial institutions</b>	<b>-151.7</b>	<b>-161.3</b>	<b>-164.8</b>	<b>-169.1</b>	<b>-158.6</b>	<b>-165.6</b>	<b>-164.1</b>	<b>-156.0</b>	<b>8.1</b>	<b>-4.9%</b>	<b>13.1</b>	<b>-7.7%</b>
<b>Profit (loss) before tax</b>	<b>1,069.3</b>	<b>830.0</b>	<b>-470.0</b>	<b>973.8</b>	<b>1,208.8</b>	<b>1,424.3</b>	<b>1,492.2</b>	<b>1,594.7</b>	<b>102.5</b>	<b>6.9%</b>	<b>620.9</b>	<b>63.8%</b>
Income tax	-276.5	-257.0	152.7	-307.9	-300.1	-324.9	-330.2	-323.9	6.3	-1.9%	-16.0	5.2%
<b>Net profit (loss), of which:</b>	<b>792.8</b>	<b>573.0</b>	<b>-317.3</b>	<b>665.9</b>	<b>908.7</b>	<b>1,099.4</b>	<b>1,162.0</b>	<b>1,270.8</b>	<b>108.8</b>	<b>9.4%</b>	<b>604.9</b>	<b>90.8%</b>
<b>Net profit (loss) attributable to the shareholders of ING BSK</b>	<b>792.8</b>	<b>573.0</b>	<b>-317.3</b>	<b>665.9</b>	<b>908.7</b>	<b>1,099.4</b>	<b>1,162.0</b>	<b>1,270.8</b>	<b>108.8</b>	<b>9.4%</b>	<b>604.9</b>	<b>90.8%</b>
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%
Earnings per share (PLN) - annualised	24.38	17.62	-9.76	20.47	27.94	33.80	35.73	39.07	3.35	9.4%	18.60	90.8%

# Statement of financial position

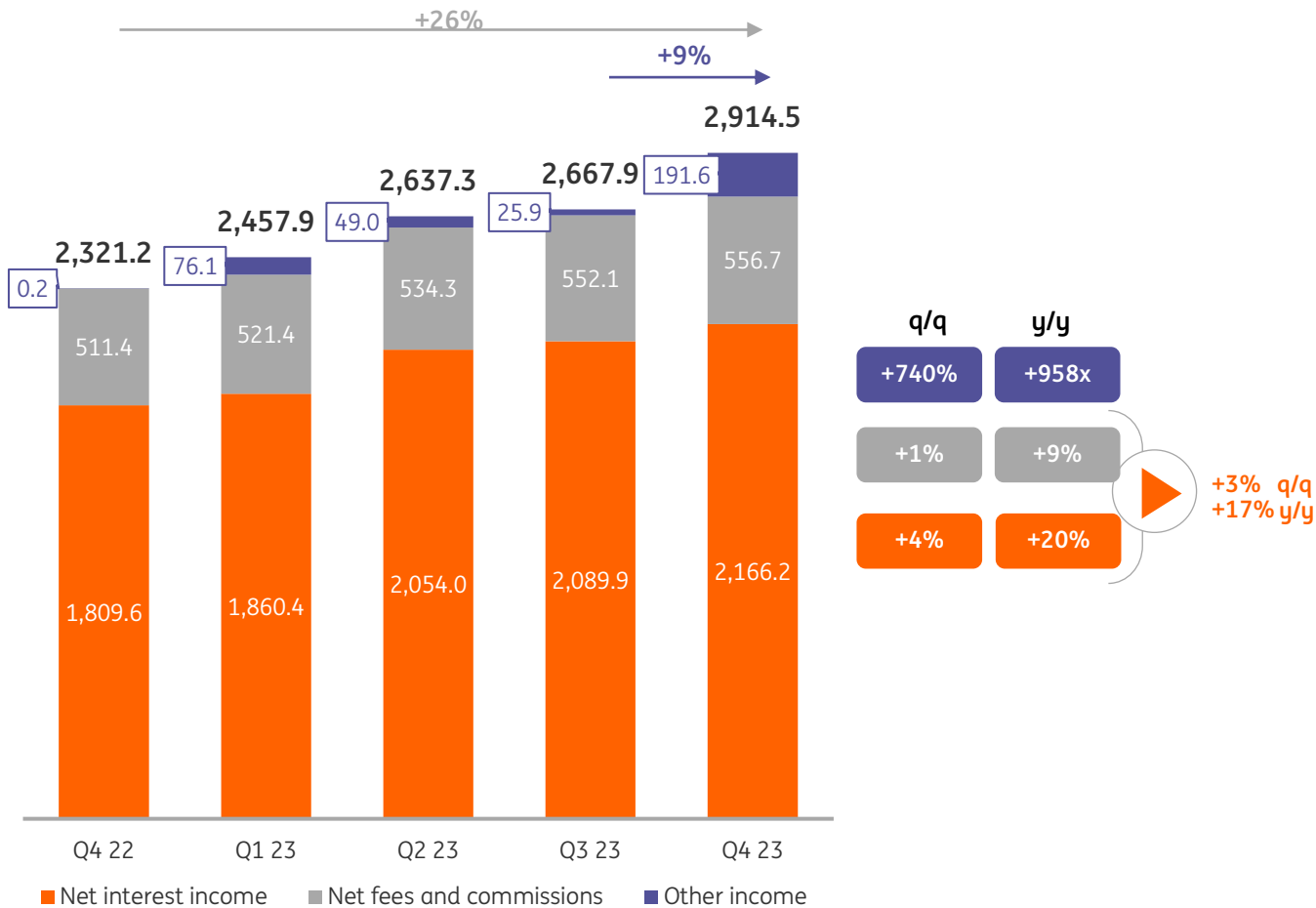
## Consolidated statement of financial position (PLN million)

	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	q/q		y/y	
										Δ	%	Δ	%
<b>ASSETS</b>													
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	6,751.4	3,361.5	99.2%	4,413.8	188.8%
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	19,909.1	8,225.4	70.4%	14,748.0	285.8%
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	2,235.3	390.9	21.2%	337.6	17.8%
Derivative hedge instruments	250.4	323.4	834.2	504.0	139.2	243.0	195.7	361.0	208.4	-152.6	-42.3%	69.2	49.7%
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	56,613.7	2,610.4	4.8%	8,180.9	16.9%
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	165.2	-299.4	-64.4%	1.4	0.9%
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	156,559.3	-1,567.1	-1.0%	1,530.1	1.0%
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	1,496.5	86.5	6.1%	129.3	9.5%
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	1,097.4	-88.0	-7.4%	-1,303.4	-54.3%
Other assets	471.3	379.9	388.1	338.1	336.7	377.9	377.9	371.5	325.1	-46.4	-12.5%	-11.6	-3.4%
<b>Total assets</b>	<b>201,654.2</b>	<b>210,069.0</b>	<b>212,395.0</b>	<b>213,012.2</b>	<b>217,266.1</b>	<b>227,656.6</b>	<b>227,735.8</b>	<b>232,840.2</b>	<b>245,361.4</b>	<b>12,521.2</b>	<b>5.4%</b>	<b>28,095.3</b>	<b>12.9%</b>
<b>EQUITY AND LIABILITIES</b>													
<b>LIABILITIES</b>													
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	13,654.8	6,401.4	88.3%	8,015.2	142.1%
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	1,821.6	354.7	24.2%	-382.2	-17.3%
Derivative hedge instruments	235.4	362.5	1,144.4	842.0	369.5	418.7	328.4	390.0	280.3	-109.7	-28.1%	-89.2	-24.1%
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	205,289.9	2,872.5	1.4%	12,558.6	6.5%
Liabilities under issue of debt securities	972.4	398.0	401.8	407.9	404.8	413.0	404.8	412.7	404.4	-8.3	-2.0%	-0.4	-0.1%
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	1,526.2	-100.5	-6.2%	-117.7	-7.2%
Provisions	336.9	350.2	338.7	346.5	359.0	347.2	367.1	370.6	541.8	171.2	46.2%	182.8	50.9%
Income tax liability	3.9	5.3	11.7	13.7	20.3	17.1	124.6	211.5	114.8	-96.7	-45.7%	94.5	465.5%
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	4,991.6	1,483.0	42.3%	442.0	9.7%
<b>Total liabilities</b>	<b>188,122.8</b>	<b>198,913.2</b>	<b>204,678.1</b>	<b>205,589.3</b>	<b>207,921.8</b>	<b>216,417.4</b>	<b>214,773.2</b>	<b>217,657.8</b>	<b>228,625.4</b>	<b>10,967.6</b>	<b>5.0%</b>	<b>20,703.6</b>	<b>10.0%</b>
<b>EQUITY</b>													
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	-2,821.0	-5,989.5	-9,311.9	-9,291.9	-8,039.3	-7,055.1	-6,431.1	-5,376.0	-5,094.7	281.3	-5.2%	2,944.6	-36.6%
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	20,749.6	1,277.6	6.6%	4,452.4	27.3%
Own shares for the purposes of the incentive programme							-4.2	0.0	-5.3	-5.3	-	-5.3	-
<b>Equity attributable to shareholders of ING BSK</b>	<b>13,531.4</b>	<b>11,155.8</b>	<b>7,716.9</b>	<b>7,422.9</b>	<b>9,344.3</b>	<b>11,239.2</b>	<b>12,962.6</b>	<b>15,182.4</b>	<b>16,736.0</b>	<b>1,553.6</b>	<b>10.2%</b>	<b>7,391.7</b>	<b>79.1%</b>
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	-
<b>Total equity</b>	<b>13,531.4</b>	<b>11,155.8</b>	<b>7,716.9</b>	<b>7,422.9</b>	<b>9,344.3</b>	<b>11,239.2</b>	<b>12,962.6</b>	<b>15,182.4</b>	<b>16,736.0</b>	<b>1,553.6</b>	<b>10.2%</b>	<b>7,391.7</b>	<b>79.1%</b>
<b>Total equity and liabilities</b>	<b>201,654.2</b>	<b>210,069.0</b>	<b>212,395.0</b>	<b>213,012.2</b>	<b>217,266.1</b>	<b>227,656.6</b>	<b>227,735.8</b>	<b>232,840.2</b>	<b>245,361.4</b>	<b>12,521.2</b>	<b>5.4%</b>	<b>28,095.3</b>	<b>12.9%</b>
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)	104.01	85.75	59.32	57.06	71.82	86.39	99.64	116.70	128.64	11.94	10.2%	56.82	79.1%

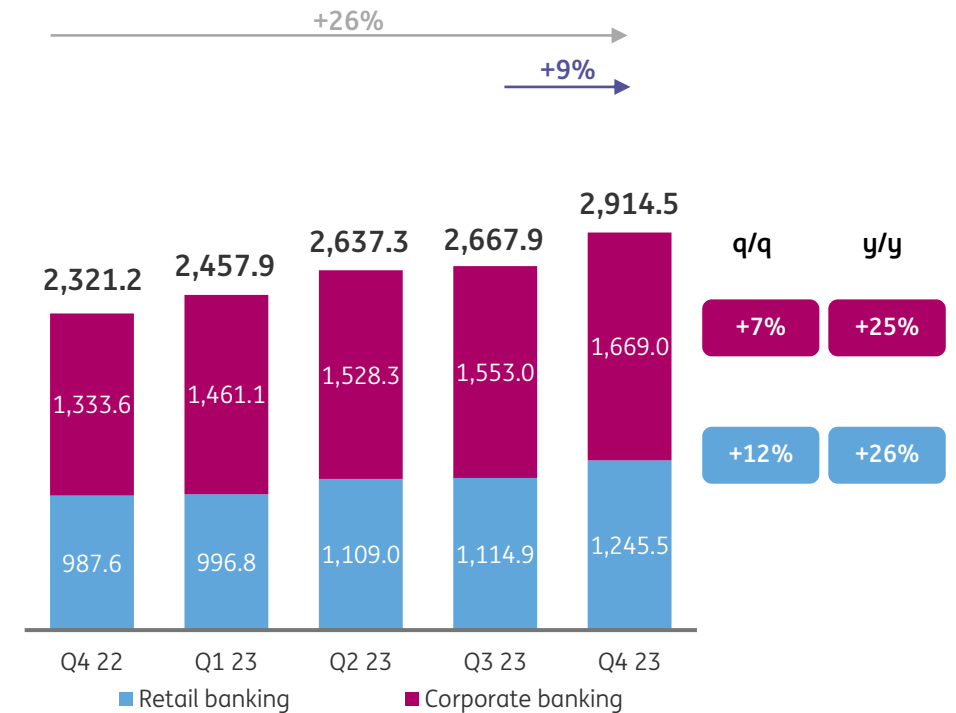


# Income per category

Income per P&L line (PLN million)



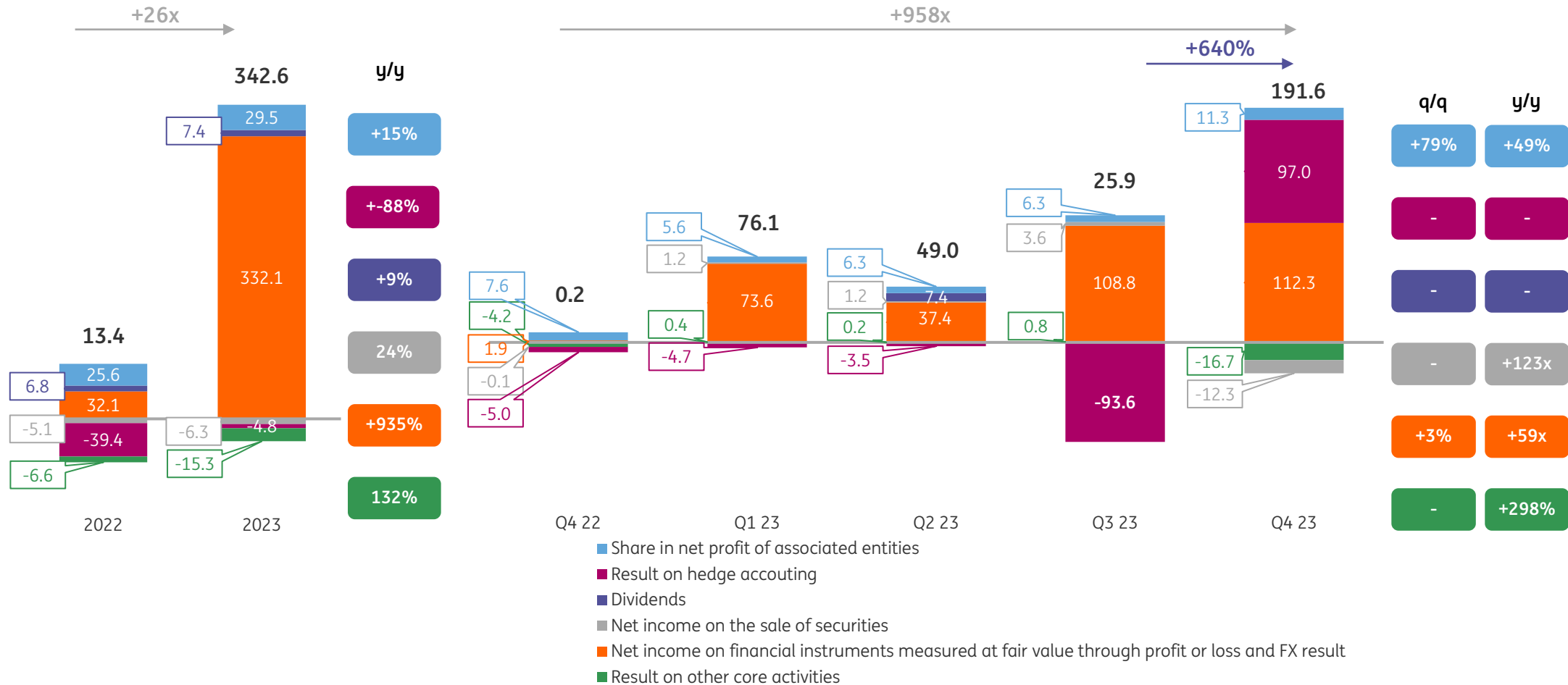
Income per business line (PLN million)



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

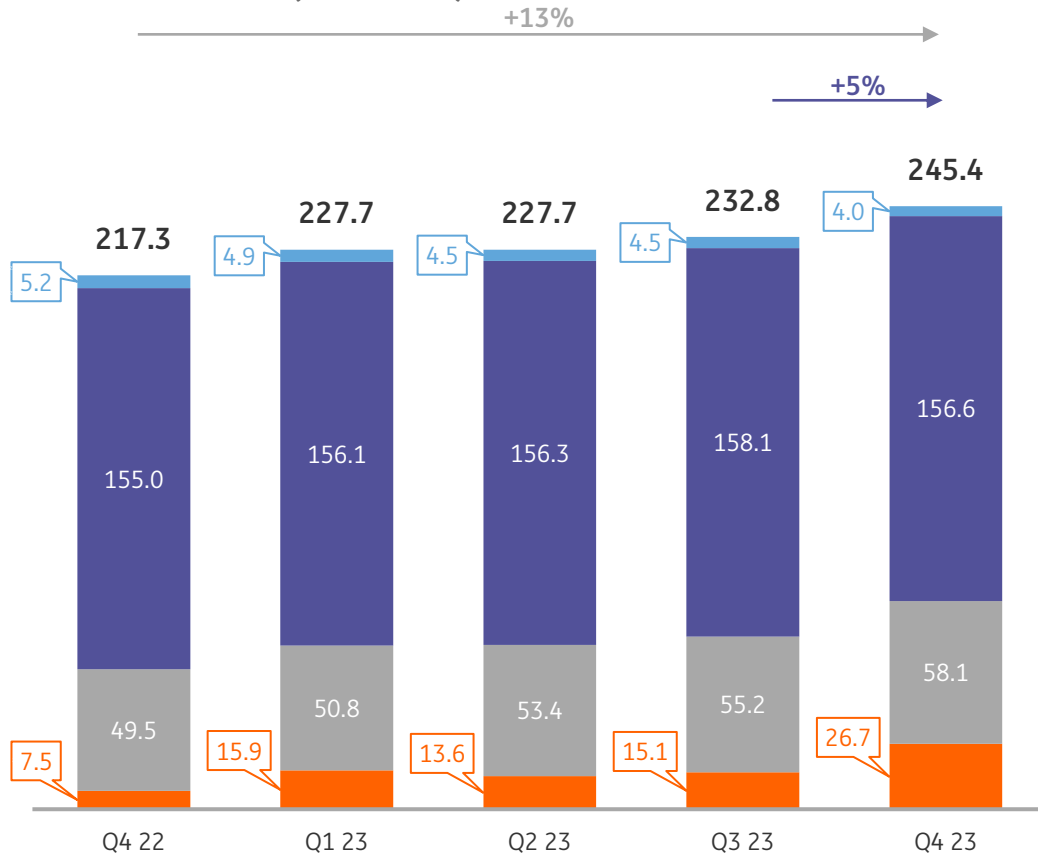
# Other income

Other income (PLN million)



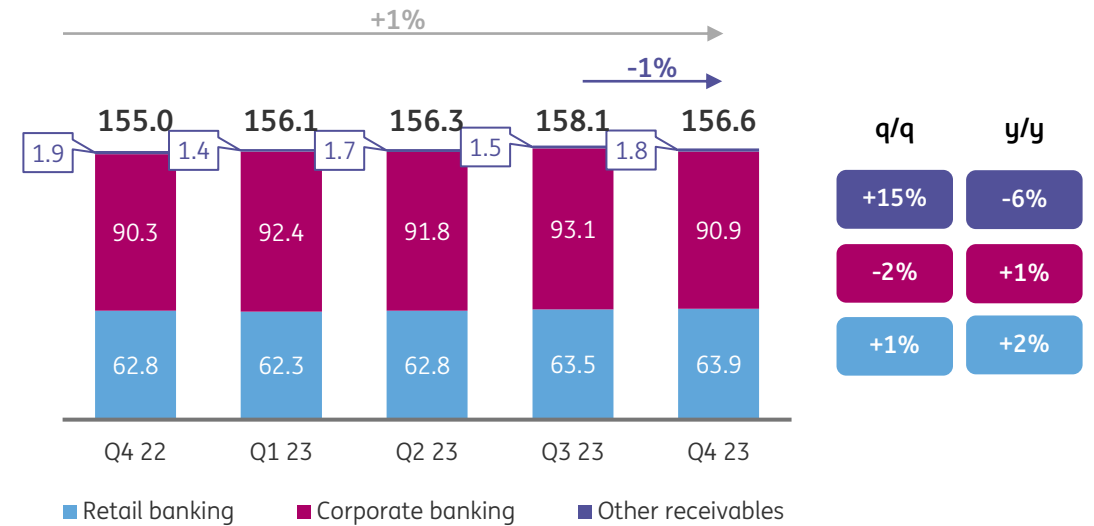
# Bank assets

Asset structure (PLN billion)



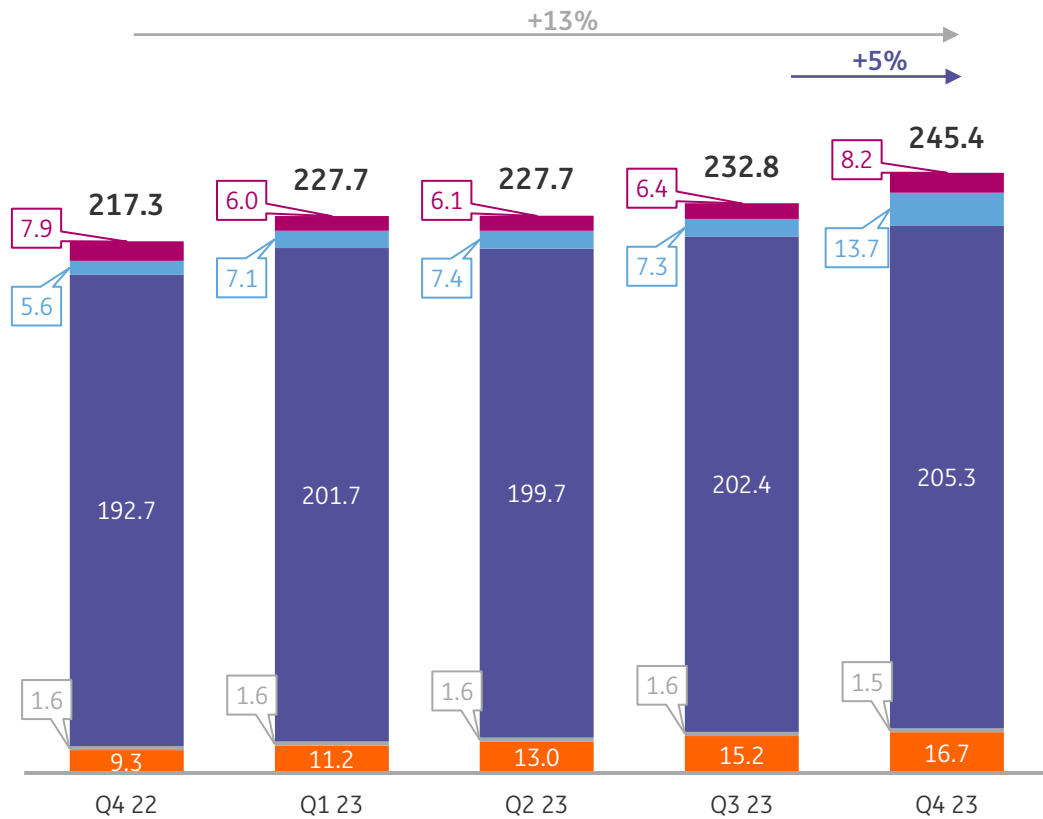
- Other
- Loans, corporate bonds and other receivables from customers
- Securities
- Loans and other receivables from banks + cash with NBP

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



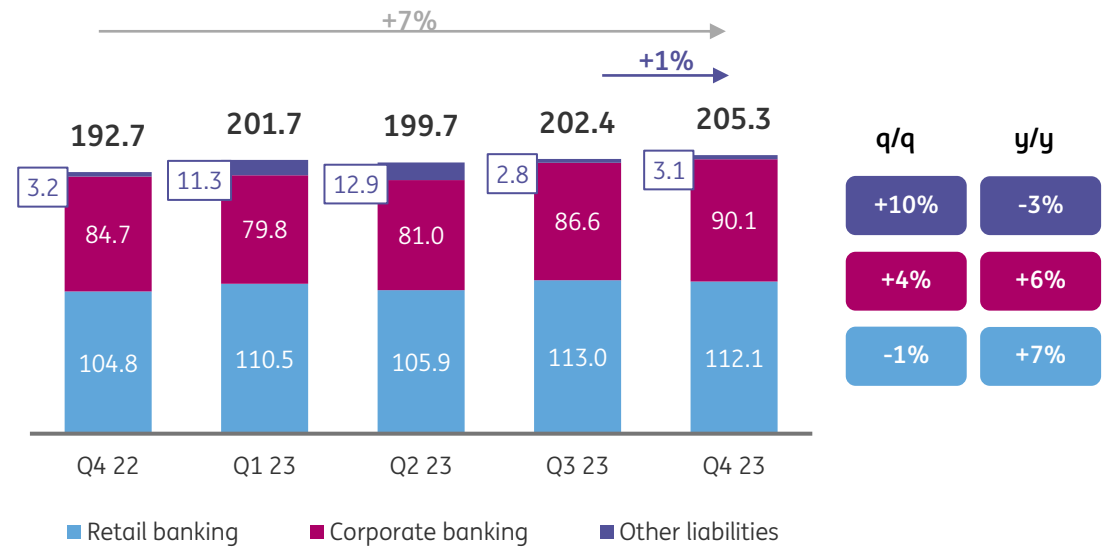
# Bank equity and liabilities

Structure of equity and liabilities (PLN billion)



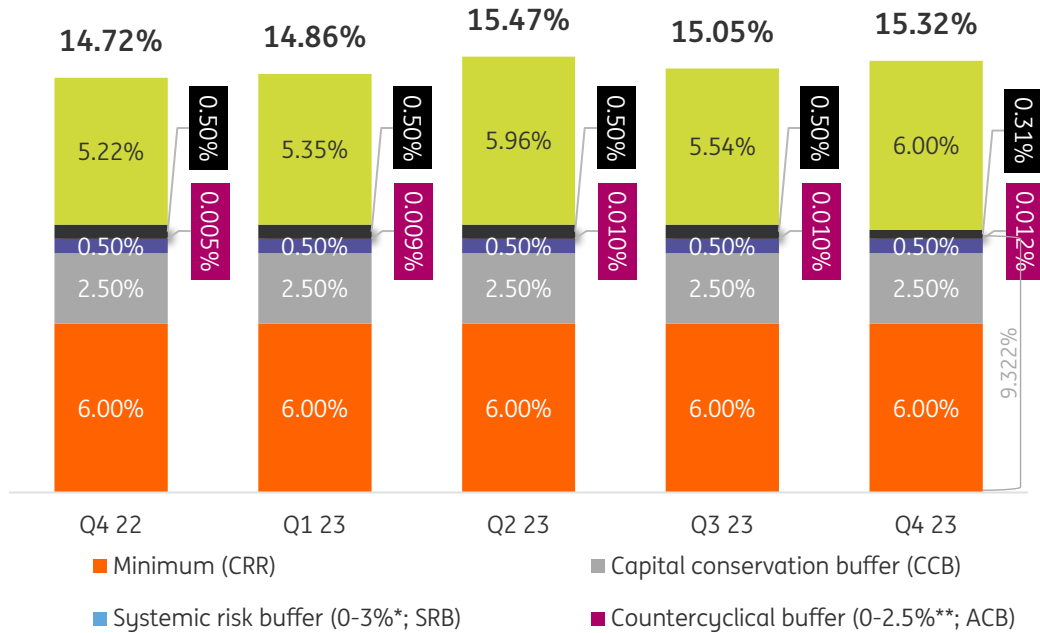
Equity Subordinated debt Deposits and other liabilities to clients Liabilities to banks Other

Deposits and other liabilities to customers (PLN billion)

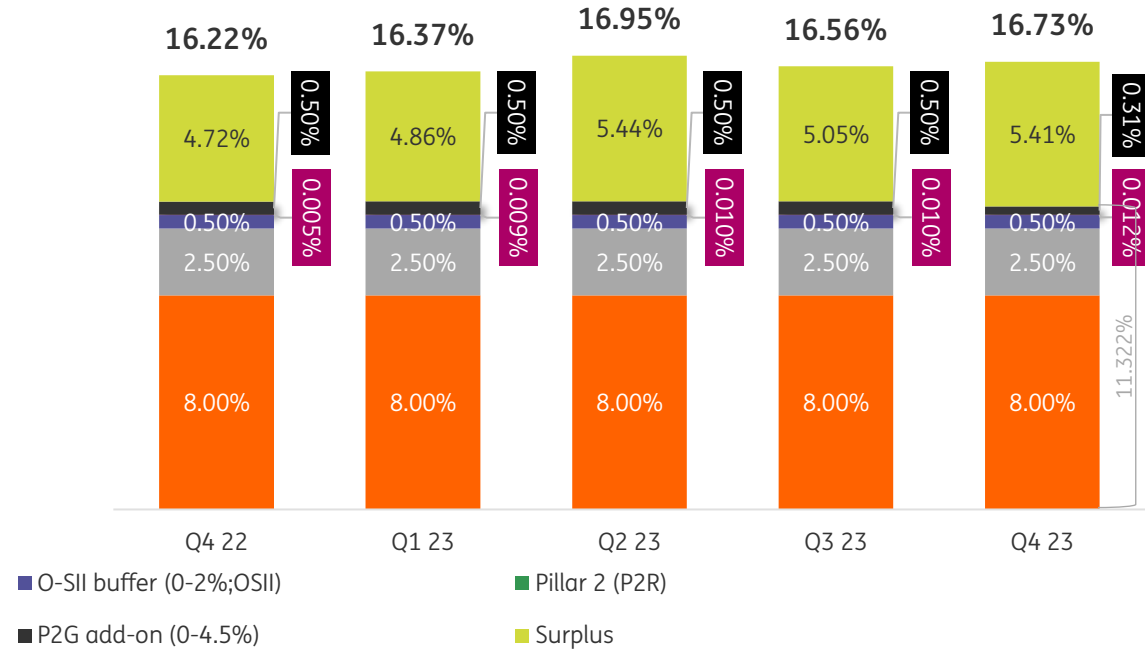


# Capital requirement structure

Consolidated capital requirement structure – Tier 1



Consolidated capital requirement structure – TCR



- On 21 December 2023 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 1 500 million. The loan was granted for 4 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 22 December 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 31.12.2023	%
1	Wholesale trade	9,848	10,5%
2	Real estate service	8,330	8,9%
3	Financial intermediation	6,286	6,7%
4	Other activity related to business running	6,219	6,7%
5	Land transport and transport via pipelines	4,992	5,3%
6	Foodstuff and beverage production	3,818	4,1%
7	Manufacture of fabricated metal products	3,795	4,1%
8	Constructions	3,605	3,9%
9	Retail trade	3,603	3,9%
10	Chemicals and chemical goods production	3,458	3,7%
11	Rubber industry	3,342	3,6%
12	Renting of equipment	3,158	3,4%
13	Public administration and national defense	2,948	3,2%
14	Post office and telecommunications	2,578	2,8%
15	Wood and paper industry	2,369	2,5%
16	Sale, repair and maintenance of motor vehicles	2,263	2,4%
17	Agriculture, forestry, fishery	2,155	2,3%
18	Power industry	2,140	2,3%
19	Engineering industry	1,970	2,1%
20	Other	16,487	17,7%
	<b>Total exposure</b>	<b>93,365</b>	<b>100,0%</b>

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 31.12.2023	%
1	Wholesale trade	17,276	12,2%
2	Constructions	9,687	6,8%
3	Real estate service	8,858	6,3%
4	Other activity related to business running	8,462	6,0%
5	Financial intermediation	8,155	5,8%
6	Retail trade	6,855	4,8%
7	Land transport and transport via pipelines	6,148	4,3%
8	Foodstuff and beverage production	6,129	4,3%
9	Manufacture of fabricated metal products	6,036	4,3%
10	Rubber industry	4,950	3,5%
11	Chemicals and chemical goods production	4,477	3,2%
12	Renting of equipment	3,833	2,7%
13	Power industry	3,586	2,5%
14	Wood and paper industry	3,560	2,5%
15	Post office and telecommunications	3,489	2,5%
16	Sale, repair and maintenance of motor vehicles	3,407	2,4%
17	Public administration and national defense	2,961	2,1%
18	Engineering industry	2,868	2,0%
19	Agriculture, forestry, fishery	2,544	1,8%
20	Other	28,289	20,0%
	<b>Total exposure</b>	<b>141,568</b>	<b>100,0%</b>

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 559 thousand corporate clients
- We employ 8.4 thousand people
- We are number four in Poland in terms of the total assets as at the end of Q4 2023

### Credit ratings of ING Bank Śląski

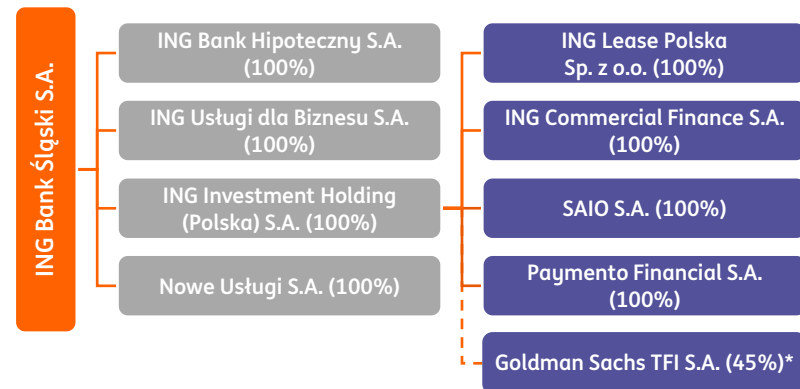
#### Fitch

- 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.

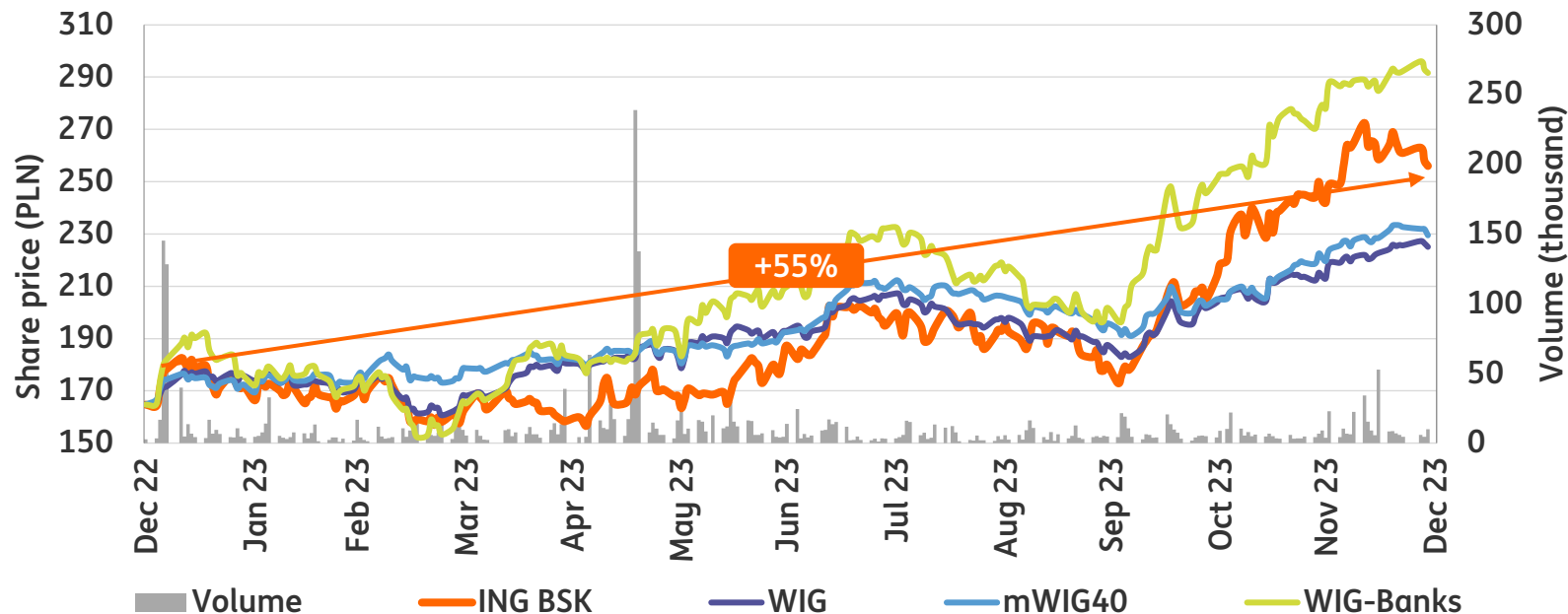
# ING Bank Śląski S.A. shares

**ING BSK share price:**  
**PLN 256.0** (29 December 2023)

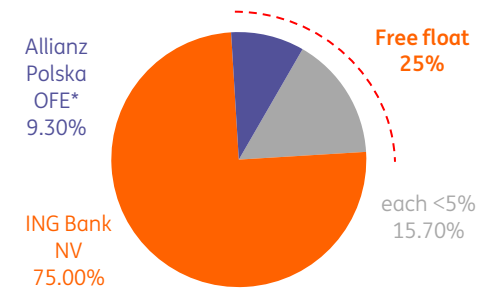
Capitalisation: **PLN 33.3 billion** (EUR 7.7 billion)  
Free float: **PLN 8.3 billion** (EUR 1.9 billion)

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

ING BSK shares vs. WSE indices recalculated for comparability



Shareholding structure



\*Based on annually reported assets structure of Allianz Polska Otwarty Fundusz Emerytalny as at December 29, 2023.

Market ratios (Q4 2023)

P/E 7.5x

P/BV 2.0x

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.

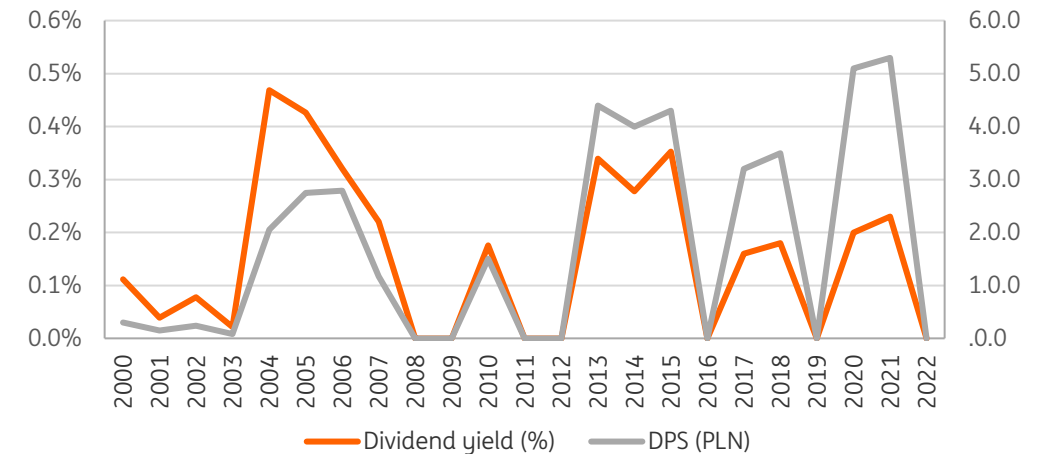
A proposal to pay a dividend in the amount higher than the dividend ratio referred to in point 1 is possible when it is justified by the financial standing of the Bank (e.g. from undivided profit from previous years) and provided that all other requirements set out in the law and the Policy are met. 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<sup>[1]</sup>,
- minimum Tier 1 (T1) at the level of 6.0% + combined buffer requirement<sup>[1]</sup>,
- minimum total capital ratios (TCR) at the level of 8.0% + combined buffer requirement<sup>[1]</sup>,
- 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 2024

Date	Event
<b>1 February 2024</b>	<b>Report for Q4 2023 (preliminary data)</b>
8 March 2024	Annual report for 2023
7 May 2024	Report for Q1 2024
1 August 2024	Report for Q2 2024
<b>31 October 2024</b>	<b>Report for Q3 2024</b>

# 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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