



# ING Bank Śląski S.A.

Preliminary Business and Financial Results

for Q4 2021

Warsaw, 3 February 2022



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A woman with red hair and a white shirt with black polka dots is looking at a large white teddy bear. The bear is wearing a pink floral patterned garment. The background is a textured, light-colored surface.

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



# Key events – Q4 2021

## Client base

- In this quarter, we acquired 76 thousand new retail clients
- In this quarter, we acquired 18 thousand new corporate clients
- The number of mobile only Moje ING users increased by 83 thousand this quarter

## Client volumes

- Retail receivables portfolio increased by PLN 11 billion y/y (+ 19% y/y)
- Corporate receivables portfolio increased by PLN 10 billion y/y (+ 14% y/y)
- Commercial balance increased by PLN 40 billion y/y (+ 14% y/y)

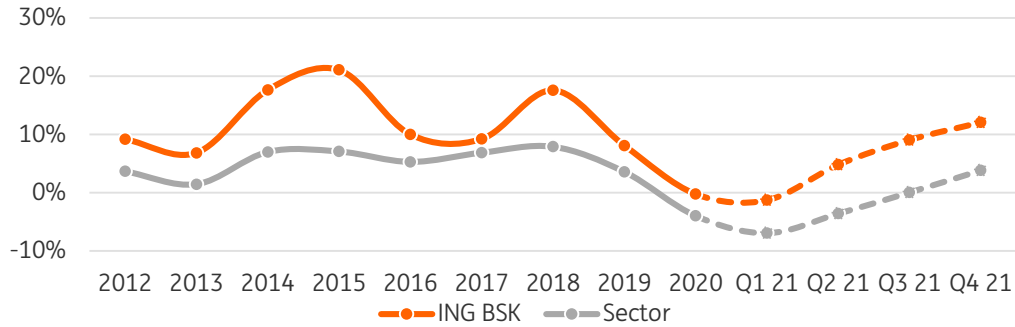
## Financial results

- Net profit amounted to PLN 669.0 million (+ 113% y/y)
- NII amounted to PLN 1,416.4 million (+ 23% y/y)
- Net fee and commission income amounted to PLN 476.0 million (+ 10% y/y)
- Cumulative ROE adjusted for MCFH is 14.4%



# Market shares

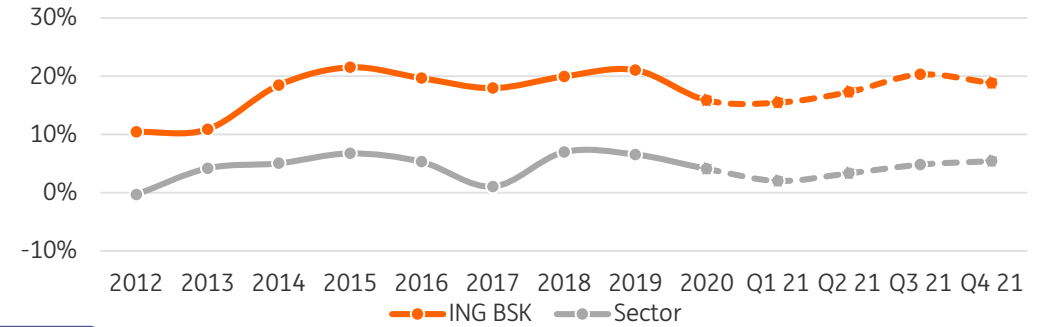
## Corporate loans\* (change y/y)



Market share (%)



## Individuals' loans\*\* (change y/y)



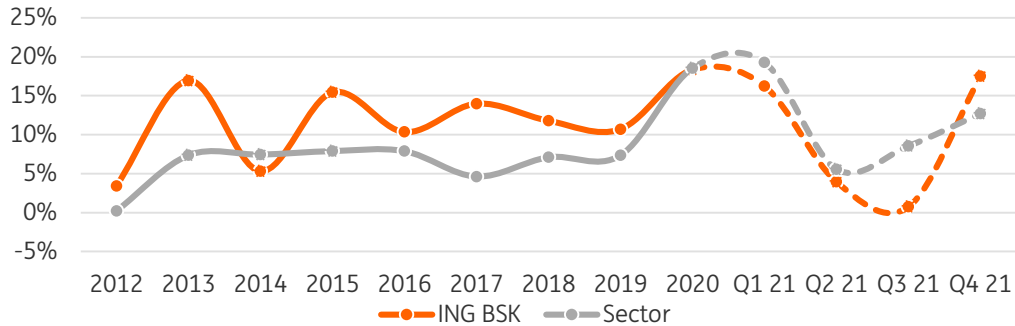
Market share (%)



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



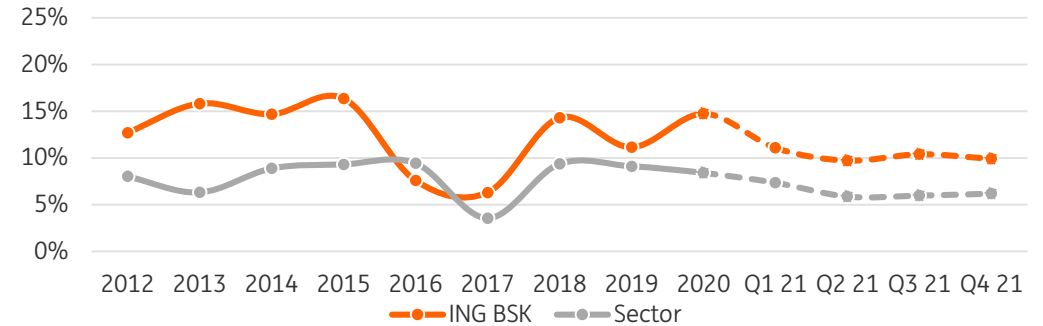
## Corporate deposits\* (change y/y)



Market share (%)



## Individuals' deposits\*\* (change y/y)



Market share (%)



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

# Business volumes

PLN million	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	% change q/q	% change y/y	change q/q	change y/y
Total deposits	128,800	137,489	149,301	152,724	149,270	154,960	160,016	162,559	168,459	+ 4%	+ 13%	5,899	19,189
Corporate clients' deposits	49,848	52,497	61,911	65,293	58,755	60,605	64,074	66,036	69,030	+ 5%	+ 17%	2,994	10,275
Retail clients' deposits	78,952	84,992	87,390	87,431	90,515	94,355	95,942	96,524	99,429	+ 3%	+ 10%	2,905	8,914
Total funds entrusted by retail clients	93,254	96,609	101,096	102,764	106,757	112,314	114,598	115,423	116,736	+ 1%	+ 9%	1,313	9,978
Mutual funds assets (TFI) + other off-BS products distributed by the Bank	14,302	11,617	13,706	15,333	16,243	17,960	18,656	18,899	17,307	- 8%	+ 7%	-1,592	1,064
Total loans	118,437	124,018	121,697	123,965	126,099	131,005	134,715	141,251	146,478	+ 4%	+ 16%	5,228	20,380
Loans to corporate clients incl. leasing and factoring	70,077	73,078	69,088	70,201	70,266	72,399	73,210	76,742	79,992	+ 4%	+ 14%	3,250	9,726
Loans to retail clients	48,360	50,940	52,609	53,764	55,833	58,605	61,505	64,508	66,486	+ 3%	+ 19%	1,977	10,653
Mortgage loans	40,772	43,179	44,933	45,924	47,901	50,406	52,983	55,536	57,410	+ 3%	+ 20%	1,875	9,509
Cash loans	6,469	6,662	6,581	6,676	6,774	7,053	7,334	7,713	7,816	+ 1%	+ 15%	103	1,042

# Selected financial data

PLN million	Q4 2020	Q3 2021	Q4 2021	Change y/y	% change y/y	2020	2021	Change y/y	% change y/y
Total income	1,603.8	1,751.9	1,883.8	+280.0	+17%	6,230.7	6,896.9	+666.2	+ 11%
Total expenses	682.3	694.2	757.5	+75.2	+11%	2,762.5	2,964.5	+202	+ 7%
Result before risk costs	921.5	1,057.7	1,126.3	+204.8	+22%	3,468.2	3,932.4	+464.2	+ 13%
Risk costs including legal cost of risk for FX mortgage loans	322.5	80.4	144.1	-178.4	- 55%	1,074.9	372.4	-702.5	- 65%
Bank levy	122.5	138.2	149.7	+27.2	+22%	481.6	544.7	+63.1	+ 13%
Profit before tax	476.5	839.1	832.5	+356	+75%	1,911.7	3,015.3	+1103.6	+ 58%
Income tax	162.6	200.7	163.5	+0.9	+1%	574.1	707.0	+132.9	+ 23%
Net profit	313.9	638.4	669.0	+355.1	+113%	1,337.6	2,308.3	+970.7	+ 73%
Total capital ratio	19.52%	17.65%	15.08%	- 4.44 p.p.	-	19.52%	15.08%	-4.44 p.p.	-
Tier 1	16.91%	15.41%	13.48%	- 3.43 p.p.	-	16.91%	13.48%	-3.43 p.p.	-
ROE* (%)	7.6%	10.8%	13.6%	+6.0 p.p.	-	7.6%	13.6%	+6.0 p.p.	-
ROE* adjusted for MCFH (%)	9.4%	12.4%	14.4%	+5.0 p.p.	-	9.4%	14.4%	+5.0 p.p.	-
C/I ratio (%)	42.5%	39.6%	40.2%	-2.3 p.p.	-	44.3%	43.0%	-1.4 p.p.	-

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



# Meeting 2021 business goals in Q4 2021

- **Increased customer activity and digitalisation**
  - There are 2.2 million *primary* customers, which stands for a growth by 105 thousand y/y
  - The number of active users of mobile application (My ING) already amounts to 2.2 million (+17% y/y, +4% q/q)
  - In December 2021, more than 50% of logins to My ING were made exclusively from mobile devices
  - 9.4 thousand clients trusted the investment robot; assets under management amount to PLN 149 million
- **Compliance with regulatory requirements**
  - As a result of 3 inspections and analytical supervision activities completed by regulators in 2021, the Group received 153 recommendations on 34 issues requiring improvement
  - Intensive work on AML/KYC regulations, GDPR, KNF Recommendations, cyber security and fraud prevention; we are intensively increasing the head count in this area (the estimated number of people working on AML/KYC is 1,025 FTEs, which stands for an increase by 255 FTEs y/y)
  - 3 administrative proceedings were completed in January 2022
  - Tier 1 ratio and total capital ratio are above regulatory requirements by 4.22 p.p. and 3.83 p.p. respectively
  - The non-financial risk ratio at the end of 2021 was slightly higher than planned
- **Motivating and empowering employees**
  - We paid our employees the pandemic benefit and adaptation allowance for 2022
  - The Bank completed preparations for the hybrid working model that will be implemented once the pandemic is over
  - We commissioned Deloitte to provide a webinar on Polish Governance [*Polski Ład*] for our employees
  - We organised communication campaigns aimed at boosting awareness of mental health, cancer risk (as part of the promotion of the Cancer Prevention Programme)
- **Stability, availability and security of IT systems**
  - We conducted two cyber security webinars for our employees and a dedicated training for Contact Centre staff
  - Availability of the My ING and ING Business systems is at the level of 99.9%
- **Operating effectiveness, artificial intelligence and data management**
  - We are implementing a modern central system [Vault developed by Thought Machine](#)
  - The cost/income ratio adjusted for BGF costs remains below 45%
  - We integrated our data warehouse with the public cloud
  - We launched two banking applications in the public cloud on a testing environment
- **Priorities for sustainable development**
  - Organisation of the 2nd edition of the Roundtable of the Banking Sector and NGOs "Climate Change and Business"
  - Publication of the report jointly with EY - "Business for climate. Report on changing priorities"



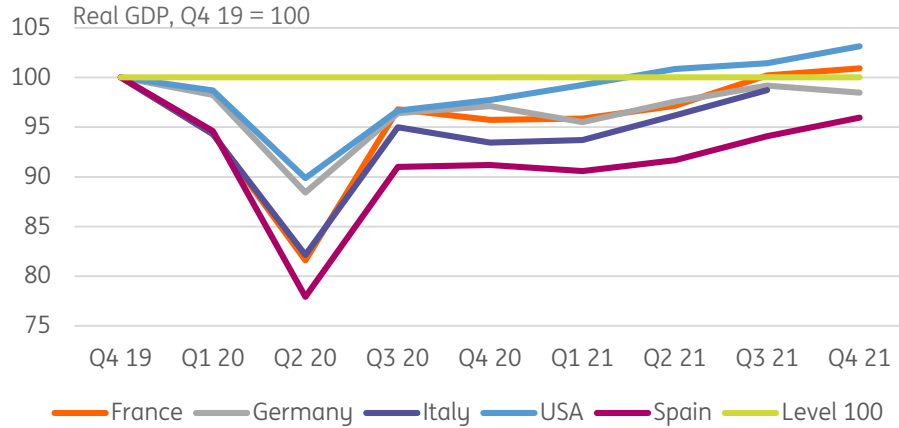
A young girl wearing a black hooded winter hat and a colorful, patterned scarf is sticking her tongue out in a snowy field. The background shows snow-covered trees and a bright, overcast sky. The scene is captured in a low-angle shot, emphasizing the girl's expression.

**Updated information**

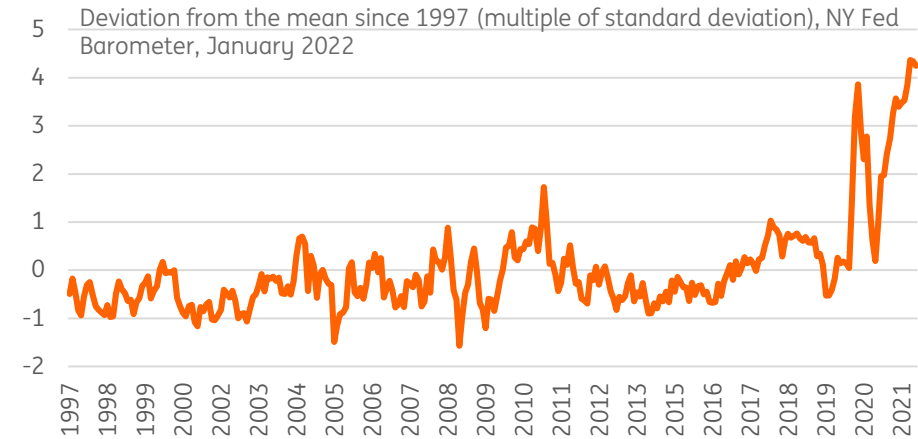
**on the macroeconomic situation**

# Global economy: the decade of low inflation and low interest rates is coming to its end

## US: the strongest stimulus and GDP rebound



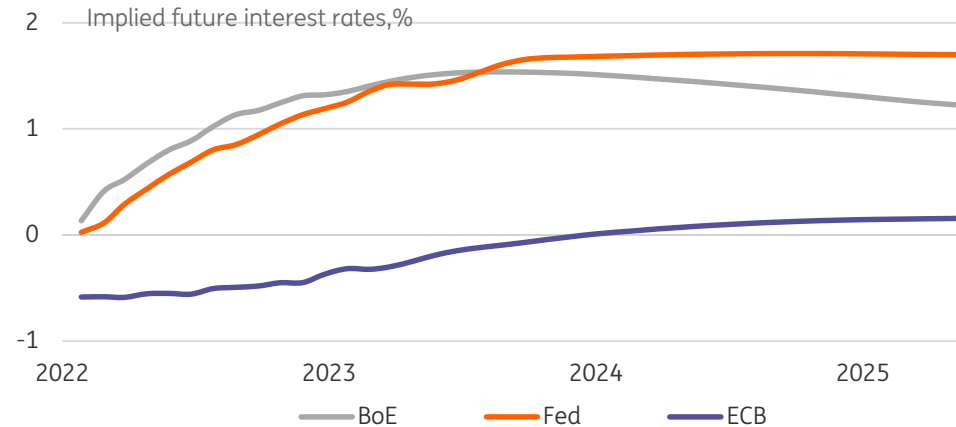
## Fed supply chain disruption index: far from normalised



## US wage inflation will keep high CPI for a longer period of time

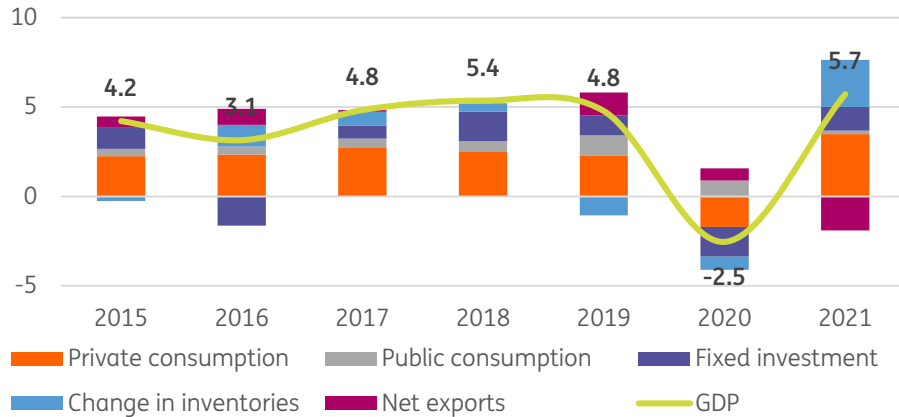


## Financial markets: still in the regime of the previous decade or concerned about a slowdown

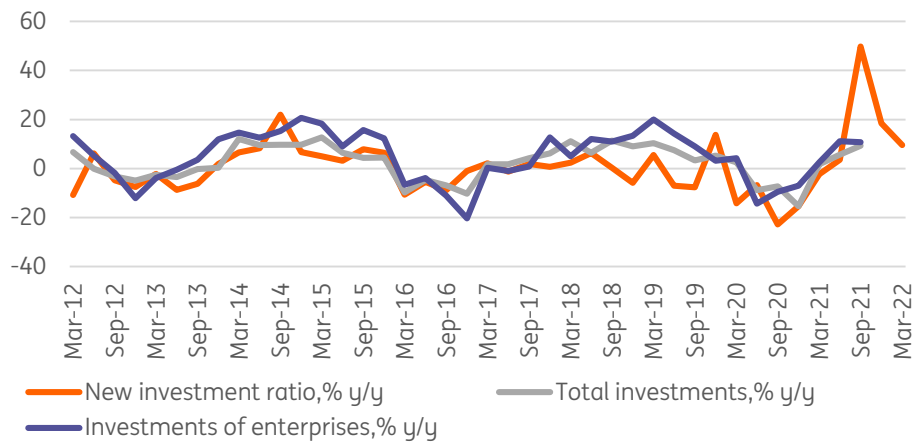


# GDP: strong at start of 2022, slowdown in the second half of the year

Structure of GDP growth in Poland



Optimistic investment plans of companies

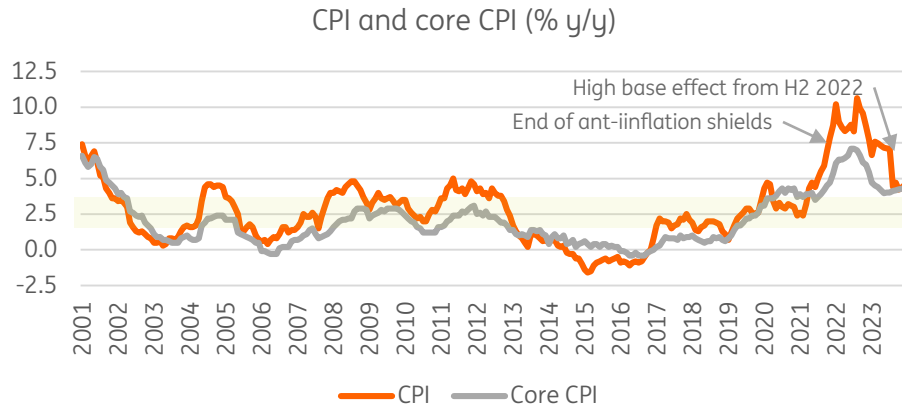


- The productivity/output gap closed in Q3 2021 and the economy is now growing above potential. This is generating demand pressure which, combined with supply shock in the energy market, is reflected in high inflation.
- Business activity was robust in Q4 2021. GDP growth in Q4 2021 was close to 7% y/y, and the economy grew by 5.7% in 2021 as a whole. The economic performance in Q4 2021 provides a solid starting point for 2022. We estimate the carryover effect for 2022 at approximately 3%. The consumption boom continued in Q4 2021. In 2022, the GDP pace will decline gradually, especially in the second half of 2022.
- Consumption growth will lose its momentum because of slower real income growth reflecting strong price increases and tightening of monetary policy. Higher interest rates will reduce the availability of credit and increase the cost of servicing already existing credit obligations. The pressure on real income and consumption will be mitigated by reductions in direct taxes (Polish Governance) and indirect taxes (Anti-inflation Shield).
- Investment recovery is expected to continue in 2022, but this scenario is subject to a number of risks. Public investment will be negatively affected by the reduction in the EU funds under the National Recovery Scheme (KPO - Krajowy Plan Odbudowy) and possible changes in the disbursement of structural and cohesion funds due to the "money for the rule of law" mechanism (important CJEU decision to be taken on 16 February). Private investment is threatened by disruptions in supply chains and increase in prices of capital goods.

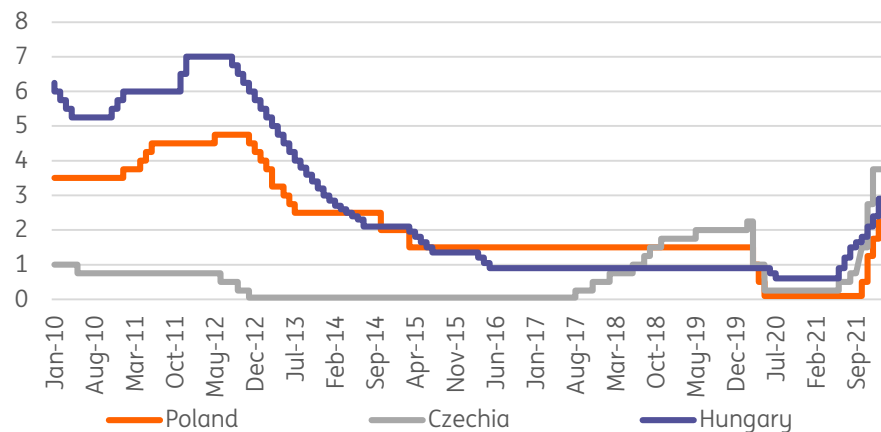


# Inflation: persistently high, target rate of at least 4.5%

## Despite Shields, CPI in H2 2023 above target



## The main interest rate: Poland and region



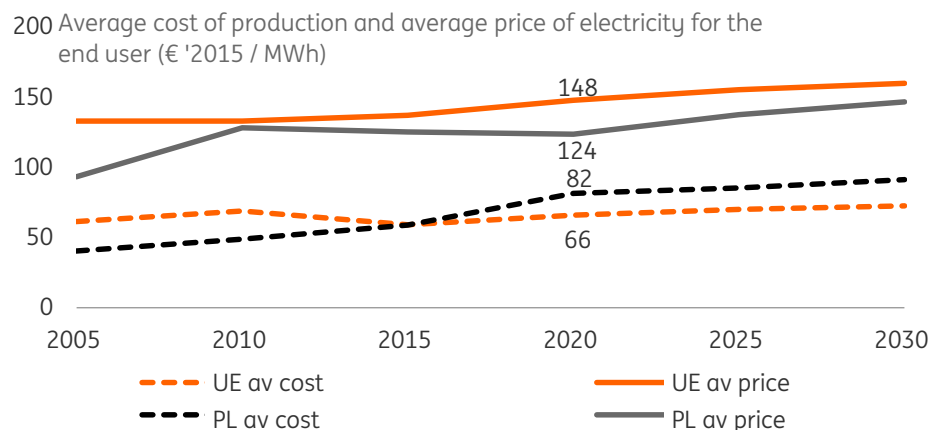
- Despite the implementation of two anti-inflation shields, our average inflation forecasts for 2022 have increased, due to the following reasons:
  - (1) Shock increases in energy and gas prices for retail sector, but also for businesses,
  - (2) Historically high price increases in November and December 2022, suggesting CPI will go above 10% in January 2023,
  - (3) Strong GDP for 4Q 2021: continued consumption boom, high overall GDP growth (closing of demand gap),
  - (4) Expected outcome of the second round, namely how easily the companies may include their high costs in the retail prices plus the wage-price spiral.
- Average inflation in 2022 will be 9.1% (shields in place by July), 8.1% (shields by the yearend); in 2023 inflation will be 6.1% and 7.1%, respectively.
- We believe that the MPC will continue its policy of tightening, which should lead to bringing the benchmark to at least 4.5% at the end of 2022 or in 2023.
- So far, the increases in NBP rate have been smaller than in the region, though inflation in Poland is the highest and fiscal stimulation is high.
- The consumption-based economy which is conducive to inflation and a very robust domestic labour market (for example, unemployment is one of the lowest in the EU) speak for tightening at a large scale. This makes Poland particularly prone to a wage-price spiral.
- President Glapinski's recent hawkish comments indicate that the NBP wants to use a strong interest rate to fight inflation.

# EU climate policy: the need to manage risks and seize opportunities appearing as a result of accelerated emissions reductions by 2030

## Fit-for-55 is not only about short-term costs

<b>EU ETS Directive</b> <ul style="list-style-type: none"> <li>Increasing the reduction target from 43% to ~63% by 2005</li> <li>Including transport and buildings from 2025</li> </ul>	<b>Effort Sharing Regulation (non-ETS)</b> <ul style="list-style-type: none"> <li>More ambitious national targets (agriculture, transport, buildings)</li> </ul>	<b>RES Directive</b> <ul style="list-style-type: none"> <li>Increase of EU RES goal from 32% to 40% in 2030</li> <li>Poland's goal of 31%, and not the 23% proposed by the Polish government</li> </ul>	<b>Stringent CO2 standards in transport</b> <ul style="list-style-type: none"> <li>CO2 standards for cars</li> <li>Fuel Quality Directive, car labelling</li> </ul>
<b>Regulation of emissions in aviation and sea transport</b> <ul style="list-style-type: none"> <li>Directive on infrastructure for alternative fuels</li> <li>Fuel quality standards for sea transport and aviation</li> </ul>	<b>CBAM - border carbon tax</b> <ul style="list-style-type: none"> <li>Effective as of 2023; full version from 2026, no free allowances from 2035</li> </ul>	<b>Energy efficiency</b> <ul style="list-style-type: none"> <li>Directive on energy efficiency in buildings, promotion of clean fuels</li> </ul>	<b>Circular Economy and LULUCF Action Plan</b> <ul style="list-style-type: none"> <li>Waste Framework Directive</li> <li>Right to repair, extended producer responsibility</li> </ul>

## Production cost and price of electricity in Poland and EU27



Source: ING based on European Commission data, MIX scenario, July 2021

- The adoption of a more ambitious target of emissions reduction in EU (55% reduction instead of 40% from the 1990 level) is in line with the 2050 climate neutrality goal and the pursuit of the 1.5°C target.
- The policies and regulations proposed in the Fit-for-55 Package are based on the increased use of existing instruments, and new solutions, e.g. a border carbon tax, can improve competitive conditions.
- Public discussion in Poland is focused too much on the short-term costs of low-carbon transformation, sometimes showing exaggerated or unreliable estimates (short term rather than life-cycle), ignoring at the same time the environmental benefits (improved air quality) and opportunities for the economy (development of new industries, specialisations, space for innovation). Stopping the construction of a coal power plant in Ostrołęka means that such investments are not acceptable to financial markets.
- Excluding the natural gas price explosion in Europe at the end of 2021, in recent years the average cost of electricity production in Poland has been higher than the EU average. This is due to the drop in renewable energy prices (mainly photovoltaics, onshore and offshore wind) and rising costs of conventional technologies with rising fuel and CO2 allowance prices.
- However, the end-user price of energy remains lower in Poland than in the EU, which is due to relatively low energy taxation in Poland compared to Western Europe. Recent changes in indirect taxes, aimed at bringing the inflation growth to a halt, narrow the difference between cost and price and cause a loss of tax revenue. Their side effect may be fewer investments in energy efficiency.



**Q4 2021**

**preliminary financial results**



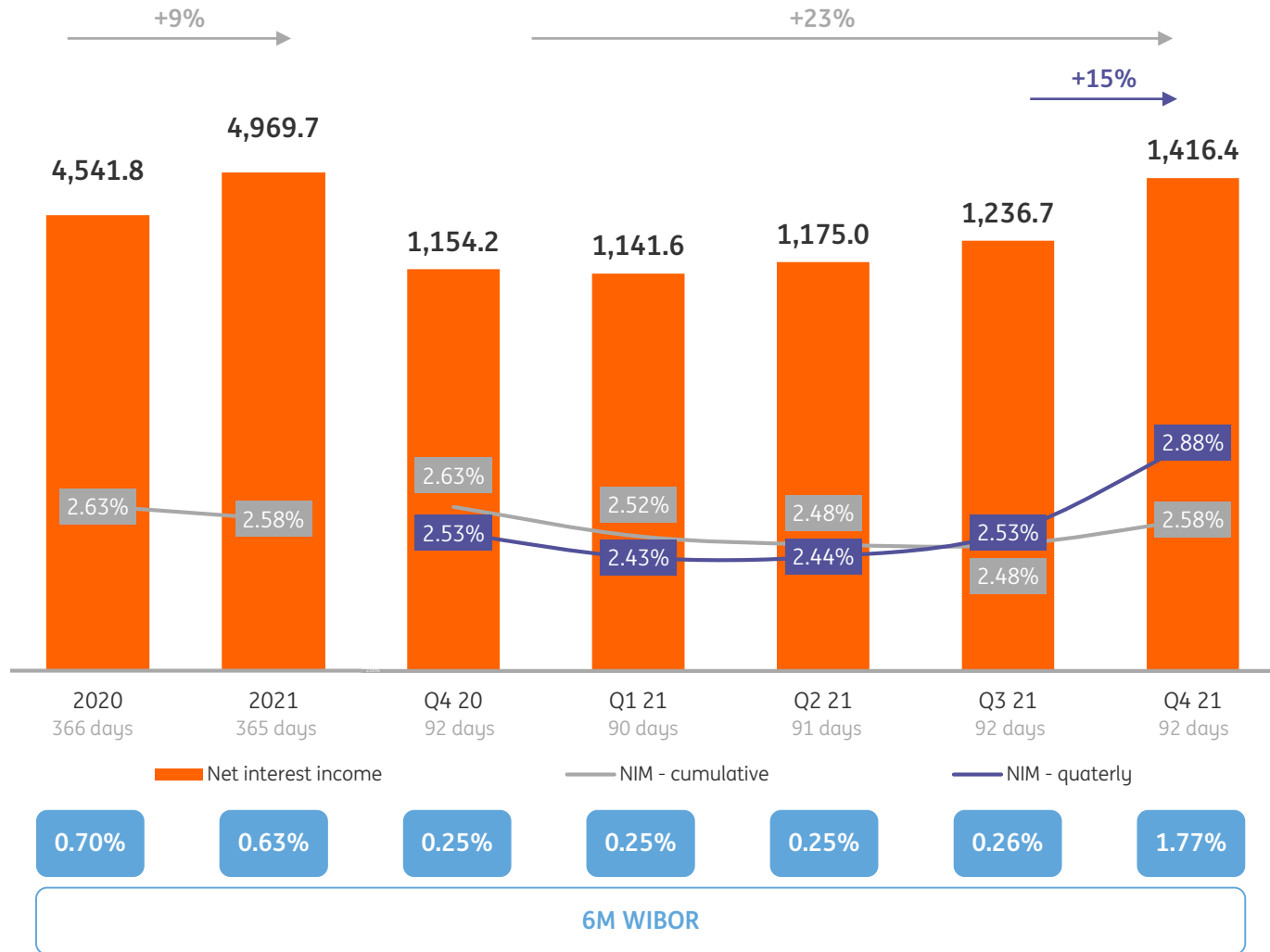
# Preliminary financial results

PLN million	Q4 2020	Q3 2021	Q4 2021	change y/y	% change y/y	2020	2021	change y/y	% change y/y
Net interest income	1,123.9	1,236.7	1,416.4	+262.2	+23%	4,541.8	4,969.7	+427.9	+9%
Net commission income	336.4	484.2	476.0	+44.3	+10%	1,528.4	1,844.8	+316.4	+21%
Other income	26.5	31.0	-8.6	-26.5	-148%	160.5	82.4	-78.1	-49%
<b>Total income</b>	<b>1,486.8</b>	<b>1,751.9</b>	<b>1,883.8</b>	<b>+280</b>	<b>+17%</b>	<b>6,230.7</b>	<b>6,896.9</b>	<b>+666.2</b>	<b>+11%</b>
Total expenses	590.8	694.2	757.5	+75.2	+11%	2,762.5	2,964.5	+202	+7%
<b>Result before risk costs</b>	<b>896.0</b>	<b>1,057.7</b>	<b>1,126.3</b>	<b>+204.8</b>	<b>+22%</b>	<b>3,468.2</b>	<b>3,932.4</b>	<b>+464.2</b>	<b>+13%</b>
Risk costs including legal cost of risk for FX mortgage loans	164.4	80.4	144.1	-178.4	-55%	1,074.9	372.4	-702.5	-65%
Bank levy	113.6	138.2	149.7	+27.2	+22%	481.6	544.7	+63.1	+13%
Profit before tax	618.0	839.1	832.5	+356	+75%	1,911.7	3,015.3	+1103.6	+58%
Income tax	167.7	200.7	163.5	+0.9	+1%	574.1	707.0	+132.9	+23%
<b>Net profit</b>	<b>450.3</b>	<b>638.4</b>	<b>669.0</b>	<b>+355.1</b>	<b>+113%</b>	<b>1,337.6</b>	<b>2,308.3</b>	<b>+970.7</b>	<b>+73%</b>
Total capital ratio	16.87%	17.65%	15.08%	-4.44 p.p.	-	19.52%	15.08%	-4.44 p.p.	-
Tier 1	14.41%	15.41%	13.47%	-3.44 p.p.	-	16.91%	13.47%	-3.44 p.p.	-
ROE (%)*	11.6%	10.8%	13.6%	+6.0 p.p.	-	7.6%	13.6%	+6.0 p.p.	-
ROE* adjusted for MCFH (%)	12.8%	12.4%	14.4%	+5.0 p.p.	-	9.4%	14.4%	+5.0 p.p.	-
C/I ratio (%)	39.7%	39.6%	40.2%	-2.3 p.p.	-	44.3%	43.0%	-1.4 p.p.	-

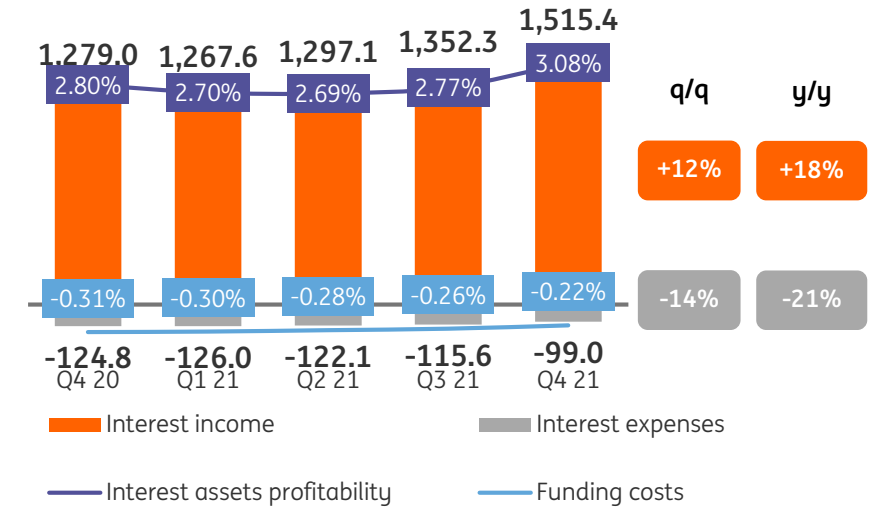
\*ROE = total net profit for 4 consecutive quarters / average equity for 5 subsequent quarters

# Net interest income

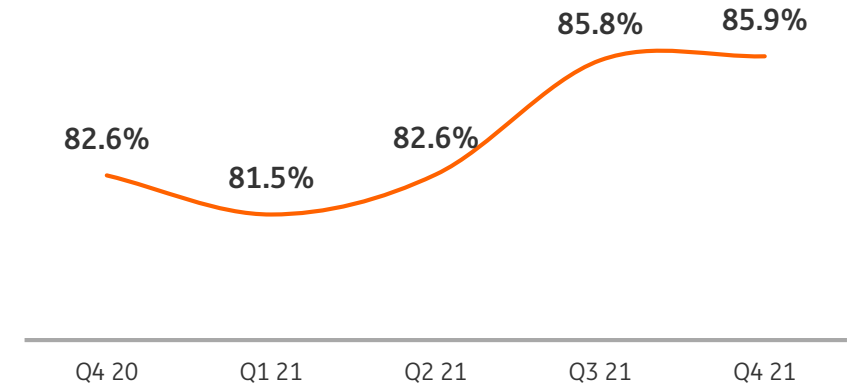
Net interest income (PLN million) and net interest margin



Interest income and expenses (PLN million)

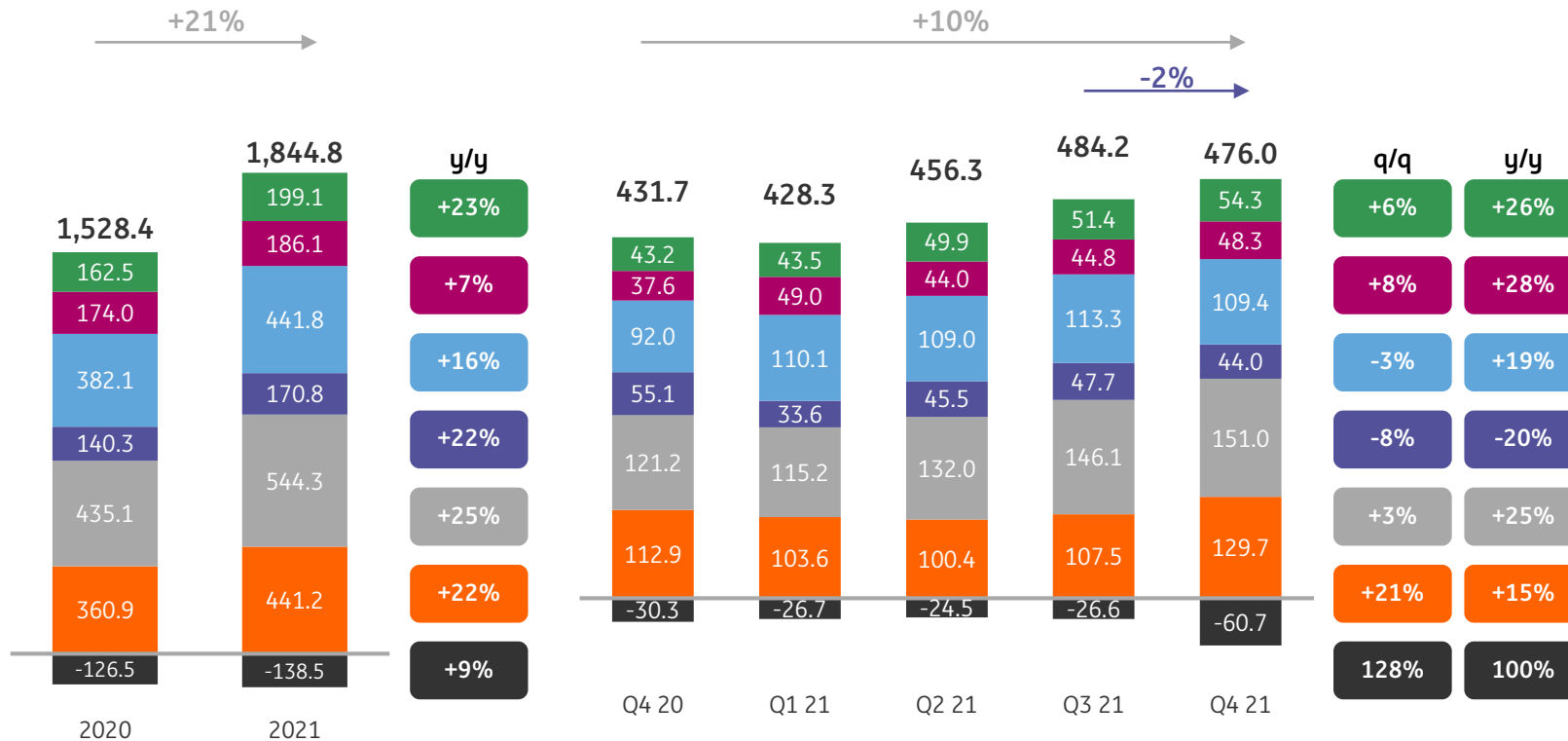


Loan to deposit ratio



# Fee and commission income

Fee and commission income per category (PLN million)

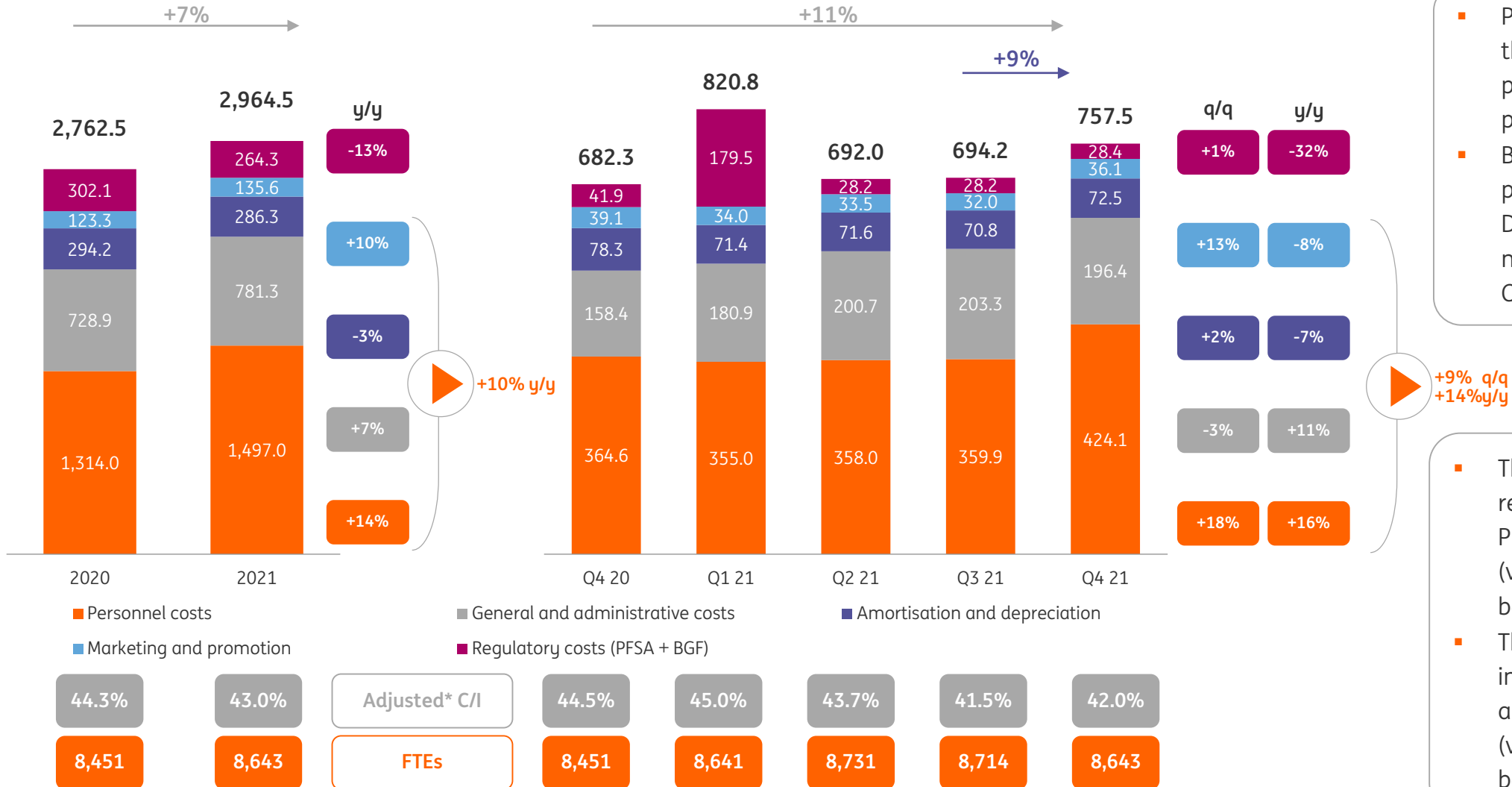


- The increase in the result for account maintenance in Q4 2021 is due to, inter alia, fees for high deposit balance in the corporate segment.
- Other commission costs were impacted by acceleration in the settlement of brokerage costs of sale of banking products (PLN 22.6 million).



# Total expenses

Total expenses (PLN million)



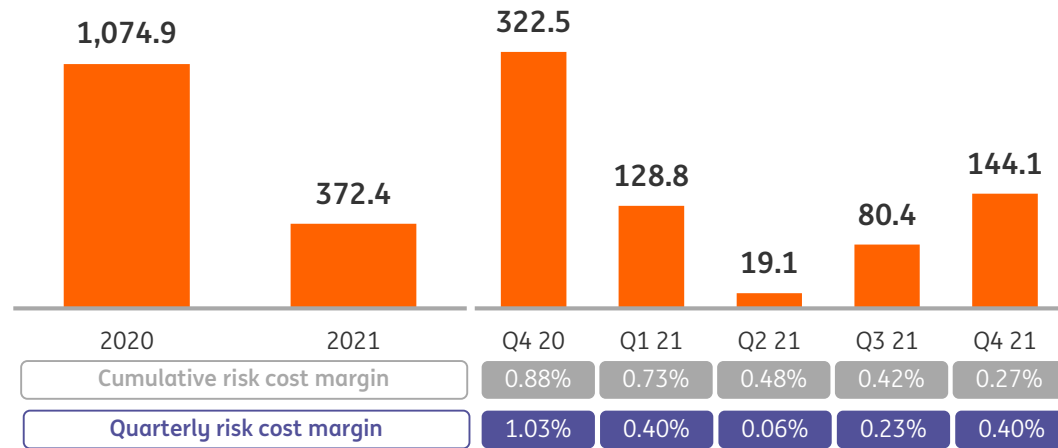
- Provision for optimization of the bank's operational processes (PLN 29.6 million in personnel costs in Q4 2021)
- Benefits related to the pandemic and paid in December 2021 (PLN 31.8 million in personnel costs in Q4 2021)

- The annual contribution to the resolution fund amounted to PLN 132.6 million in Q1 2021 (vs. PLN 125.4 million the year before)
- The annual PFSA costs incurred in Q1 2021 amounted to PLN 19.2 million (vs. PLN 13.3 million the year before)

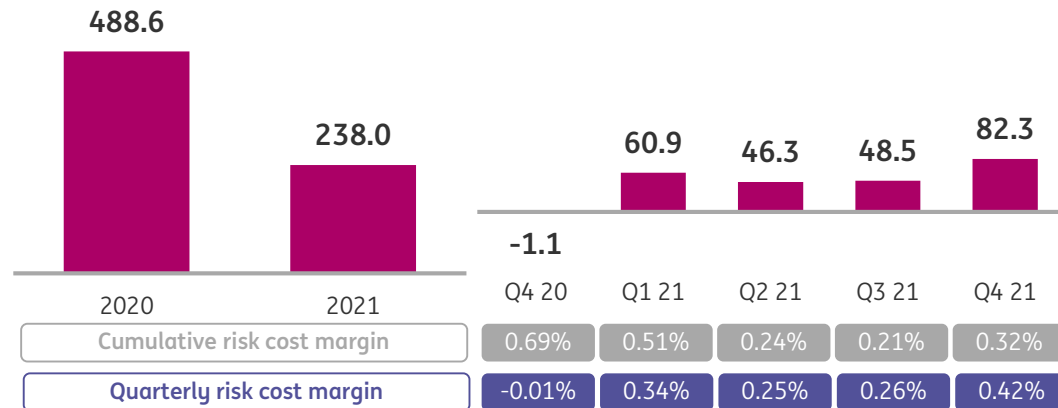
\*Adjusted for the contribution to the Resolution Fund to be paid over 4 quarters

# Cost of risk, including legal risk costs

Consolidated data for ING BSK (PLN million)

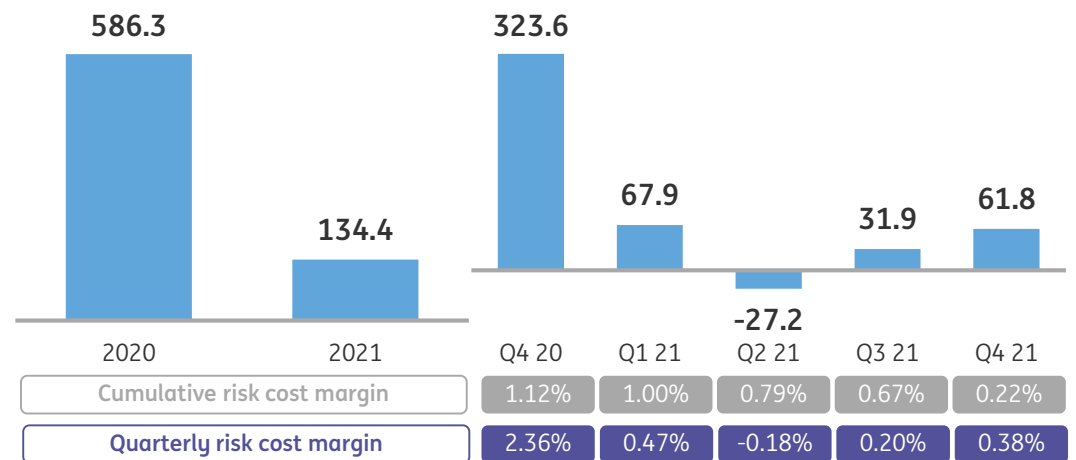


Corporate banking (PLN million)



PLN million	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
<b>Impact of macroeconomic parameters on net provisions</b>								
Retail banking	49.5	-24.1	30.5	-4.0	0.0	2.5	-5.2	2.6
Corporate banking	97.2	173.8	12.3	-92.7	21.7	-35.7	-11.4	16.4
<b>Total</b>	<b>146.7</b>	<b>149.7</b>	<b>42.8</b>	<b>-96.6</b>	<b>21.7</b>	<b>-33.2</b>	<b>-16.5</b>	<b>19.0</b>
<b>Impact of the sale of the Stage 3 and POCI receivables portfolios</b>								
Retail banking	0.0	0.0	0.0	0.0	0.0	-50.6	0.0	0.0
Corporate banking	-4.1	0.0	0.0	0.0	0.0	-11.0	0.0	0.0
<b>Total</b>	<b>-4.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-61.6</b>	<b>0.0</b>	<b>0.0</b>
<b>Legal risk costs of FX mortgage loans</b>								
Retail banking	0.0	10.2	20.2	239.9	0.0	0.0	0.4	56.0

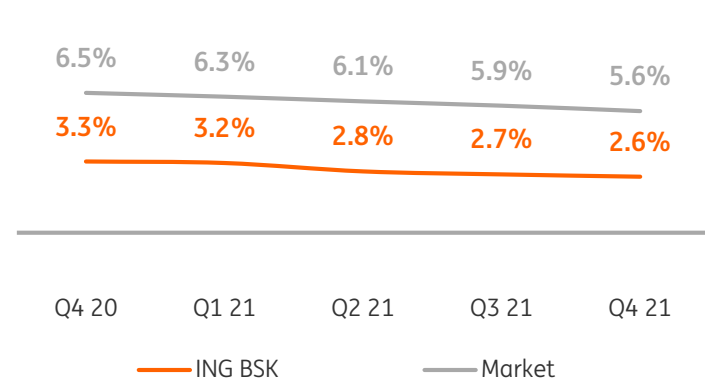
Retail banking (PLN million)



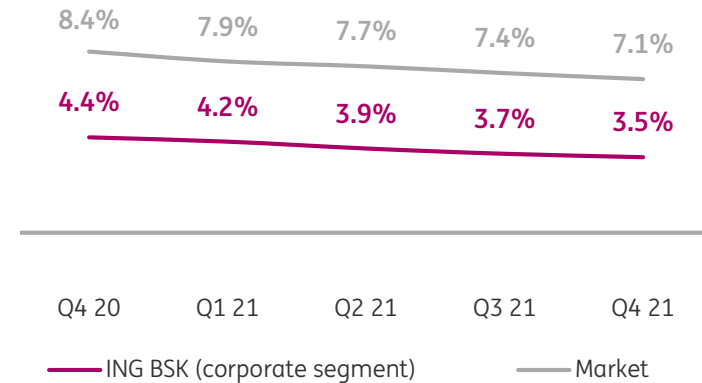
# Portfolio quality and provisioning

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

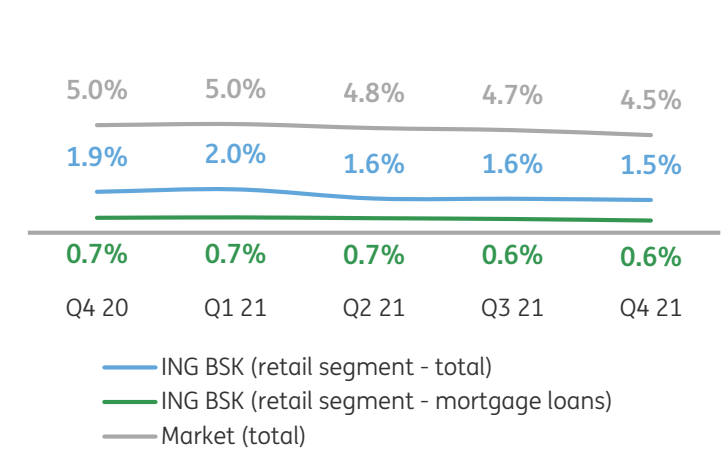
### Consolidated data for ING BSK



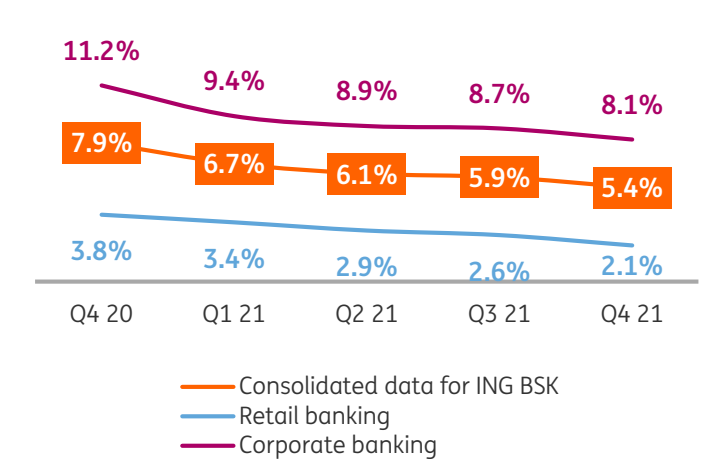
### Corporate banking



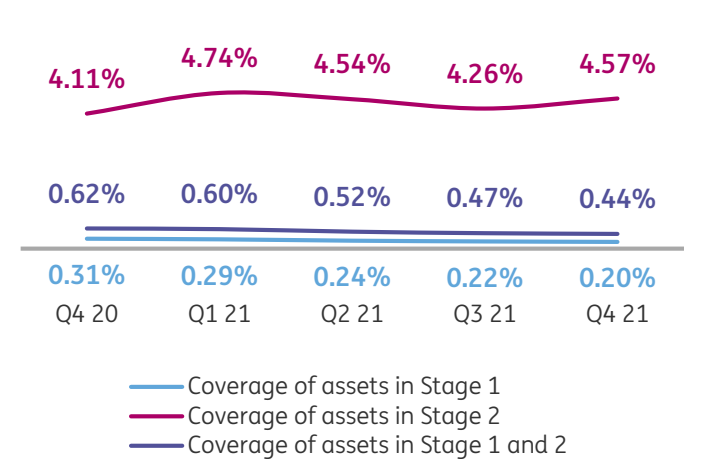
### Retail banking



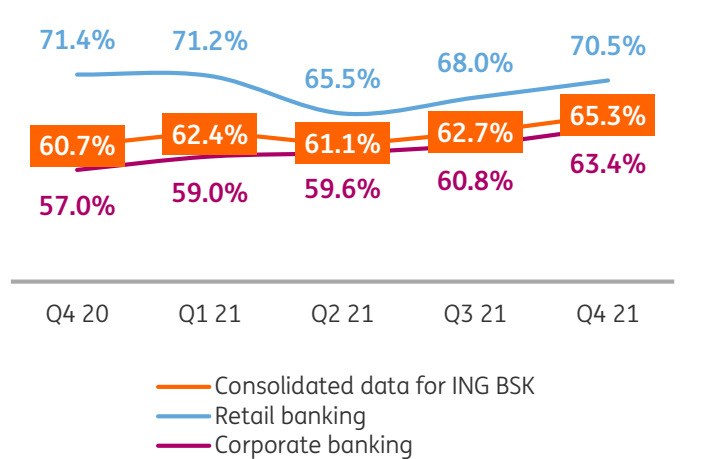
## Share of Stage 2 in gross portfolio



## Provisioning ratio – Stages 1 and 2



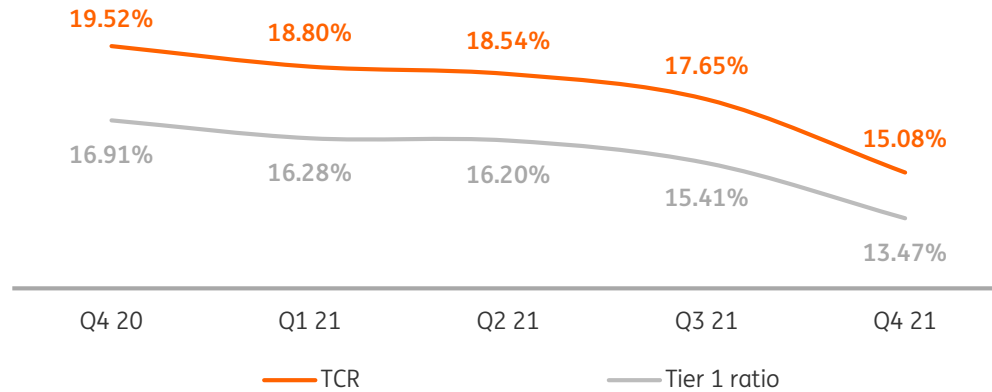
## Provisioning ratio – Stage 3



Note: market ratios – estimates based on PFSA data; NPL= Stage 3 + POCl; November 2021 data for market's Q4 2021

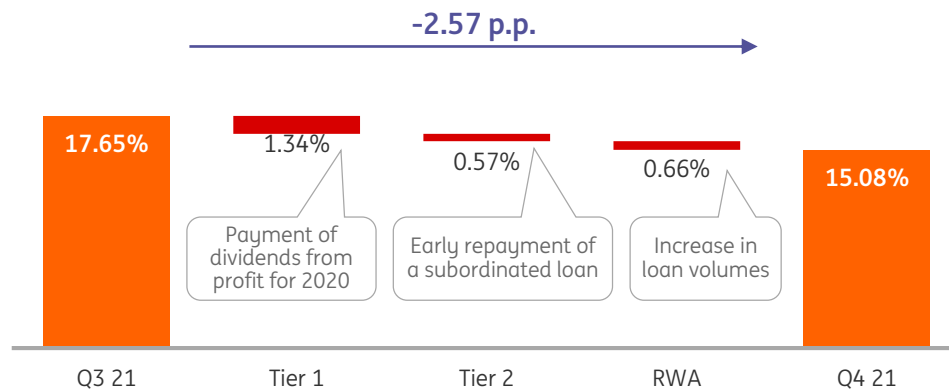
# Capital adequacy

## Consolidated total capital ratio

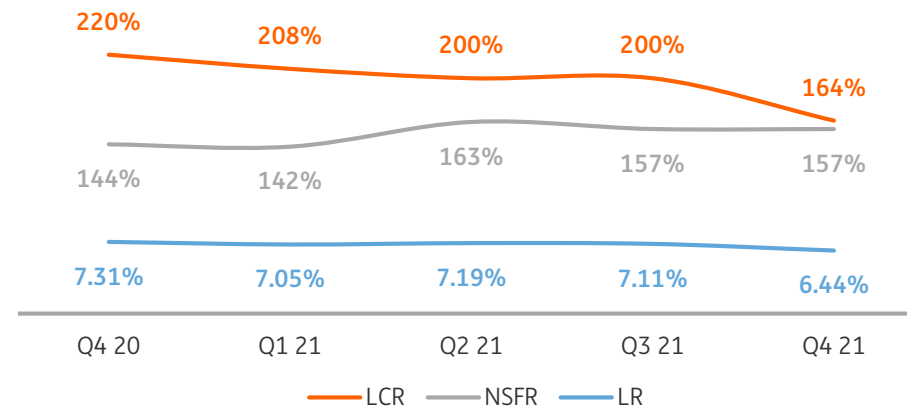


- Total capital ratio and Tier 1 ratio are, respectively, 3.83 p.p., and 4.22 p.p. above the minimum capital requirements for ING BSK, which are 11.251% and 9.251% respectively.
- The total capital ratio and Tier 1 ratio would be 14.95% and 13.32%, respectively, if ING BSK did not apply a transition period for the implementation of IFRS 9.
- Extraordinary General Meeting made a resolution on 29 November 2021 on the distribution of profit for 2020 left undistributed (PLN 663.5 million, or PLN 5.10 gross per share). The dividend was paid on 10 December 2021

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



## Other capital and liquidity ratios

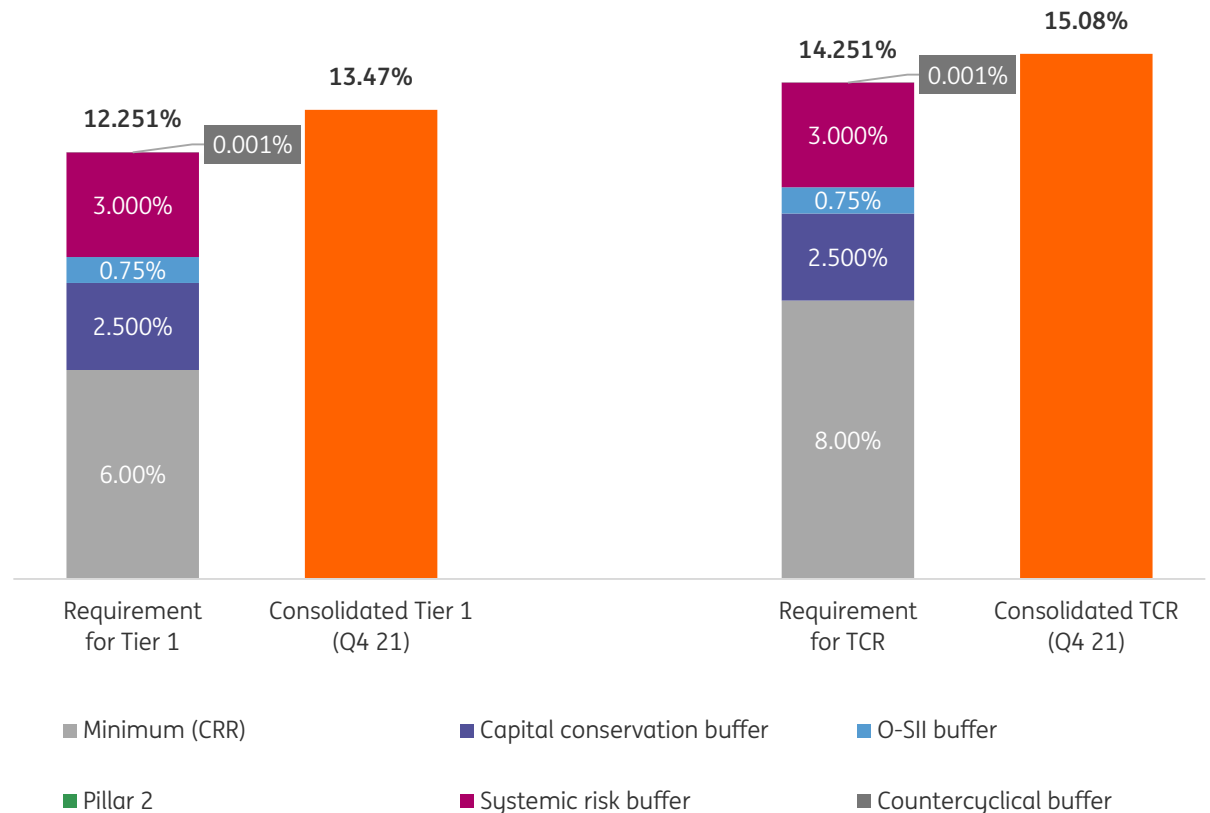




# Proposal for dividend payout from 2021 profit

- **The intention of the Management Board is to pay out approximately 30% of the net profit for 2021 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 2021 profit:
  - We are not implementing a recovery program
  - We were positively assessed under SREP process
  - The leverage ratio is higher than 5%
  - At the end of the year, the bank met the minimum capital requirements for Common Equity Tier 1, Tier 1 ratio and the total capital ratio - both at the separate and consolidated level
- The intention to pay out up to 30% of the net profit for 2021 is due to the bank's capital needs and planned commercial growth

The capital requirement indicated by the Polish Financial Supervision Authority\*



\*for the payment of up to 50% of net profit as dividends

# Appendixes



**Retail banking**



# Retail banking

## Customer transactions

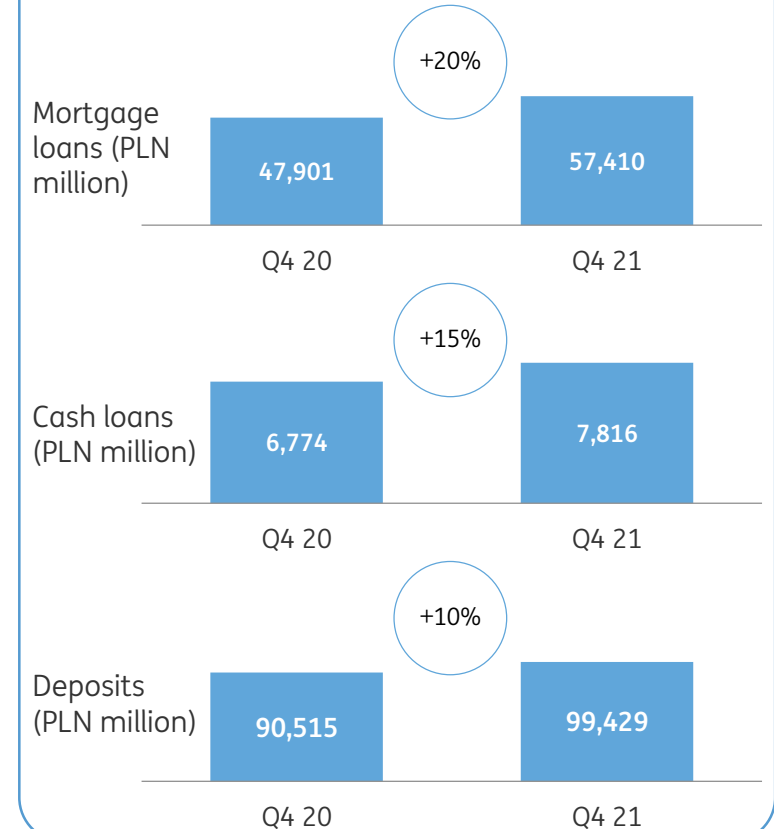
- We operate 3.5 million current accounts for individual clients
- In Q4 2021, our clients used Moje ING to make +5% y/y more transfers, a total of 86.1 million, of which 41.1 million transfers were made in mobile banking (+20% y/y) ...
- ... +60% y/y more BLIK transactions (28.2 million in total) ...
- ... +23% y/y more debit card transactions (233.6 million in total)...
- ... and -37% y/y less transaction at branches (252 thousand in total)

## Funding

- We granted PLN 3.7 billion in mortgage loans in Q4 2021 (+1% y/y)
- We granted PLN 1.2 billion in cash loans in Q4 2021 (+42% y/y) ...
- ... of which 86% were sold via online channels



## Growing volumes

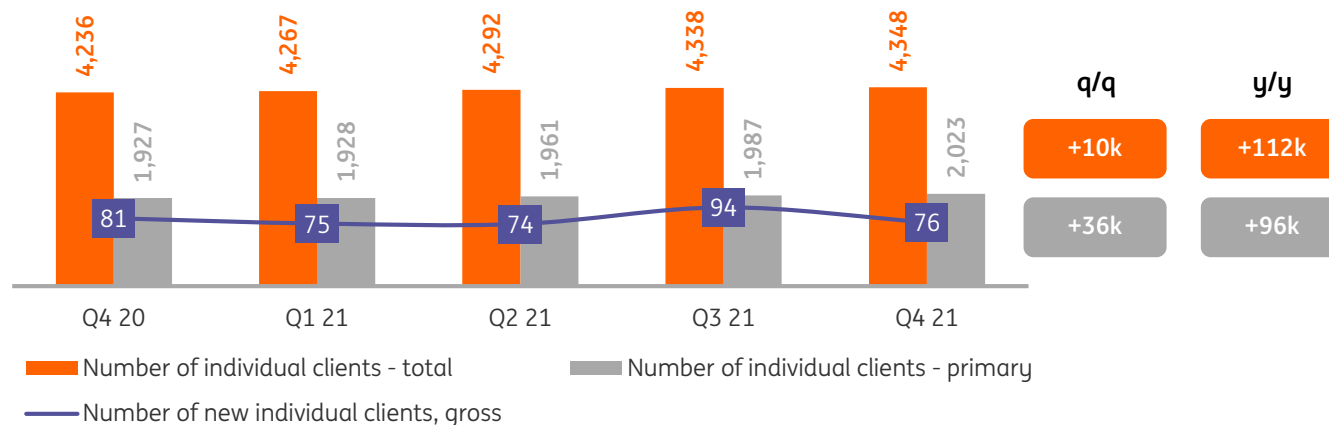




# Retail client base

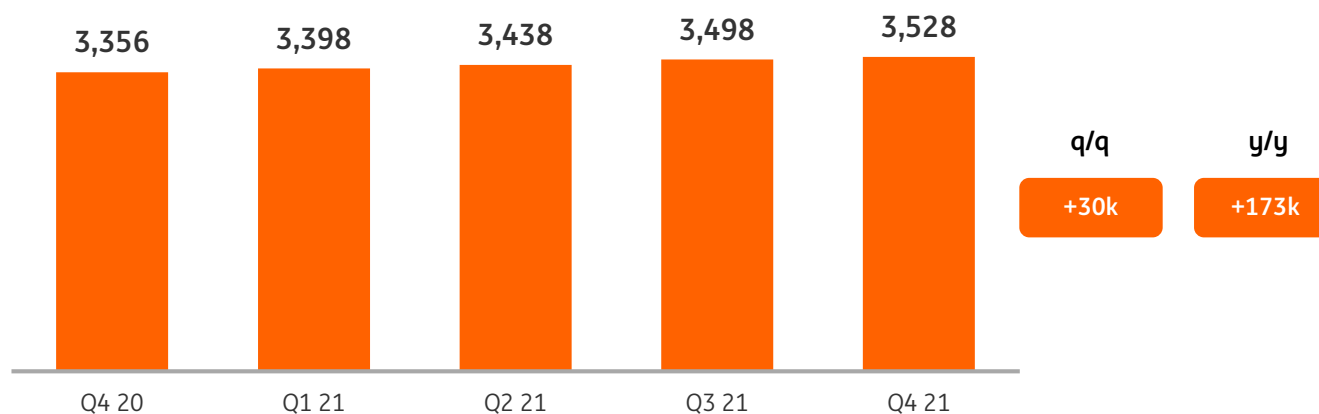
## 4.3 million individual clients

Number of individual clients (thousand)



- 86% of current accounts are Direct Accounts
- In Q4 2021, clients established and renewed **119 thousand trusted profiles**. In Q4 2021, clients **signed 950 thousand documents** using the trusted profiles.
- In Q4 2021, our clients submitted **11.5 thousand applications for 500+** and **14.5 thousand applications for 300+** child subsidies via our bank

Number of individual clients' current accounts (thousand)



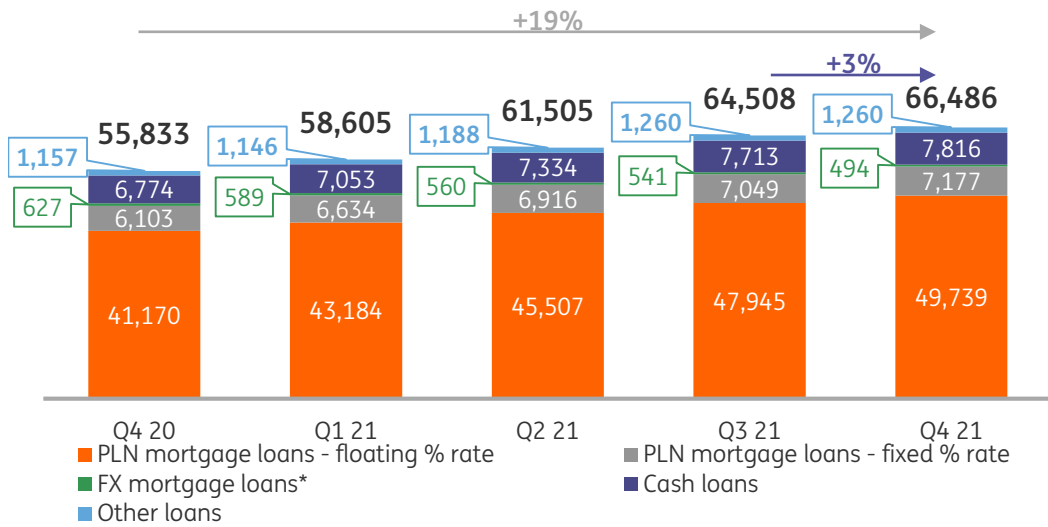
Note: current accounts in PLN

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



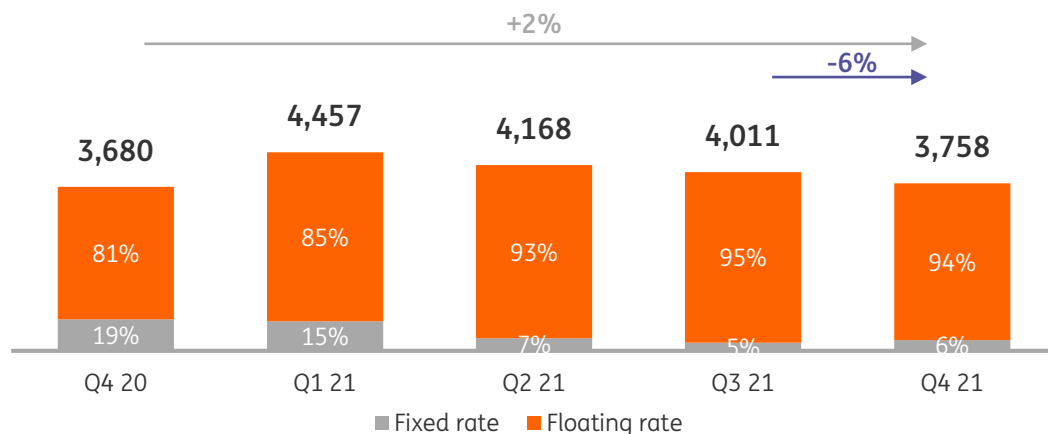
# Retail lending

Loan portfolio of retail clients (gross; PLN million)

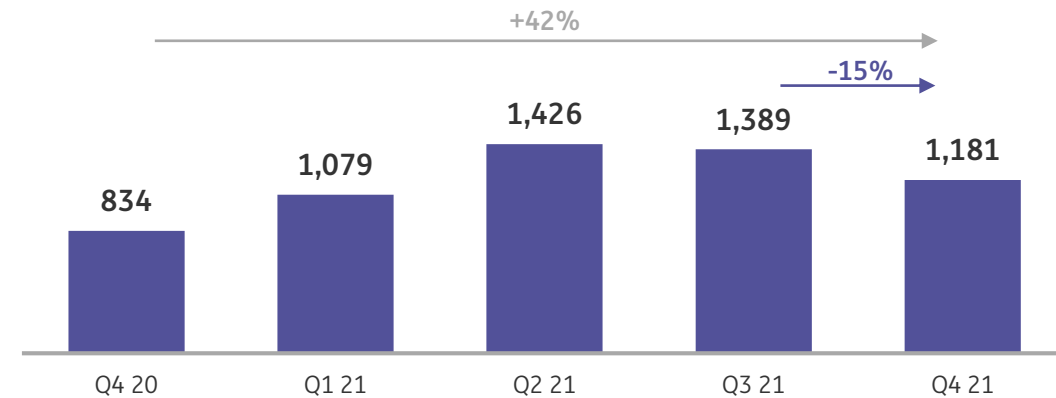


- PLN 5.1 billion worth of cash loans granted to retail clients in 2021 (+64% y/y)
- PLN 16.4 billion worth of mortgage loans granted in 2021 (+44% y/y), which translates into a 19.6% market share
  - Including PLN 1.4 billion worth of fixed interest rate mortgage loans (-66% y/y)
  - Including PLN 1.8 billion worth of mortgage eco-loans\*\* (+165% y/y)
- A 13.5% market share in terms of PLN mortgage loans; 10.8% in total mortgage loans (Q4 2021)

Mortgage loans production (PLN million)



Cash loans production (PLN million)

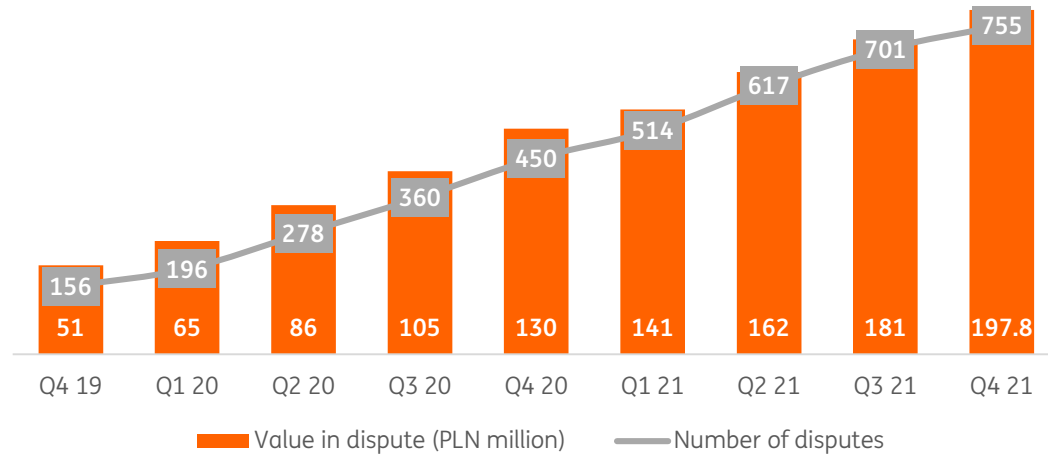


FX mortgage loans after adjusting the gross carrying amount for legal risk provisions, which amounted to PLN 300.0 million in Q4 2020, PLN 305.1 million in Q1 2021, PLN 289.2 million in Q2 2021, PLN 314.3 million in Q3 2021 and PLN 345.6 in Q4 2021;

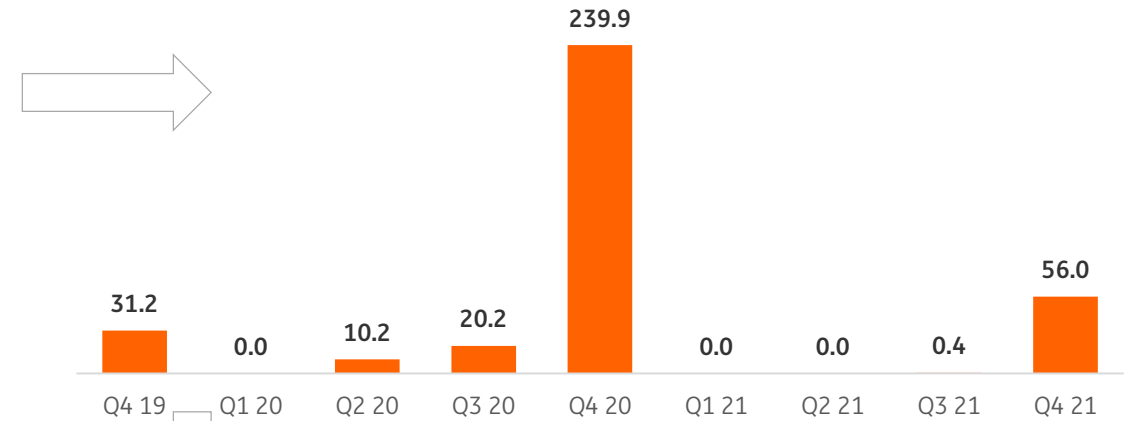
\*\*We do not charge any commission and we offer a low margin for an energy-efficient house where the annual demand for usable energy for heating and ventilation does not exceed 40 kWh / m2

# Legal risk relating to FX mortgage loans

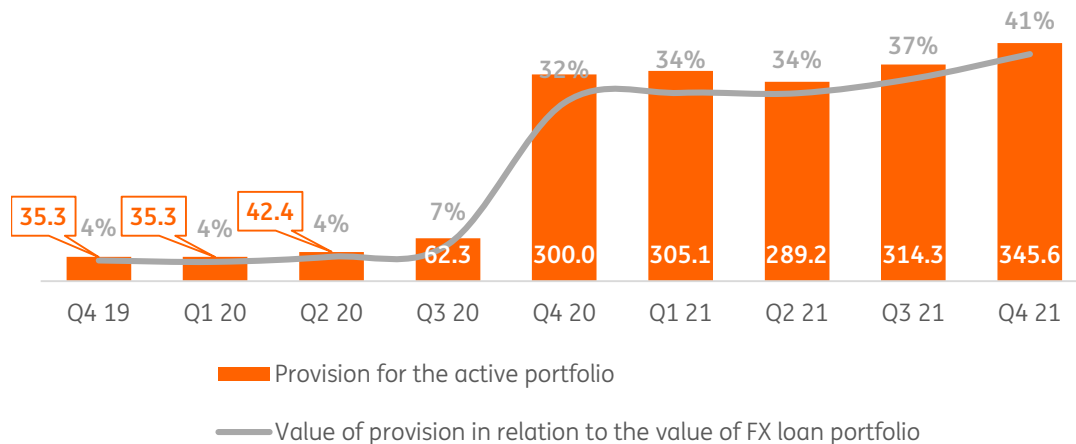
The number and value of disputes concerning FX mortgage loans



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



Value of provisions for the active FX mortgage portfolio (in PLN million) and the provision level in relation to the gross value of the portfolio



## Mediation with clients

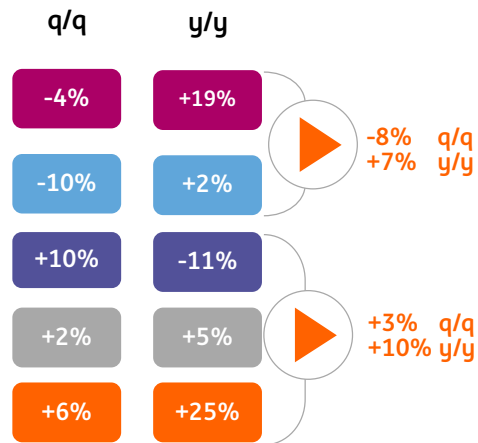
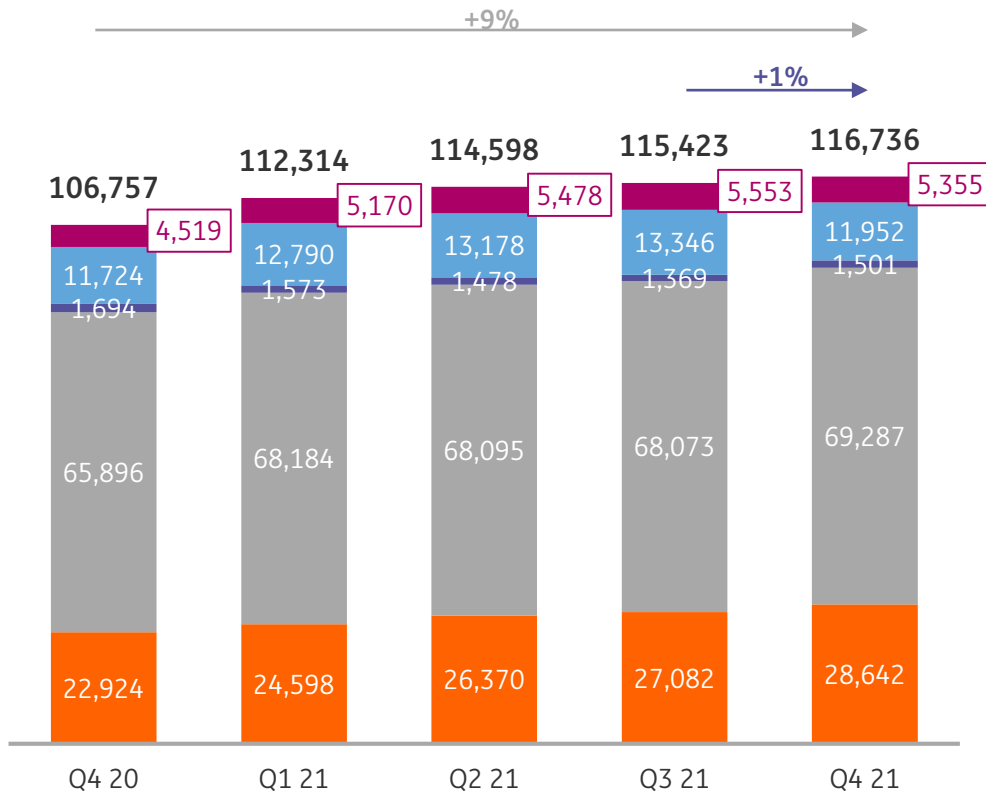
On 25 October 2021, we launched a settlement program based on the assumptions of the Chairman of the Polish Financial Supervision Authority. From 25 October to 31 December 2021, our clients filed **522 settlement applications** and we concluded **147 agreements** under the program (591 and 170 as at the end of January 2022, respectively). As at the end of 2021 we had 3.9 thousand active mortgage loans indexed to CHF.

1) the portfolio provisioning ratio is calculated as:  $\text{Provision} / (\text{gross portfolio} + \text{provision})$ , where: the provision – the provision for legal risk of FX mortgage loans, and the gross portfolio – gross value of FX mortgages portfolio

2) Provision on account of FX mortgage loans' legal risk is an adjustment of the gross carrying amount of that 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

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



**1,5%**  
na koncie oszczędnościowym

Oprocentowanie zmienne, obliczane w skali roku. Obowiązuje dla kwot poniżej 100 tys. zł, przez 3 mies. od założenia konta w ING Banku Śląskim w ofercie specjalnej „Bonus na start”. Zapoznaj się z regulaminem oferty dostępnym w naszych placówkach i na ing.pl.



- **108.4 thousand bank clients invest on a regular basis and 9.4 thousand clients use the investment robot**
- In Q4 2021, **42.6% of open investment fund units were purchased via mobile banking**
- At the end of Q4 2021, we operated **151.1 thousand brokerage accounts (+13% y/y)**
- Our **brokerage office's turnover** on the stock market in Q4 2021 amounted to **PLN 5.3 billion**, which translates into a **market share of 3.13%**
- Investment fund companies, which take into account **ESG factors** when selecting companies for their portfolios of funds, accounted for **98.6% of our clients' assets** in these products, including assets worth **PLN 509 million** worth of assets representing investments in funds **compliant with Articles 8 and 9 of SFDR\***



# Progressive evolution of banking

ING is becoming more and more digital



Average rating  
of Moje ING mobile app  
in the app stores

Google Play ★ ★ ★ ★ ★ 4.8

App Store ★ ★ ★ ★ ★ 4.9

## Electronic banking

We have a total of **1,013 thousand mobile cards** (+6% q/q, +41% y/y)

**2,476 thousand individual clients with active BLIK**, of which 1,178 thousand completed transactions in Q4 2021 (+10% q/q, +39% y/y)

**28.2 million BLIK transactions in Q4 2021** (+22% q/q, +60% y/y) made by individual clients, of which **22.0 million transactions were made on the Internet** (+27% q/q, +53% y/y)

**2,247 thousand active users of the mobile application** (+4% q/q, +17% y/y)

**1,540 thousand "mobile only" users** (+6% q/q, +19% y/y)

**41.1 million transfers** in mobile banking in Q4 2021 (+7 million y/y, +20% y/y)

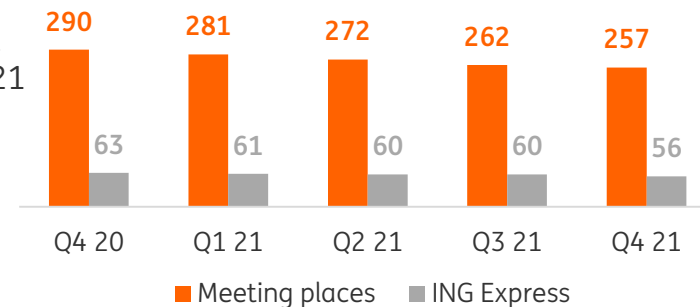
In Q4 2021, we sold **86% of cash loans** for individual clients **via internet channels** (83% in Q4 2020)

**2.6m**  
active mobile  
banking clients

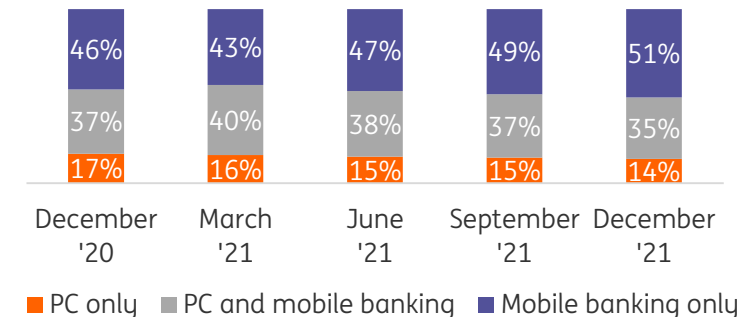
## Physical distribution network

192 meeting places without a traditional cash service (193 as at the end of Q3 2021 and 155 as at 2020YE)

932 machines for cash self-service (including 773 recycling automated teller safes), out of which 794 are contactless ATMs/Recyclers



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



**Corporate banking**

# Corporate banking

## Customer transactions

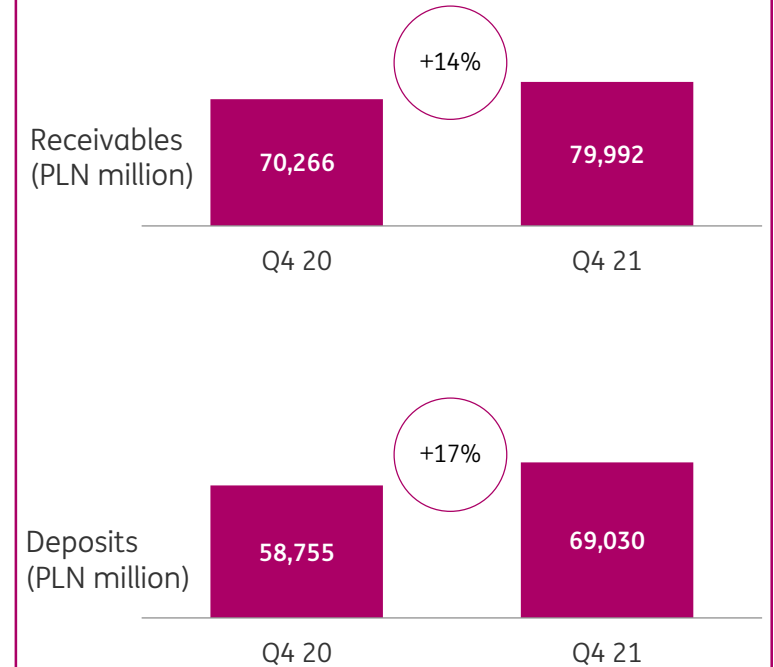
- We service 502.7 thousand corporate clients, of which 420.1 thousand are entrepreneurs, 79.2 thousand are SME and mid-corporates and 3.4 thousand are strategic clients
- In Q4 2021, our corporate clients using ING Business made 24.9 million transfers (+10% y/y), of which 2.4 million were made in mobile banking (+51% y/y)
- We have 29.3 thousand payment terminals in total; we processed 10.4 million transactions in Q4 2021 (+33% y/y)
- 5,648 stores with an active imoje payment gateway (+110% y/y)

## Funding

- The portfolio of receivables from entrepreneurs increased by PLN 856 million y/y (+13% y/y) to the level of PLN 7.6 billion
- The portfolio of receivables from SME and mid-corporates increased by PLN 7.0 billion y/y (+18% y/y) to the level of PLN 46.1 billion
- The portfolio of receivables from strategic customers increased by PLN 1.9 billion y/y (+8% y/y) to the level of PLN 26.3 billion



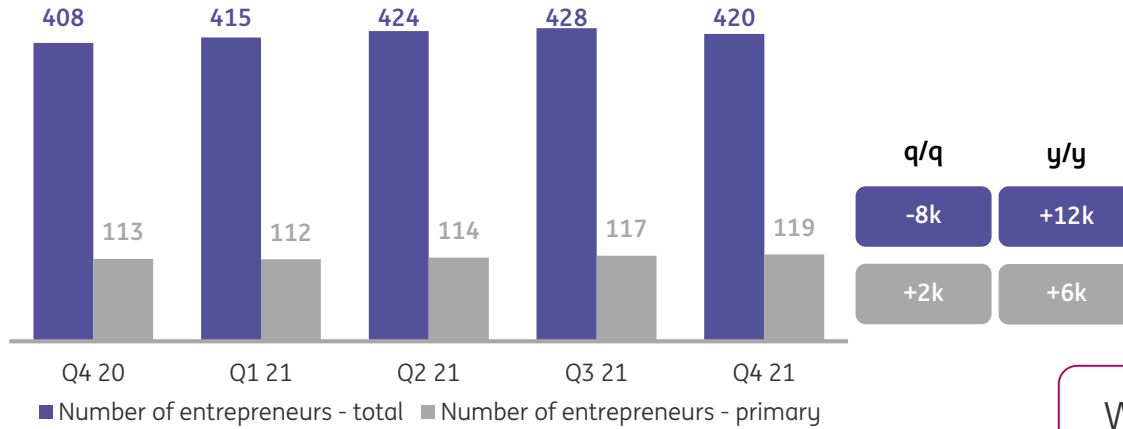
## Growing volumes



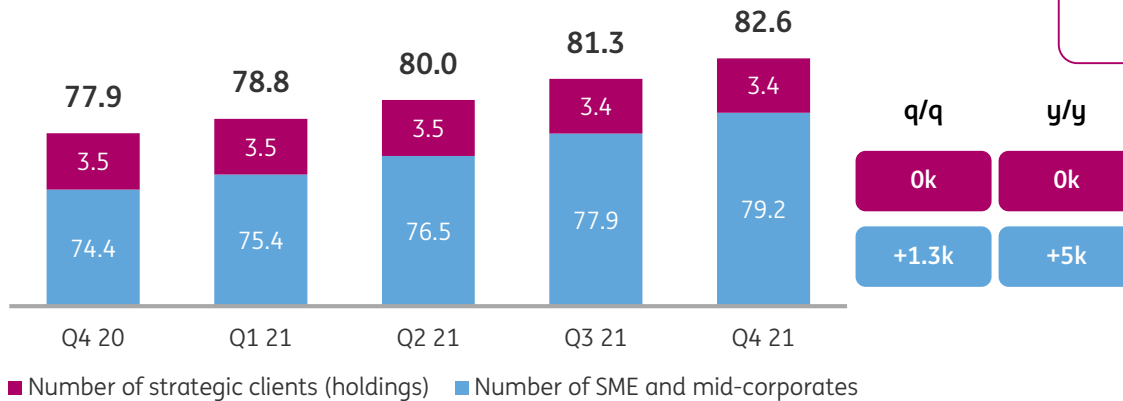
# Corporate client base

## 503 thousand companies

Number of entrepreneurs (thousand)



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



We maintain **429,000** current accounts for **420,000** entrepreneurs, of which **98%** are **Direct accounts**

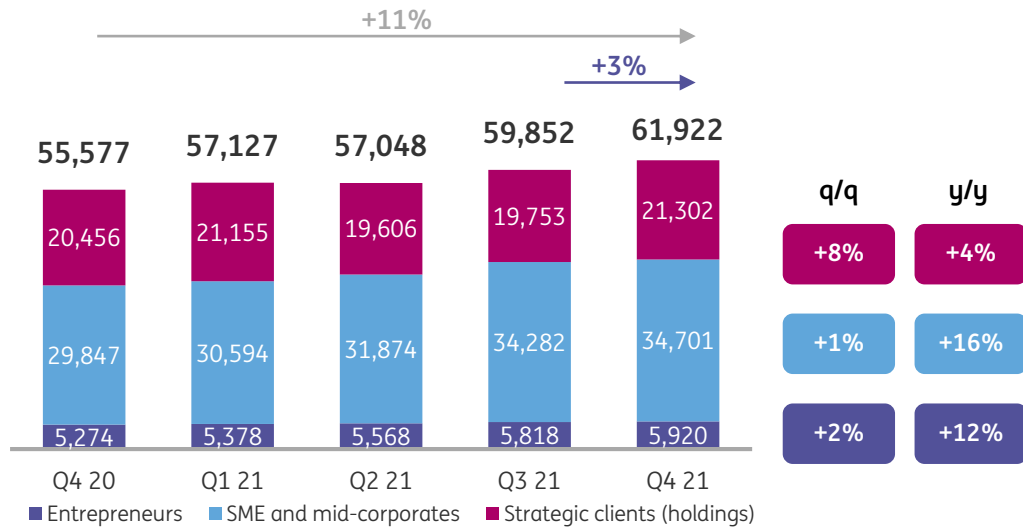


Primary clients - clients with a current account with a balance higher than PLN 100, which were charged with a transaction to the Social Insurance Institution / Tax Office and who had another active product

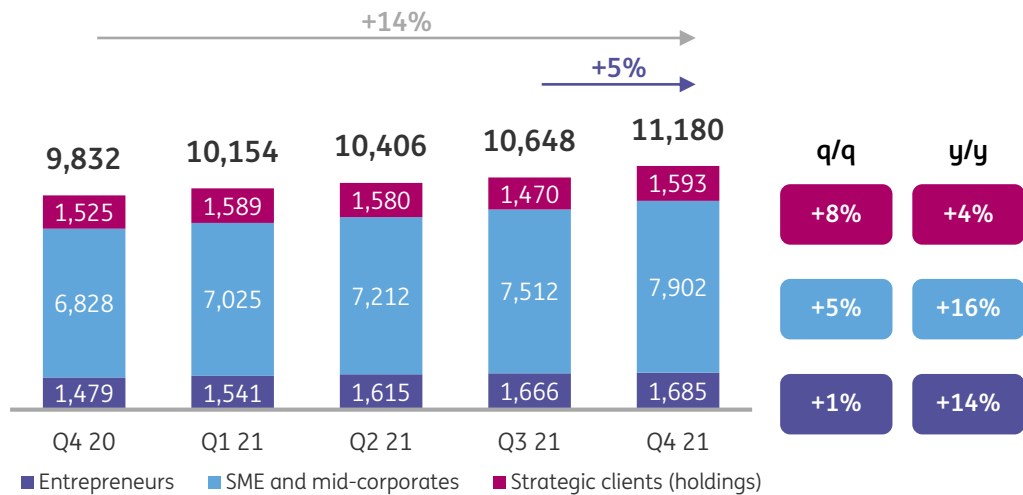


# Corporate receivables

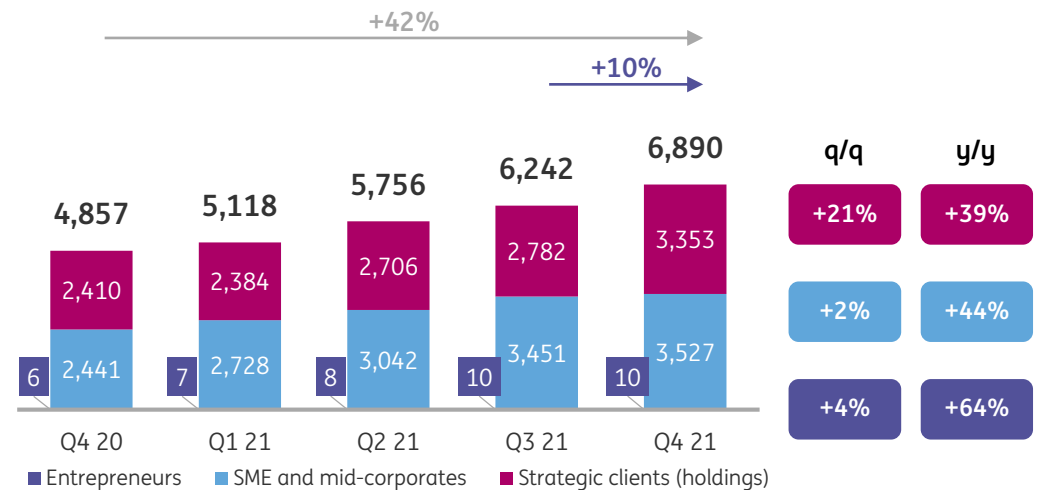
Loans volume (gross; PLN million)



Leasing receivables volume\* (gross; PLN million)



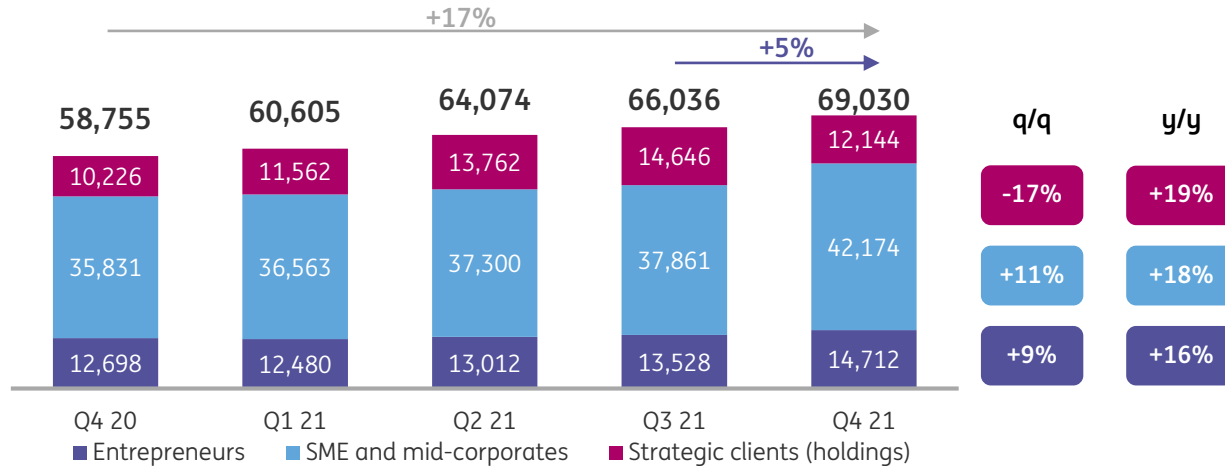
Factoring receivables volume (gross; PLN million)



\*Leasing loans excluded

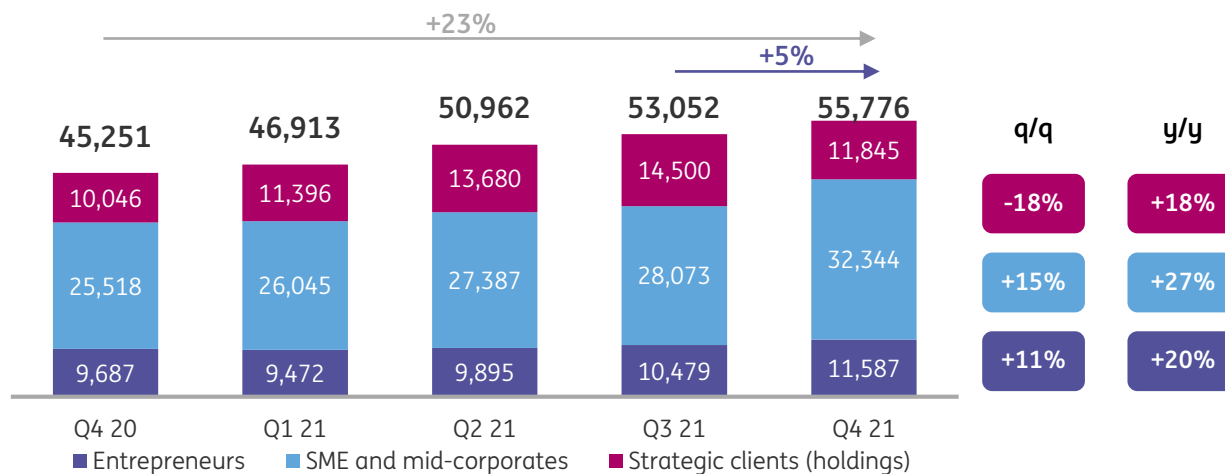
# Cash management

Corporate deposit volume (PLN million)



**+3,400**  
new SME and mid-corporate clients  
acquired in Q4 2021

Corporate current accounts volume (PLN million)



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

- 137 depositories,
- 139 depositories in customer locations,
- 228 CDMs in customer locations,
- 12 fee collection machines in customer locations.

**Number of mobile transfers in ING Business increased by +51% y/y**

# Selected initiatives

## The first financing of housing projects from the institutional rental sector

At the end of December 2021, ING Bank Śląski concluded a new long-term loan agreement for the refinancing of four newly built residential investments in Warsaw, Wrocław and Łódź, which together offer over 1,200 apartments for rent. The value of the loan is PLN 355 million. ING is the sole lender for this project. The transaction is the first joint venture of Resi4Rent and ING Bank Śląski and the first example of a bank's involvement in financing projects in the institutional rental sector in Poland.

## Roundtable of the financial sector and NGOs

ING Bank Śląski was the organizer of another round table for representatives of the banking sector, financial institutions and non-profit organizations involved in sustainable development. Joanna Erdman and Michał H. Mrożek pointed to the challenges that await business in response to ESG requirements. The new mission of banks, apart from financing the process of environmental transformation of companies, will be to share knowledge on this subject. Experts debated, among others on emission reduction in Poland in the context of the EU climate policy, legal and social aspects of financing gas projects and the challenges that the energy and heating sector are currently facing. Details are available at [this link](#).



**Preliminary financial results**

**and other information**



# Income statement

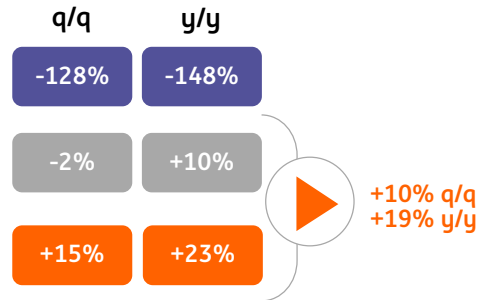
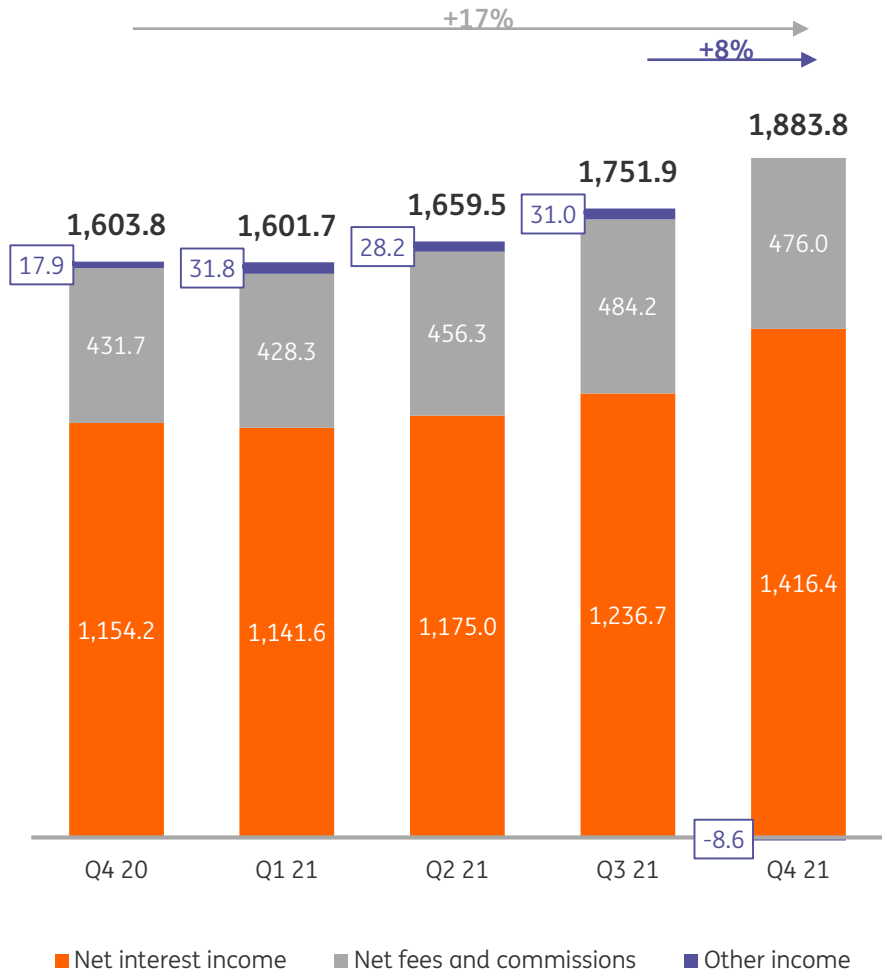
Consolidated income statement (PLN m)																
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	q/q		y/y		2020	2021	y/y	
									Δ	%	Δ	%			Δ	%
<b>Net interest income, of which:</b>	<b>1,152.1</b>	<b>1,099.2</b>	<b>1,136.3</b>	<b>1,154.2</b>	<b>1,141.6</b>	<b>1,175.0</b>	<b>1,236.7</b>	<b>1,416.4</b>	<b>179.7</b>	<b>14.5%</b>	<b>262.2</b>	<b>22.7%</b>	<b>4,541.8</b>	<b>4,969.7</b>	<b>427.9</b>	<b>9.4%</b>
Interest income	1,386.6	1,304.0	1,277.3	1,279.0	1,267.6	1,297.1	1,352.3	1,515.4	163.1	12.1%	236.4	18.5%	5,246.9	5,432.4	185.5	3.5%
Interest expenses	234.5	204.8	141.0	124.8	126.0	122.1	115.6	99.0	-16.6	-14.4%	-25.8	-20.7%	705.1	462.7	-242.4	-34.4%
<b>Net commission income</b>	<b>359.1</b>	<b>344.0</b>	<b>393.6</b>	<b>431.7</b>	<b>428.3</b>	<b>456.3</b>	<b>484.2</b>	<b>476.0</b>	<b>-8.2</b>	<b>-1.7%</b>	<b>44.3</b>	<b>10.3%</b>	<b>1,528.4</b>	<b>1,844.8</b>	<b>316.4</b>	<b>20.7%</b>
<b>Result on trade operations and revaluation</b>	<b>46.7</b>	<b>68.0</b>	<b>15.7</b>	<b>23.0</b>	<b>23.4</b>	<b>19.8</b>	<b>21.5</b>	<b>-11.7</b>	<b>-33.2</b>	<b>-</b>	<b>-34.7</b>	<b>-</b>	<b>153.4</b>	<b>53.0</b>	<b>-100.4</b>	<b>-65.4%</b>
- Net income on instruments measured at fair value through profit or loss and FX result	13.9	44.3	24.4	20.9	34.3	15.4	22.4	-7.8	-30.2	-	-28.7	-	103.5	64.3	-39.2	-37.9%
- The result on the sale of securities measured at amortized cost	7.3	0.0	0.0	0.0	0.0	0.0	0.0	2.8	2.8	-	2.8	-	7.3	2.8	-4.5	-61.6%
- Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	1.8	18.8	5.4	5.1	0.0	7.7	3.9	26.8	22.9	587.2%	21.7	425.5%	31.1	38.4	7.3	23.5%
- Net income on hedge accounting	23.7	4.9	-14.1	-3.0	-10.9	-3.3	-4.8	-33.5	-28.7	597.9%	-30.5	1016.7%	11.5	-52.5	-64.0	-
<b>Net income on other core activities</b>	<b>0.4</b>	<b>-3.1</b>	<b>2.8</b>	<b>-9.1</b>	<b>2.3</b>	<b>1.3</b>	<b>1.7</b>	<b>-5.2</b>	<b>-6.9</b>	<b>-</b>	<b>3.9</b>	<b>-42.9%</b>	<b>-9.0</b>	<b>0.1</b>	<b>9.1</b>	<b>-</b>
Share in net profit (loss) of associated entities recognised under the equity method	4.4	4.0	3.7	4.0	6.1	7.1	7.8	8.3	0.5	6.4%	4.3	107.5%	16.1	29.3	13.2	82.0%
<b>Income</b>	<b>1,562.7</b>	<b>1,512.1</b>	<b>1,552.1</b>	<b>1,603.8</b>	<b>1,601.7</b>	<b>1,659.5</b>	<b>1,751.9</b>	<b>1,883.8</b>	<b>131.9</b>	<b>7.5%</b>	<b>280.0</b>	<b>17.5%</b>	<b>6,230.7</b>	<b>6,896.9</b>	<b>666.2</b>	<b>10.7%</b>
<b>Expenses</b>	<b>775.0</b>	<b>638.5</b>	<b>666.7</b>	<b>682.3</b>	<b>820.8</b>	<b>692.0</b>	<b>694.2</b>	<b>757.5</b>	<b>63.3</b>	<b>9.1%</b>	<b>75.2</b>	<b>11.0%</b>	<b>2,762.5</b>	<b>2,964.5</b>	<b>202.0</b>	<b>7.3%</b>
- personnel expenses	308.2	310.3	330.9	364.6	355.0	358.0	359.9	424.1	64.2	17.8%	59.5	16.3%	1,314.0	1,497.0	183.0	13.9%
- depreciation and amortisation	71.5	71.9	72.5	78.3	71.4	71.6	70.8	72.5	1.7	2.4%	-5.8	-7.4%	294.2	286.3	-7.9	-2.7%
- regulatory expenses	176.2	42.1	41.9	41.9	179.5	28.2	28.2	28.4	0.2	0.7%	-13.5	-32.2%	302.1	264.3	-37.8	-12.5%
- other expenses	219.1	214.2	221.4	197.5	214.9	234.2	235.3	232.5	-2.8	-1.2%	35.0	17.7%	852.2	916.9	64.7	7.6%
<b>Profit before risk costs</b>	<b>787.7</b>	<b>873.6</b>	<b>885.4</b>	<b>921.5</b>	<b>780.9</b>	<b>967.5</b>	<b>1,057.7</b>	<b>1,126.3</b>	<b>68.6</b>	<b>6.5%</b>	<b>204.8</b>	<b>22.2%</b>	<b>3,468.2</b>	<b>3,932.4</b>	<b>464.2</b>	<b>13.4%</b>
<b>Risk costs including legal cost of risk for FX mortgage loans</b>	<b>294.7</b>	<b>312.4</b>	<b>145.3</b>	<b>322.5</b>	<b>128.8</b>	<b>19.1</b>	<b>80.4</b>	<b>144.1</b>	<b>63.7</b>	<b>79.2%</b>	<b>-178.4</b>	<b>-55.3%</b>	<b>1,074.9</b>	<b>372.4</b>	<b>-702.5</b>	<b>-65.4%</b>
- retail	109.5	70.8	82.4	323.6	67.9	-27.2	31.9	61.8	29.9	93.7%	-261.8	-80.9%	586.3	134.4	-451.9	-77.1%
- corporate	185.2	241.6	62.9	-1.1	60.9	46.3	48.5	82.3	33.8	69.7%	83.4	-	488.6	238.0	-250.6	-51.3%
<b>Tax on certain financial institutions</b>	<b>116.0</b>	<b>121.1</b>	<b>122.0</b>	<b>122.5</b>	<b>125.9</b>	<b>130.9</b>	<b>138.2</b>	<b>149.7</b>	<b>11.5</b>	<b>8.3%</b>	<b>27.2</b>	<b>22.2%</b>	<b>481.6</b>	<b>544.7</b>	<b>63.1</b>	<b>13.1%</b>
<b>Profit (loss) before tax</b>	<b>377.0</b>	<b>440.1</b>	<b>618.1</b>	<b>476.5</b>	<b>526.2</b>	<b>817.5</b>	<b>839.1</b>	<b>832.5</b>	<b>-6.6</b>	<b>-0.8%</b>	<b>356.0</b>	<b>74.7%</b>	<b>1,911.7</b>	<b>3,015.3</b>	<b>1,103.6</b>	<b>57.7%</b>
Income tax	109.7	123.9	177.9	162.6	140.6	202.2	200.7	163.5	-37.2	-18.5%	0.9	0.6%	574.1	707.0	132.9	23.1%
<b>Net profit (loss), of which:</b>	<b>267.3</b>	<b>316.2</b>	<b>440.2</b>	<b>313.9</b>	<b>385.6</b>	<b>615.3</b>	<b>638.4</b>	<b>669.0</b>	<b>30.6</b>	<b>4.8%</b>	<b>355.1</b>	<b>113.1%</b>	<b>1,337.6</b>	<b>2,308.3</b>	<b>970.7</b>	<b>72.6%</b>
Net profit (loss) attributable to the shareholders of ING BSK	267.3	316.2	440.2	313.9	385.6	615.3	638.4	669.0	30.6	4.8%	355.1	113.1%	1,337.6	2,308.3	970.7	72.6%
Number of shares issued (m)	130.1	130.1	130.1	130.1	130.1	130.1	130.1	130.1	0.0	0.0%	0.0	0.0%	130.1	130.1	0.0	0.0%
Earnings per share (PLN) - annualised	8.22	9.72	13.53	9.65	11.86	18.92	19.63	20.57	0.94	4.8%	10.92	113.1%	10.28	17.74	7.46	72.6%

# Statement of financial position

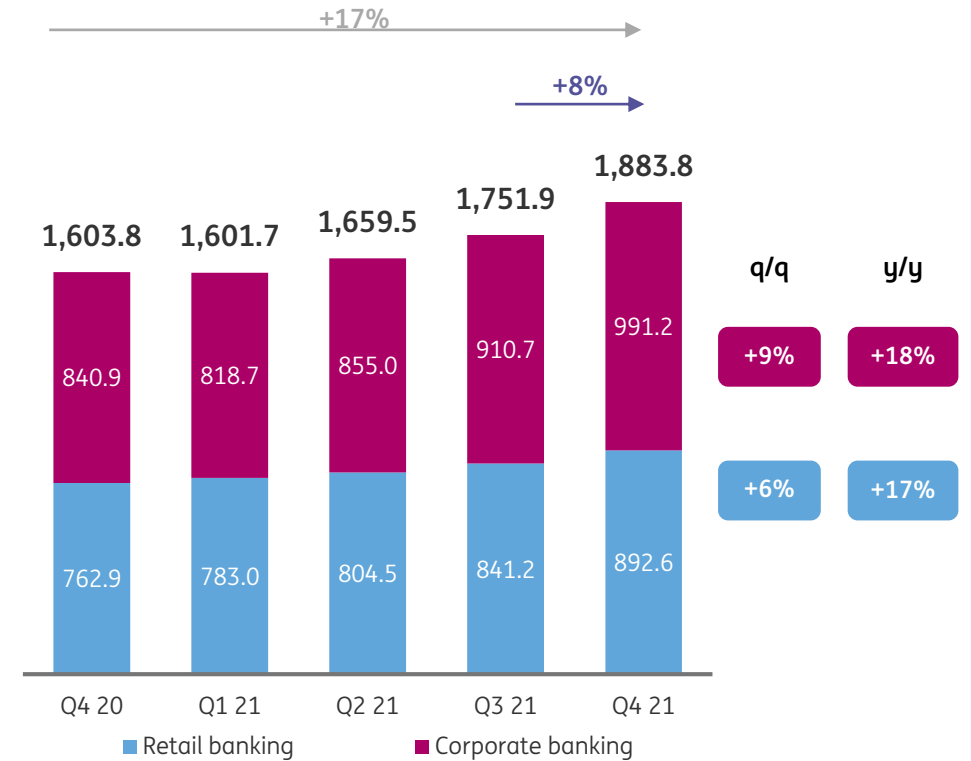
Consolidated statement of financial position (PLN m)	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	q/q		y/y	
										Δ	%	Δ	%
<b>ASSETS</b>													
- Cash in hand and balances with the Central Bank	1,402.9	1,740.5	1,910.3	1,193.6	867.3	899.8	850.8	747.1	1,100.0	352.9	47.2%	232.7	26.8%
- Loans and receivables to other banks	798.5	1,082.3	744.4	731.3	704.6	1,336.4	709.5	913.8	704.8	-209.0	-22.9%	0.2	0.0%
- Financial assets measured at fair value through profit or loss	1,303.3	1,502.0	1,107.9	1,259.2	1,817.6	1,610.1	1,471.1	1,957.5	1,538.3	-419.2	-21.4%	-279.3	-15.4%
- Investments	33,794.2	38,094.7	53,077.6	56,084.1	54,170.6	54,707.2	55,221.6	49,443.6	45,584.4	-3,859.2	-7.8%	-8,586.2	-15.9%
- Derivative hedge instruments	851.6	1,075.8	1,095.9	1,054.1	1,194.8	873.6	882.0	593.3	250.4	-342.9	-57.8%	-944.4	-79.0%
- Loans and receivables to customers at amortised costs	118,127.8	123,459.7	120,598.1	122,382.0	124,655.3	129,453.2	133,768.8	141,168.6	146,536.0	5,367.4	3.8%	21,880.7	17.6%
- Assets securing liabilities	111.5	2,111.1	3.6	0.0	963.0	3,607.1	1,881.5	3,018.6	2,280.9	-737.7	-24.4%	1,317.9	136.9%
- Non-financial assets	1,385.9	1,374.9	1,348.4	1,341.7	1,339.7	1,300.6	1,267.4	1,233.6	1,208.6	-25.0	-2.0%	-131.1	-9.8%
- Tax assets	445.6	377.7	380.1	409.7	425.9	560.3	771.0	1,020.8	1,979.5	958.7	93.9%	1,553.6	364.8%
- Other assets	389.4	422.9	373.0	403.8	456.9	473.0	458.6	446.2	471.3	25.1	5.6%	14.4	3.2%
<b>Total assets</b>	<b>158,610.7</b>	<b>171,241.6</b>	<b>180,639.3</b>	<b>184,859.5</b>	<b>186,595.7</b>	<b>194,821.3</b>	<b>197,282.3</b>	<b>200,543.1</b>	<b>201,654.2</b>	<b>1,111.1</b>	<b>0.6%</b>	<b>15,058.5</b>	<b>8.1%</b>
<b>EQUITY AND LIABILITIES</b>													
<b>LIABILITIES</b>													
- Liabilities due to other banks	6,256.1	6,624.3	4,594.6	4,883.1	8,228.0	10,333.8	9,422.5	10,306.1	10,051.0	-255.1	-2.5%	1,823.0	22.2%
- Financial liabilities measured at fair value through profit or loss	915.1	1,027.6	617.2	696.9	1,530.8	1,194.3	1,040.4	1,434.4	1,679.6	245.2	17.1%	148.8	9.7%
- Derivative hedge instruments	546.0	510.4	480.9	449.7	558.5	549.6	454.0	406.0	235.4	-170.6	-42.0%	-323.1	-57.9%
- Liabilities due to customers	130,473.5	139,648.7	150,979.3	154,399.8	151,028.5	158,931.1	161,998.3	164,586.3	170,609.9	6,023.6	3.7%	19,581.4	13.0%
- Liabilities under issue of debt securities	399.7	397.6	395.4	397.3	1,370.5	596.5	546.2	547.2	972.4	425.2	77.7%	-398.1	-29.0%
- Subordinated liabilities	2,131.1	2,278.1	2,235.1	2,265.2	2,309.2	2,331.9	2,262.1	2,318.2	1,610.3	-707.9	-30.5%	-698.9	-30.3%
- Provisions	205.7	186.3	203.0	196.1	256.3	240.1	248.4	252.9	336.9	84.0	33.2%	80.6	31.4%
- Tax liabilities	381.3	705.5	431.5	450.5	389.6	200.0	1.8	3.5	3.9	0.4	11.4%	-385.7	-99.0%
- Other liabilities	2,078.9	2,522.1	2,466.8	2,525.1	2,306.0	2,883.7	3,451.0	3,247.9	2,623.4	-624.5	-19.2%	317.4	13.8%
<b>Total liabilities</b>	<b>143,387.4</b>	<b>153,900.6</b>	<b>162,403.8</b>	<b>166,263.7</b>	<b>167,977.4</b>	<b>177,261.0</b>	<b>179,424.7</b>	<b>183,102.5</b>	<b>188,122.8</b>	<b>5,020.3</b>	<b>2.7%</b>	<b>20,145.4</b>	<b>12.0%</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	1,867.3	3,717.7	4,296.0	4,216.1	3,923.4	2,479.8	2,158.7	1,102.8	-2,821.0	-3,923.8	-355.8%	-6,744.4	-171.9%
- Retained earnings	12,269.6	12,536.9	12,853.1	13,293.3	13,608.5	13,994.1	14,612.5	15,251.4	15,266.0	14.6	0.1%	1,657.5	12.2%
<b>Equity attributable to shareholders of ING BSK</b>	<b>15,223.3</b>	<b>17,341.0</b>	<b>18,235.5</b>	<b>18,595.8</b>	<b>18,618.3</b>	<b>17,560.3</b>	<b>17,857.6</b>	<b>17,440.6</b>	<b>13,531.4</b>	<b>-3,909.2</b>	<b>-22.4%</b>	<b>-5,086.9</b>	<b>-27.3%</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>15,223.3</b>	<b>17,341.0</b>	<b>18,235.5</b>	<b>18,595.8</b>	<b>18,618.3</b>	<b>17,560.3</b>	<b>17,857.6</b>	<b>17,440.6</b>	<b>13,531.4</b>	<b>-3,909.2</b>	<b>-22.4%</b>	<b>-5,086.9</b>	<b>-27.3%</b>
<b>Total equity and liabilities</b>	<b>158,610.7</b>	<b>171,241.6</b>	<b>180,639.3</b>	<b>184,859.5</b>	<b>186,595.7</b>	<b>194,821.3</b>	<b>197,282.3</b>	<b>200,543.1</b>	<b>201,654.2</b>	<b>1,111.1</b>	<b>0.6%</b>	<b>15,058.5</b>	<b>8.1%</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)	117.01	133.29	140.17	142.93	143.11	134.98	137.26	134.06	104.01	-30.05	-22.4%	-39.10	-27.3%

# Income per category

Income per P&L line (PLN million)

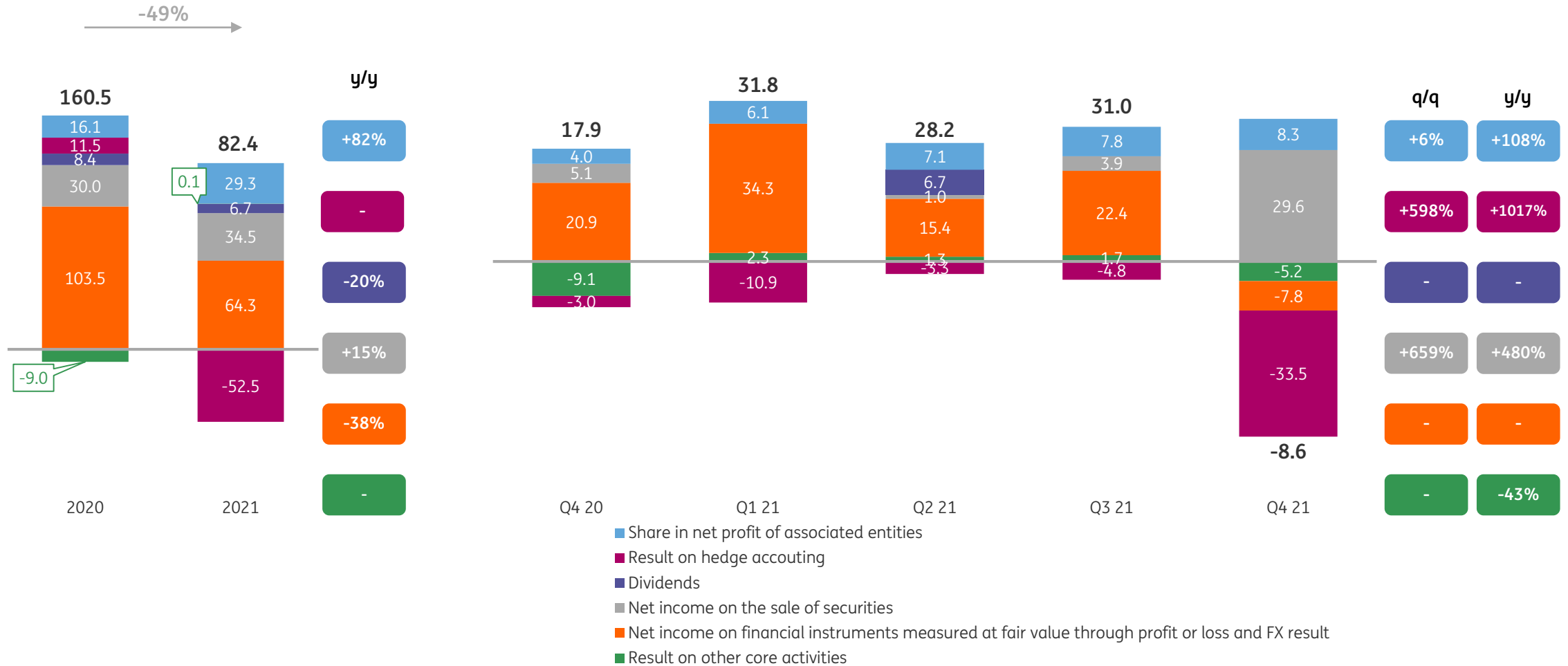


Income per business line (PLN million)



# Other income

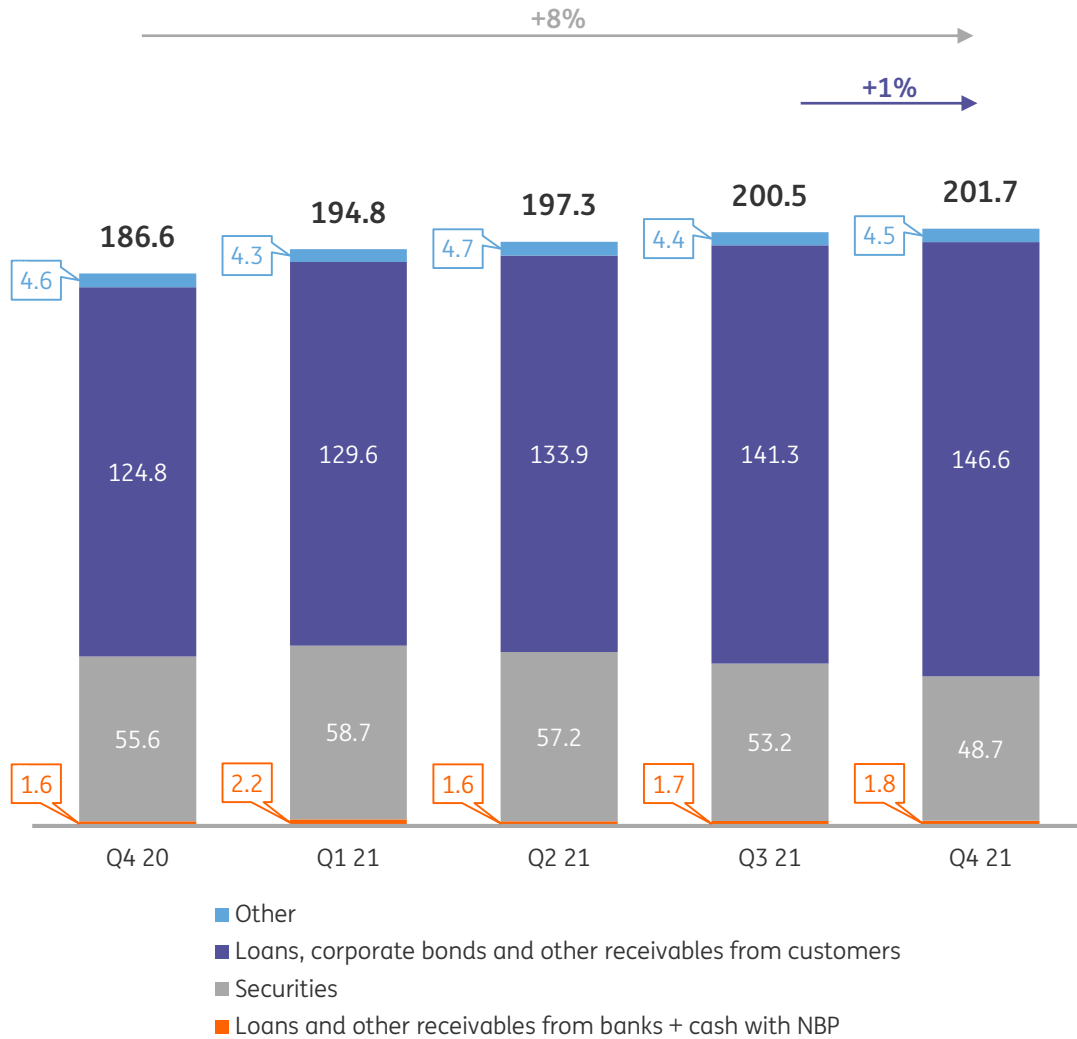
Other income (PLN million)



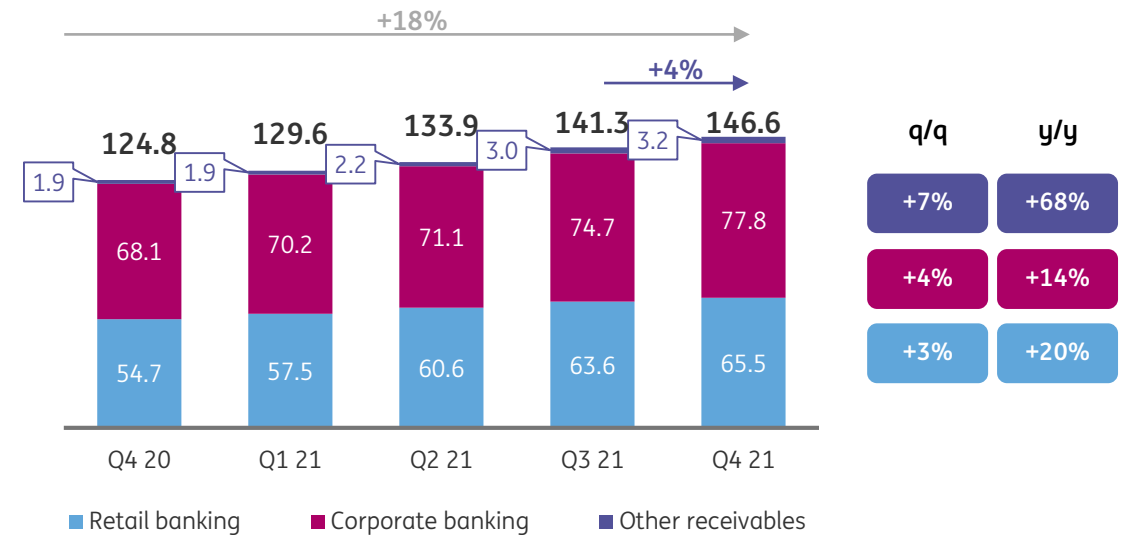


# Bank assets

Assets structure (PLN billion)

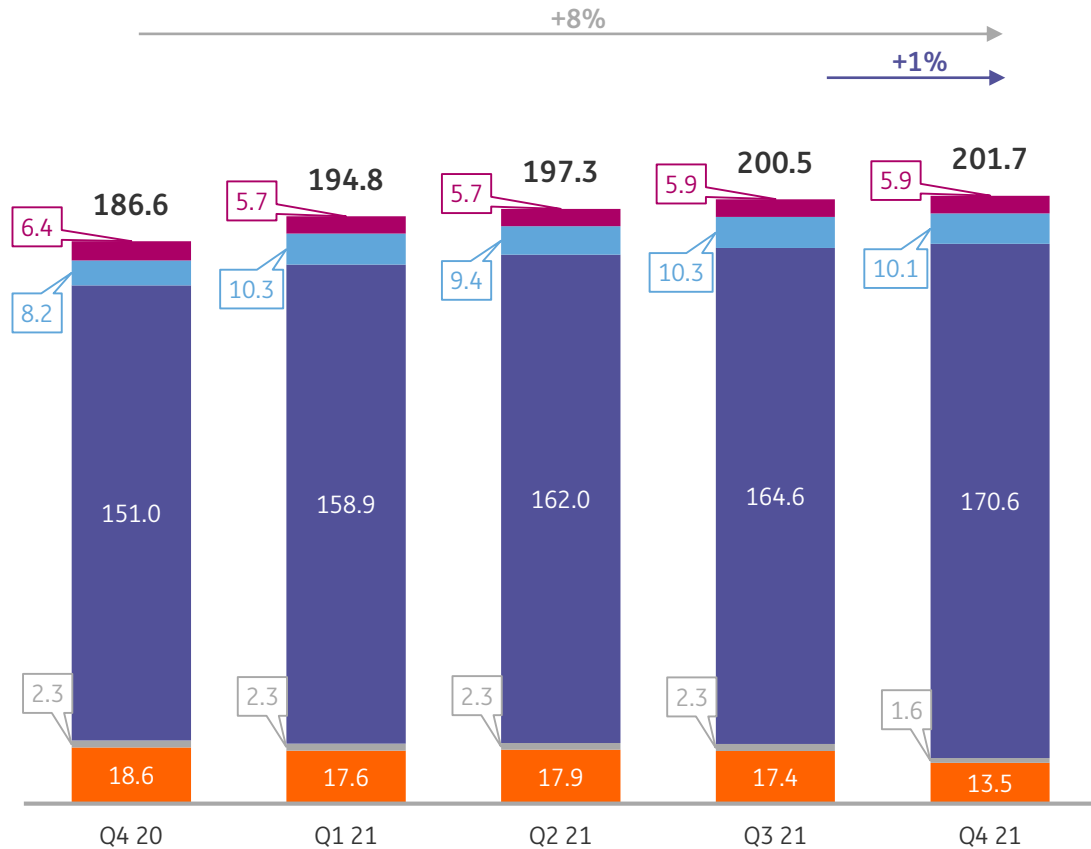


Loans and other receivables from customers (net; PLN billion)



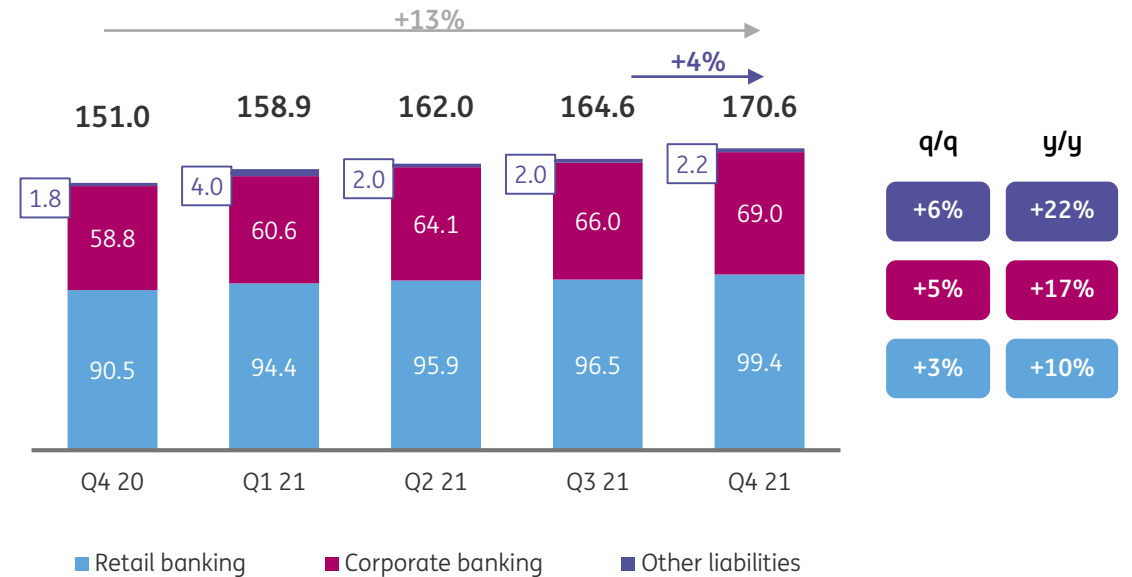
# Bank equity and liabilities

Structure of equity and liabilities (PLN billion)



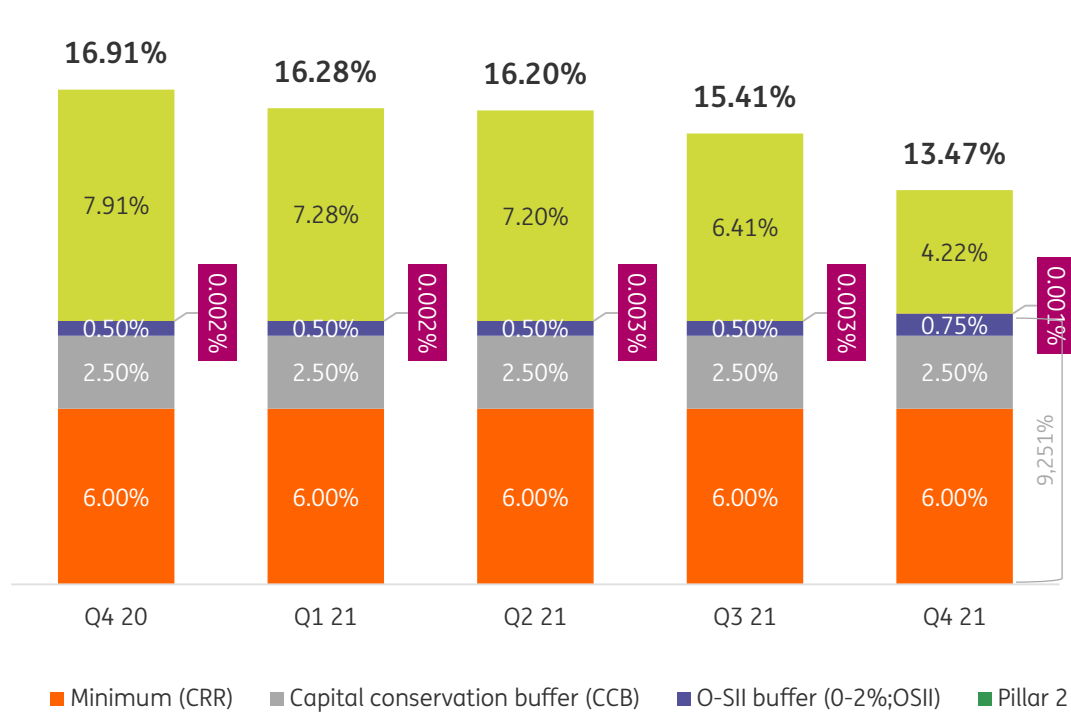
Equity Subordinated debt Deposits and other liabilities to clients Liabilities to banks Other

Deposits and other liabilities to customers (PLN billion)

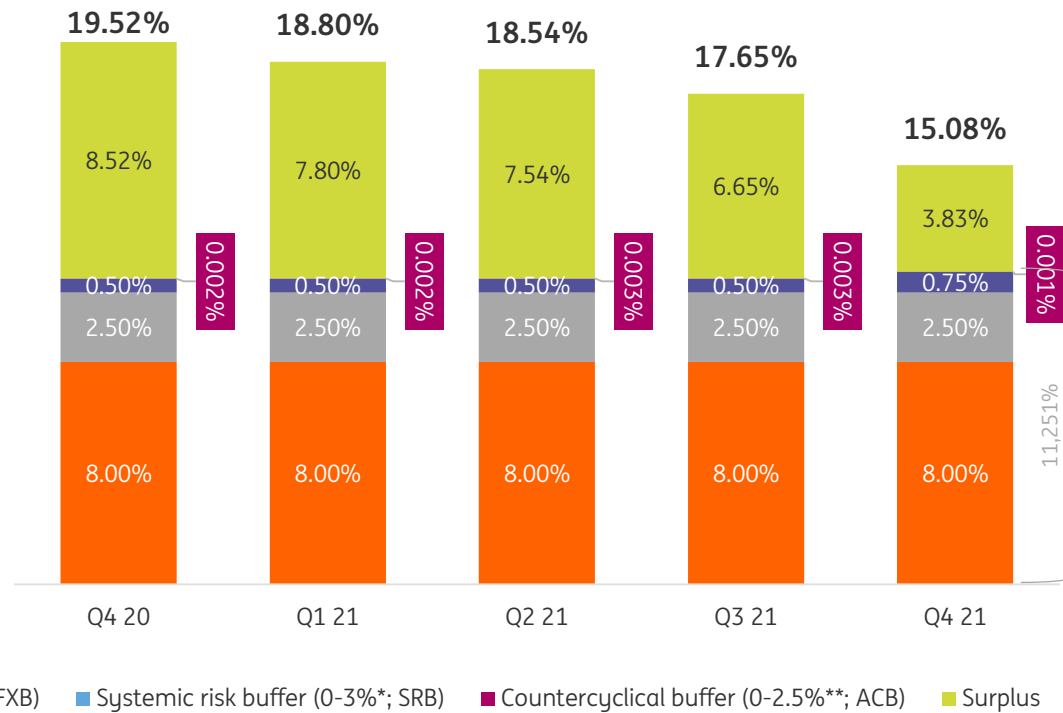


# Capital requirement structure

Consolidated capital requirement structure – Tier 1



Consolidated capital requirement structure – TCR



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

# Lending exposure by industry

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

Consolidated approach

No	Industry	Exposure as at 31.12.2021	%
1	Real estate service	9,816	12.3%
2	Wholesale trade	9,501	11.9%
3	Foodstuff and beverage production	4,029	5.0%
4	Other activity related to business running	4,025	5.0%
5	Land transport and transport via pipelines	3,812	4.8%
6	Manufacture of fabricated metal products	3,499	4.4%
7	Retail trade	3,335	4.2%
8	Rubber industry	3,180	4.0%
9	Constructions	3,116	3.9%
10	Financial intermediation	3,095	3.9%
11	Public administration and national defence	2,938	3.7%
12	Power industry	2,541	3.2%
13	Wood and paper industry	2,237	2.8%
14	Chemicals and chemical goods production	2,059	2.6%
15	Agriculture, forestry, fishery	1,981	2.5%
16	Renting of equipment	1,927	2.4%
17	Post office and telecommunications	1,770	2.2%
18	Sale, repair and maintenance of motor vehicles	1,702	2.1%
19	Machine industry	1,182	1.5%
20	Other	14,169	17.7%
<b>Total</b>		<b>79,914</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 31.12.2021	%
1	Wholesale trade	14,530	12.0%
2	Real estate service	10,422	8.6%
3	Constructions	7,317	6.0%
4	Other activity related to business running	6,633	5.5%
5	Retail trade	6,305	5.2%
6	Manufacture of fabricated metal products	5,874	4.8%
7	Foodstuff and beverage production	5,626	4.6%
8	Land transport and transport via pipelines	5,147	4.2%
9	Financial intermediation	4,934	4.1%
10	Rubber industry	4,471	3.7%
11	Power industry	3,770	3.1%
12	Chemicals and chemical goods production	3,695	3.0%
13	Wood and paper industry	3,121	2.6%
14	Post office and telecommunications	3,053	2.5%
15	Public administration and national defence	2,940	2.4%
16	Sale, repair and maintenance of motor vehicles	2,676	2.2%
17	Renting of equipment	2,617	2.2%
18	Agriculture, forestry, fishery	2,192	1.8%
19	Machine industry	2,069	1.7%
20	Other	24,094	19.8%
	<b>Total</b>	<b>121,483</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

## 5th largest bank in Poland

### Key facts

- We are a universal bank established in 1989
- We provide comprehensive financial services for individual and corporate clients in all segments
- We serve clients through remote channels (including internet and mobile banking) and a network of branches fully equipped with self-service zones
- We have 4.3 million individual clients and 503 thousand corporate clients
- We employ 8.7 thousand employees
- We are number four in Poland in terms of the number of customers and commercial balance (total deposits and customer loans) as at the end of Q3 2021

### Credit ratings of ING Bank Śląski

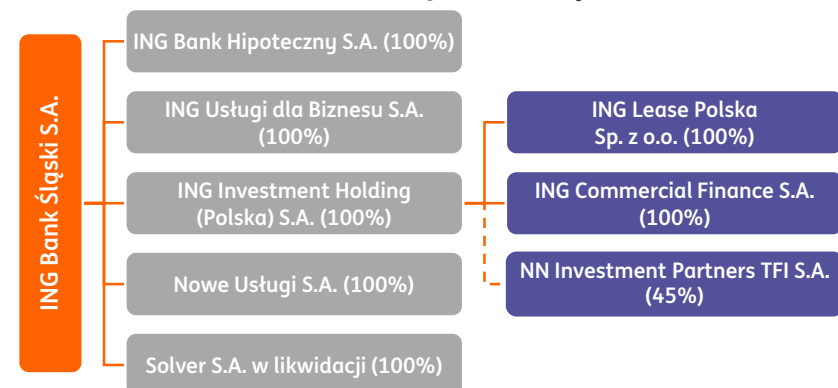
#### Fitch

- 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



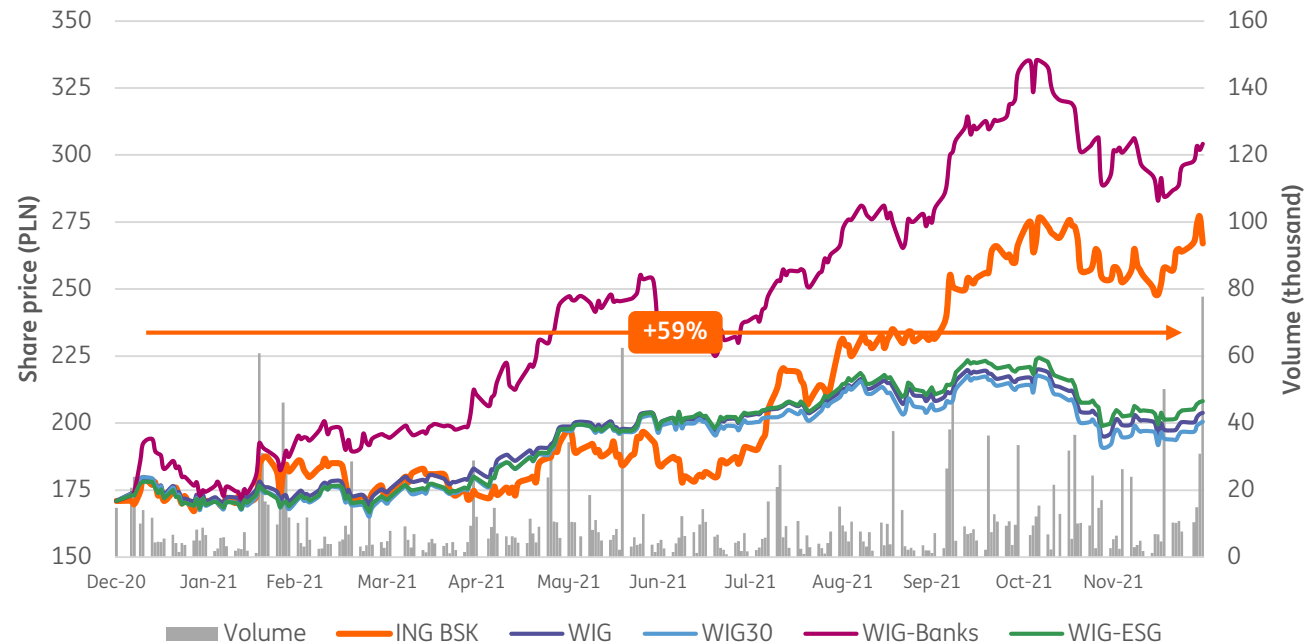
# ING Bank Śląski S.A. shares

**ING BSK share price:**  
**PLN 267.0** (as at 31 December 2021)

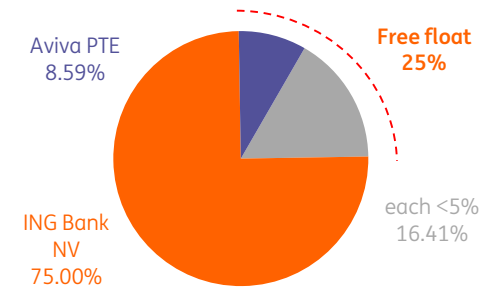
Capitalisation: **PLN 34.7 billion** (EUR 7.5 billion)  
 Free float: **PLN 8.7 billion** (EUR 1.9 billion)

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

ING BSK shares vs. WSE indices recalculated for comparability



Shareholding structure



Market ratios (Q4 2021)

P/E 15.0x

P/BV 2.6x

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. [See more](#)



# 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 GPW Listed Companies 2021.

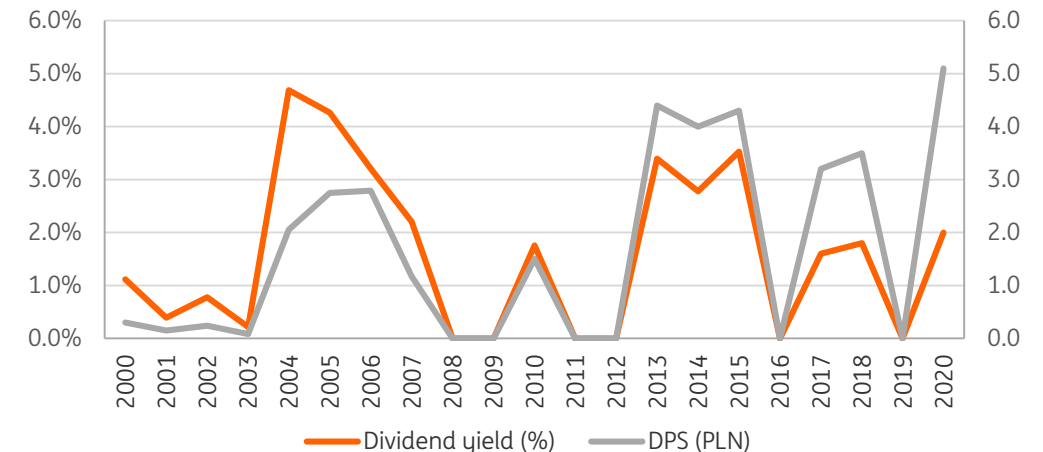
A proposal to pay a dividend in the amount higher than the dividend ratio referred to in point 1 is possible when it is justified by the financial standing of the Bank (e.g. from undivided profit from previous years) and provided that all other requirements set out in the law and the Policy are met. 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 a 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 presentation terms :

- **LCR - Liquidity Coverage Ratio.** Computed as a ratio of high-liquid assets to short-term liabilities. It is introduced in stages. The minimum value is 100% starting from 2018.
- **Retail clients** – individuals.
- **Corporate clients** – entrepreneurs, SME, mid-corporates and strategic clients (holdings).
  - Entrepreneurs – individuals running their own business activity
  - SME – corporates with annual turnover of up to EUR 10m.
  - Mid-corporates – corporates with annual turnover between EUR 10m and EUR 125m.
  - Strategic clients – holdings with annual turnover over EUR 125m.
- **NIM - Net Interest Margin** – the ratio of net interest income to the average value of interest earning assets (incl. loans, bonds) as at the end of individual quarters in a given period (five quarters for cumulative margin and two quarters for quarterly margin).
- **NSFR - Net Stable Funding Ratio.** It is computed as the ratio of available stable funding to required stable funding. The minimum value (effective from the end of June 2021) is 100%.
- **C/I ratio – Cost / Income ratio** – the ratio of costs (excluding risk costs and bank levy) to bank's income (including the share in the net profit of associated entities).
- **Cost of risk** – the balance of provisions created and released due to the deterioration in value/quality of the bank's financial assets (e.g. loans) 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 2022

Date	Event
3 February 2022	Report for Q4 2021 (preliminary data)
11 March 2022	Annual report for 2021
6 May 2022	Report for Q1 2022
4 August 2022	Report for Q2 2022
3 November 2022	Report for Q3 2022

# Investor Information

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

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

Certain statements contained herein are not historical facts; some of them in particular are forecasts and future expectations that are based on current views and assumptions of the Bank Management Board and that involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from data contained or implied in such statements due to the following: (1) changes in general economic conditions, (2) changes in performance of financial markets, (3) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness, (4) changes affecting interest rate levels, (5) changes affecting currency exchange rates, (6) changes in general competitive factors, (7) changes in laws and regulations, (8) changes in the policies of governments and/or regulatory authorities, and (9) conclusions with regard to acquisition accounting assumptions and methodologies. ING Bank Śląski S.A. assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

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