

ING Bank Śląski S.A.

Business and Financial Results
for Q1 2020

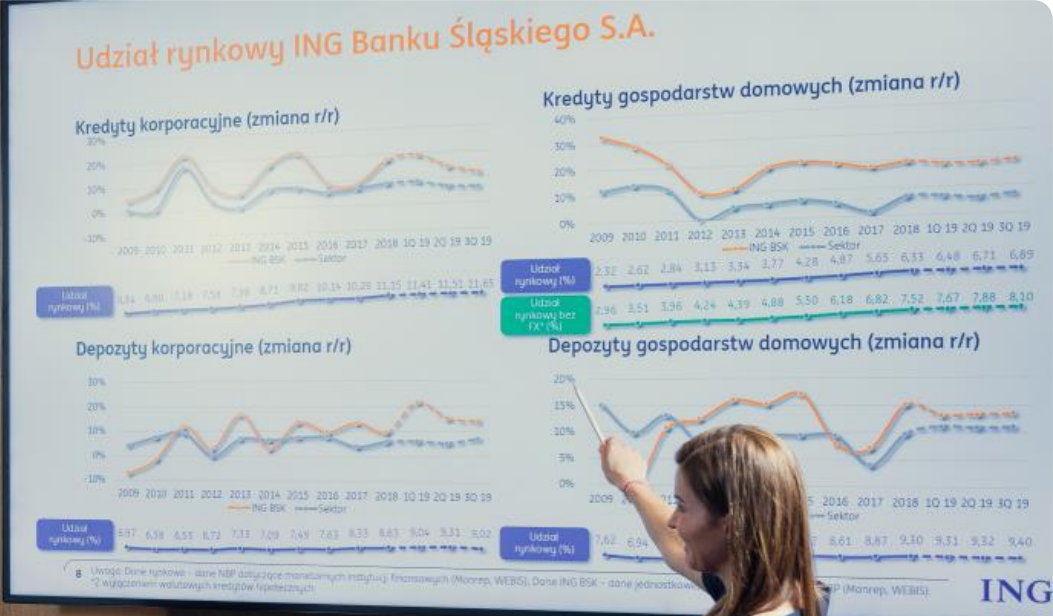
Warsaw, 8 May 2020

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Introduction to financial results and the Bank's market position



Our bank's activities related to COVID-19

Clients

- We enabled suspension of payments on consumer-, mortgage- and business loans, as well as lease and factoring payments for up to six months;
- We signed and implemented loan guarantees for companies in cooperation with BGK (on 10 April – we were the first bank to do so);
- We signed and launched subsidies for the smallest and medium-sized companies under the Financial Shield from Polish Development Fund (29 April);
- We increased the limit on contactless payments from PLN 50 to PLN 100 to increase shopping security;
- #ZDALNIDOPOMOCY: we encourage people to help others with banking – without leaving their homes. We inspire and encourage people to use the opportunities offered by mobile banking;
- We introduced support for entrepreneurs using our payment terminals - they are exempt from fees for up to 3 months;
- We waived the fees for Direct Account for Business until July.

Employees

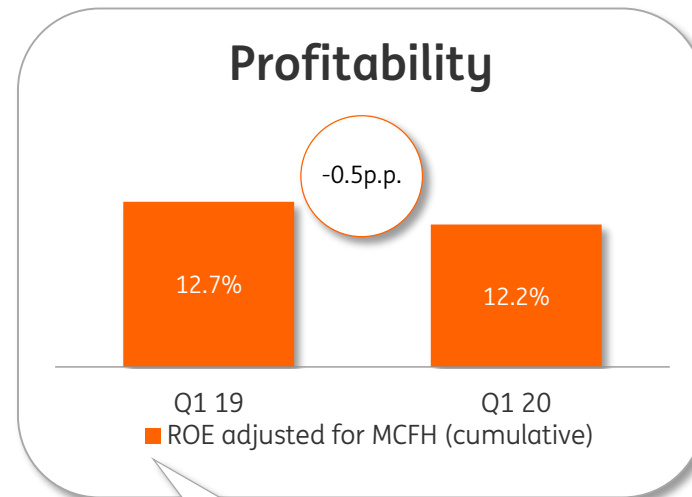
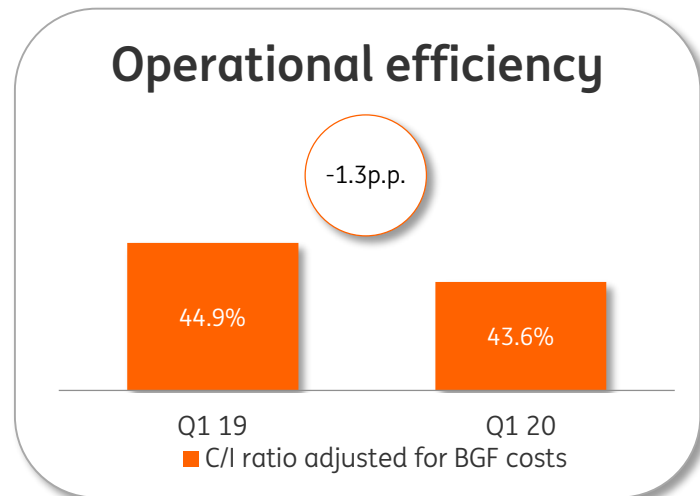
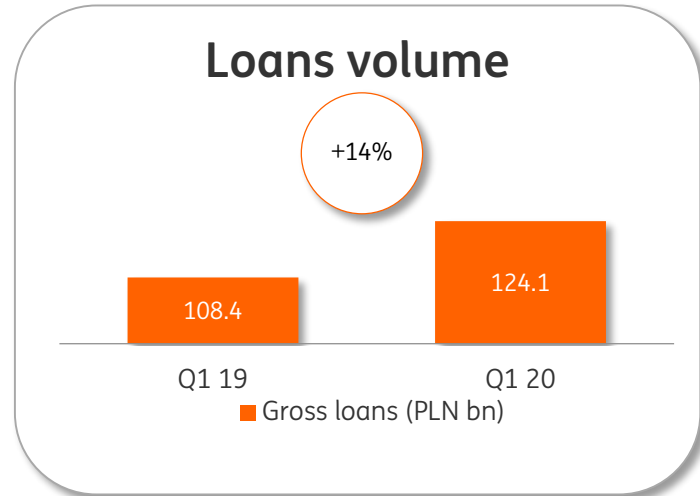
- For the safety of our employees, we have introduced the principle of remote work - Home Office.
- Meeting places (branches):
 - shorter business hours from 11am to 3pm;
 - breaks for specialists for hygiene and disinfection,
 - limiting the number of clients staying in the branch,
 - plexiglass screens at cashiers' desks, gloves, visors and masks for specialists, regular disinfection of devices;
- On-line classes for employees' children;
- Chat with LuxMed doctors for our employees;
- Orange Helpline for employees - anonymous consultation with a psychologist;
- Compact Learning - trainings, webinars, Q&A sessions;
- Sport exercises with OK System Online.

Healthcare support

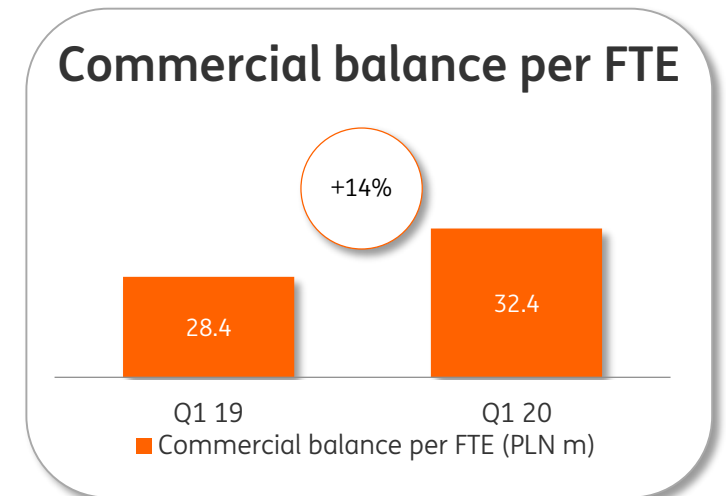
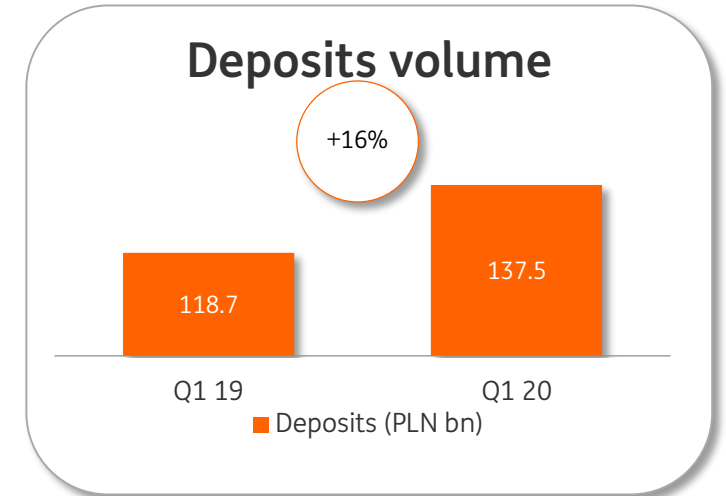
- We have always cared about people; that is why we donated PLN 4 million to health care;
- Together with the ING Children Foundation, we launched a special fundraiser for healthcare. We have already raised PLN 2 million thanks to contributions from clients, employees and ING Group, which supports the fight against pandemic in many countries.



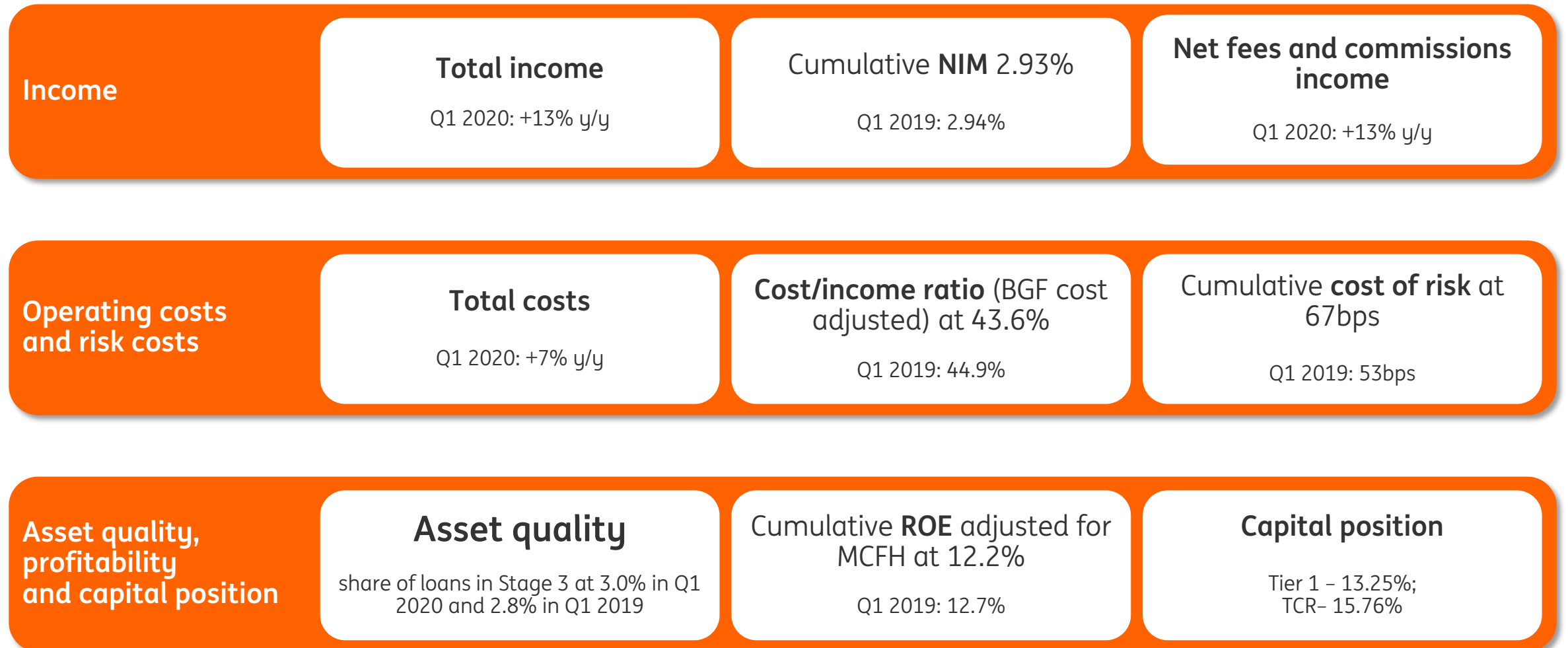
Basic activity indicators



Reported ROE was 10.6% in Q1 2020 (12.1% in Q1 2019)



Elements shaping income statement



Selected financial data

<i>PLN million</i>	Q1 2019	Q4 2019	Q1 2020	Change y/y	% change y/y
Total income	1,386.3	1,486.8	1,562.7	+ 176.4	+ 13%
Total expenses	721.1	590.8	775.0	+ 53.9	+ 7%
Result before risk costs	665.2	896.0	787.7	+ 122.5	+ 18%
Risk costs	125.0	164.4	294.7	+ 169.7	+ 136%
Bank levy	102.2	113.6	116.0	+ 13.8	+ 14%
Profit before tax	438.0	618.0	377.0	-61.0	- 14%
Income tax	113.5	167.7	109.7	-3.8	- 3%
Net profit	324.5	450.3	267.3	-57.2	- 18%
Total capital ratio	15.82%	16.87%	15.76%	- 0.06 p.p.	-
Tier 1	14.49%	14.41%	13.25%	- 1.24 p.p.	-
ROE* (%)	12.1%	11.6%	10.6%	- 1.5 p.p.	-
ROE* adjusted for MCFH (%)	12.7%	12.8%	12.2%	- 0.5 p.p.	-
C/I ratio (%)	52.0%	39.7%	49.6%	- 2.4 p.p.	-

- Negative impact of changes in macroeconomic assumptions on the cost of risk in Q1 2020 amounts to PLN 146.7 million (higher risk costs)
- Among total expenses, regulatory expenses increased by PLN 11.3 million y/y (+7% y/y) to PLN 176.2 million

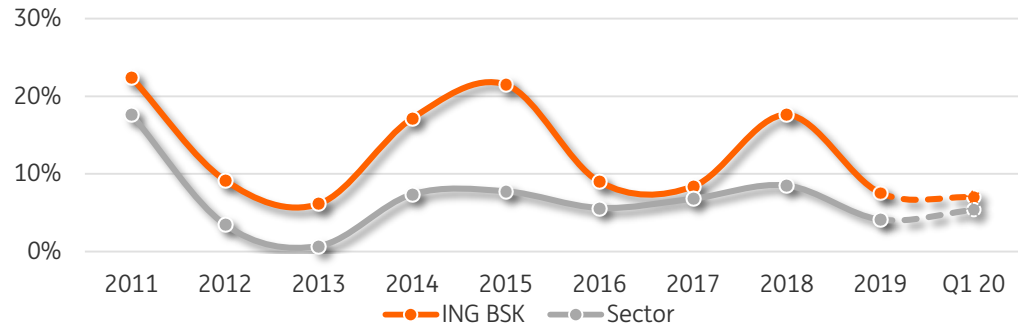
Major business accomplishments

Business volumes

<i>PLN million</i>	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	% change y/y	Change y/y
Total deposits	115,908	118,653	121,131	123,716	128,800	137,489	+ 16%	18,836
Corporate clients' deposits	44,957	44,855	46,486	47,240	49,848	52,497	+ 17%	7,642
Retail clients' deposits	70,952	73,798	74,645	76,476	78,952	84,992	+ 15%	11,194
Total funds entrusted by retail clients	82,665	86,310	87,692	90,119	93,254	96,585	+ 12%	10,275
Mutual funds assets (TFI) + other off-BS products distributed by the Bank	11,714	12,512	13,046	13,644	14,302	11,592	- 7%	-919
Total loans	104,445	108,445	111,474	116,383	118,473	124,053	+ 14%	15,608
Loans to corporate clients incl. leasing and factoring	64,604	67,053	67,773	70,188	70,077	73,078	+ 9%	6,025
Loans to retail clients	39,841	41,392	43,701	46,195	48,396	50,976	+ 23%	9,584
Mortgage loans	33,372	34,590	36,465	38,618	40,807	43,214	+ 25%	8,625
Cash loans	5,429	5,784	6,158	6,435	6,469	6,662	+ 15%	878

Market shares of ING Bank Śląski S.A.

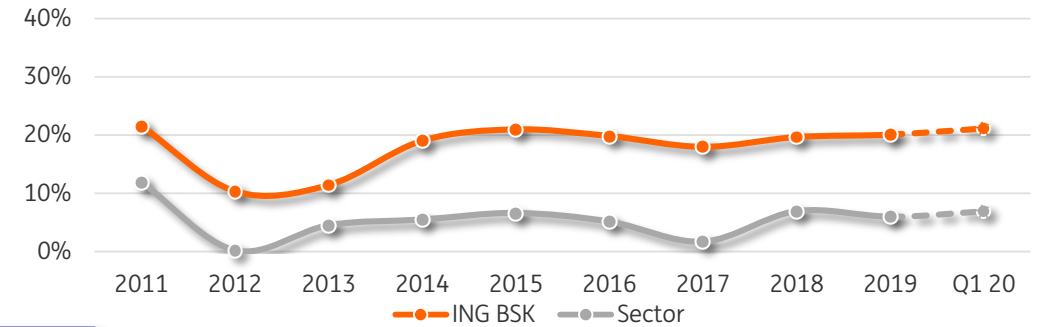
Corporate loans (change y/y)



Market share (%)



Household loans (change y/y)



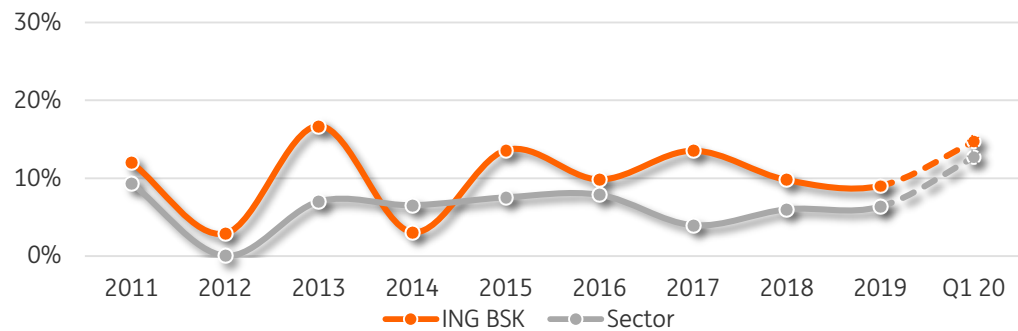
Market share (%)



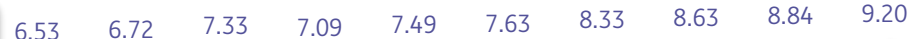
Market share excl. FX* (%)



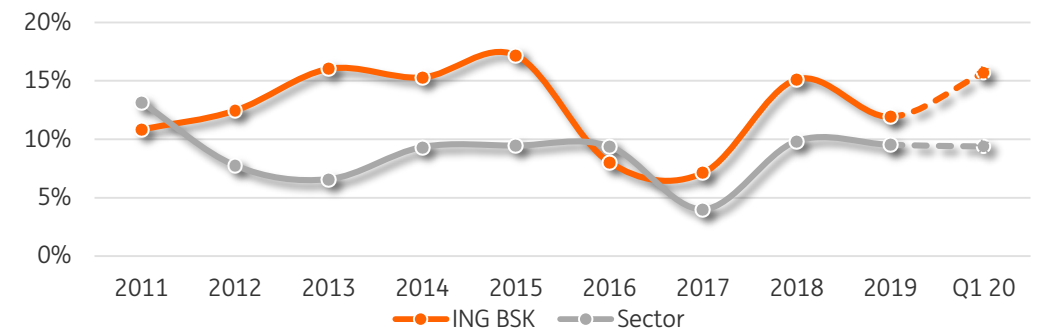
Corporate deposits (change y/y)



Market share (%)



Household deposits (change y/y)



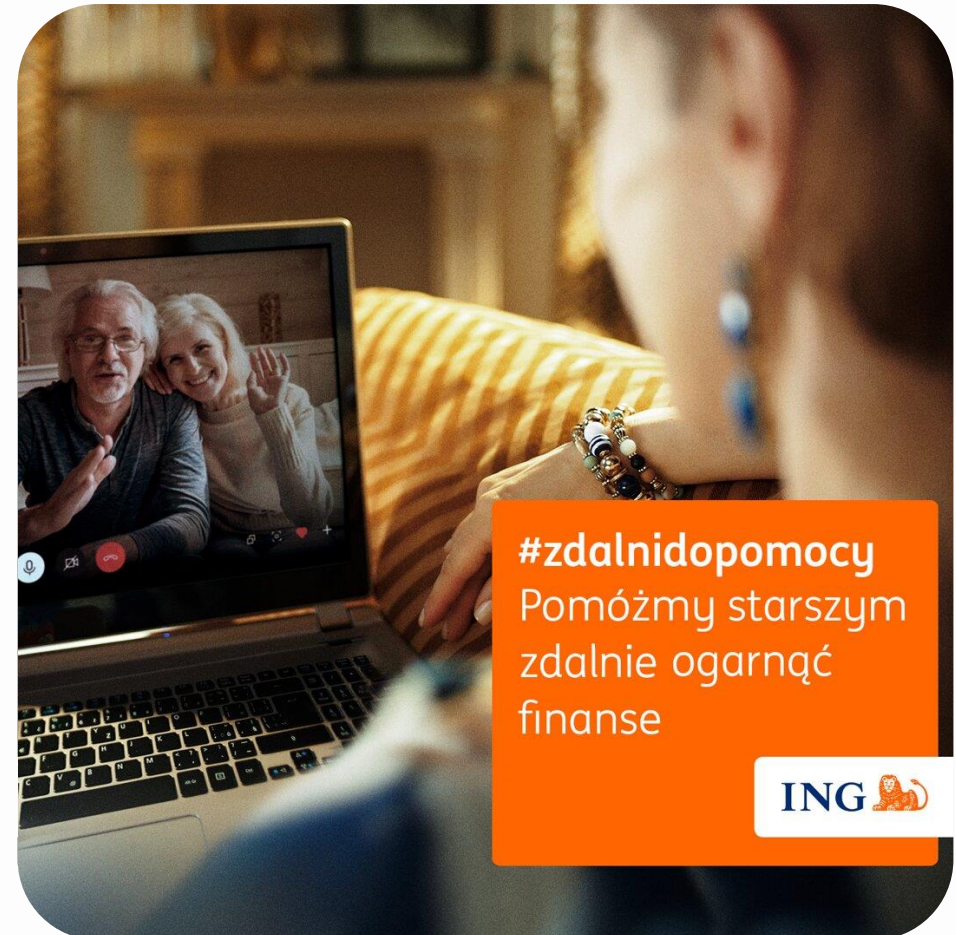
Market share (%)



9 Note: Market data - monetary financial institutions data of the National Bank of Poland (Monrep, WEBIS); ING BSK data - separate data, as in the segmentation of the NBP (Monrep, WEBIS). *Excluding FX mortgage loans.



Business development



New solutions for our clients

Retail banking

Q1 2020

- Behavioral verification
- Ability to view accounts from other banks - 3 new banks
- Request for transfer as part of BLIK payments

Q2 2020

- Deferred payments for recurring bills in Moje Usługi
- Changing the menu and creating a user profile in Moje ING
- Opening an account via video-verification
- Prepaid card for children under 13 years of age
- Moje ING mobile application for Apple Watch
- We have introduced facilities for the deaf

Corporate banking

- Blockchain in a letter of credit transaction

- A new form of company accounting in ING Księgowość
- BGK guarantees for SMEs
- Whitelist in electronic banking
- We help businesses switch to e-commerce
- Qualified electronic signature for companies

Retail banking

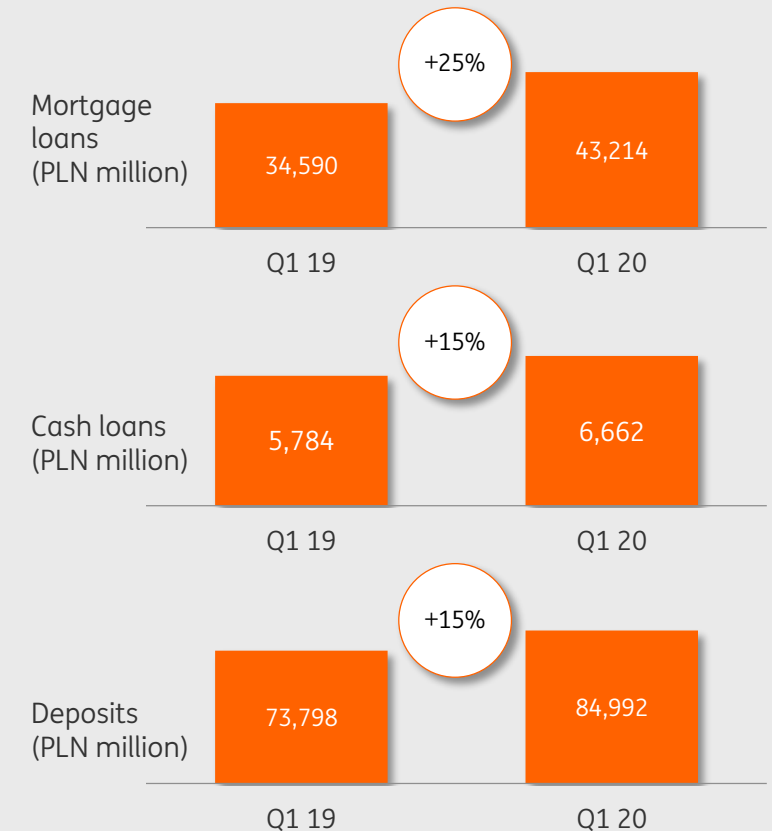
Customer transactions

- We operate 3.2 million current accounts for individual clients
- In Q1 2020 our individual clients carried out a total of 60.9 million transfers (98% of them were carried out electronically), up by 14% y/y...
- Out of that number, 27.4 million transfers were made using mobile banking (+43% y/y)...
- BLIK transactions grew by 97% (and totalled 10.3 million)...
- In-branch transactions went down by 21% y/y (661,000 in total)
- Debit transactions increased by 16% y/y (and totalled 156.7 million).

Funding

- The portfolio of retail receivables increased by PLN 9.6 billion y/y and PLN 2.6 billion q/q to PLN 51.0 billion
- We granted PLN 3.6 billion worth of mortgage loans in Q1 2020 (+65% y/y); including PLN 1.6 billion worth of fixed-rate loans (x6 y/y)
- A 12.0% market share in the volume of PLN mortgage loans
- We granted PLN 1.0 billion worth of cash loans in Q1 2020 (-5% y/y)...
- ... out of which 79% of sales were online

Growing volumes



Corporate banking

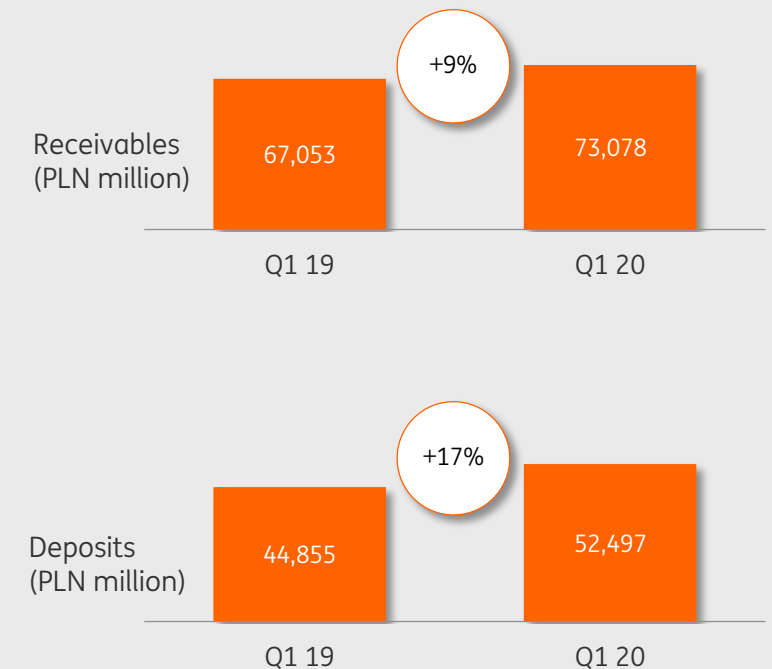
Customer transactions

- We service 473.5 thousand corporate clients, including 400 thousand entrepreneurs, 70.4 thousand SME and mid-corporates and 3.5 thousand strategic clients
- In Q1 2020, our corporate clients completed 20.9 million transfers via ING Business (+19% y/y), including 1.2 million in mobile banking (+57% y/y)
- We installed 22.8 thousand POS (out of which 1.2 thousand in Q1 2020); we processed 6.2 million transactions in Q1 2020 (+76% y/y)
- 1,542 stores with the active imoje payment gate (+273 YTD), including 357 shops with Twisto payments (+57 YTD)

Funding

- The corporate receivables portfolio (including leasing and factoring) is PLN 73.1 billion, up by PLN 6.0 billion y/y (+9% y/y)
- The portfolio of receivables from entrepreneurs increased by PLN 0.9 billion y/y (+15% y/y) to PLN 6.9 billion
- The portfolio of receivables from SME and mid-corporate increased by PLN 1.8 billion y/y (+5% y/y) to PLN 39.9 billion
- The portfolio of receivables from strategic clients increased by PLN 3.3 billion y/y (+14% y/y) to PLN 26.3 billion
- We launched the Guarantee Line from the Liquidity Guarantee Fund (PLG FGP) in cooperation with BGK (agreement signed on 10 April)

Growing volumes



Q1 2020 financial results



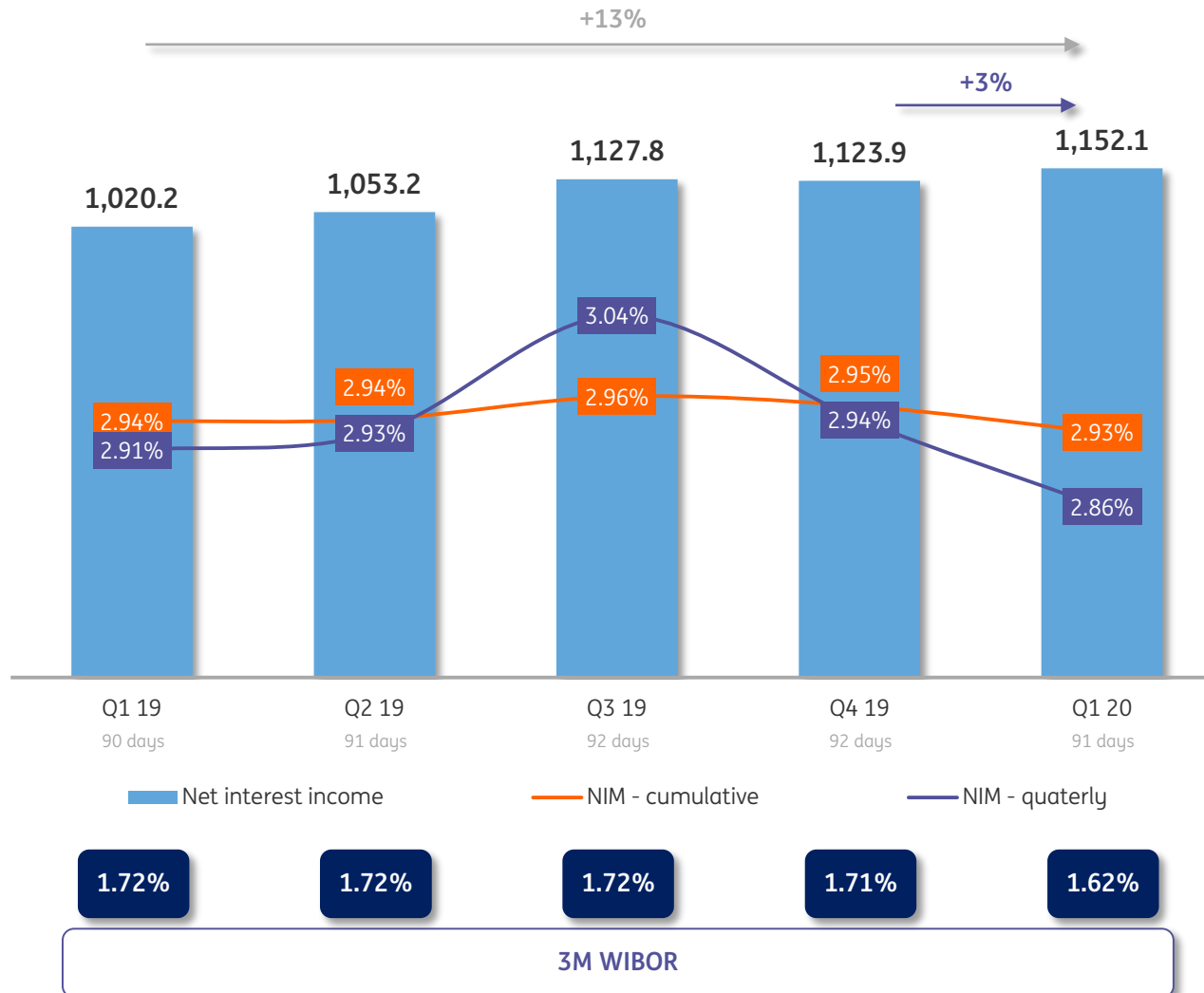
Financial results of ING Bank Śląski S.A.

PLN million	Q1 2019	Q4 2019	Q1 2020	Change y/y	% change y/y
Net interest income	1,020.2	1,123.9	1,152.1	+131.9	+ 13%
Net commission income	317.8	336.4	359.1	+41.3	+ 13%
Other income	48.3	26.5	51.5	+3.2	+ 7%
Total income	1,386.3	1,486.8	1,562.7	+176.4	+ 13%
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Total capital ratio	15.82%	16.87%	15.76%	- 0.06 p.p.	-
Tier 1	14.49%	14.41%	13.25%	- 1.24 p.p.	-
ROE (%)*	12.1%	11.6%	10.6%	- 1.5 p.p.	-
C/I ratio (%)	52.0%	39.7%	49.6%	- 2.4 p.p.	-
Adjusted data**					
Total income	1,386.3	1,486.8	1,562.7	+176.4	+ 13%
Total expenses	622.7	623.6	681.7	+59	+ 9%
Profit before tax	536.4	585.2	470.3	-66.1	- 12%
Net profit	397.4	426.1	333.5	-63.9	- 16%
ROE* (%)	12.4%	11.6%	10.6%	- 1.8 p.p.	-
ROE* adjusted for MCFH (%)	12.7%	12.8%	12.2%	- 0.5 p.p.	-
C/I ratio (%)	44.9%	41.8%	43.6%	- 1.3 p.p.	-

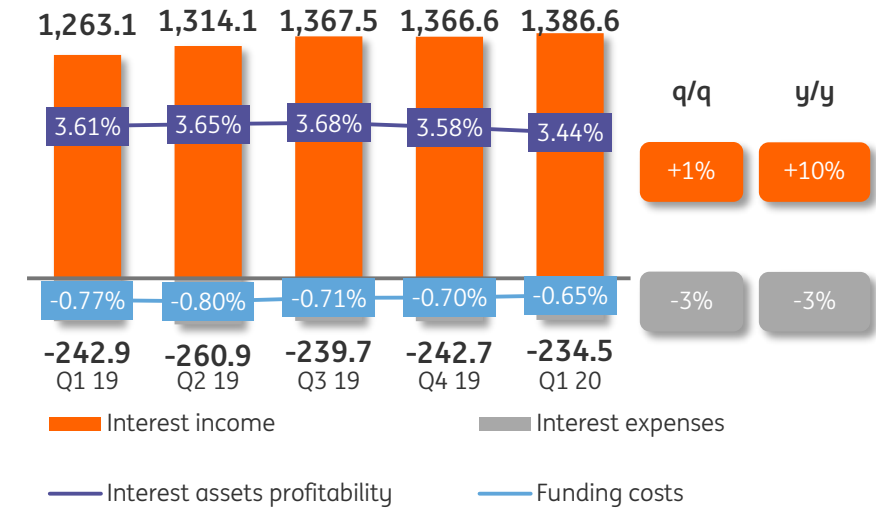
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Net interest income

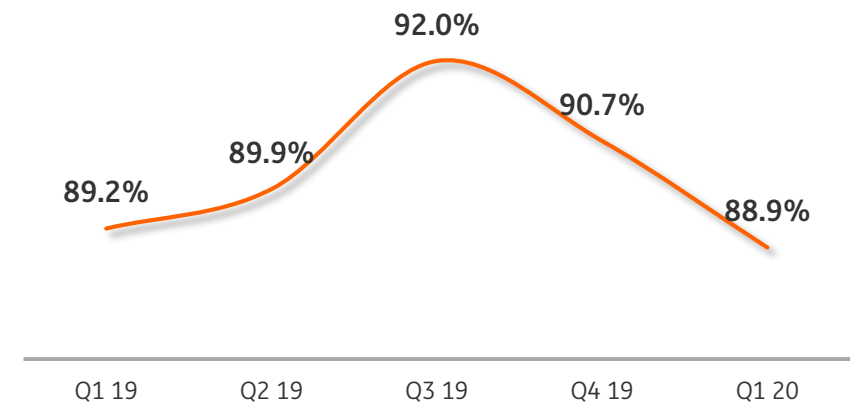
Net interest income (PLN million) and net interest margin



Interest income and expenses (PLN million)

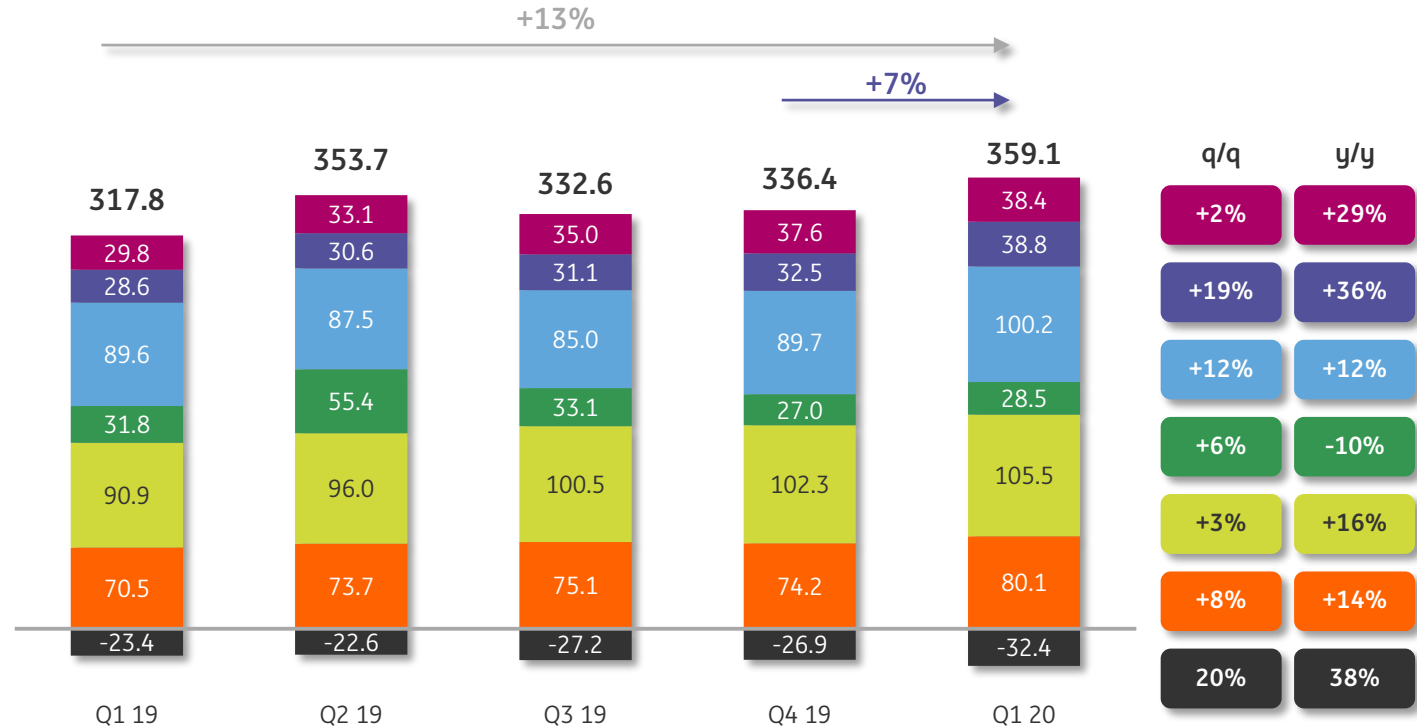


Loan to deposit ratio



Fee and commission income

Fee and commission income per category (PLN million)



- Bancassurance
- Distribution of participation units, brokerage and custody services
- Financing (loans, leasing, factoring)
- Payment and credit cards, net
- FX transactions
- Client account maintenance
- Other commission income and costs, net

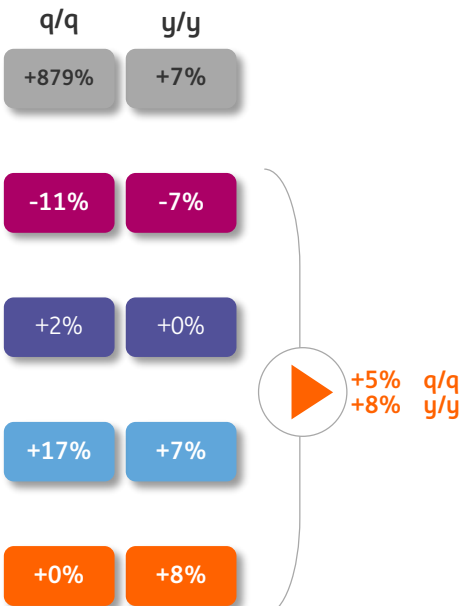
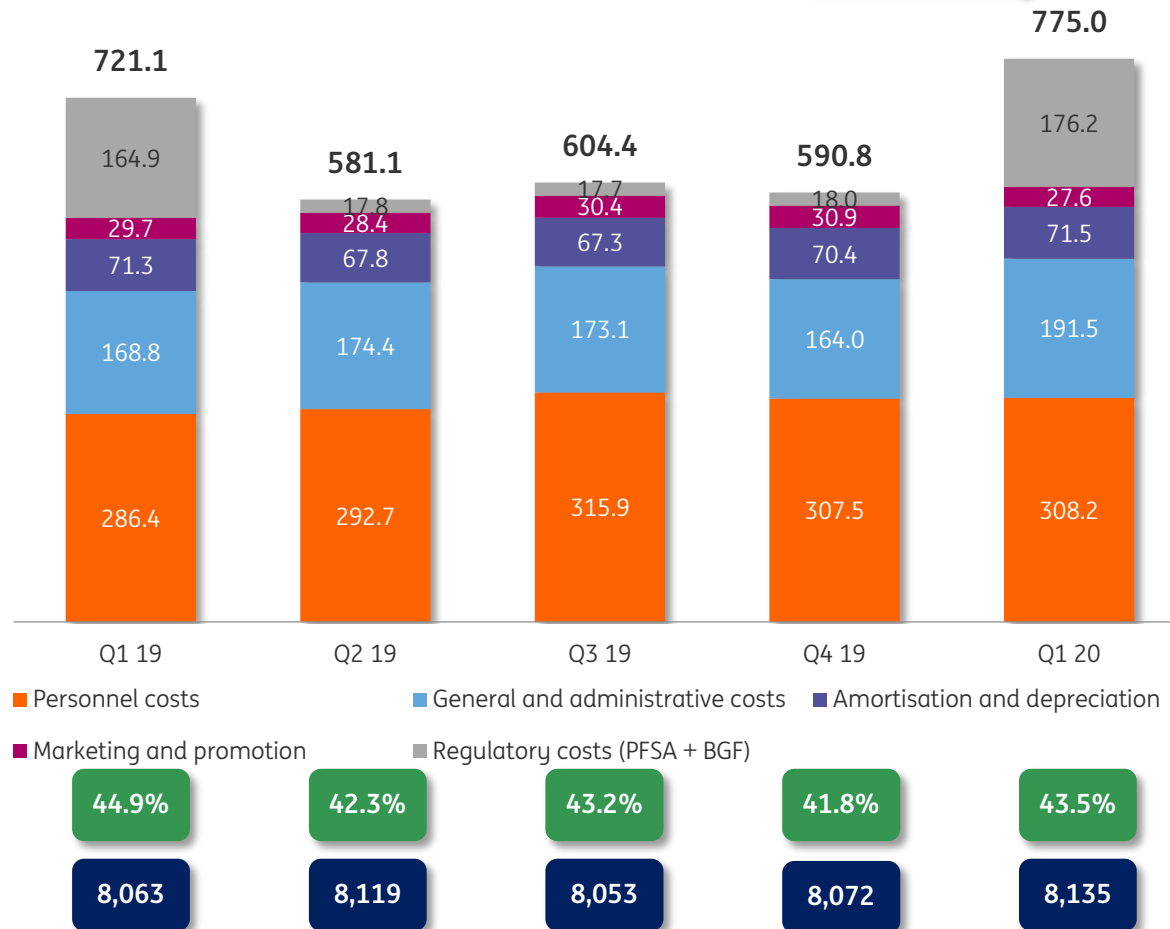
- High customer activity is favourable to the result on fees and commissions, among others in the area of account maintenance, brokerage activities or currency exchange transactions.
- The result on funding is influenced by the settlement of annual fees in the corporate banking segment.

Total expenses

Total expenses (PLN million)

+7%

+31%

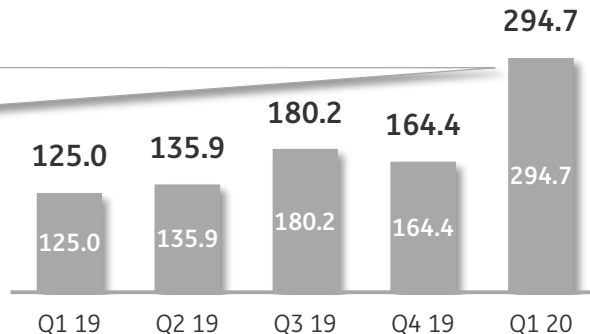


- The annual contribution to the resolution fund was PLN 124.4 million (vs. PLN 131.2 million in Q1 2019) - the entire amount was booked as part of the costs for the first quarter
- The quarterly contribution to the deposit guarantee fund was PLN 38.5 million in the first quarter of 2020 (PLN 17.6 million in the first quarter of 2019)
- Annual PFSA supervision costs amounted to PLN 13.3 million (PLN 16.1 million in Q1 2019) - the entire amount was booked as part of the costs for the first quarter

Cost of risk

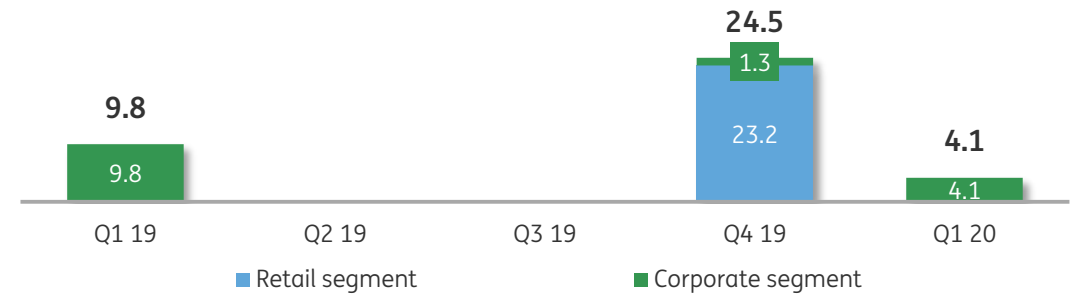
Group (PLN million)

Negative impact of changing macroeconomic assumptions of PLN 146.7m



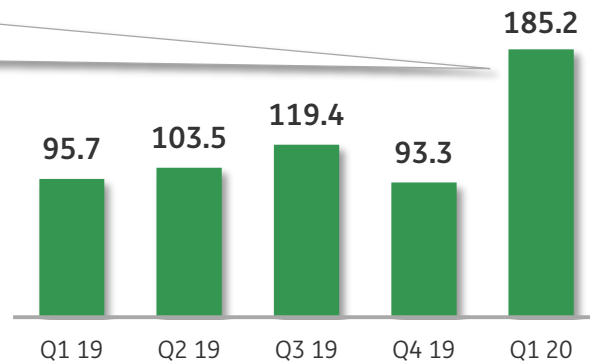
Cumulative risk margin	0.53%	0.47%	0.50%	0.54%	0.67%
Quarterly risk margin	0.47%	0.50%	0.63%	0.56%	0.97%

Impact of sales of non-performing portfolios on the cost of risk (PLN million)



Corporate banking (PLN million)

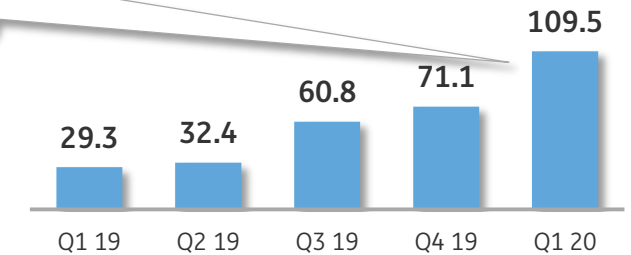
Negative impact of changing macroeconomic assumptions of PLN 97.2m



Cumulative risk margin	0.55%	0.55%	0.53%	0.61%	0.72%
Quarterly risk margin	0.58%	0.62%	0.69%	0.53%	1.04%

Retail banking (PLN million)

Negative impact of changing macroeconomic assumptions of PLN 49.5m

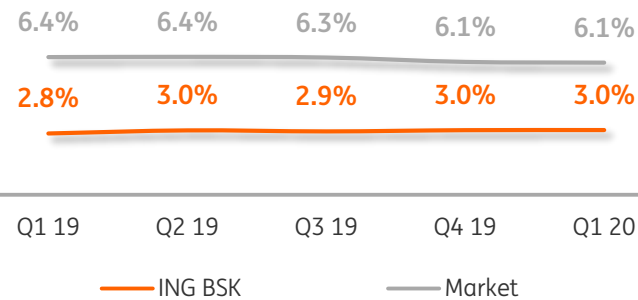


Cumulative risk margin	0.50%	0.36%	0.45%	0.44%	0.59%
Quarterly risk margin	0.29%	0.30%	0.54%	0.60%	0.88%

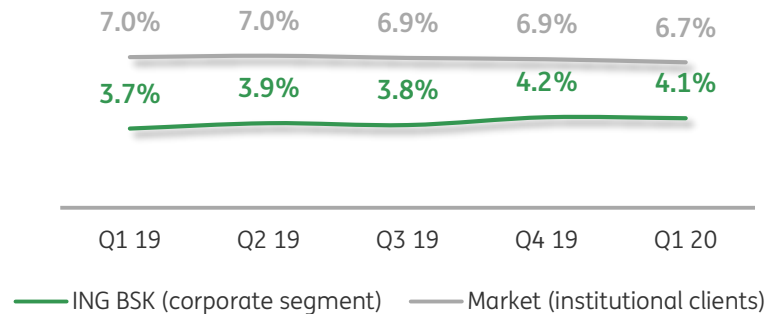
Portfolio quality and provisioning

Share of non-performing portfolio in the total portfolio

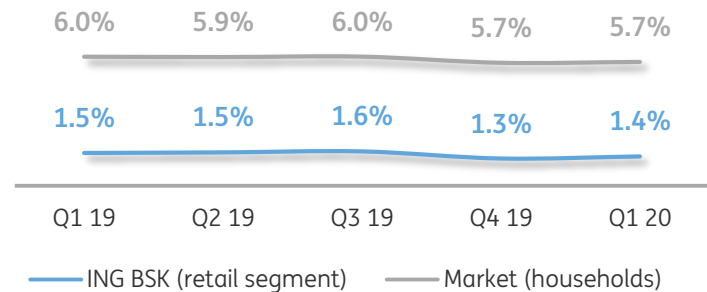
Group



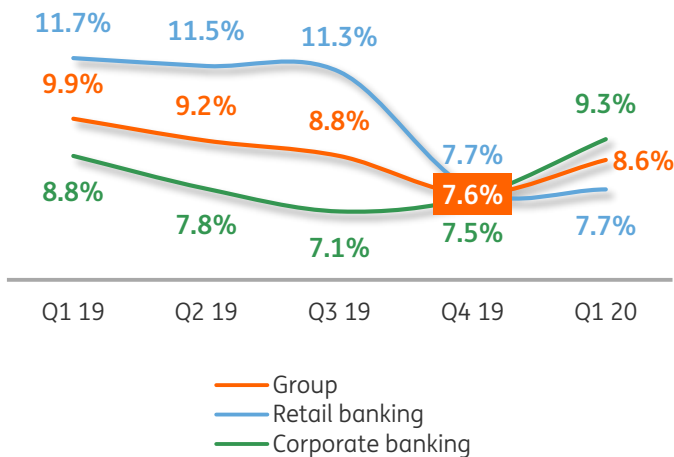
Corporate banking



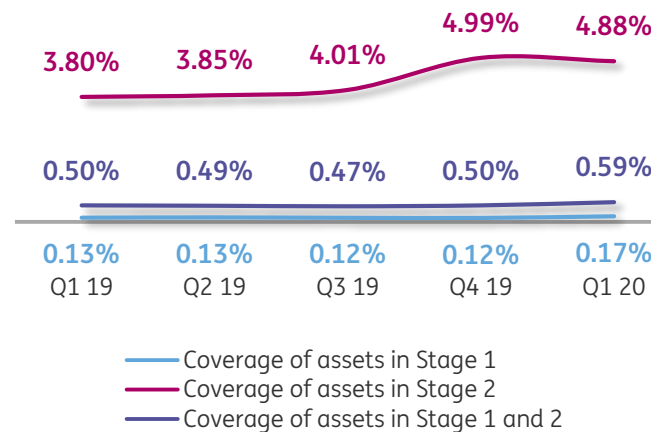
Retail banking



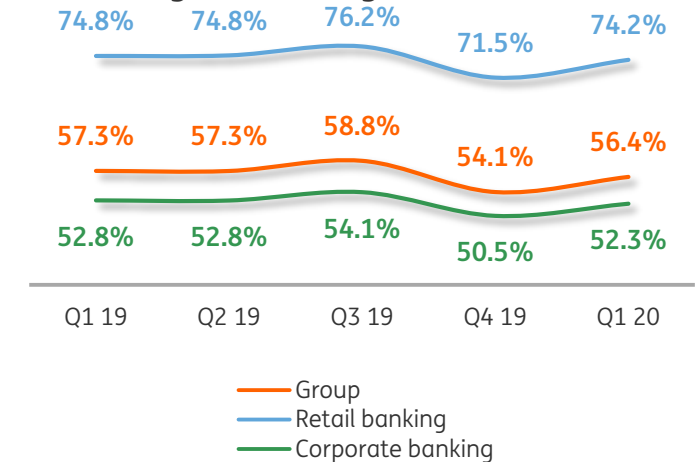
Share of Stage 2 in gross portfolio



Provisioning ratio – Stages 1 and 2

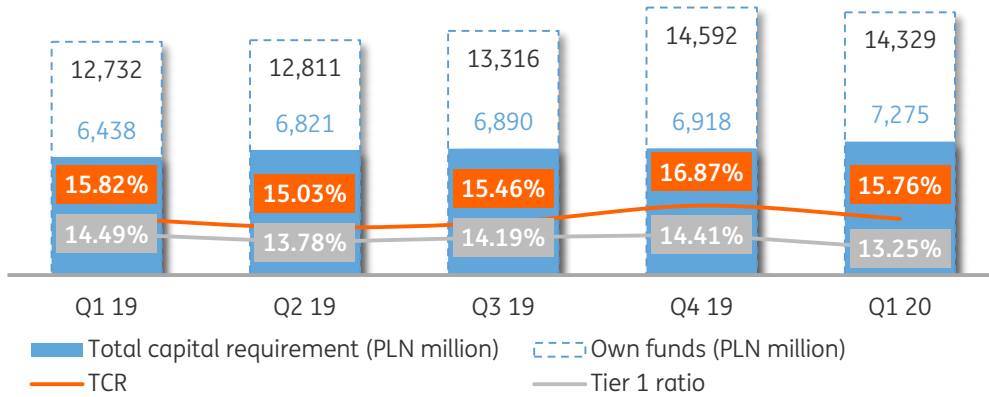


Provisioning ratio – Stage 3



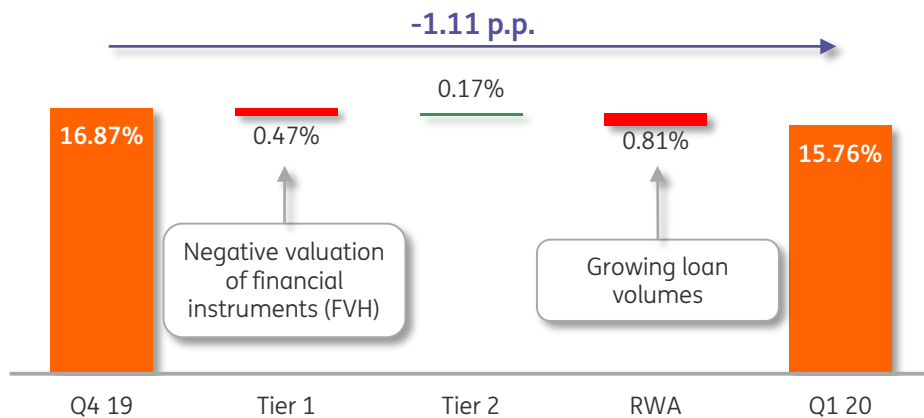
Capital adequacy

Consolidated total capital ratio and capital requirements

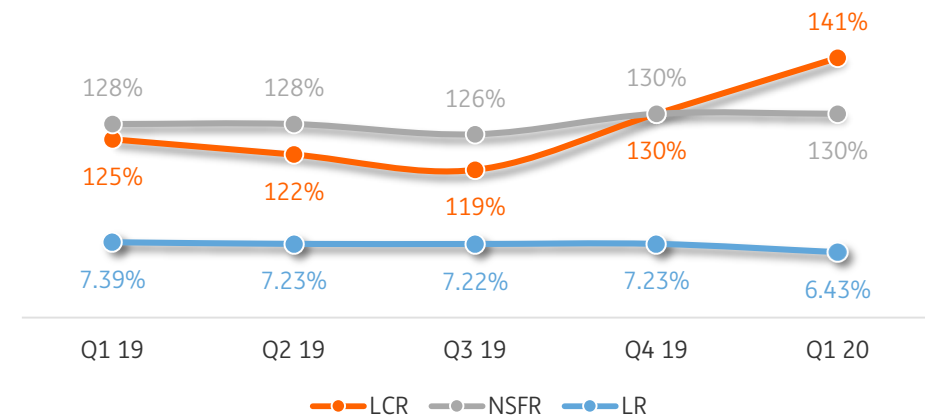


- TCR and Tier 1 ratio are, respectively, 4.76p.p. and 4.25p.p. above the minimum capital requirements for ING BSK which are 11.002% and 9.002%, respectively.
- TCR and Tier 1 ratio would be 15.57% and 13.07%, if ING BSK had not phased in IFRS 9 implementation.

Consolidated total capital ratio – decomposition of q/q change



Other capital and liquidity ratios



Appendixes

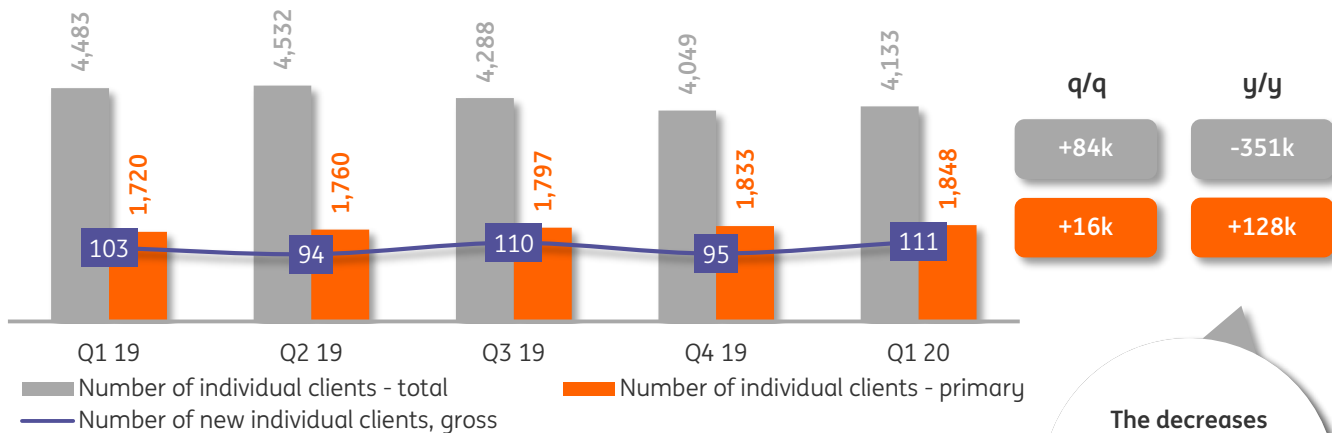


Retail banking

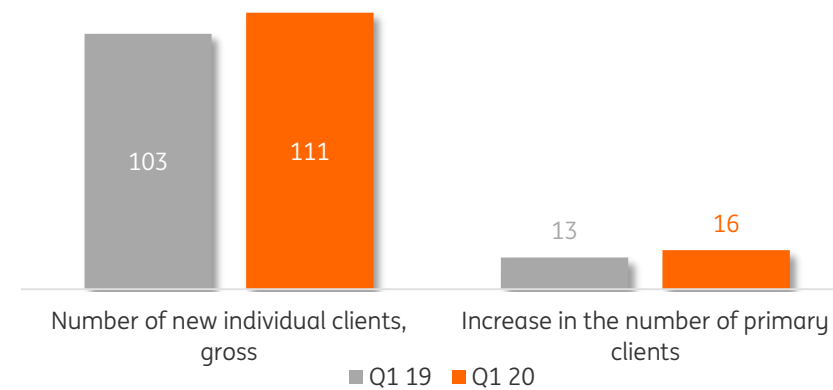
Retail client base

4.4 million individual clients

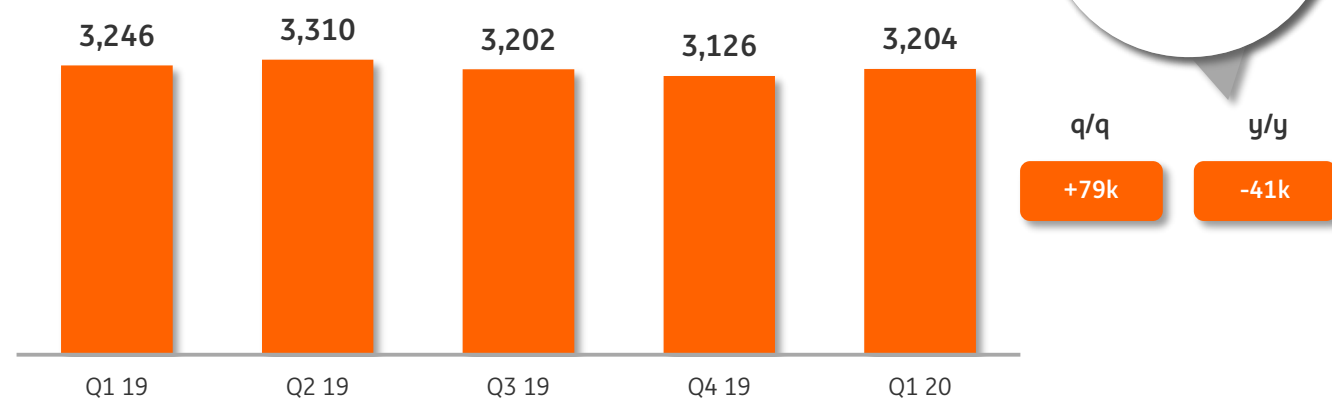
Number of individual clients (thousand)



Acquisition of individual clients (thousand)



Number of individual clients' current accounts (thousand)



The decreases result from the customer base cleaning due to regulatory considerations

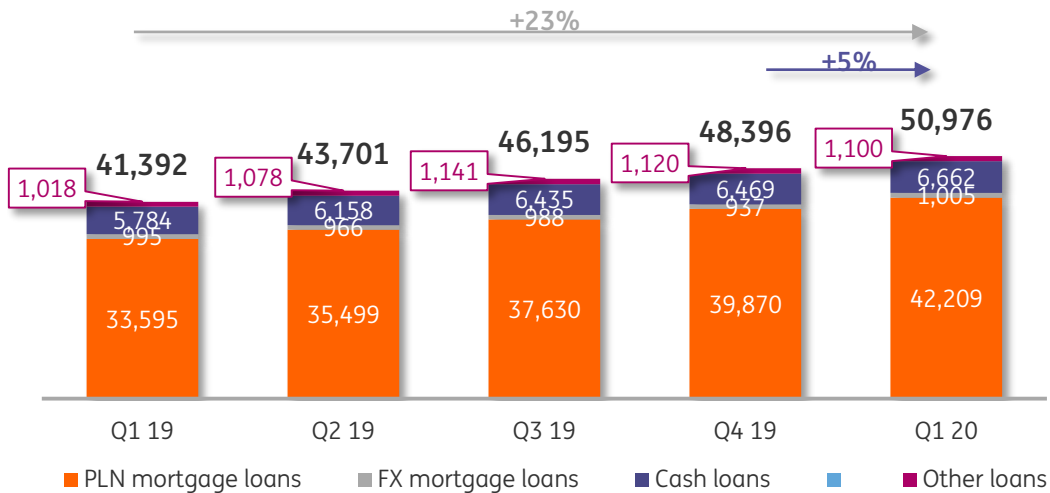
- Direct Accounts represent 84% of current accounts
- In Q1 2020, our clients set up 254.5k Trusted Profiles – there are already 994.0k such profiles. Clients used them to sign 513.5k documents in Q1 2020
- In Q1 2020, our clients filed, through our agency, 9.1k applications for the 500+ child benefit

Note: current accounts in PLN



Retail lending

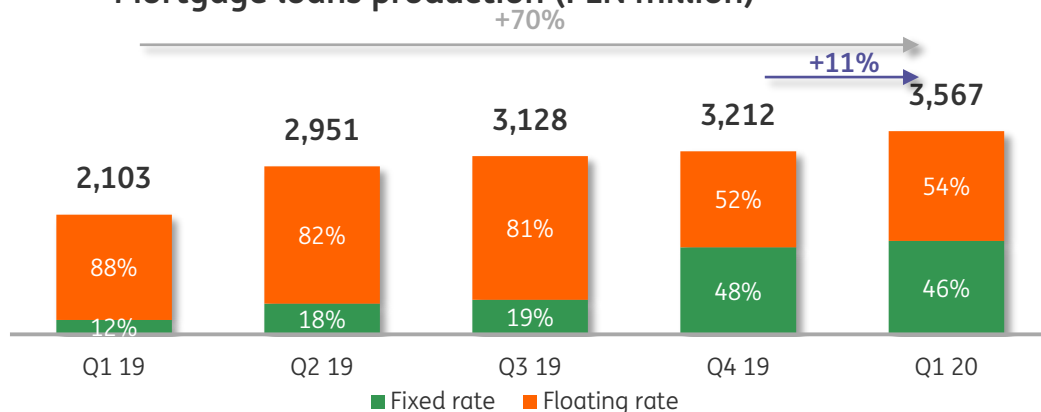
Loan portfolio of individual clients (gross; PLN million)



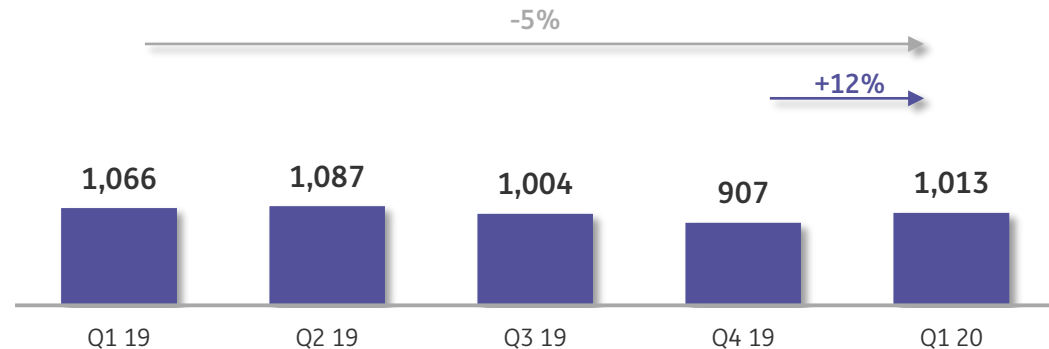
q/q	y/y
-2%	+8%
+3%	+15%
+7%	+1%
+6%	+26%

- **PLN 1.0 billion** worth of cash loans granted to retail clients in Q1 2020 (-5% y/y)
- **PLN 3.6 billion** worth of mortgage loans granted in Q1 2020 (+70% y/y), which translates into a **22.3%** market share
 - Including PLN 1.6 billion worth of fixed interest rate mortgage loans (PLN 4.8 billion since the product launch)
- A **12.0%** market share in terms of PLN mortgage loans; **8.8%** in total mortgage loans (Q1 2020)

Mortgage loans production (PLN million)

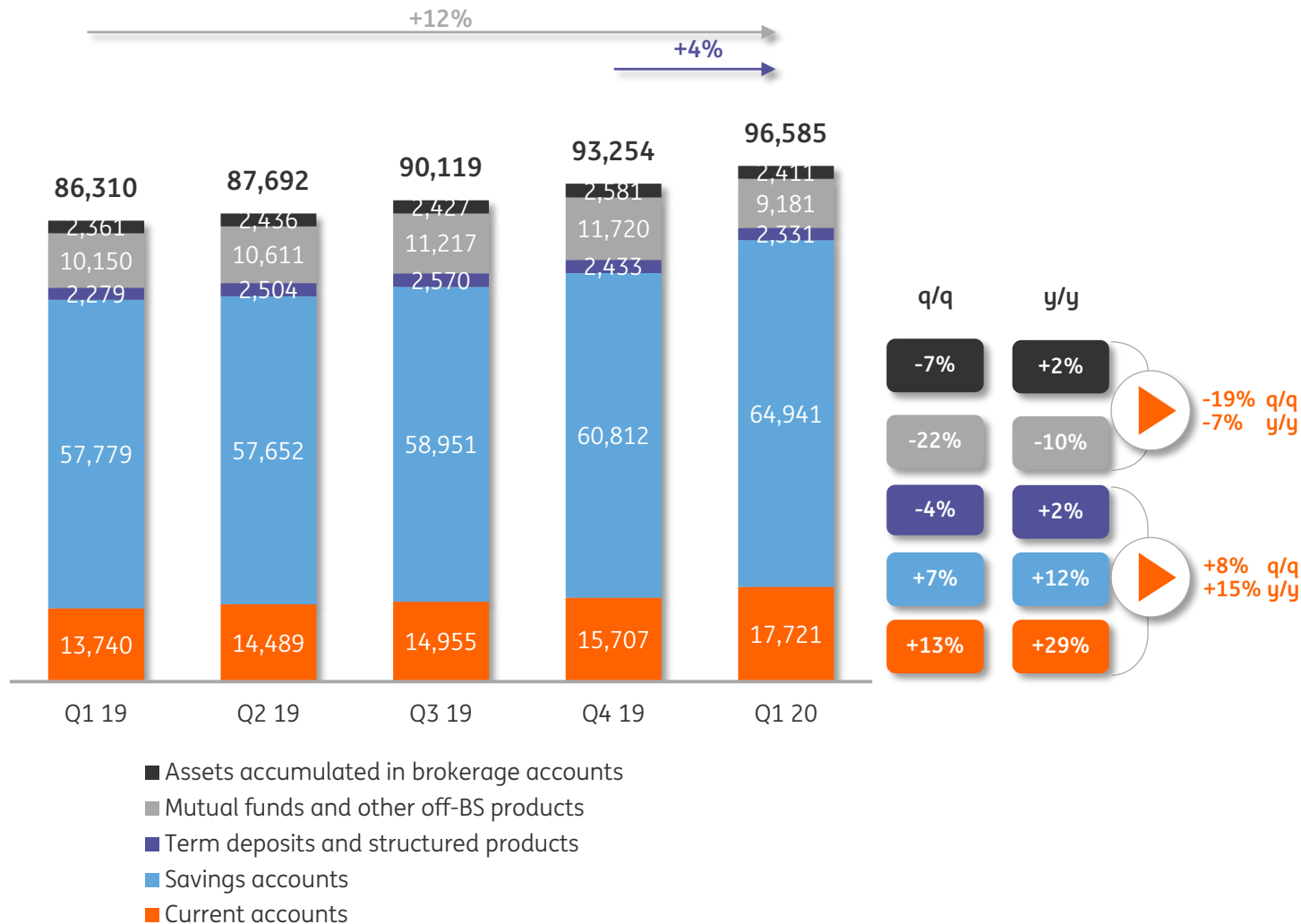


Cash loans production (PLN million)



Savings and investments

Portfolio of funds entrusted by retail clients (PLN million)



- We maintain **105.0 thousand brokerage accounts**
- The number of brokerage accounts increased in Q1 2020 by **14.1 thousand**; all accounts were opened via **Moje ING**
- In Q1 2020, **36.5% of brokerage fees** were generated using **mobile devices**
- **110.2 thousand bank clients** invest regularly
- In Q1 2020, **31.4% of the purchases** of open-end funds' participation units were carried out in **mobile banking**

Progressive evolution of banking

ING is becoming more and more digital



Average rating of Moje ING mobile application in APP stores

Google Play ★ ★ ★ ★ ★ 4.9

App Store ★ ★ ★ ★ ★ 4.9

Electronic banking

We have **504.7k mobile cards** (+16% q/q, ~2x y/y)

~ **1,825k individual clients with active BLIK**, including 611k clients who made transactions in Q1 2020 (+10% q/q, +72% y/y)

~ **10.3 million BLIK transactions in Q1 2020** (+7% q/q, ~2x y/y) made by individual clients, including **8.2 million e-commerce transactions** (+9% q/q, ~2x y/y)

~ **27.4 million transfers** in mobile banking in Q1 2020 (+8.2 million y/y, +43% y/y)

In Q1 2020, **online sales of cash loans represented 79% of cash loans** to individual clients (78% in Q1 2019)

2.2m
active mobile banking clients

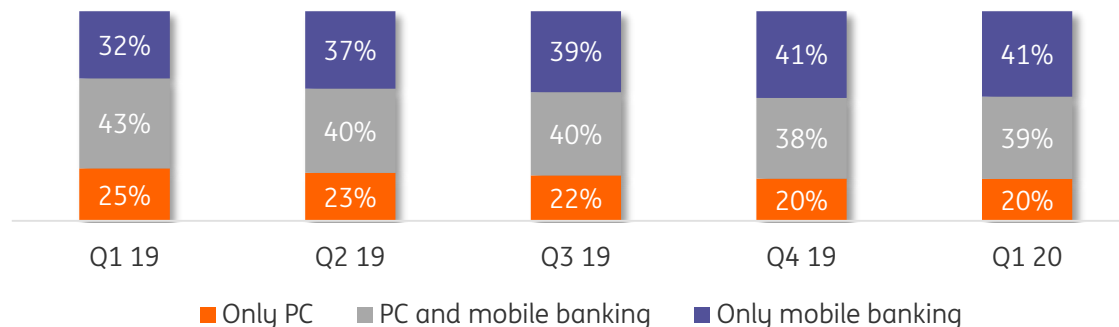
Physical distribution network

315 branches with self-service zones

1,027 machines for cash self-service, including 849 cash recycling automated teller safes, out of which 840 are contactless ATMs/Recyclers

62 ING Express sales points at shopping malls

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

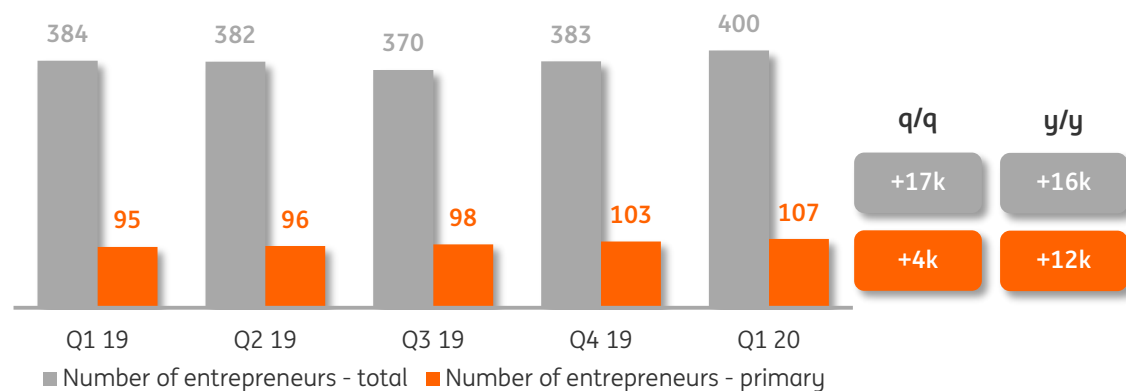


Corporate banking

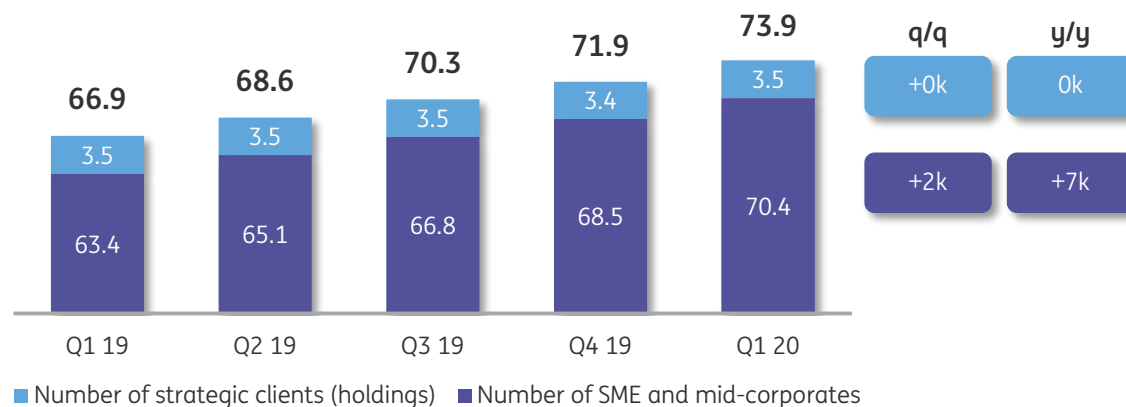
Corporate client base

474 thousand of companies

Number of entrepreneurs (thousand)



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

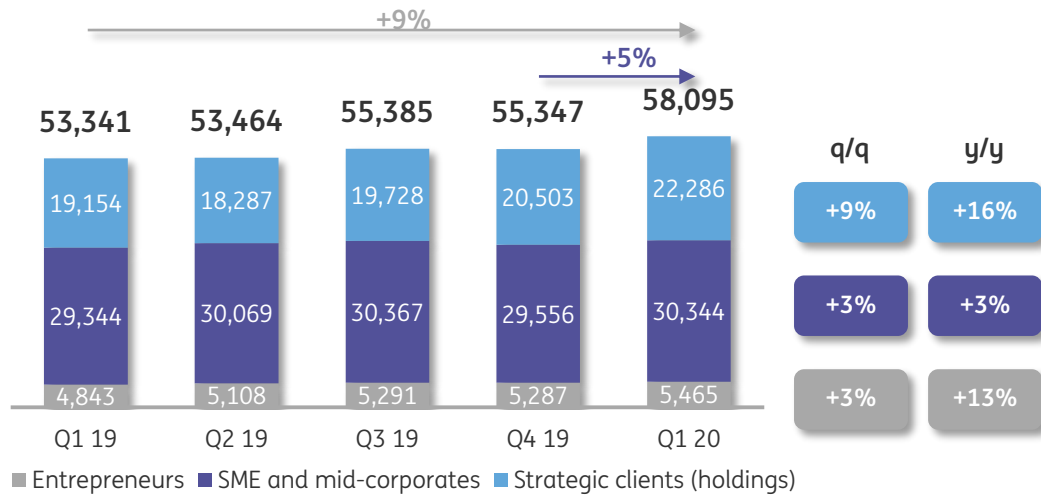


We maintain **408 thousand current accounts** for **400 thousand entrepreneurs** out of which **97% are Direct Accounts**

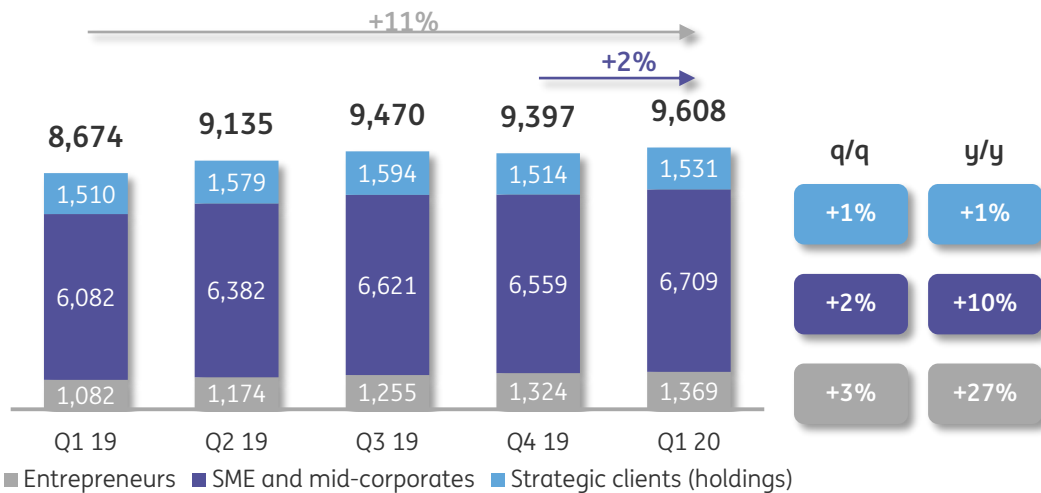


Receivables

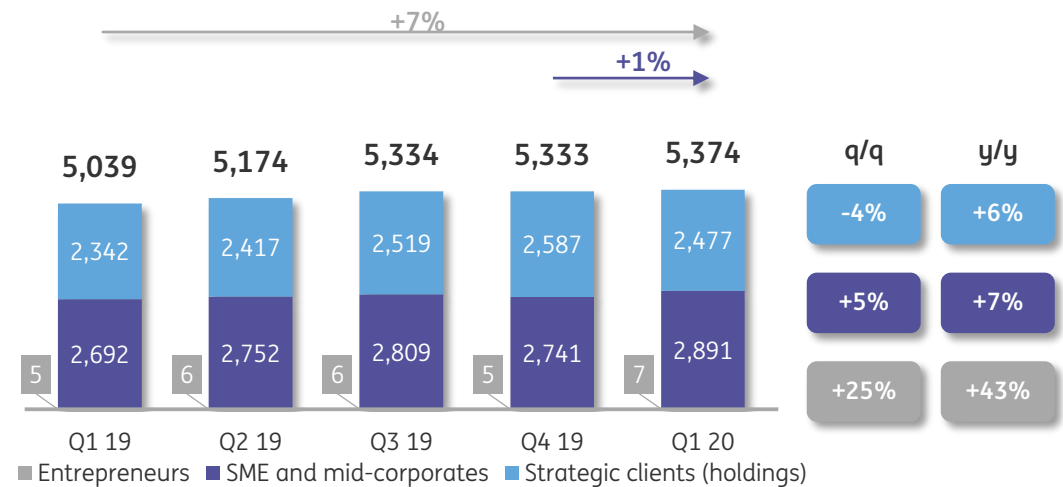
Loans volume (gross; PLN million)



Leasing receivables volume* (gross; PLN million)

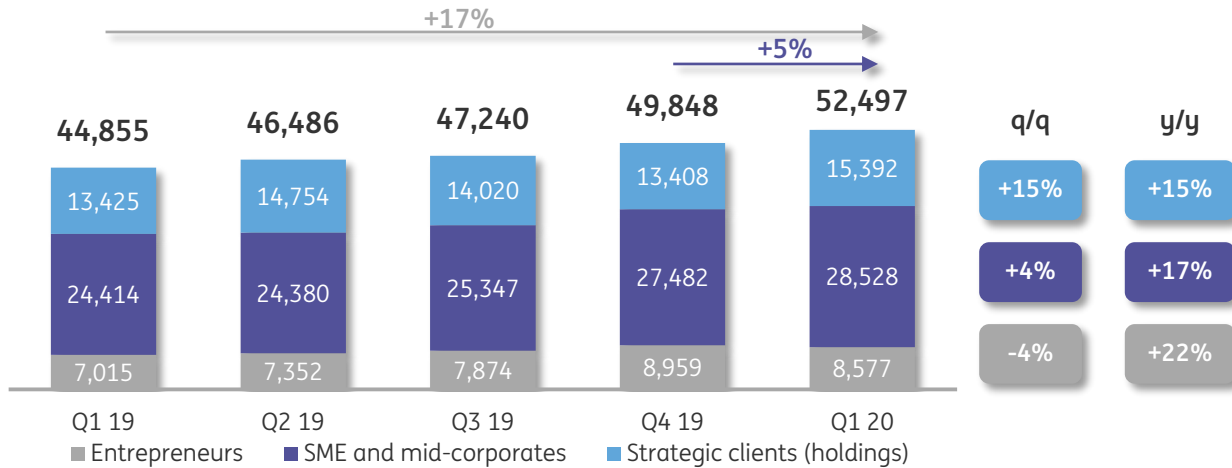


Factoring receivables volume (gross; PLN million)



Cash management

Corporate deposit volume (PLN million)



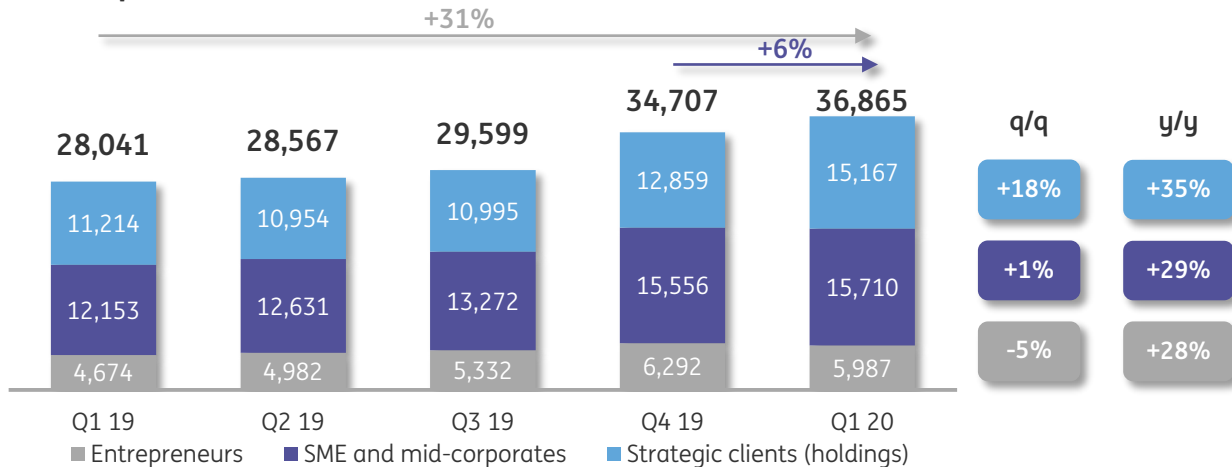
+3,600

new SME and mid-corporate clients acquired in Q1 2020

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

- 140 depositories,
- 117 depositories in customer locations,
- 156 mini CDMs in customer locations,
- 13 micro CDMs in customer locations,
- 15 fee collection machines in customer locations.

Corporate current accounts volume (PLN million)



Number of mobile transfers in ING Business increased by +57% y/y

Selected initiatives

Change of login method to ING Business for strategic clients

In response to the expectations of our clients, since February 2020 we have implemented a fast path to change the way we log in to ING Business. This convenient method is based on a login, password and one-time SMS codes. We strive to successively displace its current alternative, i.e. the certificate. The promoted method does not require customers to install specific drivers and software - we have shortened the process of receiving the user's starter pack from two days to two seconds. The customer does not have to bear the costs of purchasing additional equipment, e.g. e-tokens, cards and readers. It also optimizes the bank's processes significantly.

A tool for verifying the contractor's account against the VAT payers' list (the so-called white list)

In the first quarter of 2020, we developed a tool for verification of the contractor's account against the VAT payers' list (the so-called white list).

How can you verify the account?

The tool is available for domestic transfers and split payments. Verification is possible from the level of importing a set of domestic orders and a list of orders (for a single order and set).

The tool is available in both My ING and ING Business.



Financial results and other information

Income statement

Consolidated income statement (PLN m)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	q/q		y/y	
						Δ	%	Δ	%
Net interest income, of which:	1,020.2	1,053.2	1,127.8	1,123.9	1,152.1	28.2	2.5%	131.9	12.9%
Interest income	1,263.1	1,314.1	1,367.5	1,366.6	1,386.6	20.0	1.5%	123.5	9.8%
Interest expenses	242.9	260.9	239.7	242.7	234.5	-8.2	-3.4%	-8.4	-3.5%
Net commission income	317.8	353.7	332.6	336.4	359.1	22.7	6.7%	41.3	13.0%
Result on trade operations and revaluation	46.0	40.6	23.5	20.2	46.7	26.5	131.2%	0.7	1.5%
- Net income on instruments measured at fair value through profit or loss and FX result	31.4	25.1	26.6	25.2	13.9	-11.3	-44.8%	-17.5	-55.7%
- The result on the sale of securities measured at amortized cost	0.0	0.0	0.0	0.0	7.3	7.3	-	7.3	-
- Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	15.8	16.4	3.6	0.5	1.8	1.3	260.0%	-14.0	-88.6%
- Net income on hedge accounting	-1.2	-0.9	-6.7	-5.5	23.7	29.2	-	24.9	-
Net income on other core activities	2.4	3.8	-14.6	2.3	0.4	-1.9	-82.6%	-2.0	-83.3%
Share in net profit (loss) of associated entities recognised under the equity method	-0.1	-0.1	2.8	4.0	4.4	0.4	10.0%	4.5	-
Income	1,386.3	1,451.2	1,472.1	1,486.8	1,562.7	75.9	5.1%	176.4	12.7%
Expenses	721.1	581.1	604.4	590.8	775.0	184.2	31.2%	53.9	7.5%
- personnel expenses	286.4	292.7	315.9	307.5	308.2	0.7	0.2%	21.8	7.6%
- other expenses	363.4	220.6	221.2	212.9	395.3	182.4	85.7%	31.9	8.8%
- depreciation and amortisation	71.3	67.8	67.3	70.4	71.5	1.1	1.6%	0.2	0.3%
Profit before risk costs	665.2	870.1	867.7	896.0	787.7	-108.3	-12.1%	122.5	18.4%
Risk costs	125.0	135.9	180.2	164.4	294.7	130.3	79.3%	169.7	135.8%
- retail	29.3	32.4	60.8	71.1	109.5	38.4	54.0%	80.2	273.7%
- corporate	95.7	103.5	119.4	93.3	185.2	91.9	98.5%	89.5	93.5%
Tax on certain financial institutions	102.2	108.4	111.5	113.6	116.0	2.4	2.1%	13.8	13.5%
Profit (loss) before tax	438.0	625.8	576.0	618.0	377.0	-241.0	-39.0%	-61.0	-13.9%
Income tax	113.5	156.7	161.2	167.7	109.7	-58.0	-34.6%	-3.8	-3.3%
Net profit (loss), of which:	324.5	469.1	414.8	450.3	267.3	-183.0	-40.6%	-57.2	-17.6%
Net profit (loss) attributable to the shareholders of ING BSK	324.5	469.1	414.8	450.3	267.3	-183.0	-40.6%	-57.2	-17.6%
Number of shares issued (m)	130.1	130.1	130.1	130.1	130.1	0.0	0.0%	0.0	0.0%
Earnings per share (PLN) - annualised	9.98	14.42	12.75	13.84	8.22	-5.63	-40.6%	-1.76	-17.6%

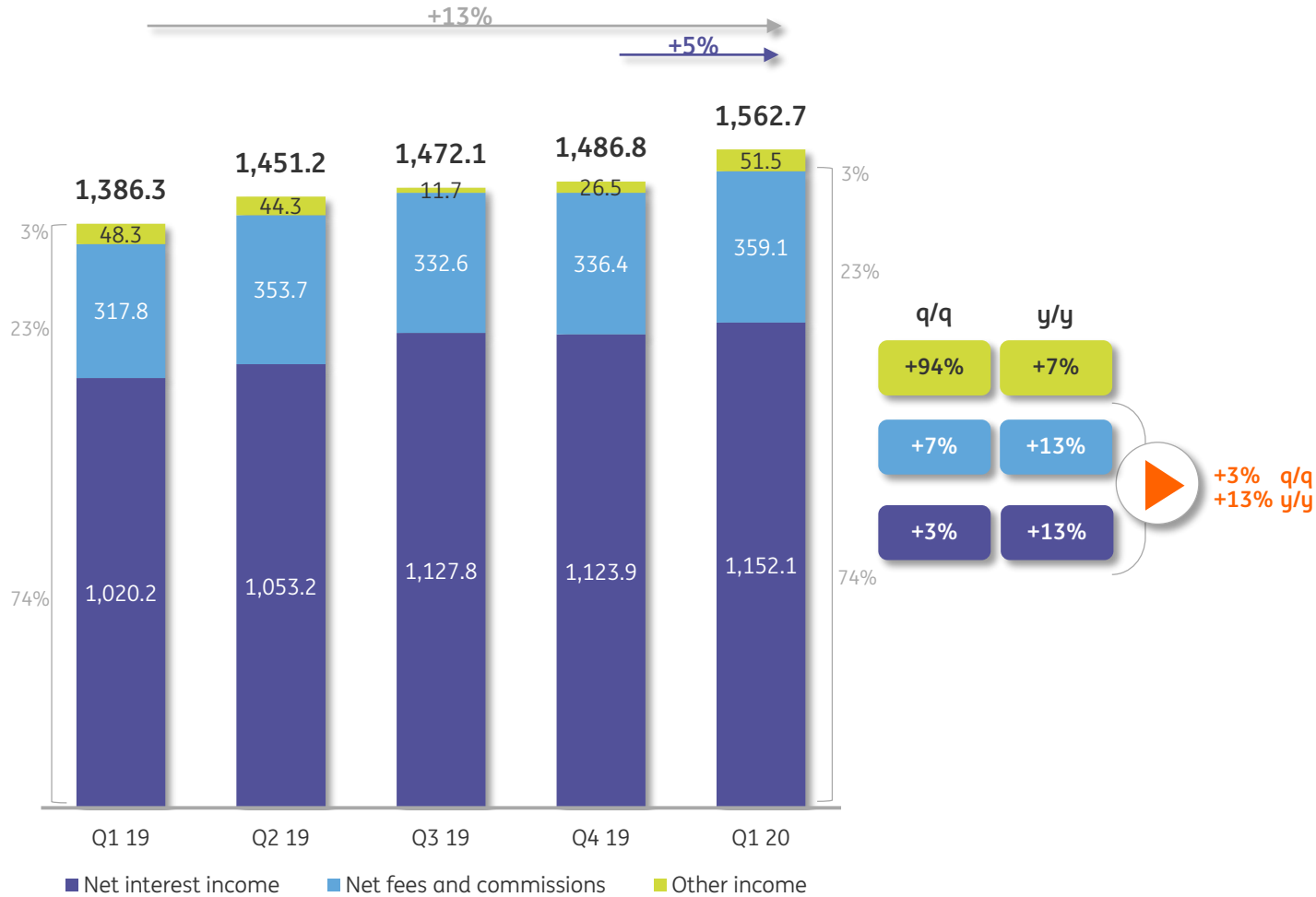
Statement of financial position

Consolidated statement of financial position (PLN m)

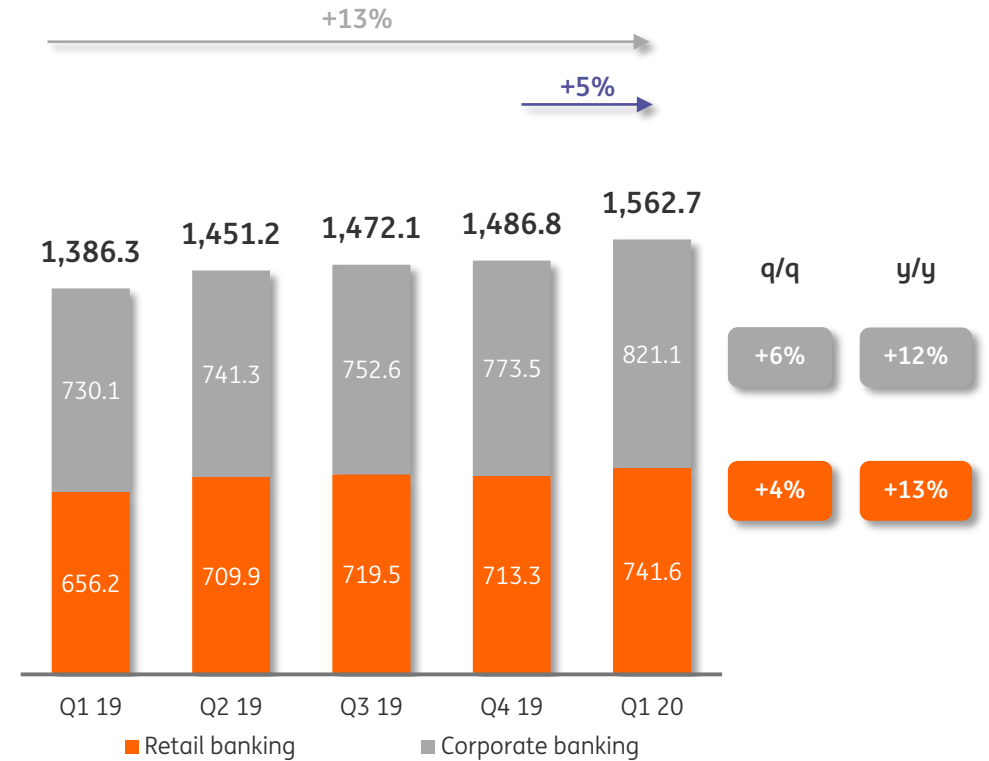
	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	q/q		y/y	
							Δ	%	Δ	%
ASSETS										
- Cash in hand and balances with the Central Bank	1,237.4	1,760.3	2,293.5	2,792.5	1,402.9	1,740.5	337.6	24.1%	-19.8	-1.1%
- Loans and receivables to other banks	776.5	987.9	694.3	804.7	798.5	1,082.3	283.8	35.5%	94.4	9.6%
- Financial assets held for trading	1,934.9	2,234.3	2,796.9	1,243.7	1,224.2	1,362.9	138.7	11.3%	-871.4	-39.0%
- Investments	31,937.3	29,977.3	31,315.3	32,063.4	33,824.5	40,196.2	6,371.7	18.8%	10,218.9	34.1%
- Derivative hedge instruments	909.6	929.3	869.0	883.6	851.6	1,075.8	224.2	26.3%	146.5	15.8%
- Loans and receivables to customers	103,125.8	107,387.4	110,509.9	115,728.9	118,288.1	123,608.4	5,320.3	4.5%	16,221.0	15.1%
- Non-financial assets	995.3	1,437.8	1,358.5	1,346.4	1,385.9	1,374.9	-11.0	-0.8%	-62.9	-4.4%
- Property, plant and equipment held for sale	10.9	12.1	20.7	2.8	3.6	2.2	-1.4	-38.9%	-9.9	-81.8%
- Tax assets	398.2	431.7	419.8	399.2	445.6	377.7	-67.9	-15.2%	-54.0	-12.5%
- Other assets	487.0	559.3	631.2	748.6	385.8	420.7	34.9	9.0%	-138.6	-24.8%
Total assets	141,812.9	145,717.4	150,909.1	156,013.8	158,610.7	171,241.6	12,630.9	8.0%	25,524.2	17.5%
EQUITY AND LIABILITIES										
LIABILITIES										
- Liabilities due to other banks	5,195.8	5,004.3	7,359.2	7,593.1	6,256.1	6,624.3	368.2	5.9%	1,620.0	32.4%
- Financial liabilities measured at fair value through profit or loss	1,109.5	618.5	947.4	266.7	247.9	53.1	-194.8	-78.6%	-565.4	-91.4%
- Valuation of derivatives	578.1	711.4	613.1	724.8	667.2	974.5	307.3	46.1%	263.1	37.0%
- Derivative hedge instruments	611.8	727.4	505.1	569.7	546.0	510.4	-35.6	-6.5%	-217.0	-29.8%
- Liabilities due to customers	117,682.5	120,414.0	122,992.0	125,786.3	130,473.5	139,648.7	9,175.2	7.0%	19,234.7	16.0%
- Liabilities under issue of debt securities	300.3	302.2	300.2	302.2	399.7	397.6	-2.1	-0.5%	95.4	31.6%
- Subordinated liabilities	1,076.9	1,077.2	1,065.0	2,188.7	2,131.1	2,278.1	147.0	6.9%	1,200.9	111.5%
- Provisions	152.4	152.2	158.7	227.9	205.7	186.3	-19.4	-9.4%	34.1	22.4%
- Tax liabilities	280.3	345.4	212.3	389.0	381.3	705.5	324.2	85.0%	360.1	104.3%
- Other liabilities	1,503.7	2,951.5	2,536.3	2,702.7	2,078.9	2,522.1	443.2	21.3%	-429.4	-14.5%
Total liabilities	128,491.3	132,304.1	136,689.3	140,751.1	143,387.4	153,900.6	10,513.2	7.3%	21,596.5	16.3%
EQUITY										
- Share capital	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	0.0	0.0%	0.0	0.0%
- Revaluation reserve	1,169.7	1,392.2	1,729.2	2,357.3	1,867.3	3,717.7	1,850.4	99.1%	2,325.5	167.0%
- Retained earnings	11,065.5	10,934.7	11,404.2	11,819.0	12,269.6	12,536.9	267.3	2.2%	1,602.2	14.7%
Equity attributable to shareholders of ING BSK	13,321.6	13,413.3	14,219.8	15,262.7	15,223.3	17,341.0	2,117.7	13.9%	3,927.7	29.3%
- Non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
Total equity	13,321.6	13,413.3	14,219.8	15,262.7	15,223.3	17,341.0	2,117.7	13.9%	3,927.7	29.3%
Total equity and liabilities	141,812.9	145,717.4	150,909.1	156,013.8	158,610.7	171,241.6	12,630.9	8.0%	25,524.2	17.5%
Number of shares issued (m)	130.1	130.1	130.1	130.1	130.1	130.1	0.0	0.0%	0.0	0.0%
Book value per share (PLN)	102.40	103.10	109.30	117.32	117.01	133.29	16.28	13.9%	30.19	29.3%

Income per category

Income per P&L line (PLN million)

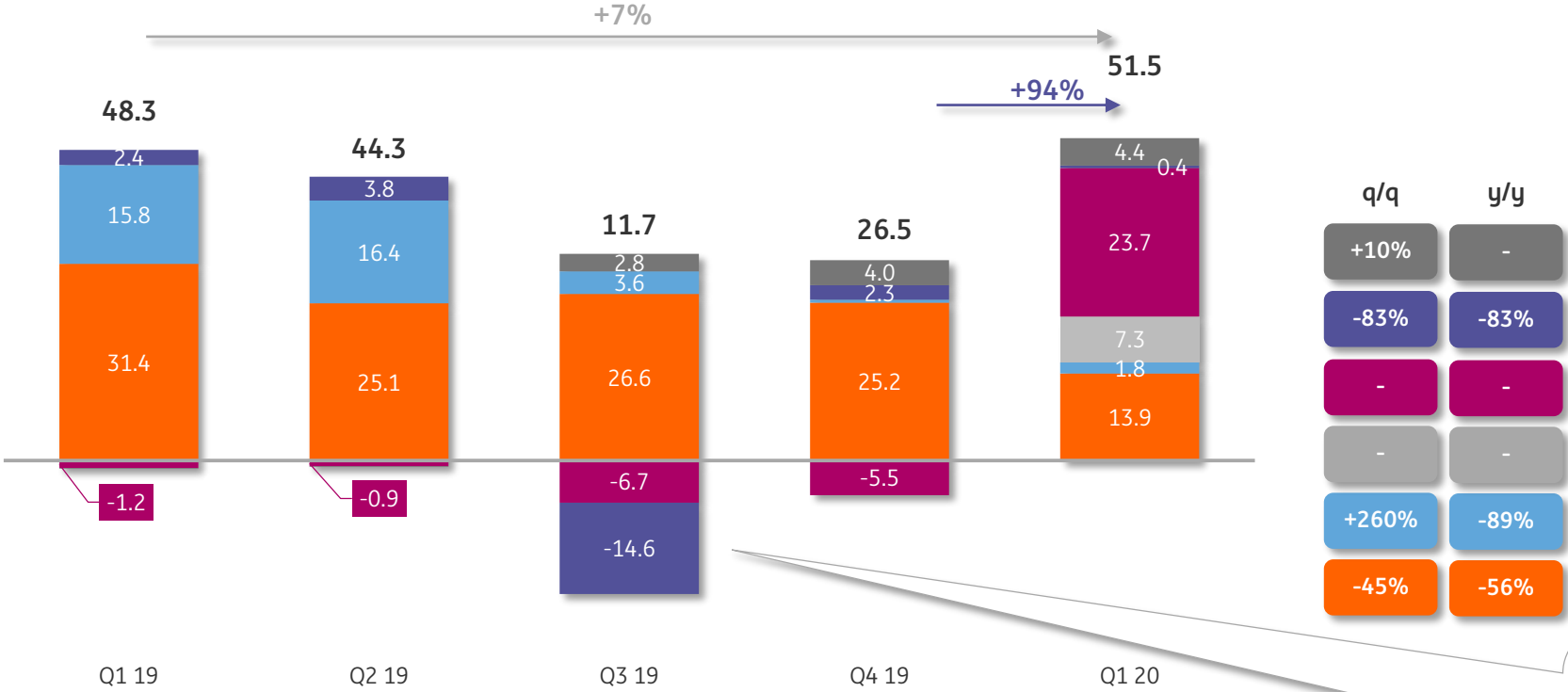


Income per business line (PLN million)



Other income

Other income (PLN million)

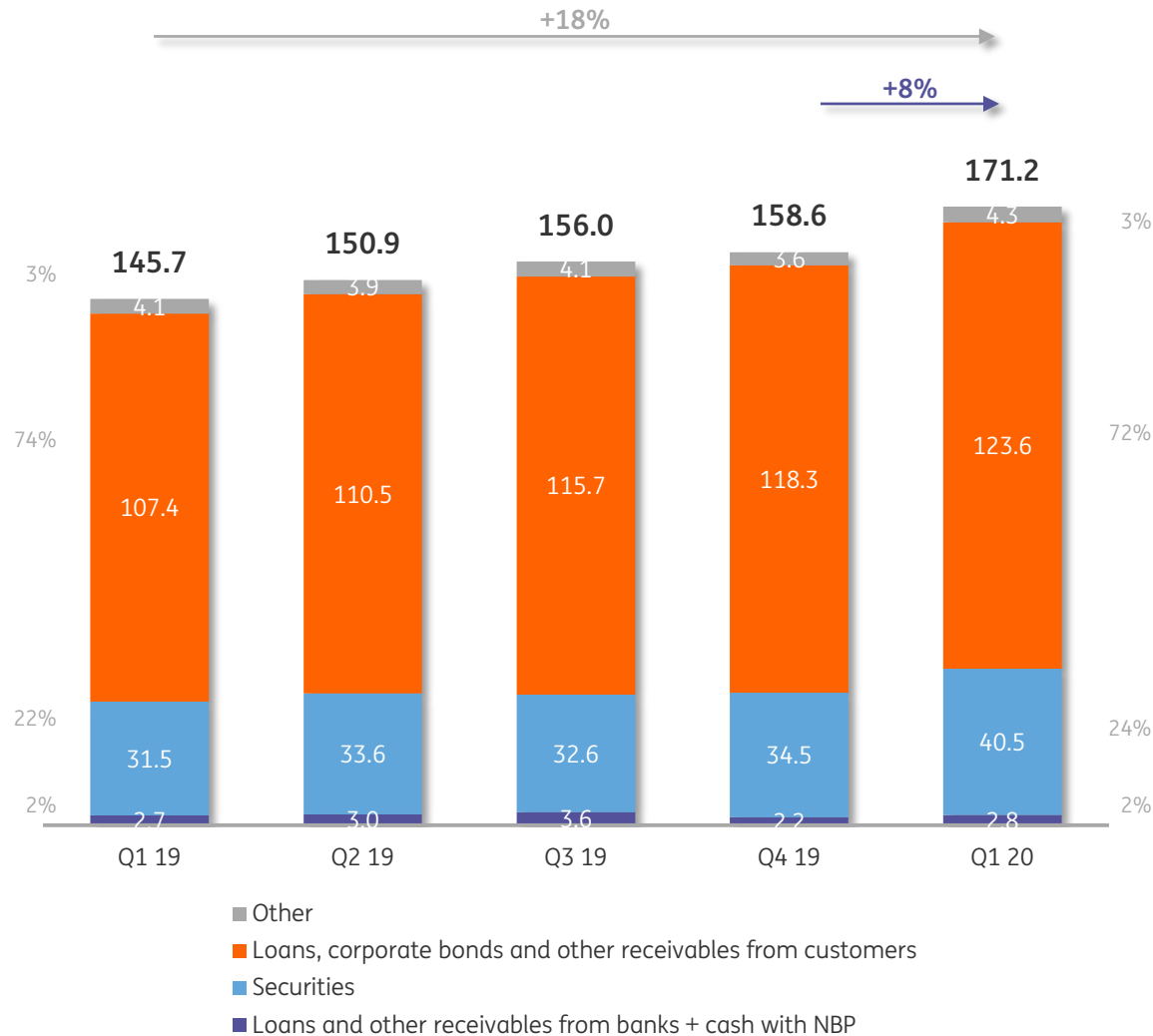


- Share in net profit of associated entities
- Result on other core activities
- Result on hedge accounting
- Result on the sale of securities measured at amortised cost
- Net income on the sale of securities measured at fair value through other comprehensive income and dividend income
- Result on trading

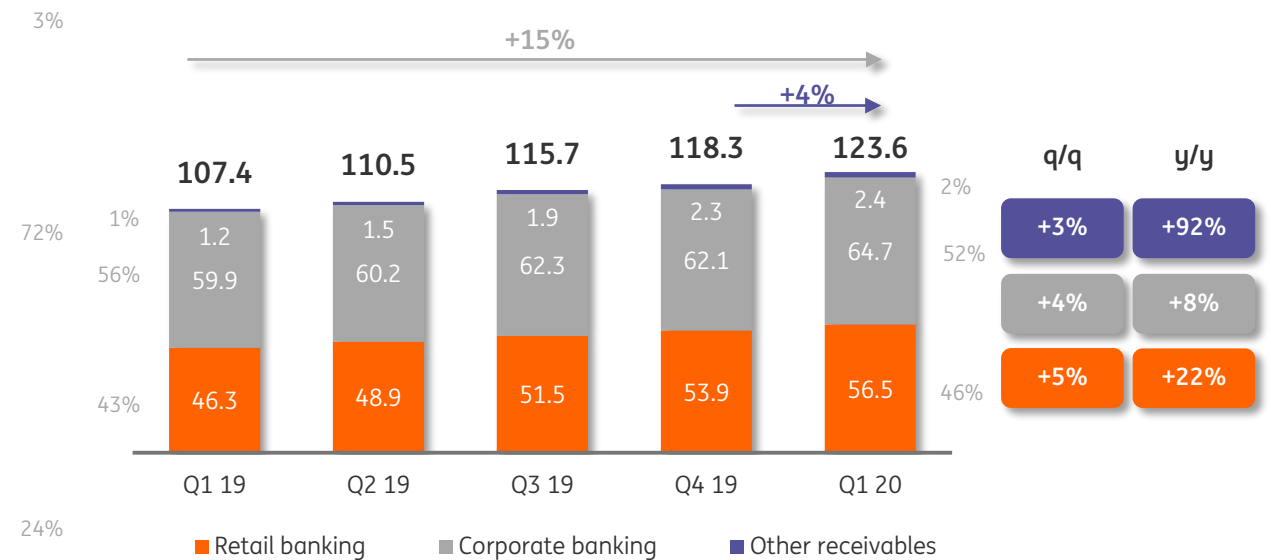
Including PLN 17.1m worth of provision for reimbursement of prepaid loans by individuals

Bank assets

Assets structure (PLN billion; %)

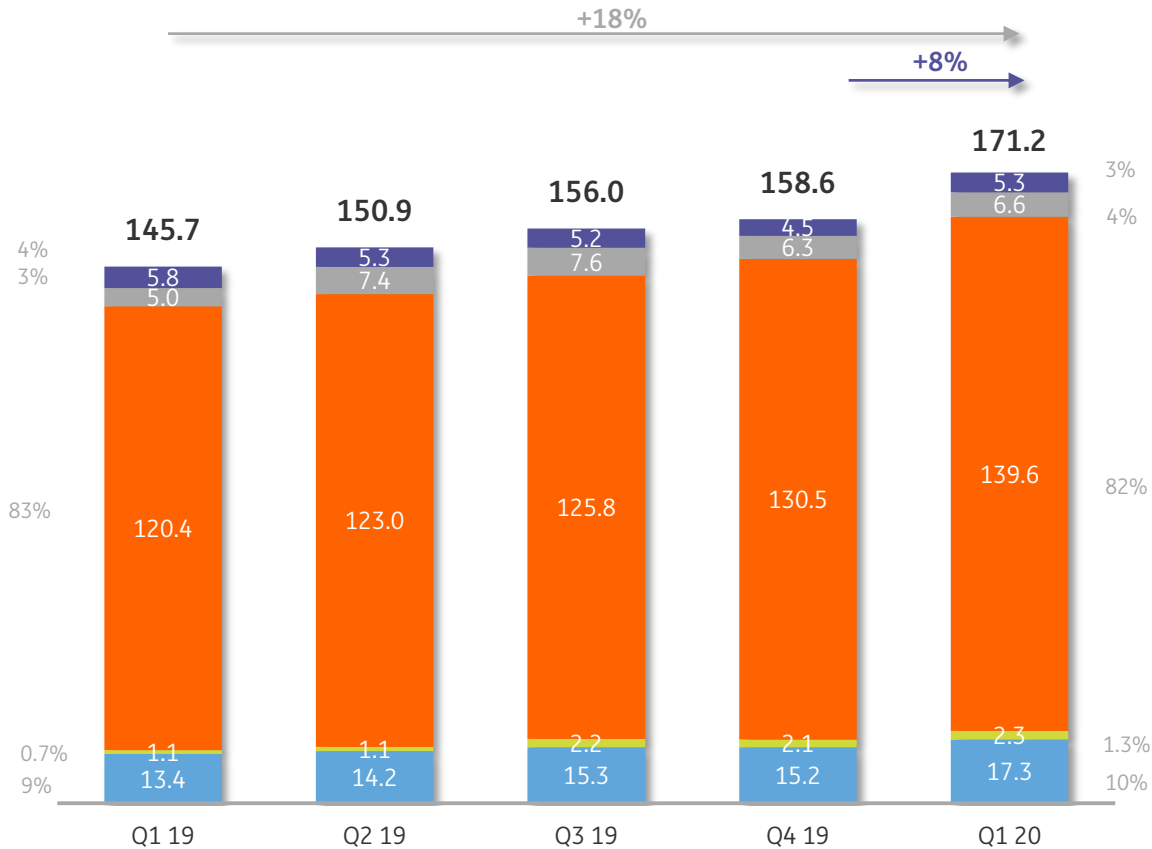


Loans and other receivables from customers (net; PLN billion)

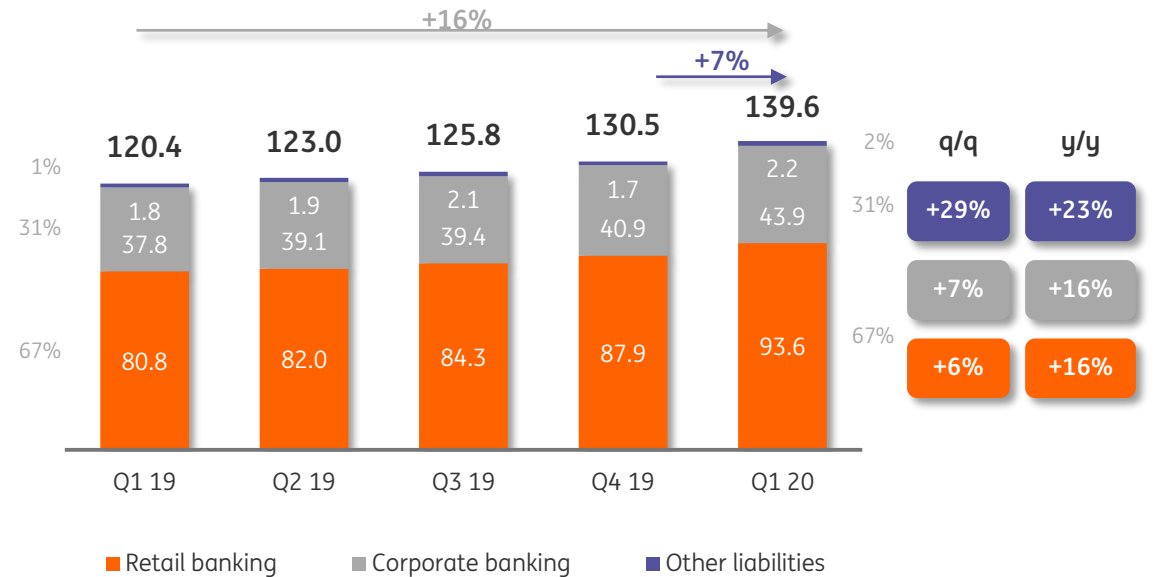


Bank equity and liabilities

Structure of equity and liabilities (PLN billion; %)



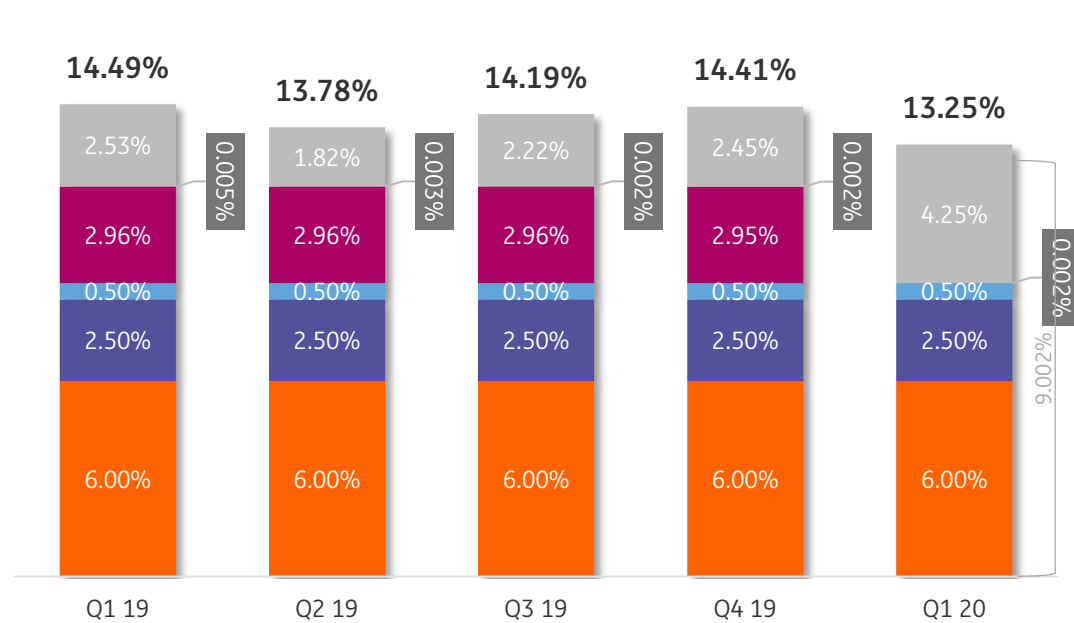
Deposits and other liabilities to customers (PLN billion)



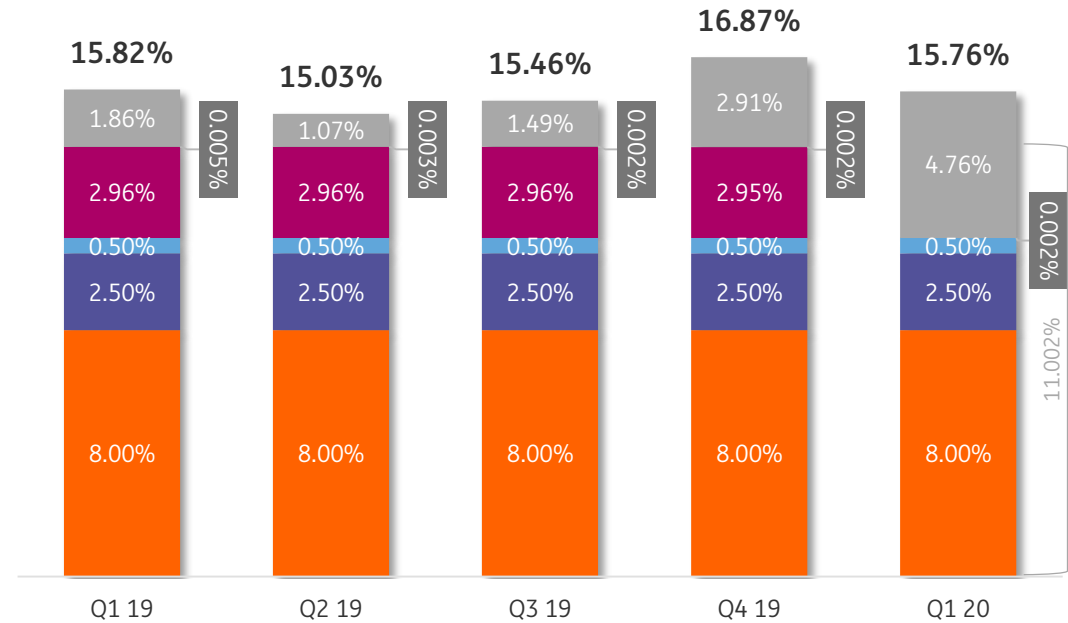
■ Equity ■ Subordinated debt ■ Deposits and other liabilities to clients ■ Liabilities to banks ■ Other

Capital requirement structure

Consolidated capital requirement structure – Tier 1



Consolidated capital requirement structure – TCR



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

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

40 *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 31.03.2020	%
1	Real estate service	9,838	13.5%
2	Wholesale trade	8,879	12.2%
3	Financial intermediation	4,058	5.6%
4	Remaining services connected with running business	3,708	5.1%
5	Retail trade	3,422	4.7%
6	Foodstuff and beverage production	3,412	4.7%
7	Land and pipeline transportation	3,271	4.5%
8	Manufacture of fabricated metal products	3,047	4.2%
9	Public administration and national defence	3,035	4.2%
10	Constructions industry	2,565	3.5%
11	Rubber industry	2,386	3.3%
12	Equipment rent	2,293	3.1%
13	Wood and paper industry	1,956	2.7%
14	Power industry	1,794	2.5%
15	Agriculture, forestry, fishery	1,616	2.2%
16	Mechanical vehicles sale, repair and service	1,601	2.2%
17	Post office and telecommunications	1,330	1.8%
18	Other non-metallic mineral products	1,075	1.5%
19	Transport equipment industry	1,024	1.4%
20	Other	12,619	17.3%
Total exposure		72,929	100.0%

Lending exposure by industry

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

Consolidated approach

Nr	Industry	Exposure as at 31.03.2020	%
1	Wholesale trade	13,425	13.1%
2	Real estate service	10,330	10.1%
3	Constructions industry	5,675	5.5%
4	Retail trade	5,675	5.5%
5	Financial intermediation	5,570	5.4%
6	Remaining services connected with running business	4,947	4.8%
7	Foodstuff and beverage production	4,754	4.6%
8	Manufacture of fabricated metal products	4,676	4.6%
9	Land and pipeline transportation	3,895	3.8%
10	Power industry	3,525	3.4%
11	Public administration and national defence	3,426	3.3%
12	Rubber industry	3,196	3.1%
13	Equipment rent	2,680	2.6%
14	Wood and paper industry	2,499	2.4%
15	Mechanical vehicles sale, repair and service	2,393	2.3%
16	Other non-metallic mineral products	1,795	1.7%
17	Agriculture, forestry, fishery	1,764	1.7%
18	Information technology and related activities	1,752	1.7%
19	Machine industry	1,667	1.6%
20	Other	19,065	18.6%
Total exposure		102,710	100.0%

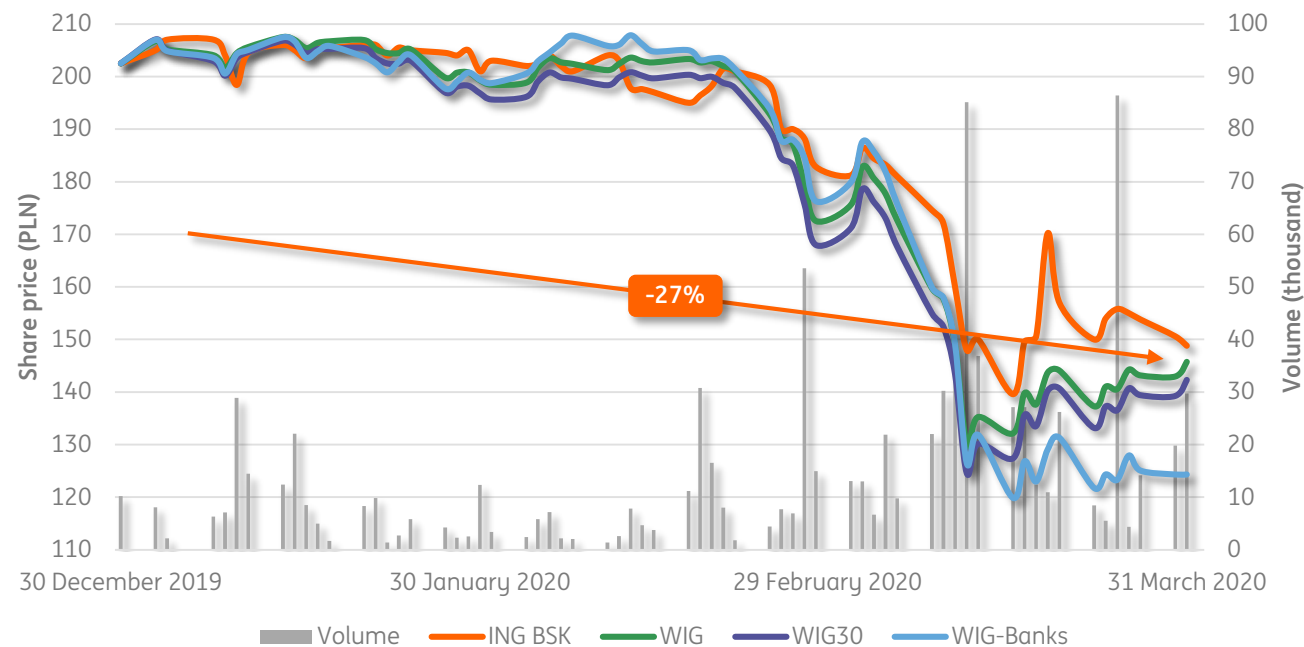
ING Bank Śląski S.A. shares

ING BSK share price:
PLN 148.8 (31 March 2020)

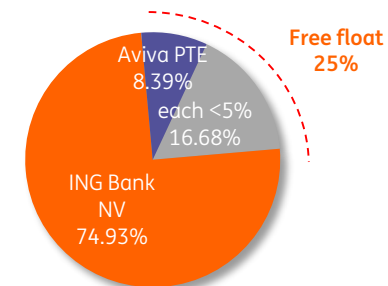
Capitalisation: **PLN 19.4bn** (EUR 4.3bn)
 Free float: **PLN 4.8bn** (EUR 1.1bn)

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

ING BSK shares vs. WSE indices recalculated for comparability



Shareholding structure



Market ratios (Q1 2020)

P/E 12.1x

P/BV 1.1x

Glossary

Simplified definitions of presentation terms :

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

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.

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