

ING Bank Śląski S.A.

Business and Financial Results

for Q2 2024



Warsaw, 7 August 2024



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A young girl with curly hair is smiling and holding a wicker basket filled with fresh strawberries. She is standing in a garden with mulch and several brown pots containing plants. An adult woman in a light blue shirt and green pants is standing next to her, looking down at the basket. The scene is brightly lit, suggesting a sunny day.

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

Key facts – Q2 2024

Client base

- 60 thousand new retail clients in Q2 2024; (142 thousand in H1 2024)
- 15 thousand new corporate clients in Q2 2024; (33 thousand in H1 2024)
- The number of active users of the Moje ING app increased by 32 thousand this quarter; by 102 thousand in H1 2024
- The number of outgoing electronic transfers of individual clients in Moje ING amounted to 163 million in Q2 2024 (+10% y/y); to 319 million in H1 2024 (+10% y/y)

Client volumes

- Corporate receivables portfolio increased by PLN 1.6 billion q/q to the level of PLN 95.8 billion (+ PLN 1.6 billion y/y)
- Retail receivables portfolio increased by PLN 1.9 billion q/q to the level of PLN 68.0 billion (+ PLN 4.1 billion y/y)
- Clients' deposits decreased by PLN 2.2 billion q/q to the level of PLN 209.2 billion (+ PLN 22.3 billion y/y)
- L/D ratio was 75.6% (-2.6 p.p. y/y) vs. 68.7% in banking sector* (-3.2 p.p. y/y)
- Commercial balance increased by PLN 1.4 billion q/q to the level of PLN 373.0 billion (+ PLN 28.0 billion y/y)

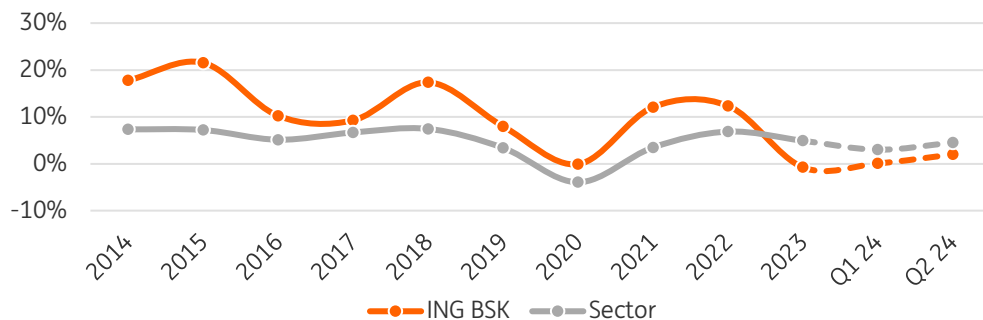
Financial results

- NII amounted to PLN 2,041.3 million in Q2 2024 (-6% q/q, -1% y/y); without the costs of "credit holidays", incl. PLN 170.5 million, NII would amount to PLN 2,211.8 million PLN (+2% q/q, +8% y/y)
- Net fee and commission income of PLN 571.0 million in Q2 2024 (-1% q/q, +7% y/y)
- Risk costs in Q2 2024 amounted to PLN 317.8 million (+61% q/q, +61% y/y)
- Gross profit of PLN 1,225.9 million in Q2 2024 (-5% q/q, -14% y/y)
- Net profit of PLN 964.7 million in Q2 2024 (-3% q/q, -12% y/y)
- Cumulative ROE adjusted for MCFH is 21.1% (13.5% a year earlier)



Market shares

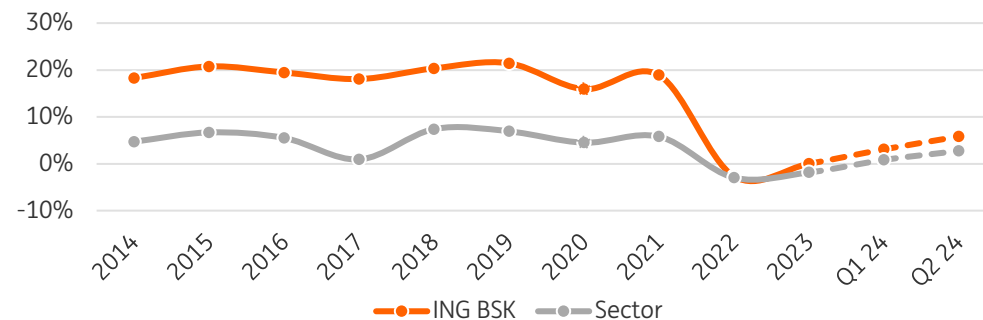
Corporate loans* (change y/y)



Market share (%)



Individuals' loans (change y/y)



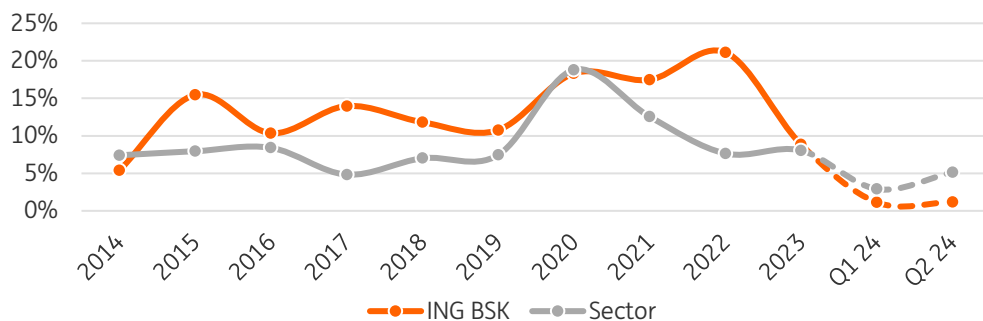
Market share (%)



Market share excl. FX** (%)



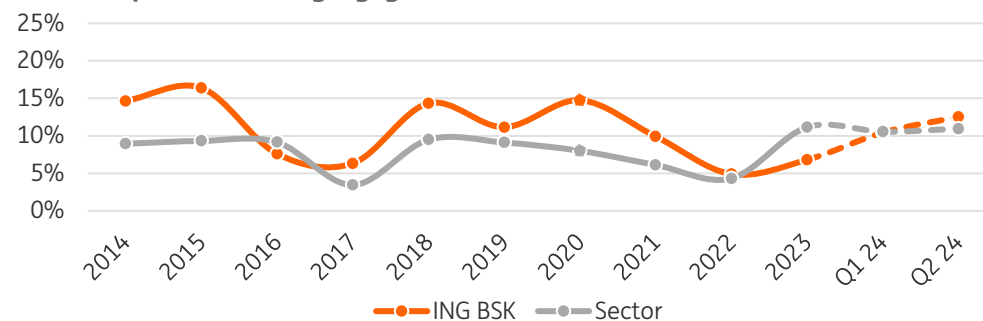
Corporate deposits* (change y/y)



Market share (%)



Individuals' deposits (change y/y)



Market share (%)



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

Business volumes

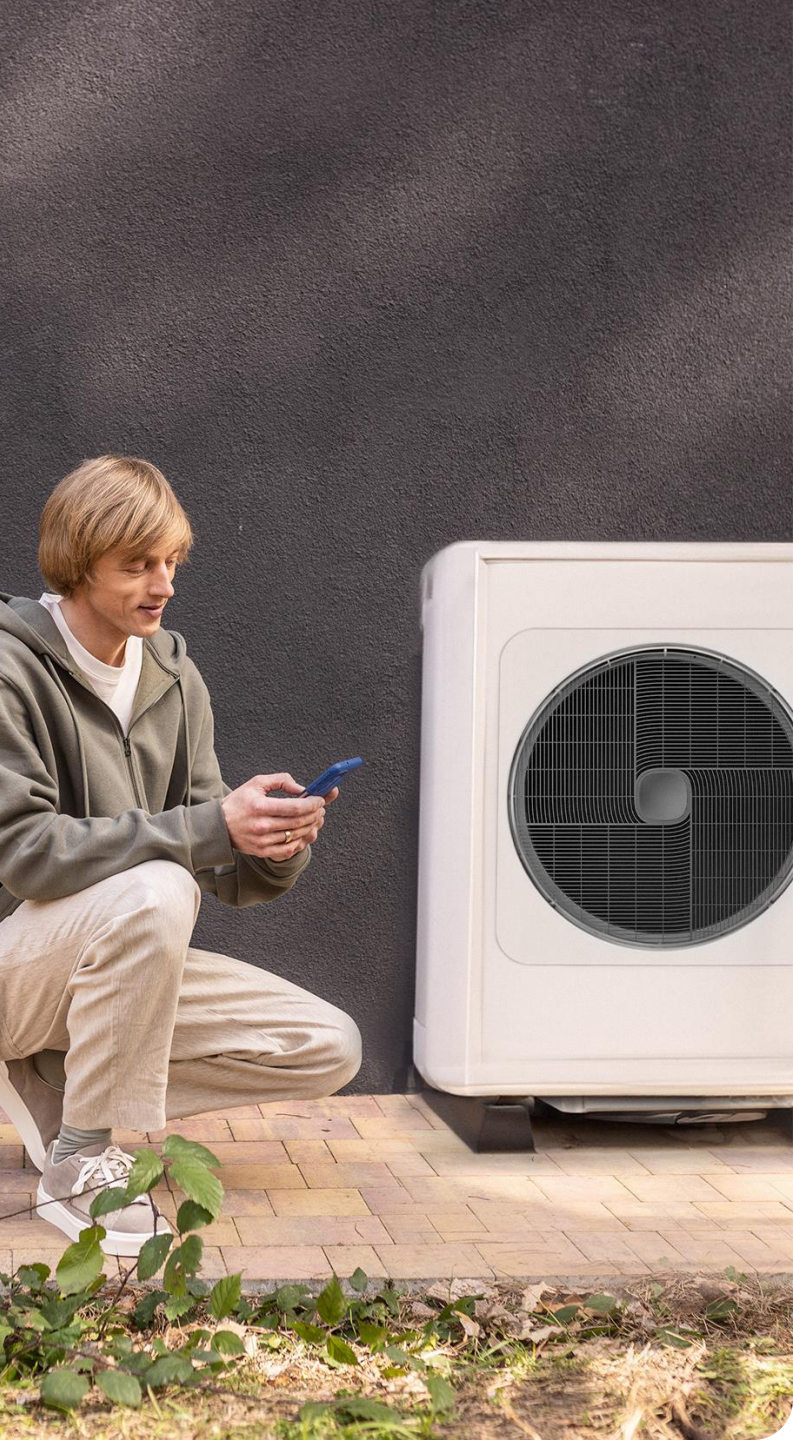
PLN million	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	% change q/q	% change y/y	change q/q	change y/y
Total deposits	190,317	186,849	199,621	202,209	211,340	209,158	- 1%	+ 12%	-2,182	22,308
Corporate deposits	79,836	80,999	86,575	90,123	88,865	89,627	+ 1%	+ 11%	762	8,628
Retail deposits	110,481	105,851	113,046	112,086	122,475	119,531	- 2%	+ 13%	-2,944	13,680
Total funds entrusted by retail clients	128,238	124,463	132,464	132,961	145,326	143,547	- 1%	+ 15%	-1,779	19,083
Mutual funds assets (TFI) + other off-BS products distributed by the Bank	17,757	18,613	19,418	20,875	22,851	24,016	+ 5%	+ 29%	1,165	5,403
Total loans	158,029	158,142	160,312	158,294	160,278	163,839	+ 2%	+ 4%	3,561	5,698
Loans to corporate clients incl. leasing and factoring	94,667	94,214	95,591	93,403	94,205	95,818	+ 2%	+ 2%	1,614	1,604
Loans to retail clients	63,362	63,927	64,722	64,892	66,073	68,021	+ 3%	+ 6%	1,947	4,093
Mortgage loans	54,698	54,998	55,567	55,719	56,715	58,292	+ 3%	+ 6%	1,577	3,295
Cash loans	7,348	7,553	7,751	7,757	7,968	8,309	+ 4%	+ 10%	342	756

Financial highlights

<i>PLN million</i>	Q2 2023	Q1 2024	Q2 2024	% change y/y
Total income	2,637.3	2,760.5	2,701.3	+2%
Total expenses	-850.6	-1,089.3	-978.1	+15%
Result before risk costs	1,786.7	1,671.2	1,723.2	- 4%
Risk costs including cost of risk for FX mortgage loans	-196.8	-197.0	-317.8	+61%
Bank levy	-165.6	-186.6	-179.5	+8%
Gross profit	1,424.3	1,287.6	1,225.9	- 14%
Income tax	-324.9	-294.3	-261.2	- 20%
Net profit	1,099.4	993.3	964.7	- 12%
Total capital ratio	16.95%	16.95%	15.42%	- 1.53 p.p.
Tier 1	15.47%	15.65%	14.20%	- 1.27 p.p.
ROE (%)	24.2%	30.8%	28.7%	+4.5 p.p.
ROE adjusted for MCFH (%)*	13.5%	22.0%	21.1%	+7.6 p.p.
Total expenses incl. bank levy / total income (%)	38.5%	46.2%	42.9%	+4.3 p.p.

H1 2023	H1 2024	% change y/y
5,095.2	5,461.8	+ 7%
-1,852.9	-2,067.4	+ 12%
3,242.3	3,394.4	+ 5%
-285.0	-514.8	+ 81%
-324.2	-366.1	+ 13%
2,633.1	2,513.5	- 5%
-625.0	-555.5	- 11%
2,008.1	1,958.0	- 2%
16.95%	15.42%	-1.53 p.p.
15.47%	14.20%	-1.27 p.p.
24.2%	28.7%	+4.5 p.p.
13.5%	21.1%	+7.6 p.p.
42.7%	44.6%	+1.8 p.p.

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



Meeting strategic goals in Q2 2024

- **Clients' activities and digitalisation**
 - In the last quarter, we acquired 60 thousand new retail clients and 15 thousand new corporate clients.
 - We have 2.23 million primary clients in the retail segment and 220 thousand primary clients in the corporate segment.
 - The number of mobile only clients in retail banking increased to 2.1 million (+12% y/y).
 - The number of outgoing electronic transfers of individual clients in Moje ING amounted to 163 million in Q2 2024 (+10% y/y), and the total number of bank cards transactions amounted to 325 million (+6% y/y), of which the number of transactions in ATMs decreased by 10% y/y, with an increase in the number of transactions in POS and Internet by 7% y/y, for comparison, the number of retail cash transactions in branches amounted to 213 thousand. (4% y/y).
 - We processed 17.2 million transactions in our payment terminals (+24% y/y).
 - Our clients made a total of 54.3 million BLIK transactions (+26% y/y).
- **Operational Efficiency, AI and Data Management**
 - The Digilindex* value is 85% (the target for 2024 is 86.4%).
 - At Moje ING, we have implemented forms that make it easier for clients to confirm that their personal data is up to date.
 - We have automated selected processes in the after-sales service of loans for individual clients.
 - We continuously implement process changes that allowed us to increase the level of STP (straight through processing) for key client journeys.
 - We continue educational activities for employees in the field of artificial intelligence, including: by organising lectures with external experts and presentations of companies dealing with AI innovations.
 - We continue to move applications and their modules to the cloud - in Q2 2024, we already have over 25% of all applications planned for migration to the cloud.
- **Employee motivation and empowerment**
 - Employee networks organized a conference "Diversity Day".
 - We piloted a new product as a part of private medical care in the field of mental health - the possibility of taking advantage of additional visits to a psychologist or psychiatrist.
 - We have prepared a wide wellbeing offer in the field of health, including: cancer prevention and co-financing for eye examinations and other activities: football and table tennis tournaments and Children's Day for employees.
- **IT system stability and availability, security**
 - The availability of both Moje ING and ING Business was 99.98% as at the end of Q2 2024.
 - We continue to work on the next stages of cash loans on the new core banking platform - currently we are focusing on post-sales processes.
- **Full regulatory compliance**
 - We implemented all recommendations with deadlines in Q2 2024 on time.
 - We have updated our Policies in the areas of compliance, customer focus and markets and investor protection.
- **Sustainable development**
 - ING announced the winners of [the fifth edition of the Grant Program](#) addressed to start-ups and young scientists. EcoReg took the 1st place (warehouses energy from regenerated batteries). This time the Bank allocated PLN 1 million for the best solutions that can improve the energy efficiency of buildings.
 - We have published the results of the study "[Poles' attitude towards thermal modernisation](#)", which was conducted by ING Bank Śląski on a group of apartment owners and houses.
 - We organised an [ESG Academy for companies](#) on how to implement activities and practices in the area of sustainable development.
 - Approx. 7.5 thousand young people carried out social projects this school year as part of the record-breaking [tenth edition of the Exempt from Theory Olympiad](#).
 - We paid a donation to the WWF Polska Foundation (restoration of habitats in the area of Błota Rakutowskie) in June.
 - We developed a quantitative approach to environmental risk assessment. We have built a model to assess the transformation risk for Business Banking clients.

*ING DIGI Index - digitalisation index is the percentage of the client journeys that are handled without any manual intervention. Digilindex covers selected 33 client journeys common to the ING Group.

Selected initiatives

ING introduced phone verification to the Moje ING application

Caller verification within Moje ING allows to ensure the customer that a bank employee is calling. The tool shows ING employee details or a warning that the phone is suspicious. This solution helps to make sure the customer that he is talking to the right person and exclude fraud (so-called spoofing).

[Read more](#)

ING information campaigns warning against online fraud

The bank actively warns clients against frauds and online extortions through security messages sent to customers both in the form of text messages and PUSH notifications.

ING expands its banking offer for children

ING introduced a new, comprehensive offer for children under 13 years old, including access to Moje ING for children as from 6 years old. As soon as Moje ING application is activated it adapts to the user's age, and the range of options and tools evolves as the child grows. The offer also includes tools for both parents and children to learn how to safely introduce them to the world of money.

[Read more](#)

Mortgage loan with an ING expert on video

In a new campaign, ING encourages those interested in a mortgage loan to meet with an expert via video. Clients can use the bank's knowledge and offer from anywhere, also saving their time. The solution is available in the Moje ING application or via the website.

[Read more](#)

ING Księgowość and the Shoper platform have started cooperation

ING Księgowość has started cooperation with Shoper, the most frequently chosen provider of subscription e-commerce services in Poland. Combining the Shoper store with the ING Księgowość tool is a perfect solution for entrepreneurs selling products and services on the Internet. The main goal of cooperation between both platforms is to make sellers easier to automate the issuance of invoices and their sending to buyers. This will make settlements easier to handle.

[Read more](#)

BLIK Pay Later available in the imoje payment gateway from ING

Online stores that use the imoje payment gateway from ING can now provide their clients with a new payment method - BLIK Pay Later.

[Read more](#)

ING

Ty wyskoczyłeś
na dłużej

ING. Twój asystent

Ja na ten czas blokuję
płatności za subskrypcje

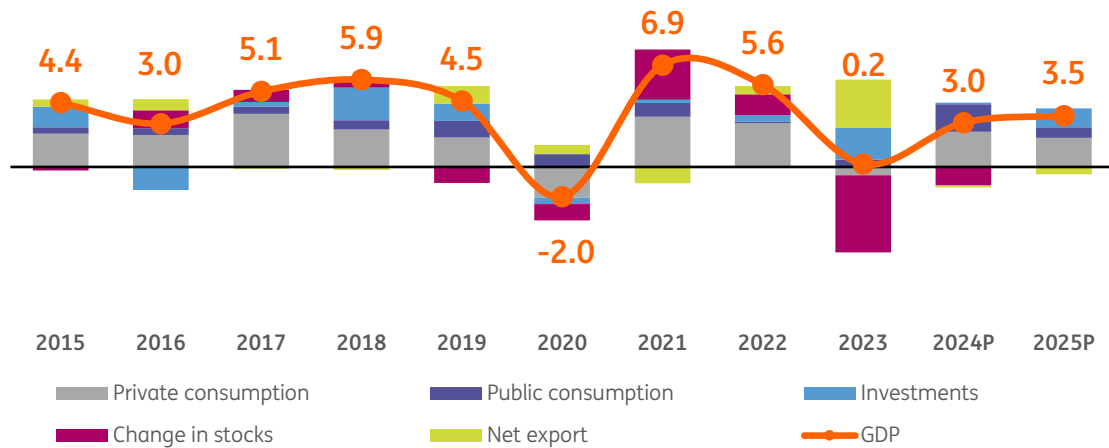
pobierz apkę Moje ING



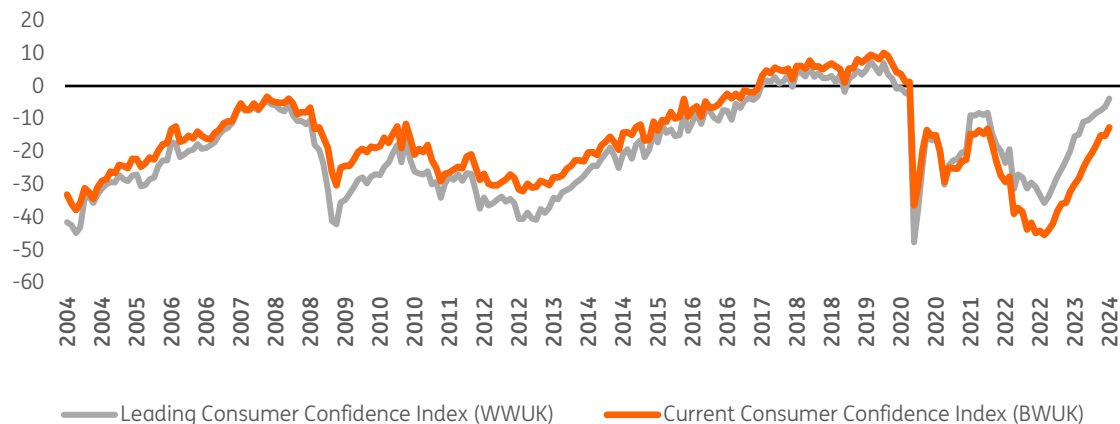
Updated information on the macroeconomic situation
according to the ING Analyses Bureau

Economic rebound in 2024: local opportunities, global risks

GDP growth and its structure, %, percentage points



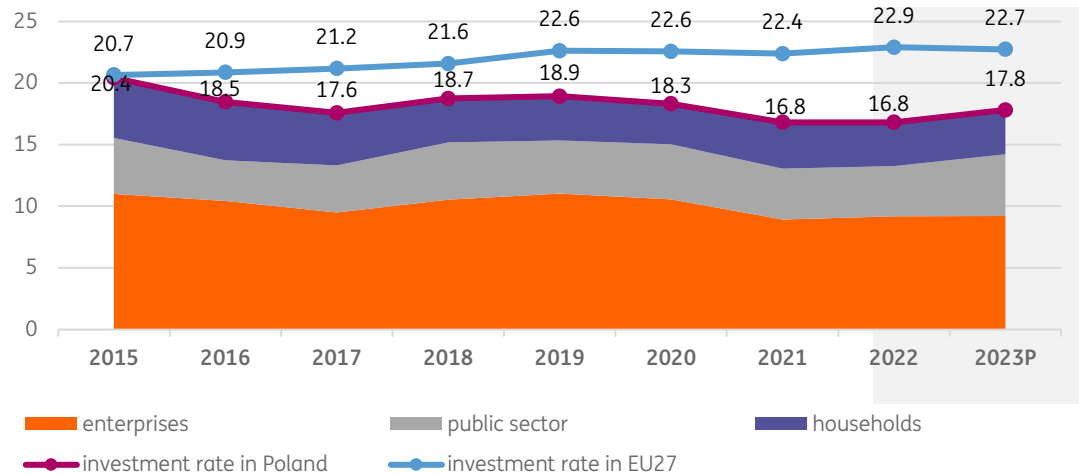
Consumer sentiment indicators, points.



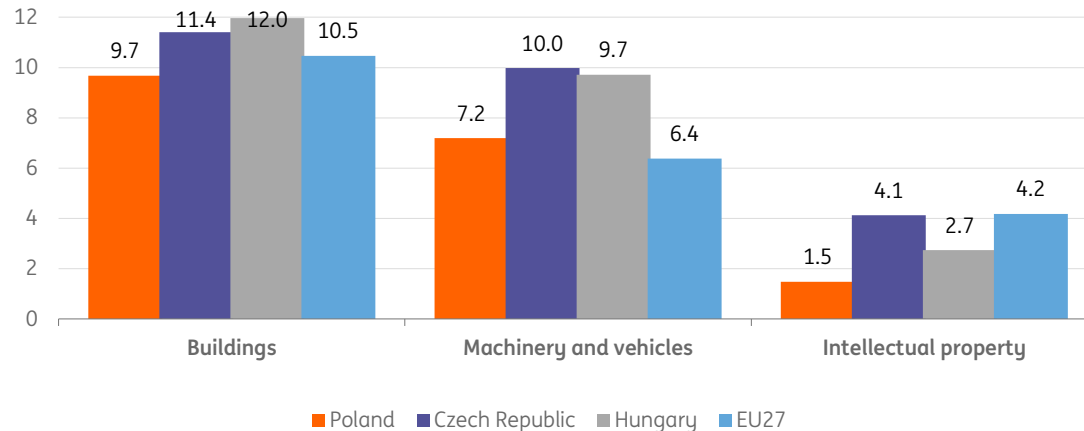
- **Economic recovery is progressing.** The economy grew by 1.0% y/y in Q4 2023, accelerated to 2.0% y/y in Q1 2024 and improved further to around 2.8% y/y in Q2 2024.
- **In 2024 the Polish economy should expand by 3%** on the back of strong domestic demand, particularly consumer demand, thanks to strong real wage growth.
- The decline in annual inflation to 3.5% (on average) is to be accompanied by **robust wage growth** (over 10%).
- Growth in consumer spending is curbed by **household savings rebuilding**.
- **Consumer sentiment started weakening** in recent months.
- **We see downside risks to our 3% GDP forecasts for 2024.** Geopolitical tensions may reduce propensity to spend and invest. Structural slowdown in Germany, deterioration in global manufacturing and trade recovery also pose risks to growth in Poland.
- As a result, the peak of the cycle in Poland means a quarterly GDP growth rate of 3-4% rather than 5-6% y/y observed until recently.

Diagnosis: structurally low investment in Poland, temporary rebound in 2023

Investment rate in Poland and in EU27, % of GDP



Investment rate by assets, 2014-23, % of GDP



- Since the middle of the last decade, the investment rate (% of investment in GDP) in Poland has been in decline vs. rising EU average. From 2021 onwards, this divergence has accelerated and reached up to around 5 p.p.
- The lower investment rate in Poland compared to the EU average was mainly due to lower corporate investment. Public investment was slightly below the EU average and household investment was generally above.
- In 2014-23, compared to the EU average, Poland underperformed in all asset groups: buildings (9.7% of GDP in Poland vs. 10.5% of GDP in EU27), intangibles and intellectual property (1.5% of GDP in Poland vs. 4.2% of GDP in EU). The latter may be due to companies' still low R&D spending, but also low tax incentives. Over the past 10 years, Poland has invested significantly less in machinery, equipment and transport equipment (7.2% of GDP) than countries in the region, which have spent up to 10% of GDP for this purpose.
- Significant support for investment last year was provided by the acceleration of public investment (according to Eurostat, an increase to 5.0% of GDP in 2023 from 3.8% of GDP in 2022) and higher military spending.

Projections: Low investment rate in 2024, rebound only in 2025, recovery crucial for long-term GDP growth

Most common barriers according to business leaders*

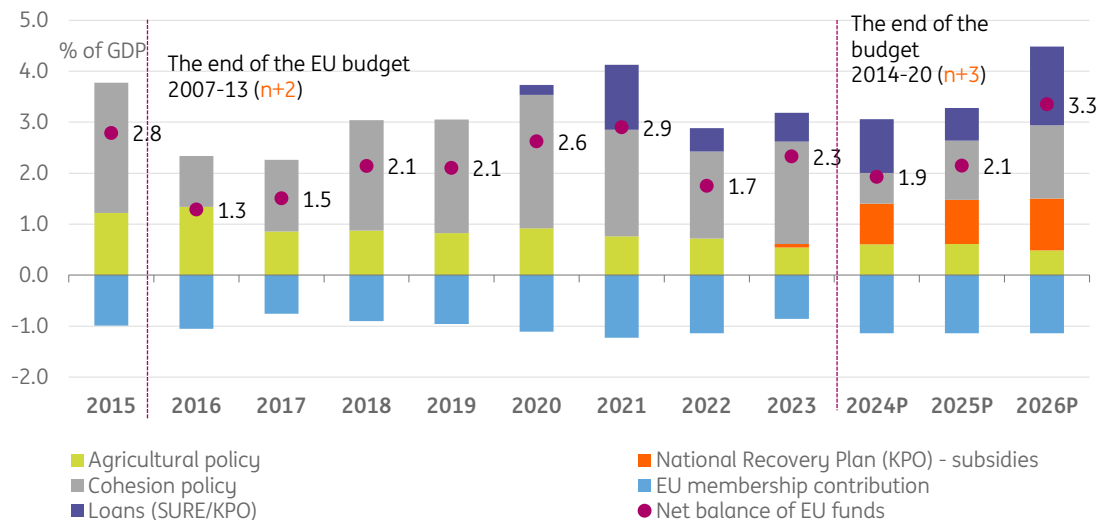
Most common barriers to investment identified in interviews with companies	Σ
Quality of regulations and legal framework stability	15
Predictability and stability of taxes	11
High costs of investment, inflation	11
Shortages of skilled labour	9
High interest rates/high funding costs	8
Commodity prices volatility	6
Condition of energy grids, access to green energy	6

* The number of dots indicates the number of interviewees who mentioned a given area. ING economists' assessment. Source: Eurostat, ING report available at the link <https://ekonomiczny.ing.pl/publikacja/833492>

- In a recent ING qualitative survey (a joint project with the EEC in Katowice), business leaders most frequently indicated the following barriers to investment:
 - ✓ quality of regulation and stability of law and taxes,
 - ✓ high costs of investments,
 - ✓ shortage of skilled labour,
 - ✓ high interest rates.

At the same time, they see the following factors as possible drivers for increased investment: improved country perception, unlocking EU funds, energy transition or nearshoring/friendshoring.

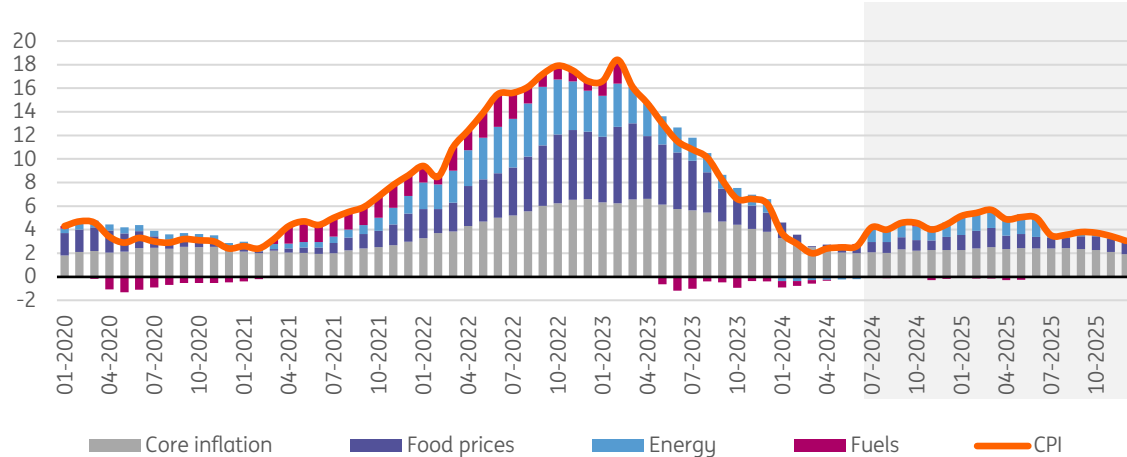
Net inflow of EU funds, % of GDP



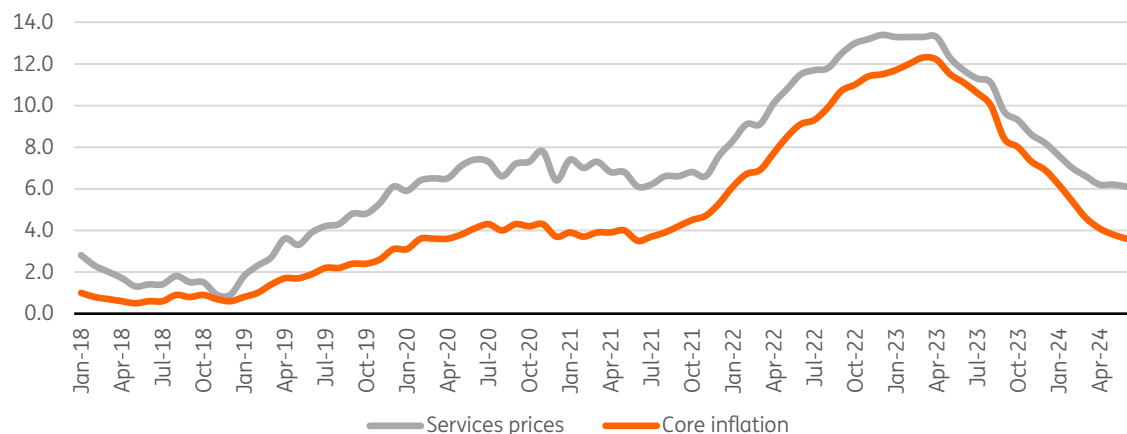
- We expect low investment dynamics in 2024 and a rebound only in 2025. Such a projection is made plausible by the gradual increase in the absorption of EU funds following the unblocking of funds from the RRF and the EU multiannual budget. Poland can also benefit from the relocation of foreign investment (nearshoring).
- Due to the slow implementation of the new EU budget, we estimate that access to **cohesion funds** will drop to 0.6% of GDP in 2024 from 2.0% in 2023. The gap will be partially offset by grants and loans from the RRF (€ 17bn this year).

Decline in inflation before bounceback in H2 2024. Delayed monetary easing cycle. Debate on the terminal rate.

CPI inflation and its sources, %, percentage points



Core inflation and services prices, % y/y



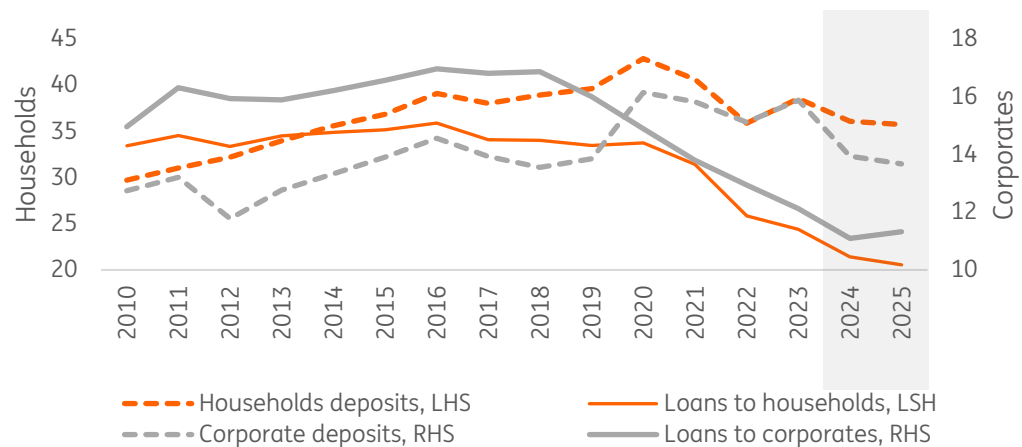
- Over the course of 2023, inflation fell from 18.4% to 6.2% y/y.
- **In H1 2024, rapid disinflation continued**, and CPI inflation fell to around the NBP target (2.5%, +/- 1p.p.).
- The decline was supported by a high Q1 2023 reference base, the extension of the 0% VAT rate on food until March, a further freeze in energy prices, as well as a global disinflationary environment.
- **In H2 2024**, the partial unfreezing of energy prices bumped up inflation by around 1.3 percentage points, and by the end of the year, inflation could rise to around **4-5% y/y**. Headline inflation will peak around 5-6% in March 2025.
- The persistently high core inflation is due to the following **domestic factors**:
 - ✓ wage growth (election year effects),
 - ✓ a tight labour market (record-low unemployment),
 - ✓ a rebound in the economy (especially consumption).
- We expect the monetary easing cycle to start in 2025 (75 bps rate cut) and see growing odds of its continuation in 2026. Arguments for a lower terminal rate in Poland (~4.0% instead of 5.0%) include the deterioration in the medium-term economic growth outlook in the euro area, Central Europe and Poland.

Substantial decline in credit in % of GDP. Gradual improvement in loans and deposits volumes.

Forecasts (% , y/y)

	2023	2024P	2025P
GDP (average)	0.2	3.0	3.5
Inflation (average)	11.4	3.5	4.4
Total loans	0.0	3.8	2.3
Loans to households	-2.2	1.6	1.1
<i>housing loans</i>	-3.4	2.0	0.6
<i>consumer loans</i>	-0.2	0.8	2.1
Corporate loans	3.1	6.9	3.9
<i>Enterprises</i>	-3.0	5.7	7.8
Total deposits	9.9	6.1	4.1
Households	11.2	8.2	4.5
Corporate	7.5	2.4	3.2
<i>Enterprises</i>	8.8	1.5	3.5

Loans and deposits in % of GDP



- Substantial decline in the share of credit in GDP (deleveraging). Our forecasts point to stabilisation of loans to corporates (as a % of GDP) and slight decline in loans to households (as a % of GDP).
- The expiry of government programme subsidising housing loans led to the decline in new mortgage loans production (from PLN10.3bn in January to PLN6.2bn in June this year). The forecast of new housing loans production at PLN5bn a month translates into slightly positive dynamics of housing loans.
- We see slow growth of credit to corporates due to high liquidity of enterprises, subdued investment activity and restrictive monetary policy. We expect growth of current loans (rising costs) and investment loans from 2025 when investment performance is projected to improve.
- Buoyant growth of disposable income boosts deposits growth and keep them stable as % of GDP.

Q2 2024

financial results



Financial results

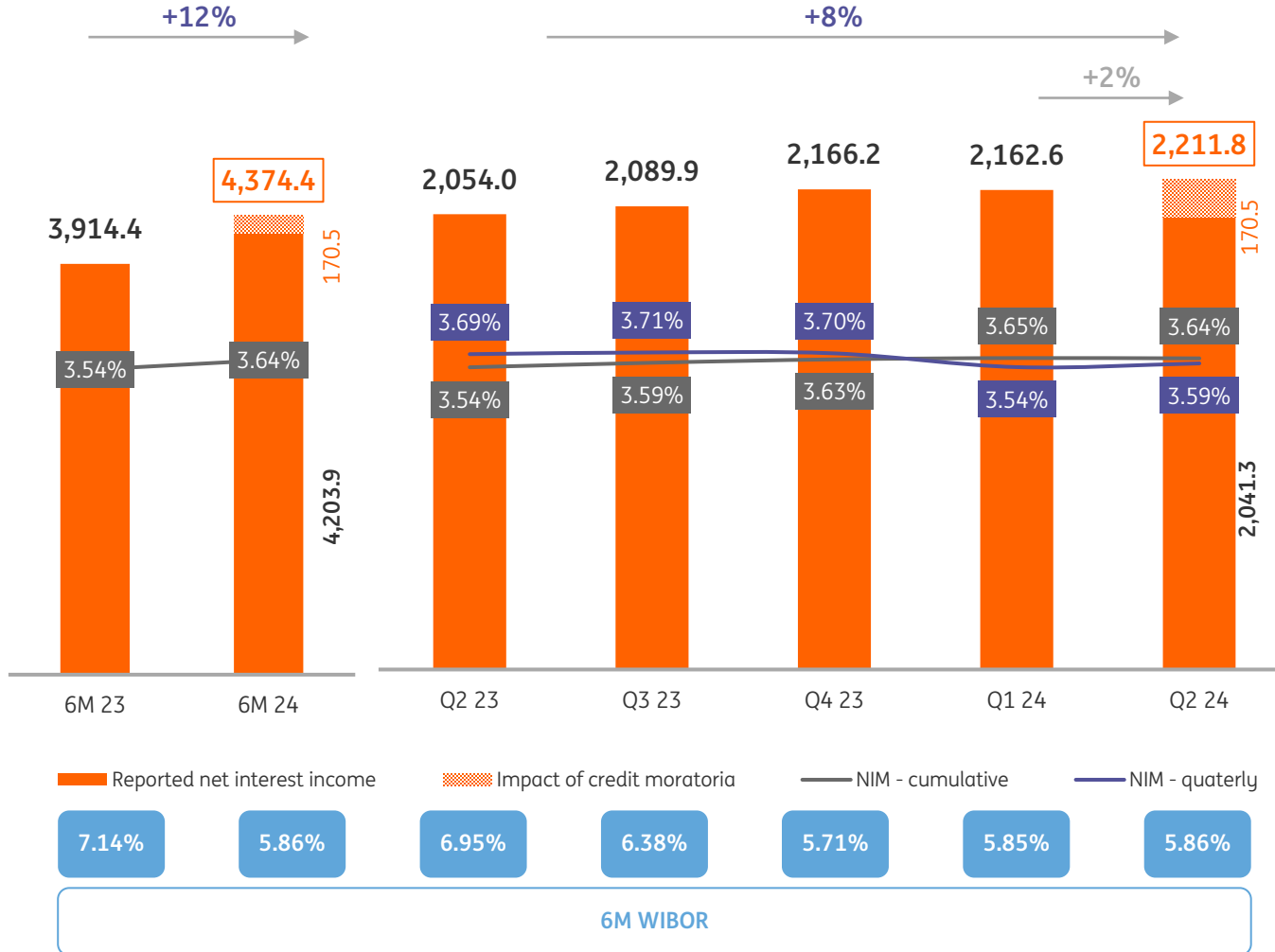
PLN million	Q2 2023	Q1 2024	Q2 2024	% change y/y
Net interest income	2,054.0	2,162.6	2,041.3	-1%
Net commission income	534.3	576.0	571.0	+7%
Other income	49.0	21.9	89.0	+82%
Total income	2,637.3	2,760.5	2,701.3	+2%
Total expenses	-850.6	-1,089.3	-978.1	+15%
Result before risk costs	1,786.7	1,671.2	1,723.2	-4%
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Income tax	-324.9	-294.3	-261.2	-20%
Net profit	1,099.4	993.3	964.7	-12%
Total capital ratio	16.95%	16.95%	15.42%	-1.53 p.p.
Tier 1	15.47%	15.65%	14.20%	-1.27 p.p.
ROE (%)	24.2%	30.8%	28.7%	+4.5 p.p.
ROE adjusted for MCFH (%)*	13.5%	22.0%	21.1%	+7.6 p.p.
Total expenses incl. bank levy/total income (%)	38.5%	46.2%	42.9%	+4.3 p.p.

	H1 2023	H1 2024	% change y/y
	3,914.4	4,203.9	+7%
	1,055.7	1,147.0	+9%
	125.1	110.9	-11%
Total income	5,095.2	5,461.8	+7%
Total expenses	-1,852.9	-2,067.4	+12%
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Total expenses incl. bank levy/total income (%)	42.7%	44.6%	+1.8 p.p.

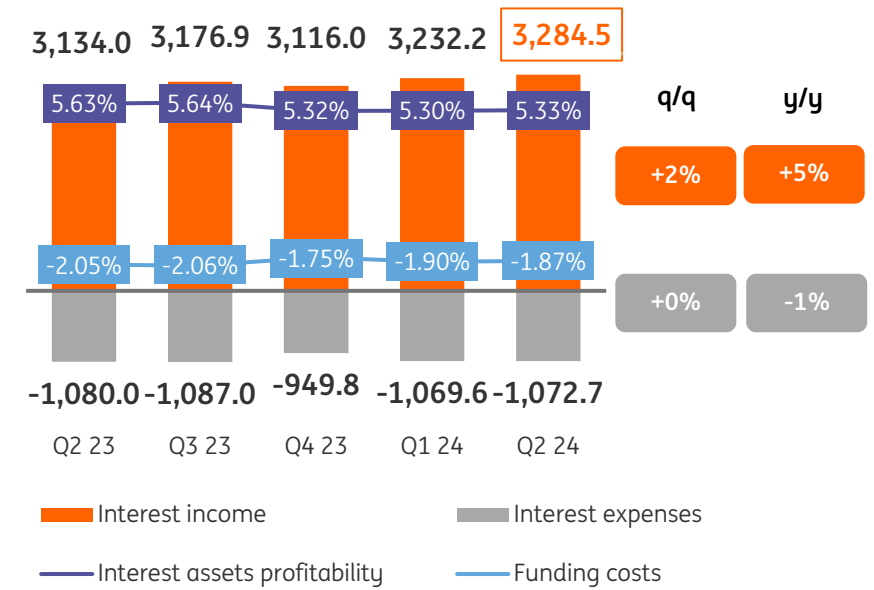
*ROE = total net profit for 4 consecutive quarters / average equity for 5 subsequent quarters.

Net interest income adjusted for credit moratoria

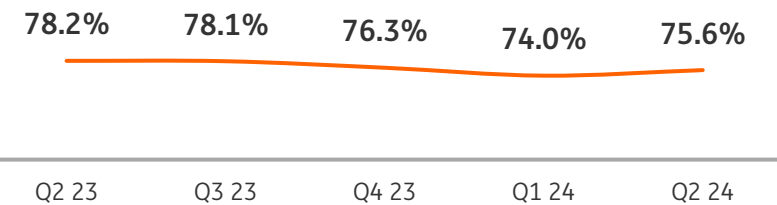
Net interest income (PLN million) and interest margin



Interest income and expenses (PLN million)

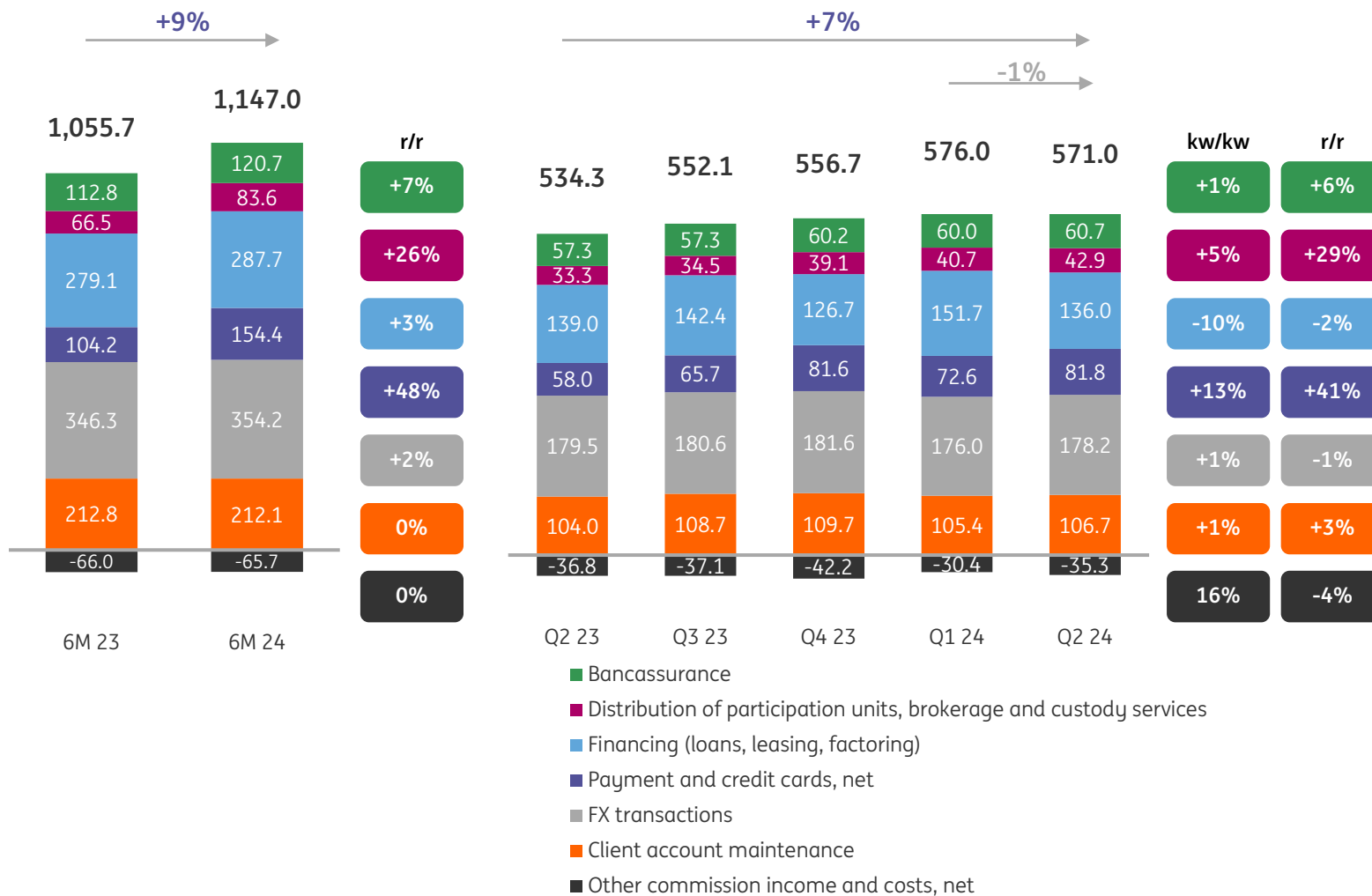


Loan to deposit ratio



Fee and commission income

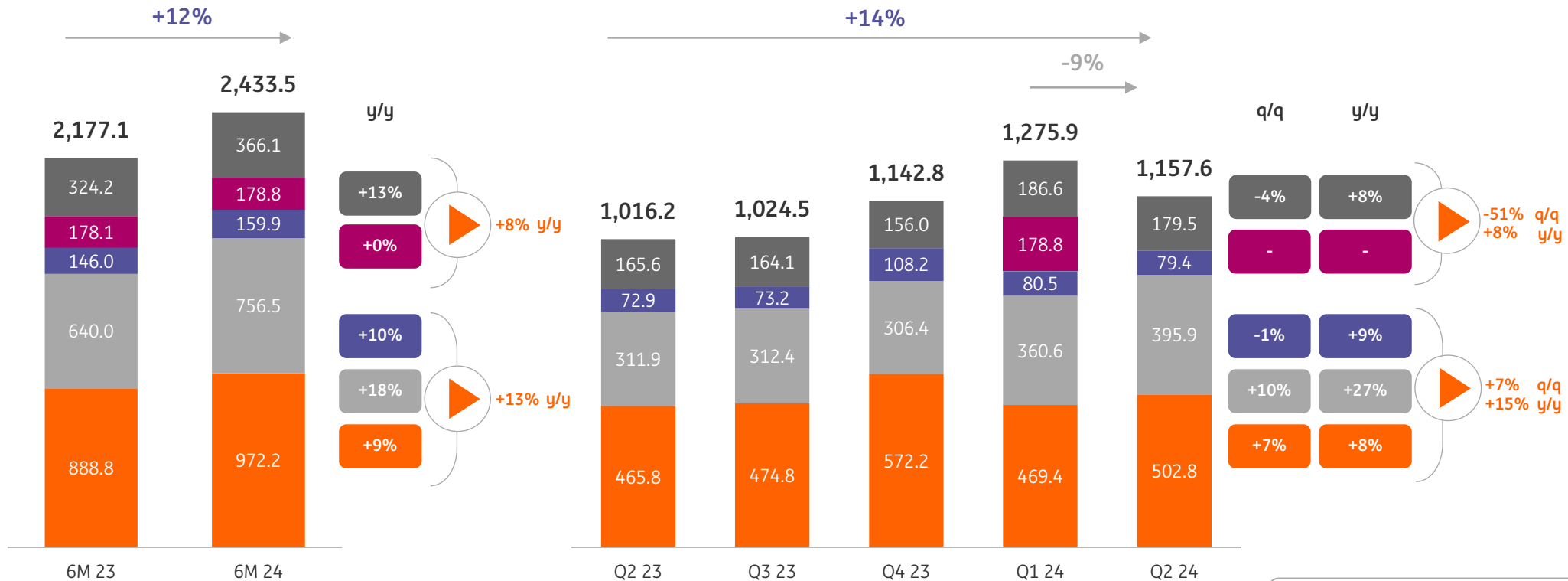
Fee and commission income per category (PLN million)



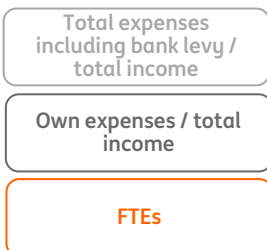
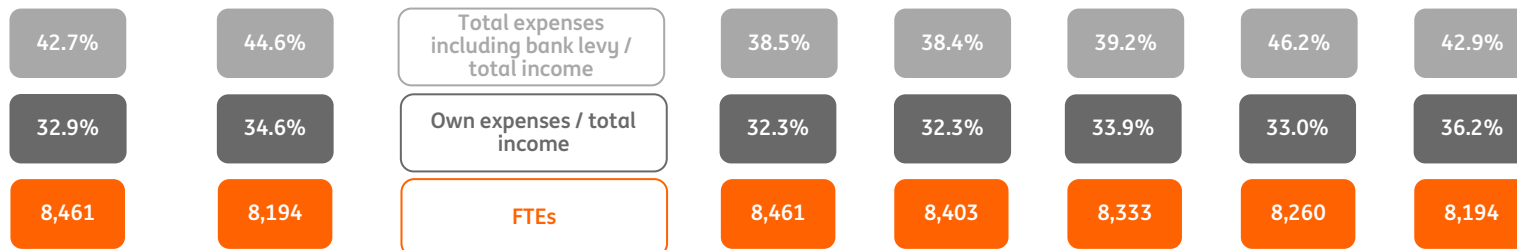
- The q/q increase in the result from the distribution of participation units, brokerage and custody services reflects the observed positive trends on the investment fund market.
- The q/q decrease in the result on financing is due to the settlement of linear loan commissions in the corporate segment in Q1 2024.
- The improvement in the result on payment and credit cards in Q2 2024 is the result of higher transaction volume of our clients.

Total expenses including bank levy

Total expenses including bank levy (PLN million)



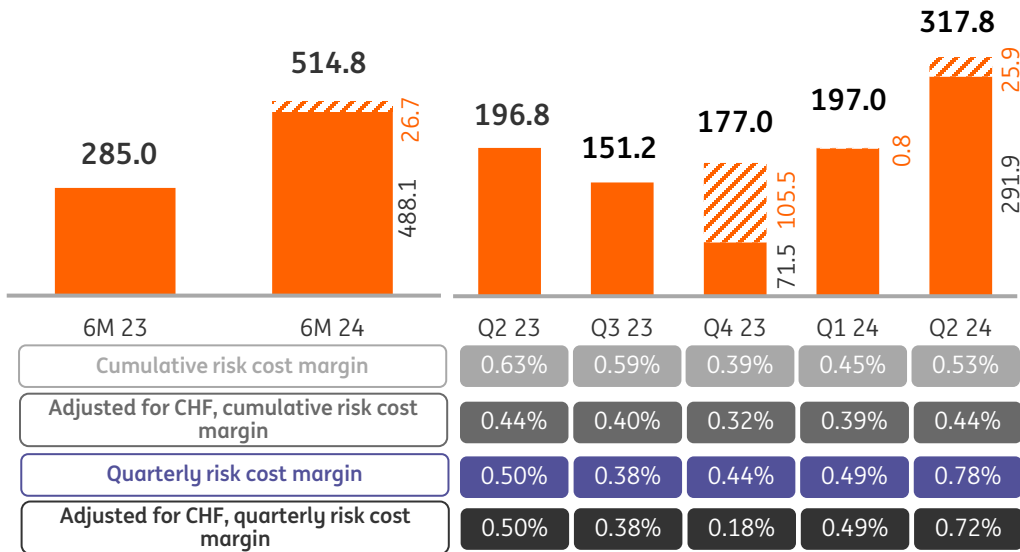
■ Personnel costs
 ■ General and administrative costs
 ■ Amortisation and depreciation
 ■ Regulatory costs (PFSA + BGF)
 ■ Bank levy



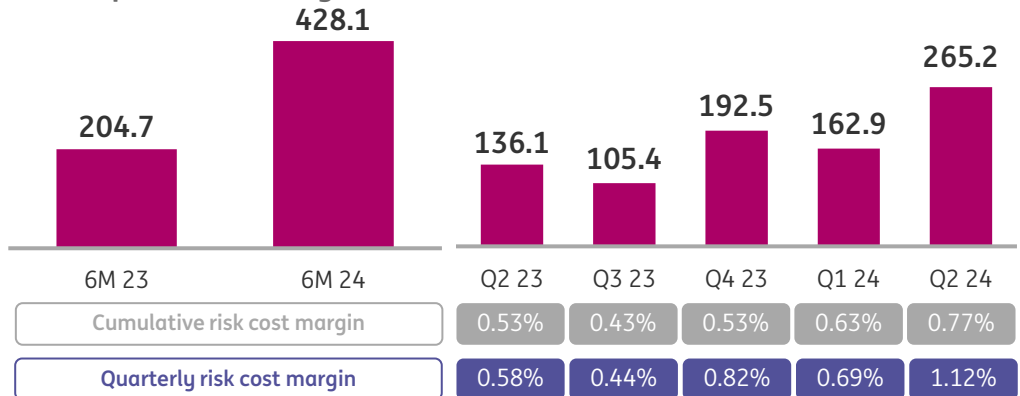
- Increase in operating and general management costs as a result of the increase in the costs of IT projects.
- The increase in personnel costs is the result of salary increases that took place in April 2024.

Cost of risk, including legal risk costs

Consolidated data for ING BSK (PLN million)

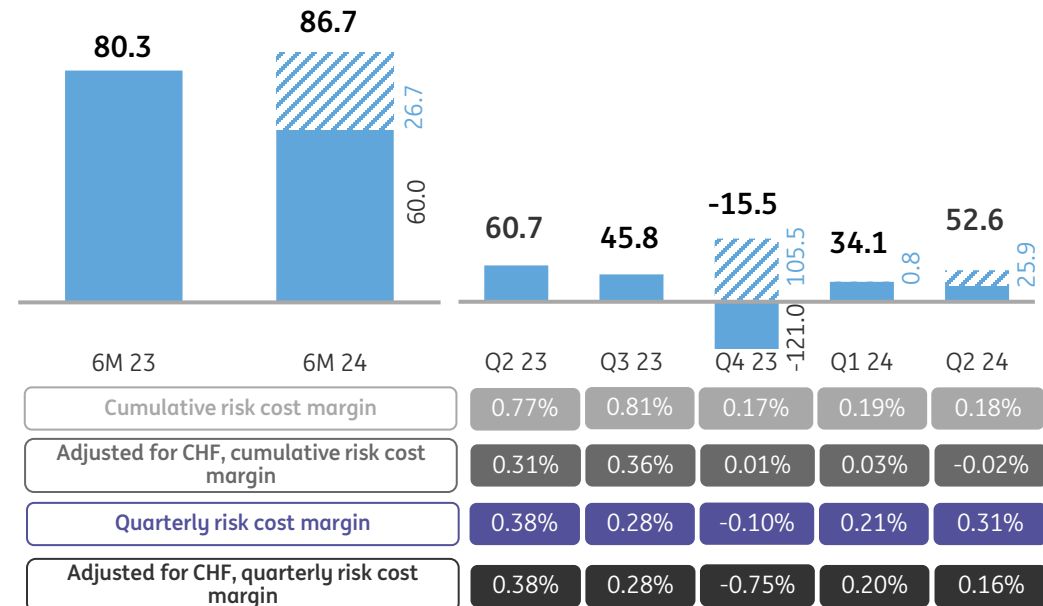


Corporate banking (PLN million)



PLN million	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24
Impact of macroeconomic parameters on net provisions*					
Retail banking	+11.1	+13.7	-16.8	-3.5	-5.1
Corporate banking	+1.1	-18.5	+25.5	-57.4	+12.6
Total	+12.2	-4.7	+8.8	-60.9	+7.5
Impact of the sale of the Stage 3 and POCI receivables portfolios*					
Retail banking	0.0	0.0	-22.1	0.0	0.0
Corporate banking	0.0	0.0	-2.2	0.0	0.0
Total	0.0	0.0	-24.3	0.0	0.0

Retail banking (PLN million)

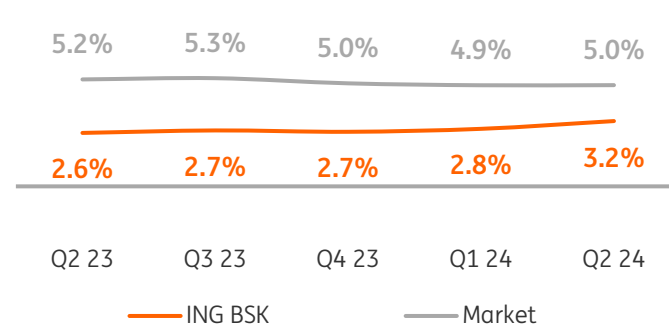


*Increase of provisions presented with the sign (+), decrease with the sign (-).

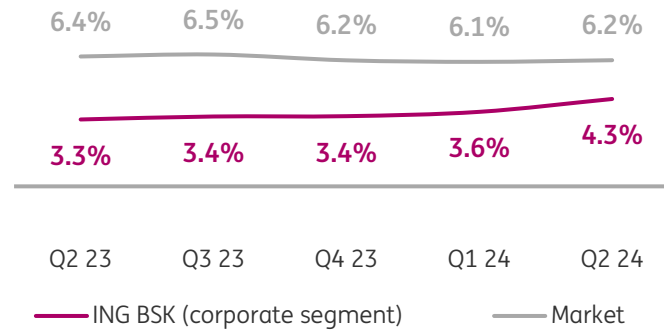
Portfolio quality and provisioning

Share of non-performing portfolio in the total loan portfolio

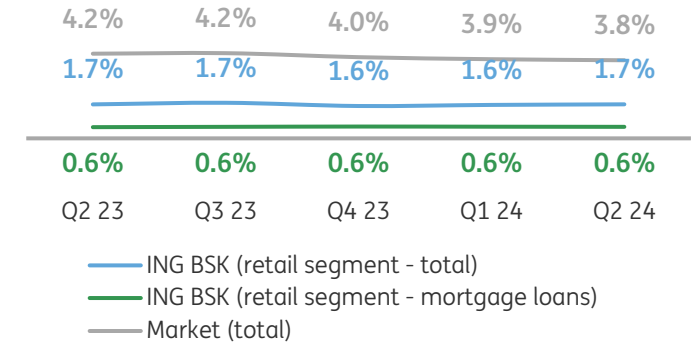
Consolidated data for ING BSK



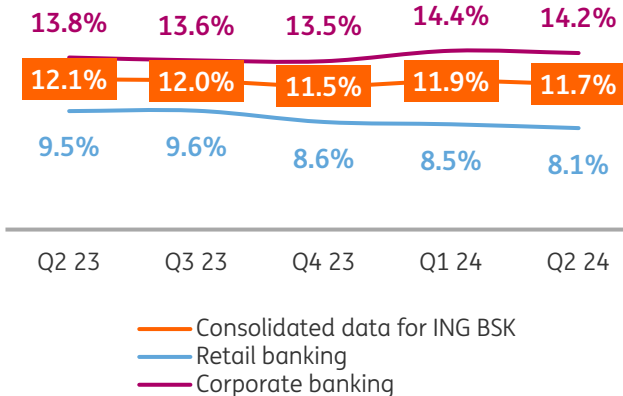
Corporate banking



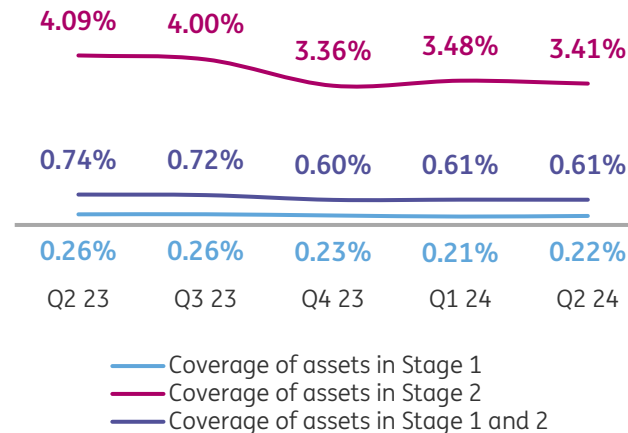
Retail banking



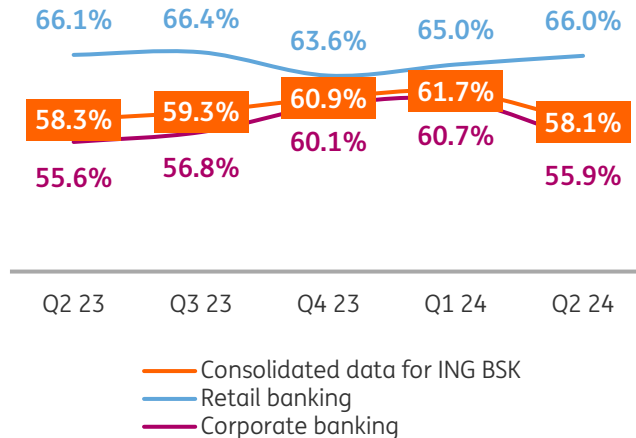
Share of Stage 2 in gross portfolio



Provisioning ratio – Stages 1 and 2



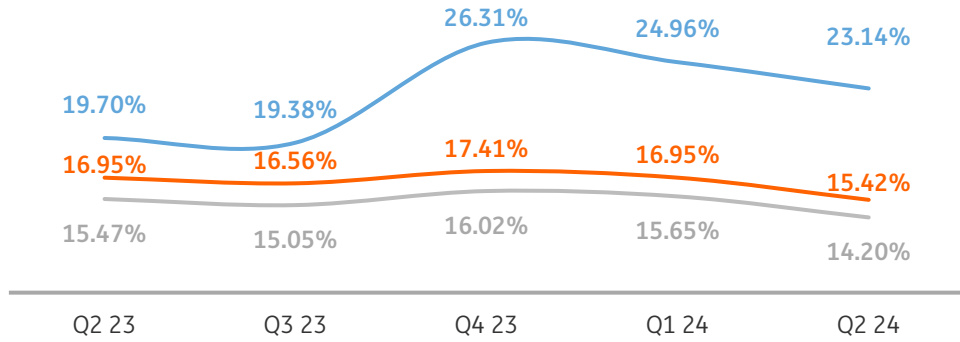
Provisioning ratio – Stage 3



Note: market ratios – estimates based on PFSA data (data for May 2024 for Q2 2024); NPL = Stage 3 + POCL.

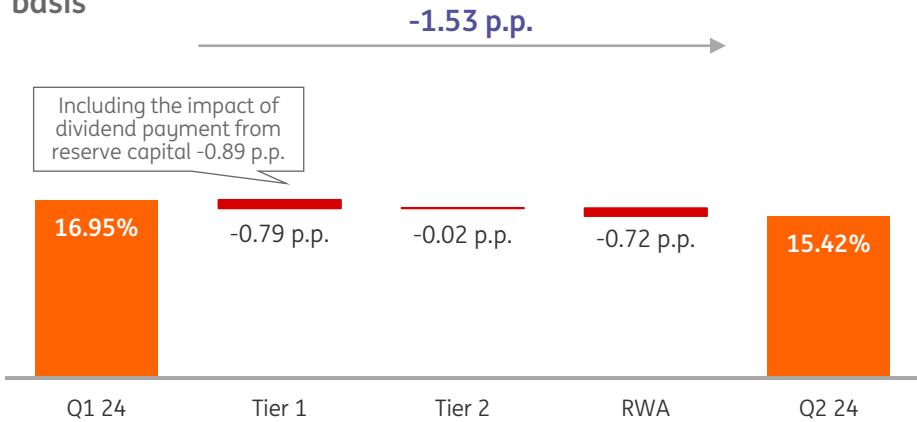
Capital adequacy

Capital ratios (consolidated) and MREL ratio (standalone)



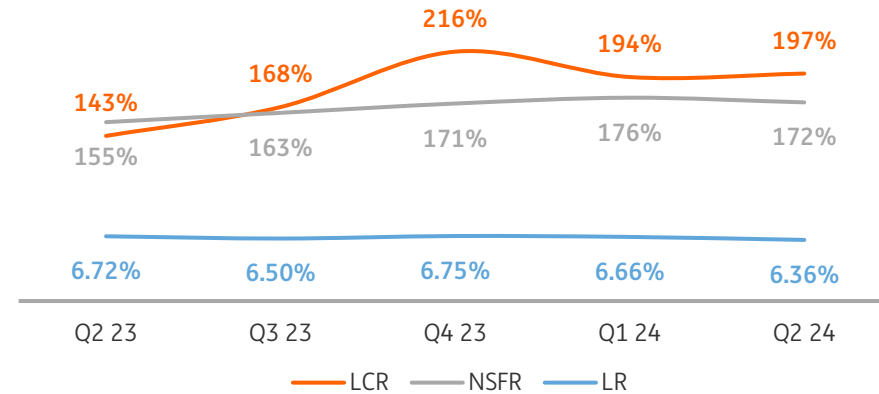
— TCR — Tier 1 ratio — MREL level (TREA), with combined buffer requirement

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



- Total capital ratio and Tier 1 ratio are respectively 4.10 p.p. and 4.88 p.p. above the minimum capital requirements for ING BSK, which are respectively 11.32% and 9.32%.
- The total capital ratio and Tier 1 ratio would have been 15.39% and 14.17%, respectively, if ING BSK did not apply a transition period for the implementation of IFRS 9.
- The MREL level at the end of 2Q 2024 was 3.69 p.p. above its minimum target of 19.45% of total risk exposure amount (“TREA”) at the standalone level (taking into account the combined buffer requirement of 3.01%).

Other capital and liquidity ratios



Data in comparative periods regarding liquidity measures have changed. The corrections are due to improved data quality for the retail flag.

Appendices



Retail banking

Retail banking

Clients and ordered transactions

- We operate 3.8 million current accounts for individual clients
- In Q2 2024, our individual clients completed:
 - 10% y/y more outgoing electronic transfers in Moje ING (163 million)
 - 26% y/y more BLIK transactions (total 51.2 million)
 - 6% y/y more debit card transactions (total 297.6 million)
 - 4% y/y fewer transactions in branches (213 thousand)

Financing

- We granted PLN 3,820 million in mortgage loans in Q2 2024 (+109% y/y)
- We granted PLN 1,500 million in cash loans in Q2 2024 (+17% y/y) ...
- ... of which 84% were sold via online channels



ING

Pożyczka z konsolidacją

0 zł prowizji

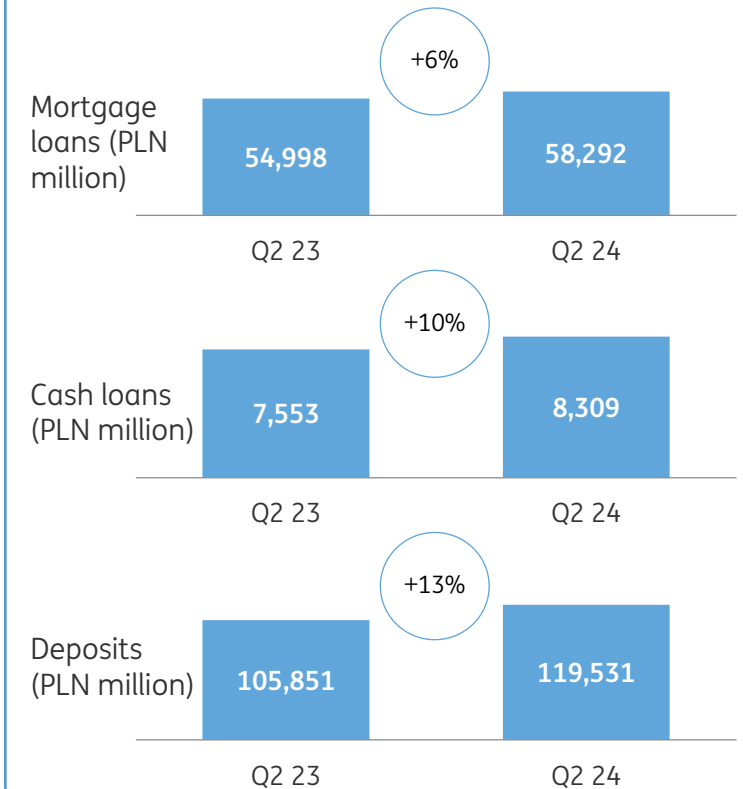
Jedna rata i gotówka na nowe plany

RRSO 11,02%

Zobacz koszty kredytu ▼

The advertisement features a background image of hands assembling puzzle pieces. The ING logo is at the top left. The main text is in orange and white boxes. At the bottom, there is a tiger head logo.

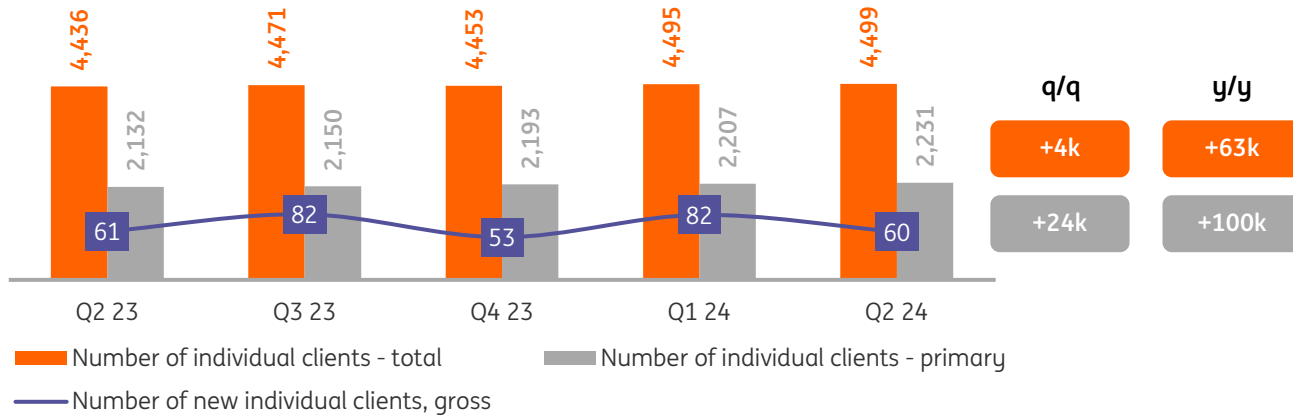
Growing volumes (y/y)



Retail client base

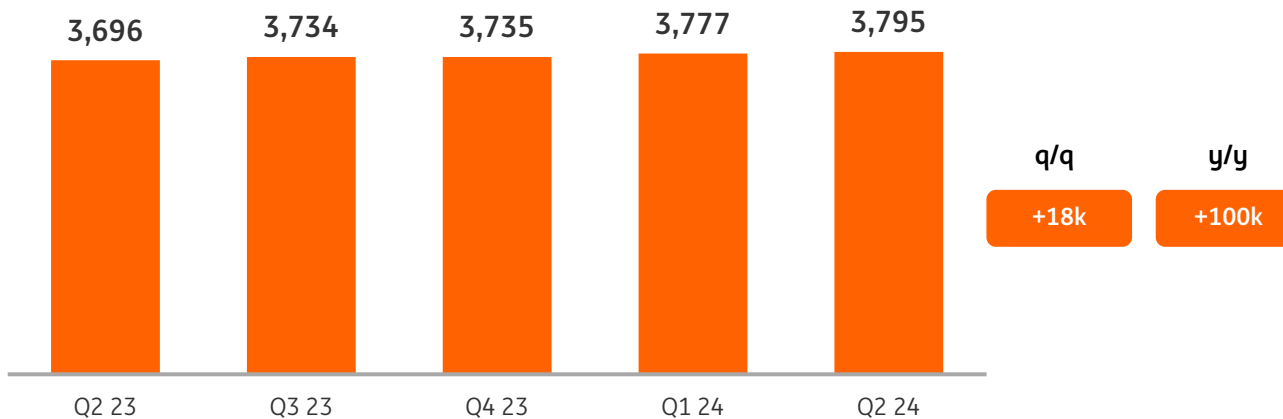
4.5 million individual clients

Number of individual clients (thousand)



- 88% of current accounts are Direct Accounts
- In Q2 2024 clients using the National Hub, i.e. the standard for the circulation of electronic identity used for administrative purposes and government services, confirmed their identity 4.8 million times, including 16% of confirmations were made via the mobile application
- Our clients submitted via our bank 191 thousand 800+ applications in Q2 2024 (+52% y/y)

Number of individual clients' current accounts (thousand)

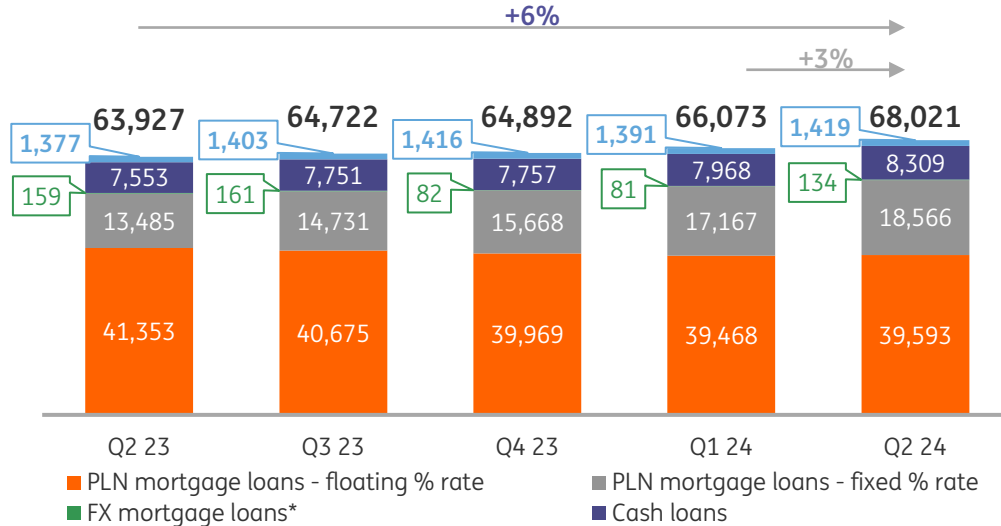


Note: current accounts in PLN.

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

Retail lending

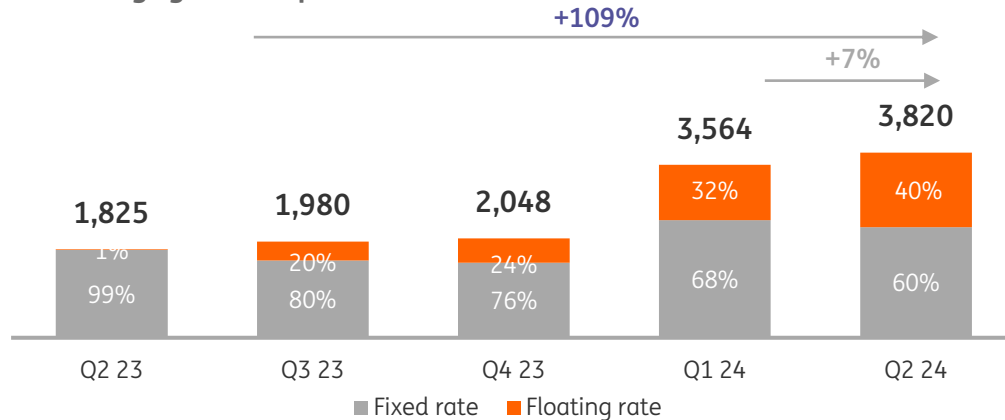
Loan portfolio of retail clients (gross; PLN million)



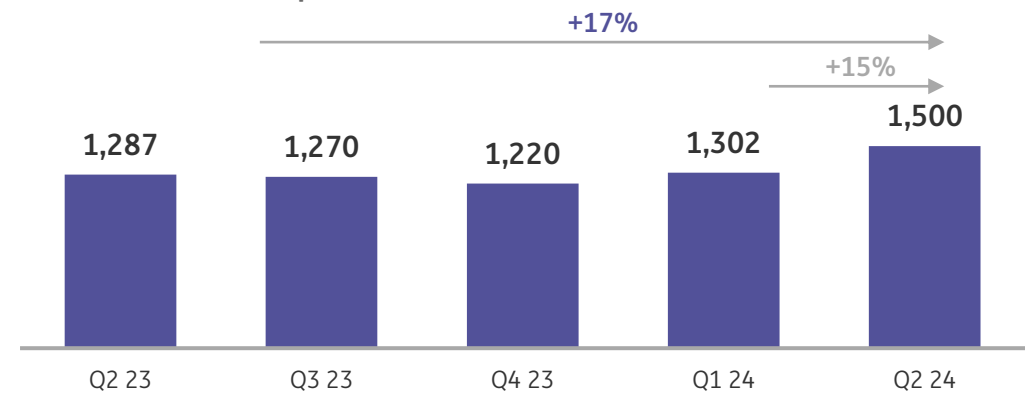
q/q	y/y
+2%	+3%
+4%	+10%
+66%	-16%
+8%	+38%
+0%	-4%

- PLN 1.5 billion worth of cash loans granted to retail clients in Q2 2024 (+17% y/y)
- PLN 3.8 billion worth of mortgage loans granted in Q2 2024 (+109% y/y), which translates into a **20.1%** market share
 - including PLN 2,276 million worth of fixed interest rate mortgage loans (+26% y/y)
 - including PLN 293 million worth of loans for an energy-efficient houses** (+230% y/y)
- A **13.3%** market share in terms of PLN mortgage loans; **11.6%** in total mortgage loans (Q2 2024)

Mortgage loans production (PLN million)



Cash loans production (PLN million)

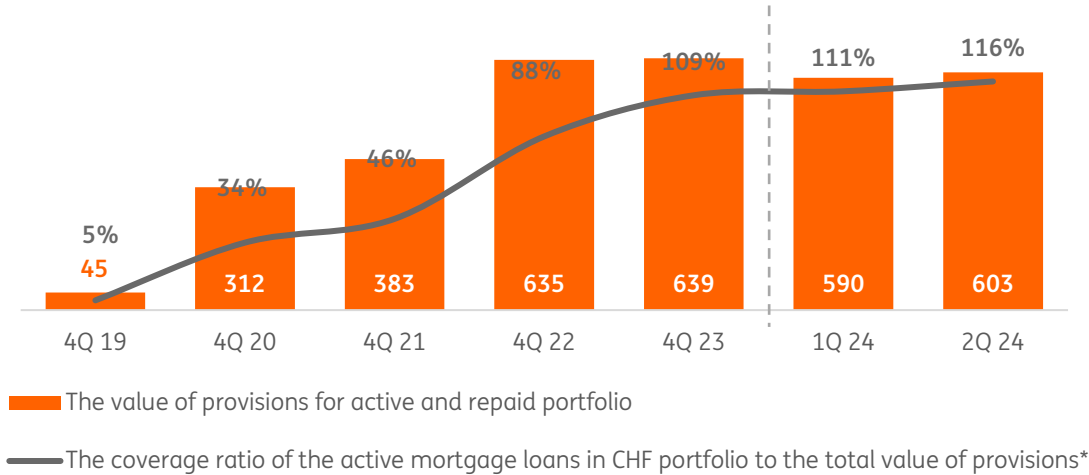


*FX mortgage loans after adjusting the gross carrying amount for legal risk provisions, which amounted to PLN 473.0 million in Q2 2023, PLN 475.7 million in Q3 2023, PLN 510.2 million in Q4 2023, PLN 456.9 million in Q1 2024 and PLN 389,6 million in Q2 2024;

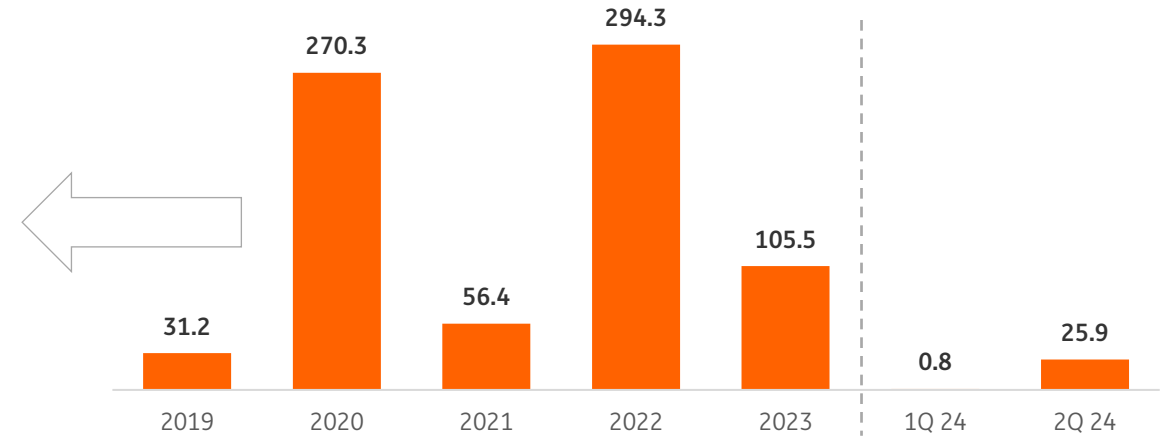
**We do not charge a commission and offer a lower margin for a house or residential premises whose annual demand for non-renewable primary energy for heating, ventilation and hot water preparation does not exceed respectively: 62 kWh/m²/year in the case of a house or 76 kWh/m²/year in the case of a house after renovation and 58 kWh/m²/year in the case of a residential premises in a multi-family building or 62 kWh/m²/year in the case of a residential premises in a single-family building.

Legal risk relating to FX mortgage loans

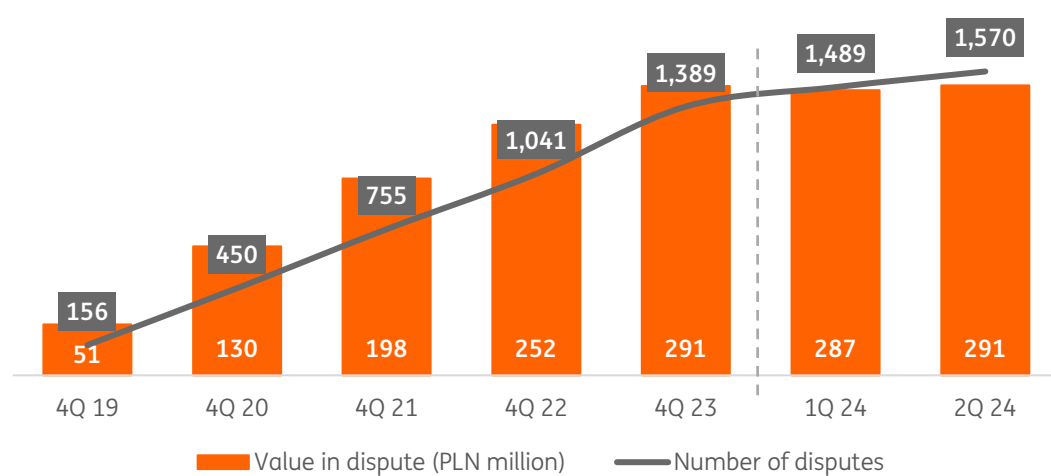
Total value of provisions for CHF mortgage loan portfolio (PLN million) and their level in relation to portfolio balance



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



The number and value of disputes concerning FX mortgage loans



Mediation with clients

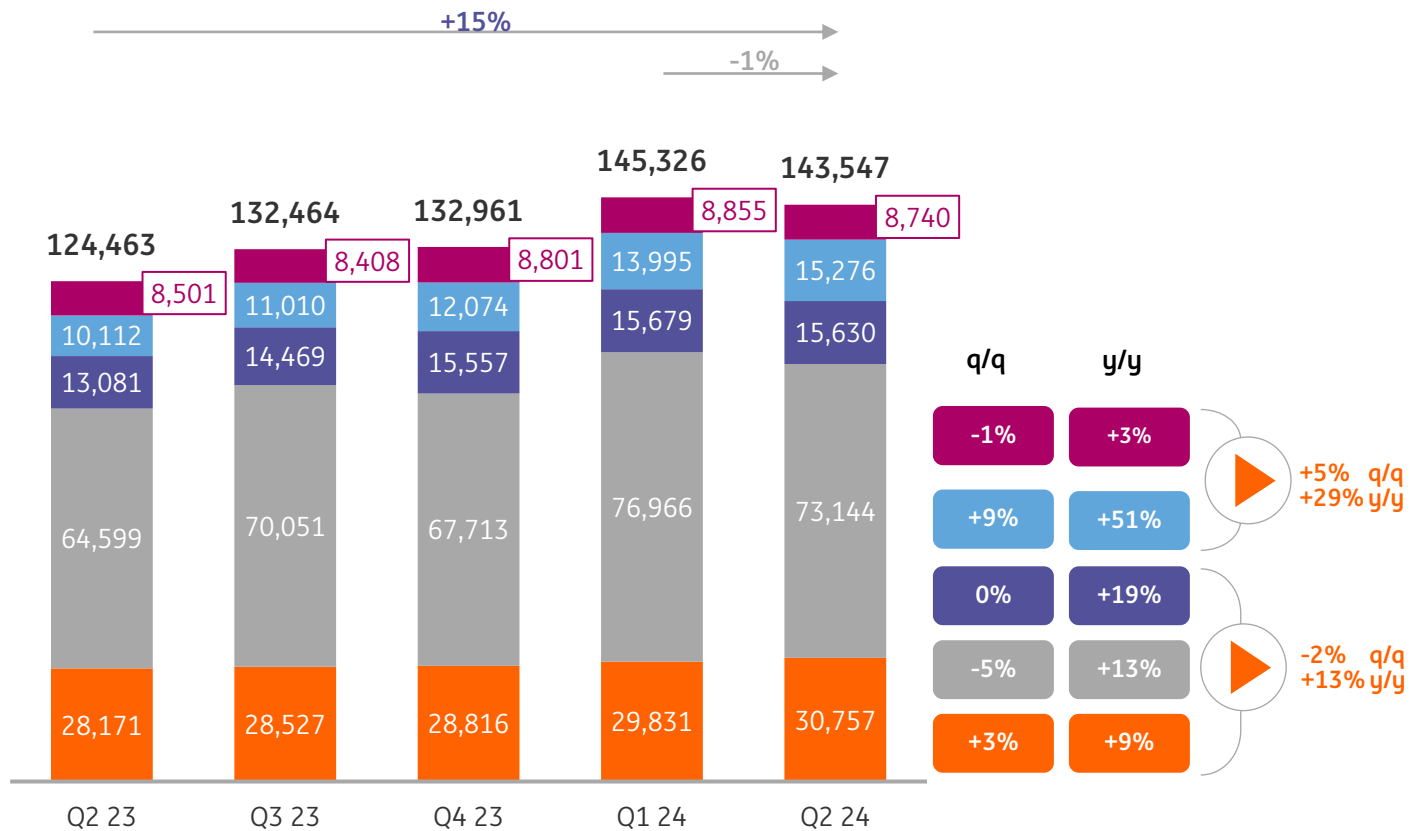
On 25 October 2021, we launched a settlement programme based on the assumptions of the Chairman of the Polish Financial Supervision Authority. Between 25 October 2021 and 30 June 2024 we concluded **761 agreements** under the programme.

As at the end of 2Q 2024 we had 2.6 thousand active mortgage loans indexed to CHF.

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

Savings and investments

Portfolio of funds entrusted by retail clients (PLN million)



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

- **141.7 thousand bank clients invest on a regular basis (+16% y/y, +3% q/q) and 145.5 thousand clients had a dedicated pension product at ING (+34% y/y, +6% q/q)**
- In Q2 2024, about **63% of open investment fund units** were purchased **via mobile banking**
- At the end of Q2 2024, we serviced **188.7 thousand brokerage accounts (+4% y/y)**
- The **turnover of our brokerage office** on the stock market in Q2 2024 amounted to **PLN 3.2 billion (+8% y/y, +14% q/q)**, which translates into a market share of **1.75% (-0.6 p.p. y/y, +0.1 p.p. q/q)**
- The assets representing investments in funds **compliant with Articles 8 and 9 of SFRD* amounted to PLN 4.89 billion (+14x y/y, +11x q/q - the increase in their balance resulted from the change in their classification by TFI as meeting the criteria of Art. 8 or 9 SFRD from Q2 2024)**

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

Progressive evolution of banking

ING is becoming more and more digital



Average rating
of Moje ING mobile app
in the app stores

Google Play ★ ★ ★ ★ 4.4

App Store ★ ★ ★ ★ ★ 4.9

Electronic banking

We have a total of **1,487 thousand mobile cards** (+3% q/q, +14% y/y)

51.2 million BLIK transactions in Q2 2024 (+10% q/q, +26% y/y) made by individual clients, of which **36.0 million transactions were made on the Internet** (+6% q/q, +26% y/y)

4 262 thousand clients with access to online banking (+1% q/q, +2% y/y), including 78% of them actively using this access

2,823 thousand active users of the mobile application (+1% q/q, +8% y/y)

2,137 thousand "mobile only" users (+6% q/q, +12% y/y)

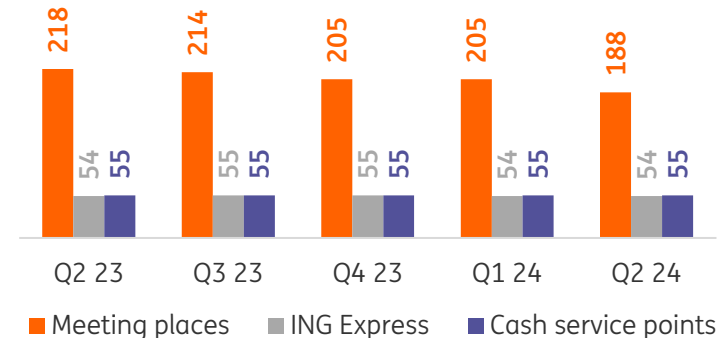
In Q2 2024, we sold **84% of cash loans** for individual clients **via internet channels** (79% in Q2 2023)

3.0m
mobile banking
users

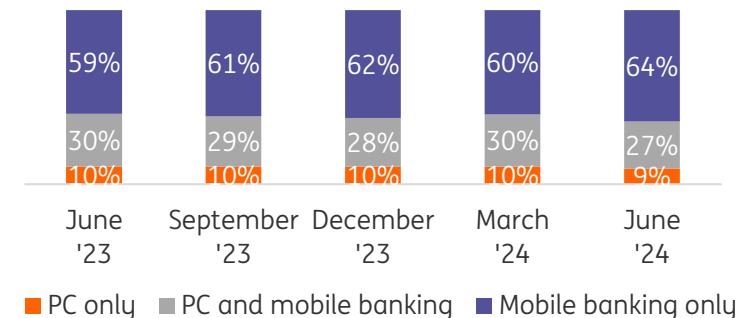
Physical distribution network

188 meeting places
(-17 vs the end of 2023)

844 recyclers (devices with function deposit-withdrawal), all of them are contactless



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



Corporate banking

Corporate banking

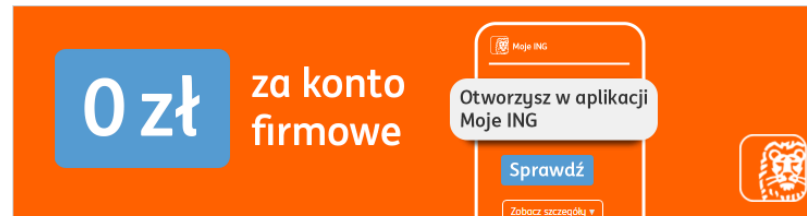
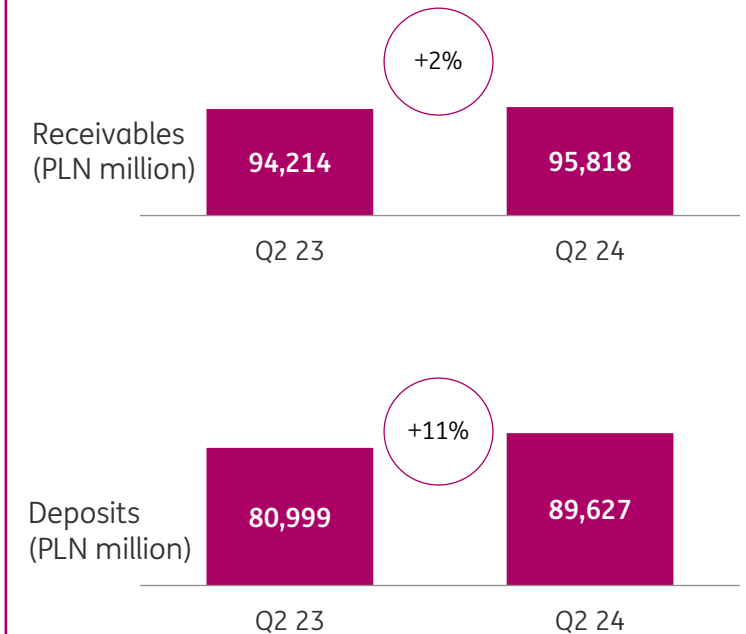
Clients and ordered transactions

- We service 567.9 thousand corporate clients, of which 447.4 thousand are entrepreneurs, 117.1 thousand are SMEs and mid-corporates and 3.4 thousand are strategic clients
- In Q2 2024, our corporate clients using ING Business made 46.7 million transfers (+4% y/y), of which 3.8 million were made in mobile banking (+13% y/y)
- We have 43.8 thousand payment terminals in total; we processed 17.2 million transactions in Q2 2024 (+24% y/y)
- 9,412 stores with an active imoje payment gateway (+24% y/y)

Financing

- The portfolio of receivables from entrepreneurs increased by PLN 800 million y/y (+10% y/y) to the level of PLN 8.9 billion
- The portfolio of receivables from SMEs and mid-corporates decreased by PLN 583 million y/y (-1% y/y) to the level of PLN 51.1 billion
- The portfolio of receivables from strategic clients increased by PLN 1.4 billion y/y (+4% y/y) to the level of PLN 35.9 billion

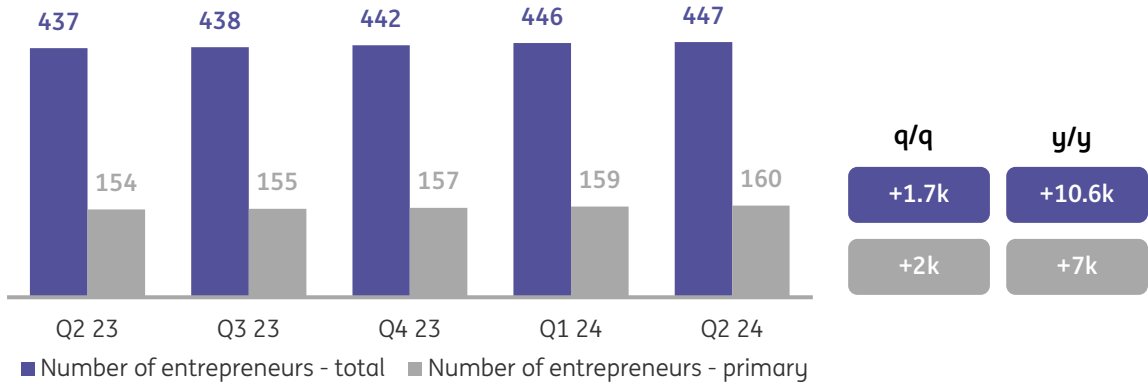
Growing volumes (y/y)



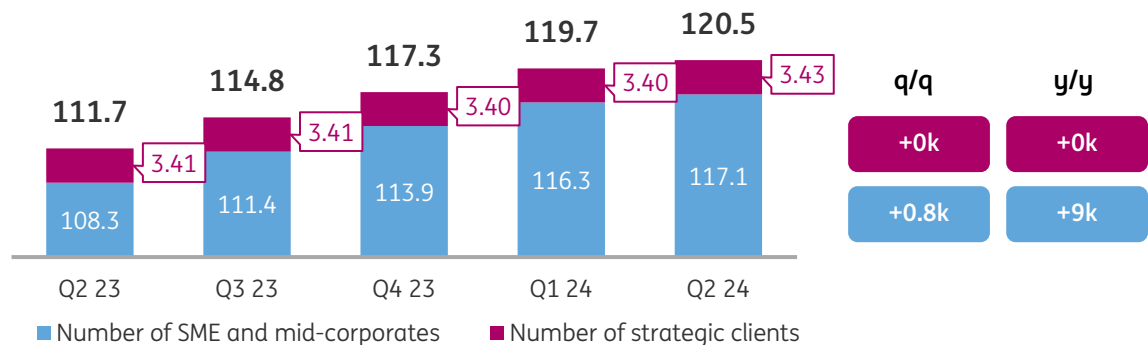
Corporate client base

568 thousand companies

Number of entrepreneurs (thousand)



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



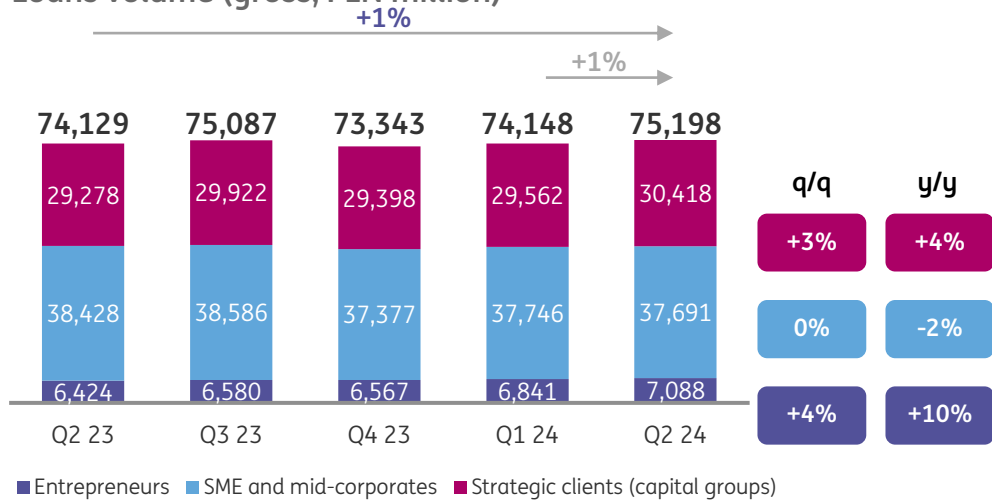
We maintain **456 thousand current accounts for 447 thousand entrepreneurs**, of which **99% are Direct accounts**



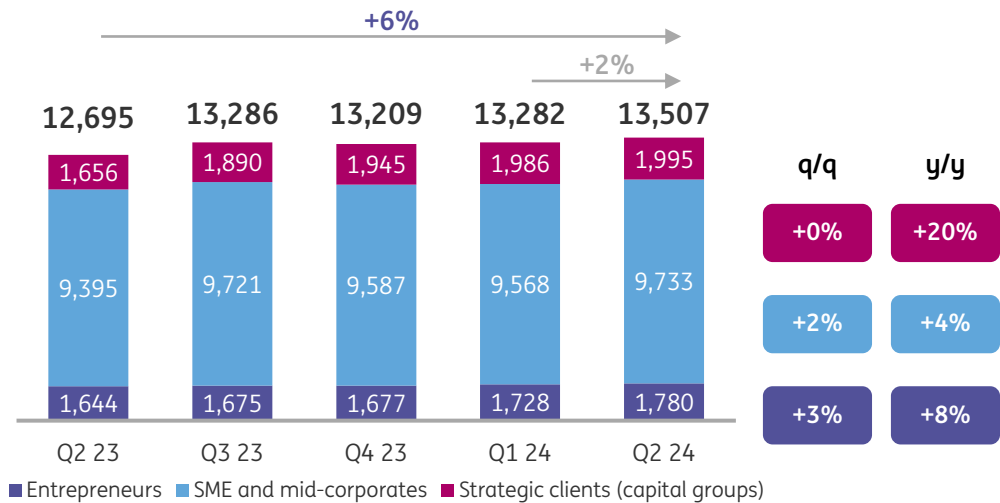
Primary clients - clients with a specified number of transactions and an average deposit or credit balance above a specified limit during the last year; the conditions are defined separately for each of the components of the corporate segment (entrepreneurs, medium and large companies and strategic clients).

Corporate receivables

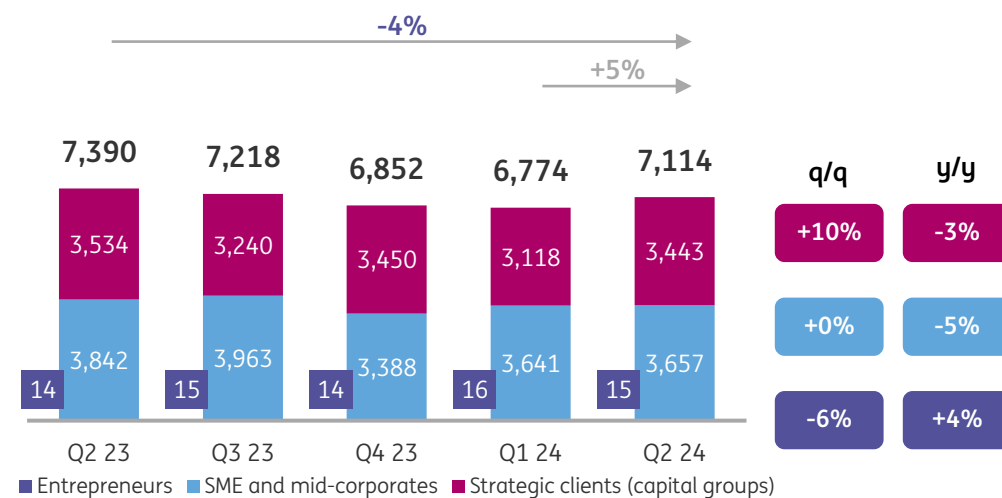
Loans volume (gross; PLN million)



Leasing receivables volume* (gross; PLN million)



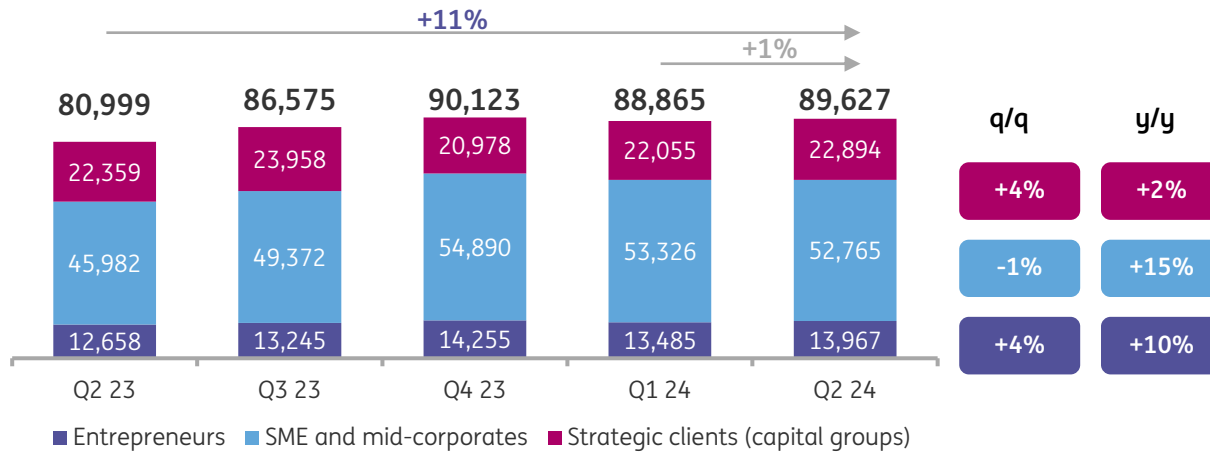
Factoring receivables volume (gross; PLN million)



*Leasing loans excluded.

Cash management

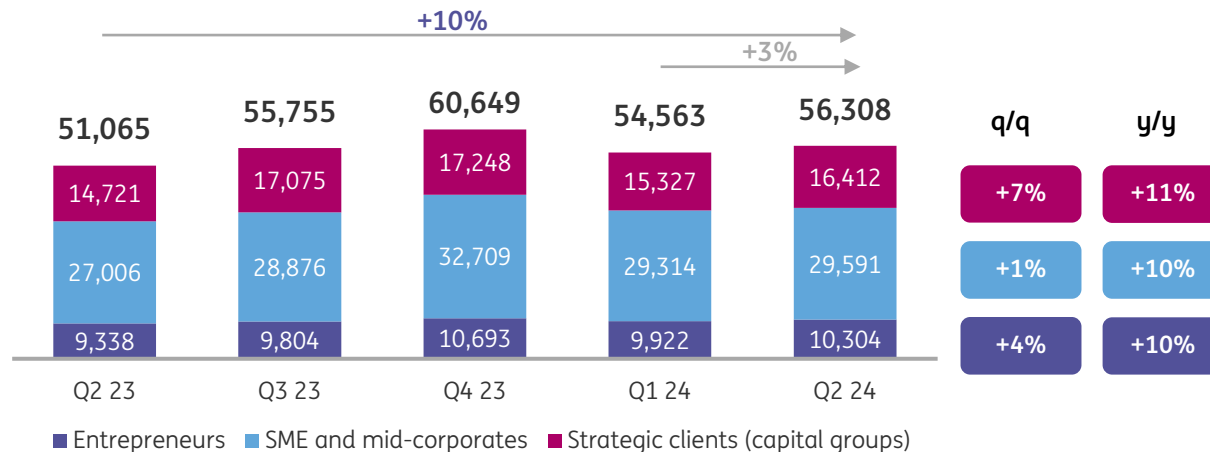
Corporate deposit volume (PLN million)



+15.1 thousand

new corporate clients attracted
in Q2 2024

Corporate current accounts volume (PLN million)



**Number of mobile transfers in
ING Business increased by
+13% y/y to 3.8 million**

Financial results

and other information

Income statement

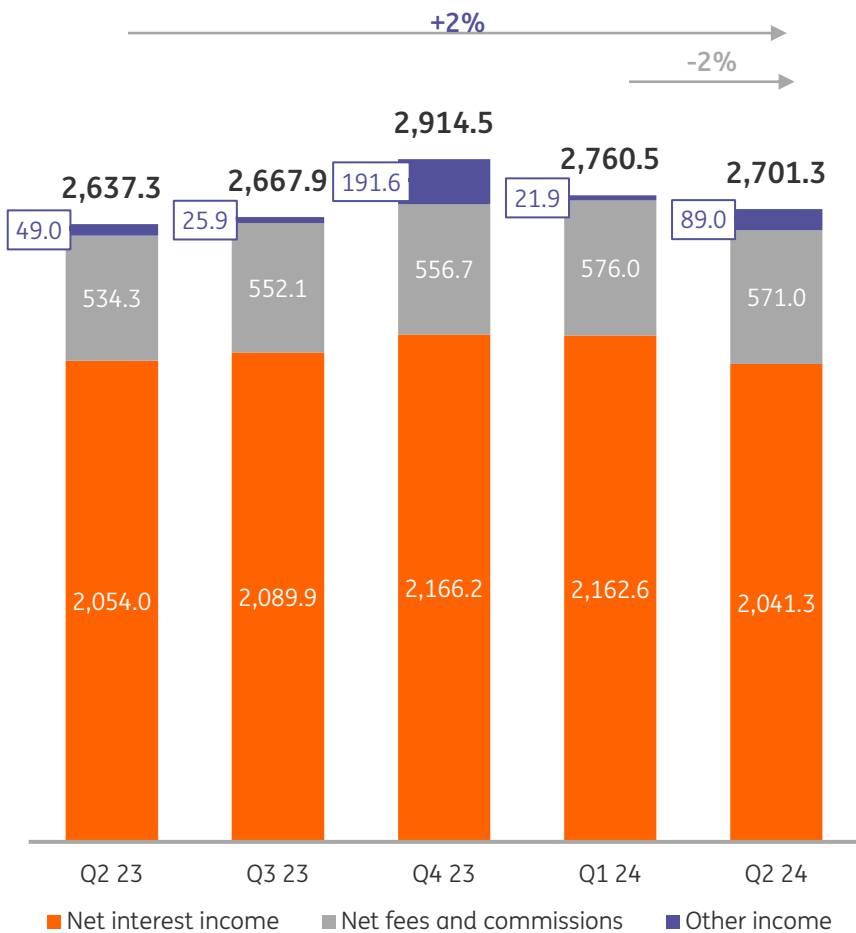
Consolidated income statement (PLN million)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	q/q		y/y	
							Δ	%	Δ	%
Net interest income, of which:	1,860.4	2,054.0	2,089.9	2,166.2	2,162.6	2,041.3	-121.3	-5.6%	-12.7	-0.6%
Interest income	2,982.1	3,134.0	3,176.9	3,116.0	3,232.2	3,114.0	-118.2	-3.7%	-20.0	-0.6%
Interest expense	-1,121.7	-1,080.0	-1,087.0	-949.8	-1,069.6	-1,072.7	-3.1	0.3%	7.3	-0.7%
Net fee and commission income	521.4	534.3	552.1	556.7	576.0	571.0	-5.0	-0.9%	36.7	6.9%
Result on trade operations and revaluation	70.1	42.5	18.8	197.0	11.9	80.8	68.9	579.0%	38.3	90.1%
Net income on instruments measured at fair value through profit or loss and FX result	73.6	37.4	108.8	112.3	18.9	66.7	47.8	252.9%	29.3	78.3%
The result on the sale of securities measured at amortised cost	0.0	0.0	0.0	0.0	-6.3	0.9	7.2	-	0.9	-
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	1.2	8.6	3.6	-12.3	2.2	10.9	8.7	395.5%	2.3	26.7%
Net income on hedge accounting	-4.7	-3.5	-93.6	97.0	-2.9	2.3	5.2	-	5.8	-
Net income on other core activities	0.4	0.2	0.8	-16.7	2.8	0.2	-2.6	-92.9%	0.0	0.0%
Share in net profit (loss) of associated entities recognised under the equity method	5.6	6.3	6.3	11.3	7.2	8.0	0.8	11.1%	1.7	27.0%
Income	2,457.9	2,637.3	2,667.9	2,914.5	2,760.5	2,701.3	-59.2	-2.1%	64.0	2.4%
Expenses	-1,002.3	-850.6	-860.4	-986.8	-1,089.3	-978.1	111.2	-10.2%	-127.5	15.0%
Personnel expenses	-423.0	-465.8	-474.8	-572.2	-469.4	-502.8	-33.4	7.1%	-37.0	7.9%
Depreciation and amortisation	-73.1	-72.9	-73.2	-108.2	-80.5	-79.4	1.1	-1.4%	-6.5	8.9%
Regulatory expenses	-178.1	0.0	0.0	0.0	-178.8	0.0	178.8	-100.0%	0.0	-
Other expenses	-328.1	-311.9	-312.4	-306.4	-360.6	-395.9	-35.3	9.8%	-84.0	26.9%
Profit before risk costs	1,455.6	1,786.7	1,807.5	1,927.7	1,671.2	1,723.2	52.0	3.1%	-63.5	-3.6%
Risk costs including legal cost of risk for FX mortgage loans	-88.2	-196.8	-151.2	-177.0	-197.0	-317.8	-120.8	61.3%	-121.0	61.5%
Retail	-19.6	-60.7	-45.8	15.5	-34.1	-52.6	-18.5	54.3%	8.1	-13.3%
Corporate	-68.6	-136.1	-105.4	-192.5	-162.9	-265.2	-102.3	62.8%	-129.1	94.9%
Tax on certain financial institutions	-158.6	-165.6	-164.1	-156.0	-186.6	-179.5	7.1	-3.8%	-13.9	8.4%
Profit (loss) before tax	1,208.8	1,424.3	1,492.2	1,594.7	1,287.6	1,225.9	-61.7	-4.8%	-198.4	-13.9%
Income tax	-300.1	-324.9	-330.2	-323.9	-294.3	-261.2	33.1	-11.2%	63.7	-19.6%
Net profit (loss), of which:	908.7	1,099.4	1,162.0	1,270.8	993.3	964.7	-28.6	-2.9%	-134.7	-12.3%
Net profit (loss) attributable to the shareholders of ING BSK	908.7	1,099.4	1,162.0	1,270.8	993.3	964.7	-28.6	-2.9%	-134.7	-12.3%
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%
Earnings per share (PLN) - annualised	27.94	33.80	35.73	39.07	30.54	29.66	-0.88	-2.9%	-4.14	-12.3%

Statement of financial position

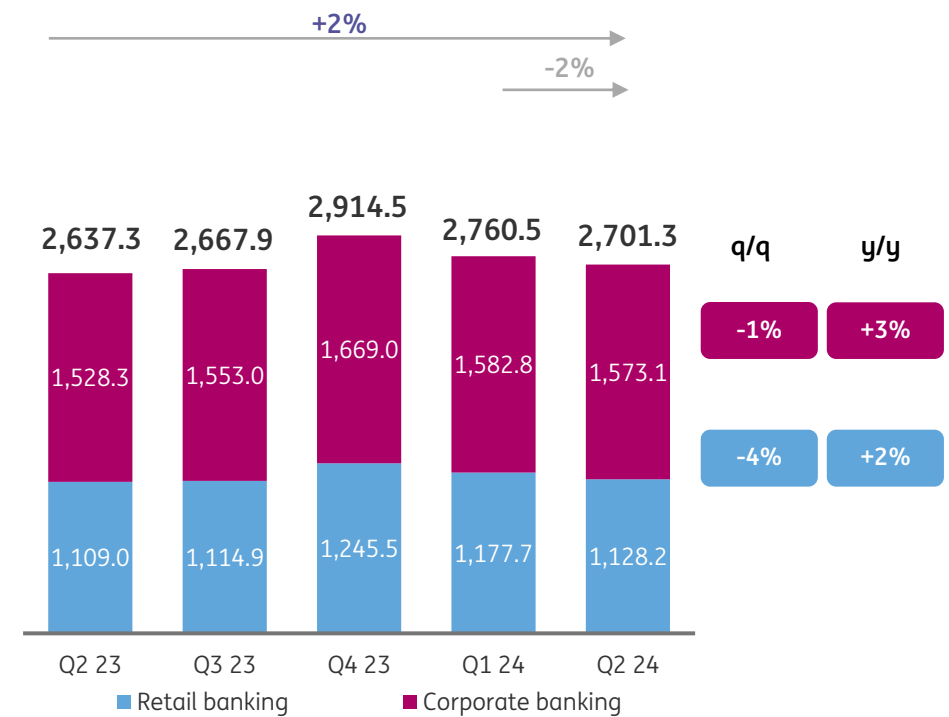
Consolidated statement of financial position (PLN million)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	q/q		y/y	
								Δ	%	Δ	%
ASSETS											
Cash in hand and balances with the Central Bank	2,337.6	6,706.5	2,267.8	3,389.9	6,751.4	4,217.4	3,163.7	-1,053.7	-25.0%	895.9	39.5%
Loans and receivables to other banks	5,161.1	9,163.4	11,288.2	11,683.7	19,909.1	20,521.6	19,820.1	-701.5	-3.4%	8,531.9	75.6%
Financial assets measured at fair value through profit or loss	1,897.7	1,534.2	2,297.4	1,844.4	2,235.3	1,983.6	1,290.0	-693.6	-35.0%	-1,007.4	-43.8%
Derivative hedge instruments	139.2	243.0	195.7	361.0	208.4	327.0	102.5	-224.5	-68.7%	-93.2	-47.6%
Investment securities	48,432.8	40,976.7	41,150.6	54,003.3	56,613.7	64,439.3	58,930.7	-5,508.6	-8.5%	17,780.1	43.2%
Assets securing liabilities	163.8	9,416.6	11,307.9	464.6	165.2	0.0	1,996.0	1,996.0	-	-9,311.9	-82.3%
Loans and receivables to customers	155,029.2	156,101.1	156,255.7	158,126.4	156,559.3	158,452.6	161,410.7	2,958.1	1.9%	5,155.0	3.3%
Non-financial assets	1,367.2	1,421.1	1,393.1	1,410.0	1,496.5	1,482.2	1,510.3	28.1	1.9%	117.2	8.4%
Tax assets	2,400.8	1,716.1	1,201.5	1,185.4	1,097.4	897.9	686.7	-211.2	-23.5%	-514.8	-42.8%
Other assets	336.7	377.9	377.9	371.5	325.1	399.1	367.8	-31.3	-7.8%	-10.1	-2.7%
Total assets	217,266.1	227,656.6	227,735.8	232,840.2	245,361.4	252,720.7	249,278.5	-3,442.2	-1.4%	21,542.7	9.5%
EQUITY AND LIABILITIES											
LIABILITIES											
Liabilities due to other banks	5,639.6	7,144.8	7,381.4	7,253.4	13,654.8	13,590.5	13,877.0	286.5	2.1%	6,495.6	88.0%
Financial liabilities measured at fair value through profit or loss	2,203.8	1,702.3	1,589.3	1,466.9	1,821.6	1,314.4	974.6	-339.8	-25.9%	-614.7	-38.7%
Derivative hedge instruments	369.5	418.7	328.4	390.0	280.3	411.1	148.7	-262.4	-63.8%	-179.7	-54.7%
Liabilities due to customers	192,731.3	201,651.9	199,740.2	202,417.4	205,289.9	214,125.8	213,541.5	-584.3	-0.3%	13,801.3	6.9%
Liabilities under issue of debt securities	404.8	413.0	404.8	412.7	404.4	410.9	405.3	-5.6	-1.4%	0.5	0.1%
Subordinated liabilities	1,643.9	1,639.6	1,561.2	1,626.7	1,526.2	1,509.7	1,513.7	4.0	0.3%	-47.5	-3.0%
Provisions	359.0	347.2	367.1	370.6	541.8	522.5	644.9	122.4	23.4%	277.8	75.7%
Income tax liability	20.3	17.1	124.6	211.5	114.8	17.1	69.6	52.5	307.0%	-55.0	-44.1%
Other liabilities	4,549.6	3,082.8	3,276.2	3,508.6	4,991.6	3,379.0	3,929.6	550.6	16.3%	653.4	19.9%
Total liabilities	207,921.8	216,417.4	214,773.2	217,657.8	228,625.4	235,281.0	235,104.9	-176.1	-0.1%	20,331.7	9.5%
EQUITY											
Share Capital	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	0.0	0.0%	0.0	0.0%
Revaluation reserve	-8,039.3	-7,055.1	-6,431.1	-5,376.0	-5,094.7	-5,379.3	-5,274.3	105.0	-2.0%	1,156.8	-18.0%
Retained earnings	16,297.2	17,207.9	18,311.5	19,472.0	20,749.6	21,743.9	18,372.8	-3,371.1	-15.5%	61.3	0.3%
Own shares for the purposes of the incentive programme			-4.2	0.0	-5.3	-11.3	-11.3	0.0	0.0%	-7.1	169.0%
Equity attributable to shareholders of ING BSK	9,344.3	11,239.2	12,962.6	15,182.4	16,736.0	17,439.7	14,173.6	-3,266.1	-18.7%	1,211.0	9.3%
Non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
Total equity	9,344.3	11,239.2	12,962.6	15,182.4	16,736.0	17,439.7	14,173.6	-3,266.1	-18.7%	1,211.0	9.3%
Total equity and liabilities	217,266.1	227,656.6	227,735.8	232,840.2	245,361.4	252,720.7	249,278.5	-3,442.2	-1.4%	21,542.7	9.5%
Number of shares issued (m)	130.1	130.1	130.1	130.1	130.1	130.1	130.1	0.0	0.0%	0.0	0.0%
Book value per share (PLN)	71.82	86.39	99.64	116.70	128.64	134.05	108.94	-25.10	-18.7%	9.31	9.3%

Income per category

Income per P&L line (PLN million)

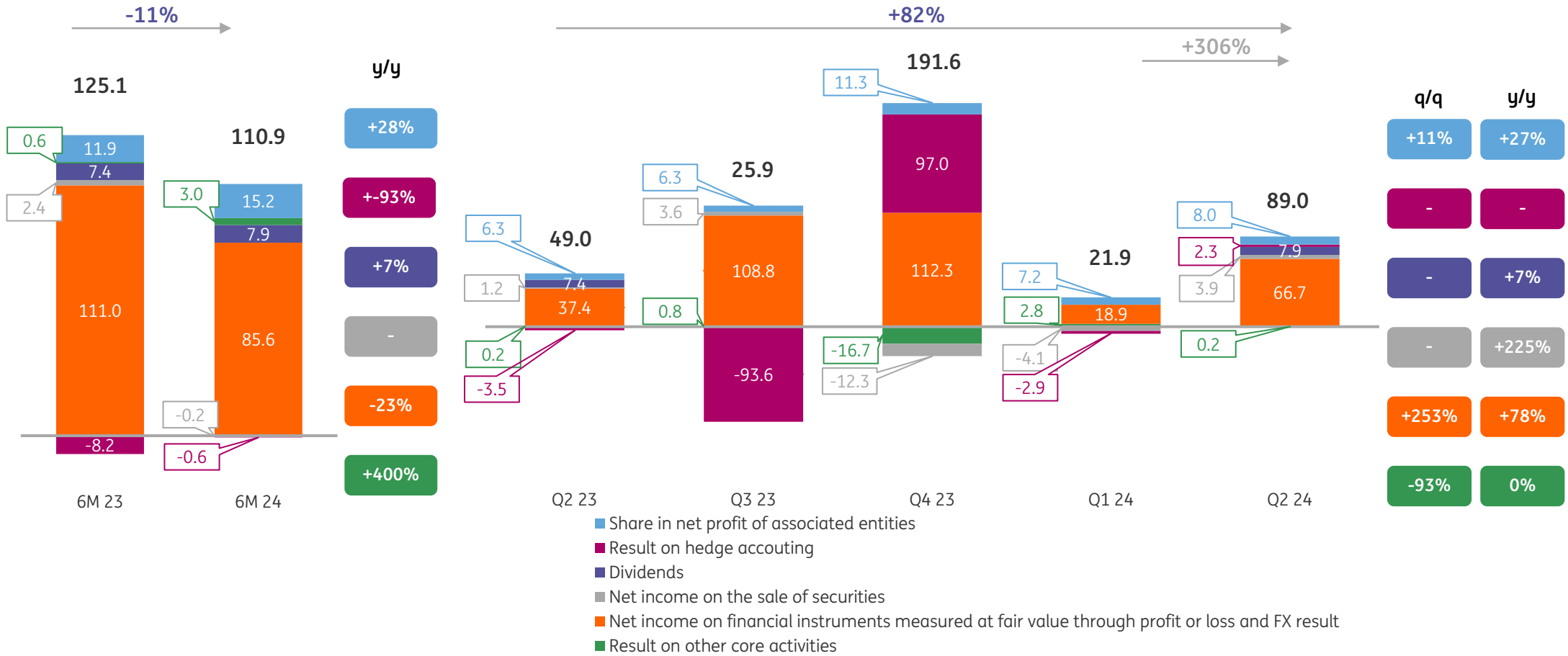


Income per business line (PLN million)



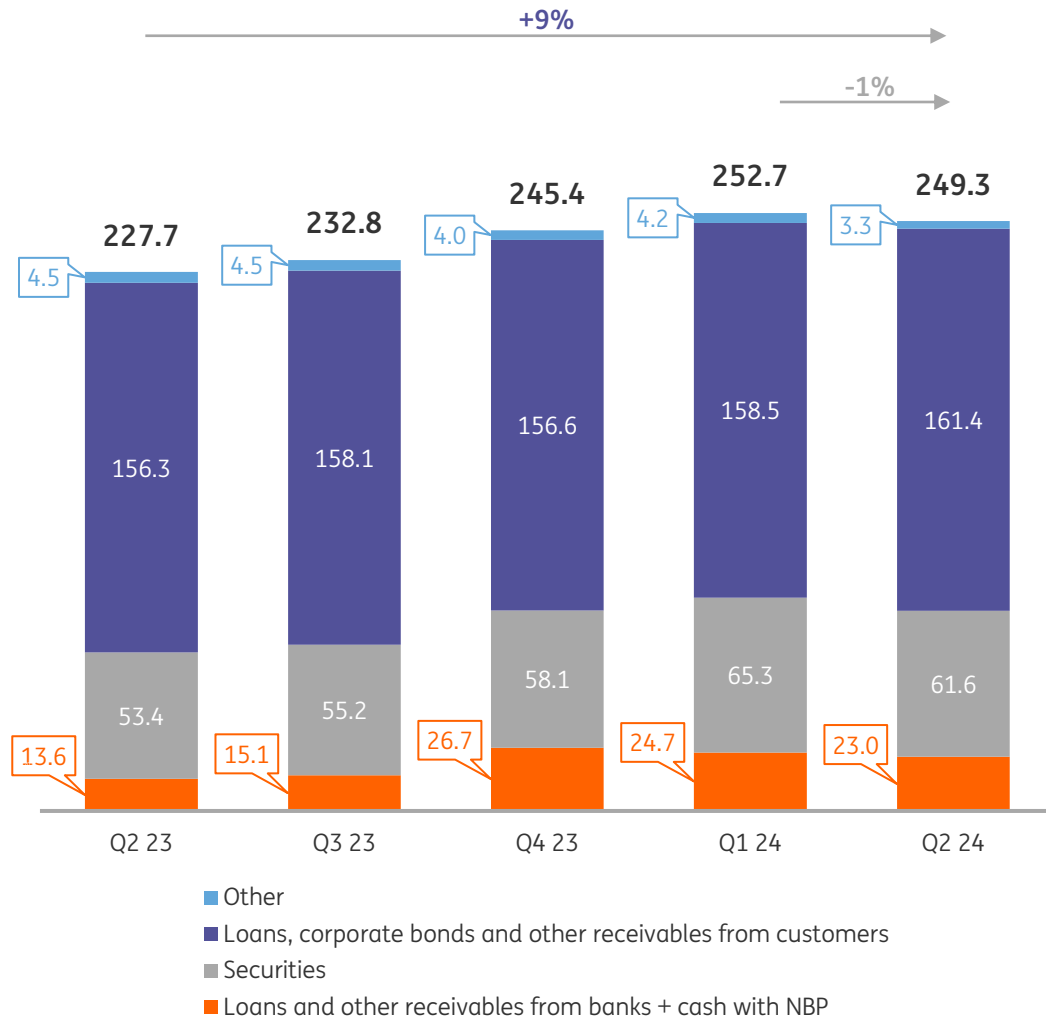
Other income

Other income (PLN million)

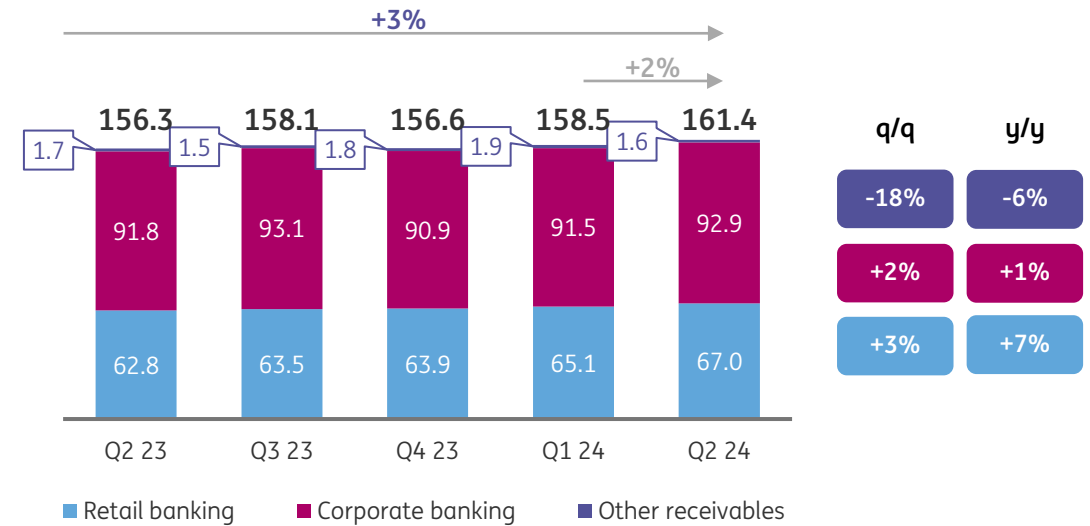


Bank assets

Asset structure (PLN billion)

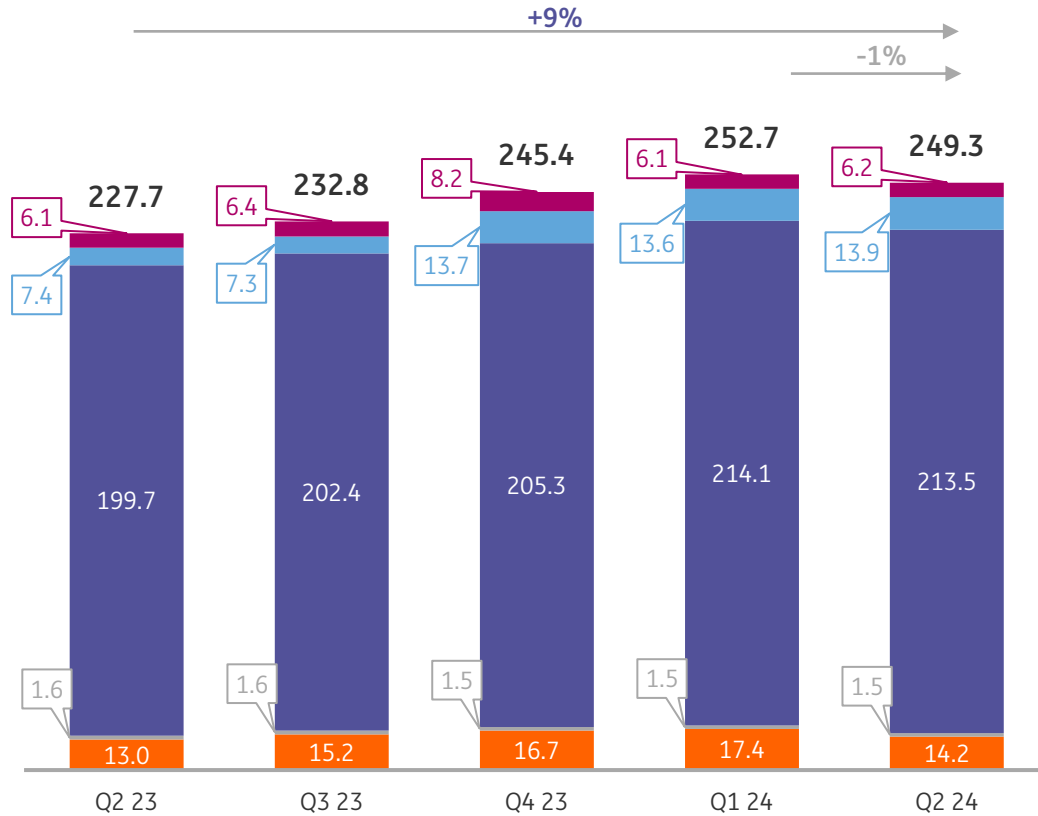


Loans and other receivables from customers (net; PLN billion)

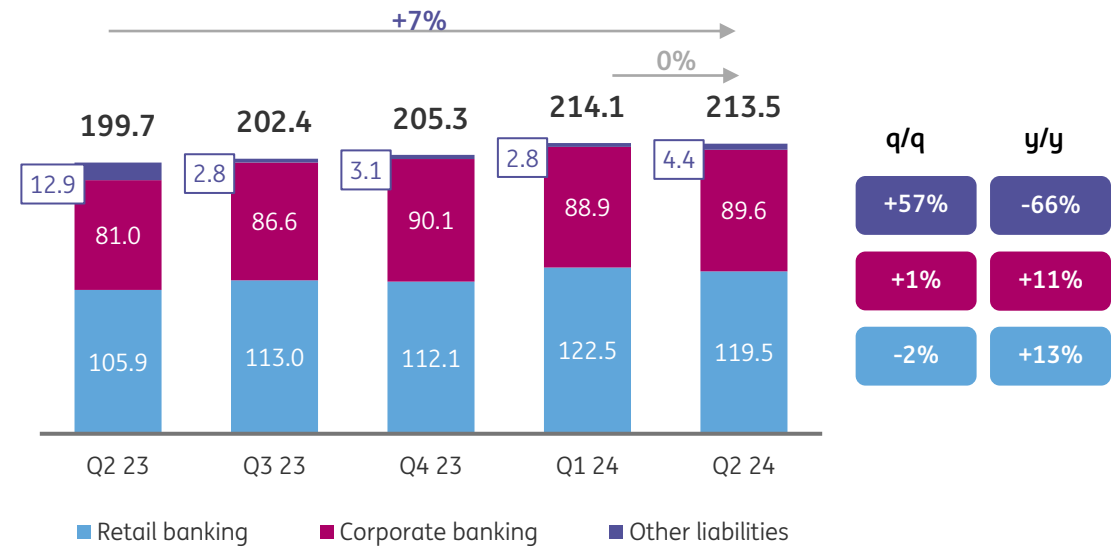


Bank equity and liabilities

Structure of equity and liabilities (PLN billion)



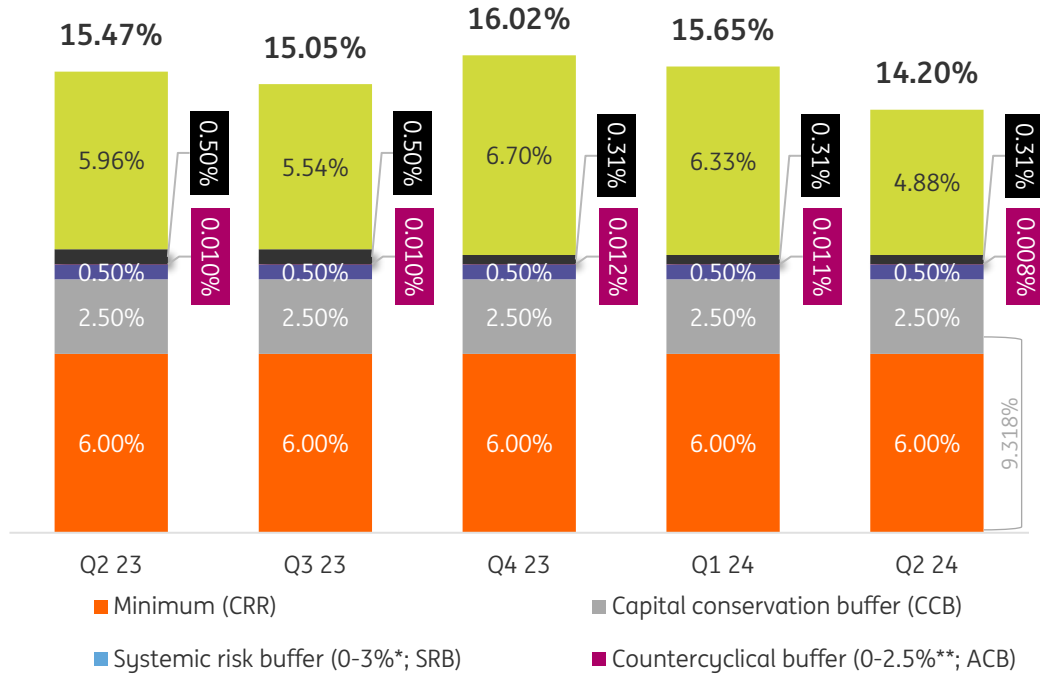
Deposits and other liabilities to customers (PLN billion)



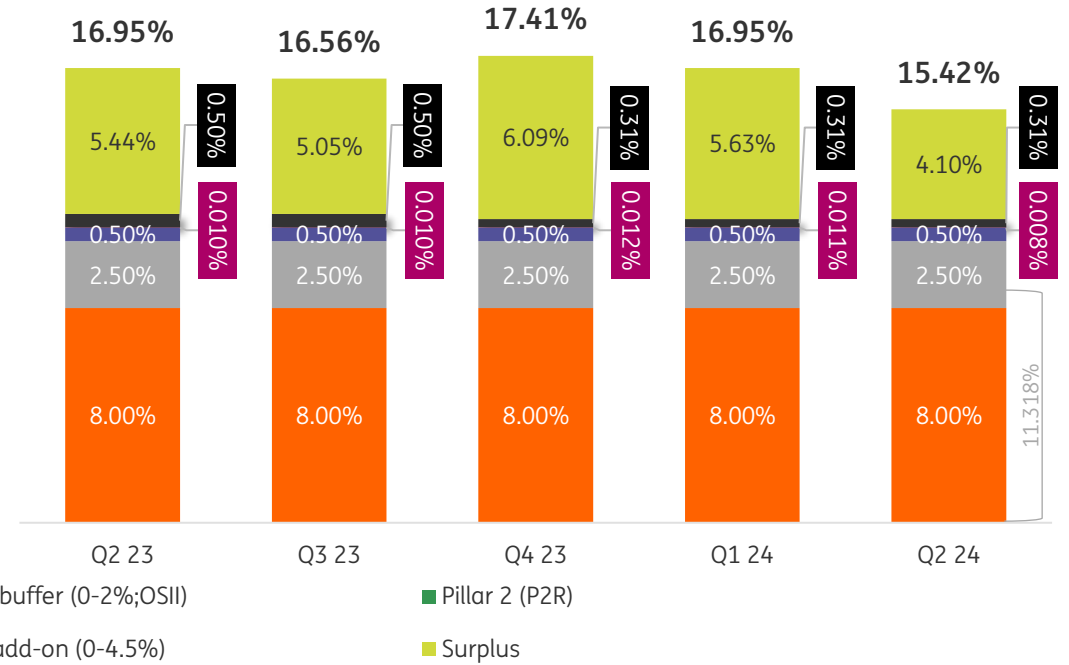
■ Equity ■ Subordinated debt ■ Deposits and other liabilities to clients ■ Liabilities to banks ■ Other

Capital requirement structure

Consolidated capital requirement structure – Tier 1



Consolidated capital requirement structure – TCR



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

Lending exposure by industry

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

Consolidated approach

No	Industry	Exposure as at 30.06.2024	%
1	Wholesale trade	10,105	10.5%
2	Real estate service	8,373	8.7%
3	Financial intermediation	7,213	7.5%
4	Other activity related to business running	5,924	6.2%
5	Land transport and transport via pipelines	5,253	5.5%
6	Constructions	4,135	4.3%
7	Manufacture of fabricated metal products	4,015	4.2%
8	Retail trade	3,881	4.1%
9	Chemicals and chemical goods production	3,535	3.7%
10	Foodstuff and beverage production	3,404	3.6%
11	Rubber industry	3,187	3.3%
12	Renting of equipment	3,165	3.3%
13	Public administration and national defense	2,843	3.0%
14	Post office and telecommunications	2,819	2.9%
15	Wood and paper industry	2,443	2.6%
16	Sale, repair and maintenance of motor vehicles	2,310	2.4%
17	Power industry	2,066	2.2%
18	Agriculture, forestry, fishery	1,922	2.0%
19	Machine industry	1,448	1.5%
20	Other	17,751	18.5%
	Total exposure	95,793	100.0%

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

Lending exposure by industry

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

Consolidated approach

No	Industry	Exposure as at 30.06.2024	%
1	Wholesale trade	17,174	12.0%
2	Constructions	9,949	6.9%
3	Financial intermediation	9,933	6.9%
4	Real estate service	9,123	6.4%
5	Other activity related to business running	8,453	5.9%
6	Retail trade	6,947	4.8%
7	Land transport and transport via pipelines	6,302	4.4%
8	Manufacture of fabricated metal products	6,010	4.2%
9	Foodstuff and beverage production	5,892	4.1%
10	Rubber industry	4,828	3.4%
11	Chemicals and chemical goods production	4,712	3.3%
12	Renting of equipment	3,960	2.8%
13	Sale, repair and maintenance of motor vehicles	3,658	2.5%
14	Wood and paper industry	3,540	2.5%
15	Post office and telecommunications	3,514	2.4%
16	Power industry	3,377	2.4%
17	Public administration and national defense	3,209	2.2%
18	Agriculture, forestry, fishery	2,337	1.6%
19	Machine industry	2,283	1.6%
20	Other	28,382	19.8%
	Total exposure	143,583	100.0%

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

About us

ING Bank Śląski - who we are

4th largest bank in Poland

Key facts

- We are a universal bank established in 1989
- We provide comprehensive financial services to individual and corporate clients in all segments
- We serve clients through remote channels (including internet and mobile banking) and a network of branches fully equipped with self-service zones
- We have 4.5 million individual clients and 568 thousand corporate clients
- We employ 8.2 thousand people
- We are number four in Poland in terms of the total assets as at the end of Q2 2024

Credit ratings of ING Bank Śląski

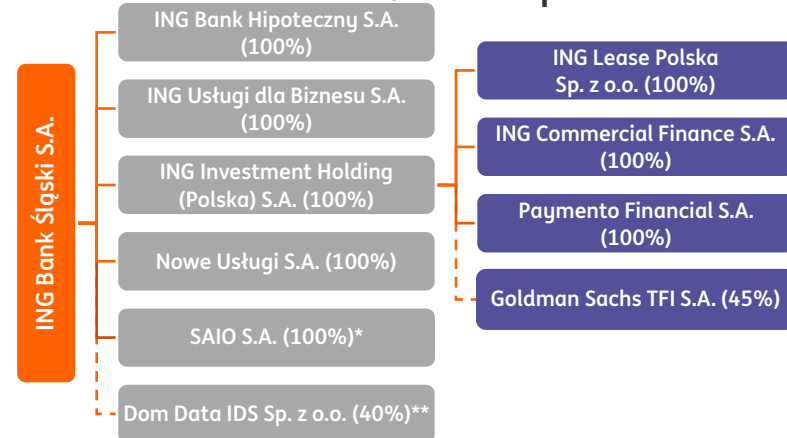
Fitch

- 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



* On May 27, 2024, i.e. on the date of entry in the shareholders' register, the ownership of 100% of the shares of SAIO S.A. was transferred from ING Investment Holding (Polska) S.A. on ING Bank Śląski S.A. (in accordance with the provisions of the sales agreement of May 20, 2024 concluded between ING Investment Holding (Polska) S.A. and the Bank).

** On January 19, 2024, ING Bank Śląski S.A. obtained consent from the President of the Office of Competition and Consumer Protection (UOKiK) for concentration related to the acquisition of 40% of shares in Dom Data Services Sp. z o. o. in the 4th quarter of 2023 (the consent of the President of the Office of Competition and Consumer Protection was a condition for finalising the acquisition transaction). In April 2024, the company's name was changed to Dom Data IDS Sp. z o. o.

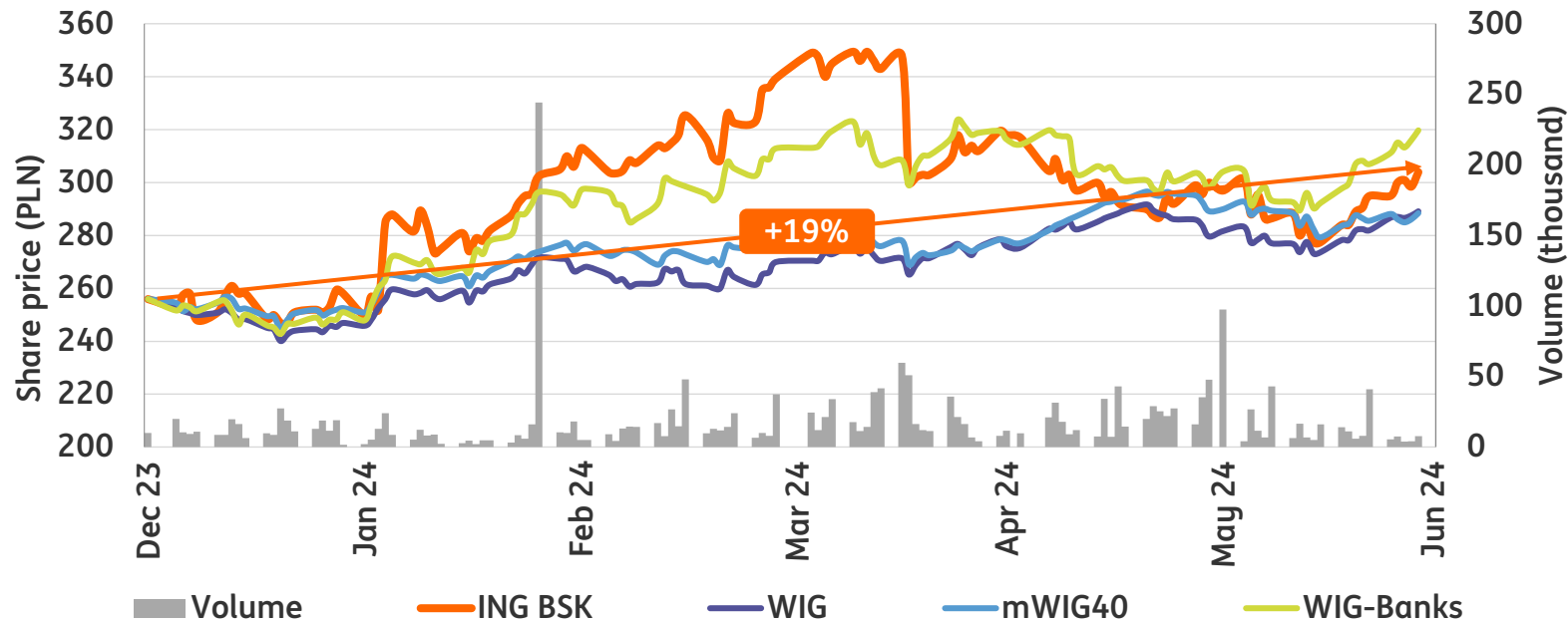
ING Bank Śląski S.A. shares

ING BSK share price:
PLN 304.0 (28 June 2024)

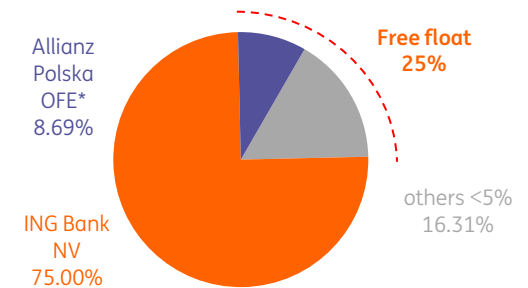
Capitalisation: **PLN 39.6 billion** (EUR 9.2 billion)
Free float: **PLN 9.9 billion** (EUR 2.3 billion)

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

ING BSK shares vs. WSE indices recalculated for comparability



Shareholding structure



**Based on annually reported assets structure of Allianz Polska Otwarty Fundusz Emerytalny as at June 28, 2024.*

Market ratios (Q2 2024)

P/E 9.0x

P/BV 2.8x

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

Our dividend policy

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

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

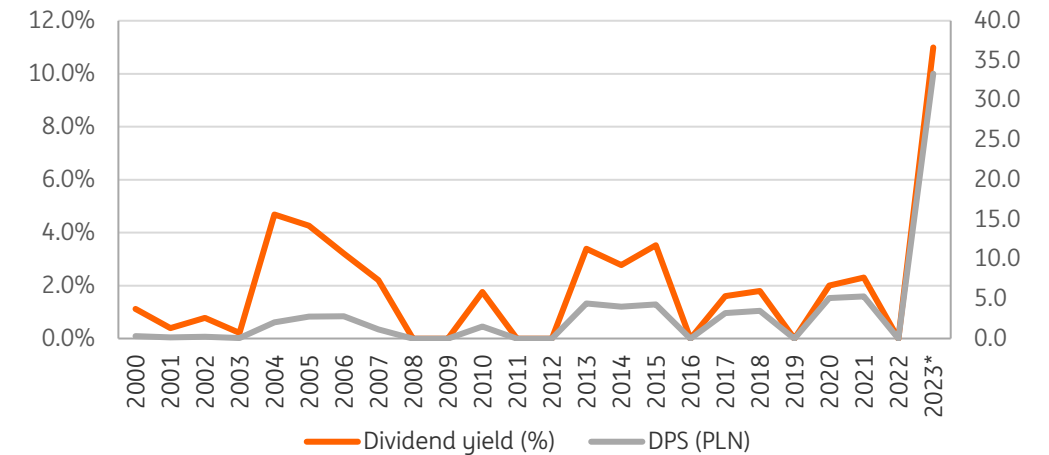
A proposal to pay a dividend in the amount higher than the dividend ratio referred to above is possible when it is justified by the financial standing of the Bank (e.g. from undivided profit from previous years) and provided that all other requirements set out in the law and the Policy are met. The Dividend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

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

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

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

History of ING BSK dividends



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

*Including: PLN 3,330.5 million from the profit earned by the Bank in 2023, which constitutes 75% of the standalone and consolidated profit of ING Bank Śląski S.A. for 2023, and PLN 1,008.3 million from the reserve capital intended for dividend payment. The amount of PLN 1,008.3 million consists of: PLN 494.4 million of profit for 2019 and PLN 513.9 million of profit for 2022.

Glossary

Simplified definitions of terms used in the presentation:

- **LCR - Liquidity Coverage Ratio.** Computed as a ratio of high-liquid assets to short-term liabilities. It is introduced in stages. The minimum value is 100% starting from 2018.
- **Retail clients** – individuals.
- **Corporate clients** – entrepreneurs, SME, mid-corporates and strategic clients (holdings).
 - Entrepreneurs – independent professionals, small companies, civil partnership, housing communities with an annual turnover of up to PLN 10 million.
 - SME – corporates with an annual turnover between PLN 10 million and PLN 80 million.
 - Mid-corporates – corporates with an annual turnover between PLN 80 million and PLN 1 billion.
 - Strategic clients – holdings with an annual turnover over PLN 1 billion.
- **NIM - Net Interest Margin** – the ratio of net interest income to the average value of interest earning assets (incl. loans, bonds) as at the end of individual quarters in a given period (five quarters for cumulative margin and two quarters for quarterly margin).
- **NSFR - Net Stable Funding Ratio.** It is computed as the ratio of available stable funding to required stable funding. The minimum value (effective from the end of June 2021) is 100%.
- **C/I ratio** – ratio of the indicated cost category to the bank's income (including the share in the net profit of associated entities).
- **Cost of risk** – the balance of provisions created and released due to the impairment on the value/quality of the bank's financial assets (e.g. loans) including legal cost of risk for FX mortgage loans to the average value of gross loans.
- **Provisioning ratio** – the ratio of provisions established to impaired loans as part of Stage 3 loans.
- **Bank levy** – tax from certain financial institutions; in the case of banks it is paid monthly on the surplus of assets over own funds, treasury bonds and fixed level of PLN 4 billion; the tax rate is 0.0366% monthly (0.44% annually).
- **ROA – Return on Assets** – the ratio of net profit to the average assets in a given period.
- **ROE – Return on Equity** – the ratio of net profit to the average equity in a given period.
- **L/D ratio – loan to deposit ratio;** the ratio describing what portion of deposits was used to fund lending.
- **MCFH – Macro Cash Flow Hedge;** revaluation reserve from measurement of cash flow hedging instruments.
- **RWA - Risk weighted assets** – the sum of assets multiplied by the risk weights of a given asset category.
- **Tier 1 ratio** – the ratio of Tier 1 capital (the capital of the highest quality) to the bank's risk weighted assets.
- **TCR - Total capital ratio** – the ratio of total own funds (including subordinated debt (so-called Tier 2)) to the bank's risk weighted assets.



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Calendar for 2024

Date	Event
1 February 2024	Report for Q4 2023 (preliminary data)
8 March 2024	Annual report for 2023
11 April 2024	Ordinary General Meeting
17 April 2024	Dividend record day (PLN 33.35 gross per share)
6 May 2024	Dividend payout day (PLN 33.35 gross per share)
6 May 2024	Report for Q1 2024
7 August 2024	Report for Q2 2024
31 October 2024	Report for Q3 2024

Investor Information

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

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

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

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