



# Summary of the strategy of

# ING Bank Śląski S.A.

# for 2022-2024

**ING Bank Śląski S.A.**

8 March 2024









# Our business strategy

Mission

We support and inspire people to be one step ahead in life and in business

Pillars of our organisation

Excellent client service		People	A safe, sustainable and resilient organisation		
					
Increase in client activity and digitalisation	Operating effectiveness, AI and data management	Motivation and commitment, strong teams	Stability, accessibility, modernness	Compliance with regulatory requirements	Sustainable development

Key priorities

# Orange Code

## Our values remain the compass in our daily work

### Orange Code – Our Behaviour



#### You take initiative and act effectively

**You take responsibility** for getting it done, for keeping your promises, for the consequences of your actions.

**You delegate** to motivate others, maintain momentum and influence.

**You benefit** from support and feedback. Your colleagues will help you succeed if only you let them to.

**You speak up** to acknowledge a job well done and to respond courageously to poor performance.

- Inspire others to grow, change and improve.
- Treat others as you would like to be treated.
- Frequently express your appreciation.
- Be clear with others on what you intend to achieve.
- Encourage others to make comments – they can be challenging and that is not the same as criticism.



#### You help others to succeed

**You collaborate**, you put vital goals before your own interests.

**You listen** by devoting time and attention to others, regardless of their position, experience or views.

**You encourage** people from outside your area to work with you.

**You trust** the intention and expertise of others.

- Look for solutions that are best for ING – not just for you or your team.
- Be open and actively share information and expertise.
- Devote time to others.
- Celebrate successes with the whole team.
- Create new opportunities for others.
- Dare to have a different opinion – while respecting the ideas, thoughts and feelings of others.



#### You are always a step ahead

**You question** established methods, unnecessary complexity, but only when you propose a solution yourself.

**You make changes**, quickly adapting to circumstances whenever the situation calls for a new approach.

**You create and simplify**: if something doesn't work, you propose new solutions. If something does work, you work on making it work even better.

**You are brave**, openly speaking about your mistakes – you admit them and learn from them.

- Always think of the client first.
- Be a role model for others.
- Assess the situation carefully and then take swift action.
- Always be curious about new things – try to learn something new every week.
- Follow good practice – adapting ideas is welcome as long as you do not claim their authorship.
- Seek solutions, not problems.
- Be an optimist.

# Integrated business model – continuous improvement

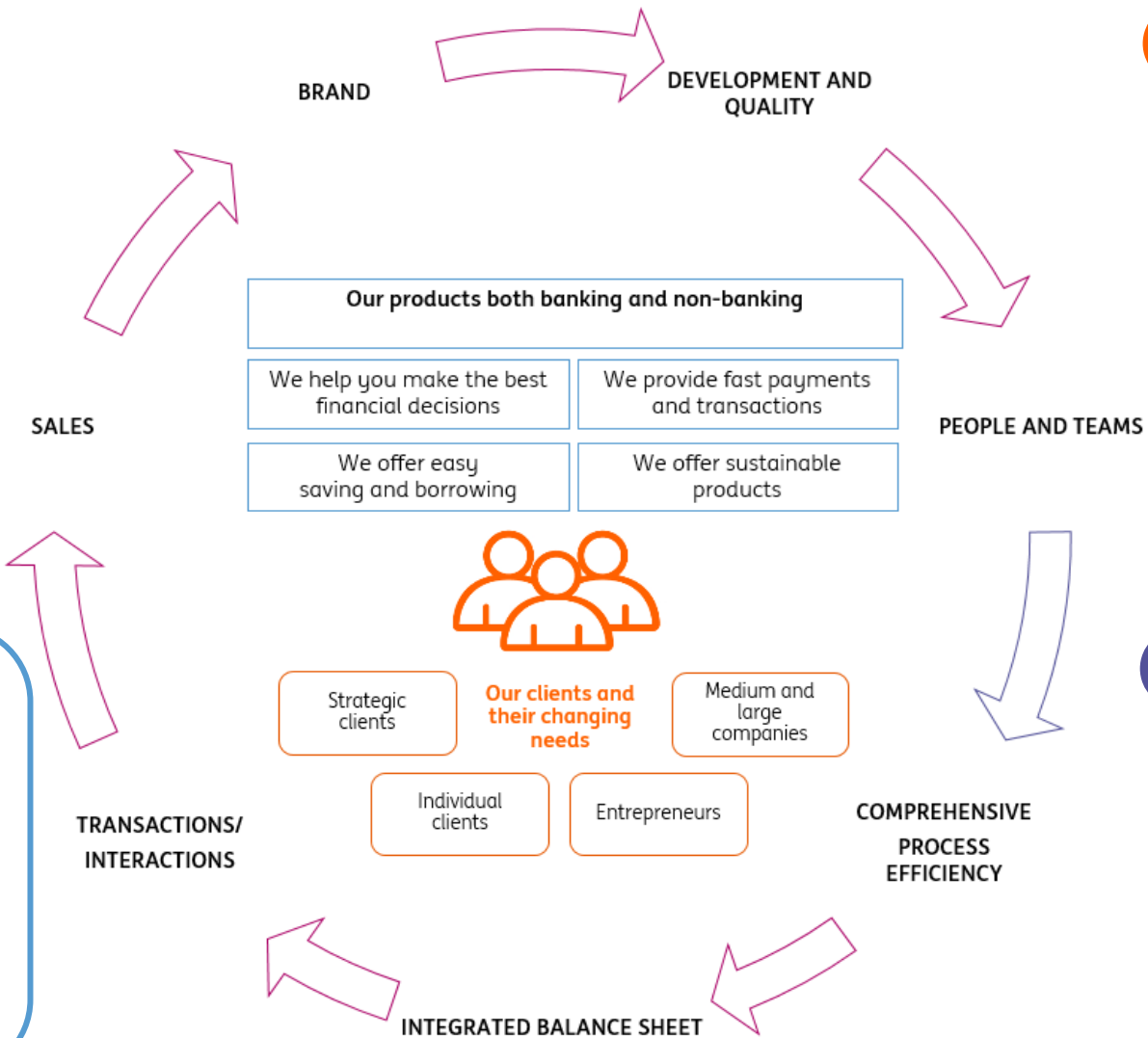
The stability of our business model is based on the dynamics of adaptation to change and commercial growth. It operates according to the concept of a diversified universal bank with segments integrated by values – including a culture of risk and support for sustainability – and a common balance sheet.

- 4
- Team power
  - Being proud of one's workplace
  - Self-learning
  - Engagement
  - Attracting talents

- 1
- Growth of the number of clients in all segments
  - Growth of the primary client number
  - Brand attributes
  - Brand power

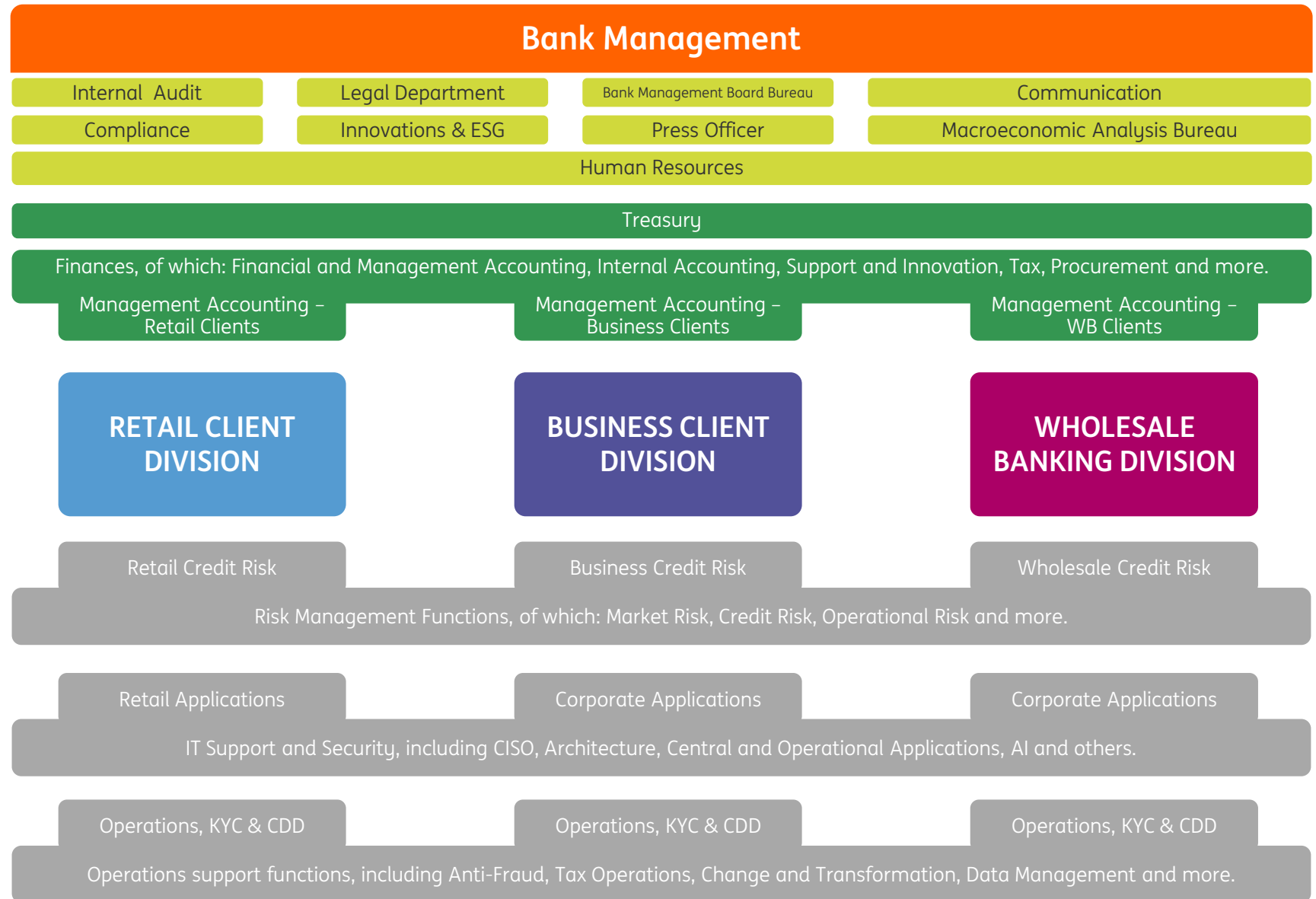
- 3
- Diversification of assets by type and segment
  - Integrated risk management model, including ESG
  - Optimised balance sheet based on client balances
  - Stability of deposits
  - Optimisation of economic and regulatory capital
  - High cost effectiveness
  - Stable and replicable ROE

- 2
- Growing number of interactions/ transactions
  - Preferred distribution channels
  - Self-service
  - X-buy
  - Products that are easy to understand and have a low risk profile for clients



# Bank organisation chart – optimisation of processes (E2E) adapted to segments

Stable organisation built around business segments, flexible and adaptable to the pace of change. Network of individuals in strong team interactions.

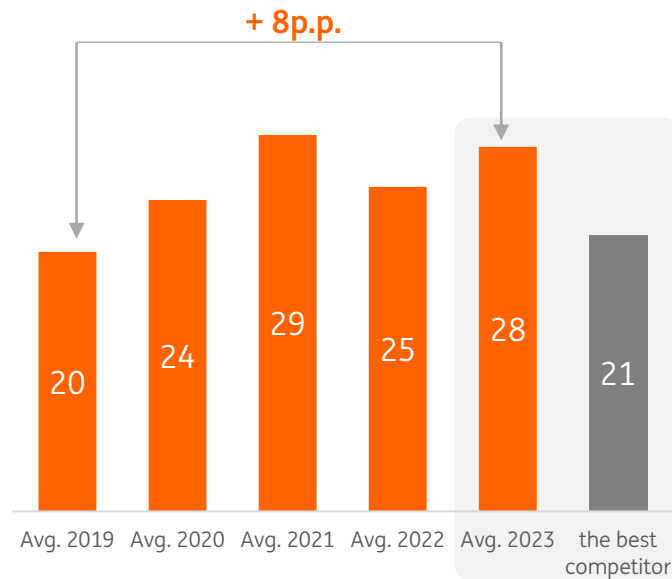


# Strong brand attracts clients

ING's brand image and strength continues to improve due to its focus on client needs. Brand strength promotes the acquisition of new clients.

1

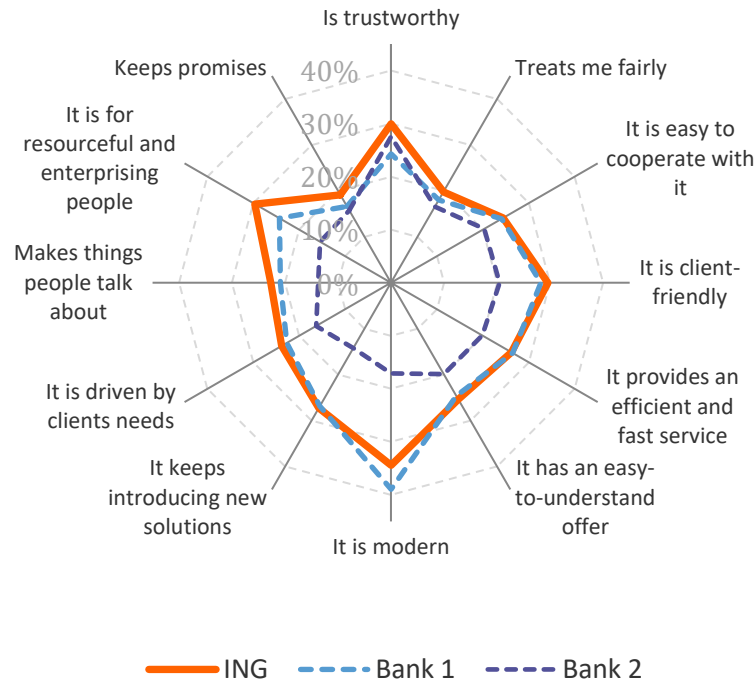
Strength of ING's brand retail clients NPS relationship



**!** The most recommended bank in Poland (among the 12 largest surveyed banks).

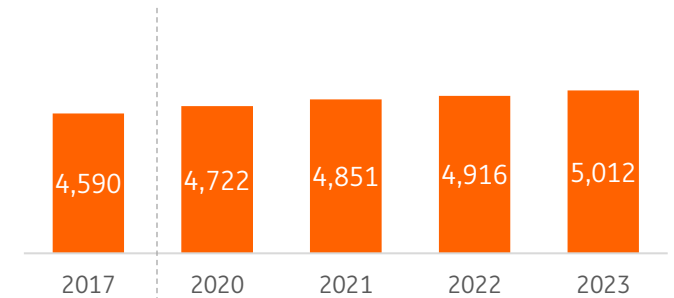
Source: ATP, Kantar

ING's image compared to its largest competitors (2023)

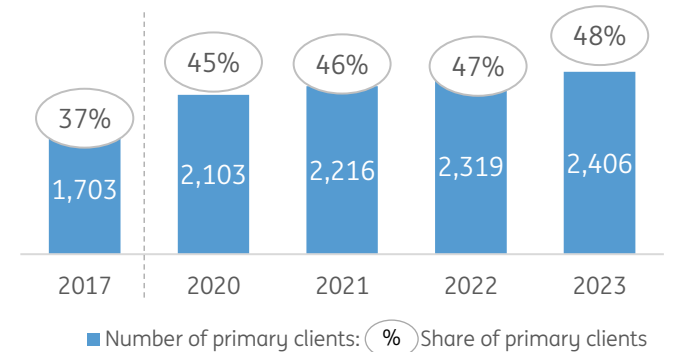


Source: Kantar, brand tracking (ATP); until April 2020 N=400, from June 2020 N=800

Growing number of clients (thousand)



Number of primary clients\* (thousand)



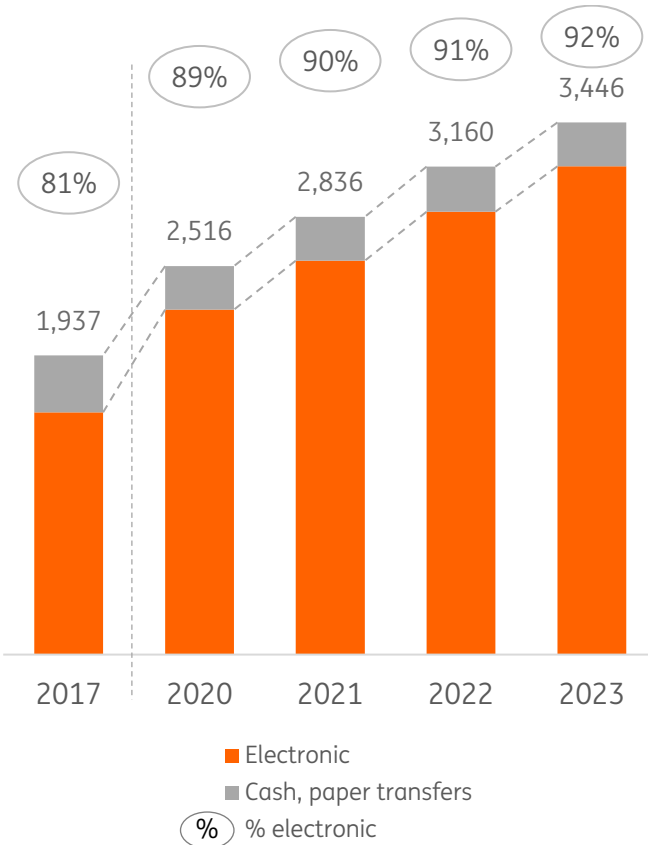
\* Primary client - a client who has an account with transfers of salary / social security contributions or taxes and another active product.

# Interactions, transactions, preferred distribution channels, x-buy

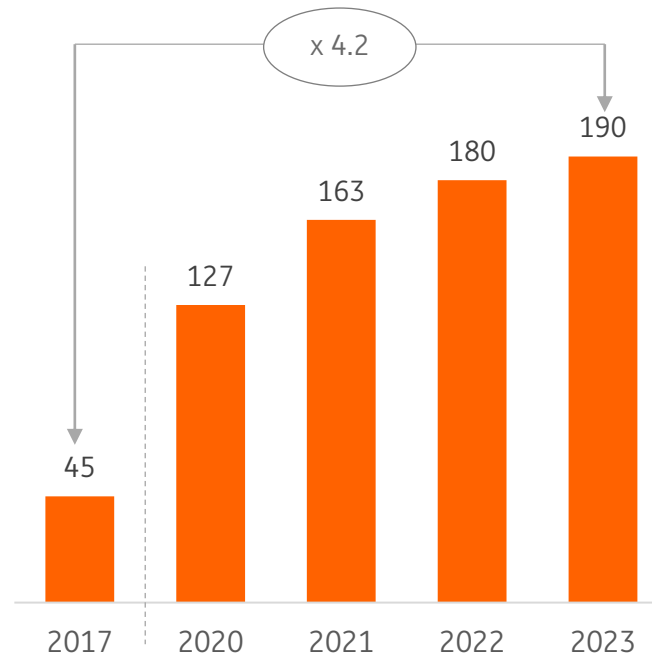
We listen to client feedback and constantly develop our offerings, adapting them to changing needs and new trends. Transitioning from a traditional model to a self-service model.

2

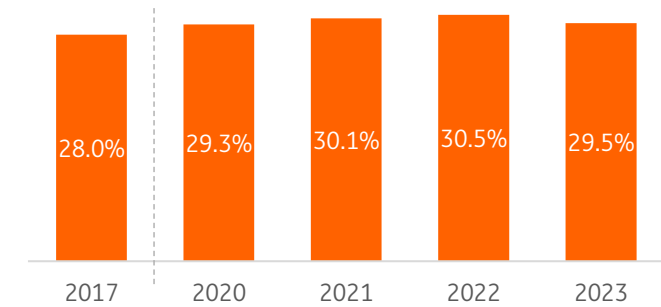
**Number of transactions**  
(daily average, thousand)



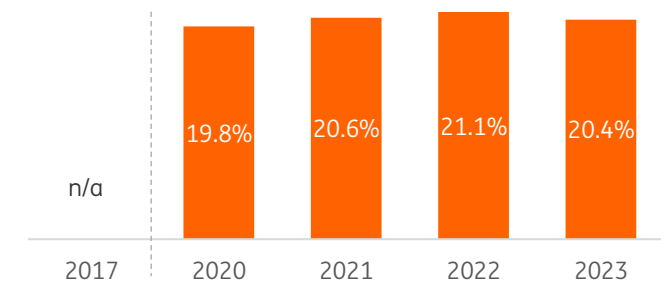
**Growing number of mobile transactions**  
- in line with the “mobile banking first” strategy



**Retail clients** - number of clients using three or more products (3+)



**Corporate clients** - number of clients using three or more products (3+)

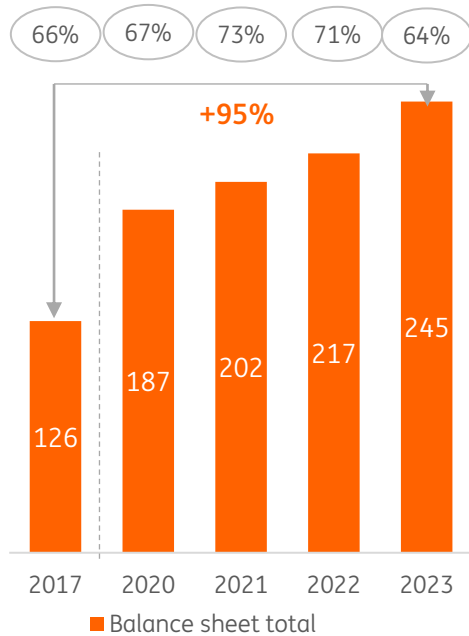


# Diversified balance sheet, stable deposit base, growing efficiency

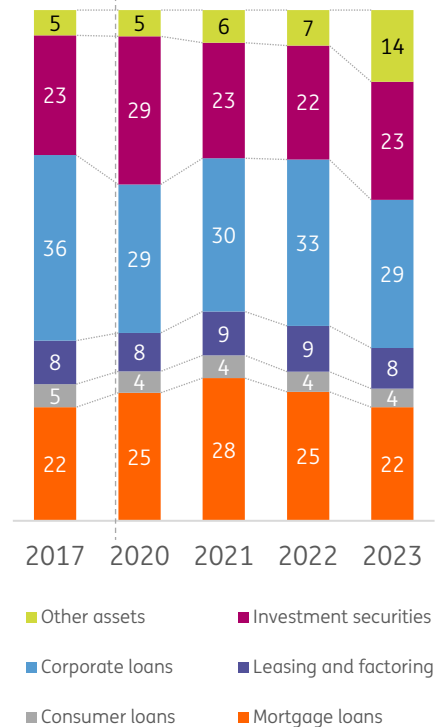
Liability structure with a high proportion of funds deposited in current and savings accounts, together with well-diversified assets, ensures a high rate of return.

3

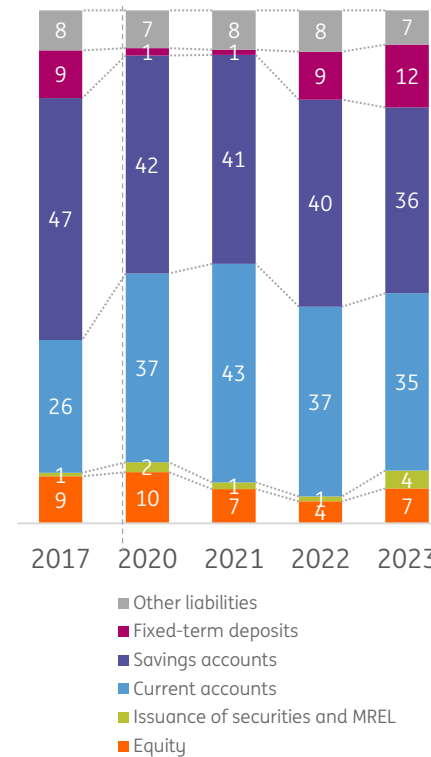
Balance sheet development (PLN billion)



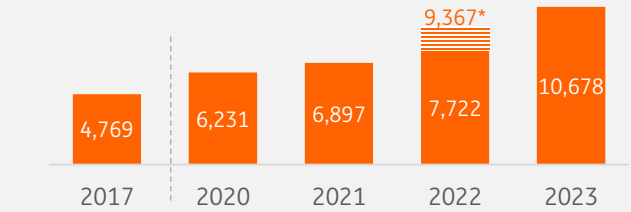
Structure of assets (%)



Structure of liabilities (%)

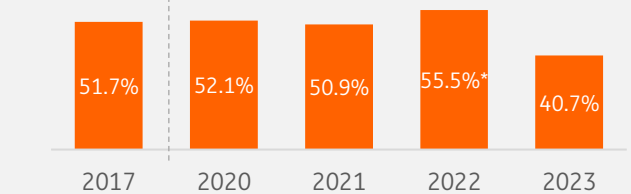


Income\* (PLN million)



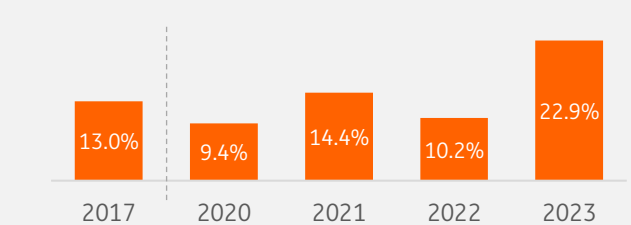
\*without a credit holiday effect

Costs/income\* (including bank tax, %)



\* 45.8% without a credit holiday effect

ROE adjusted for MCFH (%)



\*Income with share of profits of associates

Assets with diversified growth sources.  
Stable funding sources.



# People and Teams

4

**Employees as entrepreneurs** – employees seeking new solutions, striving for continuous improvement, to introduce changes and to learn, coping with life, able to make decisions based on facts.

**Employees as citizens** – employees with a shared responsibility for the communities in which we operate, devoting their own time to things that are important to communities and the country, committed to the planet, communities and the economy, employees who are open to diversity and inclusion; inclusion of people with disabilities.

**Happy employees** – holistic implementation of the development need – developing, motivated, prepared for changes and willing to change, employees with a high level of resilience.

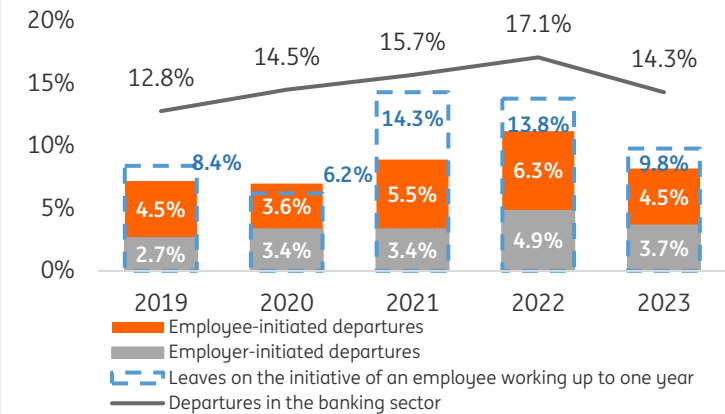
**Teamwork and mutual cooperation** – an organisation that relies on the creation of team solutions within a narrative management structure, a constant change of organisational solutions to ensure the effectiveness of collective self-organisation.

**Incentive scheme/remuneration strategy** – aligned to market challenges, set with market benchmarking, based on individual and team assignments; remuneration for individuals with risk bearing influence included and supported by pay delay.

**Talent attraction** – consistently developing internship and apprenticeship opportunities, working with local education communities to attract young talents, supporting staff in their development to enable them to pursue their unique talents.



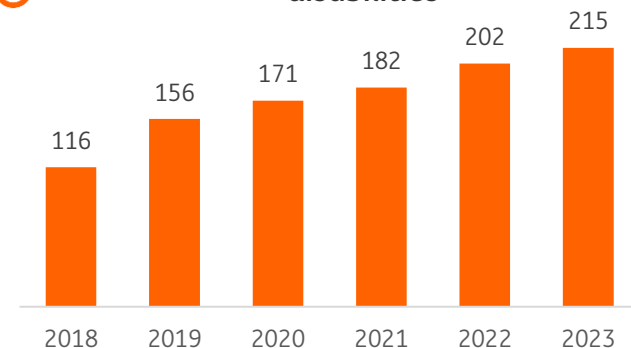
Turnover – Voluntary redundancies (%)  
ING vs. Benchmark



Source: Korn Ferry Hay Group report



Percentage of employees with disabilities



# Client activity and digitalisation



## Digitalisation & Innovations

- Deep and proactive understanding of Client needs to offer innovate, modern, intelligent, digital and seamless Technology solutions.
- Focusing on creating products with mobile devices in mind, integrating with real-time APIs, elimination of manual operations and offering banking services through the many 360° channels available.
- Ensure that the bank offers innovative products and technologies to clients by creating a partner ecosystem, PoC factory and start-up accelerator.

## Retail banking

- Continued **growth in the number of primary clients** – maintaining its status **CX leadership** – **NPS Challenge #1**.
- Increased **electronic interaction** -> increased sales potential in preferred channels.
- **Increased levels of client self-service** -> value-added service.
- Maintaining its status as a **outstanding brand and ranking leader empowerment score**.

## Corporate banking

- Maintaining a high level of **client satisfaction**.
- Maintaining a high level of **client acquisition**: entrepreneurs, SMEs and large companies:
  - Continued growth of the number of active and primary clients; strengthening remote channels.
  - OneOnboarding – a consistent start-up process for all clients. Increasing the number of products used by clients.
- Continuous development of a range of pro-environmental products, including loans.
- Expansion of the product range to include debt financial instruments.
- **Universe 2030 Program** automation of complex product processes to achieve full STP and 100% self-service.
- **#TheBestBankForCompanies** – developing the best product offering for clients, transforming our sales and service model to direct channels, a fully scalable bank based on self-service and digital sales. Further development of ING Business/Mobile and creation of a winning application.
- Development of **non-banking services** (e-commerce imoje payment gateway, Aleo, ING Accounting, Financial Health Platform – Firmove.pl).



Target	2021	2022	2023	2024P
<b>Strengthening cooperation with clients</b>				
Number of primary retail clients (million)	2.0	2.1	2.2	~2.3
Number of corporate “primary” clients (thousand)	193	205	213	~215
<b>Digitalisation</b>				
Share of Primary Mobile clients (%)	82.0	84.5	86.2	95
Retail sales personalisation (%)	40	41	43	> 45
Mobile sales per 1,000 active clients, #	216	202	205	~250
Migration of entrepreneurs from Moje ING to ING Business			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Client satisfaction</b>				
NPS retail clients	29	25	28	~29
NPS entrepreneurs*	45	42	42	~42
NPS SMEs*	45	42	39	~42
NPS large companies*	45	49	52	~49
Strategic clients NPS	69	81	90	~69
<b>Innovations</b>				
Review of IT and PoC partners	50	70	82	150

\*Since 2022 according to NPS Global methodology, previously IPSOS. Target for 2024 aligned with leading methodology.

# Operational efficiency, AI and data management



## Efficiency initiatives

- Focus on efficiency – “from branches to meeting points”.
- Reducing the volume and cost of cash transactions.
- End-to-end process automation (E2E).
- Review of subsidiary processes to reveal potential synergies with the bank.

## Smart automation

- Smart automation using artificial intelligence (AI), machine learning and cognitive robotics.
- Platform development “low code”, which aims to create a consistent interface for operational processes.
- Continuous increase in STP (*straight-through-processing*) levels in all relevant areas.
- Data-driven organisation through the development of competencies in advanced analytics.

## Data management and use

- Effective management and use of data.
- Attention to data quality, ethical use of data and data protection legislation.
- Keeping the data warehouse up to date as the main data repository.
- Increasing the dissemination of available data tools.

## Operational excellence in technology

- Continuing efforts to simplify the operational management of technology to reduce time-to-market by rationalising platforms, tools, suppliers and external services.
- Simplifying all technical processes with a focus on automation and improving user experience – reducing bureaucracy and the cognitive load on our staff.
- Work across all organisational divisions of the bank to further improve the Build- vs. Run-the-bank ratio. Continuing to work on technology platforms integration by leveraging API/Service architecture.



Target	2021	2022	2023	2024P
Number of meeting points (branches)	257	228	205	200
Number of cash points	65	55	55	50**
ING DIGI Index* (33 key client journeys)	72.2%	79.6%	83.4%	86.4%
Number of clients / 1 FTE in Operations Division	2,700	2,800	2,900	3,100
General and administrative expenses / Average commercial balances sheets***	100	109/ 95****	104	90 (-10 vs. 2021)
Differentiation of technological platforms	40%	40%	40%	20%
KPI – reduction of the cognitive load of IT technology	30%	30%	30%	20%
“Build- vs. Run-the-bank” ratio	55/45	55/45	55/45	60/40

\* ING DIGI Index – the digitalisation index is the percentage of the client journey that is handled without any manual intervention. The DIGI index covers a selection of 33 client journeys common to the ING Group.

\*\* During 2024, the assumptions were updated with a target of 55 cash points.

\*\*\* Commercial balances – sum of loans and other receivables from clients and liabilities due to clients

\*\*\*\* 95 bps – excluding a contribution to the commercial bank protection scheme fund (SOBK)



# Motivation and commitment. Strong teams – summary 2021-2023

## Committed employees through the continuous improvement of working conditions, job stability and the creation of a space for employees to express themselves on issues that are important to them.

- Continued review of benefits so that they are tailored to the needs of generationally diverse teams.
- Glidia “People” – as a sounding board for initiatives supporting the improvement of employee satisfaction with the workplace.
- Regular employee and candidate experience surveys as a mechanism to initiate process changes.

## Talent Attraction through a consistent corporate image, a high quality corporate culture, established development opportunities and implemented programmes related to Diversity & Inclusion.

- Continued collaboration with corporate culture ambassadors to maintain high employee identification with the company.
- Maintaining the high quality of apprenticeship programmes.
- Equal opportunities programmes for women and men at the workplace.

## Strengthened teams working in new working models and maintained high levels of identification with the company. Established core competencies, including the ability to lead others with a focus on creating an organisation where employees feel encouraged to take initiatives.

- Leadership development activities to support the building of multi-generational and distributed teams.
- Strengthen leaders’ ability to identify critical skills and to support staff in their development.

## Established mechanisms to support self-development in critical competence areas, including those related to ESG.

- Implementing a programme to support internal mobility.
- Upskilling in the areas of key competencies.
- Implementing the role of a Career Advisor.

## Implementing employee well-being activities – an inclusive and barrier-free organisation.

- Disseminating knowledge on mental health.
- Further development of the vaccination programme.
- Awareness-raising activities on health and physical activities.



Target	2021	2022	2023	2024P
Building a strategy for an effective hybrid working model		☑	☑	☑
Increase in the number of people using a preventive health check	1,100	1,700	2,100	1,500
Increase in the number of people using the Active ING platform	600	1,250	1,450	1,000
OHI – organisation health index	85	84	84**	~85
eNPS – Employee Net Promoter Score	57	53	48	~60
Improving collaboration efficiency – e.g. decrease in multitasking, reduction in meeting time, time for deep work (work smart index)*	13	13	9	≤5
Percentage of internal recruitment for managerial positions	65%	65%	77%	80%
Completion of all mandatory training	☑	☑	☑	☑
Increase in educational activities, beyond the category of compulsory training, provided on the My Learning platform	45%	61%	61%	60%
Time to hire in days	56	50	41	45

\*Work smart index: the work smart range is comparing average employee’s experience to the basic conditions of working across high performing remote or hybrid teams. It shows how many areas describing a company’s way of working are within and outside the range. \*\* Result for 2022, the survey is conducted every other year.

# Stability, availability and security of systems



## Stability and availability

- Continuing to re-design all banking applications with the objective to make them agnostic to any events.
- Delivering the NextGen Core Banking platform with significant architecture enhancements to ensure the platform is resilient, stable and flexible to provide clients with a large-scale, anytime, anywhere banking experience.
- Applying a *cloud-first, multi-cloud* and a native approach to the bank's applications, platforms and services.
- Being the driver of our hybrid model by migrating all our workplace services to a virtual desktop infrastructure.
- Continuous validation of our technology ecosystem to invest in new, modern, market-leading technologies and downsizing of old and legacy systems.

## Security and risk management

- Continuing to strengthen our cybersecurity and risk management practices with a focus on preventative controls and automation of controls.
- Fully adopting an automated asset discovery and ownership system in relation to the evolving structure of the organisation and its needs.
- Continuing to apply at-least principles and separation of duties, as well as simplified IAM and authentication services to maintain overall bank security.



Target	2021	2022	2023	2024P
Availability of Moje ING (%)	99.93	99.98	99.95	99.94
Availability of ING Business (%)	99.92	99.86	99.91	99.94
Percentage of applications migrated to cloud (%)	0	6	27	50
Number of employees on VDI (%)	14	18	24	80
Controls Automations (%)	20	35	65	90
Auto-discovery control mechanisms (%)	70	95	98	100

# Compliance with regulatory requirements



## Top priority for regulatory requirements

- Top priority for all regulatory requirements in business operations and IT development.
- Maintaining a high discipline in closing recommendations in a timely manner, including recommendations from FIU (Financial Intelligence Units), the PFSA and the IAD.
- Non-financial risks within the limits of the RAS limit (2,4).

## Maintaining a healthy organisation

- Maintaining “healthy” client acquisition and ending relationships with problem-generating clients.
- Collaboration between all units involved on efficient, intelligent automation to enable sustainable compliance, built into applications and processes.
- High standards maintained on market conduct, personal data protection and bank secrecy.
- Maintaining compliance and increase efficiency in the area of data protection.

## AML and resistance

- Meeting compliance targets with local and global regulations and standards allows the bank to remain safe, stable and resilient to threats and risks, both internal and external.
- Actions to reduce e-banking frauds:
  - Increasing client awareness about frauds in digital channels,
  - Cooperation with other banks in antifraud areas.
- Working with other banks on AML processes to strengthen transaction monitoring.
- Continuous improvement of processes and awareness in terms KYC and AML within the organisation.
- Increase in STP levels with further optimisation across all KYC processes and further use of artificial intelligence.



Target	2021	2022	2023	2024P
Non-financial risk level	2.5	2.2	2.1	<2.4
Compliance risk level	3.0	2.5	2.2	<2.4
Overdue recommendations issued by regulators	0	0	0	0
Overdue Critical recommendations	0	0	0	0
Percentage of overdue High recommendations	0	0	0	<5%
CDD quality level (%)				
New clients	< 95	97.4	>95	min.98*
Current clients			>92	
Timely execution of all post-inspection recommendations (both internal and external)	☑	☑	☑	☑

\*The assumptions were updated during 2024, with the target value being at least 95 for new clients and at least 92 for current clients.

# ESG and Sustainability



## E – Environment

- Strive for a sustainable self-management.
- Digitalisation of processes considering their environmental footprint.
- Taking climate factors into account in business decisions.
- Development of a product offering to support the sustainability of clients.
- Funding of projects to support environmental transformation.
- Supporting clients in their environmental transformation.
- Supporting climate innovation (Grant Programme for start-ups and young scientists) and local environmental action.

## S – Entrepreneurship and equal opportunities

- Continued creation of a working environment where we take care of well-being of employees (health, energy, activity and finances).
- Support to the employees in being entrepreneurial.
- Care about diversity and inclusion among the bank's employees.
- Support to clients in managing their finances and educate them on how to be entrepreneurial.
- Support to technological and digital transformation to our business clients.
- Facilitated access to banking to groups at risk of exclusion.
- Supporting local community action.

## G – Ethics and regulatory compliance

- Building ESG awareness and culture among employees, developing ESG competences.
- Integrating ESG into the bank's organisational structures, processes, product development, risk management, procurement policy and corporate governance.
- Adapting to regulation – risk, finance, compliance and client portfolio.
- Building awareness and understanding of ESG business and regulatory issues among the clients.
- Caring for financial safety.
- Sharing good practice and knowledge through industry collaboration and with our stakeholders. Development of common solutions.

<sup>1</sup> In brand-based terms.

<sup>2</sup> According to the document "ING BSK's roadmap for reducing GHG emissions" [link](#).

<sup>3</sup> Smiling Holidays have been put on hold since March 2022 due to the inclusion of 20 children from an orphanage from Ukraine who are staying at the Foundation's centre. The Programme has been suspended until further notice.



Target	2021	2022	2023	2024P
CO <sub>2</sub> e emissions reduction in Scope 1 and 2 (market-based approach) vs. the baseline year (2019)	-19.6%	-25.1%	-30.0%	Climate neutrality in Scope 1 and 2 up to 2030 <sup>1</sup>
Financing of RES and green projects in the corporate area – PLN 4.5 billion (total 2015-2023)	PLN 1.7 billion RES + PLN 4.3 billion pro-environment (PLN 6 billion in total)	PLN 3.3 billion RES + PLN 5.9 billion pro-environment (PLN 9.2 billion in total)	PLN 4.1 billion RES + PLN 9.1 billion pro-environmental (total PLN 13.2 billion)	PLN 5 billion RES funding (total for 2024-2030) <sup>2</sup>
Organising 6 editions of the Grant Programme and providing PLN 6 million (in total for 2022-2024)	The programme was launched in 2022	2 editions PLN 2 million	2 editions PLN 2 million	6 editions PLN 6 million (total for the period 2022-2024)
Gender pay gap	1%	4%	5%	1%
Adaptation of the Moje ING online banking system and mobile application, as well as the bank's website, to WCAG 2.1 guidelines	39.6% of components	50.6% of components	61% of components	100% of components
Volunteer actions, as part of the Good Idea programme and the Smiling Holidays in Wisła organised by the ING for Children Foundation (total for the period 2022-2024)	65 actions 12 holidays	28 actions 1 holiday <sup>3</sup>	97 actions 1 holiday <sup>3</sup>	150 actions 40 holidays <sup>3</sup> (total target for 2022-2024)
Setting an ESG-related target as part of annual objectives for managers and employees	The target was approved in 03.2022	Target endorsed after completion of annual target setting process for 2022	100% of managers reporting directly to Board members had an ESG objective	100% managers 50% employees
Level of client satisfaction with educational activities	The target was approved in 03.2022	Satisfaction survey to start in 2023	4.7/5	4/5
Organisation of national conferences in cooperation with NGOs and industry-specific organisations (total 2022-2024)	The target was approved in 03.2022	3	4	10 (total for the period 2022-2024)

# Risks to the implementation of the business strategy (1)

## Geopolitical tensions

- Increasing number of armed conflicts.
- The timing, manner and effects of the end of the war in Ukraine.
- Strained US and EU relations with China.

## Climate transformation

- Energy transformation of economies and businesses, including the costs of implementation.
- Accelerating the pace of technological change.
- Burdening economic growth with the cost of CO<sub>2</sub>.

## Sovereign debt

- High debt servicing costs due to the persistence of elevated levels of market interest rates.
- High costs incurred to resolve military conflicts (including the war in Ukraine) and the energy crisis.

## Inflation

- Persistently high local inflation in Poland over the next 2-3 years.
- Ease of transfer of rising product prices and wages to the final consumer.
- Wage inflation. Continued pressure on companies' costs.
- Increased unpredictability.

## Cyber risk

- The acceleration of technological change and the proliferation of remote services exposes clients to new risks. This requires the ability to respond quickly, including in concert with other payment system actors.
- The need to maintain full resilience of banking systems against failures.

## Regulatory uncertainty

- Large number of announced regulatory changes awaiting implementation (e.g. AI Act, Dora, MiFiD III).
- High regulatory volatility. Interpretative challenges (including mutual conflicts) in regulatory provisions requiring rapid implementation.
- Lack of predictability of regulatory changes.



# Risks to the implementation of the business strategy (2)

## Reform of the benchmarks

- Difficult and complicated process of implementing benchmark reform.

## Housing market financing model

- Uncertainty of regulation and legal prejudices.
- Restoring the sustainability of contractual relationships.
- Streamlining the relationship between monetary policy and the impact on the client/consumer.
- Failure to finalise a standard contract template, lack of defined terms and conditions for prepayments.

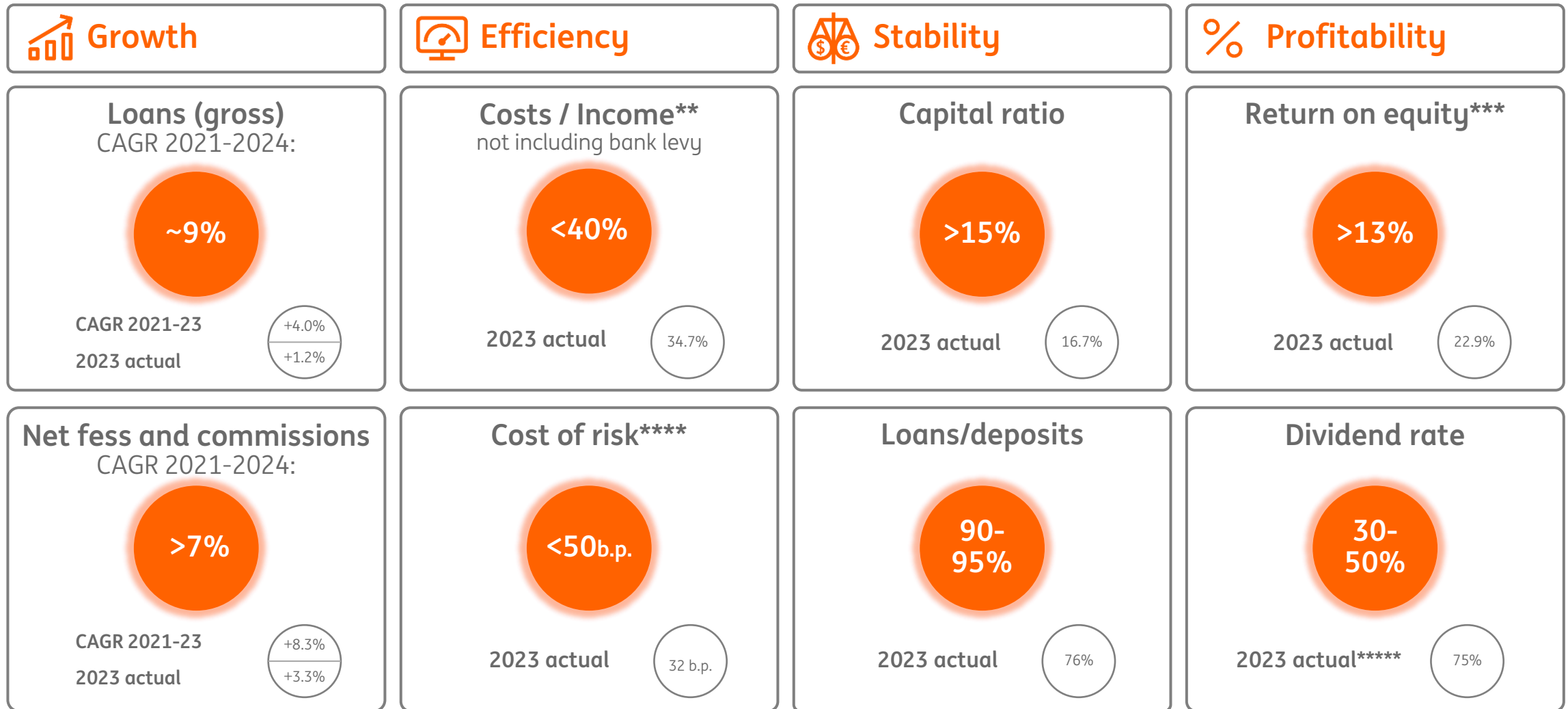
## Structural over-liquidity of the sector

- Inflow of deposits and funding from the professional market.
- Lack of demand for loan
- Increased level of investment in SP securities.

# Opportunities for the implementation of the business strategy

<b>Clients</b>	<ul style="list-style-type: none"><li>• Maintaining (above market levels) the rate of acquisition, transactionality and new client activity.</li><li>• Increasing the share of primary clients in the total number of clients.</li><li>• Realising the potential of electronic banking.</li><li>• High adaptability of new solutions, including technology, positively influencing cost efficiency.</li></ul>
<b>Economic growth</b>	<ul style="list-style-type: none"><li>• Expected acceleration of economic growth (GDP).</li><li>• High potential for investment growth, including foreign direct investment (FDI).</li><li>• Additional potential impetus related to the reconstruction of Ukraine</li></ul>
<b>Sustainable development</b>	<ul style="list-style-type: none"><li>• Potential for investment and economic activity as a strong boost to GDP growth rates.</li><li>• Increased environmental awareness among the public, which will generate greater demand for sustainable products.</li><li>• Increased availability of green energy sources.</li><li>• EU climate neutrality.</li><li>• New sources of state funding, including access to the EU Reconstruction Fund and how to use it.</li></ul>
<b>Stability of the financial sector</b>	<ul style="list-style-type: none"><li>• All fundamental risks to the financial sector remain moderate or low.</li><li>• High level of provisions made for the risk of foreign currency mortgage loans.</li><li>• High level of capital buffers and met decile level of MREL.</li><li>• Growing dividend capacity.</li></ul>
<b>New technologies</b>	<ul style="list-style-type: none"><li>• Acceleration of the momentum of productivity gains resulting from new technologies, faster ability to make a technological leap.</li><li>• Improving the stability and flexibility of IT systems.</li><li>• Ability to roll out new products and services faster and personalise them to clients.</li></ul>

# Our financial ambitions for 2024 published in March 2022\*



\*Developed prior to the outbreak of war in Ukraine; \*\*Income with share of profits of associates; \*\*\*ROE adjusted for MCFH; \*\*\*\*Excluding legal risk costs of foreign currency mortgages; \*\*\*\*\*Main assumptions: dividends: in 2024, payment of 75% of the net profit from 2023 and PLN 1,008.3 million from 2019/2022.

