



ING Bank Śląski S.A.

Business and Financial Results

for Q1 2022

Warsaw, 6 May 2022





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The background of the slide is a dense wall of green ivy. Overlaid on this are two blue circular icons: a white silhouette of a person walking on the right and a white silhouette of a bicycle on the left. Two orange rectangular boxes with white text are positioned in the center-left area.

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

Key facts – Q1 2022

Client base

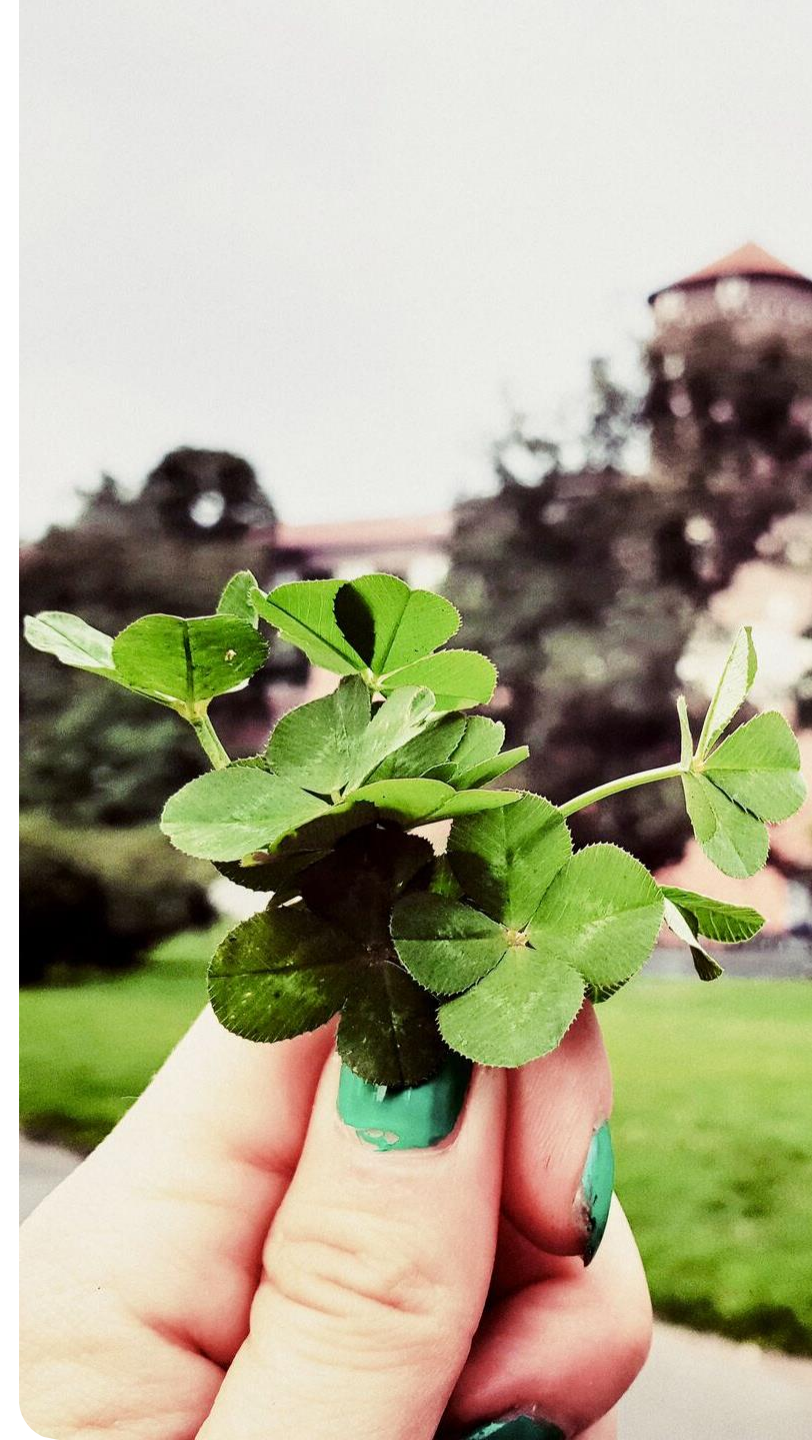
- 80 thousand new retail clients
- 20 thousand new corporate clients
- The number of active users of the Moje ING application increased by 75 thousand this quarter

Client volumes

- Retail receivables portfolio increased by PLN 8.3 billion y/y (+14% y/y), PLN 0.4 billion q/q (+1%)
- Corporate receivables portfolio increased by PLN 10.8 billion y/y (+15% y/y), 3.2 billion q/q (+4% q/q)
- Clients' deposits increased by PLN 14.3 billion y/y (+9% y/y), PLN 1.0 billion q/q (0% q/q)
- Commercial balance increased by PLN 33.4 billion y/y (+12% y/y), PLN 4.4 billion q/q (+1% q/q)

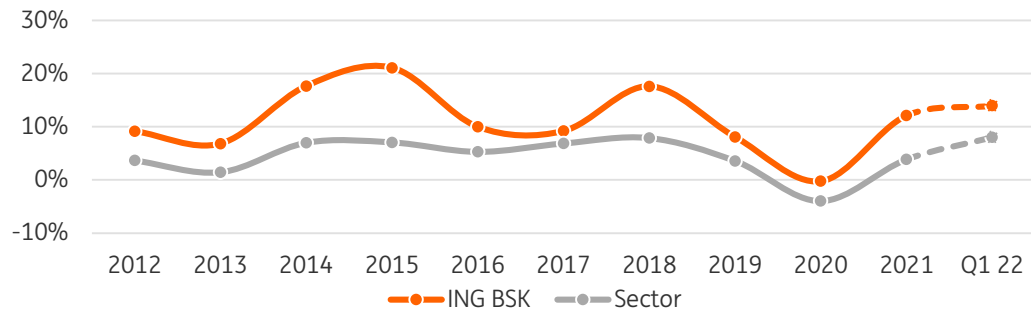
Financial results

- Gross profit of PLN 1,069.3 million (+103% y/y), net profit of PLN 792.8 million (+106% y/y)
- NII of PLN 1,705.2 million (+49% y/y)
- Net fee and commission income of PLN 534.0 million (+25% y/y)
- Cumulative ROE adjusted for MCFH is 16.5% (9.9% a year earlier)



Market shares

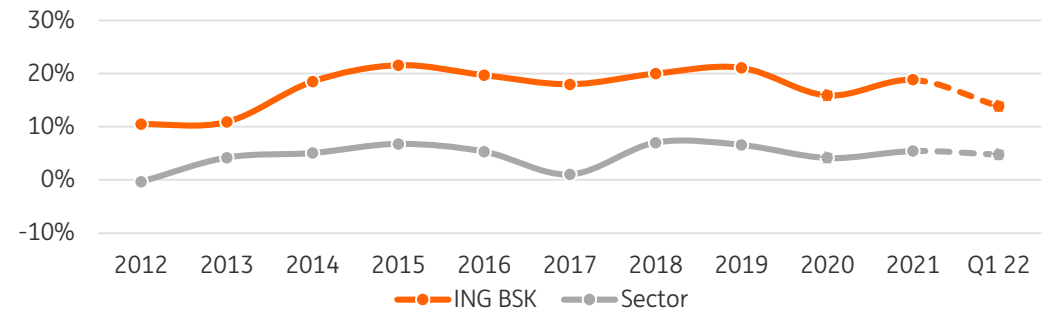
Corporate loans* (change y/y)



Market share (%)



Individuals' loans** (change y/y)



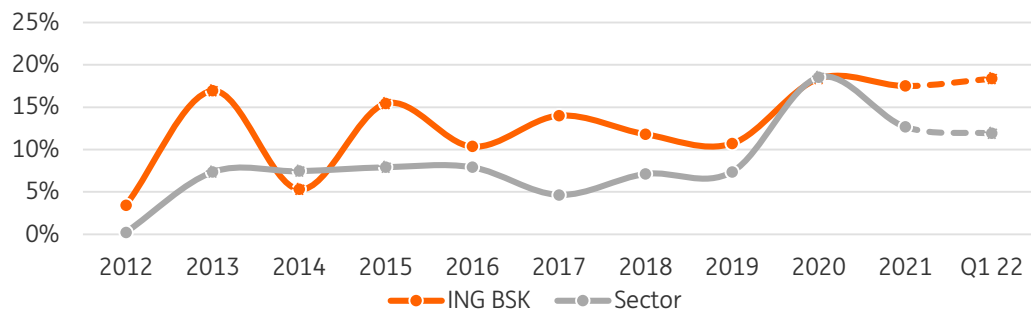
Market share (%)



Market share excl. FX*** (%)



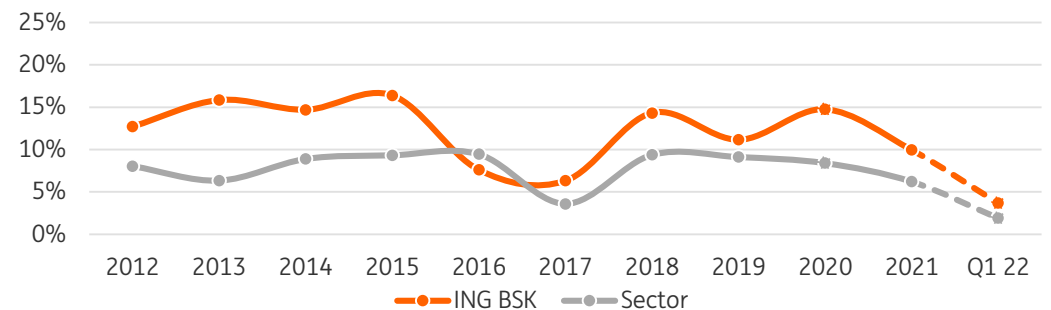
Corporate deposits* (change y/y)



Market share (%)



Individuals' deposits** (change y/y)



Market share (%)



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

Business volumes

PLN million	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	% change q/q	% change y/y	change q/q	change y/y
Total deposits	149,270	154,960	160,016	162,559	168,459	169,242	+ 0%	+ 9%	783	14,282
Corporate deposits	58,755	60,605	64,074	66,036	69,030	71,494	+ 4%	+ 18%	2,464	10,889
Retail deposits	90,515	94,355	95,942	96,524	99,429	97,748	- 2%	+ 4%	-1,681	3,393
Total funds entrusted by retail clients	106,757	112,314	114,598	115,423	116,736	114,037	- 2%	+ 2%	-2,698	1,723
Mutual funds assets (TFI) + other off-BS products distributed by the Bank	16,243	17,960	18,656	18,899	17,307	16,290	- 6%	- 9%	-1,018	-1,670
Total loans	126,099	131,005	134,715	141,251	146,478	150,096	+ 2%	+ 15%	3,618	19,091
Loans to corporate clients incl. leasing and factoring	70,266	72,399	73,210	76,742	79,992	83,228	+ 4%	+ 15%	3,235	10,829
Loans to retail clients	55,833	58,605	61,505	64,508	66,486	66,868	+ 1%	+ 14%	382	8,263
Mortgage loans	47,901	50,406	52,983	55,536	57,410	57,861	+ 1%	+ 15%	451	7,455
Cash loans	6,774	7,053	7,334	7,713	7,816	7,747	- 1%	+ 10%	-69	694

Financial highlights

<i>PLN million</i>	Q1 2021	Q4 2021	Q1 2022	Change y/y	% change y/y
Total income	1,601.7	1,883.8	2,304.0	+702.3	+44%
Total expenses	820.8	757.5	931.4	+110.6	+13%
Result before risk costs	780.9	1,126.3	1,372.6	+591.7	+76%
Risk costs including legal cost of risk for FX mortgage loans	128.8	144.1	151.6	+22.8	+18%
Bank levy	125.9	149.7	151.7	+25.8	+20%
Profit before tax	526.2	832.5	1,069.3	+543.1	+103%
Income tax	140.6	163.5	276.5	+135.9	+97%
Net profit	385.6	669.0	792.8	+407.2	+106%
Total capital ratio	18.80%	16.05%	15.20%	- 3.60 p.p.	-
Tier 1	16.28%	14.41%	13.43%	- 2.85 p.p.	-
ROE* (%)	8.1%	13.6%	17.5%	+9.5 p.p.	-
ROE* adjusted for MCFH (%)	9.9%	14.4%	16.5%	+6.6 p.p.	-
C/I ratio (%)	51.2%	40.2%	40.4%	-10.8 p.p.	-

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



Meeting 2022 business goals in Q1 2022

- **Clients' activities and digitalisation**
 - 2.0 million primary customers in the retail segment (+5% yoy) and 197.8 thou. in the corporate segment (+ 9% y/y)
 - We have implemented the option of purchasing public transport tickets in the Moje ING application
 - We have implemented a new version of of planned payments in Moje ING
 - We have implemented a new login page for ING Business internet banking
- **Full regulatory compliance**
 - We implemented all recommendations with deadlines in Q1 2022 on time
 - In Q1 2022, we implemented further tools for initial and secondary transaction monitoring
 - We have implemented a tool to monitor rejected transactions resulting from sanctions imposed on Russia and Belarus
 - We have launched a new internal risk culture campaign
- **Employee motivation and empowerment**
 - We organized a series of webinars for our employees as part of the Health Days
 - Both our organization and our employees actively created programs to support refugees and victims of the war in Ukraine
 - We have introduced changes to the Regulations of the Company Social Benefits Fund and to the Cafeteria Program
 - We continue the program for managers "Diverse at ING" regarding the management of diverse teams, with particular emphasis on generational diversity
 - On March 28, after more than a year of preparation, we started working in the hybrid model
- **System stability and availability, security**
 - We have launched a cash loan with insurance and, inter alia, generation of loan repayment history in the new central system (Vault)
 - My ING and ING Business have achieved the assumed 99.94% availability level
- **Operational Efficiency, AI and Data Management**
 - We have implemented two automation initiatives using AI in the KYC area
 - We have provided our clients with two new processes in the self-service model using the low-code design technology (Ferrite platform)
 - We implemented process changes that allowed us to raise the level of STP (straight through processing) for five key customer journeys
 - 253 meeting places (-4 compared to the end of 2021)
 - 65 cash points (-1 compared to the end of 2021)
- **ESG**
 - We support the victims of the war in Ukraine, including PLN 6.5 million in the form of donations
 - Our employees submitted 54 projects to the "My Environment" volunteer grant program
 - We were a strategic partner of the series of webinars "Zero Emission Academy" - our experts took part in discussion panels
 - We have prepared a map of Zero Waste companies in cooperation with the Polish Zero Waste Association
 - We have completed renewable energy financing transactions with a total value attributable to our bank in the amount of over PLN 0.9 billion



Q1 2022

financial results

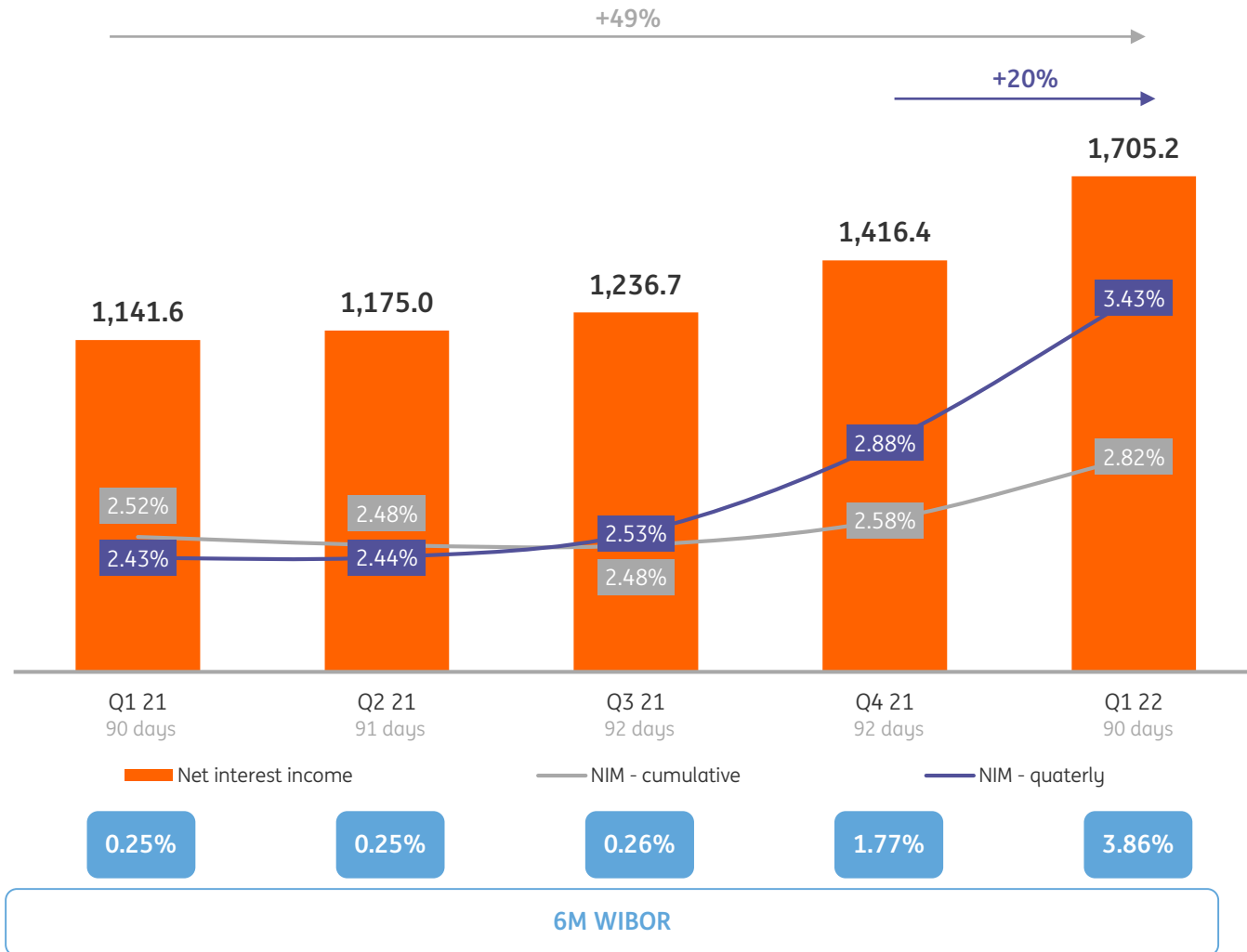
Financial results

<i>PLN million</i>	Q1 2021	Q4 2021	Q1 2022	change y/y	% change y/y
Net interest income	1,141.6	1,416.4	1,705.2	+563.6	+49%
Net commission income	428.3	476.0	534.0	+105.7	+25%
Other income	31.8	-8.6	64.8	+33	+104%
Total income	1,601.7	1,883.8	2,304.0	+702.3	+44%
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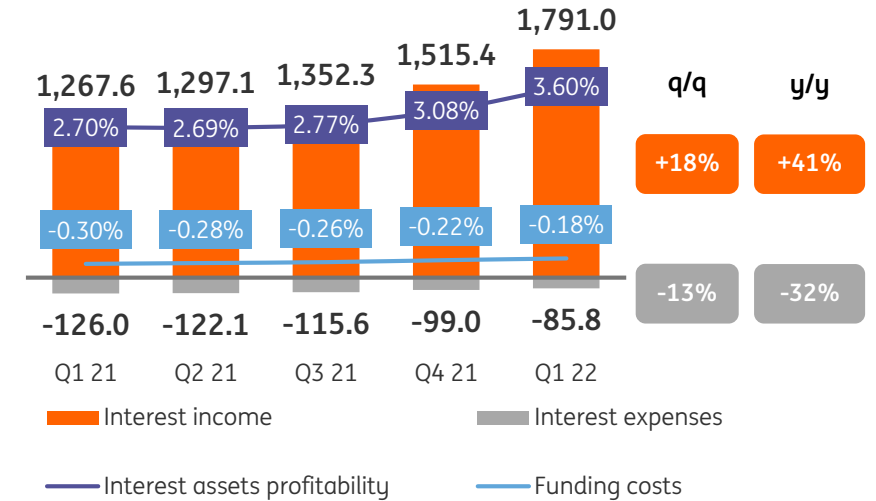
*ROE = total net profit for 4 consecutive quarters / average equity for 5 subsequent quarters

Net interest income

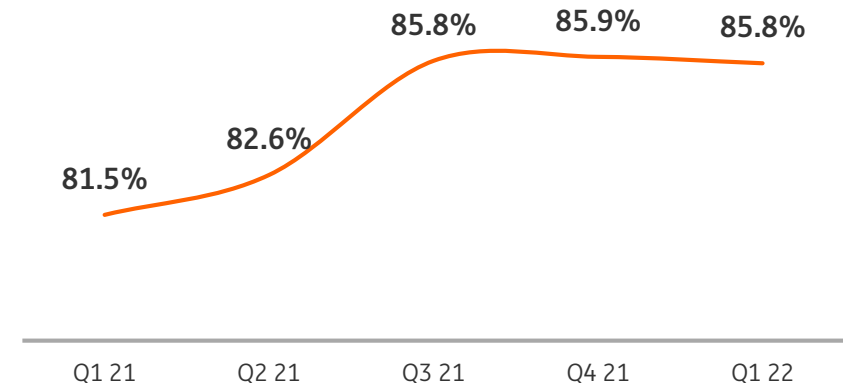
Net interest income (PLN million) and net interest margin



Interest income and expenses (PLN million)

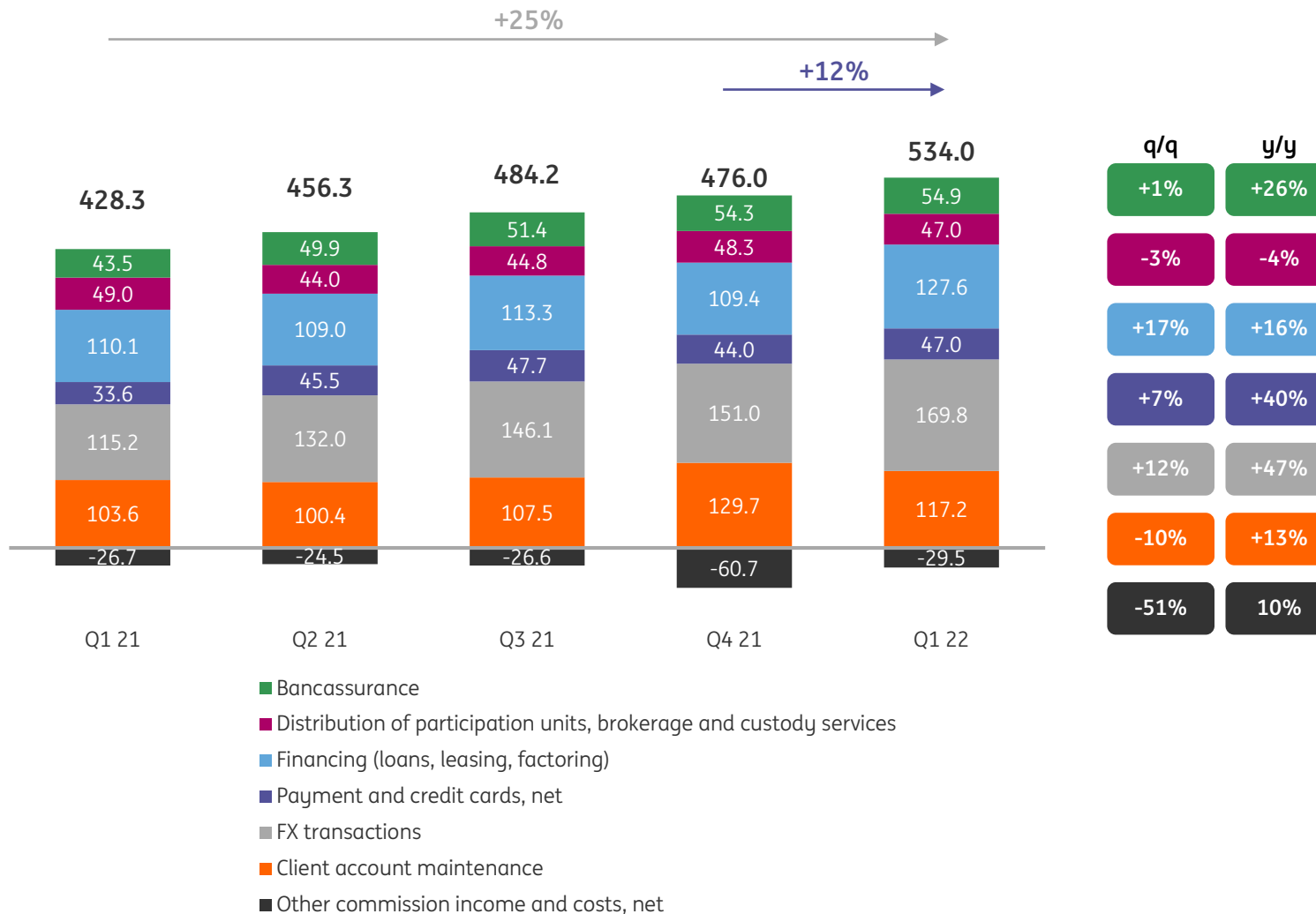


Loan to deposit ratio



Fee and commission income

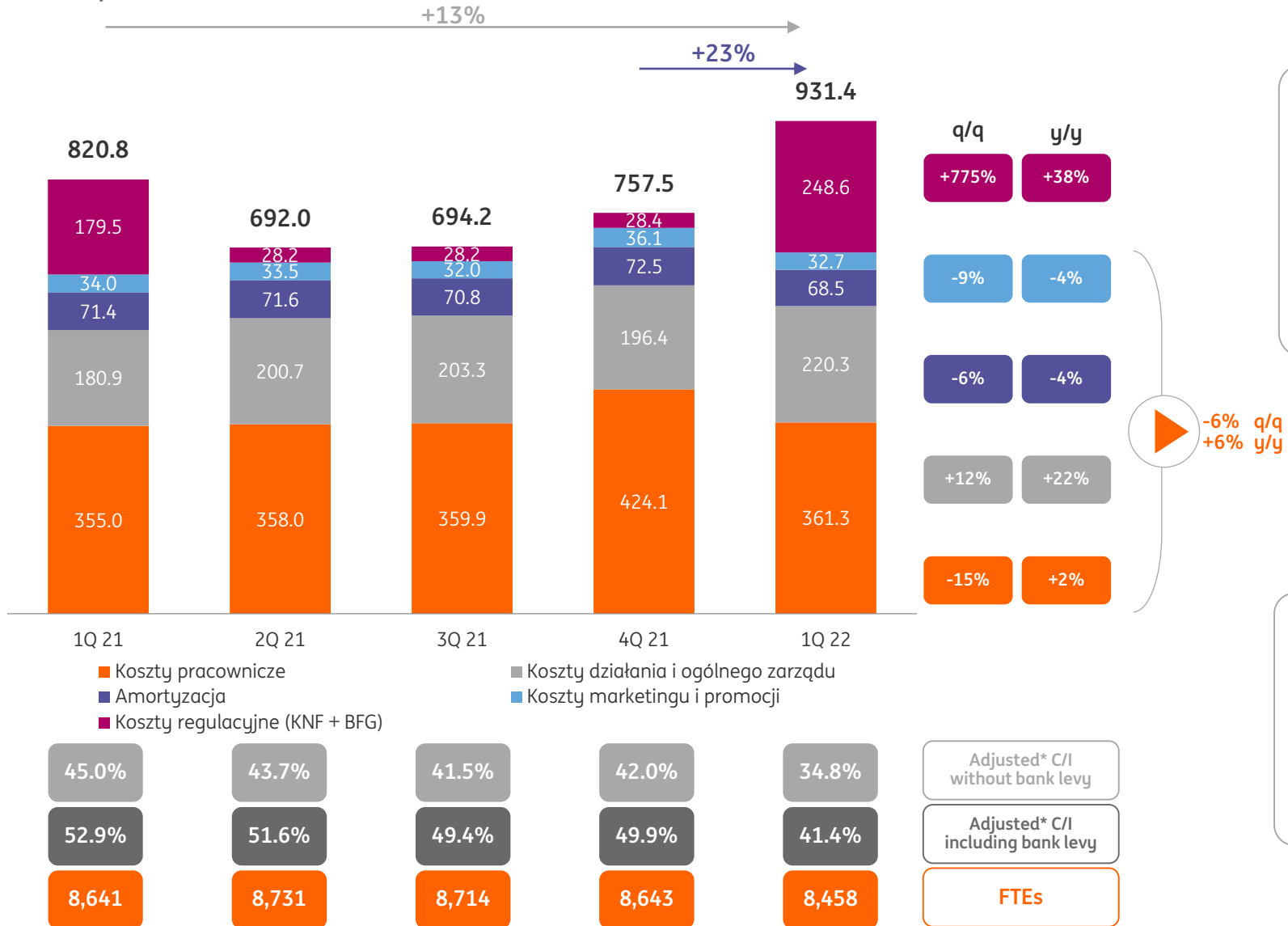
Fee and commission income per category (PLN million)



- The improvement in the result on currency exchange transactions in the first quarter of 2022 is the result of high transactionality of our clients
- The improvement in the result on financing in Q1 2022 results from the settlement of linear credit commissions in the corporate segment
- The high result for keeping accounts in the fourth quarter of 2021 is due to, inter alia, from fees for high deposit balances in the corporate segment
- Other commission costs in Q4 2021 as a result of accelerated settlement of brokerage costs for the sale of banking products (PLN 22.6 million)

Total expenses

Total expenses (PLN million)



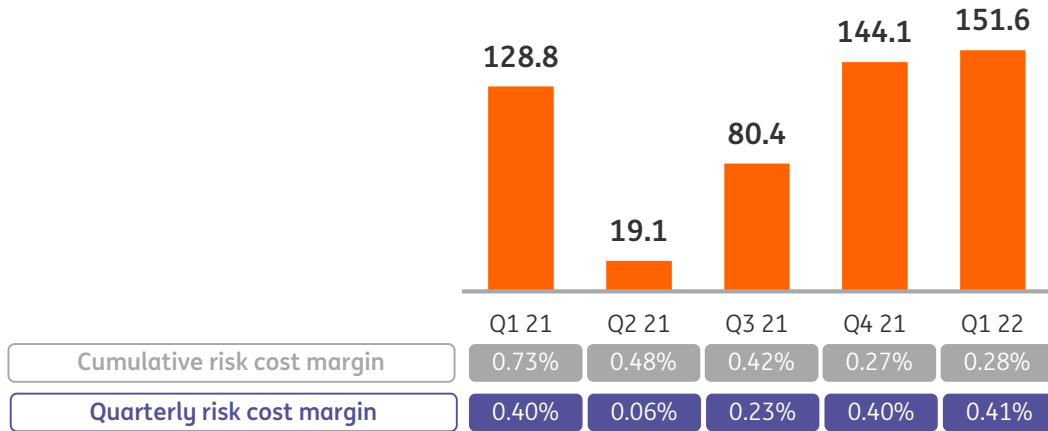
- The annual contribution to the resolution fund amounted to PLN 172.8 million in Q1 2022 (vs. PLN 132.6 million the year before)
- The annual PFSA costs incurred in Q1 2022 amounted to PLN 22.0 million (vs. PLN 19.2 million the year before)

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

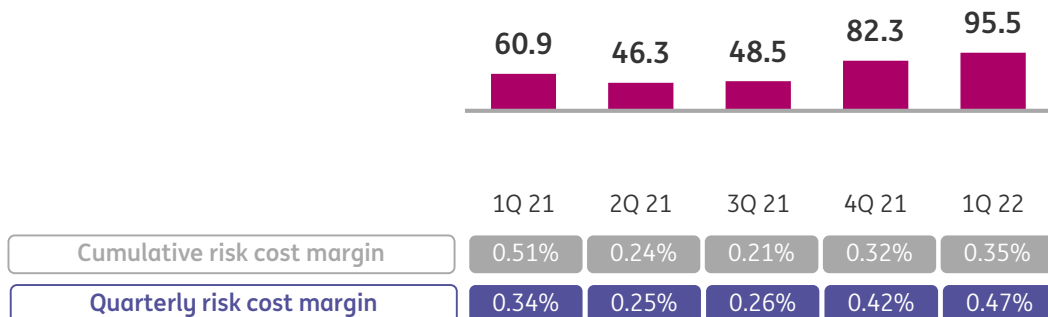
*Adjusted for the contribution to the Resolution Fund to be paid over 4 quarters

Cost of risk, including legal risk costs

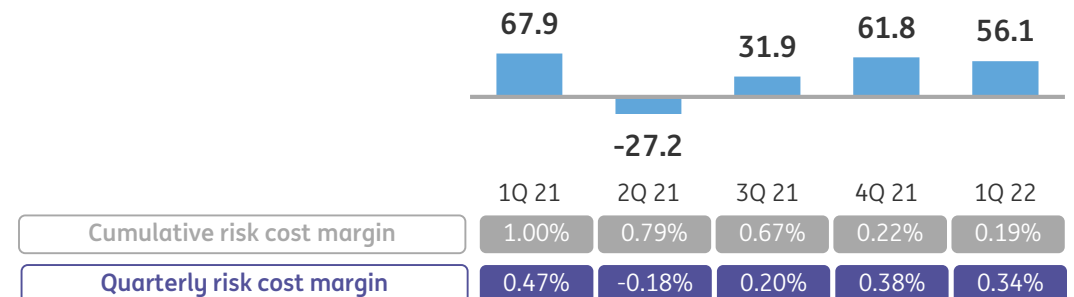
Consolidated data for ING BSK (PLN million)



Corporate banking (PLN million)



Retail banking (PLN million)

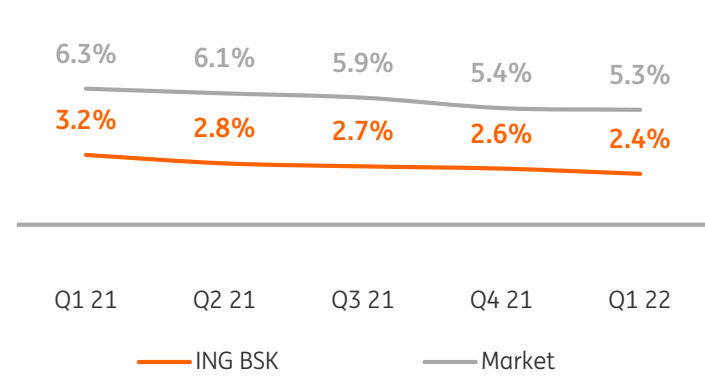


PLN million	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22
Impact of macroeconomic parameters on net provisions					
Retail banking	0.0	2.5	-5.2	2.6	36.4
Corporate banking	21.7	-35.7	-11.4	16.4	19.5
Total	21.7	-33.2	-16.5	19.0	55.9
Impact of the sale of the Stage 3 and POCI receivables portfolios					
Retail banking	0.0	-50.6	0.0	0.0	0.0
Corporate banking	0.0	-11.0	0.0	0.0	-9.2
Total	0.0	-61.6	0.0	0.0	-9.2
Legal risk costs of FX mortgage loans					
Retail banking	0.0	0.0	0.4	56.0	1.1

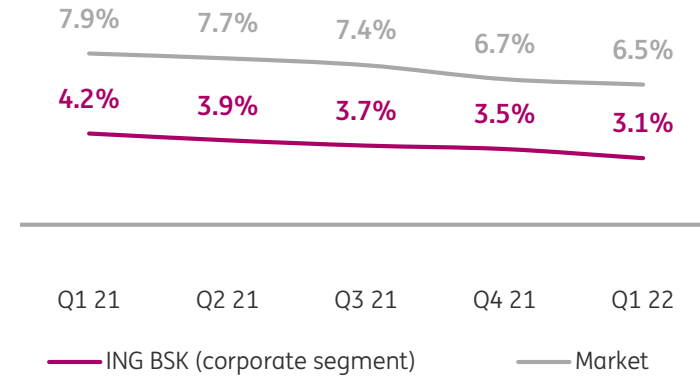
Portfolio quality and provisioning

Share of non-performing portfolio in the total loan portfolio

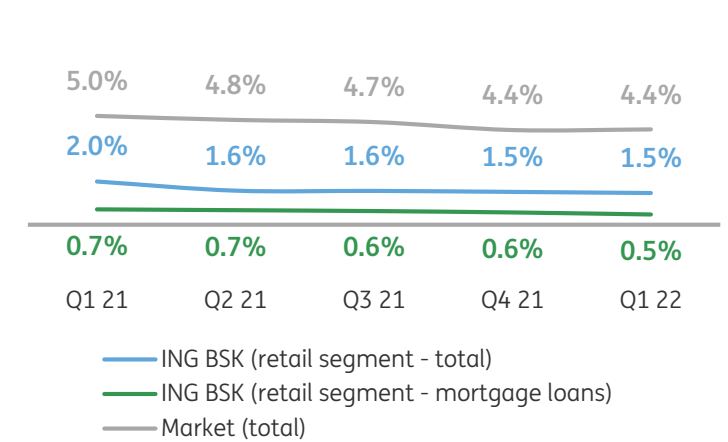
Consolidated data for ING BSK



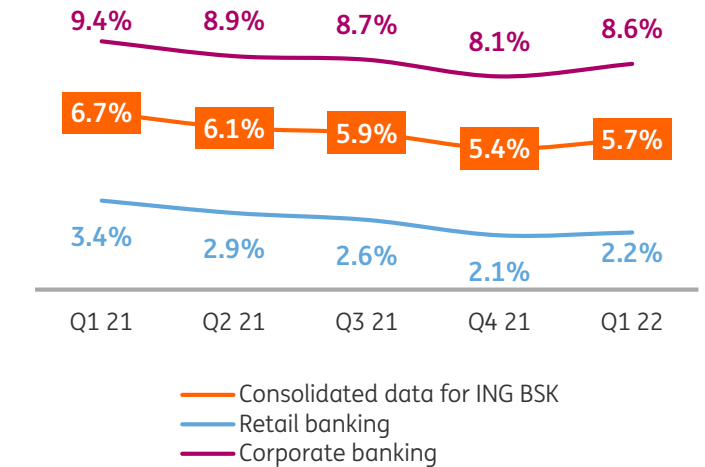
Corporate banking



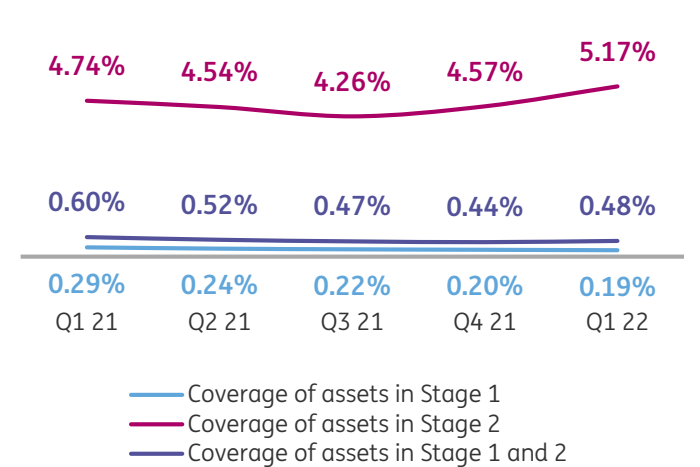
Retail banking



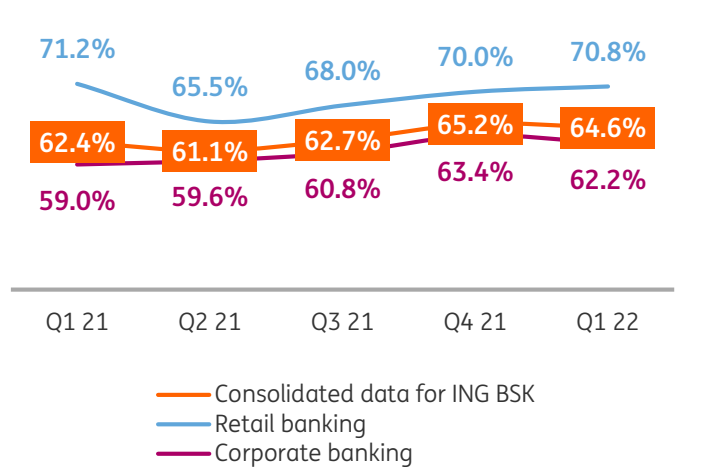
Share of Stage 2 in gross portfolio



Provisioning ratio – Stages 1 and 2



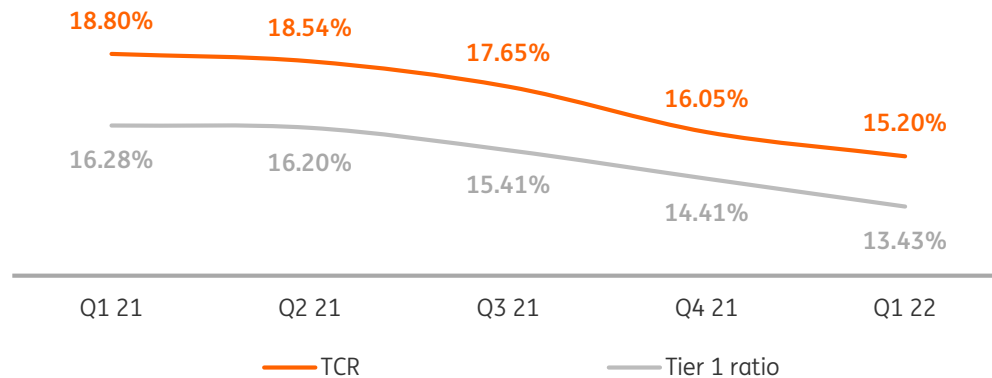
Provisioning ratio – Stage 3



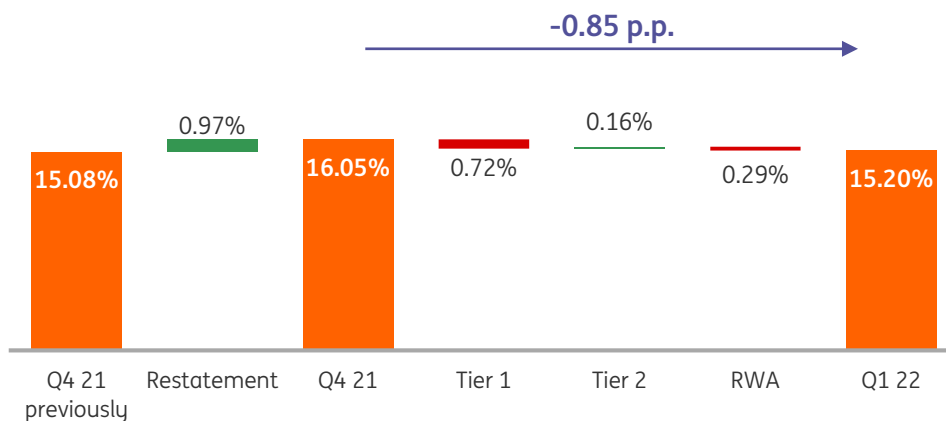
Note: market ratios – estimates based on PFSA data; NPL= Stage 3 + POCI (February 2022 data for Q1 2022); NPL = Stage 3 + POCI

Capital adequacy

Consolidated total capital ratio

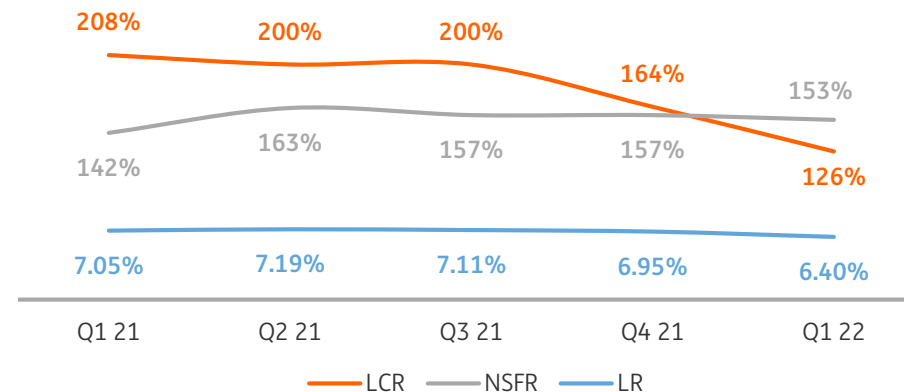


Consolidated total capital ratio – decomposition of change on a q/q basis



- Total capital ratio and Tier 1 ratio are, respectively, 3.82 p.p., and 4.05 p.p. above the minimum capital requirements for ING BSK, which are 11.381% and 9.381% respectively.
- The total capital ratio and Tier 1 ratio would have been 14.99% and 13.22%, respectively, if ING BSK did not apply a transition period for the implementation of IFRS 9 and did not temporarily treat unrealized gains and losses measured at fair value through other comprehensive income in accordance with Art. 468 of the CRR Regulation.
- On 7 April 2022, the General Meeting decided to pay a dividend from the profit for 2021 (PLN 689.53 million, i.e. PLN 5.30 gross per share). The payout was made on 4 May 2022

Other capital and liquidity ratios



Appendices



Retail banking

Retail banking

Customer transactions

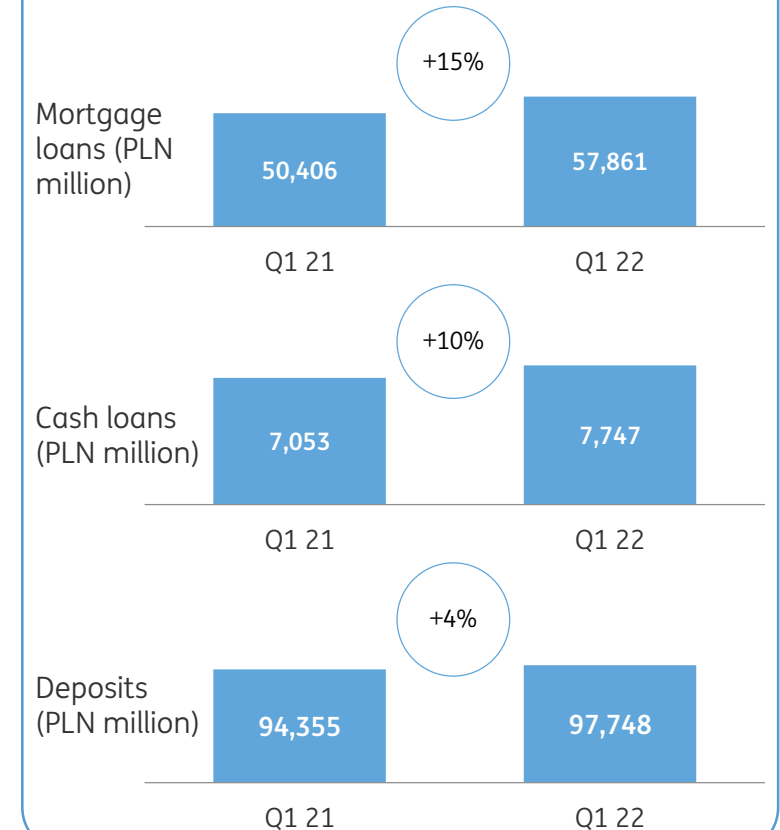
- We operate 3.6 million current accounts for individual clients
- In Q1 2022, our clients used Moje ING to make +3% y/y more transfers, a total of 83.4 million, of which 40.4 million transfers were made in mobile banking (+13% y/y) ...
- ... +45% y/y more BLIK transactions (27.6 million in total) ...
- ... +21% y/y more debit card transactions (222.2 million in total)...
- ... and -7% y/y less transaction at branches (283 thousand in total)

Funding

- We granted PLN 2.9 billion in mortgage loans in Q1 2022 (-35% y/y)
- We granted PLN 996 million in cash loans in Q1 2022 (-8% y/y) ...
- ... of which 86% were sold via online channels



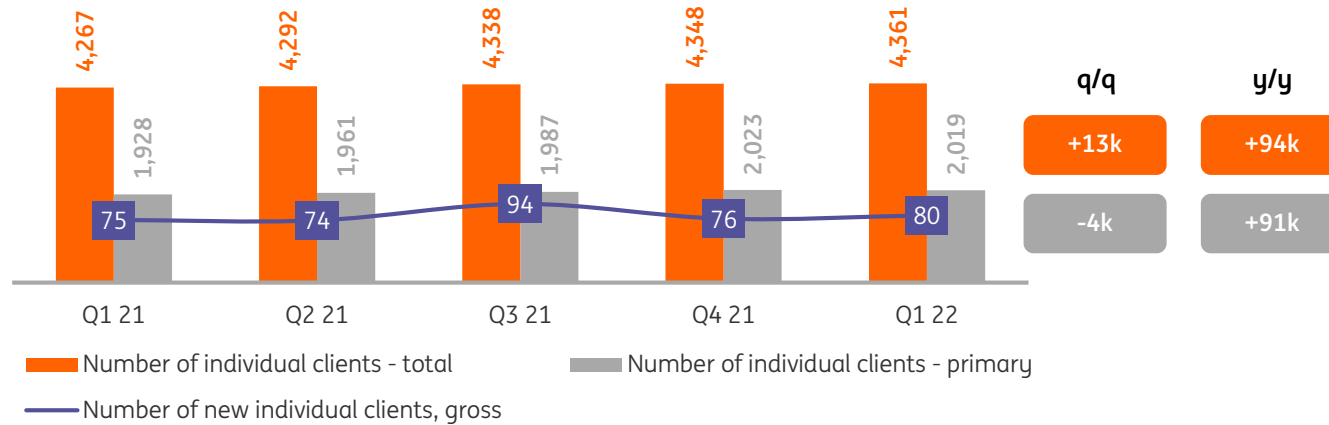
Growing volumes



Retail client base

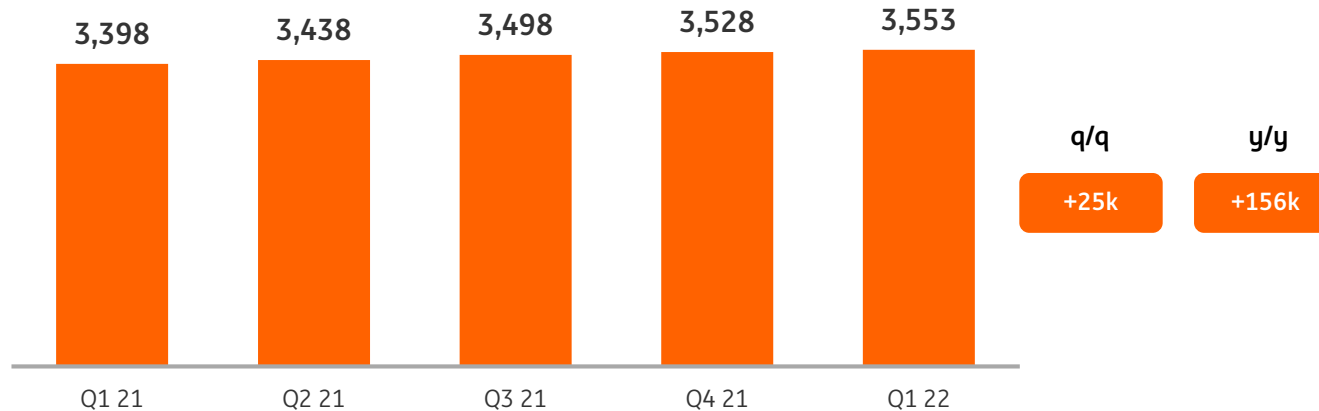
4.4 million individual clients

Number of individual clients (thousand)



- 86% of current accounts are Direct Accounts
- In Q1 2022, clients established and renewed **146 thousand trusted profiles**. In Q1 2022, clients **signed 1,131 thousand documents** using the trusted profiles.
- In Q1 2022, our clients submitted **244.5 thousand applications (-31% y/y) for 500+ child subsidies** via our bank and 34.0 thousand application for **Family Caring Capital**

Number of individual clients' current accounts (thousand)



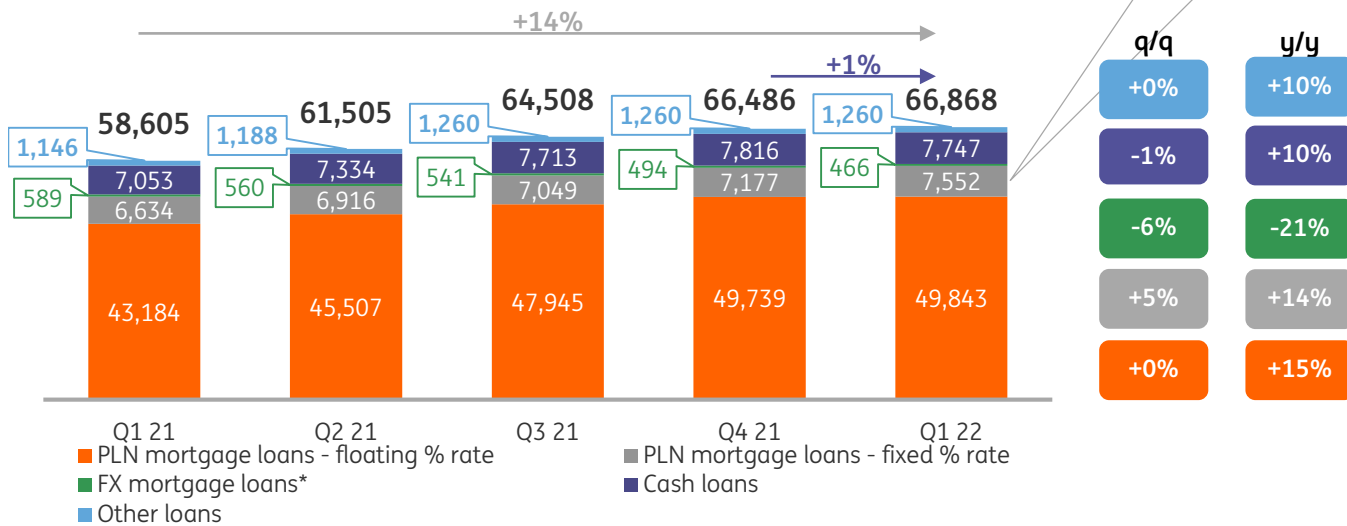
Note: current accounts in PLN

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



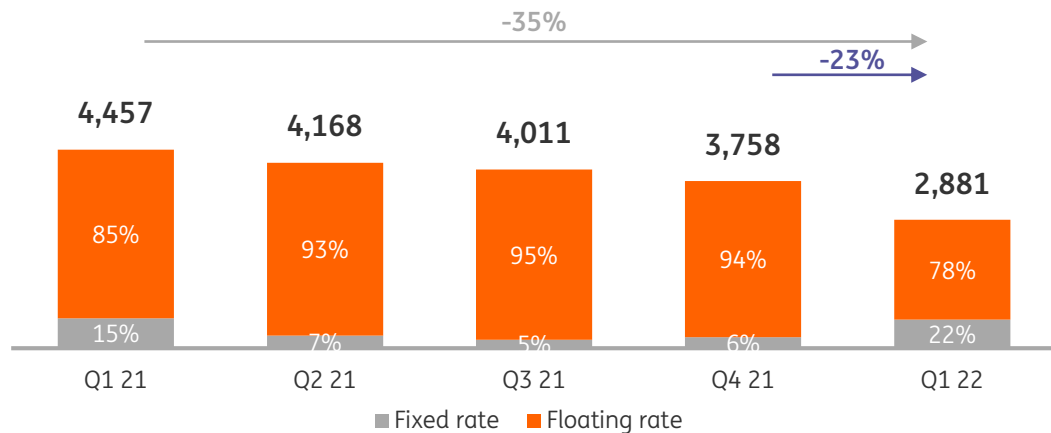
Retail lending

Loan portfolio of retail clients (gross; PLN million)

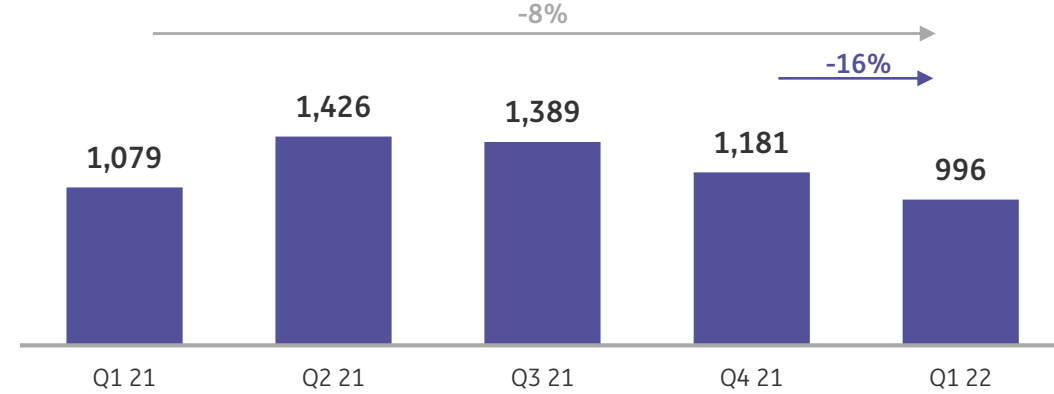


- PLN 1.0 billion worth of cash loans granted to retail clients in Q1 2022 (-8% y/y)
- PLN 2.9 billion worth of mortgage loans granted in Q1 2022 (-35% y/y), which translates into a 17.4% market share
 - Including PLN 642 million worth of fixed interest rate mortgage loans (-66% y/y)
 - Including PLN 412 million worth of mortgage eco-loans** (+29% y/y)
- A 13.6% market share in terms of PLN mortgage loans; 10.9% in total mortgage loans (Q1 2022)

Mortgage loans production (PLN million)



Cash loans production (PLN million)

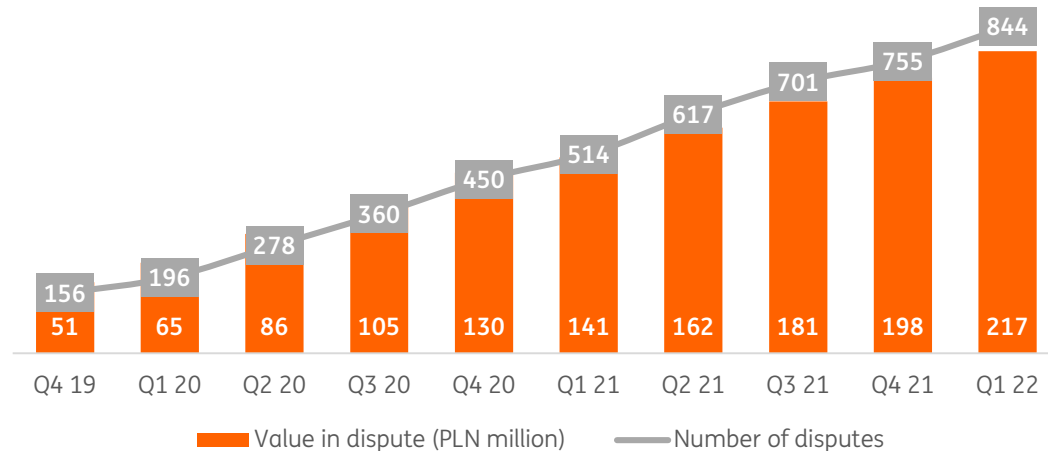


FX mortgage loans after adjusting the gross carrying amount for legal risk provisions, which amounted to PLN 305.1 million in Q1 2021, PLN 289.2 million in Q2 2021, PLN 314.3 million in Q3 2021, PLN 345.6 million in Q4 2021 and PLN 341.4 million in Q1 2022;

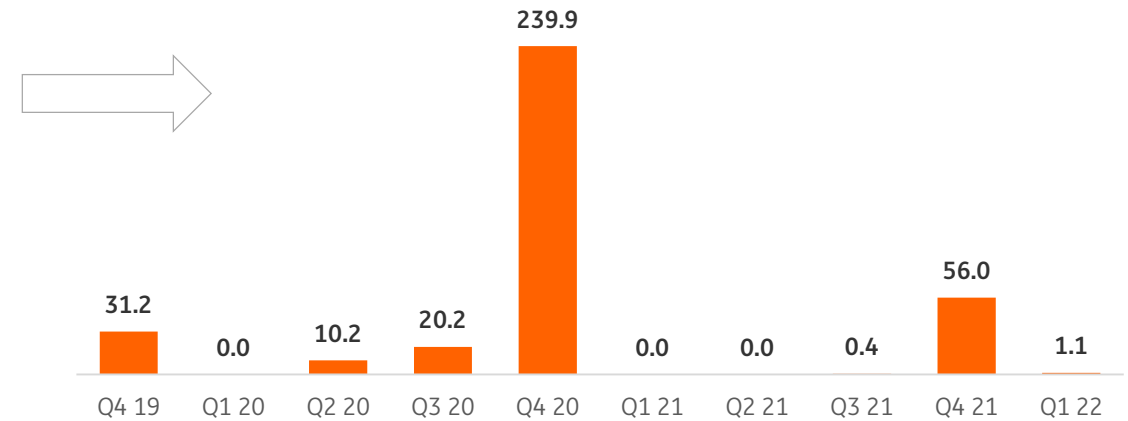
**We do not charge any commission and we offer a low margin for an energy-efficient house where the annual demand for usable energy for heating and ventilation does not exceed 40 kWh / m²

Legal risk relating to FX mortgage loans

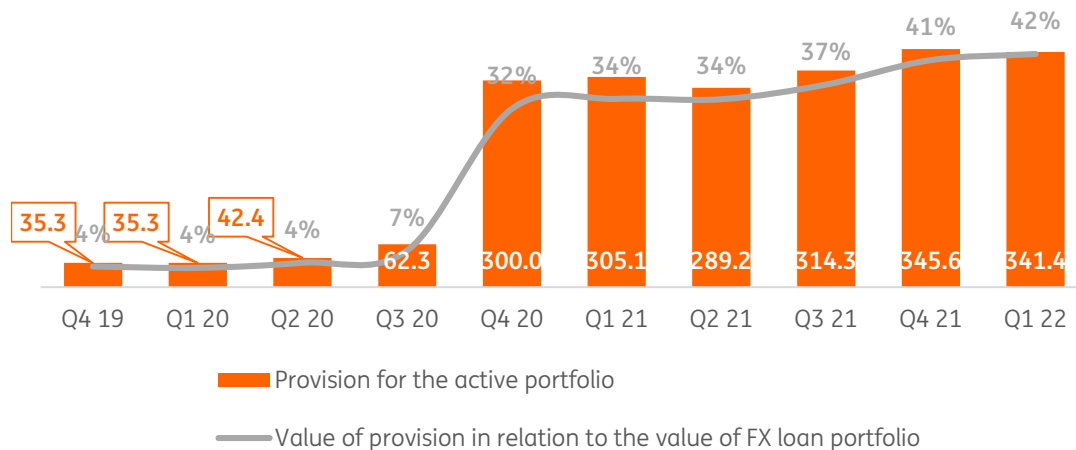
The number and value of disputes concerning FX mortgage loans



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



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



Mediation with clients

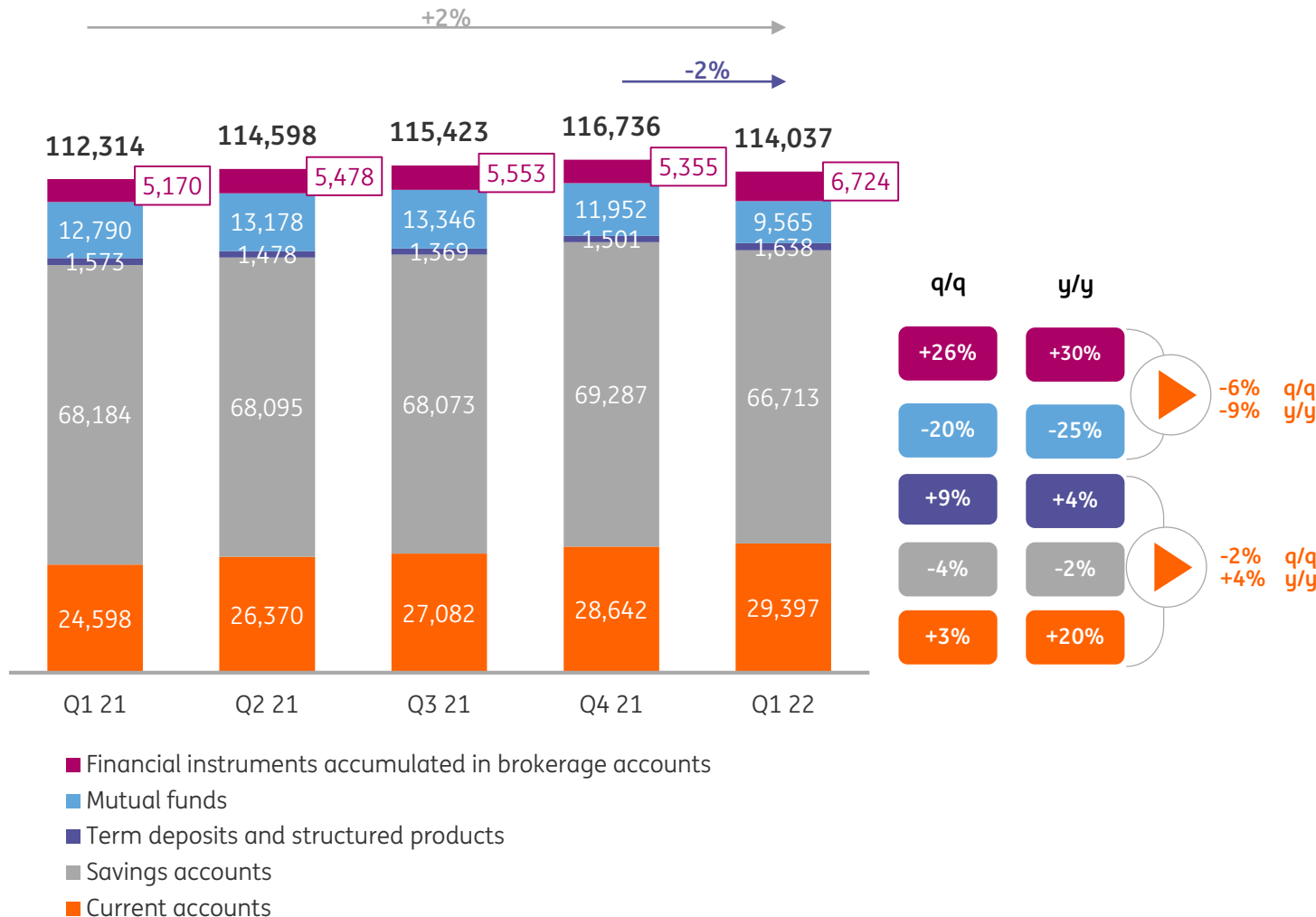
On 25 October 2021, we launched a settlement program based on the assumptions of the Chairman of the Polish Financial Supervision Authority. From 25 October to 31 March 2022, our clients filed **834 settlement applications** and we concluded **245 agreements** under the program (979 and 276 as at the end of April 2022, respectively). As at the end of Q1 2022 we had 3.8 thousand active mortgage loans indexed to CHF.

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

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

Savings and investments

Portfolio of funds entrusted by retail clients (PLN million)



- 108.3 thousand bank clients invest on a regular basis and 7.2 thousand clients use the investment robot
- In Q1 2022, 45.6% of open investment fund units were purchased via mobile banking
- At the end of Q1 2022, we serviced 160.5 thousand brokerage accounts (+13% y/y)
- The turnover of our brokerage office on the stock market in Q1 2022 amounted to PLN 6.2 billion (-28% y/y, +17% q/q), which translates into a market share of 3.05%
- Investment fund companies, which take into account ESG factors when selecting companies for their portfolios of funds, accounted for 98.5% of our clients' assets in these products, including assets worth PLN 313 million worth of assets representing investments in funds compliant with Articles 8 and 9 of SFDR*

*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 ★ ★ ★ ★ ★ 4.8

App Store ★ ★ ★ ★ ★ 4.9

Electronic banking

We have a total of **1,064 thousand mobile cards** (+5% q/q, +37% y/y)

2,545 thousand individual clients with active BLIK, of which 1,253 thousand completed transactions in Q1 2022 (+6% q/q, +36% y/y)

27.6 million BLIK transactions in Q1 2022 (-2% q/q, +45% y/y) made by individual clients, of which **21.1 million transactions were made on the Internet** (-4% q/q, +36% y/y)

2,322 thousand active users of the mobile application (+3% q/q, +15% y/y)

1,528 thousand "mobile only" users (-1% q/q, +21% y/y)

40.4 million transfers in mobile banking in Q1 2022 (+5 million y/y, +13% y/y)

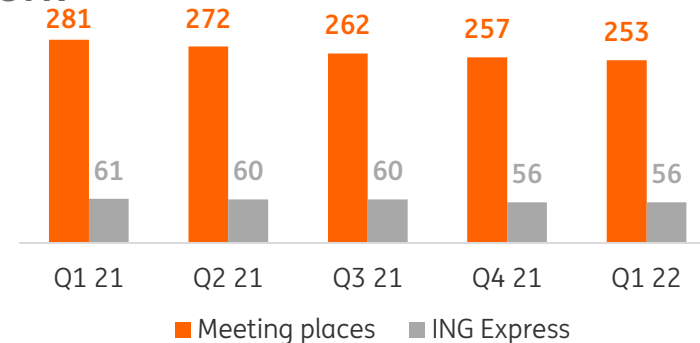
In Q1 2022, we sold **86% of cash loans** for individual clients **via internet channels** (80% in Q1 2021)

2.7m
active mobile
banking clients

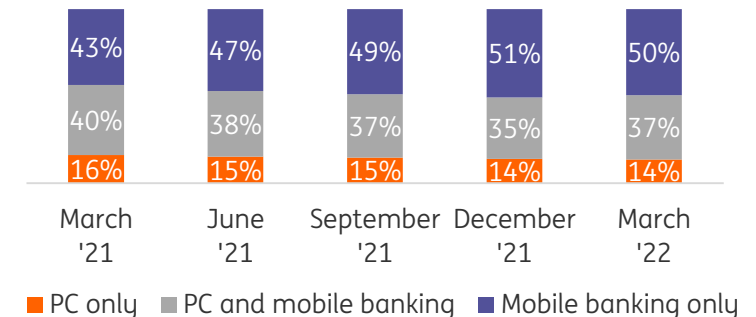
Physical distribution network

188 meeting places without a traditional cash service (192 as at the end of 2021 and 165 as at the end of Q1 2021)

928 machines for cash self-service (including 772 recycling automated teller safes), out of which 769 are contactless ATMs/Recyclers



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



Corporate banking

Corporate banking

Customer transactions

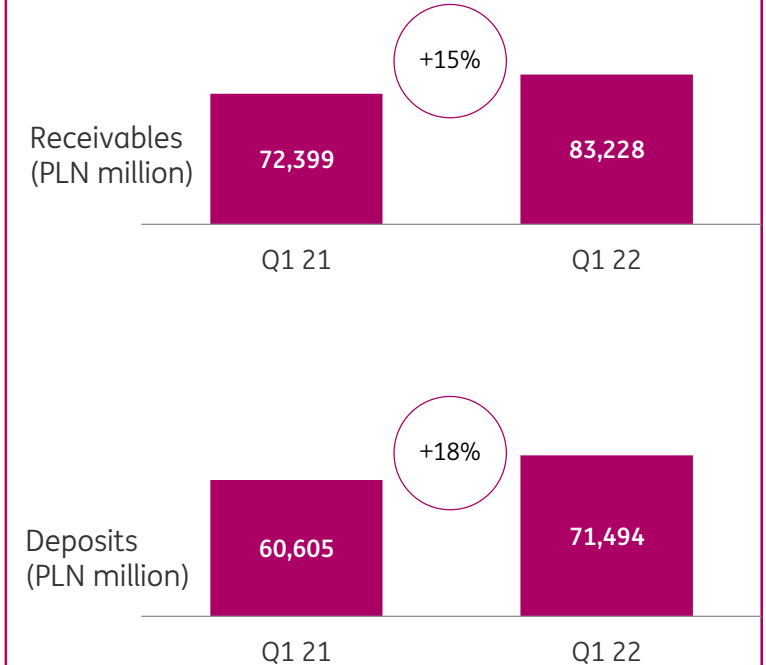
- We service 512.9 thousand corporate clients, of which 428.1 thousand are entrepreneurs, 81.3 thousand are SMEs and mid-corporates and 3.4 thousand are strategic clients
- In Q1 2022, our corporate clients using ING Business made 23.5 million transfers (+12% y/y), of which 2.3 million were made in mobile banking (+43% y/y)
- We have 31.1 thousand payment terminals in total; we processed 10.2 million transactions in Q1 2022 (+33% y/y)
- 6,023 stores with an active imoje payment gateway (+97% y/y)

Funding

- The portfolio of receivables from entrepreneurs increased by PLN 904 million y/y (+13% y/y) to the level of PLN 7.8 billion
- The portfolio of receivables from SMEs and mid-corporates increased by PLN 8.1 billion y/y (+20% y/y) to the level of PLN 48.4 billion
- The portfolio of receivables from strategic customers increased by PLN 1.9 billion y/y (+7% y/y) to the level of PLN 27.0 billion



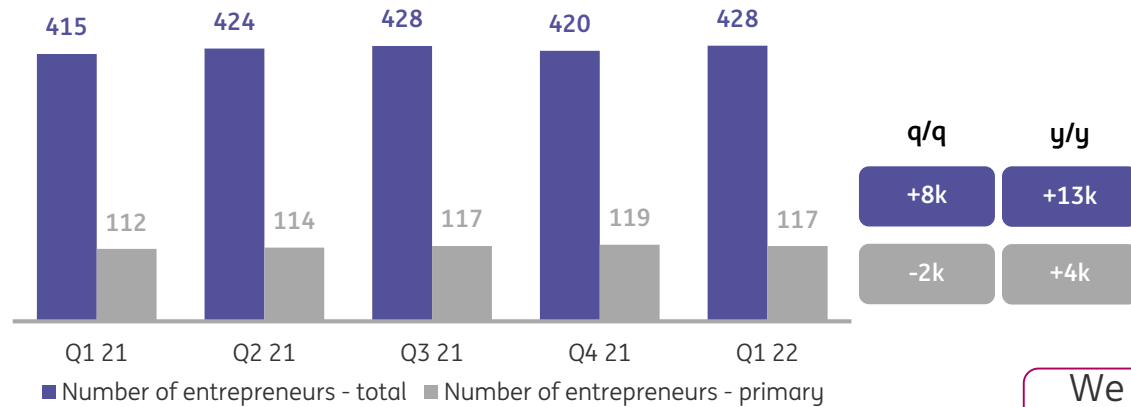
Growing volumes



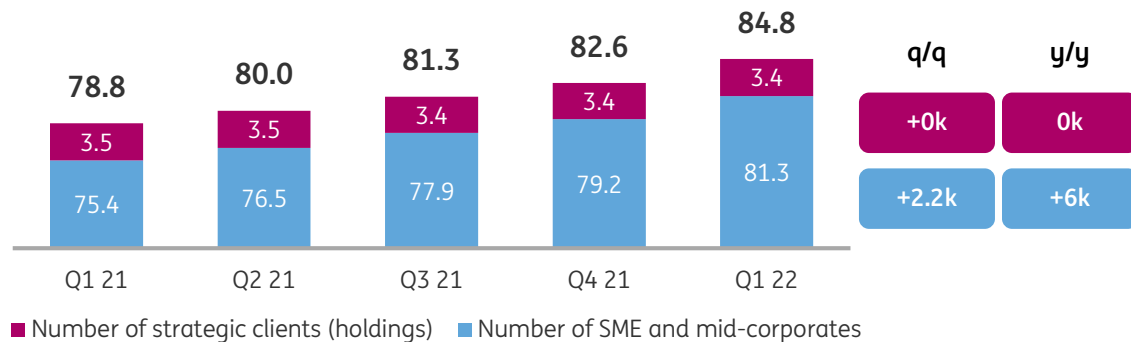
Corporate client base

513 thousand companies

Number of entrepreneurs (thousand)



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



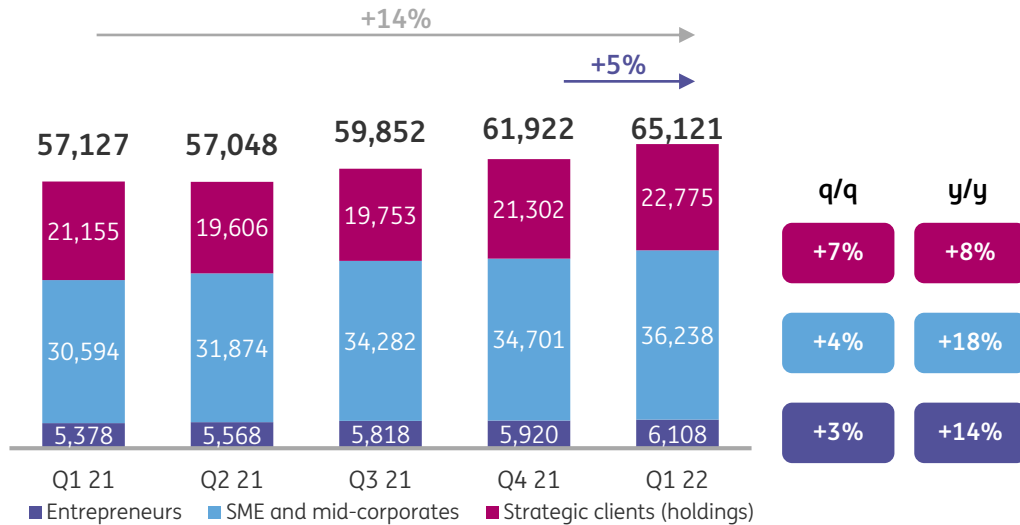
We maintain **437,000** current accounts for **428,000** entrepreneurs, of which **98%** are **Direct accounts**

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

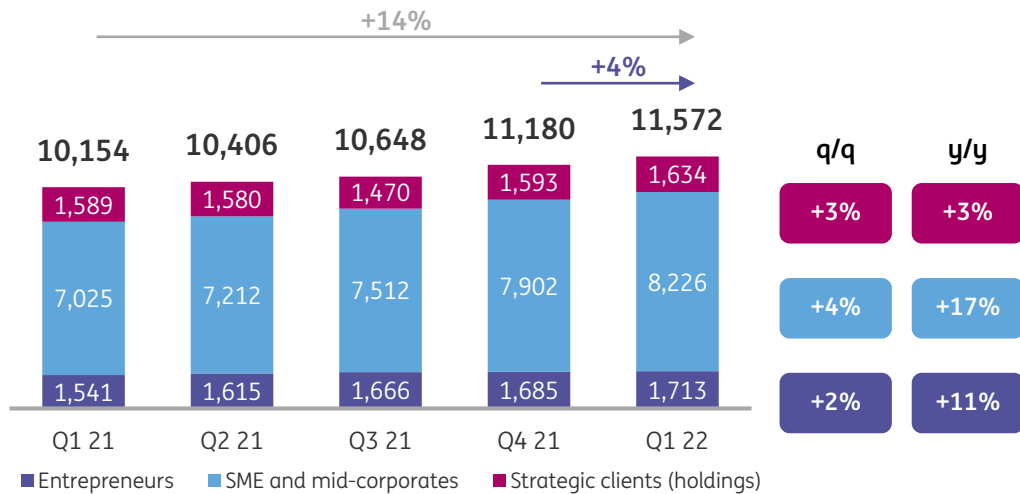


Corporate receivables

Loans volume (gross; PLN million)



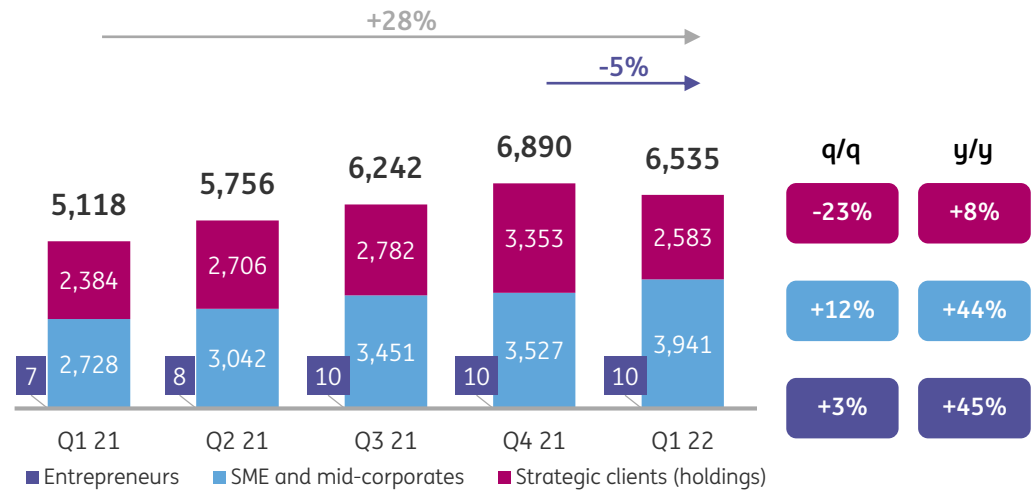
Leasing receivables volume* (gross; PLN million)



*Leasing loans excluded

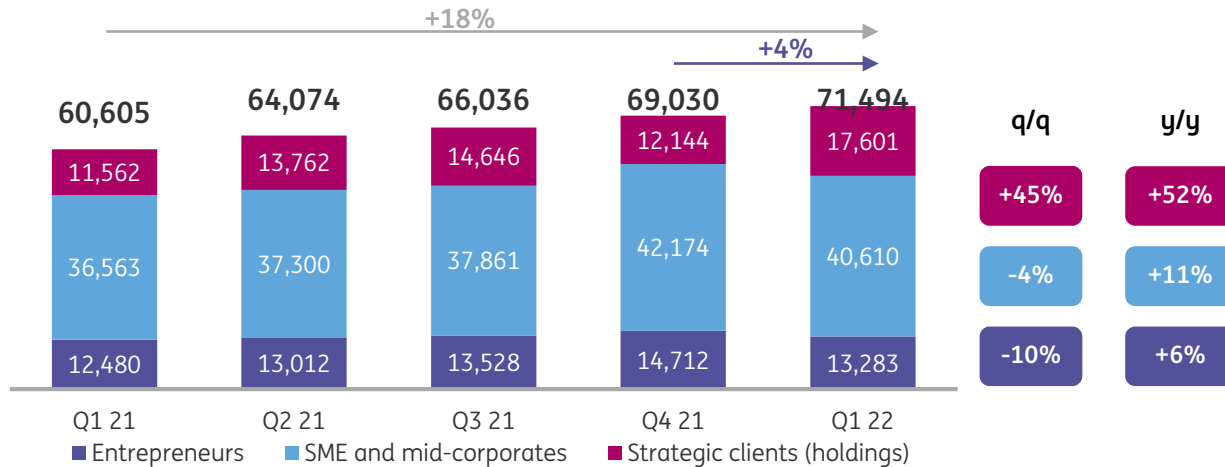


Factoring receivables volume (gross; PLN million)



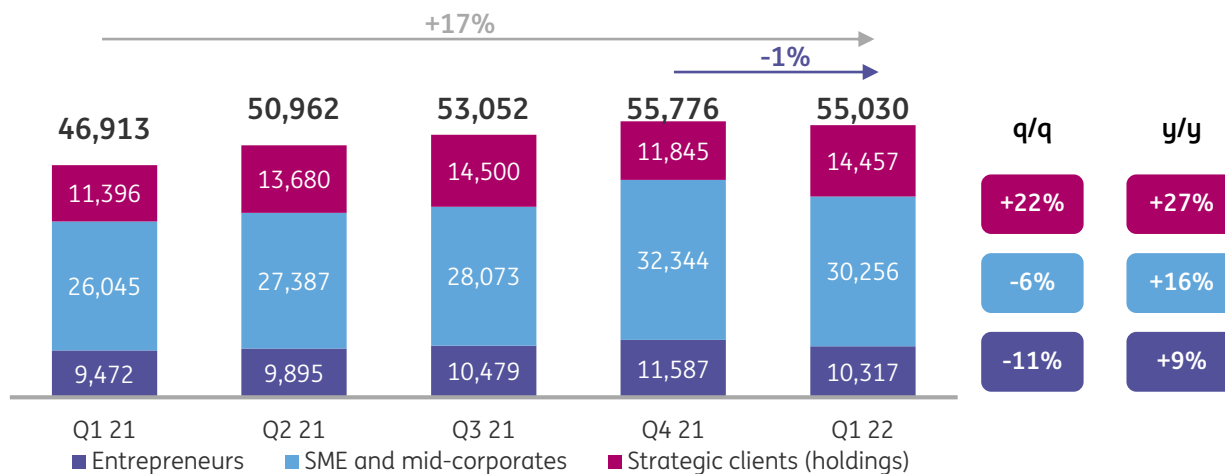
Cash management

Corporate deposit volume (PLN million)



+4,200
new SME and mid-corporate clients
acquired in Q1 2022

Corporate current accounts volume (PLN million)



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

- 138 depositories,
- 139 depositories in customer locations,
- 228 CDMs in customer locations,
- 10 fee collection machines in customer locations.

**Number of mobile transfers in
ING Business increased by
+43% y/y**

Selected initiatives

Webinar for clients - Modern transactional banking, changes and security

We shared with clients information about the upcoming changes resulting from the standardization of payment formats by SWIFT as part of the CBPR + project and adaptation to the ISO 20022 standard. We also presented current issues in the field of IT security - how to protect against hacker attacks. We also discussed the security area within the ING Business system, which we offer as part of supporting safe processes on the part of clients.

ING finances the Famur Group's photovoltaic project for the amount of PLN 428 million

ING Bank Śląski concluded a loan agreement for the amount of up to PLN 428 million (ING share is 60%) to finance the construction of a portfolio of large-scale photovoltaic farms with a total capacity of 134.4 MW belonging to Projekt Solartechnik Fund Fundusz Inwestycyjny Zamknięty from the Famur Group. The planned annual electricity production is estimated at approximately 149 GWh. The transaction is largely based on the state-guaranteed support system for renewable energy sources in the form of the so-called contract for difference. It ensures a stable level of selling prices of generated electricity during the 15-year support period.



Financial results

and other information

Income statement

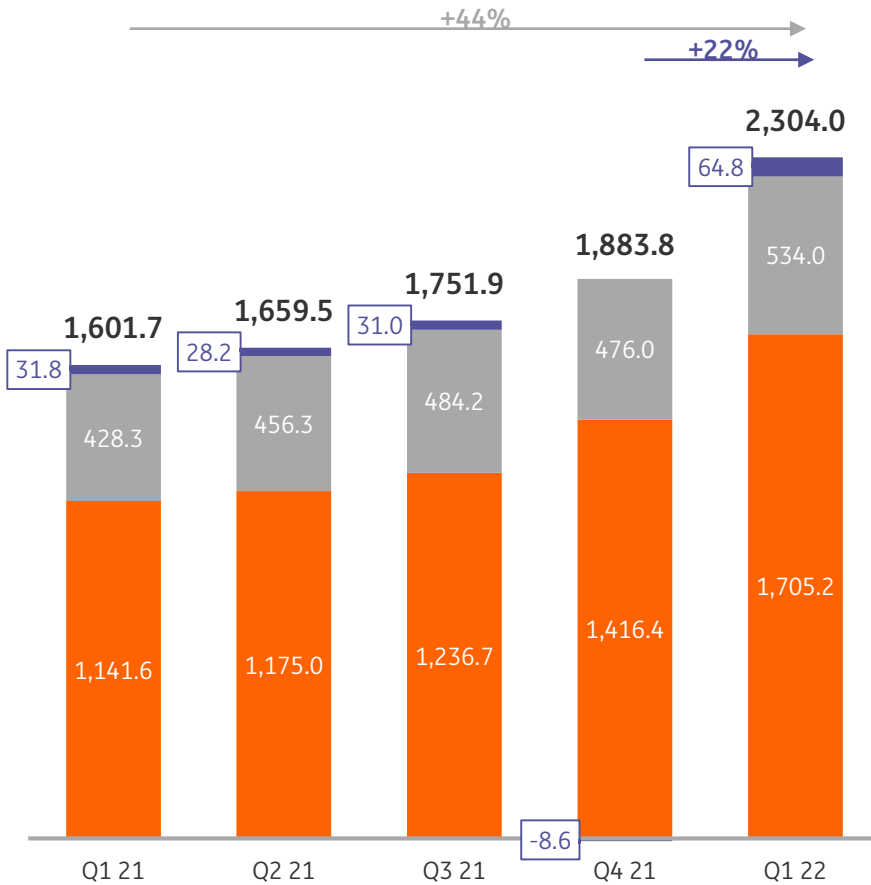
Consolidated income statement (PLN m)	Q1	Q2	Q3	Q4	Q1	q/q		y/y	
	2021	2021	2021	2021	2022	Δ	%	Δ	%
Net interest income, of which:	1,141.6	1,175.0	1,236.7	1,416.4	1,705.2	288.8	20.4%	563.6	49.4%
Interest income	1,267.6	1,297.1	1,352.3	1,515.4	1,791.0	275.6	18.2%	523.4	41.3%
Interest expenses	126.0	122.1	115.6	99.0	85.8	-13.2	-13.3%	-40.2	-31.9%
Net commission income	428.3	456.3	484.2	476.0	534.0	58.0	12.2%	105.7	24.7%
Result on trade operations and revaluation	23.4	19.8	21.5	-11.7	58.2	69.9	-	34.8	148.7%
- Net income on instruments measured at fair value through profit or loss and FX result	34.3	15.4	22.4	-7.8	47.1	54.9	-	12.8	37.3%
- The result on the sale of securities measured at amortized cost	0.0	0.0	0.0	2.8	-3.9	-6.7	-	-3.9	-
- Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	0.0	7.7	3.9	26.8	2.1	-24.7	-92.2%	2.1	-
- Net income on hedge accounting	-10.9	-3.3	-4.8	-33.5	12.9	46.4	-	23.8	-
Net income on other core activities	2.3	1.3	1.7	-5.2	-0.2	5.0	-96.2%	-2.5	-
Share in net profit (loss) of associated entities recognised under the equity method	6.1	7.1	7.8	8.3	6.8	-1.5	-18.1%	0.7	11.5%
Income	1,601.7	1,659.5	1,751.9	1,883.8	2,304.0	420.2	22.3%	702.3	43.8%
Expenses	820.8	692.0	694.2	757.5	931.4	173.9	23.0%	110.6	13.5%
- personnel expenses	355.0	358.0	359.9	424.1	361.3	-62.8	-14.8%	6.3	1.8%
- depreciation and amortisation	71.4	71.6	70.8	72.5	68.5	-4.0	-5.5%	-2.9	-4.1%
- regulatory expenses	179.5	28.2	28.2	28.4	248.6	220.2	775.4%	69.1	38.5%
- other expenses	214.9	234.2	235.3	232.5	253.0	20.5	8.8%	38.1	17.7%
Profit before risk costs	780.9	967.5	1,057.7	1,126.3	1,372.6	246.3	21.9%	591.7	75.8%
Risk costs including legal cost of risk for FX mortgage loans	128.8	19.1	80.4	144.1	151.6	7.5	5.2%	22.8	17.7%
- retail	67.9	-27.2	31.9	61.8	56.1	-5.7	-9.2%	-11.8	-17.4%
- corporate	60.9	46.3	48.5	82.3	95.5	13.2	16.0%	34.6	56.8%
Tax on certain financial institutions	125.9	130.9	138.2	149.7	151.7	2.0	1.3%	25.8	20.5%
Profit (loss) before tax	526.2	817.5	839.1	832.5	1,069.3	236.8	28.4%	543.1	103.2%
Income tax	140.6	202.2	200.7	163.5	276.5	113.0	69.1%	135.9	96.7%
Net profit (loss), of which:	385.6	615.3	638.4	669.0	792.8	123.8	18.5%	407.2	105.6%
Net profit (loss) attributable to the shareholders of ING BSK	385.6	615.3	638.4	669.0	792.8	123.8	18.5%	407.2	105.6%
Number of shares issued (m)	130.1	130.1	130.1	130.1	130.1	0.0	0.0%	0.0	0.0%
Earnings per share (PLN) - annualised	11.86	18.92	19.63	20.57	24.38	3.81	18.5%	12.52	105.6%

Statement of financial position

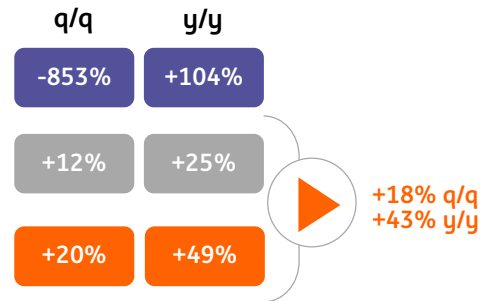
Consolidated statement of financial position (PLN m)						q/q		y/y		
	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Δ	%	Δ	%
ASSETS										
- Cash in hand and balances with the Central Bank	867.3	899.8	850.8	747.1	1,100.0	4,998.3	3,898.3	354.4%	4,098.5	455.5%
- Loans and receivables to other banks	704.6	1,336.4	709.5	913.8	704.8	1,074.4	369.6	52.4%	-262.0	-19.6%
- Financial assets measured at fair value through profit or loss	1,817.6	1,610.1	1,471.1	1,957.5	1,538.3	1,498.3	-40.0	-2.6%	-111.8	-6.9%
- Investment securities	54,170.6	54,707.2	55,221.6	49,443.6	45,584.4	37,312.3	-8,272.1	-18.1%	-17,394.9	-31.8%
- Derivative hedge instruments	1,194.8	873.6	882.0	593.3	250.4	323.4	73.0	29.2%	-550.2	-63.0%
- Loans and receivables to customers at amortised costs	124,655.3	129,453.2	133,768.8	141,168.6	146,536.0	149,709.7	3,173.7	2.2%	20,256.5	15.6%
- Assets securing liabilities	963.0	3,607.1	1,881.5	3,018.6	2,280.9	10,935.8	8,654.9	379.5%	7,328.7	203.2%
- Non-financial assets	1,339.7	1,300.6	1,267.4	1,233.6	1,208.6	1,317.9	109.3	9.0%	17.3	1.3%
- Tax assets	425.9	560.3	771.0	1,020.8	1,979.5	2,519.0	539.5	27.3%	1,958.7	349.6%
- Other assets	456.9	473.0	458.6	446.2	471.3	379.9	-91.4	-19.4%	-93.1	-19.7%
Total assets	186,595.7	194,821.3	197,282.3	200,543.1	201,654.2	210,069.0	8,414.8	4.2%	15,247.7	7.8%
EQUITY AND LIABILITIES										
LIABILITIES										
- Liabilities due to other banks	8,228.0	10,333.8	9,422.5	10,306.1	10,051.0	16,491.8	6,440.8	64.1%	6,158.0	59.6%
- Financial liabilities measured at fair value through profit or loss	1,530.8	1,194.3	1,040.4	1,434.4	1,679.6	1,794.4	114.8	6.8%	600.1	50.2%
- Derivative hedge instruments	558.5	549.6	454.0	406.0	235.4	362.5	127.1	54.0%	-187.1	-34.0%
- Liabilities due to customers	151,028.5	158,931.1	161,998.3	164,586.3	170,609.9	174,661.9	4,052.0	2.4%	15,730.8	9.9%
- Liabilities under issue of debt securities	1,370.5	596.5	546.2	547.2	972.4	398.0	-574.4	-59.1%	-198.5	-33.3%
- Subordinated liabilities	2,309.2	2,331.9	2,262.1	2,318.2	1,610.3	1,628.9	18.6	1.2%	-703.0	-30.1%
- Provisions	256.3	240.1	248.4	252.9	336.9	350.2	13.3	3.9%	110.1	45.9%
- Income tax liability	389.6	200.0	1.8	3.5	3.9	5.3	1.4	35.9%	-194.7	-97.4%
- Other liabilities	2,306.0	2,883.7	3,451.0	3,247.9	2,623.4	3,220.2	596.8	22.7%	336.5	11.7%
Total liabilities	167,977.4	177,261.0	179,424.7	183,102.5	188,122.8	198,913.2	10,790.4	5.7%	21,652.2	12.2%
EQUITY										
- Share capital	130.1	130.1	130.1	130.1	130.1	130.1	0.0	0.0%	0.0	0.0%
- Supplementary capital - share premium account	956.3	956.3	956.3	956.3	956.3	956.3	0.0	0.0%	0.0	0.0%
- Revaluation reserve	3,923.4	2,479.8	2,158.7	1,102.8	-2,821.0	-5,989.5	-3,168.5	112.3%	-8,469.3	-341.5%
- Retained earnings	13,608.5	13,994.1	14,612.5	15,251.4	15,266.0	16,058.9	792.9	5.2%	2,064.8	14.8%
Equity attributable to shareholders of ING BSK	18,618.3	17,560.3	17,857.6	17,440.6	13,531.4	11,155.8	-2,375.6	-17.6%	-6,404.5	-36.5%
- Non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
Total equity	18,618.3	17,560.3	17,857.6	17,440.6	13,531.4	11,155.8	-2,375.6	-17.6%	-6,404.5	-36.5%
Total equity and liabilities	186,595.7	194,821.3	197,282.3	200,543.1	201,654.2	210,069.0	8,414.8	4.2%	15,247.7	7.8%
Number of shares issued (m)	130.1	130.1	130.1	130.1	130.1	130.1	0.0	0.0%	0.0	0.0%
Book value per share (PLN)	143.11	134.98	137.26	134.06	104.01	85.75	-18.26	-17.6%	-49.23	-36.5%

Income per category

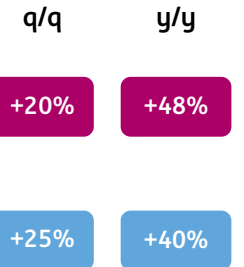
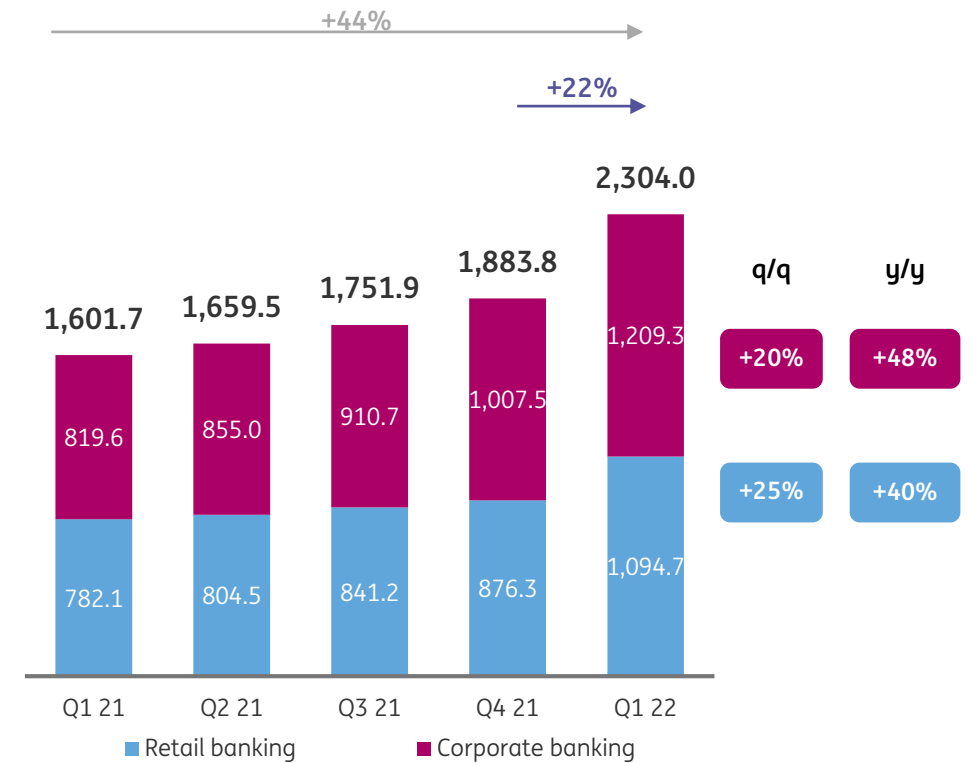
Income per P&L line (PLN million)



■ Net interest income
 ■ Net fees and commissions
 ■ Other income

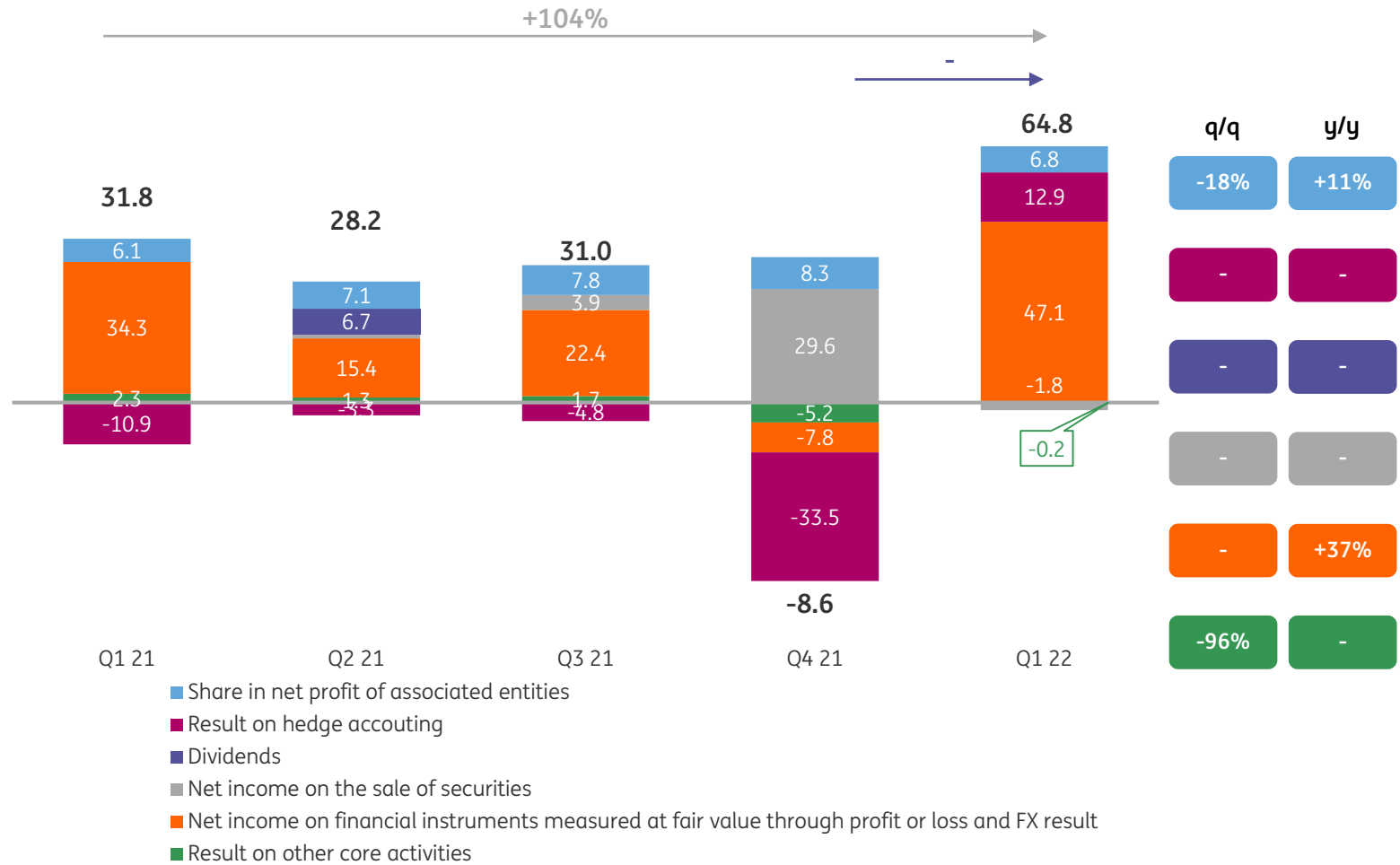


Income per business line (PLN million)



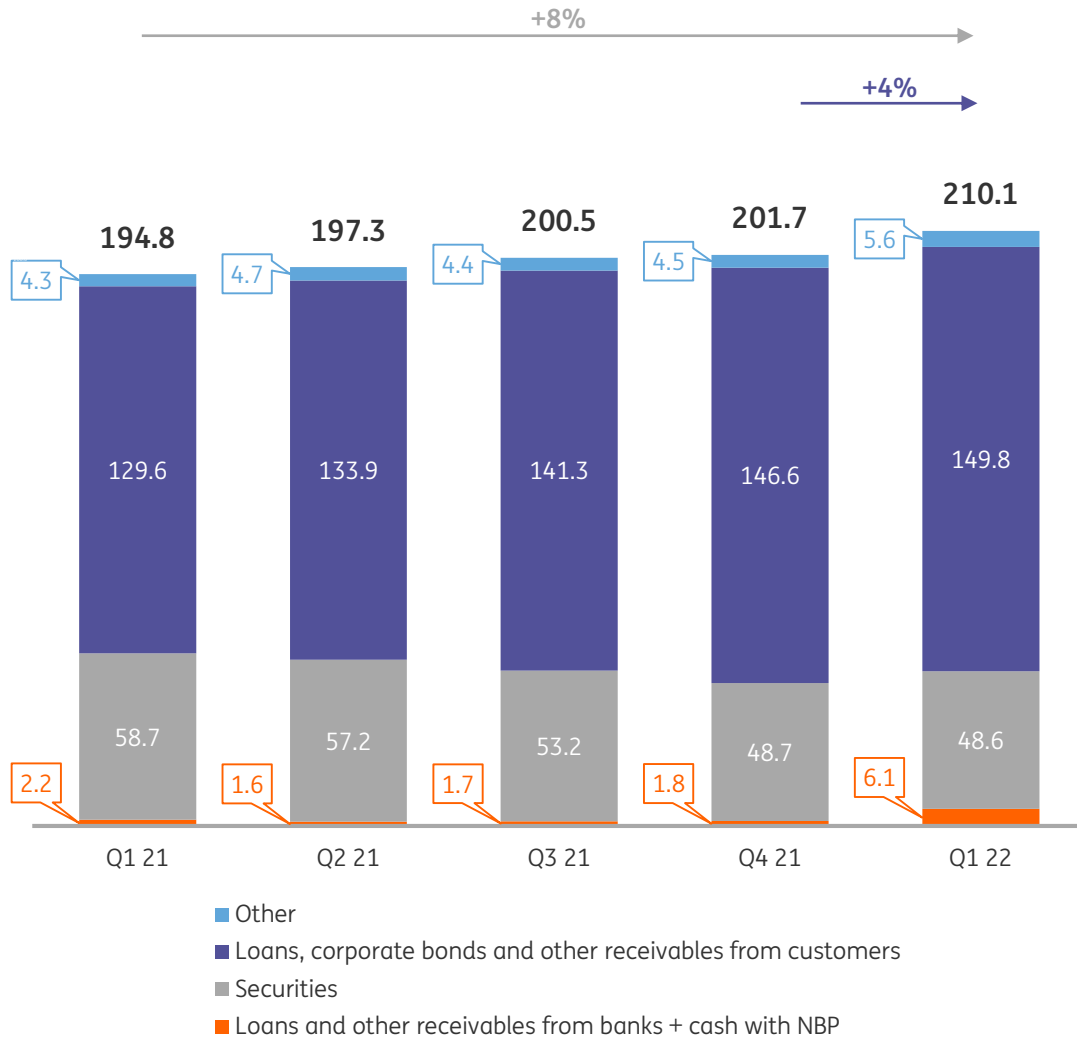
Other income

Other income (PLN million)

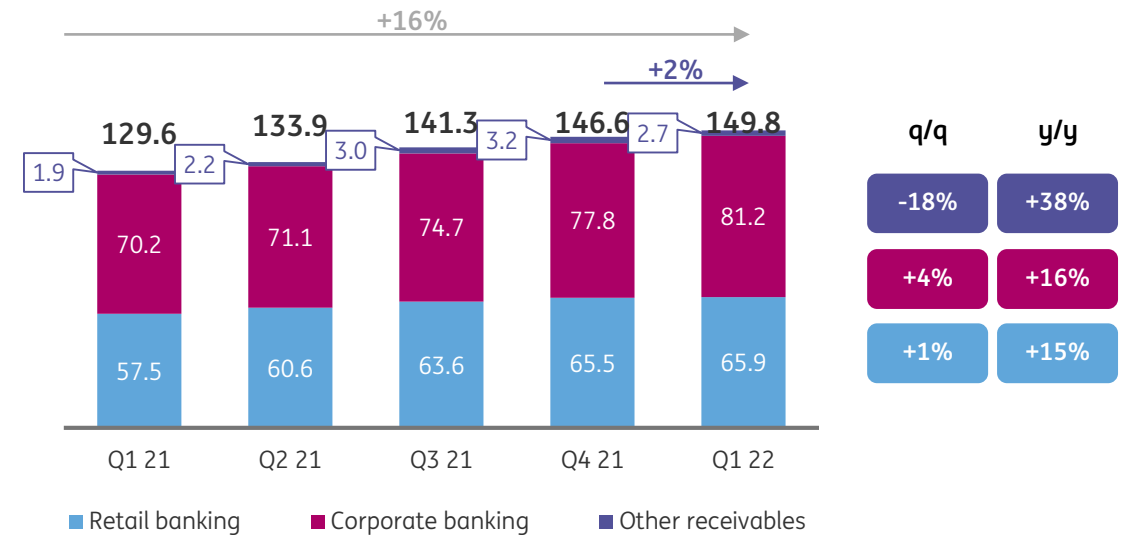


Bank assets

Asset structure (PLN billion)

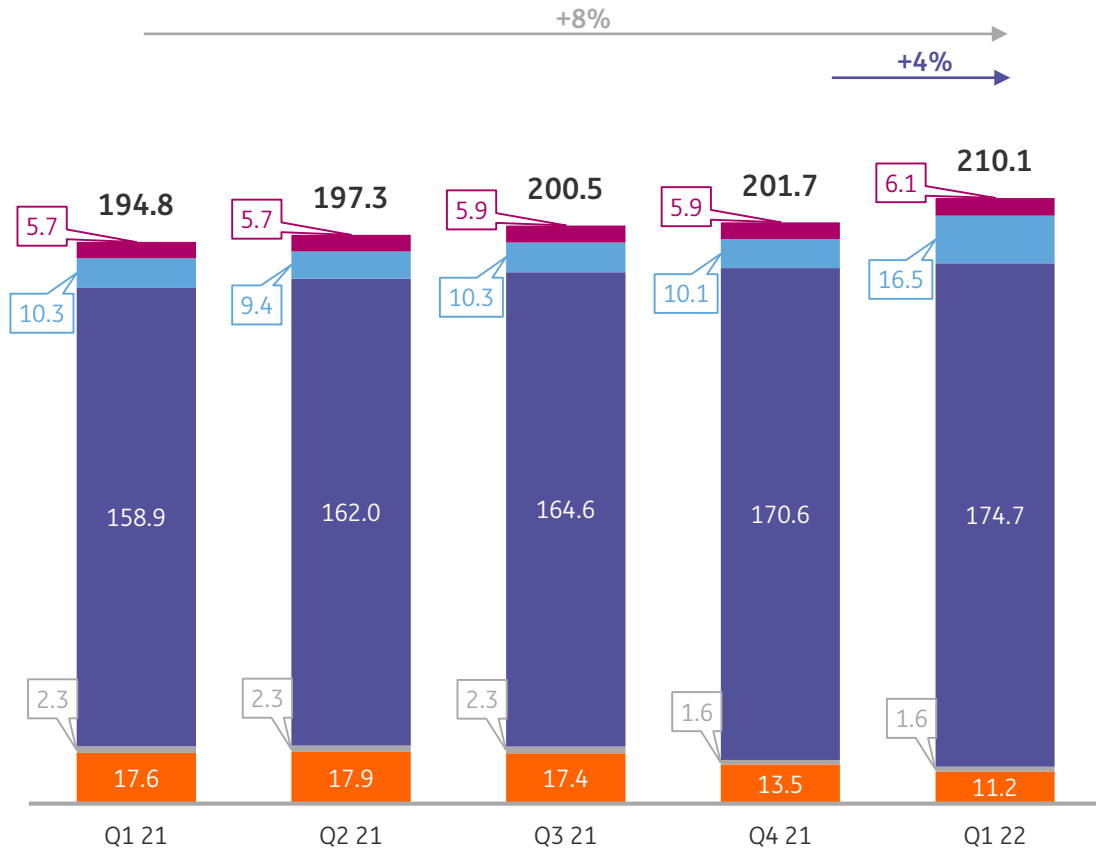


Loans and other receivables from customers (net; PLN billion)

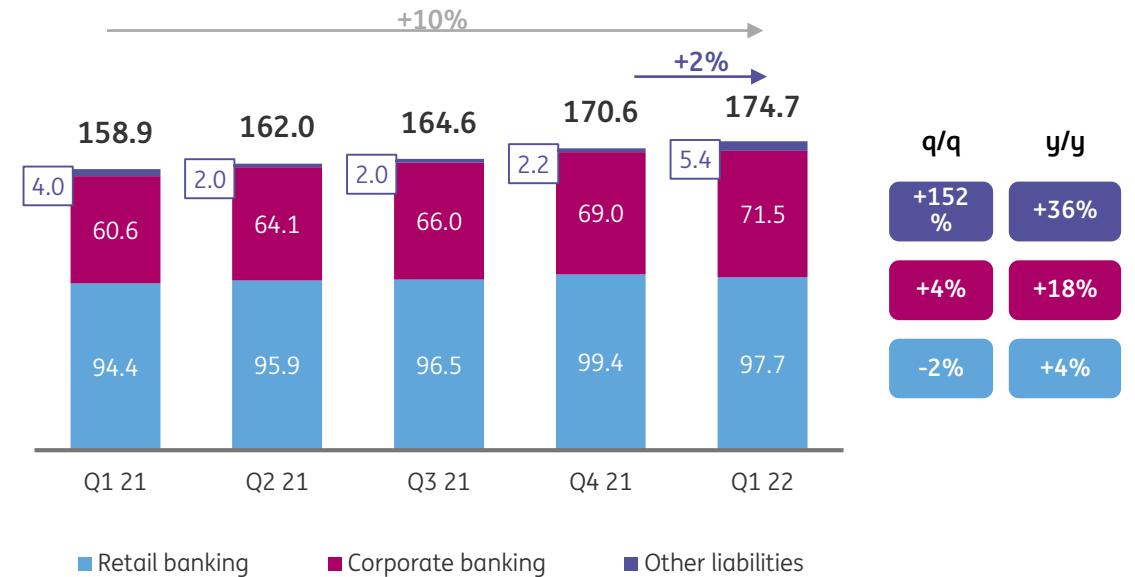


Bank equity and liabilities

Structure of equity and liabilities (PLN billion)



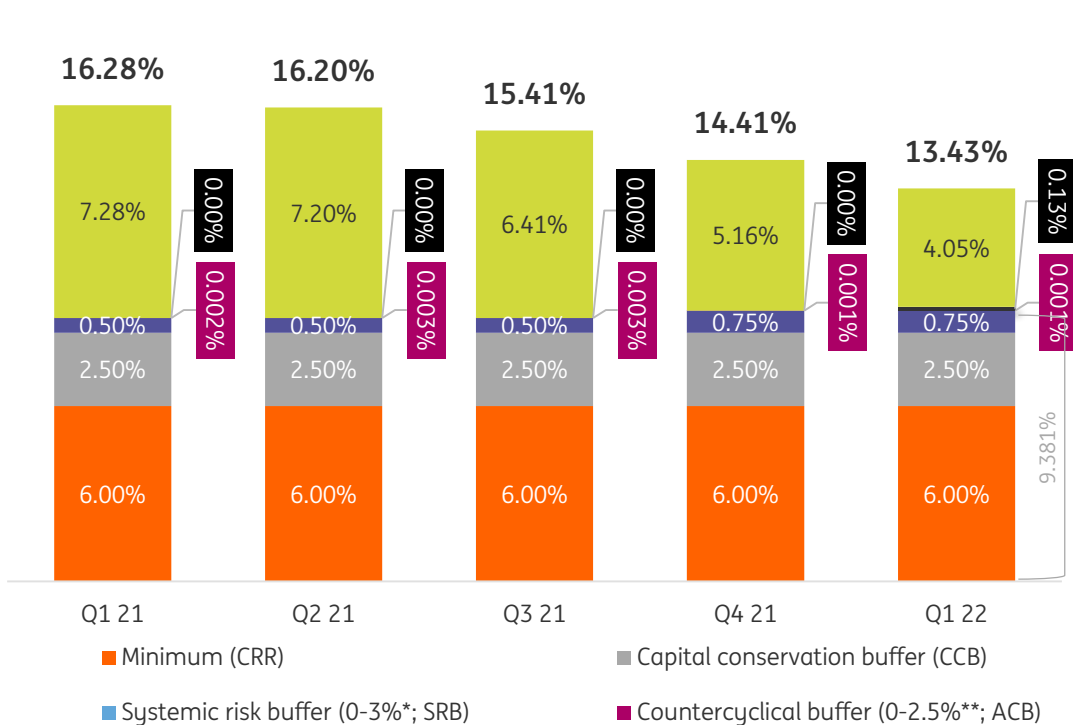
Deposits and other liabilities to customers (PLN billion)



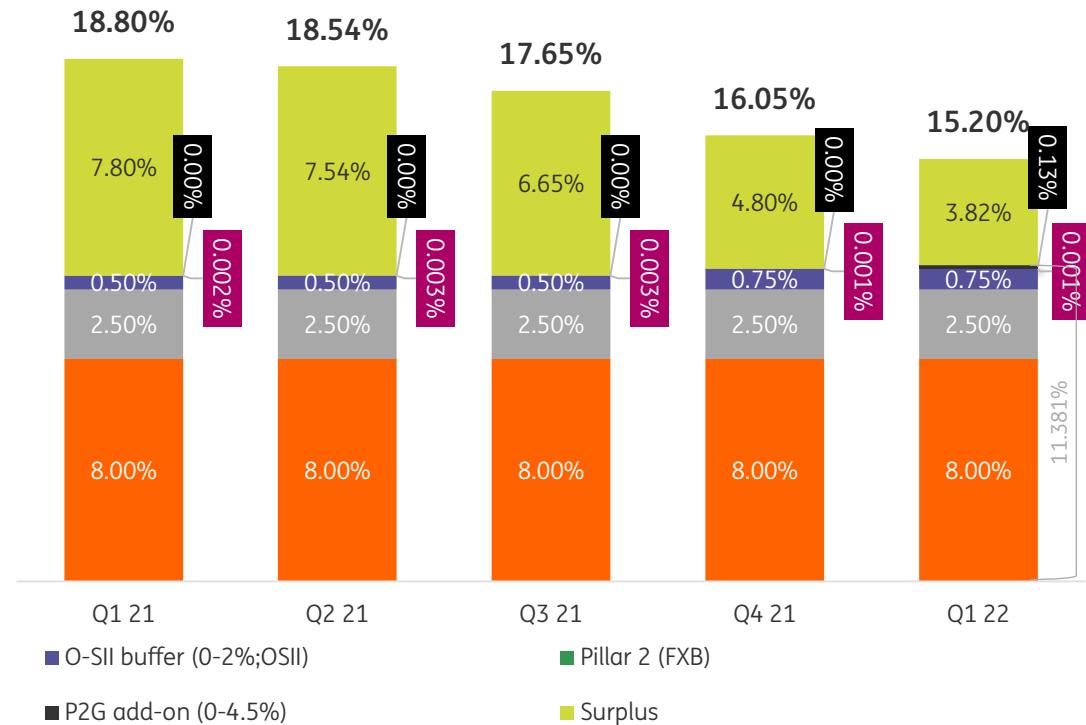
Equity Subordinated debt Deposits and other liabilities to clients Liabilities to banks Other

Capital requirement structure

Consolidated capital requirement structure – Tier 1



Consolidated capital requirement structure – TCR



MREL requirement ([according to information from BFG](#)) – the target level at the end of 2023 is 16.24% of the total risk exposure amount ("TREA") and 5.91% of the total exposure measure ("TEM") at the individual level. The mid-term goals are:

- Current – 12.12% TREA and 3.00% TEM,
- At the end of 2022 – 14.18% TREA and 4.46% TEM.

The MREL requirement should be met irrespective of the combined buffer requirement (ie the sum of systemic risk requirement, countercyclical buffer, capital conservation buffer and O-SII buffer).

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

Lending exposure by industry

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

Consolidated approach

No	Industry	Exposure as at 31.03.2022	%
1	Wholesale trade	10,121	12.2%
2	Real estate service	9,597	11.5%
3	Other activity related to business running	5,010	6.0%
4	Land transport and transport via pipelines	4,101	4.9%
5	Foodstuff and beverage production	3,931	4.7%
6	Manufacture of fabricated metal products	3,732	4.5%
7	Retail trade	3,430	4.1%
8	Constructions	3,366	4.0%
9	Financial intermediation	3,349	4.0%
10	Rubber industry	3,237	3.9%
11	Public administration and national defense	2,888	3.5%
12	Wood and paper industry	2,376	2.9%
13	Power industry	2,286	2.7%
14	Agriculture, forestry, fishery	2,004	2.4%
15	Renting of equipment	1,977	2.4%
16	Post office and telecommunications	1,826	2.2%
17	Sale, repair and maintenance of motor vehicles	1,814	2.2%
18	Chemicals and chemical goods production	1,695	2.0%
19	Machine industry	1,251	1.5%
20	Other	15,166	18.2%
Total		83,155	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 31.03.2022	%
1	Wholesale trade	15,091	12.1%
2	Real estate service	10,207	8.2%
3	Constructions	7,551	6.0%
4	Retail trade	7,072	5.7%
5	Other activity related to business running	6,819	5.5%
6	Manufacture of fabricated metal products	6,198	5.0%
7	Foodstuff and beverage production	5,572	4.5%
8	Land transport and transport via pipelines	5,349	4.3%
9	Financial intermediation	5,023	4.0%
10	Rubber industry	4,516	3.6%
11	Power industry	4,204	3.4%
12	Chemicals and chemical goods production	3,667	2.9%
13	Wood and paper industry	3,253	2.6%
14	Public administration and national defense	3,180	2.5%
15	Post office and telecommunications	3,022	2.4%
16	Sale, repair and maintenance of motor vehicles	2,785	2.2%
17	Renting of equipment	2,708	2.2%
18	Agriculture, forestry, fishery	2,201	1.8%
19	Machine industry	2,191	1.8%
20	Other	24,371	19.5%
	Total	124,980	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 for individual and corporate clients in all segments
- We serve clients through remote channels (including internet and mobile banking) and a network of branches fully equipped with self-service zones
- We have 4.4 million individual clients and 513 thousand corporate clients
- We employ 8.5 thousand people
- We are number four in Poland in terms of the number of customers and total assets as at the end of 2021

Credit ratings of ING Bank Śląski

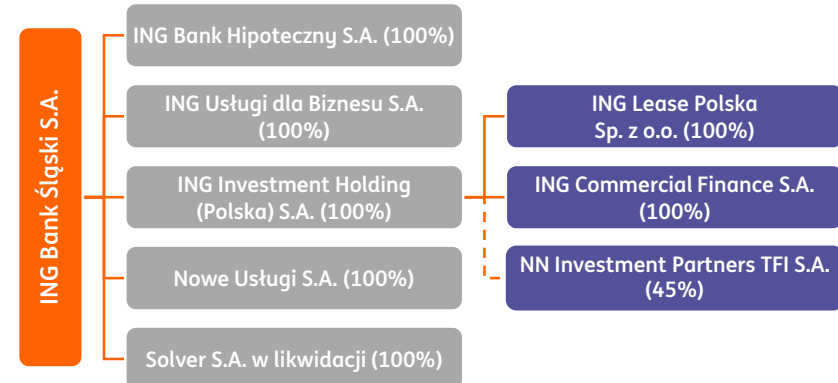
Fitch

- Entity Rating / Outlook: A + / Stable
- Short-term rating: F1 +
- Viability rating: bbb +
- Shareholder Support Rating: a+
- Long-term rating on a national scale / outlook: AAA (pol) / Stable
- Short-term rating on a national scale: F1 + (pol)

Moody's

- Long / short term deposit rating: A2 / P-1; outlook: Stable
- Individual BCA Assessment: baa2
- Adjusted BCA Score: baa1
- Counterparty risk assessment long / short term: A1 (cr) / P-1 (cr)

Structure of the ING Bank Śląski Group



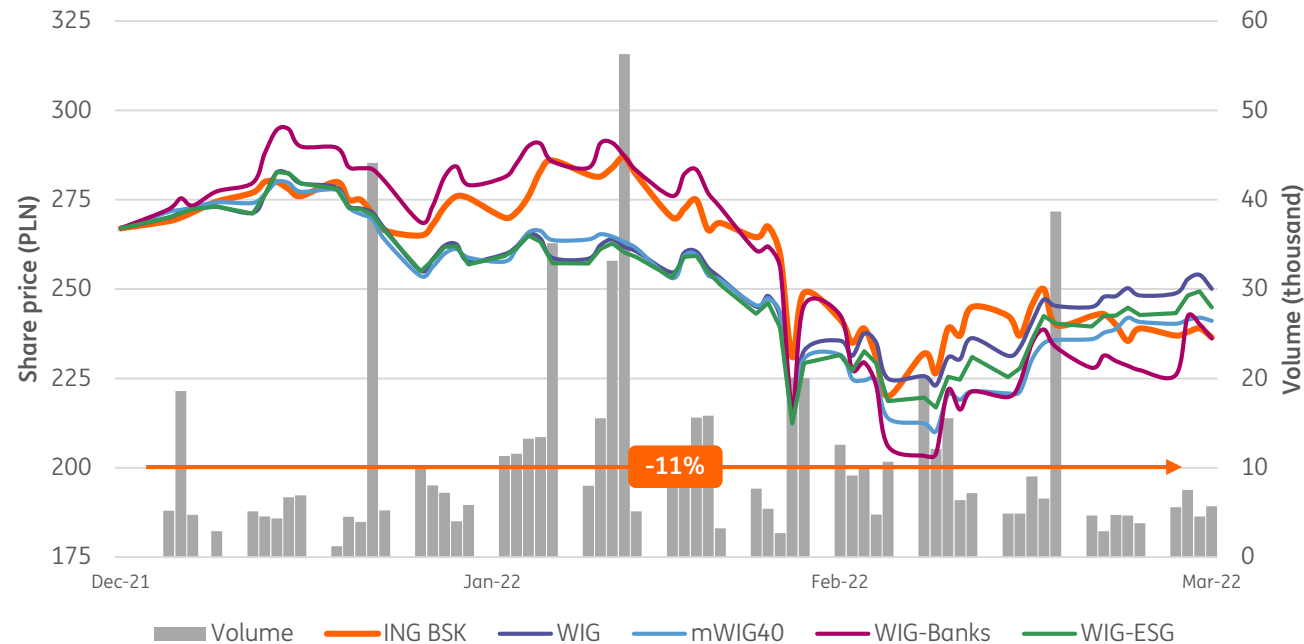
ING Bank Śląski S.A. shares

ING BSK share price :
PLN 236.5 (31 March 2022)

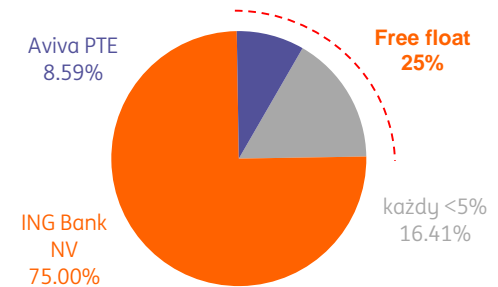
Capitalisation : **PLN 30.8 billion** (EUR 6.6 billion)
Free float : **PLN 7.7 billion** (EUR 1.7 billion)

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

ING BSK shares vs. WSE indices recalculated for comparability



Shareholding structure



Market ratios (Q1 2022)

P/E 11.3x

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 GPW Listed Companies 2021.

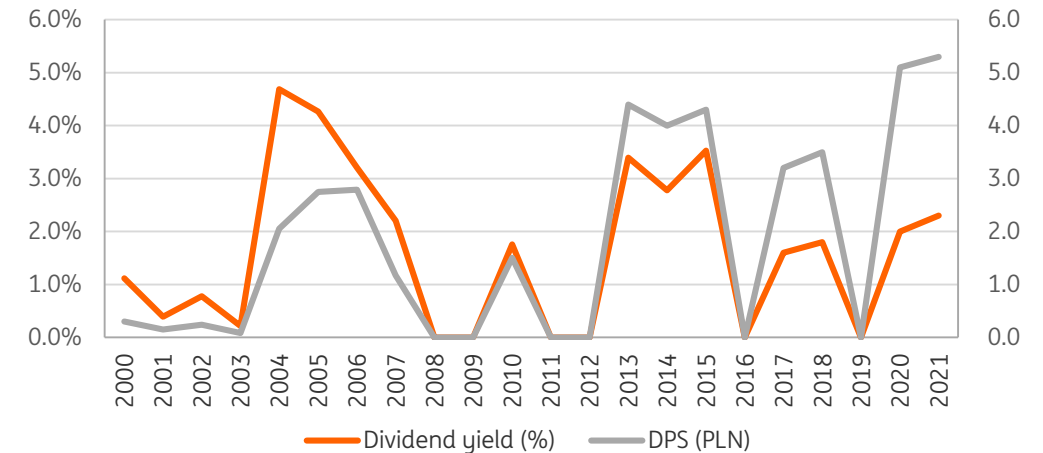
A proposal to pay a dividend in the amount higher than the dividend ratio referred to in point 1 is possible when it is justified by the financial standing of the Bank (e.g. from undivided profit from previous years) and provided that all other requirements set out in the law and the Policy are met. The Dividend Policy endorses the option to pay dividend from the capital surplus over the minimum capital adequacy ratios and over the minimum capital ratios set for the Bank by the PFSA for dividend payout purposes:

- minimum common equity Tier 1 (CET1) at the level of 4.5% + combined buffer requirement^[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 a year of dividend payment.

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

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

History of ING BSK dividends



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

Glossary

Simplified definitions of terms used in the presentation:

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

Date	Event
3 February 2022	Report for Q4 2021 (preliminary data)
11 March 2022	Annual report for 2021
7 April 2022	Ordinary General Meeting
15 April 2022	Dividend record day (PLN 5.30 gross per share)
4 May 2022	Dividend payout day (PLN 5.30 gross per share)
6 May 2022	Report for Q1 2022
4 August 2022	Report for Q2 2022
3 November 2022	Report for Q3 2022

Investor Information

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

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

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

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