



ING Bank Śląski S.A.

Preliminary Business and Financial Results

for Q4 2022

Warsaw, 2 February 2023





Table of contents

1. [Introduction to financial results and the Bank's market position](#)
2. [Updating information on the macroeconomic situation](#)
3. [Q4 2022 financial results](#)
4. [Appendices](#)

A hiker wearing a yellow jacket, blue vest, and yellow beanie is climbing a rocky mountain trail. The hiker has a large black backpack with a rolled-up green mat and a blue water bottle. The background shows a snowy mountain landscape with evergreen trees.

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

Key facts – Q4 2022

Client base

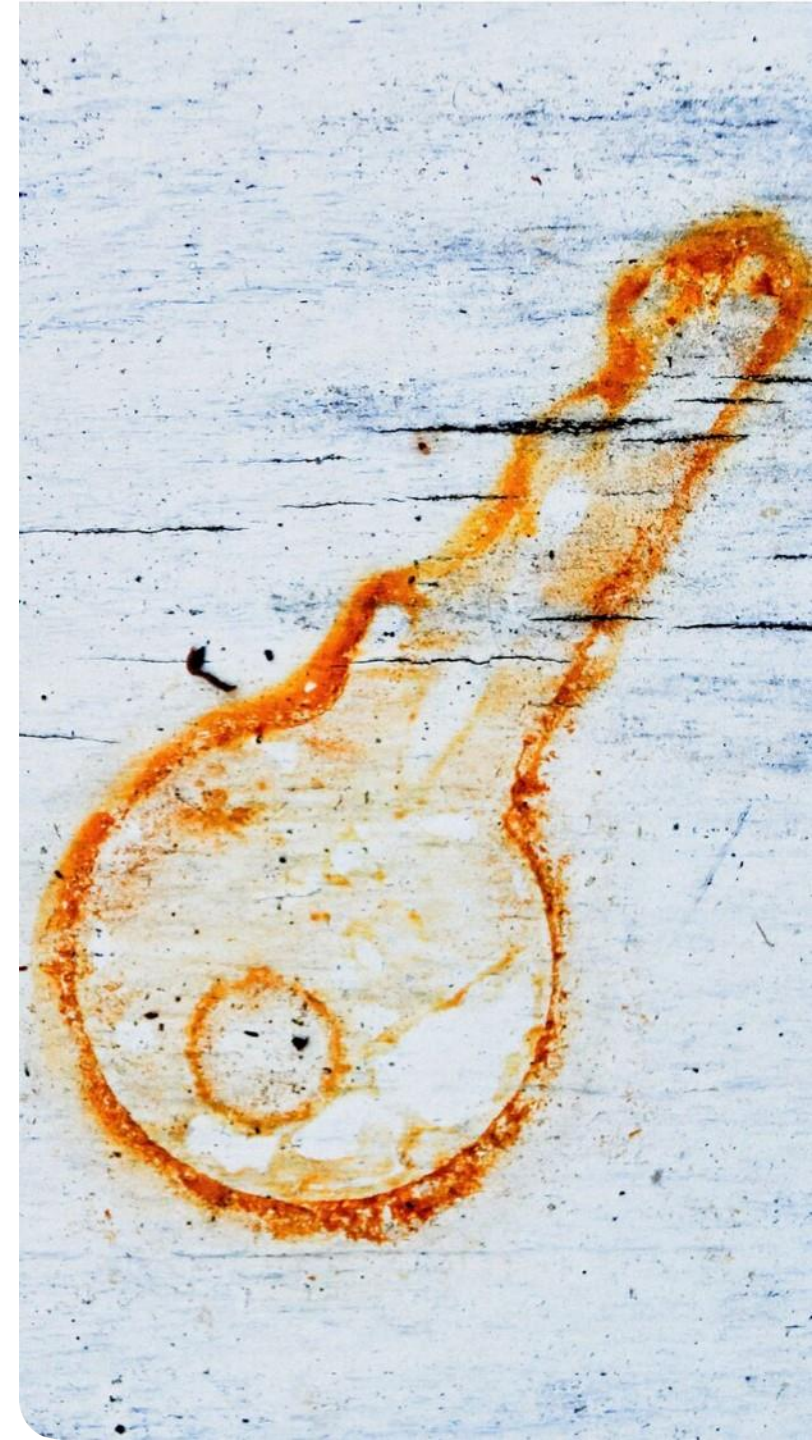
- 77 thousand new retail clients
- 17 thousand new corporate clients
- The number of active users of the My ING app increased by 51 thousand this quarter
- The share of mobile transfers was 52% of total transfers in Moje ING

Client volumes

- Corporate receivables portfolio increased by PLN 12.5 billion y/y (+16%), +0.8 billion q/q (+1%)
- Retail receivables portfolio decreased by PLN 2.4 billion y/y (-4%), PLN -0.1 billion q/q (0%)
- Clients' deposits increased by PLN 20.7 billion y/y (+12%), PLN +7.8 billion q/q (+4%)
- Commercial balance increased by PLN 30.8 billion y/y (+10%), PLN +8.4 billion q/q (+2%)

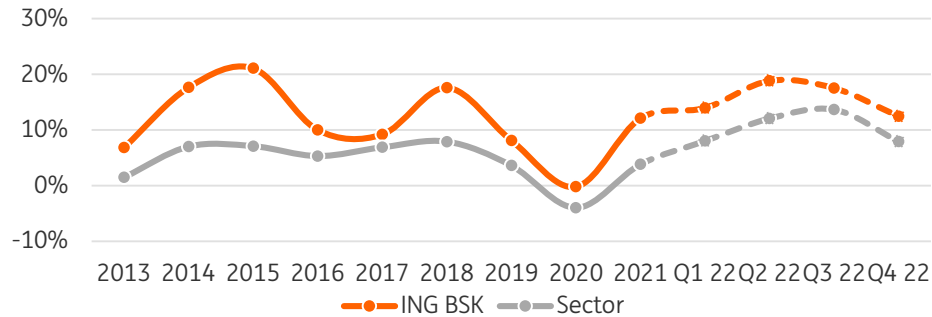
Financial results

- Gross profit of PLN 1,203.8 million (+45% y/y), net profit of PLN 895.9 million (+34% y/y)
- NII amounted to PLN 1,809.6 million (+28% y/y)
- Net fee and commission income of PLN 511.4 million (+7% y/y)
- Cumulative ROE adjusted for MCFH is 11.6% (14.4% a year earlier)



Market shares

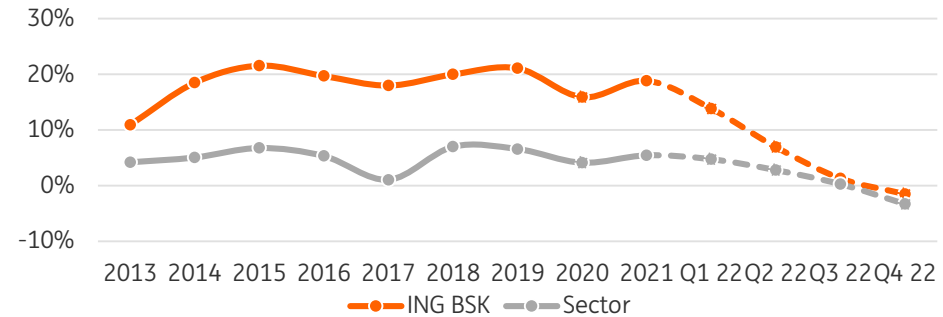
Corporate loans* (change y/y)



Market share (%)

7.45 8.19 9.26 9.68 9.89 10.78 11.25 11.69 12.62 12.66 12.88 12.97 13.15

Individuals' loans** (change y/y)



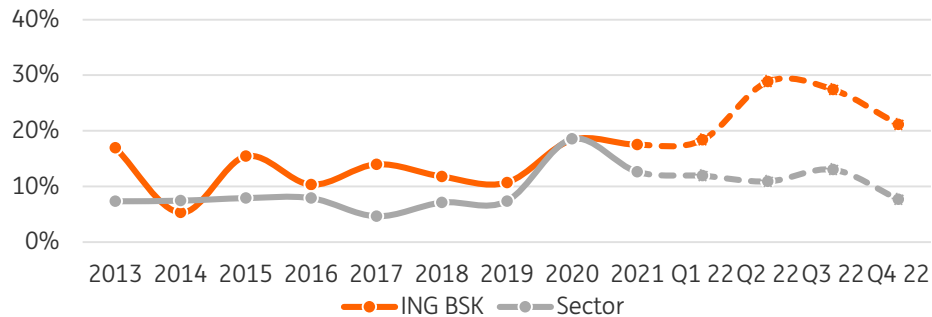
Market share (%)

3.25 3.67 4.18 4.75 5.54 6.21 7.06 7.86 8.86 8.92 8.84 8.78 9.02

Market share excl. FX*** (%)

4.43 4.92 5.56 6.21 6.86 7.56 8.39 9.29 10.25 10.29 10.20 10.20 10.37

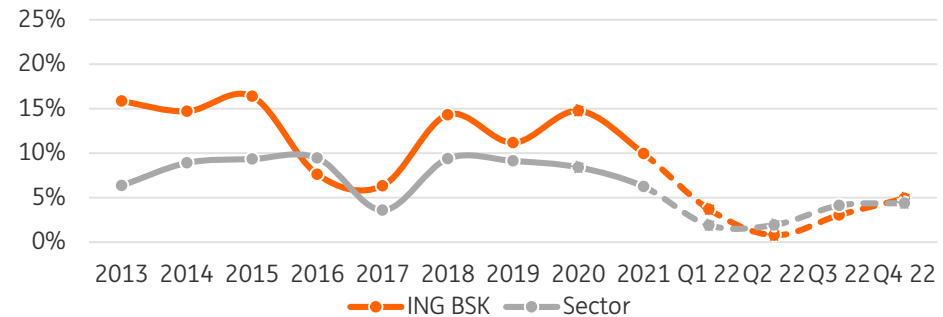
Corporate deposits* (change y/y)



Market share (%)

7.46 7.32 7.83 8.00 8.72 9.10 9.38 9.37 9.77 9.99 11.54 11.00 11.00

Individuals' deposits** (change y/y)



Market share (%)

7.66 8.06 8.58 8.44 8.66 9.05 9.22 9.76 10.10 10.11 9.96 10.00 10.16

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	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	% change q/q	% change y/y	Change q/q	Change y/y
Total deposits	154,960	160,016	162,559	168,459	169,242	177,089	181,385	189,157	+ 4%	+ 12%	7,772	20,698
Corporate deposits	60,605	64,074	66,036	69,030	71,494	80,452	81,913	84,656	+ 3%	+ 23%	2,744	15,627
Retail deposits	94,355	95,942	96,524	99,429	97,748	96,638	99,473	104,501	+ 5%	+ 5%	5,028	5,072
Total funds entrusted by retail clients	112,314	114,598	115,423	116,736	114,037	112,361	114,974	121,031	+ 5%	+ 4%	6,058	4,296
Mutual funds assets (TFI) + other off-BS products distributed by the Bank	17,960	18,656	18,899	17,307	16,290	15,723	15,501	16,531	+ 7%	- 4%	1,030	-776
Total loans	131,005	134,715	141,251	146,478	150,096	153,823	155,982	156,629	+ 0%	+ 7%	647	10,151
Loans to corporate clients incl. leasing and factoring	72,399	73,210	76,742	79,992	83,228	87,920	91,783	92,532	+ 1%	+ 16%	750	12,540
Loans to retail clients	58,605	61,505	64,508	66,486	66,868	65,903	64,200	64,097	- 0%	- 4%	-103	-2,389
Mortgage loans	50,406	52,983	55,536	57,410	57,861	56,900	55,468	55,370	- 0%	- 4%	-98	-2,041
Cash loans	7,053	7,334	7,713	7,816	7,747	7,682	7,418	7,385	- 0%	- 6%	-33	-431

Financial highlights

<i>PLN million</i>	Q4 2021	Q3 2022	Q4 2022	Change y/y	% change y/y	2021	2022	Change y/y	% change y/y
Total income	1,883.8	722.4	2,321.2	+437.4	+23%	6,896.9	7,722.2	+825.3	+ 12%
Total expenses	-757.5	-821.6	-689.0	+68.5	- 9%	-2,964.5	-3,642.1	-677.6	+ 23%
Result before risk costs	1,126.3	-99.2	1,632.2	+505.9	+45%	3,932.4	4,080.1	+147.7	+ 4%
Risk costs including cost of legal risk for FX mortgage loans	-144.1	-206.0	-259.3	-115.2	+80%	-372.4	-800.1	-427.7	+ 115%
Bank levy	-149.7	-164.8	-169.1	-19.4	+13%	-544.7	-646.9	-102.2	+ 19%
Gross profit	832.5	-470.0	1,203.8	371.3	+45%	3,015.3	2,633.1	-382.2	- 13%
Income tax	-163.5	152.7	-307.9	-144.4	+88%	-707.0	-688.7	+18.3	- 3%
Net profit	669.0	-317.3	895.9	+226.9	+34%	2,308.3	1,944.4	-363.9	- 16%
Total capital ratio	16.05%	14.43%	15.21%	- 0.84 p.p.	-	16.05%	15.21%	-0.84 p.p.	-
Tier 1	14.41%	12.90%	13.69%	- 0.72 p.p.	-	14.41%	13.69%	-0.72 p.p.	-
ROE (%)	13.6%	15.0%	19.7%	+6.1 p.p.	-	13.6%	19.7%	+6.1 p.p.	-
ROE adjusted for MCFH (%)*	14.4%	10.3%	11.6%	-2.8 p.p.	-	14.4%	11.6%	-2.8 p.p.	-
Total expenses with bank levy / total income (%)	48.2%	136.5%	37.0%	-11.2 p.p.	-	50.9%	55.5%	+4.7 p.p.	-

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



Meeting 2022 business goals in Q4 2022

- **Clients' activities and digitalisation**
 - In the last quarter, we acquired 77 thousand new retail clients and 17 thousand new corporate clients.
 - We have 2.11 million primary clients in the retail segment and 205 thousand primary clients in the corporate segment.
 - The number of mobile only clients in retail banking increased to 1.8 million (+20% y/y).
 - There were 85.4 million My ING transfers (-1% y/y), of which 52% were transfers made in mobile banking.
 - We processed 11.9 million transactions in our payment terminals (+14% y/y).
 - Our clients made a total of 39.5 million BLIK transactions (+32% y/y).
- **Full regulatory compliance**
 - We implemented all recommendations with deadlines in Q4 2022 on time.
 - We have completed our internal risk culture campaign.
- **Employee motivation and empowerment**
 - We have adapted the benefit offer to the hybrid work model.
 - We have implemented the Udemy Business platform with a library of over 15,000 expert courses, thanks to which each employee has the opportunity to develop according to their individual needs.
 - We have provided a modern e-tutor platform where each employee can develop and strengthen their language skills.
 - We have implemented the Mindgram platform, whose task is to promote mental health.
- **System stability and availability, security**
 - The availability of My ING and ING Business at the end of 2022 was 99.98% and 99.86%, respectively.
 - In the fourth quarter, we moved 4 more business applications to the public cloud.
- **Operational Efficiency, AI and Data Management**
 - The value of the DIGI60* index is 41.3% vs target of 39% (18% at the end of 2021).
 - The number of clients per FTE of the Operations division is 2,800 (2,700 at the end of 2021).
 - We have implemented two more automation initiatives using AI in operational areas and have made two more processes available to clients in the self-service model using low-code design technology.
 - We have 228 meeting places (-29 compared to the end of 2021) and 55 cash points (-11 compared to the end of 2021).
- **ESG**
 - We have announced the winners of the 2nd edition of the Grant Program for start-ups and young scientists. We donated PLN 1 million for the best solutions supporting sustainable consumption and production.
 - We are the first company in Poland with an ESG rating awarded by Sustainable Fitch.
 - We have developed an ESG risk management policy that comprehensively describes the process, tools and methodologies.
 - We have provided the CyberRescue service to support customers in the field of online safety.
 - We limited the use of our office space until the end of February 2023 to support the availability of energy for institutions of key importance to society.
 - Once again, we became a partner of the nationwide Olympiad of social projects for young people Zwolnieni z Teorii.
 - We signed the Climate Appeal prepared by Polish scientists and WWF Poland.
 - We won first place, and thus the title of diamond leader in the ESG Strategy category in the second edition of the ESG Leaders competition.
 - We adapt the Moje ING system to be used by visually impaired people in accordance with the Web Content Accessibility Guidelines 2.1.

*ING DIGI index – digitalisation rate is the percentage of volume of a customer journey that is handled without any manual intervention. DIGI Index covers customer journeys that amount to 80% of all interactions. DIGI60 index covers top 5 customer journeys.

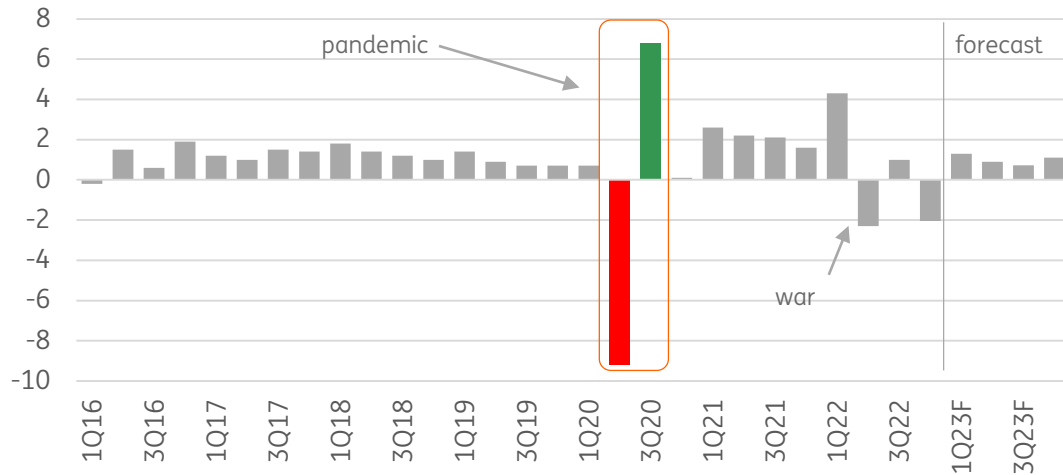


Updated information

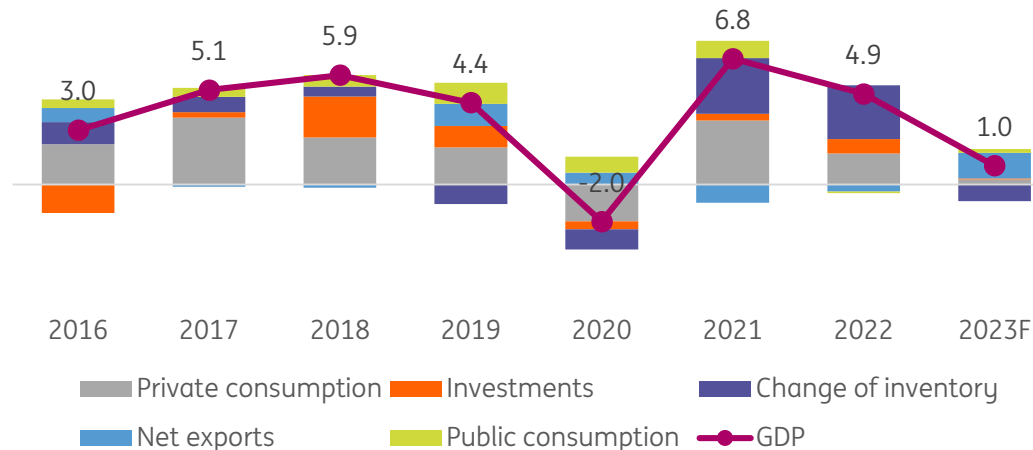
on the macroeconomic situation

GDP: High resilience of the economy to shocks

GDP q/q (%) seasonally adjusted: a significant part of the slowdown is behind us



In 2023, the economy will grow by 1% y/y

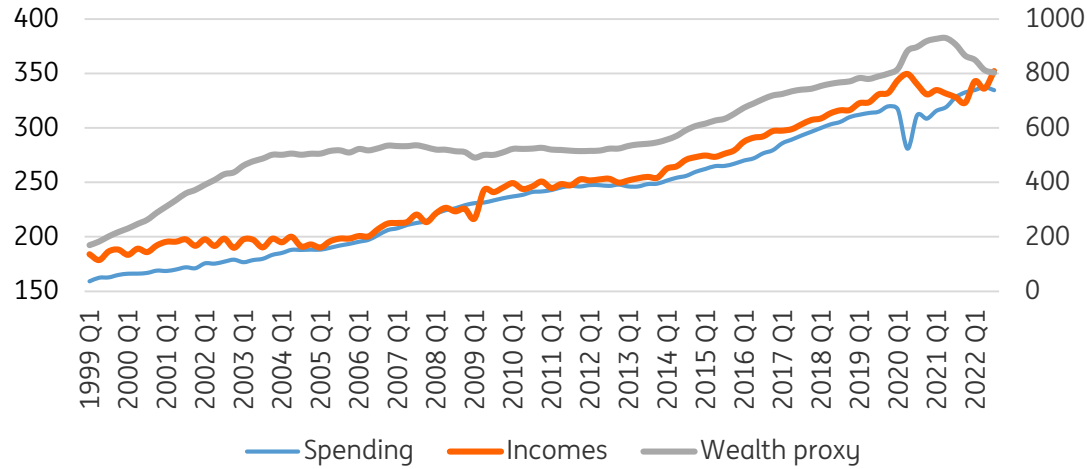


- In 2022, the economy had to face further shocks: war, energy crisis, interest rate increases in Poland and abroad.
- The rate of GDP slowed down, but Poland avoided a technical recession. The post-pandemic opening effect and the unblocking of supply chains have significantly supported the industry.
- In 2023, we forecast GDP growth at 1% y/y, above the consensus:
 - exports will remain the driving force of growth (cheaper energy and the opening in China led to a revision of forecasts for the Eurozone),
 - inflation-related shock will weaken private consumption,
 - corporate investment - one of the lowest plans ever,
 - public investment is likely to surprise positively,
 - public investments have a chance to surprise positively,
 - reduced inventories will significantly lower GDP.

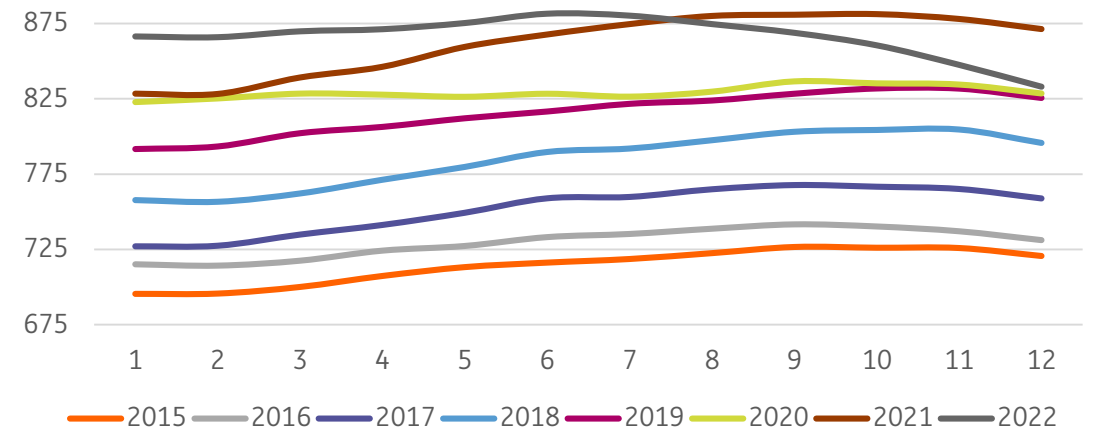
Conclusion: Economy weathered shocks well, with most of the slowdown in 2022, 2023 forecasts improved.

GDP: Balance of risks

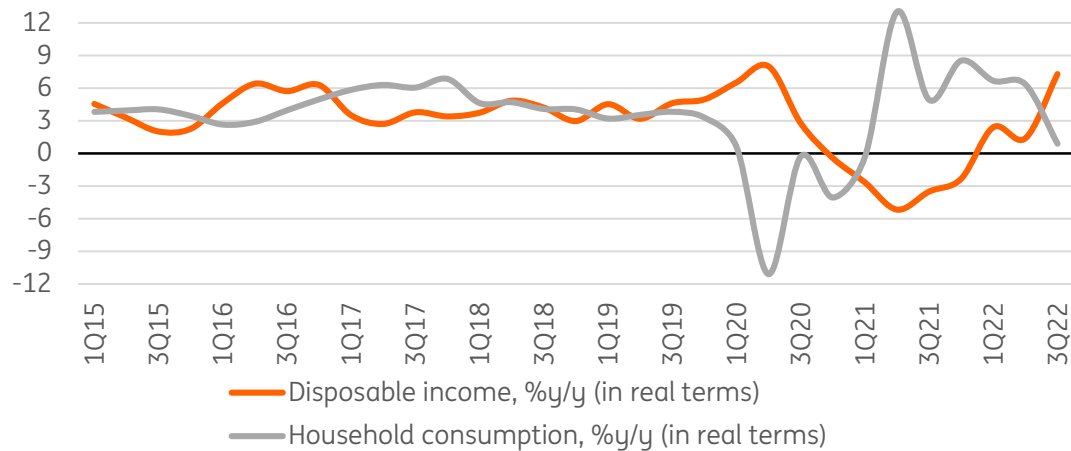
End of pandemic savings



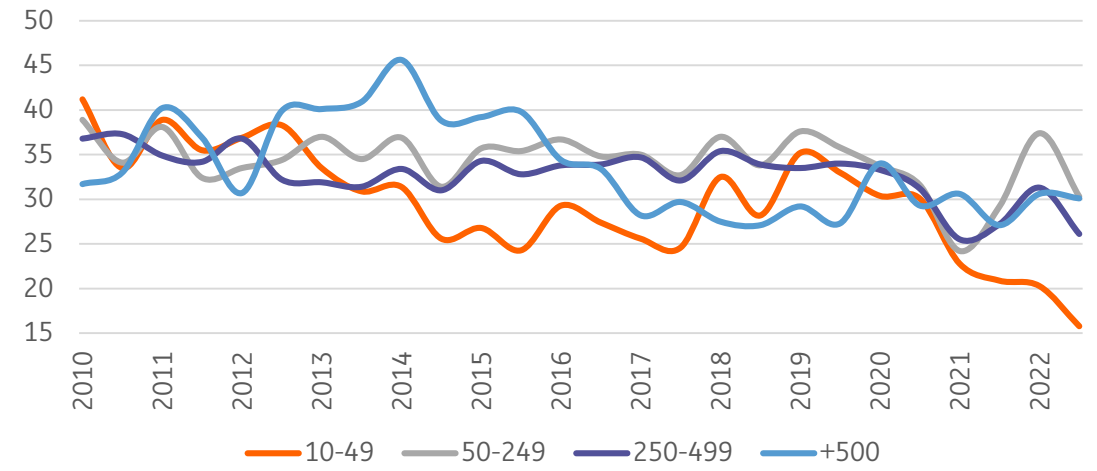
Housing construction in collapse: number of apartments under construction (thousands)



Fall in real income smaller than wages

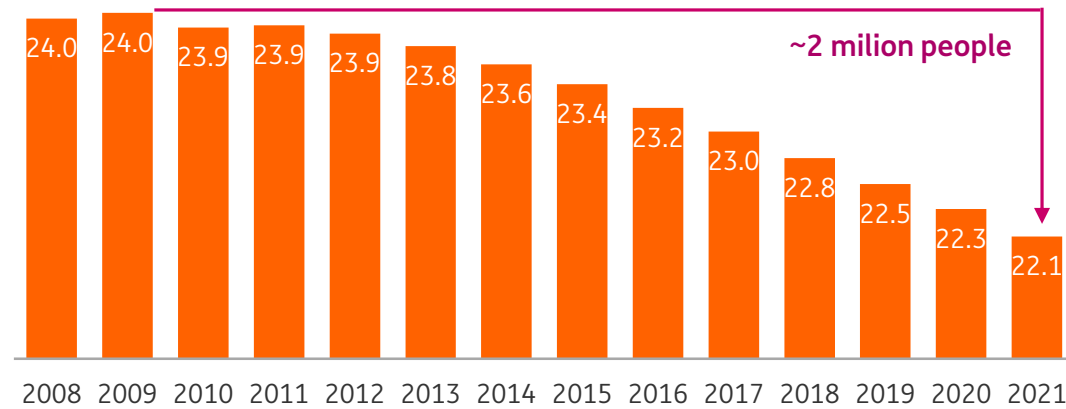


Financing investments with credit: a collapse in demand from small businesses

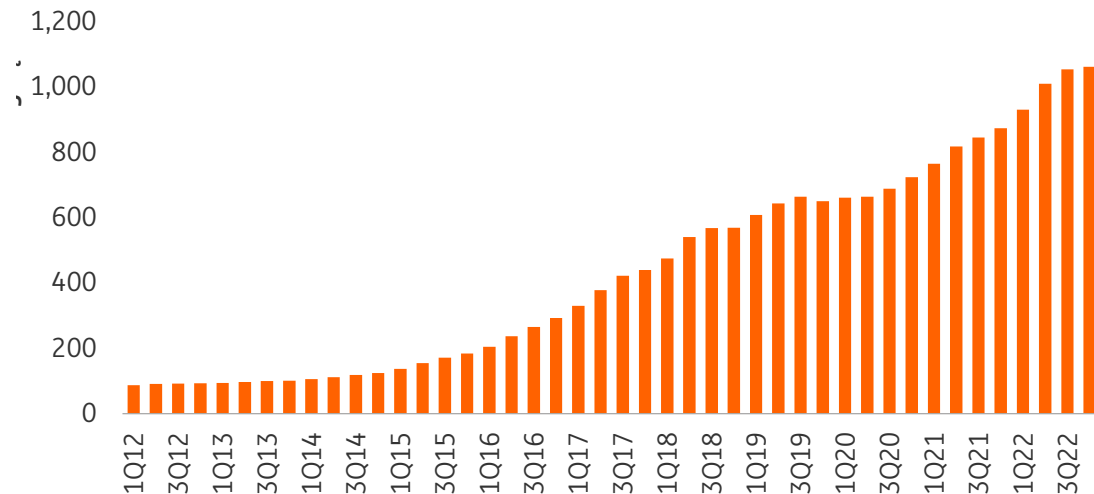


The condition of the labor market will remain favorable despite the slowdown

Working age population (19-60/64; million people)



Foreigners insured in ZUS, thousand people

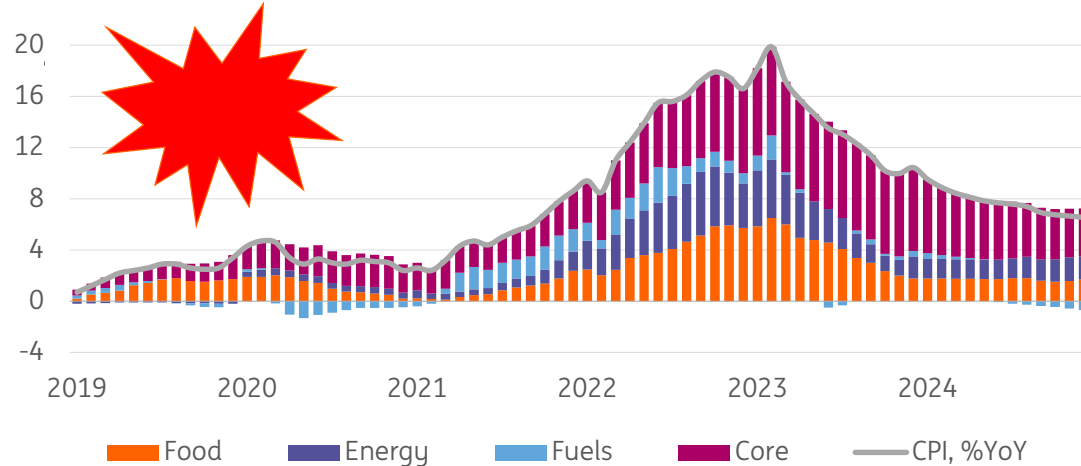


- The situation on the labour market is largely shaped by supply (demographic) factors.
- For more than two decades, we have seen a decline in the working-age population.
- The increase in the number of employees is due, among others, to growing professional activity of older people.
- The strong demand for labour and labour shortages are also evidenced by the decline in the number of helping family members, who take up employment, and the growing employment of immigrants.
- Since February, nearly 800,000 employees from Ukraine found employment on the basis of simplified procedures (declarations). Only 15,000 were registered as unemployed. At the end of 2022, just over 1 million foreigners were insured with ZUS, of which nearly 750,000 were citizens of Ukraine.

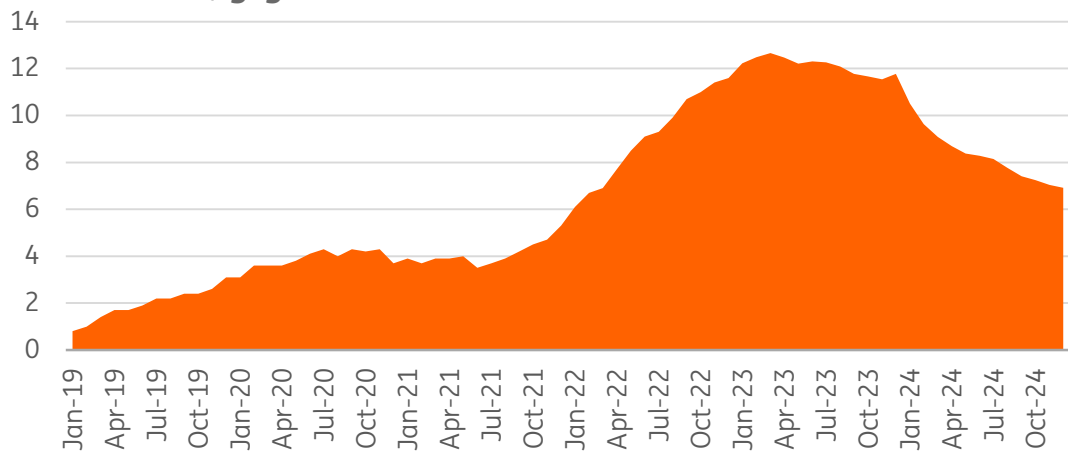
Conclusion: The increase in the unemployment rate in response to the economic slowdown will be insignificant and selective.

Inflation: significant fall in CPI, persistence of core inflation

Inflation and its sources, y/y (%)



Core inflation, y/y (%)

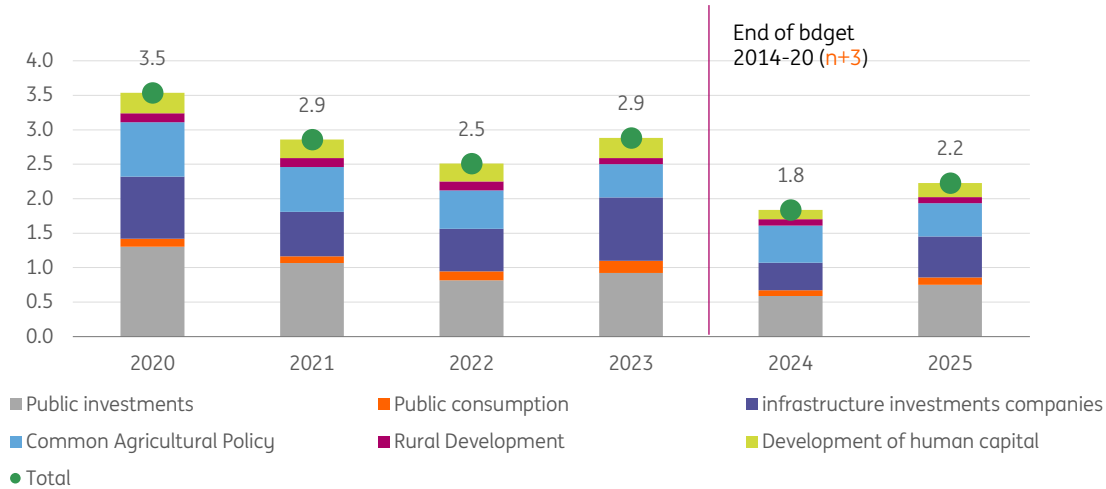


- Inflation shocks in recent years:
 - consumption boom, weak investments of companies before the pandemic,
 - pandemic: disruptions in global value chains, imbalance in supply and demand,
 - commodities price jump,
 - war-induced energy shock.
- Strong second round effects.
- The pass-through of costs to retail prices is still ongoing (about 3 quarters delay between PPI and CPI, significant price increases planned for 1Q 2023, new costs include higher energy and gas prices and distribution fees (~20% for electricity and 40-50 % for gas in 2023).
- Wage pressure: 19.1% increase in the minimum wage.
- Overhang of high energy prices, in 2023 a jump in prices for enterprises, in 2024 for households.

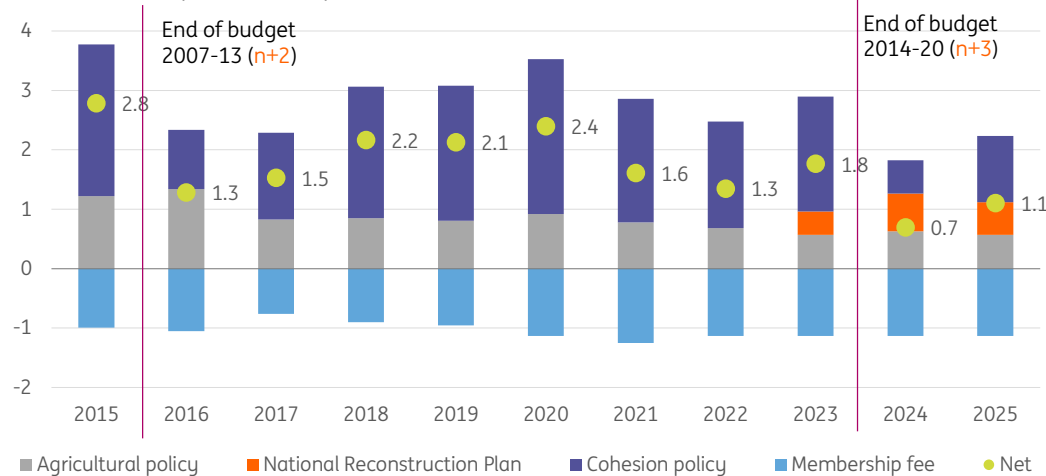
Conclusion: Global disinflation is underway, it will help lower the CPI index in Poland and abroad, but core inflation will remain high, the scale of GDP slowdown is too small to limit the process of increasing costs on retail prices.

The last year of the "old" EU budget in 2023 and a possible "cliff" in 2024

The inflow of EU funds in 2023 will boost investment growth, but in 2024 it will drag it down strongly (% of GDP)



The launch of the KPO will only mitigate the sharp decline in the inflow of EU funds in 2024 (% of GDP)



The National Reconstruction Plan (KPO) in 2023 will be additionally boosted by a strong inflow of funds from the "old" EU budget

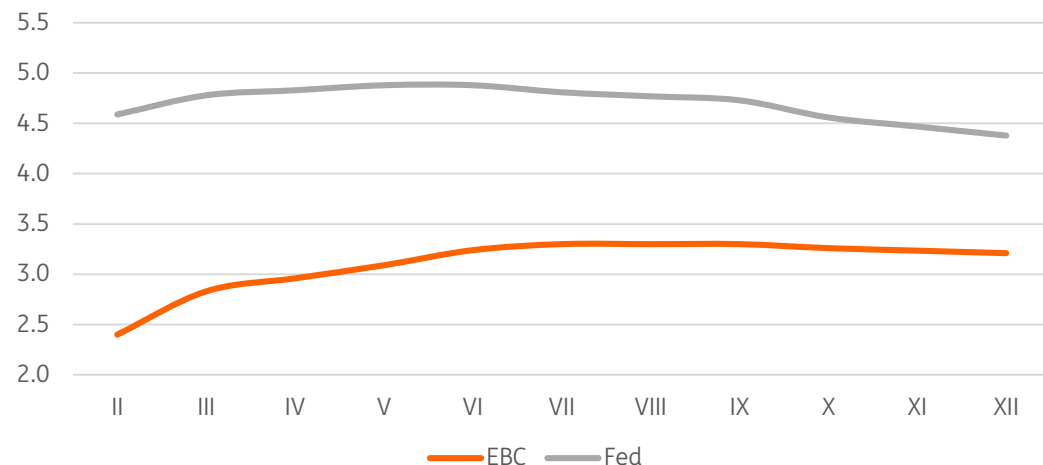
- Due to the n+3 rule in the settlement of cohesion funds, we expect an increase in the inflow of EU funds in 2023 from the 2013-2020 budget (there are ~€20bn of payments left for 2023).
- We assume that in 2023 Poland will receive only one, first tranche of KPO payments (€2.9 billion in grants). Additionally, possible refund from the EU for refugees and military equipment transferred to Ukraine (~€2bn).
- Launching the KPO by adopting reforms related to the rule of law will in practice trigger the implementation of projects from the "traditional" EU budget for 2021-27, delayed by about 1 year. However, investments in progress (roads, railways) will be eligible for payments in 2023-24. Without KPO, in 2024 net funds from the EU would be ~0.

The KPO blockade has already slowed down the use of funds from the "new" EU budget for 2021-27

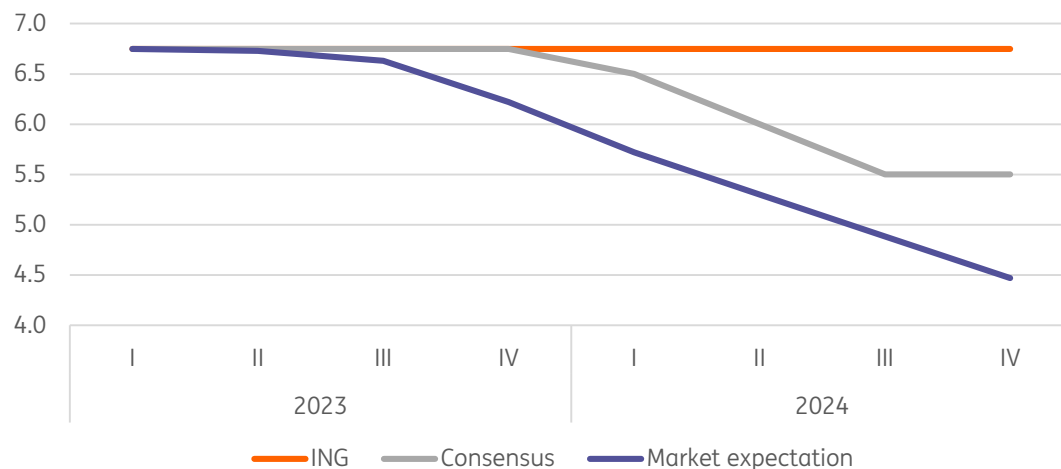
- The EC approved Polish operational programs only in December 2022. Due to the life cycle of projects, a strong reduction in the absorption of cohesion funds in 2024 is inevitable. In 2016, it accounted for 1.6% of GDP, which, according to the National Bank of Poland, reduced the annual investment dynamics by 6 p.p. (including 4 p.p. - contribution of public investments, and 2 p.p. - contribution of corporate investments in infrastructure).
- Even with KPO in 2024, their inflow will fall by 1.3% of GDP.

Markets are pricing rate cuts, both abroad and in Poland

Market pricing of Fed and ECB rate path – 50bps cuts in the US in H2 2023 (%)



Interest rates in Poland – Market expects big cuts despite high CPI (%)



Base markets

- Global disinflation and declining economic conditions in the US result in expectations for Fed rate cuts still in the second half of 2023 by about 50 b.p. and another 75-100 bps in 2024.
- Better-than-expected economic conditions in the euro zone and probably more persistent inflation mean that cuts for the ECB are priced from next year, by about 75 bps.

Poland

- For Poland, money market instruments point to interest rate cuts still in the second half of 2023 at 50-75 bps. At the end of 2024, they suggest the return of the reference rate to even 4.50%. Economists' consensus assumes reductions from next year, ultimately to 5.50% at the end of the year.

Conclusion: persistently high inflation in Poland will not allow interest rate changes before 2H2024, and most likely not until 2025. Instead of interest rate hikes, other tools may also be used to limit the impact of high interest rates on the economy.

A photograph of three mountaineers on a rocky mountain peak. The climber in the foreground is wearing a green helmet, sunglasses, and a red jacket, smiling. The climber in the middle is wearing a grey helmet, sunglasses, a white long-sleeve shirt, and red pants. The climber in the background is wearing a grey helmet, sunglasses, and a green jacket. They are all equipped with climbing gear, including ropes and harnesses. The background shows a vast mountain range under a cloudy sky.

Q4 2022

financial results

Financial results

PLN million

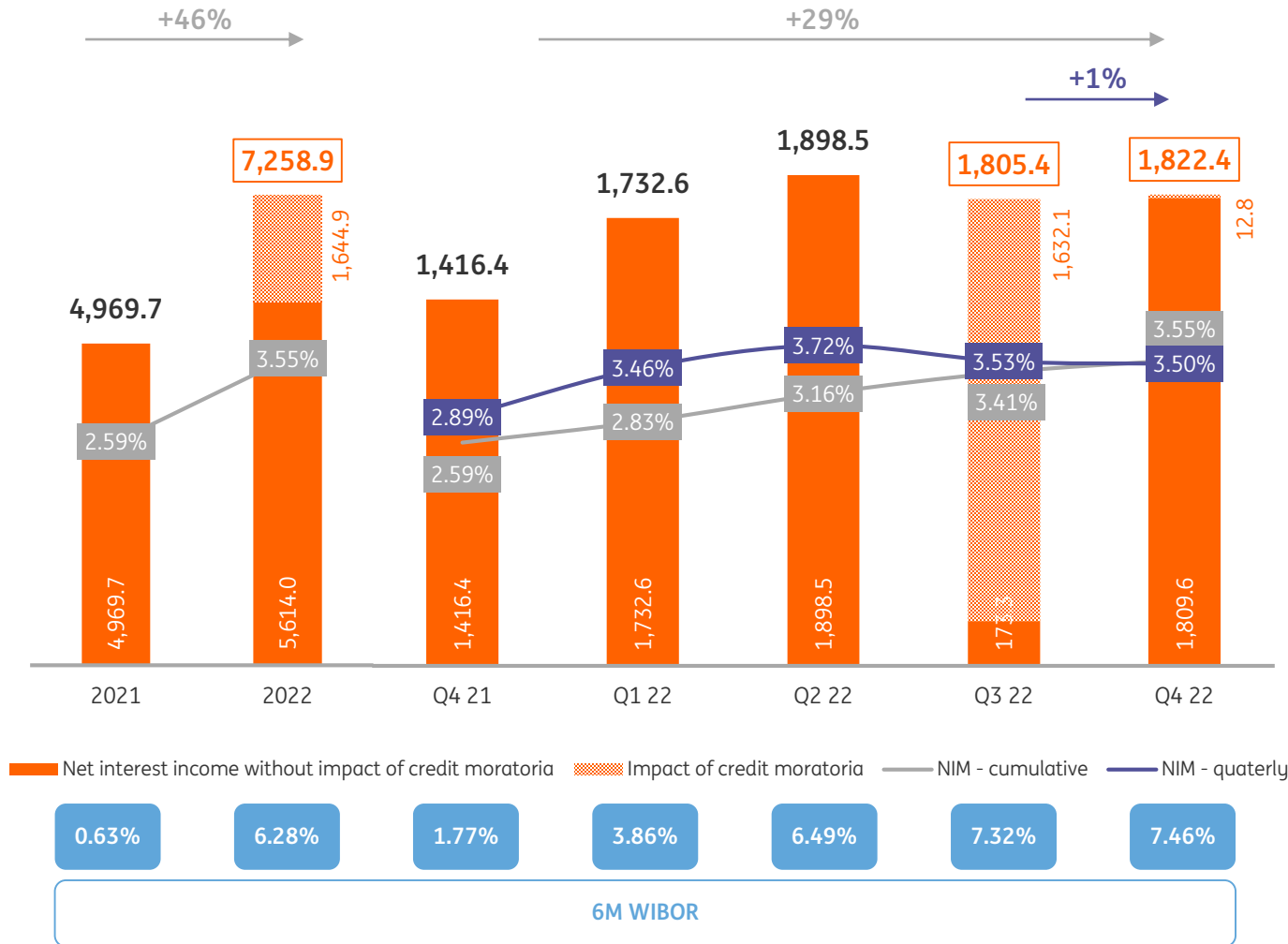
	Q4 2021	Q3 2022	Q4 2022	Change y/y	% change y/y
Net interest income	1,416.4	173.3	1,809.6	+393.2	+28%
Net commission income	476.0	530.6	511.4	+35.4	+7%
Other income	-8.6	18.5	0.2	+8.8	-102%
Total income	1,883.8	722.4	2,321.2	+437.4	+23%
Total expenses	-757.5	-821.6	-689.0	+68.5	-9%
Result before risk costs	1,126.3	-99.2	1,632.2	+505.9	+45%
Risk costs including costs of legal risk for FX mortgage loans	-144.1	-206.0	-259.3	-115.2	+80%
Bank levy	-149.7	-164.8	-169.1	-19.4	+13%
Gross profit	832.5	-470.0	1,203.8	+371.3	+45%
Income tax	-163.5	152.7	-307.9	-144.4	+88%
Net profit	669.0	-317.3	895.9	+226.9	+34%
Total capital ratio	16.05%	14.43%	15.21%	-0.84 p.p.	-
Tier 1	14.41%	12.90%	13.69%	-0.72 p.p.	-
ROE (%)	13.6%	15.0%	19.7%	+6.1 p.p.	-
ROE adjusted for MCFH (%)*	14.4%	10.3%	11.6%	-2.8 p.p.	-
Total expenses with bank levy/total income (%)	48.2%	136.5%	37.0%	-11.2 p.p.	-

	2021	2022	Change y/y	% change y/y
	4,969.7	5,614.0	+644.3	+13%
	1,844.8	2,094.8	+250	+14%
	82.4	13.4	-69.0	-84%
Total income	6,896.9	7,722.2	+825.3	+12%
Total expenses	-2,964.5	-3,642.1	-677.6	+23%
Result before risk costs	3,932.4	4,080.1	+147.7	+4%
Risk costs including costs of legal risk for FX mortgage loans	-372.4	-800.1	-427.7	+115%
Bank levy	-544.7	-646.9	-102.2	+19%
Gross profit	3,015.3	2,633.1	-382.2	-13%
Income tax	-707.0	-688.7	+18.3	-3%
Net profit	2,308.3	1,944.4	-363.9	-16%
Total capital ratio	16.05%	15.21%	-0.84 p.p.	-
Tier 1	14.41%	13.69%	-0.72 p.p.	-
ROE (%)	13.6%	19.7%	+6.1 p.p.	-
ROE adjusted for MCFH (%)*	14.4%	11.6%	-2.8 p.p.	-
Total expenses with bank levy/total income (%)	50.9%	55.5%	+4.7 p.p.	-

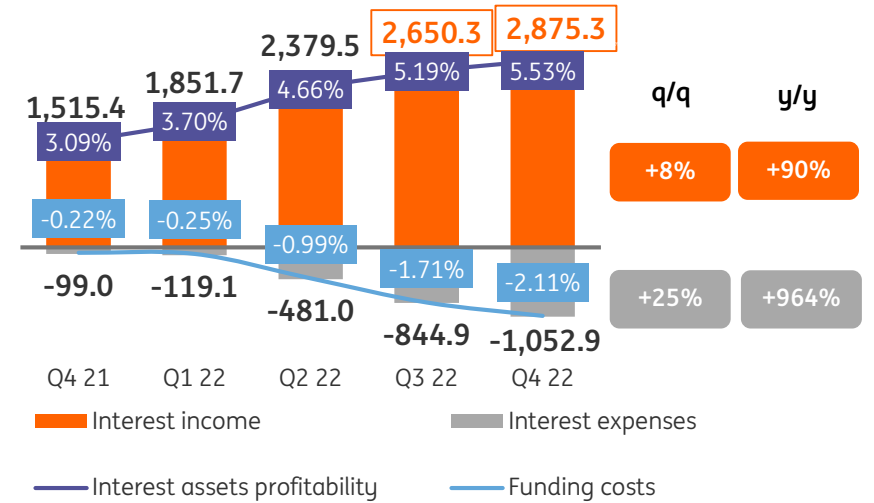
*ROE = total net profit for 4 consecutive quarters / average equity for 5 subsequent quarters

Net interest income adjusted for credit moratoria

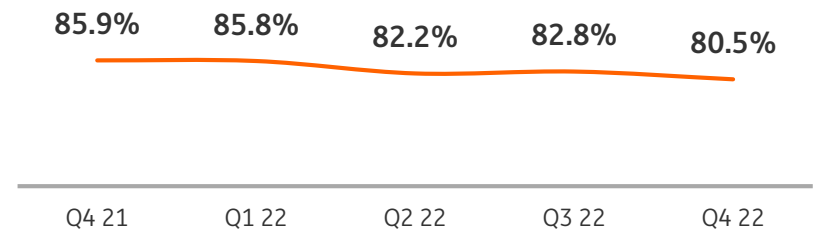
Net interest income (PLN million) and interest margin



Interest income and expenses (PLN million)

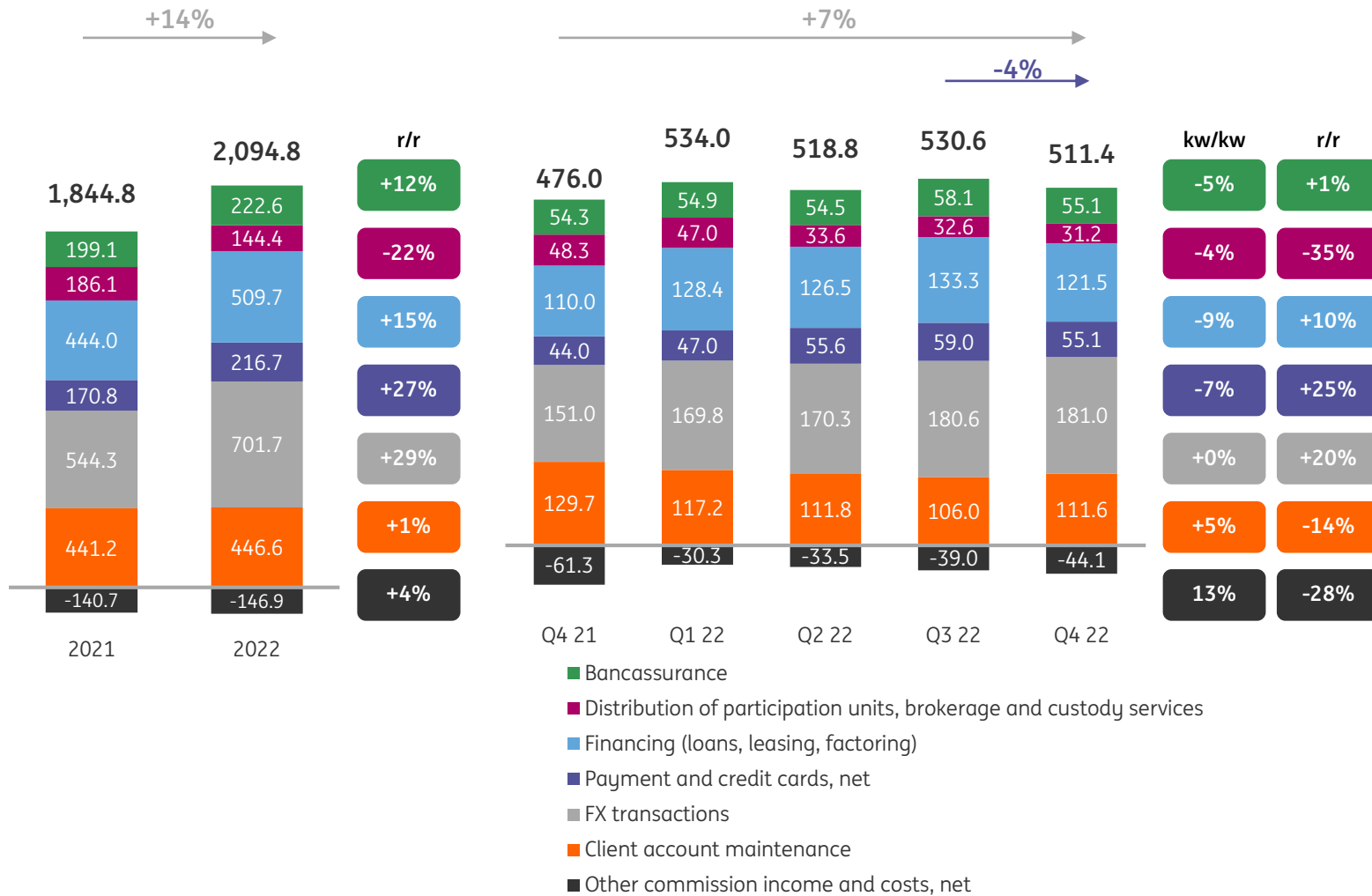


Loan to deposit ratio



Fee and commission income

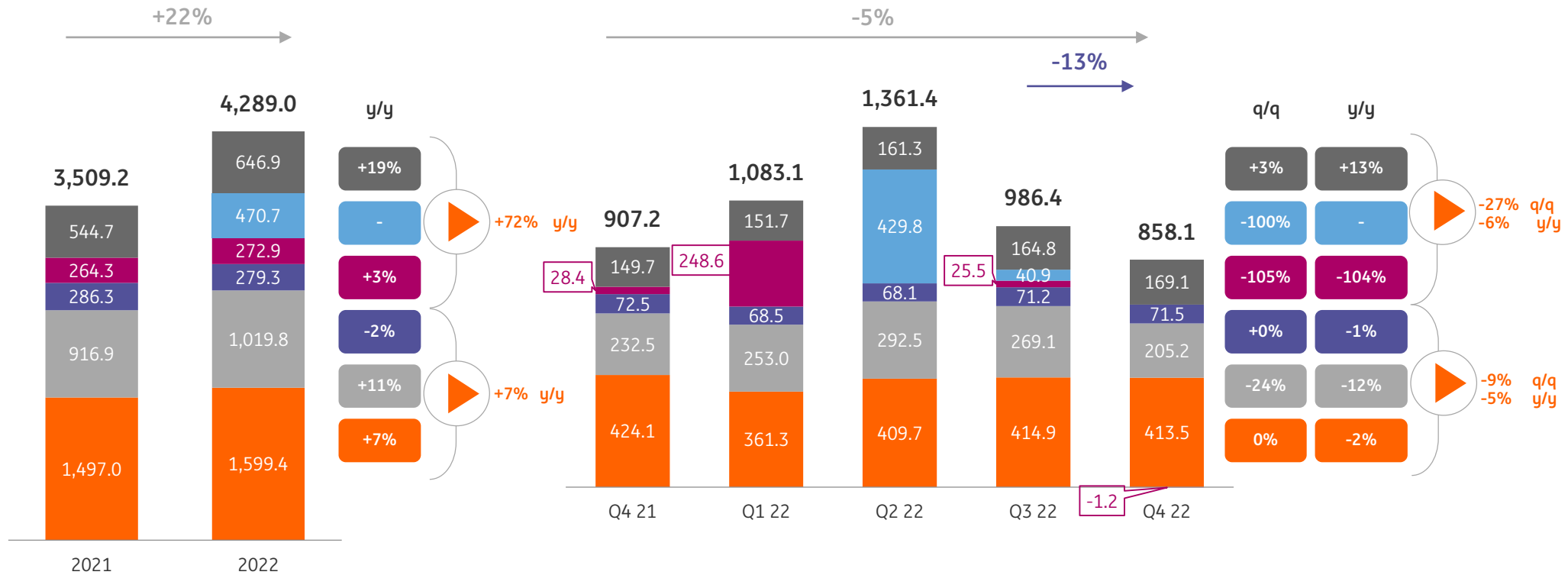
Fee and commission income per category (PLN million)



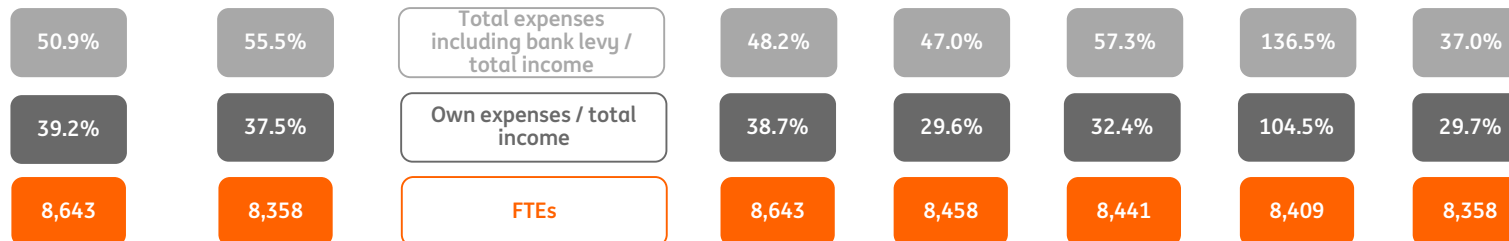
- The fluctuation of the result on maintaining customer accounts is the result of a change in the approach to fees for high balances.
- The q/q decrease in the result on granting financing is the effect of seasonality in the corporate segment.
- The q/q decrease in the result on payment and credit cards is the result of seasonally lower customer activity in 4Q.
- Result on activities related to the capital market under the influence of negative market trends.
- Result on other income and commission expenses influenced by the settlement of brokerage costs for the sale of banking products.

Total expenses including bank levy

Total expenses including bank levy (PLN million)



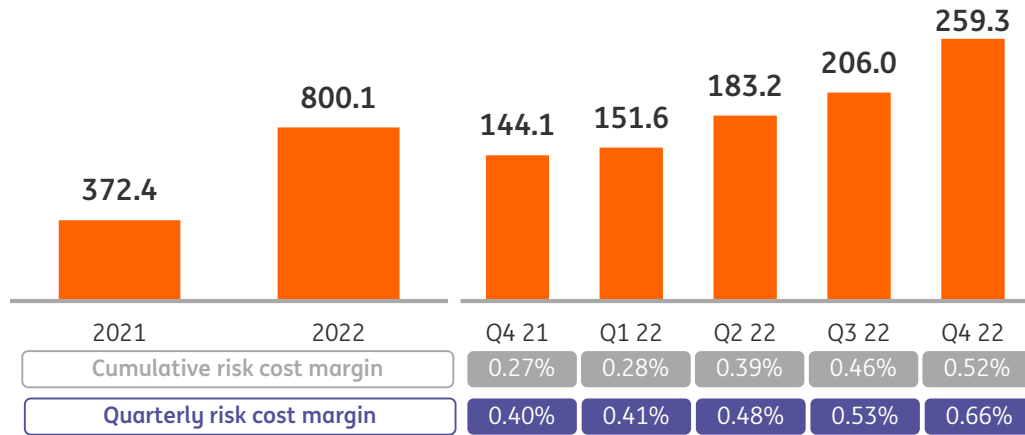
■ Personnel costs ■ General and administrative costs ■ Amortisation and depreciation ■ Regulatory costs (PFSA + BGF + MSF) ■ IPS ■ Bank levy



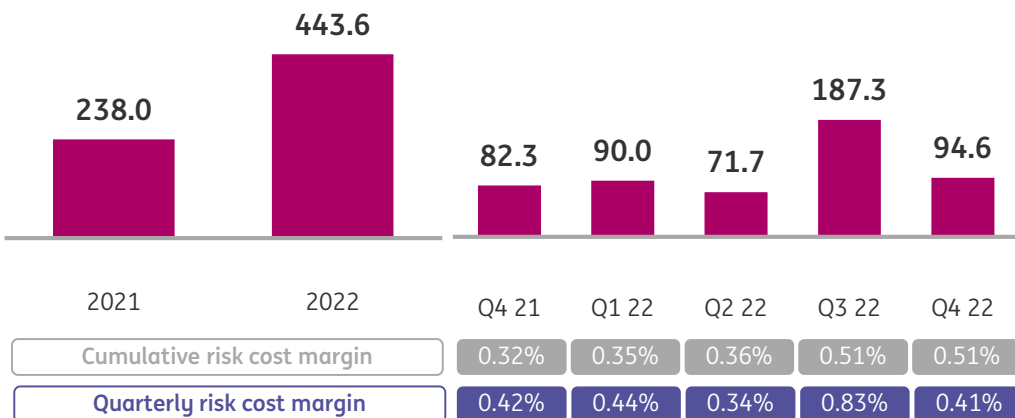
Lower general and administrative expenses in q/q terms are mainly the result of settling completed long-term development projects in the IT area below the assumed costs and optimization activities.

Cost of risk, including legal risk costs

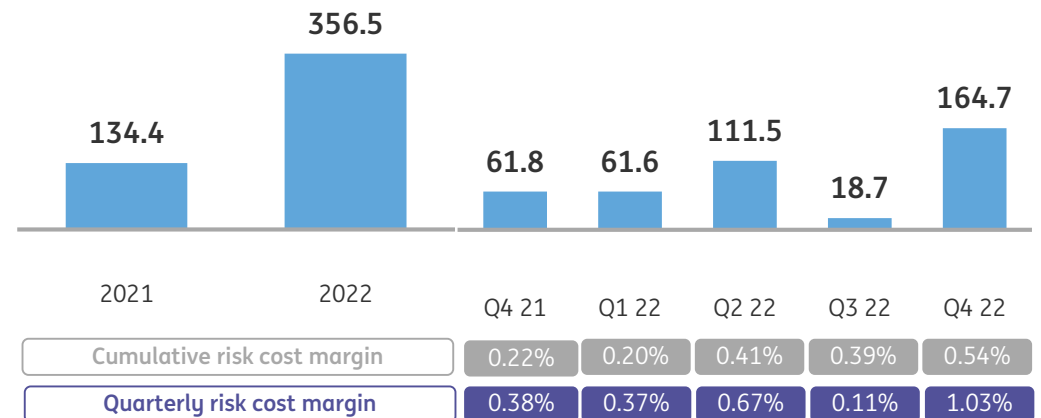
Consolidated data for ING BSK (PLN million)



Corporate banking (PLN million)



Retail banking (PLN million)



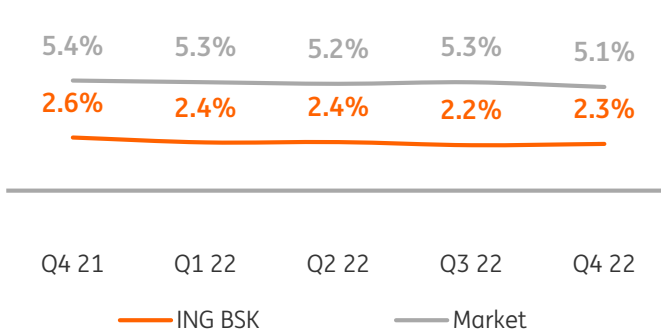
PLN million	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Impact of macroeconomic parameters on net provisions*					
Retail banking	+2.6	+36.4	+12.7	+10.1	+47.3
Corporate banking	+16.4	+19.5	-9.8	+131.5	-29.9
Total	+19.0	+55.8	+2.9	+141.6	+17.4
Impact of the sale of the Stage 3 and POCI receivables portfolios*					
Retail banking	0.0	0.0	0.0	-64.9	0.0
Corporate banking	0.0	-9.2	0.0	-8.6	0.0
Total	0.0	-9.2	0.0	-73.5	0.0
Legal risk costs of FX mortgage loans*					
Retail banking	+56.0	+1.1	+0.2	0.0	+63.0

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

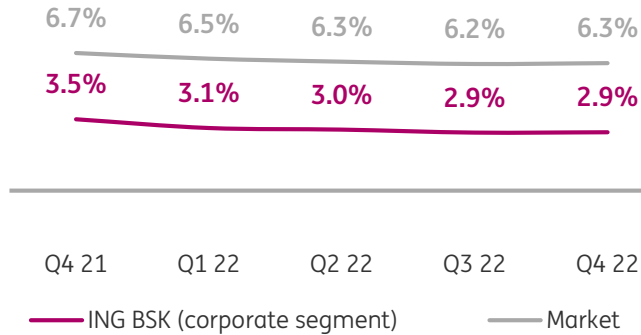
Portfolio quality and provisioning

Share of non-performing portfolio in the total loan portfolio

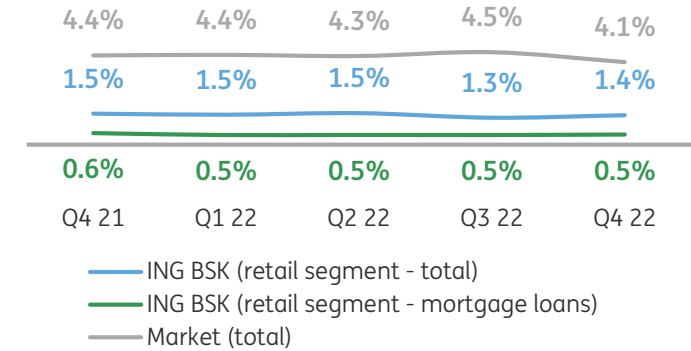
Consolidated data for ING BSK



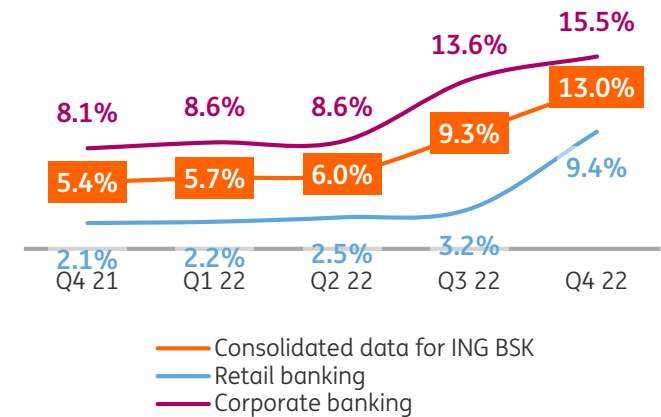
Corporate banking



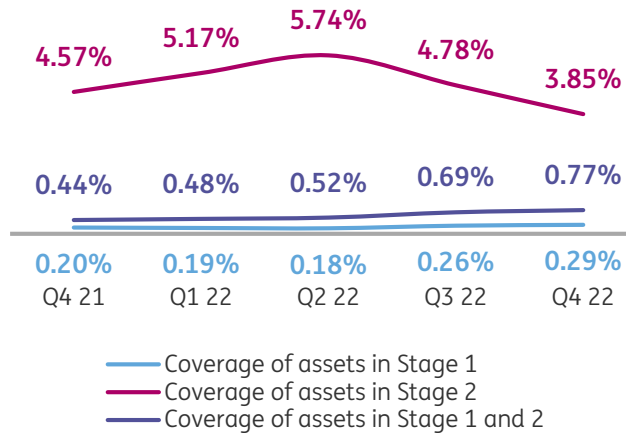
Retail banking



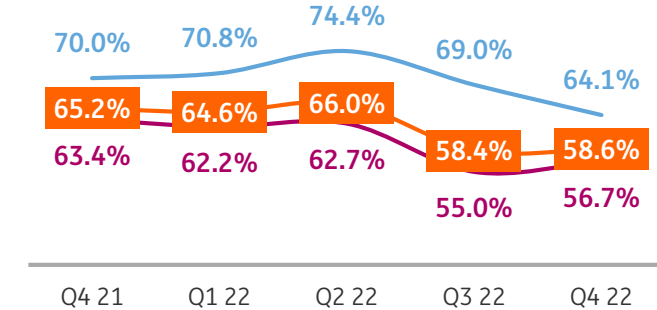
Share of Stage 2 in gross portfolio



Provisioning ratio – Stages 1 and 2



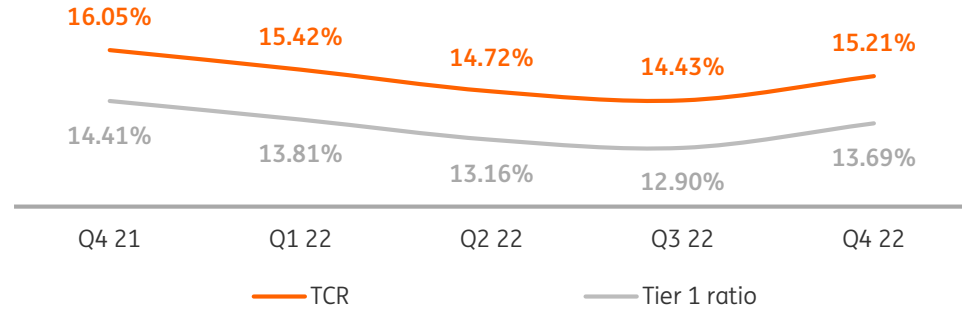
Provisioning ratio – Stage 3



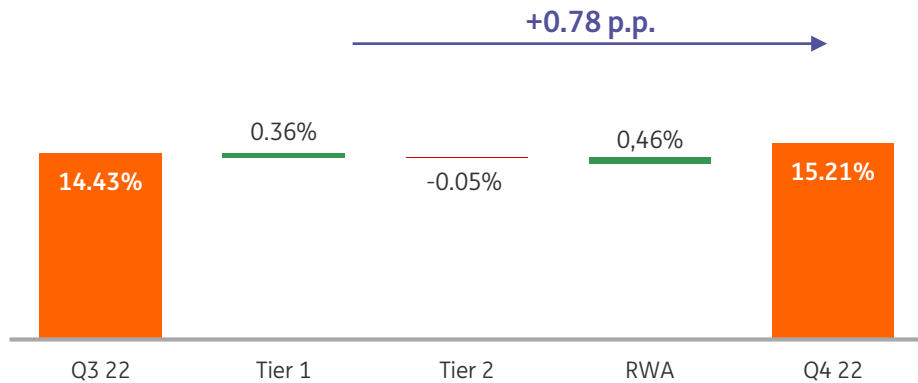
Note: market ratios – estimates based on PFSA data; August 2022 data for Q3 2022; NPL = Stage 3 + POCI

Capital adequacy

Consolidated total capital ratio

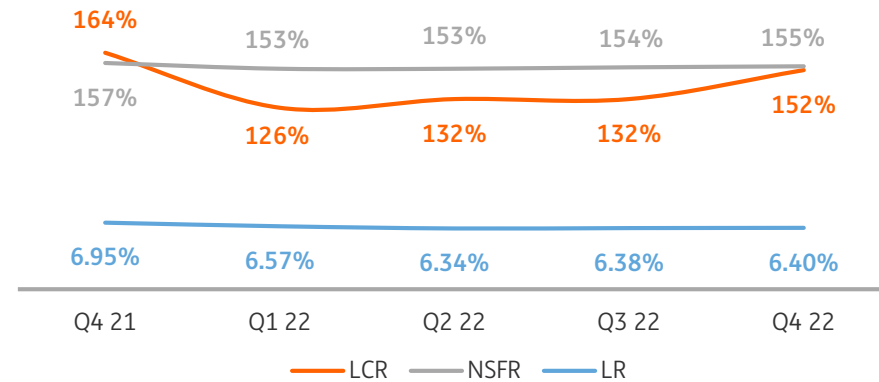


Consolidated total capital ratio – decomposition of change on a q/q basis



- Total capital ratio and Tier 1 ratio are respectively 3.70 p.p. and 4.18 p.p. above the minimum capital requirements for ING BSK, which are respectively 11.507% and 9.507%.
- The total capital ratio and Tier 1 ratio would have been 14.90% and 13.37%, respectively, if ING BSK did not apply a transition period for the implementation of IFRS 9 or temporarily treat unrealized gains and losses measured at fair value through other comprehensive income in accordance with Art. 468 of the CRR Regulation.

Other capital and liquidity ratios



Appendices



Retail banking

Retail banking

Client transactions

- We operate 3.6 million current accounts for individual clients
- In Q4 2022, our clients used My ING to make -1% y/y less transfers, a total of 85.4 million, of which 44.2 million transfers were made in mobile banking (+8% y/y) ...
- ... +31% y/y more BLIK transactions (37.0 million in total) ...
- ... +11% y/y more debit card transactions (259.3 million in total)...
- ... and the number of transactions in branches amounted to 228 thousand (decrease by 10% y/y)

Financing

- We granted PLN 1.2 billion in mortgage loans in Q4 2022 (-68% y/y)
- We granted PLN 994 million in cash loans in Q4 2022 (-16% y/y) ...
- ... of which 89% were sold via online channels



ING

Pożyczka, z którą
nie opłaca się
odkładać planów

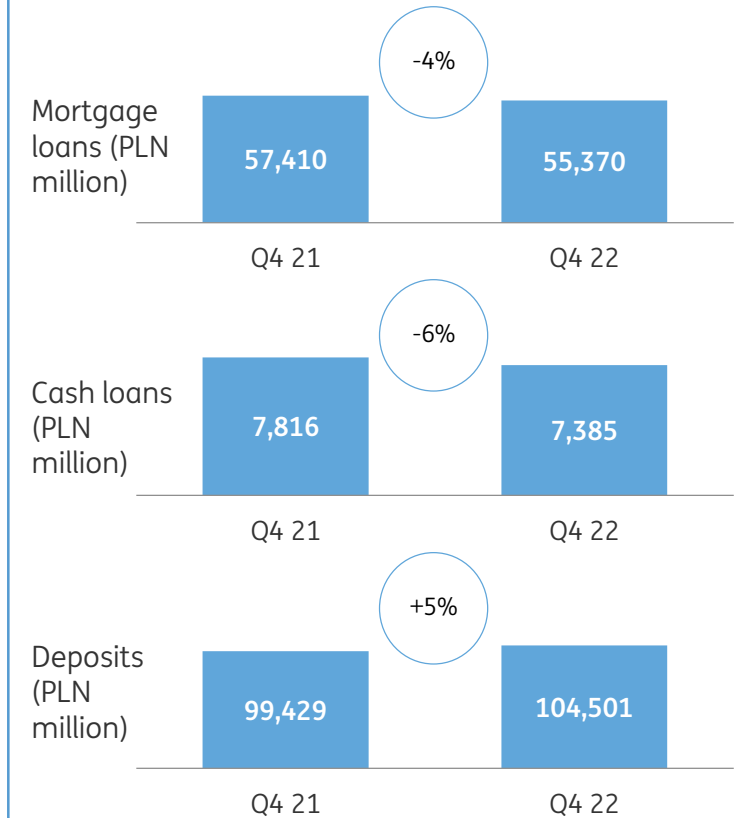
0 zł prowizji
dla wszystkich pożyczek
na Black Weeks

Tylko do 7.12

RRSO 16,82%

Zobacz koszty kredytu

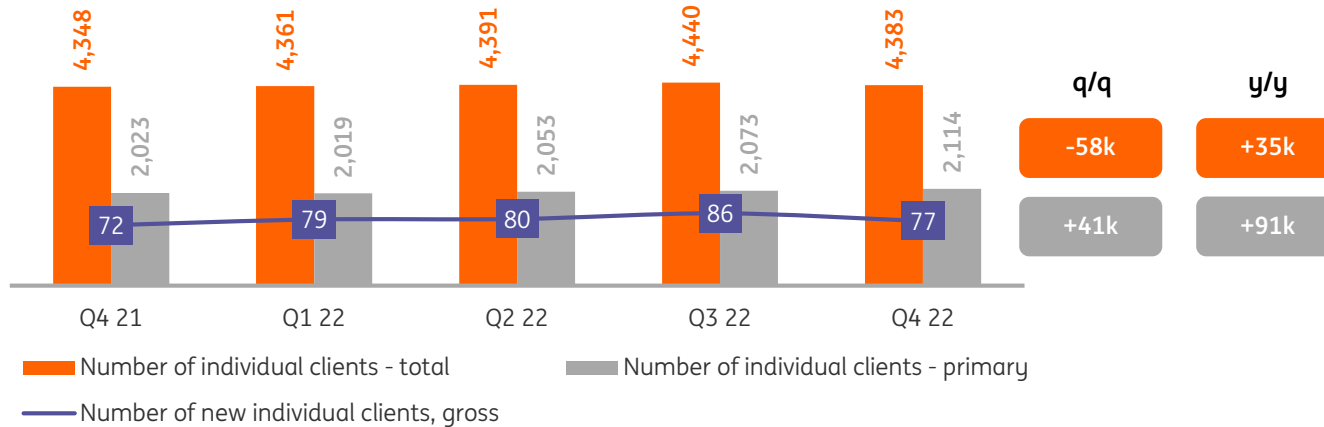
Growing volumes (y/y)



Retail client base

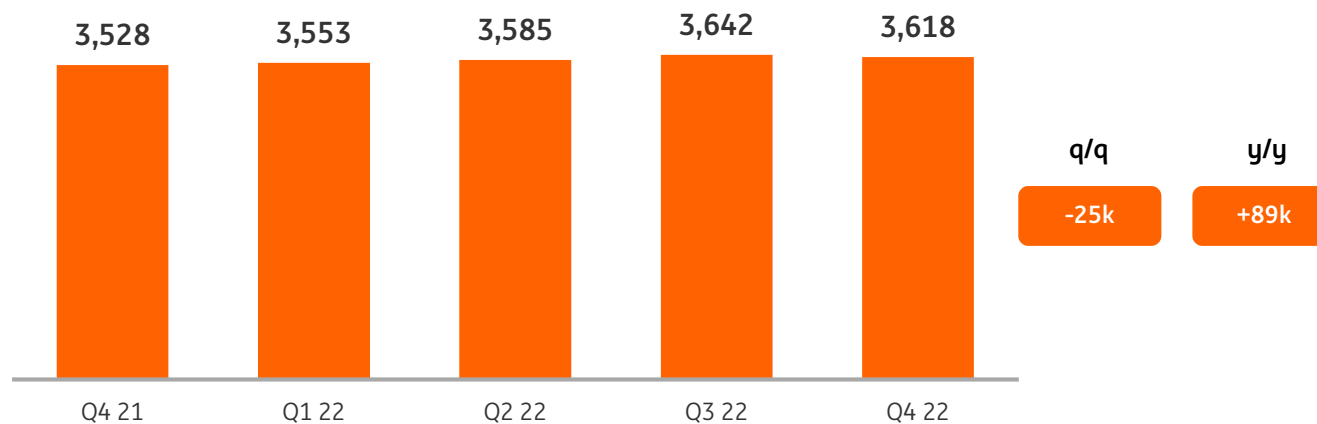
4.4 million individual clients

Number of individual clients (thousand)



- 87% of current accounts are Direct Accounts
- In Q4 2022, our clients established and renewed 51 thousand trusted profiles and used them to sign 1 million of documents
- In Q4 2022, our clients submitted 10 thousand applications for 500+ (-10% y/y) and 8 thousand applications for 300+ (-43% y/y) child subsidies via our bank

Number of individual clients' current accounts (thousand)



Note: current accounts in PLN

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

Oszczędzajmy na białą godzinę

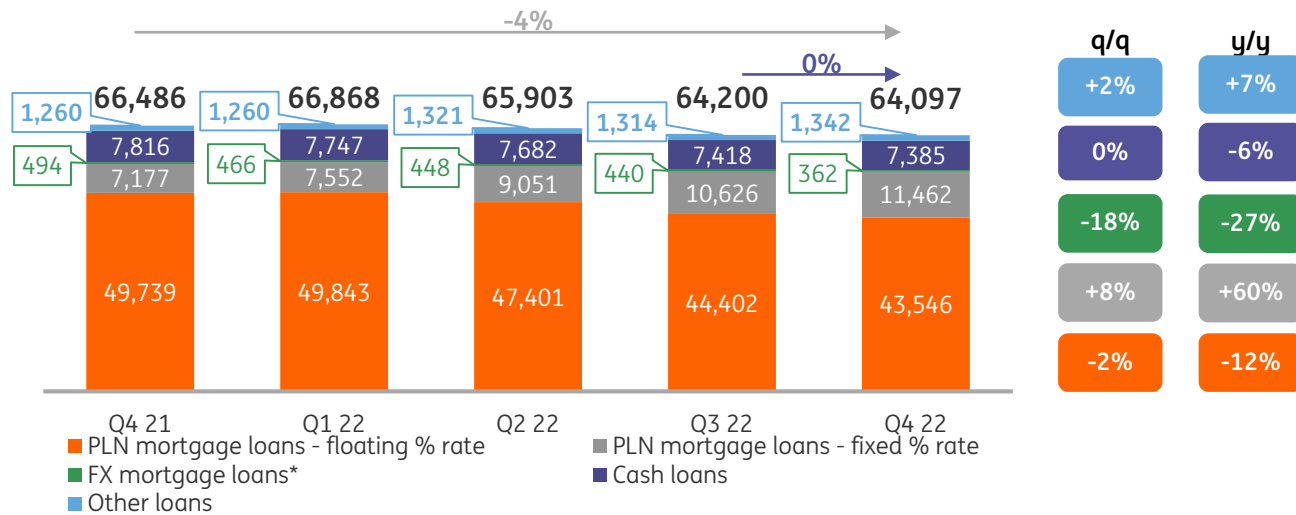
Sprawdź, jak

8%
na koncie oszczędnościowym dla kwot poniżej 400 tys. zł przez 3 miesiące

Oprocentowanie zmienne, obliczane w skali roku. Obowiązuje dla kwot poniżej 400 tys. zł przez 3 mies., od dnia założenia konta w ofercie specjalnej „Bonus na start” w ING Banku Śląskim. Zapoznaj się z regulaminem oferty dostępnym w naszych placówkach i na ing.pl

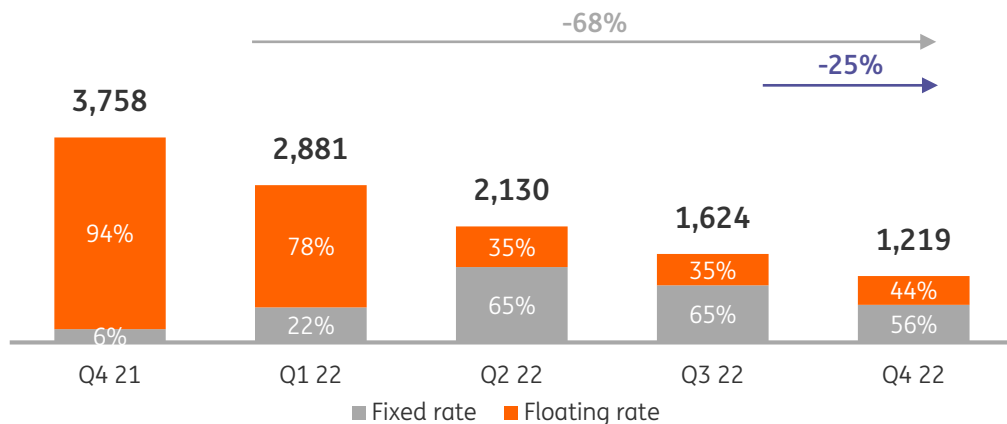
Retail lending

Loan portfolio of retail clients (gross; PLN million)

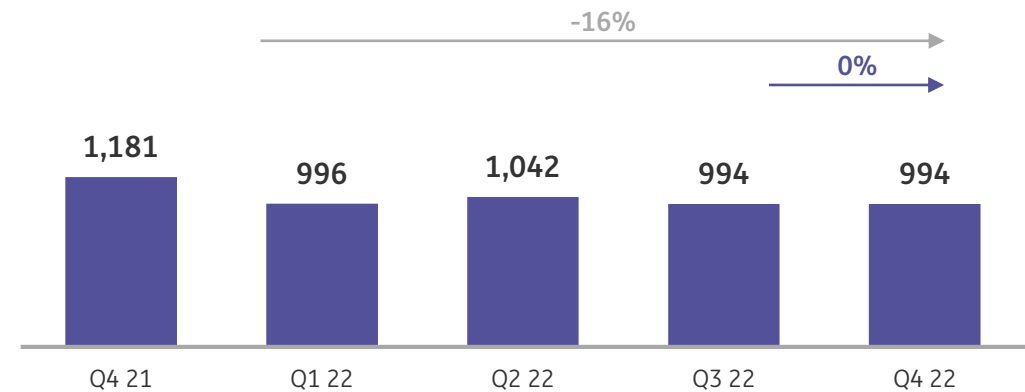


- PLN 4.0 billion worth of cash loans granted to retail clients in 2022 (-21% y/y)
- PLN 7.9 billion worth of mortgage loans granted in 2022 (-52% y/y), which translates into a 20.2% market share
 - including PLN 3.8 billion worth of fixed interest rate mortgage loans (+172% y/y)
 - including PLN 48 million worth of mortgage ecolans** (-90% y/y)
- A 13.7% market share in terms of PLN mortgage loans; 11.1% in total mortgage loans (Q4 2022)

Mortgage loans production (PLN million)



Cash loans production (PLN million)

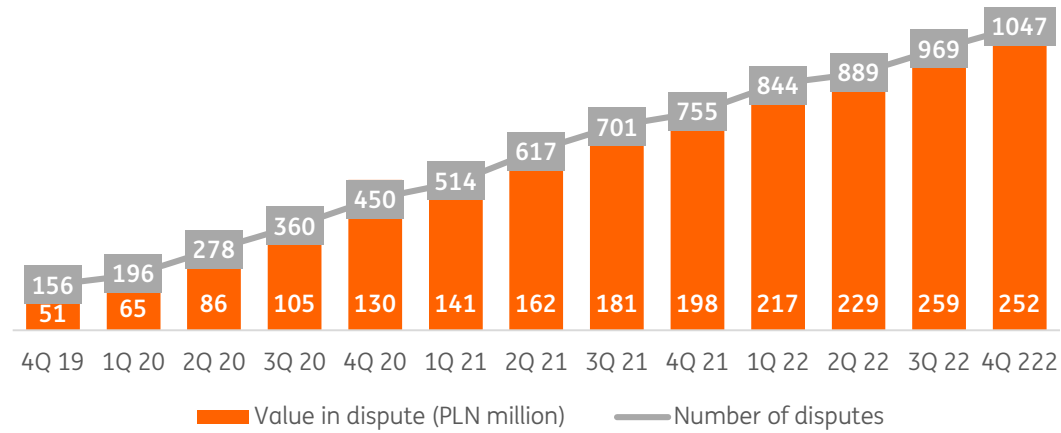


*FX mortgage loans after adjusting the gross carrying amount for legal risk provisions, which amounted to PLN 345.6 million in Q4 2021, PLN 341.4 million in Q1 2022, PLN 343.7 million in Q2 2022, PLN 375.5 million in Q3 2022 and PLN 367.6 million in Q4 2022;

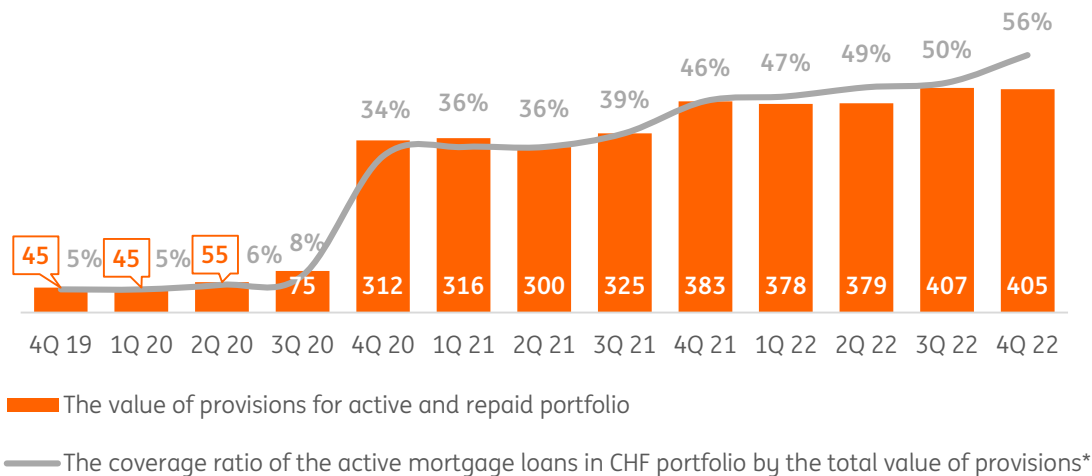
**We do not charge a commission and we offer a lower margin for a house or apartment, whose annual demand for non-renewable primary energy for heating, ventilation and hot water does not exceed 57 kWh / m2 / year for a house and 53 kWh / m2 / year for an apartment.

Legal risk relating to FX mortgage loans

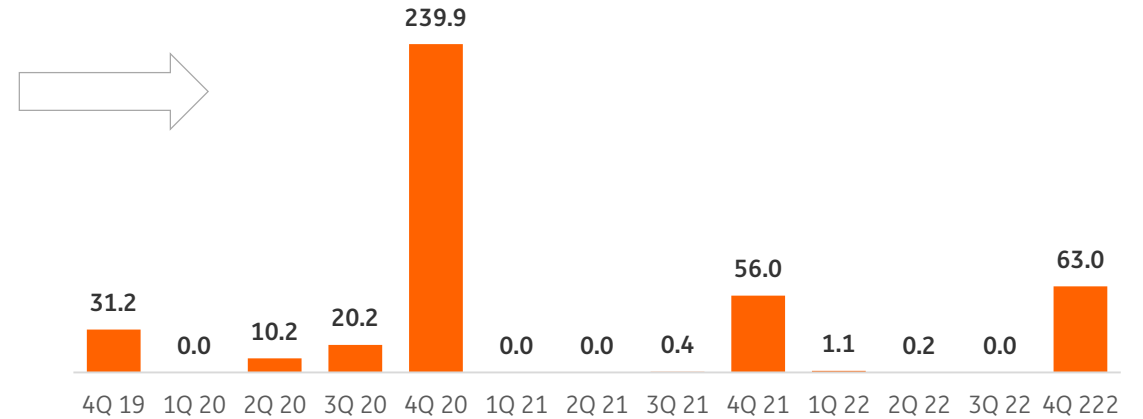
The number and value of disputes concerning FX mortgage loans



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)



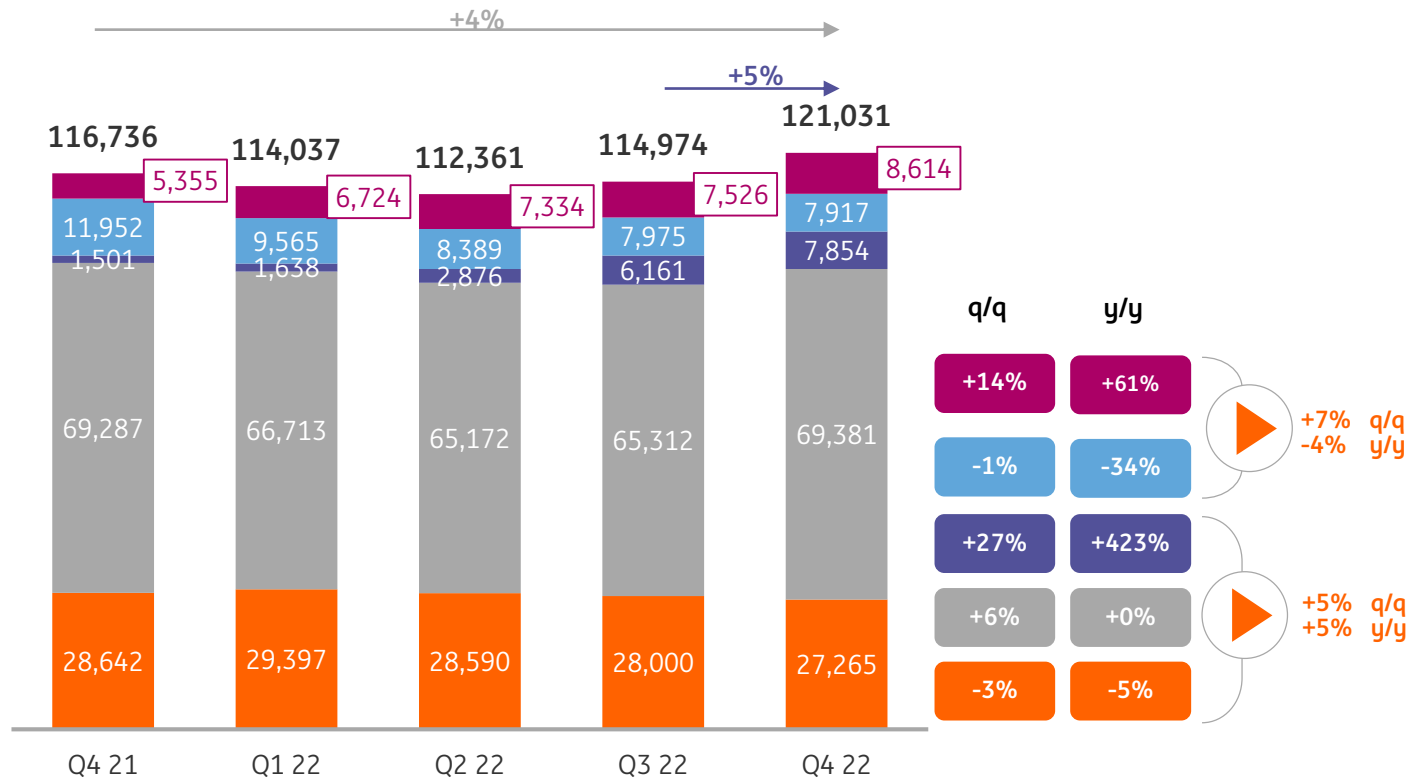
Mediation with clients

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 2021 to 31 December 2022 we concluded **459 agreements** under the program. As at the end of Q4 2022 we had 3.3 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

- 107.6 thousand bank clients invest on a regular basis and 5.8 thousand clients use the investment robot
- In Q4 2022, 48.1% of open investment fund units were purchased via mobile banking
- At the end of Q4 2022, we serviced 178.3 thousand brokerage accounts (+18% y/y)
- The turnover of our brokerage office on the stock market in Q4 2022 amounted to PLN 3.2 billion (-40% y/y, +0.2% q/q), which translates into a market share of 2.61% (-0.52 p.p. y/y, +0.04 p.p. q/q)
- Investment fund companies, which take into account ESG factors when selecting companies for their portfolios of funds, accounted for 98.6% of our clients' assets in these products, including PLN 262 million (-48% y/y, +11% q/q) worth of assets representing investments in funds compliant with Articles 8 and 9 of SFRD*

*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 **1,276 thousand mobile cards** (+4% q/q, +26% y/y)

2,766 thousand individual clients with active BLIK, of which 1,540 thousand completed transactions in Q4 2022 (+6% q/q, +31% y/y)

37.0 million BLIK transactions in Q4 2022 (+11% q/q, +31% y/y) made by individual clients, of which **27.9 million transactions were made on the Internet** (+17% q/q, +26% y/y)

2,515 thousand active users of the mobile application (+2% q/q, +12% y/y)

1,842 thousand "mobile only" users (+5% q/q, +20% y/y)

44.2 million transfers in My ING mobile banking in Q4 2022 (+3.2 million y/y, +8% y/y)

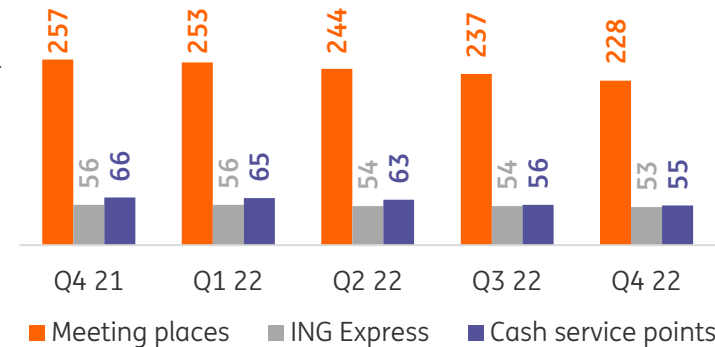
In Q4 2022, we sold **89% of cash loans** for individual clients **via internet channels** (86% in Q4 2021)

2.8m
active mobile
banking clients

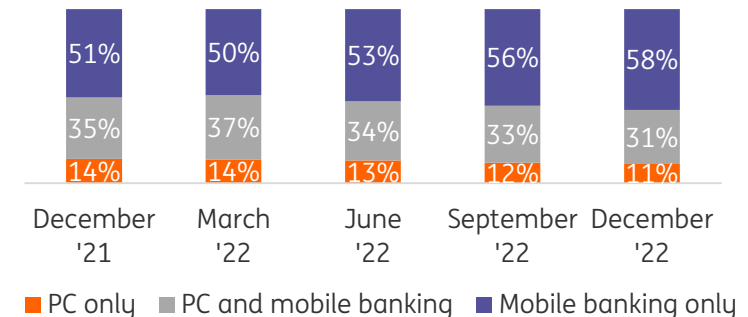
Physical distribution network

173 meeting places without a traditional cash service (192 as at the end of 2021 and 181 at the end of Q3 2022)

889 machines for cash self-service (including 745 recycling automated teller safes), out of which 728 are contactless ATMs/Recyclers



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



Corporate banking

Corporate banking

Client transactions

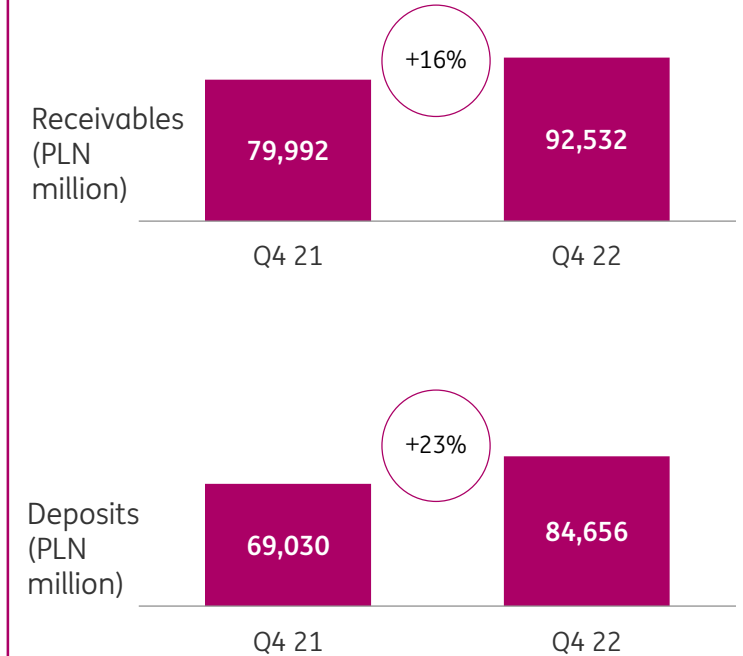
- We service 533.1 thousand corporate clients, of which 436.2 thousand are entrepreneurs, 93.5 thousand are SMEs and mid-corporates and 3.4 thousand are strategic clients
- In Q4 2022, our corporate clients using ING Business made 26.7 million transfers (+7% y/y), of which 3.1 million were made in mobile banking (+27% y/y)
- We have 35.1 thousand payment terminals in total; we processed 11.9 million transactions in Q4 2022 (+14% y/y)
- 6,614 stores with an active imoje payment gateway (+17% y/y)

Financing

- The portfolio of receivables from entrepreneurs increased by PLN 209 million y/y (+3% y/y) to the level of PLN 7.8 billion
- The portfolio of receivables from SMEs and mid-corporates increased by PLN 4.8 billion y/y (+10% y/y) to the level of PLN 50.9 billion
- The portfolio of receivables from strategic clients increased by PLN 7.6 billion y/y (+29% y/y) to the level of PLN 33.8 billion



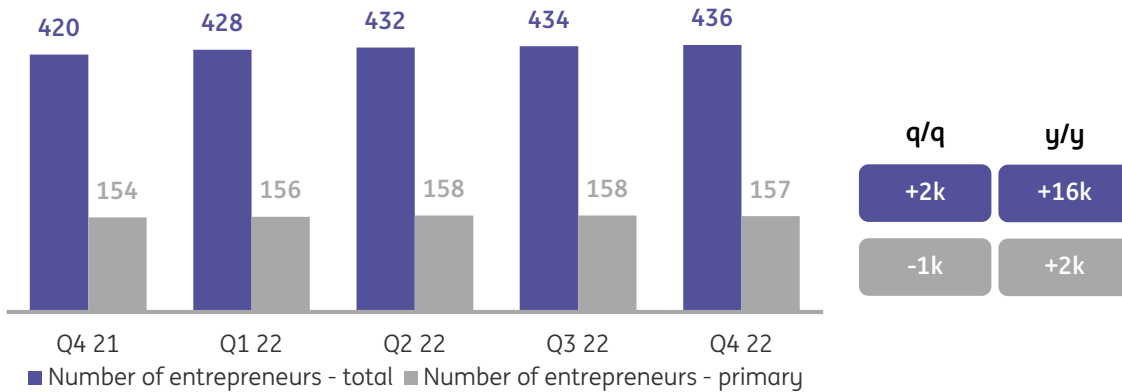
Growing volumes (y/y)



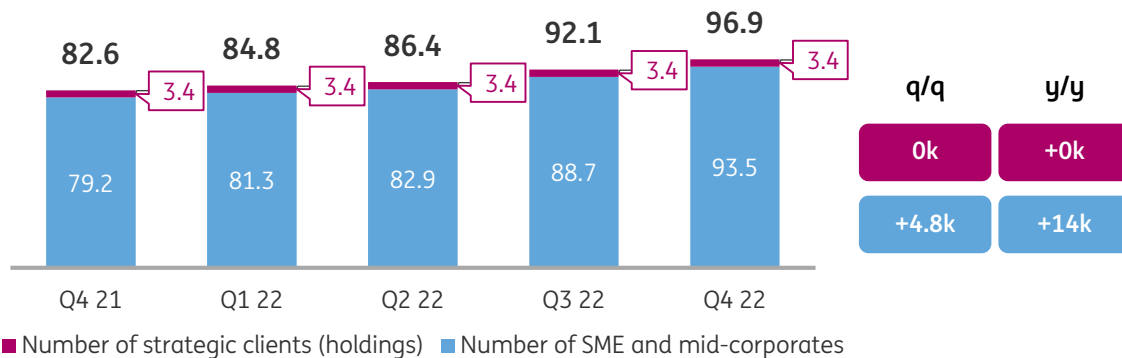
Corporate client base

533 thousand companies

Number of entrepreneurs (thousand)



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



We maintain **444 thousand current accounts** for **436 thousand entrepreneurs**, of which **98% are Direct accounts**

ING

Oszczędności, które nie przejadą ci koło nosa

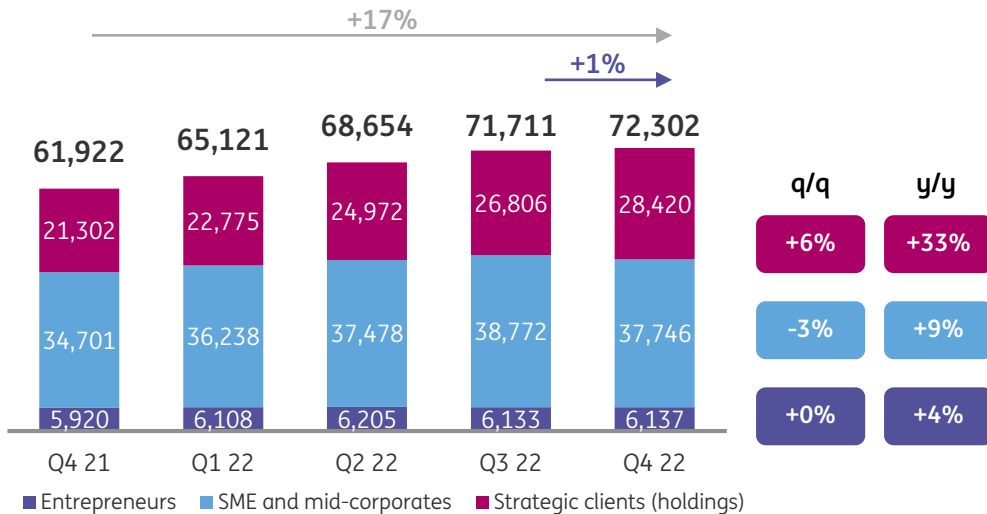
Ekoleasing z rejestracją 0 zł

Leasing dla firm jest produktem ING Lease (Polska) Sp. z o.o. dostępnym w ING Banku Śląskim S.A.

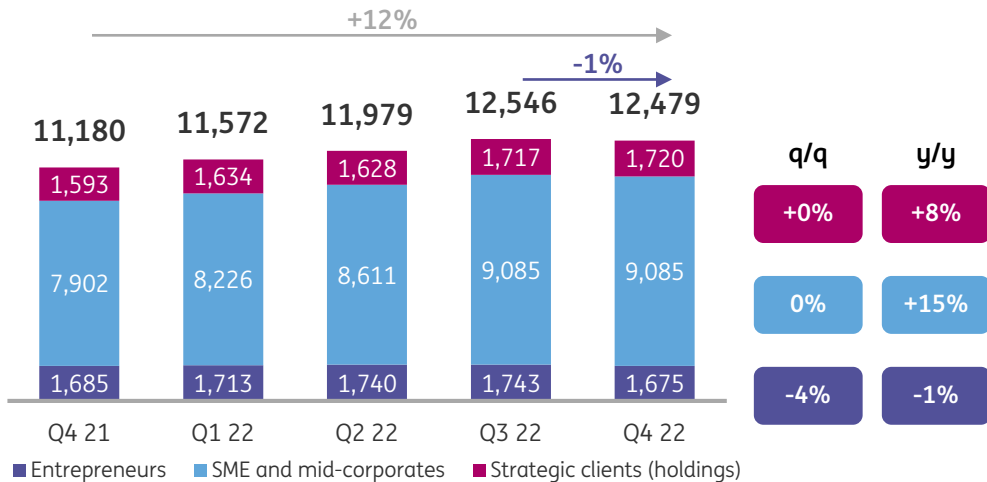
Primary clients - clients with a specified number of transactions and an average deposit or credit balance above a specified limit during the last year; the conditions are defined separately for each of the elements of the corporate segment (entrepreneurs, medium and large companies and strategic clients)

Corporate receivables

Loans volume (gross; PLN million)



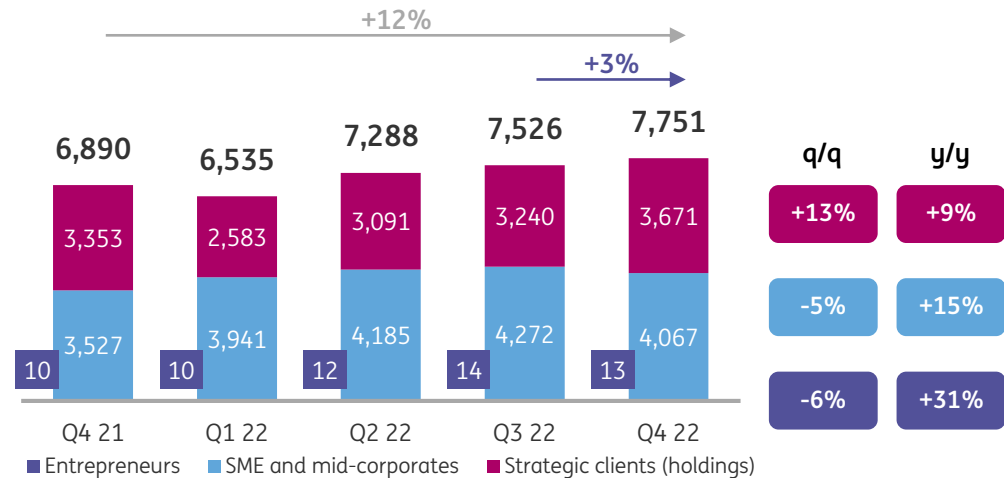
Leasing receivables volume* (gross; PLN million)



ING Lease and Żabka Polska signed a General Leasing Agreement in the Sustainability Linked Leasing formula

Based on its provisions, separate lease agreements will be concluded regarding the financing of assets used in Żabka's operations. The agreed conditions provide for the margin to be dependent on the fulfillment of certain performance indicators in the ESG area. The total amount of the limit is PLN 60 million.

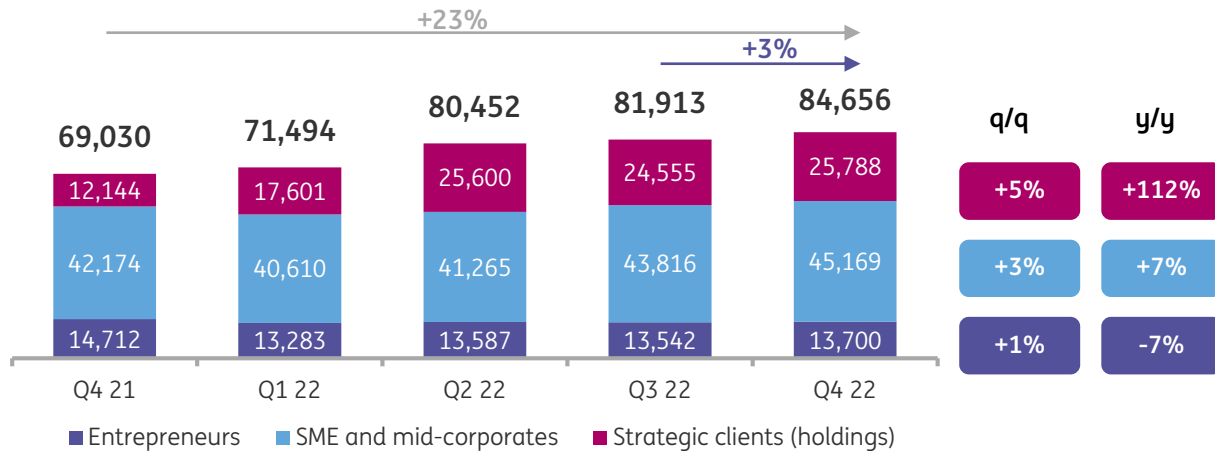
Factoring receivables volume (gross; PLN million)



*Leasing loans excluded

Cash management

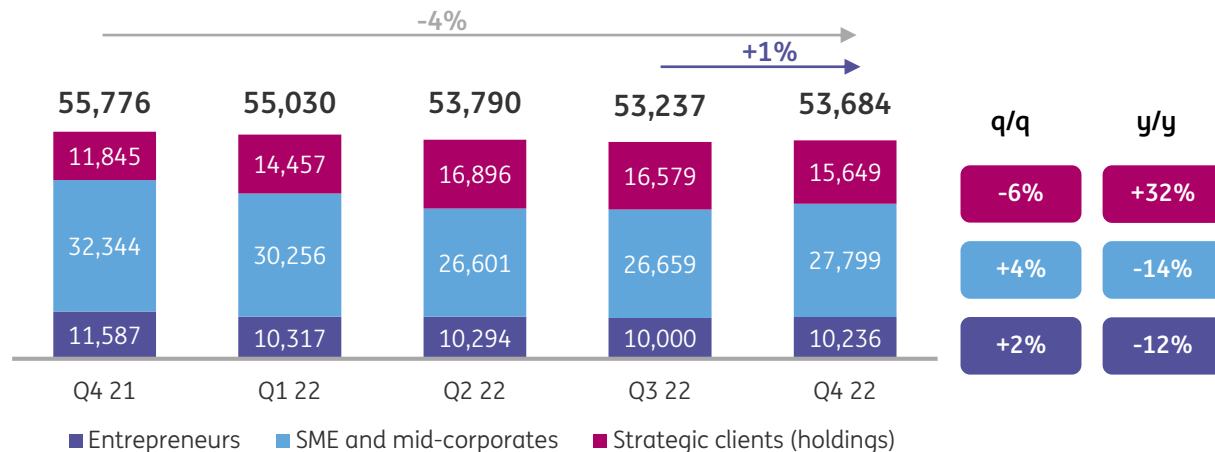
Corporate deposit volume (PLN million)



+4.1 thousand

new SME and mid-corporate clients attracted in Q4 2022

Corporate current accounts volume (PLN million)



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

- 139 depositories,
- 148 depositories in client locations,
- 334 CDMs in client locations (+106 y/y),
- 10 fee collection machines in client locations.

Number of mobile transfers in ING Business increased by +27% y/y to 3.1 million

Selected initiatives

Sustainability Linked Loan

At ING Bank Śląski, we support our clients in their sustainable development, which is why we have established cooperation with PAGED Pisz Sp. z o.o., Paged Morag S.A. In December 2022, we signed an agreement for a term loan and a working capital loan for a total amount of PLN 430 million. In addition to the role of the lender, we also act as a loan agent, collateral agent and ESG coordinator, because the term loan has been classified as a Sustainability Linked Loan, based on the ESG goals set by the PAGED Group for the coming years. The PAGED Group is the largest producer of wooden plywood in Poland and one of the largest in Europe, and the history of this Polish group dates back almost 100 years.

Syndicated loan for the construction of the first large-scale solar and wind farm in Poland

ING Bank Śląski, as the Loan Agent with a 50% participation in financing, together with PKO Bank Polski and mBank granted loans in the total amount of PLN 776 million for the construction of Kleczew Solar & Wind, the first large-scale solar and wind farm in Poland with a capacity of over 200 MW. The project was supplemented with a subordinated loan granted by the Polish Development Fund in the amount of up to PLN 90 million. Energy from the farm in Kleczew will flow to consumers in 2023.

Development of BLIK for business in ING BSK

ING Bank Śląski was the first bank on the market to launch the BLIK payment service for corporate clients, and now also enables BLIK payments without a code (so-called one click) in the ING Business mobile application. Thanks to this function, BLIK payments on the Internet will be even faster and more convenient with full security. Customers can manage saved stores and browsers in BLIK settings in ING Business. Making BLIK payments available without a code is a response to the great interest of our business customers in e-commerce payments. Over 60% of all transactions carried out with BLIK in ING Business so far are online payments.



Financial results

and other information

The effects of regulatory pressure in 2022

Suspension of mortgage repayments

- A maximum of 8 instalments in total, 4 in 2022 and 4 in 2023
- For the sector estimated negative impact on income in Q3 2022 was PLN 12.8 billion assuming 66% participation rate of clients
- For ING BSK negative impact on income in H2 2022 was PLN 1,645 million with 63% participation rate of clients

Borrowers Support Fund

- Total cost at the sector level is PLN 1.4 billion to be paid in H2 2022 (PLN 400 million in Q3 and PLN 1 billion in Q4)
- ING BSK's contribution amounted to PLN 24 million in H2 2022

Commercial Banks Protection System (CBPS)

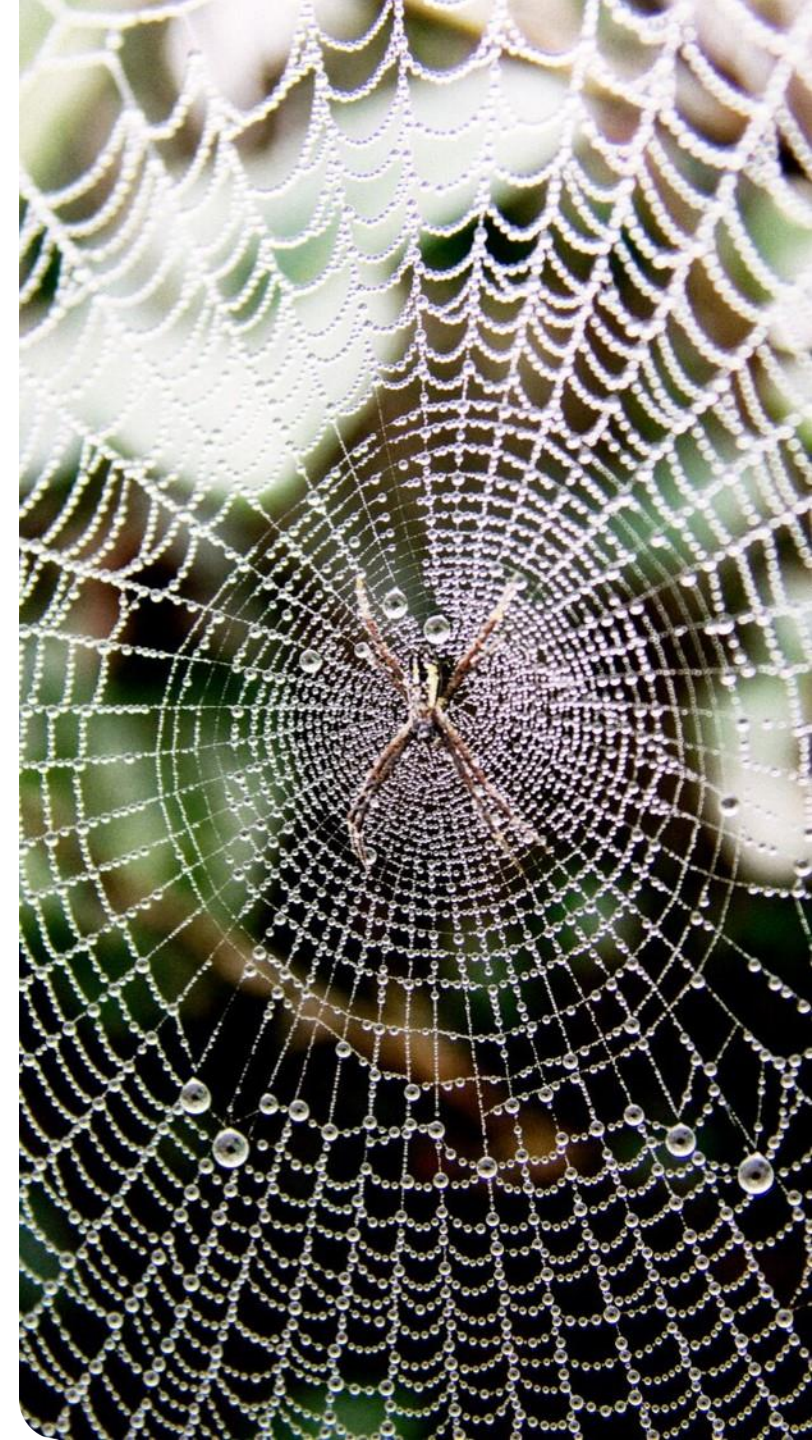
- Total cost of CBPS was PLN 3.5 billion (PLN 3.2 billion in Q2 and PLN 0.3 billion in Q3)
- Cost for ING BSK was PLN 430 million in Q2 2022 and additional PLN 41 million in Q3 2022

Legal risk of foreign currency mortgage loans

- At the end of September, we had 1,047 court cases
- Portfolio coverage with provisions is at a high level of 56%; the balance of provisions is PLN 405 million
- Open program of settlements in the PFSA model - 459 signed settlements as at the end of December 2022

Benchmark reform

- The national working group for the reform of benchmarks (NGR) has started their work
- WIRD (*Warszawski Indeks Rynku Depozytowego*) was selected as a new benchmark – it will be operating under the name of WIRON
- The NGR Steering Committee has announced a roadmap for further action
- From December 17, 2022, ING BSK suspended the sale of mortgage loans with a variable interest rate until the middle of next year, when it plans to introduce a variable interest rate based on the WIRON. During this time, the bank will offer mortgage loans only with a periodically fixed interest rate



Income statement

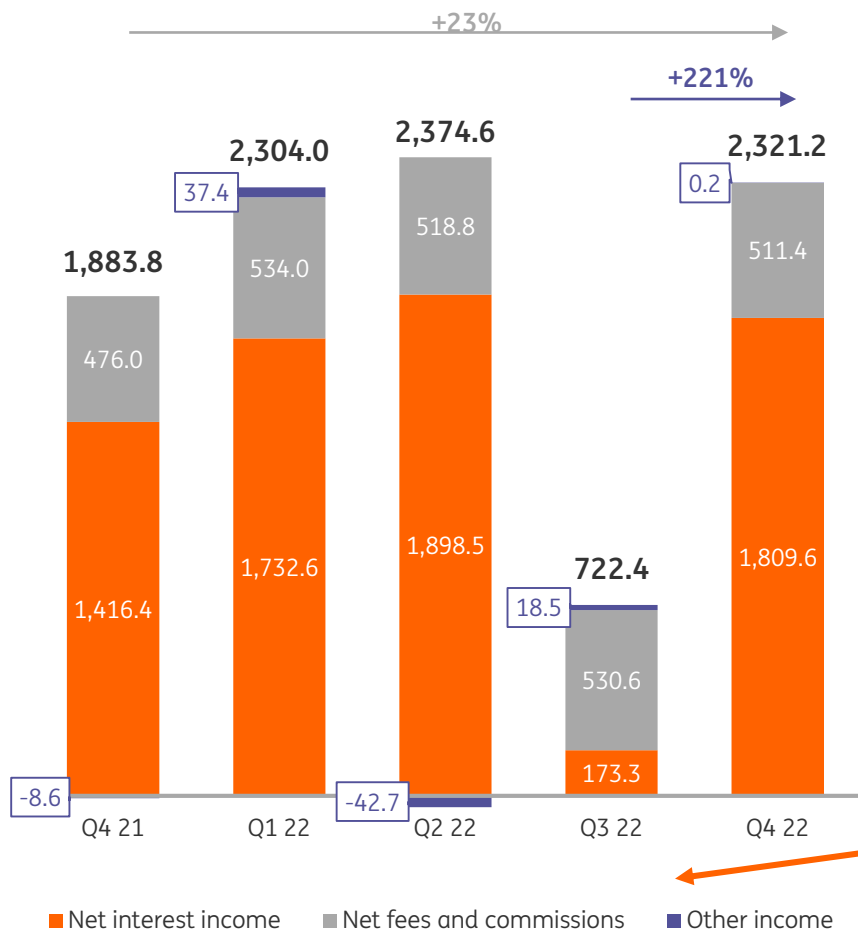
Consolidated income statement (PLN m)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	q/q		y/y		2021	2022	y/y	
									Δ	%	Δ	%			Δ	%
Net interest income, of which:	1,141.6	1,175.0	1,236.7	1,416.4	1,732.6	1,898.5	173.3	1,809.6	1,636.3	944.2%	393.2	27.8%	4,969.7	5,614.0	644.3	13.0%
Interest income	1,267.6	1,297.1	1,352.3	1,515.4	1,851.7	2,379.5	1,018.2	2,862.5	1,844.3	181.1%	1,347.1	88.9%	5,432.4	8,111.9	2,679.5	49.3%
Interest expense	-126.0	-122.1	-115.6	-99.0	-119.1	-481.0	-844.9	-1,052.9	-208.0	24.6%	-953.9	963.5%	-462.7	-2,497.9	-2,035.2	439.9%
Net fee and commission income	428.3	456.3	484.2	476.0	534.0	518.8	530.6	511.4	-19.2	-3.6%	35.4	7.4%	1,844.8	2,094.8	250.0	13.6%
Result on trade operations and revaluation	23.4	19.8	21.5	-11.7	30.8	-47.6	14.4	-3.2	-17.6	-	8.5	-72.6%	53.0	-5.6	-58.6	-
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	-42.3	25.4	1.9	-23.5	-92.5%	9.7	-	64.3	32.1	-32.2	-50.1%
The result on the sale of securities measured at amortized cost	0.0	0.0	0.0	2.8	-3.9	-11.8	-9.1	0.0	9.1	-100.0%	-2.8	-100.0%	2.8	-24.8	-27.6	-
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	-0.2	-0.1	0.1	-50.0%	-26.9	-	38.4	26.5	-11.9	-31.0%
Net income on hedge accounting	-10.9	-3.3	-4.8	-33.5	-14.5	-18.2	-1.7	-5.0	-3.3	194.1%	28.5	-85.1%	-52.5	-39.4	13.1	-25.0%
Net income on other core activities	2.3	1.3	1.7	-5.2	-0.2	-0.9	-1.3	-4.2	-2.9	223.1%	1.0	-19.2%	0.1	-6.6	-6.7	-
Share in net profit (loss) of associated entities recognised under the equity method	6.1	7.1	7.8	8.3	6.8	5.8	5.4	7.6	2.2	40.7%	-0.7	-8.4%	29.3	25.6	-3.7	-12.6%
Income	1,601.7	1,659.5	1,751.9	1,883.8	2,304.0	2,374.6	722.4	2,321.2	1,598.8	221.3%	437.4	23.2%	6,896.9	7,722.2	825.3	12.0%
Expenses	-820.8	-692.0	-694.2	-757.5	-931.4	-1,200.1	-821.6	-689.0	132.6	-16.1%	68.5	-9.0%	-2,964.5	-3,642.1	-677.6	22.9%
Personnel expenses	-355.0	-358.0	-359.9	-424.1	-361.3	-409.7	-414.9	-413.5	1.4	-0.3%	10.6	-2.5%	-1,497.0	-1,599.4	-102.4	6.8%
Depreciation and amortisation	-71.4	-71.6	-70.8	-72.5	-68.5	-68.1	-71.2	-71.5	-0.3	0.4%	1.0	-1.4%	-286.3	-279.3	7.0	-2.4%
Regulatory expenses	-179.5	-28.2	-28.2	-28.4	-248.6	-429.8	-66.4	1.2	67.6	-	29.6	-	-264.3	-743.6	-479.3	181.3%
Other expenses	-214.9	-234.2	-235.3	-232.5	-253.0	-292.5	-269.1	-205.2	63.9	-23.7%	27.3	-11.7%	-916.9	-1,019.8	-102.9	11.2%
Profit before risk costs	780.9	967.5	1,057.7	1,126.3	1,372.6	1,174.5	-99.2	1,632.2	1,731.4	-	505.9	44.9%	3,932.4	4,080.1	147.7	3.8%
Risk costs including legal cost of risk for FX mortgage loans	-128.8	-19.1	-80.4	-144.1	-151.6	-183.2	-206.0	-259.3	-53.3	25.9%	-115.2	79.9%	-372.4	-800.1	-427.7	114.8%
Retail	-67.9	27.2	-31.9	-61.8	-61.6	-111.5	-18.7	-164.7	-146.0	780.7%	-102.9	166.5%	-134.4	-356.5	-222.1	165.3%
Corporate	-60.9	-46.3	-48.5	-82.3	-90.0	-71.7	-187.3	-94.6	92.7	-49.5%	-12.3	14.9%	-238.0	-443.6	-205.6	86.4%
Tax on certain financial institutions	-125.9	-130.9	-138.2	-149.7	-151.7	-161.3	-164.8	-169.1	-4.3	2.6%	-19.4	13.0%	-544.7	-646.9	-102.2	18.8%
Profit (loss) before tax	526.2	817.5	839.1	832.5	1,069.3	830.0	-470.0	1,203.8	1,673.8	-	371.3	44.6%	3,015.3	2,633.1	-382.2	-12.7%
Income tax	-140.6	-202.2	-200.7	-163.5	-276.5	-257.0	152.7	-307.9	-460.6	-	-144.4	88.3%	-707.0	-688.7	18.3	-2.6%
Net profit (loss), of which:	385.6	615.3	638.4	669.0	792.8	573.0	-317.3	895.9	1,213.2	-	226.9	33.9%	2,308.3	1,944.4	-363.9	-15.8%
Net profit (loss) attributable to the shareholders of ING BSK	385.6	615.3	638.4	669.0	792.8	573.0	-317.3	895.9	1,213.2	-	226.9	33.9%	2,308.3	1,944.4	-363.9	-15.8%
Number of shares issued (m)	130.1	130.1	130.1	130.1	130.1	130.1	130.1	130.1	0.0	0.0%	0.0	0.0%	130.1	130.1	0.0	0.0%
Earnings per share (PLN) - annualised	11.86	18.92	19.63	20.57	24.38	17.62	-9.76	27.54	37.30	-	6.98	33.9%	17.74	14.95	-2.80	-15.8%

Statement of financial position

Consolidated statement of financial position (PLN m)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	q/q		y/y	
										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	2,718.1	2,069.5	2,337.6	268.1	13.0%	1,237.6	112.5%
Loans and receivables to other banks	704.6	1,336.4	709.5	913.8	704.8	1,074.4	2,293.2	2,257.6	5,161.1	2,903.5	128.6%	4,456.3	632.3%
Financial assets measured at fair value through profit or loss	1,711.4	1,509.9	1,376.8	1,870.0	1,459.9	1,425.4	3,424.4	3,335.9	1,897.7	-1,438.2	-43.1%	437.8	30.0%
Derivative hedge instruments	1,194.8	873.6	882.0	593.3	250.4	323.4	834.2	504.0	139.2	-364.8	-72.4%	-111.2	-44.4%
Investment securities	54,170.6	54,707.2	55,221.6	49,443.6	45,584.4	37,312.3	39,283.0	42,363.9	48,432.8	6,068.9	14.3%	2,848.4	6.2%
Assets securing liabilities	963.0	3,607.1	1,881.5	3,018.6	2,280.9	10,935.8	6,878.6	3,206.4	163.8	-3,042.6	-94.9%	-2,117.1	-92.8%
Loans and receivables to customers	124,761.5	129,553.4	133,863.1	141,256.1	146,614.4	149,782.6	152,180.9	154,410.6	155,243.2	832.6	0.5%	8,628.8	5.9%
Non-financial assets	1,339.7	1,300.6	1,267.4	1,233.6	1,208.6	1,317.9	1,335.4	1,356.9	1,367.2	10.3	0.8%	158.6	13.1%
Tax assets	425.9	560.3	771.0	1,020.8	1,979.5	2,519.0	3,059.1	3,169.3	2,400.8	-768.5	-24.2%	421.3	21.3%
Other assets	456.9	473.0	458.6	446.4	471.3	379.9	388.1	338.1	336.7	-1.4	-0.4%	-134.6	-28.6%
Total assets	186,595.7	194,821.3	197,282.3	200,543.3	201,654.2	210,069.0	212,395.0	213,012.2	217,480.1	4,467.9	2.1%	15,825.9	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	8,788.0	9,151.0	5,639.6	-3,511.4	-38.4%	-4,411.4	-43.9%
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	3,294.8	3,478.5	2,203.8	-1,274.7	-36.6%	524.2	31.2%
Derivative hedge instruments	558.5	549.6	454.0	406.0	235.4	362.5	1,144.4	842.0	369.5	-472.5	-56.1%	134.1	57.0%
Liabilities due to customers	151,028.5	158,931.1	161,998.3	164,586.3	170,609.9	174,661.9	185,095.1	186,580.5	192,731.3	6,150.8	3.3%	22,121.4	13.0%
Liabilities under issue of debt securities	1,370.5	596.5	546.2	547.2	972.4	398.0	401.8	407.9	404.8	-3.1	-0.8%	-567.6	-58.4%
Subordinated liabilities	2,309.2	2,331.9	2,262.1	2,318.2	1,610.3	1,628.9	1,638.8	1,705.7	1,643.9	-61.8	-3.6%	33.6	2.1%
Provisions	256.3	240.1	248.4	252.9	336.9	350.2	338.7	346.5	343.0	-3.5	-1.0%	6.1	1.8%
Income tax liability	389.6	200.0	1.8	3.5	3.9	5.3	11.7	13.7	20.3	6.6	48.2%	16.4	420.5%
Other liabilities	2,306.0	2,883.7	3,451.0	3,247.9	2,623.4	3,220.2	3,964.8	3,063.5	4,549.6	1,486.1	48.5%	1,926.2	73.4%
Total liabilities	167,977.4	177,261.0	179,424.7	183,102.5	188,122.8	198,913.2	204,678.1	205,589.3	207,905.8	2,316.5	1.1%	19,783.0	10.5%
EQUITY													
Share Capital	130.1	130.1	130.1	130.1	130.1	130.1	130.1	130.1	130.1	0.0	0.0%	0.0	0.0%
Supplementary capital – share premium account	956.3	956.3	956.3	956.3	956.3	956.3	956.3	956.3	956.3	0.0	0.0%	0.0	0.0%
Revaluation reserve	3,923.4	2,479.8	2,158.7	1,103.0	-2,821.0	-5,989.5	-9,311.9	-9,291.9	-8,039.3	1,252.6	-13.5%	-5,218.3	185.0%
Retained earnings	13,608.5	13,994.1	14,612.5	15,251.4	15,266.0	16,058.9	15,942.4	15,628.4	16,527.2	898.8	5.8%	1,261.2	8.3%
Equity attributable to shareholders of ING BSK	18,618.3	17,560.3	17,857.6	17,440.8	13,531.4	11,155.8	7,716.9	7,422.9	9,574.3	2,151.4	29.0%	-3,957.1	-29.2%
Non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
Total equity	18,618.3	17,560.3	17,857.6	17,440.8	13,531.4	11,155.8	7,716.9	7,422.9	9,574.3	2,151.4	29.0%	-3,957.1	-29.2%
Total equity and liabilities	186,595.7	194,821.3	197,282.3	200,543.3	201,654.2	210,069.0	212,395.0	213,012.2	217,480.1	4,467.9	2.1%	15,825.9	7.8%
Number of shares issued (m)	130.1	130.1	130.1	130.1	130.1	130.1	130.1	130.1	130.1	0.0	0.0%	0.0	0.0%
Book value per share (PLN)	143.11	134.98	137.26	134.06	104.01	85.75	59.32	57.06	73.59	16.54	29.0%	-30.42	-29.2%

Income per category

Income per P&L line (PLN million)

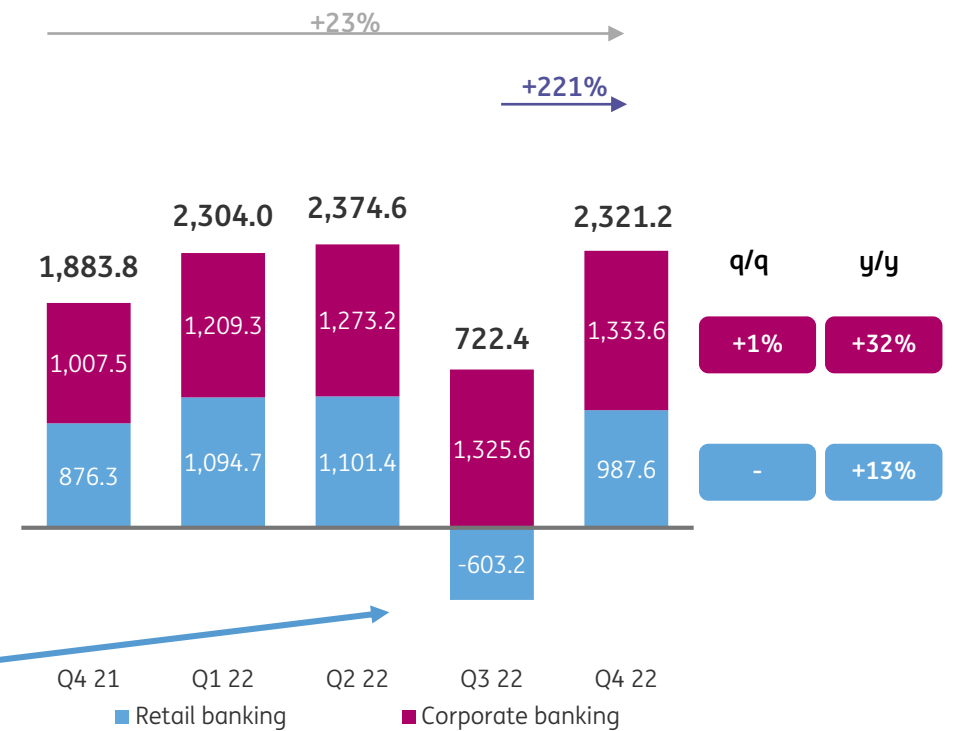


Category	q/q	y/y
Net interest income	+944%	+28%
Net fees and commissions	-4%	+7%
Other income	-99%	-102%

+230% q/q
+23% y/y

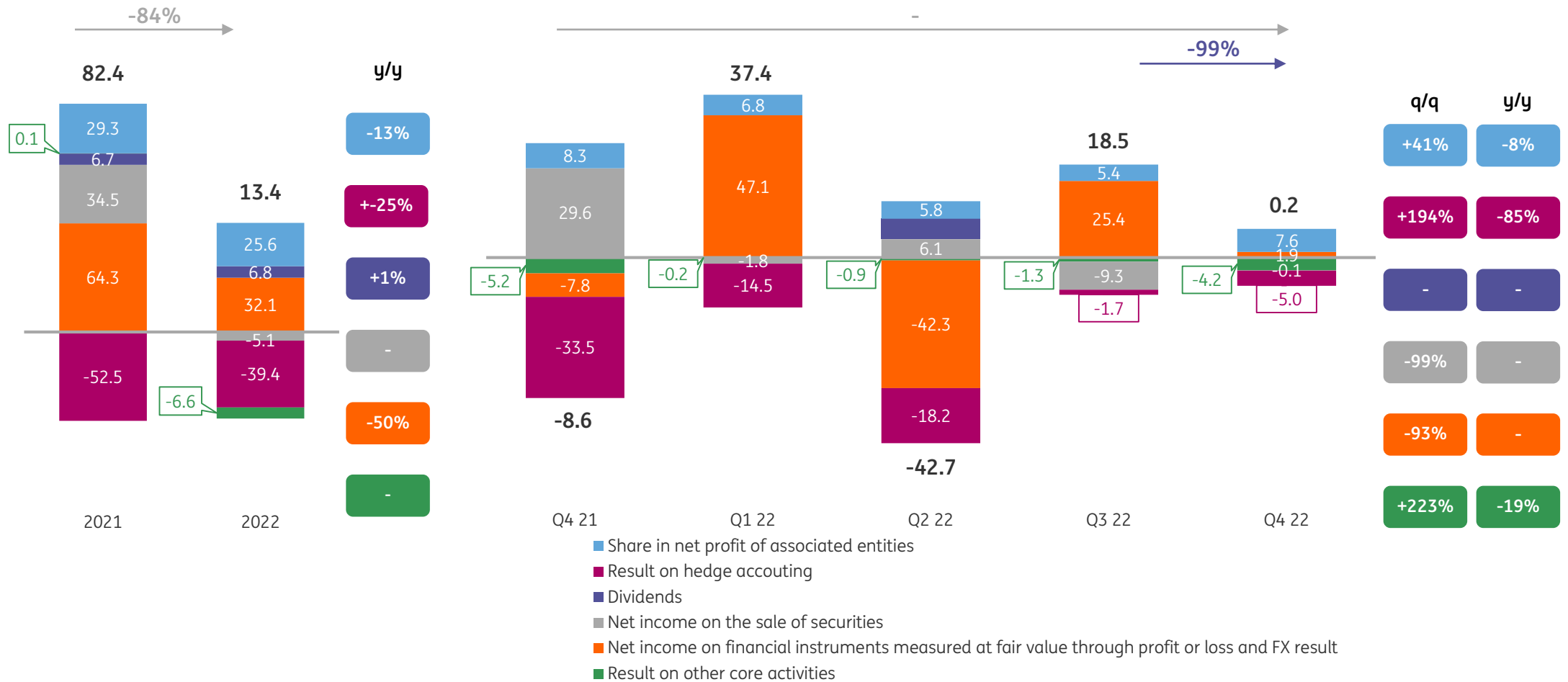
PLN 1,632.1 million of negative impact of credit moratoria in Q3 2022 and additional PLN 12,8 in Q4 2022, fully allocated to the retail banking segment

Income per business line (PLN million)



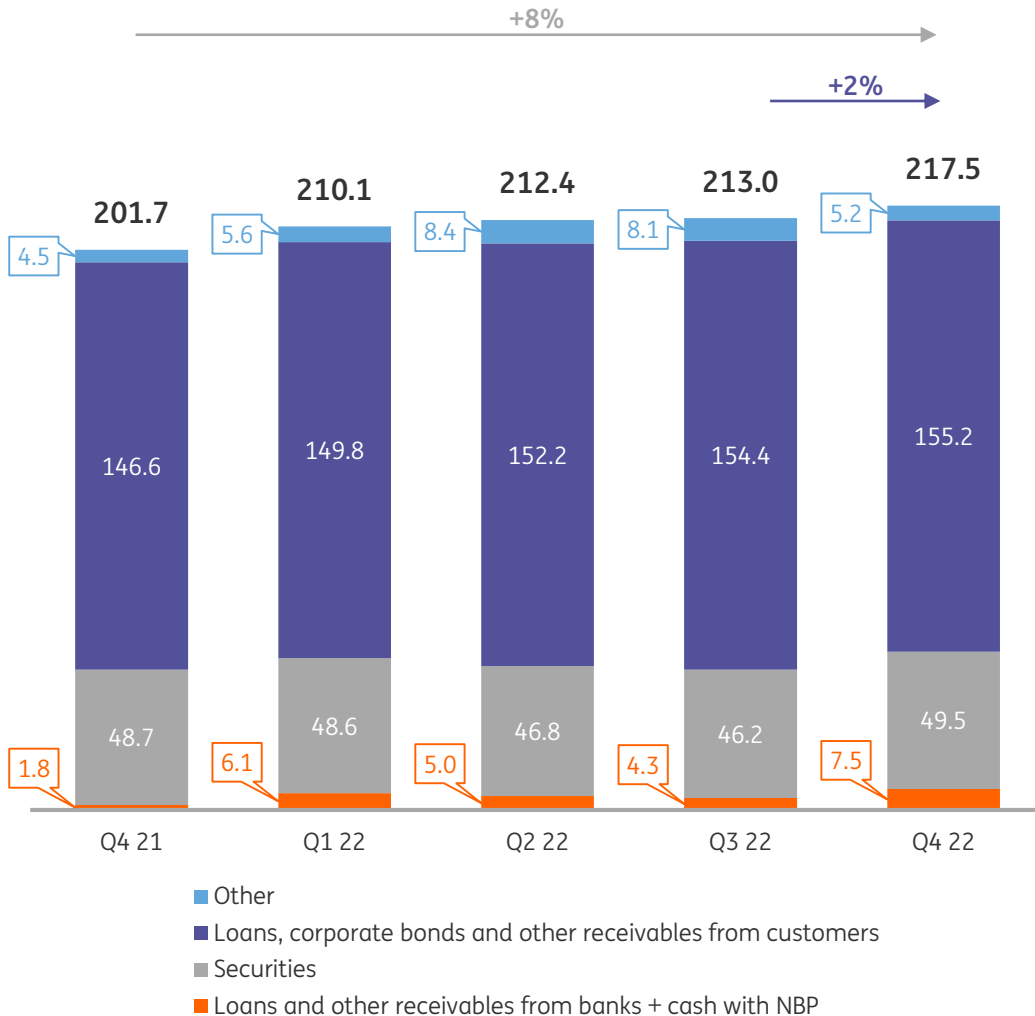
Other income

Other income (PLN million)

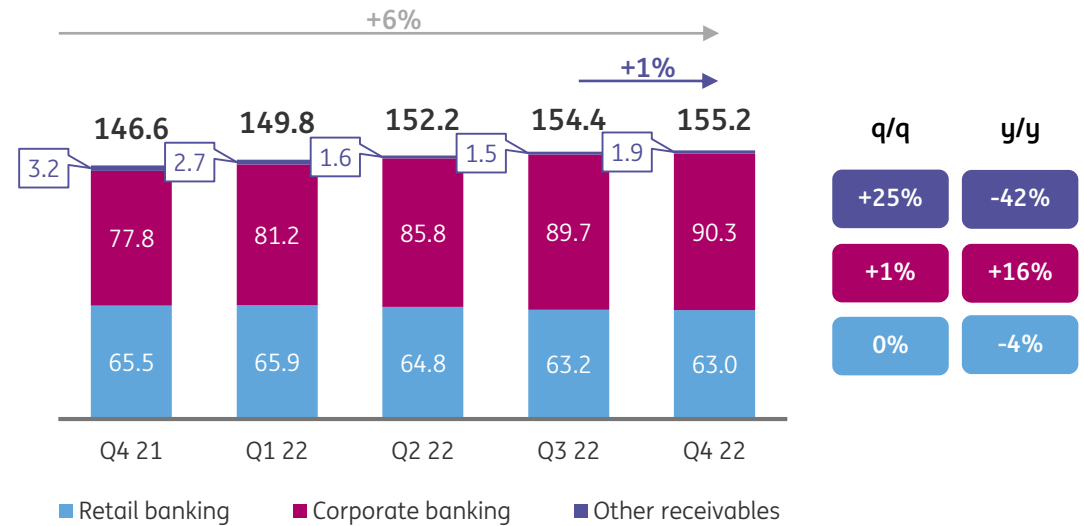


Bank assets

Asset structure (PLN billion)

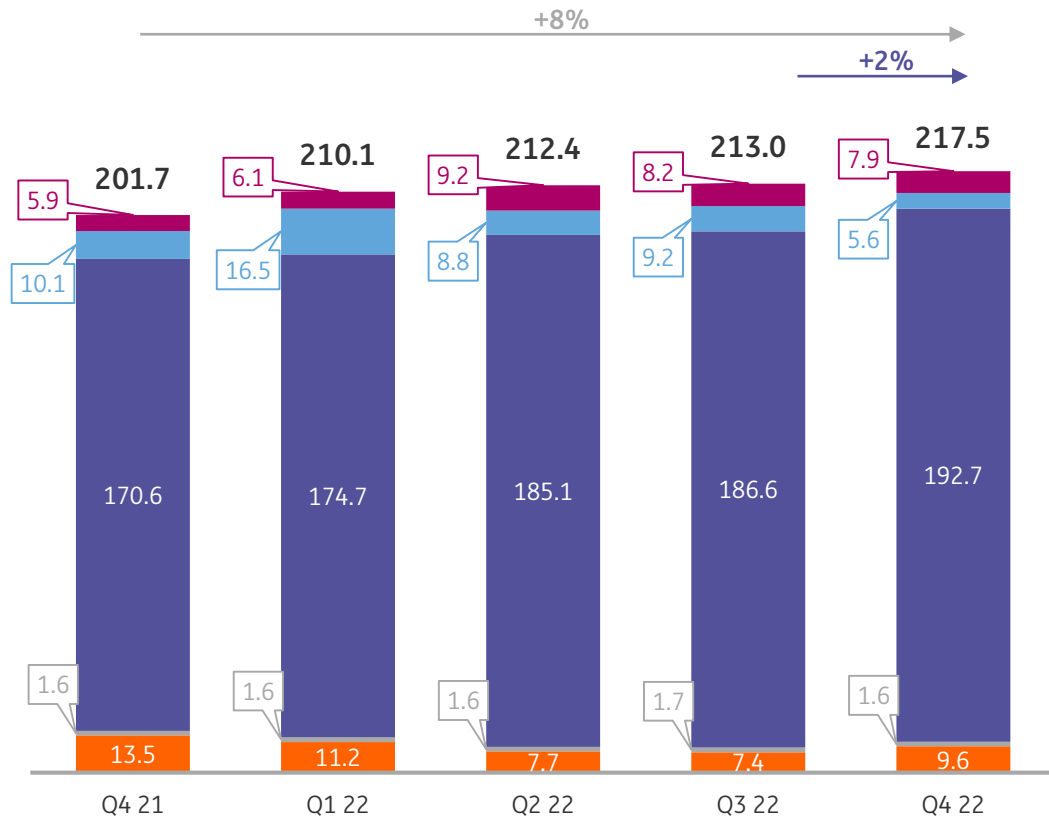


Loans and other receivables from customers (net; PLN billion)



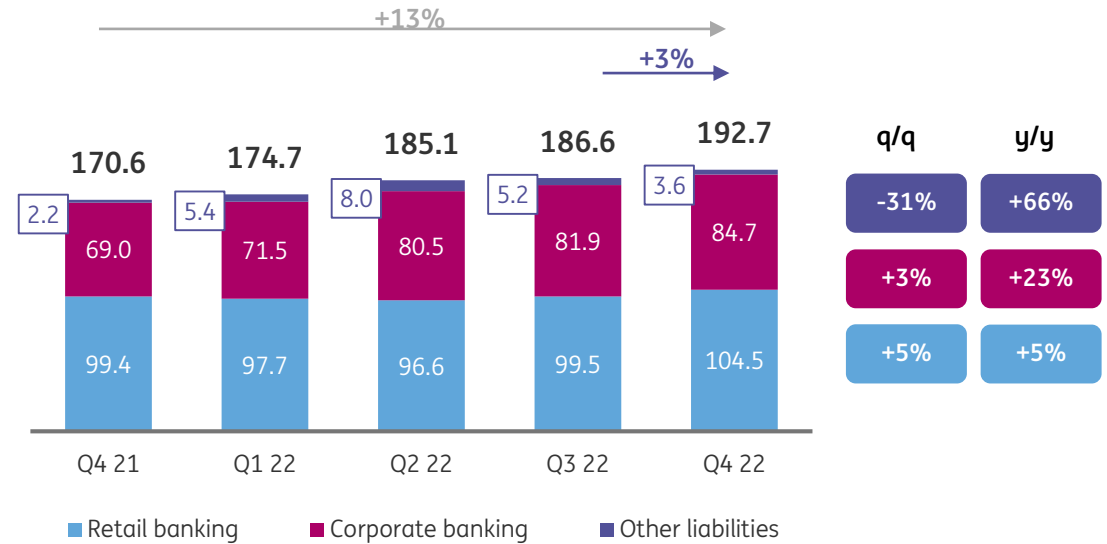
Bank equity and liabilities

Structure of equity and liabilities (PLN billion)



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

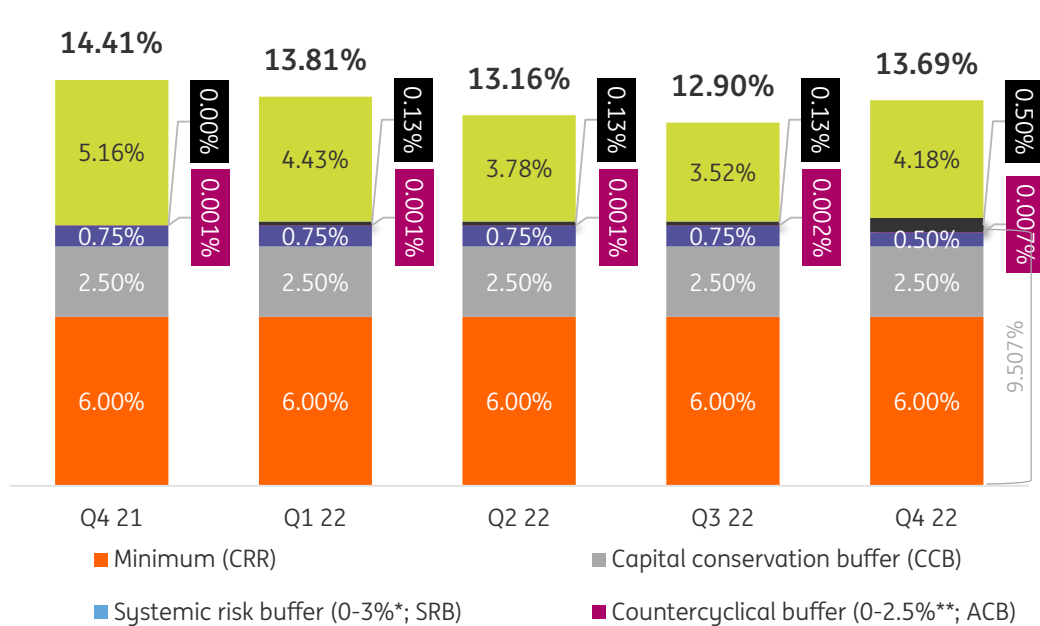
Deposits and other liabilities to customers (PLN billion)



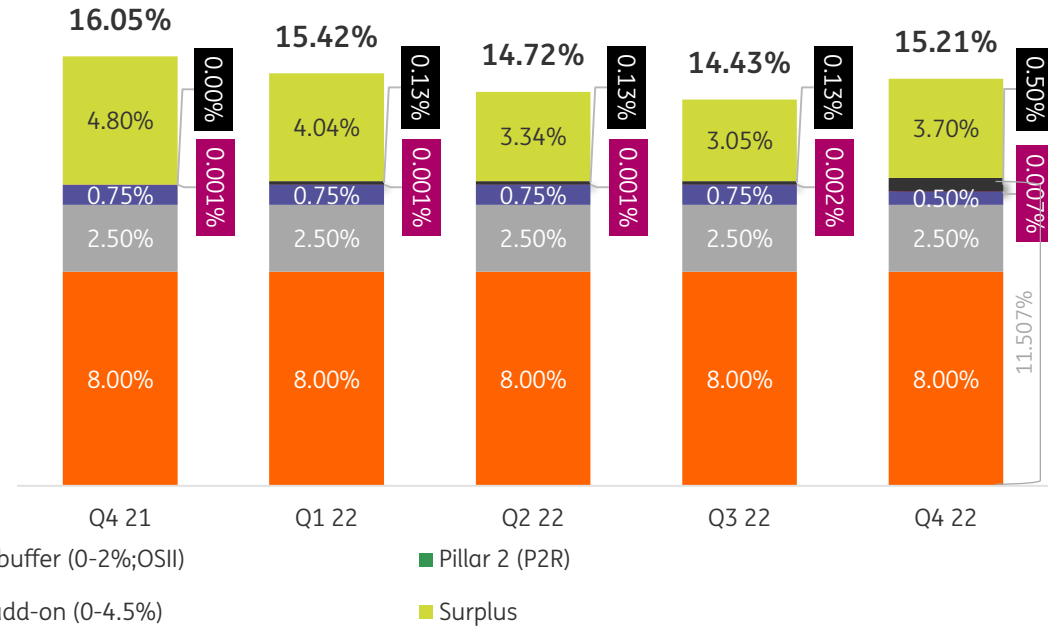
q/q	y/y
-31%	+66%
+3%	+23%
+5%	+5%

Capital requirement structure

Consolidated capital requirement structure – Tier 1



Consolidated capital requirement structure – TCR



MREL requirement (in accordance with the BFG announcement - Polish):

- 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 as well as the requirement as at the end of 2022 are - 12.12% TREA and 3.00% TEM.
- The MREL requirement should be met irrespective of the combined buffer requirement (i.e. the sum of systemic risk requirement, countercyclical buffer, capital conservation buffer and O-SII buffer).
- As of end 2022 the standalone TCR amounted to 16.75%, while Tier 1 to 15.08%, with RWA at the level of PLN 98.4 billion.
- On December 22, 2022, the Bank concluded with ING Bank N.V. with its registered office in Amsterdam, the non-preferred senior loan agreement. The loan amount is EUR 260 million. The loan was granted for 6 years. The Bank shall recognise the funds obtained from the loan under the eligible liabilities for the purpose of the minimum requirement for own funds and eligible liabilities ("MREL") at the transaction processing date being 5 January 2023.

*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 31.12.2022	%
1	Wholesale trade	10,563	11.4%
2	Real estate service	9,568	10.3%
3	Financial intermediation	5,761	6.2%
4	Other activity related to business running	5,506	6.0%
5	Foodstuff and beverage production	4,664	5.0%
6	Land transport and transport via pipelines	4,447	4.8%
7	Manufacture of fabricated metal products	3,885	4.2%
8	Retail trade	3,846	4.2%
9	Constructions	3,437	3.7%
10	Rubber industry	3,258	3.5%
11	Public administration and national defense	3,057	3.3%
12	Renting of equipment	2,706	2.9%
13	Wood and paper industry	2,562	2.8%
14	Post office and telecommunications	2,387	2.6%
15	Agriculture, forestry, fishery	2,248	2.4%
16	Chemicals and chemical goods production	2,188	2.4%
17	Power industry	2,133	2.3%
18	Sale, repair and maintenance of motor vehicles	1,988	2.2%
19	Engineering industry	1,470	1.6%
20	Other	16,803	18.2%
Total exposure		92,478	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 31.12.2022	%
1	Wholesale trade	16,869	12.4%
2	Real estate service	10,037	7.4%
3	Constructions	8,647	6.4%
4	Retail trade	7,581	5.6%
5	Other activity related to business running	7,347	5.4%
6	Financial intermediation	6,982	5.1%
7	Foodstuff and beverage production	6,497	4.8%
8	Manufacture of fabricated metal products	6,049	4.5%
9	Land transport and transport via pipelines	5,709	4.2%
10	Rubber industry	4,717	3.5%
11	Chemicals and chemical goods production	4,436	3.3%
12	Power industry	3,995	2.9%
13	Wood and paper industry	3,610	2.7%
14	Renting of equipment	3,165	2.3%
15	Public administration and national defense	3,099	2.3%
16	Post office and telecommunications	3,004	2.2%
17	Sale, repair and maintenance of motor vehicles	2,933	2.2%
18	Agriculture, forestry, fishery	2,447	1.8%
19	Engineering industry	2,373	1.7%
20	Other	26,376	19.4%
	Total exposure	135,873	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 4.4 million individual clients and 533 thousand corporate clients
- We employ 8.4 thousand people
- We are number four in Poland in terms of the total assets as at the end of Q3 2022

Credit ratings of ING Bank Śląski

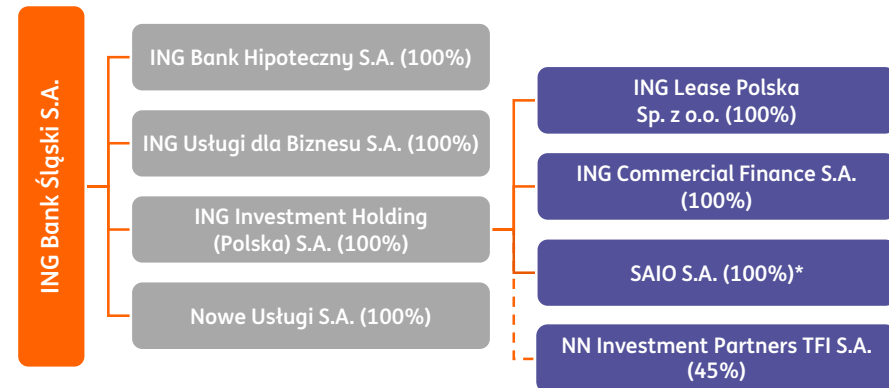
Fitch

- 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



*SAIO S.A. was established in August 2022, and was formally registered with the National Court Register on 4 October 2022. SAIO has been consolidated since Q4 2022.

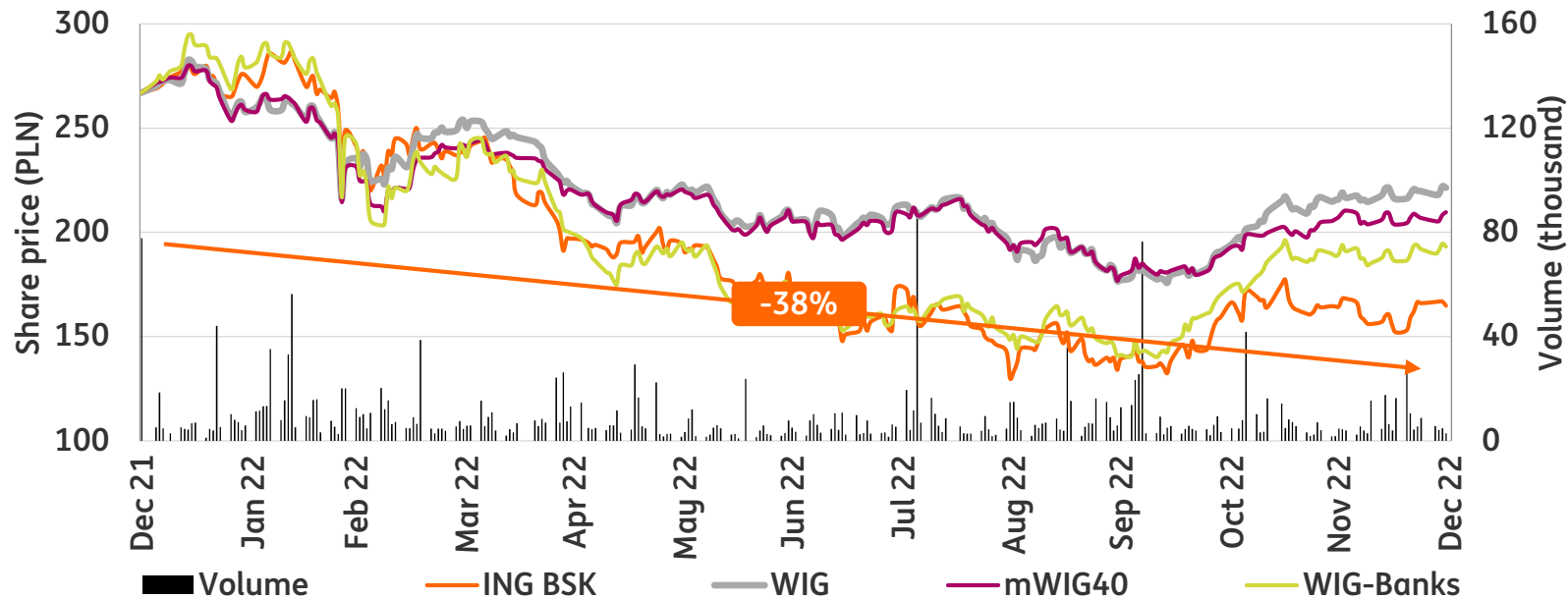
ING Bank Śląski S.A. shares

ING BSK share price :
PLN 164.8 (30 December 2022)

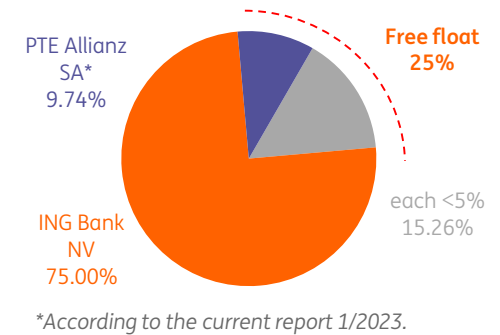
Capitalisation: **PLN 21.4 billion** (EUR 4.6 billion)
Free float : **PLN 5.4 billion** (EUR 1.1 billion)

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

ING BSK shares vs. WSE indices recalculated for comparability



Shareholding structure



*According to the current report 1/2023.

Market ratios (Q4 2022)

P/E 11.0x

P/BV 2.2x

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.

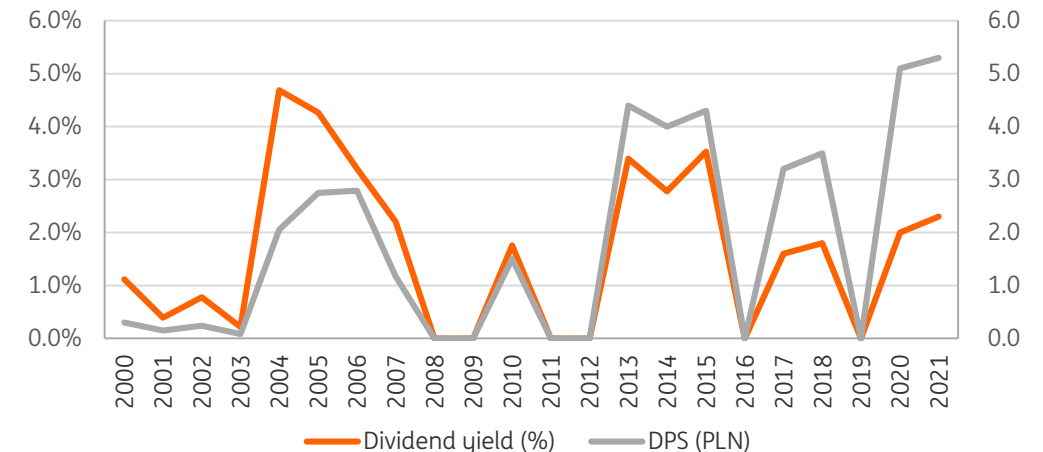
A proposal to pay a dividend in the amount higher than the dividend ratio referred to in point 1 is possible when it is justified by the financial standing of the Bank (e.g. from undivided profit from previous years) and provided that all other requirements set out in the law and the Policy are met.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



IR contact details

ING Bank Śląski S.A.
ul. Puławska 2
02-566 Warsaw
Investor Relations Bureau
✉ investor@ing.pl

Iza Rokicka
Head of IR
Investor Relations Bureau
☎ +48 22 820 44 16
✉ iza.rokicka@ing.pl

Maciej Kałowski
IR Expert
Investor Relations Bureau
☎ +48 22 820 44 43
✉ maciej.kalowski@ing.pl

Calendar for 2023

Date	Event
2 February 2023	Report for Q4 2022 (preliminary data)
10 March 2023	Annual report for 2022
11 May 2023	Report for Q1 2023
3 August 2023	Report for Q2 2023
2 November 2023	Report for Q3 2023

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.

www.ing.pl

