

The background is a scenic photograph of a mountain trail. Two hikers with large backpacks are walking away from the camera on a dirt path. The landscape is lush with green grass and shrubs in the foreground, and a dense forest of evergreen trees covers the slopes. In the distance, a mountain peak is visible under a sky with soft, white clouds. Overlaid on the image are several stylized bird logos (resembling swallows) in white and orange, arranged in a circular pattern. The main title is presented in three stacked orange boxes with white text.

Summary of the strategy of ING Bank Śląski S.A. for 2022 – 2024

ING Bank Śląski S.A.

17 March 2023



Our business strategy

Mission

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

Pillars of our organisation

Excellent client service



Increase in client activity and digitalisation



Operating effectiveness, AI and data management

People



Motivation and commitment, strong teams

A safe, sustainable and resilient organisation



Stability, accessibility, modernness



Compliance with regulatory requirements



Sustainable development

Key priorities

Orange Code

Our values remain the compass in our daily work

Orange Code – Our Behaviour



You take initiative and act effectively

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

You delegate to motivate others, maintain momentum and influence.

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

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

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



You help others to succeed

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

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

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

You trust the intention and expertise of others.

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



You are always a step ahead

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

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

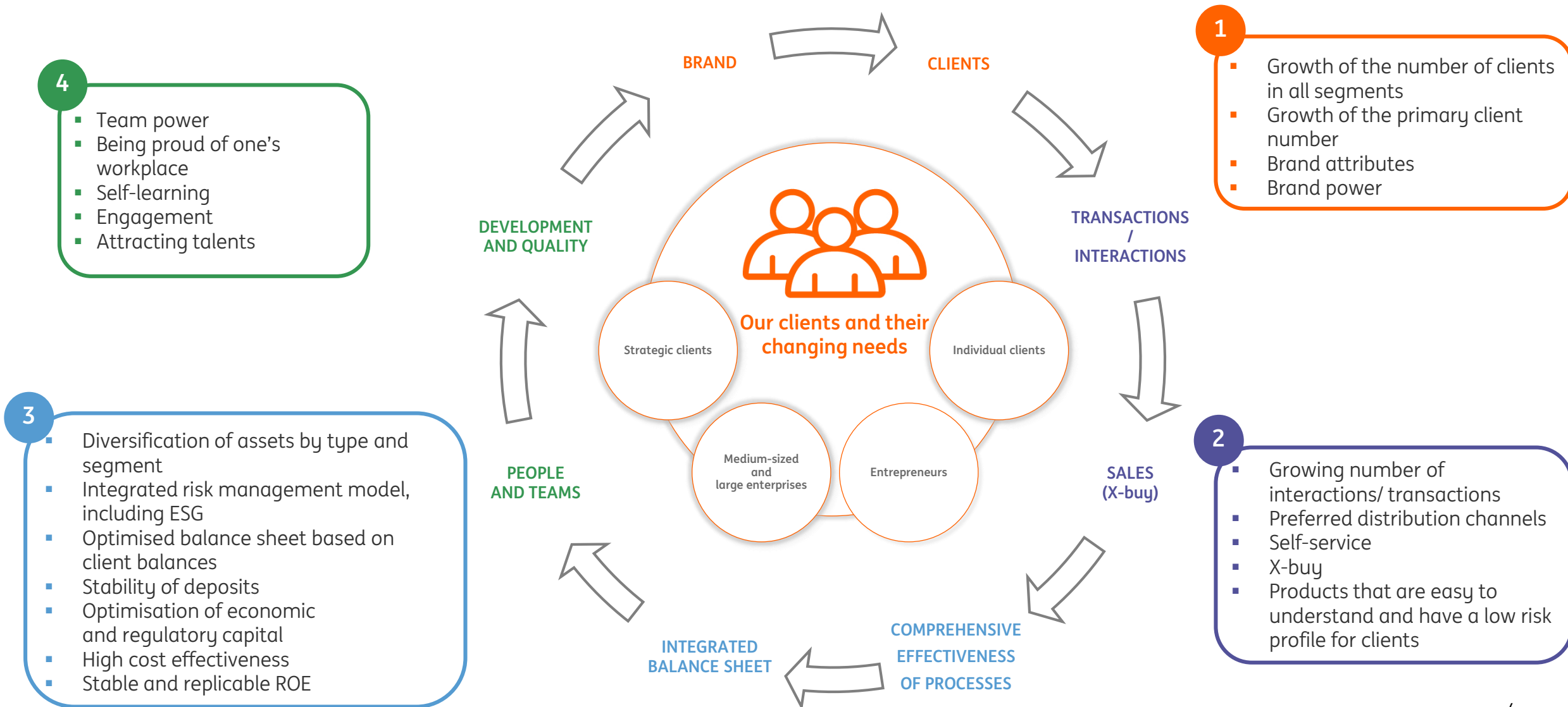
You create and simplify: if something doesn't work, you propose new solutions. If something does work, you work on making it work even better.

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

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

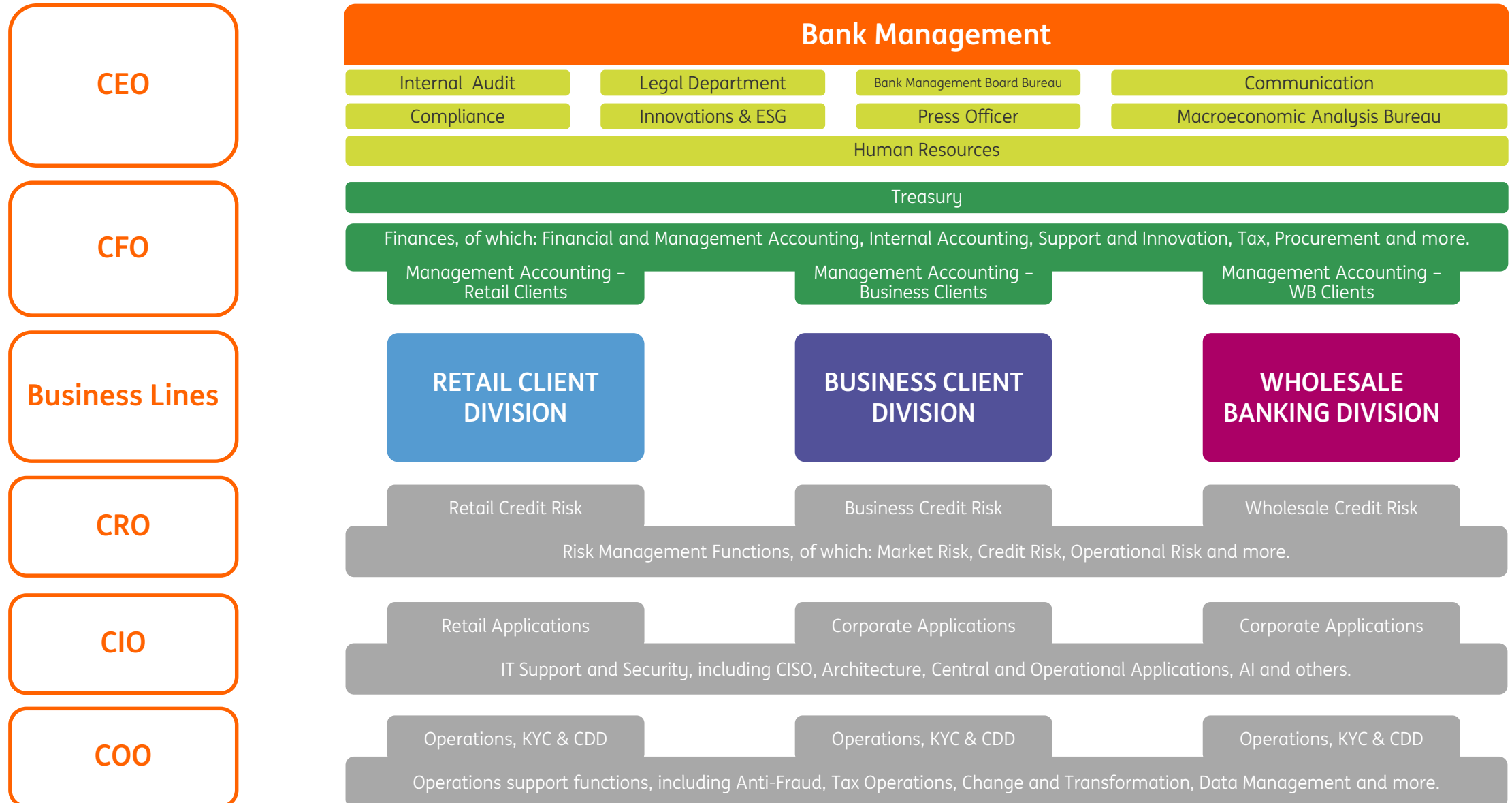
Integrated business model – continuous improvement

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



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

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

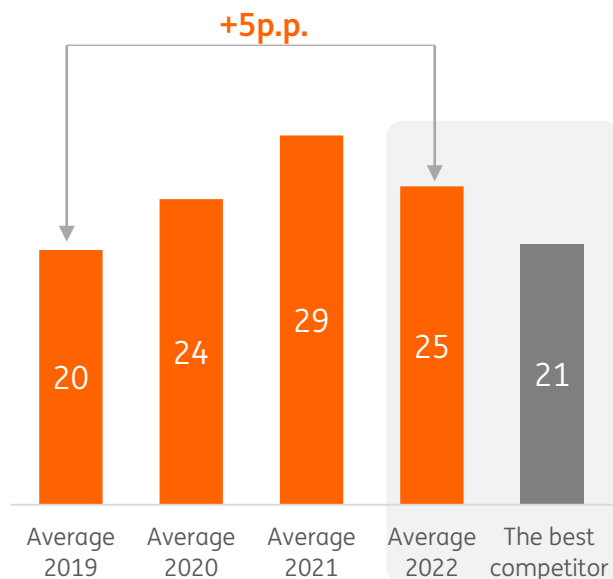


Strong brand attracts clients

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

1

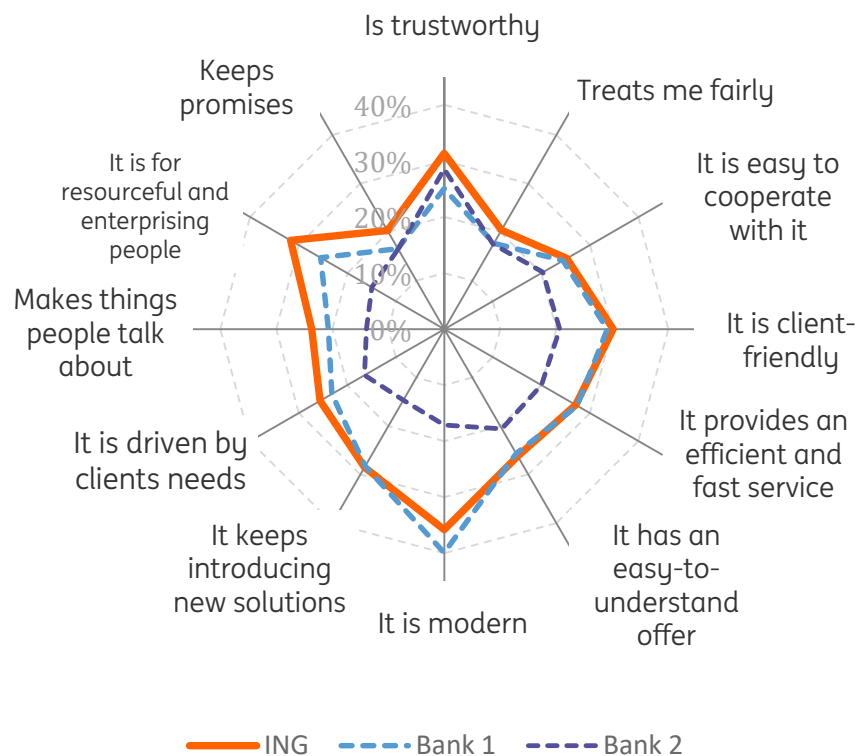
Strength of the ING brand retail clients NPS relationship



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

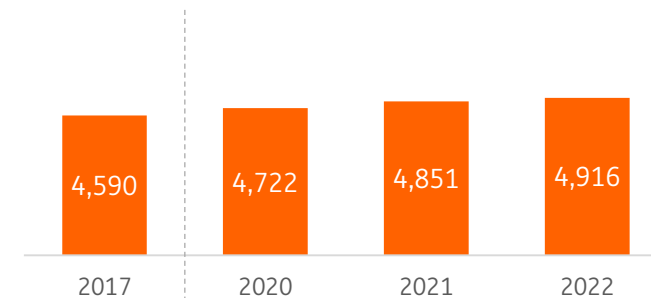
Source: ATP, Kantar

ING's image compared to its largest competitors (2022)

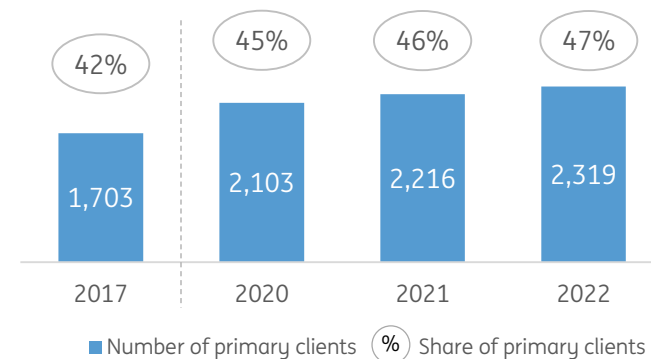


Source: Brand tracking 2022, Kantar Polska, CAWI survey on a nationwide sample of bank users N=9,600 (800 interviews per month)

Growing number of clients ('000)



Number of primary clients* ('000)

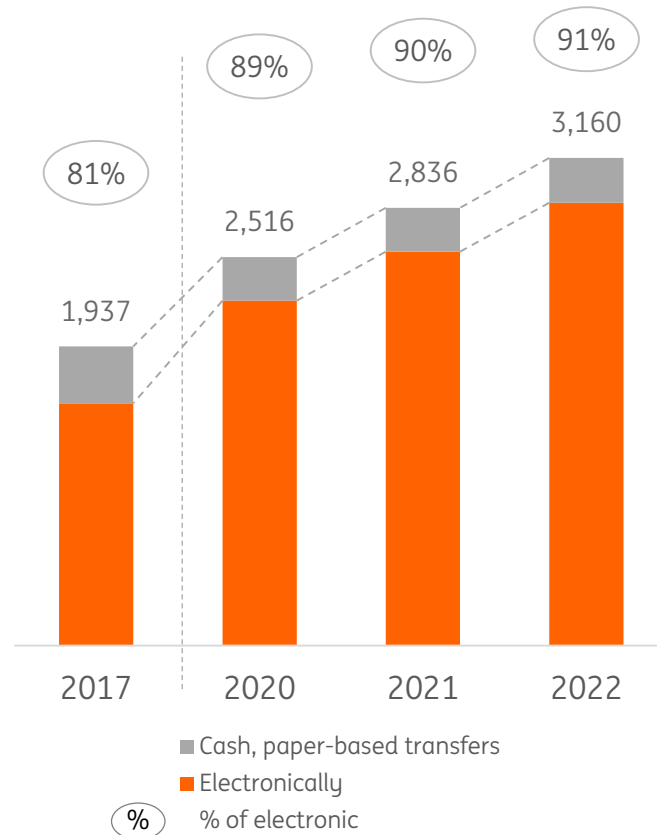


Interactions, transactions, preferred distribution channels, x-buy

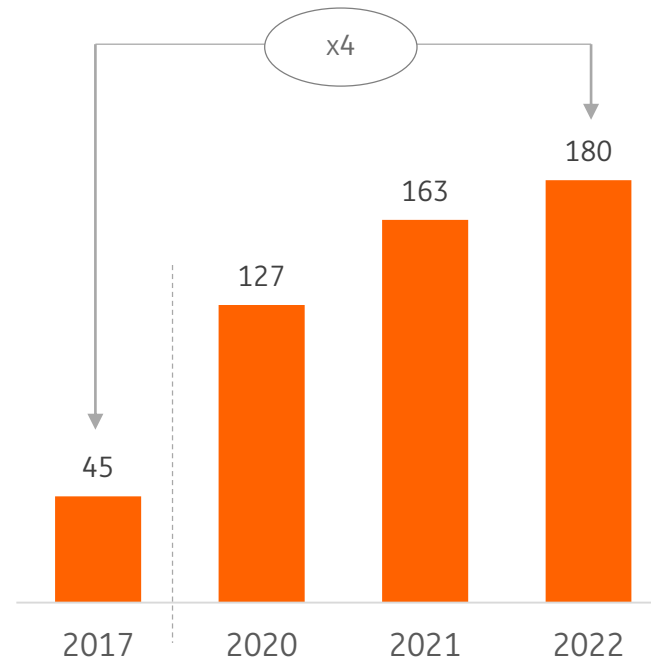
We listen carefully to client feedback and are constantly developing our offerings, adapting them to changing needs and new trends. Transitioning from a traditional model to a self-service model.

2

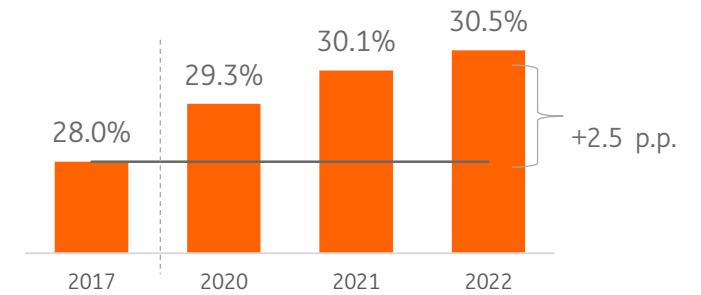
Number of transactions
(daily average, '000)



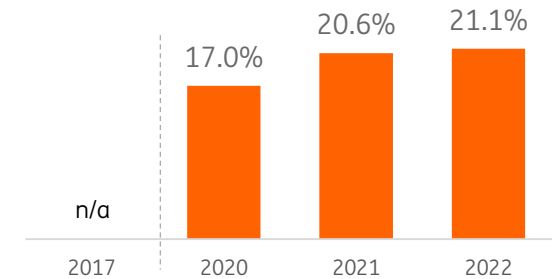
Growing number of mobile transactions
– in line with the “mobile banking first”
strategy



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



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

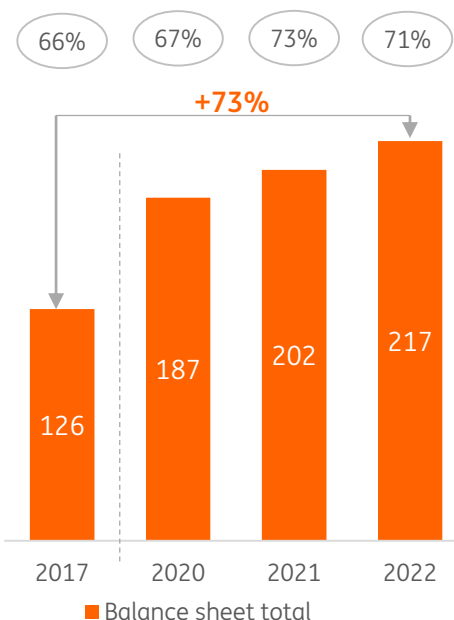


Diversified balance sheet, stable deposit base, growing efficiency

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

3

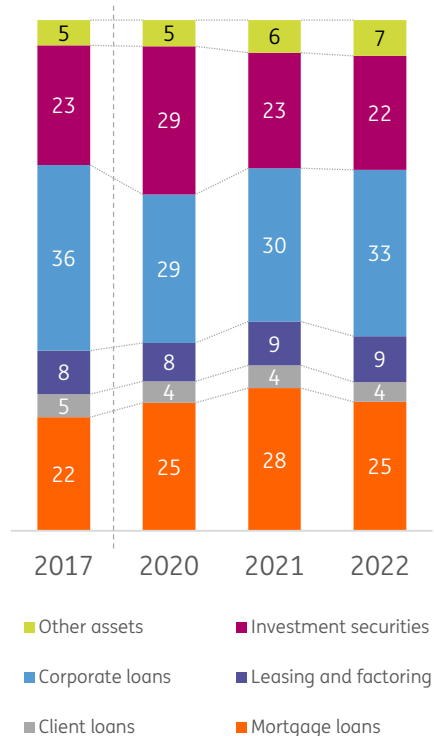
Balance sheet development
(PLN b)



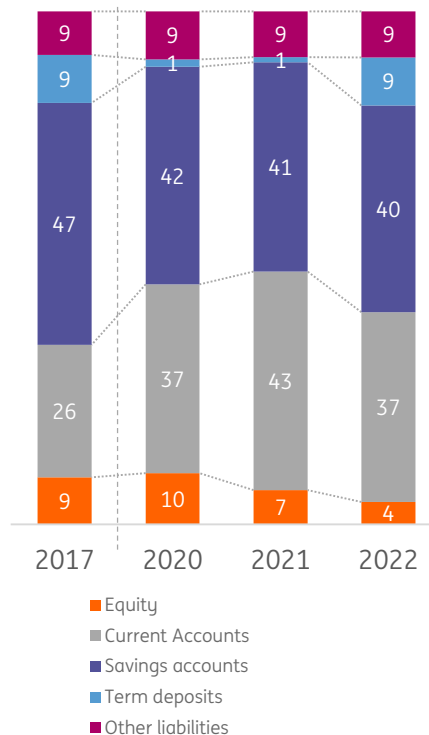
%
Loans and other receivables
(net)/ Deposits

Assets with diversified growth sources.
Gradual increase in share of loans in assets.
Stable funding sources.

Structure of assets (%)



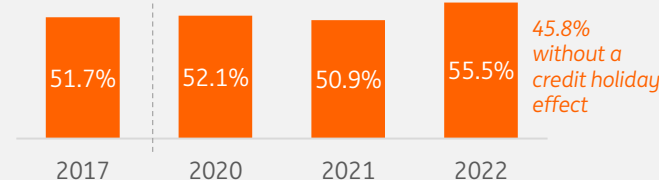
Structure of liabilities (%)



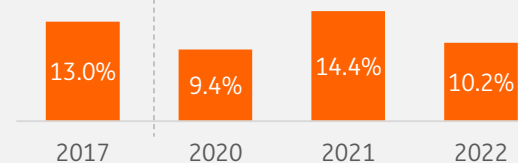
Income* (PLN m)



Costs/income*
(including bank levy, %)



ROE adjusted for MCFH (%)



*Including the net profit of associates accounted for using the equity method.

People and Teams

4

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

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

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

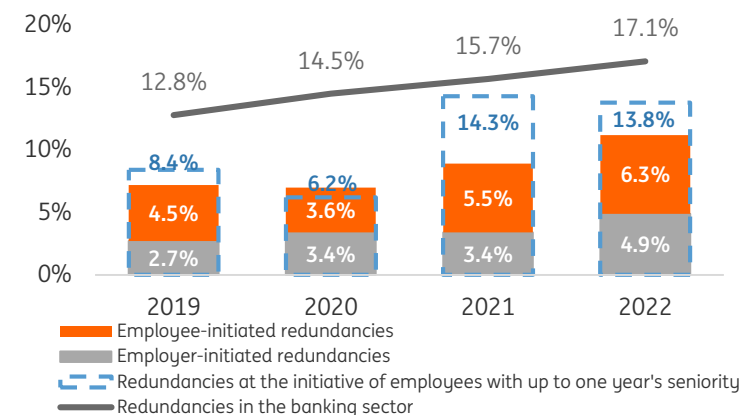
Teamwork and mutual cooperation – an organisation that relies on the creation of team solutions within a narrative management structure, a constant change of organisational solutions to ensure the effectiveness of collective self-organisation.

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

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



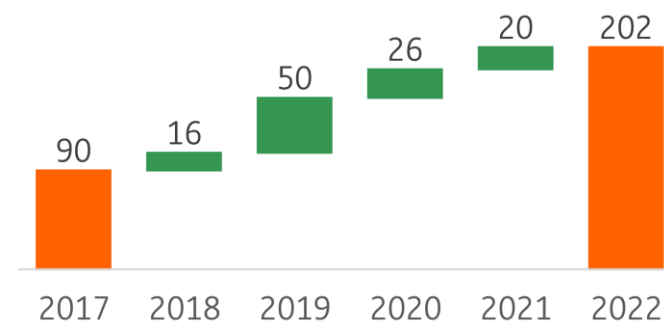
Turnover – Voluntary redundancies (%)
ING vs. Benchmark



Source: Korn Ferry Hay Group report



Number of employees with disabilities



Client activity and digitalisation



Digitalisation & Innovations

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

Retail banking

- Continue **to grow primary client base** and maintain **CX leadership status** — **NPS Challenge #1**.
- Increased **electronic interaction** -> increased sales potential in preferred channels.
- **Increased levels of client self-service** -> value-added service.
- Maintain the status **as an outstanding brand and the leader of the empowerment score**.

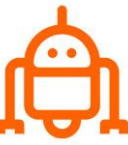
Corporate banking

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

Target	2021	2022	2024E
Strengthening cooperation with clients			
Number of primary retail clients (m)	2.0	2.1	~2.3
Number of corporate primary clients ('000)	193	205	~215
Digitalisation			
Share of Primary Mobile clients (%)	82	84.5	95
Retail sales personalisation (%)	40	41	>45
Mobile sales per 1,000 of active clients, #	216	202	~250
Migration of entrepreneurs from Moje ING to ING Business			<input checked="" type="checkbox"/>
Client Satisfaction			
NPS retail clients	29	25	~29
NPS entrepreneurs*	45	42	~42
NPS SMEs*	45	42	~42
NPS large companies*		49	~49
NPS strategic clients	69	81	~69
Innovations			
Review of IT and PoC partners	50	70	150

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

Operational efficiency, AI and data management



Efficiency initiatives

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

Smart automation

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

Data management and use

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

Operational excellence in technology

- Continued effort to simplify technology operational management to improve Technology time to market by rationalization of platforms, tools, providers and external services.
- Simplification of all technological processes with focus on automation and improvement of user experience – reduction of bureaucracy and our employees cognitive load.
- Work across all organisational divisions of the bank to further improve the Build- vs. Run-the-bank ratio. Continue to work on technology platforms integration by leveraging API/Service architecture.

Target	2021	2022	2024E
Number of meeting points (branches)	257	228	200
Number of cash points	65	55	50
ING DIGI60 Index* (Top 5 client journeys)	18%	41%	40%
Number of clients / 1 FTE in Operations Division	2,700	2,800	3,100
General and administrative expenses / Average commercial balances sheets**	100	109/95***	90 (-10 vs. 2021)
Differentiation of technological platforms	40%	40%	20%
KPI – reduction of the cognitive load of technology T	30%	30%	20%
“Build- vs. Run-the-bank” ratio	55/45	55/45	60/40

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

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

***95b.p. – excluding a contribution to the commercial bank protection scheme fund (SOBK).

Motivation and commitment Strong teams



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

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

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

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

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

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

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

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

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

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

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

*Work smart index: the work smart range is comparing average employee's experience to the basic conditions of working across high performing remote or hybrid teams. It shows how many areas describing a company's way of working are within and outside the range.

Stability, availability and security of systems



Stability and availability

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

Security and risk management

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

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

Compliance with regulatory requirements



Top priority for regulatory requirements

- Top priority for all regulatory requirements in business operations and IT development.
- Maintain high discipline in closing recommendations in a timely manner, including recommendations from FIU (Financial Intelligence Units), PFSA and DAW.
- Non-financial risks within the limits of the RAS limit (2.4).

Maintaining a healthy organisation

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

AML and resistance

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



Target	2021	2022	2024E
Non-financial risk level	2.5	2.2	<2.4
Compliance risk level	3.0	2.5	<2.4
Overdue recommendations issued by regulators	0	0	0
Overdue critical recommendations	0	0	0
Percentage of high priority recommendations	0	0	<5%
CDD quality level (%)	<95	97.4	min. 98
Timely execution of all post-inspection recommendations (both internal and external)	☑	☑	☑

Sustainable development – our ESG Strategy



E – Environment

- Running of a sustainable internal economy.
- Digitalisation of processes considering their environmental footprint.
- Taking climate factors into account in business decisions.
- Development of a pro-climate product offering for clients.
- Financing of sustainable projects.
- Support to clients in their environmental transformation and in assessment of their business sustainability.
- Supporting climate innovation (Grant Programme for start-ups and young scientists) and local environmental action.

S – Entrepreneurship and equal opportunities

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

G – Ethics and regulatory compliance

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

* In the market-based approach.

** Smile Holidays have been put on hold since March 2022 due to the inclusion of 22 children from an orphanage from Ukraine who are staying at the Foundation's centre. The Programme has been suspended until further notice.

*** Extensive structured client education activities (webinars, roundtables, ESG service) are being implemented from the beginning of 2023.



Target	2021	2022	2024E
CO ₂ e emissions reduction in scope I and II (market-based approach) vs. the baseline year (2019)	-19.6%	-25.7%	Climate neutrality in scope I and II by 2030*
Financing of RES and environmental projects in the corporate area (total 2015-2023)	PLN 1.6b	PLN 3.2b	PLN 4.5b (target by the end of 2023)
Organising 6 editions of the Grant Programme and providing PLN 6m (in total for 2022-2024)	The programme was launched in 2022	2 editions PLN 2m	6 editions PLN 6m
Gender pay gap	1%	4%	1%
Adaptation of the Moje ING online banking system and mobile application, as well as the bank's website, to WCAG 2.1 guidelines	39.6% of components	50.6% of components	100% of components
Volunteer actions, as part of the Good Idea programme and the Smile Holidays in Wisła organised by the ING Children's Foundation (total in 2022-2024)	65 actions 12 holidays	28 actions 1 holiday**	150 actions 40 holidays** (total target for 2022-2024)
Setting an ESG-related target as part of annual objectives for managers and employees	The target was approved in 03.2022	The target was approved after the completion of the annual target setting process for 2022	100% managers 50% employees
Level of client satisfaction with educational activities	The target was approved in 03.2022	Satisfaction survey to start in 2023***	4/5
Organisation of national conferences in cooperation with NGOs and industry-specific organisations (total 2022-2024)	The target was approved in 03.2022	3	10

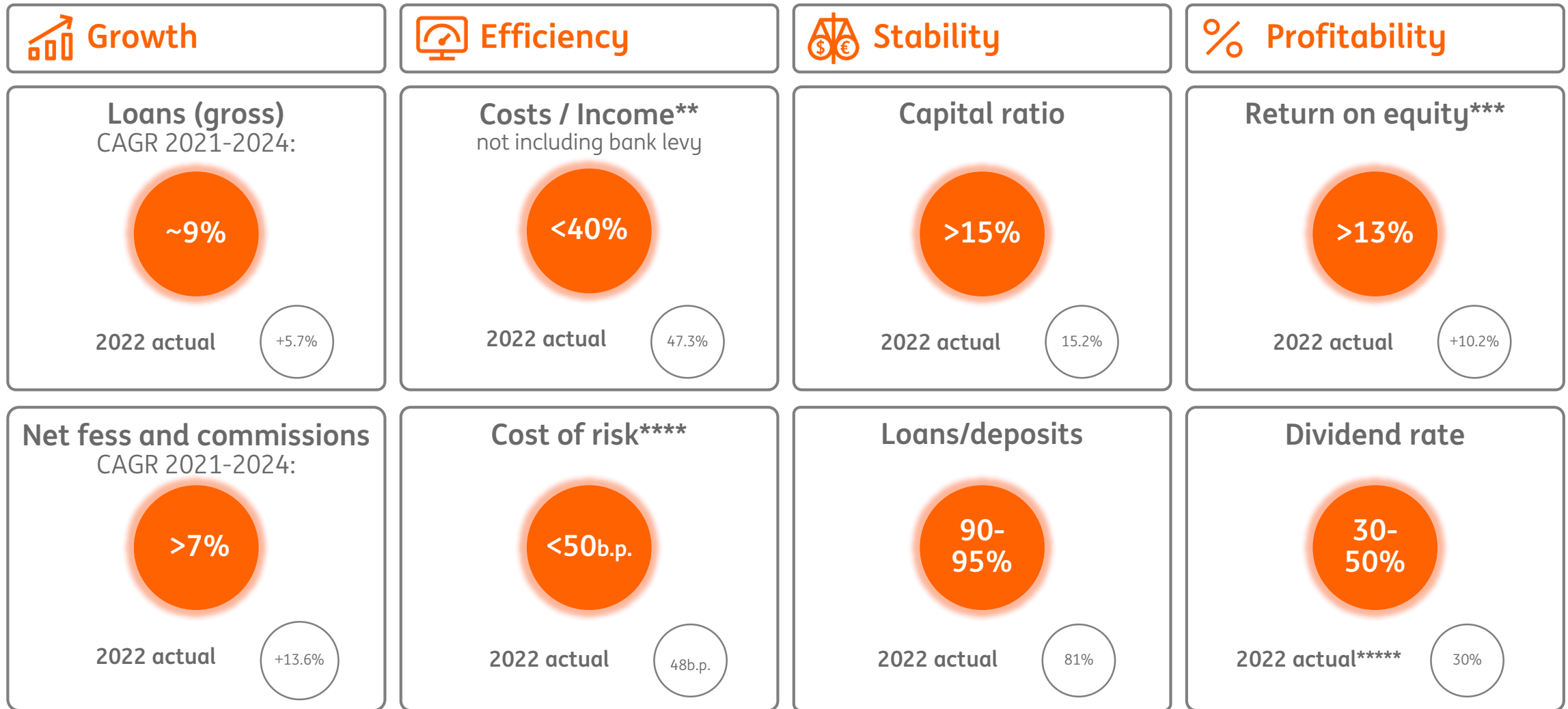
Risks in the implementation of the business strategy

Geopolitical tensions	<ul style="list-style-type: none">Increasing number of armed conflicts.Timing, manner and effects of the end of the war in Ukraine.Strained relations between the United States and China.
Climate transition	<ul style="list-style-type: none">Energy transformation of economies and businesses, including its implementation costs.Energy crisis in Europe related to access and prices of non-renewable energy sources.Accelerating pace of technological changes.
Sovereign debt	<ul style="list-style-type: none">High debt servicing costs due to the persistence of high levels of market interest rates.High costs incurred to resolve military conflicts (including the war in Ukraine) and the energy crisis.
Inflation	<ul style="list-style-type: none">Higher levels of inflation over the next 2-3 years globally and locally. Increased unpredictability.Poland's expected baseline inflation above 10% in 2023.Wage inflation. Continued pressure on costs for businesses. Ability of companies to achieve their profitability targets.
Economic growth	<ul style="list-style-type: none">Deepening of negative economic and social sentiments.Expected slowdown in economic growth (GDP).Weakening of PLN, increased volatility against hard currencies.Significant dependence of the Polish economy on the EU economy (mainly Germany).Slowing exports and more expensive imports.
Cyber risks	<ul style="list-style-type: none">Acceleration of technological changes and the spread of remote services exposes clients to new risks. It requires the ability to respond quickly, including in concert with other payment system actors.Need to maintain full resilience of banking systems against failures.
Regulatory uncertainty	<ul style="list-style-type: none">High variability in interpretation (including mutual conflicts) of regulatory provisions requiring rapid implementation.Lack of predictability of regulatory changes.
Reference indicator reform	<ul style="list-style-type: none">Difficult and complicated process to implement benchmark reform.
Mortgage loans	<ul style="list-style-type: none">New model of mortgage products.Risk of increased litigation.Uncertainty regarding CJEU case law on banks' right to remuneration for the use of their capital.Need to establish additional provisions for legal risks adversely affects the profitability of the banking sector and may expose some banks to capital shortfalls.

Opportunities in business strategy implementation

Clients	<ul style="list-style-type: none">▪ Maintenance (above market level) of the rate of new client acquisitions, transactionality and activity.▪ Increase of the share of primary clients in the overall number of clients.▪ Use of the potential of electronic banking.▪ High adaptability of new solutions, including technology, positively influencing cost efficiency.
Sustainable development	<ul style="list-style-type: none">▪ Potential for investment and economic activity as a strong boost to GDP growth rates.▪ Increased environmental awareness among the public which will generate greater demand for sustainable products.▪ Increased access to green energy sources.▪ EU climate neutrality.▪ New sources of state funding, including access to the EU Reconstruction Fund and how to use it.
New technologies	<ul style="list-style-type: none">▪ Acceleration of the momentum of productivity gains resulting from new technologies, faster technological leap capability.▪ Improved stability and increased flexibility of IT systems.▪ Ability to roll out new products and services faster and personalise them for clients.▪ Increasing client protection against losses generated through the actions of criminals.

Our financial ambitions for 2024 published in March 2022*



*Developed prior to the outbreak of war in Ukraine; **Income with share of profits of associates; ***ROE adjusted for MCFH; ****Excluding legal risk costs of foreign currency mortgages; *****2021 profit dividend rate, dividend paid in 2022.

