

A photograph of a person's hands hugging a tree trunk in a forest. The hands are positioned on either side of the tree, with fingers spread against the bark. The background is a soft-focus forest with green foliage and sunlight filtering through the trees.

ING Bank Śląski S.A.

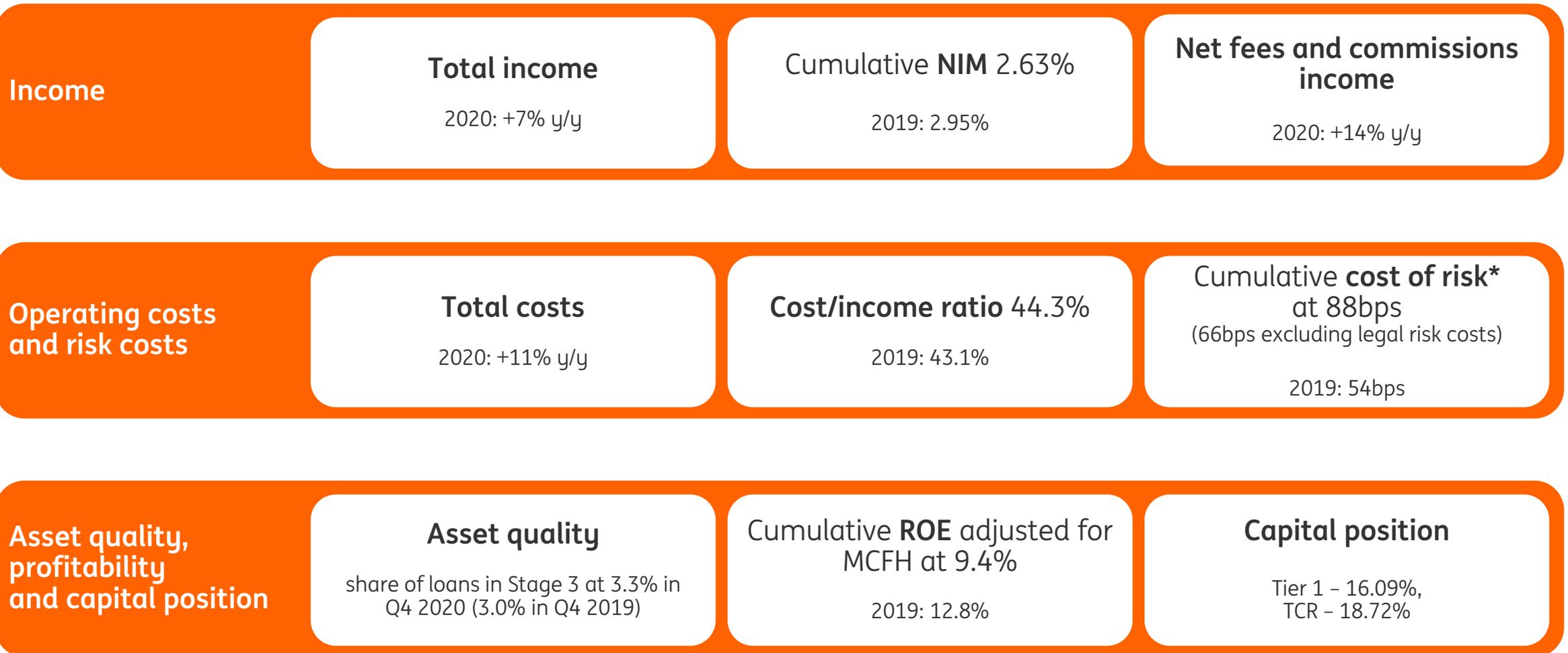
Ordinary General Meeting

Katowice, 15 April 2021



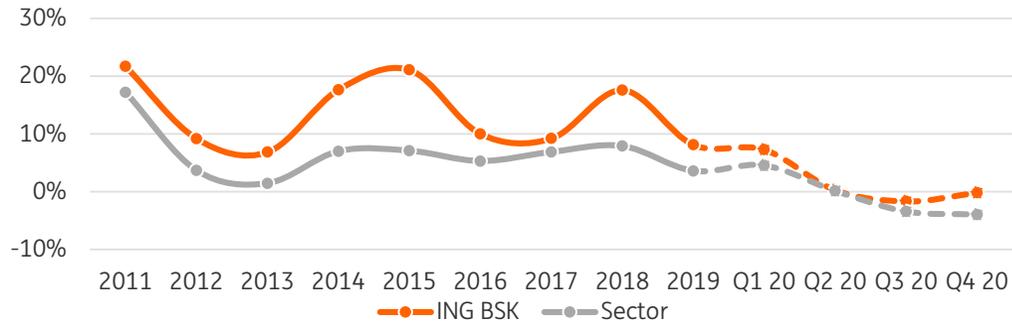
Summary of 2020

Elements shaping the income statement



Market shares of ING Bank Śląski S.A.

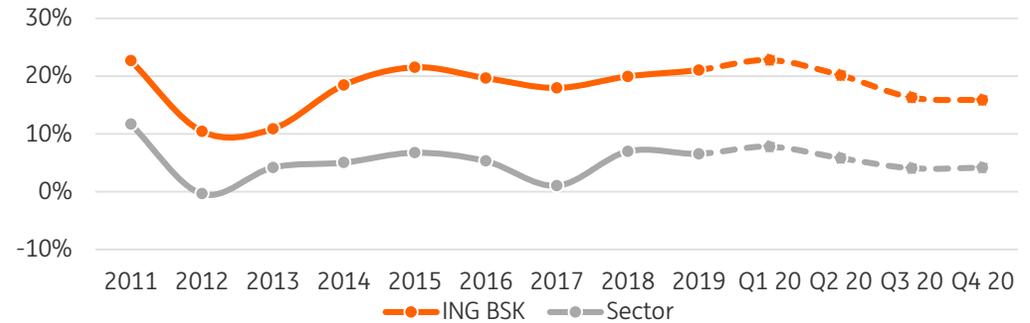
Corporate loans* (change y/y)



Market share (%)

6.71 7.07 7.45 8.19 9.26 9.68 9.89 10.78 11.25 11.32 11.17 11.51 11.69

Individuals' loans** (change y/y)



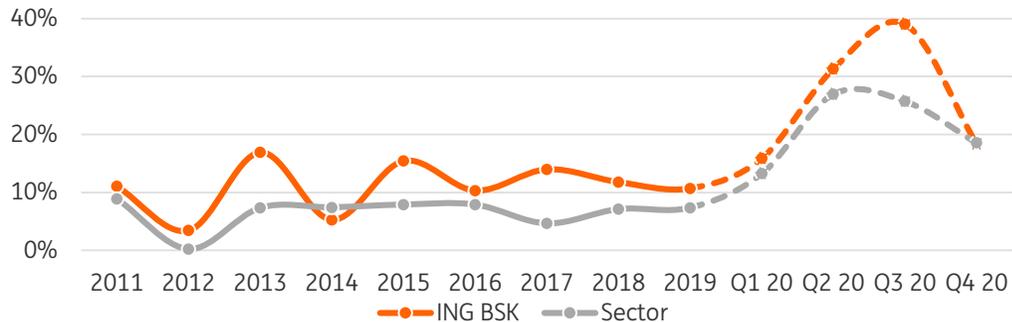
Market share (%)

2.76 3.06 3.25 3.67 4.18 4.75 5.54 6.21 7.06 7.25 7.49 7.58 7.86

Market share excl. FX*** (%)

4.01 4.31 4.43 4.92 5.56 6.21 6.86 7.56 8.39 8.69 8.91 8.97 9.29

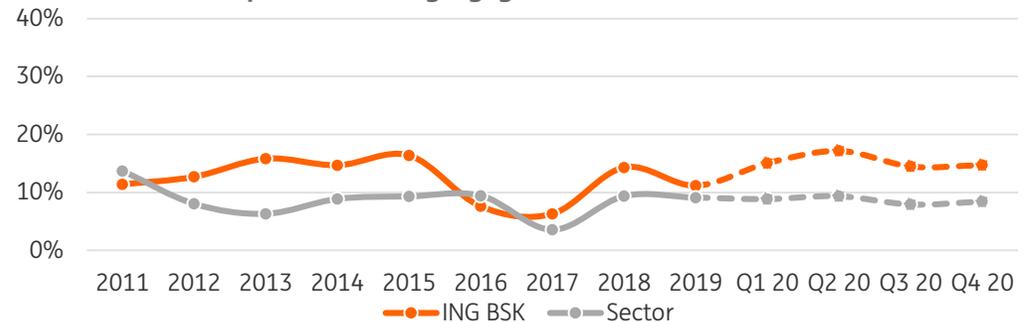
Corporate deposits* (change y/y)



Market share (%)

6.64 6.85 7.46 7.32 7.83 8.00 8.72 9.10 9.38 9.69 10.09 10.51 9.37

Individuals' deposits (change y/y)



Market share (%)

6.74 7.03 7.66 8.06 8.58 8.44 8.66 9.05 9.22 9.60 9.72 9.70 9.76

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

Major business accomplishments

Business volumes

<i>PLN million</i>	2016	2017	2018	2019	2020	% change 2020 to 2019	Change 2020 to 2019	% change 2020 to 2016	Change 2020 to 2016
Total deposits	94,048	102,849	115,908	128,800	149,270	+ 16%	+20,470	+ 59%	+55,222
Corporate clients' deposits	35,597	40,842	44,957	49,848	58,755	+ 18%	+8,907	+ 65%	+23,158
Retail clients' deposits	58,451	62,008	70,952	78,952	90,515	+ 15%	+11,563	+ 55%	+32,063
Total funds entrusted by retail clients	68,466	74,273	82,665	93,254	106,757	+ 14%	+13,504	+ 56%	+38,291
Mutual funds assets (TFI) + other off-BS products distributed by the Bank	10,015	12,266	11,714	14,302	16,243	+ 14%	+1,941	+ 62%	+6,228
Total loans	79,101	88,223	104,445	118,437	126,099	+ 6%	+7,661	+ 59%	+46,998
Loans to corporate clients incl. leasing and factoring	51,124	55,195	64,604	70,077	70,266	+ 0%	+189	+ 37%	+19,143
Loans to retail clients	27,977	33,028	39,841	48,360	55,833	+ 15%	+7,472	+ 100%	+27,856
Mortgage loans	23,469	27,540	33,372	40,772	47,901	+ 17%	+7,129	+ 104%	+24,432

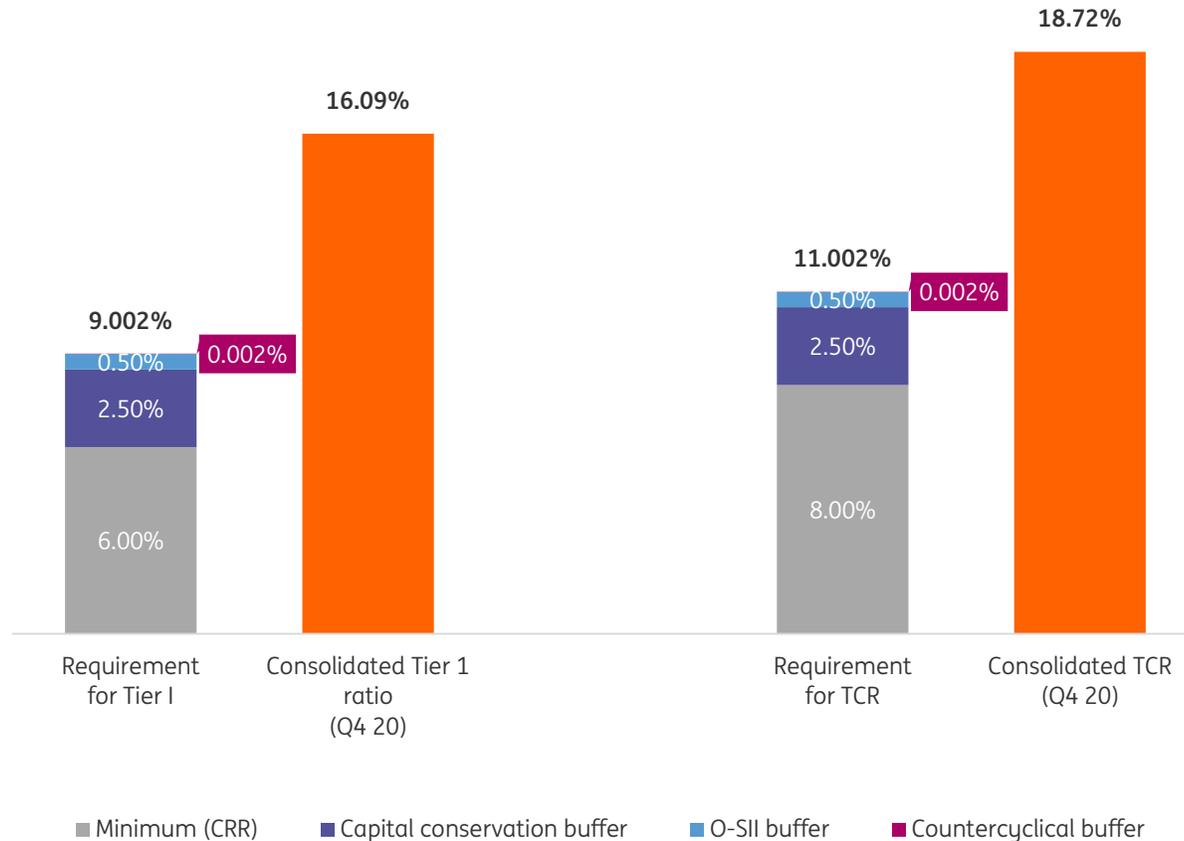
Financial results of ING Bank Śląski S.A. Capital Group

PLN million	2016	2017	2018	2019	2020	% change 2020 to 2019	Change 2020 to 2019	% change 2020 to 2016	Change 2020 to 2016
Net interest income	2,953.4	3,389.4	3,759.3	4,325.1	4,541.8	+ 5%	+216.7	+ 54%	+1,588.4
Net commission income	1,064.8	1,196.0	1,304.9	1,340.5	1,528.4	+ 14%	+187.9	+ 44%	+463.6
Other income	306.3	183.7	168.2	130.8	160.5	+ 23%	+29.7	- 48%	-145.8
Total income	4,324.5	4,769.1	5,232.4	5,796.4	6,230.7	+ 7%	+434.3	+ 44%	+1,906.2
Total expenses	2,099.2	2,135.8	2,326.8	2,497.4	2,762.5	+ 11%	+265.1	+ 32%	+663.3
Result before risk costs	2,225.3	2,633.3	2,905.6	3,299.0	3,468.2	+ 5%	+169.2	+ 56%	+1,242.9
Risk costs including legal cost of risk for FX mortgage loans	300.6	421.2	500.9	605.5	1,074.9	+ 78%	+469.4	+ 258%	+774.3
Bank levy	280.2	330.1	373.8	435.7	481.6	+ 11%	+45.9	+ 72%	+201.4
Profit before tax	1,644.5	1,882.0	2,030.9	2,257.8	1,911.7	- 15%	-346.1	+ 16%	+267.2
Income tax	391.4	478.9	507.1	599.1	574.1	- 4%	-25.0	+ 47%	+182.7
Net profit	1,253.0	1,403.1	1,523.8	1,658.7	1,337.6	- 19%	-321.1	+ 7%	+84.6
Total capital ratio	14.73%	16.71%	15.58%	16.87%	18.72%	-	+ 1.85 p.p.	-	+ 3.99 p.p.
Tier 1	13.70%	15.77%	14.74%	14.41%	16.09%	-	+ 1.68 p.p.	-	+ 2.39 p.p.
ROE (%)*	11.7%	12.7%	12.5%	11.6%	7.6%	-	- 4.0 p.p.	-	- 4.09 p.p.
C/I ratio (%)	48.5%	44.8%	44.5%	43.1%	44.3%	-	+ 1.3 p.p.	-	- 4.21 p.p.

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

Proposed distribution of the net profit for 2020

Capital requirement for ING BSK



The Management Board of ING Bank Śląski S.A. proposes to distribute the Bank's net profit for 2020 (PLN 1,337.6 million) as follows:

- Allocate to reserve capital: PLN 675.4 million,
- Leave undistributed as net profit: PLN 662.2 million.

In total, the net profit left undistributed would amount to PLN 1,157.9 million (including PLN 495.7 million of net profit for 2019 left undistributed under the decision of the OGM in 2020).

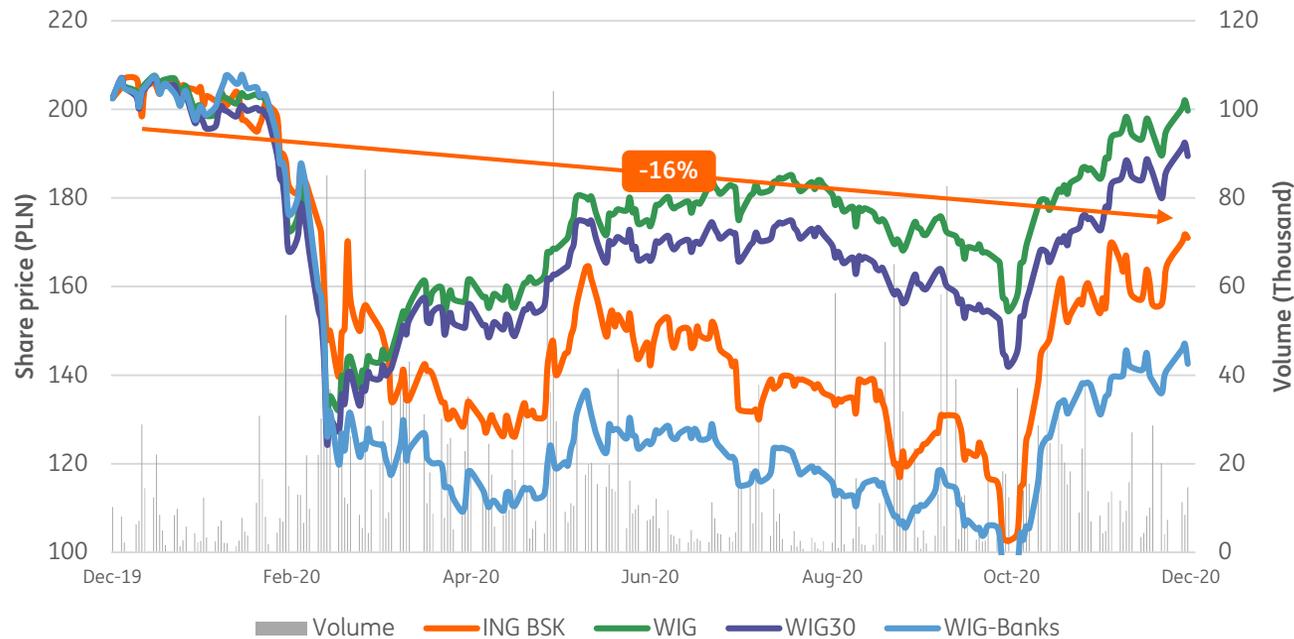
ING Bank Śląski S.A. shares

ING BSK share price:
PLN 171.0 (as at 30 December 2020)

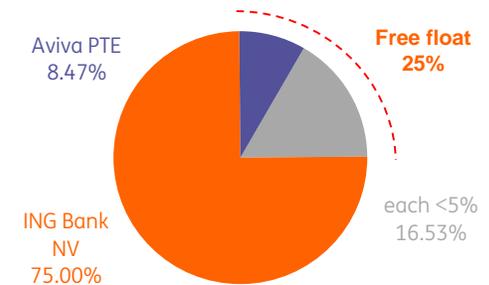
Capitalisation: **PLN 22.2bn** (EUR 4.9bn)
 Free float: **PLN 5.6bn** (EUR 1.2bn)

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

ING BSK shares vs. WSE indices recalculated for comparability



Shareholding structure



Market ratios (Q4 2020)

P/E 16.6x

P/BV 1.2x

Management Board information on the current

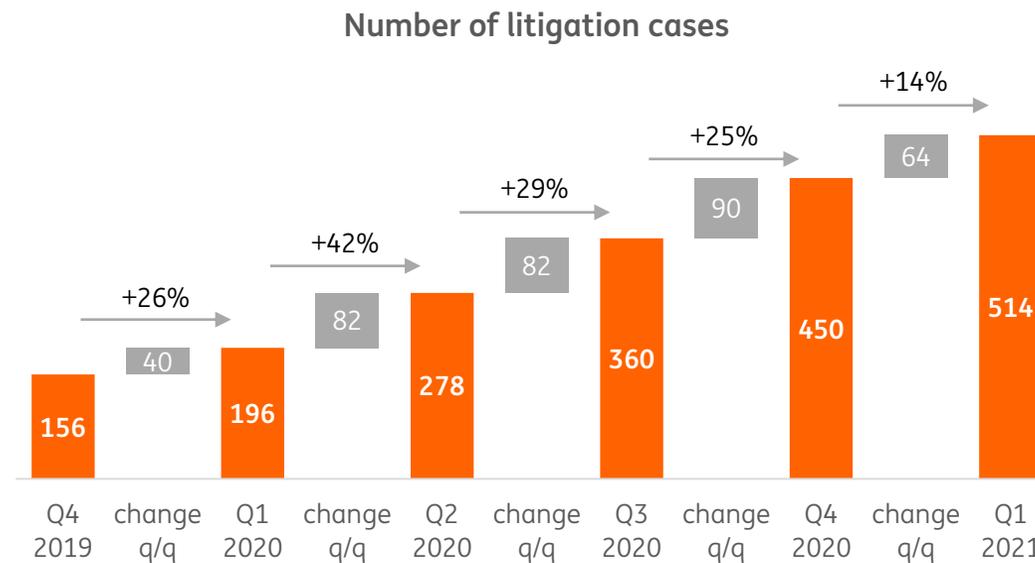
situation on the portfolio of FX mortgage loans

Proposed by the Chairman of the PFSA in December 2020

- In December 2020, the Chairman of the Office of the Polish Financial Supervision Authority (“PFSA’ Office”) presented a proposal for the voluntary conversion of CHF-indexed mortgage loans into PLN loans. According to this proposal, it would be necessary to compare mortgage loans in CHF with analogous loans in PLN on the basis of the WIBOR rate plus the margin historically applied to this type of loans and to compensate CHF borrowers for the losses they suffered in comparison with PLN borrowers. In order for banks to implement this proposal, working groups were set up under the leadership of PKO BP, and the Bank set up a special team dedicated to this project.
- The Bank is currently working on a settlement offer aimed at clients with CHF-indexed loans, which would be concluded with the participation of a mediator at the arbitration court of the PFSA’ Office.
- As part of the test, the first settlement proposals were submitted to a selected group of clients, assuming that the loan was converted in CHF as if it had been granted in PLN from the outset.

Increased number of lawsuits

- Following rulings by the Court of Justice of the European Union (CJEU) and national courts, banks have seen an increasing number of new lawsuits. In 2020, 294 lawsuits were filed against the Bank, which represents an almost 4-fold increase in lawsuits compared to 2019, where the number of lawsuits was 79. In total, by the end of 2020, 450 lawsuits were filed against the Bank, which still represents a small part of the CHF loans granted (in total, around 6,000 CHF loans were granted). In connection with the planned resolution of the Supreme Court concerning the key issues for this type of cases, a further increase in the number of lawsuits in so-called franc loans cases should be expected.



Supreme Court Resolution

On 25 March 2021, a session of the full composition of the Civil Chamber of the Supreme Court will be held to consider the request of the First President of the Supreme Court of 29 January 2021 to adopt a resolution on the following legal issues concerning the subject of loans denominated and indexed in foreign currencies:

1. If it is held that a provision in an indexed or denominated loan agreement which refers to the manner in which the FX rate is to be determined constitutes a prohibited contractual provision and is not binding on the consumer, may it be assumed that the vision is replaced by another manner of determining the FX rate which results from legal or customary rules?

If the above question is answered in the negative:

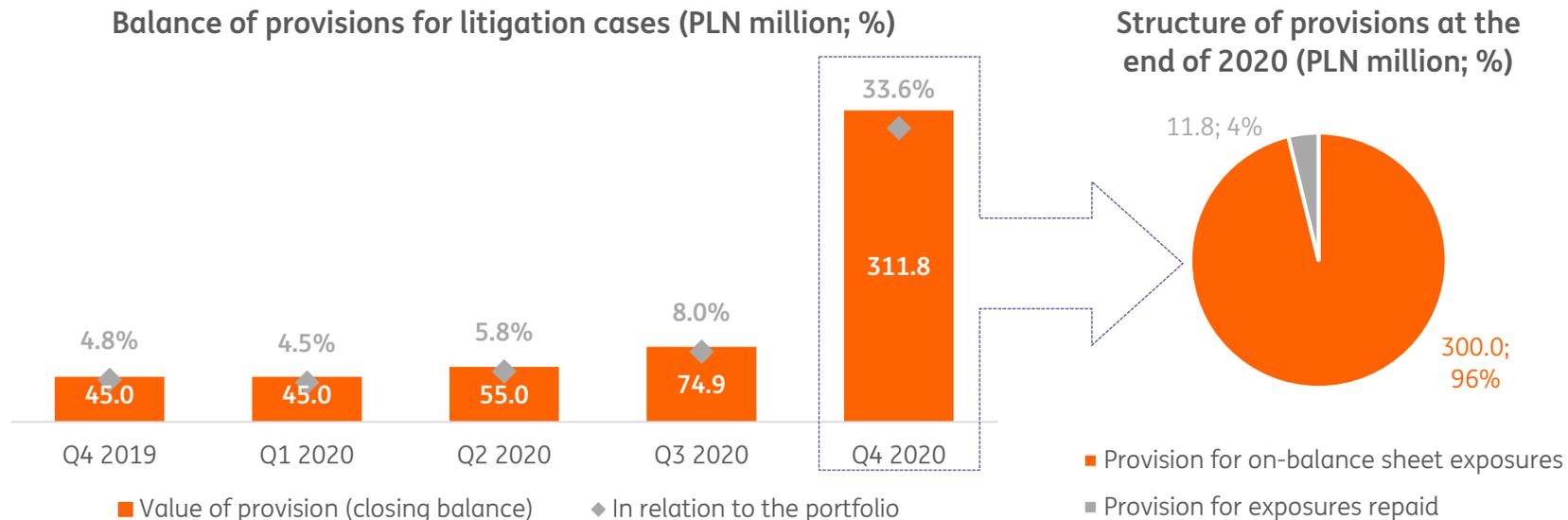
2. In the event that it is not possible to establish a FX rate binding on the parties in a loan agreement indexed to such a currency, may the agreement remain binding on the parties in the remaining scope?
3. If it is not possible to establish a FX rate binding on the parties in a loan agreement denominated in a foreign currency, may the agreement remain binding on the parties in the remaining scope?

Regardless of the content of the answers to questions 1-3:

4. If a loan agreement is invalid or ineffective, in the performance of which the bank has disbursed to the borrower all or part of the amount of the loan and the borrower has made repayments on the loan, do separate claims for wrongful performance arise in favour of each of the parties, or does a single claim, equal to the difference in performance, arise in favour of the party whose total performance was higher?
5. If a loan agreement is invalid or ineffective as a result of the unlawful nature of certain of its provisions, does the limitation period for the bank's claim for repayment of the sums disbursed under the loan begin to run from the time at which those sums were disbursed?
6. If, in the event that a loan agreement is invalid or ineffective, either party has a claim for repayment of the consideration given in performance of such agreement, may that party also claim consideration for the use of its money by the other party?

Legal risk of FX mortgage loans

The Supreme Court ruling may affect the assumptions used in the Group's model for estimating gross carrying amount adjustments arising from legal risk for the portfolio of CHF-indexed mortgage loans reported in the statement of financial position and legal risk provisions for CHF-indexed mortgage loans already removed from the statement of financial position. In particular, it may affect the number and resolution of litigation cases and the interest of borrowers in entering into voluntary settlements regarding conversion to PLN loans. The Bank will monitor the legal situation related to the Supreme Court ruling, which may have an impact on changing the assumptions in the model for the legal risk cost of CHF-indexed loans in subsequent reporting periods.



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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.

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