



ING Bank Śląski S.A.

Business and Financial Results

for Q1 2023

Warsaw, 11 May 2023





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

Key facts – Q1 2023

Client base

- 88 thousand new retail clients
- 19 thousand new corporate clients
- The number of active users of the My ING app increased by 69 thousand this quarter
- The share of mobile transfers was 53% of total transfers in My ING

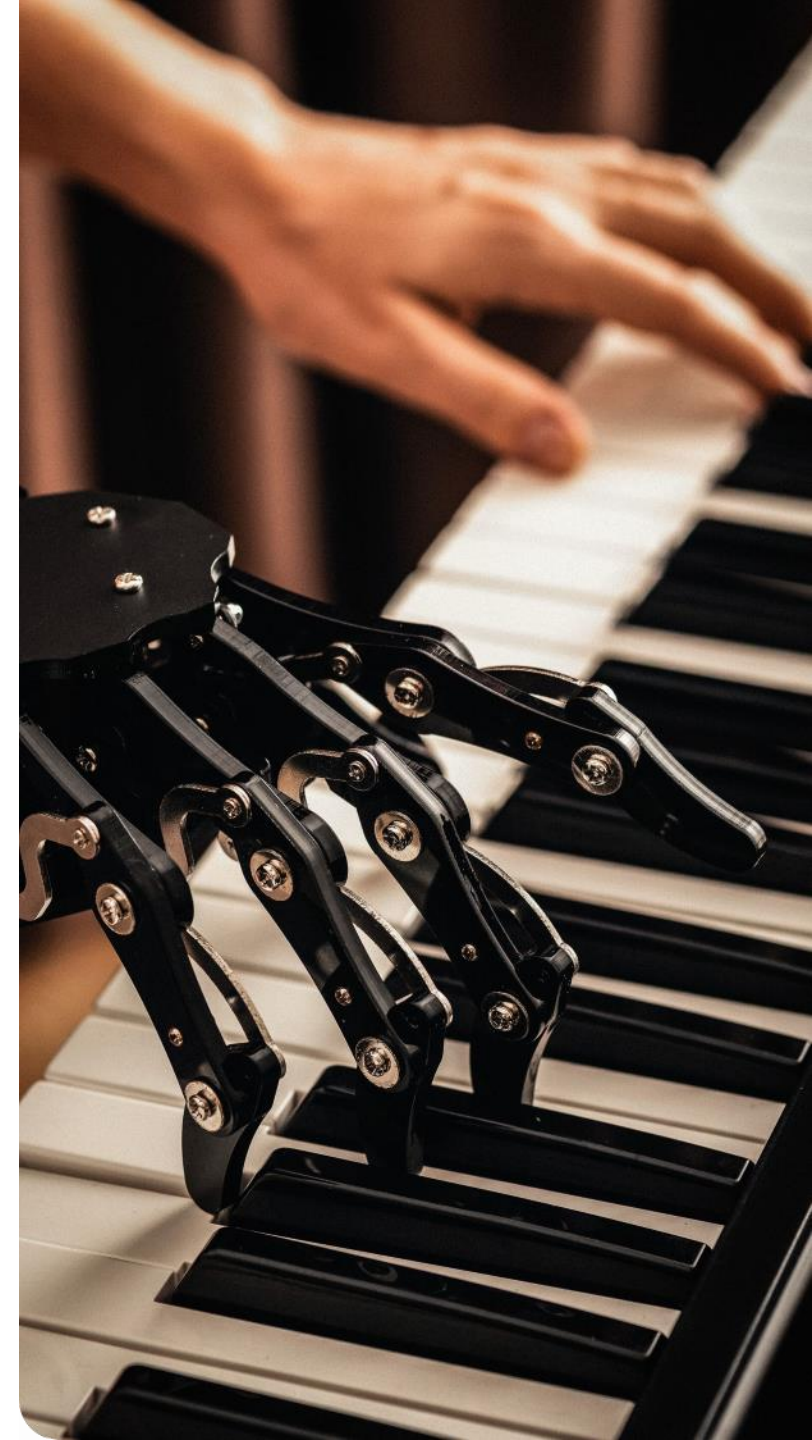


Client volumes

- Corporate receivables portfolio increased by PLN 11.4 billion y/y (+14%), +2.1 billion q/q (+2%)
- Retail receivables portfolio decreased by PLN 3.5 billion y/y (-5%), PLN -0.5 billion q/q (-1%)
- Clients' deposits increased by PLN 20.7 billion y/y (+12%), PLN +0.8 billion q/q (0%)
- Commercial balance increased by PLN 28.6 billion y/y (+9%), PLN +2.4 billion q/q (+1%)

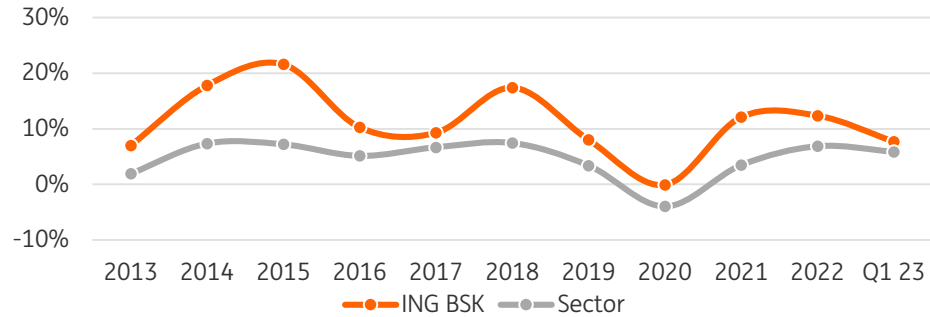
Financial results

- Gross profit of PLN 1,208.8 million (+13% y/y), net profit of PLN 908.7 million (+15% y/y)
- NII amounted to PLN 1,860.4 million (+7% y/y)
- Net fee and commission income of PLN 523.7 million (-2% y/y)
- Cumulative ROE adjusted for MCFH is 10.7% (16.5% a year earlier)



Market shares

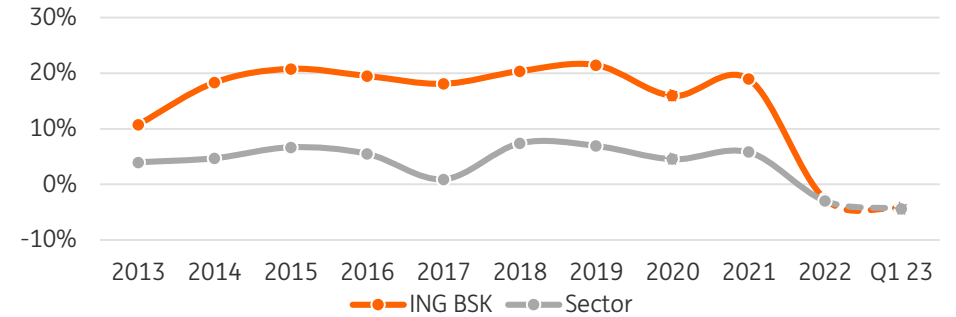
Corporate loans* (change y/y)



Market share (%)



Individuals' loans (change y/y)



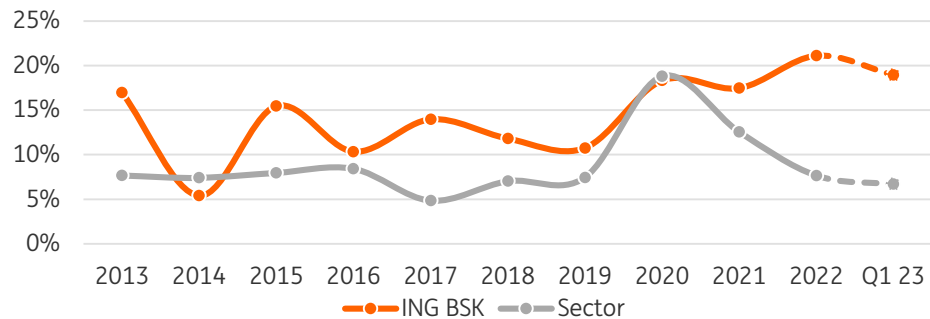
Market share (%)



Market share excl. FX** (%)



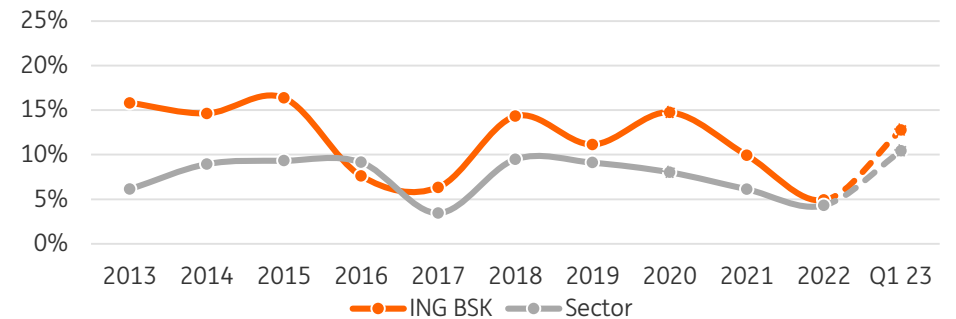
Corporate deposits* (change y/y)



Market share (%)



Individuals' deposits (change y/y)



Market share (%)



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

Business volumes

PLN million	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	% change q/q	% change y/y	Change q/q	Change y/y
Total deposits	168,849	169,602	177,452	181,752	189,538	190,317	+ 0%	+ 12%	779	20,715
Corporate deposits	69,113	71,573	80,532	81,993	84,739	79,836	- 6%	+ 12%	-4,902	8,264
Retail deposits	99,736	98,030	96,920	99,760	104,799	110,481	+ 5%	+ 13%	5,681	12,451
Total funds entrusted by retail clients	117,043	114,319	112,643	115,261	121,330	128,238	+ 6%	+ 12%	6,908	13,919
Mutual funds assets (TFI) + other off-BS products distributed by the Bank	17,307	16,290	15,723	15,501	16,531	17,757	+ 7%	+ 9%	1,226	1,468
Total loans	146,478	150,096	153,823	155,982	156,415	158,029	+ 1%	+ 5%	1,614	7,933
Loans to corporate clients incl. leasing and factoring	79,992	83,228	87,920	91,783	92,532	94,667	+ 2%	+ 14%	2,135	11,439
Loans to retail clients	66,486	66,868	65,903	64,200	63,882	63,362	- 1%	- 5%	-521	-3,507
Mortgage loans	57,410	57,861	56,900	55,468	55,156	54,698	- 1%	- 5%	-457	-3,163
Cash loans	7,816	7,747	7,682	7,418	7,385	7,348	- 1%	- 5%	-37	-399

Financial highlights

PLN million	Q1 2022	Q4 2022	Q1 2023	change q/q	% change q/q	change y/y	% change y/y
Total income	2,304.0	2,321.2	2,460.2	+ 139	+ 6%	+156.2	+7%
Total expenses	-931.4	-689.0	-1,004.6	-315.6	+ 46%	-73.2	+8%
Result before risk costs	1,372.6	1,632.2	1,455.6	-176.6	- 11%	+83.0	+6%
Risk costs including cost of legal risk for FX mortgage loans	-151.6	-489.3	-88.2	+ 401.1	- 82%	+63.4	- 42%
Bank levy	-151.7	-169.1	-158.6	+ 10.5	- 6%	-6.9	+5%
Gross profit	1,069.3	973.8	1,208.8	+ 235	+ 24%	139.5	+13%
Income tax	-276.5	-307.9	-300.1	+ 7.8	- 3%	-23.6	+9%
Net profit	792.8	665.9	908.7	+ 242.8	+ 36%	+115.9	+15%
Total capital ratio	15.42%	16.22%	16.37%	+ 0.15 p.p.	-	+ 0.95 p.p.	-
Tier 1	13.81%	14.72%	14.86%	+ 0.14 p.p.	-	+ 1.05 p.p.	-
ROE (%)	17.5%	17.4%	19.5%	+ 2.1 p.p.	-	+2.0 p.p.	-
ROE adjusted for MCFH (%)*	16.5%	10.2%	10.7%	+ 0.5 p.p.	-	-5.8 p.p.	-
Total expenses with bank levy / total income (%)	47.0%	37.0%	47.3%	+ 10.3 p.p.	-	+0.3 p.p.	-

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



Meeting 2023 strategic goals in Q1 2023

- **Clients' activities and digitalisation**
 - In the last quarter, we acquired 88 thousand new retail clients and 19 thousand new corporate clients.
 - We have 2.12 million primary clients in the retail segment and 206 thousand primary clients in the corporate segment.
 - The number of mobile only clients in retail banking increased to 1.8 million (+16% y/y).
 - There were 83.6 million My ING transfers, of which 53% were transfers made in mobile banking.
 - We processed 11.4 million transactions in our payment terminals (+12% y/y).
 - Our clients made a total of 38.4 million BLIK transactions (+31% y/y).
- **Full regulatory compliance**
 - We implemented all recommendations with deadlines in Q1 2023 on time.
 - We updated the Regulations - Principles of professional ethics for employees of ING Bank Śląski, about which we informed all employees of the Bank.
- **Employee motivation and empowerment**
 - We have enriched the development offer for employees with Career Consulting.
 - We have provided POWER TOOLS FOR A LEADER - manuals for self-learning and workshop work with a team on building: Culture of feedback and appreciation; Involvement; Sense of meaning and trust.
 - We have conducted the second edition of the EXI survey - Employee Experience Index, which examines the quality of employee experiences depending on the moment of life in the organisation. The average result of the study was at the level of excellence.
 - We carried out an annual campaign of raising basic salaries for our employees.
- **System stability and availability, security**
 - The availability of My ING and ING Business at the end of Q1 2023 was 99.97% and 99.93%, respectively.
 - The first three services built as part of the implementation of the new central system were launched in test environments in the public cloud.
- **Operational Efficiency, AI and Data Management**
 - The value of the DIGI60* index is 54% (the target for 2023 is 57%).
 - We have implemented four new automations based on artificial intelligence.
 - We have launched further processes based on low code technology, thanks to which we have simplified the handling of cases (including inquiries from enforcement authorities).
- **ESG**
 - ING Bank Śląski was recognised for its efforts to promote gender equality in business and was included in the global Bloomberg Gender-Equality Index (GEI).
 - We have implemented a new business travel policy prohibiting air travel of less than 500 km.
 - We have implemented the educational program "CyberRescue - cyberassistant at your fingertips" for employees to support customers in online safety.
 - We educate children about finance and cybersecurity in Roblox.
 - In the collection for the victims of the earthquake in Turkey and Syria, organised by ING Bank Śląski, the ING Children's Foundation and ING Hubs Poland, we collected nearly PLN 670,000. In addition, the bank and ING Hubs Poland allocated PLN 250,000 each for this purpose.
 - In the 3rd edition of the Grant Programme for start-ups and young scientists, the bank will allocate PLN 1 million for the best solutions supporting the protection of water resources, its effective use and improving its quality.

*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. In 2023 DIGI60 index covers top 9 customer journeys.

A young woman with long brown hair, wearing an orange beanie, a denim vest over a tan long-sleeved shirt, and black gloves, is smiling broadly in a workshop. She is holding a large wrench up to her eye, looking through the circular opening. In the background, there are shelves with tools and a red bicycle frame. Two orange text boxes are overlaid on the left side of the image.

Q1 2023

financial results

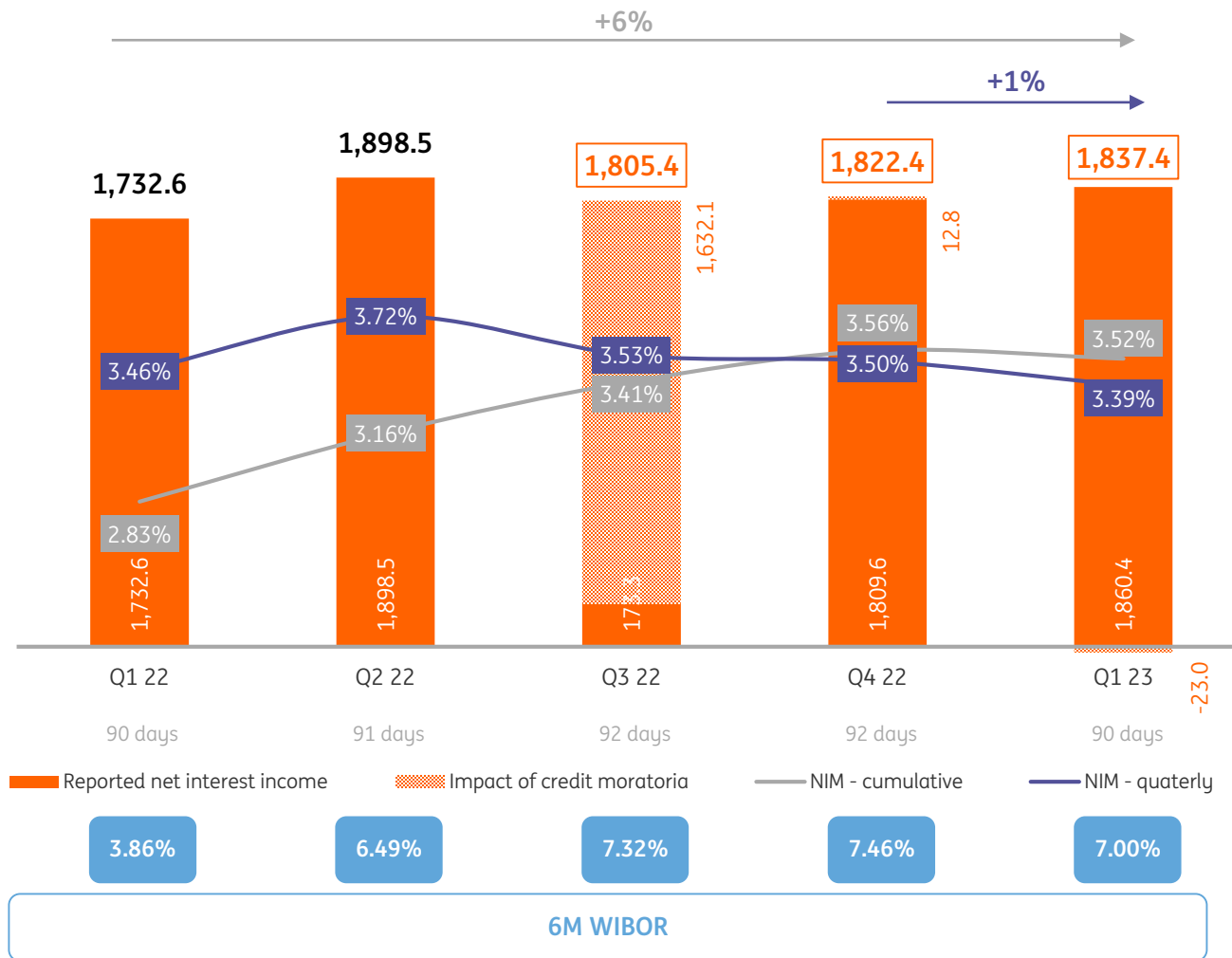
Financial results

<i>PLN million</i>	Q1 2022	Q4 2022	Q1 2023	change y/y	% change y/y
Net interest income	1,732.6	1,809.6	1,860.4	+127.8	+7%
Net commission income	534.0	511.4	523.7	-10.3	-2%
Other income	37.4	0.2	76.1	+38.7	+103%
Total income	2,304.0	2,321.2	2,460.2	+156.2	+7%
Total expenses	-931.4	-689.0	-1,004.6	-73.2	+8%
Result before risk costs	1,372.6	1,632.2	1,455.6	+83	+6%
Risk costs including costs of legal risk for FX mortgage loans	-151.6	-489.3	-88.2	+63.4	-42%
Bank levy	-151.7	-169.1	-158.6	-6.9	+5%
Gross profit	1,069.3	973.8	1,208.8	+139.5	+13%
Income tax	-276.5	-307.9	-300.1	-23.6	+9%
Net profit	792.8	665.9	908.7	+115.9	+15%
Total capital ratio	15.42%	16.22%	16.37%	+0.95 p.p.	-
Tier 1	13.81%	14.72%	14.86%	+1.05 p.p.	-
ROE (%)	17.5%	17.4%	19.5%	+2.0 p.p.	-
ROE adjusted for MCFH (%)*	16.5%	10.2%	10.7%	-5.8 p.p.	-
Total expenses with bank levy/total income (%)	47.0%	37.0%	47.3%	+0.3 p.p.	-

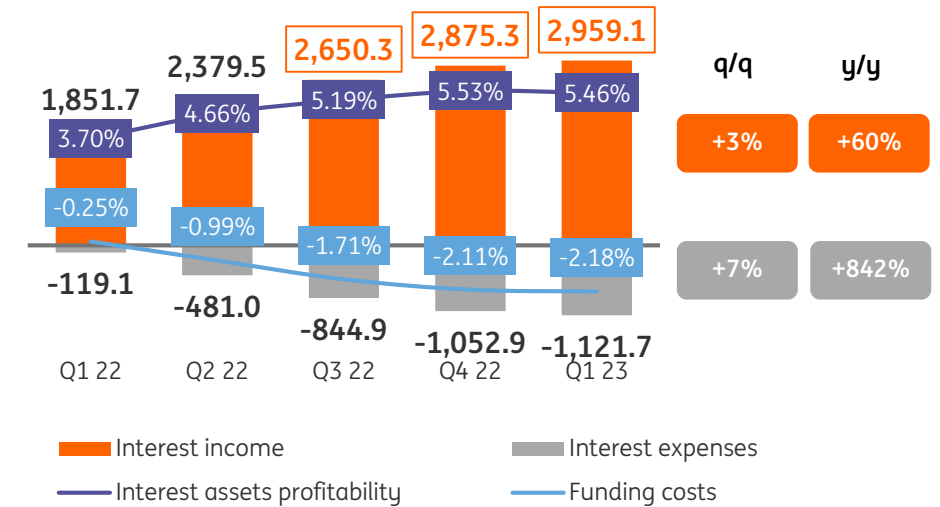
*ROE = total net profit for 4 consecutive quarters / average equity for 5 subsequent quarters

Net interest income adjusted for credit moratoria

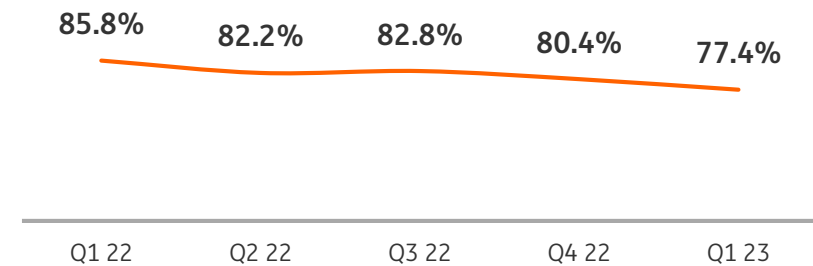
Net interest income (PLN million) and interest margin



Interest income and expenses (PLN million)

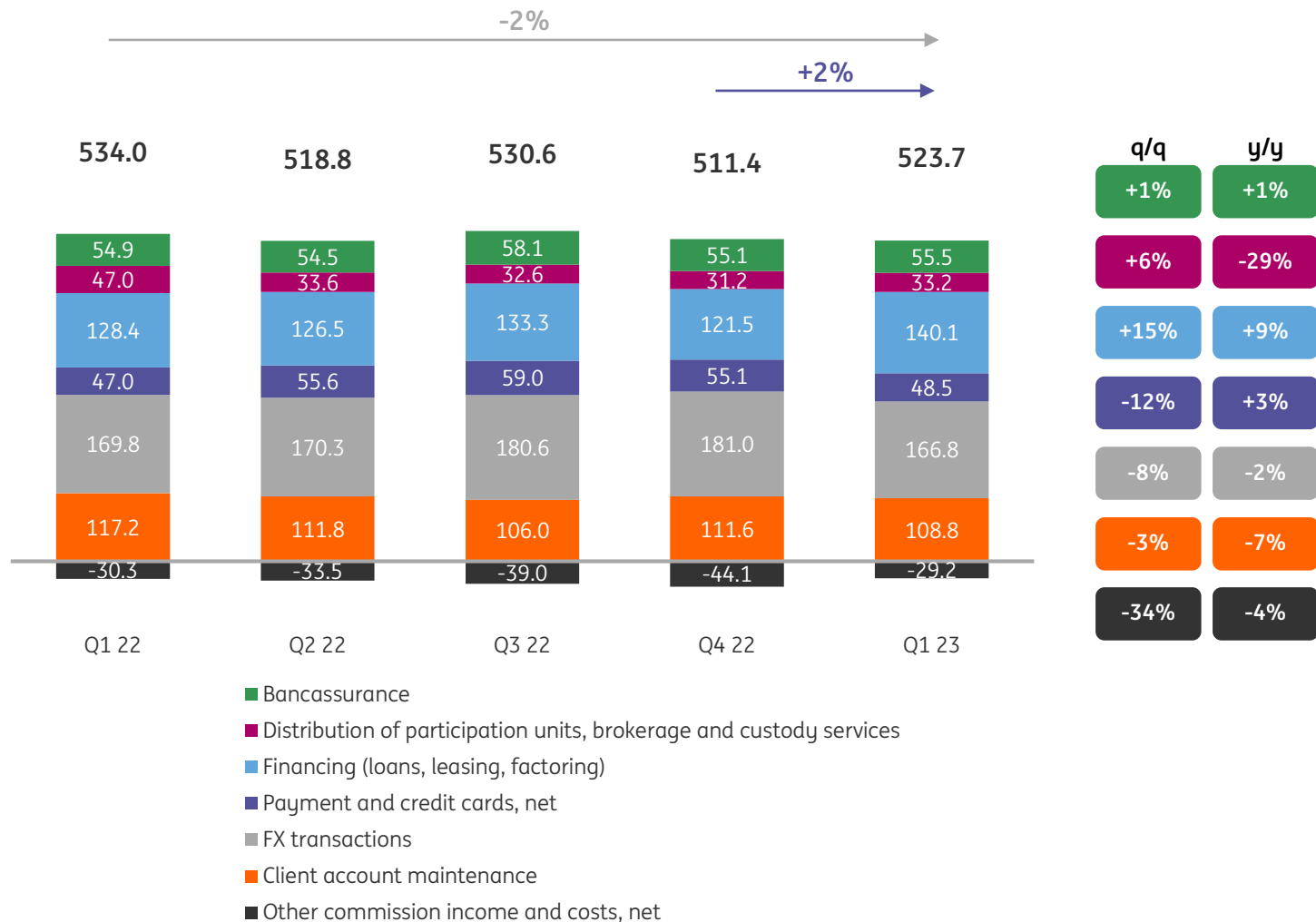


Loan to deposit ratio



Fee and commission income

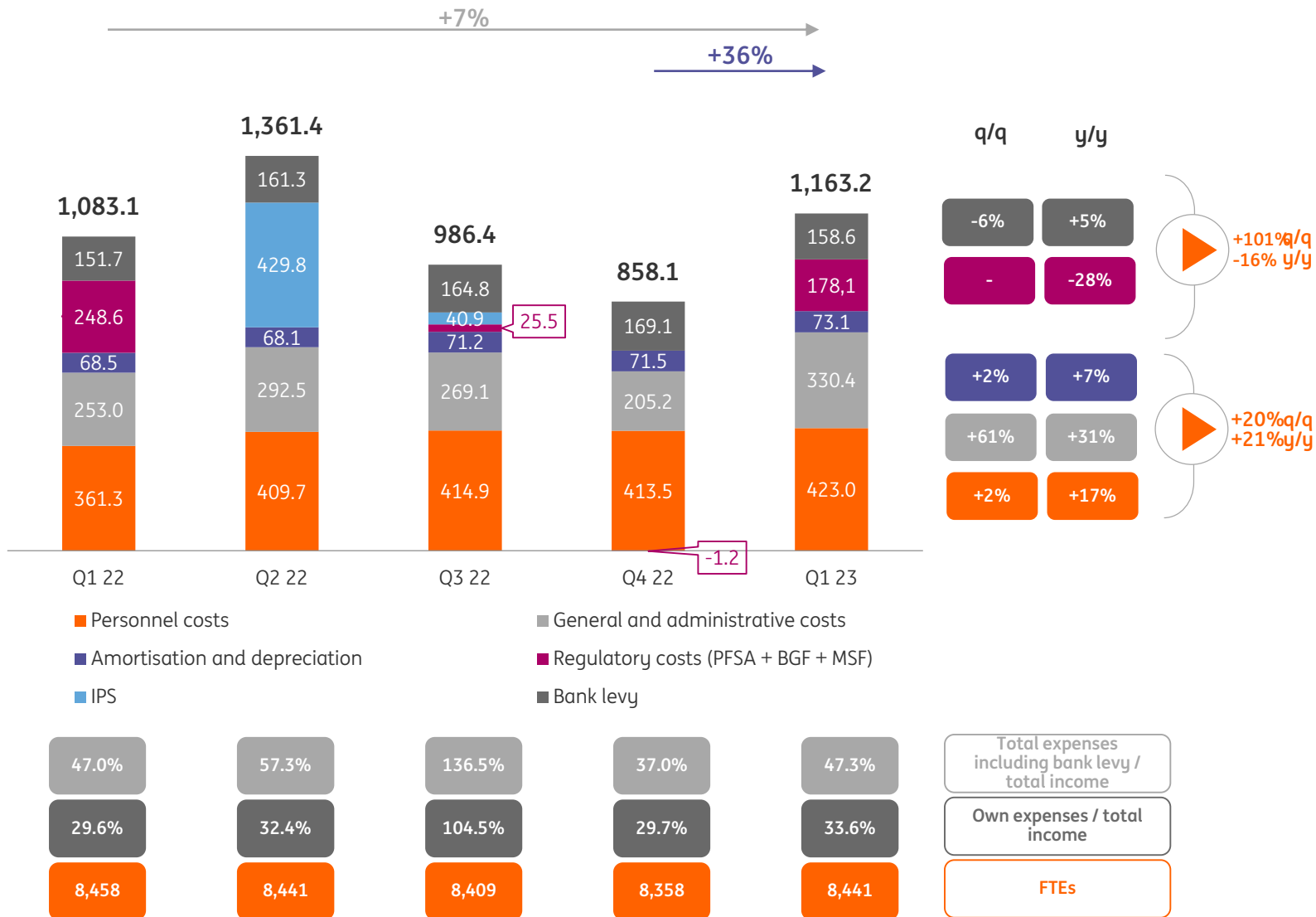
Fee and commission income per category (PLN million)



- The q/q increase in the result on financing is due to the settlement of straight-line loan commissions in the corporate segment.
- The q/q decrease in the result on payment and credit cards as well as the result on FX transactions is the result of lower client transaction volume.
- Result on other income and fee and commission expenses in Q4 2022 influenced by the settlement of brokerage costs for the sale of banking products.

Total expenses including bank levy

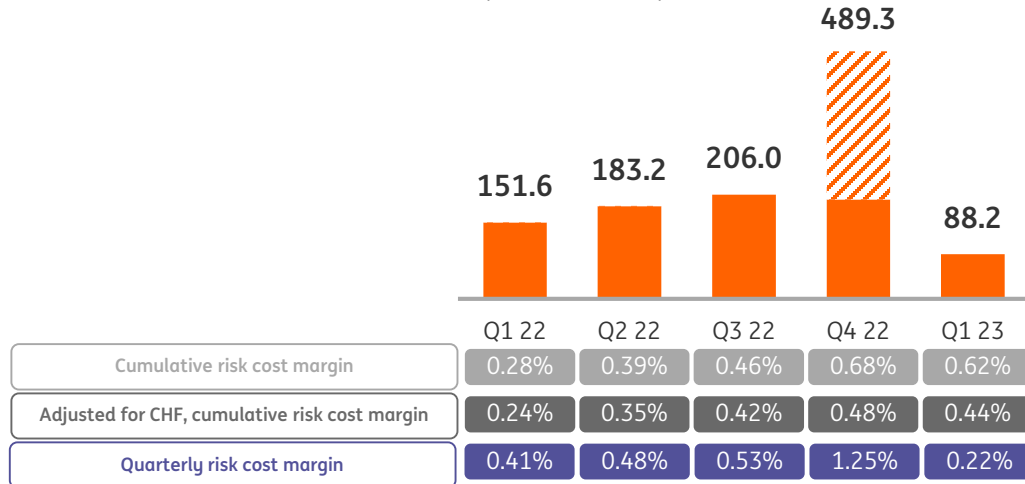
Total expenses including bank levy (PLN million)



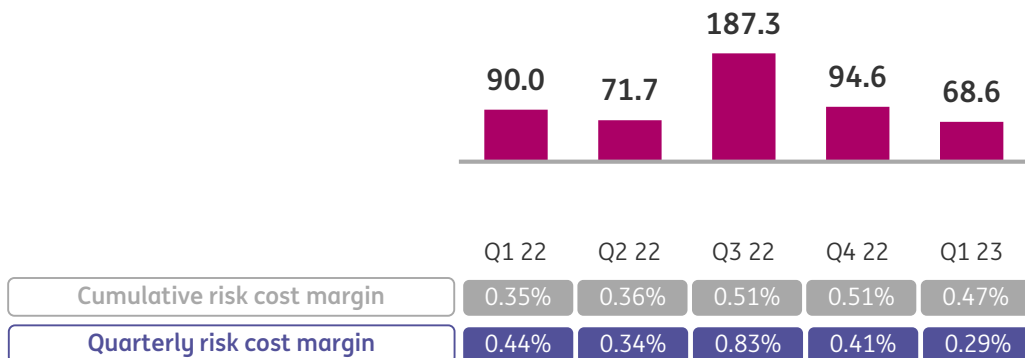
- The annual contribution to the resolution fund amounted to PLN 153.6 million in Q1 2023 (PLN 172.8 million the year before).
- The annual costs of the Polish Financial Supervision Authority incurred in Q1 2023 amounted to PLN 24.5 million (PLN 22.0 million the year before).

Cost of risk, including legal risk costs

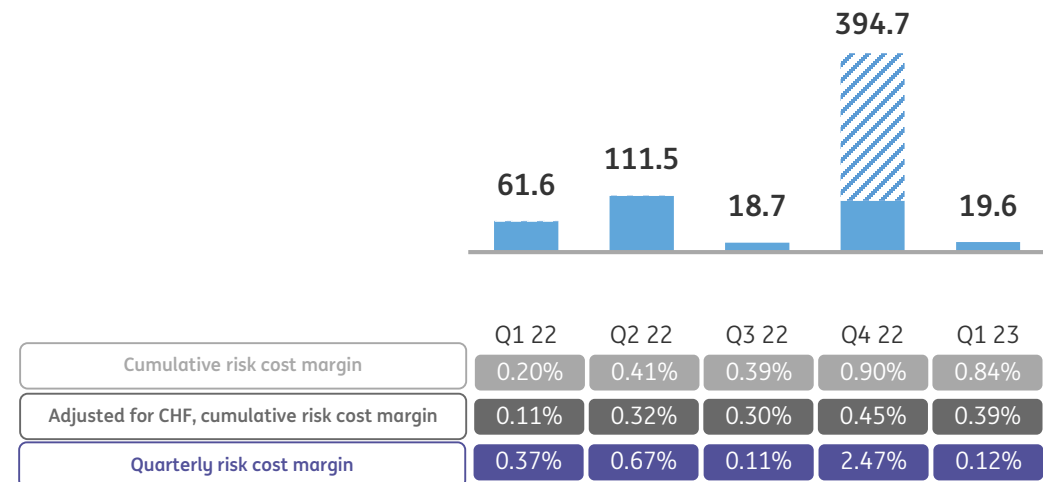
Consolidated data for ING BSK (PLN million)



Corporate banking (PLN million)



Retail banking (PLN million)



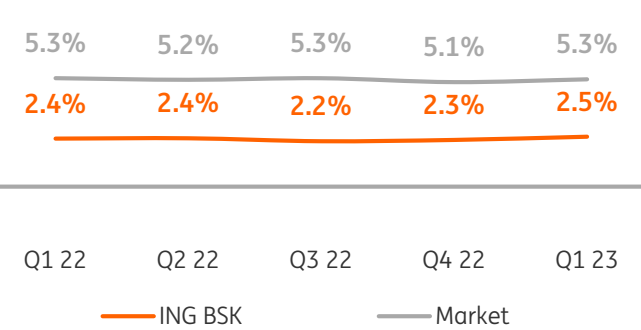
PLN million	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23
Impact of macroeconomic parameters on net provisions*					
Retail banking	+36.4	+12.7	+10.1	+47.3	-14.0
Corporate banking	+19.5	-9.8	+131.5	-29.9	-44.6
Total	+55.8	+2.9	+141.6	+17.4	-58.5
Impact of the sale of the Stage 3 and POCI receivables portfolios*					
Retail banking	0.0	0.0	-64.9	0.0	0.0
Corporate banking	-9.2	0.0	-8.6	0.0	0.0
Total	-9.2	0.0	-73.5	0.0	0.0
Legal risk costs of FX mortgage loans*					
Retail banking	+1.1	+0.2	0.0	+293.0	0.0

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

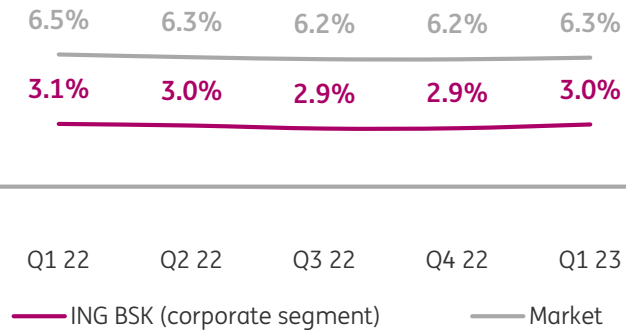
Portfolio quality and provisioning

Share of non-performing portfolio in the total loan portfolio

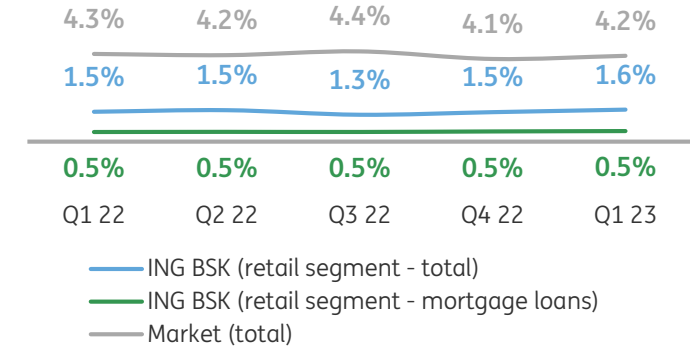
Consolidated data for ING BSK



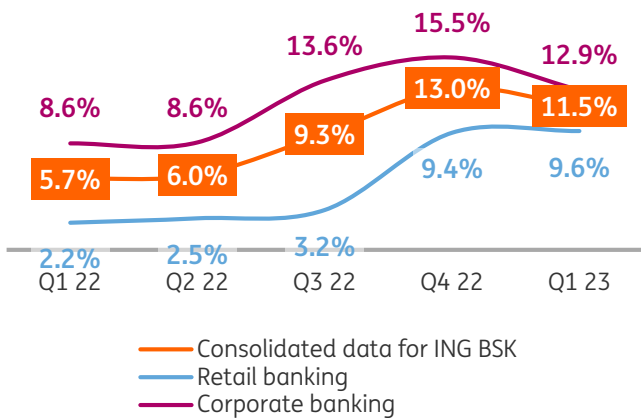
Corporate banking



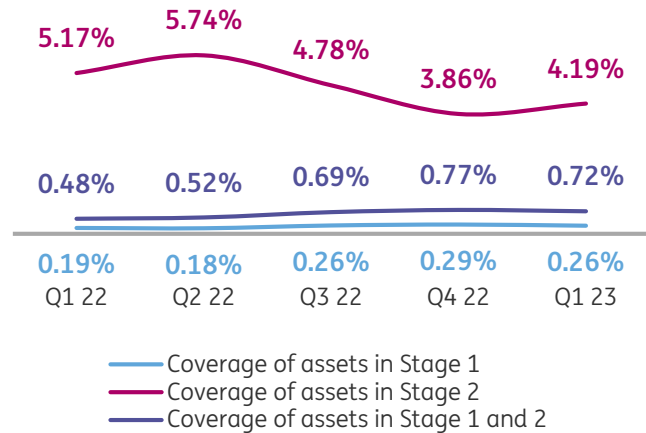
Retail banking



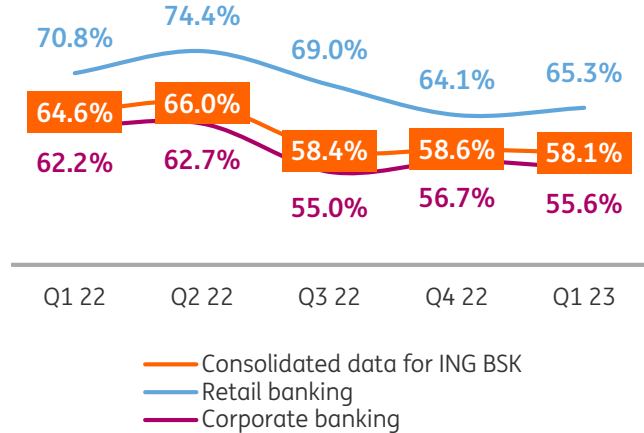
Share of Stage 2 in gross portfolio



Provisioning ratio – Stages 1 and 2



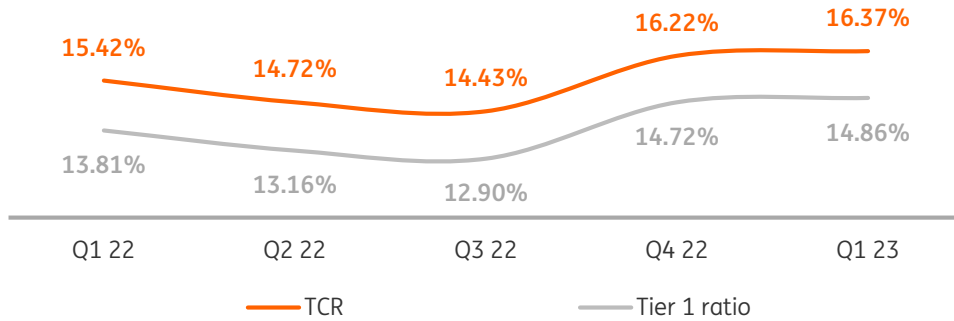
Provisioning ratio – Stage 3



Note: market ratios – estimates based on PFSA data (data for February 2023 for Q1 2023); NPL = Stage 3 + POCI

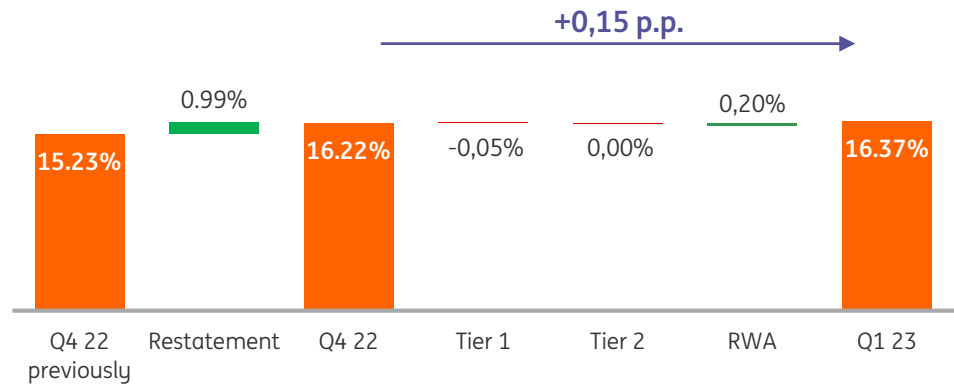
Capital adequacy

Consolidated total capital ratio

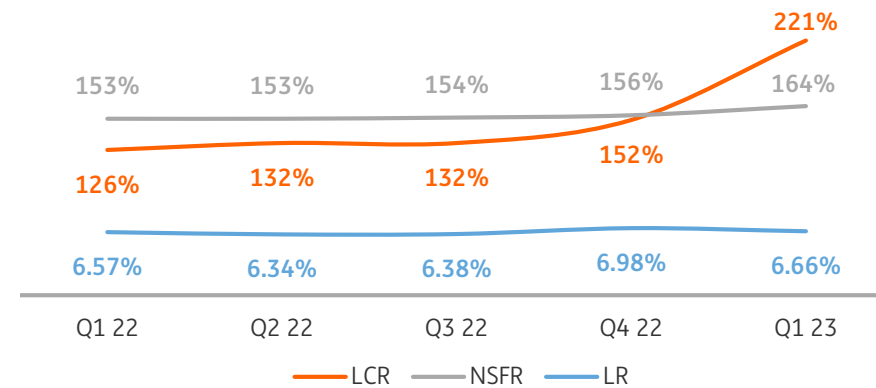


- Total capital ratio and Tier 1 ratio are respectively 4.86 p.p. and 5.35 p.p. above the minimum capital requirements for ING BSK, which are respectively 11.509% and 9.509%.
- The total capital ratio and Tier 1 ratio would have been 16.28% and 14.70%, respectively, if ING BSK did not apply a transition period for the implementation of IFRS 9.

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



Other capital and liquidity ratios



Appendices



Retail banking

Retail banking

Client transactions

- We operate 3.7 million current accounts for individual clients
- In Q1 2023, our clients used My ING to make +0,2% y/y more transfers, a total of 83.6 million, of which 44.0 million transfers were made in mobile banking (+9% y/y) ...
- ... +31% y/y more BLIK transactions (36.2 million in total) ...
- ... +11% y/y more debit card transactions (246.6 million in total)...
- ... and the number of transactions in branches amounted to 211 thousand (decrease by 26% y/y)

Financing

- We granted PLN 1.2 billion in mortgage loans in Q1 2023 (-58% y/y)
- We granted PLN 952 million in cash loans in Q1 2023 (-4% y/y) ...
- ... of which 79% were sold via online channels



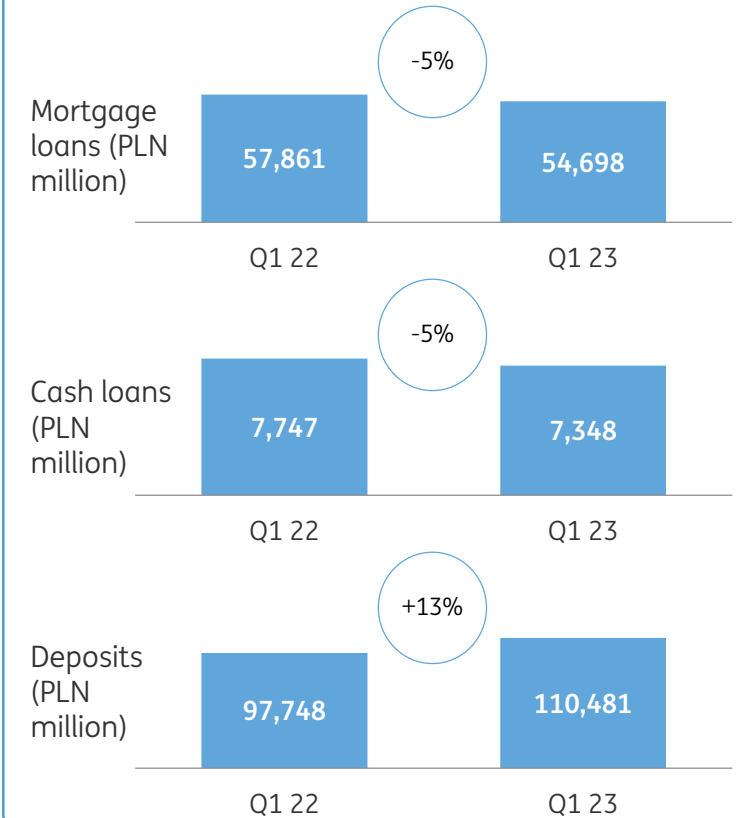
Bilety komunikacji miejskiej kupuj bezpośrednio w aplikacji Moje ING.

ing.pl/apka



Dostawcą usługi Bilety komunikacyjne jest Mobile Traffic DATA Sp. z o.o. Moje ING to nazwa handlowa usługi bankowości elektronicznej ING Banku Śląskiego, a aplikacja Moje ING - jest jej wersją na urządzenie mobilne.

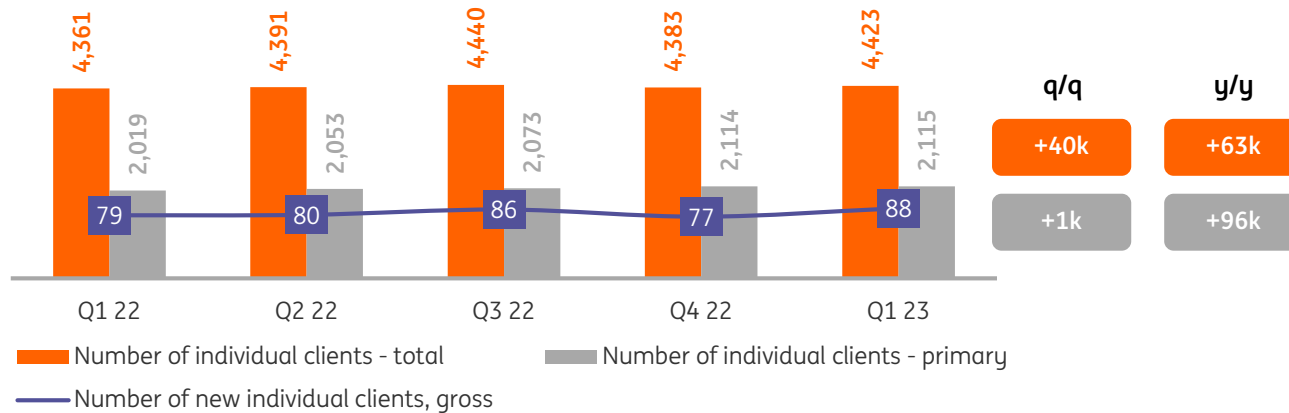
Growing volumes (y/y)



Retail client base

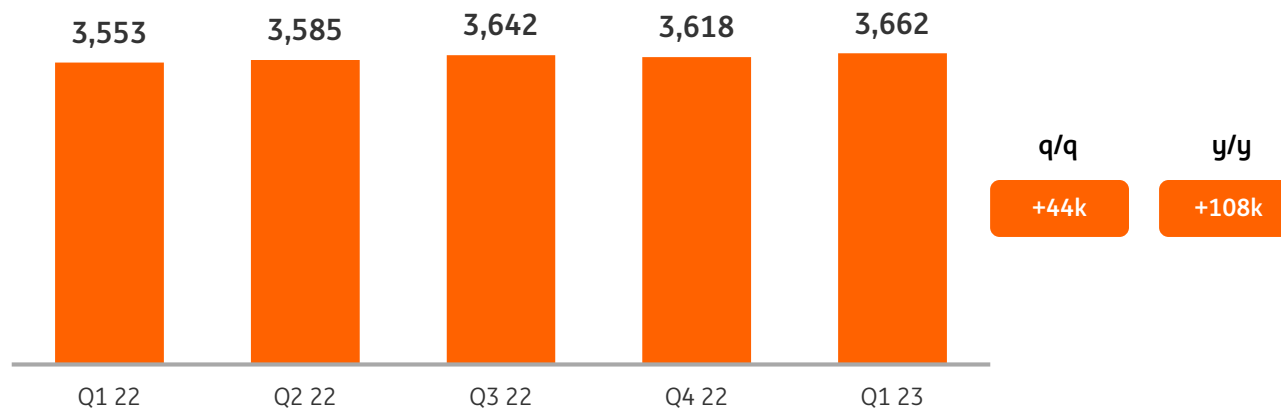
4.4 million individual clients

Number of individual clients (thousand)



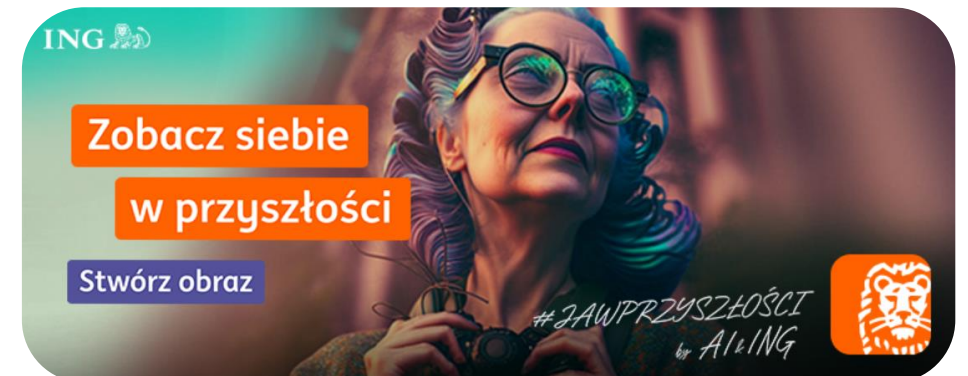
- 87% of current accounts are Direct Accounts
- In Q1 2023, our clients established and renewed 93 thousand trusted profiles and used them to sign 1.1 million of documents
- In Q1 2023, our clients submitted 294 thousand applications for 500+ (+20% y/y) via our bank

Number of individual clients' current accounts (thousand)



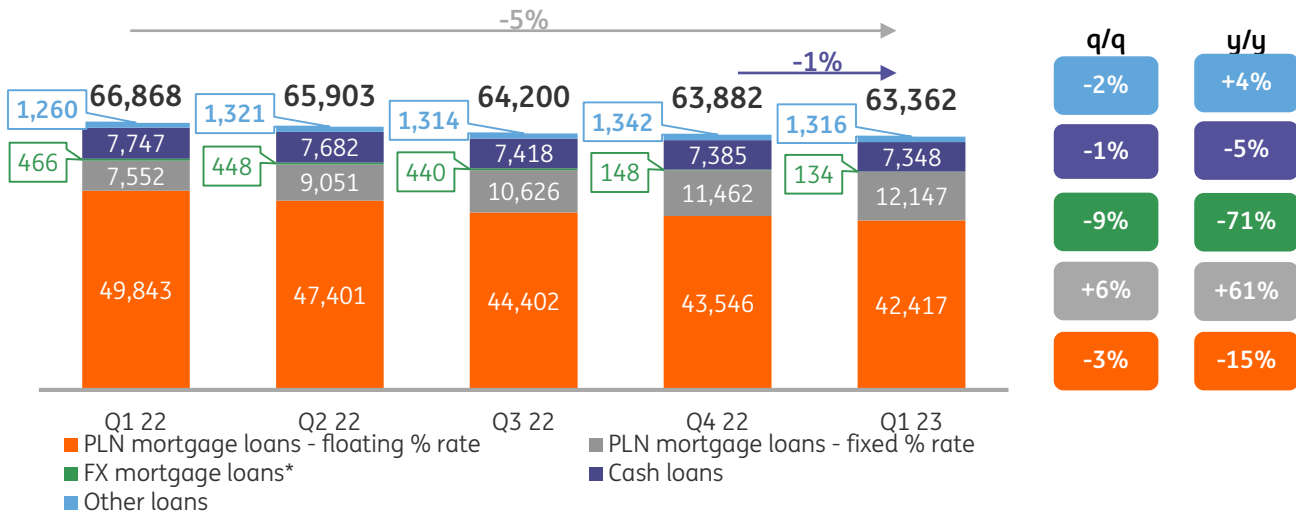
Note: current accounts in PLN

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



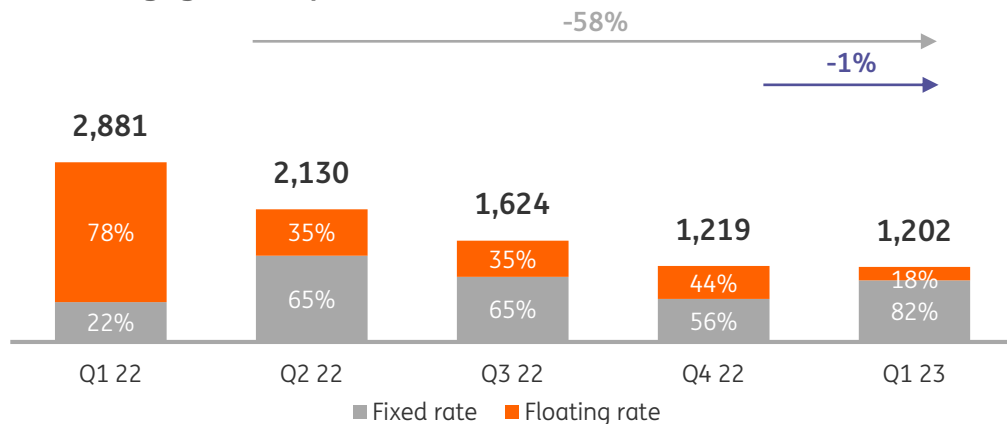
Retail lending

Loan portfolio of retail clients (gross; PLN million)

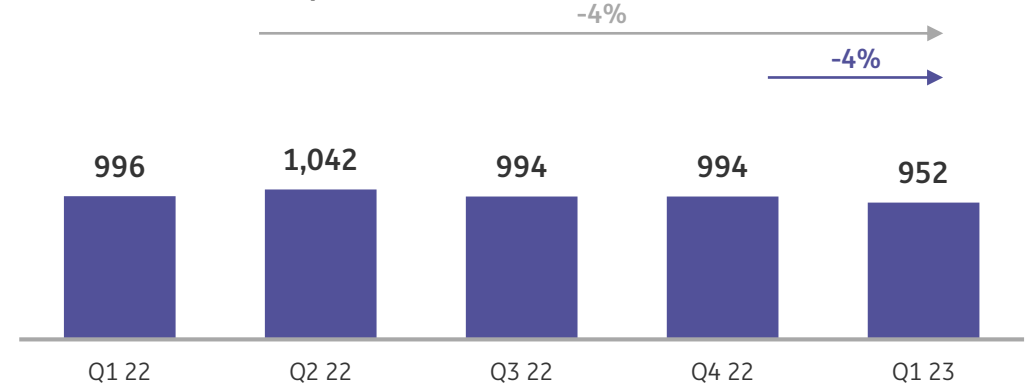


- **PLN 952 million worth of cash loans** granted to retail clients in Q1 2023 (-4% y/y)
- **PLN 1.2 billion worth of mortgage loans** granted in Q1 2023 (-58% y/y), which translates into a **16.5%** market share
 - including PLN 991 million worth of fixed interest rate mortgage loans (+55% y/y)
 - including PLN 50 million worth of mortgage ecoloans** (-88% y/y)
- A **13.5%** market share in terms of PLN mortgage loans; **11.0%** in total mortgage loans (Q1 2023)

Mortgage loans production (PLN million)



Cash loans production (PLN million)

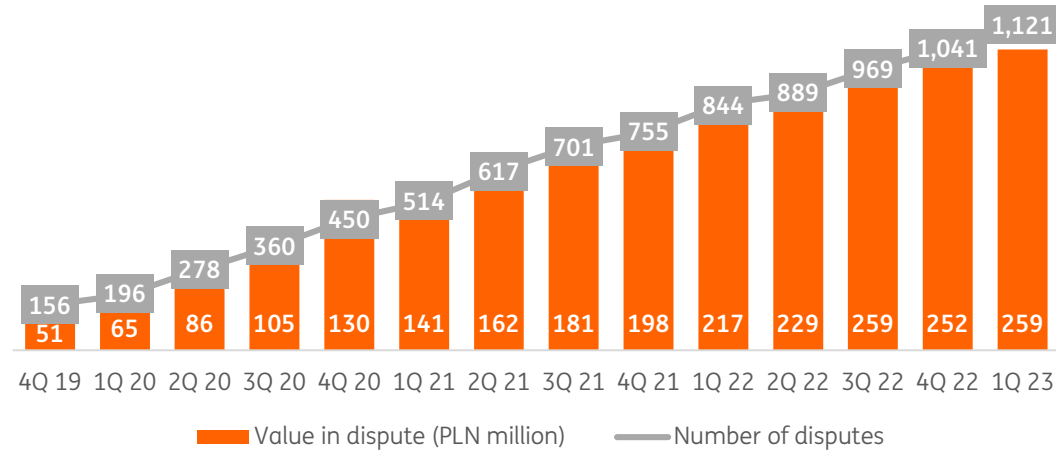


*FX mortgage loans after adjusting the gross carrying amount for legal risk provisions, which amounted to PLN 341.4 million in Q1 2022, PLN 343.7 million in Q2 2022, PLN 375.5 million in Q3 2022, PLN 581.6 million in Q4 2022 and PLN 548.1 million in Q1 2023;

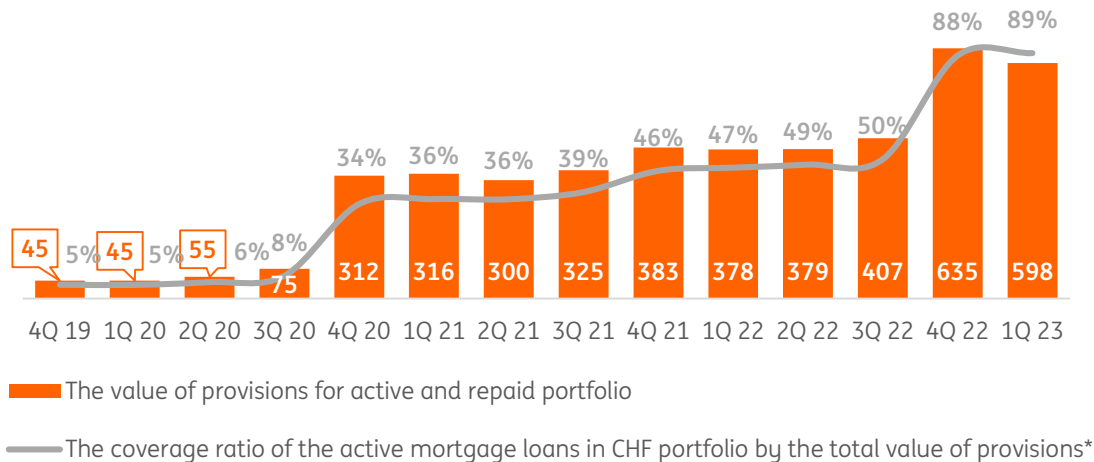
**We do not charge a commission and we offer a lower margin for a house or apartment, whose annual demand for non-renewable primary energy for heating, ventilation and hot water does not exceed 57 kWh / m² / year for a house and 53 kWh / m² / year for an apartment.

Legal risk relating to FX mortgage loans

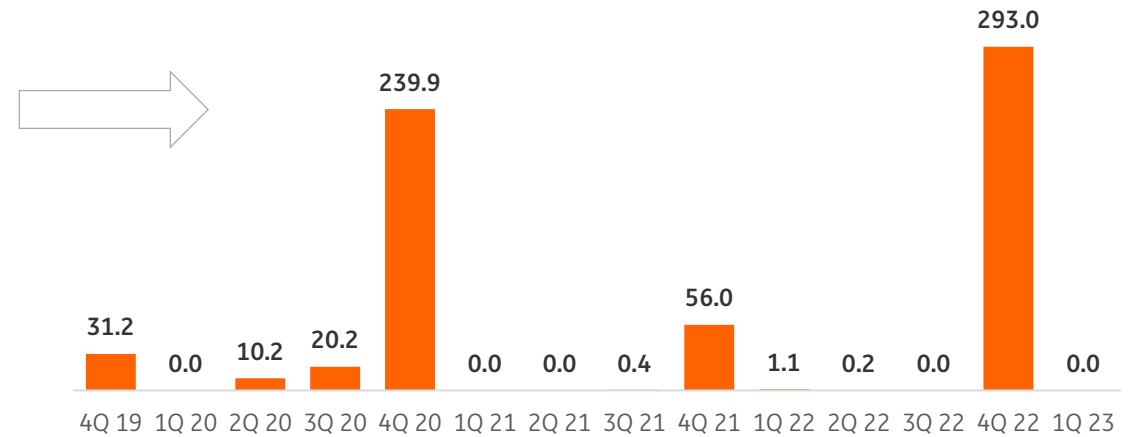
The number and value of disputes concerning FX mortgage loans



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)



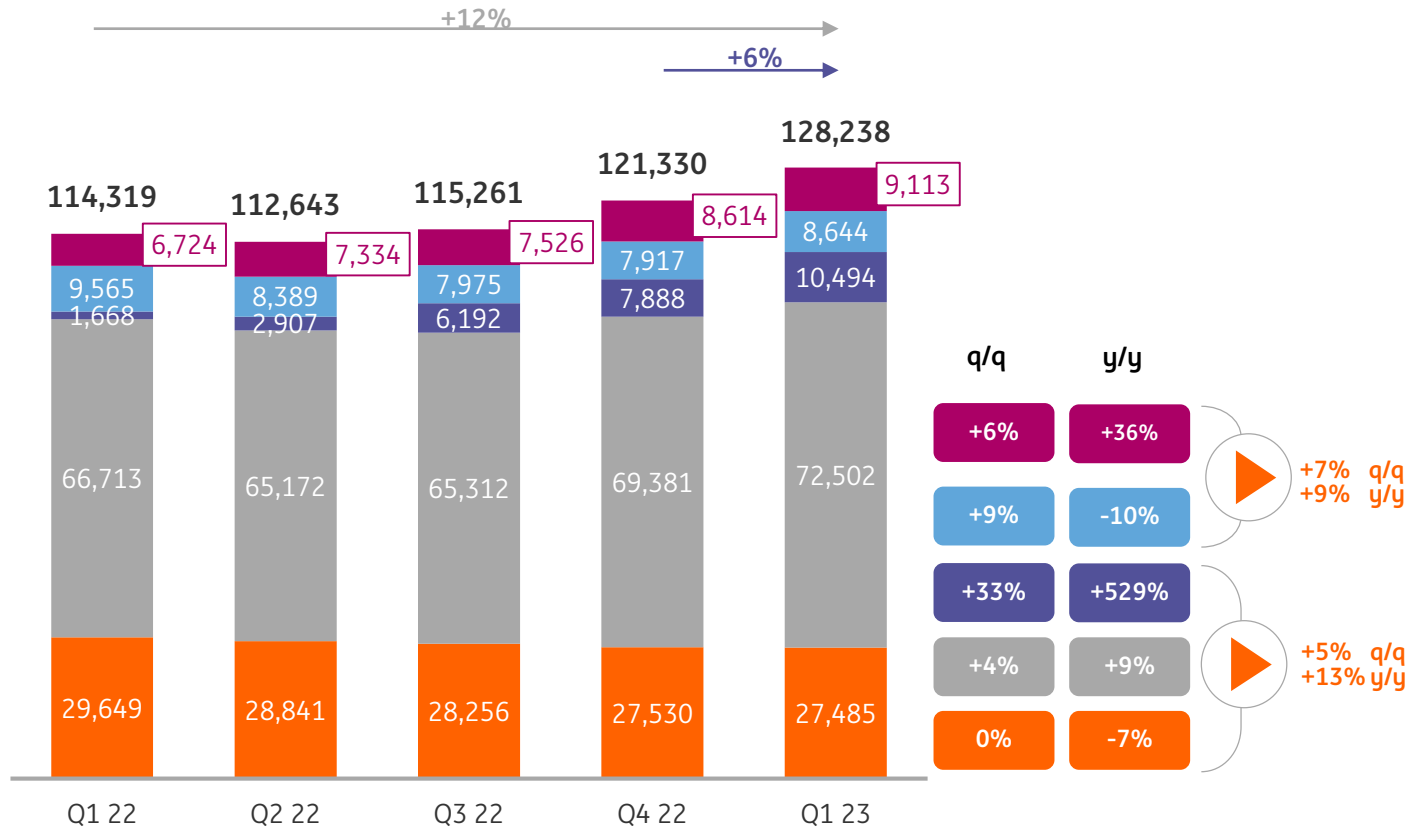
Mediation with clients

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 March 2023 we concluded **549 agreements** under the program (as at the end of April 2023 it was 590) . As at the end of Q1 2023 we had 3.2 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

*funds promoting sustainable development (Art. 8) and having an impact (Art. 9)

- **114.8 thousand** bank clients invest on a regular basis and **106.7 thousand** customers had a dedicated pension product at ING
- In Q1 2023, **50.8%** of open investment fund units were purchased via mobile banking
- At the end of Q1 2023, we serviced **180.4 thousand brokerage accounts** (+12% y/y)
- The **turnover of our brokerage office** on the stock market in Q1 2023 amounted to **PLN 3.7 billion** (-40% y/y, +16% q/q), which translates into a market share of **2.63%** (-0.49 p.p. y/y, +0.02 p.p. q/q)
- Investment fund companies, which take into account **ESG factors** when selecting companies for their portfolios of funds, accounted for **100%** of our clients' assets in these products, including **PLN 290 million** (-8% y/y, +10% q/q) worth of assets representing investments in funds **compliant with Articles 8 and 9 of SFRD***

Progressive evolution of banking

ING is becoming more and more digital



Average rating
of My ING mobile app
in the app stores

Google Play ★ ★ ★ ★ ★ 4.8

App Store ★ ★ ★ ★ ★ 4.9

Electronic banking

We have a total of **1,273 thousand mobile cards** (0% q/q, +20% y/y)

2,876 thousand individual clients with active BLIK, of which 1,582 thousand completed transactions in Q1 2023 (+3% q/q, +26% y/y)

36.2 million BLIK transactions in Q1 2023 (-2% q/q, +31% y/y) made by individual clients, of which **27.0 million transactions were made on the Internet** (-3% q/q, +28% y/y)

2,584 thousand active users of the mobile application (+3% q/q, +11% y/y)

1,778 thousand "mobile only" users (-3% q/q, +16% y/y)

44.0 million transfers in My ING mobile banking in Q1 2023 (+3.6 million y/y, +9% y/y)

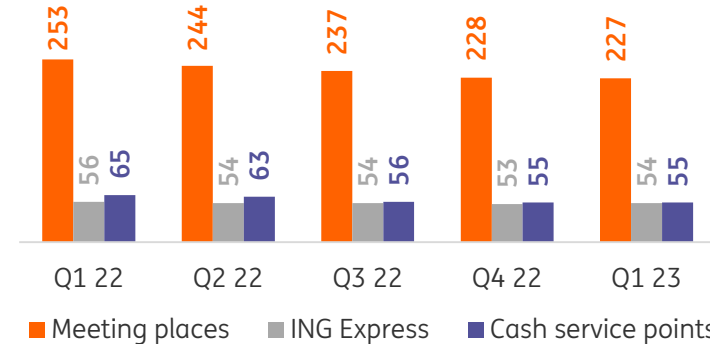
In Q1 2023, we sold **79% of cash loans** for individual clients **via internet channels** (79% in Q1 2022)

2.9m
active mobile
banking clients

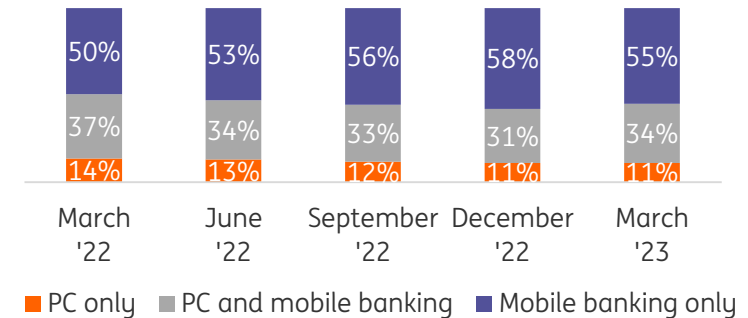
Physical distribution network

172 meeting places without a traditional cash service (173 as at the end of 2022 and 188 at the end of Q1 2022)

875 machines for cash self-service (including 745 recycling automated teller safes), out of which 711 are contactless ATMs/Recyclers



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



Corporate banking

Corporate banking

Client transactions

- We service 543.2 thousand corporate clients, of which 438.2 thousand are entrepreneurs, 101.5 thousand are SMEs and mid-corporates and 3.4 thousand are strategic clients
- In Q1 2023, our corporate clients using ING Business made 43.2 million transfers (+5% y/y), of which 3.1 million were made in mobile banking (+35% y/y)
- We have 35.7 thousand payment terminals in total; we processed 11.4 million transactions in Q1 2023 (+12% y/y)
- 7,163 stores with an active imoje payment gateway (+26% y/y)

Financing

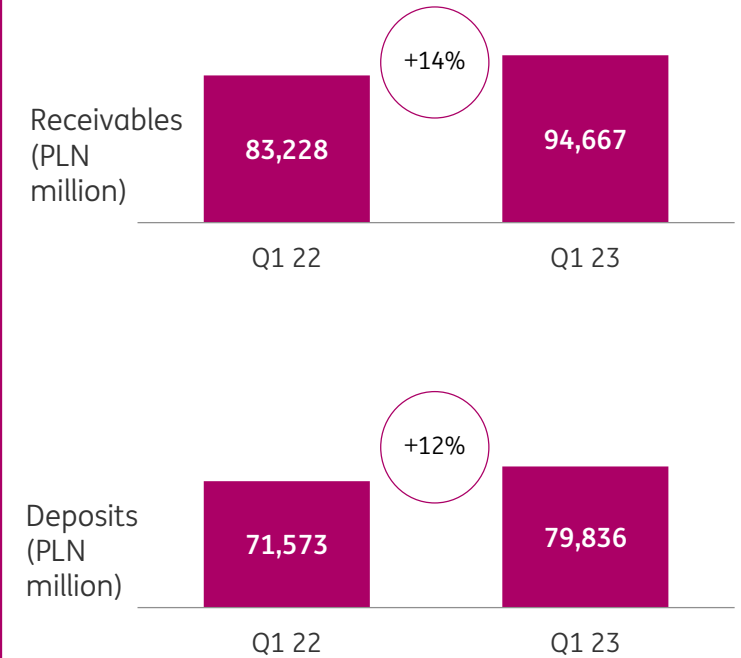
- The portfolio of receivables from entrepreneurs increased by PLN 61 million y/y (+1% y/y) to the level of PLN 7.9 billion
- The portfolio of receivables from SMEs and mid-corporates increased by PLN 3.2 billion y/y (+7% y/y) to the level of PLN 51.6 billion
- The portfolio of receivables from strategic clients increased by PLN 8.2 billion y/y (+30% y/y) to the level of PLN 35.1 billion



Na termomodernizację,
czyste źródła energii,
ulepszenie linii
produkcyjnej i nie tylko.
ING Bank Śląski S.A.



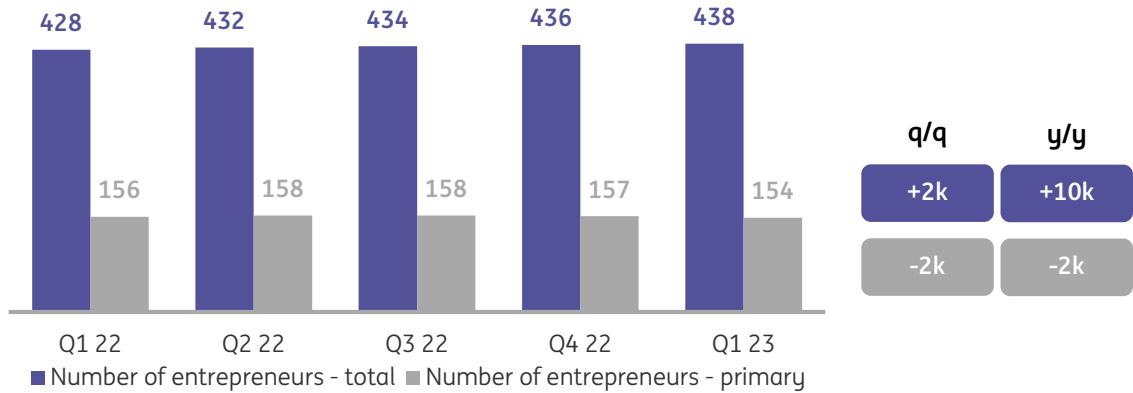
Growing volumes (y/y)



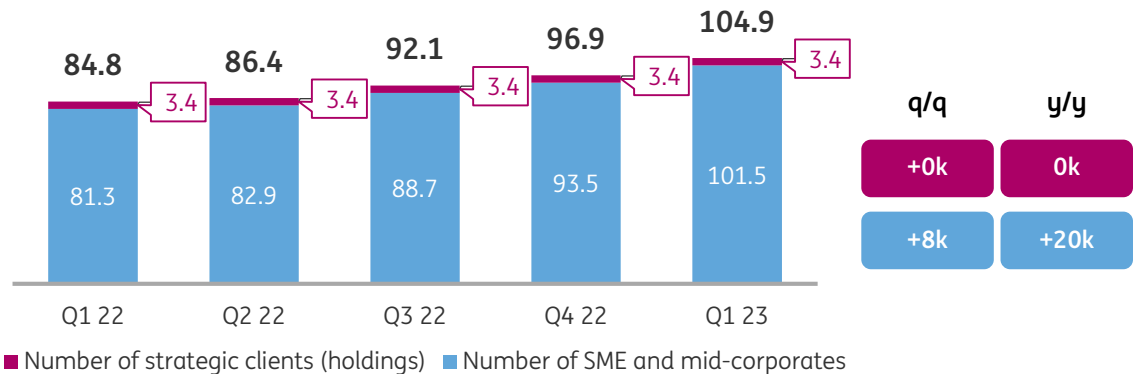
Corporate client base

543 thousand companies

Number of entrepreneurs (thousand)



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



We maintain 479 thousand current accounts for 438 thousand entrepreneurs, of which 99% are Direct accounts



**Założ firmę podczas
 jednej wideorozmowy
 z księgowym**
Sprawdź nowość

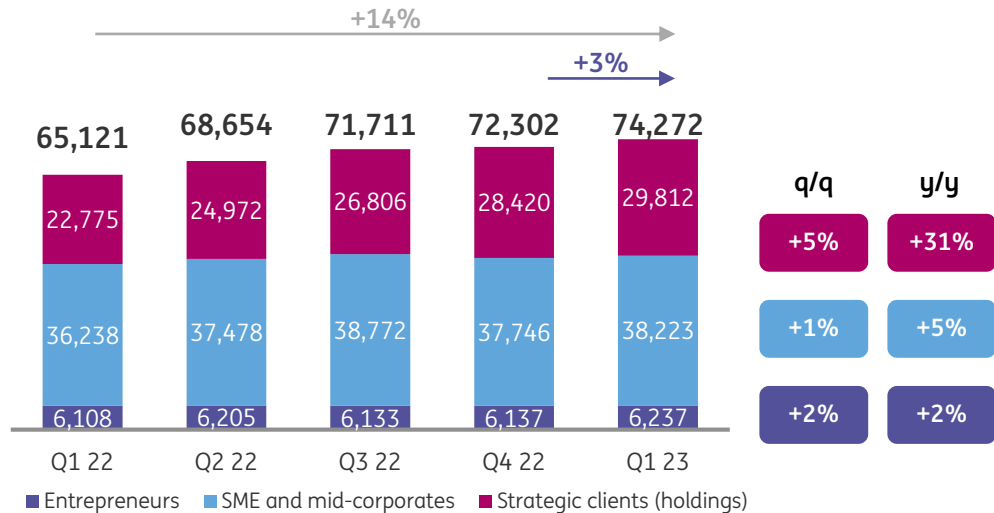
**Założ firmę i konto
 za 0 zł z ING Bankiem
 Śląskim S.A. Pomoc
 księgowego jest usługą
 ING Usługi dla Biznesu S.A.**



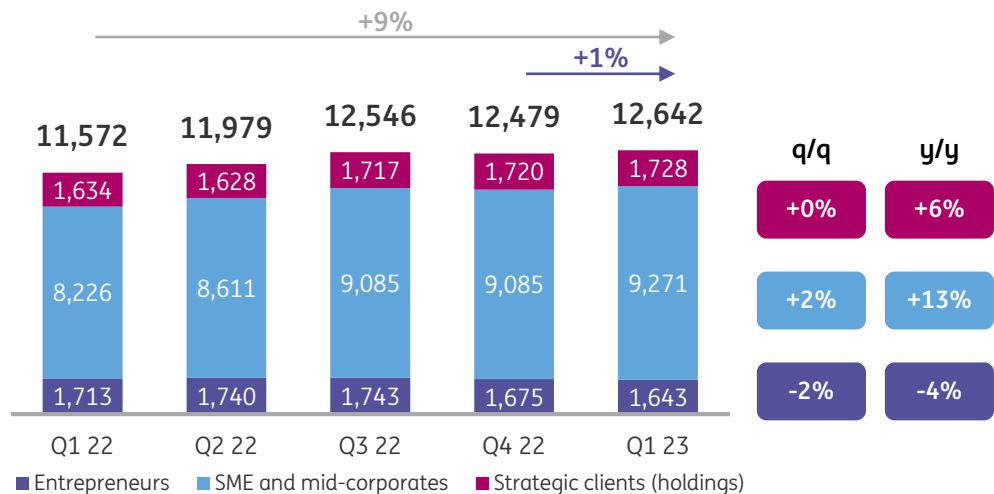
Primary clients - clients with a specified number of transactions and an average deposit or credit balance above a specified limit during the last year; the conditions are defined separately for each of the elements of the corporate segment (entrepreneurs, medium and large companies and strategic clients)

Corporate receivables

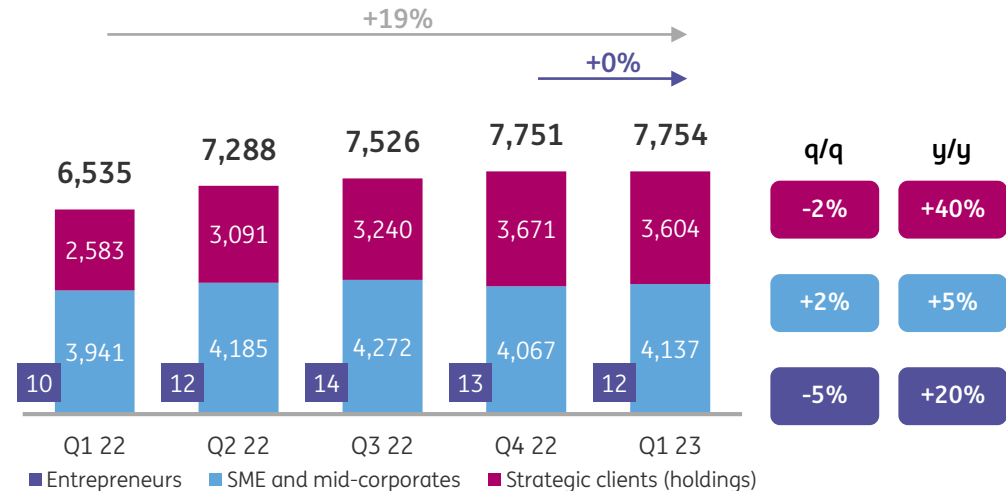
Loans volume (gross; PLN million)



Leasing receivables volume* (gross; PLN million)



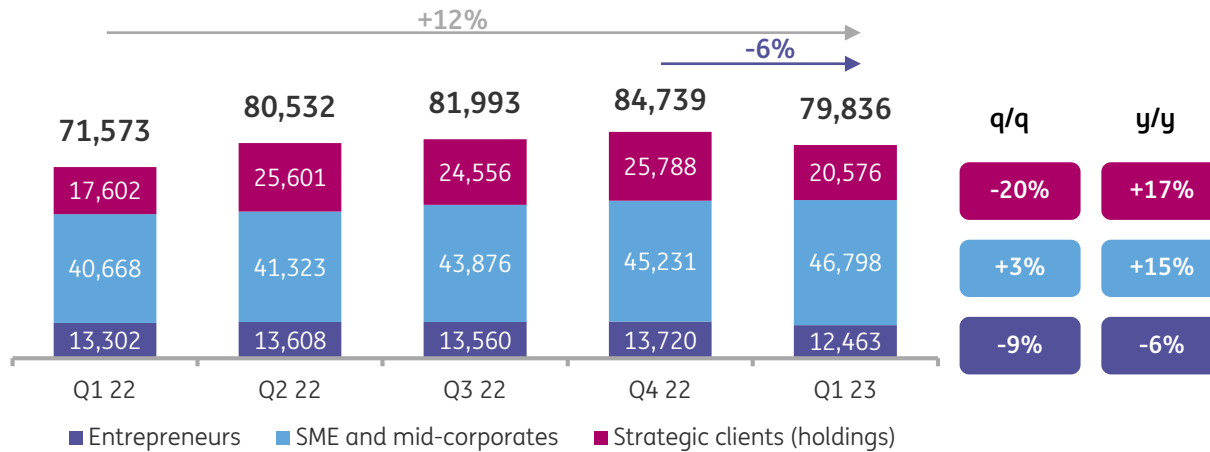
Factoring receivables volume (gross; PLN million)



*Leasing loans excluded

Cash management

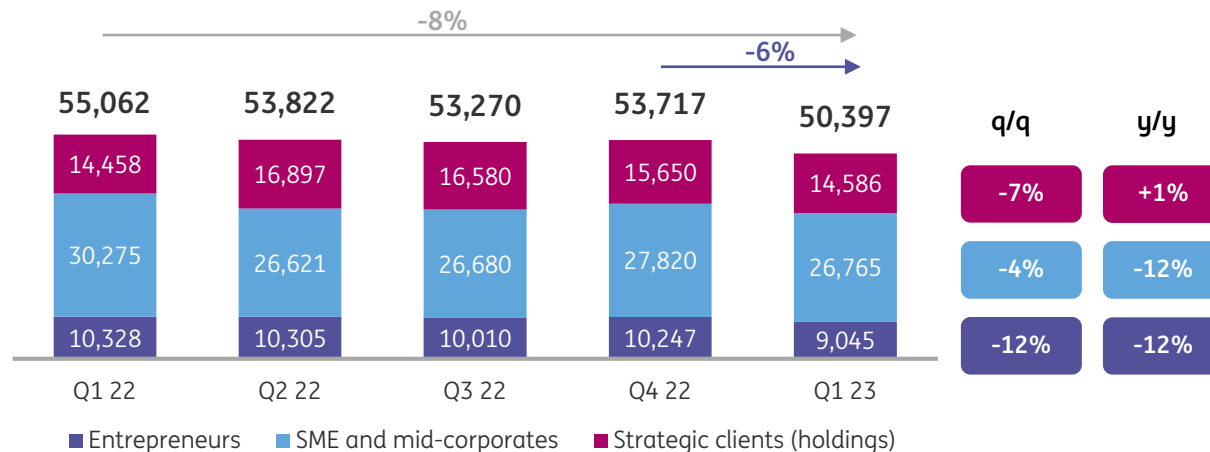
Corporate deposit volume (PLN million)



+4.7 thousand

new SME and mid-corporate clients attracted in Q1 2023

Corporate current accounts volume (PLN million)



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

- 139 depositories,
- 147 depositories in client locations,
- 350 CDMs in client locations (+122 y/y),
- 10 fee collection machines in client locations.

Number of mobile transfers in ING Business increased by +35% y/y to 3.1 million

Financial results

and other information

Income statement

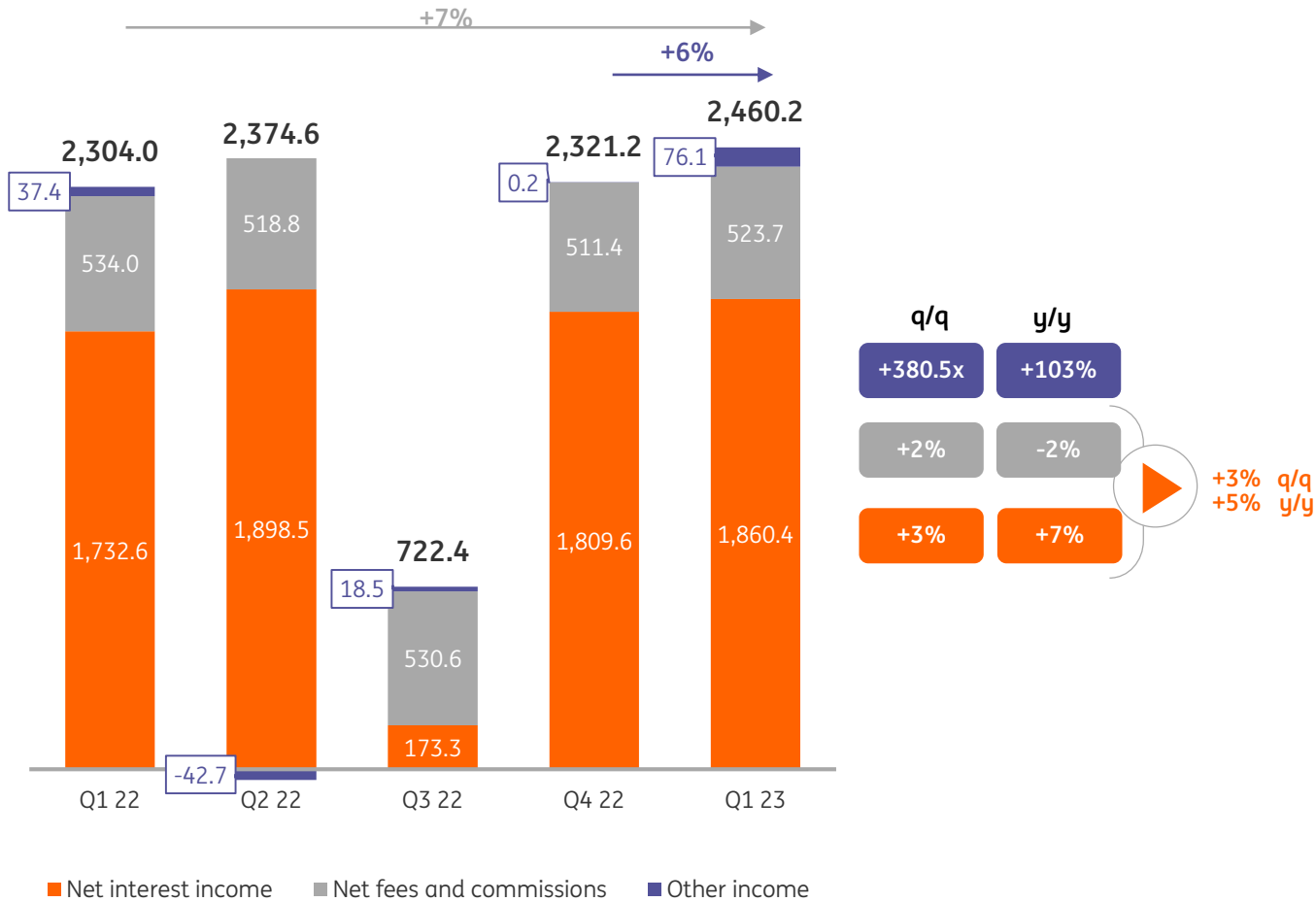
Consolidated income statement (PLN m)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	q/q		y/y	
						Δ	%	Δ	%
Net interest income, of which:	1,732.6	1,898.5	173.3	1,809.6	1,860.4	50.8	2.8%	127.8	7.4%
Interest income	1,851.7	2,379.5	1,018.2	2,862.5	2,982.1	119.6	4.2%	1,130.4	61.0%
Interest expense	-119.1	-481.0	-844.9	-1,052.9	-1,121.7	-68.8	6.5%	-1,002.6	841.8%
Net fee and commission income	534.0	518.8	530.6	511.4	523.7	12.3	2.4%	-10.3	-1.9%
Result on trade operations and revaluation	30.8	-47.6	14.4	-3.2	70.1	73.3	-	39.3	127.6%
Net income on instruments measured at fair value through profit or loss and FX result	47.1	-42.3	25.4	1.9	73.6	71.7	3773.7%	26.5	56.3%
The result on the sale of securities measured at amortized cost	-3.9	-11.8	-9.1	0.0	0.0	0.0	-	3.9	-100.0%
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	2.1	24.7	-0.2	-0.1	1.2	1.3	-	-0.9	-42.9%
Net income on hedge accounting	-14.5	-18.2	-1.7	-5.0	-4.7	0.3	-6.0%	9.8	-67.6%
Net income on other core activities	-0.2	-0.9	-1.3	-4.2	0.4	4.6	-	0.6	-
Share in net profit (loss) of associated entities recognised under the equity method	6.8	5.8	5.4	7.6	5.6	-2.0	-26.3%	-1.2	-17.6%
Income	2,304.0	2,374.6	722.4	2,321.2	2,460.2	139.0	6.0%	156.2	6.8%
Expenses	-931.4	-1,200.1	-821.6	-689.0	-1,004.6	-315.6	45.8%	-73.2	7.9%
Personnel expenses	-361.3	-409.7	-414.9	-413.5	-423.0	-9.5	2.3%	-61.7	17.1%
Depreciation and amortisation	-68.5	-68.1	-71.2	-71.5	-73.1	-1.6	2.2%	-4.6	6.7%
Regulatory expenses	-248.6	-429.8	-66.4	1.2	-178.1	-179.3	-	70.5	-28.4%
Other expenses	-253.0	-292.5	-269.1	-205.2	-330.4	-125.2	61.0%	-77.4	30.6%
Profit before risk costs	1,372.6	1,174.5	-99.2	1,632.2	1,455.6	-176.6	-10.8%	83.0	6.0%
Risk costs including legal cost of risk for FX mortgage loans	-151.6	-183.2	-206.0	-489.3	-88.2	401.1	-82.0%	63.4	-41.8%
Retail	-61.6	-111.5	-18.7	-394.7	-19.6	375.1	-95.0%	42.0	-68.2%
Corporate	-90.0	-71.7	-187.3	-94.6	-68.6	26.0	-27.5%	21.4	-23.8%
Tax on certain financial institutions	-151.7	-161.3	-164.8	-169.1	-158.6	10.5	-6.2%	-6.9	4.5%
Profit (loss) before tax	1,069.3	830.0	-470.0	973.8	1,208.8	235.0	24.1%	139.5	13.0%
Income tax	-276.5	-257.0	152.7	-307.9	-300.1	7.8	-2.5%	-23.6	8.5%
Net profit (loss), of which:	792.8	573.0	-317.3	665.9	908.7	242.8	36.5%	115.9	14.6%
Net profit (loss) attributable to the shareholders of ING BSK	792.8	573.0	-317.3	665.9	908.7	242.8	36.5%	115.9	14.6%
Number of shares issued (m)	130.1	130.1	130.1	130.1	130.1	0.0	0.0%	0.0	0.0%
Earnings per share (PLN) - annualised	24.38	17.62	-9.76	20.47	27.94	7.47	36.5%	3.56	14.6%

Statement of financial position

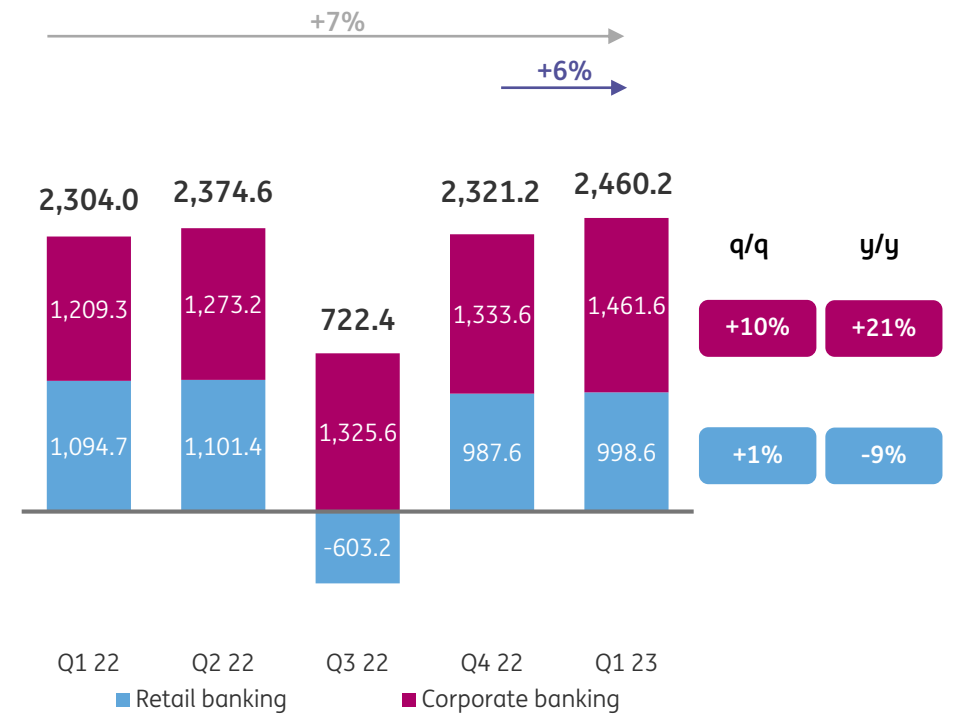
Consolidated statement of financial position (PLN m)	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	q/q		y/y	
							Δ	%	Δ	%
ASSETS										
Cash in hand and balances with the Central Bank	1,100.0	4,998.3	2,718.1	2,069.5	2,337.6	6,706.5	4,368.9	186.9%	1,708.2	34.2%
Loans and receivables to other banks	704.8	1,074.4	2,293.2	2,257.6	5,161.1	9,163.4	4,002.3	77.5%	8,089.0	752.9%
Financial assets measured at fair value through profit or loss	1,459.9	1,425.4	3,424.4	3,335.9	1,897.7	1,534.2	-363.5	-19.2%	108.8	7.6%
Derivative hedge instruments	250.4	323.4	834.2	504.0	139.2	243.0	103.8	74.6%	-80.4	-24.9%
Investment securities	45,584.4	37,312.3	39,283.0	42,363.9	48,432.8	40,976.7	-7,456.1	-15.4%	3,664.4	9.8%
Assets securing liabilities	2,280.9	10,935.8	6,878.6	3,206.4	163.8	9,416.6	9,252.8	5648.8%	-1,519.2	-13.9%
Loans and receivables to customers	146,614.4	149,782.6	152,180.9	154,410.6	155,029.2	156,101.1	1,071.9	0.7%	6,318.5	4.2%
Non-financial assets	1,208.6	1,317.9	1,335.4	1,356.9	1,367.2	1,421.1	53.9	3.9%	103.2	7.8%
Tax assets	1,979.5	2,519.0	3,059.1	3,169.3	2,400.8	1,716.1	-684.7	-28.5%	-802.9	-31.9%
Other assets	471.3	379.9	388.1	338.1	336.7	377.9	41.2	12.2%	-2.0	-0.5%
Total assets	201,654.2	210,069.0	212,395.0	213,012.2	217,266.1	227,656.6	10,390.5	4.8%	17,587.6	8.4%
EQUITY AND LIABILITIES										
LIABILITIES										
Liabilities due to other banks	10,051.0	16,491.8	8,788.0	9,151.0	5,639.6	7,144.8	1,505.2	26.7%	-9,347.0	-56.7%
Financial liabilities measured at fair value through profit or loss	1,679.6	1,794.4	3,294.8	3,478.5	2,203.8	1,702.3	-501.5	-22.8%	-92.1	-5.1%
Derivative hedge instruments	235.4	362.5	1,144.4	842.0	369.5	418.7	49.2	13.3%	56.2	15.5%
Liabilities due to customers	170,609.9	174,661.9	185,095.1	186,580.5	192,731.3	201,651.9	8,920.6	4.6%	26,990.0	15.5%
Liabilities under issue of debt securities	972.4	398.0	401.8	407.9	404.8	413.0	8.2	2.0%	15.0	3.8%
Subordinated liabilities	1,610.3	1,628.9	1,638.8	1,705.7	1,643.9	1,639.6	-4.3	-0.3%	10.7	0.7%
Provisions	336.9	350.2	338.7	346.5	359.0	347.2	-11.8	-3.3%	-3.0	-0.9%
Income tax liability	3.9	5.3	11.7	13.7	20.3	17.1	-3.2	-15.8%	11.8	222.6%
Other liabilities	2,623.4	3,220.2	3,964.8	3,063.5	4,549.6	3,082.8	-1,466.8	-32.2%	-137.4	-4.3%
Total liabilities	188,122.8	198,913.2	204,678.1	205,589.3	207,921.8	216,417.4	8,495.6	4.1%	17,504.2	8.8%
EQUITY										
Share Capital	130.1	130.1	130.1	130.1	130.1	130.1	0.0	0.0%	0.0	0.0%
Supplementary capital – share premium account	956.3	956.3	956.3	956.3	956.3	956.3	0.0	0.0%	0.0	0.0%
Revaluation reserve	-2,821.0	-5,989.5	-9,311.9	-9,291.9	-8,039.3	-7,055.1	984.2	-12.2%	-1,065.6	17.8%
Retained earnings	15,266.0	16,058.9	15,942.4	15,628.4	16,297.2	17,207.9	910.7	5.6%	1,149.0	7.2%
Equity attributable to shareholders of ING BSK	13,531.4	11,155.8	7,716.9	7,422.9	9,344.3	11,239.2	1,894.9	20.3%	83.4	0.7%
Non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
Total equity	13,531.4	11,155.8	7,716.9	7,422.9	9,344.3	11,239.2	1,894.9	20.3%	83.4	0.7%
Total equity and liabilities	201,654.2	210,069.0	212,395.0	213,012.2	217,266.1	227,656.6	10,390.5	4.8%	17,587.6	8.4%
Number of shares issued (m)	130.1	130.1	130.1	130.1	130.1	130.1	0.0	0.0%	0.0	0.0%
Book value per share (PLN)	104.01	85.75	59.32	57.06	71.82	86.39	14.56	20.3%	0.64	0.7%

Income per category

Income per P&L line (PLN million)



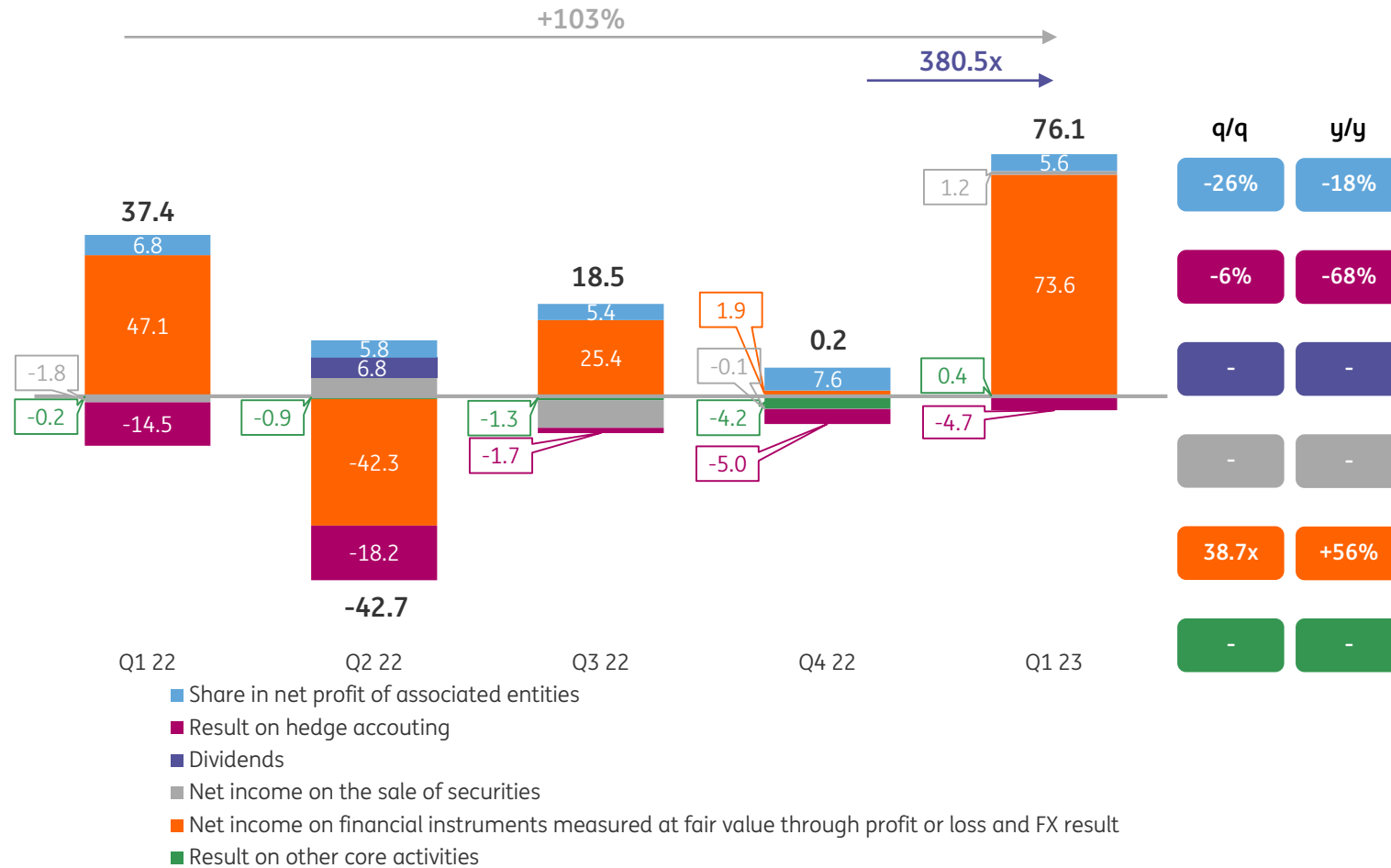
Income per business line (PLN million)



*PLN 1,632.1 million negative impact of credit moratoria in 3Q22 and additional PLN 12.8 million in 4Q22 and PLN 23.0 million positive impact in 1Q23, fully allocated to the retail banking segment

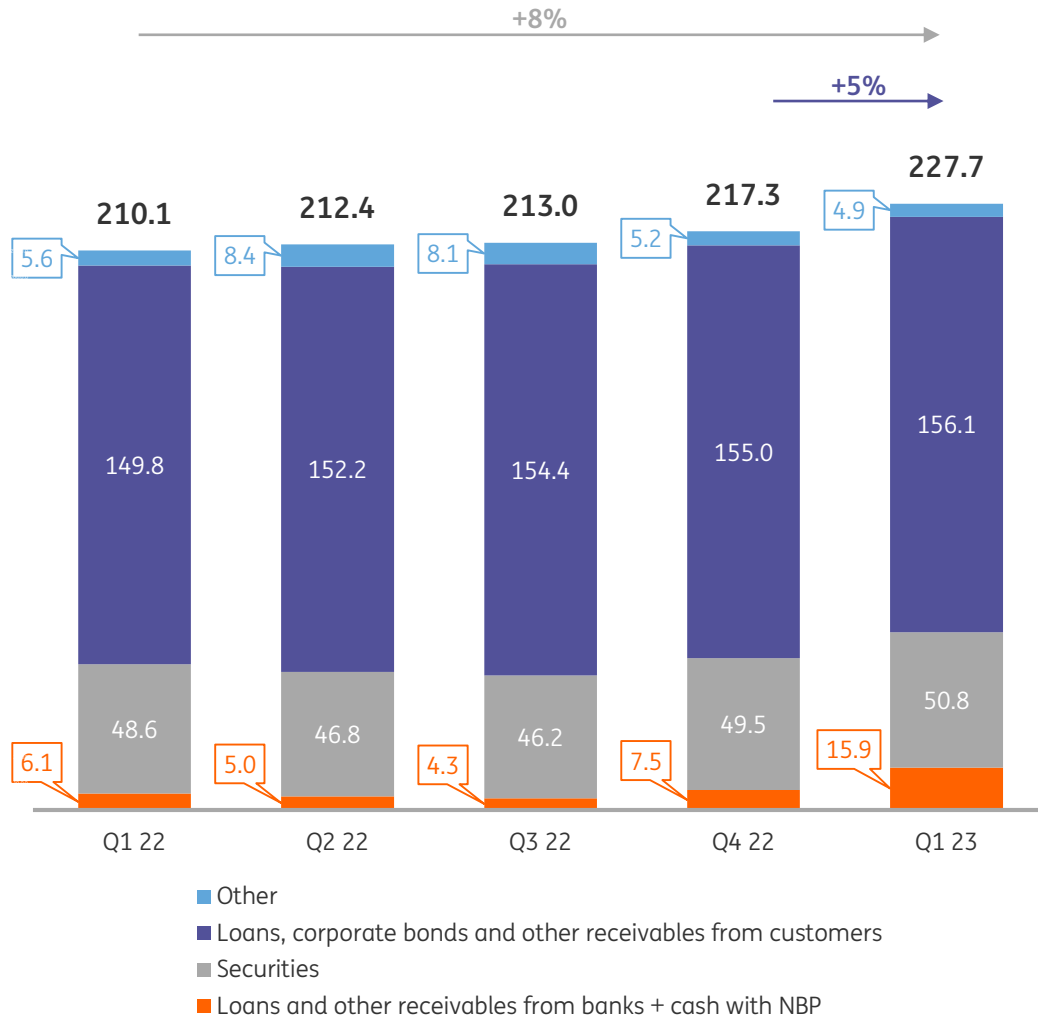
Other income

Other income (PLN million)

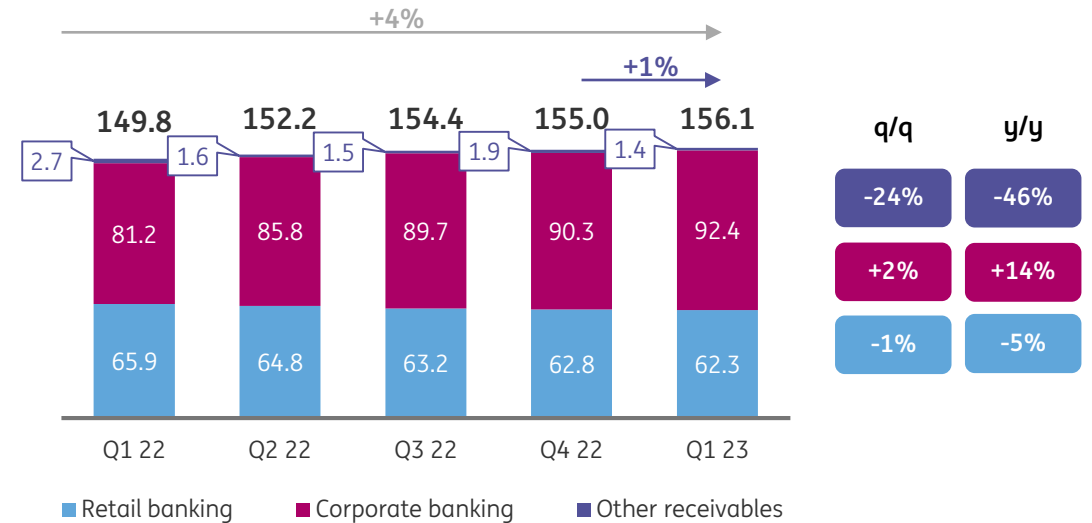


Bank assets

Asset structure (PLN billion)

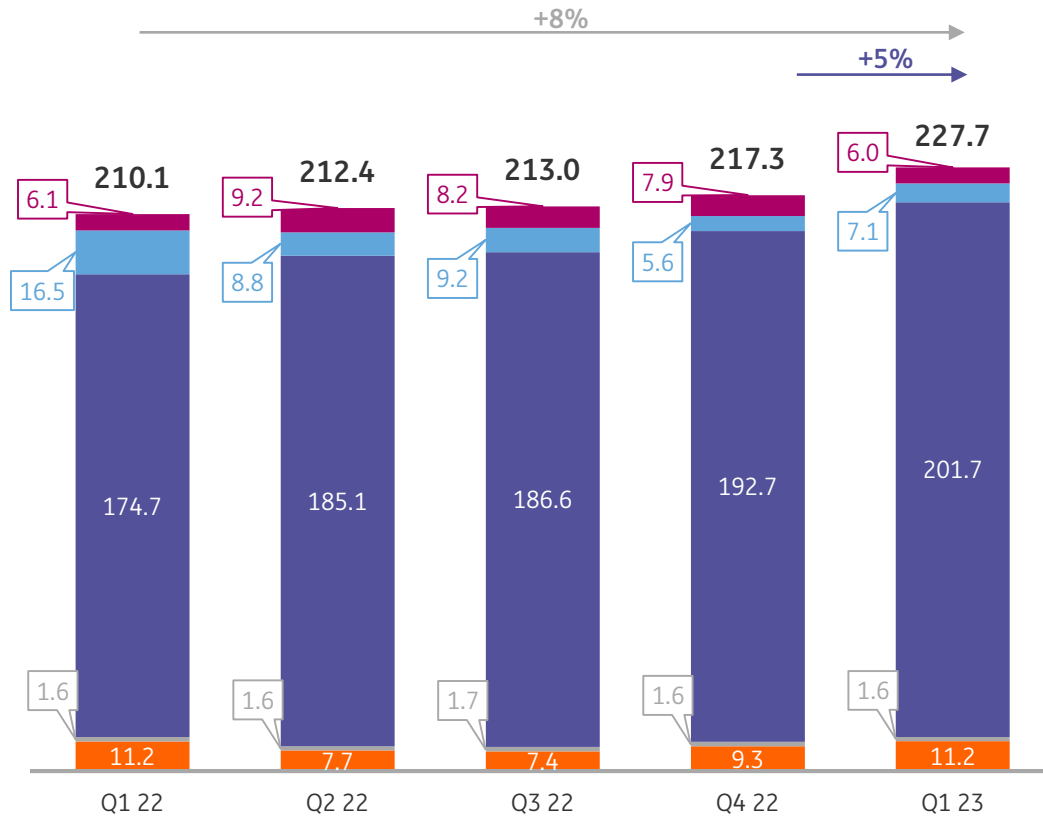


Loans and other receivables from customers (net; PLN billion)

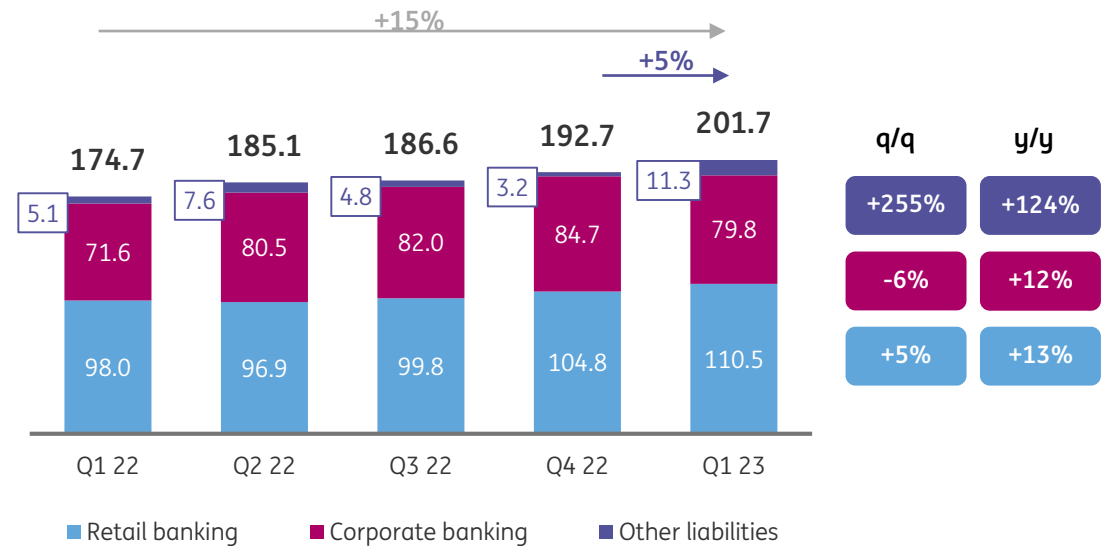


Bank equity and liabilities

Structure of equity and liabilities (PLN billion)



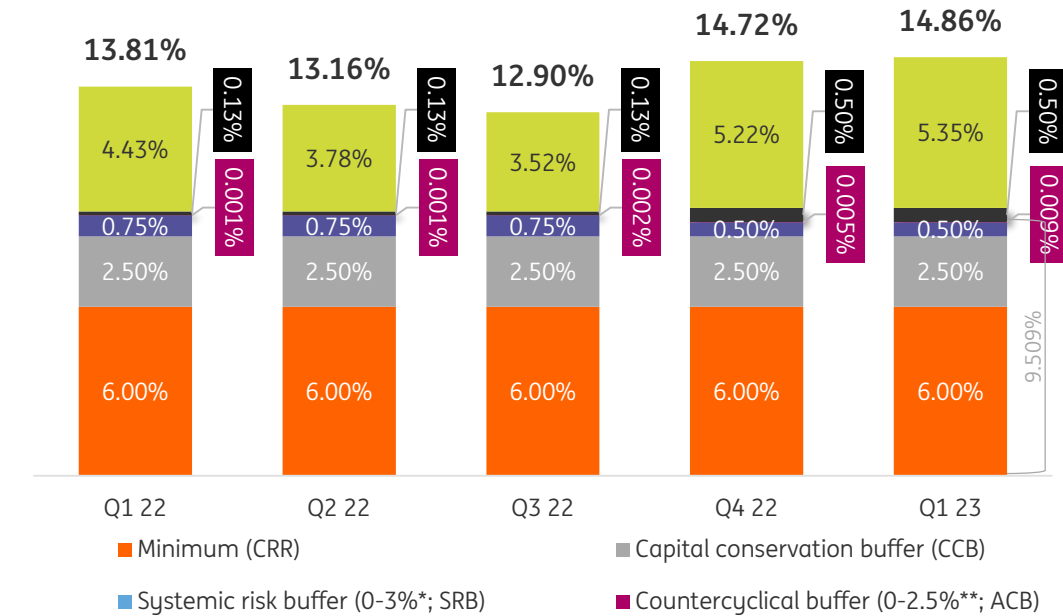
Deposits and other liabilities to customers (PLN billion)



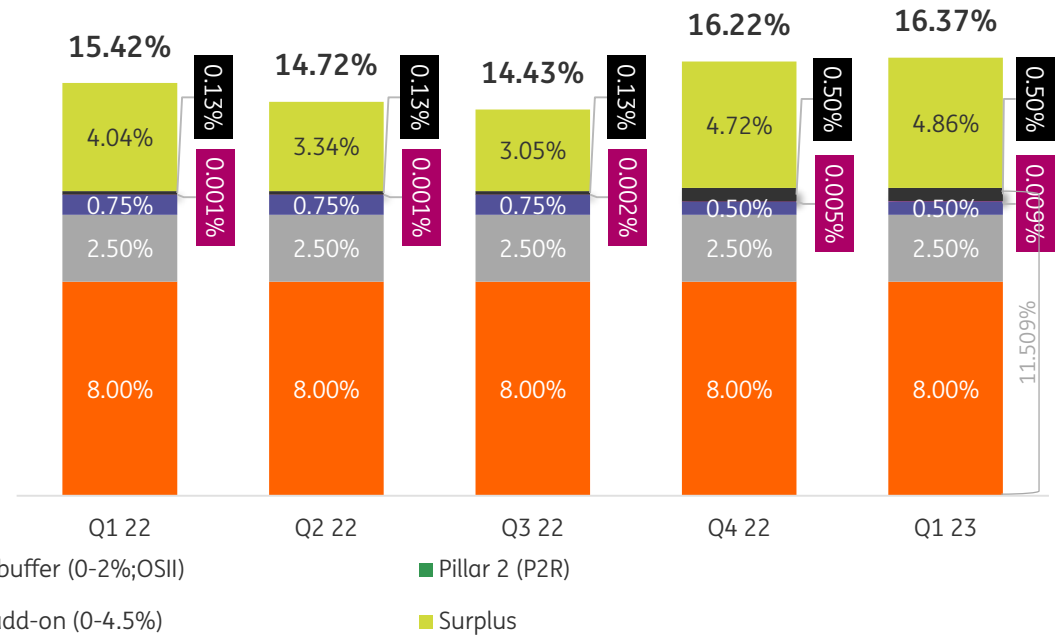
Equity ■ Subordinated debt ■ Deposits and other liabilities to clients ■ Liabilities to banks ■ Other

Capital requirement structure

Consolidated capital requirement structure – Tier 1



Consolidated capital requirement structure – TCR



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

- The target level at the end of 2023 is 16.29% of the total risk exposure amount ("TREA") and 5.91% of the total exposure measure ("TEM") at the individual level. The mid-term targets are now respectively - 12.14% TREA and 4.46% 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, currently 3.01%).
- At the end of Q1 2023, the MREL level in relation to TREA was 19.12% including the combined buffer requirement and 16.11% without combined buffer requirement.
- 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") on 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 31.03.2023	%
1	Wholesale trade	10,302	10.9%
2	Real estate service	9,430	10.0%
3	Other activity related to business running	5,974	6.3%
4	Financial intermediation	5,428	5.7%
5	Land transport and transport via pipelines	4,570	4.8%
6	Foodstuff and beverage production	4,501	4.8%
7	Retail trade	3,946	4.2%
8	Manufacture of fabricated metal products	3,933	4.2%
9	Constructions	3,701	3.9%
10	Rubber industry	3,271	3.5%
11	Public administration and national defense	3,100	3.3%
12	Wood and paper industry	2,640	2.8%
13	Post office and telecommunications	2,546	2.7%
14	Renting of equipment	2,483	2.6%
15	Chemicals and chemical goods production	2,475	2.6%
16	Agriculture, forestry, fishery	2,177	2.3%
17	Power industry	2,080	2.2%
18	Sale, repair and maintenance of motor vehicles	1,977	2.1%
19	Machine industry	1,463	1.5%
20	Other	18,620	19.7%
	Total exposure	94,617	100.0%

Note: gross credit exposure at amortised cost covering loans, corporate bonds and leasing and factoring receivables

Lending exposure by industry

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

Consolidated approach

No	Industry	Exposure as at 31.03.2023	%
1	Wholesale trade	17,036	11.8%
2	Real estate service	9,832	6.8%
3	Constructions	8,950	6.2%
4	Other activity related to business running	8,129	5.6%
5	Retail trade	7,614	5.3%
6	Financial intermediation	7,556	5.2%
7	Foodstuff and beverage production	6,879	4.7%
8	Manufacture of fabricated metal products	6,565	4.5%
9	Land transport and transport via pipelines	6,235	4.3%
10	Rubber industry	5,756	4.0%
11	Power industry	4,633	3.2%
12	Chemicals and chemical goods production	4,294	3.0%
13	Wood and paper industry	4,294	3.0%
14	Post office and telecommunications	3,615	2.5%
15	Public administration and national defense	3,365	2.3%
16	Sale, repair and maintenance of motor vehicles	3,332	2.3%
17	Renting of equipment	2,983	2.1%
18	Agriculture, forestry, fishery	2,804	1.9%
19	Machine industry	2,350	1.6%
20	Other	28,617	19.8%
	Total exposure	144,840	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 543 thousand corporate clients
- We employ 8.4 thousand people
- We are number four in Poland in terms of the total assets and number three in terms of the commercial balances as at the end of Q1 2023

Credit ratings of ING Bank Śląski

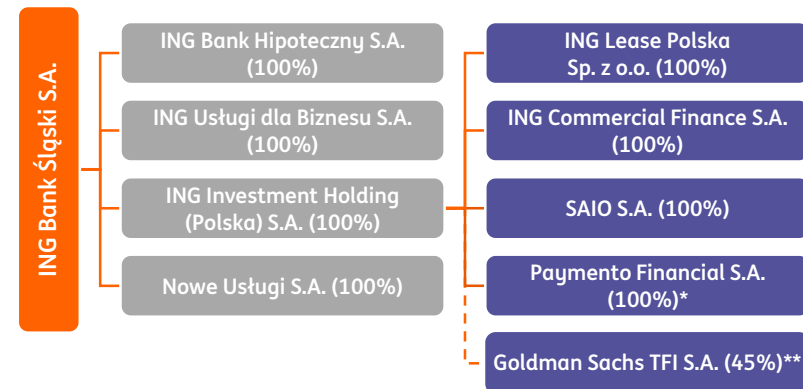
Fitch

- 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



*In Q1 2023, Paymento Financial S.A. was included only in balance sheet consolidation; **Until April 24, 2023 under the name NN Investment Partners TFI.

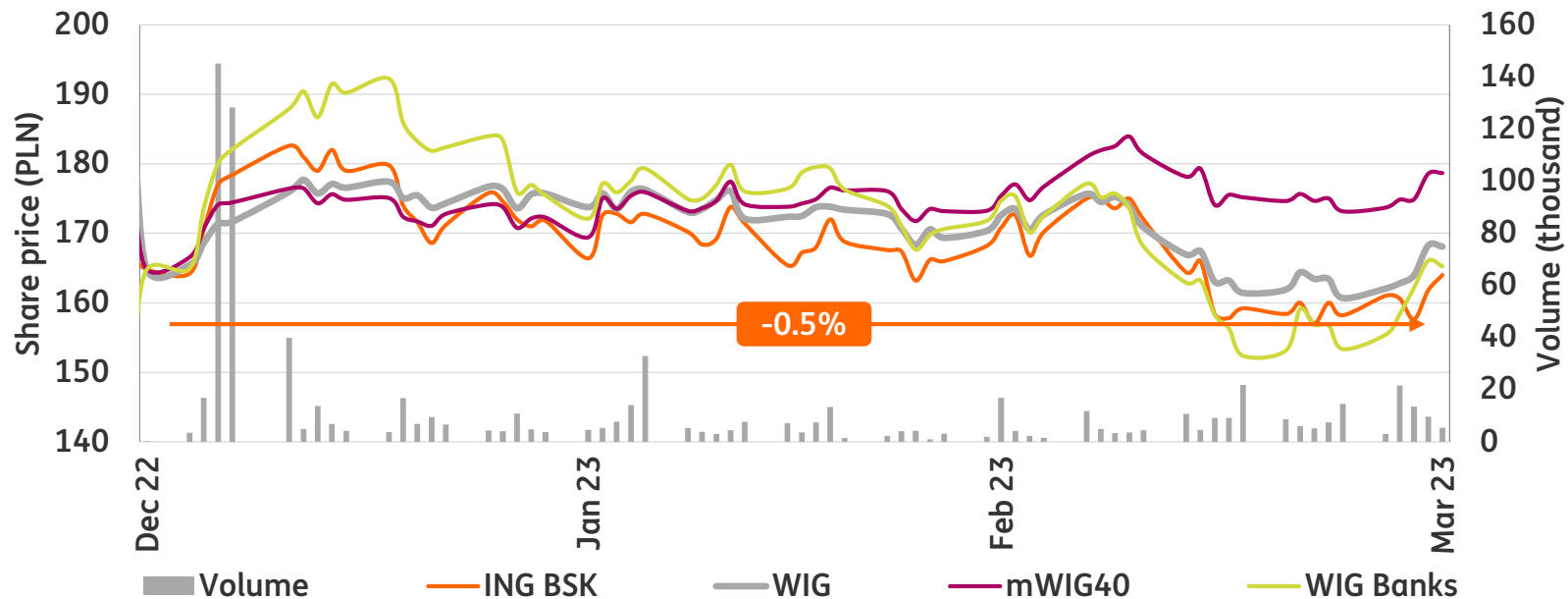
ING Bank Śląski S.A. shares

ING BSK share price:
PLN 164.0 (31 March 2023)

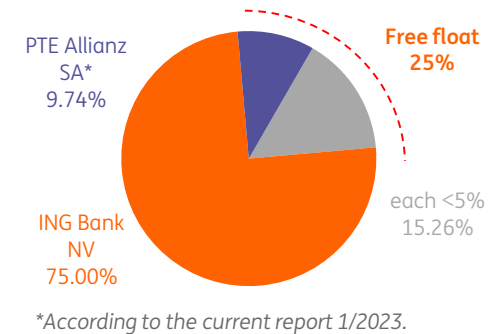
Capitalisation: **PLN 21.3 billion** (EUR 4.6 billion)
 Free float: **PLN 5.3 billion** (EUR 1.1 billion)

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

ING BSK shares vs. WSE indices recalculated for comparability



Shareholding structure



Market ratios (Q1 2023)

P/E 11.7x

P/BV 1.9x

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 WSE Listed Companies 2021.

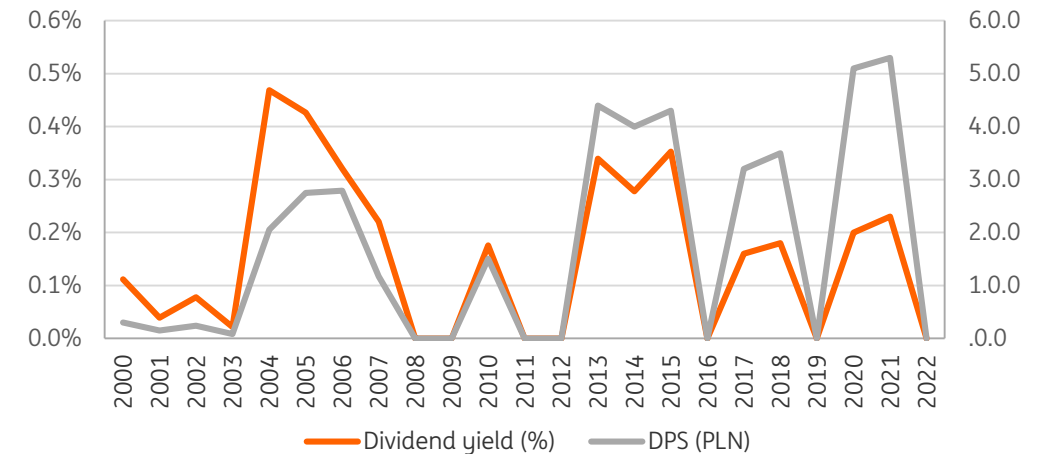
A proposal to pay a dividend in the amount higher than the dividend ratio referred to in point 1 is possible when it is justified by the financial standing of the Bank (e.g. from undivided profit from previous years) and provided that all other requirements set out in the law and the Policy are met. 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)
17 March 2023	Annual report for 2022
26 April 2023	Ordinary General Meeting
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.

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