



ING Bank Śląski S.A.

Business and Financial Results for Q2 2021

Warsaw, 6 August 2021





Table of contents

1. Introduction to financial results and the Bank's market position
2. Updated information on the macroeconomic situation
3. Retail segment – Entrusted funds
4. Q2 2021 financial results
5. Appendixes

A photograph of three women sitting at a table outdoors, eating watermelon. The woman on the left is wearing a red shirt with a white floral pattern. The woman in the middle is wearing a white shirt and a colorful floral skirt, and she has her hand to her forehead. The woman on the right is wearing a pink top and is eating a slice of watermelon. There are white daisies on the table in front of them. The background is a blurred green forest.

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

Key Facts – Q2 2021

Client base

- The total number of clients increased by 147 thousand y/y to 4.8 million
- The number of retail clients increased by 127 thousand y/y to 4.3 million
- The number of corporate clients increased by 20 thousand y/y and exceeded 500 thousand

Business activity

- We sold PLN 4.2 billion worth of mortgage loans (+75% y/y)
- The corporate receivables portfolio increased by 6% y/y
- Retail clients' off balance sheet savings increased by 36% y/y
- Commercial balance increased by PLN 24 billion y/y (+9% y/y)

Financial results

- Net profit amounted to PLN 615.3 million (+95% y/y)
- Fees and commissions income amounted to PLN 456.3 million (+33% y/y)
- Cumulative ROE adjusted for MCFH is 11.6%

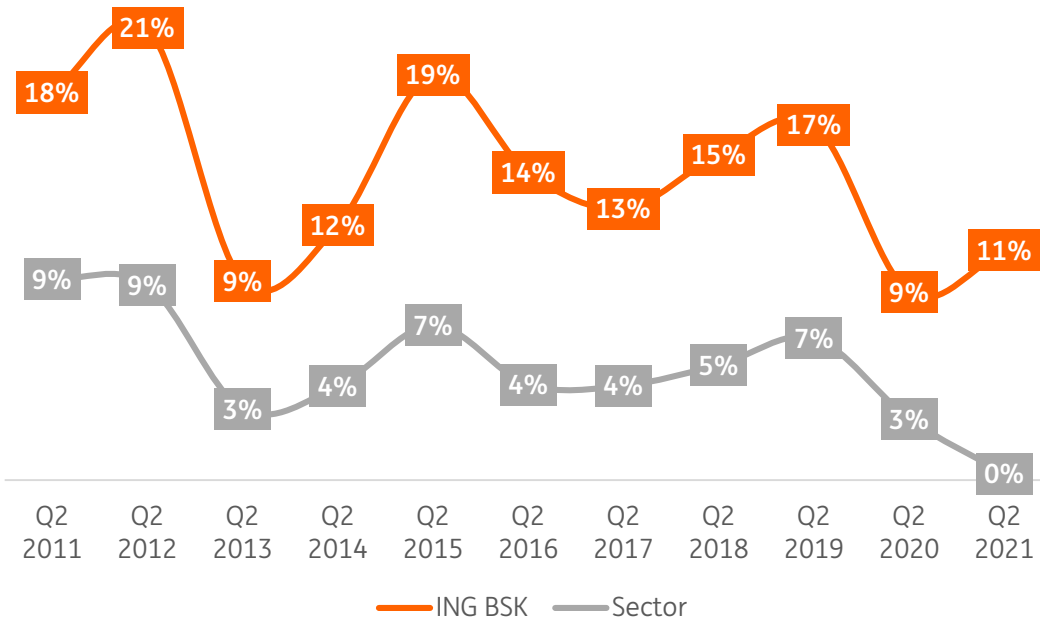


Achieving business goals for 2021

- **Increase in client activity and digitisation**
 - The number of primary customers is 2.1 million, an increase by 136 thousand y/y
 - The number of active users of the mobile application (Moje ING) amounts to 2.1 million (+18% y/y, +3% q/q)
 - 8.2 thousand customers trusted the INVESTO robot and entrusted it with PLN 113 million
- **Compliance with regulatory requirements**
 - Total capital ratio and Tier 1 capital ratio remain above regulatory requirements by 7.08 p.p. and 6.74 p.p., respectively
 - The operational risk ratio as at the end of June 2021 was as planned
- **Motivating and empowering employees**
 - The rules of hybrid work have been adopted by the Board and will enter into force after the end of the pandemic
 - We introduced extra maternity and paternity leave and 2 extra days for childcare
 - We undertook a number of activities for our employees in the field of mental and physical health
- **Stability, availability and security of IT systems**
 - We conducted awareness sessions in the field of cybersecurity and counteracting fraud for the bank's clients as well as children and adolescents
 - We carried out a campaign to raise awareness of cybersecurity in social media and the bank's service channels
 - The availability of the Moje ING and ING Business systems is stable at 99.9%
- **Operational efficiency, AI and data management**
 - 2/3 of our meeting places offer exclusively with modern cash service
 - Adjusted for BFG costs, the C/I ratio remains below 45%
- **Sustainable development priorities**
 - We have announced the new [Green Statement 2021](#)
 - We have published a book together with the ING for Children Foundation „[Ty też możesz uratować świat. Ekoopowieści z Pietruszkowej Woli](#)”
 - We have developed and implemented a sustainable finance strategy and approach to climate risk management

Consistent growth of the loan portfolio

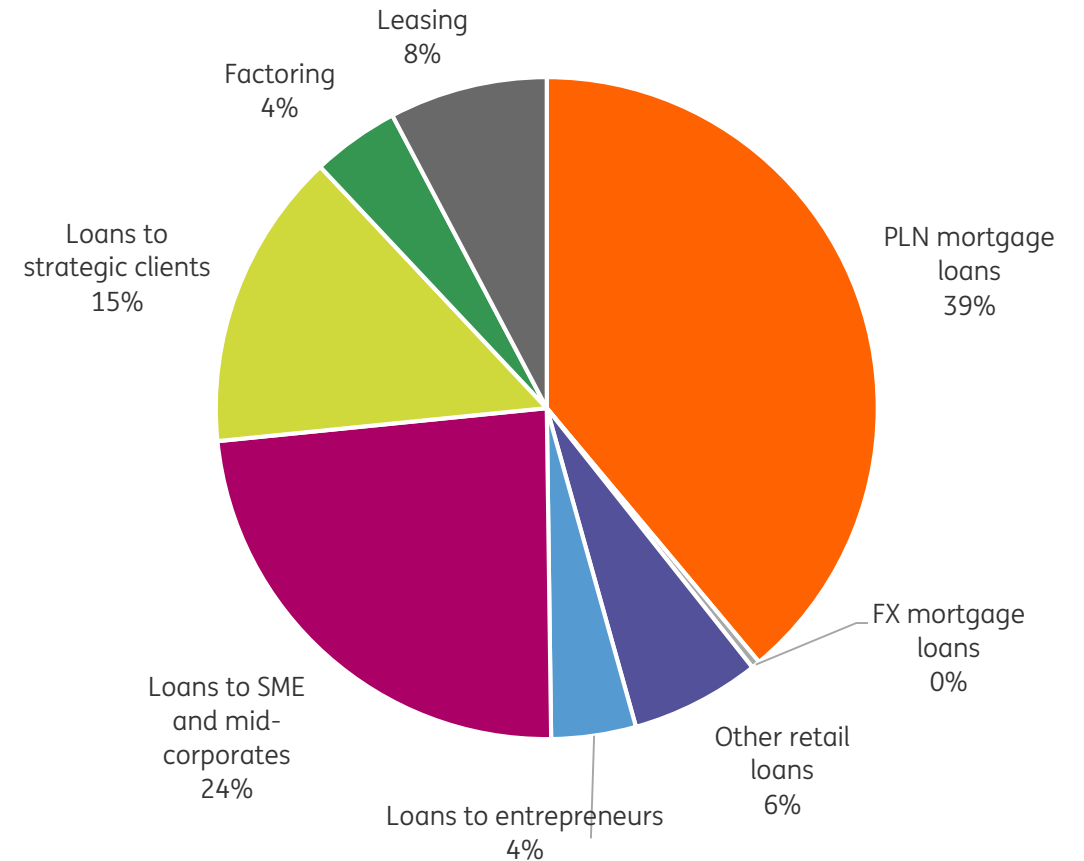
Lending dynamics y/y *



Nominal change y/y (PLN bn)*

	Q2 2011	Q2 2012	Q2 2013	Q2 2014	Q2 2015	Q2 2016	Q2 2017	Q2 2018	Q2 2019	Q2 2020	Q2 2021
ING BSK	5.2	7.2	3.8	5.4	9.6	8.7	8.8	11.8	14.9	9.2	12.2
Sector	68.9	73.3	29.0	39.7	68.4	45.2	46.8	59.4	77.3	35.6	3.9

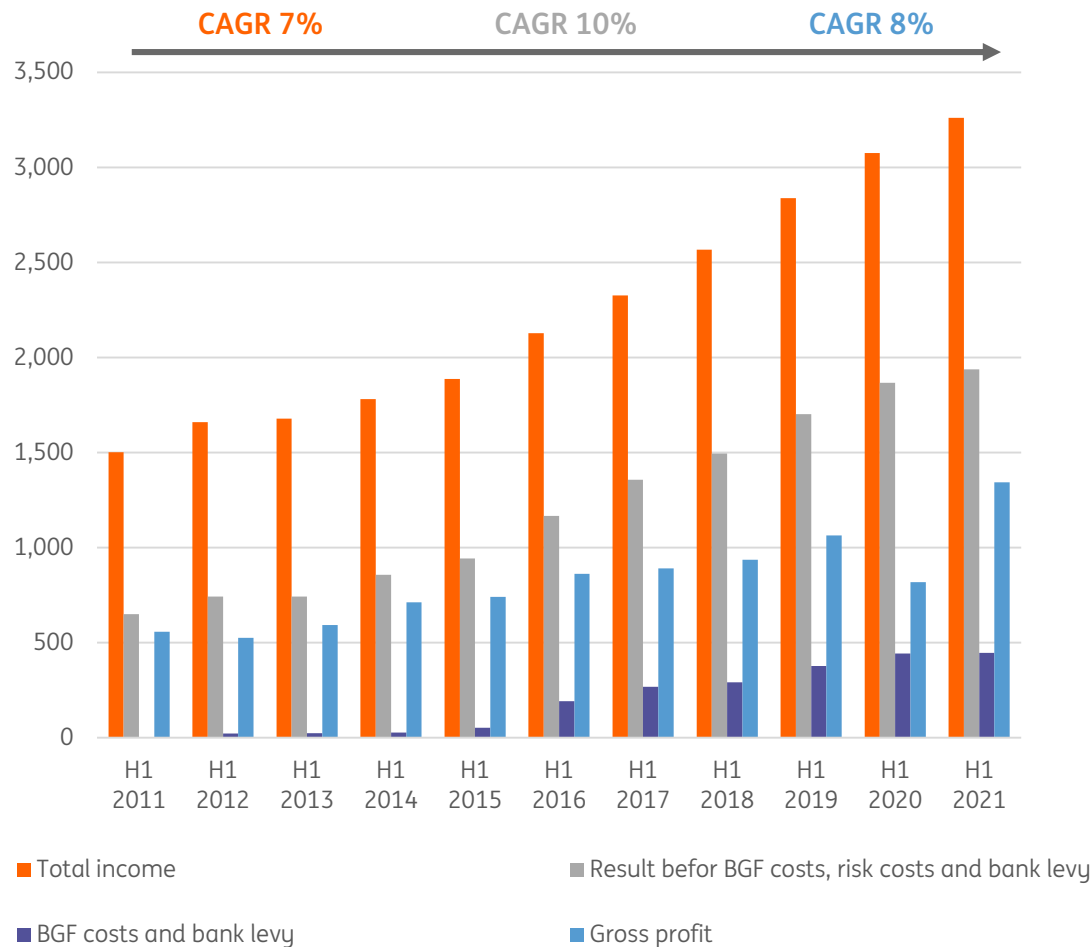
Structure of the gross receivables portfolio in Q2 2021



*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)

Stable growth of results resistant to market disturbances

Selected, reported financial data (PLN million)



- Gross receivables portfolio increased compared to H1 2011 by 3.9x (the total sector increased by 1.6x during this period)
- Our revenues for the first half of the year have been growing continuously for over 10 years - by an annual average of 7%; despite changes (decreases) in interest rates, regulatory changes, and cyclical fluctuations
- The result before BFG costs, risk costs and bank levy increased on average by 10% annually in the first half of the year

Selected financial data

PLN million	Q2 2020	Q1 2021	Q2 2021	Change y/y	% change y/y	H1 2020	H1 2021	Change y/y	% change y/y
Total income	1,512.1	1,601.7	1,659.5	+147.4	+10%	3,074.8	3,261.2	+186.4	+ 6%
Total expenses	638.5	820.8	692.0	+53.5	+8%	1,413.5	1,512.8	+99.3	+ 7%
Result before risk costs	873.6	780.9	967.5	+93.-	+11%	1,661.3	1,748.4	+87.1	+ 5%
Risk costs including legal cost of risk for FX mortgage loans	312.4	128.8	19.1	-293.3	- 94%	607.1	147.9	-459.2	- 76%
Bank levy	121.1	125.9	130.9	+9.8	+8%	237.1	256.8	+19.7	+ 8%
Profit before tax	440.1	526.2	817.5	+377.4	+86%	817.1	1,343.7	+526.6	+ 64%
Income tax	123.9	140.6	202.2	+78.3	+63%	233.6	342.8	+109.2	+ 47%
Net profit	316.2	385.6	615.3	+299.1	+95%	583.5	1,000.9	+417.4	+ 72%
Total capital ratio	18.31%	18.80%	18.08%	- 0.23 p.p.	-	18.31%	18.08%	-0.23 p.p.	-
Tier 1	15.78%	16.28%	15.74%	- 0.04 p.p.	-	15.78%	15.74%	-0.04 p.p.	-
ROE* (%)	9.0%	8.1%	9.7%	+0.6 p.p.	-	9.0%	9.7%	+0.6 p.p.	-
ROE* adjusted for MCFH (%)	10.7%	9.9%	11.6%	+0.9 p.p.	-	10.7%	11.6%	+0.9 p.p.	-
C/I ratio (%)	42.2%	51.2%	41.7%	-0.5 p.p.	-	46.0%	46.4%	+0.4 p.p.	-

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

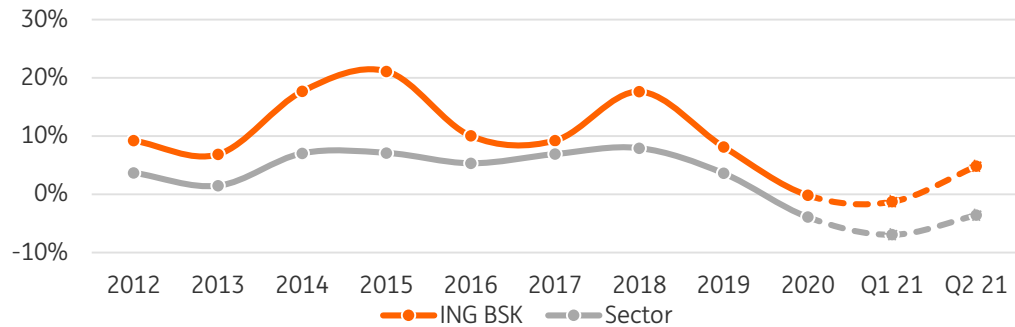
Major business accomplishments

Business volumes

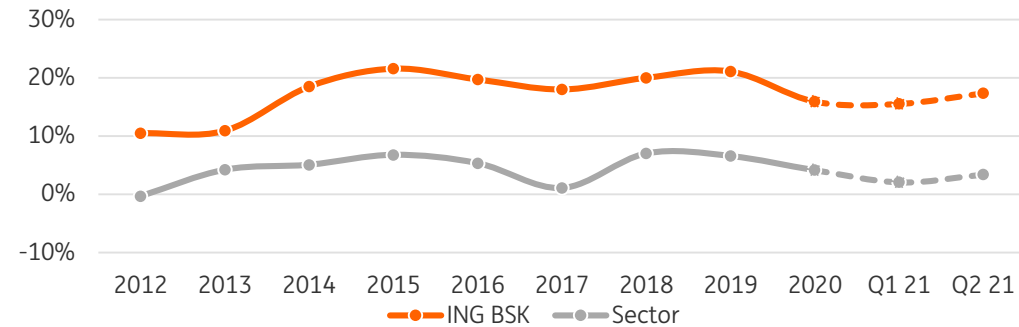
<i>PLN million</i>	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	% change YTD	% change y/y	Change YTD	Change y/y
Total deposits	128,800	137,489	149,301	152,724	149,270	154,960	160,016	+ 7%	+ 7%	10,747	10,715
Corporate clients' deposits	49,848	52,497	61,911	65,293	58,755	60,605	64,074	+ 9%	+ 3%	5,319	2,163
Retail clients' deposits	78,952	84,992	87,390	87,431	90,515	94,355	95,942	+ 6%	+ 10%	5,428	8,553
Total funds entrusted by retail clients	93,254	96,609	101,096	102,764	106,757	112,314	114,598	+ 7%	+ 13%	7,841	13,502
Mutual funds assets (TFI) + other off-BS products distributed by the Bank	14,302	11,617	13,706	15,333	16,243	17,960	18,656	+ 15%	+ 36%	2,413	4,949
Total loans	118,437	124,018	121,600	123,867	126,099	131,005	134,715	+ 7%	+ 11%	8,616	13,115
Loans to corporate clients incl. leasing and factoring	70,077	73,078	68,991	70,103	70,266	72,399	73,210	+ 4%	+ 6%	2,944	4,219
Loans to retail clients	48,360	50,940	52,609	53,764	55,833	58,605	61,505	+ 10%	+ 17%	5,672	8,896
Mortgage loans	40,772	43,179	44,933	45,924	47,901	50,406	52,983	+ 11%	+ 18%	5,082	8,050
Cash loans	6,469	6,662	6,581	6,676	6,774	7,053	7,334	+ 8%	+ 11%	559	753

Market shares of ING Bank Śląski S.A.

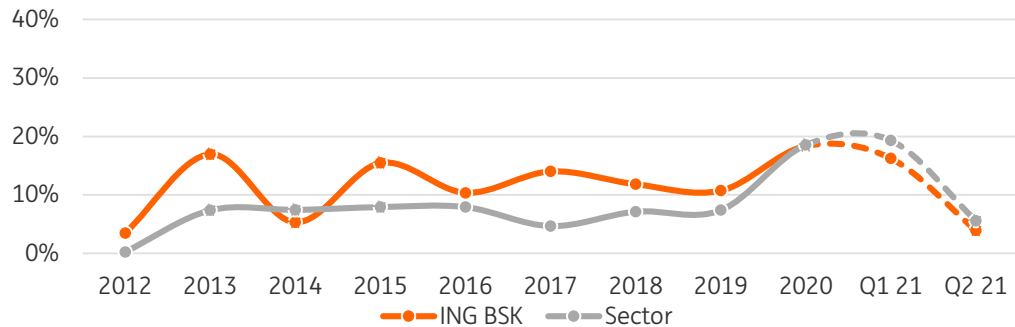
Corporate loans* (change y/y)



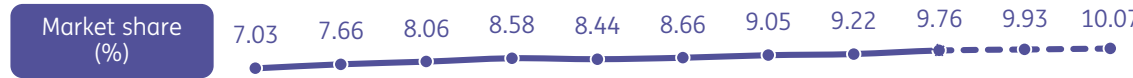
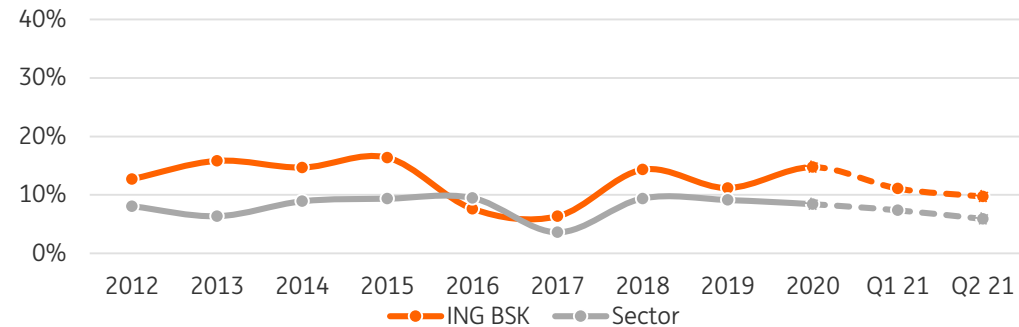
Individuals' loans** (change y/y)



Corporate deposits* (change y/y)



Individuals' deposits** (change y/y)



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.



We support our stakeholders

ESG

- Together with the Free Place Foundation and Tauron, we supported those in need during the Easter season
- Together with Decathlon, we promoted switching from a car to an electric bike
- In May, we celebrated Diversity Month
- We have attached to the interbank plain language declaration

We share knowledge

- We have conducted a number of webinars:
 - Big changes in global supply chains
 - How to invest in the stock market
 - ABC of invoice financing
 - Photovoltaics for business
- We implemented the #Financial health program with the Think!

New products in the offer

- We have introduced leasing of photovoltaic panels to our offer
- We have implemented an integrated debt collection service at ING Księgowość
- We have introduced a number of new features in Moje Usługi - from support in the management of recurring payments to the website's mobile application



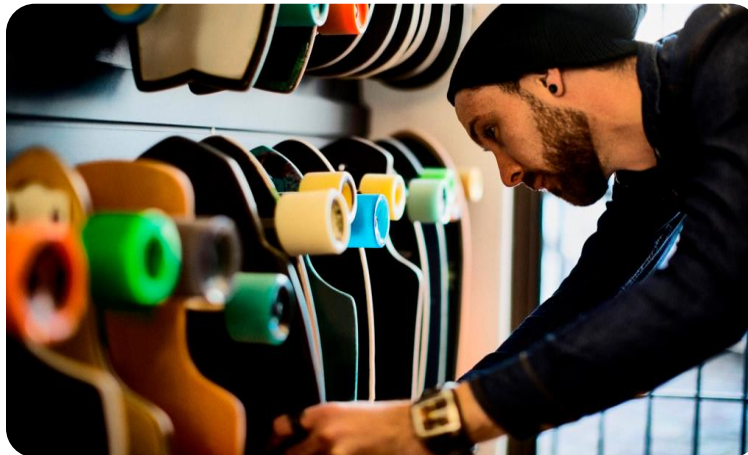
Retail banking

Customer transactions

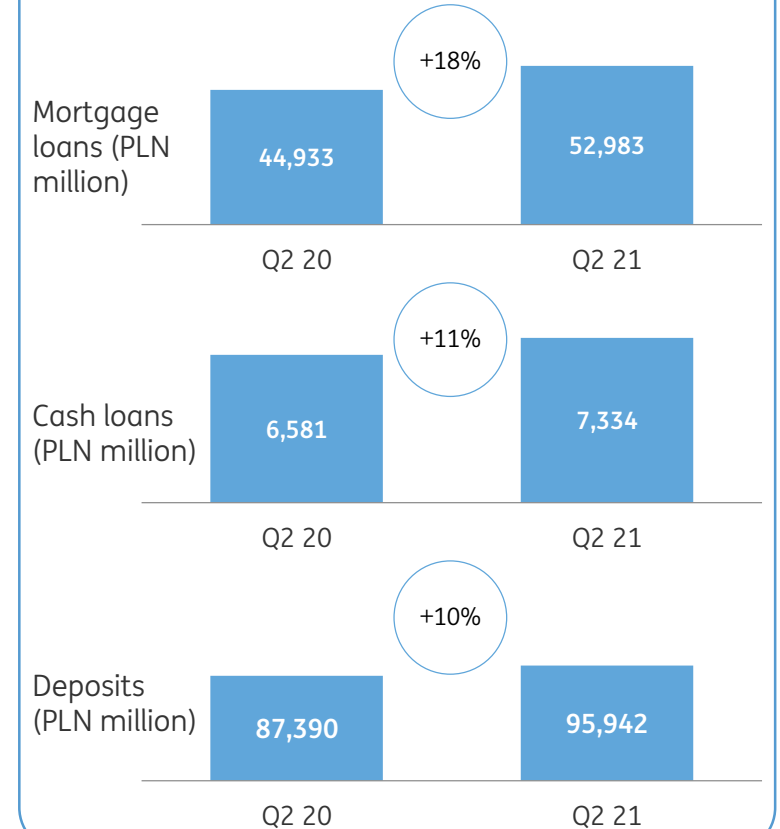
- We operate 3.4 million current accounts for individual clients
- In Q2 2021, our clients used Moje ING to make +9% y/y more transfers, a total of 82.6 million (99.94% electronically), of which 39.1 million transfers were made in mobile banking (+38% y/y) ...
- ... +72% y/y more BLIK transactions (21.2 million in total) ...
- ... and +35% y/y more debit card transactions (216.3 million in total)

Funding

- We granted PLN 4.52 billion in mortgage loans in Q2 2021 (+75% y/y)
- We granted PLN 1.4 billion in cash loans in Q2 2021 (+177% y/y) ...
- ... of which 81% were sold via online channels



Growing volumes



Corporate banking

Customer transactions

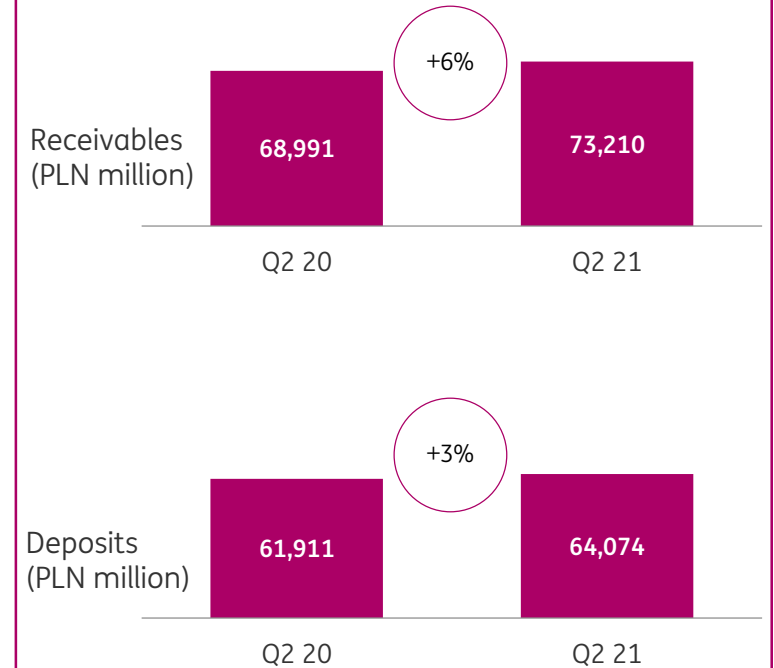
- We service 503.9 thousand corporate clients, of which 423.9 thousand are entrepreneurs, 76.5 thousand are SME and mid-corporates and 3.5 thousand are strategic clients
- In Q2 2021, our corporate clients using ING Business made 22.1 million transfers (+5% y/y), of which 1.8 million were made in mobile banking (+63% y/y)
- We installed a total of 28.0 thousand payment terminals; we processed 10.2 million transactions in Q2 2021 (+50% y/y)
- 3,364 stores with an active imoje payment gateway (+77% y/y), of which 583 stores with Twisto payments (+38% y/y)

Funding

- The portfolio of receivables from entrepreneurs increased by PLN 647 million y/y (+10% y/y) to the level of PLN 7.2 billion
- The portfolio of receivables from SME and mid-corporates increased by PLN 4.2 billion y/y (+11% y/y) to the level of PLN 42.1 billion
- The portfolio of receivables from strategic customers decreased by PLN 658 million y/y (-3% y/y) to the level of PLN 23.9 billion



Growing volumes



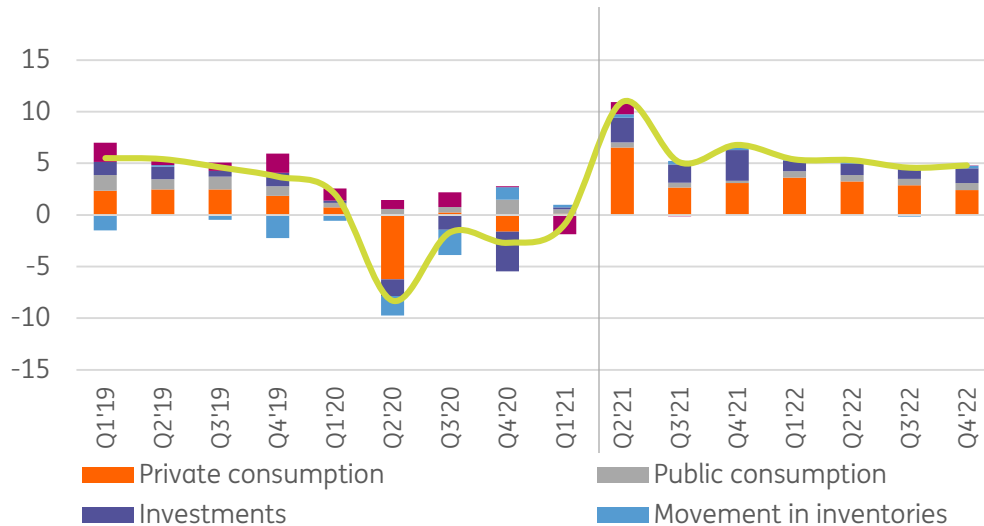
A person is seen from behind, sitting in a canoe on a calm river. The canoe is filled with gear, including a large orange duffel bag, a red bag, and a yellow bag. The person is wearing a dark jacket. The river is surrounded by dense green forested hills. The water is dark and reflects the surrounding landscape. The sky is overcast.

Updated information

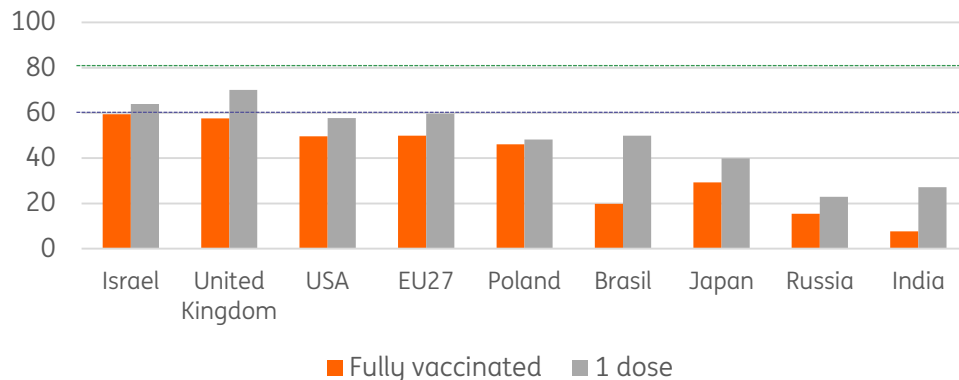
on the macroeconomic situation

GDP: Growing resilience to the pandemic, and double fiscal stimuli in 2022

Structure of Poland's GDP growth (%)



Vaccination rate in the countries (%)*

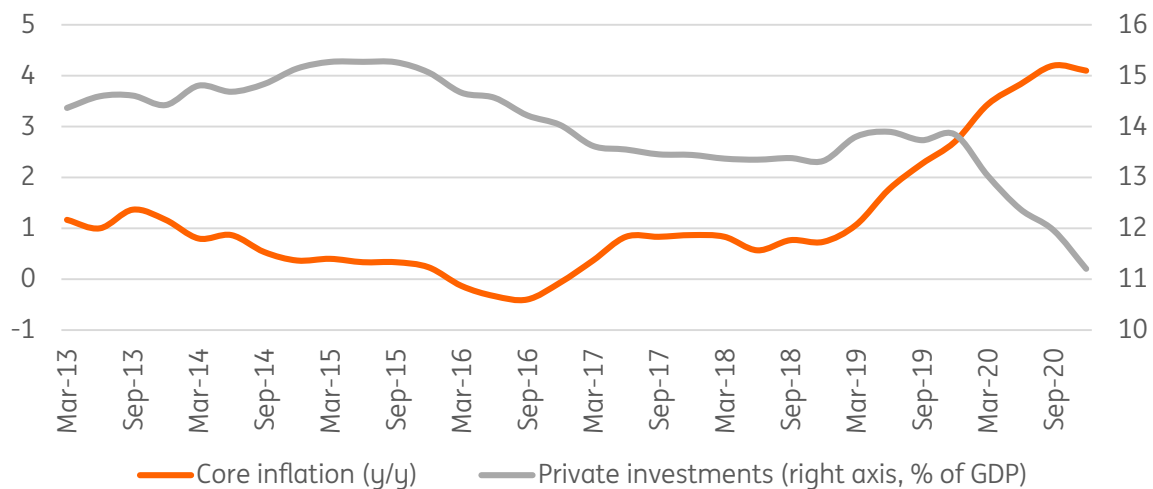
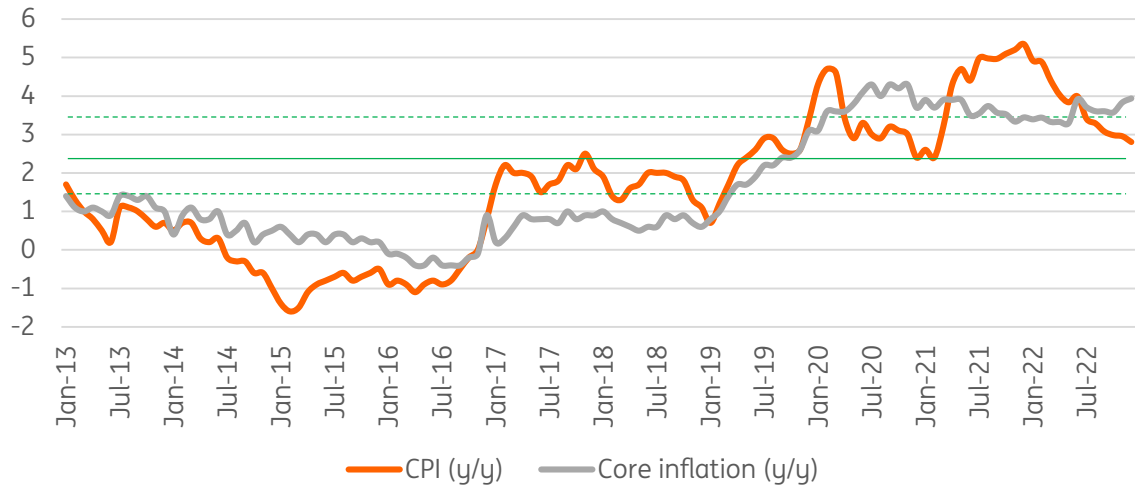


- Our forecasts for 2021 assumed a GDP and inflation growth that was higher than the consensus forecast; in general, both have materialised since the year beginning.
- The economy has become more resilient to the consequences of COVID-19. Poland has practically been out of recession since Q1 2021 thanks to a rebound in the industry. In Q2 2021, following the opening of the economy, there has been a rebound in market services; the rebound was slightly smaller in commerce.
- In 2021, the GDP should grow by 5.4% y/y. We do not change our forecasts despite a threat from the delta variant of the coronavirus. The example of the United Kingdom demonstrates that thanks to vaccinations countries can avoid lockdowns and a high cost for the economy despite an increase in the number of infections. It will be possible to repeat Britain's experience if vaccination rate in Poland goes up (currently 37% of the population have been fully vaccinated vs 50% in the UK).
- In 2022, we expect a high growth rate of the GDP to continue (not lower than 5%). The growth should be supported by the double fiscal stimulus, i.e. the Recovery Fund and the New Polish Deal programme. We assume that there might be additional programmes of social expenditures.
- However, the structure of the economic growth will largely continue to rely on consumer spending. The rebound of investments in Q1 2021 is unevenly spread among the sectors (with the fuel sector, energy sector, warehousing and real estate sector being the dominant ones; meanwhile, the improvement of investment projects in the industry is lagging behind). Private investment projects will rebound in 2022; however, the outlays by State Treasury companies will play a major role. Please note that the National Recovery Plan coincides with the New Polish Deal and the increase in the public investment projects planned in the National Recovery Plan will be hard to achieve.

*ING on the basis of Bloomberg data

Inflation: persistently high, also caused by long-term factors

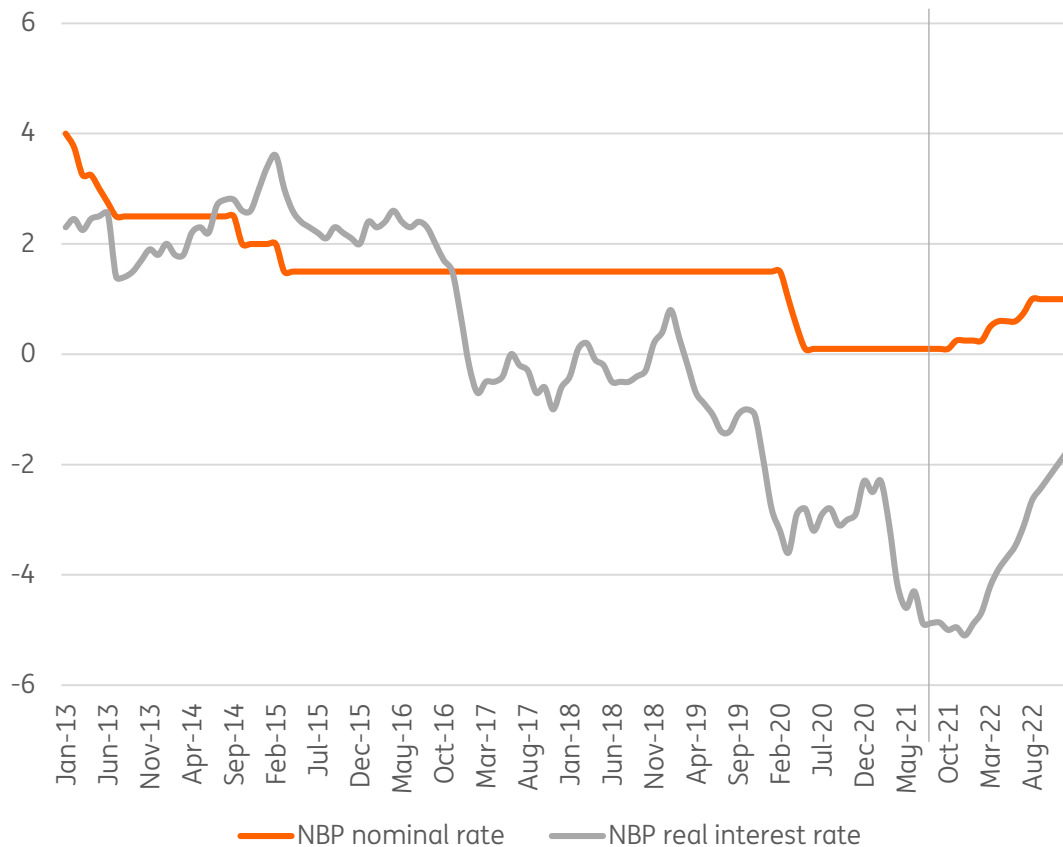
In 2022, CPI inflation will slow down;
however, core inflation will remain high (%)



- The inflation did not go down despite the recession in 2020. That is due to: (1) regulated prices (of energy, waste disposal), (2) high raw material prices, (3) transitional factors (disruptions in the global supply chains, mismatch between the supply and demand), (5) long-term factors (inflation-inducing structure of the GDP).
- We are of the view that inflation will remain at a higher level in 2021-23 because: the entire cost pressure has not revealed itself yet, the demand pressure will appear between 2021 and 2022; there are also long-term factors contributing to a high CPI.
- In 2021, the average CPI will be 4.4% y/y, and in 2022 it will be 3.7% y/y.
- The decrease in CPI in 2022 should not be a reason to calm down because it is only caused by the fading inflationary effects of the economy opening, the rebound of fuel prices and food prices. Maintaining a high core inflation between H2 2021 and H1 2022 and its reacceleration later on is more of a reason for concern.
- There is a high propensity among companies to shift the growing costs of raw materials, energy and wages on retail prices because: (1) they expect a strong consumer demand, (2) with poor investment projects over the recent years the companies are less resilient to growing costs.
- Despite the pandemic, the average growth rate of wages in 2020 was 4.8% y/y and between 2021 and 2022 it will be 7.8%-7.9% y/y. The growth rate of wages is higher than productivity, particularly if we add the work of economic migrants which - in our view - adds to the growing inflation and undermines competitiveness.

Rates: MPC getting closer to a decision on interest rate hikes; reverting to the pre-pandemic interest rates not earlier than 2023

Interest rates in Poland (%)



- The Monetary Policy Council (MPC) slowly moves towards interest rate hikes. In April, the NBP Governor declared that the interest rates would remain unchanged until the end of the term of office; in May, he admitted that the MPC would consider a hike in H2 2022, and in June, he moved up his timeline for rate hikes to H2 2021. The MPC's rhetoric also evolves towards normalising the policy, particularly after the July inflation reading (5.0% y/y), which supports our scenario of a hike in November. By the end of 2022, the interest rates will be 1.25% which is lower than before the pandemic.
- The Monetary Policy Council gave three conditions that must be fulfilled in order for the interest rate increase:
 - a minor impact of the fourth wave of COVID-19 on the economy – the example of the UK shows that an increase in infections does not necessarily need to lead to costly lockdowns; however, a surge in infections in the fall is still possible;
 - the occurrence of a demand pressure in the economy – it is already seen in the NBP projections; however, it will probably be reflected in actual data at the turn of the year;
 - the risk that CPI will continue to stay above 3.5% y/y for a long time – the NBP projection for 2023 is 3.5% y/y and it does not account for the inflationary effects of the New Polish Deal.
- In our opinion, most of those conditions will have been fulfilled in Q4 2021.
- The sequence of monetary policy normalisation process is debatable – the standard one (the end of QE, and then interest rate hikes) collides with the expected large issues of government debt and BGK debt in the coming years. Some banks either apply (the National Bank of Hungary, or NBH) or discuss (the Fed) an opposite approach.
- Central banks in the region started to increase interest rates: The NBH raised the interest rates from 0.6% to 1.2% and in our view, it will continue to increase them until they are above a pre-pandemic level (up to 1.75%), the Czech National Bank increased the rates from 0.25% to 0.5%, and we see 1.5% at the cycle end (below the level recorded in February 2020).



Retail segment

Entrusted funds

Customer development towards Private Banking

Retail deposits – organic growth – client perspective

A feature that is shared by all client segments is the growing number of products and assets

Mass Segment

- 4.23 million clients
- They have various banking products and broad needs addressed in the digital channels

Service by:

- Moje ING
- Meeting places

Premium Segment

- 47,000 clients
- They have a need for a more active management of their growing savings
- Growing needs – consumption, children education, real estate, pension planning

Service by:

- Moje ING
- Meeting places
- + Remote Premium Centre

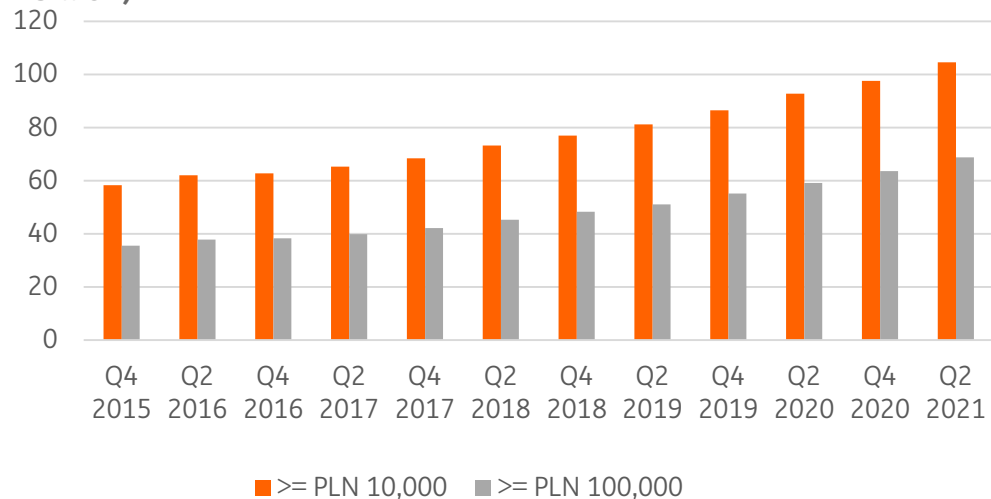
Private Segment

- 11,000 clients
- They need personalised support in the management of their wealth built over the years
- Higher needs in terms of investment diversification
- The need for individual contact with the advisor

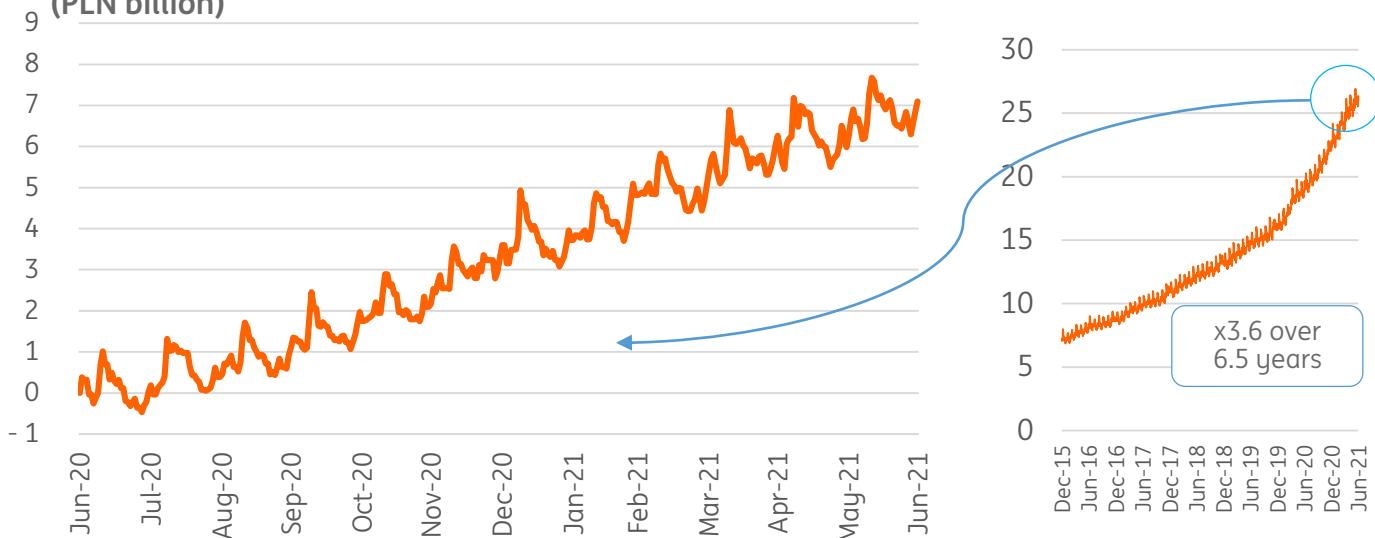
Service by:

- Moje ING
- Meeting places
- + Remote Premium Centre
- + Dedicated bank employee (including EFPA certified)

Funds entrusted by clients with at least PLN 10,000 and at least PLN 100,000 (PLN billion)



Change in the account balance of retail clients' current accounts (PLN billion)



Premium and Private Offers

Basic Offer

- Active Account
- Online Exchange Bureau
- OKO Premium
- Visa Infinite

A responsible investment proposition

- A wide array of open-architecture investment funds
- ESG investment funds
- Premium unit-linked term deposit
- Investo – robo-advising
- Bonds (Brokerage Office)
- Portfolio Investments (wealth succession)
- Advisory services for the Private Banking segment

How do we serve our clients?

- 5 Private Banking Centres
- 72 dedicated advisors



Fundusze inwestycyjne

Szeroka oferta funduszy; różne profile ryzyka i potencjalnych zysków. Bez prowizji za zakup



Investo

● Bankowa Innowacja Roku 2021
Robot, który ułatwi wybór portfela funduszy i automatycznie utrzyma jego poziom ryzyka.



Konto maklerskie

Zacznij inwestować na giełdzie. Bez opłat za prowadzenie w wariantcie elastycznym. Tylko 0,19% prowizji w wariantcie aktywnym.



Lokata z Funduszem

Pewność lokaty i potencjał funduszu. Masz do wyboru lokatę z jednym z 5 funduszy.



Konto Active

Darmowe wypłaty za granicą i inne korzyści dla bardziej aktywnych klientów.



Regularne inwestowanie

Wygodny i rozsądny sposób inwestowania. Ustawiasz raz i wszystko dzieje się automatycznie.



Doradztwo inwestycyjne

Oparte na analizie Twojej sytuacji finansowej i profilu inwestycyjnym.

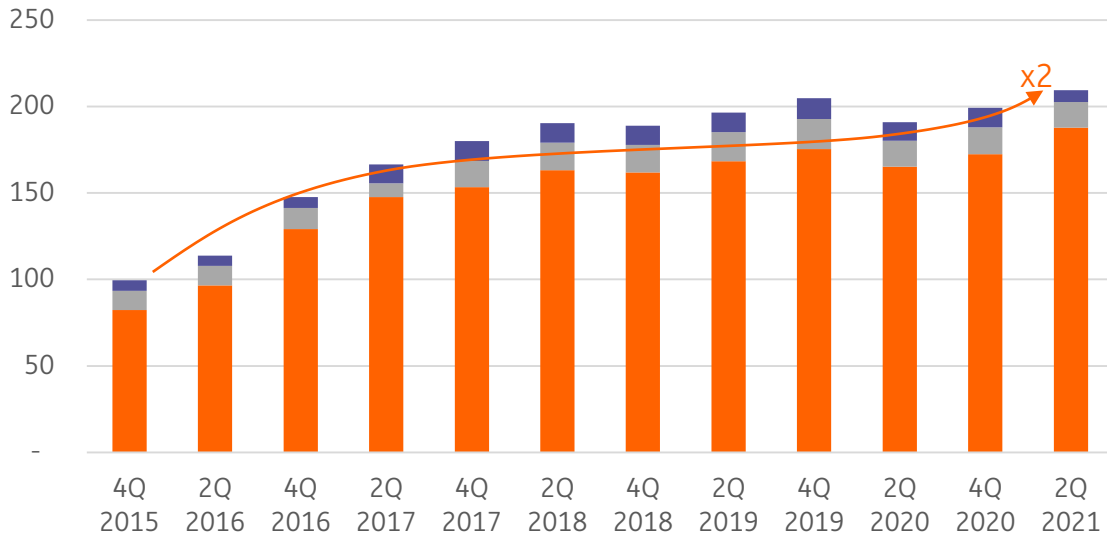


Indywidualne podejście

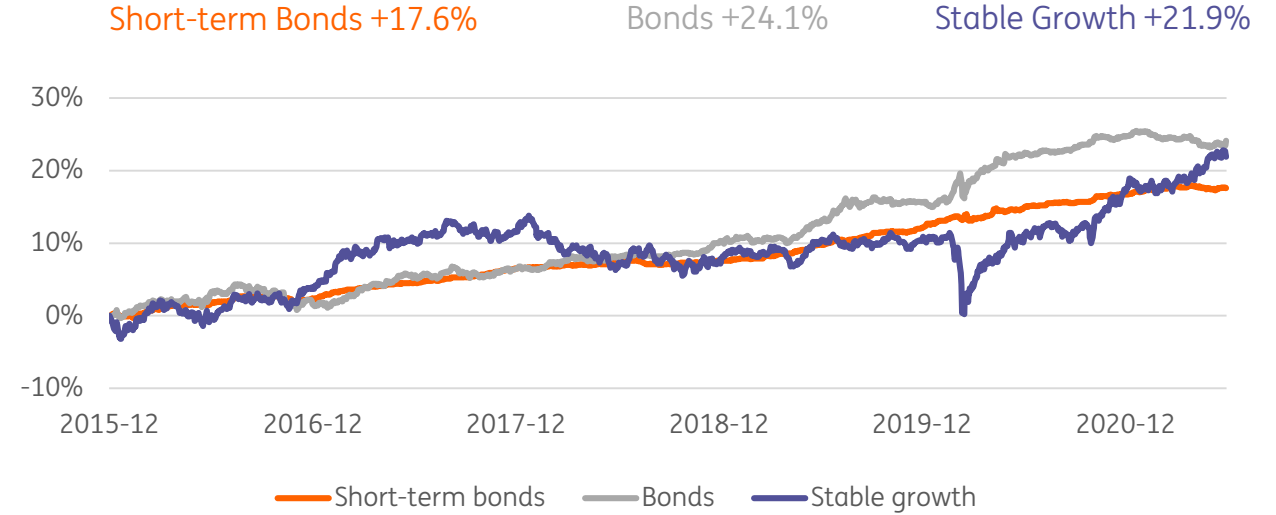
Nasz Private Banking opiera się na zrozumieniu potrzeb, szacunku i zaufaniu.

Saving strategy – from the perspective of the client's interests

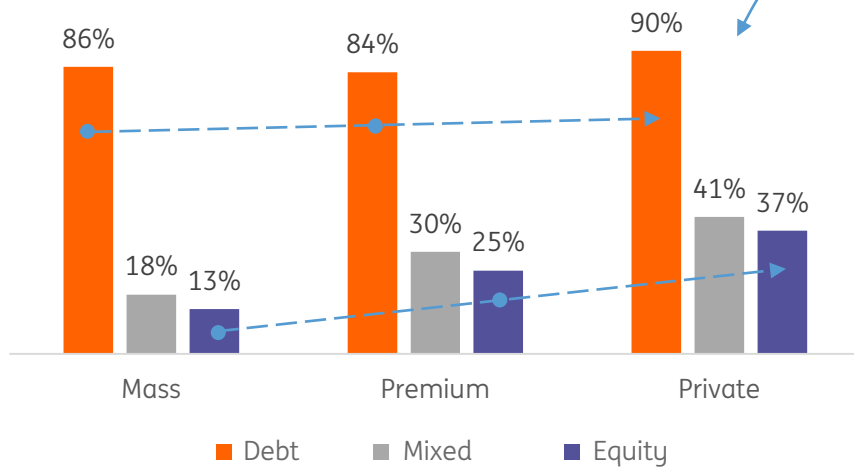
Number of clients with open-ended funds (thousand)



Rates of return (5Y) for representative investment funds

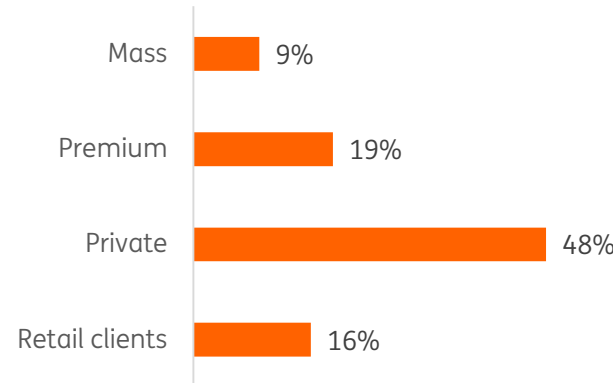


Penetration of various open-ended fund asset classes among the investment fund holders (Q2 2021)



The portfolio of investment funds with a low risk profile is the result of our clients' approach to risk

Share of investments in entrusted assets of clients (Q2 2021)



Education

- How to save – financial cushion
- How to invest in a responsible manner
- Promoting responsible investments
- Ongoing analyses and economic forecasts, podcasts

Solutions facilitating finance management

- Smart Saver
- Saving goals
- Investo
- Digitilised investment advisory services

Private Banking client – individual- and digitilised service

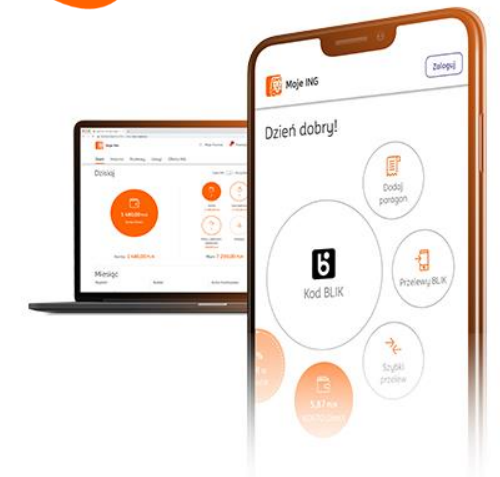
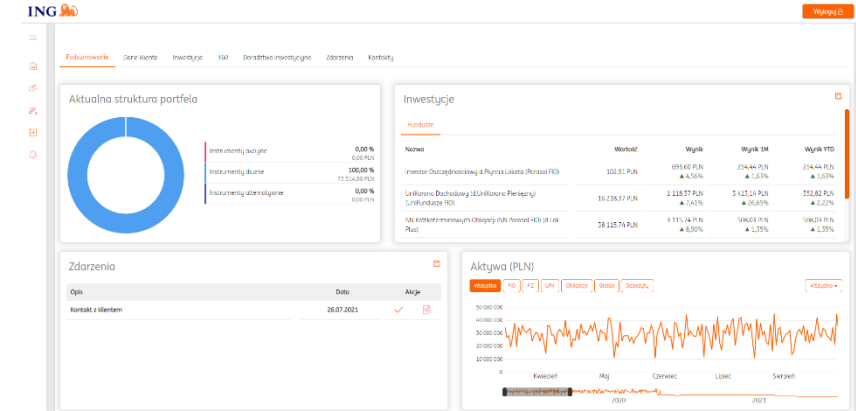
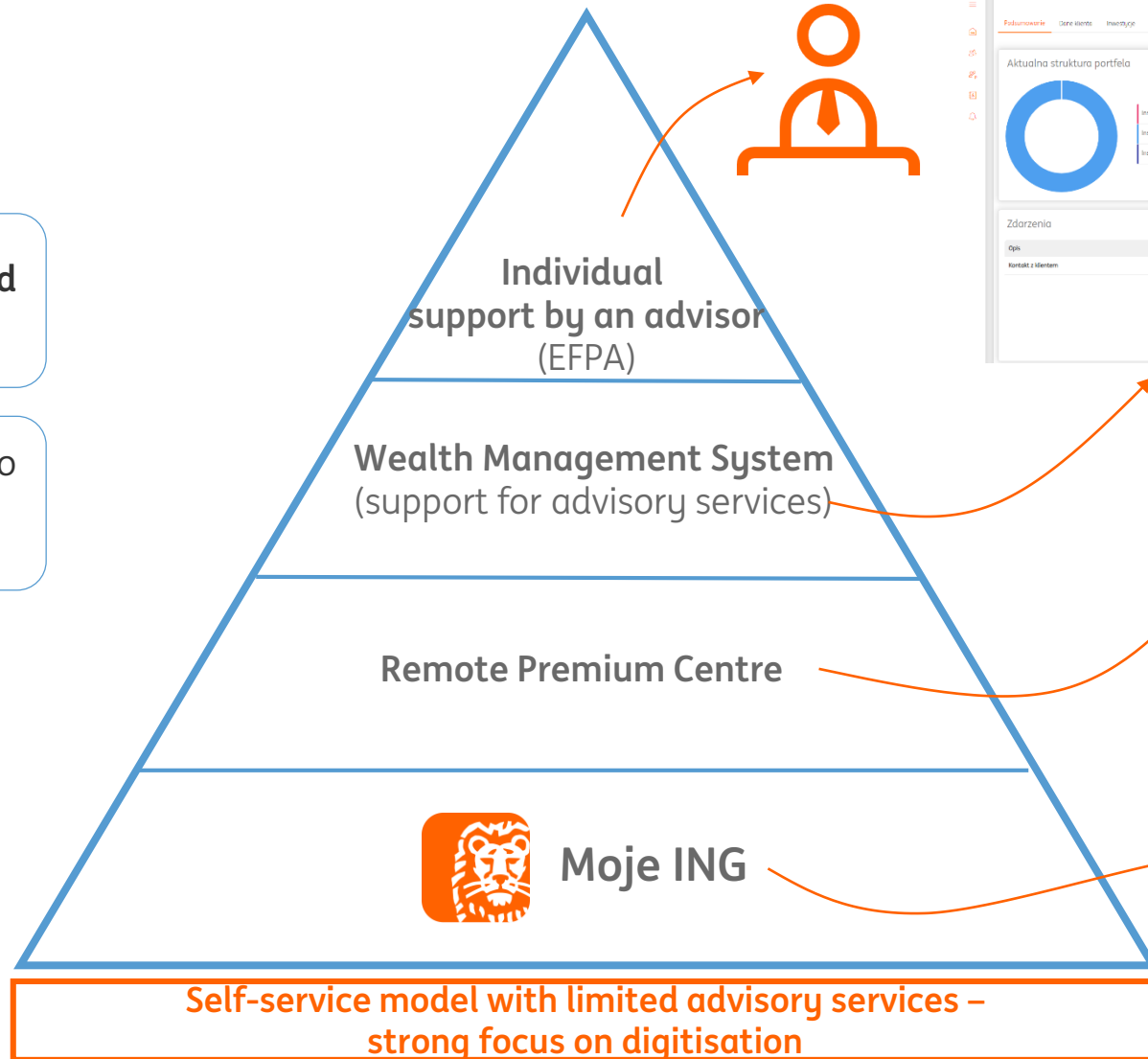
The offer is not based on the pricing but rather on **service quality and its matching the needs**

Competitive edge based on **availability in direct channels and building a relationship with the advisors**

Easy end-to-end service thanks to the functionalities and tools available in direct channels

Comprehensive offer

Availability in various channels thanks to digitisation





Q2 2021

financial results

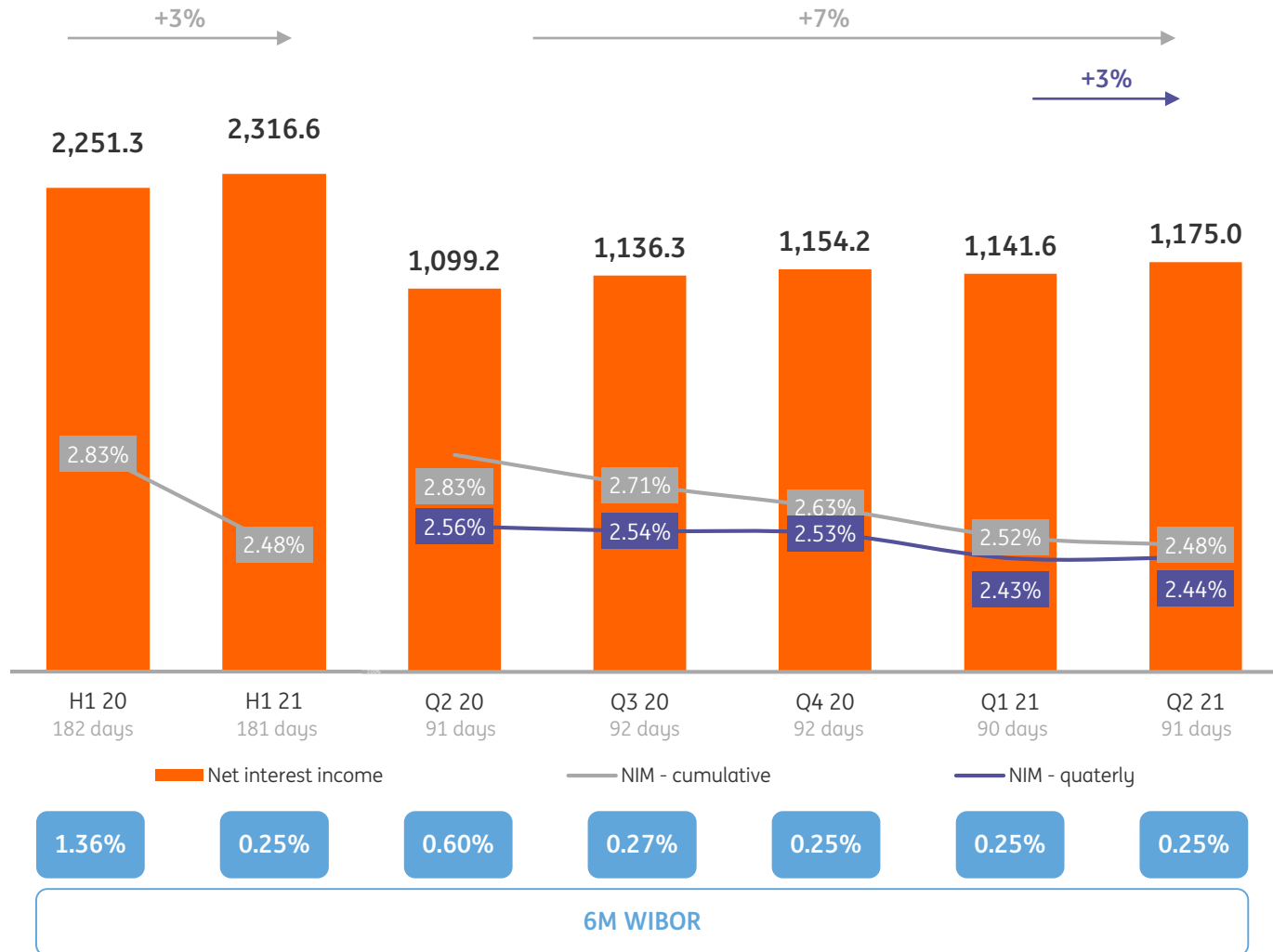
Financial results

<i>PLN million</i>	Q2 2020	Q1 2021	Q2 2021	change y/y	% change y/y	H1 2020	H2 2021	change y/y	% change y/y
Net interest income	1,099.2	1,141.6	1,175.0	+75.8	+7%	2,251.3	2,316.6	+65.3	+3%
Net commission income	344.0	428.3	456.3	+112.3	+33%	703.1	884.6	+181.5	+26%
Other income	68.9	31.8	28.2	-40.7	-59%	120.4	60.0	-60.4	-50%
Total income	1,512.1	1,601.7	1,659.5	+147.4	+10%	3,074.8	3,261.2	+186.4	+6%
Total expenses	638.5	820.8	692.0	+53.5	+8%	1,413.5	1,512.8	+99.3	+7%
Result before risk costs	873.6	780.9	967.5	+93.9	+11%	1,661.3	1,748.4	+87.1	+5%
Risk costs including legal cost of risk for FX mortgage loans	312.4	128.8	19.1	-293.3	-94%	607.1	147.9	-459.2	-76%
Bank levy	121.1	125.9	130.9	+9.8	+8%	237.1	256.8	+19.7	+8%
Profit before tax	440.1	526.2	817.5	+377.4	+86%	817.1	1,343.7	+526.6	+64%
Income tax	123.9	140.6	202.2	+78.3	+63%	233.6	342.8	+109.2	+47%
Net profit	316.2	385.6	615.3	+299.1	+95%	583.5	1,000.9	+417.4	+72%
Total capital ratio	18.31%	18.80%	18.08%	- 0.23 p.p.	-	18.31%	18.08%	- 0.23 p.p.	-
Tier 1	15.78%	16.28%	15.74%	- 0.04 p.p.	-	15.78%	15.74%	- 0.04 p.p.	-
ROE (%)*	9.0%	8.1%	9.7%	+0.6 p.p.	-	9.0%	9.7%	+0.6 p.p.	-
ROE* adjusted for MCFH (%)	10.7%	9.9%	11.6%	+0.9 p.p.	-	10.7%	11.6%	+0.9 p.p.	-
C/I ratio (%)	42.2%	51.2%	41.7%	-0.5 p.p.	-	46.0%	46.4%	+0.4 p.p.	-

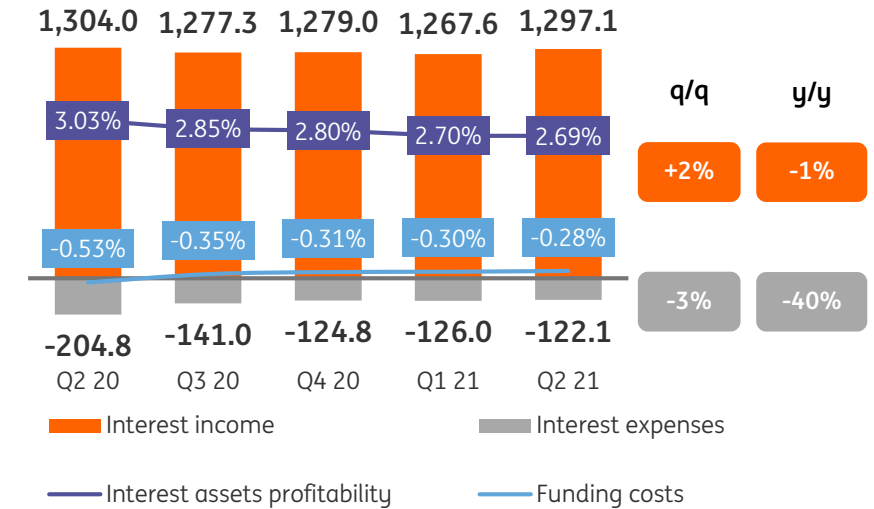
*ROE = total net profit for 4 consecutive quarters / average equity for 5 subsequent quarters

Net interest income

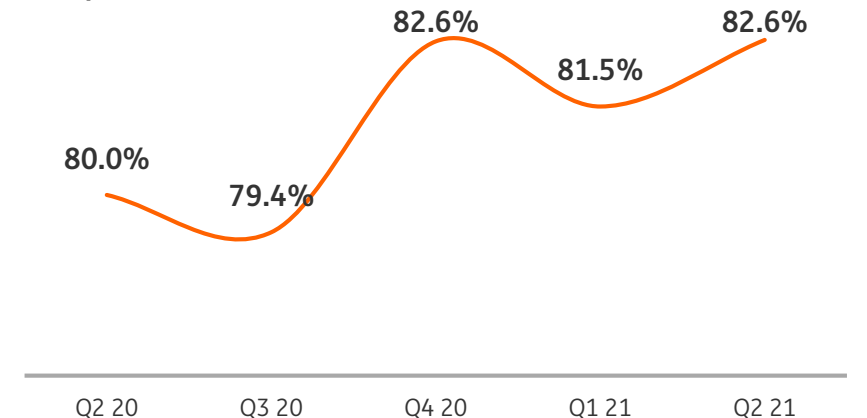
Net interest income (PLN million) and net interest margin



Interest income and expenses (PLN million)

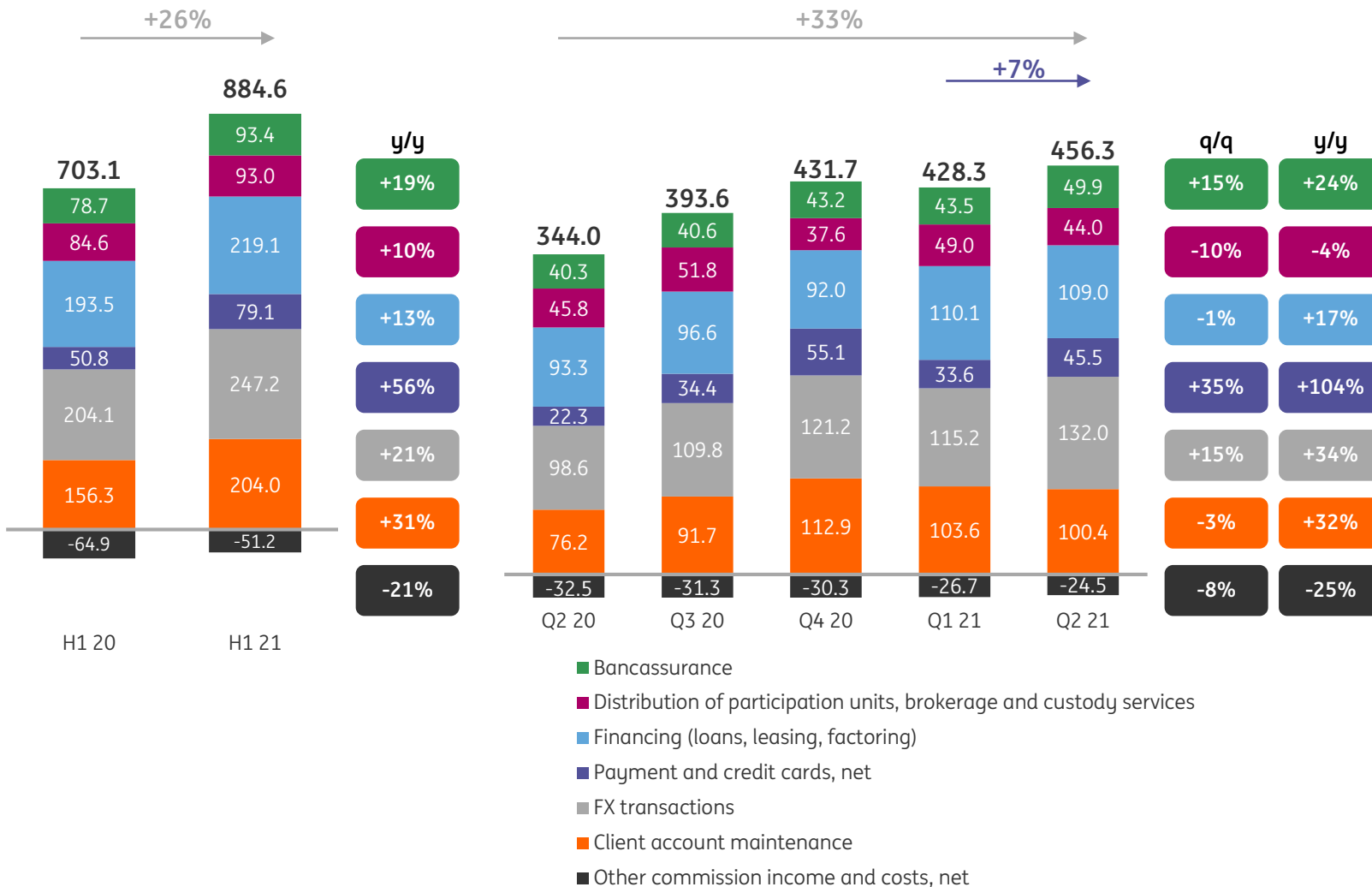


Loan to deposit ratio



Fee and commission income

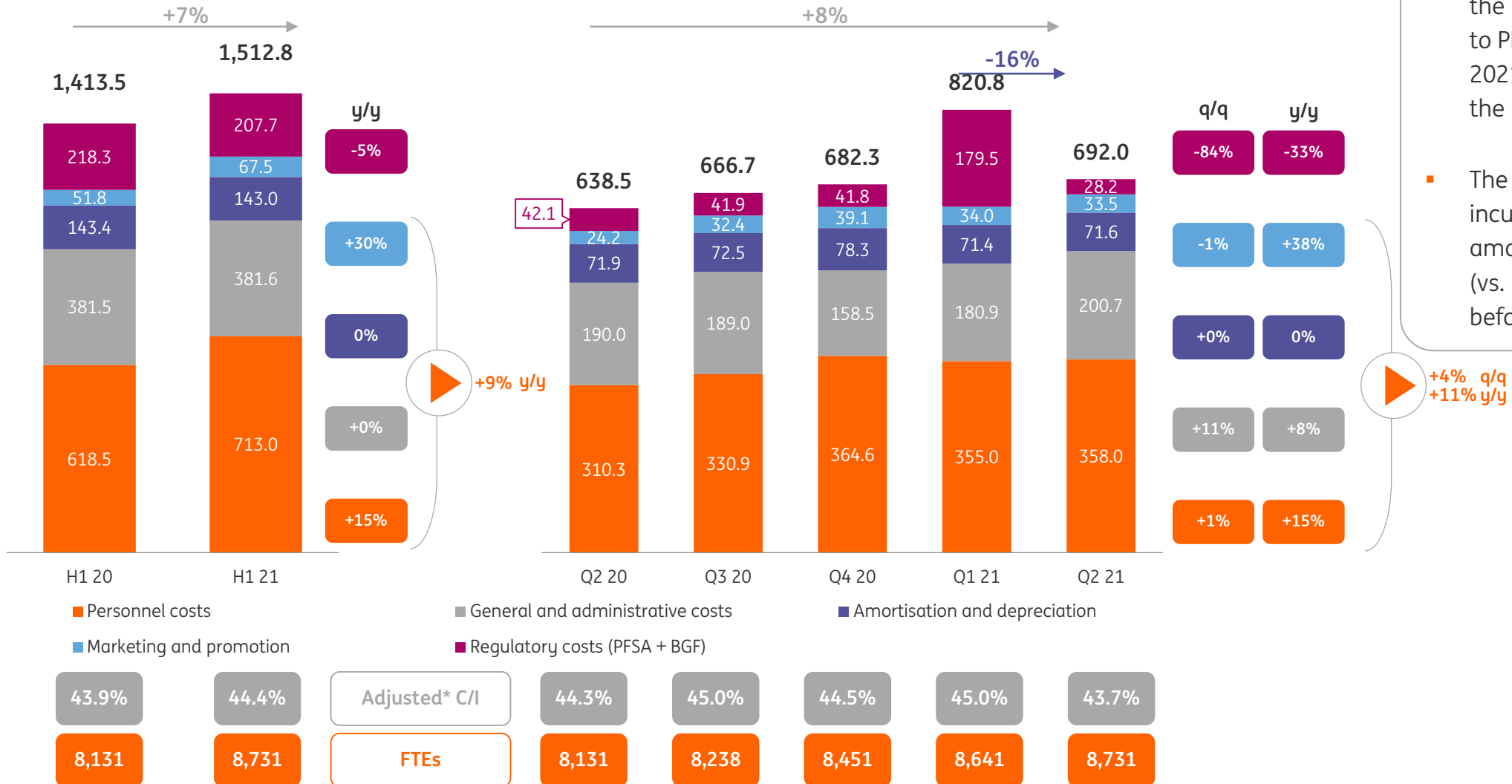
Fee and commission income per category (PLN million)



- The improvement in the result on payment and credit cards (net) and on FX transactions is due to greater customer activity.
- The result on bancassurance depends on the value of the retail loan portfolio and sales of leasing products.
- The decline in the result on brokerage activities is the result of lower activity of clients.

Total expenses

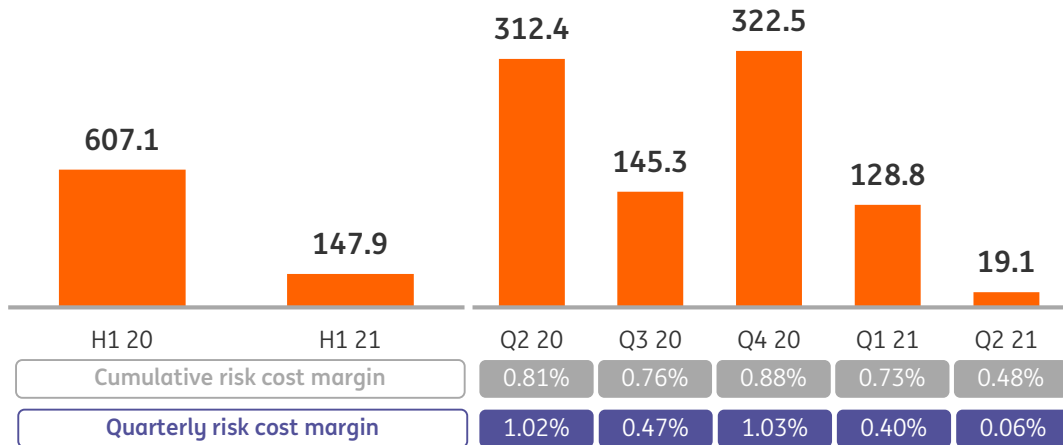
Total expenses (PLN million)



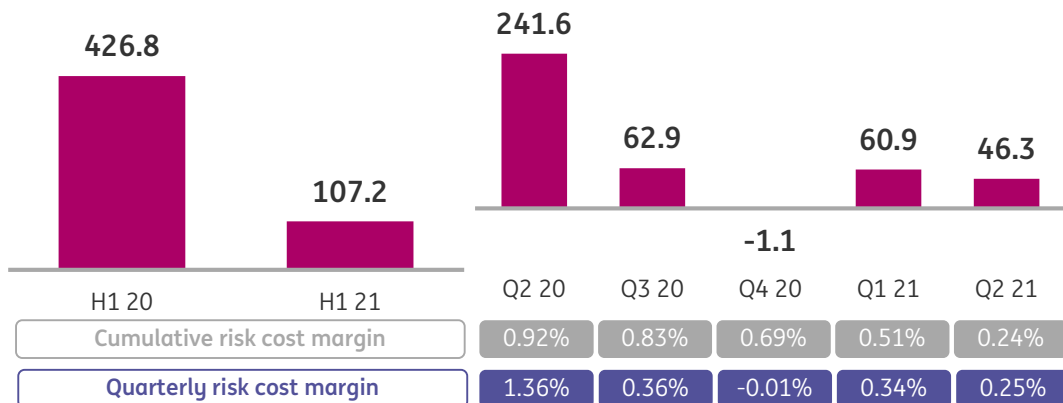
*Adjusted for the contribution to the Resolution Fund to be paid over 4 quarters

Cost of risk, including legal risk costs

Consolidated data for ING BSK (PLN million)

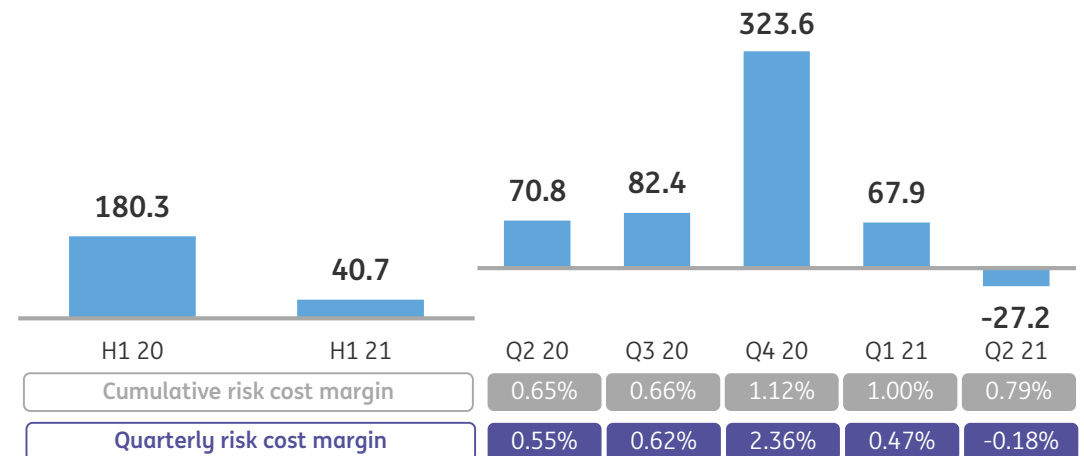


Corporate banking (PLN million)



PLN million	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21
Impact of the sale of the Phase 3 and POCI receivables portfolios						
Retail segment	0.0	0.0	0.0	0.0	0.0	-50.6
Corporate segment	-4.1	0.0	0.0	0.0	0.0	-11.0
Total	-4.1	0.0	0.0	0.0	0.0	-61.6
Impact of macroeconomic parameters on net provisions						
Retail segment	49.5	-24.1	30.5	-4.0	0.0	2.5
Corporate segment	97.2	173.8	12.3	-92.7	21.7	-35.7
Total	146.7	149.7	42.8	-96.6	21.7	-33.2
Legal risk costs of FX mortgage loans						
Retail segment	0.0	10.2	20.2	239.9	0.0	0.0

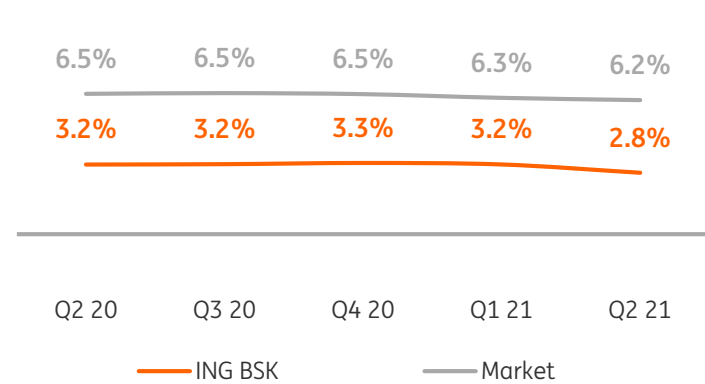
Retail banking (PLN million)



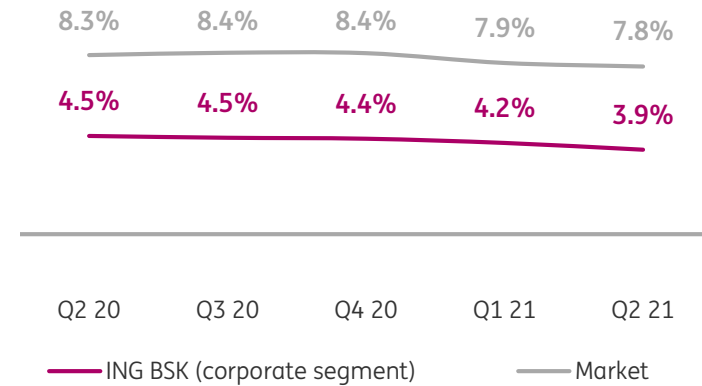
Portfolio quality and provisioning

Share of non-performing portfolio in the total loan portfolio

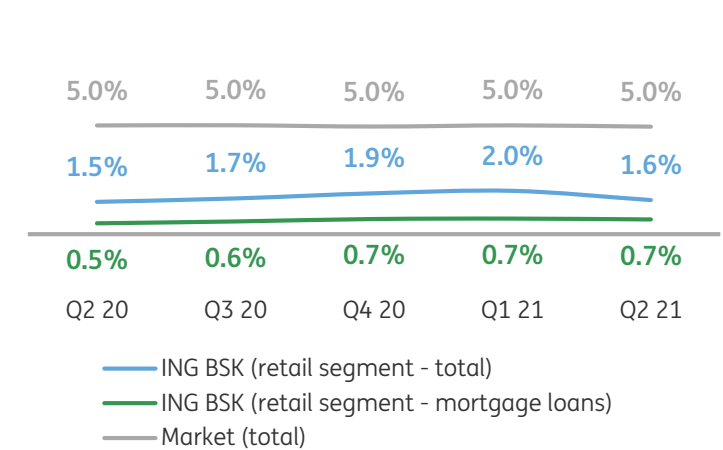
Consolidated data for ING BSK



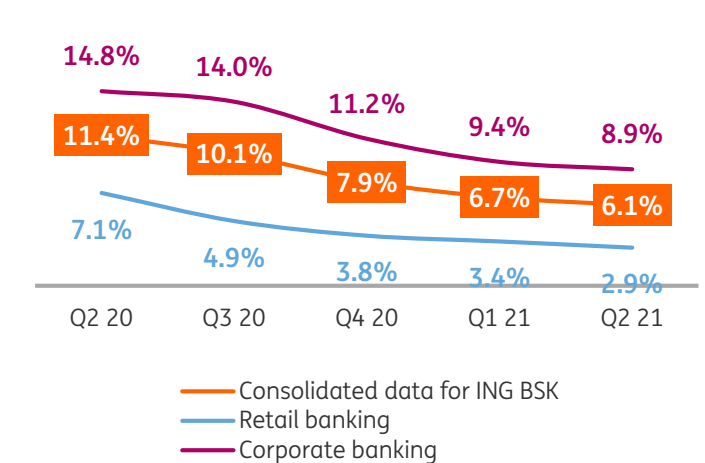
Corporate banking



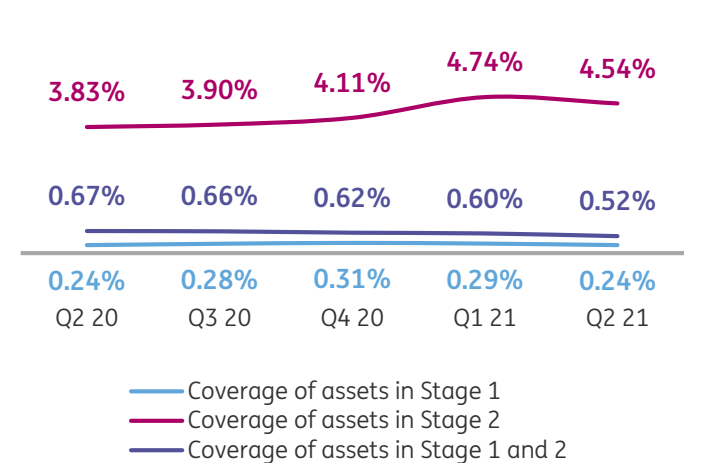
Retail banking



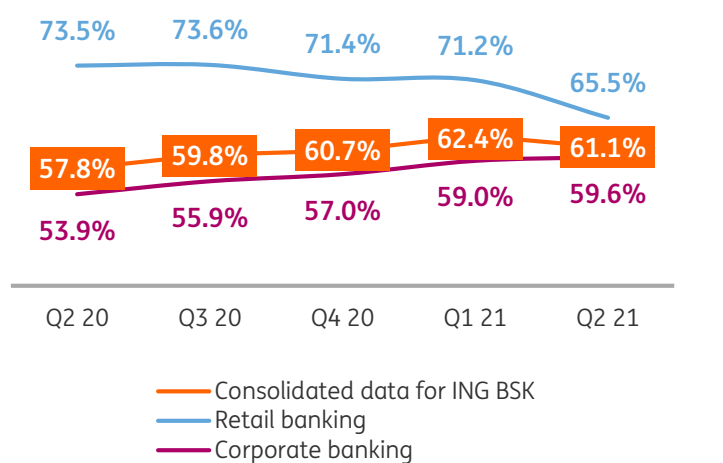
Share of Stage 2 in gross portfolio



Provisioning ratio – Stages 1 and 2



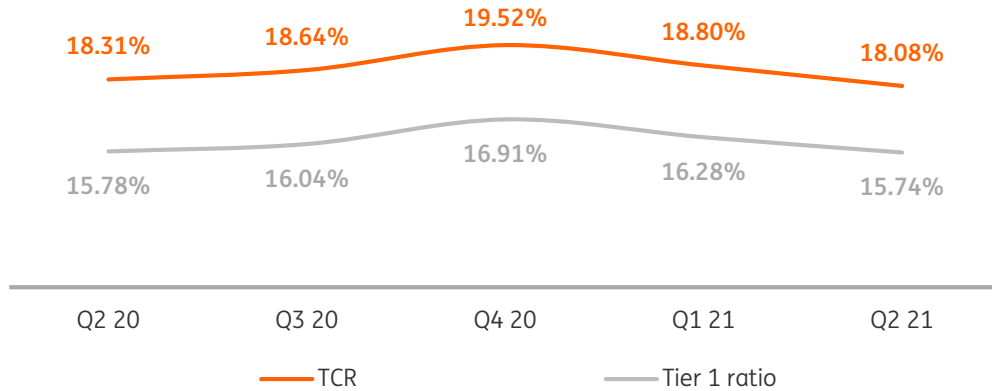
Provisioning ratio – Stage 3



Note: market ratios – estimates based on PFSA data; NPL= Stage 3 + POCl; May 2021 data for market's Q2 2021

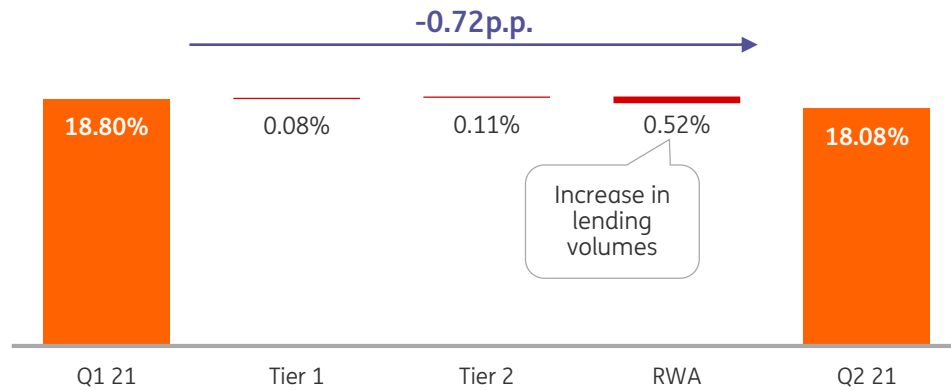
Capital adequacy

Consolidated total capital ratio and capital requirements

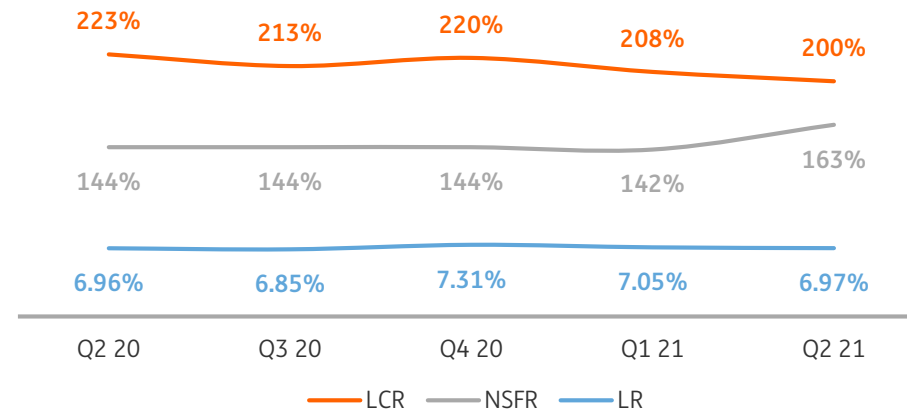


- Total capital ratio and Tier 1 ratio are, respectively, 7.08 p.p., and 6.74p.p. above the minimum capital requirements for ING BSK, which are 11.003% and 9.003% respectively.
- The total capital ratio and Tier 1 ratio would be 17.91% and 15.48%, respectively, if ING BSK did not apply a transition period for the implementation of IFRS 9.

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



Other capital and liquidity ratios



A close-up photograph of a large stack of wooden chairs. The chairs are painted in various bright colors, including red, green, blue, and yellow. The perspective is from a slightly elevated angle, looking down into the stack, showing the intricate wooden frame of the chairs. The lighting is bright, highlighting the textures and colors of the wood.

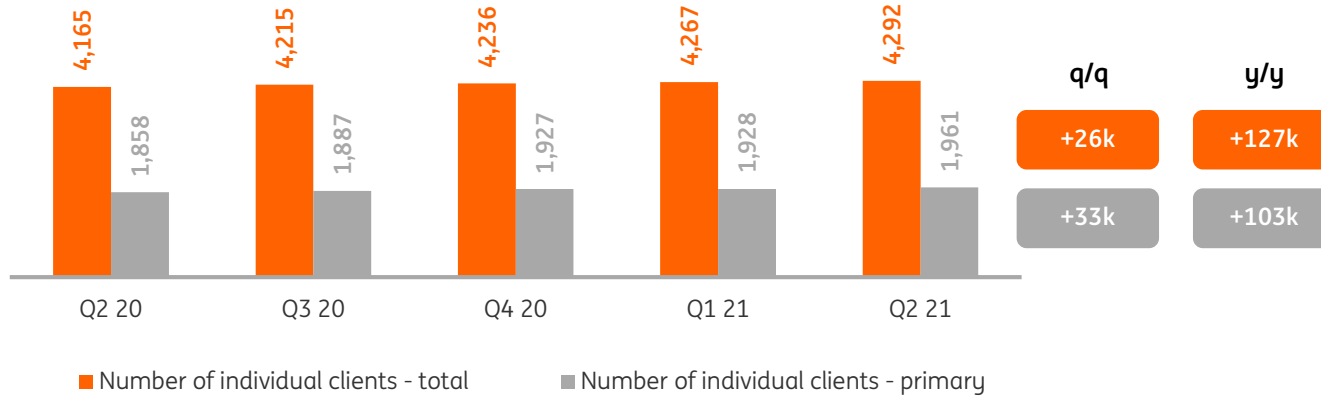
Appendixes

Retail banking

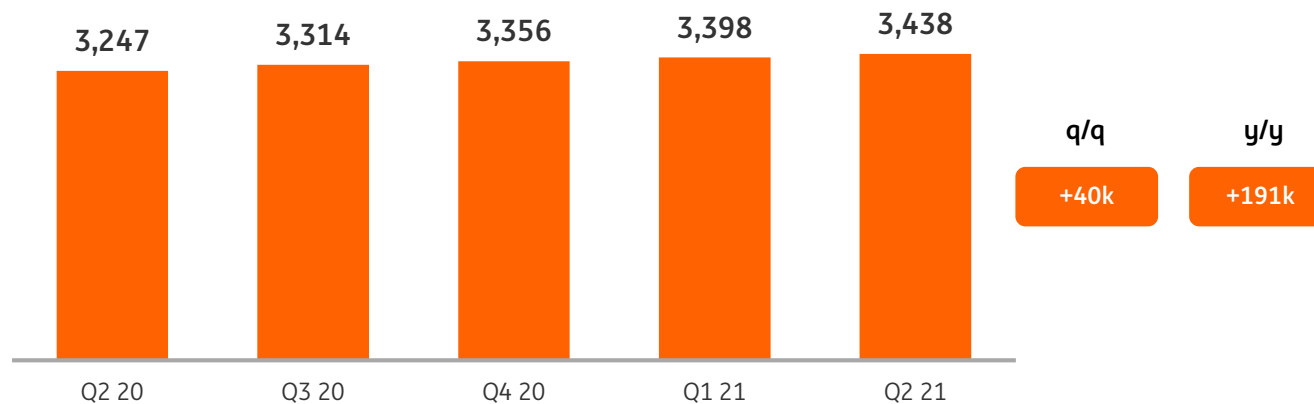
Retail client base

4.3 million individual clients

Number of individual clients (thousand)



Number of individual clients' current accounts (thousand)



Note: current accounts in PLN

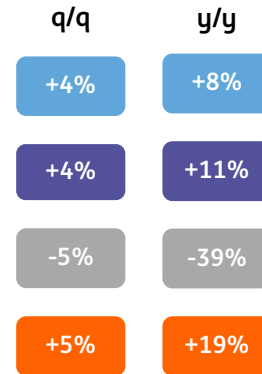
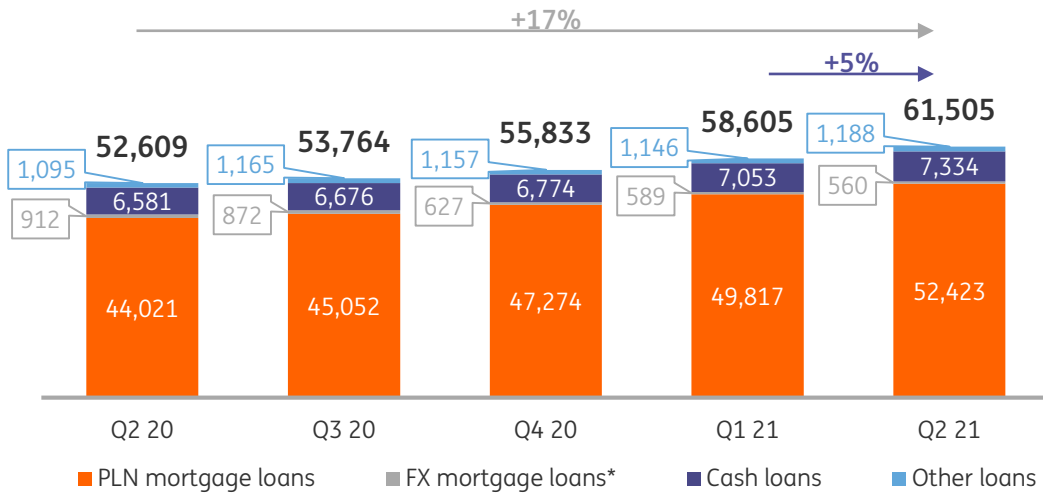
Primary clients - clients who have a current account with a balance higher than PLN 100 (salary inflows) and who also have another active product

- 86% of current accounts are Direct Accounts
- In Q2 2021, clients established and renewed **271.4 thousand trusted profiles**. In Q2 2021, clients **signed 1.3 million documents** using the trusted profiles.
- In Q2 2021, our clients submitted **92.4 thousand applications for 500+ child subsidy** via our bank



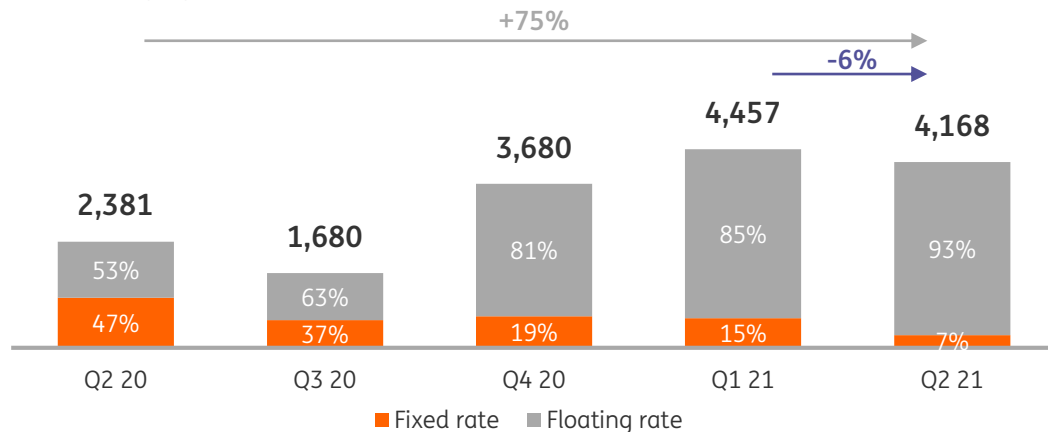
Retail lending

Loan portfolio of retail clients (gross; PLN million)

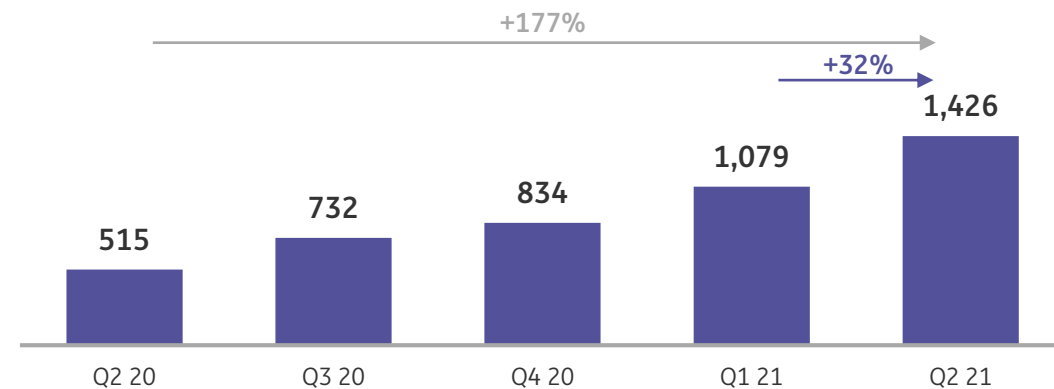


- **PLN 1.4 billion** worth of cash loans granted to retail clients in Q2 2021 (+177% y/y)
- **PLN 4.2 billion** worth of mortgage loans granted in Q2 2021 (+75% y/y), which translates into a **19.3%** market share
 - Including PLN 284 million worth of fixed interest rate mortgage loans (PLN 8.2 billion since the product launch)
- A **13.3%** market share in terms of PLN mortgage loans; **10.4%** in total mortgage loans (Q2 2021)

Mortgage loans production (PLN million)



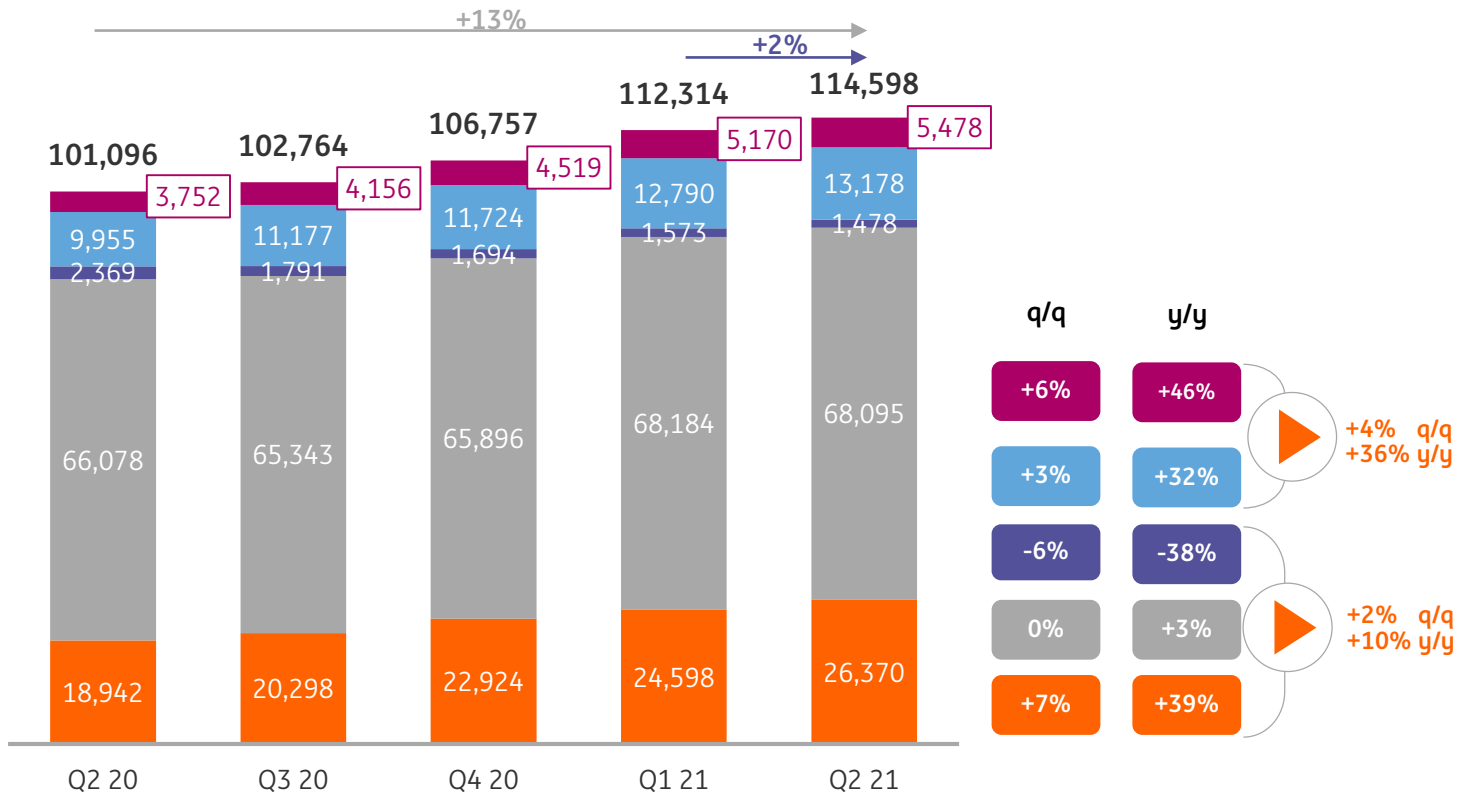
Cash loans production (PLN million)



*FX mortgage loans after adjusting the gross carrying amount for legal risk provisions, which amounted to PLN 35.3 million in Q1 2020, PLN 42.4 million in Q2 2020, PLN 62.3 million in Q3 2020, 300.0 PLN million in 4Q 2020, PLN 305.1 million in Q1 2021 and PLN 289.2 million in Q2 2021

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

- **117.8 thousand bank clients invest on a regular basis and 8.2 thousand clients use INVESTO robot**
- In Q2 2021, **41.3% of open investment fund units were purchased via mobile banking**
- At the end of Q2 2021, we operated **145.8 thousand brokerage accounts** (+29.2 thousand or 25% y/y)
- Our **brokerage office's turnover** on the stock market in Q2 2021 amounted to **PLN 5.2 billion**, which translates into a **3.46% market share**



Reklama skierowana do rodziców dzieci w wieku 13-17 lat. ING Bank Śląski

- Investment fund companies, which take into account **ESG factors** when making investment decisions, accounted for **98.8% of our clients' assets** in these products

Progressive evolution of banking

ING is becoming more and more digital



Average rating of Moje ING mobile application in APP stores

Google Play ★ ★ ★ ★ ★ 4.7

App Store ★ ★ ★ ★ ★ 4.9

Electronic banking

We have a total of **849.5 thousand mobile cards** (+9% q/q, +50% y/y)

2,308 thousand individual clients with active BLIK, of which 1,005 thousand completed transactions in Q2 2021 (+9% q/q, +47% y/y)

21.2 million BLIK transactions in Q2 2021 (+13% q/q, +72% y/y) made by individual clients, of which **16.7 million transactions were made on the Internet** (+8% q/q, +65% y/y)

2,074 thousand active users of the mobile application (+3% q/q, +18% y/y)

1,375 thousand "mobile only" users (+9% q/q, +20% y/y)

39.1 million transfers in mobile banking in Q2 2021 (+10.8 million y/y, +38% y/y)

In Q2 2021, we sold **81% of cash loans** for individual clients **via internet channels** (79% in Q2 2020).

2.5m
active mobile banking clients

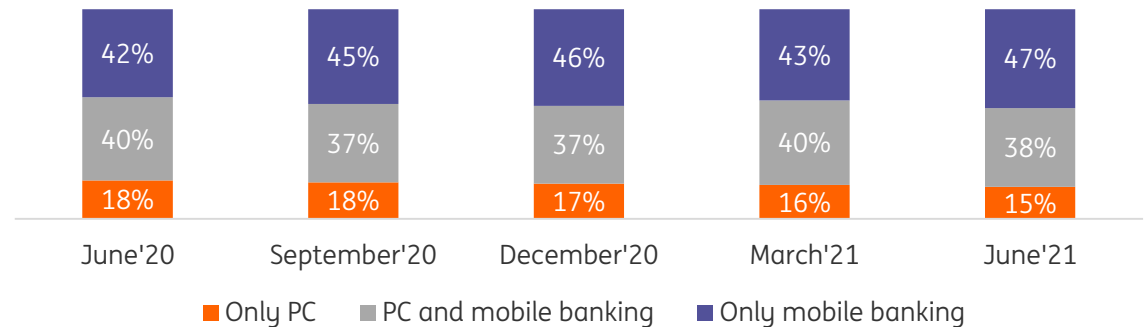
Physical distribution network

272 meeting places with self-service zones (281 as at Q1 2021), including 179 without a traditional cash service (165 as at Q1 2021)

965 machines for cash self-service (including 795 cash recycling automated teller safes), out of which 802 are contactless ATMs/Recyclers

60 ING Express sales points at shopping malls

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

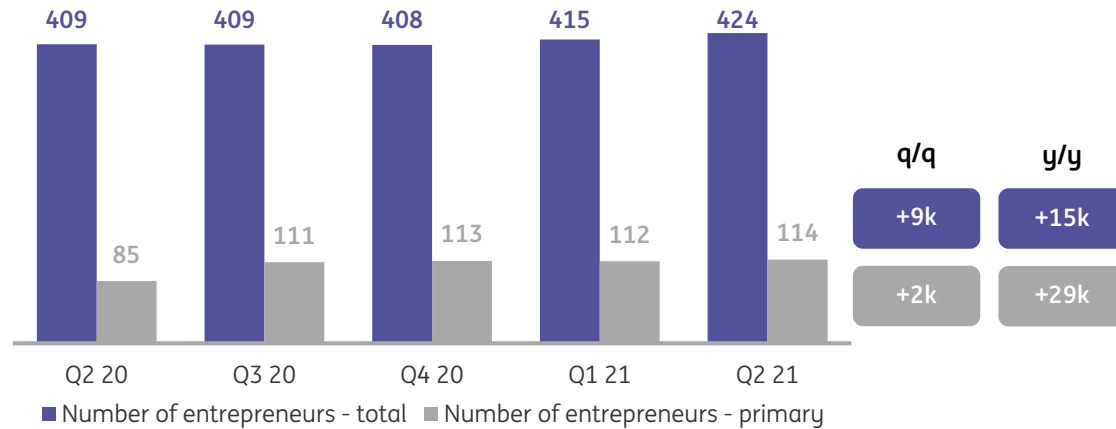


Corporate banking

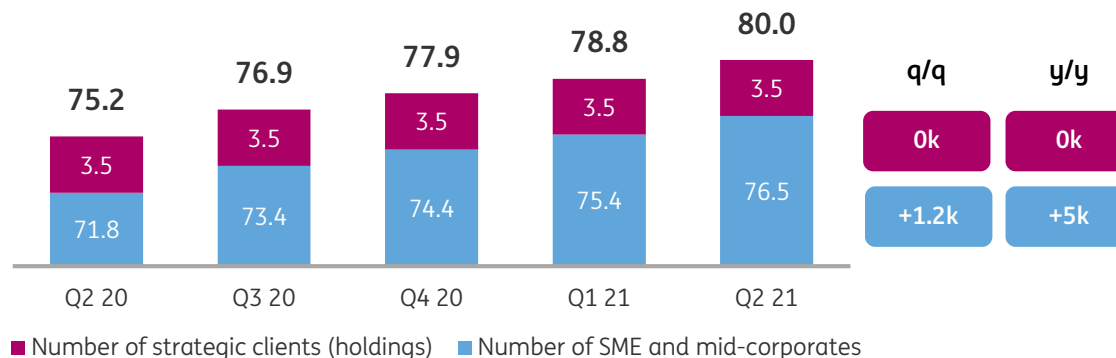
Corporate client base

503.9 thousand companies

Number of entrepreneurs (thousand)



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



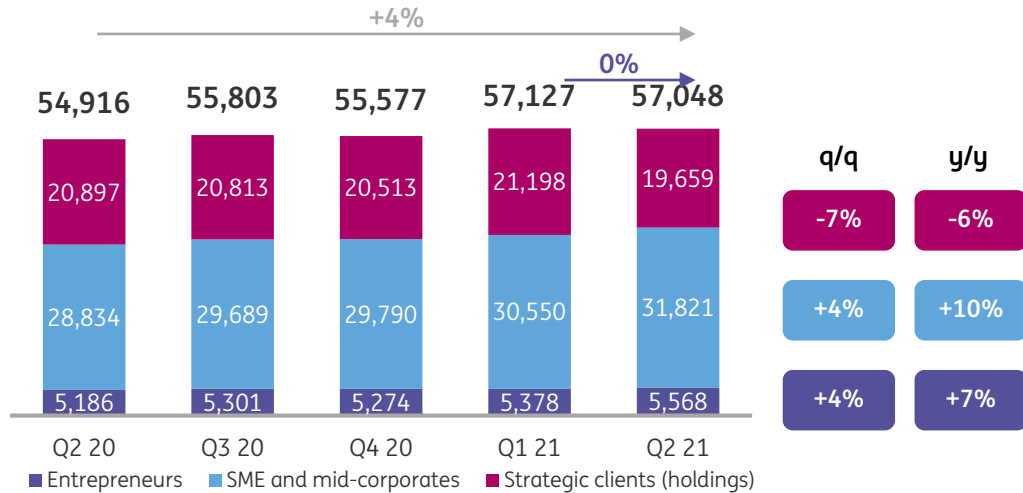
We maintain **433 thousand current accounts** for **423 thousand entrepreneurs**, of which **98% are Direct accounts**



Primary clients - clients with a current account with a balance higher than PLN 100, which were charged with a transaction to the Social Insurance Institution / Tax Office and who had another active product

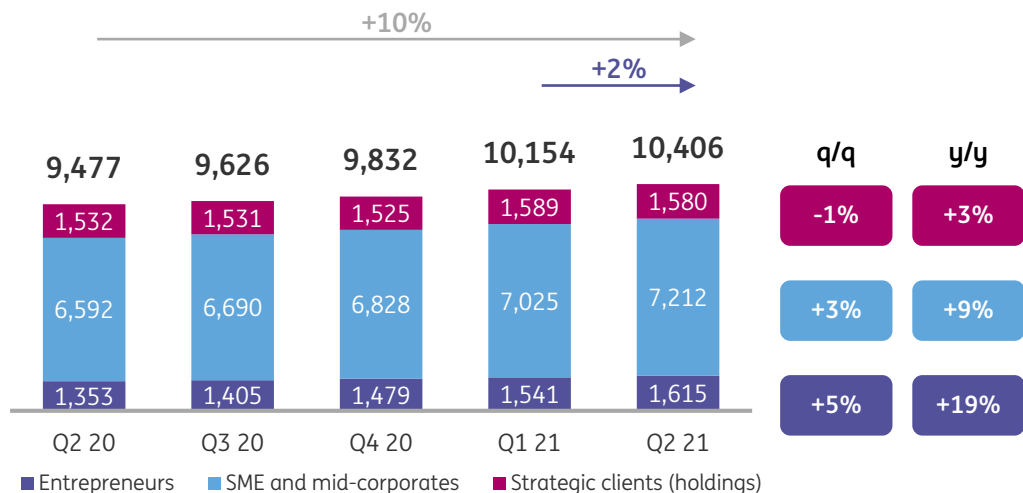
Corporate receivables

Loans volume (gross; PLN million)

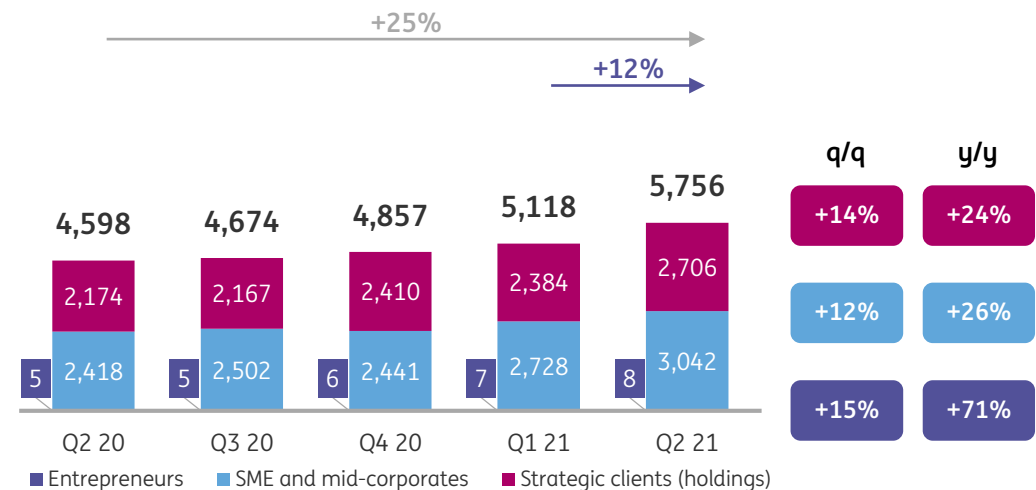


ING Bank Śląski S.A. acted as a dealer and investor in the bond issue for **InPost S.A.** on the Polish market for the amount of **PLN 500 million**. As part of the issue, InPost obtained funds to acquire Mondial Relay and for other corporate purposes. We are glad that we could actively participate in this interesting project, which is to enable the InPost Group to become the leading out-of-home operator for the e-commerce industry in Europe.

Leasing receivables volume* (gross; PLN million)



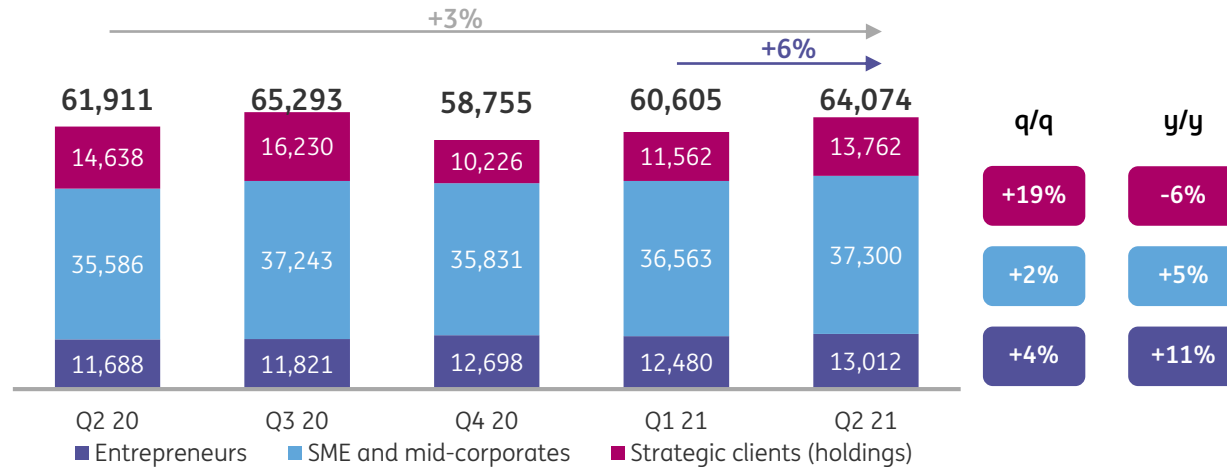
Factoring receivables volume (gross; PLN million)



*Leasing loans excluded

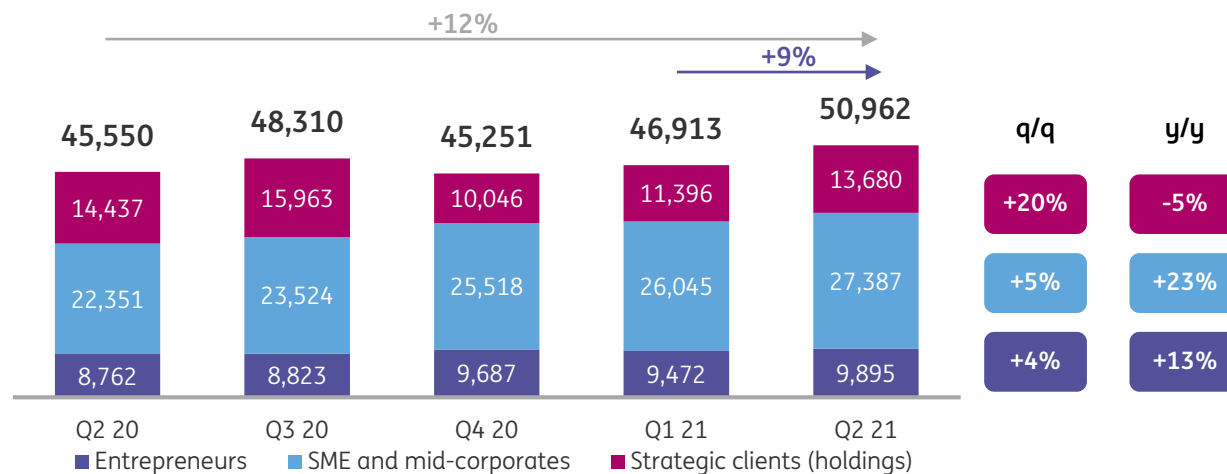
Cash management

Corporate deposit volume (PLN million)



+3,200
new SME and mid-corporate clients acquired in Q2 2021

Corporate current accounts volume (PLN million)



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

- 138 depositories,
- 140 depositories in customer locations,
- 164 CDMs in customer locations,
- 12 fee collection machines in customer locations.

Number of mobile transfers in ING Business increased by +62,8% y/y

Selected initiatives

Grupa Qair - green guarantees for green Energy

In June, we issued 27 guarantees for the obligations of the Qair Group to the President of the Energy Regulatory Office. The guarantees were related to the client's accession to the auction for the sale of electricity from a renewable source, i.e. using only solar radiation energy to generate energy. All guarantees were issued in electronic form and signed with a qualified signature.

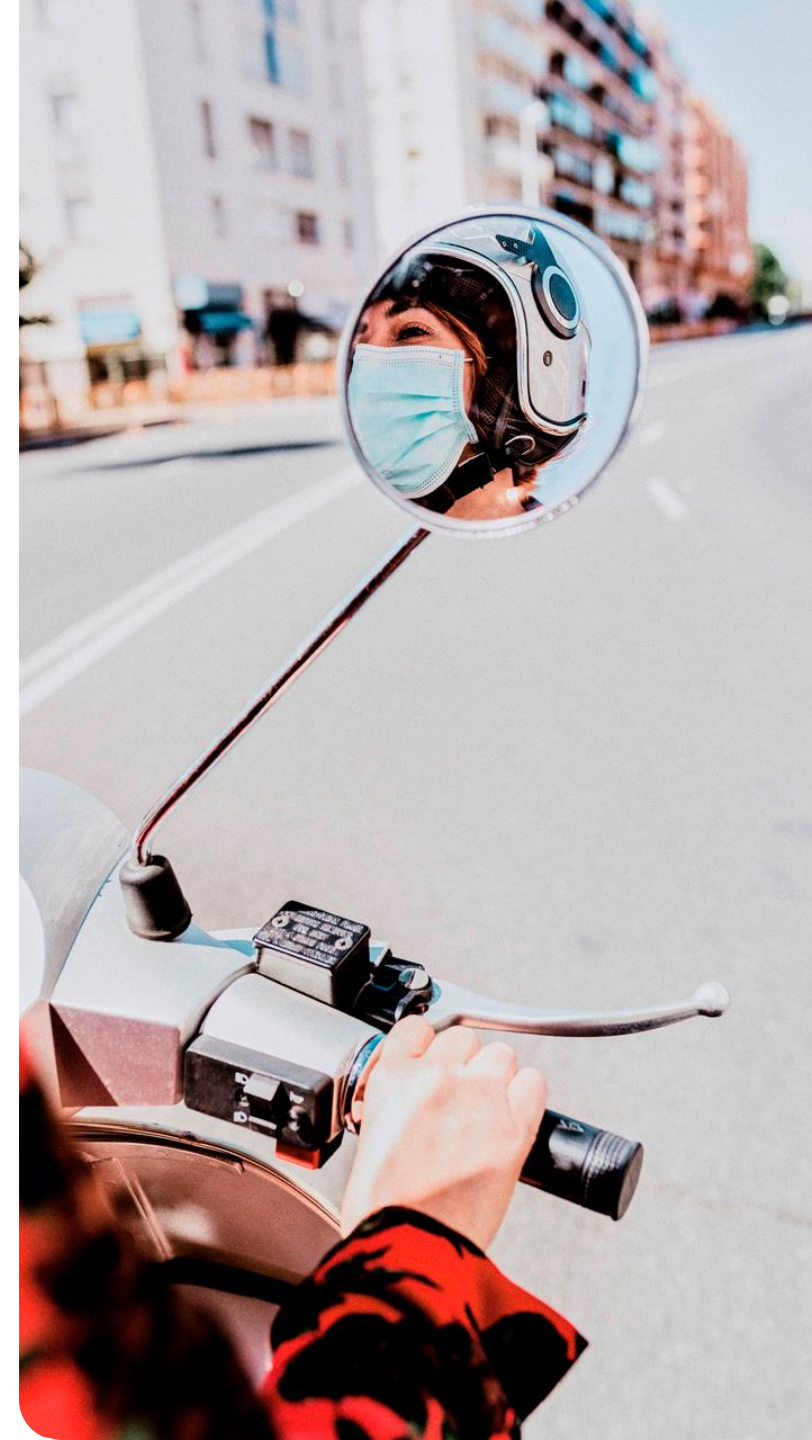
Qair is an independent energy producer. Qair Polska has a portfolio of wind and photovoltaic assets including: 215 MW of fully operational projects, 173 MW in the implementation phase and over 2.5 GW at an earlier stage of development. Qair Polska focuses on its own projects, cooperation with external companies, and also acquires projects at various stages of development.

PKN ORLEN S.A. – first issue of green Eurobonds

As part of the Eurobond issue program, PKN ORLEN SA will issue seven-year green bonds in the amount of EUR 500 million.

This financing will allow the Company to implement the assumptions of the Group's Strategy until 2030, assuming a sustainable energy transformation of the concern. The proceeds from the issue may only be used for pro-ecological investments that have been approved during the certification of the emissions.

The ING Group played the role of the Global Coordinator and Joint Bookrunner, but most of all it supported PKN Orlen in the process of structuring this transaction so that it would meet the requirements for qualifying the issued debt instruments as green bonds.



Financial results

and other information

Income statement

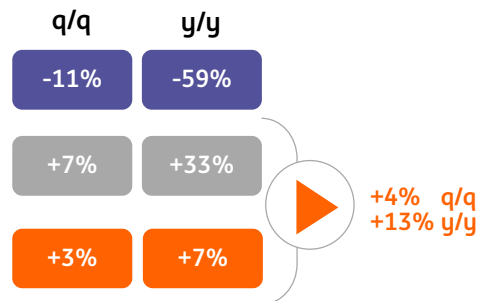
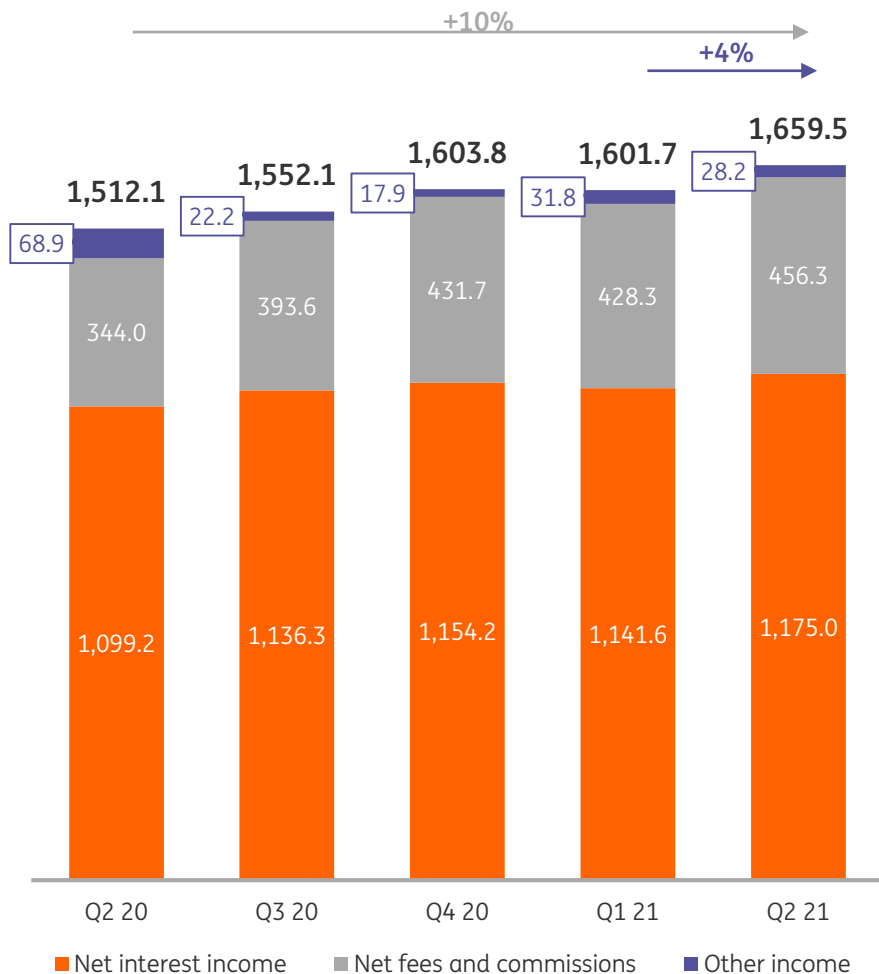
Consolidated income statement (PLN m)	Q1	Q2	Q3	Q4	Q1	Q2	q/q		y/y		H1	H1	y/y	
	2020	2020	2020	2020	2021	2021	Δ	%	Δ	%	2020	2021	Δ	%
Net interest income, of which:	1,152.1	1,099.2	1,136.3	1,154.2	1,141.6	1,175.0	33.4	2.9%	75.8	6.9%	2,251.3	2,316.6	65.3	2.9%
Interest income	1,386.6	1,304.0	1,277.3	1,279.0	1,267.6	1,297.1	29.5	2.3%	-6.9	-0.5%	2,690.6	2,564.7	-125.9	-4.7%
Interest expenses	234.5	204.8	141.0	124.8	126.0	122.1	-3.9	-3.1%	-82.7	-40.4%	439.3	248.1	-191.2	-43.5%
Net commission income	359.1	344.0	393.6	431.7	428.3	456.3	28.0	6.5%	112.3	32.6%	703.1	884.6	181.5	25.8%
Result on trade operations and revaluation	46.7	68.0	15.7	23.0	23.4	19.8	-3.6	-15.4%	-48.2	-70.9%	114.7	43.2	-71.5	-62.3%
- Net income on instruments measured at fair value through profit or loss and FX result	13.9	44.3	24.4	20.9	34.3	15.4	-18.9	-55.1%	-28.9	-65.2%	58.2	49.7	-8.5	-14.6%
- The result on the sale of securities measured at amortized cost	7.3	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-	7.3	0.0	-7.3	-
- Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	1.8	18.8	5.4	5.1	0.0	7.7	7.7	-	-11.1	-59.0%	20.6	7.7	-12.9	-62.6%
- Net income on hedge accounting	23.7	4.9	-14.1	-3.0	-10.9	-3.3	7.6	-69.7%	-8.2	-	28.6	-14.2	-42.8	-
Net income on other core activities	0.4	-3.1	2.8	-9.1	2.3	1.3	-1.0	-43.5%	4.4	-	-2.7	3.6	6.3	-
Share in net profit (loss) of associated entities recognised under the equity method	4.4	4.0	3.7	4.0	6.1	7.1	1.0	16.4%	3.1	77.5%	8.4	13.2	4.8	57.1%
Income	1,562.7	1,512.1	1,552.1	1,603.8	1,601.7	1,659.5	57.8	3.6%	147.4	9.7%	3,074.8	3,261.2	186.4	6.1%
Expenses	775.0	638.5	666.7	682.3	820.8	692.0	-128.8	-15.7%	53.5	8.4%	1,413.5	1,512.8	99.3	7.0%
- personnel expenses	308.2	310.3	330.9	364.6	355.0	358.0	3.0	0.8%	47.7	15.4%	618.5	713.0	94.5	15.3%
- depreciation and amortisation	71.5	71.9	72.5	78.3	71.4	71.6	0.2	0.3%	-0.3	-0.4%	143.4	143.0	-0.4	-0.3%
- regulatory expenses	176.2	42.1	41.9	41.8	179.5	28.2	-151.3	-84.3%	-13.9	-33.0%	218.3	207.7	-10.6	-4.9%
- other expenses	219.1	214.2	221.4	197.6	214.9	234.2	19.3	9.0%	20.0	9.3%	433.3	449.1	15.8	3.6%
Profit before risk costs	787.7	873.6	885.4	921.5	780.9	967.5	186.6	23.9%	93.9	10.7%	1,661.3	1,748.4	87.1	5.2%
Risk costs including legal cost of risk for FX mortgage loans	294.7	312.4	145.3	322.5	128.8	19.1	-109.7	-85.2%	-293.3	-93.9%	607.1	147.9	-459.2	-75.6%
- retail	109.5	70.8	82.4	323.6	67.9	-27.2	-95.1	-	-98.0	-	180.3	40.7	-139.6	-77.4%
- corporate	185.2	241.6	62.9	-1.1	60.9	46.3	-14.6	-24.0%	-195.3	-80.8%	426.8	107.2	-319.6	-74.9%
Tax on certain financial institutions	116.0	121.1	122.0	122.5	125.9	130.9	5.0	4.0%	9.8	8.1%	237.1	256.8	19.7	8.3%
Profit (loss) before tax	377.0	440.1	618.1	476.5	526.2	817.5	291.3	55.4%	377.4	85.8%	817.1	1,343.7	526.6	64.4%
Income tax	109.7	123.9	177.9	162.6	140.6	202.2	61.6	43.8%	78.3	63.2%	233.6	342.8	109.2	46.7%
Net profit (loss), of which:	267.3	316.2	440.2	313.9	385.6	615.3	229.7	59.6%	299.1	94.6%	583.5	1,000.9	417.4	71.5%
Net profit (loss) attributable to the shareholders of ING BSK	267.3	316.2	440.2	313.9	385.6	615.3	229.7	59.6%	299.1	94.6%	583.5	1,000.9	417.4	71.5%
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%	130.1	130.1	0.0	0.0%
Earnings per share (PLN) - annualised	8.22	9.72	13.53	9.65	11.86	18.92	7.06	59.6%	9.20	94.6%	8.97	15.39	6.42	71.5%

Statement of financial position

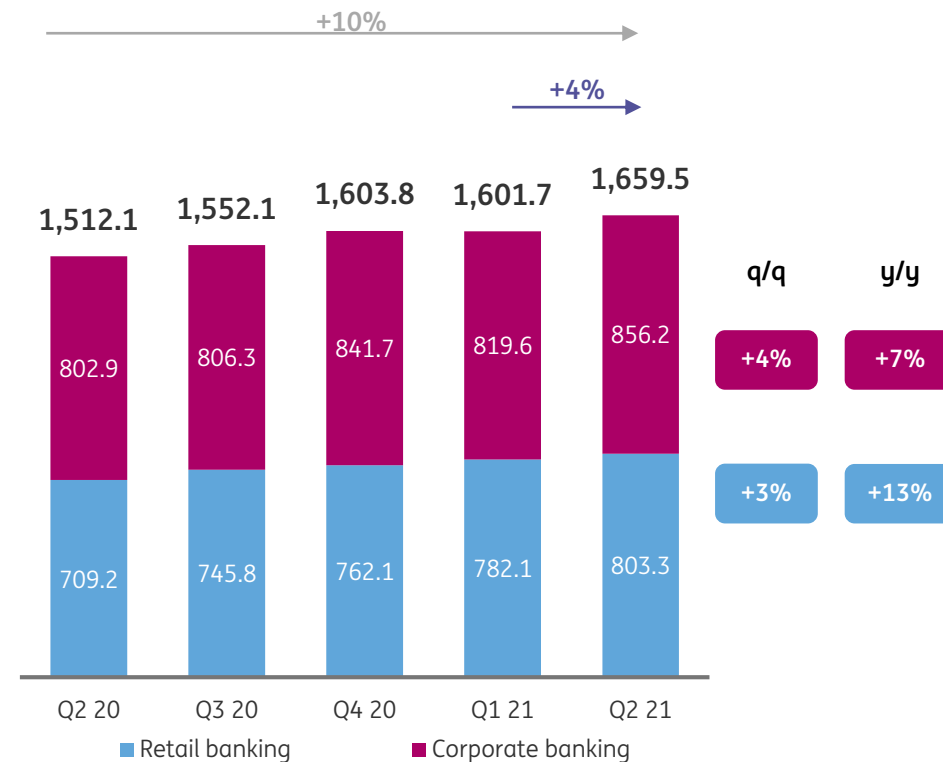
Consolidated statement of financial position (PLN m)	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	q/q		y/y	
								Δ	%	Δ	%
ASSETS											
- Cash in hand and balances with the Central Bank	1,402.9	1,740.5	1,910.3	1,193.6	867.3	899.8	850.8	-49.0	-5.4%	-1,059.5	-55.5%
- Loans and receivables to other banks	798.5	1,082.3	744.4	731.3	704.6	1,336.4	709.5	-626.9	-46.9%	-34.9	-4.7%
- Financial assets measured at fair value through profit or loss	1,384.6	1,511.7	1,111.5	1,259.2	2,017.7	1,610.1	1,471.1	-139.0	-8.6%	359.6	32.4%
- Investments	33,824.4	40,196.1	53,077.6	56,084.1	54,933.5	58,314.3	57,103.1	-1,211.2	-2.1%	4,025.5	7.6%
- Derivative hedge instruments	851.6	1,075.8	1,095.9	1,054.1	1,194.8	873.6	882.0	8.4	1.0%	-213.9	-19.5%
- Loans and receivables to customers at amortised costs	118,127.8	123,459.7	120,598.1	122,382.0	124,655.3	129,453.2	133,768.8	4,315.6	3.3%	13,170.7	10.9%
- Non-financial assets	1,385.9	1,374.9	1,348.4	1,341.7	1,339.7	1,300.6	1,267.4	-33.2	-2.6%	-81.0	-6.0%
- Property, plant and equipment held for sale	3.6	2.2	3.4	3.4	3.6	5.4	1.4	-4.0	-74.1%	-2.0	-58.8%
- Tax assets	445.6	377.7	380.1	409.7	425.9	560.3	771.0	210.7	37.6%	390.9	102.8%
- Other assets	385.8	420.7	369.6	400.4	453.3	467.6	457.2	-10.4	-2.2%	87.6	23.7%
Total assets	158,610.7	171,241.6	180,639.3	184,859.5	186,595.7	194,821.3	197,282.3	2,461.0	1.3%	16,643.0	9.2%
EQUITY AND LIABILITIES											
LIABILITIES											
- Liabilities due to other banks	6,256.1	6,624.3	4,594.6	4,883.1	8,228.0	10,333.8	9,422.5	-911.3	-8.8%	4,827.9	105.1%
- Financial liabilities measured at fair value through profit or loss	915.1	1,027.6	617.2	696.9	1,530.8	1,194.3	1,040.4	-153.9	-12.9%	423.2	68.6%
- Derivative hedge instruments	546.0	510.4	480.9	449.7	558.5	549.6	454.0	-95.6	-17.4%	-26.9	-5.6%
- Liabilities due to customers	130,473.5	139,648.7	150,979.3	154,399.8	151,028.5	158,931.1	161,998.3	3,067.2	1.9%	11,019.0	7.3%
- Liabilities under issue of debt securities	399.7	397.6	395.4	397.3	1,370.5	596.5	546.2	-50.3	-8.4%	150.8	38.1%
- Subordinated liabilities	2,131.1	2,278.1	2,235.1	2,265.2	2,309.2	2,331.9	2,262.1	-69.8	-3.0%	27.0	1.2%
- Provisions	205.7	186.3	203.0	196.1	256.3	240.1	248.4	8.3	3.5%	45.4	22.4%
- Tax liabilities	381.3	705.5	431.5	450.5	389.6	200.0	1.8	-198.2	-99.1%	-429.7	-99.6%
- Other liabilities	2,078.9	2,522.1	2,466.8	2,525.1	2,306.0	2,883.7	3,451.0	567.3	19.7%	984.2	39.9%
Total liabilities	143,387.4	153,900.6	162,403.8	166,263.7	167,977.4	177,261.0	179,424.7	2,163.7	1.2%	17,020.9	10.5%
EQUITY											
- Share capital	130.1	130.1	130.1	130.1	130.1	130.1	130.1	0.0	0.0%	0.0	0.0%
- Supplementary capital – share premium account	956.3	956.3	956.3	956.3	956.3	956.3	956.3	0.0	0.0%	0.0	0.0%
- Revaluation reserve	1,867.3	3,717.7	4,296.0	4,216.1	3,923.4	2,479.8	2,158.7	-321.1	-12.9%	-2,137.3	-49.8%
- Retained earnings	12,269.6	12,536.9	12,853.1	13,293.3	13,608.5	13,994.1	14,612.5	618.4	4.4%	1,759.4	13.7%
Equity attributable to shareholders of ING BSK	15,223.3	17,341.0	18,235.5	18,595.8	18,618.3	17,560.3	17,857.6	297.3	1.7%	-377.9	-2.1%
- Non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
Total equity	15,223.3	17,341.0	18,235.5	18,595.8	18,618.3	17,560.3	17,857.6	297.3	1.7%	-377.9	-2.1%
Total equity and liabilities	158,610.7	171,241.6	180,639.3	184,859.5	186,595.7	194,821.3	197,282.3	2,461.0	1.3%	16,643.0	9.2%
Number of shares issued (m)	130.1	130.1	130.1	130.1	130.1	130.1	130.1	0.0	0.0%	0.0	0.0%
Book value per share (PLN)	117.01	133.29	140.17	142.93	143.11	134.98	137.26	2.29	1.7%	-2.90	-2.1%

Income per category

Income per P&L line (PLN million)

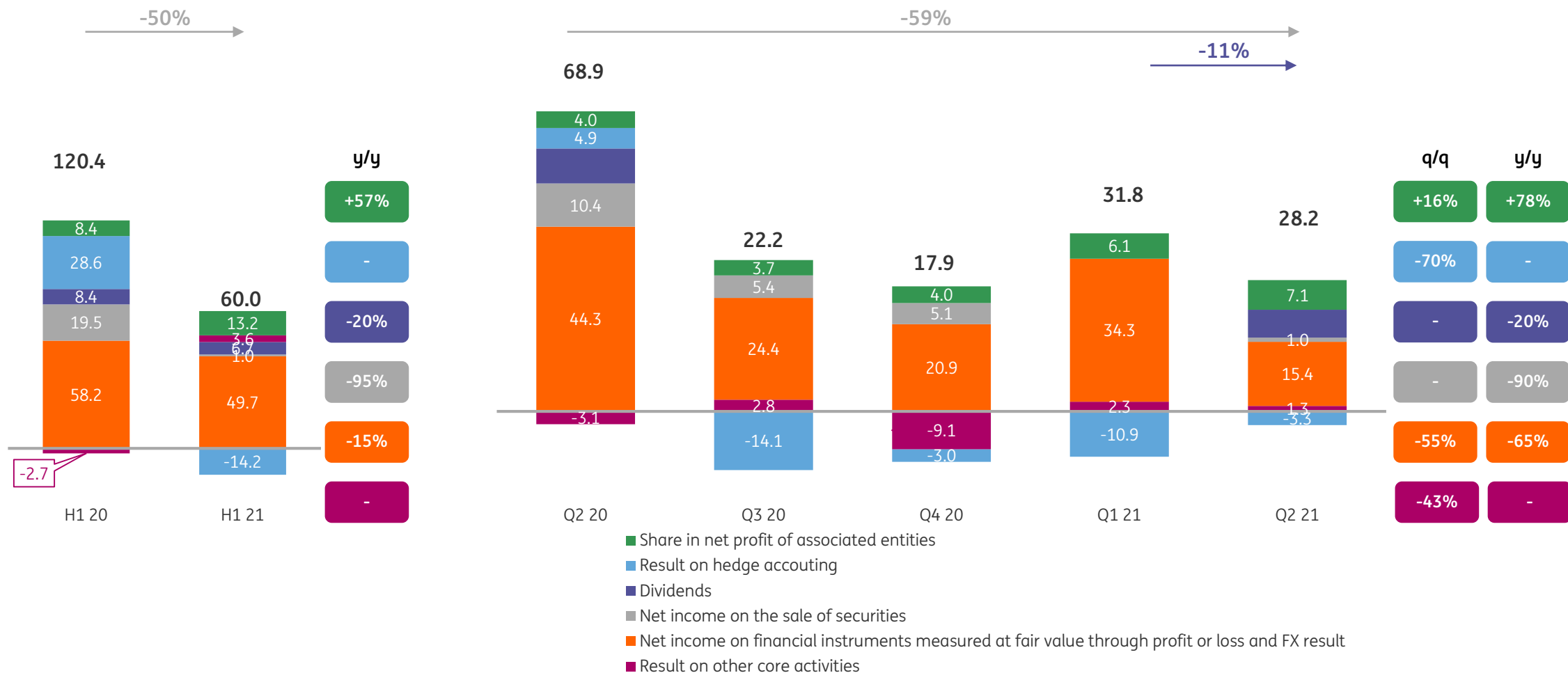


Income per business line (PLN million)



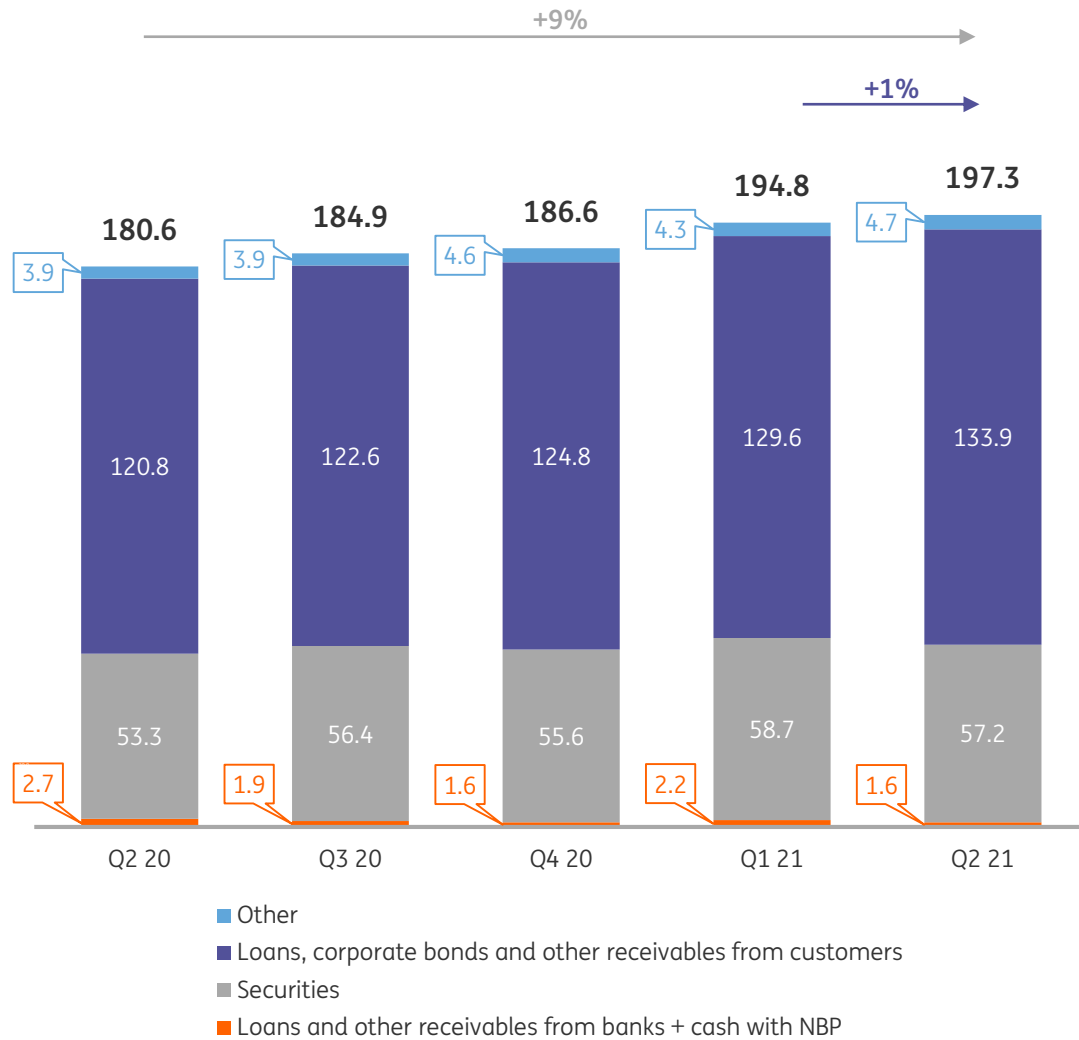
Other income

Other income (PLN million)

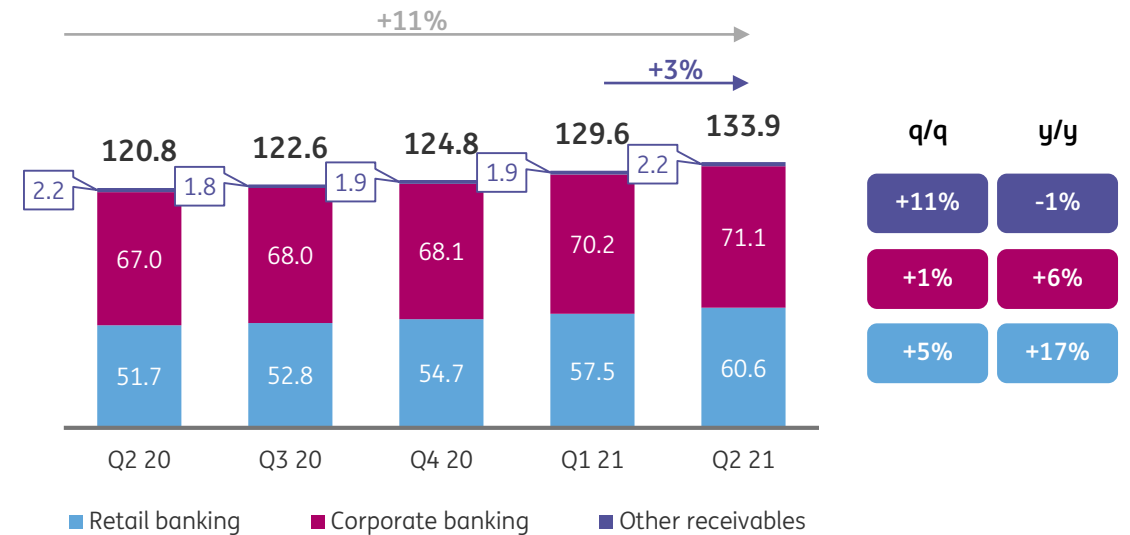


Bank assets

Assets structure (PLN billion)

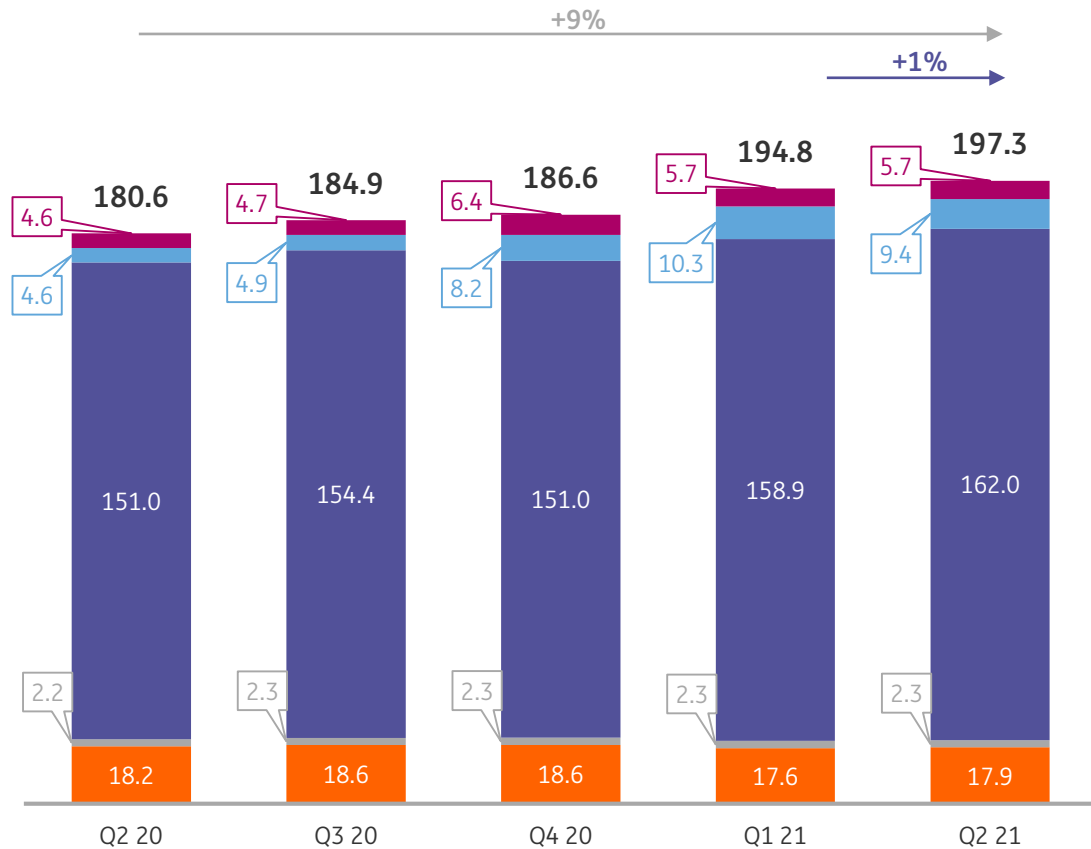


Loans and other receivables from customers (net; PLN billion)



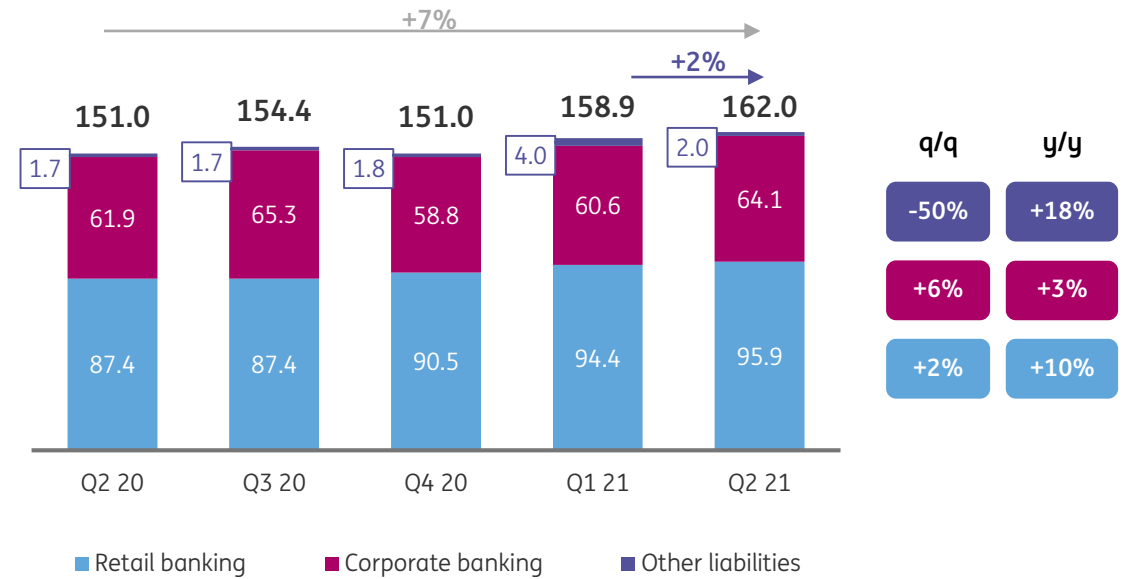
Bank equity and liabilities

Structure of equity and liabilities (PLN billion)



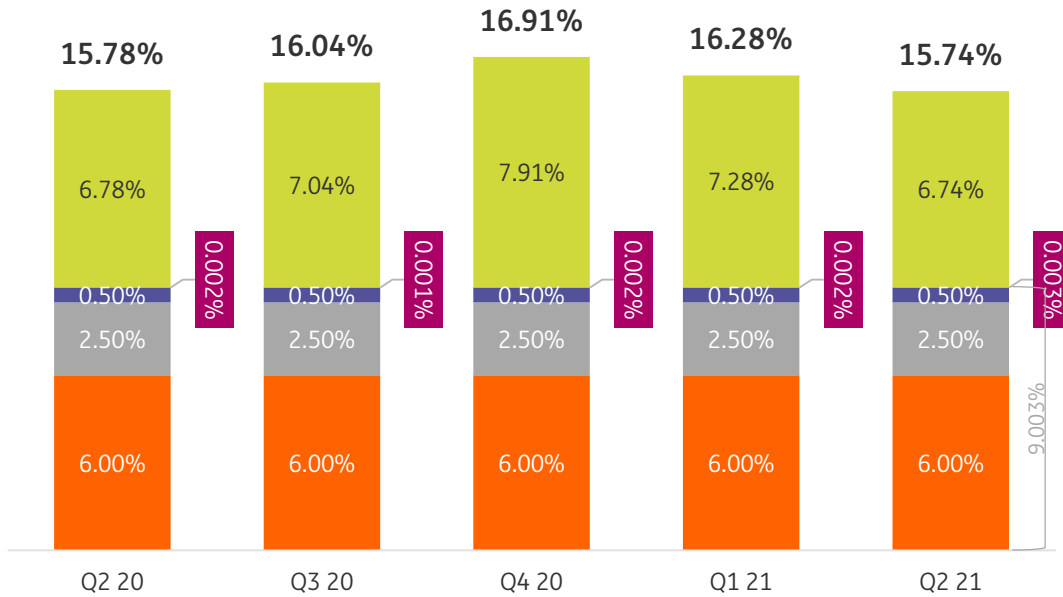
Equity Subordinated debt Deposits and other liabilities to clients Liabilities to banks Other

Deposits and other liabilities to customers (PLN billion)

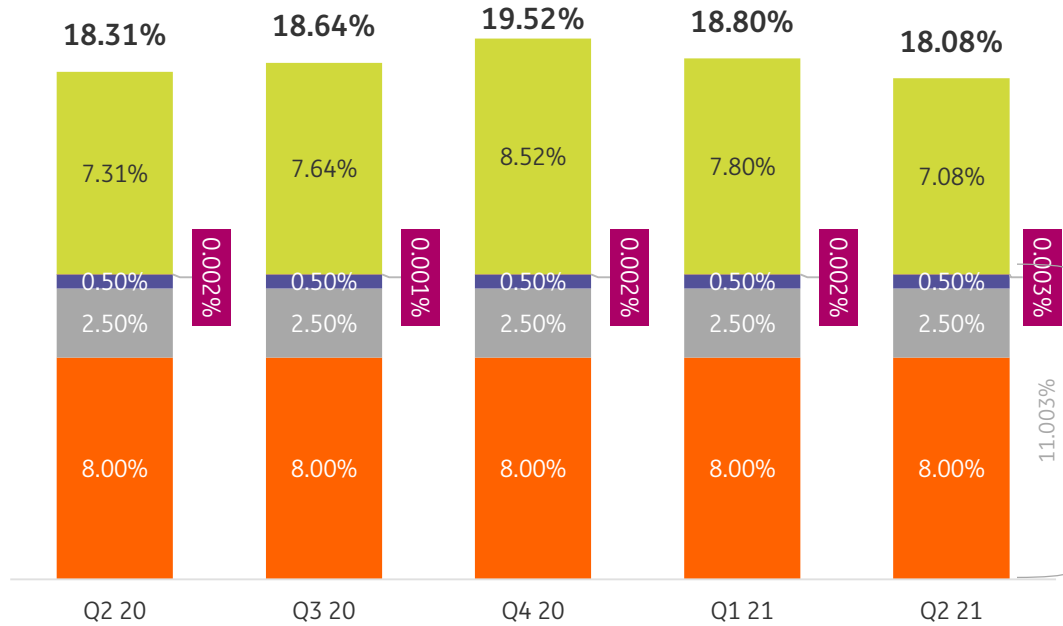


Capital requirement structure

Consolidated capital requirement structure – Tier 1



Consolidated capital requirement structure – TCR



■ Minimum (CRR)
 ■ Capital conservation buffer (CCB)
 ■ O-SII buffer (0-2%; OSII)
 ■ Pillar 2 (FXB)
 ■ Systemic risk buffer (0-3%*; SRB)
 ■ Countercyclical buffer (0-2.5%**; ACB)
 ■ Surplus

- Target MREL requirement (31 December 2022) communicated by BGF in February 2020: 21.28% of risk-weighted assets
- BGF methodology according to BRRD 1: $(CRR_{TCR} + FXB + OSII) + [1 - (CRR_{TCR} + FXB + OSII)] * (CRR_{TCR} + FXB + OSII + CCB + SRB + ACB)$

*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 after 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 30.06.2021	%
1	Real estate service	9,256	12.7%
2	Wholesale trade	8,957	12.3%
3	Other activity related to business running	4,377	6.0%
4	Land transport and transport via pipelines	3,470	4.7%
5	Foodstuff and beverage production	3,316	4.5%
6	Retail trade	3,183	4.4%
7	Public administration and national defense	3,167	4.3%
8	Manufacture of fabricated metal products	3,055	4.2%
9	Constructions	2,905	4.0%
10	Rubber industry	2,735	3.7%
11	Financial intermediation	2,579	3.5%
12	Wood and paper industry	1,939	2.7%
13	Renting of equipment	1,913	2.6%
14	Agriculture, forestry, fishery	1,818	2.5%
15	Post office and telecommunications	1,659	2.3%
16	Power industry	1,646	2.3%
17	Sale, repair and maintenance of motor vehicles	1,610	2.2%
18	Other non-metallic mineral products industries	1,063	1.5%
19	Manufacture of chemicals and chemical products	1,017	1.4%
20	Other	13,450	18.4%
Total		73,116	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 30.06.2021	%
1	Wholesale trade	14,361	12.8%
2	Real estate service	9,773	8.7%
3	Constructions	6,760	6.0%
4	Other activity related to business running	6,343	5.7%
5	Retail trade	5,612	5.0%
6	Manufacture of fabricated metal products	5,429	4.8%
7	Foodstuff and beverage production	5,332	4.8%
8	Land transport and transport via pipelines	4,521	4.0%
9	Financial intermediation	4,505	4.0%
10	Rubber industry	3,887	3.5%
11	Power industry	3,691	3.3%
12	Public administration and national defense	3,614	3.2%
13	Wood and paper industry	2,967	2.6%
14	Sale, repair and maintenance of motor vehicles	2,594	2.3%
15	Renting of equipment	2,434	2.2%
16	Post office and telecommunications	2,063	1.8%
17	Agriculture, forestry, fishery	2,003	1.8%
18	Other non-metallic mineral products industries	1,983	1.8%
19	Engineering industry	1,893	1.7%
20	Other	22,250	19.9%
Total		112,016	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

5th largest bank in Poland

Key facts

- We are a universal bank established in 1989
- We provide comprehensive financial services for individual and corporate clients in all segments
- We serve clients through remote channels (including internet and mobile banking) and a network of branches fully equipped with self-service zones
- We have 4.3 million individual clients and 504 thousand corporate clients
- We employ 8.8 thousand employees
- We are number four in Poland in terms of the number of customers and commercial balance (total deposits and customer loans) as at the end of Q2 2021

Credit ratings of ING Bank Śląski

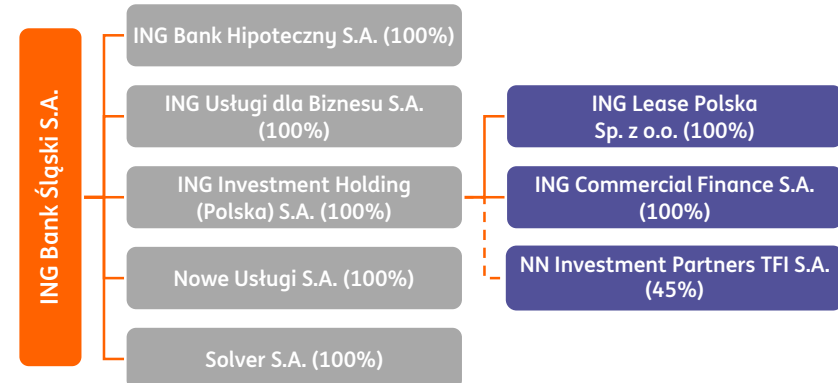
Fitch

- Entity Rating / Outlook: A + / Negative
- Short-term rating: F1 +
- Viability rating: bbb +
- Support Rating: 1
- Long-term rating on a national scale / outlook: AAA (pol) / Stable
- Short-term rating on a national scale: F1 + (pol)

Moody's

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

Structure of the ING Bank Śląski Group



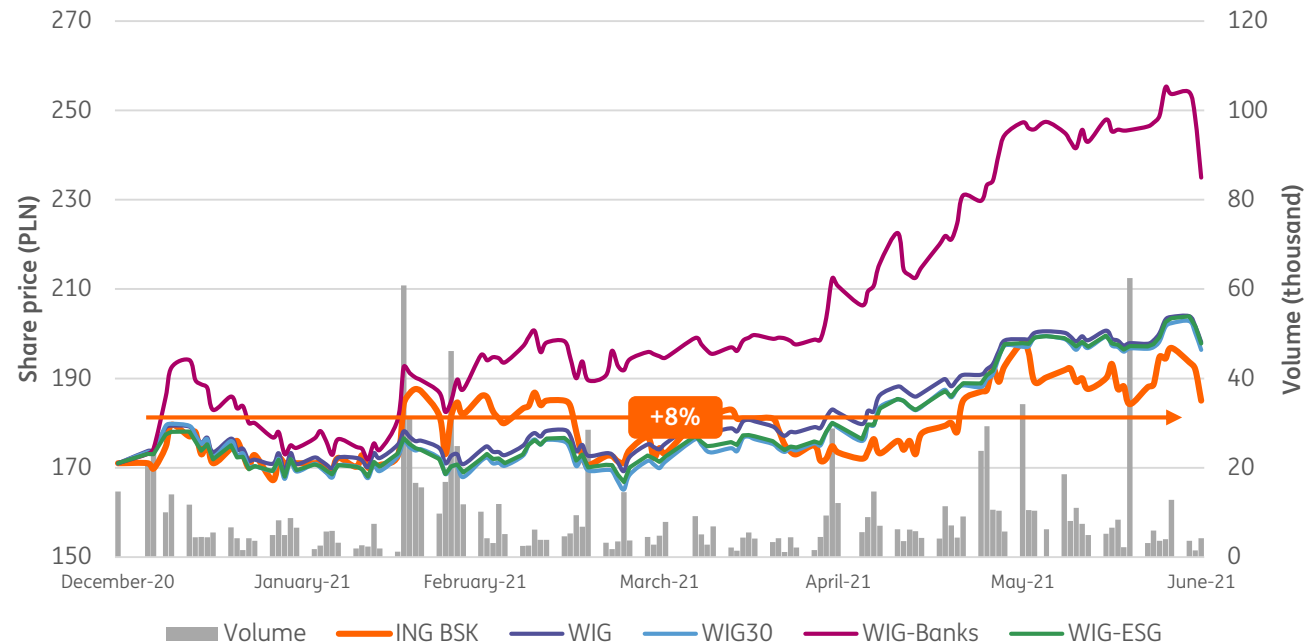
ING Bank Śląski S.A. shares

ING BSK share price :
PLN 185.0 (as at 30 June 2021)

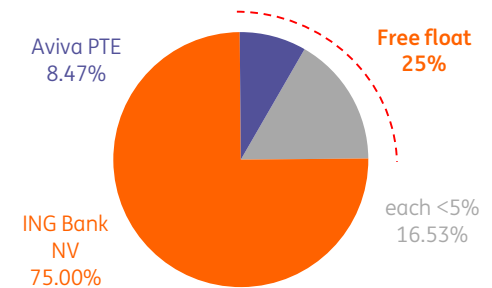
Capitalisation: **PLN 24.1 billion** (EUR 5.3 billion)
Free float: **PLN 6.0 billion** (EUR 1.3 billion)

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

ING BSK shares vs. WSE indices recalculated for comparability



Shareholding structure



Market ratios (Q2 2021)

P/E 13.7x

P/BV 1.3x

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. [See more](#)

Our dividend policy

Dividend policy (adopted by the Supervisory Board on 15 September 2016 and updated on 6 March 2020)

ING Bank Śląski S.A. endorses a long-term stable process of dividend payout in adherence to the rules of prudent management and any and all regulatory requirements which the Bank shall comply with.

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:

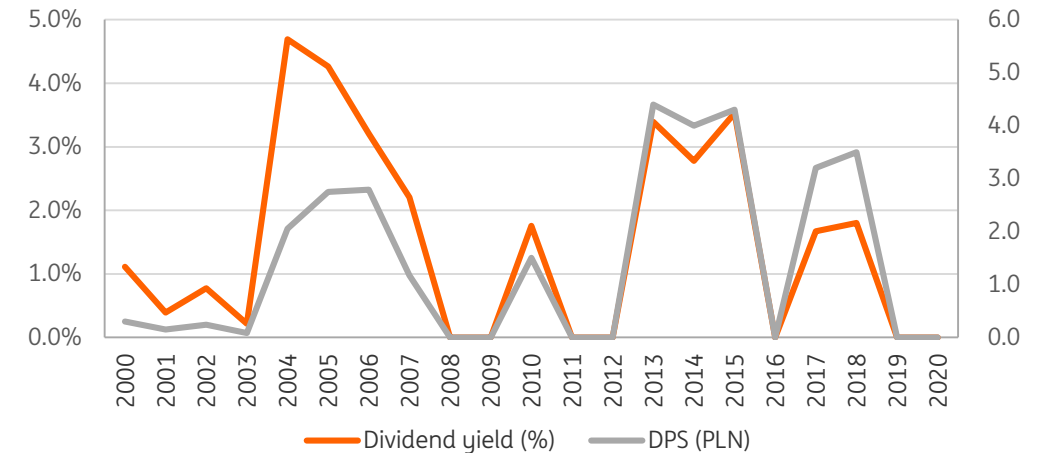
- minimum common equity Tier 1 (CET1) at the level of 4,5% + combined buffer requirement¹,
- minimum Tier 1 (T1) at the level of 6% + combined buffer requirement¹,
- minimum total capital ratio (TCR) at the level of 8% + combined buffer requirement¹.

When deciding on the amount of dividend payout, the Bank Management Board consider the regulatory requirements communicated in the official PFSA announcement on the dividend policy at banks.

When determining the recommended dividend payout amount to the General Meeting, the Bank Management Board review in particular the following terms and conditions:

- the current financial standing of the Bank and the Bank Group, including limitations in the case of sustaining 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 Regulation EU 575/2013.

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

¹Combined buffer requirement binding in the year of dividend payout from the profit of the previous year

Glossary

Simplified definitions of presentation terms :

- **LCR - Liquidity Coverage Ratio.** Computed as a ratio of high-liquid assets to short-term liabilities. It is introduced in stages. The minimum value is 100% starting from 2018.
- **Retail clients** – individuals.
- **Corporate clients** – entrepreneurs, SME, mid-corporates and strategic clients (holdings).
 - Entrepreneurs – individuals running their own business activity
 - SME – corporates with annual turnover of up to EUR 10m.
 - Mid-corporates – corporates with annual turnover between EUR 10m and EUR 125m.
 - Strategic clients – holdings with annual turnover over EUR 125m.
- **NIM - Net Interest Margin** – the ratio of net interest income to the average value of interest earning assets (incl. loans, bonds) as at the end of individual quarters in a given period (five quarters for cumulative margin and two quarters for quarterly margin).
- **NSFR - Net Stable Funding Ratio.** It is computed as the ratio of available stable funding to required stable funding. The minimum value (effective from the end of June 2021) is 100%.
- **C/I ratio – Cost / Income ratio** – the ratio of costs (excluding risk costs and bank levy) to bank's income (including the share in the net profit of associated entities).
- **Cost of risk** – the balance of provisions created and released due to the deterioration in 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.
Puławska 2
02-566 Warsaw
Investor Relations Bureau
[✉ investor@ing.pl](mailto:investor@ing.pl)

Iza Rokicka
Head of IR
Investor Relations Bureau
[☎ +48 22 820 44 16](tel:+48228204416)
[✉ iza.rokicka@ing.pl](mailto:iza.rokicka@ing.pl)

Maciej Kałowski
IR Senior Specialist
Investor Relations Bureau
[☎ +48 22 820 44 43](tel:+48228204443)
[✉ maciej.kalowski@ing.pl](mailto:maciej.kalowski@ing.pl)

Calendar for 2021

Date	Event
24 February 2021	Report for Q4 2020 (preliminary data)
12 March 2021	Annual report for 2020
15 April 2021	Ordinary General Meeting
6 May 2021	Report for Q1 2021
6 August 2021	Report for Q2 2021
4 Novemeber 2021	Report for Q3 2021

Investor Information

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

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

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

www.ing.pl

