

The data contained in this document are of the preliminary and estimated nature. Final financials will be presented in the consolidated annual report of the Bank Group for the year ended 31 December 2021 and in the annual report of the Bank for the year ended 31 December 2021, which will be published on 11 March 2022.

Information on preliminary and unaudited consolidated financial results of the ING Bank Śląski S.A. Group for the fourth quarter of 2021

- **The most important financial and business data of the ING Bank Śląski S.A. Group in the fourth quarter of 2021**

During the four quarters of 2021 the consolidated net profit of the ING Bank Śląski S.A. amounted to PLN 2,308.3 million, and decreased by 72.6% in comparison to the same period last year. The ING Bank Śląski S.A. Group recorded the increase of basic commercial volumes – loans by 16.2%, and deposits by 13.0%.

Key financial data of the ING Bank Śląski Group for 4 quarters of 2021 in comparison to the corresponding period of the previous year:

- result on basic activities increased by 10.5% to PLN 6,867.6 million, including:
 - net interest income, which increased by 9.4% to PLN 4,969.7 million,
 - net commission income, which increased by 20.7% to PLN 1,844.8 million,
- general and administrative expenses increased by 7.3% to PLN 2,964.5 million,
- result before the risk costs increased by 22.6% to PLN 3,331.3 million,
- impairment for expected credit losses decreased by 60.7% to PLN 316.0 million,
- gross profit increased by 57.7% to PLN 3,015.3 million,
- net profit increased by 72.6% to PLN 2,308.3 million,
- return on equity (ROE) reached 13.6% compared to 7.6% in the previous year,
- cost to income ratio (C/I) reached 43.2% compared to 44.5% in the previous year,
- net interest margin reached 2.58% compared to 2.63% in the previous year,
- total capital ratio was 15.08% compared to 19.52% last year.

Key business results of the ING Bank Śląski Group after 4 quarters of 2021 in comparison to the corresponding period of the previous year:

- increase in the value of loans by 16.2% to PLN 146.4 billion, of which:
 - loans for retail clients – increase by 19.1% to PLN 66.5 billion,
 - loans for corporate clients – increase by 13.9% to PLN 79.9 billion,
- increase in deposits value by 13.0% to PLN 170.6 billion.

Key business results of ING Bank Śląski for 4 quarters of 2021 in comparison to the corresponding period of the previous year:

- net profit increased by 72.6% to PLN 2,308.3 million,
- total assets increased by 8.2% to PLN 196.0 billion,
- equity decreased by 27.6% to PLN 13.3 billion,
- total capital ratio amounted to 16.14% compared to 20.87% last year.

- Selected financial data and key effectiveness ratios

	4 quarter 2021	4 quarters 2021 YTD	4 quarter 2020	4 quarters 2020 YTD	change 4Q/4Q	change y/y
	the period from 1 Oct 2021 to 31 Dec 2021	the period from 1 Jan 2021 to 31 Dec 2021	the period from 1 Oct 2020 to 31 Dec 2020	the period from 1 Jan 2020 to 31 Dec 2020		
Net interest income	1,416.4	4,969.7	1,154.2	4,541.8	22.7%	9.4%
Net commission income	476.0	1,844.8	431.7	1,528.4	10.3%	20.7%
Result on basic activities	1,875.5	6,867.6	1,599.8	6,214.6	17.2%	10.5%
Gross profit	832.5	3,015.3	476.5	1,911.7	74.7%	57.7%
Net profit attributable to shareholders of ING Bank Śląski S.A.	669.0	2,308.3	313.9	1,337.6	113.1%	72.6%
Earnings per ordinary share (PLN)	5.14	17.74	2.41	10.28	113.1%	72.6%

	as at 31 Dec 2021	as at 30 Sep 2021	as at 31 Dec 2020	change Q/Q	change y/y
Loans and other receivables to customers (net)	146,536.0	141,168.6	124,655.3	3.8%	17.6%
Liabilities to customers	170,609.9	164,586.3	151,028.5	3.7%	13.0%
Total assets	201,654.2	200,543.1	186,595.7	0.6%	8.1%
Equity attributable to shareholders of ING Bank Śląski S.A.	13,531.4	17,440.6	18,618.3	-22.4%	-27.2%
Share capital	130.1	130.1	130.1	0.0%	0.0%
C/I - Cost/Income ratio (%)	43.2%	44.2%	44.5%	-2.4%	-2.9%
ROA - Return on assets (%)	1.2%	1.0%	0.8%	16.2%	55.2%
ROE - Return on equity (%)	13.6%	10.8%	7.6%	25.2%	78.6%
NIM - Net interest margin (%)	2.58%	2.48%	2.63%	3.9%	-1.8%
L/D - Loans-to-deposits ratio (%)	85.9%	85.8%	82.5%	0.1%	4.1%
Total Group's capital ratio (%)	15.08%	17.65%	19.52%	-14.6%	-22.7%
Total Bank's capital ratio (%)	16.14%	18.95%	20.87%	-14.8%	-22.7%

Explanations:

C/I - Cost to Income ratio - total costs to income from operating activity per type.

ROA - Return on assets - net profit attributable to shareholders of ING Bank Śląski S.A. for 4 subsequent quarters to average assets for 5 subsequent quarters.

ROE - Return on equity - net profit attributable to shareholders of ING Bank Śląski S.A. for 4 subsequent quarters to average equity for 5 subsequent quarters.

NIM - total net interest income for 4 consecutive quarters to average interest assets for 5 consecutive quarters.

L/D - Loans-to-deposits ratio - loans and receivables to customers (net) excluding Eurobonds to liabilities due to customers.

Total capital ratio - equity to risk weighted assets and off-balance sheet liabilities.

- Consolidated income statement

	Note	4 quarter 2021	4 quarters 2021 YTD	4 quarter 2020	4 quarters 2020 YTD
		the period from 1 Oct 2021 to 31 Dec 2021	the period from 1 Jan 2021 to 31 Dec 2021	the period from 1 Oct 2020 to 31 Dec 2020	the period from 1 Jan 2020 to 31 Dec 2020
Interest income		1,515.4	5,432.4	1,279.0	5,246.9
calculated using effective interest rate method		1,515.1	5,431.7	1,278.4	5,244.1
other interest income		0.3	0.7	0.6	2.8
Interest expenses		99.0	462.7	124.8	705.1
Net interest income	1	1,416.4	4,969.7	1,154.2	4,541.8
Commission income		630.6	2,325.0	547.9	1,963.5
Commission expenses		154.6	480.2	116.2	435.1
Net commission income	2	476.0	1,844.8	431.7	1,528.4
Net income on financial instruments measured at fair value through profit or loss and FX result	3	-7.8	64.3	20.9	103.5
Net income on the sale of securities measured at amortised cost		2.8	2.8	0.0	7.3
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income		26.8	38.4	5.1	31.1
Net (loss)/income on hedge accounting	4	-33.5	-52.5	-3.0	11.5
Net (loss)/income on other basic activities		-5.2	0.1	-9.1	-9.0
Net income on basic activities		1,875.5	6,867.6	1,599.8	6,214.6
General and administrative expenses	5	757.5	2,964.5	682.3	2,762.5
Impairment for expected credit losses		88.1	316.0	82.6	804.6
including profit on sale of receivables		0.0	61.6	0.0	4.1
Cost of legal risk of FX mortgage loans	7	56.0	56.4	239.9	270.3
Tax on certain financial institutions		149.7	544.7	122.5	481.6
Share of profit/(loss) of associates accounted for using the equity method		8.3	29.3	4.0	16.1
Gross profit		832.5	3,015.3	476.5	1,911.7
Income tax		163.5	707.0	162.6	574.1
Net profit		669.0	2,308.3	313.9	1,337.6
attributable to shareholders of ING Bank Śląski S.A.		669.0	2,308.3	313.9	1,337.6

- Consolidated statement of comprehensive income

	4 quarter 2021	4 quarters 2021 YTD	4 quarter 2020	4 quarters 2020 YTD
	the period from 1 Oct 2021 to 31 Dec 2021	the period from 1 Jan 2021 to 31 Dec 2021	the period from 1 Oct 2020 to 31 Dec 2020	the period from 1 Jan 2020 to 31 Dec 2020
Net profit for the period	669.0	2,308.3	313.9	1,337.6
Total other comprehensive income, including:	-3,915.0	-6,732.2	-291.4	2,057.4
Items which can be reclassified to income statement, including:	-3,913.8	-6,748.3	-312.9	2,029.9
debt instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	-281.4	-248.1	126.2	102.8
debt instruments measured at fair value through other comprehensive income – reclassification to financial result due to sale	-21.7	-25.7	-4.1	-18.3
cash flow hedging – gains on revaluation carried through equity	-3,376.7	-5,566.7	-212.2	2,562.5
cash flow hedging – reclassification to profit or loss	-234.0	-907.8	-222.8	-617.1
Items which will not be reclassified to income statement, including:	-1.2	16.1	21.5	27.5
equity instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	4.2	22.2	24.9	30.9
fixed assets revaluation	0.2	-0.3	0.0	0.0
actuarial gains/losses	-5.6	-5.8	-3.4	-3.4
Net comprehensive income for the reporting period	-3,246.0	-4,423.9	22.5	3,395.0
attributable to shareholders of ING Bank Śląski S.A.	-3,246.0	-4,423.9	22.5	3,395.0

- Consolidated statement of financial position

	Note	as at 31 Dec 2021	as at 30 Sep 2021	as at 31 Dec 2020
Assets				
Cash in hand and balances with the Central Bank		1,100.0	747.1	867.3
Loans and other receivables to other banks		704.8	913.8	704.6
Financial assets measured at fair value through profit or loss		1,538.3	1,957.5	1,817.6
Derivative hedge instruments		250.4	593.3	1,194.8
Investment securities		45,584.4	49,443.6	54,170.6
Loans and other receivables to customers measured at amortised cost	8	146,536.0	141,168.6	124,655.3
Transferred assets		2,280.9	3,018.6	963.0
Investments in associates accounted for using the equity method		184.8	176.1	174.1
Property, plant and equipment		831.2	828.0	913.1
Intangible assets		377.4	405.6	426.6
Current income tax assets		734.5	426.2	2.7
Deferred tax assets		1,245.0	594.6	423.2
Other assets		286.5	270.1	282.8
Total assets		201,654.2	200,543.1	186,595.7
Liabilities				
Liabilities to other banks		10,051.0	10,306.1	8,228.0
Financial liabilities measured at fair value through profit or loss		1,679.6	1,434.4	1,530.8
Derivative hedge instruments		235.4	406.0	558.5
Liabilities to customers	9	170,609.9	164,586.3	151,028.5
Liabilities from debt securities issued		972.4	547.2	1,370.5
Subordinated liabilities		1,610.3	2,318.2	2,309.2
Provisions		336.9	252.9	256.3
Current income tax liabilities		3.9	3.5	389.6
Other liabilities		2,623.4	3,247.9	2,306.0
Total liabilities		188,122.8	183,102.5	167,977.4
Equity				
Share capital		130.1	130.1	130.1
Share premium		956.3	956.3	956.3
Accumulated other comprehensive income		-2,821.0	1,102.8	3,923.4
Retained earnings		15,266.0	15,251.4	13,608.5
Equity attributable to shareholders of ING Bank Śląski		13,531.4	17,440.6	18,618.3
Non-controlling interests		0.0	0.0	0.0
Total equity		13,531.4	17,440.6	18,618.3
Total equity and liabilities		201,654.2	200,543.1	186,595.7

- Additional information

1. Net interest income

	4 quarter 2021	4 quarters 2021 YTD	4 quarter 2020	4 quarters 2020 YTD
	the period from 1 Oct 2021 to 31 Dec 2021	the period from 1 Jan 2021 to 31 Dec 2021	the period from 1 Oct 2020 to 31 Dec 2020	the period from 1 Jan 2020 to 31 Dec 2020
Interest income, including:	1,515.4	5,432.4	1,279.0	5,246.9
interest income calculated using effective interest rate method, including:	1,515.1	5,431.7	1,278.4	5,244.1
interest on financial instruments measured at amortised cost	1,474.4	5,277.0	1,233.0	4,902.2
interest on loans and other receivables to other banks	8.9	16.7	2.1	19.1
interest on loans and other receivables to customers	1,352.2	4,818.0	1,120.2	4,502.8
interest on investment securities	113.3	442.3	110.7	380.3
interest on investment securities measured at fair value through other comprehensive income	40.7	154.7	45.4	341.9
other interest income, including:	0.3	0.7	0.6	2.8
interest on loans and other receivables to customers measured at fair value through profit or loss	0.3	0.7	0.6	2.8
Interest expenses, including:	99.0	462.7	124.8	705.1
interest on deposits from other banks	8.0	10.6	1.6	19.9
interest on deposits from customers	81.9	416.2	113.7	642.4
interest on issue of debt securities	1.8	6.3	1.4	8.4
interest on subordinated liabilities	5.8	26.7	7.3	30.4
interest on lease liabilities	1.5	2.9	0.8	4.0
Net interest income	1,416.4	4,969.7	1,154.2	4,541.8

2. Net commission income

	4 quarter 2021	4 quarters 2021 YTD	4 quarter 2020	4 quarters 2020 YTD
	the period from 1 Oct 2021 to 31 Dec 2021	the period from 1 Jan 2021 to 31 Dec 2021	the period from 1 Oct 2020 to 31 Dec 2020	the period from 1 Jan 2020 to 31 Dec 2020
Commission income, including:	630.6	2,325.0	547.9	1,963.5
transaction margin on currency exchange transactions	151.0	544.3	121.2	435.1
account maintenance fees	129.7	441.2	112.9	360.9
lending commissions	100.8	402.8	85.5	351.0
payment and credit cards fees	116.3	425.9	115.2	374.7
participation units distribution fees	23.4	90.4	21.1	78.7
insurance product offering commissions	54.3	199.1	43.2	162.5
factoring and lease contracts commissions	8.6	39.0	6.5	31.1
brokerage activity fees	16.8	69.4	8.8	63.1
fiduciary and custodian fees	8.1	26.3	7.7	32.2
foreign commercial business	11.4	43.6	10.9	34.0
other commission	10.2	43.0	14.9	40.2
Commission expenses, including:	154.6	480.2	116.2	435.1
payment and credit cards	72.3	255.1	60.2	234.4
Net commission income	476.0	1,844.8	431.7	1,528.4

3. Net income on financial instruments measured at fair value through profit or loss and FX result

	4 quarter 2021	4 quarters 2021 YTD	4 quarter 2020	4 quarters 2020 YTD
	the period from 1 Oct 2021 to 31 Dec 2021	the period from 1 Jan 2021 to 31 Dec 2021	the period from 1 Oct 2020 to 31 Dec 2020	the period from 1 Jan 2020 to 31 Dec 2020
FX result and net income on interest rate derivatives, including	-16.3	16.8	8.4	61.1
FX result	226.4	674.3	-86.9	53.0
currency derivatives	-242.7	-657.5	95.3	8.1
Net income on interest rate derivatives	11.4	44.0	11.6	5.5
Net income on debt instruments held for trading	1.8	6.9	0.7	36.8
Net income on equity instruments	-4.7	-3.6	0.0	0.0
Net income on measurement of loans to customers	0.0	0.2	0.2	0.1
Total	-7.8	64.3	20.9	103.5

4. Net (loss)/income on hedge accounting

	4 quarter 2021	4 quarters 2021 YTD	4 quarter 2020	4 quarters 2020 YTD
	the period from 1 Oct 2021 to 31 Dec 2021	the period from 1 Jan 2021 to 31 Dec 2021	the period from 1 Oct 2020 to 31 Dec 2020	the period from 1 Jan 2020 to 31 Dec 2020
Net income on hedge accounting	-35.3	-55.9	-3.0	19.9
valuation of the hedged transaction	-515.4	-1,090.2	-81.3	316.7
valuation of the hedging transaction	480.1	1,034.3	78.3	-296.8
Cash flow hedge accounting	1.8	3.4	0.0	-8.4
ineffectiveness under cash flow hedges	1.8	3.4	0.0	-8.4
Total	-33.5	-52.5	-3.0	11.5

5. General and administrative expenses

	4 quarter 2021	4 quarters 2021 YTD	4 quarter 2020	4 quarters 2020 YTD
	the period from 1 Oct 2021 to 31 Dec 2021	the period from 1 Jan 2021 to 31 Dec 2021	the period from 1 Oct 2020 to 31 Dec 2020	the period from 1 Jan 2020 to 31 Dec 2020
Personnel expenses	424.1	1,497.0	364.6	1,314.0
Other general and administrative expenses, including:	333.4	1,467.5	317.7	1,448.5
cost of marketing and promotion	36.1	135.6	39.1	123.3
depreciation and amortisation	72.5	286.3	78.3	294.2
obligatory Bank Guarantee Fund payments, of which:	28.4	245.0	41.8	288.7
resolution fund	0.0	132.6	0.0	125.4
bank guarantee fund	28.4	112.4	41.8	163.3
fees to the Polish Financial Supervision Authority	0.0	19.3	0.1	13.4
IT costs	77.2	309.7	39.4	268.1
maintenance of buildings and real estate measurement to fair value	42.2	122.2	18.7	96.0
costs of short-term leasing and low-value leasing	3.7	11.6	3.8	13.3
other	73.3	337.8	96.5	351.5
Total	757.5	2,964.5	682.3	2,762.5

6. The headcount in the ING Bank Śląski S.A. Group

	as at 31 Dec 2021	as at 30 Sep 2021	as at 31 Dec 2020
FTEs	8,642.9	8,714.1	8,451.2
Individuals	8,694	8,763	8,507

7. Cost of legal risk of FX mortgage loans

	4 quarter 2021 the period from 1 Oct 2021 to 31 Dec 2021	4 quarters 2021 YTD the period from 1 Jan 2021 to 31 Dec 2021	4 quarter 2020 the period from 1 Oct 2020 to 31 Dec 2020	4 quarters 2020 YTD the period from 1 Jan 2020 to 31 Dec 2020
Provisions for legal risk of FX indexed mortgage loans, including:				
relating to loans in the Bank's portfolio	42.8	42.8	239.9	267.3
relating to repaid loans	13.2	13.6	0.0	3.0
Total	56.0	56.4	239.9	270.3

8. Loans and other receivables to customers measured at amortised cost

	as at 31 Dec 2021			as at 30 Sep 2021			as at 31 Dec 2020		
	gross	expected credit losses	net	gross	expected credit losses	net	gross	expected credit losses	net
Loan portfolio, of which:	146,400.3	-3,113.6	143,286.7	141,163.0	-3,033.3	138,129.7	125,992.4	-3,270.3	122,722.1
Corporate banking	79,914.5	-2,158.2	77,756.3	76,654.6	-2,085.0	74,569.6	70,159.9	-2,183.2	67,976.7
loans in the current account	12,408.6	-560.0	11,848.6	12,523.5	-544.8	11,978.7	9,549.9	-567.8	8,982.1
term loans and advances	46,117.3	-1,441.7	44,675.6	44,603.5	-1,373.9	43,229.6	42,928.5	-1,417.7	41,510.8
lease receivables	11,180.0	-90.0	11,090.0	10,648.3	-96.5	10,551.8	9,832.1	-134.5	9,697.6
factoring receivables	6,890.0	-66.2	6,823.8	6,241.9	-69.4	6,172.5	4,857.1	-62.6	4,794.5
debt securities (corporate and municipal)	3,318.6	-0.3	3,318.3	2,637.4	-0.4	2,637.0	2,992.3	-0.6	2,991.7
Retail banking	66,485.8	-955.4	65,530.4	64,508.4	-948.3	63,560.1	55,832.5	-1,087.1	54,745.4
mortgages	57,410.2	-217.9	57,192.3	55,535.6	-245.2	55,290.4	47,901.1	-279.3	47,621.8
loans in the current account	685.9	-54.0	631.9	692.0	-51.3	640.7	655.0	-60.7	594.3
other loans and advances	8,389.7	-683.5	7,706.2	8,280.8	-651.8	7,629.0	7,276.4	-747.1	6,529.3
Other receivables, of which:	3,249.3	0.0	3,249.3	3,038.9	0.0	3,038.9	1,933.3	-0.1	1,933.2
call deposits placed	2,531.5	0.0	2,531.5	2,257.3	0.0	2,257.3	1,272.2	0.0	1,272.2
other	717.8	0.0	717.8	781.6	0.0	781.6	661.1	-0.1	661.0
Total	149,649.6	-3,113.6	146,536.0	144,201.9	-3,033.3	141,168.6	127,925.7	-3,270.4	124,655.3

Quality of loan portfolio

	as at 31 Dec 2021			as at 30 Sep 2021			as at 31 Dec 2020		
	gross	expected credit losses	net	gross	expected credit losses	net	gross	expected credit losses	net
Corporate banking	79,914.5	-2,158.2	77,756.3	76,654.6	-2,085.0	74,569.6	70,159.9	-2,183.2	67,976.7
assets in stage 1	70,651.7	-168.7	70,483.0	67,164.7	-166.5	66,998.2	59,222.1	-192.1	59,030.0
assets in stage 2	6,467.8	-218.4	6,249.4	6,688.3	-214.8	6,473.5	7,842.2	-227.7	7,614.5
assets in stage 3	2,743.9	-1,771.1	972.8	2,800.1	-1,703.7	1,096.4	3,094.3	-1,763.4	1,330.9
POCI assets	51.1	0.0	51.1	1.5	0.0	1.5	1.3	0.0	1.3
Retail banking	66,485.8	-955.4	65,530.4	64,508.4	-948.3	63,560.1	55,832.5	-1,087.1	54,745.4
assets in stage 1	64,113.5	-107.0	64,006.5	61,787.9	-117.4	61,670.5	52,646.0	-150.2	52,495.8
assets in stage 2	1,367.3	-139.4	1,227.9	1,708.0	-142.9	1,565.1	2,129.6	-181.8	1,947.8
assets in stage 3	1,002.8	-709.0	293.8	1,010.2	-688.0	322.2	1,054.7	-755.1	299.6
POCI assets	2.2	0.0	2.2	2.3	0.0	2.3	2.2	0.0	2.2
Total, of which:	146,400.3	-3,113.6	143,286.7	141,163.0	-3,033.3	138,129.7	125,992.4	-3,270.3	122,722.1
assets in stage 1	134,765.2	-275.7	134,489.5	128,952.6	-283.9	128,668.7	111,868.1	-342.3	111,525.8
assets in stage 2	7,835.1	-357.8	7,477.3	8,396.3	-357.7	8,038.6	9,971.8	-409.5	9,562.3
assets in stage 3	3,746.7	-2,480.1	1,266.6	3,810.3	-2,391.7	1,418.6	4,149.0	-2,518.5	1,630.5
POCI assets	53.3	0.0	53.3	3.8	0.0	3.8	3.5	0.0	3.5

9. Liabilities to customers

	as at 31 Dec 2021	as at 30 Sep 2021	as at 31 Dec 2020
Deposits, including:	168,458.5	162,559.4	149,269.9
Corporate banking	69,029.9	66,035.6	58,755.4
current deposits	55,776.1	53,052.4	45,250.6
saving deposits	12,462.4	12,351.2	12,920.5
term deposits	791.4	632.0	584.3
Retail banking	99,428.6	96,523.8	90,514.5
current deposits	28,641.5	27,082.1	22,924.1
saving deposits	69,286.6	68,072.5	65,896.2
term deposits	1,500.5	1,369.2	1,694.2
Other liabilities, including:	2,151.4	2,026.9	1,758.6
liabilities under cash collateral	476.3	475.9	547.1
other liabilities, including:	1,675.1	1,551.0	1,211.5
call deposits received	12.5	11.0	20.7
other	1,662.6	1,540.0	1,190.8
Total	170,609.9	164,586.3	151,028.5

10. Total capital ratio

	as at 31 Dec 2021	as at 30 Sep 2021	as at 31 Dec 2020
Own funds			
A. Own equity in the statement of financial position, including:	13,531.4	17,440.6	18,618.3
A.I. Own equity included in the own funds calculation	14,718.0	15,685.8	15,138.3
A.II. Own equity excluded from own funds calculation	-1,186.6	1,754.8	3,480.0
B. Other elements of own funds (decreases and increases), including:	971.9	1,904.3	2,082.0
subordinated debt	1,609.8	2,233.5	2,307.4
goodwill and other intangible assets	-425.1	-449.3	-466.9
adjustment in the transitional period due to adaptation to IFRS 9 requirements	295.7	184.3	316.0
value adjustments due to the requirements for prudent valuation	-19.1	-23.3	-24.9
deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-544.5	-41.0	-49.6
IRB excess of provisions over expected losses eligible	58.3	0.0	0.0
coverage shortfall for non-performing exposures	-3.2	0.1	0.0
Own funds taken into account in total capital ratio calculation (A.I. + B), including:	15,689.9	17,590.1	17,220.3
Core Tier 1 capital	14,021.8	15,356.6	14,912.9
Tier 2 capital	1,668.1	2,233.5	2,307.4
Risk weighted assets, including:	104,073.3	99,657.3	88,211.1
for credit risk	92,610.6	88,165.6	77,239.7
for operational risk	10,209.5	10,209.5	10,209.5
other	1,253.2	1,282.2	761.9
Total capital requirements	8,325.9	7,972.6	7,056.9
Total capital ratio (TCR)	15.08%	17.65%	19.52%
Minimum required level	11.251%	11.003%	11.002%
Surplus TCR ratio over the regulatory requirement (p.p)	3.83	6.65	8.52
Tier 1 ratio (T1)	13.47%	15.41%	16.91%
Minimum required level	9.251%	9.003%	9.002%
Surplus T1 ratio over the regulatory requirement (p.p)	4.22	6.41	7.91

*) Group in the calculation of capital charges used with transitional provisions in the scope of mitigating the impact of applying IFRS 9 at the applicable level. If the full impact of the application of IFRS 9 was taken into account, the total capital ratio would be 14,95% and the Tier 1 ratio would be 13,32% (compared to 19,28% and 16,56% at the end of 2020 respectively).

By its letter of 24 January 2022, the PFSA gave permission to include PLN 500.5 million as part of the consolidated Tier 1 capital; the amount represents the consolidated net profit of the Group for 1H 2021, less the assumed dividend ratio of up to 50% of the Bank's annual net profit. The data as at 30 September 2021 were recalculated to account for the said permission.

11. Financial result divided into operating segments

	4 quarter 2021	4 quarters 2021 YTD	4 quarter 2020	4 quarters 2020 YTD
	the period from 1 Oct 2021 to 31 Dec 2021	the period from 1 Jan 2021 to 31 Dec 2021	the period from 1 Oct 2020 to 31 Dec 2020	the period from 1 Jan 2020 to 31 Dec 2020
Corporate banking segment				
Income total	991.2	3,575.6	840.9	3,269.3
net interest income	662.6	2,254.3	521.4	2,101.9
net commission income	340.6	1,286.8	305.9	1,068.4
other income/expenses	-12.0	34.5	13.6	99.0
Expenses total	363.8	1,421.0	335.4	1,322.9
Segment result	627.5	2,154.7	505.5	1,946.4
Impairment for expected credit losses	82.3	238.0	-1.1	488.6
Tax on certain financial institutions	85.7	312.7	71.8	285.2
The gross financial result of the corporate banking segment	459.5	1,604.0	434.8	1,172.6
Retail banking segment				
Income total	884.3	3,292.0	758.9	2,945.3
net interest income	753.8	2,715.4	632.8	2,439.9
net commission income	135.4	558.0	125.8	460.0
other income/expenses	-4.9	18.6	0.3	45.4
Expenses total	393.7	1,543.5	346.9	1,439.6
Segment result	490.5	1,748.4	412.0	1,505.7
Impairment for expected credit losses	5.8	78.0	83.7	316.0
Cost of legal risk of FX mortgages	56.0	56.4	239.9	270.3
Tax on certain financial institutions	64.0	232.0	50.7	196.4
Share of profit/(loss) of associates accounted for using the equity method	8.3	29.3	4.0	16.1
The gross financial result of the retail banking segment	373.0	1,411.3	41.7	739.1

12. Legal risk related to the portfolio of loans indexed to CHF

As at 31 December 2021, the amount of the adjustment to the gross carrying amount resulting from the legal risk for the portfolio of CHF-indexed mortgage loans disclosed in the statement of financial position amounted to PLN 345.6 million (compared to PLN 314.3 million as at 30 September 2021 and PLN 300.0 million at the end of 2020).

Regarding CHF-indexed mortgage loans already removed from the statement of financial position, as at 31 December 2021, the Group maintained a provision amounted to PLN 37.6 million (compared to PLN 10.9 million as at 30 September 2021 and PLN 11.8 million at the end of 2020). This amount is presented in liabilities under *Provisions*.

At the end of the 4th quarter of 2021, the net value of the Group's FX mortgage loan portfolio was PLN 480.1 million, of which PLN 468.8 million was the value of the CHF-indexed loan portfolio (PLN 516.7 million and PLN 504.4 million as at 30 September 2021 and PLN 600.7 million and PLN 584.9 million at the end of 2020, respectively).

As at 31 December 2021, 755 court cases were pending against the Bank (701 and 450 cases as at 30 September and at the end of 2020 respectively) in connection with the concluded loan agreements in PLN indexed with CHF. As at 31 December 2021, the outstanding capital of the loans concerned by the proceedings was PLN 197.8 million (PLN 180.8 million as at 30 September 2021 and PLN 129.6 million at the end of 2020).

To date, the Bank has not received any class action, and neither of the clauses used by the Bank in the agreements has been entered in the register of prohibited clauses.

The amount of the gross carrying amount adjustment due to the legal risk of the CHF-indexed mortgage portfolio recognised in the report on the financial standing and the amount of provisions for legal risk of CHF-indexed mortgage loans that have already been removed from the report on the financial standing depends on a number of variables; those variables include: the scale of settlement agreements with the borrowers, the forecasted number of future disputes and possible future outcomes, and the probability distribution of various probabilities.

As at 31 December 2021, a portfolio approach was used to estimate the gross carrying amount adjustment related to the portfolio of CHF-indexed mortgage loans included in the statement of financial position and to estimate the provision for CHF-indexed mortgage assets removed from the report resulting from legal risk related to these credits.

The adjustment to the gross carrying amount of the CHF portfolio is intended to reflect the actual and revised estimated contractual cash flows (the change due to the assessment that the legal risk associated with the CHF-indexed mortgage portfolio changes the payment assessment for these assets and the adjustment to the gross carrying amount), will allow the gross carrying amount to be disclosed at an amount that will reflect the actual and revised estimated contractual cash flows).

For financial assets already removed from the statement of financial position, the recognition of provisions for legal risk on a portfolio basis results from the assessment of the probability of an outflow of cash.

As at 31 December 2021, potential losses on account of legal risk are estimated with the portfolio method as the weighted average for the three scenarios – baseline-, positive- and adverse scenarios, upon accounting for the estimated probability. The underlying scenarios on which the estimation is based differ in terms of the probability of various possible legal outcomes and the scale of settlement agreements, expected by the Bank, regarding conversion of CHF-indexed loans to PLN loans (with interest rate based on WIBOR, upon accounting for the credit margin published by the PFSA for the purpose of the settlement process) and the expected number of court cases calculated on the basis of the Bank's professional judgement based on the Bank's experience so far and the current analysis of the market situation.

A change of the estimate on account of the adjustment of the gross carrying amount for CHF-indexed loans recognised in the report on the financial standing and the provision for financial assets already removed from the report on the financial standing in 2021 vs their balance as at 31 December 2020 resulted, among other things, from an increase in the CHF/PLN exchange rate, updating the estimated impact of the scenario providing for settlement agreements with clients regarding conversion of CHF-indexed loans to PLN loans; also, in case of financial assets already removed from the report on financial standing, it was also caused by changes to the assumptions as to possible outcomes and the time horizon of the scenarios.

The main source of uncertainty for the estimates described above are the assumptions concerning 1) the distribution of voluntary settlements versus the number of disputes ending in cancellation of the contract; 2) the size of the portfolio not covered by either voluntary settlements or disputes and 3) the probability of the cancellation of the contract in court cases.

13. Information on pending and completed proceedings

Proceedings before the President of the Office of Competition and Consumer Protection (UOKiK)

- Proceedings on provisions providing for the possibility of changing a standard contract, contract or table of fees and commissions for important reasons, the so-called modification clauses

On 1 April 2019, the President of the Office of Competition and Consumer Protection (UOKiK) initiated ex officio proceedings to recognize a standard contract as illegal in terms of contractual provisions that may violate Art. 23a of the Act on competition and consumer protection. The proceedings concern provisions providing for the possibility of changing the standard contract, contract or table of fees and commissions for important reasons, the so-called modification clauses.

The scope of the procedure relates to the provisions in various general terms and conditions, regulations and contracts concluded with consumers: for cash loans, overdraft limit, granting and repayment of loans in a brokerage account, using a credit card – in the version effective from 7 March 2016; for checking and checking accounts and savings accounts – in the version effective from 9 November 2015; for maintaining payment accounts – in the version applicable from 6 August 2018; for prepaid cards – in the version valid from 1 January 2016.

In the opinion of the President of UOKiK, the analysed modification clauses may constitute prohibited contractual provisions due to:

- the possibility of unilaterally changing the general terms and conditions of the contract as to its essential provisions, in the scope of contracts enabling the generation of debt on the part of consumers, concluded for a specified period,
- general, imprecise nature of the premises for a unilateral amendment to the contract, which does not allow consumers to verify them correctly, and in some provisions there are no time limits as to the scope of changes,
- no provisions regarding the possibility of continuing a contract concluded for a specified period of time regarding crediting consumer needs under the existing rules in the event of failure to accept unilateral proposed changes from the bank.

By letter of 13 May 2021, UOKiK notified the Bank of the completion of the collection of evidence. UOKiK decided to extend the deadline for completion of the proceedings until 31 December 2021, and then until 30 April 2022.

As at 31 December 2021, the Group has not identified any premises for the creation of provisions on this account.

- Proceedings on the use of practices violating collective consumer interests

Before the President of the Office of Competition and Consumer Protection, an ex officio proceeding was conducted on 9 July 2014 regarding the use of practices violating collective consumer interests, consisting in: during the validity of payment card contracts, replacement of payment cards not equipped with a contactless function for cards equipped with this function without changing the content of the contract ; deriving the legal effects from the communication for the account holder specified in the *Regulations for the provision of services by ING Bank Śląski as part of keeping savings and checking accounts and savings accounts for natural persons*; failure to provide consumers with information about the possibilities and rules of making the so-called contactless transactions, spending limits for payment transactions performed with these payment cards, on paper or on another durable medium, in due time before the conclusion of the contract. The Bank's proposed obligations presented to the supervisor as part of the procedure were already implemented. On 18 December 2018, the Office of Competition and Consumer Protection decided to extend the procedure. In July 2021, UOKiK asked for information whether the Bank is upholding its will to commit. In relation with the implementation of all the proposed commitments submitted as part of the proceedings and the absence of practices questioned by the office, the Bank applied for discontinuation of the proceedings.

On 30 December 2021, UOKiK issued a decision terminating the proceedings. UOKiK ordered the Bank to cease using practices which it considered infringing collective consumer interests, stated that the Bank refrained from using a practice which it considered infringing collective consumer interests, partially discontinued the proceedings.

- Proceedings on the allegation of practices restricting competition on the market of acquiring services related to payments with payment cards in Poland

After conducting antitrust proceedings against ING Bank Śląski S.A. and other banks, at the request of the Polish Trade and Distribution Organization - the Employers' Association (POHiD), the President of the Office of Competition and Consumer Protection issued a decision on 29 December 2006 stating that the Bank had

committed practices restricting competition. As restricting competition, UOKiK found the practice consisting in the participation by various Polish banks, including the Bank, in an agreement restricting competition on the acquiring services market related to the settlement of consumers' obligations towards merchants, for payments for goods and services purchased by consumers, with the use of payment cards on territory of Poland by jointly setting the amount of the interchange fee charged for transactions made with Visa and MasterCard cards in Poland. Due to the finding of competition restricting practices, UOKiK imposed fines, including penalties on the Bank in the amount of PLN 14.1 million.

From this decision, among others The bank appealed to the Court of Competition and Consumer Protection (SOKiK). By ruling on 12 November 2008, SOKiK changed the decision of UOKiK, so that it did not find any practice restricting competition. On 22 April 2010, this judgment was quashed by a judgment of the Court of Appeal, which referred the case to SOKiK for re-examination. On 27 April 2021, the files of the main interchange fee case were transferred to SOKiK.

Due to the lack of final decisions, the amount of the refunded penalty was not recognized in the profit and loss account. As at 31 December 2021, the value of the provision was PLN 14.1 million.

PFSA proceedings

- On 12 October 2018, the Polish Financial Supervision Authority imposed a fine on the Bank in the amount of PLN 500 thousand, pursuant to Art. 232 sec. 1 of the Act on Investment Funds and Alternative Investment Funds Management, in the wording before the amendment made by the Act of 31 March 2016, in connection with the breach of depository's obligations set out in Art. 72 of the Act in connection with the Bank acting as the depository of the Inventum Premium SFIO and Inventum Parasol FIO funds with separate sub-funds.

In the course of reconsidering the case, the PFSA confirmed the violations and did not identify any circumstances that would justify reducing the fine.

In connection with the proceedings, a provision in the amount of PLN 0.5 million was created in December 2018. The Bank paid the imposed fine in the third quarter of 2020. On 1 October 2020, the Bank appealed against the said decision to the Provincial Administrative Court. In the judgment of 7 April 2021, the Provincial Administrative Court overruled the decision of 12 October 2018 and the decision of the Polish Financial Supervision Authority of 12 August 2020 upholding this decision.

The PFSA filed a complaint with the Supreme Administrative Court on 27 July 2021. On 25 August 2021, the Bank responded to the complaint. The date of the hearing before the Supreme Administrative Court has not been set.

- On 17 June 2020, by way of decision delivered on 1 July 2020, the Polish Financial Supervision Authority (PFSA) initiated administrative proceedings to impose a penalty on ING Bank Śląski S.A. due to suspected breach of depository's duties, as set out in Article 72 of the Investment Funds and Alternative Investment Funds Management Act, in relation to the Bank's depository function in regard to the following funds: Trigon Polskie Perły FIZ, Opera MP FIZ, Opera SFIO Subfundusz Alfa-plus, Trigon Profit XX NS FIZ, Trigon Profit XXI NS FIZ, Trigon Profit XXII NS FIZ, Trigon Profit XXIII NS FIZ, Trigon Profit XXIV NS FIZ and Altus Absolutnej Stopy Zwrotu FIZ Rynku Polskiego 2, and also in Article 9.2 of the said Act.

The proceedings ended on 17 December 2021; PFSA issued a decision and imposed an administrative fine on the Bank in the (total) amount of PLN 4.3 million for breaching:

- Article 72(1)(7) in conjunction with Article 72(3) of the Investment Funds and Alternative Investment Funds Management Act for improper exercise of ongoing control over factual- and legal activities performed by the Trigon Profit Funds and by the Opera MP Closed-Ended Fund and the Opera Alfa-plus.pl Sub-fund separated within the Opera Open-Ended Specialist Investment in relation to the valuation of shares of Kancelaria Medius SA, Centrum Finansowe SA, SkyCash Poland SA and Re Development SA, as well as the valuation of liabilities packages,
- Article 9.2 of the Investment Funds Act in relation to the performance of depository duties in an unreliable manner and without exercising utmost care expected from a professional performance of the business operations.

The Bank filed a request with the PFSA for reconsideration. As at 31 December 2021, the Bank maintained a provision to cover the said penalty.

- On 8 June 2021, the Bank received a notification from the Polish Financial Supervision Authority (PFSA) on the initiation of ex officio administrative proceedings to impose an administrative fine due to suspected

breaches identified as a result of an inspection carried out between 20 May and 24 May 2019 in the area of anti-money laundering and terrorism financing.

On 20 January 2022, the Bank received a decision, whereby the PFSA imposed an administrative fine on the Bank in the amount of PLN 3.0 million for the following breaches:

- 1) incorrect application of due diligence measures including ongoing monitoring of the customer's business relationships,
- 2) lack of ongoing application and adequate intensification of due diligence measures in case of a higher money laundering risk or terrorist financing risk,
- 3) lack of documentation concerning the applied due diligence measures to examine the source of funds and source of wealth of Private Banking clients.

As at 31 December 2021, the Bank maintained a provision to cover the said penalty.

Other proceedings

- On 23 January 2020, the Bank received a notice from the President of the Office of Personal Data Protection about inspection of compliance of personal data processing with the personal data protection-related regulations; i.e. Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) and the Personal Data Protection Act of 10 May 2018. On 9 December 2021, the Bank received a notice from the President of the Office of Personal Data Protection about institution of administrative proceedings ex officio in that area. In the course of the proceedings, the Bank is taking all the measures required by law.
- On 28 June 2021, the Bank received a post-inspection statement from the General Inspector of Financial Information (GIFI) pursuant to Art. 142 of the Act of 1 March 2018 on counteracting money laundering and terrorist financing regarding the control carried out at the Bank on from 16 November 2020 to 7 March 2021. The Bank received a notification from the GIFI about the initiation of ex officio administrative proceedings in this area. In the course of the proceedings, the Bank takes the actions required by the law.

- Income statement of ING Bank Śląski S.A.

	4 quarter 2021	4 quarters 2021 YTD	4 quarter 2020	4 quarters 2020 YTD
	the period from 1 Oct 2021 to 31 Dec 2021	the period from 1 Jan 2021 to 31 Dec 2021	the period from 1 Oct 2020 to 31 Dec 2020	the period from 1 Jan 2020 to 31 Dec 2020
Interest income	1,431.7	5,131.3	1,210.3	4,970.0
calculated using effective interest rate method	1,431.4	5,130.6	1,209.7	4,967.2
other interest income	0.3	0.7	0.6	2.8
Interest expenses	98.5	458.6	122.8	693.3
Net interest income	1,333.2	4,672.7	1,087.5	4,276.7
Commission income	616.9	2,265.4	535.5	1,914.9
Commission expenses	156.3	486.6	119.4	442.8
Net commission income	460.6	1,778.8	416.1	1,472.1
Net income on financial instruments measured at fair value through profit or loss and FX result	-7.4	64.1	21.8	101.9
Net income on the sale of securities measured at amortised cost	2.8	2.8	0.0	7.3
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	26.9	30.8	5.0	19.4
Net (loss)/income on hedge accounting	-33.5	-52.5	-3.0	11.5
Net (loss)/income on other basic activities	-5.9	-5.5	-12.0	-14.1
Net income on basic activities	1,776.7	6,491.2	1,515.4	5,874.8
General and administrative expenses	715.0	2,812.5	641.3	2,616.2
Impairment for expected credit losses	80.3	285.3	66.0	699.7
including profit on sale of receivables	0.0	61.6	0.0	4.1
Cost of legal risk of FX mortgage loans	56.0	56.4	239.9	270.3
Tax on certain financial institutions	149.8	544.7	122.5	481.6
Share of profit/(loss) of subsidiaries and associates accounted for using the equity method	46.9	179.1	21.7	75.7
Gross profit	822.5	2,971.4	467.4	1,882.7
Income tax	153.5	663.1	153.5	545.1
Net profit	669.0	2,308.3	313.9	1,337.6

- Statement of comprehensive income of ING Bank Śląski S.A.

	4 quarter 2021	4 quarters 2021 YTD	4 quarter 2020	4 quarters 2020 YTD
	the period from 1 Oct 2021 to 31 Dec 2021	the period from 1 Jan 2021 to 31 Dec 2021	the period from 1 Oct 2020 to 31 Dec 2020	the period from 1 Jan 2020 to 31 Dec 2020
Net profit for the period	669.0	2,308.3	313.9	1,337.6
Total other comprehensive income, including:	-3,948.1	-6,711.1	-217.3	1,918.1
Items which can be reclassified to income statement, including:	-3,946.9	-6,727.2	-238.8	1,890.6
debt instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	-281.3	-248.0	126.2	102.8
debt instruments measured at fair value through other comprehensive income – reclassification to financial result due to sale	-21.7	-25.7	-4.1	-18.3
loans measured at fair value through other comprehensive income - revaluation gains / losses related to equity	-33.2	21.0	74.1	-139.3
cash flow hedging – gains on revaluation carried through equity	-3,376.7	-5,566.7	-212.2	2,562.5
cash flow hedging – reclassification to profit or loss	-234.0	-907.8	-222.8	-617.1
Items which will not be reclassified to income statement, including:	-1.2	16.1	21.5	27.5
equity instruments measured at fair value through other comprehensive income – gains on revaluation carried through equity	4.2	22.2	24.9	30.9
fixed assets revaluation	0.2	-0.3	0.0	0.0
actuarial gains/losses	-5.6	-5.8	-3.4	-3.4
Net comprehensive income for the reporting period	-3,279.1	-4,402.8	96.6	3,255.7

- Statement of financial position of ING Bank Śląski S.A.

	as at 31 Dec 2021	as at 30 Sep 2021	as at 31 Dec 2020
Assets			
Cash in hand and balances with the Central Bank	1,100.0	747.1	867.3
Loans and other receivables to other banks	3,158.4	3,913.0	2,674.2
Financial assets measured at fair value through profit or loss	1,538.3	1,957.5	1,817.6
Derivative hedge instruments	250.4	593.3	1,194.8
Investment securities	45,519.8	49,393.0	54,119.3
Loans and other receivables to customers	137,429.0	132,239.8	116,352.3
Transferred assets	2,280.9	3,018.6	963.0
Investments in subsidiaries and associates accounted for using the equity method	1,531.9	1,485.3	1,354.1
Property, plant and equipment	815.4	811.4	894.4
Intangible assets	356.1	381.9	404.3
Current income tax assets	730.4	422.2	0.0
Deferred tax assets	1,115.8	461.2	271.1
Other assets	166.7	148.9	204.5
Total assets	195,993.1	195,573.2	181,116.9
Liabilities			
Liabilities to other banks	6,216.4	6,594.4	4,776.6
Financial liabilities measured at fair value through profit or loss	1,679.6	1,434.4	1,530.8
Derivative hedge instruments	235.4	406.0	558.5
Liabilities to customers	170,104.1	164,175.7	150,736.5
Subordinated liabilities	1,610.3	2,318.2	2,309.2
Provisions	332.4	248.5	250.8
Current income tax liabilities	0.0	0.0	387.4
Other liabilities	2,510.3	3,149.0	2,196.6
Total liabilities	182,688.5	178,326.2	162,746.4
Equity			
Share capital	130.1	130.1	130.1
Share premium	956.3	956.3	956.3
Accumulated other comprehensive income	-3,047.8	909.2	3,675.6
Retained earnings	15,266.0	15,251.4	13,608.5
Total equity	13,304.6	17,247.0	18,370.5
Total equity and liabilities	195,993.1	195,573.2	181,116.9