

Current report no. 8/2022

Date: 15-07-2022

Subject: Notice of the estimated adjustment of the gross carrying amount of the PLN mortgage portfolio in II half of 2022.

The Management Board of ING Bank Hipoteczny S.A. ("the Bank") hereby make public the preliminary estimated adjustment of the gross carrying amount of the PLN mortgage portfolio in consequence of signing by the President on 14 July 2022 the Act on crowdfunding for business ventures and support for borrowers ("the Act"). The Act introduces e.g. for the borrowers the option to suspend the repayment of up to 8 monthly instalments of the mortgage loan – two instalments per quarter in H2 2022 and one instalment per quarter in 2023 ("suspension of instalments repayment")– and for lenders the duty for the banking sector to make an extra contribution of PLN 1.4 billion to the Borrower Financial Assistance Fund ("BFAF") by 2022 yearend.

As regards the suspension of instalments repayment, the Bank Management Board are of the opinion that the adjustment estimated under IFRS 9, based on the available knowledge and assumptions adopted, is material and that it will entail a one-off lowering of the gross result of the Bank (that is a reduction of income) for July 2022 by approx. PLN 103 million. In consequence, the Bank Management Board expect a net loss in 2022. Further, the Management Board would like to point out that the estimated adjustment will adversely impact the total capital ratio of the Bank by approx. 5 p.p.

The preliminarily estimated adjustment was set as the difference between the present value of estimated cash flows under credit agreements considering suspension of instalment repayments and the present gross carrying amount of the loan portfolio, on the assumption that 70% of clients would be interested in suspending repayment of instalment payments.

The Bank Management Board would like to accentuate that the above amount will be subject to change given, first and foremost, the actual interest in suspending loan repayments. The revised adjustment and its impact on the financial result of the Bank will be presented in the 2022 financial report.

Legal grounds: Article 17.1 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (MAR).

Signatures of company representatives:

Mirosław Boda - President of the Management Board

Jacek Frejlich - Vice President of the Management Board