

Current report no 20/2022

Date: 2022-12-23

**Subject: Imposition by the Polish Financial Supervision Authority of a capital add-on recommended under Pillar 2 (P2G).**

The Management Board of ING Bank Hipoteczny S.A. ("the Bank") communicate to have received on December 23, 2022 a letter from the Polish Financial Supervision Authority ("PFSA") with the recommendation to limit the business risk of the Bank by maintaining own funds to cover the capital add-on ("P2G") at 1,76 p.p. so as to absorb potential losses resulting from occurrence of stress conditions.

The recommendation should be fulfilled above the total capital ratio ("TCR" referred to in Article 92.1c of Regulation No. 575/2013), increased by the additional own funds requirement ("P2R", referred to in Article 138.2.2 of the Banking Law Act) and the combined buffer requirement (referred to in Article 55.4 of the Act on macroprudential supervision). The P2G capital add-on should be made up of the Common Equity Tier 1 capital only.

The P2G recommendation applies to the Bank since the moment of PFSA notice receipt.

In line with the PFSA methodology for determination of the capital add-on recommended under Pillar 2 (P2G), the maximum P2G capital add-on can be 4.5 p.p.

The above decision of the Polish Financial Supervision Authority does not require any additional action on the part of the Bank. ING Bank Hipoteczny S.A. has a high and safe level of capital adequacy that significantly exceeds the level of specified regulatory limits.

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:

Jacek Frejlich – President of the Management Board

Marek Byczek - Vice President of the Management Board