ING Bank Śląski S.A. Group

Qualitative and quantitative disclosures relating to capital adequacy for the 1st quarter of 2022

Contents

Capital adequacy

Introduction

Pursuant to the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 as amended (Regulation CRR) and the Banking Law Act of 29 August 1997 (Journal of Laws of 2021, item 2439 as amended), hereinafter referred to as the "Banking Law Act", ING Bank Śląski S.A., hereinafter referred to as the Bank, is obliged to make qualitative and quantitative disclosures relating to the capital adequacy, excluding information immaterial, proprietary or confidential.

Pursuant to the "Policy of disclosing qualitative and quantitative information on capital adequacy and variable components of remuneration of ING Bank Śląski S.A.", disclosures relating to the ING Bank Śląski S.A. Group, hereinafter referred to as the Group, are published.

Disclosures in this document are based on the data from the quarterly consolidated report of the ING Bank Śląski S.A. Group for the 1st quarter of 2022. The presented values have been prepared in Polish zlotys (PLN). Unless provided for otherwise, all values were given rounded up to PLN million. Therefore, there may be cases of mathematical inconsistency in the summaries or between individual tables.

For the disclosure of information, templates of forms included in the Commission Implementing Regulation (EU) 2021/637 were used, hence the letter markings of the table columns and the numbering of lines.

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1. Regulatory capital requirements calculation

The Group is required to maintain T1 and TCR ratios at least at the level of 9.38% and 11.38% respectively.

The requirement arises from the provisions of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 (CRR) i.e.:

- for Common Equity Tier 1 ratio - CET1 – 4.5%,
- for Tier 1 ratio - T1 - 6.0%, and,
- for Total capital ratio (TCR) - 8.0%,

and the capital buffers determined in accordance with the Act on macroprudential supervision over the financial system and crisis management in the financial system of 05 August 2015 in the total amount of 3.25% and increased by the capital add-on recommended under Pillar II (the so-called P2G) in the amount of 0.13%.

The capital requirement for credit risk represents approx. 89% of the Group's overall capital requirement and has the greatest impact on capital adequacy calculation.

Risk-weighted exposure and capital requirements for particular risks required by Article 438 of Regulatory 2019/876 are presented in the table below (in accordance with the EU OV1: Regulatory Capital Requirements template shown in the Commission Implementing Regulation (UE) 2021/637). The table lines that don't relate to the Group's own fund have been omitted.

Template EU OV1 – Overview of risk weighted exposure amounts				
		a	b	c
		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		as at 31 Mar 2022	as at 31 Dec 2021	as at 31 Mar 2022
1	**Credit risk (excluding CCR)**	**93,630.4**	**91,319.0**	**7,490.4**
2	Of which the standardised approach	51,023.6	52,105.4	4,081.9
3	Of which the Foundation IRB (F-IRB) approach	0.0	0.0	0.0
4	Of which slotting approach	0.0	0.0	0.0
EU-4a	Of which equities under the simple risk weighted approach	1,041.7	1,029.1	83.3
5	Of which the Advanced IRB (A-IRB) approach	41,565.1	38,184.5	3,325.2
6	**Counterparty credit risk - CCR**	**1,166.1**	**1,103.7**	**93.3**
7	Of which the standardised approach	586.2	588.3	46.9
8	Of which internal model method (IMM)	0.0	0.0	0.0
EU-8a	Of which exposures to a CCP	385.2	369.5	30.8
EU-8b	Of which credit valuation adjustment - CVA	128.3	109.3	10.3
9	Of which other CCR	66.4	36.6	5.3
15	**Settlement risk**	**0.0**	**0.0**	**0.0**
16	**Securitisation exposures in the non-trading book (after the cap)**	**111.0**	**111.0**	**8.9**
17	Of which SEC-IRBA approach	0.0	0.0	0.0
18	Of which SEC-ERBA (including IAA)	0.0	0.0	0.0
19	Of which SEC-SA approach	111.0	111.0	8.9
EU-19a	Of which 1250% / deduction	0.0	0.0	0.0
20	**Position, foreign exchange and commodities risks (Market risk)**	**889.2**	**1,253.2**	**71.1**
21	Of which the standardised approach	889.2	1,253.2	71.1
22	Of which IMA	0.0	0.0	0.0
EU-22a	**Large exposures**	**0.0**	**0.0**	**0.0**
23	**Operational risk**	**11,163.9**	**11,163.9**	**893.1**
EU-23a	Of which basic indicator approach	0.0	0.0	0.0
EU-23b	Of which standardised approach	11,163.9	11,163.9	893.1
EU-23c	Of which advanced measurement approach	0.0	0.0	0.0
24	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**2,348.1**	**2,261.4**	**187.8**
29	**Total**	**106,960.6**	**104,950.8**	**8,556.8**

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RWEA flow statements of credit risk exposures under the IRB approach is presented below, according to the templates EU CR8 included in the Commission Implementing Regulation (UE) 2021/637).

Template EU CR8 – RWEA flow statements of credit risk exposures under the IRB approach		
		a
		Risk weighted exposure amount
1	**Risk weighted exposure amount as at the end of the previous reporting period**	**41,117.9**
2	Asset size (+/-)	2,599.0
3	Asset quality (+/-)	113.7
4	Model updates (+/-)	596.9
5	Methodology and policy (+/-)	-596.9
6	Acquisitions and disposals (+/-)	0.0
7	Foreign exchange movements (+/-)	81.8
8	Other (+/-)	0.0
9	**Risk weighted exposure amount as at the end of the reporting period**	**43,912.4**

The amount of risk-weighted exposure resulting from the use of internal models increased by PLN 2,795 million in the first quarter of 2022 compared to the fourth quarter of 2021. The increase in risk-weighted exposure is a consequence of an increase in risk-weighted assets resulting from credit acquisitions (PLN +2,599 million), model changes (+PLN 597 million), deterioration in the quality of the loan portfolio (PLN +114 million) and changes in currency exchange rates (PLN +82 million), partially offset by changes in methodology and policies (PLN -597 million).

The increase in risk-weighted assets resulting from credit acquisitions is a consequence of sales of new loans or new loan disbursements, within the granted limits, with the credit quality as at the reporting date. The model changes concern the treatment of the regulatory mark-up for the group model used for infrastructure investments directly in this model. The deterioration in the quality of the loan portfolio results from a negative change in the assessment of customers' creditworthiness. The increase in risk-weighted assets due to changes in exchange rates results from the foreign currency exposure held, which are subject to revaluation in connection with changes in exchange rates between the reporting dates. The decrease in risk-weighted assets due to methodologies and policies is due to the migration of the regulatory surcharge for the group model used for infrastructure investments directly into that model.

2. Information on liquidity

ING Bank Śląski S.A. recognises the process of stable management of liquidity and funding risk as a major process at the Bank.

Liquidity and funding risk is understood by the Bank as the risk of the lack of ability to perform financial liabilities under on- and off-balance sheet items at reasonable prices. The Bank maintains liquidity so that the Bank's financial liabilities can always be repaid with the available funds, inflows from maturing transactions, available funding sources at market prices and/or liquidation of negotiable assets.

<u>Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time and explanations on the changes in the LCR over time</u>

In compliance with the duties and principles set out in Regulation (EU) No 575/2013 of the European Parliament and of the Council and Commission Delegated Regulation's (EU) No 2015/61 and 2018/1620, the Bank calculates the following regulatory liquidity measures - short-term liquidity measures (LCR – Liquidity Covered Ratio) – this is to ensure that the Bank holds an adequate level of high quality liquid assets to cover its liquidity needs within 30 calendar days under stressed conditions. In the first quarter of 2022 a regulatory limit of 100% applied. The Bank is obliged to report the liquidity measures to the regulator on a monthly basis.

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As at 31 March 2022 Liquidity Covered Ratio for the Group was as follows:

Liquidity measures		**Minimum value**	as at **31 Mar 2022**
LCR	Liquidity coverage ratio	100%	**126%**

In compliance with the Guidelines on the disclosure of the net outflow coverage ratio, in addition to the disclosure of information on liquidity risk management issued by EBA, the Bank is obliged to disclose components of the LCR in the form as specified in the table LIQ1 (net outflow coverage ratio – total). It contains the following information:

- high quality liquid assets – a "weighted" amount subject to value reduction,
- cash outflows – weighted and unweighted outflows,
- cash inflows – weighted and unweighted inflows.

Such weighted inflows and outflows are calculated as values after application of inflow and outflow ratios. The presented numbers cover the values for each of the four calendar quarters preceding the report date. Those are average observed values at the end of each month in the 12-month period preceding the end of each quarter.

The information presented in the table covers all positions irrespective of the denomination currency and are presented in PLN. The net outflow coverage ratio contains all important elements for the Bank's liquidity profile.

Apart from the presented values of the net outflow coverage ratio calculated for all currencies, the Bank also monitors ratios calculated for major currencies – PLN and EUR.

The LCR ratio as at 31 March 2022 decreased by 38 percentage points compared to 31 December 2021. The greatest impact on the decrease in the LCR ratio was due to the increase in the required reserve level from 2% to 3.5% (a decrease in LCR by 11.2 p.p.) and payments made to clearing houses in connection with the valuation of derivatives, especially hedging instruments in MCFH strategies (reduction LCR by 10.9 p.p.). These changes were reflected in the decline in the value of liquid assets amid an increase in inflows, partially offset by an increase in outflows. The decrease in liquid assets was due to the decrease in the volume of unencumbered government bonds (PLN -9,157 million) and BGK bonds (PLN -78 million) partially offset by an increase in the volume of cash (PLN +739 million) and an increase in EIB bonds (PLN +227 million). The increase in inflows was mainly determined by the increase in other inflows (PLN +1,313 million) and principal and interest instalments (PLN +665 million). The increase in outflows was mainly due to an increase in other outflows (PLN +1,253 million) and an increase in outflows from deposits (PLN + 1,256 million).

	as at 31 Mar 2022		as at 31 Dec 2021		31 Mar 2022 vs 31 Dec 2021	
LCR	**126%**		**164%**		**-38 p.p.**	
	Value	Weighted value	Value	Weighted value	Value	Weighted value
Liquid assets	29 745	29 745	38 024	38 024	-8 279	-8 279
Outflows	246 527	33 290	235 996	30 838	10 531	2 452
Inflows	11 935	9 589	9 865	7 607	2 070	1 982

The LCR ratio as at 31 March 2022 decreased by 82 percentage points compared to 31 March 2021, which is mainly due to the decline in the value of liquid assets amid an increase in inflows, partially offset by an increase in outflows. The lower level of liquid assets was mainly due to the decrease in the volume of unencumbered government bonds (PLN -23,307 million), BGK bonds (PLN -73 million) and EIB bonds (PLN -750 million) with an increase in the volume of cash (PLN +562 million). The inflows increased due to the higher value of other inflows (PLN +5,520 million) and a higher value of principal and interest instalments (PLN +968 million), partially offset by a decrease in nostro

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(PLN -345 million). The increase in outflows resulted mainly from higher balances on customer accounts (PLN +1,211 million) and higher other outflows (PLN +3,085 million).

	as at 31 Mar 2022		as at 31 Mar 2021		31 Mar 2022 vs 31 Mar 2021	
LCR	126%		208%		-82 p.p.	
	Value	Weighted value	Value	Weighted value	Value	Weighted value
Liquid assets	29 745	29 745	53 379	53 379	-23 634	-23 634
Outflows	246 527	33 290	214 555	29 157	31 972	4 133
Inflows	11 935	9 589	5 074	3 475	6 861	6 114

The volume of liquid assets in March 2022, compared to December 2021 and March 2021, shows a significant downward trend.
The increase in cash outflows in the analysed periods was related to both an increase in other liabilities and an increase in operating deposits. The increase in cash inflows is mainly due to the higher value of other inflows..

Explanations on the actual concentration of funding sources

Minimum once a year, the Bank determines the Bank's overall business strategy and the resulting medium-term (3 years) financial plan with a general risk strategy. Financial plan is an indispensable element of the strategy which provides for an effective diversification of funding sources and tenors.

ALCO committee actively manages the funding base. Additionally, it monitors funding sources in order to:

- verify compliance with the strategy and financial plan,
- identify potential risks related to funding.

Customers' deposits (retail and corporate) are the core funding source for ING Bank Śląski S.A. The Bank monitors the funding structure and thus verifies concentration risk by analysing its deposit base split into:

- type of financing,
- customer segment,
- product type,
- currencies,
- geographical region, and
- concentration of large deposits.

Periodical analyses also monitor the risk generated by related customers (within Groups).

In accordance with the Commission Implementing Regulation (EU) 2016/313, the Bank reports a set of additional monitoring indicators for the purposes of reporting on liquidity.

The reports include, inter alia, reports on the concentration of funding sources:

- concentration of financing by counterparty,
- concentration of funding by product type.

As at 31 March 2022, in accordance with the principles set out in the Commission Implementing Regulation (EU) 2016/313, the following were reported:

- concentration of financing by counterparty, includes information on the funds of one financial client. The funds raised exceed the threshold of 1% of total liabilities.
- concentration of financing by product type, confirms that the main source of financing at ING Bank Śląski S.A. there are customer deposits. The most important are savings accounts of retail clients (of which 79% are covered by the deposit guarantee scheme) and current accounts of retail clients (of which 64% are covered by the deposit guarantee scheme). Unsecured wholesale financing is only 17% of the financing indicated in reporting in accordance with the EU Commission Regulation. The information includes the total amount

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of funding received for each product category for which the threshold of 1% of total commitments is exceeded.

The existing funding structure is well diversified. The funding structure as at 31 March 2022 split into direct and mutual funding is presented below. Direct funding is provided mainly by retail and corporate customers while mutual funding comprised primarily funds acquired from other banks.

Direct funding:

	as at 31 Mar 2022	
Core customer segments	**direct funding**	**% share**
Retail customers	110,646	57.3%
Corporate customers.	58,977	30.5%
Equity	17,617	9.1%
Banks	4,189	2.2%
Own issues	1,628	0.8%

Mutual funding:

	as at 31 Mar 2022	
Core customer segments	**mutual funding**	**% share**
Banks	39,365	92.7%
Corporate customers.	3,090	7.3%
Retail customers	0	0.0%

<u>High-level description of the composition of the institution`s liquidity buffer</u>

Maintenance of an adequate liquidity buffer is a major element in managing the Bank’s liquidity. The liquidity buffer presents the available liquidity, required to cover the gap between cumulated outflows and inflows within a relatively short time. It covers assets that are “unencumbered” and easily available to acquire liquidity. Unencumbered assets are understood as assets that are free of any legal, regulatory, contractual restrictions to have them disposed of by the Bank. The liquidity buffer is crucial in the times of a crisis when the Bank has to obtain liquidity in a short time when the standard funding sources are unavailable or insufficient.

The liquidity buffer is maintained as a safeguard against materialisation of various extraordinary scenarios, providing for needs of additional liquidity which may arise at any time in extraordinary circumstances and in normal conditions.

The table below presents the structure of the liquid asset buffer as at 31 March 2022:

Structure of the liquidity buffer	**% share**
Treasury bonds or bonds issued by the central bank (PLN)	63.2%
Treasury bonds or bonds issued by the central bank (EUR)	9.9%
bonds of BGK , PFR and EIB	26.9%

The Bank provides for realistic reductions due to impairment of securities with the level thereof being regularly reviewed and approved by ALCO. The reductions are assessed inter alia on the basis of market liquidity and depth, volatility of market prices, requirements of the central bank.

The Bank also observes asset concentrations ensuring their safe diversification in terms of issuer, maturity and currency.

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Here below there is a breakdown of level 1 liquid assets used by the Group to calculate the LCR ratio (as defined in the Commission Delegated Regulation (EU) No 2015/61) as at 31 March 2022. Level 1 liquid assets cover assets characterised with very high liquidity and credit quality.

	as at 31 Mar 2022
Level 1 liquid assets	
Cash	1,337.8
Cash in nostro accounts with the Central Bank net of the required reserve	11.6
Other exposures to the Central Bank (O/N deposit, cash bills)	10.0
Unencumbered Treasury bonds	20,073.6
Unencumbered BGK bonds	2,050.8
Unencumbered bonds of the European Investment Bank	6,261.4
Total	**29,745.2**

In level 1 liquid assets, securities are presented by their market value. The Group's liquidity position is reduced by encumbered securities (constituting collateral, blocked) and increased by securities received as collateral in reverse-repo transactions.

Derivative exposures and potential collateral calls

Financial Institutions (FI) with which the Bank concludes derivative transactions have signed collateral agreements (VMCSA - Variation Margin Credit Support Annex) which are an annex to the ISDA agreement. Some counterparties outside the FI may have regular CSA contracts, but as a rule they are not required to have them. In this case, the decision regarding the CSA is each time an element of the credit decision.
They regulate the issues of securing the portfolio of derivative transactions. They give the right to demand a security deposit to the party whose portfolio valuation for a given day is positive (the party's portfolio is in-the-money) and the right to demand the release of the collateral in the event of a change in this valuation.
As part of the collateral strategy for each CSA counterparty, a portfolio of transactions is valued daily against the maturity of the collateral.

The table below presents detailed quantitative information on liquidity required by Article 451a of Regulation 2019/876 and in accordance with template EU LIQ 1 shown in the Commission Implementing Regulation (UE) 2021/637).

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Template EU LIQ1 - Quantitative information of LCR

		Total unweighted value (average)				Total weighted value (average)			
EU 1a		as at 31 Mar 2022	as at 31 Dec2021	as at 30 Sep 2021	as at 30 Jun 2021	as at 31 Mar 2022	as at 31 Dec2021	as at 30 Sep 2021	as at 30 Jun 2021
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	**Total high-quality liquid assets (HQLA)**					44,683.5	48,848.5	52,351.3	54,295.1
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	146,528.5	143,887.8	140,382.3	137,616.0	11,587.4	11,352.2	11,086.8	10,928.1
3	*Stable deposits*	*93,479.6*	*92,001.5*	*89,601.5*	*87,194.7*	*4,674.0*	*4,600.1*	*4,480.1*	*4,359.7*
4	*Less stable deposits*	*53,048.8*	*51,885.0*	*50,774.6*	*50,409.4*	*6,913.4*	*6,752.1*	*6,606.8*	*6,568.3*
5	Unsecured wholesale funding	21,013.4	19,641.9	19,281.5	19,207.4	11,275.5	11,173.8	11,186.1	11,085.2
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	*2,010.9*	*299.0*	*0.0*	*0.0*	*501.2*	*74.4*	*0.0*	*0.0*
7	*Non-operational deposits (all counterparties)*	*18,943.8*	*19,249.1*	*19,200.2*	*19,126.1*	*10,715.6*	*11,005.6*	*11,104.8*	*11,003.9*
8	*Unsecured debt*	*58.7*	*93.8*	*81.3*	*81.3*	*58.7*	*93.8*	*81.3*	*81.3*
9	Secured wholesale funding					0.0	0.0	0.0	0.0
10	Additional requirements	17,161.9	16,667.0	17,065.9	19,336.9	2,642.8	2,654.6	2,764.3	3,025.0
11	*Outflows related to derivative exposures and other collateral requirements*	*1,280.9*	*1,339.7*	*1,400.9*	*1,434.0*	*1,280.9*	*1,339.7*	*1,400.9*	*1,434.0*
12	*Outflows related to loss of funding on debt products*	*0.3*	*0.3*	*0.3*	*0.4*	*0.3*	*0.3*	*0.3*	*0.4*
13	*Credit and liquidity facilities*	*15,880.7*	*15,327.1*	*15,664.7*	*17,902.5*	*1,361.6*	*1,314.7*	*1,363.1*	*1,590.6*
14	Other contractual funding obligations	5,694.3	4,922.6	4,307.9	4,087.4	5,334.7	4,580.7	3,985.9	3,783.4
15	Other contingent funding obligations	31,120.2	30,637.6	29,005.2	25,414.3	643.5	642.2	636.7	630.9
16	**TOTAL CASH OUTFLOWS**					**31,484.0**	**30,441.7**	**29,659.8**	**29,452.7**
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	306.8	255.2	191.7	141.8	0.0	0.0	0.0	0.0
18	Inflows from fully performing exposures	3,760.8	3,310.2	2,901.1	2,631.3	2,171.2	1,834.0	1,522.9	1,233.9
19	Other cash inflows	3,250.9	2,813.2	2,292.2	1,705.7	3,250.9	2,813.2	2,292.2	1,705.7
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies))					0.0	0.0	0.0	0.0
EU-19b	(Excess inflows from a related specialised credit institution))					0.0	0.0	0.0	0.0
20	**TOTAL CASH INFLOWS**	**7,318.4**	**6,378.7**	**5,385.0**	**4,478.8**	**5,422.1**	**4,647.2**	**3,815.1**	**2,939.6**
EU-20a	Fully exempt inflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EU-20b	Inflows subject to 90% cap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EU-20c	Inflows subject to 75% cap	7,318.4	6,378.7	5,385.0	4,478.8	5,422.1	4,647.2	3,815.1	2,939.6
TOTAL ADJUSTED VALUE									
21	LIQUIDITY BUFFER					44,683.5	48,848.5	52,351.3	54,295.1
22	TOTAL NET CASH OUTFLOWS					26,061.9	25,794.5	25,844.7	26,513.1
23	**LIQUIDITY COVERAGE RATIO**					**1.73**	**1.91**	**2.04**	**2.06**

In the analysed period specified in table EU LIQ1, the Bank doesn't identify any currency mismatch in the liquidity coverage ratio.

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3. Impact of the implementation of IFRS 9 on capital adequacy

When calculating the capital ratios, the Group was using the transitional provisions concerning alleviation of the IFRS 9 implementation impact on own funds. If the IFRS 9 implementation impact had been recognised in full as at 31 March 2022, the total capital ratio would have arrived at 15.14% and the Tier 1 capital ratio at 13.37%.

IFRS 9/Article 468-FL: Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs, and with and without the application of the temporary treatment in accordance with Article 468 of the CRR

		as at 31 Mar 2022	as at 31 Dec2021	as at 30 Sep 2021	as at 30 Jun 2021
	Available capital (amounts)				
1	CET1 capital	14,369.5	15,125.0	15,356.3	15,322.3
2	CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14,301.8	14,986.5	15,172.0	15,123.7
2a	CET1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied*	14,193.6	14,997.3	15,356.3	15,322.3
3	Tier 1 capital	14,369.5	15,125.0	15,356.3	15,322.3
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14,301.8	14,986.5	15,172.0	15,123.7
4a	Tier 1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied *	14,193.6	14,997.3	15,356.3	15,322.3
5	Total capital	16,257.1	16,846.6	17,589.9	17,536.6
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	16,189.4	16,708.1	17,456.4	17,403.0
6a	Total capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied *	16,081.2	16,718.8	17,589.9	17,536.6
	Risk-weighted assets (amounts)				
7	Total risk-weighted assets	106,960.6	104,950.8	99,657.3	94,595.9
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	106,939.3	104,895.7	99,618.8	94,557.6
	Capital ratios				
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	13.43%	14.41%	15.41%	16.20%
10	CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.37%	14.29%	15.23%	15.99%
10a	CET1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied *	13.28%	14.30%	15.41%	16.20%
11	Tier 1 (as a percentage of risk exposure amount)	13.43%	14.41%	15.41%	16.20%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.37%	14.29%	15.23%	15.99%
12a	Tier 1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied *	13.28%	14.30%	15.41%	16.20%
13	Total capital (as a percentage of risk exposure amount)	15.20%	16.05%	17.65%	18.54%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15.14%	15.93%	17.52%	18.40%
14a	Total capital (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied *	15.05%	15.94%	17.65%	18.54%
	Leverage ratio				
15	Leverage ratio total exposure measure	224,546.4	217,658.2	216,113.7	213,282.7
16	Leverage ratio	6.40%	6.95%	7.11%	7.18%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	6.37%	6.89%	7.03%	7.10%
17a	Leverage ratio as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied *	6.32%	6.89%	7.11%	7.18%

* In the comparative periods - as at 30 Sep 2021 and 30 Jun 2021 - the Bank did not temporarily treat unrealized gains and losses measured at fair value through other comprehensive income, in line with Art. 468 of the CRR Regulation. The reported capital ratios including leverage ratio and Tier 1 capital as at these dates, already fully reflect the effect of unrealized gains and losses measured at fair value through other comprehensive income.

Statement

Based on Article 431 (3) of Regulation (EU) 575/2013 (Regulation CRR) Lead of Centre of Expertise Accounting Policy and Financial Reporting of ING Bank Śląski S.A. declares that:

- information contained in the disclosure document is adequate to the facts,
- information required by the provisions of part eight of the Regulation CRR was disclosed in accordance with the *"Policy of disclosing qualitative and quantitative information on capital adequacy and variable components of remuneration of ING Bank Śląski S.A."* and internal procedures, systems and controls described in the above-mentioned Policy and the *"Instruction of verification of the Policy of disclosing qualitative and quantitative information on capital adequacy and variable components of remuneration of ING Bank Śląski S.A."*, which has been included in annex to this Policy.

2022-05-05 **Jolanta Alvarado Rodriguez**
Lead of Centre of Expertise
Accounting Policy and Financial Reporting

The original Polish document is signed with a qualified electronic signature