

2023-12-14 Report No. 31/2023: Imposition by the Polish Financial Supervision Authority of a capital add-on recommended under Pillar 2 (P2G).

The Management Board of ING Bank Śląski S.A. ("the Bank") communicate to have received on 14 December 2023 a letter from the Polish Financial Supervision Authority ("PFSA") with the recommendation to limit the business risk of the Bank by keeping own funds to cover the additional capital add-on ("P2G") so as to absorb potential losses resulting from occurrence of stress conditions at 0.32 p.p. on a stand-alone basis and at 0.31 p.p. on a consolidated basis.

The recommendation should be satisfied over the amount of all the capital ratios, as referred to in Article 92.1 a-c of Regulation No. 575/2013 ("TCR"), increased with a supplementary own funds requirement, as referred to in Article 138.2.2 of the Banking Law Act ("P2R") and a combined buffer requirement, as 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 PFSA's decision is the result of the Bank's supervisory assessment process, in which the Bank's sensitivity to the possible materialization of stress scenarios affecting the level of own funds and risk exposure was assessed as low.

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 previous P2G level was 0.52 p.p. on a stand-alone basis and 0.50 p.p. on a consolidated basis.

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).