

2021-01-20 Report No. 2/2021: Notice of estimated amount of additional loss allowance for expected losses on CHF mortgage loans in Q4 2020.

The Management Board of ING Bank Śląski S.A. ("Bank") hereby communicate the preliminary updated estimates of the amount of loss allowance for expected losses on the CHF-indexed mortgage loan portfolio. The Bank Management Board are of the opinion that the amount of additional loss allowance, which was estimated as per IFRS 9 and to the best knowledge, is material and it will increase the risk costs of Q4 2020 by approximately PLN 250 million.

The preliminarily estimated increase in the amount of loss allowance versus the last-quarter estimate has been mainly driven by changes to the model assumptions, including but not limited to the modification of potential scenarios, a change to probabilities of individual scenarios and an increase in the projected number of new disputes.

The Bank Management Board would like to accentuate that the above amount can still change. The updated balance of loss allowance and its impact on the consolidated financial results of the Bank will be presented in the 2020 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).