

2020-04-15 report no. 25/2020: Update of information on impact of the coronavirus epidemic on the financial operations of ING Bank Śląski S.A. Group.

Further to current report no. 17/2020 of 27 March 2020, the Management Board of ING Bank Śląski S.A. ("Bank") hereby communicate the revised preliminary estimates of impact of adverse effects of spread of COVID-19 coronavirus epidemic on the financial operations of the Bank Group.

The Bank Management Board estimate that the Monetary Policy Council's decisions of 17 March 2020 and 8 April 2020 pertaining to the change to the interest rates (including reference rate cut from 1.5% to 0.5% in particular) will have a negative impact of PLN 170-220 million on the interest result of the Bank Group in 2020. The actual impact will depend on the profitability curve and delivery of business assumptions. Further, the Bank Management Board initially estimates that in Q1 2020 the adverse impact of the COVID-19 coronavirus epidemic-driven Polish economy deterioration on the risk costs of the Bank Group will be at least PLN 110 million.

Both the estimates and assumptions of the impact of lower interest rates on the interest result and the impact of deterioration of economy on the risk costs are subject to change. The Bank Management Board will present the update on the impact of the spread of the coronavirus COVID-19 on the operations of the Bank and its subsidiaries in the financial report for Q1 2020.

The Bank Management Board expects that the consolidated net profit in Q1 2020 will be below the net profit earned in the same period last year.

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).