

**Management Board Report
ING Bank Śląski Spółka Akcyjna
with its registered office in Katowice**

**justifying the division of ING Securities S.A.
under Article 529 § 1 section 1) of the Act of 15 September 2000 – Commercial Companies
Code (i.e. Journal of Laws of 2013 r., item 1030 as amended; “CCC”),**

**prepared in accordance with Article 536 § 1 CCC
on 2 February 2016**

1. INTRODUCTION

This report justifying the division was prepared by the Management Board of ING Bank Śląski Spółka Akcyjna in the context of the planned division of ING Securities Spółka Akcyjna (“**Division**”).

The Division shall involve the following companies:

1.1. The Company Being Divided:

ING Securities Spółka Akcyjna with its registered office in Katowice, postal code: 40-086, at ul. Sokolska 34, entered in the register of entrepreneurs of the National Court Register maintained by the District Court Katowice-East in Katowice, 8th Commercial Division of the National Court Register under number KRS: 0000074974, NIP: 6341981634, with share capital of PLN 30,228,640.00, wholly paid up (“**ING Securities**” or the “**Company Being Divided**”).

1.2. The Acquiring Companies:

- a) **ING Bank Śląski Spółka Akcyjna** with its registered office in Katowice, postal code: 40-086, at ul. Sokolska 34, entered in the register of entrepreneurs of the National Court Register maintained by the District Court Katowice-East in Katowice, 8th Commercial Division of the National Court Register under number KRS: 0000005459, NIP: 6340135475, with share capital of PLN 130,100,000.00, wholly paid up (“**ING Bank Śląski**”);
- b) **Nowe Usługi Spółka Akcyjna** with its registered office in Katowice, postal code: 40-121, at ul. Chorzowska 50, entered in the register of entrepreneurs of the National Court Register maintained by the District Court Katowice-East in Katowice, 8th Commercial Division of the National Court Register under number KRS: 0000511684, NIP: 6342828952, with share capital of 100,000.00, wholly paid up (“**Nowe Usługi**”).

ING Bank Śląski and Nowe Usługi shall be hereinafter jointly referred to as the “**Acquiring Companies**”.

2. THE LEGAL BASIS OF DIVISION

- 2.1. The division of the Company Being Divided shall be effected in the manner specified in Article 529 § 1 section 1 CCC (division by acquisition), by transferring all assets of the Company Being Divided to the Acquiring Companies, in accordance with the following provisions, however the transfer with respect to Nowe Usługi shall be effected in exchange for the shares of that Company to be acquired by the sole shareholder of the Company Being Divided (ING Bank Śląski).
- 2.2. The division of the Company Being Divided shall be effected taking into account the internal organisational structure of the Company Being Divided, comprising two organised parts of the enterprise, separated within the organisational structure of the Company Being Divided as of 1 September 2015 pursuant to the resolution of the Management Board of the Company Being Divided of 31 August 2015, in accordance with which the enterprise of the Company Being Divided comprises two undertakings being internal organisational units of the Company Being Divided, i.e.:
- a) The Principal Undertaking, an organised part of the enterprise of the Company Being Divided comprising, in terms of organisation and finances, a separated group of tangible and intangible assets and liabilities of the Company Being Divided, designed for the implementation of economic tasks associated with the provision of brokerage services (whose detailed scope is presented in List No 1 to the Division Plan), referred to as the Brokerage Division (“**Principal Undertaking**”), and
 - b) The Auxiliary Undertaking, an organised part of the enterprise of the Company Being Divided comprising, in terms of organisation and finances, a separated group of tangible and intangible assets and liabilities of the Company Being Divided, designed for the implementation of economic tasks associated with educational and marketing activities (whose detailed scope is presented in List No 2 to the Division Plan), referred to as the Education and Promotion Department (“**Auxiliary Undertaking**”).

Both the Principal Undertaking and the Auxiliary Undertaking could represent independent enterprises in the subjective sense (in accordance with Article 55¹ of the Act of 23 April 1964 – Civil Code; i.e. Journal of Laws of 2014, item 121 as amended), implementing independently the tasks assigned to them.

- 2.3. The part of assets of the Company Being Divided forming the Principal Undertaking shall be transferred as part of the Division to ING Bank Śląski. As at the Division Date (in accordance with the definition below), ING Bank Śląski

shall enter into the rights and obligations of the Company Being Divided associated with the business activity of the Principal Undertaking, as specified in the Division Plan.

- 2.4. Given that ING Bank Śląski is the sole shareholder of ING Securities and having regard to the content of Article 550 § 1 CCC, it is not expected to increase the share capital of ING Bank Śląski, in connection with the Division, in order to issue to the sole shareholder of ING Securities the shares of ING Bank Śląski in exchange for the part of assets of ING Securities, being transferred as part of the Division to ING Bank Śląski, in the form of an organised part of the enterprise of ING Securities – the Principal Undertaking.
- 2.5. The part of assets of the Company Being Divided forming the Auxiliary Undertaking shall be transferred as part of the Division to Nowe Usługi. As at the Division Date (in accordance with the definition below), Nowe Usługi shall enter into the rights and obligations of the Company Being Divided associated with the business activity of the Auxiliary Undertaking, as specified in the Division Plan.
- 2.6. In connection with the Division, the share capital of Nowe Usługi shall be increased from PLN 100,000.00 (one hundred thousand) to PLN 267,000.00 (two hundred sixty seven thousand), by the amount of PLN 167,000.00 (one hundred sixty seven thousand), by the issue of 167 (one hundred sixty seven) new series B registered shares of the nominal value of PLN 1,000.00 (one thousand) each ("**Division Issue Shares**").
- 2.7. ING Bank Śląski, as the sole shareholder of ING Securities, shall acquire all newly issued Division Issue Shares in the increased share capital of Nowe Usługi in exchange for the transfer, as part of the Division, to Nowe Usługi of the part of assets of ING Securities in the form of an organised part of the enterprise of ING Securities – the Auxiliary Undertaking.
- 2.8. Each of Division Issue Shares in the increased share capital of Nowe Usługi shall be acquired at the value of PLN 1,000.00 (one thousand), taking into account that the nominal value of one Division Issue Share amounts to PLN 1,000.00 (one thousand).
- 2.9. In order to compensate for the differences resulting from the Share Exchange Ratio determined, ING Bank Śląski shall effect an additional payment in favour of Nowe Usługi totalling PLN 169.87 (one hundred sixty nine 87/100).
- 2.10. In connection with the Division, amendments shall be made to the statute of Nowe Usługi. Draft amendments are presented in Appendix 2 to the Division Plan.
- 2.11. The Company Being Divided shall be dissolved without conducting the liquidation procedure on the day of removal from the register of entrepreneurs of the National Court Register ("**Division Date**"). The Company Being Divided shall be removed from the register of entrepreneurs of the National Court Register *ex officio*, immediately after the entry by a competent

district court of the increase in the share capital of Nowe Usługi, referred to in section 2.6 above.

3. ECONOMIC AND LEGAL JUSTIFICATION OF THE DIVISION OF THE COMPANY

- 3.1. Following the Division, the scope of activities of the brokerage office ("**Brokerage Office**"), existing within the structures of the Acquiring Company (ING Bank Śląski), shall be extended with the current scope of the brokerage activity of ING Securities.
- 3.2. Currently, ING Securities and ING Bank Śląski provide brokerage services whose scopes vary and do not overlap. Except the brokerage activity, ING Securities also conducts educational activities for Customers and employees of ING Bank Śląski Group as well as marketing and promotional activities for entities being members of international ING Group. In addition, ING Securities, acting as a separate legal entity with the identity of the ownership of capital, maintains organisational structures necessary to support the core activity, and also necessary to perform organisational and legal obligations as well as reporting obligations required of an investment company.
- 3.3. The primary objective of the planned changes is to integrate within a single entity (ING Bank Śląski) the performance of brokerage services that have been provided through two entities, ING Securities and ING Bank Śląski, and to exclude non-financial services from the scope of activities of these entities.
- 3.4. With the integration of brokerage services at the Brokerage Office, ING Bank Śląski shall be able to present the customers with a complete and consistent offer for financial services, provided by a single legal entity.
- 3.5. The purpose of transferring advertising and educational activities, including those in respect of ING Turbo certificates, to Nowe Usługi is to separate the brokerage activity from non-brokerage activity which shall minimise the potential conflict of interests, improve the quality of training courses for Customers and employees of ING Bank Śląski as a result of a strict specialisation and to benefit fully from the popularisation potential of the portal www.edukacjagieldowa.pl e.g. with respect to promotion of the ING brand in the Polish market.
- 3.6. The provision of brokerage services concentrated within a single entity shall allow to:
 - a) integrate the management of financial services, including brokerage services, within ING Bank Śląski Group in order to utilise fully the strengths of institutions which used to be managed separately, including human resources and infrastructure,
 - b) simplify the structures associated with services for customers using brokerage services to utilise fully the effects of scale and synergies,

- c) expand the availability of brokerage services to customers of ING Bank Śląski Group in order to increase the potential of sales of brokerage services, especially with respect to retail customers,
 - d) simplify the organisation of the brokerage activity and reduce costs as a result of ING Securities ceasing to perform organisational and legal duties as a separate legal entity,
 - e) establish an integrated organisation providing comprehensive services to institutional and corporate customers,
 - f) optimise the use of human resources while ensuring continued employment for the current employees of ING Securities on appropriate positions at a stable financial institution, such as ING Bank Śląski, and to create new professional development opportunities for this group of employees.
- 3.7. The implementation of the aforesaid premises, based on adopted assumptions, shall lead to the growth in revenue at ING Bank Śląski Group from offering services related to the capital market in the next years. As a result of the identified cost synergies, ING Bank Śląski expects to make savings enhancing the profitability of the brokerage activity (the economy of scale, elimination of overlapping cost items, unification of processes related to the fulfilment of statutory duties).
- 3.8. The transfer of non-brokerage activity with respect to promotion and education to Nowe Usługi shall allow to:
- a) utilise fully the popularisation potential of the portal www.edukacjagieldowa.pl in order to build the awareness of ING brand among investors and sympathisers of the capital market through the concentration of engagement in the functioning of that portal,
 - b) conduct professional educational and popularising activities in the area of capital market among employees of ING Bank Śląski Group,
 - c) conduct marketing activity in the area of investing in ING Turbo certificates in the manner not giving rise to any doubts as to the potential conflict of interests,
 - d) obtain additional revenues from various forms of advertising published at the portal www.edukacjagieldowa.pl, including participation in advertising campaigns of ING Bank Śląski Group.
- 3.9. The activity in the fast-growing market for various forms of Internet advertising allows to adopt an assumption that Nowe Usługi shall be a profitable venture in connection with the provided to ING Bank Śląski Group and external entities.

3.10. Given the legal conditions, effecting the Division in the manner specified in Article 529 § 1 section 1 CCC shall be the most effective way of accomplishing the business objectives, referred to above. Given the legal restrictions on the possibility of combining the banks with other entities, the division of ING Securities is the only legally permitted form of transferring the brokerage activity, conducted by ING Securities, to the Bank, while providing general succession in terms of relations with clients and counterparties.

4. JUSTIFICATION OF THE SHARE EXCHANGE RATIO AND INDICATING SPECIAL PROBLEMS ASSOCIATED WITH THE VALUATION OF SHARES

4.1. As at 1 January 2016, the book value of the Company Being Divided is PLN 85,246,367.16 (eighty five million two hundred forty six thousand three hundred sixty seven 16/100), including the book value of an organised part of the enterprise of ING Securities – the Principal Undertaking amounting to PLN 85,079,537.03 (eighty five million seventy nine thousand five hundred thirty seven 03/100), and the book value of an organised part of the enterprise of ING Securities – the Auxiliary Undertaking amounting to PLN 166,830.13 (one hundred sixty six thousand eight hundred thirty 13/100).

4.2. Given that ING Bank Śląski is the sole shareholder of ING Securities and having regard to the content of Article 550 § 1 CCC, it is not expected to increase the share capital of ING Bank Śląski, in connection with the Division, in order to issue to the sole shareholder of ING Securities the shares of ING Bank Śląski in exchange for the part of assets of ING Securities, being transferred as part of the Division to ING Bank Śląski, in the form of an organised part of the enterprise of ING Securities – the Principal Undertaking. Therefore, the ratio of exchange of the shares of the Company Being Divided into the shares of ING Bank Śląski shall not be determined.

4.3. In connection with the Division, the share capital of Nowe Usługi shall be increased from PLN 100,000.00 (one hundred thousand) to PLN 267,000.00 (two hundred sixty seven thousand), by the amount of PLN 167,000.00 (one hundred sixty seven thousand), by the issue of 167 new registered series B shares of the nominal value of PLN 1,000.00 (one thousand) each (“Division Issue Shares”). In order to compensate for the differences resulting from the acquisition of the Division Issue Shares and the value of assets of ING Securities in the form of an organised part of the enterprise of ING Securities – the Auxiliary Undertaking, ING Bank Śląski shall effect an additional payment in favour of Nowe Usługi totalling PLN 169.87 (one hundred sixty nine 87/100).

4.4. The ratio of exchange of the shares of the Company Being Divided into the Division Issue Shares (“Share Exchange Ratio”) is 1,511,432 to 167 (one million five hundred eleven thousand four hundred thirty two to one hundred sixty seven) and was determined on the basis of the number of shares in the share capital of ING Securities and the number of the Division Issue Shares issued by the Acquiring Company.

- 4.5. In order to determine the Share Exchange Ratio, there was made a valuation of assets of the Acquiring Company, Nowe Usługi, and of the assets of the Company Being Divided, ING Securities, including the Auxiliary Undertaking to be acquired by Nowe Usługi following the Division. Valuations were based on the book value of the assets valued. The choice of the book value method is supported by its simplicity, unambiguous interpretation of the results of valuation and the valuation basis being the same generally applicable accounting standards. In addition, the choice of this method is supported by the fact that the companies being valued are under common control of the same parent company – ING Bank Śląski, and there will be no change of control over the entities as a result of the Division. The adopted method of valuation does it affect the economic effect of the transaction. According to the valuation methodology, the value of equity is calculated using the book value method by calculating the difference between the carrying value of assets and liabilities at the valuation date. These values were specified at 1 January 2016, i.e. at the valuation date. Thus, in view of the purpose of the valuation and the above justification for the choice of the valuation method, the calculated value of equity is equal to the book value of net assets of companies.
- 4.6. After the review of results of the aforesaid valuations, the Management Boards of ING Bank Śląski, ING Securities and Nowe Usługi determined the above Share Exchange Ratio.
- 4.7. After the Division and the acquisition of the Division Issue Shares, ING Bank Śląski shall remain the sole shareholder of Nowe Usługi.
- 4.8. The newly issued Division Issue Shares in the increased share capital of Nowe Usługi, acquired as a result of the Division by ING Bank Śląski, shall authorise to participate in the profit of Nowe Usługi from the Division Date.
- 4.9. Nowe Usługi shall not intend to grant any special rights or benefits to ING Bank Śląski as the shareholder of the Company Being Divided. In the absence of persons holding special rights in the Company Being Divided, the Acquiring Companies shall not intend to grant any special rights.
- 4.10. It shall not be intended to grant any special rights or benefits associated with the Division to members of the authorities of the Company Being Divided and the Acquiring Companies or any persons participating in the Division.
- 4.11. The Management Board of ING Bank Śląski declares that there were no difficulties with the valuation of shares of the Company Being Divided and there were no difficulties with the valuation of Nowe Usługi. In consequence, there were no difficulties with the determination of the share exchange ratio.

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with its registered office in Katowice**

**justifying the division of ING Securities S.A.
under Article 529 § 1 section 1) of the Act of 15 September 2000 – Commercial Companies
Code (i.e. Journal of Laws of 2013 r., item 1030 as amended; “CCC”),**

**prepared in accordance with Article 536 § 1 CCC
on 29 January 2016**

1. INTRODUCTION

This report justifying the division was prepared by the Management Board of ING Securities S.A. in the context of the planned division of ING Securities Spółka Akcyjna (“**Division**”).

The Division shall involve the following companies:

1.1. The Company Being Divided:

ING Securities Spółka Akcyjna with its registered office in Katowice, postal code: 40-086, at ul. Sokolska 34, entered in the register of entrepreneurs of the National Court Register maintained by the District Court Katowice-East in Katowice, 8th Commercial Division of the National Court Register under number KRS: 0000074974, NIP: 6341981634, with share capital of PLN 30,228,640.00, wholly paid up (“**ING Securities**” or the “**Company Being Divided**”).

1.2. The Acquiring Companies:

- a) **ING Bank Śląski Spółka Akcyjna** with its registered office in Katowice, postal code: 40-086, at ul. Sokolska 34, entered in the register of entrepreneurs of the National Court Register maintained by the District Court Katowice-East in Katowice, 8th Commercial Division of the National Court Register under number KRS: 0000005459, NIP: 6340135475, with share capital of PLN 130,100,000.00, wholly paid up (“**ING Bank Śląski**”);
- b) **Nowe Usługi Spółka Akcyjna** with its registered office in Katowice, postal code: 40-121, at ul. Chorzowska 50, entered in the register of entrepreneurs of the National Court Register maintained by the District Court Katowice-East in Katowice, 8th Commercial Division of the National Court Register under number KRS: 0000511684, NIP: 6342828952, with share capital of 100,000.00, wholly paid up („**Nowe Usługi**”).

ING Bank Śląski and Nowe Usługi shall be hereinafter jointly referred to as the “**Acquiring Companies**”.

2. THE LEGAL BASIS OF DIVISION

- 2.1. The division of the Company Being Divided shall be effected in the manner specified in Article 529 § 1 section 1 CCC (division by acquisition), by transferring all assets of the Company Being Divided to the Acquiring Companies, in accordance with the following provisions, however the transfer with respect to Nowe Usługi shall be effected in exchange for the shares of that Company to be acquired by the sole shareholder of the Company Being Divided (ING Bank Śląski).
- 2.2. The division of the Company Being Divided shall be effected taking into account the internal organisational structure of the Company Being Divided, comprising two organised parts of the enterprise, separated within the organisational structure of the Company Being Divided as of 1 September 2015 pursuant to the resolution of the Management Board of the Company Being Divided of 31 August 2015, in accordance with which the enterprise of the Company Being Divided comprises two undertakings being internal organisational units of the Company Being Divided, i.e.:
- a) The Principal Undertaking, an organised part of the enterprise of the Company Being Divided comprising, in terms of organisation and finances, a separated group of tangible and intangible assets and liabilities of the Company Being Divided, designed for the implementation of economic tasks associated with the provision of brokerage services (whose detailed scope is presented in List No 1 to the Division Plan), referred to as the Brokerage Division ("**Principal Undertaking**"), and
 - b) The Auxiliary Undertaking, an organised part of the enterprise of the Company Being Divided comprising, in terms of organisation and finances, a separated group of tangible and intangible assets and liabilities of the Company Being Divided, designed for the implementation of economic tasks associated with educational and marketing activities (whose detailed scope is presented in List No 2 to the Division Plan), referred to as the Education and Promotion Department ("**Auxiliary Undertaking**").

Both the Principal Undertaking and the Auxiliary Undertaking could represent independent enterprises in the subjective sense (in accordance with Article 55¹ of the Act of 23 April 1964 – Civil Code; i.e. Journal of Laws of 2014, item 121 as amended), implementing independently the tasks assigned to them.

- 2.3. The part of assets of the Company Being Divided forming the Principal Undertaking shall be transferred as part of the Division to ING Bank Śląski. As at the Division Date (in accordance with the definition below), ING Bank Śląski shall enter into the rights and obligations of the Company Being Divided associated with the business activity of the Principal Undertaking, as specified in the Division Plan.

- 2.4. Given that ING Bank Śląski is the sole shareholder of ING Securities and having regard to the content of Article 550 § 1 CCC, it is not expected to increase the share capital of ING Bank Śląski, in connection with the Division, in order to issue to the sole shareholder of ING Securities the shares of ING Bank Śląski in exchange for the part of assets of ING Securities, being transferred as part of the Division to ING Bank Śląski, in the form of an organised part of the enterprise of ING Securities – the Principal Undertaking.
- 2.5. The part of assets of the Company Being Divided forming the Auxiliary Undertaking shall be transferred as part of the Division to Nowe Usługi. As at the Division Date (in accordance with the definition below), Nowe Usługi shall enter into the rights and obligations of the Company Being Divided associated with the business activity of the Auxiliary Undertaking, as specified in the Division Plan.
- 2.6. In connection with the Division, the share capital of Nowe Usługi shall be increased from PLN 100,000.00 (one hundred thousand) to PLN 267,000.00 (two hundred sixty seven thousand), by the amount of PLN 167,000.00 (one hundred sixty seven thousand), by the issue of 167 (one hundred sixty seven) new series B registered shares of the nominal value of PLN 1,000.00 (one thousand) each (“**Division Issue Shares**”).
- 2.7. ING Bank Śląski, as the sole shareholder of ING Securities, shall acquire all newly issued Division Issue Shares in the increased share capital of Nowe Usługi in exchange for the transfer, as part of the Division, to Nowe Usługi of the part of assets of ING Securities in the form of an organised part of the enterprise of ING Securities – the Auxiliary Undertaking.
- 2.8. Each of Division Issue Shares in the increased share capital of Nowe Usługi shall be acquired at the value of PLN 1,000.00 (one thousand), taking into account that the nominal value of one Division Issue Share amounts to PLN 1,000.00 (one thousand).
- 2.9. In order to compensate for the differences resulting from the Share Exchange Ratio determined, ING Bank Śląski shall effect an additional payment in favour of Nowe Usługi totalling PLN 169.87 (one hundred sixty nine 87/100).
- 2.10. In connection with the Division, amendments shall be made to the statute of Nowe Usługi. Draft amendments are presented in Appendix 2 to the Division Plan.
- 2.11. The Company Being Divided shall be dissolved without conducting the liquidation procedure on the day of removal from the register of entrepreneurs of the National Court Register (“**Division Date**”). The Company Being Divided shall be removed from the register of entrepreneurs of the National Court Register *ex officio*, immediately after the entry by a competent district court of the increase in the share capital of Nowe Usługi, referred to in section 2.6 above.

3. ECONOMIC AND LEGAL JUSTIFICATION OF THE DIVISION OF THE COMPANY

- 3.1. Following the Division, the scope of activities of the brokerage office (“Brokerage Office”), existing within the structures of the Acquiring Company (ING Bank Śląski), shall be extended with the current scope of the brokerage activity of ING Securities. Following the Division, the scope of activities of the brokerage office (“**Brokerage Office**”), existing within the structures of the Acquiring Company (ING Bank Śląski), shall be extended with the current scope of the brokerage activity of ING Securities.
- 3.2. Currently, ING Securities and ING Bank Śląski provide brokerage services whose scopes vary and do not overlap. Except the brokerage activity, ING Securities also conducts educational activities for Customers and employees of ING Bank Śląski Group as well as marketing and promotional activities for entities being members of international ING Group. In addition, ING Securities, acting as a separate legal entity with the identity of the ownership of capital, maintains organisational structures necessary to support the core activity, and also necessary to perform organisational and legal obligations as well as reporting obligations required of an investment company.
- 3.3. The primary objective of the planned changes is to integrate within a single entity (ING Bank Śląski) the performance of brokerage services that have been provided through two entities, ING Securities and ING Bank Śląski, and to exclude non-financial services from the scope of activities of these entities.
- 3.4. With the integration of brokerage services at the Brokerage Office, ING Bank Śląski shall be able to present the customers with a complete and consistent offer for financial services, provided by a single legal entity.
- 3.5. The purpose of transferring advertising and educational activities, including those in respect of ING Turbo certificates, to Nowe Usługi is to separate the brokerage activity from non-brokerage activity which shall minimise the potential conflict of interests, improve the quality of training courses for Customers and employees of ING Bank Śląski as a result of a strict specialisation and to benefit fully from the popularisation potential of the portal www.edukacjagieldowa.pl e.g. with respect to promotion of the ING brand in the Polish market.
- 3.6. The provision of brokerage services concentrated within a single entity shall allow to:
 - a) integrate the management of financial services, including brokerage services, within ING Bank Śląski Group in order to utilise fully the strengths of institutions which used to be managed separately, including human resources and infrastructure,
 - b) simplify the structures associated with services for customers using brokerage services to utilise fully the effects of scale and synergies,

- c) expand the availability of brokerage services to customers of ING Bank Śląski Group in order to increase the potential of sales of brokerage services, especially with respect to retail customers,
 - d) simplify the organisation of the brokerage activity and reduce costs as a result of ING Securities ceasing to perform organisational and legal duties as a separate legal entity,
 - e) establish an integrated organisation providing comprehensive services to institutional and corporate customers,
 - f) optimise the use of human resources while ensuring continued employment for the current employees of ING Securities on appropriate positions at a stable financial institution, such as ING Bank Śląski, and to create new professional development opportunities for this group of employees.
- 3.7. The implementation of the aforesaid premises, based on adopted assumptions, shall lead to the growth in revenue at ING Bank Śląski Group from offering services related to the capital market in the next years. As a result of the identified cost synergies, ING Bank Śląski expects to make savings enhancing the profitability of the brokerage activity (the economy of scale, elimination of overlapping cost items, unification of processes related to the fulfilment of statutory duties).
- 3.8. The transfer of non-brokerage activity with respect to promotion and education to Nowe Usługi shall allow to:
- a) utilise fully the popularisation potential of the portal www.edukacjagieldowa.pl in order to build the awareness of ING brand among investors and sympathisers of the capital market through the concentration of engagement in the functioning of that portal,
 - b) conduct professional educational and popularising activities in the area of capital market among employees of ING Bank Śląski Group,
 - c) conduct marketing activity in the area of investing in ING Turbo certificates in the manner not giving rise to any doubts as to the potential conflict of interests,
 - d) obtain additional revenues from various forms of advertising published at the portal www.edukacjagieldowa.pl, including participation in advertising campaigns of ING Bank Śląski Group.
- 3.9. The activity in the fast-growing market for various forms of Internet advertising allows to adopt an assumption that Nowe Usługi shall be a profitable venture in connection with the provided to ING Bank Śląski Group and external entities.
- 3.10. Given the legal conditions, effecting the Division in the manner specified in Article 529 § 1 section 1 CCC shall be the most effective way of accomplishing

the business objectives, referred to above. Given the legal restrictions on the possibility of combining the banks with other entities, the division of ING Securities is the only legally permitted form of transferring the brokerage activity, conducted by ING Securities, to the Bank, while providing general succession in terms of relations with clients and counterparties.

4. JUSTIFICATION OF THE SHARE EXCHANGE RATIO AND INDICATING SPECIAL PROBLEMS ASSOCIATED WITH THE VALUATION OF SHARES

- 4.1. As at 1 January 2016, the book value of the Company Being Divided is PLN 85,246,367.16 (eighty five million two hundred forty six thousand three hundred sixty seven 16/100), including the book value of an organised part of the enterprise of ING Securities – the Principal Undertaking amounting to PLN 85,079,537.03 (eighty five million seventy nine thousand five hundred thirty seven 03/100), and the book value of an organised part of the enterprise of ING Securities – the Auxiliary Undertaking amounting to PLN 166,830.13 (one hundred sixty six thousand eight hundred thirty 13/100).
- 4.2. Given that ING Bank Śląski is the sole shareholder of ING Securities and having regard to the content of Article 550 § 1 CCC, it is not expected to increase the share capital of ING Bank Śląski, in connection with the Division, in order to issue to the sole shareholder of ING Securities the shares of ING Bank Śląski in exchange for the part of assets of ING Securities, being transferred as part of the Division to ING Bank Śląski, in the form of an organised part of the enterprise of ING Securities – the Principal Undertaking. Therefore, the ratio of exchange of the shares of the Company Being Divided into the shares of ING Bank Śląski shall not be determined.
- 4.3. In connection with the Division, the share capital of Nowe Usługi shall be increased from PLN 100,000.00 (one hundred thousand) to PLN 267,000.00 (two hundred sixty seven thousand), by the amount of PLN 167,000.00 (one hundred sixty seven thousand), by the issue of 167 new series B registered shares of the nominal value of PLN 1,000.00 (one thousand) each (“Division Issue Shares”). In order to compensate for the differences resulting from the acquisition of the Division Issue Shares and the value of assets of ING Securities in the form of an organised part of the enterprise of ING Securities – the Auxiliary Undertaking, ING Bank Śląski shall effect an additional payment in favour of Nowe Usługi totalling PLN 169.87 (one hundred sixty nine 87/100).
- 4.4. The ratio of exchange of the shares of the Company Being Divided into the Division Issue Shares (“Share Exchange Ratio”) is 1,511,432 to 167 (one million five hundred eleven thousand four hundred thirty two to one hundred sixty seven) and was determined on the basis of the number of shares in the share capital of ING Securities and the number of the Division Issue Shares issued by the Acquiring Company.
- 4.5. In order to determine the Share Exchange Ratio, there was made a valuation of assets of the Acquiring Company, Nowe Usługi, and of the assets of the

Company Being Divided, ING Securities, including the Auxiliary Undertaking to be acquired by Nowe Usługi following the Division. Valuations were based on the book value of the assets valued. The choice of the book value method is supported by its simplicity, unambiguous interpretation of the results of valuation and the valuation basis being the same generally applicable accounting standards. In addition, the choice of this method is supported by the fact that the companies being valued are under common control of the same parent company – ING Bank Śląski, and there will be no change of control over the entities as a result of the Division. The adopted method of valuation does it affect the economic effect of the transaction. According to the valuation methodology, the value of equity is calculated using the book value method by calculating the difference between the carrying value of assets and liabilities at the valuation date. These values were specified at 1 January 2016, i.e. at the valuation date. Thus, in view of the purpose of the valuation and the above justification for the choice of the valuation method, the calculated value of equity is equal to the book value of net assets of companies.

- 4.6. After the review of results of the aforesaid valuations, the Management Boards of ING Bank Śląski, ING Securities and Nowe Usługi determined the above Share Exchange Ratio.
- 4.7. After the Division and the acquisition of the Division Issue Shares, ING Bank Śląski shall remain the sole shareholder of Nowe Usługi.
- 4.8. The newly issued Division Issue Shares in the increased share capital of Nowe Usługi, acquired as a result of the Division by ING Bank Śląski, shall authorise to participate in the profit of Nowe Usługi from the Division Date.
- 4.9. Nowe Usługi shall not intend to grant any special rights or benefits to ING Bank Śląski as the shareholder of the Company Being Divided. In the absence of persons holding special rights in the Company Being Divided, the Acquiring Companies shall not intend to grant any special rights.
- 4.10. It shall not be intended to grant any special rights or benefits associated with the Division to members of the authorities of the Company Being Divided and the Acquiring Companies or any persons participating in the Division.
- 4.11. The Management Board of ING Securities declares that there were no difficulties with the valuation of shares of the Company Being Divided and there were no difficulties with the valuation of Nowe Usługi. In consequence, there were no difficulties with the determination of the share exchange ratio.

**Management Board Report
Nowe Usługi Spółka Akcyjna
with its registered office in Katowice**

**justifying the division of ING Securities S.A.
under Article 529 § 1 section 1) of the Act of 15 September 2000 – Commercial Companies
Code (i.e. Journal of Laws of 2013 r., item 1030 as amended; “CCC”),**

**prepared in accordance with Article 536 § 1 CCC
on 2 February 2016**

1. INTRODUCTION

This report justifying the division was prepared by the Management Board of Nowe Usługi Spółka Akcyjna in the context of the planned division of ING Securities Spółka Akcyjna (“**Division**”).

The Division shall involve the following companies:

1.1. The Company Being Divided:

ING Securities Spółka Akcyjna with its registered office in Katowice, postal code: 40-086, at ul. Sokolska 34, entered in the register of entrepreneurs of the National Court Register maintained by the District Court Katowice-East in Katowice, 8th Commercial Division of the National Court Register under number KRS: 0000074974, NIP: 6341981634, with share capital of PLN 30,228,640.00, wholly paid up (“**ING Securities**” or the “**Company Being Divided**”).

1.2. The Acquiring Companies:

- a) **ING Bank Śląski Spółka Akcyjna** with its registered office in Katowice, postal code: 40-086, at ul. Sokolska 34, entered in the register of entrepreneurs of the National Court Register maintained by the District Court Katowice-East in Katowice, 8th Commercial Division of the National Court Register under number KRS: 0000005459, NIP: 6340135475, with share capital of PLN 130,100,000.00, wholly paid up (“**ING Bank Śląski**”);
- b) **Nowe Usługi Spółka Akcyjna** with its registered office in Katowice, postal code: 40-121, at ul. Chorzowska 50, entered in the register of entrepreneurs of the National Court Register maintained by the District Court Katowice-East in Katowice, 8th Commercial Division of the National Court Register under number KRS: 0000511684, NIP: 6342828952, with share capital of 100,000.00, wholly paid up („**Nowe Usługi**”).

ING Bank Śląski and Nowe Usługi shall be hereinafter jointly referred to as the “**Acquiring Companies**”.

2. THE LEGAL BASIS OF DIVISION

- 2.1. The division of the Company Being Divided shall be effected in the manner specified in Article 529 § 1 section 1 CCC (division by acquisition), by transferring all assets of the Company Being Divided to the Acquiring Companies, in accordance with the following provisions, however the transfer with respect to Nowe Usługi shall be effected in exchange for the shares of that Company to be acquired by the sole shareholder of the Company Being Divided (ING Bank Śląski).
- 2.2. The division of the Company Being Divided shall be effected taking into account the internal organisational structure of the Company Being Divided, comprising two organised parts of the enterprise, separated within the organisational structure of the Company Being Divided as of 1 September 2015 pursuant to the resolution of the Management Board of the Company Being Divided of 31 August 2015, in accordance with which the enterprise of the Company Being Divided comprises two undertakings being internal organisational units of the Company Being Divided, i.e.:
- a) The Principal Undertaking, an organised part of the enterprise of the Company Being Divided comprising, in terms of organisation and finances, a separated group of tangible and intangible assets and liabilities of the Company Being Divided, designed for the implementation of economic tasks associated with the provision of brokerage services (whose detailed scope is presented in List No 1 to the Division Plan), referred to as the Brokerage Division (“**Principal Undertaking**”), and
 - b) The Auxiliary Undertaking, an organised part of the enterprise of the Company Being Divided comprising, in terms of organisation and finances, a separated group of tangible and intangible assets and liabilities of the Company Being Divided, designed for the implementation of economic tasks associated with educational and marketing activities (whose detailed scope is presented in List No 2 to the Division Plan), referred to as the Education and Promotion Department (“**Auxiliary Undertaking**”).

Both the Principal Undertaking and the Auxiliary Undertaking could represent independent enterprises in the subjective sense (in accordance with Article 55¹ of the Act of 23 April 1964 – Civil Code; i.e. Journal of Laws of 2014, item 121 as amended), implementing independently the tasks assigned to them.

- 2.3. The part of assets of the Company Being Divided forming the Principal Undertaking shall be transferred as part of the Division to ING Bank Śląski. As at the Division Date (in accordance with the definition below), ING Bank Śląski shall enter into the rights and obligations of the Company Being Divided

associated with the business activity of the Principal Undertaking, as specified in the Division Plan.

- 2.4. Given that ING Bank Śląski is the sole shareholder of ING Securities and having regard to the content of Article 550 § 1 CCC, it is not expected to increase the share capital of ING Bank Śląski, in connection with the Division, in order to issue to the sole shareholder of ING Securities the shares of ING Bank Śląski in exchange for the part of assets of ING Securities, being transferred as part of the Division to ING Bank Śląski, in the form of an organised part of the enterprise of ING Securities – the Principal Undertaking.
- 2.5. The part of assets of the Company Being Divided forming the Auxiliary Undertaking shall be transferred as part of the Division to Nowe Usługi. As at the Division Date (in accordance with the definition below), Nowe Usługi shall enter into the rights and obligations of the Company Being Divided associated with the business activity of the Auxiliary Undertaking, as specified in the Division Plan.
- 2.6. In connection with the Division, the share capital of Nowe Usługi shall be increased from PLN 100,000.00 (one hundred thousand) to PLN 267,000.00 (two hundred sixty seven thousand), by the amount of PLN 167,000.00 (one hundred sixty seven thousand), by the issue of 167 (one hundred sixty seven) new series B registered shares of the nominal value of PLN 1,000.00 (one thousand) each (“**Division Issue Shares**”).
- 2.7. ING Bank Śląski, as the sole shareholder of ING Securities, shall acquire all newly issued Division Issue Shares in the increased share capital of Nowe Usługi in exchange for the transfer, as part of the Division, to Nowe Usługi of the part of assets of ING Securities in the form of an organised part of the enterprise of ING Securities – the Auxiliary Undertaking.
- 2.8. Each of Division Issue Shares in the increased share capital of Nowe Usługi shall be acquired at the value of PLN 1,000.00 (one thousand), taking into account that the nominal value of one Division Issue Share amounts to PLN 1,000.00 (one thousand).
- 2.9. In order to compensate for the differences resulting from the Share Exchange Ratio determined, ING Bank Śląski shall effect an additional payment in favour of Nowe Usługi totalling PLN 169.87 (one hundred sixty nine 87/100).
- 2.10. In connection with the Division, amendments shall be made to the statute of Nowe Usługi. Draft amendments are presented in Appendix 2 to the Division Plan.
- 2.11. The Company Being Divided shall be dissolved without conducting the liquidation procedure on the day of removal from the register of entrepreneurs of the National Court Register (“**Division Date**”). The Company Being Divided shall be removed from the register of entrepreneurs of the National Court Register *ex officio*, immediately after the entry by a competent

district court of the increase in the share capital of Nowe Usługi, referred to in section 2.6 above.

3. ECONOMIC JUSTIFICATION OF THE DIVISION OF THE COMPANY

- 3.1. Following the Division, the scope of activities of the brokerage office (“Brokerage Office”), existing within the structures of the Acquiring Company (ING Bank Śląski), shall be extended with the current scope of the brokerage activity of ING Securities. following the Division, the scope of activities of the brokerage office (“**Brokerage Office**”), existing within the structures of the Acquiring Company (ING Bank Śląski), shall be extended with the current scope of the brokerage activity of ING Securities.
- 3.2. Currently, ING Securities and ING Bank Śląski provide brokerage services whose scopes vary and do not overlap. Except the brokerage activity, ING Securities also conducts educational activities for Customers and employees of ING Bank Śląski Group as well as marketing and promotional activities for entities being members of international ING Group. In addition, ING Securities, acting as a separate legal entity with the identity of the ownership of capital, maintains organisational structures necessary to support the core activity, and also necessary to perform organisational and legal obligations as well as reporting obligations required of an investment company.
- 3.3. The primary objective of the planned changes is to integrate within a single entity (ING Bank Śląski) the performance of brokerage services that have been provided through two entities, ING Securities and ING Bank Śląski, and to exclude non-financial services from the scope of activities of these entities.
- 3.4. With the integration of brokerage services at the Brokerage Office, ING Bank Śląski shall be able to present the customers with a complete and consistent offer for financial services, provided by a single legal entity.
- 3.5. The purpose of transferring advertising and educational activities, including those in respect of ING Turbo certificates, to Nowe Usługi is to separate the brokerage activity from non-brokerage activity which shall minimise the potential conflict of interests, improve the quality of training courses for Customers and employees of ING Bank Śląski as a result of a strict specialisation and to benefit fully from the popularisation potential of the portal www.edukacjagieldowa.pl e.g. with respect to promotion of the ING brand in the Polish market.
- 3.6. The provision of brokerage services concentrated within a single entity shall allow to:
 - a) integrate the management of financial services, including brokerage services, within ING Bank Śląski Group in order to utilise fully the strengths of institutions which used to be managed separately, including human resources and infrastructure,

- b) simplify the structures associated with services for customers using brokerage services to utilise fully the effects of scale and synergies,
 - c) expand the availability of brokerage services to customers of ING Bank Śląski Group in order to increase the potential of sales of brokerage services, especially with respect to retail customers,
 - d) simplify the organisation of the brokerage activity and reduce costs as a result of ING Securities ceasing to perform organisational and legal duties as a separate legal entity,
 - e) establish an integrated organisation providing comprehensive services to institutional and corporate customers,
 - f) optimise the use of human resources while ensuring continued employment for the current employees of ING Securities on appropriate positions at a stable financial institution, such as ING Bank Śląski, and to create new professional development opportunities for this group of employees.
- 3.7. The implementation of the aforesaid premises, based on adopted assumptions, shall lead to the growth in revenue at ING Bank Śląski Group from offering services related to the capital market in the next years. As a result of the identified cost synergies, ING Bank Śląski expects to make savings enhancing the profitability of the brokerage activity (the economy of scale, elimination of overlapping cost items, unification of processes related to the fulfilment of statutory duties).
- 3.8. The transfer of non-brokerage activity with respect to promotion and education to Nowe Usługi shall allow to:
- a) utilise fully the popularisation potential of the portal www.edukacjagieldowa.pl in order to build the awareness of ING brand among investors and sympathisers of the capital market through the concentration of engagement in the functioning of that portal,
 - b) conduct professional educational and popularising activities in the area of capital market among employees of ING Bank Śląski Group,
 - c) conduct marketing activity in the area of investing in ING Turbo certificates in the manner not giving rise to any doubts as to the potential conflict of interests,
 - d) obtaining additional revenues from various forms of advertising published at the portal www.edukacjagieldowa.pl, including participation in advertising campaigns of ING Bank Śląski Group.
- 3.9. Operations in the fast-growing market for various forms of Internet advertising allows to adopt an assumption that Nowe Usługi shall be a

profitable venture in connection with the provided to ING Bank Śląski Group and external entities.

- 3.10. Given the legal conditions, effecting the Division in the manner specified in Article 529 § 1 section 1 CCC shall be the most effective way of accomplishing the business objectives, referred to above. Given the legal restrictions on the possibility of combining the banks with other entities, the division of ING Securities is the only legally permitted form of transferring the brokerage activity, conducted by ING Securities, to the Bank, while providing general succession in terms of relations with clients and counterparties.

4. JUSTIFICATION OF THE SHARE EXCHANGE RATIO AND INDICATING SPECIAL PROBLEMS ASSOCIATED WITH THE VALUATION OF SHARES

- 4.1. As at 1 January 2016, the book value of the Company Being Divided is PLN 85,246,367.16 (eighty five million two hundred forty six thousand three hundred sixty seven 16/100), including the book value of an organised part of the enterprise of ING Securities – the Principal Undertaking amounting to PLN 85,079,537.03 (eighty five million seventy nine thousand five hundred thirty seven 03/100), and the book value of an organised part of the enterprise of ING Securities – the Auxiliary Undertaking amounting to PLN 166,830.13 (one hundred sixty six thousand eight hundred thirty 13/100).
- 4.2. Given that ING Bank Śląski is the sole shareholder of ING Securities and having regard to the content of Article 550 § 1 CCC, it is not expected to increase the share capital of ING Bank Śląski, in connection with the Division, in order to issue to the sole shareholder of ING Securities the shares of ING Bank Śląski in exchange for the part of assets of ING Securities, being transferred as part of the Division to ING Bank Śląski, in the form of an organised part of the enterprise of ING Securities – the Principal Undertaking. Therefore, the ratio of exchange of the shares of the Company Being Divided into the shares of ING Bank Śląski shall not be determined.
- 4.3. In connection with the Division, the share capital of Nowe Usługi shall be increased from PLN 100,000.00 (one hundred thousand) to PLN 267,000.00 (two hundred sixty seven thousand), by the amount of PLN 167,000.00 (one hundred sixty seven thousand), by the issue of 167 new series B registered shares of the nominal value of PLN 1,000.00 (one thousand) each (“Division Issue Shares”). In order to compensate for the differences resulting from the acquisition of the Division Issue Shares and the value of assets of ING Securities in the form of an organised part of the enterprise of ING Securities – the Auxiliary Undertaking, ING Bank Śląski shall effect an additional payment in favour of Nowe Usługi totalling PLN 169.87 (one hundred sixty nine 87/100).
- 4.4. The ratio of exchange of the shares of the Company Being Divided into the Division Issue Shares (“Share Exchange Ratio”) is 1,511,432 to 167 (one million five hundred eleven thousand four hundred thirty two to one hundred sixty seven) and was determined on the basis of the number of shares in the share

capital of ING Securities and the number of the Division Issue Shares issued by the Acquiring Company.

- 4.5. In order to determine the Share Exchange Ratio, there was made a valuation of assets of the Acquiring Company, Nowe Usługi, and of the assets of the Company Being Divided, ING Securities, including the Auxiliary Undertaking to be acquired by Nowe Usługi following the Division. Valuations were based on the book value of the assets valued. The choice of the book value method is supported by its simplicity, unambiguous interpretation of the results of valuation and the valuation basis being the same generally applicable accounting standards. In addition, the choice of this method is supported by the fact that the companies being valued are under common control of the same parent company – ING Bank Śląski, and there will be no change of control over the entities as a result of the Division. The adopted method of valuation does it affect the economic effect of the transaction. According to the valuation methodology, the value of equity is calculated using the book value method by calculating the difference between the carrying value of assets and liabilities at the valuation date. These values were specified at 1 January 2016, i.e. at the valuation date. Thus, in view of the purpose of the valuation and the above justification for the choice of the valuation method, the calculated value of equity is equal to the book value of net assets of companies.
- 4.6. After the review of results of the aforesaid valuations, the Management Boards of ING Bank Śląski, ING Securities and Nowe Usługi determined the above Share Exchange Ratio.
- 4.7. After the Division and the acquisition of the Division Issue Shares, ING Bank Śląski shall remain the sole shareholder of Nowe Usługi.
- 4.8. The newly issued Division Issue Shares in the increased share capital of Nowe Usługi, acquired as a result of the Division by ING Bank Śląski, shall authorise to participate in the profit of Nowe Usługi from the Division Date.
- 4.9. Nowe Usługi shall not intend to grant any special rights or benefits to ING Bank Śląski as the shareholder of the Company Being Divided. In the absence of persons holding special rights in the Company Being Divided, the Acquiring Companies shall not intend to grant any special rights.
- 4.10. It shall not be intended to grant any special rights or benefits associated with the Division to members of the authorities of the Company Being Divided and the Acquiring Companies or any persons participating in the Division.
- 4.11. The Management Board of Nowe Usługi declares that there were no difficulties with the valuation of shares of the Company Being Divided and there were no difficulties with the valuation of Nowe Usługi. In consequence, there were no difficulties with the determination of the share exchange ratio.