

2019-01-21 report no. 2/2019: Polish Financial Supervision Authority notice of the individual add-on ST used in the dividend policy.

The Management Board of ING Bank Śląski S.A. ("Bank") hereby report that on 18 January 2019 the Bank has received a letter from the Polish Financial Supervision Authority ("PFSA")-on the criteria for the dividend policy of commercial banks in 2019. In their letter, the PFSA communicated the individual add-on ST for the Bank to be taken account of in the event of dividend payout of over 75% of earned net profit.

The add-on ST measures the Bank's sensitivity to an adverse macroeconomic scenario. It is defined as the difference between the total capital ratio ("TCR") in the baseline scenario and TCR in the stress scenario as at the 2020 yearend, considering supervisory adjustments. Due to the assumption of stable balance sheet, applicable to this year; i.e., banks' inability to respond to negative developments in their external landscape, the ST indicator was reduced by the conservation buffer in place since 1 January 2019; i.e. 2.5 p.p.

As a result of analyses made during the stress tests conducted by the PFSA Office, the individual add-on ST for ING Bank Śląski S.A. was set, upon reduced by the conservation buffer, at 3.34%.

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).