2019-03-01 Report No. 8/2019: Dividend policy update.

Further to current reports no. 33/2016 of 15 September 2016, no. 4/2017 of 3 March 2017 and no. 8/2018 of 9 March 2018, the Management Board of ING Bank Śląski S.A. ("Bank") hereby communicate that on 1 March 2019 the Supervisory Board approved the updated ING Bank Śląski S.A. Dividend Policy ("Policy").

The Policy has been updated following the published stance of the Polish Financial Supervision Authority ("PFSA") on the dividend policy at banks in the following manner:

1. the Policy has been tailored to the stance of the PFSA in that the specification of minimum capital ratios (common equity Tier 1, Tier 1 ratio and total capital ratio) was waived for the regulatory formula due to the volatile systemic risk buffer and countercyclical capital buffer; and
2. the Policy provisions have been appended with the condition concerning the Bank's sensitivity to an adverse macroeconomic scenario.

ING Bank Śląski S.A. Dividend Policy:

ING Bank Śląski S.A. endorses a long-term stable process of dividend payout in adherence to the rules of prudent management and any and all regulatory requirements which the Bank shall comply with.
The Dividend Policy endorses the option to pay dividend from the capital surplus over the minimum capital adequacy ratios and over the minimum capital ratios set for the Bank by the PFSA for dividend payout purposes:

a. minimum common equity Tier 1 (CET1) at the level of 4,5% + combined buffer requirement[1] + 1,5%,
b. minimum Tier 1 (T1) at the level of 6% + combined buffer requirement[1] + 1,5%,
c. minimum total capital ratio (TCR) at the level of 8% + combined buffer requirement[1] + 1,5%.

[1] Combined buffer requirement binding in the year of dividend payout from the profit of the previous year.

When determining the recommended dividend payout amount to the General Meeting, the Bank Management Board review in particular the following terms and conditions:

a. the current financial standing of the Bank and the Bank Group, including limitations in the case of sustaining financial loss or low profitability (low ROA/ROE),
b. Bank's and Bank Group's assumptions of the management strategy and risk management strategy,
c. Polish Financial Supervision Authority's stance on the banks' dividend policy, including – within capital criteria – the sensitivity of the Bank to unfavourable macroeconomic scenario (ST parameter),
d. limitations under Article 56 of the Act on *macroprudential supervision over the financial system and crisis management in the financial system* of 05 August 2015,
e. the need to adjust profits of the present period or unapproved annual profits recognised as own funds with foreseeable dividends, according to art 26 of the Regulation EU 575/2013.

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).