

## Policy of disclosing qualitative and quantitative information on capital adequacy and variable components of remuneration of ING Bank Śląski S.A.

### I. Introduction

Pursuant to the Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 and the Act on Banking Law of 29<sup>th</sup> August 1997 (i.e. Journal of Laws of 2017 item 1876 as amended) ING Bank Śląski S.A. is obliged to announce to the general public qualitative and quantitative information on capital adequacy and principles of determining remuneration of persons in managerial positions in the Bank.

### II. Definitions

Following terms are used within this document:

- **The Policy** - “Policy of disclosing qualitative and quantitative information on capital adequacy and variable components of remuneration of ING Bank Śląski S.A.”
- **Bank** - **ING Bank Śląski S.A.** with its registered office in Katowice.
- **ING Bank Śląski S.A. Group** - the **Bank** together with its subsidiaries and associated companies.
- **ING Group** - dominant entity of **ING Group N.V.** with its registered office in Amsterdam, the Netherlands.
- **Banking Law Act** - the Act on Banking Law Act of 29th August 1997 as amended.
- **Regulation CRR** - Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 as amended.
- **Directive CRD IV** - Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.
- **Guidelines EBA/GL/2014/14** - Guidelines on materiality, proprietary and confidentiality and on disclosure frequency under Articles 432(1), 432(2) and 433 of Regulation (EU) No 575/2013.
- **Guidelines EBA/GL/2016/11** - Guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013.
- **Guidelines EBA/GL/2018/01** - Guidelines on uniform disclosures under Article 473a of Regulation (EU) No 575/2013 as regards transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds.
- **Guidelines EBA/GL/2018/10** - Guidelines on disclosure of non-performing and forborne exposures.
- **Guidelines EBA/GL/2020/07** - Guidelines on disclosure of exposures subject to measures applied in response to the COVID-19 crisis.
- **Guidelines EUNB/GL/2020/11** - Guidelines on disclosure requirements in compliance with the CRR ‘quick fix’ in response to the COVID-19 pandemic.
- **Guidelines EBA/GL/2020/12** - Guidelines amending Guidelines EBA/GL/2018/01 on uniform disclosures under Article 473a of Regulation (EU) No 575/2013 (CRR) on the transitional period for mitigating the impact of the introduction of IFRS 9 on own funds to ensure compliance with the CRR ‘quick fix’ in response to the COVID-19 pandemic.
- **Recommendation M** - Recommendation M on operating risk management in banks – enclosure to Resolution No. 8/2013 of the Polish Financial Supervision Authority of 8 January 2013.
- **Disclosure document** - the document containing the disclosures of qualitative and quantitative nature regarding capital adequacy and variable components of remuneration prepared in accordance with this Policy.

- **Instruction** – “Instruction of verification of “Policy of disclosing qualitative and quantitative information on capital adequacy and variable components of remuneration of ING Bank Śląski S.A.” and principles of assessment of the scope of disclosures”.

### III. Scope of disclosed information

#### § 1

1. The Bank announces selective information regarding capital adequacy based on the data of ING Bank Śląski S.A. Group. The ING Bank Śląski S.A. Group as significant subsidiary of UE parent financial holding company discloses information defined in Articles: 437, 473a, 438, 440, 442, 450, 451, 451a and 453 of Regulation CRR.

For non-performing and forborne exposures disclosed information is as required in Guidelines EBA/GL/2018/10. For operational risk disclosed information is as required in Recommendation M. The information concerns in particular:

- own funds, as laid down in Article 437 of the Regulation CRR, including transitional provisions laid down in Article 492 of the Regulation CRR,
- compliance with own funds requirements, as laid down in Article 438 of the Regulation CRR,
- compliance with countercyclical capital buffer requirements, as laid down in Article 440 of the Regulation CRR,
- exposure to credit risk and dilution risk, as laid down in Article 442 of the Regulation CRR,
- principles for determining the variable components of remuneration, as laid down in Article 450 of the Regulation CRR,
- leverage ratio and management of the risk of excessive leverage, as laid down in Article 451 of the Regulation CRR and Guidelines EUNB/GL/2020/11,
- liquidity requirements, as laid down in Article 451a of the Regulation CRR,
- credit risk mitigation techniques used by the Bank, as laid down in Article 453 of the CRR,
- transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds, as laid down in Article 473a of the CRR and Guidelines EBA/GL/2018/01 and EBA/GL/2020/12,
- non-performing and forborne exposures, as laid down in Guidelines EBA/GL/2018/10,
- exposures subject to measures applied in response to the COVID-19 crisis, as laid down in Guidelines EBA/GL/2020/07,
- operational risk in accordance with the requirements contained in the Recommendation M.

2. ING Group discloses the minimal scope of information which is defined in the part eight of Regulation CRR. The information is a part of the annual financial statement of ING Group (chapters concerning Pillar III) or is published as a separate document.

The Bank discloses the information by indicating the place of publication (web page) the annual financial statements of ING Group.

#### § 2

Every time the Bank estimate the adequacy of the disclosed information whether the disclosures convey a comprehensive Bank's risk profile to market participants. Rules for the assessment are determined by the Instruction.

#### § 3

In compliance with the Article 432 of the Regulation CRR and the Guidelines EBA/GL/2014/14, when the information on ING Bank Śląski S.A. Group are being disclosed is non-material, proprietary or confidential, the Bank may omit announcement of the information giving the reason for non-disclosure and publishing more general information in that regard.

Information in disclosures shall be regarded as material if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions.

The Bank may omit one or more items of information included in the disclosures if those items include information which is regarded as proprietary or confidential.

Information shall be regarded as proprietary if disclosing it publicly would undermine competitive position of the Bank.

Information shall be regarded as confidential if there are obligations to customers or other counterparty relationships binding the Bank to confidentiality.

#### **§ 4**

The provisions of this Policy shall not apply to the information disclosed by the Bank pursuant to other regulations. The information is provided to the public in accordance with separate regulations adopted by the Bank, in particular the Information Policy of ING Bank Śląski S.A. and Regulations on the publication of confidential information and transactions carried out by persons discharging managerial responsibilities in ING Bank Śląski S.A.

### **IV. Form and place of disclosure**

#### **§ 5**

The information determined in § 1 considering § 2 is disclosed by the Bank is included in the documents published on the website, in the investor relations section.

### **V. Frequency and term of disclosure**

#### **§ 6**

The information determined in § 1 considering § 2 is published at least once a year. Annual disclosures shall be published on the financial statements of the ING Bank Śląski S.A. Group publication date.

#### **§ 7**

The Bank analyses the need to publish some or all disclosures more frequently than annually. The analysis is held in accordance with the provisions of the Article 433 of the Regulation CRR and the Guidelines EBA/GL/2014/14 and Guidelines EBA/GL/2016/11. The verification actions are determined by the Instruction.

### **VI. V. Principles of approval and verification of the information to be disclosed**

#### **§ 8**

The competent units responsible for the preparation and verification of data for accuracy and completeness. The Accounting Department is responsible for the coordination of the preparation of a single disclosure document.

#### **§ 9**

Information disclosed by the Bank based on the data of the ING Bank Śląski S.A. Group is published in Polish and English.

#### **§ 10**

The information announced by the Bank based on the data of the ING Bank Śląski S.A. Group is verified by an independent entity authorised to perform audits of financial statements. Information concerning capital adequacy, which pursuant to separate regulations is disclosed in the financial statements, is verified under the standards applied for the verification of financial statements.

#### **§ 11**



The Management Board approves information disclosed based on the data of the ING Bank Śląski S.A. Group prior to its publication.

## **VII. Principles of verification of the Policy**

### **§ 12**

The Principles hereof are verified by the Accounting Department, in cooperation with other units of the Bank which participate in the process, at least once a year. The verification principles are determined by the Instruction.

### **§ 13**

Any amendments hereto shall be made based on the Resolution of the Management Board of the Bank in the form of the Ordinance of the President of the Bank Management Board, after the recommendation by the Risk Committee and the Remuneration and Nomination Committee and after the approval by the Supervisory Board.