ING

2011

Interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for Q3 2011

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SELECTED FINANCIAL DATA FROM FINANCIAL STATEMENTS

	PLN thousand		**EUR thousand**	
	3Q 2011 the period from 01 Jan 2011 to 30 Sep 2011	**3Q 2010** the period from 01 Jan 2010 to 30 Sep 2010	**3Q 2011** the period from 01 Jan 2011 to 30 Sep 2011	**3Q 2010** the period from 01 Jan 2010 to 30 Sep 2010
Interest income	2 488 492	2 197 235	615 765	548 938
Commission income	879 269	828 854	217 571	207 074
Result on basic activities	2 177 476	2 008 152	538 806	501 699
Result before tax	833 627	693 148	206 277	173 170
Net profit attributable to shareholders of ING Bank Śląski S.A.	666 492	561 420	164 920	140 260
Net cash flows	2 322 409	-357 984	574 669	-89 436
Earnings per ordinary share (PLN / EUR)	51.23	43.15	12.68	10.78

	PLN thousand			**EUR thousand**		
	3Q 2011 as of 30 Sep 2011	**end of year 2010** as of 31 Dec 2010	**3Q 2010** as of 30 Sep 2010	**3Q 2011** as of 30 Sep 2011	**end of year 2010** as of 31 Dec 2010	**3Q 2010** as of 30 Sep 2010
Total assets	73 696 086	64 517 528	62 165 535	16 706 585	16 291 071	15 592 058
Equity attributable to shareholders of ING Bank Śląski S.A.	6 194 548	5 650 753	5 529 516	1 404 277	1 426 850	1 386 886
Share capital	130 100	130 100	130 100	29 493	32 851	32 631
Number of shares (per item)	13 010 000	13 010 000	13 010 000	-	-	-
Book value per share (PLN / EUR)	476.14	434.34	425.02	107.94	109.67	106.60
Solvency ratio (%)	12.56%	13.15%	13.30%	-	-	-

In order to determine the basic figures in EUR, the following exchange rates were applied:

- for statement of financial positions items – PLN 4.4112, NBP exchange rate of 30 September 2011; PLN 3.9603, NBP exchange rate of 31 December 2010; PLN 3.9870 NBP exchange rate of 30 September 2010,
- for income statement items and cash flow statement items for the period of 9 months ending on 30 September 2011 - PLN 4.0413 exchange rate calculated as the average of NBP exchange rates as at the last day of each month in 3Q 2011; PLN 4.0027 exchange rate calculated as the average of NBP exchange rates as at the last day of each month in 3Q 2010.

Interim condensed consolidated financial statements (PLN thousand)

I. Interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	III quarter 2011 the period from 01 Jul 2011 to 30 Sep 2011	3 Q 2011 the period from 01 Jan 2011 to 30 Sep 2011	III quarter 2010 the period from 01 Jul 2010 to 30 Sep 2010	3 Q 2010 the period from 01 Jan 2010 to 30 Sep 2010
- Interest income	6.1	882 317	2 488 492	747 371	2 197 235
- Interest expenses	6.1	404 922	1 116 655	337 150	991 339
Net interest income	6.1	**477 395**	**1 371 837**	**410 221**	**1 205 896**
- Commission income	6.2	297 722	879 269	287 157	828 854
- Commission expenses	6.2	36 296	108 133	31 565	97 842
Net commission income	6.2	**261 426**	**771 136**	**255 592**	**731 012**
Net income on financial instruments measured at fair value through profit or loss and FX result	6.3	-8 229	30 059	24 399	75 695
Net income on investments	6.4	7 754	32 124	718	7 778
Net income on hedge accounting	6.5	-23 655	-43 075	-7 856	-30 016
Net income on other basic activities		2 702	15 395	6 467	17 787
Result on basic activities		**717 393**	**2 177 476**	**689 541**	**2 008 152**
General and administrative expenses	6.6	421 904	1 250 433	395 339	1 192 893
Result on other operating income and expenses		-85	-2 643	-12 324	-8 482
Impairment losses and provisions for off-balance sheet liabilities	6.7	27 126	121 897	55 101	142 477
Share in net profit (loss) of associated entities recognised under the equity method		8 222	31 124	10 652	28 848
Profit (loss) before tax		**276 500**	**833 627**	**237 429**	**693 148**
Income tax		56 382	167 154	44 982	131 657
Net profit (loss) from continuing operations		**220 118**	**666 473**	**192 447**	**561 491**
- attributable to shareholders of ING Bank Śląski S.A.		**220 100**	**666 492**	**192 370**	**561 420**
- attributable to non-controlling interests		18	-19	77	71

Net profit (loss) attributable to shareholders of ING Bank Śląski S.A.	**220 100**	**666 492**	**192 370**	**561 420**
Weighted average number of ordinary shares	**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**
Earnings per ordinary share (PLN)	**16,92**	**51,23**	**14,79**	**43,15**

Diluted earnings per share agrees with earnings per ordinary share

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	III quarter 2011 the period from 01 Jul 2011 to 30 Sep 2011	3 Q 2011 the period from 01 Jan 2011 to 30 Sep 2011	III quarter 2010 the period from 01 Jul 2010 to 30 Sep 2010 *comparable data*	3 Q 2010 the period from 01 Jan 2010 to 30 Sep 2010 *comparable data*
Net result for the period	**220 118**	**666 473**	**192 447**	**561 491**
Other comprehensive income	**20 171**	**65 751**	**55 371**	**80 128**
Total comprehensive income for the period	**240 289**	**732 224**	**247 818**	**641 619**
- attributable to shareholders of ING Bank Śląski S.A.	240 271	732 243	247 741	641 548
- attributable to non-controlling interests	18	-19	77	71

Interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income shall be analysed together with the supplementary notes to interim condensed consolidated financial statements being the integral part of interim condensed consolidated financial statements.

Interim condensed consolidated financial statements (PLN thousand)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	3 Q 2011 as of 30 Sep 2011	I half 2011 as of 30 Jun 2011	end of year 2010 as of 31 Dec 2010	3 Q 2010 as of 30 Sep 2010	I half 2010 as of 30 Jun 2010
A S S E T S						
- Cash in hand and balances with the Central Bank		4 064 920	1 566 648	2 394 196	1 265 104	2 158 478
- Loans and receivables to other banks	6.8	2 706 438	1 758 250	1 181 105	1 859 227	1 940 108
- Financial assets measured at fair value through profit and loss	6.9	1 120 526	572 509	659 606	3 945 735	1 451 554
- Valuation of derivatives		1 781 944	912 643	1 158 897	1 527 884	1 755 710
- Investments	6.10	22 396 333	23 947 458	23 006 812	18 736 413	21 008 716
- available-for-sale		*17 379 608*	*18 998 107*	*16 788 801*	*12 239 940*	*14 323 677*
- held-to-maturity		*5 016 725*	*4 949 351*	*6 218 011*	*6 496 473*	*6 685 039*
- Derivative hedge instruments		337 135	167 948	104 796	86 065	88 131
- Loans and receivables to customers	6.11, 6.12	39 789 677	37 094 788	34 508 999	33 320 661	31 781 186
- Investments in controlled entities recognised under the equity method		94 837	86 615	156 832	144 448	133 796
- Investment real estates		118 187	118 187	118 187	140 399	129 667
- Property, plant and equipment		516 623	511 237	544 211	520 455	536 318
- Intangible assets		355 550	357 833	342 213	325 790	325 876
- Property, plant and equipment held for sale		44 352	40 908	13 996	1 924	224
- Current income tax assets		56 194	55 229	614	0	260
- Deferred tax assets		97 375	100 570	167 397	77 344	97 370
- Other assets		215 995	210 049	159 667	214 086	175 589
T o t a l a s s e t s		**73 696 086**	**67 500 872**	**64 517 528**	**62 165 535**	**61 582 983**
E Q U I T Y A N D L I A B I L I T I E S						
LIABILITIES						
- Liabilities due to other banks	6.13	7 597 155	8 938 063	4 039 111	3 149 358	5 190 240
- Financial liabilities measured at fair value through profit and loss	6.14	5 370 325	1 643 598	4 681 424	2 580 454	2 123 453
- Valuation of derivatives		1 865 690	938 935	1 292 661	1 202 195	1 215 300
- Derivative hedge instruments		813 103	427 515	600 455	775 966	663 309
- Liabilities due to customers	6.15	50 758 691	48 286 073	47 400 069	47 667 866	45 954 215
- Provisions	6.16	52 786	66 931	55 844	49 757	46 470
- Current income tax liabilities		430	631	138 499	60 526	55 396
- Other liabilities		1 041 066	1 245 387	656 360	1 147 513	1 052 155
T o t a l l i a b i l i t i e s		**67 499 246**	**61 547 133**	**58 864 423**	**56 633 635**	**56 300 538**
EQUITY						
- Share capital		130 100	130 100	130 100	130 100	130 100
- Supplementary capital - issuance of shares over nominal value		956 250	956 250	956 250	956 250	956 250
- Revaluation reserve from measurement of available-for-sale financial assets		6 064	45 590	8 586	42 912	-3 922
- Revaluation reserve from measurement of property, plant and equipment		44 693	45 680	47 370	51 550	51 095
- Revaluation reserve from measurement of cash flow hedging instruments		67 418	7 853	431	34 127	26 045
- Revaluation of share-based payment		27 782	24 970	21 080	19 416	17 779
- Retained earnings		4 962 241	4 741 022	4 486 936	4 295 161	4 102 791
Equity attributable to shareholders of ING Bank Śląski S.A.		**6 194 548**	**5 951 465**	**5 650 753**	**5 529 516**	**5 280 138**
- Non-controlling interests		**2 292**	**2 274**	**2 352**	**2 384**	**2 307**
T o t a l e q u i t y		**6 196 840**	**5 953 739**	**5 653 105**	**5 531 900**	**5 282 445**
T o t a l e q u i t y a n d l i a b i l i t i e s		**73 696 086**	**67 500 872**	**64 517 528**	**62 165 535**	**61 582 983**

Solvency ratio	6.17	**12,56%**	**12,61%**	**13,15%**	**13,30%**	**12,56%**

Net book value	**6 194 548**	**5 951 465**	**5 650 753**	**5 529 516**	**5 280 138**
Number of shares	**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**
Net book value per share (PLN)	**476,14**	**457,45**	**434,34**	**425,02**	**405,85**

Interim condensed consolidated statement of financial position shall be analysed together with the supplementary notes to interim condensed consolidated financial statements being the integral part of interim condensed consolidated financial statements.

Interim condensed consolidated financial statements (PLN thousand)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

3 Q 2011
the period from 01 Jan 2011 to 30 Sep 2011

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Revaluation of share-based payment	Retained earnings	Non-controlling interests	Total equity
Opening balance of equity	**130 100**	**956 250**	**8 586**	**47 370**	**431**	**21 080**	**4 486 936**	**2 352**	**5 653 105**
Net result for the current period	-	-	-	-	-	-	666 492	-19	**666 473**
Other comprehensive income, of which:	**0**	**0**	**-2 522**	**-2 677**	**66 987**	**0**	**3 963**	**0**	**65 751**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*18 322*	-	-	-	-	-	*18 322*
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-20 655*	-	-	-	-	-	*-20 655*
- amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	*-189*	-	-	-	-	-	*-189*
- remeasurement of property, plant and equipment	-	-	-	*405*	-	-	-	-	*405*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*66 987*	-	-	-	*66 987*
- other	-	-	-	*-3 082*	-	-	*3 963*	-	*881*
Transactions with owners, of which:	**0**	**0**	**0**	**0**	**0**	**6 702**	**-195 150**	**-41**	**-188 489**
- revaluation of share-based payment	-	-	-	-	-	*6 702*	-	-	*6 702*
- dividends paid	-	-	-	-	-	-	*-195 150*	*-41*	*-195 191*
Closing balance of equity	**130 100**	**956 250**	**6 064**	**44 693**	**67 418**	**27 782**	**4 962 241**	**2 292**	**6 196 840**

year 2010
the period from 01 Jan 2010 to 31 Dec 2010

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Revaluation of share-based payment	Retained earnings	Non-controlling interests	Total equity
Opening balance of equity	**130 100**	**956 250**	**-1 383**	**51 115**	**-968**	**15 846**	**3 733 438**	**2 313**	**4 886 711**
Net result for the current period	-	-	-	-	-	-	753 100	39	**753 139**
Other comprehensive income, of which:	**0**	**0**	**9 969**	**-3 745**	**1 399**	**0**	**398**	**0**	**8 021**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*8 471*	-	-	-	-	-	*8 471*
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*2 288*	-	-	-	-	-	*2 288*
- amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	*-790*	-	-	-	-	-	*-790*
- remeasurement of property, plant and equipment	-	-	-	*-3 619*	-	-	-	-	*-3 619*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*1 399*	-	-	-	*1 399*
- other	-	-	-	*-126*	-	-	*398*	-	*272*
Transactions with owners, of which:	**0**	**0**	**0**	**0**	**0**	**5 234**	**0**	**0**	**5 234**
- revaluation of share-based payment	-	-	-	-	-	*5 234*	-	-	*5 234*
Closing balance of equity	**130 100**	**956 250**	**8 586**	**47 370**	**431**	**21 080**	**4 486 936**	**2 352**	**5 653 105**

3 Q 2010
the period from 01 Jan 2010 to 30 Sep 2010

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Revaluation of share-based payment	Retained earnings	Non-controlling interests	Total equity
Opening balance of equity	**130 100**	**956 250**	**-1 383**	**51 115**	**-968**	**15 846**	**3 733 438**	**2 313**	**4 886 711**
Net result for the current period	-	-	-	-	-	-	561 420	71	**561 491**
Other comprehensive income, of which:	**0**	**0**	**44 295**	**435**	**35 095**	**0**	**303**	**0**	**80 128**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*47 318*	-	-	-	-	-	*47 318*
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-2 401*	-	-	-	-	-	*-2 401*
- amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	*-622*	-	-	-	-	-	*-622*
- remeasurement of property, plant and equipment	-	-	-	*454*	-	-	-	-	*454*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*35 095*	-	-	-	*35 095*
- other	-	-	-	*-19*	-	-	*303*	-	*284*
Transactions with owners, of which:	**0**	**0**	**0**	**0**	**0**	**3 570**	**0**	**0**	**3 570**
- revaluation of share-based payment	-	-	-	-	-	*3 570*	-	-	*3 570*
Closing balance of equity	**130 100**	**956 250**	**42 912**	**51 550**	**34 127**	**19 416**	**4 295 161**	**2 384**	**5 531 900**

Interim condensed consolidated statement of changes in equity shall be analysed together with the supplementary notes to interim condensed consolidated financial statements being the integral part of interim condensed consolidated financial statements.

Interim condensed consolidated financial statements (PLN thousand)

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 Q 2011 the period from 01 Jan 2011 to 30 Sep 2011	**3 Q 2010** the period from 01 Jan 2010 to 30 Sep 2010
OPERATING ACTIVITIES		
Net profit (loss)	**666 492**	**561 420**
Adjustments	**477 237**	**-1 988 364**
- Profit (loss) attributable to non-controlling interests	-19	71
- Share in net profit (loss) of associated entities	-31 124	-28 848
- Depreciation and amortisation	96 501	88 652
- Interest accrued (from the profit and loss account)	1 371 837	1 205 896
- Interest paid	1 074 257	1 055 466
- Interest received	-2 760 402	-2 402 995
- Dividends received	-4 716	-4 664
- Gains (losses) on investment activities	-737	106
- Income tax (from the profit and loss account)	167 154	131 657
- Income tax paid	-290 781	-217 399
- Change in provisions	-3 058	-5 490
- Change in loans and other receivables to other banks	-872 422	349 176
- Change in financial assets at fair value through profit or loss	-461 389	4 287 926
- Change in available-for-sale financial assets	-562 130	-5 337 501
- Change in valuation of derivatives	-50 018	47 019
- Change in derivative hedge instruments	47 296	332 877
- Change in loans and other receivables to customers	-5 040 724	-2 741 841
- Change in other assets	-46 511	-124 248
- Change in liabilities due to other banks	3 558 145	-824 340
- Change in liabilities at fair value through profit or loss	688 901	1 582 403
- Change in liabilities due to customers	3 400 919	18 978
- Change in other liabilities	196 258	598 735
Net cash flow from operating activities	**1 143 729**	**-1 426 944**
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-61 708	-36 219
- Disposal of property, plant and equipment	1 292	288
- Purchase of intangible assets	-56 014	-35 553
- Disposal of fixed assets held for sale	8	110
- Redemption / sale of held-to-maturity financial assets	1 290 427	895 000
- Interest received from held-to-maturity financial assets	0	240 670
- Dividends received	4 716	4 664
Net cash flow from investment activities	**1 178 721**	**1 068 960**
FINANCIAL ACTIVITIES		
- Dividends paid	-41	0
Net cash flow from financial activities	**-41**	**0**
Effect of exchange rate changes on cash and cash equivalents	***97 195***	***-38 331***
Net increase/decrease in cash and cash equivalents	**2 322 409**	**-357 984**
Opening balance of cash and cash equivalents	**3 119 616**	**3 047 826**
Closing balance of cash and cash equivalents	**5 442 025**	**2 689 842**

Interim condensed consolidated cash flow statement shall be analysed together with the supplementary notes to interim condensed consolidated financial statements being the integral part of interim condensed consolidated financial statements.

II. Additional information

1. Information on the Bank and the Capital Group

ING Bank Śląski S.A. ("Parent company", "parent entity", "Bank") with the headquarters in Katowice, Sokolska Str. 34, was entered into the entrepreneurs National Court Register managed by the Commercial Department of the Regional Court in Katowice under the reference number KRS 5459.

The parent entity statistic number is REGON 271514909, and the taxation identification number is NIP 634-013-54-75. Entity authorised to audit financial statements is Ernst & Young Audit Sp. z o.o. having its registered office in Warsaw, 1 Rondo ONZ, entered into the list under number 130.

The share capital of ING Bank Śląski S.A. is PLN 130,100,000 and is divided in 13,010,000 ordinary bearer shares with a par value of PLN 10.00 each. Shares of the Bank are quoted on the Warsaw Stock Exchange (sector: banks). As of 30 September 2011, the share price of ING Bank Śląski S.A. was PLN 740.00, whereas during the same period last year it was at the level of PLN 825.00.

ING Bank Śląski S.A. is the parent company of the ING Bank Śląski S.A. Group ("Capital Group", "Group") of the following composition as at 30 September 2011:

- ING Securities S.A. (subsidiary, 100% share),
- ING Bank Hipoteczny S.A. (subsidiary, 100% share),
- Centrum Banku Śląskiego Sp. z o.o. (subsidiary, 100% share),
- Solver Sp. z o.o. (subsidiary, 82.3% share).

As at the balance sheet date the Bank held the share of affiliated entity:

- ING Powszechne Towarzystwo Emerytalne S.A. (associate, 20% share).

In 9 months 2011 the Group's structure did not change.

On 26 May 2011, the Management Board of ING Bank Śląski S.A. communicated their intention to merge with ING Bank Hipoteczny S.A. Both companies will merge under Article 492 para. 1 (1) of the Polish Commercial Companies Code dated 15 September 2000 by transfer of the entire assets of the Taken-over Company ING Bank Hipoteczny S.A. to the Taking-over Company ING Bank Śląski S.A. The intention to merge was accepted by the Supervisory Board of ING Bank Śląski S.A. The operations of ING Bank Hipoteczny to-date will be further pursued within the structures of ING Bank Śląski S.A. On 21 September 2011, the Polish Financial Supervision Authority consented to the consolidation of ING Bank Śląski S.A. with ING Bank Hipoteczny S.A.

The duration of the parent entity and entities forming the Capital Group is indefinite.

ING Bank Śląski S.A. offers a broad range of banking services rendered for individual and institutional clients in line with the scope of services outlined in the Bank's charter.

Interim condensed consolidated financial statements (PLN thousand)

The Bank runs operations both in the home currency and in foreign currencies. The Bank is also active on the domestic and foreign financial markets. The subsidiary ING Bank Hipoteczny S.A. also runs banking business, including loans secured with mortgage. Additionally through subsidiaries the Group operates brokerage services, real estate, leasing of real estate and advisory and acts as a financial intermediary as well as provides other financial services.

ING Bank Śląski S.A. is a subsidiary of ING Bank NV, which as at 30 September 2011 held 75% share in the initial capital of ING Bank Śląski and 75% shares in the total number of votes at the General Meeting of Shareholders. ING Bank NV belongs to the Capital Group, herein referred to as ING Group.

As at the date 30 September 2011, the shareholder owning 5% and more votes at the General Shareholders Meeting of ING Bank Śląski Spółka Akcyjna was:

No.	Entity	Number of shares and votes	% of total number of shares and votes at General Shareholders Meeting
1.	ING Bank N.V.	9,757,500	75.00

Among members of the Supervisory Board of the Bank as of the day of publishing the interim condensed consolidated financial statements of Capital Group of ING Bank Śląski S.A. for Q3 2011, Mr. Wojciech Popiołek held shares of ING Bank Śląski S.A. in the number of 6 shares. The other members of the Bank Management Board and the Bank Supervisory Board did not hold any shares of ING Bank Śląski S.A. The members of ING Bank Śląski S.A. Supervisory Board and Management Board held the same number of the Bank's shares as at the day of publishing the previous financial statements.

The interim condensed consolidated financial statements of the Group for Q3 2011 comprise the Bank and its subsidiaries and the Group's interest in associates and jointly controlled entities.

The annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2010 to 31 December 2010 were approved by the General Meeting on 7 April 2011.

These interim condensed consolidated financial statements have been approved by the Bank Management Board on 2 November 2011.

2. Compliance with International Financial Reporting Standards

These interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for Q3 2011 were prepared under the International Financial Reporting Standards (IFRS) in a version approved by the European Commission effective as at the reporting date, that is 30 September 2011 as well as in accordance with the Ordinance of Finance Minister of 19 February 2009 on current and interim information submitted by issuers of securities (Journal of Laws of 2009, no. 33, item 259).

Interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity, and interim condensed consolidated cash flow statement for the period from 01 January 2011 to 30 September 2011, and interim condensed consolidated statement of financial position as at 30 September 2011 together with comparable data were prepared according to the same principles of accounting for each period.

Interim condensed consolidated financial statements (PLN thousand)

The comparative data cover the period from 1 January 2010 to 30 September 2010 for the interim condensed consolidated income statement; the interim condensed consolidated statement of comprehensive income and the interim condensed consolidated cash flow statement; additionally, as of 31 December 2010 for the interim condensed consolidated statement of changes in equity; and in the case of the interim condensed consolidated statement of financial position data as of 31 December 2010 and 30 September 2010. Interim condensed consolidated income statements, interim condensed consolidated statement of comprehensive income and notes to the interim condensed consolidated income statements include data for the III quarter 2011 (period from 01 July 2011 to 30 September 2011) as well as comparative data for the III quarter 2010 (period from 01 July 2010 to 30 September 2010).

Presented interim condensed consolidated financial statements for Q3 2011 meet the requirements of International Financial Reporting Standards (IFRS), including IAS 34 (International Accounting Standards) with regard to interim financial statements. These interim condensed consolidated financial statements for Q3 2011 have been prepared in a condensed version and does not cover all disclosures required in the annual financial statements.

These interim condensed consolidated financial statements have been prepared in PLN rounded to one thousand zlotys (unless otherwise noted).

In these interim condensed consolidated financial statements, the same accounting standards have been applied as in the case of annual consolidated financial statements for the year 2010 (Annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2010 to 31 December 2010) as well as the following binding standards and interpretations approved by the European Union for annual periods starting on or after 1 January 2011:

Change	Scope	Influence on the Group statements
IAS 32 *Financial Instruments: Presentation*	Applicable to annual periods beginning after 1 February 2010. The amendment pertains to the manner of classification of specified pre-emptive right where the issued financial instruments are denominated in the currency other than the functional currency of the issuer.	It has no substantial impact on the financial statements of the Group.
IAS 24 *Related Party Disclosure*	Applicable to annual periods beginning on or after 1 January 2011. The introduced amendments concern the simplification of the definition of the related entity and deletion of some internal inconsistencies and exemption of some entities related to government form certain requirements of information disclosure.	It has no substantial impact on the financial statements of the Group.
IFRS 1 *Limited Exemption from Comparative IFRS7 Disclosures for First-time adopters*	Applicable to annual periods beginning after 1 July 2010.	It has no substantial impact on the financial statements of the Group.

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IFRIC 14 *The Limit of a Defined Benefit Asset, and Minimum Funding Requirements and their Interaction*	Applicable to annual periods beginning 1 January 2011 onwards. Interpretation concerns the plan of specified benefits under minimum funding requirements the prepayment of which is recognized as element of financial assets.	It has no substantial impact on the financial statements of the Group.
IFRIC 19 *Extinguishing Financial Liabilities with Equity*	Applicable to annual periods beginning after 1 July 2010. The interpretation presents recommendation as to recognizing by the debtor the equity instruments issued by such creditor as a result of renegotiation of the terms and conditions of financial liability in order to extinguish such liability fully or partially.	It has no substantial impact on the financial statements of the Group.
Amendments resulting from annual review of IFRS applicable to annual reporting periods starting 1 January 2011.	The annual reviews is to improve and specify in more detail the international accounting standards. The majority of amendments either specify existing IFRS in more detail, introduce amendments thereto or constitute amendments resulting from previous amendments to IFRS. Amendments to IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34 and IFRIC 13 embrace amendments to existing requirements or constitute additional explanation as to application of the said requirements.	Currently, the Group is analyzing the impact of the amendments on financial statements.

Published standards and interpretations which were issued; however, they are not effective yet and they have not been approved by the European Union yet:

Change	Scope	Influence on the Group statements
IAS 1 Presentation of Financial Statements	The changes result from co-operation between IASB and FASB (US GAAP has been changed in the same manner) and refer to the guidelines for items presentation under other total income.	Currently, the Group is analyzing the impact of the amendments on financial statements.
IAS 12 *Income Taxes*	The amendments pertain to classification of the revenue depending on expectations of the entity whether or not it will recover the carrying value of a given assets either through use or sale.	Currently, the Group is analyzing the impact of the amendments on financial statements.
IAS 19 Employee Benefits	The changes refer to the removal of the possibility to defer income and costs recognition (i.e. elimination of the ”corridor method"), presentation under other total income and requirements for disclosure.	Currently, the Group is analyzing the impact of the amendments on financial statements.
IAS 27 *Separate financial statements*	The amendment introduces the necessity to recognize investments in subsidiaries, jointly controlled entities and associates at cost or in line with rules set forth in IFRS 9 *Financial Instruments* in separate financial statements. The name of the standard was also changed.	Currently, the Group is analyzing the impact of the amendments on financial statements.
IAS 28 *Investments in associates*	The amendments concern the accounting principles for investments in associates and determine the requirements that have to be met in order to apply accounting using the equity method for investments in associates and jointly controlled entities.	Currently, the Group is analyzing the impact of the amendments on financial statements.
IFRS 1 *First-time Adoption of International Financial Reporting Standards: severe hyperinflation and removal of fixed dates for those who adopt IFRS for the first time.*	Not applicable.	It has no impact on the financial statements of the Group.

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IFRS 7 *Financial Instruments: Disclosures*	The amendment specifies in more details the requirements as to transfer of financial assets.	Currently, the Group is analyzing the impact of the amendments on financial statements.
IFRS 9 *Financial Instruments*	This standard constitutes the first phase of the works of the IASB to supersede the International Accounting Standard 39 and covers both the classification and measurement of financial assets. During the next phases the IASB will work on financial liabilities, hedge accounting and removal of financial assets/liabilities from the financial statements.	The Group will assess the influence of the new standard comprehensively together with the phases that have not been published yet.
IAS 10 Consolidated Financial Statements	New standard presenting the guidelines for financial statements consolidation including in particular but not limited to the indications confirming the requirement to include entities in the Consolidated Financial Statements.	Currently, the Group is analyzing the impact of the amendments on financial statements.
IAS 11 Joint Arrangements	New standard sets out the requirements for joint arrangements recognition and measurement.	Currently, the Group is analyzing the impact of the amendments on financial statements.
IAS 12 Disclosure of Interest in Other Entities	New standard sets out the disclosures of interest in other entities.	Currently, the Group is analyzing the impact of the amendments on financial statements.
IAS 13 Fair Value Measurement	New standard sets out the fair value guidelines.	Currently, the Group is analyzing the impact of the amendments on financial statements.

In view of the ongoing process of IFRS introduction in the EU and the business run by the Company, as at the approval date of this report, there were no differences between the already effective IFRSs and the IFRSs approved by the EU in terms of the accounting principles applied by the Company.

Going-concern

These interim condensed consolidated financial statements were prepared on a going-concern basis as regards the foreseeable future, namely as regards the period of minimum 12 months from the balance sheet date. As of the date of approving these statements, the Bank Management Board has not identified any events that could indicate that the continuation of the operations by the Capital Group is endangered.

Discontinued operations

No operations were discontinued during the Q3 2011 and Q3 2010.

Material accounting principles

Detailed accounting principles are presented in annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2010 to 31 December 2010 published on 4 March 2011 that is available on the Internet site of ING Bank Śląski S.A. (www.ingbank.pl).

Selected accounting principles applied by the Capital Group are presented below.

Basis for preparation of consolidated financial statements

The concept of fair value has been applied in the statements for real property and investment property as well as financial assets and liabilities measured at fair value, including derivative instruments, and financial assets classified as available-for-sale, excluding those for which the fair value cannot be determined in a reliable manner. Other items of financial assets (including loans and receivables) are presented at amortized cost less impairment charges or at purchase price less impairment charges.

Fixed assets for sale are recognised at the lower of their balance sheet value and the fair value minus sales costs.

Consolidation policies

Subsidiaries

Subsidiaries are any entities controlled by the Bank. The control exists, when the Bank has direct or indirect influence on the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the parent owns more than a half of the voting rights of an entity and when there are:

- rights to more than a half of the voting rights by virtue of an agreement with other investors;
- power to govern the financial and operating policies of the entity under a statute or an agreement;
- power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body;
- power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

The financial statements of subsidiaries are included in the consolidated financial statements from the date of acquisition until the date on which the parent ceases to control the subsidiary, if applicable.

Consolidation of companies in legal terms

When settling the transactions of consolidating the Bank with its subsidiary (being under joint supervision), the Group applies consolidation approach where under the shares were consolidated under Accounting Act of 29 September 1994.

Under this approach, particular items of relevant assets and liabilities of the consolidated subsidiary are included in the standalone financial statements of the Bank according to values recognized in the consolidated financial statements of the dominant entity as at consolidation date. The consolidation does not affect the comparable data; thus the data do not require any change.

The takeover approach is applied when settling the purchase of entities from non-associated parties. On takeover date, the Group recognize, separately from goodwill, purchased identifiable assets and the taken over liabilities possible to identify taking into account recognition criteria and all non-controlling interests in the taken over entity.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a share of between 20% and 50% of the voting rights. The consolidated financial statements include the Group's share in profits or losses of associates according to its share in net assets of associates, from the date of obtaining significant influence until the date, the significant influence ceases.

Investments in associates are initially accounted at purchase price and then accounted for using the equity method. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition. The share of the Group in the profits (losses) of associates since the date of acquisition is recognised in the income statement, whereas its share in changes in other reserves since the date of acquisition – in other reserves. The carrying amount of the investment is adjusted by the total changes of different items of equity after the date of their acquisition.

When the share of the Group in the losses of an associate becomes equal or greater than the share of the Group in that associate, the Group discontinues the recognition of any further losses or creates provision only to such amount, it has assumed obligations or has settled payments on behalf of the respective associate.

Transactions eliminated in consolidation process

Intragroup balances and gains and losses or revenues and costs resulting from intragroup transactions are eliminated in full in the consolidated financial statements.

Foreign currency

The functional currency and the presentation's currency

The items contained in presentations of particular units of the Group are priced in the currency of the basic economic environment in which a given entity operates ("the functional currency"). These consolidated financial statements is presented in Polish Zloty, which is the functional currency and the presentation currency of the Group.

Transactions and balances in foreign currency

Transactions expressed in foreign currencies are translated at FX rate prevailing on the transaction date. The financial assets and liabilities, being result of the said transactions and denominated in foreign currencies are translated at the FX rate prevailing on a given day. The foreign exchange differences resulting from the settlements of the said transactions and the balance sheet valuation of the financial assets and liabilities denominated in foreign currency are recognized in the income statement in the detailed item *FX result,* which is an element of *Net income on instruments measured at fair value through profit or loss and FX result.*

Foreign exchange differences due to such items as equity instruments classified as available-for-sale financial assets are recognized in revaluation capital of available-for-sale financial assets.

Financial statements of investments in a foreign operation

The Group does not have any investments nor runs operations abroad.

Financial assets and liabilities

Classification

The Group classifies financial instruments to the following categories: financial assets and liabilities valued at fair value through profit or loss, loans and receivables, investments held to maturity, available for sale financial assets.

- *Financial assets and liabilities valued at fair value through profit or loss*

These are financial assets or financial liabilities that meet either of the following conditions:

- are classified as held for trading. A financial asset or financial liability is classified as held for trading if it is: acquired or incurred principally for the purpose of selling or repurchasing it in the near term or are a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also classified as held for trading (other than those that are designated and effective hedging instruments),
- upon initial recognition it is designated by the Group as at fair value through profit or loss. Such designation can be made only if:
  - the designated financial asset or financial liability is a hybrid instrument containing one or many embedded derivatives, which qualify for separate recognition and embedded derivatives cannot change significantly the cash flows resulting from the host contract or separation of embedded derivative is forbidden;
  - usage of such classification of financial asset or liability eliminates or decreases significantly the inconsistency of measurement or recognition (so called accounting difference due to various methods of assets and liabilities valuation or various recognition of gains and losses attributable to them);
  - the group of financial assets and liabilities or both categories is managed properly, and its results are measured using fair value, in accordance with documented risk management principles or the Group's investment strategy.

- *Investment held to maturity*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. In case of sale or reclassification of more than an insignificant amount of held-to-maturity investments in relation to the total held-to-maturity investments before maturity all the assets of this category are reclassified to the available sale category. In such a case, the Group must not classify any financial assets as investments held to maturity for 2 years.

- *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- those that the entity intends to sell immediately or in the near term, which are classified as held for trading, and those that the entity upon initial recognition designates at fair value through profit or loss;
- those that the entity upon initial recognition designates as available for sale;
- those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available for sale.

Loans and receivables include loans and cash loans extended to other banks and clients including repurchased debt claims, debt securities reclassified from the portfolio of financial assets available for sale and debt securities not listed on the active market, that comply with the definition of loans and receivables.

- *Financial assets available for sale*

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

- *Other financial liabilities*

Financial liabilities being a contractual obligation to deliver cash or other financial asset to another entity not valued at fair value through profit or loss, being a deposit or loan received.

- *Financial guarantee contracts*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Recognition

The Group recognizes financial assets or liabilities on the balance sheet when, and only when it becomes a party to the contractual provisions of the instrument. Purchase and sale transactions of financial assets valued at fair value through profit or loss, held-to-maturity and available for sale are recognized, in accordance with accounting policies applied to all transactions of a certain type, at the settlement date, the date on which the asset is delivered to an entity or by an entity. Loans and receivables are recognized on distribution of the cash to borrower.

Derecognition

The Group derecognises a financial asset when, and only when: the contractual rights to the cash flows from the financial asset expire or the Group transfers the contractual right to receipt of the cash flow from the financial asset. On transferring a financial asset, the Group evaluates the extent to which it retains the risks and rewards of ownership of the financial asset. Accordingly, where the Group:

- transfers substantially all the risks and rewards of ownership of the financial asset, it derecognises the financial asset,
- retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognise the financial asset,
- neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it the Group determines whether it has retained control of the financial asset. In this case if the Group has retained control, it continues to recognise
  the financial asset, and if the Group has not retained control, it derecognises the financial asset to the extent of its continuing involvement in the financial asset.

The Group removes a financial liability (or a part of a financial liability) from its balance sheet when, and only when the obligation specified in the contract is realised or cancelledor expires.

The Group derecognizes loans and receivables or its part from its balance sheet, if rights pertaining to the credit agreement expire, the Group waives such rights, or sells the loan.

When irrevocability of financial assets is declared, the Group most frequently writes down receivables as impairment charges.

The amounts of receivables written down as loss and recovered thereafter shall diminish the value of impairment loss in the income statement.

Measurement

When a financial asset or financial liability is recognised initially, the Group measures it at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

After initial recognition, the Group measures financial assets, including derivatives that are assets, at their fair values, without any deduction for transaction costs it may incur on sale or other disposal, except for the following financial assets:

- loans and receivables which are measured at amortized cost using the effective interest method;
- held-to-maturity investments which are measured at amortised cost using the effective interest method;
- investments in equity instruments that do not have a quoted market price in an active market and their fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, which are measured at cost.

After initial recognition, the Group measures all financial liabilities at amortised cost using the effective interest method, except for:

- financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are measured at fair value except for a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument which fair value cannot be reliably measured, are measured at cost,

- financial liabilities resulting from the transfer of a financial asset which does not qualify for being excluded from the balance sheet or recognised on a *continuing involvement* basis.

The other financial liabilities are measured at depreciated cost or the amount of due payment.

Granted financial guarantees are measured at the higher of:

- the amount being the most appropriate estimation of the expenditures needed to fulfil the current obligation arising from the financial guarantee, upon consideration of the probability of materialisation thereof;
- the amount recognised at the initial entry, adjusted with the settled amount of commission received for granting the guarantee.

Reclassification

With the current scope of Groups' activity the principles of reclassification described below are applicable.

A particular financial asset classified as available-for-sale may be reclassified from this category should it fulfil the definition of loans and receivables and should the Group intend and be able to maintain this financial asset in the foreseeable future or until its maturity. Fair value of the financial asset on the reclassification date is deemed as its new cost or new depreciated cost, respectively.

In the event of a maturing financial asset, the profits or losses recognised as equity until the date of reclassification are amortised and carried through the income statement for the remaining term until maturity. All differences between the new amortised cost and the amortisation amount are amortised for the remaining term until the instrument's maturity, similarly to the amortisation of premium or discount. Amortisation is based on the effective interest rate method.

In the event of a non-maturing asset, the profits or losses remain with equity until the asset has been sold or disposed of otherwise when it is carried through the income statement.

Gains and losses resulting from subsequent measurement

A gain or loss arising from a change in the fair value of a financial asset or financial liability that is not part of a hedging relationship is recognised, as follows:

- a gain or loss on a financial asset or financial liability classified as at fair value through profit or loss is recognised in the income statement;
- a gain or loss on an available-for-sale financial asset is recognized directly in equity through list of changes in equity.

The interest calculated using the effective interest rate method is recognised in the income statement.

As of impairment of items of financial assets or a group of financial assets, the Group carries the amount of contractual interest not paid at the impairment date through profit or loss. Since then, the Group accrues interest on the items of financial assets or a group of financial assets less the impairment charge. Interest is accrued at the interest rate used to calculate the impairment charge for the financial assets affected. Later, the value is adjusted with the contractual interest paid in a given period.

Dividends on an available-for-sale equity instrument are recognised in the income statement when the entity's right to receive payment is established.

Foreign exchange gains and losses arising from a change in the fair value of a non monetary financial asset available for sale denominated in foreign currency are recognized directly in equity. Foreign exchange gains and losses arising from monetary financial assets (e.g debt securities) denominated in foreign currency are recognized directly in the income statement.

At the moment of derecognition of financial assets from the balance sheet, cumulated gains and losses recognized previously in equity, are transferred to the income statement.

If any objective evidence exists that a financial asset or group of financial assets is impaired, the Group recognizes impairment in accordance with the established rules of determination of impairment of financial assets.

The fair value of financial assets and liabilities quoted in an active market (including securities) is determined on the basis of the bid price for long position and offer price for short position. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, discounted cash flow analysis and option pricing models and other techniques used by market members.

Based on the employed methods of determining the fair value, financial assets/liabilities are classified to the following categories:

- Level I: financial assets/liabilities measured directly on the basis of prices quoted in the active market or measurement techniques based solely on market data,
- Level II: financial assets/liabilities measured on the basis of measurement techniques based on assumptions using data from an active market or market observations,
- Level III: financial assets/liabilities measured on the basis of measurement techniques commonly used by the market players, the assumptions of which are not based on data from an active market.

Derivative instruments

Derivative instruments are valued at fair value without cost of transactions, which are to be incurred at the moment of its sale. The base of initial fair value measurement of derivative instruments is value at cost, i.e. fair value of received or paid amount.

The Group separates and recognizes in the balance sheet derivative instruments being a component of hybrid instruments. A hybrid (combined) instrument includes a non-derivative host contract and derivative instrument, which causes some or all of the cash flows arising from the host contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable.

The Group separates embedded derivatives from the host contract and accounts for them as a derivative if, and only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, and the host contract is not valued at fair value through profit or loss. An embedded derivative is valued at fair value, and its changes are recognized in income statement.

The Group uses derivative instruments in order to hedge against FX and interest rate risk, arising from activity of the Group. Those derivatives, which were not designated as hedge instruments pursuant to the principles of hedge accounting, are classified as instruments earmarked for trade and evaluated in fair value.

Hedge Accounting

Hedge accounting presents the offset effects of fair value changes of both hedging instruments and hedged items which impact the income statement.

The Group designates certain derivative instruments as fair value hedge or cash flow hedge. The Group uses hedge accounting, if the following conditions are met:

- formalised documentation of the hedging relationship was prepared when the hedging was established. The documentation sets out the purpose of risk management and the hedging strategy adopted by the Group. In the documentation, the Group designates the hedging instrument to hedge a given position or transaction, and specifies the type of risk to be hedged against. The Group specifies the manner for assessing the effectiveness of the hedging instrument in compensating for changes in cash flows due to the hedged transaction in terms of mitigation of risk the Group hedges against,
- the hedging instrument and hedged instrument are similar, especially nominal value, maturity date and volatility for interest rate and foreign exchange changes,
- the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk, consistently with the originally documented risk management strategy for that particular hedging relationship,
- for cash flow hedges, a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately affect profit or loss,
- the effectiveness of the hedge may be assessed credibly, so the fair value of the hedged item or the cash flows of the said item as well as fair value of a hedge instrument may be valued credibly,
- the hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

- *Fair value hedge*

Fair value hedge: a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect the income statement.

A fair value hedge is accounted for as follows: the gain or loss from remeasuring the hedging instrument at fair value (i.e. for a derivative hedging instrument) is recognised in the income statement; the gain or loss on the hedged item attributable to the hedged risk adjust the carrying amount of the hedged item and are recognised in income statement. In view of the above, any ineffectiveness of the strategy (i.e. lack of full compensation for changes to the fair value of the hedged item and changes to the fair value of the hedged instrument) is immediately disclosed in the income statement.

If a hedged item is a component of financial assets available for sale, the profit or loss resulting from the hedged risk is included in the income statement, and the profit or loss resulting from non-hedged risk is included in equity.

The Group applies the fair value hedge accounting in order to hedge changes in fair value of fixed-rate debt instruments classified to the portfolio of available-for-sale assets and fixed-rate debt instruments classified to the portfolio of loans and receivables before the risk resulting from interest rate changes.

- _Cash flow hedge_

Cash flow hedge: a hedge of the exposure to volatility in cash flows that:

- is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction,
- could affect income statement.

A cash flow hedge is accounted for as follows: the changes of the fair value of the hedge instrument, which are an effective part of hedging relationship, are recognised directly in equity through the statement of comprehensive income, while the ineffective portion of the gain or loss on the hedging instrument is recognised in the income statement.

The associated gains or losses that were recognised directly in equity (effective hedge), at the moment of recognition of a financial asset and liability being a result of planned future transaction, are transferred into income statement in the same period or periods during which the asset acquired or liability assumed affects the income statement.

In case of a hedge of non-financial asset or a non-financial liability, the associated gains and losses recognized directly in equity as an effective hedge, are transferred successively into the income statement in the same period or periods during which the asset acquired or liability assumed affects the income statement (e.g. in form of a depreciation); or it is the result of a one-off transfer as an adjustment to the initial purchase price or carrying amount of a hedged item.

The Group applies cash flow hedge accounting in order to hedge the amount of future cash flows of certain portfolios of assets/liabilities of the Group or the portfolio of highly probable planned transactions against the interest rate risk and the highly probable planned transaction against the FX risk.

Derivative instruments not qualifying as hedging instruments

Changes in fair value of derivatives that do not fulfil the criteria of hedge accounting are disclosed in the income statement for the current period. Changes in fair value of IR-derivatives arising from ongoing accrual of interest coupon are disclosed under *Interest result on derivatives,* whereas the remaining part of changes in the fair value of IR-derivatives are presented under *Net income on instruments measured at fair value through profit or loss and FX-result.*

Changes in the fair value of FX-derivatives are decomposed into three elements, which are presented as follows:

- changes in fair value arising from ongoing accrual of swap/forward points are presented under *Interest result on derivatives,*
- changes in fair value due to changes of foreign exchange rates are presented under *Net income on instruments measured at fair value through profit or loss and FX-result,*
- the remaining part of change in fair value (i.e. due to the change of interest rates) is presented under *Net income on instruments measured at fair value through profit or loss and FX-result.*

Impairment

Assets valued at amortized cost

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the holder of the asset about the following loss events:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments above 90 days;
- the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties;
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets within the group.

The Group first assesses whether objective evidence of impairment exists for financial assets that are significant and for financial assets that are not individually significant. The Group classifies loan receivables by size of exposure, into the individual and group portfolios. If after the assessment we find that for a given financial assets item assessed individually there are no objective reasons for impairment or there are reasons for impairment but estimated impairment charges amount to 0, the item shall be included in the group of financial assets with similar features of credit risk, which indicate that the debtor is capable to repay the entire debt according to provisions of the agreement. Next, such groups are subject to collective assessment in terms of impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment. In a group portfolio, groups of similar credit risk characteristics are identified, which are then assessed collectively for the impairment.

If there is any objective evidence of impairment of loans and receivables, or investments held-to-maturity valuated according to depreciated cost, then the amount of the impairment is the difference between the carrying amount of an asset and the current value of estimated future cash flows, discounted using an original effective interest rate established with the initial recognition of a given financial asset.

If the existing objective proofs for impairment of assets component or financial assets group component valued according to depreciated cost indicate that there will be no expected future cash flows from the abovementioned financial assets, the impairment charge of assets equals their balance sheet value.

Future cash flows concerning groups of financial assets assessed collectively in terms of their possible impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the Group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period in which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The Group regularly verifies the methodology and assumptions adopted to estimate future cash flows in order to mitigate the differences between estimated and actual losses.

For the purposes of the calculation of the provision against balance sheet exposures analysed collectively, the probability of default (PD) method has been applied. Modification of the PD parameter takes into account characteristics of specific products and emerging periods for losses on those products. This approach allows specifically for:

- detecting the losses that have already occurred,
- losses that occurred as at the impairment date, but have not been documented yet (incurred but not reported IBNR).

The impairment is presented as a reduction of the carrying amount of the asset either through use of an allowance account and the amount of the loss shall be recognized in income statement.

If in a consecutive period, the amount of loss due to the impairment decreases as a result of the event that took place after the impairment (e.g. improved credit capacity assessment of the debtor), the previous impairment charge is reversed through the income statement by a proper adjustment of impairment charges.

Financial assets available for sale

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that has been recognized directly in equity is removed from equity and recognised in the income statement even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from equity and recognised in the income statement is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in the income statement.

Impairment losses recognised in the income statement for an investment in an equity instrument classified as available for sale is not reversed through income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed, with the amount of the reversal recognized in the income statement.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset). Such impairment losses are not reversed.

Valuation of motivational programmes for employees

The fair value of options granted is recognised as an expense under staff expenses and is allocated over the vesting period of the options. The fair values of the option awards have been determined by using a Monte Carlo simulation. This model takes the risk free interest rate into account (2.02% to 4.62%), as well as the expected term of realisation of the options granted (5 to 9 years), the exercise price, the current share price (EUR 2.9 – EUR 26.05), the expected volatility of the certificates of ING Group shares (25% – 84%) and the expected dividends yield (0.94% to 8.99%).

The source for implied volatilities used for the valuation of the stock options is ING's trading system. The implied volatilities in this system are determined by ING's traders and are based on market data implied volatilities not on historical volatilities.

Principles of EU programmes settlement

The Group participates in the _Human Capital_ training programme taking advantage of EU funds. The funds received are recognised at the time when there are reasonable grounds to conclude that the terms of funds granting were met and the funds will be paid out. The funds obtained are recognised in the Group's financial statements in the manner ensuring commensurability with the corresponding costs for which the plan is to set them off with the EU funds obtained.

If the funding concerns an asset item, then the fair value is recognised as the deferred income, and is subsequently carried through profit and loss – gradually in equal annual write-offs – during the expected use period of the related asset item.

3. Accounting estimates

The preparation of financial statements in accordance with IFRS requires from the Group the use of estimates and assumptions that affect the amounts reported in the consolidated financial statements and notes thereto.

Estimations and assumptions applied to the presentation of value of assets, liabilities, revenues and costs are made on basis of historical data available and other factors considered to be relevant in given circumstances. Applied assumptions related to the future and available data sources are the base for making estimations regarding carrying value of assets and liabilities. which cannot be determined explicitly on the basis of other sources. The estimates reflect the reasons for/ sources of uncertainties as at the balance sheet date. The actual results may differ from estimates.

The estimations and assumptions are reviewed on an on-going basis. Adjustments to estimates are recognized in the period when the estimation was changed provided that the adjustment applies to this period alone or in the period when the estimation was changed and in the following periods, should the adjustment impact both the current and future periods.

Major accounting estimations adopted by the Group are as follows:

Impairment of loans

At each balance sheet date the Group assesses whether there is objective evidence of impairment of a given financial asset or of a group of such assets. Impairment of a financial asset or of a group of financial assets is incurred only if there is objective evidence for the impairment due to one or many events. The occurrence of such event or group of such events affects the estimation of expected cash flows regarding these assets. The estimates may take into account any observable indications pointing at the occurrence of an unfavourable change in the solvency position of debtors belonging to any particular group or in the economic situation of a given country or part of a country, which is associated with the problems appearing in that group of assets. Historical parameters of recoveries are adjusted on the basis of the data coming from current observations so as to take into consideration the influence of current conditions and to exclude the influencing factors from the prior periods that are not currently present.

In order to estimate impairment or its recovery it is necessary to estimate the present value of the expected cash flows. If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted using effective interest rate.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized the previously recognized impairment loss is reversed by adjusting a carrying amount of the financial asset. The amount of the reversal shall be recognised in the income statement up to the value of prior impairment.

The methodology and the assumptions on the basis of which the estimated cash flows and their anticipated timing are determined are regularly reviewed and updated. Moreover the tests on historical data are carried out in order to compare actual results with estimations of impairment.

Credit risk connected with derivative instruments

The Group has been systematically reviewing of the portfolio of derivative instruments. The Group has structured its approach so that the results of the above reviews better reflect the risk level.

The approach adopted by the Group to estimation of the credit risk generated by derivative instruments with future settlement dates (active transactions outstanding as at the balance sheet date) is in line with the approach adopted by the Group for the purpose of assessing the credit risk generated by credit receivables. The valuation adjustments are estimated at the level of a single counterparty using the formula based on expert knowledge and PD, LGD ratios and amount of expected exposure.

In addition for mature transactions or terminated and unsettled as at the balance sheet date the Group made charges using the methodology for assessing the risk of impaired loans.

The two types of fair value adjustments as mentioned above were differently reflected in the consolidated financial statement. Fair value adjustments due to risk for non-matured transactions were presented under the item *Net income on instruments measured at fair value through profit or loss and FX result* whereas the charges for matured transactions under the item *Impairment charges for financial assets and provisions for off-balance-sheet liabilities.* If a transaction whose fair value was adjusted in the previous reporting period in the position *Net income on instruments measured at fair value through profit or loss and FX result* becomes mature or subject to restructuring, then the amount of the previous fair value adjustment should be moved to the position *Impairment charges a*nd the added part of the impairment charge for such already matured transaction is presented in the profit or loss account in the position *Impairment charges and provisions for off-balance liabilities*. Therefore the financial result is influenced only by the amount of surplus of the current impairment charge (or write-down) for a mature transaction above the amount of the fair value adjustment established before the transaction has matured.

Uncertainty of the estimates

The Group continues to assess the risk level related to FX options initiated in 2008. The appraisal was made as of the balance sheet date assuming the measurement level as of that date and taking into account the risk appraisal performed as of the same date.

The Group regularly reviews the financial standing of clients holding similar instruments. The following key factors taken into account in case of changes of risk estimates are:

- changes in the fair-value measurement of derivatives correlated with FX-rate,
- changes in the scope of the credit risk appraisal of the contracting parties by the Group.

However considering the great volatility of the business environment there still remains some uncertainty as to the Group's estimates.

Impairment of other non-current assets

At each balance sheet date the Group assesses the existence of circumstances indicating of impairment of a non-current asset. If such indicators exist the Group performs an estimation of recoverable value. Estimation of value-in-use of a non-current asset (or cash generating unit) requires assumptions to be adopted regarding among others amounts and timing of future cash flows which the Group may obtain from the given non-current asset (or cash generating unit). Adoption of different measurement assumptions could affect the carrying value of some of the non–current assets. The Group performs an estimation of the fair value less costs to sell on the basis of available market data regarding this subject or estimations made by external bodies which are also based on estimations.

Measurement of financial instruments that do not have a quoted market price

The fair value of financial instruments not quoted on active markets is measured using valuation models. For non-optional derivatives and debentures available for sale the Group uses valuation models based on discounted cash flows. Options are valued using option valuation models including the assessment of counterparty risk.

Valuation models used by the Group are verified by independent bodies before/prior to their usage. Where possible in models the Group uses observable data from active markets. However the Group also adopts assumptions as to probability (as counterparty risk, variables and market correlations). Any change in these assumptions may affect the fair value of some financial instruments. The change of assumptions concerning these factors may influence valuation of some financial instruments.

Retirement and sick pension severance payments provision

Retirement payments provision is calculated using an actuarial method by an independent actuary as the present value of future liabilities of the Group towards the employees according to headcount and remuneration at the updating date. The estimation of the provision is made on the basis of several assumptions both about macroeconomic environment and employee turnover mortality risk and other. The estimated provision is updated annually.

The Group adopts a corridor approach to recognition of a determined portion of the cumulated net value of actuarial gains and losses. Under this method when determining an obligation due to certain benefits the Group recognises some actuarial gains and losses as revenue or costs when the net value of accumulated unrecognised actuarial gains and losses as at the end of the previous reporting period exceeds the higher of the following two values:

- 10% of the current value of the obligation due to certain benefits as at that day (before deduction of the plan's assets),
- 10% of the fair value of the plan's assets as at that day.

A portion of the actuarial gains and losses above the said limit is recognised in the income statement as the quotient of the above named excess and the average expected remaining working life of the Group employees. The Group presents in the balance sheet the net value of the liability comprising the current value of the liability and unrecognised actuarial gains/ losses.

Provisions for the bonus for employees and top executives

Provisions for the bonus for employees shall be set in the amount resulting from the effective bonus regulations.

The provisions for top executive staff bonuses are estimated by the Management Board of the Group parent entity which calculates the amount of benefits as of the balance-sheet date. The final amount of the bonuses is approved by the Supervisory Boards of the Group's Companies.

4. Comparability of financial data

The structure of the statement of comprehensive income was changed in the interim condensed consolidated financial statements for the period started 1 January 2011 and ended 30 September 2011 when compared to the consolidated financial statements for the period started 1 January 2010 and ended 30 September 2010.

Interim condensed consolidated financial statements (PLN thousand)

6. Supplementary notes to interim condensed consolidated financial statements

6.1. Net interest income

	3 quarter 2011 the period from 01 Jul 2011 to 30 Sep 2011	**3 Q 2011 year-to-date** the period from 01 Jan 2011 to 30 Sep 2011	**3 quarter 2010** the period from 01 Jul 2010 to 30 Sep 2010	**3 Q 2010 year-to-date** the period from 01 Jan 2010 to 30 Sep 2010
Interest income				
- interest on loans and receivables to banks	30 210	86 375	21 663	75 806
- interest on loans and receivables to customers	608 171	1 651 528	461 720	1 317 056
- interest on debt securities	245 731	782 096	245 163	750 509
- interest result on derivatives	-1 934	-31 964	18 764	53 671
- other	139	457	61	193
Total interest income	**882 317**	**2 488 492**	**747 371**	**2 197 235**
Interest expenses				
- interest on deposits from banks	44 265	135 165	19 357	56 568
- interest on deposits from customers	360 657	981 490	317 793	934 771
Total interest expenses	**404 922**	**1 116 655**	**337 150**	**991 339**
Net interest income	**477 395**	**1 371 837**	**410 221**	**1 205 896**

6.2. Net commission income

	3 quarter 2011 the period from 01 Jul 2011 to 30 Sep 2011	**3 Q 2011 year-to-date** the period from 01 Jan 2011 to 30 Sep 2011	**3 quarter 2010** the period from 01 Jul 2010 to 30 Sep 2010	**3 Q 2010 year-to-date** the period from 01 Jan 2010 to 30 Sep 2010
Commission income				
- commission related to brokerage activity	17 647	60 670	20 326	59 027
- commission related to keeping accounts	63 857	190 673	64 758	200 851
- commissions related to rendering the insurance available for deposit products	2 201	6 584	2 402	7 514
- commission related to loans	49 079	134 427	40 069	115 281
- commission related to loans insurance	4 221	15 266	7 006	19 754
- commission related to payment and credit cards	52 234	154 127	48 859	131 956
- commission related to distribution of participation units	18 891	64 468	21 251	58 210
- fiduciary and custodian fees	8 962	24 448	7 512	21 183
- foreign commercial business	3 709	10 863	3 219	9 551
- commission related to subscription of structured products	244	7 402	115	2 397
- the transactional margin on foreign exchange transactions	70 295	194 382	61 023	181 189
- commission related to sales of financial products	485	846	2 216	3 564
- other	5 897	15 113	8 401	18 377
Total commission income	**297 722**	**879 269**	**287 157**	**828 854**
Commission expenses	**36 296**	**108 133**	**31 565**	**97 842**
Net commission income	**261 426**	**771 136**	**255 592**	**731 012**

Interim condensed consolidated financial statements (PLN thousand)

6.3. Net income on financial instruments measured at fair value through profit or loss and FX result

	3 quarter 2011 the period from 01 Jul 2011 to 30 Sep 2011	**3 Q 2011 year-to-date** the period from 01 Jan 2011 to 30 Sep 2011	**3 quarter 2010** the period from 01 Jul 2010 to 30 Sep 2010	**3 Q 2010 year-to-date** the period from 01 Jan 2010 to 30 Sep 2010
Net income on financial assets and liabilities held for trading, of which:	**-120 619**	**-163 534**	**-135 200**	**-135 037**
- Net income on equity instruments	-3 598	-4 811	1 873	1 623
- Net income on debt instruments	4 376	18 329	3 280	45 767
- Net income on derivatives*), of which:	-121 397	-177 052	-140 353	-182 427
- currency derivatives	*-142 952*	*-211 667*	*-150 789*	*-213 375*
- interest rate derivatives	*17 146*	*26 858*	*10 541*	*27 770*
- securities derivatives	*4 409*	*7 757*	*-105*	*3 178*
Net income on financial assets and liabilities measured at fair value upon initial recognition, of which:	**-6**	**-767**	**-1 408**	**-2 918**
- Net income on debt instruments	-6	-767	-1 408	-2 918
FX-result	**112 396**	**194 360**	**161 007**	**213 650**
Net income on financial instruments measured at fair value through profit or loss and FX result	**-8 229**	**30 059**	**24 399**	**75 695**

*) The item *net income on derivatives* includes a counterparty risk charge related to derivative transactions. In the presented periods the write-offs for the amount of PLN 20,256 thousand were established in 3 quarters of 2011 (PLN 26,002 thousand in Q3 2011) and the write-offs for the amount of PLN 3,707 thousand were released within 3 quarters of 2010 (PLN 3,577 thousand in Q3 2010).

6.4. Net income on investments

	3 quarter 2011 the period from 01 Jul 2011 to 30 Sep 2011	**3 Q 2011 year-to-date** the period from 01 Jan 2011 to 30 Sep 2011	**3 quarter 2010** the period from 01 Jul 2010 to 30 Sep 2010	**3 Q 2010 year-to-date** the period from 01 Jan 2010 to 30 Sep 2010
Net income on equity instruments available-for-sale	0	0	206	206
Net income on debt instruments available-for-sale	7 448	25 500	-407	2 908
Net income on financial assets held-to-maturity	0	1 908	0	0
Dividend income	306	4 716	919	4 664
Net income on investments	**7 754**	**32 124**	**718**	**7 778**

Interim condensed consolidated financial statements (PLN thousand)

6.5. Net income on hedge accounting

	3 quarter 2011 the period from 01 Jul 2011 to 30 Sep 2011	**3 Q 2011 year-to-date** the period from 01 Jan 2011 to 30 Sep 2011	**3 quarter 2010** the period from 01 Jul 2010 to 30 Sep 2010	**3 Q 2010 year-to-date** the period from 01 Jan 2010 to 30 Sep 2010
Fair value hedge accounting for securities	**-21 924**	**-43 322**	**-7 820**	**-30 170**
- valuation of the hedged transaction	205 892	153 590	76 164	338 416
- valuation of the hedging transaction	-227 816	-196 912	-83 984	-368 586
Cash flow hedge accounting	**-1 731**	**247**	**-36**	**154**
- ineffectiveness that arises from cash flow hedges	-1 731	247	-36	154
Net income on hedge accounting	**-23 655**	**-43 075**	**-7 856**	**-30 016**

6.6. General and administrative expenses

	3 quarter 2011 the period from 01 Jul 2011 to 30 Sep 2011	**3 Q 2011 year-to-date** the period from 01 Jan 2011 to 30 Sep 2011	**3 quarter 2010** the period from 01 Jul 2010 to 30 Sep 2010	**3 Q 2010 year-to-date** the period from 01 Jan 2010 to 30 Sep 2010
Personnel expenses	212 612	619 305	196 122	562 894
Depreciation and amortisation	34 066	96 501	30 040	88 652
Other	175 226	534 627	169 177	541 347
General and administrative expenses	**421 904**	**1 250 433**	**395 339**	**1 192 893**

6.7. Impairment losses and provisions for off-balance sheet liabilities

	3 quarter 2011 the period from 01 Jul 2011 to 30 Sep 2011	**3 Q 2011 year-to-date** the period from 01 Jan 2011 to 30 Sep 2011	**3 quarter 2010** the period from 01 Jul 2010 to 30 Sep 2010	**3 Q 2010 year-to-date** the period from 01 Jan 2010 to 30 Sep 2010
Impairment losses	89 654	335 237	127 281	373 736
Release of impairment write-offs	-62 528	-213 340	-72 180	-231 259
Net impairment losses and provisions for off-balance sheet liabilities	**27 126**	**121 897**	**55 101**	**142 477**

The amount presented for Q3 2011 in the *release of impairment write-offs* item comprises a one-off release of impairment write-offs for a receivable of one of corporate clients of PLN 25,888 thousand.

Interim condensed consolidated financial statements (PLN thousand)

6.8. Loans and receivables to other banks

	3 Q 2011 as of 30 Sep 2011	I half 2011 as of 30 Jun 2011	year 2010 as of 31 Dec 2010	3 Q 2010 as of 30 Sep 2010	I half 2010 as of 30 Jun 2010
Current accounts	514 765	257 014	375 718	675 726	346 330
Interbank deposits	2 087 157	1 427 987	685 954	1 078 181	1 476 740
Other receivables, of which:	104 629	73 313	119 523	105 416	117 054
- loans and advances	*65 030*	*43 317*	*73 145*	*70 897*	*75 519*
- other receivables	*39 599*	*29 996*	*46 378*	*34 519*	*41 535*
Total (gross)	**2 706 551**	**1 758 314**	**1 181 195**	**1 859 323**	**1 940 124**
Impairment losses	-113	-64	-90	-96	-16
Total (net)	**2 706 438**	**1 758 250**	**1 181 105**	**1 859 227**	**1 940 108**

6.9. Financial assets measured at fair value through profit and loss

	3 Q 2011 as of 30 Sep 2011	I half 2011 as of 30 Jun 2011	year 2010 as of 31 Dec 2010	3 Q 2010 as of 30 Sep 2010	I half 2010 as of 30 Jun 2010
Financial assets held for trading, of which:	327 297	436 032	512 732	2 667 508	912 056
- debt instruments	*319 456*	*431 056*	*489 863*	*2 652 374*	*904 767*
- equity instruments	*7 841*	*4 976*	*22 869*	*15 134*	*7 289*
Financial assets designated as at fair value upon initial recognition, of which:	793 229	136 477	146 874	1 278 227	539 498
- debt instruments	*0*	*62 534*	*61 222*	*188 309*	*191 838*
- buy-sell-back transactions	*793 229*	*73 943*	*85 652*	*1 089 918*	*347 660*
Total	**1 120 526**	**572 509**	**659 606**	**3 945 735**	**1 451 554**

6.10. Investments

	3 Q 2011 as of 30 Sep 2011	I half 2011 as of 30 Jun 2011	year 2010 as of 31 Dec 2010	3 Q 2010 as of 30 Sep 2010	I half 2010 as of 30 Jun 2010
Available-for-sale financial assets, of which:	17 379 608	18 998 107	16 788 801	12 239 940	14 323 677
- debt instruments, including:	*17 350 295*	*18 950 256*	*16 740 506*	*12 185 672*	*14 273 461*
- hedged items in fair value hedging	*1 459 445*	*2 097 714*	*3 221 405*	*3 076 297*	*3 031 951*
- equity instruments	*29 313*	*47 851*	*48 295*	*54 268*	*50 216*
Held-to-maturity financial assets, of which:	5 016 725	4 949 351	6 218 011	6 496 473	6 685 039
- debt instruments	*5 016 725*	*4 949 351*	*6 218 011*	*6 496 473*	*6 685 039*
Total	**22 396 333**	**23 947 458**	**23 006 812**	**18 736 413**	**21 008 716**

Interim condensed consolidated financial statements (PLN thousand)

6.11. Loans and receivables to customers

Loans and other receivables to entities from the financial sector other than banks

	3 Q 2011 as of 30 Sep 2011	I half 2011 as of 30 Jun 2011	year 2010 as of 31 Dec 2010	3 Q 2010 as of 30 Sep 2010	I half 2010 as of 30 Jun 2010
Loans and advances, of which:	2 733 335	2 714 154	2 585 001	2 428 506	2 419 980
- in the current account	*548 184*	*501 914*	*434 847*	*408 581*	*368 967*
- term ones	*2 185 151*	*2 212 240*	*2 150 154*	*2 019 925*	*2 051 013*
Reverse repo transactions	90 116	80 705	0	90 764	128 144
Other receivables	140 123	154 813	83 234	153 744	129 595
Total (gross)	**2 963 574**	**2 949 672**	**2 668 235**	**2 673 014**	**2 677 719**
Impairment losses, of which	-263	-210	-1 942	-2 079	-1 728
- concerning loans and advances	*-263*	*-210*	*-1 942*	*-2 079*	*-1 728*
Total (net)	**2 963 311**	**2 949 462**	**2 666 293**	**2 670 935**	**2 675 991**

Loans and other receivables to entities from the non-financial sector

	3 Q 2011 as of 30 Sep 2011	I half 2011 as of 30 Jun 2011	year 2010 as of 31 Dec 2010	3 Q 2010 as of 30 Sep 2010	I half 2010 as of 30 Jun 2010
Loans and advances granted to business entities, of which:	15 132 502	14 197 079	12 963 925	13 091 447	12 362 551
- in the current account	*4 623 972*	*4 490 638*	*3 724 286*	*4 036 454*	*3 930 492*
- term ones	*10 508 530*	*9 706 441*	*9 239 639*	*9 054 993*	*8 432 059*
Loans and advances granted to households, of which:	14 804 368	14 034 761	12 630 824	11 646 818	11 110 237
- in the current account	*1 341 499*	*1 356 781*	*1 255 844*	*1 354 226*	*1 308 036*
- term ones	*13 462 869*	*12 677 980*	*11 374 980*	*10 292 592*	*9 802 201*
Debt securities	800 856	537 498	646 560	566 512	306 660
Other receivables	38 502	57 750	64 438	25 540	57 994
Total (gross)	**30 776 228**	**28 827 088**	**26 305 747**	**25 330 317**	**23 837 442**
Impairment losses, of which:	-1 182 689	-1 140 518	-1 081 946	-1 037 928	-972 625
- concerning loans and advances	*-1 177 513*	*-1 135 340*	*-1 076 767*	*-1 032 747*	*-964 061*
- concerning other receivables	*-5 176*	*-5 178*	*-5 179*	*-5 181*	*-8 564*
Total (net)	**29 593 539**	**27 686 570**	**25 223 801**	**24 292 389**	**22 864 817**

Interim condensed consolidated financial statements (PLN thousand)

Loans and other receivables to entities from the government and self-government institutions' sector

	3 Q 2011 as of 30 Sep 2011	**I half 2011** as of 30 Jun 2011	**year 2010** as of 31 Dec 2010	**3 Q 2010** as of 30 Sep 2010	**I half 2010** as of 30 Jun 2010
Loans and advances, of which:	2 891 456	2 740 487	2 820 476	2 479 220	2 389 685
- in the current account	*109 000*	*64 872*	*8 416*	*55 976*	*63 958*
- term ones	*2 782 456*	*2 675 615*	*2 812 060*	*2 423 244*	*2 325 727*
Debt securities, of which:	4 342 797	3 719 385	3 799 874	3 880 231	3 852 858
- hedged items in fair value hedging	*3 786 183*	*3 189 042*	*3 268 457*	*3 425 128*	*3 447 705*
Other receivables	100	310	58	153	40
Total (gross)	**7 234 353**	**6 460 182**	**6 620 408**	**6 359 604**	**6 242 583**
Impairment losses, of which:	-1 526	-1 426	-1 503	-2 267	-2 205
- concerning loans and advances	*-1 526*	*-1 426*	*-1 503*	*-2 267*	*-2 205*
Total (net)	**7 232 827**	**6 458 756**	**6 618 905**	**6 357 337**	**6 240 378**

Loans and other receivables to customers – total

	3 Q 2011 as of 30 Sep 2011	**I half 2011** as of 30 Jun 2011	**year 2010** as of 31 Dec 2010	**3 Q 2010** as of 30 Sep 2010	**I half 2010** as of 30 Jun 2010
Loans and advances	35 561 661	33 686 481	31 000 226	29 645 991	28 282 453
Debt securities	5 143 653	4 256 883	4 446 434	4 446 743	4 159 518
Reverse repo transactions	90 116	80 705	0	90 764	128 144
Other receivables	178 725	212 873	147 730	179 437	187 629
Total (gross)	**40 974 155**	**38 236 942**	**35 594 390**	**34 362 935**	**32 757 744**
Impairment losses, of which	-1 184 478	-1 142 154	-1 085 391	-1 042 274	-976 558
- concerning loans and advances	*-1 179 302*	*-1 136 976*	*-1 080 212*	*-1 037 093*	*-967 994*
- concerning other receivables	*-5 176*	*-5 178*	*-5 179*	*-5 181*	*-8 564*
Total (net)	**39 789 677**	**37 094 788**	**34 508 999**	**33 320 661**	**31 781 186**

Interim condensed consolidated financial statements (PLN thousand)

6.12. Quality of portfolio of loans and advances

Quality of loans and advances to customers portfolio

	3 Q 2011 as of 30 Sep 2011	**I half 2011** as of 30 Jun 2011	**year 2010** as of 31 Dec 2010	**3 Q 2010** as of 30 Sep 2010	**I half 2010** as of 30 Jun 2010
Corporate activity					
Exposure	**21 021 106**	**19 882 172**	**18 405 410**	**18 031 707**	**17 178 389**
- unimpaired (IBNR – incured but not reported)	19 831 759	18 735 869	17 227 793	16 892 521	16 131 828
- impaired	1 189 347	1 146 303	1 177 617	1 139 186	1 046 561
Impairment losses and provisions	**818 623**	**798 917**	**785 850**	**765 436**	**726 576**
- related to unimpaired portfolio	65 858	60 339	62 106	70 263	72 722
- related to impaired portfolio	743 770	727 964	712 668	685 950	636 279
- provisions for off-balance sheet liabilities	8 995	10 614	11 076	9 223	17 575
Impaired portfolio coverage ratio (%)	62.5%	63.5%	60.5%	60.2%	60.8%
Retail activity					
Exposure	**14 540 555**	**13 804 309**	**12 594 816**	**11 614 284**	**11 104 064**
- unimpaired (IBNR – incured but not reported)	14 140 551	13 432 375	12 264 806	11 323 010	10 841 927
- impaired	400 004	371 934	330 010	291 274	262 137
Impairment losses	**369 693**	**348 689**	**305 504**	**280 929**	**258 993**
- related to unimpaired portfolio	98 731	97 792	90 064	92 182	88 075
- related to impaired portfolio	270 943	250 881	215 374	188 698	170 918
- provisions for off-balance sheet liabilities	19	16	66	49	0
Impaired portfolio coverage ratio (%)	67.7%	67.5%	65.3%	64.8%	65.2%
Total exposure	**35 561 661**	**33 686 481**	**31 000 226**	**29 645 991**	**28 282 453**
Impairment losses and total provisions, of which:	**1 188 316**	**1 147 606**	**1 091 354**	**1 046 365**	**985 569**
- impairment losses	1 179 302	1 136 976	1 080 212	1 037 093	967 994
- provisions for off-balance sheet liabilities	9 014	10 630	11 142	9 272	17 575
Total portfolio coverage ratio	3.3%	3.4%	3.5%	3.5%	3.5%
Share of the impaired portfolio	4.5%	4.5%	4.9%	4.8%	4.6%
Impaired portfolio coverage ratio (%)	**63.8%**	**64.5%**	**61.6%**	**61.1%**	**61.7%**

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Changes in impairment losses

(including provisions for off-balance sheet liabilities and impairment losses concerning loans and advances to other banks)

3 quarters 2011 The period from 01 Jan 2011 to 30 Sep 2011	Charges for loans and advances and off-balance sheet exposure	*including charges for loans and advances to other banks*	Charges for receivables related to transactions on derivatives	**TOTAL**
Opening balance of impairment losses	**803 267**	***90***	**288 177**	**1 091 444**
- changes in income statement	119 715	*23*	2 182	121 897
- depreciation	-23 523	*0*	0	-23 523
- restructuring and forgiveness of the debts related to transactions on derivatives	0	*0*	3 087	3 087
- transfer of provisions from off-balance sheet after their repayment	12 406	*0*	0	12 406
- other (inclusive, but not limited to unwinding interest, FX differences)	-16 882	*0*	0	-16 882
Closing balance of impairment losses	**894 983**	***113***	**293 446**	**1 188 429**

3 quarters 2010 The period from 01 Jan 2010 to 30 Sep 2010	Charges for loans and advances and off-balance sheet exposure	*including charges for loans and advances to other banks*	Charges for receivables related to transactions on derivatives	**TOTAL**
Opening balance of impairment losses	**629 626**	***50***	**263 193**	**892 819**
- changes in income statement	129 100	*46*	13 377	142 477
- depreciation	-6 043	*0*	0	-6 043
- restructuring and forgiveness of the debts related to transactions on derivatives	0	*0*	8 335	8 335
- transfer of provisions from off-balance sheet after their repayment	24 731	*0*	0	24 731
- other (inclusive, but not limited to unwinding interest, FX differences)	-15 858	*0*	0	-15 858
Closing balance of impairment losses	**761 556**	***96***	**284 905**	**1 046 461**

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6.13. Liabilities due to other banks

	3 Q 2011 as of 30 Sep 2011	I half 2011 as of 30 Jun 2011	year 2010 as of 31 Dec 2010	3 Q 2010 as of 30 Sep 2010	I half 2010 as of 30 Jun 2010
Current accounts	268 790	344 445	278 926	191 735	423 757
Interbank deposits	3 824 835	4 992 118	3 086 280	2 682 192	3 008 219
Repo transactions	3 458 579	3 585 765	657 776	228 361	1 738 163
Other liabilities	44 951	15 735	16 129	47 070	20 101
Total	**7 597 155**	**8 938 063**	**4 039 111**	**3 149 358**	**5 190 240**

6.14. Financial liabilities measured at fair value through profit and loss

	3 Q 2011 as of 30 Sep 2011	I half 2011 as of 30 Jun 2011	year 2010 as of 31 Dec 2010	3 Q 2010 as of 30 Sep 2010	I half 2010 as of 30 Jun 2010
Financial liabilities designated as at fair value upon initial recognition, of which:	5 134 368	1 417 565	4 323 698	2 229 080	2 063 306
- Sell-buy-back transaction	*5 134 368*	*1 417 565*	*4 323 698*	*2 229 080*	*2 063 306*
Book short position in trading securities	235 957	226 033	357 726	351 374	60 147
Total	**5 370 325**	**1 643 598**	**4 681 424**	**2 580 454**	**2 123 453**

6.15. Liabilities due to customers

Liabilities due to entities from the financial sector other than banks

	3 Q 2011 as of 30 Sep 2011	I half 2011 as of 30 Jun 2011	year 2010 as of 31 Dec 2010	3 Q 2010 as of 30 Sep 2010	I half 2010 as of 30 Jun 2010
Deposits	2 304 599	2 637 795	2 540 617	3 177 198	3 736 476
- current accounts	*1 396 861*	*1 715 065*	*1 442 475*	*1 615 654*	*1 843 228*
- term deposit	*907 738*	*922 730*	*1 098 142*	*1 561 544*	*1 893 248*
Repo transactions	62 037	99 056	0	0	131 336
Other liabilities	112 007	109 842	137 319	108 564	157 911
Total	**2 478 643**	**2 846 693**	**2 677 936**	**3 285 762**	**4 025 723**

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Liabilities due to entities from the non-financial sector

	3 Q 2011 as of 30 Sep 2011	**I half 2011** as of 30 Jun 2011	**year 2010** as of 31 Dec 2010	**3 Q 2010** as of 30 Sep 2010	**I half 2010** as of 30 Jun 2010
Business entities' deposits	13 100 121	12 110 714	12 483 581	11 555 013	11 136 631
- current accounts	*9 529 437*	*8 908 910*	*9 153 387*	*8 454 817*	*8 297 458*
- term deposit	*3 570 684*	*3 201 804*	*3 330 194*	*3 100 196*	*2 839 173*
Households' deposits	32 412 153	31 154 782	30 117 734	29 558 016	28 969 864
- current accounts	*4 880 849*	*4 957 822*	*4 792 359*	*4 257 531*	*4 239 053*
- saving accounts and term deposits	*27 531 304*	*26 196 960*	*25 325 375*	*25 300 485*	*24 730 811*
Other liabilities	542 461	534 436	424 008	469 236	438 871
Total	**46 054 735**	**43 799 932**	**43 025 323**	**41 582 265**	**40 545 366**

Liabilities due to entities from the government and self-government institutions' sector

	3 Q 2011 as of 30 Sep 2011	**I half 2011** as of 30 Jun 2011	**year 2010** as of 31 Dec 2010	**3 Q 2010** as of 30 Sep 2010	**I half 2010** as of 30 Jun 2010
Deposits	2 223 171	1 637 318	1 694 915	2 799 240	1 382 533
- current accounts	*1 569 465*	*1 285 700*	*1 455 261*	*1 878 332*	*1 081 422*
- term deposit	*653 706*	*351 618*	*239 654*	*920 908*	*301 111*
Other liabilities	2 142	2 130	1 895	599	593
Total	**2 225 313**	**1 639 448**	**1 696 810**	**2 799 839**	**1 383 126**

Liabilities due to customers – total

	3 Q 2011 as of 30 Sep 2011	**I half 2011** as of 30 Jun 2011	**year 2010** as of 31 Dec 2010	**3 Q 2010** as of 30 Sep 2010	**I half 2010** as of 30 Jun 2010
Deposits	50 040 044	47 540 609	46 836 847	47 089 467	45 225 504
Repo transactions	62 037	99 056	0	0	131 336
Other liabilities	656 610	646 408	563 222	578 399	597 375
Total	**50 758 691**	**48 286 073**	**47 400 069**	**47 667 866**	**45 954 215**

6.16. Provisions

	3 Q 2011 as of 30 Sep 2011	**I half 2011** as of 30 Jun 2011	**year 2010** as of 31 Dec 2010	**3 Q 2010** as of 30 Sep 2010	**I half 2010** as of 30 Jun 2010
Provision for issues in dispute	20 516	20 267	20 218	18 179	6 175
Provision for off-balance sheet liabilities	9 014	10 630	11 142	9 272	17 575
Provision for retirement benefits	15 887	15 888	15 888	14 416	14 410
Provision for unused holidays	6 256	6 256	6 256	5 460	5 460
Provision for employment restructuring	1 113	13 890	2 340	2 430	2 850
Total	**52 786**	**66 931**	**55 844**	**49 757**	**46 470**

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6.17. Solvency ratio

	3 Q 2011 as of 30 Sep 2011	I half 2011 as of 30 Jun 2011	year 2010 as of 31 Dec 2010	3 Q 2010 as of 30 Sep 2010	I half 2010 as of 30 Jun 2010
Own funds components					
Share capital	130 100	130 100	130 100	130 100	130 100
Issue premium	956 250	956 250	956 250	956 250	956 250
Other supplementary capital	75 167	75 163	75 055	74 978	74 978
Capital reserve including retained profit of past years	3 310 403	3 309 288	2 808 602	2 808 584	2 808 584
Net profit of current period in audited part	446 392	0	369 049	369 049	0
Non-controlling interests	2 292	2 274	2 352	2 384	2 307
General risk fund	910 179	910 179	850 179	850 179	850 179
Revaluation reserve	5 471	44 634	8 125	31 684	-3 924
Funds adjustment by intangibles	-355 550	-357 833	-342 213	-325 790	-325 876
Funds adjustment by capital commitments in financial institutions	-40 000	-40 000	-40 000	-40 000	-40 000
Short-term capital	40 421	59 816	26 506	32 192	38 865
Total own funds	**5 481 125**	**5 089 871**	**4 844 005**	**4 889 610**	**4 491 463**
Capital requirements					
Capital requirements for credit risk, credit counterparty, dilution and delivery of instruments for future settlement	3 056 172	2 806 056	2 581 597	2 581 555	2 496 003
Capital requirement for the risk of settlement - delivery	7 093	6 306	5 064	4 570	4 062
Capital requirements for the capital securities rate risk, debt instruments rates risk, FX risk and commodity rates risk	151	22 243	1 753	412	8 742
Capital requirement for operational risk	361 683	361 683	326 871	326 871	326 871
Capital requirement for general interest rate risk	33 176	31 267	19 689	27 210	26 060
Capital requirement due to exposure concentration limit and large exposures limit overrun	33 438	880	11 998	0	0
Total capital requirement	**3 491 713**	**3 228 435**	**2 946 972**	**2 940 618**	**2 861 738**
Solvency ratio	**12.56%**	**12.61%**	**13.15%**	**13.30%**	**12.56%**

6. Significant events in Q3 2011

Convening the Extraordinary General meeting of ING Bank Śląski S.A.

On 23 September 2011, the Management Board of ING Bank Śląski S.A. gave notice of the Extraordinary General meeting to be held on 24 October 2011, which will pass resolutions regarding amendments to the ING Bank Śląski S.A. Charter in the part concerning the initial capital (division of the face value of the Bank's shares) and consolidation of ING Bank Śląski S.A. with ING Bank Hipoteczny S.A.

Resignation of the Member of the Supervisory Board of ING Bank Śląski S.A.

On 16 September 2011, Mr. César González-Bueno tendered his resignation as Supervisory Board Member of ING Bank Śląski S.A., effective as of that day, to the Chair of the Supervisory Board of ING Bank Śląski S.A. The resignation was dictated by Mr. González-Bueno's intention to continue his career outside ING.

Verdict of the Circuit Court dismissing the action for declaring the Resolutions of the General Meeting invalid (or for their repeal)

On 31 August 2011, the Management Board of ING Bank Śląski S.A. obtained the information, that the Circuit Court in Katowice dismissed the entire action lodged by Związek Zawodowy Górników w Polsce (Polish Miners Trade Union) and Związek Zawodowy "KADRA" Pracowników Katowickiego Holdingu Węglowego S.A. ("KADRA" Trade Union of Katowice Coal Holding S.A. Employees) for declaring the resolutions of the General Meeting of ING Bank Śląski S.A. passed on 7 April 2011 invalid, and demanding their repeal:

– no. 1 on the approval of the annual financial statements of ING Bank Śląski S.A. for the period from 1 January 2010 to 31 December 2010,
– no. 5 on the acknowledgment of the fulfilment of duties of President of the Management Board of ING Bank Śląski S.A. – Ms. Małgorzata Kołakowska for the period from 1 January 2010 to 31 December 2010,
– no. 21 on the approval of the distribution of profit for the year 2010.

The verdict is not final.

Conclusion of a Significant Agreements

1. On 21 July 2011, ING Bank Śląski S.A. signed together with the consortium of other banks an annex to the Agreement discussed in the Current Report of 10 June 2010, with an entity from the fuel and energy sector for expanding the bond issue programme by this entity within a four-year period, to the maximum issue limit up to PLN 5,000,000,000.00. Under the Agreement ING Bank Śląski S.A. will be acting as Issue Agent of the programme. Moreover ING Bank Śląski S.A. is entitled to assume rights and obligations of one of the banks being underwriters of the programme and in a consequence it may take up bonds whose value may exceed 10% of the Bank's equity, however, not more than PLN 917,000,000.00. The borrower is not related to ING Bank Śląski S.A.
2. On 7 July 2011, the Bank concluded a credit agreement with two entities from the financial sector, interrelated in capital terms, up to the maximum amount of PLN 630,000,000.00 for the period of 2 years. The total credit exposure of the Bank towards the two entities is PLN 630,000,000.00. The said agreement has been recognized as

significant due to its total exposure value, exceeding 10% of the Bank's equity. The business party is not related to ING Bank Sląski .A.

Rating assignment by Fitch Ratings Ltd.

On 20 July 2011, the Fitch Ratings Ltd.("Fitch") has assigned "bbb+" *Viability rating (VR)* to ING Bank Śląski S.A. *Viability rating* reflects the same core risks as the legacy *Individual Rating*, but it is characterised by far wider 19-point scale the same as the scale used to assess the Long-term IDR. In the case of ING Bank Śląski S.A. the rating bbb+ stands for the highest possible rating available for those institutions which were assigned C Individual Rating. Ratings from the bbb range denote good, fundamental creditworthiness of the Bank. The introduction of *Viability rating* did not affect the remaining ratings of ING Bank Śląski S.A. The full rating assigned to the Bank by the Fitch agency is as follows:

- Long–term IDR: "A"
- entity's rating overlook: "stable"
- Short-term IDR: "F1"
- viability rating: bbb+
- individual rating: "C"
- support rating: "1"

7. Factors potentially affecting the financial results in the following quarters

The macroeconomic factors that may impact the results in subsequent quarters include:

- development of a solution to the fiscal crisis in the euro zone with potential recapitalization of European banks, possibility to recapitalize European banks,
- pace of economic growth in Poland – according to forecasts developed by ING Bank Śląski S.A. GDP growth rate in Q3 2011 was 3.5%, whereas in the entire year 2011 it will be at the level of 3.8%. This is interrelated with the slowdown in the euro zone (according to current forecasts the growth rate will diminish from 1.5% in 2011 to 0.5% in 2012).
- no solution to the European fiscal crisis in the euro zone as well as significant number of downward revision in the growth forecast worldwide, which will impact possible growth in demand for loans among entrepreneurs.
- decreased demand for loans among local governments as a consequence of new regulations implemented by the Government,
- changes in the labour market environment – after removing seasonal variations, the unemployment rate remained unchanged when compared to the end of December 2010 (12.2%-12.3%). It is unlikely that the number of the unemployed will decrease in 2011, the employment increase is more probable in 2012. The salary growth rate in 2011 was higher than 5% (y/y).
- inflation growth per annum from 3.1% in December 2010 to 5.0% in May 2011, and back to 3.9% in September 2011. This level is likely to remain unchanged by November 2011, whereas it is possible that starting from December 2011 the inflation growth will decrease faster (to 2-2.5% y/y in mid-2012).
- base interest rates in Poland – the Monetary Policy Council has increased the base interest rates in Poland four times this year; economists expect the existing level to remain unchanged by the end of 2011 and two or three interest rates cuts (25bp each) in 2012,

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- slump on the Warsaw Stock Exchange (WIG index fell by 10% in August 2011 and 10% in September 2011), which gave raise to huge funds transfers to the banking sector. Volatility of global situation may prevent these funds from coming back to the Stock Exchange within next months.

8. Significant developments after the closing of the interim period

Changes to the composition of the Supervisory Board

On 24 October 2011, the Extraordinary General Meeting of ING Bank Śląski S.A. appointed Mr. Roland Boekhout as a Member of the Supervisory Board.

Resolutions of the Extraordinary General Meeting of ING Bank Śląski S.A.

On 24 October 2011, Extraordinary General Meeting of ING Bank Śląski S.A. was held during which the following resolutions:

- regarding amendments to the Charter of ING Bank Śląski S.A. related to the split of the face value of the Bank's shares,
- regarding consolidation of ING Bank Śląski S.A. with ING Bank Hipoteczny S.A. were adopted.

Portfolio Sale

On 3 October 2011, ING Bank Śląski S.A. concluded with Kredyt Inkaso Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty (ang. *Collection Loan and Non-standardized Securitization Closed-ended Investment Fund*) an agreement on the sale of portfolio of corporate receivables classified as impaired loans or fully written down from the balance sheet. The total amount of receivables sold there under equalled PLN 201.9 million (principal amounts and interests), material part of which was covered by impairment write-offs, or was fully written down from the Group balance sheet.

9. Off-balance sheet items

	3Q 2011 as of 30 Sep 2011	**I half 2011** as of 30 Jun 2011	**end of year 2010** as of 31 Dec 2010	**3Q 2010** as of 30 Sep 2010	**I half 2010** as of 30 Jun 2010
Contingent liabilities granted	15 965 208	15 372 094	14 545 891	14 806 104	14 005 950
Contingent liabilities received	21 420 339	20 926 693	17 153 553	15 992 438	13 093 025
Off-balance sheet financial instruments	139 922 907	131 763 460	131 521 156	203 164 097	124 094 658
Total off-balance sheet items	**177 308 454**	**168 062 247**	**163 220 600**	**233 962 639**	**151 193 633**

10. Issues, redemption or repayments of debt securities and equities

None.

11. Dividends paid

On 7 April 2011, the General Shareholders Meeting approved the payout of dividend for 2010 of PLN 15.00 gross per 1 share, which is equivalent to PLN 195,150,000. The dividend was paid on 1 July 2011.

The General Meeting held on 8 April 2010 refrained from adopting the dividend payout for the year 2009 and approved allocation of the entire 2009 net profit of ING Bank Śląski S.A. towards own funds.

12. Settlements due to disputable cases

ING Bank Śląski maintains detailed records of court cases and other liabilities being legal claims. The Bank establishes reserves for the cases, which in the opinion of the legal staff and/or management staff are encumbered with a high risk of losing the case or it is impossible to recover the lost assets. Possible future settlements are made against the reserves established.

Changes to the litigation reserves (in PLN thousands)

	3Q 2011 the period from 01 Jan 2011 to 30 Sep 2011	**3Q 2010** the period from 01 Jan 2010 to 30 Sep 2010
Status at the period beginning:	**20 218**	**11 690**
Establishment of provisions as costs	610	12 554
Release of provisions as income	-67	-5 351
Utilisation of provision due to dispute loss or settlement	-245	-714
Status as at the period end	**20 516**	**18 179**

Either in 9 months of 2011 or 9 months of 2010, no proceedings concerning liabilities or debts whose total value would amount to 10% of the Bank's equity were initiated before courts or administrative bodies against the Capital Group of ING Bank Śląski.

13. Seasonality or cyclicity of activity

Activity of ING Bank Śląski Group is not subject to seasonality or cyclicity within the meaning of §21 of IAS 34.

14. Transactions with related entities

Subsidiaries and Related Entities of ING Bank Śląski:

- ING Securities S.A.,
- ING Bank Hipoteczny S.A.,
- Centrum Banku Śląskiego (CBS) Sp. z o.o.,
- Solver Sp. z o.o.,
- ING Powszechne Towarzystwo Emerytalne S.A.

as part of their business hold current accounts at ING Bank Śląski, via which they perform standard clearing operations and also invest cash funds using term deposits. Furthermore ING Bank Hipoteczny took loans from ING Bank Śląski. Similarly, ING Bank Śląski maintains bank accounts of other members of ING Group, for instance ING Lease (Poland), NG Car Lease and ING Real Estate. The transactions with the above entities are performed on an arm's length basis.

ING Bank Śląski performs operations with ING Bank NV and its subsidiaries on the inter-bank market. These are both short-term deposits and loans, as well as operations in derivatives. The abovementioned transactions are carried out on an arm's length basis.

There were also other transactions between the related entities and ING Bank Śląski. They originated from agreements concluded as to co-operation, sublease of premises, lease of equipment, data processing, leasing of non-current assets and intangible assets as well as car fleet leasing, management and employees' insurance contributions.

In the period from 1 January 2011 to 30 September 2011 the following transactions were made of the total value exceeding EURO 500.000:

- in connection with execution of the Co-operation Agreement concluded by ING Bank Śląski S.A. and ING Bank NV the remuneration for the services provided as to financial consulting in 9 months of 2011 amounted to PLN 43.4 million versus PLN 39.7 million in the analogical period of the previous year (net amounts). Following the implementation of the agreement for provision of data processing and financial information analysis services, concluded by and between ING Bank Śląski S.A. and ING Bank NV, the fee for data processing and financial information analysis services used by ING Bank Śląski amounted to PLN 8.0 million versus PLN 9.2 million in the analogical period of the previous year (net amounts).
- ING Services Polska provides services to ING Bank Śląski with regard to lease of hardware resources. The costs of service were PLN 29.9 million versus PLN 25.1 million in the analogical period of the previous year (gross amounts).
- ING Bank Śląski made a transaction with ING Lease due to sublease of functional rooms totalling PLN 13.0 million versus PLN 12.5 million in the analogical period of the previous year (gross amounts).
- ING Bank Śląski co-operates with ING Car Lease[1] as to leasing of cars and management of car fleet. The derivative amount of payment was PLN 13.3 million in 9 months of 2011 versus PLN 12.4 million in the analogical period of the previous year (gross amounts).

[1] In September 2011, the Company was sold outside ING Group.

Transactions with related entities (in PLN thousands)

3Q 2011 as of 30 Sep 2011

	ING Bank NV	Other ING Group entities	Subsidiary undertakings*	Associated undertakings*
Receivables				
Deposits placed	973 807	9	-	-
Nostro accounts	20 894	2 865	-	-
Loans	-	1 700 311	462 259	-
Other receivables	48 369	95	147	-
Liabilities				
Deposits received	2 897 039	527 574	371 632	7 201
Loro accounts	32 446	7 235	-	-
Repo	3 287 780	-	-	-
Other liabilities	51 983	48	633	-
Off-balance-sheet operations				
Contingent liabilities	304 805	555 909	233 231	15
FX transactions	2 384 513	86 576	-	-
Forward transactions	81 453	28 004	-	-
IRS	1 878 661	14 452	-	-
Options	651 252	889 050	-	-
Revenue and costs**				
Revenue	-63 594	78 739	-4 876	-1 590
Costs	45 223	55 993	1 185	-

3Q 2010 as of 30 Sep 2010

	ING Bank NV	Other ING Group entities	Subsidiary undertakings*	Associated undertakings*
Receivables				
Deposits placed	849 187	-	-	-
Nostro accounts	6 272	33 756	-	-
Loans	-	1 579 772	378 691	-
Securities	-	-	20 004	-
Other receivables	39 599	3 208	9	-
Liabilities				
Deposits received	850 069	435 933	360 611	243 481
Loro accounts	43 852	6 055	-	-
Repo	228 360	-	-	-
Other liabilities	25 307	132	474	-
Off-balance-sheet operations				
Contingent liabilities	206 618	979 447	441 532	-
FX transactions	7 165 787	581 905	-	-
Forward transactions	200 691	210 176	-	-
IRS	48 696 442	6 897 675	-	-
FRA	38 717 848	-	-	-
Options	382 782	743 229	-	-
Revenue and costs**				
Revenue	-38 209	47 822	-6 058	-4 783
Costs	49 578	30 583	2 683	-

*/ Includes transactions between ING Bank Śląski S.A. affiliates of ING Bank Śląski S.A. Group
**/ Revenues and costs are presented in the uniform setting as in the financial statements. The revenues include, among others, the result on valuation of derivatives.

15. Segmentation of revenue and financial results of the Group

Segments of operation

The management of ING Bank Śląski is conducted within the areas defined in the Bank's business model.

The Bank's business model, above all for the purpose of management reporting, includes division of clients into two main segments:

- retail customer segment,
- corporate banking segment.

The segments are separated based on the financial (especially turnover, level of collected assets) and subject-related criteria. The specific rules of putting clients to respective segments are governed by the clients segmentation criteria specified in the Bank's internal regulations.

Retail customers segment

Within the framework of retail banking, the Bank provides services for individual customers (segments of mass customers and wealthy customers) and for sole traders.

This activity is analysed by the leading products, including i.e.: credit products (overdraft on the savings and settlement account - ROR, loans related to cards, hire purchase loans, housing loans, mortgage loans, contract loans granted by the Building Society, mortgage loans granted by ING Bank Hipoteczny), deposit products (current accounts, term deposits, savings accounts), structured product, ING fund units, brokerage services provided by ING Securities SA and bank cards.

Corporate banking segment

Corporate banking area encompasses as follows:

- providing services to institutional clients,
- Financial Markets products.

Services to institutional clients encompasses strategic clients, large corporate entities and mid-sized companies. For corporate activity, the Bank provides reporting broken down by leading products covering i.e. loan products (working loans, investment loans), deposit products (current accounts, term deposits and negotiated deposits, savings accounts), financial markets products, trust services, capital market operations conducted by the parent and by ING Securities and operations of intermediation in lease services.

Financial Markets products encompass operations performed in money and capital markets, conducted both on the proprietary basis as well as for the customers' benefit. Within the framework of this activity, currency, money and derivative instrument market products and securities operations (treasury securities, shares and notes) are specified.

Measurement

The measurement of the segment's assets and liabilities, segment's revenue and costs is based on the accounting standards applied by the Bank, included in notes describing applied accounting standards. In particular, the internal and external interest revenue and costs for individual segments shall be established with the use of the transfer pricing system. Transfer prices are defined based on the yield curve for a given currency that is common for assets and liabilities. The transfer price that is determined for the products being assets and liabilities with the same position on the yield curve is identical. The original transfer price – coming from the product measurement regarding the yield curve can be modified and the factors adjusting the transfer price can be the following: a premium for obtainment of long-term liquidity, matching of the Bank's position, a hedging cost for sophisticated products and the pricing policy. Thereafter, based on quotation rates available at news services, yield curves are developed using mathematical equations.

Revenue, costs, results, assets and liabilities for a given segment account for elements that are directly attributable to the segment in question, as well as element that may be attributed to that segment based on reasonable premises.

The Bank presents segment's interest income reduced by the cost of the interest. This results from the fact that while evaluating the segment's results and assigning assets to the segment, the Management Board relies mainly on net interest income.

In 2011, the Bank modified the reporting area in terms of its operational segments. The current presentation of the segmentation note is the consequence of the modified reporting for the Management Board. The Bank is of the opinion that it reflects the essence of the operational division into segments.
When compared with the previous presentation, two segments were distinguished instead of the three presented earlier. The segments are: ”retail client segment” and ”corporate banking segment” (earlier comprising the ”corporate banking segment” and a sub-segment ”financial markets and ALM” from the segment of “proprietary operations”). The previous sub-segment ”ALCO” was divided into two parts: the one for retail is now presented in the retail client segment and the other in the corporate banking one. The manner of presentation of "unallocated values" also changed – since they referred to income tax, they were moved to the table bottom and presented in a separate column.

Geographical segments

The business activities of the Capital Group are performed on the territory of the Republic of Poland.

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	3Q 2011 year-to-date the period from 01 Jan 2011 to 30 Sep 2011		
	Retail customers segment	**Corporate banking segment**	**TOTAL**
Revenue total*	**1 162 952**	**1 045 648**	**2 208 600**
Net interest income	711 546	660 291	1 371 837
Net commission income	405 727	365 409	771 136
Other income/expenses	14 555	19 948	34 503
Share in net profit (loss) of associated entities recognised under the equity method	31 124	0	31 124
Expenses total	**784 929**	**468 147**	**1 253 076**
Operational expenses, including:	784 929	468 147	1 253 076
personnel expenses	*376 569*	*242 736*	*619 305*
depreciation	*68 413*	*28 088*	*96 501*
other	*339 947*	*197 323*	*537 270*
Result before risk	**378 023**	**577 501**	**955 524**
Risk cost	76 139	45 758	121 897
Result after risk cost (profit before tax)	**301 884**	**531 743**	**833 627**
CIT	-	-	167 154
Result after tax	-	-	**666 473**
- attributable to shareholders of ING Bank Śląski S.A.	-	-	**666 492**
- attributable to non-controlling interests	-	-	-19

	III quarter 2011 period from 01.07.2011 to 30.09.2011		
	Retail customers segment	**Corporate banking segment**	**TOTAL**
Revenue total*	**368 706**	**356 909**	**725 615**
Net interest income	228 700	248 695	477 395
Net commission income	131 118	130 308	261 426
Other income/expenses	666	-22 094	-21 428
Share in net profit (loss) of associated entities recognised under the equity method	8 222	0	8 222
Expenses total	**267 419**	**154 570**	**421 989**
Operational expenses, including:	267 419	154 570	421 989
personnel expenses	*128 674*	*83 938*	*212 612*
depreciation	*24 498*	*9 568*	*34 066*
other	*114 247*	*61 064*	*175 311*
Result before risk	**101 287**	**202 339**	**303 626**
Risk cost	21 034	6 092	27 126
Result after risk cost (profit before tax)	**80 253**	**196 247**	**276 500**
CIT	-	-	56 382
Result after tax	-	-	**220 118**
- attributable to shareholders of ING Bank Śląski S.A.	-	-	**220 100**
- attributable to non-controlling interests	-	-	18

*/ including the share in net profit of affiliated units shown using the method of ownership rights

Interim condensed consolidated financial statements (PLN thousand)

	3Q 2010 year-to-date the period from 01 Jan 2010 to 30 Sep 2010		
	Retail customers segment	**Corporate banking segment**	**TOTAL**
Revenue total*	**1 037 089**	**999 911**	**2 037 000**
Net interest income	579 298	626 598	1 205 896
Net commission income	434 042	296 970	731 012
Other income/expenses	-5 099	76 343	71 244
Share in net profit (loss) of associated entities recognised under the equity method	28 848	0	28 848
Expenses total	**768 972**	**432 403**	**1 201 375**
Operational expenses, including:	768 972	432 403	1 201 375
personnel expenses	*347 030*	*215 864*	*562 894*
depreciation	*65 884*	*22 768*	*88 652*
other	*356 058*	*193 771*	*549 829*
Result before risk	**268 117**	**567 508**	**835 625**
Risk cost	55 548	86 929	142 477
Result after risk cost (profit before tax)	**212 569**	**480 579**	**693 148**
CIT	-	-	131 657
Result after tax	-	-	**561 491**
- attributable to shareholders of ING Bank Śląski S.A.	-	-	**561 420**
- attributable to non-controlling interests	-	-	71

	III quarter 2010 period from 01.07.2010 to 30.09.2010		
	Retail customers segment	**Corporate banking segment**	**TOTAL**
Revenue total*	**369 465**	**330 728**	**700 193**
Net interest income	199 097	211 124	410 221
Net commission income	159 796	95 796	255 592
Other income/expenses	-80	23 808	23 728
Share in net profit (loss) of associated entities recognised under the equity method	10 652	0	10 652
Expenses total	**263 827**	**143 836**	**407 663**
Operational expenses, including:	263 827	143 836	407 663
personnel expenses	*122 102*	*74 020*	*196 122*
depreciation	*22 220*	*7 820*	*30 040*
other	*119 505*	*61 996*	*181 501*
Result before risk	**105 638**	**186 892**	**292 530**
Risk cost	21 301	33 800	55 101
Result after risk cost (profit before tax)	**84 337**	**153 092**	**237 429**
CIT	-	-	44 982
Result after tax	-	-	**192 447**
- attributable to shareholders of ING Bank Śląski S.A.	-	-	**192 370**
- attributable to non-controlling interests	-	-	77

*/ including the share in net profit of affiliated units shown using the method of ownership rights

Interim condensed consolidated financial statements (PLN thousand)

16. Other informations

Key effectiveness ratios

	3Q 2011 as of 30 Sep 2011	**3Q 2010** as of 30 Sep 2010	**Change 3Q 2011 / 3Q 2010**
Profitability ratio (%)	31.5	28.1	3.4 b.p.
Return on assets (%)	1.3	1.1	0.2 b.p.
Return on equity (%)	14.7	13.3	1.4 b.p.
Cost/Income ratio (%)	56.7	59.0	-2.3 b.p.
Solvency ratio (%)	12.56	13.30	-0.74 b.p.

Profitability ratio – gross profit to total costs.

Return on assets (ROA) – net profit attributable to shareholders of ING Bank Śląski S.A. for 4 subsequent quarters to average assets for 5 subsequent quarters.

Return on equity (ROE) - net profit attributable to shareholders of ING Bank Śląski S.A. for 4 subsequent quarters to average equity for 5 subsequent quarters.

Cost to Income ratio (C/I) – total costs to income from operating activity per type.

Solvency ratio – equity to risk weighted assets and off-balance sheet liabilities.

Ratings

Fitch Ratings Ltd.

The Fitch Ratings Ltd. Agency assigns full rating to ING Bank Śląski S.A. under the agreement between the bank and the Agency. On 20 July 2011, the Fitch Ratings Ltd.("Fitch") has assigned "bbb+" *Viability rating (VR)* to ING Bank Śląski S.A. *Viability rating* reflects the same core risks as the legacy *Individual Rating*, but it is characterised by far wider 19-point scale the same as the scale used to assess the Long-term IDR. In the case of ING Bank Śląski S.A. the rating bbb+ stands for the highest possible rating available for those institutions which were assigned C Individual Rating. Ratings from the bbb range denote good, fundamental creditworthiness of the Bank. The introduction of *Viability rating* did not affect the remaining ratings of ING Bank Śląski S.A. The full rating assigned to the Bank by the Fitch agency is as follows:

Rating	**Level**
Long-term IDR	A
Short-term IDR	F1
Viability rating	bbb+
Individual	C
Support rating	1
Rating Outlook	Stable

Long-term IDR and Short-term IDR determine the entity's ability to meet financial commitments on a timely basis. Long-term IDR at A level reflects high ability of the Bank to timely settle long-term financial obligations. Short-term IDR at the F1 level means the highest rating for the ability to meet short-term commitments (up to 13 months) on a timely basis. In case of both ratings the Fitch agency considered the high probability of obtaining potential support from the dominant shareholder. ING Bank NV (ING Bank Śląski was assigned the highest support rating – 1).

Interim condensed consolidated financial statements (PLN thousand)

In the opinion of the Fitch Agency, the individual rating at C reflects the Bank's strong market position, high liquidity, stable sources of funding using the deposits of retail clients, as well as adequate capital position and assets quality, which is considerably higher than the market median.

Moody's Investors Service Ltd.

The Moody's Investors Service Ltd. Agency assigns rating to ING Bank Śląski S.A. on the basis of the universally available public information. As at 30.09.2011, the Bank had the rating of financial credibility, issued by the agency:

Rating	Level
Long-term PLN deposits	A2
Long-term FX deposits	A2
Short-term deposits	P-1
Financial strength	D+
Outlook for ratings of long-term and short-term deposits	Stable

Headcount

The headcount in the Capital Group was as follows:

	3Q 2011 as of 30 Sep 2011	2Q 2011 as of 30 Jun 2011	1Q 2011 as of 31 Mar 2011	4Q 2010 as of 31 Dec 2010	3Q 2010 as of 30 Sep 2010
Individuals	8 398	8 502	8 522	8 472	8 525
FTEs	8 252.9	8 362.0	8 383.8	8 332.3	8 391.0

The headcount in the ING Bank Śląski S.A. was as follows:

	3Q 2011 as of 30 Sep 2011	2Q 2011 as of 30 Jun 2011	1Q 2011 as of 31 Mar 2011	4Q 2010 as of 31 Dec 2010	3Q 2010 as of 30 Sep 2010
Individuals	8 166	8 257	8 274	8 224	8 284
FTEs	8 027.0	8 123.2	8 143.6	8 092.3	8 158.5

Number of Branches and ATMs

ING Bank Śląski conducts operational activity in the network of its own branches as well as with the use of the network of partnership outlets based on the franchise model.

The number of outlets of the Bank in particular periods was as follows:

	3Q 2011 as of 30 Sep 2011	**2Q 2011** as of 30 Jun 2011	**1Q 2011** as of 31 Mar 2011	**4Q 2010** as of 31 Dec 2010	**3Q 2010** as of 30 Sep 2010
Number of outlets	441	443	445	443	441

As at the end of September 2011, the Bank had a network of 772 ATMs[2] compared with 775 ATMs as at the end of December 2010 and 762 ATMs in the analogical period in 2010.

As at the end of September 2011, the Bank also had a network of 541 cash deposit machines[3], compared with 442 cash deposit machines as at the end of December 2010 and 418 cash deposit machines in the analogical period in 2010.

Electronic distribution channels

Development of electronic distribution channels is one of the Bank's priorities. A regular update of this offer results in an increase of the number of Clients interested in e-banking. The figures for electronic banking clients[4] are as follows:

	3Q 2011 as of 30 Sep 2011	**2Q 2011** as of 30 Jun 2011	**1Q 2011** as of 31 Mar 2011	**4Q 2010** as of 31 Dec 2010	**3Q 2010** as of 30 Sep 2010
ING BankOnLine, ING OnLine, ING BusinessOnLine and MultiCash	2 067 794	2 017 255	1 960 757	1 879 525	1 802 126
HaloŚląski	1 235 080	1 187 239	1 140 561	1 072 099	1 005 347
SMS	885 984	853 978	823 135	782 079	742 474

The monthly number of transactions in September 2011 was at the level of 13.2 million, whereas in the analogical period in 2010 it was 11.1 million.

Banking cards

ING Bank Śląski S.A. is one of the largest issuers of banking cards in Poland. The data concerning the number of payment cards issued to ING Bank Śląski S.A. clients are as follows:

(in thousands)	**3Q 2011** as of 30 Sep 2011	**2Q 2011** as of 30 Jun 2011	**1Q 2011** as of 31 Mar 2011	**4Q 2010** as of 31 Dec 2010	**3Q 2010** as of 30 Sep 2010
Payment cards	2 375	2 350	2 300	2 267	2 226

Out of all cards issued to clients as at the end of September 2011, 216.1 thousand were credit cards[5] (231.1 thousand as at the end of December 2011 and 237.0 thousand in the same period a year earlier). The newest types of cards were very popular among clients.

[2] Including duals the number of which as of the end of September 2011 was 177.
[3] As above.
[4] The number of clients is not the same as the number of users as one client may represent several users in a given system.
[5] Inclusive of VE Credit and VE Credit NN-P cards.

As at the end of September 2011, 206.1 thousand PayPass cards (202.9 thousand as at the end of December 2010 and 176.6 thousand in the same period a year earlier) and 27.0 thousand Virtual c@rds (19.1 thousand as at the end of December 2010 and 15.8 thousand in the same period a year earlier) were issued to clients.

Interim condensed standalone financial statements (PLN thousand)

III. Interim condensed standalone financial statement of the Bank

INTERIM CONDENSED STANDALONE INCOME STATEMENT

	III quarter 2011 the period from 01 Jul 2011 to 30 Sep 2011	**3 Q 2011** the period from 01 Jan 2011 to 30 Sep 2011	**III quarter 2010** the period from 01 Jul 2010 to 30 Sep 2010	**3 Q 2010** the period from 01 Jan 2010 to 30 Sep 2010
- Interest income	*877 182*	2 474 546	743 175	2 183 906
- Interest expenses	*408 569*	1 126 680	339 839	998 263
Net interest income	**468 613**	**1 347 866**	**403 336**	**1 185 643**
- Commission income	*280 462*	818 163	266 260	768 089
- Commission expenses	*30 859*	90 681	26 223	81 247
Net commission income	**249 603**	**727 482**	**240 037**	**686 842**
Net income on financial instruments measured at fair value through profit or loss and FX result	-8 194	29 386	23 737	74 308
Net income on investments	7 478	136 338	75	34 035
Net income on hedge accounting	-23 655	-43 075	-7 856	-30 016
Net income on other basic activities	-1 630	1 215	-273	8 718
Result on basic activities	**692 215**	**2 199 212**	**659 056**	**1 959 530**
General and administrative expenses	407 963	1 211 412	382 184	1 155 337
Result on other operating income and expenses	-59	-2 535	-12 319	-8 405
Impairment losses and provisions for off-balance sheet liabilities	27 762	123 071	54 990	141 537
Profit (loss) before tax	**256 431**	**862 194**	**209 563**	**654 251**
Income tax	54 096	158 561	43 732	126 639
Net result for the current period from continuing operations	**202 335**	**703 633**	**165 831**	**527 612**

Net profit (loss)	**202 335**	**703 633**	**165 831**	**527 612**
Weighted average number of ordinary shares	**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**
Earnings per ordinary share (PLN)	**15,55**	**54,08**	**12,75**	**40,55**

Diluted earnings per share agrees with earnings per ordinary share

INTERIM CONDENSED STANDALONE STATEMENT OF COMPREHENSIVE INCOME

	III quarter 2011 the period from 01 Jul 2011 to 30 Sep 2011	**3 Q 2011** the period from 01 Jan 2011 to 30 Sep 2011	**III quarter 2010** the period from 01 Jul 2010 to 30 Sep 2010 *comparable data*	**3 Q 2010** the period from 01 Jan 2010 to 30 Sep 2010 *comparable data*
Net result for the period	**202 335**	**703 633**	**165 831**	**527 612**
Other comprehensive income	**20 279**	**65 827**	**55 682**	**80 439**
Total comprehensive income for the period	**222 614**	**769 460**	**221 513**	**608 051**

Interim condensed standalone income statement and interim condensed standalone statement of comprehensive income shall be analysed together with the supplementary notes to interim condensed consolidated financial statements being the integral part of interim condensed consolidated financial statements.

Interim condensed standalone financial statements (PLN thousand)

INTERIM CONDENSED STANDALONE STATEMENT OF FINANCIAL POSITION

	3 Q 2011 as of 30 Sep 2011	I half 2011 as of 30 Jun 2011	end of year 2010 as of 31 Dec 2010	3 Q 2010 as of 30 Sep 2010	I half 2010 as of 30 Jun 2010
A S S E T S					
- Cash in hand and balances with the Central Bank	4 064 899	1 566 617	2 394 179	1 265 083	2 158 457
- Loans and receivables to other banks	3 140 563	2 143 308	1 521 478	2 226 649	2 263 989
- Financial assets measured at fair value through profit and loss	1 112 685	567 533	636 737	3 930 601	1 444 265
- Valuation of derivatives	1 781 944	912 643	1 158 897	1 527 884	1 755 710
- Investments	22 395 540	23 946 533	23 005 928	18 736 171	21 008 475
- available-for-sale	*17 378 815*	*18 997 182*	*16 787 917*	*12 239 698*	*14 323 436*
- held-to-maturity	*5 016 725*	*4 949 351*	*6 218 011*	*6 496 473*	*6 685 039*
- Derivative hedge instruments	337 135	167 948	104 796	86 065	88 131
- Loans and receivables to customers	39 109 345	36 468 502	33 959 314	32 718 520	31 211 499
- Investments in controlled entities recognised under the equity method	451 766	451 766	451 716	451 716	313 164
- Investment real estates	0	0	0	0	129 667
- Property, plant and equipment	502 513	497 266	530 715	507 098	522 667
- Intangible assets	354 234	356 499	340 870	324 457	324 468
- Property, plant and equipment held for sale	33 437	29 993	3 081	1 924	224
- Current income tax assets	56 194	55 215	0	0	0
- Deferred tax assets	96 063	98 880	163 499	74 947	95 955
- Other assets	212 709	205 782	157 197	210 622	173 697
T o t a l a s s e t s	**73 649 027**	**67 468 485**	**64 428 407**	**62 061 737**	**61 490 368**
E Q U I T Y A N D L I A B I L I T I E S					
LIABILITIES					
- Liabilities due to other banks	7 661 029	9 021 851	4 151 081	3 205 836	5 268 099
- Financial liabilities measured at fair value through profit and loss	5 370 325	1 643 598	4 681 424	2 580 454	2 123 453
- Valuation of derivatives	1 865 690	938 935	1 292 661	1 202 195	1 215 300
- Derivative hedge instruments	813 103	427 515	600 455	775 966	663 309
- Liabilities due to customers	50 842 175	48 345 828	47 430 828	47 729 539	45 973 610
- Provisions	51 332	65 477	54 390	48 564	45 283
- Current income tax liabilities	0	0	138 347	59 445	55 135
- Other liabilities	1 026 228	1 231 562	641 088	1 132 643	1 042 234
T o t a l l i a b i l i t i e s	**67 629 882**	**61 674 766**	**58 990 274**	**56 734 642**	**56 386 423**
EQUITY					
- Share capital	130 100	130 100	130 100	130 100	130 100
- Supplementary capital - issuance of shares over nominal value	956 250	956 250	956 250	956 250	956 250
- Revaluation reserve from measurement of available-for-sale financial assets	5 616	45 034	8 064	42 912	-3 922
- Revaluation reserve from measurement of property, plant and equipment	32 977	33 964	35 654	32 534	33 406
- Revaluation reserve from measurement of cash flow hedging instruments	67 418	7 853	431	34 127	26 045
- Revaluation of share-based payment	27 782	24 970	21 080	19 416	17 779
- Retained earnings	4 799 002	4 595 548	4 286 554	4 111 756	3 944 287
T o t a l e q u i t y	**6 019 145**	**5 793 719**	**5 438 133**	**5 327 095**	**5 103 945**
T o t a l e q u i t y a n d l i a b i l i t i e s	**73 649 027**	**67 468 485**	**64 428 407**	**62 061 737**	**61 490 368**

Solvency ratio	**11,78%**	**11,61%**	**12,20%**	**12,36%**	**11,59%**

Net book value	**6 019 145**	**5 793 719**	**5 438 133**	**5 327 095**	**5 103 945**
Number of shares	**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**
Net book value per share (PLN)	**462,66**	**445,33**	**418,00**	**409,46**	**392,31**

Interim condensed standalone statement of financial position shall be analysed together with the supplementary notes to interim condensed consolidated financial statements being the integral part of interim condensed consolidated financial statements.

Interim condensed standalone financial statements (PLN thousand)

INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY

3 Q 2011
the period from 01 Jan 2011 to 30 Sep 2011

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Revaluation of share-based payment	Retained earnings	Total equity
Opening balance of equity	**130 100**	**956 250**	**8 064**	**35 654**	**431**	**21 080**	**4 286 554**	**5 438 133**
Net result for the current period	-	-	-	-	-	-	703 633	**703 633**
Other comprehensive income, of which:	**0**	**0**	**-2 448**	**-2 677**	**66 987**	**0**	**3 965**	**65 827**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*18 415*	-	-	-	-	*18 415*
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-20 655*	-	-	-	-	*-20 655*
- amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	*-208*	-	-	-	-	*-208*
- remeasurement of property, plant and equipment	-	-	-	*405*	-	-	-	*405*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*66 987*	-	-	*66 987*
- other	-	-	-	*-3 082*	-	-	*3 965*	*883*
Transactions with owners, of which:	**0**	**0**	**0**	**0**	**0**	**6 702**	**-195 150**	**-188 448**
- revaluation of share-based payment	-	-	-	-	-	6 702	-	*6 702*
- dividends paid	-	-	-	-	-	-	-195 150	*-195 150*
Closing balance of equity	**130 100**	**956 250**	**5 616**	**32 977**	**67 418**	**27 782**	**4 799 002**	**6 019 145**

year 2010
the period from 01 Jan 2010 to 31 Dec 2010

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Revaluation of share-based payment	Retained earnings	Total equity
Opening balance of equity	**130 100**	**956 250**	**-1 383**	**33 426**	**-968**	**15 846**	**3 582 203**	**4 715 474**
Net result for the current period	-	-	-	-	-	-	702 315	**702 315**
Other comprehensive income, of which:	**0**	**0**	**9 447**	**2 228**	**1 399**	**0**	**2 036**	**15 110**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*8 010*	-	-	-	-	*8 010*
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*2 288*	-	-	-	-	*2 288*
- amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	*-851*	-	-	-	-	*-851*
- remeasurement of property, plant and equipment	-	-	-	*3 681*	-	-	-	*3 681*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*1 399*	-	-	*1 399*
- other	-	-	-	*-1 453*	-	-	*2 036*	*583*
Transactions with owners, of which:	**0**	**0**	**0**	**0**	**0**	**5 234**	**0**	**5 234**
- revaluation of share-based payment	-	-	-	-	-	5 234	-	*5 234*
Closing balance of equity	**130 100**	**956 250**	**8 064**	**35 654**	**431**	**21 080**	**4 286 554**	**5 438 133**

3 Q 2010
the period from 01 Jan 2010 to 30 Sep 2010

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Revaluation of share-based payment	Retained earnings	Total equity
Opening balance of equity	**130 100**	**956 250**	**-1 383**	**33 426**	**-968**	**15 846**	**3 582 203**	**4 715 474**
Net result for the current period	-	-	-	-	-	-	527 612	**527 612**
Other comprehensive income, of which:	**0**	**0**	**44 295**	**-892**	**35 095**	**0**	**1 941**	**80 439**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*47 318*	-	-	-	-	*47 318*
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-2 356*	-	-	-	-	*-2 356*
- amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	*-667*	-	-	-	-	*-667*
- remeasurement of property, plant and equipment	-	-	-	*454*	-	-	-	*454*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*35 095*	-	-	*35 095*
- making an in-kind contributuion of organised part of enterprise to a subsidiary	-	-	-	*-1 327*	-	-	*1 327*	*0*
- other	-	-	-	*-19*	-	-	*614*	*595*
Transactions with owners, of which:	**0**	**0**	**0**	**0**	**0**	**3 570**	**0**	**3 570**
- revaluation of share-based payment	-	-	-	-	-	*3 570*	-	*3 570*
Closing balance of equity	**130 100**	**956 250**	**42 912**	**32 534**	**34 127**	**19 416**	**4 111 756**	**5 327 095**

Interim condensed standalone statement of changes in equity shall be analysed together with the supplementary notes to interim condensed consolidated financial statements being the integral part of interim condensed consolidated financial statements.

Interim condensed standalone financial statements (PLN thousand)

INTERIM CONDENSED STANDALONE CASH FLOW STATEMENT

	3 Q 2011 the period from 01 Jan 2011 to 30 Sep 2011	3 Q 2010 the period from 01 Jan 2010 to 30 Sep 2010
OPERATING ACTIVITIES		
Net profit (loss)	**703 633**	**527 612**
Adjustments	**543 065**	**-1 975 764**
- Depreciation and amortisation	95 267	87 316
- Interest accrued (from the profit and loss account)	1 347 866	1 185 643
- Interest paid	1 086 111	1 059 804
- Interest received	-2 521 684	-2 390 418
- Dividends received	-108 931	-30 921
- Gains (losses) on investment activities	-560	106
- Income tax (from the profit and loss account)	158 561	126 639
- Income tax paid	-285 666	-213 410
- Change in provisions	-3 058	-5 496
- Change in loans and other receivables to other banks	-955 127	297 979
- Change in financial assets at fair value through profit or loss	-476 417	4 300 923
- Change in available-for-sale financial assets	-562 147	-5 337 508
- Change in valuation of derivatives	-50 018	47 019
- Change in derivative hedge instruments	47 296	332 877
- Change in loans and other receivables to customers	-5 132 178	-2 755 932
- Change in other assets	-138 857	-123 910
- Change in liabilities due to other banks	3 511 143	-745 082
- Change in liabilities at fair value through profit or loss	688 901	1 582 403
- Change in liabilities due to customers	3 450 721	10 755
- Change in other liabilities	391 842	595 449
Net cash flow from operating activities	**1 246 698**	**-1 448 152**
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-60 100	-35 853
- Disposal of property, plant and equipment	1 107	288
- Purchase of intangible assets	-55 748	-35 531
- Disposal of fixed assets held for sale	8	0
- Purchase of investments in subordinated entities	-50	0
- Redemption / sale of held-to-maturity financial assets	1 290 427	895 000
- Interest received from held-to-maturity financial assets	0	240 670
- Dividends received	108 931	30 921
Net cash flow from investment activities	**1 284 575**	**1 095 605**
FINANCIAL ACTIVITIES		
- Dividends paid	-195 150	0
Net cash flow from financial activities	**-195 150**	**0**
Effect of exchange rate changes on cash and cash equivalents	***97 195***	***-38 331***
Net increase/decrease in cash and cash equivalents	**2 336 123**	**-352 547**
Opening balance of cash and cash equivalents	**3 077 747**	**3 018 259**
Closing balance of cash and cash equivalents	**5 413 870**	**2 665 712**

Interim condensed standalone cash flow statement shall be analysed together with the supplementary notes to interim condensed consolidated financial statements being the integral part of interim condensed consolidated financial statements.

1. Introduction

These interim condensed standalone financial statements of the ING Bank Śląski S.A. for Q3 2011 were prepared under the International Financial Reporting Standards (IFRS) in a version approved by the European Commission effective as at the reporting date, that is 30 September 2011 as well as in accordance with the Ordinance of Finance Minister of 19 February 2009 on current and interim information submitted by issuers of securities (Journal of Laws of 2009, no. 33, item 259).

Interim condensed standalone income statement, interim condensed standalone statement of comprehensive income, interim condensed standalone statement of changes in equity, and interim condensed standalone cash flow statement for the period from 01 January 2011 to 30 September 2011, and interim condensed standalone statement of financial position as at 30 September 2011 together with comparable data were prepared according to the same principles of accounting for each period.

The comparative data cover the period from 1 January 2010 to 30 September 2010 for the interim condensed standalone income statement; the interim condensed standalone statement of comprehensive income and the interim condensed standalone cash flow statement; additionally, as of 31 December 2010 for the interim condensed standalone statement of changes in equity; and in the case of the interim condensed standalone statement of financial position data as of 31 December 2010 and 30 September 2010. Interim condensed standalone income statements, interim condensed standalone statement of comprehensive income and notes to the interim condensed standalone income statements include data for the III quarter 2011 (period from 01 July 2011 to 30 September 2011) as well as comparative data for the III quarter 2010 (period from 01 July 2010 to 30 September 2010).

Presented interim condensed standalone financial statements for Q3 2011 meet the requirements of International Financial Reporting Standards (IFRS), including IAS 34 (International Accounting Standards) with regard to interim financial statements. These interim condensed financial statements have been prepared in PLN rounded to one thousand zlotys (unless otherwise noted).

In these interim condensed standalone financial statements the same principles of accounting have been applied as the ones applied for developing the 2010 annual standalone financial statements, except that amendments to the standards and new interpretations applicable to annual periods starting on or after 1 January 2011. Amendments to standards and new interpretations are described in condensed consolidated statements of the ING Bank Śląski S.A. Capital Group enclosed herewith (“interim condensed consolidated financial statements”), in chapter II.2 “Compliance with International Financial Reporting Standards”.

From the Bank's point of view all significant disclosures are presented in interim condensed consolidated financial statements.

These interim condensed standalone financial statements have been approved by the Bank Management Board on 2 November 2011.

These interim condensed standalone financial statements were prepared on a going-concern basis as regards the foreseeable future, namely as regards the period of minimum 12 months from the balance sheet date. As of the date of approving this statement, the Bank Management Board has not identified any events that could indicate that the continuation of the operations by the Bank is endangered.

No operations were discontinued during the 3Q 2011 and 3Q 2010.

2. Material accounting principles (policy)

Detailed accounting principles are presented in annual financial statements of ING Bank Śląski S.A. for the period from 1 January 2010 to 31 December 2010 published on 4 March 2011 that is available on the Internet site of ING Bank Śląski S.A. (www.ingbank.pl).

The same accounting principles were applied to interim condensed financial statements and interim condensed consolidated financial statements, except for the changes in recording capital investments described above.

Investment in subsidiaries and associates

Subsidiaries

Subsidiaries are the entities over which the Bank has direct or indirect control. Control is the ability to manage financial and operating policies in order to gain economic profits. Control basically is involved with larger number of votes in governing bodies. Control usually is implicated with the possession of the majority of votes in governing bodies.

Associates

Associated entities are entities over which the Bank has significant influence and are not subsidiaries. The Bank usually determines significant influence by possession of 20 % to 50 % of the total number of votes in governing bodies.

Recognition and valuation

Investments in subsidiaries and associates are recorded at cost of purchase less impairment if any. The carrying value is subject to tests for impairment in accordance with IAS 39. Any impairment is recognized in the profit and loss account as "Impairment losses and provisions for off-balance sheet liabilities". Dividends are recognized in the profit and loss account when the Bank obtains legal rights to receive them.

3. Accounting estimates

The most significant accounting estimates made by the Bank are described in the summary interim consolidated financial statement in paragraph II.3.

Interim condensed standalone financial statements (PLN thousand)

4. Comparability of financial data

The structure of the statement of comprehensive in come was changed in the interim condensed standalone financial statements for the period started 1 January 2011 and ended 30 September 2011 when compared to the financial statements for the period started 1 January 2010 and ended 30 September 2010.

5. Significant events in Q3 2011

Material events that occurred in Q3 2011 are described in the summary interim consolidated financial statement in paragraph II.6.

6. Seasonality or cyclicity of activity

Activity of ING Bank Śląski Group is not subject to seasonality or cyclicity within the meaning of §21 of IAS 34.

7. Issues, redemption or repayments of debt securities and equities

None.

8. Dividends paid

On 7 April 2011, the General Shareholders Meeting approved the payout of dividend for 2010 of PLN 15.00 gross per 1 share, which is equivalent to PLN 195,150,000. The dividend was paid on 1 July 2011.

The General Meeting held on 8 April 2010 refrained from adopting the dividend payout for the year 2009 and approved allocation of the entire 2009 net profit of ING Bank Śląski S.A. towards own funds.

9. Acquisitions

In 3Q 2011, the ING Bank Śląski did not make any acquisitions, as in 3Q 2010.

10. Off-balance sheet items

	3Q 2011 as of 30 Sep 2011	**I half 2011** as of 30 Jun 2011	**end of year 2010** as of 31 Dec 2010	**3Q 2010** as of 30 Sep 2010	**I half 2010** as of 30 Jun 2010
Contingent liabilities granted	16 151 987	15 789 011	14 984 028	15 227 567	14 372 079
Contingent liabilities received	21 420 339	20 926 693	17 153 553	15 992 438	13 093 025
Off-balance sheet financial instruments	139 922 907	131 763 460	131 521 156	203 164 097	124 094 658
Total off-balance sheet items	**177 495 233**	**168 479 164**	**163 658 737**	**234 384 102**	**151 559 762**

11. Significant developments after the closing of the interim period

Events after the balance sheet date are described in the summary interim consolidated financial statement in paragraph II.8.

12. Transactions with related entities

Transactions with related entities have been described in the interim consolidated financial statements in item II.14.

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