2013

Quarterly consolidated report of the ING Bank Śląski Group S.A. for the 3 quarter 2013

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Selected financial data from financial statements (PLN million)

SELECTED FINANCIAL DATA FROM FINANCIAL STATEMENTS

• *Selected financial data*

	III quarter 2013	3 quarters 2013	III quarter 2012	3 quarters 2012
Interest income	895.4	2 723.3	963.2	2 853.6
Commission income	267.3	822.0	283.8	849.9
Result on basic activities	790.5	2 429.3	782.9	2 403.2
Result before tax	288.6	880.6	252.7	777.6
Net profit attributable to shareholders of ING Bank Śląski S.A.	234.4	711.0	203.2	642.3
Earnings per ordinary share (PLN)	1.80	5.47	1.56	4.94

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Loans and receivables to customers (net) excluding Eurobonds	48 392.3	46 678.2	45 205.6	45 542.6	44 732.4
Liabilities due to customers including matched funding for leasing portfolio	68 960.0	64 674.7	60 521.5	57 460.1	56 891.6
- matched funding	*2 768.3*	*2 726.0*	*2 664.0*	*2 597.4*	*2 738.2*
Total assets	84 639.5	81 790.6	78 266.8	73 637.8	70 260.1
Equity attributable to shareholders of ING Bank Śląski S.A.	8 269.2	8 131.2	8 133.8	7 424.9	6 978.8
Initial capital	130.1	130.1	130.1	130.1	130.1

• *Key effectiveness ratios*

	3 quarters 2013	3 quarters 2012	Change 3Q 2013 / 3Q 2012
C/I - Cost/Income ratio (%)	56.4	56.5	-0.1 p.p.
ROA - Return on assets (%)	1.1	1.2	-0.1 p.p.
ROE - Return on equity (%)	11.2	12.7	-1.5 p.p.
L/D - Loans-to-deposits ratio (%)	70.2	79.3	-9.1 p.p.
Solvency ratio (%)	17.39	13.67	3.72 p.p.

Explanations:

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

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

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

L/D - Loans-to-deposits ratio – loans and receivables to customers (net) excluding Eurobonds to liabilities due to customers including matched funding for leasing portfolio.

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

Starting from the report as at 30 June 2013. ING Bank Śląski S.A. reports capital requirement for credit risk on the basis of the AIRB approach. The Bank applies such presentation method pursuant to the letter of De Nederlandsche Bank (DNB) dated 4 July 2013. wherein DNB together with the Polish Financial Supervision Authority give the Bank permission to apply the full AIRB approach for the exposure classes under *institutions* and *entrepreneurs*.

In the prior periods. the Bank was allowed to calculate capital requirement for credit risk according to the AIRB approach. however. the Bank was obliged to include the so called supervisory floor in its calculations. Where the capital requirement for credit risk computed with the AIRB approach was lower than the capital requirement for credit risk computed under standard approach. it was necessary to supplement it up to the level of the capital requirement calculated according to the standard approach.

For the purpose of converting the presented figures into EUR. the Bank applies the following FX rates:

- for income statement items and cash flow statement items:
  - PLN 4.2231 - exchange rate calculated as the average of NBP exchange rates as at the last day of each month in 3 quarters 2013.
  - PLN 4.1948 - exchange rate calculated as the average of NBP exchange rates as at the last day of each month in 3 quarters2012.
- for statement of financial positions items:
  - PLN 4.2163 - NBP exchange rate of 30 September 2013.
  - PLN 4.3292 - NBP exchange rate of 30 June 2013.
  - PLN 4.0882 - NBP exchange rate of 31 December 2012.
  - PLN 4.1138 - NBP exchange rate of 30 September 2012.
  - PLN 4.2613 - NBP exchange rate of 30 June 2012.

Interim condensed consolidated financial statements (PLN million)

I. Interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	3 Q 2013 the period from 01 Jul 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013	3 Q 2012 the period from 01 Jul 2012 to 30 Sep 2012	3 Q 2012 YTD the period from 01 Jan 2012 to 30 Sep 2012
- Interest income	7.1	895.4	2 723.3	963.2	2 853.6
- Interest expenses	7.1	369.3	1 226.1	447.7	1 310.5
Net interest income	7.1	**526.1**	**1 497.2**	**515.5**	**1 543.1**
- Commission income	7.2	267.3	822.0	283.8	849.9
- Commission expenses	7.2	33.6	98.9	32.6	101.3
Net commission income	7.2	**233.7**	**723.1**	**251.2**	**748.6**
Net income on financial instruments measured at fair value through profit or loss and FX result	7.3	36.4	87.8	18.9	84.9
Net income on investments	7.4	-11.7	108.4	-0.9	24.8
Net income on hedge accounting	7.5	2.3	-5.2	-5.5	-9.0
Net income on other basic activities		3.7	18.0	3.7	10.8
Result on basic activities		**790.5**	**2 429.3**	**782.9**	**2 403.2**
General and administrative expenses	7.6	447.1	1 382.1	454.2	1 375.4
Result on other operating income and expenses		-0.4	-1.9	-1.0	2.3
Impairment losses and provisions for off-balance sheet liabilities	7.7	63.7	190.8	82.6	278.1
Share in net profit (loss) of associated entities recognised under the equity method		9.3	26.1	7.6	25.6
Profit (loss) before tax		**288.6**	**880.6**	**252.7**	**777.6**
Income tax		54.2	169.6	49.5	135.3
Net profit (loss)		**234.4**	**711.0**	**203.2**	**642.3**
- attributable to shareholders of ING Bank Śląski S.A.		**234.4**	**711.0**	**203.2**	**642.3**

Net profit (loss) attributable to shareholders of ING Bank Śląski S.A.	**234.4**	**711.0**	**203.2**	**642.3**
Weighted average number of ordinary shares	**130 100 000**	**130 100 000**	**130 100 000**	**130 100 000**
Earnings per ordinary share (PLN)	**1.80**	**5.47**	**1.56**	**4.94**

Diluted earnings per share agrees with earnings per ordinary share

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 Q 2013 the period from 01 Jul 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013	3 Q 2012 the period from 01 Jul 2012 to 30 Sep 2012	3 Q 2012 YTD the period from 01 Jan 2012 to 30 Sep 2012
Net result for the period	**234.4**	**711.0**	**203.2**	**642.3**
Other comprehensive income, of which:	**-97.2**	**-580.0**	**239.9**	**367.0**
- items which can be reclassified to income statement	-97.3	-580.2	239.5	366.6
- items which will not be reclassified to income statement	0.1	0.2	0.4	0.4
Total comprehensive income for the period, of which:	**137.2**	**131.0**	**443.1**	**1 009.3**
- attributable to shareholders of ING Bank Śląski S.A.	137.2	131.0	443.1	1 009.3

SIGNATURES OF THE MEMBERS OF THE MANAGEMENT BOARD OF ING BANK ŚLĄSKI S.A.

Małgorzata Kołakowska
President
Signed on the Polish original

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Vice President
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SIGNATURE OF THE PERSON ENTRUSTED WITH KEEPING THE ACCOUNTING BOOKS

Tomasz Biłous
Director of Accounting Department, Chief Accountant
Signed on the Polish original

Katowice, 05-11-2013

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 million)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
ASSETS						
- Cash in hand and balances with the Central Bank		4 577.6	1 673.5	4 071.6	2 126.0	2 321.2
- Loans and receivables to other banks	7.8	2 501.7	2 043.8	1 377.1	3 415.5	1 605.3
- Financial assets measured at fair value through profit and loss	7.9	1 603.7	2 057.4	1 554.6	1 522.6	791.5
- Valuation of derivatives		1 329.4	1 519.3	1 822.1	1 524.7	1 235.1
- Investments	7.10	19 794.0	20 256.7	17 881.1	13 536.1	13 817.5
- available-for-sale		*19 794.0*	*20 256.7*	*17 881.1*	*13 536.1*	*10 299.0*
- held-to-maturity		*0.0*	*0.0*	*0.0*	*0.0*	*3 518.5*
- Derivative hedge instruments		994.1	990.7	1 112.6	675.3	420.0
- Loans and receivables to customers	7.11, 7.12	52 105.2	50 472.5	48 985.3	49 275.1	48 490.6
- Receivables from customers due to repo transactions		252.4	1 284.2	0.0	0.0	0.0
- Investments in controlled entities recognised under the equity method		124.4	115.1	114.4	104.3	96.8
- Non-financial assets	7.13	1 066.2	1 077.7	1 115.5	1 097.0	1 094.3
- Tax assets		103.0	74.3	38.6	45.2	139.4
- Other assets		187.8	225.4	193.9	316.0	248.4
Total assets		**84 639.5**	**81 790.6**	**78 266.8**	**73 637.8**	**70 260.1**
EQUITY AND LIABILITIES						
LIABILITIES						
- Liabilities due to other banks	7.14	4 719.4	4 411.5	4 554.6	4 961.7	4 108.3
- Financial liabilities measured at fair value through profit and loss	7.15	693.7	902.8	3 003.4	2 758.7	1 679.0
- Valuation of derivatives		1 372.5	1 606.7	1 778.1	1 499.9	1 287.4
- Derivative hedge instruments		1 084.2	1 082.3	1 364.0	1 069.0	871.7
- Liabilities due to customers	7.16	66 191.7	61 948.7	57 857.5	54 862.7	54 153.4
- Liabilities due to customers under repo transactions		513.5	1 938.5	0.0	4.5	3.6
- Liabilities under issue of debt securities		571.5	566.4	567.1	0.0	0.0
- Provisions	7.17	67.3	77.6	72.8	65.4	64.2
- Tax liabilities		42.2	20.0	103.0	15.0	27.0
- Other liabilities		1 112.0	1 102.6	830.2	973.7	1 084.4
Total liabilities		**76 368.0**	**73 657.1**	**70 130.7**	**66 210.6**	**63 279.0**
EQUITY						
- Share capital		130.1	130.1	130.1	130.1	130.1
- Supplementary capital - issuance of shares over nominal value		956.3	956.3	956.3	956.3	956.3
- Revaluation reserve		418.9	516.4	999.7	483.6	244.2
- Revaluation of share-based payment		45.7	44.9	41.3	38.5	35.5
- Retained earnings		6 718.2	6 483.5	6 006.4	5 816.4	5 612.7
Equity attributable to shareholders of ING Bank Śląski S.A.		**8 269.2**	**8 131.2**	**8 133.8**	**7 424.9**	**6 978.8**
- Non-controlling interests		**2.3**	**2.3**	**2.3**	**2.3**	**2.3**
Total equity		**8 271.5**	**8 133.5**	**8 136.1**	**7 427.2**	**6 981.1**
Total equity and liabilities		**84 639.5**	**81 790.6**	**78 266.8**	**73 637.8**	**70 260.1**

Net book value	**8 269.2**	**8 131.2**	**8 133.8**	**7 424.9**	**6 978.8**
Number of shares	**130 100 000**	**130 100 000**	**130 100 000**	**130 100 000**	**130 100 000**
Net book value per share (PLN)	**63.56**	**62.50**	**62.52**	**57.07**	**53.64**

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Katowice, 05-11-2013

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 million)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

3 Q 2013
the period from 01 Jul 2013 to 30 Sep 2013

	Share capital	Supplemen- tary 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	**130.1**	**956.3**	**247.2**	**41.6**	**227.6**	**44.9**	**6 483.5**	**2.3**	**8 133.5**
Net result for the current period	-	-	-	-	-	-	234.4	0.0	**234.4**
Other comprehensive income, of which:	**0.0**	**0.0**	**-60.8**	**-0.2**	**-36.5**	**0.0**	**0.3**	**0.0**	**-97.2**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*-56.4*	-	-	-	-	-	***-56.4***
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-4.4*	-	-	-	-	-	***-4.4***
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*-36.5*	-	-	-	***-36.5***
- disposal of property, plant and equipment	-	-	-	*-0.2*	-	-	*0.3*	-	***0.1***
Transactions with owners, of which:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.8**	**0.0**	**0.0**	**0.8**
- revaluation of share-based payment	-	-	-	-	-	*0.8*	-	-	***0.8***
Closing balance of equity	**130.1**	**956.3**	**186.4**	**41.4**	**191.1**	**45.7**	**6 718.2**	**2.3**	**8 271.5**

3 Q 2013 YTD
the period from 01 Jan 2013 to 30 Sep 2013

	Share capital	Supplemen- tary 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	**130.1**	**956.3**	**590.7**	**42.0**	**367.0**	**41.3**	**6 006.4**	**2.3**	**8 136.1**
Net result for the current period	-	-	-	-	-	-	711.0	0.0	**711.0**
Other comprehensive income, of which:	**0.0**	**0.0**	**-404.3**	**-0.6**	**-175.9**	**0.0**	**0.8**	**0.0**	**-580.0**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*-316.9*	-	-	-	-	-	***-316.9***
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-87.4*	-	-	-	-	-	***-87.4***
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*-175.9*	-	-	-	***-175.9***
- disposal of property, plant and equipment	-	-	-	*-0.6*	-	-	*0.8*	-	***0.2***
Transactions with owners, of which:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**4.4**	**0.0**	**0.0**	**4.4**
- revaluation of share-based payment	-	-	-	-	-	*4.4*	-	-	***4.4***
Closing balance of equity	**130.1**	**956.3**	**186.4**	**41.4**	**191.1**	**45.7**	**6 718.2**	**2.3**	**8 271.5**

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Katowice, 05-11-2013

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 million)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - continued

4 Q 2012 YTD
the period from 01 Jan 2012 to 31 Dec 2012

	Share capital	Supplemen- tary 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	**130.1**	**956.3**	**20.8**	**39.3**	**58.2**	**30.8**	**5 178.2**	**2.3**	**6 416.0**
Net result for the current period	-	-	-	-	-	-	832.3	0.0	**832.3**
Other comprehensive income, of which:	**0.0**	**0.0**	**569.9**	**2.7**	**308.8**	**0.0**	**1.7**	**0.0**	**883.1**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*590.5*	-	-	-	-	-	***590.5***
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-20.4*	-	-	-	-	-	***-20.4***
- 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	-	-	*-0.2*	-	-	-	-	-	***-0.2***
- remeasurement of property, plant and equipment	-	-	-	*3.4*	-	-	-	-	***3.4***
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*308.8*	-	-	-	***308.8***
- disposal of property, plant and equipment	-	-	-	*-0.7*	-	-	*1.7*	-	***1.0***
Transactions with owners, of which:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**10.5**	**-5.8**	**0.0**	**4.7**
- revaluation of share-based payment	-	-	-	-	-	*10.5*	-	-	***10.5***
- purchase of subsidiary settlement	-	-	-	-	-	-	*-5.8*	-	***-5.8***
Closing balance of equity	**130.1**	**956.3**	**590.7**	**42.0**	**367.0**	**41.3**	**6 006.4**	**2.3**	**8 136.1**

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Interim condensed consolidated financial statements (PLN million)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - continued

3 Q 2012
the period from 01 Jul 2012 to 30 Sep 2012

	Share capital	Supplemen- tary 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	**130.1**	**956.3**	**123.4**	**38.1**	**82.7**	**35.5**	**5 612.7**	**2.3**	**6 981.1**
Net result for the current period	-	-	-	-	-	-	203.2	0.0	**203.2**
Other comprehensive income, of which:	**0.0**	**0.0**	**167.5**	**-0.1**	**72.0**	**0.0**	**0.5**	**0.0**	**239.9**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*167.5*	-	-	-	-	-	***167.5***
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*72.0*	-	-	-	***72.0***
- disposal of property, plant and equipment	-	-	-	*-0.1*	-	-	*0.5*	-	***0.4***
Transactions with owners, of which:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**3.0**	**0.0**	**0.0**	**3.0**
- revaluation of share-based payment	-	-	-	-	-	*3.0*	-	-	***3.0***
Closing balance of equity	**130.1**	**956.3**	**290.9**	**38.0**	**154.7**	**38.5**	**5 816.4**	**2.3**	**7 427.2**

3 Q 2012 YTD
the period from 01 Jan 2012 to 30 Sep 2012

	Share capital	Supplemen- tary 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	**130.1**	**956.3**	**20.8**	**39.3**	**58.2**	**30.8**	**5 178.2**	**2.3**	**6 416.0**
Net result for the current period	-	-	-	-	-	-	642.3	0.0	**642.3**
Other comprehensive income, of which:	**0.0**	**0.0**	**270.1**	**-1.3**	**96.5**	**0.0**	**1.7**	**0.0**	**367.0**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*287.8*	-	-	-	-	-	***287.8***
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-17.5*	-	-	-	-	-	***-17.5***
- 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	-	-	*-0.2*	-	-	-	-	-	***-0.2***
- remeasurement of property, plant and equipment	-	-	-	*-0.6*	-	-	-	-	***-0.6***
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*96.5*	-	-	-	***96.5***
- disposal of property, plant and equipment	-	-	-	*-0.7*	-	-	*1.7*	-	***1.0***
Transactions with owners, of which:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**7.7**	**-5.8**	**0.0**	**1.9**
- revaluation of share-based payment	-	-	-	-	-	*7.7*	-	-	***7.7***
- purchase of subsidiary settlement	-	-	-	-	-	-	*-5.8*	-	***-5.8***
Closing balance of equity	**130.1**	**956.3**	**290.9**	**38.0**	**154.7**	**38.5**	**5 816.4**	**2.3**	**7 427.2**

SIGNATURES OF THE MEMBERS OF THE MANAGEMENT BOARD OF ING BANK ŚLĄSKI S.A.

Małgorzata Kołakowska
President
Signed on the Polish original

Mirosław Boda
Vice President
Signed on the Polish original

Michał Bolesławski
Vice President
Signed on the Polish original

Joanna Erdman
Vice President
Signed on the Polish original

Justyna Kesler
Vice President
Signed on the Polish original

Oscar Edward Swan
Vice President
Signed on the Polish original

Ignacio Juliá Vilar
Vice President
Signed on the Polish original

SIGNATURE OF THE PERSON ENTRUSTED WITH KEEPING THE ACCOUNTING BOOKS

Tomasz Biłous
Director of Accounting Department, Chief Accountant
Signed on the Polish original

Katowice, 05-11-2013

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 million)

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013	3 Q 2012 YTD the period from 01 Jan 2012 to 30 Sep 2012
OPERATING ACTIVITIES		
Net profit (loss)	**711.0**	**642.3**
Adjustments	**38.4**	**-1 984.3**
- Share in net profit (loss) of associated entities	-26.1	-25.6
- Depreciation and amortisation	119.9	103.4
- Interest accrued (from the profit and loss account)	1 497.2	1 543.1
- Interest paid	1 116.9	1 284.0
- Interest received	-3 013.1	-3 148.2
- Dividends received	-2.8	-4.1
- Gains (losses) on investment activities	-0.6	-8.4
- Income tax (from the profit and loss account)	169.6	135.3
- Income tax paid	-294.8	-1.5
- Change in provisions	-5.5	7.3
- Change in loans and other receivables to other banks	-867.7	-637.1
- Change in financial assets at fair value through profit or loss	-47.8	-884.2
- Change in available-for-sale financial assets	-2 220.5	2 230.9
- Change in valuation of derivatives	87.1	139.5
- Change in derivative hedge instruments	-337.2	23.0
- Change in other receivables to customers	-3 184.9	-6 826.7
- Change in other assets	23.3	39.9
- Change in liabilities due to other banks	94.3	-3.9
- Change in liabilities at fair value through profit or loss	-2 309.7	944.0
- Change in liabilities due to customers	8 954.6	3 069.5
- Change in other liabilities	286.2	35.5
Net cash flow from operating activities	**749.4**	**-1 342.0**
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-27.7	-77.5
- Disposal of property, plant and equipment	0.1	0.8
- Purchase of intangible assets	-44.4	-38.4
- Purchase of investments in subordinated entities	0.0	-206.1
- Disposal of fixed assets held for sale	1.1	9.4
- Redemption / sale of held-to-maturity financial assets	0.0	4 998.5
- Interest received from held-to-maturity financial assets	0.0	148.3
- Dividends received	2.8	4.1
Net cash flow from investment activities	**-68.1**	**4 839.1**
FINANCIAL ACTIVITIES		
- Long-term loans received	476.3	125.4
- Long-term loans repaid	-373.3	-1 229.6
- Interest on long-term loans repaid	-30.2	0.0
- Interest on debt securities issued	4.4	0.0
Net cash flow from financial activities	**77.2**	**-1 104.2**
Effect of exchange rate changes on cash and cash equivalents	***48.3***	***-94.1***
Net increase/decrease in cash and cash equivalents	**758.5**	**2 392.9**
Opening balance of cash and cash equivalents	**5 060.6**	**2 356.7**
Closing balance of cash and cash equivalents	**5 819.1**	**4 749.6**

SIGNATURES OF THE MEMBERS OF THE MANAGEMENT BOARD OF ING BANK ŚLĄSKI S.A.

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Tomasz Biłous
Director of Accounting Department, Chief Accountant
Signed on the Polish original

Katowice, 05-11-2013

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

1.1. Key Bank data

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.

1.2. Scope and duration of operations

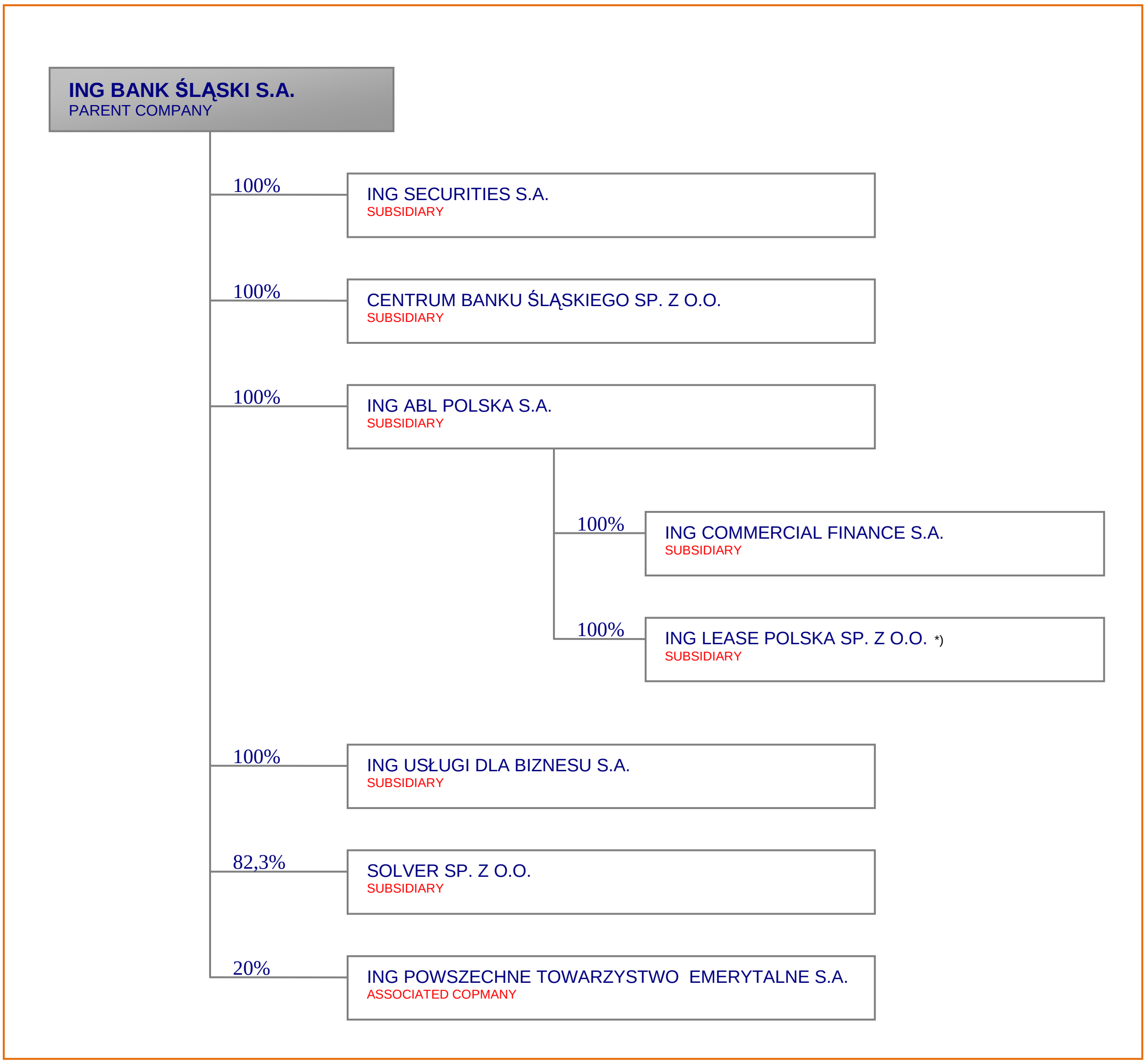
ING Bank Śląski S.A. offers a broad range of banking services rendered for individual and institutional clients in line with the scope of services outlined in the Bank’s charter. The Bank runs operations both in the home currency and in foreign currencies. The Bank is also active on the domestic and foreign financial markets. The scope of services offered by the Bank was expanded with leasing and factoring operations, following the acquisition in 2012 of new companies. 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. The duration of the parent entity and entities forming the Capital Group is indefinite.

1.3. Initial capital, share price

The initial capital of ING Bank Śląski S.A. is PLN 130,100,000 and is divided in 130,100,000 ordinary bearer shares with a par value of PLN 1.00 each. Shares of the Bank are quoted on the Warsaw Stock Exchange (sector: banks). As of 30 September 2013, the share price of ING Bank Śląski S.A. was PLN 112.00, whereas during the same period last year it was at the level of PLN 84,10. In the 9 months of 2013, the price of ING Bank Śląski S.A. shares was as follows:

1.4. Capital Group of ING Bank Śląski S.A.

ING Bank Śląski S.A. is the parent company of the ING Bank Śląski S.A. Group ("Capital Group", "Group"). As at 30 September 2013, the composition of ING Bank Śląski S.A. Capital Group was the following:



*) The capital group of ING lease Sp. z o.o. is composed of 10 special purpose vehicles wherein ING Lease Sp. z o.o. holds 100% of shares.

1.5. Shareholding structure of ING Bank Śląski S.A.

ING Bank Śląski S.A. is a subsidiary of ING Bank NV, which as at 30 September 2013 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.

Interim condensed consolidated financial statements (PLN million)

As at the date 30 September 2013, the shareholders owning 5% and more votes at the General Shareholders Meeting of ING Bank Śląski Spółka Akcyjna were:

No.	Entity	Number of shares and votes	% of total number of shares and votes at General Meeting
1.	ING Bank N.V.	97,575,000	75.00
2.	Aviva Otwarty Fundusz Emerytalny AVIVA BZ WBK	6,548,964	5.03

1.6. Number of ING Bank Śląski shares held by Bank Management Board and Supervisory Board members

As at 30 September 2013, neither Management Board nor Supervisory Board members held shares of ING Bank Śląski S.A. So was the situation also at the date of rendering the financial statements for the previous reporting period into the public domain.

1.7. Entity authorised to audit financial statements

Entity authorised to audit financial statements is KPMG Audyt Spółka z ograniczoną odpowiedzialnością Sp.k. with registered office in Warsaw.

1.8. Approval of financial statements

The annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2012 to 31 December 2012 were approved by the General Meeting on 19 April 2013.

These interim condensed consolidated financial statements have been approved by the Bank Management Board on 5 November 2013.

2. Significant events in III quarter 2013

2.1. Stake increase in the share capital of ING Bank Śląski S.A.

On 3 July 2013, Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK ("Aviva Open-Ended Pension Fund") informed ING Bank Śląski S.A. that as a result of the transaction of purchase of Bank shares concluded on 26 June 2013, the number of shares of the Company held by Aviva Open-Ended Pension Fund exceeded 5% stake in the total number of shares and votes at the Bank. Prior to the settlement of the abovementioned transaction, as at 28 June 2013, Aviva Open-Ended Pension Fund held 6,483,382 shares of ING Bank Śląski S.A., i.e. 4.98% of the Company share capital. Following the conclusion and settlement of the purchase transaction, as at 1 July 2013, Aviva Open-Ended Pension Fund held 6,548,964 shares of ING Bank Śląski S.A., i.e. 5.03% of the Company share capital.

2.2. Portfolio sale

On 19 July 2013, ING Bank Śląski S.A. concluded with Kredyt Inkaso I Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty (Loan Collection 1 Non-Standard Closed-

End Securitization Investment Fund) with its registered office in Warsaw an agreement on the sale of portfolio of retail receivables recognized as impaired loans or written off the Group balance sheet in full. The total amount of receivables sold under the agreement equalled PLN 295.4 million (principal and interest), which in are fully recognized as impairment losses, or written off the Bank balance sheet in full. Contractual price of the portfolio sale was established at PLN 34.9 million. Positive impact of the transaction to the Group income amounted to PLN 9.6 million, whereas for the impairment losses for financial assets and provisions for off-balance-sheet liabilities (risk costs) it was PLN 25.3 million. As a consequence of the agreement described herein, the Bank decreased its non-performing loans portfolio by PLN 155.1 million.

2.3. Annex to the credit agreement with ING Commercial Finance Polska S.A.

On 26 July 2013, there was concluded an annex to the credit agreement of 2 January 2012 with ING Commercial Finance Polska S.A. whereby the annual amount of the working capital loan granted to the company was increased by PLN 500.0 million to PLN 2,225.0 million. The total exposure of the Bank towards the ING Commercial Finance Polska S.A. Company is PLN 2,225.3 million. The criterion for regarding the agreement as significant is the ratio of the total loan amounts to the Bank's equity. The borrower is a related entity of ING Bank Śląski S.A.

2.4. Stake decrease in the share capital of ING Bank Śląski S.A.

On 8 August 2013, Powszechne Towarzystwo Emerytalne PZU S.A. (Pension Fund), acting on behalf of Otwarty Fundusz Emerytalny PZU "Złota Jesień" ("Golden Autumn" Open Pension Fund) informed ING Bank Śląski S.A. that as a result of the sale transaction of Bank shares concluded on 26 July 2013, the number of shares and votes at ING Bank Śląski S.A. held by "Golden Autumn" Open Pension Fund was reduced below 5%.

Prior to the settlement of the abovementioned transactions, "Golden Autumn" Open Pension Fund held 6,543,407 shares of ING Bank Śląski S.A. or 5.03% of the Company share capital. After the settlement of the sale transaction, "Golden Autumn" Open Pension Fund held 6,263,405 Company shares or 4.81% of the Company share capital.

2.5. Annex to the Credit Agreement with ING Lease Polska Sp. z o.o.

On 24 September 2013, there was concluded an annex to the credit agreement of 19 January 2012 with ING Lease Polska Sp. z o.o. whereby the amount of the loan granted to the company was increased by PLN 640.0 million. The total exposure of the Bank towards ING Lease Polska Sp. z o.o. is PLN 2,680.3 million. The criterion for regarding the agreement as significant is the ratio of the total loan amounts to the Bank's equity. The borrower is a related entity of ING Bank Śląski S.A.

2.6. Dismissal of action

On 24 September 2013, the Management Board of ING Bank Śląski S.A. were informed that with the ruling of 22 July 2013 the Regional 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 invalid the resolutions of the General Meeting of ING Bank Śląski S.A. passed on 8 April 2010.

3. Significant events after the balance sheet date

None.

4. Compliance with International Financial Reporting Standards

These interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for the III quarter 2013 were prepared under the IAS 34 *Interim Financial Reporting* (International Accounting Standards) in a version approved by the European Commission effective as at the reporting date, that is 30 September 2013 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) with subsequent amendments.

Presented financial statements have been prepared in a condensed version. The interim condensed financial statements do not provide all data or disclosures required in the annual financial statements and should be interpreted together with the Bank's financial statements for the year ended 31 December 2012 approved by the Bank Management Board on 5 March 2013.

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 1 January 2013 to 30 September 2013, and interim condensed consolidated statement of financial position as at 30 September 2013 together with comparable data were prepared according to the same principles of accounting for each period.

4.1. 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.

4.2. Discontinued operations

No operations were discontinued during the 3 quarters 2013 and 3 quarters 2012.

4.3. Financial statements scope and currency

These interim condensed consolidated financial statements of the Group for the III quarter 2013 comprise the Bank and its subsidiaries and the Group's interest in associates and jointly controlled entities. These interim condensed consolidated financial statements have been developed in Polish zloties ("PLN"). Unless provided for otherwise, all values were given rounded up to PLN million. Therefore, some totals and individual notes can be inconsistent in mathematical terms.

Interim condensed consolidated financial statements (PLN million)

4.4. Comparable data

The comparative data cover the period from 1 January 2012 to 30 September 2012 for the interim condensed consolidated income statement; the interim condensed consolidated statement of comprehensive income and the interim condensed consolidated cash flow statement, additionally for the period from 1 January 2012 to 31 December 2012 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 30 June 2013, 31 December 2012, 30 September 2012 and 30 June 2012.

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 2013 (period from 1 July 2013 to 30 September 2013) as well as comparative data for the III quarter 2012 (period from 1 July 2012 to 30 September 2012).

4.5. Changes to accounting standards

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 2012 (Annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2012 to 31 December 2012) and the following effective standards and interpretations adopted by the European Union:

Change	**Scope**	**Influence on the Bank 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. Application date: the accounting year starting on 1 July 2012 or later.	Implementation of the change had no material impact on the financial statements of the Group (the disclosure structure was changed).
IAS 12 *Income Taxes – Deferred Income Tax: Recovery (Settlement) of carrying amount of assets*	The changes pertain to classification of the revenue depending on expectations of the entity whether or not it will recover the carrying amount of a given asset either through use or sale. Application date: as of the beginning of the first accounting year starting at the effective date of the EU Regulation or later – i.e., 1 January 2013.	Implementation of the change had no material impact on the financial statements of the Group .
IAS 19 *Employee Benefits*	The changes made 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. Application date: the accounting year starting on 1 January 2013 or later.	Implementation of the change impacted the structure of the financial statements of the Group; however, the impact was immaterial.
IAS 32 *Financial Instruments: Presentation – Offsetting of Financial Assets and Liabilities*	The change specifies the meaning of the phrase "have the on-going possibility to exercise the right to set-off" and that certain systemic gross settlements can be treated as the equivalent of net settlement. Application date: as for the changes to IFRS 7; i.e., for paragraph 43 – the accounting year starting on 1 January 2013 or later, for the remainder – the accounting year starting on 1 January 2014 or later.	Implementation of the change had no material impact on the financial statements of the Group .

Interim condensed consolidated financial statements (PLN million)

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. Government cash loans.*	The change specifies the guidelines related to reinstitution of the financial statements presentation in line with the IFRS following the term when the functional currency was exposed to significant hyperinflation, thus enabling the given entity to fulfil the IFRS requirements and to delete the fixed dates of IFRS first-time application. Application date: as of the beginning of the first accounting year starting at the effective date of the EU Regulation or later – i.e., 1 January 2013. The change concerning cash loans obtained from the government below market rates. Application date: the accounting year starting on 1 January 2013 or later.	No impact on the financial statements of the Group.
IFRS 7 *Financial Instruments: Disclosures – Offsetting of Financial Assets and Liabilities*	Change of requirements for disclosures related to offsetting of financial assets and liabilities. Application date: the accounting year starting on 1 January 2013 or later.	The change will cause the scope of disclosures to increase; however, it will not have a material impact on the financial statements of the Group.
IFRS 13 *Fair Value Measurement*	New standard sets out comprehensive guidelines for fair value measurement of financial and non-financial assets and liabilities. The standard is introduced to make the said requirements more coherent and transparent by compiling them in one standard, specify the guidelines and terms used as well as increase the scope of disclosures. Application date: the accounting year starting on 1 January 2013 or later.	Implementation of a new standard impacted measurement of derivatives. Its impact on the financial statements was however immaterial. Implementation of IFRS 13 has a considerable impact on scope of disclosures made for fair value.
IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*	The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. Application date: the accounting year starting on 1 January 2013 or later.	Not applicable.
The changes following the IFRS review (published in May 2012), applying to annual periods starting on 1 January 2013.	The changes cover the issues discussed during the IFRS reviews commenced in 2009 and considered in the draft changes earlier presented for consultation, but not included in the final changes published in earlier periods. The changes published on 17 May 2012 impact IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34 and are of specifying nature. Application date: the accounting year starting on 1 January 2013 or later.	Implementation of the changes had no material impact on the financial statements of the Group .

The published standards and interpretations which were already issued but are still ineffective as they were not approved by the European Union or were approved by the European Union but were not previously applied by the Group:

Change	Scope	Influence on the Bank statements
IAS 27 *Separate Financial Statements*	The change 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. The change published on 31 October 2012, specifying the guidelines for investment entities. Application date: the accounting year starting on 1 January 2014 or later.	The Group is currently analysing the impact of changes on the financial statements. The preliminary analyses show that the change made will not have a material impact on the financial statements of the Group.

Interim condensed consolidated financial statements (PLN million)

IAS 28 *Investments in Associates and Joint Ventures*	The changes pertain to 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. Application date: the accounting year starting on 1 January 2014 or later.	The Group is currently analysing the impact of changes on the financial statements. The preliminary analyses show that the change made will not have a material impact on the financial statements of the Group.
IAS 36 *Impairment of Assets Recoverable Amount Disclosures for Non-Financial Assets*	The amendment specifies the requirements for recoverable amount disclosures for non-financial assets. The scope of mandatory disclosures was limited to the recoverable amount of non-financial assets where for impairment is identified based on the fair value less costs of sale. Application date: the accounting year starting on 1 January 2014 or later.	The Group is currently analysing the impact of changes on the financial statements. The preliminary analyses show that the change made will not have a material impact on the financial statements of the Group.
IAS 39 *Financial Instruments: Recognition and Measurement* *Novation of Derivatives and Continuation of Hedge Accounting*	The objective of the amendment is to enable novation to a central counterparty (CCP) for the derivatives designated as hedging instruments under the existing hedging relationships. The amendment made allows for continuation of the hedge structure in such conditions. Application date: the accounting year starting on 1 January 2014 or later.	The Group is currently analysing the impact of changes on the financial statements. The preliminary analyses show that the change made will not have a material impact on the financial statements of the Group.
IFRS 9 *Financial Instruments*	The standard is the result of the outcome of the first stage of IASB Project focusing on the replacement of IAS 39 and it comprises the classification and valuation of assets and financial liabilities. In 2012, IASB started the procedure to revise the adopted and published guidelines which provides for expanding the catalogue of categories of financial assets with an additional, third category being the financial assets carried at fair value through other total income. The subsequent stages of IASB Project will cover hedge accounting and permanent impairment of financial assets. The change concerns shift of the obligatory date for standard application from 1 January 2013 to 1 January 2015. Application date: the accounting year starting on 1 January 2015 or later.	Standard implementation may affect the structure of the financial statements; however, the Group will comprehensively assess the impact of the new standard together with the guidelines for hedge accounting and impairment, which have not been published yet.
IFRS 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. The change published on 28 June 2012 is to specify implementation requirements. The change published on 31 October 2012 specifying the guidelines for investment entities which due to the purpose of their business are excluded from the requirement to include subsidiaries in consolidation and are required to carry them at fair value through profit or loss. Application date: the accounting year starting on 1 January 2014 or later.	The analyses show that the changes made will not materially affect the financial statements of the Group. Following the publication by the European Union of the approved version of the standard, the Group ultimately choose not to apply it earlier.
IFRS 11 *Joint Arrangements*	New standard sets out the requirements for joint arrangements recognition and measurement. The change published on 28 June 2012 is to specify implementation requirements. Application date: the accounting year starting on 1 January 2014 or later.	Implementation of the new standard will not have material impact on the financial statements of the Group . Following the publication by the European Union of the approved version of the standard, the Group ultimately choose not to apply it earlier.

Interim condensed consolidated financial statements (PLN million)

IFRS 12 *Disclosure of Interest in Other Entities*	New standard sets out the disclosures of interest in other entities. The change published on 28 June 2012 is to specify implementation requirements. The change published on 31 October 2012, specifying the guidelines for investment entities in consequence of parallel changes made to IFRS 10. Application date: the accounting year starting on 1 January 2014 or later.	The analyses show that the changes made will not materially affect the financial statements of the Group. Following the publication by the European Union of the approved version of the standard, the Group ultimately choose not to apply it earlier.
IFRIC 21 *Levies– Interpretation of Recognition of Levies Imposed by Governments*	IFRIC 21 is the interpretation of the requirements given in IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and it concerns recognition of a liability for a levy imposed by the government; i.e., the levies other than the income tax. The interpretation specifies that the obligating event that gives rise to the recognition of liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation. Application date: the accounting year starting on 01 January 2014 or later.	The analyses show that application of the new interpretation will not have impact on the financial statements of the Group.

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.

5. 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 2012 to 31 December 2012 published on 7 March 2012 that is available on the Internet site of ING Bank Śląski S.A. (www.ingbank.pl).

The Group made certain amendments to the present interim financial statements with respect to the accounting principles it applied or their respective descriptions. The amendments made were of editorial and specifying nature and were aimed at enhancing the quality of the description of the accounting principles applied by the Group and making it more transparent. The amendments did not necessitate conversion of comparable data.

Presented below is the full text of the individual descriptions of principles that were updated in III quarter 2013.

5.1. Amendment arising from specification of approach to the applied principles of accounting

5.1.1. Assets measured at amortised cost

At each balance sheet date, the Bank assesses whether there is any objective evidence that a financial assets item or a group of financial assets is impaired. A financial asset item 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 item (a 'loss event') and that loss event (or events) has (have) an impact on the expected future cash flows of the financial asset item or a group of financial assets that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised.

During the impairment identification process, the Bank first assesses whether conditions of impairment exist for financial assets items.

Considering the special nature of individual credit exposures portfolios, the Bank defined the following events as impairment conditions for a financial assets item:

a) Impairment conditions for retail credit exposures

- a debtor has a default of +90 DPD for a material exposure (under Resolution No. 76/2010 of the Polish Financial Supervision Authority);
- there have been enforcement proceedings instituted against the debtor;
- there is a high probability of bankruptcy or a debtor is in bankruptcy;
- debtor's credit agreement has been terminated;
- the debtor's/ entrepreneur's financial standing is poor which is reflected by a relevant risk rating assigned thereto as provided for by the model used by the Bank;
- the credit receivables wherefor the present value of debt was significantly reduced is in restructuring;
- some credit receivables wherefor impairment was recognized is redeemed/ written down;
- there is a reasonable suspicion of credit wangling;
- other debtor's accounts found under the same product segment show impairment;
- that the credit facility will be regularly repaid was not lent credence to under the circumstances where the term of regular credit repayment is shorter or equals 90 days (3 months).

b) Impairment conditions for strategic- and corporate-clients credit exposures

- there is a high probability of bankruptcy or other financial restructuring of the debtor;
- the debtor discontinued to repay the principal, interest or commissions with the default of +90 DPD;
- the debtor sustains material financial problems which can adversely influence future cash flows from a given financial assets item;
- the debtor seriously breached the contractual terms and conditions, the fact which indicates a measurable decline in estimated future cash flows from a given financial assets item; i.e.:
  - collateral of significant value was sold or liquidated,
  - collateral of significant value was established for another lender,
  - significant debt was drawn with another financial institution, or
  - significant debt was prepaid with another financial institution,
- the active market for that financial assets item disappeared because of financial difficulties of the debtor, adversely influencing future cash flows from a given financial assets item;
- credit receivables were restructured for non-profit reasons; i.e.: the Bank provided the debtor with facilities for economic or legal reasons related to their financial problems whereby the future cash flows expected by the Bank from the said credit exposure are reduced below the carrying amount of that exposure;
- the balance sheet credit exposure was questioned by the debtor under court

procedure; and

- neither the debtor's place of stay is known nor their property has been disclosed.

c) *Conditions of credit exposure impairment assessment*

The entire lending portfolio of retail, strategic and corporate network clients is tested for exposure impairment. The debtor's credit exposure is tested for impairment at the monitoring dates
in place for the regular and irregular portfolios. For each credit exposure impairment condition identified, the debtor has to be reclassified to the irregular portfolio and analysed (tested) for impairment based on the expected future cash flows.

If after the assessment we find that for a given financial assets item there are no objective reasons for impairment, the item is included in the group of financial assets with similar credit risk characteristics, which indicate that the debtor is capable to repay the entire debt under to the contractual terms and conditions. Impairment loss for such groups is subject to collective assessment. If there is any objective evidence of impairment of loans and receivables, or investments held-to-maturity measured at amortised cost, then the amount of the impairment is the difference between the carrying amount of an asset and the present value of estimated future cash flows, discounted with the initial effective interest rate of a given financial instrument item.

Practically, for significant assets, impairment is calculated per assets item using the discounted future cash flows of a given assets item; for insignificant assets – it is calculated collectively. When estimating future cash flows, the available debtor data are considered; the debtor's capacity to repay the exposure is assessed in particular. For backed credit exposures, the expected future cash flows on collateral execution are also used in the estimation, considering the time, costs and impediments of payment recovery under collateral sale, among other factors.

If the existing objective evidence of impairment of an assets item or financial assets group measured at the amortised cost indicate that there will be no expected future cash flows from the abovementioned financial assets, the impairment loss of assets equals their carrying amount.

The impairment loss calculated collectively is estimated on the basis of historical loss experience for assets with similar credit risk characteristics. 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 on which the historical loss experience is based), and also through elimination of the effects of conditions in the historical period that do not exist currently. The Bank 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 calculation of the provision for the balance sheet and off-balance sheet exposures shown as EAD, the probability of default (PD) method (modified PD parameter) is applied, among others. The mode of PD parameter calculation makes it possible to take account of the specific features of individual products and related loss identification periods as well as the historical loss adjustments made using the data available currently. The Bank also verifies the conversion rate (the so-called CCF or k-factor) of utilisation of the free part of the credit limit in the period from the reporting date to the default date to assure compliance with IAS 37 concerning provisions for contingent off-balance sheet liabilities.

This approach allows specifically for identification of:

- the losses that have already occurred, and
- the losses that occurred as at the impairment date, but have not been documented

yet (the so-called provision for incurred but not reported losses – IBNR).

The impairment is presented as a reduction of the carrying amount of the assets item through use of an impairment loss and the amount of the loss (the impairment loss formed) is recognised in the income statement for the period.

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

5.1.2. Net commission income

Commission income arises from providing financial services by the Group and comprises fees for extending a loan, the Group's pledge to extend a loan, cards issue, cash management services, brokerage services, insurance products-related services and asset management services. Commission income comprises also margins on FX derivatives transactions concluded with corporate clients.

Fees and commissions (both income and expenses) directly attributed to rise of financial assets with repayment schedule are recognised in the Income Statement as effective interest rate component and are part of the interest income.

Other fees and commissions attributed to rise of financial assets without the repayment schedule (e.g. commission on overdrafts) are settled using a straight-line method throughout the agreement term. Fees on pledge to extend a loan, which is likely to be taken, are deferred and as at the date of financial assets rise are settled as the component of effective interest rate or using straight-line method based on above mentioned criterion.

Other fees and commissions relating to the financial services offered by the Group – like cash management services, brokerage services and asset management services – are recognised in the income statement at the time of service provision. The income on provision of services of that type is additionally adjusted by the estimated amounts of potential reimbursements of fees and commissions in case of early termination of insurance coverage before the end of the insurance term.

5.1.3. Net commission income from bancassurance services

Income from bancassurance services is recognized in the profit and loss considering the rules described in point *5.1.2*. Prior to implementation of insurance-related product the Bank analyses all its characteristics and its relation to bank product in order to specify its proper recognition in the profit and loss.

Income from insurance products linked to products offered by the Bank other than loans are recognized in the profit and loss:

- using straight-line method in the insurance period – if the Bank provides additional services in this period,
- at the time of service provision – if the Bank does not provide any additional services and there is simultaneously no risk that the income will be returned.

Income from insurance products linked to loan products offered by the Bank:

- are generally classified as effective interest rate component of a loan and are recognized effectively,

- are recognized using straight-line method – if the insurance period differs from loan period or other rationale apply.

Income from insurance products not linked to products offered by the Bank are recognized in the profit and loss:

- using straight-line method in the insurance period – if apart from sale services the Bank provides additional services in the insurance period,
- at the time of service provision – if the Bank does not provide other services in the insurance period and if there is no risk of full of partly return of income.

For the majority of insurance products offered by the Bank the income recognition method is based on monthly settlements both with insurance provider and with client. Consequently, income is recognized on a monthly basis in the profit and loss.

The Bank considers detailed criteria that are to be applied at the analysis of insurance products that may influence appropriate recognition of income from these products in the profit and loss. On the basis of the analysis considering these criteria the Bank decides on the method of income recognition in the profit and loss.

6. Comparability of financial data

In the interim condensed consolidated financial statements for the period from 1 January 2013 to 30 September 2013, the Group made following presentation changes to the statement of financial position, compared to the interim consolidated financial statements for previous periods. The changes included:

1) Exclusion of the receivables under repo transactions made with Group clients from "*Loans and receivables to customers*" and their disclosure under a separate item "*Receivables from customers due to repo transactions*".
2) Exclusion of the liabilities under repo transactions made with Group clients from "*Liabilities due to customers*" and their disclosure under a separate item "*Liabilities due to customers under repo transactions*".
3) Aggregation of non-financial-like assets (investment properties, property, plant and equipment, intangible assets and non-current assets held for sale) under one item "*Non-financial assets*".
4) Aggregation of current and deferred tax assets under one item "*Tax assets*".
5) Aggregation of current tax liabilities and deferred tax liability under one item "*Tax liabilities*".

The changes discussed in items 1 and 2 herein were made to recognise stable assets/ liabilities measured at amortized cost separately from those characterised by a high volatility in individual reporting periods.

The changes discussed in items 3 through 5 herein were made to show the total worth of similar items, not that significant on account of their share in the assets/ liabilities total.

The Group is of the opinion that changes to the statement of financial position improved transparency. Changes did not impact the balance sheet totals of the reporting periods.

Interim condensed consolidated financial statements (PLN million)

The below tables show individual items of the consolidated statement of financial position as per amounts disclosed in the interim consolidated financial statements for previous periods (Table 1) and in the current financial statements (Table 2).

Table 1

	change	**as at 31.12.2012**	**as at 30.09.2012**	**as at 30.06.2012**
A S S E T S				
- Loans and receivables to customers	*1*	48,985.3	49,275.1	48,490.6
- Investment properties	*3*	120.9	118.7	118.7
- Property, plant and equipment	*3*	600.0	583.4	579.5
- Intangible assets	*3*	361.6	361.1	358.8
- Non-current assets held for sale	*3*	33.0	33.8	37.3
- Current tax assets	*4*	0.3	0.0	0.2
- Deferred tax assets	*4*	38.3	45.2	139.2
E Q U I T Y A N D L I A B I L I T I E S				
- Liabilities due to customers	*2*	57,857.5	54,867.2	54,157.0
- Current tax liabilities	*5*	74.0	12.7	25.2
- Deferred tax liability	*5*	29.0	2.3	1.8

Table 2

	change	**as at 31.12.2012**	**as at 30.09.2012**	**as at 30.06.2012**
A S S E T S				
- Loans and receivables to customers	*1*	48,985.3	49,275.1	48,490.6
- Receivables from customers due to repo transactions	*1*	0.0	0.0	0.0
- Non-financial assets	*3*	1,115.5	1,097.0	1,094.3
- Tax assets	*4*	38.6	45.2	139.4
E Q U I T Y A N D L I A B I L I T I E S				
- Liabilities due to customers	*2*	57,857.5	54,862.7	54,153.4
- Liabilities due to customers under repo transactions	*2*	0.0	4.5	3.6
- Tax liabilities	*5*	103.0	15.0	27.0

Interim condensed consolidated financial statements (PLN million)

7. Notes to interim condensed consolidated financial statements

7.1. Net interest income

	3 Q 2013 the period from 01 Jun 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013	3 Q 2012 the period from 01 Jun 2012 to 30 Sep 2012	3 Q 2012 YTD the period from 01 Jan 2012 to 30 Sep 2012
Interest income				
- interest on loans and receivables to banks	23.8	76.9	37.4	95.3
- interest on loans and receivables to customers, of which:	666.8	2 020.9	742.2	2 182.9
- interest on leasing agreements	*37.2*	*115.2*	*44.0*	*128.9*
- interest on factoring agreements	*20.8*	*63.1*	*26.2*	*75.9*
- interest on repo transactions	1.3	10.0	0.0	0.0
- interest on available-for-sale debt securities	182.8	564.3	126.2	361.1
- interest on debt securities held for trading	7.9	20.4	3.6	11.3
- interest on held-to-maturity debt securities	0.0	0.0	35.1	164.5
- interest on debt securities designated as fair value at initial recognition	0.0	0.0	0.0	6.3
- interest result on derivatives	12.8	30.8	18.7	32.2
Total interest income	**895.4**	**2 723.3**	**963.2**	**2 853.6**
Interest expense				
- interest on deposits from banks	17.3	68.1	24.2	95.4
- interest on deposits from customers	343.8	1 128.1	423.5	1 215.1
- interest on repo transactions	1.8	8.8	0.0	0.0
- interest on issue of debt securities	5.1	19.3	0.0	0.0
- interest on financial liabilities held for trading	1.3	1.8	0.0	0.0
Total interest expense	**369.3**	**1 226.1**	**447.7**	**1 310.5**
Net interest income	**526.1**	**1 497.2**	**515.5**	**1 543.1**

Interim condensed consolidated financial statements (PLN million)

7.2. Net commission income

	3 Q 2013 the period from 01 Jun 2013 to 30 Sep 2013	**3 Q 2013 YTD** the period from 01 Jan 2013 to 30 Sep 2013	**3 Q 2012** the period from 01 Jun 2012 to 30 Sep 2012	**3 Q 2012 YTD** the period from 01 Jan 2012 to 30 Sep 2012
Commission income				
- transaction margin on currency exchange transactions*	61.9	191.0	72.0	203.7
- commission related to keeping accounts	65.3	193.5	61.4	186.7
- commission related to loans	49.1	149.7	43.0	132.0
- commission related to payment and credit cards	49.4	138.2	51.9	152.6
- commission related to distribution of participation units	19.3	53.4	14.7	44.7
- commission related to brokerage activity	10.5	35.7	10.8	42.2
- fiduciary and custodian fees	8.0	23.4	6.8	20.4
- commission related to factoring and lease agreements	5.8	19.0	5.0	16.8
- foreign commercial business	4.0	11.8	3.5	10.3
- commission related to insurance product offering	-9.2	-3.5	9.6	23.6
- commission related to subscription of structured products	0.0	0.0	0.0	1.1
- other	3.2	9.8	5.1	15.8
Total comission income	**267.3**	**822.0**	**283.8**	**849.9**
Commission expense	**33.6**	**98.9**	**32.6**	**101.3**
- of which costs of the Bank Guarantee Fund (BFG)	11.3	34.0	11.0	33.0
Net commission income	**233.7**	**723.1**	**251.2**	**748.6**

*) In the Q2 2013 and H1 2013 data presented in the H1 2013 Interim Consolidated Financial Statements the FX result was divided incorrectly. The *transaction margin on currency exchange transactions* (note 7.2) was overstated and the *FX-result* (note 7.3) was understated by PLN 10.3 million. The adjustment was considered when computing Q3 2013 data.

Interim condensed consolidated financial statements (PLN million)

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

	3 Q 2013 the period from 01 Jun 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013	3 Q 2012 the period from 01 Jun 2012 to 30 Sep 2012	3 Q 2012 YTD the period from 01 Jan 2012 to 30 Sep 2012
Net income on financial assets and liabilities held for trading, of which:	**86.4**	**78.0**	**-39.3**	**-330.9**
- Net income on debt instruments	5.9	23.7	0.4	15.1
- Net income on derivatives, of which:	80.5	54.3	-39.7	-346.0
- currency derivatives	*63.9*	*23.2*	*-53.4*	*-368.3*
- interest rate derivatives	*15.9*	*29.0*	*13.2*	*20.7*
- securities derivatives	*0.7*	*2.1*	*0.5*	*1.6*
Net income on financial assets and liabilities measured at fair value upon initial recognition, of which:	**0.0**	**0.0**	**0.0**	**-0.6**
- Net income on debt instruments	0.0	0.0	0.0	-0.6
FX-result	**-50.0**	**9.8**	**58.2**	**416.4**
Net income on financial instruments measured at fair value through profit or loss and FX result	**36.4**	**87.8**	**18.9**	**84.9**

7.4. Net income on investments

	3 Q 2013 the period from 01 Jun 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013	3 Q 2012 the period from 01 Jun 2012 to 30 Sep 2012	3 Q 2012 YTD the period from 01 Jan 2012 to 30 Sep 2012
Net income on debt instruments available-for-sale	-11.7	104.9	0.0	14.8
Net income on equity instruments available-for-sale	0.0	0.0	0.0	6.8
Dividend income	0.0	3.4	0.0	4.1
Impairment losses	0.0	0.1	-0.9	-0.9
Net income on investments	**-11.7**	**108.4**	**-0.9**	**24.8**

7.5. Net income on hedge accounting

	3 Q 2013 the period from 01 Jun 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013	3 Q 2012 the period from 01 Jun 2012 to 30 Sep 2012	3 Q 2012 YTD the period from 01 Jan 2012 to 30 Sep 2012
Fair value hedge accounting for securities	**2.8**	**-5.2**	**-2.1**	**-5.3**
- valuation of the hedged transaction	-1.1	-190.9	70.1	161.7
- valuation of the hedging transaction	3.9	185.7	-72.2	-167.0
Cash flow hedge accounting	**-0.5**	**0.0**	**-3.4**	**-3.7**
- ineffectiveness that arises from cash flow hedges	-0.5	0.0	-3.4	-3.7
Net income on hedge accounting	**2.3**	**-5.2**	**-5.5**	**-9.0**

Interim condensed consolidated financial statements (PLN million)

7.6. General and administrative expenses

	3 Q 2013 the period from 01 Jun 2013 to 30 Sep 2013	**3 Q 2013 YTD** the period from 01 Jan 2013 to 30 Sep 2013	**3 Q 2012** the period from 01 Jun 2012 to 30 Sep 2012	**3 Q 2012 YTD** the period from 01 Jan 2012 to 30 Sep 2012
Personnel expenses	230.1	683.1	219.1	660.2
Cost of marketing and promotion	28.2	81.6	23.1	66.8
Amortization	39.3	119.9	35.1	103.4
Other general and administrative expenses	149.5	497.5	176.9	545.0
General and administrative expenses	**447.1**	**1 382.1**	**454.2**	**1 375.4**

7.6.1. Headcount

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

	as of 30 Sep 2013	**as of 30 Jun 2013**	**as of 31 Dec 2012**	**as of 30 Sep 2012**	**as of 30 Jun 2012**
FTEs	8 510.1	8 535.5	8 519.2	8 514.8	8 557.0
Individuals	8 614	8 654	8 687	8 678	8 712

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

	as of 30 Sep 2013	**as of 30 Jun 2013**	**as of 31 Dec 2012**	**as of 30 Sep 2012**	**as of 30 Jun 2012**
FTEs	8 068.6	8 099.3	8 081.9	8 086.9	8 140.4
Individuals	8 165	8 211	8 244	8 244	8 290

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

	3 Q 2013 the period from 01 Jun 2013 to 30 Sep 2013	**3 Q 2013 YTD** the period from 01 Jan 2013 to 30 Sep 2013	**3 Q 2012** the period from 01 Jun 2012 to 30 Sep 2012	**3 Q 2012 YTD** the period from 01 Jan 2012 to 30 Sep 2012
Impairment losses	283.9	578.3	144.1	560.3
Release of impairment write-offs	-220.2	-387.5	-61.5	-282.2
Net impairment losses and provisions for off-balance sheet liabilities	**63.7**	**190.8**	**82.6**	**278.1**

Interim condensed consolidated financial statements (PLN million)

7.8. Loans and receivables to other banks

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Current accounts	892.9	956.6	977.2	1 108.9	978.3
Interbank deposits	1 465.5	515.1	25.3	1 802.1	435.1
Loans and advances	65.3	75.3	139.0	149.6	148.9
Factoring receivables	62.2	145.6	158.3	166.3	23.6
Reverse repo transactions	0.0	323.2	66.0	158.1	0.0
Other receivables	16.4	28.6	11.8	31.0	19.8
Total (gross)	**2 502.3**	**2 044.4**	**1 377.6**	**3 416.0**	**1 605.7**
Impairment losses, of which:	-0.6	-0.6	-0.5	-0.5	-0.4
- concerning loans and advances	*-0.1*	*0.0*	*0.0*	*-0.1*	*-0.1*
- concerning factoring receivables	*-0.5*	*-0.6*	*-0.5*	*-0.4*	*-0.3*
Total (net)	**2 501.7**	**2 043.8**	**1 377.1**	**3 415.5**	**1 605.3**

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

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Financial assets held for trading, of which:	1 603,7	2 057,4	507,6	994,0	412,4
- debt instruments	*1 056,7*	*1 405,7*	*507,6*	*994,0*	*412,4*
- repo transactions	*547,0*	*651,7*	*0,0*	*0,0*	*0,0*
Financial assets designated as at fair value upon initial recognition, of which:	0,0	0,0	1 047,0	528,6	379,1
- repo transactions	*0,0*	*0,0*	*1 047,0*	*528,6*	*379,1*
- debt instruments	*0,0*	*0,0*	*0,0*	*0,0*	*0,0*
Total	**1 603,7**	**2 057,4**	**1 554,6**	**1 522,6**	**791,5**

7.10. Investments

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Available-for-sale financial assets, of which:	19 794.0	20 256.7	17 881.1	13 536.1	10 299.0
- debt instruments,including:	*19 766.9*	*20 230.6*	*17 863.8*	*13 516.3*	*10 278.2*
- hedged items in fair value hedging	*1 543.2*	*2 552.3*	*1 042.3*	*1 027.4*	*1 007.1*
- equity instruments	*27.1*	*26.1*	*17.3*	*19.8*	*20.8*
Held-to-maturity financial assets, of which:	0.0	0.0	0.0	0.0	3 518.5
- debt instruments	*0.0*	*0.0*	*0.0*	*0.0*	*3 518.5*
Total	**19 794.0**	**20 256.7**	**17 881.1**	**13 536.1**	**13 817.5**

Interim condensed consolidated financial statements (PLN million)

7.11. Loans and receivables to customers

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Loans and advances	41 697.3	40 531.4	38 898.3	39 366.5	38 680.3
Leasing receivables	3 526.6	3 382.4	3 233.9	3 135.4	3 146.2
Factoring receivables	2 452.2	2 231.6	2 212.1	2 028.9	2 100.3
Debt securities, of which:	5 811.4	5 785.5	5 945.1	5 946.5	5 738.9
- T-eurobonds	*3 723.1*	*3 794.3*	*3 779.7*	*3 732.5*	*3 758.2*
- corporate and municipal bonds	*2 088.3*	*1 991.2*	*2 165.4*	*2 214.0*	*1 980.7*
Other receivables	115.8	116.3	125.1	157.7	116.7
Total loans and receivables to customers (gross)	**53 603.3**	**52 047.2**	**50 414.5**	**50 635.0**	**49 782.4**
Impairment losses, of which:	-1 498.1	-1 574.7	-1 429.2	-1 359.9	-1 291.8
- concerning loans and advances	*-1 360.1*	*-1 437.1*	*-1 287.4*	*-1 233.7*	*-1 186.4*
- concerning leasing receivables	*-54.4*	*-60.0*	*-69.4*	*-68.2*	*-61.8*
- concerning factoring receivables	*-9.4*	*-8.6*	*-9.4*	*-6.3*	*-6.1*
- concerning debt securities	*-69.0*	*-63.8*	*-57.8*	*-46.5*	*-32.3*
- concerning other receivables	*-5.2*	*-5.2*	*-5.2*	*-5.2*	*-5.2*
Total loans and receivables to customers (net), of which:	**52 105.2**	**50 472.5**	**48 985.3**	**49 275.1**	**48 490.6**
- to entities from the financial sector other than banks	*1 531.0*	*1 421.8*	*1 645.4*	*1 525.5*	*1 377.1*
- to entities from the non-financial sector	*43 262.1*	*41 569.4*	*39 645.0*	*40 103.6*	*39 331.9*
- to entities from the government and self-government institutions' sector	*7 312.1*	*7 481.3*	*7 694.9*	*7 646.0*	*7 781.6*

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

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Loans and advances, of which:	1 432.6	1 334.3	1 533.8	1 409.0	1 276.1
- in the current account	*110.2*	*32.0*	*127.9*	*46.3*	*32.7*
- term ones	*1 322.4*	*1 302.3*	*1 405.9*	*1 362.7*	*1 243.4*
Leasing receivables	0.6	0.6	0.6	0.6	0.0
Other receivables	98.0	87.2	111.6	112.8	101.7
Total (gross)	**1 531.2**	**1 422.1**	**1 646.0**	**1 525.9**	**1 377.8**
Impairment losses, of which	-0.2	-0.3	-0.6	-0.4	-0.7
- concerning loans and advances	*-0.2*	*-0.3*	*-0.6*	*-0.4*	*-0.7*
Total (net)	**1 531.0**	**1 421.8**	**1 645.4**	**1 525.5**	**1 377.1**

Interim condensed consolidated financial statements (PLN million)

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

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Loans and advances granted to business entities, of which:	18 870.2	18 288.4	17 364.0	18 187.9	18 113.1
- in the current account	*5 612.6*	*5 223.0*	*4 978.3*	*5 440.7*	*5 409.3*
- term ones	*13 257.6*	*13 065.4*	*12 385.7*	*12 747.2*	*12 703.8*
Loans and advances granted to households, of which:	18 601.9	17 985.4	16 910.1	16 632.4	16 148.6
- in the current account	*1 456.9*	*1 414.4*	*1 379.0*	*1 401.6*	*1 410.4*
- term ones	*17 145.0*	*16 571.0*	*15 531.1*	*15 230.8*	*14 738.2*
Leasing receivables	3 526.0	3 381.8	3 220.7	3 123.7	2 973.6
Factoring receivables	2 441.0	2 220.1	2 188.8	2 001.0	2 081.4
Debt securities	1 302.6	1 238.5	1 376.0	1 472.5	1 289.9
Other receivables	17.7	29.0	13.2	44.8	14.9
Total (gross)	**44 759.4**	**43 143.2**	**41 072.8**	**41 462.3**	**40 621.5**
Impairment losses, of which:	-1 497.3	-1 573.8	-1 427.8	-1 358.7	-1 289.6
- concerning loans and advances to business entities	*-881.8*	*-872.5*	*-820.2*	*-788.1*	*-761.4*
- concerning loans and advances to households	*-477.5*	*-563.7*	*-465.8*	*-444.5*	*-422.8*
- concerning leasing receivables	*-54.4*	*-60.0*	*-69.4*	*-68.2*	*-61.8*
- concerning factoring receivables	*-9.4*	*-8.6*	*-9.4*	*-6.2*	*-6.1*
- concerning debt securities	*-69.0*	*-63.8*	*-57.8*	*-46.5*	*-32.3*
- concerning other receivables	*-5.2*	*-5.2*	*-5.2*	*-5.2*	*-5.2*
Total (net)	**43 262.1**	**41 569.4**	**39 645.0**	**40 103.6**	**39 331.9**

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

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Loans and advances, of which:	2 792.6	2 923.3	3 090.4	3 137.2	3 142.5
- in the current account	*132.4*	*100.4*	*9.5*	*86.4*	*114.5*
- term ones	*2 660.2*	*2 822.9*	*3 080.9*	*3 050.8*	*3 028.0*
Leasing receivables	0.0	0.0	12.6	11.1	172.6
Factoring receivables	11.2	11.5	23.3	24.4	18.9
Debt securities, of which:	4 508.8	4 547.0	4 569.1	4 474.0	4 449.0
- hedged items in fair value hedging	*3 723.1*	*3 794.3*	*3 779.7*	*3 732.5*	*3 758.2*
Other receivables	0.1	0.1	0.3	0.1	0.1
Total (gross)	**7 312.7**	**7 481.9**	**7 695.7**	**7 646.8**	**7 783.1**
Impairment losses, of which:	-0.6	-0.6	-0.8	-0.8	-1.5
- concerning loans and advances	*-0.6*	*-0.6*	*-0.8*	*-0.7*	*-1.5*
Total (net)	**7 312.1**	**7 481.3**	**7 694.9**	**7 646.0**	**7 781.6**

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Portfolio of loans and receivables by client segment

(including leasing receivables, factoring receivables and corporate and municipal bonds)

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Gross value, of which:	**49 764.4**	**48 136.6**	**46 509.7**	**46 744.8**	**45 907.5**
Corporate banking segment, of which:	31 502.9	30 426.2	29 877.7	30 382.7	30 072.3
- loans and advances	*23 566.9*	*22 926.6*	*22 354.6*	*23 074.3*	*22 897.5*
- leasing receivables	*3 395.5*	*3 277.0*	*3 145.9*	*3 066.5*	*3 094.7*
- factoring receivables	*2 452.2*	*2 231.4*	*2 211.8*	*2 027.9*	*2 099.4*
- corporate and municipal bonds	*2 088.3*	*1 991.2*	*2 165.4*	*2 214.0*	*1 980.7*
Retail banking segment, of which:	18 261.5	17 710.4	16 632.0	16 362.1	15 835.2
- mortgages	*13 838.8*	*13 357.5*	*12 602.3*	*12 331.7*	*11 699.4*
- other loans and advances	*4 422.7*	*4 352.9*	*4 029.7*	*4 030.4*	*4 135.8*
Impairment losses, of which:	**-1 492.9**	**-1 569.5**	**-1 424.0**	**-1 354.7**	**-1 286.6**
Corporate banking segment, of which:	-1 022.3	-1 000.1	-953.5	-907.5	-859.9
- loans and advances	*-887.5*	*-866.5*	*-817.7*	*-787.7*	*-760.8*
- leasing receivables	*-55.9*	*-61.4*	*-69.1*	*-68.0*	*-61.6*
- factoring receivables	*-9.9*	*-8.4*	*-8.9*	*-5.3*	*-5.2*
- corporate and municipal bonds	*-69.0*	*-63.8*	*-57.8*	*-46.5*	*-32.3*
Retail banking segment, of which:	-470.6	-569.4	-470.5	-447.2	-426.7
- mortgages	*-137.3*	*-113.9*	*-87.8*	*-85.8*	*-78.5*
- other loans and advances	*-333.3*	*-455.5*	*-382.7*	*-361.4*	*-348.2*
Net value, of which:	**48 271.5**	**46 567.1**	**45 085.7**	**45 390.1**	**44 620.9**
Corporate banking segment, of which:	30 480.6	29 426.1	28 924.2	29 475.2	29 212.4
- loans and advances	*22 679.4*	*22 060.1*	*21 536.9*	*22 286.6*	*22 136.7*
- leasing receivables	*3 339.6*	*3 215.6*	*3 076.8*	*2 998.5*	*3 033.1*
- factoring receivables	*2 442.3*	*2 223.0*	*2 202.9*	*2 022.6*	*2 094.2*
- corporate and municipal bonds	*2 019.3*	*1 927.4*	*2 107.6*	*2 167.5*	*1 948.4*
Retail banking segment, of which:	17 790.9	17 141.0	16 161.5	15 914.9	15 408.5
- mortgages	*13 701.5*	*13 243.6*	*12 514.5*	*12 245.9*	*11 620.9*
- other loans and advances	*4 089.4*	*3 897.4*	*3 647.0*	*3 669.0*	*3 787.6*

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7.12. Quality of portfolio of loans and advances

Quality of loans and advances to customers portfolio
(including leasing receivables, factoring receivables and corporate and municipal bonds)

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Corporate activity					
Exposure	**31 502.9**	**30 426.2**	**29 877.7**	**30 382.7**	**30 072.3**
- unimpaired (IBNR)	29 791.7	28 757.2	28 500.4	28 858.4	28 547.8
- impaired	1 711.2	1 669.0	1 377.3	1 524.3	1 524.5
Impairment losses and provisions	**1 038.7**	**1 027.3**	**975.8**	**927.4**	**877.5**
- related to unimpaired portfolio	44.3	54.4	58.0	78.6	86.4
- related to impaired portfolio	978.0	945.7	895.5	828.9	773.5
- provisions for off-balance sheet liabilities	16.4	27.2	22.3	19.9	17.6
Share of the impaired portfolio	5.4%	5.5%	4.6%	5.0%	5.1%
Impaired portfolio coverage ratio (%)	57.2%	56.7%	65.2%	54.4%	50.7%
Retail activity					
Exposure	**18 261.5**	**17 710.4**	**16 632.0**	**16 362.1**	**15 835.2**
- unimpaired (IBNR)	17 778.4	17 092.2	16 114.3	15 863.2	15 370.2
- impaired	483.1	618.2	517.7	498.9	465.0
Impairment losses	**470.6**	**569.4**	**470.5**	**447.2**	**426.7**
- related to unimpaired portfolio	105.2	91.3	70.4	96.0	96.9
- related to impaired portfolio	365.4	478.1	400.1	351.2	329.8
Share of the impaired portfolio	2.6%	3.5%	3.1%	3.0%	2.9%
Impaired portfolio coverage ratio (%)	75.6%	77.3%	77.3%	70.4%	70.9%
Total exposure	**49 764.4**	**48 136.6**	**46 509.7**	**46 744.8**	**45 907.5**
Impairment losses and total provisions, of which:	**1 509.3**	**1 596.7**	**1 446.3**	**1 374.6**	**1 304.2**
- impairment losses	1 492.9	1 569.5	1 424.0	1 354.7	1 286.6
- provisions for off-balance sheet liabilities	16.4	27.2	22.3	19.9	17.6
Total portfolio coverage ratio	3.0%	3.3%	3.1%	2.9%	2.8%
Share of the impaired portfolio	4.4%	4.8%	4.1%	4.3%	4.3%
Impaired portfolio coverage ratio (%)	**61.2%**	**62.3%**	**68.5%**	**58.3%**	**55.5%**

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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 Q 2013 the period from 01 Jun 2013 to 30 Sep 2013	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	**1 397.2**	***0.6***	**200.1**	**1 597.3**
Changes in the period (due to):	**-78.0**	***0.0***	**-9.4**	**-87.4**
- changes in income statement	*61.7*	*0.0*	*2.0*	***63.7***
- depreciation	*-148.4*	*0.0*	*0.0*	***-148.4***
- restructuring and forgiveness of the debts related to transactions on derivatives	*0.0*	*0.0*	*-11.4*	***-11.4***
- transfer of provisions from off-balance sheet after their repayment	*7.6*	*0.0*	*0.0*	***7.6***
- other (inclusive FX differences, adjustment of interest income on impaired loans)	*1.1*	*0.0*	*0.0*	***1.1***
Closing balance of impairment losses	**1 319.2**	***0.6***	**190.7**	**1 509.9**

3 Q 2013 YTD
the period from 01 Jan 2013 to 30 Sep 2013

Opening balance of impairment losses	**1 237.5**	***0.5***	**209.3**	**1 446.8**
Changes in the period (due to):	**81.7**	***0.1***	**-18.6**	**63.1**
- changes in income statement	*190.7*	*0.1*	*0.0*	***190.7***
- depreciation	*-160.5*	*0.0*	*0.0*	***-160.5***
- restructuring and forgiveness of the debts related to transactions on derivatives	*0.0*	*0.0*	*-18.6*	***-18.6***
- transfer of provisions from off-balance sheet after their repayment	*11.7*	*0.0*	*0.0*	***11.7***
- other (inclusive FX differences, adjustment of interest income on impaired loans)	*39.8*	*0.0*	*0.0*	***39.8***
Closing balance of impairment losses	**1 319.2**	***0.6***	**190.7**	**1 509.9**

3 Q 2012
the period from 01 Jun 2012 to 30 Sep 2012

Opening balance of impairment losses	**1 094.7**	***0.4***	**209.9**	**1 304.6**
Changes in the period (due to):	**67.4**	***0.1***	**3.2**	**70.6**
- changes in income statement	*80.4*	*0.1*	*2.3*	***82.7***
- depreciation	*-7.6*	*0.0*	*0.0*	***-7.6***
- restructuring and forgiveness of the debts related to transactions on derivatives	*0.0*	*0.0*	*0.9*	***0.9***
- purchase of subsidiaries	*0.0*	*0.0*	*0.0*	***0.0***
- transfer of provisions from off-balance sheet after their repayment	*2.9*	*0.0*	*0.0*	***2.9***
- other (inclusive FX differences, adjustment of interest income on impaired loans)	*-8.3*	*0.0*	*0.0*	***-8.3***
Closing balance of impairment losses	**1 162.1**	***0.5***	**213.1**	**1 375.2**

3 Q 2012 YTD
the period from 01 Jan 2012 to 30 Sep 2012

Opening balance of impairment losses	**862.8**	***0.2***	**256.8**	**1 119.6**
Changes in the period (due to):	**299.3**	***0.3***	**-43.7**	**255.6**
- changes in income statement	*267.6*	*0.3*	*10.6*	***278.2***
- depreciation	*-45.7*	*0.0*	*0.0*	***-45.7***
- restructuring and forgiveness of the debts related to transactions on derivatives	*0.0*	*0.0*	*-54.3*	***-54.3***
- purchase of subsidiaries	*82.8*	*0.0*	*0.0*	***82.8***
- transfer of provisions from off-balance sheet after their repayment	*10.0*	*0.0*	*0.0*	***10.0***
- other (inclusive FX differences, adjustment of interest income on impaired loans)	*-15.4*	*0.0*	*0.0*	***-15.4***
Closing balance of impairment losses	**1 162.1**	***0.5***	**213.1**	**1 375.2**

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7.13. Non-financial assets

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Investment real estates	120.9	120.9	120.9	118.7	118.7
Property, plant and equipment	544.3	554.1	600.0	583.4	579.5
Intangible assets	352.0	353.1	361.6	361.1	358.8
Property, plant and equipment held for sale	49.0	49.6	33.0	33.8	37.3
Total	**1 066.2**	**1 077.7**	**1 115.5**	**1 097.0**	**1 094.3**

7.14. Liabilities due to other banks

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Current accounts	771.8	997.3	896.4	396.8	331.0
Interbank deposits	699.6	547.9	781.6	1 531.8	493.0
Repo transactions	459.7	109.8	176.2	419.7	527.9
Loans received*	2 768.3	2 726.0	2 664.0	2 597.4	2 738.2
Other liabilities	20.0	30.5	36.4	16.0	18.2
Total	**4 719.4**	**4 411.5**	**4 554.6**	**4 961.7**	**4 108.3**

*) The item *Loans received* covers funding of long-term leasing contracts in EUR (the so-called matched funding) received by the subsidiary ING Lease Sp. z o.o. from ING Bank NV.

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

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Financial liabilities held for trading, of which:	547.0	665.4	0.0	0.0	0.0
- repo transactions	*547.0*	*665.4*	*0.0*	*0.0*	*0.0*
Financial liabilities designated as at fair value upon initial recognition, of which:	0.0	0.0	2 067.5	2 448.3	1 276.8
- repo transactions	*0.0*	*0.0*	*2 067.5*	*2 448.3*	*1 276.8*
Book short position in trading securities	146.7	237.4	935.9	310.4	402.2
Total	**693.7**	**902.8**	**3 003.4**	**2 758.7**	**1 679.0**

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7.16. Liabilities due to customers

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Deposits	65 049.6	60 855.7	56 793.8	53 895.8	53 224.6
Other liabilities	1 142.1	1 093.0	1 063.7	966.9	928.8
Total liabilities due to customers, of which:	**66 191.7**	**61 948.7**	**57 857.5**	**54 862.7**	**54 153.4**
- due to entities from the financial sector other than banks	*3 668.5*	*2 491.1*	*3 503.8*	*3 180.0*	*3 690.4*
- due to entities from the non-financial sector	*60 576.7*	*57 471.8*	*52 251.1*	*50 048.9*	*48 818.4*
- due to entities from the government and self-government institutions' sector	*1 946.5*	*1 985.8*	*2 102.6*	*1 633.8*	*1 644.6*

Liabilities due to entities from the financial sector other than banks

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Deposits, of which:	3 450.3	2 387.4	3 327.2	3 048.3	3 574.0
- current accounts	*2 575.3*	*1 467.0*	*2 292.6*	*2 527.5*	*2 449.9*
- term deposit	*875.0*	*920.4*	*1 034.6*	*520.8*	*1 124.1*
Other liabilities	218.2	103.7	176.6	131.7	116.4
Total	**3 668.5**	**2 491.1**	**3 503.8**	**3 180.0**	**3 690.4**

Liabilities due to entities from the non-financial sector

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Business entities' deposits, of which:	16 618.3	15 738.6	13 739.9	13 132.6	12 810.1
- current accounts	*14 435.3*	*12 914.6*	*11 395.0*	*10 246.7*	*9 329.2*
- term deposit	*2 183.0*	*2 824.0*	*2 344.9*	*2 885.9*	*3 480.9*
Households' deposits, of which:	43 042.2	40 795.8	37 627.7	36 082.7	35 197.3
- current accounts	*5 897.2*	*5 815.2*	*7 520.3*	*5 909.6*	*5 215.4*
- saving accounts and term deposits	*37 145.0*	*34 980.6*	*30 107.4*	*30 173.1*	*29 981.9*
Other liabilities	916.2	937.4	883.5	833.6	811.0
Total	**60 576.7**	**57 471.8**	**52 251.1**	**50 048.9**	**48 818.4**

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

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Deposits, of which:	1 938.8	1 933.9	2 099.0	1 632.2	1 643.2
- current accounts	*1 511.7*	*1 501.7*	*1 982.1*	*1 318.5*	*1 254.5*
- term deposit	*427.1*	*432.2*	*116.9*	*313.7*	*388.7*
Other liabilities	7.7	51.9	3.6	1.6	1.4
Total	**1 946.5**	**1 985.8**	**2 102.6**	**1 633.8**	**1 644.6**

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7.17. Provisions

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Provision for issues in dispute	20.6	20.5	20.6	19.3	20.4
Provisions for off-balance sheet liabilities	16.4	27.2	22.3	20.0	17.6
Provision for retirement benefits	21.3	20.7	20.3	17.5	17.5
Provision for unused holidays	8.9	9.1	9.5	8.5	8.5
Provision for employment restructuring	0.1	0.1	0.1	0.1	0.2
Total	**67.3**	**77.6**	**72.8**	**65.4**	**64.2**

7.18. Fair values

Fair value of financial assets and liabilities

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.

The table below presents the balance-sheet figures for financial assets and liabilities per individual measurement levels.

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as of 30 Sep 2013

	Level I	Level II	Level III	Total
Financial assets, of which:	**18 348.7**	**5 369.8**	**2.7**	**23 721.2**
- Financial assets held for trading, of which:	256.9	1 346.8	0.0	1 603.7
- repo transactions	*0.0*	*547.0*	*0.0*	*547.0*
- treasury bonds	*256.9*	*0.0*	*0.0*	*256.9*
- NBP bills	*0.0*	*799.8*	*0.0*	*799.8*
- Valuation of derivatives	0.0	1 329.4	0.0	1 329.4
- Financial assets available-for sale, of which:	18 091.8	1 699.5	2.7	19 794.0
- treasury bonds	*16 144.4*	*0.0*	*0.0*	*16 144.4*
- NBP bills	*0.0*	*1 699.5*	*0.0*	*1 699.5*
- BGK bonds	*1 923.0*	*0.0*	*0.0*	*1 923.0*
- equity instruments	*24.4*	*0.0*	*2.7*	*27.1*
- Derivative hedge instruments	0.0	994.1	0.0	994.1
Financial liabilities, of which:	**146.7**	**3 003.7**	**0.0**	**3 150.4**
- Financial liabilities held for trading, of which:	0.0	547.0	0.0	547.0
- repo transactions	*0.0*	*547.0*	*0.0*	*547.0*
- Book short position in trading securities	146.7	0.0	0.0	146.7
- Valuation of derivatives	0.0	1 372.5	0.0	1 372.5
- Derivative hedge instruments	0.0	1 084.2	0.0	1 084.2

as of 31 Dec 2012

	Level I	Level II	Level III	Total
Financial assets, of which:	**16 914.0**	**5 440.3**	**16.1**	**22 370.4**
- Financial assets held for trading, of which:	506.6	1.0	0.0	507.6
- treasury bonds	*506.6*	*0.0*	*0.0*	*506.6*
- treasury bills	*0.0*	*1.0*	*0.0*	*1.0*
- Financial assets designated as fair value at initial recognition, of which:	1 042.0	5.0	0.0	1 047.0
- repo transactions	*1 042.0*	*5.0*	*0.0*	*1 047.0*
- Valuation of derivatives	0.0	1 822.1	0.0	1 822.1
- Financial assets available-for sale, of which:	15 365.4	2 499.6	16.1	17 881.1
- treasury bonds	*13 628.9*	*0.0*	*0.0*	*13 628.9*
- NBP bills	*0.0*	*2 498.8*	*0.0*	*2 498.8*
- BGK bonds	*1 736.1*	*0.0*	*0.0*	*1 736.1*
- equity instruments	*0.4*	*0.8*	*16.1*	*17.3*
- Derivative hedge instruments	0.0	1 112.6	0.0	1 112.6
Financial liabilities, of which:	**3 003.4**	**3 142.1**	**0.0**	**6 145.5**
- Financial liabilities measured at fair value upon initial recognition, of which:	2 067.5	0.0	0.0	2 067.5
- repo transactions	*2 067.5*	*0.0*	*0.0*	*2 067.5*
- Book short position in trading securities	935.9	0.0	0.0	935.9
- Valuation of derivatives	0.0	1 778.1	0.0	1 778.1
- Derivative hedge instruments	0.0	1 364.0	0.0	1 364.0

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as of 30 Sep 2012

	Level I	Level II	Level III	Total
Financial assets, of which:	**15 036.2**	**2 204.1**	**18.4**	**17 258.7**
- Financial assets held for trading, of which:	990.7	3.3	0.0	994.0
- *treasury bonds*	*990.7*	*0.0*	*0.0*	*990.7*
- *treasury bills*	*0.0*	*3.3*	*0.0*	*3.3*
- Financial assets designated as fair value at initial recognition, of which:	528.6	0.0	0.0	528.6
- repo transactions	*528.6*	*0.0*	*0.0*	*528.6*
- Valuation of derivatives	0.0	1 524.7	0.0	1 524.7
- Financial assets available-for sale, of which:	13 516.9	0.8	18.4	13 536.1
- treasury bonds	*11 831.2*	*0.0*	*0.0*	*11 831.2*
- BGK bonds	*1 685.1*	*0.0*	*0.0*	*1 685.1*
- equity instruments	*0.6*	*0.8*	*18.4*	*19.8*
- Derivative hedge instruments	0.0	675.3	0.0	675.3
Financial liabilities, of which:	**2 758.7**	**2 568.9**	**0.0**	**5 327.6**
- Financial liabilities measured at fair value upon initial recognition, of which:	2 448.3	0.0	0.0	2 448.3
- repo transactions	*2 448.3*	*0.0*	*0.0*	*2 448.3*
- Book short position in trading securities	310.4	0.0	0.0	310.4
- Valuation of derivatives	0.0	1 499.9	0.0	1 499.9
- Derivative hedge instruments	0.0	1 069.0	0.0	1 069.0

Movements between valuation levels

In 2013, there were movements in terms of valuation levels:

- The movement of the repo transactions from the 1st level to the 2nd level due to a change of approach with respect to fair value measurement.. Previously all repo transactions were valued based on the market prices of the underlying securities. Presently, the valuation is based on the profitability curve with respect to cash instruments.
- Shares of one of the companies moved from the 2nd to the 1st valuation level as they were converted from registered privileged shares into ordinary bearer shares. The shares are quoted in the active market and at present directly valuated on quotations. Fair value of the said shares totalled PLN 0.8 million as at 30 September 2013 and PLN 0.8 million as at 31 December 2012.
- Shares of two companies moved from the 3rd to the 1st valuation level; the said companies were taken over by the Bank by means of debt restructuring and the Bank used the valuation model to valuate them due to the initial restrictions as regards their trading. The shares of both companies are quoted in the active market and at present directly valuated on quotations. Fair value of the said shares totalled PLN 23.6 million as at 30 September 2013 and PLN 13.4 million as at 31 December 2012.

Valuation of financial instruments classified to the 2nd level

The Group classifies derivatives, cash bills of the National Bank of Poland and repo transactions into the 2nd level of valuation.

Derivatives

The following models are applied for non-linear transactions (FX options), depending on the product type:

- the European vanilla option – the Garman-Kohlhagen model,
- the European digital option - the Garman-Kohlhagen model adjusted by the call spread,
- the touch option – the Murex Skew Model,
- the (American) barrier option – the Murex Skew Model,
- the (European) barrier option – the Garman-Kohlhagen model
- Cap/Floor (back-to-back transactions) – the Black model.

The following are the input data for the models:

- the foreign exchange rate – obtained by the parties from the National Bank of Poland website,
- implied volatilities – obtained from Bloomberg BGN or Bloomberg Synthetic for the currency pair with lower liquidity
- profitability curves similar to those for linear derivatives.

The Bank takes account of the volatility smile in its valuation calculations.

Fair value for linear instruments (other derivatives) is determined based on discounted future cash flows at the transaction levels. The fair value determined in that manner is the PV of those cash flows.

All input data used for the creation of the revaluation curves are observed on the market, and include: deposit market rates, forward points, FRA rates, IRS rates, OIS rates, FX basis points, basis points among the index for variable rate, and FX-rates. The data come from the Reuters system and come mainly from brokers. The quality of those data as well as the data from other sources used in the revaluation process is verified on an annual basis or adjusted ad hoc.

All derivatives except for interest rate derivatives in PLN are valued according to the OIS curve concept on the assumption that there is a hedge of the transaction valuation in the form of a deposit at EONIA rate.

Due to the specific nature of the Polish market, single-currency derivatives in PLN are valued according to one curve for identification of future interest flows and for discount purposes. Similar to linear derivatives in other currencies, the curves taken account of the type of the underlying index.

Cash bills of the National Bank of Poland

Flat profitability curve set at the level of the NBP reference rate is applied for the valuation of NBP cash bills.

T-bills

Profitability curve for T-bills is obtained based on the observation of broker websites.

Repo transactions

Fair value for repo transactions is determined based on future payment flows discounted according to the profitability curve for the so called cash instruments.

Valuation of financial instruments classified to the 3rd level

Shares and participations of several companies for which It is difficult or impossible to determine the fair value due to absence of active market for those instruments are classified into the 3rd valuation level. The Group is of the opinion that the purchase price less the impairment charge (if any) is the best indicator of their value.

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7.19. Capital adequacy ratio

Own funds	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
A. Own equity in the statement of financial position, of which:	**8 271.5**	**8 133.5**	**8 136.1**	**7 427.2**	**6 981.1**
A.I. Own equity included in tier 1 capital, of which:	**7 544.3**	**7 044.0**	**6 699.9**	**6 700.3**	**6 528.3**
- share capital	*130.1*	*130.1*	*130.1*	*130.1*	*130.1*
- supplementary capital - agio	*956.3*	*956.3*	*956.3*	*956.3*	*956.3*
- supplementary capital - other	*136.8*	*136.8*	*96.7*	*96.6*	*96.4*
- reserve capital	*4 715.1*	*4 715.1*	*4 004.4*	*4 004.4*	*4 004.4*
- general risk fund	*1 010.2*	*1 010.2*	*960.2*	*960.2*	*960.2*
- retained profit of past years and profit during the approval	*145.1*	*144.8*	*112.8*	*112.9*	*112.6*
- net profit of current period in audited part	*476.6*	*0.0*	*439.1*	*439.1*	*271.5*
- non-controlling interests	*2.3*	*2.3*	*2.3*	*2.3*	*2.3*
- revaluation reserve from measurement of available-for-sale financial assets (unrealised losses)	*-28.2*	*-51.6*	*-2.0*	*-1.6*	*-5.5*
A.II. Own equity included in tier 2 capital, of which:	**212.0**	**295.2**	**585.4**	**289.0**	**127.3**
- revaluation reserve from measurement of available-for-sale financial assets (unrealised gains)	*212.0*	*295.2*	*585.4*	*289.0*	*127.3*
A.III. Own equity excluded from own funds calculation, of which:	***515.2***	***794.3***	***850.8***	***437.9***	***325.5***
- revaluation reserve from measurement of available-for-sale financial assets	*2.6*	*3.6*	*7.3*	*3.5*	*1.6*
- revaluation reserve from measurement of property, plant and equipment	*41.4*	*41.6*	*42.0*	*38.0*	*38.1*
- revaluation reserve from measurement of cash flow hedging instruments	*191.1*	*227.6*	*367.0*	*154.7*	*82.7*
- revaluation of share-based payment	*45.7*	*44.9*	*41.3*	*38.5*	*35.5*
- net profit of current period in unaudited part	*234.4*	*476.6*	*393.2*	*203.2*	*167.6*
B. Other elements of own funds (decreases and increases), of which:	**-477.2**	**-486.0**	**-488.1**	**-503.7**	**-498.1**
B.I. Other elements of tier 1 capital:	**-434.1**	**-445.2**	**-447.1**	**-452.6**	**-449.5**
- intangible assets	*-352.0*	*-353.1*	*-361.6*	*-361.1*	*-358.8*
- capital commitments in financial institutions (50%)	*-20.0*	*-20.0*	*-20.0*	*-20.0*	*-20.0*
- amount of expected losses (50%)	*-62.1*	*-72.1*	*-65.5*	*-71.5*	*-70.7*
B.II. Other elements of tier 2 capital:	**-82.2**	**-92.2**	**-85.4**	**-91.5**	**-90.7**
- capital commitments in financial institutions (50%)	*-20.0*	*-20.0*	*-20.0*	*-20.0*	*-20.0*
- amount of expected losses (50%)	*-62.2*	*-72.2*	*-65.4*	*-71.5*	*-70.7*
B.III. Short-term capital	**39.1**	**51.4**	**44.4**	**40.4**	**42.1**
Own funds taken into account in solvency ratio calculation (A.I. + A.II. + B.I. + B.II. + B.III.), of which:	**7 279.1**	**6 853.2**	**6 797.2**	**6 485.6**	**6 157.5**
- Tier 1 capital (A.I. + B.I.)	7 110.2	6 598.8	6 252.8	6 247.7	6 078.8
- Tier 2 capital (A.II. + B.II.)	129.8	203.0	500.0	197.5	36.6
- Short-term capital (B.III.)	39.1	51.4	44.4	40.4	42.1

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Capital requirements	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
- Capital requirements for credit risk, credit counterparty, dilution and delivery of instruments for future settlement	2 844.5	2 974.8	3 285.8	3 349.6	3 345.7
- Capital requirements for the risk of settlement - delivery	10.3	14.2	13.0	12.2	9.4
- Capital requirements for the risk of equity securities prices, debt securities prices, currency risk and commodity prices	0.0	0.0	0.0	0.0	11.0
- Capital requirements for operational risk	437.6	437.6	405.9	405.9	405.9
- Capital requirements for general interest rate risk	28.9	36.6	31.4	28.2	21.7
- Capital requirement due to exposure concentration limit overrun	0.0	0.7	0.0	0.0	0.0
- Supplement to the overall level of capital requirements	26,7	0.0	0.0	0.0	0.0
Total capital requirement	**3 348.0**	**3 463.9**	**3 736.1**	**3 795.9**	**3 793.7**
Capital adequacy ratio *	**17.39%**	**15.83%**	**14.55%**	**13.67%**	**12.98%**

*) Starting from the report as at 30 June 2013, ING Bank Śląski S.A. reports capital requirement for credit risk on the basis of the AIRB approach. The Bank applies such presentation method pursuant to the letter of De Nederlandsche Bank (DNB) dated 4 July 2013, wherein DNB together with the Polish Financial Supervision Authority give the Bank permission to apply the full AIRB approach for the exposure classes under *institutions* and *entrepreneurs*.

In the prior periods, the Bank was allowed to calculate capital requirement for credit risk according to the AIRB approach, however, the Bank was obliged to include the so called supervisory floor in its calculations. Where the capital requirement for credit risk computed with the AIRB approach was lower than the capital requirement for credit risk computed under standard approach, it was necessary to supplement it up to the level of the capital requirement calculated according to the standard approach.

Irrespective of the above mentioned consent, pursuant to PFSA Resolution no. 76/2010, when determining the total capital requirement the Bank takes account of the so called regulatory floor which amounts to 80% of the total comparable capital requirement (it is the sum of capital requirements for individual risk types computed by means of the standard approach). Should the total capital requirement be lower than 80% of the total comparable capital requirement, the Bank will include the difference as “a supplement to the overall level of capital requirements”.

Interim condensed consolidated financial statements (PLN million)

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

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

- onset of economic revival in Poland – according to the Central Statistical Office, in Q2 2013, GDP was 0.8% (y/y) versus 0.5% (y/y) in Q1 2013; per forecasts developed by ING Bank Śląski S.A., in the coming quarters of 2013, the growth rate of GDP can be 1.5% (y/y) in Q3 2013 and 2.5% (y/y) in Q4 2013 respectively. This would give the growth of 1.4% over 2013 year, versus 1.9% last year,
- incremental private consumption growth (despite the improvement in consumer sentiments, propensity to save is still increased) and lower investments in 2013 (due to completion and absence of new large investment projects carried out using public funds). Changes to the pension system cutting down the current spending budget allow for active fiscal policy being larger public investments. Revival on the part of industrial output and new requisitions should win investors for private sector over time. ING economists are of the opinion that the "*Polish Investments*" governmental project should impact economic growth as of 2014,
- change on the labour market – as at the end of Q2 2013, the unemployment rate was 13.2% against 12.4% last year. That the 2013-yearend unemployment rate will be similar to the one as at the 2012 yearend (13.4%) is possible.
- Main interest rates in Poland – inflation remains low with zero pressure on its growth visible. A rapid inflation growth in July 2013 and expected acceleration in H1 2014 follow regulatory decisions. Zero inflation pressure will enable the Monetary Policy Council to sustain unchanged interest rates (the reference rate is 2.50% at present). ING economists' forecasts show that the first interest rate rise is expected in Q4 2014.

9. Off-balance sheet items

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Contingent liabilities granted	18 518.2	17 954.5	16 559.9	15 925.6	16 278.4
Contingent liabilities received	36 465.6	30 895.2	38 516.1	42 477.5	41 646.8
Off-balance sheet financial instruments	219 435.9	225 659.6	133 546.7	136 847.1	135 716.9
Total off-balance sheet items	**274 419.7**	**274 509.3**	**188 622.7**	**195 250.2**	**193 642.1**

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

None.

11. Dividends paid

On 19 April 2013, the General Meeting approved earmarking the entire 2012 net profit of the Group's dominant entity for equity.

On 19 April 2012, the General Meeting approved earmarking the entire 2011 net profit of the Group's dominant entity for equity.

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 million)

	III quarter 2013 the period from 1 Jul 2013 to 30 Sep 2013	**3 quarters 2013** the period from 1 Jan 2013 to 30 Sep 2013	**III quarter 2012** the period from 1 Jul 2012 to 30 Sep 2012	**3 quarters 2012** the period from 1 Jan 2012 to 30 Sep 2012
Status at the period beginning	**20.5**	**20.6**	**20.4**	**21.0**
Establishment of provisions	0.1	0.3	0.3	0.4
Release of provisions	0.0	-0.2	0.0	-3.0
Utilisation of provision	0.0	-0.1	-0.3	-0.3
Acquisition of subsidiaries	0.0	0.0	-1.1	1.2
Status as at the period end	**20.6**	**20.6**	**19.3**	**19.3**

Either in III quarter 2013 or III quarter 2012, 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

ING Bank Śląski subsidiaries and affiliated entities (their list has been presented in Chapter II. *Supplementary information* in item 1.4. *ING Bank Śląski S.A. Capital Group)* 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. Similarly, ING Bank Śląski maintains bank accounts of other members of ING Group. 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 as well as management and employees' insurance contributions.

In the period from 1 January 2013 to 30 September 2013 the following transactions were made of the total value exceeding EURO 500.000:

- transactions with ING Bank NV – under execution of the agreements (among other Cooperation Agreement and Agreement on Provision of Data Processing and Financial Information Analysis Services), the fee for services rendered under financial advisory, the fee for using data processing and financial information analysis services by ING Bank Śląski and the fee for services rendered under business operations and product development advisory in the PCM area for 9 months of 2013 amounted to PLN 46.0 million versus PLN 61.8 million in the same period last year (net amounts).
- transactions with ING Services Polska – the company renders hardware lease services for ING Bank Śląski. Services' costs amounted to PLN 34,6 million versus PLN 30.9 million in the analogous period of the previous year (gross amounts).

Transactions with related entities (in PLN million)

30.09.2013

	ING Bank NV	Other ING Group	Subsidiary undertakings*	Associated undertakings*
Receivables				
Nostro accounts	104.0	61.4	-	-
Deposits placed	60.3	-	-	-
Loans	-	2.0	3 621.2	-
Positive valuation of derivatives	281.8	222.3	0,4	-
Repo	207.8	-	-	-
Other receivables	7.1	0.2	0.5	-
Liabilities				
Deposits received	196.5	1 025.0	502.6	48.6
Loans received	2 477.3	-	-	-
Loro accounts	30.1	1.9	-	-
Negative valuation of derivatives	278.4	256.5	0.4	-
Repo	86.5	-	-	-
Other liabilities	-	-	0.2	-
Off-balance-sheet operations				
Contingent liabilities	1 346.5	64.8	1 592.4	-
FX transactions	6 820.1	70.6	-	-
Forward transactions	8.2	30.9	-	-
IRS	9 260.7	3 791.3	10.0	-
FRA	843.3	-	-	-
Options	1 256.6	1 554.5	53.5	-
Revenue and costs**				
Revenue	-40.3	-5.7	80.5	-2.0
Costs	45.7	28.6	15.6	-

*/ 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.

Interim condensed consolidated financial statements (PLN million)

30.09.2012

	ING Bank NV	Other ING Group	Subsidiary undertakings*	Associated undertakings*
Receivables				
Nostro accounts	10.2	3.4	-	-
Deposits placed	655.9	-	-	-
Loans	-	3.5	2 924.5	-
Positive valuation of derivatives	356.3	344.3	-	-
Repo	158.1	-	-	-
Other receivables	37.3	0.5	0.6	-
Liabilities				
Deposits received	-	487.2	873.1	21.3
Loans received	2 503.2	-	-	-
Loro accounts	12.5	6.6	-	-
Negative valuation of derivatives	345.7	399.6	-	-
Repo	162.3	-	-	-
Other liabilities	8.0	-	0.8	-
Off-balance-sheet operations				
Contingent liabilities	1 347.3	39.2	1 159.7	-
FX transactions	3 634.9	125.9	-	-
Forward transactions	-	2.5	-	-
IRS	8 168.2	5 986.3	-	-
Options	700.5	1 975.5	-	-
Revenue and costs**				
Revenue	-79.7	-15.7	98.0	-2.4
Costs	57.4	31.4	15.4	-

*/ 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

15.1. 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 banking 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.

15.1.1. Retail banking 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), deposit products (current accounts, term deposits, savings accounts), structured product, ING fund units, brokerage services provided by ING Securities SA and bank cards.

15.1.2. 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, products related to leasing and factoring services offered by ING Lease (Polska) Sp. z o.o. and ING Commercial Finance Polska S.A.

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.

15.1.3. Modifications in the reporting for Bank operating segments

In 3 quarters 2013, the Bank did not change the reporting for its operating segments against 3 quarters 2012.

15.2. Geographical segments

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

PLN million	Retail banking segment	Corporate banking segment	TOTAL
	3 quarters 2013 the period from 01 Jan 2013 to 30 Sep 2013		
Revenue total*	**1 192.3**	**1 263.1**	**2 455.4**
Net interest income	745.9	751.3	1 497.2
external	*238.9*	*1 258.3*	*1 497.2*
internal	*507.0*	*-507.0*	*0.0*
Net commission income	307.1	416.0	723.1
Other income/expenses	113.2	95.8	209.0
Share in net profit (loss) of associated entities recognised under the equity method	26.1	0.0	26.1
Expenses total	**849.4**	**534.6**	**1 384.0**
Result before risk	**342.9**	**728.5**	**1 071.4**
Impairment losses	111.4	79.4	190.8
Result after impairment losses (profit before tax)	**231.5**	**649.1**	**880.6**
Income tax	-	-	169.6
Result after tax	-	-	**711.0**
- attributable to shareholders of ING Bank Śląski S.A.	-	-	**711.0**

PLN million	Retail banking segment	Corporate banking Segment	TOTAL
	III quarter 2013 the period from 01 Jul 2013 to 30 Sep 2013		
Revenue total*	**398.0**	**401.8**	**799.8**
Net interest income	269.6	256.5	526.1
external	*106.6*	*419.5*	*526.1*
internal	*163.0*	*-163.0*	*0.0*
Net commission income	96.6	137.1	233.7
Other income/expenses	22.5	8.2	30.7
Share in net profit (loss) of associated entities recognised under the equity method	9.3	0.0	9.3
Expenses total	**271.6**	**175.9**	**447.5**
Result before risk	**126.4**	**225.9**	**352.3**
Impairment losses	33.0	30.7	63.7
Result after impairment losses (profit before tax)	**93.4**	**195.2**	**288.6**
Income tax	-	-	54.2
Result after tax	-	-	**234.4**
- attributable to shareholders of ING Bank Śląski S.A.	-	-	**234.4**

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

PLN million	3 quarters 2012 the period from 01 Jan 2012 to 30 Sep 2012		
	Retail banking segment	Corporate banking segment	TOTAL
Revenue total*	**1 172.8**	**1 256.0**	**2 428.8**
Net interest income	762.2	780.9	1 543.1
external	*167.5*	*1 375.6*	*1 543.1*
internal	*594.7*	*-594.7*	*0.0*
Net commission income	341.5	407.1	748.6
Other income/expenses	43.5	68.0	111.5
Share in net profit (loss) of associated entities recognised under the equity method	25.6	0.0	25.6
Expenses total	**833.8**	**539.3**	**1 373.1**
Result before risk	**339.0**	**716.7**	**1 055.7**
Impairment losses	65.9	212.2	278.1
Result after impairment losses (profit before tax)	**273.1**	**504.5**	**777.6**
Income tax	-	-	135.3
Result after tax	-	-	**642.3**
- attributable to shareholders of ING Bank Śląski S.A.	-	-	**642.3**

PLN million	III quarter 2012 the period from 01 Jul 2012 to 30 Sep 2012		
	Retail banking segment	Corporate banking segment	TOTAL
Revenue total*	**388.4**	**402.1**	**790.5**
Net interest income	263.0	252.5	515.5
external	*60.3*	*455.2*	*515.5*
internal	*202.7*	*-202.7*	*0.0*
Net commission income	115.2	136.0	251.2
Other income/expenses	2.6	13.6	16.2
Share in net profit (loss) of associated entities recognised under the equity method	7.6	0.0	7.6
Expenses total	**273.9**	**181.3**	**455.2**
Result before risk	**114.5**	**220.8**	**335.3**
Impairment losses	21.5	61.1	82.6
Result after impairment losses (profit before tax)	**93.0**	**159.7**	**252.7**
Income tax	-	-	49.5
Result after tax	-	-	**203.2**
- attributable to shareholders of ING Bank Śląski S.A.	-	-	**203.2**

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

16. Other informations

16.1. 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. In December 2012, Fitch Agency carried out the annual rating review at the Bank. As a result, all the to-date Bank's ratings were affirmed (the press release of the Fitch agency of 29 January 2013). Nevertheless, on 6 February 2013, the Agency announced that it revised the ratings outlook for three big Dutch banks, ING Bank N.V. inclusive, from stable to negative. It led to an analogical rating revision for ING Bank Śląski S.A. Change of the ratings outlook for the Dutch banks was related to the revision of the Netherlands rating of a day earlier - the country's rating was affirmed at 'AAA' level but the outlook was revised from stable to negative. As a justification the Agency referred to the worsening, in its opinion, macroeconomic standing of the Netherlands. As at 30.09.2013, the Bank had the rating of financial credibility, issued by the agency:

Rating	Level
Long-term IDR	A
Sustained score outlook	Negative
Short-term IDR	F1
Viability rating	bbb+
Support rating	1

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). Viability rating of bbb+ means that according to the Agency, the intrinsic creditworthiness of the Bank; i.e., without any support (understood as the capacity to pay one's liabilities on time) is high. The Agency is of the opinion that the Bank has strong capital and liquidity position.

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 30.09.2013, the Bank had the rating of financial credibility, issued by the agency:

Rating	Level
Long-term deposits (LT rating)	Baa1
Short-term deposits (ST rating)	P-2
Financial strength (BFSR)/ individual rating (BCA)	D+ / baa3
Long-term deposit rating outlook	Negative
Financial strength outlook	Stable

Interim condensed consolidated financial statements (PLN million)

In II quarter 2013, the Moody's Agency confirmed all the existing ratings of the Bank (Moody's press release of 23 April 2013 and *Credit Opinion* of 01 May 2013).

16.2. Number of Branches and ATMs

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

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Number of outlets	421	421	426	432	437

As at the end of September 2013 the Bank had a network of 772 ATMs[1] compared with 772 ATMs as at the end of December 2012 and 774 ATMs in the analogical period last year.

As at the end of September 2013, the Bank also had a network of 732 cash deposit machines[2], compared with 696 deposit machines as at the end of December 2012 and 653 deposit machines in the analogical period last year.

16.3. 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[3] are as follows:

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
ING BankOnLine and ING BusinessOnLine	2 518 352	2 448 222	2 350 269	2 293 958	2 237 399
HaloŚląski	1 556 803	1 507 307	1 433 433	1 387 112	1 391 331
SMS	1 126 603	1 088 927	1 035 575	1 003 993	990 598
ING BankMobile	182 787	144 395	88 421	63 463	34 256
ING BusinessMobile	2 676	1 720	-	-	-

The monthly number of transactions in September 2013 was at the level of 17.2 million, whereas at the end of December 2012 it was 16.4 million and in the analogical period last year it was 14.4 million.

16.4. 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:

[1] Including duals the number of which as of the end of September 2013 was 394.
[2] As above.
[3] The number of clients is not the same as the number of users as one client may represent several users in a given system.

(in thousands)	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Payment cards, of which:	2 820	2 690	2 437	2 456	2 413
Debit cards	*2 532*	*2 401*	*2 144*	*2 188*	*2 144*
Credit cards	*200*	*199*	*201*	*202*	*205*
Other cards	*88*	*90*	*92*	*66*	*64*

ING Bank Śląski S.A. offers also paywave and virtual cards. By the end of September 2013, clients were issued 2,059.0 thousand proximity cards in total[1] (1,516.4 thousand as at the end of December 2012 and 1,386.1 thousand in the same period last year) and 35.9 thousand Virtual C@rds (34.2 thousand as at the end of December 2012 and 32.9 thousand in the same period last year).

[1] Cards: Maestro PayPass, MasterCard Debit PayPass, Proximity Card , VISA PayWave and Visa Business Proximity

Interim condensed standalone financial statements (PLN million)

III. Interim condensed standalone financial statement of the Bank

INTERIM CONDENSED STANDALONE INCOME STATEMENT

	3 Q 2013 the period from 01 Jul 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013	3 Q 2012 the period from 01 Jul 2012 to 30 Sep 2012	3 Q 2012 YTD the period from 01 Jan 2012 to 30 Sep 2012
- Interest income	858.7	2 614.6	926.8	2 735.1
- Interest expenses	361.9	1 204.1	440.5	1 280.4
Net interest income	**496.8**	**1 410.5**	**486.3**	**1 454.7**
- Commission income	251.5	768.2	266.7	786.7
- Commission expenses	30.7	89.0	28.8	88.0
Net commission income	**220.8**	**679.2**	**237.9**	**698.7**
Net income on financial instruments measured at fair value through profit or loss and FX result	35.8	84.8	18.2	83.2
Net income on investments	-11.7	145.6	-0.9	61.9
Net income on hedge accounting	2.3	-5.2	-5.5	-9.0
Net income on other basic activities	0.4	3.8	-1.1	-1.2
Result on basic activities	**744.4**	**2 318.7**	**734.9**	**2 288.3**
General and administrative expenses	418.6	1 300.1	428.3	1 294.0
Result on other operating income and expenses	-0.3	-1.8	-0.9	2.5
Impairment losses and provisions for off-balance sheet liabilities	53.9	178.2	80.3	273.9
Profit (loss) before tax	**271.6**	**838.6**	**225.4**	**722.9**
Income tax	52.5	158.5	45.3	138.3
Net result for the current period	**219.1**	**680.1**	**180.1**	**584.6**

Net profit (loss)	**219.1**	**680.1**	**180.1**	**584.6**
Weighted average number of ordinary shares	**130 100 000**	**130 100 000**	**130 100 000**	**130 100 000**
Earnings per ordinary share (PLN)	**1.68**	**5.23**	**1.38**	**4.49**

Diluted earnings per share agrees with earnings per ordinary share

INTERIM CONDENSED STANDALONE STATEMENT OF COMPREHENSIVE INCOME

	3 Q 2013 the period from 01 Jul 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013	3 Q 2012 the period from 01 Jul 2012 to 30 Sep 2012	3 Q 2012 YTD the period from 01 Jan 2012 to 30 Sep 2012
Net result for the period	**219.1**	**680.1**	**180.1**	**584.6**
Other comprehensive income, of which:	**-97.2**	**-580.0**	**239.9**	**367.0**
- items which can be reclassified to income statement	-97.3	-580.2	239.5	366.6
- items which will not be reclassified to income statement	0.1	0.2	0.4	0.4
Total comprehensive income for the period	**121.9**	**100.1**	**420.0**	**951.6**

SIGNATURES OF THE MEMBERS OF THE MANAGEMENT BOARD OF ING BANK ŚLĄSKI S.A.

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Director of Accounting Department, Chief Accountant
Signed on the Polish original

Katowice, 05-11-2013

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 million)

INTERIM CONDENSED STANDALONE STATEMENT OF FINANCIAL POSITION

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
ASSETS					
- Cash in hand and balances with the Central Bank	4 577.6	1 673.5	4 071.6	2 126.0	2 321.2
- Loans and receivables to other banks	2 485.3	2 015.2	1 365.3	3 384.5	1 585.5
- Financial assets measured at fair value through profit and loss	1 603.7	2 057.4	1 554.6	1 522.6	791.5
- Valuation of derivatives	1 329.8	1 519.8	1 822.7	1 525.2	1 235.5
- Investments	19 793.4	20 256.1	17 880.5	13 535.5	13 816.9
- available-for-sale	*19 793.4*	*20 256.1*	*17 880.5*	*13 535.5*	*10 298.4*
- held-to-maturity	*0.0*	*0.0*	*0.0*	*0.0*	*3 518.5*
- Derivative hedge instruments	994.1	990.7	1 112.6	675.3	420.0
- Loans and receivables to customers	48 908.3	47 183.8	45 764.0	46 118.4	45 171.6
- Receivables from customers due to repo transactions	252.4	1 284.2	0.0	0.0	0.0
- Investments in controlled entities recognised under the equity method	454.4	454.4	454.4	454.4	454.4
- Non-financial assets	914.6	926.6	965.2	947.7	946.5
- Tax assets	49.4	27.0	0.0	10.4	104.7
- Other assets	130.7	164.8	168.3	292.5	208.3
Total assets	**81 493.7**	**78 553.5**	**75 159.2**	**70 592.5**	**67 056.1**
EQUITY AND LIABILITIES					
LIABILITIES					
- Liabilities due to other banks	1 949.7	1 673.3	1 870.0	2 363.8	1 369.9
- Financial liabilities measured at fair value through profit and loss	693.7	902.8	3 003.4	2 758.7	1 679.0
- Valuation of derivatives	1 372.9	1 607.1	1 778.3	1 500.5	1 288.1
- Derivative hedge instruments	1 084.2	1 082.3	1 364.0	1 069.0	871.7
- Liabilities due to customers	66 176.6	61 796.9	57 782.6	54 724.5	53 993.1
- Liabilities due to customers under repo transactions	513.5	1 938.5	0.0	4.5	3.6
- Liabilities under issue of debt securities	571.5	566.4	567.1	0.0	0.0
- Provisions	63.9	74.2	68.9	62.0	59.7
- Tax liabilities	38.1	14.2	97.3	11.5	23.2
- Other liabilities	1 046.2	1 037.1	748.8	907.2	1 000.0
Total liabilities	**73 510.3**	**70 692.8**	**67 280.4**	**63 401.7**	**60 288.3**
EQUITY					
- Share capital	130.1	130.1	130.1	130.1	130.1
- Supplementary capital - issuance of shares over nominal value	956.3	956.3	956.3	956.3	956.3
- Revaluation reserve	409.9	507.4	990.7	478.7	239.3
- Revaluation of share-based payment	45.7	44.9	41.3	38.5	35.5
- Retained earnings	6 441.4	6 222.0	5 760.4	5 587.2	5 406.6
Total equity	**7 983.4**	**7 860.7**	**7 878.8**	**7 190.8**	**6 767.8**
Total equity and liabilities	**81 493.7**	**78 553.5**	**75 159.2**	**70 592.5**	**67 056.1**

Net book value	**7 983.4**	**7 860.7**	**7 878.8**	**7 190.8**	**6 767.8**
Number of shares	**130 100 000**	**130 100 000**	**130 100 000**	**130 100 000**	**130 100 000**
Net book value per share (PLN)	**61.36**	**60.42**	**60.56**	**55.27**	**52.02**

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Katowice, 05-11-2013

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 million)

INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY

3 Q 2013
the period from 01 Jul 2013 to 30 Sep 2013

	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	**130.1**	**956.3**	**246.8**	**33.0**	**227.6**	**44.9**	**6 222.0**	**7 860.7**
Net result for the current period	-	-	-	-	-	-	219.1	**219.1**
Other comprehensive income, of which:	**0.0**	**0.0**	**-60.8**	**-0.2**	**-36.5**	**0.0**	**0.3**	**-97.2**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*-56.4*	-	-	-	-	*-56.4*
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-4.4*	-	-	-	-	*-4.4*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*-36.5*	-	-	*-36.5*
- disposal of property, plant and equipment	-	-	-	*-0.2*	-	-	*0.3*	*0.1*
Transactions with owners, of which:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.8**	**0.0**	**0.8**
- revaluation of share-based payment	-	-	-	-	-	*0.8*	-	*0.8*
Closing balance of equity	**130.1**	**956.3**	**186.0**	**32.8**	**191.1**	**45.7**	**6 441.4**	**7 983.4**

3 Q 2013 YTD
the period from 01 Jan 2013 to 30 Sep 2013

	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	**130.1**	**956.3**	**590.3**	**33.4**	**367.0**	**41.3**	**5 760.5**	**7 878.9**
Net result for the current period	-	-	-	-	-	-	**680.1**	**680.1**
Other comprehensive income, of which:	**0.0**	**0.0**	**-404.3**	**-0.6**	**-175.9**	**0.0**	**0.8**	**-580.0**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*-316.9*	-	-	-	-	*-316.9*
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-87.4*	-	-	-	-	*-87.4*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*-175.9*	-	-	*-175.9*
- disposal of property, plant and equipment	-	-	-	*-0.6*	-	-	*0.8*	*0.2*
Transactions with owners, of which:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**4.4**	**0.0**	**4.4**
- revaluation of share-based payment	-	-	-	-	-	*4.4*	-	*4.4*
Closing balance of equity	**130.1**	**956.3**	**186.0**	**32.8**	**191.1**	**45.7**	**6 441.4**	**7 983.4**

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Katowice, 05-11-2013

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 million)

INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY - continued

4 Q 2012 YTD
the period from 01 Jan 2012 to 31 Dec 2012

	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	**130.1**	**956.3**	**20.4**	**34.8**	**58.2**	**30.8**	**5 000.9**	**6 231.5**
Net result for the current period	**-**	**-**	**-**	**-**	**-**	**-**	**757.8**	**757.8**
Other comprehensive income, of which:	**0.0**	**0.0**	**569.9**	**-1.4**	**308.8**	**0.0**	**1.7**	**879.0**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*590.5*	-	-	-	-	*590.5*
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-20.4*	-	-	-	-	*-20.4*
- 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	-	-	*-0.2*	-	-	-	-	*-0.2*
- remeasurement of property, plant and equipment	-	-	-	*-0.7*	-	-	-	*-0.7*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*308.8*	-	-	*308.8*
- disposal of property, plant and equipment	-	-	-	*-0.7*	-	-	*1.7*	*1.0*
Transactions with owners, of which:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**10.5**	**0.0**	**10.5**
- revaluation of share-based payment	-	-	-	-	-	*10.5*	-	*10.5*
Closing balance of equity	**130.1**	**956.3**	**590.3**	**33.4**	**367.0**	**41.3**	**5 760.4**	**7 878.8**

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Interim condensed standalone financial statements (PLN million)

INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY - continued

3 Q 2012
the period from 01 Jul 2012 to 30 Sep 2012

	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	**130.1**	**956.3**	**123.0**	**33.6**	**82.7**	**35.5**	**5 406.6**	**6 767.8**
Net result for the current period	-	-	-	-	-	-	180.1	**180.1**
Other comprehensive income, of which:	**0.0**	**0.0**	**167.5**	**-0.1**	**72.0**	**0.0**	**0.5**	**239.9**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*167.5*	-	-	-	-	*167.5*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*72.0*	-	-	*72.0*
- disposal of property, plant and equipment	-	-	-	*-0.1*	-	-	*0.5*	*0.4*
Transactions with owners, of which:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**3.0**	**0.0**	**3.0**
- revaluation of share-based payment	-	-	-	-	-	3.0	-	*3.0*
Closing balance of equity	**130.1**	**956.3**	**290.5**	**33.5**	**154.7**	**38.5**	**5 587.2**	**7 190.8**

3 Q 2012 YTD
the period from 01 Jan 2012 to 30 Sep 2012

	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	**130.1**	**956.3**	**20.4**	**34.8**	**58.2**	**30.8**	**5 000.9**	**6 231.5**
Net result for the current period	-	-	-	-	-	-	584.6	**584.6**
Other comprehensive income, of which:	**0.0**	**0.0**	**270.1**	**-1.3**	**96.5**	**0.0**	**1.7**	**367.0**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*287.8*	-	-	-	-	*287.8*
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-17.5*	-	-	-	-	*-17.5*
- 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	-	-	*-0.2*	-	-	-	-	*-0.2*
- remeasurement of property, plant and equipment	-	-	-	*-0.6*	-	-	-	*-0.6*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*96.5*	-	-	*96.5*
- disposal of property, plant and equipment	-	-	-	*-0.7*	-	-	*1.7*	*1.0*
Transactions with owners, of which:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**7.7**	**0.0**	**7.7**
- revaluation of share-based payment	-	-	-	-	-	7.7	-	*7.7*
Closing balance of equity	**130.1**	**956.3**	**290.5**	**33.5**	**154.7**	**38.5**	**5 587.2**	**7 190.8**

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Interim condensed standalone financial statements (PLN million)

INTERIM CONDENSED STANDALONE CASH FLOW STATEMENT

	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013	3 Q 2012 YTD the period from 01 Jan 2012 to 30 Sep 2012
OPERATING ACTIVITIES		
Net profit (loss)	**680.1**	**584.6**
Adjustments	**98.1**	**-3 040.6**
- Depreciation and amortisation	118.0	101.6
- Interest accrued (from the profit and loss account)	1 410.5	1 454.7
- Interest paid	1 100.0	1 325.2
- Interest received	-2 844.5	-2 973.3
- Dividends received	-40.0	-41.3
- Gains (losses) on investment activities	-0.6	-8.1
- Income tax (from the profit and loss account)	158.5	138.3
- Income tax paid	-267.1	24.7
- Change in provisions	-5.0	5.4
- Change in loans and other receivables to other banks	-867.9	-636.8
- Change in financial assets at fair value through profit or loss	-47.8	-884.2
- Change in available-for-sale financial assets	-2 220.5	2 230.9
- Change in valuation of derivatives	87.5	139.6
- Change in derivative hedge instruments	-337.2	23.0
- Change in other receivables to customers	-3 269.0	-3 757.7
- Change in other assets	39.8	-162.7
- Change in liabilities due to other banks	79.9	-2 588.2
- Change in liabilities at fair value through profit or loss	-2 309.7	944.0
- Change in liabilities due to customers	9 011.4	1 640.1
- Change in other liabilities	301.8	-15.8
Net cash flow from operating activities	**778.2**	**-2 456.0**
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-27.1	-76.6
- Disposal of property, plant and equipment	0.1	0.5
- Purchase of intangible assets	-42.8	-36.4
- Purchase of investments in subordinated entities	0.0	-216.1
- Disposal of fixed assets held for sale	1.1	9.4
- Redemption / sale of held-to-maturity financial assets	0.0	4 998.5
- Interest received from held-to-maturity financial assets	0.0	148.3
- Dividends received	40.0	41.3
Net cash flow from investment activities	**-28.7**	**4 868.9**
FINANCIAL ACTIVITIES		
- Interest on debt securities issued	4.4	0.0
Net cash flow from financial activities	**4.4**	**0.0**
Effect of exchange rate changes on cash and cash equivalents	***48.3***	***-94.1***
Net increase/decrease in cash and cash equivalents	**753.9**	**2 412.9**
Opening balance of cash and cash equivalents	**5 048.8**	**2 305.7**
Closing balance of cash and cash equivalents	**5 802.7**	**4 718.6**

SIGNATURES OF THE MEMBERS OF THE MANAGEMENT BOARD OF ING BANK ŚLĄSKI S.A.

Małgorzata Kołakowska
President
Signed on the Polish original

Mirosław Boda
Vice President
Signed on the Polish original

Michał Bolesławski
Vice President
Signed on the Polish original

Joanna Erdman
Vice President
Signed on the Polish original

Justyna Kesler
Vice President
Signed on the Polish original

Oscar Edward Swan
Vice President
Signed on the Polish original

Ignacio Juliá Vilar
Vice President
Signed on the Polish original

SIGNATURE OF THE PERSON ENTRUSTED WITH KEEPING THE ACCOUNTING BOOKS

Tomasz Biłous
Director of Accounting Department, Chief Accountant
Signed on the Polish original

Katowice, 05-11-2013

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

1.1. Going-concern

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.

1.2. Discontinued operations

No operations were discontinued during 3 quarters 2013 and 3 quarters 2012.

1.3. Compliance with International Financial Reporting Standards

These interim condensed standalone financial statements of the ING Bank Śląski S.A. for the III quarter 2013 were prepared under the IAS 34 *Interim Financial Reporting* (International Accounting Standards) in a version approved by the European Commission effective as at the reporting date, that is 30 September 2013 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) with subsequent amendments.

Presented financial statements have been prepared in a condensed version. The interim condensed financial statements do not provide all data or disclosures required in the annual financial statements and should be interpreted together with the interim condensed consolidated financial statements for the III quarter 2013 and the Bank’s financial statements for the year ended 31 December 2012 approved by the Bank Management Board on 5 March 2013.

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 1 January 2013 to 30 September 2013, and interim condensed standalone statement of financial position as at 30 September 2013 together with comparable data were prepared according to the same principles of accounting for each period.

1.4. Comparative data and verification by the chartered auditor

The comparative data cover the period from 1 January 2012 to 30 September 2012 for the interim condensed standalone income statement; the interim condensed standalone statement of comprehensive income and the interim condensed standalone cash flow statement, additionally for the period from 1 January 2012 to 31 December 2012 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 30 June 2013, 31 December 2012, 30 September 2012 and 30 June 2012.

1.5. Financial statements scope and currency

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

These interim condensed financial statements have been developed in Polish zloties (“PLN”). Unless provided for otherwise, all values were given rounded up to PLN million. Therefore, some totals and individual notes can be inconsistent in mathematical terms.

1.6. Changes to accounting standards

In these interim condensed standalone financial statements the same principles of accounting have been applied as the ones applied for developing the 2012 annual standalone financial statements. Amendments to standards and new interpretations are described in interim condensed consolidated statements of the ING Bank Śląski S.A. Capital Group for the III quarter 2013 enclosed herewith ("interim condensed consolidated financial statements"), in chapter II. *Additional information* in item 4.5. *Changes to accounting standards*.

1.7. Approval of financial statements

These interim condensed standalone financial statements have been approved by the Bank Management Board on 5 November 2013.

2. Material accounting principles

Detailed accounting principles are presented in annual financial statements of ING Bank Śląski S.A. for the period from 1 January 2012 to 31 December 2012 published on 7 March 2013 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 standalone financial statements and interim condensed consolidated financial statements, except for the changes in recording capital investments described above.

2.1. Investment in subsidiaries and associates

2.1.1. 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.

2.1.2. 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.

2.1.3. 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 36. 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 in annual financial statements of ING Bank Śląski S.A. for the period from 1 January 2012 to 31 December 2012 published on 7 March 2013 that is available on the Internet site of ING Bank Śląski S.A. (www.ingbank.pl). In III quarter 2013, the Bank did not change its estimate development approach.

Interim condensed standalone financial statements (PLN million)

4. Comparability of financial data

In the interim condensed standalone financial statements for the period from 1 January 2013 to 30 September 2013, the Bank made a few presentation changes to the statement of financial position, compared to the interim condensed standalone financial statements for previous periods, the fact which was described in Chapter II. of the interim condensed consolidated financial statements. *Supplementary information* in item *6. Comparability of financial data.*

5. Significant events in III quarter 2013

Significant events that occurred in III quarter 2013 are described in the interim condensed consolidated financial statement in Chapter II. *Additional information* in item 2. *Significant events in III quarter 2013*.

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 19 April 2013, the General Meeting resolved not to pass a resolution on dividend payout for 2012 and approved earmarking the entire 2011 net profit of the Bank for equity.

On 19 April 2012, the General Meeting resolved not to pass a resolution on dividend payout for 2011 and approved earmarking the entire 2011 net profit of the Bank for equity.

9. Acquisitions

In III quarter 2013, the ING Bank Śląski did not make any acquisitions, as in III quarter 2012.

10. Off-balance sheet items

	as of 30 Sep 2013	**as of 30 Jun 2013**	**as of 31 Dec 2012**	**as of 30 Sep 2012**	**as of 30 Jun 2012**
Contingent liabilities granted	18 275.2	16 806.0	15 803.1	15 775.2	16 167.7
Contingent liabilities received	35 147.2	29 549.2	37 324.3	41 412.3	40 449.5
Off-balance sheet financial instruments	219 499.4	225 725.0	133 610.6	136 916.3	135 793.1
Total off-balance sheet items	**272 921.8**	**272 080.2**	**186 738.0**	**194 103.8**	**192 410.3**

Interim condensed standalone financial statements (PLN million)

11. Solvency ratio

	as of 30 Sep 2013	as of 30 Jun 2013	as of 31 Dec 2012	as of 30 Sep 2012	as of 30 Jun 2012
Solvency ratio *	17.33%	15.25%	14.00%	13.09%	12.40%

*/ Starting from the report as at 30 June 2013. ING Bank Śląski S.A. reports capital requirement for credit risk on the basis of AIRB approach. The Bank applies such presentation under the letter of De Nederlandsche Bank (DNB) dated 04 July 2013. in which DNB along with the Polish Financial Supervision Authority consent to using AIRB approach for *institutions* and *entrepreneurs* exposure classes.

Previously the Bank was granted a consent for computing capital requirement for credit risk according to AIRB approach. however it was obliged to include the so called supervisory floor into the computation. Therefore. it was necessary to supplement the capital requirement for credit risk to the requirement computed using the standard approach (SA) in case when capital requirement for credit risk computed with AIRB was lower than the requirement computed under standard approach.

12. Significant events after the balance sheet date

None.

13. Transactions with related entities

Transactions with related entities have been described in the interim condensed consolidated financial statements in Chapter II. *Additional information* in item 14. *Transactions with related entities.*