2013

Quarterly consolidated report of the ING Bank Śląski Group S.A. for the 4 quarter 2013

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Selected financial data from financial statements (PLN million)

SELECTED FINANCIAL DATA FROM FINANCIAL STATEMENTS

• *Selected financial data*

	IV quarter 2013	4 quarters 2013	IV quarter 2012	4 quarters 2012
Interest income	891.4	3 614.7	977.9	3 831.5
Commission income	292.2	1 114.2	292.6	1 142.5
Result on basic activities	815.8	3 245.1	762.2	3 165.4
Result before tax	312.3	1 192.9	238.5	1 016.1
Net profit attributable to shareholders of ING Bank Śląski S.A.	250.5	961.5	190.0	832.3
Earnings per ordinary share (PLN)	1.93	7.39	1.46	6.40

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Loans and receivables to customers (net) excluding Eurobonds	48 552.1	48 382.1	45 205.6	45 542.6
Liabilities due to customers including matched funding for leasing portfolio	69 911.2	68 960.0	60 521.5	57 460.1
- matched funding	*2 580.8*	*2 768.3*	*2 664.0*	*2 597.4*
Total assets	86 752.0	84 639.5	78 266.8	73 637.8
Equity attributable to shareholders of ING Bank Śląski S.A.	8 626.3	8 269.2	8 133.8	7 424.9
Initial capital	130.1	130.1	130.1	130.1

• *Key effectiveness ratios*

	4 quarters 2013	4 quarters 2012	Change 4Q 2013 / 4Q 2012
C/I - Cost/Income ratio (%)	55.5	56.9	-1.4 p.p.
ROA - Return on assets (%)	1.2	1.1	+0.1 p.p.
ROE - Return on equity (%)	11.6	11.7	-0.1 p.p.
L/D - Loans-to-deposits ratio (%)	69.4	74.7	-5.3 p.p.
Solvency ratio (%)	17.56	14.55	+3.01 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 4.2110 - exchange rate calculated as the average of NBP exchange rates as at the last day of each month in 4 quarters 2013.
  - PLN 4.1736 - exchange rate calculated as the average of NBP exchange rates as at the last day of each month in 4 quarters 2012.
- for statement of financial positions items:
  - PLN 4.1472 - NBP exchange rate of 31 December 2013.
  - PLN 4.2163 - NBP exchange rate of 30 September 2013.
  - PLN 4.0882 - NBP exchange rate of 31 December 2012.
  - PLN 4.1138 - NBP exchange rate of 30 September 2012.

Interim condensed consolidated financial statements (PLN million)

I. Interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	4 Q 2013 the period from 01 Oct 2013 to 31 Dec 2013	4 Q 2013 YTD the period from 01 Jan 2013 to 31 Dec 2013	4 Q 2012 the period from 01 Oct 2012 to 31 Dec 2012	4 Q 2012 YTD the period from 01 Jan 2012 to 31 Dec 2012
- Interest income	7.1	891.4	3 614.7	977.9	3 831.5
- Interest expenses	7.1	346.0	1 572.1	472.1	1 782.6
Net interest income	7.1	**545.4**	**2 042.6**	**505.8**	**2 048.9**
- Commission income	7.2	292.2	1 114.2	292.6	1 142.5
- Commission expenses	7.2	38.7	137.6	36.9	138.2
Net commission income	7.2	**253.5**	**976.6**	**255.7**	**1 004.3**
Net income on financial instruments measured at fair value through profit or loss and FX result	7.3	10.1	97.9	0.6	85.5
Net income on investments	7.4	0.4	108.8	-0.2	24.6
Net income on hedge accounting	7.5	3.7	-1.5	-4.3	-13.3
Net income on other basic activities		2.7	20.7	4.6	15.4
Result on basic activities		**815.8**	**3 245.1**	**762.2**	**3 165.4**
General and administrative expenses	7.6	439.1	1 823.1	449.1	1 822.2
Impairment losses and provisions for off-balance sheet liabilities	7.7	76.4	267.2	84.7	362.8
Share in net profit (loss) of associated entities recognised under the equity method		12.0	38.1	10.1	35.7
Profit (loss) before tax		**312.3**	**1 192.9**	**238.5**	**1 016.1**
Income tax		61.8	231.4	48.5	183.8
Net profit (loss)		**250.5**	**961.5**	**190.0**	**832.3**
- attributable to shareholders of ING Bank Śląski S.A.		**250.5**	**961.5**	**190.0**	**832.3**

Net profit (loss) attributable to shareholders of ING Bank Śląski S.A.	**250.5**	**961.5**	**190.0**	**832.3**
Weighted average number of ordinary shares	**130 100 000**	**130 100 000**	**130 100 000**	**130 100 000**
Earnings per ordinary share (PLN)	**1.93**	**7.39**	**1.46**	**6.40**

Diluted earnings per share agrees with earnings per ordinary share

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	4 Q 2013 the period from 01 Oct 2013 to 31 Dec 2013	4 Q 2013 YTD the period from 01 Jan 2013 to 31 Dec 2013	4 Q 2012 the period from 01 Oct 2012 to 31 Dec 2012	4 Q 2012 YTD the period from 01 Jan 2012 to 31 Dec 2012
Net result for the period	**250.5**	**961.5**	**190.0**	**832.3**
Other comprehensive income, of which:	**105.7**	**-473.8**	**516.1**	**883.1**
- items which can be reclassified to income statement	101.7	-478.5	512.1	878.7
- items which will not be reclassified to income statement	4.0	4.7	4.0	4.4
Total comprehensive income for the period, of which:	**356.2**	**487.7**	**706.1**	**1 715.4**
- attributable to shareholders of ING Bank Śląski S.A.	356.2	487.7	706.1	1 715.4

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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SIGNATURE OF THE PERSON ENTRUSTED WITH KEEPING THE ACCOUNTING BOOKS

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

Katowice, 11-02-2014

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 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
A S S E T S					
- Cash in hand and balances with the Central Bank		6 970.1	4 577.6	4 071.6	2 126.0
- Loans and receivables to other banks	7.8	1 399.8	2 501.7	1 377.1	3 415.5
- Financial assets measured at fair value through profit and loss	7.9	1 951.4	1 603.7	1 554.6	1 522.6
- Valuation of derivatives		1 471.4	1 329.4	1 822.1	1 524.7
- Investments	7.10	19 493.6	19 794.0	17 881.1	13 536.1
- Derivative hedge instruments		1 051.9	994.1	1 112.6	675.3
- Loans and receivables to customers	7.11, 7.12	52 237.9	52 105.2	48 985.3	49 275.1
- Receivables from customers due to repo transactions		638.8	252.4	0.0	0.0
- Investments in controlled entities recognised under the equity method		136.5	124.4	114.4	104.3
- Non-financial assets	7.13	1 099.2	1 066.2	1 115.5	1 097.0
- Tax assets		121.3	103.0	38.6	45.2
- Other assets		180.1	187.8	193.9	316.0
T o t a l a s s e t s		**86 752.0**	**84 639.5**	**78 266.8**	**73 637.8**
E Q U I T Y A N D L I A B I L I T I E S					
LIABILITIES					
- Liabilities due to other banks	7.14	4 827.3	4 719.4	4 554.6	4 961.7
- Financial liabilities measured at fair value through profit and loss	7.15	1 234.2	693.7	3 003.4	2 758.7
- Valuation of derivatives		1 493.0	1 372.5	1 778.1	1 499.9
- Derivative hedge instruments		1 114.4	1 084.2	1 364.0	1 069.0
- Liabilities due to customers	7.16	67 330.4	66 191.7	57 857.5	54 862.7
- Liabilities due to customers under repo transactions		433.5	513.5	0.0	4.5
- Liabilities under issue of debt securities		566.4	571.5	567.1	0.0
- Provisions	7.17	67.8	67.3	72.8	65.4
- Tax liabilities		113.1	42.2	103.0	15.0
- Other liabilities		943.3	1 112.0	830.2	973.7
T o t a l l i a b i l i t i e s		**78 123.4**	**76 368.0**	**70 130.7**	**66 210.6**
EQUITY					
- Share capital		130.1	130.1	130.1	130.1
- Supplementary capital - issuance of shares over nominal value		956.3	956.3	956.3	956.3
- Revaluation reserve		524.3	419.3	999.7	483.6
- Revaluation of share-based payment		46.1	45.3	41.3	38.5
- Retained earnings		6 969.5	6 718.2	6 006.4	5 816.4
Equity attributable to shareholders of ING Bank Śląski S.A.		**8 626.3**	**8 269.2**	**8 133.8**	**7 424.9**
- Non-controlling interests		**2.3**	**2.3**	**2.3**	**2.3**
T o t a l e q u i t y		**8 628.6**	**8 271.5**	**8 136.1**	**7 427.2**
T o t a l e q u i t y a n d l i a b i l i t i e s		**86 752.0**	**84 639.5**	**78 266.8**	**73 637.8**

Net book value	**8 626.3**	**8 269.2**	**8 133.8**	**7 424.9**
Number of shares	**130 100 000**	**130 100 000**	**130 100 000**	**130 100 000**
Net book value per share (PLN)	**66.31**	**63.56**	**62.52**	**57.07**

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Katowice, 11-02-2014

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

4 Q 2013
the period from 01 Oct 2013 to 31 Dec 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	Actuarial gains/losses	Revaluation of share-based payment	Retained earnings	Non-controlling interests	**Total equity**
Opening balance of equity	**130.1**	**956.3**	**186.4**	**41.4**	**191.1**	**0.5**	**45.7**	**6 718.2**	**2.3**	**8 272.0**
Net result for the current period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**250.5**	**0.0**	**250.5**
Other comprehensive income, of which:	**0.0**	**0.0**	**87.3**	**1.8**	**14.4**	**1.4**	**0.0**	**0.8**	**0.0**	**105.7**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	_87.6_	-	-	-	-	-	-	**_87.6_**
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	_-0.3_	-	-	-	-	-	-	**_-0.3_**
- effective part of cash flow hedging instruments revaluation	-	-	-	-	_14.4_	-	-	-	-	**_14.4_**
- remeasurement of property, plant and equipment	-	-	-	_1.8_	-	-	-	_0.7_	-	**_2.5_**
- disposal of property, plant and equipment	-	-	-	_0.0_	-	-	-	_0.1_	-	**_0.1_**
- actuarial gains / losses	-	-	-	-	-	_1.4_	-	-	-	**_1.4_**
Transactions with owners, of which:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.4**	**0.0**	**0.0**	**0.4**
- revaluation of share-based payment	-	-	-	-	-	-	_0.4_	-	-	**_0.4_**
Closing balance of equity	**130.1**	**956.3**	**273.7**	**43.2**	**205.5**	**1.9**	**46.1**	**6 969.5**	**2.3**	**8 628.6**

4 Q 2013 YTD
the period from 01 Jan 2013 to 31 Dec 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	Actuarial gains/losses	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**	**0.0**	**41.3**	**6 006.4**	**2.3**	**8 136.1**
Net result for the current period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**961.5**	**0.0**	**961.5**
Other comprehensive income, of which:	**0.0**	**0.0**	**-317.0**	**1.2**	**-161.5**	**1.9**	**0.0**	**1.6**	**0.0**	**-473.8**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	_-229.3_	-	-	-	-	-	-	**_-229.3_**
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	_-87.7_	-	-	-	-	-	-	**_-87.7_**
- effective part of cash flow hedging instruments revaluation	-	-	-	-	_-161.5_	-	-	-	-	**_-161.5_**
- remeasurement of property, plant and equipment	-	-	-	_1.8_	-	-	-	_0.7_	-	**_2.5_**
- disposal of property, plant and equipment	-	-	-	_-0.6_	-	-	-	_0.9_	-	**_0.3_**
- actuarial gains / losses	-	-	-	-	-	_1.9_	-	-	-	**_1.9_**
Transactions with owners, of which:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**4.8**	**0.0**	**0.0**	**4.8**
- revaluation of share-based payment	-	-	-	-	-	-	_4.8_	-	-	**_4.8_**
Closing balance of equity	**130.1**	**956.3**	**273.7**	**43.2**	**205.5**	**1.9**	**46.1**	**6 969.5**	**2.3**	**8 628.6**

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Katowice, 11-02-2014

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
the period from 01 Oct 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	Actuarial gains/losses	Revaluation of share-based payment	Retained earnings	Non-controlling interests	Total equity
Opening balance of equity	**130.1**	**956.3**	**290.9**	**38.0**	**154.7**	**0.0**	**38.5**	**5 816.4**	**2.3**	**7 427.2**
Net result for the current period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**190.0**	**0.0**	**190.0**
Other comprehensive income, of which:	**0.0**	**0.0**	**299.8**	**4.0**	**212.3**	**0.0**	**0.0**	**0.0**	**0.0**	**516.1**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*302.7*	-	-	-	-	-	-	***302.7***
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-2.9*	-	-	-	-	-	-	***-2.9***
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*212.3*	-	-	-	-	***212.3***
- remeasurement of property, plant and equipment	-	-	-	*4.0*	-	-	-	-	-	***4.0***
Transactions with owners, of which:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**2.8**	**0.0**	**0.0**	**2.8**
- revaluation of share-based payment	-	-	-	-	-	-	*2.8*	-	-	***2.8***
Closing balance of equity	**130.1**	**956.3**	**590.7**	**42.0**	**367.0**	**0.0**	**41.3**	**6 006.4**	**2.3**	**8 136.1**

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	Actuarial gains/losses	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**	**0.0**	**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**	**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***
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*308.8*	-	-	-	-	***308.8***
- remeasurement of property, plant and equipment	-	-	-	*3.4*	-	-	-	-	-	***3.4***
- 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**	**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**	**0.0**	**41.3**	**6 006.4**	**2.3**	**8 136.1**

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Katowice, 11-02-2014

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Interim condensed consolidated financial statements (PLN million)

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	4 Q 2013 YTD the period from 01 Jan 2013 to 31 Dec 2013	4 Q 2012 YTD the period from 01 Jan 2012 to 31 Dec 2012
OPERATING ACTIVITIES		
Net profit (loss)	**961.5**	**832.3**
Adjustments	**2 102.0**	**-2 373.2**
- Share in net profit (loss) of associated entities	-38.1	-35.7
- Depreciation and amortisation	164.0	148.1
- Interest accrued (from the profit and loss account)	2 042.6	2 048.9
- Interest paid	1 496.0	1 748.0
- Interest received	-3 812.5	-4 107.8
- Dividends received	-3.4	-4.1
- Gains (losses) on investment activities	-0.7	-8.2
- Income tax (from the profit and loss account)	231.4	183.8
- Income tax paid	-304.0	44.6
- Change in provisions	-5.0	14.7
- Change in loans and other receivables to other banks	-132.2	-233.7
- Change in financial assets at fair value through profit or loss	-395.0	-915.5
- Change in available-for-sale financial assets	-1 963.8	-1 808.4
- Change in valuation of derivatives	65.6	120.3
- Change in derivative hedge instruments	-350.4	93.0
- Change in other receivables to customers	-3 660.7	-6 561.4
- Change in other assets	38.5	164.9
- Change in liabilities due to other banks	398.4	689.9
- Change in liabilities at fair value through profit or loss	-1 769.2	1 188.7
- Change in liabilities due to customers	9 980.7	4 961.9
- Change in other liabilities	119.8	-105.2
Net cash flow from operating activities	**3 063.5**	**-1 540.9**
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-77.5	-121.4
- Disposal of property, plant and equipment	0.1	2.8
- Purchase of intangible assets	-77.3	-58.8
- Purchase of investments in subordinated entities	0.0	-206.1
- Disposal of fixed assets held for sale	1.8	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	3.4	4.1
Net cash flow from investment activities	**-149.5**	**4 776.8**
FINANCIAL ACTIVITIES		
- Long-term loans received	726.0	458.1
- Long-term loans repaid	-810.5	-1 501.8
- Interest on long-term loans repaid	-39.4	-53.3
- Issue of debt securities	0.0	565.0
- Interest on debt securities issued	-0.7	0.0
Net cash flow from financial activities	**-124.6**	**-532.0**
Effect of exchange rate changes on cash and cash equivalents	***37.4***	***-100.7***
Net increase/decrease in cash and cash equivalents	**2 789.4**	**2 703.9**
Opening balance of cash and cash equivalents	**5 060.6**	**2 356.7**
Closing balance of cash and cash equivalents	**7 850.0**	**5 060.6**

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 Bank, Chief Accountant
Signed on the Polish original

Katowice, 11-02-2014

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

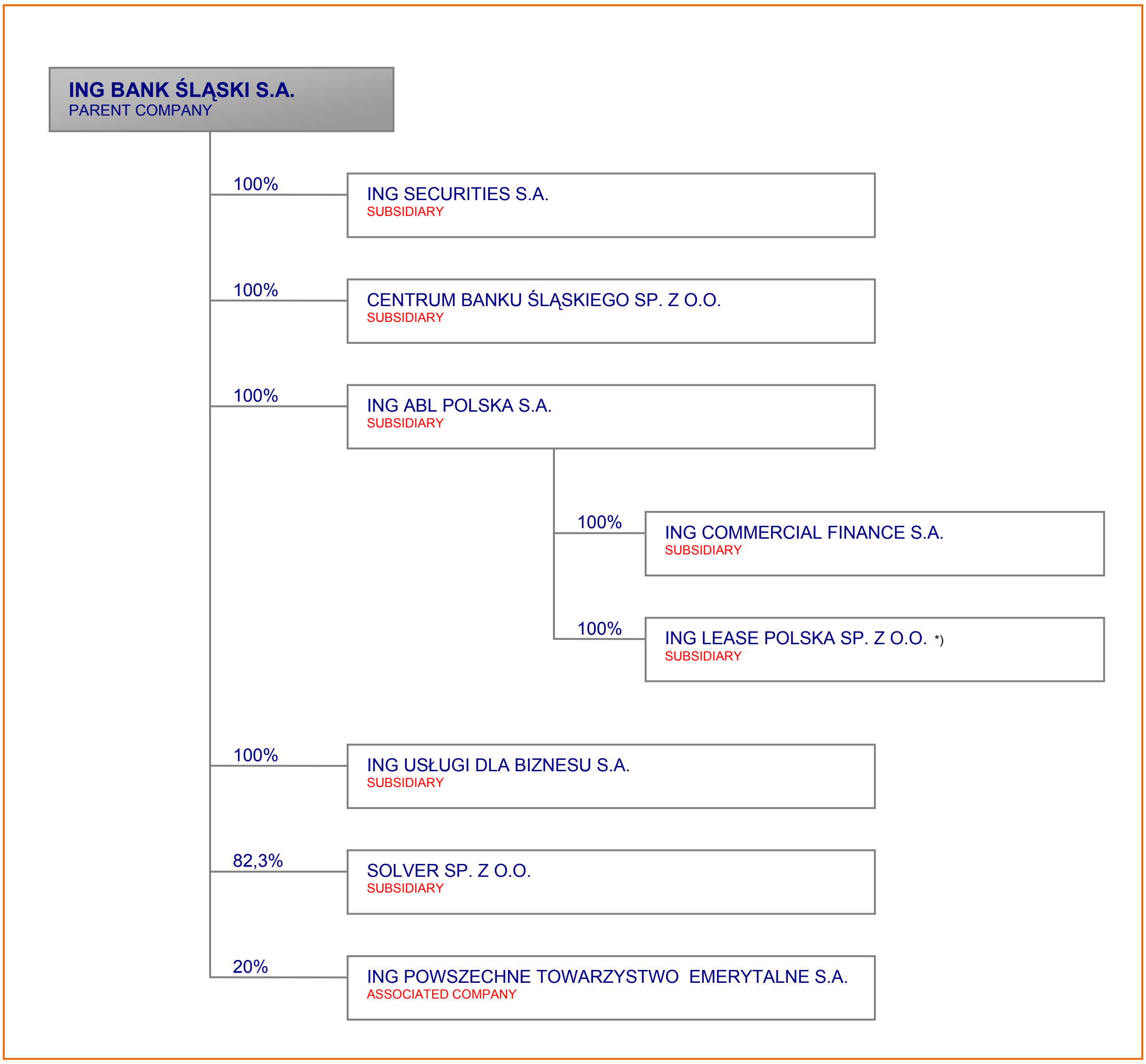
ING Bank Śląski S.A. offers a broad range of banking services rendered for individual and institutional clients in line with the scope of services outlined in the Bank’s charter. The Bank runs operations both in the home currency and in foreign currencies. The Bank is also active on the domestic and 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 31 December 2013, the share price of ING Bank Śląski S.A. was PLN 113.35, whereas during the same period last year it was at the level of PLN 91,00. In the 12 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 31 December 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.

<u>Increasing the share capital of ING Usługi dla Biznesu S.A. company</u>

In December 2013, ING Bank Śląski took up through private subscription 7,000 ordinary registered B-series shares of ING Usługi dla Biznesu S.A. ("ING UdB") company with the nominal value of PLN 1,000 each, for a total amount of PLN 7 million.

ING UdB is a subsidiary of ING Bank Śląski S.A. Before increased, the share capital of ING UdB was PLN 10 million. After increase registration on 19 December 2013, the share capital of ING UdB went up to PLN 17 million.

Interim condensed consolidated financial statements (PLN million)

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 31 December 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.

As at the date 31 December 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 31 December 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 11 February 2014.

2. Significant events in IV quarter 2013

2.1. Change of interest for ING Bank Śląski S.A.'s bonds

On 6 December 2013, due to commencing new, third coupon period and setting a new WIBOR rate for six-month deposits per the coupon period, the interest was changed for bonds series INGBS061217 of total nominal value of PLN 565,000,000.00 issued by the Bank on 6 December 2012 under the Own Debt Securities Issuance Programme of ING Bank Śląski S.A. The bonds interest for the subsequent coupon period is 3.59% per annum. The next coupon date falls on 6 June 2014. The other rights under the said bonds remain unchanged.

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 IV 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 31 December 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 31 December 2013, and interim condensed consolidated statement of financial position as at 31 December 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 4 quarters 2013 and 4 quarters 2012.

4.3. Financial statements scope and currency

These interim condensed consolidated financial statements of the Group for the IV 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.

4.4. Comparable data

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

Interim condensed consolidated financial statements (PLN million)

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 IV quarter 2013 (period from 1 October 2013 to 31 December 2013) as well as comparative data for the IV quarter 2012 (period from 1 October 2012 to 31 December 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 19 *Employee benefits*	The change concerns simplification of settling contributions which are independent from employee's seniority (e.g. contributions which are calculated as per a given remuneration part). Application date: accounting year starting on 1 July 2014 or later.	The standard implementation will not have a material impact on the financial statements of the Group.

Interim condensed consolidated financial statements (PLN million)

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.
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. On 19 November 2013 the standard was amended in the scope of 1. a new model of hedge accounting functioning, 2. recognising changes of fair value arising from own credit risk regarding financial liabilities measured at fair value, and 3. deleting the deadline for obligatory standard implementation, i.e. 1 January 2015. The new deadline shall be determined when the new standard project will be in its final stage.	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.

Interim condensed consolidated financial statements (PLN million)

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.
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.
Changes arising from IFRS reviews executed during the 2010-2012 cycle (published in December 2013)	The changes cover the matters discussed during the IFRS reviews commenced in 2010 and considered in the draft changes earlier presented for consultation, but not included in the final changes published in previous periods. The changes published apply to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24, IAS 38 and are of specifying nature. The deadlines for mandatory changes implementation were indicated in relevant standards.	Implementation does not have a material impact on the financial statements of the Group.
Changes arising from IFRS reviews executed during the 2011-2013 cycle (published in December 2013)	The changes cover the matters discussed during the IFRS reviews commenced in 2011 and considered in the draft changes earlier presented for consultation, but not included in the final changes published in previous periods. The changes published apply to IFRS 1, IFRS 3, IFRS 13, IAS 40 and are of specifying nature. The deadlines for mandatory changes implementation were indicated in relevant standards.	Implementation does not have a material 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).

Below presented are modifications introduced to the description of accounting principles applied by the Capital Group. The changes implemented in 4 quarter 2013 were editorial in nature and were aimed at enhancing the quality of the description of the accounting principles applied by the Group and making it more transparent.

5.1. Changes introduced to the description of impairment principles

The Group revised the description of principles in the available-for-sale financial assets item. Full text of the description is presented below.

The Group assesses as at each balance sheet date whether there is any objective evidence of impairment of financial assets classified as available for sale.

The evidence indicating that a financial asset or a group of financial assets have been impaired may result from one or more conditions which are presented hereinbelow:

- significant financial problems of the issuer (e.g. material negative equity, losses incurred in the current year exceeding the equity, termination of credit facility agreement of material value at other bank),
- breach of contractual terms and conditions, specifically with regard to default or delay in repayment of liabilities due (e.g. interest or nominal value), interpreted as materialisation of the issuer's credit risk,
- awarding the issuer with repayment facilities by their creditors, which would not be awarded in different circumstances,
- high probability of bankruptcy or other financial restructuring of the issuer,
- identification of financial assets impairment in the previous period,
- disappearance of the active market for financial assets that may be due to financial difficulties of the issuer,
- published analyses and forecasts of rating agencies or other units which confirm a given (high) risk profile of the financial asset,
- other tangible data pointing to determinable decrease in estimated future cash flows resulting from financial assets group which appeared upon their initial recognition in the Bank books. The data referred to hereinabove may concern unfavourable changes in the payment situation on the part of issuers from a certain group or unfavourable economic situation of a given country or its part, which translates into the repayment problems sustained by this group of assets.

Additional conditions indicating the possibility of impairment which, due their nature, concern equities:

- significant or long-lasting decrease in fair value of equities below their price/cost of purchase,
- decrease in fair value of equities is disproportionately high as compared to equities issued by other entities from the same sector,

- significant unexpected deterioration of the issuer's profits, flows or net assets as of the purchase date,
- reduction or cessation of dividend payout,
- significant reduction of the issuer's credit rating which took place after their purchase/initial recognition in the Bank books.

Significant or long-lasting decrease in fair value is evaluated on the basis of the following quantitative criteria pointing to the possibility of impairment occurrence:

- the current market price stays 25% below the purchase price for longer than 6 months,
- the current market price stays 40% below the purchase price,
- the current market price stays 10%-25% below the purchase price for longer than 12 months.

The quantitative criteria are used objectively (i.e. their occurrence constitutes the basis for impairment identification), however in case of confirming indisputable evidence it is also possible that:

- impairment is not identified, and
- impairment is identified, although quantitative criteria do not confirm it, yet other available, identified and confirmed conditions prove that such impairment has occurred.

In case of objective evidence for impairment of available-for-sale financial assets item, the aggregated losses so far recognized directly as equity are derecognized therefrom and recognized in the income statement, even if financial assets item has not been excluded from the balance sheet.

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

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

5.2. Changes introduced to the description of leasing principles

The Group updated the description of principles in the item titled: *Group as a lessee.* Full text of the description is presented below.

The Group is also a party to lease contracts, under which it takes another party's non-current assets or intangible assets for an agreed period for paid use or other benefits.

In case of lease contracts, under which essentially all risks and rewards resulting from ownership of the leased assets are transferred, subject of such lease agreement is recognized as a non-current asset, and a liability is recognized in the amount equal to the present value of minimum lease payments as of the date of commencement of the lease. Lease payments are divided into financial costs and reduction of the balance of the liability in such way as to achieve obtaining a fixed rate of interest on the outstanding liability. Financial costs are recognized directly in profit and loss account.

Interim condensed consolidated financial statements (PLN million)

Fixed assets which are the basis of the finance lease contract are depreciated in the manner defined for the Group's non-current assets. However, if it is uncertain whether the ownership of an asset has been transferred, then non-current assets used pursuant to finance lease contracts are depreciated over the shorter of two: the expected useful life or the period of lease.

Lease payments for contracts which do not fulfil qualifications of a finance lease agreement are recognized as costs in the profit and loss account in a straight-line method throughout the period of the lease. Currently, the Group does not act as a lessee under financial lease.

6. Comparability of financial data

Amendments to the Income Statement

In the interim condensed consolidated financial statements for Q4 2013, the Group made disclosure-related amendments regarding some items in the income statement, compared to the interim consolidated financial statements for Q4 2012. The change consisted in aggregating the *General and administrative expenses* item and the *Result on other operating income and expenses* to one item - *General and administrative expenses.*

The individual items of the consolidated income statement are presented below as they were presented in the interim consolidated financial statements for Q4 2012 (Table 1) and in the current statements (Table 2).

Table 1

	IV quarter 2012 the period from 1 Oct 2012 to 31 Dec 2012	**4 quarters 2012** the period from 1 Jan 2012 to 31 Dec 2012
General and administrative expenses	442.3	1 817.7
Result on other operating income and expenses	-6.8	-4.5

Table 2

	IV quarter 2012 the period from 1 Oct 2012 to 31 Dec 2012	**4 quarters 2012** the period from 1 Jan 2012 to 31 Dec 2012
General and administrative expenses	449.1	1 822.2

Amendments to the Statement of Financial Position

In the interim condensed consolidated financial statements for Q4 2013, the Group made a few disclosure-related amendments 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*".

Interim condensed consolidated financial statements (PLN million)

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.

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 3) and in the current financial statements (Table 4).

Table 3

	change	**as at 31.12.2012**	**as at 30.09.2012**
A S S E T S			
- Loans and receivables to customers	*1*	48 985.3	49 275.1
- Investment properties	*3*	120.9	118.7
- Property, plant and equipment	*3*	600.0	583.4
- Intangible assets	*3*	361.6	361.1
- Non-current assets held for sale	*3*	33.0	33.8
- Current tax assets	*4*	0.3	0.0
- Deferred tax assets	*4*	38.3	45.2
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
- Current tax liabilities	*5*	74.0	12.7
- Deferred tax liability	*5*	29.0	2.3

Table 4

	change	**as at 31.12.2012**	**as at 30.09.2012**
A S S E T S			
- Loans and receivables to customers	*1*	48 985.3	49 275.1
- Receivables from customers due to repo transactions	*1*	0.0	0.0
- Non-financial assets	*3*	1 115.5	1 097.0
- Tax assets	*4*	38.6	45.2
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	54 862.7
- Liabilities due to customers under repo transactions	*2*	0.0	4.5
- Tax liabilities	*5*	103.0	15.0

Interim condensed consolidated financial statements (PLN million)

7. Notes to interim condensed consolidated financial statements

7.1. Net interest income

	4 Q 2013 the period from 01 Oct 2013 to 31 Dec 2013	4 Q 2013 YTD the period from 01 Jan 2013 to 31 Dec 2013	4 Q 2012 the period from 01 Oct 2012 to 31 Dec 2012	4 Q 2012 YTD the period from 01 Jan 2012 to 31 Dec 2012
Interest income				
- interest on loans and receivables to banks	28.5	105.4	40.5	135.8
- interest on loans and receivables to customers, of which:	672.7	2 693.6	736.2	2 919.1
- interest on leasing agreements	*39.5*	*154.7*	*39.2*	*168.1*
- interest on factoring agreements	*22.7*	*85.8*	*27.1*	*103.0*
- interest on repo transactions concluded with customers	1.6	11.6	0.0	0.0
- interest on available-for-sale debt securities	171.9	736.2	180.9	542.0
- interest on debt securities held for trading	6.4	26.8	2.7	14.0
- interest on held-to-maturity debt securities	0.0	0.0	0.0	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	10.3	41.1	17.6	49.8
Total interest income	**891.4**	**3 614.7**	**977.9**	**3 831.5**
Interest expense				
- interest on deposits from banks	16.9	85.0	32.3	127.7
- interest on deposits from customers	321.5	1 449.6	437.8	1 652.9
- interest on repo transactions concluded with customers	1.2	10.0	0.0	0.0
- interest on issue of debt securities	5.1	24.4	2.0	2.0
- interest on financial liabilities held for trading	1.3	3.1	0.0	0.0
Total interest expense	**346.0**	**1 572.1**	**472.1**	**1 782.6**
Net interest income	**545.4**	**2 042.6**	**505.8**	**2 048.9**

Interim condensed consolidated financial statements (PLN million)

7.2. Net commission income

	4 Q 2013 the period from 01 Oct 2013 to 31 Dec 2013	4 Q 2013 YTD the period from 01 Jan 2013 to 31 Dec 2013	4 Q 2012 the period from 01 Oct 2012 to 31 Dec 2012	4 Q 2012 YTD the period from 01 Jan 2012 to 31 Dec 2012
Commission income				
- transaction margin on currency exchange transactions	69.2	260.2	67.4	271.1
- commission related to keeping accounts	64.2	257.7	62.8	249.5
- commission related to loans	44.5	194.2	46.5	178.5
- commission related to payment and credit cards	52.0	190.2	54.4	207.0
- commission related to distribution of participation units	22.0	75.4	16.9	61.6
- commission related to brokerage activity	10.6	46.3	14.5	56.7
- fiduciary and custodian fees	7.5	30.9	7.1	27.5
- commission related to factoring and lease agreements	7.3	26.3	5.5	22.3
- foreign commercial business	4.2	16.0	3.8	14.1
- commission related to insurance product offering	4.4	0.9	8.0	31.6
- commission related to subscription of structured products	0.0	0.0	0.4	1.5
- other	6.3	16.1	5.3	21.1
Total comission income	**292.2**	**1 114.2**	**292.6**	**1 142.5**
Commission expense	**38.7**	**137.6**	**36.9**	**138.2**
- of which costs of the Bank Guarantee Fund (BFG)	11.3	45.3	11.0	44.0
Net commission income	**253.5**	**976.6**	**255.7**	**1 004.3**

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

	4 Q 2013 the period from 01 Oct 2013 to 31 Dec 2013	4 Q 2013 YTD the period from 01 Jan 2013 to 31 Dec 2013	4 Q 2012 the period from 01 Oct 2012 to 31 Dec 2012	4 Q 2012 YTD the period from 01 Jan 2012 to 31 Dec 2012
Net income on financial assets and liabilities held for trading, of which:	**32.5**	**110.5**	**19.0**	**-311.9**
- Net income on debt instruments	3.4	27.1	-0.2	14.9
- Net income on derivatives, of which:	29.1	83.4	19.2	-326.8
- currency derivatives	*29.9*	*53.1*	*12.2*	*-356.1*
- interest rate derivatives	*-1.5*	*27.5*	*6.3*	*27.0*
- securities derivatives	*0.7*	*2.8*	*0.7*	*2.3*
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	***-22.4***	***-12.6***	***-18.4***	***398.0***
Net income on financial instruments measured at fair value through profit or loss and FX result	**10.1**	**97.9**	**0.6**	**85.5**

7.4. Net income on investments

	4 Q 2013 the period from 01 Oct 2013 to 31 Dec 2013	4 Q 2013 YTD the period from 01 Jan 2013 to 31 Dec 2013	4 Q 2012 the period from 01 Oct 2012 to 31 Dec 2012	4 Q 2012 YTD the period from 01 Jan 2012 to 31 Dec 2012
Net income on debt instruments available-for-sale	0.0	104.9	3.7	18.5
Net income on equity instruments available-for-sale	0.5	0.5	0.0	6.8
Dividend income	0.0	3.4	0.0	4.1
Impairment losses	-0.1	0.0	-3.9	-4.8
Net income on investments	**0.4**	**108.8**	**-0.2**	**24.6**

7.5. Net income on hedge accounting

	4 Q 2013 the period from 01 Oct 2013 to 31 Dec 2013	4 Q 2013 YTD the period from 01 Jan 2013 to 31 Dec 2013	4 Q 2012 the period from 01 Oct 2012 to 31 Dec 2012	4 Q 2012 YTD the period from 01 Jan 2012 to 31 Dec 2012
Fair value hedge accounting for securities	**4.1**	**-1.1**	**-4.2**	**-9.5**
- valuation of the hedged transaction	-13.4	-204.3	42.2	203.9
- valuation of the hedging transaction	17.5	203.2	-46.4	-213.4
Cash flow hedge accounting	**-0.4**	**-0.4**	**-0.1**	**-3.8**
- ineffectiveness that arises from cash flow hedges	-0.4	-0.4	-0.1	-3.8
Net income on hedge accounting	**3.7**	**-1.5**	**-4.3**	**-13.3**

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7.6. General and administrative expenses

	4 Q 2013 the period from 01 Oct 2013 to 31 Dec 2013	4 Q 2013 YTD the period from 01 Jan 2013 to 31 Dec 2013	4 Q 2012 the period from 01 Oct 2012 to 31 Dec 2012	4 Q 2012 YTD the period from 01 Jan 2012 to 31 Dec 2012
Personnel expenses	243.5	926.6	240.6	900.8
Cost of marketing and promotion	16.4	98.0	23.3	90.1
Amortization	44.1	164.0	44.7	148.1
Other general and administrative expenses	135.1	634.5	140.5	683.2
General and administrative expenses	**439.1**	**1 823.1**	**449.1**	**1 822.2**

7.6.1. Headcount

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

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
FTEs	8 502.7	8 510.1	8 519.2	8 514.8
Individuals	8 619	8 614	8 687	8 678

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

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
FTEs	8 048.1	8 068.6	8 081.9	8 086.9
Individuals	8 148	8 165	8 244	8 244

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

	4 Q 2013 the period from 01 Oct 2013 to 31 Dec 2013	4 Q 2013 YTD the period from 01 Jan 2013 to 31 Dec 2013	4 Q 2012 the period from 01 Oct 2012 to 31 Dec 2012	4 Q 2012 YTD the period from 01 Jan 2012 to 31 Dec 2012
Impairment losses	116.2	694.5	132.2	692.5
Release of impairment write-offs	-39.8	-427.3	-47.5	-329.7
Net impairment losses and provisions for off-balance sheet liabilities	**76.4**	**267.2**	**84.7**	**362.8**

Interim condensed consolidated financial statements (PLN million)

7.8. Loans and receivables to other banks

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Current accounts	869.0	892.9	977.2	1 108.9
Interbank deposits	235.7	1 465.5	25.3	1 802.1
Loans and advances	70.6	65.3	139.0	149.6
Factoring receivables	80.0	62.2	158.3	166.3
Reverse repo transactions	133.7	0.0	66.0	158.1
Other receivables	10.9	16.4	11.8	31.0
Total (gross)	**1 399.9**	**2 502.3**	**1 377.6**	**3 416.0**
Impairment losses, of which:	-0.1	-0.6	-0.5	-0.5
- concerning loans and advances	*-0.1*	*-0.1*	*0.0*	*-0.1*
- concerning factoring receivables	*0.0*	*-0.5*	*-0.5*	*-0.4*
Total (net)	**1 399.8**	**2 501.7**	**1 377.1**	**3 415.5**

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

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Financial assets held for trading, of which:	1 951.4	1 603.7	507.6	994.0
- debt instruments	*1 276.3*	*1 056.7*	*507.6*	*994.0*
- repo transactions	*675.1*	*547.0*	*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
- repo transactions	*0.0*	*0.0*	*1 047.0*	*528.6*
- debt instruments	*0.0*	*0.0*	*0.0*	*0.0*
Total	**1 951.4**	**1 603.7**	**1 554.6**	**1 522.6**

7.10. Investments

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Available-for-sale financial assets, of which:	19 493.6	19 794.0	17 881.1	13 536.1
- debt instruments,including:	*19 466.3*	*19 766.9*	*17 863.8*	*13 516.3*
- hedged items in fair value hedging	*1 971.6*	*1 543.2*	*1 042.3*	*1 027.4*
- equity instruments	*27.3*	*27.1*	*17.3*	*19.8*
Total	**19 493.6**	**19 794.0**	**17 881.1**	**13 536.1**

Interim condensed consolidated financial statements (PLN million)

7.11. Loans and receivables to customers

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Portfolio of loans and receivables, of which:	**49 982.2**	**49 764.4**	**46 509.7**	**46 744.8**
- Loans and advances	41 690.3	41 697.3	38 898.3	39 366.5
- Leasing receivables	3 650.5	3 526.6	3 233.9	3 135.4
- Factoring receivables	2 465.7	2 452.2	2 212.1	2 028.9
- Corporate and municipal bonds	2 175.7	2 088.3	2 165.4	2 214.0
Other receivables, of which:	**3 815.3**	**3 838.9**	**3 904.8**	**3 890.2**
- T-eurobonds	3 685.8	3 723.1	3 779.7	3 732.5
- Other	129.5	115.8	125.1	157.7
Total loans and receivables to customers (gross)	**53 797.5**	**53 603.3**	**50 414.5**	**50 635.0**
Impairment losses, of which:	**-1 559.6**	**-1 498.1**	**-1 429.2**	**-1 359.9**
- concerning portfolio of loans and receivables, of which:	-1 554.4	-1 492.9	-1 424.0	-1 354.7
- concerning loans and advances	-1 482.8	-1 360.1	-1 287.4	-1 233.7
- concerning leasing receivables	-59.7	-54.4	-69.4	-68.2
- concerning factoring receivables	-11.9	-9.4	-9.4	-6.3
- concerning corporate and municipal bonds	0.0	-69.0	-57.8	-46.5
- concerning other receivables	-5.2	-5.2	-5.2	-5.2
Total loans and receivables to customers (net), of which:	**52 237.9**	**52 105.2**	**48 985.3**	**49 275.1**
- to entities from the financial sector other than banks	*1 568.1*	*1 531.0*	*1 645.4*	*1 525.5*
- to entities from the non-financial sector	*43 409.1*	*43 262.1*	*39 645.0*	*40 103.6*
- to entities from the government and self-government institutions' sector	*7 260.7*	*7 312.1*	*7 694.9*	*7 646.0*

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

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Loans and advances, of which:	1 457.9	1 432.6	1 533.8	1 409.0
- in the current account	*66.8*	*110.2*	*127.9*	*46.3*
- term ones	*1 391.1*	*1 322.4*	*1 405.9*	*1 362.7*
Leasing receivables	0.4	0.6	0.6	0.6
Other receivables	110.6	98.0	111.6	112.8
Total (gross)	**1 568.9**	**1 531.2**	**1 646.0**	**1 525.9**
Impairment losses, of which	-0.8	-0.2	-0.6	-0.4
- concerning loans and advances	-0.8	-0.2	-0.6	-0.4
Total (net)	**1 568.1**	**1 531.0**	**1 645.4**	**1 525.5**

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

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Business entities, of which:	**25 951.0**	**25 993.4**	**24 052.9**	**24 740.8**
- Loans and advances, of which:	18 761.5	18 870.2	17 364.0	18 187.9
- in the current account	*5 223.0*	*5 612.6*	*4 978.3*	*5 440.7*
- term ones	*13 538.5*	*13 257.6*	*12 385.7*	*12 747.2*
- Leasing receivables	3 509.9	3 395.0	3 132.8	3 054.8
- Factoring receivables	2 416.5	2 408.4	2 168.2	1 982.0
- Corporate bonds	1 244.8	1 302.6	1 376.0	1 472.5
- Other receivables	18.3	17.2	11.9	43.6
Households, of which:	**19 015.9**	**18 766.0**	**17 019.9**	**16 721.5**
- Loans and advances, of which:	18 842.6	18 601.9	16 910.1	16 632.4
- in the current account	*1 435.5*	*1 456.9*	*1 379.0*	*1 401.6*
- term ones	*17 407.1*	*17 145.0*	*15 531.1*	*15 230.8*
- Leasing receivables	140.2	131.0	87.9	68.9
- Factoring receivables	32.6	32.6	20.6	19.0
- Other receivables	0.5	0.5	1.3	1.2
Total (gross)	**44 966.9**	**44 759.4**	**41 072.8**	**41 462.3**
Impairment losses, of which:	**-1 557.8**	**-1 497.3**	**-1 427.8**	**-1 358.7**
- Business entities, of which:	**-1 062.3**	**-1 018.8**	**-960.6**	**-912.3**
- concerning loans and advances	-986.4	-881.8	-820.2	-788.1
- concerning leasing receivables	-59.5	-54.2	-69.1	-67.9
- concerning factoring receivables	-11.7	-9.1	-8.8	-5.1
- concerning corporate bonds	0.0	-69.0	-57.8	-46.5
- concerning other receivables	-4.7	-4.7	-4.7	-4.7
- Households, of which:	**-495.5**	**-478.5**	**-467.2**	**-446.4**
- concerning loans and advances	-494.6	-477.5	-465.8	-444.5
- concerning leasing receivables	-0.2	-0.2	-0.3	-0.3
- concerning factoring receivables	-0.2	-0.3	-0.6	-1.1
- concerning other receivables	-0.5	-0.5	-0.5	-0.5
Total (net)	**43 409.1**	**43 262.1**	**39 645.0**	**40 103.6**

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

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Loans and advances, of which:	2 628.3	2 792.6	3 090.4	3 137.2
- in the current account	*32.6*	*132.4*	*9.5*	*86.4*
- term ones	*2 595.7*	*2 660.2*	*3 080.9*	*3 050.8*
Leasing receivables	0.0	0.0	12.6	11.1
Factoring receivables	16.6	11.2	23.3	24.4
Municipal bonds	930.9	785.7	789.4	741.5
T-eurobonds	3 685.8	3 723.1	3 779.7	3 732.5
Other receivables	0.1	0.1	0.3	0.1
Total (gross)	**7 261.7**	**7 312.7**	**7 695.7**	**7 646.8**
Impairment losses, of which:	-1.0	-0.6	-0.8	-0.8
- concerning loans and advances	-1.0	-0.6	-0.8	-0.8
Total (net)	**7 260.7**	**7 312.1**	**7 694.9**	**7 646.0**

Portfolio of loans and receivables by client segment

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Gross value, of which:	**49 982.2**	**49 764.4**	**46 509.7**	**46 744.8**
Corporate banking segment, of which:	31 476.7	31 502.9	29 877.7	30 382.7
- loans and advances	*23 357.6*	*23 566.9*	*22 354.6*	*23 074.3*
- leasing receivables	*3 510.3*	*3 395.5*	*3 145.9*	*3 066.5*
- factoring receivables	*2 433.1*	*2 452.2*	*2 211.8*	*2 027.9*
- corporate and municipal bonds	*2 175.7*	*2 088.3*	*2 165.4*	*2 214.0*
Retail banking segment, of which:	18 505.5	18 261.5	16 632.0	16 362.1
- mortgages	*14 018.2*	*13 838.8*	*12 602.3*	*12 331.7*
- other loans and advances	*4 487.3*	*4 422.7*	*4 029.7*	*4 030.4*
Impairment losses, of which:	**-1 554.4**	**-1 492.9**	**-1 424.0**	**-1 354.7**
Corporate banking segment, of which:	-1 067.5	-1 022.3	-953.5	-907.5
- loans and advances	*-994.4*	*-887.5*	*-817.7*	*-787.7*
- leasing receivables	*-60.9*	*-55.9*	*-69.1*	*-68.0*
- factoring receivables	*-12.2*	*-9.9*	*-8.9*	*-5.3*
- corporate and municipal bonds	*0.0*	*-69.0*	*-57.8*	*-46.5*
Retail banking segment, of which:	-486.9	-470.6	-470.5	-447.2
- mortgages	*-137.1*	*-137.3*	*-87.8*	*-85.8*
- other loans and advances	*-349.8*	*-333.3*	*-382.7*	*-361.4*
Net value, of which:	**48 427.8**	**48 271.5**	**45 085.7**	**45 390.1**
Corporate banking segment, of which:	30 409.2	30 480.6	28 924.2	29 475.2
- loans and advances	*22 363.2*	*22 679.4*	*21 536.9*	*22 286.6*
- leasing receivables	*3 449.4*	*3 339.6*	*3 076.8*	*2 998.5*
- factoring receivables	*2 420.9*	*2 442.3*	*2 202.9*	*2 022.6*
- corporate and municipal bonds	*2 175.7*	*2 019.3*	*2 107.6*	*2 167.5*
Retail banking segment, of which:	18 018.6	17 790.9	16 161.5	15 914.9
- mortgages	*13 881.1*	*13 701.5*	*12 514.5*	*12 245.9*
- other loans and advances	*4 137.5*	*4 089.4*	*3 647.0*	*3 669.0*

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7.12. Quality of portfolio of loans and advances

Quality of credits portfolio

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

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Corporate activity				
Exposure	**31 476.7**	**31 502.9**	**29 877.7**	**30 382.7**
- unimpaired (IBNR)	29 663.1	29 791.7	28 500.4	28 858.4
- impaired	1 813.6	1 711.2	1 377.3	1 524.3
Impairment losses and provisions	**1 081.0**	**1 038.7**	**975.8**	**927.4**
- related to unimpaired portfolio	47.9	44.3	58.0	78.6
- related to impaired portfolio	1 019.6	978.0	895.5	828.9
- provisions for off-balance sheet liabilities	13.5	16.4	22.3	19.9
Share of the impaired portfolio	5.8%	5.4%	4.6%	5.0%
Impaired portfolio coverage ratio (%)	56.2%	57.2%	65.0%	54.4%
Retail activity				
Exposure	**18 505.5**	**18 261.5**	**16 632.0**	**16 362.1**
- unimpaired (IBNR)	18 004.5	17 778.4	16 114.3	15 863.2
- impaired	501.0	483.1	517.7	498.9
Impairment losses	**486.9**	**470.6**	**470.5**	**447.2**
- related to unimpaired portfolio	103.5	105.2	70.4	96.0
- related to impaired portfolio	383.4	365.4	400.1	351.2
Share of the impaired portfolio	2.7%	2.6%	3.1%	3.0%
Impaired portfolio coverage ratio (%)	76.5%	75.6%	77.3%	70.4%
Total exposure	**49 982.2**	**49 764.4**	**46 509.7**	**46 744.8**
Impairment losses and total provisions, of which:	**1 567.9**	**1 509.3**	**1 446.3**	**1 374.6**
- impairment losses	1 554.4	1 492.9	1 424.0	1 354.7
- provisions for off-balance sheet liabilities	13.5	16.4	22.3	19.9
Total portfolio coverage ratio	3.1%	3.0%	3.1%	2.9%
Share of the impaired portfolio	4.6%	4.4%	4.1%	4.3%
Impaired portfolio coverage ratio (%)	**60.6%**	**61.2%**	**68.4%**	**58.3%**

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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)

4 Q 2013 the period from 01 Oct 2013 to 31 Dec 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	**1 319.2**	***0.6***	**190.7**	**1 509.9**
Changes in the period (due to):	**60.5**	***-0.5***	**-2.4**	**58.1**
- changes in income statement	*73.4*	*-0.5*	*3.0*	***76.4***
- depreciation	*-9.2*	*0.0*	*0.0*	***-9.2***
- restructuring and forgiveness of the debts related to transactions on derivatives	*0.0*	*0.0*	*-5.4*	***-5.4***
- transfer of provisions from off-balance sheet after their repayment	*1.7*	*0.0*	*0.0*	***1.7***
- other (inclusive FX differences, adjustment of interest income on impaired loans)	*-5.4*	*0.0*	*0.0*	***-5.4***
Closing balance of impairment losses	**1 379.7**	***0.1***	**188.3**	**1 568.0**

4 Q 2013 YTD the period from 01 Jan 2013 to 31 Dec 2013				
Opening balance of impairment losses	**1 237.5**	***0.5***	**209.3**	**1 446.8**
Changes in the period (due to):	**142.2**	***-0.4***	**-21.0**	**121.2**
- changes in income statement	*264.2*	*-0.4*	*3.0*	***267.2***
- depreciation	*-169.7*	*0.0*	*0.0*	***-169.7***
- restructuring and forgiveness of the debts related to transactions on derivatives	*0.0*	*0.0*	*-24.0*	***-24.0***
- transfer of provisions from off-balance sheet after their repayment	*13.4*	*0.0*	*0.0*	***13.4***
- other (inclusive FX differences, adjustment of interest income on impaired loans)	*34.3*	*0.0*	*0.0*	***34.3***
Closing balance of impairment losses	**1 379.7**	***0.1***	**188.3**	**1 568.0**

4 Q 2012 the period from 01 Oct 2012 to 31 Dec 2012				
Opening balance of impairment losses	**1 162.1**	***0.5***	**213.1**	**1 375.2**
Changes in the period (due to):	**75.4**	***0.0***	**-3.8**	**71.6**
- changes in income statement	*84.6*	*0.0*	*0.0*	***84.6***
- depreciation	*-2.8*	*0.0*	*0.0*	***-2.8***
- restructuring and forgiveness of the debts related to transactions on derivatives	*0.0*	*0.0*	*-3.8*	***-3.8***
- transfer of provisions from off-balance sheet after their repayment	*2.0*	*0.0*	*0.0*	***2.0***
- other (inclusive FX differences, adjustment of interest income on impaired loans)	*-8.4*	*0.0*	*0.0*	***-8.4***
Closing balance of impairment losses	**1 237.5**	***0.5***	**209.3**	**1 446.8**

4 Q 2012 YTD the period from 01 Jan 2012 to 31 Dec 2012				
Opening balance of impairment losses	**862.8**	***0.2***	**256.8**	**1 119.6**
Changes in the period (due to):	**374.7**	***0.3***	**-47.5**	**327.2**
- changes in income statement	*352.2*	*0.3*	*10.6*	***362.8***
- depreciation	*-48.5*	*0.0*	*0.0*	***-48.5***
- restructuring and forgiveness of the debts related to transactions on derivatives	*0.0*	*0.0*	*-58.1*	***-58.1***
- purchase of subsidiaries	*82.8*	*0.0*	*0.0*	***82.8***
- transfer of provisions from off-balance sheet after their repayment	*12.0*	*0.0*	*0.0*	***12.0***
- other (inclusive FX differences, adjustment of interest income on impaired loans)	*-23.8*	*0.0*	*0.0*	***-23.8***
Closing balance of impairment losses	**1 237.5**	***0.5***	**209.3**	**1 446.8**

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7.13. Non-financial assets

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Investment real estates	121.4	120.9	120.9	118.7
Property, plant and equipment	576.6	544.3	600.0	583.4
Intangible assets	365.9	352.0	361.6	361.1
Property, plant and equipment held for sale	35.3	49.0	33.0	33.8
Total	**1 099.2**	**1 066.2**	**1 115.5**	**1 097.0**

7.14. Liabilities due to other banks

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Current accounts	961.9	771.8	896.4	396.8
Interbank deposits	1 230.7	699.6	781.6	1 531.8
Repo transactions	28.7	459.7	176.2	419.7
Loans received*	2 580.8	2 768.3	2 664.0	2 597.4
Other liabilities	25.2	20.0	36.4	16.0
Total	**4 827.3**	**4 719.4**	**4 554.6**	**4 961.7**

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

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Financial liabilities held for trading, of which:	613.1	547.0	0.0	0.0
- repo transactions	*613.1*	*547.0*	*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
- repo transactions	*0.0*	*0.0*	*2 067.5*	*2 448.3*
Book short position in trading securities	621.1	146.7	935.9	310.4
Total	**1 234.2**	**693.7**	**3 003.4**	**2 758.7**

7.16. Liabilities due to customers

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Deposits	66 326.6	65 049.6	56 793.8	53 895.8
Other liabilities	1 003.7	1 142.1	1 063.7	966.9
Total liabilities due to customers, of which:	**67 330.4**	**66 191.7**	**57 857.5**	**54 862.7**
- due to entities from the financial sector other than banks	*2 998.7*	*3 668.5*	*3 503.8*	*3 180.0*
- due to entities from the non-financial sector	*62 231.3*	*60 576.7*	*52 251.1*	*50 048.9*
- due to entities from the government and self-government institutions' sector	*2 100.4*	*1 946.5*	*2 102.6*	*1 633.8*

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Liabilities due to entities from the financial sector other than banks

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Deposits, of which:	2 925.7	3 450.3	3 327.2	3 048.3
- current accounts	*1 994.1*	*2 575.3*	*2 292.6*	*2 527.5*
- term deposit	*931.6*	*875.0*	*1 034.6*	*520.8*
Other liabilities	72.9	218.2	176.6	131.7
Total	**2 998.7**	**3 668.5**	**3 503.8**	**3 180.0**

Liabilities due to entities from the non-financial sector

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Business entities, of which:	**18 602.4**	**17 472.3**	**14 567.4**	**13 912.0**
- Deposits, of which:	17 746.3	16 618.3	13 739.9	13 132.6
- current accounts	*15 184.9*	*14 435.3*	*11 395.0*	*10 246.7*
- term deposit	*2 561.4*	*2 183.0*	*2 344.9*	*2 885.9*
- Other liabilities	856.1	854.0	827.5	779.4
Households, of which:	**43 628.9**	**43 104.4**	**37 683.7**	**36 136.9**
- Deposits, of which:	43 563.8	43 042.2	37 627.7	36 082.7
- current accounts	*6 456.3*	*5 897.2*	*7 520.3*	*5 909.6*
- saving accounts	*32 105.0*	*32 005.4*	*22 986.7*	*23 488.3*
- term deposit	*5 002.5*	*5 139.6*	*7 120.7*	*6 684.8*
- Other liabilities	65.1	62.2	56.0	54.2
Total	**62 231.3**	**60 576.7**	**52 251.1**	**50 048.9**

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

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Deposits, of which:	2 090.8	1 938.8	2 099.0	1 632.2
- current accounts	*2 029.0*	*1 511.7*	*1 982.1*	*1 318.5*
- term deposit	*61.8*	*427.1*	*116.9*	*313.7*
Other liabilities	9.6	7.7	3.6	1.6
Total	**2 100.4**	**1 946.5**	**2 102.6**	**1 633.8**

7.17. Provisions

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Provision for issues in dispute	21.6	20.6	20.6	19.3
Provisions for off-balance sheet liabilities	13.5	16.4	22.3	20.0
Provision for retirement benefits	20.4	21.3	20.3	17.5
Provision for unused holidays	12.2	8.9	9.5	8.5
Provision for employment restructuring	0.1	0.1	0.1	0.1
Total	**67.8**	**67.3**	**72.8**	**65.4**

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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.

as of 31 Dec 2013

	Level I	**Level II**	**Level III**	**Total**
Financial assets, of which:	**18 867.6**	**5 098.0**	**2.7**	**23 968.3**
- Financial assets held for trading, of which:	476.5	1 474.9	0.0	1 951.4
- repo transactions	*0.0*	*675.1*	*0.0*	*675.1*
- treasury bonds	*476.5*	*0.0*	*0.0*	*476.5*
- NBP bills	*0.0*	*799.8*	*0.0*	*799.8*
- Valuation of derivatives	0.0	1 471.4	0.0	1 471.4
- Financial assets available-for sale, of which:	18 391.1	1 099.8	2.7	19 493.6
- treasury bonds	*16 463.9*	*0.0*	*0.0*	*16 463.9*
- NBP bills	*0.0*	*1 099.8*	*0.0*	*1 099.8*
- BGK bonds	*1 902.6*	*0.0*	*0.0*	*1 902.6*
- equity instruments	*24.6*	*0.0*	*2.7*	*27.3*
- Derivative hedge instruments	0.0	1 051.9	0.0	1 051.9
Financial liabilities, of which:	**621.1**	**3 220.5**	**0.0**	**3 841.6**
- Financial liabilities held for trading, of which:	0.0	613.1	0.0	613.1
- repo transactions	*0.0*	*613.1*	*0.0*	*613.1*
- Book short position in trading securities	621.1	0.0	0.0	621.1
- Valuation of derivatives	0.0	1 493.0	0.0	1 493.0
- Derivative hedge instruments	0.0	1 114.4	0.0	1 114.4

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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 0.6 million as at 31 December 2013 and PLN 0.8 million as at 31 December 2012. (in the fourth quarter of 2013, the Group sold part of shares of that company, the value of sold shares was PLN 0.3 million at the time of the sale).
- Shares of two companies moved from the 3rd to the 1st valuation level; the said companies were taken over by the Group by means of debt restructuring and the Group 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 since the beginning of 2013 were valuated directly on quotations. In the fourth quarter of 2013, the Group sold the shares of the one of mentioned companies. Fair value of the shares held in the Group's portfolio totalled PLN 24.0 million as at 31 December 2013 and PLN 13.4 million as at 31 December 2012 (of which PLN 11.7 million related to the shares still held by the Group and PLN 1.7 million related to shares sold by Group).

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 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
A. Own equity in the statement of financial position, of which:	**8 626.7**	**8 271.5**	**8 136.1**	**7 427.2**
A.I. Own equity included in tier 1 capital, of which:	**7 548.0**	**7 544.3**	**6 699.9**	**6 700.3**
- share capital	*130.1*	*130.1*	*130.1*	*130.1*
- supplementary capital - agio	*956.3*	*956.3*	*956.3*	*956.3*
- supplementary capital - other	*136.8*	*136.8*	*96.7*	*96.6*
- reserve capital	*4 715.1*	*4 715.1*	*4 004.4*	*4 004.4*
- general risk fund	*1 010.2*	*1 010.2*	*960.2*	*960.2*
- retained profit of past years and profit during the approval	*145.9*	*145.1*	*112.8*	*112.9*
- net profit of current period in audited part	*476.6*	*476.6*	*439.1*	*439.1*
- non-controlling interests	*2.3*	*2.3*	*2.3*	*2.3*
- revaluation reserve from measurement of available-for-sale financial assets (unrealised losses)	*-25.3*	*-28.2*	*-2.0*	*-1.6*
A.II. Own equity included in tier 2 capital, of which:	**295.3**	**212.0**	**585.4**	**289.0**
- revaluation reserve from measurement of available-for-sale financial assets (unrealised gains)	*295.3*	*212.0*	*585.4*	*289.0*
A.III. Own equity excluded from own funds calculation, of which:	***783.4***	***515.2***	***850.8***	***437.9***
- revaluation reserve from measurement of available-for-sale financial assets	*3.7*	*2.6*	*7.3*	*3.5*
- revaluation reserve from measurement of property, plant and equipment	*43.2*	*41.4*	*42.0*	*38.0*
- revaluation reserve from measurement of cash flow hedging instruments	*205.5*	*191.1*	*367.0*	*154.7*
- revaluation of share-based payment	*46.1*	*45.7*	*41.3*	*38.5*
- net profit of current period in unaudited part	*484.9*	*234.4*	*393.2*	*203.2*
B. Other elements of own funds (decreases and increases), of which:	**-477.1**	**-477.2**	**-488.1**	**-503.7**
B.I. Other elements of tier 1 capital:	**-438.8**	**-434.1**	**-447.1**	**-452.6**
- intangible assets	*-365.9*	*-352.0*	*-361.6*	*-361.1*
- capital commitments in financial institutions (50%)	*-20.0*	*-20.0*	*-20.0*	*-20.0*
- amount of expected losses (50%)	*-52.9*	*-62.1*	*-65.5*	*-71.5*
B.II. Other elements of tier 2 capital:	**-73.0**	**-82.2**	**-85.4**	**-91.5**
- capital commitments in financial institutions (50%)	*-20.0*	*-20.0*	*-20.0*	*-20.0*
- amount of expected losses (50%)	*-53.0*	*-62.2*	*-65.4*	*-71.5*
B.III. Short-term capital	**34.7**	**39.1**	**44.4**	**40.4**
Own funds taken into account in solvency ratio calculation (A.I. + A.II. + B.I. + B.II. + B.III.), of which:	**7 366.2**	**7 279.1**	**6 797.2**	**6 485.6**
- Tier 1 capital (A.I. + B.I.)	7 109.2	7 110.2	6 252.8	6 247.7
- Tier 2 capital (A.II. + B.II.)	222.3	129.8	500.0	197.5
- Short-term capital (B.III.)	34.7	39.1	44.4	40.4

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Capital requirements	**as of 31 Dec 2013**	**as of 30 Sep 2013**	**as of 31 Dec 2012**	**as of 30 Sep 2012**
- Capital requirements for credit risk, credit counterparty, dilution and delivery of instruments for future settlement	2 882.7	2 844.5	3 285.8	3 349.6
- Capital requirements for the risk of settlement - delivery	10.3	10.3	13.0	12.2
- Capital requirements for operational risk	437.6	437.6	405.9	405.9
- Capital requirements for general interest rate risk	24.5	28.9	31.4	28.2
- Supplement to the overall level of capital requirements	0.0	26.7	0.0	0.0
Total capital requirement	**3 355.1**	**3 348.0**	**3 736.1**	**3 795.9**
Capital adequacy ratio *	**17.56%**	**17.39%**	**14.55%**	**13.67%**

*) 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”.

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

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

- further economic recovery in Poland - according to the Central Statistical Office, in Q3 2013 GDP growth rate was 1.9% (y/y) versus 0.8% (y/y) in Q2 2013. According to the forecasts by ING Bank Śląski S.A., in the coming quarters GDP can grow respectively by 2.5% (y/y) in Q4 2013 and 2.7% in Q1 2014. This would give the growth of 1.5% over 2013 year, versus 1.9% last year,
- gradual improvement in private consumption and plans regarding accelerated and intensive EU funds absorption in 2014 and 2015 (infrastructural investment projects and investment projects of local government units). Changes to the pension system cutting down the current budget spending allow for such actions. Revival on the part of industrial output and new requisitions should win investors for private sector over time,
- change on the labour market – as at the end of Q3 2013, the unemployment rate was 13.0% versus 12.4% last year. Upon excluding the seasonal factors, the unemployment rate stopped growing in mid-year and the corporate survey-dependent indicators suggest that the labour demand is slowly growing. Moreover, due to very low inflation levels, the pay rise scale and coverage remain low. As a result, it is difficult for households to abandon their prudent spending attitude adopted during the economic downturn,
- main interest rates in Poland – inflation remains very low, with no pressure on its growth visible, except for the impact of administrative decisions (excise increase). Such situation enables the Monetary Policy Council to keep the interest rates unchanged (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 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Contingent liabilities granted	19 046.8	18 518.2	16 559.9	15 925.6
Contingent liabilities received	36 631.9	36 465.6	38 516.1	42 477.5
Off-balance sheet financial instruments	215 504.3	219 435.9	133 546.7	136 847.1
Total off-balance sheet items	**271 183.0**	**274 419.7**	**188 622.7**	**195 250.2**

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

None in Q4 2013, while in Q4 2012, the Bank issued the first bonds under the Own Debt Securities Issuance Programme of ING Bank Śląski S.A.

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)

	IV quarter 2013 the period from 1 Oct 2013 to 31 Dec 2013	**4 quarters 2013** the period from 1 Jan 2013 to 31 Dec 2013	**IV quarter 2012** the period from 1 Oct 2012 to 31 Dec 2012	**4 quarters 2012** the period from 1 Jan 2012 to 31 Dec 2012
Status at the period beginning	**20.6**	**20.6**	**19.3**	**21.0**
Establishment of provisions	1.3	1.6	1.5	1.9
Release of provisions	-0.1	-0.3	-1.1	-4.1
Utilisation of provision	-0.2	-0.3	-0.2	-0.5
Acquisition of subsidiaries	0.0	0.0	1.1	2.3
Status as at the period end	**21.6**	**21.6**	**20.6**	**20.6**

Either in IV quarter 2013 or IV 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 31 December 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 12 months of 2013 amounted to PLN 49.8 million versus PLN 87.1 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 47,9 million versus PLN 41.8 million in the analogous period of the previous year (gross amounts).

Transactions with related entities (in PLN million)

31.12.2013

	ING Bank NV	Other ING Group	Subsidiary undertakings*	Associated undertakings*
Receivables				
Nostro accounts	24.5	15.6	-	-
Deposits placed	55.3	-	-	-
Loans	-	11.5	3 629.1	-
Positive valuation of derivatives	324.8	207.1	0.3	-
Repo	133.7	-	-	-
Other receivables	4.1	0.9	0.5	-
Liabilities				
Deposits received	940.9	1 190.6	464.7	57.3
Loans received	2 306.0	-	-	-
Loro accounts	46.7	8.5	-	-
Negative valuation of derivatives	261.1	229.4	0.4	-
Repo	28.8	424.3	-	-
Other liabilities	3.5	-	-	-
Off-balance-sheet operations				
Contingent liabilities	1 467.0	57.3	1 584.9	0.1
FX transactions	4 512.5	37.6	-	-
Forward transactions	10.2	-	-	-
IRS	10 295.0	3 552.9	9.5	-
FRA	829.4	-	-	-
Options	1 440.7	1 495.3	52.6	-
Revenue and costs**				
Revenue	-26.6	-8.3	106.0	-2.2
Costs	52.2	40.0	20.7	-

*/ 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)

31.12.2012

	ING Bank NV	Other ING Group	Subsidiary undertakings*	Associated undertakings*
Receivables				
Nostro accounts	29.6	27.1	-	-
Loans	-	3.1	3 138.3	-
Positive valuation of derivatives	379.7	347.6	0.6	-
Repo	66.0	-	-	-
Other receivables	4.8	0.7	-	-
Liabilities				
Deposits received	420.1	1 058.5	515.2	56.7
Loans received	2 489.5	-	-	-
Loro accounts	20.4	14.8	-	-
Negative valuation of derivatives	363.1	371.2	0.2	-
Repo	89.1	-	-	-
Other liabilities	3.6	-	0.3	-
Off-balance-sheet operations				
Contingent liabilities	1 218.3	41.0	945.7	-
FX transactions	1 017.5	57.0	-	-
Forward transactions	57.9	2.5	-	-
IRS	7 863.4	5 723.6	11.5	-
Options	722.9	1 770.0	52.4	-
Revenue and costs**				
Revenue	-66.6	-15.7	132.0	-2.8
Costs	81.0	39.8	16.7	-

*/ 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 4 quarters 2013, the Bank did not change the reporting for its operating segments against 4 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	**4 quarters 2013** the period from 01 Jan 2013 to 31 Dec 2013		
	Retail banking segment	**Corporate banking segment**	**TOTAL**
Revenue total*	**1 615.8**	**1 667.4**	**3 283.2**
Net interest income	1 031.5	1 011.1	2 042.6
external	*362.8*	*1 679.8*	*2 042.6*
internal	*668.7*	*-668.7*	*0.0*
Net commission income	422.8	553.8	976.6
Other income/expenses	123.4	102.5	225.9
Share in net profit (loss) of associated entities recognised under the equity method	38.1	0.0	38.1
Expenses total	**1 115.2**	**707.9**	**1 823.1**
Result before risk	**500.6**	**959.5**	**1 460.1**
Impairment losses	128.4	138.8	267.2
Result after impairment losses (profit before tax)	**372.2**	**820.7**	**1 192.9**
Income tax	-	-	231.4
Result after tax	-	-	**961.5**
- attributable to shareholders of ING Bank Śląski S.A.	-	-	**961.5**

PLN million	**IV quarter 2013** the period from 01 Oct 2013 to 31 Dec 2013		
	Retail banking segment	**Corporate banking Segment**	**TOTAL**
Revenue total*	**423.4**	**404.4**	**827.8**
Net interest income	285.5	259.9	545.4
external	*123.9*	*421.5*	*545.4*
internal	*161.6*	*-161.6*	*0.0*
Net commission income	115.7	137.8	253.5
Other income/expenses	10.2	6.7	16.9
Share in net profit (loss) of associated entities recognised under the equity method	12.0	0.0	12.0
Expenses total	**265.8**	**173.3**	**439.1**
Result before risk	**157.6**	**231.1**	**388.7**
Impairment losses	17.0	59.4	76.4
Result after impairment losses (profit before tax)	**140.6**	**171.7**	**312.3**
Income tax	-	-	61.8
Result after tax	-	-	**250.5**
- attributable to shareholders of ING Bank Śląski S.A.	-	-	**250.5**

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

PLN million	**4 quarters 2012** the period from 01 Jan 2012 to 31 Dec 2012		
	Retail banking segment	**Corporate banking segment**	**TOTAL**
Revenue total*	**1 549.8**	**1 651.3**	**3 201.1**
Net interest income	1 003.5	1 045.4	2 048.9
external	*244.7*	*1 804.2*	*2 048.9*
internal	*758.8*	*-758.8*	*0.0*
Net commission income	457.7	546.6	1 004.3
Other income/expenses	52.9	59.3	112.2
Share in net profit (loss) of associated entities recognised under the equity method	35.7	0.0	35.7
Expenses total	**1 101.0**	**721.2**	**1 822.2**
Result before risk	**448.8**	**930.1**	**1 378.9**
Impairment losses	90.1	272.7	362.8
Result after impairment losses (profit before tax)	**358.7**	**657.4**	**1 016.1**
Income tax	-	-	183.8
Result after tax	-	-	**832.3**
- attributable to shareholders of ING Bank Śląski S.A.	-	-	**832.3**

PLN million	**IV quarter 2012** the period from 01 Oct 2012 to 31 Dec 2012		
	Retail banking segment	**Corporate banking segment**	**TOTAL**
Revenue total*	**376.9**	**395.4**	**772.3**
Net interest income	241.3	264.5	505.8
external	*77.2*	*428.6*	*505.8*
internal	*164.1*	*-164.1*	*0.0*
Net commission income	116.1	139.6	255.7
Other income/expenses	9.4	-8.7	0.7
Share in net profit (loss) of associated entities recognised under the equity method	10.1	0.0	10.1
Expenses total	**267.2**	**181.9**	**449.1**
Result before risk	**109.7**	**213.5**	**323.2**
Impairment losses	24.1	60.6	84.7
Result after impairment losses (profit before tax)	**85.6**	**152.9**	**238.5**
Income tax	-	-	48.5
Result after tax	-	-	**190.0**
- attributable to shareholders of ING Bank Śląski S.A.	-	-	**190.0**

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

Interim condensed consolidated financial statements (PLN million)

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. At the turn of 2012 and 2013, 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.

At the beginning of 2014, Fitch Agency carried out another annual rating review at the Bank. Also, as a result of this review, all the ratings were affirmed (Fitch Agency's press release of 24 January 2014 and full report on the Bank's rating of 5 February 2014).

As at 31.12.2013, 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 31.12.2013, the Bank had the rating of financial credibility, issued by the agency:

Interim condensed consolidated financial statements (PLN million)

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

In H2 2013, the Moody's Agency confirmed all the existing ratings of the Bank (C*redit Opinion* of 30 October 2013).

16.2. Number of Branches and ATMs

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

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Number of outlets	417	421	426	432

As at the end of December 2013 the Bank had a network of 792 ATMs[1] compared with 772 ATMs as at the end of December 2012.

As at the end of December 2013, the Bank also had a network of 725 cash deposit machines[2], compared with 696 deposit machines as at the end of December 2012.

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 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
ING BankOnLine and ING BusinessOnLine	2 575 708	2 518 352	2 350 269	2 293 958
HaloŚląski	1 605 063	1 556 803	1 433 433	1 387 112
SMS	1 558 299	1 126 603	1 035 575	1 003 993
ING BankMobile	243 627	182 787	88 421	63 463
ING BusinessMobile	3 712	2 676	-	-

The monthly number of transactions in December 2013 was at the level of 19.5 million, whereas at the end of December 2012 it was 16.4 million.

[1] Including duals the number of which as of the end of December 2013 was 426.
[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.

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:

(in thousands)	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Payment cards, of which:	2 562	2 820	2 437	2 456
Debit cards	*2 271*	*2 532*	*2 144*	*2 188*
Credit cards	*200*	*200*	*201*	*202*
Other cards	*91*	*88*	*92*	*66*

ING Bank Śląski S.A. offers also paywave and virtual cards. By the end of December 2013, clients were issued 1,884.2 thousand proximity cards in total[4] (1,516.4 thousand as at the end of December 2012) and 36.7 thousand Virtual C@rds (34.2 thousand as at the end of December 2012).

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

Interim condensed consolidated financial statements (PLN million)

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

2014-02-11	**Małgorzata Kołakowska**	President	*(signed on the Polish original)*
2014-02-11	**Mirosław Boda**	Vice-President	*(signed on the Polish original)*
2014-02-11	**Michał Bolesławski**	Vice-President	*(signed on the Polish original)*
2014-02-11	**Joanna Erdman**	Vice-President	*(signed on the Polish original)*
2014-02-11	**Justyna Kesler**	Vice-President	*(signed on the Polish original)*
2014-02-11	**Oscar Edward Swan**	Vice-President	*(signed on the Polish original)*
2014-02-11	**Ignacio Juliá Vilar**	Vice-President	*(signed on the Polish original)*

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2014-02-11	**Tomasz Biłous**	Director of Bank, Chief Accountant	*(signed on the Polish original)*

Interim condensed standalone financial statements (PLN million)

III. Interim condensed standalone financial statement of the Bank

INTERIM CONDENSED STANDALONE INCOME STATEMENT

	4 Q 2013 the period from 01 Oct 2013 to 31 Dec 2013	4 Q 2013 YTD the period from 01 Jan 2013 to 31 Dec 2013	4 Q 2012 the period from 01 Oct 2012 to 31 Dec 2012	4 Q 2012 YTD the period from 01 Jan 2012 to 31 Dec 2012
- Interest income	853.3	3 467.9	943.5	3 678.6
- Interest expenses	339.0	1 543.1	466.9	1 747.3
Net interest income	**514.3**	**1 924.8**	**476.6**	**1 931.3**
- Commission income	275.2	1 043.4	271.8	1 058.5
- Commission expenses	35.4	124.4	31.8	119.8
Net commission income	**239.8**	**919.0**	**240.0**	**938.7**
Net income on financial instruments measured at fair value through profit or loss and FX result	9.4	94.2	0.4	83.6
Net income on investments	0.4	146.0	-0.2	61.7
Net income on hedge accounting	3.7	-1.5	-4.3	-13.3
Net income on other basic activities	0.3	4.1	0.0	-1.2
Result on basic activities	**767.9**	**3 086.6**	**712.5**	**3 000.8**
General and administrative expenses	408.0	1 709.9	418.6	1 710.1
Impairment losses and provisions for off-balance sheet liabilities	58.4	236.6	76.2	350.1
Profit (loss) before tax	**301.5**	**1 140.1**	**217.7**	**940.6**
Income tax	61.5	220.0	44.5	182.8
Net result for the current period	**240.0**	**920.1**	**173.2**	**757.8**

Net profit (loss)	**240.0**	**920.1**	**173.2**	**757.8**
Weighted average number of ordinary shares	**130 100 000**	**130 100 000**	**130 100 000**	**130 100 000**
Earnings per ordinary share (PLN)	**1.84**	**7.07**	**1.33**	**5.82**

Diluted earnings per share agrees with earnings per ordinary share

INTERIM CONDENSED STANDALONE STATEMENT OF COMPREHENSIVE INCOME

	4 Q 2013 the period from 01 Oct 2013 to 31 Dec 2013	4 Q 2013 YTD the period from 01 Jan 2013 to 31 Dec 2013	4 Q 2012 the period from 01 Oct 2012 to 31 Dec 2012	4 Q 2012 YTD the period from 01 Jan 2012 to 31 Dec 2012
Net result for the period	**240.0**	**920.1**	**173.2**	**757.8**
Other comprehensive income, of which:	**103.6**	**-475.9**	**512.0**	**879.0**
- items which can be reclassified to income statement	101.6	-478.6	512.1	878.7
- items which will not be reclassified to income statement	2.0	2.7	-0.1	0.3
Total comprehensive income for the period	**343.6**	**444.2**	**685.2**	**1 636.8**

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 Bank, Chief Accountant
Signed on the Polish original

Katowice, 11-02-2014

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 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
A S S E T S				
- Cash in hand and balances with the Central Bank	6 970.1	4 577.6	4 071.6	2 126.0
- Loans and receivables to other banks	1 388.9	2 485.3	1 365.3	3 384.5
- Financial assets measured at fair value through profit and loss	1 951.4	1 603.7	1 554.6	1 522.6
- Valuation of derivatives	1 471.7	1 329.8	1 822.7	1 525.2
- Investments	19 492.9	19 793.4	17 880.5	13 535.5
- Derivative hedge instruments	1 051.9	994.1	1 112.6	675.3
- Loans and receivables to customers	49 119.6	48 908.3	45 764.0	46 118.4
- Receivables from customers due to repo transactions	638.8	252.4	0.0	0.0
- Investments in controlled entities recognised under the equity method	461.4	454.4	454.4	454.4
- Non-financial assets	946.5	914.6	965.2	947.7
- Tax assets	63.5	49.4	0.0	10.4
- Other assets	115.2	130.7	168.3	292.5
T o t a l a s s e t s	**83 671.9**	**81 493.7**	**75 159.2**	**70 592.5**
E Q U I T Y A N D L I A B I L I T I E S				
LIABILITIES				
- Liabilities due to other banks	2 239.2	1 949.7	1 870.0	2 363.8
- Financial liabilities measured at fair value through profit and loss	1 234.2	693.7	3 003.4	2 758.7
- Valuation of derivatives	1 493.4	1 372.9	1 778.3	1 500.5
- Derivative hedge instruments	1 114.4	1 084.2	1 364.0	1 069.0
- Liabilities due to customers	67 250.6	66 176.6	57 782.6	54 724.5
- Liabilities due to customers under repo transactions	433.5	513.5	0.0	4.5
- Liabilities under issue of debt securities	566.4	571.5	567.1	0.0
- Provisions	63.7	63.9	68.9	62.0
- Tax liabilities	110.3	38.1	97.3	11.5
- Other liabilities	838.3	1 046.2	748.8	907.2
T o t a l l i a b i l i t i e s	**75 344.0**	**73 510.3**	**67 280.4**	**63 401.7**
EQUITY				
- Share capital	130.1	130.1	130.1	130.1
- Supplementary capital - issuance of shares over nominal value	956.3	956.3	956.3	956.3
- Revaluation reserve	513.4	410.3	990.7	478.7
- Revaluation of share-based payment	46.1	45.3	41.3	38.5
- Retained earnings	6 682.0	6 441.4	5 760.4	5 587.2
T o t a l e q u i t y	**8 327.9**	**7 983.4**	**7 878.8**	**7 190.8**
T o t a l e q u i t y a n d l i a b i l i t i e s	**83 671.9**	**81 493.7**	**75 159.2**	**70 592.5**

Net book value	**8 327.9**	**7 983.4**	**7 878.8**	**7 190.8**
Number of shares	**130 100 000**	**130 100 000**	**130 100 000**	**130 100 000**
Net book value per share (PLN)	**64.01**	**61.36**	**60.56**	**55.27**

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

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Katowice, 11-02-2014

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

4 Q 2013
the period from 01 Oct 2013 to 31 Dec 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	Actuarial gains/losses	Revaluation of share-based payment	Retained earnings	**Total equity**
Opening balance of equity	**130.1**	**956.3**	**186.0**	**32.8**	**191.1**	**0.4**	**45.7**	**6 441.4**	**7 983.8**
Net result for the current period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**240.0**	**240.0**
Other comprehensive income, of which:	**0.0**	**0.0**	**87.2**	**0.1**	**14.4**	**1.4**	**0.0**	**0.6**	**103.7**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*87.6*	-	-	-	-	-	*87.6*
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-0.4*	-	-	-	-	-	*-0.4*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*14.4*	-	-	-	*14.4*
- remeasurement of property, plant and equipment	-	-	-	*0.1*	-	-	-	*0.6*	*0.7*
- actuarial gains/losses	-	-	-	-	-	*1.4*	-	-	*1.4*
Transactions with owners, of which:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.4**	**0.0**	**0.4**
- revaluation of share-based payment	-	-	-	-	-	-	*0.4*	-	*0.4*
Closing balance of equity	**130.1**	**956.3**	**273.2**	**32.9**	**205.5**	**1.8**	**46.1**	**6 682.0**	**8 327.9**

4 Q 2013 YTD
the period from 01 Jan 2013 to 31 Dec 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	Actuarial gains/losses	Revaluation of share-based payment	Retained earnings	**Total equity**
Opening balance of equity	**130.1**	**956.3**	**590.3**	**33.4**	**367.0**	**0.0**	**41.3**	**5 760.5**	**7 878.9**
Net result for the current period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**920.1**	**920.1**
Other comprehensive income, of which:	**0.0**	**0.0**	**-317.1**	**-0.5**	**-161.5**	**1.8**	**0.0**	**1.4**	**-475.9**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*-229.3*	-	-	-	-	-	*-229.3*
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-87.8*	-	-	-	-	-	*-87.8*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*-161.5*	-	-	-	*-161.5*
- remeasurement of property, plant and equipment	-	-	-	*0.1*	-	-	-	*0.6*	*0.7*
- disposal of property, plant and equipment	-	-	-	*-0.6*	-	-	-	*0.8*	*0.2*
- actuarial gains/losses	-	-	-	-	-	*1.8*	-	-	*1.8*
Transactions with owners, of which:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**4.8**	**0.0**	**4.8**
- revaluation of share-based payment	-	-	-	-	-	-	*4.8*	-	*4.8*
Closing balance of equity	**130.1**	**956.3**	**273.2**	**32.9**	**205.5**	**1.8**	**46.1**	**6 682.0**	**8 327.9**

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Katowice, 11-02-2014

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
the period from 01 Oct 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	Actuarial gains/losses	Revaluation of share-based payment	Retained earnings	**Total equity**
Opening balance of equity	**130.1**	**956.3**	**290.5**	**33.5**	**154.7**	**0.0**	**38.5**	**5 587.2**	**7 190.8**
Net result for the current period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**173.2**	**173.2**
Other comprehensive income, of which:	**0.0**	**0.0**	**299.8**	**-0.1**	**212.3**	**0.0**	**0.0**	**0.0**	**512.0**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*302.7*	-	-	-	-	-	*302.7*
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-2.9*	-	-	-	-	-	*-2.9*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*212.3*	-	-	-	*212.3*
- remeasurement of property, plant and equipment	-	-	-	*-0.1*	-	-	-	-	*-0.1*
Transactions with owners, of which:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**2.8**	**0.0**	**2.8**
- revaluation of share-based payment	-	-	-	-	-	-	*2.8*	-	*2.8*
Closing balance of equity	**130.1**	**956.3**	**590.3**	**33.4**	**367.0**	**0.0**	**41.3**	**5 760.4**	**7 878.8**

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	Actuarial gains/losses	Revaluation of share-based payment	Retained earnings	**Total equity**
Opening balance of equity	**130.1**	**956.3**	**20.4**	**34.8**	**58.2**	**0.0**	**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**	**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*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*308.8*	-	-	-	*308.8*
- remeasurement of property, plant and equipment	-	-	-	*-0.7*	-	-	-	-	*-0.7*
- 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**	**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**	**0.0**	**41.3**	**5 760.4**	**7 878.8**

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Director of Bank, Chief Accountant
Signed on the Polish original

Katowice, 11-02-2014

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 CASH FLOW STATEMENT

	4 Q 2013 YTD the period from 01 Jan 2013 to 31 Dec 2013	4 Q 2012 YTD the period from 01 Jan 2012 to 31 Dec 2012
OPERATING ACTIVITIES		
Net profit (loss)	**920.1**	**757.8**
Adjustments	**1 981.6**	**-3 385.8**
- Depreciation and amortisation	160.4	145.7
- Interest accrued (from the profit and loss account)	1 924.8	1 931.3
- Interest paid	1 472.3	1 788.2
- Interest received	-3 589.2	-3 878.0
- Dividends received	-40.6	-41.3
- Gains (losses) on investment activities	-0.8	-7.1
- Income tax (from the profit and loss account)	220.0	182.8
- Income tax paid	-270.5	76.4
- Change in provisions	-5.2	12.3
- Change in loans and other receivables to other banks	-132.4	-233.5
- Change in financial assets at fair value through profit or loss	-395.0	-915.5
- Change in available-for-sale financial assets	-1 963.8	-1 808.3
- Change in valuation of derivatives	66.1	119.9
- Change in derivative hedge instruments	-350.4	93.0
- Change in other receivables to customers	-3 840.0	-3 448.2
- Change in other assets	57.4	-38.5
- Change in liabilities due to other banks	368.7	-3 082.0
- Change in liabilities at fair value through profit or loss	-1 769.2	1 188.7
- Change in liabilities due to customers	9 972.8	4 699.7
- Change in other liabilities	96.2	-171.4
Net cash flow from operating activities	**2 901.7**	**-2 628.0**
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-73.5	-119.8
- Disposal of property, plant and equipment	0.1	0.5
- Purchase of intangible assets	-72.7	-56.0
- Purchase of investments in subordinated entities	-7.0	-216.1
- Disposal of fixed assets held for sale	1.8	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	40.6	41.3
Net cash flow from investment activities	**-110.7**	**4 806.1**
FINANCIAL ACTIVITIES		
- Issue of debt securities	0.0	565.0
- Interest on debt securities issued	-0.7	0.0
Net cash flow from financial activities	**-0.7**	**565.0**
Effect of exchange rate changes on cash and cash equivalents	***37.4***	***-100.7***
Net increase/decrease in cash and cash equivalents	**2 790.3**	**2 743.1**
Opening balance of cash and cash equivalents	**5 048.8**	**2 305.7**
Closing balance of cash and cash equivalents	**7 839.1**	**5 048.8**

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Katowice, 11-02-2014

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 4 quarters 2013 and 4 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 IV 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 31 December 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 IV 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 31 December 2013, and interim condensed standalone statement of financial position as at 31 December 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 31 December 2012 for the interim condensed standalone income statement; the interim condensed standalone statement of comprehensive income, the interim condensed standalone cash flow statement and 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 September 2013, 31 December 2012 and 30 September 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 IVI 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 11 February 2014.

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 IV 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 Q4 2013, the Bank made disclosure-related amendments regarding some items in the income statement and in 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 IV quarter 2013

Significant events that occurred in IV quarter 2013 are described in the interim condensed consolidated financial statement in Chapter II. *Additional information* in item 2. *Significant events in IV 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 in Q4 2013, while in Q4 2012, the Bank issued the first bonds under the Own Debt Securities Issuance Programme of ING Bank Śląski S.A.

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

10. Off-balance sheet items

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Contingent liabilities granted	18 739.8	18 275.2	15 803.1	15 775.2
Contingent liabilities received	35 201.0	35 147.2	37 324.3	41 412.3
Off-balance sheet financial instruments	215 566.4	219 499.4	133 610.6	136 916.3
Total off-balance sheet items	**269 507.2**	**272 921.8**	**186 738.0**	**194 103.8**

Interim condensed standalone financial statements (PLN million)

11. Solvency ratio

	as of 31 Dec 2013	as of 30 Sep 2013	as of 31 Dec 2012	as of 30 Sep 2012
Solvency ratio *	17.48%	17.33%	14.00%	13.09%

*/ 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.*

Interim condensed standalone financial statements (PLN million)

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

2014-02-11	**Małgorzata Kołakowska**	President	*(signed on the Polish original)*
2014-02-11	**Mirosław Boda**	Vice-President	*(signed on the Polish original)*
2014-02-11	**Michał Bolesławski**	Vice-President	*(signed on the Polish original)*
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2014-02-11	**Oscar Edward Swan**	Vice-President	*(signed on the Polish original)*
2014-02-11	**Ignacio Juliá Vilar**	Vice-President	*(signed on the Polish original)*

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2014-02-11	**Tomasz Biłous**	Director of Bank, Chief Accountant	*(signed on the Polish original)*