

2014

**Quarterly consolidated report
of the ING Bank Śląski Group S.A.
for the 3 quarter 2014**

Table of contents

Selected financial data from financial statements.....	1
I. Interim condensed consolidated financial statements.....	3
Interim condensed consolidated income statement.....	3
Interim condensed consolidated statement of comprehensive income.....	3
Interim condensed consolidated statement of financial position.....	4
Interim condensed consolidated statement of changes in equity.....	5
Interim condensed consolidated cash flow statement.....	8
II Additional information.....	9
1. Information on the Bank and the Capital Group	9
2. Significant events in 3 quarter 2014.....	12
3. Significant events after the balance sheet date.....	13
4. Compliance with International Financial Reporting Standards.....	13
5. Material accounting principles.....	19
6. Comparability of financial data.....	20
7. Notes to interim condensed consolidated financial statements.....	23
8. Factors potentially affecting the financial results in the following quarters.....	42
9. Off-balance sheet items.....	42
10. Issues, redemption or repayments of debt securities and equities.....	42
11. Dividends paid.....	43
12. Settlements due to disputable cases.....	43
13. Seasonality or cyclicity of activity.....	43
14. Transaction with related entities.....	43
15. Segmentation of revenue and financial result of the Group.....	45
16. Other informations.....	49
III. Interim condensed standalone financial statement of the Bank.....	53
Interim condensed standalone income statement.....	53
Interim condensed standalone statement of comprehensive income.....	53
Interim condensed standalone statement of financial position.....	54
Interim condensed standalone statement of changes in equity.....	55
Interim condensed standalone cash flow statement.....	58
1. Introduction	59
2. Material accounting principles	60
3. Accounting estimates.....	61
4. Comparability of financial data.....	61
5. Significant events in 3 quarter 2014.....	62
6. Seasonality or cyclicity of activity.....	62
7. Issues, redemption or repayments of debt securities and equities.....	62
8. Dividends paid.....	62
9. Acquisitions.....	62
10. Off-balance sheet items.....	62
11. Total capital ratio.....	62
12. Significant events after the balance sheet date.....	63
13. Transaction with related entities.....	63

SELECTED FINANCIAL DATA FROM FINANCIAL STATEMENTS

Selected financial data

	III quarter 2014	3 quarters 2014	III quarter 2013	3 quarters 2013
Interest income	962.2	2 798.6	895.4	2 723.3
Commission income	286.4	889.0	267.0	821.2
Result on basic activities	897.3	2 666.5	801.8	2 463.3
Result before tax	342.6	1 055.0	288.6	880.6
Net profit attributable to shareholders of ING Bank Śląski S.A.	273.0	809.9	234.4	711.0
Earnings per ordinary share (PLN)	2.10	6.23	1.80	5.47

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Loans and receivables to customers (net) excluding Eurobonds	56 418.5	53 595.5	48 552.1	48 382.1	46 678.2
Liabilities due to customers including matched funding for leasing portfolio	74 200.3	72 211.2	69 911.2	68 960.0	64 674.7
- <i>matched funding</i>	2 713.7	2 625.8	2 580.8	2 768.3	2 726.0
Total assets	96 848.5	98 261.8	86 750.6	84 639.5	81 790.6
Equity attributable to shareholders of ING Bank Śląski S.A.	9 931.6	9 158.7	8 626.3	8 269.2	8 131.2
Initial capital	130.1	130.1	130.1	130.1	130.1

Key effectiveness ratios

	3 quarters 2014	3 quarters 2013	Change 3Q 2014 / 3Q 2013
C/I - Cost/Income ratio (%)	53.8	57.0	-3.2 p.p.
ROA - Return on assets (%)	1.2	1.1	+0.1 p.p.
ROE - Return on equity (%)	11.8	11.2	+0.6 p.p.
NIM - net interest margin (%)	2.72	2.69	+0.03 p.p.
L/D - Loans-to-deposits ratio (%)	76.0	70.2	+5.8 p.p.
Total capital ratio (%)	14.18	15.83	-1.65p.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.

NIM – total net interest income for 4 consecutive quarters to average interest assets for 5 consecutive 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.

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

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 4.1803 - exchange rate calculated as the average of NBP exchange rates as at the last day of each month in 3 quarters 2014.
 - PLN 4.2231 - exchange rate calculated as the average of NBP exchange rates as at the last day of each month in 3 quarter 2013.
- for statement of financial positions items:
 - PLN 4.1755 - NBP exchange rate of 30 September 2014.
 - PLN 4.1609 - NBP exchange rate of 30 June 2014.
 - PLN 4.1472 - NBP exchange rate of 31 December 2013.
 - PLN 4.2163 - NBP exchange rate of 30 September 2013.
 - PLN 4.3292 - NBP exchange rate of 30 June 2013.

I. Interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

Note	3 Q 2014 the period from 01 Jul 2014 to 30 Sep 2014	3 Q 2014 YTD the period from 01 Jan 2014 to 30 Sep 2014	3 Q 2013 the period from 01 Jul 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013	
- Interest income	7.1	962.2	2 798.6	895.4	2 723.3
- Interest expenses	7.1	365.3	1 051.6	369.3	1 226.1
Net interest income	7.1	596.9	1 747.0	526.1	1 497.2
- Commission income	7.2	286.4	889.0	267.0	821.2
- Commission expenses	7.2	28.1	75.0	22.0	64.1
Net commission income	7.2	258.3	814.0	245.0	757.1
Net income on financial instruments measured at fair value through profit or loss and FX result	7.3	23.6	71.7	36.4	87.8
Net income on investments	7.4	5.2	10.2	-11.7	108.4
Net income on hedge accounting	7.5	7.2	10.8	2.3	-5.2
Net income on other basic activities	7.6	6.1	12.8	3.7	18.0
Result on basic activities		897.3	2 666.5	801.8	2 463.3
General and administrative expenses	7.7	489.5	1 441.2	458.8	1 418.0
Impairment losses and provisions for off-balance sheet liabilities	7.8	65.2	182.6	63.7	190.8
Share in net profit (loss) of associated entities recognised under the equity method		0.0	12.3	9.3	26.1
Profit (loss) before tax		342.6	1 055.0	288.6	880.6
Income tax		69.5	244.9	54.2	169.6
Net profit (loss)		273.1	810.1	234.4	711.0
- attributable to shareholders of ING Bank Śląski S.A.		273.0	809.9	234.4	711.0
- attributable to non-controlling interests		0.1	0.2	0.0	0.0
Net profit (loss) attributable to shareholders of ING Bank Śląski S.A.		273.0	809.9	234.4	711.0
Weighted average number of ordinary shares		130 100 000.0	130 100 000.0	130 100 000.0	130 100 000.0
Earnings per ordinary share (PLN)		2.10	6.23	1.80	5.47

Diluted earnings per share agrees with earnings per ordinary share

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 Q 2014 the period from 01 Jul 2014 to 30 Sep 2014	3 Q 2014 YTD the period from 01 Jan 2014 to 30 Sep 2014	3 Q 2013 the period from 01 Jul 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013
Net result for the period	273.1	810.1	234.4	711.0
Other comprehensive income, of which:	500.1	1 066.4	-97.2	-579.5
- items which can be reclassified to income statement	500.0	1 063.1	-97.3	-580.2
- items which will not be reclassified to income statement	0.1	3.3	0.1	0.7
Total comprehensive income for the period, of which:	773.2	1 876.5	137.2	131.5
- attributable to shareholders of ING Bank Śląski S.A.	773.1	1 876.3	137.2	131.5
- attributable to non-controlling interests	0.1	0.2	0.0	0.0

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
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Michał Bolestawski
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SIGNATURE OF THE PERSON ENTRUSTED WITH KEEPING THE ACCOUNTING BOOKS

Mirosław Boda
Vice President
Signed on the Polish original

Katowice, 4 Nov 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 STATEMENT OF FINANCIAL POSITION

	Note	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
ASSETS						
- Cash in hand and balances with the Central Bank		3 008.0	7 857.1	6 970.1	4 577.6	1 673.5
- Loans and receivables to other banks	7.10	2 512.6	2 576.1	1 399.8	2 501.7	2 043.8
- Financial assets measured at fair value through profit and loss	7.11	1 455.4	2 903.7	1 951.4	1 603.7	2 057.4
- Valuation of derivatives		1 998.5	1 467.4	1 471.4	1 329.4	1 519.3
- Investments	7.12	23 190.6	22 090.4	19 493.6	19 794.0	20 256.7
- Derivative hedge instruments		2 370.9	1 653.0	1 051.9	994.1	990.7
- Loans and receivables to customers	7.13, 7.14	60 219.0	57 319.0	52 237.9	52 105.2	50 472.5
- Receivables from customers due to repo transactions		486.7	773.5	638.8	252.4	1 284.2
- Investments in associates recognised under the equity method		0.0	0.0	136.5	124.4	115.1
- Non-financial assets	7.15	1 055.7	1 064.0	1 063.9	1 017.2	1 028.1
- Assets held for sale	7.16	151.8	134.3	35.3	49.0	49.6
- Tax assets		98.8	91.4	119.9	103.0	74.3
- Other assets		300.5	331.9	180.1	187.8	225.4
Total assets		96 848.5	98 261.8	86 750.6	84 639.5	81 790.6
EQUITY AND LIABILITIES						
LIABILITIES						
- Liabilities due to other banks	7.17	7 255.2	11 963.3	4 827.3	4 719.4	4 411.5
- Financial liabilities measured at fair value through profit and loss	7.18	2 145.4	1 528.1	1 234.2	693.7	902.8
- Valuation of derivatives		2 091.0	1 527.1	1 493.0	1 372.5	1 606.7
- Derivative hedge instruments		1 637.8	1 251.7	1 114.4	1 084.2	1 082.3
- Liabilities due to customers	7.19	71 486.6	69 585.4	67 330.4	66 191.7	61 948.7
- Liabilities due to customers under repo transactions		281.1	1 286.1	433.5	513.5	1 938.5
- Liabilities under issue of debt securities		571.6	566.4	566.4	571.5	566.4
- Provisions	7.20	71.7	71.1	67.8	67.3	77.6
- Tax liabilities		254.5	144.0	111.7	42.2	20.0
- Other liabilities		1 119.4	1 177.5	943.3	1 112.0	1 102.6
Total liabilities		86 914.3	89 100.7	78 122.0	76 368.0	73 657.1
EQUITY						
- Share capital		130.1	130.1	130.1	130.1	130.1
- Supplementary capital - issuance of shares over nominal value		956.3	956.3	956.3	956.3	956.3
- Revaluation reserve		1 584.5	1 085.9	524.3	419.3	516.8
- Revaluation of share-based payment		47.9	47.7	46.1	45.3	44.5
- Retained earnings		7 212.8	6 938.7	6 969.5	6 718.2	6 483.5
Equity attributable to shareholders of ING Bank Śląski S.A.		9 931.6	9 158.7	8 626.3	8 269.2	8 131.2
- Non-controlling interests		2.6	2.4	2.3	2.3	2.3
Total equity		9 934.2	9 161.1	8 628.6	8 271.5	8 133.5
Total equity and liabilities		96 848.5	98 261.8	86 750.6	84 639.5	81 790.6
Net book value		9 931.6	9 158.7	8 626.3	8 269.2	8 131.2
Number of shares		130 100 000	130 100 000	130 100 000	130 100 000	130 100 000
Net book value per share (PLN)		76.34	70.40	66.31	63.56	62.50

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Katowice, 4 Nov 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 STATEMENT OF CHANGES IN EQUITY

3 Q 2014

the period from 01 Jul 2014 to 30 Sep 2014

	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	393.4	41.7	648.9	1.9	47.7	6 938.7	2.4	9 161.1
Net result for the current period	-	-	-	-	-	-	-	273.0	0.1	273.1
Other comprehensive income, of which:	0.0	0.0	142.0	-1.4	358.0	0.0	0.0	1.5	0.0	500.1
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	142.0	-	-	-	-	-	-	142.0
- effective part of cash flow hedging instruments revaluation	-	-	-	-	358.0	-	-	-	-	358.0
- disposal of property, plant and equipment	-	-	-	-1.4	-	-	-	1.5	-	0.1
Transactions with owners, of which:	0.0	0.0	0.0	0.0	0.0	0.0	0.2	-0.4	0.1	-0.1
- revaluation of share-based payment	-	-	-	-	-	-	0.2	-	-	0.2
- increase of shares in the subsidiary	-	-	-	-	-	-	-	-0.4	0.1	-0.3
Closing balance of equity	130.1	956.3	535.4	40.3	1 006.9	1.9	47.9	7 212.8	2.6	9 934.2

3 Q 2014 YTD

the period from 01 Jan 2014 to 30 Sep 2014

	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	273.7	43.2	205.5	1.9	46.1	6 969.5	2.3	8 628.6
Net result for the current period	-	-	-	-	-	-	-	809.9	0.2	810.1
Other comprehensive income, of which:	0.0	0.0	261.7	-2.9	801.4	0.0	0.0	6.2	0.0	1 066.4
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	265.9	-	-	-	-	-	-	265.9
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	-4.2	-	-	-	-	-	-	-4.2
- effective part of cash flow hedging instruments revaluation	-	-	-	-	801.4	-	-	-	-	801.4
- disposal of property, plant and equipment	-	-	-	-2.9	-	-	-	6.2	-	3.3
Transactions with owners, of which:	0.0	0.0	0.0	0.0	0.0	0.0	1.8	-572.8	0.1	-570.9
- revaluation of share-based payment	-	-	-	-	-	-	1.8	-	-	1.8
- increase of shares in the subsidiary	-	-	-	-	-	-	-	-0.4	0.1	-0.3
- dividend paid	-	-	-	-	-	-	-	-572.4	-	-572.4
Closing balance of equity	130.1	956.3	535.4	40.3	1 006.9	1.9	47.9	7 212.8	2.6	9 934.2

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Katowice, 4 Nov 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 STATEMENT OF CHANGES IN EQUITY - continued

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, 4 Nov 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 STATEMENT OF CHANGES IN EQUITY - continued

3 Q 2013

the period from 01 Jul 2013 to 30 Sep 2013

	Share capital	Supplemen- tary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Actuarial gains/losses	Revaluation of share-based payment	Retained earnings	Non-controlling interests	Total equity
Opening balance of equity	130.1	956.3	247.2	41.6	227.6	0.4	44.5	6 483.5	2.3	8 133.5
Net result for the current period	-	-	-	-	-	-	-	234.4	0.0	234.4
Other comprehensive income, of which:	0.0	0.0	-60.8	-0.2	-36.5	0.0	0.0	0.3	0.0	-97.2
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-56.4	-	-	-	-	-	-	-56.4
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	-4.4	-	-	-	-	-	-	-4.4
- effective part of cash flow hedging instruments revaluation	-	-	-	-	-36.5	-	-	-	-	-36.5
- disposal of property, plant and equipment	-	-	-	-0.2	-	-	-	0.3	-	0.1
Transactions with owners, of which:	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.8
- revaluation of share-based payment	-	-	-	-	-	-	0.8	-	-	0.8
Closing balance of equity	130.1	956.3	186.4	41.4	191.1	0.4	45.3	6 718.2	2.3	8 271.5

3 Q 2013 YTD

the period from 01 Jan 2013 to 30 Sep 2013

	Share capital	Supplemen- tary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	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	-	-	-	-	-	-	-	711.0	0.0	711.0
Other comprehensive income, of which:	0.0	0.0	-404.3	-0.6	-175.9	0.4	0.0	0.8	0.0	-579.6
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-316.9	-	-	-	-	-	-	-316.9
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	-87.4	-	-	-	-	-	-	-87.4
- effective part of cash flow hedging instruments revaluation	-	-	-	-	-175.9	-	-	-	-	-175.9
- disposal of property, plant and equipment	-	-	-	-0.6	-	-	-	0.8	-	0.2
- actuarial gains / losses	-	-	-	-	-	0.4	-	-	-	0.4
Transactions with owners, of which:	0.0	0.0	0.0	0.0	0.0	0.0	4.0	0.0	0.0	4.0
- revaluation of share-based payment	-	-	-	-	-	-	4.0	-	-	4.0
Closing balance of equity	130.1	956.3	186.4	41.4	191.1	0.4	45.3	6 718.2	2.3	8 271.5

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Małgorzata Kotakowska
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 Vice President

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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

Mirosław Boda
 Vice President

Signed on the Polish original

Katowice, 4 Nov 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 CASH FLOW STATEMENT

	3 Q 2014 YTD the period from 01 Jan 2014 to 30 Sep 2014	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013
OPERATING ACTIVITIES		
Net profit (loss)	809.9	711.0
Adjustments	-2 867.0	38.4
- Profit (loss) attributable to non-controlling interests	0.2	0.0
- Share in net profit (loss) of associated entities	-12.3	-26.1
- Depreciation and amortisation	116.1	119.9
- Interest accrued (from the profit and loss account)	-1 747.0	-1 497.2
- Interest paid	-1 078.0	-1 116.9
- Interest received	2 636.5	3 013.1
- Dividends received	-4.0	-2.8
- Gains (losses) on investment activities	-7.2	-0.6
- Income tax (from the profit and loss account)	244.9	169.6
- Income tax paid	-81.0	-294.8
- Change in provisions	3.9	-5.5
- Change in loans and other receivables to other banks	6.5	-876.5
- Change in financial assets at fair value through profit or loss	496.7	-50.4
- Change in available-for-sale financial assets	-3 237.2	-2 413.9
- Change in valuation of derivatives	70.9	87.1
- Change in derivative hedge instruments	5.8	-337.2
- Change in other receivables to customers	-7 865.8	-3 559.7
- Change in other assets	-64.3	23.3
- Change in liabilities due to other banks	2 529.6	89.7
- Change in liabilities at fair value through profit or loss	911.2	-2 309.7
- Change in liabilities due to customers	4 029.9	8 740.8
- Change in other liabilities	177.6	286.2
Net cash flow from operating activities	-2 057.1	749.4
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-79.7	-27.7
- Disposal of property, plant and equipment	2.5	0.1
- Purchase of intangible assets	-49.9	-44.4
- Disposal of fixed assets held for sale	5.9	1.1
- Dividends received	4.0	2.8
Net cash flow from investment activities	-117.2	-68.1
FINANCIAL ACTIVITIES		
- Long-term loans received	616.1	476.3
- Long-term loans repaid	-632.3	-373.3
- Interest on long-term loans repaid	-85.2	-30.2
- Interest on debt securities issued	5.2	4.4
- Dividends paid	-572.4	0.0
Net cash flow from financial activities	-668.6	77.2
Effect of exchange rate changes on cash and cash equivalents	59.9	48.3
Net increase/decrease in cash and cash equivalents	-2 842.9	758.5
Opening balance of cash and cash equivalents	7 850.0	5 060.6
Closing balance of cash and cash equivalents	5 007.1	5 819.1

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
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Oscar Edward Swan
 Vice President
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Ignacio Juliá Vilar
 Vice President
 Signed on the Polish original

SIGNATURE OF THE PERSON ENTRUSTED WITH KEEPING THE ACCOUNTING BOOKS

Mirosław Boda
 Vice President
 Signed on the Polish original

Katowice, 4 Nov 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

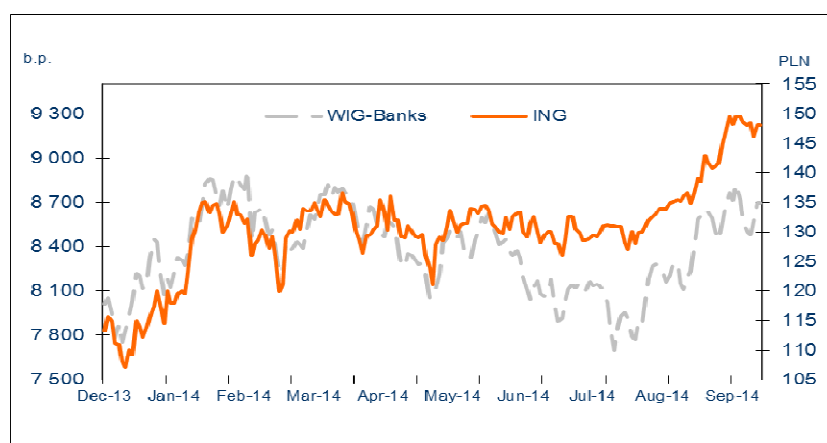
ING Bank Śląski S.A. ("Parent company", "parent entity", "Bank") with the headquarters in Katowice, Sokolska Str. 34, was entered into the entrepreneurs National Court Register managed by the Commercial Department of the Regional Court in Katowice under the reference number KRS 5459. The parent entity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

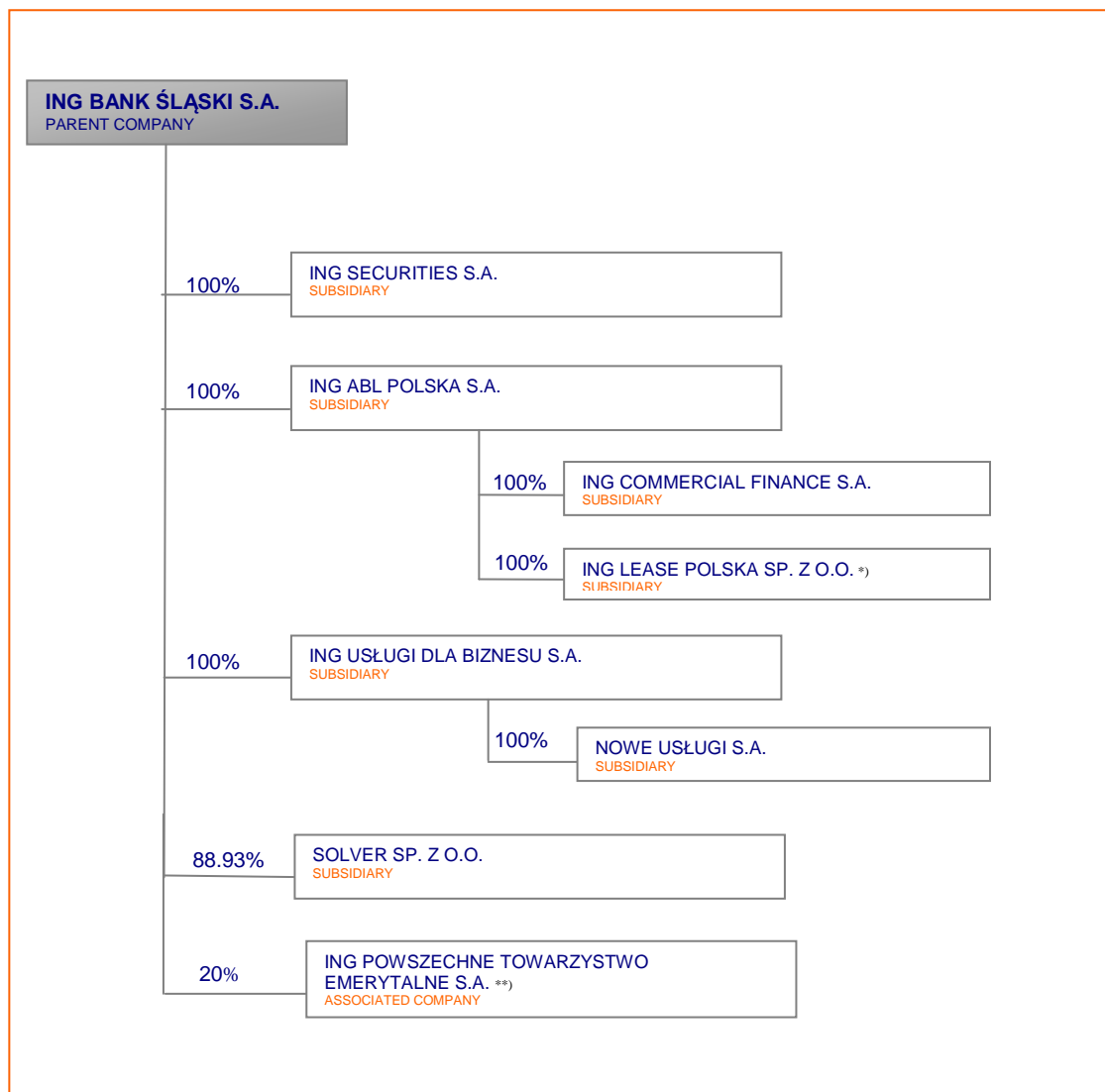
1.3. Initial capital, share price

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 30 September 2014, the share price of ING Bank Śląski S.A. was PLN 148.0, whereas during the same period last year it was at the level of PLN 112.0. In the 9 months of 2014, the price of ING Bank Śląski S.A. shares was as follows:



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

ING Bank Śląski S.A. is the parent company of the ING Bank Śląski S.A. Group ("Capital Group", "Group"). As at 30 September 2014, 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.

***) In Q2 2014, the Group reclassified shares in the associated entity to the category of assets held for sale.

Division of Centrum Banku Śląskiego Spółka z ograniczoną odpowiedzialnością company

On 17 February 2014, the Management Board of ING Bank Śląski S.A. gave notice that they intended to divide the Centrum Banku Śląskiego Spółka z o.o. company, in which the Bank holds 100% stake, by acquisition. The Division Plan of CBS Spółka z o.o. whereunder all assets of CBS Spółka z o.o. are to be transferred to ING Bank Śląski S.A. and Solver Spółka z o.o. (wherein the Bank holds 82.3% shares) was agreed by Management Boards of ING Bank Śląski S.A., Solver Spółka z o.o. and CBS Spółka z o.o. on 11 February 2014.

On 10 April 2014, the presented Division Plan was approved by the ING Bank Śląski S.A. General Meeting. The aim of the CBS Spółka z o.o. restructuring operation was to optimise real property management costs in the ING Bank Śląski S.A. Capital Group.

Following the division, the share capital of Solver Spółka z o.o. was raised from PLN 9,562.0 thousand to PLN 15,292.5 thousand through formation of 11,461 new shares of face value of PLN 500.0 each. On 10 June 2014, the District Court in Katowice 8th Commercial Division of the National Court Register registered the share capital increase. For transferring a part of CBS Spółka z o.o.'s assets to Solver Sp. z o.o. (the organised part of the enterprise), ING Bank Śląski S.A. as the only partner to the CBS Spółka z o.o. received on 01 July 2014 all the new shares in the increased share capital of Solver Sp. z o.o., thus increasing its percentage stake in its capital from 82.3% to 88.93%.

30 June 2014 was the last day of functioning of the CBS Spółka z o.o. which under the Court Decision was deleted from the National Court Register without liquidation proceedings, following the executed Division Plan. As of 1 July 2014, the assets and liabilities of Centrum Banku Śląskiego Spółka z o.o. company became part of ING Bank Śląski S.A. and Solver Sp. z o.o.' balance sheets.

Increasing the share capital of ING Usługi dla Biznesu S.A. company

In October 2014, ING Bank Śląski took up through private subscription 10,000 ordinary registered C-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 10 million.

ING UdB is a subsidiary of ING Bank Śląski S.A. Before increased, the share capital of ING UdB was PLN 17 million. After increase registration on 21 October 2014, the share capital of ING UdB went up to PLN 27 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 30 September 2014 held 75% share in the initial capital of ING Bank Śląski and 75% shares in the total number of votes at the General Meeting of Shareholders. ING Bank NV belongs to the Capital Group, herein referred to as ING Group.

As at the date 30 September 2014, 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	7,370,000	5.66

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

As at 30 September 2014, 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 2013 to 31 December 2013 were approved by the General Meeting on 10 April 2014.

These interim condensed consolidated financial statements have been approved by the Bank Management Board on 4 November 2014.

2. Significant events in 3 quarter 2014

2.1. Conclusion of a significant agreement

On 22 July 2014, ING Bank Śląski S.A. concluded with London Clearing House (LCH. Clearent Ltd.) a Charge Securing Own Obligations Agreement regarding maintenance of the liquidity buffer by the Bank to the maximum amount of EUR 230 million and GBP 13 million, including depositing securities up to the maximum amount of EUR 180 million. The deposited securities and cash secure clearing of interest rate derivative transactions as part of the Clearing House's SwapClear service.

By concluding this agreement and depositing the required securities, ING Bank Śląski S.A. became a direct participant of the Clearing House and settles the interest rate derivative transactions in line with the Regulation of the European Parliament and of the Council (EU) on OTC derivatives, central counterparties (CCPs) and trade repositories (TRs) (EMIR). The criterion for regarding the agreement as significant is the total exposure value exceeding 10% of the Bank's equity.

2.2. Annex to the credit agreement

On 5 August 2014, there was concluded an annex to the credit agreement of 2 January 2012 with ING Commercial Finance Polska S.A. whereby the annual amount of the working capital loan granted to the company was increased by PLN 500.0 million to PLN 2,725.0 million. The total exposure of the Bank towards the ING Commercial Finance Polska S.A. company is PLN 2,725.5 million. The criterion for regarding the agreement as significant is the ratio of the total loan amounts to the Bank's equity. The borrower is a related entity of ING Bank Śląski S.A.

2.3. Conclusion of a significant agreement

On 8 August 2014, ING Bank Śląski S.A. signed together with a consortium of other banks an annex to the agreement of 10 June 2010, as amended, with the entity from the fuel and energy sector providing for, inter alia, a change of the term of that entity's bond issue programme until 31 July 2020 while keeping the hitherto maximum amount of PLN 7,000.00 million.

Pursuant to the annex, ING Bank Śląski S.A., has the right to assume the rights and obligations of one of the undewriting banks, and consequently take up bonds up to the amount of PLN 774.0 million but will no longer be the issue agent.

The criterion for regarding the agreement as significant is the total exposure of the Bank towards the entity being a party to the above referred annex and its subsidiaries under the agreements made during the last 12 months that considering the potential exposure reported herein exceeds 10% of the Bank's equity. The aggregate agreements referred to hereinabove total approximately PLN 896.0 million while the potential exposure of the Bank under the annex signed has the biggest value.

2.4. Annex to the credit agreement

On 19 September 2014, there was concluded an annex to the credit agreement of 19 January 2012, as amended, with ING Lease Polska Sp. z o.o. whereby the amount of the loan granted to the company was increased by PLN 820.0 million to PLN 3,500.00 million. The total exposure of the Bank towards ING Lease Polska Sp. z o.o. is PLN 3,501.92 million. The criterion for regarding the agreement as significant is the ratio of the total loan amounts to the Bank's equity. The borrower is a related entity of ING Bank Śląski S.A.

3. Significant events after the balance sheet date

3.1. Results of the Asset Quality Review, or AQR, and of the Stress Tests for ING Bank Śląski S.A.

On 26 October 2014 the results of asset quality review and stress tests for ING Bank Śląski S.A. were published. The review was conducted by the Polish Financial Supervision Authority for 15 Polish banks and was consistent in terms of methodology with the review of the most important Eurozone banks conducted by the European Banking Authority, or EBA.

Test results were publicly disclosed by the PFSA on 17 October 2014. The Bank also made a relevant current report pursuant to the Act on Public Offering and the Terms and Conditions of Introducing Financial Instruments into Organised Trading System and Public Companies.

4. Compliance with International Financial Reporting Standards

These interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for the 3 quarter 2014 were prepared under the IAS 34 *Interim Financial Reporting* (International Accounting Standards) in a version approved by the European Commission effective as at the reporting date, that is 30 September 2014 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 2013 approved by the General Meeting on 10 April 2014.

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 2014 to 30 September 2014, and interim condensed consolidated statement of financial position as at 30 September 2014 together with comparable data were prepared according to the same principles of accounting for each period.

4.1. Going-concern

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

4.2. Discontinued operations

No operations were discontinued during the 3 quarters 2014 and 3 quarters 2013.

4.3. Financial statements scope and currency

These interim condensed consolidated financial statements of the Group for the 3 quarter 2014 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 2013 to 30 September 2013 for the interim condensed consolidated income statement; the interim condensed consolidated statement of comprehensive income and the interim condensed consolidated cash flow statement, additionally for the period from 1 January 2013 to 31 December 2013 for the interim condensed consolidated statement of changes in equity; and in the case of the interim condensed consolidated statement of financial position data as of 30 June 2014, 31 December 2013, 30 September 2013 and 30 June 2013.

Interim condensed consolidated income statements, interim condensed consolidated statement of comprehensive income and notes to the interim condensed consolidated income statements include data for the III quarter 2014 (period from 1 July 2014 to 30 September 2014) as well as comparative data for the III quarter 2013 (period from 1 July 2013 to 30 September 2013).

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 2013 (Annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2013 to 31 December 2013) and the following effective standards and interpretations adopted by the European Union:

Change	Scope	Influence on the Group statements
IAS 27 <i>Standalone Financial Statements</i>	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.	Implementation of the change had no material impact on the financial statements of the Group .
IAS 28 <i>Investments in Associates and Joint Ventures</i>	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.	Implementation of the change had no impact on the financial statements of the Group .
IAS 36 <i>Impairment of Assets Recoverable Amount Disclosures for Non-Financial Assets</i>	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.	Implementation of the change had no material impact on the financial statements of the Group .
IAS 39 <i>Financial Instruments: Recognition and Measurement</i> <i>Novation of Derivatives and Continuation of Hedge Accounting</i>	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.	Implementation of the change had no material impact on the financial statements of the Group. The above follows both the adopted principles whereunder the individual strategies function and the legal obligation to transfer transactions to be cleared through the central counterparty.
IFRS 10 <i>Consolidated Financial Statements</i>	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 new standard had no impact the consolidated financial statements of the Group because after assessing the supervision over the entities wherein funds were invested in line with the new standard the conclusions as regards the extent whereto the Group supervises the said entities remained unchanged while the Parent Company of the Group does not meet the requirements to be treated as an investment unit.

IFRS 11 <i>Joint Arrangements</i>	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.	Standard implementation had no impact the financial statements of the Group because the Group is not a party to any mutual arrangements.
IFRS 12 <i>Disclosure of Interest in Other Entities</i>	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.	Implementation of the change had no material impact on the financial statements of the Group (the number of required disclosures will go up).

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 Group statements
IAS 16 <i>Property, plant and equipment</i>	Amendment to IAS 16 (published together with the amendment to IAS 41) concerning recognition of bearer plants. Amendment to IAS 16 (published together with the amendment to IAS 38) concerning updated guidance on acceptable methods of depreciation and amortisation. Under the amendment, the use of revenue-based methods to calculate the depreciation of property, plant and equipment is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. Application date: the accounting year starting on 1 January 2016 or later.	The published amendments to the standard will not have impact on the financial statements of the Group – the Group does not apply the revenue-based methods of depreciation and amortisation while the amendment concerning recognition of bearer plants does not apply to the Group.
IAS 19 <i>Employee benefits</i>	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.
IAS 27 <i>Separate Financial Statements</i>	The amendment made to the standard will allow application of the equity method to presentation of investments in subsidiaries, joint ventures and associates in the separate financial statements. Application date: the accounting year starting on 1 January 2016 or later.	The analyses show that the application of amendment to the standard will not have material impact on the financial statements of the Group.
IAS 28 <i>Investments in associates and joint ventures</i>	Amendment (published together with an amendment to IFRS 10) provides for the guidelines as to sale and contribution between an investor and a subsidiary or a joint venture. Application date: the accounting year starting on 1 January 2016 or later.	The Group is currently analysing the impact of the said changes on the financial statements, but still no material impact is expected.

<p>IAS 38 <i>Intangible assets</i></p>	<p>Amendment to IAS 38 (published together with the amendment to IAS 16) The amendments clarify that the revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. Application date: the accounting year starting on 1 January 2016 or later.</p>	<p>Standard application will have no impact on the financial statements of the Group.</p>
<p>IAS 41 <i>Agriculture</i></p>	<p>Amendment to IAS 41 (published together with the amendment to IAS 16) concerning recognition of bearer plants. Application date: the accounting year starting on 1 January 2016 or later.</p>	<p>Not applicable.</p>
<p>IFRS 9 <i>Financial Instruments</i></p>	<p>This standard is the outcome of IASB project works to replace IAS 39. The new standard is assumed to regulate in a comprehensive manner the matters pertaining to financial instruments. On 24 July 2014, there was published the full version of the standard covering all the thematic blocks separated during project works: 1) classification and valuation, 2) impairment of financial assets, and 3) hedge accounting. It should be noted that the new standard excludes the guidelines on portfolio-based hedge accounting. IASB continues to work on these aspects as part of a separate project: <i>Accounting for Dynamic Risk Management: a Portfolio Revaluation Approach to Macro Hedging</i>. Application date: the accounting year starting on 1 January 2018 or later.</p>	<p>The new Standard is expected to have a material impact on the financial statements upon its initial application due to the requirement of its retrospective application. The Group is currently analysing the impact of changes on the consolidated financial statements. The Group has not set the initial application date for this Standard yet.</p>
<p>IFRS 10 <i>Consolidated Financial Statements</i></p>	<p>Amendment (published together with an amendment to IFRS 28) provides for the guidelines as to sale and contribution making between an investor and a subsidiary or a joint venture Application date: the accounting year starting on 1 January 2016 or later.</p>	<p>The Group is currently analysing the impact of the said changes on the financial statements, but still no material impact is expected.</p>
<p>IFRS 11 <i>Joint Arrangements</i></p>	<p>Amendment on the accounting for the acquisition of an interest in a joint operation that constitutes a business. Acquirers of such interests shall apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs, that do not conflict with the guidance in IFRS 11. Moreover, the acquirer is obliged to disclose the information that is required by IFRS 3 and other IFRSs in relation to business combinations. Application date: the accounting year starting on 1 January 2016 or later.</p>	<p>The analyses show that the standard's application will not have material impact on the financial statements of the Group.</p>
<p>IFRS 14 <i>Regulatory Deferral Account</i></p>	<p>The standard allows the IFRS first-time adopters to continue to apply their previous principles whereunder they recognised regulatory deferral accounts both when they adopt the IFRS for the first time and in their subsequent financial statements.</p>	<p>Not applicable (the new standard applies only to entities that are IFRS first-time adopters).</p>

<p>IFRS 15 <i>Revenue from Contracts with Customers</i></p>	<p>The new standard developed by IASB (in cooperation with FASB) which it to replace the currently effective Standards and Interpretations, in particular: IAS 18 Revenue, IAS 11 Construction Contracts, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue – Barter Transactions Involving Advertising Services. The standard sets out comprehensive requirements for recognising revenue that apply to all contracts with customers, except for the contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments. Application date: the accounting year starting on 1 January 2017 or later.</p>	<p>The analyses show that the standard's application will not have material impact on the financial statements of the Group.</p>
<p>IFRIC 21 <i>Levies– Interpretation of Recognition of Levies Imposed by Governments</i></p>	<p>IFRIC 21 is the interpretation of the requirements given in IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> 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 1 January 2015 or later.</p>	<p>The impact of initial application of the Interpretation will depend on specific public fees, effective as at the date of initial application. The Interpretation is not expected to have a material impact on the annual consolidated financial statements of the Group. However, it may have a material impact on the interim financial statements. The Group is now analysing the impact of the Interpretation on the interim financial statements.</p>
<p>Changes arising from IFRS reviews executed during the 2010-2012 cycle (published in December 2013)</p>	<p>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.</p>	<p>Implementation does not have a material impact on the financial statements of the Group.</p>
<p>Changes arising from IFRS reviews executed during the 2011-2013 cycle (published in December 2013)</p>	<p>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.</p>	<p>Implementation does not have a material impact on the financial statements of the Group.</p>
<p>Changes arising from IFRS reviews made during the 2012-2014 cycle (published in September 2014).</p>	<p>The changes cover the issues discussed during the IFRS reviews commenced in 2012 and considered in the draft changes presented for consultation, but not included in the final changes published in earlier periods. The changes published apply to IFRS 5, IFRS 7, IAS 19 and IAS 34 and are of specifying nature. Application date: the accounting year starting on 1 January 2016 or later.</p>	<p>The implementation will not have a material impact on the financial statements of the Group.</p>

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 2013 to 31 December 2013 published on 7 March 2014 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 3 quarter 2014 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. Amendments made to the description of the associates

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

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

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

Investments in associates meeting the criteria of classification as assets held for sale are recognised as per the rules described in item *Non-current assets held for sale and discontinued operations* (item 9.3 of the Annual consolidated financial statements of the ING Bank Śląski S.A. Capital Group for the period from 1 January 2013 to 31 December 2013).

5.2. Amendments made to the description of the repo/reverse repo transactions

The Group presents sold financial assets with the repurchase clauses (repo, sell–buy–back transactions) in its statement of financial position, simultaneously recognising a financial liability under a repurchase clause. This is done in order to reflect the risks and benefits arising on this assets item that are retained by the Group after the transfer.

For the securities purchased with a repurchase clause (reverse repo, buy–sell–back), the financial assets held are presented as receivables arising from repurchase clause, hedged with securities.

Transactions are measured in line with their intention. Accordingly, the transactions made for the category of financial instruments held for trading are carried at fair value through profit or loss. Other transactions are recognised at amortized cost using the effective interest method.

5.3. Amendments made to the description of the net commission income

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

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

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

Other fees and commissions relating to the financial services offered by the Group – like cash management services, brokerage services and asset management services – are recognised in the income statement at the time of service provision.

Commission income that was accrued and is due but was not paid on time are derecognised from the Bank's financial result upon the lapse of 90 days.

6. Comparability of financial data

Amendments to the Income Statement

In the interim condensed consolidated financial statements for the period from 1 January 2014 to 30 September 2014, the Group made the following amendments with respect to the disclosure of certain items of the income statement as compared to the interim consolidated financial statements for the previous periods:

- 1) The *General and administrative expenses* item and the *Result on other operating income and expenses* were aggregated as one item under the heading *General and administrative expenses*; in consequence, the item increased by PLN 1.9 million (+PLN 0.4 million in Q3 2013).
- 2) The manner of presenting the costs due to the fee for the benefit of BGF was changed. At present, the said costs are presented in the *General and administrative expenses* item whereas they used to be recognised in the *Commission expenses* item in the previous periods. As a result of that change, the *General and administrative expenses* item increased, and the *Commission expenses* item decreased by PLN 34.0 million (+PLN 11.3 million in Q3 2013).
- 3) The Group analysed the commission income and commission expenses, and identified certain titles concerning payment cards and credit cards in the case of which the Group was of the view that it would be more appropriate to deduct them from the commission income rather than recognise them as part of commission expenses. As a result of that change, both the commission income and the commission expenses decreased by PLN 0.8 million (PLN 0.3 million in Q3 2013).

The changes described above required a restatement of the comparable data; they did not, however, impact on the level of the financial result as presented in the financial statements.

The table below highlights the individual items of the consolidated income statement as they were presented in the interim condensed consolidated financial statements for Q3 2013 and in the current statements.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT	financial statements for Q3 2013	changes			financial statements for Q3 2014
	3 quarters 2013 the period from 01 Jan 2013 to 30 Sep 2013	1)	2)	3)	3 quarters 2013 the period from 01 Jan 2013 to 30 Sep 2013
- Interest income	2 723.3				2 723.3
- Interest expenses	1 226.1				1 226.1
Net interest income	1 497.2				1 497.2
- Commission income	822.0			-0.8	821.2
- Commission expenses	98.9		-34.0	-0.8	64.1
Net interest income	723.1	0.0	34.0	0.0	757.1
Net income on financial instruments measured at fair value through profit or loss and FX result	87.8				87.8
Net income on investments	108.4				108.4
Net income on hedge accounting	-5.2				-5.2
Net income on other basic activities	18.0				18.0
Result on basic activities	2 429.3	0.0	34.0	0.0	2 463.3
General and administrative expenses	1 382.1	1.9	34.0		1 418.0
<i>Result on other operating income and expenses</i>	<i>-1.9</i>	<i>1.9</i>			<i>-</i>
Impairment losses and provisions for off-balance sheet liabilities	190.8				190.8
Share in net profit (loss) of associated entities recognised under the equity method	26.1				26.1
Profit (loss) before tax	880.6	0.0	0.0	0.0	880.6
Income tax	169.6				169.6
Net profit (loss)	711.0	0.0	0.0	0.0	711.0
- attributable to shareholders of ING Bank Śląski S.A.	711.0	0.0	0.0	0.0	711.0

Amendments to the Statement of Financial Position

In the interim condensed consolidated financial statements for the period from 1 January 2014 to 30 September 2014, the Group made one disclosure-related amendment to the statement of financial position, compared to the interim consolidated financial statements for previous periods. The modification involved separating the item *Assets held for sale* from the Assets. Previously, assets held for sale were an item of *Non-financial assets* due to the fact that they related to assets moved from Property, plant and equipment. In Q2 2014, the Group reclassified the shares in an affiliated entity to the assets held for sale, and a continued presentation of the assets held for sale as part of *Non-financial assets* might mislead the recipients of the statement as to the nature of that category.

The Group is of the opinion that by dint of the amendment the statement of financial position became more transparent. The amendment did not impact on 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 1) and in the current financial statements (Table 2).

Table 1

	as at 31.12.2013	as at 30.09.2013	as at 30.06.2013
ASSETS			
- Non-financial assets	1,099.2	1,066.2	1,077.7

Table 2

	as at 31.12.2013	as at 30.09.2013	as at 30.06.2013
ASSETS			
- Non-financial assets	1,063.9	1,017.2	1,028.1
- Assets held for sale	35.3	49.0	49.6

7. Notes to interim condensed consolidated financial statements

7.1. Net interest income

	3 Q 2014 the period from 01 Jul 2014 to 30 Sep 2014	3 Q 2014 YTD the period from 01 Jan 2014 to 30 Sep 2014	3 Q 2013 the period from 01 Jul 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013
Interest income				
- interest on loans and receivables to banks	22.3	74.8	23.8	76.9
- interest on loans and receivables to customers, of which:	727.4	2 100.3	666.8	2 020.9
- interest on lease agreements	44.5	125.9	37.2	115.2
- interest on factoring agreements	23.6	68.1	20.8	63.1
- interest on repo transactions concluded with customers	4.4	12.9	1.3	10.0
- interest on available-for-sale financial assets	193.7	560.8	182.8	564.3
- interest on financial assets held for trading	3.2	20.0	7.9	20.4
- interest result on derivatives	11.2	29.8	12.8	30.8
Total interest income	962.2	2 798.6	895.4	2 723.3
Interest expense				
- interest on deposits from banks	21.2	74.8	17.3	68.1
- interest on deposits from customers	336.5	956.7	343.8	1 128.1
- interest on repo transactions concluded with customers	2.0	3.1	1.8	8.8
- interest on issue of debt securities	5.1	15.2	5.1	19.3
- interest on financial liabilities held for trading	0.5	1.8	1.3	1.8
Total interest expense	365.3	1 051.6	369.3	1 226.1
Net interest income	596.9	1 747.0	526.1	1 497.2

7.2. Net commission income

	3 Q 2014 the period from 01 Jul 2014 to 30 Sep 2014	3 Q 2014 YTD the period from 01 Jan 2014 to 30 Sep 2014	3 Q 2013 the period from 01 Jul 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013
Commission income				
- transaction margin on currency exchange transactions	75.9	208.6	61.9	191.0
- commission related to keeping accounts	61.8	187.1	65.3	193.5
- commission related to loans	51.4	160.0	49.1	149.7
- commission related to payment and credit cards	25.6	125.1	49.1	137.4
- commission related to distribution of participation units	21.1	62.8	19.3	53.4
- commission related to brokerage activity	9.1	33.6	10.5	35.7
- commission related to insurance product offering	11.5	32.4	-9.2	-3.5
- fiduciary and custodian fees	7.8	22.8	8.0	23.4
- commission related to factoring and lease agreements	8.2	22.5	5.8	19.0
- foreign commercial business	4.5	13.1	4.0	11.8
- other	9.5	21.0	3.2	9.8
Total commission income	286.4	889.0	267.0	821.2
Commission expense	28.1	75.0	22.0	64.1
Net commission income	258.3	814.0	245.0	757.1

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

	3 Q 2014 the period from 01 Jul 2014 to 30 Sep 2014	3 Q 2014 YTD the period from 01 Jan 2014 to 30 Sep 2014	3 Q 2013 the period from 01 Jul 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013
Net income on financial assets and liabilities held for trading, of which:	-34.3	43.4	86.4	78.0
- Net income on debt instruments	1.4	3.0	5.9	23.7
- Net income on derivatives, of which:	-35.7	40.4	80.5	54.3
- currency derivatives	-39.5	22.9	63.9	23.2
- interest rate derivatives	3.5	16.3	15.9	29.0
- securities derivatives	0.3	1.2	0.7	2.1
FX-result	57.9	28.3	-50.0	9.8
Net income on financial instruments measured at fair value through profit or loss and FX result	23.6	71.7	36.4	87.8

7.4. Net income on investments

	3 Q 2014 the period from 01 Jul 2014 to 30 Sep 2014	3 Q 2014 YTD the period from 01 Jan 2014 to 30 Sep 2014	3 Q 2013 the period from 01 Jul 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013
Net income on debt instruments available-for-sale	0.0	5.0	-11.7	104.9
Net income on equity instruments available-for-sale	1.2	1.2	0.0	0.0
Dividend income	4.0	4.0	0.0	3.4
Impairment losses	0.0	0.0	0.0	0.1
Net income on investments	5.2	10.2	-11.7	108.4

7.5. Net income on hedge accounting

	3 Q 2014 the period from 01 Jul 2014 to 30 Sep 2014	3 Q 2014 YTD the period from 01 Jan 2014 to 30 Sep 2014	3 Q 2013 the period from 01 Jul 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013
Fair value hedge accounting for securities	6.9	10.3	2.8	-5.2
- valuation of the hedged transaction	65.4	212.7	-1.1	-190.9
- valuation of the hedging transaction	-58.5	-202.4	3.9	185.7
Cash flow hedge accounting	0.3	0.5	-0.5	0.0
- ineffectiveness that arises from cash flow hedges	0.3	0.5	-0.5	0.0
Net income on hedge accounting	7.2	10.8	2.3	-5.2

7.6. Net income on other basic activities

	3 Q 2014 the period from 01 Jul 2014 to 30 Sep 2014	3 Q 2014 YTD the period from 01 Jan 2014 to 30 Sep 2014	3 Q 2013 the period from 01 Jul 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013
Income from sales of other services	1.4	7.0	1.9	7.9
Result on assets held for sale	2.0	1.7	0.3	0.4
Net income on the investment properties, of which:	1.8	5.4	2.1	7.4
- income from rental of the investment property	2.5	8.7	3.6	11.1
- maintenance expenses relating to the investment property	-0.7	-3.3	-1.5	-3.7
Result on disposal of fixed assets and intangible assets	0.6	1.6	0.1	-0.3
Banking activity-related compensations and losses	-0.2	-0.6	-0.1	-0.7
Other	0.5	-2.3	-0.6	3.3
Total	6.1	12.8	3.7	18.0

7.7. General and administrative expenses

	3 Q 2014 the period from 01 Jul 2014 to 30 Sep 2014	3 Q 2014 YTD the period from 01 Jan 2014 to 30 Sep 2014	3 Q 2013 the period from 01 Jul 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013
Personnel expenses	237.4	709.2	230.1	683.1
Cost of marketing and promotion	27.5	79.6	28.2	81.6
Amortization	39.6	116.1	39.3	119.9
Other general and administrative expenses, of which:	185.0	536.3	161.2	533.4
- obligatory annual fee for the Bank Guarantee Fund	9.9	29.7	11.3	34.0
- prudential fee	3.6	10.9	0.0	0.0
General and administrative expenses	489.5	1 441.2	458.8	1 418.0

7.7.1. Headcount

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

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
FTEs	8 099.1	8 100.2	8 146.0	8 206.2	8 251.2
Individuals	8 172	8 172	8 266	8 319	8 381

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

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
FTEs	7 649.5	7 637.9	7 695.3	7 764.6	7 818.6
Individuals	7 707	7 694	7 799	7 870	7 939

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

	3 Q 2014 the period from 01 Jul 2014 to 30 Sep 2014	3 Q 2014 YTD the period from 01 Jan 2014 to 30 Sep 2014	3 Q 2013 the period from 01 Jul 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013
Impairment losses	133.1	514.1	283.9	578.3
Release of impairment write-offs	-67.9	-331.5	-220.2	-387.5
Net impairment losses and provisions for off-balance sheet liabilities, of which:	65.2	182.6	63.7	190.8
Corporate banking	52.0	122.1	30.7	79.4
Retail banking	13.2	60.5	33.0	111.4

7.9. Effective tax rate

	3 Q 2014 the period from 01 Jul 2014 to 30 Sep 2014	3 Q 2014 YTD the period from 01 Jan 2014 to 30 Sep 2014	3 Q 2013 the period from 01 Jul 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013
Profit (loss) before tax	342.6	1 055.0	288.6	880.6
Income tax	69.5	244.9	54.2	169.6
Net profit (loss)	273.1	810.1	234.4	711.0
Effective tax rate	20.3%	23.2%	18.8%	19.3%

The following developments impacted effective tax rate increase in 2014:

- Conclusion in the Q2 2014 of the letter of intent concerning sale of shares held by ING Bank Śląski S.A. in the ING Powszechnie Towarzystwo Emerytalne S.A. (ING PTE) affiliated entity and due to a change of intent concerning the shares held, establishment of provision for deferred tax in the amount of PLN 13.2 million.
- Non-tax loss incurred on sale in the Q2 2014 of debt claims to one of the commercial banking clients (income tax increase of PLN 9.1 million).
- Adjustment in the Q1 2014 of the deferred tax asset concerning impairment losses for cash loan receivables of ING Lease Sp. z o.o. (income tax increase of PLN 9.6 million).

7.10. Loans and receivables to other banks

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Current accounts	828.2	810.8	869.0	892.9	956.6
Interbank deposits	1 357.2	537.2	235.7	1 465.5	515.1
Loans and advances	58.3	58.3	70.6	65.3	75.3
Factoring receivables	26.3	12.8	80.0	62.2	145.6
Reverse repo transactions	223.4	1 131.4	133.7	0.0	323.2
Other receivables	19.2	25.7	10.9	16.4	28.6
Total (gross)	2 512.6	2 576.2	1 399.9	2 502.3	2 044.4
Impairment losses, of which:	0.0	-0.1	-0.1	-0.6	-0.6
- concerning loans and advances	0.0	-0.1	-0.1	-0.1	0.0
- concerning factoring receivables	0.0	0.0	0.0	-0.5	-0.6
Total (net)	2 512.6	2 576.1	1 399.8	2 501.7	2 043.8

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

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Financial assets held for trading, of which:	1 455.4	2 903.7	1 951.4	1 603.7	2 057.4
- debt instruments	1 073.6	2 565.5	1 276.3	1 056.7	1 405.7
- repo transactions	381.8	338.2	675.1	547.0	651.7
Total	1 455.4	2 903.7	1 951.4	1 603.7	2 057.4

7.12. Investments

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Available-for-sale financial assets, of which:	23 190.6	22 090.4	19 493.6	19 794.0	20 256.7
- debt instruments, including:	23 166.3	22 064.1	19 466.3	19 766.9	20 230.6
- hedged items in fair value hedging	3 488.1	2 931.3	1 971.6	1 543.2	2 552.3
- equity instruments	24.3	26.3	27.3	27.1	26.1
Total	23 190.6	22 090.4	19 493.6	19 794.0	20 256.7

7.13. Loans and receivables to customers

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Portfolio of loans and receivables, of which:	57 750.7	55 099.0	49 982.2	49 764.4	48 136.6
- Loans and advances	47 661.5	45 983.2	41 690.3	41 697.3	40 531.4
- Leasing receivables	4 307.8	4 226.7	3 650.5	3 526.6	3 382.4
- Factoring receivables	2 881.1	2 638.0	2 465.7	2 452.2	2 231.6
- Corporate and municipal bonds	2 900.3	2 251.1	2 175.7	2 088.3	1 991.2
Other receivables, of which:	4 135.0	3 837.4	3 815.3	3 838.9	3 910.6
- T-eurobonds	3 800.5	3 723.5	3 685.8	3 723.1	3 794.3
- Other	334.5	113.9	129.5	115.8	116.3
Total loans and receivables to customers (gross)	61 885.7	58 936.4	53 797.5	53 603.3	52 047.2
Impairment losses, of which:	-1 666.7	-1 617.4	-1 559.6	-1 498.1	-1 574.7
- concerning portfolio of loans and receivables, of which:	-1 661.5	-1 612.2	-1 554.4	-1 492.9	-1 569.5
- concerning loans and advances	-1 585.4	-1 530.6	-1 482.8	-1 360.1	-1 437.1
- concerning leasing receivables	-63.7	-64.6	-59.7	-54.4	-60.0
- concerning factoring receivables	-12.4	-17.0	-11.9	-9.4	-8.6
- concerning corporate and municipal bonds	0.0	0.0	0.0	-69.0	-63.8
- concerning other receivables	-5.2	-5.2	-5.2	-5.2	-5.2
Total loans and receivables to customers (net), of which:	60 219.0	57 319.0	52 237.9	52 105.2	50 472.5
- to entities from the financial sector other than banks	1 780.4	1 733.2	1 568.1	1 531.0	1 421.8
- to entities from the non-financial sector	51 030.6	48 332.4	43 409.1	43 262.1	41 569.4
- to entities from the government and self-government institutions' sector	7 408.0	7 253.4	7 260.7	7 312.1	7 481.3

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

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Loans and advances, of which:	1 679.9	1 641.8	1 457.9	1 432.6	1 334.3
- in the current account	71.6	60.7	66.8	110.2	32.0
- term ones	1 608.3	1 581.1	1 391.1	1 322.4	1 302.3
Leasing receivables	0.5	0.5	0.4	0.6	0.6
Other receivables	100.9	92.4	110.6	98.0	87.2
Total (gross)	1 781.3	1 734.7	1 568.9	1 531.2	1 422.1
Impairment losses, of which	-0.9	-1.5	-0.8	-0.2	-0.3
- concerning loans and advances	-0.9	-1.5	-0.8	-0.2	-0.3
Total (net)	1 780.4	1 733.2	1 568.1	1 531.0	1 421.8

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

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Business entities, of which:	30 902.3	29 345.3	25 951.0	25 993.4	25 026.4
- Loans and advances, of which:	22 086.0	21 596.3	18 761.5	18 870.2	18 288.4
- <i>in the current account</i>	6 139.8	6 192.6	5 223.0	5 612.6	5 223.0
- <i>term ones</i>	15 946.2	15 403.7	13 538.5	13 257.6	13 065.4
- Leasing receivables	3 932.2	3 886.4	3 509.9	3 395.0	3 276.4
- Factoring receivables	2 811.1	2 565.0	2 416.5	2 408.4	2 194.6
- Corporate bonds	1 840.0	1 276.7	1 244.8	1 302.6	1 238.5
- Other receivables	233.0	20.9	18.3	17.2	28.5
Households, of which:	21 792.9	20 601.8	19 015.9	18 766.0	18 116.8
- Loans and advances, of which:	21 377.4	20 220.6	18 842.6	18 601.9	17 985.4
- <i>in the current account</i>	1 569.2	1 549.4	1 435.5	1 456.9	1 414.4
- <i>term ones</i>	19 808.2	18 671.2	17 407.1	17 145.0	16 571.0
- Leasing receivables	375.1	339.8	140.2	131.0	105.4
- Factoring receivables	39.9	40.9	32.6	32.6	25.5
- Other receivables	0.5	0.5	0.5	0.5	0.5
Total (gross)	52 695.2	49 947.1	44 966.9	44 759.4	43 143.2
Impairment losses, of which:	-1 664.6	-1 614.7	-1 557.8	-1 497.3	-1 573.8
- Business entities, of which:	-1 093.9	-1 065.5	-1 062.3	-1 018.8	-1 008.6
- concerning loans and advances	-1 014.0	-980.1	-986.4	-881.8	-872.5
- concerning leasing receivables	-63.0	-63.8	-59.5	-54.2	-59.8
- concerning factoring receivables	-12.2	-16.9	-11.7	-9.1	-7.8
- concerning corporate bonds	0.0	0.0	0.0	-69.0	-63.8
- concerning other receivables	-4.7	-4.7	-4.7	-4.7	-4.7
- Households, of which:	-570.7	-549.2	-495.5	-478.5	-565.2
- concerning loans and advances	-569.3	-547.8	-494.6	-477.5	-563.7
- concerning leasing receivables	-0.7	-0.8	-0.2	-0.2	-0.2
- concerning factoring receivables	-0.2	-0.1	-0.2	-0.3	-0.8
- concerning other receivables	-0.5	-0.5	-0.5	-0.5	-0.5
Total (net)	51 030.6	48 332.4	43 409.1	43 262.1	41 569.4

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

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Loans and advances, of which:	2 518.2	2 524.5	2 628.3	2 792.6	2 923.3
- in the current account	93.1	108.2	32.6	132.4	100.4
- term ones	2 425.1	2 416.3	2 595.7	2 660.2	2 822.9
Factoring receivables	30.1	32.1	16.6	11.2	11.5
Municipal bonds	1 060.3	974.4	930.9	785.7	752.7
T-eurobonds	3 800.5	3 723.5	3 685.8	3 723.1	3 794.3
Other receivables	0.1	0.1	0.1	0.1	0.1
Total (gross)	7 409.2	7 254.6	7 261.7	7 312.7	7 481.9
Impairment losses, of which:	-1.2	-1.2	-1.0	-0.6	-0.6
- concerning loans and advances	-1.2	-1.2	-1.0	-0.6	-0.6
Total (net)	7 408.0	7 253.4	7 260.7	7 312.1	7 481.3

Portfolio of loans and receivables by client segment

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Gross value, of which:	57 750.7	55 099.0	49 982.2	49 764.4	48 136.6
Corporate banking segment, of which:	36 729.4	35 205.9	31 476.7	31 502.9	30 426.2
- loans and advances	26 846.9	26 278.7	23 357.6	23 566.9	22 926.6
- leasing receivables	4 101.7	4 038.7	3 510.3	3 395.5	3 277.0
- factoring receivables	2 880.5	2 637.4	2 433.1	2 452.2	2 231.4
- corporate and municipal bonds	2 900.3	2 251.1	2 175.7	2 088.3	1 991.2
Retail banking segment, of which:	21 021.3	19 893.1	18 505.5	18 261.5	17 710.4
- mortgages	15 770.8	14 916.2	14 018.2	13 838.8	13 357.5
- other loans and advances	5 250.5	4 976.9	4 487.3	4 422.7	4 352.9
Impairment losses, of which:	-1 661.5	-1 612.2	-1 554.4	-1 492.9	-1 569.5
Corporate banking segment, of which:	-1 111.3	-1 075.4	-1 067.5	-1 022.3	-1 000.1
- loans and advances	-1 035.2	-993.3	-994.4	-887.5	-866.5
- leasing receivables	-63.7	-64.8	-60.9	-55.9	-61.4
- factoring receivables	-12.4	-17.3	-12.2	-9.9	-8.4
- corporate and municipal bonds	0.0	0.0	0.0	-69.0	-63.8
Retail banking segment, of which:	-550.2	-536.8	-486.9	-470.6	-569.4
- mortgages	-145.1	-141.8	-137.1	-137.3	-113.9
- other loans and advances	-405.1	-395.0	-349.8	-333.3	-455.5
Net value, of which:	56 089.2	53 486.8	48 427.8	48 271.5	46 567.1
Corporate banking segment, of which:	35 618.1	34 130.5	30 409.2	30 480.6	29 426.1
- loans and advances	25 811.7	25 285.4	22 363.2	22 679.4	22 060.1
- leasing receivables	4 038.0	3 973.9	3 449.4	3 339.6	3 215.6
- factoring receivables	2 868.1	2 620.1	2 420.9	2 442.3	2 223.0
- corporate and municipal bonds	2 900.3	2 251.1	2 175.7	2 019.3	1 927.4
Retail banking segment, of which:	20 471.1	19 356.3	18 018.6	17 790.9	17 141.0
- mortgages	15 625.7	14 774.4	13 881.1	13 701.5	13 243.6
- other loans and advances	4 845.4	4 581.9	4 137.5	4 089.4	3 897.4

7.14. Quality of portfolio of loans and advances

Quality of credit portfolio

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

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Corporate activity					
Exposure	36 729.4	35 205.9	31 476.7	31 502.9	30 426.2
- unimpaired (IBNR)	34 873.1	33 338.0	29 663.1	29 791.7	28 757.2
- impaired	1 856.3	1 867.9	1 813.6	1 711.2	1 669.0
Impairment losses and provisions	1 127.6	1 091.6	1 081.0	1 038.7	1 027.3
- related to unimpaired portfolio	68.1	53.4	47.9	44.3	54.4
- related to impaired portfolio	1 043.2	1 022.0	1 019.6	978.0	945.7
- provisions for off-balance sheet liabilities	16.3	16.2	13.5	16.4	27.2
Share of the impaired portfolio	5.1%	5.3%	5.8%	5.4%	5.5%
Impaired portfolio coverage ratio (%)	56.2%	54.7%	56.2%	57.2%	56.7%
Retail activity					
Exposure	21 021.3	19 893.1	18 505.5	18 261.5	17 710.4
- unimpaired (IBNR)	20 470.8	19 363.0	18 004.5	17 778.4	17 092.2
- impaired	550.5	530.1	501.0	483.1	618.2
Impairment losses	550.2	536.8	486.9	470.6	569.4
- related to unimpaired portfolio	103.8	106.6	103.5	105.2	91.3
- related to impaired portfolio	446.4	430.2	383.4	365.4	478.1
Share of the impaired portfolio	2.6%	2.7%	2.7%	2.6%	3.5%
Impaired portfolio coverage ratio (%)	81.1%	81.2%	76.5%	75.6%	77.3%
Total exposure	57 750.7	55 099.0	49 982.2	49 764.4	48 136.6
Impairment losses and total provisions, of which:	1 677.8	1 628.4	1 567.9	1 509.3	1 596.7
- impairment losses	1 661.5	1 612.2	1 554.4	1 492.9	1 569.5
- provisions for off-balance sheet liabilities	16.3	16.2	13.5	16.4	27.2
Total portfolio coverage ratio	2.9%	3.0%	3.1%	3.0%	3.3%
Share of the impaired portfolio	4.2%	4.4%	4.6%	4.4%	4.8%
Impaired portfolio coverage ratio (%)	61.9%	60.6%	60.6%	61.2%	62.3%

Changes in impairment losses

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

	3 Q 2014 the period from 01 Jul 2014 to 30 Sep 2014	3 Q 2014 YTD the period from 01 Jan 2014 to 30 Sep 2014	3 Q 2013 the period from 01 Jul 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013
Opening balance of impairment losses	1 628.5	1 568.0	1 597.3	1 446.8
Changes in the period (due to):	49.3	109.8	-87.4	63.1
- changes in income statement	65.2	182.6	63.7	190.8
- depreciation	-17.4	-75.7	-148.4	-160.5
- transfer of provisions from off-balance sheet after their repayment	1.8	4.1	7.6	11.7
- other (inclusive FX differences, adjustment of interest income on impaired loans)	-0.3	-1.2	-10.3	21.1
Closing balance of impairment losses	1 677.8	1 677.8	1 509.9	1 509.9

7.15. Non-financial assets

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Investment real estates	59.6	121.6	121.4	120.9	120.9
Property, plant and equipment	635.2	583.9	576.6	544.3	554.1
Intangible assets	360.9	358.5	365.9	352.0	353.1
Total	1 055.7	1 064.0	1 063.9	1 017.2	1 028.1

Since the investment real property Chorzowska 50 was earmarked for the Bank's own purposes, a part of that investment real property was reclassified to the "property, plant and equipment" category.

7.16. Assets held for sale

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Property, plant and equipment held for sale	42.4	24.9	35.3	49.0	49.6
Shares in the associated entities held for sale	109.4	109.4	0.0	0.0	0.0
Total	151.8	134.3	35.3	49.0	49.6

7.17. Liabilities due to other banks

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Current accounts	1 690.7	1 352.7	961.9	771.8	997.3
Interbank deposits	757.8	400.6	1 230.7	699.6	547.9
Repo transactions	2 090.9	7 580.8	28.7	459.7	109.8
Loans received*	2 713.7	2 625.8	2 580.8	2 768.3	2 726.0
Other liabilities	2.1	3.4	25.2	20.0	30.5
Total	7 255.2	11 963.3	4 827.3	4 719.4	4 411.5

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

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

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Financial liabilities held for trading, of which:	355.5	61.3	613.1	547.0	665.4
- repo transactions	355.5	61.3	613.1	547.0	665.4
Book short position in trading securities	1 789.9	1 466.8	621.1	146.7	237.4
Total	2 145.4	1 528.1	1 234.2	693.7	902.8

7.19. Liabilities due to customers

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Deposits	70 325.9	68 367.2	66 326.6	65 049.6	60 855.7
Other liabilities	1 160.7	1 218.2	1 003.8	1 142.1	1 093.0
Total liabilities due to customers, of which:	71 486.6	69 585.4	67 330.4	66 191.7	61 948.7
- due to entities from the financial sector other than banks	2 709.9	2 537.7	2 998.7	3 668.5	2 491.1
- due to entities from the non-financial sector	66 832.6	65 126.4	62 231.3	60 576.7	57 471.8
- due to entities from the government and self-government institutions' sector	1 944.1	1 921.3	2 100.4	1 946.5	1 985.8

Liabilities due to entities from the financial sector other than banks

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Deposits, of which:	2 630.8	2 339.1	2 925.7	3 450.3	2 387.4
- current accounts	1 934.6	1 896.5	1 994.1	2 575.3	1 467.0
- term deposit	696.2	442.6	931.6	875.0	920.4
Other liabilities	79.1	198.6	73.0	218.2	103.7
Total	2 709.9	2 537.7	2 998.7	3 668.5	2 491.1

Liabilities due to entities from the non-financial sector

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Business entities, of which:	19 702.2	19 136.7	18 602.4	17 472.3	16 619.0
- Deposits, of which:	18 690.5	18 207.3	17 746.3	16 618.3	15 738.6
- current accounts	16 335.1	15 677.7	15 184.9	14 435.3	12 914.6
- term deposit	2 355.4	2 529.6	2 561.4	2 183.0	2 824.0
- Other liabilities	1 011.7	929.4	856.1	854.0	880.4
Households, of which:	47 130.4	45 989.7	43 628.9	43 104.4	40 852.8
- Deposits, of which:	47 067.8	45 910.3	43 563.8	43 042.2	40 795.8
- current accounts	6 924.6	7 459.2	6 456.3	5 897.2	5 815.2
- saving accounts	34 282.3	32 334.8	32 105.0	32 005.4	28 617.3
- term deposit	5 860.9	6 116.3	5 002.5	5 139.6	6 363.3
- Other liabilities	62.6	79.4	65.1	62.2	57.0
Total	66 832.6	65 126.4	62 231.3	60 576.7	57 471.8

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

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Deposits, of which:	1 936.8	1 910.5	2 090.8	1 938.8	1 933.9
- current accounts	1 622.5	1 625.2	2 029.0	1 511.7	1 501.7
- term deposit	314.3	285.3	61.8	427.1	432.2
Other liabilities	7.3	10.8	9.6	7.7	51.9
Total	1 944.1	1 921.3	2 100.4	1 946.5	1 985.8

7.20. Provisions

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Provision for issues in dispute	21.4	21.3	21.6	20.6	20.5
Provisions for off-balance sheet liabilities	16.3	16.2	13.5	16.4	27.2
Provision for retirement benefits	21.8	21.4	20.4	21.3	20.7
Provision for unused holidays	12.1	12.1	12.2	8.9	9.1
Provision for employment restructuring	0.1	0.1	0.1	0.1	0.1
Total	71.7	71.1	67.8	67.3	77.6

7.21. Fair values

7.21.1. Fair value of financial assets and liabilities

Categories of fair value measurement 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 30 Sep 2014

	Level I	Level II	Level III	Total
Financial assets, of which:	23 300.3	5 710.2	4.9	29 015.4
- Financial assets held for trading, of which:	1 073.6	381.8	0.0	1 455.4
- repo transactions	0.0	381.8	0.0	381.8
- treasury bonds	1 073.6	0.0	0.0	1 073.6
- Valuation of derivatives	0.0	1 998.5	0.0	1 998.5
- Financial assets available-for sale, of which:	22 226.7	959.0	4.9	23 190.6
- treasury bonds	20 085.6	0.0	0.0	20 085.6
- NBP bills	0.0	959.0	0.0	959.0
- BGK bonds	2 121.7	0.0	0.0	2 121.7
- equity instruments	19.4	0.0	4.9	24.3
- Derivative hedge instruments	0.0	2 370.9	0.0	2 370.9
Financial liabilities, of which:	1 789.9	4 084.3	0.0	5 874.2
- Financial liabilities held for trading, of which:	0.0	355.5	0.0	355.5
- repo transactions	0.0	355.5	0.0	355.5
- Book short position in trading securities	1 789.9	0.0	0.0	1 789.9
- Valuation of derivatives	0.0	2 091.0	0.0	2 091.0
- Derivative hedge instruments	0.0	1 637.8	0.0	1 637.8

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

Movements between valuation levels

In 2014 there were no movements between valuation levels.

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.

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.

7.21.2. Financial assets and liabilities which are not carried at fair value in the statement of financial position

as of 30 Sep 2014

	Carrying value	Fair value			TOTAL
		Level I	Level II	Level III	
Assets					
Cash in hand and balances with the Central Bank	3 008.0	-	3 008.0	-	3 008.0
Loans and receivables to other banks	2 512.6	-	2 512.5	-	2 512.5
Loans and receivables to customers	60 240.5	4 069.5	-	55 235.1	59 304.6
Receivables from customers due to repo transactions	486.7	-	486.7	-	486.7
Other assets	215.3	-	-	215.3	215.3
Liabilities					
Liabilities due to other banks	7 255.2	-	7 255.2	-	7 255.2
Liabilities due to customers	71 486.6	-	-	71 489.9	71 489.9
Liabilities due to customers under repo transactions	281.1	-	281.1	-	281.1
Liabilities under issue of debt securities	571.6	-	571.6	-	571.6

as of 31 Dec 2013

	Carrying value	Fair value			TOTAL
		Level I	Level II	Level III	
Assets					
Cash in hand and balances with the Central Bank	6 970.1	-	6 970.1	-	6 970.1
Loans and receivables to other banks	1 399.8	-	1 399.8	-	1 399.8
Loans and receivables to customers	52 237.9	3 912.5	-	46 826.1	50 738.6
Receivables from customers due to repo transactions	638.8	-	638.8	-	638.8
Other assets	86.9	-	-	86.9	86.9
Liabilities					
Liabilities due to other banks	4 827.3	-	4 827.3	-	4 827.3
Liabilities due to customers	67 330.4	-	-	67 329.9	67 329.9
Liabilities due to customers under repo transactions	433.5	-	433.5	-	433.5
Liabilities under issue of debt securities	566.4	-	566.4	-	566.4

The description of models for fair value measurement was presented in the Annual Consolidated Financial Statements of the ING Bank Śląski S.A. Capital Group for the Period Started on 1 January 2013 and Ended on 31 December 2013 published on 07 March 2014 and available on the ING Bank Śląski S.A. website (www.ingbank.pl). The same rules and assumptions were applied to fair value measurement in these interim condensed consolidated financial statements.

7.22. Total capital ratio

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Own funds					
A. Own equity in the statement of financial position, of which:	9 934.2	9 161.1	8 628.6	8 271.5	8 133.5
A.I. Own equity included in the own funds calculation	7 492.4	7 453.3	7 755.8	7 756.3	7 339.2
A.II. Own equity excluded from own funds calculation	2 441.8	1 707.8	872.8	515.2	794.3
B. Other elements of own funds (decreases and increases)	-514.1	-488.0	-504.5	-516.3	-537.4
C. Short-term capital	-	-	34.7	39.1	51.4
Own funds taken into account in total capital ratio calculation (A.I. + B + C.)	6 978.3	6 965.3	7 286.0	7 279.1	6 853.2
Total capital requirement	3 937.0	3 705.0	3 372.5	3 348.0	3 463.9
Total capital ratio (solvency ratio)	14.18%	15.04%	17.28%	17.39%	15.83%

As of 01 January 2014, new provisions of the Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 (CRR for short) are applicable to own funds and capital adequacy. The total capital ratio (solvency ratio previously) as at 30 September 2014 and 30 June 2014 was calculated under the CRR guidelines.

The ratios presented for the previous periods were calculated under the laws effective by the 2013 year end and provided for in PFSA Resolution No. 76/2010 on the Scope and Detailed Principles of Capital Requirement Determination for Individual Risk Types of 10 March 2010.

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

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

- temporary halt of the economic growth rate in Poland at about 3% (y/y) – according to the Central Statistical Office, the GDP growth in Q2 2014 settled at 3.3% (y/y) versus 3.4% (y/y) in Q1 2014. According to the forecasts developed at ING Bank Śląski S.A., in the coming quarters GDP can grow respectively by 3.0% (y/y) in Q3 2014 and 2.8% in Q4 2014. GDP of 3.1% seems attainable over the year 2014 and the economic growth rate may reach 3.2% in 2015. The forecast halt of the growth rate will result from an uncertain economic situation in the Eurozone and its difficulties in developing institutional solutions ensuring stronger domestic demand as well as disturbances in exporting goods to Russia and Ukraine,
- private consumption growth is likely to settle at 2.7% (y/y) in the coming quarters and plans to intensively absorb EU funds in 2015 (infrastructure investment projects and investment projects of local government units). Such actions are possible on account of changes to the pension system cutting down the current budget spending. Elevated investment activity of local government units is possible in Q4 2014 in connection with local government elections to take place in November,
- changes on the labour market – as at the end of Q2 2014, the unemployment rate was 12.0% and it was 1.2 p.p. lower than last year. Upon excluding the seasonal factors, the unemployment rate has been going down since mid-2013, but the corporate survey-dependent indicators suggest that the labour demand seems less encouraging than at the beginning of 2014. At the same time, household real income is growing relatively fast because of negative inflation levels, unprecedented so far in Poland. However, deterioration of market conditions as well as the Russia-Ukraine conflict can shore up the prudent approach of households to higher spending,
- level of main interest rates in Poland – deflation, which has been observed for a few months, may persist until the end of the year and its readings will remain at a very low level in H1 2015. At the same time, the condition of the domestic demand does not seem to provoke pressure on the rate of the consumer prices growth. Such a situation creates favourable conditions for interest rate cuts, as announced by the Monetary Policy Council in September 2014 (referential rate is 2.00% after its reduction by 50 bps in October). According to the forecasts of ING economists, further cuts of 50 bps are possible in the upcoming months. The Monetary Policy Council made a significant change in October by cutting the lombard rate by 100 bps; the rate sets the legally permissible maximum level of lending interest rates for private individuals.

9. Off-balance sheet items

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Contingent liabilities granted	21 205.6	20 542.9	19 046.8	18 518.2	17 954.5
Contingent liabilities received	40 389.1	32 694.6	36 631.9	36 465.6	30 895.2
Off-balance sheet financial instruments	249 723.8	248 313.5	215 504.3	219 435.9	225 659.6
Total off-balance sheet items	311 318.5	301 551.0	271 183.0	274 419.7	274 509.3

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

None.

11. Dividends paid

On 10 April 2014, the General Meeting passed a resolution regarding dividend payout for 2013, pursuant to which the Bank paid out the dividend for 2013 totalling PLN 572,440.0 thousand, (PLN 4.4 gross per share). On 14 May 2014 the shareholders of record became entitled to the dividend payout which took place on 3 June 2014.

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

12. Settlements due to disputable cases

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

Changes to the litigation reserves (in PLN million)

	III quarter 2014 the period from 1 Jul 2014 to 30 Sep 2014	3 quarters 2014 the period from 1 Jan 2014 to 30 Sep 2014	III quarter 2013 the period from 1 Jul 2013 to 30 Sep 2013	3 quarters 2013 the period from 1 Jan 2013 to 30 Sep 2013
Status at the period beginning	21.3	21.6	20.5	20.6
Establishment of provisions	5.9	7.0	0.1	0.3
Release of provisions	0.0	-1.3	0.0	-0.2
Utilisation of provision	-5.8	-5.9	0.0	-0.1
Status as at the period end	21.4	21.4	20.6	20.6

Either in III quarter 2014 or III quarter 2013, 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. Moreover, ING Lease Sp. z o.o. received long-term funding for leasing contracts in EUR ("matched funding"). 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 2014 to 30 September 2014 the following transactions were made of the total value exceeding EURO 500.000:

- transactions with ING Bank NV – under execution of the agreements (among other Cooperation Agreement and Agreement on Provision of Data Processing and Financial Information Analysis Services), the fee for services rendered under financial advisory, the fee for using data processing and financial information analysis services by ING Bank Śląski and the fee for services rendered under business operations and product development advisory in the PCM area for 9 months of 2014 amounted to PLN 37.1 million versus PLN 46.0 million in the same period last year (net amounts).
- transactions with ING Services Polska – the Company provides ING Bank Śląski with IT equipment rental and operation services. Services' costs amounted to PLN 27,6 million versus PLN 34.6 million in the analogous period of the previous year (gross amounts).

Transactions with related entities (in PLN million)

30.09.2014

	ING Bank NV	Other ING Group	Subsidiary undertakings*	Associated undertakings*
Receivables				
Nostro accounts	11.4	11.0	-	-
Deposits placed	156.4	-	-	-
Loans	-	8.9	4 443.6	-
Positive valuation of derivatives	452.0	229.8	0.1	-
Other receivables	12.6	0.5	0.3	-
Liabilities				
Deposits received	230.2	980.9	364.6	235.2
Loans received	2 387.7	-	-	-
Loro accounts	14.9	15.3	-	-
Negative valuation of derivatives	349.0	241.7	0.1	-
Other liabilities	3.8	-	-	-
Off-balance-sheet operations				
Contingent liabilities	1 400.6	107.5	2 092.5	-
FX transactions	3 696.7	83.9	-	-
Forward transactions	156.8	874,1	-	-
IRS	12 516.2	3 415.9	7.9	-
FRA	1 150.0	-	-	-
Options	1 671.4	980.4	47.0	-
Revenue and costs**				
Revenue	97.7	-1.5	91.3	-1.0
Costs***	39.4	25.7	-0.4	-

*/ Includes transactions between ING Bank Śląski S.A. affiliates of ING Bank Śląski S.A. Group

**/ Revenues and costs are presented in the uniform setting as in the financial statements. The revenues include, among others, the result on valuation of derivatives.

***/ Costs are presented as per their net value (VAT excluded).

30.09.2013

	ING Bank NV	Other ING Group	Subsidiary undertakings*	Associated undertakings*
Receivables				
Nostro accounts	104.0	61.4	-	-
Deposits placed	60.3	-	-	-
Loans	-	2.0	3 621.2	-
Positive valuation of derivatives	281.8	222.3	0.4	-
Other receivables	7.1	0.2	0.5	-
Liabilities				
Deposits received	196.1	1 025.0	502.6	48.6
Loans received	2 477.3	-	-	-
Loro accounts	30.1	1.9	-	-
Negative valuation of derivatives	278.4	256.5	0.4	-
Repo	86.5	-	-	-
Other liabilities	-	-	0.2	-
Off-balance-sheet operations				
Contingent liabilities	1 346.5	64.8	1 592.4	-
FX transactions	6 820.1	70.6	-	-
Forward transactions	8.2	30.9	-	-
IRS	9 260.7	3 791.3	10.0	-
FRA	843.3	-	-	-
Options	1 256.6	1 554.5	53.5	-
Revenue and costs**				
Revenue	-40.3	-5.7	80.5	-2.0
Costs***	45.7	28.6	12.8	-

*/ 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.

***/ Costs are presented as per their net value (VAT excluded).

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,
- Bank Treasury operations.

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.

The main scope of responsibilities of the Bank Treasury is management of both short-term and long-term liquidity risk, in line with the effective regulations and with risk appetite internally set at the Bank, interest rate risk management and investing surpluses obtained from business lines while maintaining the liquidity buffer in the form of liquid assets.

15.1.3. Measurement

The measurement of the segment's assets and liabilities, segment's revenue and costs is based on the accounting standards applied by the Bank, included in notes describing applied accounting standards. In particular, both internal and external interest income and costs for individual segments are determined with the use of the transfer price system within the Risk Transfer System (RTS).

Transfer prices are defined based on the yield curve for a given currency that is common for assets and liabilities. The transfer price that is determined for the products being assets and liabilities with the same position on the yield curve is identical. The original transfer price – coming from the product measurement regarding the yield curve can be modified and the factors adjusting the transfer price can be the following: a premium for obtainment of long-term liquidity, matching of the Bank's position, a hedging cost for sophisticated products and the pricing policy. Thereafter, based on quotation rates available at news services, yield curves are developed using mathematical equations.

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

The Bank presents segment's interest income reduced by the cost of the interest. This results from the fact that while evaluating the segment's results and assigning assets to the segment, the Management Board relies mainly on net interest income. In 3 quarters 2014, the Bank updated the allocation key for ALCO income and introduced changes referred to in item 6. *Comparability of financial data*. Data for the 9 months of 2013 presented

herein were made comparable.

PLN million	3 quarters 2014 the period from 01 Jan 2014 to 30 Sep 2014		
	Retail banking segment	Corporate banking segment	TOTAL
Revenue total*	1 393.3	1 285.5	2 678.8
Net interest income	981.2	765.8	1 747.0
Net commission income	344.2	469.8	814.0
Other income/expenses	55.6	49.9	105.5
Share in net profit (loss) of associated entities recognised under the equity method	12.3	0.0	12.3
Expenses total	879.8	561.4	1 441.2
Result before risk	513.5	724.1	1 237.6
Impairment losses	60.5	122.1	182.6
Result after impairment losses (profit before tax)	453.0	602.0	1 055.0
Income tax	-	-	244.9
Result after tax	-	-	810.1
- attributable to shareholders of ING Bank Śląski S.A.	-	-	809.9

PLN million	III quarter 2014 the period from 01 Jul 2014 to 30 Sep 2014		
	Retail banking segment	Corporate banking Segment	TOTAL
Revenue total*	466.9	430.4	897.3
Net interest income	342.6	254.3	596.9
Net commission income	98.2	160.1	258.3
Other income/expenses	26.1	16.0	42.1
Share in net profit (loss) of associated entities recognised under the equity method	0.0	0.0	0.0
Expenses total	295.6	193.9	489.5
Result before risk	171.3	236.5	407.8
Impairment losses	13.2	52.0	65.2
Result after impairment losses (profit before tax)	158.1	184.5	342.6
Income tax	-	-	69.5
Result after tax	-	-	273.1
- attributable to shareholders of ING Bank Śląski S.A.	-	-	273.0

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

PLN million	3 quarters 2013 the period from 01 Jan 2013 to 30 Sep 2013		
	Retail banking segment	Corporate banking segment	TOTAL
Revenue total*	1 209.7	1 279.7	2 489.4
Net interest income	751.3	745.9	1 497.2
Net commission income	319.6	437.5	757.1
Other income/expenses	112.7	96.3	209.0
Share in net profit (loss) of associated entities recognised under the equity method	26.1	0.0	26.1
Expenses total	873.2	544.8	1 418.0
Result before risk	336.5	734.9	1 071.4
Impairment losses	111.4	79.4	190.8
Result after impairment losses (profit before tax)	225.1	655.5	880.6
Income tax	-	-	169.6
Result after tax	-	-	711.0
- attributable to shareholders of ING Bank Śląski S.A.	-	-	711.0

PLN million	III quarter 2013 the period from 01 Jul 2013 to 30 Sep 2013		
	Retail banking segment	Corporate banking segment	TOTAL
Revenue total*	400.2	410.9	811.1
Net interest income	271.3	254.8	526.1
Net commission income	98.0	147.0	245.0
Other income/expenses	21.6	9.1	30.7
Share in net profit (loss) of associated entities recognised under the equity method	9.3	0.0	9.3
Expenses total	279.2	179.6	458.8
Result before risk	121.0	231.3	352.3
Impairment losses	33.0	30.7	63.7
Result after impairment losses (profit before tax)	88.0	200.6	288.6
Income tax	-	-	54.2
Result after tax	-	-	234.4
- attributable to shareholders of ING Bank Śląski S.A.	-	-	234.4

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

5.2. Geographical segments

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

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 beginning of 2014, Fitch Agency carried out another annual rating review at the Bank. 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 30.09.2014, the Bank had the rating of financial credibility, issued by the agency:

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

Long-term IDR and Short-term IDR determine the entity's ability to meet financial commitments on a timely basis. Long-term IDR at A level reflects high ability of the Bank to timely settle long-term financial obligations. Short-term IDR at the F1 level means the highest rating for the ability to meet short-term commitments (up to 13 months) on a timely basis. In case of both ratings the Fitch agency considered the high probability of obtaining potential support from the dominant shareholder. ING Bank NV (ING Bank Śląski was assigned the highest support rating – 1). Viability rating of bbb+ means that according to the Agency, the intrinsic creditworthiness of the Bank; i.e., without any support (understood as the capacity to pay one's liabilities on time) is high. The Agency is of the opinion that the Bank has strong capital and liquidity position.

Moody's Investors Service Ltd.

The Moody's Investors Service Ltd. Agency assigns rating to ING Bank Śląski S.A. on the basis of the universally available public information. As at 30.09.2014, the Bank had the rating of financial credibility, issued by the agency:

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

The above ratings were affirmed by the Agency at the end of April this year (Credit Opinion of 29 April 2014).

16.2. Number of Branches and ATMs

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

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Number of outlets	407	409	417	421	421

As at the end of September 2014 the Bank had a network of 868 ATMs¹ compared with 772 ATMs as at the end of September 2013.

As at the end of September 2014, the Bank also had a network of 755 cash deposit machines², compared with 732 deposit machines as at the end of September 2013.

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 clients³ are as follows:

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
ING BankOnLine and ING BusinessOnLine	2 776 878	2 702 859	2 575 708	2 518 352	2 448 222
HaloŚląski	1 762 948	1 703 800	1 605 063	1 556 803	1 507 307
SMS	1 658 491	1 620 161	1 558 299	1 126 603	1 088 927
ING BankMobile	422 775	364 546	243 627	182 787	144 395
ING BusinessMobile	6 317	5 755	3 712	2 676	1 720

The monthly number of transactions in September 2014 was at the level of 21.5 million, whereas at the end of December 2013 it was 19.5 million and in the analogical period last year it was 17.2 million.

16.4. Banking cards

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

(in thousands)	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Payment cards, of which:	2 667	2 606	2 562	2 820	2 690
Debit cards	2 369	2 311	2 271	2 532	2 401
Credit cards	205	203	200	200	199
Other cards	93	92	91	88	90

¹ Including duals the number of which as of the end of September 2014 was 554.

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.

ING Bank Śląski S.A. offers also paywave and virtual cards. By the end of September 2014, clients were issued 2,059.4 thousand proximity cards in total⁴ (1,884.2 thousand as at the end of December 2013 and 2,059.0 thousand in the analogical period last year) and 38.2 thousand Virtual C@rds (36.7 thousand as at the end of December 2013 and 35.9 thousand in the analogical period last year).

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

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

2014-11-04 **Małgorzata Kołakowska** President *(signed on the Polish original)*

2014-11-04 **Mirosław Boda** Vice-President *(signed on the Polish original)*

2014-11-04 **Michał Bolesławski** Vice-President *(signed on the Polish original)*

2014-11-04 **Joanna Erdman** Vice-President *(signed on the Polish original)*

2014-11-04 **Justyna Kesler** Vice-President *(signed on the Polish original)*

2014-11-04 **Oscar Edward Swan** Vice-President *(signed on the Polish original)*

2014-11-04 **Ignacio Juliá Vilar** Vice-President *(signed on the Polish original)*

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2014-11-04 **Mirosław Boda** Vice-President *(signed on the Polish original)*

III. Interim condensed standalone financial statement of the Bank

INTERIM CONDENSED STANDALONE INCOME STATEMENT

	3 Q 2014 the period from 01 Jul 2014 to 30 Sep 2014	3 Q 2014 YTD the period from 01 Jan 2014 to 30 Sep 2014	3 Q 2013 the period from 01 Jul 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013
- Interest income	925.4	2 689.1	858.7	2 614.6
- Interest expenses	358.8	1 031.5	361.9	1 204.1
Net interest income	566.6	1 657.6	496.8	1 410.5
- Commission income	269.5	835.7	251.2	767.4
- Commission expenses	25.3	67.1	19.1	54.2
Net commission income	244.2	768.6	232.1	713.2
Net income on financial instruments measured at fair value through profit or loss and FX result	22.7	67.9	35.8	84.8
Net income on investments	5.2	73.7	-11.7	145.6
Net income on hedge accounting	7.2	10.8	2.3	-5.2
Net income on other basic activities	9.7	6.8	0.4	3.8
Result on basic activities	855.6	2 585.4	755.7	2 352.7
General and administrative expenses	460.0	1 354.3	430.2	1 335.9
Impairment losses and provisions for off-balance sheet liabilities	61.1	171.3	53.9	178.2
Profit (loss) before tax	334.5	1 059.8	271.6	838.6
Income tax	68.0	212.8	52.5	158.5
Net result for the current period	266.5	847.0	219.1	680.1
Net profit (loss)	266.5	847.0	219.1	680.1
Weighted average number of ordinary shares	130 100 000	130 100 000	130 100 000	130 100 000
Earnings per ordinary share (PLN)	2.05	6.51	1.68	5.23

Diluted earnings per share agrees with earnings per ordinary share

INTERIM CONDENSED STANDALONE STATEMENT OF COMPREHENSIVE INCOME

	3 Q 2014 the period from 01 Jul 2014 to 30 Sep 2014	3 Q 2014 YTD the period from 01 Jan 2014 to 30 Sep 2014	3 Q 2013 the period from 01 Jul 2013 to 30 Sep 2013	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013
Net result for the period	266.5	847.0	219.1	680.1
Other comprehensive income, of which:	499.9	1 066.3	-97.2	-579.6
- items which can be reclassified to income statement	500.0	1 063.2	-97.3	-580.2
- items which will not be reclassified to income statement	-0.1	3.1	0.1	0.6
Total comprehensive income for the period	766.4	1 913.3	121.9	100.5

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

Mirosław Boda
 Vice President
 Signed on the Polish original

Katowice, 4 Nov 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 STATEMENT OF FINANCIAL POSITION

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
ASSETS					
- Cash in hand and balances with the Central Bank	3 008.0	7 857.1	6 970.1	4 577.6	1 673.5
- Loans and receivables to other banks	2 493.4	2 550.4	1 388.9	2 485.3	2 015.2
- Financial assets measured at fair value through profit and loss	1 455.4	2 903.7	1 951.4	1 603.7	2 057.4
- Valuation of derivatives	1 998.3	1 467.4	1 471.7	1 329.8	1 519.8
- Investments	23 190.0	22 089.8	19 492.9	19 793.4	20 256.1
- Derivative hedge instruments	2 370.9	1 653.0	1 051.9	994.1	990.7
- Loans and receivables to customers	56 981.2	54 178.8	49 119.6	48 908.3	47 183.8
- Receivables from customers due to repo transactions	486.7	773.5	638.8	252.4	1 284.2
- Investments in controlled entities	270.3	421.4	461.4	454.4	454.4
- Non-financial assets	1 028.2	916.0	918.2	876.6	888.0
- Assets held for sale	75.3	57.9	28.3	38.0	38.6
- Tax assets	36.8	28.1	62.1	49.4	27.0
- Other assets	172.4	209.9	115.2	130.7	164.8
Total assets	93 566.9	95 107.0	83 670.5	81 493.7	78 553.5
EQUITY AND LIABILITIES					
LIABILITIES					
- Liabilities due to other banks	4 541.6	9 336.8	2 239.2	1 949.7	1 673.3
- Financial liabilities measured at fair value through profit and loss	2 145.4	1 528.1	1 234.2	693.7	902.8
- Valuation of derivatives	2 091.1	1 527.3	1 493.4	1 372.9	1 607.1
- Derivative hedge instruments	1 637.8	1 251.7	1 114.4	1 084.2	1 082.3
- Liabilities due to customers	71 195.8	69 405.5	67 250.6	66 176.6	61 796.9
- Liabilities due to customers under repo transactions	281.1	1 286.1	433.5	513.5	1 938.5
- Liabilities under issue of debt securities	571.6	566.4	566.4	571.5	566.4
- Provisions	67.7	67.1	63.7	63.9	74.2
- Tax liabilities	238.5	123.2	108.9	38.1	14.2
- Other liabilities	1 060.8	1 111.0	838.3	1 046.2	1 037.1
Total liabilities	83 831.4	86 203.2	75 342.6	73 510.3	70 692.8
EQUITY					
- Share capital	130.1	130.1	130.1	130.1	130.1
- Supplementary capital - issuance of shares over nominal value	956.3	956.3	956.3	956.3	956.3
- Revaluation reserve	1 579.5	1 075.1	513.4	410.3	507.8
- Revaluation of share-based payment	47.7	47.5	46.1	45.3	44.5
- Retained earnings	7 021.9	6 694.8	6 682.0	6 441.4	6 222.0
Total equity	9 735.5	8 903.8	8 327.9	7 983.4	7 860.7
Total equity and liabilities	93 566.9	95 107.0	83 670.5	81 493.7	78 553.5
Net book value	9 735.5	8 903.8	8 327.9	7 983.4	7 860.7
Number of shares	130 100 000.0	130 100 000	130 100 000	130 100 000	130 100 000
Net book value per share (PLN)	74.83	68.44	64.01	61.36	60.42

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

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Oscar Edward Swan
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Ignacio Juliá Vilar
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SIGNATURE OF THE PERSON ENTRUSTED WITH KEEPING THE ACCOUNTING BOOKS

Mirosław Boda
 Vice President
 Signed on the Polish original

Katowice, 4 Nov 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 STATEMENT OF CHANGES IN EQUITY

3 Q 2014

the period from 01 Jul 2014 to 30 Sep 2014

	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	393.0	31.4	648.9	1.8	47.5	6 694.8	8 903.8
Net result for the current period	-	-	-	-	-	-	-	266.5	266.5
Other comprehensive income, of which:	0.0	0.0	142.0	-1.6	358.0	0.0	0.0	1.5	499.9
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	142.0	-	-	-	-	-	142.0
- effective part of cash flow hedging instruments revaluation	-	-	-	-	358.0	-	-	-	358.0
- remeasurement of property, plant and equipment	-	-	-	-0.2	-	-	-	-	-0.2
- disposal of property, plant and equipment	-	-	-	-1.4	-	-	-	1.5	0.1
Transactions with owners, of which:	0.0	0.0	0.0	6.0	0.0	0.0	0.2	59.1	65.3
- revaluation of share-based payment	-	-	-	-	-	-	0.2	-	0.2
- settlement of subsidiary acquisition	-	-	-	6.0	-	-	-	59.1	65.1
Closing balance of equity	130.1	956.3	535.0	35.8	1 006.9	1.8	47.7	7 021.9	9 735.5

3 Q 2014 YTD

the period from 01 Jan 2014 to 30 Sep 2014

	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	273.2	32.9	205.5	1.8	46.1	6 682.0	8 327.9
Net result for the current period	-	-	-	-	-	-	-	847.0	847.0
Other comprehensive income, of which:	0.0	0.0	261.8	-3.1	801.4	0.0	0.0	6.2	1 066.3
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	266.0	-	-	-	-	-	266.0
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	-4.2	-	-	-	-	-	-4.2
- effective part of cash flow hedging instruments revaluation	-	-	-	-	801.4	-	-	-	801.4
- remeasurement of property, plant and equipment	-	-	-	-0.2	-	-	-	-	-0.2
- disposal of property, plant and equipment	-	-	-	-2.9	-	-	-	6.2	3.3
Transactions with owners, of which:	0.0	0.0	0.0	6.0	0.0	0.0	1.6	-513.3	-505.7
- revaluation of share-based payment	-	-	-	-	-	-	1.6	-	1.6
- settlement of subsidiary acquisition	-	-	-	6.0	-	-	-	59.1	65.1
- dividends paid	-	-	-	-	-	-	-	-572.4	-572.4
Closing balance of equity	130.1	956.3	535.0	35.8	1 006.9	1.8	47.7	7 021.9	9 735.5

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

Małgorzata Kotakowska
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Katowice, 4 Nov 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 STATEMENT OF CHANGES IN EQUITY - continued

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, 4 Nov 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 STATEMENT OF CHANGES IN EQUITY - continued

3 Q 2013

the period from 01 Jul 2013 to 30 Sep 2013

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Actuarial gains/losses	Revaluation of share-based payment	Retained earnings	Total equity
Opening balance of equity	130.1	956.3	246.8	33.0	227.6	0.4	44.5	6 222.0	7 860.7
Net result for the current period	-	-	-	-	-	-	-	219.1	219.1
Other comprehensive income, of which:	0.0	0.0	-60.8	-0.2	-36.5	0.0	0.0	0.3	-97.2
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-56.4	-	-	-	-	-	-56.4
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	-4.4	-	-	-	-	-	-4.4
- effective part of cash flow hedging instruments revaluation	-	-	-	-	-36.5	-	-	-	-36.5
- disposal of property, plant and equipment	-	-	-	-0.2	-	-	-	0.3	0.1
Transactions with owners, of which:	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.8
- revaluation of share-based payment	-	-	-	-	-	-	0.8	-	0.8
Closing balance of equity	130.1	956.3	186.0	32.8	191.1	0.4	45.3	6 441.4	7 983.4

3 Q 2013 YTD

the period from 01 Jan 2013 to 30 Sep 2013

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	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	-	-	-	-	-	-	-	680.1	680.1
Other comprehensive income, of which:	0.0	0.0	-404.3	-0.6	-175.9	0.4	0.0	0.8	-579.6
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-316.9	-	-	-	-	-	-316.9
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	-87.4	-	-	-	-	-	-87.4
- effective part of cash flow hedging instruments revaluation	-	-	-	-	-175.9	-	-	-	-175.9
- disposal of property, plant and equipment	-	-	-	-0.6	-	-	-	0.8	0.2
- actuarial gains / losses	-	-	-	-	-	0.4	-	-	0.4
Transactions with owners, of which:	0.0	0.0	0.0	0.0	0.0	0.0	4.0	0.0	4.0
- revaluation of share-based payment	-	-	-	-	-	-	4.0	-	4.0
Closing balance of equity	130.1	956.3	186.0	32.8	191.1	0.4	45.3	6 441.4	7 983.4

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Katowice, 4 Nov 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 CASH FLOW STATEMENT

	3 Q 2014 YTD the period from 01 Jan 2014 to 30 Sep 2014	3 Q 2013 YTD the period from 01 Jan 2013 to 30 Sep 2013
OPERATING ACTIVITIES		
Net profit (loss)	847.0	680.1
Adjustments	-3 042.7	98.1
- Depreciation and amortisation	113.6	118.0
- Interest accrued (from the profit and loss account)	-1 657.6	-1 410.5
- Interest paid	-1 057.5	-1 100.0
- Interest received	2 476.1	2 844.5
- Dividends received	-28.1	-40.0
- Gains (losses) on investment activities	-5.5	-0.6
- Income tax (from the profit and loss account)	212.8	158.5
- Income tax paid	-57.9	-267.1
- Change in provisions	4.0	-5.0
- Change in loans and other receivables to other banks	6.5	-876.3
- Change in financial assets at fair value through profit or loss	496.7	-50.4
- Change in available-for-sale financial assets	-3 237.2	-2 413.9
- Change in valuation of derivatives	71.1	87.5
- Change in derivative hedge instruments	5.8	-337.2
- Change in other receivables to customers	-7 695.4	-3 524.4
- Change in other assets	53.4	39.8
- Change in liabilities due to other banks	2 302.3	79.5
- Change in liabilities at fair value through profit or loss	911.2	-2 309.7
- Change in liabilities due to customers	3 818.9	8 803.6
- Change in other liabilities	224.1	301.8
Net cash flow from operating activities	-2 195.7	778.2
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-78.3	-27.1
- Disposal of property, plant and equipment	0.2	0.1
- Purchase of intangible assets	-44.2	-42.8
- Disposal of fixed assets held for sale	5.9	1.1
- Dividends received	28.1	40.0
Net cash flow from investment activities	-88.3	-28.7
FINANCIAL ACTIVITIES		
- Interest on debt securities issued	5.2	4.4
- Dividends paid	-572.4	0.0
Net cash flow from financial activities	-567.2	4.4
<i>Effect of exchange rate changes on cash and cash equivalents</i>	<i>59.9</i>	<i>48.3</i>
Net increase/decrease in cash and cash equivalents	-2 851.2	753.9
Opening balance of cash and cash equivalents	7 839.1	5 048.8
Closing balance of cash and cash equivalents	4 987.9	5 802.7

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Katowice, 4 Nov 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 3 quarters 2014 and 3 quarters 2013.

1.3. *Compliance with International Financial Reporting Standards*

These interim condensed standalone financial statements of the ING Bank Śląski S.A. for the 3 quarter 2014 were prepared under the IAS 34 *Interim Financial Reporting* (International Accounting Standards) in a version approved by the European Commission effective as at the reporting date, that is 30 September 2014 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 3 quarter 2014 and the Bank's financial statements for the year ended 31 December 2013 approved by the General Meeting on 10 April 2014.

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 2014 to 30 September 2014, and interim condensed standalone statement of financial position as at 30 September 2014 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 2013 to 30 September 2013 for the interim condensed standalone income statement; the interim condensed standalone statement of comprehensive income, the interim condensed standalone cash flow statement, additionally for the period from 1 January 2013 to 31 December 2013 for the interim condensed standalone statement of changes in equity; and in the case of the interim condensed standalone statement of financial position data as of 30 June 2014, 31 December 2013, 30 September 2013 and 30 June 2013.

Interim condensed standalone income statements and interim condensed standalone statement of comprehensive income include data for the Q3 2014 (period from 1 July 2014 to 30 September 2014) as well as comparative data for the Q3 2013 (period from 1 July 2013 to 30 September 2013).

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 2013 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 3 quarter 2014 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 4 November 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 2013 to 31 December 2013 published on 7 March 2014 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 entities that are controlled directly or indirectly by the bank. Control is the power to govern the financial and operating policies of an entity so as to obtain economic benefits from its activities.

All of the following conditions have to be fulfilled simultaneously in order to confirm control over a specified unit:

- holding an existing right (power) to manage the relevant activities of the unit on an ongoing basis (activities that significantly affect return from a specific involvement with a given unit),
- exposure to variable returns or holding rights to variable returns,
- having the ability to use the existing rights (power) to affect its returns from a given involvement.

The conditions indicated hereinabove are not deemed fulfilled if the existing rights are of the protective nature only, i.e. are defined as rights securing Bank's interests related to a given involvement.

2.1.2. Joint arrangements

Joint arrangements are arrangements whereunder the control over the object thereof is divided between individual parties to the arrangement and the decisions concerning the relevant activities require a unanimous consent of the parties to that arrangement.

Such arrangements can be performed in the following forms:

- joint operation – in a situation when the parties to the arrangement have rights to the items of assets and obligations due to liabilities under the arrangements, or
- joint venture – in a situation when the parties to the arrangement have rights to the net assets of the arrangement object.

Control assessment takes account of all the conditions, facts and circumstances (including in particular those provided for in item *Subsidiaries*), provided that the analyses prove that none of the parties exercise control on their own.

2.1.3. 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.

2.1.4. Recognition and valuation

The Bank recognises in its financial statements investments in its subsidiaries, associates and joint ventures under joint control as at the purchase price. The carrying amount of the investment is subject to tests for impairment under IAS 36. Any identified impairment is recognised in the income statement under the item *Impairment losses for financial assets and provisions for off-balance-sheet liabilities*. Dividends being investment income are recognised in the income statement as at the date when the Bank is vested with the right to receive them.

Items of assets and liabilities as well as revenues and expenses related to the joint operation are recognised at the value corresponding to the Bank's interest in the joint operation (in line with the proportionate consolidation principles). The adopted recognition method is applied both under joint control and a lack thereof provided that the Bank still holds rights to the items of assets and obligations under an arrangement.

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 2013 to 31 December 2013 published on 7 March 2014 that is available on the Internet site of ING Bank Śląski S.A. (www.ingbank.pl). In 3 quarter 2014, the Bank did not change its estimate development approach.

4. Comparability of financial data

In the interim condensed standalone financial statements for Q3 2014, 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 Q3 2013, 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 3 quarter 2014

Significant events that occurred in 3 quarter 2014 are described in the interim condensed consolidated financial statement in Chapter II. *Additional information* in item 2. *Significant events in 3 quarter 2014*.

6. Seasonality or cyclicity of activity

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

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

None.

8. Dividends paid

On 10 April 2014, the General Meeting passed a resolution regarding dividend payout for 2013, pursuant to which the Bank paid out the dividend for 2013 totalling PLN 572,440.0 thousand, (PLN 4.4 gross per share). On 14 May 2014 the shareholders of record became entitled to the dividend payout which took place on 3 June 2014.

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.

9. Acquisitions

In 3 quarter 2014, the ING Bank Śląski did not make any acquisitions, as in 3 quarter 2013.

10. Off-balance sheet items

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Contingent liabilities granted	21 394.9	19 613.8	18 739.8	18 275.2	16 806.0
Contingent liabilities received	38 931.2	31 315.3	35 201.0	35 147.2	29 549.2
Off-balance sheet financial instruments	249 276.1	247 188.0	215 566.4	219 499.4	225 725.0
Total off-balance sheet items	309 602.2	298 117.1	269 507.2	272 921.8	272 080.2

11. Total capital ratio

	as of 30 Sep 2014	as of 30 Jun 2014	as of 31 Dec 2013	as of 30 Sep 2013	as of 30 Jun 2013
Total capital ratio	15.31%	15.70%	17.10%	17.33%	15.25%

12. Significant events after the balance sheet date

Significant events after the balance sheet date are described in the interim condensed consolidated financial statement in Chapter II. *Additional information* in item 3. *Significant events after the balance sheet date*.

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*.

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

2014-11-04 **Małgorzata Kołakowska** President *(signed on the Polish original)*

2014-11-04 **Mirosław Boda** Vice-President *(signed on the Polish original)*

2014-11-04 **Michał Bolesławski** Vice-President *(signed on the Polish original)*

2014-11-04 **Joanna Erdman** Vice-President *(signed on the Polish original)*

2014-11-04 **Justyna Kesler** Vice-President *(signed on the Polish original)*

2014-11-04 **Oscar Edward Swan** Vice-President *(signed on the Polish original)*

2014-11-04 **Ignacio Juliá Vilar** Vice-President *(signed on the Polish original)*

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2014-11-04 **Mirosław Boda** Vice-President *(signed on the Polish original)*
