



ING Bank Śląski S.A. Group

Quarterly consolidated report
for the 3rd quarter 2019

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SELECTED FINANCIAL DATA FROM FINANCIAL STATEMENTS

Performance highlights

	3rd quarter 2019	3 quarters 2019 YTD	3rd quarter 2018	3 quarters 2018 YTD
	period from 01 Jul 2019 to 30 Sep 2019	period from 01 Jan 2019 to 30 Sep 2019	period from 01 Jul 2018 to 30 Sep 2018	period from 01 Jan 2018 to 30 Sep 2018
Net interest income	1 120.0	3 178.2	961.2	2 764.2
Net commission income	340.4	1 027.1	316.5	974.2
Result on basic activities	1 469.3	4 307.0	1 306.1	3 873.2
Result before tax	576.0	1 639.8	500.1	1 435.8
Net profit attributable to shareholders of ING Bank Śląski S.A.	414.8	1 208.4	378.3	1 072.2
Earnings per ordinary share (PLN)	3.19	9.29	2.91	8.24

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
Loans and other receivables to customers (net)	115 728.9	110 509.9	103 125.8	99 223.8
Liabilities to customers	125 786.3	122 992.0	117 682.5	110 205.0
Total assets*	156 013.8	150 909.1	141 812.9	134 384.3
Total equity attributable to shareholders of ING Bank Śląski S.A.*	15 262.7	14 219.8	13 321.6	12 147.8
Share capital	130.1	130.1	130.1	130.1

*) Compared to the financial statements for previous periods, the Group adjusted the recognition of transactions in the purchase and sale of treasury bonds. For more information, see note 7 Comparability of financial data.

Key performance indicators

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
C/I - Cost/Income ratio (%)	44.3	45.9	44.5	45.5
ROA - Return on assets (%)	1.1	1.2	1.2	1.1
ROE - Return on equity (%)	12.1	12.5	12.4	12.1
NIM - net interest margin (%)	2.95	2.93	2.93	2.94
L/D - Loans-to-deposits ratio (%)	92.0	89.9	87.6	90.0
Total capital ratio (%)	15.46%	15.03%	15.58%	15.22%

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.

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF ING BANK ŚLĄSKI S.A. GROUP

Interim condensed consolidated income statement

		3rd quarter 2019	3 quarters 2019 YTD	3rd quarter 2018	3 quarters 2018 YTD
	note	period from 01 Jul 2019 to 30 Sep 2019	period from 01 Jan 2019 to 30 Sep 2019	period from 01 Jul 2018 to 30 Sep 2018	period from 01 Jan 2018 to 30 Sep 2018
Interest income, including:		1 359.7	3 921.7	1 194.7	3 443.0
Interest income calculated using effective interest rate method		1 358.7	3 918.5	1 193.4	3 439.0
Other interest income		1.0	3.2	1.3	4.0
Interest expenses		239.7	743.5	233.5	678.8
Net interest income	8.1	1 120.0	3 178.2	961.2	2 764.2
Commission income		440.6	1 299.2	395.3	1 198.5
Commission expenses		100.2	272.1	78.8	224.3
Net commission income	8.2	340.4	1 027.1	316.5	974.2
Net income on financial instruments at fair value through profit or loss and FX result	8.3	26.6	83.1	27.1	69.5
Net income on the sale of securities measured at amortised cost	8.4	0.0	0.0	0.0	1.0
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	8.4	3.6	35.8	0.0	50.5
Net income on hedge accounting	8.5	-6.7	-8.8	-0.7	3.5
Net income on other basic activities		-14.6	-8.4	2.0	10.3
Net income on basic activities		1 469.3	4 307.0	1 306.1	3 873.2
General and administrative expenses	8.6	604.4	1 906.6	577.2	1 760.5
Impairment for expected losses	8.7	180.2	441.1	133.9	402.4
including profit on sale of receivables		0.0	9.8	25.6	26.7
Tax on certain financial institutions		111.5	322.1	94.7	274.3
Share of profit/(loss) of associates accounted for using the equity method		2.8	2.6	-0.2	-0.2
Gross profit		576.0	1 639.8	500.1	1 435.8
Income tax		161.2	431.4	121.8	363.6
Net profit attributable to shareholders of ING Bank Śląski S.A.		414.8	1 208.4	378.3	1 072.2
Net profit attributable to shareholders of ING Bank Śląski S.A.		414.8	1 208.4	378.3	1 072.2
Weighted average number of ordinary shares		130 100 000	130 100 000	130 100 000	130 100 000
Basic earnings per ordinary share (PLN)		3.19	9.29	2.91	8.24

No material operations were discontinued during 3 quarters of 2019 and 2018.
 Diluted earnings per share are the same as basic earnings per one ordinary share.

Interim condensed consolidated income statement shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof.

Interim condensed consolidated statement of comprehensive income

	3rd quarter 2019	3 quarters 2019 YTD	3rd quarter 2018	3 quarters 2018 YTD
	period from 01 Jul 2019 to 30 Sep 2019	period from 01 Jan 2019 to 30 Sep 2019	period from 01 Jul 2018 to 30 Sep 2018	period from 01 Jan 2018 to 30 Sep 2018
Net profit for the period	414.8	1 208.4	378.3	1 072.2
Total other comprehensive income, including:	628.1	1 187.9	-106.4	-42.7
Items which can be reclassified to income statement, including:	628.1	1 152.6	-106.3	-43.4
debt instruments measured at fair value through other comprehensive income – gains/(losses) on revaluation carried through equity	-6.8	-1.5	-0.2	15.5
debt instruments measured at fair value through other comprehensive income – reclassification to the financial result due to sale	-2.9	-23.3	0.0	-28.7
cash flow hedging – gains/(losses) on revaluation carried through equity	737.1	1 474.3	-18.0	215.4
cash flow hedging – reclassification to profit or loss	-99.3	-296.9	-88.1	-245.6
Items which will not be reclassified to income statement, including:	0.0	35.3	-0.1	0.7
equity instruments measured at fair value through other comprehensive income – gains/(losses) on revaluation carried through equity	0.0	35.3	-0.1	0.7
Net comprehensive income for the reporting period, including:	1 042.9	2 396.3	271.9	1 029.5
attributable to shareholders of ING Bank Śląski S.A.	1 042.9	2 396.3	271.9	1 029.5

Interim condensed consolidated statement of comprehensive income shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof.

Interim condensed consolidated statement of financial position

	note	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
Assets					
Cash in hand and balances with the Central Bank		2 792.5	2 293.5	1 237.4	1 529.8
Loans and other receivables to other banks*	8.8	804.7	694.3	776.5	621.8
Financial assets held for trading	8.9	1 243.7	2 796.9	1 934.9	1 556.8
Derivative hedge instruments		883.6	869.0	909.6	836.5
Investment securities	8.10	32 063.4	31 315.3	31 937.3	28 823.4
Loans and other receivables to customers	8.11	115 728.9	110 509.9	103 125.8	99 223.8
Investments in associates measured at equity method	8.13	171.5	0.7	1.0	1.1
Property, plant and equipment	8.14	921.6	937.8	556.1	539.2
Intangible assets		424.8	420.7	439.2	434.8
Assets held for sale		2.8	20.7	10.9	16.2
Deferred tax assets		399.2	419.8	398.2	356.3
Other assets		577.1	630.5	486.0	444.6
Total assets		156 013.8	150 909.1	141 812.9	134 384.3
Liabilities					
Liabilities to other banks	8.15	7 593.1	7 359.2	5 195.8	6 882.2
Financial liabilities at fair value through profit or loss*	8.16	991.5	1 560.5	1 687.6	1 502.3
Derivative hedge instruments		569.7	505.1	611.8	574.0
Liabilities to customers	8.17	125 786.3	122 992.0	117 682.5	110 205.0
Liabilities under issue of debt securities		302.2	300.2	300.3	302.2
Subordinated liabilities	8.18	2 188.7	1 065.0	1 076.9	641.9
Provisions	8.19	227.9	158.7	152.4	164.9
Current income tax liabilities		389.0	212.3	280.3	53.8
Other liabilities*	8.20	2 702.7	2 536.3	1 503.7	1 910.2
Total liabilities		140 751.1	136 689.3	128 491.3	122 236.5
Equity					
Share capital		130.1	130.1	130.1	130.1
Supplementary capital - issuance of shares over nominal value		956.3	956.3	956.3	956.3
Accumulated other comprehensive income		2 357.3	1 729.2	1 169.7	450.6
Retained earnings*		11 819.0	11 404.2	11 065.5	10 610.8
Equity attributable to shareholders of ING Bank Śląski S.A.		15 262.7	14 219.8	13 321.6	12 147.8
Non-controlling interests		-	-	-	-
Total equity		15 262.7	14 219.8	13 321.6	12 147.8
Total equity and liabilities		156 013.8	150 909.1	141 812.9	134 384.3
Carrying amount		15 262.7	14 219.8	13 321.6	12 147.8
Number of shares		130 100 000	130 100 000	130 100 000	130 100 000
Carrying amount per share (PLN)		117.32	109.30	102.40	93.37

*) Compared to the financial statements for previous periods, the Group adjusted the recognition of transactions in the purchase and sale of treasury bonds. For more information, see note 7 Comparability of financial data.

Interim condensed consolidated statement of financial position shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof.

Interim condensed consolidated statement of changes in equity

3 quarters 2019 YTD

period from 01 Jan 2019 to 30 Sep 2019

	Share capital	Supplementary capital - issuance of shares over nominal value	Cumulative other comprehensive income	Retained earnings	Total equity
Opening balance of equity	130.1	956.3	1 169.7	11 080.2	13 336.3
adjustment in recognition the repo transactions	0.0	0.0	0.0	-14.7	-14.7
Opening balance of equity after adjustments	130.1	956.3	1 169.7	11 065.5	13 321.6
Net result for the current period	-	-	-	1 208.4	1 208.4
Other net comprehensive income, including:	0.0	0.0	1 187.6	0.3	1 187.9
financial assets measured at fair value through other comprehensive income – gains on revaluation carried through equity	-	-	33.8	-	33.8
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-23.3	-	-23.3
cash flow hedging – gains on revaluation carried through equity	-	-	1 474.3	-	1 474.3
cash flow hedging – reclassification to profit or loss	-	-	-296.9	-	-296.9
disposal of non-current assets	-	-	-0.3	0.3	0.0
Other changes in equity, including:	0.0	0.0	0.0	-455.2	-455.2
valuation of share-based payments	-	-	-	0.2	0.2
profit distribution with dividend payout allocation	-	-	-	-455.4	-455.4
Closing balance of equity	130.1	956.3	2 357.3	11 819.0	15 262.7

Year 2018

Period from 01 Jan 2018 to 31 Dec 2018

	Share capital	Supplementary capital - issuance of shares over nominal value	Cumulative other comprehensive income	Retained earnings	Total equity
Opening balance of equity	130.1	956.3	493.2	10 215.2	11 794.8
the impact of changes to the accounting principles in connection with the implementation of IFRS 9	-	-	1.1	-249.0	-247.9
adjustment in recognition the repo transactions	-	-	-	-12.6	-12.6
Opening balance of equity adjusted for changes to the accounting principles and other adjustments	130.1	956.3	494.3	9 953.6	11 534.3
Net result for the current period	-	-	-	1 523.8	1 523.8
Other net comprehensive income, including:	0.0	0.0	675.4	4.0	679.4
financial assets measured at fair value through other comprehensive income – gains on revaluation carried through equity	-	-	18.4	-	18.4
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-31.8	-	-31.8
cash flow hedging – gains on revaluation carried through equity	-	-	1 033.1	-	1 033.1
cash flow hedging – reclassification to profit or loss	-	-	-339.4	-	-339.4
disposal of non-current assets	-	-	-4.0	4.0	0.0
actuarial gains/losses	-	-	-0.9	-	-0.9
Other changes in equity, including:	0.0	0.0	0.0	-415.9	-415.9
valuation of share-based payments	-	-	-	0.3	0.3
dividends paid	-	-	-	-416.2	-416.2
Closing balance of equity	130.1	956.3	1 169.7	11 065.5	13 321.6

3 quarters 2018 YTD
 period from 01 Jan 2018 to 30 Sep 2018

	Share capital	Supplementary capital - issuance of shares over nominal value	Cumulative other comprehensive income	Retained earnings	Total equity
Opening balance of equity	130.1	956.3	493.2	10 215.2	11 794.8
the impact of changes to the accounting principles in connection with the implementation of IFRS 9	-	-	1.1	-249.0	-247.9
adjustment in recognition the repo transactions	-	-	-	-12.6	-12.6
Opening balance of equity adjusted for changes to the accounting principles and other adjustments	130.1	956.3	494.3	9 953.6	11 534.3
Net result for the current period	-	-	-	1 072.2	1 072.2
Other net comprehensive income, including:	0.0	0.0	-43.7	1.0	-42.7
financial assets measured at fair value through other comprehensive income - gains on revaluation carried through equity	-	-	16.2	-	16.2
debt securities measured at fair value through other comprehensive income - reclassification to profit or loss due to sale	-	-	-28.7	-	-28.7
cash flow hedging - gains on revaluation carried through equity	-	-	215.4	-	215.4
cash flow hedging - reclassification to profit or loss	-	-	-245.6	-	-245.6
disposal of non-current assets	-	-	-1.0	1.0	0.0
Other changes in equity, including:	0.0	0.0	0.0	-416.0	-416.0
valuation of share-based payments	-	-	-	0.2	0.2
dividends paid	-	-	-	-416.2	-416.2
Closing balance of equity	130.1	956.3	450.6	10 610.8	12 147.8

Interim condensed consolidated statement of changes in equity shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof.

Interim condensed consolidated cash flow statement

	3 quarters 2019 YTD period from 01 Jan 2019 to 30 Sep 2019	3 quarters 2018 YTD period from 01 Jan 2018 to 30 Sep 2018
Net profit	1 208.4	1 072.2
Adjustments	-251.6	-4 234.3
Share of profit (loss) of associates accounted for using the equity method	-2.6	0.2
Depreciation and amortisation	206.5	134.2
Interest accrued (from the income statement)	-3 178.2	-2 764.2
Interest paid	-721.9	-661.5
Interest received	3 995.0	3 275.2
Dividends received	-7.0	-6.3
Gains (losses) on investing activities	-1.2	-1.8
Income tax (from the income statement)	431.4	363.6
Income tax paid from the income statement	-323.7	-589.1
Change in provisions	75.5	56.1
Change in loans and other receivables to other banks	-159.2	377.5
Change in financial assets held for trading	690.2	-254.8
Change in investment securities	75.9	-3 738.0
Change in hedge derivatives	1 162.0	-24.7
Change in loans and other receivables to customers	-12 642.0	-8 380.6
Change in property, plant and equipment due to lease recognising	66.0	n/a
Change in other assets	-55.0	-31.1
Change in liabilities to other banks	2 003.9	2 538.1
Change in liabilities at fair value through profit or loss	-696.0	-210.9
Change in liabilities to customers	8 098.3	5 699.7
Change in other liabilities	730.6	-15.9
Net cash flow from operating activities	956.8	-3 162.1
Purchase of property plant and equipment	-46.0	-84.2
Disposal of property plant and equipment	1.9	0.5
Purchase of intangible assets	-61.6	-59.6
Disposal of assets held for sale	14.3	7.5
Acquisition of shares in associates	-171.1	0.0
Purchase of equity instruments measured at fair value through other comprehensive income	0.0	-1.2
Purchase of debt securities measured at amortized cost	-227.4	-83.1
Disposal of debt securities measured at amortized cost	0.0	1 055.8
Dividends received	7.0	6.3
Net cash flow from investing activities	-482.9	842.0
Long-term loans received	2 299.4	1 024.4
Long-term loans repaid	-804.6	-783.7
Interest on long-term loans repaid	-18.6	-16.3
Interests from issued debt securities	-3.8	-3.8
Leasing liabilities repaid	-69.3	n/a
Dividends paid	-455.4	-416.2
Net cash flow from financing activities	947.7	-195.6
Effect of exchange rate changes on cash and cash equivalents	151.3	61.1
Net increase/decrease in cash and cash equivalents	1 421.6	-2 515.7
Opening balance of cash and cash equivalents	1 956.4	4 598.2
Closing balance of cash and cash equivalents	3 378.0	2 082.5

Interim condensed consolidated cash flow statement shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof.

Additional information

1. Information about the Bank and the ING Bank Śląski S.A. Group

1.1. General information about the Bank

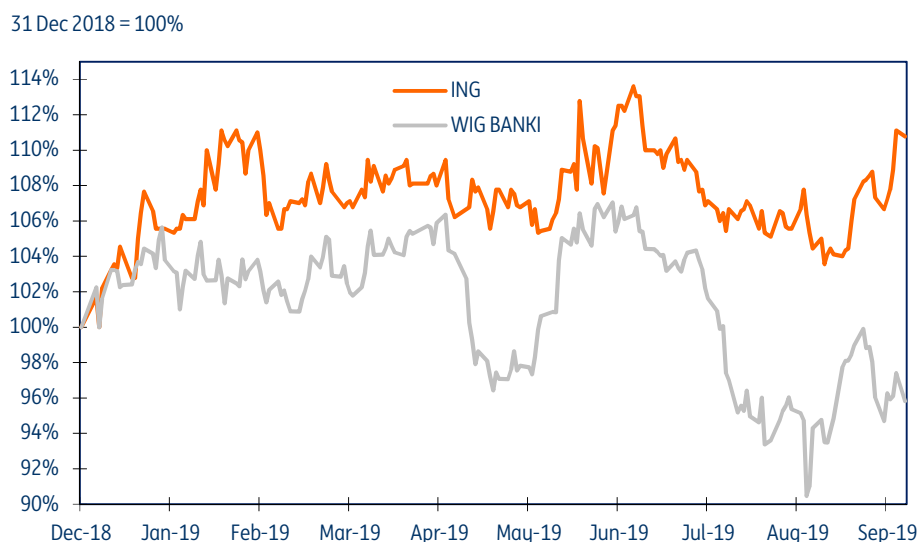
ING Bank Śląski S.A. ("Parent company", "parent entity", "Bank") with the registered office in Katowice, Sokolska Str. 34, was entered into the Entrepreneurs Register with the National Court Register maintained by the Commercial Division of the District Court in Katowice under the number KRS 5459. The parent entity statistical number is REGON 271514909, and the tax identification number is NIP 634-013-54-75.

1.2. Principal activities and duration of operations

ING Bank Śląski S.A. offers a broad range of banking services rendered to individual and institutional clients in line with the scope of services outlined in the Bank's charter. The Bank runs operations both in the Polish zloty and in foreign currencies. The Bank is also active in the domestic and foreign financial markets. Additionally, through subsidiaries, the Group conducts also other activities, of which the most important are leasing and factoring activity (please see note 1.4 for more information). The duration of business of the parent entity and Group members is indefinite.

1.3. Share capital

The share capital of ING Bank Śląski S.A. is PLN 130,100,000 and is divided in 130,100,000 ordinary bearer shares of a par value of PLN 1.00 each. Bank's shares are quoted on the Warsaw Stock Exchange (sector: banks). As at 30 September 2019, the share price of ING Bank Śląski S.A. was PLN 199.4, whereas as of 30 September 2018 was at the level of PLN 182.8. During the 9 months period of 2019, the price of ING Bank Śląski S.A. shares was as follows:



1.4. ING Bank Śląski S.A. Group

ING Bank Śląski S.A. is the parent company of the ING Bank Śląski S.A. Group (“Capital Group”, “Group”). As at 30 September 2019, the composition of ING Bank Śląski S.A. Group was the following:

Name	Type of activity	Registered office	% of the Group share in equity	% of the Group share in the General Meeting votes	Recognition in the Group Financial Statements
ING Investment Holding (Polska) S.A.	financial holding	Katowice	100	100	full consolidation
ING Commercial Finance S.A.*	factoring services	Warszawa	100	100	full consolidation
ING Lease (Polska) Sp. z o.o. */**	leasing services	Warszawa	100	100	full consolidation
ING Bank Hipoteczny S.A.	banking services	Katowice	100	100	full consolidation
ING Usługi dla Biznesu S.A.	accountancy services, payroll services	Katowice	100	100	full consolidation
Nowe Usługi S.A.	education and promotion for the financial market and TURBO Certificates	Katowice	100	100	full consolidation
Solver Sp. Z o.o.	holiday and training courses organisation	Katowice	100	100	full consolidation
NN Investment Partners TFI S.A.*	investment funds	Warszawa	45	45	equity method consolidation
Twisto Polska Sp. Z o.o	services in the area of information and computer technologies	Warszawa	20	20	equity method consolidation

*) ING Bank Śląski S.A. has an indirect share in the company via ING Investment Holding (Polska) S.A.

**) ING Bank Śląski S.A. has an indirect share in the company via ING Investment Holding (Polska) S.A. The ING Lease (Polska) Sp. z o.o Group incorporates 9 special-purpose vehicles wherein ING Lease Polska Sp. z o.o holds 100% of shares

On 31 July 2019, following the acquisition by ING Investment Holding (Polska) S.A. of 94.500 shares of NN Investment Partners TFI S.A. (hereinafter referred to as: NN TFI), the Group acquired a 45 per cent share in the share capital of NN TFI and 45 per cent of the total number of votes at the General Meeting of NN TFI. As a consequence, NN TFI became an associate of the ING Bank Śląski S.A. Group.

The Group applies the equity method to measure its share in that entity. At initial recognition, the Group recognised the investment at cost; after the date of acquisition it adjusted its value to account for its share in the net assets of NN TFI. The Group identified the customer relationships and distributor relationships as unrecognised intangible assets, measured them at fair value and determined the period of their amortisation. Goodwill was identified as part of the investment; goodwill represents the difference between the investment cost and the fair value of the identifiable assets acquired and liabilities assumed.

The result of the initial transaction settlement was as follows:

Investment cost	167 962.5
Fair value of the identifiable net assets	(61 926.5)
Goodwill	106 036.0

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 2019 held 75% share in the share capital of ING Bank Śląski S.A. and 75% shares in the total number of votes at the General Meeting. ING Bank NV belongs to the Group, herein referred to as ING Group.

According to the list of shareholders authorised to participate in the Ordinary General Meeting of ING Bank Śląski S.A. (“OGM”) convoked on 29 March 2019 the following entities were entitled to 5 per cent or more of votes at the OGM of the Issuer:

No.	Entity	Number of shares and votes	% of total number of shares and votes at General Meeting
1.	ING Bank NV	97 575 000	75.00
2.	AVIVA Otwarty Fundusz Emerytalny AVIVA Santander	10 792 367	8.30

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

As at 30 September 2019, 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. Approval of financial statements

The annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2018 to 31 December 2018 were approved by the General Meeting on 29 March 2019.

These interim condensed consolidated financial statements have been approved by the Bank's Management Board on 29 October 2019.

2. Significant events in 3rd quarter 2019

- Conclusion of subordinated loan agreement

The Management Board of ING Bank Śląski S.A. ("Bank") gave notice that on 20 September 2019 the Supervisory Board granted consent to the Bank taking a subordinated loan ("Loan") in the amount of EUR 250 million from ING Bank N.V. with the registered office in Amsterdam.

On 30 September 2019 the Bank concluded a subordinated loan agreement.

The Loan amount is EUR 250 million. The equivalent of the Loan, according to the average NBP exchange rate as at 30 September 2019, is PLN 1,093.4 million.

The Loan was granted for a period of 10 years. The Bank may redeem the Loan after 5 years, subject to receiving appropriate permission of the Polish Financial Supervision Authority (the PFSA).

Interest is payable quarterly at 3M EURIBOR plus a margin of 1.66%. The financial terms of the Loan do not differ from market conditions.

The Bank will apply to PFSA for permission to recognise the Loan in Tier II capital.

- Resignation of Vice-President of ING Bank Śląski S.A. Management Board

The Management Board of ING Bank Śląski S.A. gave notice that on 20 September 2019 Mr Patrick Roesink tendered the resignation from his function as Vice-President of the ING Bank Śląski S.A. Management Board, effective end of day 31 March 2020.

Mr Patrick Roesink cited his plans to take up a new position at ING Group as the reason for his resignation.

- Closure of the acquisition transaction of 45% of shares of NN Investment Partners TFI S.A. by a Bank subsidiary

Since all the conditions precedent as foreseen in the Purchase Agreement of 18 December 2018 have been satisfied, the Acquisition Transaction of 45% of shares of NN Investment Partners TFI S.A. ("NN TFI") by ING Investment Holding (Polska) S.A., an immediate Bank subsidiary, from NN Investment Partners International Holdings B.V. has been closed on 31 July 2019.

After the relevant adjustments made thereto as per the transaction documents, the acquisition price paid upon the Transaction closure was PLN 166.3 million.

3. Significant events after the balance sheet date

- Affirmation of Bank's ratings by Moody's agency

On 21 October 2019 the rating agency Moody's Investors Service („Moody's") upheld the ratings for ING Bank Śląski.

Moody's ratings for Bank have been presented in the note 17.1 Ratings.

- Affirmation of Bank's ratings by Fitch agency

On 7 October 2019, after annual review, the rating agency Fitch Ratings („Fitch") upheld the ratings for ING Bank Śląski.

Fitch's ratings for Bank have been presented in the note 17.1 Ratings.

- Issue of green mortgage covered bonds of ING Bank Hipoteczny S.A

On 5 September 2019, the Commission de Surveillance du Secteur Financier in Luxembourg approved the Prospectus of ING Bank Hipoteczny (ING BH) regarding the International Covered Bond Issue Program (Program). The main assumptions of the Program are as follows:

- ING BH will be able to issue mortgage covered bonds denominated in both EUR, PLN and other currencies,
- the total nominal value of issued and not purchased mortgage bonds will be no more than the equivalent of EUR 5 billion,
- issues carried out under the Program will be directed to institutional investors,
- the maximum maturity of issued mortgage bonds will not exceed 20 years,
- the interest rate will be calculated according to a fixed or variable interest rate, and the value of one mortgage bond will be at least the equivalent of EUR 100,000,
- mortgage bonds issued as part of the Program may be listed on the Luxembourg and Warsaw stock exchanges,
- the arranger and dealer for the Program are ING Bank NV and ING Bank Śląski.

In connection with the planned inaugural issue of green mortgage covered bonds in accordance with Regulation S, ING BH has appointed ING Bank N.V. and ING Bank Śląski S.A. as Joint Bookrunners to organize a series of meetings with a limited group of individually selected investors.

The target group (for the purposes of product management in accordance with the MIFID II Directive) includes only eligible contractors and professional investors (in all distribution channels). The key information document (KID) has not been prepared because the issue will not be addressed to individual investors in the EEA.

On 3 October 2019, ING BH completed the process of building the book of demand for the first issue of green five-year mortgage bonds. Based on its results, the ING BH Management Board decided to issue green covered bonds for the amount of PLN 400 million. The margin was set at 0.53% above the 6M WIBOR rate.

- Rating ING Bank Hipoteczny S.A. by the Moody's agency

On 21 August 2019, Moody's rating agency awarded ING Bank Hipoteczny S.A. long-term and short-term issuer rating.

Rating given by Moody's ING Bank Hipoteczny S.A. has been presented in the chapter Other information in note 17.1. Ratings.

4. Compliance with International Financial Reporting Standards

These interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for the 3rd quarter 2019 were prepared under the IAS 34 *Interim Financial Reporting* (International Accounting Standards) in a version approved by the European Commission and effective as at the reporting date, that is 30 September 2019 as well as in accordance with the Ordinance of Finance Minister of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state (Journal of Laws of 2018, item 757).

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 2018 approved by the General Meeting on 29 March 2019.

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 2019 to 30 September 2019 and interim condensed consolidated statement of financial position as at 30 September 2019, together with comparable data were prepared according to the same principles of accounting for each period except for the changes resulting from the implementation of IFRS 16 replacing IAS 17 *Leasing*. The changes refer to recognition, measurement, presentation and disclosure of. The Group decided to apply the modified retrospective approach to its lease contracts and did not restate comparative data.

4.1. Changes in 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 2018 (Annual Consolidated Financial Statements of the ING Bank Śląski S.A. Capital Group for the year ended 31 Dec 2018) and the standards and interpretations adopted by the European Union and applicable to the annual periods starting 1 January 2019 or afterwards, which have been presented in the Interim condensed consolidated financial statements of the ING Bank Śląski S.A. Capital Group for the 1 half of the year 2019.

The standards and interpretations which were already issued but are still ineffective since not approved by the European Union or approved by the European Union but not previously applied by the Group were presented in the 2018 Group Annual Consolidated Financial Statements.

In the 3rd quarter 2019 the following changes in accounting standards were published:

Change	Impact on financial statements
IFRS 9, IFRS 7, IAS 39 Benchmark interest rate reform (financial year beginning on or after 1 January 2020)	The Group is currently analysing the impact of application of the changes on the Group's financial statements.

As at the date of approval of this report for publication, taking into account the ongoing process of introducing IFRS standards in the EU and the Group's operations, within the accounting principles applied by the Group there is no difference between the effective IFRS standards and the IFRS standards approved by the EU.

4.2. Going concern

These interim condensed consolidated financial statements of the ING Bank Śląski S.A. Capital Group have been prepared on the assumption that the entities within the Group will continue as going concerns in the foreseeable future, i.e. for a period of at least 1 year from the balance sheet date. As at the date of approval of this report by the Bank's Management Board, there are no circumstances indicating a threat to the continued operation of the Capital Group.

4.3. Discontinued operations

No material operations of the Group were discontinued during the 9 months periods of 2019 and 2018.

4.4. Financial statements scope and currency

These interim condensed consolidated financial statements of the Capital Group for the 3rd quarter 2019 contain data of the Bank and its subsidiaries and associates (collectively referred to as the "Group"). These interim condensed consolidated financial statements have been prepared in Polish zloty ("PLN"). All figures, unless otherwise indicated, are rounded to the nearest million. Therefore, there may be instances of mathematical inconsistencies in additions or between individual notes.

4.5. Comparative data

The comparative data cover the period from 1 January 2018 to 30 September 2018 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 2018 to 31 December 2018 for the interim condensed consolidated statement of changes in equity, and for the interim condensed consolidated statement of financial position data as at 30 June 2019, 31 December 2018 and 30 September 2018. Interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income and notes to the interim condensed consolidated income statement include data for the 3rd quarter 2019 (period from 1 July 2019 to 30 September 2019) as well as comparative data for the 3rd quarter 2018 (period from 1 July 2018 to 30 September 2018).

5. Accounting estimates

Preparation of consolidated financial statements in accordance with IFRS requires the Group to make certain estimates and assumptions that affect the amounts presented in the consolidated financial statements and in explanatory notes.

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

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

- Write-offs for expected credit losses

Methodology and assumptions used to estimate write-offs for expected credit losses from financial assets that are measured at amortized cost or at fair value through other comprehensive income with respect to both the amount and the moments of future cash flows are regularly reviewed and updated as necessary. In line with the methodology adopted by the Group, changes in the level of impairment losses on expected credit losses are affected, among others, by changes in estimates of the macroeconomic indicators used. In addition, as part of the regular impairment validation process, in 2019, the assumptions regarding significant credit risk (SICR) for the SME portfolio were updated, as well as the cure rate parameter in the LGD model for the retail mortgage portfolio.

- Valuation of equity instruments

In 2019, the Group made changes in estimates with respect to valuation of equity instruments measured at fair value through other comprehensive income, as described in Note 8.21 *Fair value*.

6. Significant accounting principles

Detailed accounting principles have been presented in the annual consolidated financial statements of the ING Bank Śląski S.A. Capital Group for the period from 1 January 2018 to 31 December 2018, published on 1 March 2019, including the changes introduced to the accounting principles effective from 1 January 2019, which were presented in the interim condensed consolidated financial statements of the ING Bank Śląski S.A. Capital Group for the first half of 2019, published on 1 August 2019 and available on the website of ING Bank Śląski S.A. (www.ingbank.pl).

In the 3rd quarter 2019, the Group did not change its accounting policies.

7. Comparability of financial data

When compared with the interim consolidated financial statements for previous periods, in the interim condensed consolidated financial statements prepared for the period from 1 January 2019 to 30 September 2019, the Group made changes in the presentation of individual items of the consolidated income statement and the consolidated statement of financial position. The changes are as follows:

- adjustment to recognition of transactions in the purchase and sale of treasury bonds (change a)

Following the accounting principle of substance over form, the Group changed the method of accounting for transactions on T-bonds from outright buy – outright sell transactions (separate buy and sell transactions) to buy-sell-back (BSB) and sell-buy-back (SBB). As a result of the adjustment, an additional charge due to the tax on other financial institutions was recognised in profit or loss at PLN -2.5 million and PLN-14.7 million was recognised in retained earnings.

- change in the presentation of commission income and commission expenses on account of cards (change b)

The Group changed the presentation of commission income and commission expenses on account of payment cards and credit cards, as presented in prior periods in net terms under Commission income. As a result of the change, it was necessary to restate comparable data; however, it had not impact on the presented financial result. In the opinion of the Group, the change helped increase the transparency and informational value of the consolidated statement of profit and loss.

The table below presents individual items of the consolidated profit and loss account according to the values presented in the interim consolidated financial statements for the period from 1 January 2018 to 30 September 2018 and according to the values presented in the current report.

3 quarters 2018 YTD period from 01 Jan 2018 to 30 Sep 2018				
	In consolidated financial statements for the period from 01 Jan 2018 to 30 Sep 2018 (approved data)	change a)	change b)	In consolidated financial statements for the period from 01 Jan 2019 to 30 Sep 2019 (comparable data)
Interest income	3 443.0			3 443.0
Interest expenses	678.8			678.8
Net interest income	2 764.2			2 764.2
Commission income	1 087.6		110.9	1 198.5
Commission expenses	113.4		110.9	224.3
Net commission income	974.2			974.2
Net income on financial instruments at fair value through profit or loss and FX result	69.5			69.5
Net income on the sale of securities measured at amortised cost	1.0			1.0
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	50.5			50.5
Net income on hedge accounting	3.5			3.5
Net income on other basic activities	10.3			10.3
Net income on basic activities	3 873.2			3 873.2
General and administrative expenses	1 760.5			1 760.5
Impairment for expected losses	402.4			402.4
Tax on certain financial institutions	272.8	1.5		274.3
Share in net loss of associates accounted for using the equity method	-0.2			-0.2
Gross profit	1 437.3			1 435.8
Income tax	363.6			363.6
Net profit attributable to shareholders of ING Bank Śląski S.A.	1 073.7	1.5	0.0	1 072.2

The table below presents individual items of the consolidated statement of financial position according to the values presented in the semi-annual consolidated financial statements for the period from 1 January 2019 to 30 June 2019, in the annual consolidated financial statements for 2018 and the interim consolidated financial statements for the period from 1 January 2018 to 30 September 2018 and according to the values presented in the current report.

ING Bank Śląski S.A. Group

 Quarterly consolidated report for the 3rd quarter 2019

Interim condensed consolidated financial statements

(PLN million)

	as at 30 Jun 2019	as at 31 Dec 2018	as at 30 Sep 2018	as at 30 Jun 2019	as at 31 Dec 2018	as at 30 Sep 2018	as at 30 Jun 2019	as at 31 Dec 2018	as at 30 Sep 2018
	In consolidated financial statements for the period from 01 Jan 2019 to 30 Jun 2019	In annual consolidated financial statements for the year 2018 (approved data)	In consolidated financial statements for the period from 01 Jan 2018 to 30 Sep 2018	change a)			In consolidated financial statements for the period from 01 Jan 2019 to 30 Sep 2019 (comparable data)		
Assets									
Cash in hand and balances with the Central Bank	2 293.5	1 237.4	1 529.8				2 293.5	1 237.4	1 529.8
Loans and other receivables to other banks	694.3	776.5	621.8				694.3	776.5	621.8
Financial assets held for trading	2 497.6	1 711.6	1 270.7	299.3	223.3	286.1	2 796.9	1 934.9	1 556.8
Derivative hedge instruments	869.0	909.6	836.5				869.0	909.6	836.5
Investment securities	31 315.3	31 937.3	28 823.4				31 315.3	31 937.3	28 823.4
Loans and other receivables to customers	110 509.9	103 125.8	99 223.8				110 509.9	103 125.8	99 223.8
Investments in associates measured at equity method	0.7	1.0	1.1				0.7	1.0	1.1
Property, plant and equipment	937.8	556.1	539.2				937.8	556.1	539.2
Intangible assets	420.7	439.2	434.8				420.7	439.2	434.8
Assets held for sale	20.7	10.9	16.2				20.7	10.9	16.2
Deferred tax assets	419.8	398.2	356.3				419.8	398.2	356.3
Other assets	630.5	486.0	444.6				630.5	486.0	444.6
Total assets	150 609.8	141 589.6	134 098.2	299.3	223.3	286.1	150 909.1	141 812.9	134 384.3
Liabilities									
Liabilities to other banks	7 359.2	5 195.8	6 882.2				7 359.2	5 195.8	6 882.2
Financial liabilities at fair value through profit or loss	1 261.2	1 464.3	1 216.2	299.3	223.3	286.1	1 560.5	1 687.6	1 502.3
Derivative hedge instruments	505.1	611.8	574.0				505.1	611.8	574.0
Liabilities to customers	122 992.0	117 682.5	110 205.0				122 992.0	117 682.5	110 205.0
Liabilities under issue of debt securities	300.2	300.3	302.2				300.2	300.3	302.2
Subordinated liabilities	1 065.0	1 076.9	641.9				1 065.0	1 076.9	641.9
Provisions	158.7	152.4	164.9				158.7	152.4	164.9
Current income tax liabilities	212.3	280.3	53.8				212.3	280.3	53.8
Other liabilities	2 519.5	1 489.0	1 896.1	16.8	14.7	14.1	2 536.3	1 503.7	1 910.2
Total liabilities	136 373.2	128 253.3	121 936.3	316.1	238.0	300.2	136 689.3	128 491.3	122 236.5
Equity									
Share capital	130.1	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	956.3
Accumulated other comprehensive income	1 729.2	1 169.7	450.6				1 729.2	1 169.7	450.6
Retained earnings	11 421.0	11 080.2	10 624.9	-16.8	-14.7	-14.1	11 404.2	11 065.5	10 610.8
Total equity	14 236.6	13 336.3	12 161.9	-16.8	-14.7	-14.1	14 219.8	13 321.6	12 147.8
Total equity and liabilities	150 609.8	141 589.6	134 098.2	299.3	223.3	286.1	150 909.1	141 812.9	134 384.3

8. Supplementary notes to interim condensed consolidated financial statements

8.1. Net interest income

	3rd quarter 2019 period from 01 Jul 2019 to 30 Sep 2019	3 quarters 2019 YTD period from 01 Jan 2019 to 30 Sep 2019	3rd quarter 2018 period from 01 Jul 2018 to 30 Sep 2018	3 quarters 2018 YTD period from 01 Jan 2018 to 30 Sep 2018
Interest income, including:	1 359.7	3 921.7	1 194.7	3 443.0
Interest income calculated using effective interest rate method, including:	1 358.7	3 918.5	1 193.4	3 439.0
interest on loans and receivables to other banks measured at amortised cost	11.0	30.9	10.1	27.5
interest on loans and receivables to customers measured at amortised cost	1 170.7	3 374.3	1 010.6	2 895.8
interest on securities measured at amortised cost	66.4	194.0	75.7	220.0
interest on securities measured at fair value through other comprehensive income	110.6	319.3	97.0	295.7
Other interest income, including:	1.0	3.2	1.3	4.0
interest on loans and receivables to other banks measured at fair value through profit or loss	1.0	3.2	1.3	4.0
Interest expense, including:	239.7	743.5	233.5	678.8
interest on deposits from other banks	14.5	45.2	19.5	44.2
interest on deposits from customers	216.4	674.2	209.0	619.7
interest on issue of debt securities	1.9	5.7	1.9	5.7
interest on subordinated liabilities	4.1	12.4	3.1	9.2
interest on lease liabilities*	2.8	6.0	n/a	n/a
Net interest income	1 120.0	3 178.2	961.2	2 764.2

*) Starting on 1 January 2019 the Group implemented the new standard IFRS 16 Leasing. The Group decided to apply the modified retrospective approach to its lease contracts and did not restate comparative data.

8.2. Net commission income

	3rd quarter 2019 period from 01 Jul 2019 to 30 Sep 2019	3 quarters 2019 YTD period from 01 Jan 2019 to 30 Sep 2019	3rd quarter 2018 period from 01 Jul 2018 to 30 Sep 2018	3 quarters 2018 YTD period from 01 Jan 2018 to 30 Sep 2018
Commission income, including:				
transaction margin on currency exchange transactions	100.5	287.4	90.7	266.7
account maintenance	75.1	219.3	72.2	215.0
lending	76.4	237.4	72.7	224.5
payment and credit cards*	89.5	264.3	61.0	203.0
participation units distribution	19.0	53.5	27.7	79.5
insurance product offering	35.0	97.9	27.3	77.4
factoring and lease agreements	13.5	41.3	14.8	42.9
brokerage activity	5.1	15.6	5.6	16.1
fiduciary and custodian	7.0	21.2	6.7	21.1
foreign commercial business	10.0	28.5	9.1	25.8
other	9.5	32.8	7.5	26.5
Total commission income	440.6	1 299.2	395.3	1 198.5
Commission expenses	100.2	272.1	78.8	224.3
including payment and credit cards*	56.4	144.1	40.0	110.9
Net commission income	340.4	1 027.1	316.5	974.2

*) Compared to the financial statements for previous periods, the Group changed the presentation of commission income and expenses on payment and credit cards. For more information, see note 7 Comparability of financial data.

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

	3rd quarter 2019 period from 01 Jul 2019 to 30 Sep 2019	3 quarters 2019 YTD period from 01 Jan 2019 to 30 Sep 2019	3rd quarter 2018 period from 01 Jul 2018 to 30 Sep 2018	3 quarters 2018 YTD period from 01 Jan 2018 to 30 Sep 2018
FX result and net income on interest rate derivatives, including:	12.9	40.9	8.4	24.4
FX result	101.7	79.1	22.9	126.9
currency derivatives	-88.8	-38.2	-14.5	-102.5
Net income on interest rate derivatives	10.2	22.6	15.6	31.1
Net income on debt instruments held for trading	3.4	19.5	3.1	13.9
Result on measurement of loans to customers which are measured at fair value through profit or loss	0.1	0.1	0.0	0.1
Net income on financial instruments at fair value through profit or loss and FX result	26.6	83.1	27.1	69.5

8.4. Net income on the purchase / sale of securities and dividend income

	3rd quarter 2019	3 quarters 2019 YTD	3rd quarter 2018	3 quarters 2018 YTD
	period from 01 Jul 2019 to 30 Sep 2019	period from 01 Jan 2019 to 30 Sep 2019	period from 01 Jul 2018 to 30 Sep 2018	period from 01 Jan 2018 to 30 Sep 2018
Net income on the sale of securities measured at amortised cost	0.0	0.0	0.0	1.0
Net income on purchase / sale of securities measured at fair value through other comprehensive income and dividend income, including:	3.6	35.8	0.0	50.5
purchase / sale of debt securities	3.6	28.8	0.0	44.2
dividend income	0.0	7.0	0.0	6.3
Total	3.6	35.8	0.0	51.5

8.5. Net income on hedge accounting

	3rd quarter 2019	3 quarters 2019 YTD	3rd quarter 2018	3 quarters 2018 YTD
	period from 01 Jul 2019 to 30 Sep 2019	period from 01 Jan 2019 to 30 Sep 2019	period from 01 Jul 2018 to 30 Sep 2018	period from 01 Jan 2018 to 30 Sep 2018
Fair value hedge accounting for securities:	1.1	6.5	0.0	5.1
valuation of the hedged transaction	50.3	102.1	-21.7	16.7
valuation of the hedging transaction	-49.2	-95.6	21.7	-11.6
Cash flow hedge accounting:	-7.8	-15.3	-0.7	-1.6
ineffectiveness under cash flow hedges	-7.8	-15.3	-0.7	-1.6
including those arising from the valuation element of interest rate derivatives settled using the STM method*	-7.8	-15.3	-0.7	-1.6
Net income on hedge accounting	-6.7	-8.8	-0.7	3.5

*) STM – settled to market

8.6. General and administrative expenses

	3rd quarter 2019	3 quarters 2019 YTD	3rd quarter 2018	3 quarters 2018 YTD
	period from 01 Jul 2019 to 30 Sep 2019	period from 01 Jan 2019 to 30 Sep 2019	period from 01 Jul 2018 to 30 Sep 2018	period from 01 Jan 2018 to 30 Sep 2018
Personnel expenses	315.9	895.0	284.3	845.7
Other general and administrative expenses, including:	288.5	1 011.6	292.9	914.8
cost of marketing and promotion	30.4	88.5	31.3	86.8
depreciation and amortisation	67.3	206.4	45.7	134.2
including right-of-use asset amortisation*	24.4	71.6	0.0	0.0
obligatory Bank Guarantee Fund payments	17.7	184.3	26.9	138.2
IT costs	66.7	180.5	51.5	164.4
maintenance, refurbishment and rental of buildings*	n/a	n/a	51.7	146.5
costs of buildings maintenance*	28.5	78.8	n/a	n/a
costs of short-term leasing and low-value assets leasing*	5.1	17.1	n/a	n/a
other	72.8	256.0	85.8	244.7
Total	604.4	1 906.6	577.2	1 760.5

*) Starting on 1 January 2019 the Group implemented the new standard IFRS 16 Leasing. Group decided to apply the modified retrospective approach to its lease contracts and does not restate comparative data. As a result of implementation, long-term rental costs were allocated to depreciation and interest expenses, while short-term rental costs were transferred to the line: Costs of short-term leasing and low-value assets leasing. The costs of buildings maintenance show the costs associated with the maintenance and administration of real estate and non-leasing elements, not included in the calculation of leasing liabilities, including VAT.

8.6.1. Number of employees

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

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
FTEs	8 053.0	8 119.3	8 033.6	8 033.6
Individuals	8 113	8 170	8 086	8 080

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

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
FTEs	7 631.3	7 693.1	7 615.7	7 633.7
Individuals	7 677	7 740	7 665	7 676

8.7. Impairment for expected losses

	3rd quarter 2019 period from 01 Jul 2019 to 30 Sep 2019	3 quarters 2019 YTD period from 01 Jan 2019 to 30 Sep 2019	3rd quarter 2018 period from 01 Jul 2018 to 30 Sep 2018	3 quarters 2018 YTD period from 01 Jan 2018 to 30 Sep 2018
corporate banking	88.6	235.1	92.2	219.9
retail banking	91.6	206.0	41.7	182.5
Total	180.2	441.1	133.9	402.4

8.8. Loans and other receivables to other banks

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
Current accounts	205.4	184.6	378.4	235.4
Interbank deposits	90.4	5.1	5.0	5.0
Loans and advances	218.7	234.8	52.6	64.1
Placed call deposits	290.2	269.8	340.6	317.3
Total (gross)	804.7	694.4	776.6	621.8
Impairment for expected losses, including: concerning loans and advances	0.0	-0.1	-0.1	0.0
Total (net)	804.7	694.3	776.5	621.8

8.9. Financial assets held for trading

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
Valuation of derivatives*	708.2	554.1	509.0	528.2
Other financial assets held for trading, including:	535.5	2 242.8	1 425.9	1 028.6
debt securities*:	330.3	1 299.9	790.5	643.2
Treasury bonds	311.6	1 281.3	771.6	616.5
European Investment Bank bonds	18.7	18.6	18.9	26.7
repo transactions*	205.2	942.9	635.4	385.4
Total	1 243.7	2 796.9	1 934.9	1 556.8

*) Compared to the financial statements for previous periods, the Group adjusted the recognition of transactions in the purchase and sale of treasury bonds. For more information, see note 7 Comparability of financial data.

8.10. Investment securities

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
Measured at fair value through other comprehensive income (FVOCI), including:	19 918.3	19 165.4	20 077.3	16 725.2
debt securities, including:	19 791.4	19 038.6	19 994.0	16 647.9
treasury bonds	17 281.0	16 589.4	17 670.4	14 553.6
treasury bonds in EUR	1 025.7	983.7	903.0	714.9
European Investment Bank bonds	1 014.7	1 015.2	985.6	954.4
Austrian government bonds	470.0	450.3	435.0	425.0
equity instruments	126.9	126.8	83.3	77.3
Measured at amortised cost, including:	12 145.1	12 149.9	11 860.0	12 098.2
debt securities, including:	12 145.1	12 149.9	11 860.0	12 098.2
treasury bonds	5 927.1	5 961.9	5 936.7	5 901.9
treasury bonds in EUR	3 355.7	3 257.3	3 143.7	3 056.4
BGK bonds	530.7	524.6	512.9	1 540.7
European Investment Bank bonds	2 264.6	2 253.1	2 266.7	1 599.2
NBP bills	67.0	153.0	0.0	0.0
Total	32 063.4	31 315.3	31 937.3	28 823.4

8.11. Loans and other receivables to customers

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
Measured at amortised cost	115 551.0	110 316.4	102 907.4	98 986.0
Measured at fair value through profit or loss	177.9	193.5	218.4	237.8
Total (net)	115 728.9	110 509.9	103 125.8	99 223.8

Loans and other receivables measured at amortised cost

	As at 30 Sep 2019			As at 30 Jun 2019			As at 31 Dec 2018			As at 30 Sep 2018		
	gross	impairment	net	gross	impairment	net	gross	impairment	net	gross	impairment	net
Portfolio of loans, including:	116 205.5	-2 534.9	113 670.6	111 280.0	-2 422.8	108 857.2	104 226.8	-2 270.0	101 956.8	100 398.8	-2 203.9	98 194.9
households	56 220.3	-1 327.1	54 893.2	53 434.3	-1 224.2	52 210.1	48 631.3	-1 105.6	47 525.7	46 785.7	-1 021.7	45 764.0
business entities	56 793.9	-1 207.4	55 586.5	54 600.8	-1 198.5	53 402.3	52 388.2	-1 164.3	51 223.9	50 952.3	-1 181.8	49 770.5
the government and self-government institutions' sector	3 191.3	-0.4	3 190.9	3 244.9	-0.1	3 244.8	3 207.3	-0.1	3 207.2	2 660.8	-0.4	2 660.4
Total, including:	116 205.5	-2 534.9	113 670.6	111 280.0	-2 422.8	108 857.2	104 226.8	-2 270.0	101 956.8	100 398.8	-2 203.9	98 194.9
Corporate banking segment	63 459.1	-1 311.1	62 148.0	61 291.6	-1 295.9	59 995.7	58 863.5	-1 261.5	57 602.0	56 859.0	-1 275.8	55 583.2
loans in the current account	8 432.5	-454.5	7 978.0	11 668.4	-441.1	11 227.3	10 782.9	-460.1	10 322.8	11 222.6	-423.0	10 799.6
term loans and advances	38 864.7	-768.4	38 096.3	34 155.9	-767.5	33 388.4	33 243.9	-726.6	32 517.3	31 819.8	-782.2	31 037.6
leasing receivables	8 214.8	-44.1	8 170.7	7 961.1	-52.0	7 909.1	7 165.0	-46.9	7 118.1	6 782.6	-43.5	6 739.1
factoring receivables	5 327.4	-43.5	5 283.9	5 168.4	-35.0	5 133.4	4 861.9	-27.4	4 834.5	4 793.3	-26.3	4 767.0
corporate and municipal debt securities	2 619.7	-0.6	2 619.1	2 337.8	-0.3	2 337.5	2 809.8	-0.5	2 809.3	2 240.7	-0.8	2 239.9
Retail banking segment	52 746.4	-1 223.8	51 522.6	49 988.4	-1 126.9	48 861.5	45 363.3	-1 008.5	44 354.8	43 539.8	-928.1	42 611.7
mortgages*	38 618.2	-209.0	38 409.2	36 464.6	-200.1	36 264.5	33 371.7	-224.9	33 146.8	31 988.9	-232.4	31 756.5
loans in the current account	1 457.2	-122.5	1 334.7	1 421.9	-114.6	1 307.3	1 329.2	-105.8	1 223.4	1 376.8	-71.9	1 304.9
leasing receivables	1 254.8	-2.4	1 252.4	1 174.0	-5.2	1 168.8	979.1	-3.6	975.5	872.9	-3.7	869.2
other loans and advances	11 416.2	-889.9	10 526.3	10 927.9	-807.0	10 120.9	9 683.3	-674.2	9 009.1	9 301.2	-620.1	8 681.1
Other receivables, including:	1 880.4	0.0	1 880.4	1 459.2	0.0	1 459.2	950.6	0.0	950.6	791.1	0.0	791.1
call deposits placed as collateral	1 451.7	0.0	1 451.7	1 081.1	0.0	1 081.1	733.0	0.0	733.0	612.0	0.0	612.0
other receivables	428.7	0.0	428.7	378.1	0.0	378.1	217.6	0.0	217.6	179.1	0.0	179.1
Total	118 085.9	-2 534.9	115 551.0	112 739.2	-2 422.8	110 316.4	105 177.4	-2 270.0	102 907.4	101 189.9	-2 203.9	98 986.0

*) The position of *Mortgage* includes i.a. loans to individuals in CHF. The gross value of these loans as at 30 September 2019 amounted to PLN 964.3 million (as at 30 June 2019, 31 December 2018 and 30 September PLN 941.4 million, PLN 981.4 million and PLN 962.5 million, respectively)

Quality of loan portfolio

	As at 30 Sep 2019			As at 30 Jun 2019			As at 31 Dec 2018			As at 30 Sep 2018		
	gross	impairment	net	gross	impairment	net	gross	impairment	net	gross	impairment	net
Corporate banking	63 459.1	-1 311.1	62 148.0	61 291.6	-1 295.9	59 995.7	58 863.5	-1 261.5	57 602.0	56 859.0	-1 275.8	55 583.2
assets in stage 1	57 161.9	-51.7	57 110.2	54 654.1	-63.6	54 590.5	51 733.2	-56.0	51 677.2	49 796.8	-61.9	49 734.9
assets in stage 2	3 973.5	-54.3	3 919.2	4 306.6	-54.3	4 252.3	5 038.9	-62.8	4 976.1	4 969.9	-64.8	4 905.1
assets in stage 3	2 323.7	-1 205.1	1 118.6	2 330.9	-1 178.0	1 152.9	2 091.4	-1 142.7	948.7	2 092.3	-1 149.1	943.2
Retail banking	52 746.4	-1 223.8	51 522.6	49 988.4	-1 126.9	48 861.5	45 363.3	-1 008.5	44 354.8	43 539.8	-928.1	42 611.7
assets in stage 1	45 454.6	-72.0	45 382.6	43 043.5	-67.7	42 975.8	38 633.0	-58.2	38 574.8	37 281.2	-65.1	37 216.1
assets in stage 2	6 210.9	-354.2	5 856.7	5 965.1	-340.9	5 624.2	5 916.7	-362.0	5 554.7	5 505.3	-331.4	5 173.9
assets in stage 3	1 080.9	-797.6	283.3	979.8	-718.3	261.5	813.6	-588.3	225.3	753.3	-531.6	221.7
Total loan portfolio	116 205.5	-2 534.9	113 670.6	111 280.0	-2 422.8	108 857.2	104 226.8	-2 270.0	101 956.8	100 398.8	-2 203.9	98 194.9

Additionally, the Group identifies POCI financial assets whose fair value as at 1 January 2018 and carrying amount as at 30 September 2019 are 0. This group covers exposures under impaired receivables purchased in connection with the takeover of Bieszczadzka SKOK in 2017.

Changes in impairment for expected losses

	3 quarters 2019 YTD period from 01 Jan 2019 to 30 Sep 2019				3 quarters 2018 YTD period from 01 Jan 2018 to 30 Sep 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of impairment	114.2	424.8	1 731.0	2 270.0	242.2	0.0	1 424.6	1 666.8
the impact of changes to the accounting principles in connection with the implementation of IFRS 9	-	-	-	0.0	-119.7	350.0	147.8	378.1
Impairment loss at the beginning of the period adjusted for changes to the accounting principles	114.2	424.8	1 731.0	2 270.0	122.5	350.0	1 572.4	2 044.9
Changes in the period, including:	9.5	-16.3	271.7	264.9	4.5	46.2	108.3	159.0
impairments for granted loans during the period	56.8	-	-	56.8	49.0	-	-	49.0
transfer to stage 1	9.4	-85.6	-6.8	-83.0	67.2	-99.0	-6.8	-38.6
transfer to stage 2	-23.8	183.9	-24.6	135.5	-13.8	223.0	-26.4	182.8
transfer to stage 3	-4.7	-55.4	439.2	379.1	-1.6	-42.8	378.2	333.8
changed provisioning under expected losses	-28.4	-60.1	-2.3	-90.8	-97.8	-35.1	-7.4	-140.3
derecognition from the balance sheet (write-downs, sale)	-	-	-168.1	-168.1	-	-	-246.1	-246.1
calculation and write-off of effective interest	-	-	43.0	43.0	-	-	-3.1	-3.1
other	0.2	0.9	-8.7	-7.6	1.5	0.1	19.9	21.5
Closing balance of impairment	123.7	408.5	2 002.7	2 534.9	127.0	396.2	1 680.7	2 203.9

8.12. Debt securities

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
Debt securities held for trading	330.3	1 711.1	790.5	643.2
Debt securities measured at fair value through other comprehensive income	19 791.4	19 038.6	19 994.0	16 647.9
Debt securities measured at amortised cost in the investment securities portfolio	12 078.1	11 996.9	11 860.0	12 098.2
Debt securities measured at amortised cost in the loans and other receivables to customers portfolio	2 619.1	2 337.5	2 809.3	2 239.9
Total	34 818.9	35 084.1	35 453.8	31 629.2

8.13. Investments in associates

Name	Type of activity	Registered office	% of the Group's share in share capital / votes at the GM			
			As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
NN Investment Partners TFI S.A.*	investment fund company	Warszawa	45	-	-	-
Twisto Polska Sp. z o.o.	information and computer technology services	Warszawa	20	20	20	20

*) ING Bank Śląski S.A. has an indirect share in the company through ING Investment Holding (Polska) S.A.

On 31 July 2019, as a result of the acquisition by ING Investment Holding (Polska) S.A. 94,500 shares of NN Investment Partners TFI S.A. (hereinafter: NN TFI), the Group acquired a 45% share in the share capital of NN TFI and 45% of the total number of votes at the General Meeting of NN TFI. As a result of the transaction, NN TFI acquired the status of an associate of the ING Bank Śląski S.A. Capital Group. More information on this subject can be found in chapter 1.4 of the ING Bank Śląski S.A. Capital Group and in chapter 2. Important events in the 3rd quarter 2019.

8.14. Property, plant and equipment

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
Right-of-use assets*	405.4	420.3	n/a	n/a
Real estate and leasehold improvements	313.6	316.7	334.0	318.4
Computer hardware	95.7	100.4	104.0	100.2
Other property, plant and equipment	70.9	73.0	86.0	96.6
Fixed assets in progress	36.0	27.4	32.1	24.0
Total	921.6	937.8	556.1	539.2

*) Starting on 1 January 2019 the Group implemented the new standard IFRS 16 Leasing. Group decided to apply the modified retrospective approach to its lease contracts and did not restate comparative data.

8.15. Liabilities to other banks

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
Current accounts	1 334.8	1 123.2	324.0	335.0
Interbank deposits	422.0	2 026.3	876.1	532.9
Loans received*	3 789.5	3 616.1	3 388.2	3 285.8
Repo transactions	1 413.9	0.0	0.0	2 172.8
Call deposits received	604.2	584.6	592.1	521.2
Other	28.7	9.0	15.4	34.5
Total	7 593.1	7 359.2	5 195.8	6 882.2

*) The financing of the long-term leasing contracts in EUR ("the matched funding") received by the subsidiary ING Lease Polska Sp. z o.o. from ING Bank NV and other banks not related to the Group is presented in item Loans received.

8.16. Financial liabilities at fair value through profit or loss

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
Valuation of derivatives*	724.8	613.1	578.1	646.5
Other financial liabilities at fair value through profit or loss, including:	266.7	947.4	1 109.5	855.8
book short position in trading securities*	176.4	556.7	1 024.9	741.4
financial liabilities held for trading*, including:	90.3	390.7	84.6	114.4
repo transactions	90.3	390.7	84.6	114.4
Total	991.5	1 560.5	1 687.6	1 502.3

*) Compared to the financial statements for previous periods, the Group adjusted the recognition of transactions in the purchase and sale of treasury bonds. For more information, see note 7 Comparability of financial data.

8.17. Liabilities to customers

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
Deposits, including:	123 715.9	121 131.2	115 908.0	108 530.5
households	84 106.9	84 558.1	78 255.5	73 998.9
business entities	36 685.1	33 211.0	35 735.0	32 719.8
the government and self-government institutions' sector	2 923.9	3 362.1	1 917.5	1 811.8
Total (gross), including:	123 715.9	121 131.2	115 908.0	108 530.5
Corporate banking	39 366.3	39 134.3	37 589.9	34 161.1
current accounts	24 267.0	23 584.6	25 478.6	21 993.3
savings accounts	10 759.2	10 214.6	9 969.3	9 274.1
term deposits	4 340.1	5 335.1	2 142.0	2 893.7
Retail banking	84 349.6	81 996.9	78 318.1	74 369.4
current accounts	20 286.3	19 470.8	18 051.2	17 080.1
savings accounts	61 396.5	59 916.4	57 948.1	54 848.9
term deposits	2 666.8	2 609.7	2 318.8	2 440.4
Other liabilities, including:	2 070.4	1 860.8	1 774.5	1 674.5
liabilities under cash collateral	423.5	399.9	329.5	339.4
other liabilities	1 646.9	1 460.9	1 445.0	1 335.1
Total	125 786.3	122 992.0	117 682.5	110 205.0

8.18. Subordinated liabilities

ING Bank Śląski S.A. has concluded three subordinated loan agreements with ING Bank N.V. based in Amsterdam:

- Agreement concluded on 23 February 2016 for the amount of EUR 150.0 million. By the decision of the Polish Financial Supervision Authority of 19 April 2016, the Bank obtained permission to classify the loan as Tier 2 capital.
- The contract concluded on 30 October 2018 for the amount of EUR 100.0 million. After signing the loan agreement, the Bank applied to the Polish Financial Supervision Authority for permission to classify the loan as Tier 2 capital. The consent was obtained on 30 January 2019.
- Agreement concluded on 30 September 2019 for the amount of EUR 250.0 million. The Bank applied to the Polish Financial Supervision Authority for permission to classify the loan as Tier 2 capital.

All loans were granted for a period of 10 years. The Bank has the right to early repayment of each of them after 5 years, subject to obtaining the appropriate consent of the Polish Financial Supervision Authority. The interest for each loan is payable quarterly at the 3M EURIBOR rate plus a margin (1.22% for the 2018 loan, 2.25% for the 2016 loan and 1.66% for the 2019 loan). Financial conditions of loans do not differ from market conditions. ING Bank N.V. is the parent entity holding 75% of shares and votes at the General Meeting of the Bank.

At the end of the 3rd quarter 2019, the carrying value of subordinated loans was PLN 2,188.7 million in total.

8.19. Provisions

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
Provision for off-balance sheet liabilities	126.1	78.4	78.5	82.9
Provision for retirement benefits	42.5	42.4	41.4	39.7
Provision for disputes	42.3	37.9	32.5	29.2
Other provisions	17.0	0.0	0.0	13.1
Total	227.9	158.7	152.4	164.9

*) For further information on provisions for litigations and other provisions, see note 13 *Settlements due to disputable cases and other provisions*.

8.20. Other liabilities

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
Accruals, including:	396.0	337.3	401.9	396.3
due to employee benefits, including:				
variable remuneration programme	55.8	47.1	65.1	57.8
due to commissions	150.3	163.2	131.8	146.3
other	11.2	5.3	9.8	11.6
Other liabilities, including:	2 298.7	2 182.2	1 087.1	1 513.9
lease liability*	414.9	424.6	n/a	n/a
interbank settlements	1 127.6	984.0	522.8	873.8
settlements with suppliers	324.9	281.8	271.1	294.2
public and legal settlements**	101.3	101.6	93.8	91.1
other	338.0	406.9	214.1	254.7
Total	2 702.7	2 536.3	1 503.7	1 910.2

*) Starting on 1 January 2019 the Group implemented the new standard IFRS 16 Leasing. Group decided to apply the modified retrospective approach to its lease contracts and did not restate comparative data.

***) Compared to the financial statements for previous periods, the Group adjusted the recognition of transactions in the purchase and sale of treasury bonds. For more information, see note 7 *Comparability of financial data*.

8.21. Fair value

Please find below the breakdown of carrying amounts of financial assets and liabilities measured at fair value into individual categories of valuation levels. In 2019, there were no movements between particular valuation levels.

As at 30 Sep 2019

	Level 1	Level 2	Level 3	TOTAL
Financial assets, including:	20 121.7	1 591.8	304.8	22 018.3
Valuation of derivatives	-	708.2	-	708.2
Financial assets held for trading, including:	330.3	0.0	0.0	330.3
debt securities, including:	330.3	-	-	330.3
treasury bonds	311.6	-	-	311.6
European Investment Bank bonds	18.7	-	-	18.7
Derivative hedge instruments	-	883.6	-	883.6
Financial assets measured at fair value through other comprehensive income, including:	19 791.4	0.0	126.9	19 918.3
debt securities, including:	19 791.4	-	-	19 791.4
treasury bonds	17 281.0	-	-	17 281.0
treasury bonds in EUR	1 025.7	-	-	1 025.7
European Investment Bank bonds	1 014.7	-	-	1 014.7
Austrian Government bonds	470.0	-	-	470.0
equity instruments	-	-	126.9	126.9
Loans and other liabilities measured at fair value through profit or loss	-	0.0	177.9	177.9
Financial liabilities, including:	176.4	1 294.5	0.0	1 470.9
Valuation of derivatives	-	724.8	-	724.8
Other financial liabilities measured at fair value through profit or loss, including:	176.4	0.0	0.0	176.4
book short position in trading securities	176.4	-	-	176.4
Derivative hedge instruments	0.0	569.7	0.0	569.7

As at 31 Dec 2018

	Level 1	Level 2	Level 3	TOTAL
Financial assets, including:	20 338.5	1 423.2	320.3	22 082.0
Valuation of derivatives	-	554.2	-	554.2
Financial assets held for trading, including:	1 299.9	0.0	0.0	1 299.9
debt securities, including:	1 299.9	-	-	1 299.9
treasury bonds	1 281.3	-	-	1 281.3
European Investment Bank bonds	18.6	-	-	18.6
Derivative hedge instruments	-	869.0	-	869.0
Financial assets measured at fair value through other comprehensive income, including:	19 038.6	0.0	126.8	19 165.4
debt securities, including:	19 038.6	-	-	19 038.6
treasury bonds	16 589.4	-	-	16 589.4
treasury bonds in EUR	983.7	-	-	983.7
European Investment Bank bonds	1 015.2	-	-	1 015.2
Austrian Government bonds	450.3	-	-	450.3
equity instruments	-	-	126.8	126.8
Loans and other liabilities measured at fair value through profit or loss	-	-	193.5	193.5
Financial liabilities, including:	556.7	1 118.2	0.0	1 674.9
Valuation of derivatives	-	613.1	-	613.1
Other financial liabilities measured at fair value through profit or loss, including:	556.7	0.0	0.0	556.7
book short position in trading securities	556.7	-	-	556.7
Derivative hedge instruments	0.0	505.1	0.0	505.1

In 2019 the measurement techniques for Stages 1 and 2 did not change. The financial assets classified to measurement stage 3 as at 30 September 2019 include unquoted equity instruments and loans which did not meet the SPPI criterion as per IFRS 9.

Fair value measurement of unlisted shares in other companies is based on the dividend discount model. The estimates concerning future dividend payments were prepared on the basis of mid-term profitability forecasts prepared by the management boards of those companies. The discount rate is based on the cost of equity which is estimated according to the CAPM, or the Capital Asset Pricing Model.

Methodology of the fair value measurement of the lending portfolio is based on the discounted cash flow method. In this method, the expected cash flows and individual payment dates discount factors are estimated for each measured contract; the value of the discounted cash flows as at the measurement date is also determined. Pricing models are fed with business parameters for individual contracts and parameters observable by the market such as interest rate curves, liquidity cost and capital cost. The change of the parameters used in the measurement did not have a material impact on the measurement as at 30 September 2019.

In 3 quarters 2019 YTD the revaluation of the equity instruments classified to measurement level 3 recognised in the comprehensive income totalled PLN 35.3 million (including deferred tax).

The measurement impact of the loans classified to measurement level 3 for income statement was insignificant.

8.21.1. Financial assets and liabilities not carried at fair value in statement of financial position

As at 30 Sep 2019

	Carrying amount	Fair value			TOTAL
		Level 1	Level 2	Level 3	
Financial assets, including:	131 887.7	2 792.5	12 793.8	116 204.9	131 791.2
Cash in hand and balances with the Central Bank	2 792.5	2 792.5	-	-	2 792.5
Loans and receivables to other banks	804.7	-	804.7	-	804.7
Investment securities measured at amortised cost	12 145.1	-	11 989.1	-	11 989.1
Loans and receivables to customers measured at amortised cost	115 551.0	-	-	115 610.5	115 610.5
Investments in associates measured at equity method	171.5	-	-	171.5	171.5
Other assets	422.9	-	-	422.9	422.9
Financial liabilities, including:	136 284.5	0.0	7 593.1	128 719.5	136 312.6
Liabilities due to other banks	7 593.1	-	7 593.1	-	7 593.1
Liabilities due to customers	125 786.3	-	-	125 786.7	125 786.7
Liabilities under issue of debt securities	302.2	-	-	302.0	302.0
Subordinated liabilities	2 188.7	-	-	2 216.6	2 216.6
Leasing liabilities (presented in <i>Other liabilities</i>)	414.2	-	-	414.2	414.2

As at 31 Dec 2018

	Carrying amount	Fair value			RAZEM
		Level 1	Level 2	Level 3	
Financial assets, including:	117 142.4	1 237.4	12 752.5	103 335.2	117 325.1
Cash in hand and balances with the Central Bank	1 237.4	1 237.4	-	-	1 237.4
Loans and receivables to other banks	776.5	-	776.5	-	776.5
Investment securities measured at amortised cost	11 860.0	-	11 976.0	-	11 976.0
Loans and receivables to customers measured at amortised cost	102 907.4	-	-	102 974.1	102 974.1
Investments in associates measured at equity method	1.0	-	-	1.0	1.0
Other assets	360.1	-	-	360.1	360.1
Financial liabilities, including:	124 255.5	0.0	5 195.8	119 104.6	124 300.4
Liabilities due to other banks	5 195.8	-	5 195.8	-	5 195.8
Liabilities due to customers	117 682.5	-	-	117 685.6	117 685.6
Liabilities under issue of debt securities	300.3	-	-	300.7	300.7
Subordinated liabilities	1 076.9	-	-	1 118.3	1 118.3

8.22. Total capital ratio

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
Own funds				
A. Own equity in the statement of financial position, including:	15 262.7	14 219.8	13 321.6	12 147.8
A.I. Own equity included in the own funds calculation	12 617.1	12 044.3	11 697.7	11 437.6
A.II. Own equity excluded from own funds calculation	2 645.6	2 175.5	1 623.9	710.2
B. Other elements of own funds (decreases and increases), including:	699.1	768.8	236.2	291.4
subordinated debt	1 093.4	1 063.0	645.0	640.7
goodwill and other intangible assets	-518.4	-410.8	-435.0	-424.0
AIRB shortfall/surplus of credit risk adjustments to expected losses	-105.7	-148.8	-185.5	-126.2
adjustment in the transitional period due to adaptation to IFRS 9 requirements*	256.3	267.3	215.0	201.4
value adjustments due to the requirements for prudent valuation	-26.5	-1.9	-3.3	-0.5
Own funds taken into account in total capital ratio calculation (A.I. + B), including:	13 316.2	12 813.1	11 933.9	11 729.0
Core Tier 1 capital	12 222.8	11 750.1	11 288.9	11 088.3
Tier 2 capital	1 093.4	1 063.0	645.0	640.7
Risk weighted assets	86 120.1	85 260.9	76 604.5	77 057.6
for credit risk	75 110.6	74 515.6	67 135.7	67 929.2
for operational risk	8 762.9	8 762.9	7 836.0	7 836.0
other	2 246.6	1 982.4	1 632.8	1 292.4
Total capital requirements	6 889.6	6 820.9	6 128.3	6 164.6
Total capital ratio (TCR)	15.46%	15.03%	15.58%	15.22%
Minimum required level	13.966%	13.963%	13.342%	13.339%
Surplus TCR ratio (p.p)	+1.49	+1.07	+2.24	+1.88
Tier 1 ratio (T1)	14.19%	13.78%	14.74%	14.39%
Minimum required level	11.966%	11.963%	11.342%	11.339%
Surplus T1 ratio (p.p)	+2.22	+1.82	+3.40	+3.05

*) When calculating the capital ratios, the Group was using the transitional provisions concerning alleviation of the IFRS 9 implementation impact on own funds. If the IFRS 9 implementation impact had been recognised in full, the total capital ratio would have arrived at 15.18% and the Tier 1 capital ratio at 13.91%

Basing on the provisions of Regulation (EU) No 241/2014 in relation to regulatory technical standards regarding the requirements of own funds applicable to the institutions and the decisions of the Polish Financial Supervision Authority of 13 September 2019 in own funds as at 30 September 2019, the Group took into account Bank's net profit for the period from 01 January 2019 to 30 June 2019 in the amount of PLN 558.2 million. In own funds as at 31 December 2018, the Group included the Bank's net profit for the period from 1 January 2018 to 30 September 2018 in the amount of PLN 742.2 million.

As a result of the review, the Polish Financial Supervision Authority upheld the previous decision regarding the imposed on ING Bank Śląski S.A. the buffer of another institution of systemic importance at the level of 0.5 p.p.

9. Factors that may affect the financial results in the following quarters

- The global economy is going through a period of permanent slowdown. The International Monetary Fund showed that the global GDP growth rate in 2019 would most likely drop from 3.6% to 3.0% y/y, a level that is considered to be recessive. The rebound of growth rate in the Eurozone or China in 2020 is also uncertain – the forecasts of IMF or ING Group indicate a longer period of stagnation. Brexit and potential trade conflicts generate additional adverse risks.
- The international environment forces the major central banks to pursue an expansive monetary policy. The FED lowered the interest rates by 50bp (1.75-2%) during the first half of the year and the interest rate cuts are likely to be continued in Q4 2019 and throughout 2020. The European Central Bank resumed the asset purchase programme at a pace of EUR 20 billion per month and lowered the deposit facility rate to -0.6%. There is uncertainty as to the next steps. As for the Eurozone, there are discussions on the fiscal stimulus in Germany and France; however, no actions have followed yet.
- During Q3 2019, Poland's GDP will most likely remain at a relatively high level (around 4% y/y). In the following quarters the economic situation will gradually deteriorate – according to the economists of ING Bank Śląski, the GDP growth rate in 2020 will go down from 4.4% to 3.4% y/y. The deterioration is related to a lower growth rate of public investment outlays and the depletion of funds under the current EU perspective. Household spending, however, will help sustain a relatively good economic situation. It is supported by the disbursement of new welfare benefits (e.g. the 13th pension), a good overall situation on the labour market and a high increase in the minimum wage as of next year (15%).
- The strong consumer demand and growing labour cost will result in a continuation of price increases. As a consequence, in Q1 2020 inflation will most probably exceed, temporarily, the inflation target ceiling of NBP (3.5% y/y). According to ING Bank Śląski economists, it will not translate into changes in NBP interest rates. Faced with the risk of continued slowdown, the Monetary Policy Council will most likely wait until the inflation falls down again. As a next step, the MPC will likely cut the interest rates; however, such cuts are probably not to be expected before the end of 2021.
- According to the economists of ING Bank Śląski both at the end of 2019 and in 2020 the EUR/PLN exchange rate will remain at a higher level, i.e. close to 4.35. It reflects the risk relating to the FX mortgage loans. With the change in case law (and the interpretation by the Supreme Court), domestic banks may be forced to establish provisions to cover for the risk of FX mortgage loans currency conversion mandated by courts. It will also be necessary to close the FX position that occurred as a result (by selling PLN for CHF). The process is likely to be spread over time and should not lead to an abrupt depreciation of the Polish zloty.

10. Off-balance sheet items

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
Off-balance sheet liabilities granted	35 760.1	34 762.5	34 284.1	33 663.8
Off-balance sheet liabilities received	104 608.0	97 477.4	93 219.1	94 482.1
Off-balance sheet financial instruments	683 942.2	600 053.5	532 491.0	525 458.8
Total off-balance sheet items	824 310.3	732 293.4	659 994.2	653 604.7

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

None.

12. Dividends paid

On 29 March 2019, the General Meeting passed a resolution regarding dividend payout for 2018, pursuant to which the Bank paid out the dividend for 2018 totalling PLN 455.35 mln (PLN 3.50 gross per share). On 18 April 2019 the shareholders of record became entitled to the dividend payout which took place on 6 May 2019.

On 5 April 2018, the General Meeting passed a resolution regarding dividend payout for 2017, pursuant to which the Bank paid out the dividend for 2017 totalling PLN 416.32 mln (PLN 3.20 gross per share). On 25 April 2018 the shareholders of record became entitled to the dividend payout which took place on 10 May 2018.

13. Settlements due to disputable cases and other provisions

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.

The value of the proceedings conducted in 2019 concerning liabilities and debt claims did not exceed 10% of the Group's equity. In the Group's opinion, none of the individual proceedings pending in 2019 before a court, competent arbitration authority or public administration authority, as well as all joint proceedings pose a threat to the Group's financial liquidity.

Changes to the litigation reserves (in PLN million)

	3rd quarter 2019 period from 01 Jul 2019 to 30 Sep 2019	3 quarters 2019 YTD period from 01 Jan 2019 to 30 Sep 2019	3rd quarter 2018 period from 01 Jul 2018 to 30 Sep 2018	3 quarters 2018 YTD period from 01 Jan 2018 to 30 Sep 2018
Opening balance	37.9	32.5	25.4	7.0
provisions recognised	4.7	11.1	3.9	8.3
provisions reversed	-	-0.4	-	-
provisions utilised	-	-0.3	-0.1	-0.1
reclassifications	-0.3	-0.6	-	14.0
Closing balance	42.3	42.3	29.2	29.2

Proceedings before the President of the Office of Competition and Consumer Protection (OCCP)

- Proceedings concerning provisions providing for the possibility of changing the standard contract, contract or table of fees and commissions for important reasons (the so-called modification clauses)

On 1 April 2019 The President of OCCP instituted proceedings regarding the recognition of a standard contract as prohibited in the scope of provisions that may violate Art. 23a of the Act on competition and consumer protection. The proceedings concern provisions providing for the possibility of changing the standard contract, contract or table of fees and commissions for important reasons (the so-called modification clauses).

The scope of the proceedings refers to the provisions in various general terms of contracts, regulations and contracts concluded with consumers: for cash loans, account debt limit, granting and repayment of loans in a brokerage account, using a credit card - in the version effective from 7 March 2016; for savings and billing accounts and savings accounts - in the version in force from 9 November 2015; for keeping payment accounts - in the version in force from 6 August 2018; for pre-paid cards - in the version effective from 1 January 2016.

According to the President of OCCP, the analysed modified clauses may constitute prohibited contractual provisions due to:

- the possibility of unilaterally changing the general terms and conditions of the agreement as to its essential provisions, as regards contracts enabling the generation of indebtedness on the part of consumers, concluded for a specific period of time,
- general, unspecified nature of the conditions for a unilateral change of the contract, which does not give consumers the possibility to verify them correctly, and in some cases there are no time limits as to the scope of changes,
- no provisions regarding the possibility of continuing a contract concluded for a specific period of time relating to the crediting of consumer needs on the current basis in the event of non-acceptance of unilateral proposals for changes directed by the bank.

The bank responded to the objections and submitted an application for a commitment decision, which may include also a change to the modification clauses. By letter of 1 August 2019, OCCP extended the proceedings until 1 December 2019.

- Proceedings regarding the application of practices violating collective consumer interests

- Before the President of the OCCP there are the proceedings pending which were initiated *ex officio* by the Office President on 9 July 2014 regarding the application of the practices infringing collective consumer interests by the Bank. The practices consist in: making cards replacement during the payment card contract from cards which are not equipped with the contactless function to the contactless cards without changing the content of the contract, derive the legal consequences from Announcement to General terms and conditions of providing by ING Bank Śląski S.A. services as part of maintaining personal accounts and savings accounts for individuals, not provided consumers with information about the opportunities and principles for using payment cards to contactless transactions, spending limits for payment transactions executed by these cards, on paper or on another durable medium, in time before conclusion of the contract All proposals of the bank's liabilities towards OCCP in the framework of the above-mentioned proceedings have been implemented. On 18 December 2018, OCCP decided to extend the proceedings.

- Proceedings regarding the allegation of practices limiting competition on the market of acquiring services for the payments made with payment cards in Poland

Following the antimonopoly proceedings conducted against ING Bank Śląski S.A. and other banks upon the request of the Polish Trade and Distribution Organization – Employers' Confederation, on 29 December 2006, the President of the Office of Competition and Consumer Protection issued a decision stating that the Bank applied the practices limiting competition. The Office of Competition and Consumer Protection deemed as competition limiting the practice whereby various Polish banks, the Bank included, participated in the arrangement limiting competition on the market of acquiring services for clearance of consumer liabilities towards merchants under the payment of goods and services acquired by consumers using payment cards in Poland by setting together the interchange fees charged on the transactions made using the Visa and MasterCard system cards in Poland. In consequence of recognition of the practices limiting competition, the Office of Competition and Consumer Protection imposed fines on banks, the Bank included – of PLN 14.1 million.

The decision was appealed against inter alia by the Bank with the Court of Competition and Consumer Protection. With its judgement of 12 November 2008, the Court of Competition and Consumer Protection changed the decision of the Office of Competition and Consumer Protection in that it did not recognise the practice limiting competition. On 22 April 2010, the judgement was repealed with the judgement of the Court of Appeal which referred the case for re-review.

With its judgment of 21 November 2013, the Court did not change the decision of the Office of Competition and Consumer Protection on the allegation of limiting competition, but reduced the Bank's fine to PLN 403,209. Nonetheless, the judgement of the Court of Competition and Consumer Protection was changed with the judgment of the Court of Appeal of 6 October 2015 which ruled

to change the judgment of the Court of Competition and Consumer Protection in that all appeals were dismissed in their entirety. Following the ruling, the President's decision became final and binding and in October 2015 the Bank paid the fine of PLN 14.1 million as ruled.

The Bank and other banks participating in the proceedings alike lodged a complaint for annulment of the judgment of the Court of Appeal. On 25 October 2017, the Supreme Court repealed the judgment of the Court of Appeal and referred the case thereto for re-review. In line with the position of the Office of Competition and Consumer Protection, the fine paid was refunded to the Bank. Currently proceedings are pending before the Appellate Court, which on 24 October 2018 postponed the hearing without setting the date of the next hearing, and at the same time imposing certain obligations on the plenipotentiaries with regard to submitting statements or documents.

As final decisions have not been taken yet, the amount of the reimbursed fine was not recognised in the income statement. As at 30 June 2019, the Group holds the provision of PLN 14.1 million.

Issues relating to the judgments of the advocate of the Court of Justice of the European Union

- The court cases, including those relating to the CHF-indexed mortgage portfolio, are subject to regular assessment pursuant to the Bank's internal procedures which are in line with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

As at 30 September 2019, the Bank had PLN 986.7 million gross worth of retail mortgage loans indexed in foreign currencies (mainly in CHF), which represents 0.78% of the Bank's share in the FX-mortgage loans of the banking sector. The Bank does not have any loans denominated in foreign currencies.

As at 30 September 2019, the Bank had 130 pending court cases relating to agreements on PLN-loans indexed to the Swiss franc. The total balance sheet value of the exposures covered by the said proceedings was PLN 43.1 million. In accordance with the accounting policy, as at 30 September 2019, the Bank established provisions for those cases in the total amount of PLN 24.3 million.

The accounting policy with respect to loans indexed to CHF was presented in the annual consolidated financial statements of the ING Bank Śląski S.A. Capital Group. for the period from 1 January 2018 to 31 December 2018.

The Bank has not received any class action lawsuit; also, no clause used by the Bank in its agreements has been entered to the Register of Prohibited Clauses.

In relation to a lawsuit against a Polish bank brought before the Regional Court in Warsaw, in April 2018 the said court asked the Court of Justice of the European Union (hereinafter CJEU) for a preliminary ruling on the unfair terms in consumer contracts and effects of the abusiveness, if any, of the terms of an agreement on a mortgage loan indexed to the Swiss franc.

The opinion of the Advocate General of the CJEU was published on 14 May 2019. Under the opinion, if the exchange difference clause is found unlawful, the agreement on a loan indexed to CHF may be turned into a loan in the domestic currency based on the LIBOR for CHF or it may be annulled; however, it is for the national court to assess the facts of each specific case and to settle the dispute based on the effective provisions of the national law.

On 3 October 2019, the CJEU gave a judgement that did not refer to an assessment of clauses of loan contracts indexed to CHF in terms of their unfairness, but rather focused on the possible consequences if a given term is found unfair by a national court. The judgement gives some guidance to the national courts. The CJEU again confirmed that contracts should not be assessed automatically. It is also for the national court to assess whether or not, upon determining that a given term is unfair, the contract may continue to be binding in the absence of such a term. Only after the court finds that the contract may not continue in force without a condition that had been found unfair, the client either consents to keeping the terms that were found unfair or explicitly rejects them. The assessment of potential consequences for the consumer if a given loan contract is found invalid is also up to the national court. CJEU also expressed its concerns regarding the

possibility of transforming the loan into a PLN loan bearing interest based on LIBOR. According to CJEU the option of transforming FX loans into PLN loans and keeping the LIBOR rate might be a too far reaching intrusion into the main subject matter of the contract.

In July 2019 the Polish Bank Association (hereinafter PBA) requested the President of the Supreme Court that the Supreme Court analyse the concept of turning the agreement on a loan indexed to CHF into a PLN-loan based on LIBOR, which is expressed in the opinion of the CJEU Advocate General and which is flawed from both the legal- and economic perspective. In August this year The Supreme Court issued a publication in which the above solution was, however, accepted.

In light of the above, the Bank is of the opinion that the verdicts of national courts in such cases may still vary. That is because the opinion of the Advocate General does not resolve all issues relating to the loans indexed to CHF; it only gives Polish courts general guidelines concerning selected issues relating to the settlement of such cases and ultimately it will be the national courts that will be required to assess the facts of each specific case and settle the dispute based on domestic law. In view of the above, there are currently no premises that would have a material impact on the assessment of the probability of specific verdicts in specific cases which is taken into account by the Bank while establishing provisions in line with IAS 37 and IFRS 9.

- On 11 September 2019, the European Court of Justice (CJEU) announced its judgment in the case of the question referred by the Lublin-Wschód District Court for a preliminary ruling regarding the interpretation of Art. 16 clause 1 of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on consumer credit agreements. The Act on consumer credit in force in Poland (Ukk) contains in art. A similar provision, which up to 2016 had no interpretation doubts, and banks, as a rule, charging a commission for granting a loan, did not return to the client in the event of early repayment (except for withdrawal from the contract). Discussion on the interpretation of art. 49 Ukk started UOKiK by issuing a joint position with the Financial Ombudsman in 2016, according to which in the event of early repayment of a consumer loan all possible costs of such a loan should be reduced, irrespective of their nature and regardless of when these costs were actually borne by the borrower this reduction is to be proportional, i.e. refer to the period from the date of actual repayment of the loan to the date of final repayment specified in the contract. The judgment of the CJEU resolves this issue in such a way that in the event of early repayment of consumer credit, the Bank should:
 - reduce the total cost of the loan along with all its components (e.g. fees, commission, insurance);
 - make a proportional reimbursement of these costs, i.e. the reimbursement should cover the period from the date of actual repayment of the loan to the date of final repayment specified in the contract.

After the publication of the above judgment, the President of UOKiK presented his position in which he fully shared the findings of the CJEU judgment.

In connection with the judgment of the CJEU and the statement of the Office of Competition and Consumer Protection, the Bank's Management Board decided that the increased probability of cash outflow justifies creating a provision for potential customer returns. As at 30 September 2019, the provision amounted to PLN 17.0 million, and it is presented in note 8.19. Provisions under Other provisions.

The Bank will monitor the impact of CJEU judgments on the behavior of borrowers, the practice and case law of Polish courts in these cases, and will assess the probability of cash outflows in relation to CHF-indexed mortgage loans and consumer commission returns on an ongoing basis.

14. 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.

15. Transactions with related entities

ING Bank Śląski S.A. is a subsidiary of ING Bank NV, which as at 30 September 2019 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 Śląski performs operations with ING Bank NV and its subsidiaries on the inter-bank market. These are both short-term deposits and loans, as well as operations in derivatives. The Bank also maintains bank accounts of ING Group entities. 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 employees' insurance contributions.

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

Transactions between related entities (PLN million)

	ING Bank NV	other ING Group entities	associated entities	ING Bank NV	other ING Group entities	associated entities
	as at 30 Sep 2019			as at 30 Sep 2018		
Receivables						
Current accounts	3.2	7.9	-	6.8	2.8	-
Deposits placed	77.4	-	-	-	-	-
Loans	36.4	43.4	-	37.9	49.1	-
Positive valuation of derivatives	91.5	32.4	-	82.9	41.0	-
Other receivables	3.7	3.6	-	6.7	0.3	-
Liabilities						
Deposits received	22.8	71.9	11.5	64.3	68.3	5.2
Loans received	3 603.4	-	-	3 015.8	-	-
Subordinated loan	2 188.7	-	-	641.9	-	-
Loro accounts	49.7	36.8	-	5.9	28.9	-
Negative valuation of derivatives	81.0	30.7	-	67.1	39.2	-
Other liabilities	71.1	1.5	-	54.7	5.6	-
Off-balance-sheet operations						
Off-balance sheet liabilities granted	537.5	693.7	-	487.4	360.9	-
Off-balance sheet liabilities received	740.0	674.5	-	1 265.0	284.1	-
FX transactions	5 861.8	-	-	8 286.1	24.4	-
Forward transactions	-	-	-	266.5	-	-
IRS	2 703.3	2 635.0	-	2 878.2	2 527.1	-
Options	2 977.5	33.5	-	2 363.6	40.1	-
	3 quarters 2019			3 quarters 2018		
	period from 01 Jan 2019 to 30 Sep 2019			period from 01 Jan 2018 to 30 Sep 2018		
Income and expenses						
Income, including:	39.5	25.7	25.6	6.6	1.3	-
interest and commission income/expenses	-21.5	7.3	25.6	-10.7	1.1	-
income on financial instruments	59.5	5.6	-	16.5	-4.3	-
net income on other basic activities	1.5	12.8	-	0.8	4.6	-
General and administrative expenses	53.9	4.7	-	52.1	8.0	-
Expenditure on intangible assets						
	-	0.9	-	1.6	0.1	-

16. Segmental reporting

Segments of operation

The management of Group's activity is conducted within the areas defined in the Group's business model. The Group'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 Group's internal regulations.

The Group has separated in organisational terms the operations performed by the Group Treasury. The Group Treasury manages short-term and long-term liquidity risk in line with the effective regulations and risk appetite internally set at the Group, manages interest rate risk and invests surpluses obtained from business lines while maintaining the liquidity buffer in the form of liquid assets. The Group Treasury's net income on operations is allocated to the business lines considering its support function for the Group's business lines.

Retail banking segment

Within the framework of retail banking, the Group 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), deposit products (current accounts, term deposits, savings accounts), structured product, ING fund units, brokerage services and bank cards.

Corporate banking segment

Obszar działalności korporacyjnej obejmuje:

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

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

Measurement

The measurement of the segment's assets and liabilities, segment's revenue and costs is based on the accounting standards applied by the Group, 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 Group'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 Group presents segment's interest income reduced by the cost of the interest. In 1 quarter 2019 the Group revised the allocation key for the ALCO's income. The data for previous periods presented herein were made comparable.

3 quarters 2019 period from 01 Jan 2019 to 30 Sep 2019

	Retail banking segment	Corporate banking segment	TOTAL
Income total	2 483.2	1 823.8	4 307.0
net interest income	2 015.5	1 162.7	3 178.2
net commission income	412.0	615.1	1 027.1
commission income	631.7	667.5	1 299.2
transaction margin on currency exchange transactions	57.3	230.1	287.4
keeping payment accounts	95.5	123.8	219.3
granting credits	42.7	194.7	237.4
payment and credit cards	243.6	20.7	264.3
distribution of participation units	53.5	0.0	53.5
offering insurance products	82.5	15.4	97.9
factoring and leasing services	28.0	13.3	41.3
other commissions	28.6	69.5	98.1
commission costs	219.7	52.4	272.1
other income/expenses	55.7	46.0	101.7
Expenses total	1 179.0	727.6	1 906.6
Segmental result	1 304.2	1 096.2	2 400.4
Impairment for expected losses	206.0	235.1	441.1
Tax on certain financial institutions	139.6	182.5	322.1
Investments in associates measured at equity method	3.1	-0.5	2.6
Segmental profit before tax	961.8	678.0	1 639.8
Income tax	-	-	431.4
Result after tax	-	-	1 208.4
attributable to shareholders of ING Bank Śląski S.A.	-	-	1 208.4
Allocated equity	6 667.0	8 595.7	15 262.7
ROE - Return on equity (%)*	16.5	9.0	12.1

*) 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.

3 quarters 2018 period from 01 Jan 2018 to 30 Sep 2018

	Retail banking segment	Corporate banking segment	TOTAL
Income total	2 250.3	1 622.9	3 873.2
net interest income	1 760.7	1 003.5	2 764.2
net commission income	390.5	583.7	974.2
commission income	576.3	622.2	1 198.5
transaction margin on currency exchange transactions	60.1	206.6	266.7
keeping payment accounts	96.6	118.4	215.0
granting credits	42.1	182.4	224.5
payment and credit cards	187.4	15.6	203.0
distribution of participation units	79.5	0.0	79.5
offering insurance products	65.7	11.7	77.4
factoring and leasing services	19.5	23.5	42.9
other commissions	25.4	64.1	89.5
commission costs	185.8	38.5	224.3
other income/expenses	99.2	35.6	134.8
Expenses total	1 047.7	712.8	1 760.5
Segmental result	1 194.0	918.7	2 112.7
Impairment for expected losses	182.4	220.0	402.4
Tax on certain financial institutions	113.8	160.5	274.3
Investments in associates measured at equity method	0.0	-0.2	-0.2
Segmental profit before tax	897.8	538.1	1 435.8
Income tax	-	-	363.6
Result after tax	-	-	1 072.2
attributable to shareholders of ING Bank Śląski S.A.	-	-	1 072.2
Allocated equity	4 992.8	7 155.0	12 147.8
ROE - Return on equity (%)	17.4	8.2	12.1

Geographical segments

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

17. Other information

17.1. Ratings

17.1.1. Ratings for ING Bank Śląski S.A.

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.

As at the date of signing the report for the 3rd quarter of 2019, the Bank's rating from the Agency is as follows:

Rating	Level
Long-term IDR	A
Outlook for sustaining the above rating	Stable
Short-term IDR	F1
Viability rating	bbb+
Support rating	1
National Long-Term Rating	AAA (pol)
Outlook for sustaining the above rating	Stable
National Short-Term Rating	F1+ (pol)

In the announcement published on 7 October 2019, the Agency upheld the ratings assigned to the Bank. In the justification, the Agency emphasized that the Bank's maintained ratings reflect:

- a diversified business model,
- a conservative approach to credit risk, high quality assets and
- stable source of financing for the bank.

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 the date of signing the report for the 3rd quarter of 2019, the Bank's rating from the Agency is as follows:

Rating	Level
Rating	A2
LT Rating	P-1
ST Rating	baa2
Baseline Credit Assessment (BCA)	baa1
Adjusted Baseline Credit Assessment (Adjusted BCA)	Stable
Counterparty Risk Assessment (CR Assessment) long-term/ short-term	A1 (cr) / P-1 (cr)
Counterparty Risk Rating (CR Rating) long-term/ short-term	A1 / P-1

In the announcement published on 21 October 2019, the Agency upheld the ratings assigned to the Bank. The agency emphasized in its communication that the Bank's rating reflects:

- good-quality, though unseasoned, bank loan portfolio with very limited exposure to foreign currency mortgage loans,
- adequate capital ratio,
- moderate profitability, and
- stable bank financing profile based on deposits and high liquidity buffers.

17.1.2. Ratings for ING Bank Hipoteczny S.A.

Moody's Investors Service Ltd.

On 21 August 2019, the Moody's Investor Service rating agency awarded ING Bank Hipoteczny S.A. the following ratings:

- Long-term issuer rating: Baa1,
- Short-term issuer rating: Prime-2,
- Long-term contractor risk: A2,
- Short-term counterparty risk: Prime-1.

At the same time, the Moody's Investor Service rating agency issued an opinion on the long-term and short-term counterparty risk at A2 (cr) and Prime-1 (cr), respectively. The outlook for long-term ratings is stable.

17.2. Number of Branches and ATMs, CDMs

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

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
Number of outlets	330	332	337	351
Number of ING Express sales points at shopping malls	65	65	63	63

As at 30 September 2019, clients could use 1 045 machines for cash self-service, including 184 standard ATMs and 861 dual machines.

As at 30 September 2018, there were 1 081 machines for cash self-service, including 199 standard ATMs and 882 dual machines.

17.3. Electronic distribution channels

Development of electronic distribution channels is one of the Bank's priorities. A regular update of this offer results in an increase of the number of Clients interested in e-banking.

The figures for electronic banking clients are as follows (the number of clients is not the same as the number of users as one client may represent several users in a given system):

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
Moje ING, ING BusinessOnLine (in million)	4.2	4.3	4.1	4.0
ING BankMobile. Moje ING Mobile* (in million)	4.3	4.1	3.6	3.4
HaloŚląski (in million)	0.0	2.2	2.2	2.2
ING BusinessMobile (in thousands)	25.1	23.5	20.8	19.8

*) The number of downloaded applications

The monthly number of transactions carried out using electronic banking systems in September 2019 reached the level of 29.6 million, and in the same period of the previous year amounted to 35.9 million.

17.4. 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 at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
debit cards	3 008	2 959	2 795	2 788
credit cards	266	259	254	254
other cards*	157	155	145	140
Total payment cards. in which:	3 430	3 373	3 194	3 182
paywave**	3 257	3 208	3 049	2 563
virtual cards	173	165	145	136

* including charge and prepaid cards

** including cards: Contactless VISA, Contactless Visa Business, Contactless MasterCard Debit, Visa Zbliżak, Zbliżak, VISA 2016, VISA NFC, Mastercard in EUR, MasterCard Debit in mobile phone, Mastercard in Business mobile phone.

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

2019-10-30	Brunon Bartkiewicz President	<i>The original Polish document is signed with a qualified electronic signature</i>
2019-10-30	Michał Bolesławski Vice-President	<i>The original Polish document is signed with a qualified electronic signature</i>
2019-10-30	Joanna Erdman Vice-President	<i>The original Polish document is signed with a qualified electronic signature</i>
2019-10-30	Marcin Giżycki Vice-President	<i>The original Polish document is signed with a qualified electronic signature</i>
2019-10-30	Bożena Graczyk Vice-President	<i>The original Polish document is signed with a qualified electronic signature</i>
2019-10-30	Patrick Roesink Vice-President	<i>The original Polish document is signed with a qualified electronic signature</i>
2019-10-30	Sławomir Soszyński Vice-President	<i>The original Polish document is signed with a qualified electronic signature</i>
2019-10-30	Lorenzo Tassan-Bassut Vice-President	<i>The original Polish document is signed with a qualified electronic signature</i>

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2019-10-30	Jolanta Alvarado Rodriguez	Director of Accounting Department Chief Accountant	<i>The original Polish document is signed with a qualified electronic signature</i>
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INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS OF ING BANK ŚLĄSKI S.A.

Interim condensed standalone income statement

	3rd quarter 2019 period from 01 Jul 2019 to 30 Sep 2019	3 quarters 2019 YTD period from 01 Jan 2019 to 30 Sep 2019	3rd quarter 2018 period from 01 Jul 2018 to 30 Sep 2018	3 quarters 2018 YTD period from 01 Jan 2018 to 30 Sep 2018
Interest income, including:	1 306.4	3 775.2	1 156.6	3 328.2
Interest income calculated using effective interest rate method	1 305.4	3 772.0	1 155.3	3 324.2
Other interest income	1.0	3.2	1.3	4.0
Interest expenses	239.1	742.0	232.1	673.5
Net interest income	1 067.3	3 033.2	924.5	2 654.7
Commission income	422.3	1 248.7	379.3	1 151.6
Commission expenses	102.6	280.1	79.0	224.0
Net commission income	319.7	968.6	300.3	927.6
Net income on financial instruments at fair value through profit or loss and FX result	26.4	83.4	27.3	69.5
Net income on the sale of securities measured at amortised cost	0.0	0.0	0.0	1.0
Net income on the sale of financial assets measured at fair value through other comprehensive income and dividend income	-10.2	9.7	0.0	50.5
Net income on hedge accounting	-6.7	-8.8	-0.7	3.5
Net income on other basic activities	-7.9	-5.0	-0.9	3.0
Net income on basic activities	1 388.6	4 081.1	1 250.5	3 709.8
General and administrative expenses	571.9	1 811.5	549.9	1 684.3
Impairment for expected losses	178.8	429.0	131.2	389.4
including profit on sale of impaired receivables	0.0	9.8	25.6	26.7
Tax on certain financial institutions	111.5	322.1	94.7	274.3
Share of profit (loss) of subsidiaries and associates accounted for using the equity method	39.8	97.8	19.6	56.1
Gross profit	566.2	1 616.3	494.3	1 417.9
Income tax	151.4	407.9	116.0	345.7
Net profit	414.8	1 208.4	378.3	1 072.2
Weighted average number of ordinary shares	130 100 000	130 100 000	130 100 000	130 100 000
Earnings per ordinary share (PLN)	3.19	9.29	2.91	8.24

No material operations were discontinued during 3 quarters of 2019 and 2018.
 Diluted earnings per share are the same as basic earnings per one ordinary share.

Interim condensed standalone income statement shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof.

Interim condensed standalone statement of comprehensive income

	3rd quarter 2019 period from 01 Jul 2019 to 30 Sep 2019	3 quarters 2019 YTD period from 01 Jan 2019 to 30 Sep 2019	3rd quarter 2018 period from 01 Jul 2018 to 30 Sep 2018	3 quarters 2018 YTD period from 01 Jan 2018 to 30 Sep 2018
Net profit for the period	414.8	1 208.4	378.3	1 072.2
Total other comprehensive income, including:	641.5	1 129.9	-106.4	-42.7
Items which can be reclassified to income statement, including:	641.5	1 094.6	-106.3	-43.4
debt instruments measured at fair value through other comprehensive income – gains/losses on revaluation carried through equity	-6.8	-1.5	-0.2	15.5
debt instruments measured at fair value through other comprehensive income – reclassification to the financial result due to sale	-2.9	-23.3	-	-28.7
loans measured at fair value through other comprehensive income – gains/losses on revaluation carried through equity	13.4	-58.0	-	-
cash flow hedging – gains/losses on revaluation carried through equity	737.1	1 474.3	-18.0	215.4
cash flow hedging – reclassification to profit or loss	-99.3	-296.9	-88.1	-245.6
Items which will not be reclassified to income statement, including:	0.0	35.3	-0.1	0.7
equity instruments measured at fair value through other comprehensive income – gains/losses on revaluation carried through equity	-	35.3	-0.1	0.7
Net comprehensive income for the reporting period	1 056.3	2 338.3	271.9	1 029.5

Interim condensed standalone statement of comprehensive income shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof..

Interim condensed standalone statement of financial position

	note	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
Assets					
Cash in hand and balances with the Central Bank		2 792.5	2 293.5	1 237.4	1 781.5
Loans and other receivables to other banks		3 271.9	2 294.6	776.5	951.8
Financial assets held for trading*		1 242.9	2 796.9	1 934.9	2 317.9
Derivative hedge instruments		883.6	869.0	909.6	880.2
Investment securities		31 961.9	31 137.6	31 937.3	28 677.0
Loans and other receivables to customers	4.1	108 638.5	105 129.0	99 125.8	90 845.2
Investments in subsidiaries and associates measured at equity method		1 095.1	1 056.4	634.6	612.0
Property, plant and equipment		898.0	913.8	550.4	520.8
Intangible assets		405.3	401.6	425.0	413.0
Assets held for sale		2.8	20.7	10.9	16.2
Deferred tax assets		208.7	227.5	209.0	177.9
Other assets		237.4	175.9	183.4	198.4
Total assets		151 639.6	147 316.5	137 934.8	127 391.9
Liabilities					
Liabilities to other banks		3 810.3	4 113.3	1 807.7	1 609.3
Financial liabilities at fair value through profit or loss*		990.7	1 560.5	1 687.6	1 565.6
Derivative hedge instruments		569.7	505.1	611.8	677.7
Liabilities to customers		125 365.4	122 797.0	117 293.8	108 877.4
Liabilities under issue of debt securities		302.2	300.3	300.3	300.2
Subordinated liabilities		2 188.7	1 065.0	1 076.9	655.6
Provisions		225.2	155.9	149.5	123.1
Current income tax liabilities		387.2	209.8	264.5	55.7
Other liabilities*		2 595.6	2 461.2	1 421.1	1 651.4
Total liabilities		136 435.0	133 168.1	124 613.2	115 516.0
Equity					
Share capital		130.1	130.1	130.1	130.1
Supplementary capital - issuance of shares over nominal value		956.3	956.3	956.3	956.3
Accumulated other comprehensive income		2 299.3	1 657.8	1 169.7	557.0
Retained earnings*		11 819.0	11 404.2	11 065.5	10 232.5
Total equity		15 204.7	14 148.4	13 321.6	11 875.9
Total equity and liabilities		151 639.7	147 316.5	137 934.8	127 391.9
Carrying amount		15 204.7	14 148.4	13 321.6	11 875.9
Number of shares		130 100 000	130 100 000	130 100 000	130 100 000
Carrying amount per share (PLN)		116.87	108.75	102.40	91.28

*) Compared to the financial statements for previous periods, the Bank adjusted the recognition of transactions in the purchase and sale of treasury bonds and updated of the business model for mortgage loans that may be subject to sale to ING Bank Hipoteczny S.A. For more information, see note 3 Comparability of financial data.

Interim condensed standalone statement of financial position shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof.

Interim condensed standalone statement of changes in equity

3 quarters 2019 YTD

period from 01 Jan 2019 to 30 Sep 2019

	Share capital	Supplementary capital - issuance of shares over nominal value	Cumulative other comprehensive income	Retained earnings	Total equity
Opening balance of equity	130.1	956.3	1 169.7	11 080.2	13 336.3
adjustment in recognition the repo transactions	0.0	0.0	0.0	-14.7	-14.7
Opening balance of equity after adjustments	130.1	956.3	1 169.7	11 065.5	13 321.6
Net result for the current period	-	-	-	1 208.4	1 208.4
Other net comprehensive income, including:	0.0	0.0	1 129.6	0.3	1 129.9
financial assets measured at fair value through other comprehensive income – gains on revaluation carried through equity	-	-	-24.2	-	-24.2
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-23.3	-	-23.3
cash flow hedging – gains on revaluation carried through equity	-	-	1 474.3	-	1 474.3
cash flow hedging – reclassification to profit or loss	-	-	-296.9	-	-296.9
disposal of non-current assets	-	-	-0.3	0.3	-
Other changes in equity, including:	0.0	0.0	0.0	-455.2	-455.2
valuation of share-based payments	-	-	-	0.2	0.2
profit distribution with dividend payout allocation	-	-	-	-455.4	-455.4
Closing balance of equity	130.1	956.3	2 299.3	11 819.0	15 204.7

Year 2018

Period from 01 Jan 2018 to 31 Dec 2018

	Share capital	Supplementary capital - issuance of shares over nominal value	Cumulative other comprehensive income	Retained earnings	Total equity
Opening balance of equity	130.1	956.3	493.2	10 215.2	11 794.8
the impact of changes to the accounting principles in connection with the implementation of IFRS 9	-	-	1.1	-249.0	-247.9
adjustment in recognition the repo transactions	-	-	-	-12.6	-12.6
Opening balance of equity adjusted for changes to the accounting principles and other adjustments	130.1	956.3	494.3	9 953.6	11 534.3
Net result for the current period	-	-	-	1 523.8	1 523.8
Other net comprehensive income, including:	0.0	0.0	675.4	4.0	679.4
financial assets measured at fair value through other comprehensive income – gains on revaluation carried through equity	-	-	18.4	-	18.4
debt securities measured at fair value through other comprehensive income – reclassification to profit or loss due to sale	-	-	-31.8	-	-31.8
cash flow hedging – gains on revaluation carried through equity	-	-	1 033.1	-	1 033.1
cash flow hedging – reclassification to profit or loss	-	-	-339.4	-	-339.4
disposal of non-current assets	-	-	-4.0	4.0	0.0
actuarial gains/losses	-	-	-0.9	-	-0.9
Other changes in equity, including:	0.0	0.0	0.0	-415.9	-415.9
valuation of share-based payments	-	-	-	0.3	0.3
dividends paid	-	-	-	-416.2	-416.2
Closing balance of equity	130.1	956.3	1 169.7	11 065.5	13 321.6

3 quarters 2018 YTD
 period from 01 Jan 2018 to 30 Sep 2018

	Share capital	Supplementary capital - issuance of shares over nominal value	Cumulative other comprehensive income	Retained earnings	Total equity
Opening balance of equity	130.1	956.3	493.2	10 215.2	11 794.8
the impact of changes to the accounting principles in connection with the implementation of IFRS 9	-	-	1.1	-249.0	-247.9
adjustment in recognition the repo transactions	-	-	-	-12.6	-12.6
Opening balance of equity adjusted for changes to the accounting principles and other adjustments	130.1	956.3	494.3	9 953.6	11 534.3
Net result for the current period	-	-	-	1 072.2	1 072.2
Other net comprehensive income, including:	0.0	0.0	-43.7	1.0	-42.7
financial assets measured at fair value through other comprehensive income - gains on revaluation carried through equity	-	-	16.2	-	16.2
debt securities measured at fair value through other comprehensive income - reclassification to profit or loss due to sale	-	-	-28.7	-	-28.7
cash flow hedging - gains on revaluation carried through equity	-	-	215.4	-	215.4
cash flow hedging - reclassification to profit or loss	-	-	-245.6	-	-245.6
disposal of non-current assets	-	-	-1.0	1.0	0.0
Other changes in equity, including:	0.0	0.0	0.0	-416.0	-416.0
valuation of share-based payments	-	-	-	0.2	0.2
dividends paid	-	-	-	-416.2	-416.2
Closing balance of equity	130.1	956.3	450.6	10 610.8	12 147.8

Interim condensed standalone statement of changes in equity shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof.

Interim condensed standalone cash flow statement

	3 quarters 2019 YTD period from 01 Jan 2019 to 30 Sep 2019	3 quarters 2018 YTD period from 01 Jan 2018 to 30 Sep 2018
Net profit (loss)	1 208.4	1 072.2
Adjustments	422.9	-3 889.1
Share of profit (loss) of associates accounted for using the equity method	-97.8	-56.1
Depreciation and amortisation	200.3	132.3
Interest accrued (from the income statement)	-3 033.2	-2 654.7
Interest paid	-720.4	-656.0
Interest received	3 855.6	3 160.1
Dividends received	-7.0	-6.3
Gains (losses) on investing activities	-0.8	-1.7
Income tax (from the income statement)	407.9	345.7
Income tax paid from the income statement	-284.9	-525.2
Change in provisions	75.7	55.8
Change in loans and other receivables to other banks	-2 626.4	377.4
Change in financial assets held for trading	691.0	-254.8
Change in investment securities	119.3	-3 738.0
Change in hedge derivatives	1 162.0	-24.7
Change in loans and other receivables to customers	-9 558.6	-8 306.8
Change in property, plant and equipment due to lease recognising	65.2	n/a
Change in other assets	-458.8	-23.3
Change in liabilities to other banks	2 004.7	2 550.2
Change in liabilities at fair value through profit or loss	-696.9	-210.9
Change in liabilities to customers	8 066.2	5 874.3
Change in other liabilities	1 259.8	59.5
Net cash flow from operating activities	1 631.3	-2 816.9
Purchase of property plant and equipment	-44.0	-83.6
Disposal of property plant and equipment	1.3	0.3
Purchase of intangible assets	-53.2	-51.5
Disposal of assets held for sale	14.3	7.5
Acquisition of shares in associates	0.0	-120.0
Purchase of equity instruments measured at fair value through other comprehensive income	-461.5	-1.2
Purchase of debt securities measured at amortized cost	-227.4	-83.1
Disposal of debt securities measured at amortized cost	0.0	1 055.8
Dividends received	7.0	6.3
Net cash flow from investing activities	-763.5	730.5
Long-term loans received	1 093.4	0.0
Long-term loans repaid	0.0	-9.3
Interest on long-term loans repaid	-12.9	0.0
Interests from issued debt securities	-3.8	-3.8
Leasing liabilities repaid	-67.3	n/a
Dividends paid	-455.4	-416.2
Net cash flow from financing activities	554.0	-429.3
Effect of exchange rate changes on cash and cash equivalents	43.8	61.1
Net increase/decrease in cash and cash equivalents	1 421.8	-2 515.7
Opening balance of cash and cash equivalents	1 956.4	4 598.2
Closing balance of cash and cash equivalents	3 378.2	2 082.5

Interim condensed standalone cash flow statement shall be read in conjunction with the notes to interim condensed consolidated financial statements being the integral part thereof.

Informacje uzupełniające do śródrocznego skróconego jednostkowego sprawozdania finansowego

1. Introduction

1.1. Going concern

These interim condensed standalone financial statements of the ING Bank Śląski S.A. were prepared on a going concern basis as regards the foreseeable future, i.e. for a period of at least 1 year from the balance sheet date. As of the date of approval of this report by the Bank's Management Board, there are no circumstances indicating a threat to the continued operation of the Bank.

1.2. Discontinued operations

No material operations of the Bank were discontinued during the 9 months periods of 2019 and 2018.

1.3. Compliance with International Financial Reporting Standards

These interim condensed standalone financial statements of the ING Bank Śląski S.A. for the 3rd quarter 2019 were prepared under the IAS 34 Interim Financial Reporting (International Accounting Standards) in a version approved by the European Commission and effective as at the reporting date, that is 30 September 2019 as well as in accordance with the Ordinance of Finance Minister of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state (Journal of Laws of 2018, no. 33, item 757).

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 3rd quarter 2019 and Bank's financial statements for the year ended 31 December 2018 approved by the General Meeting on 29 March 2019.

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 2019 to 30 September 2019 and interim condensed standalone statement of financial position as at 30 September 2019, together with comparable data were prepared according to the same principles of accounting for each period except for the changes resulting from the implementation of IFRS 16 replacing IAS 17 *Leasing*. The changes refer to recognition, measurement, presentation and disclosure of. The Group decided to apply the modified retrospective approach to its lease contracts and did not restate comparative data.

1.4. Comparative data

The comparative data cover the period from 1 January 2018 to 30 September 2018 for the interim condensed standalone income statement, the interim condensed standalone statement of comprehensive income and the interim condensed standalone cash flow statement, additionally for the period from 1 January 2018 to 31 December 2018 for the interim condensed standalone statement of changes in equity, and for the interim condensed standalone statement of financial position data as at 30 June 2019, 31 December 2018 and 30 September 2018. Interim condensed standalone income statement, interim condensed standalone statement of comprehensive income and notes to the interim condensed standalone income statement include data for the 3rd quarter 2019 (period from 1 July 2019 to 30 September 2019) as well as comparative data for the 3rd quarter 2018 (period from 1 July 2018 to 30 September 2018).

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 standalone financial statements have been prepared in Polish zloty ("PLN"). All figures, unless otherwise indicated, are rounded to the nearest million. Therefore, there may be instances of mathematical inconsistencies in additions or between individual notes.

1.6. Approval of financial statements

These interim condensed standalone financial statements have been approved by the Bank's Management Board on 29 October 2019.

1.7. Changes in accounting standards

In these interim condensed standalone financial statements, the same accounting standards have been applied as in the case of annual financial statements for the year 2018 (Annual Financial Statements of the ING Bank Śląski S.A. for the period started 1 January 2018 and ended 31 December 2018) and the standards and interpretations adopted by the European Union and applicable to the annual periods starting 1 January 2019 or afterwards.

2. Significant accounting principles

Detailed accounting principles were presented in the Annual Financial Statements of the ING Bank Śląski S.A. for the period started 1 January 2018 and ended 31 December 2018, published on 1 March 2019 and available on the website of ING Bank Śląski S.A. (www.ingbank.pl).

In addition, with respect to interim financial statements, the Bank applies the principle of recognizing the financial result income tax charges based on the best estimate of the weighted average annual income tax rate expected by the Bank in the full financial year.

In 1 half year 2019 the changes in description of applied accounting principles concerning IFRS 16 were made. This was described in the interim condensed consolidated financial statements, in chapter Additional information, in the note 6 Significant accounting principles.

3. Comparability of financial data

When compared with the interim standalone financial statements for previous periods, in the interim condensed standalone financial statements prepared for the period from 1 January 2019 to 30 September 2019, the Bank made changes in the presentation of individual items of the income statement and the statement of financial position. The changes are as follows:

- adjustment to recognition of transactions in the purchase and sale of treasury bonds (change a)

Following the accounting principle of substance over form, the Group changed the method of accounting for transactions on T-bonds from outright buy – outright sell transactions (separate buy and sell transactions) to buy-sell-back (BSB) and sell-buy-back (SBB). As a result of the adjustment, an additional charge due to the tax on other financial institutions was recognised in profit or loss at PLN -2.5 million and PLN-14.7 million was recognised in retained earnings.

- change in the presentation of commission income and commission expenses on account of cards (change b)

The Bank changed the presentation of commission income and commission expenses on account of payment cards and credit cards, as presented in prior periods in net terms under Commission income. As a result of the change, it was necessary to restate comparable data; however, it had

not impact on the presented financial result. In the opinion of the Bank, the change helped increase the transparency and informational value of the consolidated statement of profit and loss.

- updating of the business model for mortgage loans that may be subject to sale to ING Bank Hipoteczny S.A. (zmiana c)

The Bank updated the assumptions regarding the issue of mortgage bonds.

As the target portfolio of assets that will form the basis for the issue of green covered bonds, the Bank defined a pool of mortgage loans financing energy-efficient properties. These loans are designated for the “hold to collect and sell” business model and are measured at fair value through other comprehensive income. As a result of the change, the balance of Loans and other receivables to customers measured at amortized cost as at 30 June 2019 decreased by PLN 3,921.5 million, while the balance of Loans and other receivables to customers measured at fair value through other comprehensive income increased by PLN 3,871.1 million.

The table below presents individual items of the profit and loss account according to the values presented in the interim standalone financial statements for the period from 1 January 2018 to 30 September 2018 and according to the values presented in the current report.

3 quarters 2018 YTD period from 01 Jan 2018 to 30 Sep 2018				
	In financial statements for the period from 01 Jan 2018 to 30 Sep 2018 (approved data)	change a)	change b)	In financial statements for the period from 01 Jan 2019 to 30 Sep 2019 (comparable data)
Interest income	3 328.2			3 328.2
Interest expenses	673.5			673.5
Net interest income	2 654.7			2 654.7
Commission income	1 040.7		110.9	1 151.6
Commission expenses	113.1		110.9	224.0
Net commission income	927.6			927.6
Net income on financial instruments at fair value through profit or loss and FX result	69.5			69.5
Net income on the sale of securities measured at amortised cost	1.0			1.0
Net income on the sale of securities measured at fair value through other comprehensive income and dividend income	50.5			50.5
Net income on hedge accounting	3.5			3.5
Net income on other basic activities	3.0			3.0
Net income on basic activities	3 709.8			3 709.8
General and administrative expenses	1 684.3			1 684.3
Impairment for expected losses	389.4			389.4
Tax on certain financial institutions	272.8	1.5		274.3
Share in net loss of associates accounted for using the equity method	56.1			56.1
Gross profit	1 419.4			1 417.9
Income tax	345.7			345.7
Net profit	1 073.7	1.5	0.0	1 072.2

The table below presents individual items of the statement of financial position according to the values presented in the semi-annual standalone financial statements for the period from 1 January 2019 to 30 June 2019, in the annual standalone financial statements for 2018 and the interim standalone financial statements for the period from 1 January 2018 to 30 September 2018 and according to the values presented in the current report.

ING Bank Śląski S.A. Group

 Quarterly consolidated report for the 3rd quarter 2019

Interim condensed standalone financial statements

(PLN million)

	as at 30 Jun 2019	as at 31 Dec 2018	as at 30 Sep 2018	as at 30 Jun 2019	as at 31 Dec 2018	as at 30 Sep 2018	as at 30 Jun 2019	as at 30 Jun 2019	as at 31 Dec 2018	as at 30 Sep 2018
	In financial statements for the period from 01 Jan 2019 to 30 Jun 2019	In annual consolidated financial statements for the year 2018	In consolidated financial statements for the period from 01 Jan 2018 to 30 Sep 2018		change a)		change c)	In financial statements for the period from 01 Jan 2019 to 30 Sep 2019		
	(approved data)			(comparable data)						
Assets										
Cash in hand and balances with the Central Bank	2 293.5	1 237.4	1 529.8					2 293.5	1 237.4	1 529.8
Loans and other receivables to other banks	2 294.6	776.5	621.8					2 294.6	776.5	621.8
Financial assets held for trading	2 497.6	1 711.6	1 270.7	299.3	223.3	286.1		2 796.9	1 934.9	1 556.8
Derivative hedge instruments	869.0	909.6	836.5					869.0	909.6	836.5
Investment securities	31 137.6	31 937.3	28 823.4					31 137.6	31 937.3	28 823.4
Loans and other receivables to customers	105 179.4	99 125.8	95 410.0				-50.4	105 129.0	99 125.8	95 410.0
Investments in associates measured at equity method	1 056.4	634.6	631.6					1 056.4	634.6	631.6
Property, plant and equipment	913.8	550.4	533.3					913.8	550.4	533.3
Intangible assets	401.6	425.0	415.6					401.6	425.0	415.6
Assets held for sale	20.7	10.9	16.2					20.7	10.9	16.2
Deferred tax assets	216.9	209.0	192.2				10.6	227.5	209.0	192.2
Other assets	175.9	183.4	193.7					175.9	183.4	193.7
Total assets	147 057.0	137 711.5	130 474.8	299.3	223.3	286.1	-39.8	147 316.5	137 934.8	130 760.9
Liabilities										
Liabilities to other banks	4 113.3	1 807.7	3 596.4					4 113.3	1 807.7	3 596.4
Financial liabilities at fair value through profit or loss	1 261.2	1 464.3	1 216.2	299.3	223.3	286.1		1 560.5	1 687.6	1 502.3
Derivative hedge instruments	505.1	611.8	574.0					505.1	611.8	574.0
Liabilities to customers	122 797.0	117 293.8	109 952.1					122 797.0	117 293.8	109 952.1
Liabilities under issue of debt securities	300.3	300.3	302.2					300.3	300.3	302.2
Subordinated liabilities	1 065.0	1 076.9	641.9					1 065.0	1 076.9	641.9
Provisions	155.9	149.5	162.6					155.9	149.5	162.6
Current income tax liabilities	209.8	264.5	50.2					209.8	264.5	50.2
Other liabilities	2 444.4	1 406.4	1 817.3	16.8	14.7	14.1		2 461.2	1 421.1	1 831.4
Total liabilities	132 852.0	124 375.2	118 312.9	316.1	238.0	300.2	0.0	133 168.1	124 613.2	118 613.1
Equity										
Share capital	130.1	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	956.3
Accumulated other comprehensive income	1 697.6	1 169.7	450.6				-39.8	1 657.8	1 169.7	450.6
Retained earnings	11 421.0	11 080.2	10 624.9	-16.8	-14.7	-14.1		11 404.2	11 065.5	10 610.8
Total equity	14 205.0	13 336.3	12 161.9	-16.8	-14.7	-14.1	-39.8	14 148.4	13 321.6	12 147.8
Total equity and liabilities	147 057.0	137 711.5	130 474.8	299.3	223.3	286.1	-39.8	147 316.5	137 934.8	130 760.9

4. Supplementary notes to interim condensed standalone financial statements

4.1. Loans and other receivables to customers

	As at 30 Sep 2019	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Sep 2018
Measured at amortised cost	101 031.4	96 831.9	98 907.4	95 172.2
Measured at fair value through other comprehensive income	7 429.2	8 103.7	-	-
Measured at fair value through profit or loss	177.9	193.4	218.4	237.8
Total (net)	108 638.5	105 129.0	99 125.8	95 410.0

Some mortgage loans may be sold to ING Bank Hipoteczny S.A. as part of a so-called pooling. In connection with receipt by ING Bank Hipoteczny S.A. of the consent to start operations in the first quarter of 2019, some of the mortgage loans were designated by the Bank for the new business model "hold to collect and sell" and are currently valued at fair value through other comprehensive income. Carrying amount of reclassified loans as at the reclassification date was PLN 8,043.2 million and fair value PLN 8,136.0 million.

In the 3rd quarter 2019, the Bank updated its assumptions regarding the issue of mortgage bonds secured by receivables subject to pooling. As the target portfolio of assets that will form the basis for the issue of green covered bonds, the Bank defined a pool of mortgage loans financing energy-efficient properties.

Due to the fact that the change took place during the financial year, the Bank adjusted the documentation and the pool of assets to the target business model.

Comparable data presented in the statement of financial position have been appropriately transformed as presented in chapter 3. Comparability of financial data.

From the point of view of the consolidated financial statements, pooling loans still meet the criterion of the business model "hold to collect" due to the fact that pooling transactions take place within the Group.

The Bank applies a discounted cash flow model to the value of mortgage loans designated to the portfolio measured at fair value. Due to the use in the valuation model of input data which are not based on observable market data, the valuation technique belongs to Level 3.

Loans and other receivables measured at amortised cost

	as at 30 Sep 2019			as at 30 Jun 2019			as at 31 Dec 2018			as at 30 Sep 2018		
	gross	impairment	net	gross	impairment	net	gross	impairment	net	gross	impairment	net
Portfolio of loans, including:	101 519.0	-2 368.0	99 151.0	97 626.7	-2 254.0	95 372.7	100 067.6	-2 110.8	97 956.8	96 434.0	-2 052.9	94 381.1
households	43 991.1	-1 317.4	42 673.7	41 919.1	-1 212.9	40 706.2	46 917.5	-1 097.8	45 819.7	45 206.8	-1 013.2	44 193.6
business entities	54 344.2	-1 050.3	53 293.9	52 470.5	-1 041.0	51 429.5	49 949.9	-1 012.9	48 937.0	48 573.6	-1 039.3	47 534.3
the government and self-government institutions' sector	3 183.7	-0.3	3 183.4	3 237.1	-0.1	3 237.0	3 200.2	-0.1	3 200.1	2 653.6	-0.4	2 653.2
Total gross, including:	101 519.0	-2 368.0	99 151.0	97 626.7	-2 254.0	95 372.7	100 067.6	-2 110.8	97 956.8	96 434.0	-2 052.9	94 381.1
Corporate banking segment	60 201.5	-1 149.5	59 052.0	58 352.0	-1 133.8	57 218.2	55 693.0	-1 106.2	54 586.8	53 775.1	-1 128.6	52 646.5
loans in the current account	15 219.3	-454.5	14 764.8	14 980.1	-441.1	14 539.0	13 553.7	-460.1	13 093.6	14 057.3	-423.1	13 634.2
term loans and advances	42 362.5	-694.4	41 668.1	41 034.1	-692.4	40 341.7	39 329.5	-645.6	38 683.9	37 477.1	-704.8	36 772.3
corporate and municipal debt securities	2 619.7	-0.6	2 619.1	2 337.8	-0.3	2 337.5	2 809.8	-0.5	2 809.3	2 240.7	-0.7	2 240.0
Retail banking segment	41 317.5	-1 218.5	40 099.0	39 274.7	-1 120.2	38 154.5	44 374.6	-1 004.6	43 370.0	42 658.9	-924.3	41 734.6
mortgages	28 457.1	-206.5	28 250.6	26 937.9	-198.9	26 739.0	33 371.7	-224.9	33 146.8	31 988.9	-232.4	31 756.5
loans in the current account	1 457.1	-122.5	1 334.6	1 421.9	-114.6	1 307.3	1 329.2	-105.8	1 223.4	1 376.8	-71.9	1 304.9
other loans and advances	11 403.3	-889.5	10 513.8	10 914.9	-806.7	10 108.2	9 673.7	-673.9	8 999.8	9 293.2	-620.0	8 673.2
Other receivables, including:	1 880.4	0.0	1 880.4	1 459.2	0.0	1 459.2	950.6	0.0	950.6	791.1	0.0	791.1
call deposits placed as collateral	1 451.7	0.0	1 451.7	1 081.1	0.0	1 081.1	733.0	0.0	733.0	612.0	0.0	612.0
other receivables	428.7	0.0	428.7	378.1	0.0	378.1	217.6	0.0	217.6	179.1	0.0	179.1
Total	103 399.4	-2 368.0	101 031.4	99 085.9	-2 254.0	96 831.9	101 018.2	-2 110.8	98 907.4	97 225.1	-2 052.9	95 172.2

Quality of loan portfolio

	as at 30 Sep 2019			as at 30 Jun 2019			as at 31 Dec 2018			as at 30 Sep 2018		
	gross	impairment	net	gross	impairment	net	gross	impairment	net	gross	impairment	net
Corporate banking	60 201.5	-1 149.5	59 052.0	58 352.0	-1 133.8	57 218.2	55 693.0	-1 106.2	54 586.8	53 775.1	-1 128.6	52 646.5
assets in stage 1	55 814.9	-47.2	55 767.7	53 576.8	-54.4	53 522.4	50 361.4	-49.6	50 311.8	48 361.7	-54.8	48 306.9
assets in stage 2	2 531.3	-44.2	2 487.1	2 888.0	-44.9	2 843.1	3 643.7	-51.9	3 591.8	3 723.6	-57.7	3 665.9
assets in stage 3	1 855.3	-1 058.1	797.2	1 887.2	-1 034.5	852.7	1 687.9	-1 004.7	683.2	1 689.8	-1 016.1	673.7
Retail banking	41 317.5	-1 218.5	40 099.0	39 274.7	-1 120.2	38 154.5	44 374.6	-1 004.6	43 370.0	42 658.9	-924.3	41 734.6
assets in stage 1	34 274.7	-69.5	34 205.2	32 564.4	-66.2	32 498.2	37 821.8	-57.5	37 764.3	36 564.2	-64.6	36 499.6
assets in stage 2	6 015.6	-353.3	5 662.3	5 772.5	-339.4	5 433.1	5 773.7	-361.3	5 412.4	5 374.7	-330.7	5 044.0
assets in stage 3	1 027.2	-795.7	231.5	937.8	-714.6	223.2	779.1	-585.8	193.3	720.0	-529.0	191.0
Total loan portfolio	101 519.0	-2 368.0	99 151.0	97 626.7	-2 254.0	95 372.7	100 067.6	-2 110.8	97 956.8	96 434.0	-2 052.9	94 381.1

Additionally, the Bank identifies POCI financial assets whose fair value as at 1 January 2018 and carrying amount as at 30 Sep 2019 are 0. This group covers exposures under impaired receivables purchased in connection with the takeover of Bieszczadzka SKOK in 2017.

4.2. Total capital ratio

	as at 30 Sep 2019	as at 30 Jun 2019	as at 31 Dec 2018	as at 30 Sep 2018
Own funds	13 282.4	12 798.1	11 949.7	11 743.8
Total capital requirements	6 265.8	6 303.2	5 568.4	5 622.1
Total capital ratio	16.96%	16.24%	17.17%	16.71%
Tier 1 ratio	15.56%	14.89%	16.24%	15.80%

When calculating the capital ratios, the Bank was using the transitional provisions concerning alleviation of the IFRS 9 implementation impact on own funds. If the IFRS 9 implementation impact had been recognised in full, the total capital ratio would have arrived at 16.73% and the Tier 1 capital ratio at 15.34%.

5. Significant events in 3rd quarter 2019

Significant events that occurred in 3rd quarter 2019 are described in the interim condensed consolidated financial statement in chapter Additional information in note 2. Significant events in 3rd quarter 2019.

6. 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 Additional information in note 3. Significant events after the balance sheet date.

7. Seasonality or cyclicity of activity

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

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

None.

9. Dividends paid

On 29 March 2019, the General Meeting passed a resolution regarding dividend payout for 2018, pursuant to which the Bank paid out the dividend for 2018 totalling PLN 455.35 mln (PLN 3.50 gross per share). On 18 April 2019 the shareholders of record became entitled to the dividend payout which took place on 6 May 2019.

On 5 April 2018, the General Meeting passed a resolution regarding dividend payout for 2017, pursuant to which the Bank paid out the dividend for 2017 totalling PLN 416.32 mln (PLN 3.20 gross per share). On 25 April 2018 the shareholders of record became entitled to the dividend payout which took place on 10 May 2018.

10. Acquisitions

In 3rd quarter 2019 ING Bank Śląski S.A. did not make any acquisitions, as in 3rd quarter 2018.

11. Off-balance sheet items

	as at 30 Sep 2019	as at 30 Jun 2019	as at 31 Dec 2018	as at 30 Sep 2018
Off-balance sheet liabilities granted	34 455.8	34 457.3	31 958.8	31 621.6
Off-balance sheet liabilities received	104 275.0	97 070.5	92 484.3	93 653.5
Off-balance sheet financial instruments	683 940.3	600 053.5	532 491.0	525 458.8
Total off-balance sheet items	822 671.1	731 581.3	656 934.1	650 733.9

12. Transactions with related entities

Transactions between related entities (PLN million)

	ING Bank NV	Other ING Group entities	Subsidiaries	Associated entities	ING Bank NV	Other ING Group entities	Subsidiaries	Associated entities
	as at 30.09.2019				as at 30.09.2018			
Receivables								
Current accounts	3.2	7.9	-	-	6.8	2.8	-	-
Deposits placed	77.4	-	-	-	-	-	-	-
Loans	-	0.1	12 559.9	-	-	0.2	8 224.3	-
Positive valuation of derivatives	91.5	32.4	3.0	-	82.9	41.0	1.2	-
Other receivables	3.7	3.6	0.2	-	6.7	0.3	0.3	-
Liabilities								
Deposits received	22.8	71.9	110.2	11.5	64.3	68.3	187.8	5.2
Subordinated loan	2 188.7	-	-	-	641.9	-	-	-
Loro accounts	49.7	36.8	0.8	49.7	5.9	28.9	-	-
Negative valuation of derivatives	81.0	30.7	0.4	81.0	67.1	39.2	-	-
Other liabilities	71.1	1.5	4.1	-	54.7	5.6	0.7	-
Off-balance-sheet operations								
Off-balance sheet liabilities granted	465.4	629.7	2 468.2	-	435.1	271.7	1 381.4	-
Off-balance sheet liabilities received	407.0	674.5	6 850.0	-	436.4	284.1	-	-
FX transactions	5 861.8	-	-	-	8 286.1	24.4	-	-
Forward transactions	-	-	41.7	-	266.5	-	-	-
IRS	2 703.3	2 635.0	61.7	-	2 878.2	2 527.1	64.8	-
Options	2 977.5	33.5	-	-	2 363.6	40.1	-	-
	3 quarters 2019 period from 01 Jan 2019 to 30 Sep 2019				3 quarters 2018 period from 01 Jan 2018 to 30 Sep 2018			
Income and expenses								
Income, including:	44.0	24.8	146.3	25.6	12.3	0.1	132.8	-
interest and commission income/expenses	-16.7	6.4	170.9	25.6	-4.8	-0.1	132.5	-
income on financial instruments	59.5	5.6	1.2	-	16.5	-4.3	0.3	-
net income on the sale of securities measured at fair value through other comprehensive income	-	-	-26.1	-	-	-	-	-
net income on other basic activities	1.2	12.8	0.3	-	0.6	4.5	-	-
General and administrative expenses	54.4	2.5	-2.5	-	50.6	6.1	5.0	-
Outlays for non-current assets								
	-	0.9	-	-	1.6	0.1	-	-

In the 3rd quarter 2019, the Bank made four sales transactions to ING Bank Hipoteczny S.A. (a subsidiary of the Bank) of the portfolio of mortgage-backed housing loans in the total amount of PLN 1,357.2 million (3 quarters 2019 YTD: seven sales transactions in the total amount of PLN 2,715.9 million). The purchase price was set on an arm's-length basis. The amount due from ING Bank Hipoteczny S.A. concerning deferred payment under these sale transactions in the amount of PLN 269.8 million was recognized as at 30 September 2019 in the *Loans and other receivables to other banks* item.

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

2019-10-30	Brunon Bartkiewicz President	<i>The original Polish document is signed with a qualified electronic signature</i>
2019-10-30	Michał Bolesławski Vice-President	<i>The original Polish document is signed with a qualified electronic signature</i>
2019-10-30	Joanna Erdman Vice-President	<i>The original Polish document is signed with a qualified electronic signature</i>
2019-10-30	Marcin Giżycki Vice-President	<i>The original Polish document is signed with a qualified electronic signature</i>
2019-10-30	Bożena Graczyk Vice-President	<i>The original Polish document is signed with a qualified electronic signature</i>
2019-10-30	Patrick Roesink Vice-President	<i>The original Polish document is signed with a qualified electronic signature</i>
2019-10-30	Sławomir Soszyński Vice-President	<i>The original Polish document is signed with a qualified electronic signature</i>
2019-10-30	Lorenzo Tassan-Bassut Vice-President	<i>The original Polish document is signed with a qualified electronic signature</i>

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2019-10-30	Jolanta Alvarado Rodriguez	Director of Accounting Department Chief Accountant	<i>The original Polish document is signed with a qualified electronic signature</i>
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