Interim Financial Reporting of ING Bank Śląski Group

for the second quarter 2007

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I. Introduction to Financial Results and Market Position

1. Economic situation in the 2nd quarter of 2007 including factors that may affect the business operations in the coming quarters

After exceptionally good results in the first three months, in the second quarter of this year the Polish economy showed some slowdown symptoms. The industrial output growth rate was going down which resulted in a decrease of economic growth in the second quarter to approx. 6%, compared with 7.4% during the first three months. The domestic demand was still a decisive growth factor. However, it is expected that the continuing good financial standing of enterprises might positively affect their investment activities.

The industrial output in June 2007 was 5.6% higher than a year ago. In the period of January-February, the growth of industrial output was 10.7%, in the first quarter it amounted to 13.0%, and in the second quarter to 8.5%. In the first half of the year, growth of the output was recorded in 26 (among 29) industry sectors. The largest output growth was recorded in the companies manufacturing goods from other non-metallic raw materials (by 28.4%) and in companies manufacturing machinery and equipment (by 24.8%). In the first half of the year, the rate of growth of the construction & assembly output was higher; however the growth rate was much higher in the first three month than in the second quarter. In June 2007, the construction & assembly output was 3.7% higher compared with the last year. The level of the construction & assembly output realised in the period of January-June 2007 was 30.2% higher compared with the similar period of the last year.

The growing demand of Polish companies for new employees resulted in a continuing decrease of the unemployment rate that amounted to 12.4% at the end of June 2007 compared with 15.9% in the similar period of the last year. In June 2007, the number of unemployed was 1,895,100, a decrease by 23.8% on a year-to-year basis. The decrease of the number of unemployed was accompanied by growth of salaries. The average salary in the corporate sector was 9.3% compared with the similar period of the last year. The high rate of growth of nominal salaries accompanied by a moderate inflation resulted in increasing the purchasing power of salaries (the real growth in the first year half was 6.2%). The more advantageous situation on the labour market and growing salaries stimulated the retail sale which rose by 15.6% compared with the first half of 2006.

In the second half of 2007, the inflationary pressure was developing faster. In the period of January-June 2007, the prices of consumer goods and services went up by 2.2% compared with 1.0% on a year-to-year basis. The annual consumer index growth in June 2007 was 2.6 %, while the inflationary target of the Monetary Policy Council ("Council") was set at the level of 2.5%. In the conditions of a growing inflationary pressure the Council increased the interest rates twice during the second quarter of this year. As a result, the reference rate rose from 4.0% at the end of 2006 to 4.5% at the end of June 2007. According to expectations, those increases represent only the beginning of the process of tightening the monetary policy and by the year end the Council will increase twice the interest rates.

In June 2007, the deposits of the banking sector increased by 5.1% compared with December 2006; the deposits of business entities were 12.1% higher, whereas the deposits of households went up only by 0.2% compared with the end of the last year.

The credit receivables in the banking sector were growing due to the bigger lending volumes of both the households and business entities. The credit receivables from households rose by 18.2% compared with the end of 2006. The credit receivables from business entities were also bigger and, compared with December 2006, those rose by 11.6%.
In the first quarter of 2007, the zloty exchange rate against EUR and USD was rather stabile, whereas in the second quarter our currency was becoming stronger. At the end of June, the zloty rate versus EUR was 3.7658, compared with 3.8312 as at 31.12.2006.

The most important macro-economic factors affecting the results in the subsequent quarters include the economic growth rate in Poland, increases of interest rates and fluctuations of FX rates.

2. Execution of Strategic Goals

In the first half of 2007, ING Bank Śląski continued the implementation of projects aimed at launching new technologies, providing easier access to products and services and improving the effectiveness of processes. Actions were also taken with the aim of enhancing the attractiveness of the Bank's product offer.

In the retail area, the Bank implemented a number of large projects under a common name of Retail 2007 whose main purpose was to actively support the sales of products and services. As part of the abovementioned projects, we commenced building a well-structured database containing additional information. The data contained in the database are available for the retail sales network employees as part of the Front End application, successively implemented in all Bank branches. The Front End application is a modern tool supporting sales and marketing campaigns by provision of complete and accurate client data. The functionalities of the application allow for more effective customer service, mostly for faster and convenient finalisation of the sale of lending products. The implementation of the Front End application considerably facilitated prescoring campaigns carried out by the Bank.

Another important project being implemented as part of Retail 2007 is Self Banking whose main objective is to provide easier access to bank services, to improve the customer services and rationalise the operating costs connected with cash operations. The essence of the project is to separate self-service areas in the existing branches to be open 24/7, where the clients could make cash withdrawals and deposits, make transfers via ING BankOnLine, call HaloŚląski or talk to the consultant from the Call Centre. The self-service areas are designed for individual clients, Small Business and also for wholesale clients.

In the wholesale area the Bank continued the implementation of changes resulting from the Corporate 2007 programme. The New Deposit Offer for wholesale clients, launched in December will be enriched to include products denominated in foreign currencies; moreover, the deposit solutions will be implemented in the new internet banking system for wholesale clients.

ING Bank Śląski successively modified, expanded and made its product offer more attractive. During the first six months of this year, the Bank made preparations for expanding the deposit offer for retail clients. In consequence, in early July 2007 the Bank's offer for individual and Small Business clients was enriched with products denominated in British pounds, the personal account and the Open Savings Account, while the *Fund plus 3M Deposit* was also proposed to individual clients. In the first half of this year, the Bank also modified the lending offer addressed to retail clients. In respect of mortgage products the regulations were changed and special price conditions were introduced as well as free-of-charge advisor's assistance. Thus, those are not more attractive and easily accessible to clients. In order to encourage the clients to actively use credit cards numerous changes were introduced in respect of fees and commissions charged for credit cards and new promotions were prepared ("PLN 50 Promotion", promotion for the current and new holders of the Orange VISA credit card, "cash-back" promotional campaign for credit cards under the catchword "Pay with the card and earn money"). Moreover, in the first year-half the Bank's offer for the clients of the Private Banking Market was enriched with the Platinum credit card.

In the first year-half, the Bank was also enhancing its offer in the area of wholesale products. The new service referred to as the *Virtual balance consolidation* was addressed to this group of clients. Actions were also initiated in order to modify the working capital loan offer for the clients of Wholesale Network. Modification aimed at simplifying, structuring and making the Bank's offer more attractive.

The changes in the Bank's product offer were actively supported by numerous advertising campaigns promoting the key products.

In the first half of this year, the Bank initiated various efforts aimed at extending the area of the clients' activities. The prescoring offer was prepared for clients from the Small Business segment. As part of this offer it was proposed to use the loan with an individually tailored amount and convenient terms and conditions. In April 2007, the first Fast Track campaign was started for small exposures. It involves an automated setting of the transactional limits for wholesale clients. The limits perform the role of the credit decision concerning the set of standard short-term products such as lending, discount and off-balance-sheet products. Owing to the simplification of procedures and reducing the number of units participating in the decision-taking process, the Fast Track allows to considerably shorten the time needed to present the client with a firm lending offer.

During the first six months of this year, ING Bank Śląski continued efforts with the aim of building long-lasting relations with Clients. Anticipating the expectations of the wealthiest clients, the Bank established in Warsaw the *Private Banking* Investment Centre whose services may be used by clients with assets of minimum PLN 1 million. In order to guarantee easier access to products and services, the Bank initiated actions aimed at selling standardised retail mortgage loans via the intermediary channel, including independent mortgage advisors. In the first half of this year, we also developed new organisational & procedural and system solutions in respect of reviewing complaints of clients. The implementation of the PerfectCase application allows for shortening the time needed for reviewing the complaint, thus improving the customer service quality. The application also provides the possibility of gathering information concerning the complaint reasons which allows for making adjustments to the products offered or bank processed.

3. Most important business achievements and market position

In the first half of the year, the Bank recorded a continued stabile growth of the deposit base followed by strengthening of the share in the market of household deposits.As at the end of June 2007, the total value of funds entrusted by Clients[1] from the ING Bank Śląski Group amounted to PLN 46 470.9 million (up by 9.0% from December 2006 and by 28.7% from the same period of the previous year).

Structure of funds entrusted by Clients from the ING Bank Śląski S.A. Group (PLN million)

	30.06.2007	31.12.2006	30.06.2006
Retail segment	32 103.1	28 635.9	24 768.1
Wholesale segment	14 367.8	13 983.7	11 329.6
Total	**46 470.9**	**42 619.6**	**36 097.7**

Intensive actions taken with the aim of mobilising the lending activities resulted in growing volumes of loans, which totalled PLN 15 725.2 million as at the end of June (up by 11.6% from December 2006 and by 29.1% from the same period of the previous year).

Structure of funds of the ING Bank Śląski S.A. Group (PLN million)

	30.06.2007	31.12.2006	30.06.2006
Retail segment	3 829.2	3 297.0	3 101.9
Wholesale segment	11 896.0	10 794.7	9 081.9
Total	**15 725.2**	**14 091.7**	**12 183.8**

The share of ING Bank Śląski in the market of deposits and long-term liabilities amounted to 8.46% (versus 8.58% as at the end of 2006 and 8.36% as at the end of June 2006). An increase of the share in

[1] Including TFI assets.

the household deposits market was recorded from 8.77% as at the end of 2006 to 8.97% as at the end of June 2007. In the similar period of the last year the share in the household deposits was at the level of 8.79%. The share in the market of corporate deposits as at the end of June 2007 totalled 7.84% against 8.32% as at the end of December 2006 and 7.70% as at the end of June 2006.
The Bank's share in the credit receivables market as at the end of June 2007 totalled 3.70% (versus 3.79% as at the end of December 2006 and 3.78% as at 30.06.2006). The Bank's share in the corporate loans market as at the end of June 2007 totalled 5.79% versus 5.80% as at the end of December 2006 and 5.48%as at the end of June 2006. The share in the market of household loans as at the end of June 2007 totalled 1.83% versus 1.87% as at the end of December 2006 and 2.05% as at the end of June 2006.

4. Awards

Ever since its establishment, ING Bank Śląski S.A. has been recognised as one of the top banks in Poland, which is proven by high positions it received in various rankings, as well as various awards and distinctions:

- April 2007, "Leopards 2006", Bankers' award for the most admired banking brand creation.
- April 2007, "Silver Rock 2006" Award in the "card products development" category for the first Maestro Card on the Polish market, which provides the possibility of creating an individual image on the card. The award was granted by the Polish Branch of MasterCard Europe.
- March 2007, the main award in the fifth edition of the Gazeta Bankowa Competition "The Best Banking IT Project 2006", in the category "e-Banking and e-Finance" for the ING Agent application.
- March 2007, 3rd place in the ranking of Gazeta Finansowa "The most recognizable and reliable finance brand".
- February 2007, 1st place in the ranking of Gazeta Finansowa "Credit cards for entrepreneurs" for the Visa business credit card.
- February 2007, 1st place in the ranking of the Home&Market monthly "Banks' advertising campaigns 2006" for the campaign "Przyrzekamy kredyt hipoteczny na dobrych warunkach" [We promise a mortgage loan on good conditions].
- January 2007, TOP RATED Status granted by the GLOBAL CUSTODIAN (prestigious and influential American Publishing House) to ING Bank Śląski for custody operations run in Poland in 2006.

II. Business Growth

1. Retail Banking

The funds entrusted by clients

The funds obtained from the retail segment clients represented the main component of funds deposited by the clients of ING Bank Śląski. At the end of June 2007, their share amounted to 69.1%, while in the similar term of the last year those represented 68.6% of the total funds deposited by the Bank's clients. The value of deposits of retail clients at the end of June 2007 was PLN 32,103.1 million, an increase by 12.1% compared with the end of 2006 and by 29.6% compared with the similar term of the previous year.

Structure of funds entrusted by Clients from the Retail segment (PLN million)

	30.06.2007	31.12.2006	30.06.2006
Personal accounts	3 593.6	3 287.1	2 875.8
Savings accounts	16 183.6	15 450.3	14 109.5
Accounts and term deposits	4 115.3	4 203.3	4 601.4

TFI assets	8 210.6	5 695.2	3 181.4
Total retail segment	**32 103.1**	**28 635.9**	**24 768.1**

The first half of 2007 witnessed a continued stabile growth of sales of the Open Savings Accounts. This product's portfolio value rose by 4.8% from 2006-yearend and by 14.7% from June 2006. The number of Open Savings Accounts[2] at the end of June 2007 was PLN 1,167 thousand, compared with PLN 825 thousand in the similar period of the last year.

The Bank is also the distributor of ING TFI investment fund units. In the first year-half, a high rate of sales of that product was observed. As at the end of June 2007, the balance of acquired units totalled PLN 8 210.6 million and increased by 44.2% from the end of 2006. Compared with the similar period of the last year, the balance of acquired TFI units was 158.1% higher. Savings accounts and investment funds' units at the end of June 2007 represented 76.0% of the portfolio of funds entrusted by the retail segment clients (in the similar period of the last year their share was 69.8%).

As at the end of June 2007, the number of personal accounts maintained by the Bank was 1 093.9 thousand against 1 035.5 thousand as at 31.12.2006 and 1021.6 thousand in the comparable period during the previous year.

Development of electronic distribution channels

At the end of June 2007, the number of clients using electronic banking systems was 1 201,588. Compared with December 2006, we recorded a dynamic growth of the number of clients of INGBankOnLine, a key product in the area of electronic banking. In 1H 2007, the number of clients using SMS and HaloŚląski services also went up considerably. Within the period of 6 months of 2007, we also observed a systematic decrease of the number of clients using the MultiCash system. It was caused by replacing this product with ING OnLine.

The figures for electronic banking clients are as follows:

Electronic banking system	30.06.2007	31.03.2007	31.12.2006	30.06.2006	31.03.2006
ING BankOnLine	646,026	606,822	507,905	421,649	406,037
HaloŚląski	353,347	337,994	295,833	263,466	249,824
SMS	196,414	182,888	148,197	106,526	95,370
MultiCash	5,801	7,575	7,818	8,999	9,359
Total	1 201,588	1 135,279	959,753	800,640	760,590

In June 2007, the monthly number of transactions made via electronic banking systems totalled 4.8 million. In the same period last year, the number of transactions made via electronic banking systems was 4.0 million.

Loans

As at the end of June 2007, loans for clients from the Retail segment totalled PLN 3 829.2 million (up by 16.1% from 2006-yearend and by 23.4% yoy).

Structure of loans for Clients from the Retail sector (PLN million)

	30.06.2007	**31.12.2006**	**30.06.2006**
Mortgage loans	2 031.3	1 511.3	1 230.0
Other retail loans	1 797.9	1 785.7	1 871.9
Total Retail segment	**3 829.2**	**3 297.0**	**3 101.9**

[2] Accounts in PLN.

The area of loans for the Retail segment reported an increase of the volume of mortgage loans. As at the end of June 2007, this product portfolio was valued at PLN 2 031.3 million (up by 34.4% from December 2006 and by 65.1% against the same period of the previous year). PLN mortgage loans dominated in the mortgage loans structure as at 30.06.2007. As at the end of June this year, their value totalled PLN 1 783.3 million; their volume went up by 104.4% from June 2006, and went up by 45.4% from December 2006 (the volume of PLN mortgage loans amounted to PLN 872.6 million and PLN 1 226.1 million at 30.06.2006 and at the 2006-yearend respectively).

Banking cards

ING Bank Śląski is one of the largest issuers of bank cards in the Polish market. The Bank's offer includes: debit cards, charge cards, credit cards and pre-paid cards. The number of newly offered credit cards issued [3] went up from 121,791 as at the end of June 2006 to 177,516 cards as at the end of June 2007. Together with VE Credit and VE Credit NN-P cards, the number of credit cards issued as at the end of June 2007 totalled 184,905.

2. Wholesale Banking

The funds entrusted by clients

As at the end of June this year, the value of funds allocated by Clients from the Wholesale segment totalled PLN 14 367.8 million (up by 2.7% from 2006-yearend and by 26.8% yoy). Deposits of strategic clients vis-à-vis June 2006 rose by PLN 1,135.3 million, or 19,5%. Compared with the similar period of the last year, the volume of deposits of mid-sized and large corporates also went up (respectively by: PLN 1,296.7 million or 43.6%, and PLN 606.2 million or 23.8%).

Structure of funds entrusted by Clients from the Wholesale segment (PLN million)

	30.06.2007	31.12.2006	31.03.2006
Strategic Clients	6 951.4	6 851.5	5 816.1
BIG	3 148.6	3 161.5	2 542.4
Mid-size companies	4 267.8	3 970.7	2 971.1
Total Wholesale segment	**14 367.8**	**13 983.7**	**11 329.6**

Loans

Loans in the Wholesale segment went up by 10.2% from December 2006 and by 31.0% from the same period of the previous year mainly courtesy of the loans granted to strategic clients. Their value compared with June 2006 rose by PLN 1,546.4 million or by 33.4%. The credit exposure in the segment of large enterprises, compared with the similar period of the last year went up by PLN 644.8 million or by 23.7%. The exposure growth by PLN 622.9 million or 36.0% compared with June 2006 was also recorded in the area of loans for mid-sized companies.

Structure of loans for Clients from the Wholesale segment (PLN million)

	30.06.2007	31.12.2006	31.03.2006
Strategic clients	6 178.9	5 780.5	4 632.5
BIG	3 363.5	2 943.0	2 718.7
Mid-size companies	2 353.6	2 071.2	1 730.7
Total Wholesale segment	**11 896.0**	**10 794.7**	**9 081.9**

[3] Visa Classic, Visa Credit Gold, MasterCard Credit, Orange Visa Credit Card

III. Financial Results

1. Profit and loss account

PROFIT AND LOSS ACCOUNT OF ING BANK ŚLĄSKI GROUP (by types)

PLN million	6M 2006	6M 2007	6M 2007 /6M 2006	
Interest income	447,6	518,5	70,9	115,8%
Commission income	311,1	415,5	104,4	133,6%
Other income	153,4	133,9	-19,5	87,3%
Total operating income *	**912,1**	**1 068,0**	**155,8**	**117,1%**
Personnel costs	279,2	321,6	42,4	115,2%
Depreciation	69,2	70,8	1,6	102,3%
Marketing cost	26,2	26,6	0,4	101,5%
Other expenses	227,9	270,6	42,7	118,7%
Total expenses	**602,5**	**689,5**	**87,0**	**114,4%**
Impairment losses and provisions for off-balance sheet liabilities	93,9	34,8	-59,1	37,1%
Profit before tax	**403,5**	**413,3**	**9,7**	**102,4%**
Income tax	-68,3	-73,0	-4,7	106,9%
Net profit	**335,3**	**340,3**	**5,0**	**101,5%**
- assigned to shareholders of the holding company	**332,1**	**335,2**	**3,1**	**100,9%**
- assigned to minority shareholders	3,2	5,1	1,9	158,8%

*/ The category *Income from operating activity* covers the result on core activity plus the share in net profits of affiliated entities.

As at the end of June 2007, the operating income earned by the Capital Group of ING Bank Śląski S.A. totalled PLN 1 068.0 million and was higher by PLN 155.8 million (or 17.1%) than the result achieved during the same period in the previous year.

Interest income after 2Q 2007 totalled PLN 518.5 million and was higher by PLN 70.9 million, or by 15.8%, as compared to the same period of the previous year. This income mostly resulted from good commercial results, both in the area of deposit acquisition and in respect of lending.

As at the end of June this year, fee and commission income totalled PLN 415.5 million (up by PLN 104.4 million, or 33.6%, from the same period of the previous year). As compared to 1H 2006, there was reported a rise in the following fees and commissions: for the distribution of TFI participation units, brokerage commissions, and fees and commissions for payment and credit cards. In the commission income structure, the biggest share was held by fees and commissions for distribution of TFI participation units, commissions for services connected with personal accounts, the ones for operations made with payment cards and brokerage commissions.

As at the end of 2Q 2007, other income totalled PLN 133.9 million (down by PLN 19.5 million, or 12.7%, as compared to the same period of the previous year). The decrease resulted mostly from lower income from trading activity caused by negative valuation of financial instruments.

The table below presents the share of particular business lines in the creation of operating income.

PLN million	6M 2006	6M 2007	6M 2007 /6M 2006	
Retail banking	468,4	578,3	109,8	123,4%
Cash Management-Lending and settlements	*446,9*	*548,9*	*102,0*	*122,8%*
Income on Pension Funds shares	*17,2*	*23,3*	*6,1*	*135,7%*
FM products sales	*4,3*	*6,0*	*1,7*	*139,9%*
Corporate banking	292,5	353,5	61,0	120,9%
Cash Management-Lending and settlements	*198,6*	*247,2*	*48,7*	*124,5%*
FM products sales	*68,0*	*72,2*	*4,3*	*106,3%*
Equity Markets	*25,9*	*34,0*	*8,1*	*131,1%*
Own operations	151,2	136,2	-15,0	90,1%
Proprietary trading	*64,2*	*63,4*	*-0,7*	*98,9%*
ALCO	*87,1*	*72,8*	*-14,3*	*83,6%*
Income total	**912,1**	**1 068,0**	**155,8**	**117,1%**

At the end of June 2007, the Retail Banking recorded income at the level of PLN 578.3 million, an increase by PLN 109.8 million or 23.4%, compared with the similar period of the last year. The Division's income volume in the first half was considerably determined by the growth of income from deposit & lending as well as clearing activity; the income from participation in PTE[4] was also higher. The income from sales of Financial Markets Division's products also slightly rose. The income of the Retail Banking Division represented 54.1% of the result on operating activity, compared with 51.4% at the end of June 2006.

At the end of June 2007, the income of the Wholesale Banking Division was PLN 353.5 million compared with PLN 292.5 million in the similar period of the last year. The income growth was determined mostly by good results from deposit & lending as well as clearing activity; the income generated by transactions on capital markets and the sales of Financial Markets Division's products was also higher. The income of the Wholesale Banking Division represented 33.1% of the income from operating activity, whereas in the similar period of the last year their share was 32.1%.

Income from the group's proprietary operations after Q2 was PLN 136.2 million, compared with PLN 151.2 million in the similar period of the last year. The income generated in the FM area at the end of June 2007 was PLN 63.4 million, a decrease by PLN 0.7 million compared with the similar period of the last year. ALCO[5] income at the end of Q2 was PLN 72.8 million compared with PLN 87.1 million in the similar period of the last year. Income from the Group's proprietary investments represented 12.8% of the income from operating activity, whereas at the end of June 2006 their share was 16.5%.

As at the end of June 2007, the costs totalled PLN 689.5 million (up by PLN 87.0 million, or 14.4 %, yoy).

As at the end of 2Q 2007, personnel costs totalled 321.6 million (up by PLN 42.4 million, or 15.2%, from the costs incurred during the analogical period in the previous year). Growth of personnel costs was caused by indexation of salaries as of April 2007 and higher costs of salaries due to the linking of the incentive system with the Bank's results.

After 6 months 2007, depreciation totalled PLN 70.8 million and was higher by PLN 1.6 million, or by 2.3% as compared to the same period of the previous year.

As at the end of June 2007, marketing costs totalled PLN 26.6 million and were higher by PLN 0.4 million, or by 1.5% as against the analogical period of the previous year.

[4] Revaluation income minus the costs of financing.
[5] ALCO (Assets and Liabilities Management Committee) income, including the result on investment activity.

As at the end of June 2007, other costs totalled PLN 270.6 million (up by PLN 42.7 million, or 18.7 %, from the analogical period of the previous year). Cost increase was mainly caused by the strategic projects being run to further improve processes and optimise the sale structures.

The risk costs at the end of June 2007 were positive and amounted to PLN 34.8 million. The income of PLN 46.9 million from repayment of some amounts due from the portfolio of loss loans, which in the previous years were transferred to off-balance records was the major item of income. At the same time impairment charges were recorded due to the impairment of loans, cash loans and contingent liabilities in the total amount of PLN 12.4 million. Moreover, provisions of PLN 0.3 million were released due to the impairment of financial assets available for sale.

The gross financial result reported as at the end of June 2007 totalled PLN 413.3 million against PLN 403.5 million during the same period in the previous year. The net financial result falling to shareholders of the dominant unit was at the level of PLN 335.2 million (up by PLN 3.1 million, or 0.9%, from June 2006).

2. Quality of Credit Portfolio

Under the International Accounting Standards, the Bank estimates impairment write-offs for impaired assets, the incurred but not reported losses reserves and reserves for off-balance sheet liabilities. The amount of impairment loss is calculated as the difference between the total future cash flows discounted with the effective interest rate and the carrying value of receivables (or the equivalent liability).

The amount of credit losses that have already been incurred but not reported (IBNR) is calculated by means of statistical models using the amounts of exposures for which no impairment was stated based on PD (probability of default), the estimated period (emergence period) between the occurrence of circumstances that may lead to a loss (e.g. losing capacity to repay liabilities) and the date on which the Bank receives information thereof, and LGD (loss given default).

Under the International Accounting Standards, the Bank does not have any general provisions.

The table below presents the quality of the credit portfolio of ING Bank Śląski according to IAS/IFRS.

PLN mio	2005	2006	2 Q 2007
Exposure total	**10 562**	**13 651**	**15 295**
Provisions total	**813**	**715**	**646**
Total coverage ratio (%)	**7,7%**	**5,2%**	**4,2%**
Corporate entities	**7 592**	**10 323**	**11 408**
- unimpaired portfolio	6 983	9 856	10 964
- impaired portfolio	609	467	444
Impairment	**493**	**434**	**425**
IBNR	**70**	**74**	**80**
Provisions for off-balance commitments	**14**	**9**	**9**
Impaired portfolio coverage (%)	**81,1%**	**92,8%**	**95,5%**
Retail	**2 970**	**3 328**	**3 887**
- unimpaired portfolio	2 698	3 105	3 744
- impaired portfolio	272	223	143
Impairment	**191**	**170**	**97**
IBNR	**28**	**15**	**18**
Provisions for off-balance commitments	**15**	**13**	**18**
Impaired portfolio coverage (%)	**70,1%**	**76,4%**	**67,6%**
Share of impaired loans in portfolio (%)	**8,35%**	**5,06%**	**3,84%**

The share of the impairment portfolio in the total loans lowers gradually.

IV. Basic Details of Issuer

1. Informational Details of the Bank and Its Capital Group

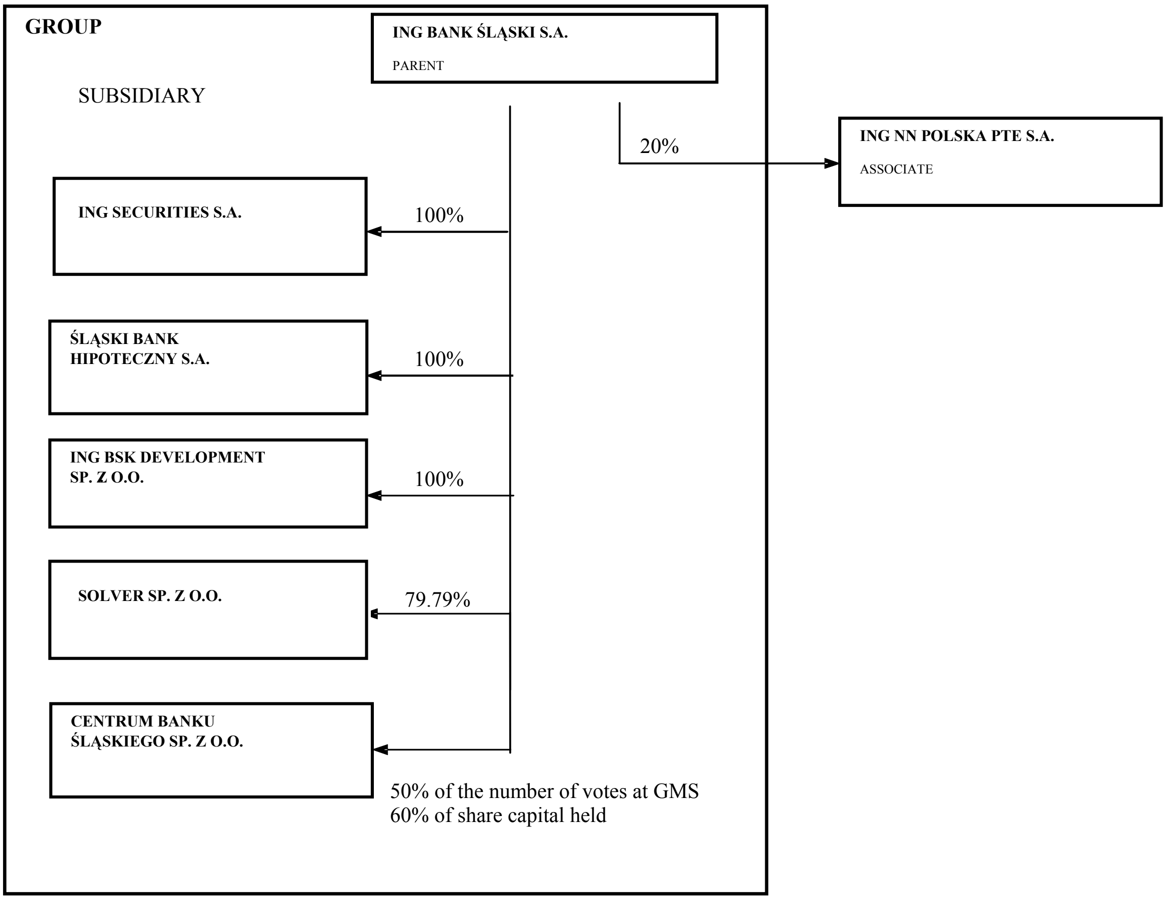
ING Bank Śląski S.A. („Parent company, parent entity, Bank") with the headquarters in Katowice, Sokolska Str. 34, was entered into the entrepreneurs National Court Register managed by the Commercial Department of the Regional Court in Katowice under the reference number KRS 5459.

The Parent entity statistic number is REGON 271514909, and the taxation identification number is NIP 634-013-54-75. Entity authorised to audit financial statements is KPMG Audyt Sp. z o.o.

The life time of the Parent entity and other group entities are unlimited.

The share capital of ING Bank Śląski S.A. is PLN 130,100,000 and is divided in 13,010,000 ordinary bearer shares with a par value of PLN 10.00 each. Shares of the Bank are quoted on the Warsaw Stock Exchange.

ING Bank Śląski S.A. is the parent company of the ING Bank Śląski S.A. Group.



ING Bank Śląski S.A. is a subsidiary of ING Bank NV which holds a 75% share in the issued capital of ING Bank Śląski and 75% shares in the total number of votes at the General Meeting of Shareholders.

2. Compliance with International Financial Reporting Standards

These financial statements have been prepared under the International Financial Reporting Standards (IFRS) in a version approved by the European Commission effective as at the reporting date, that is 30 June 2007; and the information not covered in those standards has been prepared in accordance with the Accounting Act of 29 September 1994 (Journal of Laws no.2002/76, item 694 as amended) and secondary legislation thereto, as well as in accordance with the Ordinance of Finance Minister of 19 October 2005 on current and interim information submitted by issuers of securities (Journal of Laws of 2005, no. 209, item 1744). The consolidated balance sheet and the profit and loss account as at 30.06.2007 including comparable financial data, have been executed upon the application of the same accounting principles for each period.

These financial statements for 2Q 2007 meet the requirements of International Financial Reporting Standards (IFRS), including IAS 34 (International Accounting Standards) in regard to interim financial statements. This is the condenced version of the statements.

The accounting principles applied for these financial statements are the same principles that would be used when preparing the full-year financial statements for 2006. The accounting principles were presented in detail in the annual report for 2006.

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

3. Comparability of financial data – changes in presentation

In the financial statements prepared for the period from 1st January 2007 to 30rd June 2007 the Bank made changes relating to presentation of certain positions in Profit and Loss Account. The described changes regard aggregation of positions of a similar characteristics and valuation of closely related financial instruments.

This situation applies to Financial assets measured at fair value through profit and loss and Commission due to currency exchange transactions. Both positions were influenced by valuation of financial instruments which previously were presented split into mark to market valuation and changes due to exchange rate differences. In the Bank's opinion aggregation of those positions into one line in financial statement results in better presentation of results on each instrument as well as in easier analysis.

Furthermore, in the Bank's opinion, change in the position's name – Net trading income – results in better description of the position characteristics which is partly dependent on external factors e.g. situation on financial markets (exchange rates, interest rates) within the period.

Detailed analysis of economical content in current positions other operating income and expenses resulted in clear division of positions into those related to costs and income. Additionally positions related to commissions, stable among the reporting periods were moved to Net commission income.

Similarly, provisions from currency exchange transactions in Bank's branches were transferred from Net income on the revaluation of F/X positions & transactions into Net commission income as they create a stable income flow on the year to year basis.

Minor change was made in Impairment losses and provisions for off-balance sheet liabilities which resulted in exclusion of positions relating to valuation of own property. This position was moved into newly created position in Other Operating Expenses.

Profit and loss account for the period of 1st January to 30rd June 2006 was adjusted for comparison purposes.

In the financial statements drafted as at 30.06.2007, the Bank changed the balance-sheet presentation of cash entrusted to the outsourcer. The change meant transferring from the item "Loans and cash loans granted to clients" to the item "Cash, funds with Central Bank". An argument in favour of the abovementioned change was the fact that despite transferring the entire risk to the outsourcer in accordance with the terms and conditions of the agreement, as a matter of fact the Bank maintained control over the assets.

The said change also concerned the presentation of cash in the cashflow statement. The balance sheet and the cashflow statements for previous terms were modified in order to make them comparable

4. Selected Financial Data from Financial Statements

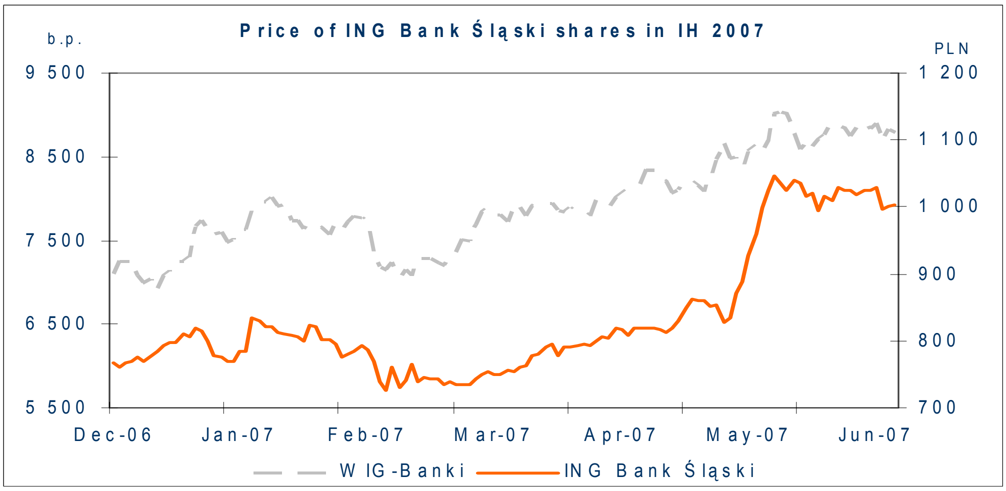
Item	PLN thousands		EUR thousands	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
Interest income	1 178 207	957 143	306 139	245 409
Commission revenue	467 749	351 537	121 537	90 133
Result on banking activity	1 044 664	894 960	271 440	229 465
Gross profit (loss)	413 255	403 544	107 378	103 468
Net profit (loss)	335 187	332 052	87 093	85 137
Net cashflow	-3 175 428	209 241	-825 087	53 649
Earnings (loss) per 1 ordinary share (in PLN/EUR)	25.76	25.52	6.69	6.54
Profitability ratio (%)	29.5	35.0	X	X
Return on assets (%)	1.4	1.6	X	X
Return on equity (%)	20.5	21.1	X	X
Cost / Income ratio (%)	64.6	66.1	X	X
Total assets	52 796 623	43 119 830	14 020 028	10 664 250
Equity	3 621 892	3 389 608	961 786	838 306
Initial capital	130 100	130 100	34 548	32 176
Number of shares	13 010 000	13 010 000	X	X
Book value per 1 share (in PLN/EUR)	278.39	260.54	73.93	64.44
Solvency ratio (%)	13.41	16.09	X	X

Profitability ratio – gross profit to total costs.
Return on assets (ROA) – net profit assigned to shareholders of the holding company to average total assets.
Return on equity (ROE) – net profit assigned to shareholders of the holding company to average equity.
Cost to Income ratio (C/I) – total costs to income from operating activity per type.
Solvency ratio – net equity to risk weighted assets and off-balance sheet liabilities.

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

- for balance-sheet items – PLN 3.7658 NBP exchange rate of 30.06.2007; 4.0434 NBP exchange rate of 30.06.2006,
- for income statement items for 30.06.2007 – PLN 3.8486 exchange rate calculated as the average of NBP exchange rates as at the last day of each month in 1Q and 2Q 2007; 3.9002 exchange rate calculated as the average of NBP exchange rates as at the last day of each month in 1Q and 2Q 2006.

5. Price of ING Bank Śląski S.A. Shares



6. Ratings

On 11 April 2007, Fitch Ratings Ltd. notified the Management Board of ING Bank Śląski S.A. of upgrading its individual rating from “C/D” to “C” and Short-term foreign currency rating from “F1” to “F1+”. Other ratings were affirmed at Issuer Default Rating, or IDR, “AA-” and Support “1". The Outlook on the IDR is Stable.

The upgrade is based on the Bank’s improving asset quality and continued risk profile, combined with a strong capital base.

Individual Ratings, which are internationally comparable, attempt to assess how a bank would be viewed if it were entirely independent and could not rely on external support. Individual Rating at “C” denotes good standing of the Bank.

Short-Term Credit Rating at “F1+” denotes the highest credit quality. Indicates the strongest capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.

The Bank also has the financial viability rating given by ***Moody’s Investors Service Ltd.:***

Long-term FX deposits	A2
Long-term PLN deposits	A1
Short-term deposits	P-1
Financial strength	D+
Outlook for ratings of long-term and short-term deposits	Stable

7. Other Information

<u>Headcount</u>

The headcount in the Capital Group was as follows:

30.06.2007 7,683 individuals; or 7,448.1 FTEs,
31.12.2006 7,515 individuals; or 7,286.8 FTEs,
30.06.2006 7,547 individuals; or 7,339.1 FTEs.

Number of Branches and ATMs

As at 30 June 2007, the Bank conducted its operational activity via a network of 330 outlets compared with 332 outlets as at 30 June 2006. Furthermore, as at the end of June 2007, 31 partner branches were opened based on the franchising model. As at the end of June 2007, the Bank had a network of 592 ATMs.

V. Segmentation of Revenue and Financial Results of the Group

PLN thousand	30.06.2007					30.06.2006				
	Retail customers segment	Corporate customers segment	Own operations		TOTAL	Retail customers segment	Corporate customers segment	Own operations		TOTAL
			Proprietary trading	ALCO				Proprietary trading	ALCO	
Revenue total	**587 752**	**362 320**	**68 299**	**49 593**	**1 067 964**	**479 229**	**309 415**	**70 152**	**53 334**	**912 129**
Core business	**578 258**	**353 493**	**63 430**	**72 784**	**1 067 964**	**468 418**	**292 486**	**64 153**	**87 072**	**912 129**
Income on lending	114 525	102 616			217 141	114 966	79 393			194 359
Interest income external	*154 096*	*281 539*				*141 849*	*205 940*			
Interest cost internal	*-71 750*	*-224 694*				*-54 204*	*-154 130*			
Income on fees/ other income	*32 179*	*45 771*				*27 320*	*27 583*			
Income on deposits	313 551	131 624			445 176	278 848	110 070			388 918
Interest costs external	*-321 960*	*-167 858*				*-293 941*	*-171 865*			
Interest income internal	*514 768*	*244 077*				*463 892*	*227 393*			
Income on fees/ other income	*120 744*	*55 405*				*108 897*	*54 541*			
Income on mutual funds	96 808				96 808	33 488				33 488
Income on brokerage and custody	25 763	47 612			73 375	19 417	35 801			55 218
Other income on core business	-1 739	-604	141 724	72 784	212 164	207	-745	136 443	87 072	222 977
FM products sales	6 050	72 244	-78 294		0	4 323	67 967	-72 290		0
Income on Pension Funds shares	23 300				23 300	17 169				17 169
Result on economic capital	9 495	8 826	4 869	-23 190	0	10 811	16 928	5 999	-33 738	0
Expenses total	**430 747**	**219 643**	**28 249**	**10 897**	**689 536**	**380 780**	**182 983**	**21 793**	**16 959**	**602 514**
Operational costs	429 519	219 631	28 249	10 897	688 296	381 261	182 935	21 793	16 959	602 948
including depreciation	*55 822*	*11 541*	*3 396*		*70 759*	*54 589*	*11 286*	*3 321*		*69 196*
Other operational costs (operational risk)	1 228	12	0	0	1 240	-481	48	0	0	-434
Result before risk	**157 005**	**142 677**	**40 049**	**38 697**	**378 428**	**98 449**	**126 432**	**48 359**	**36 375**	**309 615**
Risk cost	-16 112	-18 715	0	0	-34 827	-12 729	-81 200	0	0	-93 929
Result before tax	**173 118**	**161 391**	**40 049**	**38 697**	**413 255**	**111 179**	**207 631**	**48 359**	**36 375**	**403 544**
CIT					72 969					68 281
Result after tax					**340 286**					**335 263**
- assigned to shareholders of the holding company					**335 187**					**332 052**
- assigned to minority shareholders					5 099					3 211

The basic division applied by the Group is the division by sector. The Group of ING Bank Śląski is managed by means of business division into the following sectors:

- Retail,
- Wholesale,
- FM, ALCO (Assets and Liabilities Management).

As part of its retail operations, the Bank's capital group provides service to private individuals (mass clients and affluent clients segment) and small businesses.

These operations are analysed in terms of the following products: credit facilities (current account overdraft, loans related to cards, instalment loans, residential loans and mortgage loans), contract loans granted by the Loans and Savings Unit, mortgage loans granted by Śląski Bank Hipoteczny, deposit products (current accounts, term deposits, savings accounts), participation units of ING funds, brokerage services provided by ING Securities SA and bank cards.

Wholesale encompasses service of institutional clients within the following segments: strategic clients, large corporates and mid-sized companies.
The capital group maintains reporting for its wholesale operations broken down into the following types of products: credit products (working capital loans, and investment loans), deposit products (current accounts, term and negotiable deposits and savings accounts), custody-related services, and operations in the capital market performed by the dominant entity and ING Securities, as well as intermediation in leasing-related services.

Financial markets cover both proprietary and client operations in money and capital markets.

The following types of products are distinguished in this type of activity: FX market products, money market products and derivatives, operations in securities (Treasury bills, shares and bonds). The item of *Financial Markets – total segment revenue* presents income from proprietary trading. The income from the sale of FM products to the corporate and retail segments is recognised in the incomes of those segments.

ALCO (Assets and Liabilities Committee) deals predominantly with the investment of own funds and funding of some of the Bank's assets. The main element of revenue from ALCO's core operations is the revenue from the investment of own funds (book capital). The revenue is then adjusted for interest accrued on the economic capital required by individual business lines (retail segment, wholesale segment, and financial markets segment). Interest on economic capital is re-allocated from the ALCO line to the individual business lines, depending on their demand for economic capital.

Sectoral division, defined with the internal regulations of the Bank, constitutes the basis for separation of wholesale and retail segments.

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

Revenue, 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.

VI. Consolidated Financial Statement

CONSOLIDATED PROFIT AND LOSS ACCOUNT (PLN '000)	Note	II quarter 2007 the period from 01 Apr 2007 to 30 Jun 2007	2 quarters 2007 the period from 01 Jan 2007 to 30 Jun 2007	II quarter 2006 the period from 01 Apr 2006 to 30 Jun 2006	2 quarters 2006 the period from 01 Jan 2006 to 30 Jun 2006
Interest income	*1*	*597 061*	*1 178 207*	*483 023*	*957 143*
Interest expenses	*1*	*339 581*	*659 670*	*254 366*	*509 511*
Net interest income		**257 480**	**518 537**	**228 657**	**447 632**
Commission income	*2*	*239 495*	*467 749*	*185 045*	*351 537*
Commission expenses	*2*	*27 297*	*52 229*	*22 019*	*40 457*
Net commission income		**212 198**	**415 520**	**163 026**	**311 080**
Net income on investment financial assets	*3*	6 122	23 068	10 712	16 704
Net trading income	*4*	30 422	61 003	15 342	72 047
Other operating income	*5*	7 782	26 536	31 536	47 497
Result on basic activities		**514 004**	**1 044 664**	**449 273**	**894 960**
General and administrative expenses	*6*	342 400	677 079	298 335	594 173
Other operating expenses	*7*	6 443	12 457	5 504	8 341
Impairment losses and provisions for off-balance sheet liabilities	*8*	-27 812	-34 827	-46 842	-93 929
Share in net profit (loss) of associates entities	*9*	10 900	23 300	12 228	17 169
Profit (loss) before tax		**203 873**	**413 255**	**204 504**	**403 544**
Income tax		34 349	72 969	33 022	68 281
Net profit (loss)		**169 524**	**340 286**	**171 482**	**335 263**
- assigned to shareholders of the holding company		167 774	335 187	169 697	332 052
- assigned to minority shareholders		1 750	5 099	1 785	3 211

Net profit (loss) assigned to shareholders of the holding company	**167 774**	**335 187**	**169 697**	**332 052**
Weighted average number of ordinary shares	**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**
Earnings per ordinary share (PLN)	**12,90**	**25,76**	**13,04**	**25,52**
Diluted weighted average number of ordinary shares	13 010 000	13 010 000	13 010 000	13 010 000
Diluted earnings per ordinary share (PLN)	12,90	25,76	13,04	25,52

CONSOLIDATED BALANCE SHEET (PLN '000)	Note	2 quarters 2007 as at 30 Jun 2007	1 quarter 2007 as at 31 Mar 2007	end of year 2006 as at 31 Dec 2006	2 quarters 2006 as at 30 Jun 2006	1 quarter 2006 as at 31 Mar 2006
A S S E T S						
- Cash in hand and balances with the Central Bank		2 608 866	1 807 568	1 147 900	1 230 988	1 485 430
- Deposit accounts in other banks as well as loans and advances to other banks	10	18 078 943	16 614 167	13 513 898	11 269 867	11 070 734
- Financial assets measured at fair value through profit and loss	11	6 595 323	10 697 071	7 061 444	5 836 426	7 372 020
- Investment financial assets	12	9 593 763	12 001 742	12 614 914	12 221 167	11 572 759
- Loans and advances to customers	13	14 567 176	13 782 572	12 868 074	11 164 466	10 576 670
- Investments in controlled entities		77 028	102 709	90 309	67 627	80 021
- Investment real estates		149 127	150 138	145 970	147 656	143 494
- Property, plant and equipment	14	552 471	564 996	571 065	595 380	599 953
- Intangible assets		319 332	325 720	317 661	325 871	317 604
- Property, plant and equipment held for sale		254	224	224	1 882	245
- Current tax asset		0	0	0	0	2 827
- Deferred tax asset		99 527	22 058	38 132	150 046	76 744
- Other assets		154 813	128 123	97 114	108 454	100 012
T o t a l a s s e t s		**52 796 623**	**56 197 088**	**48 466 705**	**43 119 830**	**43 398 513**
E Q U I T Y A N D L I A B I L I T I E S						
LIABILITIES						
- Liabilities due to the Central Bank		0	0	696 000	0	0
- Liabilities due to other banks	15	3 868 436	5 598 619	1 401 149	1 944 650	2 146 121
- Financial liabilities measured at fair value through profit and loss	16	3 937 933	4 971 019	3 111 213	3 864 491	4 024 239
- Liabilities due to customers	17	40 253 416	40 774 570	38 561 423	33 062 889	32 790 022
- Provisions	18	83 026	81 999	90 324	63 156	71 206
- Current income tax liabilities		32 085	66 342	67 532	49 600	0
- Other liabilities		970 939	776 401	760 671	725 549	628 104
T o t a l l i a b i l i t i e s		**49 145 835**	**52 268 950**	**44 688 312**	**39 710 335**	**39 659 692**
EQUITY						
- Share capital		130 100	130 100	130 100	130 100	130 100
- Supplementary capital - issuance of shares over nominal value		993 750	993 750	993 750	993 750	993 750
- Revaluation reserve from measurement of available-for-sale financial assets		-65 115	22 130	42 830	-55 564	99 069
- Revaluation reserve from measurement of property, plant and equipment		53 681	52 074	52 263	44 359	38 023
- Retained earnings		2 509 476	2 704 164	2 536 751	2 276 963	2 463 999
Equity assigned to shareholders of the holding company		**3 621 892**	**3 902 218**	**3 755 694**	**3 389 608**	**3 724 941**
- Minority equity		**28 896**	**25 920**	**22 699**	**19 887**	**13 880**
T o t a l e q u i t y		**3 650 788**	**3 928 138**	**3 778 393**	**3 409 495**	**3 738 821**
T o t a l e q u i t y a n d l i a b i l i t i e s		**52 796 623**	**56 197 088**	**48 466 705**	**43 119 830**	**43 398 513**

Solvency ratio	**13,41%**	**13,74%**	**15,74%**	**16,09%**	**17,39%**

Book value	**3 621 892**	**3 902 218**	**3 755 694**	**3 389 608**	**3 724 941**
Number of shares	**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**
Book value per share (PLN)	**278,39**	**299,94**	**288,68**	**260,54**	**286,31**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY (PLN '000)

2 quarters 2007
the period from 01 Jan 2007 to 30 Jun 2007

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Retained earnings	Minority equity	Total equity
Opening balance of equity	**130 100**	**993 750**	**42 830**	**52 263**	**2 536 751**	**22 699**	**3 778 393**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-90 084	-	-	-	**-90 084**
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-17 861	-	-	-	**-17 861**
- disposal of property, plant and equipment	-	-	-	-233	517	-	**284**
- remeasurement of property, plant and equipment	-	-	-	1 651	-	1 098	**2 749**
- dividends paid	-	-	-	-	-362 979	-	**-362 979**
- net result for the current period	-	-	-	-	340 286	-	**340 286**
- share of minority shareholders in the net financial result	-	-	-	-	-5 099	5 099	**0**
Total equity (closing balance)	**130 100**	**993 750**	**-65 115**	**53 681**	**2 509 476**	**28 896**	**3 650 788**

end of year 2006
the period from 01 Jan 2006 to 31 Dec 2006

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Retained earnings	Minority equity	Total equity
Opening balance of equity	**130 100**	**993 750**	**85 796**	**38 055**	**2 300 937**	**12 449**	**3 561 087**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-28 754	-	-	-	**-28 754**
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-14 212	-	-	-	**-14 212**
- disposal of property, plant and equipment	-	-	-	-2 132	-1 411	-	**-3 543**
- remeasurement of property, plant and equipment	-	-	-	16 340	3 645	3 654	**23 639**
- dividends paid	-	-	-	-	-357 775	-	**-357 775**
- net result for the current period	-	-	-	-	597 951	-	**597 951**
- share of minority shareholders in the net financial result	-	-	-	-	-6 596	6 596	**0**
Total equity (closing balance)	**130 100**	**993 750**	**42 830**	**52 263**	**2 536 751**	**22 699**	**3 778 393**

2 quarters 2006
the period from 01 Jan 2006 to 30 Jun 2006

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Retained earnings	Minority equity	Total equity
Opening balance of equity	**130 100**	**993 750**	**85 796**	**38 055**	**2 300 937**	**12 449**	**3 561 087**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-132 024	-	-	-	**-132 024**
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-9 336	-	-	-	**-9 336**
- disposal of property, plant and equipment	-	-	-	-30	1 749	-	**1 719**
- remeasurement of property, plant and equipment	-	-	-	6 334	-	4 227	**10 561**
- dividends paid	-	-	-	-	-357 775	-	**-357 775**
- net result for the current period	-	-	-	-	335 263	-	**335 263**
- share of minority shareholders in the net financial result	-	-	-	-	-3 211	3 211	**0**
Total equity (closing balance)	**130 100**	**993 750**	**-55 564**	**44 359**	**2 276 963**	**19 887**	**3 409 495**

CONSOLIDATED CASH FLOW STATEMENT - indirect method (PLN '000)	2 quarters 2007 the period from 01 Jan 2007 to 30 Jun 2007	2 quarters 2006 the period from 01 Jan 2006 to 30 Jun 2006
OPERATING ACTIVITIES		
Net profit (loss)	**335 187**	**332 052**
Adjustments	**-3 082 390**	**312 458**
- Minority shareholders' profit (loss)	5 099	3 211
- Share in net profit (loss) of associated entities	-23 300	-17 169
- Unrealised exchange gains (losses)	-159	1 972
- Depreciation and amortisation	70 759	69 196
- Interest accrued (from the profit and loss account)	518 537	447 632
- Interest received/paid	-603 269	-702 470
- Dividends received	-1 407	-1 571
- Gains (losses) on investment activities	291	98
- Income tax (from the profit and loss account)	72 969	68 281
- Income tax paid	-169 811	-54 149
- Change in provisions	-7 298	-17 363
- Change in deposits in other banks and in loans and advances to other banks	-9 257 774	1 534 134
- Change in financial assets at fair value through profit or loss	461 892	313 492
- Change in investment financial assets	3 032 059	-1 171 995
- Change in loans and advances to customers	-1 683 073	-1 345 881
- Change in other assets	-66 388	24 194
- Change in liabilities due to other banks	1 770 170	607 846
- Change in liabilities at fair value through profit or loss	826 720	178 702
- Change in liabilities due to customers	1 724 744	270 748
- Change in other liabilities	246 849	103 550
Net cash flow from operating activities	**-2 747 203**	**644 510**
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-47 233	-30 809
- Disposal of property, plant and equipment	128	127
- Purchase of intangible assets	-131	-23 933
- Disposal of intangible assets	0	310
- Disposal of fixed assets/liabilities held for sale	1 644	0
- Dividends received	1 407	1 571
Net cash flow from investment activities	**-44 185**	**-52 734**
FINANCIAL ACTIVITIES		
- Long-term loans repaid	-19 140	-23 720
- Interest on long-term loans repaid	-1 921	-1 040
- Dividends paid	-362 979	-357 775
Net cash flow from financial activities	**-384 040**	**-382 535**
Effect of exchange rate changes on cash and cash equivalents	***-145 359***	***24 492***
Net increase/decrease in cash and cash equivalents	**-3 175 428**	**209 241**
Opening balance of cash and cash equivalents	**8 161 263**	**5 063 218**
Closing balance of cash and cash equivalents	**4 985 835**	**5 272 459**

5. Supplementary Data under IAS 34

5.1 Supplementary Data to Profit and Loss Account and Balance Sheet Positions

1 Net interest income	II quarter 2007	2 quarters 2007	II quarter 2006	2 quarters 2006
Interest and similar income				
- Loans and advances to banks	221 416	417 711	134 009	250 049
- Loans and advances to customers	211 835	405 093	169 981	336 420
- Interest on debt securities held for trading	32 978	69 260	22 819	61 035
- Interest on available-for-sale debt securities	130 287	285 168	155 345	308 079
- Reverse repos	305	479	759	1 222
- Other	240	496	110	338
	597 061	**1 178 207**	**483 023**	**957 143**
Interest expense and similar charges				
- Deposits from banks	50 713	52 888	16 579	35 508
- Deposits from customers	257 650	550 749	229 433	458 162
- Loans and advances	878	1 084	1 408	1 944
- Reverse repos	30 340	54 949	6 946	13 897
	339 581	**659 670**	**254 366**	**509 511**
Net interest income	**257 480**	**518 537**	**228 657**	**447 632**

2 Net commission income	II quarter 2007	2 quarters 2007	II quarter 2006	2 quarters 2006
Commission income				
- Brokerage fees	32 440	65 539	29 219	52 293
- Fiduciary and custodian fees	7 159	15 621	6 506	11 297
- Foreign commercial business	5 752	11 237	4 977	9 572
- Commission for transfers, cash payments and other payment transactions	25 962	51 158	26 142	51 097
- Commission and fees for payment and credit cards	34 318	67 240	28 958	55 132
- Commission for loans and advances	22 482	41 509	18 556	37 810
- Commission and fees related to keeping accounts	37 538	74 822	36 752	73 236
- Commission and fees related to electronic banking systems	2 988	5 908	2 874	5 574
- Commission and fees for guarantees, sureties and letters of credit	5 671	11 318	4 511	8 675
- Commission and fees due to distribution of participation units	54 926	104 934	19 064	33 943
- Commission due to currency exchange transactions	6 910	12 369	3 310	6 540
- Other	3 349	6 094	4 176	6 368
	239 495	**467 749**	**185 045**	**351 537**
Commission expense				
- Brokerage fees	7 229	14 921	6 768	12 419
- Other commission, including:	20 068	37 308	15 251	28 038
- costs of the Bank Guarantee Fund (BFG)	*1 008*	*2 014*	*851*	*1 741*
- costs of the National Clearing House (KIR)	*1 115*	*2 097*	*827*	*1 345*
- commission paid related to securities trading	*1 428*	*2 915*	*1 136*	*1 705*
- commission paid related to banking cards	*9 383*	*17 163*	*6 392*	*12 065*
	27 297	**52 229**	**22 019**	**40 457**
Net commission income	**212 198**	**415 520**	**163 026**	**311 080**

3 Net income on investment financial assets	II quarter 2007	2 quarters 2007	II quarter 2006	2 quarters 2006
- Equity instruments	0	14 640	5 805	5 805
- Debt instruments	4 726	7 021	3 336	9 328
- Dividend income	1 396	1 407	1 571	1 571
	6 122	**23 068**	**10 712**	**16 704**

4 Net tranding income	II quarter 2007	2 quarters 2007	II quarter 2006	2 quarters 2006
Net income on financial assets and liabilities held for trading	577	32 800	19 212	33 144
- Net income on equity instruments	2 075	1 333	-88	-83
- Net income on debt instruments	-46 909	-38 816	-334	-6 820
- Net income on derivatives	45 411	70 283	19 634	40 047
- Currency derivatives	*15 703*	*41 069*	*-225*	*20 032*
- Exchange rate derivatives	*15 440*	*23 949*	*18 600*	*18 616*
- Securities derivatives	*14 268*	*5 265*	*1 259*	*1 399*
Net income on financial assets and liabilities measured at fair value upon initial recognition	2 260	3 014	2 823	3 336
- Net income on debt instruments	2 260	3 014	2 823	3 336
Result on the revaluation of balance sheet items	27 585	25 189	-6 693	35 567
Net tranding income	**30 422**	**61 003**	**15 342**	**72 047**

5 Other operating income	II quarter 2007	2 quarters 2007	II quarter 2006	2 quarters 2006
- Due to recovered unrecoverable receivables	277	422	284	543
- Received indemnities, penalties and fines	201	254	8 215	8 391
- Income from sales of other services	1 908	3 869	904	2 607
- Net income on available-for-sale assets and assets held for sale	27	-19	30	-3
- Net income on the investment properties:	1 181	7 739	13 802	17 857
- Income rental from of the investment properties	*4 565*	*8 354*	*3 665*	*6 828*
- Measurement of the investment property at the fair value	*-1 286*	*2 882*	*12 089*	*14 852*
- Maintance expenses relating to the investment properties	*-2 098*	*-3 497*	*-1 952*	*-3 823*
- Adjustment of the fair value hedge accounting	-4 200	-2 672	4 115	7 014
- Other	8 388	16 943	4 186	11 088
	7 782	**26 536**	**31 536**	**47 497**

6 General and administrative expenses	II quarter 2007	2 quarters 2007	II quarter 2006	2 quarters 2006
- Personnel expenses:	**169 634**	**321 589**	**139 411**	**279 267**
wages and salaries, including:	*141 231*	*267 857*	*117 373*	*233 259*
special and retirement benefits	*712*	*1 595*	*687*	*957*
training expenses	*6 432*	*8 050*	*2 740*	*4 481*
employee benefits, including:	*28 403*	*53 732*	*22 038*	*46 008*
- General and administrative expenses:	**136 606**	**284 731**	**126 368**	**245 710**
on property, plant and equipment	*15 457*	*42 520*	*25 207*	*39 920*
taxes and charges (including PFRON)	*1 638*	*3 556*	*1 727*	*3 606*
maintenance and rental of buildings	*32 556*	*65 417*	*33 060*	*64 448*
communication services	*14 051*	*30 564*	*16 265*	*31 841*
leasing services	*2 851*	*5 548*	*2 450*	*5 234*
refurbishment services	*7 573*	*14 988*	*7 353*	*16 628*
licences and patents	*4 072*	*9 121*	*3 609*	*7 902*
other external services	*58 408*	*113 017*	*36 697*	*76 131*
- Depreciation and amortisation	**36 160**	**70 759**	**32 556**	**69 196**
on property, plant and equipment	*22 878*	*46 032*	*24 324*	*50 755*
on intangible assets	*13 282*	*24 727*	*8 232*	*18 441*
	342 400	**677 079**	**298 335**	**594 173**

7 Other operating expenses	II quarter 2007	2 quarters 2007	II quarter 2006	2 quarters 2006
- Due to court fees paid	0	0	6	36
- Donations made	9	1 033	106	1 157
- Other operating expenses due to disputed claims	929	1 167	73	147
- Impairment losses on other non-financial assets	568	591	370	616
- Measurement of fixed assets at fair value	-424	-423	-36	-679
- Result on disposal of assets (fixed and intangible assets) and own properties	369	328	34	-4
- Other	4 992	9 761	4 951	7 068
	6 443	**12 457**	**5 504**	**8 341**

8 Impairment losses and provisions for off-balance sheet liabilities	II quarter 2007	2 quarters 2007	II quarter 2006	2 quarters 2006
- Impairment losses on loans and advances	8 995	40 132	69 500	148 332
- Reversed impairment losses on loans and advances	-8 549	-32 040	-91 178	-186 626
Net impairment losses on loans and advances	**446**	**8 092**	**-21 678**	**-38 294**
including:				
- losses on loans and advances at risk of impairment	*-13 362*	*318*	-11 551	*-16 250*
- IBNR	*13 808*	*7 774*	-10 127	*-22 044*
- Impairment losses on bad debts	50 594	58 629	1 590	11 061
- Reversed impairment of amounts recovered from loans previously written off	-81 944	-105 535	-26 568	-64 662
Net impairment losses on bad debts	**-31 350**	**-46 906**	**-24 978**	**-53 601**
- Impairment losses on available-for-sale financial assets:	0	0	0	0
- securities	0	0	0	0
- shares in subsidiaries, co-subsidiaries and associated entities, as well as minority interests	0	0	0	0
- Reversed impairment losses on available-for-sale financial assets:	-62	-314	0	-79
- securities	0	0	0	0
- shares in subsidiaries, co-subsidiaries and associated entities, as well as minority interests	-62	-314	0	-79
Net impairment losses on available-for-sale financial assets:	**-62**	**-314**	**0**	**-79**
- securities	*0*	*0*	*0*	*0*
- shares in subsidiaries, co-subsidiaries and associated entities, as well as minority interests	*-62*	*-314*	*0*	*-79*
- Recognised provisions for off-balance sheet liabilities	5 948	13 978	2 236	11 038
- Reversed provision for off-balance sheet liabilities	-2 794	-9 677	-2 422	-12 993
Net provisions for off-balance sheet liabilities recognised	**3 154**	**4 301**	**-186**	**-1 955**
including:				
- on the portfolio at risk of impairment	*-239*	*129*	-2 211	*-5 634*
- IBNR	*3 393*	*4 172*	2 025	*3 679*
Total impairment losses	**65 537**	**112 739**	**73 326**	**170 431**
Total reversed impairment losses	**-93 349**	**-147 566**	**-120 168**	**-264 360**
Net impairment losses and provisions for off-balance sheet liabilities	**-27 812**	**-34 827**	**-46 842**	**-93 929**

9 Share in net profit (loss) of associated entities recognised under the equity method	II quarter 2007	2 quarters 2007	II quarter 2006	2 quarters 2006
- ING Nationale-Nederlanden Polska PTE S.A.	10 900	23 300	12 228	17 169
	10 900	**23 300**	**12 228**	**17 169**

10 Deposit accounts in other banks as well as loans and advances to other banks	as at 30 Jun 2007	as at 31 Mar 2007	as at 31 Dec 2006	as at 30 Jun 2006	as at 31 Mar 2006
- Nostro accounts	352 110	154 479	289 163	51 165	87 203
- interbank deposits	17 322 487	15 723 249	12 878 188	11 006 604	10 800 938
- other receivables	307 256	643 364	305 364	177 286	156 408
- loans and advances	*187 698*	*291 045*	*263 903*	*123 362*	*123 646*
- other receivables	*119 558*	*352 319*	*41 461*	*53 924*	*32 762*
- accrued interest	97 944	93 694	41 609	35 058	26 401
Total (gross)	**18 079 797**	**16 614 786**	**13 514 324**	**11 270 113**	**11 070 950**
Impairment losses	-854	-619	-426	-246	-216
Total (net)	**18 078 943**	**16 614 167**	**13 513 898**	**11 269 867**	**11 070 734**

11 Financial assets measured at fair value through profit and loss	as at 30 Jun 2007	as at 31 Mar 2007	as at 31 Dec 2006	as at 30 Jun 2006	as at 31 Mar 2006
- Financial assets held for trading	4 772 625	9 520 030	6 837 926	5 517 113	7 049 306
- Debt instruments	*3 916 998*	*8 613 096*	*5 856 674*	*4 603 151*	*6 141 495*
- Equity instruments	*2 108*	*11 169*	*16 679*	*300*	*571*
- Derivative financial instruments	*853 519*	*895 765*	*964 573*	*913 662*	*907 240*
- Financial assets designated as at fair value upon initial recognition	1 822 698	1 177 041	223 518	319 313	322 714
- Debt instruments	*1 035 805*	*690 295*	*142 559*	*149 090*	*150 639*
- Repo transactions	*786 893*	*486 746*	*80 959*	*170 223*	*172 075*
Total	**6 595 323**	**10 697 071**	**7 061 444**	**5 836 426**	**7 372 020**

12 Investment financial assets	as at 30 Jun 2007	as at 31 Mar 2007	as at 31 Dec 2006	as at 30 Jun 2006	as at 31 Mar 2006
- Available-for-sale financial assets	9 545 222	12 001 742	12 614 914	12 221 167	11 572 759
Debt instruments	*9 523 872*	*11 986 682*	*12 588 855*	*12 212 638*	*11 570 529*
Equity instruments	*21 350*	*15 060*	*26 059*	*8 529*	*2 230*
- Fair value hedge - hedged items	*48 541*	*0*	*0*	*0*	*0*
Debt instruments	*48 541*	*0*	*0*	*0*	*0*
Total	**9 593 763**	**12 001 742**	**12 614 914**	**12 221 167**	**11 572 759**

13 Loans and advances to customers	as at 30 Jun 2007	as at 31 Mar 2007	as at 31 Dec 2006	as at 30 Jun 2006	as at 31 Mar 2006
Loans and advances granted to entities from the financial sector other than banks					
- loans and advances	2 053 482	2 170 606	2 010 466	1 434 104	1 283 233
- in the current account	436 288	454 299	493 093	408 806	339 414
- term ones	1 617 194	1 716 307	1 517 373	1 025 298	943 819
- other receivables	69 649	81 933	52 171	31 164	65 162
- accrued interest	4 048	5 214	3 892	3 268	2 577
Total (gross)	**2 127 179**	**2 257 753**	**2 066 529**	**1 468 536**	**1 350 972**
Impairment losses	-4 702	-7 617	-11 335	-6 591	-8 532
Total (net)	**2 122 477**	**2 250 136**	**2 055 194**	**1 461 945**	**1 342 440**
Loans and advances granted to entities from the non-financial sector					
- loans and advances granted to business entities	8 145 620	7 639 140	7 064 684	6 402 885	6 231 531
- in the current account	3 044 135	2 902 510	2 386 692	2 356 071	2 359 207
- term ones	5 101 485	4 736 630	4 677 992	4 046 814	3 872 324
- loans and advances granted to households	4 162 035	3 783 649	3 615 383	3 419 359	3 229 535
- in the current account	997 614	951 057	961 359	965 847	950 820
- term ones	3 164 421	2 832 592	2 654 024	2 453 512	2 278 715
- other receivables	135 627	121 662	115 687	203 643	99 429
- accrued interest	18 946	24 104	37 596	36 310	31 864
Total (gross)	**12 462 228**	**11 568 555**	**10 833 350**	**10 062 197**	**9 592 359**
Impairment losses	-590 673	-632 203	-664 859	-729 865	-718 072
Total (net)	**11 871 555**	**10 936 352**	**10 168 491**	**9 332 332**	**8 874 287**
Loans and advances granted to entities from the government and self-government institutions' sector					
- loans and advances	603 740	629 037	668 637	398 089	390 440
- in the current account	10 641	5 370	2 575	4 346	4 285
- term ones	593 099	623 667	666 062	393 743	386 155
- other receivables	1	4	0	0	0
- accrued interest	2 016	1 753	2 459	1 234	1 241
Total (gross)	**605 757**	**630 794**	**671 096**	**399 323**	**391 681**
Impairment losses	-32 613	-34 710	-26 707	-29 134	-31 738
Total (net)	**573 144**	**596 084**	**644 389**	**370 189**	**359 943**
Loans and advances granted to customers - TOTAL					
- loans and advances	14 964 877	14 222 432	13 359 170	11 654 437	11 134 739
- other receivables	205 277	203 599	167 858	234 807	164 591
- accrued interest	25 010	31 071	43 947	40 812	35 682
Loans and advances granted to customers – gross	**15 195 164**	**14 457 102**	**13 570 975**	**11 930 056**	**11 335 012**
Impairment losses	-627 988	-674 530	-702 901	-765 590	-758 342
Loans and advances granted to customers – net	**14 567 176**	**13 782 572**	**12 868 074**	**11 164 466**	**10 576 670**

14 Property, plant and equipment	as at 30 Jun 2007	as at 31 Mar 2007	as at 31 Dec 2006	as at 30 Jun 2006	as at 31 Mar 2006
- Real estate and the hold improvements	415 305	434 130	426 017	424 788	419 869
- Computer hardware	51 612	46 122	60 851	70 955	77 199
- Vehicles	356	433	579	1 292	1 556
- Other fixtures and fittings	70 501	74 959	80 438	80 025	80 518
- Constructions in progress	14 697	9 353	3 180	18 320	20 811
Total	**552 471**	**564 996**	**571 065**	**595 380**	**599 953**

15 Liabilities due to other banks

	as at 30 Jun 2007	as at 31 Mar 2007	as at 31 Dec 2006	as at 30 Jun 2006	as at 31 Mar 2006
- Current accounts	180 446	84 350	178 315	135 646	69 830
- Interbank deposits	3 160 610	5 291 982	949 486	1 633 450	1 931 663
- Repo transactions	481 543	194 615	105 805	125 210	96 830
- Other liabilities	40 856	20 697	161 446	48 738	38 973
- Accrued interest	4 981	6 975	6 097	1 606	8 825
Total	**3 868 436**	**5 598 619**	**1 401 149**	**1 944 650**	**2 146 121**

16 Financial liabilities measured at fair value through profit and loss

	as at 30 Jun 2007	as at 31 Mar 2007	as at 31 Dec 2006	as at 30 Jun 2006	as at 31 Mar 2006
- Financial liabilities held for trading	814 041	788 673	828 922	1 068 539	1 085 079
Derivative financial instruments	*814 041*	*788 673*	*828 922*	*1 068 539*	*1 085 079*
- Financial liabilities designated as at fair value upon initial recognition	3 123 892	4 182 346	2 282 291	2 795 952	2 939 160
Repo transactions	*3 123 892*	*4 182 346*	*2 282 291*	*2 795 952*	*2 939 160*
Total	**3 937 933**	**4 971 019**	**3 111 213**	**3 864 491**	**4 024 239**

17 Liabilities due to customers

	as at 30 Jun 2007	as at 31 Mar 2007	as at 31 Dec 2006	as at 30 Jun 2006	as at 31 Mar 2006
Liabilities due to entities from the financial sector other than banks					
- Deposits	2 744 315	2 934 273	2 881 493	1 721 969	1 854 024
- current accounts	2 099 342	2 550 379	2 265 816	725 674	810 715
- term deposit	644 973	383 894	615 677	996 295	1 043 309
- Repo transactions	1 972 999	2 232 060	1 429 243	16 397	575 895
- Other liabilities	71 884	110 959	45 343	72 285	94 531
- Accrued interest	1 944	3 735	1 768	689	2 834
Total	**4 791 142**	**5 281 027**	**4 357 847**	**1 811 340**	**2 527 284**
Liabilities due to entities from the non-financial sector					
- Business entities' deposits	10 688 271	10 553 520	10 375 275	8 553 755	8 286 394
- current accounts	6 202 649	5 611 499	5 885 516	4 955 222	4 877 201
- term deposit	4 485 622	4 942 021	4 489 759	3 598 533	3 409 193
- Households' deposits	21 983 661	22 411 723	21 472 352	20 520 414	19 837 683
- current accounts	2 999 064	3 029 989	3 095 615	2 489 501	2 598 062
- savings accounts	15 427 642	15 676 438	15 421 774	13 558 901	12 766 931
- term deposit	3 556 955	3 705 296	2 954 963	4 472 012	4 472 690
- Repo transactions	18 727	157 898	371 824	123 094	90 703
- Other liabilities	579 368	375 063	407 010	495 157	469 322
- Accrued interest	61 338	53 225	46 306	66 618	55 141
Total	**33 331 365**	**33 551 429**	**32 672 767**	**29 759 038**	**28 739 243**
Liabilities due to entities from the government and self-government institutions' sector					
- Deposits	2 128 210	1 939 076	1 528 107	1 489 713	1 521 813
- current accounts	909 977	852 461	1 190 267	813 069	762 759
- term deposit	1 218 233	1 086 615	337 840	676 644	759 054
- Other liabilities	703	1 468	714	1 634	765
- Accrued interest	1 996	1 570	1 988	1 164	917
Total	**2 130 909**	**1 942 114**	**1 530 809**	**1 492 511**	**1 523 495**
Liabilities due to customers –TOTAL					
- Deposits	37 544 457	37 838 592	36 257 227	32 285 851	31 499 914
- Repo transactions	1 991 726	2 389 958	1 801 067	139 491	666 598
- Other liabilities	651 955	487 490	453 067	569 076	564 618
- Accrued interest	65 278	58 530	50 062	68 471	58 892
Total	**40 253 416**	**40 774 570**	**38 561 423**	**33 062 889**	**32 790 022**

18 Provisions

	as at 30 Jun 2007	as at 31 Mar 2007	as at 31 Dec 2006	as at 30 Jun 2006	as at 31 Mar 2006
- Provision for disputes	33 152	35 190	42 262	13 597	15 781
- Provision for off-balance sheet liabilities	26 827	23 762	25 015	27 683	27 863
- Provision for retirement benefits	10 899	10 899	10 899	10 668	10 584
- Provision for unused holidays	12 148	12 148	12 148	9 786	9 815
- Provision for employment restructuring	0	0	0	1 422	7 163
Total	**83 026**	**81 999**	**90 324**	**63 156**	**71 206**

5.2 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.

5.3 Type and Amounts of Items Affecting Assets, Liabilities, Net Financial Result or Cash Flows Being of Non-recurring Nature due to their Type, Volume or Impact

On 14.03.2007, ING Bank Śląski SA and Copernicus Capital Towarzystwo Funduszy Inwestycyjnych S.A., acting for *VPF I Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty* signed a conditional sale agreement of non-performing loan exposures.
The sales transaction covered 45,127 exposures, including 21,308 in the Bank's balance sheet and 23,819 written-off from the balance sheet.
As at the date of agreement signing, the net book value of the portfolio was PLN 5,823 thousand. The sale price of the debt claims was set at PLN 23,604 thousand.
Further signing of an "Assignment agreement", which took place on 25.04.2007 was the sine qua non of performance of the transaction as a whole. The total value of the exposures as at the agreement finalisation date amounted to PLN 271,656 thousand, including principal of PLN 133.663 thousand. Under the agreement, the final sale price was adjusted with the repayments made by clients in the period from 14.12.2006 to 24.04.2007 – the sale price as at the date of transaction finalisation was PLN 21,933 thousand. The transaction costs amounted to PLN 539,000.

5.4 Type and Amounts of Changes to Estimated Amounts that Were Listed in Previous Interim Periods of the Current Accounting Year or Changes to the Estimates Listed in Previous Accounting Years, If They Are of Significant Impact on the Current Interim Period

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

Type and size of the change in estimation values are disclosed only when the results of the change occur in the current period or in the future periods.

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

The actual results may differ from those estimates.

The estimations and assumptions are subject to ongoing reviews. Adjustments to estimates are recognized in the period when the estimation was changed, provided that the adjustment applies to this period alone, or in the period when the estimation was changed and in the following periods, should the adjustment impact both the current and future periods.

Major accounting estimations made by the Group as at the reporting date of and for each balance sheet date are as follows:

Impairment of loans

For each balance sheet date, the Group assesses, whether there is objective evidence of impairment of a given financial asset or of a group of such assets. Impairment of a financial asset or of a group of financial assets was incurred only if there is objective evidence for the impairment due to one or many events. The occurrence of such event or group of such events affects the estimation of expected cash flows regarding these assets. The estimates may take into account any observable indications pointing at the occurrence of an unfavourable change in the solvency position of debtors belonging to any particular group or in the economic situation of a given country or part of a country, which is associated with the problems appearing in that group of assets.

Historical parameters of recoveries are adjusted on the basis of the data coming from current observations, so as to take into consideration the influence of current conditions and to exclude the influencing factors in the historical period, that are not presently valid.

In order to estimate impairment or its reversal, it is necessary to estimate the present value of the expected cash flows. If there is objective evidence that an impairment loss on loans and receivables or carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at effective interest rate. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed either by adjusting an carrying amount of the financial asset. The amount of the reversal shall be recognised in profit or loss.

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

Impairment of other non- current assets

For each balance sheet date, the Group assesses the existence of premises indicating impairment of a non-current asset. If such premises exist, the Group performs an estimation of recoverable value. Estimation of value-in-use of a non-current asset requires assumptions to be adopted, regarding, among others, amounts and timing of future cash flows, which the Group may obtain from the given non-current asset (or cash generating unit). Adoption of different measurement assumption could affect the carrying value of some of the non – current assets.

The Group performs an estimation of the fair value less costs to sell on the basis of available market data regarding this subject or estimations made by external bodies, which are also based on estimations.

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

Fair value of unquoted financial instruments is estimated by means of alternate methods of value measurement. For non-optional derivatives and debentures available for sale, the Group uses valuation models based on discounted cash flows. Options are valued using option valuation models.

Valuation models used by the Group, are verified by independent bodies prior to their usage. If possible, only empirical data from the active market are entered to the model, however under certain circumstances the Group's estimations of the risk elements (such are credit risk, volatility risk and market correlations) are used. Any change in these assumptions may affect the fair value of some financial instruments.

Retirement and sick pension severance payments provision

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

Provision for bonuses granted to directors and key management personnel

The provisions for top executive staff bonuses are estimated by the Management Board of the Group's dominant entity which is estimating the amount of benefits as of the balance-sheet date.

The ultimate amount of the abovementioned employee benefits is determined by the decisions of Supervisory Boards of the Group's Companies.

5.5 Issues, Redemption or Repayments of Debt Securities and Equities

None.

5.6 Dividends Paid

On 9 May 2007, the General Shareholders Meeting approved the payout of dividend for 2006 in the amount of PLN 27.90 gross per 1 share, or PLN 362,979,000 in total. The dividend was paid out on 11 June 2007.

5.7 Significant Developments after the Closing of the Interim Period

None.

5.8 Changes to the Business Entity / Capital Group Structure

Either in Q2 of 2007 or Q2 of 2006 no changes in the composition of the capital group occurred.

5.9 Changes to Contingent Liabilities or Assets that Occurred after 31.12.2006

OFF-BALANCE SHEET ITEMS (PLN '000)	2 quarters 2007 as at 30 Jun 2007	1 quarter 2007 as at 31 Mar 2007	end of year 2006 as at 31 Dec 2006	2 quarters 2006 as at 30 Jun 2006	1 quarter 2006 as at 31 Mar 2006
- Contingent liabilities granted	13 043 342	10 643 441	13 817 539	9 345 434	10 350 837
- Contingent liabilities received	9 496 147	9 762 917	10 530 245	10 526 285	10 323 884
- Off-balance sheet financial instruments	178 185 130	178 103 879	157 144 424	151 441 486	136 923 972
Total off-balance sheet items	**200 724 619**	**198 510 237**	**181 492 208**	**171 313 205**	**157 598 693**

The decrease of the balance of contingent liabilities granted as at 30.06.2007 vis-à-vis 31.12.2006 by PLN 774.2 million resulted mainly from the increase of the item of deposits to be released in inter-bank transactions. On the other hand, the decrease of contingent liabilities received by PLN 1 034.1 million resulted mostly from the increase of the item of deposits to be received in inter-bank transactions.

5.10 Acquisition or Sale of a Component of Property, Plant and Equipment (Sale of Real Estate)

In the period of 6 months of 2007, the Bank's properties located in Pińczów and Myszków were sold. The properties were sold on an arm's length basis. As a result of the sale the Bank recorded income of PLN 846,500.

5.11 Settlements due to Court Cases

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

Changes to the litigation reserves were presented below:

in million

	30.06.2007	31.03.2007	31.12.2006	30.09.2006	30.06.2006
Status at the period beginning:	**35,2**	**42,2**	**15,4**	**13,6**	**15,8**
Establishment of provisions as costs	0,9	0,1	29,9	2,3	0,2
Release of provisions as income	0,0	-0,9	-2,4	0,0	-0,5
Utilisation of provision due to dispute loss or settlement	-2,9	-6,2	-0,7	-0,5	-1,9
Status as at the period end	**33,2**	**35,2**	**42,2**	**15,4**	**13,6**

5.12 Transactions with Related Entities

Subsidiaries and Related Entities of ING Bank Śląski:
- ING Securities
- ING BSK Development
- Solver
- PTE ING Nationale Nederlanden
- Centrum Banku Śląskiego (CBS)
- Śląski Bank Hipoteczny

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

ING Bank Śląski performs operations with ING Bank NV and its subsidiaries on the inter-bank market. These are both short-term deposits and loans, as well as operations in derivatives: Forex Spot and Forex Forward, FX options and SWAP transactions. They are all performed on the arm's length basis.

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

In the period 1.01.2007 – 30.06.2007 the following transactions were made of the total value exceeding EURO 500,000:

- In connection with execution of the Co-operation Agreement concluded by ING Bank Śląski S.A. and ING Bank NV the remuneration for the services provided as to financial consulting in 6 months 2007 amounted to PLN 22.6 million (net). Following the implementation of the agreement for provision of data processing and financial information analysis services, concluded by and between ING Bank Śląski S.A. and ING Bank NV, the fee for data processing and financial information analysis services used by ING Bank Śląski amounted to PLN 5.9 million (net).

- Under the agreement of lease of office rooms in the building owned by CBS, ING Bank Śląski paid a rent (through ING BSK Development) of PLN 11.0 million (gross) in monthly instalments. In addition, the Bank paid PLN 0.9 million for adaptation works.

- ING Services Polska provides services to ING Bank Śląski in regard to lease of hardware resources. The costs of service were PLN 9.0 million (gross).

- ING Bank Śląski made a transaction with ING Lease due to sublease of functional rooms totalling PLN 7.6 million (gross).

- ING Bank Śląski co-operates with ING Car Lease as to leasing of cars and management of car fleet. The derivative amount of payment was PLN 5.3 million in 6 months 2007.

Transactions with related parties (in PLN thousands) **30.06.2007**

	Parent company	Other ING Group entities	Subsidiary undertakings	Associated undertakings
Balances of receivables and payables				
Deposits given	1 738 834	386 759	-	-
Loans	-	1 070 055	346 047	-
Deposits taken (current & term)	1 524 308	233 138	284 102	17 141
Securities	-	-	30 260	-
Other receivables	208 520	500	2 706	-
Other liabilities	116 465	6 624	17	-
Off-balance sheet commitments and transactions				
Guarantees issued	304 493	202 381	-	-
Guarantees received	1 779 621	-	-	-
Undrawn credit lines granted	254 626	1 380 100	217 967	-
FX spot	20 084 213	1 456 868	-	-
FX forward	276 575	1 569 467	-	-
IRS/CIRS	26 762 366	101 889	-	-
FRA	360 987	-	-	-
Options	1 019 080	631 567	-	-
Income and expenses				
Income	369 808	21 853	9 249	108
Expenses	318 236	2 426	16 201	3 014

Transactions with related parties (in PLN thousands) **30.06.2006**

	Parent company	Other ING Group entities	Subsidiary undertakings	Associated undertakings
Balances of receivables and payables				
Deposits given	2 498 013	349 920	-	-
Loans	-	510 331	379 042	-
Deposits taken (current & term)	148 200	107 148	214 760	24 887
Securities	-	-	42 569	-
Other receivables	17 870	3 703	2 745	-
Other liabilities	3 780	18 312	41	-
Off-balance sheet commitments and transactions				
Guarantees issued	444 502	185 731	-	-
Guarantees received	2 023 799	-	-	-
Undrawn credit lines granted	205 159	1 709 230	318 688	-
FX spot	15 163 777	3 463 991	-	-
FX forward	99 737	738 492	-	-
IRS/CIRS	25 459 231	74 982	-	-
FRA	3 769 917	-	-	-
Options	695 233	-	-	-
Income and expenses				
Income	356 463	47 606	7 500	218
Expenses	304 213	37 664	14 992	1 626

VII. Standalone Financial Statement of the Bank

PROFIT AND LOSS ACCOUNT (PLN '000)	II quarter 2007 the period from 01 Apr 2007 to 30 Jun 2007	2 quarters 2007 the period from 01 Jan 2007 to 30 Jun 2007	II quarter 2006 the period from 01 Apr 2006 to 30 Jun 2006	2 quarters 2006 the period from 01 Jan 2006 to 30 Jun 2006
Interest income	*598 456*	*1 181 398*	*484 201*	*959 024*
Interest expenses	*342 288*	*664 846*	*256 451*	*513 521*
Net interest income	**256 168**	**516 552**	**227 750**	**445 503**
Commission income	*205 660*	*399 303*	*154 742*	*297 063*
Commission expenses	*19 930*	*37 069*	*15 209*	*27 968*
Net commission income	**185 730**	**362 234**	**139 533**	**269 095**
Net income on investment financial assets	97 801	114 747	65 781	71 773
Net trading income	22 539	54 725	31 768	93 979
Other operating income	6 997	12 067	11 249	17 917
Result on basic activities	**569 235**	**1 060 325**	**476 081**	**898 267**
General and administrative expenses	336 113	664 235	291 873	582 919
Other operating expenses	3 375	6 279	4 230	5 963
Impairment losses and provisions for off-balance sheet liabilities	-27 786	-35 313	-43 012	-91 203
Profit (loss) before tax	**257 533**	**425 124**	**222 990**	**400 588**
Income tax	29 387	65 502	30 174	64 071
Net result for the current year	**228 146**	**359 622**	**192 816**	**336 517**

Net profit (loss)	**228 146**	**359 622**	**192 816**	**336 517**
Weighted average number of ordinary shares	**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**
Earnings per ordinary share (PLN)	**17,54**	**27,64**	**14,82**	**25,87**
Diluted weighted average number of ordinary shares	13 010 000	13 010 000	13 010 000	13 010 000
Diluted earnings per ordinary share (PLN)	17,54	27,64	14,82	25,87

BALANCE SHEET (PLN '000)	2 quarters 2007 as at 30 Jun 2007	1 quarter 2007 as at 31 Mar 2007	end of year 2006 as at 31 Dec 2006	2 quarters 2006 as at 30 Jun 2006	1 quarter 2006 as at 31 Mar 2006
A S S E T S					
- Cash in hand and balances with the Central Bank	2 608 856	1 807 568	1 147 891	1 230 981	1 485 423
- Deposit accounts in other banks as well as loans and advances to other banks	18 044 598	16 760 017	13 560 173	11 309 027	11 117 602
- Financial assets measured at fair value through profit and loss	6 593 215	10 685 902	7 056 724	5 848 440	7 383 328
- Investment financial assets	9 623 837	12 031 803	12 644 728	12 251 246	11 601 844
- Loans and advances to customers	14 636 720	13 834 653	12 962 405	11 231 220	10 682 727
- Investments in controlled entities	140 410	126 910	126 910	126 910	126 910
- Property, plant and equipment	387 117	398 610	408 453	421 435	439 910
- Intangible assets	318 301	324 826	316 753	324 923	316 576
- Property, plant and equipment held for sale	254	224	224	1 882	245
- Current tax asset	0	0	0	0	2 559
- Deferred tax asset	93 477	16 111	30 209	141 595	69 193
- Other assets	154 642	127 231	96 980	107 619	99 121
T o t a l a s s e t s	**52 601 427**	**56 113 855**	**48 351 450**	**42 995 278**	**43 325 438**
E Q U I T Y A N D L I A B I L I T I E S					
LIABILITIES					
- Liabilities due to the Central Bank	0	0	696 000	0	0
- Liabilities due to other banks	3 841 456	5 876 725	1 400 239	1 902 346	2 133 214
- Financial liabilities measured at fair value through profit and loss	3 937 933	4 692 558	3 111 213	3 864 491	4 024 239
- Liabilities due to customers	40 244 236	40 903 716	38 626 433	33 103 808	32 853 881
- Provisions	81 715	80 688	88 833	62 157	70 171
- Current income tax liabilities	30 720	65 275	65 815	48 484	0
- Other liabilities	960 410	768 143	746 943	709 702	621 092
T o t a l l i a b i l i t i e s	**49 096 470**	**52 387 105**	**44 735 476**	**39 690 988**	**39 702 597**
EQUITY					
- Share capital	130 100	130 100	130 100	130 100	130 100
- Supplementary capital - issuance of shares over nominal value	993 750	993 750	993 750	993 750	993 750
- Revaluation reserve from measurement of available-for-sale financial assets	-65 115	22 130	42 830	-55 564	99 069
- Revaluation reserve from measurement of property, plant and equipment	40 225	40 458	40 458	31 694	31 694
- Retained earnings	2 405 997	2 540 312	2 408 836	2 204 310	2 368 228
T o t a l e q u i t y	**3 504 957**	**3 726 750**	**3 615 974**	**3 304 290**	**3 622 841**
T o t a l e q u i t y a n d l i a b i l i t i e s	**52 601 427**	**56 113 855**	**48 351 450**	**42 995 278**	**43 325 438**

Solvency ratio	**12,55%**	**13,12%**	**15,09%**	**15,43%**	**16,68%**

Book value	**3 504 957**	**3 726 750**	**3 615 974**	**3 304 290**	**3 622 841**
Number of shares	**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**
Book value per share (PLN)	**269,40**	**286,45**	**277,94**	**253,98**	**278,47**

OFF-BALANCE SHEET ITEMS (PLN '000)	2 quarters 2007 as at 30 Jun 2007	1 quarter 2007 as at 31 Mar 2007	end of year 2006 as at 31 Dec 2006	2 quarters 2006 as at 30 Jun 2006	1 quarter 2006 as at 31 Mar 2006
- Contingent liabilities granted	13 227 245	10 646 546	13 817 405	9 640 837	10 669 479
- Contingent liabilities received	9 496 147	9 762 917	10 530 245	10 526 285	10 323 884
- Off-balance sheet financial instruments	178 185 130	178 103 879	157 144 424	151 441 486	136 923 972
T o t a l o f f - b a l a n c e s h e e t i t e m s	**200 908 522**	**198 513 342**	**181 492 074**	**171 608 608**	**157 917 335**

STATEMENT OF CHANGES IN EQUITY (PLN '000)

2 quarters 2007
the period from 01 Jan 2007 to 30 Jun 2007

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Retained earnings	Total equity
Opening balance of equity	**130 100**	**993 750**	**42 830**	**40 458**	**2 408 836**	**3 615 974**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-90 084	-	-	**-90 084**
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-17 861	-	-	**-17 861**
- disposal of property, plant and equipment	-	-	-	-233	518	**285**
- dividends paid	-	-	-	-	-362 979	**-362 979**
- net result for the current period	-	-	-	-	359 622	**359 622**
Total equity (closing balance)	**130 100**	**993 750**	**-65 115**	**40 225**	**2 405 997**	**3 504 957**

end of year 2006
the period from 01 Jan 2006 to 31 Dec 2006

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Retained earnings	Total equity
Opening balance of equity	**130 100**	**993 750**	**85 796**	**31 725**	**2 223 818**	**3 465 189**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-28 754	-	-	**-28 754**
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-14 212	-	-	**-14 212**
- disposal of property, plant and equipment	-	-	-	-2 132	3 647	**1 515**
- remeasurement of property, plant and equipment	-	-	-	10 865	-1 411	**9 454**
- dividends paid	-	-	-	-	-357 775	**-357 775**
- net result for the current period	-	-	-	-	540 557	**540 557**
Total equity (closing balance)	**130 100**	**993 750**	**42 830**	**40 458**	**2 408 836**	**3 615 974**

2 quarters 2006
the period from 01 Jan 2006 to 30 Jun 2006

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Retained earnings	Total equity
Opening balance of equity	**130 100**	**993 750**	**85 796**	**31 725**	**2 223 818**	**3 465 189**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-132 025	-	-	**-132 025**
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-9 335	-	-	**-9 335**
- disposal of property, plant and equipment	-	-	-	-31	1 750	**1 719**
- dividends paid	-	-	-	-	-357 775	**-357 775**
- net result for the current period	-	-	-	-	336 517	**336 517**
Total equity (closing balance)	**130 100**	**993 750**	**-55 564**	**31 694**	**2 204 310**	**3 304 290**

CASH FLOW STATEMENT - indirect method (PLN '000)	**2 quarters 2007** the period from 01 Jan 2007 to 30 Jun 2007	**2 quarters 2006** the period from 01 Jan 2006 to 30 Jun 2006
OPERATING ACTIVITIES		
Net profit (loss)	**359 622**	**336 517**
Adjustments	**-3 233 209**	**235 048**
- Unrealised exchange gains (losses)	-159	1 972
- Depreciation and amortisation	68 649	67 054
- Interest accrued (from the profit and loss account)	516 552	445 503
- Interest received/paid	-601 642	-701 558
- Dividends received	-93 086	-56 640
- Gains (losses) on investment activities	291	-1
- Income tax (from the profit and loss account)	65 502	64 071
- Income tax paid	-163 865	-50 324
- Change in provisions	-7 118	-17 333
- Change in deposits in other banks and in loans and advances to other banks	-9 224 431	1 537 442
- Change in financial assets at fair value through profit or loss	459 280	311 924
- Change in investment financial assets	3 031 799	-1 172 965
- Change in loans and advances to customers	-1 658 364	-1 289 028
- Change in other assets	-63 510	29 999
- Change in liabilities due to other banks	1 746 038	553 811
- Change in liabilities at fair value through profit or loss	826 720	178 702
- Change in liabilities due to customers	1 650 668	257 224
- Change in other liabilities	213 467	75 195
Net cash flow from operating activities	**-2 873 587**	**571 565**
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-44 690	-30 198
- Disposal of property, plant and equipment	128	127
- Purchase of intangible assets	-131	-17 952
- Disposal of intangible assets	0	310
- Purchase of investments in subordinated entities	-13 500	0
- Disposal of fixed assets/liabilities held for sale	1 644	0
- Dividends received	93 086	56 640
Net cash flow from investment activities	**36 537**	**8 927**
FINANCIAL ACTIVITIES		
- Long-term loans repaid	-19 140	-23 720
- Interest on long-term loans repaid	-1 921	-1 040
- Dividends paid	-362 979	-357 775
Net cash flow from financial activities	**-384 040**	**-382 535**
Effect of exchange rate changes on cash and cash equivalents	***-145 359***	***24 492***
Net increase/decrease in cash and cash equivalents	**-3 221 090**	**197 957**
Opening balance of cash and cash equivalents	**8 172 580**	**5 053 730**
Closing balance of cash and cash equivalents	**4 951 490**	**5 251 687**

VIII. Additional Information Required under the Ordinance of the Minister of Finance of 19 October 2005 on Current and Periodic Information Submitted by Securities Issuers That Has Not Been Discussed Elsewhere

1. Indication of Shareholders Holding Directly or Indirectly > 5% of Total Number of Votes at GSM (para. 91 section. 6 item 5)

As at the date of submission of the report for the second quarter of 2007, the shareholders owning 5% and more votes at the General Shareholders Meeting of ING Bank Śląski Spółka Akcyjna were the following entities:

No.	Entity	Number of shares and votes	% of total number of shares and votes at General Shareholders Meeting
1.	ING Bank N.V.	9,757,500	75.00
2.	Commercial Union Otwarty Fundusz Emerytalny BPH CU WBK	800,000	6.15

2. Specification of Changes in Shares Held by Senior Executives (para. 91 section 6 item 6)

As regards members of the Bank Supervisory Board, the following individuals have held shares of ING Bank Śląski: Mr. Mirosław Kośmider – 3 shares; Mr. Wojciech Popiołek – 9 shares. The other members of the Bank Management Board and the Bank Supervisory Board do not hold any shares of ING Bank Śląski S.A. As of the date of publication of the report for Q1 2007, the status of ING Bank Śląski's shares, held by the Members of the Bank Management Board and Supervisory Board, was similar.

3. Indicating the court proceedings of value at least 10% of the equity or totally at least 10% of the equity (para. 91 section 6 item 7)

Either in Q2 of 2007 or Q2 of 2006, no proceedings concerning liabilities or debts whose total value would amount to 10% of the Bank's equity were initiated before courts or administrative bodies against the Capital Group of ING Bank Śląski.

4. Information on extending sureties for the loan, cash loan or guarantees equal at least 10% of the equity (para. 91 section 6 item 9)

On 15 June 2007, annex to the credit agreement of 8 September 2006 with ING Commercial Finance Polska S.A. was signed. The total loan value amounted to PLN 700 million. The borrower is a related company of ING Bank Śląski S.A.