Interim Consolidated Financial Statements of the ING Bank Śląski S.A. Group

for the I quarter 2008

ING BANK ŚLĄSKI

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Table of contents

I. Introduction to Financial Results and Market Position

1. Economic situation in the 1st quarter of 2008 including factors that may affect the business operations in the coming quarters

According to macro-economic ratios, positive trends still dominated in the Polish economy throughout the first quarter of 2008. The economic growth remained at a quite high level, however in March the growth rate in some areas was slightly lower compared with the previous months. The main development engine was strong internal demand, driven by growing salaries and further improvement on the labour market. According to preliminary estimates, the GDP growth rate in Q1 2008 was approx. 6.0%, vis-à-vis 7.3% y-o-y. In the first three months of 2008, we observed an intensification of the price growth rate. In the conditions of stronger inflation pressure, the Monetary Policy Council gradually increased the interest rates.

Despite the lower industrial output growth in March, the overall level in Q1 was 8.5% higher y-o-y (compared with 9.6% in Q4 2007). In the period January-March of this year, the output growth was recorded in 22 out of 29 industry sectors, however the highest growth rate was demonstrated by the manufacturing of radio, television & telecommunication equipment and devices (21.6%), manufacturing of machinery and devices (20.2%) and manufacturing of motor vehicles (18.3%). During the first three months of 2008, the construction sector was booming. The construction & assembly output generated in Poland in Q1 2008 by enterprises employing more than 9 persons was 17.4% higher y-o-y.

In the first quarter of this year, the employment rate was continually higher in the corporate sector. The growing demand of Polish companies for new employees combined with the Poles' migration due to economic reasons resulted in the unemployment rate going down to the level of 11.1%. It has been the lowest level of that ratio for ten years. The decrease in the number of unemployed was accompanied by the increase in average nominal pay. In the first quarter, the average gross salary in the corporate sector was PLN 3 049.9, an 11.4% increase. The purchasing power of the gross monthly salary in the corporate sector was 7.2% higher y-o-y.

Positive trends in the labour market combined with the increasing salaries stimulated the retail sale that was 16.0% higher y-o-y in Q1.

The beginning of 2008 witnessed stronger inflationary pressures. In March the growth of the consumer index throughout the year was 4.1% vis-à-vis 2.5% y-o-y. In view of the growing inflationary pressures, the Monetary Policy Council resolved to increase again the interest rates. In consequence, the reference rate rose from 5.0% at the end of 2007 to 5.75% in Q1 2008.

Positive economic trends stimulated the growth of the banking sector. The credit exposure of banks in Q1 of this year went up by 6.5% compared with the end of 2007. The credit receivables from households increased by 7.6%. A 5.3% increase was also noted in respect of credit receivables from business entities.

Deposits of the banking sector rose by 4.4% compared with December 2007. The household deposits were 8.4% higher, and the corporate deposits decreased by 0.8% compared with the end of the last year.

In Q1 2008, our currency continued to strengthen against EUR and USD. At the end of March the zloty rate against EUR was 3.5258 vis-à-vis 3.5820 as at 31.12.2007.

The most important macro-economic factors affecting the results in the following quarters include the economic growth rate in Poland, increases of interest rates and fluctuations of FX rates. The biggest threats for the Polish economy and the banks operating in Poland are posed by the disturbances in the global financial market.

2. Execution of Strategic Goals

In Q1 2008, ING Bank Śląski S.A. solidified its position in the Polish banking sector. It concerned especially the Internet banking area where the launch of a more progressive product offer represented a significant step towards building *The most Internet-wise Bank.* Since the beginning of the year, the Bank has been making preparations for implementation of the first comprehensive loyalty programme and actions aimed at improving the availability of products and services at the process efficiency have been also continued.

Retail banking

In Q1 2008, key areas in respect of retail banking comprised the implementation of a comprehensive programme encouraging the Clients to use the Internet banking and the continuation of projects started earlier with the aim of supporting the sales of products and improving the availability of bank services.

Throughout Q1 of this year, ING Bank Śląski focused on modifying the Internet banking. In the first phase of modifications the Bank's product offer was extended to include the Internet *Direct Account*. It is a PLN account available in two versions: as a personal account for private individuals and as a clearing account for small businesses. The Bank does not charge any fees for the account maintenance and for transactions made via the Internet and telephone. The new offer was addressed to the Clients using the Internet, ATMs, cash deposit machines and paying with cards.

During the next phase of modifications in the Internet banking area we implemented a new, more-friendly version of the *ING BankOnLine* system which was rebuilt in line with the current Internet standards and ING Group requirements. The existing security standards were maintained, whereas the system functionality was extended, The Clients gained also access to new facilities.

Another step in the direction of making the Bank's offer more attractive in respect of the Internet was the launch of the *eDeposit*, a new product addressed to Clients managing their funds mostly via Internet.

The changes in the product offer in respect of the Internet banking were actively supported in Q1 of this year by numerous advertising campaigns. In addition, in order to encourage Clients to actively use the Internet banking, ING Bank Śląski launched a comprehensive loyalty programme under the name *"You are banking – you are buying"*. It is an offer enabling the Bank Clients to buy the products offered by the programme partners at very attractive prices. In order to purchase the goods one has to collect the required number of the programme points and have access to ING BankOnLine.

The first effects of the offer modification in the area of the Internet banking are very promising. As at the end of Q1, more than 46 thousand Direct Accounts were opened.

As part of continuation of those projects that were started earlier, ING Bank Śląski implemented in Q1 another functionality of the Front-End application (handling the accounts of Small Business segment Clients). New self-service zones were built (Self Banking) and the network of partner's branches was developed.

Throughout Q1 of this year, ING Bank Śląski continued actions aimed at broadening the range of products offered. In January and February Bank handled subscriptions for the Investment Term

Deposits (BRIT, WIG20 and the Persian Gulf currency basket) and made preparations for subscription of the Investment Insurance Deposit GLOBAL PROFIT, a product offered together with ING Towarzystwo Ubezpieczeń na Życie.

From March 2008, all ING BankOnLine Clients having Play mobiles have been allowed to top up their pre-paid cards online and the transactions made at a specific time are awarded with a promotional top-up.

In Q1 2008, the Bank prepared a special spring promotion for Clients interested in mortgage products. As part of the promotional campaign for the mortgage and the construction & mortgage loans the Bank clients may benefit from special pricing and participate in lottery where the awards include mortgage loans with zero interest.

Implementing the proposal for Small Businesses starting up their activity (autumn 2007), ING Bank Śląski commenced the process of restructuring the offer for that market segment. In Q1 2008, the Small Business Clients were offered two lending products that the new firms may receive on the occasion of their first contact with the Bank (Account Overdraft for Small Business and VISA credit card for Small Business based on statement). Both products have such advantages as no need to present financial documents and simplified application forms. Since April, each newly opened Lion Account for Small Business is awarded with a promotional voucher worth PLN 200 for advertisement in Google.

Debit cards

ING Bank Śląski systematically develops its offer in the area of debit cards. At the end of the last year, the Bank as one of the first banks in Poland lauched chip debit cards. In Q1 2008, the Bank's offer was extended to include the co-branded MasterCard Oriflame credit card. In February 2008, the Cashback service was made available for all Maestro and MasterCard debit cards issued for individual Clients and Small Businesses to accounts in PLN and EUR. The service allows for withdrawing up to PLN 200 when making cashless transactions at each merchant's marked with the Cashback logo. The Cashback service was also launched for Maestro Business and MasterCard Business in EUR and MasterCard Corporate debit cards for corporate and strategic clients.

As part of the service *My ING Card*, the Bank's clients may design the card image. Creating their own cards the Clients may use the gallery or select any picture from their own collections and its specific shape, format and place. At present, the Bank Clients may replace the images of their own debit card with the graphic by Tomasz Bagiński. A new category was added to the gallery of "My ING Card" containing nine images of the works created by that artist especially for our Bank.

Corporate banking

In respect of corporate banking, ING Bank Śląski continued actions aimed at extending the product offer and optimising processes in the core area of services for the Clients from that segment.

In Q1 2008, the key areas of corporate banking included the continuation of the *ING BusinessOnLine* project. The new Internet banking system for the corporate segment Clients was implemented at the end of 2007. During the first three months intensive works focused on the implementation of various system functionalities.

Last year, ING Bank Śląski initiated the process of harmonisation of the products and processes to the Single Euro Payment Area (SEPA). From 28 January 2008, the inbound transfer orders have been cleared via the SEPA system.

As part of the process of extending the product offer in the corporate area, in Q1 of this year the Bank launched a new service for corporate clients, namely *Closed Withdrawals.* The closed withdrawal means cash released by the Bank to the client, prepared by a third-party company co-operating with the Bank, and delivered directly to the client's location (via the cash collection service) or to the retail Branch in a secure envelope or in other agreed-upon packaging.

3. Most important business achievements and market position

Volumes

As at the end of March 2008, the total value of funds entrusted by Clients[1] from the ING Bank Śląski Group amounted to PLN 50 380.7 million (down by 1.8% from December 2007 and up by 11.0% from March 2007).

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

	31.03.2008	31.12.2007	30.09.2007	30.06.2007	31.03.2007
Retail segment	34 993.2	34 967.3	33 513.4	32 045.8	30 728.2
Wholesale segment	15 387.5	16 329.1	14 534.2	14 654.5	14 640.3
Total	**50 380.7**	**51 296.4**	**48 047.6**	**46 700.3**	**45 368.5**

As at the end of March 2008 the Bank recorded an increase of credit volumes, which totalled PLN 18,957.5 million (up by 9.2% from December 2007). The value of loans extended to clients went up by 28.2% from the end of March 2007.

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

	31.03.2008	31.12.2007	30.09.2007	30.06.2007	31.03.2007
Retail segment	4 993.6	4 574.3	4 220.3	3 740.2	3 378.6
Wholesale segment	13 963.9	12 786.5	12 181.7	11 840.5	11 406.4
Total	**18 957.5**	**17 360.8**	**16 402.0**	**15 580.7**	**14 785.0**

Market position

The dynamics of household deposits at ING Bank Śląski exceeded that one recorded by the sector; consequently, at the end of March 2008 the market share grew from 9.38% at the end of 2007 to 9.42%. The share in the market of corporate deposits as at the end of March 2008 totalled 7.96% against 8.33% as at the end of December 2007.

ING Bank Śląski's share in the deposit and long-term liabilities market (%)

	31.03.2008	31.12.2007	30.09.2007	30.06.2007	31.03.2007
Household deposits	9.42	9.38	9.20	8.97	8.90
Corporate deposits	7.96	8.33	7.70	7.84	8.34

The Bank's share in the corporate loans market as at the end of March 2008 totalled 5.96% versus 5.62% as at the end of December 2007. As of the end of March 2008, the loans extended by ING Bank Śląski to households constituted 1.89% of all the loans for that group of clients (1.87% as of the end of 2007).

ING Bank Śląski's share in the loans receivables market (%)

	31.03.2008	31.12.2007	30.09.2007	30.06.2007	31.03.2007
Household loans	1.89	1.87	1.85	1.83	1.81
Corporate loans	5.96	5.62	5.76	5.79	5.91

[1] Including TFI assets.

4. Awards

In the first quarter of 2008, ING Bank Śląski S.A. received the following awards and distinctions:

- March 2008, 1st place in the "Best IT project in financial institutions" in the "Transaction Systems Category" (Gazeta Bankowa weekly),
- March 2008, "Leopards 2007" Bankers' award for the most admired banking brand creation,
- February 2008, "Builder's Laurels", an award granted in the "Products and Services for Construction Companies",
- February 2008, title of "Ecologically Friendly Company" awarded by the European Ecologic Responsibility Forum,
- February 2008, 3rd place in the "Best Stock Exchange Listed Company" (Puls Biznesu daily),
- January 2008, TOP RATED status, an award granted by the American Publishing House Global Custodian for custody operations.

II. Business Growth

1. Retail Banking

The funds entrusted by clients

The funds obtained from the retail clients constituted the main component of the funds entrusted by the clients of the Bank. As of the end of March 2008, the said funds totalled to PLN 34,993.2m, which was the level as of the end of 2007. Funds obtained from the retail clients went up by 13.9% from March 2007.

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

	31.03.2008	**31.12.2007**	**30.09.2007**	**30.06.2007**	**31.03.2007**
Personal accounts	3 825.7	4 020.4	3 701.9	3 545.5	3 265.4
Savings accounts	20 538.5	19 091.5	17 572.2	16 183.6	16 439.9
Accounts and term deposits	5 143.3	4 338.2	3 958.4	4 106.1	4 243.2
TFI assets	5 485.7	7 517.2	8 280.9	8 210.6	6 779.7
Total retail segment	**34 993.2**	**34 967.3**	**33 513.4**	**32 045.8**	**30 728.2**

Over the first 3 months of 2008 witnessed a continued stabile growth of sales of the Open Savings Accounts. This product's portfolio value rose by 7.6% from 2007-yearend and by 24,9% from March 2007. The number of Open Savings Accounts[2] at the end of March 2007 was 1,349 thousand, compared with 1,289 thousand at the end of December 2007 and with 1,108 thousand in the similar period of the last year.

Accounts and term deposits went up by 18.6% versus the end of December 2007 and by 21.2% versus March 2007.

A drop in the attractiveness of investment funds, resulting from the deteriorating situation at the stock exchange, affected the Clients' preferences for funds depositing, as a result of which the ING TFI participation units at the end of March 2008 totalled PLN 5, 485.7 million, down by PLN 2,031.5 million (27.0%) from the end of 2007.

[2] Accounts in PLN.

As at the end of March 2008, the number of personal accounts maintained by the Bank was 1,189.8 thousand, an increase by 3.1% compared with the end of 2007 and by 12.7% compared with the similar period of the last year.

	31.03.2008	31.12.2007	30.09.2007	30.06.2007	31.03.2007
Number of personal accounts (in thousands of pcs.)	1 189.8	1 153.9	1 122.0	1 093.9	1 055.5

Development of electronic distribution channels

Development of electronic distribution channels is one of the Bank's priorities. A regular update of this offer results in an increase of the number of Clients interested in e-banking.
In 1Q 2008 compared with 2007, we recorded a dynamic growth of the number of clients of INGBankOnLine, a key product in the area of electronic banking. In the first 3 months of 2008, the number of clients using SMS and HaloŚląski services also went up considerably. Within the period of 3 months of 2008, 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:

	31.03.2008	31.12.2007	30.09.2007	30.06.2007	31.03.2007
ING BankOnLine, ING OnLine	872 416	765 920	705 268	646 026	606 822
HaloŚląski	443 104	398 297	374 298	353 347	337 994
SMS	264 219	233 745	210 982	196 414	182 888
MultiCash	5 220	5 464	5 590	5 801	7 575

In March 2008, the monthly number of transactions made via electronic banking systems totalled 6.0 million. In the same period last year, the number of transactions made via electronic banking systems was 5.0 million.

Loans

Simplification and shortening of the credit process and continues improvement of the products' attractiveness resulted in the increase of retail loans volume. As at the end of March 2008, loans for clients from the Retail segment totalled PLN 4 993.6 million (up by 9.2% from 2007-yearend and up by 47.8% from the similar period of the last year).

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

	31.03.2008	31.12.2007	30.09.2007	30.06.2007	31.03.2007
Mortgage loans	2 880.5	2 616.0	2 321.5	2 031.3	1 678.4
Other retail loans	2 113.1	1 958.3	1 898.8	1 708.9	1 700.2
Total Retail segment	**4 993.6**	**4 574.3**	**4 220.3**	**3 740.2**	**3 378.6**

As at the end of March 2008, mortgage loans portfolio was valued at PLN 2 880.5 million (up by 10.1% from December 2007 and by 71.6% from March 2007). PLN mortgage loans dominated in the mortgage loans structure as at 31.03.2008. As at the end of March this year, their value totalled PLN 2 696.1 million; their volume went up by 11.4% from December 2007 (the volume of PLN mortgage loans amounted to PLN 2 420.3 million at the 2007-yearend).

Banking cards

The Bank's offer includes: debit cards, charge cards, credit cards and pre-paid cards. The number of issued credit cards[3] went up from 260,883 as at the end of December 2007 to 267,140 as at 31 March 2008.

	31.03.2008	31.12.2007	30.09.2007	30.06.2007	31.03.2007
Number of active credit cards	267 140	260 883	220 233	184 905	152 851

2. Wholesale Banking

The funds entrusted by clients

As at the end of March this year, the value of funds allocated by Clients from the Wholesale segment totalled PLN 15 387.5 million (down by 5.8% from 2007-yearend and went up by 5.1% from March 2007). Deposits of strategic clients went down by PLN 807.0m from December 2007, or by 9.0%; there was also a drop of the volume of the deposits of mid-sized enterprises by PLN 130.4m, or 3.7%. A slight increase of the volume of the deposits of large enterprises (by PLN 31.1m, or by 0.9%) was noticed.

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

	31.03.2008	31.12.2007	30.09.2007	30.06.2007	31.03.2007
Strategic Clients *	8 170.2	8 977.2	6 957.3	7 040.4	7 031.9
BIG	3 686.6	3 655.5	3 282.4	3 123.5	3 096.9
Mid-size companies *	3 407.2	3 537.6	4 067.2	4 258.1	4 322.4
TFI assets	123.5	158.8	227.3	232.5	189.1
Total Wholesale segment	**15 387.5**	**16 329.1**	**14 534.2**	**14 654.5**	**14 640.3**

*/ From January 2008 onwards some volumes (funds deposited by TFI) were shifting from the segment of mid-sized companies to the strategic clients segment. At the end of Q1 2008, this figure was PLN 247.6 million, and at the end of 2007 it was PLN 400.2 million.

Loans

Loans in the Wholesale segment went up by PLN 1 177.4 million or by 9.2% from December 2007 mainly courtesy of the loans granted to strategic clients. Their value compared with December 2007 rose by PLN 661.2 million or by 10.1%. The credit exposure in the segment of large enterprises, compared with the 31.12.2007 went up by PLN 260.5 million or by 7.4%. The exposure growth by PLN 160.8 million or 6.8% compared with December 2007 was also recorded in the area of loans for mid-sized companies.

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

	31.03.2008	31.12.2007	30.09.2007	30.06.2007	31.03.2007
Strategic clients	7 186.3	6 525.1	6 193.0	6 166.7	6 190.2
BIG	3 765.8	3 505.3	3 339.6	3 159.1	2 928.2
Mid-size companies	2 527.8	2 367.0	2 336.2	2 195.1	1 970.5
Other	484.0	389.1	312.9	319.6	317.5
Total Wholesale segment	**13 963.9**	**12 786.5**	**12 181.7**	**11 840.5**	**11 406.4**

[3] Together with VE Credit and VE Credit NN-P cards.

III. Financial Results

1. Profit and loss account

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

PLN million	3M 2007	3M 2008	3M 2008 /3M 2007	
Interest income *	194,5	291,4	96,9	149,8%
Commission income	222,3	207,2	-15,1	93,2%
Other income*	121,3	82,6	-38,7	68,1%
Total operating income **	**538,2**	**581,2**	**43,1**	**108,0%**
Personnel costs	154,6	181,3	26,7	117,3%
Depreciation	34,6	33,3	-1,3	96,4%
Marketing cost	15,1	17,7	2,6	117,5%
Other expenses	130,8	134,2	3,4	102,6%
Total expenses	**335,1**	**366,5**	**31,4**	**109,4%**
Impairment losses and provisions for off-balance sheet liabilities	6,3	-0,4	-6,7	-7,0%
Profit before tax	**209,4**	**214,3**	**4,9**	**102,3%**
Income tax	-38,6	-40,6	-2,0	105,1%
Net profit	**170,8**	**173,7**	**2,9**	**101,7%**
- assigned to shareholders of the holding company	**167,4**	**173,7**	**6,3**	**103,7%**
- assigned to minority shareholders	3,3	0,0	-3,3	0,1%

*/ Interest income includes swap points, which in financial statements are presented in position "Result on financial instruments carried through profit and loss and revaluation".
**/ 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 March 2008, the operating income earned by the Capital Group of ING Bank Śląski S.A. totalled PLN 581.2 million and was higher by PLN 43.1 million (or 8.0%) than the result achieved during the same period in the previous year.

Interest income together with swap points after 1Q 2008 totalled PLN 291.4 million and was higher by PLN 96.9 million, or by 49.8%, as compared to the same period of the previous year.

As at the end of March 2008, fee and commission income totalled PLN 207.2 million (down by PLN 15.1 million, or 6.8%, from the same period of the previous year). Lower commission related income related to the distribution of TFI participation units and commission related income related to the brokerage activities were the main reasons for the decrease. As of the end of March 2008, commissions for the maintenance of clients' accounts and on payment cards operations had the highest share in the commission related income structure.

As at the end of 1Q 2008, other income totalled PLN 82.6 million (down by PLN 38.7 million, or 31.9%, as compared to the same period of the previous year).

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

PLN million	3M 2007	3M 2008	3M 2008 /3M 2007	
Retail banking	293,5	277,0	-16,6	94,4%
Cash Management-Lending and settlements	*269,9*	*251,6*	*-18,4*	*93,2%*
Income on Pension Funds shares	*12,4*	*11,6*	*-0,8*	*93,7%*
FM products sales	*11,2*	*13,8*	*2,6*	*122,8%*
Corporate banking	183,3	208,3	25,1	113,7%
Cash Management-Lending and settlements	*129,6*	*130,5*	*0,8*	*100,7%*
FM products sales	*36,4*	*63,9*	*27,6*	*175,8%*
Equity Markets	*17,3*	*13,9*	*-3,4*	*80,6%*
Own operations	61,4	96,0	34,6	156,4%
Proprietary trading	*30,4*	*48,3*	*17,8*	*158,7%*
ALCO	*30,9*	*47,7*	*16,7*	*154,1%*
Income total	**538,2**	**581,2**	**43,1**	**108,0%**

As at the end of March 2008 income of the Retail Banking was PLN 277,0 million, down by PLN 16.6 million, or 5.6%, from a year earlier. Income from deposit & lending as well as clearing activity down by PLN 18.4 million compared with the similar period of the last year; the income from participation in ING PTE[4] was also slightly lower. The income from sales of Financial Markets Division's products was higher by PLN 2.6 million. The income of the Retail Banking represented 47.7% of the result on operating activity, compared with 54.5% at the end of March 2007.

At the end of March 2008, the income of the Wholesale Banking was PLN 208.3 million, an increase by PLN 25.1 million or 13.7%, compared with the similar period of the last year. The income growth was determined mostly by good results from the sales of Financial Markets Division's products. The income from deposit & lending as well as clearing activity was slightly higher as compared to the same period of the previous year. The income generated by transactions on capital markets was slightly lower. The income of the Wholesale Banking represented 35.8% of the income from operating activity, whereas in the similar period of the last year their share was 34.1%.

Income from the group's proprietary operations after 1Q was PLN 96.0 million, compared with PLN 61.4 million in the similar period of the last year. The income generated in the FM area at the end of March 2008 was PLN 48.3 million, an increase by PLN 17.8 million compared with the similar period of the last year.
ALCO[5] income at the end of 1Q was PLN 47.7 million and was higher by PLN 16.7 million from the similar period of the last year. Income from the Group's proprietary investments represented 16.5% of the income from operating activity, whereas at the end of March 2007 their share was 11.4%.

As at the end of March 2008, the costs totalled PLN 366.5 million (up by PLN 31.4 million, or 9.4 %, yoy).

As at the end of 1Q 2008, personnel costs totalled 181.3 million (up by PLN 26.7 million, or 17.3%, from the costs incurred during the analogical period in the previous year). Personnel costs went up as a result of adjusting the salaries to the market conditions in financial institutions. As a result, the minimum salary at the Bank was raised as well.
After 3 months 2008, depreciation totalled PLN 33.3 million and was lower by PLN 1.3 million, or by 3.6% as compared to the same period of the previous year.
As at the end of March 2008, marketing costs totalled PLN 17.7 million and were higher by PLN 2.6 million, or by 17.5% as against the analogical period of the previous year.
As at the end of March 2008, other costs totalled PLN 134.2 million (up by PLN 3.4 million, or 2.6 %, 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.

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

Impairment losses and provisions for off-balance sheet liabilities at the end of March 2008 were negative (cost) and amounted to PLN 0.4 million. In the comparable period of last year, the balance of impairment charges for financial assets and provisions for off-balance sheet liabilities was positive and amounted to PLN 6.3 million.

The gross financial result reported as at the end of March 2008 totalled PLN 214.3 million against PLN 209.4 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 173.7 million (up by PLN 6.3 million, or 3.7%, from March 2007).

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 million	**31.03.2008**	**31.12.2007**	**31.12.2006**
Exposure total	19 069	17 081	13 651
Provisions total	585	576	715
Total coverage ratio (%)	3.1%	3.4%	5.2%
Corporate entities	14 003	12 434	10 323
- unimpaired portfolio	*13 587*	*12 057*	*9 856*
- impaired portfolio	*416*	*377*	*467*
Impairment	388	364	434
IBNR	68	81	74
Provisions for off-balance commitments	7	9	9
Impaired portfolio coverage (%)	93.4%	96.7%	92.8%
Retail	5 066	4 647	3 328
- unimpaired portfolio	*4 933*	*4 516*	*3 105*
- impaired portfolio	*133*	*131*	*223*
Impairment	92	91	170
IBNR	15	16	15
Provisions for off-balance commitments	14	14	13
Impaired portfolio coverage (%)	69.1%	69.0%	76.4%
Share of impaired loans in portfolio (%)	2.88%	2.97%	5.06%

IV. Basic Details of Issuer

1. Informational Details of the Bank and Its Capital Group

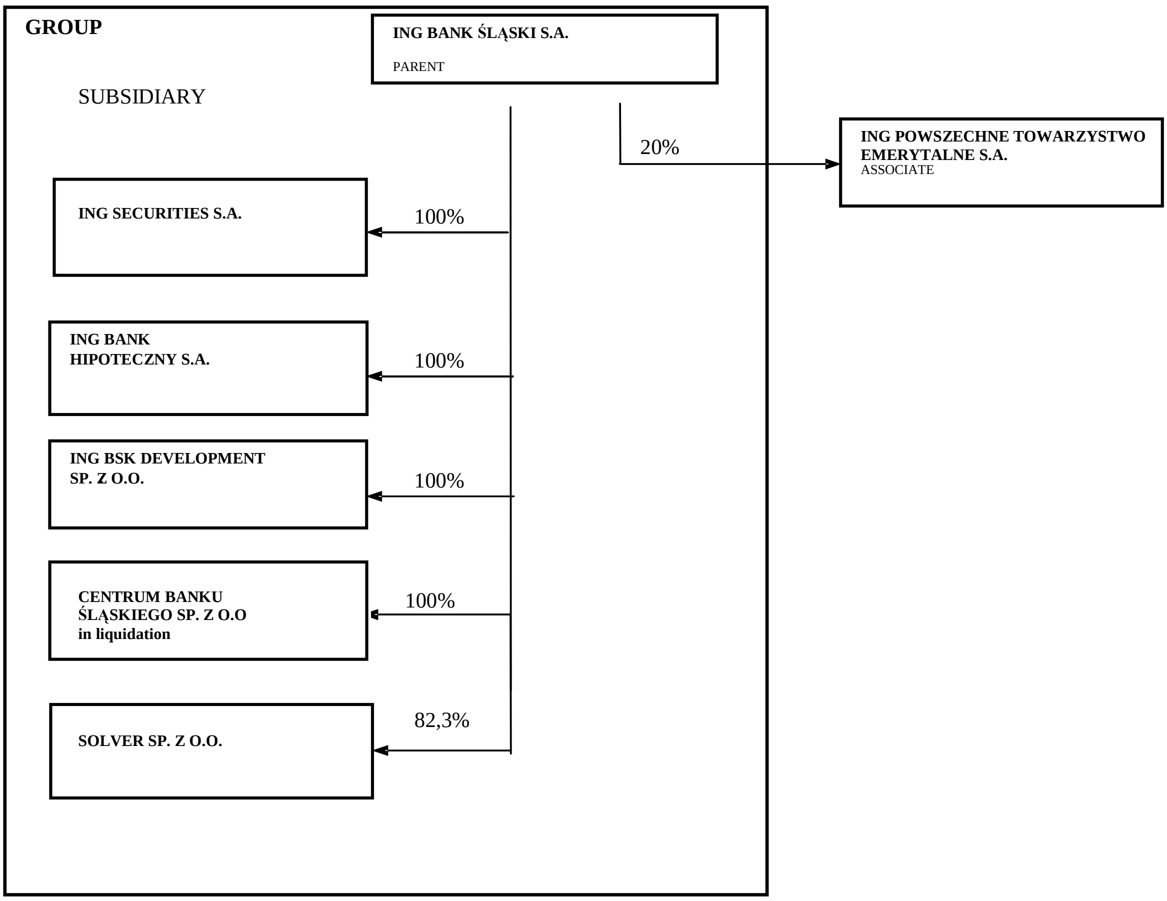
ING Bank Śląski S.A. („Parent company, parent entity, Bank") with the headquarters in Katowice, Sokolska Str. 34, was entered into the entrepreneurs National Court Register managed by the Commercial Department of the Regional Court in Katowice under the reference number KRS 5459.

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 Ernst & Young Audit 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 consolidated 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 31 March 2008; 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 31.03.2008 including comparable financial data, have been executed upon the application of the same accounting principles for each period.

These consolidated financial statements for 1Q 2008 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 2007. The accounting principles were presented in detail in the annual report for 2007.

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

3. Comparability of financial data

In the financial statements prepared for the period from 1 January 2008 till 31 March 2008, the Bank modified the presentation of some items of the income statement compared with the statements for the period from January 2007 till 31 March 2007.

From the item "Result on financial instruments carried at fair value through profit or loss" the transactional margins on FX derivatives concluded with corporate clients were transferred to the "Income on commissions".

In the report for 1Q 2007, the Bank made an in-depth analysis of the economic contents for individual items under the line "Other operational revenue/ costs" and made a clear division in terms of their character (typical revenue/ typical costs).

From the item "Other operational revenue/ costs" the costs related to direct maintenance of the real estate other than investments were transferred to the costs of operations.

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 Expenses.

In the financial statement prepared as of 31 March 2008, the Bank changed the method of presentation that was used in the financial statement as of 31 March 2007 in respect 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 as at 31.03.2008 includes a separate item "Hedge derivatives", where the balance valuation of fair value hedge derivatives was presented and whereto the relevant amounts from the items "Financial assets carried at fair value through profit or loss" and "Financial liabilities carried at fair value through profit or loss" were moved. The aforementioned balance change affected modification of the cash flow statement; i.e. the relevant amounts from the item “Movements in financial assets carried at fair value through profit or loss” were shifted to the item “Movements in other assets” and from the item “Movements in liabilities carried at fair value through profit or loss” to the item “Movements in other liabilities”.

Furthermore, in the financial statement prepared as of 31 March 2008, the Bank used a different method of presentation of the short position in AFS debt securities than the one that was used in the financial statement as of 31 March 2007.Previously the book short position in trading debt securities was presented on a net basis, i.e. it decreased the carrying amount of trading debt securities presented in Financial assets at fair value through profit or loss. Under the revised approach, the book short position in trading debt securities is presented on a gross basis in line Financial liabilities at fair value through profit or loss. The change in approach to presentation of book short position in trading debt securities does not affect the Bank’s profit and loss account, however it results in an increase of the Bank’s total assets by the amount of the book short position.

In the financial statements as at 31.03. 2008, the Bank changed the presentation of Investment Term Deposits in the balance-sheet notes by moving the relevant amounts from the item “Liabilities towards financial sector entities other than banks – term deposits” to the item “Liabilities towards non-financial entities – household deposits – term deposits”.

The balance sheet as of 31 March 2007 and the cash flow statement for the 1Q 2007 have been transformed to ensure their comparability.

4. Selected Financial Data from Financial Statements

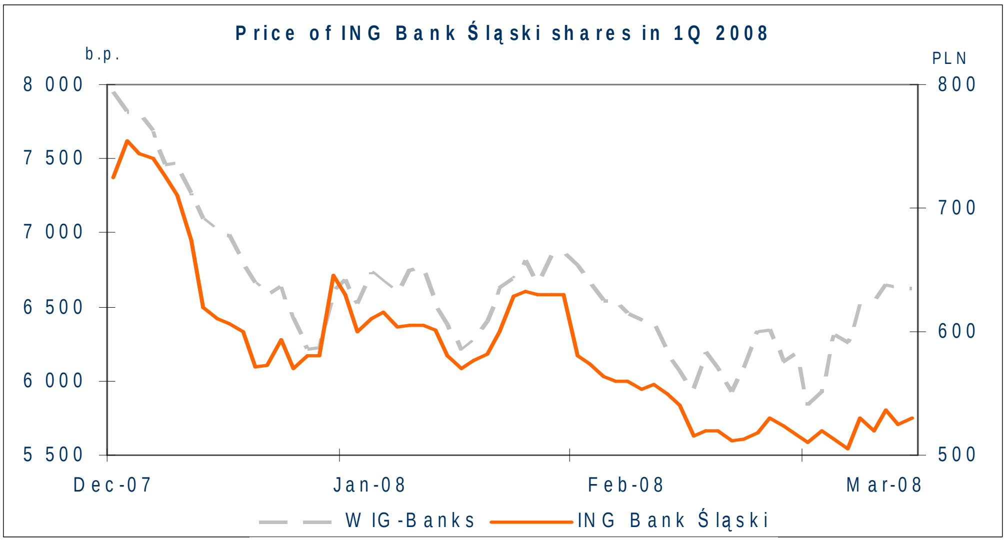
	PLN thousands		EUR thousands	
	31.03.2008	**31.03.2007**	**31.03.2008**	**31.03.2007**
Interest income	730 009	581 146	205 209	148 771
Commission revenue	241 688	247 280	67 940	63 303
Result on banking activity	569 629	525 784	160 125	134 599
Gross profit (loss)	214 274	209 382	60 233	53 601
Net profit (loss)	173 683	167 413	48 823	42 857
Net cashflow	-736 290	-3 857 632	-206 974	-987 541
Earnings (loss) per 1 ordinary share (in PLN/EUR)	13.35	12.87	3.75	3.29
Profitability ratio (%)	24.7	30.8	X	X
Return on assets (%)	1.3	1.4	X	X
Return on equity (%)	20.0	20.2	X	X
Cost / Income ratio (%)	63.1	62.3	X	X
Total assets	60 234 381	56 616 885	17 083 890	14 631 576
Equity	4 013 726	3 902 218	1 138 387	1 008 455
Initial capital	130 100	130 100	36 899	33 622
Number of shares	13 010 000	13 010 000	X	X
Book value per 1 share (in PLN/EUR)	308.51	299.94	87.50	77.51
Solvency ratio (%)	11.02	13.74	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 tor 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 3.5258 NBP exchange rate of 31.03.2008; 3.8695 NBP exchange rate of 31.03.2007,
- for income statement items for 31.03.2008 – PLN 3.5574 exchange rate calculated as the average of NBP exchange rates as at the last day of each month in 1Q 2008; 3.9063 exchange rate calculated as the average of NBP exchange rates as at the last day of each month in 1Q 2007.

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:

31.03.2008	8,188 individuals; or 8,008.8 FTEs,
31.12.2007	8,074 individuals; or 7,842.1 FTEs,
31.03.2007	7,592 individuals; or 7,354.7 FTEs.

Number of Branches and ATMs

As of 31 March 2008, the Bank carried out operational activities through its branch network (329 branches), the same as of the end of December 2007.
Furthermore, as at the end of March 2008, 86 partner branches were opened based on the franchising model (as of the end of March 2007, there were 20 franchise branches operating).

As at the end of March 2008, the Bank had a network of 646 ATMs compared with 630 ATMs as at the end of December 2007. As at the end of March 2008, the Bank also had a network of 166 cash deposit machines, including 85 CDMs installed in the partner outlets.

V. Segmentation of Revenue and Financial Results of the Group

PLN thousand	31.03.2008						31.03.2007					
	Retail customers segment	Corporate customers segment	Own operations		Non-allocated items	TOTAL	Retail customers segment	Corporate customers segment	Own operations		Non-allocated items	TOTAL
			Proprietary trading	ALCO					Proprietary trading	ALCO		
Revenue total	**281 645**	**216 932**	**51 935**	**30 733**		**581 245**	**298 010**	**187 379**	**33 079**	**19 716**		**538 184**
Core business	**276 953**	**208 340**	**48 278**	**47 674**		**581 245**	**293 537**	**183 286**	**30 429**	**30 931**		**538 184**
Income on lending	57 111	53 352				110 464	55 806	57 981				113 788
Interest income external	*104 646*	*204 755*					*74 377*	*134 433*				
Interest cost internal	*-63 940*	*-171 315*					*-33 703*	*-106 570*				
Income on fees/ other income	*16 406*	*19 913*					*15 132*	*30 118*				
Income on deposits	160 574	74 188				234 762	156 800	64 284				221 084
Interest costs external	*-250 288*	*-117 979*					*-157 344*	*-80 469*				
Interest income internal	*342 901*	*165 889*					*254 282*	*117 525*				
Income on fees/ other income	*67 961*	*26 278*					*59 862*	*27 228*				
Income on mutual funds	32 473					32 473	45 399					45 399
Income on brokerage and custody	9 285	17 925				27 209	12 521	24 920				37 441
Other income on core business	-7 889	-1 066	126 001	47 674		164 721	-615	-277	78 032	30 931		108 072
FM products sales	13 783	63 940	-77 723			0	11 226	36 377	-47 603			0
Income on Pension Funds shares	11 616					11 616	12 400					12 400
Result on economic capital	4 692	8 592	3 657	-16 941		0	4 473	4 092	2 650	-11 215		0
Expenses total	**234 007**	**116 213**	**14 076**	**1 008**	**1 224**	**366 528**	**212 061**	**109 501**	**13 719**	**-1 780**	**1 593**	**335 093**
Operational costs	234 007	116 213	14 076	1 008	1 224	366 528	212 061	109 501	13 719	-1 780	1 593	335 093
including depreciation	*26 307*	*5 439*	*1 601*			*33 346*	*27 295*	*5 643*	*1 661*			*34 599*
Result before risk	**47 638**	**100 719**	**37 859**	**29 725**	**-1 224**	**214 717**	**85 949**	**77 878**	**19 360**	**21 496**	**-1 593**	**203 091**
Risk cost	441	2	0	0		443	1 985	-8 276	0	0		-6 291
Result before tax	**47 197**	**100 717**	**37 859**	**29 725**	**-1 224**	**214 274**	**83 964**	**86 154**	**19 360**	**21 496**	**-1 593**	**209 382**
CIT						40 588						38 620
Result after tax						**173 686**						**170 762**
- assigned to shareholders of the holding company						**173 683**						**167 413**
- assigned to minority shareholders						3						3 349

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 ING 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	**I quarter 2008** the period from 01 Jan 2008 to 31 Mar 2008	**I quarter 2007** the period from 01 Jan 2007 to 31 Mar 2007
Interest income	*1*	*730 009*	*581 146*
Interest expenses	*1*	*467 058*	*320 089*
Net interest income	*1*	**262 951**	**261 057**
Commission income	*2*	*241 688*	*247 280*
Commission expenses	*2*	*34 471*	*24 932*
Net commission income	*2*	**207 217**	**222 348**
Net income on investment financial assets		222	16 946
Net income on instruments measured at fair value through profit and loss and revaluation	*3*	93 533	12 824
Other operating income and expenses		5 706	12 609
Result on basic activities		**569 629**	**525 784**
General and administrative expenses	*4*	364 424	334 428
Other expenses		2 104	665
Impairment losses and provisions for off-balance sheet liabilities	*5*	443	-6 291
Share in net profit (loss) of associated entities recognised under the equity method	*6*	11 616	12 400
Profit (loss) before tax		**214 274**	**209 382**
Income tax		40 588	38 620
Net profit (loss)		**173 686**	**170 762**
- assigned to shareholders of the holding company		173 683	167 413
- assigned to minority shareholders		3	3 349

Net profit (loss) assigned to shareholders of the holding company	**173 683**	**167 413**
Weighted average number of ordinary shares	**13 010 000**	**13 010 000**
Earnings per ordinary share (PLN)	**13,35**	**12,87**
Diluted weighted average number of ordinary shares	13 010 000	13 010 000
Diluted earnings per ordinary share (PLN)	13,35	12,87

CONSOLIDATED BALANCE SHEET (PLN '000)	Note	I quarter 2008 as of 31 Mar 2008	end of year 2007 as of 31 Dec 2007	I quarter 2007 as of 31 Mar 2007	end of year 2006 as of 31 Dec 2006
ASSETS					
- Cash in hand and balances with the Central Bank		1 661 283	1 841 725	1 807 568	1 147 900
- Loans and receivables to other banks	*7*	14 080 613	15 183 665	16 614 167	13 513 898
- Financial assets measured at fair value through profit and loss	*8*	11 238 692	7 907 564	11 114 857	7 067 422
- Investments	*9*	13 933 364	9 388 273	12 001 742	12 614 914
- available-for-sale		*10 159 711*	*8 547 497*	*12 001 742*	*12 614 914*
- held-to-maturity		*3 773 653*	*840 776*	*0*	*0*
- Derivative hedge instruments		3 623	4 572	2 011	3 329
- Loans and receivables to customers	*10*	18 039 918	16 379 138	13 782 572	12 868 074
- Investments in controlled entities		108 942	97 326	102 709	90 309
- Investment real estates		145 824	144 713	150 138	145 970
- Property, plant and equipment	*11*	536 359	532 938	564 996	571 065
- Intangible assets		315 760	318 825	325 720	317 661
- Property, plant and equipment held for sale		269	241	224	224
- Current tax asset		9 749	25 256	0	0
- Deferred tax asset		37 825	49 292	22 058	38 132
- Other assets		122 160	137 332	128 123	97 114
Total assets		**60 234 381**	**52 010 860**	**56 616 885**	**48 476 012**
EQUITY AND LIABILITIES					
LIABILITIES					
- Liabilities due to the Central Bank		0	0	0	696 000
- Liabilities due to other banks	*12*	5 259 628	1 810 195	5 598 619	1 401 149
- Financial liabilities measured at fair value through profit and loss	*13*	4 565 585	1 214 981	5 390 816	3 120 520
- Derivative hedge instruments	*13*	10 079	0	0	0
- Liabilities due to customers	*14*	45 311 797	44 501 837	40 774 570	38 561 423
- Provisions	*15*	69 261	72 507	81 999	90 324
- Current income tax liabilities		171	126	66 342	67 532
- Other liabilities		1 002 412	570 712	776 401	760 671
Total liabilities		**56 218 933**	**48 170 358**	**52 688 747**	**44 697 619**
EQUITY					
- Share capital		130 100	130 100	130 100	130 100
- Supplementary capital - issuance of shares over nominal value		993 750	993 750	993 750	993 750
- Revaluation reserve from measurement of available-for-sale financial assets		-143 892	-149 591	22 130	42 830
- Revaluation reserve from measurement of property, plant and equipment		57 821	57 998	52 074	52 263
- Revaluation reserve from measurement of cash flow hedging instruments		-3 927	0	0	0
- Retained earnings		2 979 874	2 806 526	2 704 164	2 536 751
Equity assigned to shareholders of the holding company		**4 013 726**	**3 838 783**	**3 902 218**	**3 755 694**
- Minority equity		**1 722**	**1 719**	**25 920**	**22 699**
Total equity		**4 015 448**	**3 840 502**	**3 928 138**	**3 778 393**
Total equity and liabilities		**60 234 381**	**52 010 860**	**56 616 885**	**48 476 012**

Solvency ratio	**11,02%**	**13,12%**	**13,74%**	**15,74%**

Book value	**4 013 726**	**3 838 783**	**3 902 218**	**3 755 694**
Number of shares	**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**
Book value per share (PLN)	**308,51**	**295,06**	**299,94**	**288,68**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY (PLN '000)

I quarter 2008
the period from 01 Jan 2008 to 31 Mar 2008

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Retained earnings	Minority equity	Total equity
Opening balance of equity	**130 100**	**993 750**	**-149 591**	**57 998**	**0**	**2 806 526**	**1 719**	**3 840 502**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	4 406	-	-	-	-	**4 406**
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	1 293	-	-	-	-	**1 293**
- disposal of property, plant and equipment	-	-	-	-177	-	-335	-	**-512**
- effective part of cash flow hedging instruments revaluation	-	-	-	-	-3 927	-	-	**-3 927**
- net result for the current period	-	-	-	-	-	173 686	-	**173 686**
- share of minority shareholders in the net financial result	-	-	-	-	-	-3	3	**0**
Closing balance of equity	**130 100**	**993 750**	**-143 892**	**57 821**	**-3 927**	**2 979 874**	**1 722**	**4 015 448**

I quarter 2007
the period from 01 Jan 2007 to 31 Mar 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	Revaluation reserve from measurement of cash flow hedging instruments	Retained earnings	Minority equity	Total equity
Opening balance of equity	**130 100**	**993 750**	**42 830**	**52 263**	**0**	**2 536 751**	**22 699**	**3 778 393**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-3 374	-	-	-	-	**-3 374**
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-17 326	-	-	-	-	**-17 326**
- remeasurement of property, plant and equipment	-	-	-	-189	-	-	-128	**-317**
- net result for the current period	-	-	-	-	-	170 762	-	**170 762**
- share of minority shareholders in the net financial result	-	-	-	-	-	-3 349	3 349	**0**
Closing balance of equity	**130 100**	**993 750**	**22 130**	**52 074**	**0**	**2 704 164**	**25 920**	**3 928 138**

CONSOLIDATED CASH FLOW STATEMENT (PLN '000)	I quarter 2008 the period from 01 Jan 2008 to 31 Mar 2008	I quarter 2007 the period from 01 Jan 2007 to 31 Mar 2007
OPERATING ACTIVITIES		
Net profit (loss)	**173 683**	**167 413**
Adjustments	**-874 984**	**-3 973 573**
- Minority shareholders' profit (loss)	3	3 349
- Share in net profit (loss) of associated entities	-11 616	-12 400
- Unrealised exchange gains (losses)	0	18 935
- Depreciation and amortisation	33 346	34 599
- Interest accrued (from the profit and loss account)	262 951	261 057
- Interest received/paid	-245 102	-205 377
- Dividends received	-28	-11
- Gains (losses) on investment activities	-1 101	4 395
- Income tax (from the profit and loss account)	40 588	38 620
- Income tax paid	-13 569	-23 736
- Change in provisions	-3 246	-8 325
- Change in loans and other receivables to other banks	535 005	-7 671 232
- Change in financial assets at fair value through profit or loss	-3 287 624	-4 014 513
- Change in available-for-sale financial assets	-1 635 192	533 381
- Change in held-to-maturity financial assets	-2 952 665	0
- Change in derivative hedge instruments	7 101	1 318
- Change in loans and other receivables to customers	-1 667 623	-901 622
- Change in other assets	15 937	-44 281
- Change in liabilities due to other banks	3 447 729	3 504 406
- Change in liabilities at fair value through profit or loss	3 350 604	2 270 296
- Change in liabilities due to customers	817 818	2 221 838
- Change in other liabilities	431 700	15 730
Net cash flow from operating activities	**-701 301**	**-3 806 160**
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-25 747	-12 898
- Disposal of property, plant and equipment	1 142	89
- Purchase of intangible assets	-10 556	-19 463
- Disposal of fixed assets/liabilities held for sale	144	87
- Dividends received	28	11
Net cash flow from investment activities	**-34 989**	**-32 174**
FINANCIAL ACTIVITIES		
- Long-term loans repaid	0	-19 140
- Interest on long-term loans repaid	0	-158
Net cash flow from financial activities	**0**	**-19 298**
Effect of exchange rate changes on cash and cash equivalents	***-762 610***	***88 486***
Net increase/decrease in cash and cash equivalents	**-736 290**	**-3 857 632**
Opening balance of cash and cash equivalents	**4 782 608**	**8 163 216**
Closing balance of cash and cash equivalents	**4 046 318**	**4 305 584**

5. Supplementary Data under IAS 34

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

1 Net interest income	I quarter 2008	I quarter 2007
Interest expense and similar charges		
- Deposits from banks	211 893	196 295
- Deposits from customers	303 715	193 258
- Debt securities	210 371	191 163
- Other	4 030	430
	730 009	**581 146**
Interest expense and similar charges		
- Deposits from banks	38 171	2 175
- Deposits from customers	417 400	293 099
- Loans and advances	658	206
- Reverse repos	10 829	24 609
	467 058	**320 089**
Net interest income	**262 951**	**261 057**
- Swap points (which are presented in the item "Result on financial instruments carried through profit and loss and revaluation")	28 490	-66 543
Net interest income including swap points	**291 441**	**194 514**

In accordance with IAS the Bank excludes the swap points from the net interest income calculation. However the Bank takes a stand that for analysis purposes the both items should be presented together.

2 Net commission income	I quarter 2008	I quarter 2007
Commission income		
- Commission related to brokerage activity	25 697	33 099
- Commission related to keeping accounts	68 734	62 480
- Commission related to loans and advances	33 637	27 594
- Commission related to payment and credit cards	40 163	32 922
- Commission related to distribution of participation units	33 668	50 008
- Fiduciary and custodian fees	7 202	8 462
- Foreign commercial business	3 925	5 485
- The transaction margin on currency exchange transactions	22 374	24 642
- Other	6 288	2 588
	241 688	**247 280**
Commission expense		
- Brokerage fees	7 493	7 692
- Other commission	26 978	17 240
	34 471	**24 932**
Net commission income	**207 217**	**222 348**

3 Result on financial instruments carried through profit and loss and revaluation	I quarter 2008	I quarter 2007
- Net income on financial assets and liabilities held for trading, including:	235 850	14 357
- Net income on financial assets and liabilities measured at fair value upon initial recognition	17 888	754
- Result on the revaluation of balance sheet items	-160 205	-2 287
Result on financial instruments carried through profit and loss and revaluation	**93 533**	**12 824**
of which:		
- Swap points	28 490	-66 543
Result on financial instruments carried through profit and loss and revaluation after swap poins excluding	**65 043**	**79 367**

4 General and administrative expenses	I quarter 2008	I quarter 2007
- Personnel expenses	181 308	154 606
- General and administrative expenses, including:	149 770	145 223
marketing	*17 694*	*15 064*
other	*132 076*	*130 159*
- Depreciation and amortisation	33 346	34 599
Total	**364 424**	**334 428**

5 Impairment losses and provisions for off-balance sheet liabilities	I quarter 2008	I quarter 2007
Impairment losses	83 299	99 382
Reversed impairment losses	-82 856	-105 673
Net impairment losses and provisions for off-balance sheet liabilities	**443**	**-6 291**

6 Share in net profit (loss) of associated entities recognised under the equity method	I quarter 2008	I quarter 2007
- ING Powszechne Towarzystwo Emerytalne S.A.	11 616	12 400
Total	**11 616**	**12 400**

7 Loans and receivables to other banks	as of 31 Mar 2008	as of 31 Dec 2007	as of 31 Mar 2007	as of 31 Dec 2006
- Nostro accounts	375 950	381 145	154 479	277 596
- interbank deposits	13 071 018	14 347 480	15 723 249	12 976 032
- other receivables	513 794	345 940	643 364	220 665
- loans and advances	*428 123*	*280 113*	*291 045*	*170 188*
- other receivables	*85 671*	*65 827*	*352 319*	*50 477*
- accrued interest	121 990	109 791	93 694	40 031
Total (gross)	**14 082 752**	**15 184 356**	**16 614 786**	**13 514 324**
Impairment losses	-2 139	-691	-619	-426
Total (net)	**14 080 613**	**15 183 665**	**16 614 167**	**13 513 898**

8 Financial assets at fair value through profit or loss	as of 31 Mar 2008	as of 31 Dec 2007	as of 31 Mar 2007	as of 31 Dec 2006
- Financial assets held for trading	7 058 477	6 062 786	9 937 816	6 843 904
Debt instruments	*4 973 879*	*4 373 230*	*9 032 893*	*5 865 981*
Equity instruments	*23 086*	*38 530*	*11 169*	*16 679*
Derivative financial instruments	*2 061 512*	*1 651 026*	*893 754*	*961 244*
- Financial assets designated as at fair value upon initial recognition	4 180 215	1 844 778	1 177 041	223 518
Deposits	*2 234 293*	*0*	*0*	*0*
Debt instruments	*1 587 607*	*1 513 211*	*690 295*	*142 559*
Repo transactions	*358 315*	*331 567*	*486 746*	*80 959*
Total	**11 238 692**	**7 907 564**	**11 114 857**	**7 067 422**

9 Investments	as of 31 Mar 2008	as of 31 Dec 2007	as of 31 Mar 2007	as of 31 Dec 2006
- Available-for-sale financial assets	10 159 711	8 547 497	12 001 742	12 614 914
Debt instruments, including:	*10 137 057*	*8 524 148*	*11 986 682*	*12 588 855*
hedged items in fair value hedging	*2 084 415*	*435 531*	*0*	*0*
Equity instruments	*22 654*	*23 349*	*15 060*	*26 059*
- Held-to-maturity financial assets	3 773 653	840 776	0	0
Debt instruments	*3 773 653*	*840 776*	*0*	*0*
Total	**13 933 364**	**9 388 273**	**12 001 742**	**12 614 914**

10 Loans and receivables to customers	as of 31 Mar 2008	as of 31 Dec 2007	as of 31 Mar 2007	as of 31 Dec 2006
Loans and other receivables to entities from the financial sector other than banks				
- loans and advances	2 453 997	2 225 200	2 170 606	2 010 466
- in the current account	*452 264*	*378 909*	*454 299*	*493 093*
- term ones	*2 001 733*	*1 846 291*	*1 716 307*	*1 517 373*
- other receivables	95 149	110 040	81 933	52 171
- accrued interest	7 782	7 413	5 214	3 892
Total (gross)	**2 556 928**	**2 342 653**	**2 257 753**	**2 066 529**
Impairment losses	-5 684	-5 840	-7 617	-11 335
Total (net)	**2 551 244**	**2 336 813**	**2 250 136**	**2 055 194**
Loans and other receivables to entities from the non-financial sector				
- loans and advances granted to business entities	9 925 102	8 896 590	7 639 140	7 064 684
- in the current account	*3 714 861*	*3 103 368*	*2 902 510*	*2 386 692*
- term ones	*6 210 241*	*5 793 222*	*4 736 630*	*4 677 992*
- loans and advances granted to households	5 358 462	4 928 295	3 783 649	3 615 383
- in the current account	*1 024 121*	*965 928*	*951 057*	*961 359*
- term ones	*4 334 341*	*3 962 367*	*2 832 592*	*2 654 024*
- other receivables	77 530	57 128	121 662	115 687
- accrued interest	25 221	18 690	24 104	37 596
Total (gross)	**15 386 315**	**13 900 703**	**11 568 555**	**10 833 350**
Impairment losses	-539 240	-526 101	-632 203	-664 859
Total (net)	**14 847 075**	**13 374 602**	**10 936 352**	**10 168 491**
Loans and other receivables to entities from the government and self-government institutions' sector				
- loans and advances	668 081	695 188	629 041	668 637
- in the current account	*12 007*	*9 871*	*5 370*	*2 575*
- term ones	*656 074*	*685 317*	*623 671*	*666 062*
- accrued interest	1 974	2 031	1 753	2 459
Total (gross)	**670 055**	**697 219**	**630 794**	**671 096**
Impairment losses	-28 456	-29 496	-34 710	-26 707
Total (net)	**641 599**	**667 723**	**596 084**	**644 389**
Loans and other receivables to customers - TOTAL				
- loans and advances	18 405 642	16 745 273	14 222 436	13 359 170
- other receivables	172 679	167 168	203 595	167 858
- accrued interest	34 977	28 134	31 071	43 947
Loans and other receivables to customers – gross	**18 613 298**	**16 940 575**	**14 457 102**	**13 570 975**
Impairment losses	-573 380	-561 437	-674 530	-702 901
Loans and other receivables to customers – net	**18 039 918**	**16 379 138**	**13 782 572**	**12 868 074**

11 Property, plant and equipment	as of 31 Mar 2008	as of 31 Dec 2007	as of 31 Mar 2007	as of 31 Dec 2006
- Real estate and investments in third-party non-current assets	401 532	404 223	434 130	426 017
- Computer hardware	43 167	43 273	46 122	60 851
- Vehicles	307	335	433	579
- Other fixtures and fittings	73 329	70 921	74 959	80 438
- Constructions in progress	18 024	14 186	9 353	3 180
Total	**536 359**	**532 938**	**564 996**	**571 065**

12 Liabilities due to other banks	as of 31 Mar 2008	as of 31 Dec 2007	as of 31 Mar 2007	as of 31 Dec 2006
- Current accounts	470 682	82 357	84 350	178 315
- Interbank deposits	4 691 484	1 707 059	5 291 982	951 544
- Transactions with the buy-back commitment	0	0	194 615	105 805
- Other liabilities	87 844	9 457	20 697	161 446
- Accrued interest	9 618	11 322	6 975	4 039
Total	**5 259 628**	**1 810 195**	**5 598 619**	**1 401 149**

13 Financial liabilities at fair value	as of 31 Mar 2008	as of 31 Dec 2007	as of 31 Mar 2007	as of 31 Dec 2006
- Financial liabilities held for trading	1 252 507	1 057 294	788 673	828 922
Derivative financial instruments	*1 252 507*	*1 057 294*	*788 673*	*828 922*
- Financial liabilities designated as at fair value upon initial recognition	3 287 856	102 716	4 182 346	2 282 291
Sell-buy-back transactions	*3 287 856*	*102 716*	*4 182 346*	*2 282 291*
- Book short position in trading securities	25 222	54 971	419 797	9 307
Total	**4 565 585**	**1 214 981**	**5 390 816**	**3 120 520**

14 Liabilities due to customers	as of 31 Mar 2008	as of 31 Dec 2007	as of 31 Mar 2007	as of 31 Dec 2006
Liabilities due to entities from the financial sector other than banks				
- Deposits	2 366 208	2 226 226	2 882 824	2 881 573
- current accounts	*1 449 816*	*1 229 825*	*2 550 379*	*2 265 816*
- term deposit	*916 392*	*996 401*	*332 445*	*615 757*
- Transactions with the buy-back commitment	635 153	725 974	2 232 060	1 429 242
- Other liabilities	84 046	115 359	110 959	45 344
- Accrued interest	2 279	1 650	3 735	1 688
Total	**3 087 686**	**3 069 209**	**5 229 578**	**4 357 847**
Liabilities due to entities from the non-financial sector				
- Business entities' deposits	11 691 020	12 746 659	10 553 520	10 375 275
- current accounts	*6 807 333*	*7 970 381*	*5 611 499*	*5 885 516*
- term deposit	*4 883 687*	*4 776 278*	*4 942 021*	*4 489 759*
- Households' deposits	27 615 666	25 356 471	22 463 172	21 472 352
- current accounts	*3 482 708*	*2 603 797*	*3 029 989*	*3 095 615*
- savings accounts	*19 694 069*	*19 069 974*	*15 676 438*	*15 421 774*
- term deposit	*4 438 889*	*3 682 700*	*3 756 745*	*2 954 963*
- Transactions with the buy-back commitment	31 296	128 000	157 898	371 824
- Other liabilities	449 472	571 867	375 063	407 010
- Accrued interest	54 533	50 559	53 225	46 306
Total	**39 841 987**	**38 853 556**	**33 602 878**	**32 672 767**
Liabilities due to entities from the government and self-government institutions' sector				
- Deposits	2 372 464	2 571 234	1 939 076	1 528 107
- current accounts	*1 264 072*	*2 028 882*	*852 461*	*1 190 267*
- term deposit	*1 108 392*	*542 352*	*1 086 615*	*337 840*
- Other liabilities	7 171	6 683	1 468	714
- Accrued interest	2 489	1 155	1 570	1 988
Total	**2 382 124**	**2 579 072**	**1 942 114**	**1 530 809**
Liabilities due to customers – TOTAL				
- Deposits	44 045 358	42 900 590	37 838 592	36 257 307
- Transactions with the buy-back commitment	666 449	853 974	2 389 958	1 801 066
- Other liabilities	540 689	693 909	487 490	453 068
- Accrued interest	59 301	53 364	58 530	49 982
Total	**45 311 797**	**44 501 837**	**40 774 570**	**38 561 423**

15 Provisions	as of 31 Mar 2008	as of 31 Dec 2007	as of 31 Mar 2007	as of 31 Dec 2006
- provision for disputes	29 294	29 294	35 190	42 262
- provision for off-balance sheet liabilities	20 689	23 933	23 762	25 015
- provision for retirement benefits	11 839	11 839	10 899	10 899
- provision for unused holidays	7 439	7 441	12 148	12 148
Total	**69 261**	**72 507**	**81 999**	**90 324**

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

None.

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.

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 reflect the reasons for/ sources of uncertainties as at the balance sheet date.

The actual results may differ from estimates.

The estimations and assumptions are reviewed on a on-going basis. 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 adopted by the Group is as follows:

Impairment of loans

At 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 is 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 from the prior periods that are not currently present.

In order to estimate impairment or its recovery, 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 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 using 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 by adjusting a carrying amount of the financial asset. The amount of the reversal shall be recognised in profit or loss up to the value of prior impairment.

The methodology and the assumptions, on the basis of which the estimated cash flow and their anticipated timing are determined, 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

At each balance sheet date, the Group assesses the existence of circumstances indicating of impairment of a non-current asset. If such indicators 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

The fair value of financial instruments not quoted on active markets is measured using valuation models. 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 before/prior to their usage. Where possible, in models the Group uses observable data from active markets. However, the Group also adopts assumptions as to probability (as credit risk, variables and market correlations). 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.

Starting from December 2007, the Bank changed the accounting methodology as to the recognition of provisions for retirement allowance by adopting the corridor approach for recognising a specific part of the cumulated net actuarial gains and losses.

Under this method, when determining an obligation due to certain benefits, the Bank recognises some actuarial gains and losses as revenue or costs, when the net value of accumulated unrecognised actuarial gains and losses as at the end of the previous reporting period exceeds the higher of the following two values:

a) 10% of the current value of the obligation due to certain benefits as at that day (before deduction of the plan’s assets)

b) 10% of the fair value of the plan’s assets as at that day.

A portion of the actuarial gains and losses above the said limit is recognised in the profit and loss account as the quotient of the above named excess and the average expected remaining working life of the Bank employees. Following that change, the Bank presents in the balance sheet the net value of the liability comprising the current value of the liability and unrecognised actuarial gains/ losses.

Provisions for the bonus for employees and top executives

Provisions for the bonus for employees shall be set in the amount resulting from the effective bonus regulations.

The provisions for top executive staff bonuses are estimated by the Management Board which calculates the amount of benefits as of the balance-sheet date. The final amount of the bonuses is approved by the Supervisory Boards of the Group's Companies.

5.5 Issues, Redemption or Repayments of Debt Securities and Equities

None.

5.6 Dividends Paid

On 24 April 2008, the General Shareholders Meeting approved the payout of dividend for 2007 of PLN 11.70 gross per 1 share, which is equivalent to PLN 152,217,000. The dividend shall be paid on 2 June 2008.

5.7 Significant Developments after the Closing of the Interim Period

Financial pledge agreements

On 9 April 2008, the agreements on financial pledge on securities were signed with:

- ING Lease (Polska) Sp. z o.o. to the Credit Agreement of 30 January 2006, concluded in the amount of PLN 1.5 million,
- ING Commercial Finance Polska S.A. to the Credit Agreement of 8 September 2006, concluded in the amount of PLN 500 million.

Both borrowers are related to ING Bank Śląski S.A.

Changes on the Supervisory Board

On 24 April 2008, the General Meeting of ING Bank Śląski S.A. acknowledged the resignation of Mr. Marc van der Ploeg and Mr. Ignace van Waesberghe from their functions on the Supervisory Board of ING Bank Śląski S.A. At the same time, Messrs. Nicolaas Cornelis Jue and Tom Kliphuis were appointed as the Supervisory Board members.

5.8 Changes to the Business Entity / Capital Group Structure

None.

5.9 Changes to Contingent Liabilities or Assets that Occurred after 31.12.2007

Off-balance sheet items

PLN million	31.03.2008	31.12.2007	30.09.2007	30.06.2007	31.03.2007
Contingent liabilities granted	11 787,9	12 833,9	13 578,2	13 043,3	10 643,4
Contingent liabilities received	9 671,6	10 686,8	9 768,1	9 496,2	9 762,9
Off-balance sheet financial instruments	242 268,5	207 320,2	197 091,9	178 185,1	178 103,9
Total off-balance sheet items	**263 728,0**	**230 840,9**	**220 438,2**	**200 724,6**	**198 510,2**

The decrease of the balance of contingent liabilities granted as at 31.03.2008 vis-à-vis 31.12.2007 by PLN 1 046.0 million resulted mainly from the decrease of the item of "deposits to be released in inter-bank transactions". On the other hand, the decrease of contingent liabilities received by PLN 1 015.2 million resulted mostly from the decrease 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 3 months of 2008, the Bank's properties were sold. The properties were sold on an arm's length basis. As a result of these sales, the Bank earned a profit of PLN 63 thousands recognised under retained profits.

5.11 Settlements due to disputable cases

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

Changes to the litigation reserves were presented below:

PLN million	**31.03.2008**	**31.12.2007**	**30.09.2007**	**30.06.2007**	**31.03.2007**
Status at the period beginning:	**29.3**	**29.5**	**33.2**	**35.2**	**42.2**
Establishment of provisions as costs	1.3	2.2	0.1	0.9	0.1
Release of provisions as income	-0.3	-1.2	0.0	0.0	-0.9
Utilisation of provision due to dispute loss or settlement	-1.0	-1.3	-3.8	-2.9	-6.2
Status as at the period end	**29.3**	**29.3**	**29.5**	**33.2**	**35.2**

5.12 Transactions with Related Entities

Subsidiaries and Related Entities of ING Bank Śląski:
- ING Securities S.A.
- ING BSK Development Sp. z o.o.
- Solver Sp. z o.o.,
- ING Powszechne Towarzystwo Emerytalne S.A.,
- Centrum Banku Śląskiego (CBS) Sp. z o.o. in liquidation,
- ING Bank Hipoteczny S.A.

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, ING 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 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 1.01.2008 – 31.03.2008 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 3 months 2008 amounted to PLN 10.6 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 2.8 million (net).

- ING Services Polska provides services to ING Bank Śląski in regard to lease of hardware resources. The costs of service were PLN 5.3 million (gross).

- ING Bank Śląski made a transaction with ING Lease due to sublease of functional rooms totalling PLN 3.8 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 3.4 million in 3 months 2008.

Transactions with related parties (in PLN thousands):

31.03.2008

	Parent company	Other ING Group entities	Subsidiary undertakings	Associated undertakings
Balances of receivables and payables				
Deposits given	8 594 900	799 551	-	-
Loans	-	1 362 605	164 257	-
Deposits taken (current & term)	2 272 514	160 095	290 202	78 038
Securities	-	-	50 329	-
Other receivables	650 046	47 333	46	-
Other liabilities	311 317	22 827	578	-
Off-balance sheet commitments and transactions				
Guarantees issued	455 520	259 952	100	-
Guarantees received	662 077	-	-	-
Undrawn credit lines granted	13 749	1 033 967	131 841	-
FX spot	13 268 722	4 370 659	-	-
FX forward	405 330	542 543	-	-
IRS/CIRS	38 169 664	784 666	-	-
FRA	853 980	130 000	-	-
Options	808 887	931 133	-	-
Income and expenses				
Income	77 849	18 285	3 083	58
Expenses	12 039	11 192	3 247	686

31.03.2007

	Parent company	Other ING Group entities	Subsidiary undertakings	Associated undertakings
Balances of receivables and payables				
Deposits given	2 613 136	399 385	-	-
Loans	10 501	1 025 105	383 290	-
Deposits taken (current & term)	488 844	99 173	424 568	254 750
Securities	-	-	30 247	-
Other receivables	516 525	26 862	2 811	-
Other liabilities	371 317	18 538	17	-
Off-balance sheet commitments and transactions				
Guarantees issued	342 451	200 431	-	-
Guarantees received	1 847 591	-	-	-
Undrawn credit lines granted	246 566	1 390 525	39 228	-
FX spot	19 057 340	1 212 745	-	-
FX forward	124 623	1 406 206	-	-
IRS/CIRS	22 328 876	65 748	-	-
FRA	3 204 400	-	-	-
Options	1 138 999	75 607	-	-
Income and expenses				
Income	42 317	9 745	4 856	40
Expenses	10 320	8 852	8 068	754

VII. Standalone Financial Statement of the Bank

PROFIT AND LOSS ACCOUNT (PLN '000)	**I quarter 2008** the period from 01 Jan 2008 to 31 Mar 2008	**I quarter 2007** the period from 01 Jan 2007 to 31 Mar 2007
Interest income	*727 080*	*582 942*
Interest expenses	*470 518*	*322 558*
Net interest income	**256 562**	**260 384**
Commission income	*214 733*	*212 669*
Commission expenses	*27 750*	*17 139*
Net commission income	**186 983**	**195 530**
Net income on investment financial assets	222	16 946
Net income on instruments measured at fair value through profit and loss and revaluation	92 329	13 112
Other operating income and expenses	5 159	2 782
Result on basic activities	**541 255**	**488 754**
General and administrative expenses	352 242	327 180
Other expenses	2 068	786
Impairment losses and provisions for off-balance sheet liabilities	43	-6 803
Profit (loss) before tax	**186 902**	**167 591**
Income tax	37 424	36 115
Net result for the current year	**149 478**	**131 476**

Net profit (loss)	**149 478**	**131 476**
Weighted average number of ordinary shares	**13 010 000**	**13 010 000**
Earnings per ordinary share (PLN)	**11,49**	**10,11**
Diluted weighted average number of ordinary shares	13 010 000	13 010 000
Diluted earnings per ordinary share (PLN)	11,49	10,11

BALANCE SHEET (PLN '000)	I quarter 2008 as of 31 Mar 2008	end of year 2007 stan na 31 Dec 2007	I quarter 2007 as of 31 Mar 2007	end of year 2006 stan na 31 Dec 2006
ASSETS				
- Cash in hand and balances with the Central Bank	1 661 279	1 841 720	1 807 568	1 147 891
- Loans and receivables to other banks	14 166 193	15 238 778	16 760 017	13 560 173
- Financial assets measured at fair value through profit and loss	11 215 606	7 869 034	11 105 699	7 066 031
- Investments	13 983 507	9 418 393	12 031 803	12 644 728
- available-for-sale	*10 209 854*	*8 577 617*	*12 031 803*	*12 644 728*
- held-to-maturity	*3 773 653*	*840 776*	*0*	*0*
- Derivative hedge instruments	3 623	4 572	0	0
- Loans and receivables to customers	17 699 255	16 049 702	13 834 653	12 962 405
- Investments in controlled entities	210 569	210 569	126 910	126 910
- Investment real estates	145 824	144 713	0	0
- Property, plant and equipment	524 998	521 243	398 610	408 453
- Intangible assets	314 530	317 801	324 826	316 753
- Property, plant and equipment held for sale	269	241	224	224
- Current tax asset	9 747	25 256	0	0
- Deferred tax asset	34 949	45 001	16 111	30 209
- Other assets	122 973	139 403	127 231	96 980
Total assets	**60 093 322**	**51 826 426**	**56 533 652**	**48 360 757**
EQUITY AND LIABILITIES				
LIABILITIES				
- Liabilities due to the Central Bank	0	0	0	696 000
- Liabilities due to other banks	5 200 663	1 812 283	5 876 725	1 400 239
- Financial liabilities measured at fair value through profit and loss	4 565 585	1 214 981	5 112 355	3 120 520
- Derivative hedge instruments	10 079	0	0	0
- Liabilities due to customers	45 437 337	44 502 189	40 903 716	38 626 433
- Provisions	67 661	70 904	80 688	88 833
- Current income tax liabilities	0	0	65 275	65 815
- Other liabilities	991 805	556 615	768 143	746 943
Total liabilities	**56 273 130**	**48 156 972**	**52 806 902**	**44 744 783**
EQUITY				
- Share capital	130 100	130 100	130 100	130 100
- Supplementary capital - issuance of shares over nominal value	993 750	993 750	993 750	993 750
- Revaluation reserve from measurement of available-for-sale financial assets	-143 892	-149 591	22 130	42 830
- Revaluation reserve from measurement of property, plant and equipment	36 977	37 154	40 458	40 458
- Revaluation reserve from measurement of cash flow hedging instruments	-3 927	0	0	0
- Retained earnings	2 807 184	2 658 041	2 540 312	2 408 836
Total equity	**3 820 192**	**3 669 454**	**3 726 750**	**3 615 974**
Total equity and liabilities	**60 093 322**	**51 826 426**	**56 533 652**	**48 360 757**

Solvency ratio	**10,25%**	**12,03%**	**13,18%**	**15,09%**

Book value	**3 820 192**	**3 669 454**	**3 726 750**	**3 615 974**
Number of shares	**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**
Book value per share (PLN)	**293,64**	**282,05**	**286,45**	**277,94**

STATEMENT OF CHANGES IN EQUITY (PLN '000)

I quarter 2008
the period from 01 Jan 2008 to 31 Mar 2008

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Retained earnings	Total equity
Opening balance of equity	**130 100**	**993 750**	**-149 591**	**37 154**	**0**	**2 658 041**	**3 669 454**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	4 406	-	-	-	**4 406**
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	1 293	-	-	-	**1 293**
- disposal of property, plant and equipment	-	-	-	-177	-	-335	**-512**
- effective part of cash flow hedging instruments revaluation	-	-	-	-	-3 927	-	**-3 927**
- net result for the current period	-	-	-	-	-	149 478	**149 478**
Closing balance of equity	**130 100**	**993 750**	**-143 892**	**36 977**	**-3 927**	**2 807 184**	**3 820 192**

I quarter 2007
the period from 01 Jan 2007 to 31 Mar 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	Revaluation reserve from measurement of cash flow hedging instruments	Retained earnings	Total equity
Opening balance of equity	**130 100**	**993 750**	**42 830**	**40 458**	**0**	**2 408 836**	**3 615 974**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-3 374	-	-	-	**-3 374**
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-17 326	-	-	-	**-17 326**
- net result for the current period	-	-	-	-	-	131 476	**131 476**
Closing balance of equity	**130 100**	**993 750**	**22 130**	**40 458**	**0**	**2 540 312**	**3 726 750**

CASH FLOW STATEMENT (PLN '000)	I quarter 2008 the period from 01 Jan 2008 to 31 Mar 2008	I quarter 2007 the period from 01 Jan 2007 to 31 Mar 2007
OPERATING ACTIVITIES		
Net profit (loss)	**149 478**	**131 476**
Adjustments	**-820 691**	**-3 803 523**
- Unrealised exchange gains (losses)	0	18 935
- Depreciation and amortisation	32 840	33 580
- Interest accrued (from the profit and loss account)	256 562	260 384
- Interest received/paid	-239 312	-204 522
- Dividends received	-28	-11
- Gains (losses) on investment activities	-1 101	223
- Income tax (from the profit and loss account)	37 424	36 115
- Income tax paid	-11 863	-22 557
- Change in provisions	-3 243	-8 145
- Change in loans and other receivables to other banks	535 430	-7 636 270
- Change in financial assets at fair value through profit or loss	-3 303 068	-4 006 746
- Change in available-for-sale financial assets	-1 655 215	533 134
- Change in held-to-maturity financial assets	-2 952 665	0
- Change in derivative hedge instruments	7 101	0
- Change in loans and other receivables to customers	-1 656 203	-859 534
- Change in other assets	17 193	-30 515
- Change in liabilities due to other banks	3 386 694	3 783 383
- Change in liabilities at fair value through profit or loss	3 350 604	1 991 835
- Change in liabilities due to customers	942 969	2 285 989
- Change in other liabilities	435 190	21 199
Net cash flow from operating activities	**-671 213**	**-3 672 047**
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-24 558	-12 469
- Purchase investment property	-923	0
- Disposal of property, plant and equipment	1 142	89
- Purchase of intangible assets	-10 442	-19 463
- Disposal of fixed assets/liabilities held for sale	144	87
- Dividends received	28	11
Net cash flow from investment activities	**-34 609**	**-31 745**
FINANCIAL ACTIVITIES		
- Long-term loans repaid	0	-19 140
- Interest on long-term loans repaid	0	-158
Net cash flow from financial activities	**0**	**-19 298**
Effect of exchange rate changes on cash and cash equivalents	***-762 610***	***88 486***
Net increase/decrease in cash and cash equivalents	**-705 822**	**-3 723 090**
Opening balance of cash and cash equivalents	**4 837 716**	**8 174 524**
Closing balance of cash and cash equivalents	**4 131 894**	**4 451 434**

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 fourth 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	700,000	5.38

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 4Q 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 1Q of 2008 or 1Q of 2007, 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)

None.