

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

for the II quarter 2008



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I. Consolidated Financial Statement

CONSOLIDATED PROFIT AND LOSS ACCOUNT (PLN '000)	Note	II quarter 2008 the period from 01 Apr 2008 to 30 Jun 2008	2 quarters 2008 the period from 01 Jan 2008 to 30 Jun 2008	II quarter 2007 the period from 01 Apr 2007 to 30 Jun 2007	2 quarters 2007 the period from 01 Jan 2007 to 30 Jun 2007
<i>Interest income</i>	1	827 175	1 557 184	597 076	1 178 222
<i>Interest expenses</i>	1	539 474	1 006 532	339 068	659 157
Net interest income	1	287 701	550 652	258 008	519 065
<i>Commission income</i>	2	250 375	492 063	258 672	505 952
<i>Commission expenses</i>	2	34 972	69 546	25 378	50 328
Net commission income	2	215 403	422 517	233 294	455 624
Net income on investment financial assets		27 065	25 617	5 935	22 881
Net income on instruments measured at fair value through profit and loss and revaluation	3	89 164	184 367	6 164	18 988
Other operating income and expenses		-8 811	-3 002	6 755	19 364
Result on basic activities		610 522	1 180 151	510 156	1 035 922
General and administrative expenses	4	385 327	749 751	342 240	676 668
Other expenses		3 365	5 469	1 630	2 295
Impairment losses and provisions for off-balance sheet liabilities	5	-58 600	-58 157	-26 687	-32 996
Share in net profit (loss) of associated entities recognised under the equity method	6	14 214	25 830	10 900	23 300
Profit (loss) before tax		294 644	508 918	203 873	413 255
Income tax		60 861	101 449	34 349	72 969
Net profit (loss)		233 783	407 469	169 524	340 286
- assigned to shareholders of the holding company		233 787	407 470	167 774	335 187
- assigned to minority shareholders		-4	-1	1 750	5 099
Net profit (loss) assigned to shareholders of the holding company			407 470		335 187
Weighted average number of ordinary shares			13 010 000		13 010 000
Earnings per ordinary share (PLN)			31,32		25,76
Diluted weighted average number of ordinary shares			13 010 000		13 010 000
Diluted earnings per ordinary share (PLN)			31,32		25,76

*Interim consolidated financial statements
of the ING Bank Śląski S.A. Group for the II quarter 2008*

CONSOLIDATED BALANCE SHEET (PLN '000)	Note	2 quarters 2008 as of 30 Jun 2008	1 quarter 2008 as of 31 Mar 2008	end of year 2007 stan na 31 Dec 2007	2 quarters 2007 as of 30 Jun 2007	1 quarter 2007 as of 31 Mar 2007
ASSETS						
- Cash in hand and balances with the Central Bank		1 622 851	1 661 283	1 841 725	2 608 866	1 807 568
- Loans and receivables to other banks	7	9 002 046	14 080 613	15 183 665	18 078 943	16 614 167
- Financial assets measured at fair value through profit and loss	8	11 160 129	11 238 692	7 907 564	6 998 008	11 114 857
- Investments	9	17 001 261	13 933 364	9 388 273	9 593 763	12 001 742
- available-for-sale		10 816 223	10 159 711	8 547 497	9 593 763	12 001 742
- held-to-maturity		6 185 038	3 773 653	840 776	0	0
- Derivative hedge instruments		75 992	3 623	4 572	3 770	2 011
- Loans and receivables to customers	10	20 385 740	18 039 918	16 379 138	14 567 176	13 782 572
- Investments in controlled entities		84 859	108 942	97 326	77 028	102 709
- Investment real estates		135 845	145 824	144 713	149 127	150 138
- Property, plant and equipment	11	529 148	536 359	532 938	552 471	564 996
- Intangible assets		311 016	315 760	318 825	319 332	325 720
- Property, plant and equipment held for sale		266	269	241	254	224
- Current tax asset		13	9 749	25 256	0	0
- Deferred tax asset		88 028	37 825	49 292	99 527	22 058
- Other assets		129 862	122 160	137 332	154 813	128 123
Total assets		60 527 056	60 234 381	52 010 860	53 203 078	56 616 885
EQUITY AND LIABILITIES						
LIABILITIES						
- Liabilities due to other banks	12	6 085 194	5 259 628	1 810 195	3 868 436	5 598 619
- Financial liabilities measured at fair value through profit and loss	13	1 637 628	4 565 585	1 214 981	4 344 388	5 390 816
- Derivative hedge instruments		24 515	10 079	0	0	0
- Liabilities due to customers	14	47 591 057	45 311 797	44 501 837	40 253 416	40 774 570
- Provisions	15	69 382	69 261	72 507	83 026	81 999
- Current income tax liabilities		53 602	171	126	50 986	66 342
- Other liabilities		1 086 334	1 002 412	570 712	952 038	776 401
Total liabilities		56 547 712	56 218 933	48 170 358	49 552 290	52 688 747
EQUITY						
- Share capital		130 100	130 100	130 100	130 100	130 100
- Supplementary capital - issuance of shares over nominal value		993 750	993 750	993 750	993 750	993 750
- Revaluation reserve from measurement of available-for-sale financial assets		-239 056	-143 892	-149 591	-65 115	22 130
- Revaluation reserve from measurement of property, plant and equipment		50 786	57 821	57 998	53 681	52 074
- Revaluation reserve from measurement of cash flow hedging instruments		-20 157	-3 927	0	0	0
- Retained earnings		3 062 203	2 979 874	2 806 526	2 509 476	2 704 164
Equity assigned to shareholders of the holding company		3 977 626	4 013 726	3 838 783	3 621 892	3 902 218
- Minority equity		1 718	1 722	1 719	28 896	25 920
Total equity		3 979 344	4 015 448	3 840 502	3 650 788	3 928 138
Total equity and liabilities		60 527 056	60 234 381	52 010 860	53 203 078	56 616 885
Solvency ratio		11,22%	11,15%	13,12%	13,41%	13,74%
Book value		3 977 626	4 013 726	3 838 783	3 621 892	3 902 218
Number of shares		13 010 000	13 010 000	13 010 000	13 010 000	13 010 000
Book value per share (PLN)		305,74	308,51	295,06	278,39	299,94

*Interim consolidated financial statements
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STATEMENT OF CHANGES IN CONSOLIDATED EQUITY (PLN '000)

2 quarters 2008
the period from 01 Jan 2008 to 30 Jun 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	-	-	-132 730	-	-	-	-	-132 730
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	43 265	-	-	-	-	43 265
- disposal of property, plant and equipment	-	-	-	-539	-	424	-	-115
- remeasurement of property, plant and equipment	-	-	-	-6 673	-	-	-	-6 673
- effective part of cash flow hedging instruments revaluation	-	-	-	-	-20 157	-	-	-20 157
- dividends paid	-	-	-	-	-	-152 217	-	-152 217
- net result for the current period	-	-	-	-	-	407 469	-	407 469
- share of minority shareholders in the net financial result	-	-	-	-	-	1	-1	0
Closing balance of equity	130 100	993 750	-239 056	50 786	-20 157	3 062 203	1 718	3 979 344

end of year 2007
the period from 01 Jan 2007 to 31 Dec 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	-	-	-174 090	-	-	-	-	-174 090
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-18 331	-	-	-	-	-18 331
- disposal of property, plant and equipment	-	-	-	-257	-	2 030	-	1 773
- remeasurement of property, plant and equipment	-	-	-	-2 979	-	-	1 098	-1 881
- purchase of shares in subsidiary entity from the minority shareholders	-	-	-	8 971	-	-	-28 176	-19 205
- dividends paid	-	-	-	-	-	-362 979	-	-362 979
- net result for the current period	-	-	-	-	-	636 822	-	636 822
- share of minority shareholders in the net financial result	-	-	-	-	-	-6 098	6 098	0
Closing balance of equity	130 100	993 750	-149 591	57 998	0	2 806 526	1 719	3 840 502

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

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	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	-	-	-90 084	-	-	-	-	-90 084
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-17 861	-	-	-	-	-17 861
- disposal of property, plant and equipment	-	-	-	-233	-	517	-	284
- remeasurement of property, plant and equipment	-	-	-	1 651	-	-	1 098	2 749
- dividends paid	-	-	-	-	-	-362 979	-	-362 979
- net result for the current period	-	-	-	-	-	340 286	-	340 286
- share of minority shareholders in the net financial result	-	-	-	-	-	-5 099	5 099	0
Closing balance of equity	130 100	993 750	-65 115	53 681	0	2 509 476	28 896	3 650 788

*Interim consolidated financial statements
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CONSOLIDATED CASH FLOW STATEMENT (PLN '000)	2 quarters 2008 the period from 01 Jan 2008 to 30 Jun 2008	2 quarter 2007 the period from 01 Jan 2007 to 30 Jun 2007
OPERATING ACTIVITIES		
Net profit (loss)	407 470	335 187
Adjustments	-2 415 847	-3 079 946
- Minority shareholders' profit (loss)	-1	5 099
- Share in net profit (loss) of associated entities	-25 830	-23 300
- Unrealised exchange gains (losses)	0	-159
- Depreciation and amortisation	66 959	70 759
- Interest accrued (from the profit and loss account)	550 652	519 065
- Interest received/paid	-507 666	-607 267
- Dividends received	-2 502	-2 568
- Gains (losses) on investment activities	-60	291
- Income tax (from the profit and loss account)	101 449	72 969
- Income tax paid	-61 466	-150 910
- Change in provisions	-3 125	-7 298
- Change in loans and other receivables to other banks	4 166 672	-9 261 295
- Change in financial assets at fair value through profit or loss	-3 260 176	65 185
- Change in available-for-sale financial assets	-2 394 662	3 032 059
- Change in held-to-maturity financial assets	-5 404 954	0
- Change in derivative hedge instruments	-67 062	-441
- Change in loans and other receivables to customers	-4 015 087	-1 680 165
- Change in other assets	58 799	-24 259
- Change in liabilities due to other banks	4 287 259	1 772 229
- Change in liabilities at fair value through profit or loss	422 647	1 223 868
- Change in liabilities due to customers	3 156 685	1 724 825
- Change in other liabilities	515 622	191 367
Net cash flow from operating activities	-2 008 377	-2 744 759
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-48 537	-25 972
- Disposal of property, plant and equipment	176	128
- Purchase of intangible assets	-18 067	-26 940
- Disposal of fixed assets held for sale	151	1 644
- Dividends received	2 502	2 568
Net cash flow from investment activities	-63 775	-48 572
FINANCIAL ACTIVITIES		
- Long-term loans repaid	0	-19 140
- Interest on long-term loans repaid	0	-1 921
- Dividends paid	-152 217	-362 979
Net cash flow from financial activities	-152 217	-384 040
<i>Effect of exchange rate changes on cash and cash equivalents</i>	-57 677	46 211
Net increase/decrease in cash and cash equivalents	-2 224 369	-3 177 371
Opening balance of cash and cash equivalents	4 782 608	8 163 216
Closing balance of cash and cash equivalents	2 558 239	4 985 845

II. The most important achievements of the Capital Group of ING Bank Śląski in Q2/2008

Acquisition of new clients and growth of deposit volumes:

- Growth of value of the bank deposits of retail clients to PLN 30,477.1 million (up by PLN 969.6 million or 3.3% from March 2008 and by PLN 6,641.9 million or 27.9% year-on-year),
- Growth of the volume of funds deposited by wholesale clients to PLN 17,102.4 million (up by PLN 1,714.9 million or 11.1% from March 2008 and by PLN 2,447.9 million or 16.7% year-to-year),
- 86 thousand Direct Accounts sold from the beginning of the year,
- Growth of the client base both in retail and wholesale segments.

Intensification of sales of credit products:

- Growth of the value of loans for retail clients to PLN 5,650.6 million (up by PLN 657.0 million or 13.2% from March 2008 and by PLN 1,910.4 million or 51.1% year-to-year),
- Growth of the value of PLN-denominated mortgage loans to PLN 3,015.0 million (up by PLN 370.4 million or 14.0% from March 2008 and by PLN 1,325.7 million or 78.5% year-to-year),
- Growth of the value of loans for wholesale clients to PLN 14,870.2 million (up by PLN 906.3 million or 6.5% from March 2008 and by PLN 3,029.7 million or 25.6% year-to-year).

Maintaining high service quality:

- Growth of the number of franchise outlets to 100 from 86 at the end of Q1/2008,
- Increase of the number self-service zones to 248 at the end of June 2008 (in the Bank branches and franchise outlets),
- Implementation of new modules of the Front-End application (the system supporting the sales of products and customer service) in the Bank's units.

Development of the product offer:

- Launching CHF-indexed mortgage products,
- Launching new structured products,

- Enhancing credit products for wholesale clients.

Translating business initiatives into financial results:

- Growth of income on operating activity by 13.9% year-to-year,
- Improvement of the value of key effectiveness ratios: ROA, ROE and C/I,
- Growth of the net result by 21.6% vis-à-vis June 2007.

The most significant business achievements

	30.06.2007 PLN million	31.03.2007 PLN million	30.06.2008 PLN million	Change 30.06.2008/ 31.03.2008	Change 30.06.2008/ 30.06.2007
Banking deposits of retail segment*	23 835.2	29 507.5	30 477.1	3.3%	27.9%
TFI assets distributed by ING Bank Śląski	8 210.6	5 485.7	4 428.8	-19.3%	-46.1%
PLN-mortgage loans volumes**	1 689.3	2 644.6	3 015.0	14.0%	78.5%
Total volume of loans to retail clients	3 740.2	4 993.6	5 650.6	13.2%	51.1%
Total wholesale clients deposits*	14 422.0	15 264.0	17 001.3	11.4%	17.9%
Total volume of loans to wholesale clients	11 840.5	13 963.9	14 870.2	6.5%	25.6%

* excluding TFI assets

** excluding ING Mortgage Bank

Results of the Group of ING Bank Śląski

	30.06.2007 PLN million	30.06.2008 PLN million	Change 30.06.2008/ 30.06.2007
Total operating income*	1 059.2	1 206.0	13.9%
Total costs	679.0	755.2	11.2%
Result before risk cost	380.3	450.8	18.5%
Risk costs	33.0	58.2	76.3%
Result before tax	413.3	508.9	23.1%
Net profit**	335.2	407.5	21.6%
Earnings per ordinary share (PLN)	25.8	31.3	21.6%
Profitability ratio (%)	29.8	28.7	-1.1 b.p.
Return on assets (%)	1.4	1.5	0.1 b.p.
Return on equity (%)	20.5	23.7	3.2 b.p.
Cost/Income ratio (%)	64.1	62.6	-1.5 b.p.
Solvency ratio (%)	13.4	11.2	-2.2 b.p.

* Including share in net profits of affiliates recognized by equity method

** Net profit for the shareholders of the parent equity

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 for 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.

Awards

- June 2008, the ING Bank Śląski's website acclaimed as the best Polish bank website in the ranking of "Marketing & More" magazine,
- May 2008, bankujesz-kupujesz awarded "Project of the Year" in the "Ambassador of Electronic Economy, Partner of the Year and Project of the Year" contest organized by the Polish Bank Association,
- 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.

III. Financial results

Operating income

	6M 2007	6M 2008	6M 2008 / 6M 2007	
	PLN million	PLN million	PLN million	%
Interest income *	473.6	606.3	132.8	128.0%
Commission oncome	455.6	422.5	-33.1	92.7%
Other income *	130.0	177.2	47.1	136.2%
Total operating income**	1 059.2	1 206.0	146.8	113.9%

*/ Interest income includes swap points, which in financial statements are presented in position "Result on financial instruments carried through profit and loss and revaluation".

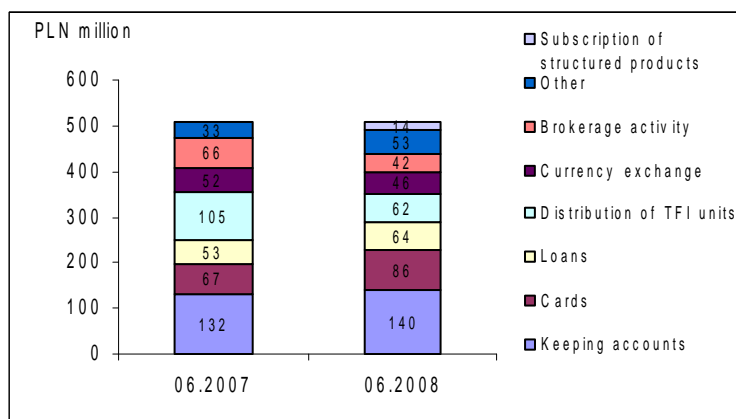
**/ The category *Income from operating activity* covers the result on core activity plus the share in net profits of affiliated entities.

As at the end of June 2008, the operating income earned by the Capital Group of ING Bank Śląski S.A. totalled PLN 1 206.0 million and was higher by PLN 146.8 million (or 13.9%) than the result achieved during the same period in the previous year.

The interest income at the end of June 2008 was PLN 606.3 million, an increase by PLN 132.8 million or 28.0% year-to-year. Growth of the interest income resulted from the larger volume of assets generating interest income and advantageous changes in the structure of income-generating assets.

As at the end of June 2008, fee and commission income totalled PLN 422.5 million (down by PLN 33.1 million, or 7.3%, from the same period of the previous year). The decrease was mostly caused by the lower commission related income connected with the distribution of TFI participation units and commission related income connected with the brokerage activity (the total decrease was PLN 66.9 million). The said decrease was partly compensated by higher (by PLN 19.3 million) payment card related commissions (more active clients) and commissions on subscription of structured deposits of PLN 14.5 million (the effect of introduction of a new agreement type for sale of structured products).

The structure of commission related revenue at the end of June and in the same period of the previous year was as follows:



As at the end of Q2/2008, other income totalled PLN 177.2 million (up by PLN 47.1 million, or 36.2%, as compared to the same period of the previous year). The growth of other income was significantly stimulated by the sales of MasterCard Incorporated shares held by the Bank. The sale generated income of PLN 25.3 million.

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

	6M 2007	6M 2008	6M 2008 / 6M 2007	
	PLN million	PLN million	PLN million	%
Retail banking	606,5	623,5	17,0	102,8%
Corporate banking	356,4	412,2	55,8	115,6%
Own operations	96,3	170,3	74,0	176,8%
Total operating income	1 059,2	1 206,0	146,8	113,9%

The structure of operating income was dominated by the income generated by the retail banking segment. Its value as at the end of June was PLN 623.5 million, an increase by PLN 17.0 million or 2.8% year-to-year. The results recorded in the aforesaid term by retail banking represented the sum of:

- the growth of income from the sales of Financial Markets Division products by PLN 25.4 million or 73.4%,
- lower commissions connected with the distribution of TFI participation units, partly compensated by higher payment card related commissions,
- sales of MasterCard shares.

The income in the wholesale banking area at the end of June 2008 was PLN 412.2 million, an increase by PLN 55.8 million or 15.6% year-to-year. The growth of income resulted mostly from:

- strong results in the area of sales of the Financial Markets Division products; the income from that source rose by PLN 42.7 million or 56.3%,
- increase of income from deposit & lending and clearing activity by PLN 23.2 million or 9.4%,
- decrease of income from capital market transactions by PLN 10.1 million or 29.8%.

The income from the Group's proprietary operations after 6 months of 2008 amounted to PLN 170.3 million, an increase by PLN 74.0 million or 76.8% year-to-year which was caused by:

- strong results on proprietary trading; income from that source rose by PLN 62.4 million or 201.9%,
- increase by PLN 11.6 million or 17.7% of the income generated in the ALCO¹ area.

Costs

	6M 2007	6M 2008	6M 2008 / 6M 2007	
	PLN million	PLN million	PLN million	%
Personnel costs	326.5	364.2	37.7	111.5%
Depreciation	70.8	67.0	-3.8	94.6%
Other expenses, including:	281.7	324.0	42.3	115.0%
<i>strategic project expenses</i>	28,4	49,2	20,8	173,2%
Total expenses	679.0	755.2	76.3	111.2%

As at the end of June 2008, the costs totalled PLN 755.2 million (up by PLN 76.3 million, or 11.2 %, yoy). Growth of costs was caused by:

- an increased scale of operations,
- salaries at the market level,
- implementation of projects aimed at optimising processes.

As at the end of 2Q 2008, personnel costs totalled 364.2 million (up by PLN 37.7 million, or 11.5%, from the costs incurred during the analogical period in the previous year). The factors contributing to the growth of personnel costs included the raise of salaries to the market level, as a result of which the minimum salary at the Bank was increased, and the growth of headcount following the market expansion.

After 6 months 2008, depreciation totalled PLN 67.0 million and was lower by PLN 3.8 million, or by 5.4% as compared to the same period of the previous year.

As at the end of June 2008, other costs totalled PLN 324.0 million (up by PLN 42.3 million, or 15.0 %, 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. Those costs at the end of June 2008 amounted to PLN 49.2%, up by PLN 20.8 million or 73.2% year-to-year.

Risk costs

Impairment losses and provisions for off-balance sheet liabilities at the end of June 2008 were positive (income) and amounted to PLN 58.2 million. The amount of impairment charges was determined by the sale of bad debts (agreement with Bison Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty), as a result of which the Bank released provisions of PLN 43.0 million.

¹ ALCO (Assets and Liabilities Committee) income together with the result on investment activity.

In the comparable period of previous year, the balance of impairment charges for financial assets and provisions for off-balance sheet liabilities was also positive and amounted to PLN 33.0 million.

Financial result

The gross financial result reported as at the end of June 2008 totalled PLN 508.9 million against PLN 413.3 million during the same period in the previous year. The net financial result falling to shareholders of the parent company was at the level of PLN 407.5 million (up by PLN 72.3 million, or 21.6%, from June 2007).

IV. Business Growth

1. Retail Banking

Projects and new products

In Q2/2008, ING Bank Śląski continued the implementation of projects aimed at providing active support for sales and easier access to bank services:

- **Front End** – the actions covered by this project aimed at implementing new system functionalities in respect of modifications of accounts, electronic banking, debit cards and additional services for individual and Small Business clients,
- **Self Banking** – in Q2/2008 new self-banking zones were build as a result of which their number rose to 248 at the end of June 2008, from 170 at the end of Q1/2008,
- **Loan Express** – the actions as part of that project continued to focus on extending the offer; since the end of June Express Loans have also been offered to clients buying real property in the primary market, buying apartments or one-family houses constructed by developers or Housing Co-operatives,
- **Modification of ING BankOnLine** – in Q2/2008 phase two of the project was launched: new functionalities were implemented in ING BankOnLine system (more options are now available for the user), in May the transaction validation method was also replaced with more secure one-off transaction codes sent via text message (SMS),
- **The Most Internet-Wise Bank** – as part of the project, in Q2/2008 a new channel for communication with ING was launched – the most popular internet communicator, Skype, and a campaign was prepared to encourage the use of the system by the clients who signed the agreements for use of ING BankOnLine in the Branch and have never activated the system.

ING Bank Śląski modified the product offer addressed to retail clients and in Q2/2008 the range of products offered was extended with:

- CHF-indexed mortgage products,
- new structured products (Investment Insurance Deposit *GLOBAL PROFIT*, Investment Insurance Deposit *Market Neutral Plus*, Investment Insurance Deposit *WIG* – products offered in co-operation with ING Towarzystwo Ubezpieczeń na Życie),
- AIG Investment Funds (offer for Private Banking clients).

Works were also continued with the aim of launching within the Bank's offer a new insurance product *Zysk bez ryzyka (Profit without risk)*, an innovative combination of savings, structured and insurance facilities. This product was launched in mid-July.

Volumes and market position

The funds entrusted by clients

At the end of June 2008, the value of bank deposits of the retail segment's clients amounted to PLN 30,477.1 million, an increase by 3.3% vis-à-vis March 2008 and an increase by 27.9% year-to-year. In Q2/2008 the growth in volumes was visible in all groups of deposit products, however the biggest increase was noted in respect of accounts and term deposits (by 9.9% vis-à-vis March 2008). The growth of the deposit base resulted from:

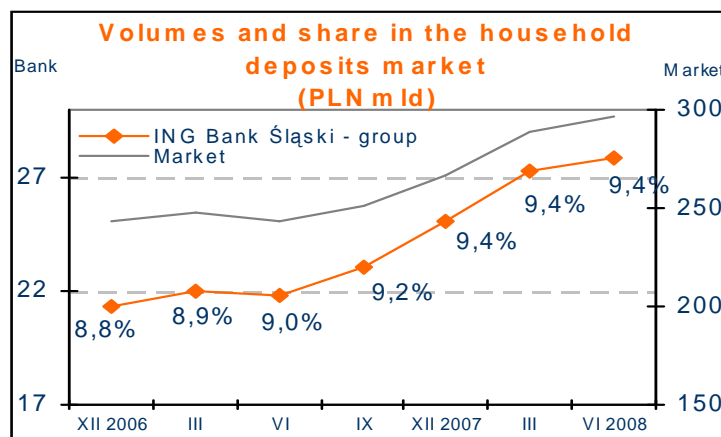
- the regularly extended deposit offer of the Bank, actively supported by advertising campaigns and new distribution channels,
- better financial standing of clients (regular improvements in the labour market, higher salaries).

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

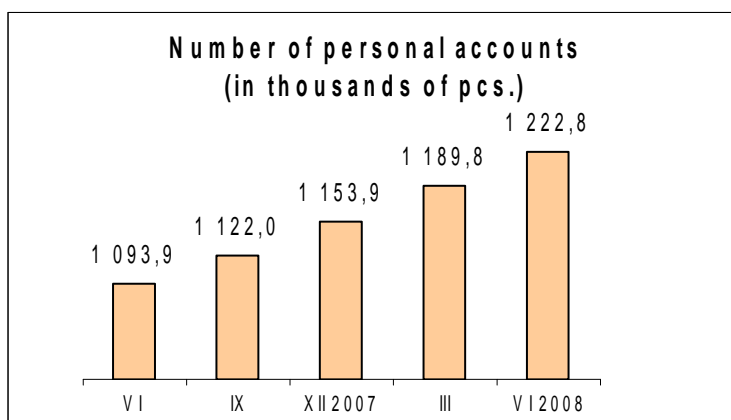
	30.06.2008	31.03.2008	31.12.2007	30.09.2007	30.06.2007
Current accounts	4 024.1	3 825.7	4 020.4	3 701.9	3 545.5
Savings accounts	20 799.6	20 538.5	19 091.5	17 572.2	16 183.6
Accounts and term deposits	5 653.4	5 143.3	4 338.2	3 958.4	4 106.1
Banking deposits of retail segment	30 477.1	29 507.5	27 450.1	25 232.5	23 835.2
TFI assets	4 428.8	5 485.7	7 517.2	8 280.9	8 210.6
Total retail segment	34 905.9	34 993.2	34 967.3	33 513.4	32 045.8

ING Bank Śląski also sells ING TFI participation units through its distribution channels. As a result of the worsening situation on the stock exchange, the product became less attractive and the balance of acquired units of ING TFI investment funds fell by 19.3% vis-à-vis the end of March 2008.

The rate of growth of households' deposits at ING Bank Śląski was similar to the rate of growth in the sector, thus the market share at the end of June 2008 was 9.4%, similarly to the end of Q1/2008.



As at the end of June 2008, the number of personal accounts maintained by the Bank was 1 222.8 thousand, an increase by 2.8% compared with the March 2008 and by 11.8% compared with the similar period of the previous year.



Loans

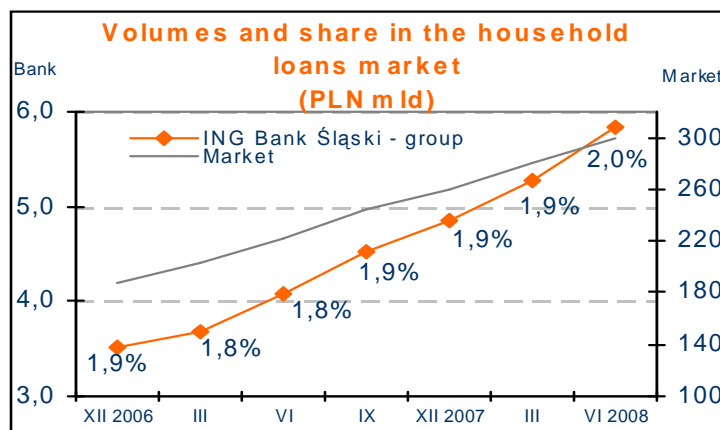
A continuous enhancement of the attractiveness of credit products combined with the improvement of the financial standing of clients brought effects in the form of a bigger volume of retail loans. Their value at the end of June 2008 was PLN 5 650.6 million, an increase by 13.2% vis-à-vis the end of March 2008 and by 51.1% year-to-year. The factors accelerating lending in the retail area included strong results in respect of the sale of:

- mortgage loans,
- loans for Small Business,
- cash loans.

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

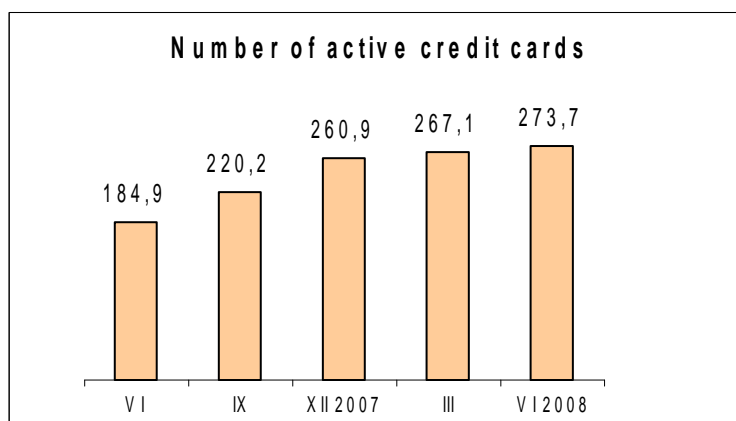
	30.06.2008	31.03.2008	31.12.2007	30.09.2007	30.06.2007
Mortgage loans	3 282.7	2 880.5	2 616.0	2 321.5	2 031.3
Other retail loans	2 367.9	2 113.1	1 958.3	1 898.8	1 708.9
Total retail segment	5 650.6	4 993.6	4 574.3	4 220.3	3 740.2

The rate of growth of the loans granted by ING Bank Śląski to households was higher compared with the sector, therefore the market share rose to 2.0% at the end of June 2008 from 1.9% at the end of March 2008.



Banking cards

The offer of ING Bank Śląski S.A. includes: debit cards, charge cards, credit cards and pre-paid cards. The number of issued credit cards² went up from 267,140 as at the end of March 2008 to 273,682 as at 30 June 2008.



2. Wholesale Banking

Projects and new products

In the area of wholesale banking, ING Bank Śląski continued the efforts aimed at extending the product offer and optimising processes in the key areas of service for the clients from that segment that included:

- works aimed at modifying the principles of handling Direct Debit products and Business to Business Direct Debit (centralisation of operating and complaint-related activities),
- preparations for implementation of the new application for generating credit documentation for wholesale clients (the new application is currently tested),
- in Q2/2008 the functionality of FM products was extended (new currencies): FX spot transactions, FX forward transactions, negotiated deposits and FX swap transactions (interbank market),

² Together with VE Credit and VE Credit NN-P cards.

- in May the new functionality for Direct Debit was offered – Repetition which improves the process of the Creditor’s settlements with the Debtor under the Direct Debit,
- in Q2/2008, new functionalities were offered as part of the ING BusinessOnLine system (the Trade Finance service and loan handling were offered, Direct Debit, Business to Business Direct Debit and European Transfer were implemented),
- at the end of Q2/2008, the ING Trade internet platform was implemented on a pilot basis; the platform is used by clients to conclude FX transactions, open negotiated deposits and conclude FX forward transactions,
- in Q2/2008, preparations were made for the implementation of part III of the Fast Track process pilot (fast credit process track for wholesale clients). Ultimately, the process is meant to make the offer transparent, limit formalities for clients and allow for easier handling of the acquisition process by the Bank employees.

Volumes and market position

The funds entrusted by clients

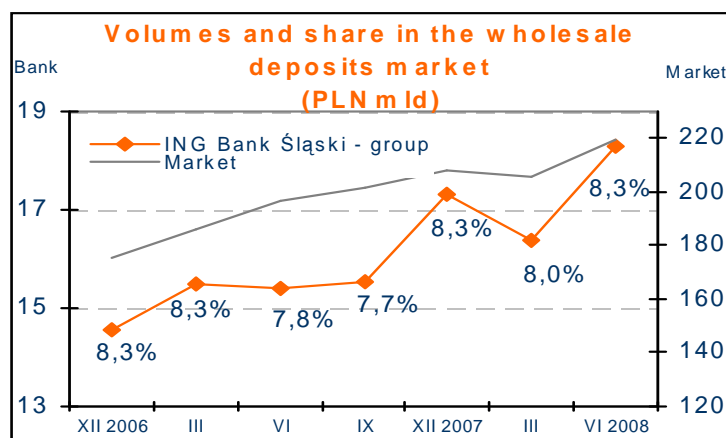
The strong financial standing of enterprises translated into the growth of value of the wholesale clients’ deposits by 11.1% vis-à-vis March 2008 and by 16.7% year-to-year. The main growth driver was the high rate of growth of:

- the deposits of strategic clients (up by 16.7% vis-à-vis March 2008),
- the deposits of large corporate clients (up by 10.1% vis-à-vis 31.03.2008).

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

	30.06.2008	31.03.2008	31.12.2007	30.09.2007	30.06.2007
Strategic Clients	9 538.6	8 170.2	8 977.2	6 957.3	7 040.4
BIG	4 059.7	3 686.6	3 655.5	3 282.4	3 123.5
Mid-size companies	3 403.0	3 407.2	3 537.6	4 067.2	4 258.1
TFI assets	101.1	123.5	158.8	227.3	232.5
Total Wholesale segment	17 102.4	15 387.5	16 329.1	14 534.2	14 654.5

The rate of growth of wholesale deposits at ING Bank Śląski was higher compared with the sector, thus at the end of June 2008 the market share rose to 8.3% from 8.0% as at 31.03.2008.



Loans

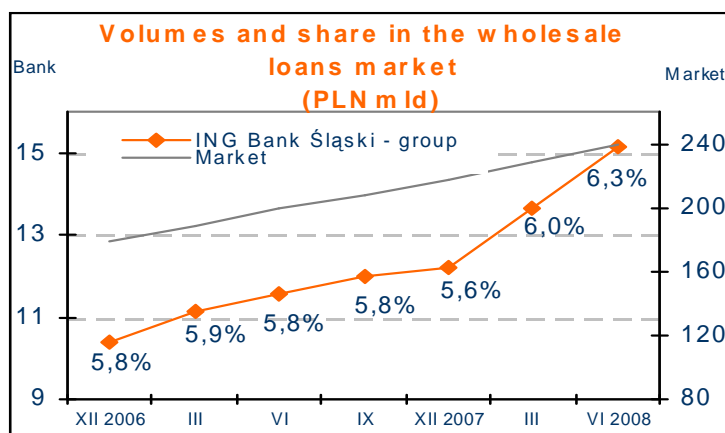
In the first half of 2008, the demand for loans of the wholesale clients rose which resulted from the better financial standing of enterprises and bigger investment outlays. This, the loans in the wholesale segment rose by 6.5% vis-à-vis March 2008 and by 25.6% year-to-year. The growth of the volume of the wholesale segment's loans was driven by:

- the loans for strategic clients (up by 9.1% vis-à-vis March 2008),
- the loans for large wholesale clients (up by 5.9%).

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

	30.06.2008	31.03.2008	31.12.2007	30.09.2007	30.06.2007
Strategic clients	7 840.2	7 186.3	6 525.1	6 193.0	6 166.7
BIG	3 989.4	3 765.8	3 505.3	3 339.6	3 159.1
Mid-size companies	2 636.7	2 527.8	2 367.0	2 336.2	2 195.1
Other	403.9	484.0	389.1	312.9	319.6
Total Wholesale segment	14 870.2	13 963.9	12 786.5	12 181.7	11 840.5

The rate of growth of the wholesale loans at ING Bank Śląski was higher compared with the sector, thus the share in the market of wholesale loans rose to 6.3% at the end of June 2008 from 6.0% as at 31.03.2008.



3. Electronic distribution channels

Development of electronic distribution channels is one of the Bank's priorities. A regular update of this offer results in an increase of the number of Clients interested in e-banking. The figures for electronic banking clients are as follows:

	30.06.2008	31.03.2008	31.12.2007	30.09.2007	30.06.2007
ING BankOnLine, ING OnLine, MultiCash	960 090	877 636	771 384	710 858	651 827
HaloŚląski	498 747	443 104	398 297	374 298	353 347
SMS	304 775	264 219	233 745	210 982	196 414

In Q2/2008, we recorded a dynamic growth of the number of clients of INGBankOnLine, a key product in the area of electronic banking and the number of clients using SMS and HaloŚląski services also went up considerably.

In June 2008, the monthly number of transactions made via electronic banking systems totalled 6.3 million. In the same period last year, the number of transactions made via electronic banking systems was 4.8 million.

4. Factors Potentially Affecting the Financial Results in the Following Quarters

The most important macro-economic factors which may affect the results in the following quarters are listed below:

- the possible slowdown of the economic growth in Poland which may adversely affect the investments and the demand of enterprises for loans (the rate of economic growth in Q2 remained at a relatively high level. GDP reportedly rose in Q2 by 5.6% vis-à-vis 6.1% in Q1),
- continued increases of interest rates by the Monetary Policy Council which, on the one hand, will affect the propensity of clients to deposit their savings with banks and, on the other hand, may limit the demand for PLN-denominated loans (in view of the growing inflationary pressures, the Monetary Policy Council resolved to further increase the interest rates as a result of which the reference rate rose from 5.0% at the end of 2007 to 6.0% at the end of June 2008),
- the continuing strong zloty rate which will adversely affect the competitiveness of Polish companies abroad, and reduce the export's rate of growth (in Q2/2008 the zloty continued to get stronger against EUR and USD).

V. Additional information

1. Informational Details of the Bank and Its Capital Group

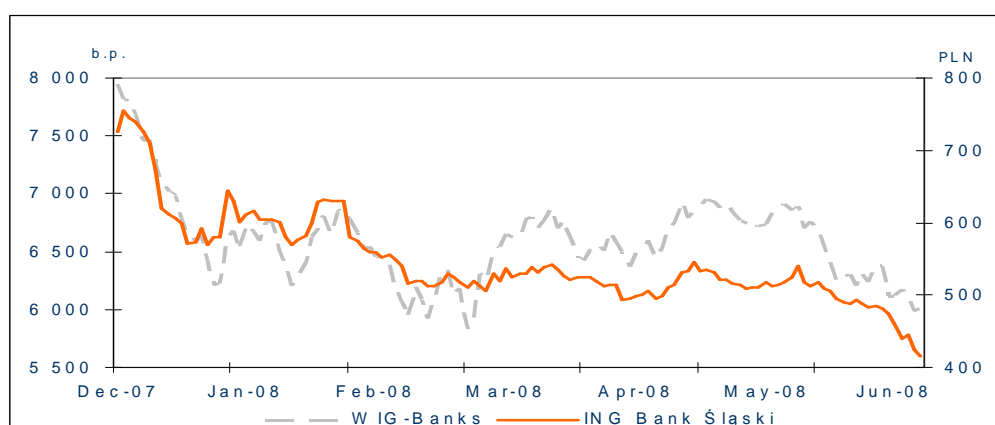
ING Bank Śląski S.A. („Parent company, parent entity, Bank”) with the headquarters in Katowice, Sokolska Str. 34, was entered into the entrepreneurs National Court Register managed by the Commercial Department of the Regional Court in Katowice under the reference number KRS 5459.

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.

Price of ING Bank Śląski S.A. Shares in the first half of 2008:



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

- ING Securities S.A. (subsidiary, 100% share),
- ING Bank Hipoteczny S.A. (subsidiary, 100% share),
- ING BSK Development Sp. z o.o. (subsidiary, 100% share),
- Centrum Banku Śląskiego Sp. z o.o. in liquidation (subsidiary, 100% share),
- Solver Sp. z o.o. (subsidiary, 82,3% share),
- ING Powszechne Towarzystwo Emerytalne S.A. (associate, 20% share).

In Q2/2008 the Group's structure did not change.

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.

As at the date of submission of the report for the second quarter of 2008, 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

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 1Q 2008, the status of ING Bank Śląski's shares, held by the Members of the Bank Management Board and Supervisory Board, was similar.

Ratings

Fitch Ratings Ltd.

On 5 June 2008, the agency advised the Management Board of ING Bank Śląski S.A. of sustaining the following ratings:

Long-term IDR	AA-
Short-term IDR	F1+
Individual	C
Support rating	1
Outlook	Stable

In accordance with the report of Fitch Ratings Ltd., the company's rating ("Long-term IDR") and the short-term rating ("Short-term IDR") reflect a very high probability of receiving a potential support by ING BSK, if required, from the majority shareholder, ING Bank NV ("ING Bank") having "AA" rating with a stable outlook. The stable rating outlook for ING BSK reflects the stable rating outlook for ING Bank.

The individual rating reflects the improving quality of ING BSK's assets and the high ratio of provisioning for exposures at risk, the high liquidity and the strong position in the deposit market. It also accounts for the growing pressure on the solvency rate level.

Moody's Investors Service Ltd.

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

Other Information

Changes in the composition of the Supervisory Board

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

Changes in the composition of the Bank Management Board

At the Supervisory Board meeting held on 15 May 2008, Ms Maria Elizabeth van Elst submitted her resignation from the function of the Vice-president of the Bank Management Board, effective as of 31

May 2008. At the same time, the Supervisory Board appointed as of 1 June 2008 Ms Justyna Kesler the Vice-president of the Bank Management Board.

At the meeting held on 12 June 2008, Mr Benjamin van de Vrie submitted his resignation from the function of the Vice-president of the Bank Management Board, effective as of 30 June 2008. At the same time, the Supervisory Board appointed as of 1 July 2008 Ms Małgorzata Kołakowska the Vice-president of the Bank Management Board and Mr Michał Bolesławski the Vice-president of the Bank Management Board.

Headcount

The headcount in the Capital Group was as follows:

30.06.2008	8,387 individuals; or 8,209.4 FTEs,
31.03.2008	8,188 individuals; or 8,008.8 FTEs,
31.12.2007	8,074 individuals; or 7,842.1 FTEs,
30.06.2007	7,683 individuals; or 7,448.1 FTEs.

Number of Branches and ATMs

As at 30.06.2008, the Bank was running operations through the network of 330 branches compared with 329 branches as at the end of March. Furthermore, as at the end of June 2008, 100 partner branches were opened based on the franchising model (as of the end of March 2008, there were 86 franchise branches operating).

As at the end of June 2008, the Bank had a network of 667 ATMs compared with 646 ATMs as at the end of March 2008 and 592 ATMs as at the end of June 2007.

As at the end of June 2008, the Bank also had a network of 244 cash deposit machines, including 100 CDMs installed in the partner outlets.

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 30 June 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 30.06.2008 including comparable financial data, have been executed upon the application of the same accounting principles for each period.

These consolidated financial statements for Q2/2008 meet the requirements of International Financial Reporting Standards (IFRS), including IAS 34 (International Accounting Standards) with regard to interim financial statements. This is the condensed version of the statements.

The accounting principles applied for these financial statements are the same principles that were 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. Estimates

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 the basis of other sources. The estimates reflect the reasons for/ sources of uncertainties as at the balance sheet date.

The actual results may differ from estimates.

The estimations and assumptions are reviewed on an 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 are 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 account up to the value of prior impairment.

The methodology and the assumptions, on the basis of which the estimated cash flows 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 (or cash generating unit) 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 assumptions 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 of the Group parent entity 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.

4. Comparability of financial data

In the financial statements prepared for the period from 1 January 2008 till 30 June 2008, the Bank modified the presentation of some items of the income statement compared with the statements for the period from 1 January 2007 till 30 June 2007.

In the report for Q1/2007, 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).

The balance sheet as at 30.06.2008 in comparison to the one as of 30.06.2007 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 statements prepared as of 30 June 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 statements as of 30 June 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 30.06.2008, 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 30 June 2007 and the cash flow statement for the 1st half of 2007 have been transformed to ensure their comparability.

In the financial statements covering the term from 1 January 2008 until 30 June 2008, the Bank changed the presentation of accepted contingent liabilities. It resulted from a thorough analysis of data aimed at identifying all types of received liabilities that complied with the criteria of contingent liabilities such a guarantees.

The balance-sheet items for preceding terms were adjusted in order to ensure their comparability.

5. Supplementary Data to Profit and Loss Account and Balance Sheet Positions

1 Net interest income	II quarter 2008	2 quarters 2008	II quarter 2007	2 quarters 2007
Interest expense and similar charges				
- Deposits from banks	248 146	460 039	219 315	415 610
- Deposits from customers	274 843	578 558	215 909	409 167
- Debt securities	298 924	509 295	161 307	352 470
- Other	5 262	9 292	545	975
	827 175	1 557 184	597 076	1 178 222
Interest expense and similar charges				
- Deposits from banks	54 076	92 247	45 189	47 364
- Deposits from customers	476 593	894 651	263 421	556 520
- Loans and advances	9	9	28	234
- Reverse repos	8 796	19 625	30 430	55 039
	539 474	1 006 532	339 068	659 157
Net interest income	287 701	550 652	258 008	519 065
- Swap points (which are presented in the item "Result on financial instruments carried through profit and loss and revaluation")	25 412	55 692	-20 586	-45 510
Net interest income including swap points	313 113	606 344	237 422	473 555

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	II quarter 2008	2 quarters 2008	II quarter 2007	2 quarters 2007
Commission income				
- Commission related to brokerage activity	16 306	42 003	32 440	65 539
- Commission related to keeping accounts	71 077	139 811	69 111	131 591
- Commission related to loans and advances	30 275	63 912	25 259	52 853
- Commission related to payment and credit cards	45 594	85 757	33 580	66 502
- Commission related to distribution of participation units	27 893	61 561	54 926	104 934
- Fiduciary and custodian fees	7 960	15 162	7 440	15 902
- Foreign commercial business	4 123	8 048	5 752	11 237
- Commission related to subscription of structured products	14 458	14 458	0	0
- The transaction margin on currency exchange transactions	23 351	45 725	27 387	52 029
- Other	9 338	15 626	2 777	5 365
	250 375	492 063	258 672	505 952
Commission expense				
- Brokerage fees	4 901	12 394	6 960	14 652
- Other commission	30 071	57 152	18 418	35 676
	34 972	69 546	25 378	50 328
Net commission income	215 403	422 517	233 294	455 624

3 Result on financial instruments carried through profit and loss and revaluation	II quarter 2008	2 quarters 2008	II quarter 2007	2 quarters 2007
- Net income on financial assets and liabilities held for trading	-76 943	160 577	-23 411	-9 054
- Net income on financial assets and liabilities measured at fair value upon initial recognition	-14 170	3 718	2 260	3 014
- Result on the revaluation of balance sheet items	180 277	20 072	27 315	25 028
Result on financial instruments carried through profit and loss and revaluation	89 164	184 367	6 164	18 988
of which:				
- Swap points	25 412	55 692	-20 586	-45 510
Result on financial instruments carried through profit and loss and revaluation after swap points excluding	63 752	128 675	26 750	64 498

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4 General and administrative expenses	II quarter 2008	2 quarters 2008	II quarter 2007	2 quarters 2007
- Personnel expenses	182 884	364 192	171 879	326 485
- General and administrative expenses	168 830	318 600	134 201	279 424
- Depreciation and amortisation	33 613	66 959	36 160	70 759
Total	385 327	749 751	342 240	676 668

5 Impairment losses and provisions for off-balance sheet liabilities	II quarter 2008	2 quarters 2008	II quarter 2007	2 quarters 2007
Impairment losses	216 079	299 378	55 813	155 195
Reversed impairment losses	-274 679	-357 535	-82 500	-188 191
Net impairment losses and provisions for off-balance sheet liabilities	-58 600	-58 157	-26 687	-32 996

6 Share in net profit (loss) of associated entities recognised under the equity method	II quarter 2008	2 quarters 2008	II quarter 2007	2 quarters 2007
- ING Powszechnie Towarzystwo Emerytalne S.A.	14 214	25 830	10 900	23 300
Total	14 214	25 830	10 900	23 300

7 Loans and receivables to other banks	as of 30 Jun 2008	as of 31 Mar 2008	stan na 31 Dec 2007	as of 30 Jun 2007	as of 31 Mar 2007
- Current accounts	363 918	375 950	381 145	352 110	154 479
- interbank deposits	7 594 688	13 071 018	14 347 480	17 322 487	15 723 249
- other receivables	924 561	513 794	345 940	307 256	643 364
- loans and advances	452 967	428 123	280 113	187 698	291 045
- reverse repo transactions	405 740	0	0	0	0
- other receivables	65 854	85 671	65 827	119 558	352 319
- accrued interest	119 174	121 990	109 791	97 944	93 694
Total (gross)	9 002 341	14 082 752	15 184 356	18 079 797	16 614 786
Impairment losses	-295	-2 139	-691	-854	-619
Total (net)	9 002 046	14 080 613	15 183 665	18 078 943	16 614 167

8 Financial assets at fair value through profit or loss	as of 30 Jun 2008	as of 31 Mar 2008	stan na 31 Dec 2007	as of 30 Jun 2007	as of 31 Mar 2007
- Financial assets held for trading	7 002 019	7 058 477	6 062 786	5 175 310	9 937 816
<i>Debt instruments</i>	4 814 031	4 973 879	4 373 230	4 323 453	9 032 893
<i>Equity instruments</i>	2 067	23 086	38 530	2 108	11 169
<i>Derivative financial instruments</i>	2 185 921	2 061 512	1 651 026	849 749	893 754
- Financial assets designated as at fair value upon initial recognition	4 158 110	4 180 215	1 844 778	1 822 698	1 177 041
<i>Deposits</i>	2 470 683	2 234 293	0	0	0
<i>Debt instruments</i>	1 432 459	1 587 607	1 513 211	1 035 805	690 295
<i>Repo transactions</i>	254 968	358 315	331 567	786 893	486 746
Total	11 160 129	11 238 692	7 907 564	6 998 008	11 114 857

9 Investments	as of 30 Jun 2008	as of 31 Mar 2008	stan na 31 Dec 2007	as of 30 Jun 2007	as of 31 Mar 2007
- Available-for-sale financial assets	10 816 223	10 159 711	8 547 497	9 593 763	12 001 742
<i>Debt instruments, including:</i>	10 811 768	10 137 057	8 524 148	9 572 413	11 986 682
<i>hedged items in fair value hedging</i>	3 112 530	2 084 415	435 531	48 541	0
<i>Equity instruments</i>	4 455	22 654	23 349	21 350	15 060
- Held-to-maturity financial assets	6 185 038	3 773 653	840 776	0	0
<i>Debt instruments</i>	6 185 038	3 773 653	840 776	0	0
Total	17 001 261	13 933 364	9 388 273	9 593 763	12 001 742

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10 Loans and receivables to customers	as of 30 Jun 2008	as of 31 Mar 2008	stan na 31 Dec 2007	as of 30 Jun 2007	as of 31 Mar 2007
<u>Loans and other receivables to entities from the financial sector other than banks</u>					
- loans and advances	2 596 843	2 453 997	2 225 200	2 053 482	2 170 606
- in the current account	519 872	452 264	378 909	436 288	454 299
- term ones	2 076 971	2 001 733	1 846 291	1 617 194	1 716 307
- reverse repo transactions	801 941	0	0	0	0
- other receivables	103 069	95 149	110 040	69 649	81 933
- accrued interest	6 483	7 782	7 413	4 048	5 214
Total (gross)	3 508 336	2 556 928	2 342 653	2 127 179	2 257 753
Impairment losses	-3 604	-5 684	-5 840	-4 702	-7 617
Total (net)	3 504 732	2 551 244	2 336 813	2 122 477	2 250 136
<u>Loans and other receivables to entities from the non-financial sector</u>					
- loans and advances granted to business entities	10 582 004	9 925 102	8 896 590	8 145 620	7 639 140
- in the current account	4 005 199	3 714 861	3 103 368	3 044 135	2 902 510
- term ones	6 576 805	6 210 241	5 793 222	5 101 485	4 736 630
- loans and advances granted to households	5 916 337	5 358 462	4 928 295	4 162 035	3 783 649
- in the current account	1 097 907	1 024 121	965 928	997 614	951 057
- term ones	4 818 430	4 334 341	3 962 367	3 164 421	2 832 592
- other receivables	68 919	77 530	57 128	135 627	121 662
- accrued interest	24 714	25 221	18 690	18 946	24 104
Total (gross)	16 591 974	15 386 315	13 900 703	12 462 228	11 568 555
Impairment losses	-359 128	-539 240	-526 101	-590 673	-632 203
Total (net)	16 232 846	14 847 075	13 374 602	11 871 555	10 936 352
<u>Loans and other receivables to entities from the government and self-government institutions' sector</u>					
- loans and advances	672 647	668 081	695 188	603 741	629 041
- in the current account	16 313	12 007	9 871	10 641	5 370
- term ones	656 334	656 074	685 317	593 100	623 671
- other receivables	30	0	0	0	0
- accrued interest	2 348	1 974	2 031	2 016	1 753
Total (gross)	675 025	670 055	697 219	605 757	630 794
Impairment losses	-26 863	-28 456	-29 496	-32 613	-34 710
Total (net)	648 162	641 599	667 723	573 144	596 084
Loans and other receivables to customers - TOTAL					
- loans and advances	19 767 831	18 405 642	16 745 273	14 964 878	14 222 436
- reverse repo transactions	801 941	0	0	0	0
- other receivables	172 018	172 679	167 168	205 276	203 595
- accrued interest	33 545	34 977	28 134	25 010	31 071
Loans and other receivables to customers – gross	20 775 335	18 613 298	16 940 575	15 195 164	14 457 102
Impairment losses	-389 595	-573 380	-561 437	-627 988	-674 530
Loans and other receivables to customers – net	20 385 740	18 039 918	16 379 138	14 567 176	13 782 572

11 Property, plant and equipment	as of 30 Jun 2008	as of 31 Mar 2008	stan na 31 Dec 2007	as of 30 Jun 2007	as of 31 Mar 2007
- Real estate and investments in third-party non-current assets	389 903	401 599	404 290	414 822	434 206
- Computer hardware	41 194	43 167	43 273	51 476	46 122
- Vehicles	206	307	335	436	433
- Other fixtures and fittings	76 309	73 262	70 854	71 040	74 883
- Constructions in progress	21 536	18 024	14 186	14 697	9 353
Total	529 148	536 359	532 938	552 471	564 996

12 Liabilities due to other banks	as of 30 Jun 2008	as of 31 Mar 2008	stan na 31 Dec 2007	as of 30 Jun 2007	as of 31 Mar 2007
- Current accounts	320 946	470 682	82 357	180 446	84 350
- Interbank deposits	5 739 552	4 691 484	1 707 059	3 160 610	5 291 982
- Repo transactions	0	0	0	481 543	194 615
- Other liabilities	14 140	87 844	9 457	40 856	20 697
- Accrued interest	10 556	9 618	11 322	4 981	6 975
Total	6 085 194	5 259 628	1 810 195	3 868 436	5 598 619

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13 Financial liabilities at fair value	as of 30 Jun 2008	as of 31 Mar 2008	stan na 31 Dec 2007	as of 30 Jun 2007	as of 31 Mar 2007
- Financial liabilities held for trading	1 507 874	1 252 507	1 057 294	814 041	788 673
<i>Derivative financial instruments</i>	<i>1 507 874</i>	<i>1 252 507</i>	<i>1 057 294</i>	<i>814 041</i>	<i>788 673</i>
- Financial liabilities designated as at fair value upon initial recognition	21 382	3 287 856	102 716	3 123 892	4 182 346
<i>Sell-buy-back transactions</i>	<i>21 382</i>	<i>3 287 856</i>	<i>102 716</i>	<i>3 123 892</i>	<i>4 182 346</i>
- Book short position in trading securities	108 372	25 222	54 971	406 455	419 797
Total	1 637 628	4 565 585	1 214 981	4 344 388	5 390 816

14 Liabilities due to customers	as of 30 Jun 2008	as of 31 Mar 2008	stan na 31 Dec 2007	as of 30 Jun 2007	as of 31 Mar 2007
<i>Liabilities due to entities from the financial sector other than banks</i>					
- Deposits	3 586 988	2 366 208	2 226 226	2 744 315	2 882 824
- <i>current accounts</i>	<i>2 111 392</i>	<i>1 449 816</i>	<i>1 229 825</i>	<i>2 099 342</i>	<i>2 550 379</i>
- <i>term deposit</i>	<i>1 475 596</i>	<i>916 392</i>	<i>996 401</i>	<i>644 973</i>	<i>332 445</i>
- Repo transactions	191 653	635 153	725 974	1 972 999	2 232 060
- Other liabilities	152 961	84 046	115 359	71 884	110 959
- Accrued interest	1 972	2 279	1 650	1 944	3 735
Total	3 933 574	3 087 686	3 069 209	4 791 142	5 229 578

Liabilities due to entities from the non-financial sector

- Business entities' deposits	11 990 707	11 691 020	12 746 659	10 688 271	10 553 520
- <i>current accounts</i>	<i>7 123 233</i>	<i>6 807 333</i>	<i>7 970 381</i>	<i>6 202 649</i>	<i>5 611 499</i>
- <i>term deposit</i>	<i>4 867 474</i>	<i>4 883 687</i>	<i>4 776 278</i>	<i>4 485 622</i>	<i>4 942 021</i>
- Households' deposits	28 227 771	27 615 666	25 356 471	21 983 661	22 463 172
- <i>current accounts</i>	<i>3 582 617</i>	<i>3 482 708</i>	<i>2 603 797</i>	<i>2 999 064</i>	<i>3 029 989</i>
- <i>savings accounts</i>	<i>19 945 013</i>	<i>19 694 069</i>	<i>19 069 974</i>	<i>15 427 642</i>	<i>15 676 438</i>
- <i>term deposit</i>	<i>4 700 141</i>	<i>4 438 889</i>	<i>3 682 700</i>	<i>3 556 955</i>	<i>3 756 745</i>
- Repo transactions	13 993	31 296	128 000	18 727	157 898
- Other liabilities	466 321	449 472	571 867	579 368	375 063
- Accrued interest	68 674	54 533	50 559	61 338	53 225
Total	40 767 466	39 841 987	38 853 556	33 331 365	33 602 878

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

- Deposits	2 880 694	2 372 464	2 571 234	2 128 210	1 939 076
- <i>current accounts</i>	<i>1 695 323</i>	<i>1 264 072</i>	<i>2 028 882</i>	<i>909 977</i>	<i>852 461</i>
- <i>term deposit</i>	<i>1 185 371</i>	<i>1 108 392</i>	<i>542 352</i>	<i>1 218 233</i>	<i>1 086 615</i>
- Other liabilities	4 646	7 171	6 683	703	1 468
- Accrued interest	4 677	2 489	1 155	1 996	1 570
Total	2 890 017	2 382 124	2 579 072	2 130 909	1 942 114

Liabilities due to customers – TOTAL

- Deposits	46 686 160	44 045 358	42 900 590	37 544 457	37 838 592
- Repo transactions	205 646	666 449	853 974	1 991 726	2 389 958
- Other liabilities	623 928	540 689	693 909	651 955	487 490
- Accrued interest	75 323	59 301	53 364	65 278	58 530
Total	47 591 057	45 311 797	44 501 837	40 253 416	40 774 570

15 Provisions	as of 30 Jun 2008	as of 31 Mar 2008	stan na 31 Dec 2007	as of 30 Jun 2007	as of 31 Mar 2007
- provision for disputes	29 975	29 294	29 294	33 152	35 190
- provision for off-balance sheet liabilities	20 129	20 689	23 933	26 827	23 762
- provision for retirement benefits	11 839	11 839	11 839	10 899	10 899
- provision for unused holidays	7 439	7 439	7 441	12 148	12 148
Total	69 382	69 261	72 507	83 026	81 999

6. Quality of Credit Portfolio

In the first half of 2008, the quality of the credit portfolio of the Bank Capital Group further improved. At the end of June 2008, the value of impaired loans was PLN 365 million vis-à-vis PLN 587 million year-to-year. The share of the impaired portfolio fell from 3.84% in June 2007 to 1.79% in June 2008. The credit portfolio quality improved mostly as a result of:

- continued improvement of the effectiveness of the credit risk management process,
- better financial standing of borrowers,
- effective restructuring of the old portfolio of bad debts.

The table below presents the quality of the credit portfolio of ING Bank Śląski (PLN million).

PLN million	31.03.2008	31.03.2008	31.12.2007	30.06.2007
Exposure total	20 424	19 069	17 081	15 295
Provisions total	400	585	576	646
Total coverage ratio (%)	2.0%	3.1%	3.4%	4.2%
Corporate entities	14 700	14 003	12 434	11 408
- <i>unimpaired portfolio</i>	14 477	13 587	12 057	10 964
- <i>impaired portfolio</i>	223	416	377	444
Impairment	185	388	364	425
IBNR	77	68	81	80
Provisions for off-balance commitments	6	7	9	9
Impaired portfolio coverage (%)	82.8%	93.4%	96.7%	95.5%
Retail	5 724	5 066	4 647	3 887
- <i>unimpaired portfolio</i>	5 582	4 933	4 516	3 744
- <i>impaired portfolio</i>	142	133	131	143
Impairment	101	92	91	97
IBNR	16	15	16	18
Provisions for off-balance commitments	14	14	14	18
Impaired portfolio coverage (%)	71.5%	69.1%	69.0%	67.6%
Share of impaired loans in portfolio (%)	1.79%	2.88%	2.97%	3.84%

7. Off-balance sheet items

PLN million	30.06.2008	31.03.2008	31.12.2007	30.09.2007	30.06.2007
Contingent liabilities granted	12 528.2	11 788.0	12 833.9	13 043.3	10 643.4
Contingent liabilities received	14 061.1	13 067.8	14 092.9	12 202.7	10 245.5
Off-balance sheet financial instruments	241 695.3	242 268.5	207 320.2	178 185.1	178 103.9
Total off-balance sheet items	268 284.6	267 124.3	234 247.0	203 431.1	198 992.8

The decrease of the balance of contingent liabilities granted as at 30.06.2008 vis-à-vis 31.12.2007 by PLN 305.7 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 31.8 million resulted mostly from the decrease of the item of “deposits to be received in inter-bank transactions”.

On 17 June 2008, an annex to the credit agreement was signed with ING Commercial Finance Polska S.A. dated 8 September 2007 which increased the amount of the credit limit by PLN 200 million. The total credit limit rose to PLN 700 million.

8. Issues, Redemption or Repayments of Debt Securities and Equities

None.

9. 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 was paid on 2 June 2008.

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

In the period of 6 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 737,000 recognised under retained profits.

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	2Q2008	1Q2008	4Q2007	3Q2007	2Q2007
Status at the period beginning:	29.3	29.3	29.5	33.2	35.2
Establishment of provisions as costs	3.0	1.3	2.2	0.1	0.9
Release of provisions as income	-1.3	-0.3	-1.2	0.0	0.0
Utilisation of provision due to dispute loss or settlement	-1.0	-1.0	-1.3	-3.8	-2.9
Status as at the period end	30.0	29.3	29.3	29.5	33.2

Either in 2Q of 2008 or 2Q 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.

12. 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.

13. Significant Developments after the Closing of the Interim Period

Significant credit agreements

On 6 August 2008, the credit agreement of PLN 617 million was signed with Philip Morris Polska S.A. (indicated in the agreement as the Borrower), Philip Morris Polska Distribution Sp. z o.o. (indicated in the agreement as the Obligor) and Philip Morris Polska Tobacco sp. z o.o. (indicated in the agreement as the Obligor). The loan was disbursed as a guarantee line. The Borrower is not affiliated with ING Bank Śląski S.A.

On 6 August 2008, an annex was signed to the credit agreement dated 17 March 2005 with the company Europejski Fundusz Leasingowy S.A. to finance current operations. The credit facility totalled PLN 500 million. The Borrower is not affiliated with ING Bank Śląski S.A.

14. 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.

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 – 30.06.2008 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 6 months of 2008 amounted to PLN 21.3 million (net). Following the implementation of the agreement for provision of data processing and financial information analysis services, concluded by and between ING Bank Śląski S.A. and ING Bank NV, the fee for data processing and

financial information analysis services used by ING Bank Śląski amounted to PLN 5.6 million (net).

- ING Services Polska provides services to ING Bank Śląski with regard to lease of hardware resources. The costs of service were PLN 10.7 million (gross).
- ING Bank Śląski made a transaction with ING Lease due to sublease of functional rooms totalling PLN 7.2 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 7.8 million in 6 months of 2008 (gross).

Transactions with related entities (in PLN thousands):

30.06.2008

	Parent company	Other ING Group entities	Subsidiary undertakings	Associated undertakings
Receivables				
Deposits	7 216 420	951 350	-	-
Loans	-	1 309 071	150 228	-
Securities	-	-	50 365	-
Other receivables	16 539	15 126	41	-
Liabilities				
Deposits	3 706 885	218 965	223 106	17 822
Other liabilities	1 711	847	3 084	-
Off-balance-sheet operations				
Guarantees granted	-	934	100	-
Credit lines granted	-	689 518	250 158	-
Guarantees received	3 143 434	-	-	-
FX transactions	16 727 226	5 963 555	-	-
Forward transactions	627 931	833 439	-	-
IRS/CIRS	29 819 681	1 524 981	-	-
FRA	491 624	130 009	-	-
Options	1 248 911	1 852 694	-	-
Revenue and costs				
Revenue	199 167	61 859	4 888	114
Costs	29 340	25 202	7 353	2 115

30.06.2007

	Parent company	Other ING Group entities	Subsidiary undertakings	Associated undertakings
Receivables				
Deposits	1 735 047	386 759	-	-
Loans	-	1 070 055	346 047	-
Securities	-	-	30 260	-
Other receivables	208 520	500	2 706	-
Liabilities				
Deposits	1 528 094	233 138	284 102	17 141
Other liabilities	116 465	6 624	17	-
Off-balance-sheet operations				
Guarantees granted	304 493	202 381	-	-
Credit lines granted	-	53 759	217 967	-
Guarantees received	3 436 556	-	-	-

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FX transactions	20 084 213	1 456 868	-	-
Forward transactions	276 575	1 569 467	-	-
IRS/CIRS	26 762 366	101 889	-	-
FRA	360 987	-	-	-
Options	1 019 080	631 567	-	-
Revenue and costs				
Revenue	81 302	19 427	9 249	108
Costs	31 200	17 951	16 201	3 014

15. Segmentation of Revenue and Financial Results of the Group

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

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PLN thousand	30.06.2008					30.06.2007						
	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	637 749	425 547	100 766	41 919		1 205 981	615 955	365 224	35 808	42 235		1 059 222
Core business	623 518	412 142	93 302	77 020		1 205 981	606 460	356 395	30 938	65 428		1 059 222
Income on lending	124 714	109 106				233 820	114 240	102 465				216 705
<i>Interest income external</i>	<i>233 059</i>	<i>446 160</i>					<i>153 811</i>	<i>281 388</i>				
<i>Interest cost internal</i>	<i>-141 912</i>	<i>-374 121</i>					<i>-71 750</i>	<i>-224 694</i>				
<i>Income on fees/ other income</i>	<i>33 567</i>	<i>37 067</i>					<i>32 179</i>	<i>45 771</i>				
Income on deposits	328 416	151 882				480 298	313 551	131 192				444 743
<i>Interest costs external</i>	<i>-533 745</i>	<i>-224 851</i>					<i>-321 960</i>	<i>-125 390</i>				
<i>Interest income internal</i>	<i>722 792</i>	<i>323 182</i>					<i>514 768</i>	<i>201 177</i>				
<i>Income on fees/ other income</i>	<i>139 370</i>	<i>53 551</i>					<i>120 744</i>	<i>55 405</i>				
Income on mutual funds	59 612					59 612	96 808					96 808
Income on brokerage and custody	15 738	33 821				49 558	25 763	47 621				73 383
Other income on core business	9 210	-1 152	271 784	77 020		356 862	-1 742	-690	141 287	65 428		204 282
FM products sales	59 997	118 485	-178 482			0	34 540	75 808	-110 348			0
Income on Pension Funds shares	25 830					25 830	23 300					23 300
Share in profits (losses) of minority shareholders				0		0				0		0
Result on economic capital	14 231	13 405	7 465	-35 101		0	9 495	8 828	4 870	-23 193		0
Expenses total	478 414	240 768	28 887	2 530	4 621	755 220	431 115	216 767	30 721	-2 962	3 321	678 963
Operational costs	478 414	240 768	28 887	2 530	4 621	755 220	431 115	216 767	30 721	-2 962	3 321	678 963
<i>including depreciation</i>	<i>52 824</i>	<i>10 921</i>	<i>3 214</i>			<i>66 959</i>	<i>55 822</i>	<i>11 541</i>	<i>3 396</i>			<i>70 759</i>
Result before risk	159 335	184 779	71 880	39 389	-4 621	450 761	184 840	148 456	5 087	45 197	-3 321	380 259
Risk cost	-11 842	-46 315	0	0		-58 157	-15 265	-17 731	0	0		-32 996
Result before tax	171 177	231 093	71 880	39 389	-4 621	508 918	200 105	166 187	5 087	45 197	-3 321	413 255
CIT						101 449						72 969
Result after tax						407 469						340 286
- assigned to shareholders of the holding company						407 470						335 187
- assigned to minority shareholders						-1						5 099

16. Selected Financial Data from Financial Statements

	<i>PLN thousand</i>		<i>EUR thousand</i>	
	<i>2Q 2008 period from 01.01.2008 to 30.06.2008</i>	<i>2Q 2007 period from 01.01.2007 to 30.06.2007</i>	<i>2Q 2008 period from 01.01.2008 to 30.06.2008</i>	<i>2Q 2007 period from 01.01.2007 to 30.06.2007</i>
Interest income	1 557 184	1 178 222	447 775	306 143
Commission income	492 063	505 952	141 495	131 464
Result on basic activities	1 180 151	1 035 922	339 358	269 169
Result before tax	508 918	413 255	146 342	107 378
Net result of shareholders of the holding company	407 470	335 187	117 170	87 093
Net result of minority shareholders	-1	5 099	0	1 325
Net cash flows	-2 224 369	-3 177 371	-639 628	-825 591
Earnings per ordinary share (PLN / EUR)	31.32	25.76	9.01	6.69

	<i>PLN thousand</i>		<i>EUR thousand</i>	
	<i>2 quarters 2008 as at 30.06.2008</i>	<i>2 quarters 2007 as at 30.06.2007</i>	<i>2 quarters 2008 as at 30.06.2008</i>	<i>2 quarters 2007 as at 30.06.2007</i>
Total assets	60 527 056	53 203 078	18 045 154	14 127 962
Equity of the holding company	3 977 626	3 621 892	1 185 864	961 786
Share capital	130 100	130 100	38 787	34 548
Numer of shares	13 010 000	13 010 000	-	-
Book value per share (PLN / EUR)	305.74	278.39	91.15	73.93
Solvency ratio (%)	11.22%	13.41%	-	-

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

- for balance-sheet items – PLN 3.3542 NBP exchange rate of 30.06.2008; 3.7658 NBP exchange rate of 30.06.2007,
- for income statement items for 30.06.2008 – PLN 3.4776 exchange rate calculated as the average of NBP exchange rates as at the last day of each month in 1Q and 2Q 2008; 3.8486 exchange rate calculated as the average of NBP exchange rates as at the last day of each month in 1Q and 2Q 2007.

VI. Standalone Financial Statement of the Bank

PROFIT AND LOSS ACCOUNT (PLN '000)	II quarter 2008 the period from 01 Apr 2008 to 30 Jun 2008	2 quarters 2008 the period from 01 Jan 2008 to 30 Jun 2008	II quarter 2007 the period from 01 Apr 2007 to 30 Jun 2007	2 quarters 2007 the period from 01 Jan 2007 to 30 Jun 2007
<i>Interest income</i>	823 926	1 551 006	598 471	1 181 413
<i>Interest expenses</i>	543 337	1 013 855	341 775	664 333
Net interest income	280 589	537 151	256 696	517 080
<i>Commission income</i>	233 440	448 173	224 837	437 506
<i>Commission expenses</i>	31 179	59 032	19 332	36 489
Net commission income	202 261	389 141	205 505	401 017
Net income on investment financial assets	129 806	128 358	97 614	114 560
Net income on instruments measured at fair value through profit and loss and revaluation	88 591	182 590	2 196	15 308
Other operating income and expenses	-17 631	-12 369	5 135	7 917
Result on basic activities	683 616	1 224 871	567 146	1 055 882
General and administrative expenses	373 034	725 276	335 642	662 822
Other expenses	3 309	5 377	632	1 418
Impairment losses and provisions for off-balance sheet liabilities	-58 598	-58 555	-26 661	-33 482
Profit (loss) before tax	365 871	552 773	257 533	425 124
Income tax	57 916	95 340	29 387	65 502
Net result for the current year	307 955	457 433	228 146	359 622
Net profit (loss)		457 433		359 622
Weighted average number of ordinary shares		13 010 000		13 010 000
Earnings per ordinary share (PLN)		35,16		27,64
Diluted weighted average number of ordinary shares		13 010 000		13 010 000
Diluted earnings per ordinary share (PLN)		35,16		27,64

*Interim consolidated financial statements
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BALANCE SHEET (PLN '000)	2 quarters 2008 as of 30 Jun 2008	1 quarter 2008 as of 31 Mar 2008	end of year 2007 stan na 31 Dec 2007	2 quarters 2007 as of 30 Jun 2007	1 quarter 2007 as of 31 Mar 2007
ASSETS					
- Cash in hand and balances with the Central Bank	1 622 834	1 661 279	1 841 720	2 608 856	1 807 568
- Loans and receivables to other banks	9 097 930	14 166 193	15 238 778	18 044 598	16 760 017
- Financial assets measured at fair value through profit and loss	11 158 062	11 215 606	7 869 034	6 998 735	11 105 699
- Investments	17 051 441	13 983 507	9 418 393	9 623 837	12 031 803
- <i>available-for-sale</i>	10 866 403	10 209 854	8 577 617	9 623 837	12 031 803
- <i>held-to-maturity</i>	6 185 038	3 773 653	840 776	0	0
- Derivative hedge instruments	75 992	3 623	4 572	935	0
- Loans and receivables to customers	20 053 851	17 699 255	16 049 702	14 636 720	13 834 653
- Investments in controlled entities	210 569	210 569	210 569	140 410	126 910
- Investment real estates	135 845	145 824	144 713	0	0
- Property, plant and equipment	518 148	524 998	521 243	387 117	398 610
- Intangible assets	309 648	314 530	317 801	318 301	324 826
- Property, plant and equipment held for sale	266	269	241	254	224
- Current tax asset	0	9 747	25 256	0	0
- Deferred tax asset	84 605	34 949	45 001	93 477	16 111
- Other assets	129 454	122 973	139 403	154 642	127 231
Total assets	60 448 645	60 093 322	51 826 426	53 007 882	56 533 652
EQUITY AND LIABILITIES					
LIABILITIES					
- Liabilities due to other banks	6 083 870	5 200 663	1 812 283	3 841 456	5 876 725
- Financial liabilities measured at fair value through profit and loss	1 637 628	4 565 585	1 214 981	4 344 388	5 112 355
- Derivative hedge instruments	24 515	10 079	0	0	0
- Liabilities due to customers	47 646 143	45 437 337	44 502 189	40 244 236	40 903 716
- Provisions	67 782	67 661	70 904	81 715	80 688
- Current income tax liabilities	53 001	0	0	49 621	65 275
- Other liabilities	1 070 773	991 805	556 615	941 509	768 143
Total liabilities	56 583 712	56 273 130	48 156 972	49 502 925	52 806 902
EQUITY					
- Share capital	130 100	130 100	130 100	130 100	130 100
- Supplementary capital - issuance of shares over nominal value	993 750	993 750	993 750	993 750	993 750
- Revaluation reserve from measurement of available-for-sale financial assets	-239 056	-143 892	-149 591	-65 115	22 130
- Revaluation reserve from measurement of property, plant and equipment	36 615	36 977	37 154	40 225	40 458
- Revaluation reserve from measurement of cash flow hedging instruments	-20 157	-3 927	0	0	0
- Retained earnings	2 963 681	2 807 184	2 658 041	2 405 997	2 540 312
Total equity	3 864 933	3 820 192	3 669 454	3 504 957	3 726 750
Total equity and liabilities	60 448 645	60 093 322	51 826 426	53 007 882	56 533 652
Solvency ratio	10,33%	10,25%	12,03%	12,55%	13,18%
Book value	3 864 933	3 820 192	3 669 454	3 504 957	3 726 750
Number of shares	13 010 000	13 010 000	13 010 000	13 010 000	13 010 000
Book value per share (PLN)	297,07	293,64	282,05	269,40	286,45

*Interim consolidated financial statements
of the ING Bank Śląski S.A. Group for the II quarter 2008*

STATEMENT OF CHANGES IN EQUITY (PLN '000)

2 quarters 2008
the period from 01 Jan 2008 to 30 Jun 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	-	-	-132 730	-	-	-	-132 730
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	43 265	-	-	-	43 265
- disposal of property, plant and equipment	-	-	-	-539	-	424	-115
- effective part of cash flow hedging instruments revaluation	-	-	-	-	-20 157	-	-20 157
- dividends paid	-	-	-	-	-	-152 217	-152 217
- net result for the current period	-	-	-	-	-	457 433	457 433
Closing balance of equity	130 100	993 750	-239 056	36 615	-20 157	2 963 681	3 864 933

end of year 2007
the period from 01 Jan 2007 to 31 Dec 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	-	-	-174 090	-	-	-	-174 090
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-18 331	-	-	-	-18 331
- disposal of property, plant and equipment	-	-	-	-258	-	2 031	1 773
- remeasurement of property, plant and equipment	-	-	-	-3 046	-	-	-3 046
- dividends paid	-	-	-	-	-	-362 979	-362 979
- net result for the current period	-	-	-	-	-	610 153	610 153
Closing balance of equity	130 100	993 750	-149 591	37 154	0	2 658 041	3 669 454

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

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	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	-	-	-90 084	-	-	-	-90 084
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-17 861	-	-	-	-17 861
- disposal of property, plant and equipment	-	-	-	-233	-	518	285
- dividends paid	-	-	-	-	-	-362 979	-362 979
- net result for the current period	-	-	-	-	-	359 622	359 622
Closing balance of equity	130 100	993 750	-65 115	40 225	0	2 405 997	3 504 957

*Interim consolidated financial statements
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CASH FLOW STATEMENT (PLN '000)	2 quarters 2008 the period from 01 Jan 2008 to 30 Jun 2008	2 quarter 2007 the period from 01 Jan 2007 to 30 Jun 2007
OPERATING ACTIVITIES		
Net profit (loss)	457 433	359 622
Adjustments	-2 528 477	-3 229 210
- Unrealised exchange gains (losses)	0	-159
- Depreciation and amortisation	65 923	68 649
- Interest accrued (from the profit and loss account)	537 151	517 080
- Interest received/paid	-494 613	-605 078
- Dividends received	-105 243	-93 086
- Gains (losses) on investment activities	-60	291
- Income tax (from the profit and loss account)	95 340	65 502
- Income tax paid	-56 687	-144 964
- Change in provisions	-3 122	-7 118
- Change in loans and other receivables to other banks	4 166 967	-9 226 375
- Change in financial assets at fair value through profit or loss	-3 296 639	63 067
- Change in available-for-sale financial assets	-2 414 722	3 031 799
- Change in held-to-maturity financial assets	-5 404 954	0
- Change in derivative hedge instruments	-67 062	-935
- Change in loans and other receivables to customers	-4 012 523	-1 655 458
- Change in other assets	29 654	-57 567
- Change in liabilities due to other banks	4 283 835	1 746 040
- Change in liabilities at fair value through profit or loss	422 647	1 223 868
- Change in liabilities due to customers	3 211 473	1 650 668
- Change in other liabilities	514 158	194 566
Net cash flow from operating activities	-2 071 044	-2 869 588
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-47 386	-24 044
- Purchase of property plant and equipment in investment property	-923	0
- Disposal of property, plant and equipment	176	128
- Purchase of intangible assets	-17 610	-26 720
- Purchase of investments in subordinated entities	0	-13 500
- Disposal of fixed assets held for sale	151	1 644
- Dividends received	105 243	93 086
Net cash flow from investment activities	39 651	30 594
FINANCIAL ACTIVITIES		
- Long-term loans repaid	0	-19 140
- Interest on long-term loans repaid	0	-1 921
- Dividends paid	-152 217	-362 979
Net cash flow from financial activities	-152 217	-384 040
<i>Effect of exchange rate changes on cash and cash equivalents</i>	-57 677	46 211
Net increase/decrease in cash and cash equivalents	-2 183 610	-3 223 034
Opening balance of cash and cash equivalents	4 837 716	8 174 524
Closing balance of cash and cash equivalents	2 654 106	4 951 490