ING Bank Śląski S.A.

2009

Interim Consolidated Financial Statements of the ING Bank Śląski S.A. Group for the I quarter 2009

ING

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I. Consolidated Financial Statement

CONSOLIDATED PROFIT AND LOSS ACCOUNT *(PLN '000)*

	I quarter 2009 the period from 01 Jan 2009 to 31 Mar 2009	**I quarter 2008** the period from 01 Jan 2008 to 31 Mar 2008
Interest income	*859 302*	*730 004*
Interest expenses	*-549 766*	*-467 058*
Net interest income	**309 536**	**262 946**
Commission income	*225 994*	*229 671*
Commission expenses	*-22 100*	*-23 004*
Net commission income	**203 894**	**206 667**
Net income on investment financial assets	-4 834	222
Net income on instruments measured at fair value through profit and loss and revaluation	41 042	93 533
Other operating income and expenses	7 951	6 496
Result on basic activities	**557 589**	**569 864**
General and administrative expenses	-361 659	-364 422
Result on other operating income and expenses	-1 037	-2 085
Impairment losses and provisions for off-balance sheet liabilities	-102 079	-699
Share in net profit (loss) of associated entities recognised under the equity method	10 100	11 616
Profit (loss) before tax	**102 914**	**214 274**
Income tax	-22 119	-40 588
Net profit (loss)	**80 795**	**173 686**
- assigned to shareholders of the holding company	**80 821**	**173 683**
- assigned to minority shareholders	-26	3

Net profit (loss) assigned to shareholders of the holding company	**13 010 000**	**13 010 000**
Weighted average number of ordinary shares	**80 821**	**173 683**
Earnings per ordinary share (PLN)	**6,21**	**13,35**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(PLN '000)*

	I quarter 2009 the period from 01 Jan 2009 to 31 Mar 2009	**I quarter 2008** the period from 01 Jan 2008 to 31 Mar 2008
Net result for the period	**80 795**	**173 686**
Gains/losses on remeasurement of available-for-sale financial assets charged to equity	-114 530	4 406
Reclassified to the financial result as a result of sale of available-for-sale financial assets	93 127	1 293
Adjustment of valuation of securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	3 211	0
Disposal of property, plant and equipment	0	-512
Effective part of cash flow hedging instruments revaluation	-3 865	-3 927
Restoration of the supplementary capital due to suspension of the subsidiary company liquidation	88	0
Other comprehensive income (loss)	**-21 969**	**1 260**
Total comprehensive income for the period	**58 826**	**174 946**

Total comprehensive assigned to shareholders of the holding company		
- assigned to shareholders of the holding company	58 852	174 943
- assigned to minority shareholders	-26	3
Total comprehensive income for the period	**58 826**	**174 946**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(PLN '000)*

	Note	I quarter 2009 as of 31 Mar 2009	end of year 2008 as of 31 Dec 2008	I quarter 2008 as of 31 Mar 2008	end of year 2007 as of 31 Dec 2007
A S S E T S					
- Cash in hand and balances with the Central Bank		1 584 276	1 369 795	1 661 283	1 841 725
- Loans and receivables to other banks	7	2 947 506	7 787 225	14 080 613	15 183 665
- Financial assets measured at fair value through profit and loss	8	11 977 410	10 548 819	9 177 180	6 256 538
- Valuation of derivatives		5 167 421	4 579 765	2 061 512	1 651 026
- Investments	9	15 901 934	18 050 922	13 933 364	9 388 273
- available-for-sale		*8 517 474*	*10 739 090*	*10 159 711*	*8 547 497*
- held-to-maturity		*7 384 460*	*7 311 832*	*3 773 653*	*840 776*
- Derivative hedge instruments		212 434	197 003	3 623	4 572
- Loans and receivables to customers	10	29 040 309	25 742 839	18 039 918	16 379 138
- Investments in controlled entities		117 449	107 261	108 942	97 326
- Investment real estates		151 458	151 458	145 824	144 713
- Property, plant and equipment	11	548 566	544 163	536 359	532 938
- Intangible assets		313 476	316 187	315 760	318 825
- Property, plant and equipment held for sale		223	248	269	241
- Current tax asset		18 677	142	9 749	25 256
- Deferred tax asset		36 824	48 651	37 825	49 292
- Other assets		187 862	165 997	122 160	137 332
T o t a l a s s e t s		**68 205 825**	**69 610 475**	**60 234 381**	**52 010 860**
E Q U I T Y A N D L I A B I L I T I E S					
LIABILITIES					
- Liabilities due to the Central Bank		4 020 074	5 932 116	0	0
- Liabilities due to other banks	12	8 194 737	6 060 868	5 259 628	1 810 195
- Financial liabilities measured at fair value through profit and loss	13	335 980	825 060	3 313 078	157 687
- Valuation of derivatives		3 242 105	4 321 638	1 252 507	1 057 294
- Derivative hedge instruments		610 905	420 047	10 079	0
- Liabilities due to customers	14	46 461 782	47 066 918	45 311 797	44 501 837
- Provisions	15	57 274	50 579	69 261	72 507
- Current income tax liabilities		0	39 148	171	126
- Other liabilities		999 713	669 672	1 002 412	570 712
T o t a l l i a b i l i t i e s		**63 922 570**	**65 386 046**	**56 218 933**	**48 170 358**
EQUITY					
- Share capital		130 100	130 100	130 100	130 100
- Supplementary capital - issuance of shares over nominal value		956 250	956 250	956 250	956 250
- Revaluation reserve from measurement of available-for-sale financial assets		-119 173	-100 981	-143 892	-149 591
- Revaluation reserve from measurement of property, plant and equipment		52 864	52 864	57 821	57 998
- Revaluation reserve from measurement of cash flow hedging instruments		41 716	45 581	-3 927	0
- Retained earnings		3 219 225	3 138 316	3 017 374	2 844 026
Equity assigned to shareholders of the holding company		**4 280 982**	**4 222 130**	**4 013 726**	**3 838 783**
- Minority equity		**2 273**	**2 299**	**1 722**	**1 719**
T o t a l e q u i t y		**4 283 255**	**4 224 429**	**4 015 448**	**3 840 502**
T o t a l e q u i t y a n d l i a b i l i t i e s		**68 205 825**	**69 610 475**	**60 234 381**	**52 010 860**
Solvency ratio		**10,10%**	**10,39%**	**11,02%**	**13,12%**
Book value		**4 280 982**	**4 222 130**	**4 013 726**	**3 838 783**
Number of shares		**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**
Book value per share (PLN)		**329,05**	**324,53**	**308,51**	**295,06**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(PLN '000)*

I quarter 2009
the period from 01 Jan 2009 to 31 Mar 2009

	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**	**956 250**	**-100 981**	**52 864**	**45 581**	**3 138 316**	**2 299**	**4 224 429**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-114 530	-	-	-	-	**-114 530**
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	93 127	-	-	-	-	**93 127**
- adjustment of valuation of securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	3 211	-	-	-	-	**3 211**
- effective part of cash flow hedging instruments revaluation	-	-	-	-	-3 865	-	-	**-3 865**
- restoration of the supplementary capital due to suspension of the subsidiary company liquidation	-	-	-	-	-	88	-	**88**
Profit (loss) recognized in equity	**0**	**0**	**-18 192**	**0**	**-3 865**	**88**	**0**	**-21 969**
Net result for the current period	**-**	**-**	**-**	**-**	**-**	**80 795**	**-**	**80 795**
Share of minority shareholders in the net financial result	**-**	**-**	**-**	**-**	**-**	**26**	**-26**	**0**
Closing balance of equity	**130 100**	**956 250**	**-119 173**	**52 864**	**41 716**	**3 219 225**	**2 273**	**4 283 255**

4 quarters 2008
the period from 01 Jan 2008 to 31 Dec 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**	**956 250**	**-149 591**	**57 998**	**0**	**2 844 026**	**1 719**	**3 840 502**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	240 366	-	-	-	-	**240 366**
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-192 191	-	-	-	-	**-192 191**
- adjustment of valuation of securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	435	-	-	-	-	**435**
- disposal of property, plant and equipment	-	-	-	-569	-	1 094	-	**525**
- remeasurement of property, plant and equipment	-	-	-	-4 565	-	-	575	**-3 990**
- effective part of cash flow hedging instruments revaluation	-	-	-	-	45 581	-	-	**45 581**
Profit (loss) recognized in equity	**0**	**0**	**48 610**	**-5 134**	**45 581**	**1 094**	**575**	**90 726**
Dividends paid	-	-	-	-	-	**-152 217**	-	**-152 217**
Net result for the current period	**-**	**-**	**-**	**-**	**-**	**445 418**	**-**	**445 418**
Share of minority shareholders in the net financial result	**-**	**-**	**-**	**-**	**-**	**-5**	**5**	**0**
Closing balance of equity	**130 100**	**956 250**	**-100 981**	**52 864**	**45 581**	**3 138 316**	**2 299**	**4 224 429**

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

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Retained earnings	Minority equity	Total equity
Opening balance of equity	**130 100**	**956 250**	**-149 591**	**57 998**	**0**	**2 844 026**	**1 719**	**3 840 502**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	4 406	-	-	-	-	**4 406**
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	1 293	-	-	-	-	**1 293**
- disposal of property, plant and equipment	-	-	-	-177	-	-335	-	**-512**
- effective part of cash flow hedging instruments revaluation	-	-	-	-	-3 927	-	-	**-3 927**
Profit (loss) recognized in equity	**0**	**0**	**5 699**	**-177**	**-3 927**	**-335**	**0**	**1 260**
Net result for the current period	**-**	**-**	**-**	**-**	**-**	**173 686**	**-**	**173 686**
Share of minority shareholders in the net financial result	**-**	**-**	**-**	**-**	**-**	**-3**	**3**	**0**
Closing balance of equity	**130 100**	**956 250**	**-143 892**	**57 821**	**-3 927**	**3 017 374**	**1 722**	**4 015 448**

CONSOLIDATED CASH FLOW STATEMENT *(PLN '000)*

	I quarter 2009 the period from 01 Jan 2009 to 31 Mar 2009	**I quarter 2008** the period from 01 Jan 2008 to 31 Mar 2008
OPERATING ACTIVITIES		
Net profit (loss)	**80 821**	**173 683**
Adjustments	**-1 828 622**	**-806 718**
- Minority shareholders' profit (loss)	-26	3
- Share in net profit (loss) of associated entities	-10 100	-11 616
- Depreciation and amortisation	30 975	33 346
- Interest accrued (from the profit and loss account)	309 536	262 946
- Interest paid	535 448	460 904
- Interest received	-910 505	-705 747
- Dividends received	-7	-28
- Gains (losses) on investment activities	-15	-1 101
- Income tax (from the profit and loss account)	22 119	40 588
- Income tax paid	-67 975	-13 569
- Change in provisions	6 695	-3 246
- Change in loans and other receivables to other banks	2 840 316	603 017
- Change in financial assets at fair value through profit or loss	-1 311 457	-2 877 138
- Change in available-for-sale financial assets	2 197 163	-1 635 192
- Change in held-to-maturity financial assets	-128 996	-2 952 665
- Change in valuation of derivatives	-1 667 189	-215 273
- Change in derivative hedge instruments	171 562	7 101
- Change in loans and other receivables to customers	-3 297 227	-1 667 623
- Change in other assets	-20 909	15 937
- Change in liabilities due to other banks	222 085	3 447 729
- Change in liabilities at fair value through profit or loss	-489 080	3 155 391
- Change in liabilities due to customers	-591 076	817 818
- Change in other liabilities	330 041	431 700
Net cash flow from operating activities	**-1 747 801**	**-633 035**
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-23 802	-25 747
- Disposal of property, plant and equipment	51	1 142
- Purchase of intangible assets	-9 857	-10 556
- Purchase of intangible assets	25	144
- Dividends received	7	28
Net cash flow from investment activities	**-33 576**	**-34 989**
FINANCIAL ACTIVITIES		
- Dividends paid	0	0
Net cash flow from financial activities	**0**	**0**
Effect of exchange rate changes on cash and cash equivalents	***9 563***	***-762 610***
Net increase/decrease in cash and cash equivalents	**-1 781 377**	**-668 024**
Opening balance of cash and cash equivalents	**4 133 362**	**4 872 755**
Closing balance of cash and cash equivalents	**2 351 985**	**4 204 731**

II. The most important achievements of the Capital Group of ING Bank Śląski in Q1/2009

Acquisition of new clients:

- Nearly 1.3 million users of ING BankOnLine system – up by 100 thousand in Q1/ 2009,
- Growth in the number of Internet Direct Accounts to 193 thousand at the end of Q1/2009 ,
- Growth in the number of personal accounts to 1,356 thousand at the end of Q1/2009.

Increase of volume of the retail clients' deposits:

- Increase of value of the retail clients' deposits up to the level of PLN 33,475.1 million (increase by PLN 957.6 million, or by 2.9% from December 2008, and by PLN 3,967.6 million, or by 13.4% YoY).

Intensification of lending products' sales:

- Increase in the value of loans for retail clients to the level of PLN 7,952.2 million (increase by PLN 728.2 million, i.e. 10.1% in comparison to December 2008 and by PLN 2,958.6 million, i.e. 59.2% per annum),
- Increase in the value of mortgage loans to the level of PLN 5,020.9 million (increase by PLN 532.9 million, i.e. 11.9% in comparison to December 2008 and by PLN 2,199.5 million, i.e. 78.0% per annum),
- Increase in the value of loans for corporate clients to the level of PLN 17,715.8 million, (increase by PLN 583.1 million, i.e. 3.4% in comparison to December 2008 and by PLN 3,751.9 million, i.e. by 26.9% per annum).

Product offer development:

- Introduction of the touch-and-go debit cards to the offer,
- New proposals as regards term savings deposits for the holders of Open Savings Account (eLokata 4M and Extra Premia 5),

- Changes in the deposit offer addressed to the wholesale clients.

Maintaining high quality of customer service:

- Implementation of other Front-End application modules (a system supporting product sales and customer service),
- New approach to segmentation in PB,
- Changes in the management model as regards service of Small Business clients,
- Pilot of the new approach to the sale in the Corporate Network (Working Capital Management project).

Results of the Group of ING Bank Śląski

	IQ 2009 *PLN million*	**IQ 2008** *PLN million*	**Change IQ 2009 / IQ 2008**
Total operating income*	567.7	581.5	-2.4%
Total costs	362.7	366.5	-1.0%
Result before risk cost	205.0	215.0	-4.6%
Risk costs	-102.1	-0.7	x
Result before tax	102.9	214.3	-52.0%
Net profit**	80.8	173.7	-53.5%
Earnings per ordinary share (PLN)	6.2	13.4	-53.5%
Profitability ratio (%)	9.7	24.7	-15.0 b.p.
Return on assets (%)	0.5	1.3	-0.8 b.p.
Return on equity (%)	8.5	20.0	-11.5 b.p.
Cost/Income ratio (%)	63.9	63.0	0.9 b.p.
Solvency ratio (%)	10.10	11.02	-0.92 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 tor Income ratio (C/I) – total costs to income from operating activity per type.
Solvency ratio – equity to risk weighted assets and off-balance sheet liabilities.

The most significant business achievements

	31.03.2009 *PLN millon*	31.12.2008 *PLN millon*	31.03.2008 *PLN million*	Change 31.03.2009/ 31.12.2008	Change 31.03.2009/ 31.03.2008
Banking deposits of retail segment*	33 475,1	32 517,5	29 507,5	2,9%	13,4%
TFI assets distributed by ING Bank Śląski	2 353,2	2 609,0	5 485,7	-9,8%	-57,1%
Mortgage loans volumes**	5 020,9	4 488,0	2 821,4	11,9%	78,0%
Total volume of loans to retail clients	7 952,2	7 224,0	4 993,6	10,1%	59,2%
Total wholesale clients deposits*	13 375,0	14 922,1	15 264,0	-10,4%	-12,4%
Total volume of loans to wholesale clients	17 715,8	17 132,7	13 963,9	3,4%	26,9%

* excluding TFI assets
** excluding ING Mortgage Bank

Awards

- March 2009, title of "Ecologically Friendly Company" awarded by the European Ecologic Responsibility Forum,
- March 2009, "Leopards 2007" Bankers' award for the most admired banking brand creation,
- February 2009, 3rd place in the "Best Stock Exchange Listed Company" (Puls Biznesu daily),
- February 2009, 1st place in the "Investment Banks and Advisors" Category in the 14th edition of the Book of Lists,
- February 2009, "Róża bez Kolców" – 1st place in the Best Banks' ranking granted by the biggest enterprises in Poland (Home & Market magazine),
- January 2009, St. Brother Albert's medal granted to ING for Children Foundation for 2008 for supporting activities for disabled persons,
- January 2009, TOP RATED Status granted by the GLOBAL CUSTODIAN (prestigious and influential American Publishing House) to ING Bank Śląski for custody operations run in Poland in 2008.

III. Financial results

Operating income

	IQ 2009 *PLN million*	IQ 2008 *PLN million*	IQ 2009 / IQ 2008	
			mln zł	%
Interest income *	354.8	293.2	61.6	21.0%
Commission oncome	203.9	206.7	-2.8	-1.3%
Other income *	9.0	81.6	-72.6	-89.0%
Total operating income**	**567.7**	**581.5**	**-13.8**	**-2.4%**

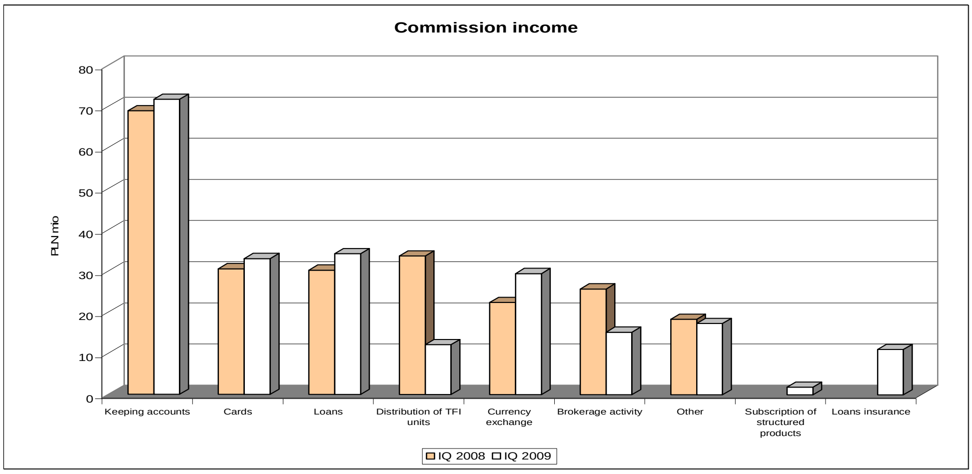
*/ Interest income includes swap points. which in financial statements are presented in position “Result on financial instruments carried through profit and loss and revaluation”.
**/ The category *Income from operating activity* covers the result on core activity plus the share in net profits of affiliated entities.

The operating income generated by the Capital Group of ING Bank Śląski S.A. as at the end of March 2009 totalled PLN 567.7 million, down by PLN 13.8 million or 2.4% from the analogical period a year earlier.

As at the end of March 2009. the interest income amounted to PLN 354.8 million and it was higher by PLN 61.6 million. or by 21.0% compared to the same period last year. Increase of the interest resulted from intensification of the sales activities. which was reflected in the increase of the volumes generating interest income.

As at the end of March 2009. the fees and commissions income amounted to PLN 203.9 million, which shows the decrease by PLN 2.8 million. or by 1.3% compared to the same period last year. The observed drop resulted mostly from lower commission income related to the distribution of the TFI participation units. and commission income related to brokerage activities (total drop amounted to PLN 29.5 million). The said decrease was partly compensated by higher by PLN 11.1 million commissions related to credit insurance. higher by PLN 7.1 million transactional spread on the sale of foreign currencies. and higher by PLN 2.5 million commission related to payment cards.

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



As at the end of March 2009. other income amounted to PLN 9.0 million and it was lower by PLN 72.6 million PLN. or by 89.0% compared to the same period last year. This drop was a result of valuation of FX Options concluded with clients for the amount of PLN 68.0 million.

In Q1 2009, the Bank sold Eurobonds classified as at 31.12.2008 to the FVO portfolio. The sales transaction was effected with an independent contractor at market prices. The face value of the Eurobonds sold amounted to EUR 417 million. Subsequently, the Bank bought back the Eurobonds from the independent contractor at market prices. Following the buyback, these instruments were classified to the loans and receivables portfolio, and at the same time there was a hedge link established with IRS instruments held by the Bank in FVH strategy. As a result of the Eurobonds' sales and buyback transactions, the Bank realised negative valuation in the amount of PLN 20.3 million.

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

	IQ 2009 *PLN million*	**IQ 2008** *PLN million*	**IQ 2009 / IQ 2008**	
			mln zł	%
Retail banking	265.9	278.9	-13.0	-4.7%
Corporate banking	121.5	209.4	-87.9	-42.0%
Own operations	180.2	93.2	87.1	93.3%
Total operating income	**567.7**	**581.5**	**-13.8**	**-2.4%**

The structure of operating income was dominated by the income generated by the retail banking segment. Its value as at the end of March 2009 was PLN 265.9 million versus PLN 278.9 million year-to-year. The results recorded in the aforesaid term by retail banking represented the sum of:

- lowering of income on deposit. lending and settlement activities by PLN 27.4 million. or by 11.1% from Q1 2008 (decrease in interest income was partially compensated for by the higher commission income from sales of credit insurance and higher transaction spread on currency sales),
- increase of income on the sale of products of the Financial Markets Division by PLN 16.4 million. or by 77.2% from Q1 2008.

The income in the wholesale banking area at the end of March 2009 was PLN 121.5 million. down by PLN 87.9 million or 42.0% year-to-year. The growth of income resulted mostly from:

- drop of income generated on transactions on capital markets and on the sale of products of the Financial Markets Division (total decrease of income amounted to PLN 84.0 million. of which PLN 68.0 million resulted from the measurement of FX Options instruments concluded with the Bank clients).
- lowering of income on deposit. lending and settlement activities by PLN 3.9 million. or by 3.0%.

The income from the Group's proprietary operations after 3 months of 2009 amounted to PLN 180.2 million. an increase by PLN 87.1 million or 93.3% year-to-year which was caused by:

- good results on proprietary trading activities; income on the said activities increased by PLN 69.8 million. or by 181.5%.
- increase of income generated in ALCO area by PLN 17.3 million. or by 31.6%[1].

Costs

	IQ 2009 *PLN million*	**IQ 2008** *PLN million*	**IQ 2009 / IQ 2008**	
			PLN million	%
Personnel costs	153.1	181.3	-28.2	-15.5%
Other expenses	209.6	185.2	24.4	13.2%
Total expenses	**362.7**	**366.5**	**-3.8**	**-1.0%**

Acting during the time of the slowed down economy. ING Bank Śląski initiated activities to ensure the cost discipline. As the result thereof. total costs as at the end of March 2009 amounted to PLN 362.7 million and were lower by PLN 3.8 million. or by 1.0% compared to the same period last year.

[1] ALCO (Assets and Liabilities Committee) income inclusive of P/L on investment activities.

After 3 months 2009. personnel costs amounted to PLN 153.1 million and were lower by PLN 28.2 million. or by 15.5% compared to the costs incurred the same period last year.

As at the end of March 2009. other costs totalled PLN 209.6 million (up by PLN 24.4 million. or 13.2 %. from the analogical period of the previous year). The costs increase was mainly due to carrying out development projects aimed at further process improvement. Also the FX payments' costs were higher as a result of material weakening of PLN in Q1 2009.

Risk costs

As at the end of March 2009. balance of the financial assets impairment and provisions against the off-balance sheet liabilities was negative (costs) and it amounted to PLN 102.1 million. In Q1 2009. the balance of write-offs was impacted by:

- higher than in previous periods provisions for credit receivables. which resulted from the deterioration of the clients' financial standing (the provisions due thereto totalled PLN 56.7 million),
- provisions against risk related to FX Options type transactions (for that. provisions totalling PLN 45.4 million were established).

The same period last year. balance of the financial assets impairment and provisions against the off-balance sheet liabilities was negative and it amounted to PLN 0.7 million.

Financial result

The gross financial result reported as at the end of March 2009 totalled PLN 102.9 million against PLN 214.3 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 80.8 million (down by PLN 92.9 million. or 53.5%. from March 2008).

IV. Business Growth

1. Retail Banking

Projects and new products

During the time of limited growth potential. ING Bank Śląski focused in Q1 2009 on carrying out the projects of key significance for the stabile and long-term development of the institution. In the retail area. it referred especially to:

- **Front End** – client service system aimed at simplification of acquisition and sale processes. as well as lowering of the operational risk. The project initiated in 2006 ended with the implementation of the state-of-the-art application. encompassing product processes and pro-sale activities in the Bank branch network in 2007. In Q4 2008. the application was implemented in the franchise branches network. which allowed for standardisation of client service processes. and standardisation of the procedures of the franchise network with the branch network. In Q1 2009. the works related to the introduction of new solutions were in progress. They resulted in the implementation of new application functionalities related to the service of term deposits (opening of the non-standard deposit for individual clients and small businesses. deposit calculator). and in the field of electronic banking. As a target. the application is to cover more and more functionalities to eliminate the need of working in several programmes at the same time.

- **Restructuring of ING BankOnLine** – in Q1 2009. the works aimed at implementing new functionalities in ING BankOnLine system were in progress (change of verifying data. reconstruction of the investment funds bookmark. charity bank transfer for the benefit of ING for Children Foundation. changes in the "you bank – you buy" bookmark).

- **Building of the *most internet retail bank*** – at the beginning of 2008. a modern *Direct Account* was introduced to the offer of ING Bank Śląski. Besides being free of maintenance charge. it provides free of charge debit cards. wide network of free of charge ATMs. and security of funds in the account. The account is addressed to modern clients who use internet. ATMs. deposit machines. and make card payments. The clients are much interested in the product. which is reflected in systematic increase of the number of accounts sold. As at the end of Q1 2009. there were 193.000 internet *Direct Accounts* compared to 161.000 at the end of 2008.

- **Self Banking** aimed at creation of the self-banking zones open 24/7. where the clients will be able to make cash payments and withdrawals. bank transfers via ING BankOnLine. contact HaloŚląski service or talk to a Call Centre consultant on their own (thanks to the equipment installed in such zones). After a period of dynamic increase of the number of zones[2]. in Q1 2009. the Bank focussed on increasing their availability. Internet kiosks and stations were installed in the already operating self-banking zones. Furthermore. preparatory works for launching the pilot of the Media Tower were in progress (Media Towers are to be located nearby the branches. and they are to be a facility resembling a poster pillar with installed ATM. internet kiosk and touch multimedia information screens).

[2] As at the end of December 2008, there were 360 self-banking zones in Bank branches and franchise outlets.

The resegmentation process conducted in Q1 and in particular a new approach to segmentation in the area of the Private Banking market was an important step on the way to improve standards of service of the retail clients. At present. the client is assigned to Personal Banking and Private Banking segments on the basis of the minimum assets level and not the type of the account held. The new approach will enable provision of active support for the clients in finance management and facilitate building lasting relations with them.

As a part of the retail activity. ING Bank Śląski also serviced small business. In response to the segment needs and in order to highlight the importance of Small Business in the Bank's activity. a new management model was introduced in this area in Q1. The Small Business Centre was established in each region and the Directors of these Centres are responsible for the entire business line in the retail region. Appointment of the Small Business Leader function in retail branches and including account manager in the sales process of products dedicated to small business strengthened the new segment development concepts. The introduced changes are aimed at the quality improvement of the Small Business client service; they also enable development of a flexible policy adjusted to the specificity of individual regions.

In Q1 2009. the Bank also modified its offer for retail clients:

- the holders of the Open Savings Account were offered the "Ekstra Premia 5" term savings deposit.
- also for the holders of the PLN Open Savings Account there is a dedicated term savings deposit – "eLokata 4M".

Volumes and market position

The funds entrusted by clients

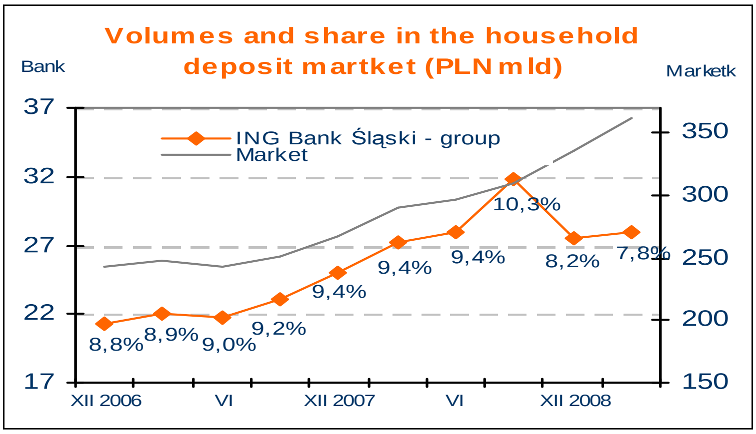
At the end of March 2009. the value of bank deposits of the retail segment's clients amounted to PLN 33.475.1 million. an increase by 2.9% vis-à-vis December 2008 and an increase by 13.4% year-to-year.

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

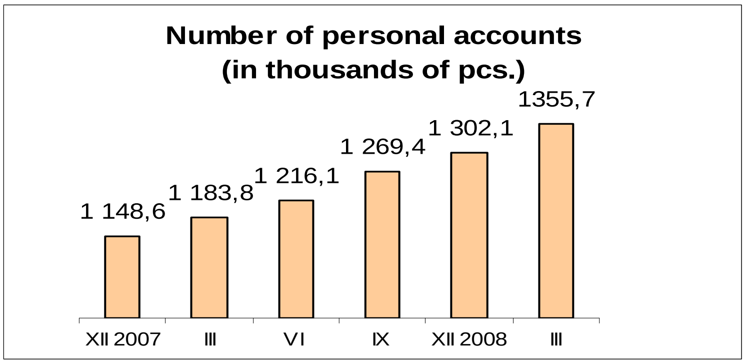
	31.03.2009	31.12.2008	30.09.2008	30.06.2008	31.03.2008
Current accounts	4 132.9	4 267.3	4 049.0	4 024.1	3 825.7
Savings accounts	21 986.0	22 054.1	24 718.7	20 799.6	20 538.5
Accounts and term deposits	7 356.2	6 196.1	5 947.4	5 653.4	5 143.3
Banking deposits of retail segment	**33 475.1**	**32 517.5**	**34 715.1**	**30 477.1**	**29 507.5**
TFI assets	2 353.2	2 609.0	3 691.6	4 428.8	5 485.7
Total retail segment	**35 828.3**	**35 126.5**	**38 406.7**	**34 905.9**	**34 993.2**

ING Bank Śląski also sells ING TFI participation units through its distribution channels. Drop of stock exchange indexes resulted in lower attractiveness of this product and change of clients' preferences as regards depositing their funds. As a result the balance of acquired units of ING TFI investment funds fell by 9.8% vis-à-vis the end of December 2009 and fell by 57.1% year-to-year.

The growth rate of households' deposits at ING Bank Śląski in Q1 was lower than in the sector. thus the market share at the end of March 2009 was 7.75% vis-à-vis 8.18% at the end of December 2008.



As at the end of March 2009. the number of personal accounts maintained by the Bank was 1 355.7 thousand. an increase by 4.1% compared with the December 2008 and by 14.5% compared with the similar period of the previous year.



Loans

At the end of March 2009 the volume of retail loans was PLN 7 952.2 million. an increase by 10.1% vis-à-vis the end of December 2009 and by 59.2% year-to-year. The factors accelerating lending in the retail area included strong results in respect of the sale of:

- mortgage loans.

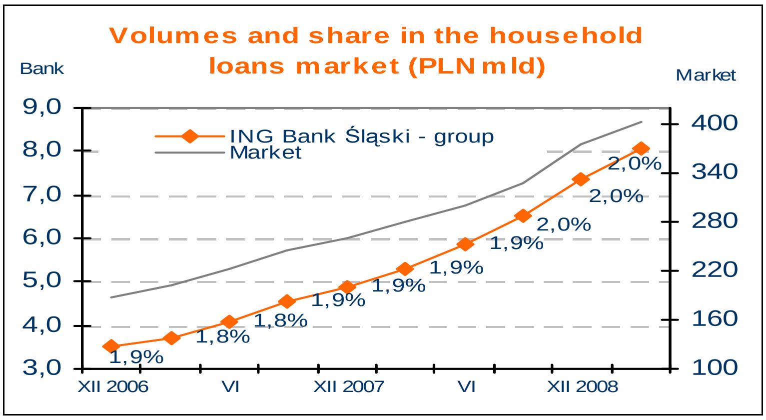
- loans for Small Business.
- cash loans.

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

	31.03.2009	31.12.2008	30.09.2008	30.06.2008	31.03.2008
Mortgage loans *	5 071.1	4 537.5	3 774.8	3 282.5	2 880.3
Other retail loans	2 881.1	2 686.5	2 582.7	2 368.1	2 113.3
Total retail segment	**7 952.2**	**7 224.0**	**6 357.5**	**5 650.6**	**4 993.6**

*/ Including loans granted by ING Bank Hipoteczny

The rate of growth of the loans granted by ING Bank Śląski to households was slightly higher to the rate of growth in the sector. thus the market share at the end of March 2009 was 2.01% vis-à-vis 1.96% as at the end of December 2008.



Banking cards

ING Bank Śląski S.A. is one of the largest issuers of banking cards in Poland. The offer of ING Bank Śląski S.A. includes: debit cards. charge cards. credit cards and pre-paid cards. ING Bank Śląski was one of the first banks to start issuing chip debit cards. As of September 2008. the credit cards issued by the Bank also have a chip.

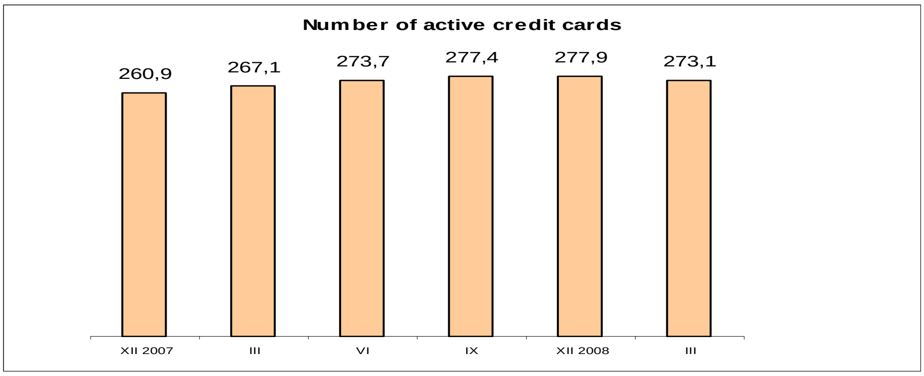
In Q1 2009. the Bank's offer of payment cards was expanded by debit cards in the touch-and-go technology. The touch-and-go card is an easy. fast and convenient solution for small shopping. It has all the existing functionalities of the Maestro debit card issued to the personal account. i.e. it may be used to:

- effect payments.
- check account balance in ATMs of the Bank and Euronet network.
- withdraw cash in retail outlets with the Cashback logo.

- withdraw cash from ATMs.
- deposit cash in CDMs of ING Bank Śląski.

In Q1 2009 the Bank also prepared the expansion of its offer by ING VISA Virtual C@rd. It is a prepaid card in a non-physical form used for effecting remote cashless transactions – in the Internet. by phone or mail.

The number of credit cards issued[3] at the end of March 2009 totalled 273 thousand % vis-à-vis 278 thousand as at the end of December 2008.



2. Wholesale Banking

Projects and new products

As far as the wholesale banking is concerned. ING Bank Śląski continued in Q1 2009 actions aimed at optimisation of processes in the most important customer service areas in this segment:

- ***Working Capital Management project*** (WCM) i.e. the new approach to sales in the Corporate Network. The main assumption of this project is to shift from the traditional sales to consultative selling and offer individual solutions adjusted to client's needs. The concept in itself is based on the so-called WCM tool enabling financial analysis of the client with regard to the working capital management. The new approach also assumes selling Cash Management products. Financial Market products. credit products as well as other products influencing the client's working capital management. Following the period of preparation of the requisite tools. the project pilot started was launched in the Corporate Sales Network in Q1 2009.
- **Easy OPS programme** – the programme objective is to improve effectiveness and to ensure convenient access to the documentation of Corporate Clients by making it

[3] Inclusive of VE Credit and VE Credit NN-P cards

available in the electronic form. In Q1 2009 the process of documentation centralisation and scanning of some documents to the electronic archive was initiated. Along with the archive centralisation. cash management activities will also be centralised and the next step will be to implement the central operational model for the standard part of the credit administration.

- **Corporate Lending programme** – its objective is to facilitate and automate the credit process which will increase its effectiveness. In Q1 2009 there was a pilot of a new IT system dedicated to the service of the credit process under the so-called fast credit track in the programme area. *Fast track* is a new approach to the credit process for corporate clients consisting in the automatic calculation of limits for the selected standardised credit products. which enables simplification and shortening of the process of granting a credit.

In Q1 2009 also the product offer for corporate clients was modified:

- modifications in the deposit offer – the modified eCall deposit was introduced for clients from the midsize and midcorporate segment. whereas the clients from the Corporate Sales Network were offered the Term Deposit product.
- modifications with regard to the distribution of Consent Forms for Direct Debit - ING Bank Śląski was connected to the Ognivo system (Internet application rendered available by KIR /National Clearing House/). which enables electronic distribution of Consent Forms from the creditor's Bank to the debtor's Bank. The new solution enables the service quality improvement as well as the reduction of costs related to sending paper forms.

Volumes and market position

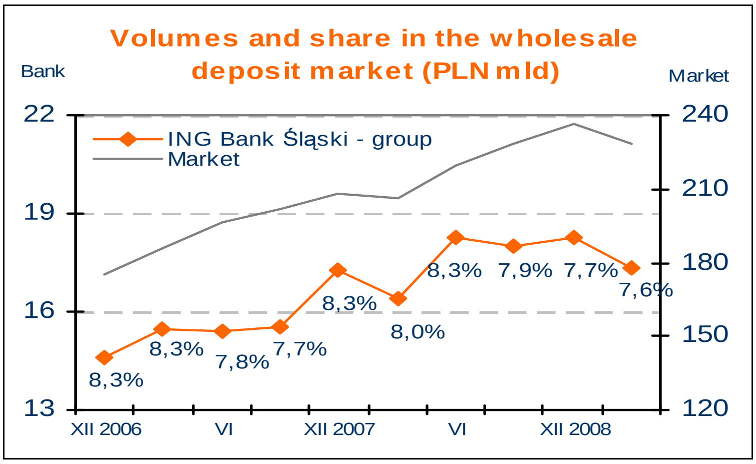
The funds entrusted by clients

At the end of March 2009. the value of funds deposited by the corporate clients totalled PLN 13.424.0 million. down by 10.4% from December 2008. In Q1 2009 there was a drop in deposits of strategic clients as well as in deposits of midsize and midcorporate companies. The corporate deposits down by 12.8% on a year-to-year basis.

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

	31.03.2009	31.12.2008	30.09.2008	30.06.2008	31.03.2008
Strategic Clients	6 687.6	7 502.6	9 137.2	9 538.6	8 170.2
BIG and mid-size companies	6 687.4	7 419.5	7 175.2	7 462.7	7 093.8
TFI assets	49.0	59.0	76.9	101.1	123.5
Total Wholesale segment	**13 424.0**	**14 981.1**	**16 389.3**	**17 102.4**	**15 387.5**

The rate of growth of wholesale deposits at ING Bank Śląski was slightly lower compared with the sector. thus at the end of March 2008 the market share was 7.59% vis-à-vis 7.72% at the end of December 2008.



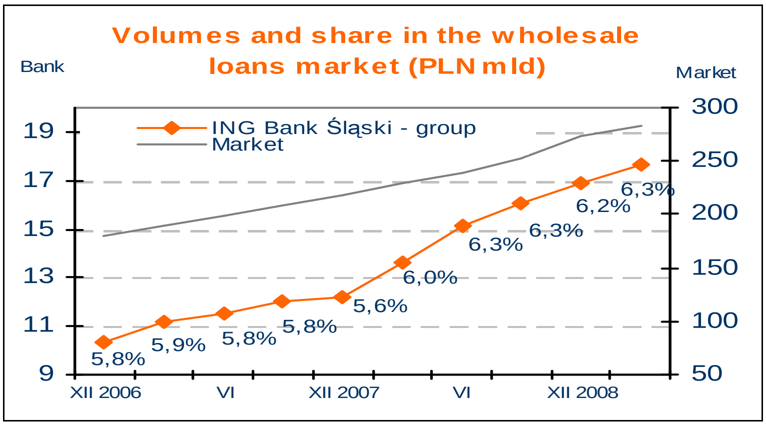
Loans

During the first 3 months 2009. we observed a growing demand for loans among the corporate clients. As a result. the volume of corporate loans grew by 3.4% compared with December 2008 and 26.9% from a year earlier. Loans for BIG and mid-size companies were the main driver of the credit volume growth in the wholesale segment. They grew by 3.7% from December 2008.

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

	31.03.2009	31.12.2008	30.09.2008	30.06.2008	31.03.2008
Strategic clients	9 189.3	8 987.5	8 900.0	7 840.2	7 186.3
BIG and mid-size companies	7 792.0	7 517.4	7 118.3	6 626.1	6 293.6
Other	734.5	627.8	437.8	403.9	484.0
Total Wholesale segment	**17 715.8**	**17 132.7**	**16 456.1**	**14 870.2**	**13 963.9**

The rate of growth of the wholesale loans at ING Bank Śląski was slightly higher to the rate of growth in the sector. thus the share in the market of wholesale loans was 6.3% at the end of March 2009 vis-à-vis 6.2% as at 31.12.2008.



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[4] are as follows:

	31.03.2009	31.12.2008	30.09.2008	30.06.2008	31.03.2008
ING BankOnLine. ING OnLine. ING BusinessOnLine and MultiCash	1 270 260	1 167 054	1 067 415	960 090	877 636
HaloŚląski	689 979	617 422	561 571	498 747	443 104
SMS	443 689	387 456	346 961	304 775	264 219

In Q1/2008. we recorded a growth of the number of clients of ING BankOnLine. a key product in the area of electronic banking and the number of clients using SMS and HaloŚląski services also went up considerably.

ING Bank Śląski actively encourages its clients to use electronic distribution channels; as a result the number of transactions effected via electronic banking systems is growing. Their monthly number in March 2009 was at the level of 8.1 million. whereas in the analogical period in 2008 it was 6.0 million.

[4] The number of clients is not the same as the number of users as one client may represent several users in a given system.

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

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

- slowdown of the economic growth rate in Poland,
- decreased demand of companies for loans as a result of their deteriorated financial standing or investment reduction.
- deterioration of the situation on the labour market (increase of the unemployment rate from 9.5% as at the end of 2008 to 11.2% as at the end of Q1 2009) and slowdown of the remuneration growth rate influencing financial standing of clients and in consequence weakening of the private consumption.
- further deterioration of financial standing of the Polish companies and lasting negative results on derivatives.
- withholding decisions about the purchase of apartments as a result of the predicted drop in the real property prices which will have a negative influence on the sales of mortgage loans.
- further reduction of interest rates (as a result of the economic growth rate slowdown. base interest rates in Q1 2009 were reduced by 0.25 bp).
- maintenance of the low PLN exchange rate against EUR and CHF.

V. Additional information

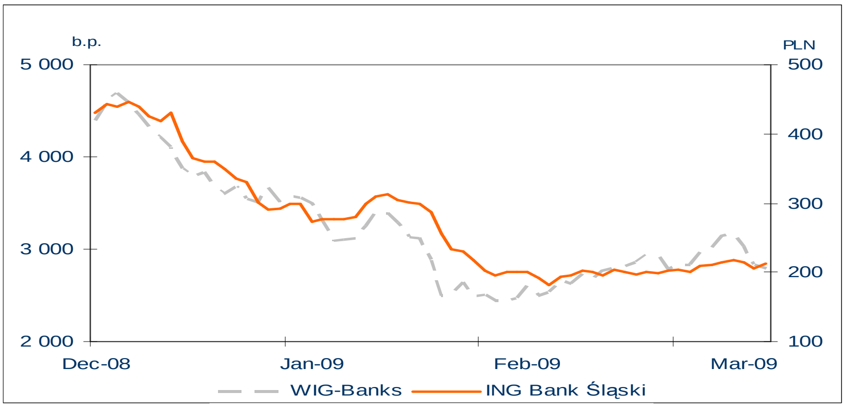
1. Informational Details of the Bank and Its Capital Group

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. having its registered office in Warsaw. 1 Rondo ONZ. entered into the list under number 130.

The duration of the dominant entity and entities forming the Capital Group is indefinite. except for ING BSK Development Sp. z o.o. which as of 1 January 2009 was put into liquidation.

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 3 months of 2009:



ING Bank Śląski S.A. is the parent company of the ING Bank Śląski S.A. Group. of the following composition as at 31 March 2009:

- ING Securities S.A. (subsidiary. 100% share).
- ING Bank Hipoteczny S.A. (subsidiary. 100% share).
- ING BSK Development Sp. z o.o. in liquidation (subsidiary. 100% share).
- Centrum Banku Śląskiego Sp. z o.o. (subsidiary. 100% share).
- Solver Sp. z o.o. (subsidiary. 82.3% share).

As at the balance sheet date the Bank held the share of affiliated entity:

- ING Powszechne Towarzystwo Emerytalne S.A. (associate. 20% share).

In Q1/2009 the Group's structure did not change.

On 23 December 2008. at the Extraordinary Shareholders Meeting of ING BSK Development Sp. z o.o.. a resolution on dissolution of this Company and putting it into liquidation as of 1 January 2009. was adopted.

On 23 December 2008. at the Extraordinary Shareholders Meeting of Centrum Banku Śląskiego Sp. z o.o. w likwidacji (in liquidation) there was a resolution adopted on further operation of this Company. whereunder the Shareholders Meeting decided to repeal as of 1 January 2009. the Resolution No. 2/2007 of 23.11.2007 on dissolution of this Company and thus to stop its liquidation and decide on the further Company's operation.

On 23 January 2009. ING Bank Śląski took up by way of closed offering 500 D-series shares of ING Bank Hipoteczny S.A. ("ING BH") at face value of PLN 50 thousand each. for the total amount of PLN 25 million. The shares were taken up as a part of raising share capital of ING BH. which is an element of a long-term strategy of building up by ING BH the portfolio of commercial real estate financed by ING Group in Poland. The funds from the new shares issue will be earmarked for further increase of lending. ING BH is a subsidiary of ING Bank Śląski. Prior to raising the ING BH share capital.it totalled PLN 113.5 million whereas after registration on 9 February 2009 the initial capital of ING BH rose to PLN 138.5 million.

ING Bank Śląski S.A. offers a broad range of banking services rendered for individual and institutional clients in line with the scope of services outlined in the Bank's charter. The Bank's operations are denominated in both polish zloty and foreign currencies as well as actively participates in domestic and foreign financial markets. The subsidiary: ING Bank Hipoteczny S.A. undertaken banking activities. including sales of mortgage loans. Additionally through subsidiaries the Group operates brokerage services. real estate. leasing of real estate. advisory and acts as a financial intermediary as well as provides other financial services.

ING Bank Śląski S.A. is a subsidiary of ING Bank NV. which as at 31 March 2009 held 75% share in the initial capital of ING Bank Śląski and 75% shares in the total number of votes at the General Meeting of Shareholders.

As at the date of submission of the report for the first quarter of 2009. 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	850.000	6.53

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 – 6 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 at the day of the public announcement of the Q4 2008 report. Mr. Wojciech Popiołek held 9 shares of ING Bank Śląski. and the number of shares held by the Bank Management Board Members and the remaining Supervisory Board Members remained unchanged.

Ratings

Fitch Ratings Ltd.

The Fitch Ratings Ltd. Agency assigns full rating to ING Bank Śląski S.A. under the agreement between the bank and the Agency. As at 31.03.2009. the Bank had the rating of financial credibility. issued by the agency:

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

Long-term IDR and Short-term IDR determine the entity's ability to meet financial commitments on a timely basis. Long-term IDR at the A+ level reflects an outstanding ability of the bank to meet long-term financial commitments on a timely basis. Short-term IDR at the F1 level means the highest rating for the ability to meet short-term commitments (up to 13 months) on a timely basis. In case of both ratings the Fitch agency considered the high probability of obtaining potential support from the dominant shareholder. ING Bank NV (ING Bank Śląski was assigned the highest support rating – 1).

Individual rating at the C level reflects an adequate level of equity. improving quality of assets. high ratio of provisions to impaired assets. high liquidity and strong position in the deposit market; at the same time it reflects the pressure upon the equity level in view of growing capital requirements stipulated by the New Capital Accord and increasing volumes of risk-weighted assets.

Moody's Investors Service Ltd.

The Moody's Investors Service Ltd. Agency assigns rating to ING Bank Śląski S.A. on the basis of the universally available public information. As at 31.03.2009. the Bank had the rating of financial credibility. issued by the agency:

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

Other Information

<u>Headcount</u>

The headcount in the Capital Group was as follows:

Headcount	31.03.2009	31.12.2008	30.09.2008	30.06.2008	31.03.2008
Individuals	8 522	8 577	8 434	8 387	8 188
FTEs	8 365.1	8 413.9	8 258.8	8 209.4	8 008.8

<u>Number of Branches and ATMs</u>

ING Bank Śląski conducts operational activity in the network of its own branches as well as with the use of the network of partnership outlets based on the franchise model.

The number of outlets in particular periods was as follows:

	31.03.2009	31.12.2008	30.09.2008	30.06.2008	31.03.2008
Number of outlets	439	439	432	430	415

As at the end of March 2009. the Bank had a network of 686 ATMs compared with 683 ATMs as at the end of December 2008 and 646 ATMs as at the end of March 2008.

As at the end of March 2009. the Bank also had a network of 362 cash deposit machines. compared with 360 cash deposit machines as at the end of December 2008 and 166 cash deposit machines as at the end of March 2008.

2. Compliance with International Financial Reporting Standards

These consolidated financial statements have been prepared under the International Financial Reporting Standards (IFRS) in a version approved by the European Commission effective as at the reporting date. that is 31 March 2009; 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 February 2009 on current and interim information submitted by issuers of securities (Journal of Laws of 2009. no. 33. item 259). The consolidated report on the financial standing (consolidated balance sheet) and the consolidated report on the total income (consolidated profit and loss account) as at 31.03.2009 including comparable financial data. have been executed upon the application of the same accounting principles for each period.

These consolidated financial statements for Q1/2009 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 same accounting principles as in case of development of the full annual financial statements for 2008 were applied in these financial statements; additionally amendments introduced to IAS 1 *Presentation of Financial Statements* in the version effective as of 1 January 2009 and IFRS 8 *Operating Segments* in the version effective as of 1 January 2009 were taken into account

Detailed accounting principles are presented in the annual report for 2008.

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 consolidated 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 financial assets

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.

Credit risk connected with derivative instruments

In view of a considerable increase of credit risk in FX option transactions made by the Group with clients. the Group resolved to review a major part of the portfolio of those instruments. With the aim of having the risk level outlined in a precise manner the Group structured the approach as follows.

The approach adopted by the Group to estimation of the credit risk generated by derivative instruments with future settlement dates (active transactions. outstanding as at the balance sheet date) is in line with the approach adopted by the Group for the purpose of assessing the credit risk generated by credit receivables. valuation adjustments are estimated at the level of individual counterparties. using the formula based on PD. LGD and EAD ratios. where:

- PD (probability of default – in %) is the probability resulting from the appraisal of the risk assigned by the Group to the client based on the current assessment of the client's financial standing. To make the assessment as correct as possible. the clients' financial data take account of the effects of the measurements of derivatives concluded with the Group. and if it is known to the Group. the effects of the measurements of transactions concluded with other banks. The same PD parameter is used in the process of establishing provisions against credit risk.

- EAD (Exposure At Default – in PLN): valid - as of the estimates date - market measurement of the exposure resulting from the transaction on derivatives concluded with the Group. EAD is used to measure the client's exposure in the Group. Calculating EAD. the Group takes into account also whether the client signed a master agreement with the Group allowing for netting transactions with positive and negative measurements when the agreement is terminated either by the Group or by the client. Such agreements lower EAD.

- LGD (loss given default – in %): this parameter is calculated taking into account the collateral (if any) presented by the client to the Group; whereas for each non-collateralized exposure. we use LGD for the non-collateralized exposure class (the same value that is used to assess provisions against the credit risk for credit exposures). In case of material value of receivables. the Group applies individual approach to LGD calculation.

In addition. for mature transactions or terminated and unsettled as at the balance sheet date. the Group made charges using the methodology for assessing the risk of impaired loans.

The two types of fair value adjustments. as mentioned above. were differently reflected in the consolidated financial statement. Fair value adjustments due to risk for non-matured transactions were presented under the item: *Result on financial instruments carried through the income statement and revaluation*. whereas the charges for matured transactions under the item: *Impairment charges for financial assets and provisions for off-balance-sheet liabilities.*

Uncertainty of the estimates

The Group continues to assess the risk level related to FX options. initiated in 2008. The appraisal was made as of the balance sheet date. assuming the measurement level as of that date. and taking into account the risk appraisal performed as of the same date. The Group will perform periodical appraisal of the financial standing of the clients holding similar instruments. The following key factors taken into account in case of changes of risk estimates are:

(i) changes of measurement at the fair value of derivatives.

(ii) changes in the scope of the credit risk appraisal of the contracting parties by the Group. However. considering the great volatility of the business environment. there still remains some uncertainty as to the Group's estimates

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 including the assessment of counterparty risk.

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 counterparty risk. variables and market correlations). Any change in these assumptions may affect the fair value of some financial instruments. The change of assumptions concerning these factors may influence valuation 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.

The Group adopts a corridor approach to recognition of a determined portion of the cumulated net value of actuarial gains and losses. Under this method. when determining an obligation due to certain benefits. the Group 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 Group employees. Following that change. the Group 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 developed for the period from 1 January 2009 to 31 March 2009. the Bank introduced several changes with regard to the presentation manner of some items in the profit and loss account. as compared to the financial statements for the period from 1 January 2008 to 31 March 2008. Main changes are the result of adopting a different approach than in Q1 2008 to presentation of items adjusting commission income (previously these items were presented in commission expenses and at present in commission income) and items related to the establishment of provisions for receivables due to unpaid commissions and other fees (previously presented in the result on other basic activities and at present in commission expenses).

The Bank also changed the presentation manner of interest accrued in balance sheet notes. previously presented in separate lines and at present together with the balance of receivables/ liabilities. The change applies to the following notes: *Loans and other receivables extended to other banks. Loans and other receivables extended to clients. Liabilities towards other banks* and *Liabilities towards clients.*

5. Supplementary Data to consolidated profit and lost account and consolidated statement of financial posion

1 Net interest income	I quarter 2009	I quarter 2008
Interest expense and similar charges		
- Deposits from banks	62 829	212 356
- Deposits from customers	426 532	303 710
- Debt securities	361 045	209 908
- Other	8 896	4 030
	859 302	**730 004**
Interest expense and similar charges		
- Deposits from banks	-23 013	-38 171
- Deposits from customers	-449 415	-418 058
- Reverse repos	-77 338	-10 829
	-549 766	**-467 058**
Net interest income	**309 536**	**262 946**
- Swap points (which are presented in the item "Result on financial instruments carried through profit and loss and revaluation")	45 235	30 280
Net interest income including swap points	**354 771**	**293 226**

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

2 Net commission income	I quarter 2009	I quarter 2008
Commission income		
- Commission related to brokerage activity	15 209	25 697
- Commission related to keeping accounts	71 681	68 890
- Commission related to loans and advances	34 240	30 208
- Commission related to loans and advances insurance	11 048	0
- Commission related to payment and credit cards	33 002	30 509
- Commission related to distribution of participation units	12 152	33 668
- Fiduciary and custodian fees	6 260	7 202
- Foreign commercial business	3 219	3 781
- Commission related to subscription of structured products	1 874	0
- The transaction margin on currency exchange transactions	29 436	22 374
- Commission related to sales of financial products	3 027	1 058
- Other	4 846	6 284
	225 994	**229 671**
Commission expense		
- Brokerage fees	-4 995	-7 493
- Other commission	-17 105	-15 511
	-22 100	**-23 004**
Net commission income	**203 894**	**206 667**

3 Result on financial instruments carried through profit and loss and revaluation	I quarter 2009	I quarter 2008
- Net income on financial assets and liabilities held for trading	**1 872 608**	**235 850**
- Net income on equity instruments	-749	-9 178
- Net income on Debt instruments	-5 521	39 452
- Net income on derivatives, of which:	1 878 878	205 576
- Currency derivatives	1 860 450	228 327
- Exchange rate derivatives	14 598	-37 034
- Securities derivatives	3 830	14 283
- Net income on financial assets and liabilities measured at fair value upon initial recognition	**-1 649**	**17 888**
- Net income on debt instruments	363	-89
- Net income on the measurement of the deposits designated to be measured at their fair value	-2 012	17 977
- Ineffectiveness recognised in profit and loss account that arises from cash flow hedges	**-128**	**0**
- Result on the revaluation of balance sheet items	**-1 829 789**	**-160 205**
Result on financial instruments carried through profit and loss and revaluation	**41 042**	**93 533**
of which:		
- Swap points	45 235	30 280
Result on financial instruments carried through profit and loss and revaluation after swap poins excluding	**-4 193**	**63 253**

In the item net income on derivatives (currency derivatives) the value of PLN -68.0 million concerning negative valuation of FX Options concluded with clients is presented.

4 General and administrative expenses	I quarter 2009	I quarter 2008
- Personnel expenses	-153 119	-181 308
- Other	-208 540	-183 114
Total	**-361 659**	**-364 422**

5 Impairment losses and provisions for off-balance sheet liabilities	I quarter 2009	I quarter 2008
- Impairment losses	-225 193	-83 555
- Reversed impairment losses	123 114	82 856
Net impairment losses and provisions for off-balance sheet liabilities	**-102 079**	**-699**

6 Share in net profit (loss) of associated entities recognised under the equity method	I quarter 2009	I quarter 2008
- ING Powszechne Towarzystwo Emerytalne S.A.	10 100	11 616
Total	**10 100**	**11 616**

7 Loans and receivables to other banks	I quarter 2009	IV quarter 2008	I quarter 2008	IV quarter 2007
- Current accounts	286 837	276 550	375 950	359 874
- Interbank deposits	1 754 758	5 699 110	13 187 404	14 452 714
- Other receivables, of which:	908 412	1 814 232	519 398	371 768
- loans and advances	*456 019*	*459 114*	*433 725*	*305 938*
- reverse repo transactions	*406 161*	*796 138*	*0*	*0*
- debt securities	*0*	*518 910*	*0*	*0*
- other receivables	*46 232*	*40 070*	*85 673*	*65 830*
Total (gross)	**2 950 007**	**7 789 892**	**14 082 752**	**15 184 356**
Impairment losses	-2 501	-2 667	-2 139	-691
Total (net)	**2 947 506**	**7 787 225**	**14 080 613**	**15 183 665**

8 Financial assets measured at fair value through profit and loss	I quarter 2009	IV quarter 2008	I quarter 2008	IV quarter 2007
- Financial assets held for trading, of which:	10 774 575	6 116 918	4 996 965	4 411 760
- debt instruments	*10 762 463*	*6 115 950*	*4 973 879*	*4 373 230*
- equity instruments	*12 112*	*968*	*23 086*	*38 530*
- Financial assets designated as at fair value upon initial recognition, of which	1 202 835	4 431 901	4 180 215	1 844 778
- deposit	*0*	*2 246 725*	*2 234 293*	*0*
- debt instruments	*205 191*	*1 822 654*	*1 587 607*	*1 513 211*
- transactions with the buy-back commitment	*997 644*	*362 522*	*358 315*	*331 567*
Total	**11 977 410**	**10 548 819**	**9 177 180**	**6 256 538**

9 Investments	I quarter 2009	IV quarter 2008	I quarter 2008	IV quarter 2007
- Available-for-sale financial assets, of which:	8 517 474	10 739 090	10 159 711	8 547 497
- debt instruments, including:	*8 507 685*	*10 730 536*	*10 137 057*	*8 524 148*
- hedged items in fair value hedging	*3 211 676*	*3 235 793*	*2 084 415*	*435 531*
- equity instruments	*9 789*	*8 554*	*22 654*	*23 349*
- Held-to-maturity financial assets, of which:	7 384 460	7 311 832	3 773 653	840 776
- debt instruments	*7 384 460*	*7 311 832*	*3 773 653*	*840 776*
Total	**15 901 934**	**18 050 922**	**13 933 364**	**9 388 273**

10 Loans and receivables to customers	I quarter 2009	IV quarter 2008	I quarter 2008	IV quarter 2007
Loans and other receivables to entities from the financial sector other than banks				
- Loans and advances	2 866 388	2 925 110	2 461 779	2 232 613
- in the current account	*369 097*	*382 674*	*452 340*	*378 971*
- term ones	*2 497 291*	*2 542 436*	*2 009 439*	*1 853 642*
- Reverse repo transactions	169 022	158 159	0	0
- Other receivables	103 886	98 173	95 149	110 040
Total (gross)	**3 139 296**	**3 181 442**	**2 556 928**	**2 342 653**
Impairment losses	-2 047	-2 045	-5 684	-5 840
Total (net)	**3 137 249**	**3 179 397**	**2 551 244**	**2 336 813**
Loans and other receivables to entities from the non-financial sector				
- Loans and advances granted to business entities	12 792 154	12 286 418	9 935 279	8 905 640
- in the current account	*4 269 002*	*3 931 464*	*3 715 979*	*3 104 227*
- term ones	*8 523 152*	*8 354 954*	*6 219 300*	*5 801 413*
- Loans and advances granted to households	8 244 644	7 439 430	5 373 506	4 937 935
- in the current account	*1 187 485*	*1 091 580*	*1 028 541*	*968 528*
- term ones	*7 057 159*	*6 347 850*	*4 344 965*	*3 969 407*
- Debt securities, of which:	552 252	559 378	0	0
- reclassified from available-for-sale portfolio	*294 421*	*294 184*	*0*	*0*
- Other receivables	197 986	69 436	77 530	57 128
Total (gross)	**21 787 036**	**20 354 662**	**15 386 315**	**13 900 703**
Impairment losses	-654 089	-482 274	-539 240	-526 101
Total (net)	**21 132 947**	**19 872 388**	**14 847 075**	**13 374 602**
Loans and other receivables to entities from the government and local government sector				
- Loans and advances	929 525	973 899	670 055	697 219
- in the current account	*7 859*	*11 854*	*12 009*	*9 872*
- term ones	*921 666*	*962 045*	*658 046*	*687 347*
- Debt securities, of which:	3 857 730	1 735 062	0	0
- reclassified from available-for-sale portfolio	*1 964 214*	*1 688 407*	*0*	*0*
- Other receivables	40	32	0	0
Total (gross)	**4 787 295**	**2 708 993**	**670 055**	**697 219**
Impairment losses	-17 182	-17 939	-28 456	-29 496
Total (net)	**4 770 113**	**2 691 054**	**641 599**	**667 723**
Loans and other receivables to customers - TOTAL				
- Loans and advances	24 832 711	23 624 857	18 440 619	16 773 407
- Reverse repo transactions	169 022	158 159	0	0
- Debt securities	4 409 982	2 294 440	0	0
- Other receivables	301 912	167 641	172 679	167 168
Loans and other receivables to customers – gross	**29 713 627**	**26 245 097**	**18 613 298**	**16 940 575**
Impairment losses	-673 318	-502 258	-573 380	-561 437
Loans and other receivables to customers – net	**29 040 309**	**25 742 839**	**18 039 918**	**16 379 138**

In Q1/2009 the Bank sold Eurobonds classified as of 31 December 2008 into the portfolio of financial assets valued using fair value option (FVO). The sale was concluded with an independent counterparty on an arm's length basis. The nominal value of the sold Eurobonds was EUR 417 million. Then the Bank re-purchased the Eurobonds from the independent counterparty on an arm's length basis. After the re-purchase, the instruments were classified into the loans and receivables portfolio and are presented in the above note under "debt securities" (as loans and other receivables to entities from the government and local government sector).
At the same time, a hedging relationship with IRS instruments held by the Bank was created, under the strategy of fair value hedging (FVH). The value of the securities that are hedged as part of fair value hedge accounting was PLN 3,775,214 thousand and PLN 1,645,003 thousand as of 31 March 2009 and 31 December 2008, respectively.

11 Property, plant and equipment	I quarter 2009	IV quarter 2008	I quarter 2008	IV quarter 2007
- Real estate and investments in third-party non-current assets	385 172	390 086	401 599	404 223
- Computer hardware	46 404	40 978	43 167	43 273
- Vehicles	266	316	307	335
- Other fixtures and fittings	87 487	89 649	73 262	70 921
- Constructions in progress	29 237	23 134	18 024	14 186
Total	**548 566**	**544 163**	**536 359**	**532 938**

12 Liabilities due to other banks	**I quarter 2009**	**IV quarter 2008**	**I quarter 2008**	**IV quarter 2007**
- Current accounts	344 104	177 596	470 679	82 357
- Interbank deposits	4 621 857	3 108 831	4 701 101	1 718 061
- Repo transactions	3 218 373	2 760 763	0	0
- Other liabilities	10 403	13 678	87 848	9 777
Total	**8 194 737**	**6 060 868**	**5 259 628**	**1 810 195**

13 Financial liabilities at fair value	**I quarter 2009**	**IV quarter 2008**	**I quarter 2008**	**IV quarter 2007**
- Financial liabilities designated as at fair value upon initial recognition	233 543	652 904	3 287 856	102 716
sell-buy-back transactions	*233 543*	*652 904*	*3 287 856*	*102 716*
- Book short position in trading securities	102 437	172 156	25 222	54 971
Total	**335 980**	**825 060**	**3 313 078**	**157 687**

14 Liabilities due to customers	**I quarter 2009**	**IV quarter 2008**	**I quarter 2008**	**IV quarter 2007**
Liabilities due to entities from the financial sector other than banks				
- Deposits	4 741 390	4 267 492	2 367 342	2 226 653
- current accounts	*1 438 000*	*1 268 135*	*1 450 007*	*1 229 766*
- term deposit	*3 303 390*	*2 999 357*	*917 335*	*996 887*
- Repo transactions	226 019	163 543	636 296	727 036
- Other liabilities	127 659	83 864	84 048	115 520
Total	**5 095 068**	**4 514 899**	**3 087 686**	**3 069 209**
Liabilities due to entities from the non-financial sector				
- Business entities' deposits	10 094 071	11 173 552	11 704 392	12 760 753
- current accounts	*7 236 330*	*7 292 099*	*6 808 091*	*7 970 381*
- term deposit	*2 857 741*	*3 881 453*	*4 896 301*	*4 790 372*
- Households' deposits	28 475 821	27 945 689	27 654 936	25 392 616
- current accounts	*3 711 269*	*3 796 117*	*3 482 719*	*2 603 797*
- savings accounts and term accounts	*24 764 552*	*24 149 572*	*24 172 217*	*22 788 819*
- Repo transactions	12 568	18 272	31 326	128 320
- Other liabilities	584 275	492 090	451 333	571 867
Total	**39 166 735**	**39 629 603**	**39 841 987**	**38 853 556**
Liabilities due to entities from the government and self-government institutions' sector				
- Deposits	2 195 480	2 886 223	2 374 953	2 572 389
- current accounts	*1 266 116*	*2 400 751*	*1 264 167*	*2 028 882*
- term deposit	*929 364*	*485 472*	*1 110 786*	*543 507*
- Repo transactions	*0*	*20 209*	*0*	*0*
- Other liabilities	4 499	15 984	7 171	6 683
Total	**2 199 979**	**2 922 416**	**2 382 124**	**2 579 072**
Liabilities due to customers – TOTAL				
- Deposits	45 506 762	46 272 956	44 101 623	42 952 411
- Repo transactions	238 587	202 024	667 622	855 356
- Other liabilities	716 433	591 938	542 552	694 070
Total	**46 461 782**	**47 066 918**	**45 311 797**	**44 501 837**

15 Provisions	**I quarter 2009**	**IV quarter 2008**	**I quarter 2008**	**IV quarter 2007**
- Provision for disputes	16 241	16 722	29 294	29 294
- Provision for off-balance sheet liabilities	16 565	9 281	20 689	23 933
- Provision for retirement benefits	12 544	12 544	11 839	11 839
- Provision for unused holidays	7 993	7 993	7 439	7 441
- Provision for employment restructuring	3 931	4 039	0	0
Total	**57 274**	**50 579**	**69 261**	**72 507**

6. Quality of Credit Portfolio

At the end of March 2009. the value of impaired loans was PLN 809 million vis-à-vis PLN 549 million year-to-year. The share of the impaired portfolio grew from 2.88% in March 2008 to 3.14% in March 2009.

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

PLN million	**31.03.2009**	**31.12.2008**	**30.09.2008**	**30.06.2008**	**31.03.2008**
Exposure total	25 735	24 109	22 573	20 424	19 069
Impairment and provisions total	684	505	412	400	585
Total coverage ratio (%)	2.7%	2.1%	1.8%	2.0%	3.1%
Corporate entities	17 708	16 808	16 140	14 700	14 003
- unimpaired portfolio	*17 077*	*16 460*	*15 875*	*14 477*	*13 587*
- impaired portfolio	*631*	*348*	*265*	*223*	*416*
Impairment	409	258	193	185	388
IBNR	78	74	72	77	68
Provisions for off-balance commitments	17	9	7	6	7
Impaired portfolio coverage (%)	64.8%	74.3%	72.8%	82.8%	93.4%
Retail	8 027	7 301	6 432	5 724	5 066
- unimpaired portfolio	*7 849*	*7 146*	*6 290*	*5 582*	*4 933*
- impaired portfolio	*178*	*155*	*142*	*142*	*133*
Impairment	129	119	108	104	95
IBNR	52	45	32	27	26
Impaired portfolio coverage (%)	72.6%	77.1%	76.1%	73.6%	71.4%
Share of impaired loans in portfolio (%)	3.14%	2.08%	1.81%	1.79%	2.88%

7. Off-balance sheet items

PLN million	**31.03.2009**	**31.12.2008**	**30.09.2008**	**30.06.2008**	**31.03.2008**
Contingent liabilities granted	14 448.8	14 100.9	13 546.1	12 528.2	11 788.0
Contingent liabilities received	17 480.0	15 310.6	14 982.8	14 061.1	13 067.8
Off-balance sheet financial instruments	196 055.6	262 721.0	277 226.8	241 695.3	242 268.5
Total off-balance sheet items	**227 984.4**	**292 132.5**	**305 755.7**	**268 284.6**	**267 124.3**

Increase of the granted contingent liabilities as of 31.03.2009 by PLN 347.9 million as compared to the status as of 31.12.2008 results most of all from the increase of non-utilised credit lines and non-utilised overdraft on current account. Growth in contingent liabilities by PLN 2,169.4 million resulted from a high level of deposits to be returned and bigger contingent liabilities under guarantees.

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

None.

9. Dividends Paid

On 3 April 2009. the General Shareholders Meeting decided that the dividend for 2008 would not be paid.

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

In the first three months of 2009 there were no cases of purchase or sales of tangible fixed assets.

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	1Q2009	4Q2008	3Q2008	2Q2008	1Q2008
Status at the period beginning:	**16.7**	**33.7**	**30.0**	**29.3**	**29.3**
Establishment of provisions as costs	1.1	2.0	3.9	3.0	1.3
Release of provisions as income	-0.9	-18.7	-0.1	-1.3	-0.3
Utilisation of provision due to dispute loss or settlement	-0.7	-0.3	-0.1	-1.0	-1.0
Status as at the period end	**16.2**	**16.7**	**33.7**	**30.0**	**29.3**

Either in 1Q of 2009 or 1Q of 2008. 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

Changes in the Supervisory Board composition

Due to the expiration of the term of office of the supervisory Board. the General Shareholders Meeting of ING Bank Śląski S.A. on 3 April 2009 appointed the new Supervisory Board of the Bank in the following composition:

- Ms. Anna Fornalczyk.
- Mr. Ralph Hamers.
- Mr. Jerzy Hausner.
- Mr. Nicolaas Cornelis Jue.
- Mr. Tom Kliphuis.
- Mr. Mirosław Kośmider.
- Mr. Cornelis Leenaars.
- Mr. Wojciech Popiołek.

All the newly appointed Supervisory Board Members have performed their functions during the previous term of office of the Supervisory Board.

Changes in the Management Board composition

On 8 May 2009, the Supervisory Board appointed Mr. Evert Derks Drok to the position of the Vice-President of the Bank Management Board as of 1 June 2009.

14. Transactions with Related Entities

Subsidiaries and Related Entities of ING Bank Śląski:

- ING Securities S.A..
- ING Bank Hipoteczny S.A..
- ING BSK Development Sp. z o.o. in liquidation.
- Centrum Banku Śląskiego (CBS) Sp. z o.o..
- Solver Sp. z o.o..
- ING Powszechne Towarzystwo Emerytalne 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. The abovementioned transactions are carried out on an arm's length basis.

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

In the period 1.01.2009 – 31.03.2009 the following transactions were made of the total value exceeding EURO 500.000:

- In connection with execution of the Co-operation Agreement concluded by ING Bank Śląski S.A. and ING Bank NV the remuneration for the services provided as to financial consulting in 3 months of 2009 amounted to PLN 13.4 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 3.3 million (net).

- ING Services Polska provides services to ING Bank Śląski with regard to lease of hardware resources. The costs of service were PLN 5.5 million (gross).

- ING Bank Śląski made a transaction with ING Lease due to sublease of functional rooms totalling PLN 4.3 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 4.1 million in 3 months of 2009 (gross).

Transactions with related entities (in PLN thousands):

31.03.2009

	Parent company	Other ING Group entities	Subsidiary undertakings	Associated undertakings
Receivables				
Deposits placed	994 255	-	-	-
Nostro accounts	101 549	1 023	-	
Loans	-	1 769 243	330 614	-
Securities	-	-	20 005	-
Other receivables	5 898	13 401	2 709	-
Liabilities				
Deposits received	3 440 527	310 846	245 269	67 336
Loro accounts	6 348	15 396	-	-

Repo	3 218 373	-	-	-
Other liabilities	7 561	705	268	-
Off-balance-sheet operations				
Contingent liabilities	-	881 386	149 735	-
FX transactions	18 892 487	7 548 540	-	-
Forward transactions	663 860	1 655 803	-	-
IRS/CIRS	35 678 566	9 066 056	-	-
FRA	1 888 457	-	-	-
Options	1 225 444	1 368 886	-	-
Revenue and costs*				
Revenue	-29 954	19 533	3 024	65
Costs	26 272	16 331	2 064	374

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

31.03.2008

	Parent company	Other ING Group entities	Subsidiary undertakings	Associated undertakings
Receivables				
Deposits placed	8 588 060	401 271	-	-
Nostro accounts	6 840	9 599	-	-
Loans	-	1 751 285	164 257	-
Securities	-	-	50 329	-
Other receivables	76 388	4 714	46	-
Liabilities				
Deposits received	2 252 389	143 976	290 202	78 038
Loro accounts	20 126	16 120	-	-
Other liabilities	57 285	2 770	578	-
Off-balance-sheet operations				
Contingent liabilities	129 538	39 789	131 941	-
FX transactions	13 710 264	4 411 556	-	-
Forward transactions	411 945	552 734	-	-
IRS/CIRS	38 497 641	788 269	-	-
FRA	855 425	130 060	-	-
Options	858 999	939 059	-	-
Revenue and costs				
Revenue	77 849	18 285	3 083	58
Costs	12 039	11 192	3 247	686

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.

PLN thousand	31.03.2009					
	Retail customers segment	Corporate customers segment	Own operating		Nonallocated items	Total
			Proprietary trading	ALCO		
Revenue total	**265 925**	**121 518**	**108 247**	**72 000**	**0**	**567 689**
Net interest income	109 254	83 037	78 486	38 759	0	309 536
external	*-176 122*	*169 555*	*78 523*	*237 581*	*0*	*309 536*
internal	*285 377*	*-86 518*	*-37*	*-198 822*	*0*	*0*
Net commission income, of which:	127 051	76 182	-461	1 123	0	203 894
income	*158 870*	*80 032*	*-461*	*-12 446*	*0*	*225 994*
expenses	*-31 819*	*-3 850*	*0*	*13 569*	*0*	*-22 100*
Other income/expenses	19 520	-37 701	30 223	32 117	0	44 159
Share in net profit (loss) of associated entities recognised under the equity method	10 100	0	0	0	0	10 100
Expenses total	**229 020**	**118 732**	**14 614**	**0**	**331**	**362 696**
Operational expenses, including:	227 983	118 732	14 614	0	331	361 659
personel expenses	*98 792*	*50 849*	*3 478*	*0*	*0*	*153 119*
depreciation	*23 249*	*6 279*	*1 447*	*0*	*0*	*30 975*
Other expenses	1 037	0	0	0	0	1 037
Result before risk	**36 905**	**2 786**	**93 634**	**72 000**	**-331**	**204 993**
Risk cost	12 821	89 258	0	0	0	102 079
Result after risk cost	**24 084**	**-86 473**	**93 634**	**72 000**	**-331**	**102 914**
CIT	5 176	-18 585	20 124	15 475	-71	22 119
Result after tax	18 908	-67 887	73 509	56 525	-260	80 795
- assigned to shareholders of the holding company	**18 908**	**-67 887**	**73 509**	**56 525**	**-234**	**80 821**
- assigned to minority shareholders	0	0	0	0	-26	-26

PLN thousand	31.03.2008					
	Retail customers segment	Corporate customers segment	Own operating		Nonallocated items	Total
			Proprietary trading	ALCO		
Revenue total	**278 900**	**209 425**	**38 450**	**54 704**	**0**	**581 480**
Net interest income	129 209	81 617	-2 834	54 954	0	262 946
external	*-139 333*	*151 730*	*-63 964*	*314 512*	*0*	*262 946*
internal	*268 542*	*-70 114*	*61 130*	*-259 558*	*0*	*0*
Net commission income, of which:	124 200	82 281	1 067	-882	0	206 667
income	*152 382*	*84 897*	*1 067*	*-8 676*	*0*	*229 671*
expenses	*-28 182*	*-2 616*	*0*	*7 794*	*0*	*-23 004*
Other income/expenses	13 875	45 527	40 217	632	0	100 251
Share in net profit (loss) of associated entities recognised under the equity method	11 616	0	0	0	0	11 616
Expenses total	**234 007**	**116 213**	**14 076**	**1 008**	**1 203**	**366 507**
Operational expenses, including:	231 922	116 213	14 076	1 008	1 203	364 422
personel expenses	*111 636*	*59 175*	*10 066*	*0*	*0*	*180 877*
depreciation	*24 945*	*6 622*	*1 682*	*0*	*0*	*33 249*
Other expenses	2 085	0	0	0	0	2 085
Result before risk	**44 894**	**93 212**	**24 374**	**53 696**	**-1 203**	**214 973**
Risk cost	-2 563	-9	0	0	3 272	699
Result after risk cost	**47 457**	**93 222**	**24 374**	**53 696**	**-4 474**	**214 274**
CIT	8 989	17 658	4 617	10 171	-848	40 588
Result after tax	38 468	75 563	19 757	43 524	-3 627	173 686
- assigned to shareholders of the holding company	**38 468**	**75 563**	**19 757**	**43 524**	**-3 630**	**173 683**
- assigned to minority shareholders	0	0	0	0	3	3

ING Bank Śląski profit and loss account (quarterly layout. consolidated)

PLN million	2008				2009
	1Q	2Q	3Q	4Q	1Q
Retail banking	278.9	344.6	323.1	300.5	265.9
Corporate banking	209.4	202.7	205.7	150.8	121.5
Own operations	93.2	77.2	90.5	-148.9	180.2
Income total	**581.5**	**624.5**	**619.3**	**302.4**	**567.7**
Operational expenses. including:	**366.5**	**388.7**	**406.4**	**337.4**	**362.7**
Personnel costs	181.3	182.9	208.7	209.6	153.1
Other expenses	185.2	205.8	197.7	127.8	209.6
Result before risk costs	**215.0**	**235.8**	**212.9**	**-34.9**	**205.0**
Risk costs	-0.7	58.9	-7.5	-116.3	-102.1
Result before tax	**214.3**	**294.6**	**205.4**	**-151.2**	**102.9**
CIT	-40.6	-60.9	-38.4	22.2	-22.1
Result after tax	**173.7**	**233.8**	**166.9**	**-129.0**	**80.8**
- assigned to shareholders of the holding company	**173.7**	**233.8**	**166.9**	**-128.9**	**80.8**
- assigned to minority shareholders	0.0	0.0	0.1	0.0	0.0

16. Selected Financial Data from Financial Statements

	PLN thousand		EUR thousand	
	1Q 2009 *period from 01.01.2009 to 31.03.2009*	**1Q 2008** *period from 01.01.2008 to 31.03.2008*	**1Q 2009** *period from 01.01.2009 to 31.03.2009*	**1Q 2008** *period from 01.01.2008 to 31.03.2008*
Interest income	859 302	730 004	186 829	205 207
Commission income	225 994	229 671	49 136	64 561
Result on basic activities	557 589	569 864	121 231	160 191
Result before tax	102 914	214 274	22 376	60 233
Net result of shareholders of the holding company	80 821	173 683	17 572	48 823
Net result of minority shareholders	-26	3	-6	1
Net cash flows	-1 781 377	-668 024	-387 306	-187 784
Earnings per ordinary share (PLN / EUR)	6.21	13.35	1.35	3.75

	PLN thousand		EUR thousand	
	1 quarters 2009 *as at 31.03.2009*	**1 quarters 2008** *as at 31.03.2008*	**1 quarters 2009** *as at 31.03.2009*	**1 quarters 2008** *as at 31.03.2008*
Total assets	68 205 825	60 234 381	14 507 865	17 083 890
Equity of the holding company	4 280 982	4 013 726	910 595	1 138 387
Share capital	130 100	130 100	27 673	36 899
Numer of shares	13 010 000	13 010 000	-	-
Book value per share (PLN / EUR)	329.05	308.51	69.99	87.50
Solvency ratio (%)	10.10%	11.02%	-	-

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

- for balance-sheet items – PLN 4.7013 NBP exchange rate of 31.03.2009; 3.5258 NBP exchange rate of 31.03.2008.
- for income statement items and cash flow statement for 31.03.2009 – PLN 4.5994 exchange rate calculated as the average of NBP exchange rates as at the last day of each month in 1Q 2009; 3.5574 exchange rate calculated as the average of NBP exchange rates as at the last day of each month in 1Q 2008.

VI. Standalone Financial Statement of the Bank

PROFIT AND LOSS ACCOUNT *(PLN '000)*

	I quarter 2009 the period from 01 Jan 2009 to 31 Mar 2009	**I quarter 2008** the period from 01 Jan 2008 to 31 Mar 2008
Interest income	*856 172*	*727 075*
Interest expenses	*-551 840*	*-470 518*
Net interest income	**304 332**	**256 557**
Commission income	*210 512*	*202 716*
Commission expenses	*-17 458*	*-16 283*
Net commission income	**193 054**	**186 433**
Net income on investment financial assets	-4 834	222
Net income on instruments measured at fair value through profit and loss and revaluation	39 421	92 329
Net income on other basic activities	7 035	5 949
Result on basic activities	**539 008**	**541 490**
General and administrative expenses	-349 098	-352 240
Result on other operating income and expenses	-1 026	-2 049
Impairment losses and provisions for off-balance sheet liabilities	-100 855	-299
Profit (loss) before tax	**88 029**	**186 902**
Income tax	-21 110	-37 424
Net result for the current period	**66 919**	**149 478**

Net profit (loss)	**66 919**	**149 478**
Weighted average number of ordinary shares	**13 010 000**	**13 010 000**
Earnings per ordinary share (PLN)	**5,14**	**11,49**

STATEMENT OF COMPREHENSIVE INCOME *(PLN '000)*

	I quarter 2009 the period from 01 Jan 2009 to 31 Mar 2009	I quarter 2008 the period from 01 Jan 2008 to 31 Mar 2008
Net result for the period	**66 919**	**149 478**
Gains/losses on remeasurement of available-for-sale financial assets charged to equity	-114 515	4 406
Reclassified to the financial result as a result of sale of available-for-sale financial assets	93 127	1 293
Adjustment of valuation of securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	3 196	0
Disposal of property, plant and equipment	0	-512
Effective part of cash flow hedging instruments revaluation	-3 865	-3 927
Other comprehensive income (loss)	**-22 057**	**1 260**
Total comprehensive income for the period	**44 862**	**150 738**

STATEMENT OF FINANCIAL POSITION *(PLN '000)*

	I quarter 2009 as of 31 Mar 2009	end of year 2008 as of 31 Dec 2008	I quarter 2008 as of 31 Mar 2008	end of year 2007 as of 31 Dec 2007
A S S E T S				
- Cash in hand and balances with the Central Bank	1 584 256	1 369 777	1 661 279	1 841 720
- Loans and receivables to other banks	3 264 032	8 094 181	14 166 193	15 238 778
- Financial assets measured at fair value through profit and loss	11 965 298	10 547 851	9 154 094	6 218 008
- Valuation of derivatives	5 167 421	4 579 765	2 061 512	1 651 026
- Investments	15 901 748	18 050 736	13 983 507	9 418 393
- available-for-sale	*8 517 288*	*10 738 904*	*10 209 854*	*8 577 617*
- held-to-maturity	*7 384 460*	*7 311 832*	*3 773 653*	*840 776*
- Derivative hedge instruments	212 434	197 003	3 623	4 572
- Loans and receivables to customers	28 523 079	25 277 781	17 699 255	16 049 702
- Investments in controlled entities	235 569	210 569	210 569	210 569
- Investment real estates	151 458	151 458	145 824	144 713
- Property, plant and equipment	533 787	529 256	524 998	521 243
- Intangible assets	312 086	314 790	314 530	317 801
- Property, plant and equipment held for sale	223	248	269	241
- Current tax asset	18 183	0	9 747	25 256
- Deferred tax asset	34 629	45 994	34 949	45 001
- Other assets	187 986	166 476	122 973	139 403
T o t a l a s s e t s	**68 092 189**	**69 535 885**	**60 093 322**	**51 826 426**
E Q U I T Y A N D L I A B I L I T I E S				
LIABILITIES				
- Liabilities due to the Central Bank	4 020 074	5 932 116	0	0
- Liabilities due to other banks	8 202 768	6 063 785	5 200 663	1 812 283
- Financial liabilities measured at fair value through profit and loss	335 980	825 060	3 313 078	157 687
- Valuation of derivatives	3 242 105	4 321 638	1 252 507	1 057 294
- Derivative hedge instruments	610 905	420 047	10 079	0
- Liabilities due to customers	46 524 826	47 165 612	45 437 337	44 502 189
- Provisions	55 999	49 304	67 661	70 904
- Current income tax liabilities	0	38 851	0	0
- Other liabilities	987 721	652 523	991 805	556 615
T o t a l l i a b i l i t i e s	**63 980 378**	**65 468 936**	**56 273 130**	**48 156 972**
EQUITY				
- Share capital	130 100	130 100	130 100	130 100
- Supplementary capital - issuance of shares over nominal value	956 250	956 250	956 250	956 250
- Revaluation reserve from measurement of available-for-sale financial assets	-119 173	-100 981	-143 892	-149 591
- Revaluation reserve from measurement of property, plant and equipment	36 018	36 018	36 977	37 154
- Revaluation reserve from measurement of cash flow hedging instruments	41 716	45 581	-3 927	0
- Retained earnings	3 066 900	2 999 981	2 844 684	2 695 541
T o t a l e q u i t y	**4 111 811**	**4 066 949**	**3 820 192**	**3 669 454**
T o t a l e q u i t y a n d l i a b i l i t i e s	**68 092 189**	**69 535 885**	**60 093 322**	**51 826 426**

Solvency ratio	**9,39%**	**9,82%**	**10,25%**	**12,03%**

Book value	**4 111 811**	**4 066 949**	**3 820 192**	**3 669 454**
Number of shares	**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**
Book value per share (PLN)	**316,05**	**312,60**	**293,64**	**282,05**

STATEMENT OF CHANGES IN EQUITY *(PLN '000)*

I quarter 2009
the period from 01 Jan 2009 to 31 Mar 2009

	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**	**956 250**	**-100 981**	**36 018**	**45 581**	**2 999 981**	**4 066 949**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-114 515	-	-	-	**-114 515**
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	93 127	-	-	-	**93 127**
- adjustment of valuation of securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	3 196	-	-	-	**3 196**
- effective part of cash flow hedging instruments revaluation	-	-	-	-	-3 865	-	**-3 865**
Gains/losses recognised in equity	**0**	**0**	**-18 192**	**0**	**-3 865**	**0**	**-22 057**
Net result for the current period	-	-	-	-	-	**66 919**	**66 919**
Closing balance of equity	**130 100**	**956 250**	**-119 173**	**36 018**	**41 716**	**3 066 900**	**4 111 811**

year 2008
the period from 01 Jan 2008 to 31 Dec 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**	**956 250**	**-149 591**	**37 154**	**0**	**2 695 541**	**3 669 454**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	240 225	-	-	-	**240 225**
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-192 191	-	-	-	**-192 191**
- adjustment of valuation of securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	576	-	-	-	**576**
- disposal of property, plant and equipment	-	-	-	-569	-	1 094	**525**
- remeasurement of property, plant and equipment	-	-	-	-567	-	-	**-567**
- effective part of cash flow hedging instruments revaluation	-	-	-	-	45 581	-	**45 581**
Gains/losses recognised in equity	**0**	**0**	**48 610**	**-1 136**	**45 581**	**1 094**	**94 149**
Dividends paid	-	-	-	-	-	**-152 217**	**-152 217**
Net result for the current period	-	-	-	-	-	**455 563**	**455 563**
Closing balance of equity	**130 100**	**956 250**	**-100 981**	**36 018**	**45 581**	**2 999 981**	**4 066 949**

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

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Retained earnings	**Total equity**
Opening balance of equity	**130 100**	**956 250**	**-149 591**	**37 154**	**0**	**2 695 541**	**3 669 454**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	4 406	-	-	-	**4 406**
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	1 293	-	-	-	**1 293**
- disposal of property, plant and equipment	-	-	-	-177	-	-335	**-512**
- effective part of cash flow hedging instruments revaluation	-	-	-	-	-3 927	-	**-3 927**
Gains/losses recognised in equity	**0**	**0**	**5 699**	**-177**	**-3 927**	**-335**	**1 260**
Net result for the current period	-	-	-	-	-	**149 478**	**149 478**
Closing balance of equity	**130 100**	**956 250**	**-143 892**	**36 977**	**-3 927**	**2 844 684**	**3 820 192**

CASH FLOW STATEMENT *(PLN '000)*

	I quarter 2009 the period from 01 Jan 2009 to 31 Mar 2009	**I quarter 2008** the period from 01 Jan 2008 to 31 Mar 2008
OPERATING ACTIVITIES		
Net profit (loss)	**66 919**	**149 478**
Adjustments	**-1 703 573**	**-799 430**
- Depreciation and amortisation	30 488	32 840
- Interest accrued (from the profit and loss account)	304 332	256 557
- Interest paid	505 152	464 383
- Interest received	-907 739	-703 690
- Dividends received	-7	-28
- Gains (losses) on investment activities	-15	-1 101
- Income tax (from the profit and loss account)	21 110	37 424
- Income tax paid	-66 779	-11 863
- Change in provisions	6 695	-3 243
- Change in loans and other receivables to other banks	2 920 845	556 691
- Change in financial assets at fair value through profit or loss	-1 300 313	-2 892 582
- Change in available-for-sale financial assets	2 197 163	-1 655 215
- Change in held-to-maturity financial assets	-128 996	-2 952 665
- Change in valuation of derivatives	-1 667 189	-215 273
- Change in derivative hedge instruments	171 562	7 101
- Change in loans and other receivables to customers	-3 248 236	-1 656 203
- Change in other assets	-20 607	17 193
- Change in liabilities due to other banks	216 374	3 386 694
- Change in liabilities at fair value through profit or loss	-489 080	3 155 391
- Change in liabilities due to customers	-583 531	942 969
- Change in other liabilities	335 198	435 190
Net cash flow from operating activities	**-1 636 654**	**-649 952**
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-23 485	-24 558
- Purchase of property plant and equipment in investment property	0	-923
- Disposal of property, plant and equipment	51	1 142
- Purchase of intangible assets	-9 769	-10 442
- Purchase of investments in subordinated entities	-25 000	0
- Disposal of fixed assets held for sale	25	144
- Dividends received	7	28
Net cash flow from investment activities	**-58 171**	**-34 609**
FINANCIAL ACTIVITIES		
- Dividends paid	0	0
Net cash flow from financial activities	**0**	**0**
Effect of exchange rate changes on cash and cash equivalents	***9 563***	***-762 610***
Net increase/decrease in cash and cash equivalents	**-1 694 825**	**-684 561**
Opening balance of cash and cash equivalents	**4 097 924**	**4 816 455**
Closing balance of cash and cash equivalents	**2 403 099**	**4 131 894**