2010

Semi-annual consolidated report of the ING Bank Ślaski S.A. Group for the period of 6 months ending on 30 June 2010

ING

ING BANK ŚLĄSKI

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INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (PLN '000)

	Note	II quarter 2010 the period from 01 Apr 2010 to 30 Jun 2010 *(unaudited)*	I half 2010 the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*	II quarter 2009 the period from 01 Apr 2009 to 30 Jun 2009 *comparative data (unaudited)*	I half 2009 the period from 01 Jan 2009 to 30 Jun 2009 *comparative data (unaudited)*
- Interest income	5.1	710 517	1 413 919	774 812	1 615 868
- Interest expenses	5.1	317 131	653 151	414 275	964 041
Net interest income	5.1	**393 386**	**760 768**	**360 537**	**651 827**
- Commission income	5.2	277 615	541 697	275 289	531 406
- Commission expenses	5.2	30 663	66 277	25 375	47 475
Net commission income	5.2	**246 952**	**475 420**	**249 914**	**483 931**
- Net income on instruments measured at fair value through profit or loss and FX result	5.3	34 676	86 203	42 065	37 820
- Net income on investments	5.4	3 023	7 060	8 307	8 603
- Net income on hedge accounting	5.5	-15 266	-22 160	5 988	23 903
- Net income on other basic activities		4 990	11 320	2 740	10 691
Result on basic activities		**667 761**	**1 318 611**	**669 551**	**1 216 775**
- General and administrative expenses	5.6	403 450	797 554	383 799	745 458
- Result on other operating income and expenses		290	3 842	1 284	247
- Impairment losses and provisions for off-balance sheet liabilities	5.7	39 277	87 376	73 839	165 553
- Share in net profit (loss) of associated entities recognised under the equity method		10 916	18 196	15 530	25 630
Profit (loss) before tax		**236 240**	**455 719**	**228 727**	**331 641**
Income tax		44 709	86 675	46 005	68 124
Net profit (loss)		**191 531**	**369 044**	**182 722**	**263 517**
- assigned to shareholders of the holding company		**191 530**	**369 050**	**182 703**	**263 524**
- assigned to minority shareholders		1	-6	19	-7

Net profit (loss) assigned to shareholders of the holding company	**191 530**	**369 050**	**182 703**	**263 524**
Weighted average number of ordinary shares	**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**
Earnings per ordinary share (PLN)	**14,72**	**28,37**	**14,04**	**20,26**

Diluted earnings per share agrees with earnings per ordinary share

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

Małgorzata Kołakowska
President
Signed on the Polish original

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SIGNATURE OF THE PERSON ENTRUSTED WITH KEEPING THE ACCOUNTING BOOKS

Tomasz Biłous
Director of Accounting Department, Chief Accountant
Signed on the Polish original

Katowice, 10-08-2010

Interim condensed consolidated income statement shall be analysed together with the supplementary notes to interim condensed consolidated financial statements being the integral part of interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (PLN '000)

	II quarter 2010 the period from 01 Apr 2010 to 30 Jun 2010 *(unaudited)*	**I half 2010** the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*	**II quarter 2009** the period from 01 Apr 2009 to 30 Jun 2009 *(unaudited)*	**I half 2009** the period from 01 Jan 2009 to 30 Jun 2009 *(unaudited)*
Net result for the period	**191 531**	**369 044**	**182 722**	**263 517**
- Gains/losses on remeasurement of available-for-sale financial assets charged to equity	-51 744	509	62 621	41 453
including deferred tax	*12 041*	*-257*	*-14 632*	*-9 687*
- Reclassification to the financial result as a result of sale of available-for-sale financial assets	376	-2 684	-3 475	-3 710
including deferred tax	*-89*	*629*	*815*	*870*
- Amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-72	-364	-225	2 986
including deferred tax	*18*	*85*	*53*	*-701*
- Effective part of cash flow hedging instruments revaluation	7 131	27 013	-21 973	-25 838
including deferred tax	*-1 672*	*-6 336*	*5 155*	*6 061*
- Revaluation of share-based payment	1 205	1 933	14 208	14 208
including deferred tax	*0*	*0*	*-2 502*	*-2 502*
- Other	0	283	-28	-28
including deferred tax	*0*	*4*	*6*	*6*
Other comprehensive income (loss)	**-43 104**	**26 690**	**51 128**	**29 071**
Total comprehensive income for the period	**148 427**	**395 734**	**233 850**	**292 588**
Total comprehensive income				
- assigned to shareholders of the holding company	148 426	395 740	233 831	292 595
- assigned to minority shareholders	1	-6	19	-7
Total comprehensive income for the period	**148 427**	**395 734**	**233 850**	**292 588**

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (PLN '000)

	Note	**I half 2010** as of 30 Jun 2010 *(unaudited)*	**end of year 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
A S S E T S				
- Cash in hand and balances with the Central Bank		2 158 478	2 656 593	903 317
- Loans and receivables to other banks	*5.8*	1 940 108	1 184 103	3 233 643
- Financial assets measured at fair value through profit and loss	*5.9*	1 451 554	8 267 661	10 822 131
- Valuation of derivatives		1 755 710	1 566 652	3 241 981
- Investments	*5.10*	21 008 716	14 166 281	15 568 193
- available-for-sale		*14 323 677*	*6 835 875*	*8 329 498*
- held-to-maturity		*6 685 039*	*7 330 406*	*7 238 695*
- Derivative hedge instruments		88 131	90 444	90 975
- Loans and receivables to customers	*5.11 5.12*	31 781 186	30 592 794	29 268 639
- Investments in controlled entities recognised under the equity method		133 796	115 600	89 148
- Investment real estates		129 667	129 667	151 458
- Property, plant and equipment		536 318	548 847	553 166
- Intangible assets		325 876	327 343	317 791
- Property, plant and equipment held for sale		224	224	135
- Current income tax assets		260	762	82 879
- Deferred tax assets		97 370	86 447	0
- Other assets		175 589	150 038	193 043
T o t a l a s s e t s		**61 582 983**	**59 883 456**	**64 516 499**

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (PLN '000) - continued

	Note	**I half 2010** as of 30 Jun 2010 *(unaudited)*	**end of year 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
E Q U I T Y A N D L I A B I L I T I E S				
LIABILITIES				
- Liabilities due to other banks	5.13	5 190 240	3 973 786	9 730 831
- Financial liabilities measured at fair value through profit and loss	5.14	2 123 453	998 051	981 361
- Valuation of derivatives		1 215 300	1 193 944	2 103 080
- Derivative hedge instruments		663 309	482 563	382 120
- Liabilities due to customers	5.15	45 954 215	47 584 673	45 732 378
- Provisions	5.16	46 470	55 247	48 975
- Current income tax liabilities		55 396	156 133	53
- Deferred tax provision		0	0	55 599
- Other liabilities		1 052 155	552 348	965 085
T o t a l l i a b i l i t i e s		**56 300 538**	**54 996 745**	**59 999 482**
EQUITY				
- Share capital		130 100	130 100	130 100
- Supplementary capital - issuance of shares over nominal value		956 250	956 250	956 250
- Revaluation reserve from measurement of available-for-sale financial assets		-3 922	-1 383	-60 252
- Revaluation reserve from measurement of property, plant and equipment		51 095	51 115	52 828
- Revaluation reserve from measurement of cash flow hedging instruments		26 045	-968	19 743
- Revaluation of share-based payment		17 779	15 846	14 208
- Retained earnings		4 102 791	3 733 438	3 401 848
Equity attributed to the holding company		**5 280 138**	**4 884 398**	**4 514 725**
- Minority equity		**2 307**	**2 313**	**2 292**
T o t a l e q u i t y		**5 282 445**	**4 886 711**	**4 517 017**
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		**61 582 983**	**59 883 456**	**64 516 499**

Solvency ratio	5.18	**12,56%**	**12,01%**	**10,87%**

Net book value	**5 280 138**	**4 884 398**	**4 514 725**
Number of shares	**13 010 000**	**13 010 000**	**13 010 000**
Net book value per share (PLN)	**405,85**	**375,43**	**347,02**

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Interim condensed consolidated statement of financial position shall be analysed together with the supplementary notes to interim condensed consolidated financial statements being the integral part of interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (PLN '000)

I half 2010
the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*

	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	Revaluation of share-based payment	Retained earnings	Minority equity	Total equity
Opening balance of equity	**130 100**	**956 250**	**-1 383**	**51 115**	**-968**	**15 846**	**3 733 438**	**2 313**	**4 886 711**
- net result for the current period	-	-	-	-	-	-	369 044	-	**369 044**
- share of minority shareholders in the net financial result	-	-	-	-	-	-	6	-6	**0**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	509	-	-	-	-	-	**509**
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	-2 684	-	-	-	-	-	**-2 684**
- amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	-364	-	-	-	-	-	**-364**
- effective part of cash flow hedging instruments revaluation	-	-	-	-	27 013	-	-	-	**27 013**
- revaluation of share-based payment	-	-	-	-	-	1 933	-	-	**1 933**
- other	-	-	-	-20	-	-	303	-	**283**
Total comprehensive income for the period	**0**	**0**	**-2 539**	**-20**	**27 013**	**1 933**	**369 353**	**-6**	**395 734**
Dividends paid	-	-	-	-	-	-	-	-	**0**
Closing balance of equity	**130 100**	**956 250**	**-3 922**	**51 095**	**26 045**	**17 779**	**4 102 791**	**2 307**	**5 282 445**

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Interim condensed consolidated statement of changes in equity shall be analysed together with the supplementary notes to interim condensed consolidated financial statements being the integral part of interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (PLN '000) - continued

year 2009
the period from 01 Jan 2009 to 31 Dec 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	Revaluation of share-based payment	Retained earnings	Minority equity	Total equity
Opening balance of equity	**130 100**	**956 250**	**-100 981**	**52 864**	**45 581**	**0**	**3 138 316**	**2 299**	**4 224 429**
- net result for the current period	-	-	-	-	-	-	595 066	-	**595 066**
- share of minority shareholders in the net financial result	-	-	-	-	-	-	-14	14	**0**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	96 302	-	-	-	-	-	**96 302**
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	794	-	-	-	-	-	**794**
- amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	2 502	-	-	-	-	-	**2 502**
- remeasurement of property, plant and equipment	-	-	-	-1 704	-	-	-	-	**-1 704**
- effective part of cash flow hedging instruments revaluation	-	-	-	-	-46 549	-	-	-	**-46 549**
- revaluation of share-based payment	-	-	-	-	-	15 846	-	-	**15 846**
- other	-	-	-	-45	-	-	70	-	**25**
Total comprehensive income for the period	**0**	**0**	**99 598**	**-1 749**	**-46 549**	**15 846**	**595 122**	**14**	**662 282**
Dividends paid	-	-	-	-	-	-	-	-	**0**
Closing balance of equity	**130 100**	**956 250**	**-1 383**	**51 115**	**-968**	**15 846**	**3 733 438**	**2 313**	**4 886 711**

I half 2009
the period from 01 Jan 2009 to 30 Jun 2009 *(unaudited)*

	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	Revaluation of share-based payment	Retained earnings	Minority equity	Total equity
Opening balance of equity	**130 100**	**956 250**	**-100 981**	**52 864**	**45 581**	**0**	**3 138 316**	**2 299**	**4 224 429**
- net result for the current period	-	-	-	-	-	-	263 517	-	**263 517**
- share of minority shareholders in the net financial result	-	-	-	-	-	-	7	-7	**0**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	41 453	-	-	-	-	-	**41 453**
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	-3 710	-	-	-	-	-	**-3 710**
- amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	2 986	-	-	-	-	-	**2 986**
- effective part of cash flow hedging instruments revaluation	-	-	-	-	-25 838	-	-	-	**-25 838**
- revaluation of share-based payment	-	-	-	-	-	14 208	-	-	**14 208**
- other	-	-	-	-36	-	-	8	-	**-28**
Total comprehensive income for the period	**0**	**0**	**40 729**	**-36**	**-25 838**	**14 208**	**263 532**	**-7**	**292 588**
Dividends paid	-	-	-	-	-	-	-	-	**0**
Closing balance of equity	**130 100**	**956 250**	**-60 252**	**52 828**	**19 743**	**14 208**	**3 401 848**	**2 292**	**4 517 017**

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INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT (PLN '000)

	I half 2010 the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*	**I half 2009** the period from 01 Jan 2009 to 30 Jun 2009 *comparative data* *(unaudited)*
OPERATING ACTIVITIES		
Net profit (loss)	**369 050**	**263 524**
Adjustments	**-1 391 616**	**-2 752 462**
- Minority shareholders' profit (loss)	-6	-7
- Share in net profit (loss) of associated entities	-18 196	-25 630
- Depreciation and amortisation	58 612	62 944
- Interest accrued (from the profit and loss account)	760 768	651 827
- Interest paid	708 482	973 874
- Interest received	-1 585 681	-2 096 007
- Dividends received	-1 750	-4 012
- Gains (losses) on investment activities	-173	1 011
- Income tax (from the profit and loss account)	86 675	68 124
- Income tax paid	-197 833	-85 706
- Change in provisions	-8 777	-1 604
- Change in loans and other receivables to other banks	-475 159	2 845 363
- Change in financial assets at fair value through profit or loss	6 785 486	-191 372
- Change in available-for-sale financial assets	-7 499 697	2 539 443
- Change in valuation of derivatives	-167 702	-880 774
- Change in derivative hedge instruments	210 072	42 263
- Change in loans and other receivables to customers	-1 210 633	-3 553 123
- Change in other assets	6 089	41 528
- Change in liabilities due to other banks	1 215 054	-2 280 031
- Change in liabilities at fair value through profit or loss	1 125 402	156 301
- Change in liabilities due to customers	-1 684 389	-1 326 495
- Change in other liabilities	501 740	309 621
Net cash flow from operating activities	**-1 022 566**	**-2 488 938**
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-22 601	-50 309
- Disposal of property, plant and equipment	203	83
- Purchase of intangible assets	-23 047	-25 987
- Disposal of fixed assets held for sale	12	42
- Redemption of held-to-maturity financial assets	615 000	50 000
- Interest received from held-to-maturity financial assets	236 387	239 387
- Dividends received	1 750	4 012
Net cash flow from investment activities	**807 704**	**217 228**
FINANCIAL ACTIVITIES		
- Dividends paid	0	0
Net cash flow from financial activities	**0**	**0**
Effect of exchange rate changes on cash and cash equivalents	***24 442***	***11 886***
Net increase/decrease in cash and cash equivalents	**-214 862**	**-2 271 710**
Opening balance of cash and cash equivalents	**3 047 826**	**4 133 362**
Closing balance of cash and cash equivalents	**2 832 964**	**1 861 652**

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II. Additional information

1. Information on the Bank and the 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 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 (sector: banks). As of 30 June 2010, the share price of ING Bank Śląski S.A. was PLN 755.00, whereas during the same period last year it was at the level of PLN 350.50.

ING Bank Śląski S.A. is the parent company of the ING Bank Śląski S.A. Group (“Capital Group”, “Group”) of the following composition as at 30 June 2010:

- ING Securities S.A. (subsidiary, 100% share),
- ING Bank Hipoteczny S.A. (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 H1 2010 the Group’s structure did not change.

The duration of the parent entity and entities forming the Capital Group is indefinite.

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 runs operations both in the home currency and in foreign currencies. The Bank is also active on the domestic and foreign financial markets. The subsidiary ING Bank Hipoteczny S.A. also runs banking business, including loans secured with mortgage. Additionally through subsidiaries the Group operates brokerage services, real estate, leasing of real estate and 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 30 June 2010 held 75% share in the initial capital of ING Bank Śląski and 75% shares in the total number of votes at the General Meeting of Shareholders. ING Bank NV belongs to the Capital Group, herein referred to as ING Group.

As at the date 30 June 2010, the shareholder owning 5% and more votes at the General Shareholders Meeting of ING Bank Śląski Spółka Akcyjna was:

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

On 20 April 2010, the Bank acquired the information that as a result of the transaction of sale of shares of ING Bank Śląski S.A. concluded on 13 April 2010, Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK [*Aviva Open Investment Fund Aviva BZ WBK*] decreased its share in the total number of shares and votes at the General Meeting to less than 5%. Therefore, as of the day of submitting the report for H1 2010, the shareholder holding at least 5% of votes at the General Meeting of ING Bank Śląski S.A. was only ING Bank N.V., holding 75.0% of the total number of shares and votes at the General Meeting.

Among members of the Supervisory Board of the Bank as of the day of publishing the interim consolidated financial statements of Capital Group of ING Bank Śląski S.A. for H1 2010, Mr. Wojciech Popiołek holds shares of ING Bank Śląski S.A. in the number of 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. The number of shares of ING Bank Śląski held by Members of the Bank Supervisory Board and Members of the Bank Management Board was analogous to the number as at the day when the financial statements for the previous quarter were made public.

Interim condensed consolidated financial statements of the Group for first half 2010 comprise the Bank and its subsidiaries and the Group's interest in associates and jointly controlled entities.

The annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2009 to 31 December 2009 were approved by the General Meeting of Shareholders of the Bank on 8 April 2010.

These interim condensed consolidated financial statements were approved by the Bank Management Board on 10 August 2010.

2. Compliance with International Financial Reporting Standards

These interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for the period 6 months ended 30th June 2010 were prepared under the International Financial Reporting Standards (IFRS) in a version approved by the European Commission effective as at the reporting date, that is 30 June 2010 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).

Interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity, and interim condensed consolidated cash flow statement for the period from 01 January 2010 to 30 June 2010, and interim condensed consolidated statement of financial position as at 30 June 2010 together with comparable data were prepared according to the same principles of accounting for each period.

The comparative data cover the period from 1 January 2009 to 30 June 2009 for the condensed consolidated income statement; the condensed consolidated statement of comprehensive income; and the condensed consolidated cash flow statement; additionally, for the period from 1 January 2009 to 31 December 2009 for the condensed consolidated statement of changes in equity; and in the case of the condensed consolidated statement of financial position data as of 31 December 2009 and 30 June 2009. Interim condensed consolidated income statements, interim condensed consolidated statement of comprehensive income and notes to the interim condensed consolidated income statements include data for the Q2 2010 (period from 01 April 2010 to 30 June 2010) as well as comparative data for the Q2 2009 (period from 01 April 2009 to 30 June 2009), that were not subject to review or audit by a certified auditor.

Presented interim condensed consolidated financial statements for I half 2010 meet the requirements of International Financial Reporting Standards (IFRS), including IAS 34 (International Accounting Standards) with regard to interim financial statements. This interim condensed consolidated financial statements for the period 6 months ended 30th June 2010 was prepared in a condensed version and does not cover all disclosures required in the annual financial statements.

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

In these interim condensed consolidated financial statements the same principles of accounting have been applied as the ones applied for developing the 2009 annual consolidated financial statements, with the exception of the following changes in standards and new interpretations binding for annual periods starting on 1 January 2010 or after that date:

- IFRS 1 *Application of International Financial Reporting Standards for the first time* – revised IFRS 1 supersedes the existing IFRS 1 in order to simplify its application and its future amendments. Certain out-dated guidelines with regard to shifting to international financial reporting standards have not been included in the revised MSSF 1, and some slight editorial changes were introduced. The currently binding requirements remain unchanged*.* Amendments of 28 January 2010 – few exemptions concerning comparable data and *IFRS 7 Financial Instruments* – disclosures for entities that apply the International Financial Reporting Standards for the first time,
- IFRS 2 *Share-based payments (dated 18 June 2009)* – changes to IFRS 2 specify the recognition of share-based payments whereunder a payment to the service or good suppliers is made in cash, and the liability is attributed to other entity belonging to the capital group (share-based payments settled in cash within the capital group). Application of this interpretation had influence neither on the financial standing nor on the results of the activities of the Group as no events happened that would have fallen under that standard,
- IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* - the amendment explains that if a subsidiary meets the criteria to be classified as held for sale, then all of its assets and liabilities are classified as available for sale, even if the dominant entity retains non-controlling shares in that entity upon a sales transaction. The application of that amendment did not have any impact on the financial standing or the result on the Group's operations, as there have been no events to which it would have applied,
- Changes to IFRS resulting from annual review, entering into force after 1 January 2010. The annual review is to improve international financial reporting standards and to specify them in more detail. The majority of changes specifies in more detail the existing IFRS or introduces amendments thereto or constitutes changes resulting from prior changes to IFRS. Changes to IFRS 8, IAS 17, IAS 36 and IAS 39 include changes of binding requirements or they constitute additional explanations with regard to application of the said requirements,
- IAS 7 *Cash Flow Statements* – it was explicitly stated in the amendment that only expenses leading to recognition of an asset may be classified as cashflows from investing activities. The amendment affects the presentation of conditional payment upon merger, which was settled in the monetary form in 2010. The application of that amendment did not have any impact on the financial standing or the result on the Group's operations, as there have been no events to which it would have applied,
- IAS 32 *Financial instruments: Presentation (dated 8 October 2009)* – the change to IAS 32 specifies in more detail how certain pre-emptive rights should be recognized in situation when the issued financial instruments are denominated in other currency than the functional currency of the issuer. If such instruments are offered pro rata to the existing shareholders of the issuer in return for fixed amount of cash they should be classified as equity instruments also in the case when their execution price is expressed in currency other than the functional currency of the

issuer. Application of the said amendment had impact neither on the financial standing nor on the results of the activities of the Group, as the Group did not issue such instruments.

The published Standards and Interpretations which have been already issued, but they are not binding yet as they have not been approved by the European Union or they have been approved by the European Union but have not been applied by the Group include:

- IFRS 9 *Financial Instruments* – the new standard is to supersede IAS 39 (the Group is currently analyzing the impact of the changes on the financial statements),
- Amendments to IFRIC 14 IAS 19 - *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction:* prepayments of a minimum funding requirement – applicable to annual periods beginning on or after 1 January 2011. The Group is analysing the impact of amendments on financial statements,
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* – the interpretation explains the guidelines of IFRS when a business entity renegotiates terms and conditions of financial liabilities with lenders and the said lenders agree to accept the entity's shares or other equity instruments to settle financial liabilities partially or fully (the Group is currently analyzing the impact of the changes on the financial statements),
- IAS 24 *Related Party Disclosures* (amended in November 2009) – applicable to annual periods beginning on or after 1 January 2011. The Group is analysing the impact of amendments on financial statements,
- Changes resulting from IFRS annual review applicable to annual reporting periods starting on 1 January 2011. The annual review is to improve international financial reporting standards and to specify them in more detail. The majority of changes specifies in more detail the existing IFRS or introduces amendments thereto or constitutes changes resulting from prior changes to IFRS. Changes to IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34 and IFRIC 13 include changes of binding requirements or they constitute additional explanations with regard to application of the said requirements.

In view of the ongoing process of IFRS introduction in the EU and the business run by the Company, as at the approval date of this report, there were no differences between the already effective IFRSs and the IFRSs approved by the EU in terms of the accounting principles applied by the Company.

Going-concern

These interim condensed consolidated financial statements were prepared on a going-concern basis as regards the foreseeable future, namely as regards the period of minimum 12 months from the balance sheet date. As of the date of approving these statements, the Bank Management Board has not identified any events that could indicate that the continuation of the operations by the Capital Group is endangered.

Discontinued operations

The Group had no operations that were discontinued in H1 2010.

Material accounting principles (policy)

Detailed accounting principles are presented in annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2009 to 31 December 2009 published on 05 March 2010 that is available on the Internet site of ING Bank Śląski S.A. (www.ingbank.pl).

Selected accounting principles applied by the capital Group are presented below.

Basis for preparation of consolidated financial statements

The concept of fair value has been applied in the statements for real property and investment property as well as financial assets and liabilities measured at fair value, including derivative instruments, and financial assets classified as available-for-sale, excluding those for which the fair value cannot be determined in a reliable manner.

Other items of financial assets (including loans and receivables) are presented at amortized cost less impairment charges or at purchase price less impairment charges.

Fixed assets for sale are recognised at the lower of their balance sheet value and the fair value minus sales costs.

Consolidation policies

Subsidiaries

Subsidiaries are any entities controlled by the Bank. The control exists, when the Bank has direct or indirect influence on the financial and operating policies of an entity so as to obtain benefits from its activities.
Control is presumed to exist when the parent owns more than a half of the voting rights of an entity and when there are:

- rights to more than a half of the voting rights by virtue of an agreement with other investors;
- power to govern the financial and operating policies of the entity under a statute or an agreement;
- power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body;
- power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

The financial statements of subsidiaries are included in the consolidated financial statements from the date of acquisition until the date on which the parent ceases to control the subsidiary, if applicable.

Purchase method

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Assets, liabilities and contingent liabilities acquired in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share in identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a share of between 20% and 50% of the voting rights. The consolidated financial statements include the Group's share in profits and losses of associates according to its share in net assets of associates, from the date of obtaining significant influence until the date, the significant influence ceases.

Investments in associates are initially accounted at purchase price and then accounted for using the equity method. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition. The share of the Group in the profits (losses) of associates since the date of acquisition is recognised in the income statement, whereas its share in changes in other reserves since the date of acquisition – in other reserves. The carrying amount of the investment is adjusted by the total changes of different items of equity after the date of their acquisition.

When the share of the Group in the losses of an associate becomes equal or greater than the share of the Group in that associate, the Group discontinues the recognition of any further losses or creates provision only to such amount, it has assumed obligations or has settled payments on behalf of the respective associate.

Transactions eliminated in consolidation process

Intragroup balances and gains and losses or revenues and costs resulting from intragroup transactions are eliminated in full in the consolidated financial statements.

Foreign currency

The functional currency and the presentation's currency

The items contained in presentations of particular units of the Group are priced in the currency of the basic economic environment in which a given entity operates ("the functional currency"). These consolidated financial statements is presented in Polish Zloty, which is the functional currency and the presentation currency of the Group.

Transactions and balances in foreign currency

Transactions expressed in foreign currencies are translated at FX rate prevailing on the transaction date. The financial assets and liabilities, being result of the said transactions and denominated in foreign currencies are translated at the FX rate prevailing on a given day. The foreign exchange differences resulting from the settlements of the said transactions and the balance sheet valuation of the financial assets and liabilities denominated in foreign currency are recognized in the income statement in the detailed item *FX result,* which is an element of *Net income on instruments measured at fair value through profit or loss and FX result.*

Foreign exchange differences due to such items as equity instruments classified as available-for-sale financial assets are recognized in revaluation capital of available-for-sale financial assets.

Financial statements of investments in a foreign operation

The Group does not have any investments nor runs operations abroad.

Financial assets and liabilities

Classification

The Group classifies financial instruments to the following categories: financial assets and liabilities valued at fair value through profit or loss, loans and receivables, investments held to maturity, available for sale financial assets.

Financial assets and liabilities valued at fair value through profit or loss

These are financial assets or financial liabilities that meet either of the following conditions.

- are classified as held for trading. A financial asset or financial liability is classified as held for trading if it is: acquired or incurred principally for the purpose of selling or repurchasing it in the near term or are a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also classified as held for trading (other than those that are designated and effective hedging instruments),
- upon initial recognition it is designated by the Group as at fair value through profit or loss. Such designation can be made only if:

- the designated financial asset or financial liability is a hybrid instrument containing one or many embedded derivatives, which qualify for separate recognition and embedded derivatives cannot change significantly the cash flows resulting from the host contract or separation of embedded derivative is forbidden;
- usage of such classification of financial asset or liability eliminates or decreases significantly the inconsistency of measurement or recognition (so called accounting difference due to various methods of assets and liabilities valuation or various recognition of gains and losses attributable to them);
- the group of financial assets and liabilities or both categories is managed properly, and its results are measured using fair value, in accordance with documented risk management principles or the Group's investment strategy.

Investment held to maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. In case of sale or reclassification of more than an insignificant amount of held-to-maturity investments in relation to the total held-to-maturity investments before maturity all the assets of this category are reclassified to the available sale category. In such a case, the Group must not classify any financial assets as investments held to maturity for 2 years.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- those that the entity intends to sell immediately or in the near term, which are classified as held for trading, and those that the entity upon initial recognition designates at fair value through profit or loss;
- those that the entity upon initial recognition designates as available for sale;
- those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available for sale.

Loans and receivables include loans and cash loans extended to other banks and clients including repurchased debt claims, debt securities reclassified from the portfolio of financial assets available for sale and debt securities not listed on the active market, that comply with the definition of loans and receivables.

Financial assets available for sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Other financial liabilities

Financial liabilities being a contractual obligation to deliver cash or other financial asset to another entity not valued at fair value through profit or loss, being a deposit or loan received.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Recognition

The Group recognizes financial assets or liabilities on the balance sheet when, and only when it becomes a party to the contractual provisions of the instrument. Purchase and sale transactions of financial assets valued at fair value through profit or loss, held-to-maturity and available for sale are recognized, in accordance with accounting policies applied to all transactions of a certain type, at the settlement date, the date on which the asset is delivered to an entity or by an entity. Loans and receivables are recognized on distribution of the cash to borrower.

Derecognition

The Group derecognises a financial asset when, and only when: the contractual rights to the cash flows from the financial asset expire or the Group transfers the contractual right to receipt of the cash flow from the financial asset. On transferring a financial asset, the Group evaluates the extent to which it retains the risks and rewards of ownership of the financial asset. Accordingly, where the Group:

- transfers substantially all the risks and rewards of ownership of the financial asset, it derecognises the financial asset,
- retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognise the financial asset,
- neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it the Group determines whether it has retained control of the financial asset. In this case if the Group has retained control, it continues to recognise
  the financial asset, and if the Group has not retained control, it derecognises the financial asset to the extent of its continuing involvement in the financial asset.

The Group removes a financial liability (or a part of a financial liability) from its balance sheet when, and only when the obligation specified in the contract is realised or cancelledor expires.

The Group derecognizes loans and receivables or its part from its balance sheet, if rights pertaining to the credit agreement expire, the Group waives such rights, or sells the loan.

When irrevocability of financial assets is declared, the Group most frequently writes down receivables as impairment charges.

The amounts of receivables written down as loss and recovered thereafter shall diminish the value of impairment loss in the income statement.

Measurement

When a financial asset or financial liability is recognised initially, the Group measures it at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

After initial recognition, the Group measures financial assets, including derivatives that are assets, at their fair values, without any deduction for transaction costs it may incur on sale or other disposal, except for the following financial assets:

- loans and receivables which are measured at amortized cost using the effective interest method;
- held-to-maturity investments which are measured at amortised cost using the effective interest method;
- investments in equity instruments that do not have a quoted market price in an active market and their fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, which are measured at cost.

After initial recognition, the Group measures all financial liabilities at amortised cost using the effective interest method, except for:

- financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are measured at fair value except for a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument which fair value cannot be reliably measured, are measured at cost,
- financial liabilities resulting from the transfer of a financial asset which does not qualify for being excluded from the balance sheet or recognised on a *continuing involvement* basis.

The other financial liabilities are measured at depreciated cost or the amount of due payment.

Granted financial guarantees are measured at the higher of:

- the amount being the most appropriate estimation of the expenditures needed to fulfil the current obligation arising from the financial guarantee, upon consideration of the probability of materialisation thereof;
- the amount recognised at the initial entry, adjusted with the settled amount of commission received for granting the guarantee.

Reclassification

With the current scope of Groups' activity the principles of reclassification described below are applicable.

A particular financial asset classified as available-for-sale may be reclassified from this category should it fulfil the definition of loans and receivables and should the Group intend and be able to maintain this financial asset in the foreseeable future or until its maturity. Fair value of the financial asset on the reclassification date is deemed as its new cost or new depreciated cost, respectively.

In the event of a maturing financial asset, the profits or losses recognised as equity until the date of reclassification are amortised and carried through the income statement for the remaining term until maturity. All differences between the new amortised cost and the amortisation amount are amortised for the remaining term until the instrument's maturity, similarly to the amortisation of premium or discount. Amortisation is based on the effective interest rate method.

In the event of a non-maturing asset, the profits and losses remain with equity until the asset has been sold or disposed of otherwise when it is carried through the income statement.

Gains and losses resulting from subsequent measurement

A gain or loss arising from a change in the fair value of a financial asset or financial liability that is not part of a hedging relationship is recognised, as follows:

- a gain or loss on a financial asset or financial liability classified as at fair value through profit or loss is recognised in the income statement;
- a gain or loss on an available-for-sale financial asset is recognized directly in equity through list of changes in equity.

The interest calculated using the effective interest rate method is recognised in the income statement.

Upon the impairment of elements of financial assets or a group of financial assets, the Group debits the income statement with the amount of contractual interest unpaid as of the day of the impairment. The interest shall be included in the income statement at the moment of repayment thereof.

Dividends on an available-for-sale equity instrument are recognised in the income statement when the entity's right to receive payment is established.

Foreign exchange gains and losses arising from a change in the fair value of a non monetary financial asset available for sale denominated in foreign currency are recognized directly in equity. Foreign exchange gains and losses arising from monetary financial assets (e.g debt securities) denominated in foreign currency are recognized directly in the income statement.

At the moment of derecognition of financial assets from the balance sheet, cumulated gains and losses recognized previously in equity, are transferred to the income statement.

If any objective evidence exists that a financial asset or group of financial assets is impaired, the Group recognizes impairment in accordance with the established rules of determination of impairment of financial assets.

The fair value of financial assets and liabilities quoted in an active market (including securities) is determined on the basis of the bid price for long position and offer price for short position. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, discounted cash flow analysis and option pricing models and other techniques used by market members.

Based on the employed methods of determining the fair value, financial assets/liabilities are classified to the following categories:

- Level I: financial assets/liabilities measured directly on the basis of prices quoted in the active market or measurement techniques based solely on market data,
- Level II: financial assets/liabilities measured on the basis of measurement techniques based on assumptions using data from an active market or market observations,
- Level III: financial assets/liabilities measured on the basis of measurement techniques commonly used by the market players, the assumptions of which are not based on data from an active market.

Derivative instruments

Derivative instruments are valued at fair value without cost of transactions, which are to be incurred at the moment of its sale. The base of initial fair value measurement of derivative instruments is value at cost, i.e. fair value of received or paid amount.

The Group separates and recognizes in the balance sheet derivative instruments being a component of hybrid instruments. A hybrid (combined) instrument includes a non-derivative host contract and derivative instrument, which causes some or all of the cash flows arising from the host contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable.

The Group separates embedded derivatives from the host contract and accounts for them as a derivative if, and only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, and the host contract is not valued at fair value through profit or loss. An embedded derivative is valued at fair value, and its changes are recognized in income statement.

The Group uses derivative instruments in order to hedge against FX and interest rate risk, arising from activity of the Group. Derivative instruments that are not subject to hedge accounting are classified as financial instruments held for trading and are valued at fair value.

Derivative instruments not qualifying as hedging instruments

Changes in the fair value of derivatives that do not meet the criteria of hedge accounting are shown in the income statement for the current period in position *Net income on instruments measured at fair value through profit or loss and FX result*. Unrealised valuation are fully included in the abovementioned item.

Hedge Accounting

Hedge accounting presents the offset effects of fair value changes of both hedging instruments and hedged items which impact the income statement.
The Group designates certain derivative instruments as fair value hedge or cash flow hedge.
The Group uses hedge accounting, if the following conditions are met:

- formalised documentation of the hedging relationship was prepared when the hedging was established. The documentation sets out the purpose of risk management and the hedging strategy adopted by the Group. In the documentation, the Group designates the hedging instrument to hedge a given position or transaction, and specifies the type of risk to be hedged against. The Group specifies the manner for assessing the effectiveness of the hedging instrument in compensating for changes in cash flows due to the hedged transaction in terms of mitigation of risk the Group hedges against,
- the hedging instrument and hedged instrument are similar, especially nominal value, maturity date and volatility for interest rate and foreign exchange changes,
- the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk, consistently with the originally documented risk management strategy for that particular hedging relationship,
- for cash flow hedges, a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately affect profit or loss,
- the effectiveness of the hedge may be assessed credibly, so the fair value of the hedged item or the cash flows of the said item as well as fair value of a hedge instrument may be valued credibly,
- the hedge is assessed on an ongoing basis and determined actually to have been

highly effective throughout the financial reporting periods for which the hedge was designated.

- ***Fair value hedge***

Fair value hedge: a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect the income statement.

A fair value hedge is accounted for as follows: the gain or loss from remeasuring the hedging instrument at fair value (for a derivative hedging instrument) is recognised in the income statement; the gain or loss on the hedged item attributable to the hedged risk adjust the carrying amount of the hedged item and are recognised in income statement. In view of the above, any ineffectiveness of the strategy (i.e. lack of full compensation for changes to the fair value of the hedged item and changes to the fair value of the hedged instrument) is immediately disclosed in the income statement.

If a hedged item is a component of financial assets available for sale, the profit or loss resulting from the hedged risk is included in the income statement, and the profit or loss resulting from non-hedged risk is included in equity.

The Group applies the fair value hedge accounting in order to hedge changes in fair value of fixed-rate debt instruments classified to the portfolio of available-for-sale assets and fixed-rate debt instruments classified to the portfolio of loans and receivables resulting from interest rate changes.

- ***Cash flow hedge***

Cash flow hedge: a hedge of the exposure to volatility in cash flows that:

  - is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction,
  - could affect income statement.

A cash flow hedge is accounted for as follows: the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity through the statement of comprehensive income, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the income statement.

The associated gains or losses that were recognised directly in equity (effective hedge), at the moment of recognition of a financial asset and liability being a result of planned future transaction, are transferred into income statement in the same period or periods during which the asset acquired or liability assumed affects the income statement.

In case of a hedge of non-financial asset or a non-financial liability, the associated gains and losses recognized directly in equity as an effective hedge, are transferred successively into the income statement in the same period or periods during which the asset acquired or liability assumed affects the income statement (e.g. in form of a depreciation); or it is the result of a one-off transfer as an adjustment to the initial purchase price or carrying amount of a hedged item.

The Group applies cash flow hedge accounting in order to hedge the amount of future cash flows of certain portfolios of assets/liabilities of the Group or the portfolio of highly probable planned transactions against the interest rate risk and the highly probable planned transaction against the FX risk.

Impairment

Assets valued at amortized cost

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the holder of the asset about the following loss events:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments above 90 days;
- the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties;
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets within the group.

The Group first assesses whether objective evidence of impairment exists for financial assets that are significant and for financial assets that are not individually significant. The Group classifies loan receivables by size of exposure, into the individual and group portfolios. If after the assessment we find that for a given financial assets item assessed individually there are no objective reasons for impairment or there are reasons for impairment but estimated impairment charges amount to 0, the item shall be included in the group of financial assets with similar features of credit risk, which indicate that the debtor is capable to repay the entire debt according to provisions of the agreement. Next, such groups are subject to collective assessment in terms of impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment. In a group portfolio, groups of similar credit risk characteristics are identified, which are then assessed collectively for the impairment.

If there is any objective evidence of impairment of loans and receivables, or investments held-to-maturity valuated according to depreciated cost, then the amount of the impairment is the difference between the carrying amount of an asset and the current value of estimated future cash flows, discounted using an original effective interest rate established with the initial recognition of a given financial asset.

If the existing objective proofs for impairment of assets component or financial assets group component valued according to depreciated cost indicate that there will be no expected future cash flows from the abovementioned financial assets, the impairment charge of assets equals their balance sheet value.

Future cash flows concerning groups of financial assets assessed collectively in terms of their possible impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the Group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period in which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The Group regularly verifies the methodology and assumptions adopted to estimate future cash flows in order to mitigate the differences between estimated and actual losses.

For the purposes of the calculation of the provision against balance sheet exposures analysed collectively, the probability of default (PD) method has been applied. Modification of the PD parameter takes into account characteristics of specific products and emerging periods for losses on those products. This approach allows specifically for:

- detecting the losses that have already occurred,
- losses that occurred as at the impairment date, but have not been documented yet (incurred but not reported IBNR).

The impairment is presented as a reduction of the carrying amount of the asset either through use of an allowance account and the amount of the loss shall be recognized in income statement.

If in a consecutive period, the amount of loss due to the impairment decreases as a result of the event that took place after the impairment (e.g. improved credit capacity assessment of the debtor), the previous impairment charge is reversed through the income statement by a proper adjustment of impairment charges.

Financial assets available for sale

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that has been recognized directly in equity is removed from equity and recognised in the income statement even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from equity and recognised in the income statement is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in the income statement.

Impairment losses recognised in the income statement for an investment in an equity instrument classified as available for sale is not reversed through income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed, with the amount of the reversal recognized in the income statement.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset). Such impairment losses are not reversed.

Depreciation and amortization charges

The depreciation charge of tangible and intangible fixed assets is applied using the straight line method, using defined depreciation rates throughout the period of their useful lives. The depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value. The useful life, amortization/ depreciation rates and residual values of tangible and intangible assets are reviewed annually. Conclusions of the review may lead to a change of depreciation periods recognized prospectively from the date of application (the effect of this change is in accordance with IAS 8 charged to the income statement).

In case of buildings valued at fair value, the accumulated depreciation balance at the revaluation date is removed from the carrying value gross, and the net carrying value adjusted to the revalued value.

Depreciation and amortization charges are recognized in the income statement. At each balance sheet date goodwill and other intangible assets with indefinite useful life are regularly tested for impairment. The depreciation periods are as follows:

➢ lands and buildings	50 years
➢ leaseholds improvements	period of the lease or hire
➢ vehicles and others	3 - 7 years
➢ equipment	5 years
➢ costs of development of software	3 years
➢ software licenses, copyrights	3 years

For ATMs and CDMs introduced for use after 01 January 2010 the Group extended the use period to 7 years.

Valuation of motivational programmes for employees

The fair value of options granted is recognised as an expense under staff expenses and is allocated over the vesting period of the options. The fair values of the option awards have been determined by using a Monte Carlo simulation. This model takes the risk free interest rate into account (3.55% to 4.92%), as well as the expected term of realisation of the options granted (5 to 8 years), the exercise price, the current share price (EUR 18.70 – EUR 33.92), the expected volatility of the certificates of ING Group shares (25% – 39%) and the expected dividends yield (3.57% to 8.99%).

The source for implied volatilities used for the valuation of the stock options is ING's trading system. The implied volatilities in this system are determined by ING's traders and are based on market data implied volatilities not on historical volatilities.

3. Accounting 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 loans

At each balance sheet date the Group assesses whether there is objective evidence of impairment of a given financial asset or of a group of such assets. Impairment of a financial asset or of a group of financial assets is incurred only if there is objective evidence for the impairment due to one or many events. The occurrence of such event or group of such events affects the estimation of expected cash flows regarding these assets. The estimates may take into account any observable indications pointing at the occurrence of an unfavourable change in the solvency position of debtors belonging to any particular group or in the economic situation of a given country or part of a country, which is associated with the problems appearing in that group of assets. Historical parameters of recoveries are adjusted on the basis of the data coming from current observations so as to take into consideration the influence of current conditions and to exclude the influencing factors from the prior periods that are not currently present.

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

The Group has been systematically reviewing of the portfolio of FX options. The Group has structured its approach so that the results of the above reviews better reflect the risk level.

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. The valuation adjustments are estimated at the level of a single counterparty using the formula based on expert knowledge and PD, LGD and EAD ratios.

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: *Net income on instruments measured at fair value through profit or loss and FX result* whereas the charges for matured transactions under the item: *Impairment charges for financial assets and provisions for off-balance-sheet liabilities.* If a transaction whose fair value was adjusted in the previous reporting period in the position *Net income on instruments measured at fair value through profit or loss and FX result* becomes mature or subject to restructuring, then the amount of the previous fair value adjustment should be moved to the position *Impairment charges* and the added part of the impairment charge for such already matured transaction is presented in the income statement in the position *Impairment charges and provisions for off-balance liabilities*. Therefore the financial result is influenced only by the amount of surplus of the current impairment charge (or write-down) for a mature transaction above the amount of the fair value adjustment established before the transaction has matured.

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:

- changes in the fair-value measurement of derivatives correlated with FX-rate,
- 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:

- 10% of the current value of the obligation due to certain benefits as at that day (before deduction of the plan's assets),
- 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 income statement as the quotient of the above named excess and the average expected remaining working life of the Group employees. 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

The Group made some changes in the way of presenting certain items in the income statement in the interim condensed consolidated financial statements for the period started on 1 January 2010 ended on 30 June 2010 when compared to the consolidated financial statements for the period started on 1 January 2009 ended 30 June 2009:

- valuation of hedging and hedged transactions under the fair value hedge accounting – currently this amount is presented under a separate item: *Net income on hedge accounting*, and previously presented under the item: *Net income on investment,*
- interest on hedging instrument in the fair value hedge accounting – currently presented under the item: *Interest income*, and previously presented under the item: *Net income on invest*ment,
- interest on hedging instrument in cash flow hedge accounting – currently presented under the item: : *Interest income,* and previously presented under the item: *Net income on instruments measured at fair value through profit or loss and FX result*,
- net income on valuation of the ineffective part under the cash flow hedge accounting – currently presented under the item *Net income on hedge accounting*, and previously presented under the item: *Net income on instruments measured at fair value through profit or loss and FX result.*

In the opinion of the Group, the current presentation is a better reflection of the nature and economic substance of the positions.

Furthermore, the Group moved amount PLN 46,016,000 from the position *Net income on instruments measured at fair value through profit or loss and FX result* to the position *Result on commission.* In vast majority the change was a consequence of the implementation of a new system for registering international payments that was executed in 4Q 2009. Previously the international transactions were recorded in the system in which there was no split into transactional result and revaluation result – thus, the entire result made on those transactions was recognised as part of foreign exchange position without separating the transactional margin. By including the above transactions in the margin calculation, the amount of transactional margin presented in the financial statements increased. The values presented in the previous periods were re-calculated and adjusted in this interim condensed consolidated financial statements. In the opinion of the Group, the change resulted in higher quality of the reported data.

Data for 1 half 2009 presented herein was adjusted for comparability

Consolidated income statement *(PLN '000)*	period from 1 January 2009 to 30 June 2009 in the interim condensed consolidated financial statements for the H1 2009	changes	period from 1 January 2009 to 30 June 2009 in the interim condensed consolidated financial statements for the H1 2010
Interest income	1 644 955	-29 087	1 615 868
Interest expenses	964 041	0	964 041
Net interest income	**680 914**	**-29 087**	**651 827**
Commission income	485 390	46 016	531 406
Commission expenses	47 475	0	47 475
Net commission income	**437 915**	**46 016**	**483 931**
Net income on instruments measured at fair value through profit or loss and FX result*	111 062	-73 242	37 820
Net income on investment**	-23 807	32 410	8 603
Net income on hedge accounting	0	23 903	23 903
Net income on other basic activities	10 691	0	10 691
Result on basic activities	**1 216 775**	**0**	**1 216 775**
General and administrative expenses	745 458	0	745 458
Result on other operating income and expenses	247	0	247
Impairment losses and provision for off-balance sheet liabilities	165 553	0	165 553
Share in net profit (loss) of associated entities recognised under the equity method	25 630	0	25 630
Profit (loss) before tax	**331 641**	**0**	**331 641**
Income tax	68 124	0	68 124
Net profit (loss)	**263 517**	**0**	**263 517**
- assigned to shareholders of the holding company	**263 524**	**0**	**263 524**
- assigned to minority shareholders	**-7**	**0**	**-7**

*/ When compared to the H1 2009 there was a change of the name of the *Net income on instruments measured at fair value through profit or loss and revaluation* item to *Net income on instruments measured at fair value through profit or loss and FX result.*

**/ When compared to the H1 2009 there was a change of the name of the *Result on investment financial assets* item to *Result on investments*. This is a result of standardizing of nomenclature with the statement of financial position.

5. Supplementary notes to interim condensed consolidated financial statements

5.1. Net interest income

	II quarter 2010 the period from 01 Apr 2010 to 30 Jun 2010 *(unaudited)*	**I half 2010** the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*	**II quarter 2009** the period from 01 Apr 2009 to 30 Jun 2009 *comparative data (unaudited)*	**I half 2009** the period from 01 Jan 2009 to 30 Jun 2009 *comparative data (unaudited)*
Interest income				
- interest on loans and receivables to banks	30 710	55 740	40 578	110 124
- interest on loans and receivables to customers	429 593	852 701	417 565	837 931
- interest on debt securities	250 144	505 346	316 304	667 134
- other	70	132	365	679
Total interest income	**710 517**	**1 413 919**	**774 812**	**1 615 868**
Interest expenses				
- interest on deposits from banks	18 647	37 211	52 298	150 010
- interest on deposits from customers	298 484	615 940	361 977	814 031
Total interest expenses	**317 131**	**653 151**	**414 275**	**964 041**
Net interest income	**393 386**	**760 768**	**360 537**	**651 827**

Net interest income does not include swap points and interest on non hedging derivatives (presented in *Net income on instruments measured at fair value through profit or loss and FX result*). Should the result include result on mentioned above interest, the item would be as follows:

	II quarter 2010	***I half 2010***	***II quarter 2009***	***I half 2009***
Net interest income	***401 392***	***795 271***	***355 000***	***670 180***

Compared with the financial statements for the previous periods, the presentation of interest on reverse repo/ repo transactions was subject to change. Currently the interest on reverse repo transactions is presented by counterparty under the headings *interest on loans and receivables to banks* or *interest on loans and receivables to customers*, whereas the interest on repo transactions is presented under *interest on deposits from banks* or *interest on deposits from clients*. The data for the II quarter 2009 and I half 2009 were changed accordingly to achieve comparability. The change was aimed at unifying presentation in supplementary notes concerning the consolidated income statement and the supplementary notes concerning the consolidated statement of financial position.

5.2. Net commission income

	II quarter 2010 the period from 01 Apr 2010 to 30 Jun 2010 *(unaudited)*	**I half 2010** the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*	**II quarter 2009** the period from 01 Apr 2009 to 30 Jun 2009 *comparative data (unaudited)*	**I half 2009** the period from 01 Jan 2009 to 30 Jun 2009 *comparative data (unaudited)*
Commission income				
- commission related to brokerage activity	17 383	38 701	17 317	32 526
- commission related to keeping accounts	66 439	136 642	72 742	144 423
- commission related to loans	38 851	77 254	35 677	69 917
- commission related to loans insurance	11 451	12 748	15 458	26 506
- commission related to payment and credit cards	43 376	81 022	41 258	74 260
- commission related to distribution of participation units	20 532	36 959	14 235	26 387
- fiduciary and custodian fees	6 850	13 671	6 431	12 691
- foreign commercial business	3 207	6 332	3 452	6 671
- commission related to subscription of structured products	1 910	2 282	2 431	4 305
- the transactional margin on foreign exchange transactions*)	59 611	120 166	55 105	114 664
- commission related to sales of financial products	3 664	5 911	4 312	7 339
- other	4 341	10 009	6 871	11 717
Total commission income	**277 615**	**541 697**	**275 289**	**531 406**
Commission expenses	**30 663**	**66 277**	**25 375**	**47 475**
Net commission income	**246 952**	**475 420**	**249 914**	**483 931**

*) The amount of PLN 114,664 thousand recognised in the item *the transactional margin on foreign exchange transactions* for the first half of 2009 included the amount of PLN 46,016 thousand which was transferred from the item *FX result* (from the income statement line: *Net income on instruments measured at fair value through profit or loss and FX result*). The change largely derived from the movement of the margin on internal payments from the FX-result. Those transactions were previously excluded from the margin calculation but upon the introduction of a new system to record international payments they are now included in the calculation. The change was described in detail in these interim condensed consolidated financial statements in Chapter 4: "Comparability of Financial Data”.

5.3. Net income on instruments measured at fair value through profit or loss and FX result

	II quarter 2010 the period from 01 Apr 2010 to 30 Jun 2010 *(unaudited)*	**I half 2010** the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*	**II quarter 2009** the period from 01 Apr 2009 to 30 Jun 2009 *comparative data (unaudited)*	**I half 2009** the period from 01 Jan 2009 to 30 Jun 2009 *comparative data (unaudited)*
Net income on financial assets and liabilities held for trading, of which:	**254 147**	**222 644**	**-476 357**	**1 380 959**
- Net income on equity instruments	-295	-250	2 804	2 055
- Net income on debt instruments	7 291	42 487	-8 041	-13 562
- Net income on derivatives, of which:	247 151	180 407	-471 120	1 392 466
- currency derivatives)*	*217 394*	*140 547*	*-550 190*	*1 299 895*
*- iInterest rate derivatives**)*	*28 252*	*36 577*	*77 835*	*87 506*
- securities derivatives	*1 505*	*3 283*	*1 235*	*5 065*
Net income on financial assets and liabilities measured at fair value upon initial recognition, of which:	**-1 342**	**-1 510**	**-193**	**-1 842**
- Net income on debt instruments	-1 342	-1 510	-193	170
- Net income on the measurement of the deposits designated to be measured at their fair value	0	0	0	-2 012
FX result	**-218 129**	**-134 931**	**518 615**	**-1 341 297**
Net income on instruments measured at fair value through profit or loss and FX result	**34 676**	**86 203**	**42 065**	**37 820**

*) Swap points are recognised under the item *currency derivatives*. Their values were as follows: PLN 15,155 thousand in 1HY 2010 and PLN 63,443 thousand in 1HY 2009.

**) Interest on non hedging derivatives is recognised under the item *interest rate derivatives*. Its values were as follows: PLN 19,348 thousand in 1HY 2010 and PLN -45,090 thousand in 1HY 2009.

Should the swap points and interest on non hedging derivatives be included in the interest result, the net income on instruments measured at fair value through profit and loses and FX result would be as presented in the table below:

	II quarter 2010	***I half 2010***	***II quarter 2009***	***I half 2009***
Net income on instruments measured at fair value through profit or loss and FX result	***26 670***	***51 700***	***47 602***	***19 467***

The item *net income on derivatives - currency derivatives* includes a counterparty risk charge related to transactions on FX Options. In I half year 2010 the net charge amounted to PLN 0.1 million (release) in comparision with PLN -124,9 million (charge) in I half year 2009.

The item *net income on derivatives - currency derivatives* includes also the valuation adjustment amounted to PLN -19.7 million regarding the unsettled transaction from previous years with the customer from financial sector.

The amount presented in the item *FX result* for I half year 2009 includes the change in presentation described in the note 5.2.

5.4. Net income on investments

	II quarter 2010 the period from 01 Apr 2010 to 30 Jun 2010 *(unaudited)*	**I half 2010** the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*	**II quarter 2009** the period from 01 Apr 2009 to 30 Jun 2009 *comparative data (unaudited)*	**I half 2009** the period from 01 Jan 2009 to 30 Jun 2009 *comparative data (unaudited)*
Net income on equity instruments available for sale	0	0	4 149	4 149
Net income on debt instruments available for sale	-462	3 315	153	442
Dividend income	3 485	3 745	4 005	4 012
Net income on investments	**3 023**	**7 060**	**8 307**	**8 603**

5.5. Net income on hedge accounting

	II quarter 2010 the period from 01 Apr 2010 to 30 Jun 2010 *(unaudited)*	**I half 2010** the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*	**II quarter 2009** the period from 01 Apr 2009 to 30 Jun 2009 *comparative data (unaudited)*	**I half 2009** the period from 01 Jan 2009 to 30 Jun 2009 *comparative data (unaudited)*
Fair value hedge accounting for securities	**-15 301**	**-22 350**	**5 785**	**23 828**
- valuation of the hedged transaction	129 229	262 252	-112 416	-137 041
- valuation of the hedging transaction	-144 530	-284 602	118 201	160 869
Cash flow hedge accounting	**35**	**190**	**203**	**75**
- ineffectiveness that arises from cash flow hedges	35	190	203	75
Net income on hedge accounting	**-15 266**	**-22 160**	**5 988**	**23 903**

The Group used fair value hedge accounting for securities and cash flow hedge accounting for a specific portfolio of assets/ liabilities/ highly likely planned financial transactions of the Group.

In the case of fair value hedge accounting (FVH) the hedged risk is the risk of the change of the fair value of the financial asset resulting from the change of the interest rates. The subject of hedging is the fair value of the fixed interest rate debt instrument, namely the position (or its part) on a given financial instrument in the available-for-sale portfolio, that as of establishing of the hedging relationship has a specific fair value recognised in the revaluation reserve and position (or its part) on a given financial instrument in the loans and other receivables portfolio as the result of reclassification from the available-for-sale portfolio. Interest Rate Swap is the hedging instrument that changes the fixed interest rate into variable one. The above leads to the situation that the fair value of the hedging instrument shows a trend reverse to the fair value of the hedged item. Thus, thanks to the established hedging relationship, we have the effect of the mutual set-off of the changes in the fair value of the hedging instrument and hedged item in the P/L under the hedged risk. As only one type of the risk is hedged (the risk of the interest rate change), the changes of the fair vale of the hedged item from the available-for-sale portfolio that result from other risks that are not hedged are recognised in the revaluation reserve.

In the case of cash flow hedge accounting (MCFH) the hedged risk is the change of the future cashflows due to the interest rate risk. The hedged item includes a specific portfolio of assets and/ or financial liabilities or a portfolio of planned transactions, which includes financial instruments with variable interest rate (financial products based on the WIBOR market interest rate), and is therefore exposed to the risk of changes to the future cashflows due to the change of WIBOR. Interest Rate Swaps of the type “pay variable, get fixed” are used as hedging instruments for assets, and interest rate swaps of the type “pay fixed, get variable” are used to secure liabilities. In the note the ineffective part of the hedging relationship resulting from the mismatch in compensating changes in fair value of the hedging instrument and hedged item is presented. The amount representing effective part of cash flow hedged is presented in revaluation reserve.

5.6. General and administrative expenses

	II quarter 2010 the period from 01 Apr 2010 to 30 Jun 2010 *(unaudited)*	**I half 2010** the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*	**II quarter 2009** the period from 01 Apr 2009 to 30 Jun 2009 *(unaudited)*	**I half 2009** the period from 01 Jan 2009 to 30 Jun 2009 *(unaudited)*
Personnel expenses	187 318	366 772	176 443	329 562
Other	216 132	430 782	207 356	415 896
General and administrative expenses	**403 450**	**797 554**	**383 799**	**745 458**

5.7. Impairment losses and provisions for off-balance sheet liabilities

	II quarter 2010 the period from 01 Apr 2010 to 30 Jun 2010 *(unaudited)*	**I half 2010** the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*	**II quarter 2009** the period from 01 Apr 2009 to 30 Jun 2009 *comparative data* *(unaudited)*	**I half 2009** the period from 01 Jan 2009 to 30 Jun 2009 *comparative data* *(unaudited)*
Impairment losses	85 893	246 455	132 639	346 693
Reversed impairment losses	-46 616	-159 079	-58 800	-181 140
Net impairment losses and provisions for off-balance sheet liabilities	**39 277**	**87 376**	**73 839**	**165 553**

5.8. Loans and receivables to other banks

	I half 2010 as of 30 Jun 2010 *(unaudited)*	**end of 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
Current accounts	346 330	356 981	206 012
Interbank deposits	1 476 740	564 712	2 502 734
Other receivables, of which:	117 054	262 460	524 938
- loans and advances	*75 519*	*228 109*	*242 093*
- reverse repo transactions	*0*	*0*	*185 504*
- other receivables	*41 535*	*34 351*	*97 341*
Total (gross)	**1 940 124**	**1 184 153**	**3 233 684**
Impairment losses	-16	-50	-41
Total (net)	**1 940 108**	**1 184 103**	**3 233 643**

5.9. Financial assets measured at fair value through profit and loss

	I half 2010 as of 30 Jun 2010 *(unaudited)*	**end of 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
Financial assets held for trading, of which:	912 056	7 533 634	9 938 747
- debt instruments	*904 767*	*7 531 497*	*9 937 633*
- equity instruments	*7 289*	*2 137*	*1 114*
Financial assets designated as at fair value upon initial recognition, of which:	539 498	734 027	883 384
- debt instruments	*191 838*	*186 468*	*203 568*
- transactions with the buy-back commitment	*347 660*	*547 559*	*679 816*
Total	**1 451 554**	**8 267 661**	**10 822 131**

5.10. Investments

	I half 2010 as of 30 Jun 2010 *(unaudited)*	**end of 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
Available-for-sale financial assets, of which:	14 323 677	6 835 875	8 329 498
- debt instruments, including:	*14 273 461*	*6 783 023*	*8 322 990*
- hedged items in fair value hedging	*3 031 951*	*3 137 714*	*3 114 835*
- equity instruments	*50 216*	*52 852*	*6 508*
Held-to-maturity financial assets, of which:	6 685 039	7 330 406	7 238 695
- debt instruments	*6 685 039*	*7 330 406*	*7 238 695*
Total	**21 008 716**	**14 166 281**	**15 568 193**

In 1HY 2010, having conducted the analysis of the intention to hold securities in the liquidity management and funding portfolio, the dominant entity of the Group decided to classify these assets, pursuant to the understanding of IAS/IFRS, as investments. Such recognition better reflects the intention of holding the abovementioned assets.

Therefore, as at 30 June 2010, the available-for-sale financial assets portfolio increased by PLN 3,099 million due to the purchase of short-term bills of the National Bank of Poland purchased to the available-for-sale financial assets portfolio and by PLN 3,556 million due to bonds which were sold from the portfolio of financial assets held for trading and purchased to the portfolio of available-for-sale financial assets (wash trade transaction). Both securities sales and redemption transactions were made with an unrelated counterparty on an arm's length basis. The above transactions met the conditions set out in IAS 39 for derecognition of an asset as a result of a sales transaction and subsequent recognition in the result of a redemption transaction.

5.11. Loans and receivables to customers

Loans and other receivables to entities from the financial sector other than banks

	I half 2010 as of 30 Jun 2010 *(unaudited)*	**end of 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
Loans and advances, of which:	2 419 980	2 545 597	2 714 493
- in the current account	*368 967*	*381 053*	*354 495*
- term ones	*2 051 013*	*2 164 544*	*2 359 998*
Reverse repo transactions	128 144	626 732	654 695
Other receivables	129 595	151 459	120 578
Total (gross)	**2 677 719**	**3 323 788**	**3 489 766**
Impairment losses, of which	-1 728	-1 863	-1 778
- concerning loans and advances	*-1 728*	*-1 863*	*-1 778*
Total (net)	**2 675 991**	**3 321 925**	**3 487 988**

Loans and other receivables to entities from the non-financial sector

	I half 2010 as of 30 Jun 2010 *(unaudited)*	**end of 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
Loans and advances granted to business entities, of which:	12 362 551	12 042 288	12 657 565
- in the current account	*3 930 492*	*3 504 520*	*4 300 982*
- term ones	*8 432 059*	*8 537 768*	*8 356 583*
Loans and advances granted to households, of which:	11 110 237	9 822 755	8 827 942
- in the current account	*1 308 036*	*1 226 942*	*1 238 694*
- term ones	*9 802 201*	*8 595 813*	*7 589 248*
Debt securities	306 660	306 471	533 941
Other receivables	57 994	72 738	42 625
Total (gross)	**23 837 442**	**22 244 252**	**22 062 073**
Impairment losses, of which:	-972 625	-874 057	-755 727
- concerning loans and advances	*-964 061*	*-865 491*	*-747 160*
- concerning other receivables	*-8 564*	*-8 566*	*-8 567*
Total (net)	**22 864 817**	**21 370 195**	**21 306 346**

Loans and other receivables to entities from the government and self-government institutions' sector

	I half 2010 as of 30 Jun 2010 *(unaudited)*	**end of 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
Loans and advances, of which:	2 389 685	2 305 234	959 491
- in the current account	*63 958*	*7 450*	*14 789*
- term ones	*2 325 727*	*2 297 784*	*944 702*
Debt securities, of which:	3 852 858	3 600 794	3 522 211
- hedged items in fair value hedging	*3 447 705*	*3 261 868*	*3 439 109*
Other receivables	40	0	55
Total (gross)	**6 242 583**	**5 906 028**	**4 481 757**
Impairment losses, of which:	-2 205	-5 354	-7 452
- concerning loans and advances	*-2 205*	*-5 354*	*-7 452*
Total (net)	**6 240 378**	**5 900 674**	**4 474 305**

Loans and other receivables to customers – total

	I half 2010 as of 30 Jun 2010 *(unaudited)*	**end of 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
Loans and advances	28 282 453	26 715 874	25 159 491
Debt securities	4 159 518	3 907 265	4 056 152
Reverse repo transactions	128 144	626 732	654 695
Other receivables	187 629	224 197	163 258
Loans and other receivables to customers (gross)	**32 757 744**	**31 474 068**	**30 033 596**
Impairment losses, of which	-976 558	-881 274	-764 957
- concerning loans and advances	*-967 994*	*-872 708*	*-756 390*
- concerning other receivables	*-8 564*	*-8 566*	*-8 567*
Loans and other receivables to customers (net)	**31 781 186**	**30 592 794**	**29 268 639**

5.12. Quality of portfolio of loans and advances

Quality of loans and advances to customers portfolio

Corporate activity	**I half 2010** as of 30 Jun 2010 *(unaudited)*	**end of 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
Exposure	**17 178 389**	**16 959 134**	**16 519 658**
- unimpaired (IBNR – incured but not reported)	16 131 828	15 987 175	15 663 361
- impaired, including:	1 046 561	971 959	856 297
- receivables related to transactions on derivatives	*343 383*	*346 101*	*344 654*
Impairment losses and provisions	**726 576**	**668 680**	**571 672**
- related to unimpaired portfolio	72 722	77 244	84 567
- related to impaired portfolio, including:	636 279	571 375	473 558
- receivables related to transactions on derivatives	*270 806*	*263 193*	*224 562*
- provisions for off-balance sheet liabilities	17 575	20 061	13 547
Impaired portfolio coverage ratio	60,8%	58,8%	55,3%
Impaired portfolio coverage ratio exclusive of receivables related to transactions on derivatives	52,0%	49,2%	48,7%
Retail activity			
Exposure	**11 104 064**	**9 756 740**	**8 639 833**
- unimpaired (IBNR – incured but not reported)	10 841 927	9 564 117	8 469 480
- impaired	262 137	192 623	170 353
Impairment losses	**258 993**	**224 089**	**198 265**
- related to unimpaired portfolio	88 075	75 889	56 582
- related to impaired portfolio	170 918	148 200	141 683
Impaired portfolio coverage ratio	65,2%	76,9%	83,2%
Total exposure	**28 282 453**	**26 715 874**	**25 159 491**
Impairment losses and total provisions, of which:	**985 569**	**892 769**	**769 937**
- impairment losses	967 994	872 708	756 390
- provisions for off-balance sheet liabilities	17 575	20 061	13 547
Total portfolio coverage ratio	3,5%	3,3%	3,1%
Share of the impaired portfolio	4,6%	4,4%	4,1%
Share of the impaired portfolio exclusive of receivables related to transactions on derivatives	3,5%	3,1%	2,7%
Impaired portfolio coverage ratio (%) (including transactions on derivatives)	**61,7%**	**61,8%**	**59,9%**

Changes in impairment losses
(including provisions for off-balance sheet liabilities)

I half 2010 the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*	Charges for loans and advances and off-balance sheet exposure	*including charges for loans and advances to other banks*	Charges for receivables related to transactions on derivatives	**TOTAL**
Opening balance of impairment losses	**629 626**	***50***	**263 193**	**892 819**
- changes in income statement	79 232	*-34*	8 144	87 376
- depreciation	-4 312	*0*	0	-4 312
- restructuring and forgiveness of the debts related to transactions on derivatives*)	0	*0*	-531	-531
- transfer of provisions from off-balance sheet after their repayment	18 332	*0*	0	18 332
- other (inclusive, but not limited to unwinding interest, FX differences)	-8 099	*0*	0	-8 099
Closing balance of impairment losses	**714 779**	***16***	**270 806**	**985 585**

I half 2009 the period from 01 Jan 2009 to 30 Jun 2009 *(unaudited)*	Charges for loans and advances and off-balance sheet exposure	*including charges for loans and advances to other banks*	Charges for receivables related to transactions on derivatives	**TOTAL**
Opening balance of impairment losses	**483 900**	***2 667***	**21 593**	**505 493**
- changes in income statement	84 005	*-2 626*	81 548	165 553
- depreciation	-48 341	*0*	0	-48 341
- restructuring and forgiveness of the debts related to transactions on derivatives*)	0	*0*	121 421	121 421
- transfer of provisions from off-balance sheet after their repayment	28 949	*0*	0	28 949
- other (inclusive, but not limited to unwinding interest, FX differences)	-3 097	*0*	0	-3 097
Closing balance of impairment losses	**545 416**	***41***	**224 562**	**769 978**

*) The balance of impairment charges was influenced by the amount of the fair value adjustment concerning transactions on derivatives. If a transaction whose fair value was adjusted in the previous reporting period in the position Result on financial instruments carried through profit or loss and revaluation becomes mature or subject to restructuring, then the amount of the previous fair value adjustment should be moved to the position Impairment charges and the added part of the impairment charge for such already matured transaction is presented in the profit and loss account in the position Impairment charges and provisions for off-balance liabilities. Therefore the financial result is influenced only by the amount of surplus of the current impairment charge (or write-down) for a mature transaction above the amount of the fair value adjustment established before the transaction has matured.

Loans and advances portfolio

(including debt securities classified to the loans and receivables portfolio)

	I half 2010 as of 30 Jun 2010 *(unaudited)*	**end of 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
EXPOSURE			
Loans and advances to other banks	**75 519**	**228 109**	**242 093**
Loans and advances to customers, of which:	**32 441 971**	**30 623 139**	**29 215 643**
- to entities from the financial sector other than banks	2 419 980	2 545 597	2 714 493
- to entities from the non-financial sector, of which:	23 779 448	22 171 514	22 019 448
- loans and advances granted to business entities	*12 362 551*	*12 042 288*	*12 657 565*
- loans and advances granted to households	*11 110 237*	*9 822 755*	*8 827 942*
- debt securities	*306 660*	*306 471*	*533 941*
- to entities from the government and self-government institutions' sector, of which:	6 242 543	5 906 028	4 481 702
- loans and advances	*2 389 685*	*2 305 234*	*959 491*
- debt securities	*3 852 858*	*3 600 794*	*3 522 211*
Total exposure, of which:	**32 517 490**	**30 851 248**	**29 457 736**
Loans and advances	28 357 972	26 943 983	25 401 584
- to corporate customers	*17 253 389*	*17 187 243*	*16 519 658*
- to retail customers	*11 104 583*	*9 756 740*	*8 881 926*
Debt securities	4 159 518	3 907 265	4 056 152
IMPAIRMENT LOSSES			
Loans and advances to other banks	**16**	**50**	**41**
Loans and advances to customers, of which:	**967 994**	**872 708**	**756 390**
- to entities from the financial sector other than banks	1 728	1 863	1 778
- to entities from the non-financial sector, of which:	964 061	865 491	747 160
- loans and advances granted to business entities	*675 466*	*608 661*	*529 868*
- loans and advances granted to households	*288 595*	*256 830*	*217 292*
- to entities from the government and self-government institutions' sector	2 205	5 354	7 452
Total impairment losses, of which:	**968 010**	**872 758**	**756 431**
Loans and advances	968 010	872 758	756 431
- to corporate customers	*709 017*	*648 669*	*558 166*
- to retail customers	*258 993*	*224 089*	*198 265*

Loans and advances portfolio classified according to impaired / unimpaired

	I half 2010 as of 30 Jun 2010 *(unaudited)*	**end of 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
Loans and advances to customers (gross), of which:	28 282 453	26 715 874	25 159 491
- unimpaired	*26 973 755*	*25 551 292*	*24 132 841*
- impaired	*1 308 698*	*1 164 582*	*1 026 650*
Impairment losses, of which:	-967 994	-872 708	-756 390
- related to unimpaired portfolio	*-160 797*	*-153 133*	*-141 149*
- related to impaired portfolio	*-807 197*	*-719 575*	*-615 241*
Loans and advances to customers (net)	**27 314 459**	**25 843 166**	**24 403 101**

Loans and advances portfolio classified according to impairment estimation methods

	I half 2010 as of 30 Jun 2010 *(unaudited)*	**end of 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
Loans and advances to customers (gross), of which:	28 282 453	26 715 874	25 159 491
- measured individually	*796 263*	*733 850*	*632 489*
- measured as the portfolio	*27 486 190*	*25 982 024*	*24 527 002*
Impairment losses, of which:	-967 994	-872 708	-756 390
- related to loans and advances measured individually	*-312 443*	*-266 771*	*-208 035*
- related to loans and advances measured as the portfolio	*-655 551*	*-605 937*	*-548 355*
Loans and advances to customers (net)	**27 314 459**	**25 843 166**	**24 403 101**

5.13. Liabilities due to other banks

	I half 2010 as of 30 Jun 2010 *(unaudited)*	**end of 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
Current accounts	423 757	248 720	408 442
Interbank deposits	3 008 219	429 024	5 836 502
Repo transactions	1 738 163	3 241 530	3 461 589
Other liabilities	20 101	54 512	24 298
Total	**5 190 240**	**3 973 786**	**9 730 831**

5.14. Financial liabilities measured at fair value through profit and loss

	I half 2010 as of 30 Jun 2010 *(unaudited)*	**end of 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
Financial liabilities designated as at fair value upon initial recognition	2 063 306	543 129	861 794
Transactions with the buy-back commitment	*2 063 306*	*543 129*	*861 794*
Book short position in trading securities	60 147	454 922	119 567
Total	**2 123 453**	**998 051**	**981 361**

5.15. Liabilities due to customers

Liabilities due to entities from the financial sector other than banks

	I half 2010 as of 30 Jun 2010 *(unaudited)*	**end of 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
Deposits	3 736 476	3 306 618	3 815 844
- current accounts	*1 843 228*	*1 685 817*	*1 645 422*
- term deposit	*1 893 248*	*1 620 801*	*2 170 422*
Repo transactions	131 336	286 511	193 284
Other liabilities	157 911	92 921	141 146
Total	**4 025 723**	**3 686 050**	**4 150 274**

Liabilities due to entities from the non-financial sector

	I half 2010 as of 30 Jun 2010 *(unaudited)*	**end of 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
Business entities' deposits	11 136 631	11 861 687	9 973 054
- current accounts	*8 297 458*	*7 815 670*	*7 222 927*
- term deposit	*2 839 173*	*4 046 017*	*2 750 127*
Households' deposits	28 969 864	30 039 683	29 363 058
- current accounts	*4 239 053*	*4 122 157*	*3 858 306*
- saving accounts and term deposits	*24 730 811*	*25 917 526*	*25 504 752*
Repo transactions	0	0	5 992
Other liabilities	438 871	462 903	565 335
Total	**40 545 366**	**42 364 273**	**39 907 439**

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

	I half 2010 as of 30 Jun 2010 *(unaudited)*	**end of 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
Deposits	1 382 533	1 508 176	1 661 033
- current accounts	*1 081 422*	*1 303 955*	*1 182 310*
- term deposit	*301 111*	*204 221*	*478 723*
Repo transactions	0	25 043	0
Other liabilities	593	1 131	13 632
Total	**1 383 126**	**1 534 350**	**1 674 665**

Liabilities due to customers – total

	I half 2010 as of 30 Jun 2010 *(unaudited)*	**end of 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
Deposits	45 225 504	46 716 164	44 812 989
Repo transactions	131 336	311 554	199 276
Other liabilities	597 375	556 955	720 113
Liabilities due to customers	**45 954 215**	**47 584 673**	**45 732 378**

5.16. Provisions

	I half 2010 as of 30 Jun 2010 *(unaudited)*	**end of 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
Provision for issues in dispute	6 175	11 690	12 103
Provision for off-balance sheet liabilities	17 575	20 061	13 547
Provision for retirement benefits	14 410	14 410	12 543
Provision for unused holidays	5 460	5 460	7 993
Provision for employment restructuring	2 850	3 626	2 789
Total	**46 470**	**55 247**	**48 975**

5.17. Fair values

Fair value measurement categories for financial assets and liabilities

Based on the employed methods of determining the fair value, financial assets/liabilities are classified to the following categories:

- Level I: financial assets/liabilities measured directly on the basis of prices quoted in the active market or measurement techniques based solely on market data.
- Level II: financial assets/liabilities measured on the basis of measurement techniques based on assumptions using data from an active market or market observations.
- Level III: financial assets/liabilities measured on the basis of measurement techniques commonly used by the market players, the assumptions of which are not based on data from an active market.

The table below presents the balance-sheet figures for financial assets and liabilities per individual measurement levels.

I half 2010
as of 30 Jun 2010
(unaudited)

	Level I	Level II	Level III	Total
Financial assets, of which:	**12 307 962**	**5 074 561**	**236 549**	**17 619 072**
- Financial assets measured at fair value through profit or loss	1 133 098	126 618	191 838	1 451 554
- Valuation of derivatives	0	1 755 710	0	1 755 710
- Financial assets available-for sale	11 174 864	3 104 102	44 711	14 323 677
- Derivative hedge instruments	0	88 131	0	88 131
Financial liabilities, of which:	**2 123 453**	**1 878 609**	**0**	**4 002 062**
- Financial liabilities measured at fair value through profit or loss	2 123 453	0	0	2 123 453
- Valuation of derivatives	0	1 215 300	0	1 215 300
- Derivative hedge instruments	0	663 309	0	663 309

end of 2010
as of 31 Dec 2009

	Level I	Level II	Level III	Total
Financial assets, of which:	**11 393 567**	**5 123 492**	**243 573**	**16 760 632**
- Financial assets measured at fair value through profit or loss	4 609 771	3 461 520	196 370	8 267 661
- Valuation of derivatives	0	1 566 652	0	1 566 652
- Financial assets available-for sale	6 783 796	4 876	47 203	6 835 875
- Derivative hedge instruments	0	90 444	0	90 444
Financial liabilities, of which:	**988 108**	**1 676 507**	**9 943**	**2 674 558**
- Financial liabilities measured at fair value through profit or loss	988 108	0	9 943	998 051
- Valuation of derivatives	0	1 193 944	0	1 193 944
- Derivative hedge instruments	0	482 563	0	482 563

I half 2009
as of 30 Jun 2009
(unaudited)

	Level I	Level II	Level III	Total
Financial assets, of which:	**13 238 062**	**9 040 241**	**206 282**	**22 484 585**
- Financial assets measured at fair value through profit or loss	5 101 837	5 516 726	203 568	10 822 131
- Valuation of derivatives	0	3 241 981	0	3 241 981
- Financial assets available-for sale	8 136 225	190 559	2 714	8 329 498
- Derivative hedge instruments	0	90 975	0	90 975
Financial liabilities, of which:	**981 361**	**2 485 200**	**0**	**3 466 561**
- Financial liabilities measured at fair value through profit or loss	981 361	0	0	981 361
- Valuation of derivatives	0	2 103 080	0	2 103 080
- Derivative hedge instruments	0	382 120	0	382 120

5.18. Solvency ratio

	I half 2010 as of 30 Jun 2010 (unaudited)	end of 2009 as of 31 Dec 2009	I half 2009 as of 30 Jun 2009 (unaudited)
Own funds components			
Share capital	130 100	130 100	130 100
Issue premium	956 250	956 250	956 250
Other supplementary capital	74 978	74 931	74 931
Capital reserve including retained profit of past years	2 808 584	2 273 276	2 287 422
Net profit of current period in audited part	0	263 524	0
Minority equity	2 307	2 313	2 292
General risk fund	850 179	790 179	790 179
Revaluation reserve	-3 924	-2 382	-61 481
Funds adjustment by intangibles	-325 876	-327 343	-317 791
Funds adjustment by capital commitments in financial institutions	-40 000	-40 000	-40 000
Short-term capital	38 865	65 495	63 450
Total own funds	**4 491 463**	**4 186 343**	**3 885 352**
Capital requirements			
Capital requirements for credit risk, credit counterparty, dilution and delivery of instruments for future settlement	2 496 003	2 432 020	2 503 438
Capital requirement for the risk of settlement - delivery	4 062	2 187	2 187
Capital requirements for the capital securities rate risk, debt instruments rates risk, FX risk and commodity rates risk	8 742	15 308	19 264
Capital requirement for operational risk	326 871	290 789	290 789
Capital requirement for general interest rate risk	26 060	48 000	44 266
Total capital requirement	**2 861 738**	**2 788 304**	**2 859 944**
Solvency ratio	**12,56%**	**12,01%**	**10,87%**

6. Significant events in H1 2010.

Consent of the Polish Financial Supervision Authority to the appointment of the President of the Bank Management Board

On 8 December 2009, the Supervisory Board appointed Ms. Małgorzata Kołakowska as the President of the Bank Management Board, subject to approval of the Polish Financial Supervision Authority. The Polish Financial Supervision Authority approved the abovementioned candidacy on 23 February 2010.

Changes in the Supervisory Board

On 13 January 2010 Mr. Jerzy Hausner submitted his resignation from the position of a member of the Supervisory Board of ING Bank Śląski S.A. to the Chair of the Supervisory Board. The resignation is effective from 13 January 2010. Mr. Jerzy Hausner cited his appointment to the Monetary Policy Council as the reason for his resignation.

On 05 February 2010, Mr. Tom Kliphuis tendered his resignation to the Chair of the Supervisory Board of ING Bank Śląski S.A. from his capacity as member of the Bank's Supervisory Board, effective 05 February 2010. When handing his resignation, Mr. Tom Kliphuis, who is the CEO of ING Insurance Central Europe, cited reasons related to the organisational changes within ING Group (pending split of Banking and Insurance) and the workload it would bring on him.

Concluding a significant mandate agreement

On 12 February 2010, the Bank together with five other banks concluded a mandate agreement with Polish Oil and Gas Company (PGNiG) regarding the arrangement of the bond issue programme for that company up to the amount of PLN 3,000,000,000.00.

On 10 June 2010 was concluded an underwriting agreement for taking up the bonds which the said company may issue within 3 years. As part of the consortium, ING Bank Śląski S.A. acts as an underwriter up to the amount of PLN 550,000,000.00 and as the Issue Agent in this programme. The first issue as part of the programme is set to take place after 22 July 2010.

The agreement is considered significant as the underwriting amount exceeds 10% of the Bank's equity. The borrower is not affiliated with ING Bank Śląski S.A.

The General Meeting of ING Bank Śląski S.A.

The General Meeting of ING Bank Śląski S.A. was held on 8 April 2010; resolutions regarding the following matters were passed:

1. approval of the Annual Financial Statements of ING Bank Śląski S.A. for the period started on 1 January 2009 and ended on 31 December 2009,

2. approval of the Management Board's Report on the operations of ING Bank Śląski S.A. in the year 2009 including Report on Observance of Corporate Governance Rules,
3. approval of the Annual Consolidated Financial Statements of the Capital Group of ING Bank Śląski S.A. for the period started 1 January 2009 and ended 31 December 2009,
4. approval of the Management Board's Report on the operations of the Capital Group of ING Bank Śląski S.A. in the year 2009,
5. acknowledgement of fulfillment of duties by individual members of the Bank Management Board in the year 2009,
6. acknowledgement of fulfillment of duties by individual members of the Bank Supervisory notes in the year 2009,
7. distribution of profit for the year 2009,
8. procedure for dividend payout,
9. making an in-kind contribution of the organized part of the enterprise to a subsidiary called Centrum Banku Śląskiego Sp. z o.o. (CBŚ),
10. amendments to the Charter of ING Bank Śląski S.A.,
11. amendments to the Bylaw of the General Meeting.

Changes to the composition of the Supervisory Board

On 8 April 2010, the General Meeting of ING Bank Śląski S.A. appointed Mr. Brunon Bartkiewicz and Mr. César González-Bueno as members of the Supervisory Board. Consequently, the composition of the Supervisory Board of ING Bank Śląski S.A. is as follows:

Anna Fornalczyk – Chair of the Supervisory Board
Cornelis Leenaars – Deputy Chair of the Supervisory Board
Wojciech Popiołek – Secretary of the Supervisory Board
Brunon Bartkiewicz – Member of the Supervisory Board
César González-Bueno – Member of the Supervisory Board
Ralph Hamers – Member of the Supervisory Board
Nicolaas Cornelis Jue – Member of the Supervisory Board
Mirosław Kośmider – Member of the Supervisory Board

Appointment of the Management Board of the Bank for the next term of office

On 8 April 2010, the Supervisory Board of the Bank appointed the Management Board of ING Bank Śląski S.A. for the next term of office in the existing composition:

Małgorzata Kołakowska – President of the Management Board
Mirosław Boda – Vice-President of the Management Board

Michał Bolesławski – Vice-President of the Management Board
Evert Derks Drok – Vice-President of the Management Board
Justyna Kesler – Vice-President of the Management Board
Oscar Swan – Vice-President of the Management Board

Decreasing share in the share capital of the Bank

On 20 April 2010, the Bank Management Board acquired the information that as a result of the transaction of sale of shares of ING Bank Śląski S.A. concluded on 13 April 2010, Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK [*Aviva Open Investment Fund Aviva BZ WBK*] decreased its share in the total number of shares and votes at the General Meeting to less than 5%.

Prior to the settlement of the abovementioned transactions Aviva OFE Aviva BZ WBK held 665,500 shares of ING Bank Śląski S.A., constituting 5.12% of the share capital of the Company and 5.12% of the total number of votes at the General Meeting.

As a consequence of conclusion and settlement of the sale transaction, as of 16 April 2010, Aviva OFE Aviva BZ WBK held 645,012 shares of ING Bank Śląski S.A. constituting 4.96% of the share capital of the Company and 4.96% of share capital of the Company and the total number of votes at the General Meeting.

Bringing a legal action to declare the Resolutions of the General Meeting invalid or to repeal them

On 17 May 2010 the Management Board of ING Bank Śląski S.A. acquired the information that two shareholders i.e. Związek Zawodowy Górników w Polsce (Polish Miners Trade Union) and Związek Zawodowy "KADRA" Pracowników Katowickiego Holdingu Węglowego S.A. ("KADRA" Trade Union of Katowice Coal Holding S.A. Employees) brought a legal action to declare the resolutions of the General Meeting of ING Bank Śląski S.A. passed on 08.04.2010, invalid or alternatively to repeal them:

- no. 01 on approving the annual financial statements of ING Bank Śląski S.A. for the period started 1 January 2009 and ended 31 December 2009,
- no. 05 on acknowledgement of fulfilment of duties to the President of the ING Bank Śląski S.A. Management Board – Mr. Brunon Bartkiewicz for the period started 1 January 2009 and ended 31 December 2009,
- no. 10 on acknowledgement of fulfilment of duties to the President of the ING Bank Śląski S.A. Management Board – Ms. Małgorzata Kołakowska for the period started 1 January 2009 and ended 31 December 2009, acting as the President of the Management Board on the day of drawing up the financial statements of ING Bank Śląski S.A. for 2009,
- no. 21 on approving the distribution of profit for the year 2009, and as a consequence appealing against the Resolution no. 1.

Credit agreement with ING Bank Hipoteczny S.A.

On 25th May 2010 a credit agreement with ING Bank Hipoteczny S.A. was concluded. The amount of the extended loan equals PLN 220,000,000.00. The total Bank's exposure with reference to ING Bank Hipoteczny S.A. amounts to PLN 620,000,000.00. The credit agreement concluded on 24 June 2008 with subsequent amendments of the loan's total value amounting to PLN 400,000,000.00 is the credit agreement of the highest value. The criterion for considering the agreement as a significant one is the total loans to Bank's equity.

7. Significant developments after the closing of the interim period

Making an in-kind contribution of organised part of enterprise to a subsidiary

On 1 July 2010, ING Bank Śląski S.A. took up 138,552 new shares of Centrum Banku Śląskiego Sp. z o.o., a subsidiary of the Bank. In exchange for the shares the Bank made an in-kind contribution of two investment real proprieties together with an organised part of enterprise consisting in the Commercial Real Estate Management Section, which was a part of the Bank's internal structures and was tasked with full service and evaluation of the management of said properties.

The above mentioned actions were aimed at centralising the real property management area in the Capital Group and entrusting that task to Centrum Banku Śląskiego S.A., which is a professional entity dealing with property management.

The in-kind contribution of the organised part of enterprise followed the decisions of: the Bank Management Board of 23 February 2010, the Bank Supervisory Board of 5 March 2010 and the Bank General Meeting of 8 April 2010.

On 30 June 2010, the Extraordinary Partners Meeting of Centrum Banku Śląskiego Sp. z o.o. passed a resolution approving an increase of the Company's share capital, which totalled PLN 91,791,000 by the amount of PLN 138,552,000, up to PLN 230,343,000 by way of issuing 138,552 new equal and indivisible shares with face value of PLN 1,000 each.

Concluding a Significant Agreement

On 30 July 2010, ING Bank Śląski S.A. concluded a credit agreement with an entity from the wholesale sector to the amount of PLN 380,000,000.00 for a period of 5 years. On that same day, the Bank concluded an annex to the Credit Agreement of 21 November 2008 with that entity and two other members of its Group, thus increasing the amount of the working capital loan granted for a period of up to 1 year to PLN 240,000,000.00. The total credit exposure of the Bank towards that entity is PLN 620,000,000.00. The agreement is considered significant due to the ratio of the total credit amount to the Bank's equity.

8. Off-balance sheet items

(pln '000)	**H1 2010** as of 30.06.2010 *(unaudited)*	**end 2009** as of 31.12.2009	**H1 2009** as of 30.06.2009 *(unaudited)*
Contingent liabilities granted	14 005 950	14 096 603	14 295 352
Contingent liabilities received	13 093 025	12 483 266	17 131 778
Off-balance sheet financial instruments	124 094 658	119 086 563	148 909 117
Total off-balance sheet items	**151 193 633**	**145 666 432**	**180 336 247**

9. Issues. Redemption or repayments of debt securities and equities

None.

10. Dividends paid

On 8 April 2010, the General Shareholders Meeting decided that the dividend for 2009 would not be paid.

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

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 '000)	**H1 2010** period from 01.01.2010 to 30.06.2010 *(unaudited)*	**H1 2009** period from 01.01.2009 to 30.06.2009 *(unaudited)*
Status at the period beginning:	**11 690**	**16 722**
Establishment of provisions as costs	447	2 468
Release of provisions as income	-5 325	-2 568
Utilisation of provision due to dispute loss or settlement	-637	-4 519
Status as at the period end	**6 175**	**12 103**

Either in H1 of 2010 or H1 of 2009, 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. Transactions with related entities

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 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 1.01.2010 – 30.06.2010 the following transactions were made of the total value exceeding EURO 500.000:

- in connection with execution of the Co-operation Agreement concluded by ING Bank Śląski S.A. and ING Bank NV the remuneration for the services provided as to financial consulting in 6 months of 2010 amounted to PLN 28.3 million versus PLN 28.5 million in the analogical period of the previous year (net amounts). Following the implementation of the agreement for provision of data processing and financial information analysis services, concluded by and between ING Bank Śląski S.A. and ING Bank NV, the fee for data processing and financial information analysis services used by ING Bank Śląski amounted to PLN 5.8 million versus PLN 6.6 million in the analogical period of the previous year (net amounts).
- ING Services Polska provides services to ING Bank Śląski with regard to lease of hardware resources. The costs of service were PLN 16.7 million versus PLN 12.6 million in the analogical period of the previous year (gross amounts).
- ING Bank Śląski made a transaction with ING Lease due to sublease of functional rooms totalling PLN 8.1 million versus PLN 9.3 million in the analogical period of the previous year (gross amounts).
- 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 8.3 million in 6 months of 2010 versus PLN 8.1 million in the analogical period of the previous year (gross amounts).

Transactions with related entities (in PLN thousands):

H1 2010 (unadited)

	Parent company	Other ING Group entities	Associated undertakings *
Receivables			
Deposits placed	534 958	-	-
Nostro accounts	4 633	2 834	-
Loans	-	1 542 159	-
Other receivables	324 217	3 126	-
Liabilities			
Deposits received	1 384 911	357 582	195 768
Loro accounts	13 320	9 222	-
Repo	1 738 163	-	-
Other liabilities	27 962	208	-
Off-balance-sheet operations			
Contingent liabilities	216 749	1 033 184	-
FX transactions	10 144 524	1 180 728	-
Forward transactions	957 402	256 730	-
IRS/CIRS	32 770 702	13 473 359	-
FRA	339 824	-	-
Options	656 963	781 214	-
Revenue and costs for the period H1 2010**			
Revenue	-22 540	29 119	108
Costs	34 645	30 845	1 748

end of year 2009

	Parent company	Other ING Group entities	Associated undertakings *
Receivables			
Deposits placed	564 712	2	-
Nostro accounts	44 866	-	-
Loans	-	1 491 241	-
Other receivables	8 251	1 392	-
Liabilities			
Deposits received	331 321	784 219	23 236
Loro accounts	14 992	300 417	-
Repo	3 241 530	-	-
Other liabilities	10 515	170	
Off-balance-sheet operations			
Contingent liabilities	47 882	1 083 691	-
FX transactions	18 679 617	7 602 732	-
Forward transactions	1 439 112	537 181	-
IRS/CIRS	30 840 479	10 047 016	-
Options	812 007	2 673 739	
Revenue and costs for 2009**			
Revenue	-9 370	95 824	257
Costs	57 817	64 289	1 467

H1 2009 (unadited)

	Parent company	Other ING Group entities	Associated undertakings *
Receivables			
Deposits placed	848 976	-	-
Nostro accounts	10 051	1 073	-
Loans	-	1 715 186	-
Other receivables	13 101	1 767	-
Liabilities			
Deposits received	3 855 540	642 155	8 861
Loro accounts	53 635	12 945	-
Repo	3 461 589	158 239	-
Other liabilities	26 274	574	-
Off-balance-sheet operations			
Contingent liabilities	-	989 618	-
FX transactions	11 687 685	7 074 539	-
Forward transactions	633 967	1 494 134	-
IRS/CIRS	32 534 200	8 997 337	-
FRA	1 083 369	-	-
Options	1 074 226	1 268 606	-
Revenue and costs for the period H1 2009**			
Revenue	-6 760	46 863	107
Costs	54 083	33 429	1 226

*/ Includes transactions between ING Bank Śląski S.A. affiliates of ING Bank Śląski S.A. Group
**/ 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.

The Group analysed entities being part of ING Group. As a result, additional entities were identified with which the Group concluded transactions that had not been included in the consolidated financial statements for H1 2009. Consequently, the data for H1 2009 in those financial statements were adjusted accordingly to achieve comparability.

14. Segmentation of revenue and financial results of the Group

Segments of operation

The management of the ING Bank Śląski Group is conducted through breaking down the operations into the following business segments:

- retail banking,
- corporate banking,
- own operations.

Wholesale and retail segments are separated based on the financial criterion (especially turnover, level of collected assets) and subject related criterion specified by internal regulations of the dominant entity of the Group.

Within the framework of retail banking, the Bank's Group provides services for individual customers (segments of mass customers and wealthy customers) and small enterprises.

This activity is analysed by the following products: credit products (overdraft on the savings and settlement account - ROR, loans related to cards, hire purchase loans, housing loans, mortgage loans), contract loans granted by the Building Society, mortgage loans granted by ING Bank Hipoteczny, deposit products (current accounts, term deposits, savings accounts), ING fund units, brokerage services provided by ING Securities SA and bank cards.

The wholesale activity includes services to institutional clients, including strategic clients, large corporate entities and mid-sized companies. For corporate banking, the Group provides reporting broken down by loan products (working loans, investment loans), deposit products (current accounts, term deposits and negotiated deposits, savings accounts), trust services, capital market operations conducted by the parent and by ING Securities and operations of intermediation in lease services.

Proprietary operations are carried out by Financial Markets and ALCO (Assets and Liabilities Management Committee).

Financial markets encompass operations performed in money and capital markets, conducted both on the proprietary basis as well as for the customers' benefit. Within the framework of this activity, currency, money and derivative instrument market products and securities operations (treasury securities, shares and notes) are specified. The item *Financial markets - total segment income* presents the income from proprietary trading. The income from the sale of financial market products for the corporate banking and retail banking segments are disclosed in the income of these segments.

ALCO comprises above all of investing funds originating from own funds and funding some assets of the Bank. The main element of the core business income of ALCO is income from investing proprietary funds (book capital). This income is then adjusted by the interest calculated on the economic capital required by individual business lines (retail banking segment, corporate banking segment, financial markets). Interest on economic capital is allocated from the ALCO line to individual business lines in the manner corresponding to their demand for economic capital.

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.

The Group presents segment's interest income reduced by the cost of the interest. This results from the fact that while evaluating the segment's results and assigning assets to the segment, the Management Board relies mainly on net interest income.

In H1 2010, there was no change to the segment definition or the classification of revenues and costs within the individual segments.

Geographical segments

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

PLN thousand	**H1 2010** the period from 01.01.2010 to 30.06.2010 *(unaudited)*					
	Retail customers segment	Corporate customers segment	Own operating		Nonallocated items	Total
			Tresury & ALM	ALCO		
Revenue total*	**631 335**	**412 127**	**162 973**	**130 372**	**0**	**1 336 807**
Net interest income	359 355	213 474	144 330	43 609	0	760 768
external	*-31 959*	*346 508*	*144 358*	*301 861*	*0*	*760 768*
internal	*391 314*	*-133 034*	*-28*	*-258 252*	*0*	*0*
Net commission income, of which:	248 534	236 953	-209	-9 858	0	475 420
income	*291 744*	*260 020*	*-209*	*-9 858*	*0*	*541 697*
expenses	*-43 210*	*-23 067*	*0*	*0*	*0*	*-66 277*
Other income/expenses	5 250	-38 300	18 852	96 621	0	82 423
Share in net profit (loss) of associated entities recognised under the equity method	18 196	0	0	0	0	18 196
Expenses total	**508 150**	**255 524**	**30 038**	**0**	**0**	**793 712**
Operational expenses, of which:	508 150	255 524	30 038	0	0	793 712
personnel expenses	*224 912*	*118 283*	*23 577*	*0*	*0*	*366 772*
depreciation	*43 664*	*12 311*	*2 637*	*0*	*0*	*58 612*
other	*239 574*	*124 930*	*3 824*	*0*	*0*	*368 328*
Result before risk	**123 185**	**156 603**	**132 935**	**130 372**	**0**	**543 095**
Risk cost	34 247	53 129	0	0	0	87 376
Result after risk cost	**88 938**	**103 474**	**132 935**	**130 372**	**0**	**455 719**
CIT	0	0	0	0	86 675	86 675
Result after tax	**88 938**	**103 474**	**132 935**	**130 372**	**-86 675**	**369 044**
- assigned to shareholders of the holding company	**88 938**	**103 474**	**132 935**	**130 372**	**-86 669**	**369 050**
- assigned to minority shareholders	0	0	0	0	-6	-6

*/ including the share in net profit of affiliated units shown using the method of ownership rights

PLN thousand	**II quarter 2010** the period from 01 Apr 2010 to 30 Jun 2010 *(unaudited)*					
	Retail customers segment	Corporate customers segment	Own operating		Nonallocated items	Total
			Treasury & ALM	ALCO		
Revenue total*	**341 130**	**207 978**	**61 867**	**67 702**	**0**	**678 677**
Net interest income	191 285	107 568	62 991	31 542	0	393 386
external	*3 235*	*173 428*	*63 016*	*153 707*	*0*	*393 386*
internal	*188 050*	*-65 860*	*-25*	*-122 165*	*0*	*0*
Net commission income, of which:	124 929	116 388	-389	6 024	0	246 952
income	*145 472*	*126 508*	*-389*	*6 024*	*0*	*277 615*
expenses	*-20 543*	*-10 120*	*0*	*0*	*0*	*-30 663*
Other income/expenses	14 000	-15 978	-735	30 136	0	27 423
Share in net profit (loss) of associated entities recognised under the equity method	10 916	0	0	0	0	10 916
Expenses total	**260 649**	**127 046**	**15 465**	**0**	**0**	**403 160**
Operational expenses, of which:	260 649	127 046	15 465	0	0	403 160
personnel expenses	*114 710*	*60 411*	*12 197*	*0*	*0*	*187 318*
depreciation	*21 990*	*6 138*	*1 338*	*0*	*0*	*29 466*
other	*123 949*	*60 497*	*1 930*	*0*	*0*	*186 376*
Result before risk	**80 481**	**80 932**	**46 402**	**67 702**	**0**	**275 517**
Risk cost	13 020	26 257	0	0	0	39 277
Result after risk cost	**67 461**	**54 675**	**46 402**	**67 702**	**0**	**236 240**
CIT	0	0	0	0	44 709	44 709
Result after tax	**67 461**	**54 675**	**46 402**	**67 702**	**-44 709**	**191 531**
- assigned to shareholders of the holding company	**67 461**	**54 675**	**46 402**	**67 702**	**-44 710**	**191 530**
- assigned to minority shareholders	0	0	0	0	1	1

*/ including the share in net profit of affiliated units shown using the method of ownership rights

PLN thousand	**H1 2009** the period from 01.01.2009 to 30.06.2009 *(unaudited)*					
	Retail customers segment	Corporate customers segment	Own operating		Nonallocated items	Total
			Treasury & ALM	ALCO		
Revenue total*	**610 214**	**291 043**	**220 353**	**120 795**	**0**	**1 242 405**
Net interest income	269 841	172 485	29 295	180 206	0	651 827
external	*-276 854*	*329 020*	*29 332*	*570 329*	*0*	*651 827*
internal	*546 695*	*-156 535*	*-37*	*-390 123*	*0*	*0*
Net commission income, of which:	296 002	193 159	-461	-4 769	0	483 931
income	*325 286*	*211 350*	*-461*	*-4 769*	*0*	*531 406*
expenses	*-29 284*	*-18 191*	*0*	*0*	*0*	*-47 475*
Other income/expenses	18 741	-74 601	191 519	-54 642	0	81 017
Share in net profit (loss) of associated entities recognised under the equity method	25 630	0	0	0	0	25 630
Expenses total	**477 333**	**243 586**	**24 292**	**0**	**0**	**745 211**
Operational expenses, of which:	477 333	243 586	24 292	0	0	745 211
personnel expenses	*204 972*	*108 109*	*16 481*	*0*	*0*	*329 562*
depreciation	*47 523*	*12 519*	*2 902*	*0*	*0*	*62 944*
other	*224 838*	*122 958*	*4 909*	*0*	*0*	*352 705*
Result before risk	**132 881**	**47 457**	**196 061**	**120 795**	**0**	**497 194**
Risk cost	19 610	145 943	0	0	0	165 553
Result after risk cost	**113 271**	**-98 486**	**196 061**	**120 795**	**0**	**331 641**
CIT	0	0	0	0	68 124	68 124
Result after tax	**113 271**	**-98 486**	**196 061**	**120 795**	**-68 124**	**263 517**
- assigned to shareholders of the holding company	**113 271**	**-98 486**	**196 061**	**120 795**	**-68 117**	**263 524**
- assigned to minority shareholders	0	0	0	0	-7	-7

*/ including the share in net profit of affiliated units shown using the method of ownership rights

PLN thousand	**II quarter 2009** the period from 01 Apr 2009 to 30 Jun 2009 *(unaudited)*					
	Retail customers segment	Corporate customers segment	Own operating		Nonallocated items	Total
			Treasury & ALM	ALCO		
Revenue total*	**336 655**	**165 544**	**133 625**	**49 257**	**0**	**685 081**
Net interest income	160 333	89 813	-49 191	159 582	0	360 537
external	*-101 305*	*159 891*	*-49 191*	*351 142*	*0*	*360 537*
internal	*261 638*	*-70 078*	*0*	*-191 560*	*0*	*0*
Net commission income, of which:	159 310	123 004	0	-32 400	0	249 914
income	*174 962*	*132 727*	*0*	*-32 400*	*0*	*275 289*
expenses	*-15 652*	*-9 723*	*0*	*0*	*0*	*-25 375*
Other income/expenses	1 482	-47 273	182 816	-77 925	0	59 100
Share in net profit (loss) of associated entities recognised under the equity method	15 530	0	0	0	0	15 530
Expenses total	**248 104**	**124 746**	**9 665**	**0**	**0**	**382 515**
Operational expenses, of which:	248 104	124 746	9 665	0	0	382 515
personnel expenses	*106 536*	*56 947*	*12 960*	*0*	*0*	*176 443*
depreciation	*24 267*	*6 246*	*1 456*	*0*	*0*	*31 969*
other	*117 301*	*61 553*	*-4 751*	*0*	*0*	*174 103*
Result before risk	**88 551**	**40 798**	**123 960**	**49 257**	**0**	**302 566**
Risk cost	6 789	67 050	0	0	0	73 839
Result after risk cost	**81 762**	**-26 252**	**123 960**	**49 257**	**0**	**228 727**
CIT	0	0	0	0	46 005	46 005
Result after tax	**81 762**	**-26 252**	**123 960**	**49 257**	**-46 005**	**182 722**
- assigned to shareholders of the holding company	**81 762**	**-26 252**	**123 960**	**49 257**	**-46 024**	**182 703**
- assigned to minority shareholders	0	0	0	0	19	19

*/ including the share in net profit of affiliated units shown using the method of ownership rights

PLN thousand	**H1 2010** as of 30.06.2010 *(unaudited)*					
	Retail customers segment	Corporate customers segment	Proprietary trading	ALCO	Non-allocated items	Total
Assets of the segment	10 827 040	19 103 470	30 218 126	259 068	0	60 407 704
Segment investments in subordinates	133 796	0	0	0	0	133 796
Other assets (not allocated to segments)	0	0	0	0	1 041 483	1 041 483
Total assets	**10 960 836**	**19 103 470**	**30 218 126**	**259 068**	**1 041 483**	**61 582 983**

PLN thousand	**end of year 2009** as of 31.12.2009					
	Retail customers segment	Corporate customers segment	Proprietary trading	ALCO	Non-allocated items	Total
Assets of the segment	9 533 715	18 766 657	30 447 977	0	0	58 748 349
Segment investments in subordinates	115 600	0	0	0	0	115 600
Other assets (not allocated to segments)	0	0	0	0	1 019 507	1 019 507
Total assets	**9 649 315**	**18 766 657**	**30 447 977**	**0**	**1 019 507**	**59 883 456**

PLN thousand	**H1 2009** as of 30.06.2009 *(unaudited)*					
	Retail customers segment	Corporate customers segment	Proprietary trading	ALCO	Non-allocated items	Total
Assets of the segment	8 422 547	19 777 573	34 826 070	326 510	0	63 352 700
Segment investments in subordinates	89 148	0	0	0	0	89 148
Other assets (not allocated to segments)	0	0	0	0	1 074 651	1 074 651
Total assets	**8 511 695**	**19 777 573**	**34 826 070**	**326 510**	**1 074 651**	**64 516 499**

15. Selected financial data from financial statements

	PLN thousand		EUR thousand	
	H1 2010 period from 01.01.2010 to 30.06.2010 *(unaudited)*	**H1 2009** period from 01.01.2009 to 30.06.2009 *comparative data (unaudited)*	**H1 2010** period from 01.01.2010 to 30.06.2010 *(unaudited)*	**H1 2009** period from 01.01.2009 to 30.06.2009 *comparative data (unaudited)*
Interest income	1 413 919	1 615 868	353 109	357 620
Commission income	541 697	531 406	135 282	117 609
Result on basic activities	1 318 611	1 216 775	329 307	269 293
Result before tax	455 719	331 641	113 810	73 398
Net result of shareholders of the holding company	369 050	263 524	92 166	58 322
Net result of minority shareholders	-6	-7	-1	-2
Net cash flows	-214 862	-2 271 710	-53 659	-502 769
Earnings per ordinary share (PLN / EUR)	28.37	20.26	7.08	4.48

	PLN thousand			EUR thousand		
	H1 2010 as of 30.06.2010 *unaudited*	**end of 2009** as of 31.12.2009	**H1 2009** as of 30.06.2009 *comparative data(unaudited)*	**H1 2010** as of 30.06.2010 *unaudited*	**end of 2009** as of 31.12.2009	**H1 2009** as of 30.06.2009 *comparative data(unaudited)*
Total assets	61 582 983	59 883 456	64 516 499	14 854 306	14 576 568	14 434 513
Equity of the holding company	5 280 138	4 884 398	4 514 725	1 273 611	1 188 939	1 010 096
Share capital	130 100	130 100	130 100	31 381	31 668	29 108
Numer of shares (per item)	13 010 000	13 010 000	13 010 000	-	-	-
Book value per share (PLN / EUR)	405.85	375.43	347.02	97.89	91.39	77.64
Solvency ratio (%)	12.56%	12.01%	10.87%	-	-	-

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

- for statement of financial positions items – PLN 4.1458, NBP exchange rate of 30 June 2010; PLN 4.1082 NBP exchange rate of 31 December 2009; PLN 4.4696 NBP exchange rate of 30 June 2009,
- for income statement items and cash flow statement items for the period of 6 months ending on 30 June 2010 - PLN 4.0042 exchange rate calculated as the average of NBP exchange rates as at the last day of each month in H1 2010; PLN 4.5184 exchange rate calculated as the average of NBP exchange rates as at the last day of each month in H1 2009.

16. Information about the headcount

The headcount in the Capital Group was as follows:

Headcount	30.06.2010	31.12.2009	30.06.2009
Individuals	8 438	8 291	8 378
FTEs	8 295,3	8 146.6	8 238.3

17. Risk management

The changes in approach to credit and operational risk management introduced in H1 2010 are described below. In reference to other risks that the Group has to face, namely the market, liquidity and FX risks, the approach has not been changed significantly.

Credit Risk

Credit Policy

In H1 2010 Group introduced modifications with regard to corporate credit exposures in response to the overall slowdown of economic growth rate and difficult financial situation of some groups of borrowers. These modifications were aimed at:

- increasing effectiveness of the credit process while ensuring adequate credit risk identification and measurement mechanisms compliant with the requirements set forth in the resolution of the Polish Financial Supervision Authority no. 76/2010 of 10 March 2010 concerning the scope and detailed principles of determining capital requirements due to individual types of risks,
- maintaining the Bank's credit risk at an acceptable level.

The main modifications of the Group's credit policy for corporate clients included the following in particular:

- updating the requirements and criteria concerning the risk appetite for the credit portfolio of big and mid-sized clients and strategic clients,
- specifying in more details the Bank's collateral policy and adjusting it to practical solutions applied at ING Group,
- modifying the policy for securing the settlement and pre-settlement limits,
- updating the policy of financing of revenue-generating real properties so as to take account of the current situation on the real estate market, including in particular the residential market.

The principles of the Credit Policy Committee operations were also amended upon development of the automated document workflow support.

Group also took efforts to reinforce credit risk control in the retail portfolio due to the complex situation on the job market and residential real estate market. The parent entity actions in that respect included, among other things:

- amendments to internal regulations to adjust them to the requirements of Recommendation T of the Polish Financial Supervision Authority,
- assumptions of simplifications for developers,
- decision not to join the governmental programme for families called *Rodzina na swoim* and follow the principle of ensuring the simplicity and transparency of the Bank's offer.

Credit Process and Credit Risk Assessment

The Group was adjusting tools and instruments of the corporate client risk measurement and monitoring to credit policy modifications, notably the Group:

- updated solutions in the area of counterparty risk management,
- updated recommendations concerning sectors, which the Bank considers as heightened-risk sectors,
- reviewed template documents and operational processes related to financial market instruments and adjusted them to the requirements introduced by way of Finance Minister Ordinance of 20 November 2009 concerning the manner and conditions of operating of investment companies, banks referred to in Article 70.2 of the Financial Instruments Trading Act, as well as custodian banks,
- reviewed template documents and operational processes related to financial liquidity risk management products for large corporates, as well as standard credit agreements and collaterals to adjust them to the credit process purposes,
- implemented additional controls concerning review of fulfilment of contractual terms by corporate clients,
- introduced a methodology of global stress testing in the segment of corporate clients and small businesses thus expanding the scope of banking risk subject to analysis,
- specified in more detail the scope of application for the loss-given default models (LGD) as required by the PFSA Resolution no. 76/2010 in the process of credit risk management, including approach to guarantees and sureties.

As regards the retail credit processes of the Group, the following changes were made:

- the automated decision process was tightened by using a wider scope of information from the Credit Information Bureau or the Business Information Bureau,
- verification process was implemented to prevent frauds in the system of servicing credit applications, applications for mortgages, cash loans and small business loans (including, among other things, automated verification of dishonest employers),
- General Terms for overdraft limits and cash loans were adjusted to the existing legal conditions,

– the third person was eliminated from the mortgage approval process; a pilot programme was started concerning simplified verification of valuations; authorities in the area of product exceptions review were assigned to the Credit Platform.

Operational Risk

The Group performs regular tasks to monitor and mitigate compliance risk in accordance with the existing Compliance Monitoring Plan. Furthermore, the Group conducts training programmes to improve the knowledge and raise the awareness of the employees in that respect, including programmes concerning adherence to the regulations on fair competition and prevention of money laundering.

In the first half of 2010, as required under the amended Anti-Money Laundering Act, the parent entity of the Group updated the Principles of Preventing Money Laundering and Terrorism Financing.

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

2010-08-10	**Małgorzata Kołakowska**	President	*(signed on the Polish original)*
2010-08-10	**Mirosław Boda**	Vice-President	*(signed on the Polish original)*
2010-08-10	**Michał Bolesławski**	Vice-President	*(signed on the Polish original)*
2010-08-10	**Evert Derks Drok**	Vice-President	*(signed on the Polish original)*
2010-08-10	**Justyna Kesler**	Vice-President	*(signed on the Polish original)*
2010-08-10	**Oscar Edward Swan**	Vice-President	*(signed on the Polish original)*

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2010-08-10	**Tomasz Biłous**	Director of Accounting Department Chief Accountant	*(signed on the Polish original)*

III. Interim condensed standalone financial statement of the Bank

INTERIM CONDENSED STANDALONE INCOME STATEMENT (PLN '000)

	II quarter 2010 the period from 01 Apr 2010 to 30 Jun 2010 *(unaudited)*	**I half 2010** the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*	**II quarter 2009** the period from 01 Apr 2009 to 30 Jun 2009 *comparative data (unaudited)*	**I half 2009** the period from 01 Jan 2009 to 30 Jun 2009 *comparative data (unaudited)*
- Interest income	*706 077*	*1 404 786*	*771 096*	*1 609 022*
- Interest expenses	*319 415*	*657 386*	*416 257*	*968 097*
Net interest income	**386 662**	**747 400**	**354 839**	**640 925**
- Commission income	*259 326*	*501 829*	*257 636*	*498 271*
- Commission expenses	*25 141*	*55 024*	*19 996*	*37 454*
Net commission income	**234 185**	**446 805**	**237 640**	**460 817**
- Net income on instruments measured at fair value through profit or loss and FX result	34 602	85 478	40 631	34 765
- Net income on investments	30 092	33 960	82 734	83 030
- Net income on hedge accounting	-15 266	-22 160	5 988	23 903
- Net income on other basic activities	4 003	8 991	2 595	9 630
Result on basic activities	**674 278**	**1 300 474**	**724 427**	**1 253 070**
- General and administrative expenses	391 036	773 153	374 803	723 901
- Result on other operating income and expenses	340	3 914	1 324	298
- Impairment losses and provisions for off-balance sheet liabilities	39 195	86 547	74 074	164 564
Profit (loss) before tax	**244 387**	**444 688**	**276 874**	**364 903**
Income tax	43 395	82 907	43 949	65 059
Net result for the current period	**200 992**	**361 781**	**232 925**	**299 844**

Net profit (loss)	**200 992**	**361 781**	**232 925**	**299 844**
Weighted average number of ordinary shares	**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**
Earnings per ordinary share (PLN)	**15,45**	**27,81**	**17,90**	**23,05**

Diluted earnings per share agrees with earnings per ordinary share

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Director of Accounting Department, Chief Accountant
Signed on the Polish original

Katowice, 10-08-2010

Interim condensed standalone income statement shall be analysed together with the supplementary notes to interim condensed consolidated financial statements being the integral part of interim condensed consolidated financial statements.

INTERIM CONDENSED STANDALONE STATEMENT OF COMPREHENSIVE INCOME (PLN '000)

	II quarter 2010 the period from 01 Apr 2010 to 30 Jun 2010 *(unaudited)*	**I half 2010** the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*	**II quarter 2009** the period from 01 Apr 2009 to 30 Jun 2009 *(unaudited)*	**I half 2009** the period from 01 Jan 2009 to 30 Jun 2009 *(unaudited)*
Net result for the period	**200 992**	**361 781**	**232 925**	**299 844**
- Gains/losses on remeasurement of available-for-sale financial assets charged to equity	-51 727	539	62 636	41 483
including deferred tax	*12 039*	*-264*	*-14 636*	*-9 695*
- Reclassification to the financial result as a result of sale of available-for-sale financial assets	376	-2 684	-3 475	-3 710
including deferred tax	*-89*	*629*	*815*	*870*
- Amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-89	-394	-240	2 956
including deferred tax	*20*	*92*	*57*	*-693*
- Effective part of cash flow hedging instruments revaluation	7 131	27 013	-21 973	-25 838
including deferred tax	*-1 672*	*-6 336*	*5 155*	*6 061*
- Revaluation of share-based payment	1 205	1 933	14 208	14 208
including deferred tax	*0*	*0*	*-2 502*	*-2 502*
- Other	0	283	-28	-28
including deferred tax	*0*	*4*	*6*	*6*
Other comprehensive income (loss)	**-43 104**	**26 690**	**51 128**	**29 071**
Total comprehensive income for the period	**157 888**	**388 471**	**284 053**	**328 915**

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INTERIM CONDENSED STANDALONE STATEMENT OF FINANCIAL POSITION (PLN '000)

	I half 2010 as of 30 Jun 2010 *(unaudited)*	**end of year 2009** as of 31 Dec 2009	**I half 2009** as of 30 Jun 2009 *(unaudited)*
A S S E T S			
- Cash in hand and balances with the Central Bank	2 158 457	2 656 581	903 306
- Loans and receivables to other banks	2 263 989	1 494 053	3 408 130
- Financial assets measured at fair value through profit and loss	1 444 265	8 265 524	10 821 017
- Valuation of derivatives	1 755 710	1 566 652	3 241 981
- Investments	21 008 475	14 166 032	15 568 041
- available-for-sale	*14 323 436*	*6 835 626*	*8 329 346*
- held-to-maturity	*6 685 039*	*7 330 406*	*7 238 695*
- Derivative hedge instruments	88 131	90 444	90 975
- Loans and receivables to customers	31 211 499	29 976 639	28 781 616
- Investments in controlled entities recognised under the equity method	313 164	313 164	310 569
- Investment real estates	129 667	129 667	151 458
- Property, plant and equipment	522 667	534 712	538 479
- Intangible assets	324 468	325 746	316 362
- Property, plant and equipment held for sale	224	224	135
- Current income tax assets	0	0	82 860
- Deferred tax assets	95 955	84 850	0
- Other assets	173 697	147 200	193 373
T o t a l a s s e t s	**61 490 368**	**59 751 488**	**64 408 302**

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Interim condensed standalone statement of financial position shall be analysed together with the supplementary notes to interim condensed consolidated financial statements being the integral part of interim condensed consolidated financial statements.

INTERIM CONDENSED STANDALONE STATEMENT OF FINANCIAL POSITION (PLN '000) - continued

	I half 2010 as of 30 Jun 2010 (unaudited)	end of year 2009 as of 31 Dec 2009	I half 2009 as of 30 Jun 2009 (unaudited)
EQUITY AND LIABILITIES			
LIABILITIES			
- Liabilities due to other banks	5 268 099	3 951 088	9 723 990
- Financial liabilities measured at fair value through profit and loss	2 123 453	998 051	981 361
- Valuation of derivatives	1 215 300	1 193 944	2 103 080
- Derivative hedge instruments	663 309	482 563	382 120
- Liabilities due to customers	45 973 610	47 657 073	45 761 049
- Provisions	45 283	54 060	47 701
- Current income tax liabilities	55 135	156 119	0
- Deferred tax provision	0	0	57 101
- Other liabilities	1 042 234	543 116	956 036
Total liabilities	**56 386 423**	**55 036 014**	**60 012 438**
EQUITY			
- Share capital	130 100	130 100	130 100
- Supplementary capital - issuance of shares over nominal value	956 250	956 250	956 250
- Revaluation reserve from measurement of available-for-sale financial assets	-3 922	-1 383	-60 252
- Revaluation reserve from measurement of property, plant and equipment	33 406	33 426	35 982
- Revaluation reserve from measurement of cash flow hedging instruments	26 045	-968	19 743
- Revaluation of share-based payment	17 779	15 846	14 208
- Retained earnings	3 944 287	3 582 203	3 299 833
Total equity	**5 103 945**	**4 715 474**	**4 395 864**
Total equity and liabilities	**61 490 368**	**59 751 488**	**64 408 302**

Solvency ratio	**11,59%**	**11,24%**	**9,93%**

Net book value	**5 103 945**	**4 715 474**	**4 395 864**
Number of shares	**13 010 000**	**13 010 000**	**13 010 000**
Net book value per share (PLN)	**392,31**	**362,45**	**337,88**

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INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY (PLN '000)

I half 2010
the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*

	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	Revaluation of share-based payment	Retained earnings	**Total equity**
Opening balance of equity	**130 100**	**956 250**	**-1 383**	**33 426**	**-968**	**15 846**	**3 582 203**	**4 715 474**
- net result for the current period	-	-	-	-	-	-	361 781	**361 781**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	539	-	-	-	-	**539**
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	-2 684	-	-	-	-	**-2 684**
- amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	-394	-	-	-	-	**-394**
- effective part of cash flow hedging instruments revaluation	-	-	-	-	27 013	-	-	**27 013**
- revaluation of share-based payment	-	-	-	-	-	1 933	-	**1 933**
- other	-	-	-	-20	-	-	303	**283**
Total comprehensive income for the period	**0**	**0**	**-2 539**	**-20**	**27 013**	**1 933**	**362 084**	**388 471**
Dividends paid	-	-	-	-	-	-	-	**0**
Closing balance of equity	**130 100**	**956 250**	**-3 922**	**33 406**	**26 045**	**17 779**	**3 944 287**	**5 103 945**

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Interim condensed standalone statement of changes in equity shall be analysed together with the supplementary notes to interim condensed consolidated financial statements being the integral part of interim condensed consolidated financial statements.

INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY (PLN '000) - continued

year 2009
the period from 01 Jan 2009 to 31 Dec 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	Revaluation of share-based payment	Retained earnings	**Total equity**
Opening balance of equity	**130 100**	**956 250**	**-100 981**	**36 018**	**45 581**	**0**	**2 999 981**	**4 066 949**
- net result for the current period	-	-	-	-	-	-	582 151	**582 151**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	96 364	-	-	-	-	**96 364**
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	794	-	-	-	-	**794**
- amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	2 440	-	-	-	-	**2 440**
- remeasurement of property, plant and equipment	-	-	-	-2 547	-	-	-	**-2 547**
- effective part of cash flow hedging instruments revaluation	-	-	-	-	-46 549	-	-	**-46 549**
- revaluation of share-based payment	-	-	-	-	-	15 846	-	**15 846**
- other	-	-	-	-45	-	-	71	**26**
Total comprehensive income for the period	**0**	**0**	**99 598**	**-2 592**	**-46 549**	**15 846**	**582 222**	**648 525**
Dividends paid	-	-	-	-	-	-	-	**0**
Closing balance of equity	**130 100**	**956 250**	**-1 383**	**33 426**	**-968**	**15 846**	**3 582 203**	**4 715 474**

I half 2009
the period from 01 Jan 2009 to 30 Jun 2009 *(unaudited)*

	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	Revaluation of share-based payment	Retained earnings	**Total equity**
Opening balance of equity	**130 100**	**956 250**	**-100 981**	**36 018**	**45 581**	**0**	**2 999 981**	**4 066 949**
- net result for the current period	-	-	-	-	-	-	299 844	**299 844**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	41 483	-	-	-	-	**41 483**
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	-3 710	-	-	-	-	**-3 710**
- amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	2 956	-	-	-	-	**2 956**
- remeasurement of property, plant and equipment	-	-	-	-	-	-	-	**0**
- effective part of cash flow hedging instruments revaluation	-	-	-	-	-25 838	-	-	**-25 838**
- revaluation of share-based payment	-	-	-	-	-	14 208	-	**14 208**
- other	-	-	-	-36	-	-	8	**-28**
Total comprehensive income for the period	**0**	**0**	**40 729**	**-36**	**-25 838**	**14 208**	**299 852**	**328 915**
Dividends paid	-	-	-	-	-	-	-	**0**
Closing balance of equity	**130 100**	**956 250**	**-60 252**	**35 982**	**19 743**	**14 208**	**3 299 833**	**4 395 864**

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Katowice, 10-08-2010

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INTERIM CONDENSED STANDALONE CASH FLOW STATEMENT (PLN '000)

	I half 2010 the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*	**I half 2009** the period from 01 Jan 2009 to 30 Jun 2009 *comparative data (unaudited)*
OPERATING ACTIVITIES		
Net profit (loss)	**361 781**	**299 844**
Adjustments	**-1 411 973**	**-2 815 285**
- Depreciation and amortisation	57 658	61 983
- Interest accrued (from the profit and loss account)	747 400	640 925
- Interest paid	712 685	977 317
- Interest received	-1 576 933	-2 089 337
- Dividends received	-28 650	-78 439
- Gains (losses) on investment activities	-173	1 011
- Income tax (from the profit and loss account)	82 907	65 059
- Income tax paid	-194 996	-83 675
- Change in provisions	-8 777	-1 603
- Change in loans and other receivables to other banks	-489 161	2 924 052
- Change in financial assets at fair value through profit or loss	6 790 638	-191 226
- Change in available-for-sale financial assets	-7 499 705	2 539 409
- Change in valuation of derivatives	-167 702	-880 774
- Change in derivative hedge instruments	210 072	42 263
- Change in loans and other receivables to customers	-1 257 084	-3 527 876
- Change in other assets	5 146	-2 702
- Change in liabilities due to other banks	1 315 628	-2 289 772
- Change in liabilities at fair value through profit or loss	1 125 402	156 301
- Change in liabilities due to customers	-1 737 379	-1 395 922
- Change in other liabilities	501 051	317 721
Net cash flow from operating activities	**-1 050 192**	**-2 515 441**
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-22 333	-49 702
- Disposal of property, plant and equipment	203	83
- Purchase of intangible assets	-23 037	-25 185
- Purchase of investments in subordinated entities	0	-100 000
- Disposal of fixed assets held for sale	12	42
- Redemption of held-to-maturity financial assets	615 000	50 000
- Interest received from held-to-maturity financial assets	236 387	239 387
- Dividends received	28 650	78 439
Net cash flow from investment activities	**834 882**	**193 064**
FINANCIAL ACTIVITIES		
- Dividends paid	0	0
Net cash flow from financial activities	**0**	**0**
Effect of exchange rate changes on cash and cash equivalents	***24 442***	***11 886***
Net increase/decrease in cash and cash equivalents	**-215 310**	**-2 322 377**
Opening balance of cash and cash equivalents	**3 018 259**	**4 097 924**
Closing balance of cash and cash equivalents	**2 802 949**	**1 775 547**

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Signed on the Polish original

Katowice, 10-08-2010

Interim condensed standalone cash flow statement shall be analysed together with the supplementary notes to interim condensed consolidated financial statements being the integral part of interim condensed consolidated financial statements.

1. Introduction

These interim condensed standalone financial statements of the ING Bank Śląski S.A. for the period 6 months ended 30th June 2010 were prepared under the International Financial Reporting Standards (IFRS) in a version approved by the European Commission effective as at the reporting date, that is 30 June 2010 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).

Interim condensed standalone income statement, interim condensed standalone statement of comprehensive income, interim condensed standalone statement of changes in equity, and interim condensed standalone cash flow statement for the period from 01 January 2010 to 30 June 2010, and interim condensed standalone statement of financial position as at 30 June 2010 together with comparable data were prepared according to the same principles of accounting for each period.

The comparative data cover the period from 1 January 2009 to 30 June 2009 for the condensed standalone income statement; the condensed standalone statement of comprehensive income; and the condensed standalone cash flow statement; additionally, for the period from 1 January 2009 to 31 December 2009 for the condensed standalone statement of changes in equity; and in the case of the condensed standalone statement of financial position data as of 31 December 2009 and 30 June 2009.

Interim condensed standalone income statements, interim condensed standalone statement of comprehensive income and notes to the interim condensed standalone income statements include data for the Q2 2010 (period from 01 April 2010 to 30 June 2010) as well as comparative data for the Q2 2009 (period from 01 April 2009 to 30 June 2009), that were not subject to review or audit by a certified auditor.

Presented interim condensed standalone financial statements for I half 2010 meet the requirements of International Financial Reporting Standards (IFRS), including IAS 34 (International Accounting Standards) with regard to interim financial statements. This interim condensed standalone financial statements for the period 6 months ended 30th June 2010 was prepared in a condensed version and does not cover all disclosures required in the annual financial statements.

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

In these interim condensed standalone financial statements the same principles of accounting have been applied as the ones applied for developing the 2009 annual standalone financial statements, except that amendments to the standards and new interpretations applicable to annual periods starting on or after 1 January 2010. Amendments to standards and new interpretations are described in semi-annual condensed consolidated statements of the ING Bank Śląski S.A. Capital Group enclosed herewith ("semi-annual condensed consolidated financial statements"), in chapter II.2 "Compliance with International Financial Reporting Standards".

From the Bank's point of view all significant disclosures are presented in interim condensed consolidated financial statements.

These interim condensed standalone financial statements have been approved by the Bank Management Board on 10 August 2010.

This interim condensed standalone financial statements were prepared on a going-concern basis as regards the foreseeable future, namely as regards the period of minimum 12 months from the balance sheet date. As of the date of approving this statement, the Bank Management Board has not identified any events that could indicate that the continuation of the operations by the Bank is endangered.

The Bank had no operations that were discontinued in H1 2010.

2. Material accounting principles (policy)

Detailed accounting principles are presented in annual financial statements of ING Bank Śląski S.A. for the period from 1 January 2009 to 31 December 2009 published on 5 March 2010 that is available on the Internet site of ING Bank Śląski S.A. (www.ingbank.pl).

The same accounting principles were applied to interim condensed standalone financial statements and interim condensed consolidated financial statements, except for the changes in recording capital investments described above.

Investment in subsidiaries and associates

Subsidiaries

Subsidiaries are the entities over which the Bank has direct or indirect control. Control is the ability to manage financial and operating policies in order to gain economic profits. Control basically is involved with larger number of votes in governing bodies. Control usually is implicated with the possession of the majority of votes in governing bodies.

Associates

Associated entities are entities over which the Bank has significant influence and are not subsidiaries. The Bank usually determines significant influence by possession of 20 % to 50 % of the total number of votes in governing bodies.

Recognition and valuation

Investments in subsidiaries and associates are recorded at cost of purchase less impairment if any. The carrying value is subject to tests for impairment in accordance with IAS 39. Any impairment is recognized in the income statement as *Impairment losses and provisions for off-balance sheet liabilities*. Dividends are recognized in the income statement when the Bank obtains legal rights to receive them.

3. Accounting estimates

The most significant accounting estimates made by the Bank are described in the interim condensed consolidated financial statements in paragraph II.3.

4. Comparability of financial data

In comparison to the interim condensed standalone financial statements for the period from 1 January 2009 to 30 June 2009, the Bank introduced several amendments into interim condensed standalone financial statements for the period from 1 January 2010 to 30 June 2010. The amendments refer to the way of presenting some positions of the income statement and statement of financial position. The amendments are described in detail in interim condensed consolidated financial statements in paragraph II. 4.

5. Material events in H1 2010

Material events that occurred in H1 2010 are described in the interim condensed consolidated financial statements in paragraph II.6.

6. 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.

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

None.

8. Dividends paid

On 8 April 2010, the General Shareholders Meeting decided that the dividend for 2009 would not be paid.

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

9. Acquisitions

In H1 2010, the ING Bank Śląski did not make any acquisitions, as in H1 2009.

10. Off-balance sheet items

(pln '000)	**H1 2010** as of 30.06.2010 *(unaudited)*	**end 2009** as of 31.12.2009	**H1 2009** as of 30.06.2009 *(unaudited)*
Contingent liabilities granted	14 372 079	14 257 243	14 488 186
Contingent liabilities received	13 093 025	12 483 266	17 131 778
Off-balance sheet financial instruments	124 094 658	119 086 563	148 909 117
Total off-balance sheet items	**151 559 762**	**145 827 072**	**180 529 081**

11. Events after the balance sheet date

Events after the balance sheet date are described in the interim condensed consolidated financial statements in paragraph II.7.

12. Transactions with related entities

Subsidiaries and Related Entities of ING Bank Śląski:

- ING Securities S.A.,
- ING Bank Hipoteczny S.A.,
- 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 1.01.2010 – 30.06.2010 the following transactions were made of the total value exceeding EURO 500.000:

- in connection with execution of the Co-operation Agreement concluded by ING Bank Śląski S.A. and ING Bank NV the remuneration for the services provided as to financial consulting in 6 months of 2010 amounted to PLN 28.3 million versus PLN 28.5 million in the analogical period of the previous year (net amounts). Following the implementation of the agreement for provision of data processing and financial information analysis services, concluded by and between ING Bank Śląski S.A. and ING Bank NV, the fee for data processing and financial information analysis services used by ING Bank Śląski amounted to PLN 5.8 million versus PLN 6.6 million in the analogical period of the previous year (net amounts).
- ING Services Polska provides services to ING Bank Śląski with regard to lease of hardware resources. The costs of service were PLN 16.7 million versus PLN 12.6 million in the analogical period of the previous year (gross amounts).
- ING Bank Śląski made a transaction with ING Lease due to sublease of functional rooms totalling PLN 8.1 million versus PLN 9.3 million in the analogical period of the previous year (gross amounts).
- 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 8.3 million in 6 months of 2010 versus PLN 8.1 million in the analogical period of the previous year (gross amounts).

Transactions with related entities (in PLN thousands)

H1 2010 (unadited)

	Parent company	Other ING Group entities	Subsidiary undertakings *	Associated undertakings *
Receivables				
Deposits placed	534 958	-	-	-
Nostro accounts	4 633	2 834	-	-
Loans	-	1 542 159	333 873	-
Securities	-	-	20 002	-
Other receivables	324 217	3 126	4	-
Liabilities				
Deposits received	1 384 911	357 582	336 765	195 768
Loro accounts	13 320	9 222	-	-
Repo	1 738 163	-	-	-
Other liabilities	27 962	208	300	-
Off-balance-sheet operations				
Contingent liabilities	216 749	1 033 184	366 263	-
FX transactions	10 144 524	1 180 728	-	-
Forward transactions	957 402	256 730	-	-
IRS/CIRS	32 770 702	13 473 359	-	-
FRA	339 824	-	-	-
Options	656 963	781 214	-	-
Revenue and costs for the period H1 2010**				
Revenue	-22 540	29 119	2 125	108
Costs	34 645	30 845	5 920	1 748

end of year 2009

	Parent company	Other ING Group entities	Subsidiary undertakings *	Associated undertakings *
Receivables				
Deposits placed	564 712	2	-	-
Nostro accounts	44 866	-	-	-
Loans	-	1 491 241	319 498	-
Securities	-	-	20 007	-
Other receivables	8 251	1 392	11	-
Liabilities				
Deposits received	331 321	784 219	267 539	23 236
Loro accounts	14 992	300 417	-	-
Repo	3 241 530	-	-	-
Other liabilities	10 515	170	1 013	
Off-balance-sheet operations				
Contingent liabilities	47 882	1 083 691	160 774	-
FX transactions	18 679 617	7 602 732	-	-
Forward transactions	1 439 112	537 181	-	-
IRS/CIRS	30 840 479	10 047 016	-	-
Options	812 007	2 673 739	-	-
Revenue and costs for 2009**				
Revenue	-9 370	95 824	7 345	257
Costs	57 817	64 289	9 718	1 467

H1 2009 (unadited)

	Parent company	Other ING Group entities	Subsidiary undertakings *	Associated undertakings *
Receivables				
Deposits placed	848 976	-	-	-
Nostro accounts	10 051	1 073	-	-
Loans	-	1 715 186	240 565	-
Securities	-	-	20 002	-
Other receivables	13 101	1 767	2 704	-
Liabilities				
Deposits received	3 855 540	642 155	228 498	8 861
Loro accounts	53 635	12 945	-	-
Repo	3 461 589	158 239	-	-
Other liabilities	26 274	574	217	-
Off-balance-sheet operations				
Contingent liabilities	-	989 618	239 753	-
FX transactions	11 687 685	7 074 539	-	-
Forward transactions	633 967	1 494 134	-	-
IRS/CIRS	32 534 200	8 997 337	-	-
FRA	1 083 369	-	-	-
Options	1 074 226	1 268 606	-	-
Revenue and costs for the period H1 2009**				
Revenue	-6 760	46 863	4 843	107
Costs	54 083	33 429	4 027	1 226

/ Includes transactions between ING Bank Śląski S.A. affiliates of ING Bank Śląski S.A. Group
**/ 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.

The Bank analysed entities being part of ING Group. As a result, additional entities were identified with which the Bank concluded transactions that had not been included in the financial statements for H1 2009. Consequently, the data for H1 2009 in those financial statements were adjusted accordingly to achieve comparability.

13. Segmentation of revenue and financial results of the Bank

Segments of operation

The management of the ING Bank Śląski is conducted through breaking down the operations into the following business segments:

- retail banking,
- corporate banking,
- own operations.

Wholesale and retail segments are separated based on the financial criterion (especially turnover, level of collected assets) and subject related criterion specified by internal regulations of the dominant entity of the Bank.

Within the framework of retail banking, the Bank provides services for individual customers (segments of mass customers and wealthy customers) and small enterprises. This activity is analysed by the following products: credit products (overdraft on the savings and settlement account - ROR, loans related to cards, hire purchase loans, housing loans, mortgage loans), contract loans granted by the Building Society, deposit products (current accounts, term deposits, savings accounts), ING fund units and bank cards.

The wholesale activity includes services to institutional clients, including strategic clients, large corporate entities and mid-sized companies. For corporate banking, the Bank provides reporting broken down by loan products (working loans, investment loans), deposit products (current accounts, term deposits and negotiated deposits, savings accounts), trust services, capital market operations conducted by the parent and operations of intermediation in lease services.

Proprietary operations are carried out by Financial Markets and ALCO (Assets and Liabilities Management Committee).

Financial markets encompass operations performed in money and capital markets, conducted both on the proprietary basis as well as for the customers' benefit. Within the framework of this activity, currency, money and derivative instrument market products and securities operations (treasury securities, shares and notes) are specified. The item *Financial markets - total segment income* presents the income from proprietary trading. The income from the sale of financial market products for the corporate banking and retail banking segments are disclosed in the income of these segments.

ALCO comprises above all of investing funds originating from own funds and funding some assets of the Bank. The main element of the core business income of ALCO is income from investing proprietary funds (book capital). This income is then adjusted by the interest calculated on the economic capital required by individual business lines (retail banking segment, corporate banking segment, financial markets). Interest on economic capital is allocated from the ALCO line to individual business lines in the manner corresponding to their demand for economic capital.

The measurement of the segment's assets, liabilities, revenue and costs shall be based on the accounting standards used by the Bank. 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.

The Bank presents segment's interest income reduced by the cost of the interest. This results from the fact that while evaluating the segment's results and assigning assets to the segment, the Management Board relies mainly on net interest income.

In H1 2010, there was no change to the segment definition or the classification of revenues and costs within the individual segments.

Geographical segments

The business activities of the ING Bank Śląski S.A. are performed on the territory of the Republic of Poland.

PLN thousand	H1 2010 the period from 01.01.2010 to 30.06.2010 *(unaudited)*					
	Retail customers segment	Corporate customers segment	Own operating		Nonallocated items	Total
			Tresury & ALM	ALCO		
Revenue total	**615 521**	**401 657**	**162 600**	**120 696**	**0**	**1 300 474**
Net interest income	355 951	207 587	144 329	39 533	0	747 400
external	*-36 967*	*340 621*	*144 357*	*299 389*	*0*	*747 400*
internal	*392 918*	*-133 034*	*-28*	*-259 856*	*0*	*0*
Net commission income, of which:	236 297	220 512	-208	-9 796	0	446 805
income	*273 470*	*238 363*	*-208*	*-9 796*	*0*	*501 829*
expenses	*-37 173*	*-17 851*	*0*	*0*	*0*	*-55 024*
Other income/expenses	23 273	-26 442	18 479	90 959	0	106 269
Expenses total	**496 388**	**243 473**	**29 378**	**0**	**0**	**769 239**
Operational expenses, including:	496 388	243 473	29 378	0	0	769 239
personnel expenses	*217 294*	*110 117*	*23 108*	*0*	*0*	*350 519*
depreciation	*43 149*	*11 904*	*2 605*	*0*	*0*	*57 658*
other	*235 945*	*121 452*	*3 665*	*0*	*0*	*361 062*
Result before risk	**119 133**	**158 184**	**133 222**	**120 696**	**0**	**531 235**
Risk cost	34 247	52 300	0	0	0	86 547
Result after risk cost	**84 886**	**105 884**	**133 222**	**120 696**	**0**	**444 688**
CIT	0	0	0	0	82 907	82 907
Result after tax	**84 886**	**105 884**	**133 222**	**120 696**	**-82 907**	**361 781**

PLN thousand	**II quarter 2010** the period from 01 Apr 2010 to 30 Jun 2010 *(unaudited)*					
	Retail customers segment	Corporate customers segment	Own operating		Nonallocated items	Total
			Trading	ALCO		
Revenue total	**340 703**	**210 269**	**61 931**	**61 375**	**0**	**674 278**
Net interest income	188 105	104 277	62 991	31 289	0	386 662
external	*-742*	*170 134*	*63 016*	*154 254*	*0*	*386 662*
internal	*188 847*	*-65 857*	*-25*	*-122 965*	*0*	*0*
Net commission income, of which:	126 509	109 766	-389	-1 701	0	234 185
income	*143 494*	*117 922*	*-389*	*-1 701*	*0*	*259 326*
expenses	*-16 985*	*-8 156*	*0*	*0*	*0*	*-25 141*
Other income/expenses	26 089	-3 774	-671	31 787	0	53 431
Expenses total	**254 670**	**120 855**	**15 171**	**0**	**0**	**390 696**
Operational expenses, including:	254 670	120 855	15 171	0	0	390 696
personel expenses	*110 635*	*56 441*	*11 959*	*0*	*0*	*179 035*
depreciation	*21 715*	*5 950*	*1 318*	*0*	*0*	*28 983*
Other expenses	*122 320*	*58 464*	*1 894*	*0*	*0*	*182 678*
Result before risk	**86 033**	**89 414**	**46 760**	**61 375**	**0**	**283 582**
Risk cost	13 020	26 175	0	0	0	39 195
Result after risk cost	**73 013**	**63 239**	**46 760**	**61 375**	**0**	**244 387**
CIT	0	0	0	0	43 395	43 395
Result after tax	**73 013**	**63 239**	**46 760**	**61 375**	**- 43 395**	**200 992**

PLN thousand	**H1 2009** the period from 01.01.2009 to 30.06.2009 *(unaudited)*					
	Retail customers segment	Corporate customers segment	Own operating		Nonallocated items	Total
			Trading	ALCO		
Revenue total	**634 847**	**285 593**	**219 788**	**112 842**	**0**	**1 253 070**
Net interest income	265 638	166 025	29 295	179 967	0	640 925
external	*-282 742*	*322 560*	*29 332*	*571 775*	*0*	*640 925*
internal	*548 380*	*-156 535*	*-37*	*-391 808*	*0*	*0*
Net commission income, of which:	272 542	180 724	-461	8 012	0	460 817
income	*304 003*	*186 717*	*-461*	*8 012*	*0*	*498 271*
expenses	*-31 461*	*-5 993*	*0*	*0*	*0*	*-37 454*
Other income/expenses	96 667	-61 156	190 954	-75 137		151 328
Expenses total	**468 702**	**231 154**	**23 747**	**0**	**0**	**723 603**
Operational expenses, including:	468 702	231 154	23 747	0	0	723 603
personel expenses	*199 956*	*100 363*	*16 245*	*0*	*0*	*316 564*
depreciation	*47 034*	*12 071*	*2 878*	*0*	*0*	*61 983*
Other expenses	*221 712*	*118 720*	*4 624*	*0*	*0*	*345 056*
Result before risk	**166 145**	**54 439**	**196 041**	**112 842**	**0**	**529 467**
Risk cost	25 564	139 000	0	0	0	164 564
Result after risk cost	**140 581**	**-84 561**	**196 041**	**112 842**	**0**	**364 903**
CIT	0	0	0	0	65 059	65 059
Result after tax	**140 581**	**-84 561**	**196 041**	**112 842**	**-65 059**	**299 844**

PLN thousand	**II quarter 2009** the period from 01 Apr 2009 to 30 Jun 2009 *(unaudited)*					
	Retail customers segment	Corporate customers segment	Own operating		Nonallocated items	Total
			Trading	ALCO		
Revenue total	**375 570**	**169 192**	**134 267**	**45 398**	**0**	**724 427**
Net interest income	156 915	86 246	0	111 678	0	354 839
external	*-105 414*	*156 324*	*0*	*303 929*	*0*	*354 839*
internal	*262 329*	*-70 078*	*0*	*-192 251*	*0*	*0*
Net commission income, of which:	149 028	104 696	0	-16 084	0	237 640
income	*165 825*	*107 895*	*0*	*-16 084*	*0*	*257 636*
expenses	*-16 797*	*-3 199*	*0*	*0*	*0*	*-19 996*
Other income/expenses	69 627	-21 750	134 267	-50 196	0	131 948
Expenses total	**239 559**	**125 125**	**8 795**	**0**	**0**	**373 479**
Operational expenses, including:	239 559	125 125	8 795	0	0	373 479
personel expenses	*104 907*	*53 964*	*12 903*	*0*	*0*	*171 774*
depreciation	*24 027*	*6 022*	*1 446*	*0*	*0*	*31 495*
Other expenses	*110 625*	*65 139*	*-5 554*	*0*	*0*	*170 210*
Result before risk	**136 011**	**44 067**	**125 472**	**45 398**	**0**	**350 948**
Risk cost	12 743	61 331	0	0	0	74 074
Result after risk cost	**123 268**	**-17 264**	**125 472**	**45 398**	**0**	**276 874**
CIT	0	0	0	0	43 949	43 949
Result after tax	**123 268**	**-17 264**	**125 472**	**45 398**	**-43 949**	**232 925**

PLN thousand	**H1 2010** as of 30.06.2010 *(unaudited)*					
	Retail customers segment	Corporate customers segment	Proprietary trading	ALCO	Non-allocated items	Total
Assets of the segment	10 827 040	19 103 470	29 964 291	259 068	0	60 153 869
Segment investments in subordinates	313 164	0	0	0	0	313 164
Other assets (not allocated to segments)	0	0	0	0	1 023 335	1 023 335
Total assets	**11 140 204**	**19 103 470**	**29 964 291**	**259 068**	**1 023 335**	**61 490 368**

PLN thousand	**end of year 2009** as of 31.12.2009					
	Retail customers segment	Corporate customers segment	Proprietary trading	ALCO	Non-allocated items	Total
Assets of the segment	9 533 715	18 766 657	30 138 896	0	0	58 439 268
Segment investments in subordinates	313 164	0	0	0	0	313 164
Other assets (not allocated to segments)	0	0	0	0	999 056	999 056
Total assets	**9 846 879**	**18 766 657**	**30 138 896**	**0**	**999 056**	**59 751 488**

PLN thousand	**H1 2009** as of 30.06.2009 *(unaudited)*					
	Retail customers segment	Corporate customers segment	Proprietary trading	ALCO	Non-allocated items	Total
Assets of the segment	8 422 547	19 777 573	34 511 779	326 510	0	63 038 409
Segment investments in subordinates	310 569	0	0	0	0	310 569
Other assets (not allocated to segments)	0	0	0	0	1 059 324	1 059 324
Total assets	**8 733 116**	**19 777 573**	**34 511 779**	**326 510**	**1 059 324**	**64 408 302**

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

2010-08-10	**Małgorzata Kołakowska**	President	*(signed on the Polish original)*
2010-08-10	**Mirosław Boda**	Vice-President	*(signed on the Polish original)*
2010-08-10	**Michał Bolesławski**	Vice-President	*(signed on the Polish original)*
2010-08-10	**Evert Derks Drok**	Vice-President	*(signed on the Polish original)*
2010-08-10	**Justyna Kesler**	Vice-President	*(signed on the Polish original)*
2010-08-10	**Oscar Edward Swan**	Vice-President	*(signed on the Polish original)*

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2010-08-10	**Tomasz Biłous**	Director of Accounting Department Chief Accountant	*(signed on the Polish original)*