

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

for the III quarter 2008



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

I. Consolidated Financial Statement

CONSOLIDATED PROFIT AND LOSS ACCOUNT (PLN '000)	Note	III quarter 2008 the period from 01 Jul 2008 to 30 Sep 2008	3 quarters 2008 the period from 01 Jan 2008 to 30 Sep 2008	III quarter 2007 the period from 01 Jul 2007 to 30 Sep 2007	3 quarters 2007 the period from 01 Jan 2007 to 30 Sep 2007
Interest income	1	886 734	2 443 918	625 278	1 803 500
Interest expenses	1	589 214	1 595 746	363 602	1 022 759
Net interest income	1	297 520	848 172	261 676	780 741
Commission income	2	257 943	742 990	261 650	766 570
Commission expenses	2	29 658	92 188	30 913	80 209
Net commission income	2	228 285	650 802	230 737	686 361
Net income on investment financial assets		10 050	35 672	3 446	26 327
Net income on instruments measured at fair value through profit and loss and revaluation	3	69 149	253 511	29 248	48 236
Other operating income and expenses		971	-2 031	6 031	25 395
Result on basic activities		605 975	1 786 126	531 138	1 567 060
General and administrative expenses	4	402 603	1 152 354	354 913	1 031 581
Other expenses		3 815	9 284	956	3 251
Impairment losses and provisions for off-balance sheet liabilities	5	7 222	-50 935	-64 970	-97 966
Share in net profit (loss) of associated entities recognised under the equity method	6	13 016	38 846	9 598	32 898
Profit (loss) before tax		205 351	714 269	249 837	663 092
Income tax		38 408	139 857	50 760	123 729
Net profit (loss)		166 943	574 412	199 077	539 363
- assigned to shareholders of the holding company		166 892	574 362	198 055	533 242
- assigned to minority shareholders		51	50	1 022	6 121
Net profit (loss) assigned to shareholders of the holding company			574 362		533 242
Weighted average number of ordinary shares			13 010 000		13 010 000
Earnings per ordinary share (PLN)			44,15		40,99
Diluted weighted average number of ordinary shares			13 010 000		13 010 000
Diluted earnings per ordinary share (PLN)			44,15		40,99

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CONSOLIDATED BALANCE SHEET (PLN '000)	<i>Note</i>	3 quarters 2008 as of 30 Sep 2008	2 quarters 2008 as of 30 Jun 2008	end of year 2007 as of 31 Dec 2007	3 quarters 2007 as of 30 Sep 2007	2 quarters 2007 as of 30 Jun 2007
ASSETS						
- Cash in hand and balances with the Central Bank		2 151 267	1 622 851	1 841 725	1 593 005	2 608 866
- Loans and receivables to other banks	7	7 244 522	9 002 046	15 183 665	17 532 745	18 078 943
- Financial assets measured at fair value through profit and loss	8	12 817 899	11 160 129	7 907 564	8 243 875	6 998 008
- Investments	9	19 710 713	17 001 261	9 388 273	9 149 862	9 593 763
- available-for-sale		12 385 200	10 816 223	8 547 497	8 529 219	9 593 763
- held-to-maturity		7 325 513	6 185 038	840 776	620 643	0
- Derivative hedge instruments		70 405	75 992	4 572	3 975	3 770
- Loans and receivables to customers	10	22 001 619	20 385 740	16 379 138	15 449 428	14 567 176
- Investments in controlled entities		97 875	84 859	97 326	86 626	77 028
- Investment real estates		135 845	135 845	144 713	151 101	149 127
- Property, plant and equipment	11	527 639	529 148	532 938	543 136	552 471
- Intangible assets		309 454	311 016	318 825	318 961	319 332
- Property, plant and equipment held for sale		228	266	241	232	254
- Current tax asset		0	13	25 256	0	0
- Deferred tax asset		19 077	88 028	49 292	40 683	99 527
- Other assets		190 846	129 862	137 332	132 931	154 813
Total assets		65 277 389	60 527 056	52 010 860	53 246 560	53 203 078
EQUITY AND LIABILITIES						
LIABILITIES						
- Liabilities due to other banks	12	5 188 064	6 085 194	1 810 195	5 592 196	3 868 436
- Financial liabilities measured at fair value through profit and loss	13	3 271 084	1 637 628	1 214 981	2 189 822	4 344 388
- Derivative hedge instruments		110 771	24 515	0	0	0
- Liabilities due to customers	14	51 269 030	47 591 057	44 501 837	40 658 088	40 253 416
- Provisions	15	77 502	69 382	72 507	75 887	83 026
- Current income tax liabilities		46 607	53 602	126	4 560	50 986
- Other liabilities		1 034 712	1 086 334	570 712	903 923	952 038
Total liabilities		60 997 770	56 547 712	48 170 358	49 424 476	49 552 290
EQUITY						
- Share capital		130 100	130 100	130 100	130 100	130 100
- Supplementary capital - issuance of shares over nominal value		993 750	993 750	993 750	993 750	993 750
- Revaluation reserve from measurement of available-for-sale financial assets		-127 476	-239 056	-149 591	-76 911	-65 115
- Revaluation reserve from measurement of property, plant and equipment		50 200	50 786	57 998	64 369	53 681
- Revaluation reserve from measurement of cash flow hedging instruments		2 075	-20 157	0	0	0
- Retained earnings		3 229 201	3 062 203	2 806 526	2 709 034	2 509 476
Equity assigned to shareholders of the holding company		4 277 850	3 977 626	3 838 783	3 820 342	3 621 892
- Minority equity		1 769	1 718	1 719	1 742	28 896
Total equity		4 279 619	3 979 344	3 840 502	3 822 084	3 650 788
Total equity and liabilities		65 277 389	60 527 056	52 010 860	53 246 560	53 203 078
Solvency ratio						
		11,91%	11,22%	13,12%	13,05%	13,41%
Book value						
		4 277 850	3 977 626	3 838 783	3 820 342	3 621 892
Number of shares						
		13 010 000	13 010 000	13 010 000	13 010 000	13 010 000
Book value per share (PLN)						
		328,81	305,74	295,06	293,65	278,39

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

3 quarters 2008

the period from 01 Jan 2008 to 30 Sep 2008

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Retained earnings	Minority equity	Total equity
Opening balance of equity	130 100	993 750	-149 591	57 998	0	2 806 526	1 719	3 840 502
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	86 731	-	-	-	-	86 731
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-64 616	-	-	-	-	-64 616
- disposal of property, plant and equipment	-	-	-	-558	-	530	-	-28
- remeasurement of property, plant and equipment	-	-	-	-7 240	-	-	-	-7 240
- effective part of cash flow hedging instruments revaluation	-	-	-	-	2 075	-	-	2 075
- dividends paid	-	-	-	-	-	-152 217	-	-152 217
- net result for the current period	-	-	-	-	-	574 412	-	574 412
- share of minority shareholders in the net financial result	-	-	-	-	-	-50	50	0
Closing balance of equity	130 100	993 750	-127 476	50 200	2 075	3 229 201	1 769	4 279 619

end of year 2007

the period from 01 Jan 2007 to 31 Dec 2007

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Retained earnings	Minority equity	Total equity
Opening balance of equity	130 100	993 750	42 830	52 263	0	2 536 751	22 699	3 778 393
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-174 090	-	-	-	-	-174 090
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-18 331	-	-	-	-	-18 331
- disposal of property, plant and equipment	-	-	-	-257	-	2 030	-	1 773
- remeasurement of property, plant and equipment	-	-	-	-2 979	-	-	1 098	-1 881
- purchase of shares in subsidiary entity from the minority shareholders	-	-	-	8 971	-	-	-28 176	-19 205
- dividends paid	-	-	-	-	-	-362 979	-	-362 979
- net result for the current period	-	-	-	-	-	636 822	-	636 822
- share of minority shareholders in the net financial result	-	-	-	-	-	-6 098	6 098	0
Closing balance of equity	130 100	993 750	-149 591	57 998	0	2 806 526	1 719	3 840 502

3 quarters 2007

the period from 01 Jan 2007 to 30 Sep 2007

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Retained earnings	Minority equity	Total equity
Opening balance of equity	130 100	993 750	42 830	52 263	0	2 536 751	22 699	3 778 393
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-101 796	-	-	-	-	-101 796
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-17 945	-	-	-	-	-17 945
- disposal of property, plant and equipment	-	-	-	-264	-	2 020	-	1 756
- remeasurement of property, plant and equipment	-	-	-	3 399	-	-	1 098	4 497
- purchase of shares in subsidiary entity from the minority shareholders	-	-	-	8 971	-	-	-28 176	-19 205
- dividends paid	-	-	-	-	-	-362 979	-	-362 979
- net result for the current period	-	-	-	-	-	539 363	-	539 363
- share of minority shareholders in the net financial result	-	-	-	-	-	-6 121	6 121	0
Closing balance of equity	130 100	993 750	-76 911	64 369	0	2 709 034	1 742	3 822 084

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CONSOLIDATED CASH FLOW STATEMENT (PLN '000)	3 quarters 2008 the period from 01 Jan 2008 to 30 Sep 2008	3 quarters 2007 the period from 01 Jan 2007 to 30 Sep 2007
OPERATING ACTIVITIES		
Net profit (loss)	574 362	533 242
Adjustments	-1 992 050	-1 204 872
- Minority shareholders' profit (loss)	50	6 121
- Share in net profit (loss) of associated entities	-38 846	-32 898
- Unrealised exchange gains (losses)	0	-159
- Depreciation and amortisation	101 108	105 779
- Interest accrued (from the profit and loss account)	848 172	780 741
- Interest received/paid	-646 307	-813 238
- Dividends received	-2 881	-2 667
- Gains (losses) on investment activities	-312	93
- Income tax (from the profit and loss account)	139 857	123 729
- Income tax paid	-37 905	-189 252
- Change in provisions	4 995	-14 437
- Change in loans and other receivables to other banks	5 933 096	-5 673 655
- Change in financial assets at fair value through profit or loss	-4 884 608	-1 178 968
- Change in available-for-sale financial assets	-3 973 934	4 002 309
- Change in held-to-maturity financial assets	-6 631 789	-624 295
- Change in derivative hedge instruments	47 013	-646
- Change in loans and other receivables to customers	-5 632 879	-2 569 395
- Change in other assets	-2 624	23 252
- Change in liabilities due to other banks	3 383 499	3 502 821
- Change in liabilities at fair value through profit or loss	2 056 103	-921 391
- Change in liabilities due to customers	6 882 142	2 128 266
- Change in other liabilities	464 000	143 018
Net cash flow from operating activities	-1 417 688	-671 630
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-67 596	-39 153
- Disposal of property, plant and equipment	312	507
- Purchase of intangible assets	-30 312	-63 765
- Purchase of investments in subordinated entities	0	-18 971
- Disposal of fixed assets held for sale	490	1 794
- Dividends received	2 881	2 667
Net cash flow from investment activities	-94 225	-116 921
FINANCIAL ACTIVITIES		
- Long-term loans repaid	0	-19 140
- Interest on long-term loans repaid	0	-1 921
- Dividends paid	-152 217	-362 979
Net cash flow from financial activities	-152 217	-384 040
<i>Effect of exchange rate changes on cash and cash equivalents</i>	<i>-17 980</i>	<i>44 607</i>
Net increase/decrease in cash and cash equivalents	-1 664 130	-1 172 591
Opening balance of cash and cash equivalents	4 872 819	8 163 216
Closing balance of cash and cash equivalents	3 208 689	6 990 625

II. The most important achievements of the Capital Group of ING Bank Śląski in Q3/2008

Dynamic increase of the volume of retail clients' deposits and the Internet accounts number:

- Growth of value of the bank deposits of retail clients to PLN 34,715.1 million (up by PLN 4,238.0 million or 13.9% from June 2008 and by PLN 9,482.6 million or 37.6% year-on-year),
- The number of Internet Direct Accounts went up to 123,000 as at the end of 3Q 2008.

Intensification of sales of credit products:

- Growth of the value of loans for retail clients to PLN 6,357.5 million (up by PLN 706.9 million or 12.5% from June 2008 and by PLN 2,137.2 million or 50.6% year-to-year),
- Growth of the value of mortgage loans to PLN 3,722.7 million (up by PLN 495.0 million or 15.3% from June 2008 and by PLN 1,472.3 million or 65.4% year-to-year),
- Growth of the value of loans for wholesale clients to PLN 16,456.1 million (up by PLN 1,585.9 million or 10.7% from June 2008 and by PLN 4,274.4 million or 35.1% year-to-year).

Maintaining high service quality:

- Growth of the number of franchise outlets to 102 at the end of Q3/2008,
- Increase of the number self-service zones to 313 at the end of September 2008 (in the Bank branches and franchise outlets),
- Implementation of new modules of the Front-End application (the system supporting the sales of products and customer service).

Development of the product offer:

- Introduction of a term savings deposit with an attractive interest rate,
- Enrichment of the bank offer by insurance products attached to cash- and mortgage loans,
- Introduction of subsequent structured products to the offer.

Translating business initiatives into financial results:

- Growth of income on operating activity by 14.1% year-to-year,

- Improvement of the C/I ratio,
- Growth of the net result by 7.7% vis-à-vis September 2007.

The most significant business achievements

	30.09.2008 PLN million	30.06.2008 PLN million	30.09.2007 PLN million	Change 30.09.2008/ 30.06.2008	Change 30.09.2008/ 30.09.2007
Banking deposits of retail segment*	34 715.1	30 477.1	25 232.5	13.9%	37.6%
TFI assets distributed by ING Bank Śląski	3 691.6	4 428.8	8 280.9	-16.6%	-55.4%
Mortgage loans volumes**	3 722.7	3 227.7	2 250.4	15.3%	65.4%
Total volume of loans to retail clients	6 357.5	5 650.6	4 220.3	12.5%	50.6%
Total wholesale clients deposits*	16 312.5	17 001.3	14 306.9	-4.1%	14.0%
Total volume of loans to wholesale clients	16 456.1	14 870.2	12 181.7	10.7%	35.1%

* excluding TFI assets

** excluding ING Mortgage Bank

Results of the Group of ING Bank Śląski

	30.09.2008 PLN million	30.09.2007 PLN million	Change 30.09.2008/ 30.09.2007
Total operating income*	1 825.0	1600.0	14.1%
Total costs	1 161.6	1 034.8	12.3%
Result before risk cost	663.3	565.1	17.4%
Risk costs	50.9	98.0	-48.1%
Result before tax	714.3	663.1	7.7%
Net profit**	574.4	533.2	7.7%
Earnings per ordinary share (PLN)	44.2	41.0	7.8%
Profitability ratio (%)	24.9	31.0	-6.1 b.p.
Return on assets (%)	1.3	1.4	-0.1 b.p.
Return on equity (%)	21.8	21.5	0.3 b.p.
Cost/Income ratio (%)	63.6	64.7	-1.1 b.p.
Solvency ratio (%)	11.91	13.05	-1.14 b.p.

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

** Net profit for the shareholders of the parent equity

Profitability ratio – gross profit to total costs.

Return on assets (ROA) – net profit assigned to shareholders of the holding company to average total assets.

Return on equity (ROE) – net profit assigned to shareholders of the holding company to average equity.

Cost for Income ratio (C/I) – total costs to income from operating activity per type.

Solvency ratio – equity to risk weighted assets and off-balance sheet liabilities.

Awards

- September 2008 - third place in Newsweek's ranking "Client-Friendly Bank",
- September 2008 – IT Leader Competition; ING Bank Śląski is one of the top three winners under the Finances and Banking category,
- June 2008, the ING Bank Śląski's website acclaimed as the best Polish bank website in the ranking of "Marketing & More" magazine,
- May 2008, bankujesz-kupujesz awarded "Project of the Year" in the "Ambassador of Electronic Economy, Partner of the Year and Project of the Year" contest organized by the Polish Bank Association,
- March 2008, 1st place in the "Best IT project in financial institutions" in the "Transaction Systems Category" (Gazeta Bankowa weekly),
- March 2008, "Leopards 2007" Bankers' award for the most admired banking brand creation,
- February 2008, "Builder's Laurels", an award granted in the "Products and Services for Construction Companies",
- February 2008, title of "Ecologically Friendly Company" awarded by the European Ecologic Responsibility Forum,
- February 2008, 3rd place in the "Best Stock Exchange Listed Company" (Puls Biznesu daily),
- January 2008, TOP RATED status, an award granted by the American Publishing House Global Custodian for custody operations.

III. Financial results

Changes in IAS/IFRS

The Group took a decision not to take advantage of the financial assets re-classification that was allowed by an amendment to IAS 39 and IFRS 7 published on 14 October 2008 in connection with the increasingly serious financial turmoil.

Operating income

	9M 2008 PLN million	9M 2007 PLN million	9M 2008 /9M 2007	
			PLN million	%
Interest income *	937.4	720.2	217.2	130.2%
Commission oncome	650.8	686.4	-35.6	94.8%
Other income *	236.8	193.4	43.4	122.4%
Total operating income**	1 825.0	1 600.0	225.0	114.1%

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

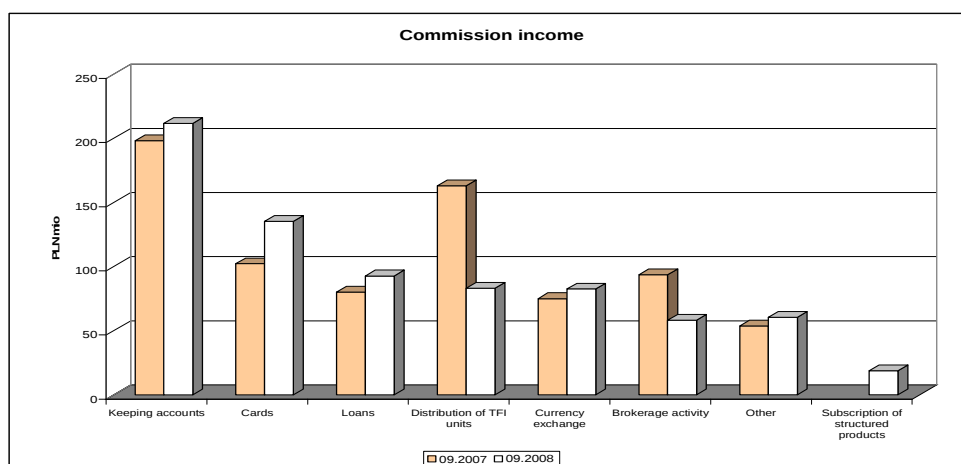
**/ The category *Income from operating activity* covers the result on core activity plus the share in net profits of affiliated entities.

As at the end of September 2008, the operating income earned by the Capital Group of ING Bank Śląski S.A. totalled PLN 1 825.0 million and was higher by PLN 225.0 million (or 14.1%) than the result achieved during the same period in the previous year.

The interest income at the end of September 2008 was PLN 937.4 million, an increase by PLN 217.2 million or 30.2% year-to-year. The increase of interest income resulted from the introduction of new products and intensification of sales actions, which was reflected in the growth of volumes that generate the interest revenue.

As at the end of September 2008, fee and commission income totalled PLN 650.8 million (down by PLN 35.6 million, or 5.2%, from the same period of the previous year). The decrease was mostly caused by the lower commission related income connected with the distribution of TFI participation units and commission related income connected with the brokerage activity (the total decrease was PLN 115.5 million). The said decrease was partly compensated by higher (by PLN 33.0 million) payment card related commissions (more active clients) and commissions on subscription of structured deposits of PLN 18.8 million (the effect of introduction of a new agreement type for sale of structured products).

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



At the end of September 2008, other income totalled PLN 236.8 mio, i.e. up by PLN 43.4 mio (22.4%) on a YTY basis. The level of other income was considerably affected by the solid result on sales of the Financial Markets products and the sales of MasterCard Incorporated shares (in 2Q 2008), which generated the income of PLN 25.3 mio. Moreover, in 3Q 2008, the provision of PLN 32.8 mio was established for unsettled FX transactions with the Lehman Brothers Inc. bank.

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

	9M 2008 PLN million	9M 2007 PLN million	9M 2008 / 9M 2007	
			PLN million	%
Retail banking	946.6	906.2	40.4	104.5%
Corporate banking	617.8	540.9	76.9	114.2%
Own operations	260.6	152.9	107.7	170.4%
Total operating income	1 825.0	1 600.0	225.0	114.1%

The structure of operating income was dominated by the income generated by the retail banking segment. Its value as at the end of September was PLN 946.6 million, an increase by PLN 40.4 million or 4.5% year-to-year. The results recorded in the aforesaid term by retail banking represented the sum of:

- the growth of income from the sales of Financial Markets Division products by PLN 49.1 million or 94.7%,
- reduction of commission income connected with the distribution of TFI participation units (down by PLN 79.9 million), partially compensated by higher commission on payment cards (up by PLN 33.0 million),
- sale of MasterCard shares (the transaction generated income of PLN 25.3 million),
- commission on the subscription of structured deposits (PLN 18.8 million).

The income in the wholesale banking area at the end of September 2008 was PLN 617.8 million, an increase by PLN 76.9 million or 14.2% year-to-year. The growth of income resulted mostly from:

- strong results in the area of sales of the Financial Markets Division products; the income from that source rose by PLN 60.0 million or 52.7%,
- increase of income from deposit & lending and clearing activity by PLN 33.4 million or 8.8%,
- decrease of income from capital market transactions by PLN 16.4 million or 33.7%.

The income from the Group's proprietary operations after 9 months of 2008 amounted to PLN 260.6 million, an increase by PLN 107.7 million or 70.4% year-to-year which was caused by:

- strong results on proprietary trading; income from that source rose by PLN 71.0 million or 130.6%,
- increase by PLN 36.7 million or 37.3% of the income generated in the ALCO¹ area.

Costs

	9M 2008 PLN million	9M 2007 PLN million	9M 2008 / 9M 2007	
			PLN million	%
Personnel costs	572.9	501.6	71.3	114.2%
Other expenses	588.7	533.2	55.5	110.4%
Total expenses	1 161.6	1 034.8	126.8	112.3%

As at the end of September 2008, the costs totalled PLN 1 161.6 million (up by PLN 126.8 million, or 12.3 %, yoy). Growth of costs was caused by:

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

As at the end of 3Q 2008, personnel costs totalled 572.9 million (up by PLN 71.3 million, or 14.2%, from the costs incurred during the analogical period in the previous year). The factors contributing to the growth of personnel costs included the raise of salaries to the market level, as a result of which the

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

minimum salary at the Bank was increased, and the growth of headcount following the market expansion.

As at the end of September 2008, other costs totalled PLN 588.7 million (up by PLN 55.5 million, or 10.4 %, from the analogical period of the previous year).

Risk costs

Impairment losses and provisions for off-balance sheet liabilities at the end of September 2008 were positive (income) and amounted to PLN 50.9 million. The amount of impairment charges was determined by the sale of bad debts in 2Q (agreement with Bison Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty), as a result of which the Bank released provisions of PLN 43.0 million.

In the comparable period of previous year, the balance of impairment charges for financial assets and provisions for off-balance sheet liabilities was also positive and amounted to PLN 98.0 million.

Financial result

The gross financial result reported as at the end of September 2008 totalled PLN 714.3 million against PLN 663.1 million during the same period in the previous year. The net financial result falling to shareholders of the parent company was at the level of PLN 574.4 million (up by PLN 41.1 million, or 7.7%, from September 2007).

IV. Business Growth

1. Retail Banking

Projects and new products

As regards the retail area, in 3Q 2008 ING Bank Śląski continued the execution of important projects to improve even further the quality of client service as well as service availability:

- **Front End Project** – aimed at simplification of the acquisition, sale and client service processes and lowering of the operational risk. The project resulted in the last year implementation of the state-of-the-art application combining product processes and pro-sale activities in the branch network. In the third quarter of this year, we implemented new functionalities of the applications as regards the handling of accounts, electronic banking, debit cards and additional services for individual and Small Business clients. At the end of this year, the Bank is planning to render available other processes referring – for instance – to the service of term deposits, investment funds and investment insurance plan. Ultimately, the application is to cover greater and greater scope of functionalities eliminating the need to work in a few programs at the same time. In September 2008, the process of making the Front End application available in the Franchise Branches was started,
- **Self Banking Project** – aimed at separation of the self-banking zones open 24h, where the clients may deposit and withdraw their cash on their own (thanks to the equipment installed in such zones), as well as make a bank transfer via ING BankOnLine, get connected with

HaloŚląski service or have a talk with a Consultant from Call Centre. In 3Q 2008, subsequent self-banking zones were established totalling 313 as of the end of September 2008 whereas as of the end of June 2008, there were 248 such zones,

- **Loan Express Project** – sale of products characterised with a high degree of standardisation that are served according to the automated sale process with the participation of the Business Partners. At first, the Express mortgage offer was limited to the PLN loans only, whereas mortgages indexed with CHF have been available since August 2008,
- **Restructuring of ING BankOnLine** – in 3Q 2008, the work aimed at implementation of new functionalities in ING BankOnLine system took place (among others, possibility of opening term deposits automatically). The new functionalities have been available since 13 October 2008.

In 3Q 2008, ING Bank Śląski modified its product offer addressed to the retail clients, which resulted in the enriched range of products by:

- the new insurance product called “*Profit Without Risk*”. This product is innovative in connecting savings, structured and insurance products,
- “Extra Bonus 1” term savings deposit for the holders of Open Savings Account offering them an interest rate of 8% per annum,
- another proposal of structured products (*WIG20 Investment Insurance Plan* – product offered in co-operation with ING Towarzystwo Ubezpieczeń na Życie),
- insurance products attached to the cash loans (Safe Loan insurance programme) and mortgages (Mini/Maxi insurance programme, bridge insurance, insurance of low initial payment and real property insurance). The offer was worked out in collaboration with TU Europa S.A. and TU na Życie Europa S.A.,
- insurance products of Towarzystwo Ubezpieczeń EUROPA S.A. dedicated to personal accounts and savings accounts in PLN.

Volumes and market position

The funds entrusted by clients

At the end of September 2008, the value of bank deposits of the retail segment’s clients amounted to PLN 34,715.1 million, an increase by 13.9% vis-à-vis June 2008 and an increase by 37.6% year-to-year. The observed growth of the deposit base resulted most of all from the implementation of the 3M term deposit bearing 8% p.a. to the Bank’s offer. The new product with an attractive interest rate together with the effective advertisement allowed for obtaining new funds from the market.

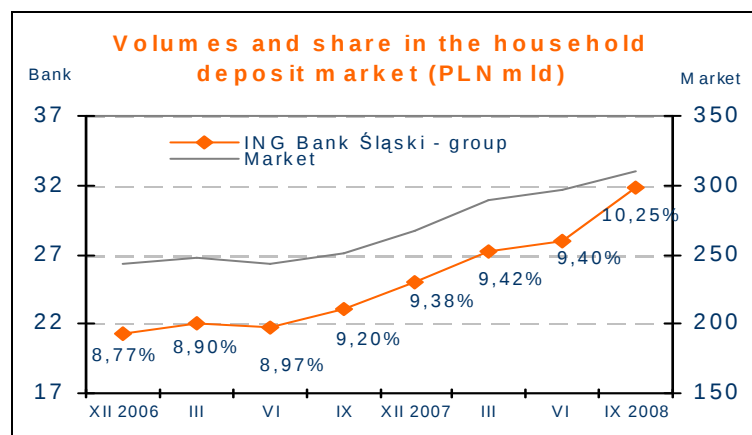
Structure of funds entrusted by Clients from the Retail segment (PLN million)

	30.09.2008	30.06.2008	31.03.2008	31.12.2007	30.09.2007
Current accounts	4 049.0	4 024.1	3 825.7	4 020.4	3 701.9
Savings accounts	24 718.7	20 799.6	20 538.5	19 091.5	17 572.2
Accounts and term deposits	5 947.4	5 653.4	5 143.3	4 338.2	3 958.4
Banking deposits of retail segment	34 715.1	30 477.1	29 507.5	27 450.1	25 232.5
TFI assets	3 691.6	4 428.8	5 485.7	7 517.2	8 280.9
Total retail segment	38 406.7	34 905.9	34 993.2	34 967.3	33 513.4

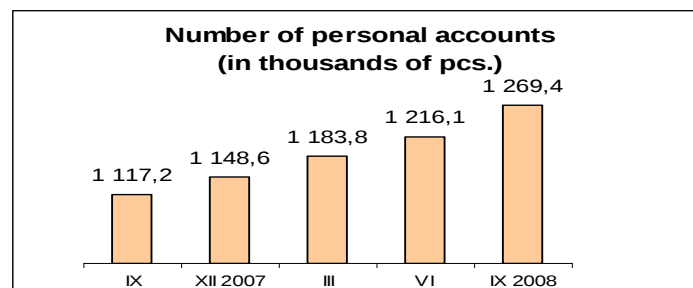
To ensure variety of the offer, ING Bank Śląski also sells ING TFI participation units through its distribution channels. Drop of stock exchange indexes resulted in lower attractiveness of this product and change of clients' preferences as regards depositing their funds.

As a result the balance of acquired units of ING TFI investment funds fell by 16.6% vis-à-vis the end of June 2008.

The growth rate of households' deposits at ING Bank Śląski was much higher than in the sector, which resulted in the increase of market share to 10.25% as at the end of September 2008 from 9.40% as at the end of June 2008.



As at the end of September 2008, the number of personal accounts maintained by the Bank was 1 269.4 thousand, an increase by 4.4% compared with the June 2008 and by 13.6% compared with the similar period of the previous year.



Loans

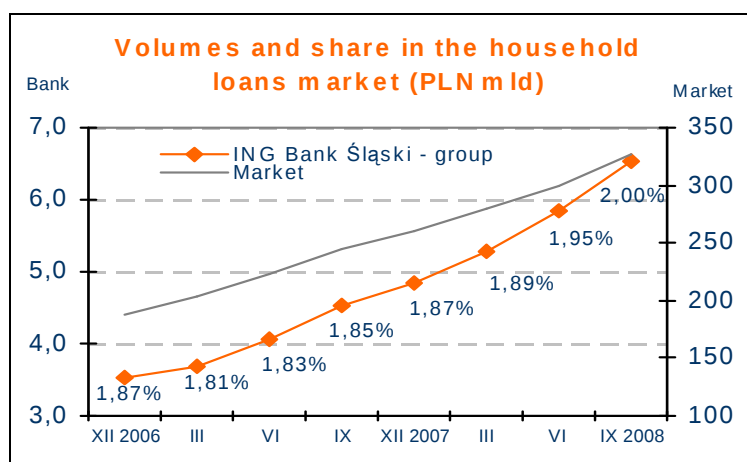
A continuous enhancement of the attractiveness of credit products combined with the improvement of the financial standing of clients brought effects in the form of a bigger volume of retail loans. Their value at the end of September 2008 was PLN 6 357.5 million, an increase by 12.5% vis-à-vis the end of June 2008 and by 50.6% year-to-year. The factors accelerating lending in the retail area included strong results in respect of the sale of:

- mortgage loans (especially indexed with CHF rate),
- cash loans,
- loans for Small Business.

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

	30.09.2008	30.06.2008	31.03.2008	31.12.2007	30.09.2007
Mortgage loans	3 775.0	3 282.7	2 880.5	2 616.0	2 321.5
Other retail loans	2 582.5	2 367.9	2 113.1	1 958.3	1 898.8
Total retail segment	6 357.5	5 650.6	4 993.6	4 574.3	4 220.3

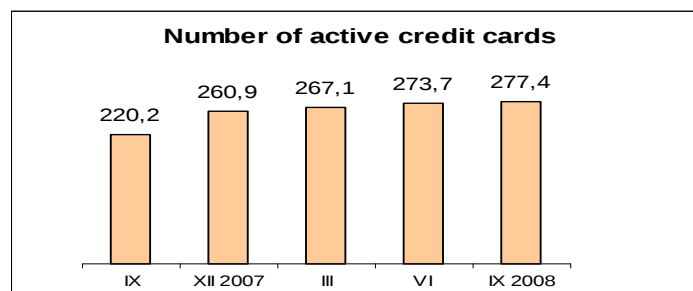
The rate of growth of the loans granted by ING Bank Śląski to households was similar to the rate of growth in the sector, thus the market share at the end of September 2008 was 2.00% vis-à-vis 1.95% at the end of June 2008.



Banking cards

The offer of ING Bank Śląski S.A. includes: debit cards, charge cards, credit cards and pre-paid cards. As at the end of last year, ING Bank Śląski was one of the first banks to start issuing chip debit cards. As of 29 September 2008, the credit cards issued by the Bank also have a chip, which helps increase security of card transactions.

The number of issued credit cards² went up from 274 thousands as at the end of June 2008 to 277 thousands as at 30 September 2008.



2. Wholesale Banking

Projects and new products

As regards wholesale banking, ING Bank Śląski continued actions aimed at optimisation of processes in the most important areas of service of the clients from that segment, as well as broadening of the product offer:

- *Corporate Lending 2008* programme entered its implementation phase. The programme is to simplify and automate the credit process for the wholesale clients, which shall allow for improvement of its effectiveness. In 3Q 2008, new credit documentation was implemented under the programme, furthermore a new application was implemented to be used for generation of the credit documentation for wholesale clients,
- in 3Q 2008, the Bank's offer was enriched as regards FX transactions (4 new currencies). Now, the clients may execute transactions in 19 foreign currencies, which places ING Bank Śląski among the top Polish banks in this respect,
- in September 2008, a new functionality for *Direct Debit* was implemented – *DD for Housing Communities*. Thanks to the new service, administrators of the housing communities may easily service direct debits for the clients. Automated settlement process allows for delivering one electronic file with the orders to the Bank and receiving an output file with the details of all transactions,
- in 3Q 2008, the third pilot programme was started for a fast credit track. *Fast Track* is a new approach to the lending process for wholesale clients, which takes the form of automated calculation of limits for selected, standardised credit products, which allows for simplification and shortening of the process of granting a loan,
- in 3Q 2008, the functionality of ING BusinessOnLine was expanded (implementation of the standing orders function), works were also in progress over optimisation of the application operations.

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

Volumes and market position

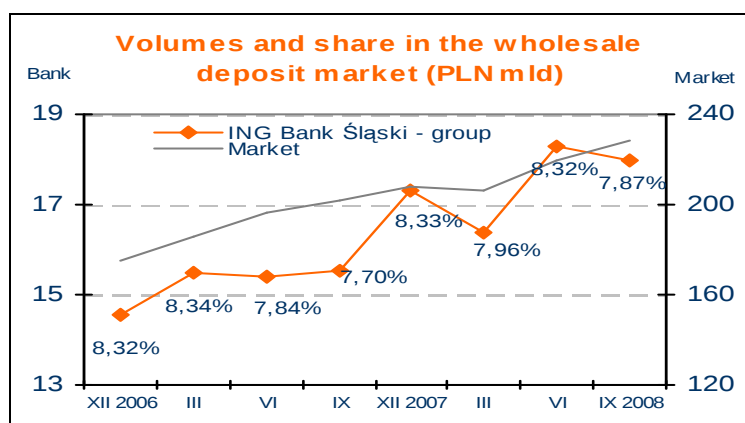
The funds entrusted by clients

At the end of September 2008, the value of funds deposited by the corporate clients totalled PLN 16,389.3 million, down by 4.2% from June 2008. In 3Q 2008, a drop of deposits held by the strategic clients and big and mid-size companies was recorded. The corporate deposits grew by 12.8% on a year-to-year basis.

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

	30.09.2008	30.06.2008	31.03.2008	31.12.2007	30.09.2007
Strategic Clients	9 137.2	9 538.6	8 170.2	8 977.2	6 957.3
BIG and mid-size companies	7 175.2	7 462.7	7 093.8	7 193.1	7 349.6
TFI assets	76.9	101.1	123.5	158.8	227.3
Total Wholesale segment	16 389.3	17 102.4	15 387.5	16 329.1	14 534.2

The rate of growth of wholesale deposits at ING Bank Śląski was lower compared with the sector, thus at the end of September 2008 the market share down to 7.87% from 8.32% as at 30.06.2008.



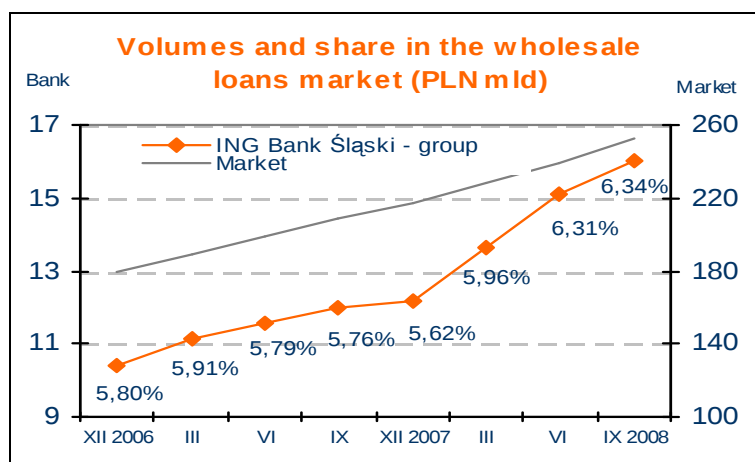
Loans

During the first 9 months 2008, we observed a growing demand for loans among the corporate clients. As a result, the volume of corporate loans grew by 10.7% compared with June 2008 and 35.1% from a year earlier. Loans for strategic clients were the main driver of the credit volume growth in the wholesale segment. They grew by 13.5% from June 2008. An increase by 7.4% was also observed in the area of lending for mid-sized companies and large corporates.

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

	30.09.2008	30.06.2008	31.03.2008	31.12.2007	30.09.2007
Strategic clients	8 900.0	7 840.2	7 186.3	6 525.1	6 193.0
BIG and mid-size companies	7 118.3	6 626.1	7 293.6	5 872.3	5 675.8
Other	437.8	403.9	484.0	389.1	312.9
Total Wholesale segment	16 456.1	14 870.2	13 963.9	12 786.5	12 181.7

The rate of growth of the wholesale loans at ING Bank Śląski was similar to the rate of growth in the sector, thus the share in the market of wholesale loans was 6.34% at the end of September 2008 vis-à-vis 6.31% as at 30.06.2008.



3. Electronic distribution channels

Development of electronic distribution channels is one of the Bank's priorities. A regular update of this offer results in an increase of the number of Clients interested in e-banking.

The figures for electronic banking clients³ are as follows:

	30.09.2008	30.06.2008	31.03.2008	31.12.2007	30.09.2007
ING BankOnLine, ING OnLine, MultiCash	1 063 169	960 090	877 636	771 384	710 858
HaloŚląski	561 571	498 747	443 104	398 297	374 298
SMS	346 961	304 775	264 219	233 745	210 982

In Q3/2008, we recorded a dynamic growth of the number of clients of ING BankOnLine, a key product in the area of electronic banking and the number of clients using SMS and HaloŚląski services also went up considerably.

In September 2008, the monthly number of transactions made via electronic banking systems totalled 6.4 million. In the same period last year, the number of transactions made via electronic banking systems was 4.9 million.

³ The number of clients is not the same as the number of users as one client may represent several users in a given system.

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

The most important macro-economic factors of impact on results in the subsequent quarters include:

- sustaining crisis on the financial markets which may make the clients be inclined to look for alternative forms of depositing their savings,
- a potential slowdown of economic growth in Poland, which could negatively affect the financial standing of companies, thus reducing the demand for corporate loans (according to the forecasts⁴ GDP grew in 3Q 2008 by 4.4% compared with 6.0% in 1Q and 5.8% in 2Q. The rate of GDP growth for the next year is forecasted at 3.5%),
- a slow drop of inflation and sustenance of current rates by the Monetary Policy Council (the "Council"), which on the one hand would affect the clients' propensity to deposit their savings with the banks, while on the other hand it may hamper the demand for PLN loans (in view of the growing inflation pressure the Council already increased the interest rates four time, as a result of which the reference rate grew from 5.0% at the end of 2007 to 6.0% at the end of September 2008),
- a growth of WIBOR rates that would cause an unplanned tightening of the monetary policy and contribute to a slower rate of investments in 2009 (according to the forecasts the growth of investments' in 2009 would be 5.2%, at the estimated level of 12.4% for 2008).

V. Additional information

1. Informational Details of the Bank and Its Capital Group

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

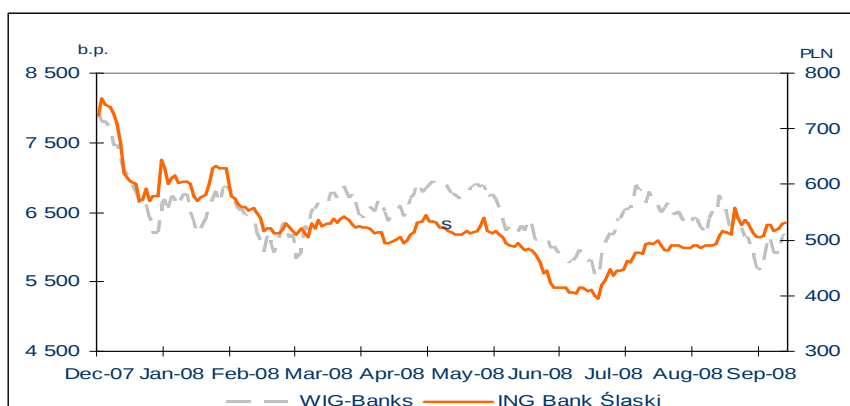
The Parent entity statistic number is REGON 271514909, and the taxation identification number is NIP 634-013-54-75. Entity authorised to audit financial statements is Ernst & Young Audit Sp. z o.o.

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

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

⁴ Forecasts by the Chief Economist of ING Bank Śląski.

Price of ING Bank Śląski S.A. Shares in the first 9 months of 2008:



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

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

In Q3/2008 the Group's structure did not change.

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

As at the date of submission of the report for the third quarter of 2008, the shareholders owning 5% and more votes at the General Shareholders Meeting of ING Bank Śląski Spółka Akcyjna were the following entities:

No.	Entity	Number of shares and votes	% of total number of shares and votes at General Shareholders Meeting
1.	ING Bank N.V.	9,757,500	75.00
2.	Commercial Union Otwarty Fundusz Emerytalny BPH CU WBK	700,000	5.38

As regards members of the Bank Supervisory Board, the following individuals have held shares of ING Bank Śląski: Mr. Mirosław Kośmider – 3 shares; Mr. Wojciech Popiołek – 9 shares. The other members of the Bank Management Board and the Bank Supervisory Board do not hold any shares of ING Bank Śląski S.A. As of the date of publication of the report for 2Q 2008, the status of ING Bank Śląski's shares, held by the Members of the Bank Management Board and Supervisory Board, was similar.

Ratings

Fitch Ratings Ltd.

The Bank has the financial viability rating given by Fitch Ratings Ltd.:

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

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

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

On 28 October 2008, the Management Board of ING Bank Śląski S.A. was informed that the agency Fitch Ratings Ltd. affirmed the ratings of ING Group, inclusive of those of ING Bank Śląski S.A. (the agency's message of 27 October 2008).

At the same time, the agency revised the long-term IDR outlook for ING Group from Stable to Negative; as a result, the outlook for the dominant entity of ING BSK, i.e. ING Bank NV, and consequently the outlook of ING Bank Śląski were changed as well (in both cases from Stable to Negative). The Agency justified the revision of the long-term IDR outlook of ING Group by the deteriorating macro-economic and market conditions and their potential impact on the group's results.

Moody's Investors Service Ltd.

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

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

Other Information

Headcount

The headcount in the Capital Group was as follows:

30.09.2008	8,434 individuals; or 8,258.8 FTEs,
30.06.2008	8,387 individuals; or 8,209.4 FTEs,
31.03.2008	8,188 individuals; or 8,008.8 FTEs,
31.12.2007	8,074 individuals; or 7,842.1 FTEs,
30.09.2007	7,831 individuals; or 7,598.1 FTEs.

Number of Branches and ATMs

As at 30.09.2008, the Bank was running operations through the network of 330 branches similarly as at the end of June. Furthermore, as at the end of September 2008, 102 partner branches were opened based on the franchising model (as of the end of June 2008, there were 100 franchise branches operating).

As at the end of September 2008, the Bank had a network of 673 ATMs compared with 667 ATMs as at the end of June 2008 and 604 ATMs as at the end of September 2007.

As at the end of September 2008, the Bank also had a network of 313 cash deposit machines, including 102 CDMs installed in the partner outlets.

2. Compliance with International Financial Reporting Standards

These consolidated financial statements have been prepared under the International Financial Reporting Standards (IFRS) in a version approved by the European Commission effective as at the reporting date, that is 30 June 2008; and the information not covered in those standards has been prepared in accordance with the Accounting Act of 29 September 1994 (Journal of Laws no.2002/76, item 694 as amended) and secondary legislation thereto, as well as in accordance with the Ordinance of Finance Minister of 19 October 2005 on current and interim information submitted by issuers of securities (Journal of Laws of 2005, no. 209, item 1744). The consolidated balance sheet and the profit and loss account as at 30.09.2008 including comparable financial data, have been executed upon the application of the same accounting principles for each period.

These consolidated financial statements for Q3/2008 meet the requirements of International Financial Reporting Standards (IFRS), including IAS 34 (International Accounting Standards) with regard to interim financial statements. This is the condensed version of the statements.

The accounting principles applied for these financial statements are the same principles that were used when preparing the full-year financial statements for 2007. The accounting principles were presented in detail in the report for the first half 2008.

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

3. Estimates

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

Estimations and assumptions applied to the presentation of value of assets, liabilities, revenues and costs, are made on basis of historical data available and other factors considered to be relevant in given circumstances.

Applied assumptions related to the future and available data sources are the base for making estimations regarding carrying value of assets and liabilities, which cannot be determined explicitly on the basis of other sources. The estimates reflect the reasons for/ sources of uncertainties as at the balance sheet date.

The actual results may differ from estimates.

The estimations and assumptions are reviewed on an on-going basis. Adjustments to estimates are recognized in the period when the estimation was changed, provided that the adjustment applies to this period alone, or in the period when the estimation was changed and in the following periods, should the adjustment impact both the current and future periods.

Major accounting estimations adopted by the Group are as follows:

Impairment of loans

At each balance sheet date, the Group assesses, whether there is objective evidence of impairment of a given financial asset or of a group of such assets. Impairment of a financial asset or of a group of financial assets is incurred only if there is objective evidence for the impairment due to one or many events. The occurrence of such event or group of such events affects the estimation of expected cash flows regarding these assets.

The estimates may take into account any observable indications pointing at the occurrence of an unfavourable change in the solvency position of debtors belonging to any particular group or in the economic situation of a given country or part of a country, which is associated with the problems appearing in that group of assets.

Historical parameters of recoveries are adjusted on the basis of the data coming from current observations, so as to take into consideration the influence of current conditions and to exclude the influencing factors from the prior periods that are not currently present.

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

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

Impairment of other non-current assets

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

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

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

The fair value of financial instruments not quoted on active markets is measured using valuation models. For non-optional derivatives and debentures available for sale, the Group uses valuation models based on discounted cash flows. Options are valued using option valuation models.

Valuation models used by the Group, are verified by independent bodies before/prior to their usage. Where possible, in models the Group uses observable data from active markets. However, the Group also adopts assumptions as to probability (as credit risk, variables and market correlations). Any change in these assumptions may affect the fair value of some financial instruments.

Retirement and sick pension severance payments provision

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

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

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

- a) 10% of the current value of the obligation due to certain benefits as at that day (before deduction of the plan's assets)
- b) 10% of the fair value of the plan's assets as at that day.

A portion of the actuarial gains and losses above the said limit is recognised in the profit and loss account as the quotient of the above named excess and the average expected remaining working life of

the Bank employees. Following that change, the Bank presents in the balance sheet the net value of the liability comprising the current value of the liability and unrecognised actuarial gains/ losses.

Provisions for the bonus for employees and top executives

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

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

4. Comparability of financial data

In the financial statements covering the period from 1 January 2008 to 30 September 2008, the Bank introduced minor changes compared with the statements for the period from 1 January 2007 to 30 September 2007 with regard to the presentation of some items of the income statement.

The changes derive from an in-depth analysis of the economic contents for individual operations as well as their assignment to relevant items of the income statement.

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

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

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

1 Net interest income	III quarter 2008	3 quarters 2008	III quarter 2007	3 quarters 2007
<i>Interest expense and similar charges</i>				
- Deposits from banks	143 364	532 010	236 246	651 856
- Deposits from customers	393 039	1 042 990	237 908	647 075
- Debt securities	342 646	851 941	150 537	503 007
- Other	7 685	16 977	587	1 562
	886 734	2 443 918	625 278	1 803 500
<i>Interest expense and similar charges</i>				
- Deposits from banks	60 580	152 827	28 250	75 614
- Deposits from customers	522 207	1 416 858	314 597	871 117
- Loans and advances	0	9	1 813	2 047
- Reverse repos	6 427	26 052	18 942	73 981
	589 214	1 595 746	363 602	1 022 759
Net interest income	297 520	848 172	261 676	780 741
- Swap points (which are presented in the item "Result on financial instruments carried through profit and loss and revaluation")	33 497	89 189	-15 080	-60 590
Net interest income including swap points	331 017	937 361	246 596	720 151
In accordance with IAS the Bank excludes the swap points from the net interest income calculation. However the Bank takes a stand that for analysis purposes the both items should be presented together.				
2 Net commission income	III quarter 2008	3 quarters 2008	III quarter 2007	3 quarters 2007
<i>Commission income</i>				
- Commission related to brokerage activity	16 182	58 185	28 242	93 781
- Commission related to keeping accounts	71 836	211 647	66 624	198 215
- Commission related to loans and advances	36 131	92 816	30 720	80 166
- Commission related to payment and credit cards	49 543	135 300	35 831	102 333
- Commission related to distribution of participation units	21 625	83 186	58 175	163 109
- Fiduciary and custodian fees	7 358	22 520	9 155	25 057
- Foreign commercial business	3 961	12 009	5 676	16 913
- Commission related to subscription of structured products	4 376	18 834	0	0
- The transaction margin on currency exchange transactions	36 880	82 605	23 086	75 115
- Commission related to sales of financial products	7 306	9 935	831	2 240
- Other	2 745	15 953	3 310	9 641
	257 943	742 990	261 650	766 570
<i>Commission expense</i>				
- Brokerage fees	5 700	18 094	8 300	22 952
- Other commission	23 958	74 094	22 613	57 257
	29 658	92 188	30 913	80 209
Net commission income	228 285	650 802	230 737	686 361
3 Result on financial instruments carried through profit and loss and revaluation	III quarter 2008	3 quarters 2008	III quarter 2007	3 quarters 2007
- Net income on financial assets and liabilities held for trading	-399 607	-239 035	177 152	168 099
- Net income on financial assets and liabilities measured at fair value upon initial recognition	-6 055	-2 337	385	3 399
- Result on the revaluation of balance sheet items	474 811	494 883	-148 289	-123 262
Result on financial instruments carried through profit and loss and revaluation	69 149	253 511	29 248	48 236
of which:				
- Swap points	33 497	89 189	-15 080	-60 590
Result on financial instruments carried through profit and loss and revaluation after swap points excluding	35 652	164 322	44 328	108 826

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4 General and administrative expenses	III quarter 2008	3 quarters 2008	III quarter 2007	3 quarters 2007
- Personnel expenses	208 727	572 918	175 115	501 600
- Other	193 876	579 436	179 798	529 981
Total	402 603	1 152 354	354 913	1 031 581

5 Impairment losses and provisions for off-balance sheet liabilities	III quarter 2008	3 quarters 2008	III quarter 2007	3 quarters 2007
Impairment losses	65 282	373 302	100 600	214 860
Reversed impairment losses	-58 060	-424 237	-165 570	-312 826
Net impairment losses and provisions for off-balance sheet liabilities	7 222	-50 935	-64 970	-97 966

6 Share in net profit (loss) of associated entities recognised under the equity method	III quarter 2008	3 quarters 2008	III quarter 2007	3 quarters 2007
- ING Powszechnie Towarzystwo Emerytalne S.A.	13 016	38 846	9 598	32 898
Total	13 016	38 846	9 598	32 898

7 Loans and receivables to other banks	as of 30 Sep 2008	as of 30 Jun 2008	stan na 31 Dec 2007	as of 30 Sep 2007	as of 30 Jun 2007
- Current accounts	484 761	341 379	359 874	100 615	285 091
- interbank deposits	5 992 569	7 594 688	14 347 480	16 940 437	17 322 487
- other receivables	625 219	947 100	367 211	415 205	374 275
- loans and advances	488 459	475 506	301 384	295 292	254 717
- reverse repo transactions	0	405 740	0	0	0
- other receivables	136 760	65 854	65 827	119 913	119 558
- accrued interest	142 166	119 174	109 791	77 143	97 944
Total (gross)	7 244 715	9 002 341	15 184 356	17 533 400	18 079 797
Impairment losses	-193	-295	-691	-655	-854
Total (net)	7 244 522	9 002 046	15 183 665	17 532 745	18 078 943

8 Financial assets at fair value through profit or loss	as of 30 Sep 2008	as of 30 Jun 2008	stan na 31 Dec 2007	as of 30 Sep 2007	as of 30 Jun 2007
- Financial assets held for trading	8 726 637	7 002 019	6 062 786	6 463 273	5 175 310
Debt instruments	7 100 099	4 814 031	4 373 230	5 318 433	4 323 453
Equity instruments	4 922	2 067	38 530	696	2 108
Derivative financial instruments	1 621 616	2 185 921	1 651 026	1 144 144	849 749
- Financial assets designated as at fair value upon initial recognition	4 091 262	4 158 110	1 844 778	1 780 602	1 822 698
Deposits	2 144 986	2 470 683	0	0	0
Debt instruments	1 576 550	1 432 459	1 513 211	1 514 681	1 035 805
Repo transactions	369 726	254 968	331 567	265 921	786 893
Total	12 817 899	11 160 129	7 907 564	8 243 875	6 998 008

9 Investments	as of 30 Sep 2008	as of 30 Jun 2008	stan na 31 Dec 2007	as of 30 Sep 2007	as of 30 Jun 2007
- Available-for-sale financial assets	12 385 200	10 816 223	8 547 497	8 529 219	9 593 763
Debt instruments, including:	12 374 624	10 811 768	8 524 148	8 510 648	9 572 413
hedged items in fair value hedging	4 246 574	3 112 530	435 531	151 006	48 541
Equity instruments	10 576	4 455	23 349	18 571	21 350
- Held-to-maturity financial assets	7 325 513	6 185 038	840 776	620 643	0
Debt instruments	7 325 513	6 185 038	840 776	620 643	0
Total	19 710 713	17 001 261	9 388 273	9 149 862	9 593 763

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10 Loans and receivables to customers	as of 30 Sep 2008	as of 30 Jun 2008	stan na 31 Dec 2007	as of 30 Sep 2007	as of 30 Jun 2007
<i>Loans and other receivables to entities from the financial sector other than banks</i>					
- loans and advances	2 912 778	2 596 843	2 225 200	2 057 595	2 053 482
- in the current account	399 322	519 872	378 909	432 017	436 288
- term ones	2 513 456	2 076 971	1 846 291	1 625 578	1 617 194
- reverse repo transactions	71 002	801 941	0	0	0
- other receivables	153 550	103 069	110 040	68 299	69 649
- accrued interest	5 915	6 483	7 413	4 322	4 048
Total (gross)	3 143 245	3 508 336	2 342 653	2 130 216	2 127 179
Impairment losses	-3 219	-3 604	-5 840	-4 496	-4 702
Total (net)	3 140 026	3 504 732	2 336 813	2 125 720	2 122 477

<i>Loans and other receivables to entities from the non-financial sector</i>					
- loans and advances granted to business entities	11 870 016	10 582 004	8 896 590	8 505 374	8 145 620
- in the current account	4 327 438	4 005 199	3 103 368	3 151 530	3 044 135
- term ones	7 542 578	6 576 805	5 793 222	5 353 844	5 101 485
- loans and advances granted to households	6 585 216	5 916 337	4 928 295	4 603 157	4 162 035
- in the current account	1 139 951	1 097 907	965 928	1 014 106	997 614
- term ones	5 445 265	4 818 430	3 962 367	3 589 051	3 164 421
- other receivables	84 074	68 919	57 128	129 327	135 627
- accrued interest	30 167	24 714	18 690	24 410	18 946
Total (gross)	18 569 473	16 591 974	13 900 703	13 262 268	12 462 228
Impairment losses	-378 770	-359 128	-526 101	-521 780	-590 673
Total (net)	18 190 703	16 232 846	13 374 602	12 740 488	11 871 555

<i>Loans and other receivables to entities from the government and self-government institutions' sector</i>					
- loans and advances	685 620	672 647	695 188	610 748	603 741
- in the current account	12 848	16 313	9 871	10 255	10 641
- term ones	672 772	656 334	685 317	600 493	593 100
- other receivables	31	30	0	0	0
- accrued interest	2 438	2 348	2 031	3 256	2 016
Total (gross)	688 089	675 025	697 219	614 004	605 757
Impairment losses	-17 199	-26 863	-29 496	-30 784	-32 613
Total (net)	670 890	648 162	667 723	583 220	573 144

<i>Loans and other receivables to customers - TOTAL</i>					
- loans and advances	22 053 630	19 767 831	16 745 273	15 776 874	14 964 878
- reverse repo transactions	71 002	801 941	0	0	0
- other receivables	237 655	172 018	167 168	197 626	205 276
- accrued interest	38 520	33 545	28 134	31 988	25 010
Loans and other receivables to customers – gross	22 400 807	20 775 335	16 940 575	16 006 488	15 195 164
Impairment losses	-399 188	-389 595	-561 437	-557 060	-627 988
Loans and other receivables to customers – net	22 001 619	20 385 740	16 379 138	15 449 428	14 567 176

11 Property, plant and equipment	as of 30 Sep 2008	as of 30 Jun 2008	stan na 31 Dec 2007	as of 30 Sep 2007	as of 30 Jun 2007
- Real estate and investments in third-party non-current assets	386 207	389 903	404 290	411 366	414 822
- Computer hardware	40 474	41 194	43 273	47 567	51 476
- Vehicles	177	206	335	410	436
- Other fixtures and fittings	78 660	76 309	70 854	67 345	71 040
- Constructions in progress	22 121	21 536	14 186	16 448	14 697
Total	527 639	529 148	532 938	543 136	552 471

12 Liabilities due to other banks	as of 30 Sep 2008	as of 30 Jun 2008	stan na 31 Dec 2007	as of 30 Sep 2007	as of 30 Jun 2007
- Current accounts	247 484	320 946	82 357	61 814	180 446
- Interbank deposits	4 811 320	5 739 552	1 707 059	5 395 866	3 160 610
- Repo transactions	0	0	0	65 337	481 543
- Other liabilities	123 630	14 140	9 457	57 366	40 856
- Accrued interest	5 630	10 556	11 322	11 813	4 981
Total	5 188 064	6 085 194	1 810 195	5 592 196	3 868 436

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13 Financial liabilities at fair value	as of 30 Sep 2008	as of 30 Jun 2008	stan na 31 Dec 2007	as of 30 Sep 2007	as of 30 Jun 2007
- Financial liabilities held for trading	1 512 392	1 507 874	1 057 294	886 709	814 041
<i>Derivative financial instruments</i>	1 512 392	1 507 874	1 057 294	886 709	814 041
- Financial liabilities designated as at fair value upon initial recognition	1 681 924	21 382	102 716	1 126 056	3 123 892
<i>Sell-buy-back transactions</i>	1 681 924	21 382	102 716	1 126 056	3 123 892
- Book short position in trading securities	76 768	108 372	54 971	177 057	406 455
Total	3 271 084	1 637 628	1 214 981	2 189 822	4 344 388

14 Liabilities due to customers	as of 30 Sep 2008	as of 30 Jun 2008	stan na 31 Dec 2007	as of 30 Sep 2007	as of 30 Jun 2007
<i>Liabilities due to entities from the financial sector other than banks</i>					
- Deposits	3 227 878	3 586 988	2 226 226	2 398 150	2 744 315
- <i>current accounts</i>	1 789 856	2 111 392	1 229 825	1 707 730	2 099 342
- <i>term deposit</i>	1 438 022	1 475 596	996 401	690 420	644 973
- Repo transactions	273 944	191 653	725 974	979 553	1 972 999
- Other liabilities	85 189	152 961	115 359	50 161	71 884
- Accrued interest	3 554	1 972	1 650	1 586	1 944
Total	3 590 565	3 933 574	3 069 209	3 429 450	4 791 142

Liabilities due to entities from the non-financial sector

- Business entities' deposits	12 300 795	11 990 707	12 746 659	10 948 038	10 688 271
- <i>current accounts</i>	7 481 445	7 123 233	7 970 381	6 353 767	6 202 649
- <i>term deposit</i>	4 819 350	4 867 474	4 776 278	4 594 271	4 485 622
- Households' deposits	32 135 241	28 227 771	25 356 471	23 297 999	21 983 661
- <i>current accounts</i>	2 313 046	3 582 617	2 603 797	2 254 143	2 999 064
- <i>savings accounts and term accounts</i>	29 822 195	24 645 154	22 752 674	21 043 856	18 984 597
- Repo transactions	25 074	13 993	128 000	82 983	18 727
- Other liabilities	544 538	466 321	571 867	606 449	579 368
- Accrued interest	107 752	68 674	50 559	60 309	61 338
Total	45 113 400	40 767 466	38 853 556	34 995 778	33 331 365

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

- Deposits	2 559 296	2 880 694	2 571 234	2 221 358	2 128 210
- <i>current accounts</i>	1 176 133	1 695 323	2 028 882	1 104 887	909 977
- <i>term deposit</i>	1 383 163	1 185 371	542 352	1 116 471	1 218 233
- Other liabilities	2 126	4 646	6 683	9 350	703
- Accrued interest	3 643	4 677	1 155	2 152	1 996
Total	2 565 065	2 890 017	2 579 072	2 232 860	2 130 909

Liabilities due to customers – TOTAL

- Deposits	50 223 210	46 686 160	42 900 590	38 865 545	37 544 457
- Repo transactions	299 018	205 646	853 974	1 062 536	1 991 726
- Other liabilities	631 853	623 928	693 909	665 960	651 955
- Accrued interest	114 949	75 323	53 364	64 047	65 278
Total	51 269 030	47 591 057	44 501 837	40 658 088	40 253 416

15 Provisions	as of 30 Sep 2008	as of 30 Jun 2008	stan na 31 Dec 2007	as of 30 Sep 2007	as of 30 Jun 2007
- provision for disputes	33 672	29 975	29 294	29 527	33 152
- provision for off-balance sheet liabilities	22 115	20 129	23 933	23 313	26 827
- provision for retirement benefits	11 839	11 839	11 839	10 899	10 899
- provision for unused holidays	9 876	7 439	7 441	12 148	12 148
Total	77 502	69 382	72 507	75 887	83 026

6. Quality of Credit Portfolio

At the end of September 2008, the value of impaired loans was PLN 407 million vis-à-vis PLN 524 million year-to-year. The share of the impaired portfolio fell from 3.25% in September 2007 to 1.81% in September 2008. The credit portfolio quality improved mostly as a result of:

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

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

PLN million	30.09.2008	30.06.2008	31.12.2007	30.09.2007
Exposure total	22 573	20 424	17 081	16 144
Impairment and provisions total	412	400	576	571
Total coverage ratio (%)	1.8%	2.0%	3.4%	3.5%
Corporate entities	16 140	14 700	12 434	11 858
- unimpaired portfolio	15 875	14 477	12 057	11 466
- impaired portfolio	265	223	377	392
Impairment	193	185	364	364
IBNR	72	77	81	79
Provisions for off-balance commitments	7	6	9	9
Impaired portfolio coverage (%)	72.8%	82.8%	96.7%	92.9%
Retail	6 432	5 724	4 647	4 286
- unimpaired portfolio	6 290	5 582	4 516	4 154
- impaired portfolio	142	142	131	132
Impairment	106	101	91	90
IBNR	19	16	16	15
Provisions for off-balance commitments	15	14	14	14
Impaired portfolio coverage (%)	74.4%	71.5%	69.0%	68.3%
Share of impaired loans in portfolio (%)	1.81%	1.79%	2.97%	3.25%

7. Off-balance sheet items

PLN million	30.09.2008	30.06.2008	31.03.2008	31.12.2007	30.09.2007
Contingent liabilities granted	13 546.1	12 528.2	11 788.0	12 833.9	13 043.3
Contingent liabilities received	14 982.8	14 061.1	13 067.8	14 092.9	12 202.7
Off-balance sheet financial instruments	277 226.8	241 695.3	242 268.5	207 320.2	178 185.1
Total off-balance sheet items	305 755.7	268 284.6	267 124.3	234 247.0	203 431.1

Increase of the granted contingent liabilities as of 30.09.2008 by PLN 712.2 million as compared to the status as of 31.12.2007 results most of all from the increase of non-utilised credit lines and non-utilised overdraft on current account. On the other hand, the increase of received contingent liabilities by PLN 889.9 million is the effect of increase of guarantee contingent liabilities.

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

On 6 August 2008, a credit agreement for the amount of PLN 617 million was signed with Philip Morris Polska S.A. (referred to as the "Borrower"), Philip Morris Polska Distribution Sp. z o.o. (referred to as the "Obligor") and Philip Morris Polska Tobacco Sp. z o.o. (referred to as the "Obligor"). The facility was rendered available in the form of the guarantee line.

On 6 August 2008, an annex to the credit agreement of 17 March 2005 was signed with Europejski Fundusz Leasingowy S.A. for funding its current operations. The total credit amount is PLN 500 million.

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

None.

9. Dividends Paid

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

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

In the period of 9 months of 2008, the Bank's properties were sold. The properties were sold on an arm's length basis. As a result of these sales, the Bank earned a profit of PLN 868,000 recognised under retained profits.

11. Settlements due to disputable cases

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

Changes to the litigation reserves were presented below:

PLN million	3Q2008	2Q2008	1Q2008	4Q2007	3Q2007
Status at the period beginning:	30.0	29.3	29.3	29.5	33.2
Establishment of provisions as costs	3.9	3.0	1.3	2.2	0.1
Release of provisions as income	-0.1	-1.3	-0.3	-1.2	0.0
Utilisation of provision due to dispute loss or settlement	-0.1	-1.0	-1.0	-1.3	-3.8
Status as at the period end	33.7	30.0	29.3	29.3	29.5

Either in 3Q of 2008 or 3Q of 2007, no proceedings concerning liabilities or debts whose total value would amount to 10% of the Bank's equity were initiated before courts or administrative bodies against the Capital Group of ING Bank Śląski.

12. Seasonality or cyclicity of activity

Activity of ING Bank Śląski Group is not subject to seasonality or cyclicity within the meaning of §21 of IAS 34.

13. Significant Developments after the Closing of the Interim Period

None.

14. Transactions with Related Entities

Subsidiaries and Related Entities of ING Bank Śląski:

- ING Securities S.A.,
- ING Bank Hipoteczny S.A.,
- ING BSK Development Sp. z o.o.,
- Centrum Banku Śląskiego (CBS) Sp. z o.o. in liquidation,
- 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, employees' insurance contributions, leasing of non-current assets and intangible assets as well as car fleet leasing and management.

In the period 1.01.2008 – 30.09.2008 the following transactions were made of the total value exceeding EURO 500,000:

- In connection with execution of the Co-operation Agreement concluded by ING Bank Śląski S.A. and ING Bank NV the remuneration for the services provided as to financial consulting in 9 months of 2008 amounted to PLN 31.9 million (net). Following the implementation of the agreement for provision of data processing and financial information analysis services, concluded by and between ING Bank Śląski S.A. and ING Bank NV, the fee for data processing and

financial information analysis services used by ING Bank Śląski amounted to PLN 8.3 million (net).

- ING Services Polska provides services to ING Bank Śląski with regard to lease of hardware resources. The costs of service were PLN 17.1 million (gross).
- ING Bank Śląski made a transaction with ING Lease due to sublease of functional rooms totalling PLN 10.9 million (gross).
- ING Bank Śląski co-operates with ING Car Lease as to leasing of cars and management of car fleet. The derivative amount of payment was PLN 10.6 million in 9 months of 2008 (gross).

Transactions with related entities (in PLN thousands):

30.09.2008

	Parent company	Other ING Group entities	Subsidiary undertakings	Associated undertakings
Receivables				
Deposits placed	6 607 131	-	-	-
Nostro accounts	271 340	226 713	-	-
Loans	-	1 399 795	183 267	-
Other receivables	219 018	25 651	2 705	-
Liabilities				
Deposits received	3 336 756	114 864	164 080	39 954
Loro accounts	11 558	199 052	-	-
Securities	-	-	50 388	-
Other liabilities	104 402	9 662	418	-
Off-balance-sheet operations				
Contingent liabilities	-	1 317 067	297 159	-
FX transactions	16 534 252	8 173 772	-	-
Forward transactions	530 826	894 948	-	-
IRS/CIRS	36 235 786	4 563 038	-	-
FRA	474 396	450 080	-	-
Options	1 727 472	1 175 011	-	-
Revenue and costs				
Revenue	220 296	81 376	7 848	1 694
Costs	43 012	35 975	10 523	2 587

30.09.2007

	Parent company	Other ING Group entities	Subsidiary undertakings	Associated undertakings
Receivables				
Deposits placed	8 075 508	-	-	-
Nostro accounts	3 370	387 288	-	-
Loans	8 606	1 098 628	356 213	-
Other receivables	63 316	284	29	-
Liabilities				
Deposits received	1 024 222	123 199	251 769	35 238
Loro accounts	28 045	16 490	-	-
Securities	-	-	30 286	-
Other liabilities	74 106	4 912	4	-
Off-balance-sheet operations				
Contingent liabilities	-	52 698	196	-

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FX transactions	17 692 165	4 228 379	-	-
Forward transactions	263 096	711 902	-	-
IRS/CIRS	26 805 774	214 797	-	-
FRA	-	300 048	-	-
Options	617 894	228 758	-	-
Revenue and costs				
Revenue	133 823	35 269	11 713	122
Costs	55 750	27 347	22 522	2 071

15. Segmentation of Revenue and Financial Results of the Group

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

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

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

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

Wholesale encompasses service of institutional clients within the following segments: strategic clients, big and mid-sized companies.

The capital group maintains reporting for its wholesale operations broken down into the following types of products: credit products (working capital loans, and investment loans), deposit products (current accounts, term and negotiable deposits and savings accounts), custody-related services, and operations in the capital market performed by the parent entity and ING Securities, as well as intermediation in leasing-related services.

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

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

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

segment, and financial markets segment). Interest on economic capital is re-allocated from the ALCO line to the individual business lines, depending on their demand for economic capital.

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

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

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

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PLN thousand	30.09.2008					30.09.2007						
	Retail customers segment	Corporate customers segment	Own operations		Non-allocated items	TOTAL	Retail customers segment	Corporate customers segment	Own operations		Non-allocated items	TOTAL
			Proprietary trading	ALCO					Proprietary trading	ALCO		
Revenue total	961 750	647 672	138 774	76 775		1 824 972	916 015	559 296	62 613	62 034		1 599 958
Core business	946 604	617 797	125 428	135 144		1 824 972	906 235	540 883	54 400	98 441		1 599 958
Income on lending	195 096	168 538				363 634	167 506	155 284				322 789
Interest income external	378 146	710 183					239 223	448 557				
Interest cost internal	-233 893	-597 560					-117 636	-358 710				
Income on fees/ other income	50 843	55 915					45 919	65 437				
Income on deposits	505 746	231 612				737 358	468 580	203 626				672 206
Interest costs external	-870 807	-299 645					-504 809	-265 059				
Interest income internal	1 156 351	450 288					789 207	386 251				
Income on fees/ other income	220 202	80 970					184 183	82 434				
Income on mutual funds	86 457					86 457	154 769					154 769
Income on brokerage and custody	22 012	47 426				69 438	36 966	69 685				106 650
Other income on core business	-2 416	-3 558	400 069	135 144		529 239	-6 295	-1 532	220 031	98 441		310 645
FM products sales	100 863	173 778	-274 641			0	51 811	113 820	-165 631			0
Income on Pension Funds shares	38 846					38 846	32 898					32 898
Result on economic capital	15 147	29 876	13 346	-58 369		0	9 780	18 414	8 213	-36 407		0
Expenses total	733 499	378 759	46 222	3 279	-121	1 161 638	648 615	342 951	44 039	-4 695	3 922	1 034 832
Operational costs	733 499	378 759	46 222	3 279	-121	1 161 638	648 615	342 951	44 039	-4 695	3 922	1 034 832
including depreciation	94 217	6 111	780			101 108	100 212	5 157	409			105 779
Result before risk	228 251	268 913	92 553	73 496	121	663 334	267 400	216 345	18 575	66 728	-3 922	565 126
Risk cost	7 927	-58 862	0	0		-50 935	-38 611	-59 355	0	0		-97 966
Result before tax	220 324	327 775	92 553	73 496	121	714 269	306 011	275 700	18 575	66 728	-3 922	663 092
CIT						139 857						123 729
Result after tax						574 412						539 363
- assigned to shareholders of the holding company						574 362						533 242
- assigned to minority shareholders						50						6 121

ING BANK ŚLĄSKI PROFIT AND LOSS ACCOUNT (quarterly layout, consolidated)

PLN million	2007				2008		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Retail banking	299,6	306,9	299,8	285,6	284,4	339,1	323,1
Corporate banking	183,3	173,1	184,5	179,5	208,3	203,8	205,7
Own operations	55,3	41,1	56,5	7,5	88,5	81,8	90,2
Proprietary trading	24,4	6,6	23,5	-20,4	40,9	52,4	32,1
ALCO	30,9	34,5	33,0	27,9	47,7	29,3	58,1
Income total	538,2	521,1	540,7	472,6	581,2	624,7	619,0
Operational expenses, including:	335,1	343,9	355,9	354,6	366,5	388,7	406,4
Personnel costs	154,6	171,9	175,1	199,3	181,3	182,9	208,7
Other expenses	180,5	172,0	180,8	155,3	185,2	205,8	197,7
Result before risk costs	203,1	177,2	184,9	118,1	214,7	236,0	212,6
Risk costs	6,3	26,7	65,0	5,8	-0,4	58,6	-7,2
Result before tax	209,4	203,9	249,8	123,9	214,3	294,6	205,4
CIT	-38,6	-34,3	-50,8	-26,4	-40,6	-60,9	-38,4
Result after tax	170,8	169,5	199,1	97,5	173,7	233,8	166,9
- assigned to shareholders of the holding company	167,4	167,8	198,1	97,5	173,7	233,8	166,9
- assigned to minority shareholders	3,3	1,8	1,0	0,0	0,0	0,0	0,1

16. Selected Financial Data from Financial Statements

	PLN thousand		EUR thousand	
	3Q 2008 period from 01.01.2008 to 30.09.2008	3Q 2007 period from 01.01.2007 to 30.09.2007	3Q 2008 period from 01.01.2008 to 30.09.2008	3Q 2007 period from 01.01.2007 to 30.09.2007
Interest income	2 443 918	1 803 500	713 615	470 716
Commission income	742 990	766 570	216 950	200 076
Result on basic activities	1 786 126	1 567 060	521 542	409 005
Result before tax	714 269	663 092	208 564	173 068
Net result of shareholders of the holding company	574 362	533 242	167 712	139 177
Net result of minority shareholders	50	6 121	15	1 598
Net cash flows	-1 664 130	-1 172 591	-485 920	-306 048
Earnings per ordinary share (PLN / EUR)	44.15	40.99	12.89	10.70

	PLN thousand			EUR thousand		
	3 quarters 2008 as at 30.09.2008	end of year 2007 as at 31.12.2007	3 quarters 2007 as at 30.09.2007	3 quarters 2008 as at 30.09.2008	end of year 2007 as at 31.12.2007	3 quarters 2007 as at 30.09.2007
Total assets	65 277 389	52 010 860	53 246 560	19 152 477	14 520 061	14 095 714
Equity of the holding company	4 277 850	3 838 783	3 820 342	1 255 127	1 071 687	1 011 341
Share capital	130 100	130 100	130 100	38 172	36 320	34 441
Numer of shares	13 010 000	13 010 000	13 010 000	-	-	-
Book value per share (PLN / EUR)	328.81	295.06	293.65	96.47	82.37	77.74
Solvency ratio (%)	11.91%	13.12%	13.05%	-	-	-

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

- for balance-sheet items – PLN 3.4083 NBP exchange rate of 30.09.2008; 3.7775 NBP exchange rate of 30.09.2007,
- for income statement items for 30.09.2008 – PLN 3.4247 exchange rate calculated as the average of NBP exchange rates as at the last day of each month in 1Q,2Q and 3Q 2008; 3.8314 exchange rate calculated as the average of NBP exchange rates as at the last day of each month in 1Q,2Q and 3Q 2007.

VI. Standalone Financial Statement of the Bank

PROFIT AND LOSS ACCOUNT (PLN '000)	III quarter 2008 the period from 01 Jul 2008 to 30 Sep 2008	3 quarters 2008 the period from 01 Jan 2008 to 30 Sep 2008	III quarter 2007 the period from 01 Jul 2007 to 30 Sep 2007	3 quarters 2007 the period from 01 Jan 2007 to 30 Sep 2007
<i>Interest income</i>	883 981	2 434 987	626 373	1 807 786
<i>Interest expenses</i>	592 184	1 606 039	366 229	1 030 562
Net interest income	291 797	828 948	260 144	777 224
<i>Commission income</i>	240 644	681 801	232 503	668 977
<i>Commission expenses</i>	25 169	77 185	24 419	59 876
Net commission income	215 475	604 616	208 084	609 101
Net income on investment financial assets	9 678	138 041	3 323	117 883
Net income on instruments measured at fair value through profit and loss and revaluation	68 406	250 991	29 306	44 614
Other operating income and expenses	260	-12 109	1 350	9 267
Result on basic activities	585 616	1 810 487	502 207	1 558 089
General and administrative expenses	389 608	1 114 884	347 238	1 010 060
Other expenses	3 826	9 203	1 719	3 137
Impairment losses and provisions for off-balance sheet liabilities	8 846	-49 709	-64 840	-98 322
Profit (loss) before tax	183 336	736 109	218 090	643 214
Income tax	36 869	132 209	46 951	112 453
Net result for the current year	146 467	603 900	171 139	530 761
Net profit (loss)		603 900		530 761
Weighted average number of ordinary shares		13 010 000		13 010 000
Earnings per ordinary share (PLN)		46,42		40,80
Diluted weighted average number of ordinary shares		13 010 000		13 010 000
Diluted earnings per ordinary share (PLN)		46,42		40,80

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

BALANCE SHEET (PLN '000)	3 quarters 2008 as of 30 Sep 2008	2 quarters 2008 as of 30 Jun 2008	end of year 2007 as of 31 Dec 2007	3 quarters 2007 as of 30 Sep 2007	2 quarters 2007 as of 30 Jun 2007
ASSETS					
- Cash in hand and balances with the Central Bank	2 151 252	1 622 834	1 841 720	1 592 993	2 608 856
- Loans and receivables to other banks	7 298 108	9 097 930	15 238 778	17 515 463	18 044 598
- Financial assets measured at fair value through profit and loss	12 812 977	11 158 062	7 869 034	8 245 715	6 998 735
- Investments	19 760 915	17 051 441	9 418 393	9 179 962	9 623 837
<i>- available-for-sale</i>	12 435 402	10 866 403	8 577 617	8 559 319	9 623 837
<i>- held-to-maturity</i>	7 325 513	6 185 038	840 776	620 643	0
- Derivative hedge instruments	70 405	75 992	4 572	1 439	935
- Loans and receivables to customers	21 582 667	20 053 851	16 049 702	15 504 182	14 636 720
- Investments in controlled entities	210 569	210 569	210 569	159 381	140 410
- Investment real estates	135 845	135 845	144 713	0	0
- Property, plant and equipment	516 699	518 148	521 243	375 779	387 117
- Intangible assets	308 046	309 648	317 801	317 939	318 301
- Property, plant and equipment held for sale	228	266	241	232	254
- Current tax asset	0	0	25 256	0	0
- Deferred tax asset	15 483	84 605	45 001	35 053	93 477
- Other assets	191 679	129 454	139 403	132 374	154 642
Total assets	65 054 873	60 448 645	51 826 426	53 060 512	53 007 882
EQUITY AND LIABILITIES					
LIABILITIES					
- Liabilities due to other banks	5 086 762	6 083 870	1 812 283	5 552 186	3 841 456
- Financial liabilities measured at fair value through profit and loss	3 271 084	1 637 628	1 214 981	2 189 822	4 344 388
- Derivative hedge instruments	110 771	24 515	0	0	0
- Liabilities due to customers	51 301 764	47 646 143	44 502 189	40 681 556	40 244 236
- Provisions	75 902	67 782	70 904	74 576	81 715
- Current income tax liabilities	45 877	53 001	0	3 745	49 621
- Other liabilities	1 017 981	1 070 773	556 615	892 854	941 509
Total liabilities	60 910 141	56 583 712	48 156 972	49 394 739	49 502 925
EQUITY					
- Share capital	130 100	130 100	130 100	130 100	130 100
- Supplementary capital - issuance of shares over nominal value	993 750	993 750	993 750	993 750	993 750
- Revaluation reserve from measurement of available-for-sale financial assets	-127 476	-239 056	-149 591	-76 911	-65 115
- Revaluation reserve from measurement of property, plant and equipment	36 029	36 615	37 154	40 193	40 225
- Revaluation reserve from measurement of cash flow hedging instruments	2 075	-20 157	0	0	0
- Retained earnings	3 110 254	2 963 681	2 658 041	2 578 641	2 405 997
Total equity	4 144 732	3 864 933	3 669 454	3 665 773	3 504 957
Total equity and liabilities	65 054 873	60 448 645	51 826 426	53 060 512	53 007 882
Solvency ratio					
	11,31%	10,33%	12,03%	12,17%	12,55%
Book value					
	4 144 732	3 864 933	3 669 454	3 665 773	3 504 957
Number of shares					
	13 010 000	13 010 000	13 010 000	13 010 000	13 010 000
Book value per share (PLN)					
	318,58	297,07	282,05	281,77	269,40

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

STATEMENT OF CHANGES IN EQUITY (PLN '000)

3 quarters 2008
the period from 01 Jan 2008 to 30 Sep 2008

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Retained earnings	Total equity
Opening balance of equity	130 100	993 750	-149 591	37 154	0	2 658 041	3 669 454
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	86 731	-	-	-	86 731
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-64 616	-	-	-	-64 616
- disposal of property, plant and equipment	-	-	-	-558	-	530	-28
- remeasurement of property, plant and equipment	-	-	-	-567	-	-	-567
- effective part of cash flow hedging instruments revaluation	-	-	-	-	2 075	-	2 075
- dividends paid	-	-	-	-	-	-152 217	-152 217
- net result for the current period	-	-	-	-	-	603 900	603 900
Closing balance of equity	130 100	993 750	-127 476	36 029	2 075	3 110 254	4 144 732

end of year 2007
the period from 01 Jan 2007 to 31 Dec 2007

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Retained earnings	Total equity
Opening balance of equity	130 100	993 750	42 830	40 458	0	2 408 836	3 615 974
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-174 090	-	-	-	-174 090
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-18 331	-	-	-	-18 331
- disposal of property, plant and equipment	-	-	-	-258	-	2 031	1 773
- remeasurement of property, plant and equipment	-	-	-	-3 046	-	-	-3 046
- dividends paid	-	-	-	-	-	-362 979	-362 979
- net result for the current period	-	-	-	-	-	610 153	610 153
Closing balance of equity	130 100	993 750	-149 591	37 154	0	2 658 041	3 669 454

3 quarters 2007
the period from 01 Jan 2007 to 30 Sep 2007

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Retained earnings	Total equity
Opening balance of equity	130 100	993 750	42 830	40 458	0	2 408 836	3 615 974
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-101 796	-	-	-	-101 796
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-17 945	-	-	-	-17 945
- disposal of property, plant and equipment	-	-	-	-265	-	2 023	1 758
- dividends paid	-	-	-	-	-	-362 979	-362 979
- net result for the current period	-	-	-	-	-	530 761	530 761
Closing balance of equity	130 100	993 750	-76 911	40 193	0	2 578 641	3 665 773

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

CASH FLOW STATEMENT (PLN '000)	3 quarters 2008 the period from 01 Jan 2008 to 30 Sep 2008	3 quarters 2007 the period from 01 Jan 2007 to 30 Sep 2007
OPERATING ACTIVITIES		
Net profit (loss)	603 900	530 761
Adjustments	-2 195 787	-1 406 886
- Unrealised exchange gains (losses)	0	-159
- Depreciation and amortisation	99 589	102 514
- Interest accrued (from the profit and loss account)	828 948	777 224
- Interest received/paid	-625 208	-810 238
- Dividends received	-105 250	-94 223
- Gains (losses) on investment activities	-312	93
- Income tax (from the profit and loss account)	132 209	112 453
- Income tax paid	-31 558	-179 367
- Change in provisions	4 998	-14 257
- Change in loans and other receivables to other banks	5 864 374	-5 732 493
- Change in financial assets at fair value through profit or loss	-4 918 216	-1 182 199
- Change in available-for-sale financial assets	-3 994 016	4 002 023
- Change in held-to-maturity financial assets	-6 631 789	-624 295
- Change in derivative hedge instruments	47 013	-1 439
- Change in loans and other receivables to customers	-5 545 601	-2 529 926
- Change in other assets	-33 077	-7 506
- Change in liabilities due to other banks	3 280 109	3 463 607
- Change in liabilities at fair value through profit or loss	2 056 103	-921 391
- Change in liabilities due to customers	6 914 531	2 086 782
- Change in other liabilities	461 366	145 911
Net cash flow from operating activities	-1 591 887	-876 125
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-66 935	-35 793
- Disposal of property, plant and equipment	312	507
- Purchase of intangible assets	-29 758	-63 765
- Purchase of investments in subordinated entities	0	-32 471
- Disposal of fixed assets held for sale	490	1 794
- Dividends received	105 250	94 223
Net cash flow from investment activities	9 359	-35 505
FINANCIAL ACTIVITIES		
- Long-term loans repaid	0	-19 140
- Interest on long-term loans repaid	0	-1 921
- Dividends paid	-152 217	-362 979
Net cash flow from financial activities	-152 217	-384 040
<i>Effect of exchange rate changes on cash and cash equivalents</i>	<i>-17 980</i>	<i>44 607</i>
Net increase/decrease in cash and cash equivalents	-1 734 745	-1 295 670
Opening balance of cash and cash equivalents	4 816 455	8 174 524
Closing balance of cash and cash equivalents	3 081 710	6 878 854