2011

Semi-annual consolidated report of the ING Bank Śląski S.A. Group

for the period of 6 months ending on 30 June 2011

Table of contents

Interim condensed consolidated financial statements (PLN thousand)

I. Interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	**II quarter 2011** the period from 01 Apr 2011 to 30 Jun 2011 *(unaudited)*	**I half 2011** the period from 01 Jan 2011 to 30 Jun 2011 *(unaudited)*	**II quarter 2010** the period from 01 Apr 2010 to 30 Jun 2010 *comparable data (unaudited)*	**I half 2010** the period from 01 Jan 2010 to 30 Jun 2010 *comparable data (unaudited)*
- Interest income	*6.1*	833 618	1 606 175	723 058	1 449 864
- Interest expenses	*6.1*	374 077	711 733	317 810	654 189
Net interest income	*6.1*	**459 541**	**894 442**	**405 248**	**795 675**
- Commission income	*6.2*	295 682	581 547	277 615	541 697
- Commission expenses	*6.2*	37 324	71 837	30 663	66 277
Net commission income	*6.2*	**258 358**	**509 710**	**246 952**	**475 420**
Net income on instruments measured at fair value through profit or loss and FX result	*6.3*	11 532	38 288	22 814	51 296
Net income on investments	*6.4*	6 143	24 370	3 023	7 060
Net income on hedge accounting	*6.5*	-3 161	-19 420	-15 266	-22 160
Net income on other basic activities		4 911	12 693	4 990	11 320
Result on basic activities		**737 324**	**1 460 083**	**667 761**	**1 318 611**
General and administrative expenses	*6.6*	419 781	828 529	403 450	797 554
Result on other operating income and expenses		-3 019	-2 558	290	3 842
Impairment losses and provisions for off-balance sheet liabilities	*6.7*	37 703	94 771	39 277	87 376
Share in net profit (loss) of associated entities recognised under the equity method		13 182	22 902	10 916	18 196
Profit (loss) before tax		**290 003**	**557 127**	**236 240**	**455 719**
Income tax		56 178	110 772	44 709	86 675
Net profit (loss) from continuing operations		**233 825**	**446 355**	**191 531**	**369 044**
- attributable to owners of the parent entity		**233 849**	**446 392**	**191 530**	**369 050**
- attributable to non-controlling interests		-24	-37	1	-6

Net profit (loss) attributable to owners of the parent	**233 849**	**446 392**	**191 530**	**369 050**
Weighted average number of ordinary shares	**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**
Earnings per ordinary share (PLN)	**17,97**	**34,31**	**14,72**	**28,37**

Diluted earnings per share agrees with earnings per ordinary share

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

Małgorzata Kołakowska
President
Signed on the Polish original

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SIGNATURE OF THE PERSON ENTRUSTED WITH KEEPING THE ACCOUNTING BOOKS

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

Katowice, 2 August 2011

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

Interim condensed consolidated financial statements (PLN thousand)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	II quarter 2011 the period from 01 Apr 2011 to 30 Jun 2011 *(unaudited)*	**I half 2011** the period from 01 Jan 2011 to 30 Jun 2011 *(unaudited)*	**II quarter 2010** the period from 01 Apr 2010 to 30 Jun 2010 *comparable data (unaudited)*	**I half 2010** the period from 01 Jan 2010 to 30 Jun 2010 *comparable data (unaudited)*
Net result for the period	**233 825**	**446 355**	**191 531**	**369 044**
Other comprehensive income, of which:				
- Gains/losses on remeasurement of available-for-sale financial assets charged to equity	91 752	51 861	-51 744	509
including deferred tax	*-21 392*	*-12 116*	*12 041*	*-257*
- Reclassification to the financial result as a result of sale of available-for-sale financial assets	129	-14 622	376	-2 684
including deferred tax	*-30*	*3 430*	*-89*	*629*
- Amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-134	-235	-72	-364
including deferred tax	*31*	*55*	*18*	*85*
- Remeasurement of property, plant and equipment	537	405	0	0
including deferred tax	*-126*	*-95*	*0*	*0*
- Effective part of cash flow hedging instruments revaluation	36 112	7 422	7 131	27 013
including deferred tax	*-8 471*	*-1 740*	*-1 672*	*-6 336*
- Other	183	749	0	283
including deferred tax	*185*	*52*	*0*	*4*
Other comprehensive income (loss)	**128 579**	**45 580**	**-44 309**	**24 757**
Total comprehensive income for the period	**362 404**	**491 935**	**147 222**	**393 801**
Total comprehensive income				
- attributable to owners of the parent	362 428	491 972	147 221	393 807
- attributable to non-controlling interests	-24	-37	1	-6
Total comprehensive income for the period	**362 404**	**491 935**	**147 222**	**393 801**

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Interim condensed consolidated financial statements (PLN thousand)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	I half 2011 as of 30 Jun 2011 (unaudited)	end of year 2010 as of 31 Dec 2010	I half 2010 as of 30 Jun 2010 (unaudited)
A S S E T S				
- Cash in hand and balances with the Central Bank		1 566 648	2 394 196	2 158 478
- Loans and receivables to other banks	6.8	1 758 250	1 181 105	1 940 108
- Financial assets measured at fair value through profit and loss	6.9	572 509	659 606	1 451 554
- Valuation of derivatives		912 643	1 158 897	1 755 710
- Investments	6.10	23 947 458	23 006 812	21 008 716
- available-for-sale		*18 998 107*	*16 788 801*	*14 323 677*
- held-to-maturity		*4 949 351*	*6 218 011*	*6 685 039*
- Derivative hedge instruments		167 948	104 796	88 131
- Loans and receivables to customers	6.11, 6.12	37 094 788	34 508 999	31 781 186
- Investments in controlled entities recognised under the equity method		86 615	156 832	133 796
- Investment real estates		118 187	118 187	129 667
- Property, plant and equipment		511 237	544 211	536 318
- Intangible assets		357 833	342 213	325 876
- Property, plant and equipment held for sale		40 908	13 996	224
- Current income tax assets		55 229	614	260
- Deferred tax assets		100 570	167 397	97 370
- Other assets		210 049	159 667	175 589
T o t a l a s s e t s		**67 500 872**	**64 517 528**	**61 582 983**

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

Interim condensed consolidated financial statements (PLN thousand)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	I half 2011 as of 30 Jun 2011 (unaudited)	end of year 2010 as of 31 Dec 2010	I half 2010 as of 30 Jun 2010 (unaudited)
EQUITY AND LIABILITIES				
LIABILITIES				
- Liabilities due to other banks	6.13	8 938 063	4 039 111	5 190 240
- Financial liabilities measured at fair value through profit and loss	6.14	1 643 598	4 681 424	2 123 453
- Valuation of derivatives		938 935	1 292 661	1 215 300
- Derivative hedge instruments		427 515	600 455	663 309
- Liabilities due to customers	6.15	48 286 073	47 400 069	45 954 215
- Provisions	6.16	66 931	55 844	46 470
- Current income tax liabilities		631	138 499	55 396
- Other liabilities		1 245 387	656 360	1 052 155
Total liabilities		**61 547 133**	**58 864 423**	**56 300 538**
EQUITY				
- Share capital		130 100	130 100	130 100
- Supplementary capital - issuance of shares over nominal value		956 250	956 250	956 250
- Revaluation reserve from measurement of available-for-sale financial assets		45 590	8 586	-3 922
- Revaluation reserve from measurement of property, plant and equipment		45 680	47 370	51 095
- Revaluation reserve from measurement of cash flow hedging instruments		7 853	431	26 045
- Revaluation of share-based payment		24 970	21 080	17 779
- Retained earnings		4 741 022	4 486 936	4 102 791
Equity attributable to owners of the parent		**5 951 465**	**5 650 753**	**5 280 138**
- Non-controlling interests		**2 274**	**2 352**	**2 307**
Total equity		**5 953 739**	**5 653 105**	**5 282 445**
Total equity and liabilities		**67 500 872**	**64 517 528**	**61 582 983**

Solvency ratio	6.18	**12,61%**	**13,15%**	**12,56%**

Net book value	**5 951 465**	**5 650 753**	**5 280 138**
Number of shares	**13 010 000**	**13 010 000**	**13 010 000**
Net book value per share (PLN)	**457,45**	**434,34**	**405,85**

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Interim condensed consolidated financial statements (PLN thousand)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1 half 2011
the period from 01 Jan 2011 to 30 Jun 2011 *(unaudited)*

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Revaluation of share-based payment	Retained earnings	Non-controlling interests	Total equity
Opening balance of equity	**130 100**	**956 250**	**8 586**	**47 370**	**431**	**21 080**	**4 486 936**	**2 352**	**5 653 105**
Net result for the current period	-	-	-	-	-	-	446 392	-37	**446 355**
Other comprehensive income, of which:	**0**	**0**	**37 004**	**-1 690**	**7 422**	**0**	**2 844**	**0**	**45 580**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*51 861*	-	-	-	-	-	*51 861*
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-14 622*	-	-	-	-	-	*-14 622*
- amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	*-235*	-	-	-	-	-	*-235*
- remeasurement of property, plant and equipment	-	-	-	*405*	-	-	-	-	*405*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*7 422*	-	-	-	*7 422*
- other	-	-	-	*-2 095*	-	-	*2 844*	-	*749*
Transactions with owners, of which:	**0**	**0**	**0**	**0**	**0**	**3 890**	**-195 150**	**-41**	**-191 301**
- revaluation of share-based payment	-	-	-	-	-	*3 890*	-	-	*3 890*
- dividends paid	-	-	-	-	-	-	*-195 150*	*-41*	*-195 191*
Closing balance of equity	**130 100**	**956 250**	**45 590**	**45 680**	**7 853**	**24 970**	**4 741 022**	**2 274**	**5 953 739**

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

Interim condensed consolidated financial statements (PLN thousand)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

year 2010
the period from 01 Jan 2010 to 31 Dec 2010

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Revaluation of share-based payment	Retained earnings	Non-controlling interests	**Total equity**
Opening balance of equity	**130 100**	**956 250**	**-1 383**	**51 115**	**-968**	**15 846**	**3 733 438**	**2 313**	**4 886 711**
Net result for the current period	-	-	-	-	-	-	753 100	39	**753 139**
Other comprehensive income, of which:	**0**	**0**	**9 969**	**-3 745**	**1 399**	**0**	**398**	**0**	**8 021**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*8 471*	-	-	-	-	-	*8 471*
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*2 288*	-	-	-	-	-	*2 288*
- amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	*-790*	-	-	-	-	-	*-790*
- remeasurement of property, plant and equipment	-	-	-	*-3 619*	-	-	-	-	*-3 619*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*1 399*	-	-	-	*1 399*
- other	-	-	-	*-126*	-	-	*398*	-	*272*
Transactions with owners, of which:	**0**	**0**	**0**	**0**	**0**	**5 234**	**0**	**0**	**5 234**
- revaluation of share-based payment	-	-	-	-	-	*5 234*	-	-	*5 234*
Closing balance of equity	**130 100**	**956 250**	**8 586**	**47 370**	**431**	**21 080**	**4 486 936**	**2 352**	**5 653 105**

1 half 2010
the period from 01 Jan 2010 to 30 Jun 2010 - *comparable data (unaudited)*

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Revaluation of share-based payment	Retained earnings	Non-controlling interests	**Total equity**
Opening balance of equity	**130 100**	**956 250**	**-1 383**	**51 115**	**-968**	**15 846**	**3 733 438**	**2 313**	**4 886 711**
Net result for the current period	-	-	-	-	-	-	369 050	-6	**369 044**
Other comprehensive income, of which:	**0**	**0**	**-2 539**	**-20**	**27 013**	**0**	**303**	**0**	**24 757**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*509*	-	-	-	-	-	*509*
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-2 684*	-	-	-	-	-	*-2 684*
- amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	*-364*	-	-	-	-	-	*-364*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*27 013*	-	-	-	*27 013*
- other	-	-	-	*-20*	-	-	*303*	-	*283*
Transactions with owners, of which:	**0**	**0**	**0**	**0**	**0**	**1 933**	**0**	**0**	**1 933**
- revaluation of share-based payment	-	-	-	-	-	*1 933*	-	-	*1 933*
Closing balance of equity	**130 100**	**956 250**	**-3 922**	**51 095**	**26 045**	**17 779**	**4 102 791**	**2 307**	**5 282 445**

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Katowice, 2 August 2011

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Interim condensed consolidated financial statements (PLN thousand)

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	I half 2011 the period from 01 Jan 2011 to 30 Jun 2011 *(unaudited)*	**I half 2010** the period from 01 Jan 2010 to 30 Jun 2010 *comparable data (unaudited)*
OPERATING ACTIVITIES		
Net profit (loss)	**446 392**	**369 050**
Adjustments	**-1 965 253**	**-1 391 653**
- Profit (loss) attributable to non-controlling interests	-37	-6
- Share in net profit (loss) of associated entities	-22 902	-18 196
- Depreciation and amortisation	62 435	58 612
- Interest accrued (from the profit and loss account)	894 442	795 675
- Interest paid	685 905	709 520
- Interest received	-1 784 307	-1 621 627
- Dividends received	-1 195	-1 750
- Gains (losses) on investment activities	-346	-206
- Income tax (from the profit and loss account)	110 772	86 675
- Income tax paid	-236 428	-197 833
- Change in provisions	11 087	-8 777
- Change in loans and other receivables to other banks	97 518	-475 159
- Change in financial assets at fair value through profit or loss	89 723	6 785 486
- Change in available-for-sale financial assets	-2 156 517	-7 499 697
- Change in valuation of derivatives	-107 472	-167 702
- Change in derivative hedge instruments	-228 670	210 072
- Change in loans and other receivables to customers	-2 572 429	-1 210 633
- Change in other assets	22 443	6 086
- Change in liabilities due to other banks	4 895 878	1 215 054
- Change in liabilities at fair value through profit or loss	-3 037 826	1 125 402
- Change in liabilities due to customers	914 906	-1 684 389
- Change in other liabilities	397 767	501 740
Net cash flow from operating activities	**-1 518 861**	**-1 022 603**
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-29 346	-22 601
- Disposal of property, plant and equipment	509	240
- Purchase of intangible assets	-43 138	-23 047
- Disposal of fixed assets held for sale	8	12
- Redemption / sale of held-to-maturity financial assets	1 290 428	615 000
- Interest received from held-to-maturity financial assets	148 261	236 387
- Dividends received	1 195	1 750
Net cash flow from investment activities	**1 367 917**	**807 741**
FINANCIAL ACTIVITIES		
- Dividends paid	-41	0
Net cash flow from financial activities	**-41**	**0**
Effect of exchange rate changes on cash and cash equivalents	***-15 621***	***24 442***
Net increase/decrease in cash and cash equivalents	**-150 985**	**-214 862**
Opening balance of cash and cash equivalents	**3 119 617**	**3 047 826**
Closing balance of cash and cash equivalents	**2 968 632**	**2 832 964**

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Katowice, 2 August 2011

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II. Additional information

1. Information on the Bank and the Capital Group

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

The parent entity statistic number is REGON 271514909, and the taxation identification number is NIP 634-013-54-75. Entity authorised to audit financial statements is Ernst & Young Audit Sp. z o.o. having its registered office in Warsaw, 1 Rondo ONZ, entered into the list under number 130.

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

ING Bank Śląski S.A. is the parent company of the ING Bank Śląski S.A. Group ("Capital Group", "Group") of the following composition as at 30 June 2011:

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

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

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

In 6 months 2011 the Group's structure did not change. On 26 May 2011, the Management Board of ING Bank Śląski S.A. communicated their intention to merge with ING Bank Hipoteczny S.A. Both companies will merge under Article 492 para. 1 (1) of the Polish Commercial Companies Code dated 15 September 2000 by transfer of the entire assets of the Taken-over Company ING Bank Hipoteczny S.A. to the Taking-over Company ING Bank Śląski S.A. The intention to merge was accepted by the Supervisory Board of ING Bank Śląski S.A. The operations of ING Bank Hipoteczny will be further pursued within ING Bank Śląski S.A.

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

ING Bank Śląski S.A. offers a broad range of banking services rendered for individual and institutional clients in line with the scope of services outlined in the Bank's charter. The Bank runs operations both in the home currency and in foreign currencies. The Bank is also active on the domestic and foreign financial markets. The subsidiary ING Bank Hipoteczny S.A. also runs banking business, including loans secured with mortgage. Additionally through subsidiaries the Group operates brokerage services, real estate, leasing of real estate and advisory and acts as a financial intermediary as well as provides other financial services.

Interim condensed consolidated financial statements (PLN thousand)

ING Bank Śląski S.A. is a subsidiary of ING Bank NV, which as at 30 June 2011 held 75% share in the initial capital of ING Bank Śląski and 75% shares in the total number of votes at the General Meeting of Shareholders. ING Bank NV belongs to the Capital Group, herein referred to as ING Group.

As at the date 30 June 2011, the shareholder owning 5% and more votes at the General Shareholders Meeting of ING Bank Śląski Spółka Akcyjna was:

No.	Entity	Number of shares and votes	% of total number of shares and votes at General Shareholders Meeting
1.	ING Bank N.V.	9,757,500	75.00

Among members of the Supervisory Board of the Bank as of the day of publishing the interim condensed consolidated financial statements of Capital Group of ING Bank Śląski S.A. for I half 2011, Mr. Wojciech Popiołek held shares of ING Bank Śląski S.A. in the number of 6 shares. The other members of the Bank Management Board and the Bank Supervisory Board did not hold any shares of ING Bank Śląski S.A. The members of ING Bank Śląski S.A. Supervisory Board and Management Board held the same number of the Bank's shares as at the day of publishing the previous financial statements.

The interim condensed consolidated financial statements of the Group for the I half 2011 comprise the Bank and its subsidiaries and the Group's interest in associates and jointly controlled entities.

The annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2010 to 31 December 2010 were approved by the General Meeting on 7 April 2011.

These interim condensed consolidated financial statements have been approved by the Bank Management Board on 2 August 2011.

2. Selected financial data from financial statements

	PLN thousand		*EUR thousand*	
	H1 2011 period from 01.01.2011 to 30.06.2011 *(unaudited)*	**H1 2010** period from 01.01.2010 to 30.06.2010 *comparative data (unaudited)*	**H1 2011** period from 01.01.2011 to 30.06.2011 *(unaudited)*	**H1 2010** period from 01.01.2010 to 30.06.2010 *comparative data (unaudited)*
Interest income	1 606 175	1 449 864	404 853	362 086
Commission income	581 547	541 697	146 585	135 282
Result on basic activities	1 460 083	1 318 611	368 029	329 307
Result before tax	557 127	455 719	140 430	113 810
Net result of shareholders of the holding company	446 392	369 050	112 518	92 166
Net cash flows	-150 985	-214 862	-38 057	-53 659
Earnings per ordinary share (PLN / EUR)	34.31	28.37	8.65	7.08

	PLN thousand			*EUR thousand*		
	H1 2011 as of 30.06.2011 *(unaudited)*	**end of 2010** as of 31.12.2010	**H1 2010** as of 30.06.2010 *(unaudited)*	**H1 2011** as of 30.06.2011 *(unaudited)*	**end of 2010** as of 31.12.2010	**H1 2010** as of 30.06.2010 *(unaudited)*
Total assets	67 500 872	64 517 528	61 582 983	16 931 940	16 291 071	14 854 306
Equity of the holding company	5 951 465	5 650 753	5 280 138	1 492 867	1 426 850	1 273 611
Share capital	130 100	130 100	130 100	32 634	32 851	31 381
Numer of shares (per item)	13 010 000	13 010 000	13 010 000	-	-	-
Book value per share (PLN / EUR)	457.45	434.34	405.85	114.75	109.67	97.89
Solvency ratio (%)	12.61%	13.15%	12.56%	-	-	-

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

- for statement of financial positions items – PLN 3.9866, NBP exchange rate of 30 June 2011; PLN 3.9603 NBP exchange rate of 31 December 2010; PLN 4.1458 NBP exchange rate of 30 June 2010,
- for income statement items and cash flow statement items for the period of 6 months ending on 30 June 2011 - PLN 3.9673 exchange rate calculated as the average of NBP exchange rates as at the last day of each month in H1 2011; PLN 4.0042 exchange rate calculated as the average of NBP exchange rates as at the last day of each month in H1 2010.

3. Compliance with International Financial Reporting Standards

These interim condensed consolidated financial statements of the ING Bank Śląski S.A. Group for the period of 6 months ending on 30 June 2011 were prepared under the International Financial Reporting Standards (IFRS) in a version approved by the European Commission effective as at the reporting date, that is 30 June 2011 as well as in accordance with the Ordinance of Finance Minister of 19 February 2009 on current and interim information submitted by issuers of securities (Journal of Laws of 2009, no. 33, item 259). Presented interim condensed consolidated financial statements for the period of 6 months ending on 30 June 2011 in particular meet the requirements of IAS 34 (International Accounting Standards) with regard to interim financial statements. These interim condensed consolidated financial statements for the period of 6 months ending on 30 June 2011 have been prepared in a condensed version and does not cover all disclosures required in the annual financial statements.

Interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity, and interim condensed consolidated cash flow statement for the period from 01 January 2011 to 30 June 2011, and interim condensed consolidated statement of financial position as at 30 June 2011 together with comparable data were prepared according to the same principles of accounting for each period.

The comparative data cover the period from 1 January 2010 to 30 June 2010 for the interim condensed consolidated income statement; the interim condensed consolidated statement of comprehensive income and the interim condensed consolidated cash flow statement; additionally, for the period from 1 January 2010 to 31 December 2010 for the interim condensed consolidated statement of changes in equity; and in the case of the interim condensed consolidated statement of financial position data as of 31 December 2010 and 30 June 2010. Interim condensed consolidated income statements, interim condensed consolidated statement of comprehensive income and notes to the interim condensed consolidated income statements include data for the Q2 2011 (period from 01 April 2011 to 30 June 2011) as well as comparative data for the Q2 2010 (period from 01 April 2010 to 30 June 2010), that were not subject to review or audit by a certified auditor.

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

In these interim condensed consolidated financial statements, the same accounting standards have been applied as in the case of annual comprehensive consolidated financial statements for the year 2010 (Annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2010 to 31 December 2010) as well as the following binding standards and interpretations approved by the European Union:

Interim condensed consolidated financial statements (PLN thousand)

Change	Scope	Influence on the Group statements
IAS 32 Financial Instruments: Presentation	Applicable to annual periods beginning after 1 February 2010. The amendment pertains to the manner of classification of specified pre-emptive right where the issued financial instruments are denominated in the currency other than the functional currency of the issuer.	It has no substantial impact on the financial statements of the Group.
IAS 24 *Related Party Disclosure*	Applicable to annual periods beginning on or after 1 January 2011. The introduced amendments concern the simplification of the definition of the related entity and deletion of some internal inconsistencies and exemption of some entities related to government form certain requirements of information disclosure.	It has no substantial impact on the financial statements of the Group.
IFRS 1 *Limited Exemption from Comparative IFRS7 Disclosures for First-time adopters*	Applicable to annual periods beginning after 1 July 2010.	It has no substantial impact on the financial statements of the Group.
IFRIC 14 *The Limit of a Defined Benefit Asset, and Minimum Funding Requirements and their Interaction*	Applicable to annual periods beginning 1 January 2011 onwards. Interpretation concerns the plan of specified benefits under minimum funding requirements the prepayment of which is recognized as element of financial assets.	It has no substantial impact on the financial statements of the Group.
IFRIC 19 *Extinguishing Financial Liabilities with Equity*	Applicable to annual periods beginning after 1 July 2010. The interpretation presents recommendation as to recognizing by the debtor the equity instruments issued by such creditor as a result of renegotiation of the terms and conditions of financial liability in order to extinguish such liability fully or partially.	It has no substantial impact on the financial statements of the Group.
Amendments resulting from annual review of IFRS applicable to annual reporting periods starting 1 January 2011.	The annual reviews is to improve and specify in more detail the international accounting standards. The majority of amendments either specify existing IFRS in more detail, introduce amendments thereto or constitute amendments resulting from previous amendments to IFRS. Amendments to IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34 and IFRIC 13 embrace amendments to existing requirements or constitute additional explanation as to application of the said requirements.	Currently, the Group is analyzing the impact of the amendments on financial statements.

Published standards and interpretations which were issued; however, they are not effective yet and they have not been approved by the European Union yet:

Change	Scope	Influence on the Group statements
IAS 1 Presentation of Financial Statements	The changes result from co-operation between IASB and FASB (US GAAP has been changed in the same manner) and refer to the guidelines for items presentation under other total income.	Currently, the Group is analyzing the impact of the amendments on financial statements.
IAS 12 *Income Taxes*	The amendments pertain to classification of the revenue depending on expectations of the entity whether or not it will recover the carrying value of a given assets either through use or sale.	Currently, the Group is analyzing the impact of the amendments on financial statements.
IAS 19 Employee Benefits	The changes refer to the removal of the possibility to defer income and costs recognition (i.e. elimination of the ”corridor method”), presentation under other total income and requirements for disclosure.	Currently, the Group is analyzing the impact of the amendments on financial statements.

IAS 27 *Separate financial statements*	The amendment introduces the necessity to recognize investments in subsidiaries, jointly controlled entities and associates at cost or in line with rules set forth in IFRS 9 *Financial Instruments* in separate financial statements. The name of the standard was also changed.	Currently, the Group is analyzing the impact of the amendments on financial statements.
IAS 28 *Investments in associates*	The amendments concern the accounting principles for investments in associates and determine the requirements that have to be met in order to apply accounting using the equity method for investments in associates and jointly controlled entities.	Currently, the Group is analyzing the impact of the amendments on financial statements.
IFRS 1 *First-time Adoption of International Financial Reporting Standards: severe hyperinflation and removal of fixed dates for those who adopt IFRS for the first time.*	Not applicable.	It has no impact on the financial statements of the Group.
IFRS 7 *Financial Instruments: Disclosures*	The amendment specifies in more details the requirements as to transfer of financial assets.	Currently, the Group is analyzing the impact of the amendments on financial statements.
IFRS 9 *Financial Instruments*	This standard constitutes the first phase of the works of the IASB to supersede the International Accounting Standard 39 and covers both the classification and measurement of financial assets. During the next phases the IASB will work on financial liabilities, hedge accounting and removal of financial assets/liabilities from the financial statements.	The Group will assess the influence of the new standard comprehensively together with the phases that have not been published yet.
IAS 10 Consolidated Financial Statements	New standard presenting the guidelines for financial statements consolidation including in particular but not limited to the indications confirming the requirement to include entities in the Consolidated Financial Statements.	Currently, the Group is analyzing the impact of the amendments on financial statements.
IAS 11 Joint Arrangements	New standard sets out the requirements for joint arrangements recognition and measurement.	Currently, the Group is analyzing the impact of the amendments on financial statements.
IAS 12 Disclosure of Interest in Other Entities	New standard sets out the disclosures of interest in other entities.	Currently, the Group is analyzing the impact of the amendments on financial statements.
IAS 13 Fair Value Measurement	New standard sets out the fair value guidelines.	Currently, the Group is analyzing the impact of the amendments on financial statements.

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

Going-concern

These interim condensed consolidated financial statements were prepared on a going-concern basis as regards the foreseeable future, namely as regards the period of minimum 12 months from the balance sheet date. As of the date of approving these statements, the Bank Management Board has not identified any events that could indicate that the continuation of the operations by the Capital Group and all its members is endangered. The intension to merge ING Bank Śląski S.A. with ING Bank Hipoteczny S.A. was elaborated on in section II.1 herein.

Discontinued operations

No operations were discontinued during the H1 2011 and H1 2010.

Material accounting principles

Detailed accounting principles are presented in annual consolidated financial statements of the ING Bank Śląski S.A. Group for the period from 1 January 2010 to 31 December 2010 published on 4 March 2011 that is available on the Internet site of ING Bank Śląski S.A. (www.ingbank.pl).

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

Basis for preparation of consolidated financial statements

The concept of fair value has been applied in the statements for real property and investment property as well as financial assets and liabilities measured at fair value, including derivative instruments, and financial assets classified as available-for-sale, excluding those for which the fair value cannot be determined in a reliable manner. Other items of financial assets (including loans and receivables) are presented at amortized cost less impairment charges or at purchase price less impairment charges.

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

Consolidation policies

Subsidiaries

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

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

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

Acquisition method

The acquisition method is applied while settling the acquisition of subsidiaries by the Group. On the day of the acquisition the Group recognizes, separately from the goodwill, identifiable acquired assets and assumed liabilities taking into consideration the recognition conditions as well as all non-controlling shares in the acquired entity.

The Group measures the identifiable acquired assets and assumed liabilities at fair value as at the acquisition day and classifies or determines them on the basis of provisions of the contract, conditions, rules of its activity or accounting policy or other relevant conditions existing as at the day of the acquisition.

Goodwill is an asset representing future economic benefits arising from the acquired assets as part of combination of entities that cannot be identified individually or recognized separately. The goodwill on acquisition of a business entity is initially recognized at cost constituting the surplus of the costs of:

- provided payment,
- sums of all non-controlling shares in the acquired entity, and
- in the case of combining entities executed at fair value as at the day of acquiring share in the capital of the acquired entity, previously belonging to the acquiring entity

over the net amount determined as at the day of acquiring values of the identifiable acquired assets and assumed liabilities.

Associates

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

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

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

Transactions eliminated in consolidation process

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

Foreign currency

The functional currency and the presentation's currency

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

Transactions and balances in foreign currency

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

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

Financial statements of investments in a foreign operation

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

Financial assets and liabilities

Classification

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

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

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

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

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

- _Investment held to maturity_

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

- _Loans and receivables_

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

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

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

- _Financial assets available for sale_

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

- *Other financial liabilities*

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

- *Financial guarantee contracts*

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

Recognition

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

Derecognition

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

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

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

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

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

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

Measurement

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

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

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

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

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

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

Granted financial guarantees are measured at the higher of:

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

Reclassification

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

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

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

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

Gains and losses resulting from subsequent measurement

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

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

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

As of impairment of items of financial assets or a group of financial assets, the Group carries the amount of contractual interest not paid at the impairment date through profit or loss. Since then, the Group accrues interest on the items of financial assets or a group of financial assets less the impairment charge. Interest is accrued at the interest rate used to calculate the impairment charge for the financial assets affected. Later, the value is adjusted with the contractual interest paid in a given period.

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

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

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

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

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

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

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

Derivative instruments

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

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

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

The Group uses derivative instruments in order to hedge against FX and interest rate risk, arising from activity of the Group. Those derivatives, which were not designated as hedge instruments pursuant to the principles of hedge accounting, are classified as instruments earmarked for trade and evaluated in fair value.

Hedge Accounting

Hedge accounting presents the offset effects of fair value changes of both hedging instruments and hedged items which impact the income statement.

The Group designates certain derivative instruments as fair value hedge or cash flow hedge. The Group uses hedge accounting, if the following conditions are met:

- formalised documentation of the hedging relationship was prepared when the hedging was established. The documentation sets out the purpose of risk management and the hedging strategy adopted by the Group. In the documentation, the Group designates the hedging instrument to hedge a given position or transaction, and specifies the type of risk to be hedged against. The Group specifies the manner for assessing the effectiveness of the hedging instrument in compensating for changes in cash flows due to the hedged transaction in terms of mitigation of risk the Group hedges against,

- the hedging instrument and hedged instrument are similar, especially nominal value, maturity date and volatility for interest rate and foreign exchange changes,
- the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk, consistently with the originally documented risk management strategy for that particular hedging relationship,
- for cash flow hedges, a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately affect profit or loss,
- the effectiveness of the hedge may be assessed credibly, so the fair value of the hedged item or the cash flows of the said item as well as fair value of a hedge instrument may be valued credibly,
- the hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

- _Fair value hedge_

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

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

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

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

- _Cash flow hedge_

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

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

- could affect income statement.

A cash flow hedge is accounted for as follows: the changes of the fair value of the hedge instrument, which are an effective part of hedging relationship, are recognised directly in equity through the statement of comprehensive income, while the ineffective portion of the gain or loss on the hedging instrument is recognised in the income statement.

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

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

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

Derivative instruments not qualifying as hedging instruments

Changes in fair value of derivatives that do not fulfil the criteria of hedge accounting are disclosed in the income statement for the current period. Changes in fair value of IR-derivatives arising from ongoing accrual of interest coupon are disclosed under *Interest result on derivatives,* whereas the remaining part of changes in the fair value of IR-derivatives are presented under *Net income on instruments measured at fair value through profit or loss and FX-result.*

Changes in the fair value of FX-derivatives are decomposed into three elements, which are presented as follows:

- changes in fair value arising from ongoing accrual of swap/forward points are presented under *Interest result on derivatives,*
- changes in fair value due to changes of foreign exchange rates are presented under *Net income on instruments measured at fair value through profit or loss and FX-result,*
- the remaining part of change in fair value (i.e. due to the change of interest rates) is presented under *Net income on instruments measured at fair value through profit or loss and FX-result.*

Impairment

Assets valued at amortized cost

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

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

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

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

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

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

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

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

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

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

Financial assets available for sale

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

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

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

Financial assets carried at cost

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

Valuation of motivational programmes for employees

The fair value of options granted is recognised as an expense under staff expenses and is allocated over the vesting period of the options. The fair values of the option awards have been determined by using a Monte Carlo simulation. This model takes the risk free interest rate into account (2.02% to 4.62%), as well as the expected term of realisation of the options granted (5 to 9 years), the exercise price, the current share price (EUR 2.9 – EUR 26.05), the expected volatility of the certificates of ING Group shares (25% – 84%) and the expected dividends yield (0.94% to 8.99%).

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

Principles of EU programmes settlement

The Group participates in the *Human Capital* training programme taking advantage of EU funds. The funds received are recognised at the time when there are reasonable grounds to conclude that the terms of funds granting were met and the funds will be paid out. The funds obtained are recognised in the Group's financial statements in the manner ensuring commensurability with the corresponding costs for which the plan is to set them off with the EU funds obtained.

If the funding concerns an asset item, then the fair value is recognised as the deferred income, and is subsequently carried through profit and loss – gradually in equal annual write-offs – during the expected use period of the related asset item.

4. Accounting estimates

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

Estimations and assumptions applied to the presentation of value of assets, liabilities, revenues and costs are made on basis of historical data available and other factors considered to be relevant in given circumstances. Applied assumptions related to the future and available data sources are the base for making estimations regarding carrying value of assets and liabilities, which cannot be determined explicitly on the basis of other sources. The estimates reflect the reasons for/ sources of uncertainties as at the balance sheet date. The actual results may differ from estimates.

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

Major accounting estimations adopted by the Group are as follows:

Impairment of loans

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

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

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

Credit risk connected with derivative instruments

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

The approach adopted by the Group to estimation of the credit risk generated by derivative instruments with future settlement dates (active transactions outstanding as at the balance sheet date) is in line with the approach adopted by the Group for the purpose of assessing the credit risk generated by credit receivables. The valuation adjustments are estimated at the level of a single counterparty using the formula based on expert knowledge and PD, LGD ratios and amount of EPE (expected positive exposure).

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

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

Uncertainty of the estimates

The Group continues to assess the risk level related to FX options initiated in 2008. The appraisal was made as of the balance sheet date assuming the measurement level as of that date and taking into account the risk appraisal performed as of the same date.

The Group will perform periodical appraisal of the financial standing of the clients holding similar instruments. The following key factors taken into account in case of changes of risk estimates are:

- changes in the fair-value measurement of derivatives correlated with FX-rate,
- changes in the scope of the credit risk appraisal of the contracting parties by the Group.

However considering the great volatility of the business environment there still remains some uncertainty as to the Group's estimates.

Impairment of other non-current assets

At each balance sheet date the Group assesses the existence of circumstances indicating of impairment of a non-current asset. If such indicators exist the Group performs an estimation of recoverable value. Estimation of value-in-use of a non-current asset (or cash generating unit) requires assumptions to be adopted regarding among others amounts and timing of future cash flows which the Group may obtain from the given non-current asset (or cash generating unit). Adoption of different measurement assumptions could affect the carrying value of some of the non–current assets. The Group performs an estimation of the fair value less costs to sell on the basis of available market data regarding this subject or estimations made by external bodies which are also based on estimations.

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

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

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

Retirement and sick pension severance payments provision

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

The Group adopts a corridor approach to recognition of a determined portion of the cumulated net value of actuarial gains and losses. Under this method when determining an obligation due to certain benefits the Group recognises some actuarial gains and losses as revenue or costs when the net value of accumulated unrecognised actuarial gains and losses as at the end of the previous reporting period exceeds the higher of the following two values:

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

A portion of the actuarial gains and losses above the said limit is recognised in the income statement as the quotient of the above named excess and the average expected remaining working life of the Group employees. The Group presents in the balance sheet the net value of the liability comprising the current value of the liability and unrecognised actuarial gains/ losses.

Provisions for the bonus for employees and top executives

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

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

5. Comparability of financial data

The Group changed the way of presenting certain items in the profit and loss account in the interim condensed consolidated financial statements for the period started on 1 January 2011 ended on 30 June 2011 when compared to the interim condensed consolidated financial statements for the period started on 1 January 2010 ended 30 June 2010:

1. the result on valuation of IR-derivatives and the result on valuation of FX-derivatives were decomposed. As a result, the following items were singled out:
   - interest result (i.e. arising from ongoing accrual of interest coupon on the transaction or ongoing accrual of swap/ forward points),
   - FX result in terms of FX-derivatives (i.e. change in fair value due to change of foreign exchange rates),
   - remaining part of valuation result (i.e. change of fair value due to change of interest rates).
2. the interest on derivatives not covered by the hedge accounting was moved from the item *Net income on investment* to the item *Interest income.*

Moreover, more details were provided for the presentation of interest on instruments hedging cash flows, which were previously presented under *Interest income* and currently the item concerning cash flows hedging under deposits is presented under *Interest expenses.*

In the opinion of the Group, as a result of the change the quality of reported data is enhanced, and the current presentation reflects the essence and economic language of the described items in a better way.

Data for the period of 6 months 2010 presented herein was adjusted for comparability.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (in PLN thousands)	period from 1 January 2010 to 30 June 2010 in the interim condensed consolidated financial statements for the I half 2010	changes	period from 1 January 2010 to 30 June 2010 in the interim condensed consolidated financial statements for the I half 2011
Interest income	1 413 919	35 945	1 449 864
Interest expenses	653 151	1 038	654 189
Net interest income	**760 768**	**34 907**	**795 675**
Commission income	541 697	0	541 697
Commission expenses	66 277	0	66 277
Net commission income	**475 420**	**0**	**475 420**
Net income on instruments measured at fair value through profit or loss and FX result	86 203	-34 907	51 296
Net income on investment	7 060	0	7 060
Net income on hedge accounting	-22 160	0	-22 160
Net income on other basic activities	11 320	0	11 320
Result on basic activities	**1 318 611**	**0**	**1 318 611**
General and administrative expenses	797 554	0	797 554
Result on other operating income and expenses	3 842	0	3 842
Impairment losses and provision for off-balance sheet liabilities	87 376	0	87 376
Share in net profit (loss) of associated entities recognised under the equity method	18 196	0	18 196
Profit (loss) before tax	**455 719**	**0**	**455 719**
Income tax	86 675	0	86 675
Net profit (loss) from continuing operations	**369 044**	**0**	**369 044**
- attributable to owners of the parent	**369 050**	**0**	**369 050**
- attributable to non-controlling interests	**-6**	**0**	**-6**

Interim condensed consolidated financial statements (PLN thousand)

6. Supplementary notes to interim condensed consolidated financial statements

6.1. Net interest income

	II quarter 2011 the period from 01 Apr 2011 to 30 Jun 2011 *(unaudited)*	I half 2011 the period from 01 Jan 2011 to 30 Jun 2011 *(unaudited)*	II quarter 2010 the period from 01 Apr 2010 to 30 Jun 2010 *comparable data (unaudited)*	I half 2010 the period from 01 Jan 2010 to 30 Jun 2010 *comparable data (unaudited)*
Interest income				
- interest on loans and receivables to banks	29 825	56 165	29 924	54 143
- interest on loans and receivables to customers	546 470	1 043 357	431 259	855 336
- interest on debt securities	270 592	536 365	249 943	505 346
- interest result on derivatives	-13 410	-30 030	11 862	34 907
- other	141	318	70	132
Total interest income	**833 618**	**1 606 175**	**723 058**	**1 449 864**
Interest expenses				
- interest on deposits from banks	48 928	90 900	18 647	37 211
- interest on deposits from customers	325 149	620 833	299 163	616 978
Total interest expenses	**374 077**	**711 733**	**317 810**	**654 189**
Net interest income	**459 541**	**894 442**	**405 248**	**795 675**

6.2. Net commission income

	II quarter 2011 the period from 01 Apr 2011 to 30 Jun 2011 *(unaudited)*	I half 2011 the period from 01 Jan 2011 to 30 Jun 2011 *(unaudited)*	II quarter 2010 the period from 01 Apr 2010 to 30 Jun 2010 *comparable data (unaudited)*	I half 2010 the period from 01 Jan 2010 to 30 Jun 2010 *comparable data (unaudited)*
Commission income				
- commission related to brokerage activity	23 135	43 023	17 383	38 701
- commission related to keeping accounts	65 026	127 421	66 628	136 642
- commission related to loans	42 579	85 348	38 633	75 212
- commission related to loans insurance	4 821	11 020	11 262	12 748
- commission related to payment and credit cards	51 104	101 893	43 864	83 097
- commission related to distribution of participation units	22 986	45 577	20 532	36 959
- fiduciary and custodian fees	8 205	15 486	6 850	13 671
- foreign commercial business	3 712	7 154	3 207	6 332
- commission related to subscription of structured products	2 887	7 158	1 910	2 282
- the transactional margin on foreign exchange transactions*)	64 401	124 087	59 611	120 166
- commission related to sales of financial products	2 191	4 139	3 664	5 911
- other	4 635	9 241	4 071	9 976
Total commission income	**295 682**	**581 547**	**277 615**	**541 697**
Commission expenses	**37 324**	**71 837**	**30 663**	**66 277**
Net commission income	**258 358**	**509 710**	**246 952**	**475 420**

Interim condensed consolidated financial statements (PLN thousand)

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

	II quarter 2011 the period from 01 Apr 2011 to 30 Jun 2011 *(unaudited)*	**I half 2011** the period from 01 Jan 2011 to 30 Jun 2011 *(unaudited)*	**II quarter 2010** the period from 01 Apr 2010 to 30 Jun 2010 *comparable data (unaudited)*	**I half 2010** the period from 01 Jan 2010 to 30 Jun 2010 *comparable data (unaudited)*
Net income on financial assets and liabilities held for trading, of which:	**114 373**	**-42 915**	**207 395**	**163**
- Net income on equity instruments	-202	-1 213	-295	-250
- Net income on debt instruments	5 022	13 953	7 291	42 487
- Net income on derivatives, of which:	109 553	-55 655	200 399	-42 074
- currency derivatives)*	98 633	-68 715	179 183	-62 586
- interest rate derivatives	*9 750*	*9 712*	*19 711*	*17 229*
- securities derivatives	*1 170*	*3 348*	*1 505*	*3 283*
Net income on financial assets and liabilities measured at fair value upon initial recognition, of which:	**-500**	**-761**	**-1 342**	**-1 510**
- Net income on debt instruments	-500	-761	-1 342	-1 510
FX-result	**-102 341**	**81 964**	**-183 239**	**52 643**
Net income on instruments measured at fair value through profit or loss and FX result	**11 532**	**38 288**	**22 814**	**51 296**

*) The item *net income on derivatives - currency derivatives* includes a counterparty risk charge related to transactions on FX Options. In the presented periods the releases occured which amounted to PLN 5,746 thousand in 1HY 2011 and PLN 130 thousand in 1HY 2010.

6.4. Net income on investments

	II quarter 2011 the period from 01 Apr 2011 to 30 Jun 2011 *(unaudited)*	**I half 2011** the period from 01 Jan 2011 to 30 Jun 2011 *(unaudited)*	**II quarter 2010** the period from 01 Apr 2010 to 30 Jun 2010 *(unaudited)*	**I half 2010** the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*
Net income on debt instruments available-for-sale	-159	18 052	-462	3 315
Net income on financial assets held-to-maturity*)	1 908	1 908	0	0
Dividend income	4 394	4 410	3 485	3 745
Net income on investments	**6 143**	**24 370**	**3 023**	**7 060**

*) The amount of PLN 1,908 thousand presented in this note as the net income no financial assets held-to-maturity is the result of sale of debt securities classified to this portfolio. The early sale transaction of the abovementioned debt securities has been described in these interim condensed consolidated financial statements in item 7 ”Significant Events in I half 2011”.

Interim condensed consolidated financial statements (PLN thousand)

6.5. Net income on hedge accounting

	II quarter 2011 the period from 01 Apr 2011 to 30 Jun 2011 *(unaudited)*	**I half 2011** the period from 01 Jan 2011 to 30 Jun 2011 *(unaudited)*	**II quarter 2010** the period from 01 Apr 2010 to 30 Jun 2010 *(unaudited)*	**I half 2010** the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*
Fair value hedge accounting for securities	**-5 499**	**-21 398**	**-15 301**	**-22 350**
- valuation of the hedged transaction	76 366	-52 302	129 229	262 252
- valuation of the hedging transaction	-81 865	30 904	-144 530	-284 602
Cash flow hedge accounting	**2 338**	**1 978**	**35**	**190**
- ineffectiveness that arises from cash flow hedges	2 338	1 978	35	190
Net income on hedge accounting	**-3 161**	**-19 420**	**-15 266**	**-22 160**

6.6. General and administrative expenses

	II quarter 2011 the period from 01 Apr 2011 to 30 Jun 2011 *(unaudited)*	**I half 2011** the period from 01 Jan 2011 to 30 Jun 2011 *(unaudited)*	**II quarter 2010** the period from 01 Apr 2010 to 30 Jun 2010 *(unaudited)*	**I half 2010** the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*
Personnel expenses	205 654	406 693	187 318	366 772
Other	214 127	421 836	216 132	430 782
General and administrative expenses	**419 781**	**828 529**	**403 450**	**797 554**

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

	II quarter 2011 the period from 01 Apr 2011 to 30 Jun 2011 *(unaudited)*	**I half 2011** the period from 01 Jan 2011 to 30 Jun 2011 *(unaudited)*	**II quarter 2010** the period from 01 Apr 2010 to 30 Jun 2010 *(unaudited)*	**I half 2010** the period from 01 Jan 2010 to 30 Jun 2010 *(unaudited)*
Impairment losses	113 482	245 583	85 893	246 455
Reversed impairment losses	-75 779	-150 812	-46 616	-159 079
Net impairment losses and provisions for off-balance sheet liabilities	**37 703**	**94 771**	**39 277**	**87 376**

Interim condensed consolidated financial statements (PLN thousand)

6.8. Loans and receivables to other banks

	I half 2011 as of 30 Jun 2011 *(unaudited)*	**end of year 2010** as of 31 Dec 2010	**I half 2010** as of 30 Jun 2010 *(unaudited)*
Current accounts	257 014	375 718	346 330
Interbank deposits	1 427 987	685 954	1 476 740
Other receivables, of which:	73 313	119 523	117 054
- loans and advances	*43 317*	*73 145*	*75 519*
- other receivables	*29 996*	*46 378*	*41 535*
Total (gross)	**1 758 314**	**1 181 195**	**1 940 124**
Impairment losses	-64	-90	-16
Total (net)	**1 758 250**	**1 181 105**	**1 940 108**

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

	I half 2011 as of 30 Jun 2011 *(unaudited)*	**end of year 2010** as of 31 Dec 2010	**I half 2010** as of 30 Jun 2010 *(unaudited)*
Financial assets held for trading, of which:	436 032	512 732	912 056
- debt instruments	*431 056*	*489 863*	*904 767*
- equity instruments	*4 976*	*22 869*	*7 289*
Financial assets designated as at fair value upon initial recognition, of which:	136 477	146 874	539 498
- debt instruments	*62 534*	*61 222*	*191 838*
- transactions with the buy-back commitment	*73 943*	*85 652*	*347 660*
Total	**572 509**	**659 606**	**1 451 554**

6.10. Investments

	I half 2011 as of 30 Jun 2011 *(unaudited)*	**end of year 2010** as of 31 Dec 2010	**I half 2010** as of 30 Jun 2010 *(unaudited)*
Available-for-sale financial assets, of which:	18 998 107	16 788 801	14 323 677
- debt instruments, including:	*18 950 256*	*16 740 506*	*14 273 461*
- hedged items in fair value hedging	*2 097 714*	*3 221 405*	*3 031 951*
- equity instruments	*47 851*	*48 295*	*50 216*
Held-to-maturity financial assets, of which:	4 949 351	6 218 011	6 685 039
- debt instruments	*4 949 351*	*6 218 011*	*6 685 039*
Total	**23 947 458**	**23 006 812**	**21 008 716**

Interim condensed consolidated financial statements (PLN thousand)

6.11. Loans and receivables to customers

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

	I half 2011 as of 30 Jun 2011 *(unaudited)*	**end of year 2010** as of 31 Dec 2010	**I half 2010** as of 30 Jun 2010 *(unaudited)*
Loans and advances, of which:	2 714 154	2 585 001	2 419 980
- in the current account	*501 914*	*434 847*	*368 967*
- term ones	*2 212 240*	*2 150 154*	*2 051 013*
Reverse repo transactions	80 705	0	128 144
Other receivables	154 813	83 234	129 595
Total (gross)	**2 949 672**	**2 668 235**	**2 677 719**
Impairment losses, of which	-210	-1 942	-1 728
- concerning loans and advances	*-210*	*-1 942*	*-1 728*
Total (net)	**2 949 462**	**2 666 293**	**2 675 991**

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

	I half 2011 as of 30 Jun 2011 *(unaudited)*	**end of year 2010** as of 31 Dec 2010	**I half 2010** as of 30 Jun 2010 *(unaudited)*
Loans and advances granted to business entities, of which:	14 197 079	12 963 925	12 362 551
- in the current account	*4 490 638*	*3 724 286*	*3 930 492*
- term ones	*9 706 441*	*9 239 639*	*8 432 059*
Loans and advances granted to households, of which:	14 034 761	12 630 824	11 110 237
- in the current account	*1 356 781*	*1 255 844*	*1 308 036*
- term ones	*12 677 980*	*11 374 980*	*9 802 201*
Debt securities	537 498	646 560	306 660
Other receivables	57 750	64 438	57 994
Total (gross)	**28 827 088**	**26 305 747**	**23 837 442**
Impairment losses, of which:	-1 140 518	-1 081 946	-972 625
- concerning loans and advances	*-1 135 340*	*-1 076 767*	*-964 061*
- concerning other receivables	*-5 178*	*-5 179*	*-8 564*
Total (net)	**27 686 570**	**25 223 801**	**22 864 817**

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

	I half 2011 as of 30 Jun 2011 *(unaudited)*	**end of year 2010** as of 31 Dec 2010	**I half 2010** as of 30 Jun 2010 *(unaudited)*
Loans and advances, of which:	2 740 487	2 820 476	2 389 685
- in the current account	*64 872*	*8 416*	*63 958*
- term ones	*2 675 615*	*2 812 060*	*2 325 727*
Debt securities, of which:	3 719 385	3 799 874	3 852 858
- hedged items in fair value hedging	*3 189 042*	*3 268 457*	*3 447 705*
Other receivables	310	58	40
Total (gross)	**6 460 182**	**6 620 408**	**6 242 583**
Impairment losses, of which:	-1 426	-1 503	-2 205
- concerning loans and advances	*-1 426*	*-1 503*	*-2 205*
Total (net)	**6 458 756**	**6 618 905**	**6 240 378**

Interim condensed consolidated financial statements (PLN thousand)

Loans and other receivables to customers – total

	I half 2011 as of 30 Jun 2011 (unaudited)	end of year 2010 as of 31 Dec 2010	I half 2010 as of 30 Jun 2010 (unaudited)
Loans and advances	33 686 481	31 000 226	28 282 453
Debt securities	4 256 883	4 446 434	4 159 518
Reverse repo transactions	80 705	0	128 144
Other receivables	212 873	147 730	187 629
Loans and other receivables to customers (gross)	**38 236 942**	**35 594 390**	**32 757 744**
Impairment losses, of which	-1 142 154	-1 085 391	-976 558
- concerning loans and advances	*-1 136 976*	*-1 080 212*	*-967 994*
- concerning other receivables	*-5 178*	*-5 179*	*-8 564*
Loans and other receivables to customers (net)	**37 094 788**	**34 508 999**	**31 781 186**

Loans and advances to customers by client segment

	I half 2011 as of 30 Jun 2011 (unaudited)	end of year 2010 as of 31 Dec 2010	I half 2010 as of 30 Jun 2010 (unaudited)
Loans and advances to customers (gross), of which:	**33 686 481**	**31 000 226**	**28 282 453**
- loans and advances to corporate customers, of which:	19 882 172	18 405 410	17 178 389
- loans and advances to strategic clients	*7 607 426*	*7 278 159*	*6 892 361*
- other loans and advances	*12 274 746*	*11 127 251*	*10 286 028*
- loans and advances to retail customers, of which:	13 804 309	12 594 816	11 104 064
- mortgage loans and advances	*9 632 337*	*8 384 557*	*6 988 423*
- other loans and advances	*4 171 972*	*4 210 259*	*4 115 641*
Impairment losses, of which:	**1 136 976**	**1 080 212**	**967 994**
- concerning loans and advances to corporate customers, of which:	788 303	774 774	709 001
- loans and advances to strategic clients	*172 736*	*181 199*	*147 866*
- other loans and advances	*615 567*	*593 575*	*561 135*
- concerning loans and advances to retail customers, of which:	348 673	305 438	258 993
- mortgage loans and advances	*50 430*	*42 558*	*39 511*
- other loans and advances	*298 243*	*262 880*	*219 482*
Loans and advances to customers (net), of which:	**32 549 505**	**29 920 014**	**27 314 459**
- loans and advances to corporate customers, of which:	19 093 869	17 630 636	16 469 388
- loans and advances to strategic clients	*7 434 690*	*7 096 960*	*6 744 495*
- other loans and advances	*11 659 179*	*10 533 676*	*9 724 893*
- loans and advances to retail customers, of which:	13 455 636	12 289 378	10 845 071
- mortgage loans and advances	*9 581 907*	*8 341 999*	*6 948 912*
- other loans and advances	*3 873 729*	*3 947 379*	*3 896 159*

Interim condensed consolidated financial statements (PLN thousand)

6.12. Quality of portfolio of loans and advances

Quality of loans and advances to customers portfolio

	I half 2011 as of 30 Jun 2011 *(unaudited)*	**end of year 2010** as of 31 Dec 2010	**I half 2010** as of 30 Jun 2010 *(unaudited)*
Corporate activity			
Exposure	**19 882 172**	**18 405 410**	**17 178 389**
- unimpaired (IBNR – incured but not reported)	18 735 869	17 227 793	16 131 828
- impaired	1 146 303	1 177 617	1 046 561
Impairment losses and provisions	**798 917**	**785 850**	**726 576**
- related to unimpaired portfolio	60 339	62 106	72 722
- related to impaired portfolio	727 964	712 668	636 279
- provisions for off-balance sheet liabilities	10 614	11 076	17 575
Impaired portfolio coverage ratio (%)	63.5%	60.5%	60.8%
Retail activity			
Exposure	**13 804 309**	**12 594 816**	**11 104 064**
- unimpaired (IBNR – incured but not reported)	13 432 375	12 264 806	10 841 927
- impaired	371 934	330 010	262 137
Impairment losses	**348 689**	**305 504**	**258 993**
- related to unimpaired portfolio	97 792	90 064	88 075
- related to impaired portfolio	250 881	215 374	170 918
- provisions for off-balance sheet liabilities	16	66	0
Impaired portfolio coverage ratio (%)	67.5%	65.3%	65.2%
Total exposure	**33 686 481**	**31 000 226**	**28 282 453**
Impairment losses and total provisions, of which:	**1 147 606**	**1 091 354**	**985 569**
- impairment losses	1 136 976	1 080 212	967 994
- provisions for off-balance sheet liabilities	10 630	11 142	17 575
Total portfolio coverage ratio	3.4%	3.5%	3.5%
Share of the impaired portfolio	4.5%	4.9%	4.6%
Impaired portfolio coverage ratio (%)	**64.5%**	**61.6%**	**61.7%**

The corporate activity includes exposures and impairment losses concerning receivables related to transactions on derivatives. As at 30 Jun 2011, 31 Dec 2010 and 30 Jun 2010 these receivables amounted to respectively PLN 325,164 thousand, 359,323 thousand and 343,383 thousand, whereas impairment losses – respectively: PLN 275,078 thousand, 288,177 thousand and 270,806 thousand.

Interim condensed consolidated financial statements (PLN thousand)

Changes in impairment losses

(including provisions for off-balance sheet liabilities and impairment losses concerning loans and advances to other banks)

I half 2011 period from 01 Jan 2011 to 30 Jun 2011 *(unaudited)*	Charges for loans and advances and off-balance sheet exposure	*including charges for loans and advances to other banks*	Charges for receivables related to transactions on derivatives	**TOTAL**
Opening balance of impairment losses	**803 267**	***90***	**288 177**	**1 091 444**
- changes in income statement	94 100	*-26*	671	94 771
- depreciation	-20 232	*0*	0	-20 232
- restructuring and forgiveness of the debts related to transactions on derivatives*)	0	*0*	-13 770	-13 770
- transfer of provisions from off-balance sheet after their repayment	8 670	*0*	0	8 670
- other (inclusive, but not limited to unwinding interest, FX differences)	-13 213	*0*	0	-13 213
Closing balance of impairment losses	**872 592**	***64***	**275 078**	**1 147 670**

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

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

Interim condensed consolidated financial statements (PLN thousand)

Loans and advances to customers portfolio classified according to impaired / unimpaired

	I half 2011 as of 30 Jun 2011 *(unaudited)*	**end of year 2010** as of 31 Dec 2010	**I half 2010** as of 30 Jun 2010 *(unaudited)*
Loans and advances to customers (gross), of which:	33 686 481	31 000 226	28 282 453
- unipaired (IBNR)	*32 168 244*	*29 492 599*	*26 973 755*
- impaired	*1 518 237*	*1 507 627*	*1 308 698*
Impairment losses, of which:	-1 136 976	-1 080 212	-967 994
- related to unipaired portfolio	*-158 131*	*-152 170*	*-160 797*
- related to impaired portfolio	*-978 845*	*-928 042*	*-807 197*
Loans and advances to customers (net)	**32 549 505**	**29 920 014**	**27 314 459**

Loans and advances to customers portfolio classified according to impairment estimation methods

	I half 2011 as of 30 Jun 2011 *(unaudited)*	**end of year 2010** as of 31 Dec 2010	**I half 2010** as of 30 Jun 2010 *(unaudited)*
Loans and advances to customers (gross), of which:	33 686 481	31 000 226	28 282 453
- measured individually	*1 068 073*	*1 105 381*	*796 263*
- measured as the portfolio	*32 618 408*	*29 894 845*	*27 486 190*
Impairment losses, of which:	-1 136 976	-1 080 212	-967 994
- related to measured individually	*-666 840*	*-664 172*	*-312 443*
- related to measured as the portfolio	*-470 136*	*-416 040*	*-655 551*
Loans and advances to customers (net)	**32 549 505**	**29 920 014**	**27 314 459**

6.13. Liabilities due to other banks

	I half 2011 as of 30 Jun 2011 *(unaudited)*	**end of year 2010** as of 31 Dec 2010	**I half 2010** as of 30 Jun 2010 *(unaudited)*
Current accounts	344 445	278 926	423 757
Interbank deposits	4 992 118	3 086 280	3 008 219
Repo transactions	3 585 765	657 776	1 738 163
Other liabilities	15 735	16 129	20 101
Total	**8 938 063**	**4 039 111**	**5 190 240**

Interim condensed consolidated financial statements (PLN thousand)

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

	I half 2011 as of 30 Jun 2011 *(unaudited)*	**end of year 2010** as of 31 Dec 2010	**I half 2010** as of 30 Jun 2010 *(unaudited)*
Financial liabilities designated as at fair value upon initial recognition, of which:	1 417 565	4 323 698	2 063 306
Transactions with the buy-back commitment	*1 417 565*	*4 323 698*	*2 063 306*
Book short position in trading securities	226 033	357 726	60 147
Total	**1 643 598**	**4 681 424**	**2 123 453**

6.15. Liabilities due to customers

Liabilities due to entities from the financial sector other than banks

	I half 2011 as of 30 Jun 2011 *(unaudited)*	**end of year 2010** as of 31 Dec 2010	**I half 2010** as of 30 Jun 2010 *(unaudited)*
Deposits	2 637 795	2 540 617	3 736 476
- current accounts	*1 715 065*	*1 442 475*	*1 843 228*
- term deposit	*922 730*	*1 098 142*	*1 893 248*
Repo transactions	99 056	0	131 336
Other liabilities	109 842	137 319	157 911
Total	**2 846 693**	**2 677 936**	**4 025 723**

Liabilities due to entities from the non-financial sector

	I half 2011 as of 30 Jun 2011 *(unaudited)*	**end of year 2010** as of 31 Dec 2010	**I half 2010** as of 30 Jun 2010 *(unaudited)*
Business entities' deposits	12 110 714	12 483 581	11 136 631
- current accounts	*8 908 910*	*9 153 387*	*8 297 458*
- term deposit	*3 201 804*	*3 330 194*	*2 839 173*
Households' deposits	31 154 782	30 117 734	28 969 864
- current accounts	*4 957 822*	*4 792 359*	*4 239 053*
- saving accounts and term deposits	*26 196 960*	*25 325 375*	*24 730 811*
Other liabilities	534 436	424 008	438 871
Total	**43 799 932**	**43 025 323**	**40 545 366**

Interim condensed consolidated financial statements _(PLN thousand)_

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

	I half 2011 as of 30 Jun 2011 _(unaudited)_	**end of year 2010** as of 31 Dec 2010	**I half 2010** as of 30 Jun 2010 _(unaudited)_
Deposits	1 637 318	1 694 915	1 382 533
- current accounts	_1 285 700_	_1 455 261_	_1 081 422_
- term deposit	_351 618_	_239 654_	_301 111_
Repo transactions	2 130	1 895	593
Other liabilities	**1 639 448**	**1 696 810**	**1 383 126**

Liabilities due to customers – total

	I half 2011 as of 30 Jun 2011 _(unaudited)_	**end of year 2010** as of 31 Dec 2010	**I half 2010** as of 30 Jun 2010 _(unaudited)_
Deposits	47 540 609	46 836 847	45 225 504
Repo transactions	99 056	0	131 336
Other liabilities	646 408	563 222	597 375
Liabilities due to customers	**48 286 073**	**47 400 069**	**45 954 215**

6.16. Provisions

	I half 2011 as of 30 Jun 2011 _(unaudited)_	**end of year 2010** as of 31 Dec 2010	**I half 2010** as of 30 Jun 2010 _(unaudited)_
Provision for issues in dispute	20 267	20 218	6 175
Provision for off-balance sheet liabilities	10 630	11 142	17 575
Provision for retirement benefits	15 888	15 888	14 410
Provision for unused holidays	6 256	6 256	5 460
Provision for employment restructuring	13 890	2 340	2 850
Total	**66 931**	**55 844**	**46 470**

Due to the change in organisation of work procedure commencement in Q2 2011, the headcount restructuring provision totalling PLN 13,886 thousand was established. The restructuring is the result of the Group's project aiming at retail area optimisation (simplification of organisational structure, use of modern distribution channels and sales process enhancement).

Interim condensed consolidated financial statements (PLN thousand)

6.17. Fair value

Fair value measurement categories for financial assets and liabilities

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

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

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

I HY 2011
as of 30 Jun 2011 *(unaudited)*

	Level I	Level II	Level III	Total
Financial assets, of which:	**13 375 328**	**7 171 966**	**103 913**	**20 651 207**
- Financial assets held for trading, of which:	349 611	86 421	0	**436 032**
- treasury bills	*0*	*86 421*	*0*	*86 421*
- treasury bonds	*344 635*	*0*	*0*	*344 635*
- equity instruments	*4 976*	*0*	*0*	*4 976*
- Financial assets designated as at fair value upon initial recognition, of which:	73 943	0	62 534	**136 477**
- corporate bonds	*0*	*0*	*62 534*	*62 534*
- buy-sell-back	*73 943*	*0*	*0*	*73 943*
- Valuation of derivatives	0	912 643	0	**912 643**
- Financial assets available-for sale, of which:	12 951 774	6 004 954	41 379	**18 998 107**
- treasury bonds	*11 855 192*	*0*	*0*	*11 855 192*
- NBP bills	*0*	*5 999 244*	*0*	*5 999 244*
- BGK bonds	*1 095 723*	*0*	*0*	*1 095 723*
- equity instruments	*859*	*5 613*	*41 379*	*47 851*
- treasury bills	*0*	*97*	*0*	*97*
- Derivative hedge instruments	0	167 948	0	**167 948**
Financial liabilities, of which:	**1 643 598**	**1 366 450**	**0**	**3 010 048**
- Financial liabilities designated as at fair value upon initial recognition, of which:	1 417 565	0	0	**1 417 565**
- sell-buy-back	*1 417 565*	*0*	*0*	*1 417 565*
- Book short position in trading securities	226 033	0	0	**226 033**
- Valuation of derivatives	0	938 935	0	**938 935**
- Derivative hedge instruments	0	427 515	0	**427 515**

Interim condensed consolidated financial statements (PLN thousand)

end of 2010
as of 31 Dec 2010

	Level I	Level II	Level III	Total
Financial assets, of which:	**12 259 224**	**6 349 184**	**103 692**	**18 712 100**
- Financial assets held for trading, of which:	231 536	281 196	0	**512 732**
- treasury bills	*0*	*281 196*	*0*	*281 196*
- treasury bonds	*208 667*	*0*	*0*	*208 667*
- equity instruments	*22 869*	*0*	*0*	*22 869*
- Financial assets designated as at fair value upon initial recognition, of which:	83 175	2 477	61 222	**146 874**
- corporate bonds	*0*	*0*	*61 222*	*61 222*
- buy-sell-back	*83 175*	*2 477*	*0*	*85 652*
- Valuation of derivatives	0	1 158 897	0	**1 158 897**
- Financial assets available-for sale, of which:	11 944 513	4 801 818	42 470	**16 788 801**
- treasury bonds	*10 888 661*	*0*	*0*	*10 888 661*
- NBP bills	*0*	*4 796 736*	*0*	*4 796 736*
- BGK bonds	*1 055 011*	*0*	*0*	*1 055 011*
- equity instruments	*841*	*4 984*	*42 470*	*48 295*
- treasury bills	*0*	*98*	*0*	*98*
- Derivative hedge instruments	0	104 796	0	**104 796**
Financial liabilities, of which:	**4 681 424**	**1 893 116**	**0**	**6 574 540**
- Financial liabilities designated as at fair value upon initial recognition, of which:	4 323 698	0	0	**4 323 698**
- sell-buy-back	*4 323 698*	*0*	*0*	*4 323 698*
- Book short position in trading securities	357 726	0	0	**357 726**
- Valuation of derivatives	0	1 292 661	0	**1 292 661**
- Derivative hedge instruments	0	600 455	0	**600 455**

I HY 2010
as of 30 Jun 2010 – comparable data *(unaudited)*

	Level I	Level II	Level III	Total
Financial assets, of which:	**12 307 962**	**5 074 561**	**236 549**	**17 619 072**
- Financial assets held for trading, of which:	785 438	126 618	0	**912 056**
- treasury bills	*0*	*126 618*	*0*	*126 618*
- treasury bonds	*778 149*	*0*	*0*	*778 149*
- equity instruments	*7 289*	*0*	*0*	*7 289*
- Financial assets designated as at fair value upon initial recognition, of which:	347 660	0	191 838	**539 498**
- corporate bonds	*0*	*0*	*191 838*	*191 838*
- buy-sell-back	*347 660*	*0*	*0*	*347 660*
- Valuation of derivatives	0	1 755 710	0	**1 755 710**
- Financial assets available-for sale, of which:	11 174 864	3 104 102	44 711	**14 323 677**
- treasury bonds	*10 078 989*	*0*	*0*	*10 078 989*
- NBP bills	*0*	*3 099 399*	*0*	*3 099 399*
- BGK bonds	*1 094 974*	*0*	*0*	*1 094 974*
- equity instruments	*901*	*4 604*	*44 711*	*50 216*
- treasury bills	*0*	*99*	*0*	*99*
- Derivative hedge instruments	0	88 131	0	**88 131**
Financial liabilities, of which:	**2 123 453**	**1 878 609**	**0**	**4 002 062**
- Financial liabilities designated as at fair value upon initial recognition, of which:	2 063 306	0	0	**2 063 306**
- sell-buy-back	*2 063 306*	*0*	*0*	*2 063 306*
- Book short position in trading securities	60 147	0	0	**60 147**
- Valuation of derivatives	0	1 215 300	0	**1 215 300**
- Derivative hedge instruments	0	663 309	0	**663 309**

Interim condensed consolidated financial statements (PLN thousand)

6.18. Solvency ratio

	I half 2011 as of 30 Jun 2011 *(unaudited)*	**end of year 2010** as of 31 Dec 2010	**I half 2010** as of 30 Jun 2010 *(unaudited)*
Own funds components			
Share capital	130 100	130 100	130 100
Issue premium	956 250	956 250	956 250
Other supplementary capital	75 163	75 055	74 978
Capital reserve including retained profit of past years	3 309 288	2 808 602	2 808 584
Net profit of current period in audited part	0	369 049	0
Non-controlling interests	2 274	2 352	2 307
General risk fund	910 179	850 179	850 179
Revaluation reserve	44 634	8 125	-3 924
Funds adjustment by intangibles	-357 833	-342 213	-325 876
Funds adjustment by capital commitments in financial institutions	-40 000	-40 000	-40 000
Short-term capital	59 816	26 506	38 865
Total own funds	**5 089 871**	**4 844 005**	**4 491 463**
Capital requirements			
Capital requirements for credit risk, credit counterparty, dilution and delivery of instruments for future settlement	2 806 056	2 581 597	2 496 003
Capital requirement for the risk of settlement - delivery	6 306	5 064	4 062
Capital requirements for the capital securities rate risk, debt instruments rates risk, FX risk and commodity rates risk	22 243	1 753	8 742
Capital requirement for operational risk	361 683	326 871	326 871
Capital requirement for general interest rate risk	31 267	19 689	26 060
Capital requirement due to exposure concentration limit and large exposures limit overrun	880	11 998	0
Total capital requirement	**3 228 435**	**2 946 972**	**2 861 738**
Solvency ratio	**12.61%**	**13.15%**	**12.56%**

7. Significant events in I half 2011

Resignation of Management Board Member

On 27 June 2011, Mr. Evert Derks Drok tendered his resignation from the position of the Vice-President of the Management Board of ING Bank Śląski S.A. to the Chairperson of the Supervisory Board of ING Bank Śląski S.A. for personal reasons.

Conclusion of a Significant Agreement

On 17 June 2011, as part of a consortium, ING Bank Śląski S.A. concluded together with another bank a credit agreement with an entity from the wholesale sector to the maximum total amount of PLN 1,070,000,000.00 for the term of 4 years. The funding share of the Bank is 50% of the total (or PLN 535,000,000.00). Under the agreement, the Bank will act as one of two loan arrangers and as a collateral agent. The total credit exposure of the Bank towards the said entity and their Group entities is PLN 1,115,000,000.00. The said agreement has been recognized as significant due to its total exposure value, exceeding 10% of the Bank's equity.

Intention of Merger of ING Bank Sląski S.A.with ING Bank Hipoteczny S.A.

On 26 May 2011, the Management Board of ING Bank Śląski S.A. communicated their intention to merge with ING Bank Hipoteczny S.A. Both companies will merge under Article 492 para. 1 (1) of the Polish Commercial Companies Code dated 15 September 2000 by transfer of the entire assets of the Taken-over Company ING Bank Hipoteczny S.A. to the Taking-over Company ING Bank Śląski S.A. The intention to merge was accepted by the Supervisory Board of ING Bank Śląski S.A. The operations of ING Bank Hipoteczny will be further pursued within ING Bank Śląski S.A. Petition for granting consent to the merger was sent to the Polish Financial Supervision Authority on 27 May 2011.

Taking Action to Split the Face Value of ING Bank Śląski S.A Stock.

On 26 May 2011, the Management Board of ING Bank Śląski S.A. communicated their intention to apply the procedure to split the face value of Bank's stock by 10.

Bearing in mind the provisions of the Banking Law, the Management Board decided to approach the Polish Financial Supervision Authority and request its permission to make the relevant amendment to the Bank's Charter. Following the consent (a letter by the Polish Financial Supervision Authority dated 11 July 2011), the Management Board plan to request the General Meeting to pass a resolution on amending the Bank' Charter in the part concerning the share capital.

The Bank's share capital will remain unchanged following the split; however, it will be sub-divided into 130,100,000 shares worth PLN 1 each instead of the existing 13,010,000 shares worth PLN 10 each.

The decision of the Management Board is dictated by the following reasons:

- Increasing the availability of the shares of ING Bank Śląski S.A. and making it available to a larger investor pool, especially individual investors,
- Increasing the liquidity of ING Bank Śląski S.A. shares on the Warsaw Stock Exchange.

The Management Board's proposal was given a positive advice by the Supervisory Board of ING Bank Śląski S.A. In keeping with the action plan assumed by the Management Board, the first stock quotation after the split of the face value is planned before this yearend.

Lodging a claim to declare null and void or cancel the resolutions passed by the General Meeting

On 18 May 2011, the Management Board of ING Bank Śląski S.A. was informed that the District Court in Katowice received a claim lodged by two shareholders; namely: Związek Zawodowy Górników w Polsce [Polish Coal Miners Association] and the Trade Union "KADRA" of the Employees of Katowicki Holding Węglowy S.A. [Katowice Coal Mining Holding] to declare null and void or cancel the resolutions of the General Meeting of ING Bank Śląski S.A. passed on 7 April 2011:

– no. 1 on approving the annual financial statements of ING Bank Śląski S.A. for the period from 1 January 2010 to 31 December 2010,
– no. 5 on acknowledging performance of duties by the President of the Management Board of ING Bank Śląski S.A. – Ms. Małgorzata Kołakowska for the period from 1 January 2010 to 31 December 2010,
– no. 21 on 2010 profit allocation.

The first trial before the District Court in Katowice was planned for 22 August 2011. The above case does not have a substantial impact on the financial statements.

Sale of securities from portfolio of financial assets held to maturity

In H1 2011, the Group sold securities of the face value of PLN 1,241,500 from the portfolio of the financial assets held to maturity. The sale took place on 20 April 2011 and concerned sale of securities with maturity date as at 24 May 2011. The aim of the sale was to change securities with approaching maturity date to securities with longer maturity date, which upon purchase were classified to the portfolio of available-for-sale financial assets. The sale transaction has been previously analysed in terms of fulfilment of requirements determined in IAS 39 concerning the possibility of premature sale of financial assets held to maturity; in the said case the premature sale was admitted on account of securities' close (less than 3 months) maturity date and small impact of market changes on their fair value. The Group earned a positive result on this transaction amounting to PLN 1,908 thousand.

Information on objections raised to the agenda of the Ordinary General Meeting of ING Bank Śląski S.A.

On 7 April 2011, during session of the Ordinary General Meeting to the following resolutions:

– Resolution No. 1 on approving the annual financial statements of ING Bank Śląski S.A. for the period started 1 January 2010 and ended 31 December 2010,
– Resolution No. 2 on approving the Management Board's report on the operations of ING Bank Śląski S.A. in the year 2010, including report on observance of corporate governance rules,
– Resolution No. 3 on approving the annual consolidated financial statements of the capital group of ING Bank Śląski S.A. for the period started 1 January 2010 and ended 31 December 2010,
– Resolution No. 4 on approving of the Management Board's report on the operations of the Capital Group of ING Bank Śląski S.A. in the year 2010,

- Resolution No. 5 on acknowledgement of fulfilment of duties by the President of the Bank Management Board – Ms. Małgorzata Kołakowska in the year 2010,
- Resolution No. 6 on acknowledgement of fulfilment of duties by the Vice-President of the Bank Management Board – Mr. Mirosław Boda in the year 2010,
- Resolution No. 7 on acknowledgement of fulfilment of duties by the Vice-President of the Bank Management Board – Mr. Michał Bolesławski in the year 2010,
- Resolution No. 8 on acknowledgement of fulfilment of duties by the Vice-President of the Bank Management Board – Mr. Evert Derks Drok in the year 2010,
- Resolution No. 9 on acknowledgement of fulfilment of duties by the Vice-President of the Bank Management Board – Ms. Justyna Kesler in the year 2010,
- Resolution No. 10 on acknowledgement of fulfilment of duties by the Vice-President of the Bank Management Board – Mr. Oscar Edward Swan in the year 2010,
- Resolution No. 21 on distribution of profit for the year 2010,
- Resolution No. 22 on dividend payout for the year 2010.

The Proxy representing two Shareholders, who held 1 share of the Bank each, requested that an objection be placed on record with respect to the said Resolutions.

General Meeting of ING Bank Śląski S.A.

On 7 April 2011, the General Meeting of ING Bank Śląski S.A. was held.

Resignation of the Supervisory Board Member of ING Bank Śląski S.A.

On 1 April 2011, Mr. Cornelis Leenaars handed in to the Chair of the Supervisory Board of ING Bank Śląski S.A. a resignation as Supervisory Board Member of ING Bank Śląski S.A., as of 6 April 2011.

Registration of amendments to the Charter of ING Bank Śląski S.A.

By the decision dated 14 March 2011 of the District Court in Katowice, the Commercial Section of the National Court Register, the amendments to the Bank's Charter adopted by the Extraordinary General Meeting dated 23 December 2011 were entered into the register.

Portfolio sale

On 9 March 2011, ING Bank Śląski S.A. concluded agreement on sale of portfolio of identified non-performing loans with Ultimo Non-standardised Closed Securitization Investment Fund. The total amount of debt claims sold as part of the above agreement totalled PLN 41 million (principal, interests and related accounts receivable) covered in essential part with impairment valuation or written off the Group balance sheet in full.

Selection of Chartered Auditor

On 3 March 2011, the Supervisory Board of ING Bank Śląski S.A. selected Ernst & Young Audit Spółka z o.o. with registered office in Warszawa as its chartered auditor examining the financial statements of ING Bank Śląski S.A. and the Capital Group of

ING Bank Śląski S.A. for the period of one year, starting with review of the 1Q 2011 financial statements to annual financial statements for the year 2011.

ING Bank Śląski S.A. uses the services of Ernst & Young Audit Spółka z o.o. within the scope of examining the Bank financial statements since 2008.

Judgment of the Appellate Court dismissing the appeal of petitioners in the lawsuit concerning revocation of resolutions of the General Meeting.

The Management Board of ING Bank Śląski S.A. hereby give notice that on 22 February 2011 it learnt about the fact of issuing a judgment by the Appellate Court in Katowice dismissing the appeal of the Miners Trade Union in Poland and "Kadra" Trade Union of Employees of Katowicki Holding Węglowy S.A. against the partial judgment of the Regional Court in Katowice dated 6 October 2010 whereby the said Court dismissed the claim for declaration of invalidity of resolutions of the Ordinary General Meeting of ING Bank Śląski S.A. of 8 April 2010 mentioned in the Bank's current report no.17/2010 of 18 May 2010.

- Resolution no. 1 on approving the annual financial statements of ING Bank Śląski S.A. for the period started 1 January 2009 and ended 31 December 2009,
- Resolution no. 5 on acknowledgement of fulfilment of duties by the President of ING Bank Śląski S.A. Management Board – Mr. Brunon Bartkiewicz for the period started 1 January 2009 and ended 31 December 2009,
- Resolution no. 10 on acknowledgement of fulfilment of duties by the President of ING Bank Śląski S.A. Management Board – Ms. Małgorzata Kołakowska for the period started 1 January 2009 and ended 31 December 2009, acting as the President of the Management Board on the day of drawing up the financial statements of ING Bank Śląski S.A. for 2009,
- Resolution no. 21 on approving the distribution of profit for the year 2009, as a consequence of an appeal against Resolution no. 1.

8. Significant developments after the closing of the interim period

Conclusion of a Significant Agreement

On 21 July 2011, ING Bank Śląski S.A. signed together with the consortium of other banks an annex to the Agreement discussed in the Current Report of 10 June 2010, with an entity from the fuel and energy sector for expanding the bond issue programme by this entity within a four-year period, to the maximum issue limit up to PLN 5,000,000,000.00. Under the Agreement ING Bank Śląski S.A. will be acting as Issue Agent of the programme. Moreover ING Bank Śląski S.A. is entitled to assume rights and obligations of one of the banks being underwriters of the programme and in a consequence it may take up bonds whose value may exceed 10% of the Bank's equity, however, not more than PLN 917,000,000.00. The borrower is not related to ING Bank Śląski S.A.

Rating assignment by Fitch Ratings Ltd.

On 20 July 2011, the Fitch Ratings Ltd.("Fitch") has assigned "bbb+" *Viability rating (VR)* to ING Bank Śląski S.A. *Viability rating* reflects the same core risks as the legacy *Individual Rating*, but it is characterised by far wider 19-point scale the same as the scale used to assess the Long-term IDR. In the case of ING Bank Śląski S.A. the rating bbb+ stands for the highest possible rating available for those institutions which were assigned C Individual Rating. Ratings from the bbb range denote good, fundamental creditworthiness of the Bank. The introduction of *Viability rating* did not affect the remaining ratings of ING Bank Śląski S.A. The full rating assigned to the Bank by the Fitch agency is as follows:

Interim condensed consolidated financial statements (PLN thousand)

- Long–term IDR: ”A”
- entity's rating overlook: ”stable”
- Short-term IDR: ”F1”
- viability rating: bbb+
- individual rating: “C”
- support rating: “1”

Conclusion of a Significant Agreement

On 7 July 2011, the Bank concluded a credit agreement with two entities from the financial sector, interrelated in capital terms, up to the maximum amount of PLN 630,000,000.00 for the period of 2 years. The total credit exposure of the Bank towards the two entities is PLN 630,000,000.00. The said agreement has been recognized as significant due to its total exposure value, exceeding 10% of the Bank's equity. The business party is not related to ING Bank Sląski .A.

9. Off-balance sheet items

	I half 2011 as of 30.06.2011 *(unaudited)*	**end of year 2010 as of 31.12.2010**	**I half 2010 as of 30.06.2010 *(unaudited)***
Contingent liabilities granted	15 372 094	14 545 891	14 005 950
Contingent liabilities received	20 926 693	17 153 553	13 093 025
Off-balance sheet financial instruments	131 763 460	131 521 156	124 094 658
Total off-balance sheet items	**168 062 247**	**163 220 600**	**151 193 633**

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

None.

11. Dividends paid

On 7 April 2011, the General Meeting approved the payout of dividend for 2010 of PLN 15.00 gross per 1 share, which is equivalent to PLN 195,150,000. The dividend was paid on 1 July 2011.

The General Meeting held on 8 April 2010 refrained from adopting the dividend payout for the year 2009 and approved allocation of the entire 2009 net profit of the Group parent entity towards own funds.

12. 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 (in PLN thousands)

	I half 2011 period from 01.01.2011 to 30.06.2011 *(unadited)*	**I half 2010 period from 01.01.2010 to 30.06.2010 *(unadited)***
Status at the period beginning:	**20 218**	**11 690**
Establishment of provisions as costs	331	447
Release of provisions as income	-67	-5 325
Utilisation of provision due to dispute loss or settlement	-215	-637
Status as at the period end	**20 267**	**6 175**

Either in 6 months of 2011 or 6 months of 2010, 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.

13. 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.

14. Transactions with related entities

ING Bank Śląski maintains bank accounts of other members of ING Group, for instance ING Lease (Poland), ING Car Lease and ING Real Estate. The transactions with the above entities are performed on an arm's length basis.

ING Bank Śląski performs operations with ING Bank NV and its subsidiaries on the inter-bank market. These are both short-term deposits and loans, as well as operations in derivatives: Forex Spot and Forex Forward, FX options and SWAP transactions. The abovementioned transactions are carried out on an arm's length basis.

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

In the period from 1 January 2011 to 30 June 2011 the following transactions were made of the total value exceeding EURO 500.000:

- in connection with execution of the Co-operation Agreement concluded by ING Bank Śląski S.A. and ING Bank NV the remuneration for the services provided as to financial consulting in 6 months of 2011 amounted to PLN 28.9 million versus PLN 28.3 million in the analogical period of the previous year (net amounts). Following the implementation of the agreement for provision of data processing and financial information analysis services, concluded by and between ING Bank Śląski S.A. and ING Bank NV, the fee for data processing and financial information analysis services used by ING Bank Śląski amounted to PLN 5.3 million versus PLN 5.8 million in the analogical period of the previous year (net amounts).
- ING Services Polska provides services to ING Bank Śląski with regard to lease of hardware resources. The costs of service were PLN 19.8 million versus PLN 16.7 million in the analogical period of the previous year (gross amounts).
- ING Bank Śląski made a transaction with ING Lease due to sublease of functional rooms totalling PLN 8.8 million versus PLN 8.1 million in the analogical period of the previous year (gross amounts).
- ING Bank Śląski co-operates with ING Car Lease as to leasing of cars and management of car fleet. The derivative amount of payment was PLN 8.6 million in 6 months of 2011 versus PLN 8.3 million in the analogical period of the previous year (gross amounts).

Transactions with related entities (in PLN thousands)

30.06.2011 *(unadited)*

	Parent company	Other ING Group entities	Associated undertakings*
Receivables			
Deposits placed	1 177 849	5	-
Nostro accounts	15 865	2 496	-
Loans	-	1 942 248	-
Other receivables	10 146	502	-
Liabilities			
Deposits received	3 578 289	564 178	110 060
Loro accounts	19 231	17 751	-
Repo	3 381 477	-	-
Other liabilities	17 804	228	-
Off-balance-sheet operations			
Contingent liabilities	275 508	682 949	15
FX transactions	4 632 253	67 697	-
Forward transactions	51 616	33 126	-
IRS	17 807 326	14 791	-
FRA	750 109	-	-
Options	533 538	954 062	-
Revenue and costs**			
Revenue	-35 165	41 644	-1 265
Costs	35 099	37 964	-

Interim condensed consolidated financial statements (PLN thousand)

end of year 2010

	Parent company	Other ING Group entities	Associated undertakings*
Receivables			
Deposits placed	677 292	-	-
Nostro accounts	45 578	3 968	-
Loans	-	1 746 285	-
Other receivables	44 984	3 216	-
Liabilities			
Deposits received	2 778 947	316 719	75 566
Loro accounts	15 360	3 510	-
Repo	657 776	-	-
Other liabilities	13 540	40	-
Off-balance-sheet operations			
Contingent liabilities	205 998	844 804	15
FX transactions	2 808 232	557 681	-
Forward transactions	35 212	130 450	-
IRS	48 029 776	6 359 734	-
FRA	474 910	-	-
Options	244 452	911 516	-
Revenue and costs**			
Revenue	-55 555	60 452	-4 783
Costs	65 955	41 342	-

30.06.2010 *(unadited)*

	Parent company	Other ING Group entities	Associated undertakings*
Receivables			
Deposits placed	534 958	-	-
Nostro accounts	4 633	2 834	-
Loans	-	1 542 159	-
Other receivables	324 217	3 126	-
Liabilities			
Deposits received	1 384 911	357 582	195 768
Loro accounts	13 320	9 222	-
Repo	1 738 163	-	-
Other liabilities	27 962	208	-
Off-balance-sheet operations			
Contingent liabilities	216 749	1 033 184	-
FX transactions	5 545 240	587 146	-
Forward transactions	957 402	256 730	-
IRS	16 538 262	6 971 523	-
FRA	339 824	-	-
Options	656 963	781 214	-
Revenue and costs**			
Revenue	-22 540	29 119	108
Costs	34 645	30 845	1 748

*/ Includes transactions between ING Bank Śląski S.A. affiliates of ING Bank Śląski S.A. Group
**/ Revenues and costs are presented in the uniform setting as in the financial statements. The revenues include, among others, the result on valuation of derivatives.

15. Segmentation of revenue and financial results of the Group

Segments of operation

The management of ING Bank Śląski is conducted within the areas defined in the Bank's business model.

The Bank's business model, above all for the purpose of management reporting, includes division of clients into two main segments:

- retail customer segment,
- corporate banking segment.

The segments are separated based on the financial (especially turnover, level of collected assets) and subject-related criteria. The specific rules of putting clients to respective segments are governed by the clients segmentation criteria specified in the Bank's internal regulations.

Retail customers segment

Within the framework of retail banking, the Bank provides services for individual customers (segments of mass customers and wealthy customers) and for sole traders.

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

Corporate banking segment

Corporate banking area encompasses as follows:

- providing services to institutional clients,
- Financial Markets products,

Services to institutional clients encompasses strategic clients, large corporate entities and mid-sized companies. For corporate activity, the Bank provides reporting broken down by leading products covering i.e. loan products (working loans, investment loans), deposit products (current accounts, term deposits and negotiated deposits, savings accounts), financial markets products, trust services, capital market operations conducted by the parent and by ING Securities and operations of intermediation in lease services.

Financial Markets products encompass operations performed in money and capital markets, conducted both on the proprietary basis as well as for the customers' benefit. Within the framework of this activity, currency, money and derivative instrument market products and securities operations (treasury securities, shares and notes) are specified.

Measurement

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

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

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

In H1 2011, the Bank modified the reporting area in terms of its operational segments. The current presentation of the segmentation note is the consequence of the modified reporting for the Management Board. The Bank is of the opinion that it reflects the essence of the operational division into segments.

When compared with the previous presentation, two segments were distinguished instead of the three presented earlier. The segments are: ”retail client segment” and ”corporate banking segment” (earlier comprising the ”corporate banking segment” and a sub-segment ”financial markets and ALM” from the segment of “proprietary operations”). The previous sub-segment ”ALCO” was divided into two parts: the one for retail is now presented in the retail client segment and the other in the corporate banking one. The manner of presentation of "unallocated values" also changed – since they referred to income tax, they were moved to the table bottom and presented in a separate column.

Geographical segments

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

Interim condensed consolidated financial statements (PLN thousand)

	I half 2011 period from 01.01.2011 to 30.06.2011 *(unaudited)*		
	Retail customers segment	**Corporate banking segment**	**TOTAL**
Revenue total*	**794 246**	**688 739**	**1 482 985**
Net interest income	482 846	411 596	894 442
external	*172 065*	*722 377*	*894 442*
internal	*310 781*	*-310 781*	*0*
Net commission income, of which:	274 609	235 101	509 710
income	*319 161*	*262 386*	*581 547*
expenses	*-44 552*	*-27 285*	*-71 837*
Other income/expenses	13 889	42 042	55 931
Share in net profit (loss) of associated entities recognised under the equity method	22 902	0	22 902
Expenses total	**517 510**	**313 577**	**831 087**
Operational expenses, including:	517 510	313 577	831 087
personnel expenses	*247 895*	*158 798*	*406 693*
depreciation	*43 915*	*18 520*	*62 435*
other	*225 700*	*136 259*	*361 959*
Result before risk	**276 736**	**375 162**	**651 898**
Risk cost	55 105	39 666	94 771
Result after risk cost (profit before tax)	**221 631**	**335 496**	**557 127**
CIT	-	-	110 772
Result after tax	-	-	**446 355**
- attributable to owners of the parent	-	-	**446 392**
- attributable to non-controlling interests	-	-	-37

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

Interim condensed consolidated financial statements (PLN thousand)

	II quarter 2011 period from 01.04.2011 to 30.06.2011 *(unaudited)*		
	Retail customers segment	**Corporate banking segment**	**TOTAL**
Revenue total*	**400 471**	**350 035**	**750 506**
Net interest income	237 730	221 811	459 541
external	*82 448*	*377 093*	*459 541*
internal	*155 282*	*-155 282*	*0*
Net commission income, of which:	128 870	129 488	258 358
income	*150 922*	*144 760*	*295 682*
expenses	*-22 051*	*-15 273*	*-37 324*
Other income/expenses	20 689	-1 264	19 425
Share in net profit (loss) of associated entities recognised under the equity method	13 182	0	13 182
Expenses total	**266 765**	**156 035**	**422 800**
Operational expenses, including:	266 765	156 035	422 800
personnel expenses	*125 868*	*79 786*	*205 654*
depreciation	*22 134*	*9 772*	*31 906*
other	*118 763*	*66 477*	*185 240*
Result before risk	**133 706**	**194 000**	**327 706**
Risk cost	21 233	16 470	37 703
Result after risk cost (profit before tax)	**112 473**	**177 530**	**290 003**
CIT	-	-	56 178
Result after tax	-	-	**233 825**
- attributable to owners of the parent	-	-	**233 849**
- attributable to non-controlling interests	-	-	-24

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

Interim condensed consolidated financial statements (PLN thousand)

	I half 2010 period from 01.01.2010 to 30.06.2010 – comparable data *(unaudited)*		
	Retail customers segment	**Corporate banking segment**	**TOTAL**
Revenue total*	**667 624**	**669 183**	**1 336 807**
Net interest income	380 201	415 474	795 675
external	*58 632*	*737 043*	*795 675*
internal	*321 569*	*-321 569*	*0*
Net commission income, of which:	274 246	201 174	475 420
income	*317 766*	*223 931*	*541 697*
expenses	*-43 520*	*-22 757*	*-66 277*
Other income/expenses	-5 019	52 535	47 516
Share in net profit (loss) of associated entities recognised under the equity method	18 196	0	18 196
Expenses total	**505 145**	**288 567**	**793 712**
Operational expenses, including:	505 145	288 567	793 712
personnel expenses	*224 928*	*141 844*	*366 772*
depreciation	*43 664*	*14 948*	*58 612*
other	*236 553*	*131 775*	*368 328*
Result before risk	**162 479**	**380 616**	**543 095**
Risk cost	34 247	53 129	87 376
Result after risk cost (profit before tax)	**128 232**	**327 487**	**455 719**
CIT	-	-	86 675
Result after tax	-	-	**369 044**
- attributable to owners of the parent	-	-	**369 050**
- attributable to non-controlling interests	-	-	-6

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

Interim condensed consolidated financial statements (PLN thousand)

	II quarter 2010 period from 01.04.2010 to 30.06.2010 – comparable data *(unaudited)*		
	Retail customers segment	**Corporate banking segment**	**TOTAL**
Revenue total*	**359 974**	**318 703**	**678 677**
Net interest income	202 163	203 085	405 248
external	*47 053*	*358 195*	*405 248*
internal	*155 110*	*-155 110*	*0*
Net commission income, of which:	158 098	88 854	246 952
income	*179 651*	*97 964*	*277 615*
expenses	*-21 553*	*-9 110*	*-30 663*
Other income/expenses	-11 203	26 764	15 561
Share in net profit (loss) of associated entities recognised under the equity method	10 916	0	10 916
Expenses total	**256 644**	**146 516**	**403 160**
Operational expenses, including:	256 644	146 516	403 160
personnel expenses	*114 760*	*72 558*	*187 318*
depreciation	*21 988*	*7 469*	*29 457*
other	*119 896*	*66 489*	*186 385*
Result before risk	**103 330**	**172 187**	**275 517**
Risk cost	13 020	26 257	39 277
Result after risk cost (profit before tax)	**90 310**	**145 930**	**236 240**
CIT	-	-	44 709
Result after tax	-	-	**191 531**
- attributable to owners of the parent	-	-	**191 530**
- attributable to non-controlling interests	-	-	1

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

Interim condensed consolidated financial statements (PLN thousand)

I half 2011 as of 30.06.2011*(unadited)*

	Retail customers segment	Corporate banking segment	TOTAL
Assets of the segment	13 702 946	52 541 119	66 244 065
Segment investments in subordinates	86 615	0	86 615
Other assets (not allocated to segments)	0	0	1 170 192
Total assets	**13 789 561**	**52 541 119**	**67 500 872**

End of 2010 as of 31.12.2010

	Retail customers segment	Corporate banking segment	TOTAL
Assets of the segment	12 531 210	50 707 022	63 238 232
Segment investments in subordinates	156 832	0	156 832
Other assets (not allocated to segments)	0	0	1 122 464
Total assets	**12 688 042**	**50 707 022**	**64 517 528**

I half 2010 as of 30.06.2010*(unadited)*

	Retail customers segment	Corporate banking segment	TOTAL
Assets of the segment	10 899 151	49 508 553	60 407 704
Segment investments in subordinates	133 796	0	133 796
Other assets (not allocated to segments)	0	0	1 041 483
Total assets	**11 032 947**	**49 508 553**	**61 582 983**

16. Information about the headcount

The headcount in the Capital Group was as follows:

	30.06.2011	31.12.2010	30.06.2010
Individuals	8 502	8 472	8 438
FTEs	8 362.0	8 332.3	8 295.3

17. Risk management

The changes in approach to credit and operational risk management introduced in H1 2011 are described below. In reference to other risks that the Group has to face, namely the market, liquidity and FX risks, the approach has not been changed significantly.

Credit risk

Credit Policy

The modifications to the corporate credit exposures policy pursued by the Group as made in H1 2011 took account of Poland's economic situation as well as the financial standing of certain groups of borrowers. The modifications was aimed in particular at:

– Increasing effectiveness of the lending process while ensuring adequate credit risk identification and measurement mechanisms compliant with the requirements set forth in the Resolution no. 76/2010 of the Polish Financial Supervision Authority of 10 March 2010 concerning the scope and detailed principles for setting the capital requirements fore individual risk types,

– Maintaining the Bank's credit risk at an acceptable level.

The main modifications of the Group's credit policy for corporate clients were the following:

– Updating the requirements and criteria concerning the risk appetite for the credit exposures portfolio of mid-corporate, mid-sized clients and strategic clients,
– Modifications to the risk programme dedicated to the local government units in terms of fulfilment of the new regulatory requirements on calculating individual expenditures coverage limit related to debt-servicing,
– Modifying the policy on collaterals, credit documents and collateral documents used in mortgage- establishing process in keeping with the requirements of the amended Act on Land and Mortgage Register and on Mortgage which came into effect as of 20 February 2011,
– Creating the environment for reporting Large Credit Exposures with respect to the amended Capital Requirements Directive II in terms of Large Exposure Reporting,
– Updating the policy on funding income-generating real properties so as to take account of the current situation on the real estate market and the policy of ING Group,
– Bringing the documents- related requirements into line with the Act on Freedom of Economic Activity and the Act on Reducing Administrative Barriers for Citizens and Enterprises,
– Extending the group of products for corporate clients as part of service comprising simplified documentation requirements.

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

– Update of the Collateral Policy, the Central Register of Collaterals and mortgage products regulations with respect to the Act on Land and Mortgage Register and on Mortgage and some other acts,
– Implementation of the policy of business partner risk management,
– Bringing the Credit Risk Management Policy and Collateral Policy into line with the amended S-Recommendation,
– Introduction of variable interest rate buffor in calculating retail creditworthiness,
– Implementation of the Internal Real Estate Database as the basic tool in verification of the real estate value as part of lending process,
– Modification of the principles and organisation of the annual review of economic standing of clients from the Entrepreneurs segment,
– Extension of stress-tests analyses by additional crisis scenarios,
– Expansion of risk reports and analyses related to higher-risk clients and key risk management areas.

Lending Process and Credit Risk Assessment

In H1 2011, the Bank was simultaneously adjusting tools and instruments of corporate risk measurement and monitoring to the credit policy modifications, notably the Bank:

- Updated recommendations concerning sectors, which the Bank considers as increased risk sectors,
- Customised client service process as regards credit risk, depending on the level of credit exposure,
- Introduced template documents for clients who purchase options on the financial markets,
- Extended stress-test methodology by the so-called reverse tests in the Corporate segment and Entrepreneurs,
- Specified the scope of application for the loss-given default models (LGD) as required by the PFSA Resolution no. 76/2010 in the process of credit risk management,
- Updated the selected rating models by taking their validation results into account.

At the Bank, there was also the organisational solutions pilot program conducted the purpose whereof was to centralise credit risk management-related service for corporate entities with lower credit exposures by means of automated workflow.

The retail portfolio monitoring and restructuring was subject to numerous changes related to current performance of processes. Their main purpose was to increase efficiency, especially at the stage of debt collection.

Operational Risk and Compliance

Group follows the rules of operational risk, compliance and anti-fraud management pursuant to the provisions of the Banking Law Act, Recommendation M of the National Bank of Poland, the Polish Financial Supervision Authority Resolutions and the standards developed by ING Group.

In H1 2011, the Group – under the global programme of ING Group – conducted a comprehensive audit of the operational risk management process and focused on improving the risk management forms and methods by:

- providing managers at various organizational levels with management information about all risk categories,
- improving the mechanisms of risk identification, assessment and mitigation in various areas of Bank's operations, considering the changes in the offer and business environment,
- gathering and analysing information on risk events and taking preventive measures with the use of the integrated control system of the Bank's operations,
- classifying and analysing the risk related to IT resources, projects and outsourced processes,
- ensuring observance of compliance norms,
- reinforcing control over the flow of confidential information, information being trade secret and oversight over private investments made by employees,

- limiting the risk with the use of the integrated system of supervision over performance of post-audit recommendations,
- testing business continuity plans for key business processes and improving the crisis management system and physical securities in all locations,
- ensuring adequate insurance cover for the banking operations under global and local insurance policies,
- organising awareness programmes and training courses facilitating risk management process.

Considering the changes in the external business environment, the Group took the following additional preventive measures in the area of payment transactions:

- implemented yet another set of controls mitigating the risk of abuse, and also the system of risk assessment for payment transactions,
- installed the tools preventing assembly of pads used to copy cards on ATMs.

Interim condensed consolidated financial statements (PLN thousand)

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

2011-08-02	**Małgorzata Kołakowska**	President	*(signed on the Polish original)*
2011-08-02	**Mirosław Boda**	Vice-President	*(signed on the Polish original)*
2011-08-02	**Michał Bolesławski**	Vice-President	*(signed on the Polish original)*
2011-08-02	**Justyna Kesler**	Vice-President	*(signed on the Polish original)*
2011-08-02	**Oscar Edward Swan**	Vice-President	*(signed on the Polish original)*

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2011-08-02	**Tomasz Biłous**	Director of Accounting Department Chief Accountant	*(signed on the Polish original)*

Interim condensed standalone financial statements (PLN thousand)

III. Interim condensed standalone financial statement of the Bank

INTERIM CONDENSED STANDALONE INCOME STATEMENT

	II quarter 2011 the period from 01 Apr 2011 to 30 Jun 2011 *(unaudited)*	I half 2011 the period from 01 Jan 2011 to 30 Jun 2011 *(unaudited)*	II quarter 2010 the period from 01 Apr 2010 to 30 Jun 2010 *comparable data* *(unaudited)*	I half 2010 the period from 01 Jan 2010 to 30 Jun 2010 *comparable data* *(unaudited)*
- Interest income	*829 150*	1 597 364	718 618	1 440 731
- Interest expenses	*377 413*	718 111	320 094	658 424
Net interest income	**451 737**	**879 253**	**398 524**	**782 307**
- Commission income	*271 935*	537 701	259 326	501 829
- Commission expenses	*30 972*	59 822	25 141	55 024
Net commission income	**240 963**	**477 879**	**234 185**	**446 805**
Net income on instruments measured at fair value through profit or loss and FX result	11 161	37 580	22 740	50 571
Net income on investments	110 442	128 860	30 092	33 960
Net income on hedge accounting	-3 161	-19 420	-15 266	-22 160
Net income on other basic activities	2 195	2 845	4 003	8 991
Result on basic activities	**813 337**	**1 506 997**	**674 278**	**1 300 474**
General and administrative expenses	407 980	803 449	391 036	773 153
Result on other operating income and expenses	-2 940	-2 476	340	3 914
Impairment losses and provisions for off-balance sheet liabilities	37 190	95 309	39 195	86 547
Profit (loss) before tax	**365 227**	**605 763**	**244 387**	**444 688**
Income tax	53 206	104 465	43 395	82 907
Net result for the current period from continuing operations	**312 021**	**501 298**	**200 992**	**361 781**

Net profit (loss)	**312 021**	**501 298**	**200 992**	**361 781**
Weighted average number of ordinary shares	**13 010 000**	**13 010 000**	**13 010 000**	**13 010 000**
Earnings per ordinary share (PLN)	**23,98**	**38,53**	**15,45**	**27,81**

Diluted earnings per share agrees with earnings per ordinary share

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SIGNATURE OF THE PERSON ENTRUSTED WITH KEEPING THE ACCOUNTING BOOKS

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

Katowice, 2 August 2011

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

Interim condensed standalone financial statements (PLN thousand)

INTERIM CONDENSED STANDALONE STATEMENT OF COMPREHENSIVE INCOME

	II quarter 2011 the period from 01 Apr 2011 to 30 Jun 2011 *(unaudited)*	I half 2011 the period from 01 Jan 2011 to 30 Jun 2011 *(unaudited)*	II quarter 2010 the period from 01 Apr 2010 to 30 Jun 2010 *comparable data (unaudited)*	I half 2010 the period from 01 Jan 2010 to 30 Jun 2010 *comparable data (unaudited)*
Net result for the period	**312 021**	**501 298**	**200 992**	**361 781**
Other comprehensive income, of which:				
- Gains/losses on remeasurement of available-for-sale financial assets charged to equity	91 719	51 846	-51 727	539
including deferred tax	*-21 385*	*-12 113*	*12 039*	*-264*
- Reclassification to the financial result as a result of sale of available-for-sale financial assets	129	-14 622	376	-2 684
including deferred tax	*-30*	*3 430*	*-89*	*629*
- Amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-138	-254	-89	-394
including deferred tax	*33*	*60*	*20*	*92*
- Remeasurement of property, plant and equipment	537	405	0	0
including deferred tax	*-126*	*-95*	*0*	*0*
- Effective part of cash flow hedging instruments revaluation	36 112	7 422	7 131	27 013
including deferred tax	*-8 471*	*-1 740*	*-1 672*	*-6 336*
- Other	185	751	0	283
including deferred tax	*186*	*53*	*0*	*4*
Total other comprehensive income	**128 544**	**45 548**	**-44 309**	**24 757**
Total comprehensive income for the period	**440 565**	**546 846**	**156 683**	**386 538**

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Katowice, 2 August 2011

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

Interim condensed standalone financial statements (PLN thousand)

INTERIM CONDENSED STANDALONE STATEMENT OF FINANCIAL POSITION

	I half 2011 as of 30 Jun 2011 *(unaudited)*	end of year 2010 as of 31 Dec 2010	I half 2010 as of 30 Jun 2010 *(unaudited)*
A S S E T S			
- Cash in hand and balances with the Central Bank	1 566 617	2 394 179	2 158 457
- Loans and receivables to other banks	2 143 308	1 521 478	2 263 989
- Financial assets measured at fair value through profit and loss	567 533	636 737	1 444 265
- Valuation of derivatives	912 643	1 158 897	1 755 710
- Investments	23 946 533	23 005 928	21 008 475
- available-for-sale	*18 997 182*	*16 787 917*	*14 323 436*
- held-to-maturity	*4 949 351*	*6 218 011*	*6 685 039*
- Derivative hedge instruments	167 948	104 796	88 131
- Loans and receivables to customers	36 468 502	33 959 314	31 211 499
- Investments in controlled entities recognised under the equity method	451 766	451 716	313 164
- Investment real estates	0	0	129 667
- Property, plant and equipment	497 266	530 715	522 667
- Intangible assets	356 499	340 870	324 468
- Property, plant and equipment held for sale	29 993	3 081	224
- Current income tax assets	55 215	0	0
- Deferred tax assets	98 880	163 499	95 955
- Other assets	205 782	157 197	173 697
T o t a l a s s e t s	**67 468 485**	**64 428 407**	**61 490 368**

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Katowice, 2 August 2011

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

Interim condensed standalone financial statements (PLN thousand)

INTERIM CONDENSED STANDALONE STATEMENT OF FINANCIAL POSITION

	I half 2011 as of 30 Jun 2011 *(unaudited)*	end of year 2010 as of 31 Dec 2010	I half 2010 as of 30 Jun 2010 *(unaudited)*
E Q U I T Y A N D L I A B I L I T I E S			
LIABILITIES			
- Liabilities due to other banks	9 021 851	4 151 081	5 268 099
- Financial liabilities measured at fair value through profit and loss	1 643 598	4 681 424	2 123 453
- Valuation of derivatives	938 935	1 292 661	1 215 300
- Derivative hedge instruments	427 515	600 455	663 309
- Liabilities due to customers	48 345 828	47 430 828	45 973 610
- Provisions	65 477	54 390	45 283
- Current income tax liabilities	0	138 347	55 135
- Other liabilities	1 231 562	641 088	1 042 234
Total liabilities	**61 674 766**	**58 990 274**	**56 386 423**
EQUITY			
- Share capital	130 100	130 100	130 100
- Supplementary capital - issuance of shares over nominal value	956 250	956 250	956 250
- Revaluation reserve from measurement of available-for-sale financial assets	45 034	8 064	-3 922
- Revaluation reserve from measurement of property, plant and equipment	33 964	35 654	33 406
- Revaluation reserve from measurement of cash flow hedging instruments	7 853	431	26 045
- Revaluation of share-based payment	24 970	21 080	17 779
- Retained earnings	4 595 548	4 286 554	3 944 287
Total equity	**5 793 719**	**5 438 133**	**5 103 945**
Total equity and liabilities	**67 468 485**	**64 428 407**	**61 490 368**

Solvency ratio	**11,61%**	**12,20%**	**11,59%**

Net book value	**5 793 719**	**5 438 133**	**5 103 945**
Number of shares	**13 010 000**	**13 010 000**	**13 010 000**
Net book value per share (PLN)	**445,33**	**418,00**	**392,31**

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

Interim condensed standalone financial statements (PLN thousand)

INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY

1 half 2011
the period from 01 Jan 2011 to 30 Jun 2011 *(unaudited)*

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Revaluation of share-based payment	Retained earnings	**Total equity**
Opening balance of equity	**130 100**	**956 250**	**8 064**	**35 654**	**431**	**21 080**	**4 286 554**	**5 438 133**
Net result for the current period	-	-	-	-	-	-	501 298	**501 298**
Other comprehensive income, of which:	**0**	**0**	**36 970**	**-1 690**	**7 422**	**0**	**2 846**	**45 548**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*51 846*	-	-	-	-	*51 846*
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-14 622*	-	-	-	-	*-14 622*
- amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	*-254*	-	-	-	-	*-254*
- remeasurement of property, plant and equipment	-	-	-	*405*	-	-	-	*405*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*7 422*	-	-	*7 422*
- other	-	-	-	*-2 095*	-	-	*2 846*	*751*
Transactions with owners, of which:	**0**	**0**	**0**	**0**	**0**	**3 890**	**-195 150**	**-191 260**
- revaluation of share-based payment	-	-	-	-	-	3 890	-	*3 890*
- dividends paid	-	-	-	-	-	-	-195 150	*-195 150*
Closing balance of equity	**130 100**	**956 250**	**45 034**	**33 964**	**7 853**	**24 970**	**4 595 548**	**5 793 719**

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Katowice, 2 August 2011

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

Interim condensed standalone financial statements (PLN thousand)

INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY

year 2010
the period from 01 Jan 2010 to 31 Dec 2010

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Revaluation of share-based payment	Retained earnings	**Total equity**
Opening balance of equity	**130 100**	**956 250**	**-1 383**	**33 426**	**-968**	**15 846**	**3 582 203**	**4 715 474**
Net result for the current period	-	-	-	-	-	-	702 315	**702 315**
Other comprehensive income, of which:	**0**	**0**	**9 447**	**2 228**	**1 399**	**0**	**2 036**	**15 110**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*8 010*	-	-	-	-	*8 010*
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*2 288*	-	-	-	-	*2 288*
- amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	*-851*	-	-	-	-	*-851*
- remeasurement of property, plant and equipment	-	-	-	*3 681*	-	-	-	*3 681*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*1 399*	-	-	*1 399*
- other	-	-	-	*-1 453*	-	-	*2 036*	*583*
Transactions with owners, of which:	**0**	**0**	**0**	**0**	**0**	**5 234**	**0**	**5 234**
- revaluation of share-based payment	-	-	-	-	-	5 234	-	*5 234*
Closing balance of equity	**130 100**	**956 250**	**8 064**	**35 654**	**431**	**21 080**	**4 286 554**	**5 438 133**

1 half 2010
the period from 01 Jan 2010 to 30 Jun 2010 - *comparable data (unaudited)*

	Share capital	Supplementary capital - issuance of shares over nominal value	Revaluation reserve from measurement of available-for-sale financial assets	Revaluation reserve from measurement of property, plant and equipment	Revaluation reserve from measurement of cash flow hedging instruments	Revaluation of share-based payment	Retained earnings	**Total equity**
Opening balance of equity	**130 100**	**956 250**	**-1 383**	**33 426**	**-968**	**15 846**	**3 582 203**	**4 715 474**
Net result for the current period	-	-	-	-	-	-	361 781	**361 781**
Other comprehensive income, of which:	**0**	**0**	**-2 539**	**-20**	**27 013**	**0**	**303**	**24 757**
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	*539*	-	-	-	-	*539*
- reclassification to the financial result as a result of sale of available-for-sale financial assets	-	-	*-2 684*	-	-	-	-	*-2 684*
- amortisation of gains or losses previously recognised in equity concerning securities re-classified from the available-for-sale portfolio to the portfolio of loans and receivables	-	-	*-394*	-	-	-	-	*-394*
- effective part of cash flow hedging instruments revaluation	-	-	-	-	*27 013*	-	-	*27 013*
- other	-	-	-	*-20*	-	-	*303*	*283*
Transactions with owners, of which:	**0**	**0**	**0**	**0**	**0**	**1 933**	**0**	**1 933**
- revaluation of share-based payment	-	-	-	-	-	*1 933*	-	*1 933*
Closing balance of equity	**130 100**	**956 250**	**-3 922**	**33 406**	**26 045**	**17 779**	**3 944 287**	**5 103 945**

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Katowice, 2 August 2011

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

Interim condensed standalone financial statements (PLN thousand)

INTERIM CONDENSED STANDALONE CASH FLOW STATEMENT

	I half 2011 the period from 01 Jan 2011 to 30 Jun 2011 *(unaudited)*	I half 2010 the period from 01 Jan 2010 to 30 Jun 2010 *comparable data* *(unaudited)*
OPERATING ACTIVITIES		
Net profit (loss)	**501 298**	**361 781**
Adjustments	**-2 084 036**	**-1 411 973**
- Depreciation and amortisation	61 598	57 657
- Interest accrued (from the profit and loss account)	879 253	782 307
- Interest paid	694 061	713 723
- Interest received	-1 772 272	-1 612 879
- Dividends received	-105 686	-28 650
- Gains (losses) on investment activities	-318	-174
- Income tax (from the profit and loss account)	104 465	82 907
- Income tax paid	-233 408	-194 996
- Change in provisions	11 087	-8 777
- Change in loans and other receivables to other banks	91 937	-489 161
- Change in financial assets at fair value through profit or loss	71 830	6 790 638
- Change in available-for-sale financial assets	-2 156 510	-7 499 705
- Change in valuation of derivatives	-107 472	-167 702
- Change in derivative hedge instruments	-228 670	210 072
- Change in loans and other receivables to customers	-2 496 304	-1 257 084
- Change in other assets	-68 835	5 148
- Change in liabilities due to other banks	4 868 848	1 315 628
- Change in liabilities at fair value through profit or loss	-3 037 826	1 125 402
- Change in liabilities due to customers	940 972	-1 737 379
- Change in other liabilities	399 214	501 052
Net cash flow from operating activities	**-1 582 738**	**-1 050 192**
INVESTMENT ACTIVITIES		
- Purchase of property plant and equipment	-28 217	-22 333
- Disposal of property, plant and equipment	474	203
- Purchase of intangible assets	-42 997	-23 037
- Disposal of fixed assets held for sale	8	12
- Purchase of investments in subordinated entities	-50	0
- Redemption / sale of held-to-maturity financial assets	1 290 428	615 000
- Interest received from held-to-maturity financial assets	148 261	236 387
- Dividends received	105 686	28 650
Net cash flow from investment activities	**1 473 593**	**834 882**
Effect of exchange rate changes on cash and cash equivalents	***-15 621***	***24 442***
Net increase/decrease in cash and cash equivalents	**-109 145**	**-215 310**
Opening balance of cash and cash equivalents	**3 077 747**	**3 018 259**
Closing balance of cash and cash equivalents	**2 968 602**	**2 802 949**

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Katowice, 2 August 2011

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

1. Introduction

These interim condensed standalone financial statements of the ING Bank Śląski S.A. for the period 6 months ending on 30 June 2011 were prepared under the International Financial Reporting Standards (IFRS) in a version approved by the European Commission effective as at the reporting date, that is 30 June 2011 as well as in accordance with the Ordinance of Finance Minister of 19 February 2009 on current and interim information submitted by issuers of securities (Journal of Laws of 2009, no. 33, item 259). Presented interim condensed standalone financial statements for the period 6 months ending on 30 June 2011in particular meet the requirements of IAS 34 (International Accounting Standards) with regard to interim financial statements. This interim condensed standalone financial statements for the period 6 months ended 30th June 2011 was prepared in a condensed version and does not cover all disclosures required in the annual financial statements.

Interim condensed standalone income statement, interim condensed standalone statement of comprehensive income, interim condensed standalone statement of changes in equity, and interim condensed standalone cash flow statement for the period from 01 January 2011 to 30 June 2011, and interim condensed standalone statement of financial position as at 30 June 2011 together with comparable data were prepared according to the same principles of accounting for each period.

The comparative data cover the period from 1 January 2010 to 30 June 2010 for the interim condensed standalone income statement; the interim condensed standalone statement of comprehensive income and the interim condensed standalone cash flow statement; additionally, for the period from 1 January 2010 to 31 December 2010 for the interim condensed standalone statement of changes in equity; and in the case of the interim condensed standalone statement of financial position data as of 31 December 2010 and 30 June 2010. Interim condensed standalone income statements and interim condensed standalone statement of comprehensive income include data for the Q2 2011 (period from 01 April 2011 to 30 June 2011) as well as comparative data for the Q2 2010 (period from 01 April 2010 to 30 June 2010), that were not subject to review or audit by a certified auditor.

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

In these interim condensed standalone financial statements the same principles of accounting have been applied as the ones applied for developing the 2010 annual standalone financial statements (Annual financial statements for the period from 01 January 2010 to 31 December 2010), except that amendments to the standards and new interpretations applicable to annual periods starting on or after 1 January 2011. Amendments to standards and new interpretations are described in semi-annual condensed consolidated statements of the ING Bank Śląski S.A. Capital Group enclosed herewith ("semi-annual condensed consolidated financial statements"), in chapter II.2 "Compliance with International Financial Reporting Standards".

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

These interim condensed standalone financial statements have been approved by the Bank Management Board on 2 August 2011.

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

No operations were discontinued by the Bank during the H1 2011 and H1 2010.

2. Material accounting principles (policy)

Detailed accounting principles are presented in annual financial statements of ING Bank Śląski S.A. for the period from 1 January 2010 to 31 December 2010 published on 4 March 2011 that is available on the Internet site of ING Bank Śląski S.A. (www.ingbank.pl).

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

Investment in subsidiaries and associates

Subsidiaries

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

Associates

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

Recognition and valuation

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

3. Accounting estimates

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

4. Comparability of financial data

In comparison to the interim condensed standalone financial statements for the period from 1 January 2010 to 30 June 2010, the Bank introduced several amendments into interim condensed standalone financial statements for the period from 1 January 2011 to 30 June 2011. The amendments refer to the way of presenting some positions of the income statement and statement of financial position. The amendments are described in detail in interim condensed consolidated financial statements in paragraph II. 4.

5. Material events in H1 2011

Material events that occurred in H1 2011 are described in the interim condensed consolidated financial statements in paragraph II.7.

6. Seasonality or cyclicity of activity

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

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

None.

8. Dividends paid

On 7 April 2011, the General Meeting approved the payout of dividend for 2010 of PLN 15.00 gross per 1 share, which is equivalent to PLN 195,150,000. The dividend was paid on 1 July 2011.

The General Meeting held on 8 April 2010 refrained from adopting the dividend payout for the year 2009 and approved allocation of the entire 2009 net profit of the Group parent entity towards own funds.

9. Acquisitions

In H1 2011, the ING Bank Śląski did not make any acquisitions, as in H1 2010. On 26 May 2011, the Management Board of ING Bank Śląski S.A. communicated their intention to merge with ING Bank Hipoteczny S.A. Both companies will merge under Article 492 para. 1 (1) of the Polish Commercial Companies Code dated 15 September 2000 by transfer of the entire assets of the Taken-over Company ING Bank Hipoteczny S.A. to the Taking-over Company ING Bank Śląski S.A. The intention to merge was accepted by the Supervisory Board of ING Bank Śląski S.A. The operations of ING Bank Hipoteczny will be further pursued within ING Bank Śląski S.A.

Just like in H1 2010, in H1 2011 ING Bank Śląski S.A. did not sell any of its subsidiaries.

Interim condensed standalone financial statements (PLN thousand)

10. Off-balance sheet items

	I half 2011 as of 30.06.2011 *(unadited)*	end of year 2010 as of 31.12.2010	I half 2010 as of 30.06.2010 *(unadited)*
Contingent liabilities granted	15 789 011	14 984 028	14 372 079
Contingent liabilities received	20 926 693	17 153 553	13 093 025
Off-balance sheet financial instruments	131 763 460	131 521 156	124 094 658
Total off-balance sheet items	**168 479 164**	**163 658 737**	**151 559 762**

11. Events after the balance sheet date

Events after the balance sheet date are described in the interim condensed consolidated financial statements in paragraph II.8.

12. Transactions with related entities

Subsidiaries and Related Entities of ING Bank Śląski:

- ING Securities S.A.,
- ING Bank Hipoteczny S.A.,
- Centrum Banku Śląskiego (CBS) Sp. z o.o.,
- Solver Sp. z o.o.,
- ING Powszechne Towarzystwo Emerytalne S.A.,

as part of their business hold current accounts at ING Bank Śląski, via which they perform standard clearing operations and also invest cash funds using term deposits. Furthermore, ING Bank Hipoteczny took loans from ING Bank Śląski. Similarly, ING Bank Śląski maintains bank accounts of other members of ING Group, for instance ING Lease (Poland), ING Car Lease and ING Real Estate. The transactions with the above entities are performed on an arm's length basis.

ING Bank Śląski performs operations with ING Bank NV and its subsidiaries on the inter-bank market. These are both short-term deposits and loans, as well as operations in derivatives: Forex Spot and Forex Forward, FX options and SWAP transactions. The abovementioned transactions are carried out on an arm's length basis.

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

In the period from 1 January 2011 to 30 June 2011 the following transactions were made of the total value exceeding EURO 500.000:

- in connection with execution of the Co-operation Agreement concluded by ING Bank Śląski S.A. and ING Bank NV the remuneration for the services provided as to financial consulting in 6 months of 2011 amounted to PLN 28.9 million versus PLN 28.3 million in the analogical period of the previous year (net amounts). Following the implementation of the agreement for provision of data processing and financial information analysis services, concluded by and between ING Bank Śląski S.A. and ING Bank NV, the fee for data processing and financial information analysis services used by ING Bank Śląski amounted to PLN 5.3 million versus PLN 5.8 million in the analogical period of the previous year (net amounts).

- ING Services Polska provides services to ING Bank Śląski with regard to lease of hardware resources. The costs of service were PLN 19.8 million versus PLN 16.7 million in the analogical period of the previous year (gross amounts).
- ING Bank Śląski made a transaction with ING Lease due to sublease of functional rooms totalling PLN 8.8 million versus PLN 8.1 million in the analogical period of the previous year (gross amounts).
- ING Bank Śląski co-operates with ING Car Lease as to leasing of cars and management of car fleet. The derivative amount of payment was PLN 8.6 million in 6 months of 2011 versus PLN 8.3 million in the analogical period of the previous year (gross amounts).

Transactions with related entities (in PLN thousands):

H1 2011 *(unadited)*

	Parent company	Other ING Group entities	Subsidiary undertakings *	Associated undertakings*
Receivables				
Deposits placed	1 177 849	5	-	-
Nostro accounts	15 865	2 496	-	-
Loans	-	1 942 248	403 348	-
Other receivables	10 146	502	60	-
Liabilities				
Deposits received	3 578 289	564 178	428 975	110 060
Loro accounts	19 231	17 751	-	-
Repo	3 381 477	-	-	-
Other liabilities	17 804	228	297	-
Off-balance-sheet operations				
Contingent liabilities	275 508	682 949	417 051	15
FX transactions	4 632 253	67 697	-	-
Forward transactions	51 616	33 126	-	-
IRS	17 807 326	14 791	-	-
FRA	750 109	-	-	-
Options	533 538	954 062	-	-
Revenue and costs**				
Revenue	-35 165	41 644	-3 405	-1 265
Costs	35 099	37 964	733	-

Interim condensed standalone financial statements (PLN thousand)

End of year 2010

	Parent company	Other ING Group entities	Subsidiary undertakings *	Associated undertakings*
Receivables				
Deposits placed	677 292	-	-	-
Nostro accounts	45 578	3 968	-	-
Loans	-	1 746 285	362 218	-
Securities	-	-	20 007	-
Other receivables	44 984	3 216	160	-
Liabilities				
Deposits received	2 778 947	316 719	364 123	75 566
Loro accounts	15 360	3 510	-	-
Repo	657 776	-	-	-
Other liabilities	13 540	40	1 127	-
Off-balance-sheet operations				
Contingent liabilities	205 998	844 804	458 073	15
FX transactions	2 808 232	557 681	-	-
Forward transactions	35 212	130 450	-	-
IRS	48 029 776	6 359 734	-	-
FRA	474 910	-	-	-
Options	244 452	911 516	-	-
Revenue and costs**				
Revenue	-55 555	60 452	-6 058	-4 783
Costs	65 955	41 342	2 683	-

H1 2010 *(unadited)*

	Parent company	Other ING Group entities	Subsidiary undertakings *	Associated undertakings*
Receivables				
Deposits placed	534 958	-	-	-
Nostro accounts	4 633	2 834	-	-
Loans	-	1 542 159	333 873	-
Securities	-	-	20 002	-
Other receivables	324 217	3 126	4	-
Liabilities				
Deposits received	1 384 911	357 582	336 765	195 768
Loro accounts	13 320	9 222	-	-
Repo	1 738 163	-	-	-
Other liabilities	27 962	208	300	-
Off-balance-sheet operations				
Contingent liabilities	216 749	1 033 184	366 263	-
FX transactions	5 545 240	587 146	-	-
Forward transactions	957 402	256 730	-	-
IRS	16 538 262	6 971 523	-	-
FRA	339 824	-	-	-
Options	656 963	781 214	-	-
Revenue and costs**				
Revenue	-22 540	29 119	2 125	108
Costs	34 645	30 845	5 920	1 748

*/ Includes transactions between ING Bank Śląski S.A. affiliates of ING Bank Śląski S.A. Group
**/ Revenues and costs are presented in the uniform setting as in the financial statements. The revenues include, among others, the result on valuation of derivatives.

13. Segmentation of revenue and financial results of the Bank

Segments of operation

The management of ING Bank Śląski is conducted within the areas defined in the Bank's business model.

The Bank's business model, above all for the purpose of management reporting, includes division of clients into two main segments:

- retail customer segment,
- corporate banking segment.

The segments are separated based on the financial (especially turnover, level of collected assets) and subject-related criteria. The specific rules of putting clients to respective segments are governed by the clients segmentation criteria specified in the Bank's internal regulations.

<u>Retail customers segment</u>

Within the framework of retail banking, the Bank provides services for individual customers (segments of mass customers and wealthy customers) and for sole traders .

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

<u>Corporate banking segment</u>

Corporate banking area encompasses as follows:

- providing services to institutional clients,
- Financial Markets products,

Services to institutional clients encompasses strategic clients, large corporate entities and mid-sized companies. For corporate activity, the Bank provides reporting broken down by leading products covering i.e. loan products (working loans, investment loans), deposit products (current accounts, term deposits and negotiated deposits, savings accounts), financial markets products, trust services, capital market operations conducted by the parent and by ING Securities and operations of intermediation in lease services.

Financial Markets products encompass operations performed in money and capital markets, conducted both on the proprietary basis as well as for the customers' benefit. Within the framework of this activity, currency, money and derivative instrument market products and securities operations (treasury securities, shares and notes) are specified.

Measurement

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

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

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

In H1 2011, the Bank modified the reporting area in terms of its operational segments. The current presentation of the segmentation note is the consequence of the modified reporting for the Management Board. The Bank is of the opinion that it reflects the essence of the operational division into segments.

When compared with the previous presentation, two segments were distinguished instead of the three presented earlier. The segments are: ”retail client segment” and ”corporate banking segment” (earlier comprising the ”corporate banking segment” and a sub-segment ”financial markets and ALM” from the segment of “proprietary operations”). The previous sub-segment ”ALCO” was divided into two parts: the one for retail is now presented in the retail client segment and the other in the corporate banking one. The manner of presentation of "unallocated values" also changed – since they referred to income tax, they were moved to the table bottom and presented in a separate column.

Geographical segments

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

Interim condensed standalone financial statements (PLN thousand)

	I half 2011 period from 01.01.2011 to 30.06.2011 *(unaudited)*		
	Retail customers segment	**Corporate banking segment**	**TOTAL**
Revenue total	**845 450**	**661 547**	**1 506 997**
Net interest income	477 294	401 959	879 253
external	*167 696*	*711 557*	*879 253*
internal	*309 598*	*-309 598*	*0*
Net commission income, of which:	261 875	216 004	477 879
income	*300 181*	*237 520*	*537 701*
expenses	*-38 307*	*-21 515*	*-59 822*
Other income/expenses	106 281	43 584	149 865
Expenses total	**506 322**	**299 603**	**805 925**
Operational expenses, including:	506 322	299 603	805 925
personnel expenses	*240 715*	*149 232*	*389 947*
depreciation	*43 548*	*18 050*	*61 598*
other	*222 059*	*132 321*	*354 380*
Result before risk	**339 128**	**361 944**	**701 072**
Risk cost	55 105	40 204	95 309
Result after risk cost (profit before tax)	**284 023**	**321 740**	**605 763**
CIT	-	-	104 465
Result after tax	-	-	**501 298**

Interim condensed standalone financial statements (PLN thousand)

	II quarter 2011 period from 01.04.2011 to 30.06.2011 *(unaudited)*		
	Retail customers segment	**Corporate banking segment**	**TOTAL**
Revenue total	**477 041**	**336 296**	**813 337**
Net interest income	239 478	212 259	451 737
external	*82 609*	*369 128*	*451 737*
internal	*156 869*	*-156 869*	*0*
Net commission income, of which:	123 277	117 686	240 963
income	*142 959*	*128 976*	*271 935*
expenses	*-19 682*	*-11 290*	*-30 972*
Other income/expenses	114 285	6 352	120 637
Expenses total	**260 850**	**150 070**	**410 920**
Operational expenses, including:	260 850	150 070	410 920
personnel expenses	*122 702*	*75 501*	*198 203*
depreciation	*21 928*	*9 476*	*31 404*
other	*116 220*	*65 093*	*181 313*
Result before risk	**216 191**	**186 226**	**402 417**
Risk cost	21 233	15 957	37 190
Result after risk cost (profit before tax)	**194 958**	**170 269**	**365 227**
CIT	-	-	53 206
Result after tax	-	-	**312 021**

Interim condensed standalone financial statements (PLN thousand)

	I half 2010 period from 01.01.2010 to 30.06.2010 – comparable data *(unaudited)*		
	Retail customers segment	**Corporate banking segment**	**TOTAL**
Revenue total	**654 755**	**645 719**	**1 300 474**
Net interest income	375 835	406 472	782 307
external	*54 615*	*727 692*	*782 307*
internal	*321 220*	*-321 220*	*0*
Net commission income, of which:	261 907	184 898	446 805
income	*299 080*	*202 749*	*501 829*
expenses	*-37 173*	*-17 851*	*-55 024*
Other income/expenses	17 013	54 349	71 362
Expenses total	**493 408**	**275 831**	**769 239**
Operational expenses, including:	493 408	275 831	769 239
personnel expenses	*217 294*	*133 225*	*350 519*
depreciation	*43 149*	*14 508*	*57 657*
other	*232 965*	*128 098*	*361 063*
Result before risk	**161 347**	**369 888**	**531 235**
Risk cost	34 247	52 300	86 547
Result after risk cost (profit before tax)	**127 100**	**317 588**	**444 688**
CIT	-	-	82 907
Result after tax	-	-	**361 781**

Interim condensed standalone financial statements (PLN thousand)

	II quarter 2010 period from 01.04.2010 to 30.06.2010 – comparable data *(unaudited)*		
	Retail customers segment	**Corporate banking segment**	**TOTAL**
Revenue total	**367 670**	**306 608**	**674 278**
Net interest income	204 098	194 426	398 524
external	*49 162*	*349 362*	*398 524*
internal	*154 936*	*-154 936*	*0*
Net commission income, of which:	154 480	79 705	234 185
income	*170 634*	*88 692*	*259 326*
expenses	*-16 154*	*-8 987*	*-25 141*
Other income/expenses	9 092	32 477	41 569
Expenses total	**212 981**	**177 715**	**390 696**
Operational expenses, including:	212 981	177 715	390 696
personnel expenses	*110 635*	*68 400*	*179 035*
depreciation	*21 714*	*7 268*	*28 982*
other	*80 632*	*102 047*	*182 679*
Result before risk	**154 689**	**128 893**	**283 582**
Risk cost	13 020	26 175	39 195
Result after risk cost (profit before tax)	**141 669**	**102 718**	**244 387**
CIT	-	-	43 395
Result after tax	-	-	**200 992**

Interim condensed standalone financial statements (PLN thousand)

I half 2011 as of 30.06.2011*(unadited)*

	Retail customers segment	Corporate banking segment	TOTAL
Assets of the segment	13 702 946	52 293 481	65 996 427
Segment investments in subordinates	451 766	0	451 766
Other assets (not allocated to segments)	0	0	1 020 292
Total assets	**14 154 712**	**52 293 481**	**67 468 485**

End of 2010 as of 31.12.2010

	Retail customers segment	Corporate banking segment	TOTAL
Assets of the segment	12 531 210	50 473 462	63 004 672
Segment investments in subordinates	451 716	0	451 716
Other assets (not allocated to segments)	0	0	972 019
Total assets	**12 982 926**	**50 473 462**	**64 428 407**

I half 2010 as of 30.06.2010*(unadited)*

	Retail customers segment	Corporate banking segment	TOTAL
Assets of the segment	10 899 151	49 254 718	60 153 869
Segment investments in subordinates	313 164	0	313 164
Other assets (not allocated to segments)	0	0	1 023 335
Total assets	**11 212 315**	**49 254 718**	**61 490 368**

14. Information about the headcount

The headcount in the ING Bank Śląski was as follows:

	30.06.2011	31.12.2010	30.06.2010
Individuals	8 257	8 224	8 199
FTEs	8 123,2	8 092,3	8 066,4

Interim condensed standalone financial statements (PLN thousand)

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

2011-08-02	**Małgorzata Kołakowska**	President	*(signed on the Polish original)*
2011-08-02	**Mirosław Boda**	Vice-President	*(signed on the Polish original)*
2011-08-02	**Michał Bolesławski**	Vice-President	*(signed on the Polish original)*
2011-08-02	**Justyna Kesler**	Vice-President	*(signed on the Polish original)*
2011-08-02	**Oscar Edward Swan**	Vice-President	*(signed on the Polish original)*

SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTS

2011-08-02	**Tomasz Biłous**	Director of Accounting Department Chief Accountant	*(signed on the Polish original)*