Form SAB-QSr 4/2004
(for banks)

Pursuant to § 57 par. 2 and § 58 par. 1 of the Decree of the Council of Ministers dated 16 October 2001 (Official Journal No 139, item 1569 and No 31/2002, item. 280)

Management Board of ING Bank Śląski Spółka Akcyjna
makes known quarterly consolidated report for the 4th quarter 2004:

17 Feb 2005
(delivery date)

SELECTED FINANCIAL DATA	in thousand PLN		in thousand EURO	
	4 quarters / 2004 the period from 01 Jan 2004 to 31 Dec 2004	4 quarters / 2003 the period from 01 Jan 2003 to 31 Dec 2003	4 quarters / 2004 the period from 01 Jan 2004 to 31 Dec 2004	4 quarters / 2003 the period from 01 Jan 2003 to 31 Dec 2003
I. Interest income	1 692 129	1 630 626	374 514	366 647
II. Fee and commission income	600 920	610 790	133 000	137 336
III. Result on banking activity	1 683 028	1 519 790	372 500	341 726
IV. Operating profit	416 440	99 049	92 169	22 271
V. Gross profit (loss)	417 253	99 288	92 349	22 325
VI. Net profit (loss)	366 255	30 546	81 062	6 868
VII. Net cash flow from operating activities	755 575	-176 670	167 229	-39 724
VIII. Net cash flow from investment activities	-78 148	268 518	-17 296	60 376
IX. Net cash flow from financial activities	-51 082	-38 613	-11 306	-8 682
X. Net cash flow, total	626 345	53 235	138 627	11 970
XI. Total assets	34 967 661	28 917 008	8 572 606	6 130 381
XII. Due to Central Bank	-	-	-	-
XIII. Due to other financial institutions	3 295 943	3 099 697	808 027	657 133
XIV. Due to customers and State budget	26 214 453	20 834 586	6 426 686	4 416 915
XV. Own equity	3 135 958	2 708 812	768 806	574 266
XVI. Share capital	130 100	130 100	31 895	27 581
XVII. Number of shares	13 010 000	13 010 000		
XVIII. Net book value per share (in PLN / EUR)	241,04	208,21	59,09	44,14
XIX. Diluted book value per share (in PLN / EUR)	-	-	-	-
XX. Solvency ratio	15,41	14,60		
XXI. Net profit (loss) per ordinary share (in PLN / EUR)	28,15	2,35	6,23	0,53
XXII. Diluted net profit (loss) per ordinary share (in PLNl / EUR)	-	-	-	-
XXIII. Declared or paid dividend per ordinary share (in PLN / EUR)	0,80	2,40	0,20	0,51

CONSOLIDATED BALANCE SHEET	as per 31 Dec 2004 end of quarter /2004	as per 30 Sep 2004 end of previous quarter /2004	as per 31 Dec 2003 end of quarter /2003	as per 30 Sep 2003 end of previous quarter /2003
ASSETS				
I. Cash and due from NBP	895 332	544 348	1 083 544	526 632
II. Treasury bills and other bills eligible for refinancing with NBP	14 224	12 788	16 552	26 123
III. Due from other financial institutions	11 380 569	9 747 283	7 738 952	7 581 926
1. Short-term	11 200 190	9 288 613	7 540 251	7 364 870
a) current	4 649 079	7 545 147	3 782 548	4 266 109
b) other	6 551 111	1 743 466	3 757 703	3 098 761
2. Long-term	180 379	458 670	198 701	217 056
IV. Due from customers	9 885 370	10 640 110	11 887 913	12 813 972
1. Short-term	6 664 431	7 039 429	7 685 742	6 375 654
a) current	2 984 199	3 043 807	2 714 666	2 940 121
b) other	3 680 232	3 995 622	4 971 076	3 435 533
2. Long-term	3 220 939	3 600 681	4 202 171	6 438 318
V. Due from State budget	379 163	388 780	447 274	667 248
1. Short-term	95 572	126 021	104 516	333 674
a) current	233	3 920	5 275	19 896
b) other	95 339	122 101	99 241	313 778
2. Long-term	283 591	262 759	342 758	333 574
V. Receivables subject to securities sale and repurchase agreements	344 476	550 151	329 399	-
VII. Debt securities	10 058 644	7 636 444	5 262 753	4 687 908
VIII. Due from subordinated entities valuated on equity basis	-	-	-	-
1. Wholy-owned subsidiaries	-	-	-	-
2. Partialy-owned subsidiaries	-	-	-	-
3. Associated undertakings	-	-	-	-
IX. Investments in wholy-owned subsidiaries valuated on equity basis	-	-	-	-
X. Investments in partialy-owned subsidiaries valuated on equity basis	-	-	-	-
XI. Investments in associated undertakings valuated on equity basis	70 944	60 734	53 208	50 136
XII. Investments in other undertakings	20 787	23 130	34 728	36 665
XIII. Other investments and other financial assets	470 936	370 651	432 280	240 211
XIV. Intangible fixed assets, of which:	268 097	273 622	267 766	278 386
- goodwill	198 420	205 917	228 405	235 901
XV. Goodwill in subordinated entities	-	-	-	-
XVI. Tangible fixed assets	765 690	819 748	849 310	886 756
XVII. Other assets	156 017	91 960	229 001	86 682
1. Repossessed assets	1 514	482	575	591
2. Reserves	90	306	349	424
3. Other	154 413	91 172	228 077	85 667
XVIII. Interperiod settlements	257 412	279 650	284 328	488 088
1. Deferred tax	213 046	235 715	230 035	396 749
2. Other interperiod settlements	44 366	43 935	54 293	91 339
TOTAL ASSETS	**34 967 661**	**31 439 399**	**28 917 008**	**28 370 733**

LIABILITIES				
I. Due to Central Bank	-	-	-	-
II. Due to other financial institutions	3 295 943	3 094 611	3 099 697	3 279 877
1. Short-term	3 108 476	2 887 419	2 818 573	3 013 735
a) current	1 364 656	1 036 883	1 254 427	1 872 901
b) other	1 743 820	1 850 536	1 564 146	1 140 834
2. Long-term	187 467	207 192	281 124	266 142
III. Due to customers	25 010 233	22 250 839	19 774 321	19 293 306
1. Short-term	24 116 273	21 448 672	18 931 910	12 615 755
a) current, of which:	6 852 754	6 414 045	5 561 292	5 343 485
- saving	1 634 911	1 667 025	1 861 292	1 745 438
b) other short-term liabilities, of which:	17 263 519	15 034 627	13 370 618	7 272 270
- saving	12 191 495	10 670 130	9 947 149	4 185 106
2. Long-term, of which:	893 960	802 167	842 411	6 677 551
- saving	496 724	354 569	359 122	6 174 600
IV. Due to State budget	1 204 220	1 173 976	1 060 265	995 156
1. Short-term	1 200 157	1 173 913	1 060 168	993 852
a) current	836 759	621 192	757 237	608 478
b) other	363 398	552 721	302 931	385 374
2. Long-term	4 063	63	97	1 304
V. Liabilities in respect of securities subject to sale and repurchase agreements	1 047 539	339 575	1 087 588	376 206
VI. Liabilities on securities issued	-	-	-	-
1. Short-term	-	-	-	-
2. Long-term	-	-	-	-
VII. Other liabilities on financial instruments	215 180	257 336	256 362	324 688
VIII. Due to subordinated entities valuated on equity basis	47 217	20 362	19 092	17 292
1. Wholy-owned subsidiaries	-	-	0	-
2. Partialy-owned subsidiaries	-	-	0	-
3. Associated undertakings	47 217	20 362	19 092	17 292
IX. Funds for staff benefit and other liabilities	348 806	612 762	315 249	493 888
X. Accruals and deferred income	271 158	341 210	282 482	621 787
1. Interperiod settlements	55 223	64 325	43 744	50 455
2. Negative goodwill	-	-	-	-
3. Deferred income	215 935	276 885	238 738	571 332
XI. Negative goodwill in subordinated entities	-	-	-	-
XII. Provisions	397 376	387 480	317 651	233 765
1. Provisions in respect of deferred income tax	129 039	69 904	61 647	66 582
2. Other provisions	268 337	317 576	256 004	167 183
a) short-term	-	-	-	-
b) long-term	268 337	317 576	256 004	167 183
XIII. Subordinated debt	-	-	-	-
XIV. Minority equity	-5 969	4 755	-4 511	-696
XV. Share capital	130 100	130 100	130 100	130 100
XVI. Unpaid contribution to share capital (negative value)	-	-	-	-
XVII. Own shares (negative value)	-	-	-	-
XVIII. Equity reserves	1 010 644	1 010 017	998 185	997 755
XIX. Revaluation reserve	92 886	54 297	22 447	30 884
XX. Other reserves	1 553 478	1 553 478	1 541 632	1 541 632
XXI. FX differences from valuation of subordinated entities	-	-	-	-
1. FX gains	-	-	-	-
2. FX losses	-	-	-	-
XXII. Profit (loss) from previous years	-17 405	-17 369	-14 098	-1 111
XXIII. Net profit (loss)	366 255	225 970	30 546	36 204
LIABILITIES TOTAL	**34 967 661**	**31 439 399**	**28 917 008**	**28 370 733**

Solvency ratio	15,41	15,30	14,60	14,10

Net book value	3 135 958	2 956 493	2 708 812	2 735 464
Number of shares	13 010 000	13 010 000	13 010 000	13 010 000
Net book value per share (in PLN)	241,04	227,25	208,21	210,26

Assumed number of shares	-	-	-	-
Diluted book value per share (in PLN)	-	-	-	-

OFF-BALANCE SHEET ITEMS	as per 31 Dec 2004 end of quarter /2004	as per 30 Sep 2004 end of previous quarter /2004	as per 31 Dec 2003 end of quarter /2003	as per 30 Sep 2003 end of previous quarter /2003
I. Contingent liabilities granted and received	23 302 800	22 325 248	19 985 604	17 987 377
1. Contingent liabilities granted	11 220 722	9 742 686	8 039 869	7 037 370
a) financial	10 238 280	8 618 207	6 967 752	5 949 743
b) guarantees	982 442	1 124 479	1 072 117	1 087 627
2. Contingent liabilities received	12 082 078	12 582 562	11 945 735	10 950 007
a) financial	207 220	130 806	88 042	270 128
b) guarantees	11 874 858	12 451 756	11 857 693	10 679 879
II. Commitments resulting from sale/purchase transactions	59 158 291	67 227 704	55 853 333	46 342 713
III. Other, including	32 309 662	46 890 383	83 837 363	66 130 202
- liabilities due to transactions on FRA	27 226 000	39 229 648	76 462 530	57 126 483
- liabilities due to transactions on options	4 681 743	5 892 625	7 105 999	7 189 636
- liabilities due to transactions on securities	401 919	1 768 110	268 834	1 814 083
Off-balance sheet items total	**114 770 753**	**136 443 335**	**159 676 300**	**130 460 292**

CONSOLIDATED PROFIT AND LOSS ACCOUNT	IV quarter / 2004 the period from 01 Oct 2004 to 31 Dec 2004	4 quarters / 2004 the period from 01 Jan 2004 to 31 Dec 2004	IV quarter / 2003 the period from 01 Oct 2003 to 31 Dec 2003	4 quarters / 2003 the period from 01 Jan 2003 to 31 Dec 2003
I.Interest income	496 199	1 692 129	362 900	1 630 626
II.Interest expense	285 477	857 987	161 822	750 903
III. Net interest income (I-II)	**210 722**	**834 142**	**201 078**	**879 723**
IV. Fee and commission income	159 994	600 920	176 672	610 790
V. Fee and commission expense	20 569	80 269	22 360	85 072
VI. Net fee and commission income (IV-V)	**139 425**	**520 651**	**154 312**	**525 718**
VII. Net income from sale of products, goods and materials	0	0	0	0
VIII. Cost of products, goods and materials sold	0	0	0	0
IX. Cost of sale	0	0	0	0
X. Net income on sale (VII-VIII-IX)	0	0	0	0
XI. Income from shares and other securities	0	750	0	1 468
1. From wholy-owned subsidiaries	0	0	0	0
2. From partialy-owned subsidiaries	0	0	0	0
3. From associated undertakings	0	0	0	0
4. From other undertakings	0	750	0	1 468
XII. Net profit on financial operations	**39 180**	**76 207**	**11 169**	**59 197**
XIII. Net profit on foreign exchange	**60 057**	**251 278**	**41 503**	**53 684**
XIV. Profit (loss) on banking activity	**449 384**	**1 683 028**	**408 062**	**1 519 790**
XV. Other operating income	11 590	65 302	9 683	39 818
XVI. Other operating expenses	51 672	96 715	19 296	78 443
XVII. General expenses	221 083	905 310	196 977	828 677
XVIII. Depreciation of fixed and intangible assests	32 704	128 100	41 079	145 621
XIX. Charges to provisions and revaluation	**462 854**	**2 443 459**	**667 529**	**2 449 136**
1. Charges to provisions	459 464	2 438 991	667 529	2 447 311
2. Revaluation of financial assets	3 390	4 468	0	1 825
XX. Release of provisions and decrease in respect of revaluation	**462 933**	**2 241 694**	**573 641**	**2 041 318**
1. Release of provisions	462 933	2 241 091	573 641	2 041 037
2. Revaluation of financial assets	0	603	0	281
XXI. Net charges to/release of provisions and decrease in respect of revaluation (XV-XVI)	**-79**	**201 765**	**93 888**	**407 818**
XXII. Operating profit	**155 594**	**416 440**	**66 505**	**99 049**
XXIII. Extraordinary losses / gains	**6**	**813**	**60**	**239**
1. Extraordinary gains	6	855	60	245
2. Extraordinary losses	0	42	0	6
XXIV.Charges to goodwill in subordinated entities	-	-	-	-
XXV. Charges to negative goodwill in subordinated entities	-	-	-	-
XXVI. Profit before taxation	**155 600**	**417 253**	**66 565**	**99 288**
XXVII. Corporate income tax	34 940	74 838	79 066	101 243
1. Current part	-38 929	23 610	-89 103	4 780
2. Deferred part	73 869	51 228	168 169	96 463
XXVIII. Other obligatory charges to profit / (loss)	1 310	1 312	46	22
XXIX. Participation in net profit (loss) of subordinated entities valuated on equity basis	10 211	23 694	3 073	10 820
XXX. (Profit) loss of minority investments	10 724	1 458	3 816	21 703
XXXI. Net profit (loss)	**140 285**	**366 255**	**-5 658**	**30 546**

Net profit (loss) /for 12 months/		**366 255**		**30 546**
Weighed average number of ordinary shares		**13 010 000**		**13 010 000**
Net profit (loss) per ordinary share (in PLN)		**28,15**		**2,35**
Assumed average weighted number of shares		**-**		**-**

MOVEMENTS IN CONSOLIDATED OWN EQUITY	IV quarter / 2004 the period from 01 Oct 2004 to 31 Dec 2004	4 quarters / 2004 the period from 01 Jan 2004 to 31 Dec 2004	IV quarter / 2003 the period from 01 Oct 2003 to 31 Dec 2003	4 quarters / 2003 the period from 01 Jan 2003 to 31 Dec 2003
I.Opening balance of own equity	2 956 493	2 708 812	2 735 464	2 717 237
a) changes in adopted accounting principles	-	-	-12 968	4 675
b) corrections of material errors	-	-	-	-
I.a.Opening balance of own equity after reclassifications to confirm with current year presentation	2 956 493	2 708 812	2 722 496	2 721 912
1. Opening balance of share capital	130 100	130 100	130 100	130 100
1.1. Movements	-	-	-	-
a) increases (in respect of)	-	-	-	-
- issue of shares	-	-	-	-
b) decreases (in respect of)	-	-	-	-
- redemption of shares	-	-	-	-
1.2. Closing balance of share capital	**130 100**	**130 100**	**130 100**	**130 100**
2. Opening balance of unpaid contribution to share capital	-	-	-	-
2.1. Movements in unpaid contribution to share capital	-	-	-	-
a) increases	-	-	-	-
b) decreases	-	-	-	-
2.2. Closing balance of unpaid contribution to share capital	-	-	-	-
3. Opening balance of own shares	-	-	-	-
a) increases	-	-	-	-
b) decreases	-	-	-	-
3.1. Closing balance of own shares	-	-	-	-
4. Opening balance of equity reserves	1 010 017	998 185	997 755	991 700
4.1. Movements in equity reserves	627	12 459	430	6 485
a) increases (in respect of)	627	12 459	430	6 485
- issue of shares with premium	-	-	-	-
- distribution of profit (mandatory)	-	565	19	601
- distribution of profit (voluntary)	36	3 055	-	3 421
- liquidation or sale of fixed assets	591	860	411	2 463
- sale of subsidiary entity	-	7 979	-	-
b) decreases (in respect of)	-	-	-	-
- covering prior period losses	-	-	-	-
4.2. Closing balance of equity reserves	**1 010 644**	**1 010 644**	**998 185**	**998 185**
5. Opening balance of revaluation reserve	54 297	22 447	30 884	34 332
5.1. Movements in revaluation reserve	38 589	70 439	-8 437	-11 885
a) increases	39 180	71 299	-	-
- valuation of assets available for sale	36 518	65 858	-	-
- hedge accounting	2 662	5 441	-	-
b) decreases (in respect of)	-591	-860	-8 437	-11 885
- liquidation or sale of fixed assets	-591	-860	-411	-2 463
- valuation of assets available for sale	0	-	-8 026	-3 981
- hedge accounting	0	-	-	-5 441
5.2. Closing balance of revaluation reserve	**92 886**	**92 886**	**22 447**	**22 447**
6. Opening balance of General Risk Fund	400 179	381 852	381 852	262 014
6.1. Movements in General Risk Fund	-	18 327	-	119 838
a) increases	-	18 327	-	119 838
- distribution of profit	-	18 327	-	119 838
b) decreases	-	-	-	-
6.2. Closing balance of General Risk Fund	**400 179**	**400 179**	**381 852**	**381 852**
7. Opening balance of other reserves	1 153 299	1 159 779	1 159 780	1 167 015
7.1. Movements in other reserves	-	-6 480	-	-7 235
a) increases	-	6 497	-	4 302
- distribution of profit	-	6 497	-	4 302
b) decreases	-	-12 977	-	-11 537
- covering of prior period losses	-	-12 977	-	-11 537
7.2. Closing balance of other reserves	**1 153 299**	**1 153 299**	**1 159 780**	**1 159 780**
8. FX differences from valuation of subordinated entities	-	-	-	-

9. Opening balance of undistributed profit or not covered loss of prior year	-17 369	16 449	-1 111	132 075
9.1. Opening balance of undistributed profit	6 075	44 891	27 331	172 054
a) changes in adopted accounting principles	-	-	-12 968	4 675
b) corrections of material errors	-	-	-	-
9.2. Opening balance of undistributed profit, after reclassifications to confirm with current year presentation	6 075	44 891	14 363	176 729
9.3. Movements	225 934	-38 852	36 185	-162 385
a) increases (in respect of)	225 970	-	36 204	-
- increases due to changes in accounting law	225 970	-	36 204	-
b) decreases (in respect of)	-36	-38 852	-19	-162 385
- charges to reserve capital	-	-6 497	-	-4 302
- charges to equity reserves	-36	-3 055	-19	-4 021
- charges to general risk fund	-	-18 892	-	-119 838
- charges to Social Fund	-	-	-	-1 500
- dividend	-	-10 408	-	-31 224
- donation for the ING Bank Śląski Foundation	-	-	-	-1 500
9.4. Closing balance of undistributed profit	232 009	6 039	50 548	14 344
9.5. Opening balance of not covered loss	-23 444	-28 442	-28 442	-39 979
a) changes in adopted accounting principles	-	-	-	-
b) corrections of material errors	-	-	-	-
9.6. Opening balance of not covered loss, after reclassifications to confirm with current year presentation	-23 444	-28 442	-28 442	-39 979
9.7. Movements	-	4 998	-	11 537
a) increases	-	-7 979	-	0
- sale of subsidiary entity	-	-7 979	-	-
b) decreases	-	12 977	-	11 537
- corrections of uncovered loss	-	12 977	-	11 537
9.8. Closing balance of not covered loss	-23 444	-23 444	-28 442	-28 442
9.9. Closing balance of undistributed profit or not covered loss of prior year	**208 565**	**-17 405**	**22 106**	**-14 098**
10. Net result	**140 285**	**366 255**	**-5 658**	**30 546**
a) net profit	140 285	366 255	-5 658	30 546
b) net loss	-	-	-	-
II. Closing balance of own equity	**3 135 958**	**3 135 958**	**2 708 812**	**2 708 812**
III. Own capital after taking account of proposed profit distribution (covering loss)	**2 869 253**	**2 869 253**	**2 698 404**	**2 698 404**

CONSOLIDATED CASH FLOW STATEMENT	**IV quarter / 2004 the period from 01 Oct 2004 to 31 Dec 2004**	**4 quarters / 2004 the period from 01 Jan 2004 to 31 Dec 2004**	**IV quarter / 2003 the period from 01 Oct 2003 to 31 Dec 2003**	**4 quarters / 2003 the period from 01 Jan 2003 to 31 Dec 2003**
A. Cash flow from operating activities	**-2 558 170**	**755 575**	**193 783**	**-176 670**
I. Net profit (loss)	**140 285**	**366 255**	**-5 658**	**30 546**
II. Adjustment for:	**-2 698 455**	**389 320**	**199 441**	**-207 216**
1. Minority shareholders' profit (loss)	-10 724	-1 458	-3 815	-21 702
2. Participation in net profit (loss) of subordinated entities valuated on equity basis	-10 211	-22 721	-3 073	-10 820
3. Depreciation, of which:	40 210	158 399	49 463	176 846
- depreciation of goodwill and negative goodwill in subordinated entities	-	-	-	-
4. Foreign exchange gains (losses)	-7 314	-15 964	2 167	22 697
5. Interest and dividends	1 793	3 596	2 620	4 843
6. Profit or loss on investment activity	103	-235	41	-1 266
7. Change in provisions	44 151	113 987	107 069	-175 787
8. Change in reserves	216	259	75	85
9. Change in debt securities held	-2 385 682	-4 730 033	-577 369	-3 165 733
10. Change in amounts due from other financial institutions	-4 576 971	-2 827 060	-555 481	215 060
11. Change in amounts due from customers and State budget	762 921	2 072 982	1 178 404	622 930
12. Change in receivables in respect of securities subject to sale and repurchase agreements	205 675	-15 077	-329 399	-329 399
13. Change in other investments and other financial assets	-137 436	-60 456	-281 315	-89 252
14. Change in amounts due to other financial institutions	253 340	276 881	-165 581	393 171
15. Change in amounts due to customers and State budget	2 789 638	5 379 867	535 824	764 154
16. Changes in payables in respect of securities subject to sale and repurchase agreements	707 964	-40 049	711 382	1 087 588
17. Change in liabilities on securities	-	-	-	-
18. Change in other liabilities	71 085	44 908	18 498	-98 498
19. Change in interperiod settlements	9 143	7 016	178 388	392 833
20. Change in deferred income	-60 950	-22 803	-332 594	-262 933
21. Other items	-395 406	67 281	-335 863	267 967
III. Net cash flow from operating activities (I +/- II)	**-2 558 170**	**755 575**	**193 783**	**-176 670**

B. Cash flow from investment activities	**-15 811**	**-78 148**	**-18 899**	**268 518**
I. Cash inflows	**533**	**8 179**	**3 987**	**340 528**
1. Sale of investments in wholy-owned subsidiaries	-	-	-	-
2. Sale of investments in partialy-owned subsidiaries	-	-	-	-
3. Sale of investments in associated undertakings	-	-	-	-
4. Sale of investments in other undertakings and sale of other financial assets	-	-	-	332 402
5. Sale of intangible and tangible fixed assets	533	3 194	3 446	3 875
6. Sale of investments in properties and intangible fixed assets	-	0	541	547
7. Other inflows	-	4 985	-	3 704
II. Cash outflows	**-16 344**	**-86 327**	**-22 886**	**-72 010**
1. Acquisition of investments in wholy-owned subsidiaries	-	-	-	-
2. Acquisition of investments in partialy-owned subsidiaries	-	-	-	-
3. Acquisition of investments in associated undertakings	-	-	-	-
4. Acquisition of investments in other undertakings and other financial assets	-	-	-	-
5. Acquisition of intangible and tangible fixed assets	-4 808	-60 612	-12 997	-44 435
6. Investments in properties and intangible fixed assets	-11 536	-25 715	-9 889	-27 575
7. Other outflows	-	-	-	-
III. Net cash flow from investment activities (I - II)	**-15 811**	**-78 148**	**-18 899**	**268 518**

C. Cash flow from financial activities	**-18 720**	**-51 082**	**-16 208**	**-38 613**
I. Cash inflows	**0**	**0**	**0**	**15 942**
1. Long-term loans taken from banks	-	-	-	-
2. Long-term loans taken from other than banks financial institutions	-	-	-	15 942
3. Issuance of debt securities	-	-	-	-
4. Increase in subordinated debt	-	-	-	-
5. Net inflow from issuance of own shares and additional payment to share capital	-	-	-	-
6. Other inflows	-	-	-	-
II. Cash outflows	**-18 720**	**-51 082**	**-16 208**	**-54 555**
1. Repayment of long-term loans to banks	-	-1 086	-	-1 001
2. Repayment of long-term loans to other financial institutions	-16 927	-35 193	-13 588	-15 333
3. Redemption of debt securities	-	-	-	-
4. Outflows in respect of other financial commitments	-	-	-	-
5. Payments of liabilities under financial lease agreements	-	-	-	-
6. Decrease in subordinated debt	-	-	-	-
7. Dividends and other payments to owners	-	-10 408	-	-31 224
8. Dividends and other participation in profit paid to minority shareholders	-	-	-	-1 500
9. Other payments in respect of profit distribution	-	-	-	-
10. Acquisition of own shares	-	-	-	-
11. Other outflows	-1 793	-4 395	-2 620	-5 497
III. Net cash flow from financial activities (I - II)	**-18 720**	**-51 082**	**-16 208**	**-38 613**

D. Net cash flow (A.III +/- B.III +/- C.III)	**-2 592 701**	**626 345**	**158 676**	**53 235**
E. Balance sheet change in cash	350 984	-188 212	556 912	86 774
- in this change in cash arising on FX differences on foreign currencies	-5 818	-8 887	142	5 216
F. Cash at the beginning of reporting period	**7 985 327**	**4 766 281**	**4 607 605**	**4 713 046**
G. Cash at the end of reporting period (F+/- D), of which:	**5 392 626**	**5 392 626**	**4 766 281**	**4 766 281**
- in this cash not at free disposal	-	-	-	-

ABBREVIATED QUARTERLY FINANCIAL STATEMENTS

BALANCE SHEET	as per 31 Dec 2004 end of quarter /2004	as per 30 Sep 2004 end of previous quarter /2004	as per 31 Dec 2003 end of quarter /2003	as per 30 Sep 2003 end of previous quarter /2003
ASSETS				
I. Cash and due from NBP	895 324	544 321	1 083 512	526 524
II. Treasury bills and other bills eligible for refinancing with NBP	14 224	12 788	16 552	26 123
III. Due from other financial institutions	11 446 900	9 860 374	8 155 285	7 975 615
1. Current	4 610 874	7 515 316	3 760 418	4 232 028
2. Term	6 836 026	2 345 058	4 394 867	3 743 587
IV. Due from customers	10 008 449	10 755 328	11 672 391	12 656 053
1. Current	2 980 416	3 042 293	2 713 722	2 938 431
2. Term	7 028 033	7 713 035	8 958 669	9 717 622
V. Due from State budget	379 163	388 780	447 274	667 248
1. Current	233	3 920	5 275	19 896
2. Term	378 930	384 860	441 999	647 352
V. Receivables subject to securities sale and repurchase agreements	344 476	550 151	329 399	-
VII. Debt securities	10 100 644	7 648 694	5 277 087	4 698 974
VIII. Investments in wholy-owned subsidiaries	140 982	130 006	141 228	143 836
IX. Investments in partialy-owned subsidiaries	-	-	-	-
X. Investments in associated undertakings	70 944	60 734	53 208	50 136
XI. Investments in other undertakings	15 893	17 229	27 531	30 017
XII. Other investments and other financial assets	470 920	370 632	432 252	237 526
XIII. Intangible fixed assets, of which:	264 587	270 641	266 292	276 865
- goodwill	198 101	205 558	227 927	235 383
XIV. Tangible fixed assets	492 963	512 286	545 819	559 004
XV. Other assets	155 488	90 702	240 754	74 644
1. Repossessed assets	1 514	482	413	364
2. Other	153 974	90 220	240 341	74 280
XVI. Interperiod settlements	242 929	265 722	265 247	464 750
1. Deferred tax	200 150	223 428	211 138	374 407
2. Other interperiod settlements	42 779	42 294	54 109	90 343
TOTAL ASSETS	**35 043 886**	**31 478 388**	**28 953 831**	**28 387 315**

LIABILITIES				
I. Due to Central Bank	-	-	-	-
II. Due to other financial institutions	3 470 645	3 233 221	3 221 303	3 374 534
1. Current	1 346 595	1 024 450	1 253 617	1 854 098
2. Term	2 124 050	2 208 771	1 967 686	1 520 436
III. Due to customers	24 928 674	22 185 915	19 715 442	19 227 746
1. Saving deposits	14 323 130	12 691 724	12 167 563	12 105 144
a) Current	1 634 911	1 667 025	1 861 292	1 745 438
b) Term	12 688 219	11 024 699	10 306 271	10 359 706
2. Other	10 605 544	9 494 191	7 547 879	7 122 602
a) Current	5 136 322	4 748 211	3 630 792	3 606 900
b) Term	5 469 222	4 745 980	3 917 087	3 515 702
IV. Due to State budget	1 204 220	1 173 976	1 060 265	995 156
1. Current	836 759	621 192	757 237	608 478
2. Term	367 461	552 784	303 028	386 678
V. Liabilities in respect of securities subject to sale and repurchase agreements	1 047 539	339 575	1 087 588	376 206
VI. Liabilities on securities issued	-	-	-	-
1. Short-term	-	-	-	-
2. Long-term	-	-	-	-
VII. Other liabilities on financial instruments	215 180	257 336	256 362	324 658
VIII. Funds for staff benefit and other liabilities	344 530	608 770	322 425	499 402
IX. Accruals and deferred income	267 040	337 917	271 153	614 692
1. Interperiod settlements	51 329	61 735	38 906	48 078
2. Negative goodwill	-	-	-	-
3. Deferred income	215 711	276 182	232 247	566 614
X. Provisions	430 100	385 185	310 481	239 457
1. Provisions in respect of deferred income tax	127 553	69 095	58 964	62 347
2. Other provisions	302 547	316 090	251 517	177 110
a) short-term	-	-	-	-
b) long-term	302 547	316 090	251 517	177 110
XI. Subordinated debt	-	-	-	-
XII. Share capital	130 100	130 100	130 100	130 100
XIII. Unpaid contribution to share capital (negative value)	-	-	-	-
XIV. Own shares (negative value)	-	-	-	-
XV. Equity reserves	1 003 152	1 002 561	1 002 292	1 001 881
XVI. Revaluation reserve	92 886	54 297	22 447	30 884
XVII. Other reserves	1 537 079	1 537 079	1 531 720	1 531 720
XVIII. Profit (loss) from previous years	6 486	6 486	-8 293	4 675
XVII. Net profit (loss)	366 255	225 970	30 546	36 204
LIABILITIES TOTAL	**35 043 886**	**31 478 388**	**28 953 831**	**28 387 315**

Solvency ratio	14,91	14,85	14,41	14,10

Net book value	3 135 958	2 956 493	2 708 812	2 735 464
Number of shares	13 010 000	13 010 000	13 010 000	13 010 000
Net book value per share (in PLN)	241,04	227,25	208,21	210,26

Assumed number of shares	-	-	-	-
Diluted book value per share (in PLN)	-	-	-	-

OFF-BALANCE SHEET ITEMS	**as per 31 Dec 2004 end of quarter /2004**	**as per 30 Sep 2004 end of previous quarter /2004**	**as per 31 Dec 2003 end of quarter /2003**	**as per 30 Sep 2003 end of previous quarter /2003**
I. Contingent liabilities granted and received	23 585 766	22 589 024	20 051 472	18 047 503
1. Contingent liabilities granted	11 503 688	10 006 462	8 105 737	7 097 496
a) financial	10 521 480	8 882 217	7 033 854	5 996 737
b) guarantees	982 208	1 124 245	1 071 883	1 100 759
2. Contingent liabilities received	12 082 078	12 582 562	11 945 735	10 950 007
a) financial	207 220	130 806	88 042	270 128
b) guarantees	11 874 858	12 451 756	11 857 693	10 679 879
II. Commitments resulting from sale/purchase transactions	59 158 291	67 227 704	55 853 333	46 342 713
III. Other, including	32 276 656	46 847 681	83 820 163	66 088 899
- liabilities due to transactions on FRA	27 226 000	39 229 648	76 462 530	57 126 483
- liabilities due to transactions on options	4 681 743	5 892 625	7 105 999	7 189 636
- liabilities due to transactions on securities	368 913	1 725 408	251 634	1 772 780
Off-balance sheet items total	**115 020 713**	**136 664 409**	**159 724 968**	**130 479 115**

PROFIT AND LOSS ACCOUNT	**IV quarter / 2004 the period from 01 Oct 2004 to 31 Dec 2004**	**4 quarters / 2004 the period from 01 Jan 2004 to 31 Dec 2004**	**IV quarter / 2003 the period from 01 Oct 2003 to 31 Dec 2003**	**4 quarters / 2003 the period from 01 Jan 2003 to 31 Dec 2003**
I.Interest income	496 924	1 686 170	361 900	1 620 809
II.Interest expense	288 465	864 467	160 097	749 855
III. Net interest income (I-II)	**208 459**	**821 703**	**201 803**	**870 954**
IV. Fee and commission income	142 976	551 566	163 985	569 806
V. Fee and commission expense	17 215	67 620	19 640	75 103
VI. Net fee and commission income (IV-V)	**125 761**	**483 946**	**144 345**	**494 703**
VII. Income from shares and other securities	0	1 310	0	1 468
1. From wholy-owned subsidiaries	0	560	0	0
2. From partialy-owned subsidiaries	0	0	0	0
3. From associated undertakings	0	0	0	0
4. From other undertakings	0	750	0	1 468
VIII. Net profit on financial operations	39 211	74 602	11 233	58 854
IX. Net profit on foreign exchange	36 818	201 978	45 959	105 850
X. Profit (loss) on banking activity	**410 249**	**1 583 539**	**403 340**	**1 531 829**
XI. Other operating income	9 940	48 947	7 668	30 310
XII. Other operating expenses	25 983	64 653	17 570	69 117
XIII. General expenses	220 936	895 221	198 075	812 669
XIV. Depreciation of fixed and intangible assests	29 309	116 076	30 569	127 420
XV. Charges to provisions and revaluation	462 218	2 437 795	664 223	2 433 610
1. Charges to provisions	458 828	2 433 327	664 223	2 431 785
2. Revaluation of financial assets	3 390	4 468	0	1 825
XVI Release of provisions and decrease in respect of revaluation	460 654	2 234 152	571 770	2 028 453
1. Release of provisions	460 654	2 233 549	571 770	2 028 172
2. Revaluation of financial assets	0	603	0	281
XVII. Net charges to/release of provisions and decrease in respect of revaluation (XV-XVI)	1 564	203 643	92 453	405 157
XVIII. Operating profit	**142 397**	**352 893**	**72 341**	**147 776**
XIX. Extraordinary losses / gains	**6**	**242**	**60**	**238**
1. Extraordinary gains	6	247	60	239
2. Extraordinary losses	0	5	0	1
XX. Profit before taxation	**142 403**	**353 135**	**72 401**	**148 014**
XXI. Corporate income tax	32 308	62 833	74 761	103 708
1. Current part	-41 494	17 243	-91 127	0
2. Deferred part	73 802	45 590	165 888	103 708
XXII. Other obligatory charges to profit / (loss)	1 310	1 310	45	21
XXIII. Participation in net profit (loss) of subordinated entities valuated on equity basis	31 500	77 263	-3 253	-13 739
XXIII. Net profit (loss)	**140 285**	**366 255**	**-5 658**	**30 546**

Net profit (loss) /for 12 months/		**366 255**		**30 546**
Weighed average number of ordinary shares		**13 010 000**		**13 010 000**
Net profit (loss) per ordinary share (in PLN)		**28,15**		**2,35**

Assumed average weighted number of shares		-		-
Diluted net profit (loss) per ordinary share (in PLN)		-		-

MOVEMENTS IN OWN EQUITY	IV quarter / 2004 the period from 01 Oct 2004 to 31 Dec 2004	4 quarters / 2004 the period from 01 Jan 2004 to 31 Dec 2004	IV quarter / 2003 the period from 01 Oct 2003 to 31 Dec 2003	4 quarters / 2003 the period from 01 Jan 2003 to 31 Dec 2003
I.Opening balance of own equity	**2 956 493**	**2 708 812**	**2 735 464**	**2 717 237**
a) changes in adopted accounting principles	-	-	-12 968	4 736
b) corrections of material errors	-	-	-	-
I.a.Opening balance of own equity after reclassifications to confirm with current year presentation	**2 956 493**	**2 708 812**	**2 722 496**	**2 721 973**
1. Opening balance of share capital	130 100	130 100	130 100	130 100
1.1. Movements	-	-	-	-
a) increases (in respect of)	-	-	-	-
- issue of share	-	-	-	-
b) decreases (in respect of)	-	-	-	-
- redemption of shares	-	-	-	-
1.2. Closing balance of share capital	**130 100**	**130 100**	**130 100**	**130 100**
2. Opening balance of unpaid contribution to share capital	-	-	-	-
2.1. Movements in unpaid contribution to share capital	-	-	-	-
a) increases	-	-	-	-
b) decreases	-	-	-	-
2.2. Closing balance of unpaid contribution to share capital	-	-	-	-
3. Opening balance of own shares	-	-	-	-
a) increases	-	-	-	-
b) decreases	-	-	-	-
3.1. Closing balance of own shares	-	-	-	-
4. Opening balance of equity reserves	1 002 561	1 002 292	1 001 881	999 829
4.1. Movements in equity reserves	591	860	411	2 463
a) increases (in respect of)	591	860	411	2 463
- issue of shares with premium	-	-	-	-
- distribution of profit (mandatory)	-	-	-	-
- distribution of profit (voluntary)	-	-	-	-
- liquidation or sale of fixed assets	591	860	411	2 463
b) decreases (in respect of)	-	-	-	-
- covering prior period losses	-	-	-	-
4.2. Closing balance of equity reserves	**1 003 152**	**1 003 152**	**1 002 292**	**1 002 292**
5. Opening balance of revaluation reserve	54 297	22 447	30 884	34 393
5.1. Movements in revaluation reserve	38 589	70 439	-8 437	-11 946
a) increases	39 180	71 299	-	-
- valuation of assets available for sale	36 518	65 858	-	-
- hedge accounting	2 662	5 441	-	-
b) decreases (in respect of)	-591	-860	-8 437	-11 946
- liquidation or sale of fixed assets	-591	-860	-411	-2 463
- valuation of assets available for sale	-	-	-8 026	-4 042
- hedge accounting	-	-	-	-5 441
5.2. Closing balance of revaluation reserve	**92 886**	**92 886**	**22 447**	**22 447**
6. Opening balance of General Risk Fund	400 152	381 825	381 825	262 000
6.1. Movements in General Risk Fund	-	18 327	-	119 825
a) increases (in respect of)	-	18 327	-	119 825
- profit distribution for previous year	-	18 327	-	119 825
b) decreases	-	-	-	-
6.2. Closing balance of General Risk Fund	**400 152**	**400 152**	**381 825**	**381 825**
7. Opening balance of other reserves	1 136 927	1 149 895	1 149 895	1 161 432
7.1. Movements in other reserves	-	-12 968	-	-11 537
a) increases (in respect of)	-	-	-	-
- profit distribution for previous year	-	-	-	-
b) decreases	-	-12 968	-	-11 537
- corrections of not covered loss	-	-12 968	-	-11 537
7.2. Closing balance of other reserves	**1 136 927**	**1 136 927**	**1 149 895**	**1 149 895**

8. Opening balance of undistributed profit or not covered loss of prior year	6 486	22 253	4 675	129 483
8.1. Opening balance of undistributed profit	6 486	28 735	4 675	141 020
a) changes in adopted accounting principles	-	-	-12 968	4 736
b) corrections of material errors	-	-	-	-
8.2. Opening balance of undistributed profit, after reclassifications to confirm with current year presentation	6 486	28 735	-8 293	145 756
8.3. Movements	225 970	-28 735	36 204	-154 049
a) increases	225 970	-	36 204	-
- net profit for previous quarters of current year	225 970	-	36 204	-
b) decreases	-	-28 735	-	-154 049
- charges to general risk fund	-	-18 327	-	-119 825
- charges to Social Fund	-	-	-	-1 500
- dividend	-	-10 408	-	-31 224
- donation for the ING Bank Śląski Foundation	-	-	-	-1 500
8.4. Closing balance of undistributed profit	**232 456**	**0**	**27 911**	**-8 293**
8.5. Opening balance of not covered loss	-	-6 482	-	-11 537
a) changes in adopted accounting principles	-	-	-	-
b) corrections of material errors	-	-	-	-
8.6. Opening balance of not covered loss, after reclassifications to confirm with current year presentation	0	-6 482	-	-11 537
8.7. Movements	-	12 968	-	11 537
a) increases	-	-	-	-
b) decreases	-	12 968	-	11 537
- corrections of not covered loss	-	12 968	-	11 537
8.8. Closing balance of not covered loss	**0**	**6 486**	**0**	**0**
8.9. Closing balance of undistributed profit or not covered loss of prior year	**232 456**	**6 486**	**27 911**	**-8 293**
9. Net result	**140 285**	**366 255**	**-5 658**	**30 546**
a) net profit	140 285	366 255	-5 658	30 546
b) net loss	-	-	-	-
II. Closing balance of own equity	**3 135 958**	**3 135 958**	**2 708 812**	**2 708 812**
III. Own capital after taking account of proposed profit distribution (covering loss)	**2 869 253**	**2 869 253**	**2 698 404**	**2 698 404**

CASH FLOW STATEMENT	IV quarter / 2004 the period from 01 Oct 2004 to 31 Dec 2004	4 quarters / 2004 the period from 01 Jan 2004 to 31 Dec 2004	IV quarter / 2003 the period from 01 Oct 2003 to 31 Dec 2003	4 quarters / 2003 the period from 01 Jan 2003 to 31 Dec 2003
A. Cash flow from operating activities	**-2 556 024**	**708 492**	**190 603**	**-187 847**
I. Net profit (loss)	**140 285**	**366 255**	**-5 658**	**30 546**
II. Adjustment for:	**-2 696 309**	**342 237**	**196 261**	**-218 393**
1. Participation in net profit (loss) of subordinated entities valuated on equity basis	-31 501	-77 264	3 253	13 739
2. Depreciation	36 775	146 215	38 380	157 952
3. Foreign exchange gains (losses)	-7 314	-15 964	2 167	22 697
4. Interest and dividends	1 793	3 596	2 620	4 843
5. Profit or loss on investment activity	-2 278	-3 177	-317	-1 700
6. Change in provisions	44 915	119 619	93 838	-215 965
7. Change in debt securities held	-2 415 437	-4 757 378	-580 756	-3 195 831
8. Change in amounts due from other financial institutions	-4 529 092	-2 472 011	-578 148	63 577
9. Change in amounts due from customers and State budget	765 378	1 756 859	1 207 521	761 175
10 . Change in receivables in respect of securities subject to sale and repurchase agreements	205 675	-15 077	-329 399	-329 399
11. Change in other investments and other financial assets	-138 446	-62 771	-280 890	-87 666
12. Change in amounts due to other financial institutions	262 577	301 852	-140 432	476 252
13. Change in amounts due to customers and State budget	2 773 003	5 357 187	542 505	740 698
14. Changes in payables in respect of securities subject to sale and repurchase agreements	707 964	-40 049	711 382	1 087 588
15. Change in liabilities on securities	-	-	-	-
16. Change in other liabilities	70 878	46 569	19 690	-97 468
17. Change in interperiod settlements	8 387	3 362	171 543	396 503
18. Change in deferred income	-58 551	-14 616	-334 367	-264 747
19. Other items	-391 035	65 285	-352 329	249 359
III. Net cash flow from operating activities (I +/- II)	**-2 556 024**	**708 492**	**190 603**	**-187 847**

B. Cash flow from investment activities	**-16 819**	**-25 994**	**-15 885**	**271 897**
I. Cash inflows	**533**	**54 679**	**3 987**	**340 528**
1. Sale of investments in wholy-owned subsidiaries	-	46 500	-	-
2. Sale of investments in partialy-owned subsidiaries	-	-	-	-
3. Sale of investments in associated undertakings	-	-	-	-
4. Sale of investments in other undertakings and sale of other financial assets	-	-	-	332 402
5. Sale of intangible and tangible fixed assets	533	3 194	3 446	3 875
6. Sale of investments in properties and intangible fixed assets	-	-	541	547
7. Other inflows	-	4 985	-	3 704
II. Cash outflows	**-17 352**	**-80 673**	**-19 872**	**-68 631**
1. Acquisition of investments in wholy-owned subsidiaries	-	-13 950	-54	-54
2. Acquisition of investments in partialy-owned subsidiaries	-	-	-	-
3. Acquisition of investments in associated undertakings	-	-	-	-
4. Acquisition of investments in other undertakings and other financial assets	-	-	-	-
5. Acquisition of intangible and tangible fixed assets	-5 816	-41 008	-9 929	-41 002
6. Investments in properties and intangible fixed assets	-11 536	-25 715	-9 889	-27 575
7. Other outflows	-	-	-	-
III. Net cash flow from investment activities (I - II)	**-16 819**	**-25 994**	**-15 885**	**271 897**

C. Cash flow from financial activities	**-18 720**	**-51 082**	**-16 208**	**-38 613**
I. Cash inflows	**0**	**0**	**0**	**15 942**
1. Long-term loans taken from banks	-	-	-	-
2. Long-term loans taken from other than banks financial institutions	-	-	-	15 942
3. Issuance of debt securities	-	-	-	-
4. Increase in subordinated debt	-	-	-	-
5. Net inflow from issuance of own shares and additional payment to share capital	-	-	-	-
6. Other inflows	-	-	-	-
II. Cash outflows	**-18 720**	**-51 082**	**-16 208**	**-54 555**
1. Repayment of long-term loans to banks	-	-1 086	-	-1 001
2. Repayment of long-term loans to other financial institutions	-16 927	-35 193	-13 588	-15 333
3. Redemption of debt securities	-	-	-	-
4. Outflows in respect of other financial commitments	-	-	-	-
5. Payments of liabilities under financial lease agreements	-	-	-	-
6. Decrease in subordinated debt	-	-	-	-
7. Dividends and other payments to owners	-	-10 408	-	-31 224
8. Other payments in respect of profit distribution	-	-	-	-1 500
9. Acquisition of own shares	-	-	-	-
10. Other outflows	-1 793	-4 395	-2 620	-5 497
III. Net cash flow from financial activities (I - II)	**-18 720**	**-51 082**	**-16 208**	**-38 613**

D. Net cash flow (A.III +/- B.III +/- C.III)	**-2 591 563**	**631 416**	**158 510**	**45 437**
E. Balance sheet change in cash	351 003	-188 188	556 988	86 850
- in this change in cash arising on FX differences on foreign currencies	-5 818	-8 887	142	5 216
F. Cash at the beginning of reporting period	**7 978 925**	**4 755 946**	**4 597 436**	**4 710 509**
G. Cash at the end of reporting period (F+/- D), of which:	**5 387 362**	**5 387 362**	**4 755 946**	**4 755 946**
- in this cash not at free disposal	-	-	-	-

Signature of the person/ persons representing the Company
Grzegorz Cywiński Vice-President of the Bank Management Board

Signature of the person responsible for book keeping
Eugenia Sikora Bank Director

Date 17 Feb 2005

Date 17 Feb 2005

COMMENTS
ON THE CONSOLIDATED QUARTERLY REPORT FOR THE 4th QUARTER OF 2004

I. PRINCIPLES ADOPTED FOR DRAWING UP THE CONSOLIDATED QUARTERLY REPORT

The consolidated quarterly report comprises the figures of:

- ING Bank Śląski S.A. as the parent entity,
- ING Securities S.A. as a subsidiary,
- Śląski Bank Hipoteczny S.A. as a subsidiary,
- Solver Sp. z o.o. as a subsidiary,
- ING Services Sp. z o.o. as a subsidiary,
- ING BSK Development Sp. z o.o. as a subsidiary,
- Centrum Banku Śląskiego Sp .z o.o. as a subsidiary.

The associated entity PTE ING Nationale-Nederlanden was included in the consolidated financial statements by the equity method.

The financial result presented in the consolidated Group financial report is the same as the financial result of ING Bank Śląski S.A., following the application of similar accounting methods to include subsidiaries in the solo report of ING Bank Śląski S.A. and in the Group consolidated report.

The consolidated quarterly report presents the balance sheet, profit and loss account, specification of changes in the equity, as well as cash flow statement developed pursuant to the Accounting Act, the Ordinance of the Minister of Finance dated 10.12.2003 on the principles of establishing provisions for the risk related to banking operation (Journal of Laws no. 218, item 2197), Ordinance of the Minister of Finance dated 10.12.2001 on the detailed principles of bank accounting (Journal of Laws no. 149, item 1673 as amended), Ordinance of the Minister of Finance dated 12.12.2001 on detailed principles of recognising, methods of evaluating, scope of revealing and means of presenting financial instruments (Journal of Laws no. 149, item 1674), Ordinance of the Minister of Finance dated 12.12.2001 on the principles of developing consolidated financial statements of banks and consolidated financial statements of financial holdings (Journal of Laws no. 152, item 1728 as amended) and the NBP's instruction on developing Bank Reporting Information.

Detailed description of the accounting principles, evaluation of assets and liabilities and establishing a financial result was presented in the consolidated annual report drawn up as at 31.12.2004.

The data were drafted based on the principles of valuing assets and liabilities and measuring the financial result defined as at the balance sheet date, adjusted with provisions, inclusive of the provisions and assets due to the deferred income tax, mentioned in the Accounting Act, and allocations updating the value of assets.

The following rates were applied for the purpose of determining basic values in EURO:

- for balance sheet items – PLN 4.0790, the NBP rate for 31.12.2004;
- for items within the profit and loss account for the 4th quarter – PLN 4.2085, the rate calculated as the average of NBP rates for the last day of each month of the 4th quarter 2004.
- for items within the profit and loss account as at 31.12.2004 r. – PLN 4.5182, the rate calculated as the average of NBP rates for the last day of each month of the 1st, 2nd, 3rd, 4th quarters 2004.

II. INFORMATION ABOUT CHANGES IN THE COMPOSITION OF THE CAPITAL GROUP

In the 4th quarter 2004, there were not any changes in the composition of Capital Group of ING Bank Śląski S.A

III. FACTORS AND EVENTS OF SIGNIFICANT IMPACT ON THE FINANCIAL RESULT

Profit and Loss Account

The year 2004 marked a break-through in the Polish economy. Both the pace of economic development and the situation on the financial markets displayed favourable trends. Poland's accession to the European Union had a positive impact on the GDP growth rate. The GDP in the individual quarters of 2004 amounted to, respectively: 6.9% in Q1, 6.2% in Q2, and 4.8% in Q3. Based on introductory data the economic growth in Q4 amounted to 4.1, that is GDP growth 5.4% on a year-on-year basis.

The main driver of economic growth was export. Positive tendencies were also observed in terms of domestic demand, which was partially stimulated by fears of price raise upon Poland's accession to the European Union. After dynamic growth in Q1 2004, the industrial output slowed down slightly in the months to follow, nevertheless its level was still quite high. After eleven months of 2004, the sold industrial output was up by 12.9% from the year earlier. The value of industrial output increased in 20 out of 29 sectors, mainly in the production of mechanical vehicles, electric machines and appliances, radio-, TV- and telecommunications equipment and devices.

Despite those favourable trends in the industrial output, no noticeable signs of recovery were recorded in terms of investments. After a 26% growth in April, the construction and assembly output went down by 13.4% in May, as investors wanted to complete transactions before the new VAT Act became effective. Starting August 2004, the construction and assembly output started to increase compared with the same period a year ago. Courtesy of exceptionally good results in December, the annual growth of construction output in 2004 amounted to 7.9%, and upon including the impact of seasonal factors it totalled 1.7%.

The economic growth did not, however, translate into new work places, even though employment in the enterprise sector started to rebound towards the end of the year. The unemployment rate in December amounted to 19.1% from 20.0% at 2003 year-end. Despite a gradual decrease of the registered unemployed, at the end of December 2004 nearly 3 million people remained jobless.

The economic revival was accompanied by a growing inflation pressure. The inflation rate in Q1 2004 remained on a low level (1.7% YtY), however, in May and June 2004 there was a marked increase of prices of consumer goods and services. In the months to follow the inflation rate remained around 4.6% to 4.4%. As a result, the annual inflation ratio in December 2004 was at 4.4%.

In view of the growing inflation pressure, the Monetary Policy Council decided in June 2004 to raise the interest rates by 0.5 p.p. and announced upholding the stringent monetary policy. As a result, the subsequent raises followed in July (by 0.25 p.p.) and in August (by 0.5 p.p.).

Favourable trends in economy were reflected in the slow increase of monetary aggregates. Growing consumer spending resulting from fears of growing prices due to Poland's accession to the European Union, and continued outflow of savings from bank accounts to the investment funds are the main reasons for the decrease of value of household deposits, which as at the end of December 2004 were down by 1.3% on December 2003. The deposits of corporate customers increased to the level unreported for years, and in December 2004 they were up by 22.9% over the end of 2003. This indicates the improvement of standing of companies and enhances the opportunities of funding with equity as far as positive investment prospects are regarded.

The credit receivables of the banking sector grew for the major part due to the expansion of lending addressed to households. As a consequence of dynamic development of mortgages, the credit receivables of the banking sector from households increased by 12.8% over the 12 months of 2004. As at the end of December 2004, the credit receivables from corporate customers were lower by 4.0% from December 2003. The said decrease resulted mainly from the low investment level and an improvement of the financial standing of some companies.

After a periodic weakening of the Polish currency early 2004, its gradual appreciation was observed starting from Q2 2004. The factors that influenced the PLN strengthening were the expected rise of interest rates and the consequential in-flow of foreign capital. As a result, at the end of December 2004 the PLN exchange rate to EUR amounted to 4.0790 against 4.7170 as of 31.12.2003.

In order to discus the main trends in the Profit and Loss Statement of the Capital Group of ING Bank Śląski, the table below presents the Profit and Loss Statement according to the income of individual business lines. The allocation of the result on banking activity into segments was made on the basis of the Bank's system of management accounting system.

PROFIT AND LOSS ACCOUNT OF ING BANK ŚLĄSKI (analytical, consolidated)

PLN mio	2002	2003	12M 2004	12M '04 / 12M '03	
Retail Banking	779,2	801,9	818,0	16,1	102,0%
Corporate banking	679,4	581,8	626,7	44,9	107,7%
Core business	*548,0*	*478,1*	*487,2*	9,1	101,9%
FM sales	*118,4*	*90,2*	*118,3*	28,1	131,2%
Capital markets	*13,0*	*13,5*	*21,2*	7,7	157,1%
Financial Markets	126,1	88,9	125,4	36,5	141,0%
ALCO & other	116,2	79,7	120,0	40,2	150,4%
Result on banking activity	**1 700,9**	**1 552,6**	**1 690,0**	**137,4**	**108,9%**
Operational costs	**1 115,0**	**1 012,9**	**1 045,8**	**32,9**	**103,2%**
Result before risk costs	**585,9**	**539,6**	**644,2**	**104,5**	**119,4%**
Risk costs	-379,6	-407,8	-201,8	206,1	49,5%
Result before tax	**206,3**	**131,8**	**442,4**	**310,6**	**335,6%**
Income tax	-65,2	-37,1	-93,3	-56,3	251,8%
Net result	**141,1**	**94,7**	**349,1**	**254,3**	**368,4%**
CIT rate recalculation 27% to 19%		-64,2			
Receivables resulting from project of FGU Act			17,2		
Net result adjusted	**141,1**	**30,6**	**366,3**	**335,6**	**1195,1%**

PLN mio	IQ 2004	IIQ 2004	IIIQ 2004	IVQ 2004
Retail Banking	205,8	199,2	200,0	212,9
Corporate banking	145,3	155,0	164,9	161,5
Core business	*113,1*	*120,4*	*131,4*	*122,3*
FM sales	*28,5*	*32,0*	*28,8*	*29,0*
Capital markets	*3,7*	*2,6*	*4,7*	*10,2*
Financial markets	24,4	37,8	27,6	35,7
ALCO & other	15,1	36,3	35,2	33,4
Result on banking activity	**390,6**	**428,3**	**427,7**	**443,5**
Operational costs	**249,4**	**267,6**	**262,6**	**266,2**
Result before risk cost	**141,2**	**160,7**	**165,0**	**177,3**
Risk cost	-71,6	-68,7	-60,8	-0,7
Result before tax	**69,6**	**92,0**	**104,2**	**176,5**
Income tax	-16,9	-19,8	-21,6	-35,0
Net result	**52,7**	**72,2**	**82,6**	**141,5**
CIT rate recalculation 27% to 19%	0,0	0,0	0,0	0,0
Receivables resulting from project of FGU Act	0,0	19,1	-0,7	-1,2
Net result adjusted	**52,7**	**91,3**	**81,9**	**140,3**

The result on banking activity generated by the Capital Group of ING Bank Śląski after four quarters of 2004 amounted to PLN 1,690.0 million, up by PLN 137.4 million, or 8.9%, on the year-earlier period. The result on banking activity in the subsequent quarters of 2004 amounted to respectively: PLN 390.6 million in Q1, PLN 428.3 million in Q2, PLN 427.7 million in Q3 and PLN 443.5 million in Q4. The level of the result on banking activity in the following quarters of 2004 indicates the consolidation of positive trends in terms of income generation.

The income on retail banking in 2004 amounted to PLN 818.0 million, up by PLN 16.1 million, or 2.0%, from the year-earlier period. The growth of income in the retail area results from consistent commercial policy, focusing mainly on offering a wide range of savings and clearing services. The retail banking worked out 48.4% of the result on the Group's banking activity.

The income of corporate banking in 2004 totalled PLN 626.7 million, up by PLN 44.9 million, or 7.7%, from the year-earlier period. The income in the area of core operations went up by PLN 9.1 million, or 1.9%. At the same time, the income generated on the sales of FM products for that segment went up (by PLN 28.1 million, or 31.2%). The corporate banking income made up for 37.1% of the total result on the Group's banking activity.

The income in the area of financial markets in 2004 amounted to PLN 125.4 million, up by PLN 36.5 million, or 41.0%, on the same period last year. It made up for 7.4% of the result on the Group's banking activity.

As at the end of December 2004, the FM income including FM sales to corporate segment amounted to PLN 243.7 million against PLN 179.1 million a year ago.

The income generated in the area of proprietary business (ALCO) after four quarters of 2004 amounted to PLN 120.0 million, up by PLN 40.2 million from a year earlier. The results improved mainly due to the favourable change in the appraisal of Centrum Banku Śląskiego. The said change, which resulted from the stronger PLN, was particularly noticeable from the second quarter of 2004 onwards. The growth of results as compared to the 2003 ones was also affected by higher incomes generated from investment of proprietary funds and higher incomes created by the valuation of PTE NN Company shares.

The total operational costs incurred by the Capital Group of ING Bank Śląski after four quarters of 2004 amounted to PLN 1,045.8 million, up by PLN 32.9 million (or, 3.2%) from a year ago. The depreciation was lower than last year. The increase of tangible costs resulted mainly from the intensification of marketing activities and higher consulting costs, due to the creation of the new strategy for the Bank. The increase of personnel costs is a consequence of the implementation of the pro-sales incentive system with performance bonuses, and increase of employment.

The result before risk costs in 2004 amounted to PLN 644.2 million, up by PLN 104.5 million, or 19.4%, from a year ago.

The balance of provisions established against the profit and loss account in 2004 totalled PLN 201.8 million against PLN 407.8 million a year ago. The visible decrease in costs of specific provisions is a consequence of the substantial reduction of the risk profile of the credit portfolio at disposal. This is a consequence of the finalisation of the process of additional provisioning of the portfolio of historical exposures, which came to existence in the period of economic downturn. It is also a result of a consistent pursuit of the policy of accepting the exposures encumbered with moderate risk.

The gross financial result generated by the Capital Group of ING Bank Śląski over the four quarters of 2004 totalled PLN 442.4 million against PLN 131.8 million last year. The gross result in the following quarters of 2004 amounted to respectively: PLN 69.6 million, PLN 92.0 million, PLN 104.2 million and PLN 176.5 million.

The net financial result earned by the Capital Group of ING Bank Śląski in 2004 totalled PLN 366.3 million against PLN 30.6 million last year. The one-off, positive adjustment of the income tax due to the EU Guarantee Fund was included in the financial result. Under the EU Guarantee Fund Act, the banks are allowed to deduct 8% of the amount of specific provisions for doubtful and loss receivables, which were not tax deductible as at 31.12.2002, from the income tax over the years 2007-2009. Since the dates of expected deductions in the tax paid are known, the deductions were discounted at entry date to the Bank's books by means of coefficients amounting to, respectively: 0.8008, 0.7486, 0.7005, and they were settled on a linear basis as of 31.12.2004. The expected tax receivable is PLN 17.2 million. The said amount was included in the 2004 result.

Evaluation of the Impact of Application of the International Accounting Standards on the 2005 Opening Balance Sheet

The Group drafts its financial report in accordance with the Polish Accounting Standards (PAS). There are some differences between the accounting principles adopted for the purpose of drafting the said financial report as of 31.12.2004 and the International Accounting Standards (IAS) in the part adopted by the European Commission. Those differences are shown in the below reconciliation:

			PLN thousand
		Financial result	Net assets
Polish Accounting Standards		**366,255**	**3,135,958**
(1)	Valuation according to the depreciated cost considering the effective interest rate	7,555	-61,098
(2)	Difference between the total of specific provisions, General Risk Reserve and contingent interest and the adjusting write-offs due to the impairment of financial assets		*120 160*
(3)	Revaluation of proprietary real estate		- 7,015
(4)	Valuation of financial instruments connected with long-term incentive system	-967	- 967
(5)	Goodwill	29,983	25,399
(6)	Deferred tax	-1,435	5,962
International Accounting Standards		**401,561**	**3,218,399**

(1) In accordance with PAS, interest is included in the P&L Account on an accrual basis and commissions on an accrual or cash basis depending on the commission type. In line with IAS the valuation according to the depreciated cost considering the effective yield of a given financial instrument was applied, whereas the effective yield was calculated considering all fees and payments made and received.
Due to the estimation of the credit impairment in accordance with IAS for the first time as of 01.01.2005, the adjustment did not take into consideration the changed method of charging interest on the current asset value. Therefore, in this regard the reconciled financial result will not be fully comparable with the result established in accordance with IAS in a continuous manner in the year 2005.

(2) In accordance with IAS 39, there was reconciled an adjusting write-off of financial assets listed at the depreciated purchase price as the differential between the balance sheet value of the asset and the current value of expected future cash flows, discounted using the effective

interest rate. In line with PAS, the dominant entity determines the value of specific provisions pursuant to the effective regulation on establishing reserves for the risk related to banks' operations issued by the Minister of Finance.

Under IFRS, provisions established up to date for the estimated (forecast) loss and for the risk of loss in the future are replaced by the write-off up-dating the value of assets in which the loss of value was found and by the provisions for losses incurred but not reported yet.
The amount of the up-dating write-off is calculated as a difference between the sum of forecast future cash flow discounted with the effective rate and the current value of liabilities (or equivalent of liabilities).

Calculation of IBNR (Incurred but not reported), i.e. the provisions for losses incurred but not reported, is made with the use of statistical models based on the amount of exposure in which no loss of value was found based on PD (probability of default), the estimated period of time between occurrence of circumstances causing the loss (e.g. loss of capability to pay debts) and the Bank being informed of such situation, and LGD (loss given default).

IFRS does not allow for keeping general reserves. This results in the need to dissolve General Risk Reserve which will be partly used for creating of IBNR in corporate area.

Partial decrease of provisions in the retail area is a result of the fact that the calculated LGD is lower than provisions obtained according to the up to date standard. The amounts of provisions for increased risk exposure which do not fulfil the test of the loss of value appeared insufficient to create IBNR provision for the retail.

<table>
<tr><th colspan="2">PAS 31.12.2004
PLN million</th><th colspan="2">IFRS 01.01.2005
PLN million</th><th>Change
PLN million</th></tr>
<tr><td rowspan="2">Specific provisions – corporations and small firms</td><td rowspan="2">541
impaired 508
not imp. 33</td><td>Corporate impairment</td><td>567</td><td rowspan="2">+ 101</td></tr>
<tr><td>Corporate IBNR</td><td>75</td></tr>
<tr><td rowspan="2">Specific provisions – individual customers and selected SME lines</td><td rowspan="2">252
impaired 185
not imp. 66</td><td>Retail Impairment</td><td>184</td><td rowspan="2">+ 1</td></tr>
<tr><td>Retail IBNR</td><td>69</td></tr>
<tr><td>General Risk reserve</td><td>223
allocation corp. 167
allocation retail 56</td><td>General Risk Reserve must not appear</td><td>0</td><td>-223</td></tr>
<tr><td></td><td>1016</td><td></td><td>895</td><td>-120</td></tr>
</table>

The general outline of the conversion of provisions kept at the Bank as of 1 January 2005, presented in the table above, shows that the Bank will be forced to transfer approx. PLN 120 million from reserves to equity.

Due to the fact that those reserves were created in the previous periods from profits and taking into consideration the high level of the Bank's solvency ratio, the Management Board proposes to increase the dividend for the year 2004 by the amount of predicted adjustment of reserves.

(3) As of 1.01.2005, the Bank revalued the real estates used for banking activity to the fair value, reduced with the depreciation write-offs. It is dictated, first of all, by the intention to present the value of the real estate in real terms in the financial reports of the Bank. So far, the real estates were presented at the historical value of purchase or manufacturing, which in the opinion of the Bank did not show the fair picture of fixed assets. Real estates will be evaluated by the Bank periodically at least every 3-5 years.

(4) Implementation of IAS involves introduction of valuation of derivative instruments connected with the long-term incentive system.

(5) Implementation of IAS also involves changing the valuation of goodwill, which is subject to test for impairment, under IAS. In its books, the Bank recognises goodwill related to the take-over of ING Warsaw Branch, for which no impairment was recorded, and goodwill due to the take-over of Wielkopolski Bank Rolniczy. In case of the latter, the Bank does not generate the assumed profit level, therefore an impairment was recognised of 100% of the goodwill.

(6) Deferred tax applies to the above described items.

The Bank Management Board emphasizes the fact that International Accounting Standards do not allow for the establishment of general reserves and provisions for potential future occurrences and thus the result is more volatile upon the influence of changes in the economic situation or individual occurrences related to the Bank's portfolio.

The estimates presented in the above note are of a preliminary nature and they were not audited, thus they may change.

Information concerning the payment of dividend from 2004 profit as proposed by the Bank Management Board

The Management Board of ING Bank Śląski S.A. proposes to pay the dividend for the year 2004 in the amount of PLN 20,50 per 1 share. Since all shares of ING Bank Śląski are ordinary shares, there are no liabilities due to cumulated dividends to be paid for preferred shares.

In the year 2004, ING Bank Śląski accomplished much better financial results than in the previous years – net profit amounted to PLN 366.3 million, i.e. at the level of PLN 28.15 per 1 Bank's share.

The Bank Management Board will submit to the General Shareholders Meeting the proposal to allocate the profit as follows:

1.	**<u>Dividend:</u>**	**<u>PLN 20.50 per 1 share, i.e. PLN 266.7 million</u>**
a)	40% net profit –	PLN 11.30 per 1 share, i.e. PLN 147.0 million
b)	one-off payment connected with the introduction of IAS and expected transfer of some provisions to equity	PLN 9.20 per 1 share, i.e. PLN 119.7 million
2.	**<u>General Risk Fund</u>**	**<u>PLN 30.0 million</u>**
3.	**<u>Reserve Capital</u>**	**<u>PLN 69.6 million</u>**

The Bank Management Board will propose to pay the dividend at the General Shareholders Meeting to be convened in May 2005.

Due to the significant improvement of the profitability of ING Bank Śląski in the year 2004 and the high solvency ratio (15.4%), being the proof of an adequate level of Bank's equity for future market expansion, the Management Board is proposing the dividend for the year 2004 of 40% of the net profit earned, i.e. PLN 11.30 per 1 share.

The analyses concerning the consequences of the Bank's conversion into the international accounting standards also show that in the 2005 opening balance sheet the amount of approx. PLN 120 million will be shifted from provisions to the Bank's equity. The principles of establishment of provisions stipulated in the international accounting standards are based on the concept of the incurred loss which results among others in the need to dissolve the general reserves held by the Bank (mainly General Risk Reserves). The reserves dissolved for that reason will be used by the Bank partly to establish provisions for losses incurred but not reported (IBNR), and partly they will increase the Bank's equity.

According to the preliminary estimates, the amount of capital increase following the implementation of IAS 39 and 37 in regard to establishment of write-offs revaluating the off-balance-sheet receivables and liabilities will be approximately PLN 120 million. Bearing in mind the fact that the provisions shifted to the capital were established by the Bank over former periods at the cost of profits and since the solvency ratio of the Bank is high, the Management Board considers rational to render the entire amount of the foreseen capital increase, caused by the change of provisioning rules, to the shareholders as a higher dividend. This means that the Bank will pay a one-off dividend of PLN 9.20 per 1 share; i.e. in the amount of PLN 119.7 million.

The total dividend from the profit generated by ING Bank Śląski for the year 2004 is PLN 20.50 per 1 share.

Change of accounting standards will also affect the equity of the Bank. Decrease of the Bank's equity resulting from the introduction of effective interest rate is one of the major consequences thereof. It is estimated that the said operation will reduce the Bank's equity by PLN 61.1 million approximately. As the said amount will be settled in future in the form of increased Bank's revenues over future periods, the Management Board did not take account of the impact of that factor while determining the proposal of dividend payment.

The Management Board of ING Bank Śląski emphasizes the fact that as a result of the changed accounting standards we have to expect a larger volatility of the Bank's results. Over the year 2005, the Bank will analyse alternative solutions aimed at developing a stable and transparent dividend policy.

Commercial Figures

The commercial policy of ING Bank Śląski in 2004 focused on building of the deposit portfolio, providing clearing services and mitigating of the credit risk. One of the Bank's goals was expansion in the deposit market. As on 31 December 2004, the value of the Bank's deposits totalled PLN 28,524.8 million [1] against PLN 22,703.4 million as at the end of December 2003. The key component of the deposit base was the funds obtained from households. As at the end of December their value amounted to PLN 15,046.6 million, up by PLN 2,289.0 million, or 17.9%, from the 2003 year-end. In 2004, significant activation of the sales of deposit products, including the Open Savings Account (OKO) and the Profit Deposit Account, was observed. The value of the portfolio of those products went up from PLN 5,194.3 million as at the end of 2003 to PLN 6,362.3 million as at the end of December 2004. The deposits of corporate customers went up by PLN 3,532.4 million, or 35.5% on December 2003, and their share in total deposits went up by 3.5 p.p. The observed growth of the corporate deposits' value was related to deposits of enterprises, whose value in 2004 went up by PLN 2,969.6 million, or 54.1%.

The share in the market of long-term deposits and liabilities amounted to 8.07% (vs. 6.83% as at the end of 2003), however, an increase of the share in the corporate customers' deposits market was recorded from 8.50% as at the end of 2003 to 9.58% as at the end of December 2004. The share in the

[1] The figures cover the deposits of individual customers, business entities from the non-financial and budgetary sector and the financial sector, excluding suspense liabilities and interest.

market of household deposits went up from 6.05% as at the end of 2003 to 7.19% as at the end of December 2004.

The Bank is also a distributor of investment fund units of ING TFI. As at the end of December 2004 the balance of units acquired was PLN 1,211 million versus PLN 1,255 million at the end of 2003.

In 2004, ING Bank Śląski continued its selective credit expansion, which aimed at achieving adequate return at an acceptable risk level. The level of credit receivables was also affected by the changes to the principles of bank accounting enacted in December 2003 under which fully provisioned loss loans may be shifted to off-balance sheet[2]. In 2004, the Bank took advantage of the amended regulations, and as at the end of 2004 the value of loans shifted to off-balance sheet totalled PLN 1,195.3 million.

As a result of the abovementioned factors, the value of credit exposure as at the end of December 2004 totalled PLN 11,370.7 million[3] versus PLN 13,846.2 million in December 2003. The PLN loans dropped by PLN 584.3 million from December 2003; the decrease in the value of FX loans was PLN 1,891.2 million and resulted from the stronger PLN and the repayment of some credit facilities.
The value of the mortgage loans portfolio as at the end of December 2004 amounted to PLN 750.7 million against PLN 844.7 million at the end of December 2003. Aiming at the sales activation and considerable strengthening of the competitive position of the mortgage loan, significant modifications of that product were prepared to be introduced as of 1 October 2004. The key elements of the new offer include: quick process of taking credit decisions, attractive interest rate and transparency of the offer.

The Bank's share in the market of credit receivables at the end of December 2004 amounted to 4.29% (vs. 5.65% at the end of December 2003). The share in the market of corporate loans of as per the end December 2004 was 5.34% versus 6.30% at the end of December 2003 (exclusive of written-off receivables the share was 5,90% at the end of December 2004 versus 6.63% at the 2003 yearend). The share in the market of household loans as at the end of December 2004 totalled 2.87% from 3.78% as at the end of December 2003. (exclusive of written-off receivables the share was was 3.14% at the end of December 2004 versus 4.10% of 2003 yearend).

The number of personal accounts maintained by the Bank at the end of December 2004 was 974,800 against 1,041,200 as at 31.12.2003. The decrease in the number of accounts results from the closing of

[2] Ordinance of Minister of Finance of 12.12.2003 amending the Ordinance on detailed principles of bank accounting.

inactive accounts. The share of ING Bank Śląski in the market of personal (ROR) accounts at the end of December 2004 amounted to 6.4% compared with 7.7% as of 31.12.2003.

ING Bank Śląski is one of the largest issuers of bank cards in the Polish market. The Bank's offer includes debit cards, charge cards, credit cards and pre-paid cards. Special priority is attached to credit cards, which are among priority products in the retail offer. Introduction of new types of credit cards this year and actions aimed at increasing attractiveness of the offer of ING Bank Śląski resulted in increased sales growth rate. The number of issued credit cards[4] went up from 1,623 as at the end of 2003 to 31,732 cards as at the end of December 2004.

The number of customers using the electronic banking systems went up from 599,076 at the end of December 2003 to 747,906 at the end of December 2004.

The figures for electronic banking are as follows:

Electronic ranking system	31.12.2004	30.09.2004	31.12.2003
MultiCash	9 323	9 332	9 326
HomeCash	22 722	23 645	26 759
TransDysk	2 241	2 230	2 204
ING BankOnLine	152 832	133 529	97 913
HaloŚląski	560 788	518 347	462 874
TOTAL	747 906	687 083	599 076

The number of transactions made with the use of the electronic banking systems in December 2004 reached the level of 3,000,000. The value of transactions made in December 2004 via the systems of electronic banking exceeded PLN 24.300 billion

Structure of the credit portfolio

Pursuant to the Ordinance of the Minister of Finance dated 02.12.2003 amending the Ordinance on particular accounting principles, the Bank wrote off receivables constituting credit exposures amounting to PLN 410,667 thousand against the specific provisions, shifting them to off-balance sheet records until they are written down, expired or repaid. In the classification of corporate customers the bank also accounted for the received banking or corporate guarantees. The above actions resulted in a

[3] The presented value includes loans granted to business entities from the non-financial and budgetary sector and the financial sector as well as individual customers. The value includes discount loans and the subordinated loan, it does not include the granted inter-bank deposits, suspense receivables and matured and not matured interest.
[4] Visa Classic, Visa Credit Gold, MasterCard Credit.

decrease of non-performing loans in the Bank's credit portfolio from 25.1% as at the end of December 2003 to 11.8% as at the end of December 2004.

The table below illustrates the total credit portfolio structure as of 31 December 2004.

PLN 0.0 million

	Exposure	%Structure	Provisions	Coverage
Total	**11,370.7**	**100.00%**	**1,015.7**	**8.93%**
RRO and general credit risk reserve			**222.6**	
Performing	**10,029.7**	**88.21%**	**51.6**	**0.51%**
Non-performing	**1,341.0**	**11.79%**	**741.5**	**55.29%**
- sub-standard	183.5	1.61%	24.1	13.13%
- doubtful	426.5	3.75%	96.7	22.67%
- loss	731.0	6.43%	620.7	84.58%

The coverage of the credit portfolio with provisions at the end of December 2004 was 8.93% as compared with 9.08% at the end of December 2003.

The below table presents the structure of the credit portfolio per business line as of 31 December 2004.

PLN million	2002	2003	2004
Exposure total	**15 316**	**13 846**	**11 371**
Provisions total	**1 753**	**1 258**	**1 016**
Total coverage ratio (%)	**11,4%**	**9,1%**	**8,9%**
Corporate entities	**11 312**	**10 177**	**8 103**
- regular	7 957	7 202	7 162
- sub-standard	953	834	116
- doubtful	1 313	1 448	398
- lost	1 089	692	427
Provisions	**1 127**	**675**	**464**
Allocation of general reserves	**62**	**178**	**167**
Irregular portfolio coverage (%)	**35,5%**	**28,7%**	**67,0%**
Households	**4 005**	**3 669**	**3 267**
- regular	3 302	3 176	2 868
- sub-standard	129	112	67
- doubtful	98	88	29
- lost	475	294	304
Provisions	**481**	**289**	**329**
Allocation of general reserves	**22**	**26**	**56**
Irregular portfolio coverage (%)	**71,7%**	**64,0%**	**96,3%**

Share of irregular loans	**26,49%**	**25,05%**	**11,79%**

The coverage ratio of the irregular retail portfolio was calculated as the quotient of all specific provisions for retail exposures (inclusive of regular ones) against the portfolio of irregular retail loans.

The downward tendency of specific provisions in individual quarters of 2004 is the consequence of:

- enhancement of the quality of the new credit portfolio
- transfer of the part of the portfolio classified to the loss category for the period exceeding 1 year for which 100% provisions were established to the off-balance sheet reporting:
  - PLN 81.9 million in the second quarter for corporate loans,
  - PLN 20.6 million in the third quarter for corporate loans,
  - PLN 218.5 million and PLN 89.7 million for corporate and retail loans respectively in the fourth quarter.

Information on ING Bank Śląski S.A. Subsidiaries

ING Bank Śląski S.A. holds a 20% share in the equity of ING Nationale-Nederlanden Poland Pension Fund Society (PTE). The company is one of the largest pension funds in Poland. The pension fund managed by the PTE is among the leaders by investment results, and its customers are among the most loyal ones.

The Capital Group of ING Bank Śląski S.A. holds 100% of shares of ING Securities S.A. The Company belongs to the largest brokerage companies in Poland, operating on the markets of shares, bonds and derivatives. ING Securities S.A. renders comprehensive broker services with use of varied distribution channels, inclusive of Internet. The offer includes all products of the capital market available for individual investors in Poland, i.e. intermediation in stock exchange transactions, OTC transactions and foreign markets, investment loans, securities lending, analytical service, investment recommendations, assets management, sales of participation units in investment funds. In 2004, ING Securities S.A. took full advantage of the revival on the equity market and participated together with the CDM Pekao S.A. in the sales of shares of Globe Trade Centre S.A. as Leading Co-manager. Furthermore, ING Securities S.A. took part in the privatisation of PKO BP, served the subscription for shares of Huta Ferrum S.A and intermediated in the call to the sale of proprietary shares of Jupiter NFI. ING Securities S.A was also part of the syndicates offering the shares of: FC Dwory, WSiP, PEKAES, and of the Hungarian company called Borsodchem.

The Capital Group of ING Bank Śląski S.A. holds 100% of shares of Śląski Bank Hipoteczny S.A. The credit operations of the Company involves extending credit facilities secured with mortgage and it is focused on two areas: funding individuals to satisfy their living needs and funding business entities.

The Group of ING Bank Śląski S.A. owns 100% of shares of ING BSK Development Sp z o.o. The Company provides advisory services within the scope of conducting economic activity and management, lease of the real property on its own account, agency in the real property trading and the real property management upon request.

The Group of ING Bank Śląski S.A. is the owner of 100% of shares of ING Services Polska Sp. z o.o. The business profile of ING Services Polska Sp. z o.o. includes providing IT services, management of IT processes, rent/ lease of IT equipment, creation and storage of back-up copies of databases or data files, data processing, providing consulting services.

ING Bank Śląski S.A. holds a 79.79% share in the equity of Solver Sp. z .o. o. The objects of the Company's business include: wholesale and retail sale of foodstuffs and durable goods, intermediation and sale of real estate and services. The Company's main activities include package holidays for the Bank's employees and their families in the recreation centres in Krynica, Wisła and Głębinów.

ING Bank Śląski S.A. holds a 60% share in the equity of and 50% of votes at the General Shareholders Meeting of Centrum Banku Śląskiego Sp. z o.o. The Company manages two buildings: the offices of the Head Office of ING Bank Śląski and the commercial building for rent.

IV. INFORMATION ON PROVISION ADJUSTMENTS

1. Information on Specific Provisions for Receivables

The Group entities establish specific provisions for qualified receivables and liabilities and update financial assets according to the following principles:

- in case of banks the legal basis for provisioning is the Ordinance of Minister of Finance dated 10.12.2003 on the principles of establishing provisions for the risk related to banking operation (Journal of Laws No. 218, item 2197) with application of more restrictive principles than imposed by the ordinance;
- in case of remaining entities the legal basis for provisioning is the Accounting Act, and for evaluation of customer financial standing the provisioning principles compliant with the

Accounting Act and the prudence standards applied by the parent entity are employed (ING Bank Śląski).

The balance of specific provisions in the third quarter 2004 was: negative and amounted to:

- In consolidated statements of the Group: PLN positive and amounted to 79 thousand. This amount comprises positive specific provisions for receivables and off-balance-sheet liabilities amounting to PLN 3,469 thousand, and also the total updated value of financial assets amounting to PLN 3,390 thousand.
- In statements of the Bank negative and amounted to PLN 1,564 thousand. This amount comprises negative specific provisions for receivables and off-balance-sheet liabilities amounting to PLN 1,826 thousand, and also the total updated value of financial assets amounting to PLN 3,390 thousand.

2. Information on Assets and Deferred Income Tax Provision

Pursuant to Article 37 of the Accounting Act, due to temporary differences between the value of assets and liabilities indicated in the books and their tax value as well as tax loss that could be deducted in future, the entities are obliged to establish provisions and indicate assets for deferred income tax.

The table below presents changes in the deferred tax:

GROUP			*PLN thous.*
	31.12.2003	**30.09.2004**	**31.12.2004**
Deferred tax assets	230 035	235 715	213 046
Provision for deferred tax	60 126	69 904	129 039
Net deferred tax	**169 909**	**165 811**	**84 007**
CHANGE IN IV Q			**-81 804**
CHANGE IN 2004			**-85 902**

Impact on:		for IV Q	for 2004
- Net result	-	-72 683	-68 412
- Revaluation reserve	-	-9 121	-16 733
- Result of previous year	-	0	-1 521
Total changes		**-81 804**	**-86 666**
Change if deferred tax connected to sale of l			764
Total changes of deferred tax		**-81 804**	**-85 902**

BANK			
			PLN thous.
Deferred tax assets	**31.12.2003**	**30.09.2004**	**31.12.2004**
Provision for deferred tax	211 138	223 428	200 150
Net deferred tax	57 443	69 095	127 553
	153 695	**154 333**	**72 597**
CHANGE IN IV Q			
CHANGE IN 2004			**-81 736**
			-81 098

Impact on:			
- Net result		for IV Q	for 2004
- Revaluation reserve	-	-72 616	-62 774
- Result of previous year	-	-9 120	-16 803
Total changes	-	0	-1 521
		-81 736	**-81 098**

V. INFORMATION ON PRINCIPLES OF SETTLEMENTS AND PRESENTATION OF INVESTMENT RELIEF

The parent entity of the Group settles the investment relief pursuant to the letter of the Ministry of Finance no. DR-2/JJ/261/96 of 29 July, 1996.

The additional depreciation, recognised in the 4th quarter 2004, due to investment relief obtained in 1994-1999 and included in the costs of the 4th quarter 2004, amounted to PLN 1,569 thousand.

VI. INDICATION OF SHAREHOLDERS OWNING DIRECTLY OR INDIRECTLY AT LEAST 5% OF TOTAL NUMBER OF VOTES AT GENERAL SHAREHOLDERS MEETING OF THE ISSUER OR AT LEAST 5% OF THE EQUITY

According to the status as at the date of the report submission for the fourth quarter of 2004 the shareholders owning at least 5% of votes in the General Shareholders Meeting of ING Bank Śląski Spółka Akcyjna were the following entities:

No.	Entity	Number of shares and votes	% of total number of shares and votes in General Shareholders Meeting
1.	ING Bank N.V.	11,418,641	8.77
2.	Commercial Union Open Pension Fund BPH CU WBK	700,000	5.38

In the period from the date of submitting the previous quarterly report to the date of submitting the report for Q4 2004, there were no changes in the structure of shareholders holding at least 5% of shares and votes at the General Shareholders Meeting.

VII. INFORMATION ON SHARES OF ING BANK ŚLĄSKI S.A. HELD BY THE MEMBERS OF SUPERVISORY BOARD AND MANAGEMENT BOARD

The members of the Bank Management Board and the Bank Supervisory Board do not own any shares of ING Bank Śląski S.A. According to the status as at the date of submitting the previous quarterly report members of the Supervisory Board and Management Board were not in the possession of any shares of ING Bank Śląski S.A.

VIII. DESCRIPTION OF ACTIONS CARRIED OUT BY THE CAPITAL GROUP OF THE ISSUER IN THE 4th QUARTER 2004.

1. Transactions with Affiliated Companies

Since July 1996 ING Bank Śląski has been a subsidiary of ING Bank NV. It was at that time that the Bank and ING Group started to co-operate closely. The said co-operation consists in employing expert know-how as to financial, legal and tax matters and also credit, market and administration risk management as well as the principles of business. ING Bank Śląski makes use of that expertise, experience and opportunity of raising the efficacy of its business. From the viewpoint of the so broadly defined co-operation, the services rendered for the Bank focus on providing direct support in the field of Bank management by sharing experience with various departments/ units of ING Group. It is in many cases that the solutions of ING Group are implemented directly at the Bank. This also applies both to the new projects e.g. IAS 2005, Basle II, IT projects and the solutions proving successful in the Group environment. Co-operation of the Bank and ING Group entities is governed by the Co-operation Agreement from the year 1997. In the year 2004, the aggregate settlements therefrom amounted to PLN 22.4 million.

In the fourth quarter ING Bank Śląski S.A. made an additional contribution of PLN 2.7 million for the benefit of ING BSK Development Sp. z o.o. The additional contribution was used to repay the cash loan extended and to cover the costs of current operations.

In the fourth quarter, as part of the Multi-Currency Covered Bonds Issue Programme set up by Śląski Bank Hipoteczny S.A. at the amount of PLN 150 million, ING Bank Śląski S.A acquired from the former the second tranche of covered bonds of the nominal value of PLN 30 million with the option of resale to the investors provided service by the latter. The interest rate: a floating coupon, payable at WIBOR rate + margin. The redemption date is 29/10/2008.

2. Rating of Moody's Investors Service Agency Ltd.

On 21 October 2004, the rating agency Moody's Investors Service Ltd. informed the Management of ING Bank Śląski S.A. about:

- raising the outlook of financial strength from stable to positive,
- maintaining the rating of long-term deposits: A2,
- maintaining the rating of short-term deposits: P-1,
- maintaining the rating of financial strength: D.

Ratings were granted according to the following scale (decreasing):

1. rating of long-term deposits: Aaa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1, Baa2, Baa3, Ba1, Ba2, Ba3, B1, B2, B3, Caa, Ca, C;
2. maintaining the rating of short-term deposits: P-1, P-2, P-3, Not Prime;

3. maintaining the rating of the bank's financial strength: A, A-, B+, B, B-, C+, C, C-, D+, D, D-, E+, E.

The Moody's agency indicates the positive impact of restructuring processes having been initiated recently, especially in the credit area, and the significant improvement of results and quality of assets recorded in first half of 2004. The abovementioned rating was not made upon request of ING Bank Śląski S.A.

3. ING Group decided to bring down its stake at ING Bank Śląski S.A.

In the fourth quarter ING Group announced its decision to bring down ING stake at the Bank to 75%. The decision of ING Group had long been awaited by the market and constitutes fulfilment of the former declaration made before the Polish regulator. The sell-down of the stakes by ING Group will not affect the on-going operations and the financial results of ING Bank Śląski S.A.; on the contrary, it will improve the liquidity of ING BSK shares on the Warsaw Stock Exchange.

ING Group announced that the shares would be sold through a public offering, which will start soon after the full year results of ING BSK have been published. The transaction, subject to market conditions, will involve an offering of 1,661,141 ING BSK shares held by ING Bank NV, itself a 100% subsidiary of ING Group. The offering will be targeted at Polish retail and institutional investors, as well as international institutions. The transaction will have a benefit of improving liquidity of ING BSK shares on the Warsaw Stock Exchange. ING Group has no intention to sell more shares of ING BSK

4. Extraordinary General Shareholders Meeting of ING Bank Śląski S.A.

On 23 December 2004, the General Shareholders Meeting of ING Bank Śląski S.A. was held and the following resolutions were adopted:

- preparing standalone financial reports pursuant to the International Accounting Standards, the International Financial Reporting Standards and the accompanying interpretations published in the form of ordinances by the European Commission,
- amending the Charter of ING Bank Śląski S.A.

5. Sales of Huta Ferrum S.A. shares

In the fourth quarter ING Bank Śląski S.A. sold the bundle of shares of Huta Ferrum S.A. (402,729 shares). The shares were bought by ING TFI S.A. The selling price was PLN 8.00 per share. The shares were sold in two bundle transactions:

1) 125,000 shares with the settlement as of 24.12.2004,
2) 277,729 shares with the settlement as of 28.12.2004.

The total value of transactions is PLN 3.2 million.

6. Appointment of the Vice-President

At the meeting held on 11 February 2005, the Supervisory Board of ING Bank Śląski S.A. appointed Mr Ian Clyne the Vice-President of Management Board of ING Bank Śląski S.A. as of 01.03.2005.

7. Other

As at 31.12.2004, the Bank carried out its operational activities through the network of 332 branches, as compared to 331 branches as at 31.12.2003.
As per the end of December 2004 the Bank had the network of 560 ATMs.

The headcount in the Capital Group was respectively:
31.12.2004 7,388 people, which was 7,175.2 FTEs,
31.12.2003 7,059 people, which was 6,905.7 FTEs.

IX. INFORMATION ON INITIATING PROCEEDINGS BEFORE COURT OR ADMINISTRATIVE BODIES

No proceedings concerning receivables 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 in the 4th quarter 2004.