

**Interim Financial Reporting
of ING Bank Śląski Group**
for the second quarter 2006

ING 

ING  BANK ŚLĄSKI

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I. Basic Details of Issuer

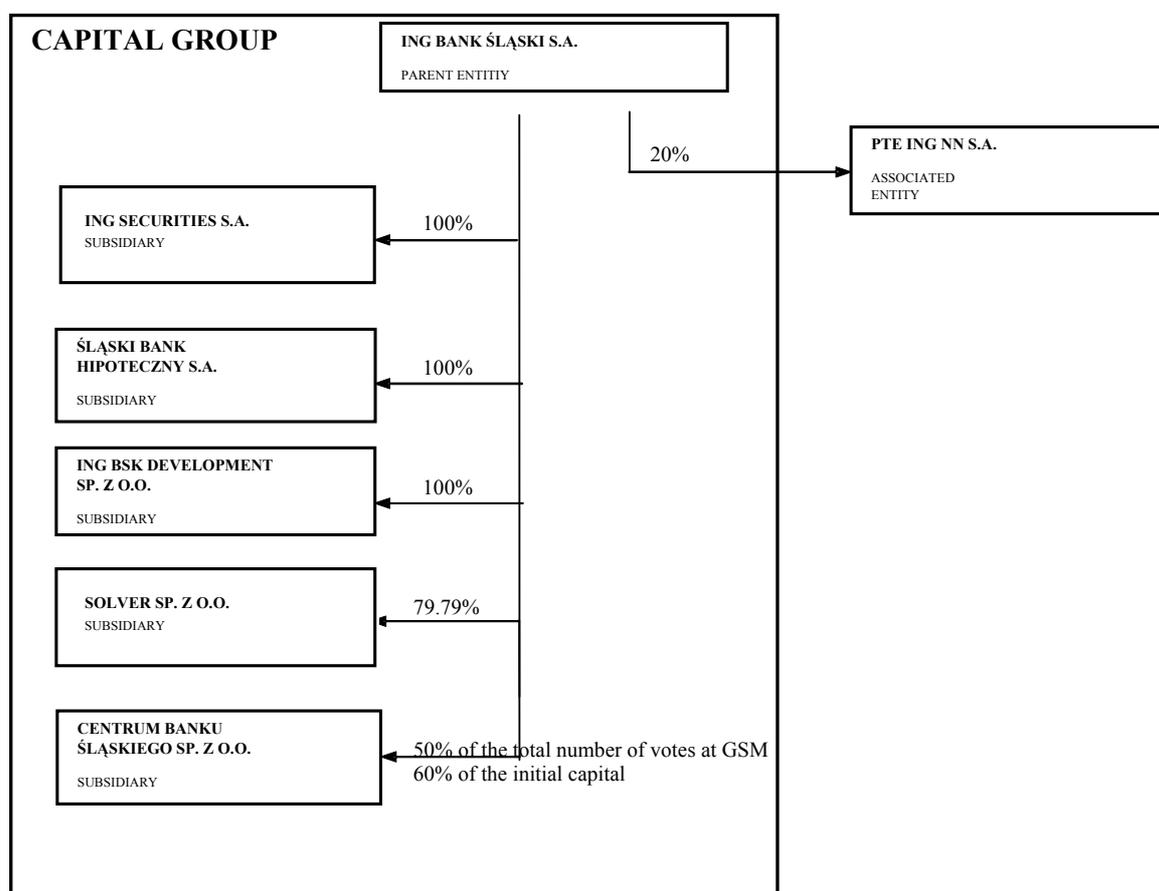
1. Informational Details of the Bank and Its Capital Group

ING Bank Śląski Spółka Akcyjna
40-086 Katowice, ul. Sokolska 34
NIP 634-013-54-75
REGON 271514909
Entity authorised to audit financial statements: KPMG Audyt Sp. z o.o.

By the decision of the Commercial Section of the District Court in Katowice of 09 April 2001, Bank Śląski S.A. of Katowice was registered in the National Court Register under the no. KRS-5459.

The share capital of ING Bank Śląski S.A. totals PLN 130,100,000, and is sub-divided into 13,010,000 ordinary bearer's shares with face value of PLN 10.00 each.

ING Bank Śląski S.A. is the parent entity of the Capital Group of ING Bank Śląski S.A.



2. Compliance with International Financial Reporting Standards

These financial statements have been prepared under the International Financial Reporting Standards (IFRS) in a version approved by the European Commission effective as at the reporting date, that is 30 June 2006; and the information not covered in those standards has been prepared

in accordance with the Accounting Act of 29 September 1994 (Journal of Laws no.2002/76, item 694 as amended) and secondary legislation thereto, as well as in accordance with the Ordinance of Finance Minister of 19 October 2005 on current and interim information submitted by issuers of securities (Journal of Laws of 2005, no. 209, item 1744). The consolidated balance sheet and the profit and loss account as at 30.06.2006 including comparable financial data, have been executed upon the application of the same accounting principles for each period.

These financial statements for 2Q 2006 meet the requirements of International Financial Reporting Standards (IFRS), including IAS 34 (International Accounting Standards) in regard to interim financial statements. This is the condensed version of the statements.

The accounting principles applied for these financial statements are the same principles that would be used when preparing the full-year financial statements for 2005. The accounting principles were presented in detail in the annual report for 2005.

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

3. Selected Financial Data from Financial Statements

Item	PLN thousands		EUR thousands	
	30.06.2006	30.06.2005	30.06.2006	30.06.2005
Interest income	957 143	943 354	245 409	231 186
Commission revenue	344 997	291 142	88 456	71 350
Result on banking activity	890 379	842 425	228 291	206 451
Gross profit (loss)	403 544	329 481	103 468	80 745
Net profit (loss)	332 052	258 248	85 137	63 288
Net cashflow	214 070	-1 607 572	54 887	-393 964
Earnings (loss) per 1 ordinary share (in PLN/EUR)	25,52	19,85	6,54	4,86
Profitability ratio (%)	34,8	27,0	X	X
Return on assets (%)	1,5	1,3	X	X
Return on equity (%)	21,7	16,9	X	X
Cost / Income ratio (%)	65,6	64,7	X	X
Total assets	43 119 830	38 578 430	10 664 250	9 548 880
Equity	3 389 608	3 321 679	838 306	822 177
Initial capital	130 100	130 100	32 176	32 202
Number of shares	13 010 000	13 010 000	x	X
Book value per 1 share (in PLN/EUR)	260,54	255,32	64,44	63,20
Solvency ratio (%)	15,82	17,44	x	X

Profitability ratio – gross profit¹ to total costs.

Cost to Income ratio (C/I) – total overhead costs to the result on banking activity.

Return on assets (ROA) – net profit to total assets.

Return on equity (ROE) – net profit to equity.

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

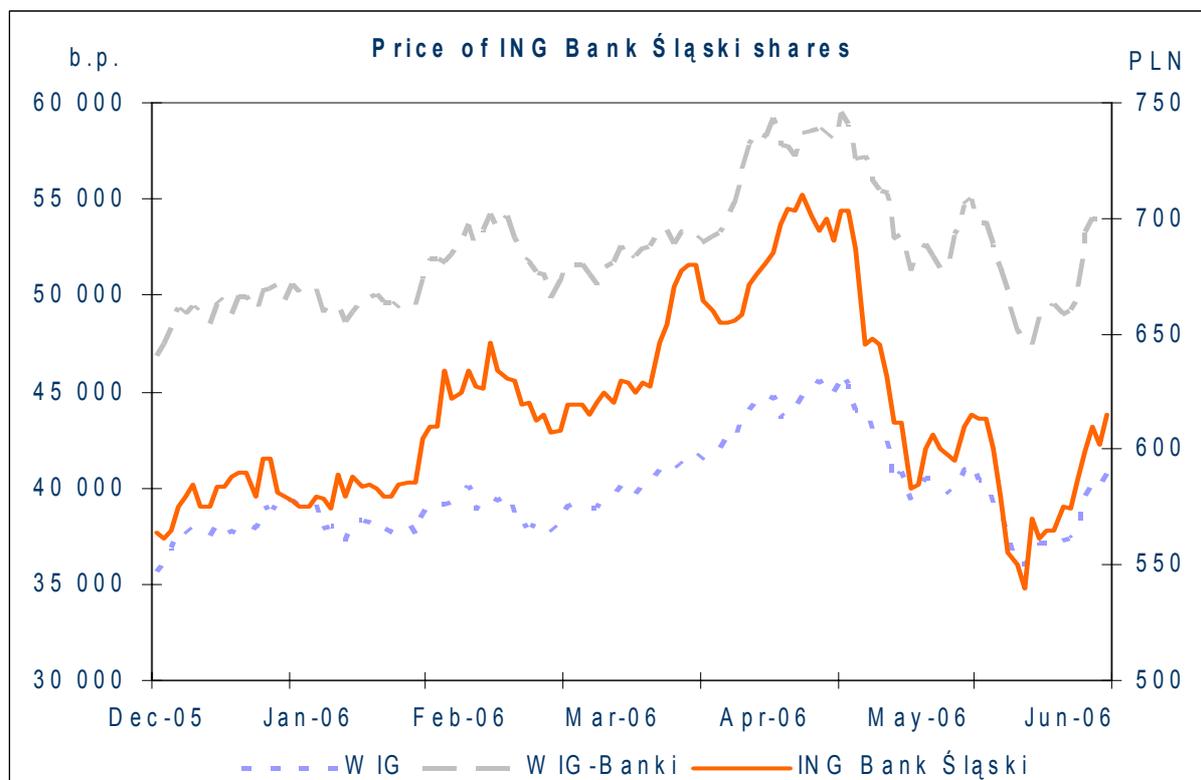
In order to determine the basic figures in EUR, the following exchange rates were applied:

- for balance-sheet items – PLN 4,0434 NBP exchange rate of 30.06.2006; 4,0401 NBP exchange rate of 30. 06.2005,
- for income statement items for 30.06.2006 – PLN 3,9002 exchange rate calculated as the average of NBP exchange rates as at the last day of each month in 1Q and 2Q 2006; 4,0805 exchange rate

¹ Upon adjustment of result of minority shareholders.

calculated as the average of NBP exchange rates as at the last day of each month in 1Q and 2Q 2005.

4. Price of ING Bank Śląski S.A. Shares



II. Commentary on Activity of the Capital Group of ING Bank Śląski in Second Quarter of 2006

1. Economic Situation in Second Quarter of 2006, Including Factors That May Affect Operations in the Quarters to Come

The macro-economic ratios show that the good market conditions continued over the second quarter of 2006. Positive trends in production and foreign trading were accompanied by favourable developments on the labour market. Economic growth was further helped by continuous increase in retail sales, which play a significant role in the GDP structure.

In June 2006, industrial output went up by 12.4% from the same period last year. Compared with last June, output growth was observed in 24 of 29 industrial segments. The highest growth rate was observed in the manufacture of radio, television and telecommunication hardware and equipment (up by 55.2%); metals (up by 34.3%); products made of non-metallic raw material (up by 24.1%), and motor vehicles, trailers and semi-trailers (up by 20.8%). Between January and June 2006, the sold industrial output was higher by 12.3% than in the same period last year. The second quarter of 2006 saw a visible revival in construction, where production gained 15.7% compared with June 2005. The construction and assembly output executed between January and June 2006 was up by 9.2% from the same period last year.

Positive trends in production were accompanied by a high growth rate of retail sales (in June 2006, it was up by 10.7% from the same period last year). Good results were also observed in foreign trade where international commodity turnover went up, mostly on the part of exports (the growth rate of

exports after the first 5 months of 2006 totalled 23.3%; whereas imports were up by 21.0% from the same period last year).

Courtesy of these favourable tendencies, it was possible to maintain the high economic growth rate. It is estimated that in 2Q 2006 GDP will go up by more than 5% compared with 5.2% in Q1 2006. Exports continue to be the chief growth driver, even though the contribution of the consumer demand and investment outlays to GDP growth starts to become more and more visible. These are very positive developments in the GDP structure, as they provide even more stable groundwork for further development of the Polish economy.

The acceleration of economic growth rate was reflected in the increase of work places. As at the end of June 2006, the unemployment rate totalled 16.0% compared with 18.0% in the same period last year. Improvement on the labour market was accompanied with the increase of salaries as well as old-age and disability pensions. In June 2006, the average gross remuneration in the sector of enterprises was higher by 4.4% from the same period last year. The sustained low inflation had an impact on the increase of the purchasing power of salaries as well as old-age and disability pensions.

The prices of consumer goods and services in June 2006 were down 0.3% from a month earlier. Between January and June 2006, consumer prices were 0.8% higher than a year earlier, which was mainly the result of deflation on the food and alcoholic beverages market, and on the clothing and footwear market. In view of the low inflation pressure, the Monetary Policy Council cut the NBP interest rates twice in 1Q 2006. As a result, the reference rate went down from 4.5% as at the end of 2005 to 4.0% as at the end of March 2006. The Monetary Policy Council decided not to change the interest rates in 2Q 2006.

In June 2006, the deposits of the banking sector went up. Household deposits went up by 3.7% from the 2005 year-end, and the corporate deposits went up by 7.0% from the same period.

The credit receivables of the banking sector grew due to the expansion of lending to households and corporates. The credit receivables from households went up by 14.6% from the end of 2005. The housing loans were the growth driver. Credit receivables from corporate clients also went up by 5.6% from December 2005.

In regard to the FX-market, 1H 2006 witnessed a visible depreciation of the Polish Zloty due to political uncertainty in Poland and changing conditions on the global markets. As a result, at the end of June 2006 the PLN/EUR exchange rate was 4.0434 compared with 3.8598 as at 31.12.2005.

The economic growth rate in Poland and fluctuations in foreign exchange rates can be listed among the most important macroeconomic factors affecting the results in the subsequent quarters.

2. Analysis of Financial Results

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

PLN million	6M 2005	12M 2005	6M 2006	6M 2006 / 6M 2005	
Retail banking	390,5	805,9	467,6	77,1	119,8%
Cash Management-Lending and settlements	376,9	773,0	446,9	70,1	118,6%
Income on Pension Funds shares	10,8	26,7	16,4	5,6	151,3%
FM products sales	2,8	6,2	4,3	1,5	155,0%
Corporate banking	289,7	579,8	292,5	2,8	101,0%
Cash Management-Lending and settlements	206,6	416,9	198,6	-8,0	96,1%
FM products sales	64,2	123,1	68,0	3,8	105,9%
Equity Markets	18,9	39,8	25,9	7,0	136,9%
Own operations	183,1	322,5	138,9	-44,1	75,9%
Proprietary trading	71,0	115,5	64,2	-6,9	90,3%
ALCO	112,0	207,0	74,8	-37,2	66,8%
Income total	863,3	1 708,2	899,1	35,8	104,1%
Operational expenses, including:	558,3	1 120,3	589,5	31,2	105,6%
Personnel costs	265,2	516,6	279,2	14,1	105,3%
Headcount restructuring cost	0,0	11,3	0,0	0,0	x
Marketing costs	26,3	54,9	26,2	-0,1	99,5%
Depreciation	62,8	128,3	69,2	6,4	110,3%
Other expenses	193,7	398,4	223,4	29,6	115,3%
Other operational costs	10,3	10,9	-8,5	-18,8	x
Result before risk costs	305,0	587,9	309,6	4,6	101,5%
Risk costs	24,5	118,0	94,0	69,5	383,3%
Result before tax	329,5	705,8	403,5	74,1	122,5%
CIT	-63,9	-139,4	-68,3	-4,3	106,8%
Result after tax	265,5	566,4	335,3	69,7	126,3%
- assigned to shareholders of the holding company	258,2	549,5	332,1	73,8	128,6%
- assigned to minority shareholders	7,3	17,0	3,2	-4,1	44,0%

The result on banking activity at the end of June 2006 was PLN 899.1 million, up by PLN 35.8 million, or 4.1%, from the same period last year.

Income of retail banking generated at the end of June 2006 totalled PLN 467.6 million, up by PLN 77.1 million, or 19.8%, from the same period last year. Compared with June 2005, the volume of deposits of individual clients went up considerably; growth was also observed in terms of the retail loan portfolio. Consequently, the result on the deposit and credit activity, as well as on the settlement activity was up by PLN 70.1 million, or 18.6%, from the same period last year. The first half of 2006 also saw higher income on shares in the Pension Fund Company (PTE) (income on valuation less costs of financing); sales of Financial Markets products to the clients from the retail segment were also slightly higher.

Income of the wholesale banking segment generated at the end of June 2006 amounted to PLN 292.5 million, up by PLN 2.8 million, or 1.0%, from the same period last year. The first half of 2006 saw an increase of income on capital markets, and on the sales of FM products to the wholesale segment; by contrast, the income on the deposit and credit activity, as well as on the settlement activity in the wholesale banking area went down. Lending to corporates grew from June 2005; there was also a slight increase in the deposit volume. Market pressure affected a drop in the margin realised, which, in turn, had a negative impact on the income generated in the area of wholesale banking.

Income generated from proprietary operations as at the end of June 2006 was PLN 135.7 million, down by PLN 40.0 million, or 22.8%, from the same period last year. Income of financial markets as at the end of June 2006 totalled PLN 64.2 million, down by PLN 6.9 million, or 9.7%, from the same period last year. Upon including FM sales into the wholesale and retail segments, the income of financial markets as at the end of June 2006 totalled PLN 136.5 million compared with PLN

138.0 million in the same period last year. Income generated in terms of ALCO² as at the end of June 2006 totalled PLN 74.8 million, down by PLN 37.2 million, or 33.2%, from the same period last year. The main reason was a decline in interest rates, which led to PLN 23.4 millions' worth of reduction of income from investment of own funds.

Total costs as at the end of 1H 2006 amounted to PLN 589.5 million, up by PLN 31.2 million, or 5.6%, from the same period last year.

Personnel costs at the end of June 2006 totalled PLN 279.2 million, up by PLN 14.1 million, or 5.3%, from the year-earlier period. The rise of personnel costs was caused by indexation of salaries from 2Q 2006 and higher costs of remuneration as the incentive system was correlated with the Bank's performance. Marketing costs as at the end of June 2006 totalled PLN 26.2 million, and remained on the same level as a year earlier.

Depreciation after 1H 2006 totalled PLN 69.2 million, up by PLN 6.4 million from the same period last year. The growth results from starting the depreciation of outlays spent on projects implemented in previous years, including the outlays for visualisation of branches, and higher costs of IT hardware depreciation in connection with its replacement in the entire branch network. Furthermore, the Bank started to depreciate new systems for the service of card products and credit repayment monitoring.

Other costs as at the end of June 2006 totalled PLN 223.4 million, up by PLN 29.6 million, or 15.3%, from the same period last year. Due to the sale of ING Services Sp. z o.o. in November 2005 and signing the outsourcing agreement for cash-stream service there was a move from other cost items to remaining costs.

The costs of consulting, which is required in view of the projects run at the Bank to improve the processes and optimise the sales structure, also went up from June 2005.

The result before risk costs as at the end of June 2006 was PLN 309.6 million, up by PLN 4.6 million, or 1.5%, from the same period last year.

As at the end of June 2006, the costs of risk were positive and amounted to PLN 94.0 million, out of which: PLN 94.9 million pertained to impairment write-offs due to loans and advances; PLN 2.0 million was related to write-offs for provisions on off-balance sheet liabilities; PLN 0.5 million pertained to impairment loss of property, plant and equipment and other assets and (- PLN 3.4 million) related to debt collection costs.

Gross financial result as at the end of June 2006 totalled PLN 403.5 million versus PLN 329.5 million in the same period last year. Net financial result, in turn, was at PLN 332.1 million, up by PLN 73.8 million, or 28.6%, from June 2005.

3. Analysis of Commercial Figures

In 1H 2006, ING Bank Śląski implemented its development strategy both in terms of commercial targets, as well as efficiency improvement. The primary objective of its commercial policy was to: build up a deposit portfolio, render settlement services, activate lending and reinforce the Bank's position on the credit market. Since the start of 2006, the Bank has been also continuing its efforts to improve customer service, optimise the operations area and implement new distribution channels.

Responding to the client needs, ING Bank Śląski has continued to expand and modify its product offer. The Bank's offer addressed to individual clients also includes the Investment Fund and Deposit Plus Package and seasonal cash loans (*Spring Cash Loan; Summer Cash Loan*); there was also a

² ALCO income together with the result on investment activity.

special promotion addressed to the holders of the OKO Open Savings Account, which was run under the theme “*Extra Interest on Additional Deposits*”. With regard to the card products, the Bank has offered its individual clients a new flat orange VISA credit card; the clients from the small business segment were offered a pre-paid VISA e-card. ING Bank Śląski was one of the first banks on the market to introduce the customisation service, whereby individual clients are given the ability to personalise their debit cards (*My ING Card*). The Bank also introduced new products and services addressed to wholesale clients, such as the DCD transactions with threshold, which are offered as part of the structured products; wholesale clients may now also request to have their account statements sent by the automated fax service. Changes to the product offer were actively supported by numerous advertising campaigns that promoted the key products of the Bank.

In 1H 2006, ING Bank Śląski also continued actions to improve processes, increase its efficiency and optimise the sales structures. These actions included in particular further works on two major projects, notably: the *Retail 2006* and *Wholesale 2006*. The new model of servicing transactions in the bank branches, which was developed by the Retail 2006 project team, was implemented in 1Q 2006. The project team of *Wholesale 2006* started the reorganisation of the processes for ten key product groups; at the same time, there were organisational changes related to the establishment of 13 Wholesale Client Support Sections. Other significant actions related to the process and efficiency improvement include the deep restructuring of Śląski Bank Hipoteczny (the mortgage bank), which was started this January. SBH is being transformed into ING Centre of Excellence for commercial real estate financing in Poland. These changes are aimed at reconstructing and reinforcing the position of Śląski Bank Hipoteczny towards its competitors.

In 1H 2006, ING Bank Śląski also ran projects to improve the availability of its products and services. Special emphasis was put on the development of the partner outlet network based on the franchising model. So far, two outlets of that type have been opened (in Poznań and Gniezno).

Intensive actions taken on the deposit market result in further growth of the deposit base and strengthening the market share. At the end of June 2006, the total value of deposits accumulated by the ING Bank Śląski S.A. Group amounted to PLN 32,285.9 million, up by 5.3% from December 2005.

Structure of deposits of ING Bank Śląski S.A. Group

	30.06.2006	31.03.2006	31.12.2005
Households	20,520.4	19,837.7	19,151.0
Corporates	8,553.8	8,286.4	8,513.1
Financial entities (other than banks)	1,722.0	1,854.0	1,624.5
Entities from sector of government and local authorities institutions	1,489.7	1,521.8	1,384.5
Total	32,285.9	31,499.9	30,673.1

The funds obtained from households formed the main component of the deposit base. As at the end of June 2006, they amounted to PLN 20,520.4 million, up by PLN 1,369.4 million, or 7.2%, from the end of 2005. The first half of 2006 saw further activation of sales of OKO, or the Open Savings Account. The value of that product portfolio rose from PLN 12,775.3 million at the end of 2005 to PLN 14,109.5 million as at the end of June 2006; the funds deposited by the households totalled PLN 12,300.1 million as at the end of 2005 versus PLN 13,558.9 million as at the end of June 2006.

The share of ING Bank Śląski in the market of deposits and long-term liabilities amounted to 8.36% (versus 8.35% as at the end of 2005). An increase of the share in the household deposits market was recorded from 8.52 % as at the end of 2005 to 8.79% as at the end of June 2006. The share in the market of corporate deposits as at the end of March 2006 totalled 7.70% against 8.09% as at the end of December 2005.

The Bank also distributes units of ING TFI investment funds. As at the end of June 2006, the balance of acquired units was PLN 3,181 million versus PLN 2,238 million as at the end of December 2005.

In 1H 2006, the Bank continued actions to rebuild its credit portfolio. Consequently, growth was observed in certain segments and types of loans. Total value of loans and other receivables from clients as at the end of June 2006 totalled PLN 11,243.3 million compared with PLN 9,902.9 million in December 2005. Considerable growth in volume (up by PLN 167.6 million, or 15.8%) was recorded in the mortgage area. As at the end of June 2006, the value of the mortgages portfolio was PLN 1,230.0 million, with PLN 872.6 million worth of PLN loans and PLN 357.4 million worth of FX loans. As at 31.12.2005, mortgages amounted to PLN 1,062.4 million (where PLN 653.3 million represented PLN loans, and PLN 409.1 million worth of FX loans).

Structure of loans and other receivables from the clients of ING Bank Śląski S.A. Group

	30.06.2006	31.03.2006	31.12.2005
Households	3,419.4	3,229.5	3,238.7
Corporates	6,402.9	6,231.5	5,926.1
Financial entities (other than banks)	1,434.1	1,283.2	829.2
Entities from sector of government and local authorities institutions	400.4	392.8	426.0
Other receivables	352.1	271.0	288.0
Impairment	-765.6	-758.3	-805.1
Total	11,243.3	10,649.7	9,902.9

The Bank's share in the credit receivables market as at the end of June 2006 totalled 3.78% (versus 3.73% as at the end of December 2005). The Bank's share in the corporate loans market as at the end of June 2006 totalled 5.48% versus 5.09% as at the end of December 2005. The share in the market of household loans as at the end of June 2006 totalled 2.05% versus 2.22% as at the end of December 2005.

The share of ING Bank Śląski S.A. Group in credit receivables market as at the end June 2006 totalled 3.83% (versus 3.78% as at the end of December 2005).

The number of personal accounts maintained by the Bank as at the end of June 2006 totalled 1,017,400 compared with 1,002,100 as at 31.12.2005.

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. Credit cards are among priority products in the retail offer. The number of newly offered credit cards issued³ went up from 117,894 as at the end of 2005 to 121,791 cards as at the end of June 2006. Together with VE Credit and VE Credit NN-P cards, the number of credit cards issued as at the end of June 2006 totalled 131,099.

The number of clients using the electronic banking systems as at the end of June 2006 totalled 800,640. A drop from December 2005 results from closing inactive HaloŚląski installations.

The figures for electronic banking clients are as follows:

Electronic banking system	31.03.2006	31.03.2006	31.12.2005
MultiCash	8,999	9,359	9,404
ING BankOnLine	421,649	406,037	361,944
HaloŚląski	263,466	249,824	708,864

³ Visa Classic, Visa Credit Gold, MasterCard Credit, Orange Visa Credit Card

SMS	106,526	95,370	79,789
Total	800,640	760,590	1,160,001

In June 2006, the monthly number of transactions made via electronic banking systems totalled 4.0 million. In the same period last year, the number of transactions made via electronic banking systems was 2.9 million

4. Credit Portfolio – Portfolio Quality and Risk Costs

Under the International Accounting Standards, provisions that have been established for expected (estimated) loss and for risk of loss in future are replaced by impairment of loans in regard to which the loss of value was observed and a write-off for losses incurred but not reported and provisions for off-balance-sheet liabilities. The amount of impairment loss is calculated as the difference between the total future cash flows discounted with the effective interest rate and the carrying value of receivables (or the equivalent liability).

The amount of credit losses that have already been incurred but not reported (IBNR) is calculated by means of statistical models using the amounts of exposures for which no impairment was stated based on PD (probability of default), the estimated period (emergence period) between the occurrence of circumstances that may lead to a loss (e.g. losing capacity to repay liabilities) and the date on which the Bank receives information thereof, and LGD (loss given default).

The International Accounting Standards do not allow for keeping of general reserves.

The table below presents the quality of the credit portfolio of ING Bank Śląski according to IAS/IFRS.

<i>PLN mio</i>	2004	I H 2005	2005	I H 2006
Exposure total	11 349	11 272	10 562	11 907
Provisions total	949	896	813	784
Total coverage ratio (%)	8,4%	8,0%	7,7%	6,6%
Corporate entities	8 150	8 332	7 592	8 785
- unimpaired portfolio	7 331	7 559	6 983	8 256
- impaired portfolio	818	773	609	530
Impairment	593	555	493	467
IBNR	73	55	70	69
Provisions for off-balance commitments	33	28	14	12
Impaired portfolio coverage (%)	72,5%	71,8%	81,1%	88,1%
Retail	3 199	2 941	2 970	3 121
- unimpaired portfolio	2 908	2 676	2 698	2 861
- impaired portfolio	291	264	272	261
Impairment	201	189	191	199
IBNR	31	39	28	22
Provisions for off-balance commitments	19	31	15	16
Impaired portfolio coverage (%)	69,0%	71,5%	70,1%	76,1%
Share of impaired loans in portfolio (%)	9,78%	9,20%	8,35%	6,64%

The share of the impairment portfolio in the total loans lowers gradually. The table below shows the detailed structure of impairment write-offs in 2Q 2006:

million

Item	Group total	Corporate				Retail			
		Balance sheet		Off-balance sheet		Balance sheet		Off-balance sheet	
		Impairment	IBNR	Impairment	IBNR	Impairment	IBNR	Impairment	IBNR
Impairment losses	93,8	77,7	0,8	2,5	-0,1	7,2	6,2	0,5	-1,0
Increases/decreases of impairment	40,2	41,6	0,8	2,5	-0,1	-10,4	6,2	0,5	-1,0
Recoveries	53,6	36,1				17,5			

5. Major Achievements in the Quarter

Awards

Ever since its establishment, ING Bank Śląski S.A. has been recognised as one of the top banks in Poland, which is proven by high positions it received in various rankings, as well as various awards and distinctions.

- June 2006, “High Reputation Brand” in the Premium Brand 2006 ranking in the category of “Finances”
- May 2006, 3rd place in the ranking of *BANK* monthly; in the category of “Universal Banks” in recognition of the bank’s strong position on the deposit market and good financial results.
- May 2006, 3rd place in the “Best Accounts for SME Sector” ranking of *Home&Market* monthly.
- April 2006, “2005 Banker of the Year” title awarded to Brunon Bartkiewicz, CEO of ING Bank Śląski by *Gazeta Bankowa* daily.
- April 2006, Silver Rock 2005 award for the greatest achievements in new card products development (MasterCard Business Debit Card in EUR), granted by Polish branch of MasterCard Europe.
- April 2006, CEDRYK Prize, awarded by *Centrum Ekspresji Dziecięcej* [Children’s Expression Centre], functioning at the Library of Silesia, for help and commitment in the organisation of the 4th Poland-wide Festival of Children’s Expression.
- February 2006, 1st place for Visa credit card for small business at the “Credit Cards for Corporates” ranking of www.bankier.pl.
- January 2006, Promotional Label “*Entrepreneur-friendly Bank*” in category of “*Commercial Banks*”
- November 2005, Special Distinction in the “*Arts & Business Awards*” for overall activities to promote and develop art and culture in Poland.
- November 2005, Distinction in the “*Złote Spinacze*” competition in the Corporate Social Responsibility (CSR) category for the “*In the Company of the Lion*” social programme;
- September 2005, awarded the title of the Benefactor of the National Museum in Krakow
- September 2005, awarded a diploma of the President of the Republic of Poland for supporting entrepreneur initiatives of young people as part of the “*Entrepreneurship Day 2005*”.
- September 2005, Ranking of *Forbes* monthly: ranked number one in “*Top Corporate Bank*” category and number three in “*Top Retail Bank*” category.
- September 2005, ranked number four in the ranking by Newsweek weekly “*Client-Friendly Bank*”.
- June 2005, first place in the KOMPAS competition, “*Visibility in Universities*” class, a ranking organised under the auspices of *Rzeczpospolita* daily, MillwardBrown SMG/KRC and the Student Research and Consulting Group of the Warsaw School of Economics (SGH) in Warsaw.

- April 2005, CEDRYK Prize, awarded by *Centrum Ekspresji Dziecięcej* [Children's Expression Centre], functioning at the Library of Silesia, for help and commitment in the organisation of the 3rd Poland-wide Festival of Children's Expression.
- April 2005, Silver Rock 2004 for the greatest achievements in the development of new product cards, awarded by the Polish agency of MasterCard Europe.
- April 2005, Diamond Sponsor for supporting the program of the President of the Republic of Poland "*Internet in Schools*".
- January 2005 Promotional Label "*Entrepreneur-friendly Bank*" in two classes: "*Commercial Banks*" and "*Bank Branches*".

Ratings

In 2Q 2006, Fitch Ratings Ltd. changed the individual rating for ING Bank Śląski S.A. At present, the Bank's financial credibility is rated as follows by the top rating agencies:

Fitch Ratings Ltd.

Long-term liabilities	A
Long-term outlook	Positive
Short-term liabilities	F1
Individual rating	C/D
Support rating	1

Moody's Investors Service Ltd.

Long-term deposits	A2
Short-term deposits	P-1
Financial strength	D+
Long-term and short-term deposits rating outlook	Stable

6. Other Information

Headcount

The headcount in the Capital Group was as follows:

30.06.2006	7,547 individuals; or 7,339.1 FTEs
31.03.2006	7,562 individuals; or 7,379.1 FTEs,
31.12.2005	7,446 individuals; or 7,335.3 FTEs,
30.06.2005	7,684 individuals, or 7,481.0 FTEs.

The employment reduction, visible as at the end of 2Q 2006, was slight, since for a large group of persons affected by the restructuring process the notice of termination period expired at the end of June 2006.

Number of Branches and ATMs

As at 30 June 2006, the Bank conducted its operational activity via a network of 332 outlets, similar to the status as at the end of June 2005. In the first half of 2006 2 partner branches were opened based on the franchising model. As at the end of June 2006, the Bank had a network of 563 ATMs.

III. Segmentation of Revenue and Financial Results of the Group

PLN thousand	30.06.2006					30.06.2005				
	Retail customers segment	Corporate customers segment	Own operations		TOTAL	Retail customers segment	Corporate customers segment	Own operations		TOTAL
			Proprietary trading	ALCO				Proprietary trading	ALCO	
Revenue total	478 003	308 747	69 915	42 387	899 052	405 678	314 329	77 039	66 204	863 251
Core business	467 618	292 486	64 153	74 795	899 052	390 471	289 711	71 024	112 045	863 251
Income on lending	114 966	79 393			194 359	108 430	83 012			191 442
<i>Interest income external</i>	<i>141 849</i>	<i>205 940</i>				<i>157 281</i>	<i>257 227</i>			
<i>Interest cost internal</i>	<i>-54 204</i>	<i>-154 130</i>				<i>-71 458</i>	<i>-200 368</i>			
<i>Income on fees/ other income</i>	<i>27 320</i>	<i>27 583</i>				<i>22 607</i>	<i>26 154</i>			
Income on deposits	278 848	109 563			388 411	259 220	117 250			376 470
<i>Interest costs external</i>	<i>-289 141</i>	<i>-172 372</i>				<i>-331 477</i>	<i>-221 579</i>			
<i>Interest income internal</i>	<i>459 092</i>	<i>227 393</i>				<i>487 830</i>	<i>282 418</i>			
<i>Income on fees/ other income</i>	<i>108 897</i>	<i>54 541</i>				<i>102 868</i>	<i>56 410</i>			
Income on mutual funds	34 221	507			34 728	10 233	97			10 330
Income on brokerage and custody	19 417	35 801			55 218	11 449	25 597			37 045
Other income on core business	-525	-745	136 443	57 626	192 799	-12 466	-409	137 977	101 676	226 778
FM products sales	4 323	67 967	-72 290		0	2 789	64 164	-66 953		0
Income on Pension Funds shares	16 369				16 369	10 816				10 816
Share in profits (losses) of minority shareholders				17 169	17 169				10 369	10 369
Result on economic capital	10 385	16 261	5 762	-32 408	0	15 207	24 618	6 016	-45 840	0
Expenses total	379 608	186 740	19 012	4 140	589 500	354 918	161 393	15 812	26 166	558 289
Operational costs	388 108	186 740	19 012	4 140	598 000	346 302	161 393	15 812	24 481	547 989
<i>including depreciation</i>	<i>54 589</i>	<i>11 286</i>	<i>3 321</i>		<i>69 196</i>	<i>49 511</i>	<i>10 236</i>	<i>3 012</i>		<i>62 759</i>
Other operational costs (operational risk)	-8 500	0	0	0	-8 500	8 615	0	0	1 685	10 300
Result before risk	98 394	122 008	50 903	38 247	309 552	50 760	152 936	61 228	40 038	304 962
Risk cost	-12 738	-81 254	0	0	-93 992	-1 297	-23 222	0	0	-24 519
Result before tax	111 132	203 262	50 903	38 247	403 544	52 058	176 158	61 228	40 038	329 481
CIT					68 281					63 941
Result after tax					335 263					265 540
- assigned to shareholders of the holding company					332 052					258 248
- assigned to minority shareholders					3 211					7 292

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

- Retail,
- Wholesale,
- FM, ALCO.

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

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

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

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

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

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

ALCO deals predominantly with the investment of own funds and funding of some of the Bank's assets. The main element of revenue from ALCO's core operations is the revenue from the investment of own funds (book capital). The revenue is then adjusted for interest accrued on the economic capital required by individual business lines (retail segment, wholesale segment, and financial markets segment). Interest on economic capital is re-allocated from the ALCO line to the individual business lines, depending on their demand for economic capital.

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

Segment assets and liabilities, revenues and result are measured in accordance with the accounting standards applied by the Group.

Internal and external interest income and costs are determined for individual segments using 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, 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.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	II quarter 2006 period from 01 Apr 2006 to 30 June 2006	2 quarters 2006 period from 01 Jan 2006 to 30 June 2006	II quarter 2005 period from 01 Apr 2005 to 30 June 2005	2 quarters 2005 period from 01 Jan 2005 to 30 June 2005
<i>Interest income</i>	483 023	957 143	483 717	943 354
<i>Interest expenses</i>	254 366	509 511	301 581	615 944
Net interest income	228 657	447 632	182 136	327 410
<i>Commission income</i>	181 735	344 997	145 816	291 142
<i>Commission expenses</i>	21 984	40 380	16 483	37 844
Net commission income	159 751	304 617	129 333	253 298
Dividend income	1 571	1 571	1 603	1 603
Net income on instruments at fair value through profit or loss	-1 593	35 985	58 517	165 263
Net income from fair value measurement of investment real estate	3 920	6 683	-1 353	-542
Net income on available-for-sale assets and assets held for sale	36	3	-50	3 685
Net income from fair value measurement for the purposes of hedge accounting	4 115	7 014	-1 658	5 217
Exchange gains or losses	38 031	66 380	54 349	87 540
Other operating income	18 035	31 059	4 623	16 938
Other operating expenses	6 373	10 565	13 176	17 987
Result on basic activities	446 150	890 379	414 324	842 425
General and administrative expenses	267 735	528 804	240 522	485 230
Depreciation and amortisation	32 556	69 196	31 332	62 759
Net income on disposal of assets other than held for sale	-34	4	42	157
Impairment losses and provisions for off-balance sheet liabilities	-46 451	-93 992	-7 790	-24 519
Share in net profit (loss) of co-subsiidiaries and associated entities recognised under the equity method	12 228	17 169	5 783	10 369
Profit (loss) before tax	204 504	403 544	156 085	329 481
Income tax	33 022	68 281	29 688	63 941
Net profit (loss)	171 482	335 263	126 397	265 540
- assigned to shareholders of the holding company	169 697	332 052	122 586	258 248
- assigned to minority shareholders	1 785	3 211	3 811	7 292
Net profit (loss)	169 697	332 052	122 586	258 248
Weighted average number of ordinary shares	13 010 000	13 010 000	13 010 000	13 010 000
Earnings per ordinary share (PLN)	13,04	25,52	9,42	19,85
Diluted weighted average number of ordinary shares	13 010 000	13 010 000	13 010 000	13 010 000
Diluted earnings per ordinary share (PLN)	13,04	25,52	9,42	19,85

CONSOLIDATED BALANCE SHEET

	2 quarters 2006 as of 30 Jun 2006	1 quarter 2006 as of 31 Mar 2006	end of 2005 as of 31 Dec 2005	2 quarters 2005 as of 30 Jun 2005	1 quarter 2005 as of 31 Mar 2005
ASSETS					
- Cash in hand and balances with the Central Bank	1 152 166	1 412 426	1 176 443	1 062 993	942 535
- Deposit accounts in other banks as well as loans and advances to other banks	11 269 867	11 070 734	12 573 648	9 580 522	12 265 771
- Financial assets at fair value through profit or loss	5 836 426	7 372 020	6 155 240	7 413 608	4 860 393
- Investment financial assets	12 221 167	11 572 759	10 922 919	8 885 588	7 215 142
- Loans and advances to customers	11 243 288	10 649 674	9 902 860	10 179 124	10 143 486
- Investments in controlled entities	67 627	80 021	75 080	58 749	75 530
- Property, plant and equipment	595 380	599 953	600 851	634 518	640 908
- Investment real estates	147 656	143 494	140 547	122 204	133 160
- Intangible assets	325 871	317 604	318 857	313 595	278 484
- Property, plant and equipment held for sale	1 882	245	5 969	2 657	2 796
- Current tax asset	0	2 827	36 453	12 387	50 445
- Deferred tax asset	150 046	76 744	78 125	136 505	139 555
- Other assets	108 454	100 012	139 922	175 980	158 031
Total assets	43 119 830	43 398 513	42 126 914	38 578 430	36 906 236

EQUITY AND LIABILITIES

LIABILITIES

- Liabilities due to the Central Bank	0	0	464 000	0	0
- Liabilities due to other banks	1 944 650	2 146 121	865 301	3 099 298	3 060 373
- Financial liabilities at fair value through profit or loss	3 864 491	4 024 239	3 685 789	1 526 887	1 465 781
- Liabilities due to customers	33 062 889	32 790 022	32 823 596	29 560 189	28 168 792
- Provisions	63 156	71 206	80 519	107 040	116 549
- Current income tax liabilities	49 600	0	0	682	1 452
- Deferred tax provision	0	0	0	0	1 571
- Other liabilities	725 549	628 104	646 621	948 407	723 292
Total liabilities	39 710 335	39 659 692	38 565 826	35 242 503	33 537 810

EQUITY

- Share capital	130 100	130 100	130 100	130 100	130 100
- Supplementary capital - issuance of shares over nominal value	993 750	993 750	993 750	993 750	993 750
- Revaluation reserve from measurement of available-for-sale financial assets	-55 564	99 069	85 797	134 218	98 519
- Revaluation reserve from measurement of property, plant and equipment	44 359	38 023	38 055	55 882	56 759
- Retained earnings	2 276 963	2 463 999	2 300 937	2 007 729	2 078 862
Equity assigned to shareholders of the holding company	3 389 608	3 724 941	3 548 639	3 321 679	3 357 990
- Minority equity	19 887	13 880	12 449	14 248	10 436
Total equity	3 409 495	3 738 821	3 561 088	3 335 927	3 368 426

TOTAL EQUITY AND LIABILITIES	43 119 830	43 398 513	42 126 914	38 578 430	36 906 236
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Solvency ratio	15,82%	17,39%	18,60%	17,44%	13,85%
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Book value	3 389 608	3 724 941	3 548 639	3 321 679	3 357 990
Number of shares	13 010 000	13 010 000	13 010 000	13 010 000	13 010 000
Book value per share (PLN)	260,54	286,31	272,76	255,32	258,11

CONSOLIDATED OFF-BALANCE SHEET ITEMS

	2 quarters 2006 as of 30 Jun 2006	1 quarter 2006 as of 31 Mar 2006	end of 2005 as of 31 Dec 2005	2 quarters 2005 as of 30 Jun 2005	1 quarter 2005 as of 31 Mar 2005
- Contingent liabilities granted	9 345 434	10 350 837	9 377 610	8 198 838	16 550 932
- Contingent liabilities received	10 526 285	10 323 884	10 544 625	10 940 854	10 547 363
- Off-balance sheet financial instruments	151 441 486	107 036 089	108 831 552	111 884 113	118 965 426
Total off-balance sheet items	171 313 205	127 710 810	128 753 787	131 023 805	146 063 721

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

2 quarters 2006
period from 01 Jan 2006 to 30 June 2006

	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	Retained earnings	Minority equity
Closing balance of equity at the end of the previous period	130 100	993 750	85 797	38 055	2 300 937	12 449
- changes in adopted accounting principles	-	-	-	-	-	-
Opening balance of equity	130 100	993 750	85 797	38 055	2 300 937	12 449
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-132 025	-	-	-
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-9 336	-	-	-
- disposal of property, plant and equipment	-	-	-	-30	1 749	-
- remeasurement of property, plant and equipment	-	-	-	6 334	-	4 227
- dividends paid	-	-	-	-	-357 775	-
- net result for the current period	-	-	-	-	335 263	-
- share of minority shareholders in the net financial result	-	-	-	-	-3 211	3 211
Total equity (closing balance)	130 100	993 750	-55 564	44 359	2 276 963	19 887

2 quarters 2005
period from 01 Jan 2005 to 30 June 2005

	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	Retained earnings	Minority equity
Closing balance of equity at the end of the previous period	130 100	993 750	64 127	59 551	1 913 622	8 969
- changes in adopted accounting principles	-	-	3 865	-2 792	101 382	-2 013
Opening balance of equity	130 100	993 750	67 992	56 759	2 015 004	6 956
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	66 226	-	-	-
- disposal of property, plant and equipment	-	-	-	-1 182	1 182	-
- remeasurement of property, plant and equipment	-	-	-	305	-	-
- dividends paid	-	-	-	-	-266 705	-
- net result for the current period	-	-	-	-	265 540	-
- share of minority shareholders in the net financial result	-	-	-	-	-7 292	7 292
Total equity (closing balance)	130 100	993 750	134 218	55 882	2 007 729	14 248

CONSOLIDATED CASH FLOW STATEMENT - indirect method

2 quarters 2006 **2 quarters 2005**
period from 01 Jan 2006 period from 01 Jan 2005
to 30 June 2006 to 30 June 2005

OPERATING ACTIVITIES		
Net profit (loss)	332 052	258 248
Adjustments	-70 417	-1 821 923
- Profits (losses) of minority shareholders included in the financial result	3 211	7 292
- Share in net profit (loss) of controlled entities recognised under the equity method	-17 169	-10 369
- Unrealised exchange gains (losses)	1 972	-729
- Depreciation and amortisation	69 196	62 759
- Interest accrued (from the profit and loss account)	447 632	327 410
- Interest received/paid	-702 470	-652 992
- Dividends received	-1 571	-1 603
- Gains (losses) on investment activities	98	5 401
- Income tax (from the profit and loss account)	68 281	63 941
- Income tax paid	-54 149	-75 160
- Change in provisions	-17 363	41 426
- Change in deposits in other banks and in loans and advances to other banks	1 534 134	-282 761
- Change in financial assets at fair value through profit or loss	313 492	-2 274 686
- Change in investment financial assets	-1 171 995	-2 140 866
- Change in loans and advances to customers	-1 341 052	137 472
- Change in other assets	18 887	-50 479
- Change in liabilities due to other banks	607 846	560 741
- Change in liabilities at fair value through profit or loss	178 702	256 845
- Change in liabilities due to customers	270 748	1 969 609
- Change in other liabilities	-278 847	234 826
Net cash flow from operating activities	261 635	-1 563 675
INVESTMENT ACTIVITIES		
- Purchase of property, plant and equipment	-31 420	-42 629
- Disposal of property, plant and equipment	127	47
- Purchase of intangible assets	-18 015	-12 292
- Disposal of fixed assets/liabilities held for sale	310	5 816
- Dividends received	26 193	24 165
Net cash flow from investment activities	-22 805	-24 893
FINANCIAL ACTIVITIES		
- Long-term loans repaid	-23 720	-16 826
- Interest on long-term loans repaid	-1 040	-2 178
Net cash flow from financial activities	-24 760	-19 004
<i>Effect of exchange rate changes on cash and cash equivalents</i>	24 376	159 582
Net increase/decrease in cash and cash equivalents	214 070	-1 607 572
Opening balance of cash and cash equivalents	4 979 567	5 404 252
Closing balance of cash and cash equivalents	5 193 637	3 796 680

5. Supplementary Data under IAS 34

5.1 Supplementary Data to Balance Sheet Items

- Loans, cash advances and receivables not quoted on the active market

	30.06.2006	31.03.2006	31.12.2005	30.06.2005	31.03.2005
Deposit accounts in other banks as well as loans and advances to other banks					
- Nostro accounts	51 165	87 203	156 026	209 537	164 041
- interbank deposits	11 006 604	10 800 938	12 332 697	8 851 648	11 671 682
- other receivables	177 286	156 408	58 160	505 554	423 141
- loans and advances	123 362	123 646	30 981	123 728	17 650
- repo transactions	0	0	0	345 500	326 890
- other receivables	53 924	32 762	27 179	36 326	78 601
- accrued interest	35 058	26 401	27 064	14 393	6 907
Total (gross)	11 270 113	11 070 950	12 573 947	9 581 132	12 265 771
Impairment losses	-246	-216	-299	-610	0
Total (net)	11 269 867	11 070 734	12 573 648	9 580 522	12 265 771
Loans and advances to customers					
<i>Loans and advances granted to entities from the financial sector other than banks</i>					
- loans and advances	1 434 104	1 283 233	829 205	833 944	621 668
overdrafts in current account	408 806	339 414	77 312	86 785	110 053
term	1 025 298	943 819	751 893	747 159	511 615
- reverse-repo transactions	0	0	0	2 081	17 805
- other receivables	109 986	138 166	135 274	69 839	42 056
- accrued interest	3 268	2 577	2 368	2 996	4 677
Total (gross)	1 547 358	1 423 976	966 847	908 860	686 206
Impairment losses	-6 591	-8 532	-10 153	-3 171	-1 994
Total (net)	1 540 767	1 415 444	956 694	905 689	684 212
<i>Loans and advances granted to entities from the non-financial sector</i>					
- loans and advances granted to corporate customers	6 402 885	6 231 531	5 926 102	6 481 461	6 701 394
overdrafts in current account	2 356 071	2 359 207	2 160 295	2 435 272	2 460 410
term	4 046 814	3 872 324	3 765 807	4 046 189	4 240 984
- loans and advances granted to households	3 419 359	3 229 535	3 238 685	3 206 290	3 178 104
overdrafts in current account	965 847	950 820	953 809	985 292	980 843
term	2 453 512	2 278 715	2 284 876	2 220 998	2 197 261
- reverse-repo transactions	0	0	0	0	0
- other receivables	203 643	99 429	114 820	14 189	23 303
- accrued interest	36 310	31 864	34 863	41 280	56 097
Total (gross)	10 062 197	9 592 359	9 314 470	9 743 220	9 958 898
Impairment losses	-729 865	-718 072	-762 658	-797 992	-870 180
Total (net)	9 332 332	8 874 287	8 551 812	8 945 228	9 088 718
<i>Loans and advances granted government and local government institutions</i>					
- loans and advances	400 405	392 756	425 979	361 175	378 346
overdrafts in current account	4 346	4 285	3 051	6 426	5 178
term	396 059	388 471	422 928	354 749	373 168
- accrued interest	-1 082	-1 075	641	2 944	2 524
Total (gross)	399 323	391 681	426 620	364 119	380 870
Impairment losses	-29 134	-31 738	-32 266	-35 912	-10 314
Total (net)	370 189	359 943	394 354	328 207	370 556
Loans and advances to customers - total					
- loans and advances	11 656 753	11 137 055	10 419 971	10 882 870	10 879 512
- reverse-repo transactions	0	0	0	2 081	17 805
- other receivables	313 629	237 595	250 094	84 028	65 359
- accrued interest	38 496	33 366	37 872	47 220	63 298
Loans and advances to customers - gross	12 008 878	11 408 016	10 707 937	11 016 199	11 025 974
Impairment losses	-765 590	-758 342	-805 077	-837 075	-882 488
Loans and advances to customers - net	11 243 288	10 649 674	9 902 860	10 179 124	10 143 486

- Financial liabilities measured at the depreciated cost

	30.06.2006	31.03.2006	31.12.2005	30.06.2005	31.03.2005
Liabilities due to other banks					
- Current accounts	135 646	69 830	178 903	151 751	151 170
- Interbank deposits	1 633 450	1 931 663	599 713	2 566 540	2 497 790
- Repo transactions	125 210	96 830	65 337	344 087	351 896
- Other liabilities	48 738	38 973	15 040	26 731	31 654
- Accrued interest	1 606	8 825	6 308	10 189	27 863
TOTAL	1 944 650	2 146 121	865 301	3 099 298	3 060 373
Liabilities to customers					
<i>Liabilities to entities from the financial sector other than banks</i>					
- Deposits	1 721 969	1 854 024	1 624 456	1 166 186	899 435
current accounts	725 674	810 715	884 202	698 021	505 417
term accounts	996 295	1 043 309	740 254	468 165	394 018
- Repo transactions	16 397	575 895	1 430 734	774 847	501 416
- Other liabilities	72 285	94 531	93 234	132 802	149 060
- Accrued interest	689	2 834	4 398	633	1 955
TOTAL	1 811 340	2 527 284	3 152 822	2 074 468	1 551 866
<i>Liabilities to entities from the non-financial sector</i>					
- Deposits of corporate customers	8 553 755	8 286 394	8 513 141	7 252 194	8 158 030
current accounts	4 955 222	4 877 201	5 378 090	4 015 914	5 593 794
term accounts	3 598 533	3 409 193	3 135 051	3 236 280	2 564 236
- Deposits of households	20 520 414	19 837 683	19 150 998	17 953 355	16 234 670
current accounts	2 489 501	2 598 062	2 292 935	2 176 450	2 101 486
saving accounts	13 558 901	12 766 931	12 300 085	10 790 965	8 417 672
term accounts	4 472 012	4 472 690	4 557 978	4 985 940	5 715 512
- Repo transactions	123 094	90 703	18 178	442 389	338 294
- Other liabilities	495 157	469 322	549 722	351 514	463 777
- Accrued interest	66 618	55 141	51 410	91 434	79 527
TOTAL	29 759 038	28 739 243	28 283 449	26 090 886	25 274 298
<i>Liabilities to government and local government institutions</i>					
- Deposits	1 489 713	1 521 813	1 384 457	1 392 404	1 340 008
current accounts	813 069	762 759	831 559	694 776	736 817
term accounts	676 644	759 054	552 898	697 628	603 191
- Other liabilities	1 634	765	2 019	843	1 352
- Accrued interest	1 164	917	849	1 588	1 268
TOTAL	1 492 511	1 523 495	1 387 325	1 394 835	1 342 628
Liabilities to customers - total					
- Deposits	32 285 851	31 499 914	30 673 052	27 764 139	26 632 143
- Repo transactions	139 491	666 598	1 448 912	1 217 236	839 710
- Other liabilities	569 076	564 618	644 975	485 159	614 189
- Accrued interest	68 471	58 892	56 657	93 655	82 750
Liabilities to customers - total	33 062 889	32 790 022	32 823 596	29 560 189	28 168 792

- Property, Plant and Equipment

	30.06.2006	31.03.2006	31.12.2005	30.06.2005	31.03.2005
- Real properties	424 788	419 869	419 942	391 445	460 451
- Computer hardware	70 955	77 199	78 709	69 484	57 088
- Vehicles	1 292	1 556	1 827	2 435	2 409
- Other fixtures and fittings	80 025	80 518	86 492	162 900	110 596
- Investment real properties	18 320	20 811	13 881	8 254	10 364
TOTAL	595 380	599 953	600 851	634 518	640 908

- Financial assets carried at fair value through profit or loss

	30.06.2006	31.03.2006	31.12.2005	30.06.2005	31.03.2005
- Financial assets held for trading	5 517 113	7 049 306	5 910 339	7 413 608	4 860 393
<i>Debt instruments</i>	4 603 151	6 141 495	4 951 262	6 116 781	3 510 480
<i>Equity instruments</i>	300	571	1 282	244	602
<i>Derivative financial instruments</i>	913 662	907 240	957 795	1 296 583	1 349 311
- Financial assets designated as at fair value upon initial recognition	319 313	322 714	244 901	0	0
<i>Debt instruments</i>	149 090	150 639	147 852	0	0
<i>Repo transactions</i>	170 223	172 075	97 049	0	0
TOTAL	5 836 426	7 372 020	6 155 240	7 413 608	4 860 393

- Financial assets for trading

	30.06.2006	31.03.2006	31.12.2005	30.06.2005	31.03.2005
- Available-for-sale financial assets					
<i>Debt instruments</i>	12 212 638	11 570 529	10 920 701	8 865 807	7 195 461
<i>Equity instruments</i>	8 529	2 230	2 218	19 781	19 681
TOTAL	12 221 167	11 572 759	10 922 919	8 885 588	7 215 142

- Financial liabilities carried at fair value through profit or loss

	30.06.2006	31.03.2006	31.12.2005	30.06.2005	31.03.2005
- Financial liabilities held for trading	1 068 539	1 085 079	1 095 899	1 526 887	1 465 781
<i>Derivative financial instruments</i>	1 068 539	1 085 079	1 095 899	1 526 887	1 465 781
- Financial liabilities designated as at fair value upon initial recognition	2 795 952	2 939 160	2 589 890	0	0
<i>Repo transactions</i>	2 795 952	2 939 160	2 589 890	0	0
TOTAL	3 864 491	4 024 239	3 685 789	1 526 887	1 465 781

- Provisions

	30.06.2006	31.03.2006	31.12.2005	30.06.2005	31.03.2005
litigation reserves	13 597	15 781	19 340	27 381	32 041
provision for off-balance sheet liabilities	27 683	27 863	29 638	58 703	63 826
provision for retirement benefits	10 668	10 584	11 063	9 814	9 471
provision for unused holidays	9 786	9 815	9 824	11 142	11 211
provision for headcount restructuring	1 422	7 163	10 654	0	0
TOTAL	63 156	71 206	80 519	107 040	130 549

- Impairment losses and provisions

	I Q 2006	I Q 2005
Impairment losses on financial assets other than assets at fair value recognised through the profit and loss account		
impairment losses on available-for-sale financial assets:		
- securities	-79	-15
- shares in subsidiaries, co-subsidiaries and associated entities, as well as minority interests	-79	0
	0	-15
impairment losses on loans and advances:		
- impairment losses on loans and advances	-45 297	-18 724
- collection and process costs related to recovery of receivables due to loans and advances	-47 240	-19 698
	1 943	974
impairment losses/ fair value valuation:		
- property, plant and equipment	-396	1 246
- other assets	-643	10
	247	1 236
Total impairment losses	-45 772	-17 493
Provisions for off-balance sheet commitments	-1 769	764
Total impairment losses and provisions	-47 541	-16 729

- Costs of bank operations and administrative expenses

	I Q 2006	I Q 2005
General administrative expenses	261 069	244 708
personnel expenses	139 836	133 643
wages and salaries	115 869	110 267
employee benefits	23 967	23 376
general administrative expenses	121 233	111 065

5.2 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.

5.3 Type and Amounts of Items Affecting Assets, Liabilities, Net Financial Result or Cash Flows Being of Non-recurring Nature due to their Type, Volume or Impact

Within the *Professional Indemnity and Employment Insurance and Bank Risk Insurance (BBB)*, constituting a part of the ING Group Global Programme, which also covers ING Bank Śląski S.A., the damage was liquidated by the Insurer in June 2006. As a result, the PLN 8.1 million worth of indemnity was paid out upon deducting the contribution of the Insured.

5.4 Type and Amounts of Changes to Estimated Amounts that Were Listed in Previous Interim Periods of the Current Accounting Year or Changes to the Estimates Listed in Previous Accounting Years, If They Are of Significant Impact on the Current Interim Period

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

Type and size of the change in estimation values are disclosed only when the results of the change occur in the current period or in the future periods.

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 basis of other sources. The estimates take account of the causes / sources of uncertainty as projected at the balance sheet date.

The actual results may differ from those estimates.

The estimations and assumptions are subject to ongoing reviews. 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 made by the Group as at the reporting date of and for each balance sheet date are as follows:

Impairment of loans

For 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 was 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 in the historical period, that are not presently valid.

In order to estimate impairment or its reversal, 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 or 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 at 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 either by adjusting an carrying amount of the financial asset. The amount of the reversal shall be recognised in profit or loss.

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

Impairment of other non-current assets

For each balance sheet date, the Group assesses the existence of premises indicating impairment of a non-current asset. If such premises exist, the Group performs an estimation of recoverable value. Estimation of value-in-use of a non-current asset 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 assumption could affect the carrying value of some of the non-current assets.

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

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

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

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

Retirement and sick pension severance payments provision

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

Provision for bonuses granted to directors and key management personnel

The provision for bonuses granted to directors and key management personnel is estimated by the Management Board, who calculates the amount of benefits as at the balance sheet date. The final amount of bonuses granted is established by the Supervisory Board.

5.5 Issues, Redemption or Repayments of Debt Securities and Equities

In June 2006, a part of the shares of MASTERCARD held in the portfolio of ING Bank Śląski were redeemed by the issuer. This transaction brought PLN 5.8 million in revenue.

5.6 Dividends Paid

On 27 April 2006, the General Shareholders Meeting approved the payout of dividend for 2005 in the amount of PLN 27.50 gross per 1 share, or PLN 357,775,000 in total. The dividend was paid out on 05 June 2006.

5.7 Significant Developments after the Closing of the Interim Period

During the Supervisory Board meeting held on 05 July 2006:

- Mr. Krzysztof Brejda tendered his resignation from his capacity as Vice-President of the Management Board, effective as of 05 July 2006;
- Mr. Grzegorz Cywiński tendered his resignation from his capacity as Vice-President of the Management Board, effective as of 01 August 2006; he has taken up a position at ING structures outside of Poland,
- Mr. Don Koch tendered his resignation from his capacity as Vice-President of the Management Board, effective as of 01 August 2006, he has taken up a position at ING structures outside of Poland,

At the same time, the Supervisory Board appointed Mr. Mirosław Boda and Ms. Marlies van Elst Vice-Presidents of the Management Board, effective as of 01 August 2006.

5.8 Changes to the Business Entity / Capital Group Structure

In 2Q 2006, no changes occurred in the composition of the Capital Group.

5.9 Changes to Contingent Liabilities or Assets that Occurred after 31.12.2005

A PLN 32.2 million worth of decrease in the contingent liabilities extended as per 30.06.2006 versus 31.12.2005 results mainly from the decrease in the position of deposits to be released in interbanking transactions. A decrease of PLN 18,3 million in contingent liabilities received is, in turn, mainly the consequence of a drop in received guarantees to secure credit receivables.

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

During the first 6 months of 2006, two pieces of the Bank's real estate were sold – one located in Cieszyn at Mennicza Street and the other located in Tarnów at Słowackiego Street. Sales were priced at arm's length, and brought the Bank PLN 1.7 million in revenue.

5.11 Settlements due to Court Cases

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

Changes to the litigation reserves were presented below:

	in million		
	30.06.2006	31.03.2006	31.12.2005
Status at the period beginning:	15,8	19,3	18,9
Establishment of provisions as costs	0,2	0,2	1,9
Release of provisions as income	-0,5	-0,1	-0,8
Utilisation of provision due to dispute loss or settlement	-1,9	-3,6	-0,7
Status as at the period end	13,6	15,8	19,3

5.12 Transactions with Related Entities

Subsidiaries and Related Entities of ING Bank Śląski:

- ING Securities
- ING BSK Development
- Solver
- PTE ING Nationale Nederlanden
- Centrum Banku Śląskiego (CBS)
- Śląski Bank Hipoteczny

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, CBS and Śląski Bank Hipoteczny took loans from ING Bank Śląski. The transactions with the above entities are performed on an arm's length basis.

Similarly, ING Bank Śląski maintains bank accounts of other members of ING Group, for instance ING Lease (Poland), ING Car Lease, ING Nationale-Nederlanden and ING Real Estate.

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. They are all performed on the arm's length basis.

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

In the period 1.01.2006 – 30.06.2006 the following transactions were made of the total value exceeding EURO 500,000:

- An annex to the Co-operation Agreement concluded by ING Bank Śląski S.A. and ING Bank NV was signed in 1H 2006, whereby the total fee for the services rendered in 2006 is EUR 9.1 million. In connection with execution of the co-operation agreement the remuneration for the services provided as to financial consulting in 1 H 2006 amounted to PLN 14.4 million (net).
- Under the agreement of lease of office rooms in the building owned by CBS, ING Bank Śląski paid a rent (through ING BSK Development) of PLN 10.4 million (gross) in monthly instalments. In addition, the Bank paid PLN 0.8 million for adaptation works.
- ING Services Polska provides services to ING Bank Śląski in regard to lease of hardware resources. The costs of service were PLN 6.9 million (gross).
- ING Bank Śląski made a transaction with ING Lease due to sublease of functional rooms totalling PLN 7.5 million (gross).
- ING Bank Śląski co-operates with ING Car Lease as to leasing of cars and management of car fleet. The derivative amount of payment was PLN 4.4 million in 1H 2006.

Transactions with related parties

30.06.2006

	Parent company	Other ING Group entities	Subsidiary undertakings	Associated undertakings
Balances of receivables and payables				
Deposits given				
Loans	2 498 013	349 920	-	-
Deposits taken	11 448	510 331	379 042	-
Securities	148 200	107 148	214 760	24 887
Other receivables	-	-	42 569	-
Other liabilities	6 422	3 703	2 745	-
Off-balance derivatives revaluation	3 780	18 312	41	-
Off-balance sheet commitments and transactions				
Guarantees issued	444 502	185 731	-	-
Undrawn credit lines granted	2 228 958	1 709 230	318 688	-
FX spot	15 163 777	3 463 991	-	-
FX forward	99 737	738 492	-	-
IRS/CIRS	25 459 231	74 982	-	-
FRA	3 769 917	0	-	-
Options	695 233	0	-	-
Income and expenses				
Income	356 463	47 606	7 500	218
Expenses	304 213	37 664	14 992	1 626

PROFIT AND LOSS ACCOUNT

	II quarter 2006 period from 01 Apr 2006 to 30 June 2006	2 quarters 2006 period from 01 Jan 2006 to 30 June 2006	II quarter 2005 period from 01 Apr 2005 to 30 June 2005	2 quarters 2005 period from 01 Jan 2005 to 30 June 2005
<i>Interest income</i>	484 201	959 024	484 401	944 445
<i>Interest expenses</i>	256 451	513 521	303 837	620 254
Net interest income	227 750	445 503	180 564	324 191
<i>Commission income</i>	151 432	290 523	132 601	253 285
<i>Commission expenses</i>	15 174	27 891	12 958	26 588
Net commission income	136 258	262 632	119 643	226 697
Dividend income	56 640	56 640	41 506	41 506
Net income on instruments at fair value through profit or loss	-1 742	35 691	54 333	165 099
Net income on available-for-sale assets and assets held for sale	36	3	-50	3 685
Exchange gains or losses	45 961	79 961	50 949	84 512
Other operating income	11 996	19 518	-69	7 008
Other operating expenses	4 672	7 761	12 818	17 311
Result on basic activities	472 227	892 187	434 058	835 387
General and administrative expenses	260 414	515 865	236 235	476 528
Depreciation and amortisation	31 459	67 054	28 153	56 444
Net income on disposal of assets other than held for sale	-34	4	39	154
Impairment losses and provisions for off-balance sheet liabilities	-42 670	-91 316	-7 707	-23 831
Profit (loss) before tax	222 990	400 588	177 416	326 400
Income tax	30 174	64 071	32 091	62 913
Net result for the current year	192 816	336 517	145 325	263 487
Net profit (loss)	192 816	336 517	145 325	263 487
Weighted average number of ordinary shares	13 010 000	13 010 000	13 010 000	13 010 000
Earnings per ordinary share (PLN)	14,82	25,87	11,17	20,25
Diluted weighted average number of ordinary shares	13 010 000	13 010 000	13 010 000	13 010 000
Diluted earnings per ordinary share (PLN)	14,82	25,87	11,17	20,25

BALANCE SHEET

	2 quarters 2006 as of 30 Jun 2006	1 quarter 2006 as of 31 Mar 2006	end of 2005 as of 31 Dec 2005	2 quarters 2005 as of 30 Jun 2005	1 quarter 2005 as of 31 Mar 2005
ASSETS					
- Cash in hand and balances with the Central Bank	1 152 159	1 412 419	1 176 436	1 062 987	942 526
- Deposit accounts in other banks as well as loans and advances to other banks	11 309 027	11 117 602	12 626 500	9 665 635	12 313 930
- Financial assets at fair value through profit or loss	5 848 440	7 383 328	6 165 686	7 425 636	4 872 093
- Investment financial assets	12 251 246	11 601 844	10 952 027	8 911 174	7 240 191
- Loans and advances to customers	11 310 042	10 755 731	10 026 137	10 274 518	10 264 447
- Investments in controlled entities	126 910	126 910	126 910	140 865	142 192
- Property, plant and equipment	421 435	439 910	443 093	438 337	451 708
- Intangible assets	324 923	316 576	317 800	309 636	274 825
- Property, plant and equipment held for sale	1 882	245	5 969	2 657	2 796
- Current tax asset	0	2 559	35 213	11 024	50 251
- Deferred tax asset	141 595	69 193	71 645	132 603	136 740
- Other assets	107 619	99 121	136 616	174 701	155 245
Total assets	42 995 278	43 325 438	42 084 032	38 549 773	36 846 944

EQUITY AND LIABILITIES

LIABILITIES

- Liabilities due to the Central Bank	0	0	464 000	0	0
- Liabilities due to other banks	1 902 346	2 133 214	877 038	3 117 830	3 053 546
- Financial liabilities at fair value through profit or loss	3 864 491	4 024 239	3 685 789	1 526 887	1 465 781
- Liabilities due to customers	33 103 808	32 853 881	32 878 020	29 577 500	28 207 940
- Provisions	62 157	70 171	79 490	140 791	145 344
- Current income tax liabilities	48 484	0	0	0	0
- Deferred tax provision	0	0	0	0	0
- Other liabilities	709 702	621 092	634 506	937 910	712 317
Total liabilities	39 690 988	39 702 597	38 618 843	35 300 918	33 584 928

EQUITY

- Share capital	130 100	130 100	130 100	130 100	130 100
- Supplementary capital - issuance of shares over nominal value	993 750	993 750	993 750	993 750	993 750
- Revaluation reserve from measurement of available-for-sale financial assets	-55 564	99 069	85 796	134 213	98 519
- Revaluation reserve from measurement of property, plant and equipment	31 694	31 694	31 725	36 496	37 373
- Retained earnings	2 204 310	2 368 228	2 223 818	1 954 296	2 002 274
Total equity	3 304 290	3 622 841	3 465 189	3 248 855	3 262 016

TOTAL EQUITY AND LIABILITIES

	42 995 278	43 325 438	42 084 032	38 549 773	36 846 944
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Solvency ratio	15,43%	16,68%	17,96%	17,00%	13,62%
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Book value	3 304 290	3 622 841	3 465 189	3 248 855	3 262 016
Number of shares	13 010 000				
Book value per share (PLN)	253,98	278,47	266,35	249,72	250,73

OFF-BALANCE SHEET ITEMS

	2 quarters 2006 as of 30 Jun 2006	1 quarter 2006 as of 31 Mar 2006	end of 2005 as of 31 Dec 2005	2 quarters 2005 as of 30 Jun 2005	1 quarter 2005 as of 31 Mar 2005
- Contingent liabilities granted	9 640 837	10 669 479	9 689 063	8 496 670	16 835 508
- Contingent liabilities received	10 526 285	10 323 884	10 544 625	10 940 854	10 547 363
- Off-balance sheet financial instruments	151 441 486	107 029 886	108 825 349	111 859 521	118 932 420
Total off-balance sheet items	171 608 608	128 023 249	129 059 037	131 297 045	146 315 291

STATEMENT OF CHANGES IN EQUITY

2 quarters 2006

period from 01 Jan 2006 to 30 June 2006

	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	Retained earnings
Closing balance of equity at the end of the previous period	130 100	993 750	85 796	31 724	2 223 818
- changes in adopted accounting principles	-	-	-	-	-
Opening balance of equity	130 100	993 750	85 796	31 724	2 223 818
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	-132 025	-	-
- reclassified to the financial result as a result of sale of available-for-sale financial assets	-	-	-9 335	-	-
- disposal of property, plant and equipment	-	-	-	-30	1 750
- dividends paid	-	-	-	-	-357 775
- net result for the current period	-	-	-	-	336 517
Total equity (closing balance)	130 100	993 750	-55 564	31 694	2 204 310

2 quarters 2005

period from 01 Jan 2005 to 30 June 2005

	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	Retained earnings
Closing balance of equity at the end of the previous period	130 100	993 750	64 127	32 967	1 840 073
- changes in adopted accounting principles	-	-	3 865	4 406	116 259
Opening balance of equity	130 100	993 750	67 992	37 373	1 956 332
- gains/losses on remeasurement of available-for-sale financial assets charged to equity	-	-	66 221	-	-
- disposal of property, plant and equipment	-	-	-	-1 182	1 182
- remeasurement of property, plant and equipment	-	-	-	305	-
- dividends paid	-	-	-	-	-266 705
- net result for the current period	-	-	-	-	263 487
Total equity (closing balance)	130 100	993 750	134 213	36 496	1 954 296

CASH FLOW STATEMENT

- indirect method

2 quarters 2006

2 quarters 2005

period from 01 Jan 2006
to 30 June 2006

period from 01 Jan 2005
to 30 June 2005

OPERATING ACTIVITIES

Net profit (loss)	336 517	263 487
Adjustments	-117 898	-1 852 496
- Unrealised exchange gains (losses)	1 972	-729
- Depreciation and amortisation	67 054	56 444
- Interest accrued (from the profit and loss account)	445 503	324 191
- Interest received/paid	-701 558	-648 784
- Dividends received	-56 640	-41 506
- Gains (losses) on investment activities	-1	101
- Income tax (from the profit and loss account)	64 071	62 913
- Income tax paid	-50 324	-73 538
- Change in provisions	-17 333	41 770
- Change in deposits in other banks and in loans and advances to other banks	1 537 442	-289 545
- Change in financial assets at fair value through profit or loss	311 924	-2 275 453
- Change in investment financial assets	-1 172 965	-2 140 628
- Change in loans and advances to customers	-1 284 199	177 703
- Change in other assets	29 999	-54 179
- Change in liabilities due to other banks	553 811	571 476
- Change in liabilities at fair value through profit or loss	178 702	256 845
- Change in liabilities due to customers	257 224	1 948 594
- Change in other liabilities	-282 580	231 829
Net cash flow from operating activities	218 619	-1 589 009

INVESTMENT ACTIVITIES

- Purchase of property plant and equipment	-30 198	-33 570
- Disposal of property, plant and equipment	127	47
- Purchase of intangible assets	-17 952	-12 279
- Disposal of fixed assets/liabilities held for sale	310	5 816
- Dividends received	56 640	41 506
Net cash flow from investment activities	8 927	1 520

FINANCIAL ACTIVITIES

- Long-term loans repaid	-23 720	-16 826
- Interest on long-term loans repaid	-1 040	-2 178
Net cash flow from financial activities	-24 760	-19 004

Effect of exchange rate changes on cash and cash equivalents **24 376** **159 582**

Net increase/decrease in cash and cash equivalents **202 786** **-1 606 493**

Opening balance of cash and cash equivalents **4 970 079** **5 387 362**

Closing balance of cash and cash equivalents **5 172 865** **3 780 869**

VI. Additional Information Required under the Ordinance of the Minister of Finance of 19 October 2005 on Current and Periodic Information Submitted by Securities Issuers That Has Not Been Discussed Elsewhere

1. Indication of Shareholders Holding Directly or Indirectly > 5% of Total Number of Votes at GSM (para. 91 section. 6 item 5)

As at the date of submission of the report for the second quarter of 2006, the shareholders owning 5% and more votes at the General Shareholders Meeting of ING Bank Śląski Spółka Akcyjna were the following entities:

No.	Entity	Number of shares and votes	% of total number of shares and votes at General Shareholders Meeting
1.	ING Bank N.V.	9,757,500	75.00
2.	Commercial Union Otwarty Fundusz Emerytalny BPH CU WBK	850,000	6.53

2. Specification of Changes in Shares Held by Senior Executives (para. 91 section 6 item 6)

As regards members of the Bank Supervisory Board, the following individuals hold shares of ING Bank Śląski: Mr. Mirosław Kośmider – 3 shares; Mr. Wojciech Popiołek – 9 shares. The other members of the Bank Management Board and the Bank Supervisory Board do not hold any shares of ING Bank Śląski S.A. As at the date of disclosing the report for the 1Q2006, the members of the Supervisory Board and Management Board were not in the possession of any shares of ING Bank Śląski S.A.

3. Information on Proceedings Before Court of the Value > 10% of Equity or Jointly > 10% of Equity (para. 91 section 6 item 7)

In 2Q 2006, 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.

4. Information on Extending Sureties to Loans, Advances or Guarantees of the Value > 10% of Equity (para. 91 section 6 item 9)

On 30 January 2006, the Bank signed a credit agreement with ING Lease (Polska) Sp. z o.o. The loan amount is PLN 1.5 billion. The borrower has connections with ING Bank Śląski S.A.

On 1 February 2006, the Bank signed a supplementary agreement to the credit agreement of 30 December 1999 with Handlowy Heller S.A., whereby the loan amount was increased to PLN 350.0 million.

On 2 February 2006, the Bank signed a supplementary agreement to the credit agreement of 23 April 2004 with a Polish subsidiary of a global concern, whereby the loan amount was increased to PLN 483.0 million.