



**ING Securities Spółka Akcyjna
w Warszawie**

**Opinion and Report
of the Independent Auditor
Financial Year ended
31 December 2013**

The opinion contains 3 pages
The supplementary report contains 9 pages
Opinion of the independent auditor
and supplementary report on the audit of the financial
statements for the financial year ended
31 December 2013

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

OPINION OF THE INDEPENDENT AUDITOR

To the General Meeting of ING Securities Spółka Akcyjna w Warszawie

Opinion on the Financial Statements

We have audited the accompanying financial statements of ING Securities Spółka Akcyjna w Warszawie, with its registered address in Warsaw, ul. Puławska 2 (“the Company”), which comprise the introduction to the financial statements, the balance sheet as at 31 December 2013, the off balance sheet items as at 31 December 2013 comprising third parties assets in use, the profit and loss account, the statement of changes in equity and the cash flow statement for the year then ended and the supplementary information and explanations.

Management’s and Supervisory Board’s Responsibility for the Financial Statements

Management of the Company is responsible for the correctness of the accounting records, the preparation and fair presentation of these financial statements and preparation of the Report on the Company’s activities in accordance with the Accounting Act dated 29 September 1994 (Official Journal from 2013 item 330 with amendments) (“the Accounting Act”) and related bylaws, and other applicable regulations. Management of the Company is also responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act, Management of the Company and members of the Supervisory Board are required to ensure that the financial statements and the report on the Company’s activities are in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and whether the financial statements are derived from properly maintained accounting records based on our audit. We conducted our audit in accordance with section 7 of the Accounting Act, National Standards on Auditing issued by the National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the accounting records from which they are derived are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying financial statements of ING Securities Spółka Akcyjna w Warszawie have been prepared and present fairly, in all material respects, the financial position of the Company as at 31 December 2013 and its financial performance and its cash flows for the year then ended in accordance with the accounting principles applicable to the territory of the Republic of Poland as set out in the Accounting Act and related bylaws, are in compliance with the respective regulations and the provisions of the Company's articles of association that apply to the Company's financial statements and have been prepared from accounting records that, in all material respects, have been properly maintained.

Other Matters

The corresponding figures are based on the financial statements of the Company as at and for the year ended 31 December 2012, which were audited by another auditor who expressed an unqualified opinion on those financial statements on 25 March 2013.

Specific Comments on Other Legal and Regulatory Requirements

Report on the Company's Activities

As required under the Accounting Act, we report that the report on the Company's activities includes, in all material respects, the information required by paragraph 22 of the Decree of Minister of Finance dated 28 December 2009 on special rules of accounting for brokerage houses (Official Journal from 2009 No. 226, item 1824) and the information is consistent with the financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546
ul. Chłodna 51
00-867 Warsaw

Signed on the Polish original

.....
Ewa Józwik
Key Certified Auditor
Registration No. 11154

Signed on the Polish original

.....
Stacy Ligas
Limited Liability Partner with power of
attorney

5 March 2014

**Financial Statements of ING SECURITIES Spółka Akcyjna
w Warszawie for the year ended 31 December 2013**

Table of Contents

INTRODUCTION TO THE FINANCIAL STATEMENTS OF ING SECURITIES SPÓŁKA AKCYJNA W WARSZAWIE DEVELOPED AS AT 31 DECEMBER 2013	3
ING SECURITIES S.A. BALANCE SHEET	8
ING SECURITIES S.A. PROFIT AND LOSS ACCOUNT	12
ING SECURITIES S.A. STATEMENT OF CHANGES IN EQUITY CAPITAL	16
ING SECURITIES S.A. CASH FLOW STATEMENT	18
NOTES TO ING SECURITIES S.A. FINANCIAL STATEMENTS	21
Supplementary data on assets and liabilities	30
Supplementary data for individual Profit and Loss Account items	48
Supplementary data for Cash Flow Statement	52

INTRODUCTION TO THE FINANCIAL STATEMENTS OF ING SECURITIES SPÓŁKA AKCYJNA W WARSZAWIE DEVELOPED FOR THE YEAR ENDED 31 DECEMBER 2013

I. Name and registered office of the brokerage house, objects under the Polish Financial Supervision Authority's licence as well as name and registered office of the competent registration court.

The brokerage house is named: ING SECURITIES Spółka Akcyjna w Warszawie (ING Securities S.A. or Brokerage House). The registered office of the Company is in Warszawa at ul. Puławska 2. The Company was registered with the National Court Register under the number KRS 0000074974 by the District Court for the Capital City of Warsaw, Commercial Division No. 13

The Company pursues brokerage business under the Polish Financial Supervision Authority's licences. Its scope has been laid down in Article 69 of the Act on Trading in Financial Instruments of 29 July 2005 (the consolidated text, Journal of Laws No. 211 of 8 October 2010, item 1384 as amended).

Under the aforementioned regulation, the brokerage business pursued by the Company encompasses the following activities:

- acceptance and transfer of orders to buy or sell financial instruments,
- processing of orders to buy or sell financial instruments on the instruction originator's account,
- proprietary purchase and sale of financial instruments;
- offering of financial instruments;
- keeping or recording of financial instruments, including maintenance of securities accounts and cash accounts;
- advisory services to companies as regards their capital structure, company strategy or other structure- or strategy-related matters;
- advisory and other services pertaining to company merger, division or acquisition; and
- development of investment analyses, financial analyses and other general recommendations for financial instruments trading.

Further, acting under the Polish Financial Supervision Authority's licence, ING Securities S.A. performs the activities other than the brokerage ones under the Act on Trading in Financial Instruments. Those include the role of the middleman of ING Investment Management (Polska) S.A. in the area of promotion and offering of third-party securities management services, rendered upon commissioning by ING Investment Management (Polska) S.A.

II. Duration of brokerage house operations.

The duration of Brokerage House operations is unlimited.

III. Reporting period.

The Financial Statements cover the period from 01 January 2013 to 31 December 2013 (the reporting period) and comparable financial data for the period from 01 January 2012 to 31 December 2012.

IV. Data consolidated with other internal organisational units developing stand-alone financial statements.

The Financial Statements of ING Securities Spółka Akcyjna Warszawa do not provide for any consolidated data, because the Company does not have any internal organisational units developing stand-alone financial statements.

V. Financial Statements development on the assumption of the Company being a going concern.

The Company Financial Statements were developed on the assumption of the Company being a going concern for the period of at least 12 months after the balance sheet date or after 31 December 2013. As at the date of signing hereof, the Company Management Board do not identify any facts or circumstances which could pose threat to the Company continuing business for the period of at least 12 months after the balance sheet date due to planned or compulsory discontinuance or a considerable limitation of its business to-date.

VI. Financial Statements development for the period of company merger.

There was no company merger in the reporting period.

VII. Accounting principles adopted as far as permitted or not regulated by the effective law.

The Financial Statements were developed in accordance with the Accounting Act of 29 September 1994, (the consolidated text, Journal of Laws of 2013 item 330 as amended – hereinafter referred to as the Accounting Act and in accordance with the Minister for Finance Regulation on specific accounting principles for brokerage houses of 28 December 2009 (the consolidated text, Journal of Laws of 2013, item 483).

The Financial Statements were developed using the historical cost method, modified for financial instruments only.

The Company developed the Profit and Loss Account using the single-step variant. The Cash Flow Statement was made with the use of the indirect method.

Fixed assets and intangible assets

Intangible assets are recognised when it is probable that the economic benefits directly related with them will flow to the Company in the future. Intangible assets are initially recognised at acquisition or manufacturing cost. After initial recognition, intangible assets are valued at acquisition or manufacturing cost, less amortisation and impairment losses. Intangible assets are amortised on a straight-line basis through the period corresponding to the projected economic usefulness period.

Fixed assets are initially recorded at acquisition or manufacturing cost or in revalued amount (after revaluation of fixed assets), less depreciation and impairment losses. The initial value of fixed assets and depreciation to-date are revalued under separate regulations.

The acquisition and the manufacturing cost is the total cost borne by the unit in the construction, assembly, adaptation and improvement periods until the balance sheet date or acceptance for use, including: non-deductible value-added tax and excise tax as well as the service cost of liabilities assumed to fund the same and related foreign currency differences, less the resultant income.

The initial value being the acquisition or manufacturing cost of fixed assets is increased with the costs of improvement, being rebuilding, development, modernisation or reconstruction, causing the post-improvement value in use of that assets item to be above the value in use upon acceptance of the assets item for use.

The Company starts to depreciate fixed assets in the month following their acceptance for use, by applying group depreciation rates determined by the economic usefulness period.

Fixed assets recorded under acquired or made financial lease contracts are depreciated at the contractual period rate.

Fixed assets and intangible assets of the initial value not higher than PLN 3,500 are depreciated and amortised in full at the date of their commissioning for use.

Depreciation/amortisation rates applied by ING Securities S.A.:

- | | |
|--|-------------|
| - leasehold investments (buildings) | - 10% |
| - computer hardware | - 30 % |
| - technical equipment | - 5% - 36% |
| - means of transport | - 20% |
| - tools, instruments, movables and accessories | - 20% |
| - licences, software | - 20% - 50% |

Economic usefulness period and charges

Both the economic usefulness period projections and the depreciation/amortisation method are reviewed as at the end of each financial year to verify whether the depreciation/amortisation methods and period agree with the projected time distribution of economic benefits brought by given intangible assets and given fixed assets.

As at the balance sheet date, the Company always assesses whether the carrying value of disclosed assets is not above the value of projected future economic benefits. When there exist the conditions indicating it, the carrying value of the assets is lowered to the net sales price. Impairment losses are recognised in other operating costs.

ING Securities S.A. as a lessee

ING Securities S.A. is a party to lease contracts as a lessee, whereunder they accept third-party fixed assets (motor cars) in payable leasehold for the period agreed upon. The contractual terms and conditions qualify those contracts as operating lease. Fixed on a straight-line basis lease fees are recognised as costs in the Profit and Loss Account throughout the leasehold period.

Financial instruments

Upon initial recognition, financial assets are valued at cost (acquisition price) being the fair value of the actual payment. When significant, transaction costs are included in the initial value of those financial instruments. Financial assets are recorded at the transaction date.

After initial recognition, financial assets are allocated to one of four categories and are valued in the following manner:

	Category	Valuation method
1.	Financial assets held to maturity	At the adjusted acquisition price (amortised cost) set using the effective interest rate.
2.	Loans granted and own receivables	At the adjusted acquisition price (amortised cost) set using the effective interest rate. Short-term receivables with no interest rate set are valued as amounts due.
3.	Financial assets held for trading	At fair value with revaluation profits/losses carried through profit or loss.
4.	Financial assets available for sale	At fair value (or adjusted acquisition price if fair value cannot be reliably estimated) with revaluation profits/losses carried through revaluation allowance until investment disposal or devaluation. The total revaluation profit or loss is carried through profit or loss at that time.

Securities

Securities purchased on behalf and account of the Brokerage House are recorded in the books of accounts at the transaction date at acquisition cost, that is the fair value of actual expenditure; debt securities are booked split into the face value, interest being the acquisition cost and premium or discount.

Proprietary securities purchased in the course of business pursued by ING Securities S.A. are valued in the following manner:

- securities held for trading and available for sale are measured monthly at market value (fair value),
- result of fair value change for securities held for trading is carried through income or costs of financial instruments held for trading, increasing or decreasing their book value,
- result of fair value change for securities available for sale is carried through revaluation allowance for financial assets.

The weighted average method is used to value the portfolio of individual securities, where the average purchase cost of securities is compared with their market value.

ING Securities S.A. uses the weighted average method to determine the purchase cost of sold securities held for trading and available for sale, where the average purchase price of securities is set using the following formula:

$$\frac{\text{Total (of securities volume x buy rate)}}{\text{Total of securities volume}}$$

When at a given date a given security is both sold and purchased, the sale trades are settled first. Later, the purchase trade of a given security is added and the average purchase price of the security is determined using the above formula. The result on sale of securities held for trading is set as the difference between the value of sale income and their present value. The result on sale of securities available for sale is set in turn as the difference between the value of sale income and the cost of their purchase.

Receivables

Receivables are reported as amounts due following the prudent valuation rule. Receivables are revalued considering their payment probability by making a write-off which is shown in the Profit and Loss Account under item: difference in provisions and receivables write-offs.

As at the balance sheet date, FX receivables are valued at the average rate set for the given currency by the National Bank of Poland.

Mandatory contributions to the compensation scheme referred to in Book V of the Act on Trading in Financial Instruments of 29 July 2005 (the consolidated text, Journal of Laws No. 211 of 8 October 2010, item 1384 as amended, hereinafter referred to as the Act on Trading in Financial Instruments) are shown as Company's receivables from the Central Securities Depository of Poland.

Benefits accrued under management of cash accumulated in the compensation scheme by the Central Securities Depository of Poland and attributable to the Company increase the Company's receivables from the Central Securities Depository of Poland and are shown as deferred accruals and charges under liabilities.

The compensation scheme costs of the Central Securities Depository of Poland, the fees due for compensation scheme management and payout of funds under claims of eligible entities, laid down in Book V of the Act on Trading in Financial Instruments, in the part arising from the benefits mentioned above are reported as benefits costs and they reduce the Company's receivables.

Receivables write-offs

Receivables write-offs are made for the receivables:

- from debtors subjected to winding-down or bankruptcy procedure,
- questioned by debtors and the receivables in default when assessment of the material and financial condition of debtors shows that payment of contractual receivables is not probable, and
- overdue and not overdue receivables of significant probability of irrecoverability.

ING Securities adopted a rule that for non-performing receivables write-offs are made to 100% for the receivables that are not paid for one year from the receivables date or when receivables are claimed in court or when debtors were subjected to the winding-down or bankruptcy procedure.

The provisions for the compensation fund referred to in Article 138 section 2 of the Act on Trading in Financial Instruments are shown as the Brokerage House's liabilities. Should the Central Depository refund the contributions made by the Brokerage House to the compensation fund, the original provision is lowered with the said surplus.

Receivables and provisions for compensation scheme contributions are shown in the Financial Statements after the compensation operation.

Liabilities

Liabilities are booked as amounts due, with financial liabilities valued at the close of the reporting period at the adjusted purchase price, save for the financial liabilities held for trading which are measured at fair value.

As at the balance sheet date, FX liabilities are valued at the average rate set for the given currency by the National Bank of Poland.

Liability provisions

In keeping with the ING Securities S.A. General Terms and Conditions of Remuneration and the Labour Code, after working for a certain number of years or reaching the requisite age, employees are entitled to a retirement severance pay. To that effect, the Company forms a provision for future retirement severance pays in the amount determined by the actuarial firm, based on the data provided by the Company.

The provision for future retirement severance pays was shown as discounted present value of future liabilities of that type. Actuarial gains and losses arising from the provision computation method are carried through the revaluation allowance. Deferred tax is accrued on the provision for actuarial gains and losses.

Further, in their books, the Company forms provisions for future liabilities under litigations pending in court against the Company, for which payment of costs is highly probable.

Short-term accruals and prepayments

The Company makes cost accruals and prepayments for future reporting periods. Deferred cost accruals and charges are made in the amount of probable liabilities in the current reporting period.

With the use of the accrual method and historical data, ING Securities S.A. makes short-term deferred accruals and charges for:

- costs of unpaid services,
- operating expenses of the Company,
- rewards for employees,
- costs of commissions, and
- costs of unused employee holidays. Their amount was set in line with the effective rules of computation of equivalents for unused holidays and is carried through profit or loss as personnel costs.

Cash and other financial assets

Domestic cash is shown at face value.

As at the balance sheet date, FX cash is valued at the average rate set for the given currency by the National Bank of Poland.

Cash also includes interest accrued and due on the funds deposited in bank accounts which will show a cash flow in the subsequent reporting period.

Income tax

Income tax shown in the Profit and Loss Account is the total of current and deferred tax.

The current income tax is accrued according to the tax regulations.

The deferred tax shown in the Profit and Loss Account is the difference between deferred tax assets and provisions as at the end and beginning of the reporting period.

Deferred tax assets and provisions for the operations settled through equity are carried through equity capital.

Deferred tax is determined using the on-balance liabilities approach for all temporary differences occurring at the balance sheet date between the tax value of assets and liabilities and their carrying value from the Financial Statements.

Deferred tax provision is made for all positive temporary differences, unless it is formed in consequence of goodwill amortisation or initial recognition of an item of assets or liabilities upon the transaction not being a company merger and when upon its inception it does not impact the gross financial result or the taxable profit, or the tax loss.

An item of deferred tax assets is recognised for all negative temporary differences and unused tax losses moved to the following years in the amount in which it is probable that taxable income will be earned that will enable the Company to use the said differences and losses, unless deferred tax assets arise in consequence of initial recognition of an item of assets or liabilities upon the transaction not being a company merger and when upon its inception they do not impact the gross financial result or the taxable profit, or the tax loss.

The carrying value of the deferred tax assets item is verified at each balance sheet date and is reduced proportionally to the decreasing probability of generation of taxable income sufficient for partial or total utilisation of the deferred tax assets item.

Deferred tax assets and provisions are valued using the tax rates applicable in the period of utilisation of the assets item or release of the provision under the laws passed until the balance sheet date.

Income recognition

Income is recognised in the amount in which it is probable that the Company will generate economic benefits that can be reliably estimated.

Interest income is recognised upon accrual (using the effective interest rate), provided their obtainment is not uncertain.

Other operating income and expenses

Other operating income and expenses comprise the expenses and income directly relating to brokerage business, and in particular the expenses of and income on:

- disposal of fixed assets, fixed assets in construction, intangible assets,
- write-down of overdue, cancelled and irrecoverable receivables and liabilities, save for the public-law receivables and liabilities not being expenses,
- compensations, penalties and fines, and
- differences from settlements of purchase/sale transactions in financial instruments with clients, made at the prices set by the client.

ING SECURITIES S.A. BALANCE SHEET

ASSETS		31.12.2013	31.12.2012
	Notes	PLN	PLN
I. Cash and other financial assets	1	247 971 362.82	224 509 927.46
1. On hand:		0.00	0.00
2. In banks		6 913 681.43	2 240 171.47
3. Other financial resources		241 057 681.39	222 269 755.99
4. Other financial assets		0.00	0.00
II. Short-term receivables	2	47 083 558.06	115 011 311.90
1. From clients	5	15 832 372.58	64 865 050.04
2. From related entities	6	20 069.95	13 280.59
3. From banks pursuing brokerage activity, other brokerage houses and commodities brokerage houses	7	8 742 149.03	26 550 365.58
a) under transactions made		8 741 631.64	26 549 848.21
b) other		517.39	517.37
4. From entities managing regulated markets and commodities exchanges	9	0.00	0.00
5. From the Central Depository and stock exchange clearing chambers	8	19 413 093.41	22 897 691.77
6. From mutual and pension funds societies and mutual and pension funds	10	2 550.43	120 534.14
7. From securities issuers or selling shareholders		0.00	0.00
8. From the chamber of commerce		0.00	0.00
9. From taxes, subsidies and social insurance		29 420.89	533 214.00
10. Claimed in court, not covered by receivables write-offs		0.00	0.00
11. From made securities lending agreements		0.00	0.00
12. Other	11	3 043 901.77	31 175.78
III. Financial instruments held for trading	12	0.00	0.00
1. Shares		0.00	0.00
2. Debt securities		0.00	0.00
3. Investment certificates		0.00	0.00
4. Warrants		0.00	0.00
5. Other securities		0.00	0.00
6. Derivatives		0.00	0.00
7. Commodities exchanges		0.00	0.00
8. Other		0.00	0.00
IV. Short-term accruals and prepayments	18	500 155.38	495 353.70
V. Financial instruments held to maturity	14	0.00	0.00
1. Debt securities		0.00	0.00
2. Other securities		0.00	0.00
3. Commodities exchanges		0.00	0.00
4. Other		0.00	0.00
VI. Financial instruments available for sale		681 031.42	644 185.00
1. Shares and participations	13;13.1	681 031.42	644 185.00
a) of parent company		0.00	0.00
b) of a significant investor		0.00	0.00
c) of a partner to a co-subsiary		0.00	0.00
d) of subordinated entities		0.00	0.00
e) other		681 031.42	644 185.00
2. Debt securities		0.00	0.00
3. Participation units of mutual funds		0.00	0.00
4. Investment certificates		0.00	0.00
5. Other securities		0.00	0.00
6. Commodities exchanges		0.00	0.00
7. Other		0.00	0.00
VII. Long-term receivables	3	0.00	0.00

	Notes	31.12.2013	31.12.2012
		PLN	PLN
VIII. Long-term loans granted		0.00	0.00
1. To parent company		0.00	0.00
2. To a significant investor		0.00	0.00
3. To a partner to a co-subsiary		0.00	0.00
4. To subordinated entities		0.00	0.00
5. Other		0.00	0.00
IX. Intangible assets	17	4 299 093.17	4 291 399.52
1. Goodwill		0.00	0.00
2. Concessions, patents, licences and other assets purchased, including:		573 171.49	811 477.84
- computer software		0.00	0.00
3. Other intangible assets		0.00	0.00
4. Advance payments on intangible assets		3 725 921.68	3 479 921.68
X. Tangible fixed assets	15.15.1	793 635.07	311 754.15
1. Fixed assets, including:		508 180.80	295 002.12
a) land (including perpetual usufruct right to land)		0.00	0.00
b) buildings and premises		20 343.10	22 886.02
c) computer sets		175 726.77	226 403.13
d) other fixed assets		312 110.93	45 712.97
2. Fixed assets under construction		285 454.27	16 752.03
3. Advance payments on fixed assets under construction		0.00	0.00
XI. Long-term accruals and prepayments	18	923 624.00	1 152 929.00
1. Deferred tax assets	18.1; 48	923 624.00	1 152 929.00
2. Other accruals and prepayments		0.00	0.00
TOTAL ASSETS		302 252 459.92	346 416 860.73

Balance Sheet should be analysed together with Notes being a part and parcel of the Financial Statements.

Warsaw, this 5 March 2014.

*President of the
Management Board*

*Vice-President of the
Management Board*

*Management Board
Member*

*Management Board
Member*

Chief Accountant

Marek Słomski

Kamil Kalemba

Mariola Skrzypczak

Konrad Zawisza

Krzyszyna Zając

LIABILITIES		31.12.2013	31.12.2012
	Notes	PLN	PLN
I. Short-term liabilities	19	205 420 343.71	245 774 211.32
1. To clients	20	200 174 790.60	234 962 855.48
2. To related entities	21	1 346 166.81	42 511.49
3. To banks pursuing brokerage activity, other brokerage houses and commodities brokerage houses	22	168 468.08	5 717 749.44
a) under transactions made		168 468.08	5 717 749.44
b) other		0.00	0.00
4. To entities managing regulated markets and commodities exchanges	24	0.00	575 900.26
5. To the Central Depository and stock exchange clearing chambers	23	10 763.80	197 745.34
6. To the chamber of commerce		0.00	0.00
7. To securities issuers or selling shareholders	25	0.00	2 118.20
8. Credit facilities and loans		0.00	0.00
a) from related entities	27	0.00	0.00
b) other		0.00	0.00
9. Debt securities		0.00	0.00
10. Bills of exchange		0.00	0.00
11. Under taxes, customs and social insurance	26	578 986.45	754 750.74
12. Salaries		399.05	399.05
13. To mutual and pension funds societies and mutual and pension funds	28	0.00	0.00
14. Under made securities lending agreements		0.00	0.00
15. Special purpose funds		0.00	0.00
16. Other	31	3 140 768.92	3 520 181.32
II. Long-term liabilities	30	0.00	0.00
1. Bank loans		0.00	0.00
a) from related entities	27	0.00	0.00
b) other		0.00	0.00
2. Cash loans		0.00	0.00
a) from related entities	27	0.00	0.00
b) other		0.00	0.00
3. Debt securities		0.00	0.00
4. Under other financial instruments		0.00	0.00
5. Under financial lease contracts		0.00	0.00
a) from related entities		0.00	0.00
b) other		0.00	0.00
6. Other		0.00	0.00
III. Deferred cost accruals and charges	18	6 690 538.50	7 839 656.19
1. Negative goodwill		0.00	0.00
2. Other deferred cost accruals and charges		6 690 538.50	7 839 656.19
a) long-term		1 543 785.81	1 379 904.06
b) short-term		5 146 752.69	6 459 752.13
IV. Liability provisions		687 066.60	662 043.02
1. Deferred tax assets	0.00	0.00	0.00
2. Provision for pensions and similar benefits	32	573 139.53	548 115.95
a) long-term		573 139.53	548 115.95
b) short-term		0.00	0.00
3. Other	32	113 927.07	113 927.07
a) long-term		0.00	0.00
b) short-term		113 927.07	113 927.07
V. Subordinated liabilities		0.00	0.00

		31.12.2013	31.12.2012
	Notes	PLN	PLN
VI. Equity capital		89 454 511.11	92 140 950.20
1. Tier 1 capital	33	30 228 640.00	30 228 640.00
2. Tier 1 capital outstanding (-)		0.00	0.00
3. Own participations (shares) (-)		0.00	0.00
4. Tier 2 capital		10 084 566.94	10 084 566.94
a) from sale of shares over par value		0.00	0.00
b) formed under the law		0.00	0.00
c) formed under the charter		10 084 566.94	10 084 566.94
d) from shareholder extra payments		0.00	0.00
e) other		0.00	0.00
5. Revaluation allowance		466 994.35	406 685.00
6. Reserves		43 410 468.66	40 724 378.34
7. Profit (loss) from previous years		0.00	0.00
a) profit from previous years (+)		0.00	0.00
b) loss from previous years (-)		0.00	0.00
8. Net profit (loss)		5 263 841.16	10 696 679.92
9. Net profit write-offs during financial year (-)		0.00	0.00
TOTAL LIABILITIES		302 252 459.92	346 416 860.73
Off-balance sheet items			
I. Contingent liabilities, including:	36	0.00	0.00
1. Guarantees		0.00	0.00
2. Security deposits, sureties		0.00	0.00
II. Leasehold	15.1	672 523.64	792 806.52
- under operating lease contract	15.1	672 523.64	792 806.52
III. Forwards/futures purchased or offered on behalf and account of the Brokerage House	39	0.00	0.00
- short position		0.00	0.00
- long position		0.00	0.00
TOTAL OFF-BALANCE SHEET ITEMS		672 523.64	792 806.52

Balance Sheet and off-balance sheet items should be analysed together with Notes being a part and parcel of the Financial Statements.

Warsaw, this 5 March 2014.

<i>President of the Management Board</i>	<i>Vice-President of the Management Board</i>	<i>Management Board Member</i>	<i>Management Board Member</i>	<i>Chief Accountant</i>
<i>Marek Słomski</i>	<i>Kamil Kalemba</i>	<i>Mariola Skrzypczak</i>	<i>Konrad Zawisza</i>	<i>Krystyna Zajac</i>

ING SECURITIES S.A. PROFIT AND LOSS ACCOUNT

	Notes	Year ended 31.12.2013	Year ended 31.12.2012
		PLN	PLN
I. Income on brokerage activity, including:		43 105 279.29	56 460 735.76
- from related entities		106 531.67	100 161.08
1. Commissions		38 500 885.09	46 599 679.59
a) for proprietary operations in financial instruments, but to the instruction originator's account,		33 080 671.30	37 056 999.18
b) for offering of financial instruments		4 065 409.85	8 202 851.29
c) for acceptance of orders to buy and amortise participation units of mutual funds		1 354 803.94	1 339 829.12
d) other		0.00	0.00
2. Other income:		4 604 394.20	9 861 056.17
a) on maintaining clients' securities accounts and cash accounts		1 505 299.09	1 568 128.76
b) on offering financial instruments		0.00	0.00
c) on maintaining registers of financial instruments buyers		31 948.56	57 556.10
d) on managing third-party bundle of securities upon commissioning		0.00	0.00
e) on professional advisory services as regards financial instruments trading		243 902.44	520 362.50
f) on representing banks pursuing brokerage activity and brokerage houses on the regulated markets and commodities exchanges		0.00	0.00
g) other	40	2 823 244.11	7 715 008.81
II. Costs of brokerage activity		41 646 677.22	51 174 489.57
1. Affiliation costs		0.00	0.00
2. Fees to regulated markets, commodities exchanges as well as contributions to the Central Depository and stock exchange clearing chambers		8 746 056.83	11 699 428.02
3. Fees to the chamber of commerce		91 200.00	91 200.00
4. Remuneration		16 409 757.19	20 959 658.99
5. Social security contributions and other benefits		1 656 472.79	1 719 792.32
6. Benefits for employees		359 822.93	457 758.12
7. Materials and energy consumption		435 645.73	558 182.93
8. Building maintenance and rental		2 488 907.80	2 288 904.65
9. Other material costs		7 385 501.73	7 682 596.28
10. Depreciation/amortisation		710 000.37	566 247.41
11. Taxes and other public law fees		128 609.00	129 924.00
12. Commissions and other fees		1 713 258.24	3 533 910.40
13. Other	40	1 521 444.61	1 486 886.45
III. Profit (loss) on brokerage activity (I-II)		1 458 602.07	5 286 246.19

Notes	Year ended 31.12.2013 PLN	Year ended 31.12.2012 PLN
IV. Income on financial instruments held for trading	0.00	0.00
1. Dividends and other profit participations, including:	0.00	0.00
- from related entities	<i>0.00</i>	<i>0.00</i>
2. Interest, including:	0.00	0.00
- from related entities	<i>0.00</i>	<i>0.00</i>
3. Valuation adjustments	0.00	0.00
4. Profit from sale/depreciation	0.00	0.00
5. Other	0.00	0.00
V. Costs of financial instruments held for trading	3 949.22	401.25
1. Valuation adjustments	0.00	0.00
2. Loss on sale/depreciation	3 949.22	401.25
3. Other	0.00	0.00
VI. Profit (loss) on operations in financial instruments held for trading (IV-V)	-3 949.22	-401.25
VII. Income on financial instruments held to maturity	0.00	0.00
1. Interest, including:	0.00	0.00
- from related entities	<i>0.00</i>	<i>0.00</i>
2. Valuation adjustments	0.00	0.00
3. Discount for debt securities	0.00	0.00
4. Profit from sale/depreciation	0.00	0.00
5. Other	0.00	0.00
VIII. Costs of financial instruments held to maturity	0.00	0.00
1. Valuation adjustments	0.00	0.00
2. Premium amortisation for debt securities	0.00	0.00
3. Loss on sale/depreciation	0.00	0.00
4. Other	0.00	0.00
IX. Profit (loss) on operations in financial instruments held to maturity (VII-VIII)	0.00	0.00
X. Income on financial instruments available for sale	10 920.00	20 160.00
1. Dividends and other profit participations, including:	10 920.00	20 160.00
- from related entities	<i>0.00</i>	<i>0.00</i>
2. Interest, including:	0.00	0.00
- from related entities	<i>0.00</i>	<i>0.00</i>
3. Valuation adjustments	0.00	0.00
4. Profit from sale/depreciation	0.00	0.00
5. Discount for debt securities	0.00	0.00
6. Other	0.00	0.00

	Notes	Year ended 31.12.2013 PLN	Year ended 31.12.2012 PLN
XI. Costs of financial instruments available for sale		0.00	0.00
1. Valuation adjustments		0.00	0.00
2. Loss on sale/depreciation		0.00	0.00
3. Premium amortisation for debt securities		0.00	0.00
4. Other		0.00	0.00
XII. Profit (loss) on operations in financial instruments available for sale (X-XI)		10 920.00	20 160.00
XIII. Other operating income	41	1 371 919.91	2 078 768.68
1. Profit from sale of tangible fixed assets and intangible assets		6 230.00	35 536.00
2. Subsidies		0.00	0.00
3. Other		1 365 689.91	2 043 232.68
XIV. Other operating costs	41	1 449 227.14	2 308 023.79
1. Loss on sale of tangible fixed assets and intangible assets		0.00	0.00
2. Write-offs for tangible fixed assets and intangible assets		0.00	0.00
3. Other		1 449 227.14	2 308 023.79
XV. Difference in provisions and receivables write-offs		-448 038.36	-383 366.47
1. Provision release		0.00	0.00
2. Provision formation		0.00	0.00
3. Receivables write-off reduction		13 595.60	8 802.91
4. Receivables write-off formation		461 633.96	392 169.38
XVI. Profit (loss) on operating activity (III+VI+IX+ XII+XIII-XIV+XV)		940 227.26	4 693 383.36
XVII. Financial income		5 997 983.51	9 669 536.40
1. Interest on loans granted, including:		0.00	0.00
- from related entities		0.00	0.00
2. Interest on term deposits and other deposits	42	5 433 542.04	9 306 163.24
- from related entities		5 223 124.08	8 421 238.04
3. Other interest		564 441.47	363 373.16
4. Positive FX differences		0.00	0.00
a) realised		0.00	0.00
b) not realised		0.00	0.00
5. Other		0.00	0.00
XVIII. Financial costs		250 927.61	560 415.84
1. Interest on credit facilities and loans, including:		0.00	0.00
- to related entities		0.00	0.00
2. Other interest		101 003.20	492 956.53
3. Negative FX differences		149 924.41	67 459.31
a) realised		82 300.97	55 858.14
b) not realised		67 623.44	11 601.17
4. Other		0.00	0.00

Financial Statements of ING SECURITIES Spółka Akcyjna w Warszawie for the year ended 31 December 2013 (PLN)

	Notes	Year ended 31.12.2013 PLN	Year ended 31.12.2012 PLN
XIX. Profit (loss) on business activity (XVI+XVII- XVIII)		6 687 283.16	13 802 503.92
XX. Extraordinary profits	45	0.00	0.00
1. Incidental		0.00	0.00
2. Other		0.00	0.00
XXI. Extraordinary losses	45	0.00	0.00
1. Incidental		0.00	0.00
2. Other		0.00	0.00
XXII. Gross profit (loss) (XIX+XX-XXI)		6 687 283.16	13 802 503.92
XXIII. Income tax	47	1 423 442.00	3 105 824.00
XXIV. Other mandatory profit decreases (loss increases)		0.00	0.00
XXV. Net profit (loss) (XXII-XXIII-XXIV)		5 263 841.16	10 696 679.92

Profit and Loss Account should be analysed together with Notes being a part and parcel of the Financial Statements.

Warsaw, this 5 March 2014.

<i>President of the Management Board</i>	<i>Vice-President of the Management Board</i>	<i>Management Board Member</i>	<i>Management Board Member</i>	<i>Chief Accountant</i>
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<i>Marek Słomski</i>	<i>Kamil Kalemba</i>	<i>Mariola Skrzypczak</i>	<i>Konrad Zawisza</i>	<i>Krystyna Zając</i>
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ING SECURITIES S.A. STATEMENT OF CHANGES IN EQUITY CAPITAL

	Notes	Year ended 31.12.2013	Year ended 31.12.2012
		PLN	PLN
I. Opening Tier 1 capital (OB)		92 140 950.20	92 240 186.72
- adjustments of adopted accounting principles (policy)		0.00	0.00
- error adjustments		0.00	0.00
I.a. Opening adjusted Tier 1 capital (OB)		92 140 950.20	92 240 186.72
1. Opening Tier 1 capital		30 228 640.00	30 228 640.00
1.1 Change in Tier 1 capital		0.00	0.00
a) increase (due to)		0.00	0.00
- issue of participations (shares)		0.00	0.00
- in-kind cash contribution		0.00	0.00
- share capital increase - in-kind contribution of shares and participation		0.00	0.00
b) decrease (due to)		0.00	0.00
- redemption of participations (shares)		0.00	0.00
1.2. Closing Tier 1 capital		30 228 640.00	30 228 640.00
2. Opening Tier 1 capital outstanding		0.00	0.00
2.1. Change in Tier 1 capital outstanding		0.00	0.00
a) increase (due to)		0.00	0.00
b) decrease (due to)		0.00	0.00
2.2. Closing Tier 1 capital outstanding		0.00	0.00
3. Opening own participations (shares)		0.00	0.00
a) increase		0.00	0.00
b) decrease		0.00	0.00
3.1. Closing own participations (shares)		0.00	0.00
4. Opening Tier 2 capital		10 084 566.94	10 084 566.94
4.1 Change in Tier 2 capital		0.00	0.00
a) increase (due to)		0.00	0.00
- issue of shares above par value		0.00	0.00
- profit distribution (statutory)		0.00	0.00
- profit distribution (above the statutory minimum)		0.00	0.00
b) decrease (due to)		0.00	0.00
- loss coverage		0.00	0.00
4.2. Closing Tier 2 capital		10 084 566.94	10 084 566.94
5. Opening revaluation allowance		406 685.00	365 634.00
- change of adopted accounting principles (policy)		0.00	0.00
5.1. Change in revaluation allowance		60 309.35	41 051.00
a) increase (due to)		60 309.35	41 051.00
- revaluation allowance of financial instruments available for sale		21 285.42	41 051.00
- revaluation of actuarial profit/loss		39 023.93	0.00
b) decrease (due to)		0.00	0.00
- sale and liquidation of fixed assets		0.00	0.00
- sale of financial instruments available for sale		0.00	0.00
- revaluation allowance of financial instruments available for sale		0.00	0.00
5.2. Closing revaluation allowance		466 994.35	406 685.00
6. Opening reserves		40 724 378.34	29 895 394.64
6.1. Change in reserves		2 686 090.32	10 828 983.70
a) increase (due to)		2 686 090.32	10 828 983.70
- distribution of last-year profit		2 686 090.32	10 828 983.70
- distribution of profit from previous years		0.00	0.00
b) decrease (due to)		0.00	0.00
- coverage of loss from previous years		0.00	0.00
6.2. Closing reserves		43 410 468.66	40 724 378.34

	Notes	Year ended 31.12.2013 PLN	Year ended 31.12.2012 PLN
7. Opening profit (loss) from previous years		10 696 679.92	21 665 951.14
7.1. Opening profit from previous years		10 696 679.92	21 665 951.14
- change of adopted accounting principles (policy)		0.00	0.00
- error adjustments		0.00	0.00
7.2. Opening adjusted profit from previous years		10 696 679.92	21 665 951.14
a) increase (due to)		0.00	0.00
- profit distribution		0.00	0.00
- change of adopted accounting principles (policy)		0.00	0.00
- net profit for last year		0.00	0.00
b) decrease (due to)	34	-10 696 679.92	-21 665 951.14
- Tier 2 capital charge		0.00	0.00
- reserve charge	34	-2 686 090.32	-10 828 983.70
- dividends to the owner	34	-8 010 589.60	-10 836 967.44
- change of adopted accounting principles (policy)		0.00	0.00
7.3. Closing profit from previous years		0.00	0.00
7.4. Opening loss from previous years		0.00	0.00
- change of adopted accounting principles (policy)		0.00	0.00
- error adjustments		0.00	0.00
7.5. Opening adjusted loss from previous years		0.00	0.00
a) increase (due to)		0.00	0.00
- transfer of loss from previous years for coverage		0.00	0.00
- change of adopted accounting principles (policy)		0.00	0.00
b) decrease (due to)		0.00	0.00
- coverage of loss from previous years with reserve capital		0.00	0.00
7.6. Closing loss from previous years		0.00	0.00
7.7. Closing profit (loss) from previous years		0.00	0.00
8. Net result		5 263 841.16	10 696 679.92
a) net profit		5 263 841.16	10 696 679.92
b) net loss		0.00	0.00
c) profit write-offs		0.00	0.00
II. Closing Tier 1 capital (CB)		89 454 511.11	92 140 950.20
III. Tier 1 capital after providing for the proposed profit distribution (loss coverage)	34	89 454 511.11	84 130 360.60

Statement of Changes in Equity Capital should be analysed together with Notes being a part and parcel of the Financial Statements.

Warsaw, this 5 March 2014.

<i>President of the Management Board</i>	<i>Vice-President of the Management Board</i>	<i>Management Board Member</i>	<i>Management Board Member</i>	<i>Chief Accountant</i>
<i>Marek Słomski</i>	<i>Kamil Kalemba</i>	<i>Mariola Skrzypczak</i>	<i>Konrad Zawisza</i>	<i>Krzyszyna Zając</i>

ING SECURITIES S.A. CASH FLOW STATEMENT

	For the year ended	For the year ended
Notes	31.12.2013	31.12.2012
	PLN	PLN
A. Net cash flow on operating activity (I+/-II)	32 665 017.90	25 439 315.01
I. Net profit (loss)	5 263 841.16	10 696 679.92
II. Adjustments total	27 401 176.74	14 742 635.09
1. Depreciation/amortisation	710 000.37	566 247.41
2. Profit (loss) from FX differences	0.00	0.00
3. Interest and profit participations (dividends)	-10 920.00	-20 160.00
4. Profit (loss) from investing activity	-6 230.00	67 220.45
5. Change in provisions and receivables write-offs	162 602.94	402 165.03
6. Change in financial instruments held for trading	0.00	0.00
7. Change in receivables	67 838 352.41	-68 411 181.76
8. Change in short-term liabilities (save for loans and credit facilities)	-40 353 867.61	82 423 438.56
including special purpose funds	0.00	0.00
9. Change in accruals and prepayments	-938 761.37	-285 094.60
10. Other adjustments	0.00	0.00
B. Cash flow on investing activity (I-II)	-1 192 992.94	-2 071 559.42
I. Income on investing activity	18 697.48	55 696.00
1. Disposal of financial instruments available for sale and held to maturity of the parent company	0.00	0.00
2. Disposal of financial instruments available for sale and held to maturity of a significant investor	0.00	0.00
3. Disposal of financial instruments available for sale and held to maturity of a partner to a co-subsiidiary	0.00	0.00
4. Disposal of financial instruments available for sale and held to maturity of subordinated entities	0.00	0.00
5. Disposal of other financial instruments available for sale and held to maturity	0.00	0.00
6. Disposal of intangible assets	0.00	0.00
7. Disposal of tangible fixed assets	7 777.48	35 536.00
8. Profit participations (dividends) received	10 920.00	20 160.00
9. Interest received	0.00	0.00
10. Repayment of long-term loans granted	0.00	0.00
11. Other income	0.00	0.00

	Notes	For the year ended 31.12.2013 PLN	For the year ended 31.12.2012 PLN
II. I. Expenditures on investing activity		-1 211 690.42	-2 127 255.42
1. Purchase of financial instruments available for sale and held to maturity of the parent company		0.00	0.00
2. Purchase of financial instruments available for sale and held to maturity of a significant investor		0.00	0.00
3. Purchase of financial instruments available for sale and held to maturity of a partner to a co-subsiary		0.00	0.00
4. Purchase of financial instruments available for sale and held to maturity of subordinated entities		0.00	0.00
5. Purchase of other financial instruments available for sale and held to maturity		0.00	0.00
6. Purchase of intangible assets		-419 780.85	-2 039 296.43
7. Purchase of tangible fixed assets		-781 341.57	-87 958.99
8. Long-term loans granted		0.00	0.00
9. Other expenditure		-10 568.00	0.00
C. Net cash flow on financial activity (I-II)		-8 010 589.60	-10 836 967.44
I. Income on financial activity		0.00	0.00
1. Long-term credit facilities and loans		0.00	0.00
2. Issue of long-term debt securities		0.00	0.00
3. Short-term credit facilities and loans		0.00	0.00
4. Issue of short-term debt securities		0.00	0.00
5. Subordinated debt		0.00	0.00
6. Income on issue of own participations (shares)		0.00	0.00
7. Capital extra contributions		0.00	0.00
8. Other income		0.00	0.00
II. Expenditures on financial activity		-8 010 589.60	-10 836 967.44
1. Repayment of long-term credit facilities and loans		0.00	0.00
2. Repurchase of long-term debt securities		0.00	0.00
3. Repayment of short-term credit facilities and loans		0.00	0.00
4. Repurchase of short-term debt securities		0.00	0.00
5. Repayment of subordinated debt		0.00	0.00
6. Expenditures on issue of own participations (shares)		0.00	0.00
7. Purchase of own participations (shares)		0.00	0.00
8. Dividends and other payments towards owners		-8 010 589.60	-10 836 967.44
9. Profit distribution to managers and controllers		0.00	0.00
10. Social expenditures		0.00	0.00
11. Liabilities under financial lease contracts		0.00	0.00
12. Interest paid		0.00	0.00
13. Other expenditure		0.00	0.00

Financial Statements of ING SECURITIES Spółka Akcyjna w Warszawie for the year ended 31 December 2013 (PLN)

	Notes	For the year ended 31.12.2013 PLN	For the year ended 31.12.2012 PLN
D. Net cash flow total (A+/-B+/-C)		23 461 435.36	12 530 788.15
E. Balance change in cash, including change in cash under FX differences		23 461 435.36 0.00	12 530 788.15 0.00
F. Opening cash	1, 49 A	224 509 927.46	211 979 139.31
G. Closing cash (F+/-D) including:	1, 49 B	247 971 362.82	224 509 927.46
– of limited disposal		0.00	0.00

As at 31 December 2013 and 31 December 2012, the number of other adjustments made to the ING Securities S.A. Financial Statements did not exceed 5% of adjustments total.

Cash Flow Statement should be analysed together with Notes being a part and parcel of the Financial Statements.

Warsaw, this 5 March 2014.

<i>President of the Management Board</i>	<i>Vice-President of the Management Board</i>	<i>Management Board Member</i>	<i>Management Board Member</i>	<i>Chief Accountant</i>
<i>Marek Słomski</i>	<i>Kamil Kalemba</i>	<i>Mariola Skrzypczak</i>	<i>Konrad Zawisza</i>	<i>Krystyna Zajac</i>

NOTES TO ING SECURITIES S.A. FINANCIAL STATEMENTS

1. Changes to adopted accounting principles

In the reporting period, ING Securities S.A. changed neither the adopted accounting principles nor valuation methods.

2. Changes in method of financial statements development

In the reporting period, ING Securities S.A. did not change the method of financial statements development.

3. Presentation of comparable data

The Financial Statements for the year ended 31 December 2013 present the data which are comparable with the data shown for the year ended 31 December 2012 and were developed using the same accounting principles.

4. Significant post-balance events

There occurred no significant events at ING Securities S.A. after the balance sheet date which would impact the developed Financial Statements.

5. Significant post-balance events for previous years provided for in this-year report

In the Company's Financial Statement for 2013 there are no significant consequences of the previous-years events.

6. Financial instruments

Description of financial instruments

Financial assets held for trading

The Company did not have financial assets held for trading as at the end of either reporting period.

Financial assets available for sale

The portfolio comprised:

<i>Instrument type</i>	<i>Carrying value as at 31 December 2013</i>	<i>Carrying value as at 31 December 2012</i>
Shares and participations (excluding purchased acting as the issuer's market maker and the market maker)	681 031.42	644 185.00
TOTAL	681 031.42	644 185.00

Financial assets held to maturity

The Company did not have financial assets held to maturity as at the end of either reporting period.

Credit facilities and loans granted and own receivables

The Company did not have such an item as at the end of either reporting period.

Financial liabilities

In the reporting period the Company did not use the credit from ING Bank Śląski S.A. dedicated to securing liquidity. The Company did not have any debt due to the afore-mentioned credit at the end of either reporting period (see Note 25).

Description of methods and material assumptions adopted to determine the fair value of financial assets and liabilities measured at fair value

The methods and material assumptions adopted to determine the fair value of financial assets and liabilities measured at fair value were discussed in the Introduction to the Financial Statements.

Principles of recording financial instruments acquired on the official regulated market and on the unofficial OTC market

The principles of recording financial instruments acquired on the official regulated market and on the unofficial OTC market have been discussed in the Introduction to the Financial Statements.

Recognition of revaluation effects for financial assets available for sale

Recognition of revaluation effects for financial assets available for sale was discussed in the Introduction to the Financial Statements.

Objectives and principles of risk management

Taking controlled risk is inherent in business of ING Securities S.A. (Brokerage House). Risk management aims at ensuring that the Brokerage House will take risk in a well-informed and controlled manner. The risk management policy has been developed to enable risk identification and measurement, and also to regularly set the risk limits which reflect the risk appetite.

ING Securities manages risks in a tight cooperation with ING Bank Śląski S.A. which coordinates relevant actions on the Group level.

At present, the organisational framework for the risk management area comprises the following organisational units:

- ING Securities S.A. Supervisory Board
- ING Securities S.A. Management Board
- Risk Management Team
- Compliance Inspector
- Internal Auditor
- Controlling Team
- Accounting Department and
- Heads of organisational units.

The following risks, forming the catalogue of risks, have been identified at ING Securities S.A.:

- Non-financial (operational, legal, reputation and compliance) risk
- Business risk
- Risk of capital ties
- Risk of equities pricing
- FX risk
- Interest rate risk in the non-trading portfolio
- Credit risk
- Settlement risk
- Delivery risk
- Liquidity risk and
- Concentration risk

I. Non-financial (operational) risk

The operational risk management process implemented at ING Securities S.A. covers risk identification based on integrated senior management risk assessment, new products risk assessment, training-based enhancement of staff risk awareness, support for crisis management process, risk measurement covering Key Risk Indicators (KRI) definition, regular measurement of this risk, incident assessment and analysis, and monitoring of audit and non-audit recommendations implementation in the dedicated application as well as risk monitoring through counteracting threats arising from the Key Risk Indicators, followed by implementation of preventive and control measures resulting from audit recommendations. Each month, Non-Financial Risk Dashboards are developed. Dashboards are delivered to the Non-Financial Risk Management Department of ING Bank Śląski S.A. and the ING Securities S.A. Non-Financial Risk Committee. Additionally, any and all operational risk incidents are reported on

an ongoing basis. Further, the Supervisory Board and the Audit Committee are provided with periodical non-financial risk updates. ING Securities regularly holds ING Securities S.A. Company Non-Financial Risk Committee meetings.

To keep operational risk acceptable, from time to time ING Securities S.A. runs risk and control integrated assessment workshops – as scheduled in the integrated risk assessment plan for a given year; the purpose of the workshops is to assess and identify risk as well as limit the unacceptable risk in individual organisational units.

In order to respond adequately to and to limit the negative impact of extraordinary situations, ING Securities S.A. keeps the Crisis Management Framework in place and implemented Business Continuity Plans (BCP).

II. Market risk

1. General information

Market risk of ING Securities is measured by ING Bank Śląski S.A., based on the data forwarded thereto in the monthly reports used by the Group. As part of market risk measurement, the levels of various risks are determined, that is of FX risk, IR risk and liquidity risk. All risks have limits fixed by the Bank which cannot be overrun. To measure individual risks, ING Bank Śląski S.A. uses the value-at-risk (VAR) method. The results of the market risk analysis – with individual risks rated – are forwarded monthly by the Bank to ING Securities S.A.

2. Limit fixing

Together with the Market Risk Management Department of ING Bank Śląski S.A. ING Securities fixes limits on individual market risks. The limits are later accepted by ING Bank Śląski S.A. ALCO.

III. Credit risk

1. General information

Credit risk was identified in two areas:

a) in the institutional part in the Institutional Clients Department (DKI)

In the institutional part, the risk is associated with clients being third parties (funds, international brokers) – where the risk lies in the failure to deliver by the counterparty at the time set in the agreement the securities or cash following transaction making via DKI on the WSE.

In order to monitor credit risk in the Institutional Clients Department the allowable Financial Cap Limit was set. The limit was introduced by the decision of the Management Board based on the positive opinion of the Bank Credit Committee (KKB).

Every day the Risk Management Team prepares a report with the daily turnover of clients. The risk control covers re-counting engagement of DKI clients based on the established risk weight for a given financial instrument (shares, bonds, warrants, pre-emptive rights), then the calculated engagement is compared to the granted maximum Financial Cap Limit: 10% for bonds, 30% for shares, pre-emptive rights, warrants.

If the allowable Financial Cap Limit is exceeded the Risk Management Team explains the reasons of the excess and in case of a justified suspicion of credit risk it informs: ING Securities Management Board, Strategic Clients Transactions and Country Risk Management and Approval Department in ING Bank Śląski. Moreover, credit risk monitoring reports for the institutional part are sent to the Management Board and the Bank each month and to the Supervisory Board each quarter.

b) in the retail part in the Retail Clients Department (DKD)

In the retail part there is a risk of purchase of securities under deferred payment – the risk of non-payment at the transaction settlement date of the transaction with deferred payment (the duty to pay for the assets purchased at the settlement date, that is D+3) and the risk of opening positions in futures/forwards – the risk of non-provision of margin in the amount required and position closing by ING Securities S.A. with a loss.

The risk of purchase of securities under deferred payment is controlled by introduction of individual debt limits for every Client and by current monitoring of the accounts with liabilities arising from purchase of securities under deferred payment, unpaid at the settlement date. Moreover, additional limitation of credit risk of purchase of securities under deferred payment was introduced, which works according to the following rule: when the debit balance exceeding the value determined by the Management Board occurs on the account of a Client, ING Securities refuses the Client the possibility of purchase of shares under deferred payment. The Manager of the

Risk Management Team in cooperation with Compliance Inspector controls the transactions of investors in the Retail Clients Department, who did not pay liabilities at the settlement day D+3. Credit risk monitoring reports for the retail part are forwarded to the Bank and the President of the Management Board each month.

2. Limit fixing

Adequate limits were fixed together with CRM. Further, each new limit is set with the ING Securities S.A. Management Board Resolution and of each new limit the Counterparty Risk Manager from ING Bank Śląski S.A. is advised in the monthly credit risk report.

3. Credit risk reviews and assessment

Credit risk is reviewed from time to time by the Counterparty Risk Manager and relevant reports with potential recommendations are developed for ING Securities S.A. by ING Bank Śląski S.A.

ING Securities S.A. Management Board develop monthly credit risk reports which are forwarded to ING Bank Śląski S.A.

IV. Capital adequacy

1. General information

ING Securities S.A. pursues business while keeping adequate capital (capital base) from both regulatory and internal perspective. Capital base and capital requirements concerning regulated capital are estimated in line with guidelines determined by current regulations (Regulation of Minister of Finance of 18 November 2009 on scope and detailed rules for determining total capital requirement, including capital requirements, for brokerage houses and for determining the maximum amount of credit, loans and issued debt securities in relation to capital, as amended). Internal capital is managed with the use of the internal methodology of ING Securities S.A.

2. Regulated capital

In the area of operational risk ING Securities uses the method of BIA index (Basic Indicator Approach). In terms of credit risk at the reporting needs ING Securities uses the standardized approach (SA), including the use of regulatory parameters set in the Regulation. In the area of market risk ING Securities uses standardized methods in accordance with regulatory requirements.

The Company calculates also capital requirement for exceeding the exposure concentration limit, which as at 31 December 2013 and as at 31 December 2012 amounted to 0. In accordance with applicable regulations, the Company has established exposure limit to the entity or entities related by capital or management of 65% of the supervised capitals.

The supervised capitals were not exceeded by regulated capital in the reporting period.

Supervised capital of the Brokerage House comprise:

- Primary capital comprising:
 - Share capital – shown at face value, in compliance with the Charter and Court Register filings. The face value of 1 share is PLN 20.00. The capital is fully paid up.
 - Tier 2 – made from profit write-offs after tax in line with the effective Charter of the Brokerage House.
 - Reserves – made from profit after tax in the amount passed by the Brokerage House General Meeting.
- Items reducing supervised capital:

1. Intangible assets measured at carrying value.

2. Shares of institutions, measured at the purchase price, if:

- they exceed 10 % of the share capital of the institution
- they represent no more than 10 % of the share capital of the institution and in conjunction with other capital exposures in institutions account for more than 10% of supervised capital of the Brokerage House
- shares of insurance companies, if the exposure of the brokerage house in the entity exceeds 20% of the share capital of the entity, or allows to perform at least 20% of the voting rights of the entity.

At the end of both reporting periods the Company does not possess any shares of institutions or insurance companies.

3. Supplementary capital of 2nd category - revaluation allowance of financial instruments available for sale, measured at fair value.
4. Supplementary capital of 3rd category - capital requirement for market risk of equities pricing, computed in accordance with rules specified in Appendix 3 to the Regulation of Minister of Finance of 18 November 2009 (the consolidated text, Journal of Laws of 2013, item 959) 'on scope and detailed rules for determining total capital requirement, including capital requirements, for brokerage houses and for determining the maximum amount of credit, loans and issued debt securities in relation to capital'.
At the end of both reporting periods the Company did not possess any equity instruments held for trading. Thus, the supplementary capital of 3rd category did not occur in the Company.

As at 31 December 2013 and 31 December 2012, supervised capital was as follows:

No.	Specification	Balance as at 31.12.2013	Balance as at 31.12.2012
1.	Supervised capital	79 891 576.78	77 152 870.76
2.	Primary capital	83 723 675.60	81 037 585.28
2.1.	Share capital	30 228 640.00	30 228 640.00
2.2.	Tier 2	10 084 566.94	10 084 566.94
2.3.	Reserves	43 410 468.66	40 724 378.34
3.	Items reducing supervised capital	-4 299 093.17	-4 291 399.52
3.1.	Intangible assets	-4 299 093.17	-4 291 399.52
3.2.	Shares and participations of institutions and insurance companies	0.00	0.00
3.3.	Reduction resulting from § 7. 3 of the Appendix No 12 to the Regulation	0.00	0.00
4.	Supplementary capital of 2nd category	466 994.35	406 685.00
4.1.	Revaluation allowance of financial instruments available for sale	466 994.35	406 685.00
5.	Supplementary capital of 3rd category	0.00	0.00
5.1.	Capital requirement for market risk of equities pricing	0.00	0.00

As at 31 December 2013 and 31 December 2012, the total capital requirement (regulated capital) was:

No.	Capital requirements for particular types of risk	Balance as at 31.12.2013	Balance as at 31.12.2012
1.	Market risk	0.00	0.00
1.1.	Risk of equities pricing	0.00	0.00
1.2.	Risk of commodity pricing	0.00	0.00
1.3.	Specific risk of debt instruments pricing	0.00	0.00
1.4.	General interest rate risk	0.00	0.00
1.5.	Risk of units in undertakings for collective investment pricing	0.00	0.00
1.6.	FX risk	0.00	0.00
2.	Settlement/delivery risk and counterparty credit risk	0.00	0.00
3.	Credit risk	5 598 960.90	5 997 961.41
4.	Operational risk	11 883 478.43	13 136 246.22
5.	Excess over the exposure concentration limit and large exposures limit	0.00	0.00
4.	TOTAL CAPITAL REQUIREMENT (regulated capital)	17 482 439.33	19 134 207.63
5.	Relation of regulated capital to supervised capital	21.9%	24.8%

5. Internal capital

Capital adequacy is analysed on an on-going basis. Internal capital is defined as the capital indispensable for covering all risks inherent in ING Securities S.A.'s business. Internal capital should provide for the unexpected losses which the Brokerage House assumed could materialize in the future. One-year period is used to quantify the capital indispensable for providing against adverse risk impact. ING Securities S.A. uses their in-house methodologies to compute internal capital.

ING Securities S.A. measures and keeps the following internal capital elements. The capital total is the total of capital elements listed:

- non-financial risk capital
- business risk capital
- capital for risk of capital ties and
- credit risk capital.

Amounts of internal capital are reported to the Polish Financial Supervision Authority at each month-end as one of the MRF-01 report elements. Additionally, the internal capital is monitored every day to observe whether it is kept at the level not exceeding the admissible internal capital adequacy metrics, being 80% of regulated capital. Further, the catalogue of risks and the capital adequacy assessment process are reviewed annually.

In September 2013 ICAAP process was evaluated by the Polish Financial Supervision Authority during the research and supervisory evaluation from behind the desk ("BION z za biurka"), after which the Authority made no recommendations to execute.

6. Internal capital amount

As at 31 December 2013 and 31 December 2012, the internal capital structure was as follows:

No.	Specification	Balance as at 31.12.2013	Balance as at 31.12.2012
1.	Operational (non-financial) risk	8 191 663.47	9 892 162,32
2.	Business risk	16 960 943.49	16 554 403,82
3.	Risk of capital ties	3 816 289.95	3 462 150,29
4.	Credit risk	1 782 062.75	2 535 811,12
	Internal capital total	30 750 959.66	32 444 527,55
	Relation of internal capital to supervised capital	38.5%	42.1%

Hedge accounting principles applied

The Brokerage House did not apply hedge accounting in 2013 or 2012.

Planned transaction or firm commitment hedging

The Brokerage House did not apply hedge accounting in 2013 or 2012.

Hedge instrument valuation profit or loss recognition in revaluation allowance

The Brokerage House did not apply hedge accounting in 2013 or 2012.

7. Supervised capital and total capital requirement

PLN

Specification	31.12.2013	31.12.2012	Average monthly amounts in the reporting period											
			January	February	March	April	May	June	July	August	September	October	November	December
I. SUPERVISED CAPITAL	79 891 576,78	77 152 870,76	77 367 758,89	77 212 626,05	77 806 802,19	79 940 430,67	79 913 923,12	79 962 835,33	79 957 561,61	79 979 438,42	80 006 603,98	80 014 735,15	80 080 980,66	80 082 960,95
1. Common equity	79 424 582,43	76 746 185,76	76 959 895,07	76 789 484,65	77 366 157,85	79 540 177,47	79 526 269,68	79 537 466,22	79 569 983,79	79 605 006,62	79 632 890,18	79 622 387,12	79 618 817,13	79 637 154,37
1.1. Primary capital	83 723 675,60	81 037 585,28	81 037 585,28	81 037 585,28	81 037 585,28	81 037 585,28	82 783 543,99	83 723 675,60	83 723 675,60	83 723 675,60	83 723 675,60	83 723 675,60	83 723 675,60	83 723 675,60
1.2. Additional common equity items	0,00	0,00	0,00	0,00	537 218,06	2 686 090,32	940 131,61	0,00	0,00	0,00	0,00	0,00	0,00	0,00
1.3. Items reducing common equity	4 299 093,17	4 291 399,52	4 077 690,21	4 248 100,63	4 208 645,50	4 183 498,13	4 197 405,92	4 186 209,39	4 153 691,81	4 118 668,98	4 090 785,42	4 101 288,48	4 104 858,47	4 086 521,23
2. Supplementary capital of 2nd category included in the level of supervised capital	466 994,35	406 685,00	407 863,82	423 141,40	440 644,34	400 253,20	387 653,44	425 369,12	387 577,81	374 431,80	373 713,80	392 348,03	462 163,53	445 806,57
3. Supplementary capital of 3rd category included in the level of supervised capital	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
II. TOTAL CAPITAL REQUIREMENT	17 482 439,33	19 134 207,63	18 381 849,05	17 139 401,39	16 932 250,95	18 524 818,54	16 800 677,70	17 740 444,28	16 759 299,11	17 243 604,86	17 525 689,10	17 606 135,30	17 641 045,70	17 792 287,68
1. Market risk	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
1.1. Risk of equities pricing	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
1.2. Risk of commodity pricing	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
1.3. Specific risk of debt instruments pricing	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
1.4. General interest rate risk	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
1.5 Risk of units in undertakings for collective investment pricing	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
1.6. FX risk	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
2. Settlement/delivery risk and counterparty credit risk	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
3. Credit risk	5 598 960,90	5 997 961,41	5 758 098,74	5 255 922,96	5 048 772,52	6 641 340,11	4 917 199,27	5 856 965,85	4 875 820,68	5 360 126,43	5 642 210,67	5 722 656,87	5 757 567,27	5 908 809,25
4. Operational risk	11 883 478,43	13 136 246,22	12 623 750,31	11 883 478,43	11 883 478,43	11 883 478,43	11 883 478,43	11 883 478,43	11 883 478,43	11 883 478,43	11 883 478,43	11 883 478,43	11 883 478,43	11 883 478,43
5. Excess over the exposure concentration limit and large exposures limit	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
6. Capital requirement for fixed costs	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

8. Number of supervised capital violation during the financial year

In 2013 and 2012 there were no instances of supervised capital violation at ING Securities S.A.

SUPPLEMENTARY DATA ON ASSETS AND LIABILITIES

Note 1

Cash

Type	31.12.2013	31.12.2012
1. Clients' cash on hand and in banks	6 660 227.09	2 198 507.34
2. Clients' cash deposited in debt securities issued by the State Treasury	0.00	0.00
3. Other clients' cash – O/N deposits	167 791 479.89	145 979 920.50
4. Client's cash deposited in cash accounts at the Brokerage House and paid in for purchase of securities under initial public offering or initial public trading	0.00	0.00
5. Cash transferred from the settlement fund	0.00	0.00
6. Brokerage House's own cash	73 519 655.84	76 331 499.62
Cash total	247 971 362.82	224 509 927.46

Note 2

Short-term receivables

Type	31.12.2013	31.12.2012
Gross receivables – total	52 193 501.13	120 031 853.54
Receivables write-offs	1 279 249.24	1 507 557.77
Compensation Fund provision	3 830 693.83	3 512 983.87
Net receivables – total	47 083 558.06	115 011 311.90

Note 3

Long-term receivables

Type	31.12.2013	31.12.2012
Gross receivables – total	0.00	0.00
Receivables write-offs	0.00	0.00
Net receivables – total	0.00	0.00

Note 4

Gross short- and long-term receivables by maturity from the balance sheet date

Type	31.12.2013	31.12.2012
Receivables	52 193 501.13	120 031 853.54
– gross receivables to 1 year – total	50 914 251.89	118 524 295.77
– receivables write-offs	3 830 693.83	3 512 983.87
– above 1 year	0.00	0.00
– gross overdue receivables – total	1 279 249.24	1 507 557.77
– overdue receivables write-offs	1 279 249.24	1 507 557.77

Note 5

Client receivables

Type	31.12.2013	31.12.2012
– receivables under deferred payment	4 814 459.74	6 662 945.96
– receivables from foreign brokers	69 011.49	85 529.33
– receivables from depositaries under made but not settled transactions and commissions	7 269 615.01	57 154 645.56
– receivables under brokerage services	285 409.28	793 207.05
– client receivables under foreign market trades	2 724 196.61	0.00
– other receivables	669 680.45	168 722.14
– overdue receivables and disputable claims not provided for by receivables write-offs	0.00	0.00
– overdue receivables and disputable claims provided for by receivables write-offs	787 568.82	1 008 078.48
Gross client receivables	16 619 941.40	65 873 128.52
– client receivables write-offs	787 568.82	1 008 078.48
Net client receivables	15 832 372.58	64 865 050.04

Note 5.1.

Client receivables write-offs

Type	2013	2012
Opening balance	1 008 078.48	1 030 354.21
Increase	140 914.87	48 594.91
– receivables write-off formation	140 914.87	48 594.91
Decrease	361 424.53	70 870.64
– receivables write-off release (income)	2 787.60	70 870.64
– receivables cancellation (write-off)	358 636.93	0.00
Closing balance	787 568.82	1 008 078.48

Note 6

Receivables from related entities

Type	31.12.2013	31.12.2012
– receivables from the parent company (ING Bank Śląski S.A.)	20 069.95	13 280.59
– receivables from a significant investor	0.00	0.00
– receivables from a partner to a co-subsiary	0.00	0.00
– receivables from subordinated entities	0.00	0.00
Total receivables from entities with capital ties	20 069.95	13 280.59

Note 7

Receivables from banks pursuing brokerage activity, other brokerage houses and commodities brokerage houses

Type	31.12.2013	31.12.2012
– receivables under WSE trading	8 741 631.64	26 549 848.21
– receivables under OTC transactions	0.00	0.00
– receivables under representation of other houses and banks pursuing brokerage activity on the regulated markets	0.00	0.00
– affiliation receivables	0.00	0.00
– receivables under loans drawn automatically via the Central Depository	0.00	0.00
– other	517.39	517.37
Gross receivables from banks pursuing brokerage activity, other brokerage houses and commodities brokerage houses	8 742 149.03	26 550 365.58
– receivables write-off formation – banks pursuing brokerage activity, other brokerage houses and commodities brokerage houses	0.00	0.00
Net receivables from banks pursuing brokerage activity, other brokerage houses and commodities brokerage houses	8 742 149.03	26 550 365.58

Note 8

Receivables from the Central Depository and stock exchange clearing chambers

Type	31.12.2013	31.12.2012
– receivables under settlement fund transfers	8 122 750.06	9 734 428.29
– receivables under compensation fund transfers	5 254 184.24	4 801 665.46
– own margin for forwards/futures	5 000 000.00	5 000 000.00
– margin for clients' forwards/futures	3 422 735.50	3 674 021.02
– settlement fund overpayment	1 320 270.87	2 956 541.81
– other	123 846.57	244 019.06
Gross receivables from the Central Depository and stock exchange clearing chambers	23 243 787.24	26 410 675.64
– compensation fund provision	3 830 693.83	3 512 983.87
Net receivables from the Central Depository and stock exchange clearing chambers	19 413 093.41	22 897 691.77

Note 8.1

Trade receivables write-offs – Central Securities Depository of Poland

This item was not present in the ING Securities S.A. Financial Statements as at 31 December 2013 or 31 December 2012.

Compensation Fund provision

Type	2013	2012
Opening balance	3 512 983.87	3 168 803.51
<i>Increase</i>	<i>317 709.96</i>	<i>344 180.36</i>
– Compensation Fund provisioning	317 709.96	344 180.36
<i>Decrease</i>	<i>0.00</i>	<i>0.00</i>
– Compensation Fund provision release	0.00	0.00
Closing balance	3 830 693.83	3 512 983.87

Note 9

Receivables from entities managing regulated markets and commodities exchanges

This item was not present in the ING Securities S.A. Financial Statements as at 31 December 2013 or 31 December 2012.

Note 10

Receivables from mutual and pension funds societies and mutual and pension funds

Type	31.12.2013	31.12.2012
Receivables from mutual funds societies		
– Pioneer Pekao Towarzystwo Funduszy Inwestycyjnych S.A.	0.00	2 118.95
– SECUS Pierwszy Fundusz Inwestycyjny Zamknięty Spółek Niepublicznych S.A.	2 550.43	2 545.14
– ING Towarzystwo Funduszy Inwestycyjnych S.A.	0.00	113 855.32
– Skarbiec Towarzystwo Funduszy Inwestycyjnych S.A.	0.00	1 916.76
– IDEA Towarzystwo Funduszy Inwestycyjnych S.A.	0.00	97.97
Receivables from mutual and pension funds societies and mutual and pension funds	2 550.43	120 534.14

Note 11

Other receivables

Type	31.12.2013	31.12.2012
– counterparty receivables	92 848.14	19 392.53
– employee receivables	32 219.50	7 167.70
– receivables under orders processed incorrectly	86 024.16	122.42
– disputable receivables	491 680.42	499 479.29
– other receivables	2 832 809.97	4 493.13
Gross receivables	3 535 582.19	530 655.07
– receivables write-offs	491 680.42	499 479.29
Net receivables	3 043 901.77	31 175.78

Note 11.1

Other receivables write-offs

Type	2013	2012
Opening balance	499 479.29	500 973.70
Increase	3 009.13	0.00
– loss receivables write-off formation	3 009.13	0.00
Decrease	10 808.00	1 494.41
– receivables write-off release (income)	10 808.00	1 494.41
Closing balance	491 680.42	499 479.29

Note 12

Financial instruments held for trading

This item was not present in the ING Securities S.A. Financial Statements as at 31 December 2013 or 31 December 2012.

Note 13

Shares (participations) recognised as financial assets available for sale

2013

Entity and the legal form	Registered office	Company objects	Participations (shares) carrying value	Share capital percentage/ Share in the total number of votes at general meeting
Giełda Papierów Wartościowych S.A. (WSE)	Warsaw	stock exchange management	581 000.00	0.03
Regnon S.A.	Katowice	manufacturing, repair and distribution of consumer electronics	26.42	0.00
Walcownia Rur "Jedność" Sp. z o.o. [rolling mill]	Siemianowice Śląskie	tube manufacturing and sale	1.00	0.00
Huta "Batory" S.A. [steel mill]	Chorzów	steel manufacturing and casting	1.00	10.19
Huta "Jedność" S.A. [steel mill]	Siemianowice Śląskie	steel manufacturing and casting	1.00	6.10
Legnicka Specjalna Strefa Ekonomiczna S.A. [special economic zone]	Legnica	regional infrastructure development and modernisation	100 000.00	0.32
Huta "Łaziska" S.A. [steel mill]	Łaziska	steel manufacturing and casting	1.00	0.78
Huta "Gliwice" S.A. w upadłości [still mill in bankruptcy]	Gliwice	steel manufacturing and casting	1.00	0.06
Stocznia "Gdynia" S.A. [shipyard]	Gdynia	ship building and repair	0.00	0.06
Total shares (participations) carrying value			681 031.42	

2012

Entity and the legal form	Registered office	Company objects	Participations (shares) carrying value	Share capital percentage/ Share in the total number of votes at general meeting
Giełda Papierów Wartościowych S.A. (WSE)	Warsaw	stock exchange management	544 180.00	0.03
Walcownia Rur "Jedność" Sp. z o.o. [rolling mill]	Siemianowice Śląskie	tube manufacturing and sale	1.00	0.00
Huta "Batory" S.A. [steel mill]	Chorzów	steel manufacturing and casting	1.00	10.19
Huta "Jedność" S.A. [steel mill]	Siemianowice Śląskie	steel manufacturing and casting	1.00	6.10
Legnicka Specjalna Strefa Ekonomiczna S.A. [special economic zone]	Legnica	regional infrastructure development and modernisation	100 000.00	0.32
Huta "Łaziska" S.A. [steel mill]	Łaziska	steel manufacturing and casting	1.00	0.78
Huta "Gliwice" S.A. w upadłości [still mill in bankruptcy]	Gliwice	steel manufacturing and casting	1.00	0.06
Stocznia "Gdynia" S.A. [shipyard]	Gdynia	ship building and repair	0.00	0.06
Total shares (participations) carrying value			644 185.00	

Note 13.1

Shares (participations) recognised as financial assets available for sale

2013

Specification	Opening balance (01.01.2013)	Increase		Increase total	Decrease	Decrease Total	Closing balance (31.12.2013)
		revaluation	other		revaluation		
GPW S.A. (WSE)	544 180.00	36 820.00	0.00	36 820.00	0.00	0.00	581 000.00
Regnon S.A.*	0.00	0.00	10 568.00	10 568.00	10 541.58	10 541.58	26.42
Walcownia Rur "Jedność" Sp. z o.o. [rolling mill]	1.00	0.00	0.00	0.00	0.00	0.00	1.00
Huta "Gliwice" S.A. [still mill]	1.00	0.00	0.00	0.00	0.00	0.00	1.00
Huta "Batory" S.A. [steel mill]	1.00	0.00	0.00	0.00	0.00	0.00	1.00
Huta "Jedność" S.A. [steel mill]	1.00	0.00	0.00	0.00	0.00	0.00	1.00
Legnicka Specjalna Strefa Ekonom. S.A. [special economic zone]	100 000.00	0.00	0.00	0.00	0.00	0.00	100 000.00
Huta "Łaziska" S.A. [steel mill]	1.00	0.00	0.00	0.00	0.00	0.00	1.00
Stocznia "Gdynia" S.A.** [shipyard]	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	644 185.00	36 820.00	10 568.00	47 388.00	10 541.58	10 541.58	681 031.42

* Regnon S.A. Company shares acquired for company debt

** Stocznia Gdynia S.A. – acquisition value **240,000.00**, revaluation write-off - **240,000.00**. Closing balance **0.00**

2012

Specification	Opening balance (01.01.2012)	Increase		Increase total	Decrease		Closing balance (31.12.2012)
		revaluation	other		revaluation	Decrease Total	
GPW S.A. (WSE)	493 500.00	50 680.00	0.00	50 680.00	0.00	0.00	544 180.00
Walcownia Rur "Jedność" Sp. z o.o. [rolling mill]	1.00	0.00	0.00	0.00	0.00	0.00	1.00
Huta "Gliwice" S.A. [still mill]	1.00	0.00	0.00	0.00	0.00	0.00	1.00
Huta "Batory" S.A. [steel mill]	1.00	0.00	0.00	0.00	0.00	0.00	1.00
Huta "Jedność" S.A. [steel mill]	1.00	0.00	0.00	0.00	0.00	0.00	1.00
Legnicka Specjalna Strefa Ekonom. S.A. [special economic zone]	100 000.00	0.00	0.00	0.00	0.00	0.00	100 000.00
Huta "Łaziska" S.A. [steel mill]	1.00	0.00	0.00	0.00	0.00	0.00	1.00
Stocznia "Gdynia" S.A.* [shipyard]	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	593 505.00	50 680.00	0.00	50 680.00	0.00	0.00	644 185.00

* Stocznia Gdynia S.A. – acquisition value **240,000.00**, revaluation write-off **- 240,000.00**. Closing balance **0.00**

Note 14

Revaluation details for financial instruments held to maturity

This item was not present in the ING Securities S.A. Financial Statements as at 31 December 2013 or 31 December 2012.

Note 15

Revaluation details for fixed assets by category

2013

SPECIFICATION			Buildings and premises	Computer sets	Other fixed assets				
No.	GROSS VALUE	Total	category 1 ¹⁾	category 4	category 6	category 7	category 8	category 9 ²⁾	Fixed assets under construction
1.	Opening gross value – 01.01.2013	8 433 083.62	1 948 347.23	4 997 578.20	385 659.99	60 000.00	201 839.05	822 907.12	16 752.03
2.	Increase	781 341.57	0.00	122 373.30	44 422.55	0.00	238 735.48	107 108.00	268 702.24
	– purchase	781 341.57	0.00	122 373.30	44 422.55	0.00	238 735.48	107 108.00	268 702.24
3.	Decrease	1 857 459.35	1 281 017.06	326 931.13	31 603.07	60 000.00	19 285.55	138 622.54	0.00
	– sale	94 200.25	0.00	19 101.91	5 910.90	60 000.00	0.00	9 187.44	0.00
	– derecognition	1 754 316.64	1 281 017.06	300 328.77	24 250.16	0.00	19 285.55	129 435.10	0.00
	– donation	8 942.46	0.00	7 500.45	1 442.01	0.00	0.00	0.00	0.00
4.	Closing gross value – 31.12.2013	7 356 965.84	667 330.17	4 793 020.37	398 479.47	0.00	421 288.98	791 392.58	285 454.27
No.	DEPRECIATION	Total	category 1	category 4	category 6	category 7	category 8	category 9	Fixed assets under construction
5.	Opening depreciation – 01.01.2013	8 121 329.47	1 925 461.21	4 771 175.07	343 891.80	60 000.00	197 894.27	822 907.12	0.00
6.	Increase	297 913.17	2 542.92	171 502.18	11 725.78	0.00	5 034.29	107 108.00	0.00
	– depreciation	297 913.17	2 542.92	171 502.18	11 725.78	0.00	5 034.29	107 108.00	0.00
7.	Decrease	1 855 911.87	1 281 017.06	325 383.65	31 603.07	60 000.00	19 285.55	138 622.54	0.00
	– sale	92 652.77	0.00	17 554.43	5 910.90	60 000.00		9 187.44	0.00
	– derecognition	1 754 316.64	1 281 017.06	300 328.77	24 250.16	0.00	19 285.55	129 435.10	0.00
	– donation	8 942.46	0.00	7 500.45	1 442.01	0.00	0.00	0.00	0.00
8.	Closing depreciation – 31.12.2013	6 563 330.77	646 987.07	4 617 293.60	324 014.51	0.00	183 643.01	791 392.58	0.00
9.	Opening net value – 01.01.2013	311 754.15	22 886.02	226 403.13	41 768.19	0.00	3 944.78	0.00	16 752.03
10.	Closing net value – 31.12.2013	793 635.07	20 343.10	175 726.77	74 464.96	0.00	237 645.97	0.00	285 454.27

¹⁾ Category 1 of fixed assets comprises leasehold investments. ING Securities S.A. does not own any buildings or structures.

²⁾ Category 9 comprises fixed assets worth below PLN 3,500 which are depreciated on a one-off basis upon recording or settled over the period of 1 year.

³⁾ The item: revaluation write-offs for fixed assets was not present in the ING Securities S.A. Financial Statements as at 31 December 2013.

Revaluation details for fixed assets by category

2012

SPECIFICATION			Buildings and premises	Computer sets	Other fixed assets				
No.	GROSS VALUE	Total	category 1 ¹⁾	category 4	category 6	category 7	category 8	category 9 ²⁾	Fixed assets under construction
1.	Opening gross value – 01.01.2012	9 031 520.84	2 188 711.07	5 202 511.91	370 252.82	219 322.24	228 105.29	822 617.51	0.00
2.	Increase	87 958.99	0.00	22 102.35	19 781.94	0.00	0.00	29 322.67	16 752.03
	– purchase	87 958.99	0.00	22 102.35	19 781.94	0.00	0.00	29 322.67	16 752.03
3.	Decrease	686 396.21	240 363.84	227 036.06	4 374.77	159 322.24	26 266.24	29 033.06	0.00
	– sale	256 645.43	0.00	88 130.35	0.00	159 322.24	0.00	9 192.84	0.00
	– derecognition	418 387.08	240 363.84	127 542.01	4 374.77	0.00	26 266.24	19 840.22	0.00
	– donation	11 363.70	0.00	11 363.70	0.00	0.00	0.00	0.00	0.00
4.	Closing gross value – 31.12.2012	8 433 083.62	1 948 347.23	4 997 578.20	385 659.99	60 000.00	201 839.05	822 907.12	16 752.03
No.	DEPRECIATION	Total	category 1	category 4	category 6	category 7	category 8	category 9	Fixed assets under construction
5.	Opening depreciation – 01.01.2012	8 423 707.89	2 031 824.65	4 803 148.09	327 618.90	219 322.24	219 176.50	822 617.51	0.00
6.	Increase	281 261.34	31 243.95	195 063.04	20 647.67	0.00	4 984.01	29 322.67	0.00
	– depreciation	281 261.34	31 243.95	195 063.04	20 647.67	0.00	4 984.01	29 322.67	0.00
7.	Decrease	583 639.76	137 607.39	227 036.06	4 374.77	159 322.24	26 266.24	29 033.06	0.00
	– sale	256 645.43	0.00	88 130.35	0.00	159 322.24	0.00	9 192.84	0.00
	– derecognition	315 630.63	137 607.39	127 542.01	4 374.77	0.00	26 266.24	19 840.22	0.00
	– donation	11 363.70	0.00	11 363.70	0.00	0.00	0.00	0.00	0.00
8.	Closing depreciation – 31.12.2012	8 121 329.47	1 925 461.21	4 771 175.07	343 891.80	60 000.00	197 894.27	822 907.12	0.00
9.	Opening net value – 01.01.2012	607 812.95	156 886.42	399 363.82	42 633.92	0.00	8 928.79	0.00	0.00
10.	Closing net value – 31.12.2012	311 754.15	22 886.02	226 403.13	41 768.19	0.00	3 944.78	0.00	16 752.03

¹⁾ Category 1 of fixed assets comprises leasehold investments. ING Securities S.A. does not own any buildings or structures.

²⁾ Category 9 comprises fixed assets worth below PLN 3,500 which are depreciated on a one-off basis upon recording or settled over the period of 1 year.

³⁾ The item: revaluation write-offs for fixed assets was not present in the ING Securities S.A. Financial Statements as at 31 December 2012.

Note 15.1

Data on tangible fixed assets

Type	31.12.2013	31.12.2012
– gross value of tangible fixed assets	7 356 965.84	8 433 083.62
– depreciation	6 563 330.77	8 121 329.47
Net value of tangible fixed assets	793 635.07	311 754.15
– value of fixed assets neither depreciated nor written off by the Brokerage House, used under rent, tenancy or other lease contracts.	672 523.64	792 806.52

As at 31 December 2013 and as at 31 December 2012, the Company did not have any land in perpetual usufruct.

As at 31 December 2013 and as at 31 December 2012, the Company did not have any fixed assets under financial lease contracts.

As at 31 December 2013 and as at 31 December 2012, the Company did not have any liabilities assumed to fund fixed assets under construction.

As at 31 December 2013, the Company used fixed assets worth approximately PLN 673,000 under the operating lease, rent, tenancy and other contracts (save for financial lease ones) (31 December 2012: PLN 793,000).

Capital expenditure made in the current financial year totalled PLN 781,000 (2012: PLN 88,000); it did not cover the environment protection expenses (as was the case in 2012).

The planned capital expenditure in 2014* total PLN 527,000 and do not cover the environment protection expenses*.

* data not reviewed by the chartered auditor

Note 16

Operating lease

ING Securities S.A. as a lessee

ING Securities S.A. cooperates with a leasing company as regards lease of motor cars. These lease contracts are treated as the operating lease. These contracts do not provide for payment of conditional fees by the lessee; nor do they state other constraints.

The below table shows lease payments by maturity:

Lease payments by maturity	2013	2012
< 1 year	144 246.98	246 092.00
from 1 to 5 years	126 857.53	271 104.51
> 5 years	0.00	0.00

Note 17

Intangible assets

2013

GROSS VALUE	Total, including:	Intangible assets	Advance payments for intangible assets
1. Opening gross value – 01.01.2013	7 290 999.59	3 811 077.91	3 479 921.68
2. Increase	579 680.85	173 780.85	405 900.00
– purchase	419 780.85	13 880.85	405 900.00
– rebooking from advance payment to intangible assets	159 900.00	159 900.00	0.00
3. Decrease	159 900.00	0.00	159 900.00
– rebooking from advance payment to intangible assets	159 900.00	0.00	159 900.00
4. Closing gross value – 31.12.2013	7 710 780.44	3 984 858.76	3 725 921.68*
AMORTISATION	Total, including:	Intangible assets	Advance payments for intangible assets
5. Opening depreciation – 01.01.2013	2 999 600.07	2 999 600.07	0.00
6. Increase	412 087.20	412 087.20	0.00
– depreciation	412 087.20	412 087.20	0.00
7. Decrease	0.00	0.00	0.00
8. Closing depreciation – 31.12.2013	3 411 687.27	3 411 687.27	0.00
9. Opening net value – 01.01.2013	4 291 399.52	811 477.84	3 479 921.68
10. Closing net value – 31.12.2013	4 299 093.17	573 171.49	3 725 921.68

2012

GROSS VALUE	Total, including:	Intangible assets	Advance payments for intangible assets
1. Opening gross value – 01.01.2012	4 941 191.80	3 372 941.80	1 568 250.00
2. Increase	2 494 396.43	582 724.75	1 911 671.68
– purchase	2 494 396.43	582 724.75	1 911 671.68
3. Decrease	144 588.64	144 588.64	0.00
– derecognition	144 588.64	144 588.64	0.00
4. Closing gross value – 31.12.2012	7 290 999.59	3 811 077.91	3 479 921.68**
AMORTISATION	Total, including:	Intangible assets	Advance payments for intangible assets
5. Opening depreciation – 01.01.2012	2 859 202.64	2 859 202.64	0.00
6. Increase	284 986.07	284 986.07	0.00
– depreciation	284 986.07	284 986.07	0.00
7. Decrease	144 588.64	144 588.64	0.00
– derecognition	144 588.64	144 588.64	0.00
8. Closing depreciation – 31.12.2012	2 999 600.07	2 999 600.07	0.00
9. Opening net value – 01.01.2012	2 081 989.16	513 739.16	1 568 250.00
10. Closing net value – 31.12.2012	4 291 399.52	811 477.84	3 479 921.68

* advance payment for purchase of CXT software (PLN 3,404,000), QBS software (PLN 76,000) and ARGOS software (PLN 246,000)

** advance payment for purchase of CXT software (PLN 3,404,000), QBS software (PLN 76,000)

Note 18

Deferred cost accruals and charges

Type	31.12.2013	31.12.2012
Short-term deferred accruals and charges, including:	6 690 538.50	7 839 656.19
Short-term deferred cost accruals and charges:	5 146 752.69	6 459 752.13
– reward and bonus accruals	1 797 340.21	3 992 279.96
– non-invoiced services	2 207 340.00	1 362 313.74
– costs of Central Securities Depository of Poland contributions	552 932.85	16 148.87
– unused holiday provision	589 139.63	1 089 009.56
Long-term deferred income accruals and charges:	1 543 785.81	1 379 904.06
– compensation fund income	1 543 785.81	1 379 904.06

Type	31.12.2013	31.12.2012
Short-term cost accruals and prepayments, including:	500 155.38	495 353.70
Expenses paid upfront	314 605.38	409 013.70
– subscriptions	18 997.28	31 225.91
– other internal administration expenses (including fees)	295 608.10	377 787.79
Deferred income from the benefits from Alternative Trading System Settlement Guarantee Fund	185 550.00	86 340.00
Long-term accruals and prepayments:	923 624.00	1 152 929.00
– deferred income tax	923 624.00	1 152 929.00

Note 18.1

Change in deferred tax assets

Change in deferred tax assets	2013	2012
1. Opening deferred assets, including:	1 152 929.00	1 600 029.00
2. Increase	953 167.00	753 640.00
a) deferred tax assets formation	953 167.00	753 640.00
3. Decrease	1 182 472.00	1 200 740.00
a) deferred tax assets decrease	1 182 472.00	1 200 740.00
4. Closing total deferred tax assets	923 624.00	1 152 929.00

Note 19

Short-term liabilities

Type	31.12.2013	31.12.2012
to 1 year	205 420 343.71	245 774 211.32
with overdue maturity	0.00	0.00
Total short-term liabilities	205 420 343.71	245 774 211.32

Note 20

Client liabilities

Type	31.12.2013	31.12.2012
Liabilities under funds in clients' accounts including liabilities under made but not settled transactions	180 951 797.40	157 960 445.70
Depositaries' liabilities under stock trading	13 375 302.28	73 979 726.52
Dividend liabilities	982 573.68	975 837.68
Balances of closed securities accounts	91 739.01	91 872.97
Liabilities under bond coupon redemption, payments to purchase bonds and cancellation of participation units	6 461.33	6 461.33
Share repurchase liabilities	1 935 799.32	1 939 969.52
Client liabilities under foreign market trading	2 828 045.14	0.00
Interest on funds in clients' accounts	3 072.44	8 541.76
Client liabilities	200 174 790.60	234 962 855.48

Note 21

Liabilities to related entities

Type	31.12.2013	31.12.2012
Liabilities to entities with capital ties, including:	1 346 166.81	42 511.49
– liabilities to the parent company (ING Bank Śląski S.A.)	1 346 166.81	42 511.49
– liabilities to a significant investor	0.00	0.00
– liabilities to a partner to a co-subsiary	0.00	0.00
– liabilities to the subordinated entity	0.00	0.00

Note 22

Liabilities to banks pursuing brokerage activity, other brokerage houses and commodities brokerage houses

Type	31.12.2013	31.12.2012
– liabilities under WSE trading	168 468.08	5 717 749.44
– liabilities under OTC transactions made	0.00	0.00
– liabilities under representation of other brokerage houses on the regulated markets	0.00	0.00
– affiliation liabilities	0.00	0.00
– liabilities under loans drawn automatically via the Central Depository	0.00	0.00
– other	0.00	0.00
Liabilities to banks pursuing brokerage activity, other brokerage houses and commodities brokerage houses	168 468.08	5 717 749.44

Note 23

Liabilities to the Central Depository and stock exchange clearing chambers

Type	31.12.2013	31.12.2012
– settlement fund extra payment liabilities	0.00	0.00
– other	10 763.80	197 745.34
Liabilities to the Central Depository and stock exchange clearing chambers	10 763.80	197 745.34

Note 24

Liabilities to entities managing regulated markets and commodities exchanges

Type	31.12.2013	31.12.2012
– liabilities to GPW S.A.	0.00	575 860.10
– liabilities to BondSpot S.A.	0.00	40.16
Liabilities to entities managing regulated markets and commodities exchanges	0.00	575 900.26

Note 25

Liabilities to securities issuers or selling shareholders

Type	31.12.2013	31.12.2012
– Liabilities to securities issuers or selling shareholders	0.00	2 118.20
Liabilities to securities issuers or selling shareholders	0.00	2 118.20

Note 26

Liabilities under taxes, customs and social insurance

Type	31.12.2013	31.12.2012
– corporate income tax – non-residents	0.00	8.00
– personal income tax – employees	190 869.00	233 905.00
– personal income tax – clients	87 366.28	140 478.90
– Social Insurance Institution payments	290 144.17	258 823.53
– National Disabled Persons Rehabilitation Fund payments	10 607.00	10 841.00
– value-added tax	0.00	110 694.31
Liabilities under taxes, customs and social insurance	578 986.45	754 750.74

Note 27

Credit facilities and loans from related entities

ING Securities S.A. did not have credit or loan from its parent entity ING Bank Śląski S.A. as at 31 December 2013. Overdraft facility contract, available as a credit line limited to PLN 10,000,000, provided by the parent entity ING Bank Śląski, expired on 30 September 2013. The Company did not have credit facilities as at the end of either reporting period.

Note 28

Liabilities to mutual and pension funds societies and mutual and pension funds

This item was not present in the ING Securities S.A. Financial Statements as at 31 December 2013 or 31 December 2012.

Note 29

Liabilities to the state budget or local government units title acquisition to buildings and structures

This item was not present in the ING Securities S.A. Financial Statements as at 31 December 2013 or 31 December 2012.

Note 30

Long-term liabilities by maturity from the balance sheet date

This item was not present in the ING Securities S.A. Financial Statements as at 31 December 2013 or 31 December 2012.

Note 31

Other liabilities

Type	31.12.2013	31.12.2012
– trade liabilities	597 888.50	3 450 431.60
– other liabilities	2 542 880.42	69 749.72
Other liabilities	3 140 768.92	3 520 181.32

Note 32

Provisions

Type	2013	2012
Provision for pensions and similar benefits		
Opening balance	548 115.95	441 988.00
Increase	73 201.51	106 127.95
– pension provisioning	73 201.51	106 127.95
Decrease	48 177.93	0.00
– actuarial losses under changes to demographic assumptions carried through revaluation allowance	48 177.93	0.00
Closing balance	573 139.53	548 115.95

Type	2013	2012
Future liabilities provision		
Opening balance	113 927.07	138 300.21
Increase	0.00	318.00
– provision formation	0.00	318.00
Decrease	0.00	24 691.14
– provision release	0.00	24 691.14
Closing balance	113 927.07	113 927.07

Note 33

Share capital

Share capital is: **PLN 30,228,640.00** and is divided into:

- 140,000 A series registered shares of par value of PLN 20.00 each
- 1,160,000 B series registered shares of par value of PLN 20.00 each
- 211.432 C series registered shares of par value of PLN 20.00 each

All shares are held by ING Bank Śląski S.A. Spółka Akcyjna.

Shares are not preference shares.

Note 34

Profit distribution

Specification	2013 (proposal)*	2012 (actuals)
Tier 2	0,00	0,00
Reserves	5 263 841,16	2 686 090,32
Dividend to the owner	0,00	8 010 589,60
Total:	5 263 841,16	10 696 679,92

* data not reviewed by the chartered auditor

Note 35

Categories of liabilities backed with the Brokerage House's assets

As at 31 December 2013 and as at 31 December 2012, the Company did not have any liabilities backed with their assets.

Note 36

Contingent liabilities

As at 31 December 2013 and as at 31 December 2012, the Company did not have any contingent liabilities.

Note 37

Collateral granted

See Note 34.

Note 38

Clients' financial instruments in securities accounts, valued using the rules laid down in the regulation as at the last and previous balance sheet dates.

	31.12.2013	31.12.2012
Clients' financial instruments by category:	5 168 783 127.57	4 161 745 251.10
1) dematerialized financial instruments, including:	4 892 655 706.96	4 051 458 630.19
– admitted to trading in the regulated market	4 363 829 258.32	3 583 232 675.21
2) non-dematerialized financial instruments	276 127 420.61	110 286 620.91

Note 39

Forwards/futures purchased or offered on behalf and account of the Brokerage House

As at 31 December 2013 and as at 31 December 2012, the Company did not have forwards/futures purchased or offered on behalf or account of the Brokerage House.

SUPPLEMENTARY DATA FOR INDIVIDUAL PROFIT AND LOSS ACCOUNT ITEMS

Note 40

Other income on/ costs of brokerage activity

Type	Year ended 31.12.2013	Year ended 31.12.2012
Other brokerage activity income:	2 823 244.11	7 715 008.81
– Issue Sponsor function	165 221.85	160 408.70
– service of companies in the OTC market (inter alia: handling calls for sale or large sale transactions outside the stock exchange sessions)	1 527 076.42	6 221 414.00
– securities deposit maintenance	420 215.78	466 013.58
– other fees and commissions from corporate entities and private individuals	552 242.26	808 449.88
– provision of other brokerage services	158 487.80	58 722.65

Type	Year ended 31.12.2013	Year ended 31.12.2012
Other brokerage activity expenses:	1 521 444.61	1 486 886.45
– charged commission adjustment	3 712.45	14 823.87
– material costs – business trips	309 647.12	583 423.59
– office maintenance expenses	210 757.01	199 585.26
– advisory and consulting services fees	925 893.95	453 533.77
– property administration and insurance costs	61 770.57	102 542.11
– other	9 663.51	132 977.85

Note 41

Other operating income/expenses

Type	Year ended 31.12.2013	Year ended 31.12.2012
Other operating income:	1 371 919.91	2 078 768.68
– profit from sale of tangible fixed assets	6 230.00	35 536.00
– income on settlement fund reserve share	562 467.87	926 711.11
– income on settlement of incorrectly processed orders	486 782.56	196 130.95
– income on differences from settlements of purchase/sale transactions in financial instruments with clients, made at the average price	153 584.93	249 135.00
– other	162 854.55	671 255.62

Type	Year ended 31.12.2013	Year ended 31.12.2012
Other operating costs:	1 449 227.14	2 308 023.79
– donations	60 000.00	60 000.00
– written-off receivables	11 496.21	55 008.84
– costs of settlement of incorrectly processed orders	839 646.35	1 274 090.25
– costs of differences from settlements of purchase/sale transactions in financial instruments with clients, made at the average price	476 842.83	808 490.20
– other	61 241.75	110 434.50

Note 42

Interest on term deposits and other deposits

Type	Year ended 31.12.2013	Year ended 31.12.2012
Total interest on term deposits and other deposits:	5 433 542.04	9 306 163.24
– interest on own term deposits and other deposits	1 858 191.28	3 167 440.91
– interest on client funds	3 575 350.76	6 138 722.33

Note 43

Income, costs and results of discontinued operations in the reporting period or to be discontinued in the next period

In the reporting periods ended 31 December 2013 and 31 December 2012, there were no income, costs or results of discontinued operations in the financial year or to be discontinued in the next year at ING Securities S.A.

Note 44

Manufacturing cost of started investment projects, fixed assets and self-development

In the reporting periods ended 31 December 2013 and 31 December 2012, there were no costs of started investment projects, fixed assets or self-development at ING Securities S.A.

Note 45

Extraordinary losses and profits and income tax on result on extraordinary operations

In the reporting periods ended 31 December 2013 and 31 December 2012, there were no extraordinary operations at ING Securities S.A. Consequently, there was no income tax on extraordinary operations.

Note 46

Settlement of main items differing the income tax base from the gross profit

	PLN	PLN
	<i>Year ended 31.12.2013</i>	<i>Year ended 31.12.2012</i>
I. Gross profit	6 687 283.16	13 802 503.92
II. Costs and losses not recognised as tax deductibles by the tax laws	5 093 225.85	6 627 098.89
1. Receivables write-offs	143 924.00	47 989.02
2. Provisions for future liabilities under personnel and material costs	4 216 661.65	5 709 537.17
3. Costs to pay under client interest	3 072.44	8 541.76
4. Depreciation/amortisation	131 026.70	131 026.80
5. Fines (interest)	0.00	904.40
6. National Disabled Persons Rehabilitation Fund provision	128 609.00	129 924.00
7. Chamber of Brokerage Houses contribution	91 200.00	91 200.00
8. Unrealised negative FX differences	67 623.44	11 601.17
9. Representation costs	207 572.35	246 168.58
10. Written-off receivables	11 496.21	55 008.84
11. Public benefit organisations donations	30 000.00	30 000.00
12. Other donations	30 000.00	30 000.00
13. Other	32 040.06	135 197.15
III. Income not recognised in the tax base under the tax laws	2 349 723.57	1 739 081.09
1. Deferred interest income	295 209.94	274 482.40
2. Dividends	10 920.00	20 160.00
3. Receivables write-off decrease	13 595.60	8 802.91
4. Release of unused provision for personnel and material costs	2 029 998.03	1 435 635.78
Other changes in the tax base under the tax laws	3 052 317.38	4 636 718.36
– costs of past-year remuneration and mark-ups paid in the subsequent year	1 903 045.76	4 252 790.37
– other tax deductibles	1 569 957.55	809 190.27
– other taxable income	-420 685.93	-425 262.28
IV. Tax base	6 378 468.06	14 053 803.36
V. Tax deductions	30 000.00	30 000.00
Donations for the purposes laid down in Article 18 section 1	30 000.00	30 000.00
VI. Tax base after deductions	6 348 468.06	14 023 803.36
VII. PLN tax base	6 348 468.00	14 023 804.00
VIII. Income tax	1 206 209.00	2 664 523.00

Note 47

Main differences between income tax from the Profit and Loss Account and income tax determined on the tax base

No.	Specification	PLN	
		<i>Year ended 31.12.2013</i>	<i>Year ended 31.12.2012</i>
I.	Income tax – public liability	1 206 209.00	2 664 523.00
1.	Dividend tax	2 075.00	3 830.00
2.	Change in deferred tax in the period	215 158.00	437 471.00
3.	Past-year tax adjustment	0.00	0.00
II.	Total gross profit charges	1 423 442.00	3 105 824.00

Note 48

Deferred tax assets and provisions

	PLN		
	<i>Year ended 31.12.2013</i>	<i>Year ended 31.12.2012</i>	
I.	Positive temporary differences by category	437 947.41	530 568.35
1.	Interest on term deposits and other receivables – accrued	437 947.41	399 541.65
2.	Difference between balance and tax amortisation/depreciation	0.00	131 026.70
II.	Deferred tax provisioning base	437 947.00	530 568.00
III.	Deferred income tax provision carried through profit or loss	83 210.00	100 808.00
IV.	Negative temporary differences by category	-5 875 665,10	-7 100 693,14
1.	Provision for remuneration liabilities	-1 797 340,21	-3 992 279,96
2.	Provision for liabilities under internal administration expenses	-2 797 171,92	-1 451 144,74
3.	Interest accrued to pay on term deposits	-3 072,44	-8 541,76
4.	Pension provision	-621 317,46	-548 115,95
5.	Unused holiday provision	-589 139,63	-1 089 009,56
6.	FX differences	-67 623,44	-11 601,17
V.	Deferred tax assets base	-5 875 665.00	-7 100 693.00
VI.	Deferred tax assets carried through profit or loss	-1 116 376.00	-1 349 132.00
VII.	Positive temporary differences by category	587 077.93	502 080.00
1.	Revaluation of assets available for sale	538 900.00	502 080.00
2.	Unrecognised actuarial profits/losses	48 177.93	0.00
VIII.	Deferred income tax provision carried through revaluation allowance	111 545.00	95 395.00
IX.	Negative temporary differences by category	-10 541.58	0.00
1.	Revaluation of assets available for sale	-10 541.58	0.00
X.	Deferred tax assets carried through revaluation allowance	-2 003.00	0.00
XI.	Deferred tax – carrying amount (assets)	-923 624.00	-1 152 929.00

SUPPLEMENTARY DATA FOR CASH FLOW STATEMENT

Note 49A

Opening cash

Opening cash balance	01.01.2013	01.01.2012
– cash and other financial resources	0.00	0.00
– current accounts at other banks	8 171 350.71	41 465 339.15
– current accounts and term deposits with ING Bank Śląski S.A.	216 328 231.61	170 501 231.76
– cash on hand and in domestic brokers	10 345.14	12 568.40
Cash total, including:	224 509 927.46	211 979 139.31
– clients' cash	148 178 427.84	128 134 436.82
– own cash	76 331 499.62	83 844 702.49

Note 49B

Closing cash

Closing cash balance	31.12.2013	31.12.2012
– cash and other financial resources	1 000 000.00	0.00
– current accounts and term deposits at other banks	9 157 935.18	8 171 350.71
– current accounts and term deposits with ING Bank Śląski S.A.	237 804 226.00	216 328 231.61
– cash on hand and in domestic brokers	9 201.64	10 345.14
Cash total, including:	247 971 362.82	224 509 927.46
– clients' cash	174 451 706.98	148 178 427.84
– own cash	73 519 655.84	76 331 499.62

Note 50

Explanation of ING Securities S.A.'s business division into operating, investing and financial activities

Operating activities are the primary objects of ING Securities S.A. other than investing and financial activities.

Investing activities cover purchase and sale of tangible fixed assets and intangible assets as well as available-for-sale shares and participations, and also debt securities held to maturity and available for sale.

Financial activities cover expenditures incurred to satisfy shareholders' liabilities under dividend and expenditures being payments of liabilities under financial lease contracts.

Note 51

Differences in change in balances of certain Balance Sheet items versus corresponding Cash Flow Statement items

2013

Type	Balance change	Cash flow change	Difference	Explanation
1. Receivables	67 927 753.84	67 838 352.41	(-89 401.43)	the difference is the change in receivables write-offs and compensation fund provision
2. Receivables write-offs and provisions	25 023.58	162 602.94	137 579.36	the difference is the change in receivables write-offs and compensation fund provision as well as the change in actuarial profits/losses provision
3. Prepayments and accruals	-924 614.37	(-938 761.37)	(-14 147.00)	the difference is deferred tax provision carried through revaluation allowance

2012

Type	Balance change	Cash flow change	Difference	Explanation
1. Receivables	-68 090 771,54	-68 411 181,76	-320 410,22	the difference is the change in receivables write-offs and compensation fund provision
2. Receivables write-offs and provisions	81 754,81	402 165,03	320 410,22	the difference is the change in receivables write-offs and compensation fund provision
3. Liabilities	82 878 538,56	82 423 438,56	-455 100,00	the difference is unpaid liability to Comarch due to advance on intangible assets
4. Prepayments and accruals	-275 465,60	-285 094,60	-9 629,00	the difference is deferred tax provision carried through revaluation allowance

Note 52

Agreements and contracts made by ING Securities S.A. but not provided for in the Balance Sheet or Profit and Loss Account

Neither in 2013 nor in 2012 did ING Securities S.A. make agreements or contracts not provided for in the Balance Sheet or Profit and Loss Account.

As at 31 December 2013, the Company had a pledge on T-bonds granted by ING Bank Śląski S.A. of PLN 42 993 600.00 and a guarantee line with the limit of PLN 5 000 000.00. As at 31 December 2012, the Company had a pledge on T-bonds of PLN 41 665 200.00, a credit line in ING Bank Śląski S.A. with the limit of PLN 10 000 000.00 and a guarantee line granted by ING Bank Śląski S.A. with the limit of PLN 5 000 000.00.

Note 53

Headcount, remuneration and loans to ING Securities S.A. management bodies

Specification	01.01.2013 - 31.12.2013	01.01.2012 - 31.12.2012
1) Average headcount (FTEs)	121	127
2) Management Board Members emoluments	3 005 652.51	3 831 317.65
3) Supervisory Board Members emoluments	none	none
4) Debt of Management Board Members under In-house Social Benefits Fund	none	none
5) Loans, credit facilities, advance payments and guarantees granted to Brokerage House management board members, managers and supervisory bodies members with terms and conditions of their repayment and interest charging and repayment and separately: loans, credit facilities, advance payments and guarantees granted to those persons in related entities	none	none
6) Transactions made by the Brokerage House with:		
– management board members, managers and supervisory bodies members of the Brokerage House or related entities,	none	none
– spouses, direct relatives up to the second degree of affinity or consanguinity of management board members, managers and supervisory bodies members of the Brokerage House or related entities,	none	none
– persons related under custody, adoption or guardianship bond to management board members, managers and supervisory bodies members of the Brokerage House or related entities,	none	none
7) Transactions with entities with capital ties not provided for in the consolidated financial statements.	not applicable	not applicable

In the years 2013 and 2012, Company Management Board members participated in the long-term incentive programme of ING Group – LEO (Long-term Equity Ownership) programme – managed by ING Bank Śląski S.A. The Company incurred programme management expenses of **PLN 12,360.00** in 2013 and **PLN 13,326.16** in 2012.

Note 54

Fee of the entity authorised to audit the financial statements

Type	Year ended 31.12.2013	Year ended 31.12.2012
Fee for audit of the Financial Statements (gross)	63 040.00	81 461.47
Other attestation services fees	30 750.00	39 360.00
Advisory and consulting services fees	0.00	12 300.00
Other services fees	0.00	0.00

Note 55

Balance of liabilities to and receivables from entities with capital ties

PLN

Entity	Capital ties	Company capital share	Liabilities	Receivables
			31.12.2013	
ING Bank Śląski S.A.	parent company	100	1 346 166.81 ²	237 824 295.95 ¹
			31.12.2012	
ING Bank Śląski S.A.	parent company	100	42 511.49	216 341 512.20

¹ The receivables are mainly cash of ING Securities S.A. (interest due included) deposited in current and term deposit accounts with ING Bank Śląski S.A. and shown in the Balance Sheet of ING Securities S.A. as "cash"; as at the development date hereof, they amounted to: **PLN 237 804 226.00**; and as "short-term receivables from related entities" in the amount of **PLN 20 069,95**.

² The liabilities to ING Bank Śląski S.A. are first and foremost the Bank liabilities under maintenance expenses and cash in transit in the amount of PLN 1 325 403,97.

Significant transactions with entities with capital ties

ING Securities S.A. is a listed company. It has one shareholder (parent company): ING Bank Śląski S.A. that as at 31 December 2013 held 100% of capital that is 1.511.432 shares.

ING Securities S.A. invests cash accumulated in current accounts with ING Bank Śląski S.A. in short-term deposits (overnights and deposits of a few days). There are many transactions made of that type; the amounts deposited in 2013 ranged from **PLN 764,229.80** to **PLN 203,288,867.81**.

In 2013, ING Securities S.A. SA acted as a middleman in conclusion of a securities purchase/sale transaction totalling **PLN 2,044,937,253.71** in clients' accounts held with ING Bank Śląski S.A. (as a depository) while in the same period of 2012 such transactions totalled **PLN 5,723,865,504.95**.

In 2013 the costs incurred by ING Securities to its parent entity ING Bank Śląski S.A. amounted to **PLN 2,369,121.56**, while the income from ING Bank Śląski S.A. amounted to **PLN 5,329,655.75**. In 2012 the costs to ING Bank Śląski S.A. amounted to **PLN 2,114,363.62** and income – **PLN 8,524,577.44**.

Additional information on transactions made with ING Group members other than ING Bank Śląski S.A.

Entity	2013		2012	
	Receivables	Liabilities	Receivables	Liabilities
ING Investment Management (Polska) S.A.	0.00	0.00	499.96	0.00
ING TFI S.A.	0.00	0.00	113 855.32	0.00
ING Bank N.V. London Branch	38 012.48	5 350 996.77	48 032.60	1 694 310.35
ING Bank N.V. Bucharest Branch	0.00	0.00	3 144.08	0.00
ING Lease (Polska) Sp. z o.o.	0.00	0.00	0.00	46 000.78
ING Services Polska Sp. z o.o.	0.00	248 460.00	0.00	619 299.76
ING Towarzystwo Ubezpieczeń na Życie S.A.	0.00	1 462.36	0.00	1 920.58

The carrying value of receivables and liabilities does not differ significantly from the fair value.

Entity	2013		2012	
	Income	Expenses	Income	Expenses
ING Investment Management (Polska) S.A.	3 627.16	0.00	4 551.76	0.00
ING Lease (Polska) Sp. z o.o.	0.00	1 259 248.20	0.00	1 208 744.77
ING Services Polska Sp. z o.o.	0.00	1 200 802.64	0.00	1 146 158.62
ING TFI S.A.	1 328 048.60	0.00	1 301 864.01	29 103.01
ING Bank N.V. London Branch	802 231.02	763 005.30	7 052 815.80	2 113 944.03
ING Bank N.V. Hungary Branch	0.00	0.00	43 865.34	560.00
ING Bank N.V. Prague Branch	0.00	0.00	0.00	65 261.91
ING Bank N.V. Bucharest Branch	0.00	0.00	20 958.82	59 113.19
ING Bank N.V., Amsterdam	1 314 560.65	281 335.68	0.00	648 768.08
ING Towarzystwo Ubezpieczeń na Życie S.A.	0.00	0.00	0.00	37 718.01
ING Financial Markets LLC NY	0.00	0.00	0.00	51 977.00
ING Belgium N.V.	0.00	0.00	125 400.00	6 161.00

Note 56

Non-consolidated joint ventures

This item was not present in the ING Securities S.A. Financial Statements as at 31 December 2013 or 31 December 2012.

Note 57

Name and registered office of the parent company developing the consolidated financial statements

ING Bank Śląski Spółka Akcyjna w Katowicach

40-086 Katowice

ul. Sokolska 34

**This report has 58 numbered pages
[Polish version – translator’s note].**

Signatures of ING Securities S.A. Management Board Members

1.
Marek Słomski
President
of the Management Board

2.
Kamil Kalemba
Vice-President
of the Management Board

3.
Mariola Skrzypczak
Management Board Member

4.
Konrad Zawisza
Management Board Member

Signature of the person keeping the books of accounts

.....
Krystyna Zając
Chief Accountant

Warsaw, this 05 March 2014.

**ING Securities Spółka Akcyjna
w Warszawie**

**Supplementary report
on the audit of the financial
statements**

**Financial Year ended
31 December 2013**

The supplementary report contains 9 pages
The supplementary report on the audit of the financial statements
for the financial year ended
31 December 2013

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

Contents

1.	General	3
1.1.	General information about the Company	3
1.1.1.	Company name	3
1.1.2.	Registered office	3
1.1.3.	Registration in the National Court Register	3
1.1.4.	Management of the Company	3
1.2.	Key Certified Auditor and Audit Firm Information	3
1.2.1.	Key Certified Auditor information	3
1.2.2.	Audit Firm information	3
1.3.	Prior period financial statements	4
1.4.	Audit scope and responsibilities	4
2.	Financial analysis of the Company	6
2.1.	Summary analysis of the financial statements	6
2.1.1.	Balance sheet	6
2.1.2.	Profit and loss account	7
2.2.	Selected financial ratios	8
3.	Detailed report	9
3.1.	Accounting system	9
3.2.	Introduction and supplementary information and explanations to the financial statements	9
3.3.	Report on the Company's activities	9

1. General

1.1. General information about the Company

1.1.1. Company name

ING Securities Spółka Akcyjna w Warszawie

1.1.2. Registered office

ul. Puławska 2, 02-566 Warszawa

1.1.3. Registration in the National Court Register

Registration court: District Court in Warsaw, XIII Commercial Department of the National Court Register
Date: 19.12.2001
Registration number: KRS 0000074974
Share capital as at the balance sheet date: PLN 30,228,640.00

1.1.4. Management of the Company

The Management Board is responsible for management of the Company.

As at 31 December 2013, the Management Board of the Company was comprised of the following members:

- Marek Słomski – President of the Board,
- Kamil Kalemba – Vice-President of the Board,
- Mariola Skrzypczak – Member of the Board,
- Konrad Zawisza – Member of the Board.

On 28 March 2013 the Supervisory Board of the Company passed a resolution accepting the resignation of Mr Andrzej Olszewski from the position of Member of the Management Board of the Company. On 28 May 2013 the Supervisory Board of the Company passed a resolution on appointment of Mr Konrad Zawisza as Member of the Management Board of the Company.

1.2. Key Certified Auditor and Audit Firm Information

1.2.1. Key Certified Auditor information

Name and surname: Ewa Józwik
Registration number: 11154

1.2.2. Audit Firm information

Name: KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Address of registered office: ul. Chłodna 51, 00-867 Warsaw
Registration number: KRS 0000339379
Registration court: District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Department of the National Court Register
NIP number: 527-26-15-362

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. is entered into the register of audit firms, maintained by the National Council of Certified Auditors, under number 3546.

1.3. Prior period financial statements

The financial statements as at and for the year ended 31 December 2012 were audited by Ernst & Young Audit sp. z o.o. and received an unqualified opinion.

The financial statements were approved at the General Meeting on 9 May 2013 where it was resolved to distribute the net profit for the prior financial year of PLN 10.696.679,92 as follows:

- PLN 2.686.090,32 for the reserve capital,
- PLN 8.010.589,60 for the dividend payment.

The financial statements were submitted to the Registry Court on 21 May 2013.

1.4. Audit scope and responsibilities

This report was prepared for the General Meeting of ING Securities Spółka Akcyjna w Warszawie with its registered office in Warsaw, ul. Puławska 2, 02-566, and relates to the financial statements comprising: the introduction to the financial statements, the balance sheet as at 31 December 2013, the off balance sheet items as at 31 December 2013 comprising third parties assets in use, the profit and loss account, the statement of changes in equity, and the cash flow statement for the year then ended and the supplementary information and explanations.

The financial statements have been audited in accordance with the contract dated 16 July 2013, concluded on the basis of the resolution of the Supervisory Board of the Company dated 13 June 2013 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2013 item 330 with amendments) (“the Accounting Act”), National Standards on Auditing issued by the National Council of Certified Auditors and International Standards on Auditing.

We audited the financial statements at the Company during the period from 13 November 2013 until 22 November 2013 and from 3 February 2014 until 6 March 2014.

Management of the Company is responsible for the correctness of the accounting records and the preparation and fair presentation of the financial statements and preparation of the report on the Company’s activities in accordance with the Accounting Act and in compliance with the respective bylaws and other applicable regulations.

Our responsibility is to express an opinion and to prepare a supplementary report on the audit of the financial statements and whether the financial statements have been prepared from properly maintained accounting records based on our audit.

Management of the Company submitted a statement, dated as at the same date as this report, as to the true and fair presentation of the accompanying financial statements, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the financial statements.



All required statements, explanations and information were provided to us by Management of the Company and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of the Audit Firm.

The Key Certified Auditor and the Audit Firm fulfill the independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and their Governance, Audit Firms authorized to Audit Financial Statements and Public Oversight dated 7 May 2009 (Official Journal from 2009 No. 77, item 649 with amendments).

2. Financial analysis of the Company

2.1. Summary analysis of the financial statements

2.1.1. Balance sheet

ASSETS	31.12.2013 PLN '000	% of total	31.12.2012 PLN '000	% of total
Cash and cash equivalents	247,971.4	82.0	224,509.9	64.8
Short-term receivables	47,083.6	15.6	115,011.3	33.2
Short-term prepayments and deferred expenses	500.2	0.2	495.4	0.2
Available-for-sale financial instruments	681.0	0.2	644.2	0.2
Intangible fixed assets	4,299.1	1.4	4,291.4	1.2
Tangible fixed assets	793.6	0.3	311.8	0.1
Long-term prepayments and deferred expenses	923.6	0.3	1,152.9	0.3
TOTAL ASSETS	302,252.5	100.0	346,416.9	100.0

EQUITY AND LIABILITIES	31.12.2013 PLN '000	% of total	31.12.2012 PLN '000	% of total
Short-term liabilities	205,420.4	68.0	245,774.2	71.0
Accruals and deferred income	6,690.5	2.2	7,839.7	2.0
Provisions for liabilities	687.1	0.2	662.0	-
Equity	89,454.5	29.6	92,141.0	27.0
<i>Share capital</i>	30,228.6	10.0	30,228.6	9.0
<i>Supplementary capital</i>	10,084.6	3.3	10,084.6	3.0
<i>Revaluation reserve</i>	467.0	0.2	406.7	-
<i>Other reserve capital</i>	43,410.5	14.4	40,724.4	12.0
<i>Net profit (loss)</i>	5,263.8	1.7	10,696.7	3.0
TOTAL EQUITY AND LIABILITIES	302,252.5	100.0	346,416.9	100.0

OFF BALANCE SHEET ITEMS	31.12.2013 PLN '000	31.12.2012 PLN '000
Third parties assets in use	672.5	792.8
TOTAL OFF BALANCE SHEET ITEMS	672.5	792.8

2.1.2. Profit and loss account

	1.01.2013 - 31.12.2013	1.01.2012- 31.12.2012
	PLN '000	PLN '000
Income on brokerage activity		
Commissions	38 500,9	46 599,7
Other income	4 604,4	9 861,0
	43 105,3	56 460,7
Costs of brokerage activity		
Fees for regulated securities markets, commodities stock exchanges and National Depository of Securities and exchange clearing chambers	(8 746,1)	(11 699,4)
Chamber of Commerce fees	(91,2)	(91,2)
Payroll	(16 409,8)	(20 959,7)
Social security	(1 656,5)	(1 719,8)
Employee benefits	(359,8)	(457,8)
Materials and energy usage	(435,6)	(558,2)
Buildings rent and maintenance	(2 488,9)	(2 288,9)
Other material costs	(7 385,5)	(7 682,6)
Depreciation and amortisation expense	(710,0)	(566,2)
Taxes and charges	(128,6)	(129,9)
Commissions and other fees	(1 713,3)	(3 533,9)
Other	(1 521,4)	(1 486,9)
	(41 646,7)	(51 174,5)
Profit/(loss) on brokerage activity	1 458,6	5 286,2
Costs in respect held-for-trading financial instruments		
Loss on sale/redemption	(3,9)	(0,4)
	(3,9)	(0,4)
Profit/(loss) on operations on held-for-trading financial instruments	(3,9)	(0,4)
Income on available-for-sale financial instruments		
Dividends and other shares in profits	10,9	20,2
	10,9	20,2
Profit/(Loss) on operations on available-for-sale financial instruments	10,9	20,2
Other operating income		
Profit on sale of tangible fixed assets and intangible fixed assets	6,2	35,6
Other	1 365,7	2 043,2
	1 371,9	2 078,8
Other operating expense		
Other	(1 449,3)	(2 308,0)
	(1 449,3)	(2 308,0)
Difference in provisions and write-offs of receivables		
Decrease in write-offs for receivables	13,6	8,8
Creation of write-offs for receivables	(461,6)	(392,2)
	(448,0)	(383,4)
Operating profit (loss)	940,2	4 693,4



Financial income		
Interest on deposits	5,433.5	9,306.2
Other interest	564.5	363.4
	5,998.0	9,669.5
Financial costs		
Other interest	(101.0)	(493.0)
Foreign exchange losses	(149.9)	(67.5)
	(250.9)	(560.4)
Profit (loss) from operating activities	6,687.3	13,802.5
Profit/(loss) before taxation	6,687.3	13,802.5
Corporate income tax	(1,423.5)	(3,105.8)
Other obligatory charges decreasing the profit/increasing the loss	-	-
Net profit/(loss)	5,263.8	10,696.7

2.2. Selected financial ratios

	2013	2012
1. Return on brokerage activity net		
$\frac{\text{profit for the period}}{\text{revenue}} \times 100\%$	12.2%	0.2
2. Return on equity		
$\frac{\text{profit for the period}}{\text{equity} - \text{profit for the period}} \times 100\%$	6.3%	0.1
3. Current ratio		
$\frac{\text{current assets}}{\text{current liabilities}}$	1.4	1.3

- Current liabilities are comprised of short-term provisions for liabilities, short-term liabilities (excluding trade liabilities due in more than 12 months) and accruals and deferred income.

3. Detailed report

3.1. Accounting system

The Company maintains current documentation describing the applied accounting principles adopted by the Management Board to the extent required by Art. 10 of the Accounting Act.

During the audit of the financial statements, we tested, on a sample basis, the operation of the accounting system.

On the basis of the work performed, we have not identified any material irregularities in the accounting system, which have not been corrected and that could have a material effect on the financial statements. Our audit was not conducted for the purpose of expressing a comprehensive opinion on the operation of the accounting system.

The Company performed a physical verification of its assets in accordance with the requirements and time frame specified in Art. 26 of the Accounting Act and the Decree of Minister of Finance dated 28 December 2009 on special rules of accounting for brokerage houses (Official Journal from 2009 No. 226, item 1824) and reconciled and recorded the results thereof in the accounting records.

3.2. Introduction and supplementary information and explanations to the financial statements

All information included in the introduction and the supplementary information and explanations to the financial statements is, in all material respects, presented correctly and completely. The introduction and supplementary information and explanations should be read in conjunction with the financial statements.

3.3. Report on the Company's activities

The report on the Company's activities includes, in all material respects, the information required by paragraph 22 of the Decree of Minister of Finance dated 28 December 2009 on special rules of accounting for brokerage houses (Official Journal from 2009 No. 226, item 1824) and the information is consistent with the financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546
ul. Chłodna 51
00-867 Warsaw

Signed on the Polish original

.....
Ewa Józwik
Key Certified Auditor
Registration No. 11154

5 March 2014

Signed on the Polish original

.....
Stacy Ligas
Limited Liability Partner with power
of attorney



***Management Report of
ING Securities
Spółka Akcyjna w Warszawie
2013***

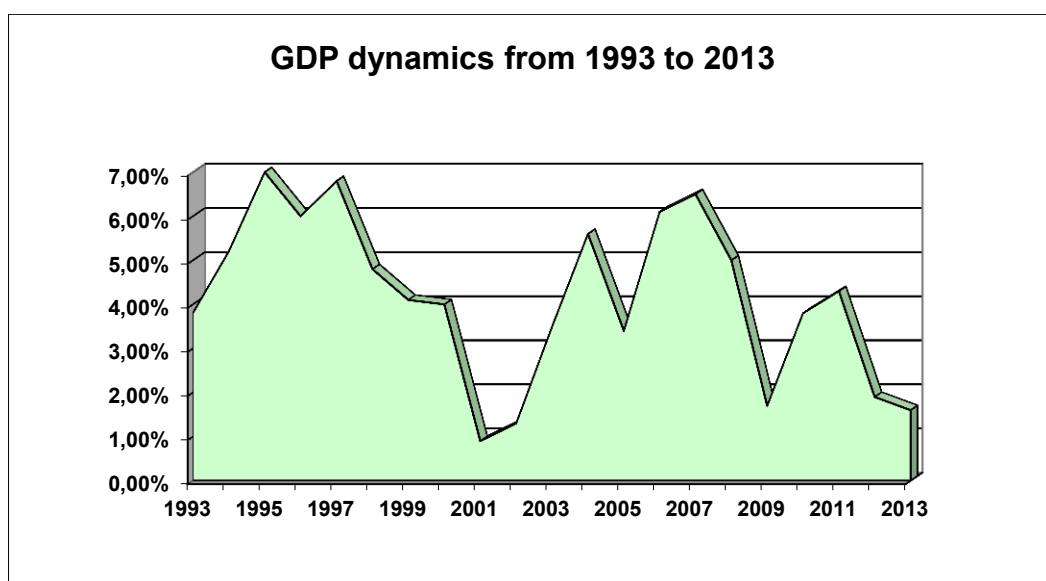
Warsaw, March 2014

1.	ING SECURITIES S.A. IN 2013	2
1.1.	<i>Market landscape</i>	2
1.2.	<i>Securities market in 2013</i>	3
1.3.	<i>Market position of ING Securities S.A.</i>	5
1.4.	<i>Ranking of brokerage houses</i>	5
1.5.	<i>Directions of development</i>	5
1.6.	<i>Financial result</i>	7
2.	OPERATION ON A SECONDARY MARKET	10
2.1.	<i>Institutional Clients Market.....</i>	10
2.1.1.	<i>Groups of Clients</i>	10
2.1.2.	<i>Types of Markets</i>	11
2.1.3.	<i>Analyses Team.....</i>	11
2.2.	<i>Retail clients market.....</i>	11
2.2.1.	<i>Network of Customer Service Points.....</i>	11
2.2.2.	<i>Services distribution channels.....</i>	11
2.2.3.	<i>Client service by phone</i>	13
2.2.4.	<i>Internet services</i>	13
2.2.5.	<i>New products and promotional activities.....</i>	14
2.2.6.	<i>Participation in public offering.....</i>	14
2.3.	<i>Private Banking Clients market. Cooperation with ING Bank Śląski</i>	14
2.3.1.	<i>Cooperation with Private and Personal Banking</i>	14
2.3.2.	<i>“Golden Line” and “Private Broker” – services for active and well-off clients of ING Securities S.A.</i>	15
3.	INVESTMENT BANKING AND FINANCIAL ADVISORY SERVICES	15
3.1.	<i>Offering of securities</i>	15
3.2.	<i>Financial advising on mergers and take overs.....</i>	16
4.	INVESTING OF OWN FUNDS	16
5.	OTHER SERVICES FOR ISSUERS	16
5.1.	<i>Services of the issue sponsor</i>	16
5.2.	<i>Custody services</i>	17
6.	IT AND TELECOMMUNICATIONS	17
6.1.	<i>“Securities Services 2012” project</i>	17
7.	RISK MANAGEMENT.....	18
7.1.	<i>Operational risk.....</i>	18
7.2.	<i>Market risk.....</i>	19
7.3.	<i>Credit risk.....</i>	19
7.4.	<i>Compliance risk.....</i>	19
7.5.	<i>Internal capital adequacy assessment process (ICAAP).....</i>	20
8.	INTERNAL AUDIT.....	21
9.	ORGANIZATION OF THE BROKERAGE HOUSE	21
9.1.	<i>Employees of ING Securities S.A.....</i>	21
9.2.	<i>Composition of the Supervisory Board, Audit Committee and Management Board.</i>	22
9.3.	<i>Organizational structure</i>	23
10.	MAJOR EVENTS AFTER 31 DECEMBER 2013	23

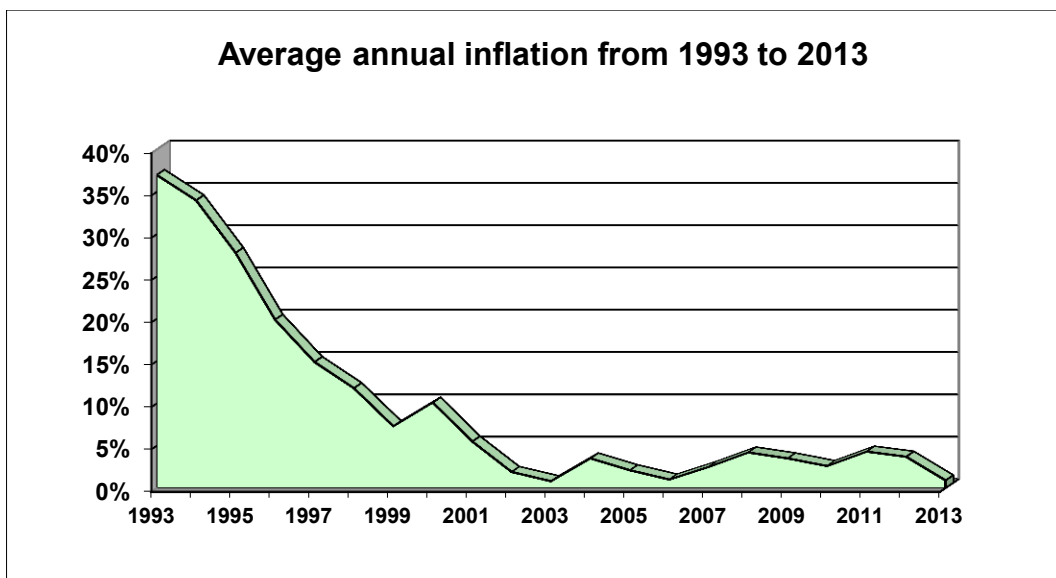
ING Securities S.A. in 2013

1.1. Market landscape

According to the initial estimate, in 2013, the gross domestic product (GDP) increased by 1.6% in real terms from 2012 (in fixed prices of the previous year). In 2012, GDP increased by 1.9% y/y. Positive influence of the net export and domestic consumer demand, with nearly neutral influence of investment demand, contributed to increase in GDP. In 2013, gross added value in national economy increased by 1.5% y/y, whereas in 2012 the increase was by 1.9%. In 2013, gross added value in industry increased by 2.9% y/y, whereas in 2012 the increase was by 1.8%. In 2013, gross added value in construction sector decreased by 9.0% y/y, whereas in 2012 the increase was by 0.3%. In 2013, gross added value in trade and repair increased by 1.7% y/y, whereas in 2012 the increase was by 1.2%. In 2013, gross added value in transport and warehouse sector increased by 4.5% y/y, whereas in 2012 the increase was by 7.9%. In 2013, domestic demand decreased in real terms by 0.2% while GDP increased by 1.6%. In 2012, domestic demand decreased by 0.1% while GDP increased by 1.9%. In 2013, total consumption was higher than in 2012 by 1.1 %, of which individual consumption was higher by 0.8% (in 2012, increase by 1.0% and 1.2%, respectively). In 2013, gross capital formation decreased in real terms by 5.0% y/y, of which gross expenditure in fixed assets – decrease by 0.4% (in 2012 decrease by 4.2% and by 1.7%, respectively). In 2013, investment rate in domestic economy (a relation of gross expenditure for fixed assets to gross domestic product in current prices) was 18.4%, whereas in 2012 it was 19.1%.



In 2013, Consumer Price Index (CPI) increased by 0.9% y/y (compared to 3.7% the same period in 2012) and was the lowest since 2003. In 2013, the Consumer Price Index was mostly impacted by increased food price (by 2.2%), housing expenses (by 1.7%), higher prices of alcohol and tobacco (by 3.5%) and goods and services related to recreation and culture (by 2.8%), which increased CPI by 0.48 percentage points, 0.44 percentage points and the last two by 0.22 percentage points, respectively. Decrease in prices related to communication (by 8.3%), lower prices of clothes and footwear (by 4.9%), and also cheaper transport (by 1.8%) led to decrease in CPI in that period by 0.34 percentage points, 0.24 percentage points and 0.17 percentage points, respectively.



In December 2013, the average nominal gross remuneration in the sector of enterprises was PLN 4,221.50 and was higher by 2.7% than in December 2010, and higher by 2.4% than a year earlier.

The sold production of industry in fixed prices was higher by 6.6% in December 2013 than a year before (when a decrease by 9.6% was observed). Compared to December 2012, increase in sold production was observed in 30 (out of 34) industry sectors, among others, in manufacture of other non-metallic mineral products – by 22.5%, manufacture of motor vehicles, trailers and semi-trailers – by 15.9%, pharmaceutical products – by 14.9%, paper and paper products – by 14.1%, products of wood, cork, straw and wicker – by 12.4%, products of rubber and plastics – by 12.3% and furniture – by 11.8%. Sold production of industry decreased from December 2012 only in 4 sectors: in generation and distribution of electricity, gas, steam and hot water – by 9.8%, in manufacture of computers, electronic and optical goods – by 3.7%, metal – by 3.5% and manufacture of coke and refined petroleum products – by 0.4%.

From January to December 2013, the building and assembly output was lower by 12.0% than the same period in 2012.

The unemployed registered in the employment offices at the end of December 2013 totaled 2,157,900 (of which 1,099,500 were women), which was higher by 41,900 people than a month earlier. On the annual basis, the number of the unemployed increased by 21,100, that is, by 1.0% (in the same period in 2012 an increase by 78,700 persons was observed, that is by 3.8%). The unemployed registered in employment offices as at the end of December 2013 represented 13.4% of the working population (in November 2013 – 13.2%, in December 2012 – 13.4%).

Export in current prices (in PLN) was higher by 5.0% than in the period January–November 2012 and it was PLN 589.5 billion, whereas import decreased by 0.6% to PLN 596.3 billion. Trade was closed with a negative balance of PLN 6.8 billion (compared to minus PLN 38.1 billion a year before). Turnover in EUR increased by 5.8% on export side – up to EUR 141.0 billion, and by 0.3% on import side – up to EUR 142.7 billion. A negative balance was EUR 1.7 billion (after eleven months of 2012 minus EUR 9.0 billion). Export in US dollars was USD 187.3 billion, while import – USD 189.5 billion, that is by 9.1% and 3.3% more, respectively. A negative balance was at a level of USD 2.2 billion (compared to minus USD 11.8 billion a year earlier).

1.2. Securities market in 2013

2013 was much better than the previous year in terms of key market benchmarks. Value of turnover, a number of new companies and stock market capitalization increased by a dozen or so per cent. Investors investing in shares on the Warsaw Stock Exchange were in various mood. Last year

was very good for investors who decided to invest in SMEs. Indexes showing the economic situation in these market segments increased by more than 30%, whereas indexes of the Warsaw blue chips showed a few per cent decrease.

In mid-April, the WSE implemented a new trading system – Universal Trading Platform (UTP). This product, bought from NYSE Technologies, has been the most important infrastructural project in the Polish capital market for many years. Introduction of UTP made it possible to develop a product offer and launch new types of services. Moreover, UTP trading system opened the Polish capital market to new trading techniques (algorithmic trading).

The annual change in WIG index was 8.1%, which stands for appreciation to the level of 51,284.25 points (in 2012 – 47,460.59 points), whereas WIG20 lost 7.0% and decreased to 2,400.98 points from 2,582.98 points as at the end of 2012. The new index WIG30 recorded a decrease by 1.8% to 2,537.53 points (theoretical value as at the end of 2012 was 2,582.98 points). Small and medium-sized enterprises presented themselves very well on the annual basis. As at the year-end, mWIG40 index showed 3,345.28 points, which stands for an increase by 31.1% (in 2012 – 2,552.54 points). sWIG80 index was a bit stronger showing increase by 37.3% annually, achieving the level of 14,336.82 points (in 2012 – 10,443.68 points). Sector indexes showing the highest increase in 2013 were: WIG-BUDOWNICTWO / WIG CONSTRUCTION (+33.5%), WIG-MEDIA (+31.0%) and WIG-INFORMATYKA / WIG-IT (+21.9%). The biggest decreases were observed in case of WIG-SUROWCE / WIG-RAW MATERIALS (-32.1%), WIG-SPOŻYWCZY / WIG-FOOD INDUSTRY (-11.4%) and WIG-PALIWA / WIG-FUELS (-10.0%). Index of the NewConnect market (NCIndex) increased by 10.0%. Whereas, the index grouping the most liquid companies of that market, NCIndex30, increased by 43.9%.

In 2013, more debuts on the Main Market of the WSE were observed, whereas fewer new issuers were interested in NewConnect. On the Main Market, the number of companies increased from 438 as at the end of 2012 to 450, and within twelve months of 2013, 23 debuts took place. Capitalization of domestic companies on the Main Market increased by 13.39% up to PLN 593.4 billion, and the total capitalization of domestic and foreign companies by 14.54% up to PLN 840.8 billion. In 2013, 42 companies made their debut on NewConnect, and the total number of the entities listed there increased by 3.7% up to 445. Total capitalization of domestic and foreign companies on that market decreased by 0.5% down to PLN 11.0 billion.

In 2013, consecutive foreign companies decided to make their debut on WSE. At the end of December, the 58th foreign company made its debut on WSE, and at the end of the year, 57 foreign companies were listed on WSE, of which 46 on the Main Market and 11 on NewConnect.

Last year, WSE had a much higher equity turnover. Average turnover per session on the Main Market totaled PLN 891 million and was higher by 18%. On NewConnect, turnover decreased by 17.6% to PLN 3.8 million per session. On the market of futures and forward contracts, WSE recorded increase in average volume per session by 12%; in case of options, increase in the average turnover volume per session was 14%.

In 2013, increase in turnover was recorded. Turnover totaled PLN 256,147 million in 2013, compared to PLN 202,880 million in 2011 (+26.26%). On the futures, forward contracts and options market, turnover increased slightly. Total volume of turnover in futures and forward contracts was 11,806,976 in 2013, compared to 10,592,353 in 2012, which means an increase by 11.47%.

Total capitalization of WSE as at the end of 2013 was PLN 840,800 million compared to PLN 734,048 million as at the end of 2012, which stands for an increase by 14.54%. Capitalization of domestic companies as at the end of 2013 was PLN 593,464.45 million, which means an increase by 13.39% (in 2012 – PLN 523,390 million).

Catalyst market showed a significant increase in the main market parameters in 2013. The number of issuers went up to 175, and value of issues by 12.6% to the record level of PLN 58.9 billion. Average turnover per session increased by more than 95.8% up to PLN 8.9 million.

In 2013, the scope of available instruments, indexes and services was improved. New structured products, new interest rate contracts, new multiplier for contracts on WIG20 and the biggest change – WIG30 index – were implemented in 2013 and will have an impact on WSE for many years.

1.3. Market position of ING Securities S.A.

In 2013, we kept observing increase in the share of remote brokers in stock market turnover on WSE. Dynamics of increase of the share of these brokers accelerated again on the stock market. In 2013, remote brokers' share in equity turnover on WSE was 27.1%, compared to 24.9% in 2012 and 23.4% in 2011.

Whereas, the process of stopping the expansion of remote brokers on futures and forward contracts market was continued in 2013. These operators' share in trading in contracts was 6.13% in 2013, compared to 6.6% share in 2012 and 7.9% in 2011.

Market position of ING Securities S.A. and its share in total turnover of WSE on specific markets were as follows in 2013:

- 9th place in terms of WSE turnover on stock market – 3.5% market share
- 11th place in terms of WSE turnover on bonds market – 1.2% market share
- 10th place in terms of WSE turnover on futures and forward contracts market – 2.6% market share.

As at 31 December 2013, ING Securities S.A. maintained 53,817 investment accounts. It means a decrease by 4.25% from 2012 (56,206).

In 2013, the number of Internet accounts maintained by ING Securities S.A. decreased. As at 31 December 2013, ING Securities S.A. maintained 38,654 Internet accounts. It means a decrease by 3.15% from 2012 (39,911). To compare, there were 39,263 Internet accounts in 2011.

As at the end of 2013, clients' accounts maintained in ING Securities S.A. represented 3.6% of total number of clients' accounts of all brokerage houses in Poland.

1.4. Ranking of brokerage houses

In 2013, Association of Individual Investors /Stowarzyszenie Inwestorów Indywidualnych/ carried out another Nationwide Investors Survey aimed at identification of needs and preferences of individual investors when taking investment decisions. The survey led to an annual ranking of brokerage houses published in Forbes magazine.

In the last ranking, ING Securities S.A. was on the 9th place, whereas a year earlier on the 4th place. Worse ranking was mostly due to failing trading system after the implementation of UTP by WSE.

Investors mentioned platform quality as the most important feature of the offer in the sector. The level of charged fees and commissions was mentioned on the second place, and client service quality on the third one.

The carried out survey, made it possible for the clients of ING Securities S.A. to express their opinion about specific elements of the offer. 9% of the clients were satisfied or had no comments. The same percentage of people mentioned nuisance of the technical break after the stock exchange session. 26% thought the fees and commissions were too high. 33% emphasized urgent need to make a mobile application available and 45% signaled that the main trading platform fails too often.

1.5. Directions of development

Organization of ING Securities S.A. and offered products are divided into three areas by client segments, namely:

- Institutional investors, mostly domestic and foreign financial institutions
- Individual investors
- Companies, issuers of securities and the State Treasury.

The higher and higher specialization reflected in adjusting brokerage products to expectations of various groups of clients calls for diverse paths of development of specific business lines of ING Securities S.A. in the field of offered services, distribution channels and, most importantly, in the field of the use of IT systems.

Servicing institutional clients, ING Securities S.A. will focus on providing specialist brokerage services to local pension and investment funds and selected foreign investment funds. Analytical products, prepared by an experienced team of analysts, will still be an important element of the offer.

We will continue to offer an effective execution of orders on WSE to international brokers, and on international markets – to local funds.

The offer for institutional clients will be made more attractive by adding the possibility to submit orders via DMA channel (Direct Market Access), and, in the future, by adding also algorithmic trading.

ING Securities S.A. is thinking about reinstatement of making proprietary investments, both for the needs of arbitration as well as facilitation of the clients' orders.

As regards offering of services for retail clients, a new strategy of revitalization of services based on multisection segmentation of the clients was developed and approved by the Supervisory Board of ING Securities S.A. The new offer will be addressed to the following groups of investors:

a) Inactive clients – a program stimulating activeness, inclusive of traditional training and web seminars, virtual stock exchange game

b) New clients (beginners) – a fixed commission on orders up to PLN 5,000, no fees for keeping an account for the first 12 months, a package for a start, stock exchange game and cross selling with bank products

c) Active clients – loyalty package, inclusive of attractive commissions on turnover for 12 months, advisory support, no fees for keeping an account above a determined turnover limit, advanced investment products, state-of-the-art mobile application

d) Top active clients – advanced application for making investments, products and services basket, warranted commission not higher than 0.29%, analytical and advisory support.

The offer of ING Securities S.A. addressed to individual clients in the mentioned above segmentation division will cover almost all products of the capital market available for individual investors in Poland, that is, brokerage in trading on the regulated and non-regulated markets, securities credit facility, analytical service, investment recommendations, investment consulting services, public offering of shares. At the beginning of 2014, the possibility of trading on the Forex market will be offered to retail clients. The offer is exclusive of active sale of participation units of the investment funds, because ING Bank Śląski S.A. provides services in this segment and makes it possible to invest in funds via ING BankOnLine.

The project of revitalization of brokerage services is strictly connected with integration of offering financial services together with ING Bank Śląski S.A. acting as an agent of ING Securities S.A. The works aimed at implementation of the model of offering brokerage products via ING BankOnLine Internet channel and trading system available directly in ING BankOnLine will be finalized in the middle of 2014.

Implementation of the new approach to offering of services will go hand in hand with replacement of the main trading systems for the clients. Bank clients will use CII application supplied by Comarch that will be fully integrated with the main system CXT from the same provider. For Top active clients, we plan to make available an advanced transaction application of the Norwegian company Infront. By the end of 2014, all clients, regardless how active they are, will get access to a mobile platform operating on the most often used operating systems, that is, IOS, Android and Windows mobile 8.

Improved subject-related investment support for clients will be accompanied by organization of investment advisory services within an organizational unit being formed. We plan to hire a licensed investment adviser. Implementation of the service will be connected with higher activeness of brokers servicing the key clients of ING Securities S.A. Under investment advising services, we plan to

prepare a few virtual investment portfolio depending on an investment profile of a client. The advising team will also support investors in making investments of various time horizon in selected financial instruments. Their scope of duties includes contacts, on a current basis, with the most profitable VIP retail clients of ING Securities S.A., the so called Top 1000.

Besides Internet, we will provide services by phone, especially as regards active support of clients by brokers, analysts and an investment adviser. In 2014, we plan to start a call centre of ING Securities S.A. in IVAR system that manages the inbound calls in ING Bank Śląski S.A. A client will use his/her PIN given by the Bank, and then he/she will be redirected via automatic prefix to the Brokerage House.

The integration of offered bank and brokerage services planned for 2014 will improve quality of technical service and will make it easier for the clients to use phone services offered by ING Securities S.A. thanks to uniform logging into the phone service of ING Bank Śląski S.A.

After formal start of integration of services, it will be important not only to ensure an effective process of moving the current clients to new applications, but also to be effective in transforming as many new clients from the Bank into active clients as possible. To this aim, we developed a formal path of operational support for a new client, the so called "Easy Start".

ING Securities S.A. plans to strengthen its cooperation with ING Bank Śląski S.A. in the field of advising companies on getting financing in the form of shares and as regards mergers and take-overs, especially concerning its strategic clients. The services will be still provided in close cooperation with foreign branches of ING Bank N.V., which will make it possible to share experience and customer data base. At the same time, we plan to strengthen the process of acquiring clients via our own marketing channels.

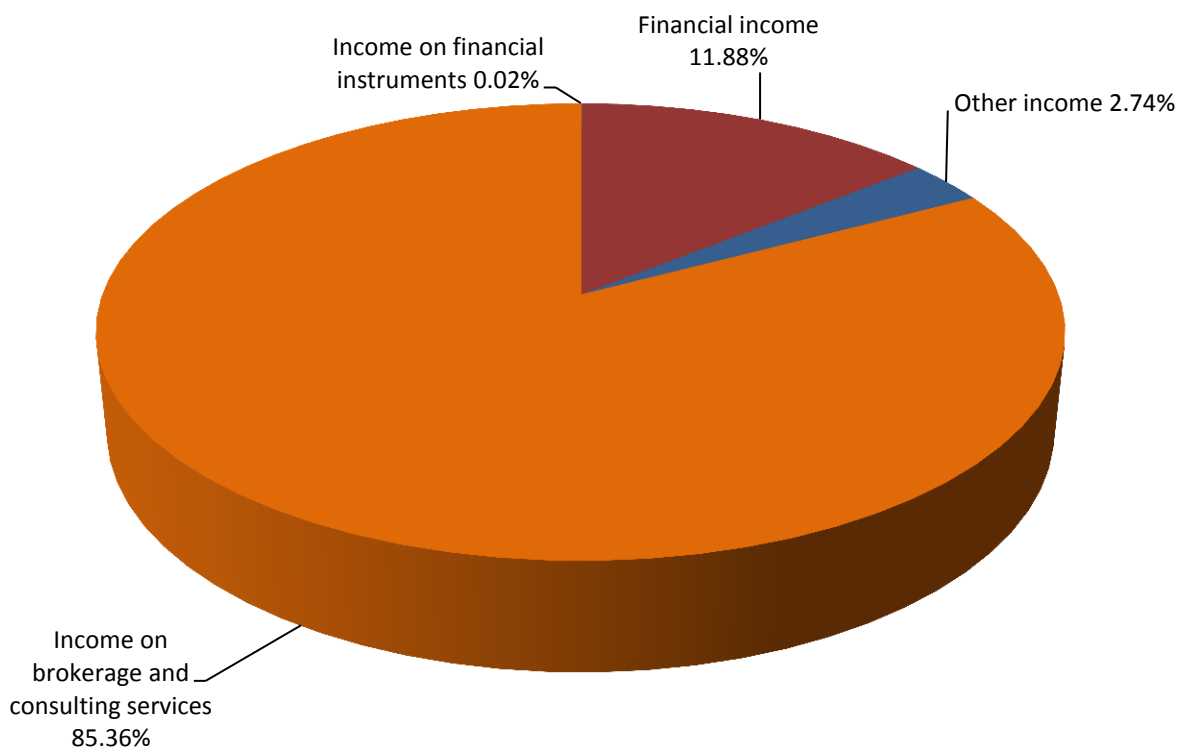
Referring to organization of public offering of shares, both on the primary and secondary market, we will focus on acquiring clients from among entities with private shareholding. At the same time, we will continue our cooperation with the Ministry of the Treasury.

1.6. Financial result

Revenue

Revenue of ING Securities S.A. for the period from 01 January 2013 to 31 December 2013 was PLN 50,499,700, and its structure was as follows:

Revenue of ING Securities S.A. in 2013



The highest revenue item was income on brokerage and advisory services that was PLN 43,105,300 and represented 85.4% of total revenue. It was mostly impacted by commission income regarding proprietary operations of ING Securities S.A. in securities to the instruction originator's account that was 76.7% of such income.

Another major income in this group was income on public offering of securities that was PLN 4,065,400 and represented 9.4% of income on brokerage activity.

Income on professional advising on trading in financial instruments, that was in 2013 PLN 243,900, represented 0.6% of income on brokerage activity.

Income on brokerage in trading in investment funds participation units was PLN 1,354,800 and represented 3.1% of income on brokerage activities.

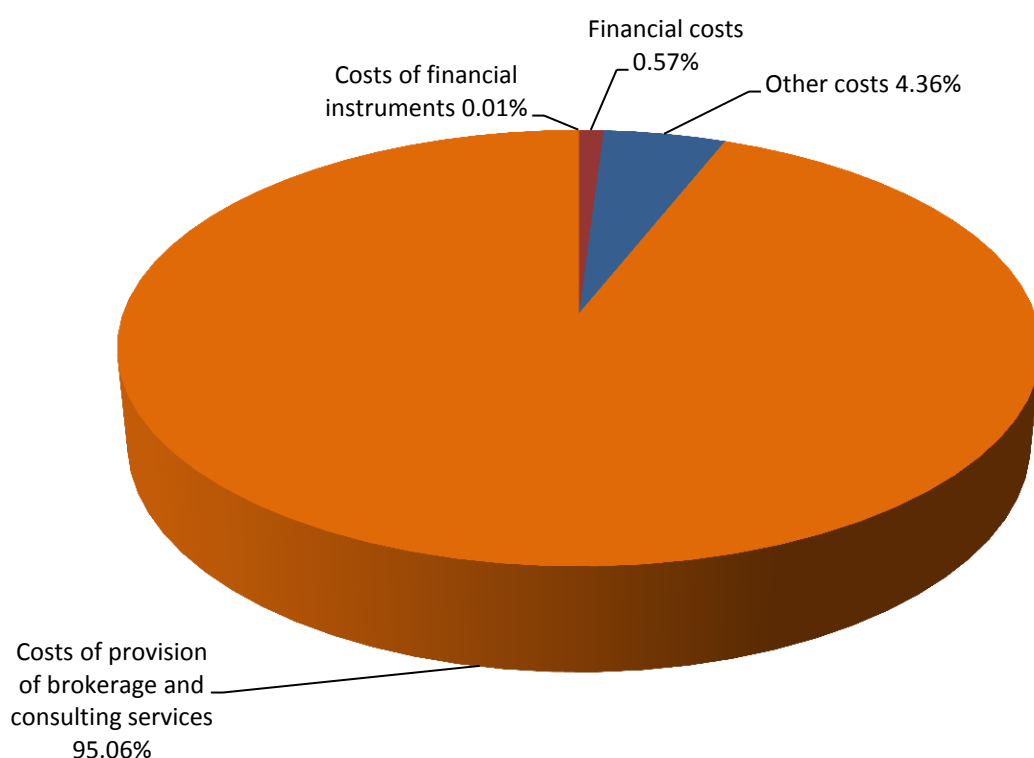
Income on securities accounts and cash accounts of clients amounted to PLN 1,505,300, which represented 3.5% of income on brokerage activities.

Financial income that represented 11.9% of total revenue and amounted to PLN 5,998,000 in 2013 is mostly interest on placements and deposits (of which interest on investing of clients' funds represented 59.6%).

Costs

Costs of ING Securities S.A. for the period from 01 January 2013 to 31 December 2013 totaled PLN 43,812,400, and their structure was as follows:

Costs of ING Securities S.A in 2013



Costs of provision of brokerage and advisory services were PLN 41,646,700 in 2013 and represented 95.1% of total costs.

The highest item in the costs of provision of brokerage and advisory services were personnel costs that were PLN 18,426,100 as at the end of 2013 and represented 44.2% of the costs of provision of brokerage and advisory services, of which remuneration PLN 16,410,000 (89.1%), and taxes and social security and/or other contributions paid by the employer were PLN 1,656,500 (9.0%).

The second biggest item in the costs of provision of brokerage and advisory services were the costs of fees paid to WSE and the National Depository for Securities (KDPW) that were PLN 8,746,100 (21.0%).

Material costs were PLN 10,310,100, that is 24.8%. The biggest items of these costs were other material costs (PLN 7,385,500 – 71.6%) and costs of maintenance and lease of buildings (PLN 2,488,900 – 24.1%). Under other material costs, the biggest items were the costs of IT services totaling PLN 3,824,700 – (51.8%) and communication costs in the amount of PLN 1,085,000 (14.7%).

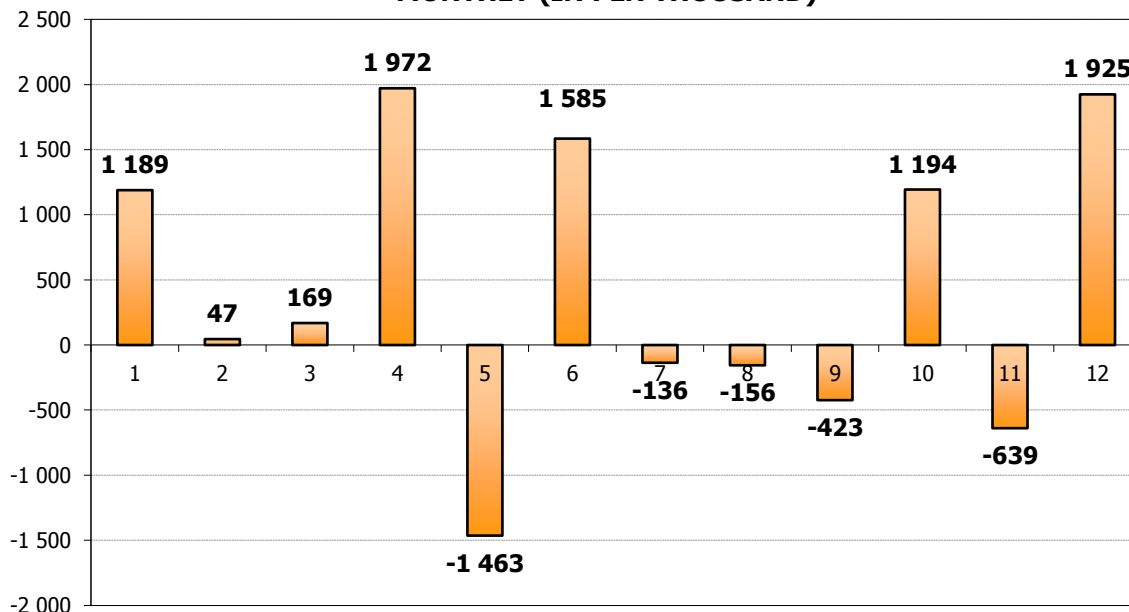
Financial result

Gross profit of ING Securities S.A. for the period from 01 January 2013 to 31 December 2013 was PLN 6,687,300. CIT paid from profit was PLN 1,423,400. Effective CIT rate was 21.0% in 2013.

Generated net profit for the period from 01 January 2013 to 31 December 2013 was PLN 5,263,800.

Net result of ING Securities S.A. in specific months was as follows:

**NET RESULT OF ING SECURITIES S.A. IN 2013
- MONTHLY (IN PLN THOUSAND)**



The Management Board is of the opinion that the current financial standing of the Company is satisfactory compared with the whole brokerage sector. It is projected that in a foreseeable future the financial standing of the Company should not deteriorate. According to estimates of the Management Board, the Company will not need any capital injection.

2. Operation on a secondary market

2.1. Institutional Clients Market

2.1.1. Groups of Clients

The Institutional Clients Department services the following groups of clients:

- Domestic institutional clients
- Foreign institutional clients
- International brokers.

In terms of turnover, the biggest group was, this time, Polish institutional clients, and their share in turnover of the Institutional Clients Department increased significantly up to 76%. In fact, the whole turnover in the domestic institutional clients referred to institutions managing assets and pension funds that generated 59% and 40% of turnover in this group of clients, respectively.

The share of international brokers in turnover of the Institutional Clients Department also increased up to 17%. This group includes the biggest foreign investment companies, such as Merrill Lynch, Goldman Sachs, etc. that most often use a direct remote access to WSE.

Increase of the share of both mentioned groups in our turnover was mostly a result of a decision of the ING Group to liquidate the global business line Equity Markets in October 2012. The decision was followed by closing our offices, among others, in London, New York and in our region, which caused a significant reduction in turnovers of foreign institutional clients who generated only 7% of our turnover in 2013. Now, these clients are served directly, and some of them are served in cooperation with the Amsterdam Office.

As regards the share of the said groups of clients in income of the Institutional Clients Department due to gross commission in 2013 (approximately PLN 16.5 million), here also the local

financial institutions were by far the leader, giving us 86% of commission (of which as much as 14% on foreign markets). Foreign institutional clients generated 5% of income on commission, and international brokers 9% of income.

2.1.2. Types of Markets

ING Securities S.A. intermediates in transactions both on the Warsaw Stock Exchange as well as on foreign markets. In 2013, vast majority of transactions concluded via the Institutional Clients Department was effected on WSE. Total value of stock related transactions made on stock exchange sessions by institutional clients was almost PLN 12.5 billion. Moreover, package transactions were realized of the total value of PLN 1.5 billion. At the same time, Polish institutional clients were significantly more active on foreign markets in 2013. They effected transactions of the total value of PLN 1.5 billion.

2.1.3. Analyses Team

In 2013, the Analyses Team in Warsaw analyzed 61 companies listed on WSE. The Team issued 59 reports, of which 10 reports initiating analysis of companies (Avia Solutions Group, Avia AM Leasing, Raiffeisen BI, PKN Orlen, Lotos, Alior, Emperia, PGNiG, Amica, Wielton), 1 IPO report (AviaAM Leasing) and 2 reports with stock strategy (inclusive of the report regarding changes in the OFE system). The Analyses Team published also monthly reports on the structure of assets in Polish investment and pension funds *Polish Fund Flows* and a weekly report on power sector *CEE Utilities Weekly*. Furthermore, the Analyses Team published also daily reports *Good MornING Poland*. As far as non-standard products are concerned, monthly investment portfolios for local funds were established, and also financial projections of the companies under analysis.

Additionally to analytical work, the Analyses Team organized 7 road shows in Poland and abroad for such companies as: Astarta, Famur, GPW, Millennium, PGE, TPSA and 3 visits of foreign investors in Poland.

Additionally, the Analyses Team organized also *ING Real Estate & Transportation Conference* to which the most interesting transport and developer companies from CEE were invited. In this year conference, 15 issuers and 60 representatives of 35 investment and pension funds participated in 217 meetings.

2.2. Retail clients market

2.2.1. Network of Customer Service Points

ING Securities S.A. services its clients in two Customer Service Centers – in Warsaw and Katowice. Service in the Centers is addressed to clients investing with support of brokers and in order to realize the most complicated procedures that are not provided for in the specified Agencies located in the Personal Banking units.

As at 31 December 2013, the Brokerage House cooperated with two agents not being banks and with Nordea Bank and ING Bank Śląski. In 2013, agreements with 4 agents were terminated because of their unsatisfactory financial results. In 2013, ING Bank Śląski S.A. provided, as an agent, brokerage services for the Brokerage House in 40 Personal Banking units. The share of agencies located in Personal Banking units in acquiring new clients for ING Securities S.A. represented 31% of all opened accounts.

2.2.2. Services distribution channels

The structure of utilization of specific distribution channels for submitting orders stabilized at a level similar as in 2012. Now, orders are submitted in person usually when agents service the clients. Brokers accept such orders from time to time only, mostly as a result of advice given to a client. Orders of special type that are classified to orders submitted in person are orders closing insufficiently hedged clients' positions submitted by employees of ING Securities S.A. based on a power of attorney given by a client. In the whole 2013, the share of orders submitted in person increased from 0.8% to 0.9%. The share of Internet orders went slightly down to 95.2%, compared

to 2012 when it was 95.3%. The share of orders submitted by phone remained on the same level as in 2012 and was 3.9%.

Detailed data on the structure of orders on specific markets in 2013 are presented in the tables below.

The share of specific distribution channels in the total number of orders of retail clients of ING Securities S.A. in 2013 by type of financial instrument.

(data for 2012 are given in brackets)

2013 (2012)	Stock market	Derivatives market	Bonds market	Total number of orders
The share of orders submitted in person	0.8% (0.6%)	1.2% (1.4%)	0.6% (0.8%)	0.9% (0.8%)
The share of orders submitted by phone	4.2% (4.5%)	3.2% (2.4%)	3.1% (3.3%)	3.9% (3.9%)
The share of Internet orders	95.0% (94.9%)	95.6% (96.2%)	96.3% (95.4%)	95.2% (95.3%)
Total	100%	100%	100%	100%

Below, the same data as quantity:

2013 (2012)	Stock market		Derivatives market		Bonds market		Total number of orders	
	2013	(2012)	2013	(2012)	2013	(2012)	2013	(2012)
Number of orders submitted in person	6600	5955	3564	4605	19	20	10183	10580
Number of orders submitted by phone	35254	42726	9741	7908	99	81	45094	50715
Number of Internet orders	804006	911319	287057	320653	3040	2325	1094103	1234616
Total	845860	960319	300362	333166	3158	2426	1149380	1295911

In 2013, the share of net commission on Internet orders remained at the so far level of 78.3%, whereas the share of orders submitted by phone increased slightly from 18% to 18.8%. Yet another time the share of commission on orders submitted in person decreased giving only 2.9% of commission.

The structure of income on net commission of the Retail Clients Department of ING Securities S.A. depending on the type of security and distribution channel in 2013

(data for 2012 are given in brackets)

2013 (2012)	Stock market	Derivatives market	Bonds market	Total brokerage commission
Commission on orders submitted in person	2.4% (3.2%)	6.0% (5.3%)	0.6% (32.0%)	2.9% (3.7%)
Commission on orders submitted by phone	21.0% (20.6%)	3.6% (5.7%)	56.6% (30.3%)	18.8% (18.0%)
Commission on Internet orders	76.6% (76.2%)	90.4% (89.0%)	42.8% (37.7%)	78.3% (78.3%)
Total	100%	100%	100%	100%

2.2.3. Client service by phone

Telephone and Internet Service Center is a basic front office unit to provide a complex service for a client starting from account opening, through technical help, service of instructions and orders and active sale of brokerage products. In 2013, the Center serviced 127,000 inbound calls compared to 133,000 in 2012, 154,000 in 2011 and 148,000 in 2010. Most of orders submitted by phone were accepted here and numerous outbound marketing campaigns aimed at sale of such products of the brokerage house as OTP Trader and special orders were carried out from the Center. Also, the Center advised about big IPOs that took place in 2013 (PKP Cargo, Energa). Moreover, the call center provides support for employees of ING Bank Śląski S.A. in agency activities performed on behalf of the Brokerage House in selected Personal Banking units of ING Bank Śląski S.A.

Systematic assessment of standards of phone service by the Retail Marketing Section, training of agents and development coaching are good for improvement of the phone service.

The Telephone and Internet Service Center carries out the process of opening of the investment account, both via Internet service, as well as via ING BankOnLine. When a client opens an account in person through the agency of ING Bank Śląski S.A. as an agent, the Telephone and Internet Service Center is responsible for collection and registration of agreement forms and attachments to the agreements. The Telephone and Internet Service Center effects also numerous instructions of the clients submitted by phone and via Internet, services a test account, processes complaints, controls suspicious transactions, monitors orders of the clients, controls and monitors CDD of the clients and business processes (Business Tracking). With a dedicated DMS application, the Center carries out the process of registration and archiving of all documents of the clients, such as agreements, powers of attorney, annexes and attachments to them. The Telephone and Internet Service Center is an active participant in acceptance tests of the basic software of the Brokerage House (Sidoma) and in conceptual works on its development.

The Telephone and Internet Service Center carries out such important activities as service of securities loans, monitoring of risk of deferred payments and derivatives, that is liabilities and the level of collateral on clients' accounts and notifying the clients about necessary additional charges, as well as proper reaction in case of falls (closure of positions).

2.2.4. Internet services

As of the beginning of 2013, the Brokerage House implemented new, lower rates of commissions on orders submitted via Internet concerning equity turnover. After the promotion, that is after the end of 2012, lower commissions were implemented to the Table of Fees and Commissions. For clients whose monthly turnover is above PLN 200,000, the commission was decreased from 0.39% to 0.34%, and for the clients having turnover above PLN 1 million from 0.31 to 0.29% (or the commission is negotiated).

In 2013, the Brokerage House prepared a special offer for all new clients. Besides basic advantages in a form of free of charge maintenance of the account in 2013, the Brokerage House focused more on education of new investors. For 4 months from the date of account opening, the clients had the commission due to ING Securities S.A. on buy and sell orders returned if the shares were sold at loss. Return of commission on transactions executed at loss was the first offer of that type in the brokerage sector. Moreover, starting investments, a new client was given books on stock exchange as a gift.

In 2013, the Brokerage House continued also activities connected with promoting its flagship products – special orders and OTP 500% – among its clients.

- There is still a great interest in special orders, that were introduced to the offer in 2010 and which offer the possibility to define simple investment strategies that are effected automatically after certain market conditions are met. By now, more than 2860 clients availed themselves of the offer, of which in 2013 alone more than 640 clients, which gives an increase of 10.3% y/y. Only in 2013, special orders of the clients of ING Securities S.A., replaced ordinary stock exchange orders in 17,000 cases.
- OTP 500% is a product addressed to the most active and demanding clients preferring short term investments. As a result of the carried out active sale in 2013 we got 276 new clients (in 2012,

the number of new clients was 211). Total turnover of the clients using OTP 500% was PLN 615 million in 2013 (PLN 440 million in 2012).

In 2013, functionality of the Internet service www.ingsecurities.pl was improved as a result of activities carried out. The most important ones include:

- A new form for submitting declarations on opening an account thanks to which the clients may open new accounts even faster and easier
- Rendering a new web site available where you can download the files of listings and WSE transactions in a format for Metastock being an advanced program for charts analysis
- A totally rebuilt subpage for the subscribers of the analytical service on which the clients may now manage the received analytical bulletins
- ING Securities S.A. channel was open on YouTube where you can find films and trainings for investors.

In 2013, ING Securities S.A. paid special attention to education of clients, both the beginners in investing as well as active clients. We focused most on online training in a form of a web seminar. More than 1600 clients participated in 64 training courses at various level of advancement on technical analysis, fundamental analysis, principles of investing, new stock exchange system UTP, products (OTP 500%, special orders), investment strategies, functionality of Sidoma application.

Besides subject related training, the Brokerage House organized weekly online meetings with stock exchange analysts at which investors could not only listen to the presentation on and assessment of selected companies under a new service "Selected by our brokers" but could get involved in discussion with our experts. In 2013, 17 meetings took place that were attended by more than 450 people.

2.2.5. New products and promotional activities

The project of offering new products of ING Group called Turbo Certificates was started in June 2013. The average daily transactions in Turbo Certificates was approximately PLN 330,000 in December, and the level of financial exposure of ING that is the basis for payment of the fee for ING Securities S.A. is around EUR 1.6 million. In 2013, ING Securities S.A. was deeply involved in promotion of the Turbo product, among others by organization of road shows in 6 biggest cities in Poland (Warsaw, Poznań, Wrocław, Krakow, Katowice and Gdańsk), organization (jointly with the WSE) of the Capital Market Summit, numerous web seminars and promotional programs on buying Turbo instruments addressed to the clients of ING Securities S.A.

Within educational activities, at the end of 2013, ING Securities S.A. once again organized a meeting with its clients called "Make educated investments" within the program called Public Shareholding. That program was executed under the patronage of the State Treasury and its goal was to encourage clients to be active in investing on the stock exchange and to base their investments on knowledge. There was a great interest in a meeting that was held in Katowice (more than 200 participants).

2.2.6. Participation in public offering

In 2013, ING Securities S.A. participated in a few consortiums offering publically traded shares. The share of retail investors in a tranche was as follows:

- Polski Holding Nieruchomości – 4.5%
- PKP Cargo – 4%
- Newag – 3.4%
- Energa – 4.6% (a tranche for big retail investors) and 4.81% (a tranche for retail investors).

2.3. Private Banking Clients market. Cooperation with ING Bank Śląski

2.3.1. Cooperation with Private and Personal Banking

In 2013, we actively sustained our cooperation with the Bank as regards service of well-off clients from the Private and Personal Banking segments. Thanks to placing the brokerage activities performed by ING Bank Śląski S.A., acting as an agent of ING Securities S.A, in Personal Banking units, the employees of Personal Banking got practical knowledge about brokerage products. Before the employees of 40 Personal Banking units could service the clients, they had been trained. Moreover, they systematically receive current marketing materials, analysis and information about current events on the capital market. Know-how and experience of the employees is used to present a full range of banking and brokerage services to the clients in a professional way. In 2013, the employees of Personal Banking had a 31% share in getting new clients for ING Securities S.A.

As regards cooperation with Private Banking segment, a very good cooperation between the brokers of ING Securities S.A. hired in the Warsaw Branch and local Private Banking Center is worth mentioning. Joint meetings of brokers and relationship managers with clients became a normal business practice of both units.

2.3.2. "Golden Line" and "Private Broker" – services for active and well-off clients of ING Securities S.A.

The most active individual investors of ING Securities S.A. whose monthly turnover is above PLN 1 million on the stock market, or 1,000 units of future or forward contracts, and who use at the same time the highest package of the online services "Golden Lion" have been already rendered the "Golden Line" service available for a few years. Thanks to the service, the most active investors have a direct contact with the stock exchange broker or an analyst. A phone number specially dedicated to this service means that the waiting time has been reduced to absolute minimum. Access rights to the "Golden Line" are verified on a monthly basis. A client is entitled to be served under the "Golden Line" up to 3 months following the month in which he had turnover entitling to making use of the "Golden Line" for the last time. In 2013, on average 29 clients had access to the "Golden Line" monthly.

The "Private Broker" service offered to well-off and demanding investors interested in being serviced on an individual basis was limited because of legal regulations. Restrictive guidelines of the Polish Financial Supervision Authority concerning services in a form of investment advice and consulting, limit a role of the broker providing advice of general nature. Under that service, a new interesting product called "Selected By Our Brokers" was implemented in 2013. "Selected By Our Brokers" is based on analytical selection of the companies with a strong fundamental potential that are interesting due to current interest of investors in them.

Satisfaction of clients with cooperation with brokers was assessed periodically in order to use the potential of brokers fully and to keep VIP clients highly satisfied.

3. Investment banking and financial advisory services

The Financial and Investment Advisory Department is dealing with the investment banking. Its activities include:

- Organization of obtaining the share capital and other types of financing by way of issue on regulated and OTC market
- Financial advising, inclusive of advising on mergers and takeovers
- Public call for subscription for the sale of shares
- Advising on privatization
- Brokerage in transactions on OTC market.

The Financial and Investment Advisory Department cooperates closely with ING Bank Śląski, Investment Banking Department of ING Bank in London and other offices of ING in Europe and all over the world.

3.1. Offering of securities

A relatively bad economic situation that we faced in 2013 had an adverse impact on the number of public offerings. However, despite of a difficult market situation, in 2013 ING Securities S.A. participated in the following offers:

- In April, as Co-Lead Manager of ING, participated in secondary sale of the shares of BZ WBK by KBC and Santander – value of transaction was PLN 4.9 billion.
- Also in April, as Global Coordinator of ING, participated in the sale of 12.13% shares of Azoty Tarnów owned by the State Treasury and worth PLN 626 million. The offer was carried out with an accelerated book-building method.
- In June, as Global Coordinator and Bookrunner in the offer of ING, placed IPO worth PLN 112 million of the Lithuanian company AviaAM Leasing.

ING Securities S.A. participated actively in the activities promoting the Warsaw Stock Exchange as a regional financial center for the issuers of the CEE region. These activities included co-organization of the third edition of "Warsaw CEE IPO Summit" – a conference addressed to potential issuers from the CEE countries in which nearly 500 representatives of issuers, investors and mass media took part.

3.2. Financial advising on mergers and take overs

ING Securities S.A. offers its services in a process of take-over of companies traded on the regulated market and the ones not admitted on a regulated market.

As regards advising on capital market, in the first half of 2013 ING Securities S.A. continued advising the Minister of the State Treasury, being a shareholder, on the merger of Azoty Tarnów and Zakłady Azotowe Puławy.

In the whole 2013, based on an agreement of 2012, ING acting as a Leader of the consortium of the banks, fulfilled the function of an adviser of the Tauron Group in developing the strategy of financing for the years 2012-2015, inclusive of obtaining financing by way of issue of domestic bonds, eurobonds or by raise in capital. The close cooperation with the Tauron Group led to brokerage, for Tauron, in two acquisitions of the shares of the companies not listed on the stock exchange that were carried out in December 2013. The total value of both transactions was nearly PLN 350 million.

In the third and fourth quarter, ING Securities S.A. advised CRH Group on development of the structure of and carrying out a transaction moving assets within the CRH Group. The transaction was effected in December, and it was worth PLN 3.7 billion.

In the fourth quarter 2013, ING Securities S.A. advised Neo Investment S.A. on the process of public call for sale of 66% of shares of Tell S.A. – a company listed on WSE.

4. Investing of own funds

In 2013, the "Investment Policy of ING Securities S.A." was updated. In accordance with the approved Policy, ING Securities S.A. makes limited investments in financial instruments on its own account, only in order to:

- Diversify the credit risk by buying debt securities of the State Treasury
- Resell the purchased debt securities issued by enterprises
- Resell the acquired shares of a public company to that company under the buy-back program
- Check in practice correctness of operation and functionalities of the transaction systems for marketing purposes
- Execute back to back currency transactions as a result of an order submitted by a client.

ING Securities S.A. keeps its own funds almost exclusively on bank accounts and deposits.

5. Other services for issuers

5.1. Services of the issue sponsor

ING Securities S.A. keeps registers of bearer shares and registered shares for the shareholders who do not keep their investment accounts, whose shares are kept on the account of the issue sponsor in the National Depository for Securities (KDPW). Registered shares are converted into bearer's shares and dividends are paid for the shareholders whose shares are in the sponsor's register.

In 2013, ING Securities S.A. acted as an issue sponsor for 9 companies, namely, ING Bank Śląski S.A., Mostostal Warszawa S.A., Rafamet S.A., Farmacol S.A., Net-Trade S.A., Remak S.A., Regnon S.A., ASBISc Enterprices PLC. and WILBO S.A.

ING Securities S.A. services payment of funds from mandatory redemption of shares of SOKOŁÓW S.A. and FBT MILMET S.A. NKT CABLES S.A.

ING Securities S.A. maintained also registers of participants for investment certificates SECUS of the First Closed-Ended Mutual Fund of Non-public Assets.

Total income on acting as an issue sponsor was PLN 165,220 in 2013.

5.2. Custody services

As regards services provided to companies not admitted to trading on a regulated market, ING Securities S.A. keeps a register of shareholders and performs, among others, the following activities: acceptance of global share certificates to deposit, issue of depository receipts, execution of the shareholders' sales agreements, blocking of shares and preparation of relevant certificates for the shareholders who want to participate in the general shareholders' meeting. In 2013, ING Securities S.A. serviced 3 companies: Przedsiębiorstwo Przemysłu Chemicznego "Frigoopol" S.A., Regnon S.A. and KOPEX MACHINERY S.A.

Total income on keeping deposits of the companies not admitted on a regulated market was PLN 31,950 in 2013.

6. IT and Telecommunications

As of the beginning of 2013, ING Securities S.A. carried out wide implementation works related to start-up of the new UTP system on WSE. The main task was to adjust the Sidoma system of the Brokerage House. The new system was started up on WSE in April and the process went smooth.

Then, the whole attention was focused on and involvement was channeled to the projects started in the previous year and still unfinished, namely:

- Comarch CXT – a new client service system
- Forex – system for submission of orders on Forex market
- QBS – a new accounting system.

Specific projects are executed in cooperation with the software provider, ING Services Polska Sp. z o.o. as a provider of hardware platform, and the Bank with whom the services will be integrated. The projects were not finalized in 2013 and they are planned to be continued in 2014. In autumn 2013, after implementation of the new UTP system, BCP tests were carried out in cooperation with WSE and National Depository for Securities (KDPW) and their outcome was positive.

6.1. "Securities Services 2012" project

In 2013, the works were carried out in the following areas:

- Implementation of the Comarch CXT system:
 - In 2013, the works aimed at adjusting the system to the requirements of ING Securities S.A. and ING Bank Śląski S.A. were in progress, taking into account requirements concerning integration of services of the Bank with the Brokerage House
 - ING Securities S.A. did not accept the third stage of implementation delivered by Comarch.
- Construction of the primary client application (CII - integrated with ING BankOnLine):
 - By the end of 2013, the teams of ING Securities S.A., ING Bank Śląski S.A. and Comarch carried out jointly analytical works.
 - By September 2013, the requirements concerning information architecture and usefulness of the client application were agreed on.

- Implementation of advance and mobile application:
 - Advanced and mobile application of Infront was selected
 - ING Securities S.A. started subject related, technical and legal agreements regarding an agreement with Infront
- Implementation of the financial and accounting system provided by QBS:
 - System implementation works were taking place throughout the whole 2013. Since the end of 2013, the Accounting Department can work both on the new and old financial and accounting systems.

In 2013, a schedule of implementation of CXT and CII systems was modified. Due to delays in delivery of requirements to Comarch, the production start of the systems was moved from the fourth quarter 2013 to March 2014.

7. Risk management

Risk in ING Securities S.A. is managed in close cooperation with ING Bank Śląski S.A. that coordinates activities in this area in the capital group.

7.1. Operational risk

Operational risk management process that is implemented in ING Securities S.A. covers all processes and business lines. The operational risk management system in ING Securities S.A. consists of: identification, classification and assessment of risk in current operations, products and projects by way of organization of workshops on risk self-assessment and control, risk monitoring with the use of Key Risk Indicators, monitoring of risk mitigating activities and following the recommendations issued by auditors and other authorities with the use of a dedicated application called iRisk, testing of key controls, identification of operational risk events and reporting of incidents, business continuity management, specification of non-financial risk appetite and control in case the risk appetite is exceeded, improving awareness of the employees and carrying out training on issues related to operational risk. Non-Financial Risk Committee was established in ING Securities S.A. that advises to the Management Board. Committee meetings are held once a month, and detailed rules of its operation are specified in the By-law of the Non-Financial Risk Committee in ING Securities S.A. Non-Financial Risk Dashboards are prepared on a monthly and quarterly basis reporting on non-financial risk management, inclusive of operational risk, compliance and legal risk. The reports are submitted for acceptance of the Non-Financial Risk Committee of ING Securities S.A. and, in a separate mode, they are handed over, under management information, to the Operational Risk Management Department in ING Bank Śląski S.A. that supports operational risk management in the capital group of the Bank. Operational risk management was described in the ING Securities S.A. Operational Risk Management Policy and other procedures regulating activities in this area. All regulations concerning operational risk management are available on the web page of ING Securities S.A. in a tab dedicated to non-financial risk.

In 2013, we kept participating in a group project AMA 2.0., under which regulations were updated in accordance with the applicable ING Group Standards, some remedy actions were taken as a result of recommendations issued after the Key Controls Testing performed under the KCT sign off 2012 project, 37 Key Controls Testings were performed in 2013 and remedy actions were determined for identified incompliance. AMA 2.0. project included also appraisal how critical are the business and support processes defined in 2012, training aimed at making all the employees of ING Securities S.A. aware of the above and reporting on Bank Wide KRIs under monitoring of key risks on a quarterly basis.

In 2013, the following actions were taken in the area of operational risk:

- 14 operational risk incidents were identified
- Risk assessment on a higher level of management was performed, with participation of the Management Board of ING Securities S.A. and directors of organizational units. The assessment led to development of the 2013 Integrated Risk Assessment Plan
- 4 workshops in risk self-assessment and control were carried out

- Training program in non-financial risk management was continued in line with the 2013 Training Plan
- 27 local KRIs and 14 Bank Wide KRIs were monitored
- Internal audit of the operational risk management was carried out that revealed that the audited process was well designed and managed, and the control environment for ING Securities S.A. was appraised as sufficient.

7.2. Market risk

Market risk of ING Securities S.A. is measured by ING Bank Śląski S.A. based on the data submitted in a form of monthly reports binding in the capital group.

Market risk measurement includes various risk types, for instance, currency risk, interest rate risk and liquidity risk. All risk types have limits specified by the Bank that cannot be exceeded. To measure the level of specific risk categories, ING Bank Śląski S.A. applies the value at risk (VAR) approach. The results of the market risk analysis covering appraisal of the level of specific risk types are submitted by ING Bank Śląski S.A. to ING Securities S.A. on a monthly basis. Method of market risk management in ING Securities S.A. was described in detail in the ING Securities S.A. Market Risk Management Policy.

Under monitoring of the liquidity risk of ING Securities S.A. "*The Principles of Liquidity Risk Management in ING Securities S.A.*" procedure was implemented. In line with the procedure, the Accounting Department calculates a liquidity gap on a monthly basis, and then a report on that measurement is handed over to the Risk Management Team. The Accounting Department submits reports on liquidity to the Polish Financial Supervision Authority on a quarterly basis. At least once a year, and additionally when the conditions having an impact on liquidity of ING Securities S.A. change, the Risk Management Team performs stress testing in a form of execution of a historical bad case scenario that consists of historically biggest exposures connected with risk factors.

7.3. Credit risk

The following decisions were taken in 2013:

- Terms and conditions of provision of the OTP Trader service were updated as regards the amount and principles of determining a maximum limit of receivables under the acquired financial instruments; the maximum limit of receivables awarded to all clients of ING Securities S.A. was increased from PLN 300 million to PLN 350 million
- The "Service of an account with deferred payment date" procedure was updated. The way of reporting was changed, in connection with which the register of deferred payments was no longer prepared. A new way of reporting was agreed between the Counterparty Risk Manager from ING Bank and the Risk Management Team of ING Securities S.A.

The Risk Management Team keeps daily monitoring of flows on the accounts of clients of the Institutional Clients Department and calculates a daily Financial Cap Limit in accordance with the "Principles of the credit risk monitoring and mitigation in the Institutional Clients Department". To show the credit risk levels on a current basis, the Risk Management Team prepares monthly reports on credit risk management for the retail part that go to the President of the Management Board of ING Securities S.A. and ING Bank, and reports concerning institutional part that go to the Management Board of ING Securities S.A. and to ING Bank on a monthly basis, and to the Supervisory Board on a quarterly basis. Relevant limits on credit risk were determined in cooperation with the Department of Strategic Clients' Transactions Management and Approval and Country Risk of ING Bank Śląski S.A. Moreover, each new limitation is introduced with a Resolution of the Management Board of ING Securities S.A.

In 2013, no incidents related to credit risk management were reported.

7.4. Compliance risk

Supervision Inspector performs the tasks related to supervision of compliance. The system of supervising compliance of activities with the law is aimed at disclosure and prevention of

infringement, by ING Securities S.A., of obligations resulting from legal regulations governing the brokerage activity. Supervision of compliance of the activities with the law includes:

- Testing and regular assessment of adequacy and effectiveness of the approved compliance system
- Testing and regular assessment of adequacy and effectiveness of the activities undertaken in order to fulfill, by ING Securities S.A., the obligations imposed by legal regulations concerning brokerage activities
- Advising and helping any related persons performing activities under the brokerage activity carried out by ING Securities S.A. in fulfilling their obligations in line with the legal regulations governing brokerage activity
- Management of the compliance risk understood as building trust and protection of the reputation of ING Securities S.A.
- Preventing losses and other negative consequences resulting from infringement of the above requirements.

In 2013, the main tasks of the Supervision Inspectorate was cooperation with business units in order to implement effectively the requirements related to counteracting financial and economic crime, improvement of operating effectiveness in the first and second line of defense, and improvement of employees' awareness as regards fulfilment of requirements regarding counteracting financial and economic crime and compliance.

We undertook a lot of activities in order to close the audit recommendations issued by an external auditor and by the Polish Financial Supervision Authority by the deadline. These activities led to modification of procedures of ING Securities S.A., inclusive of the Regulations concerning gifts, participation in events and counteracting bribery, Regulations concerning investing by persons related to the investment company, or on their account, in financial instruments on own account.

We implemented CDD procedures for suppliers for ING Securities S.A. and updated the procedure of Identification and acceptance of clients of the Institutional Clients Department, Financial and Investment Advisory Department and legal persons of the Retail Clients Department in ING Securities S.A.

We reviewed and updated the Regulations concerning prevention of money laundry and financing of terrorism. As a result of the carried out analysis, in connection with the process of integration of services with ING Bank Śląski S.A., we rebuilt the process of verification of clients against the control lists performed with the Fircosoft application.

Effective execution of the above activities and effective cooperation with business units resulted in positive assessment of the degree of implementation of the requirements related to counteracting financial and economic crime and operational effectiveness of the effected controls under FEC Sign-off 2013 that took place in May 2013. No deficiencies or irregularities were identified, and the scope and effectiveness of the control carried out in ING Securities S.A. was said to be satisfactory.

Employees were provided with a lot of training courses related to the area supervised by the Supervision Inspectorate. All employees of ING Securities S.A. underwent training on e-learning platform referring to FEC (Sanctions, Ultra high risk countries), protection of confidential information and data (Protection of personal data, Think before you post, Confidential information), compliance (Counteracting of bribery, Compliant with law but harmful). Target groups of employees defined in the Training Plan participated in workshops and training carried out by the employees of the Supervision Inspectorate.

7.5. Internal capital adequacy assessment process (ICAAP)

In 2013, the works were continued to improve the internal capital adequacy assessment process and to develop methods of calculating capital for specific risks. Numerous changes were implemented in methodologies and in ICAAP regulations.

Each time, the information about calculated capitals was reported to the Polish Financial Supervision Authority at the end of the month in a form of MRF report. Additionally, the level of internal capital was monitored on a daily basis to observe if it is maintained at the level not exceeding the acceptable internal capital adequacy being 80% of supervised capitals.

Under ICAAP, a review of ICAAP for 2012 was carried out as well as a review of a catalogue of risks of ING Securities S.A. and examination of materiality of risks. The catalogue of risks includes now the following risks: non-financial, business, capital relations, prices of capital instruments, currency, interest rate in non-trading portfolio, credit, settlement, delivery, liquidity, concentration and residual. In accordance with the accepted criterion, the following risks are material: non-financial, business, capital relations and credit risks.

In November 2013, ICAAP was assessed by the Polish Financial Supervision Authority under supervisory testing and assessment at a desk ("BION at a desk") that ended with no recommended actions issued by the PFSA.

8. Internal Audit

In line with the 2013 Audit Plan approved by the Supervisory Board, the Internal auditor carried out 3 audits: *Audit of operational risk management process as at 04 April 2013*, *Audit of the remuneration process as regards execution of the policy of variable components of remuneration as at 07 August 2013* and *Audit of IT processes and infrastructure – ING Securities (covering organizational governance/ IT management, strategy and organization) as at 21 October 2013* (audit carried out jointly with Internal Audit Department of ING Bank Śląski).

As a result of the carried out audits, thirteen recommendations were issued in total: three with a high risk level, eight with medium risk and two with low risk. Control environment of the above audits was assessed as "sufficient".

Auditor reviewed also key elements of the internal control system and risk management for 2013. Internal control standard was assessed as "sufficient".

In line with the requirements of the *Finance Minister Regulation of 05 February 2010 on the Scope, Mode and Form as well as Terms of Conveying Information by Investment Firms, Banks as referred to in Article 70 section 2 of the Act on Trading in Financial Instruments and Custodian Banks*, an external auditor (Ernst & Young) assessed fulfilment of the requirements on safekeeping of the clients' assets by ING Securities S.A. in the period from 01 January 2012 to 31 December 2012 resulting from the Act on trading in financial instruments and from the Finance Minister Regulation on the Procedures and Conditions to be Applied by Investment Companies, Banks, as referred to in Article 70 section 2 of the Act on Trading in Financial Instruments and Custodian Banks. Auditor had no reservations.

In 2013, ING Securities S.A. was also controlled by the Polish Financial Supervision Authority (PFSA) and by the National Depository for Securities (KDPW). Control by PFSA referred to performance of supervisory obligations by ING Securities towards agents of the investment company. 4 post-control recommendations were issued. Control performed by the National Depository for Securities (KDPW) referred to correctness of recognition of securities, IT systems servicing that recognition, regulations referring to business continuity and archiving process. One post-audit recommendation was issued that was immediately fulfilled by ING Securities.

9. Organization of the Brokerage House

9.1. Employees of ING Securities S.A.

As at 31 December 2013, ING Securities S.A. employed 120 employees (inclusive of 29 brokers), which was in total 119.63 FTEs.

63 employees were employed in total in front office (secondary market, primary market, investment banking, analysts), which represented 52.5% of all employed.

During 2013, work contract was terminated with 17 employees, whereas 12 persons were employed.

Total employment decreased by 5.51% from the last year.

9.2. Composition of the Supervisory Board, Audit Committee and Management Board

Supervisory Board

As at 1 January 2013, the composition of the Supervisory Board of ING Securities S.A. was as follows:

Chairperson	– Oscar Swan
Vice Chairperson	– Małgorzata Kołakowska
Members	– Mirosław Boda
	– Agnieszka Schwedler
	– Ignacio Julià Vilar
	– Bohdan Stępkowski
	– Mark Pieter de Boer

The composition of the Supervisory Board of ING Securities S.A. did not change in 2013.

Audit Committee of the Supervisory Board

As at 1 January 2013, the composition of the Audit Committee of the Supervisory Board of ING Securities S.A. was as follows:

Chairperson	– Mirosław Boda
Members	– Oscar Swan
	– Agnieszka Schwedler
	– Bohdan Stępkowski

The composition of the Audit Committee of the Supervisory Board of ING Securities S.A. did not change in 2013.

Management Board

As at 1 January 2013, the composition of the Management Board of ING Securities S.A. was as follows:

President of the Management Board	– Marek Słomski
Vice President of the Management Board	– Kamil Kalemba
Management Board Members	– Mariola Skrzypczak
	– Andrzej Olszewski

As of 23 April 2013 Mr Andrzej Olszewski was recalled from the Management Board as a result of resignation submitted by him.

The Management Board of the sixth tenure was appointed with the Resolution no. 13/2013 of the Supervisory Board of ING Securities S.A. in Warsaw of 10 May 2013 in the following composition:

President of the Management Board	– Marek Słomski
Vice President of the Management Board	– Kamil Kalemba
Management Board Member	– Mariola Skrzypczak

On 28 May 2013, with the Resolution no. 20/2013 of the Supervisory Board of ING Securities S.A., Mr Konrad Zawisza was appointed a Management Board Member.

Since 5 August 2013 the composition of the Management Board of ING Securities S.A. has been as follows:

President of the Management Board	– Marek Słomski
Vice President of the Management Board	– Kamil Kalemba

Management Board Members

– Mariola Skrzypczak
– Konrad Zawisza

9.3. Organizational structure

In 2013, the following changes in the organizational structure of the Brokerage House took place:

- As of 14 February 2013, the positions of a Manager of the Analysis Team in the Retail Clients Department and a Specialist for Business Development in the Management Board Division were removed from the organizational structure of ING Securities S.A.
- As of 28 February 2013, the positions of Foreign Markets Assistant and Senior Specialist in Foreign Markets were created in the Foreign Markets Section.

Enclosed, please find organizational structure chart as at 31 December 2013.

10. Major events after 31 December 2013

- As of 10 February 2014, we started provision of services on OTC market for selected group of retail clients, the so called "friends&family".

The Management Report consists of 23 consecutively numbered pages.

Warsaw, on 5 March 2014

President of the
Management Board

Marek Słomski

Vice-President of the
Management Board

Kamil Kalemba

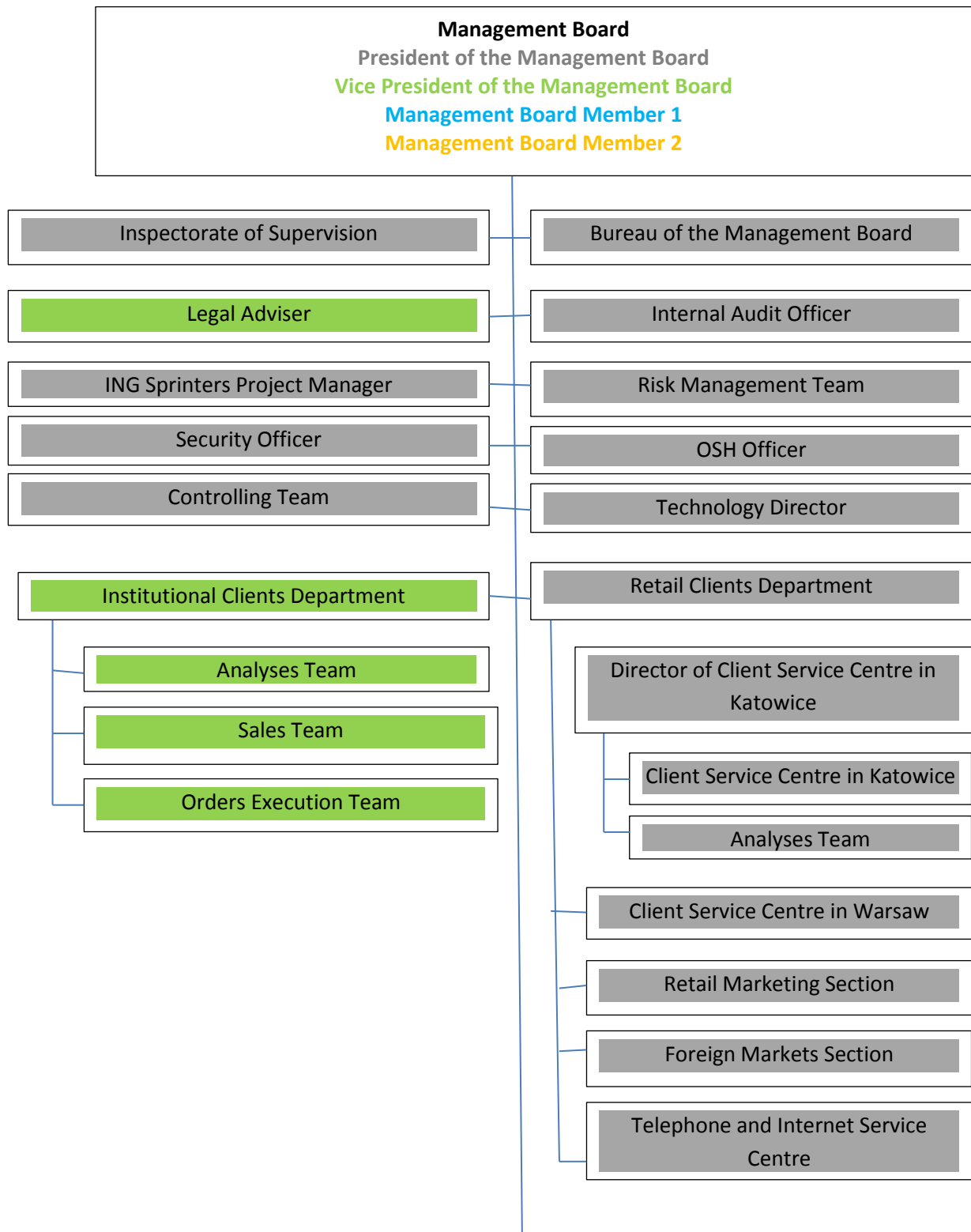
Management Board
Member

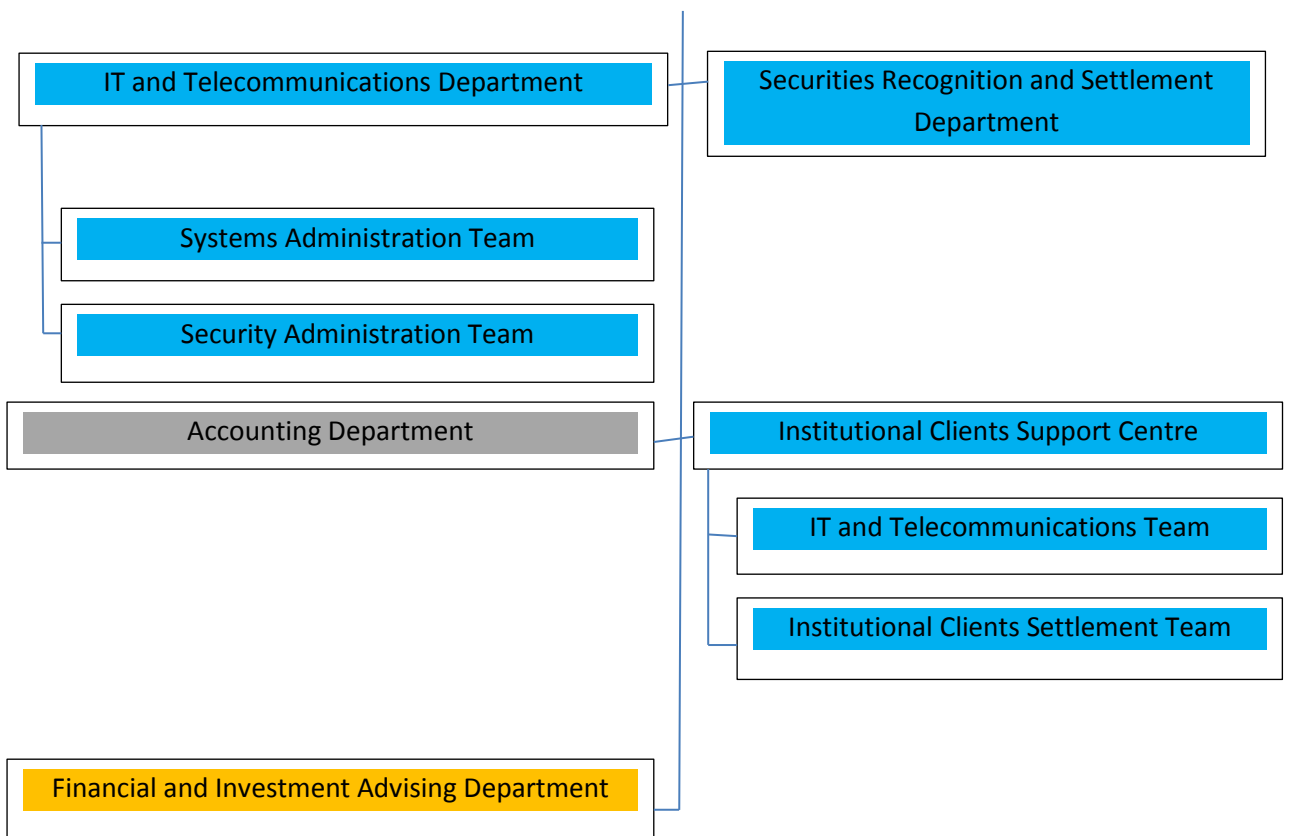
Mariola Skrzypczak

Management Board
Member

Konrad Zawisza

**Organisational scheme
of ING Securities w Warszawie
as at 31 December 2013**





Grey – business units supervised by the President of the Management Board

Green – business units supervised by the Vice President of the Management Board

Blue – business units supervised by the Management Board Member 1

Yellow – business units supervised by the Management Board Member 2