



**ING Securities Spółka Akcyjna
w Warszawie**
**Opinion and Report
of the Independent Auditor
Financial Year ended
31 December 2014**

The opinion contains 2 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 2014

OPINION OF THE INDEPENDENT AUDITOR



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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 2014, 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 2014 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.

Specific Comments on Other Legal and Regulatory Requirements

Report on the Company's Activities

As required under the Accounting Act, we report that the accompanying 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 2013, item 483) and the information is consistent with the financial statements.

On behalf of KPMG Audyty 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
Member of the Management Board of KPMG
Audyty Sp. z o.o., entity which is the General
Partner of KPMG Audyty Spółka z ograniczoną
odpowiedzialnością Sp.k.

23 March 2015

**Financial Statements of ING SECURITIES Spółka Akcyjna
w Warszawie for the year ended 31 December 2014**

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INTRODUCTION TO THE FINANCIAL STATEMENTS OF ING SECURITIES SPÓŁKA AKCYJNA W WARSZAWIE DEVELOPED FOR THE YEAR ENDED 31 DECEMBER 2014

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 of 2014, item 94 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;
- investment advisory services;
- 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, until August 2013, acting under the Polish Financial Supervision Authority's licence, ING Securities S.A. performed the activities other than the brokerage ones under the Act on Trading in Financial Instruments. Those included 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 2014 to 31 December 2014 (the reporting period) and comparable financial data for the period from 01 January 2013 to 31 December 2013.

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 2014. 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 of 2014, item 94 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		31.12.2014	31.12.2013
	Notes	PLN	PLN
I. Cash and other financial assets	1	194 020 595.53	247 971 362.82
1. On hand:		0.00	0.00
2. In banks		12 483 645.72	6 913 681.43
3. Other financial resources		181 536 949.81	241 057 681.39
4. Other financial assets		0.00	0.00
II. Short-term receivables	2	57 478 917.78	47 083 558.06
1. From clients	5	20 539 825.67	15 832 372.58
2. From related entities	6	9 051.38	20 069.95
3. From banks pursuing brokerage activity, other brokerage houses and commodities brokerage houses	7	10 578 649.71	8 742 149.03
a) under transactions made		10 578 649.71	8 741 631.64
b) other		0.00	517.39
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	25 938 887.45	19 413 093.41
6. From mutual and pension funds societies and mutual and pension funds	10	5 176.68	2 550.43
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		380 347.00	29 420.89
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	26 979.89	3 043 901.77
III. Financial instruments held for trading	12	441 439.68	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		441 439.68	0.00
7. Commodities exchanges		0.00	0.00
8. Other		0.00	0.00
IV. Short-term accruals and prepayments	18	702 724.35	500 155.38
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		739 910.68	681 031.42
1. Shares and participations	13;13.1	739 910.68	681 031.42
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		739 910.68	681 031.42
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	31.12.2014	31.12.2013
		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	6 222 102.76	4 299 093.17
1. Goodwill		0.00	0.00
2. Concessions, patents, licences and other assets purchased, including:		5 639 574.76	573 171.49
- computer software		0.00	0.00
3. Other intangible assets		0.00	0.00
4. Advance payments on intangible assets		582 528.00	3 725 921.68
X. Tangible fixed assets	15.15.1	706 704.69	793 635.07
1. Fixed assets, including:		706 704.69	508 180.80
a) land (including perpetual usufruct right to land)		0.00	0.00
b) buildings and premises		288 116.29	20 343.10
c) computer sets		164 361.36	175 726.77
d) other fixed assets		254 227.04	312 110.93
2. Fixed assets under construction		0.00	285 454.27
3. Advance payments on fixed assets under construction		0.00	0.00
XI. Long-term accruals and prepayments	18	872 761.00	923 624.00
1. Deferred tax assets	18.1; 48	872 761.00	923 624.00
2. Other accruals and prepayments		0.00	0.00
TOTAL ASSETS		261 185 156.47	302 252 459.92

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

Warsaw, this 23 March 2015.

<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>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>Marcin Giżycki</i>	<i>Krystyna Zając</i>

LIABILITIES		31.12.2014	31.12.2013
	Notes	PLN	PLN
I. Short-term liabilities	19	169 644 602.98	205 420 343.71
1. To clients	20	167 978 508.16	200 174 790.60
2. To related entities	21	8 425.00	1 346 166.81
3. To banks pursuing brokerage activity, other brokerage houses and commodities brokerage houses	22	10 148.64	168 468.08
a) under transactions made		10 148.64	168 468.08
b) other		0.00	0.00
4. To entities managing regulated markets and commodities exchanges	24	95 655.58	0.00
5. To the Central Depository and stock exchange clearing chambers	23	49 414.87	10 763.80
6. To the chamber of commerce		0.00	0.00
7. To securities issuers or selling shareholders	25	0.00	0.00
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	671 095.52	578 986.45
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. Under valuation of derivatives (OTC)		58.05	0.00
17. Other	31	830 898.11	3 140 768.92
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	6 373 943.70	6 690 538.50
1. Negative goodwill		0.00	0.00
2. Other deferred cost accruals and charges		6 373 943.70	6 690 538.50
a) long-term		1 697 925.11	1 543 785.81
b) short-term		4 676 018.59	5 146 752.69
IV. Liability provisions		730 128.31	687 066.60
1. Deferred tax assets	48	0.00	0.00
2. Provision for pensions and similar benefits	32	616 201.24	573 139.53
a) long-term		616 201.24	573 139.53
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

	Notes	31.12.2014 PLN	31.12.2013 PLN
VI. Equity capital		84 436 481.48	89 454 511.11
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		530 016.04	466 994.35
6. Reserves		43 414 526.46	43 410 468.66
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)		178 732.04	5 263 841.16
9. Net profit write-offs during financial year (-)		0.00	0.00
TOTAL LIABILITIES		261 185 156.47	302 252 459.92
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	702 193.48	672 523.64
- under operating lease contract	15.1	702 193.48	672 523.64
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
IV. Financial instruments OTC	12	440 857.36	0.00
1. Currency purchased		97 314 645.28	0.00
- FX Spot		63 142 051.87	0.00
- FX Swap		34 160 953.67	0.00
- FX Forward		11 639.74	0.00
2. Currency sold		96 873 787.92	0.00
- FX Spot		62 780 061.65	0.00
- FX Swap		34 082 028.48	0.00
- FX Forward		11 697.79	0.00
TOTAL OFF-BALANCE SHEET ITEMS		1 143 050.84	672 523.64

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

Warsaw, this 23 March 2015.

<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>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>Marcin Giżycki</i>	<i>Krystyna Zając</i>

ING SECURITIES S.A. PROFIT AND LOSS ACCOUNT

	Notes	Year ended 31.12.2014	Year ended 31.12.2013
		PLN	PLN
I. Income on brokerage activity, including:		39 985 015.12	43 105 279.29
- from related entities		152 013.59	106 531.67
1. Commissions		32 703 092.39	38 500 885.09
a) for proprietary operations in financial instruments, but to the instruction originator's account,		30 992 074.22	33 080 671.30
b) for offering of financial instruments		392 201.70	4 065 409.85
c) for acceptance of orders to buy and amortise participation units of mutual funds		1 318 816.47	1 354 803.94
d) other		0.00	0.00
2. Other income:		7 281 922.73	4 604 394.20
a) on maintaining clients' securities accounts and cash accounts		1 746 988.34	1 505 299.09
b) on offering financial instruments		0.00	0.00
c) on maintaining registers of financial instruments buyers		21 843.91	31 948.56
d) on managing third-party bundle of securities upon commissioning		0.00	0.00
e) on professional advisory services as regards financial instruments trading		0.00	243 902.44
f) on representing banks pursuing brokerage activity and brokerage houses on the regulated markets and commodities exchanges		0.00	0.00
g) other	40	5 513 090.48	2 823 244.11
II. Costs of brokerage activity		45 213 434.96	41 646 677.22
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		7 491 482.33	8 746 056.83
3. Fees to the chamber of commerce		91 200.00	91 200.00
4. Remuneration		19 932 502.61	16 409 757.19
5. Social security contributions and other benefits		2 078 048.45	1 656 472.79
6. Benefits for employees		364 674.95	359 822.93
7. Materials and energy consumption		500 823.96	435 645.73
8. Building maintenance and rental		1 853 980.96	2 488 907.80
9. Other material costs		8 993 200.76	7 385 501.73
10. Depreciation/amortisation		845 782.45	710 000.37
11. Taxes and other public law fees		136 459.01	128 609.00
12. Commissions and other fees		2 144 965.66	1 713 258.24
13. Other	40	780 313.82	1 521 444.61
III. Profit (loss) on brokerage activity (I-II)		(-5 228 419.84)	1 458 602.07

Notes	Year ended 31.12. 2014 PLN	Year ended 31.12. 2013 PLN
IV. Income on financial instruments held for trading	441 381.63	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	441 381.63	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	338 321.09	3 949.22
1. Valuation adjustments	0.00	0.00
2. Loss on sale/depreciation	338 321.09	3 949.22
3. Other	0.00	0.00
VI. Profit (loss) on operations in financial instruments held for trading (IV-V)	103 060.54	(-3 949.22)
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	16 800.00	10 920.00
1. Dividends and other profit participations, including:	16 800.00	10 920.00
- 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. 2014 PLN	Year ended 31.12. 2013 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)		16 800.00	10 920.00
XIII. Other operating income	41	2 069 672.37	1 371 919.91
1. Profit from sale of tangible fixed assets and intangible assets		795.90	6 230.00
2. Subsidies		0.00	0.00
3. Other		2 068 876.47	1 365 689.91
XIV. Other operating costs	41	991 267.51	1 449 227.14
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		991 267.51	1 449 227.14
XV. Difference in provisions and receivables write-offs		(-312 539.35)	(-448 038.36)
1. Provision release		0.00	0.00
2. Provision formation		0.00	0.00
3. Receivables write-off reduction		40 968.91	13 595.60
4. Receivables write-off formation		353 508.26	461 633.96
XVI. Profit (loss) on operating activity (III+VI+IX+ XII+XIII-XIV+XV)		(-4 342 693.79)	940 227.26
XVII. Financial income		4 979 837.02	5 997 983.51
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	4 356 071.98	5 433 542.04
- from related entities		4 170 321.07	5 223 124.08
3. Other interest		460 618.56	564 441.47
4. Positive FX differences		163 146.48	0.00
a) realised		0.00	0.00
b) not realised		163 146.48	0.00
5. Other		0.00	0.00
XVIII. Financial costs		200 253.19	250 927.61
1. Interest on credit facilities and loans, including:		0.00	0.00
- to related entities		0.00	0.00
2. Other interest		97 716.63	101 003.20
3. Negative FX differences		102 536.56	149 924.41
a) realised		102 536.56	82 300.97
b) not realised		0.00	67 623.44
4. Other		0.00	0.00

	Notes	Year ended 31.12. 2014 PLN	Year ended 31.12. 2013 PLN
XIX. Profit (loss) on business activity (XVI+XVII- XVIII)		436 890.04	6 687 283.16
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)		436 890.04	6 687 283.16
XXIII. Income tax	47	258 158.00	1 423 442.00
XXIV. Other mandatory profit decreases (loss increases)		0.00	0.00
XXV. Net profit (loss) (XXII-XXIII-XXIV)		178 732.04	4 400 037.45

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

Warsaw, this 23 March 2015.

<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>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>Marcin Giżycki</i>	<i>Krystyna Zając</i>

ING SECURITIES S.A. STATEMENT OF CHANGES IN EQUITY CAPITAL

	Notes	Year ended 31.12.2014	Year ended 31.12.2013
		PLN	PLN
I. Opening Tier 1 capital (OB)		89 454 511.11	92 140 950.20
- adjustments of adopted accounting principles (policy)		0.00	0.00
- error adjustments		0.00	0.00
I.a. Opening adjusted Tier 1 capital (OB)		89 454 511.11	92 140 950.20
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		466 994.35	406 685.00
- change of adopted accounting principles (policy)		0.00	0.00
5.1. Change in revaluation allowance		63 021.69	60 309.35
a) increase (due to)		63 021.69	60 309.35
- revaluation allowance of financial instruments available for sale		47 692.26	21 285.42
- revaluation of actuarial profit/loss		15 329.43	39 023.93
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		530 016.04	466 994.35
6. Opening reserves		43 410 468.66	40 724 378.34
6.1. Change in reserves		4 057.80	2 686 090.32
a) increase (due to)		4 057.80	2 686 090.32
- distribution of last-year profit		4 057.80	2 686 090.32
- 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		43 414 526.46	43 410 468.66

	Notes	Year ended 31.12.2014	Year ended 31.12.2013
		PLN	PLN
7. Opening profit (loss) from previous years		5 263 841.16	10 696 679.92
7.1. Opening profit from previous years		5 263 841.16	10 696 679.92
- change of adopted accounting principles (policy)		0.00	0.00
- error adjustments		0.00	0.00
7.2. Opening adjusted profit from previous years		5 263 841.16	10 696 679.92
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	(-5 263 841.16)	(-10 696 679.92)
- Tier 2 capital charge		0.00	0.00
- reserve charge	34	(-4 057.80)	(-2 686 090.32)
- dividends to the owner	34	(-5 259 783.36)	(-8 010 589.60)
- 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		178 732.04	5 263 841.16
a) net profit		178 732.04	5 263 841.16
b) net loss		0.00	0.00
c) profit write-offs		0.00	0.00
II. Closing Tier 1 capital (CB)		84 436 481.48	89 454 511.11
III. Tier 1 capital after providing for the proposed profit distribution (loss coverage)	34	84 436 481.48	89 454 511.11

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

Warsaw, this 23 March 2015.

<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>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>Marcin Giżycki</i>	<i>Krystyna Zając</i>

ING SECURITIES S.A. CASH FLOW STATEMENT

	For the year ended	For the year ended
Notes	31.12.2014	31.12.2013
	PLN	PLN
A. Net cash flow on operating activity (I+ / -II)	(-46 022 060.62)	32 665 017.90
I. Net profit (loss)	178 732.04	5 263 841.16
II. Adjustments total	(-46 200 792.66)	27 401 176.74
1. Depreciation/amortisation	845 782.45	710 000.37
2. Profit (loss) from FX differences	0.00	0.00
3. Interest and profit participations (dividends)	(-16 800.00)	(-10 920.00)
4. Profit (loss) from investing activity	(-795.90)	(-6 230.00)
5. Change in provisions and receivables write-offs	374 525.49	162 602.94
6. Change in financial instruments held for trading	(-441 439.68)	0.00
7. Change in receivables	(-10 707 899.07)	67 838 352.41
8. Change in short-term liabilities (save for loans and credit facilities)	(-35 775 740.73)	(-40 353 867.61)
including special purpose funds	0.00	0.00
9. Change in accruals and prepayments	(-483 082.77)	(-938 761.37)
10. Other adjustments	4 657.55	0.00
B. Cash flow on investing activity (I-II)	(-2 668 923.31)	(-1 192 992.94)
I. Income on investing activity	19 010.00	18 697.48
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	2 210.00	7 777.48
8. Profit participations (dividends) received	16 800.00	10 920.00
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 31.12.2014 PLN	For the year ended 31.12.2013 PLN
II. I. Expenditures on investing activity	(-2 687 933.31)	(-1 211 690.42)
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	(-2 526 540.85)	(-419 780.85)
7. Purchase of tangible fixed assets	(-161 392.46)	(-781 341.57)
8. Long-term loans granted	0.00	0.00
9. Other expenditure	0.00	(-10 568.00)
C. Net cash flow on financial activity (I-II)	(-5 259 783.36)	(-8 010 589.60)
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	(-5 259 783.36)	(-8 010 589.60)
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	(-5 259 783.36)	(-8 010 589.60)
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 2014 (PLN)

	Notes	For the year ended 31.12.2014 PLN	For the year ended 31.12.2013 PLN
D. Net cash flow total (A+/-B+/-C)		(-53 950 767.29)	23 461 435.36
E. Balance change in cash, including change in cash under FX differences		(-53 950 767.29)	23 461 435.36
		0.00	0.00
F. Opening cash	1, 49 A	247 971 362.82	224 509 927.46
G. Closing cash (F+/-D) including:	1, 49 B	194 020 595.53	247 971 362.82
– of limited disposal		0.00	0.00

As at 31 December 2014 and 31 December 2013, 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 23 March 2015.

<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>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>Marcin Giżycki</i>	<i>Krystyna Zając</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 2014 present the data which are comparable with the data shown for the year ended 31 December 2013 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

On 24 March 2014, ING Securities S.A. reached the final agreement at the business line level at ING Bank N.V. on awarding discretion bonuses to ING Securities S.A. employees rewarded for their special contribution to task performance and keeping of the company position in the capital market in 2013. The bonuses awarded in the amount of PLN 2.2 million were for the year 2013 and ING Securities S.A. did not have a relevant provision at hand therefor. Bonus costs were recognised in 2014 as a post-balance event whose impact is posted in the books of accounts of the financial year during which ING Securities S.A. was advised thereof.

6. Financial instruments

Description of financial instruments

Financial assets and liabilities held for trading

As at the 2014 year-end, the trading portfolio of ING Securities S.A. comprised OTC financial derivatives purchased under back-to-back trades, recorded by the Company on off-balance sheet accounts. Valuation impact for those instruments was disclosed in the Company Balance Sheet in the following manner:

- Financial assets held for trading

<i>Instrument type</i>	<i>Carrying value as at 31 December 2014</i>	<i>Carrying value as at 31 December 2013</i>
Derivatives (OTC financial instruments)	441 439.68	0.00
TOTAL	441 339.68	0.00

- Financial liabilities held for trading

<i>Instrument type</i>	<i>Carrying value as at 31 December 2014</i>	<i>Carrying value as at 31 December 2013</i>
Financial liabilities under valuation of financial derivatives (OTC)	58.05	0.00
TOTAL	58.05	0.00

For a detailed listing of OTC financial instruments, see Note 12.

Financial assets available for sale

The portfolio comprised:

<i>Instrument type</i>	<i>Carrying value as at 31 December 2014</i>	<i>Carrying value as at 31 December 2013</i>
Shares and participations	739 910.68	681 031.42
TOTAL	739 910.68	681 031.42

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

The Company did not have financial liabilities in either reporting period.

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: business landscape assessment-based risk identification, detailed risk and control self-assessment process, training-based enhancement of staff risk awareness, support for crisis management process, incident assessment and analysis, and monitoring of audit and non-audit recommendations implementation as well as risk monitoring through counteracting threats arising from the Key Risk Indicators (KRI) reporting process, followed by implementation of preventive measures for overrun KRIs. 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 self-assessment workshops – as scheduled in the 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) for critical and important processes. Further, each month, Non-Financial Risk Dashboards are developed; they show the level of the non-financial risk borne by ING Securities S.A. 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 events logged in the dedicated database and application are reported on an ongoing basis. Further, the Supervisory Board and the Audit Committee are provided with periodical non-financial risk updates.

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. 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+2) and the risk of opening positions in futures/forwards and OTC instruments – the risk of non-provision of margin in the amount required and position closing by ING Securities S.A. with a loss. For all risks, ING Securities S.A. defined credit risk mitigation controls; they were laid down in their regulations and Management Board Resolutions. Credit risk monitoring reports for the retail part are forwarded to the Bank and the President of the Management Board each month and to the Supervisory Board each quarter.

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 internal capital (capital base) and the total capital ratio (or capital adequacy ratio) above the requirement of 8%. Capital adequacy ratio is computed in line with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

The above regulation is in effect since 01 January 2014.

To obtain comparability with the same period of last year, the data as at 31 December 2013 were converted as needed.

Internal capital is managed with the use of the internal methodology of ING Securities S.A.

2. Total risk exposure.

ING Securities uses the following methods to compute the total risk exposure:

- credit risk – standard approach;
- counterparty credit risk – initial exposure valuation approach;
- market risk – standard approach; and
- operational risk – basic indicator approach.

3. Equity (regulated capital earlier) of the Brokerage House comprises:

- Tier 1 capital (primary capital earlier) comprising:

- Equity instruments qualifying as Tier 1 capital (share capital earlier) – this item is 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.
In compliance with CRR/CRD IV, Tier 2 capital and reserves are shown in the below table together as reserves.
- Accumulated total other income (supplementary capital of 2nd category that is revaluation allowance of financial instruments available for sale earlier) – this item is valued based on the price of financial instruments available for sale measured at fair value.

Items reducing Tier 1 capital:

1. Other intangible assets measured at carrying value.

As at 31 December 2014 and 31 December 2013, equity was as follows:

No.	Specification	Balance as at 31.12.2014	Balance as at 31.12.2013
1.	Equity	78 035 646.68	79 891 576.78
2.	Tier 1 capital	78 035 646.68	79 891 576.78
2.1.	Equity instruments qualifying as Tier 1 capital	30 228 640.00	30 228 640.00
2.2.	Reserves	53 499 093.40	53 495 035.60
2.3.	Total accumulated other income	530 016.04	466 994.35
2.4.	Other intangible assets	(-6 222 102.76)	(-4 299 093.17)

As at 31 December 2014 and 31 December 2013, the total risk exposure was:

No.	Individual risk exposures	Balance as at 31.12.2014	Balance as at 31.12.2013
1.	Risk-weighted exposures for credit risk, counterparty credit risk, dilution risk and delivery/settlement risk	73 564 894.85	80 499 611.71
1.1.	Exposure categories under standard approach with securitisation items excluded	73 564 894.85	80 499 611.71
1.1.2.	Exposures towards central government or central banks	0.00	0.00
1.1.3.	Exposures towards regional governments or local authorities	0.00	0.00
1.1.4.	Exposures towards public sector entities	0.00	0.00
1.1.5.	Exposures towards multilateral development banks	0.00	0.00
1.1.6.	Exposures towards international organisations	0.00	0.00
1.1.7.	Exposures towards institutions	37 431 216.41	45 936 290.18
1.1.8.	Exposures towards companies	26 254 187.62	22 513 975.27
1.1.9.	Retail exposures	3 345 261.98	3 610 844.81
1.1.10.	Estate mortgage-backed exposures	0.00	0.00
1.1.11.	Exposures in default	0.00	0.00
1.1.12.	Exposures characterised by particularly high risk	150 007.50	150 007.50
1.1.13.	Exposures being secured bonds	0.00	0.00
1.1.14.	Exposures towards institutions and companies with short-term credit rating	0.00	0.00
1.1.15.	Exposures towards umbrella investment companies	0.00	0.00
1.1.16.	Capital exposures	639 905.68	581 026.42

1.1.17	Other items	5 744 315.66	7 707 467.53
2.	Total exposure for item risk, FX risk and risk of commodity prices	3 236 823.19	3 010 494.53
2.1.	Exposures for item risk, FX risk and risk of commodity prices under standard approach	3 236 823.19	3 010 494.53
2.1.1.	Risk of market debt instruments	0.00	0.00
2.1.2	Risk of share investments	0.00	0.00
2.1.3	FX risk	3 236 823.19	3 010 494.53
2.1.4	Risk of commodity prices	0.00	0.00
3.	Total operational risk exposure	125 033 515.75	148 543 480.38
3.1.	Operational risk under basic indicator approach	125 033 515.75	148 543 480.38
4.	TOTAL RISK EXPOSURE	201 835 233.79	232 053 586.62
5.	Capital adequacy ratio	38.7%	34.4%

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.

6. Internal capital amount

As at 31 December 2014 and 31 December 2013, the internal capital structure was as follows:

No.	Specification	Balance as at 31.12.2014	Balance as at 31.12.2013
1.	Operational (non-financial) risk	6 034 746.93	8 191 663.47
2.	Business risk	7 663 896.00	16 960 943.49
3.	Risk of capital ties	2 243 386.22	3 816 289.95
4.	Credit risk	3 452 193.42	1 782 062.75
	Internal capital total	19 394 222.58	30 750 959.66
	Internal capital to equity ratio	24.9%	38.5%

Hedge accounting principles applied

The Brokerage House did not apply hedge accounting in 2014 or 2013.

Planned transaction or firm commitment hedging

The Brokerage House did not apply hedge accounting in 2014 or 2013.

Hedge instrument valuation profit or loss recognition in revaluation allowance

The Brokerage House did not apply hedge accounting in 2014 or 2013.

7. Equity and total risk exposure

Specification	31.12.2014	31.12.2013	Average monthly amounts in the reporting period											
			January	February	March	April	May	June	July	August	September	October	November	December
I. EQUITY	78 035 646.68	79 891 576.78	79 896 674.56	79 888 509.93	79 909 281.51	79 860 975.95	79 678 600.21	79 533 850.64	79 542 799.45	78 822 031.52	77 947 685.09	77 217 917.01	75 706 391.19	75 099 472.85
1. Tier 1 capital, including:	78 035 646.68	79 891 576.78	79 896 674.56	79 888 509.93	79 909 281.51	79 860 975.95	79 678 600.21	79 533 850.64	79 542 799.45	78 822 031.52	77 947 685.09	77 217 917.01	75 706 391.19	75 099 472.85
1.1. Equity instruments qualifying as Tier 1 capital	30 228 640.00	30 228 640.00	30 228 640.00	30 228 640.00	30 228 640.00	30 228 640.00	30 228 640.00	30 228 640.00	30 228 640.00	30 228 640.00	30 228 640.00	30 228 640.00	30 228 640.00	30 228 640.00
1.2. Retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(-4 642.37)	(-153 467.55)	(-1 058 346.34)	(-1 460 076.34)	(-2 165 432.28)
1.3. Total accumulated other income	530 016.04	466 994.35	465 564.66	440 428.60	437 141.78	441 256.77	424 407.99	416 401.05	436 149.74	402 333.65	423 515.40	427 985.13	497 737.36	540 243.27
1.4. Reserves	53 499 093.40	53 495 035.60	53 495 035.60	53 495 035.60	53 495 035.60	53 495 035.60	53 496 967.89	53 499 093.40	53 499 093.40	53 499 093.40	53 499 093.40	53 499 093.40	53 499 093.40	53 499 093.40
1.5. Other intangible assets	(-6 222 102.76)	(-4 299 093.17)	(-4 292 565.70)	(-4 275 594.27)	(-4 251 535.86)	(-4 303 956.43)	(-4 471 415.67)	(-4 610 283.81)	(-4 616 441.32)	(-5 154 567.98)	(-5 145 217.36)	(-5 477 725.18)	(-6 353 647.28)	(-6 252 723.83)
2. Tier 1 additional 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
3. Tier 2 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 RISK EXPOSURE	201 835 233.79	232 053 586.62	252 169 267.10	237 035 558.80	239 006 253.34	234 512 592.31	240 533 889.58	244 411 646.98	254 060 073.21	231 689 825.54	228 943 900.31	221 729 114.59	219 345 625.87	223 922 349.40
1. Risk-weighted exposures for credit risk, counterparty credit risk, dilution risk and delivery/settlement risk, including:	73 564 894.85	80 499 611.71	103 625 786.73	88 492 078.43	96 984 003.11	95 018 115.65	92 904 568.34	96 636 114.23	98 266 121.11	91 327 940.55	94 397 447.26	86 930 782.66	82 728 903.22	88 952 960.79
1.1. Institutions	37 431 216.41	45 936 290.18	69 939 841.94	50 267 088.90	52 586 805.53	51 176 746.71	47 805 285.46	51 186 020.13	47 925 283.26	43 007 513.15	44 185 789.95	41 484 203.06	40 029 212.56	43 700 543.68
1.2. Companies	26 254 187.62	22 513 975.27	20 632 646.25	24 343 743.46	29 544 541.13	30 378 591.82	31 899 028.92	31 940 831.55	30 833 070.60	27 825 924.30	31 659 018.22	26 502 852.74	26 989 976.70	28 858 367.08
1.3. Retail exposures	3 345 261.98	3 610 844.81	7 045 897.32	7 943 728.36	8 466 342.05	6 827 279.88	5 751 159.19	5 228 039.42	5 069 353.82	5 734 118.64	7 113 628.76	5 724 787.01	5 087 354.60	5 010 292.56
1.4. Exposures characterised by particularly high risk	150 007.50	150 007.50	150 007.50	150 007.50	150 007.50	150 007.50	150 007.50	150 007.50	150 007.50	150 007.50	150 007.50	150 007.50	150 007.50	150 007.50
1.5. Capital exposures	639 905.68	581 026.42	579 494.34	548 606.52	544 226.42	549 177.74	528 690.20	518 705.42	542 946.42	501 198.42	527 349.15	532 866.42	618 980.74	670 461.00
1.6. Other items	5 744 315.66	7 707 467.53	5 277 899.37	5 238 903.68	5 692 080.47	5 936 312.01	6 770 397.07	7 612 510.22	13 745 459.51	14 109 178.54	10 761 653.69	12 536 065.92	9 853 371.11	10 563 288.96
2. Total exposure for item risk, FX risk and risk of commodity prices, including:	3 236 823.19	3 010 494.53	0.00	0.00	1 315 424.73	14 460 960.91	22 595 805.49	22 742 017.00	30 760 436.34	15 328 369.24	9 512 937.31	9 764 816.18	11 583 206.90	9 935 872.87
2.1. FX risk	3 236 823.19	3 010 494.53	0.00	0.00	1 315 424.73	14 460 960.91	22 595 805.49	22 742 017.00	30 760 436.34	15 328 369.24	9 512 937.31	9 764 816.18	11 583 206.90	9 935 872.87
3. Total operational risk exposure	125 033 515.75	148 543 480.38	148 543 480.38	148 543 480.38	140 706 825.50	125 033 515.75	125 033 515.75	125 033 515.75	125 033 515.75	125 033 515.75	125 033 515.75	125 033 515.75	125 033 515.75	125 033 515.75
4. Total delivery/settlement risk exposure	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
5. Additional exposure for risk of fixed overheads	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. Total credit valuation adjustment risk exposure	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
7. Total exposure for risk of large exposures in the trading portfolio	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. Other risk exposures	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
III. TOTAL CAPITAL RATIO	38.66%	34.44%	32.25%	33.71%	33.53%	34.23%	33.36%	32.72%	31.49%	34.23%	34.07%	34.87%	34.52%	33.61%

8. Capital adequacy non-compliance

In 2014, there were no instances of capital adequacy non-compliance at ING Securities S.A. In 2013, there were no instances of regulated capital violation at ING Securities S.A.

SUPPLEMENTARY DATA ON ASSETS AND LIABILITIES

Note 1

Cash

Type	31.12.2014	31.12.2013
1. Clients' cash on hand and in banks	9 331 672.35	6 660 227.09
2. Clients' cash deposited in debt securities issued by the State Treasury	0.00	0.00
3. Other clients' cash – O/N deposits	129 273 628.83	167 791 479.89
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	55 415 294.35	73 519 655.84
Cash total	194 020 595.53	247 971 362.82

Note 2

Short-term receivables

Type	31.12.2014	31.12.2013
Gross receivables – total	62 901 400.20	52 193 501.13
Receivables write-offs	1 272 879.25	1 279 249.24
Compensation Fund provision	4 149 603.17	3 830 693.83
Net receivables – total	57 478 917.78	47 083 558.06

Note 3

Long-term receivables

Type	31.12.2014	31.12.2013
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	31.12.2014	31.12.2013
Receivables	62 901 400.20	52 193 501.13
– gross receivables to 1 year – total	61 628 520.95	50 914 251.89
– receivables write-offs	4 149 603.17	3 830 693.83
– above 1 year	0.00	0.00
– gross overdue receivables – total	1 272 879.25	1 279 249.24
– overdue receivables write-offs	1 272 879.25	1 279 249.24

Note 5

Client receivables

Type	31.12.2014	31.12.2013
– receivables under deferred payment	4 460 349.31	4 814 459.74
– receivables from foreign brokers	158 478.78	69 011.49
– receivables from depositaries under made but not settled transactions and commissions	15 563 546.98	7 269 615.01
– receivables under brokerage services	294 309.48	285 409.28
– client receivables under foreign market trades	0.00	2 724 196.61
– other receivables	63 141.12	669 680.45
– 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	781 418.83	787 568.82
Gross client receivables	21 321 244.50	16 619 941.40
– client receivables write-offs	781 418.83	787 568.82
Net client receivables	20 539 825.67	15 832 372.58

Note 5.1.

Client receivables write-offs

Type	2014	2013
Opening balance	787 568.82	1 008 078.48
Increase	34 598.92	140 914.87
– receivables write-off formation	34 598.92	140 914.87
Decrease	40 748.91	361 424.53
– receivables write-off release (income)	40 748.91	2 787.60
– receivables cancellation (write-off)	0.00	358 636.93
Closing balance	781 418.83	787 568.82

Note 6

Receivables from related entities

Type	31.12.2014	31.12.2013
– receivables from the parent company (ING Bank Śląski S.A.)	9 051.38	20 069.95
– 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	9 051.38	20 069.95

Note 7

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

Type	31.12.2014	31.12.2013
– receivables under WSE trading	10 578 649.71	8 741 631.64
– 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	0.00	517.39
Gross receivables from banks pursuing brokerage activity, other brokerage houses and commodities brokerage houses	10 578 649.71	8 742 149.03
– 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	10 578 649.71	8 742 149.03

Note 8

Receivables from the Central Depository and stock exchange clearing chambers

Type	31.12.2014	31.12.2013
– receivables under settlement fund transfers	8 625 813.68	8 122 750.06
– receivables under compensation fund transfers	5 688 995.03	5 254 184.24
– own margin for forwards/futures	11 000 000.00	5 000 000.00
– margin for clients' forwards/futures	2 455 676.81	3 422 735.50
– settlement fund overpayment	2 166 631.21	1 320 270.87
– other	151 373.89	123 846.57
Gross receivables from the Central Depository and stock exchange clearing chambers	30 088 490.62	23 243 787.24
– compensation fund provision	4 149 603.17	3 830 693.83
Net receivables from the Central Depository and stock exchange clearing chambers	25 938 887.45	19 413 093.41

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 2014 or 31 December 2013.

Compensation Fund provision

Type	2014	2013
Opening balance	3 830 693.83	3 512 983.87
<i>Increase</i>	<i>318 909.34</i>	<i>317 709.96</i>
– Compensation Fund provisioning	318 909.34	317 709.96
<i>Decrease</i>	<i>0.00</i>	<i>0.00</i>
– Compensation Fund provision release	0.00	0.00
Closing balance	4 149 603.17	3 830 693.83

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 2014 or 31 December 2013.

Note 10

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

Type	31.12.2014	31.12.2013
Receivables from mutual funds societies		
– Pioneer Pekao Towarzystwo Funduszy Inwestycyjnych S.A.	1 841.10	0.00
– SECUS Pierwszy Fundusz Inwestycyjny Spółek Niepublicznych S.A.	2 544.26	2 550.43
– ING Towarzystwo Funduszy Inwestycyjnych S.A.	656.61	0.00
– INVENTUM Towarzystwo Funduszy Inwestycyjnych S.A.	134.71	0.00
Receivables from mutual and pension funds societies and mutual and pension funds	5 176.68	2 550.43

Note 11

Other receivables

Type	31.12.2014	31.12.2013
– counterparty receivables	18 539.98	92 848.14
– employee receivables	7 720.89	32 219.50
– receivables under orders processed incorrectly	668.99	86 024.16
– disputable receivables	491 460.42	491 680.42
– other receivables	50.03	2 832 809.97
Gross receivables	518 440.31	3 535 582.19
– receivables write-offs	491 460.42	491 680.42
Net receivables	26 979.89	3 043 901.77

Note 11.1

Other receivables write-offs

Type	2014	2013
Opening balance	491 680.42	499 479.29
Increase	0.00	3 009.13
– loss receivables write-off formation	0.00	3 009.13
Decrease	220.00	10 808.00
– receivables write-off release (income)	220.00	10 808.00
Closing balance	491 460.42	491 680.42

Note 12

Financial instruments held for trading

ING Securities S.A. S.A. acts as an agent in back-to-back OTC contracts. On this market, purchase and sale transactions of currency pairs are made.

ING Securities S.A. reports OTC instruments on off-balance sheet accounts.

2014

Specification	Currency purchased	Currency sold
TOTAL	97 314 645.28	96 873 787.92
1. FX Spot	63 142 051.87	62 780 061.65
– PLN FX Spot	11 100 578.33	19 192 364.41
– HUF FX Spot	85 253.39	140 930.68
– TRY FX Spot	32 722.89	138 724.98
– ZAR FX Spot	24 631.22	79 325.17
– AUD FX Spot	2 067 956.75	2 778 384.41
– JPY FX Spot	4 763 746.96	4 470 447.42
– USD FX Spot	22 311 341.64	14 661 549.80
– CAD FX Spot	489 684.37	425 974.57
– GBP FX Spot	3 730 658.98	1 450 487.14
– NOK FX Spot	7 812.96	105 068.55
– CHF FX Spot	336 851.19	196 537.03
– SEK FX Spot	43 755.40	1 834 526.90
– EUR FX Spot	18 147 057.79	17 305 740.59
2. FX Swap	34 160 953.67	34 082 028.48
– PLN FX Swap	17 707 313.17	9 277 649.91
– HUF FX Swap	55 461.69	0.00
– TRY FX Swap	162 653.56	55 423.01
– ZAR FX Swap	108 896.58	52 526.45
– AUD FX Swap	1 249 235.57	531 474.00
– JPY FX Swap	30 113.62	323 902.46
– USD FX Swap	6 103 075.62	13 680 903.88
– CAD FX Swap	117 016.71	177 863.80
– GBP FX Swap	2 427 739.04	4 693 270.25
– NOK FX Swap	204 625.93	102 074.75
– CHF FX Swap	27 204.33	166 209.64
– SEK FX Swap	1 807 613.05	25 314.73
– EUR FX Swap	4 160 004.80	4 995 415.60
3. FX Forward	11 639.74	11 697.79
– PLN FX Forward	2 195.19	9 510.42
– TRY FX Forward	0.00	0.72
– ZAR FX Forward	0.00	304.95
– AUD FX Forward	0.00	753.03
– USD FX Forward	0.00	627.26
– CAD FX Forward	0.00	7.32
– GBP FX Forward	83.94	0.00
– NOK FX Forward	0.00	494.09
– SEK FX Forward	9 360.61	0.00

ING Securities S.A. did not have such an item in 2013.

Note 13

Shares (participations) recognised as financial assets available for sale

2014

Entity and the legal form	Registered office	Company objects	Shares (participations) 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	639 800.00	0.03
Regnon S.A.	Katowice	manufacturing, repair and distribution of consumer electronics	105.68	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			739 910.68	

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	

Note 13.1

Shares (participations) recognised as financial assets available for sale

2014

Specification	Opening balance (01.01.2014)	Increase	Increase total	Decrease Total	Closing balance (31.12.2014)
		revaluation			
GPW S.A. (WSE)	581 000.00	58 800.00	58 800.00	0.00	639 800.00
Regnon S.A.*	26.42	79.26	79.26	0.00	105.68
Walcownia Rur "Jedność" Sp. z o.o. [rolling mill]	1.00	0.00	0.00	0.00	1.00
Huta "Gliwice" S.A. w upadłości [still mill in bankruptcy]	1.00	0.00	0.00	0.00	1.00
Huta "Batory" S.A. [steel mill]	1.00	0.00	0.00	0.00	1.00
Huta "Jedność" S.A. [steel mill]	1.00	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	100 000.00
Huta "Łaziska" S.A. [steel mill]	1.00	0.00	0.00	0.00	1.00
Stocznia "Gdynia" S.A.** [shipyard]	0.00	0.00	0.00	0.00	0.00
Total	681 031.42	58 879.26	58 879.26	0.00	739 910.68

* 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**

2013

Specification	Opening balance (01.01.2013)	Increase		Increase total	Decrease		Closing balance (31.12.2013)
		revaluation	other		revaluation	Decrease Total	
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. w upadłości [still mill in bankruptcy]	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**

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 2014 or 31 December 2013.

Note 15

Revaluation details for fixed assets by category

2014

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 – 01.01.2014	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
2.	Increase	442 189.18	297 595.67	99 720.13	0.00	0.00	7 081.11	37 792.27	0.00
	– purchase	161 392.46	16 798.95	99 720.13	0.00	0.00	7 081.11	37 792.27	0.00
	– investment recognition as assets	280 796.72	280 796.72	0.00	0.00	0.00	0.00	0.00	0.00
3.	Decrease	979 326.02	0.00	648 769.67	1 547.49	0.00	7 058.88	36 495.71	285 454.27
	– sale	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	– derecognition	693 871.75	0.00	648 769.67	1 547.49	0.00	7 058.88	36 495.71	0.00
	– re-booking from assets under construction to assets	280 796.72	0.00	0.00	0.00	0.00	0.00	0.00	280 796.72
	– re-booking from assets under construction to other costs	4 657.55	0.00	0.00	0.00	0.00	0.00	0.00	4 657.55
4.	Closing gross value – 31.12.2014	6 819 829.00	964 925.84	4 243 970.83	396 931.98	0.00	421 311.21	792 689.14	0.00
No.	DEPRECIATION	Total	category 1	category 4	category 6	category 7	category 8	category 9	Fixed assets under construction
5.	Opening depreciation – 01.01.2014	6 563 330.77	646 987.07	4 617 293.60	324 014.51	0.00	183 643.01	791 392.58	0.00
6.	Increase	242 251.19	29 822.48	109 671.44	15 427.68	0.00	49 537.32	37 792.27	0.00
	– depreciation	242 251.19	29 822.48	109 671.44	15 427.68	0.00	49 537.32	37 792.27	0.00
7.	Decrease	692 457.65	0.00	647 355.57	1 547.49	0.00	7 058.88	36 495.71	0.00
	– sale	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	– derecognition	692 457.65	0.00	647 355.57	1 547.49	0.00	7 058.88	36 495.71	0.00
	– donation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8.	Closing depreciation – 31.12.2014	6 113 124.31	676 809.55	4 079 609.47	337 894.70	0.00	226 121.45	792 689.14	0.00
9.	Opening net value – 01.01.2014	793 635.07	20 343.10	175 726.77	74 464.96	0.00	237 645.97	0.00	285 454.27
10.	Closing net value – 31.12.2014	706 704.69	288 116.29	164 361.36	59 037.28	0.00	195 189.76	0.00	0.00

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 2014.

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.

Note 15.1

Data on tangible fixed assets

Type	31.12.2014	31.12.2013
– gross value of tangible fixed assets	6 819 829.00	7 356 965.84
– depreciation	6 113 124.31	6 563 330.77
Net value of tangible fixed assets	706 704.69	793 635.07
– value of fixed assets neither depreciated nor written off by the Brokerage House, used under rent, tenancy or other lease contracts.	702 193.48	672 523.64

As at 31 December 2014 and as at 31 December 2013, the Company did not have any land in perpetual usufruct.

As at 31 December 2014 and as at 31 December 2013, the Company did not have any fixed assets under financial lease contracts.

As at 31 December 2014 and as at 31 December 2013, the Company did not have any liabilities assumed to fund fixed assets under construction.

As at 31 December 2014, the Company used fixed assets worth approximately PLN 702,000 under the operating lease, rent, tenancy and other contracts (save for financial lease ones) (31 December 2013: PLN 673,000).

Capital expenditure made in the current financial year totalled PLN 161,000 (2013: PLN 781,000); it did not cover the environment protection expenses (as was the case in 2013).

The Company does not plan any capital expenditure in 2015*.

* 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. Lease 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	2014	2013
< 1 year	185 370.15	144 246.98
from 1 to 5 years	221 041.75	126 857.53
> 5 years	0.00	0.00

Note 17

Intangible assets

2014

GROSS VALUE	Total, including:	Intangible assets	Advance payments for intangible assets
1. Opening gross value – 01.01.2014	7 710 780.44	3 984 858.76	3 725 921.68
2. Increase	7 828 338.53	5 669 934.53	2 158 404.00
– purchase	2 526 540.85	368 136.85	2 158 404.00
– rebooking from advance payment to intangible assets	5 301 797.68	5 301 797.68	0.00
3. Decrease	5 301 797.68	0.00	5 301 797.68
– rebooking from advance payment to intangible assets	5 301 797.68	0.00	5 301 797.68
4. Closing gross value – 31.12.2014	10 237 321.29	9 654 793.29	582 528.00*
AMORTISATION	Total, including:	Intangible assets	Advance payments for intangible assets
5. Opening depreciation – 01.01.2014	3 411 687.27	3 411 687.27	0.00
6. Increase	603 531.26	603 531.26	0.00
– depreciation	603 531.26	603 531.26	0.00
7. Decrease	0.00	0.00	0.00
8. Closing depreciation – 31.12.2014	4 015 218.53	4 015 218.53	0.00
9. Opening net value – 01.01.2014	4 299 093.17	573 171.49	3 725 921.68
10. Closing net value – 31.12.2014	6 222 102.76	5 639 574.76	582 528.00

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

* advance payment for purchase of ARGOS MBO software (PLN 527,000) and ARGOS OMS software (PLN 55,000)

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

Note 18

Deferred cost accruals and charges

Type	31.12.2014	31.12.2013
Short-term deferred accruals and charges, including:	6 373 943.70	6 690 538.50
Short-term deferred cost accruals and charges:	4 676 018.59	5 146 752.69
– reward and bonus accruals	2 417 033.62	1 797 340.21
– non-invoiced services	964 744.69	2 207 340.00
– costs of Central Securities Depository of Poland contributions	490 691.77	552 932.85
– unused holiday provision	690 218.53	589 139.63
– cost provision (rent holidays)	113 329.98	0.00
Long-term deferred income accruals and charges:	1 697 925.11	1 543 785.81
– compensation fund income	1 697 925.11	1 543 785.81

Type	31.12.2014	31.12.2013
Short-term cost accruals and prepayments, including:	702 724.35	500 155.38
Expenses paid upfront	507 624.35	314 605.38
– subscriptions	13 710.71	18 997.28
– other internal administration expenses (including fees)	493 913.64	295 608.10
Deferred income	195 100.00	185 550.00
Long-term accruals and prepayments:	872 761.00	923 624.00
– deferred income tax	872 761.00	923 624.00

Note 18.1

Change in deferred tax assets

Change in deferred tax assets	2014	2013
1. Opening deferred assets, including:	923 624.00	1 152 929.00
2. Increase	744 723.00	953 167.00
a) deferred tax assets formation	744 723.00	953 167.00
3. Decrease	795 586.00	1 182 472.00
a) deferred tax assets decrease	795 586.00	1 182 472.00
4. Closing total deferred tax assets	872 761.00	923 624.00

Note 19

Short-term liabilities

Type	31.12.2014	31.12.2013
to 1 year	169 644 602.98	205 420 343.71
with overdue maturity	0.00	0.00
Total short-term liabilities	169 644 602.98	205 420 343.71

Note 20

Client liabilities

Type	31.12.2014	31.12.2013
Liabilities under funds in clients' accounts including liabilities under made but not settled transactions	139 885 368.69	180 951 797.40
Depositaries' liabilities under stock trading	23 080 787.66	13 375 302.28
Dividend liabilities	2 719 579.16	982 573.68
Balances of closed securities accounts	102 126.01	91 739.01
Liabilities under bond coupon redemption, payments to purchase bonds and cancellation of participation units	6 074.16	6 461.33
Share repurchase liabilities	1 931 159.32	1 935 799.32
Client liabilities under foreign market trading	0.00	2 828 045.14
Interest on funds in clients' accounts	1 821.85	3 072.44
Other liabilities	251 591.31	0.00
Client liabilities	167 978 508.16	200 174 790.60

Note 21

Liabilities to related entities

Type	31.12.2014	31.12.2013
Liabilities to entities with capital ties, including:	8 425.00	1 346 166.81
– liabilities to the parent company (ING Bank Śląski S.A.)	8 425.00	1 346 166.81
– 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	31.12.2014	31.12.2013
– liabilities under WSE trading	10 148.64	168 468.08
– 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
3. To banks pursuing brokerage activity, other brokerage houses and commodities brokerage houses	10 148.64	168 468.08

Note 23

Liabilities to the Central Depository and stock exchange clearing chambers

Type	31.12.2014	31.12.2013
– settlement fund extra payment liabilities	0.00	0.00
– other	49 414.87	10 763.80
Liabilities to the Central Depository and stock exchange clearing chambers	49 414.87	10 763.80

Note 24

Liabilities to entities managing regulated markets and commodities exchanges

Type	31.12.2014	31.12.2013
– liabilities to GPW S.A.	95 655.58	0.00
– liabilities to BondSpot S.A.	0.00	0.00
Liabilities to entities managing regulated markets and commodities exchanges	95 655.58	0.00

Note 25

Liabilities to securities issuers or selling shareholders

Type	31.12.2014	31.12.2013
– Liabilities to securities issuers or selling shareholders	0.00	0.00
Liabilities to securities issuers or selling shareholders	0.00	0.00

Note 26

Liabilities under taxes, customs and social insurance

Type	31.12.2014	31.12.2013
– corporate income tax – non-residents	0.00	0.00
– personal income tax – employees	204 420.00	190 869.00
– personal income tax – clients	138 408.73	87 366.28
– Social Insurance Institution payments	303 929.42	290 144.17
– National Disabled Persons Rehabilitation Fund payments	11 004.01	10 607.00
– value-added tax	13 333.36	0.00
Liabilities under taxes, customs and social insurance	671 095.52	578 986.45

Note 27

Credit facilities and loans from related entities

The Company did not have credit facilities or loans from related entities 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 2014 or 31 December 2013.

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 2014 or 31 December 2013.

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 2014 or 31 December 2013.

Note 31

Other liabilities

Type	31.12.2014	31.12.2013
– trade liabilities	708 597.95	597 888.50
– other liabilities	122 300.16	2 542 880.42
Other liabilities	830 898.11	3 140 768.92

Note 32

Provisions

Type	2014	2013
Provision for pensions and similar benefits		
Opening balance	573 139.53	548 115.95
Increase	61 986.14	73 201.51
– pension provisioning	61 986.14	73 201.51
Decrease	18 924.43	48 177.93
– pension provision release	0.00	0.00
– actuarial gains under changes to demographic assumptions carried through revaluation allowance	18 924.43	48 177.93
Closing balance	616 201.24	573 139.53

Type	2014	2013
Future liabilities provision		
Opening balance	113 927.07	113 927.07
Increase	0.00	0.00
– provision formation	0.00	0.00
Decrease	0.00	0.00
– provision release	0.00	0.00
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	2014 (proposal)*	2013 (actuals)
Tier 2	0.00	0.00
Reserves	178 732.04	4 057.80
Dividend to the owner	0.00	5 259 783.36
Total:	178 732.04	5 263 841.16

* data not reviewed by the chartered auditor

Note 35

Categories of liabilities backed with the Brokerage House's assets

As at 31 December 2014 and as at 31 December 2013, the Company did not have any liabilities backed with their assets.

Note 36

Contingent liabilities

As at 31 December 2014 and as at 31 December 2013, the Company did not have any contingent liabilities.

Note 37

Collateral granted

See Note 35.

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.

	31.12.2014	31.12.2013
Clients' financial instruments by category:	4 442 235 849.46	5 168 783 127.57
1) dematerialized financial instruments, including:	4 309 813 678.85	4 892 655 706.96
– admitted to trading in the regulated market	4 149 728 851.68	4 363 829 258.32
2) non-dematerialized financial instruments	132 422 170.61	276 127 420.61

Note 39

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

As at 31 December 2014 and as at 31 December 2013, 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 31.12.2014	Year ended 31.12.2013
Other brokerage activity income:	5 513 090.48	2 823 244.11
– Issue Sponsor function	165 372.20	165 221.85
– service of companies in the OTC market (inter alia service of large sale transactions outside the stock exchange sessions or calls to sell)	3 409 459.09	1 527 076.42
– securities deposit maintenance	475 356.04	420 215.78
– other fees and commissions from corporate entities and private individuals	352 360.25	552 242.26
– commission on participation in promotion of ING TURBO instruments	699 989.15	0.00
– fees for specialist analytical services	396 746.00	0.00
– provision of other brokerage services	13 807.75	158 487.80

Type	Year ended 31.12.2014	Year ended 31.12.2013
Other brokerage activity expenses:	780 313.82	1 521 444.61
– charged commission adjustment	49 653.37	3 712.45
– material costs – business trips	224 668.31	309 647.12
– office maintenance expenses	230 722.30	210 757.01
– advisory and consulting services fees	203 833.91	925 893.95
– property administration and insurance costs	46 075.36	61 770.57
– other	25 360.57	9 663.51

Note 41

Other operating income/expenses

Type	Year ended 31.12.2014	Year ended 31.12.2013
Other operating income:	2 069 672.37	1 371 919.91
– profit from sale of tangible fixed assets	795.90	6 230.00
– income on settlement fund reserve share	584 667.14	562 467.87
– income on settlement of incorrectly processed orders	204 107.70	486 782.56
– income on differences from settlements of purchase/sale transactions in financial instruments with clients, made at the average price	65 508.86	153 584.93
– income on release of the provision for past-year services costs	1 027 200.00	0.00
– other	187 392.77	162 854.55

Type	Year ended 31.12.2014	Year ended 31.12.2013
Other operating costs:	991 267.51	1 449 227.14
– donations	60 000.00	60 000.00
– written-off receivables	220.00	11 496.21
– costs of settlement of incorrectly processed orders	549 080.41	839 646.35
– costs of differences from settlements of purchase/sale transactions in financial instruments with clients, made at the average price	213 458.52	476 842.83
– other	168 508.58	61 241.75

Note 42

Interest on term deposits and other deposits

Type	Year ended 31.12.2014	Year ended 31.12.2013
Total interest on term deposits and other deposits:	4 356 071.98	5 433 542.04
– interest on own term deposits and other deposits	1 241 980.17	1 858 191.28
– interest on client funds	3 114 091.81	3 575 350.76

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 2014 and 31 December 2013, 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 2014 and 31 December 2013, 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 2014 and 31 December 2013, 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 31.12.2014</i>	<i>Year ended 31.12.2013</i>
I. Gross profit	436 890.04	6 687 283.16
II. Costs and losses not recognised as tax deductibles by the tax laws	6 062 264.45	5 093 225.85
1. Receivables write-offs	34 598.92	143 924.00
2. Provisions for future liabilities under personnel and material costs	4 132 188.26	4 216 661.65
3. Costs to pay under client interest	1 821.85	3 072.44
4. Depreciation/amortisation	0.00	131 026.70
5. Fines	50 319.02	0.00
6. National Disabled Persons Rehabilitation Fund provision	136 459.01	128 609.00
7. Chamber of Brokerage Houses contribution	91 200.00	91 200.00
8. Unrealised negative FX differences	0.00	67 623.44
9. Representation costs	113 032.15	207 572.35
10. Written-off receivables	122 939.27	11 496.21
11. Public benefit organisations donations	30 000.00	30 000.00
12. Other donations	30 000.00	30 000.00
13. Unpaid account maintenance fees	1 161 640.52	0.00
14. Other	158 065.45	32 040.06
III. Income not recognised in the tax base under the tax laws	2 659 560.19	2 349 723.57
1. Deferred interest income	82 880.77	295 209.94
2. Dividends	16 800.00	10 920.00
3. Receivables write-off decrease	40 968.91	13 595.60
4. Release of unused provision for personnel and material costs	1 914 324.35	2 029 998.03
6. Unrealised positive FX differences	0.00	0.00
5. Unrealised positive FX differences	163 146.48	0.00
6. Unrealised income on valuation of OTC instruments	441 439.68	0.00
Other changes in the tax base under the tax laws	2 657 569.27	3 052 317.38
– costs of past-year remuneration and mark-ups paid in the subsequent year	1 001 677.48	1 903 045.76
– other tax deductibles	1 883 257.30	1 569 957.55
– other taxable income	(-227 365.51)	(-420 685.93)
IV. Tax base	1 182 025.03	6 378 468.06
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	1 152 025.03	6 348 468.06
VII. PLN tax base	1 152 025.00	6 348 469.00
VIII. Income tax 19% of tax base	218 885.00	1 206 209.00
IX. Tax withheld on dividends received	0.00	0.00
X. Income tax – public liability	218 885.00	1 206 209.00

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 31.12.2014</i>	<i>Year ended 31.12.2013</i>
I.	Income tax – public liability	218 885.00	1 206 209.00
1.	Dividend tax	3 192.00	2 075.00
2.	Change in deferred tax in the period	36 081.00	215 158.00
3.	Past-year tax adjustment	0.00	0.00
II.	Total gross profit charges	258 158.00	1 423 442.00

Note 48

Deferred tax assets and provisions

	<i>Year ended 31.12.2014</i>	<i>Year ended 31.12.2013</i>	
I. Positive temporary differences by category	1 665 167.04	437 947.41	
1.	Interest on term deposits and other receivables – accrued	383 142.25	437 947.41
2.	Difference between balance and tax amortisation/depreciation	416 770.78	0.00
3.	Unrealised positive FX differences	163 146.48	0.00
4.	Costs to settle (rent holidays)	260 667.85	0.00
5.	Unrealised income on valuation of OTC instruments	441 439.68	0.00
II. Deferred tax provisioning base	1 665 167.00	437 947.00	
III. Deferred income tax provision carried through profit or loss	316 382.00	83 210.00	
IV. Negative temporary differences by category	(-6 912 984.58)	(-5 875 665.10)	
1.	Provision for remuneration liabilities	(-2 698 268.63)	(-1 797 340.21)
2.	Provision for liabilities under internal administration expenses	(-1 530 335.53)	(-2 797 171.92)
3.	Interest accrued to pay on term deposits	(-1 821.85)	(-3 072.44)
4.	Pension provision	(-683 303.60)	(-621 317.46)
5.	Unused holiday provision	(-690 218.53)	(-589 139.63)
6.	Unrealised negative FX differences	0.00	(-67 623.44)
7.	Unpaid account maintenance fees	(-1 161 640.52)	0.00
8.	Other	(-147 395.92)	0.00
V. Deferred tax assets base	(-6 912 985.00)	(-5 875 665.00)	
VI. Deferred tax assets carried through profit or loss	(-1 313 467.00)	(-1 116 376.00)	
VII. Positive temporary differences by category	664 802.36	587 077.93	
1.	Revaluation of assets available for sale	597 700.00	538 900.00
2.	Unrecognised actuarial profits/losses	67 102.36	48 177.93
VIII. Deferred income tax provision carried through revaluation allowance	126 312.00	111 545.00	
IX. Negative temporary differences by category	(-10 462.32)	(-10 541.58)	
1.	Revaluation of assets available for sale	(-10 462.32)	(-10 541.58)
X. Deferred tax assets carried through revaluation allowance	(-1 988.00)	(-2 003.00)	
XI. Deferred tax – carrying amount (assets)	(-872 761.00)	(-923 624.00)	

SUPPLEMENTARY DATA FOR CASH FLOW STATEMENT

Note 49A

Opening cash

Opening cash balance	01.01.2014	01.01.2013
– cash and other financial resources	1 000 000.00	0.00
– current accounts 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 49B

Closing cash

Closing cash balance	31.12.2014	31.12.2013
– cash and other financial resources	1 000 000.00	1 000 000.00
– current accounts and term deposits at other banks	10 820 341.08	9 157 935.18
– current accounts and term deposits with ING Bank Śląski S.A.	182 191 195.09	237 804 226.00
– cash on hand and in domestic brokers	9 059.36	9 201.64
Cash total, including:	194 020 595.53	247 971 362.82
– clients' cash	138 605 301.18	174 451 706.98
– own cash	55 415 294.35	73 519 655.84

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

2014

Type	Balance change	Cash flow change	Difference	Explanation
1. Receivables	(-10 395 359.72)	(-10 707 899.07)	(-312 539.35)	the difference is the change in receivables write-offs and compensation fund provision
2. Receivables write-offs and provisions	43 061.71	374 525.49	331 463.78	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	(-468 300.77)	(-483 082.77)	(-14 782.00)	the difference is the change in deferred tax assets and provisions carried through revaluation allowance

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

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 2014 nor in 2013 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 2014, the Company had a pledge on T-bonds granted by ING Bank Śląski S.A. of PLN 42,019,600.00 and a guarantee line with the limit of PLN 5,000,000.00. As at 31 December 2013, the Company had a pledge on T-bonds of PLN 42,993,600.00 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	01.01.2014 – 31.12.2014	01.01.2013 – 31.12.2013
1) Average headcount (FTEs)	123	121
2) Management Board Members emoluments	3 001 933.20	3 005 652.51
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: <ul style="list-style-type: none"> – management board members, managers and supervisory bodies members of the Brokerage House or related entities, – 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, – 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 2014 and 2013, 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 did not incur any costs thereunder in 2014. In the previous year, the Company incurred programme management expenses of **PLN 12,360.00**.

Note 54

Fee of the entity authorised to audit the financial statements

Type	Year ended 31.12.2014	Year ended 31.12.2013
Fee for audit of the Financial Statements (gross)	63 040.00	63 040.00
Other attestation services fees	30 750.00	30 750.00
Advisory and consulting services fees	0.00	0.00
Other services fees	66 420.00	0.00

Note 55

Balance of liabilities to and receivables from entities with capital ties

PLN

Entity	Capital ties	Company capital share	Liabilities	Receivables
			31.12.2014	
ING Bank Śląski S.A.	parent company	100	8.425.00 ¹	182.200.246.47 ²
			31.12.2013	
ING Bank Śląski S.A.	parent company	100	1.346.166.81	237.824.295.95

¹ The liabilities to ING Bank Śląski S.A. are first and foremost the Bank liabilities under maintenance expenses.

² 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 182,191,195.09**; and as "short-term receivables from related entities" in the amount of **PLN 9,051.38**.

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 2014 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 2014 ranged from **PLN 4,162.03** to **PLN 165,422,413.00**.

In 2014, ING Securities S.A. SA acted as a middleman in conclusion of a securities purchase/sale transaction totalling **PLN 2,716,184,605.22** in clients' accounts held with ING Bank Śląski S.A. (as a depositary) while in the same period of 2013 such transactions totalled **PLN 2,044,937,253.71**.

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

Entity	2014		2013	
	Receivables	Liabilities	Receivables	Liabilities
ING TFI S.A.	656.61	0.00	0.00	0.00
ING Bank N.V. London Branch	158 173.68	60 398.70	38 012.48	5 350 996.77
ING Services Polska Sp. z o.o.	0.00	424 850.00	0.00	248 460.00
ING Towarzystwo Ubezpieczeń na Życie S.A.	0.00	1 543.48	0.00	1 462.36
ING Bank N.V., Amsterdam	441 439.68	100 299.69	0.00	0.00

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

Entity	2014		2013	
	Income	Expenses	Income	Expenses
ING Investment Management (Polska) S.A.	0.00	0.00	3 627.16	0.00
ING Lease (Polska) Sp. z o.o.	0.00	3 296.05	0.00	1 259 248.20
ING Services Polska Sp. z o.o.	0.00	2 792 271.21	0.00	1 200 802.64
ING TFI S.A.	1 293 922.66	656.61	1 328 048.60	0.00
ING Bank N.V. London Branch	2 804 453.78	16 843.57	802 231.02	763 005.30
ING Wholes Banking Cor.Amsterdam	18 118.89	0.00	0.00	0.00
ING Bank N.V., Amsterdam*	1 704 661.98	227 203.38	1 314 560.65	281 335.68

* The above table shows income and costs of transactions made with ING Bank N.V. Amsterdam excluding OTC back-to-back operations, as those are in general balanced by reverse income and costs of transactions with retail clients. In 2014, the relevant income from ING Bank N.V. Amsterdam was PLN 53,768,687.56, while the relevant costs amounted to PLN 55,428,294.95. There were no such trades in 2013.

Note 56

Non-consolidated joint ventures

This item was not present in the ING Securities S.A. Financial Statements as at 31 December 2014 or 31 December 2013.

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

5.
Marcin Giżycki
Management Board Member

Signature of the person keeping the books of accounts

.....
Krystyna Zając
Chief Accountant

Warsaw, this 23 March 2015.

REPORT OF THE INDEPENDENT AUDITOR



TRANSLATION

**ING Securities Spółka Akcyjna
w Warszawie**

**Supplementary report
on the audit of the financial
statements
Financial Year ended
31 December 2014**

The supplementary report contains 9 pages
The supplementary report on the audit of the financial statements
for the financial year ended
31 December 2014



ING Securities Spółka Akcyjna w Warszawie
*The supplementary report on the audit of the financial statements
for the financial year ended 31 December 2014*

*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.*

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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 Warsaw

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 December 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 2014, the Management Board of the Company was comprised of the following members:

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

According to the resolution of Supervisory Board dated 12 January 2015 Mr. Marcin Giżycki was appointed to the position of Member of the Management Board effective 12 January 2015.

1.2. Key Certified Auditor and Audit Firm Information

1.2.1. Key Certified Auditor information

Name and surname:	Ewa Józwick
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, XII 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 2013 were audited by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. and received an unmodified opinion.

The financial statements were approved at the General Meeting on 15 May 2014 where it was resolved to distribute the net profit for the prior financial year of PLN 5,263,841.16 as follows:

- PLN 4,057.80 to reserve capital,
- PLN 5,259,783.36 to be paid as a dividend.

The financial statements were submitted to the Registry Court on 20 May 2014.

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 and relates to the financial statements comprising: the introduction to the financial statements, the balance sheet as at 31 December 2014, the off balance sheet items as at 31 December 2014 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 during the period from 17 November 2014 to 28 November 2014 and from 2 March 2015 to 23 March 2015.

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.



ING Securities Spółka Akcyjna w Warszawie
The supplementary report on the audit of the financial statements
for the financial year ended 31 December 2014
TRANSLATION

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	31.12.2014 PLN '000	% of total	31.12.2013 PLN '000	% of total
Cash and cash equivalents	194,020.6	74.3	247,971.4	82.0
Short-term receivables	57,478.9	22.0	47,083.6	15.6
Financial instruments held for trading	441.5	0.1	-	-
Short-term prepayments and deferred expenses	702.7	0.3	500.2	0.2
Available-for-sale financial instruments	739.9	0.3	681.0	0.2
Intangible fixed assets	6,222.1	2.4	4,299.1	1.4
Tangible fixed assets	706.7	0.3	793.6	0.3
Long-term prepayments and deferred expenses	872.8	0.3	923.6	0.3
TOTAL ASSETS	261,185.2	100.0	302,252.5	100.0
EQUITY AND LIABILITIES	31.12.2014 PLN '000	% of total	31.12.2013 PLN '000	% of total
Short-term liabilities	169,644.6	65.0	205,420.4	68.0
Accruals and deferred income	6,374.0	2.4	6,690.5	2.2
Provisions for liabilities	730.1	0.3	687.1	0.2
Equity	84,436.5	32.3	89,454.5	29.6
Share capital	30,228.7	11.6	30,228.6	10.0
<i>Supplementary capital</i>	<i>10,084.6</i>	<i>3.8</i>	<i>10,084.6</i>	<i>3.3</i>
<i>Revaluation reserve</i>	<i>530.0</i>	<i>0.2</i>	<i>467.0</i>	<i>0.2</i>
<i>Other reserve capital</i>	<i>43,414.5</i>	<i>16.6</i>	<i>43,410.5</i>	<i>14.4</i>
<i>Net profit (loss)</i>	<i>178.7</i>	<i>0.1</i>	<i>5,263.8</i>	<i>1.7</i>
TOTAL EQUITY AND LIABILITIES	261,185.2	100.0	302,252.5	100.0
OFF BALANCE SHEET ITEMS	31.12.2014 PLN '000		31.12.2013 PLN '000	
Third parties' assets in use	702.2		672.5	
OTC Securities	440.9		-	
TOTAL OFF BALANCE SHEET ITEMS	1,143.1		672.5	

2.1.2. Profit and loss account

	1.01.2014 - 31.12.2014 PLN '000	1.01.2013- 31.12.2013 PLN '000
Income on brokerage activity		
Commissions	32,703.1	38,500.9
Other income	7,281.9	4,604.4
	39,985.0	43,105.3
Costs of brokerage activity		
Fees for regulated securities markets, commodities stock exchanges and National Depository of Securities and exchange clearing chambers	(7,491.5)	(8,746.1)
Chamber of Commerce fees	(91.2)	(91.2)
Payroll	(19,932.5)	(16,409.8)
Social security	(2,078.0)	(1,656.5)
Employee benefits	(364.7)	(359.8)
Materials and energy usage	(500.8)	(435.6)
Buildings rent and maintenance	(1,854.0)	(2,488.9)
Other material costs	(8,993.2)	(7,385.5)
Depreciation and amortisation expense	(845.8)	(710.0)
Taxes and charges	(136.4)	(128.6)
Commissions and other fees	(2,145.0)	(1,713.3)
Other	(780.3)	(1,521.4)
	(45,213.4)	(41,646.7)
Profit/(loss) on brokerage activity	(5,228.4)	1,458.6
Income on financial instruments held for trading		
Revaluation income	441.4	-
	441.4	-
Costs in respect held-for-trading financial instruments		
Loss on sale/redemption	(338.3)	(3.9)
	(338.3)	(3.9)
Profit/(loss) on operations on held-for-trading financial instruments	103.1	(3.9)
Income on available-for-sale financial instruments		
Dividends and other shares in profits	16.8	10.9
	16.8	10.9
Profit/(Loss) on operations on available-for-sale financial instruments	16.8	10.9
Other operating income		
Profit on sale of tangible fixed assets and intangible fixed assets	0.8	6.2
Other	2,068.9	1,365.7
	2,069.7	1,371.9
Other operating expense		
Other	(991.3)	(1,449.3)
	(991.3)	(1,449.3)
Difference in provisions and write-offs of receivables		
Decrease in write-offs for receivables	40.9	13.6
Creation of write-offs for receivables	(353.5)	(461.6)
	(312.6)	(448.0)
Operating profit (loss)	(4,342.7)	940.2



Financial income		
Interest on deposits	4,356.1	5,433.5
Other interest	460.6	564.5
Foreign exchange profits	163.1	-
	<u>4,979.8</u>	<u>5,998.0</u>
Financial costs		
Other interest	(97.7)	(101.0)
Foreign exchange losses	(102.5)	(149.9)
	<u>(200.2)</u>	<u>(250.9)</u>
Profit (loss) from operating activities	436.9	6,687.3
Profit/(loss) before taxation	436.9	6,687.3
Corporate income tax	(258.2)	(1,423.5)
Other obligatory charges decreasing the profit/increasing the loss	-	-
Net profit/(loss)	178.7	5,263.8

2.2. Selected financial ratios

	2014	2013	2012
1. Return on brokerage activity net			
$\frac{\text{profit for the period} \times 100\%}{\text{revenue}}$	0.4%	12.2%	18.9%
2. Return on equity			
$\frac{\text{profit for the period} \times 100\%}{\text{equity} - \text{profit for the period}}$	0.2%	6.3%	13.1%
3. Current ratio			
$\frac{\text{current assets}}{\text{current liabilities}}$	1.4	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 2013, item 483) 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 2013, item 483) 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
Member of the Management Board of KPMG
Audyt Sp. z o.o., entity which is the General
Partner of KPMG Audyt Spółka z ograniczoną
odpowiedzialnością Sp.k.

23 March 2015



***Management Report of
ING Securities
Spółka Akcyjna w Warszawie
2014***

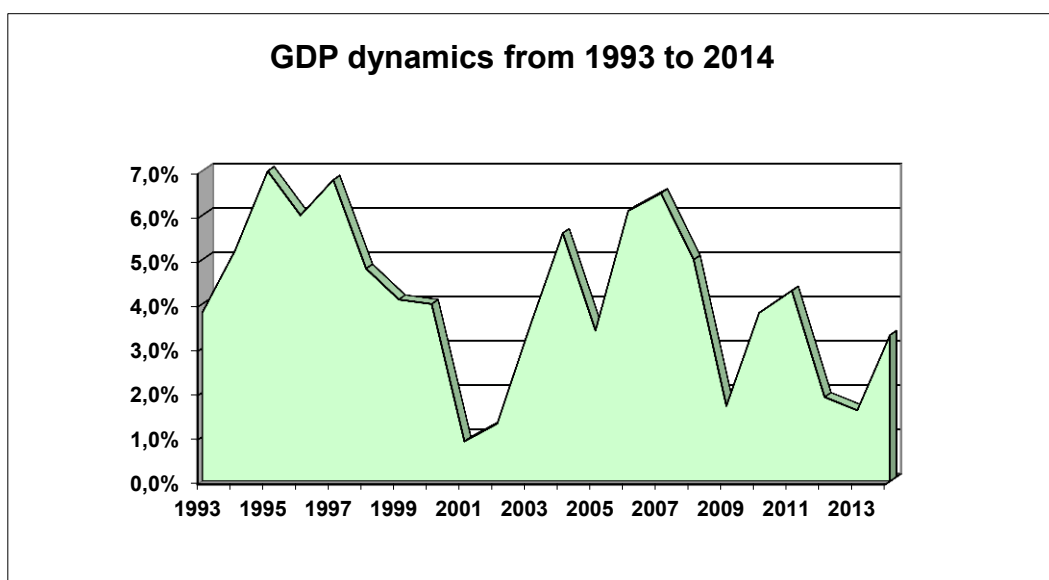
Warsaw, March 2015

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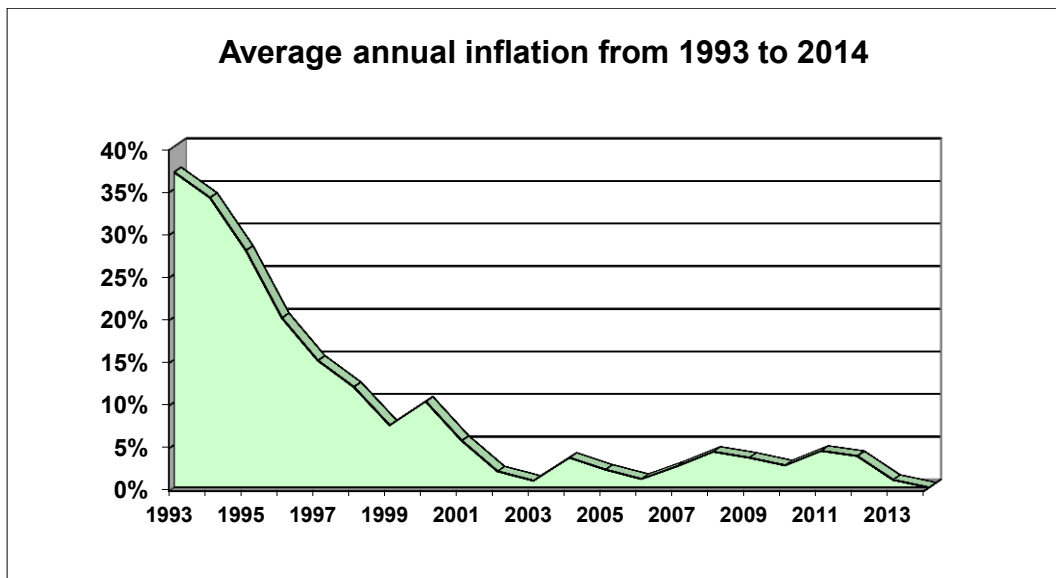
1. ING Securities S.A. in 2014

1.1. Market landscape

According to the initial estimate, in 2014, the gross domestic product (GDP) increased by approximately 3.3% in real terms from 2013 (in fixed prices of the previous year). Mostly internal consumption contributed to increase in gross domestic product (GDP), whereas a year earlier export was not driving economy due to decrease in sale to Russia. In 2014, gross added value in national economy increased by 3.0% from 2013, whereas increase in 2013 was by 1.8%. In 2014, gross added value in industry increased by 3.6% from 2013, whereas increase in 2013 was by 4.9%. In 2014, gross added value in the construction sector increased by 4.7% from 2013, whereas increase in 2013 was by 1.0%. In 2014, gross added value in trade and repairs increased by 3.4% from previous year, whereas in 2013 it decreased by 0.2%. In 2014, gross added value in transport and storage sector increased by 3.6% from previous year, whereas in 2013 it decreased by 0.1%. In 2014, domestic demand increased in actual terms by 4.6% while GDP increased by 3.3%. In 2013, domestic demand increased by 0.2% while GDP increased by 1.7%. In 2014, total consumption was higher than in 2013 by 3.0%, of which household consumption was higher by 3.0% (in 2013, increase by 1.3% and 1.1%, respectively). In 2014, gross capital formation increased in real terms by 11.6% y/y, of which gross expenditure in fixed assets – increase by 9,4% (in 2013 decrease by 3.7% and increase by 0.9%, respectively, was observed). In 2014, investment rate in domestic economy (a relation of gross expenditure for tangible fixed assets in use to gross domestic product in current prices) was 19.6%, whereas in 2013 it was 18.8%.



In 2014, CPI inflation (showing the level of prices of goods and services) was 0.0% (in 2013, it was 0.9%) and was lower than assumed in the Budget Law by 2.4 percentage points. Such a low level of the index was observed last time in 1972. Increased housing costs (by 1.1%) and higher prices of alcohol beverages and tobacco products (by 3.7%) contributed to raising the index by 0.30 percentage points and 0.24 percentage points, respectively. Lower prices of clothes and footwear (by 4.7%), food and non-alcoholic beverages (by 0.9%), and also cheaper transport (by 2.3%) led to decrease in CPI in that period by 0.24 percentage points, 0.22 percentage points and 0.21 percentage points, respectively.



In December 2014, the average monthly gross remuneration in the sector of enterprises was PLN 4,379.26 and was higher by 3.7% than in 2013.

According to preliminary estimates, the sold production of total industry increased by 3.2% in 2014 (compared to 1.8% a year earlier). In enterprises employing more than 9 FTEs, production increased by 3.3%. Increment was observed in industrial processing and water supply; waste and waste water management; reclamation, with decrease in the remaining two sections of the industry. Among the main industrial groups, production of investment goods was the fastest growing, and production of perishable goods - the slowest. Sale of power-related goods decreased. After a slight increase in November, in December 2014, the sold production of the industry was clearly above the last year level (increased by 8.4%, and after elimination of seasonal factors – by 5.3%).

In 2014, the building and assembly output effected domestically by building enterprises employing more than 9 FTEs increased by 3.6% on the annual basis (after a decrease in 2013 by 12.0%), which was mostly influenced by its high increase in the first two quarters.

The unemployed registered in the employment offices at the end of December 2014 totaled 1,825,200 and was lower by 15.4% (that is, by 332,700) than a year earlier. The rate of registered unemployment was 11.5% and was lower by 1.9 percentage points than the same month 2013.

Export expressed in current prices (in PLN) increased by 4.9%, or up to PLN 629.0 billion, and import increased by 5.1% and was PLN 636.2 billion. Trade was closed with a negative balance of PLN 7.2 billion. Turnover in EUR increased by 4.8% on export side – up to EUR 150.5 billion, and by 5.0% on import side – up to EUR 152.2 billion. A negative balance was EUR 1.7 billion (for previous year minus EUR 1.4 billion). Export in US dollars was USD 203.0 billion, and was higher by 6.5% than in 2013, while import – USD 205.3 billion, that is higher by 6.7%. A negative balance was at a level of USD 2.3 billion.

1.2. Securities market in 2014

The year 2014 was marked with stagnation on the Warsaw Stock Exchange. The shares of the biggest companies were stable. The situation of companies of medium capitalization was the best, and mWIG40 index tried to follow a very good situation on the western European stock markets. The segment of small enterprises was in the worst condition.

The annual change in WIG index was 0.26%, which stands for appreciation to the level of 51,416.08 points (in 2013 – 51,284.25 points), whereas WIG20 lost 3.54% and decreased to 2,315.94 points from 2,400.98 points as at the end of 2013. mWIG40 index was the best. As at the year-end its value was 3,483.45 points, that is it increased by 4.13% (in 2013 – 3,345.28 points). Whereas, sWIG80 index was the worst. It lost as much as 15.55% on an annual basis and went down to 12,108.06 points (in 2013 it was 14,336.82 points).

In 2014, a decrease in equity turnover was observed. In 2014, value of equity turnover was PLN 465,728 million, while in 2013 it was PLN 512,294 million (-9.09%). Derivatives market was also less active. Total volume of turnover in futures and forward contracts was 9,001,819 units in 2014, compared to 11,806,976 units in 2013, which means a decrease by 23.76%.

In 2014, the number of listed companies on the Main Market of WSE increased. The number of companies increased from 450 as at the end of 2013 to 471 as at the end of 2014. Last year, 28 companies debuted, while in 2013 – 23. The total value of primary and secondary offers on the Main Market of WSE was PLN 4.6 billion in 2014 (PLN 7.8 billion in 2013, of which value of offers of PKP Cargo and Energa exclusively was nearly PLN 4 billion). As at the end of 2014, capitalization of domestic companies on the Main Market was PLN 591.2 billion, and total capitalization of domestic and foreign companies was PLN 1,253.0 billion (increase by 48.0% from 2013 due to a debut of Santander bank).

In 2014, 22 companies debuted on NewConnect, and 10 moved their listing on the Main Market of WSE – a record number since the beginning of that market. It influenced the number of companies on the alternative market – as at the end of 2014, 431 companies were listed compared to 445 companies as at the end of 2013. Total capitalization of domestic and foreign companies was PLN 9.1 billion as at the end of last year (decrease by 17.3% from 2013). Total value of offers on the NewConnect market in 2014 was PLN 422.6 million (PLN 623.8 million in 2013).

In 2014, consecutive foreign companies decided to make their debut on WSE. The shares of five foreign companies debuted on the Main Market of WSE, namely: Talanx, Buwog, JJ Auto CG, Fenghua SoleTech and Banco Santander. As at the end of December 2014, 61 foreign companies were listed on both stock markets of WSE, of which 51 on the Main Market and 10 on NewConnect.

In 2014, bonds of 52 issuers debuted on Catalyst market. The number of issuers increased from 176 in 2013 to 193 in 2014. The total value of listed issues was PLN 544.6 billion (PLN 619.1 billion in 2013). The number of issuers of corporate bonds increased from 132 in 2013 to 147 in 2014, municipal bonds increased from 18 in 2013 to 20 in 2014, and cooperative bonds and covered bonds did not change and was 22 and 2, respectively. The number of listed series of bonds increased by 17.0%, from 442 in 2013 to 517 in 2014. The number of the series of corporate bonds increased y/y from 291 to 357, cooperative bonds from 34 to 37, municipal bonds from 57 to 60, and covered bonds from 26 to 33. The average value of the series of corporate bonds (exclusive of BGK) increased from 83.7 in 2013 to PLN 94.8 million in 2014.

1.3. Market position of ING Securities S.A.

In 2014, we observed a slight increase in the share of remote brokers in stock market turnover on WSE. Dynamics of increase of the share of these brokers accelerated only a bit on the stock market. In 2014, remote brokers' share in equity turnover on WSE was 27.8%, compared to 27.1% in 2013 and 24.9% in 2012.

In 2014, the share of remote brokers in futures and forward contracts market also increased only slightly. These operators' share in trading in contracts was 6.20% in 2014, compared to 6.13% share in 2013 and 6.6% in 2012.

Market position of ING Securities S.A. and its share in total turnover of WSE on specific markets were as follows in 2014:

- 12th place in terms of WSE turnover on stock market – 3.1% market share
- 10th place in terms of WSE turnover on futures and forward contracts market – 2.7% market share
- 16th place in terms of WSE turnover on options market – 0.6% market share

As at 31 December 2014, ING Securities S.A. maintained 51,737 investment accounts. It means a decrease by 3.86% from the level as at 31 December 2013 (53,817).

In 2014, the growing tendency as regards the number of Internet accounts maintained by ING Securities was stopped. As at 31 December 2014, ING Securities S.A. maintained 37,053 Internet accounts. It means a decrease by 4.14% from 2013 (38,654).

As at the end of 2014, clients' accounts maintained in ING Securities S.A. represented 3.62% of total number of clients' accounts of all brokerage houses in Poland.

1.4. Ranking of brokerage houses

In 2014, 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, similarly as in 2013. Sustaining the low 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. Then, investors mentioned analyses and recommendations and additional services (education, credit facilities, foreign markets), respectively. Even further on the list of investors' needs was combining the account with a personal account and access to mobile application.

Whereas, in ranking of offers of the brokerage houses carried out by a weekly magazine "Gazeta Finansowa", the offer of ING Securities S.A. was on the 2nd place in the fourth quarter 2014. A high ranking position was due to a significant modification of the offer effected in the course of the year. The changes were described in more detail later in this Report.

ING Securities S.A. obtained a high fourth position among brokerage houses in the 2014 ranking of Puls Biznesu newspaper whose outcome was announced at the beginning of February this year. The above classification assesses brokerage houses mostly in terms of pricing policy of brokers and its friendliness for the average investor.

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.

ING Securities S.A. 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.

As regards offering of services for retail clients, a strategy based on multisection segmentation of the clients will be continued.

An important element of the strategy is integrated offering of financial services in agreement with ING Bank Śląski S.A. acting as an agent of ING Securities S.A. The most important step in the integration process was done in the autumn 2014 when a modern brokerage application was rendered available to their common clients in the ING BankOnLine Internet banking channel and when clients

were given the possibility to use the phone service of ING Securities S.A. via Halo Śląski banking service.

In 2015, the model of integrated offering of financial services will be developed, mostly through intensified sale of brokerage services by ING Bank Śląski S.A. At the same time, ING Securities S.A. will focus in its activities on the main strategic direction, that is, delivering brokerage services of the highest quality to clients of the Bank, most notably, effective execution of their orders on WSE. A new element of the offer will be investment advising covering both portfolio advising as well as individual advising.

Integration of services will be accompanied by further development of IT systems. A mobile application was implemented giving access to an investment account, stock exchange listing and submission of orders. The so far clients of ING Securities S.A. will be migrated to the banking distribution channels.

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.

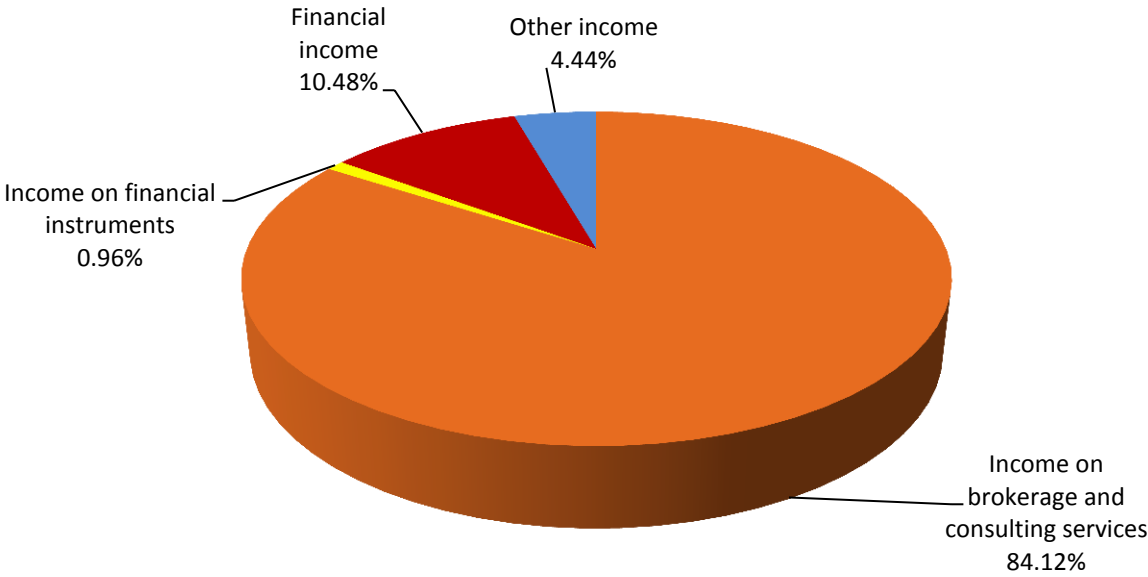
Referring to organization of public offering of shares, both on the primary and secondary market, we will focus on acquiring clients from among entities with private shareholding. At the same time, we will continue our cooperation with the Ministry of the Treasury.

1.6. Financial result

Revenue

Revenue of ING Securities S.A. for the period from 01 January 2014 to 31 December 2014 was PLN 47,533,700, and its structure was as follows:

Revenue of ING Securities S.A. in 2014



The highest revenue item was income on brokerage and advisory services that was PLN 39,985,000 and represented 84.1% of total revenue. It was mostly impacted by commission

income regarding operations in securities in ING Securities S.A. own name on account of the ordering party that was 77.5% of such income.

Another major income in this group was other income that was PLN 5,513,100 and represented 13.8% of income on brokerage activity.

Income on securities accounts and cash accounts of clients amounted to PLN 1,747,000, which represented 4.4% of income on brokerage activities.

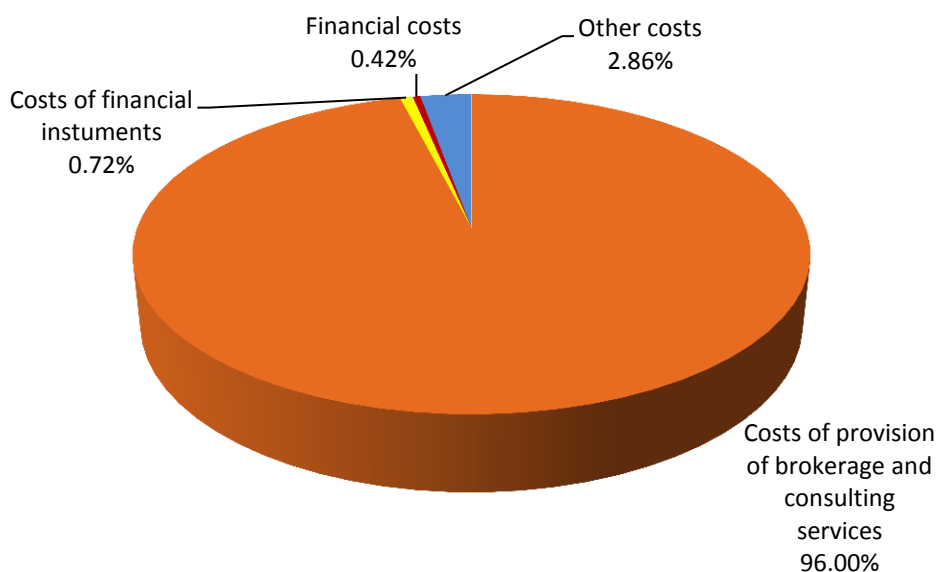
Income on brokerage in trading in investment funds participation units was PLN 1,318,800 and represented 3.3% of income on brokerage activities.

Financial income that represented 10.5% of total revenue and amounted to PLN 4,979,800 in 2014 is mostly interest on placements and deposits (of which, interest on investing of clients' funds represented 62.5%).

Costs

Costs of ING Securities S.A. for the period from 01 January 2014 to 31 December 2014 totaled PLN 47,096,800, and their structure was as follows:

Costs of ING Securities S.A. in 2014



Costs of provision of brokerage and advisory services were PLN 45,213,400 in 2014 and represented 96.0% of total costs.

The highest item in the costs of provision of brokerage and advisory services were personnel costs that were PLN 22,375,200 as at the end of 2014 and represented 49.5% of the costs of provision of brokerage and advisory services, of which payroll PLN 19,932,500 (89.1%), and taxes and social security and/or other contributions paid by the employer were PLN 2,078,000 (9.3%).

The second biggest item in the costs of provision of brokerage and advisory services were the costs of fees paid for WSE and the National Depository for Securities (KDPW) that were PLN 7,491,500 (16.6%).

Material costs were PLN 11,348,000, that is 25.1%. The biggest items of these costs were other material costs (PLN 8,824,200 – 77.8%) and costs of maintenance and lease of buildings (PLN 1,854,000 – 16.3%). Under other material costs, the biggest items were the costs of IT services totaling PLN 5,782,200 – (65.5%) and communication costs in the amount of PLN 862,400 (9.8%).

Financial result

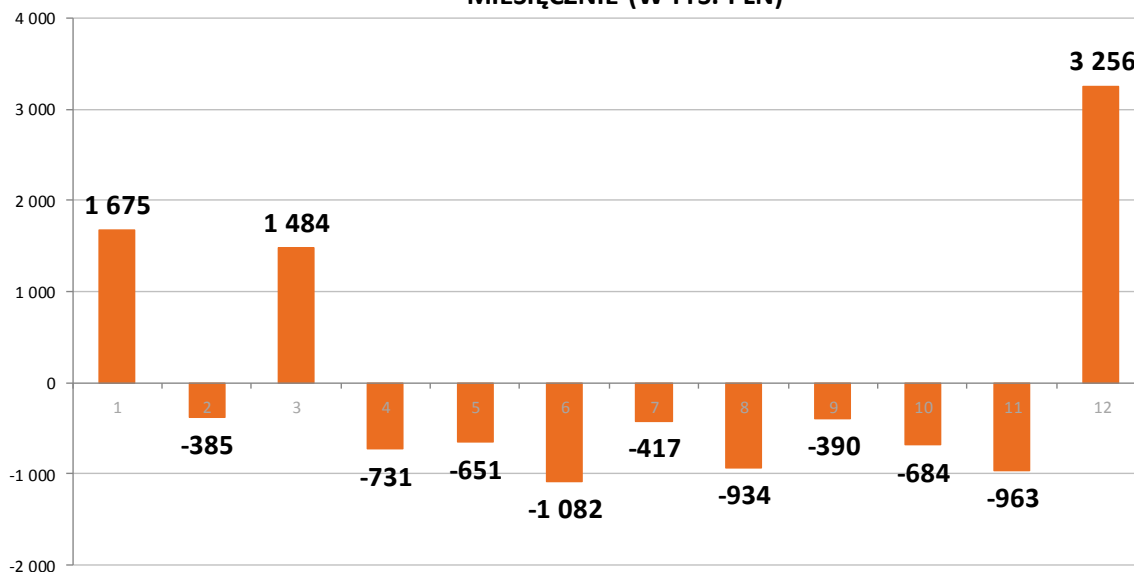
Gross profit of ING Securities S.A. for the period from 01 January 2014 to 31 December 2014 was PLN 436,900. CIT paid from profit was PLN 258,200. Effective CIT rate was 59.09% in 2014.

Generated net profit for the period from 01 January 2014 to 31 December 2014 was PLN 178,700.

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

NET RESULT OF ING SECURITIES S.A. IN 2014 - MONTHLY (IN PLN THOUSAND)

WYNIK NETTO ING SECURITIES S.A. W 2014 ROKU - MIESIĘCZNIE (W TYS. PLN)



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. Types of Markets

ING Securities S.A. intermediates in concluding of transactions both on the Warsaw Stock Exchange as well as on foreign markets. In 2014, vast majority of transactions concluded via the Institutional Clients Department was still effected on WSE. Total value of stock related transactions concluded on stock exchange sessions by institutional clients was almost PLN 9 billion. At the same time, Polish institutional clients were significantly more active on foreign markets in 2014. They effected transactions of the total value of PLN 2.4 billion (increase by more than 50%).

2.1.2. 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, again, Polish institutional clients, and their share in turnover of the Institutional Clients Department was 77%. In fact, the whole turnover concerning the domestic institutional clients referred to institutions managing assets and pension funds that generated 70% and 30% of turnover in this group of clients, respectively.

The share of international brokers in session turnover of the Institutional Clients Department decreased to 14%. This group includes the biggest foreign investment companies that most often use their direct remote access to WSE.

The share of turnover of foreign institutional clients is growing slowly. They generated 9% of our turnover in 2014. Now, some of these clients are already 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 2014 (more than PLN 16 million), here also the local financial institutions were by far the leader, generating 88% of commission (of which as much as 24% on foreign markets). Foreign institutional clients generated 7% of income on commission, and international brokers 5% of income.

2.1.3. Analyses Team

In 2014, the Analyses Team in Warsaw analyzed 73 companies listed on WSE. The Team issued 69 reports, of which 12 reports initiating analysis of companies (Atrium European Real Estate, Bytom, Colian, Energa, Forte, Grajewo, Integer, Inter Cars, Midas, PKP Cargo, Stomil Sanok, Wawel), 18 sector reports, and 2 reports on Polish coal market. 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. Moreover, the work of the Analyses Team was appreciated by institutional investors according to the ranking prepared by *Parkiet* newspaper. Analysts of ING were the best in the ranking for IT sector and were in the top three in rankings for telecommunications, media and chemicals sectors.

Besides analytical work, the Analyses Team organized meetings with Management Boards of companies listed on WSE in the Warsaw Office (Bytom, Enea, Famur, PKN Orlen) and road shows for Polish institutional clients, as well as for foreign clients. Additionally, the Analyses Team organized a cycle of four sector conferences in Warsaw devoted to the following sectors: finances, TMT, real estate, transport, mining, power and industry. The conferences were addressed to institutional clients representing Polish and foreign investment and pension funds. The four conferences were attended by the total of 62 Management Boards of the companies listed on the stock exchange from Poland, Austria and Turkey, and each conference was attended by approximately 70 managers representing 40 financial institutions.

2.2. Retail clients market

2.2.1. New mode of provision of services

ING Securities S.A. serves its clients mostly via Internet. Brokers employed in two Customer Service Centers in Warsaw and Katowice provide support to clients requiring help in investing. The service provided by the Centers is addressed to the most demanding clients whose investment portfolio is worth more than PLN 100,000. Moreover, the Centers provide service of the most complicated and non-standard matters that are not within the offer of the Agencies of ING Bank Śląski S.A. The Centers provide also service for business clients.

Apart from ING Bank Śląski S.A., the Brokerage House cooperated with one agent other than a bank as of 31 December 2014. In 2014, we terminated agreements with Nordea bank as a result of its merger with PKO BP and with 1 agent because of its unsatisfactory financial results. In the first 10 months of 2014, acting as an agent of the investment company, ING Bank Śląski S.A. kept providing 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 28% of all opened accounts (31% in 2013).

On 27 October 2014, ING Securities S.A. after nearly 3-year work, implemented a new trading system thanks to which brokerage services of ING Securities S.A. were integrated with bank services of ING Bank Śląski S.A. The basic application for service of brokerage accounts was integrated with ING BankOnLine in a form of the modern MAKLER /Broker/ module. Thanks to that, clients got access to all financial services in a single application. In ING BankOnLine, a client may check a balance of his/her brokerage account, may submit orders to buy/sell financial instruments and may make an automatic transfer between a bank account and investment account 24h/7.

Additionally, all retail branches of ING Bank Śląski S.A. service clients of the Brokerage House as regards opening of an account and effecting any formalities that require a client to appear in person. As at the end of 2014, there were more than 400 branches.

A way of concluding a brokerage agreement changed significantly. Now, you may open a brokerage account in all retail branches of ING Bank Śląski S.A., and the clients who concluded a framework agreement – also electronically in ING BankOnLine. An investment account is available electronically right after conclusion of the agreement.

Under integration of services, also service of clients of the Brokerage House and the Bank by phone was standardized. Now, clients may use the bank system Halo Śląski for identification (with the use of the client's ID and a PIN code), which improved security standards significantly.

In 2015, we plan migration of all current clients of the Brokerage House to use the Makler /Broker/ module via ING BankOnLine and to get identified via Halo Śląski system. The group of the most active clients of the Brokerage House will use the Makler /Broker/ module only to execute instructions other than orders to buy/sell financial instruments, inclusive of transfers from the brokerage account. Orders of this group will be realized in Sidoma – front end, and as a target in a separate advanced application. Moreover, the Brokerage House established cooperation with Telestrada that made it possible to manage the call center in a more effective way as regards messages, management of the join tree and client's menu.

Telephone service is provided in the Telephone and Internet Service Center. The Center is a basic front office unit to carry out a complex service of clients that includes technical help, service of instructions and orders and active sale of brokerage products. Also, the Center handles the complaints, controls suspicious transactions, monitors clients' orders, performs CDD controls and monitoring of the clients and business processes (Business Tracking), as well as services orders concerning foreign stock markets. The Telephone and Internet Service Center is an active participant in acceptance tests of the basic software of the Brokerage House and in conceptual works on its development. Furthermore, the Telephone and Internet Service Center carries out service of securities loans, monitoring of risk of deferred payments and derivatives, that is liabilities and the level of collateral on accounts.

Since the start-up of the new system, the unit deals also with key middle-office operations, including, but not limited to, opening of the stock exchange session, session monitoring, controlling and remedying of errors as regards messages and stock exchange transactions, management of commission tables, functional parameterisation of the system, configuration and parameterisation of derivatives and closing of the stock exchange session.

124,000 incoming calls were serviced in 2014 compared with 127,000 ones in 2013. Despite of the decrease in the number of incoming calls, having the new trading system implemented, the average time of the telephone connection increased from approximately 3 minutes to 4 minutes. It is caused by greater demand on the part of the clients to get supported in the new processes of provision of brokerage service.

In October 2014, ING Securities S.A., under integration of services, signed an agreement with ING Bank Śląski S.A. for outsourcing of personal data processing, archiving of documentation and performance of some activities concerning financial safety measures. Thanks to the above agreement, ING Bank Śląski:

- maintains common customer files for the clients of the Brokerage House and for the clients of the Bank
- intermediates in updating personal data of the clients
- performs activities related to Customer Due Diligence
- archives the basic, paper documentation of the client (customer file, framework agreement, brokerage agreement, powers of attorney) with the bank documentation.

2.2.2. Redevelopment of the pricing offer

On 1 March 2014, ING Securities S.A. presented a new offer for clients. The offer's distinctive feature is that it implements innovative solutions compared with the competitors. The clients were divided into 3 segments for which new terms and conditions of the offer were prepared: "FOR A START", "ACTIVE" and "PREMIUM".

In the "For A Start" offer addressed to new clients, the Brokerage House offers:

- Exemption from a fee for maintaining an account for the first half of a year
- A fixed commission of PLN 5 for orders up to PLN 5,000 for 12 months from the account opening date
- Return of commission on lost transactions for 4 months from the account opening date
- Support by phone in the first steps on WSE and numerous online training for the beginner investors.

The "Active" offer addressed to new and current clients offers attractive terms and conditions of lowering the commission rates, which has not been applied so far on the brokerage services market. To calculate the rate of the commission, ING Securities S.A. accumulates turnover for the last 12 months and lowers the commission to 0.34% when the turnover is at least PLN 400,000 and to 0.29% or negotiated rate when the accumulated turnover is PLN 1.2 million.

In the above offer, we offer the clients products supporting the process of investing, such as investment advising, derivatives, an account for active investors – OTP Trader, a program for analyzing of graphs "Notowania 4 Max", ING Turbo certificates.

The "Premium" offer is addressed to clients whose minimum turnover for 6 months is PLN 1 million or 400 futures or forward contracts.

For 3 months, the Premium clients have a guaranteed commission of 0.29% or negotiated one in case of orders submitted via Internet and by phone, plus a package with 5 offers, even if they are less active. For this group of clients, dedicated services include, among others, individual investment advising in a form of close cooperation with a broker, derivatives, an account for active investors OTP Trader.

Additionally, all new and current clients can be exempted from paying a fee for account maintenance if, in the previous half of the year, their turnover was PLN 20,000 or 20 futures and forward contracts.

2.2.3. New products and services

Forex – In February 2014, ING Securities S.A. added Forex service to its offer thanks to which the clients may invest on OTC FX market. Thanks to a modern transactional and analytical platform ING ProTrader, retail investors have an access to the most liquid financial market in the world whose global daily turnover exceed a hundred times equity turnover on all stock exchanges. In 2014, ING Securities S.A. got 300 clients using Forex who effected 143,500 transactions, generating turnover in the amount of PLN 22,062 million. Basic characteristics of the Forex service in the ING Brokerage House:

- Transactional platform ING ProTrader in desktop and mobile versions for the most popular operating systems Android and iOS, of advanced functionalities of quoting observation and carrying out an advanced technical analysis
- Available free of charge DEMO version of the platform that can be used to learn and test one's own investment strategies in real conditions

- Low commission that as a standard is 0.0035% of the transaction value without minimum commission
- Low FX spreads similar to the levels from the interbank market
- Available micro lots – possibility to conclude transactions starting from 3,000 units of a given currency, which in practice means that with a 1% deposit there is no capital barrier for small investors
- Professional analytical and information service, inclusive of PAP and Reuters news, extended education and training section, inclusive of attractive video courses.

In the third quarter 2014, the Brokerage House improved the offer of Forex account. All new clients opening an account, depending on the amount of the first payment (in accordance with the table below) may conclude transactions with a zero rate commission for the first eight weeks.

Amount of the first payment entitling to complete exemption from the computed commission	Volume of turnover exempted from commission
PLN 5,000 – 9,999.99	PLN 8 million
PLN 10,000 – 19,999.99	PLN 18 million
From PLN 20,000	PLN 35 million

Unfortunately, despite of intensive actions aimed at marketing, the planned number of clients for Forex service was not achieved, and the project is far from a break-even point. The main reasons of the commercial failure of the undertaking are:

- Frequent lack of real quoting on the part of provider of liquidity and significant deterioration of the offer of spreads compared to the market ones in key moments of great market fluctuation
- Rendering the service available on the divided and saturated market too late, which made it impossible to generate a quick increment in the client base.

Live analyses – Daily online meetings with an analyst of ING Securities S.A. who provides a current analysis of the FX market. During the meetings, examples of the approach to Forex market based on technical and fundamental analysis are presented. Each client may take a floor, ask questions to the analyst and present his/her own ideas for the consecutive meetings.

Virtual Investment Game – after a few months of joint work with ING Bank N.V., in April 2014, we started a virtual investment game the purpose of which was to educate in and promote ING Turbo Certificates listed on a stock exchange. Each gamer gets virtual funds worth PLN 100,000 to invest them in real products listed on WSE. The game is available via each equipment (the web site made in RWD technology adjusts itself to each PC, smartphone, tablet).

Under promotion of ING Turbo Certificates, ING Securities S.A. organized an investment competition with awards, based on the Virtual Investment Game, for the ING Group employees in Poland. In 2014, the product became pretty popular among the domestic investors. The average daily turnover in Turbo Certificates was PLN 1.5 million in 2014 (PLN 0.2 million in 2013), and the average level of financial exposure of ING, generating income for ING Securities S.A. was EUR 5.5 million in 2014 (EUR 1 million in 2013).

Mobile Quotations 3 – In September 2014, ING Securities S.A. rendered available a modern application, Mobile Quotations 3, used to get quotations, observe graphs and course of the stock exchange session. The Mobile Quotations 3 application operates on popular systems, i.e. Android, iOS and Windows Phone. Access to the application is free of charge for all clients.

4 Max Quotations – In the summer time, ING Securities S.A. rendered available a new version of the program for observation of quotations and advanced analysis of graphs – 4 Max Quotations. Besides modern looks, the program gives you more room for personalization and offers more indexes to analyze the graphs. The application is free of charge for the clients of ING Securities S.A.

Analytical materials – All analytical materials (recommendations, commentaries, analyses of graphs, daily and weekly bulletins) prepared by the Analyses and Advising Team got a new, professional format. Thanks to the above change, the published documents are of the highest quality in the brokerage sector.

2.2.4. Website

www.ingsecurities.pl was rebuilt in line with current market trends in web page design. A website of the Brokerage House got a new form of offer presentation per 3 client segments, refreshed catalogue of products and a new start page of the Education section. This made it possible to simplify the content, standardize the message and ease navigation.

Moreover, we gave our clients a Blog written by analysts. The Blog is made in new technology and has new, attractive looks. We also rendered available to our clients an updated version of the LiveChat, thanks to which the clients may contact an employee of the Brokerage House from each sub-page of the online service.

We published the so called HOME page in the analytical service, thanks to which approximately 80% of current analytical information (commentaries, daily bulletin, recommendations, etc.) is shown on one page in a form of a PDF material.

A channel on Twitter was started that is run by analysts of ING Securities S.A. who publish quick commentaries to the current stock exchange situation.

2.2.5. Education and training for investors

A cycle of online training carried out by employees of ING Securities S.A. was expended by adding training in Forex market and analytical training carried out by a licensed Investment Adviser.

Thanks to a new tool called GoToWebinar we may get to every single client. The new application makes it possible to join the training from any mobile equipment. In 2014, we carried out approximately 130 training courses and meetings attended by approximately 2,000 participants.

In 2014, ING Securities S.A. participated in the following educational projects:

- *Make Educated Investments meeting in Gliwice* – a cycle of meetings called “Make educated investments” is organized under the Public Shareholding program under a patronage of the Ministry of the State Treasury and its purpose is to encourage clients to be active on the stock exchange and make educated investments. In February, almost 100 people attended a meeting in Gliwice.
- *Get to Know ING Turbo* – In April and October, representatives of ING Securities S.A. met investors interested in ING Turbo Certificates. The meetings took place in the registered office of the Warsaw Stock Exchange. The main purpose of the meetings was popularization of ETP products (Exchange Traded Products), most notably popularization of ING Turbo Certificates offered in cooperation of ING Securities S.A. with ING Bank N.V. Each meeting was attended by approximately 70 persons.
- *5th Emerging European Investment Products Forum* – the Forum took place on 25 June in the registered office of the Warsaw Stock Exchange. During the conference, among others the following matters were discussed: market trends and regulatory issues on CEE markets, structured products, trends on the ETF market, ETP listed on WSE and alternative investments. Representatives of ING Securities S.A. presented ING Turbo Certificates to people from the sector.

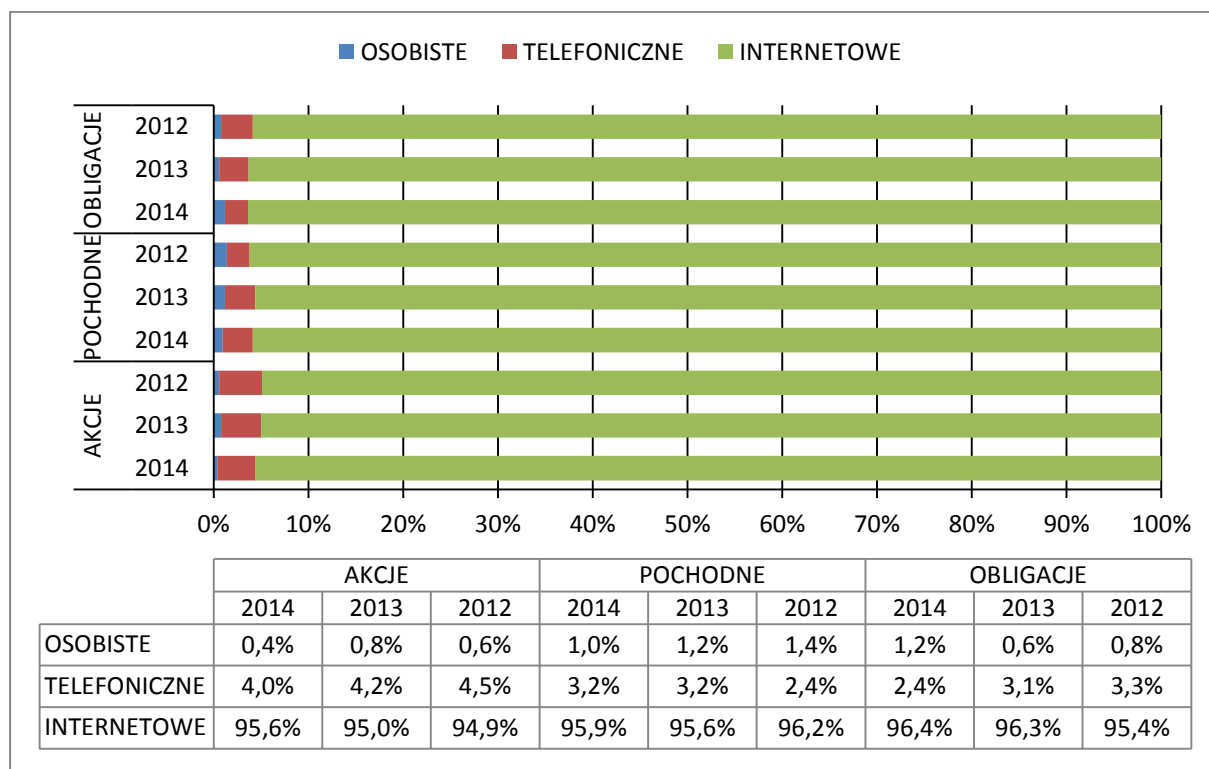
2.2.6. Channels for orders placement

The structure of utilization of specific distribution channels for orders placement stabilized at a level similar as in previous years. Now, orders placed in person are only a fraction of all orders and

such orders are usually given when agents service the clients. Brokers accept such orders rarely, mostly as a result of advice given to a client. Orders of special type that are classified to orders placed 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 2014, the share of orders submitted in person decreased from 0.9% to 0.5% (0.8% in 2012). The share of Internet orders went slightly up to 95.7%, compared to 2013 when it was 95.2% (95.3% in 2012). The share of orders placed by phone decreased slightly in 2014 and was 3.8% (3.9% in the years 2012 and 2013).

Detailed data on the structure of orders on specific markets in 2014 are presented in a graph and a table below.

The share of specific distribution channels in the total number of orders of retail clients of ING Securities S.A. in the years 2012-2014 by type of financial instrument.

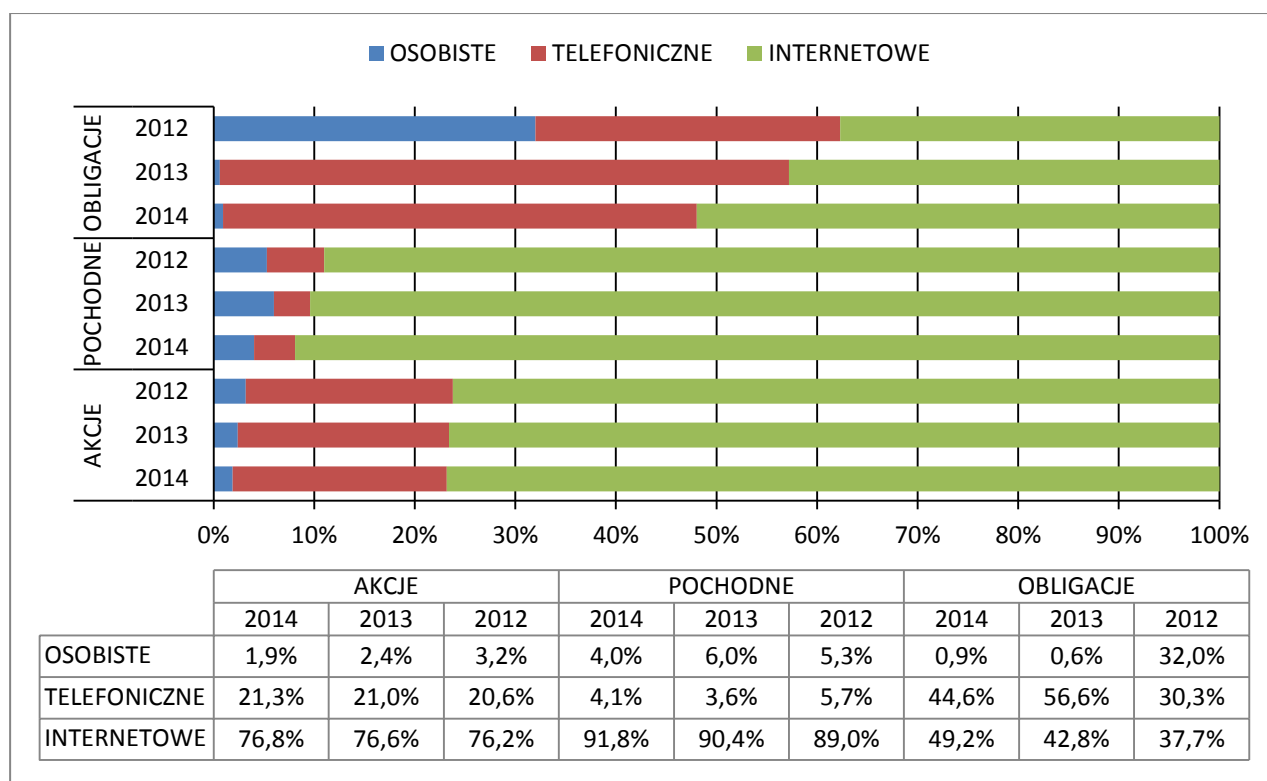


Below, the same data as quantity:

		IN PERSON	BY PHONE	ONLINE	Total
SHARES	2014	2,857	28,877	695,430	727,164
	2013	6,600	35,254	804,006	845,860
	2012	5,955	42,726	911,319	960,000
DERIVATIVES	2014	2,399	7,992	240,318	250,709
	2013	3,564	9,741	287,057	300,362
	2012	4,605	7,908	320,653	333,166
BONDS	2014	28	57	2,256	2,341
	2013	19	99	3,040	3,158
	2012	20	81	2,325	2,426
TOTAL	2014	5,284	36,926	938,004	980,214
	2013	10,183	45,094	1,094,103	1,149,380
	2012	10,580	50,715	1,234,616	1,295,911

In 2014, the share of net commission on orders placed online increased slightly from 78.3% in 2013 and 2012 alike to 78.8%. The share of orders placed by phone increased slightly from 18.8% in 2013 to 19% (18% in 2012). Once again, the share of commission on orders placed in person decreased giving only 2.2% of commission (2.9% in 2013 and 3.7% in 2012).

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 the years 2012-2014.



2.3. Well-off clients market

2.3.1. Cooperation with Private Banking

In 2014, we cooperated actively with ING Bank Śląski S.A. in the field of service of well-off clients from Premium, Private Banking and Wealth Management segments. Clients of these segments had a direct and comfortable access to brokerage services in 40 Private Banking units operating as agencies of ING Securities S.A. These units served clients until the end of October 2014 when the project of brokerage and banking services integration was started.

Thanks to active cooperation and cyclical training, Bank employees could learn more about the capital market, financial instruments, or services and products offered by ING Securities S.A. They had access to analytical materials, stock exchange commentaries, investment recommendations on a current basis. Moreover, they were informed about current marketing campaigns and promotions for the clients carried out by ING Securities S.A. Thanks to the above activities, employees of Private Banking could professionally and effectively offer advanced brokerage products to well-off clients.

As a standard, well-off clients gained for brokerage services were taken care of by a broker, thanks to which they got professional support in investing and a comfortable form of making use of brokerage products and services. After the project of brokerage services integration with the Bank, cooperation between bank employees and brokers is continued. Also, a very good cooperation between Wealth Management Centers and brokers of ING Securities S.A. hired in the Warsaw and

Katowice Branches is worth noticing. Joint meetings of brokers and relationship managers with clients became a normal business practice.

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

The most active individual investors whose monthly turnover is above PLN 1 million on the stock market, or 1,000 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 2014, on average 20 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. In 2014, under that service, the brokers offered advice to the clients under the product – fundamental recommendations prepared by institutional analysts, and under the product called "Selected By Our Brokers" prepared by brokers and technical analysts. "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.

As of 12 January 2015, the private broker service was replaced with the investment advising service, based on a consent of the Polish Financial Supervision Authority given in December 2014.

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 of 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 S.A., 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 very bad economic situation that we faced in 2014 had an adverse impact on the number of public offerings. However, despite of a difficult market situation, in 2014 ING Securities S.A. participated in the following offers:

- In January, as a Co-Bookrunner of ING, participated in the sale of 18.67% of the shares of Enea belonging to Vattenfall and worth PLN 1.03 billion. The offer was carried out with an accelerated book-building method.
- In November, as a Co-Manager of the offer of ING, participated in the secondary issue of shares of the Lotos Group in the amount of PLN 996 million
- In December, as a Co-Bookrunner of ING, participated in the sale of 1.9% of the shares of BPH belonging to GE Capital and worth PLN 62 million. The offer was carried out with an accelerated book-building method.

The above said transactions made it possible for us to get the third place in the Thomson Reuters ranking in terms of value of realized offers of shares on the Polish market.

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 fourth edition of "Warsaw Capital Market Summit" – a conference addressed to potential issuers from the CEE countries.

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 to trading on a regulated market.

As regards advising on capital market, in the first half of 2014 ING Securities S.A. advised the Minister of the State Treasury, being a shareholder, on the process of sale of the shares of Ciech to Kulczyk Investments Chemistry. As a result of the transaction, the State Treasury got PLN 600 million on the sale of shares and PLN 20 million on dividend payment.

In the whole 2014, 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. Close cooperation with the Tauron Group led to issue of 5-year bonds of Tauron worth PLN 1.75 billion. ING acted as a leader of consortium of banks carrying out the stock issue process.

4. Investing of own funds

In 2014, the "Investment Policy of ING Securities S.A." was updated with a resolution of the Supervisory Board. In accordance with the assumed Policy, ING Securities S.A. may make 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 and for marketing purposes
- Execute back to back FX transactions as a result of an order submitted by a client.

In 2014, ING Securities S.A. kept 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. Registered shares are converted into bearer's shares and dividends are paid for the shareholders whose shares are in the sponsor's register.

In 2014, 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 Enterprises 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 Investment Fund of Non-public Assets.

Total income on acting as an issue sponsor was PLN 165,370 in 2014.

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 2014, ING Securities S.A. serviced 4 companies: NORDIS S.A., KOPEX MACHINERY S.A., ING Usługi dla Biznesu S.A. and ING Powszechne Towarzystwo Emerytalne S.A.

Total income on keeping deposits of the companies not admitted on a regulated market was PLN 70,340 in 2014.

6. IT and Telecommunications

In the first half of 2014, ING Securities S.A. started, in the production environment, PFSOFT Protrader system for placement of orders on the Forex market.

In the second half of 2014, ING Securities S.A. started, in the production environment, to use consecutive new systems:

- QBS – accounting system for keeping the main ledger
- ARGOS MBO – system for service of institutional clients
- Comarch CXT – system for service of retail clients
- Comarch CII – front-end for Internet clients, integrated with the internet banking system ING BankOnLine
- Sidoma Front-end – an advanced front-end system for Internet clients based on Sidoma Online system.

New implementations replaced the used so far systems, namely Sidoma and Sidoma Online. As at the end of the year 2014, we bought a mobile system for retail clients – Comarch Mobile Investment. Production implementation of the system is planned for the middle of the year 2015.

In 2015, we will continue to develop functionalities and optimize technological solutions of the IT system of the Brokerage House. The works will be carried out taking into account guidelines of PFSA concerning management of the IT and ICT environment security areas in investment companies.

In the autumn 2014, new systems passed the annual BCP tests in cooperation with the WSE and the National Depository for Securities (KDPW).

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 2014, we kept participating in the AMA 2.0. project, 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 process (Key Control Testing sign off 2013), 31 key generic controls and 12 specific controls were tested in 2014 and remedy actions were determined for identified incompliance (KCT sign off 2014). AMA 2.0. project included also appraisal how critical are the business and support processes modified in 2014, 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 2014, the following actions were taken in the area of operational risk:

- 11 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 2014 Integrated Risk Assessment Plan
- 7 workshops in risk self-assessment and control were carried out
- Training program in non-financial risk management was continued in line with the 2014 Training Plan
- 25 local KRIs and 14 Bank Wide KRIs were monitored.

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. 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.

In accordance with "The Principles of Liquidity Risk Management in ING Securities S.A." 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 2014:

- A list of financial instruments for which ING Securities S.A. accepts orders with deferred payment, a list of instruments serviced in OTP Trader account, a list of financial instruments that may be used to secure credit facilities for purchase of securities of the exposure lower than or equal to PLN 1 million and above PLN 1 million were updated
- In connection with start-up of the Forex service, in February 2014 Specification of OTC instruments together with deposit requirements was updated and "The General Terms and Conditions of Provision of Services on the OTC Market by ING Securities S.A." were modified
- Terms and conditions of provision of the OTP Trader service were updated as regards the amount and principles of determining the maximum limit of receivables under the acquired financial instruments, and the stipulations on acceptance of maximum limits of receivables under transactions not fully covered were standardized; the maximum limit of receivables awarded to all clients of ING Securities S.A. was increased from PLN 400 million to PLN 450 million
- Updated terms and conditions of provision of OTP Trader service became effective as regards charging a commission on reverse transactions
- The "Manual for Credit Risk Monitoring and Mitigation in the Institutional Clients Department of ING Securities S.A." was updated
- Interest rate on deposit was changed for clients of ING Securities S.A. investing on the futures and forward contracts market from 1.0% to 0.5% annually
- The level of the correlation ratio for the positions correlated in derivatives was changed from 0.85 to 0.5
- Exposure concentration limit for institutional client was determined for 2014 at 70% of the recognized equity capital of ING Securities S.A.
- Assessment of entities with which ING Securities S.A. keeps funds and financial instruments of its clients was updated
- The "Credit Risk Appetite Policy of ING Securities S.A." was approved.

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 Śląski S.A., and reports concerning institutional part that go to the Management Board of ING Securities S.A. and to ING Bank Śląski S.A. on a monthly basis. Moreover, a report on credit risk management in ING Securities S.A is submitted to the Supervisory Board on a quarterly basis. Each new mitigation of the credit risk is implemented with a resolution of the Management Board of ING Securities S.A. The Management Board of ING Securities S.A. determined principles of acceptance and tolerance of the credit risk as well as principles of monitoring and reporting of that risk in the accepted "Policy of Credit Risk Appetite in ING Securities S.A."

In 2014, 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 2014, the main task of the Supervision Inspectorate was cooperation with business units in order to:

- Implement requirements related to extension of the license held by ING Securities S.A. by adding an investment advising service
- Implementation of the control reporting system based on iRisk application
- Implementation of new operating systems CXT, Argos
- Improvement of effectiveness of the controls of the first and second lines of defense in the area of counteracting financial and economic crime and compliance.

As a result of comments received from PFSA in the process of approval of the application for provision of investment advising service, a lot of internal regulations were modified. The following regulations were modified: "Regulations on conflict management in ING Securities S.A.", "Regulations concerning investing by persons related to ING Securities S.A. or on their account, in financial instruments", "Regulations concerning protection of confidential information and business secret in ING Securities S.A."

A lot of activities were undertaken in order to close on time the recommendations issued by the Polish Financial Supervision Authority as a result of the carried out audit of the area of counteracting financial and economic crime in ING Securities S.A. These activities led to modification of the following documents: "Regulations concerning prevention of money laundry and financing of terrorism in ING Securities S.A.", "CDD Procedure for the Institutional Clients Department, Financial and Investment Advising Clients Department and legal persons of the Retail Clients Department in ING Securities S.A."

Under adjustment of regulations of ING Securities S.A. to the requirements of the ING Group the "Financial Economic Crime Policy in ING Securities S.A." and "Minimum Standards of the financial and economic crime (Minimum Standards of FEC)" were developed and approved.

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 FATCA, Computer crime, Personal responsibility, 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 2014, ING Securities S.A. reviewed and updated on a current basis internal procedures that document the course of the capital adequacy assessment process and principles of risk management. In the reported period, a few changes were implemented 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 the period from October 2013 to September 2014 was carried out as well as a review of a catalogue of risks of ING Securities S.A. and examination of materiality of risks for 2014. 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 December 2014, ICAAP was assessed by the Polish Financial Supervision Authority under the Supervisory Check and Assessment that ended with receiving the top mark (1).

8. Internal and external audits/external controls

In line with the 2014 Audit Plan (that was modified in the course of the year) approved by the Supervisory Board, the Internal auditor carried out 2 audits: *Audit of human resources management as at 26 March 2014 and the Audit of the remuneration process as regards execution of the policy of variable components of remuneration as at 11 August 2014*. The third audit planned for 2014 in the field of compliance risk management and legal function was suspended as at the end of December in connection with starting of a common audit with the Internal Audit Department of ING Bank Śląski S.A. in the field of retail brokerage services.

As a result of 2 carried out audits, 11 recommendations were issued in total, of which one was marked with high risk and ten with medium risk. Control environment of the above audits was assessed as "sufficient".

Under regulations concerning a position of the Internal Audit, in 2014 "Internal Audit Regulations" and "Audit Card" were updated and accepted by the Management Board and Audit Committee and approved by the Supervisory Board.

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 (KPMG) assessed fulfilment of the requirements on safekeeping of the clients' assets by ING Securities S.A. in the period from 01 January 2013 to 31 December 2013 resulting from the Act on trading in financial instruments and from the Finance Minister Regulation of 24 September 2012 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's opinion was unqualified.

In 2014, ING Securities S.A. was also controlled by the Polish Financial Supervision Authority (PFSA) and by the National Depository for Securities (KDPW). The control effected by PFSA referred to execution by ING Securities S.A. of its obligations resulting from the *Act of 16 November 2000 on Counteracting Money Laundering and Terrorism Financing*. 11 post-control recommendations were issued. In accordance with the binding principles, correctness of execution of the recommendations was verified by an external auditor. Control performed by the National Depository for Securities (KDPW) referred to correctness of recognition of securities, IT systems servicing that recognition, relevant internal procedures, regulations referring to business continuity and archiving process. No post-control recommendations were issued.

9. Organization of the Brokerage House

9.1. Corporate governance

In connection with implementation of the "Rules on Corporate Governance for Supervised Institutions" by the Polish Financial Supervision Authority on 22 July 2014, after receiving the opinion of the Supervisory Board of the Company and getting a standpoint of the Supervisory Board on the stipulations of the "Rules on Corporate Governance" referring to functioning of the Supervisory Board and its Members, the Management Board of ING Securities S.A. made a statement concerning adoption of the rules provided for in the document "Rules on Corporate Governance for Supervised Institutions" to be applied in ING Securities S.A. starting from 1 January 2015, with a proviso that the rule described in Article 22 sections 1-2 referring to participation of independent members in a composition of the supervisory body will not be met.

ING Bank Śląski S.A. is the only shareholder of ING Securities S.A. The General Meeting of ING Securities S.A. appoints Supervisory Board Members in such a way to ensure both various and mutually supplementing competencies, as well as objectivism and independence in assessment. Especially, the current composition of the Supervisory Board includes persons from top management of ING Bank Śląski S.A. and ING Bank N.V. (a dominant entity for ING Bank Śląski S.A.), inclusive of the President and Members of the Management Board of ING Bank Śląski S.A. in charge of risk management, accounting and finances, retail segment and Bank Executive Director responsible for financial markets. Moreover, a person employed in ING Bank Śląski S.A., being a licensed certified auditor, meeting criteria of independence as defined in the Act dated 7 May 2009 concerning certified auditors and their self-government, entities authorized to examine financial statements and public supervision (Journal of Laws 2009 no. 77 item 649, as amended) is in the Supervisory Board and Audit Committee.

The Management Board declared also that they would submit information at the nearest Ordinary General Meeting of ING Securities S.A. about the content of a declaration given by the Company on application of the "Rules of Corporate Governance" and would request the shareholder as regards application of the rules dedicated directly to the shareholders.

9.2. Employees of ING Securities S.A.

As at 31 December 2014, ING Securities S.A. employed 124 employees (inclusive of 29 brokers), which was in total 123.13 FTEs.

65 employees were employed in total in front office (secondary market, primary market, investment banking, analysts), which represented 52% of all employed.

During 2014, work contract was terminated with 12 employees, whereas 16 persons were employed.

Total employment increased by 3.33% from the last year.

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

Supervisory Board

As at 1 January 2014, 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

As of 21 October 2014 Mr Mark Pieter de Boer was recalled from the Supervisory Board as a result of resignation submitted by him.

On 17 November 2014, with the Resolution no. 1/2014 of the Extraordinary General Meeting of ING Securities S.A. Mr Arkadiusz Szperna was appointed a Supervisory Board Member.

Since 17 November 2014, the composition of the Supervisory Board of ING Securities S.A. has been as follows:

Chairperson	– Oscar Swan
Vice Chairperson	– Małgorzata Kołakowska
Members	– Mirosław Boda
	– Agnieszka Schwedler
	– Ignacio Julià Vilar
	– Bohdan Stępkowski
	– Arkadiusz Szperna

Audit Committee of the Supervisory Board

As at 1 January 2014, 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 2014.

Management Board

As at 1 January 2014, 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
	– Konrad Zawisza

The composition of the Management Board of ING Securities S.A. did not change in 2014.

9.4. Organizational structure

In 2014, the following changes in the organizational structure of the Brokerage House took place:

- As of 01 March 2014, the following positions were established in the organizational structure of ING Securities S.A.: Investment Adviser was established in the Analyses Team, Product Manager and Senior Specialist for Application Development in the Retail Marketing Department, Broker – Analyst in the Client Service Center, and the position of Deputy Head of the Retail Marketing Section in the Retail Clients Department was liquidated. Moreover, the name of the position of the Specialist for Development of Online and Mobile Sidoma was changed into Specialist for Application Development
- As of 01 April 2014, the Brokers Team was established in the Client Service Center in Katowice, and the Analyses Team was transformed into the Advising and Analyses Team and included into the organizational structure of the Client Service Center in Katowice
- As of 01 June 2014, a position of Senior Specialist for Management was created in the Risk Management Team and a position of the Risk Management Specialist was liquidated
- As of 27 June 2014, a position of the Junior FX Analyst was created in the Foreign Markets Team
- As of 31 October 2014, a position of the ING Sprinters Project Manager was liquidated in the organizational structure
- As of 01 November 2014, a position of the Sales Support Specialist was created in the Retail Marketing Section
- As of 12 November 2014, Orders Execution Team and a position of the Trader were liquidated in the Institutional Clients Department.

Enclosed, please find organizational structure chart as at 31 December 2014.

10. Major events after 31 December 2014

- As of 01 January 2015, in the organizational structure of ING Securities S.A. the name of the Retail Marketing Section was changed into the Business Development Section, and within that section the Application Development Team was established
- As of 12 January 2015, the Management Board decided to render the investment advising service to the clients of ING Securities S.A.
- As of 12 January 2015, with a decision of the Supervisory Board, the composition of the Management Board of ING Securities S.A. was extended and a new Member in charge for the retail area was added. This position was entrusted to Mr Marcin Giżycki

- As of 22 January 2015, changes in the competencies of the Management Board Members were introduced, under which Marcin Giżycki, Management Board Member, took a direct supervision over the Retail Clients Department, Technology Director, IT and Telecommunications Department and the Securities Recognition and Settlement Department
- As of 04 March 2015, any activities on the regulated OTC market were discontinued
- A decision was taken to stop providing of services on the OTC market (Forex) as of 31 March 2015.

The Management Report consists of 25 consecutively numbered pages.

Warsaw, on 23 March 2015

Marek Słomski - President of the Management Board

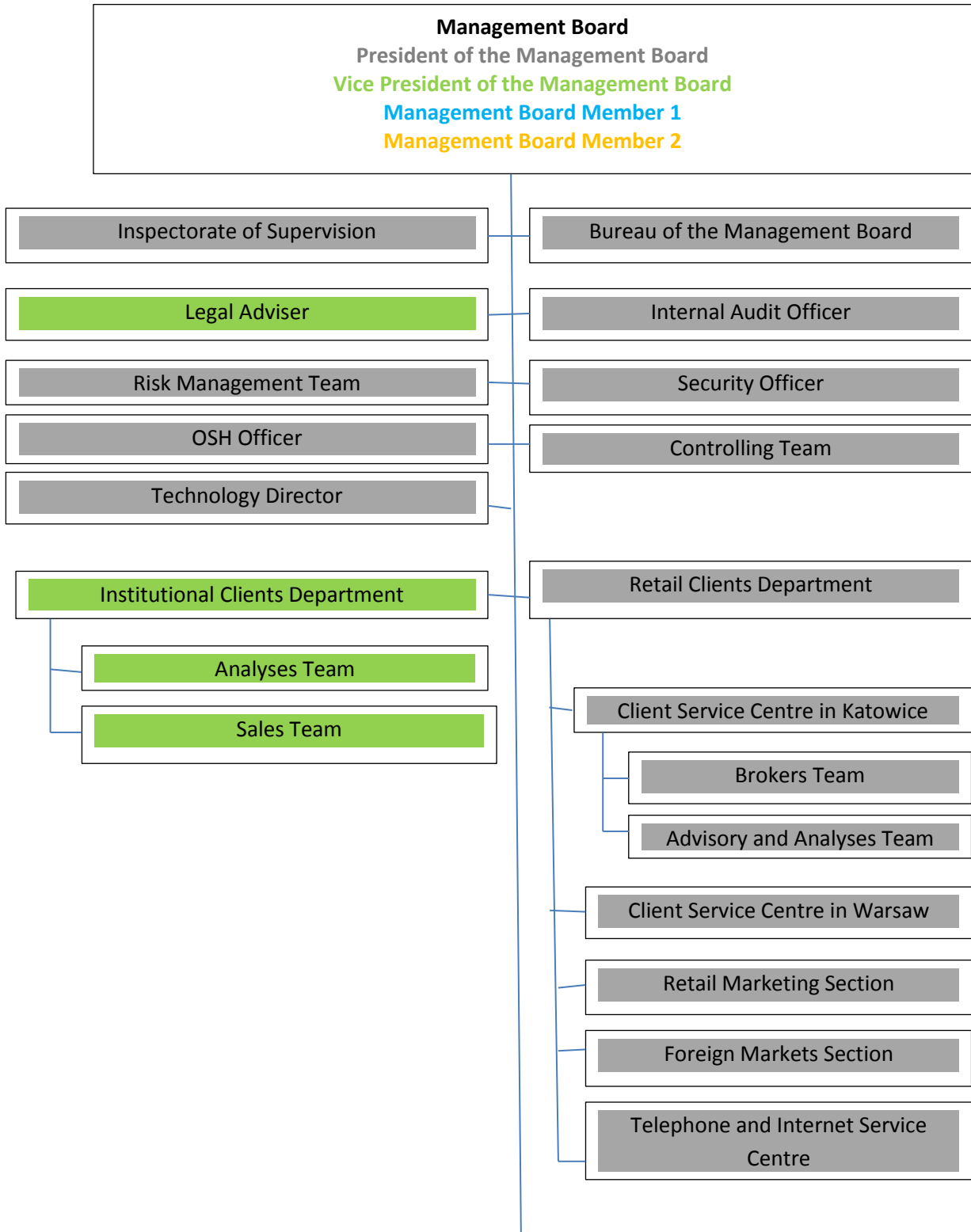
Kamil Kalemba - Vice President of the Management Board

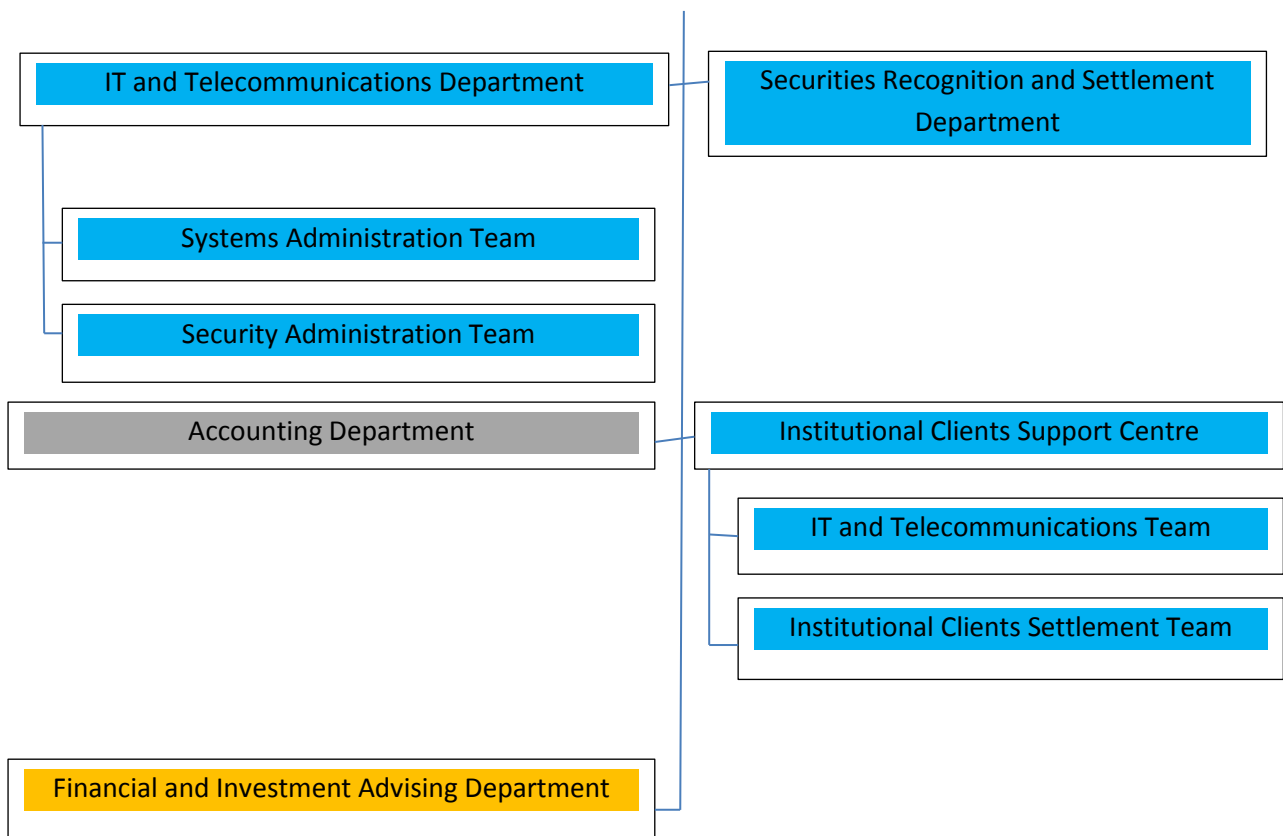
Marcin Giżycki - Management Board Member

Mariola Skrzypczak - Management Board Member

Konrad Zawisza - Management Board Member

**Organisational scheme
of ING Securities w Warszawie
as at 31 December 2014**





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