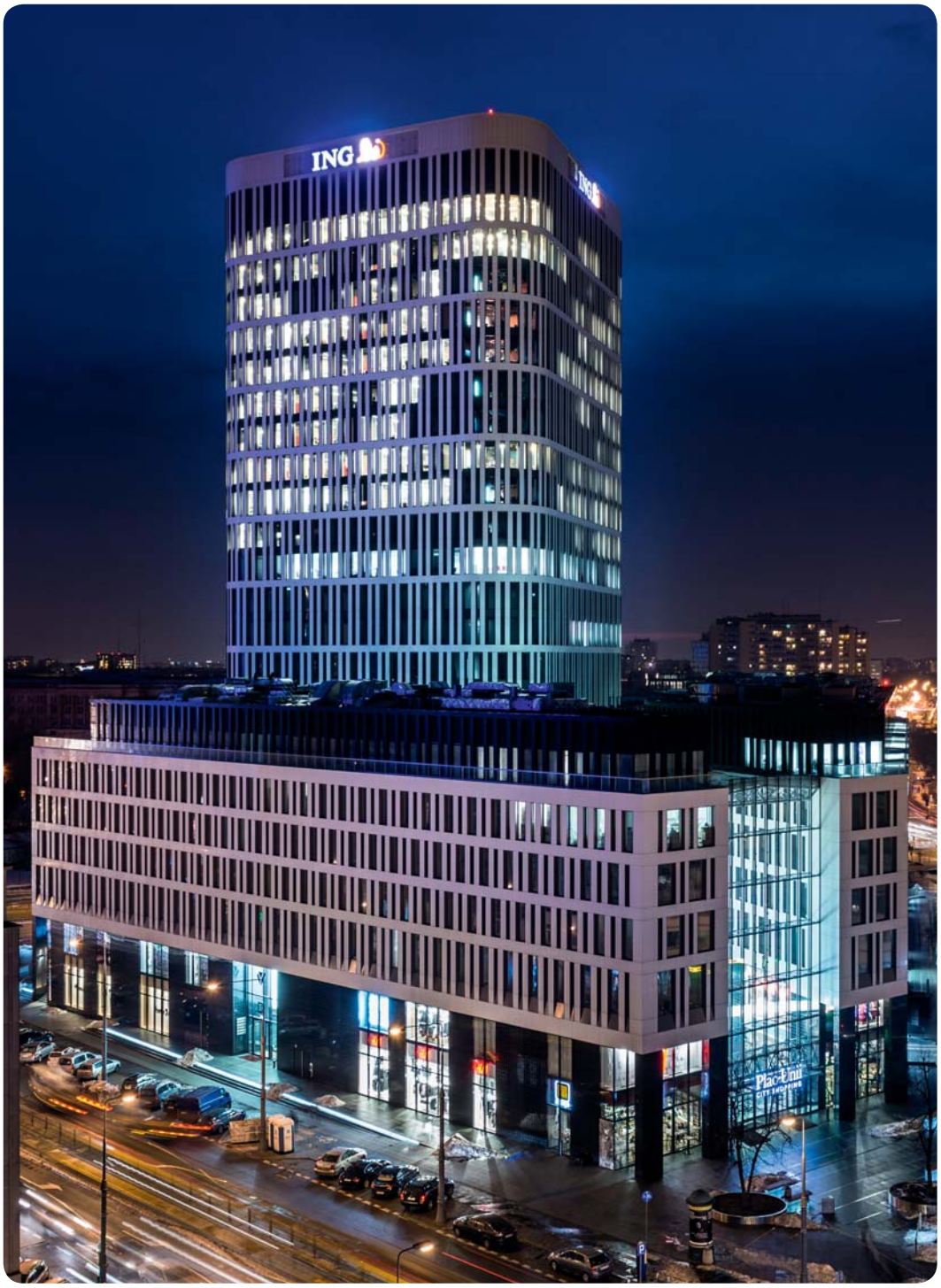


ING Commercial Finance POLAND

[Annual Report 2015]

ING

Factoring market leader in 2015

POLSKI ZWIĄZEK FAKTORÓW

Factors Chain International

ING Commercial Finance Polska S.A. is an active member of the Polish Factors Association (PFA) and Factors Chain International (FCI). The FCI network allows the Company to offer its customers foreign transactions in cooperation with more than 400 factoring companies from 90 countries.

Introduction:

July 1994

ING Commercial Finance Polska S.A. was originally **founded in** July 1994 as Handlowy Heller – Heller S.A. – a joint venture between NMB Heller Holding and Bank Handlowy w Warszawie S. A.

March 2006

In March 2006, the company's shares were bought by ING Commercial Finance B.V., with its registered office in Bunnik, the Netherlands, a member of ING Group, one of the largest financial institutions in the world.

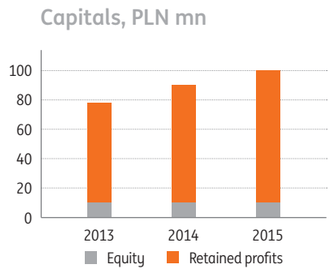
January 2012

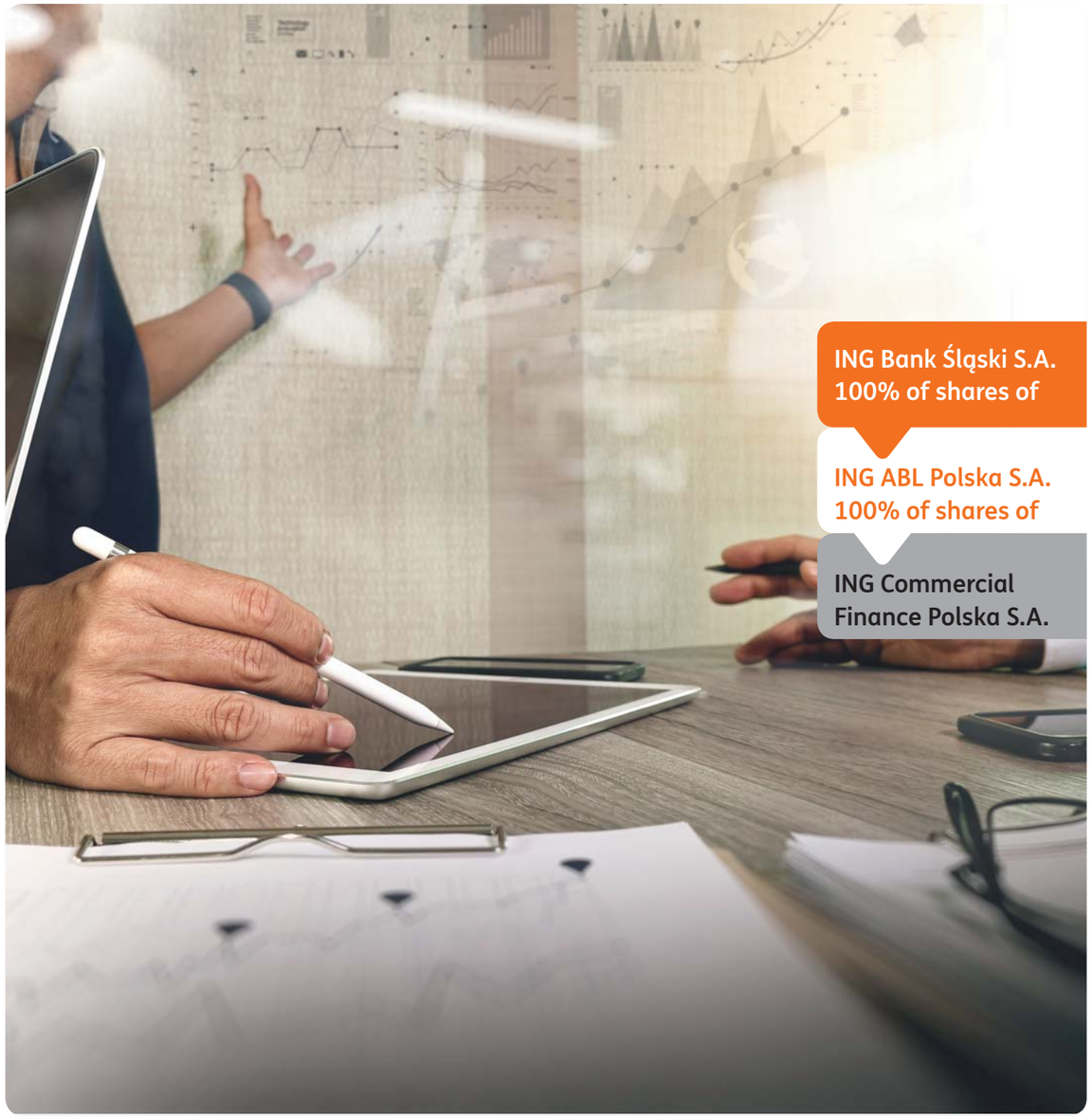
ING Bank Śląski has been the sole shareholder of ING Commercial Finance since January 2012 via its subsidiary, ING ABL Polska Sp. z o.o.

ING Commercial Finance Polska S.A. offers:

- innovative products for all market segments (SMEs, MCs, CB),
- tailor - made solutions to suit the changing requirements of the clients,
- top specialists with many years of experience in finance.

Shareholding structure and governance





As at the end of 2015, the structure of the Management Board was as follows:

CEO
Tomasz Mazurkiewicz

CSO
Bartłomiej Świeca

CFO/COO
Arkadiusz Gwóźdź

CRO
Paweł Mitoraj
(since July 1, 2015)

As at the end of 2015, the structure of the Supervisory Board was as follows:

Chairman
Michał Bolesławski

Member
Mirosław Boda

Member
Oscar Swan

I am pleased to submit the Annual Report for 2015. I am pleased even more as we achieved, and maintained throughout the year, the **no. 1** position on the Polish factoring market.

Tomasz Mazurkiewicz – President of the Management Board

The highest turnover ever

PLN 18.9 bn

y/y 12.1%

With such dynamic growth in 2015, ING Commercial Finance Poland was able to win 14.1% of market share in Poland and became number one among all the members of the Polish Factoring Association. We pursue our strategy while taking into consideration the needs of our clients, employees, as well as the society and the environment.

International business volumes

348%

EUR 106.6 mn

EUR 369 mn

of which EUR 129 mn were earned through the FCI Network

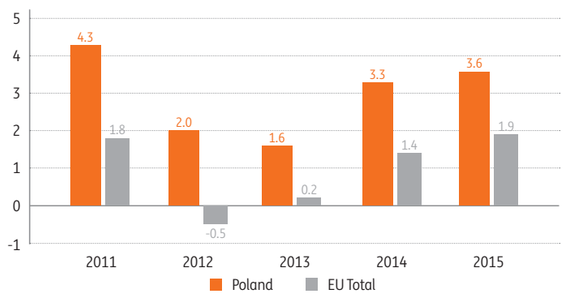
Our international partners appreciated the quality of our services, and we were ranked **no. 9 (the highest rank ever)** as import factor in the FCI Import Factor of the Year 2015 competition, with a score of **95.97%**.

I'd like to express my satisfaction with the results and also thank all our clients and factor correspondents for their trust and support. We look forward to cooperating with you.

Market Environment

In 2015, the Polish economy grew at a rate of 3.6% per year vs. 3.3% in 2014, and was one of the fastest growing economies in the European Union.

GDP growth rate %



The base rate of the National Bank of Poland in 2015 reached 1.5%, its lowest level in history.

Domestic demand

↗ 3.3%

Positive balance of foreign trade

PLN 3.64 bn

Deflation

The main contributors to that effect were the falling food and oil prices

-0.9 y/y

Average employment in the business sector

↗ 1.1 y/y

Unemployment rate

down by

1.7% ↘ 9.8%

Average monthly gross salary

↗ 4.5% y/y

Factoring in Poland

Turnover of Polish Factors Association (PZF) members ↗ 17.4%

PLN 134.3 bn EUR 31.5 bn

Total market turnover

PLN 149 bn EUR 35 bn

Number of invoices purchased

20.5% ↗ 6.6 mn y/y

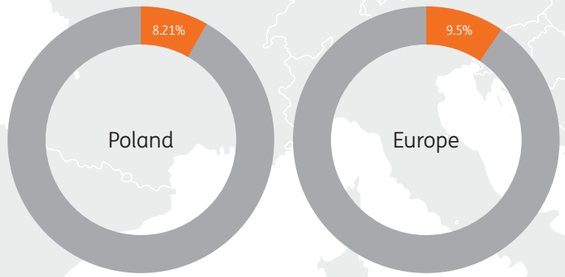
Highest share of invoices purchased 20.2%

ING CFP 20.2%

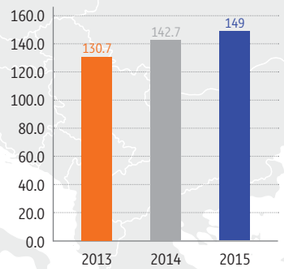
The most popular factoring products in 2015 were:

- domestic non-recourse factoring – the turnover of **PLN 52.73 bn**,
- domestic recourse factoring – the turnover of **PLN 51.12 bn**,
- export factoring – the turnover of **PLN 28.73 bn**,
- import factoring – the turnover of **PLN 1.75 bn**.

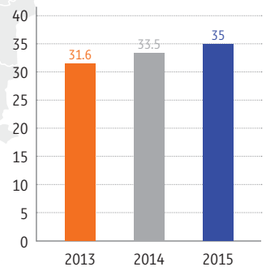
In 2015, the share of factoring turnover in the total GDP of Poland and Europe was as follows:



Factoring in Poland PLN bn



EUR bn



Growth potential for the factoring business

Financial Results

In 2015, ING CF reached the highest turnovers among the members of the Polish Factors Association. The total turnovers amounted to PLN 18.9 bn, up by 12.1% from 2014.

Signed new factoring agreements

278 16.3% ↗ 174 clients y/y

Total number of clients 1243

Number of invoices purchased

20.18% of the invoices financed by the entire Polish Factors Association members

1325 k ↗ 167 k y/y 26%

#9

No. 9 among 151 Import Factors as announced during the Import Factor of the Year award gala at the last annual meeting in Singapore

Balance Sheet Total ↗ 24.4% y/y

PLN 2883 mn EUR 676.5 mn

The growth of the balance sheet total resulted from an increase in the factored receivables by 24.5%

Factoring activity financing loans liabilities 31 December 2015

PLN 2268 mn EUR 532.2 mn

The company has access to funding within the ING Group

Commission and factoring fee result ↗ 4.2% y/y

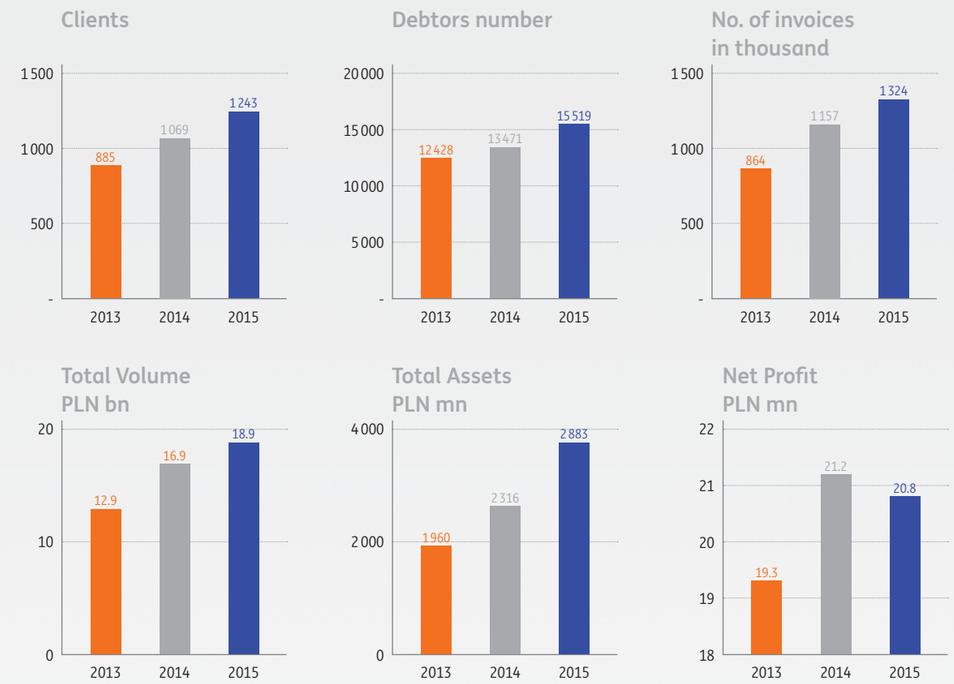
Interest result ↘ 1.0% y/y

Gross profit ↗ 11.24% y/y PLN 26.2 bn

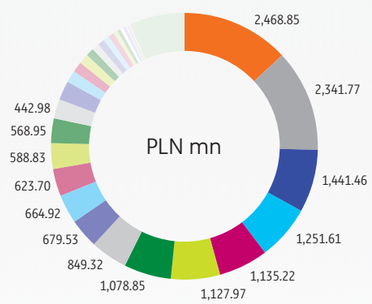
Net profit ↘ 2.05% y/y PLN 20.8 bn

Company employment structure 31 December 2015

59 + 39 = 98 ↘ 40 y 74.5% ↗ 40 y 25.5%



Business sectors that generate the highest turnovers:



	PLN mn
Manufacture of chemicals	2,468.85
Wholesale of food, beverages	2,341.77
Manufacture of food products	1,441.46
Wholesale of electronics	1,251.61
Manufacture of basic metals	1,135.22
Wholesale of others	1,127.97
Wholesale of energy	1,078.85
Wholesale of construction supply	849.32
Wholesale of metal products	679.53
Transporting and storage	664.92
Wholesale of agricultural products	623.70
Agricultural products	588.83
Leather, wood &paper products	568.95
Wholesale of pharmaceuticals	442.98

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