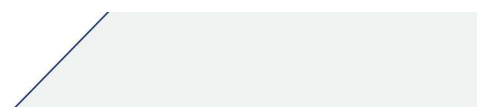


IPOPEMA Securities S.A.

Financial statements

for the year ended December 31st 2014

Warsaw, March 20th 2015



Statement of compliance

The Management Board of IPOPEMA Securities S.A. hereby represents that:

- to the best of our knowledge, the annual separate financial statements for the year ended December 31st 2014 and the comparative data have been prepared in compliance with the applicable accounting standards and give a clear, true and fair view of the assets, financial standing and financial performance of IPOPEMA Securities S.A.
- BDO Sp. z o.o., registered office at ul. Postępu 12, Warsaw, a qualified auditor of financial statements, entered in the list of qualified auditors of financial statements maintained by the National Chamber of Statutory Auditors (NCSA) under Reg. No. 3355, which audited the annual separate and consolidated financial statements, was appointed in compliance with applicable laws. BDO Sp. z o.o and the auditor who audited the annual financial statements of IPOPEMA Securities S.A. prepared as at December 31st 2014 meet the relevant criteria for issuing an objective and independent auditor's opinion, as required by applicable laws.
- the Directors' Report for 2014 gives a true picture of the Company's development, achievements and standing; they also include a description of key risks and threats.

Warsaw, March 20th 2015

Management Board of IPOPEMA Securities S.A.:

Jacek Lewandowski
President of the
Management Board

Mariusz Piskorski
Vice-President of the
Management Board

Stanisław Waczkowski
Vice-President of the
Management Board

Mirosław Borys
Vice-President of the
Management Board

Financial highlights

Financial highlights	PLN '000		EUR '000	
	2014	2013	2014	2013
Revenue from core activities	46,627	57,700	11,130	13,702
Cost of core activities	42,167	48,178	10,065	11,441
Profit on core activities	4,460	9,522	1,065	2,261
Operating profit	5,801	7,068	1,385	1,678
Pre-tax profit	3,725	7,131	889	1,693
Net profit	3,226	5,619	770	1,334
Earnings from continuing operations per ordinary share – weighted average (PLN/ EUR)	0.11	0.19	0.03	0.04
Net cash from operating activities	- 5,854	- 180,798	- 1,398	- 42,935
Net cash from investing activities	- 160	2,676	- 38	635
Net cash from financing activities	- 390	- 22,796	- 93	- 5,413
Total cash flows	- 6,404	- 200,918	- 1,529	- 47,713

Financial highlights	PLN '000		EUR '000	
	Dec 31 2014	Dec 31 2013	Dec 31 2014	Dec 31 2013
Total assets	293,035	322,486	68,750	77,760
Current liabilities	229,000	249,870	53,727	60,250
Equity	60,125	65,894	14,106	15,889
Number of shares	29,937,836	29,937,836	29,937,836	29,937,836
Book value per share (PLN/EUR)	2.01	2.20	0.47	0.53

The individual items of the financial highlights were translated into the euro at the following exchange rates:

- For the income statement and statement of cash flows items:

Average exchange rate calculated as the arithmetic mean of the exchange rates quoted on the last day of each month in a given period	2014	2013
EUR	4.1893	4.2110

- For the balance sheet:

Exchange rate as at	Dec 31 2014	Dec 31 2013
EUR	4.2623	4.1472

- The lowest and the highest EUR exchange rate in the period:

EUR	2014	2013
Lowest exchange rate	4.0998	4.0671
Highest exchange rate	4.3138	4.3432

Introduction to the financial statements

Information on the Company

The Company (under the name Dom Maklerski IPOPEMA S.A.) was established on March 2nd 2005 under Notarial Deed No. Rep. A 2640/2005, which included also the Company's Articles of Association, prepared by Janusz Rudnicki, Notary Public of Warsaw, ul. Marszałkowska 55/73, suite 33, Warsaw, Poland. According to the Articles of Association, the Company has been established for indefinite time.

The Company's registered office is at ul. Próżna 9, Warsaw, Poland.

Pursuant to a decision issued by the District Court for the Capital City of Warsaw, 19th (currently 12th) Commercial Division of the National Court Register, on March 22nd 2005 the Company was entered into the Register of Entrepreneurs of the National Court Register under KRS No. 0000230737.

The Company was assigned Industry Identification Number (REGON) 140086881.

The Company's business was classified in accordance with the Polish Classification of Business Activities (PKD) as:

- (i) PKD 66.12.Z – Security and commodity contracts brokerage,
- (ii) PKD 64.99.Z – Other financial services not elsewhere classified, except insurance and pension fund services,
- (iii) PKD 70.22.Z – Business and other management consultancy activities in the scope defined under a decision.

The Company conducts brokerage activity on the basis of a brokerage licence granted by the Polish Securities and Exchange Commission (currently, the Polish Financial Supervision Authority) on June 30th 2005, and on the basis of an additional licence, for the preparation of investment and financial analyses as well as recommendations, granted by the Polish Financial Supervision Authority on June 28th 2010. The additional licence had to be obtained in connection with amendments to applicable laws and regulations (prior to the amendments, such activities had not been classified as brokerage activities requiring a licence).

The name of the Company was changed from Dom Maklerski IPOPEMA S.A. to IPOPEMA Securities Spółka Akcyjna under Resolution No. 5 of the Extraordinary General Meeting held on August 10th 2006.

All Company shares (a total of 29,937,836 shares) outstanding as at the date of publication of these financial statements are admitted to trading on the regulated market operated by the Warsaw Stock Exchange and have been introduced to trading on the main market. May 26th 2009 was the first listing date.

Going concern assumption

These financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future, that is for the 12 months following the reporting date. As at the date of approval of these financial statements, no circumstances were identified which would threaten the Company continuing as a going concern, as a result of voluntary or involuntary discontinuation or material limitation of its existing operations, within at least 12 months from the reporting date, that is December 31st 2014.

Composition of the Management Board and the Supervisory Board

As at the reporting date and the date of these financial statements, the composition of the Company's Management Board was as follows:

Jacek Lewandowski – CEO and President of the Management Board,
Mirosław Borys – Vice-President of the Management Board,
Mariusz Piskorski – Vice-President of the Management Board,
Stanisław Waczkowski – Vice-President of the Management Board.

There were no changes in the composition of the Management Board in 2014 or 2013.

As at the date of these financial statements, the composition of the Company's Supervisory Board was as follows:

Jacek Jonak – Chairman of the Supervisory Board,
Janusz Diemko – Secretary of the Supervisory Board,
Bogdan Kryca – Member of the Supervisory Board,
Zbigniew Mrowiec – Member of the Supervisory Board,
Michał Dobak – Member of the Supervisory Board.

Małgorzata Adamkiewicz was a member of the Supervisory Board until August 31st 2013, when her mandate expired following her resignation. On February 10th 2014, the Extraordinary General Meeting appointed Mr Michał Dobak as member of the Supervisory Board.

Basis of preparation

These financial statements cover the period January 1st–December 31st 2014 and contain comparative data for the period January 1st–December 31st 2013.

Pursuant to Art. 50.3 of the Polish Accountancy Act, if there is no reportable information on an item of financial statements in the financial year and in the preceding year, the item is disregarded when preparing the financial statements.

These financial statements for the financial year ended December 31st 2014 were authorised for issue by the Management Board on March 20th 2015.

Identification of financial statements

All financial data contained in these financial statements is presented in PLN '000.

These financial statements were prepared in accordance with the historical cost convention, save for financial instruments held for trading and some financial instruments available for sale, which are measured at fair value.

These financial statements were prepared in compliance with the Polish Accounting Standards ('PAS'), including:

- The Polish Accountancy Act of September 29th 1994 – Dz. U. of 2013, item 330, as amended (the 'Accountancy Act');
- The Regulation of the Minister of Finance on special accounting principles for brokerage houses of December 28th 2009 – Dz.U. of 2013, No. 483;
- The Regulation of the Minister of Finance on detailed recognition principles, method of measurement, scope of disclosure and presentation of financial instruments of December 12th 2001 – Dz.U. of 2001, No. 149, item 1674, as amended;
- The Act on Trading in Financial Instruments of July 29th 2005 – Dz.U. of 2014, item 94, as amended;
- Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26th 2013 on prudential requirements for investment institutions and firms, amending Regulation (EU) No. 648/2012 (OJ L 176 of June 27th 2013, as amended) ('CRR');
- The Regulation of the Minister of Finance on the scope of information to be disclosed in financial statements and consolidated financial statements required to be included in prospectuses of issuers with registered offices in Poland to whom the Polish accounting standards apply, of October 18th 2005 – Dz.U. of 2014, item 300;
- The Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009 – Dz.U. of 2014, item 133.

Information on subsidiaries

IPOPEMA Securities S.A. is the parent of the following companies: IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. of Warsaw, Poland, IPOPEMA Asset Management S.A. of Warsaw, Poland, IPOPEMA Business Consulting Sp. z o.o. of Warsaw, Poland, IPOPEMA Outsourcing Sp. z o.o. (a wholly-owned subsidiary of IPOPEMA Business Consulting Sp. z o.o.), IPOPEMA Business Services Kft. of Budapest, Hungary, and IPOPEMA Business Services Srl. of Budapest, Hungary. The parent and its subsidiaries make up the IPOPEMA Securities Group (the 'IPOPEMA Securities Group', the 'Group').

IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. ('IPOPEMA TFI') was established on March 14th 2007 and operates under the licence issued by the Polish Financial Supervision Authority (PFSA) on September 13th 2007. Its business profile comprises: (i) operation of an investment fund company, as well as creation and management of investment funds, (ii) discretionary management of securities portfolios, (iii) advisory services in the area of securities trading, (iv) intermediation in the sale and redemption of investment fund units, and (v) representation service for foreign funds. IPOPEMA TFI's share capital amounts to PLN 5,000,001 thousand and comprises 1,666,667 registered shares. The composition of the Management Board is as follows: Jarosław Wikaliński (President), Maciej Jasiński, Aleksander Widera and Jarosław Jamka (Vice-Presidents). The board members have many years of practice and experience in the financial market, including in asset management and creation of investment funds. IPOPEMA Securities S.A. holds 100% of shares and votes at the General Meeting of IPOPEMA TFI.

IPOPEMA Asset Management S.A. ('IAM') was established on August 28th 1996 as a limited liability company. Pursuant to a resolution of the General Meeting of December 11th 1998, the company was transformed into a joint-stock company. IAM's share capital is PLN 5,600 thousand and comprises 56,000 registered shares. The company joined the IPOPEMA Securities Group on September 30th 2011, when IPOPEMA Securities acquired 100% of its shares. The company's business consists in management of portfolios of broker-traded financial instruments. IAM conducts brokerage activities on the basis of a licence granted by the Polish Securities and Exchange Commission (currently the Polish Financial Supervision Authority) on October 9th 2001. The company's Management Board comprises Jarosław Wikaliński (President), and Aleksander Widera, Maciej Jasiński and Jarosław Jamka (Vice-Presidents).

IPOPEMA Business Consulting Sp. z o.o. ('IPOPEMA BC', 'IBC') was established on August 26th 2008. Its share capital amounts to PLN 100,050 and comprises 2,001 shares, of which 1,001 are held by IPOPEMA Securities S.A., and the remaining 1,000 shares are held in equal parts by its partners: Eliza Łoś-Strychowska and Tomasz Rowecki, who are the Management Board of IPOPEMA BC. The company's business profile comprises: (i) other business and management consulting services (ii) computer facilities management activities, (iii) IT consultancy services, (iv) software-related activities, (v) wholesale of computers, computer peripheral equipment and software.

IPOPEMA Outsourcing Sp. z o.o. ('IO') – a wholly-owned subsidiary of IBC, which was established to provide operational support to IPOPEMA Business Consulting Sp. z o.o.

IPOPEMA Business Services Kft. ('IBS') is a commercial company under Hungarian law, established on December 10th 2009, with registered office in Budapest, Hungary. Its founder and sole shareholder is IPOPEMA Securities S.A. IBS's share capital totals HUF 500,000 (PLN 7,000). The core business of the subsidiary is the provision of office and business support services, e.g. for IPOPEMA Securities agents involved in brokerage activities on the Budapest Stock Exchange (BSE). The company has a single-person Management Board: its President is Marcin Kurowski, IPOPEMA Securities S.A.'s employee with a long record of service for the Company.

IPOPEMA Business Services SRL ('IBS SRL') of Bucharest, Romania, is a commercial company under Romanian law, established on September 24th 2014. 95% of its share capital is held by IPOPEMA Securities S.A., with a 5% interest held by IBS. The share capital of IBS Srl amounts to RON 200 (PLN 196). The company's principal business consists in the provision of office and business support services, e.g. for IPOPEMA Securities S.A. agents involved in IPOPEMA Securities S.A.'s activities on the Romanian market. The company has a one-person Management Board, with Marcin Kurowski as its President.

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards.

Pursuant to Art. 58.1 of the Accountancy Act, IPOPEMA Business Services Kft., IPOPEMA Business Services Srl and IPOPEMA Outsourcing Sp. z o.o. are not consolidated as their effect on the Group's financial data is immaterial.

Business combinations

In the periods covered by these financial statements, there were no business combinations as referred to in Art. 44.b and Art. 44.c of the Polish Accountancy Act.

Correction of errors and corrections resulting from qualifications contained in auditor's opinions

No corrections of errors were made in these financial statements.

Applied accounting standards, methods of valuation of assets, equity and liabilities (including depreciation/amortisation), measurement of profit (loss):

1) Cash and cash equivalents

Cash and cash equivalents disclosed in the balance sheet include cash in hand and at banks, as well as short-term deposits.

The balance of cash and cash equivalents shown in the statement of cash flows comprises the same cash and cash equivalent items.

Cash is measured at nominal value.

2) Property, plant and equipment, and intangible assets

Property, plant and equipment, and intangible assets are measured at cost less depreciation/ amortisation charges and impairment losses, if any.

Costs incurred after a given asset has been placed in service, such as costs of maintenance or repair, are charged to the income statement when incurred.

Depreciation/amortisation is charged using the straight-line method over the estimated useful life of an asset. The depreciation/amortisation rates applied by the Company are presented in the table below:

Type of asset	Depreciation/amortisation rate
Plant and equipment	10%
Office equipment	20%
Computers	30%
buildings and premises	14.29%
Intangible assets	20%–50%

If the initial value of an item of property, plant and equipment or an intangible asset is less than PLN 3,500, such asset is expensed on a one-off basis. However, if required by the Company's interest, items of property, plant and equipment, and intangible assets with the value lesser than PLN 3,500 may be entered into the register of non-current assets.

An item of property, plant and equipment or an intangible asset may be derecognised from the balance sheet following its disposal or if no further economic benefits are expected to be derived from its further use. Any income and costs resulting from a given asset being derecognised from the balance-sheet, are charged to the income statement in the period the asset was derecognised.

Residual values, useful lives and methods of depreciation /amortisation of assets are reviewed and, if necessary, adjusted at the end of each financial year.

3) Receivables

Current receivables

Current receivables include all receivables from clients, related entities, banks conducting brokerage activity, other brokerage houses and commodity brokerage houses under executed transactions, as well as all or part of receivables related to other items, which are not classified as financial assets, in each case maturing within 12 months after the reporting date.

Receivables are measured at amounts receivable, subject to the prudent valuation principle. The amount of receivables is subsequently decreased by impairment losses, if any, which are recognised based on the analysis of collectability of receivables from individual debtors.

Impairment losses on receivables are estimated in the event of an increase in the risk that it will not be possible to collect the full amount receivable. Taking into consideration the nature of its business, the Company has adopted the following rules for estimating impairment losses on past due receivables:

- for receivables past due by up to six months – no impairment loss is recognised,
- for receivables past due by 6 months to 1 year – impairment loss of 50% of the receivables amount is recognised,
- for receivables past due by more than 1 year – impairment loss of 100% of the receivables amount is recognised.

The Company may also recognise impairment losses based on an individual assessment of a receivable.

Impairment losses on receivables are charged to other expenses and disclosed in the income statement under increase in impairment losses on receivables. The cost connected with recognition of impairment losses at the time of confirming that particular receivables are uncollectible is a tax-deductible expense; in any other case, such cost is not tax-deductible.

Under receivables, the Company also recognises receivables under lease of property, plant and equipment and intangible assets to IPOPEMA Business Services Kft. The lease agreement meets the definition of finance lease. The leasing receivables were PLN 14 thousand as at December 31st 2014 (December 31st 2013: PLN 145 thousand), of which non-current receivables were PLN 0 thousand (December 31st 2013: PLN 14 thousand).

Current receivables from clients, current receivables from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses, current liabilities to clients and current liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses

Current receivables from clients, current receivables from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses, current liabilities to clients and current liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses arise in connection with securities purchases and sales which have not yet been cleared at the clearing houses due to the transaction settlement procedure (T+3; as of October 6th 2014 the settlement period is T+2). In the case of purchase transactions on stock exchanges made to execute orders placed by clients whose accounts are kept by custodian banks, the Company recognises current liabilities towards banks conducting brokerage activities and other brokerage houses (parties to the market transactions)* and current receivables from the clients for whom the purchase transactions were executed. In the case of sale transactions executed on stock exchanges to execute orders placed by clients whose accounts are kept by custodian banks, the Group discloses current receivables from banks conducting brokerage activities and other brokerage houses (parties to the market transactions)* and current liabilities towards the clients for whom the sale transactions were executed.

** Pursuant to Art. 45h of the amended Act on Trading in Financial Instruments, in the case of transactions executed on the WSE, KDPW CCP (the clearing agent) assumed the rights and obligations of the parties to the market transactions.*

Non-current receivables

Non-current receivables are receivables whose terms to maturity are longer than 12 months from the reporting date.

4) Financial instruments

Financial instruments are classified into the following categories:

- financial assets,
- financial assets held for trading,
- loans and receivables,
- financial assets held to maturity,
- financial assets available for sale.

2. Financial liabilities

- financial liabilities held for trading,
- other financial liabilities.

Financial assets and liabilities held for trading

Financial assets and liabilities held for trading are financial instruments acquired for the Company's own account in connection with executed transactions, and are measured at fair value, determined by reference to their market value as at the reporting date. For the purposes of the measurement, the Company takes into account closing prices quoted by the Warsaw Stock Exchange ('WSE') and Budapest Stock Exchange ('BSE') on the last business day of the reporting period. Instruments not traded on stock exchanges (FX forward, FX swap) are measured using interest rates and currency exchange rates as at the reporting date. Changes in the value of financial instruments held for trading are recognised under income from or cost related to financial instruments held for trading, as appropriate.

Financial instruments held for trading include shares in companies listed both on the Warsaw Stock Exchange (the 'WSE') and the Budapest Stock Exchange (the 'BSE'), but also equity- and index-based derivatives (options and futures traded on the WSE, FX forwards and FX swaps). In the category of financial liabilities held for trading, the Company recognises derivative financial instruments. Both the financial assets and liabilities held for trading are listed on the Warsaw Stock Exchange or the Budapest Stock Exchange, with the exception of forward contracts and FX swaps entered into by the Company.

Financial assets are carried as at the contract date at cost, i.e. at the fair value of expenses incurred or other assets transferred in return, whereas financial liabilities are carried as at the contract date at the fair value of the amount or other assets received. When determining the fair value as at the contract date, the Company takes into account transaction costs.

The Company does not apply hedge accounting.

Loans advanced and receivables

Loans and receivables include financial assets arising when the Company delivers cash directly to the counterparty, irrespective of the maturity date of such assets. Loans advanced and receivables are measured at adjusted cost, which is estimated using the effective interest rate method. Non-interest bearing current receivables are measured at amounts receivable, subject to the prudent valuation principle. Current receivables include mainly bank deposits, cash and loans advanced. Loans advanced to IPOPEMA Securities S.A.'s employees and associates are classified under 'Loans advanced'. With respect to loans which may be amortised (three-year and five-year loans), the Group applies straight-line amortisation to the principal and accrued interest. Amortisation charges are disclosed under finance costs.

Financial assets held to maturity

Financial assets held to maturity are investments with fixed or determinable payments and fixed maturities that the Company intends and is able to hold to maturity. Financial assets held to maturity are measured at amortised cost with the effective interest rate method.

Financial assets held to maturity are classified as non-current assets if their terms to maturity are longer than 12 months from the reporting date. The Company had no financial assets held to maturity in this or previous year.

Financial assets available for sale

All other financial instruments are classified as financial assets available for sale. Financial assets available for sale are carried at fair value (without deducting the transaction costs), determined by reference to their market value as at the reporting date. Under financial assets available for sale the Company recognises investment certificates and, pursuant to the regulation on special accounting policies for brokerage houses, shares in subordinated entities.

Investment certificates are carried at fair value based on the net asset value per certificate as published by the investment fund. Valuation results increase or decrease (as appropriate) the revaluation capital reserve.

Shares in subsidiaries are measured at cost less impairment.

Other financial liabilities

In this category, the Company classifies mainly bank borrowings, including overdrafts. Other financial liabilities are measured at amortised cost.

Financial instruments are derecognised when the Company loses control over the contractual rights constituting the given financial instrument; that usually happens when an instrument is sold or when all the cash flows attributable to an instrument are transferred onto an independent third party.

Acquisition and sale of financial instruments are recognised as at the transaction date. On initial recognition, they are measured at cost (fair value), including the transaction costs.

5) Impairment of financial instruments

As at each reporting date the Company evaluates whether there are objective indications of impairment of a financial instrument or a group of financial instruments.

6) Prepayments and accrued income

Current

Costs incurred in the current reporting period but related to future periods are recognised under current prepayments and accrued income, provided the costs will be settled within 12 months from the reporting date.

Non-current

Deferred tax assets and other prepayments and accrued income which will be settled later than 12 months from the reporting date.

Deferred tax asset

Deferred tax assets are recognised in relation to all deductible temporary differences to the extent it is probable that the Company will generate taxable income sufficient to use the differences.

7) Liabilities

Current liabilities

Current liabilities are liabilities which are payable within 12 months from the reporting date. Current liabilities include all liabilities to clients, liabilities to related entities, liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions, liabilities to the National Depository for Securities and exchange clearing houses and liabilities to entities operating regulated securities markets, as well as all other liabilities not classified as non-current liabilities, accruals and deferred income or provisions for liabilities.

Liabilities are measured at amounts payable. Information on recognition of current liabilities under executed transactions is presented above in the description of current receivables.

The recognition of current liabilities under executed transactions is discussed in Section 3 above.

Non-current liabilities

Non-current liabilities are liabilities which are payable within more than 12 months from the reporting date.

8) Provisions, accruals and deferred income

Accruals and deferred income

Costs attributable to the period but not yet incurred are recognised as accruals and deferred income, and disclosed under current liabilities.

Provisions include:

- a) deferred tax liability,
- b) other provisions.

Deferred tax liability

Deferred tax liability is recognised in relation to all taxable temporary differences.

Other provisions

Provisions are recognised if the Company has a legal or constructive obligation resulting from a past event and when it is certain or highly probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Other provisions are presented in the balance-sheet broken down into non-current and current provisions. Provisions are classified as non-current or current depending on when a given item will become an actual liability (within 12 months or more than 12 months from the reporting date).

9) Equity

Equity comprises the following items:

- share capital,
- reserve funds,
- revaluation capital reserve,
- retained earnings (deficit),
- net profit (loss).

Equity is recognised at par value, broken down into its particular components, as stipulated by applicable laws and the Company's Articles of Association.

Share capital is recognised in the amount specified in the Company's Articles of Association and in the relevant National Court Register entry. **Reserve funds** are created pursuant to the regulations of the Commercial Companies Code. They comprise earnings retained by the Company under a relevant resolution of the General Meeting, and share premium.

Revaluation capital reserve is created from revaluation of financial assets available for sale – investment certificates.

Retained earnings / (deficit) comprises profit (loss) for the previous years.

Net profit (loss) comprises current financial year profit / (loss).

10) Recognition of revenue

Revenue is recognised to the extent it is probable that the Company will obtain economic benefits which can be reliably measured.

11) Accrual basis of accounting and matching principle

In determining its net profit (loss), the Company takes into account all revenues and related expenses attributable to a given period, irrespective of the date of payment.

In order to match revenues to related expenses, expenses or revenues relating to future periods and expenses attributable to a given period which are yet to be incurred are posted under assets or liabilities, as applicable, of the given period. This means that expenses are accounted for on an accrual basis. Expenses not yet incurred in a given period are covered by provisions.

12) Determination of net profit (loss)

Components of net profit (loss)

According to Appendix 1 to the Regulation of the Minister of Finance on special accounting principles for brokerage houses of December 28th 2009 (Dz.U. of 2013, No. 483), net profit (loss) comprises:

- Profit (loss) on brokerage activities,
- Operating profit (loss),
- Profit (loss) before extraordinary items,
- Pre-tax profit (loss),
- Income tax and other mandatory decrease of profit (increase of loss).

Method of determination of profit (loss) on brokerage activities

Profit (loss) on brokerage activities is the difference between:

revenue from brokerage activities, comprising revenue:

- from fees and commissions:
 - a) from transactions in financial instruments made in the name of the Company but for the account of the party placing an order,
 - b) from offering financial instruments,
 - c) from accepting orders to buy or redeem investment fund units,
 - d) other,
- other revenue:
 - a) from maintenance of client's securities accounts and cash accounts,
 - b) from offering financial instruments,
 - c) from maintenance of registries of acquirers of financial instruments,
 - d) from discretionary management of third-party securities portfolios,
 - e) from professional advisory on trading in financial instruments,
 - f) from representation of banks conducting brokerage activities and brokerage houses on regulated markets and commodity exchanges,
 - g) other,

and costs of brokerage activities, comprising costs incurred to generate revenue from the Company's business activities. The Company uses by-nature format for expenses. Operating expenses are recorded under Group 4, expenses by nature and their settlement. The costs include:

- affiliation,
- fees payable to regulated markets, commodity exchanges, the National Depository for Securities and exchange clearing houses,
- fees payable to commercial chamber,
- salaries and wages,
- social security and other benefits,
- employee benefits,
- raw material and consumables used,
- costs of maintenance and lease of buildings,
- other expenses,
- depreciation and amortisation expenses,
- taxes and other public charges,
- commissions and other charges,

- other.

Revenue denominated in foreign currencies is translated into the Polish złoty at the mid-exchange rate quoted by the National Bank of Poland on a day preceding the revenue generation date.

Method of determination of operating profit (loss)

Operating profit (loss) comprises the profit (loss) on brokerage activities adjusted for:

- gain (loss) on transactions in financial instruments held for trading,
- gain (loss) on transactions in financial instruments held to maturity,
- gain (loss) on transactions in financial instruments available for sale,
- other income,
- other expenses,
- difference between provisions for and impairment losses on receivables.

Other income and operating expenses are income and expenses related indirectly to the Company's operations, including in particular income and expenses related to:

- disposal of property, plant and equipment, and intangible assets,
- impairment losses on property, plant and equipment, and intangible assets,
- compensation, penalties and fines,
- free-of-charge transfer or receipt, including by way of donation, of assets, including cash, for purposes other than acquisition or production of intangible assets,
- other.

Method of determination of profit (loss) before extraordinary items

Profit (loss) before extraordinary items comprises operating profit (loss) adjusted for:

- finance income,
- finance costs.

The Company's finance income includes interest on deposits, interest on loans advanced, other interest and foreign-exchange gains. Interest income is recognised in the income statement as it accrues.

The Company classifies as finance costs in particular: borrowing costs, interest on borrowings, other interest, and foreign-exchange losses.

Method of determination of pre-tax profit (loss)

Pre-tax profit (loss) comprises profit (loss) before extraordinary items adjusted for extraordinary gains and losses.

The Company recognises extraordinary gains and losses pursuant to Art 3.1.33 of the Polish Accountancy Act. Extraordinary gains and losses are gains and losses arising from unpredictable events, outside the course of the Company's operations, and not related to the general operating risk.

Method of determination of net profit (loss)

Net profit (loss) comprises pre-tax profit (loss) adjusted for income tax and other mandatory decrease of profit (increase of loss).

Income tax

Income tax affecting net profit (loss) for a given reporting period includes:

- current income tax,
- deferred income tax.

Current income tax

Current tax assets and current tax liabilities for the current period and for previous periods are measured at the amount of the expected payment due to the tax authorities or expected refund from the tax authorities, as appropriate, with the use of tax rates and based on fiscal regulations legally or actually binding as at the reporting date.

Deferred income tax

For the purposes of financial reporting, the Company recognises deferred tax using the balance-sheet liability method in relation to temporary differences recorded as at the reporting date between the value of assets and liabilities computed for tax purposes and their carrying amounts disclosed in the financial statements. Deferred income tax disclosed in the income statement is the difference between deferred tax liabilities and assets as at the end and as at the beginning of period.

13) Statement of cash flows

The statement of cash flows is prepared using the indirect method.

14) Translation of foreign-currency items

Transactions in currencies other than the Polish zloty are accounted for as at the transaction date, using the following exchange rates:

- 1) the exchange rate actually applied on the transaction date, resulting from the nature of the transaction – in the case of sale or purchase of foreign currencies and payment of receivables or liabilities,
- 2) the mid-exchange rate quoted for a given currency by the National Bank of Poland (the 'NBP') on the day preceding the transaction date – in the case of payment of receivables or liabilities, if the application of the exchange rate specified in item 1 is not justified, and in the case of other transactions.

As at the reporting date, monetary assets and liabilities denominated in currencies other than the Polish zloty are translated into the zloty at the mid-exchange rate quoted by the NBP for a given currency, in effect at the end of the reporting period. Currency translation differences are disclosed as finance income or costs, as appropriate.

The following exchange rates were applied for the purposes of balance-sheet valuation:

Currency	Dec 31 2014	Dec 31 2013
USD	3.5072	3.0120
EUR	4.2623	4.1472
HUF 100	1.3538	1.3969
GBP	5.4648	4.9828
UAH	0.2246	0.3706
CZK	0.1537	0.1513
CHF	3.5447	3.3816
TRY	1.5070	1.4122
INR 100	5.5473	4.8757
RON	0.9510	0.9262

Source: National Bank of Poland.

Changes in estimates

In 2014, there were no changes in estimates other than the changes in provisions for receivables, depreciation/amortisation, and impairment losses on receivables, as discussed in Notes 2, 9, 11 and 16.

Changes in applied accounting policies

Within the period covered by these financial statements, there were no changes in the applied accounting principles.

Seasonality of operations

The Company's operations are not subject to seasonality and the presented results do not show any material fluctuations during the year.

Comparability of the reported data

These financial statements were presented in a manner ensuring their comparability by applying uniform accounting policies in all the presented periods, consistent with the accounting policies applied by the Company.

Indication and explanation of differences in amounts disclosed in these financial statements and comparative data prepared in accordance with Polish Accounting Standards, and amounts that would be disclosed in financial statements and comparative data prepared in accordance with IAS respectively

If the Company had prepared its separate financial statements in accordance with IAS, it would have recognised the cost of incentive schemes, discussed in Note 59, in the financial statements for 2014 and 2013. In separate financial statements prepared in accordance with the provisions of the Polish Accountancy Act, the cost of incentive schemes is not recognised, as the Polish Accountancy Act stipulates no such requirement. However, the cost is recognised in the Group's consolidated financial statements, which the Group is required to prepare in compliance with the IFRS. Recognition of the cost of incentive schemes would increase the cost of salaries and wages and the reserve funds by the amount of the cost. This would not affect the value of net assets but would have an effect on their structure.

Except for the difference connected with the cost of incentive schemes discussed above, there are no material differences related to the applied accounting policies.

Warsaw, March 20th 2015

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Danuta Ciosek
Chief Accountant

Financial statements of IPOPEMA Securities S.A. for 2014

ASSETS (PLN '000)		Note	Dec 31 2014	Dec 31 2013
I.	Cash and cash equivalents	1, 8	35,342	41,485
1.	In hand		3	4
2.	At banks		7,406	12,944
3.	Other cash		27,933	28,537
II.	Current receivables	2, 8	237,513	262,540
1.	From clients		123,679	89,915
2.	From related entities		204	280
3.	From banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		75,448	132,899
a)	under executed transactions		75,009	131,223
b)	other		439	1,676
4.	From the National Depository for Securities and exchange clearing houses		30,197	34,693
5.	From investment and pension fund companies and from investment and pension funds		-	69
6.	Taxes, subsidies and social security receivable		894	-
7.	From issuers of securities or selling shareholders		141	2,078
8.	Other		6,950	2,606
III.	Financial instruments held for trading	3, 18	1,463	218
1.	Equities		1,463	5
2.	Derivative instruments		-	213
IV.	Current prepayments and accrued income	4	891	665
V.	Financial instruments held to maturity	5	-	-
VI.	Financial instruments available for sale	6, 18	8,808	6,825
1.	Equities		8,638	6,637
	- shares in subordinated entities		8,638	6,637
2.	Investment certificates		170	188
VII.	Non-current receivables	7	2,348	2,336
VIII.	Non-current loans advanced	7, 8	364	794
1.	Other		364	794
IX.	Intangible assets	9	2,030	2,121
1.	Acquired permits, patents, licenses and similar assets, including:		2,030	2,121
	- software		2,030	2,121
X.	Property, plant and equipment	11	3,455	4,212
1.	Tangible assets, including:		3,455	4,127
a)	buildings and premises		613	731
b)	computer assemblies		1,536	1,989
c)	other tangible assets		1,306	1,407
2.	Tangible assets under construction		-	85
XI.	Non-current prepayments and accrued income		821	1,290
1.	Deferred tax assets	12	821	1,290
Total assets			293,035	322,486

Warsaw, March 20th 2015

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Financial statements of IPOPEMA Securities S.A. for 2014

EQUITY AND LIABILITIES (PLN '000)		Note	Dec 31 2014	Dec 31 2013
I.	Current liabilities	13	229,000	249,870
1.	To clients		84,845	141,188
2.	To related entities		54	-
3.	To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		129,333	103,140
a)	under executed transactions		129,333	103,140
4.	To entities operating regulated markets and commodity exchanges		672	844
5.	To the National Depository for Securities and exchange clearing houses		198	249
6.	Borrowings		12,206	2,589
a)	from other entities	18	12,206	2,589
7.	Debt securities		6	4
8.	Taxes, customs duties and social security payable		664	828
9.	From investment and pension fund companies and from investment and pension funds		208	167
10.	Other		814	861
II.	Non-current liabilities	15	2	2
III.	Accruals and deferred income	15	-	-
IV.	Provisions for liabilities	16	3,908	6,720
1.	Deferred tax liabilities		327	325
2.	Other		3,581	6,395
a)	non-current		108	735
b)	current		3,473	5,660
V.	Subordinated liabilities	17	-	-
VI.	Equity		60,125	65,894
1.	Share capital	19	2,994	2,994
2.	Reserve funds	21	53,926	57,288
a)	share premium		10,351	10,351
b)	statutory reserve funds		998	998
c)	reserve funds created pursuant to the Articles of Association		42,577	45,939
3.	Revaluation capital reserve	25	- 21	- 7
4.	Net profit		3,226	5,619
Total equity and liabilities			293,035	322,486
Book value (PLN '000)			60,125	65,894
Number of shares as at end of period			29,937,836	29,937,836
Book value per share (PLN)			24 2.01	2.20
Diluted number of shares			29,937,836	29,978,582
Diluted book value per share (PLN)			2.01	2.20

Warsaw, March 20th 2015

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OFF-BALANCE-SHEET ITEMS (PLN '000)		Note	Dec 31 2014	Dec 31 2013
I.	Contingent liabilities	46	-	-
II.	Third-party assets used		-	-
III.	Futures/forwards purchased or issued in the name and for the account of the brokerage house		-	4,376*

* notional amount of purchased FX forward contract

Warsaw, March 20th 2015

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Income statement (PLN '000)	Note	2014	2013
I. Revenue from brokerage activities, including:	27	46,627	57,700
- from related entities		2	10
1. Fee and commission income		36,562	44,578
a) from transactions in financial instruments made in the name of the Company but for the account of the party placing an order		35,268	44,567
b) from offering financial instruments		804	-
c) other		490	11
2. Other income		10,065	13,122
a) from offering financial instruments		1,038	3,352
b) other		9,027	9,770
II. Cost of brokerage activities		42,167	48,178
- from related entities		988	910
Fees payable to regulated markets, commodity exchanges, the National Depository for Securities and exchange clearing houses			
1.		10,472	13,636
2. Salaries and wages		17,151	20,616
3. Social security and other benefits		1,069	882
4. Employee benefits		202	175
5. Raw material and consumables used		287	291
6. Costs of maintenance and lease of buildings		1,881	1,872
7. Depreciation and amortisation expenses		1,691	1,483
8. Taxes and other public charges		1,628	1,741
9. Other		7,786	7,482
III. Profit (loss) on brokerage activities		4,460	9,522
IV. Income from financial instruments held for trading	28	940	714
1. Dividends and other profit distributions		227	52
2. Revaluation adjustments		-	232
3. Gain on sale/redemption		713	430
V. Cost related to financial instruments held for trading	29	2,370	3,740
1. Revaluation adjustments		250	40
2. Loss on sale/redemption		2,120	3,700
VI. Gain (loss) on transactions in financial instruments held for trading		- 1,430	- 3,026
VII. Income from financial instruments available for sale	32	3,001	1,016
1. Dividends and other profit distributions		3,001	1,000
- from related entities		3,001	1,000
2. Revaluation adjustments		-	16
VIII. Cost related to financial instruments available for sale	33	-	46
1. Loss on sale/redemption		-	46
IX. Gain (loss) on transactions in financial instruments available for sale		3,001	970
X. Other income	35	916	679
1. Gain on disposal of property, plant and equipment and intangible assets		-	1
2. Other		916	678
XI. Other expenses	36	805	1,056
1. Other		805	1,056
XII. Difference between provisions for and impairment losses on receivables	37	- 341	- 21
1. Provisions reversed		200	92
2. Provisions recognised		126	25

3.	Decrease in impairment losses on receivables		101	-
4.	Increase in impairment losses on receivables		516	88
XIII.	Operating profit		5,801	7,068
XIV.	Finance income		1,757	2,853
1.	Interest on loans advanced, including:		65	73
	- from related entities		-	17
2.	Interest on deposits	38	418	627
3.	Other interest		4	8
4.	Foreign exchange gains		454	210
	a) realised		198	-
	b) unrealised		256	210
5.	Other		816	1,935
XV.	Finance costs		3,833	2,790
1.	Interest on borrowings, including:	39	977	1,202
	- to related entities		-	-
2.	Other interest		174	161
3.	Foreign exchange losses		-	343
	a) realised		-	343
	b) unrealised		-	-
4.	Other		2,682	1,084
XVI.	Profit before extraordinary items		3,725	7,131
XVII.	Pre-tax profit		3,725	7,131
XVIII.	Income tax	42	499	1,512
XIX.	Net profit	44	3,226	5,619
	Weighted average number of ordinary shares		29,937,836	29,915,703
	Earnings per ordinary share (PLN)		0.11	0.19
	Weighted average diluted number of ordinary shares		29,937,836	29,978,582
	Diluted earnings per ordinary share (PLN)		0.11	0.19

Warsaw, March 20th 2015

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STATEMENT OF CASH FLOWS (PLN' 000)		Note	2014	2013
A.	NET CASH FROM (USED IN) OPERATING ACTIVITIES	54		
I.	Net profit		3,226	5,619
II.	Total adjustments		- 9,080	- 186,417
1.	Depreciation and amortisation expenses		1,691	1,483
2.	Foreign exchange gains/(losses)		- 283	- 3
3.	Interest and profit distributions (dividends)		- 2,342	- 134
4.	Gain (loss) on investing activities		792	969
5.	Change in provisions and impairment losses on receivables		- 2,550	1,306
6.	Change in financial instruments held for trading		- 1,245	112
7.	Change in receivables		25,099	242,298
8.	Change in current liabilities (net of borrowings), including special accounts		- 30,489	- 431,931
9.	Change in accruals and deferrals		247	- 517
III.	Net cash from (used in) operating activities (I + II)		- 5,854	- 180,798
B.	NET CASH FROM (USED IN) INVESTING ACTIVITIES			
I.	Cash from investing activities		3,204	6,168
1.	Disposal of financial instruments available for sale and held to maturity		-	4,154
2.	Disposal of property, plant and equipment		-	1
3.	Profit distributions (dividends) received		3,127	1,052
4.	Interest received		-	269
5.	Decrease in loans advanced		63	561
6.	Other cash from investing activities		14	131
II.	Cash used in investing activities		3,364	3,492
1.	Acquisition of intangible assets		598	628
2.	Acquisition of property, plant and equipment		247	1,834
3.	Acquisition of financial instruments available for sale and held to maturity – subordinates		2,000	-
4.	Loans advanced		519	30
5.	Other cash used in investing activities		-	1,000
III.	Net cash from (used in) investing activities (I - II)		- 160	2,676
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
I.	Cash from financing activities		9,623	936
1.	Increase in current borrowings		9,617	-
2.	Proceeds from issue of long-term debt securities		2	2
3.	Proceeds from issue of short-term debt securities		4	5
4.	Proceeds from issue of share capital		-	929
II.	Cash used in financing activities		10,013	23,732
1.	Repayment of current borrowings		-	22,624
2.	Repayment of short-term debt securities		4	4
3.	Dividends and other payments to owners		8,981	-
4.	Interest paid		1,028	1,104
III.	Net cash from (used in) financing activities (I - II)		- 390	- 22,796

D. TOTAL NET CASH FLOWS (A.III +/- B.III +/- C.III)		- 6,404	- 200,918
E. BALANCE-SHEET CHANGE IN CASH, including:		- 6,143	- 200,934
- change in cash resulting from foreign exchange differences		261	- 16
F. CASH AT BEGINNING OF PERIOD	54	41,760	242,678
CASH AT END OF PERIOD (F +/- D), including:	54	35,356	41,760
- restricted cash		4,270	4,154

Warsaw, March 20th 2015

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STATEMENT OF CHANGES IN EQUITY (PLN '000)		2014	2013
I.	EQUITY AT BEGINNING OF PERIOD	65,894	59,342
	- changes in adopted accounting policies	-	-
	- correction of errors	-	-
I.a.	EQUITY AT BEGINNING OF PERIOD AFTER ADJUSTMENTS	65,894	59,342
1.	Share capital at beginning of period	2,994	2,975
1.1.	Changes in share capital	-	19
a)	increase	-	19
	- issue of shares	-	19
1.2.	Share capital at end of period	2,994	2,994
2.	Reserve funds at beginning of period	57,288	47,850
2.1.	Changes in reserve funds	- 3,362	9,438
a)	increase	-	9,438
	- distribution of profit (statutory)	-	6
	- distribution of profit (above statutory minimum)	-	8,516
	- share premium	-	916
b)	decrease	3,362	
	- dividend payment	3,362	
2.2.	Reserve funds at end of period	53,926	57,288
3.	Revaluation capital reserve at beginning of period	- 7	- 11
3.1.	Changes in revaluation capital reserve	- 14	4
a)	increase	8	65
	- remeasurement of financial instruments	8	65
b)	decrease	22	61
	- remeasurement of financial instruments	22	61
3.2.	Revaluation capital reserve at end of period	- 21	- 7
4.	Retained earnings/(deficit) at beginning of period	5,619	8,528
4.1.	Retained earnings at beginning of period	5,619	8,528
a)	increase	-	-
b)	decrease	5,619	8,528
	- distribution of retained earnings (dividend)	5,619	-
4.2.	Retained earnings at end of period	-	-
5.	Net profit (loss)	3,226	5,619
a)	net profit	3,226	5,619
II.	EQUITY AT END OF PERIOD	60,125	65,894
III.	EQUITY AFTER PROPOSED DISTRIBUTION OF PROFIT	60,125	65,894

Warsaw, March 20th 2015

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Notes to the financial statements

Significant events relating to past years and disclosed in the financial statements for the financial year

No material events relating to the previous years occurred in the period covered by these financial statements.

Events subsequent to the reporting date, not disclosed in the financial statements

All events relating to the reporting period were disclosed in the accounting books and financial statements for the period January 1st–December 31st 2014. No events occurred after the reporting date which should have been but were not disclosed in the accounting books for the reporting period.

Changes in accounting policies and in the preparation of the financial statements

In 2014 and 2013, the Company did not change the accounting policies or the rules of preparing the financial statements.

Agreements not disclosed in the balance sheet

In 2014 and 2013, the Company disclosed all agreements which had an effect on the data presented in these financial statements.

Correction of errors

In 2014 and 2013, the Company did not correct any errors in the financial statements.

Operating segments

The Company does not distinguish separate operating segments within its structure and forms a single segment. IPOPEMA Securities S.A.'s segment comprises brokerage activities, as well as business and management consultancy services. Information disclosed in these financial statements comprises information regarding that operating segment.

No geographical segments are reported by the Company, as its revenue is generated mostly in Poland. Foreign revenue earned in 2014 represents 8% (PLN 3,746 thousand) of total revenue earned in 2014 (2013: 8% or PLN 4,533 thousand). The Company's property, plant, equipment and intangible assets are located in Poland.

Significant events in 2014

No significant events occurred in 2014 other than those described in these financial statements and the accompanying Directors' Report.

Notes to the balance sheet (PLN '000)

Note 1

Cash and other assets	Dec 31 2014	Dec 31 2013
Cash and other assets of clients		
a) at banks and in hand	17,575	18,440
b) other*	-	-
Total cash and other assets of clients	17,575	18,440
Cash and other assets:		
a) cash and other assets of the brokerage house, including:	17,767	23,045
- in hand	3	4
- at banks	7,406	12,944
- other cash*	10,358	10,097
b) cash and other assets of clients deposited in cash accounts:	17,575	18,440
- at the brokerage house and paid towards acquisition of securities	17,575	18,440
- in an IPO or on the primary market	-	-
c) cash and other assets transferred from the settlement guarantee fund	-	-
Total cash and other assets	35,342	41,485

* 'Other' and 'Other cash' items include cash in bank deposits and interest accrued on those deposits.

Note 2

Selected current receivables (PLN '000)	Dec 31 2014	Dec 31 2013
1. Selected current receivables	229,089	256,111
a) from clients, including:	123,679	89,915
- under transactions executed on the Warsaw Stock Exchange	113,368	58,527
- under transactions executed on the Budapest Stock Exchange	1,239	27,504
- under transactions executed on the Paris Stock Exchange	18	-
- under transactions executed on the Prague Stock Exchange	-	138
- under transactions executed on the Frankfurt Stock Exchange	6,407	-
- under transactions executed on the Amsterdam Stock Exchange	9	-
- under deferred payment arrangements	-	-
- other	2,638	3,746
b) from related entities, including:	204	280
- from subsidiaries	204	280
c) from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses (broken down into receivables under clearing of transactions concluded on each stock exchange)	75,009	131,223
- under transactions executed on the Warsaw Stock Exchange*	74,537	93,891
- under transactions executed on the Budapest Stock Exchange	-	5,396
- under transactions executed on the New York Stock Exchange	372	31,789
- under transactions executed on the London Stock Exchange	-	92
- under transactions executed on the Stockholm Stock Exchange	-	55
- under transactions executed on the Frankfurt Stock Exchange	100	-
d) from the National Depository for Securities and exchange clearing houses	30,197	34,693
- from the settlement guarantee fund	30,197	34,693
e) under court proceedings, not covered by recognised impairment losses on receivables	-	-
2. Net current receivables	237,513	262,540
- impairment losses on current receivables (positive value)	514	302
Gross current receivables	238,027	262,842

3. Changes in impairment losses on current receivables

At beginning of period	302	266
a) increase (impairment losses on past-due receivables)	516	88
b) used	203	52
c) reversed	101	-
Impairment losses on current receivables at end of period	514	302

4. Current and non-current receivables by maturity as from the reporting date

a) up to 1 month	236,319	259,960
b) over 1 month to 3 months	-	-
c) over 3 months to 1 year	1,000	1,014
d) over 1 year to 5 years	1,348	1,322
e) over 5 years	-	-
f) past due	1,708	2,882
Total gross receivables	240,375	265,178
g) impairment losses on receivables (negative value)	- 514	- 302
Total net receivables	239,861	264,876

5. Gross past due receivables by period of delay:

a) up to 1 month	579	1,993
b) over 1 month to 3 months	238	161
c) over 3 months to 1 year	747	471
d) over 1 year to 5 years	144	257
e) over 5 years	-	-
Total gross receivables	1,708	2,882
f) impairment losses on receivables (negative value)	- 514	- 302
Total net receivables	1,194	2,580

6. Gross current receivables by currency

a) in PLN	229,005	195,983
b) in other currencies (translated into PLN)	9,022	66,859
Total gross current receivables	238,027	262,842

* Pursuant to Art. 45h of the amended Act on Trading in Financial Instruments, current receivables from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions, where they relate to transactions executed on the WSE, include receivables from KDPW CCP (the agent clearing the transactions which has assumed the rights and obligations of the parties to the transactions).

The value of current receivables from clients under executed transactions and current receivables from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions represents the value of concluded and not cleared (including suspended) purchase and sale transactions in securities.

Note 3

Financial instruments held for trading	Dec 31 2014	Dec 31 2013
1. Financial instruments held for trading		
a) equities*	1,463	5
b) derivatives**	-	213
c) commodities	-	-
d) other	-	-
Total financial instruments held for trading	1,463	218
2. Financial instruments held for trading (by currency)		
a) in PLN	1,463	5
b) in other currencies (translated into PLN)	-	213
Total financial instruments held for trading	1,463	218

3. Financial instruments held for trading (by marketability)

A. Freely marketable, listed (carrying amount)	1,463	5
a) equities (carrying amount)	1,463	5
- fair value	1,463	5
- market value	-	-
- value at cost	1,500	5
a) bonds (carrying amount)	-	-
c) other – derivative contracts (carrying amount)	-	213
- value at cost	-	-
B. Freely marketable, traded on OTC markets (carrying amount)	-	-
C. Freely marketable, not traded on regulated markets (carrying amount)	-	-
D. With limited marketability (carrying amount)	-	-
Total value at cost	1,500	5
Total carrying amount at beginning of period	218	330
Valuation as at the reporting date	- 37	213
Total carrying amount	1,463	218

* "Equities" comprise only shares listed on the Warsaw Stock Exchange. Financial instruments held for trading are measured at fair value by reference to their market value as at the reporting date. For the purpose of the measurement, the Company takes into account closing prices quoted by the Warsaw Stock Exchange on the last business day of the financial year. Changes in the value of financial instruments held for trading are recognised under income from or cost related to financial instruments held for trading, as appropriate. As at the reporting date, the Company held 41,585 shares with the total carrying amount of PLN 1,463 thousand. All shares are traded on the Warsaw Stock Exchange. As at December 31st 2013, the Company held 34 shares with the total carrying amount of PLN 5 thousand.

** The item 'Derivatives' comprises positive results of the valuation of FX forward contracts and FX swaps (valuation gains). Valuation of contracts was presented separately for assets and liabilities. Valuation losses were recognised under other liabilities (see Note 13). As at December 31st 2014, the Company did not hold any derivative instruments. As at December 31st 2013, the Company had one FX forward with a carrying amount of PLN 213 thousand.

Financial assets

In 2014 and in 2013, the policies for measurement of financial assets at fair value and classification of financial assets did not change. Neither did the Group record any changes in its economic environment or trading conditions which would materially affect the fair value of its financial assets and liabilities.

The Company did not recognise any impairment losses, nor did it reverse impairment losses recognised in previous periods, except for the changes in impairment losses on receivables.

Note 4

Current prepayments and accrued income	Dec 31 2014	Dec 31 2013
a) prepayments, including:	891	665
cost of information service	35	36
input VAT	44	13
membership fee	88	26
expenses to be re-invoiced	1	17
other costs	723	573
Total current prepayments and accrued income	891	665

Note 5

The Company did not carry any financial instruments held to maturity.

Note 6

Financial instruments available for sale	Dec 31 2014	Dec 31 2013
1. Financial instruments available for sale		
equities*	8,638	6,637
- investment certificates	170	188
Total financial instruments available for sale	8,808	6,825
2. Available-for-sale financial instruments of subsidiaries and non-consolidated jointly-controlled entities other than commercial companies		
- equities	8,638	6,637
- investment certificates	170	188
Total available-for-sale financial instruments of subsidiaries and non-consolidated jointly-controlled entities other than commercial companies	8,808	6,825
3. Financial instruments available for sale (by currency)		
a) in PLN	8,800	6,818
b) in other currencies (translated into PLN)	8	7
Total financial instruments available for sale	8,808	6,825
4. Equities		
a) shares in parent	-	-
b) shares in major investor	-	-
c) shares in subordinates	8,638	6,637
- shares in subsidiaries	8,638	6,637
d) shares in other entities	-	-
Total equities	8,638	6,637
<i>* Shares in subordinates are measured at cost less impairment losses. Investment certificates are carried at fair value based on the net asset value per certificate as published by the investment fund. Valuation results increase or decrease (as appropriate) the revaluation capital reserve.</i>		
5. Financial instruments available for sale (by marketability)		
A. Freely marketable, listed (carrying amount)	-	-
B. Freely marketable, traded on OTC markets (carrying amount)	-	-
C. Freely marketable, not traded on regulated markets (carrying amount)	-	-
D. With limited marketability (carrying amount)	8,808	6,825
equities (carrying amount at cost)	8,638	6,638
bonds (carrying amount at cost)	-	-
investment certificates (carrying amount at cost)	200	200
Total value at cost	8,838	6,838
Total carrying amount at beginning of period	6,825	7,003
Revaluation adjustments (for the period)	- 18	- 4
Total carrying amount	8,808	6,825

6.6. Shares in subordinates

a) company name and form of incorporation	IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A.	
b) registered office	ul. Prózna 9, 00-107 Warsaw	
c) business profile	operation of an investment fund company, creation and management of investment funds, discretionary management of securities portfolios, advisory services in the area of securities trading, intermediation in the sale and redemption of investment fund units, and representation service for foreign funds	
d) type of capital link	subsidiary	
e) consolidation method applied	full	
f) control since	March 14th 2007	
g) shares at cost	5,000	3,000
h) valuation adjustments (total)	-	-
i) carrying amount of shares	5,000	3,000
j) percentage of share capital held	100%	100%
k) percentage of total vote at the general meeting	100%	100%
l) basis for control if other than specified in j) or k)		
m) entity's equity, including:	11,417	7,423
- share capital	5,000	3,000
- called-up share capital not paid (negative value)	-	-
- reserve funds	4,424	5,055
- other equity, including:	1,993	(-),632
retained earnings //(deficit)	-	-
net profit (loss)	1,993	(-),632
n) liabilities and provisions for liabilities of the entity, including:	7,772	8,013
- non-current liabilities	443	599
- current liabilities	3,750	7,414
o) entity's receivables, including:	4,688	6,188
- non-current receivables	-	-
- current receivables	4,688	6,188
p) entity's total assets	19,189	15,436
r) revenue	37,947	31,264
s) value of shares in entity not paid up by the issuer	-	-
t) dividend received or receivable from entity for previous financial year	-	1,000

a) company name and form of incorporation	IPOPEMA Business Consulting Sp. z o.o.	
b) registered office	ul. Prózna 9, 00-107 Warsaw	
c) business profile	other business and management consultancy services, computer facilities management activities, IT consultancy services, software-related activities, wholesale of computers, computer peripheral equipment and software.	
d) type of capital link	subsidiary	
e) consolidation method applied	full	
f) control since	August 26th 2008	
g) shares at cost	3,000	3,000
h) valuation adjustments (total)	-	-
i) carrying amount of shares	3,000	3,000
j) percentage of share capital held	50.02%	50.02%
k) percentage of total vote at the general meeting	50.02%	50.02%
l) basis for control / joint control / significant influence, if other than specified in j) or k)		

Financial statements of IPOPEMA Securities S.A. for 2014

m) entity's equity, including:	7,665	8,325
- share capital	100	100
- called-up share capital not paid (negative value)	-	-
- reserve funds	2,950	2,950
- other equity, including:	4,615	3,266
retained earnings /(deficit)	-	-
net profit (loss)	1,340	2,009
n) liabilities and provisions for liabilities of the entity, including:	3,144	2,329
- non-current liabilities	-	29
- current liabilities	3,044	2,300
o) entity's receivables, including:	7,477	4,852
- non-current receivables	-	-
- current receivables	7,477	4,852
p) entity's total assets	10,814	10,654
r) revenue	15,545	13,147
s) value of shares in entity not paid up by the issuer	-	-
t) dividend received or receivable from entity for previous financial year	1,000	-
<hr/>		
a) company name and form of incorporation	IPOPEMA Outsourcing Sp. z o.o.	
b) registered office	ul. Próźna 9, 00-107 Warsaw	
c) business profile	support of IBC's operations	
d) type of capital link (subsidiary, jointly-controlled, or associate, direct or indirect)	indirect subsidiary (IBC is IO's parent)	
e) consolidation method applied	Not consolidated due to immaterial effect on the Group's situation	
f) IBC's control since	January 19th 2012	
g) shares held by IBC at cost		16
h) valuation adjustments (total)		-
i) carrying amount of shares		16
j) percentage of share capital held by IBC	100% held by IBC; IS indirectly holds 50.02%	
k) percentage of total vote at the general meeting	100% held by IBC; IS indirectly holds 50.02%	
l) basis for control / joint control / significant influence, if other than specified in j) or k)		
m) entity's equity, including:	1	2
- share capital	5	5
- called-up share capital not paid (negative value)	-	-
- reserve funds	-	-
- other equity, including:	- 4	- 3
retained earnings /(deficit)	- 3	- 1
net profit (loss)	- 1	- 2
n) liabilities and provisions for liabilities of the entity, including:	-	1
- non-current liabilities	-	-
- current liabilities	-	1
o) entity's receivables, including:	1	-
- non-current receivables	-	-
- current receivables	1	-
p) entity's total assets	1	2
r) revenue	-	-
s) value of shares in entity not paid up by the issuer	-	-
t) dividend received or receivable from entity for previous financial year	-	-
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a) company name and form of incorporation	IPOPEMA Business Services Kft.	
b) registered office	Sas utca 10-12, 1051 Budapest, Hungary	
c) business profile	office and business support	
d) type of capital link	subsidiary	
e) consolidation method applied	Not consolidated due to immaterial effect on the Group's financial information	
f) control since	December 10th 2009	
g) shares at cost	8	8
h) valuation adjustments (total)	-	- 1
i) carrying amount of shares	8	7
j) percentage of share capital held	100%	100%
k) percentage of total vote at the general meeting	100%	100%
l) basis for control / joint control / significant influence, if other than specified in j) or k)		
m) entity's equity, including:	53	12
- share capital	7	7
- called-up share capital not paid (negative value)	-	-
- reserve funds	-	-
- other equity, including:	46	5
retained earnings /(deficit)	5	- 93
net profit (loss)	41	98
n) liabilities and provisions for liabilities of the entity, including:	165	167
- non-current liabilities	-	-
- current liabilities	165	167
o) entity's receivables, including:	111	156
- non-current receivables	-	-
- current receivables	111	156
p) entity's total assets	220	182
r) revenue	877	1,037
s) value of shares in entity not paid up by the issuer	-	-
t) dividend received or receivable from entity for previous financial year	-	-

a) company name and form of incorporation	IPOPEMA Business Services Srl	
b) registered office	Calea Floreasca 169a, Bucharest, Romania	
c) business profile	office and business support	
d) type of capital link	subsidiary	
e) consolidation method applied	Not consolidated due to immaterial effect on the Group's financial information	
f) control since	September 24th 2014	
g) shares at cost	-	-
h) valuation adjustments (total)	-	-
i) carrying amount of shares	-	-
j) percentage of share capital held	95%	-
k) percentage of total vote at the general meeting	95%	-
l) basis for control / joint control / significant influence, if other than specified in j) or k)		
m) entity's equity, including:	32	-
- share capital *	-*	-
- called-up share capital not paid (negative value)	-	-

Financial statements of IPOPEMA Securities S.A. for 2014

- reserve funds	-	-
- other equity, including:	32	-
retained earnings /(deficit)	-	-
net profit (loss)	32	-
n) liabilities and provisions for liabilities of the entity, including:	18	-
- non-current liabilities	-	-
- current liabilities	18	-
o) entity's receivables, including:	-	-
- non-current receivables	-	-
- current receivables	-	-
p) entity's total assets	50	-
r) revenue	127	-
s) value of shares in entity not paid up by the issuer	-	-
t) dividend received or receivable from entity for previous financial year	-	-
<hr/>		
a) company name and form of incorporation	IPOPEMA Asset Management S.A.	
b) registered office	ul. Próźna 9, 00-107 Warsaw	
c) business profile	management of portfolios of broker-traded financial instruments	
d) type of capital link	subsidiary	
e) consolidation method applied	full	
f) control since	Sep 30 2011	
g) shares at cost	630	630
h) valuation adjustments (total)	-	-
i) carrying amount of shares	630	630
j) percentage of share capital held	100%	100 %
k) percentage of total vote at the general meeting	100%	100 %
l) basis for control / joint control / significant influence, if other than specified in j) or k)		
m) entity's equity, including:	9,962	10,133
- share capital	5,600	5,600
- called-up share capital not paid (negative value)	-	-
- reserve funds	402	163
- other equity, including:	3,960	1,384
retained earnings /(deficit)	-	-
net profit (loss)	1,814	2,986
n) liabilities and provisions for liabilities of the entity, including:	1,114	1,411
- non-current liabilities	-	-
- current liabilities	514	1,411
o) entity's receivables, including:	1,604	1,880
- non-current receivables	-	-
- current receivables	1,604	1,880
p) entity's total assets	11,076	11,544
r) revenue	6,934	8,239
s) value of shares in entity not paid up by the issuer	-	-
t) dividend received or receivable from entity for previous financial year	2,000	-
<hr/>		
6.7. Shares and other equity interests in other entities	-	-
<hr/>		

*IBS Srl's share capital totals RON 200, i.e. PLN 190 (PLN 0 thousand)

Note 7

As at December 31st 2014, the Company's non-current receivables totalled PLN 2,348 thousand (December 31st 2013: PLN 2,336 thousand).

As at December 31st 2014, the non-current portion of loans advanced amounted to PLN 364 thousand (December 31st 2013: PLN 794 thousand).

Note 8

As at December 31st 2014, the Company carried the following loans advanced and receivables:

Loans advanced and receivables	2014	2013
Loans advanced, including:	572	820
- non-current portion	364	794
- current portion	208	26
Cash and cash equivalents, including:	35,342	41,485
- in hand	3	4
- at banks	35,339	41,481
- deposit (for a period exceeding three months)	-	-
Interest on loans advanced and receivables	486	708
- realised	459	604
- unrealised, including with payment dates falling in:	27	104
up to 3 months	16	94
from 3 to 12 months	11	10
over 12 months	-	-

Loans advanced and receivables bear interest at fixed or variable rates. In 2014 and 2013, no impairment losses were recognised on loans advanced and receivables, but some loans were amortised (see Section 4 in the introduction to financial statements). Income from interest on loans advanced and receivables amounted to PLN 486 thousand in 2014 (of which PLN 27 thousand is interest accrued but not received) (2013: PLN 708 thousand, of which PLN 104 thousand was interest accrued but not received).

Note 9

Intangible assets	Dec 31 2014	Dec 31 2013
1. Intangible assets		
a) goodwill	-	-
b) acquired permits, patents, licenses and similar assets, including:	2,030	2,121
- computer software	2,030	2,121
c) other intangible assets	-	-
d) prepayments for intangible assets	-	-
Total intangible assets	2,030	2,121
2. Movements in intangible assets (by category)		
a) gross value of intangible assets at beginning of period	6,342	5,714
b) increase – purchase	598	628
c) decrease:	-	-
d) gross value of intangible assets at end of period	6,940	6,342
e) accumulated amortisation at beginning of period	4,221	3,503
f) amortisation for period:	689	718
g) accumulated amortisation at end of period	4,910	4,221
h) impairment losses at beginning of period	-	-
i) impairment losses at end of period	-	-
j) net value of intangible assets at end of period	2,030	2,121

3. Intangible assets (by ownership)		
a) owned	2,030	2,121
b) used under rental or similar agreement, including lease agreement	-	-
Total intangible assets	2,030	2,121

Note 10

The Company did not carry any goodwill related to subordinates.

Note 11

Property, plant and equipment	Dec 31 2014	Dec 31 2013
1. Property, plant and equipment		
a) tangible assets, including:	3,455	4,127
- land (including perpetual usufruct rights)	-	-
- buildings and premises	613	731
- plant and equipment	1,536	1,989
- vehicles	-	-
- other tangible assets	1,306	1,407
b) tangible assets under construction	-	85
c) prepayments for tangible assets under construction	-	-
Total property, plant and equipment	3,455	4,212
2. Change in property, plant and equipment (by category)		
a) Gross value of property, plant and equipment at beginning of period	6,595	5,809
- increase – purchase	247	1,833
- decrease	8	1,047
b) gross value of property, plant and equipment at end of period	6,834	6,595
c) accumulated amortisation at beginning of period	2,383	2,520
- amortisation for period	1,002	765
- liquidation of property, plant and equipment	6	902
- accumulated depreciation at end of period	3,379	2,383
e) impairment losses at beginning of period	-	-
- increase	-	-
- decrease	-	-
f) impairment losses at end of period	-	-
Net value of property, plant and equipment at end of period	3,455	4,212
3. Property, plant and equipment (by ownership)		
a) owned	3,455	4,212
b) used under rental or similar agreement, including lease agreement, subject to depreciation*	-	-
c) value of property, plant and equipment used under rental, lease or similar agreement, not depreciated by the brokerage house, including:	-	-
Total property, plant and equipment	3,455	4,212

* In the periods covered by these financial statements, the Company leased office space under a lease contract. The address of the Company's registered office in 2014 was ul. Próżna 9, Warsaw, Poland. The leased space comprised 1,170.17 square meters. The total amount of lease payments (including additional charges) for 2014 was PLN 1,881 thousand (2013: PLN 1,872 thousand). The Company does not have a valuation report regarding the leased premises.

Material liabilities under purchases of property, plant and equipment

The Company has no material liabilities under purchases of property, plant and equipment. In 2014 and 2013, the Company did not purchase or sell any material items of property, plant and equipment.

Note 12

Change in deferred tax assets	Dec 31 2014	Dec 31 2013
Change in deferred tax assets		
1. Assets at beginning of period, including:	1,290	1,126
a) charged to net profit/(loss)	1,288	1,123
b) charged to equity	2	3
c) charged to (negative) goodwill	-	-
2. Increase	1,061	1,943
a) charged to net profit/(loss) for period in connection with deductible temporary differences	1,057	1,934
b) charged to net profit/(loss) for period in connection with tax loss	-	-
a) charged to equity in connection with deductible temporary differences	4	9
d) charged to equity in connection with tax loss	-	-
e) charged to (negative) goodwill in connection with deductible temporary differences	-	-
3. Decrease	1,530	1,779
a) charged to net profit/(loss) for period in connection with deductible temporary differences	1,529	1,769
b) charged to net profit/(loss) for period in connection with tax loss	-	-
a) charged to equity in connection with deductible temporary differences	1	10
d) charged to equity in connection with tax loss	-	-
e) charged to (negative) goodwill in connection with deductible temporary differences	-	-
4. Deferred tax assets at end of period, including:	821	1,290
a) charged to net profit/(loss)	816	1,288
b) charged to equity	5	2
c) charged to (negative) goodwill	-	-
Increase, including:	1,061	1,943
- temporary differences	1,061	1,943
Decrease, including:	1,530	1,779
- reversal of temporary differences	1,530	1,779

Note 13

Current liabilities	Dec 31 2014	Dec 31 2013
13.1. Selected current liabilities	2,402	2,782
1. To related entities	54	-
- to other related parties	-	-
2. To entities operating regulated markets and commodity exchanges	672	844
a) to the Warsaw Stock Exchange	574	767
b) to the Budapest Stock Exchange	39	30
c) to the Prague Stock Exchange	17	10
d) to the Vienna Stock Exchange	42	37
3. To the National Depository for Securities and exchange clearing houses	198	249
a) under additional payments to the settlement guarantee fund	-	-
b) other	198	249
4. Taxes, customs duties and social security payable	664	828
- including under ownership right to buildings and structures	-	-
5. Other	814	861
a) dividends payable	-	-
b) other liabilities, including:	814	861
- financial liabilities (valuation of futures contracts)**	-	-

- other liabilities	814	861
13.2. Current liabilities (by currency)		
a) in PLN	219,908	176,384
b) in other currencies (translated into PLN)	9,092	73,486
Total current liabilities	229,000	249,870
13.3. Liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		
a) under executed stock-exchange transactions (broken down into liabilities under clearing of transactions concluded on each stock exchange):	129,333	103,140
- under transactions executed on the Warsaw Stock Exchange*	121,673	74,326
- under transactions executed on the Budapest Stock Exchange	1,238	28,676
- under transactions executed on the Prague Stock Exchange	-	138
- under transactions executed on the Paris Stock Exchange	18	-
- under transactions executed on the Frankfurt Stock Exchange	6,395	-
- under transactions executed on the Amsterdam Stock Exchange	9	-
Liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	129,333	103,140
13.4. Current liabilities by maturity as from the reporting date		
a) up to 1 month	228,827	249,703
b) over 1 month to 3 months	173	110
c) over 3 months to 1 year	-	57
d) over 1 year to 5 years	-	-
e) past due	-	-
Total current liabilities	229,000	249,870
13.5. Current liabilities under borrowings	12,206	2,589
a) non-bank loan	-	-
b) bank credit facility	12,206	2,589
- outstanding amount	12,206	2,589
- interest rate: O/N WIBOR + bank's margin	-	-
- repayment date – agreement terms described below	-	-
- security – a security deposit in the form of a term deposit of PLN 4m; blank promissory note with a promissory note declaration;	-	-
13.6. Current liabilities under debt instruments in issue	6	4
13.7. Special accounts	-	-

* In accordance with Art. 45h of the amended Act on Trading in Financial Instruments, the following balance sheet items: current liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions, where they relate to transactions executed on the WSE, include liabilities to KDPW CCP (the agent clearing the transactions which has assumed the rights and obligations of the parties to the transactions).

* Methods of valuation of financial liabilities (valuation of futures contracts) are described in Section 4 in the introduction to the financial statements.

As at December 31st 2014, the Company's liabilities under borrowings related to its brokerage business amounted to PLN 12,206 thousand (December 31st 2013: PLN 2,589 thousand). The liabilities result from two overdraft facility agreements executed by the Company on July 22nd 2009 with Alior Bank S.A. The facilities are used to finance payment of liabilities to the National Depository for Securities in connection with the brokerage activities and are renewed on an annual basis – the term of the two agreements expires on September 16th 2015:

1. Revolving credit facility of up to PLN 10m. The purpose of the facility is to finance payment of the Company's liabilities to the National Depository for Securities in respect of the settlement of transactions concluded by the Company on the regulated market as part of its brokerage business. The facility is secured with a blank promissory note with a promissory note declaration, a power of attorney over accounts held with the bank, and a PLN 4m security deposit placed in a term deposit account as joint security, securing also the credit facility specified in item 2.
2. Revolving credit facility of up to PLN 30m. The purpose of the facility is to finance the payment of the Company's liabilities resulting from its membership in the Stock-Exchange Transactions Settlement Guarantee Fund operated by the Polish National Depository for Securities. The facility is secured with a blank promissory note with a promissory note declaration and a power of attorney over accounts held with the bank. As stated in item 1 above, both credit facilities are jointly secured by a PLN 4m security deposit.

Defaults under credit facilities or loans or breach of material credit covenants, with respect to which no remedial action was taken by the end of the reporting period

None

Bonds

In 2014, the Company issued registered bonds with a total par value of PLN 6.4 thousand (2013: PLN 10 thousand), maturing between 2014 and 2017, depending on the series. The total amount of liabilities payable by the Company on redemption of the bonds will not exceed the bonds' par value and is not significant to the Company. The bond issues are related to the Variable Component Remuneration Policy implemented at the Company pursuant to the Minister of Finance's Resolution on the rules for establishment of a variable component remuneration policy for persons holding management positions at brokerage houses, dated December 2nd 2011. For more details, see the updated version of the document entitled 'Disclosure of information on IPOPEMA Securities S.A.'s capital adequacy', available on the Company's website. In 2014, the Company redeemed PLN 4.4 thousand worth of bonds (2013: PLN 4 thousand).

Note 13a

Objectives and principles of financial risk management

Operations on capital markets inherently involve various risks which may have a material effect on the Company's operations, as outlined below. All types of risk are monitored and controlled with respect to the profitability of the Company's business and the level of capital necessary to ensure security of executed transactions in the context of the capital adequacy requirements.

Credit risk

The Company is exposed to credit risk understood as the risk that the Company's debtors may fail to fulfil their obligations and thus cause losses to the Company. In view of the above, the credit risk was accounted for in the financial statements through recognition of impairment losses. Receivables by maturity and amounts of recognised impairment losses are presented in Note 2.

In the Management Board's opinion, there is no significant concentration of credit risk as the Company renders its services to a large number of clients.

With respect to the Company's other financial assets, such as cash and cash equivalents, financial assets available for sale and certain derivatives, credit risk is related to the potential inability of a counterparty to meet its payment obligation, and the maximum exposure to the risk is equal to the carrying amount of those assets. Credit risk connected with bank deposits, financial instruments, derivatives and other investments is considered low as the Company executed the transactions with institutions of sound financial standing.

Credit risk – value at risk

As at December 31st 2014, the value at risk under credit risk for instruments carried as loans advanced and receivables (specified in Note 8) was PLN 35,914 thousand (December 31st 2013: PLN 42,305 thousand), while for instruments held for trading, the amount was PLN 1,463 thousand (December 31st 2013: PLN 5 thousand).

Credit risk related to financial instruments held for trading is low as such instruments include shares and futures transactions executed on the Warsaw Stock Exchange, with the exception of forward contracts and FX swaps executed by the Company. Similarly, credit risk related to deposits is considered low, because the agreements are executed with banks that have stable financial position.

Interest rate risk

The Company has liabilities under working capital facilities on which interest accrues at variable rates. This gives rise to the risk that interest rates may increase over their level as at the agreement date. Moreover, the Company invests free cash in variable-rate assets, which may result in reduced return on the investment if interest rates decline. For information on assets and liabilities subject to the interest rate risk, see Note 1 and Note 13.

Given that in the reporting period the Company held both assets and liabilities bearing interest at variable rates (which mitigated the risk) and that interest rates moved only slightly in the past periods and no dramatic changes in interest rates are expected in the following reporting periods, the Company did not hedge its exposure to the interest rate risk, as in its opinion the risk is not significant.

Currency risk

The Company is exposed to limited currency risk as it incurs most of its operating expenses in the zloty. Currency risk is primarily related to changes in the USD, HUF, EUR, RON, and CZK exchange rates, however both in 2014 and 2013 most of operating expenses were incurred in the zloty. The Company advanced a foreign currency loan and also holds foreign currency cash at bank. In order to minimise the currency risk, the Company entered into an FX contract which mitigates the results of possible exchange rate fluctuations. The Company did not have any foreign-currency borrowings, however due to its operations in Hungary and in the Czech Republic, as well as on other foreign stock exchanges, it uses foreign currencies (HUF, CZK, and other) to settle stock-exchange transactions and other operating expenses in those markets (including fees payable to the clearing bank and the Czech and Hungarian stock exchanges, as well as the costs of associates). Owing to the nature of the transaction settlements (with the Company acting as an intermediary), the share of this risk in the overall risk is immaterial.

Price risk

The Company holds financial instruments which are traded on a regulated market: the Warsaw Stock Exchange (WSE), except for FX swaps and forwards entered into by the Company. The Company is exposed to the risk connected with the volatility of prices of financial instruments listed on the WSE. Such instruments are disclosed as financial instruments held for trading in the financial statements. The Company also holds investment certificates, which are exposed to the risk of volatility of certificate current price, but the aggregate value of the certificates is immaterial (see Note 6).

The risk related to prices of financial instruments is limited, as the Company invests only a relatively small portion of its cash in financial instruments.

Liquidity risk

The Company is exposed to liquidity risk understood as the risk of failure to meet its liabilities as they fall due. The risk is connected with a potentially limited access to financial markets, resulting in the Company's inability to raise new financing or refinance its debt. The Company's objective is to balance its liquidity position by managing its receivables, liabilities and financial instruments and by using debt financing in the form of short-term bank borrowings.

In the Company's opinion, given the significant amount of cash held as at the end of the reporting period (Note 1), access to credit facilities to finance the Company's operations on the WSE (Note 13), and the sound financial standing of the Company, the liquidity risk is insignificant.

Note 13 includes a table setting forth liabilities by maturity. The vast majority of the liabilities (98%) relate to transactions executed on stock exchanges, in the majority of which the Company acted as intermediary in the purchase or sale of financial instruments on behalf of its clients. Thus, a liability under a stock exchange transaction is to a large extent offset by a transaction generating receivables. As at December 31st 2014, the balance of stock exchange transactions (receivables vs. liabilities) stood at PLN 878 thousand (December 31st 2013: PLN 3,963 thousand). Transactions executed on the WSE may be financed with proceeds from the available credit facilities. In view of the foregoing, the liquidity risk is considered low.

Note 14

Fair value of instruments not measured at fair value

Loans advanced, receivables and liabilities as at Dec 31 2014	carrying amount	balance-sheet item	fair value
Loans advanced and receivables	35,914		35,914
- loan	572	Receivables	572
- cash	35,342	Cash	35,342
Financial liabilities (bank loan)	12,206	Liabilities	12,206
Loans advanced, receivables and liabilities as at Dec 31 2013	carrying amount	balance-sheet item	fair value
Loans advanced and receivables	42,305		42,305
- loan	820	Receivables	820
- cash	41,485	Cash	41,485
Financial liabilities (bank loan)	2,589	Liabilities	2,589

Note 15

Non-current liabilities of PLN 2 thousand were related to the issue of bonds referred to in Note 13 (2013: PLN 2 thousand). As at December 31st 2014 and December 31st 2013, accruals and deferred income were PLN 0.

Note 16

Provisions for liabilities	Dec 31 2014	Dec 31 2013
1. Change in non-current provision for retirement and similar benefits	-	-
2. Change in current provision for retirement and similar benefits	-	-
3. Change in other non-current provisions	- 627	- 196
4. Change in other current provisions	- 2,187	1,598
Other current provisions at beginning of period	5,660	4,062
a) recognised	5,303	8,747
b) used	7,290	7,057
c) reversed	200	92
Other current provisions at end of period	3,473	5,660
Other current provisions at end of period (by items)		
Audit and preparation of financial statements	74	74
Employee benefits*	2,401	4,721
Telecommunications services	-	-
Other	998	865
Total other current provisions at end of period	3,473	5,660

* As provided for in the Polish Accountancy Act and IAS 19, employee benefits include wages, salaries, social security contributions, paid annual leave, paid sick leave, profit-sharing and bonuses, as well as post-employment benefits including pensions, other retirement benefits, termination benefits and non-cash benefits for current employees.

Change in deferred tax liability	Dec 31 2014	Dec 31 2013
1. Deferred tax liability at beginning of period, including:	325	359
a) charged to net profit/(loss)	325	359
- property, plant and equipment	202	209
- valuation of financial instruments	40	7
- receivables	83	143
b) charged to equity	-	-
c) charged to (negative) goodwill	-	-
2. Increase	332	467
a) charged to net profit (loss) of the period under taxable temporary differences:	332	467
- property, plant and equipment	82	35
- valuation of financial instruments	17	63
- receivables	233	369
b) charged to equity, under:	-	-
- valuation of investment certificates	-	-
c) charged to (negative) goodwill	-	-
3. Decrease	330	501
a) charged to net profit (loss) of the period under taxable temporary differences:	330	501
- property, plant and equipment	35	42
- valuation of financial instruments	57	30
- receivables	238	429
b) charged to equity, under:	-	-
- valuation of investment certificates	-	-

c) charged to (negative) goodwill	-	-
4. Deferred tax liability at end of period, including:	327	325
a) charged to net profit (loss) of the period under taxable temporary differences:	327	325
- property, plant and equipment	249	202
- valuation of financial instruments	-	40
- receivables	78	83
b) charged to equity, under:	-	-
- valuation of investment certificates	-	-
c) charged to (negative) goodwill	-	-

Note 17

Subordinated liabilities – none

Note 18

Changes in individual categories of financial instruments

	Financial instruments available for sale	Financial instruments held for trading		Loans advanced and receivables		Other financial liabilities
		Financial assets	Financial liabilities	Loan advanced	Cash and cash equivalents	Current bank borrowings
As at Jan 1 2014	6,825	218	-	820	41,485	2,589
Increase:	2,003	21,228	-	770	-	9,617
- acquisition of shares	2,000	21,228	-	-	-	-
- valuation of certificates	3	-	-	-	-	-
- advance of a loan	-	-	-	519	-	-
- advance of a loan	-	-	-	-	-	9,617
- interest on loan and foreign-exchange differences	-	-	-	251	-	-
Decrease:	20	19,983	-	1,018	6,143	-
- sale of shares	-	19,733	-	-	-	-
- valuation of shares	-	37	-	-	-	-
- valuation of FX forward	-	213	-	-	-	-
- valuation of certificates	20	-	-	-	-	-
- loan repayment	-	-	-	63	-	-
- loan amortisation	-	-	-	792	-	-
- change in cash	-	-	-	-	6,143	-
- foreign exchange differences	-	-	-	163	-	-
As Dec 31 2014	8,808	1,463	-	572	35,342	12,206

	Financial instruments available for sale	Financial instruments held for trading		Loans advanced and receivables		Other financial liabilities
		Financial assets	Financial liabilities	Loan advanced	Cash and cash equivalents	Current loans
As at Jan 1 2013	7,003	330	-	2,053	246,510	25,213
Increase:	72	65,467	-	280	-	-
- acquisition of shares	-	65,254	-	-	-	-
- valuation of certificates	72	-	-	-	-	-
- valuation of FX forward contracts	-	213	-	-	-	-
- advance of a loan	-	-	-	30	-	-
- interest on loan and foreign-exchange differences	-	-	-	250	-	-
Decrease:	250	65,579	-	1,513	205,024	22,624
- sale of shares	-	65,541	-	-	-	-
- valuation of FX swap	-	38	-	-	-	-
- valuation of certificates	50	-	-	-	-	-
- loan repayment	-	-	-	544	-	-
- redemption of certificates	200	-	-	-	-	-
- loan amortisation	-	-	-	794	-	-
- credit facility repayment	-	-	-	-	-	22,624
- change in cash	-	-	-	-	205,024	-
- foreign exchange differences	-	-	-	175	-	-
As at Dec 31 2013	6,825	218	-	820	41,485	2,589

Note 19

Share capital	Dec 31 2014	Dec 31 2013
a) par value per share (PLN)	0.10	0.10
b) series/issue	A, B, C	A, B, C
c) type of shares	ordinary bearer shares	ordinary bearer shares
d) preference attached to shares	none	none
e) restrictions on rights attached to shares	none	none
f) number of shares	29,937,836	29,937,836
g) total par value of series/issue (PLN '000)	2,994	2,994
h) type of contribution	cash	cash
i) dividend right since:	the shares carry the right to profit distribution for 2014	the shares carry the right to profit distribution for 2013 and 2014

The Company's Articles of Association provide for a conditional share capital increase for the purpose of implementation of the Company's incentive scheme, for the maximum amount of PLN 485,714, through the issue of up to 4,857,140 shares. A total of 1,366,426 shares had been issued for the purpose of the incentive scheme by December 31st 2014, of which 185,714 shares were issued in 2013, 197,321 shares were issued in 2012, 212,500 shares were issued in 2011, 413,748 shares were issued in 2010, and 357,143 shares were issued in 2009. For more information on the Company's incentive scheme, see Note 59.

In 2014, there were no changes in the Company's share capital, while in 2013 the share capital was increased by PLN 18,571.40.

As at December 31st 2014, the share capital was PLN 2,993,783.60 and comprised 7,000,000 Series A ordinary bearer shares, 21,571,410 Series B ordinary bearer shares, and 1,366,426 Series C ordinary bearer shares.

Share capital (structure) – as at Dec 31 2014

Shareholder	Number of shares and voting rights at GM	Amount of contributions	Value of shares subscribed for (PLN)
IPOPEMA PRE-IPO FIZAN ¹	2,990,789	Shares fully paid up	299,079
JLC Lewandowski S.K.A. ²	2,990,789	Shares fully paid up	299,079
OFE PZU Złota Jesień*	2,950,000	Shares fully paid up	295,000
IPOPEMA 10 FIZAN ³	2,851,420	Shares fully paid up	285,142
Katarzyna Lewandowska	2,136,749	Shares fully paid up	213,675
Quercus Parasolowy SFIO*	1,754,164	Shares fully paid up	175,416
Total shareholders holding over 5% of the share capital	15,673,911		1,567,391

* Based on notifications received by the Company from the shareholders.

¹ The main investors in the fund are Jacek Lewandowski, President of the Company's Management Board, and Katarzyna Lewandowska.

² Subsidiary of Jacek Lewandowski, President of the Company's Management Board.

³ The only investor in the Fund is Stanisław Waczkowski, Vice-President of the Company's Management Board.

Share capital (structure) – as at Dec 31 2013

Shareholder	Number of shares and voting rights at GM	Amount of contributions	Value of shares subscribed for (PLN)
IPOPEMA PRE-IPO FIZAN ¹	2,990,789	Shares fully paid up	299,079
Meritum 1 Nova SPV Sp. z o.o. S.K.A. ²	2,990,789	Shares fully paid up	299,079
OFE PZU Złota Jesień*	2,950,000	Shares fully paid up	295,000
IPOPEMA 10 FIZAN ³	2,851,420	Shares fully paid up	285,142
Katarzyna Lewandowska	2,086,749	Shares fully paid up	208,675
Aviva OFE Aviva BZ WBK*	1,815,000	Shares fully paid up	181,500
Quercus Parasolowy SFIO*	1,754,164	Shares fully paid up	175,416
Total shareholders holding over 5% of the share capital	17,438,911		1,743,891

* Based on notifications received by the Company from the shareholders.

¹ The main investors in the fund are Jacek Lewandowski, President of the Company's Management Board, and Katarzyna Lewandowska, his wife.

² Subsidiary of Jacek Lewandowski, President of the Company's Management Board.

³ The only investor in the Fund is Stanisław Waczkowski, Vice-President of the Company's Management Board.

Note 20

Treasury shares

Except for transactions executed as part of the Company's brokerage activities (intermediation in equities trading on the WSE), the Company did not purchase any of its own shares.

Note 21

Reserve funds	Dec 31 2014	Dec 31 2013
a) share premium	10,351	10,351
b) statutory reserve funds	998	998
c) reserve funds created pursuant to the Articles of Association (above statutory minimum)	42,577	45,939
Total reserve funds	53,926	57,288

Note 22

Distributions from net profit in the financial year – none

Note 23

Negative goodwill of subordinates – none

Note 24

Book value per share	Dec 31 2014	Dec 31 2013
Equity (PLN '000)	60,125	65,894
Number of shares outstanding	29,937,836	29,937,836
Book value per share (PLN)	2.01	2.20

Book value per share is equal to the ratio of the value of equity as at the reporting date to the number of shares outstanding as at the reporting date.

Note 25

Revaluation capital reserve

Changes in revaluation capital reserve	2014	2013
Revaluation capital reserve as at Jan 1	- 7	- 11
Remeasurement of financial assets available for sale		
As at Jan 1	- 9	- 14
Gain from periodic valuation	- 17	5
As at Dec 31	- 26	- 9
Deferred tax assets		
As at Jan 1	- 2	- 3
Change in deferred tax assets	- 3	1
As at Dec 31	- 5	- 2
Revaluation capital reserve as at Dec 31	- 21	- 7

Note 26

Clients' financial instruments

As at December 31st 2014, the value of stock-exchange listed financial instruments in book-entry form registered in clients' accounts was PLN 21,863 thousand (292 instruments) (December 31st 2013: PLN 143,748 thousand (5,295 instruments)). As at December 31st 2014, the Company kept 52.8 thousand clients' bonds in certificated form, valued at PLN 52.8m. In the comparative period, i.e. as at December 31st 2013, the Company kept 64 thousand clients' bonds in certificated form, valued at PLN 64m.

The Company also maintains an "issue sponsor account". The value of 291,000 WSE-listed financial instruments in book-entry form registered in the account as at December 31st 2014 was PLN 1,145 thousand (December 31st 2013: 2,480 thousand instruments with the value of PLN 19,045 thousand).

Notes to the income statement

Note 27

Revenue from brokerage activities	2014	2013
Revenue from trading in securities	34,861	45,148
Revenue from investment banking services, including:	11,735	12,196
- arrangement and execution of public offerings	1,841	3,352
- M&A advisory and other financial advisory services	9,894	8,844
Other revenue	31	356
Total revenue	46,627	57,700

Note 28

In 2014, income from financial instruments held for trading was PLN 940 thousand (2013: PLN 714 thousand).

Note 29

In 2014, costs related to financial instruments held for trading were PLN 2,370 thousand (2013: PLN 3,740 thousand).

Note 30

Income from financial instruments held to maturity – none

Note 31

Costs related to financial instruments held to maturity – none

Note 32**Income from financial instruments available for sale**

In 2014, income from financial instruments available for sale was PLN 3,001 thousand (2013: PLN 1,016 thousand). This income was derived from dividends from subsidiaries, totalling PLN 3,001 thousand in 2014 and PLN 1,000 thousand in 2013.

Note 33**Cost related to financial instruments available for sale**

Cost related to financial instruments available for sale was not recognised in 2014. In 2013, cost related to financial instruments available for sale was PLN 46 thousand and was attributable to redemption of investment certificates.

Note 34

Gain (loss) on sale of all or some of shares in subordinates –none

Note 35

Other income	2014	2013
a) other, including:	916	679
- lease	131	126
- re-invoicing of costs	628	459
- other	157	94
Total other income	916	679

Note 36

Other expenses	2014	2013
a) other, including:	805	1,056
- lease	131	126
- re-invoicing of costs	627	459
- decommissioning of property, plant and equipment	1	146
- other	46	325
Total other expenses	805	1,056

Note 37

In 2014, the difference between provisions for and impairment losses on receivables amounted to PLN (-)341 thousand (2013: PLN (-)21 thousand).

Note 38

Interest on deposits	2014	2013
interest on own deposits, including:	418	627
- unrealised – up to 3 months	15	94
- unrealised – from 3 to 12 months	-	-

Note 39

Interest on borrowings	2014	2013
a) realised	926	1,102
b) unrealised	51	100
- unrealised – up to 3 months	51	100
- unrealised – from 3 to 12 months	-	-
Total interest on deposits	977	1,202

Note 40

Extraordinary gains – none

Note 41

Extraordinary losses – none

Note 42

Income tax	2014	2013
Current corporate income tax		
1. Pre-tax profit (loss)	3,725	7,131
2. Differences between pre-tax profit (loss) and taxable income, by item	- 4,244	1,820
a/ non-tax-deductible costs	7,913	11,475
entertainment costs	609	653
State Fund for the Disabled	57	50
membership fees	40	91
balance-sheet valuations of financial instruments and settlements	778	675
impairment losses on receivables	516	88
amortisation of loans	792	794
provisions	4,652	8,544
other	469	580
b/ non-taxable income	5,423	3,748
released provisions	200	92
reversal of impairment losses on receivables	101	-
interest on deposit, loans and receivables	242	349
dividend	3,228	1,052
balance-sheet valuations of financial instruments and settlements	784	1,094
proceeds from the Polish NDS	815	1,148
other	53	13
c/ costs added statistically	7,989	7,899
salaries and wages paid	6,660	6,180
released provisions	516	694
audit of financial statements	106	103
tax amortisation/depreciation	322	168
VAT adjustment	56	319
interest paid	299	364
other	30	71
d/ income added statistically	1,255	1,992
interest on investments	258	273
lease	131	126
proceeds from the Polish NDS	866	1,527
other	-	66
e/ deduction of loss	-	-
3. Donation made	-	-
4. Taxable income	- 519	8,951
5. Corporate income tax at 19% rate	-	1,701
6. Increases, reliefs, exemptions, allowances, and reductions in/of corporate income tax – tax paid on dividend received	25	10
7. Current corporate income tax disclosed in tax return for period, including:	25	1,711
- disclosed in income statement	25	1,711
- referring to items decreasing or increasing equity	-	-
Deferred income tax disclosed in income statement:		
- decrease (increase) related to temporary differences and reversal of temporary differences	- 1,057	- 1,934
- decrease (increase) related to changes in tax rates	-	-

- decrease (increase) related to tax loss not recognised earlier, tax relief or temporary differences brought forward	-	-
- decrease (increase) in deferred tax assets	1,529	1,769
- change in deferred tax liabilities	2	- 34
Total deferred income tax	474	- 199

Tax settlements and other regulated areas of activity are subject to inspection by administrative authorities, which are authorised to impose fines and other sanctions. As there is no possibility of referring to an established regulatory framework in Poland, the applicable regulations often lack clarity and consistency. Frequent discrepancies in opinions concerning the legal construction of tax regulations, both between different governmental agencies, and between governmental agencies and enterprises, create areas of uncertainty and conflict. Consequently, tax risk in Poland is substantially higher than in countries with more mature tax systems.

Tax settlements are subject to inspection for five years from the end of the year in which the payment deadline expired.

Note 43

Other mandatory decrease of profit (increase of loss) – none

Note 44

Proposed distribution of profit for the current year and profit distributed for the previous year

Distribution of profit	2014	2013
Net profit/loss	3,226	5,619
Reserve funds	-	-
Dividend	-	5,619

As at the date of preparation of these financial statements, no final decision had been made by the Management Board concerning the recommended distribution of the 2014 profit. This decision will be made at a later date, however not later than by the date of convening of the Annual General Meeting, which pursuant to the Commercial Companies Code must be held within six months from the end of a given financial year.

Note 45

Liabilities secured with the brokerage house's assets:

Both in 2014 and 2013, the Company's assets were used as security for working capital overdraft facilities (see Note 13).

As at December 31st 2014, save for a security deposit of PLN 4m in a bank account, blank promissory notes with promissory note declarations, powers of attorney over bank accounts held with the lending bank (securing an overdraft facility), and security deposits securing guarantees (see Note 46), the Company also paid a security deposit of PLN 1m to secure the settlement of transactions executed on foreign stock exchanges.

Note 46

Contingent liabilities and assets, including guarantees and sureties provided, underwriting agreements, liabilities under promissory notes:

In 2015, the Company will incur a cost of up to CZK 1,650 thousand, or PLN 254 thousand (compared with CZK 1,650 thousand, or PLN 250 thousand, posted as at December 31st 2013), under an agreement with the clearing bank in the Czech Republic if the minimum amount of transaction costs specified in the agreement is not reached, which is a condition for incurring that cost.

In the period covered by these financial statements, the Group carried contingent liabilities under lease agreements. The Company leases office space under a lease agreement. The right to use the building for the term of the agreement was classified by the Company as operating lease. The lease agreement providing for the right to use the building was executed for a period of five years, with an option to extend its term for another two years.

Minimum lease payments are presented in the table below.

Lease liabilities	Dec 31 2014	Dec 31 2013
	Present value of minimum lease payments	
Within 1 year	1,442*	1,390*
Within 1 to 5 years	5,768*	5,562*
Over 5 years	58*	1,446*
Total lease liabilities	7,268	8,398

* Value calculated by recognising the cost on a straight-line basis over the lease term.

In addition to the above, the Company also issued promissory notes as security for a credit facility (for a detailed description see Note 13), and paid a deposit of PLN 1m as security for the settlement of transactions on foreign stock exchanges.

In January 2012, Nordea Bank Polska S.A. (currently PKO Bank Polski S.A.) issued to the Company a guarantee of up to EUR 268 thousand, secured with a security deposit of PLN 1,239 thousand. Under an annex executed in 2014, the guarantee amount was increased to EUR 273 thousand. The guarantee, provided until April 15th 2018, secures liabilities under lease of new office space.

In April 2012, mBank S.A. (formerly BRE Bank S.A.) issued a guarantee in respect of the Company's liabilities for the benefit of the Hungarian Branch of Deutsche Bank AG, which is IPOPEMA Securities S.A.'s clearing bank for transactions executed on the Budapest Stock Exchange. The guarantee was issued for the amount of EUR 2.5m, and secures the Company's timely payment of its liabilities towards Deutsche Bank arising in connection with the services provided by the Bank, consisting in settlement and clearance of BSE transactions. Under amendments made to the guarantee agreement in 2014, the guarantee was extended until April 1st 2015. In particular cases specified in the agreement, the guarantee expires on July 1st 2015. The guarantee is secured with a PLN 2.5m cash deposit.

Note 47

Security granted:

In the periods covered by these financial statements the Company did not grant any security.

Note 48

Amount and reasons for impairment losses on property, plant and equipment:

In the periods covered by these financial statements the Company did not recognise any impairment losses on property, plant and equipment.

Note 49

Income, expenses and profit (loss) from discontinued operations or operations intended to be discontinued:

In 2014 and in 2013, the Company did not identify any discontinued operations. Accordingly, all information presented in the 2014 financial statements relates to continuing operations.

Note 50

Production cost of tangible assets under construction and tangible assets for own needs:

In the periods covered by these financial statements the Company did not incur any production cost of tangible assets under construction or tangible assets for own needs.

Note 51

Extraordinary gains and losses:

In the periods covered by these financial statements the Company did not carry any extraordinary gains or losses.

Note 52

Information on income tax on extraordinary gain (loss):

In the periods covered by these financial statements the Company did not carry any extraordinary items.

Note 53

Future income tax liabilities:

In the periods covered by these financial statements the Company did not carry any future income tax liabilities.

Note 54

Items of the statement of cash flows

Breakdown of the Company's activities as assumed for the statement of cash flows:

Operating activities – provision of brokerage and consultancy services, acting as market maker to perform tasks related to the organisation of the regulated market, acquisition and disposal of securities in the capacity of a dealer.

Investing activities – purchase and disposal of intangible assets, property, plant and equipment and non-current securities.

Financing activities – acquisition or loss of sources of financing (changes in the amount of and relation between equity and external capital at the entity) and any related monetary costs and benefits.

Structure of cash

	Presentation in the balance sheet		Presentation in the statement of cash flows	
	Dec 31 2014	Dec 31 2013	Dec 31 2014	Dec 31 2013
Cash and cash equivalents	35,342	41,485	35,356	41,760
1. In hand	3	4	3	4
2. At banks	7,406	12,944	7,406	12,944
3. Other cash	27,933	28,537	27,933	28,537
4. Cash equivalents (deposit for a period exceeding three months)	-	-	-	-
5. Accrued foreign exchange differences	-	-	- 14	275

The difference between the presentation of cash in the balance sheet and the statement of cash flows in 2014 and in 2013 follows from presentation of cash net of the effect of foreign exchange differences.

The item 'Cash and cash equivalents at end of period' comprises the Group's own and its clients' cash and cash equivalents – for more information on the structure of cash see Note 1.

Differences in changes in balance-sheet items

	Presentation in the balance sheet		Change as shown by the balance sheet	Presentation in the statement of cash flows – change 2014
	Dec 31 2014	Dec 31 2013		
Gross current and non-current receivables	240,375	265,178	24,803	25,099
Net receivables	239,861	264,876		
Impairment losses on receivables	514	302		212
Provisions (net of deferred tax related to equity and provision for unpaid interest)	3,856	6,618		- 2,762
Total change in impairment losses and provisions				- 2,550

The difference between the change in gross receivables disclosed in the balance sheet and the amount disclosed in the statement of cash flows is attributable to the presentation of receivables as at December 31st 2014 net of the amount of receivables under loans advanced, not received dividends, interest receivable from security deposits, and lease receivables disclosed under investing activities.

Differences in changes in balance-sheet items

	Presentation in the balance sheet		Change as shown by the balance sheet	Presentation in the statement of cash flows – change 2013
	Dec 31 2013	Dec 31 2012		
Gross current and non-current receivables	265,178	507,080	241,902	242,298
Net receivables	264,876	506,814		
Impairment losses on receivables	302	266		36
Provisions (net of deferred tax related to equity and provision for unpaid interest)	6,618	5,348		1,270
Total change in impairment losses and provisions				1,306

The difference between the change in gross receivables disclosed in the balance sheet and the amount disclosed in the statement of cash flows is attributable to the presentation of receivables as at December 31st 2013 net of the amount of receivables under loans advanced, interest receivable from security deposit, and lease receivables (non-current portion) disclosed under investing activities.

Explanation concerning other items of the statement of cash flows

In 2014, the Company did not recognise the item 'Other cash used in investing activities', while in 2013, under 'Other cash used in investing activities', the Company disclosed a cash deposit of PLN 1m provided as security for the settlement of transactions on foreign stock exchanges.

Note 55

Workforce structure

The average workforce (employees and regular associates) in the period January 1st – December 31st 2014 was 59 persons, compared with 58 in the comparative period of January 1st – December 31st 2013.

Department	Workforce as at December 31st 2014	Workforce as at December 31st 2013
Management Board	4	4
Other	62	55
Total	66	59

Note 56

Remuneration of members of the Management Board and the Supervisory Board (including profit distribution)

The table below presents the amount of remuneration paid and potentially payable to members of the Supervisory and Management Boards, as well as additional benefits (healthcare services, to the extent they are financed by the Company) received from IPOPEMA Securities:

Total remuneration (including bonuses)	2014	2013
Management Board	2,086	2,049
Jacek Lewandowski	484	589
Mirosław Borys	363	552
Mariusz Piskorski	363	447
Stanisław Waczkowski	876	461
Supervisory Board	85	37
Jacek Jonak	25	16
Janusz Diemko	20	6
Bogdan Kryca	16	12
Michał Dobak	20	-
Zbigniew Mrowiec	4	-
Małgorzata Adamkiewicz	-	3

In addition to the remuneration, the Management and Supervisory Board members who are the Company's shareholders receive dividend on the same terms as other shareholders.

Agreements with Mariusz Piskorski and Mirosław Borys, dated November 4th 2008

Two of the Management Board members, Mariusz Piskorski and Mirosław Borys, entered into agreements with the Company, whereby each of them is entitled to compensation equal to three times their monthly salary if they are removed from the Management Board or not reappointed for another term of office (subject to conditions set forth in the agreements) or their remuneration terms are changed to less favourable.

Note 57

Loans, advances and guarantees granted to members of the Management Board and the Supervisory Board:

In the periods covered by these financial statements the Company did not grant any loans, advances or guarantees to any of the members of the Management Board and the Supervisory Board.

Note 58

Material transactions executed by the Company (in 2014 and 2013, i.e. in the period for which the comparative data was prepared) with:

a) the parent

not applicable

b) major shareholder

not applicable

c) subordinates

Transactions with IPOPEMA Business Services Kft.

In connection with the operations in Hungary, conducted together with local partners acting as investment firm agents, in 2010 the Company entered into the following agreements with IPOPEMA Business Services Kft. ('IBS'): (i) Services Agreement, whereby IBS provides the Company and its Hungarian partners with office and equipment support services, and (ii) Equipment Lease Agreement, whereby IBS leases computer hardware and software from the Company, in order to properly support the Company's partners operating on the Hungarian market within the scope of their activities performed for the Company. In 2014, the total value of transactions under those agreements was PLN 863 thousand (expense) and PLN 139 thousand (income) (2013: PLN 948 thousand (expense) and PLN 152 thousand (income)), as presented in the table below.

Transactions with IPOPEMA Business Services Srl

In connection with the launch of operations in Romania, conducted in cooperation with local partners acting as investment firm agents, in 2014 the Company entered into an agreement with IPOPEMA Business Services Srl. ("IBS Srl") for the provision of services ("Services Agreement"), whereby IBS Srl provides the Company and its Romanian partners with office and equipment support services. In 2014, the total value of transactions under the agreement was PLN 128 thousand (expense), as presented in the table below.

d) members of the Management Board and Supervisory Board

none

e) spouses or relatives of members of the Management Board and the Supervisory Board

none

f) persons related to members of the Management Board and the Supervisory Board through custody, adoption or guardianship

none

Related-party transactions – income and expenses

Related party	Revenue		Purchases	
	Jan 1–Dec 31 2014		Jan 1–Dec 31 2013	
IPOPEMA BC	8	44	8	-
IPOPEMA TFI	150	-	318	2
IPOPEMA Business Services Kft.	139	732	126	821
IPOPEMA Business Services Srl.	79	128	-	-
IPOPEMA Asset Management	109	74	104	74
Members of the Management and Supervisory Boards	8	10	18	13
Total	490	988	574	910

Related party transactions – receivables and liabilities

Related party	Receivables		Liabilities	
	Dec 31 2014	Dec 31 2013	Dec 31 2014	Dec 31 2013
IPOPEMA BC	-	-	54	-
IPOPEMA TFI	25	2	-	-
IPOPEMA Business Services Kft.	82	280	-	-
IPOPEMA Business Services Srl.	80	-	-	-
IPOPEMA Asset Management	16	2	-	-
Members of the Management and Supervisory Boards	1	10	-	-
Total	204	294	54	-

IPOPEMA Securities provides brokerage services to funds managed by IPOPEMA TFI S.A., but the related transaction costs are charged directly to the funds.

In 2014, the Company received dividends from IPOPEMA Asset Management S.A. (PLN 2m) and IBC (PLN 1m). In 2013, the Company received dividend of PLN 1m from IPOPEMA TFI. For detailed information on dividends received see Note 64.

Note 59

Incentive Scheme

On March 23rd 2009, by virtue of a resolution, the Company's Management Board adopted the Rules of the Incentive Scheme (as amended), which were also subsequently approved by the Company's Supervisory Board. The Rules were adopted as a result of a resolution passed by the Extraordinary General Meeting on December 5th 2007 (and amended by a resolution of March 20th 2009) concerning implementation of an incentive scheme for the key employees of the Company and its subsidiary, IPOPEMA TFI, as well as other persons of key importance to the execution of the IPOPEMA Securities Group's strategy. The scheme is based on Series C shares in the Company, which can be issued within the limit of conditional share capital, in a maximum number of 4,857,140 shares, on or before November 30th 2017. The scheme is equity-settled.

In 2014, eligible persons did not subscribe for shares under the Incentive Scheme at the Company, while in 2013 they subscribed for 185,714 shares under Share Option Plan II.

In addition to the completed Share Option Plan I and Share Option Plan II, the Company has also granted conditional rights to subscribe for 297,522 shares by December 31st 2015. The shares are from the remainder of the Series C shares pool covered by the conditional share capital, amounting to 2,976,188 ('Share Option III'). The issue price of those shares is PLN 6.01, as determined in accordance with the terms and conditions of the Incentive Scheme for Share Option Plan III as the average of Company stock prices on the WSE over a specified period. As at the date of these financial statements, the list of persons eligible to subscribe for the remainder of the Series C shares under Share Option Plan III has not been determined, neither have any decisions been made as to whether such shares will be offered.

The cost of the share option plans is not recognised in the separate financial statements as the Polish Accountancy Act stipulates no such requirement. However, this cost is recognised in the consolidated financial statements of the Group. In

connection with the transition to financial reporting compliant with the International Financial Reporting Standards, it was necessary to account for the effect of valuation of the option plans in the Group's consolidated financial statements.

In total, on a consolidated basis, the cost of the option plans increased the cost of salaries and wages in 2014 by PLN 107 thousand. The amount was charged against IPOPEMA Securities S.A.'s profit. In 2013, the cost of these plans increased the cost of salaries and wages by PLN 228 thousand.

Share Option Plan II was measured using the Black-Scholes model, adjusted by continuous yield dividend and the dilution effect (decrease in the value of individual shares as a result of issuing new shares at a price below market). Share Option Plan III was measured using the binomial tree model.

Note 60

Transactions with related entities not covered by the financial statements

In the periods covered by these financial statements, there were no material transactions with related entities other than transactions disclosed in Note 58.

Note 61

Material related-party transactions other than arm's length transactions

In the periods covered by these financial statements, the Company did not enter into any material related-party transactions which were not transactions at arm's length.

Note 62

Under an agreement of July 7th 2014, the entity authorised to audit the Company's annual separate and consolidated financial statements for 2014 and to review financial statements for H1 2014 is BDO Sp. z o.o., with registered office at ul. Postępu 12, Warsaw, Poland.

Auditor's fees payable, in PLN '000 (exclusive of VAT):

Type of service	2014	2013
mandatory audit of financial statements	45	45
other assurance services	48	48
tax advisory services	-	-
other services	-	-

Note 63

Name and registered office of the parent preparing the consolidated financial statements

Not applicable.

Note 64

Dividends paid and proposed

On June 17th 2014, the General Meeting of the Company resolved to distribute dividend of PLN 9m. The 2013 profit of PLN 5,619 thousand and PLN 3,381 thousand of reserve funds were allocated to dividend payment. The dividend per share was PLN 0.30. The dividend record date was set for June 25th 2014, and the dividend payment date – for July 9th 2014. On the dividend payment date, a total of PLN 8,981 thousand was paid out to the shareholders. The distribution amount was PLN 19 thousand lower than the PLN 9m approved by the General Meeting as a result of rounding off the dividend per share. Pursuant to the General Meeting's resolution, the difference was contributed to the Company's reserve funds.

As at the date of preparation of these financial statements, no final decision had been taken by the Company's Management Board concerning the recommended distribution of the 2014 profit. Any relevant decisions will be taken at a later date, however not later than by the date of convening of the Annual General Meeting, which pursuant to the Commercial Companies Code must be held within six months from the end of a given financial year.

Dividend received

On May 13th 2014, the General Meeting of IPOPEMA Asset Management S.A. resolved to pay dividend of PLN 2m, i.e. PLN 35.71 per share. The dividend was paid out to the Company in full.

On May 19th 2014, the General Meeting of IPOPEMA Business Consulting Sp. z o.o. resolved to pay dividend for 2013 in the amount of PLN 2m, i.e. approximately PLN 999.50 per share. The dividend for the Company was PLN 1m and was paid in full.

On May 23rd 2013, the General Meeting of IPOPEMA TFI S.A. resolved to pay dividend of PLN 1m, i.e. PLN 1 per share, which was paid out in 2013.

Note 65

Information on unconsolidated joint ventures

In the periods covered by these financial statements, the Company did not participate in any joint ventures.

Note 66

Information on court proceedings

The Company was not party to any litigation or court proceedings in 2014 or 2013.

Note 67

Inspections by regulatory authorities

In 2014, there were four external inspections at the Company: two inspections carried out by the Polish Financial Supervision Authority, one inspection carried out by the National Depository for Securities, and one inspection by the National Bank of Poland.

The first inspection by the Polish Financial Supervision Authority was carried out in H1 2014, and concerned the Company's brokerage business. The Company received an inspection report together with follow-up recommendations and notified the Polish Financial Supervision Authority of the implementation of the recommendations before the end of 2014.

The second inspection by the Polish Financial Supervision Authority took place in July 2014, and concerned the performance of obligations under the Act on Countering Money Laundering and the Financing of Terrorism. Also in this case the Company received follow-up recommendations and notified the Polish Financial Supervision Authority of their implementation.

In October 2014, the National Depository for Securities carried out an inspection at the Company, concerning record keeping of securities and IT systems used for that purpose. Follow-up recommendations were implemented by the end of 2014.

In December 2014, an inspection was carried out at the Company by the National Bank of Poland (NBP) regarding the performance of obligations under Art. 30.1 of the Foreign Exchange Act. Information on the implementation of follow-up recommendations was provided to the NBP in February 2015.

In May 2013, an external inspection was carried out by the National Depository for Securities at the Company's headquarters. The inspection covered records of financial instruments, and the operation of the IT systems used to maintain the records. The Company complied with the recommendation issued by the NDS.

Since 2010, the Company (as a regulated entity) has been subject to annual evaluation carried out by the Polish Financial Supervision Authority as part of the Supervisory Review and Evaluation Process (SREP).

Note 68

Capital adequacy

As an investment firm, the Company is obliged to calculate its own funds and prudential requirements in compliance with the CRR. Key data is presented in the tables below.

Item	Dec 31 2014	Average monthly data											
		Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14
Own funds – (PLN '000)	54,617	58,156	58,195	58,208	58,247	58,257	56,832	54,765	54,755	54,759	54,983	54,837	54,831
Tier 1 Capital	54,617	58,156	58,195	58,208	58,247	58,257	56,832	54,755	54,755	54,759	54,983	54,837	54,831
Common Equity Tier 1	54,617	58,156	58,195	58,208	58,247	58,257	56,832	54,755	54,755	54,759	54,983	54,837	54,831
Additional Tier 1 Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Tier 2 Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Total risk exposure (PLN '000)	225,175	288,292	271,434	285,709	293,379	244,454	285,513	244,322	247,296	245,513	227,470	215,896	220,274
Risk-weighted exposure amounts for credit risk, counterparty credit risk, dilution risk and free deliveries	123,727	188,684	176,283	191,322	198,683	148,147	184,385	144,818	147,79	145,979	127,515	115,724	120,038
Total exposure to settlement/delivery risk	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exposure to position risk, currency risk and commodity price risk	12,179	5,322	5,864	5,088	5,410	7,038	11,859	10,235	10,235	10,265	10,686	10,903	10,967
Total exposure to operational risk	89,269	89,286	89,286	89,286	89,286	89,269	89,269	89,269	89,269	89,269	89,269	89,269	89,269
Additional exposure to risk related to fixed indirect costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exposure to risk related to credit valuation adjustment	-	-	1	13	-	-	-	-	-	-	-	-	-
Total exposure to risk related to large exposures in the trading book	-	-	-	-	-	-	-	-	-	-	-	-	-
Other exposures to risk	-	-	-	-	-	-	-	-	-	-	-	-	-
Tier 1 common equity ratio	24.26	21.04	22.00	20.51	20.07	24.12	20.08	22.55	22.46	22.50	24.51	25.48	25.05
Tier 1 capital surplus(+)/shortfall(-) (PLN '000)	44,484	45,408	45,981	45,351	44,960	47,257	43,984	43,761	43,627	43,711	44,747	45,122	44,919
Tier 1 capital ratio	24.26	21.04	22.00	20.51	20.07	24.12	20.08	22.55	22.46	22.50	24.51	25.48	25.05
Tier 1 capital surplus(+)/shortfall(-) (PLN '000)	41,107	41,159	41,909	41,065	40,559	43,590	39,701	40,096	39,917	40,028	41,335	41,883	41,615
Total capital adequacy ratio	24.26	21.04	22.00	20.51	20.07	24.12	20.08	22.55	22.46	22.50	24.51	25.48	25.05
Total capital surplus(+)/shortfall(-) (PLN '000)	36,603	35,493	36,481	35,351	34,692	38,701	33,991	35,209	34,971	35,118	36,785	37,565	37,209

Item	Dec 31 2014
Initial capital	3,149
Deviation of own funds from initial capital	51,468

Fulfilment of own funds requirements

In the period covered by these financial statements, the Company did not exceed any own funds requirements.

In the period covered by these financial statements, the Company did not exceed any own funds requirements on a consolidated basis.

Note 69

Events subsequent to the reporting date

All events with effect on the 2014 financial statements are disclosed in the accounting books for 2014.

These financial statements contain 55 (fifty-five) consecutively numbered pages.

Warsaw, March 20th 2015

On behalf of the Management Board

 Jacek Lewandowski
 President of the
 Management Board

 Mariusz Piskorski
 Vice-President of the
 Management Board

 Stanisław Waczkowski
 Vice-President of the
 Management Board

 Mirosław Borys
 Vice-President of the
 Management Board

 Danuta Ciosek
 Chief Accountant