IPOPEMA Securities S.A.

Financial statements

for the year ended December 31st 2012

Warsaw, March 20th 2013

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 2012 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 2012 meet the relevant criteria for issuing an objective and independent auditor's opinion, as required by applicable laws.
- The Directors' Report for 2012 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 2013

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	
	2012	2011	2012	2011
Revenue from core activities	52,057	72,767	12,473	17,576
Cost of core activities	43,080	51,164	10,322	12,358
Profit on core activities	8,977	21,603	2,151	5,218
Operating profit	13,370	18,615	3,203	4,496
Pre-tax profit	9,532	19,461	2,284	4,701
Net profit	8,528	15,585	2,043	3,764
Net earnings from continuing operations per ordinary share – weighted average (PLN/ EUR)	0.29	0.53	0.07	0.13
Net cash from operating activities	162,715	4,797	38,987	1,159
Net cash from investing activities	902	4,685	216	1,132
Net cash from financing activities	- 6,052	- 7,733	- 1,450	- 1,868
Total cash flows	157,565	1,749	37,753	422

Financial highlights	PLN '000		EUR '000	
	Dec 31 2012	Dec 31 2011	Dec 31 2012	Dec 31 2011
Total assets	769,267	607,285	188,168	137,494
Current liabilities	704,423	535,269	172,306	121,189
Equity	59,342	65,301	14,515	14,785
Number of shares	29,752,122	29,554,801	29,752,122	29,554,801
Book value per share (PLN/EUR)	1.99	2.21	0.49	0.50

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	2012	2011
EUR	4.1736	4.1401

- For the balance sheet:

Exchange rate as at	Dec 31 2012	Dec 31 2011
EUR	4.0882	4.4168

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

EUR	2012	2011
Lowest exchange rate	4.0465	3.8403
Highest exchange rate	4.5135	4.5642

Introduction to 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 aforementioned Articles of Association, the Company has been established for indefinite time.

The Company's registered office is at ul. Próżna 9, Warsaw, Poland (as at the balance-sheet date, the Company's registered office was at ul. Waliców 11, Warsaw, Poland).

Pursuant to a decision issued by the District Court for the Capital City of Warsaw, XIX (currently XII) 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 – Other business and management consulting services.

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) issued until 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 over 12 months after the balance-sheet date. As at the date of approval of these financial statements, no circumstances have been identified which would threaten the Company's 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 balance-sheet date, that is December 31st 2012.

Composition of the Management Board and the Supervisory Board

As at 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.

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,
Małgorzata Adamkiewicz – Member of the Supervisory Board,
Zbigniew Mrowiec – Member of the Supervisory Board.

Roman Miler and Wiktor Sliwinski resigned from their posts on the Supervisory Board, with effect as from June 28th 2012. On the same day, the General Meeting appointed Małgorzata Adamkiewicz and Zbigniew Mrowiec as new members of the Supervisory Board.

Basis for preparation of the financial statements

These financial statements cover the period January 1st–December 31st 2012 and contain comparative data for the period from January 1st–December 31st 2011.

Pursuant to Art. 50.3 of the 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 2012 were approved for publication by the Management Board on March 20th 2013.

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 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 Accountancy Act of September 29th 1994 – Dz. U. of 2009, No. 152, item 1223, 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 2009, No. 226, item 1824, as amended;
- 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 2010, No. 211, item 1384, as amended;
- 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 2005, No. 209, item 1743;
- 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 2009, No. 33, item 259, as amended.

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. (wholly owned by IPOPEMA Business Consulting Sp. z o.o.) and IPOPEMA Business Services Kft. 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 on the basis of a licence granted by the Polish Financial Supervision Authority 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, (iii) intermediation in the sale and redemption of investment fund units, and (iv) representation service for foreign funds. IPOPEMA TFI’s share capital amounts to PLN 3,000 thousand. The composition of the Management Board is as follows: Jarosław Wikaliński (President), Maciej Jasiński and Aleksander Widera (Vice-Presidents). The board members have many years of practice and experience in the financial market, including in the area of 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, divided into 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 and Maciej Jasiński (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 is divided into 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 support to the operations of IPOPEMA Business Consulting 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.

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

IPOPEMA Business Services Kft. and IPOPEMA Outsourcing Sp. z o.o. have not been consolidated due to immateriality of their financial data.

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 Accountancy Act.

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

No corrections of errors have been 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, with original terms to maturity not exceeding three months.

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 rate
Plant and equipment	10%
Office equipment	20%
Computers	30%
Leasehold improvements	48%–95%
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, brokerage offices, other brokerage houses and commodity brokerage houses under executed transactions, as well as all or part of receivables related to other items, not classified as financial assets, in each case maturing within 12 months after the balance-sheet 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 discloses receivables under lease of property, plant and equipment and intangible assets to IPOPEMA Business Services. The lease agreement meets the definition of finance lease. The value of the leased out assets was PLN 272 thousand as at December 31st 2012 (December 31st 2011: PLN 393 thousand), including non-current receivables of PLN 145 thousand (December 31st 2011: PLN 272 thousand).

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

Current receivables from clients, current receivables from banks conducting brokerage activities and other brokerage houses, current liabilities to clients and current liabilities to banks conducting brokerage activities and other brokerage houses arise in connection with the executed transactions of purchase and sale of securities which have not yet been cleared at the clearing houses due to the transaction settlement procedure (T+3). 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 in 2012 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 balance-sheet 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 balance-sheet date. For the purpose 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 covered by these financial statements. Instruments not traded on stock exchanges (*FX forward, FX swap*) have been measured using interest rates and currency exchange rates as at the balance-sheet 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 acquisition 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 with terms of three and five years advanced to IPOPEMA Securities' 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. Loans advanced to a subsidiary are also recognised under this item.

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 balance-sheet 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 balance-sheet 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 balance-sheet 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 balance-sheet date.

Non-current

Deferred tax assets and other prepayments and accrued income which will be settled later than 12 months from the balance-sheet 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 balance-sheet 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 balance-sheet 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 balance-sheet 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).

The Company is required to calculate the amount of regulatory capital under the Regulation of the Minister of Finance on the scope and detailed rules for determination of the total capital adequacy requirement, including individual capital adequacy requirements, for brokerage houses and on the maximum ratio of borrowings and debt instruments in issue to the amount of capitals. The Company's regulatory capital is the sum of Tier 1 (core) capital and Tier 2 (supplementary) capital (explained below), less the value of shares in banks, other brokerage houses, foreign investment firms, credit and financial institutions, as well as subordinated loans granted to such institutions, which are included in their respective capitals.

The core capital established for the purpose of computing regulatory capital, comprises:

- share capital and statutory reserve funds,
- other capital reserves,
- other items of core capital, i.e. retained earnings or current period's profit,
- items reducing core capital, i.e. called-up capital not paid, treasury shares held by the brokerage house (measured at cost less impairment losses), goodwill, intangible assets other than goodwill, retained deficit (including retained deficit pending approval) and loss for the current period.

Tier 2 (supplementary) capital of the brokerage house comprises:

- revaluation capital reserve created under other regulations,
- subordinated liabilities with original terms to maturity of five years or more, in the amount which is reduced at the end of each of the last five years of the agreement term by 20%,
- liabilities under securities with unspecified maturity and other financial instruments with unspecified maturity.

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 and organisational units of banks which conduct brokerage activities of December 28th 2009 (Dz.U. of 2009, No. 226, item 1824, as amended), 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 a regulated market 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. Costs by nature 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 materials and consumables used,
- costs of maintenance and lease of buildings,
- other expenses by nature,
- depreciation and amortisation,
- taxes and other public charges,
- commissions and other charges,
- other.

Revenue denominated in foreign currencies is translated into the 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 expenses.

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 expenses in particular: borrowing costs, interest on borrowings and other debt instruments, 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 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 balance-sheet 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 balance-sheet 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 the 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 złoty 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 balance-sheet date, monetary assets and liabilities denominated in currencies other than the Polish złoty are translated into the złoty 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 recognised in finance income or expenses, as appropriate.

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

Currency	Dec 31 2012	Dec 31 2011
USD	3.0996	3.4174
EUR	4.0882	4.4168
HUF 100	1.3977	1.4196
GBP	5.0119	5.2691
UAH	0.3825	0.4255
CZK	0.1630	0.1711
CHF	3.3868	3.6333
TRY	1.7357	1.7835
INR 100	5.6681	6.4100

Source: National Bank of Poland.

Changes in estimates

In 2012, 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.

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 2012 and 2011. In separate financial statements prepared in accordance with the provisions of the Accountancy Act, the cost of incentive schemes is not recognised, as the 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 2013

____________________	____________________	____________________	____________________
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Danuta Ciosek
Chief Accountant

	ASSETS (PLN '000)	Note	Dec 31 2012	Dec 31 2011
I.	**Cash and cash equivalents**	**1, 8**	**246,510**	**90,339**
1.	In hand		6	8
2.	At banks		14,954	30,744
3.	Other cash		227,460	55,496
4.	Cash equivalents		4,090	4,091
II.	**Current receivables**	**2, 8**	**505,380**	**500,708**
1.	From clients		150,256	204,607
2.	From related entities		1,113	1,273
3.	From banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		305,805	251,990
a)	under executed transactions		305,188	251,990
b)	other		617	-
4.	From the National Depository for Securities and exchange clearing houses		45,129	42,476
5.	Taxes, subsidies and social security receivable		-	59
6.	Other		3,077	303
III.	**Financial instruments held for trading**	**3, 18**	**330**	**1,522**
1.	Equities		292	1,294
2.	Derivative instruments		38	228
IV.	**Current prepayments and accrued income**	**4**	**464**	**441**
V.	**Financial instruments held to maturity**	**5**	**-**	**-**
VI.	**Financial instruments available for sale**	**6, 18**	**7,003**	**7,007**
1.	Shares and other equity interests		6,637	6,637
	- in subordinated entities		6,637	6,637
2.	Investment certificates		366	370
VII.	**Non-current receivables**	**7**	**1,434**	**372**
VIII.	**Non-current loans advanced**	**7, 8**	**1,520**	**2,433**
1.	Other		1,520	2,433
IX.	**Intangible assets**	**9**	**2,211**	**1,946**
1.	Acquired permits, patents, licenses and similar assets, including:		2,211	1,946
	- computer software		2,211	1,946
X.	**Property, plant and equipment**	**11**	**3,289**	**1,348**
1.	Tangible assets, including:		1,037	1,315
a)	computer assemblies		645	779
b)	other tangible assets		392	536
2.	Tangible assets under construction		2,252	33
XI.	**Non-current prepayments and accrued income**		**1,126**	**1,169**
1.	Deferred tax assets	12	1,126	1,169
	Total assets		**769,267**	**607,285**

Warsaw, March 20th 2013

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	EQUITY AND LIABILITIES (PLN '000)	Note	Dec 31 2012	Dec 31 2011
I.	**Current liabilities**	**13**	**704,423**	**535,269**
1.	To clients		457,046	272,283
2.	To related parties		51	392
3.	To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		216,673	240,732
a)	under executed transactions		216,673	240,732
4.	To entities operating regulated markets and commodity exchanges		749	836
5.	To the National Depository for Securities and exchange clearing houses		454	3,912
6.	Borrowings and other debt instruments		25,213	15,083
a)	from other entities	**18**	25,213	15,083
7.	Taxes, customs duties and social security payable		1,226	548
8.	Salaries and wages		1	-
9.	Other		3,010	1,483
II.	**Non-current liabilities**	**15**	**-**	**-**
III.	**Accruals and deferred income**	**15**	**150**	**-**
IV.	**Provisions for liabilities**	**16**	**5,352**	**6,715**
1.	Deferred tax liabilities		359	690
2.	Other		4,993	6,025
a)	non-current		931	-
b)	current		4,062	6,025
V.	**Subordinated liabilities**	**17**	**-**	**-**
VI.	**Equity**	**22**	**59,342**	**65,301**
1.	Share capital	**19**	2,975	2,955
2.	Reserve funds	**21**	47,850	46,768
a)	share premium		9,435	8,474
b)	statutory reserve funds		992	985
c)	reserve funds created pursuant to the Articles of Association		37,423	37,309
3.	Revaluation capital reserve	**25**	- 11	- 7
4.	Net profit		8,528	15,585
	Total equity and liabilities		**769,267**	**607,285**
	Book value (PLN '000)		59,342	65,301
	Number of shares as at end of period		29,752,122	29,554,801
	Book value per share (PLN)	**24**	1.99	2.21
	Diluted number of shares		29,787,550	29,754,097
	Diluted book value per share (PLN)		1.99	2.19

Warsaw, March 20th 2013

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	OFF-BALANCE-SHEET ITEMS (PLN '000)	Note	Dec 31 2012	Dec 31 2011
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		4,296*	16,354*

** Notional amount of futures purchased by the Company acting as a market maker of the futures market; an open position in an equity contract is usually hedged by an offsetting transaction in shares (arbitrage transactions) and a forward contract/FX swap.*

Warsaw, March 20th 2013

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	Income statement (PLN '000)	Note	2012	2011
I.	**Revenue from brokerage activities, including:**	**27**	**52,057**	**72,767**
	- from related parties		53	58
1.	Fee and commission income		46,044	64,663
a)	from transactions in financial instruments made in the name of the Company but for the account of the party placing an order		35,392	55,109
b)	from offering financial instruments		10,150	8,012
c)	other		502	1,542
2.	Other income		6,013	8,104
a)	from offering financial instruments		555	752
b)	from discretionary management of third-party securities portfolios		142	214
c)	other		5,316	7,138
II.	**Cost of brokerage activities**		**43,080**	**51,164**
	- from related parties		941	976
1.	Fees payable to regulated markets, commodity exchanges, the National Depository for Securities and exchange clearing houses		10,733	14,194
2.	Salaries and wages		18,927	24,128
3.	Social security and other benefits		1,099	674
4.	Employee benefits		160	228
5.	Raw materials and consumables used		289	400
6.	Costs of maintenance and lease of buildings		924	898
7.	Depreciation and amortisation		1,153	1,058
8.	Taxes and other public charges		1,666	1,497
9.	Other		8,129	8,087
III.	**Profit (loss) on brokerage activities**		**8,977**	**21,603**
IV.	**Income from financial instruments held for trading**	**28**	**3,350**	**2,495**
1.	Dividends and other profit distributions		175	34
2.	Revaluation adjustments		144	503
3.	Gain on sale/redemption		3,031	1,958
V.	**Cost related to financial instruments held for trading**	**29**	**4,181**	**5,248**
1.	Revaluation adjustments		264	207
2.	Loss on sale/redemption		3,917	5,041
VI.	**Gain (loss) on transactions in financial instruments held for trading**		**- 831**	**- 2,753**
VII.	**Income from financial instruments available for sale**	**32**	**4,901**	**-**
1.	Dividends and other profit distributions		4,901	-
	- from related parties		4,901	-
VIII.	**Cost related to financial instruments available for sale**	**33**	**-**	**-**
IX.	**Gain (loss) on transactions in financial instruments available for sale**		**4,901**	**-**
X.	**Other income**	**35**	**639**	**1,188**
XI.	**Other expenses**	**36**	**595**	**1,544**
XII.	**Difference between provisions for and impairment losses on receivables**	**37**	**279**	**121**
1.	Released provisions		90	-
2.	Decrease in impairment losses on receivables		200	135
3.	Increase in impairment losses on receivables		11	14
XIII.	**Operating profit**		**13,370**	**18,615**
XIV.	**Finance income**		**3,758**	**4,410**
1.	Interest on loans advanced, including:		77	71
	- from related parties		18	19

2.	Interest on deposits	**38**	1,088	1,201
3.	Other interest		14	17
4.	Foreign exchange gains		653	1,532
	a) realised		653	-
	b) unrealised		-	1,532
5.	Other		1,926	1,589
XV.	**Finance costs**		**7,596**	**3,564**
1.	Interest on borrowings and other debt instruments, including:	**39**	1,597	1,134
	- to related parties		-	-
2.	Other interest		136	3
3.	Foreign exchange losses		1,818	61
	a) realised		-	61
	b) unrealised		1,818	-
4.	Other		4,045	2,366
XVI.	**Profit before extraordinary items**		**9,532**	**19,461**
XVII.	**Pre-tax profit**		**9,532**	**19,461**
XVIII.	**Income tax**	**42**	**1,004**	**3,876**
XIX.	**Net profit**	**44**	**8,528**	**15,585**
	Weighted average number of ordinary shares		29,725 166	29,521,034
	Earnings per ordinary share (PLN)		0.29	0.53
	Weighted average diluted number of ordinary shares		29,787,550	29,754,097
	Diluted earnings per ordinary share (PLN)		0.29	0.52

Warsaw, March 20th 2013

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Chief Accountant

	STATEMENT OF CASH FLOWS (PLN' 000)	Note	2012	2011
A.	**NET CASH FROM (USED IN) OPERATING ACTIVITIES**	54		
I.	**Net profit**		**8,528**	**15,585**
II.	**Total adjustments**		**154,187**	**- 10,788**
1.	Depreciation and amortisation		1,153	1,058
2.	Foreign exchange gains/(losses)		1,589	- 1,497
3.	Interest and profit distributions (dividends)		- 3,844	722
4.	Gain (loss) on investing activities		818	782
5.	Change in provisions and impairment losses on receivables		- 2,591	- 383
6.	Change in financial instruments held for trading		1,192	7,330
7.	Change in receivables		- 3,325	- 218,314
8.	Change in current liabilities (net of borrowings and other debt instruments), including special accounts		159,024	199,482
9.	Change in accruals and deferrals		171	32
III.	**Net cash from operating activities (I + II)**		**162,715**	**4,797**
B.	**NET CASH FROM (USED IN) INVESTING ACTIVITIES**			
I.	**Cash from investing activities**		**5,515**	**10,532**
1.	Disposal of financial instruments available for sale and held to maturity		-	10,000
2.	Disposal of property, plant and equipment		4	-
3.	Profit distributions (dividends) received		5,075	34
4.	Interest received		289	359
5.	Decrease in loans advanced		21	12
6.	Other cash from investing activities		126	127
II.	**Cash used in investing activities**		**4,613**	**5,847**
1.	Acquisition of intangible assets		935	673
2.	Acquisition of property, plant and equipment		2,436	536
3.	Acquisition of financial instruments available for sale held to maturity – subordinates		-	630
4.	Non-current loans advanced		25	4
5.	Other cash used in investing activities		1,217	4,004
III.	**Net cash from (used in) investing activities (I - II)**		**902**	**4,685**
C.	**NET CASH FROM (USED IN) FINANCING ACTIVITIES**			
I.	**Cash from financing activities**		**11,118**	**8,663**
1.	Increase in current borrowings and other debt instruments		10,131	7,601
2.	Proceeds from issue of share capital		987	1,063
II.	**Cash used in financing activities**		**17,170**	**16,396**
1.	Dividends and other payments to owners		15,471	15,368
2.	Interest paid		1,699	1,028
III.	**Net cash from (used in) financing activities (I - II)**		**- 6,052**	**- 7,733**

TOTAL NET CASH FLOWS (A.III +/- B.III +/- C.III)		**157,565**	**1,749**
BALANCE-SHEET CHANGE IN CASH, including:		**156,171**	**2,928**
- change in cash resulting from foreign exchange differences		- 1,394	1,179
CASH AT BEGINNING OF PERIOD	**54**	**85,113**	**83,364**
CASH AT END OF PERIOD (F +/- D), including:	**54**	**242,678**	**85,113**
- restricted cash		4,095	14,579

Warsaw, March 20th 2013

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	STATEMENT OF CHANGES IN EQUITY (PLN ’000)	2012	2011
I.	**EQUITY AT BEGINNING OF PERIOD (OPENING BALANCE)**	**65,301**	**64,082**
	- changes in adopted accounting policies	**-**	**-**
	- correction of errors	-	-
I.a.	**EQUITY AT BEGINNING OF PERIOD AFTER ADJUSTMENTS**	**65,301**	**64,082**
1.	Share capital at beginning of period	2,955	2,934
1.1.	Changes in share capital	20	21
a)	increase	20	21
	- issue of shares	20	21
1.2.	Share capital at end of period	2,975	2,955
2.	Reserve funds at beginning of period	46,768	45,665
2.1.	Changes in reserve funds	1,082	1,103
a)	increase	1,082	1,103
	- distribution of profit (statutory)	7	-
	- distribution of profit (above statutory minimum)	107	62
	- share premium	968	1,041
2.2.	Reserve funds at end of period	47,850	46,768
3.	Revaluation capital reserve at beginning of period	- 7	52
3.1.	Changes in revaluation capital reserve	- 4	- 59
a)	increase	72	26
	- revaluation of financial instruments	72	26
b)	decrease	76	85
	- revaluation of financial instruments	76	85
3.2	Revaluation capital reserve at end of period	- 11	- 7
4.	Retained earnings/(deficit) at beginning of period	15,585	15,431
4.1.	Retained earnings at beginning of period	15,585	15,431
a)	increase	-	-
b)	decrease	15,585	15,431
	- distribution of retained earnings (dividend)	15,471	15,369
	- distribution of retained earnings (increase in reserve funds)	114	62
4.2	Retained earnings at end of the period	-	-
5.	Net profit (loss)	8,528	15,585
a)	net profit	8,528	15,585
II.	**EQUITY AT END OF PERIOD (CLOSING BALANCE)**	**59,342**	**65,301**
III.	**EQUITY AFTER PROPOSED DISTRIBUTION OF PROFIT**	**59,342**	**65,301**

Warsaw, March 20th 2013

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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 balance-sheet 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 2012. No events occurred after the balance-sheet 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 2012 and 2011, the Company did not change the accounting policies and the rules of preparing the financial statements.

Agreements not disclosed in the balance sheet

In 2012 and 2011, the Company disclosed all agreements which had an effect on data presented in these financial statements.

Correction of errors

In 2012 and 2011, 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 consulting services. Information disclosed in these financial statements comprise information regarding the operating segments.

No geographical segments are reported by the Company, as its revenue is generated mostly in Poland. Foreign revenue originates mainly in Hungary and the Czech Republic, and the value of sales to countries with equivalent risk (i.e. Hungary and the Czech Republic) does not exceed 6% of total revenue (PLN 2,659 thousand) in 2012 (2011: 7%, i.e. PLN 4,962 thousand).

The Company's property, plant, equipment and intangible assets are located in Poland.

Significant events in 2012

<u>Launch of brokerage activities on the Czech market</u>

In Q4 2011, the Company became a member of the Prague Stock Exchange ("PSE"), launching its brokerage activities on that market in Q1 2012 (based on a formula similar to the one employed on the Hungarian market, i.e. without opening a branch). Expansion into the Prague market is a complementary addition to the range of services offered by the Company as a one-stop intermediary in securities trading on the most liquid markets in Central and Eastern Europe.

Notes to the balance sheet (PLN '000)

Note 1

Cash and other assets	Dec 31 2012	Dec 31 2011
Cash and other assets of clients		
a) at banks and in hand	218,400	45,775
b) other *	-	-
Total cash and other assets of clients	**218,400**	**45,775**
Cash and other assets:		
a) cash and other assets of the brokerage house, including:	28,110	44,564
- in hand	6	8
- at banks	14,954	30,744
- other cash *	13,150	13,812
b) cash and other assets of clients deposited in cash accounts:	218,400	45,775
- at the brokerage house and paid towards acquisition of securities	218,400	45,775
- in an IPO or on the primary market	-	-
c) cash and other assets transferred from the settlement guarantee fund	-	-
Total cash and other assets	**246,510**	**90,339**

** “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 2012	Dec 31 2011
1. Selected current receivables	**501,686**	**500,346**
a) from clients, including:	150,256	204,607
- under transactions executed on the Warsaw Stock Exchange	144,546	186,526
- under transactions executed on the Budapest Stock Exchange	479	15,921
- under transactions executed on the Vienna Stock Exchange	1,419	-
- under deferred payment dates	-	-
- other	3,812	2,160
b) from related parties, including:	1,113	1,273
- from subsidiaries	1,113	1,273
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)	305,188	251,990
- under transactions executed on the Warsaw Stock Exchange*	289,547	246,585
- under transactions executed on the Budapest Stock Exchange	15,641	5,405
d) from the National Depository for Securities and exchange clearing houses	45,129	42,476
- from the settlement guarantee fund	45,129	42,476
e) under court proceedings, not covered by recognised impairment losses on receivables	-	-
2. Net current receivables	**505,380**	**500,708**
- impairment losses on current receivables (positive value)	266	1,595
Gross current receivables	**505,646**	**502,303**
3. Changes in impairment losses on current receivables		
As at beginning of the period	1,595	2,213
a) increase (impairment losses on past-due receivables)	11	13
b) used	1,140	496
c) released	200	135
Changes in impairment losses on current receivables as at end of the period	**266**	**1,595**

4. Current and non-current receivables by maturity as from the balance-sheet date		
a) up to 1 month	502,005	500,003
b) over 1 month to 3 months	-	-
c) over 3 months to 1 year	-	-
d) over 1 year to 5 years	1,434	372
e) over 5 years	-	-
f) past due	3,641	2,300
Total gross receivables	507,080	502,675
g) impairment losses on receivables (negative value)	- 266	- 1,595
Total net receivables	**506,814**	**501,080**
5. Gross past due receivables by period of delay:		
a) up to 1 month	3,215	447
b) over 1 month to 3 months	70	66
c) over 3 months to 1 year	101	195
d) over 1 year to 5 years	255	1,592
e) over 5 years	-	-
Total gross receivables	**3,641**	**2,300**
f) impairment losses on receivables (negative value)	- 266	- 1,595
Total net receivables	**3,375**	**705**
6. Gross current receivables by currency		
a) in PLN	486,578	480,718
b) in other currencies (translated into PLN)	19,068	21,585
Total gross current receivables	**505,646**	**502,303**

** Pursuant to Art. 45h of the amended Act on Trading in Financial Instruments, the following balance-sheet items:*

- *current receivables from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions,*
- *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 in 2012, include receivables from or liabilities to, as appropriate, 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 2012	Dec 31 2011
1. Financial instruments held for trading		
a) equities*	292	1,294
b) derivatives**	38	228
c) commodities	-	-
d) other	-	-
Total financial instruments held for trading	330	1,522
2. Financial instruments held for trading (by currency)		
a) in PLN	292	1,294
b) in other currencies (translated into PLN)	38	228
Total financial instruments held for trading	330	1,522
3. Financial instruments held for trading (by marketability)		
A. Freely marketable, listed (carrying amount)		
a) equities (carrying amount)	292	1,294
- fair value	-	-
- market value	-	-
- value at cost	292	1,316

a) bonds (carrying amount)	-	-
c) other – derivative contracts (carrying amount)	38	-
- 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	292	1,316
Total value as at beginning of the period	1,316	8,853
Valuation as at the balance-sheet date	-	- 22
Total carrying amount	**330**	**1,522**

** The item "equities" relates entirely to shares listed on the Warsaw Stock Exchange. Financial instruments held for trading are measured at fair value, determined by reference to their market value as at the balance-sheet 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 balance-sheet date, the Company held 17,151 shares with the total carrying amount of PLN 292 thousand. All shares are traded on the Warsaw Stock Exchange. As at December 31st 2011, the Company held 55,922 shares with the total carrying amount of PLN 1,294 thousand.*

*** Favourable results from the valuation of FX forward contracts and FX swaps (valuation gains) were recognised under "derivatives". Valuation of contracts was presented separately for assets and liabilities. Valuation losses were recognised under other liabilities (see Note 13). Derivatives listed in these financial statements as at December 31st 2012 comprise 29 futures contracts (arbitrage transactions), with a maximum of nine months to expiry, and one FX swap. As at December 31st 2011, the Company had 237 futures contracts and two currency forwards. As at December 31st 2012, the nominal value of futures contracts was PLN 121 thousand (December 31st 2011: PLN 1,398 thousand), while the nominal value of FX swaps was PLN 38 thousand (asset) (December 31st 2011: PLN 228 thousand (asset) and PLN -54 thousand (liability under forwards)).*

In 2012, the Company generated PLN 803 thousand in revenue from transactions executed as part of its dealing activities, and incurred expenses of PLN 678 thousand on such transactions (2011: PLN 1,188 thousand and PLN 733 thousand, respectively). The results were recognised as revenue and expenses related to financial instruments held for trading.

Note 4

Current prepayments and accrued income	Dec 31 2012	Dec 31 2011
a) prepayments, including:	464	441
cost of information service	55	27
input VAT	21	72
membership fee	26	27
expenses to be re-invoiced	109	132
other expenses	253	183
Total current prepayments and accrued income	**464**	**441**

Note 5

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

Note 6

Financial instruments available for sale	Dec 31 2012	Dec 31 2011
1. Financial instruments available for sale		
equities *	6,637	6,637
- investment certificates	366	370
Total financial instruments available for sale	**7,003**	**7,007**
2. Available-for-sale financial instruments of subsidiaries and non-consolidated jointly-controlled entities other than commercial companies		
- equities	6,637	6,637
- investment certificates	366	370
Total available-for-sale financial instruments of subsidiaries and non-consolidated jointly-controlled entities other than commercial companies	**7,003**	**7,007**
3. Financial instruments available for sale (by currency)		
a) in PLN	6,996	7,000
b) in other currencies (translated into PLN)	7	7
Total financial instruments available for sale	**7,003**	**7,007**
4. Shares or other equity interests		
a) in parent	-	-
b) in major investor	-	-
c) in subordinates	6,637	6,637
- in subsidiaries	6,637	6,637
d) in other entities	-	-
Total shares or other equity interests	**6,637**	**6,637**

** Shares or other equity interests 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.*

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)	7,003	7,007
equities (carrying amount at cost)	6,638	6,638
bonds (carrying amount at cost)	-	-
investment certificates (carrying amount at cost)	400	400
Total value at cost	7,038	7,038
Total value as at beginning of the period	7,038	6,450
Revaluation adjustments (for the period)	- 1	- 31
Total carrying amount	7,003	7,007

6.6. Shares or other equity interests in subordinates	
a) company name and legal form	**IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A.**
b) registered office	since Feb 1 2013: ul. Próżna 9; 00-107 Warsaw; earlier: ul. Waliców 11; 00-851 Warsaw, Poland
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	3,000	3,000
h) valuation adjustments (total)	-	-
i) carrying amount of shares	3,000	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:	9,055	10,764
- share capital	3,000	3,000
- called-up share capital not paid (negative value)	-	-
- reserve funds	3,964	4,648
- other equity, including:	2,091	3,116
retained earnings /(deficit)	-	-
net profit (loss)	2,091	3,116
n) liabilities and provisions for liabilities of the entity, including:	5,840	3,441
- non-current liabilities	-	-
- current liabilities	2,711	1,516
o) entity's receivables, including:	6,436	3,943
- non-current receivables	-	-
- current receivables	6,436	3,943
p) entity's total assets	14,895	14,206
r) revenue	22,794	20,807
s) value of shares or other equity interests in entity not paid up by the issuer	-	-
t) dividend received or receivable from entity for previous financial year	3,800	-
a) company name and legal form	**IPOPEMA Business Consulting Sp. z o.o.**	
b) registered office	since Jan 15 2013: ul. Próżna 9; 00-107 Warsaw; earlier: ul. Waliców 11; 00-851 Warsaw, Poland	
c) business profile	other business and management consulting 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)		
m) entity's equity, including:	6,316	6,851
- share capital	100	100
- called-up share capital not paid (negative value)	-	-
- reserve funds	2,950	2,950
- other equity, including:	3,266	3,801
retained earnings /(deficit)	1,601	536
net profit (loss)	1,665	3,265

n) liabilities and provisions for liabilities of the entity, including:	2,439	3,089
- non-current liabilities	-	-
- current liabilities	2,439	1,502
o) entity's receivables, including:	4,626	6,229
- non-current receivables	-	-
- current receivables	4,626	6,229
p) entity's total assets	8,755	10,252
r) revenue	13,891	17,530
s) value of shares or other equity interests in entity not paid up by the issuer	-	-
t) dividend received or receivable from entity for previous financial year	1,101	-

a) company name and legal form	**IPOPEMA Outsourcing Sp. z o.o.**	
b) registered office	since Feb 12 2013: ul. Próżna 9; 00-107 Warsaw; earlier: ul. Waliców 11; 00-851 Warsaw, Poland	
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 or other equity interests	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:	4	-
- share capital	5	-
- called-up share capital not paid (negative value)	-	-
- reserve funds	-	-
- other equity, including:	- 1	-
retained earnings /(deficit)	-	-
net profit (loss)	- 1	-
n) liabilities and provisions for liabilities of the entity, including:	1	-
- non-current liabilities	-	-
- current liabilities	1	-
o) entity's receivables, including:	-	-
- non-current receivables	-	-
- current receivables	-	-
p) entity's total assets	5	-
r) revenue	-	-
s) value of shares or other equity interests in entity not paid up by the issuer	-	-
t) dividend received or receivable from entity for previous financial year	-	-

a) company name and legal form	**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 situation	
f) control since	December 10th 2009	
g) shares at cost	8	8
h) valuation adjustments (total)	- 1	- 1
i) carrying amount of shares	7	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:	- 86	6
- share capital	7	7
- called-up share capital not paid (negative value)	-	-
- reserve funds	-	-
- other equity, including:	-	-
retained earnings /(deficit)	-	45
net profit (loss)	- 93	- 46
n) liabilities and provisions for liabilities of the entity, including:	632	708
- non-current liabilities	-	-
- current liabilities	632	708
o) entity's receivables, including:	170	479
- non-current receivables	-	-
- current receivables	170	479
p) entity's total assets	611	750
r) revenue	991	1,010
s) value of shares or other equity interests in entity not paid up by the issuer	-	-
t) dividend received or receivable from entity for previous financial year	-	-

a) company name and legal form	**IPOPEMA Asset Management S.A.**	
b) registered office	since Feb 1 2013: ul. Próżna 9; 00-107 Warsaw; earlier: ul. Grójecka 5, 02-019 Warsaw, Poland	
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:	7,459	5,205
- share capital	5,600	5,600
- called-up share capital not paid (negative value)	-	-

- reserve funds	12	5,588
- other equity, including:	1,847	- 5,983
retained earnings /(deficit)	- 493	-
net profit (loss)	2,340	- 5,983
n) liabilities and provisions for liabilities of the entity, including:	1,621	2,063
- non-current liabilities	-	-
- current liabilities	1,223	1,146
o) entity's receivables, including:	3,222	2,309
- non-current receivables	-	-
- current receivables	3,222	2,309
p) entity's total assets	9,079	7,268
r) revenue	7,127	5,978
s) value of shares or other equity interests in entity not paid up by the issuer	-	-
t) dividend received or receivable from entity for previous financial year	-	-
6.7. Shares and other equity interests in other entities	**-**	**-**

Note 7

As at December 31st 2012, the Company's non-current receivables totalled PLN 1,434 thousand (December 31st 2011: PLN 372 thousand).

As at December 31st 2012, the non-current portion of loans advanced amounted to PLN 1,520 thousand (December 31st 2011: PLN 2,433 thousand).

Note 8

As at December 31st 2012, the Company carried the following loans advanced and receivables:

Loans advanced and receivables	2012	2011
Loans advanced, including:	**2,053**	**2,949**
- non-current portion	1,520	2,433
- current portion	533	516
Cash and cash equivalents, including:	**246,510**	**90,339**
- in hand	6	8
- at banks	242,413	86,240
- deposit (for more than 3 months)	4,091	4,091
Interest on loans advanced and receivables	**1,179**	**1,289**
- realised	1,055	1,123
- unrealised, including with payment dates falling in:	124	166
up to 3 months	58	76
from 3 to 12 months	66	90
over 12 months	-	-

Loans advanced and receivables bear interest at fixed or variable rate In 2012 and 2011, 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 1,179 thousand in 2012 (of which PLN 103 thousand is interest accrued but not received) (2011: PLN 1,289 thousand, of which PLN 166 thousand was interest accrued but not received).

Note 9

Intangible assets	Dec 31 2012	Dec 31 2011
1. Intangible assets		
a) goodwill	-	-
b) acquired permits, patents, licenses and similar assets, including:	2,211	1,946
- computer software	2,211	1,946
c) other intangible assets	-	-
d) prepayments for intangible assets	-	-
Total intangible assets	**2,211**	**1,946**
2. Movements in intangible assets (by category)		
a) gross value of intangible assets at beginning of the period	4,779	4,106
b) increase – purchase	935	673
c) decrease:	-	-
d) gross value of intangible assets at end of the period	**5,714**	**4,779**
e) accumulated amortisation at beginning of the period	2,833	2,264
f) depreciation for period:	670	569
g) accumulated depreciation at end of the period	**3,503**	**2,833**
h) impairment losses at beginning of the period	-	-
i) impairment losses at end of the period	-	-
j) net value of intangible assets at end of the period	**2,211**	**1,946**
3. Intangible assets (by ownership)		
a) owned	2,211	1,946
b) used under rental or similar agreement, including lease agreement	-	-
Total intangible assets	**2,211**	**1,946**

Note 10

The Company did not carry any goodwill related to subordinates.

Note 11

Property, plant and equipment	Dec 31 2012	Dec 31 2011
1. Property, plant and equipment		
a) tangible assets, including:	**1,037**	**1,315**
- land (including perpetual usufruct rights)	-	-
- buildings and premises	-	-
- plant and equipment	645	779
- vehicles	-	-
- other tangible assets	392	536
b) tangible assets under construction **	**2,252**	**33**
c) prepayments for tangible assets under construction	**-**	**-**
Total property, plant and equipment	**3,289**	**1,348**
2. Change in property, plant and equipment (by category)		
a) Gross value of property, plant and equipment at beginning of the period	3,589	3,053
b) increase – purchase	2,436	536
c) decrease:	216	-
d) gross value of property, plant and equipment at end of the period	5,809	3,589
e) accumulated amortisation at beginning of the period	2,241	1,752
f) depreciation for period:	483	489

g) liquidation of property, plant and equipment	204	-
h) accumulated depreciation at end of the period	2,520	2,241
i) impairment losses at beginning of the period	-	-
- increase	-	-
- decrease	-	-
j) impairment losses at end of the period	-	-
Net value of property, plant and equipment at end of the period	**3,289**	**1,348**
3. Property, plant and equipment (by ownership)		
a) owned	3,289	1,348
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	**3,289**	**1,348**

** In the reporting periods covered by these financial statements, the Company leased office space under a lease contract. The address of the premises where the Company's registered office was located in 2012 and 2011 was ul. Waliców 11, Warsaw, Poland. The surface area of the leased space is 706 m^2. The total amount of rental payments (including additional charges) for 2012 was PLN 924 thousand (2010: PLN 898 thousand). The Company does not have a valuation report regarding the leased premises.*

*** Tangible assets under construction as at December 31st 2012 refers mainly to expenditure on assets incurred in connection with the relocation of the Company's registered office. Since January 21st 2013, the registered office has been located at ul. Próżna 9 in Warsaw.*

Note 12

Change in deferred tax assets	Dec 31 2012	Dec 31 2011
Change in deferred tax assets		
1. Assets as at beginning of the period, including:	1,169	1,252
a) charged to net profit/(loss)	1,167	1,252
b) charged to equity	2	-
c) charged to (negative) goodwill	-	-
2. Increase	**1,639**	**2,191**
a) charged to net profit/(loss) for period in connection with deductible temporary differences	1,628	2,189
b) charged to net profit/(loss) for period in connection with tax loss	-	-
a) charged to equity in connection with deductible temporary differences	11	2
d) charged to equity in connection with tax loss	-	-
e) charged to (negative) goodwill in connection with deductible temporary differences	-	-
3. Decrease	**1,682**	**2,274**
a) charged to net profit/(loss) for period in connection with deductible temporary differences	1,672	2,274
b) charged to net profit/(loss) for period in connection with tax loss	-	-
a) charged to equity in connection with deductible temporary differences	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 the period, including:	**1,126**	**1,169**
a) charged to net profit/(loss)	1,123	1,167
b) charged to equity	3	2
c) charged to (negative) goodwill		-
Increase, including:	**1,639**	**2,191**
- temporary differences	1,639	2,191
Decrease, including:	**1,682**	**2,274**
- reversal of temporary differences	1,682	2,274

Note 13

Current liabilities	Dec 31 2012	Dec 31 2011
13.1. Selected current liabilities	**5,490**	**7,171**
1. To related parties	51	392
- to other related parties	51	392
2. To entities operating regulated markets and commodity exchanges	749	836
a) to the Warsaw Stock Exchange	649	748
b) to the Budapest Stock Exchange	50	86
c) to the Prague Stock Exchange	6	2
d) to the Vienna Stock Exchange	44	-
3. To the National Depository for Securities and exchange clearing houses	454	3,912
a) under additional payments to the settlement guarantee fund	-	3,598
b) other	454	314
4. Taxes, customs duties and social security payable	1,226	548
- including under ownership right to buildings and structures	-	-
5. Other	3,010	1,483
a) dividends payable	-	-
b) other liabilities, including:	3,010	1,483
- financial liabilities (valuation of futures contracts)**	-	54
- other liabilities	3,010	1,429
13.2. Current liabilities (by currency)		
a) in PLN	668,380	513,143
b) in other currencies (translated into PLN)	36,043	22,126
Total current liabilities	**704,423**	**535,269**
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):	216,673	240,732
- under transactions executed on the Warsaw Stock Exchange*	199,397	221,519
- under transactions executed on the Budapest Stock Exchange	15,858	19,213
- under transactions executed on the Vienna Stock Exchange	1,418	-
Liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	**216,673**	**240,732**
13.4. Current liabilities by maturity as from the balance-sheet date		
a) up to 1 month	704,423	535,269
b) over 1 month to 3 months	-	-
c) over 3 months to 1 year	-	-
d) over 1 year to 5 years	-	-
e) past due	-	-
Total current liabilities	**704,423**	**535,269**
13.5. Current liabilities under borrowings and other debt instruments		
a) borrowing	-	-
b) bank borrowing	25,213	15,083
- outstanding amount	25,213	15,083
- interest rate: O/N WIBOR + bank's margin		
- repayment date– agreement terms described below		
- collateral – 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	-	-
13.7. Special accounts (by nature)	-	-

** Pursuant to Art. 45h of the amended Act on Trading in Financial Instruments, the following balance-sheet items:*

- *current receivables from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions,*
- *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 in 2012, include receivables from or liabilities to, as appropriate, 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 Note 3.*

As at December 31st 2012, the Company's liabilities under borrowings related to its brokerage business amounted to PLN 25,213 thousand (December 31st 2011: PLN 15,083 thousand). The liabilities result from two working-capital overdraft facility agreements executed 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 July 19th 2013:

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 collateral 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.

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 has many 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 instruments. 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 2012, the value at risk under credit risk for instruments carried as loans advanced and receivables (specified in Note 8) was PLN 248,563 thousand (December 31st 2011: PLN 93,288 thousand), while for instruments held for trading, the amount was PLN 176 thousand (December 31st 2011: PLN 310 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 effective 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 złoty. Currency risk is primarily related to changes in the USD, EUR, HUF and CZK exchange rates, however both in 2012 and 2011 most of operating expenses were incurred in the złoty. 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 it uses foreign currencies (HUF and CZK) to settle stock-exchange transactions and other costs of operations 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 assessment 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. The Company identifies 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. Such investments are mainly performed as part of dealing activities, whose strategy provides for the hedging of the Company's own positions, whenever possible, through arbitrage transactions: an open position in an equity contract is usually hedged by an offsetting transaction in shares. Consequently, the risk exposure is minimised.

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, due to the significant amount of cash at the end of the reporting period (December 31st 2012: PLN 28,110 thousand; December 31st 2011: PLN 44,564 thousand) (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 (96%) 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 2012, the balance of stock exchange transactions (receivables vs. liabilities) stood at PLN 4,576 thousand (December 31st 2011: PLN 2,045 thousand). Transactions executed on the WSE may be financed with proceeds from the available credit facilities. In such circumstances, 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 2012	carrying amount	balance-sheet item	fair value
Loans advanced and receivables	**248,563**		**248,563**
- loan	2,053	Receivables	2,053
- cash	246,510	Cash	246,510
Financial liabilities (bank borrowing)	**25,213**	**Liabilities**	**25,213**

Loans advanced, receivables and liabilities as at Dec 31 2011	carrying amount	balance-sheet item	fair value
Loans advanced and receivables	**93,288**		**93,288**
- loan	2,949	Receivables	2,949
- cash	90,339	Cash	90,339
Financial liabilities (bank borrowing)	**15,083**	**Liabilities**	**15,083**

Note 15

Non-current liabilities were not recorded. As at December 31st 2012, accruals and deferred income were PLN 150 thousand (December 31st 2011: PLN 0).

Note 16

Provisions for liabilities	Dec 31 2012	Dec 31 2011
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	931	-
4. Change in other current provisions	1,963	- 75
Other current provisions at beginning of the period	**6,025**	**6,100**
a) recognised	6,585	12,753
b) used	8,458	12,828
c) released	90	-
Other current provisions at end of the period	**4,062**	**6,025**
5. Other current provisions at end of the period (by items)		
Audit and preparation of financial statements	75	88
Employee benefits*	3,409	5,740
Telecommunications services	-	-
Other	578	197
Total other current provisions at end of the period	**4,062**	**6,025**

** As provided for in the 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 2012	Dec 31 2011
1. Deferred tax liability at beginning of the period, including:	**690**	**288**
a) charged to net profit/(loss)	690	276
- property, plant and equipment	243	210
- valuation of financial instruments	47	19
- receivables	400	47
- other	-	-
b) charged to equity	-	12
c) charged to (negative) goodwill	-	-
2. Increase	**728**	**937**
a) charged to net profit (loss) of the period under taxable temporary differences:	728	937
- property, plant and equipment	36	62
- valuation of financial instruments	177	102
- receivables	515	773
- other	-	-
b) charged to equity, under:	-	-
- valuation of investment certificates	-	-
c) charged to (negative) goodwill	-	-
3. Decrease	**1,059**	**535**
a) charged to net profit (loss) of the period under taxable temporary differences:	1,059	523
- property, plant and equipment	70	29
- valuation of financial instruments	216	74
- receivables	773	420
- other	-	-
b) charged to equity, under:	-	12
- valuation of investment certificates	-	12
c) charged to (negative) goodwill	-	-
4. Deferred tax liability at end of the period, including:	**359**	**690**
a) charged to net profit (loss) of the period under taxable temporary differences:	359	690
- property, plant and equipment	209	243
- valuation of financial instruments	7	47
- receivables	143	400
- other	-	-
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 loans
As at Jan 1 2012	**7,007**	**1,522**	**54**	**2,948**	**90,339**	**15,083**
Increase:	**62**	**32,808**	**-**	**131**	**156,171**	**10,130**
- acquisition of shares	-	32,748	-	-	-	-
- valuation of certificates	62	-	-	-	-	-
- valuation of FX swap	-	38	-	-	-	-
- valuation of shares	-	22	-	-	-	-
- advance of a loan	-	-	-	54	-	-
- interest on loan and foreign-exchange differences	-	-	-	77	-	-
- change in cash	-	-	-	-	156,171	-
- bank borrowing	-	-	-	-	-	10,130
Decrease:	**66**	**34,000**	**54**	**1,026**	**-**	**-**
- sale of shares	-	33,772	-	-	-	-
- *valuation of a forward*	-	228	54	-	-	-
- valuation of certificates	66	-	-	-	-	-
- loan repayment	-	-	-	20	-	-
- loan amortisation	-	-	-	810	-	-
- foreign exchange	-	-	-	196	-	-
Dec 31 2012	**7,003**	**330**	**-**	**2,053**	**246,510**	**25,213**

	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
Jan 1 2011	**6,450**	**8,853**	**98**	**3,351**	**93,462**	**7,481**
Increase:	**640**	**39,039**	**54**	**387**	**-**	**7,602**
- acquisition of shares	630	38,690	-	-	-	-
- valuation of certificates	10	-	-	-	-	-
- *valuation of a forward*	-	228	54	-	-	-
- valuation of shares	-	121	-	-	-	-
- advance of a loan	-	-	-	8	-	-
- interest on loan and foreign-exchange differences	-	-	-	379	-	-
- bank borrowing	-	-	-	-	-	7,602
Decrease:	**83**	**46,370**	**98**	**790**	**3,123**	**-**
- sale of shares	-	46,323	-	-	-	-
- *valuation of a forward*	-	-	98	-	-	-
- valuation of shares	-	22	-	-	-	-
- valuation of certificates	83	-	-	-	-	-
- loan repayment	-	-	-	8	-	-
- loan amortisation	-	-	-	782	-	-
- change in cash	-	-	-	-	3,123	-
- sale of options	-	25	-	-	-	-
Dec 31 2011	**7,007**	**1,522**	**54**	**2,948**	**90,339**	**15,083**

Note 19

Share capital	Dec 31 2012	Dec 31 2011
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	29,752,122	29,554,801
g) total par value of series/issue (PLN '000)	2,975	2,955
h) type of contribution	cash	cash
i) dividend right (since)	shares carry the right to profit distribution for 2012	shares carry the right to profit distribution for 2011

Pursuant to the Company's Articles of Association, the Management Board (subject to approval by the Supervisory Board) is authorised to increase the Company's share capital by a total of PLN 350,000 through the issue of up to 3,500,000 shares, within three years from the date of entry in the Register of Entrepreneurs of amendments granting the authorisation to the Articles of Association (authorised capital). Such amendments were registered on September 28th 2011.

The Company's Articles of Association provide for a conditional share capital increase by up to PLN 485,714 through the issue of up to 4,857,140 shares for the purpose of the implementation of the Company's incentive scheme. A total of 1,180,712 shares were issued by December 31st 2012, of which 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. In February 2013, another pool of 185,714 shares was issued. For more information on the Company's incentive scheme, see Note 59.

As a result of the subscription, the Company's share capital was increased in 2012 by PLN 19,732.10 (2011: PLN 21,250). As at December 31st 2012, the share capital was PLN 2,975,212.20 (December 31st 2011: PLN 2,955,480.10) and was divided into 7,000,000 Series A ordinary bearer shares, 21,571,410 Series B ordinary bearer shares, and 1,180,712 Series C ordinary bearer shares.

Sale of the Company shares by related parties

On April 12th 2011, sale transactions were executed involving Company shares. In the transactions, certain members of the Company's Management and Supervisory Boards, or persons related to them, sold in aggregate 3,190,951 IPOPEMA Securities shares. For details, see Current Report No. 11/2011 of April 12th 2011.

Share capital (structure) – as at Dec 31 2012

Shareholder	Number of shares and votes at GM	Amount of contributions	Value of shares subscribed for (PLN)
IPOPEMA 10 FIZAN[1]	2,851,420	Shares fully paid up	285,142
OFE PZU Złota Jesień*	2,770,000	Shares fully paid up	277,000
Fundusz PRE-IPO FIZAN [2]	2,188,370	Shares fully paid up	218,837
KL Lewandowska S.K.A.[3]	2,086,749	Shares fully paid up	208,675
JLK Lewandowski S.K.A.[4]	2,066,249	Shares fully paid up	206,625
JLS Lewandowski S.K.A.[4]	2,066,249	Shares fully paid up	206,625
Aviva OFE Aviva BZ WBK*	1,562,539	Shares fully paid up	156,254
Total shareholders holding over 5% of the share capital	**15,591,576**		**1,559,158**

** Based on notifications received by the Company from the shareholders.*
[1] The only investor in the fund is Stanisław Waczkowski, Vice-President of the Company's Management Board.
[2] The main investors in the fund are Jacek Lewandowski, President of the Company's Management Board, and Katarzyna Lewandowska.
[3] Subsidiary of Katarzyna Lewandowska.
[4] Subsidiary of Jacek Lewandowski, President of the Company's Management Board.

Share capital (structure) – as at Dec 31 2011

Shareholder	Number of shares and votes at GM	Amount of contributions	Value of shares subscribed for (PLN)
IPOPEMA 10 FIZAN[1]	2,851,420	Shares fully paid up	285,142
IPOPEMA PRE-IPO FIZAN[2]	2,188,370	Shares fully paid up	218,837
KL Lewandowska S.K.A.[3]	2,086,749	Shares fully paid up	208,675
JLK Lewandowski S.K.A.[4]	2,066,249	Shares fully paid up	206,625
JLS Lewandowski S.K.A.[4]	2,066,249	Shares fully paid up	206,625
PZU OFE [*]	2,251,346	Shares fully paid up	225,135
TFI Allianz Polska S.A.[5 **]	1,922,383	Shares fully paid up	192,238
Total shareholders holding over 5% of the share capital	**15,432,766**		**1,543,277**

** Based on the annual report of OFE PZU Złota Jesień.*
*** Based on notifications received by the Company from the shareholders.*
[1] The only investor in the fund is Stanisław Waczkowski, Vice-President of the Company's Management Board.
[2] The main investors in the Fund are Jacek Lewandowski, President of the Company's Management Board, and Katarzyna Lewandowska.
[3] Subsidiary of Katarzyna Lewandowska.
[4] Subsidiary of Jacek Lewandowski, President of the Company's Management Board.
[5] Shares held by Allianz Platinium FIZ and Allianz FIO funds.

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 buy back any of its own shares.

Note 21

Reserve funds	Dec 31 2012	Dec 31 2011
a) share premium	9,435	8,474
b) statutory reserve funds	992	985
c) reserve funds created pursuant to the Articles of Association (above statutory minimum)	37,423	37,309
Total reserve funds	**47,850**	**46,768**

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 2012	Dec 31 2011
Equity (PLN '000)	59,342	65,301
Number of shares outstanding	29,752,122	29,554,801
Book value per share (PLN)	1.99	2.21

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

Note 25

Revaluation capital reserve

Changes in revaluation capital reserve	2012	2011
Revaluation capital reserve as at Jan 1	**- 7**	**52**
Remeasurement of financial assets available for sale		
As at Jan 1	- 9	64
Gain from periodic valuation	- 5	- 73
As at Dec 31	**- 14**	**- 9**
Deferred tax assets		
As at Jan 1	- 2	12
Change in deferred tax assets	- 1	- 14
As at Dec 31	**- 3**	**- 2**
Revaluation capital reserve as at Dec 31	**- 11**	**- 7**

Note 26

Clients' financial instruments

As at December 31st 2012, the value of financial instruments in book-entry form listed on the WSE, registered in clients' accounts, was PLN 136,862 thousand (5,139 instruments) (December 31st 2011: PLN 322,133 (69,269 instruments)). As at December 31st 2012 and December 31st 2011, the Company kept 190,387 thousand shares (in certificated form) of its clients, with a value of PLN 28,505 thousand.

The Company also maintains a sponsor's account. The value of 11,889 financial instruments in book-entry form listed on the WSE registered in the account as at December 31st 2012 was PLN 105,692 thousand (December 31st 2011: 14,965 instruments with the value of PLN 129,897 thousand).

Notes to the income statement

Note 27

Revenue from brokerage activities	2012	2011
Revenue from trading in securities	37,799	57,683
Revenue from investment banking services, including:	13,781	14,481
- arrangement and execution of public offerings	10,705	8,764
- M&A advisory and other financial advisory services	3,076	5,717
Other revenue	477	603
Total revenue	**52,057**	**72,767**

Note 28

In 2012, income from financial instruments held for trading was PLN 3,350 thousand (2011: PLN 2,495 thousand).

Note 29

In 2012, costs related to financial instruments held for trading were PLN 4,181 thousand (2011: PLN 5,248 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 2012, dividends received by the Company from its subsidiaries totalled PLN 4,901 thousand.

Note 33

Costs related to financial instruments available for sale – none.

Note 34

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

Note 35

Other income	2012	2011
a) other, including:	639	1,188
- lease	121	117
- re-invoicing of costs	410	929
- other	108	142
Total other income	**639**	**1,188**

Note 36

Other expenses	2012	2011
a) other, including:	595	1,544
- lease	121	117
- re-invoicing of costs	410	929
- VAT settlement for the year	19	75
- other	45	423
Total other expenses	**595**	**1,544**

Note 37

In 2012, the difference between provisions for and impairment losses on receivables amounted to PLN 279 thousand (2011: PLN 121 thousand).

Note 38

Interest on deposits	2012	2011
interest on own deposits, including:	1,088	1,201
- unrealised – up to 3 months	58	6
- unrealised – from 3 to 12 months	33	90

Note 39

Interest on borrowings and other debt instruments	2012	2011
a) realised	1,593	1,029
b) unrealised	4	105
- unrealised – up to 3 months	4	105
- unrealised – from 3 to 12 months	-	-
Total interest on deposits	**1,597**	**1,134**

Note 40

Extraordinary gains – none

Note 41

Extraordinary losses – none

Note 42

Income tax	2012	2011
Current corporate income tax		
1. Pre-tax profit (loss)	9,532	19,461
2. Differences between pre-tax profit (loss) and taxable income, by item	-2,910	- 1,719
a/ non-tax-deductible costs	11,463	15,610
entertainment costs	461	649
State Fund for the Disabled	54	52
membership fees	95	114
balance-sheet valuations of financial instruments and settlements	2,360	262
impairment losses on receivables	11	13
impairment losses on uncollectible receivables	-	-
donations	-	-
amortisation of loans	810	782
provisions	7,324	13,552
other	348	186
b/ non-taxable income	8,082	2,911
released provisions	90	-
commission (accrued part)	2	160
reversal of impairment losses on receivables	200	135
interest on deposit, loans and receivables	369	168
dividend	5 076	29
balance-sheet valuations of financial instruments and settlements	421	1,930
proceeds from the Polish NDS	1,924	489

c/ costs added statistically	8,517	14,589
salaries and wages paid	7,383	12,123
release of provision	-	1,049
sold and cancelled receivables	-	519
audit of financial statements	127	112
tax amortisation/depreciation	211	293
VAT adjustment	75	152
interest paid	707	339
other	14	2
d/ income added statistically	2,226	169
interest on investments	297	163
lease	121	-
proceeds from the Polish NDS	1,806	
other	2	6
e/ deduction of loss	-	-
3. Donation made	-	-
4. Taxable income	**6,622**	**17,742**
5. Corporate income tax at 19% rate	1,258	3,371
6. Increases, reliefs, exemptions, allowances, and reductions in/of corporate income tax – tax paid on dividend received	33	6
7. Current corporate income tax disclosed in tax return for period, including:	1,258	3,371
- disclosed in income statement	1,291	3,377
- 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	- 1,628	- 2,189
- 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	1,672	2,274
- change in deferred tax liabilities	- 331	414
Total deferred income tax	**- 287**	**499**

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 better developed tax systems.

Tax settlements are subject to inspection for five years from the end of the year in which the respective tax was paid.

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	2012	2011
Net profit/loss	8,528	15,585
Coverage of retained deficit	-	-
Reserve funds	-	114
Dividend	-	15,471

By the date of preparation of these financial statements, no final decision was taken by the Management Board concerning the recommended distribution of the 2012 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.

Note 45

Liabilities secured with the brokerage house's assets:

Both in 2012 and 2011, the Company's assets were used as security for working capital overdraft facilities (see Note 13).

Save for a security deposit of PLN 4m in a bank account, blank promissory notes together 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 did not have any liabilities secured with its assets as at December 31st 2012. As at December 31st 2011, there was a security deposit of PLN 4m in a bank account, blank promissory notes with promissory note declarations, and powers of attorney over bank accounts held with the lending bank (securing an overdraft facility).

Note 46

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

In January 2012, Nordea Bank Polska S.A. issued a guarantee to IPOPEMA Securities S.A. up to the total amount of EUR 268 thousand, secured with a cash deposit of PLN 1,239 thousand. The guarantee, provided until April 15th 2018, secures liabilities related to the lease of new office space.

In April 2012, BRE Bank S.A. provided 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. The guarantee was provided until April 1st 2013, however in certain special cases specified in the agreement it remains valid until July 1st 2013.

In addition to the above, the Company also issued promissory notes as security for a credit facility – for a detailed description, see Note 13.

In 2013, the Company will incur a cost of up to CZK 2,550 thousand (PLN 342 thousand) under an agreement with the clearing bank in the Czech Republic if the minimum amount of transactional costs specified in the agreement, representing a condition precedent for incurring that cost, is not reached.

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) on discontinued operations or operations intended to be discontinued:

In 2012, *asset management* services were transferred from the Company to IPOPEMA Asset Management S.A., which is the centre of such services within the IPOPEMA Group. Revenue, costs and results related to the asset management business conducted at IPOPEMA Securities S.A. did not have a material bearing on the Company's revenue and results, asset management revenue accounted for less than 1% of the Company's total revenue for 2012 and 2011.

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 consulting 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 2012	Dec 31 2011	Dec 31 2012	Dec 31 2011
Cash and cash equivalents	**246,510**	**90,339**	**242,678**	**85,113**
1. In hand	6	8	6	8
2. At banks	14,954	30,744	14,954	30,744
3. Other cash	227,460	55,496	227,460	55,496
4. Cash equivalents (deposit for a period exceeding three months)	4,090	4,091	-	-
5. Accrued foreign exchange differences	-	-	258	- 1 135

The difference between the presentation of cash in the balance sheet and the statement of cash flows in 2012 and 2011 is attributable to the recognition of a long-term deposit of PLN 4m (maturing in more than three months from the balance-sheet date) under investing activities, and elimination of the effect of foreign exchange differences on cash.

Cash and cash equivalents at the end of the 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
	Dec 31 2012	Dec 31 2011		2012
Gross current and non-current receivables	507,080	502,675	- 4,405	- 3,325
Net receivables	506,814	501,080		
Impairment losses on receivables	266	1,595		- 1,329
Provisions (net of deferred tax related to equity and provision for unpaid interest)	5,348	6,610		- 1,262
Total change in impairment losses and provisions				**- 2,591**

The difference between the balance-sheet change in gross receivables and the amount disclosed in the statement of cash flows is attributable to the reduction of receivables as at December 31st 2012 by the amount of receivables under loans advanced, disclosed under investing activities, and the amount of receivables under lease (non-current portion) disclosed in the financing activities.

	Presentation in the balance sheet		Change as shown by the balance sheet	Presentation in the statement of cash flows – change
	Dec 31 2011	Dec 31 2010		2011
Gross current and non-current receivables	502,675	284,154	- 218,521	- 218,314
Net receivables	501,080	282,241		
Impairment losses on receivables	1,595	2,213		- 618
Provisions (net of deferred tax related to equity and provision for unpaid interest)	6,610	6,376		235
Total change in impairment losses and provisions				**- 383**

The difference between the balance-sheet change in gross receivables and the amount disclosed in the statement of cash flows is attributable to the reduction of receivables as at December 31st 2011 by the amount of receivables under loans advanced, disclosed under investing activities, and the amount of receivables under lease (non-current portion) disclosed in the financing activities.

Explanation concerning other items of the statement of cash flows

In 2012, in “Other cash used in investing activities" for the period January 1st–December 31st 2012, the Company disclosed the security deposit provided as security for a guarantee issued by Nordea Bank Polska S.A. In the comparative period, the amount of PLN 4m relates to a cash deposit.

Note 55

Workforce structure

The average workforce (employees and regular associates) in the period January 1st – December 31st 2012 was 67 persons, compared with 66 in the comparative period of January 1st – December 31st 2011.

Department	Workforce as at December 31st 2012	Workforce as at December 31st 2011
Management Board	4	4
Other	56	67
TOTAL	**60**	**71**

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)	2012	2011
Management Board	**4,585**	**6,774**
Jacek Lewandowski	1,044	1,272
Mirosław Borys	619	722
Mariusz Piskorski	769	960
Stanisław Waczkowski	2,153	3,820
Supervisory Board	**55**	**65**
Jacek Jonak	20	22
Roman Miler	-	5
Janusz Diemko	14	18
Bogdan Kryca	16	18
Wiktor Sliwinski	2	2
Małgorzata Adamkiewicz	3	-
Zbigniew Mrowiec	-	-

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 2012 and 2011, 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 relation to the operations in Hungary, carried out in cooperation 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 2012, the total value of transactions under those agreements was PLN 910 thousand (expense) and PLN 154 thousand (income) (2011: PLN 923 thousand (expense) and PLN 137 thousand (income)), as presented in the table below.

Moreover, in 2010 the Company advanced short-term loans to IBS. Their total principal amount did not exceed the equivalent of PLN 500 thousand.

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	Revenue	Purchases
	Jan 1–Dec 31 2012		Jan 1–Dec 31 2011	
IPOPEMA BC	14	73	-	5
IPOPEMA TFI	172	2	120	94
IPOPEMA Business Services Kft.	154	775	138	807
IPOPEMA Asset Management	231	84	361	2
Members of the Management and Supervisory Boards	8	7	58	68
Total	**579**	**941**	**677**	**969**

Related party transactions – receivables and liabilities

Related party	Receivables		Liabilities	
	Dec 31 2012	Dec 31 2011	Dec 31 2012	Dec 31 2011
IPOPEMA BC	10	-	-	6
IPOPEMA TFI	105	60	2	-
IPOPEMA Business Services Kft.	914	1,093	-	383
IPOPEMA Asset Management	228	392	49	3
Members of the Management and Supervisory Boards	2	-	-	-
Total	**1,259**	**1,545**	**51**	**392**

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 2012, dividends received by the Company from IPOPEMA TFI and IBC totalled PLN 4,901 thousand. 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 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.

There are three Option Plans within the Incentive Scheme. The first one applies to members of the management board of IPOPEMA TFI S.A., entitled (subject to fulfilment of certain conditions) to subscribe for the total of 1,166,667 Series C shares at the issue price of PLN 0.47 per share ("Share Option Plan I"). In 2009 and 2010, a total of 770,891 shares were subscribed for by these persons (2009: 357,143; 2010: 413,748). The final settlement took place in 2011, based on the 2010 financial results. However, as not all required conditions had been fulfilled, no more shares were granted as part of Share Option Plan I.

As part of Share Option Plan II, the remaining persons participating in the Incentive Scheme were entitled to subscribe for a total of 714,285 Series C shares at an issue price equal to the price of the Company shares in the private placement preceding the listing on the Warsaw Stock Exchange (PLN 5). The first pool under Share Option Plan II, totalling 212,500 shares, was subscribed for by eligible persons in 2011, with the second pool of 197,321 shares subscribed for in 2012, and the third pool of 185,714 shares offered in 2013. A maximum of 118,750 additional shares remain to be subscribed for under the Plan. The remaining shares may be subscribed for until November 30th 2017, i.e. the final date of subscription for Series C Shares as part of a conditional increase in the share capital, as set out in Resolution No. 3 of the Company's Extraordinary General Meeting of December 5th 2007.

Out of the remainder of 2,976,188 Series C shares covered by conditional share capital ("Share Option Plan III"), conditional rights to subscribe for 297,522 shares by December 31st 2015 have so far been granted to eligible persons. The issue price of those shares has been determined at PLN 6.01 in accordance with the terms and conditions of the incentive scheme for Share Option Plan III as an average of the prices of the Company shares quoted 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 yet 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 Accountancy Act stipulates no such requirement. 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 operated by the Group in the consolidated financial statements of the Group.

In 2012, the costs related to the share option plans increased the cost of salaries and wages by PLN 105 thousand (2011: PLN 162 thousand), and were fully charged to IPOPEMA Securities S.A.

The option plans were 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).

Note 60

Transactions with related parties not covered by the financial statements

In the periods covered by these financial statements, there were no material transactions with related parties 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 20th 2012, the entity authorised to audit the Company's annual separate and consolidated financial statements for 2012 and to review financial statements for H1 2012 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	2012	2011
mandatory audit of financial statements	45	55
other attestation services	48	53
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 November 28th 2012, the Extraordinary General Meeting of IPOPEMA Business Consulting Sp. z o.o. resolved to pay from capital reserves an interim dividend for 2012 of PLN 2.2m, i.e. approximately PLN 1,099.45 per share. The dividend was paid out in full in 2012. The Company received dividend of PLN 1,101 thousand.

On April 23rd 2012, the General Meeting of IPOPEMA TFI S.A. resolved to pay dividend of PLN 3.8m, i.e. PLN 3.8 per share. As at the date of these financial statements, the dividend had been paid out to the Company in full.

On June 28th 2012, the General Meeting resolved to distribute the 2011 profit of PLN 15,585 thousand as dividend. The dividend amount per one share was PLN 0.52. The dividend record date was set for July 6th 2012, and the dividend payment date – for July 23rd 2012. On the dividend payment date, a total of PLN 15,471 thousand was paid out to the shareholders. The distribution amount was lower than the 2011 net profit by PLN 114 thousand, which was the effect of rounding off the dividend per share. Pursuant to the General Meeting's resolution, the difference was contributed to the Company's statutory reserve funds.

On June 29th 2011, the General Meeting resolved to distribute the 2010 profit of PLN 15,431 thousand as dividend. The dividend amount per one share was PLN 0.52. The dividend record date was set for July 15th 2011, and the dividend payment date for July 29th 2011. On the dividend payment date, a total of PLN 15,368 thousand was paid out to the shareholders. The distribution amount was lower than the 2010 net profit by PLN 63 thousand, which was the effect of rounding off the dividend per share. Pursuant to the General Meeting's resolution, the difference was contributed to the Company's statutory reserve funds.

Until the date of preparation of these consolidated financial statements, no final decision was taken by the Parent's Management Board concerning the recommended distribution of the 2012 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.

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 is a party to court proceedings before the Warsaw Regional Court – XIV Labour and Social Insurance Division, which have been initiated on the basis of appeals lodged by the Company against decisions of the Social Insurance Institution (I Warsaw Branch) determining the base for the computation of contributions to social insurance, health insurance, Labour Fund and the Guaranteed Employee Benefits Fund, for the period from January 2009 to February 2010. The Company filed corrected returns and recognised a provision of PLN 19 thousand for the projected amount of costs resulting from correction of settlements with the Social Insurance Institution for the years 2009-2010.

Note 67

Inspections by regulatory authorities

In May 2012, 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 inspection report did not contain any post-inspection recommendations.

An inspection covering the period from January 2009 to November 2011 was also conducted at the Company by the Social Insurance Institution (ZUS). The inspection covered such issues as inclusion of the value of medical services (subscription fees for medical plans) in the base for the computation of employee social insurance contributions for the period from January 2009 to February 2010. Given that in the period covered by the inspection the line of judicial decisions concerning inclusion of such subscription fees in the base for the computation of social insurance contributions was not yet determined, the agreement between the Company and the medical services provider effective at the time did not differentiate between subscription fees for medical services whose provision was required under the Labour Code and fees for additional services. In its decisions, the Social Insurance Institution (ZUS) included the entire amount of the fees (including fees for occupational medicine services required under the Labour Code) in the base for the computation of contributions for social insurance, health insurance, Labour Fund and the Guaranteed Employee Benefits Fund, with which the Company disagreed and appealed against the decisions to the Regional Court of Warsaw. In connection with the results of the tax inspection referred to below, the post-inspection decisions and recommendation will be verified by the Social Insurance Institution, following which the Company will make appropriate settlements. Hence, the appeal proceedings filed by the Company will be closed.

In October 2012, an inspection was conducted at the Company by the Head of the Second Warsaw Province Tax Office in Warsaw. The inspection covered the period from January 1st 2009 to December 31st 2009 and concerned such issues as inclusion of the value of medical services under medical plans provided for employees in the employees' income and the withholding of tax payments on such income. The Company implemented the post-inspection recommendations.

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

Regulatory capital

The tables below present monthly data on the regulatory capital and capital adequacy requirements on an average monthly basis.

Date	Share capital			Tier 2 (supplementary) capital	Tier 3 (supplementary) capital	Total regulatory capital	Total capital adequacy requirement
	Tier 1 capital	Other items of core capital	Items reducing core capital				
Jan 31 2012	49,724	9,246	1,938	- 8	-	57,024	28,974
Feb 28 2012	49,724	9,246	1,891	- 3	-	57,076	26,295
Mar 31 2012	50,711	11,839	2,182	- 313	-	60,055	27,340
Apr 30 2012	50,711	15,585	2,182	- 313	-	63,801	23,713
May 31 2012	50,711	15,585	2,131	- 332	-	63,832	21,213
Jun 30 2012	50,711	15,585	2,182	- 313	-	63,801	23,713
Jul 31 2012	50,711	-	2,076	- 336	-	48,299	21,346
Aug 31 2012	50,825	1,968	2,192	- 328	-	50,273	20,061
Sep 30 2012	50,825	6,186	2,298	- 332	-	54,381	23,367
Oct 31 2012	50,825	6,186	2,517	- 330	-	54,164	23,310
Nov 30 2012	50,825	6,186	2,462	- 341	-	54,208	23,721
Dec 31 2012	50,825	6,186	2,500	- 333	-	54,178	37,161
Dec 31 2012*	50,825	6,186	2,525	- 326	-	54,160	26,452
Dec 31 2011*	49,724	9,246	2,261	- 323	-	56,386	27,005

* *as at*

2012 capital adequacy requirements by type of risk

Date	Market risk (currency risk)	Credit risk	Operational risk	Total capital adequacy requirement
Jan 31 2012	370	18,695	9,909	28,974
Feb 28 2012	366	16,020	9,909	26,295
Mar 31 2012	322	17,109	9,909	27,340
Apr 30 2012	322	13,482	9,909	23,713
May 31 2012	302	11,002	9,909	21,213
Jun 30 2012	322	13,482	9,909	23,912
Jul 31 2012	329	11,108	9,909	21,346
Aug 31 2012	323	9,829	9,909	20,061
Sep 30 2012	309	13,149	9,909	23,367
Oct 31 2012	323	13,078	9,909	23,310
Nov 30 2012	289	13,523	9,909	23,721
Dec 31 2012	373	26,879	9,909	37,161
Dec 31 2012*	1,025	15,518	9,909	26,452
Dec 31 2011*	369	16,727	9,909	27,005

* *as at*

In 2012 and 2011, the following items amounted to PLN 0:

- subordinated loans advanced to banks, other brokerage houses, foreign investment firms, credit and financial institutions, included in their equity;
- requirement with respect to exceeding the exposure concentration limit and large exposure limit.

With respect to market risk, the Company is bound only by the capital adequacy requirement for currency risk.

In accordance with the Regulation of the Minister of Finance on the scope and detailed rules for determination of the total capital adequacy requirement, including individual capital adequacy requirements, for brokerage houses and on the maximum ratio of borrowings and debt instruments in issue to the amount of capitals, dated November 18th 2009, which has been in effect since 2010, the obligation to calculate the capital adequacy requirement for fixed operating costs arises only if an entity does not calculate the capital adequacy requirement for operational risk.

Failure to meet capital adequacy requirements

Date capital adequacy requirements were not met:	Reasons for not meeting capital adequacy requirements	Was Polish FSA notified in advance that the Company may not meet capital adequacy requirements?
Dec 7 2012 Dec 10 2012 Dec 11 2012 Dec 12 2012 Dec 13 2012	Crediting of large amounts to the Company's bank accounts in connection with a public offering	Information on an envisaged intended instance of not meeting capital adequacy requirements was provided to the Polish FSA on November 20th 2012 in the MRF monthly report.

As part of its brokerage business IPOPEMA Securities S.A. acted as an offering broker in a public offering of shares. In connection with the offering, the Company's accounts were credited with a significant amount of clients' funds. The funds were held in the Company's accounts in the period December 7th - December 13th 2012. As a result, the Company's credit risk value increased and capital adequacy requirements were not met on the dates specified above. Afterwards, the Company's capital adequacy ratios fell back to a level compliant with Art. 98a.3 of the Act on Trading in Financial Instruments. The instance of not meeting the requirements was ???intended???, and was notified in advance to the Polish Financial Supervision Authority as required by the applicable laws.

In the period covered by these financial statements, the Company did not record any instances of non-compliance with the capital adequacy requirements on a consolidated basis.

Date	Share capital			Tier 2 (supplementary) capital	Tier 3 (supplementary) capital	Total regulatory capital	Total capital adequacy requirement
	Tier 1 capital	Other items of core capital	Items reducing core capital				
Jan 31 2011	48,600	9,093	1,842	51	-	55,902	31,143
Feb 28 2011	48,600	9,093	1,839	49	-	55,903	28,860
Mar 31 2011	49,662	9,093	1,830	48	-	56,973	26,778
Apr 30 2011	49,662	15,431	1,784	46	-	63,355	29,056
May 31 2011	49,662	15,431	1,849	45	-	63,289	27,895
Jun 30 2011	49,668	13,961	1,853	38	-	61,814	31,296
Jul 31 2011	49,724	-	1,889	17	-	47,852	27,809
Aug 31 2011	49,724	2,522	1,908	13	-	50,351	26,444
Sep 30 2011	49,724	9,246	1,959	2	-	57,013	25,701
Oct 31 2011	49,724	9,246	1,925	- 5	-	57,040	26,569
Nov 30 2011	49,724	9,246	1,898	- 7	-	57,065	27,810
Dec 31 2011	49,724	9,246	1,938	- 8	-	57,024	27,717
Dec 31 2011*	49,724	9,246	2,261	- 323	-	56,386	27,005
Dec 31 2010*	48,600	9,093	1,842	51	-	55,902	21,433

2011 capital adequacy requirements by type of risk

Date	Market risk (currency risk)	Credit risk	Operational risk	Total capital adequacy requirement
Jan 31 2011	241	22,218	8,684	31,143
Feb 28 2011	411	19,765	8,684	28,860
Mar 31 2011	696	17,362	8,720	26,778
Apr 30 2011	466	19,870	8,720	29,056
May 31 2011	423	18,752	8,720	27,895
Jun 30 2011	363	22,213	8,720	31,296
Jul 31 2011	424	18,665	8,720	27,809
Aug 31 2011	417	17,307	8,720	26,444
Sep 30 2011	399	16,582	8,720	25,701
Oct 31 2011	598	17,251	8,720	26,569
Nov 30 2011	624	18,466	8,720	27,810
Dec 31 2011	369	18,628	8,720	27,717
Dec 31 2011*	369	16,727	9,909	27,005
Dec 31 2010*	241	12,508	8,684	21,433

* *as at*

Note 69

Events subsequent to the balance-sheet date

All events with effect on the 2012 financial statements were disclosed in the accounting books for 2012.

Furthermore, shares were subscribed for under the Incentive Scheme (Note 59).

These financial statements contain 57 (fifty-seven) consecutively numbered pages.

Warsaw, March 20th 2013

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