

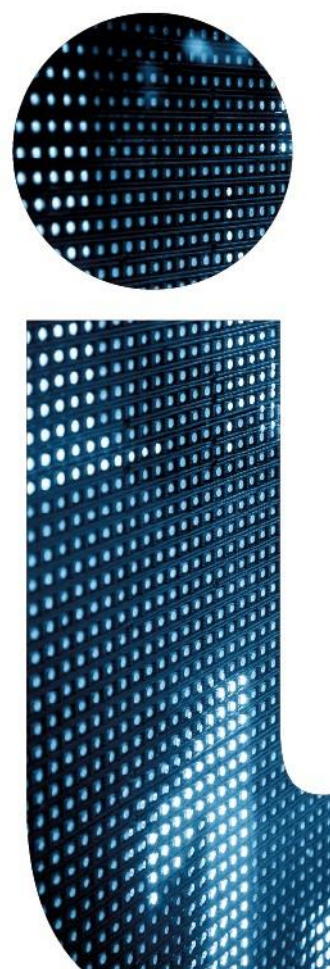
IPOPEMA Securities S.A.

Financial statements

for the year ended
December 31st 2015

Warsaw, March 18th 2016

ipopema



Statement of compliance

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

- to the best of our knowledge, the full-year separate financial statements for the year ended December 31st 2015 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 full-year separate and consolidated financial statements, was appointed in compliance with applicable laws. BDO Sp. z o.o and the auditor who audited the full-year financial statements of IPOPEMA Securities S.A. prepared as at December 31st 2015 meet the relevant criteria for issuing an objective and independent auditor's opinion, as required by applicable laws.
- The Directors' Report for 2015 gives a true picture of the Company's development, achievements and standing; it also includes a description of key risks and threats.

Warsaw, March 18th 2016

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

Miroslaw Borys
Vice-President of the
Management Board

Daniel Ścigała
Member of the
Management Board

Financial highlights

Financial highlights	PLN '000		EUR '000	
	2015	2014	2015	2014
Revenue from core activities	47,425	46,627	11,333	11,130
Cost of core activities	42,986	42,167	10,272	10,065
Profit on core activities	4,439	4,460	1,061	1,065
Operating profit	5,515	5,801	1,318	1,385
Profit before tax	4,156	3,725	993	889
Net profit	3,493	3,226	835	770
Earnings per ordinary share (weighted average) (PLN/ EUR)	0.12	0.11	0.03	0.03
Net cash from operating activities	99,568	-5,854	23,793	-1,398
Net cash from investing activities	-1,005	-160	-240	-38
Net cash from financing activities	1,908	-390	456	-93
Total cash flows	100,471	-6,404	24,009	-1,529

Financial highlights	PLN '000		EUR '000	
	Dec 31 2015	Dec 31 2014	Dec 31 2015	Dec 31 2014
Total assets	323,575	293,035	75,930	68,750
Current liabilities	254,254	229,000	59,663	53,727
Equity	63,627	60,125	14,931	14,106
Number of shares	29,937,836	29,937,836	29,937,836	29,937,836
Book value per share (PLN/EUR)	2.13	2.01	0.50	0.47

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

- For the statement of profit or loss 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	2015	2014
EUR	4.1848	4.1893

- For the balance sheet:

Exchange rate as at	Dec 31 2015	Dec 31 2014
EUR	4.2615	4.2623

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

EUR	2015	2014
Lowest exchange rate	3.9822	4.0998
Highest exchange rate	4.3580	4.3138

Introduction to the financial statements

Information on the Company

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

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

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

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

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

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

The Company conducts brokerage activity on the basis of a brokerage licence granted by the Polish Securities and Exchange Commission (currently, the Polish Financial Supervision Authority) on June 30th 2005, and on the basis of an additional licence, for the preparation of investment and financial analyses as well as recommendations, granted by the Polish Financial Supervision Authority on June 28th 2010. The additional licence had to be obtained in connection with amendments to applicable laws and regulations (prior to the amendments, such activities had not been classified as brokerage activities requiring a licence). Moreover, in April 2014 the Company received the PFSA's authorisation to conduct foreign exchange activities.

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

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

Going concern assumption

These financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future, that is for the 12 months following the reporting date. As at the date of approval of these financial statements, no circumstances were identified which would threaten the Company continuing as a going concern, as a result of voluntary or involuntary discontinuation or material limitation of its existing operations, within at least 12 months from the reporting date, that is December 31st 2015.

Composition of the Management Board and the Supervisory Board

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

Jacek Lewandowski – CEO and President of the Management Board,
Miroslaw Borys – Vice-President of the Management Board,
Mariusz Piskorski – Vice-President of the Management Board,
Stanislaw Waczkowski – Vice-President of the Management Board,
Daniel Ścigała – Member of the Management Board.

Daniel Ścigała was appointed by the Supervisory Board to the Management Board on May 21st 2015.

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

Jacek Jonak – Chairman of the Supervisory Board,
Janusz Diemko – Secretary of the Supervisory Board,
Bogdan Kryca – Member of the Supervisory Board,

Zbigniew Mrowiec – Member of the Supervisory Board,
Michał Dobak – Member of the Supervisory Board.

On February 10th 2014, the General Meeting appointed Mr Michał Dobak as member of the Supervisory Board.

Basis of preparation

These financial statements cover the period January 1st–December 31st 2015 and contain comparative data for the period January 1st–December 31st 2014.

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

These financial statements for the financial year ended December 31st 2015 were authorised for issue by the Management Board on March 18th 2016.

Identification of financial statements

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

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

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

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

Information on subsidiaries

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

IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. ('IPOPEMA TFI') was established on March 14th 2007 and operates under the licence issued by the Polish Financial Supervision Authority (PFSA) on September 13th 2007. Its business profile comprises: (i) operation of an investment fund company, as well as creation and management of investment funds, (ii) discretionary management of securities portfolios, (iii) advisory services in the area of securities trading, (iv) intermediation in the sale and redemption of investment fund units, and (v) representation service for foreign funds. As at December 31st 2015, IPOPEMA TFI's share capital amounted to PLN 10,599,441.00 and comprised 3,533,147 registered shares. The composition of the Management Board is as follows: Jarosław Wikaliński (President), Maciej Jasiński and Jarosław Jamka (Vice-Presidents), and Renata Wanat-Szelenbaum (Member). The board members have many years of practice and experience in the financial market, including in asset management and creation of investment funds. IPOPEMA Securities S.A. holds 100% of shares and votes at the General Meeting of IPOPEMA TFI.

On November 30th 2015, IPOPEMA Asset Management S.A. ("IPOPEMA AM") was merged with IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. pursuant to Art. 492.1.1 of the Commercial Companies Code (merger by acquisition), with IPOPEMA TFI as the acquirer and IPOPEMA AM as the acquiree. Accordingly, under Art. 494 of the Commercial Companies Code, as of November 30th 2015 IPOPEMA TFI as the acquirer assumed all rights and obligations of IPOPEMA AM as the acquiree. As of the merger date, investment fund portfolios and client portfolios have been managed by IPOPEMA TFI.

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

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

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

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

Given changes to the model of operating in foreign markets, the process of winding up IBS and IBS Srl began in Q4 2015 and 2016, respectively. Irrespective of the above, the two companies, as well as IPOPEMA Outsourcing Sp. z o.o., were not consolidated due to the immateriality of their financial data (in accordance with Art. 58.1 of the Polish Accountancy Act).

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

Business combinations

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

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

No corrections of errors were made in these financial statements.

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

1) Cash and cash equivalents

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

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

Cash is measured at nominal value.

2) Property, plant and equipment, and intangible assets

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

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

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

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

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

An item of property, plant and equipment or an intangible asset may be derecognised from the balance sheet following its disposal or if no further economic benefits are expected to be derived from its further use. The Company tests its non-current assets for impairment at least once a year. Impairment takes place when it is highly probable that an asset controlled by the entity will fail to deliver, in whole or in significant part, the expected future economic benefits. This warrants recognition of an impairment loss on the asset to bring its carrying amount to net realisable value or, if not available, to its fair value determined by other methods. Any income and costs resulting from a given asset being derecognised from the balance-sheet, are charged to the statement of profit or loss in the period the asset was derecognised.

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

3) Receivables

Current receivables

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

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

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

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

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

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

Under receivables, the Company also recognises receivables under lease of property, plant and equipment and intangible assets to IPOPEMA Business Services Kft. The lease agreement meets the definition of finance lease. As at December 31st 2015, lease receivables stood at PLN 0 (December 31st 2014: PLN 14 thousand).

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

Current receivables from clients, current receivables from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses, current liabilities to clients and current liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses arise in connection with securities purchases and sales which have not yet been settled at the clearing houses due to the transaction clearing procedure (T+2; until October 5th 2014 the clearing period was 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, other brokerage houses and commodity 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, other brokerage houses and commodity brokerage houses (parties to the market transactions)* and current liabilities towards the clients for whom the sale transactions were executed.

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

Non-current receivables

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

4) Financial instruments

Financial instruments are classified into the following categories:

1. Financial assets
 - financial assets held for trading,
 - loans and receivables,
 - financial assets held to maturity,

- financial assets available for sale.
- 2. Financial liabilities
- financial liabilities held for trading,
- other financial liabilities.

Financial assets and liabilities held for trading

Financial assets and liabilities held for trading are financial instruments acquired for the Company's own account in connection with executed transactions, and are measured at fair value, determined by reference to their market value as at the reporting date.

Financial instruments held for trading include shares in companies listed both on the Warsaw Stock Exchange ("WSE") and on the Budapest Stock Exchange ("BSE").

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. When determining the fair value as at the contract date, the Company takes into account transaction costs.

For the purposes of the measurement, the Company takes into account closing prices quoted by the Warsaw Stock Exchange and Budapest Stock Exchange on the last business day of the reporting period. 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.

The Company does not apply hedge accounting.

Loans advanced and receivables

Loans and receivables include financial assets arising when the Company delivers cash directly to the counterparty, irrespective of the maturity date of such assets. Loans advanced and receivables are measured at adjusted cost, which is estimated using the effective interest rate method. Non-interest bearing current receivables are measured at amounts receivable, subject to the prudent valuation principle. Current receivables include mainly bank deposits, cash and loans advanced. Loans advanced to IPOPEMA Securities S.A.'s employees and associates are classified under 'Loans advanced'.

Financial assets held to maturity

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

Financial assets held to maturity are classified as non-current assets if their terms to maturity are longer than 12 months from the reporting date. The Company had no financial assets held to maturity in 2015 or 2014.

Financial assets available for sale

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

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

Shares in subsidiaries are measured at cost less impairment.

Other financial liabilities

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

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

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

5) Impairment of financial instruments

As at each reporting date the Company assesses whether there is any objective indication of impairment of a financial asset or a group of financial assets, e.g. whether there are any circumstances indicating that the entity may not receive (for reasons beyond its control) any amounts, other financial assets, goods or benefits owed to it;

whether the previously expected timing of cash inflows from a given asset has changed; whether the market of financial instruments or investments used by the entity has experienced any adverse value movements.

6) Prepayments and accrued income

Current

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

Non-current

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

Deferred tax asset

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

7) Liabilities

Current liabilities

Current liabilities are liabilities which are payable within 12 months from the reporting date. Current liabilities include all liabilities to clients, liabilities to related entities, liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions, liabilities to the Central Securities Depository of Poland 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. The recognition of current liabilities under executed transactions is discussed in Section 3 above.

Non-current liabilities

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

8) Provisions, accruals and deferred income

Accruals and deferred income

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

Provisions include:

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

Deferred tax liability

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

Other provisions

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

9) Equity

Equity comprises the following items:

- share capital,
- reserve funds,
- revaluation capital reserve,

- retained earnings (deficit),
- net profit (loss).

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

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

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

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

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

10) Recognition of revenue

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

11) Accrual basis of accounting and matching principle

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

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

12) Determination of net profit (loss)

Components of net profit (loss)

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

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

Method of determination of profit (loss) on brokerage activities

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

revenue from brokerage activities, comprising revenue:

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

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

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

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

Revenue from brokerage activities is recognised if it is probable that the economic benefits associated with a transaction will flow to the Company and if the revenue and the related expenses can be reliably measured. Revenue comprises amounts received and receivable net of VAT. The amount of revenue is measured at fair value of the consideration received or receivable.

Where the date of commencement of a service and the date of its completion fall into different reporting periods, the related revenue and expenses are recognised by reference to the stage of completion of the service if the outcome of the transaction can be reliably measured, i.e. if the total amount of revenue under the service contract and the amount of costs associated with the service can be measured reliably and if it is probable that the economic benefits associated with the contract will flow to the Company.

If the above conditions cannot be met, revenue is recognised only to the extent of costs incurred as at a given date that are recoverable.

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 pre-tax profit (loss)

Profit (loss) before tax comprises operating profit (loss) adjusted for:

- finance income,
- finance costs.

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

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

Method of determination of net profit (loss)

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

Income tax

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

- current income tax,
- deferred income tax.

Current income tax

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

Deferred income tax

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

13) Statement of cash flows

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

14) Translation of foreign-currency items

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

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

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

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

Currency	Dec 31 2015	Dec 31 2014
USD	3.9011	3.5072
EUR	4.2615	4.2623
HUF 100	1.3601	1.3538
GBP	5.7862	5.4648
UAH	0.1622	0.2246
CZK	0.1577	0.1537
CHF	3.9394	3.5447
TRY	1.3330	1.5070
JPY 100	3.2411	2.9353
NOK	0.4431	0.4735
CAD	2.8102	3.0255
SEK	0.4646	0.4532
DKK	0.5711	0.5725
INR 100	5.8962	5.5473
RON	0.9421	0.9510

Source: National Bank of Poland.

Changes in estimates

In 2015, there were no changes in estimates other than the changes in provisions for receivables, depreciation/amortisation, and impairment losses on receivables, as discussed in Notes 2, 9, 11 and 16.

Changes in applied accounting policies

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

Seasonality of operations

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

Comparability of the reported data

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

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

If the Company had prepared its separate financial statements in accordance with IAS, it would have recognised the cost of incentive schemes, discussed in Note 56, *in the financial statements for 2015 and 2014*. In separate financial statements prepared in accordance with the provisions of the Polish Accountancy Act, the cost of incentive schemes is not recognised, as the Polish Accountancy Act stipulates no such requirement. However, the cost is recognised in the Group's consolidated financial statements, which the Group is required to prepare in compliance with the IFRS. Recognition of the cost of incentive schemes would increase the cost of salaries and wages and the reserve funds by the amount of the cost. This would not affect the value of net assets but would have an effect on their structure.

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

Warsaw, March 18th 2016

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Chief Accountant

Financial statements of IPOPEMA Securities S.A. for 2015 (PLN '000)

ASSETS (PLN '000)		Note	Dec 31 2015	Dec 31 2014
I.	Cash and cash equivalents	1, 8	135,950	35,342
1.	In hand		1	3
2.	At banks		15,436	7,406
3.	Other cash		120,483	27,933
4.	Other assets		30	-
II.	Current receivables	2, 8	167,711	237,513
1.	From clients		66,058	123,679
2.	From related entities		59	204
3.	From banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		64,558	75,448
a)	under executed transactions		64,062	75,009
b)	other		496	439
4.	From the Central Securities Depository of Poland and exchange clearing		24,134	30,197
5.	Taxes, subsidies and social security receivable		166	894
6.	From issuers of securities or selling shareholders		2,332	141
7.	Other		10,404	6,950
III.	Financial instruments held for trading	3, 18	1,214	1,463
1.	Equities		1,214	1,463
IV.	Current prepayments and accrued income	4	794	891
V.	Financial instruments held to maturity	5	-	-
VI.	Financial instruments available for sale	6, 18	8,820	8,808
1.	Equities		8,638	8,638
	- shares in subordinated entities		8,638	8,638
2.	Investment certificates		182	170
VII.	Non-current receivables	7	1,367	2,348
VIII.	Non-current loans advanced	7, 8	1	364
1.	Other		1	364
IX.	Intangible assets	9	2,495	2,030
1.	Acquired permits, patents, licenses and similar assets, including:		2,495	2,030
	- software		2,495	2,030
X.	Property, plant and equipment	11	4,136	3,455
1.	Tangible assets, including:		4,092	3,455
a)	buildings and premises		531	613
b)	computer assemblies		2,364	1,536
c)	other tangible assets		1,197	1,306
2.	Tangible assets under construction		44	-
XI.	Non-current prepayments and accrued income		1,087	821
1.	Deferred tax assets	12	1,050	821
2.	Other non-current prepayments and accrued income		37	-
XII.	Called-up share capital not paid		-	-
XIII.	Treasury shares		-	-
Total assets			323,575	293,035

Warsaw, March 18th 2016

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Financial statements of IPOPEMA Securities S.A. for 2015 (PLN '000)

EQUITY AND LIABILITIES (PLN '000)		Note	Dec 31 2015	Dec 31 2014
I.	Current liabilities	13	254,254	229,000
1.	To clients		166,605	84,845
2.	To related entities		33	54
3.	To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		68,947	129,333
a)	under executed transactions		68,941	129,333
b)	other		6	-
4.	To entities operating regulated markets and commodity exchanges		563	672
5.	To the Central Securities Depository of Poland and exchange clearing houses		844	198
6.	Borrowings		15,138	12,206
a)	from other entities	18	15,138	12,206
7.	Debt securities		6	6
8.	Taxes, customs duties and social security payable		352	664
9.	From investment and pension fund companies and from investment and pension funds		213	208
10.	Other		1,553	814
II.	Non-current liabilities	15	133	2
1.	Finance lease liabilities		129	-
	- from other entities		129	-
2.	Debt securities		4	2
III.	Accruals and deferred income	15	-	-
IV.	Provisions for liabilities	16	5,561	3,908
1.	Deferred tax liabilities		393	327
2.	Other		5,168	3,581
a)	non-current		393	108
b)	current		4,775	3,473
V.	Subordinated liabilities	17	-	-
VI.	Equity		63,627	60,125
1.	Share capital	19	2,994	2,994
2.	Reserve funds	21	57,152	53,926
a)	share premium		10,351	10,351
b)	statutory reserve funds		998	998
c)	reserve funds created pursuant to the Articles of Association		45,803	42,577
3.	Revaluation capital reserve	25	-12	-21
4.	Net profit		3,493	3,226
Total equity and liabilities			323,575	293,035
Book value (PLN '000)			63,627	60,125
Number of shares as at end of period			29,937,836	29,937,836
Book value per share (PLN)			2.13	2.01
Diluted number of shares			29,937,836	29,937,836
Diluted book value per share (PLN)			2.13	2.01

Warsaw, March 18th 2016

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Financial statements of IPOPEMA Securities S.A. for 2015 (PLN '000)

OFF-BALANCE-SHEET ITEMS (PLN '000)		Note	Dec 31 2015	Dec 31 2014
I.	Contingent liabilities	44	-	-
II.	Third-party assets used		-	-
III.	Futures/forwards purchased or issued in the name and for the account of the brokerage house		-	-

Warsaw, March 18th 2016

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Financial statements of IPOPEMA Securities S.A. for 2015 (PLN '000)

Statement of profit or loss (PLN '000)		Note	2015	2014
I.	Revenue from brokerage activities, including:	27	47,425	46,627
	- from related entities		3	2
1.	Fee and commission income		40,366	36,562
a)	from transactions in financial instruments made in the name of the Company but for the account of the party placing an order		31,864	35,268
b)	from offering financial instruments		6,291	804
c)	other		2,211	490
2.	Other income		7,059	10,065
a)	from offering financial instruments		2,962	1,038
b)	from maintenance of clients' securities accounts and cash accounts		1	-
c)	other		4,096	9,027
II.	Cost of brokerage activities		42,986	42,167
	- from related entities		823	988
1.	Fees payable to regulated markets, commodity exchanges, the Central Securities Depository of Poland and exchange clearing houses		8,759	10,472
2.	Salaries and wages		17,652	17,151
3.	Social security and other benefits		1,288	1,069
4.	Employee benefits		210	202
5.	Raw material and consumables used		293	287
6.	Costs of maintenance and lease of buildings		1,976	1,881
7.	Depreciation and amortisation expenses		1,761	1,691
8.	Taxes and other public charges		1,540	1,628
9.	Other	27	9,507	7,786
III.	Profit (loss) on brokerage activities		4,439	4,460
IV.	Income from financial instruments held for trading	28	851	940
1.	Dividends and other profit distributions		89	227
2.	Revaluation adjustments		51	-
3.	Gain on sale/redemption		711	713
V.	Cost related to financial instruments held for trading	29	1,436	2,370
1.	Revaluation adjustments		16	250
2.	Loss on sale/redemption		1,420	2,120
VI.	Gain (loss) on transactions in financial instruments held for trading		-585	-1,430
VII.	Income from financial instruments available for sale	32	1,400	3,001
1.	Dividends and other profit distributions		1,400	3,001
	- from related entities		1,400	3,001
VIII.	Cost related to financial instruments available for sale	33	-	-
IX.	Gain (loss) on transactions in financial instruments available for sale		1,400	3,001
X.	Other income	35	1,180	916
1.	Other		1,180	916
XI.	Other expenses	36	1,101	805
1.	Other		1,101	805
XII.	Difference between provisions for and impairment losses on receivables	37	182	-341
1.	Provisions reversed		58	200
2.	Provisions recognised		50	126
3.	Decrease in impairment losses on receivables		379	101

Financial statements of IPOPEMA Securities S.A. for 2015 (PLN '000)

	4.	Increase in impairment losses on receivables	205	516
XIII.		Operating profit	5,515	5,801
XIV.		Finance income	1,172	1,757
	1.	Interest on loans advanced, including:	24	65
		- from related entities	-	-
	2.	Interest on deposits	38 431	418
	3.	Other interest	-	4
	4.	Foreign exchange gains	233	454
		a) realised	233	198
		b) unrealised	-	256
	5.	Other	484	816
XV.		Finance costs	2,531	3,833
	1.	Interest on borrowings, including:	39 1,008	977
		- to related entities	-	-
	2.	Other interest	115	174
	3.	Foreign exchange losses	75	-
		a) realised	-	-
		b) unrealised	75	-
	4.	Other	1,333	2,682
XVI.		Profit before tax	4,156	3,725
XVII.		Income tax	40 663	499
XVIII.		Net profit	42 3,493	3,226
		Weighted average number of ordinary shares	29,937,836	29,937,836
		Earnings per ordinary share (PLN)	0.12	0.11
		Weighted average diluted number of ordinary shares	29,937,836	29,937,836
		Diluted earnings per ordinary share (PLN)	0.12	0.11

Warsaw, March 18th 2016

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STATEMENT OF CASH FLOWS (PLN' 000)		Note	2015	2014
A.	NET CASH FROM (USED IN) OPERATING ACTIVITIES	51		
I.	Net profit		3,493	3,226
II.	Total adjustments		96,075	-9,080
1.	Depreciation and amortisation expenses		1,761	1,691
2.	Foreign exchange gains/(losses)		79	-283
3.	Interest and profit distributions (dividends)		-521	-2,342
4.	Gain (loss) on investing activities		-101	792
5.	Change in provisions and impairment losses on receivables		1,406	-2,550
6.	Increase/(decrease) in financial instruments held for trading		249	-1,245
7.	Increase/(decrease) in receivables		71,115	25,099
8.	Change in current liabilities (net of borrowings), including special accounts		22,298	-30,489
9.	Increase/(decrease) in accruals and deferrals		-171	247
10.	Other adjustments		-40	-
III.	Net cash from (used in) operating activities (I + II)		99,568	-5,854
B.	NET CASH FROM (USED IN) INVESTING ACTIVITIES			
I.	Cash from investing activities		1,746	3,204
1.	Profit distributions (dividends) received		1,590	3,127
2.	Decrease in loans advanced		156	63
3.	Other cash from investing activities		-	14
II.	Cash used in investing activities		2,751	3,364
1.	Acquisition of intangible assets		1,191	598
2.	Acquisition of property, plant and equipment		1,560	247
3.	Acquisition of financial instruments available for sale and held to maturity – subordinates		-	2,000
4.	Loans advanced		-	519
5.	Other cash used in investing activities		-	-
III.	Net cash from (used in) investing activities (I - II)		-1,005	-160
C.	NET CASH FROM (USED IN) FINANCING ACTIVITIES			
I.	Cash from financing activities		2,939	9,623
1.	Increase in current borrowings		2,931	9,617
2.	Proceeds from issue of long-term debt securities		2	2
3.	Proceeds from issue of short-term debt securities		6	4
II.	Cash used in financing activities		1,031	10,013
1.	Repayment of short-term debt securities		6	4
2.	Dividends and other payments to owners		-	8,981
3.	Payment of finance lease liabilities		10	-
4.	Interest paid		1,015	1,028
III.	Net cash from (used in) financing activities (I - II)		1,908	-390

Financial statements of IPOPEMA Securities S.A. for 2015 (PLN '000)

D. TOTAL NET CASH FLOWS (A.III +/- B.III +/- C.III)		100,471	-6,404
E. BALANCE-SHEET CHANGE IN CASH, including:		100,578	-6,143
- change in cash resulting from foreign exchange differences		107	261
F. CASH AT BEGINNING OF PERIOD	51	35,356	41,760
G. CASH AT END OF PERIOD (F +/- D), including:	51	135,827	35,356
- restricted cash*		108,574	21,845

* Restricted cash includes primarily clients' funds held by the Company.

Warsaw, March 18th 2016

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STATEMENT OF CHANGES IN EQUITY (PLN '000)	2015	2014
I. EQUITY AT BEGINNING OF PERIOD	60,125	65,894
- changes in adopted accounting policies	-	-
- correction of errors	-	-
I.a. EQUITY AT BEGINNING OF PERIOD AFTER ADJUSTMENTS	60,125	65,894
1. Share capital at beginning of period	2,994	2,994
1.1. Changes in share capital	-	-
1.2. Share capital at end of period	2,994	2,994
2. Reserve funds at beginning of period	53,926	57,288
2.1. Changes in reserve funds	3,226	-3,362
a) increase	3,226	-
- distribution of profit (above statutory minimum)	3,226	-
b) decrease	-	3,362
- dividend payment	-	3,362
2.2. Reserve funds at end of period	57,152	53,926
3. Revaluation capital reserve at beginning of period	-21	-7
3.1. Changes in revaluation capital reserve	9	-14
a) increase	24	8
- remeasurement of financial instruments	24	8
b) decrease	15	22
- remeasurement of financial instruments	15	22
3.2. Revaluation capital reserve at end of the period	-12	-21
4. Retained earnings at beginning of period	3,226	5,619
4.1. Retained earnings at beginning of period	3,226	5,619
a) increase	-	-
b) decrease	3,226	5,619
- distribution of retained earnings (increase in reserve funds)	3,226	-
- distribution of retained earnings (dividend)	-	5,619
4.2. Retained earnings at end of period	-	-
5. Net profit (loss)	3,493	3,226
a) net profit	3,493	3,226
II. EQUITY AT END OF PERIOD	63,627	60,125
III. EQUITY AFTER PROPOSED DISTRIBUTION OF PROFIT	63,627	60,125

Warsaw, March 18th 2016

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Notes to the financial statements

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

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

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

All events relating to the reporting period were disclosed in the accounting books and financial statements for the period January 1st–December 31st 2015. No events occurred after the reporting date which should have been but were not disclosed in the accounting books for the reporting period.

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

In 2015 and 2014, the Company did not change the accounting policies or the rules of preparing the financial statements.

Agreements not disclosed in the balance sheet

In 2015 and 2014, the Company disclosed all agreements which had an effect on the data presented in these financial statements.

Correction of errors

In 2015 and 2014, the Company did not correct any errors in the financial statements.

Operating segments

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

No geographical segments are reported by the Company, as a vast majority of its revenue is generated in Poland. Foreign revenue earned in 2015 represents 9% (PLN 4,451 thousand) of total revenue earned in 2015 (2014: 8% or PLN 3,746 thousand). The Company's property, plant, equipment and intangible assets are located in Poland.

Significant events in 2015

No significant events occurred in 2015 other than those described in these financial statements and the accompanying Directors' Report.

Notes to the balance sheet (PLN '000)

Note 1

Cash and other assets	Dec 31 2015	Dec 31 2014
Cash and other assets of clients		
a) at banks and in hand	104,305	17,575
Total cash and other assets of clients	104,305	17,575
Cash and other assets:		
a) cash and other assets of the brokerage house, including:	31,645	17,767
- in hand	1	3
- at banks	15,436	7,406
- other cash*	16,178	10,358
- other cash equivalents	30	-
b) cash and other assets of clients deposited in cash accounts:	104,305	17,575
- at the brokerage house and paid towards acquisition of securities	104,305	17,575
- in an IPO or on the primary market	-	-
c) cash and other assets transferred from the settlement guarantee fund	-	-
Total cash and other assets	135,950	35,342

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

Cash by currency is presented in Note 13a.

Note 2

Selected current receivables (PLN '000)	Dec 31 2015	Dec 31 2014
1. Selected current receivables	154,313	229,089
a) from clients, including:	66,058	123,679
- under transactions executed on the Warsaw Stock Exchange	62,910	113,368
- under transactions executed on the Budapest Stock Exchange	602	1,239
- under transactions executed on the Paris Stock Exchange	-	18
- under transactions executed on the Vienna Stock Exchange	795	-
- under transactions executed on the Frankfurt Stock Exchange	220	6,407
- under transactions executed on the Amsterdam Stock Exchange	-	9
- under transactions executed on the New York Stock Exchange	110	-
- other	1,421	2,638
b) from related entities, including:	59	204
- from subsidiaries	59	204
- from other related entities	-	-
c) from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	64,062	75,009
- under transactions executed on the Warsaw Stock Exchange*	56,568	74,537
- under transactions executed on the Budapest Stock Exchange	4,027	-
- under transactions executed on the New York Stock Exchange	-	372
- under transactions executed on the Prague Stock Exchange	3,467	-
- under transactions executed on the Frankfurt Stock Exchange	-	100
d) from the Central Securities Depository of Poland and exchange clearing houses	24,134	30,197
- from the settlement guarantee fund	24,134	30,197
e) under court proceedings, not covered by recognised impairment losses on receivables	-	-
2. Net current receivables	167,711	237,513
- impairment losses on current receivables (positive value)	259	514
Gross current receivables	167,970	238,027

3.Changes in impairment losses on current receivables

At beginning of period	514	302
a) increase (impairment losses on past-due receivables)	205	516
b) used	369	203
c) reversed	91	101
Impairment losses on current receivables at end of period	259	514

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

a) up to 1 month	156,635	236,319
b) over 1 month to 3 months	206	-
c) over 3 months to 1 year	9,833	1,000
d) over 1 year to 5 years	1,367	1,348
e) over 5 years	-	-
f) past due	1,296	1,708
Total gross receivables	169,337	240,375
g) impairment losses on receivables (negative value)	-259	-514
Total net receivables	169,078	239,861

5.Gross past due receivables by period of delay:

a) up to 1 month	574	579
b) over 1 month to 3 months	14	238
c) over 3 months to 1 year	652	747
d) over 1 year to 5 years	56	144
e) over 5 years	-	-
Total gross receivables	1,296	1,708
f) impairment losses on receivables (negative value)	-259	-514
Total net receivables	1,037	1,194

6.Gross current receivables by currency

a) in PLN	157,703	229,005
b) in other currencies (translated into PLN) **	10,267	9,022
Total gross current receivables	167,970	238,027

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

**Receivables by currency are presented in Note 13a.

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 2015	Dec 31 2014
1. Financial instruments held for trading		
a) equities*	1,214	1,463
b) derivatives	-	-
c) commodities	-	-
d) other	-	-
Total financial instruments held for trading	1,214	1,463
2. Financial instruments held for trading (by currency)		
a) in PLN	1,214	1,463
b) in other currencies (translated into PLN)	-	-

Financial statements of IPOPEMA Securities S.A. for 2015 (PLN '000)

Total financial instruments held for trading	1,214	1,463
3. Financial instruments held for trading (by marketability)		
A. Freely marketable, listed (carrying amount)	1,214	1,463
a) equities (carrying amount)	1,214	1,463
- fair value	1,214	1,463
- market value	-	-
- value at cost	1,216	1,500
a) bonds (carrying amount)	-	-
c) other – derivative contracts (carrying amount)	-	-
- value at cost	-	-
B. Freely marketable, traded on OTC markets (carrying amount)	-	-
C. Freely marketable, not traded on regulated markets (carrying amount)	-	-
D. With limited marketability (carrying amount)	-	-
Total value at cost	1,216	1,500
Total carrying amount at beginning of period	1,463	218
Valuation as at the reporting date	-2	-37
Total carrying amount	1,214	1,463

* "Equities" comprise only shares listed on the Warsaw Stock Exchange. Financial instruments held for trading are measured at fair value by reference to their market value as at the reporting date. For the purpose of the measurement, the Company takes into account closing prices quoted by the Warsaw Stock Exchange on the last business day of the financial year. Changes in the value of financial instruments held for trading are recognised under income from or cost related to financial instruments held for trading, as appropriate. As at the reporting date, the Company held 22,826 shares with the total carrying amount of PLN 1,214 thousand. All the shares are traded on the Warsaw Stock Exchange. As at December 31st 2014, the Company held 41,585 shares with the total carrying value of PLN 1,463 thousand.

Financial assets

In 2015 and in 2014, the policies for measurement of financial assets at fair value and classification of financial assets did not change. Neither did the Group record any changes in its economic environment or trading conditions which would materially affect the fair value of its financial assets and liabilities.

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

Note 4

Current prepayments and accrued income	Dec 31 2015	Dec 31 2014
a) prepayments, including:	794	891
cost of information service	57	35
input VAT	-	44
membership fee	47	88
expenses to be re-invoiced	8	1
other costs	682	723
Total current prepayments and accrued income	794	891

Note 5

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

Note 6

Financial instruments available for sale	Dec 31 2015	Dec 31 2014
1. Financial instruments available for sale		
equities*	8,638	8,638
- investment certificates	182	170
Total financial instruments available for sale	8,820	8,808
2. Available-for-sale financial instruments of subsidiaries and non-consolidated jointly-controlled entities other than commercial companies		
- equities	8,638	8,638
- investment certificates	182	170
Total available-for-sale financial instruments of subsidiaries and non-consolidated jointly-controlled entities other than commercial companies	8,820	8,808
3. Financial instruments available for sale (by currency)		
a) in PLN	8,812	8,800
b) in other currencies (translated into PLN)	8	8
Total financial instruments available for sale	8,820	8,808
4. Equities		
a) shares in parent	-	-
b) shares in major investor	-	-
c) shares in subordinates	8,638	8,638
- shares in subsidiaries	8,638	8,638
d) shares in other entities	-	-
Total equities	8,638	8,638
* Shares in subordinates are measured at cost less impairment losses. Investment certificates are carried at fair value based on the net asset value per certificate as published by the investment fund. Valuation results increase or decrease (as appropriate) the revaluation capital reserve.		
5. Financial instruments available for sale (by marketability)		
A. Freely marketable, listed (carrying amount)	-	-
B. Freely marketable, traded on OTC markets (carrying amount)	-	-
C. Freely marketable, not traded on regulated markets (carrying amount)	-	-
D. With limited marketability (carrying amount)	8,820	8,808
equities (carrying amount at cost)	8,638	8,638
bonds (carrying amount at cost)	-	-
investment certificates (carrying amount at cost)	200	200
Total value at cost	8,838	8,838
Total carrying amount at beginning of period	8,808	6,825
Revaluation adjustments (for the period)	12	-18
Total carrying amount	8,820	8,808

6.6. Shares in subordinates

- a) company name and form of incorporation
 b) registered office
 c) business profile

IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A.
 ul. Próźna 9, 00-107 Warsaw

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

Financial statements of IPOPEMA Securities S.A. for 2015 (PLN '000)

d) type of capital link	subsidiary	
e) consolidation method applied	full	
f) control since	March 14th 2007	
g) shares at cost	5,630	5,000
h) valuation adjustments (total)	-	-
i) carrying amount of shares	5,630	5,000
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:	22,627	11,417
- share capital	10,599	5,000
- called-up share capital not paid (negative value)	-	-
- reserve funds	6,965	4,424
- other equity, including:	2,802	1,993
retained earnings /(deficit)	-	-
net profit (loss)	2,261	1,993
n) liabilities and provisions for liabilities of the entity, including:	8,255	7,772
- non-current liabilities	460	443
- current liabilities	3,598	3,750
o) entity's receivables, including:	7,167	4,688
- non-current receivables	10	-
- current receivables	7,157	4,688
p) entity's total assets	30,882	19,189
r) revenue	38,525	37,947
s) value of shares in entity not paid up by the issuer	-	-
t) dividend received or receivable from entity for previous financial year	-	-

a) company name and form of incorporation	IPOPEMA Business Consulting Sp. z o.o.	
b) registered office	ul. Próźna 9, 00-107 Warsaw	
c) business profile	other business and management consultancy services, computer facilities management activities, IT consultancy services, software-related activities, wholesale of computers, computer peripheral equipment and software.	
d) type of capital link	subsidiary	
e) consolidation method applied	full	
f) control since	August 26th 2008	
g) shares at cost	3,000	3,000
h) valuation adjustments (total)	-	-
i) carrying amount of shares	3,000	3,000
j) percentage of share capital held	50.02%	50.02%
k) percentage of total vote at the general meeting	50.02%	50.02%
l) basis for control / joint control / significant influence, if other than specified in j) or k)		
m) entity's equity, including:	7,018	7,665
- share capital	100	100
- called-up share capital not paid (negative value)	-	-
- reserve funds	2,950	2,950
- other equity, including:	3,968	4,615
retained earnings /(deficit)	-	-
net profit (loss)	154	1,340
n) liabilities and provisions for liabilities of the entity, including:	1,027	3,144

Financial statements of IPOPEMA Securities S.A. for 2015 (PLN '000)

- non-current liabilities	-	-
- current liabilities	873	3,044
o) entity's receivables, including:	3,873	7,477
- non-current receivables	-	-
- current receivables	3,873	7,477
p) entity's total assets	8,045	10,814
r) revenue	12,178	15,545
s) value of shares in entity not paid up by the issuer	-	-
t) dividend received or receivable from entity for previous financial year	400	1,000

a) company name and form of incorporation	IPOPEMA Outsourcing Sp. z o.o.	
b) registered office	ul. Próżna 9, 00-107 Warsaw	
c) business profile	support of IBC's operations	
d) type of capital link (subsidiary, jointly-controlled, or associate, direct or indirect)	indirect subsidiary (IBC is IO's parent)	
e) consolidation method applied	Not consolidated due to immaterial effect on the Group's situation	
f) IBC's control since	January 19th 2012	
g) shares held by IBC at cost	16	16
h) valuation adjustments (total)	-	-
i) carrying amount of shares	4	4
j) percentage of share capital held by IBC	100% held by IBC; IS indirectly holds 50.02%	
k) percentage of total vote at the general meeting	100% held by IBC; IS indirectly holds 50.02%	
l) basis for control / joint control / significant influence, if other than specified in j) or k)		
m) entity's equity, including:	1	1
- share capital	5	5
- called-up share capital not paid (negative value)	-	-
- reserve funds	-	-
- other equity, including:	- 4	- 4
retained earnings /(deficit)	-3	- 3
net profit (loss)	- 1	- 1
n) liabilities and provisions for liabilities of the entity, including:	-	-
- non-current liabilities	-	-
- current liabilities	-	-
o) entity's receivables, including:	1	1
- non-current receivables	-	-
- current receivables	1	1
p) entity's total assets	1	1
r) revenue	-	-
s) value of shares in entity not paid up by the issuer	-	-
t) dividend received or receivable from entity for previous financial year	-	-

a) company name and form of incorporation	IPOPEMA Business Services Kft.	
b) registered office	1134 Budapest, Váci útca 33, Hungary	
c) business profile	office and business support	
d) type of capital link	subsidiary	
e) consolidation method applied	Not consolidated due to immaterial effect on the Group's financial information	
f) control since	December 10th 2009	

Financial statements of IPOPEMA Securities S.A. for 2015 (PLN '000)

g) shares at cost	8	8
h) valuation adjustments (total)	-	-
i) carrying amount of shares	8	8
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:	62	53
- share capital	7	7
- called-up share capital not paid (negative value)	-	-
- reserve funds	-	-
- other equity, including:	55	46
retained earnings /(deficit)	37	5
net profit (loss)	17	41
n) liabilities and provisions for liabilities of the entity, including:	35	165
- non-current liabilities	-	-
- current liabilities	35	165
o) entity's receivables, including:	44	111
- non-current receivables	-	-
- current receivables	44	111
p) entity's total assets	96	220
r) revenue	187	877
s) value of shares in entity not paid up by the issuer	-	-
t) dividend received or receivable from entity for previous financial year	-	-

a) company name and form of incorporation	IPOPEMA Business Services Srl	
b) registered office	Calea Floreasca 169a, Bucharest, Romania	
c) business profile	office and business support	
d) type of capital link	subsidiary	
e) consolidation method applied	Not consolidated due to immaterial effect on the Group's financial information	
f) control since	September 24th 2014	
g) shares at cost	-	-
h) valuation adjustments (total)	-	-
i) carrying amount of shares	-	-
j) percentage of share capital held	95%	95%
k) percentage of total vote at the general meeting	95%	95%
l) basis for control / joint control / significant influence, if other than specified in i) or k)		
m) entity's equity, including:	24	32
- share capital *	-*	-*
- called-up share capital not paid (negative value)	-	-
- reserve funds	-	-
- other equity, including:	24	32
retained earnings /(deficit)	32	-
net profit (loss)	- 8	32
n) liabilities and provisions for liabilities of the entity, including:	36	18
- non-current liabilities	-	-
- current liabilities	36	18
o) entity's receivables, including:	-	-

Financial statements of IPOPEMA Securities S.A. for 2015 (PLN '000)

- non-current receivables	-	-
- current receivables	-	-
p) entity's total assets	60	50
r) revenue	509	127
s) value of shares in entity not paid up by the issuer	-	-
t) dividend received or receivable from entity for previous financial year	-	-
<i>*IBS Srl's share capital totals RON 200, i.e. PLN 190 (PLN 0 thousand)</i>		
<hr/>		
a) company name and form of incorporation	IPOPEMA Asset Management S.A.	
b) registered office	ul. Próźna 9, 00-107 Warsaw	
c) business profile	management of portfolios of broker-traded financial instruments	
d) type of capital link	subsidiary	
e) consolidation method applied	Company acquired by IPOPEMA TFI as of November 30th 2015 (merger by acquisition)	full
f) control since	Sep 30 2011	
g) shares at cost		630
h) valuation adjustments (total)	-	-
i) carrying amount of shares	-	630
j) percentage of share capital held	100%	100%
k) percentage of total vote at the general meeting	100%	100%
l) basis for control / joint control / significant influence, if other than specified in j) or k)		
m) entity's equity, including:	-	9,962
- share capital	-	5,600
- called-up share capital not paid (negative value)	-	-
- reserve funds	-	402
- other equity, including:	-	3,960
retained earnings /(deficit)	-	-
net profit (loss)	-	1,814
n) liabilities and provisions for liabilities of the entity, including:	-	1,114
- non-current liabilities	-	-
- current liabilities	-	514
o) entity's receivables, including:	-	1,604
- non-current receivables	-	-
- current receivables	-	1,604
p) entity's total assets	-	11,076
r) revenue	-	6,934
s) value of shares in entity not paid up by the issuer	-	-
t) dividend received or receivable from entity for previous financial year	1,000	2,000
<hr/>		
6.7. Shares and other equity interests in other entities	-	-
<hr/>		

Note 7

As at December 31st 2015, the Company's non-current receivables totalled PLN 1,367 thousand (December 31st 2014: PLN 2,348 thousand).

As at December 31st 2015, the non-current portion of loans advanced amounted to PLN 1 thousand (December 31st 2014: PLN 364 thousand).

Note 8

As at December 31st 2015, the Company carried the following loans advanced and receivables:

Loans advanced and receivables	Dec 31 2015	Dec 31 2014
Loans advanced, including:	369	572
- non-current portion	1	364
- current portion	368	208
Cash and cash equivalents, including:	135,950	35,342
- in hand	1	3
- at banks	135,919	35,339
- deposit (for a period exceeding three months) and other cash equivalents	30	-
Interest on loans advanced and receivables	465	486
- realised	427	459
- unrealised, including with payment dates falling in:	38	27
up to 3 months	13	16
from 3 to 12 months	25	11
over 12 months	-	-

Loans advanced and receivables bear interest at fixed or variable rates. In 2015 and 2014, no impairment losses were recognised on loans advanced and receivables, but some loans were amortised. Income from interest on loans advanced and receivables amounted to PLN 455 thousand in 2015 (of which PLN 28 thousand is interest accrued but not received) (2014: PLN 486 thousand, of which PLN 27 thousand was interest accrued but not received).

Note 9

Intangible assets	Dec 31 2015	Dec 31 2014
1.Intangible assets		
a) goodwill	-	-
b) acquired permits, patents, licenses and similar assets, including:	2,495	2,030
- computer software	2,495	2,030
c) other intangible assets	-	-
d) prepayments for intangible assets	-	-
Total intangible assets	2,495	2,030
2.Movements in intangible assets (by category)		
a) gross value of intangible assets at beginning of period	6,940	6,342
b) additions – purchases and lease returns	1,309	598
c) decrease:	-	-
d) gross value of intangible assets at end of period	8,249	6,940
e) accumulated amortisation at beginning of period	4,910	4,221
f) lease returns	113	-
g) amortisation for period	731	689
h) accumulated amortisation at end of period	5,754	4,910
i) impairment losses at beginning of period	-	-
j) impairment losses at end of period	-	-
k) net value of intangible assets at end of period	2,495	2,030
3.Intangible assets (by ownership)		
a) owned	2,495	2,030
b) used under rental or similar agreement, including lease agreement	-	-
Total intangible assets	2,495	2,030

Note 10

The Company did not carry any goodwill related to subordinates.

Note 11

Property, plant and equipment	Dec 31 2015	Dec 31 2014
1. Property, plant and equipment		
a) tangible assets, including:	4,092	3,455
- land (including perpetual usufruct rights)	-	-
- buildings and premises	531	613
- plant and equipment	2,364	1,536
- vehicles	148	-
- other tangible assets	1,049	1,306
b) tangible assets under construction	44	-
c) prepayments for tangible assets under construction	-	-
Total property, plant and equipment	4,136	3,455
2. Change in property, plant and equipment (by category)		
a) Gross value of property, plant and equipment at beginning of period	6,834	6,595
- additions – purchases and lease returns	1,771	247
- decrease	189	8
b) gross value of property, plant and equipment at end of period	8,416	6,834
c) accumulated depreciation at beginning of period	3,379	2,383
- depreciation for period	1,030	1,002
- lease returns	46	-
- liquidation of property, plant and equipment	173	6
- accumulated depreciation at end of period	4,280	3,379
e) impairment losses at beginning of period	-	-
- increase	-	-
- decrease	-	-
f) impairment losses at end of period	-	-
Net value of property, plant and equipment at end of period	4,136	3,455
3. Property, plant and equipment (by ownership)		
a) owned	3,988	3,455
b) depreciated leased assets	148	-
c) value of property, plant and equipment used under rental, lease or similar agreement, not depreciated by the brokerage house *	-	-
Total property, plant and equipment	4,136	3,455

* In the periods covered by these financial statements, the Company leased office space under a lease contract. The address of the Company's registered office in 2015 was ul. Próźna 9, Warsaw, Poland. The leased space comprised 1,226.54 square meters. The total amount of lease payments (including additional charges) for 2015 was PLN 1,976 thousand (2014: PLN 1,881 thousand). The Company does not have a valuation report regarding the leased premises.

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.

Material purchase or sale transactions in property, plant and equipment

In 2015 and 2014, the Company did not purchase or sell any material items of property, plant and equipment.

Material liabilities under purchases of property, plant and equipment

The Company has no material liabilities under purchases of property, plant and equipment. In 2015 and 2014, the Company did not purchase or sell any material items of property, plant and equipment.

Impairment of non-current assets

No impairment of non-current assets was identified in 2015 or 2014.

Note 12

Change in deferred tax assets	Dec 31 2015	Dec 31 2014
Change in deferred tax assets		
1.Assets at beginning of period, including:	821	1,290
a) charged to net profit/(loss)	816	1,288
b) charged to equity	5	2
c) charged to (negative) goodwill	-	-
2.Increase	1,385	1,061
a) charged to net profit/(loss) for period in connection with deductible temporary differences	1,383	1,057
b) charged to net profit/(loss) for period in connection with tax loss	-	-
a) charged to equity in connection with deductible temporary differences	2	4
d) charged to equity in connection with tax loss	-	-
e) charged to (negative) goodwill in connection with deductible temporary differences	-	-
3.Decrease	1,156	1,530
a) charged to net profit/(loss) for period in connection with deductible temporary differences	1,152	1,529
b) charged to net profit/(loss) for period in connection with tax loss	-	-
a) charged to equity in connection with deductible temporary differences	4	1
d) charged to equity in connection with tax loss	-	-
e) charged to (negative) goodwill in connection with deductible temporary differences	-	-
4.Deferred tax assets at end of period, including:	1,050	821
a) charged to net profit/(loss)	1,047	816
b) charged to equity	3	5
c) charged to (negative) goodwill	-	-
Increase, including:	1,385	1,061
- temporary differences	1,385	1,061
Decrease, including:	1,156	1,530
- reversal of temporary differences	1,156	1,530

Note 13

Current liabilities	Dec 31 2015	Dec 31 2014
13.1.Selected current liabilities	3,345	2,402
1.To related entities	33	54
- to subsidiaries	33	54
2.To entities operating regulated markets and commodity exchanges	563	672
a) to the Warsaw Stock Exchange	488	574
b) to the Budapest Stock Exchange	44	39
c) to the Prague Stock Exchange	21	17
d) to the Vienna Stock Exchange	-	42
e) to the Bucharest Stock Exchange	6	-
f) other	4	-
3.To the Central Securities Depository of Poland and exchange clearing houses	844	198
a) under additional payments to the settlement guarantee fund	-	-
b) other	844	198

Financial statements of IPOPEMA Securities S.A. for 2015 (PLN '000)

4. Taxes, customs duties and social security payable	352	664
- including under ownership right to buildings and structures	-	-
5. Other	1,553	814
a) dividends payable	-	-
b) other liabilities, including:	1,553	814
- financial liabilities (lease)	24	-
- other liabilities	1,529	814
13.2. Current liabilities (by currency)		
a) in PLN	243,171	219,908
b) in other currencies (translated into PLN) **	11,083	9,092
Total current liabilities	254,254	229,000
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):	68,941	129,333
- under transactions executed on the Warsaw Stock Exchange*	67,216	121,673
- under transactions executed on the Budapest Stock Exchange	602	1,238
- under transactions executed on the Vienna Stock Exchange	795	-
- under transactions executed on the Paris Stock Exchange	-	18
- under transactions executed on the Frankfurt Stock Exchange	219	6,395
- under transactions executed on the Amsterdam Stock Exchange	-	9
- under transactions executed on the New York Stock Exchange	109	-
Liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	68,941	129,333
13.4. Current liabilities by maturity as from the reporting date		
a) up to 1 month	253,251	228,827
b) over 1 month to 3 months	730	173
c) over 3 months to 1 year	120	-
d) over 1 year to 5 years	-	-
e) past due	153	-
Total current liabilities	254,254	229,000
13.5. Current liabilities under borrowings	15,138	12,206
a) non-bank loan	-	-
b) bank credit facility	15,138	12,206
- outstanding amount	15,138	12,206
- interest rate: O/N WIBOR + bank's margin	-	-
- repayment date— agreement terms described below	-	-
- security – a security deposit in the form of a term deposit of PLN 4m; blank promissory note with a promissory note declaration;	-	-
13.6. Current liabilities under debt instruments in issue	6	6
13.7. Special accounts	-	-

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

**Liabilities by currency are presented in Note 13a.

As at December 31st 2015, the Company's liabilities under borrowings related to its brokerage business amounted to PLN 15,138 thousand (December 31st 2014: PLN 12,206 thousand). The liabilities arise from two overdraft facility agreements executed with Alior Bank S.A. on July 22nd 2009. The facilities are used to finance payment of liabilities to the Central Securities Depository of Poland in connection with the brokerage activities and are renewed on an annual basis – their current term expires on September 15th 2016:

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 Central Securities Depository of Poland 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 Central Securities Depository of Poland. The facility is secured with a blank promissory note with a promissory note declaration and a power of attorney over accounts held with the bank. As stated in item 1 above, both credit facilities are jointly secured by a PLN 4m security deposit.

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

None

Bonds

In 2015, the Company issued registered bonds with a total nominal value of PLN 7.6 thousand (2014: PLN 6.4 thousand), with various series maturing in 2015–2018. The total amount of liabilities payable by the Company on redemption of the bonds will not exceed the bonds' par value and is not significant to the Company. The bond issues are related to the Variable Component Remuneration Policy implemented at the Company pursuant to the Minister of Finance's Resolution on the rules for establishment of a variable component remuneration policy for persons holding management positions at brokerage houses, dated December 2nd 2011. For more details, see the updated version of the document entitled 'Disclosure of information on IPOPEMA Securities S.A.'s capital adequacy', available on the Company's website. In 2015, the Company redeemed PLN 5.6 thousand worth of bonds (2014: PLN 4.4 thousand).

Note 13a

Objectives and principles of financial risk management

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

Credit risk

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

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

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

Credit risk – value at risk

As at December 31st 2015, the value at risk under credit risk for instruments carried as loans advanced and receivables (specified in Note 8) was PLN 136,319 thousand (December 31st 2014: PLN 35,914 thousand), while for instruments held for trading, the amount was PLN 1,214 thousand (December 31st 2014: PLN 1,463 thousand).

Credit risk related to financial instruments held for trading is low because they comprise exchange-traded shares. Similarly, credit risk related to deposits is considered low, because the agreements are executed with banks that have stable financial position.

Interest rate risk

The Company has liabilities under working capital facilities on which interest accrues at variable rates. This gives rise to the risk that interest rates may increase over their level as at the agreement date. Moreover, the Company

invests free cash in variable-rate assets, which may result in reduced return on the investment if interest rates decline. For information on assets and liabilities subject to the interest rate risk, see Note 1 and Note 13.

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

Currency risk

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

	Dec 31 2015	Dec 31 2014
Foreign-currency receivables		
- EUR	293	1,583
- HUF	340,342	91,613
- USD	184	238
- CZK	22,985	1,000
- RON	48	49
Foreign-currency liabilities		
- EUR	374	1,593
- HUF	346,602	102,947
- USD	322	247
- CZK	22,185	211
- GBP	2	1
- RON	9	3
Cash in foreign currencies		
- CZK	293	764
- EUR	2,168	1,899
- HUF	58,019	26,604
- RON	626	479
- USD	1,118	758
- GBP	19	15
- SEK	27	6
- JPY	350	230
- DKK	67	53
- NOK	231	-
- CHF	30	10
- TRY	214	566

Price risk

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

The risk related to prices of financial instruments is limited, as the Company invests only a relatively small portion of its cash in financial instruments – for details on the size of investments in financial instruments held for trading, see Note 3.

Liquidity risk

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

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

Note 13 includes a table setting forth liabilities by maturity. The vast majority of the liabilities (98%) relate to transactions executed on stock exchanges, in the majority of which the Company acted as intermediary in the purchase or sale of financial instruments on behalf of its clients. Thus, a liability under a stock exchange transaction is to a large extent offset by a transaction generating receivables. As at December 31st 2015, the balance of stock exchange transactions (receivables vs. liabilities) stood at PLN (-)279 thousand (December 31st 2014: PLN 878 thousand). Transactions executed on the WSE may be financed with proceeds from the available credit facilities. In view of the foregoing, the liquidity risk is considered low.

Note 14

Fair value of instruments not measured at fair value

Loans advanced, receivables and liabilities as at Dec 31 2015	carrying amount	balance-sheet item	fair value
Loans advanced and receivables			
- loan	369	Receivables	369
- cash	135,950	Cash	135,950
Financial liabilities (bank loan)	15,138	Liabilities	15,138

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

Note 15

Non-current liabilities of PLN 4 thousand relate to the bond issue, referred to in Note 13 (2014: PLN 2 thousand), and lease liabilities of PLN 129 thousand (December 31st 2014: PLN 0). No accruals or deferred income were carried as at December 31st 2015 or December 31st 2014.

Non-current liabilities	Dec 31 2015	Dec 31 2014
a) up to 1 year	28	1
b) over 1 year to 3 years	105	1
c) over 3 years to 5 years	-	-
d) over 5 years	-	-
Total non-current liabilities	133	2

Note 16

Provisions for liabilities	Dec 31 2015	Dec 31 2014
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	285	-627
4.Change in other current provisions	1,302	-2,187
Other current provisions at beginning of period	3,473	5,660
a) recognised	5,468	5,303
b) used	4,108	7,290
c) reversed	58	200
Other current provisions at end of period	4,775	3,473
Other current provisions at end of period (by items)		
Audit and preparation of financial statements	77	74
Employee benefits*	4,066	2,401
Telecommunications services	-	-
Other	632	998
Total other current provisions at end of period	4,775	3,473

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

Change in deferred tax liability	Dec 31 2015	Dec 31 2014
1.Deferred tax liability at beginning of period, including:	327	325
a) charged to net profit/(loss)	327	325
- property, plant and equipment, and intangible assets	249	202
- valuation of financial instruments	-	40
- receivables	78	83
b) charged to equity	-	-
c) charged to (negative) goodwill	-	-
2. Increase	287	332
a) charged to net profit (loss) of the period under taxable temporary differences:	287	332
- property, plant and equipment, and intangible assets	94	82
- valuation of financial instruments	103	17
- receivables	90	233
b) charged to equity	-	-
c) charged to (negative) goodwill	-	-
3. Decrease	221	330
a) charged to net profit (loss) of the period under taxable temporary differences:	221	330
- property, plant and equipment, and intangible assets	33	35
- valuation of financial instruments	77	57
- receivables	111	238
b) charged to equity	-	-
c) charged to (negative) goodwill	-	-
4. Deferred tax liability at end of period, including:	393	327
a) charged to net profit (loss) of the period under taxable temporary differences:	393	327
- property, plant and equipment, and intangible assets	310	249
- valuation of financial instruments	26	-

Financial statements of IPOPEMA Securities S.A. for 2015 (PLN '000)

- receivables	57	78
b) charged to equity:	-	-
c) charged to (negative) goodwill	-	-

Note 17

Subordinated liabilities – none

Note 18

Changes in individual categories of financial instruments

	Financial instruments available for sale	Financial instruments held for trading		Loans advanced and receivables		Other financial liabilities
		Financial assets	Financial liabilities	Loan advanced	Cash and cash equivalents	Current bank borrowings
As at Jan 1 2015	8,808	1,463	-	572	35,342	12,206
Increase:	22	30,708	161	209	100,608	2,932
- acquisition of shares	-	30,673	-	-	-	-
- valuation of certificates	22	-	-	-	-	-
- valuation of shares	-	35	-	-	-	-
- lease	-	-	161	-	-	-
- advance of a loan	-	-	-	-	-	2,932
- change in cash	-	-	-	-	100,608	-
- interest on loan and foreign-exchange differences	-	-	-	209	-	-
Decrease:	10	30,957	8	412	-	-
- sale of shares	-	30,957	-	-	-	-
- valuation of shares	-	-	-	-	-	-
- valuation of certificates	10	-	-	-	-	-
- repayment	-	-	8	156	-	-
- loan amortisation	-	-	-	71	-	-
- foreign exchange differences	-	-	-	185	-	-
As Dec 31 2015	8,820	1,214	153	369	135,950	15,138

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

Financial statements of IPOPEMA Securities S.A. for 2015 (PLN '000)

- foreign exchange differences	-	-	-	163	-	-
As Dec 31 2014	8,808	1,463	-	572	35,342	12,206

Note 19

Share capital	Dec 31 2015	Dec 31 2014
a) par value per share (PLN)	0.10	0.10
b) series/issue	A, B, C	A, B, C
c) type of shares	ordinary bearer shares	ordinary bearer shares
d) preference attached to shares	none	none
e) restrictions on rights attached to shares	none	none
f) number of shares	29,937,836	29,937,836
g) total par value of series/issue (PLN '000)	2,994	2,994
h) type of contribution	cash	cash
i) dividend right since:	the shares carry the right to profit distribution for 2015	the shares carry the right to profit distribution for 2014

There were no changes in the Company's share capital in 2015 or 2014.

As at December 31st 2015, the share capital was PLN 2,993,783.60 and comprised 7,000,000 Series A ordinary bearer shares, 21,571,410 Series B ordinary bearer shares, and 1,366,426 Series C ordinary bearer shares.

The Company's Articles of Association provide for a conditional share capital increase for the purpose of implementation of the Company's incentive scheme, for the maximum amount of PLN 485,714, through the issue of up to 4,857,140 shares. A total of 1,366,426 shares had been issued for the purpose of the incentive scheme by December 31st 2015, of which 185,714 shares were issued in 2013, 197,321 shares were issued in 2012, 212,500 shares were issued in 2011, 413,748 shares were issued in 2010, and 357,143 shares were issued in 2009. For more information on the Company's incentive scheme, see Note 56.

Share capital structure as at December 31st 2015 and December 31st 2014

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

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

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

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

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

Note 20

Treasury shares

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

Note 21

Reserve funds	Dec 31 2015	Dec 31 2014
a) share premium	10,351	10,351
b) statutory reserve funds	998	998
c) reserve funds created pursuant to the Articles of Association (above statutory minimum)	45,803	42,577
Total reserve funds	57,152	53,926

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 2015	Dec 31 2014
Equity (PLN '000)	63,627	60,125
Number of shares outstanding	29,937,836	29,937,836
Book value per share (PLN)	2.13	2.01

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

Note 25

Revaluation capital reserve

Changes in revaluation capital reserve	2015	2014
Revaluation capital reserve as at Jan 1	- 21	- 7
Remeasurement of financial assets available for sale		
As at Jan 1	- 26	- 9
Gain from periodic valuation	11	- 17
As at Dec 31	- 15	- 26
Deferred tax assets		
As at Jan 1	- 5	- 2
Change in deferred tax assets	2	- 3
As at Dec 31	- 3	- 5
Revaluation capital reserve as at Dec 31	- 12	- 21

Note 26

Clients' financial instruments

As at December 31st 2015, the value of stock-exchange listed financial instruments in book-entry form registered in clients' accounts was PLN 658,465 thousand (96,011 thousand instruments) (December 31st 2014: PLN 21,863 thousand (292 instruments)). As at December 31st 2015, the Company kept 90 thousand bonds in certificated form for its clients, valued at PLN 90m, and 12 thousand shares, valued at PLN 165 thousand. In the comparative period, i.e. as at December 31st 2014, the Company kept 53 million clients' bonds in certificated form, valued at PLN 53m.

The Company also operates an issue sponsor's account. As at December 31st 2015, 291 thousand WSE-listed financial instruments in book-entry form (shares) were registered in the account, worth PLN 632 thousand (December 31st 2014: 291 thousand shares with a value of PLN 1,145 thousand).

Notes to the statement of profit or loss

Note 27

Revenue from brokerage activities	2015	2014
Revenue from trading in securities	28,715	34,861
Revenue from investment banking services, including:	18,565	11,735
- arrangement and execution of public offerings	9,125	1,841
- M&A advisory and other financial advisory services	9,440	9,894
Other revenue	145	31
Total revenue	47,425	46,627

Other cost of brokerage activities	2015	2014
- transaction costs other than cost of clearance through clearing houses or stock exchanges	3,763	1,935
- ICT and information services	2,955	2,518
- marketing, representation and advertising	461	580
- other services	2,328	2,753
Total other cost of brokerage activities	9,507	7,786

Note 28

In 2015, income from financial instruments held for trading was PLN 851 thousand (2014: PLN 940 thousand).

Note 29

In 2015, costs related to financial instruments held for trading were PLN 1,436 thousand (2014: PLN 2,370 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 2015, income from financial instruments available for sale was PLN 1,400 thousand (2014: PLN 3,001 thousand) and comprised dividends from subsidiaries.

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

No cost related to financial instruments available for sale was recognised in 2015 or 2014.

Note 34

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

Note 35

Other income	2015	2014
a) other, including:	1,180	916
- lease	-	131
- re-invoicing of costs	997	628
- other	183	157
Total other income	1,180	916

Note 36

Other expenses	2015	2014
a) other, including:	1,101	805
- lease	4	131
- re-invoicing of costs	997	627
- decommissioning of property, plant and equipment	14	1
- other	86	46
Total other expenses	1,101	805

Note 37

In 2015, the difference between provisions for and impairment losses on receivables amounted to PLN 182 thousand (2014: PLN (-)341 thousand).

Note 38

Interest on deposits	2015	2014
interest on own deposits, including:	431	418
- unrealised – up to 3 months	9	15
- unrealised – from 3 to 12 months	-	-

Note 39

Interest on borrowings	2015	2014
a) realised	1,008	926
b) unrealised	-	51
- unrealised – up to 3 months	-	51
- unrealised – from 3 to 12 months	-	-
Total interest on deposits	1,008	977

Note 40

Income tax	2015	2014
Current corporate income tax		
1.Pre-tax profit (loss)	4,156	3,725
2.Differences between pre-tax profit (loss) and taxable income, by item	12	-4,244
a/ non-tax-deductible costs	6,837	7,913
entertainment costs	245	609
State Fund for the Disabled	62	57
membership fees	76	40
balance-sheet valuations of financial instruments and settlements	603	778
impairment losses on receivables	205	516
amortisation of loans	70	792
provisions	5,022	4,652
other	554	469
b/ non-taxable income	3,308	5,423
released provisions	58	200
reversal of impairment losses on receivables	379	101
interest on deposit, loans and receivables	149	242
dividend	1,489	3,228
balance-sheet valuations of financial instruments and settlements	749	784
proceeds from the CSDP	481	815
other	3	53
c/ costs added statistically	3,980	7,989
use of provision for employee benefits	2,497	6,660
released provisions	713	516
audit of financial statements	107	106
tax amortisation/depreciation	171	322
VAT adjustment	63	56
interest paid	363	299
other	66	30
d/ income added statistically	723	1,255
interest on investments	133	258
lease	-	131
proceeds from the CSDP	537	866
other	53	-
e/ deduction of loss	260	-
3. Donation made	-	-
4.Taxable income	4,168	-519
5.Corporate income tax at 19% rate	792	-
6.Increases, reliefs, exemptions, allowances, and reductions in/of corporate income tax – tax paid on dividend received	36	25
7.Current corporate income tax disclosed in tax return for period, including:	828	25
- disclosed in statement of profit or loss	828	25
- referring to items decreasing or increasing equity	-	-
Deferred income tax disclosed in statement of profit or loss:		
- decrease (increase) related to temporary differences and reversal of temporary differences	-1,383	-1,057

Financial statements of IPOPEMA Securities S.A. for 2015 (PLN '000)

- 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	1,152	1,529
- change in deferred tax liabilities	66	2
Total deferred income tax	- 165	474

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

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

Note 41

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

Note 42

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

Distribution of profit	2015	2014
Net profit/loss	3,493	3,226
Reserve funds	-	-
Dividend	-	-

As at the date of preparation of these financial statements, no final decision had been made by the Management Board concerning the recommended distribution of the 2015 profit. This decision will be made at a later date, however not later than by the date of convening of the Annual General Meeting, which pursuant to the Commercial Companies Code must be held within six months from the end of a given financial year.

Note 43

Liabilities secured with the brokerage house's assets:

Both in 2015 and 2014, the Company's assets were used as security for working capital overdraft facilities (see Note 13). The facilities are secured by a PLN 4m security deposit in a bank account (data as at December 31st 2015), *blank* promissory notes with promissory note declarations and powers of attorney over bank accounts.

The Company paid a security deposit of PLN 2m as security for the settlement of transactions on foreign stock exchanges. In January 2012, Nordea Bank Polska S.A. (currently PKO Bank Polski S.A.) issued to the Company a guarantee of up to EUR 268 thousand, secured with a security deposit of PLN 1,367 thousand. Under an annex executed in 2015, the guarantee amount was increased to EUR 277 thousand. The guarantee, provided until April 15th 2018, secures liabilities related to the lease of office space.

In April 2012, mBank S.A. (formerly BRE Bank S.A.) issued a guarantee in respect of the Company's liabilities for the benefit of the Hungarian Branch of Deutsche Bank AG, which is IPOPEMA Securities S.A.'s clearing bank for transactions executed on the Budapest Stock Exchange. The guarantee was issued for EUR 2.5m (the guarantee amount was changed on April 2nd 2015 to EUR 1.5m) and secures the Company's timely payment of liabilities towards Deutsche Bank arising in connection with the services provided by the Bank, consisting in settlement and clearing of BSE transactions. Under amendments made to the guarantee agreement in 2015, the guarantee was extended until April 1st 2016. In particular cases specified in the agreement, the guarantee expires on July 1st 2016. The guarantee is secured with a PLN 3.5m cash deposit.

Note 44

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

In 2016 the Company will incur a cost of up to CZK 174 thousand (PLN 27 thousand) (December 31st 2014: CZK 1,650 thousand or PLN 254 thousand) under an agreement with the bank clearing transactions in the Czech Republic if the minimum amount of transaction costs specified in the agreement is not reached, which is a condition for incurring that cost.

In addition to the above, the Company also issued promissory notes as security for a credit facility (for a detailed description see Note 13), and paid a deposit of PLN 2m as security for the settlement of transactions on foreign stock exchanges.

Note 45

Security granted:

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

Note 46

Recognition and reversal of impairment losses on financial assets, property, plant and equipment, intangible assets or other assets

In 2015 and in 2014, the Company did not recognise any impairment losses on financial assets, property, plant and equipment, intangible assets or other assets, nor did it reverse impairment losses recognised in previous periods, except for the changes in impairment losses on receivables (Note 2).

Note 47

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

In 2015 and in 2014, the Company did not identify any discontinued operations. Accordingly, all information presented in the 2015 financial statements relates to continuing operations.

Note 48

Leases

The Company leases office space under a lease agreement. The right to use the building for the term of the agreement was classified by the Company as operating lease. The lease agreement providing for the right to use the building was executed for a period of five years, with an option to extend its term for another two years.

Minimum lease payments are presented in the table below.

Lease liabilities	Dec 31 2015	Dec 31 2014
	Present value of minimum lease payments	
Within 1 year	1,447*	1,442*
Within 1 to 5 years	4,398*	5,768*
Over 5 years	-	58*
Total lease liabilities	5,845	7,268

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

Note 49

Amounts and type of any extraordinary or one-off income or expense items:

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

Note 50

Future income tax liabilities:

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

Note 51

Items of the statement of cash flows

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

Operating activities – provision of brokerage and consultancy services, acquisition and disposal of securities.

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 2015	Dec 31 2014	Dec 31 2015	Dec 31 2014
Cash and cash equivalents	135,950	35,342	135,827	35,356
1. In hand	1	3	1	3
2. At banks	15,436	7,406	15,436	7,406
3. Other cash	120,483	27,933	120,483	27,933
4. Cash equivalents (deposit for a period exceeding three months)	30	-	-	-
5. Accrued foreign exchange differences	-	-	- 93	- 14

The difference between the presentation of cash in the balance sheet and the statement of cash flows in 2015 and in 2014 follows from presentation of cash net of the effect of foreign exchange differences and received gift cards presented under cash and cash equivalents.

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

Differences in changes in balance-sheet items

	Presentation in the balance sheet		Change as shown by the balance sheet	Presentation in the statement of cash flows – change 2015
	Dec 31 2015	Dec 31 2014		
Gross current and non-current receivables	169,337	240,375	71,038	72,115
Net receivables	169,078	239,861		
Impairment losses on receivables	259	514		-255
Provisions (net of deferred tax related to equity and provision for unpaid interest)	5,517	3,856		1,661
Total change in impairment losses and provisions				1,406

The difference between the change in gross receivables disclosed in the statement of financial position and the amount disclosed in the statement of cash flows results from the presentation of receivables as at December 31st 2015 net of receivables under loans advanced, dividends receivable and interest receivable under a security

deposit paid, which were disclosed under investing activities, and from the reclassification of the security deposit to current receivables.

Differences in changes in balance-sheet items

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

The difference between the change in gross receivables disclosed in the balance sheet and the amount disclosed in the statement of cash flows is attributable to the presentation of receivables as at December 31st 2014 net of the amount of receivables under loans advanced, interest receivable from security deposit, and lease receivables (non-current portion) disclosed under investing activities.

Note 52

Workforce structure

The average workforce (employees and regular associates) in the period January 1st–December 31st 2015 was 70 persons, compared with 64 in the comparative period of January 1st–December 31st 2014.

Department	Workforce as at Dec 31 2015	Workforce as at Dec 31 2014
Management Board	4	4
Other	72	62
Total	76	66

Note 53

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)	2015	2014
Management Board	3,473	2,086
Jacek Lewandowski	1,239	484
Mirosław Borys	468	363
Mariusz Piskorski	838	363
Daniel Ścigala	243	-
Stanisław Waczkowski	685	876
Supervisory Board	88	85
Jacek Jonak	30	25
Janusz Diemko	10	20
Bogdan Kryca	16	16
Michał Dobak	24	20
Zbigniew Mrowiec	8	4

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 54

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 55

Material transactions executed by the Company (in 2015 and 2014, i.e. in the period for which the comparative data was prepared) with:

a) the parent

not applicable

b) major shareholder

not applicable

c) subordinates

Transactions with IPOPEMA Business Services Kft.

In connection with the operations in Hungary, conducted together with local partners acting as investment firm agents, in 2010 the Company entered into an agreement with IPOPEMA Business Services Kft. ("IBS") for the provision of services ("Services Agreement"), whereby IBS provided the Company and its Hungarian partners with office and equipment support services. In 2015, the total value of transactions under the agreement was PLN 197 thousand (expense) (2014: PLN 863 thousand (expense) and PLN 139 thousand (income)), as presented in the table below.

Transactions with IPOPEMA Business Services Srl

In connection with the launch of operations in Romania, conducted in cooperation with local partners acting as investment firm agents, in 2014 the Company entered into an agreement with IPOPEMA Business Services Srl. ("IBS Srl") for the provision of services ("Services Agreement"), whereby IBS Srl provides the Company and its Romanian partners with office and equipment support services. In 2015, the total value of transactions under that agreement was PLN 507 thousand (expense) (2014: PLN 128 thousand (expense) and PLN 79 thousand (income)), as presented in the table below.

d) members of the Management Board and Supervisory Board

none

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

none

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

none

related-party transactions – income and expenses

Related party	Revenue		Purchases	
	Jan 1–Dec 31 2015		Jan 1–Dec 31 2014	
IPOPEMA BC	28	71	8	44
IPOPEMA TFI	341	25	150	-
IPOPEMA Business Services Kft.	-	197	139	732
IPOPEMA Business Services Srl.	-	507	79	128
IPOPEMA Asset Management	-	-	109	74
Members of the Management and Supervisory Boards	30	23	8	10
Total	399	823	490	988

Related party transactions – receivables and liabilities

Related party	Receivables		Liabilities	
	Dec 31 2015	Dec 31 2014	Dec 31 2015	Dec 31 2014
IPOPEMA BC	1	-	29	54
IPOPEMA TFI	40	25	4	-
IPOPEMA Business Services Kft.	-	82	-	-
IPOPEMA Business Services Srl.	-	80	-	-
IPOPEMA Asset Management	-	16	-	-
Members of the Management and Supervisory Boards	18	1	-	-
Total	59	204	33	54

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

In 2015, the Company received dividends of PLN 1m from IPOPEMA Asset Management S.A. (currently IPOPEMA TFI) (2014: PLN 2M) and of PLN 0.4m from IBC (2014: PLN1m). For detailed information on dividends received see Note 61.

Note 56

Incentive scheme

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

No eligible persons subscribed for any shares under the Company's incentive scheme in 2015 or in the comparative period.

In addition to the completed Share Option Plan I and Share Option Plan II, the Company has also granted conditional rights to subscribe for 297,522 shares by November 30th 2017. The shares are from the remainder of the Series C shares pool covered by the conditional share capital, amounting to 2,976,188 ('Share Option Plan III'). The issue price of those shares is PLN 6.01, as determined in accordance with the terms and conditions of the Incentive Scheme for Share Option Plan III as the average of Company stock prices on the WSE over a specified period. As at the date of these financial statements, the list of persons eligible to subscribe for the remainder of the Series C shares under Share Option Plan III has not been determined, neither have any decisions been made as to whether such shares will be offered.

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

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

In total, on a consolidated basis, the cost of the option plans increased the cost of salaries and wages in 2015 by PLN 48 thousand; the amount was charged against IPOPEMA Securities S.A.'s profit. In 2014, the cost of these plans increased the cost of salaries and wages by PLN 107 thousand.

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

Note 57

Transactions with related entities not covered by the financial statements

In the periods covered by these financial statements, there were no material transactions with related entities other than transactions disclosed in Note 55.

Note 58

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 59

Under a contract of July 24th 2015, the entity authorised to audit the Company's full-year separate and consolidated financial statements for 2015 and to review the financial statements for H1 2015 is BDO Sp. z o.o., with its registered office at ul. Postępu 12, Warsaw, Poland.

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

Type of service	2015	2014
mandatory audit of financial statements	47	45
other assurance services	50	48
tax advisory services	-	-
other services	-	-

Note 60

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

Not applicable.

Note 61

Dividends paid and proposed

As at the date of preparation of these financial statements, no final decision had been taken by the Company's Management Board concerning the recommended distribution of the 2015 profit. Any relevant decisions will be taken at a later date, however not later than by the date of convening of the Annual General Meeting, which pursuant to the Commercial Companies Code must be held within six months from the end of a given financial year.

Dividend received

On June 19th 2015, the General Meeting of IPOPEMA Asset Management S.A. resolved to pay dividend of PLN 1m, i.e. approximately PLN 17.85 per share. The dividend was paid out to the Company in full.

On June 30th 2015, the General Meeting of IPOPEMA Business Consulting Sp. z o.o. resolved to pay dividend for 2014 of PLN 800 thousand (of which PLN 400 thousand payable to IPOPEMA Securities, holding a 50.02% interest in IBC), i.e. approximately PLN 400 per share. The full amount of the dividend was paid out.

Note 62

Information on unconsolidated joint ventures

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

Note 63

Information on court proceedings

The Company was not party to any litigation or court proceedings in 2015 or 2014.

Note 64

Pending administrative proceedings and inspections

One external inspection was carried out in 2015, by the Central Securities Depository of Poland (KDPW). It concerned securities record-keeping and IT systems used for that purpose. No follow-up recommendations were issued by the Central Securities Depository of Poland as a result of the inspection.

In 2014, the Polish Financial Supervision Authority carried out two inspections at the Company. One concerned the Company's brokerage business. The Company received an inspection report together with follow-up recommendations and notified the Polish Financial Supervision Authority of the implementation of the recommendations before the end of 2014.

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

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

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

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 65

Capital adequacy

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

Item	Dec 31 2015	Average monthly data											
		Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015
Own funds – (PLN '000)	57,589	54,695	54,047	52,916	53,469	52,769	53,531	56,885	58,194	58,253	58,355	58,312	58,331
Tier 1 Capital	57,589	54,695	54,047	52,916	53,469	52,769	53,531	56,885	58,194	58,253	58,355	58,312	58,331
Common Equity Tier 1	57,589	54,695	54,047	52,916	53,469	52,769	53,531	56,885	58,194	58,253	58,355	58,312	58,331
Additional Tier 1 Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Tier 2 Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Total risk exposure (PLN '000)	236,314	238,467	211,320	217,210	214,158	222,810	227,147	233,897	230,022	209,122	217,635	206,180	220,959
Risk-weighted exposure amounts for credit risk, counterparty credit risk, dilution risk and free deliveries	143,388	135,756	105,649	119,243	122,692	130,010	129,881	134,015	129,84	111,698	114,078	105,285	121,117
Total exposure to settlement/delivery risk	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exposure to position risk, currency risk and commodity price risk	16,962	13,442	16,402	13,537	15,503	16,837	21,303	23,919	24,212	21,460	27,593	24,931	23,878
Total exposure to operational risk	75,964	89,269	89,269	84,430	75,963	75,963	75,963	75,963	75,963	75,963	75,963	75,963	75,963
Additional exposure to risk related to fixed indirect costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exposure to risk related to credit valuation adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exposure to risk related to large exposures in the trading book	-	-	-	-	-	-	-	-	-	-	-	-	-
Other exposures to risk	-	-	-	-	-	-	-	-	-	-	-	-	-
Tier 1 common equity ratio	24.37	23.62	25.75	24.96	25.20	24.12	24.91	25.27	25.80	28.81	27.40	28.37	26.62
Tier 1 capital surplus(+)/shortfall(-) (PLN '000)	46,954	43,964	44,538	43,141	43,829	42,743	43,309	46,359	47,843	48,843	48,561	49,034	48,388
Tier 1 capital ratio	24.37	23.62	25.75	24.96	25.20	24.12	24.91	25.27	25.80	28.81	27.40	28.37	26.62
Tier 1 capital surplus(+)/shortfall(-) (PLN '000)	43,410	40,387	41,368	39,883	40,615	39,401	39,902	42,851	44,392	45,706	45,297	45,941	45,073
Total capital adequacy ratio	24.37	23.62	25.75	24.96	25.20	24.12	24.91	25.27	25.80	28.81	27.40	28.37	26.62
Total capital surplus(+)/shortfall(-) (PLN '000)	38,683	35,617	37,142	35,539	36,331	34,945	35,359	38,173	39,792	41,523	40,944	41,817	40,654

Item	Dec 31 2015
Initial capital	3,097
Deviation of own funds from initial capital	54,492

Fulfilment of own funds requirements

In 2015, the Company did not exceed any own funds requirements.

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

Note 66

Events subsequent to the reporting date

All events with effect on the 2015 financial statements are disclosed in the accounting books for 2015.

These financial statements contain 56 (fifty-six) consecutively numbered pages.

Warsaw, March 18th 2016

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

Miroslaw Borys
Vice-President of the
Management Board

Daniel Ścigała
Member of the
Management Board

Danuta Ciosek
Chief Accountant