The IPOPEMA Securities Group

Consolidated financial statements

for the year ended December 31st 2016

Warsaw, March 21st 2017

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Statement of compliance

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

- to the best of its knowledge, the consolidated financial statements for the year ended December 31st 2016 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 condition and financial performance of the IPOPEMA Securities Group;
- the Directors' Report on the operations of the IPOPEMA Securities Group in 2016 gives a true picture of the Group's development, achievements and position; it also includes a description of risks and threats;
- 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 consolidated financial statements of the IPOPEMA Securities Group as at December 31st 2016 meet the criteria for issuing an objective and independent auditor's opinion on the full-year financial statements, in accordance with the applicable laws and professional standards.

Warsaw, March 21st 2017

Management Board of IPOPEMA Securities S.A.:

Jacek Lewandowski President of the Management Board	Mariusz Piskorski Vice-President of the Management Board	Stanisław Waczkowski Vice-President of the Management Board	Mirosław Borys Vice-President of the Management Board

Financial highlights

	PLN '000		EUR '000	
Consolidated financial highlights	**2016**	**2015**	**2016**	**2015**
Revenue from core activities	88,038	98,015	20,120	23,422
Cost of core activities	84,700	90,760	19,357	21,688
Profit on core activities	3,338	7,255	763	1,734
Operating profit	3,669	6,741	838	1,611
Profit before tax	3,096	5,458	708	1,304
Net profit on continuing operations	2,365	3,980	540	951
Net profit	2,365	3,980	540	951
Earnings from continuing operations per ordinary share (PLN/ EUR)				
- basic	0.05	0.13	0.01	0.03
- diluted	0.05	0.13	0.01	0.03
Net cash from operating activities	-95,488	102,943	-21,822	24,599
Net cash from investing activities	-6,050	-6,098	-1,383	-1,457
Net cash from financing activities	-5,079	1,250	-1,161	299
Total cash flows	-106,617	98,095	-24,366	23,441

Consolidated financial highlights	PLN '000		EUR '000	
	Dec 31 2016	**Dec 31 2015**	**Dec 31 2016**	**Dec 31 2015**
Total assets	340,349	353,310	76,932	82,907
Current liabilities and tax liability	246,505	258,462	55,720	60,650
Total equity	83,635	84,408	18,905	19,807
Number of shares	29,937,836	29,937,836	29,937,836	29,937,836
Book value per share (PLN/EUR)	2.79	2.82	0.63	0.66

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

- Items of the consolidated statement of comprehensive income and statement of cash flows:

Average exchange rate calculated as the arithmetic mean of the exchange rates quoted on the last day of each month in a given period	**2016**	**2015**
EUR	4.3757	4.1848

- Items of the consolidated statement of financial position:

Exchange rate as at	**Dec 31 2016**	**Dec 31 2015**
EUR	4.4240	4.2615

These consolidated financial statements for the year ended December 31st 2016 were authorised for issue by the Management Board on March 21st 2017.

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

EUR	**2016**	**2015**
Lowest exchange rate	4.2355	3.9822
Highest exchange rate	4.5035	4.3580

Consolidated financial statements of the IPOPEMA Securities Group for 2016 (PLN '000)

Consolidated statement of comprehensive income

for the year ended December 31st 2016

	Note	2016	2015
CONTINUING OPERATIONS			
Revenue from core activities, including:	16.1	**88,038**	**98,015**
Revenue from brokerage activities		37,457	47,425
Revenue from investment fund and asset management		32,762	38,525
Revenue from consultancy services		17,819	12,065
Cost of core activities	16.2	**84,700**	**90,760**
Profit/(loss) on core activities		**3,338**	**7,255**
Gain (loss) on transactions in financial instruments held for trading	16.4	10	-584
Gain (loss) on transactions in financial instruments held to maturity		-	-
Gain (loss) on transactions in financial instruments available for sale		234	144
Other income	16.5	1,135	1,416
Other expenses	16.5	1,048	1,490
Operating profit/(loss)		**3,669**	**6,741**
Finance income	16.3	1,464	1,381
Finance costs	16.3	2,037	2,664
Profit/(loss) before tax		**3,096**	**5,458**
Income tax	19	731	1,478
Net profit/(loss) on continuing operations		**2,365**	**3,980**
DISCONTINUED OPERATIONS		**-**	**-**
Net profit/(loss) for period		**2,365**	**3,980**
Attributable to:			
Owners of the parent		1,463	3,903
Non-controlling interests		902	77
Earnings (loss) per share (PLN)	10	0.05	0.13
Diluted earnings (loss) per share (PLN)	10	0.05	0.13
Net profit for period		**2,365**	**3,980**
Other comprehensive income		**155**	**57**
Gains and losses on remeasurement of financial assets available for sale		192	70
Corporate income tax on items of other comprehensive income	19	-37	-13
Comprehensive income for period		**2,520**	**4,037**
Attributable to:			
Owners of the parent		1,618	3,960
Non-controlling interests		902	77

Warsaw, March 21st 2017

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President of the Management Board

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Vice-President of the Management Board

Stanisław Waczkowski
Vice-President of the Management Board

Mirosław Borys
Vice-President of the Management Board

Danuta Ciosek
Chief Accountant

Consolidated financial statements of the IPOPEMA Securities Group for 2016 (PLN '000)

Consolidated statement of financial position

As at December 31st 2016

ASSETS	Note	Dec 31 2016	Dec 31 2015
Cash and cash equivalents	13.1	42,714	148,949
Current receivables	13.2, 26	268,907	178,434
Tax assets		-	209
Current prepayments and accrued income	13.3	1,092	1,147
Financial instruments held for trading	13.4, 20.2	126	1,214
Financial instruments held to maturity		-	-
Financial instruments available for sale	13.5, 20.2	16,432	11,764
Investments in jointly controlled entities and associates		-	-
Non-current receivables		1,384	1,367
Non-current loans advanced	20.1	54	1
Property, plant and equipment	13.6	4,781	5,553
Investment property		-	-
Intangible assets	13.7	2,859	3,156
Deferred tax assets	19.1	1,756	1,479
Non-current prepayments and accrued income		244	37
TOTAL ASSETS		**340,349**	**353,310**

EQUITY AND LIABILITIES		Dec 31 2016	Dec 31 2015
Current liabilities	15.3	246,068	258,462
Income tax liabilities		437	-
Other financial liabilities		-	-
Non-current liabilities		487	593
Deferred tax liabilities	19.1	49	133
Accruals and deferred income	15.1	9,673	9,714
Provisions		-	-
Total liabilities		**256,714**	**268,902**
Share capital	14.1	2,994	2,994
Other capital reserves	14.2	13,830	13,675
Retained earnings	14.2	62,401	64,231
Total equity		**79,225**	**80,900**
Non-controlling interests	14.3	**4,410**	**3,508**
Total equity		**83,635**	**84,408**
TOTAL EQUITY AND LIABILITIES		**340,349**	**353,310**

Warsaw, March 21st 2017

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Consolidated financial statements of the IPOPEMA Securities Group for 2016 (PLN '000)

Consolidated statement of cash flows

for the year ended December 31st 2016

CASH FLOWS	Note	2016	2015
Cash flows from operating activities	26		
Profit before tax		**3,096**	**5,458**
Total adjustments:		**-98,584**	**97,485**
Depreciation and amortisation expenses		2,699	2,520
Foreign exchange gains/(losses)		108	71
Interest and dividends		1,171	909
Gain (loss) on investing activities		-206	-99
Increase/(decrease) in financial instruments available for sale		-	-144
Increase/(decrease) in financial instruments held for trading		1,089	249
Increase/(decrease) in receivables		-90,714	73,313
Increase/(decrease) in current liabilities (net of borrowings)		-11,872	19,802
Change in provisions and impairment losses on receivables		310	-718
Increase/(decrease) in accruals and deferrals		-227	2,133
Income tax paid		-964	-698
Other adjustments (including effect of incentive schemes)		22	147
Net cash from operating activities		**-95,488**	**102,943**
Cash flows from investing activities			
Increase in loans advanced		-263	-
Profit distributions (dividends) received		52	190
Interest received		138	173
Decrease in loans advanced		446	178
Acquisition of property, plant and equipment and intangible assets		-1,507	-3,534
Acquisition of financial instruments available for sale and held to maturity		-12,887	-10,441
Proceeds from financial instruments available for sale and held to maturity		7,971	7,335
Sale of property, plant and equipment and intangible assets		-	1
Net cash from investing activities		**-6,050**	**-6,098**
Cash flows from financing activities			
Proceeds from borrowings		-	2,931
Proceeds from issue of securities		3	8
Repayment of debt securities		-7	-6
Interest paid		-1,203	-1,015
Repayment of finance lease liabilities		-226	-268
Repayment of borrowings		-353	-
Dividends to owners of the parent		-3,293	-
Dividends to non-controlling interests		-	-400
Net cash from financing activities		**-5,079**	**1,250**
Total cash flows		**-106,617**	**98,095**

Consolidated financial statements of the IPOPEMA Securities Group for 2016 (PLN '000)

Net increase in cash and cash equivalents	-106,712	98,210
Effect of exchange rate fluctuations on cash held	-95	115
Cash at beginning of period	148,802	50,707
Cash at end of period, including	**42,185**	**148,802**
*restricted cash**	*12,411*	*108,574*

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

Warsaw, March 21st 2017

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Consolidated financial statements of the IPOPEMA Securities Group for 2016 (PLN '000)

Consolidated statement of changes in equity

for the year ended December 31st 2016

	Equity attributable to owners of the parent					Non-controlling interests	Total equity
		Other components of equity					
	Share capital	Share premium	Revaluation capital reserve	Other capital reserves	Retained earnings		
As at January 1st 2016	**2,994**	**10,351**	**110**	**3,214**	**64,231**	**3,508**	**84,408**
Profit for 2016	-	-	-	-	1,463	902	2,365
Other comprehensive income	-	-	155	-	-	-	155
Dividend payment	-	-	-	-	-3,293	-	-3,293
As at December 31st 2016	**2,994**	**10,351**	**265**	**3,214**	**62,401**	**4,410**	**83,635**
As at January 1st 2015	**2,994**	**10,351**	**53**	**3,166**	**60,328**	**3,831**	**80,723**
Profit for 2015	-	-	-	-	3,903	77	3,980
Costs of incentive scheme	-	-	-	48	-	-	48
Other comprehensive income	-	-	57	-	-	-	57
Dividend payment	-	-	-	-	-	-400	-400
As at December 31st 2015	**2,994**	**10,351**	**110**	**3,214**	**64,231**	**3,508**	**84,408**

Warsaw, March 21st 2017

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Chief Accountant

Notes

1. The IPOPEMA Securities Group

The IPOPEMA Securities Group ('the Group') comprises entities controlled by IPOPEMA Securities S.A. (the 'Parent' or 'Company').

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

The Company shares are listed on the main market of the Warsaw Stock Exchange.

As at December 31st 2016, the IPOPEMA Securities Group comprised IPOPEMA Securities S.A. and its subsidiaries (the subsidiaries are presented in Note 2). All the companies comprising the IPOPEMA Securities Group have been established for indefinite time. The financial statements of all subordinated entities were prepared for the same period as the Parent's financial statements and in accordance with uniform accounting principles.

IPOPEMA Securities S. A. – the Parent

The Parent was established on March 2nd 2005 (under the name of Dom Maklerski IPOPEMA S.A.) for indefinite time.

The Parent is entered in the Register of Entrepreneurs at the National Court Register maintained by the District Court, 12th Commercial Division of the National Court Register, under entry No. KRS 0000230737.

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

IPOPEMA Securities S.A. conducts brokerage activities on the basis of brokerage licences granted by the Polish Financial Supervision Authority (formerly the Polish Securities and Exchange Commission).

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.

Composition of the Management Board

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

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

As at the reporting date, the Management Board comprised also Mr Daniel Ścigała. On January 4th 2017, Mr Ścigała tendered his resignation as a Management Board Member effective from with January 31st 2017.

Composition of the Supervisory Board

As at the date of these consolidated 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.

Business profile

The Group's principal business activities are:

1 brokerage activities,
2 business and management consultancy services,
3 operation of investment fund companies, as well as creation and management of investment funds,
4 management of portfolios of broker-traded financial instruments,
5 computer facilities management activities,
6 computer consultancy services.

According to the sector/industry classification of the Warsaw Stock Exchange, the Group's business is classified as other finance (fin).

As part of its brokerage business IPOPEMA Securities S.A. provides comprehensive services in the area of intermediation in securities trading on the secondary market. The Company's partners include high-profile international financial institutions, the majority of leading Polish institutional investors, including open-end pension funds, investment fund companies, asset managers and insurers, as well as private individuals.

The Company's investment banking offering includes comprehensive assistance in the preparation and execution of transactions on the capital market, involving the use of equity instruments (shares), debt instruments (corporate bonds), and hybrid solutions (convertible bonds). In particular, the Company focuses on public offerings of securities (especially shares), in which it acts as the coordinator, offering broker or financial adviser, but also on M&A transactions and management buy-outs, as well as on advisory mandates concerning the raising of financing on the private market, including from private equity funds and through pre-IPO placements. The Company also provides advisory services related to corporate financial restructuring and raising financing for infrastructure projects.

The brokerage and investment banking operations of IPOPEMA Securities S.A. are supported by a research team which prepares analyst reports, recommendations and comments regarding large, medium-sized and small companies listed on the Warsaw and Budapest Stock Exchanges (the 'WSE' and 'BSE').

In February 2016, the Company started offering its brokerage services and investment products to a broader base of retail customers. These activities are carried out directly by IPOPEMA Securities and through third parties acting as its agents.

2. Composition of the Group

IPOPEMA Securities S.A. is the Parent of the IPOPEMA Securities Group. Both the Parent and the other Group entities have been established for indefinite time.

As at December 31st 2016, the Group comprised IPOPEMA Securities S.A. and the following subsidiaries:

1) consolidated subsidiaries controlled by the Company

Name of subsidiary	Business profile	Share capital held	Total vote held
IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A.	- operation of investment fund companies, as well as 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 - representation service for foreign funds	100%	100%
IPOPEMA Business Consulting Sp. z o.o.	- other business and management consultancy services - computer facilities management activities - computer consultancy services - software-related activities - wholesale of computers, computer peripherals and software	50.02%	50.02%

Consolidated financial statements of the IPOPEMA Securities Group for 2016 (PLN '000)

2) non-consolidated subsidiaries controlled by the Company

IPOPEMA Financial Advisory Sp. z o.o. *	- support for the activities of IPOPEMA Financial Advisory Sp. z o.o. spółka komandytowa	100%	100%
IPOPEMA Financial Advisory Sp. z o.o. spółka komandytowa	- advisory services related to corporate financial restructuring and raising financing for infrastructure projects	N/A	
IPOPEMA Business Services Srl. **	- office and business support – the company has been placed in liquidation	100%	100%

** In May 2016, the Company purchased from IBC all shares in IPOPEMA Outsourcing Sp. z o.o. In August, the company's name was changed to IPOPEMA Financial Advisory Sp. z o.o. (IFA).*

*** In view of the change of the model of operating in foreign markets, the process of winding up IBS began in 2016.*

*** In view of the change of the model of operating in foreign markets, the process of winding up IBS Kft ended in 2016. On April 1st 2016, IBS Kft was deleted from the court register.*

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

IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. ('IPOPEMA TFI') – a subsidiary

IPOPEMA TFI was established on March 14th 2007 and operates under the licence issued by the Polish Financial Supervision Authority (PFSA) on September 13th 2007. Its business profile comprises: (i) operation of an investment fund company, as well as creation and management of investment funds, (ii) discretionary management of securities portfolios, (iii) advisory services in the area of securities trading, (iv) intermediation in the sale and redemption of investment fund units, and (v) representation service for foreign funds. IPOPEMA TFI's share capital amounts to PLN 10,599,441.00 and comprises 3,533,147 registered shares. The composition of the Management Board was 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 financial markets, including in asset management and creation of investment funds. On March 14th 2017, Maciej Jasiński resigned as Vice-President of the Management Board of IPOPEMA TFI due to personal reasons, but has remained with the IPOPEMA Group and continues to be engaged in the activities of IPOPEMA TFI. 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. (see Note 24.1).

IPOPEMA Business Consulting Sp. z o.o. ('IBC') – a subsidiary

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

IPOPEMA Financial Advisory Sp. z o.o. ('IFA') – a subsidiary

In May 2016, the Company purchased from IBC all shares in IPOPEMA Outsourcing Sp. z o.o. In August, the company's name was changed to IPOPEMA Financial Advisory Sp. z o.o. (IFA). IFA is wholly owned by the Company. By the date of these financial statements, IFA had not commenced operations.

IPOPEMA Financial Advisory Sp. z o.o. spółka komandytowa ('IFA SK')

In July 2016, IPOPEMA Financial Advisory spółka z ograniczoną odpowiedzialnością spółka komandytowa (IFA SK), with the Company and Jarosław Błaszczak as limited partners and IFA as the general partner, was entered in the Business Register. The Company's maximum liability for IFA SK's liabilities to creditors is PLN 7,750. The structure comprising IFA and IFA SK was established in connection with the transfer to IFA SK of advisory services related to corporate financial restructuring and fund raising for infrastructure projects, previously provided by IPOPEMA Securities. The transfer was made in February 2017 (Jarosław Błaszczak, the limited partner in IFA SK, currently cooperates with the Company in this business area).

IPOPEMA Business Services SRL w likwidacji (in liquidation) ('IBS Srl') – a subsidiary

IPOPEMA Business Services Srl of Bucharest, Romania, is a commercial company under Romanian law, established on September 24th 2014. IBS Srl is wholly owned by IPOPEMA Securities S.A. 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.

3. Basis of preparation

3.1. Going concern assumption

These consolidated financial statements were prepared on the assumption that the companies of the Group would continue as going concerns in the foreseeable future. As at the date of approval of these consolidated financial statements, there were no circumstances which would indicate any threat to the Group's consolidated companies continuing as going concerns.

3.2. Identification of financial statements

These consolidated financial statements of the Group cover the year ended December 31st 2016 and contain comparative data for the year ended December 31st 2015.

Unless stated otherwise, all figures are presented in PLN '000.

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

3.3. Statement of compliance

These consolidated financial statements were prepared in accordance with the International Accounting Standards/International Financial Reporting Standards ('IFRS') and related interpretations as endorsed by the European Union. Other standards, revisions and amendments to existing standards, and interpretations of the International Financial Reporting Interpretations Committee ('IFRIC'), which have been endorsed recently or are pending endorsement, are not relevant to the Group's operations or their effect on the Group's financial statements would be immaterial.

The IFRS comprise standards and interpretations approved by the *International Accounting Standards Board* ('IASB') and the International Financial Reporting Interpretations Committee ('IFRIC').

The Group companies keep their accounting books in accordance with the accounting principles set forth in the Polish Accountancy Act of September 29th 1994 (the 'Act') and the subsidiary regulations issued thereunder ('Polish Accounting Standards'). These consolidated financial statements contain adjustments which are not included in the accounting books of the Group entities but which have been made to achieve compliance of the entities' financial statements with the IFRS.

3.4. Measurement currency and reporting currency of the financial statements

The measurement currency and the reporting currency of these consolidated financial statements is the Polish złoty ('PLN') and all figures in these financial statements are presented in thousands of Polish złoty, unless stated otherwise.

3.5. Comparability of data

There were no material presentation changes in 2016 and 2015.

4. Material accounting policies

4.1. Changes in accounting polices following amendments to IFRS

Standards and interpretations which have been issued and are effective for annual periods beginning on or after January 1st 2016:

- Amendments to IAS 1 *Disclosures* – effective for annual periods beginning on or after January 1st 2016;
- Amendments to IAS 16 and IAS 38 – effective for annual periods beginning on or after January 1st 2016;
  Amendments to IAS 16 and IAS 38 introduced the rule related to 'consumption of the economic benefits' with respect to recognition of depreciation and amortisation. The IASB has clarified that revenue-based methods should not be used to calculate depreciation or amortisation;
- Amendments to IAS 16 and IAS 41 *Agriculture*: *bearer plants* – published by the International Accounting Standards Board on June 30th 2014, approved by the European Union on November 23rd 2015 and effective for annual periods beginning on or after January 1st 2016;
- Amendments to IAS 19 *Employee Benefits* – effective for annual periods beginning on or after February 1st 2015;
- Amendments to IAS 27 *Equity Method in Separate Financial Statements* – effective for annual periods beginning on or after January 1st 2016. The amendment permits the use of the equity method as one of optional methods of accounting for investments in subsidiaries, associates and jointly-controlled entities in separate financial statements;
- Amendments to IFRS 11 *Joint Arrangements* – effective for annual periods beginning on or after January 1st 2016; The amendments introduce new requirements concerning disclosure of acquisition of an interest in a joint operation and provides guidance on how to account for such acquisition;
- Amendments to IFRS 10, IFRS 12 and IAS *28 Investment Entities*: *applying the consolidation exception* – effective for annual periods beginning on or after January 1st 2016; Amendments to IFRS 10, IFRS 12 and IAS 28 confirm that the exemption from preparing consolidated financial statements is available to a parent entity if a higher-tier or ultimate parent prepares and publishes IFRS-compliant financial statements where subsidiaries are consolidated or measured at fair value through profit or loss. In addition, the consolidation requirement was limited to a situation where an investment entity has a subsidiary which itself is not an investment entity and whose main objective is to provide services auxiliary to its parent's investment business. Furthermore, when applying equity accounting with respect to its interests in an associate or joint venture that is an investment entity, an investor may continue to use the fair value accounting that the associate or joint venture applied with respect to its own subsidiaries;
- Annual Improvements to IFRSs cycle 2010–2012 – effective for annual periods beginning on or after February 1st 2015. They concern IFRS 2: definition of vesting conditions, IFRS 3: accounting for contingent consideration in a business combination, IFRS 8: aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets, IFRS 13: short-term receivables and payables, IAS 7: interest paid that is capitalised, IAS 16/IAS 38: revaluation method − proportionate restatement of accumulated depreciation, IAS 24: Key Management Personnel;
- Amendments to various standards made as part of an annual IFRS improvement cycle: *Annual Improvements 2012–2014* – effective for annual periods beginning on or after January 1st 2016. They concern IFRS 5: change of disposal method, IFRS 7: servicing contracts, IAS 19: discount rate: regional market issue, IAS 34: disclosure of information 'elsewhere in the interim financial report'.

The Group believes that the above standards and interpretations did not have a material effect on its consolidated financial statements when first adopted, resulting only in changes to applied accounting policies or broadening the scope of required disclosure.

5. New standards and interpretations which have been issued but are not yet effective

The following standards and interpretations have been published by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee but are not effective yet:

- IFRS 9 *Financial Instruments* – published by the International Accounting Standards Board on July 24th 2014; the standard's final version supersedes previous versions of IFRS 9, *completing the Board's project to replace* IAS 39 *Financial Instruments: recognition and measurement*. The new standard regulates classification and measurement of financial assets and liabilities, as well as impairment and hedge accounting. IFRS 9 does not include guidelines on hedge accounting of portfolios of financial assets and liabilities, since these matters are covered by a separate project of the International Accounting Standards Board. The standard is effective for annual periods beginning on or after January 1st 2018;
- IFRS 15 *Revenue from Contracts with Customers* − published by the International Accounting Standards Board on May 28th 2014, effective for annual periods beginning on or after January 1st 2018.

The Group will apply the amended provisions of the standards as of January 1st 2018, unless a different effective date for the amended provisions is provided. When first adopted, the amended standards will have no material effect on the Group's consolidated financial statements.

The Group did not opt for early application the above standards, amendments, and interpretations.

6. Standards adopted by the International Financial Reporting Standards Board but not yet endorsed by the European Union

- Amendments to IAS 40 *Investment Property: transfers of investment property* were issued by the IASB on December 8th 2016. The amendments state that an entity may transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if a property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. According to the amendments, the list of evidence in paragraph 57 was designated as non-exhaustive list of examples instead of the previous exhaustive list;
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets* between an Investor and its Associate or Joint Venture' − the effective date of these amendments was deferred until completion of investigations into the equity method. The amendments clarify the manner of accounting for a transaction in which a parent loses control over its subsidiary that does not constitute a business as defined in IFRS 3 *Business Combinations* through a sale or contribution of all or a part of shares in that subsidiary to an equity-accounted associate or joint venture;
- IFRS 14 *Regulatory Deferral Accounts* − pursuant to the European Commission's decision, the process leading to the approval of a preliminary version of the standard will not be initiated until the issue of its final version (effective for annual periods beginning on or after January 1st 2016). The standard permits an entity which is a first-time adopter of IFRS to continue to account for rate-regulated activities in accordance with its previous accounting policies. To ensure better comparability with entities which already use IFRS and do not account for such activities, in accordance with the published IFRS 14, amounts from rate-regulated activities should be presented as a separate item in the statement of financial position, statement of profit or loss, and statement of other comprehensive income;
- IFRS 16 *Leases* – published by the International Accounting Standards Board on January 13th 2016, effective for annual periods beginning on or after January 1st 2019;
- Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses* − published by the International Accounting Standards Board on January 19th 2016, effective for annual periods beginning on or after January 1st 2017;
- Amendments to IFRS *4 Insurance Contracts: applying IFRS 9 financial instruments with IFRS 4 insurance contracts* – effective for annual periods beginning on or after January 1st 2018. The amendments address the issue of applying the new IFRS 9 *Financial Instruments* prior to the implementation of a new insurance contracts standard currently being worked on by the IASB. In order to prevent temporary volatility in entities' performance due to the implementation of IFRS 9, the amendments to IFRS 4 permit two approaches: the overlay approach and the deferral approach;
- Amendments to IAS 7 *Disclosure Initiative* − effective for annual periods beginning on or after January 1st 2017. Amendments to IAS 7 impose the requirement to disclose in the statement of cash flows changes in

liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. The standard states that in order to fulfil the requirement an entity must provide a reconciliation between the opening and closing balances in the statement of financial position for individual liabilities classified as cash flows from financing activities in the statement of cash flows;

- IFRS Annual Improvements cycle 2014−2016 – effective for annual periods beginning on or after January 1st 2018. Annual Improvements to IFRS Standards 2014–2016 Cycle introduced amendments to three standards: IFRS 1 (concerning short-term exemptions for first-time adopters of IFRS with respect to IFRS 7, IAS 19, and IFRS 10), IFRS 12 (with respect to clarification of the scope of this standard. The amendments apply retrospectively for annual periods beginning on or after January 1st 2017) and IAS 28 (measuring an associate or joint venture at fair value);
- IFRIC 22 Foreign Currency Transactions – effective for annual periods beginning on or after January 1st 2018. IFRIC 22 relates to transactions or parts or transactions which are denominated or measured in foreign currencies. The interpretation provides guidance for single and multiple payments. The aim is to reduce diversity in practice;
- Clarifications to IFRS *15 Revenue from Contracts with Customers* were issued on April 12th 2016 and are effective for annual periods beginning on or after January 1st 2018 (as of the effective date of the entire standard). The amendments address implementation questions on identifying performance obligations; application guidance on principal versus agent, revenue from granting a licence to intellectual property, and transition period on first application of the new standard;
- Amendments to IFRS 2 *Share-based Payment* – published by the International Accounting Standards Board on June 20th 2016, effective for annual periods beginning on or after January 1st 2018;

The Group believes that application of the amended standards will not have any material effect on its financial statements when first adopted.

7. Material judgements and estimates

7.1. Professional judgement

Where a given transaction does not fall within the scope of any standard or interpretation, the Company's Management Board relies on its subjective judgement to determine and apply accounting policies which will ensure that the consolidated financial statements contain only relevant and reliable information and that they:
- give a clear, true and fair view of the Group's assets, its financial condition, results of operations and cash flows,
- reflect the economic substance of transactions,
- are objective,
- conform with the principles of prudent valuation,
- are complete in all material respects.

The Group makes estimates and assumptions which affect the amounts of assets and liabilities disclosed in the subsequent period. The estimates and assumptions are subject to ongoing review and are based on past experience and other factors, including expectations as to future events, which seem justified in a given situation.

The subjective judgements made as at December 31st 2016 and details regarding estimates and judgements are presented in Note 7.2.

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7.2. Estimation uncertainty

As many items presented in the consolidated financial statements cannot be measured accurately, certain estimates need to be made by the Group in the preparation of the consolidated financial statements. The Group reviews such estimates taking into account changes in the factors on which such estimates were based, new information and past experience. Therefore, the estimates made as at December 31st 2016 may be changed if their underlying assumptions change or if the Group becomes aware of any facts affecting the estimates. For information on the key estimates, see the following Notes:

Note		Type of disclosure
9.7.1	Impairment losses on receivables	Main assumptions underlying the computation of recoverable amount
9.4 and 9.5	Useful lives of property, plant and equipment and intangible assets	Useful lives and depreciation/amortisation methods are reviewed at the end of each reporting period or more frequently
9.12.1	Accruals and deferred income	Assumptions underlying the liability amount estimates

8. Changes in estimates

In the period covered by these consolidated financial statements, there were no changes in estimates other than changes in accruals and deferred income, impairment losses on receivables and depreciation/amortisation, as discussed in Notes 15.1.1, 13.2.1, 13.6 and 13.7.

9. Material accounting policies

9.1. Consolidation rules

These consolidated financial statements include the financial statements of IPOPEMA Securities S.A. and the financial statements of its subsidiaries prepared for the year ended December 31st 2016 and December 31st 2015 (in the case of the statement of comprehensive income, the statement of cash flows and statement of changes in equity) and as at December 31st 2016 and December 31st 2015 (in the case of the statement of financial position). The subsidiaries IPOPEMA Business Services Kft. ('IBS'), IPOPEMA Business Services Srl, IPOPEMA Financial Advisory Sp. z o.o., and IPOPEMA Financial Advisory Sp. z o.o. spółka komandytowa were not consolidated in 2016 or 2015 as their effect on the Group's financial data was immaterial.

Subsidiaries are investees controlled by the Group. An investor controls an investee when it has power over the investee, it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Entities are consolidated from the date the parent assumes control over them, and cease to be consolidated from the date such control is lost.

The financial statements of the subsidiaries were prepared for the same reporting period as the financial statements of the Parent, using uniform accounting policies, and with accounting policies consistently applied to economic events and transactions of similar nature. Adjustments were made to eliminate any discrepancies in the applied accounting policies. The consolidated financial statements combine items of assets, liabilities, equity, income and expenses of the Parent with those of its subsidiaries, and eliminate the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary.

Any balances and transactions of significant value between Group companies, including unrealised gains from intra-Group transactions, were fully eliminated. Unrealised losses were eliminated unless they were evidence of impairment.

A non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the Parent. Non-controlling interests are presented by the Group in the consolidated statement of financial position within equity, separately from the equity of the owners of the Parent.

Business combinations of entities under common control are accounted for using the predecessor value method, where assets and liabilities of the acquiree are not measured at fair value but they are recorded by the acquirer in its financial statements at the acquired values as disclosed in the consolidated financial statements prepared by the higher-tier entity which controls the entities involved in the business combination. The result of a combination of entities under common control is recognised in the separate financial statements of the acquirer within equity, as retained earnings or deficit.

The companies whose scale of business is immaterial relative to the scale of business of the Group are not consolidated, but they are measured at cost less impairment losses.

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9.2. Correction of errors

No corrections of errors have been made in these consolidated financial statements.

9.3. Translation of foreign-currency items

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

1) the exchange rate actually applied on the transaction date, resulting from the nature of the transaction – in the case of sale or purchase of foreign currencies and payment of receivables or liabilities,

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

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

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

Currency	Dec 31 2016	Dec 31 2015
USD	4.1793	3.9011
EUR	4.4240	4.2615
HUF 100	1.4224	1.3601
GBP	5.1445	5.7862
UAH	0.1542	0.1622
CZK	0.1637	0.1577
CHF	4.1173	3.9394
RON	0.9749	0.9421
JPY 100	3.5748	3.2411
NOK	0.4868	0.4431
CAD	3.0995	2.8102
TRY	1.1867	1.3330
SEK	0.4619	0.4646
DKK	0.5951	0.5711
AUD	3.0180	2.8546

Source: National Bank of Poland.

9.4. Property, plant and equipment

Property, plant and equipment are disclosed at cost less depreciation charges and impairment losses, if any. Property, plant and equipment are initially disclosed at cost plus any costs directly related to the purchase of the assets and bringing them to appropriate condition for their intended use. The cost also includes the cost of replacing component parts of plant and equipment, which is recognised when incurred if relevant recognition criteria are fulfilled. Costs incurred after a given asset has been placed in service, such as costs of maintenance or repair, are charged to the consolidated statement of comprehensive income when incurred.

Upon acquisition, items of property, plant and equipment are divided into components of material value to which separate useful economic lives can be assigned.

Spare parts and service parts of material value recognised under property, plant and equipment are depreciated over their expected useful economic lives, which, however, may not be longer than the useful lives of the serviced items of property, plant and equipment.

Depreciation/amortisation is charged using the straight-line method over the estimated useful life of an asset. The depreciation/amortisation rates applied by the Group 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 during the preparation of the consolidated financial statements any circumstances are identified indicating that the carrying amount of an asset may not be recoverable, such asset is tested for impairment. If there is indication of impairment and the carrying amount of an asset exceeds its estimated recoverable amount, then the carrying amount of the asset is reduced to the recoverable amount. The recoverable amount is equal to the higher of the fair value less cost to sell or the value in use. To calculate the value in use, the Group discounts the expected future cash flows to their present value using a pre-tax discount rate which reflects current market assessments of the time value of money and the risk specific to a given asset. Impairment losses are recognised in the consolidated statement of comprehensive income under other expenses.

Items of property, plant and equipment may be derecognised from the consolidated statement of financial position following their disposal or if no further economic benefits are expected to be derived from their further use. Gains or losses arising on derecognition of a given asset from the consolidated statement of financial position (calculated as the difference between net proceeds from its disposal, if any, and the carrying amount of the asset) are posted to the consolidated statement of comprehensive income in the period when the item 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.

9.5. Intangible assets

Intangible assets acquired in a separate transaction are initially measured at cost. Following initial recognition, intangible assets are measured at cost less accumulated amortisation and impairment losses, if any.

The amortisation periods of intangible assets range from two to five years, depending on the type of an asset.

The Group determines whether intangible assets have definite or indefinite useful lives. Intangible assets with definite useful lives are amortised throughout their useful lives and tested for impairment each time there is an indication of impairment. The amortisation period and the amortisation method for an intangible asset with a definite useful life are reviewed at the end of each financial year or more frequently. Changes in the expected useful life or pattern of consumption of the future economic benefits embodied in an asset are disclosed by changing the amortisation period or amortisation method, as appropriate, and are accounted for as changes in accounting estimates. The Group does not carry any intangible assets with indefinite useful lives. Consequently, all intangible assets are amortised.

9.6. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are classified by the Group into the following categories:

Financial assets

- financial assets at fair value through profit or loss (including financial instruments held for trading),
- loans and receivables,
- financial instruments held to maturity,
- financial instruments available for sale.

Financial liabilities

- financial liabilities at fair value through profit or loss (including financial instruments held for trading),
- financial liabilities at amortised cost.

The Group classifies each financial instrument into a given category upon initial recognition.

Financial instruments and financial liabilities measured at fair value through profit or loss

A financial asset is designated as held for trading if it is acquired principally for the purpose of selling it in the near term, if it is part of a portfolio for which there is a pattern of short-term profit-taking, or if it is a derivative with positive fair value.

The Group designates a financial asset/liability as measured at fair value through profit or loss if:

- it is classified as held for trading (i.e. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, or it is a derivative (except for a derivative that is designated as an effective hedging instrument),

- it was designated as measured at fair value through profit or loss on initial recognition.

Financial liabilities other than held for trading may be designated by the Group upon initial recognition as financial liabilities measured at fair value through profit or loss if:

- the designation will eliminate or significantly reduce a measurement or recognition inconsistency; or
- a group of financial assets or liabilities or both is managed and its performance is measured on a fair value basis in accordance with a documented risk management or investment strategy applied by the Group, whereunder information regarding asset grouping is exchanged internally; or
- they constitute part of a contract with one or more embedded derivatives, and IAS 39 permits that the entire contract (an asset or a liability) be designated as at fair value through profit or loss.

Financial instruments and financial liabilities acquired in transactions on the regulated market are recognised as at the transaction date at cost, i.e. at the fair value of expenses incurred or other assets transferred in return, whereas financial liabilities are first recognised in the accounting books at the contract date at the fair value of the amount or other assets received.

Financial instruments held for trading are measured at fair value as at each reporting date, and any resultant gains or losses are disclosed under revenue or costs related to financial instruments held for trading.

Financial instruments held for trading comprise shares listed on the Warsaw and Budapest Stock Exchanges. For the purpose of the measurement, the Group takes into account closing prices quoted by the Warsaw Stock Exchange ('WSE') and Budapest Stock Exchange ('BSE') on the last business day of the reporting period. The Group does not apply hedge accounting.

Loans and receivables

Trade receivables, loans and other receivables with fixed or negotiable payment terms, not traded on an active market, are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest rate method, less impairment losses. Interest income is recognised at the effective interest rate, save for current receivables where recognition of interest income would be immaterial. Non-interest bearing current receivables are measured at amounts receivable, subject to the prudent valuation principle. Current receivables include mainly trade receivables, bank deposits and other cash, as well as loans and acquired unlisted debt instruments not classified into other categories. Loans advanced to IPOPEMA Securities' employees and business partners are classified under 'Loans advanced'.

Loans and receivables also include cash held mainly in bank deposits, and trade receivables described in Note 9.7.

Financial instruments available for sale

Financial instruments available for sale are those non-derivative financial instruments which are designated as available for sale or are not classified into any of the other categories.

Financial assets available for sale include mainly investment certificates, investment fund units, and government bonds acquired in order to invest cash surplus, other than investment certificates which have been designated as financial assets at fair value through profit or loss since the Group intends to sell them in the near term. This category also includes shares in non-consolidated subsidiaries.

Financial instruments available for sale are classified as non-current assets if they are not intended for sale within a year from the end of the reporting period; otherwise, they are classified as current assets. As at the end of each reporting period, financial instruments available for sale are measured at fair value, and any resultant gains or losses (other than impairment losses) are recognised under other comprehensive income. In the case of bonds, the gain or loss to be recognised under other comprehensive income comprises the difference between the measurement-date fair value of the assets less interest accrued up until that date at the contractual interest rate, and the value of the assets at adjusted cost.

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

Shares in non-consolidated subsidiaries are measured at cost less impairment losses. Investment certificates and investment fund units are recognised at fair value, based on the net value per certificate/unit as published by the investment fund in consultation with the depositary. Remeasurement gains and losses are posted under other comprehensive income.

Financial liabilities measured at amortised cost

Other financial liabilities, including borrowings, are initially measured at fair value less transaction costs and then at amortised cost (interest expense is measured using the effective cost method). The effective interest rate method is a method of calculating the amortised cost of a liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that effectively discounts estimated future cash payments over the expected life of a given liability or, when appropriate, a shorter period.

The Group derecognises a financial liability when, and only when, the Group's obligation specified in the contract is discharged or cancelled or expires.

9.7. Receivables

9.7.1. Current receivables

Current receivables include all receivables from clients, non-consolidated related entities, banks conducting brokerage activities, 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 from the end of the reporting period.

Receivables are initially recognised at nominal value and measured as at the end of the reporting period at amounts receivable. Receivables are remeasured to account for the probability of their payment and impairment losses are recognised where necessary. The Group recognises impairment losses if there is objective evidence that it will not be able to recover all the amounts due in line with the original contractual terms.

Impairment losses are recognised in particular for:

- receivables past due by 6 months to 1 year – impairment loss of 50% of the receivables amount is recognised,
- receivables past due by more than 1 year - impairment loss of 100% of the receivables amount is recognised.

Apart from the above general rule, the Group may also recognise impairment losses on an individual basis, when it believes that there is considerable risk that the full amount of a receivable may not be recovered. Such impairment losses were recognised on trade receivables.

Impairment losses on receivables are recognised under other expenses. The cost connected with recognition of impairment losses at the time of confirming that particular receivables are uncollectible is a tax-deductible expense; otherwise, such cost is not tax-deductible. Impairment losses on receivables are reversed if the impairment decreases in subsequent periods and the increase in the value of the receivables may be attributed to events that occurred after the impairment loss was recognised. Reversed impairment losses are recognised under other income.

<u>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</u>

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). In the case of purchase transactions on stock exchanges made to execute orders placed by clients whose accounts are kept by custodian banks, the Group recognises current liabilities towards banks conducting brokerage activities and brokerage houses (parties to the market transactions)* and current receivables from the clients for whom the purchase transactions were executed. In the case of sale transactions executed on stock exchanges to execute orders placed by clients whose accounts are kept by custodian banks, the Group discloses current receivables from banks conducting brokerage activities and other brokerage houses (parties to the market transactions)* and current liabilities towards the clients for whom the sale transactions were executed.

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

9.7.2. Non-current receivables

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

9.8. Impairment losses

As at the end of each reporting period, the Group evaluates whether there is any indication that an asset may be impaired. Intangible assets which are not yet available for use are tested on an annual basis, regardless of whether there is an indication of impairment. These assets may be tested for impairment at any time during the year.

The following indication of possible impairment of an asset may be identified:

- impairment of the market value of an asset during the period is much higher than it might have been expected as a result of passage of time and normal use,
- significant technological, market, economic or legal changes, unfavourable for the Group, have occurred during the reporting period or are likely to occur in the near future in the Group's operating environment or on the markets for which the asset is intended,
- market interest rates or other market rates of return on investment have increased during the period and the increase is likely to affect the discount rate applied to calculate the value in use of the asset and decrease its recoverable amount,
- the carrying amount of the Group's net assets is higher than their market capitalisation value,
- evidence exists for impairment of usefulness of an asset or physical damage to an asset,
- significant changes, unfavourable for the Group, in the current or expected scope or manner of use of an asset have occurred during the period or are likely to occur in the near future,
- there is evidence, originating from internal reporting, for poorer than expected, current or future, economic performance of an asset.

9.9. Cash and cash equivalents

Cash and cash equivalents disclosed in the consolidated statement of financial position include cash in hand and at banks, as well as short-term deposits, with original terms to maturity not exceeding three months, together with any interest accrued for the period.

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

9.10. Equity

Equity is recognised in the accounting books broken down into its individual components and in accordance with the rules set forth in the applicable laws and in 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. Other components of equity include: statutory reserve funds, revaluation capital reserve and other capital reserves.

The statutory reserve funds comprise share premium, that is the amount of issue proceeds in excess of the par value of the issued shares, less the share issue costs.

Other capital reserves include revaluation capital reserve and other capital reserves created in connection with the implementation of incentive schemes and dilution of shares.

Retained earnings comprise: statutory reserve funds created out of retained earnings, capital reserve, the aggregate capital adjustments resulting from the changes in accounting policies at the time of transition to IAS/IFRS, retained earnings or deficit (accumulated profits/losses brought forward), and net profit/(loss) for the current reporting period.

9.11. Liabilities

9.11.1. Current liabilities

Current liabilities are liabilities which are payable within 12 months from the end of the reporting period. Liabilities are measured at amounts payable.

Current liabilities include all liabilities to clients, liabilities to non-consolidated 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.

Current liabilities also include overdrafts, measured as described in Note 9.6 above.

The recognition of current liabilities under executed transactions is discussed in Note 9.7.1 above.

9.11.2. Non-current liabilities

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

9.12. Provisions, accruals and deferred income

9.12.1. Accruals and deferred income

Accruals comprise liabilities in respect of goods or services which have been provided or rendered but have not been paid for, invoiced or formally agreed with the supplier, including amounts due to employees.

While in certain situations it is necessary to make an estimate of the amount or payment date for an item of accruals and deferred income, in general the degree of uncertainty is much smaller than in the case of provisions. The items recognised by the Group under accruals and deferred income include in particular: settlements relating to employee holidays or bonuses, as well as costs incurred but not invoiced or settled as at the reporting date.

9.12.2. Provisions

Provisions are recognised if the Group has a legal or constructive obligation resulting from a past event, the amount of such obligation can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the Group anticipates that the costs for which provisions have been recognised will be recovered, e.g. under an insurance agreement, the recovery of such funds is recognised as a separate asset, but only when is practically certain to occur. The cost related to a given provision is disclosed in the consolidated statement of comprehensive income after reduction by the amount of any recoveries.

In the consolidated statement of financial position, provisions are presented broken down into long-term and short-term provisions. Provisions are classified as long-term or short-term depending on when a given item will become an actual liability (whether within 12 months or more than 12 months from the end of the reporting period).

9.13. Accrual basis of accounting and matching principle

In determining its net profit/(loss), the Group 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 attributable to a given reporting period which are yet to be incurred are recognised as liabilities (under accruals and deferred income).

9.14. Revenue from core activities

Revenue includes only inflows of economic benefits, on a gross basis, received or receivable by a business entity for its own account.

Revenue from core activities is recognised if it is probable that the economic benefits associated with a transaction will flow to Group companies 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 Group. 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. If it is probable that the total contract costs will exceed the total contract revenue, the expected loss on a contract is immediately recognised as expense.

If a service consists of an indeterminable number of activities performed over a specified period of time, then due to practical reasons revenue is recognised using the straight-line method (evenly) over the course of that period.

The Group’s main sources of revenue are revenue from transactions in securities executed for clients and revenue from investment banking services, including revenue from offering of securities and M&A advisory, revenue from management of investment funds, charges relating to the creation of individual funds and issuance of investment certificates of the funds, revenue from asset management and consultancy services in the area of corporate strategy and operations, as well as from IT consultancy services.

Revenue from transactions in securities is derived from brokerage activities of IPOPEMA Securities, which acts as an intermediary in transactions executed on the equity market of the Warsaw and Budapest Stock Exchanges, as well as on the bond market. Revenue from transactions in securities depends on the trading volume and is recognised with each executed transaction. Revenue from consultancy services is recorded in line with the progress of work under a consultancy mandate. Revenue derived from the management of funds is recognised in the amount specified in the funds' articles of association or other binding document.

9.15. Gain (loss) on transactions in financial instruments

9.15.1. Gain (loss) on transactions in financial instruments held for trading

Gain (loss) on transactions in financial instruments held for trading includes dividends and other distributions from profit, interest, valuation adjustments and gain on sale/redemption. Costs related to financial instruments held for trading include valuation adjustments and loss on sale/redemption.

9.15.2. Gain (loss) on transactions in financial instruments available for sale

Gain (loss) on transactions in financial instruments available for sale includes dividends and other distributions from profit, interest, impairment losses, amortisation of discount on debt securities, and gain on sale/redemption. Costs related to financial instruments available for sale include impairment losses and loss on sale/redemption.

9.16. Share-based payments

Equity-settled share-based payments to employees and other persons providing similar services are measured at the fair value of equity instruments as at the grant date.

The fair value of equity-settled share-based payments measured as at the grant date is recognised as an expense with the straight-line method during the vesting period, based on the Group's estimates regarding equity instruments to be vested. At the end of each reporting period the Group reviews its estimates of the number of equity instruments to be granted. The impact of such review, if any, is recognised in the consolidated statement of comprehensive income over the remaining grant period, with relevant adjustments made to equity.

9.17. Finance income and costs

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

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

Foreign-exchange gains/losses on the collection or payment, as appropriate, and balance-sheet measurement of trade receivables and payables are posted to finance income or costs.

Borrowing costs are measured at amortised cost. Borrowing costs are expensed in the period in which they are incurred, except to the extent that they are capitalised. Capitalised borrowing costs are recognised in the periods to which they relate.

The Group does not incur borrowing costs that are directly attributable to the acquisition, construction or production of an asset.

9.18. Income tax

9.18.1. Tax

Tax assets and 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 end of the reporting period.

9.18.2. Deferred income tax

For the purposes of financial reporting, the Group recognises deferred tax liabilities using the balance-sheet liability method in relation to all temporary differences recorded as at the end of the reporting period between the value of assets and liabilities computed for tax purposes and their carrying amounts disclosed in the consolidated financial statements.

Deferred tax liabilities are recognised in relation to all taxable temporary differences.

Deferred tax assets are recognised in relation to all deductible temporary differences and unused tax assets.

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The carrying amount of a deferred tax asset is reviewed as at the end of each reporting period and is subject to appropriate reduction to the extent it is no longer probable that taxable income sufficient for a partial or full realisation of this deferred tax asset would be generated.

Deferred tax assets and deferred tax liabilities are calculated using tax rates expected to be effective at the time of realisation of particular asset or reversal of particular liability, based on tax rates and fiscal regulations effective as at the end of the reporting period or tax rates and fiscal regulations which as at the end of the reporting period are certain to be effective in the future. The carrying amount of a deferred tax asset is reviewed as at the end of each reporting period and is subject to appropriate reduction to the extent it is no longer probable that taxable income sufficient for a partial or full realisation of this deferred tax asset would be generated.

10. Earnings per share

For each period, earnings per share are computed as the quotient of the net profit attributable to the Parent for the period and the weighted average number of shares in the period.

To obtain diluted earnings per share, the weighted average number of shares in the period is adjusted to account for all potentially dilutive ordinary shares. In the Company's case, these are Series C shares which may be issued within the limit of conditional share capital in connection with the incentive scheme adopted at the Company, to the extent it is implemented. To date, 1,880,952 shares have been allocated to be subscribed for by the eligible persons after certain criteria are met. Given the low number of dilutive shares, the values of basic earnings per share and diluted earnings per share in the periods covered by these consolidated financial statements are similar.

	Dec 31 2016	Dec 31 2015
Number of shares	29,937,836	29,937,836
Weighted average number of shares	29,937,836	29,937,836
Diluted number of shares	29,937,836	29,937,836
Earnings from continuing operations		
- basic	0.05	0.13
- diluted	0.05	0.13

11. Seasonality

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

12. Operating segments

For management purposes, the Group is divided into separate segments based on types of products and services. The following reporting operating segments have been identified:

1) The segment of brokerage and related services, comprising IPOPEMA Securities' business, i.e. brokerage and investment banking activities, which focus on public offerings of securities (particularly equities) – where the Company acts as the coordinator, offering broker and financial adviser – issue of debt instruments, M&A transactions and management buy-outs, as well as advisory mandates concerning the raising of financing on the private market, including from private equity funds and through pre-IPO placements. The segment includes also provision of advisory services related to corporate financial restructurings and raising financing for infrastructure projects.
2) The segment of investment fund and portfolio management, comprising the business of IPOPEMA TFI, i.e. creation and management of investment funds as well as management of portfolios of broker-traded financial instruments.
3) The segment of consultancy services, comprising the services of IPOPEMA Business Consulting, which focuses on business and management consultancy, computer facilities management, computer consultancy and software-related activities.

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01.01.2016 - Dec 31 2016	Continuing operations				Discontinued operations	Total operations
	Brokerage and related services	Investment fund and portfolio management	Consultancy services	Total		
Revenue						
Segment's total revenue, including:	37,458	32,762	17,918	88,138	-	88,138
- to clients for each of whom the value of transactions in the period exceeds 10% of revenue	-	-	-	-	-	-
Intersegment sales	-1	-	-99	-100	-	-100
Consolidation eliminations	-	-	-	-	-	-
Sales to external clients	**37,457**	**32,762**	**17,819**	**88,038**	**-**	**88,038**
Segment's costs						
Segment's costs – purchases from external suppliers	-37,239	-31,889	-15,714	-84,842	**-**	-84,842
Segment's costs – intersegment purchases	-	-	-	-	**-**	-
Consolidation eliminations	72	70	-	142	**-**	142
Segment's total costs, including:	**-37,167**	**-31,819**	**-15,714**	**-84,700**	**-**	**-84,700**
Depreciation and amortisation expenses	-1,897	-702	-100	-2,699	-	-2,699
Segment's profit/(loss) on core activities	**290**	**943**	**2,105**	**3,338**	**-**	**3,338**
Unallocated costs	-	-	-	-	-	-
Profit/(loss) from continuing operations before tax and finance costs	290	943	2,105	3,338	-	3,338
Interest income	292	95	18	405	-	405
Interest expenses	-1,355	-33	-	-1,388	-	-1,388
Other net finance income/expenses	1,898	154	71	2,123	-	2,123
Other income/expenses	-28	202	-44	130	-	130
Consolidation eliminations	-1,512	-	-	-1,512	-	-1,512
Profit/(loss) before tax and non-controlling interests	**-415**	**1,361**	**2,150**	**3,096**	**-**	**3,096**
Income tax	-19	307	440	728	-	728
Consolidation eliminations	-	3	-	3	-	3
Total corporate income tax	-19	310	440	731	-	731
Net profit/(loss) for the financial year	**-396**	**1,051**	**1,710**	**2,365**	**-**	**2,365**
Assets and liabilities as at Dec 31 2016						
Segment's assets	295,763	30,818	13,768	340,349	-	340,349

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Segment's investments in equity-accounted subordinated entities	-	-	-	-	-	-
Other assets not attributed to segments	-	-	-	-	-	-
Total assets	**295,763**	**30,818**	**13,768**	**340,349**	**-**	**340,349**
Segment’s liabilities	239,300	3,510	4,231	247,041	-	247,041
Accruals and deferred income	3,875	5,066	732	9,673	-	9,673
Segment’s net profit/(loss)	-396	1,051	1,710	2,365	-	2,365
Equity (net of profit/loss for current period)	53,175	21,764	2,823	77,762	-	77,762
Non-controlling interests	-	-	3,508	3,508	-	3,508
Total equity and liabilities	**295,954**	**31,391**	**13,004**	**340,349**	**-**	**340,349**
Other segment-related data for 2016						
Capital expenditure, including:	1,413	39	56	1,508	-	1,508
Property, plant and equipment	704	39	49	792	-	792
Intangible assets	709	-	7	716	-	716
Depreciation of property, plant and equipment	1,167	443	84	1,694	-	1,694
Amortisation of intangible assets	730	259	16	1,005	-	1,005
Impairment losses	-	-	-	-	-	-
Other	-	-	-	-	-	-

The Group does not report financial information by geographical area as a vast majority of its revenue is generated in Poland. Foreign revenue earned in 2016 did not exceed 5% (PLN 3,627 thousand) of total revenue from core activities. The Group's property, plant and equipment as well as intangible assets are located in Poland.

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01.01.2015 - Dec 31 2015	Continuing operations				Discontinued operations	Total operations
	Brokerage and related services	Investment fund and portfolio management	Consultancy services	Total		
Revenue						
Segment's total revenue, including:	47,425	38,525	12,178	98,128	-	98,128
- to clients for each of whom the value of transactions in the period exceeds 10% of revenue	-	-	-	-	-	-
Intersegment sales	-	-	-113	-113	-	-113
Consolidation eliminations	-	-	-	-	-	-
Sales to external clients	**47,425**	**38,525**	**12,065**	**98,015**	**-**	**98,015**
Segment's costs						
Segment's costs – purchases from external suppliers	-43,034	-35,947	-11,976	-90,957	-	-90,957
Segment's costs – intersegment purchases	-	-	-	-	-	-
Consolidation eliminations	71	126	-	197	-	197
Segment's total costs, including:	**-42,963**	**-35,821**	**-11,976**	**-90,760**	**-**	**-90,760**
Depreciation and amortisation expenses	-1,761	-671	-88	-2,520	-	-2,520
Segment's profit/(loss) on core activities	**4,462**	**2,704**	**89**	**7,255**	**-**	**7,255**
Unallocated costs	-	-	-	-	-	-
Profit/(loss) from continuing operations before tax and finance costs	4,462	2,704	89	7,255	-	7,255
Interest income	455	169	19	643	-	643
Interest expenses	-1,123	-34	-1	-1,158	-	-1,158
Other net finance income/expenses	124	69	-2	191	-	191
Other income/expenses	261	-89	-6	166	-	166
Consolidation eliminations	-1,484	-155	-	-1,639	-	-1,639
Profit/(loss) before tax and non-controlling interests	**2,695**	**2,664**	**99**	**5,458**	**-**	**5,458**
Income tax	663	771	58	1,492	-	1,492
Consolidation eliminations	-	-14	-	-14	-	-14
Total corporate income tax	663	757	58	1,478	-	1,478
Net profit/(loss) for the financial year	**2,032**	**1,907**	**41**	**3,980**	**-**	**3,980**

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Net profit for the year (excluding costs of incentive scheme)	***2,080***	***1,907***	***41***	***4,028***	***-***	***4,028***
Assets and liabilities as at Dec 31 2015						
Segment's assets	314,512	30,814	7,984	353,310	-	353,310
Segment's investments in equity-accounted subordinated entities	-	-	-	-	-	-
Other assets not attributed to segments	-	-	-	-	-	-
Total assets	**314,512**	**30,814**	**7,984**	**353,310**	**-**	**353,310**
Segment's liabilities	254,353	3,829	1,006	259,188	-	259,188
Accruals and deferred income	5,168	4,546	-	9,714	-	9,714
Segment's net profit/(loss)	2,032	1,907	41	3,980	-	3,980
Equity (net of profit/loss for current period)	54,412	19,726	2,782	76,920	-	76,920
Non-controlling interests	-	-	3,508	3,508	-	3,508
Total equity and liabilities	**315,965**	**30,008**	**7,337**	**353,310**	**-**	**353,310**
Other segment data for 2015						
Capital expenditure, including:	2,752	756	26	3,534	-	3,534
Property, plant and equipment	1,560	581	17	2,158	-	2,158
Intangible assets	1,192	175	9	1,376	-	1,376
Depreciation of property, plant and equipment	1,029	438	77	1,543	-	1,543
Amortisation of intangible assets	732	233	11	976	-	976
Impairment losses	-	-	-	-	-	-
Other	-	-	-	-	-	-

The Group does not report financial information by geographical area as a vast majority of its revenue is generated in Poland. Foreign revenue earned in 2015 did not exceed 5% of total revenue (PLN 4,451 thousand). The Group's property, plant and equipment as well as intangible assets are located in Poland.

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13. Notes to the consolidated statement of financial position – assets

13.1. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise the following items:

	Dec 31 2016	Dec 31 2015
Cash in hand	2	1
Cash at banks	26,559	28,423
Other cash (short-term deposits)	15,645	120,494
Cash equivalents	508	30
Total cash	**42,714**	**148,949**
Including cash in hand and cash at banks attributed to discontinued operations	-	-

	Dec 31 2016	Dec 31 2015
Cash in PLN	36,141	131,904
Cash in EUR	4,851	10,580
Cash in USD	1,062	4,362
Cash in HUF	32	789
Cash in TRY	264	286
Cash in RON	276	590
Cash in other currencies	88	438
Total cash	**42,714**	**148,949**

	Dec 31 2016	Dec 31 2015
Cash and other assets	30,303	44,644
Cash and other assets of clients deposited in cash accounts at the brokerage house and paid towards acquisition of securities in an IPO or on the primary market	12,411	104,305
Cash and other assets transferred from the settlement guarantee fund	-	-
Total cash	**42,714**	**148,949**

Free cash is deposited in bank accounts and invested in term and overnight deposits. Short-term deposits are placed for various periods, ranging from one day to several months, depending on the Group's cash requirement at a given time, and bear interest at variable or fixed interest rates, set by reference to the interest rate for overnight bank deposits. Short-term deposits are presented under 'Other cash'. Deposits maturing in more than three months are presented under 'Other cash equivalents'.

Clients' cash deposited in the Parent's bank account, in the amount of PLN 12,411 thousand as at December 31st 2016 and PLN 104,305 thousand as at December 31st 2015, is also disclosed under 'Other cash'.

13.2. Receivables

	Current receivables	Dec 31 2016	Dec 31 2015
1.	From clients / trade receivables	135,569	73,138
a)	under deferred payment arrangements	-	-
b)	under past due receivables and disputed claims for which no impairment losses were recognised	-	-
c)	from clients under executed transactions	122,199	64,637
	- transactions on the Warsaw Stock Exchange	89,043	62,910
	- transactions on the Budapest Stock Exchange	21,049	602
	- transactions on the Prague Stock Exchange	2,674	-
	- transactions on the Vienna Stock Exchange	-	795
	- executed on the Frankfurt Stock Exchange	2,252	220
	- transactions on the London Stock Exchange	116	-
	- transactions on the New York Stock Exchange	7,065	110
d)	other	13,370	8,501
2.	From related entities	13	18

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3.	From banks conducting brokerage activities, other brokerage houses and commodity brokerage houses*	73,232	64 558
a)	under transactions	72,031	64 062
	- transactions on the Warsaw Stock Exchange*	40,067	56 568
	- transactions on the Budapest Stock Exchange	6,163	4 027
	- transactions on the New York Stock Exchange	16,410	-
	- transactions on the Prague Stock Exchange	3,121	3 467
	- executed on the Amsterdam Stock Exchange	6,270	-
b)	other	1,201	496
4.	From entities operating regulated markets and commodity exchanges	-	-
5.	From the Central Securities Depository of Poland and exchange clearing houses	34,907	24 133
	- from the clearing guarantee fund	34,907	24 133
6.	From investment and pension fund companies and from investment and pension funds	2,761	3 634
7.	From issuers of securities or selling shareholders	-	2 332
8.	From commercial chamber	-	-
9.	Taxes, subsidies and social security receivable	40	119
10.	Under court proceedings, not covered by recognised impairment losses on receivables	-	-
11.	Other	22,385	10 502
Total current receivables		**268 907**	**178,434**

** In accordance with Art. 45h of the amended Act on Trading in Financial Instruments, the following balance sheet items: current receivables from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions, 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).*

Current receivables and liabilities are recognised predominantly in connection with the executed buy and sell transactions in securities, not yet settled at clearing houses. In the case of buy trades executed on stock exchanges on behalf of clients whose accounts are maintained by custodian banks, the Group recognises liabilities towards the parties to market transactions (banks conducting brokerage activities and brokerage houses, known as the anonymous party to a transaction) and receivables from the clients on behalf of whom such buy trades have been executed. In the case of sell trades executed on stock exchanges on behalf of clients whose accounts are maintained by custodian banks, the Group recognises receivables from the parties to market transactions and liabilities towards the clients on behalf of whom such sell trades have been executed.

Impairment losses reduce the carrying amount of the impaired receivables.

Gross current receivables by currency	Dec 31 2016	Dec 31 2015
a) in PLN	182,457	168,667
b) in other currencies (translated into PLN)	87,330	10,337
Total gross current receivables	**269,787**	**179,004**

13.2.1. Receivables by maturity

Current and non-current receivables by maturity as from the end of the reporting period	Dec 31 2016	Dec 31 2015
a) up to 1 month	253,125	164,849
b) over 1 month to 3 months	9,842	206
c) over 3 months to 1 year	4,090	9,833
d) over 1 year to 5 years	1,384	1,367
e) over 5 years	-	-
f) past due	2,730	4,116
Total gross receivables	**271,171**	**180,371**
g) impairment losses on receivables (negative value)	-880	-570
Total net receivables	**270,291**	**179,801**

Gross past due receivables by period of delay:	Dec 31 2016	Dec 31 2015
a) up to 1 month	760	1,737
b) over 1 month to 3 months	692	891
c) over 3 months to 1 year	325	1,020

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d) over 1 year to 5 years	953	468
e) over 5 years	-	-
Total gross receivables	**2,730**	**4,116**
f) impairment losses on receivables (negative value)	-880	-570
Total net receivables	**1,850**	**3,546**

13.3. Current prepayments and accrued income

	Dec 31 2016	Dec 31 2015
a) prepayments, including:	1,092	1,147
cost of information service	42	57
cost of office space lease	124	185
input VAT to be settled in 2017/2016	-	21
membership fees	25	47
expenses to be re-invoiced	3	8
other	898	829
b) other prepayments and accrued income, including:	-	-
revenue to be invoiced in subsequent period	-	-
Total prepayments and accrued income	**1,092**	**1,147**

13.4. Financial instruments held for trading

	Dec 31 2016	Dec 31 2015
- equities	126	1,214
- derivative instruments	-	-
Total financial instruments held for trading	**126**	**1,214**

“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 Group 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. The value of financial instruments held for trading at cost was PLN 124 thousand as at December 31st 2016, compared with PLN 1,216 thousand as at December 31st 2015. Adjustments for impairment losses on financial instruments held for trading as at the end of the reporting periods were, respectively, PLN (+)2 thousand and PLN (-)2 thousand. As at the reporting date, the Group held 1,000 shares with a total carrying amount of PLN 126 thousand; the shares were acquired and are traded in PLN. As at December 31st 2015, the Company held 22,826 shares with a total carrying amount of PLN 1,214 thousand.

13.5. Financial instruments available for sale

As at December 31st 2016, the value of financial instruments available for sale held by the Group amounted to PLN 16,432 thousand, compared with PLN 11,764 thousand as at December 31st 2015. As at December 31st 2016, the financial instruments available for sale included investment certificates and investment fund units of PLN 8,562 thousand (December 31st 2015: PLN 3,885 thousand), government bonds of PLN 7,866 thousand (December 31st 2015: PLN 7,867 thousand), and shares in non-consolidated subsidiaries in the amount of PLN 4 thousand (December 31st 2015: PLN 12 thousand).

Shares in non-consolidated subsidiaries are not traded on an active market. They are measured at cost less impairment losses. In 2015 and 2016, no impairment losses were recognised on financial instruments available for sale.

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13.6. Property, plant and equipment

As at December 31st 2016

MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT	Land	Buildings and structures	Plant and equipment	Vehicles	Other property, plant and equipment	Property, plant and equipment under construction	TOTAL
a) Gross value of property, plant and equipment at beginning of period	**-**	**880**	**7,911**	**1,428**	**1,828**	**44**	**12,091**
b) Increase, including:	**-**	**-**	**819**	**172**	**5**	**742**	**1,738**
- purchases and lease returns	-	-	48	172	-	742	962
- transfer from investments	-	-	771	-	5	-	776
c) decrease	**-**	**-**	**8**	**190**	**-**	**776**	**974**
- liquidation	-	-	8	190	-	-	198
- reclassification to another category	-	-	-	-	-	776	776
d) gross value of property, plant and equipment at end of period	**-**	**880**	**8,722**	**1,410**	**1,833**	**10**	**12,855**
e) accumulated depreciation at beginning of period	**-**	**344**	**4,357**	**725**	**1,112**	**-**	**6,538**
f) Depreciation for period, including:	**-**	**68**	**1,182**	**109**	**177**	**-**	**1,536**
- annual depreciation charge	-	68	1,185	264	177	-	1,694
- liquidation	-	-	3	155	-	-	158
g) accumulated amortisation at end of period	**-**	**412**	**5,539**	**834**	**1,289**	**-**	**8,074**
h) impairment losses at beginning of period	**-**	**-**	**-**	**-**	**-**	**-**	**-**
i) impairment losses at end of period	**-**	**-**	**-**	**-**	**-**	**-**	**-**
j) Net value of property, plant and equipment at beginning of period	**-**	**536**	**3,554**	**703**	**716**	**44**	**5,553**
k) Net value of property, plant and equipment at end of period	**-**	**468**	**3,183**	**576**	**544**	**10**	**4,781**

As at December 31st 2015

MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT	Land	Buildings and structures	Plant and equipment	Vehicles	Other property, plant and equipment	Property, plant and equipment under construction	TOTAL
a) Gross value of property, plant and equipment at beginning of period	**-**	**839**	**6,084**	**1,109**	**1,778**	**21**	**9,831**
b) Increase, including:	**-**	**41**	**2,095**	**434**	**53**	**1,636**	**4,259**
- purchases and lease returns	-	-	600	434	47	1,636	2,717
- transfer from investments	-	41	1,495	-	6	-	1,542
c) decrease	**-**	**-**	**268**	**115**	**3**	**1,613**	**1,999**
- liquidation	-	-	268	115	3	-	386
- reclassification to another category	-	-	-	-	-	1,613	1,613
d) gross value of property, plant and equipment at end of period	**-**	**880**	**7,911**	**1,428**	**1,828**	**44**	**12,091**
e) accumulated depreciation at beginning of period	**-**	**219**	**3,647**	**509**	**888**	**-**	**5,263**
f) Depreciation for period, including:	**-**	**125**	**710**	**216**	**224**	**-**	**1,275**
- annual depreciation charge	**-**	125	912	281	225	-	1,543
- lease returns		-	46	-	-	-	46
- liquidation	**-**	-	248	65	1	-	314

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g) accumulated depreciation at end of period	**-**	**344**	**4,357**	**725**	**1,112**	**-**	**6,538**
h) impairment losses at beginning of period	**-**	**-**	**-**	**-**	**-**	**-**	**-**
i) impairment losses at end of period	**-**	**-**	**-**	**-**	**-**	**-**	**-**
j) Net value of property, plant and equipment at beginning of period	**-**	**620**	**2,437**	**600**	**890**	**21**	**4,568**
k) Net value of property, plant and equipment at end of period	**-**	**536**	**3,554**	**703**	**716**	**44**	**5,553**

13.6.1. Impairment losses

In 2016, no impairment losses were recognised with respect to property, plant and equipment.

13.7. Intangible assets

As at December 31st 2016

MOVEMENTS IN INTANGIBLE ASSETS (BY CATEGORY)	Cost of completed development work	Goodwill	Acquired permits, patents, licences and similar assets	Computer software	CO_2 emission allowances	Other intangible assets/prepayments	TOTAL
a) Gross value of intangible assets at beginning of period	**440**	**-**	**166**	**9,337**	**-**	**-**	**9,943**
b) Increase, including:	**-**	**-**	**7**	**709**	**-**	**-**	**716**
- purchase / transfer from	-	-	7	709	-	-	716
- expansion of the Group	-	-	-	-	-	-	-
- completed development work	-	-	-	-	-	-	-
- other (lease returns)	-	-	-	-	-	-	-
c) decrease (including)	**-**	**-**	**-**	**384**	**-**	**-**	**384**
- liquidation	-	-	-	384	-	-	384
d) Gross value of intangible assets at end of period	**440**	**-**	**173**	**9,662**	**-**	**-**	**10,275**
e) Accumulated amortisation at beginning of period	**216**	**-**	**116**	**6,455**	**-**	**-**	**6,787**
f) amortisation for period:	**77**	**-**	**15**	**537**	**-**	**-**	**629**
- annual amortisation charge	77	**-**	15	913	-	-	1,005
- liquidation	-	**-**	-	376	-	-	376
g) accumulated amortisation at end of period	**293**	**-**	**131**	**6,992**	**-**	**-**	**7,416**
h) impairment losses at beginning of period	**-**	**-**	**-**	**-**	**-**	**-**	**-**
i) impairment losses at end of period	**-**	**-**	**-**	**-**	**-**	**-**	**-**
j) Net value of intangible assets at beginning of period	**224**	**-**	**50**	**2,882**	**-**	**-**	**3,156**
k) Net value of intangible assets at end of period	**147**	**-**	**42**	**2,670**	**-**	**-**	**2,859**

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As at December 31st 2015

MOVEMENTS IN INTANGIBLE ASSETS (BY CATEGORY)	Cost of completed development work	Goodwill	Acquired permits, patents, licences and similar assets	Computer software	CO_2 emission allowances	Other intangible assets/prepayments	TOTAL
a) Gross value of intangible assets at beginning of period	**440**	**-**	**157**	**7,807**	**-**	**45**	**8,449**
b) Increase, including:	**-**	**-**	**9**	**1,530**	**-**	**-**	**1,539**
- purchase / transfer from	-	-	9	1,411	-	-	1,420
- expansion of the Group	-	-	-	-	-	-	-
- completed development work	-	-	-	-		-	-
- other (lease returns)	-	-	-	119	-	-	119
c) decrease	**-**	**-**	**-**	**-**	**-**	**45**	**45**
d) Gross value of intangible assets at end of period	**440**	**-**	**166**	**9,337**	**-**	**-**	**9,943**
e) Accumulated amortisation at beginning of period	**128**	**-**	**105**	**5,464**	**-**	**-**	**5,697**
f) amortisation for period:	**88**	**-**	**11**	**991**			**1,090**
- annual amortisation charge	88	-	11	878			977
- lease returns	-	-	-	113	-	-	113
g) accumulated amortisation at end of period	**216**	**-**	**116**	**6,455**	**-**	**-**	**6,787**
h) impairment losses at beginning of period	**-**	**-**	**-**	**-**	**-**	**-**	**-**
i) impairment losses at end of period	**-**	**-**	**-**	**-**	**-**	**-**	**-**
j) Net value of intangible assets at beginning of period	**312**	**-**	**52**	**2,343**	**-**	**45**	**2,752**
k) Net value of intangible assets at end of period	**224**	**-**	**50**	**2,882**	**-**	**-**	**3,156**

The cost of completed development work relates to a system implemented at the Group for keeping records of investors in the funds managed by IPOPEMA TFI.

13.7.1. Purchases and sales

In 2016, the Group purchased intangible assets of PLN 716 thousand (2015: PLN 1,539 thousand). In 2016 and 2015, the Group did not sell any intangible assets.

The Group recognised development work of PLN 147 thousand as intangible assets as at December 31st 2016 and PLN 224 thousand as at December 31st 2015.

13.7.2. Impairment losses

In 2016 and 2015, the Group did not identify any impairment of its assets.

13.7.3. Amortisation of intangible assets

Amortisation of intangible assets is recognised in cost of core activities under 'Amortisation'. Amortisation was PLN 1,005 thousand in 2016 (2015: PLN 1,090 thousand).

14. Notes to the consolidated statement of financial position – equity

14.1. Share capital

The financial data concerning the share capital are presented in the złoty.

As at December 31st 2016 and December 31st 2015, the registered share capital was PLN 2,993,783.60 and comprised 29,937,836 shares.

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Share capital structure as at December 31st 2016 and December 31st 2015

Shareholder	Number of shares and voting rights at GM	Value of shares subscribed for (PLN)
IPOPEMA PRE-IPO FIZAN [1]	2,990,789	299,079
JLC Lewandowski S.K.A.[2]	2,990,789	299,079
OFE PZU Złota Jesień*	2,950,000	295,000
IPOPEMA 10 FIZAN [3]	2,851,420	285,142
Katarzyna Lewandowska	2,136,749	213,675
Quercus Parasolowy SFIO*	1,754,164	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.

In 2016 and 2015, there were no changes in the Parent's share capital. As at December 31st 2016 and December 31st 2015, the share capital was PLN 2,994 thousand and comprised:

- 7,000,000 Series A ordinary bearer shares,
- 21,571,410 Series B ordinary bearer shares, and
- 1,366,426 Series C ordinary bearer shares.

Share par value

The par value of all issued shares is PLN 0.10 per share. All issued shares have been paid up in full.

Shareholder rights

Each share of each series (A, B and C) confers the right to one vote. The shares of all series are ordinary shares, with no preference attached to them and with no restrictions on their disposal.

14.2. Other components of equity

Statutory reserve funds

Statutory reserve funds comprise share premium reduced by issue costs. The amount of share premium less the issue costs was PLN 10,351 thousand as at December 31st 2016 and December 31st 2015.

Revaluation capital reserve from revaluation of financial assets available for sale

Revaluation capital reserve is created from fair value measurement of financial assets available for sale. In the event of sale or impairment of a financial asset measured at fair value, the effectively realised part of revaluation capital reserve related to this asset is reclassified to profit or loss.

	As at	
	Dec 31 2016	Dec 31 2015
Revaluation capital reserve from revaluation of financial assets available for sale at beginning of period	110	53
Amount recognised in equity in the reporting period	192	70
Amount reclassified to profit or loss in the reporting period	-	-
Deferred income tax	- 37	- 13
Accumulated profit/(loss) on financial assets available for sale at end of reporting period	**265**	**110**

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Other capital reserves

Other capital reserves have been created in connection with the Incentive Scheme and a change in the value of shares held in a subsidiary. As at December 31st 2016 and December 31st 2015, other capital reserves amounted to PLN 3,214 thousand.

Retained earnings and capital restrictions

The Commercial Companies Code requires that retained earnings of joint-stock companies should be allocated to statutory reserve funds until their amount reaches 1/3 of the share capital; the statutory reserve funds should be used exclusively to cover potential financial losses. In the case of the IPOPEMA Group, this regulation applies to IPOPEMA Securities and IPOPEMA TFI. The Company is required to allocate at least 8% of its current profit for this purpose until the required equivalent of 1/3 of the share capital has been accumulated. As at December 31st 2016 and December 31st 2015, this component of equity totalled PLN 998 thousand.

Retained earnings	Dec 31 2016	Dec 31 2015
Retained earnings/deficit	36,124	35,514
Net profit/loss for period	1,463	3,903
Aggregate capital adjustments resulting from transition to IAS/IFRS	24,814	24,814
Total retained earnings	**62,401**	**64,231**

Dividend

Dividend for a given year which has been approved by the General Meeting and not paid as at the end of the reporting period is disclosed as liabilities under dividend under 'Other liabilities'. As at the end of the reporting period there were no unpaid dividends.

14.3. Non-controlling interests

As at December 31st 2016, non-controlling interests (held by the shareholders of IPOPEMA Business Consulting) amounted to PLN 4,410 thousand (December 31st 2015: PLN 3,508 thousand).

14.4. Capital adequacy requirements

The Parent IPOPEMA Securities is the institution referred to in Art. 95 of Regulation No. 575/2013 of the European Parliament and of the EU Council of June 26th 2013 on prudential requirements for investment institutions and firms, amending Regulation (EU) No. 648/2012 (OJ L of June 27th 2013, as amended) (“CRR”), and as such it is subject in the reporting period to the capital adequacy requirements set forth in the CRR.

IPOPEMA Securities S.A. meets the conditions to be recognised as an EU parent institution and, therefore, in addition to the capital adequacy requirements on a separate basis, the Group is also obliged to meet the capital adequacy requirements on a consolidated basis.

Failure to meet capital adequacy requirements

In the period covered by these consolidated financial statements, the Company did not record any instances of non-compliance with the capital adequacy requirements on a consolidated basis. In the period covered by these financial statements, the Group reported the following instances of exceeding large exposure limits under Article 392 of the CRR:

Date of not meeting capital adequacy requirements	Reasons for not meeting capital adequacy requirements	Was the PFSA notified in advance that the Company may not meet the capital adequacy requirements?
Aug 30 2016 −Sep 5 2016	Significant cash inflows to the Company's bank accounts in connection with a tender offer for the Company shares	Application for permit to exceed the concentration limit was filed with the PFSA on August 17th 2016. On August 29th 2016, the PFSA issued the permit.

The above instance of not meeting the requirements was intended and the PFSA was notified in advance in accordance with applicable laws.

Key data is presented in the tables below.

Item	Dec 31 2016	Dec 31 2015	Average quarterly data Q1 2016	Q2 2016	Q3 2016	Q4 2016
Own funds – (PLN '000)	**74,275**	**73,669**	**71,972**	**73,845**	**74,045**	**74,383**
Tier 1 Capital	74,275	73,669	71,972	73,845	74,045	74,383
Common Equity Tier 1	74,275	73,669	71,972	73,845	74,045	74,383
Additional Tier 1 Capital	-	-	-	-	-	-
Tier 2 Capital	-	-	-	-	-	-
Total risk exposure (PLN '000)	**310,280**	**332,514**	**320,817**	**322,097**	**351,615**	**300,126**
Risk-weighted exposure amounts for credit risk, counterparty credit risk, dilution risk and free deliveries	114,511	144,988	117,572	112,682	146,750	104,332
Total exposure to settlement/delivery risk	-	-	-	-	-	-
Total exposure to position risk, currency risk and commodity price risk	25,141	22,025	32,617	38,787	34,237	25,166
Total exposure to operational risk	170,628	165,502	170,628	170,628	170,628	170,628
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	23,94	22,16	22,43	22,93	21,06	24,78
Tier 1 capital surplus(+)/shortfall(–) (PLN '000)	60,312	58,706	57,536	59,350	58,223	60,878
Tier 1 capital ratio	23,94	22,16	22,43	22,93	21,06	24,78
Tier 1 capital surplus(+)/shortfall(-) (PLN '000)	55,658	53,718	52,723	54,519	52,948	56,376
Total capital adequacy ratio	23,94	22,16	22,43	22,93	21,06	24,78
Total capital surplus(+)/shortfall(-) (PLN '000)	49,452	47,068	46,307	48,077	45,916	50,373

Item	Dec 31 2016
Initial capital (PLN '000)	3,222
Deviation of own funds from initial capital	71,053

15. Notes to the consolidated statement of financial position – liabilities and accruals and deferred income

15.1. Accruals and deferred income

15.1.1. Increase/(decrease) in accruals and deferred income

	2016	2015
As at beginning of reporting period	**9,714**	**7,625**
Recognised during the financial year	14,156	17,456
Used	13,858	15,309
Reversed	339	58
As at end of reporting period	**9,673**	**9,714**

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15.1.2. Accruals and deferred income at end of the reporting period

	Dec 31 2016	Dec 31 2015
Employee benefits*	7,020	8,022
Other	2,653	1,692
Total	**9,673**	**9,714**

** As provided for in 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.*

The Group estimates the liabilities according to its best knowledge at the time of preparing the consolidated financial statements. The amounts and time of realisation of accruals and deferred income are subject to uncertainty. The liability relating to bonuses will be realised within 12 months from the end of the reporting period. The liabilities relating to paid annual leaves are computed as at the end of the reporting period, but the timing of cash outflow under the liabilities is difficult to predict. The liability is realised upon termination of employment relationship with an employee. Other accruals are current liabilities, i.e. the cash outflow is expected to occur within several months from the end of the reporting period.

15.2. Provisions for litigations, fines and damages

None of the Group companies was party to any litigation or court proceedings in 2016 or 2015.

15.3. Liabilities (current)

Current liabilities	Dec 31 2016	Dec 31 2015
To clients	93,748	168,415
To related entities	-	-
To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	130,250	68,947
a) under executed transactions*	130,250	68,941
b) other	-	6
To entities operating regulated securities markets and commodity exchanges	602	563
To the Central Securities Depository of Poland and exchange clearing houses	2,044	844
Borrowings	14,784	15,138
a) from related entities	-	-
b) other	14,784	15,138
Debt securities	4	6
Liabilities under promissory notes	-	-
Taxes, customs duties and social security payable	1,406	818
Salaries and wages	1	-
To investment and pension fund companies and to investment and pension funds	1,704	1,969
Under framework securities lending and short sale agreements	-	-
Other	1,525	1,762
a) dividends payable	-	-
b) other	1,525	1,762
- other liabilities	1,283	1,576
- financial liabilities at amortised cost.	242	186
Total current liabilities	**246,068**	**258,462**

** 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 receivables from and liabilities to KDPW CCP (the agent clearing the transactions which has assumed the rights and obligations of the parties to the transactions).*

Terms and conditions of related-party transactions are presented in Note 25.1.

With the exception of the borrowings specified in Note 15.3.2, the liabilities do not bear interest.

The amount resulting from the difference between VAT payable and VAT receivable is paid to the relevant tax authorities on a monthly basis.

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	Dec 31 2016	Dec 31 2015
Liabilities under executed stock-exchange transactions:	130,250	68,941
- transactions on the Warsaw Stock Exchange	97,968	67,216
- transactions on the Budapest Stock Exchange	20,191	602
- transactions on the Prague Stock Exchange	2,670	-
- transactions on the Vienna Stock Exchange	-	795
- transactions on the Frankfurt Stock Exchange	2,250	219
- transactions on the London Stock Exchange	116	-
- transactions on the New York Stock Exchange	7,055	109
Liabilities under transactions executed on over-the-counter market	-	6
Liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	**130,250**	**68,947**
Gross current liabilities (by currency)	**Dec 31 2016**	**Dec 31 2015**
a) in PLN	169,479	247,027
b) in other currencies (translated into PLN)	76,589	11,435
Total current liabilities	**246,068**	**258,462**

15.3.1. Maturity structure of liabilities

Maturity of current and non-current liabilities as from the end of the reporting period	Dec 31 2016	Dec 31 2015
a) up to 1 month	244,862	257,145
b) over 1 month to 3 months	263	763
c) over 3 months to 1 year	426	234
d) over 1 year to 5 years	487	593
e) over 5 years	-	-
f) past due	517	320
Total liabilities	**246,555**	**259,055**

The above analysis is based on discounted values, as the difference between the discounted and non-discounted values was immaterial and related mainly to liabilities under leases and bank borrowings. Liabilities under bank borrowings comprise an overdraft facility (as described below) and their amount varies from period to period.

15.3.2. Interest-bearing borrowings

Maturity of current and non-current liabilities as from the end of the reporting period	Dec 31 2016	Dec 31 2015
a) credit facility	14,784	15,138
- outstanding amount	14,784	15,138
Current liabilities under borrowings	**14,784**	**15,138**

As at December 31st 2016, the Company's liabilities under borrowings related to its brokerage business amounted to PLN 14,784 thousand (December 31st 2015: PLN 15,138 thousand). The liabilities arise under:

1. Two overdraft facility agreements executed with Alior Bank S.A. on July 22nd 2009. The facilities, renewed each year, are used to finance payments due to the Central Securities Depository of Poland in connection with the brokerage activities; their current term expires on September 15th 2017:
   i. 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 ii.
   ii. 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 i above, both credit facilities are also jointly secured with a security deposit of PLN 4m.
2. HUF 409m current account overdraft facility from Raiffeisen Bank Zrt, used to settle transactions on the Budapest Stock Exchange in connection with brokerage activities, expiring on March 14th 2018. The facility is secured with a security deposit of HUF 409m.

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Interest on borrowings pertains only to short-term facilities. Interest due on borrowings for December 2016, totalling PLN 77 thousand, was not realised in 2016 and was paid in 2017. As at December 31st 2015, unrealised interest on borrowings amounted to PLN 44 thousand and was paid in 2016.

15.4. Bonds

In 2016, the Company issued ten registered bonds with a total nominal value of PLN 2 thousand (2015: PLN 7.6 thousand), with various series maturing in 2016−2019. 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 2016, the Company redeemed PLN 6.4 thousand worth of bonds (2015: PLN 5.6 thousand).

16. Notes to the consolidated statement of comprehensive income

16.1. Revenue from core activities

Revenue from core activities	2016	2015
Revenue from trading in securities	22,665	28,715
Revenue from investment banking services	14,460	18,565
Revenue from management of investment funds and clients' assets	32,762	38,525
Revenue from consultancy services	17,819	12,065
Other revenue from core activities	332	145
Total revenue from core activities	**88,038**	**98,015**

16.2. Operating expenses

Cost of core activities	2016	2015
Fees payable to regulated markets, commodity exchanges, the Central Securities Depository of Poland and exchange clearing houses	6,289	8,333
Payments to CCP	479	443
Salaries and wages	39,765	39,486
Social security	2,754	2,560
Employee benefits	600	513
Raw material and consumables used	601	781
Costs of maintenance and lease of buildings	3,109	4,046
Depreciation and amortisation expenses	2,699	2,520
Taxes and other public charges	2,459	1,865
Other costs, including:	25,945	30,213
- fund management and distribution costs	9,935	14,148
- transaction costs other than cost of clearance through clearing houses or stock exchanges	3,034	3,764
- ICT and information services	3,674	3,572
- marketing, representation and advertising	955	1,922
- software purchases (for recharge)	2,591	739
- other services	5,756	6,068
Total cost of core activities	**84,700**	**90,760**

16.2.1. Employee benefits expense

Employee benefits expense (itemised)	2016	2015
Salaries and wages	39,765	39,438

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Social security and other benefits	2,754	2,560
Costs of future benefits related to retirement severance payments, length-of-service awards and other similar employee benefits	-	-
Costs of share-based payment plan	-	48
Other employee benefits expense	600	513
Total employee benefits expense	**43,119**	**42,559**

16.3. Finance income and costs

Finance income	2016	2015
1.Interest on loans advanced	18	28
2.Interest on deposits	387	615
a) from related entities	-	-
b) other	387	615
3.Other interest	-	-
4.Foreign exchange gains	656	251
a) realised	467	233
b) unrealised	189	18
5.Other	403	487
Total finance income	**1,464**	**1,381**

Finance costs	2016	2015
1.Interest on borrowings, including:	1,236	1,008
a) to related entities	-	-
b) other	1,236	1,008
2.Other interest	152	151
3.Foreign exchange losses	50	134
a) realised	-	59
b) unrealised	50	75
4.Other	599	1,371
Total finance costs	**2,037**	**2,664**

In 2016 and 2015, the capitalisation rate was 0%. The Group did not capitalise borrowing costs.

16.4. Gain (loss) on financial instruments held for trading

In 2016, loss on financial instruments held for trading amounted to PLN 10 thousand (2015: PLN (-) 584 thousand). The result includes dividend income of PLN 52 thousand in 2016 (2015: PLN 89 thousand).

16.5. Operating income and expenses

Other income	2016	2015
a) gain on disposal of property, plant and equipment and intangible assets	-	-
b) reversed accruals and deferred income	331	58
c) reversed impairment losses on receivables	53	380
d) income from re-invoicing	328	767
e) other	423	211
Total other income	**1,135**	**1,416**

Other expenses	2016	2015
a) loss on disposal of property, plant and equipment and intangible assets	2	2
b) impairment losses on property, plant and equipment and intangible assets	-	-

c) recognition of accruals and deferred income	-	55
c) impairment losses on receivables	364	466
d) other, including:	682	967
- membership fees	40	40
- re-charged costs	350	766
- other	292	161
Total other expenses	**1,048**	**1,490**

17. Employee benefits

17.1. Employee share option plans

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 2016 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 consolidated financial statements, the list of persons eligible to subscribe for the remainder of the Series C shares under Share Option Plan III had not been determined, neither had any decisions been made as to whether such shares would be offered.

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 to the *Brokerage and Related Services* segment. In 2016, no option plan costs were incurred.

Share Option Plan I-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.

18. Dividends paid and proposed

On June 29th 2016, the General Meeting resolved to distribute dividend of PLN 3.5m. The 2015 profit of PLN 3,493 thousand was allocated to dividend payment. The dividend per share was PLN 0.11. The dividend record date was set for July 8th 2016, and the dividend payment date – for July 27th 2016. On the dividend payment date, a total of PLN 3,293 thousand was paid out to the shareholders. The difference between the distributed amount and the PLN 3.5m approved by the General Meeting results from rounding off the amount of dividend per share. Pursuant to the General Meeting's resolution, the difference was contributed to the Company's reserve capital.

On April 29th 2016, the General Meeting of IPOPEMA TFI S.A. resolved to pay total dividend of PLN 1,470 thousand, i.e. approximately PLN 0.42 per share. By the date of these financial statements, the dividend had been paid to the Company in full.

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, i.e. approximately PLN 400 per share. The full amount of the dividend was paid out.

By the date of these consolidated financial statements, no final decision had been made by the Parent's Management Board concerning recommended distribution of the 2016 profit. Any decisions in this respect 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.

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19. Income tax

The key components of income tax expense as disclosed in the consolidated statement of comprehensive income are as follows:

	For the year ended Dec 31 2016	For the year ended Dec 31 2015
Profit before tax	**3,096**	**5,458**
Tax calculated at 19% rate	**588**	**1,037**
Taxable income/deductible expenses for which no deferred tax assets were recognised − total consolidation adjustments	1,467	1,583
Tax losses for which no deferred tax assets were recognised − other	-	-
Tax loss carryforwards for which no deferred tax assets were recognised	-	-
Use of unrecognised tax losses	-	-
Non-deductible expenses	1,052	2,623
Deductible/taxable temporary differences for which no deferred tax assets/liabilities were recognised	-	-11
Non-taxable income	-1,765	-1,876
Tax base for current and deferred income tax	**3,850**	**7,777**
Reductions, exemptions	-	-
Income tax expense	**731**	**1,478**

Tax settlements

Tax settlements and other regulated areas of activity are subject to inspection by administrative authorities, which are authorised to impose significant 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 respective tax was paid. Such inspections may result in additional tax liabilities being imposed on the Group companies.

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19.1. Deferred income tax

Temporary differences related to deferred tax assets as at December 31st 2016 and December 31st 2015 were recognised with respect to the following items:

Deferred tax assets	Dec 31 2016	Dec 31 2015
Financial instruments available for sale and held for trading	162	175
Property, plant and equipment	29	13
Current receivables	120	72
Accruals and deferred income	1,735	1,849
Tax loss brought forward	348	49
Other	25	8
Total deferred tax asset	**2,419**	**2,166**

Deferred tax liabilities	Dec 31 2016	Dec 31 2015
Financial instruments available for sale	231	210
Property, plant and equipment	308	310
Current receivables	123	167
Accruals and deferred income	-	-
Other	1	-
Total deferred tax liabilities	**663**	**687**
Net deferred tax assets	**1,756**	**1,479**

Temporary differences related to deferred tax liabilities as at December 31st 2016 and December 31st 2015 were recognised with respect to the following items:

Deferred tax assets	Dec 31 2016	Dec 31 2015
Financial instruments available for sale and held for trading	-	-
Property, plant and equipment	-	-
Current receivables	-	-
Accruals and deferrals	-	-
Tax loss brought forward	-	-
Other	147	21
Total deferred tax asset	**147**	**21**

Deferred tax liabilities	Dec 31 2016	Dec 31 2015
Financial instruments available for sale	-	-
Property, plant and equipment	-	-
Current receivables	193	151
Accruals and deferred income	-	-
Other	3	3
Total deferred tax liabilities	**196**	**154**
Net deferred tax liabilities	**49**	**133**

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20. Additional information of financial instruments

20.1. Fair value of instruments not measured at fair value

As at December 31st 2016 and December 31st 2015, the carrying amounts of financial assets and financial liabilities approximated their fair values.

As at Dec 31 2016

Instrument category and item of the consolidated statement of financial position	carrying amount	fair value
Loans and receivables	**313,005**	**313,005**
- cash and cash equivalents	42,714	42,714
- current and non-current receivables	270,291	270,291
Financial liabilities at amortised cost:	**244,662**	**244,662**
- current liabilities (credit facility)	14,784	14,784
- current liabilities (other than credit facility)	229,878	229,878

As at Dec 31 2015

Instrument category and item of the consolidated statement of financial position	carrying amount	fair value
Loans and receivables	**328,751**	**328,751**
- cash and cash equivalents	148,949	148,949
- current and non-current receivables	179,802	179,802
Financial liabilities at amortised cost:	**257,644**	**257,644**
- current liabilities (credit facility)	15,138	15,138
- current liabilities (other than credit facility)	242,506	242,506

Cash bears interest at fixed and variable interest rates. In 2016 and 2015, the Group did not recognise any impairment losses on loans. Impairment losses on receivables are described in Note 13.2.1. Income from interest on loans and receivables amounted to PLN 427 thousand in 2016 (of which PLN 16 thousand was interest accrued but not received) (2015: PLN 643 thousand, of which PLN 40 thousand was interest accrued but not received). Impairment losses pertain only to instruments that are recognised under loans and receivables.

In 2016, expenses related to interest on a credit facility amounted to PLN 1,236 thousand (2015: PLN 1,008 thousand).
Interest on borrowings pertains only to short-term facilities. In 2016, realised expenses related to interest on bank borrowings amounted to PLN 1,158 thousand (2015: PLN 1,008 thousand), with unrealised interest of PLN 78 thousand reported as at December 31st 2016 (2015: PLN 0).

20.2. Financial assets and liabilities recognised in the consolidated statement of financial position

The table below sets forth financial instruments measured at fair value classified in a three-level hierarchy:

Level 1 – where fair value is measured based on quoted (unadjusted) prices for identical assets or liabilities in active markets,

Level 2 – where fair value is measured based on market inputs other than quoted market prices (e.g. estimated by direct or indirect reference to similar instruments in the market),

Level 3 – where fair value is measured using different valuation techniques which are not based on observable market inputs.

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As at Dec 31 2016

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Derivative instruments	-	-	-	-
Financial assets held for trading other than derivative instruments	126	-	-	126
Total financial assets measured at fair value through profit or loss	**126**	**-**	**-**	**126**
Financial liabilities measured at fair value through profit or loss				
Derivative instruments	-	-	-	-
Total financial liabilities measured at fair value through profit or loss	**-**	**-**	**-**	**-**
Financial assets available for sale measured through equity				
Investment certificates and investment fund units	-	8,561	-	8,561
Debt instruments	7,866	-	-	7,866
Total financial assets available for sale measured through equity	**7,866**	**8,561**	**-**	**16,427**

** The amount does not include the value of shares in IBS Srl, IFA and IFA SK as they are measured at cost (according to IAS 39).*

As at Dec 31 2015

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Derivative instruments	-	-	-	-
Financial assets held for trading other than derivative instruments	1,214	-	-	1,214
Total financial assets measured at fair value through profit or loss	**1,214**	**-**	**-**	**1,214**
Financial liabilities measured at fair value through profit or loss				
Derivative instruments	-	-	-	-
Total financial liabilities measured at fair value through profit or loss	**-**	**-**	**-**	**-**
Financial assets available for sale measured through equity				
Investment certificates and investment fund units	-	3,885*	-	3,885
Debt instruments	7,867	-	-	7,867
Total financial assets available for sale measured through equity	**7,867**	**3,885***	**-**	**11,752**

** The amount does not include the value of shares in IBS Kft and IPOPEMA Outsourcing Sp. z o.o. as they are measured at cost (according to IAS 39).*

In the current period there were no transfers between Level 1 and Level 2.

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21. Exclusions of companies from consolidation

In line with IAS 8.8, which permits departures from the IFRS when the effect of the departure is immaterial, IPOPEMA Business Services Kft., IPOPEMA Business Services Srl, IFA and IFA SK were not consolidated in these consolidated financial statements.

	IPOPEMA Financial Advisory Sp. z o.o.	IPOPEMA Financial Advisory Sp. z o.o. SK	IPOPEMA Business Services Srl.
Total assets as at Dec 31 2016	2	10	55
% share in Parent's total assets	-	-	0.02
Revenue for period Jan 1 – Dec 31 2016	-	-	263
% share in Parent's revenue	-	-	0.70
Net assets as at Dec 31 2016	2	10	40
Net profit/(loss) for period Jan 1 – Dec 31 2016	- 5	-	16

	IPOPEMA Outsourcing Sp. z o.o.	IPOPEMA Business Services Srl.	IPOPEMA Business Services Kft.
Total assets as at Dec 31 2015	1	60	96
% share in Parent's total assets	-	0.02	0.03
Revenue for period Jan 1–Dec 31 2015	-	509	187
% share in Parent's revenue	-	1.07	0.39
Net assets as at Dec 31 2015	1	24	62
Net profit/(loss) for period Jan 1–Dec 31 2015	-	- 8	17

22. Contingent liabilities and contingent assets

No contingent liabilities or contingent assets were carried by the Group as at December 31st 2016 or December 31st 2015.

23. Guarantees

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 under lease of new office space.

In March 2016, mBank S.A. issued a guarantee in respect of the Company's liabilities for the benefit of Raiffeisen Polbank S.A., which is IPOPEMA Securities S.A.'s clearing bank for transactions executed on foreign stock exchanges. The guarantee, valid until March 31st 2018, was issued for EUR 1.5m and secures timely payment of Company's liabilities towards Raiffeisen Polbank arising in connection with the services provided by the Bank, consisting in settlement and clearing of stock exchange transactions. The guarantee is secured with a security deposit of EUR 0.9m (as of March 13th 2017, the security deposit was increased to EUR 1.5m).

24. Business combinations and acquisitions of non-controlling interests

24.1. Business combinations and acquisition of subsidiaries

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 Towarzystwo Funduszy Inwestycyjnych S.A.

In 2016, the Group did not acquire any subsidiaries.

24.2. Disposal of subsidiaries

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In the period covered by these consolidated financial statements and the preceding periods, the Group did not dispose of any businesses.

25. Related-party transactions

Related-party transactions – income and expenses

Related party	Revenue	Purchases	Revenue	Purchases
	Jan 1–Dec 31 2016		Jan 1–Dec 31 2015	
IPOPEMA Business Services Kft.	-	-	-	197
IPOPEMA Business Services Srl	-	262	-	507
IPOPEMA Financial Advisory Sp. z o.o.	-	-	-	-
IPOPEMA Financial Advisory Sp. z o.o. spółka komandytowa	-	-	-	-
Members of the Management and Supervisory Boards	42	73	35	23
Total	**42**	**335**	**35**	**727**

Related-party transactions – receivables and liabilities

Related party	Receivables		Liabilities	
	Dec 31 2016	Dec 31 2015	Dec 31 2016	Dec 31 2015
IPOPEMA Business Services Srl	-	-	-	-
IPOPEMA Financial Advisory Sp. z o.o.	-	-	-	-
IPOPEMA Financial Advisory Sp. z o.o. spółka komandytowa	-	-	-	-
Members of the Management and Supervisory Boards	13	18	-	-
Total	**13**	**18**	**-**	**-**

Under IAS 24, related parties include also members of the Management Board and the Supervisory Board and persons related to them. For information on the remuneration of the above persons, see Note 25.5. For information on the Incentive Scheme for the above persons, see Note 17.1

Related-party transactions and outstanding balances of the Group's receivables and liabilities are excluded during preparation of the Group's consolidated financial statements.

25.1. Terms of related-party transactions

Transactions with related parties are executed on arms' length terms.

25.2. Loan advanced to members of the Management Board

The Group did not advance any loans to members of the Management Board.

25.3. Transactions involving members of the Management and Supervisory Boards

Members of the Management and Supervisory Boards executed (directly or through their subsidiaries) transactions in securities on the regulated market and outside the stock-exchange market, with Group companies acting as intermediaries, and they also used fund management services. The Group's revenue from transactions with those persons totalled PLN 0.4 thousand in 2016 and PLN 3 thousand in 2015.

The Company subleases office space to a company linked to a member of its Supervisory Board. The total value of turnover under the sublease was PLN 73 thousand in 2016 and PLN 32 thousand in 2015.

The Group also used legal advisory services of the law firm of (i) Jacek Jonak, Chairman of the Supervisory Board (the value of the transactions was PLN 33 thousand in 2016 and PLN 23 thousand in 2015), (ii) Zbigniew Mrowiec, Member of the Supervisory Board (the value of the transactions in 2016 was PLN 40 thousand; no transactions in 2015).

25.4. Transactions with subsidiaries

Transactions with IPOPEMA Business Services Kft.

In connection with the operations in Hungary, conducted together with local partners acting as investment firm agents, in 2010 the Company entered into the following agreements with IPOPEMA Business Services Kft. ('IBS'): (i) Services Agreement, whereby IBS provides the Company and its Hungarian partners with office and equipment support services, and (ii) Equipment Lease Agreement, whereby IBS leases computer hardware and software from the Company, in order to properly support the Company's partners operating on the Hungarian market within the scope of their activities performed for the Company. In 2015, expenses related to those agreements amounted to PLN 197 thousand (PLN 0 in 2016).

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 provides the Company and its Romanian partners with office and equipment support services. The Company also made settlements of incurred expenses. In 2016, the total value of transactions under those agreements was PLN 262 thousand compared with PLN 507 thousand in 2015.

Transactions with IPOPEMA TFI

In 2016 and 2015, the Company made settlements with IPOPEMA TFI in connection with IT and securities trading intermediation services provided to the subsidiary. It also made settlements related to expenses it incurred. In 2016, the total value of the Company's turnover from these services was PLN 374 thousand (income), against PLN 232 thousand (income) and PLN 5 thousand (expense) in 2015. The Company also provides services in the area of intermediation in securities trading to the funds managed by IPOPEMA TFI.

In 2016, the Company received dividend of PLN 1.5m from IPOPEMA TFI (no dividend paid in 2015).

Transactions with IPOPEMA Business Consulting

In 2016 and 2015, transactions between the Company and IPOPEMA BC involved settlements of expenses and advisory services. The mutual settlements amounted to PLN 29 thousand (income) and PLN 72 thousand (expense) in 2016 (2015: PLN 28 thousand (income) and PLN 71 thousand (expense)).

In 2015, the Company received from IBC dividend of PLN 400 thousand (in 2016, IBC paid no dividend).

Transactions with IPOPEMA Asset Management ("IAM")

In the period January−November 2015, transactions between the Company and IPOPEMA AM involved settlements of IT services provided by the Company and related expenses. In 2015, the total value of settlements related to the provision of these services was PLN 110 thousand (income) and PLN 20 thousand (expense).

In 2015, the Company received dividend of PLN 1m from IAM.

Transactions with IPOPEMA Financial Advisory Sp. z o.o.

In 2016, transactions between the Company and IFA involved settlements of expenses. The total value of the settlements was below PLN 1 thousand.

Transactions with IPOPEMA Financial Advisory Sp. z o.o. spółka komandytowa

In 2016, transactions between the Company and IFA SK involved settlements of expenses. The total value of the settlements was below PLN 1 thousand.

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25.5. Remuneration of the Group's senior management staff

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 at the IPOPEMA Securities Group:

Total remuneration (including bonuses)	Total remuneration at the IPOPEMA Securities Group		Including in subsidiaries	
	2016	2015	2016	2015
Management Board	**3,346**	**3,473**	**1,080**	**-**
Jacek Lewandowski	887	1.239	270	-
Mirosław Borys	694	468	270	-
Mariusz Piskorski	668	838	270	-
Stanisław Waczkowski	729	685	270	-
Daniel Ścigała	368	243	-	-
Supervisory Board	**117**	**88**	**-**	**-**
Jacek Jonak	33	30	-	-
Janusz Diemko	16	10	-	-
Bogdan Kryca	18	16	-	-
Michał Dobak	24	24	-	-
Zbigniew Mrowiec	26	8	-	-

Benefits to the key management staff

In 2016 and 2015, there were no payments under post-employment benefits, termination benefits, share-based payments, or other long-term benefits. The liabilities under holiday benefits payable to the Parent's Management Board stood at PLN 5 thousand as at December 31st 2016 and at PLN 2 thousand as at December 31st 2015. The holiday benefits were not included in the table above.

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.

26. Items of the consolidated statement of cash flows

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

Operating activities – provision of brokerage and consulting services, fund and asset management services and securities trading in the capacity of a broker.

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.

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Structure of cash

	Presentation in the consolidated statement of financial position		Presentation in the consolidated statement of cash flows	
	Dec 31 2016	Dec 31 2015	Dec 31 2016	Dec 31 2015
Cash and cash equivalents	**42,714**	**148,949**	**42,185**	**148,802**
1. In,hand	2	1	2	1
2. At,banks	26,559	28,423	26,559	28,423
3. Other,cash	15,645	120,494	15,645	120,494
4. Cash,equivalents,(deposit,for,a,period,exceeding,three,months)	508	30	-	-
5. Accrued,foreign,exchange,differences	-	-	-21	-116

The difference between the presentation of cash in the balance sheet and the statement of cash flows in 2016 and in 2015 follows from presentation of cash net of the effect of foreign exchange differences and received gift cards and deposits maturing in more than three months presented under cash and cash equivalents.

Cash at the end of the period comprises the Group's own and its clients' cash and cash equivalents - for more information on the structure of cash see Note 13.1.

Differences in changes in balance-sheet items

	Presentation in the consolidated statement of financial position		Presentation in the consolidated statement of cash flows – change
	Dec 31 2016	Dec 31 2015	2016
Gross current and non-current receivables	271,171	180,371	-90,714
Net receivables	270,291	179,801	
Impairment losses on receivables	880	570	310
Prepayments and accrued income	1,336	1,184	
Accruals and deferred income (net of deferred tax related to equity and provision for unpaid interest)	9,595	9,670	-227
Total increase/(decrease) in impairment losses and accruals and deferrals			**83**

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 2016 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 short-term receivables.

	Presentation in the consolidated statement of financial position		Presentation in the consolidated statement of cash flows – change
	Dec 31 2015	Dec 31 2014	2015
Gross current and non-current receivables	180,371	253,407	73,313
Net receivables	179,801	252,119	
Impairment losses on receivables	570	1,288	-718
Prepayments and accrued income	1,184	1,356	
Accruals and deferred income (net of deferred tax related to equity and provision for unpaid interest)	9,670	7,625	2,133
Total increase/(decrease) in impairment losses and accruals and deferrals			**1,415**

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 short-term receivables.

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27. Leases

The Group as a lessee – right to use a building

Group companies lease office space under lease agreements. 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. The agreement was amended in January 2016 and the lease term was extended until January 2023.

Minimum lease payments are presented in the table below.

Operating lease liabilities	**Dec 31 2016**	**Dec 31 2015**
	Present value of minimum lease payments	
Within 1 year *	2,251	3,112
Within 1 to 5 years *	8,976	9,798
Over 5 years *	2,796	-
Total operating lease liabilities	**14,023**	**12,910**
Cost of operating leases recognised in the year ended	**2,242**	**3,372**

** Average annual value during the lease term.*

The Group as a lessee – finance leases

Group companies are parties to vehicle lease agreements. The financing party has the right to recalculate its fee in the event of changes in the 1M EURIBOR/WIBOR interest rate or regulatory changes (notably tax regime changes). The agreements provide for a mileage limit for the vehicles, which will be accounted for in respect of the entire lease term. If the mileage limit agreed by the parties is exceeded, the lessee has to pay an additional excess mileage charge.

The lease agreements have been classified as finance leases. Minimum lease payments are presented in the table below.

Finance lease liabilities	**Dec 31 2016**	**Dec 31 2015**
Net carrying amount	577	704
Present value of minimum lease payments	727	776
Within 1 year *	242	186
Within 1 to 5 years *	485	590
Over 5 years *	-	-
Contingent lease payments recognised as expense in the period	**226**	**268**

The Group companies did not enter into any sublease agreements.

The Group as a lessor

As at December 31st 2016 and December 31st 2015, no Group company acted as a lessor.

28. Foreign exchange differences

Exchange differences disclosed in the consolidated statement of comprehensive income, other than differences resulting from financial instruments measured at fair value, are presented in Note 16.3. In 2016 and 2015, there were no exchange differences disclosed in other comprehensive income as a component of equity.

29. Security over assets of the IPOPEMA Securities Group

Both in 2016 and 2015, the Group's assets were used as security for working capital overdraft facilities (see Note 15.3.2).

In 2016 and 2015, save for security deposits of PLN 4m and HUF 409m in a bank account, blank promissory notes with promissory note declarations, powers of attorney over bank accounts held with the lending bank (securing an overdraft facility), security deposits securing guarantees (see Note 23), and the security deposit of EUR 0.9m to secure the settlement of transactions executed on foreign stock exchanges, the Group did not have any liabilities secured with its assets as at December 31st 2016.

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 1,384 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.

30. Pending court or administrative proceedings and inspections at the Group companies

30.1. Pending court or administrative proceedings

In April 2016, IPOPEMA Securities filed a suit for payment under writ-of-payment proceedings against one of its clients. The amount of claim is PLN 49.2 thousand. The proceedings are pending.

On July 27th 2016, IPOPEMA TFI received a certified copy of a statement of claim filed by Górnośląskie Przedsiębiorstwo Wodociągów S.A. of Katowice ("GPW"), in which GPW seeks payment of PLN 20,554,900.90 for an alleged financial loss incurred by GPW as a result of its investment in investment certificates of one of the dedicated funds managed by IPOPEMA TFI (a closed-end private equity fund). IPOPEMA TFI believes that the claim brought by GPW is groundless and has taken legal action to have it dismissed by filing a response to the statement of claim with the court (at the moment IPOPEMA TFI is awaiting further decisions by the court with respect to this matter). For this reason, IPOPEMA TFI did not create any provisions for potential costs related to the claim.

In October 2015, the General Inspector for Financial Information imposed a fine of PLN 5 thousand on IPOPEMA TFI for failure to meet the obligation to register a transaction and failure to implement follow-up recommendations issued by the Polish Financial Supervision Authority within the prescribed time limit. IPOPEMA TFI filed a petition with the Minister of Finance to re-examine the case. In December 2015 the Minister of Finance upheld the challenged decision. IPOPEMA TFI appealed the decision to the Provincial Administrative Court, but on August 18th 2016 the Court dismissed the appeal in whole.

In March 2015, the Polish Financial Supervision Authority imposed a fine of PLN 50 thousand on IPOPEMA TFI for non-compliance, in the period from September 4th 2012 to July 29th 2013, by one of the subfunds with the investment restrictions stipulated in its Articles of Association. The non-compliance consisted in investing in futures contracts on the WIG20 index. IPOPEMA TFI rejected the Authority's arguments and filed a request for re-examination of the case, which has not been considered to date.

30.2. Inspections

In 2016, there were three external inspections at the Company. The first inspection was carried out by representatives of the Warsaw Stock Exchange and related to the Company's compliance with the WSE rules applicable to its members and to the fulfilment of the requirements related to access to the WSE IT systems. The post-inspection statements received by the Company contained two recommendations, both of which were implemented. The second inspection was performed by BondSpot S.A. and concerned the Company's compliance with the ATS market regulations and with the conditions of access to the ATS transaction platform. The inspection report delivered to the Company contained two recommendations, both of which were implemented. The last inspection was carried out by the Central Securities Depository of Poland (CSDP) and concerned records of financial instruments and the operation of the IT systems used to maintain the records. The Company received one post-inspection recommendation from the CSDP, which was implemented.

In 2016, an external inspection was carried out at IPOPEMA TFI by the Polish Financial Supervision Authority (PFSA). The inspection focused on the correctness of executing orders to convert investment fund units. Following the inspection, IPOPEMA TFI received certain recommendations from the PFSA, all of which were implemented.

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

Since 2010, the Parent (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).

31. Objectives and principles of financial risk management

Operations on capital markets inherently involve various financial risks which may have a material effect on the Group's operations, as outlined below.

All types of risk are monitored and controlled with respect to the profitability of the Group's business and the level of capital necessary to ensure security of executed transactions in the context of the capital adequacy requirements.

31.1. Market risk

The IPOPEMA Securities Group is exposed to the following types of market risk: interest rate risk, currency risk, credit risk, liquidity risk and price risk understood as the risk of fluctuations in the prices of financial instruments linked to share prices.

In its portfolio, the Group holds shares of companies listed on the Warsaw Stock Exchange. As at December 31st 2016, their value stood at PLN 126 thousand (December 31st 2015: PLN 1,214 thousand). Proprietary trading in shares is limited, therefore the related risk exposure is low. The Group also holds other financial instruments, such as trade payables and receivables arising in connection with its activities.

The Group uses bank borrowings, and holds cash and short-term deposits. The primary purpose of holding those financial instruments is to effectively use financial resources to finance the Group's operations.

The assumptions adopted in the sensitivity analysis as at December 31st 2016 are described in the table next to each type of risk. The sensitivity analysis included the impact on net profit/(loss) and equity within one year from the end of the reporting period. The analysis presented below did not include the impact of tax.

Item of the consolidated financial statements	Value of the item in PLN thousand according to the consolidated statement of financial position	Interest rate risk		Currency risk		Other price risk			
		Effect on profit/(loss)		Effect on profit/(loss)		Effect on profit/(loss)		Effect on equity	
		+ 100 bps (PLN/USD/EUR '000)	- 100 bps (PLN/USD/EUR '000)	+10%	-10%	+10%	-10%	+10%	-10%
Financial assets									
Cash and cash equivalents	29,795	298	-298	657	-657	-	-	-	-
Bank deposits	500	5	-5	-	-	-	-	-	-
Trade and other receivables	268,907	-	-	8,468	-8,468	-	-	-	-
Financial instruments held for trading*	126	-	-	-	-	13	-13	-	-
Financial instruments available for sale**	16,427	79	-79	-	-	-	-	856	-856
Financial liabilities									
Trade and other payables	229,633	-	-	-7,620	7,620	-	-	-	-
Borrowings	14,784	-148	148	-	-	-	-	-	-
Other financial liabilities	732	-7	7	-	-	-	-	-	-
Total	**70,606**	**227**	**-227**	**1,505**	**-1,505**	**13**	**-13**	**856**	**-856**

** Financial instruments held for trading included in the sensitivity analysis are financial instruments involved in brokerage activities.*

*** The amount does not include the value of shares in IBS Srl, IFA and IFA SK as they are measured at cost (according to IAS 39).*

The assumptions adopted in the sensitivity analysis as at December 31st 2015 are described in the table next to each type of risk.

Item of the consolidated financial statements	Value of the item in PLN thousand according to the consolidated statement of financial position	Interest rate risk		Currency risk		Other price risk			
		Effect on profit/(loss)		Effect on profit/(loss)		Effect on profit/(loss)		Effect on equity	
		+ 100 bps (PLN/USD/EUR '000)	- 100 bps (PLN/USD/EUR '000)	+10%	-10%	+10%	-10%	+10%	-10%
Financial assets									
Cash and cash equivalents	44,643	446	-446	1,602	-1,602	-	-	-	-
Bank deposits	-	-	-	-	-	-	-	-	-
Trade and other receivables	178,434	-	-	1,034	-1,034	-	-	-	-
Financial instruments held for trading*	1,214	-	-	-	-	121	-121	-	-
Financial instruments available for sale**	11,764	79	-79	56	-56	-	-	390	-390
Financial liabilities									
Trade and other payables	242,468	-	-	-1,041	1,041	-	-	-	-
Borrowings	15,138	-151	151	-	-	-	-	-	-
Other financial liabilities	786	-8	8	-	-	-	-	-	-
Total	**-22,181**	**366**	**-366**	**1,651**	**-1,651**	**121**	**-121**	**390**	**-390**

** Financial instruments held for trading included in the sensitivity analysis are financial instruments involved in brokerage activities.*

*** The amount does not include the value of shares in IBS Kft, IBS Srl, and IO (currently IFA) as they are measured at cost (according to IAS 39).*

31.2. Interest rate risk

The Group has liabilities under working capital facilities on which interest accrues at variable rates. This gives rise to the risk that interest rates may increase in relation to their level as at the agreement date. Moreover, the Group 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 13.1 and Note 15.3.

Given that in the reporting period the Group held both assets and liabilities bearing interest at fixed and 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 Group did not hedge its exposure to the interest rate risk, as in its opinion the risk is not significant.

	2016			
Variable interest rate	**<1rok**	**1-5 years**	**> 5 years**	**Total**
Cash assets	41,706	-	-	41,706
Overdraft facilities	14,784	-	-	14,784
Total	**26,922**	**-**	**-**	**26,922**

	2016			
Fixed interest rate	**<1rok**	**1-5 years**	**> 5 years**	**Total**
Cash assets	500	-	-	500
Total	**500**	**-**	**-**	**500**

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	2015			
Variable interest rate	**<1rok**	**1-5 years**	**> 5 years**	**Total**
Cash assets	45,940	-	-	45,940
Overdraft facilities	15,138	-	-	15,138
Total	**30,802**	**-**	**-**	**30,802**

	2015			
Fixed interest rate	**<1rok**	**1-5 years**	**> 5 years**	**Total**
Cash assets	102,978	-	-	102,978
Total	**102,978**	**-**	**-**	**102,978**

31.3. Currency risk

The Group is exposed to limited currency risk as it incurs most of its operating expenses in the złoty. Currency risk is primarily related to changes in the USD, EUR, HUF, CZK, and RON exchange rates, however both in 2016 and 2015 most of operating expenses were incurred in the złoty. The Group did not have any foreign-currency borrowings, however due to its operations in Hungary, Czech Republic and Romania it uses foreign currencies (HUF, CZK and RON) to settle stock-exchange transactions and other operating expenses in those markets (including fees payable to the clearing bank and stock exchanges). Owing to the nature of the transaction settlements (with the Parent acting as an intermediary), the share of this risk in the Group's overall risk is immaterial. The Company holds foreign-currency deposits and cash in bank accounts. For an assessment of the effect of foreign exchange fluctuations as at December 31st 2016 and December 31st 2015, see Note 31.1.

	Dec 31 2016	Dec 31 2015
Foreign-currency receivables		
- EUR	4,542	309
- HUF	2,446,153	340,342
- USD	6,324	185
- CZK	36,435	22,985
- RON	48	48
Foreign-currency liabilities		
- EUR	3,917	453
- HUF	1,885,380	346,602
- USD	6,375	326
- CZK	35,343	22,185
- GBP	2	2
- RON	1	9
Cash in foreign currencies		
- CZK	76	293
- EUR	1,096	2,483
- HUF	2,267	58,019
- RON	283	626
- USD	254	1,118
- GBP	7	19
- SEK	3	27
- JPY	2	350
- DKK	1	67
- NOK	12	231
- CHF	7	30
- AUD	1	
- TRY	223	214

31.4. Price risk

The Group holds financial instruments traded on a regulated market (the Warsaw Stock Exchange). The Group 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 consolidated financial statements. The Group also holds investment certificates and investment fund units, which are exposed to the risk of volatility of certificate current price, but the aggregate value of the certificates and fund units is immaterial.

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

For an assessment of the effect of changes in financial instrument prices as at December 31st 2016 and December 31st 2015, see Note 31.1.

31.5. Credit risk

The Group is exposed to credit risk understood as the risk that the Group's debtors may fail to fulfil their obligations and thus cause losses to the Group. In view of the above, the Group believes that credit risk was accounted for in the consolidated financial statements through recognition of impairment losses. Receivables by maturity and amounts of recognised impairment losses are presented in Note 13.2.1.

In the Management Board's opinion, there is no significant concentration of credit risk at the Group as the Group renders services to a large number of clients. None of the clients' accounts for more than 10% of the Group's revenue.

With respect to the Group's other financial assets, such as cash and cash equivalents, financial assets held for trading and 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 (see Note 13.1, 13.4 and 13.5). Credit risk connected with bank deposits, financial instruments and other investments is considered low as the Group executed the transactions with institutions of sound financial standing.

The Group companies had no exposures with modified terms subject to forbearance in 2016 or 2015. Forbearance occurs when the lender modifies the terms of a loan or debt instrument if the borrower is unable to meet them due to financial difficulties. Concessions may include an interest rate reduction or postponement of the principal repayment date (i.e. changing or refraining from the enforcement of contractual requirements). The policy of forbearance is a set of measures involving renegotiation and restructuring of loan terms.

As at December 31st 2016, the maximum value at risk under credit risk for instruments carried as loans advanced and receivables (Note 20.1) was PLN 313,005 thousand (December 31st 2015: PLN 328,751 thousand).

31.6. Liquidity risk

The Group 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 Group's inability to raise new financing or refinance its debt. The Group'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 Group's opinion, given the significant amount of cash held as at the end of the reporting period (Note 13.1), access to credit facilities to finance the Groups' operations on the WSE (Note 15.3.2), and the sound financial standing of the Group, the liquidity risk is insignificant.

Note 15.3.1 includes a table setting forth liabilities by maturity. The vast majority of the liabilities (96%) relate to transactions executed on stock exchanges, in the majority of which the Group 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 2016, the balance of stock exchange transactions (receivables vs. liabilities) stood at PLN 437 thousand (December 31st 2015: PLN (-)279 thousand). Principal 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.

32. Capital management

The objective of the Group's capital management policy is to ensure that the Group entities continue as going concerns and to maximise return for the shareholders. As at December 31st 2016 and December 31st 2015, the Group's equity was PLN 79,225 thousand and PLN 80,900 thousand, respectively.

IPOPEMA Securities S.A. is a brokerage house, and it also meets the conditions to be recognised as an EU parent institution and therefore, in addition to the capital adequacy requirements on a separate basis, the Group is also obliged to meet the capital adequacy requirements on a consolidated basis. The Group is required to calculate own funds and prudential requirements in compliance with 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). As one of the requirements imposed under the Regulation, the Group must maintain an adequate level of consolidated own funds.

Despite its considerable equity value, the Company uses debt financing. In accordance with applicable regulations, the Company must satisfy capital adequacy requirements, as described in Note 14.4. In connection with its operations on the secondary market, upon the closing of each trading day the Company is obliged to ensure an appropriate amount of funds for the Settlement Guarantee Fund. Currently, the Company transfers contributions to the Fund using proceeds from a credit facility (for details see Note 15.3.2). There is a risk that the level of equity (and own funds) and the available debt financing will limit the turnover potentially achievable by the Company. To date, the Company has not encountered any problems in making sufficient contributions to the Settlement Guarantee Fund, and the present amount of the available credit facility ensures safe continuation of business at the current level or even a substantial increase in business volumes. However, there can be no assurance that the Bank will extend the term of the credit facility agreement. If this is the case, the Company will finance its operations using internally-generated funds; additionally, it will also take steps to obtain financing from another bank.

It should be also noted that if the Company's clients fail to settle transactions concluded on their behalf in a timely manner, the Company may be required to execute such transactions using its own funds.

Given the scope and nature of the Company's business, the current level of the Company's equity is sufficient. However, it is possible that the current or planned business projects will require a higher level of equity. If the equity base needs to be increased, the Company may have to increase the share capital through an issue of new shares.

If any events with an adverse effect on the Company's financial performance occur or if the Company incurs losses, the level of equity may be reduced, which may also limit the Company's ability to use debt financing and force the Company to scale down its business.

IPOPEMA TFI, as an investment fund company (management company), is also obliged to comply with the requirement to secure a sufficient level of equity in accordance with Art. 49 and Art. 50 of the Act on Investment Funds and Management of Alternative Investment Funds of May 27th 2004 and Art. 12-15 of Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012.

These provisions stipulate that the management company's initial capital necessary to carry out its activities must be no less than the złoty equivalent of EUR 730,000. The management company must maintain its equity at a level not lower than 25% of the difference between the total costs and the variable cost of distribution incurred in the previous financial year. Once the value of the assets of investment funds managed by the management company exceeds the PLN equivalent of EUR 250,000 thousand, the management company must immediately increase its equity by an additional amount equal to 0.02% of the difference between the total asset value of all funds managed by the management company and the PLN equivalent of EUR 250,000 thousand. The management company is not required to increase its equity if the sum of its initial capital and the additional amount exceeds the złoty equivalent of EUR 10,000 thousand. In addition, as a management company managing alternative investment funds (AIFs), under Articles 12-15 of Regulation 231/2013 IPOPEMA TFI is required to increase its equity, as determined in accordance with the rules described above, to appropriately cover the risk of claims that may be raised against it on account of its non-performance or improper performance of obligations related to the management of a specialised open-end investment fund or a closed-end investment fund, by an additional amount equal to 0.01% of the value of AIF assets or enter into a professional indemnity insurance agreement to cover the risks of non-performance or improper performance of its obligations related to management of a specialised open-end investment fund or a closed-end investment fund.

IPOPEMA TFI maintains its equity at the level required by Art. 49 and 50 of the Act, and maintains additional own funds to cover the risks of non-performance or improper performance of its obligations related to management of funds. IPOPEMA TFI calculates its additional own funds requirement at the end of each financial year and increases the funds if necessary.

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33. Workforce structure

In 2016 and 2015, the average number of employees at the IPOPEMA Securities Group was as follows:

	2016	2015
Management Board of the Parent	5	4
Management Boards of the Group companies	6	6
Other	191	177
Total	**202**	**187**

34. Clients' financial instruments

As at December 31st 2016, the value of stock-exchange listed financial instruments in book-entry form registered in clients' accounts was PLN 408,272 thousand (24,434 thousand instruments) (December 31st 2015: PLN 658,465 thousand (96,011 instruments)). As at December 31st 2016, the Company kept 40 thousand bonds in certificated form for its clients, valued at PLN 40m, and 162,583 thousand shares, valued at PLN 16,258 thousand. In the comparative period, i.e. 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.

The Company also operates an issue sponsor's account. As at December 31st 2016, 291 thousand WSE-listed financial instruments in book-entry form (shares) were registered in the account, worth PLN 560 thousand (December 31st 2015: 291 thousand shares with a value of PLN 632 thousand).

35. Auditor's fees

Under a contract of July 19th 2016, the entity authorised to audit the Company's full-year separate and consolidated financial statements for 2016 and to review the financial statements for H1 2016 is BDO Sp. z o.o., with its registered office at ul. Postępu 12, Warsaw, Poland. The auditor was engaged to perform the audit and review services with respect to the full-year and half-year periods of 2016.

	2016	2015
Mandatory audit of financial statements	89	78
Other assurance services	79	81
Other services	-	-
Total	**168**	**159**

36. Discontinued operations

The Group did not identify any discontinued operations in 2016 or 2015. Accordingly, all information presented in these consolidated financial statements relates to continuing operations.

37. Events subsequent to the end of reporting period

All events with effect on the 2016 consolidated financial statements are disclosed in the accounting records for 2016.

Warsaw, March 21st 2017

Jacek Lewandowski
President of the Management Board

Mariusz Piskorski
Vice-President of the Management Board

Stanisław Waczkowski
Vice-President of the Management Board

Mirosław Borys
Vice-President of the Management Board

Danuta Ciosek
Chief Accountant