

IPOPEMA Securities S.A.

Interim condensed financial statements

**for the nine months ended
September 30th 2012**

Warsaw, November 8th 2012



Financial highlights

Financial highlights	PLN '000				EUR '000			
	3 months ended		9 months ended		3 months ended		9 months ended	
	Sep 30 2012	Sep 30 2011						
Revenue from core activities	9,300	21,546	33,712	58,791	2,249	5,143	8,037	14,547
Cost of core activities	8,720	13,958	27,455	38,897	2,109	3,332	6,545	9,625
Profit on core activities	580	7,588	6,257	19,894	140	1,811	1,492	4,923
Operating profit	458	5,609	9,433	17,504	111	1,339	2,249	4,331
Pre-tax profit	- 215	5,965	6,636	18,608	- 52	1,424	1,582	4,604
Net profit	- 276	5,657	5,910	14,903	- 67	1,350	1,409	3,688
Net earnings per ordinary share (weighted average) (PLN/ EUR)	- 0.01	0.19	0.20	0.50	0.00	0.05	0.05	0.12
Net cash from operating activities	- 15,127	- 38,125	- 27,776	11,725	- 3,658	- 9,100	- 6,622	2,901
Total cash flows	- 27,148	- 29,882	- 36,629	6,332	- 6,565	- 7,133	- 8,732	1,567

Financial highlights	PLN '000				EUR '000			
	Sep 30 2012	Jun 30 2012	Dec 31 2011	Sep 30 2011	Sep 30 2012	Jun 30 2012	Dec 31 2011	Sep 30 2011
Total assets	454,369	509,239	607,285	811,999	110,450	119,503	137,494	184,077
Current liabilities	396,604	450,791	535,269	740,316	96,408	105,787	121,189	167,826
Equity	56,708	56,998	65,301	64,616	13,785	13,376	14,785	14,648
Number of shares	29,752,122	29,752,122	29,554,801	29,554,801	29,752,122	29,752,122	29,554,801	29,554,801
Book value per share (PLN/EUR)	1.91	1.92	2.21	2.19	0.46	0.45	0.50	0.50

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

- Items of the income statement 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	Jan 1–Sep 30 2012	Jan 1–Sep 30 2011
EUR	4.1948	4.0413

- Items of the balance sheet:

Exchange rate as at	Sep 30 2012	Dec 31 2011	Sep 30 2011
EUR	4.1138	4.4168	4.4112

Introduction to financial statements

The Company

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

The Company's registered office is at ul. Waliców 11, Warsaw, Poland.

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

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

On June 30th 2005, the Polish Securities and Exchange Commission (currently the Polish Financial Supervision Authority) granted a brokerage licence to the Company, authorising it to conduct brokerage activities in the scope specified in the decision.

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.

The Company's core business comprises brokerage activities and business and management consulting services.

All Company shares (a total of 29,752,122 shares) issued to date are admitted to trading on the regulated market operated by the Warsaw Stock Exchange and have been introduced to trading on the main market. May 26th 2009 was the first listing date.

Going-concern assumption

These financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future, that is over 12 months after the balance-sheet date. As at the date of approval of these financial statements, no circumstances have been identified which would threaten the Company's continuing as a going concern, as a result of voluntary or involuntary discontinuation or material limitation of its existing operations, within at least 12 months from the balance-sheet date, that is September 30th 2012.

Composition of the Management Board and the Supervisory Board

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

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

There were no changes in the composition of the Company's Management Board in the first nine months of 2012 or in 2011.

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

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

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

Basis for preparation of these condensed financial statements

These condensed financial statements cover the period from January 1st to September 30th 2012 and include comparative data for the period from January 1st to September 30th 2011 (for the income statement and the statement of cash flows) and, additionally, data as at June 30th 2012 (for the balance sheet) and December 31st 2011 (for the balance sheet and the statement of changes in equity).

These financial statements have been prepared in accordance with the Polish Accounting Standards ("PAS").

The Company is the parent of a group comprising the following companies:

- IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. ("IPOPEMA TFI") of Warsaw – 100% interest;
- IPOPEMA Asset Management S.A. ("IAM") of Warsaw – 100% interest;
- IPOPEMA Business Consulting Sp. z o.o. ("IBC") of Warsaw – 50.02% interest; the company is the parent with respect to IPOPEMA Outsourcing Sp. z o.o., being its sole shareholder;
- IPOPEMA Business Services Kft. ("IBS") of Budapest (Hungary) – 100% interest.

The parent and its subsidiaries make up the IPOPEMA Securities Group ("the IPOPEMA Securities Group", "the Group"). Pursuant to Art. 58.1 of the Accountancy Act, IPOPEMA Business Services Kft. and IPOPEMA Outsourcing Sp. z o.o. have not been consolidated due to immateriality of their financial data.

Identification of financial statements

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

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

Selected accounting policies

Receivables

Current receivables

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

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

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

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

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

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

Under receivables, the Company also recognises receivables under lease of property, plant and equipment and intangible assets to IPOPEMA Business Services Kft. The value of the leased out property, plant and equipment and intangible assets was PLN 302 thousand as at September 30th 2012 (December 31st 2011: PLN 393 thousand), including non-current receivables of PLN 177 thousand (December 31st 2011: PLN 272 thousand).

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

Current receivables from clients, current receivables from banks conducting brokerage activities and other brokerage houses, current liabilities to clients and current liabilities to banks conducting brokerage activities and other brokerage houses arise in connection with the executed transactions of purchase and sale of securities which have not yet been cleared at the clearing houses due to the transaction settlement procedure (T+3). In the case of purchase transactions executed on stock exchanges to fulfil orders placed by clients whose accounts are kept by custodian banks, the Group recognises current liabilities towards banks conducting brokerage activities and other brokerage houses (parties to the market transactions) and current receivables from the clients for whom the purchase transactions were executed. In the case of sale transactions executed on stock exchanges to fulfil 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.

Non-current receivables

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

Financial instruments

Financial instruments are classified into the following categories:

1. Financial assets

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

2. Financial liabilities

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

Financial assets and liabilities held for trading

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

As financial assets held for trading the Company recognises securities acquired in its trading transactions and securities acquired in erroneous transactions. These include shares in companies listed both on the Warsaw Stock Exchange ("the WSE") and the Budapest Stock exchange ("the BSE"), but also equity- and index-based derivatives (options and *futures* traded on the WSE, and *forwards*). In the category of financial liabilities held for trading, the Company recognises derivative financial instruments. Both the financial assets and liabilities held for trading are listed on the Warsaw Stock Exchange or the Budapest Stock Exchange, with the exception of *forward* contracts entered into by the Company.

Financial assets are recognised at acquisition cost as at the transaction date, i.e. at the fair value of expenses incurred or other assets transferred in return, whereas financial liabilities are recognised as at the contract date at the fair value of the amount or other assets received. For the purpose of measurement of the fair value as at the transaction date, the Company takes into account the incurred transaction cost.

The Company does not apply hedge accounting.

Loans advanced and receivables

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

Financial assets held to maturity

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

Financial assets held to maturity are classified as non-current assets if their terms to maturity are longer than 12 months from the balance-sheet date. The Company recognised no financial assets held to maturity in the reporting period or in the comparative period.

Financial assets available for sale

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

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

Shares in subsidiaries are measured at cost less impairment. Shares in a subsidiary denominated in a foreign currency are translated into the Polish currency at the mid exchange rate quoted for that foreign currency by the National Bank of Poland for the balance-sheet date.

Other financial liabilities

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

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

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

Impairment of financial instruments

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

Liabilities

Current liabilities

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

Liabilities are measured at amounts payable. Recognition of current liabilities arising from the executed transactions is presented above, in the description of current receivables.

Non-current liabilities

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

Translation of foreign-currency items

Interim condensed financial statements of IPOPEMA Securities S.A. for the first nine months of 2012

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

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

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

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

Currency	Sep 30 2012	Dec 31 2011	Sep 30 2011
USD	3.1780	3.4174	3.2574
EUR	4.1138	4.4168	4.4112
HUF 100	1.4502	1.4196	1.5097
GBP	5.1571	5.2691	5.0832
UAH	0.3920	0.4255	0.4076
CZK	0.1634	0.1711	0.1791
CHF	3.4008	3.6333	3.6165
INR 100	6.0448	6.4100	6.6452

Source: National Bank of Poland.

Changes in estimates

Within the period covered by these financial statements, there were no changes in estimates other than changes in provisions for receivables and impairment losses on receivables, as discussed in Note 7.

Changes in applied accounting policies

The policies applied in the period covered by these financial statements are described in detail in the financial statements for 2011, published on March 20th 2012. In the first nine months of 2012, the Company did not change its accounting policies.

Comparability of the reported data

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

Seasonality

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

Correction of errors of past periods

There are no corrections of errors of past periods in these financial statements.

Interim condensed financial statements of IPOPEMA Securities S.A. for the first nine months of 2012

ASSETS (PLN '000)		Note	Sep 30 2012	Jun 30 2012	Dec 31 2011	Sep 30 2011
I.	Cash and cash equivalents	1	52,377	79,697	90,339	94,522
1.	In hand		6	7	8	7
2.	At banks		12,622	21,376	30,744	25,381
3.	Other cash		35,709	54,264	55,496	65,094
4.	Cash equivalents		4,040	4,050	4,091	4,040
II.	Current receivables	2, 7	380,297	411,190	500,708	701,316
1.	From clients		186,585	128,771	204,607	302,738
2.	From related entities	17	795	1,517	1,273	1,522
3.	From banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		136,638	229,655	251,990	350,369
a)	under executed transactions		136,638	229,655	251,990	350,369
4.	From entities operating regulated markets and commodity exchanges		-	-	-	-
5.	From the National Depository for Securities and exchange clearing houses		53,057	48,042	42,476	45,915
6.	From issuers of securities or selling shareholders		-	-	-	-
7.	Taxes, subsidies and social security receivable		381	381	59	114
8.	Other		2,841	2,824	303	658
III.	Financial instruments held for trading	3, 4	5,576	805	1,522	1,133
1.	Equities		5,576	805	1,294	1,111
2.	Derivative instruments		-	-	228	22
IV.	Current prepayments and accrued income		1,003	553	441	789
V.	Financial instruments held to maturity		-	-	-	-
VI.	Financial instruments available for sale	3, 4	6,984	7,001	7,007	6,817
1.	Shares and other equity interests		6,637	6,637	6,637	6,450
	- in subordinated entities		6,637	6,637	6,637	6,450
2.	Investment certificates		347	364	370	367
VII.	Non-current receivables		1,451	4,071	372	402
VIII	Non-current loans advanced		1,717	1,987	2,433	2,589
1.	Other		1,717	1,987	2,433	2,589
IX.	Intangible assets	4, 5	2,147	1,877	1,946	1,974
1.	Acquired permits, patents, licenses and similar assets, including:		2,147	1,877	1,946	1,974
	- computer software		2,147	1,877	1,946	1 974
X.	Property, plant and equipment	4, 5	2,669	1,817	1,348	1 226
1.	Tangible assets, including:		1,170	1,074	1,315	1 111
a)	computer assemblies		728	615	779	553
b)	other tangible assets		442	459	536	558
2.	Tangible assets under construction		1,499	743	33	115
XI.	Non-current prepayments and accrued income		148	241	1,169	1 231
1.	Deferred tax assets	12	148	241	1,169	1 231
Total assets			454,369	509,239	607,285	811,999

Warsaw, November 8th 2012

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

Interim condensed financial statements of IPOPEMA Securities S.A. for the first nine months of 2012

EQUITY AND LIABILITIES (PLN '000)		Note	Sep 30 2012	Jun 30 2012	Dec 31 2011	Sep 30 2011
I. Current liabilities		6	396,604	450,791	535,269	740,316
1.	To clients		140,876	253,661	272,283	319,022
2.	To related parties	17	392	16	392	57
3.	To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		227,026	155,956	240,732	392,840
a)	under executed transactions		227,026	155,956	240,732	392,840
4.	To entities operating regulated markets and commodity exchanges		718	796	836	1,894
5.	To the National Depository for Securities and exchange clearing houses		4,785	4,367	3,912	7,424
6.	Borrowings and other debt instruments		20,957	19,280	15,083	12,016
a)	from related parties		-	-	-	-
b)	other		20,957	19,280	15,083	12,016
7.	Taxes, customs duties and social security payable		413	322	548	551
8.	Salaries and wages		-	-	-	28
9.	Other		1,437	16,393	1,483	6,484
II. Non-current liabilities			-	-	-	-
III. Accruals and deferred income			-	-	-	-
IV. Provisions for liabilities		7	1,057	1,450	6,715	7,067
1.	Deferred tax liabilities	12	357	395	690	571
2.	Other		700	1,055	6,025	6,469
a)	non-current		-	-	-	-
b)	current		700	1,055	6,025	6,469
V. Subordinated liabilities			-	-	-	-
VI. Equity			56,708	56,998	65,301	64,616
1.	Share capital	8	2,975	2,975	2,955	2,955
2.	Reserve funds		47,850	47,850	46,768	46,768
a)	share premium		9,435	9,435	8,474	8,474
b)	statutory reserve funds		992	992	985	985
c)	reserve funds created pursuant to the Articles of Association		37,423	37,423	37,309	37,309
3.	Revaluation capital reserve		- 27	- 13	- 7	- 10
4.	Retained earnings		-	-	-	-
5.	Net profit	13	5,910	6,186	15,585	14,903
Total equity and liabilities			454,369	509,239	607,285	811,999
Book value (PLN '000)			56,708	56,998	65,301	64,616
Number of shares as at end of period			29,752,122	29,752,122	29,554,801	29,554,801
Book value per share (PLN)			1.91	1.92	2.21	2.19
Diluted number of shares			29,782,555	29,775,035	29,754,097	29,755,018
Diluted book value per share (PLN)			1.90	1.91	2.19	2.17

Warsaw, November 8th 2012

Interim condensed financial statements of IPOPEMA Securities S.A. for the first nine months of 2012

Jacek Lewandowski
President of the Management
Board

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Vice-President of the
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OFF-BALANCE-SHEET ITEMS (PLN '000)	Note	Sep 30 2012	Jun 30 2012	Dec 31 2011	Sep 30 2011
I. Contingent liabilities	9	-	-	-	-
II. Third-party assets used		-	-	-	-
III. Futures/forwards purchased or issued in the name and for the account of the brokerage house		7,865*	4,911*	16,354*	11,261*

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

Warsaw, November 8th 2012

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Interim condensed financial statements of IPOPEMA Securities S.A. for the first nine months of 2012

Income statement (PLN '000)		Note	Jul 1–Sep 30 2012	Jan 1–Sep 30 2012	Jul 1–Sep 30 2011	Jan 1–Sep 30 2011
I.	Revenue from brokerage activities, including:		9,300	33,712	21,546	58,791
	- from related parties	17	35	39	-	58
1.	Fee and commission income		7,997	26,905	18,845	53,168
a)	from transactions in financial instruments made in the name of the Company but for the account of the party placing an order		7,528	26,911	12,487	43,613
b)	from offering financial instruments		-	2,225	5,917	8,012
c)	other		469	469	441	1,543
2.	Other income		1,303	4,107	2,701	5,623
a)	from offering financial instruments		-	-	377	647
b)	from discretionary management of third-party securities portfolios		4	143	- 322	- 152
c)	other		1,299	3,964	2,646	5,128
II.	Cost of brokerage activities		8,720	27,455	13,958	38,897
	- from related parties	17	211	702	221	694
1.	Fees payable to regulated markets, commodity exchanges, the National Depository for Securities and exchange clearing houses		2,441	7,711	4,318	10,861
2.	Fees payable to commercial chamber		-	-	-	-
3.	Salaries and wages		3,619	11,389	6,803	18,665
4.	Social security and other benefits		142	844	125	568
5.	Employee benefits		42	114	47	110
6.	Materials and energy used		83	217	62	299
7.	Costs of maintenance and lease of buildings		221	690	225	657
8.	Depreciation and amortisation		278	849	276	791
9.	Taxes and other public charges		431	1,194	263	1,053
10.	Other		1,463	4,447	1,839	5,893
III.	Profit (loss) on brokerage activities		580	6,257	7,588	19,894
IV.	Income from financial instruments held for trading		399	2,116	577	2,070
1.	Dividends and other profit distributions		9	172	8	20
2.	Revaluation adjustments		34	157	117	382
3.	Gain on sale/redemption		356	1,787	452	1,668
4.	Other		-	-	-	-
V.	Cost related to financial instruments held for trading		526	2,952	2,570	4,491
1.	Revaluation adjustments		6	318	-,98	128
2.	Loss on sale/redemption		520	2,634	2,668	4,363
VI.	Gain (loss) on transactions in financial instruments held for trading		- 127	- 836	- 1,993	- 2,421
VII.	Income from financial instruments available for sale		-	3,800	-	-
1.	Dividends and other profit distributions		-	3,800	-	-
	- from related parties		-	3,800	-	-
VIII.	Cost related to financial instruments available for sale		-	-	-	-
IX.	Gain (loss) on transactions in financial instruments available for sale		-	3,800	-	-
X.	Other operating income		76	205	547	672
1.	Other		76	205	547	672
XI.	Other operating expenses		71	190	536	664
1.	Other		71	190	536	664
XII.	Difference between provisions for and impairment losses on receivables		-	197	3	23
1.	Decrease in impairment losses on receivables		-	200	3	30
2.	Increase in impairment losses on receivables		-	3	-	7

Interim condensed financial statements of IPOPEMA Securities S.A. for the first nine months of 2012

XIII. Operating profit	458	9,433	5,609	17,504
XIV. Finance income	774	2,653	2,006	3,517
1. Interest on loans advanced, including:	22	58	18	52
- from related parties	5	14	5	14
2. Interest on deposits	272	872	289	917
- from related parties	-	-	-	-
3. Other interest	3	10	4	13
4. Foreign exchange gains	-9	394	1,336	1,435
a) realised	-9	394	-12	45
b) unrealised	-	-	1 348	1,390
5. Other	486	1,319	359	1,100
XV. Finance costs	1,447	5,450	650	2,413
1. Interest on borrowings and other debt instruments, including:	353	1,000	397	803
- to related parties	-	-	-	-
2. Other interest	37	99	-	3
3. Foreign exchange losses	320	1,497	-	-
a) realised	-	-	-	-
b) unrealised	320	1,497	-	-
4. Other	737	2,854	253	1,607
XVI. Profit before extraordinary items	- 215	6,636	6,965	18,608
XVII. Pre-tax profit	- 215	6,636	6,965	18,608
XVIII. Income tax	61	726	1,308	3,705
XIX. Net profit	- 276	5,910	5,657	14,903
Weighted average number of ordinary shares	29,716,115	29,716,115	29,509,654	29,509,654
Earnings per ordinary share (PLN)	- 0.01	0.20	0.19	0.51
Weighted average diluted number of ordinary shares	29,782,555	29,782,555	29,755,018	29,755,018
Diluted earnings per ordinary share (PLN)	- 0.01	0.20	0.19	0.50

Warsaw, November 8th 2012

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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

Interim condensed financial statements of IPOPEMA Securities S.A. for the first nine months of 2012

STATEMENT OF CASH FLOWS (PLN '000)	Note	Jul 1–Sep 30 2012	Jan 1–Sep 30 2012	Jul 1–Sep 30 2011	Jan 1–Sep 30 2011
A. NET CASH FROM OPERATING ACTIVITIES					
I. Net profit		- 276	5,910	5,657	14,903
II. Total adjustments		- 14,851	- 33,686	32,468	- 3,178
1. Depreciation and amortisation		278	849	276	791
2. Foreign exchange gains/(losses)		260	1,444	- 1,090	- 1,123
3. Interest and profit distributions (dividends)		245	- 3,240	331	475
4. Gain (loss) on investing activities		203	611	197	569
5. Change in provisions and impairment losses on receivables		- 383	- 6,750	2,407	173
6. Change in financial instruments held for trading		- 4,771	- 4,054	1,198	7,720
7. Change in receivables		30,064	121,530	37,869	- 419,001
8. Change in current liabilities (net of borrowings and other debt instruments), including special accounts		- 40,394	- 144,540	- 8,604	407,596
9. Change in accruals and deferrals		- 353	464	- 116	- 378
III. Net cash from operating activities (I + II)		- 15,127	- 27,776	38,125	11,725
B. NET CASH FROM INVESTING ACTIVITIES					
I. Cash provided by investing activities		946	4,340	10,403	10,479
1. Disposal of financial instruments available for sale and held to maturity		-	-	10,000	10,000
2. Decrease in loans advanced		8	13	2	8
3. Profit distributions (dividends) received		819	3,972	12	16
4. Interest received		86	260	359	359
5. Other		33	95	30	96
II. Cash used in investing activities		- 1,189	3,588	4,757	5,298
1. Acquisition of intangible assets		433	695	248	555
2. Acquisition of property, plant and equipment		966	1,675	67	293
3. Acquisition of financial instruments available for sale and held to maturity		-	-	4,442	4,442
4. Non-current loans advanced		-	15	4	4
5. Other cash used in investing activities		- 2,588	1,203	- 4	4
III. Net cash from investing activities (I - II)		2,135	752	5,646	5,181
C. NET CASH FROM FINANCING ACTIVITIES					
I. Cash provided by financing activities		1,678	6,862	1,877	5,597
1. Increase in current borrowings and other debt instruments		1,678	5,875	1,877	4,534
2. Proceeds from issue of share capital		-	987	-	1,063
II. Cash used in financing activities		15,834	16,467	15,765	16,171
1. Repayment of current borrowings and other debt instruments		-	-	-	-
2. Dividends and other payments to owners		15,471	15,471	15,368	15,368
3. Interest paid		363	996	397	803
III. Net cash from financing activities (I - II)		- 14,156	- 9,605	- 13,888	- 10,574

Interim condensed financial statements of IPOPEMA Securities S.A. for the first nine months of 2012

D. TOTAL NET CASH FLOWS (A.III +/- B.III +/- C.III)		- 27,148	- 36,629	29,883	6,332
E. BALANCE-SHEET CHANGE IN CASH, including:		- 27,310	- 37,910	30,641	7,163
- change in cash resulting from foreign exchange differences		- 162	- 1,281	758	831
F. CASH AT BEGINNING OF PERIOD	18	76,766	86,247	59,812	83,363
G. CASH AT END OF PERIOD (F +/- D), including:	18	49,618	49,618	89,695	89,695
- restricted cash		4,121	4,121	10,146	10,146

Warsaw, November 8th 2012

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STATEMENT OF CHANGES IN EQUITY (PLN' 000)	Jan 1–Sep 30 2012	2011	Jan 1–Sep 30 2011
I. EQUITY AT BEGINNING OF PERIOD (OPENING BALANCE)	65,301	64,082	64,082
- changes in adopted accounting policies	-	-	-
- correction of errors	-	-	-
I.a. EQUITY AT BEGINNING OF PERIOD AFTER ADJUSTMENTS	65,301	64,082	64,082
1. Share capital at beginning of period	2,955	2,934	2,934
1.1. Changes in share capital	20	21	21
a) increase	20	21	21
- issue of shares	20	21	21
1.2. Share capital at end of period	2,975	2,955	2,955
2. Reserve funds at beginning of period	46,768	45,665	45,665
2.1. Changes in reserve funds	1,082	1,103	1,103
a) increase	1,082	1,103	1,103
- distribution of profit (statutory)	-	-	1,041
- distribution of profit (above statutory minimum)	114	62	-
- share premium	968	1,041	62
2.2. Reserve funds at end of period	47,850	46,768	46,768
3. Revaluation capital reserve at beginning of period	- 7	52	52
3.1. Changes in revaluation capital reserve	- 20	- 59	- 62
a) increase	48	26	15
- revaluation of financial instruments	48	26	15
a) decrease	68	85	77
- revaluation of financial instruments	68	85	77
3.2. Revaluation capital reserve at end of period	- 27	- 7	- 10
4. Retained earnings/(deficit) at beginning of period	15,585	15,431	15,431
4.1. Retained earnings at beginning of period	15,585	15,431	15,431
a) increase	-	-	-
b) decrease	15,585	15,431	15,431
- distribution of retained earnings (dividend)	15,471	15,369	15,369
- distribution of retained earnings (increase in reserve funds)	114	62	62
4.2. Retained earnings /(deficit) at end of period	-	-	-
5. Net profit (loss)	5,910	15,585	14,903
a) net profit	5,910	15,585	14,903
b) net loss	-	-	-
II. EQUITY AT END OF PERIOD (CLOSING BALANCE)	56,708	65,301	64,616
III. EQUITY AFTER PROPOSED DISTRIBUTION OF PROFIT	56,708	65,301	64,616

Warsaw, November 8th 2012

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Notes to the interim financial statements

Note 1

Cash and other assets (PLN '000)	Sep 30 2012	Jun 30 2012	Dec 31 2011	Sep 30 2011
Cash and other assets of clients				
a) at banks and in hand	25,925	39,824	45,775	47,037
b) other *	-	-	-	-
Total cash and other assets of clients	25,925	39,824	45,775	47,037
Cash and other assets:				
a) cash and other assets of the brokerage house, including:	26,452	39,873	44,564	47,485
- in hand	6	7	8	7
- at banks	12,622	21,376	30,744	25,381
- other cash *	13,824	18,490	13,812	22,097
b) cash and other assets of clients deposited in cash accounts	25,925	39,824	45,775	47,037
- at the brokerage house and paid towards acquisition of securities	25,925	39,824	45,775	47,037
- in an IPO or on the primary market	-	-	-	-
c) cash and other assets transferred from the settlement guarantee fund	-	-	-	-
Total cash and other assets	52,377	79,697	90,339	94,522

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

Note 2

Selected current receivables (PLN '000)	Sep 30 2012	Jun 30 2012	Dec 31 2011	Sep 30 2011
1. Selected current receivables	377,075	407,985	500,346	700,544
a) from clients, including:	186,585	128,771	204,607	302,738
- under transactions executed on the Warsaw Stock Exchange	168,270	112,243	186,526	270,791
- under transactions executed on the Budapest Stock Exchange	5,937	13,382	15,921	30,624
- under transactions executed on the Prague Stock Exchange	-	-	-	-
- under transactions executed on the New York Stock Exchange	10,994	-	-	-
- under transactions executed on the London Stock Exchange	201	-	-	-
- other	1,183	3,146	2,160	1,323
b) from related parties, including:	795	1,517	1,273	1,522
- from subsidiaries	794	1,515	1,273	1,478
- from other related parties	1	2	-	44
c) from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	136,638	229,655	251,990	350,369
- under transactions executed on the Warsaw Stock Exchange	120,144	199,244	246,585	310,082
- under transactions executed on the Budapest Stock Exchange	13,634	30,411	5,405	40,287
- under transactions executed on the Prague Stock Exchange	2,860	-	-	-
d) from entities operating regulated markets and commodity exchanges	-	-	-	-
e) from the National Depository for Securities and exchange clearing houses, including:	53,057	48,042	42,476	45,915
- from the settlement guarantee fund	53,057	48,042	42,476	45,915
f) under court proceedings, not covered by recognised impairment losses on receivables	-	-	-	-

2. Net current receivables	380,297	411,190	500,708	701,316
- impairment losses on current receivables (positive value)	507	507	1,595	1,695
Gross current receivables	380,804	411,697	502,303	703,011

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

Note 3

Financial assets

In the first nine months of 2012, the policies regarding measurement of financial assets at fair value and classification of financial asset did not change.

Note 4

Impairment losses on financial assets, property, plant and equipment, intangible assets or other assets and reversal thereof

In the first nine months of 2012 and in 2011, the Company did not recognise any impairment losses on financial assets, property, plant and equipment, intangible assets or other assets, nor did it reverse impairment losses recognised in previous periods, except for the changes in impairment losses on receivables (Note 7).

Note 5

Material purchase or sale transactions in property, plant and equipment

In the first nine months of 2012 and in 2011, the Company did not execute any material purchase or sale transactions in property, plant and equipment.

Material liabilities under purchases of property, plant and equipment

The Company has no material liabilities under purchases of property, plant and equipment

Note 6

Selected current liabilities (PLN '000)	Sep 30 2012	Jun 30 2012	Dec 31 2011	Sep 30 2011
Selected current liabilities	234,358	177,528	247,355	408,699
1. To related parties	392	16	392	57
a) to subsidiaries	-	16	-	33
b) to other related parties	392	-	392	24
2. To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	227,026	155,956	240,732	392,840
a) under transactions executed on the Warsaw Stock Exchange	203,152	133,618	221,519	345,025
b) under transactions executed on the Budapest Stock Exchange	12,679	22,338	19,213	47,815
c) under transactions executed on the Prague Stock Exchange	-	-	-	-
d) under transactions executed on the New York Stock Exchange	10,994	-	-	-
e) under transactions executed on the London Stock Exchange	201	-	-	-
3. To entities operating regulated markets and commodity exchanges	718	796	836	1,894
a) liabilities to the Warsaw Stock Exchange	655	736	748	1,749
b) liabilities to the Budapest Stock Exchange	56	56	86	143
c) liabilities to the Prague Stock Exchange	7	4	2	2
4. To the National Depository for Securities and	4,785	4,367	3,912	7,424

exchange clearing houses

a) under additional payments to the settlement guarantee fund and security deposit	4,539	4,075	3,598	7,128
b) other	246	292	314	296
5. Other	1,437	16,393	1,483	6,484
a) dividend payable	-	15,471	-	-
b) other liabilities, including:	1,437	922	1,483	6,484
- financial liabilities (valuation of financial derivatives)	10	33	54	-
- other liabilities	1,427	889	1,429	6,484

As at September 30th 2012, the Company's liabilities under borrowings related to its brokerage business amounted to PLN 20,957 thousand (December 31st 2011: PLN 15,083 thousand). The liabilities were incurred under two working-capital overdraft facility agreements of July 22nd 2009 executed with Alior Bank S.A. The facilities are used to finance payment of liabilities to the National Depository for Securities in connection with the brokerage activities and are renewed on an annual basis – the term of the two agreements expires on July 19th 2013:

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

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

none

Note 7

Change in provisions and impairment losses on receivables

Provisions for liabilities	Jul 1–Sep 30 2012	Jan 1–Sep 30 2012	Jul 1–Sep 30 2011	Jan 1–Sep 30 2011
Balance of provisions at beginning of the period	1,450	6,715	4,169	6,388
a) recognised	620	3,093	4,810	11,491
b) used	1,013	8,751	1,763	10,550
c) released	-	-	149	262
Balance of provisions at end of the period	1,057	1,057	7,067	7,067

In Q3 2012, impairment losses on receivables remained unchanged compared with June 30th 2012, and fell by PLN 1,088 thousand in the first nine months of 2012 relative to December 31st 2011. In the comparative period, i.e. Q3 2011, impairment losses on receivables decreased by PLN 498 thousand, and fell by PLN 518 thousand in the first nine months of 2011 relative to December 31st 2010.

Note 8

Share capital	Sep 30 2012	Jun 30 2012	Dec 31 2011	Sep 30 2011
a) par value per share (PLN)	0.10	0.10	0.10	0.10
b) series/issue	A, B, C	A, B, C	A, B, C	A, B, C
c) type of shares	ordinary bearer shares	ordinary bearer shares	ordinary bearer shares	ordinary bearer shares
d) preference attached to shares	none	none	none	none
e) restrictions on rights attached to shares	none	none	none	none
f) number of shares	29,752,122	29,752,122	29,554,801	29,554,801
g) total par value of series/issue (PLN '000)	2,975	2,975	2,955	2,955
h) type of contribution	cash	cash	cash	cash
i) dividend right (since)	shares carried the right to profit distribution for 2011	shares carried the right to profit distribution for 2011	shares carried the right to profit distribution for 2011	shares carried the right to profit distribution for 2011

Pursuant to the Company's Articles of Association, the Management Board (subject to an approval of the Supervisory Board) was authorised to increase the Company's share capital by a total of PLN 350,000, through an issue of up to 3,500,000 shares, within three years from the date on which the Articles of Association containing the authorisation were entered in the Register of Entrepreneurs (the authorised capital). The period ended on January 23rd 2011, and therefore, on June 29th 2011, the Annual General Meeting again authorised the Management Board to increase the share capital by the same amount and within the same period, i.e. three years from the date of registering the relevant amendment to the Articles of Association, i.e. September 28th 2011.

The Company's Articles of Association provided also for a conditional share capital increase by up to PLN 485,714 through the issue of up to 4,857,140 shares for the purpose of the implementation of the Company's incentive scheme. Out of that pool, a total of 1,180,712 shares were issued and delivered, including 197,321 shares in Q1 2012 and 212,500 shares in 2011. For more information on the Company's incentive scheme, see Note 11.

As a result of the subscription, the Company's share capital increased in the first nine months of 2012 by PLN 19,732.10 (first nine months of 2011: PLN 21,250).

As at September 30th 2012, the share capital was PLN 2,975,212.20 (December 31st 2011: PLN 2,955,480.10) and was divided into 7,000,000 Series A ordinary bearer shares, 21,571,410 Series B ordinary bearer shares, and 1,180,712 Series C ordinary bearer shares.

Note 9

Contingent liabilities and assets

The Company recognised no contingent liabilities or assets as at September 30th 2012 or December 31st 2011.

Note 10

Guarantees

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

In April 2012, BRE Bank S.A. provided a guarantee in respect of the Company's liabilities for the benefit of the Hungarian Branch of Deutsche Bank AG, which is IPOPEMA Securities S.A.'s clearing bank for transactions executed on the Budapest Stock Exchange. The guarantee was issued for the amount of EUR 2.5m, and secures the Company's timely payment of its liabilities towards Deutsche Bank arising in connection with the services provided by the Bank, consisting in settlement and clearance of BSE transactions. The guarantee was provided until April 1st 2013, however in certain special cases specified in the agreement it remains valid until July 1st 2013.

Note 11

Incentive scheme

In the first nine months of 2012, under Share Option Plan II, eligible persons acquired 197,321 shares. In 2011, a total of 212,500 shares were acquired under the scheme.

The cost of the incentive schemes is not recognised in the separate financial statements, as the Polish Accountancy Act stipulates no such requirement. This cost is recognised in the consolidated financial statements of the IPOPEMA Securities Group. In connection with the transition to financial reporting compliant with the International Financial Reporting Standards, it was necessary to account for the effect of valuation of the option plans implemented by the Group in the Group's consolidated financial statements.

In total, on a consolidated basis, the cost of the option plans increased the cost of salaries and wages in the first nine months of 2012 by PLN 53 thousand (including by PLN 15 thousand in Q3 2012), affecting the bottom line of IPOPEMA Securities S.A. In the comparative period, i.e. the first nine months of 2011, the cost of these plans increased the cost of salaries and wages by PLN 113 thousand (including by PLN 34 thousand in Q3 2011).

The option plans were measured using the Black-Scholes model, adjusted by continuous yield dividend and the dilution effect (decrease in the value of individual shares as a result of issuing new shares at a price below market).

Note 12

Deferred tax

In Q3 2012 and in the first nine months of 2012, deferred tax liabilities decreased by PLN 38 thousand and by PLN 333 thousand, respectively. In Q3 2011 and in the first nine months of 2011, deferred tax liabilities increased by PLN 171 thousand and by PLN 283 thousand, respectively.

In Q3 2012 and in the first nine months of 2012, deferred tax assets fell by PLN 93 thousand and by PLN 1,021 thousand, respectively. In Q3 2011, deferred tax assets increased by PLN 488 thousand, while in the first nine months of 2011, deferred tax assets fell by PLN 21 thousand.

Note 13

Distribution of profit

On June 28th 2012, the General Meeting resolved to distribute the 2011 profit of PLN 15,585 thousand as dividend. The dividend per share was rounded down to the nearest grosz, and the difference between the 2011 profit and the aggregate dividend payable to the shareholders after the rounding was contributed to the Company's reserve funds.

Note 14

Issuance, redemption and repayment of non-equity and equity securities

In the first nine months of 2012, the Company issued 197,321 Series C shares. For more information, see Notes 8 and 11.

In the first nine months of 2011, the Parent issued 212,500 Series C shares. For more information, see Notes 8 and 11.

Note 15

Dividends paid and declared

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

On June 29th 2011, the General Meeting resolved to distribute the 2010 profit of PLN 15,431 thousand as dividend. The dividend amount per one share was PLN 0.52. The dividend record date was set for July 15th 2011, and the dividend payment date for July 29th 2011. On that date, dividend of a total amount of PLN 15,368 thousand was paid out. The amount was PLN 62 thousand less than the 2010 profit, which was the effect of rounding off the dividend per share. Pursuant to the General Meeting's resolution referred to above, the difference was contributed to the Company's statutory reserve funds.

Note 16

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

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

Note 17

Related-party transactions – income and expenses (PLN '000)

Related party	Revenue from brokerage activities	Other operating income	Purchases – brokerage activities	Other purchases	Revenue from brokerage activities	Other operating income	Purchases – brokerage activities	Other purchases
	Jan 1–Sep 30 2012				Jan 1–Sep 30 2011			
IPOPEMA BC	-	5	73	-	-	-	-	-
IPOPEMA TFI	35	40	-	-	-	40	35	-
IPOPEMA Business Services Kft.	-	91	577	91	-	87	605	87
IPOPEMA Asset Management S.A.	-	26	45	-	-	499	-	-
Members of the Management and Supervisory	-	-	7	-	58	-	54	-
Other related parties	4	-	-	-	-	-	-	-
Total	39	162	702	91	58	626	694	87

Related party	Revenue from brokerage activities	Other operating income	Purchases – brokerage activities	Other purchases	Revenue from brokerage activities	Other operating income	Purchases – brokerage activities	Other purchases
	Jul 1–Sep 30 2012				Jul 1–Sep 30 2011			
IPOPEMA BC	-	3	10	-	-	-	-	-
IPOPEMA TFI	35	14	-	-	-	10	-	-
IPOPEMA Business Services Kft.	-	31	198	31	-	29	204	29
IPOPEMA Asset Management S.A.	-	8	-	-	-	499	-	-
Members of the Management and Supervisory	-	-	3	-	-	-	17	-
Other related parties	-	-	-	-	-	-	-	-
Total	35	56	211	31	-	538	221	29

Related-party transactions – receivables and liabilities

Related party	Receivables			Liabilities		
	Sep 30 2012	Dec 31 2011	Sep 30 2011	Sep 30 2012	Dec 31	Sep 30 2011
IPOPEMA BC	4	-	-	-	6	33
IPOPEMA TFI	38	60	-	-	-	-
IPOPEMA Business Services	919	1,093	1,167	392	383	-
IPOPEMA Asset Management S.A.	10	392	613	-	3	-
Members of the Management and Supervisory Boards	-	-	44	-	-	24
Other related parties	1	-	-	-	-	-
Total	972	1,545	1,824	392	392	57

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

Note 18

Items of the statement of cash flows

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

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

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

Structure of cash

	Presentation in the balance sheet		Presentation in the statement of cash flows	
	Sep 30 2012	Sep 30 2011	Sep 30 2012	Sep 30 2011
Cash and cash equivalents	52,377	94,522	49,618	89,695
1. In hand	6	7	6	7
2. At banks	12,622	25,381	12,622	24,594
3. Other cash	35,709	65,094	35,709	65,094
4. Cash equivalents (deposit for a period exceeding three months)	4,040	4,040	-	-
Exchange differences on cash and cash equivalents	-	-	- 1,281	831

The difference between the presentation of cash in the balance sheet and the statement of cash flows as at September 30th 2012 is attributable to the recognition of a PLN 4m long-term deposit (maturing in more than three months after the balance-sheet date) under investing activities and elimination of interest accrued on the deposit in the amount of PLN 40 thousand. As at September 30th 2012, the difference related to change in currency-translation differences of PLN 1,281 thousand, compared with PLN 831 thousand at September 30th 2011.

Differences in changes in balance-sheet items

	Presentation in the balance sheet		Balance-sheet change	Presentation in the statement of cash flows – change
	Sep 30 2012	Dec 31 2011	Sep 30 2012	Sep 30 2012
Gross (current and non-current) receivables	383,972	505,108	121,136	121,530
Net receivables	383,465	503,513		
Impairment losses on receivables	507	1,595		- 1,088
Provisions (excluding deferred tax related to equity and provisions for unpaid interest)	948	6,610		- 5,662
Total change in impairment losses and provisions				- 6,750

The difference between the balance-sheet change in gross receivables and the amount disclosed in the statement of cash flows is attributable to the reduction of receivables as at September 30th 2012 by the amount of receivables under loans advanced and non-current receivables, disclosed under investing activities, and the amount of receivables under lease (non-current portion) disclosed in the financing activities.

Notes to other items of the statement of cash flows

In “Other cash from investing activities” for the period January 1st–September 30th 2012, the Company disclosed change in lease receivables of PLN 95 thousand. In the comparative period, the item included payment of interest under loans advanced (PLN 6 thousand) and change in lease receivables (PLN 90 thousand).

In “Other cash used in investing activities” for the period January 1st–September 30th 2012, the Company disclosed the cash deposit provided as security for the guarantee extended by Nordea Bank Polska S.A. and the cash deposit paid to BRE Bank S.A., as well as the non-current portion of the loan advanced. In the comparative period, the non-current portion of the loan was disclosed.

Note 19

Clients' financial instruments

As at September 30th 2012, the value of financial instruments in book-entry form listed on the WSE, registered in clients' accounts, was PLN 348,331 thousand (13,983 instruments) (December 31st 2011: PLN 322,133 thousand (69,269 instruments)). As at September 30th 2012 and December 31st 2011, the Company kept 192,637 thousand shares (in certificated form) of its clients, with a value of PLN 28,730 thousand.

The Company operates also the issue sponsor's account in which WSE-listed financial instruments in book-entry form were registered. As at September 30th 2012, the value of these instruments was PLN 89,934 thousand (14,743 thousand instruments), compared with PLN 129,897 thousand (14,965 thousand instruments) as at December 31st 2011.

Note 20

Operating segments

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

Note 21

Litigation

On January 13th 2009, the Company filed with the Regional Court a claim for payment of past due receivables of PLN 891 thousand. The suit was finally dismissed by the Court's judgement of July 28th 2011. This had no effect on the Company's financial performance in the first nine months of 2012, because an impairment loss had been

recognised in previous years for the full amount of the receivables. The Company was not a party to any other court proceedings.

Note 22

Material events and factors in the first nine months of 2012

Situation on the equity markets of the Warsaw and Budapest Stock Exchanges

In Q1–Q3 2012, sharp swings in investor sentiment continued on the Warsaw Stock Exchange. After stocks rallied in Q1 2012, a correction followed in Q2 2012, with the WIG index having nosedived close to the lows observed in the second half of 2011. Since June 2012, WIG has been in an uptrend again. Compared with 2011, the present uptrend is accompanied by substantially lower trading volumes – in Q1–Q3 2012 the total value of trading session transactions went down 27.4% year on year.

On the Budapest Stock Exchange, the total trading value on the equity market in the period January–September 2012 was down by 42.4% year on year.

In addition, due to the growing competition, the Company's market shares shrank slightly year on year, from 8.19% to 8.02% on the WSE and from 7.57% to 6.68% on the BSE.

Said factors translated into a 36.6% drop in the Company's revenue from securities trading, which fell from PLN 44,832 thousand in Q1–Q3 2011 to PLN 28,419 thousand in Q1–Q3 2012.

Investment banking services

Q1–Q3 2012 was also much less favourable for the capital raising business compared with the corresponding period of 2011. Although a modest recovery was seen at the beginning of 2012 after a complete freeze of market activity in the second half of 2011, investors' prevailing uncertainty as to further market developments contributed to lower company valuations, which put nearly all new public offerings into a halt. Consequently, due to a lower number of closed transactions in Q1–Q3 2012, during that period the Company's revenue from investment banking services totalled PLN 4,904 thousand (Q1–Q3 2011: PLN 13,803 thousand).

Note 23

Events subsequent to the balance-sheet date

All events relating to the reporting period are disclosed in the accounting books and the financial statements for the period January 1st–September 30th 2012. No material events occurred after the balance-sheet date which should have been but were not disclosed in the accounting books for the reporting period.

Warsaw, November 8th 2012

Jacek Lewandowski
President of the Management
Board

Mariusz Piskorski
Vice-President of the
Management Board

Stanisław Waczkowski
Vice-President of the
Management Board

Miroslaw Borys
Vice-President of the
Management Board

Danuta Ciosek
Chief Accountant