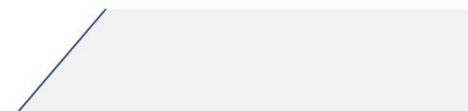


IPOPEMA Securities S.A.

Interim condensed financial statements

**for the three months ended March
31st 2014**

Warsaw, May 14th 2014



Financial highlights

Financial highlights	PLN '000		EUR '000	
	3 months ended		3 months ended	
	Mar 31 2014	Mar 31 2013	Mar 31 2014	Mar 31 2013
Revenue from core activities	16,638	16,755	3,971	4,014
Cost of core activities	12,587	12,408	3,004	2,973
Profit on core activities	4,051	4,347	967	1,041
Operating profit	3,890	3,751	929	899
Pre-tax profit	3,014	3,345	719	801
Net profit	2,375	2,608	567	625
Earnings per ordinary share (weighted average) (PLN/EUR)	0.08	0.09	0.02	0.02
Net cash from operating activities	7,873	-179,708	1,879	-43,056
Total cash flows	14,465	-202,253	3,453	-48,458

Financial highlights	PLN '000		EUR '000	
	Mar 31 2014	Dec 31 2013	Mar 31 2014	Dec 31 2013
	Total assets	458,794	322,486	109,988
Current liabilities	385,371	249,870	92,386	60,250
Equity	68,264	65,894	16,365	15,889
Number of shares	29,937,836	29,937,836	29,937,836	29,937,836
Book value per share (PLN/EUR)	2.28	2.20	0.55	0.53

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

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

Average exchange rate calculated as the arithmetic mean of the exchange rates quoted on the last day of each month in a given period	Q1 2014	Q1 2013
EUR	4.1894	4.1738

- For the balance sheet:

Exchange rate as at	Mar 31 2014	Dec 31 2013
EUR	4.1713	4.1472

Introduction to the financial statements

The Company

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

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

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

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

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

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

All Company shares (a total of 29,937,836 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 were prepared on the assumption that the Company would continue as a going concern in the foreseeable future, that is for the 12 months following the reporting date. As at the date of approval of these financial statements, no circumstances were identified which would threaten the Company continuing as a going concern, as a result of voluntary or involuntary discontinuation or material limitation of its existing operations, for at least 12 months from the reporting date, that is March 31st 2014.

Composition of the Management Board and the Supervisory Board

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

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

During the first three months of 2014 and until the date of preparation of these financial statements, there were no changes in the composition of the Management Board.

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

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

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

Basis of preparation

These condensed financial statements cover the period from January 1st to March 31st 2014 and include comparative data for the period from January 1st to March 31st 2013 (for the income statement and the statement of cash flows) and, additionally, data as at December 31st 2013 (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 and sole shareholder of IPOPEMA Outsourcing Sp. z o.o.;
- 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, banks conducting brokerage activity, other brokerage houses and commodity brokerage houses under executed transactions, as well as all or part of receivables related to other items, which are not classified as financial assets, in each case maturing within 12 months after the reporting date.

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

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

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

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

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

Under receivables, the Company also recognises receivables under lease of property, plant and equipment and intangible assets to IPOPEMA Business Services Kft. The lease agreement meets the definition of finance lease. The value of the leased out assets was PLN 113 thousand as at March 31st 2014 (December 31st 2013: PLN 145 thousand), including non-current receivables of PLN 3 thousand (December 31st 2013: PLN 14 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

Interim condensed financial statements of IPOPEMA Securities S.A. for the first three months of 2014

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

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

Non-current receivables

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

Financial instruments

Financial instruments are classified into the following categories:

1. Financial assets

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

2. Financial liabilities

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

Financial assets and liabilities held for trading

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

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

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

The Company does not apply hedge accounting.

Loans advanced and receivables

Loans and receivables include financial assets arising when the Company delivers cash directly to the counterparty, irrespective of the maturity date of such assets. Loans advanced and receivables are measured at adjusted 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 (five-year loans), the Company applies straight-line amortisation to the principal and accrued interest. Amortisation charges are disclosed under finance costs. Loans advanced to a subsidiary are also recognised under this item.

Financial assets held to maturity

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

Financial assets held to maturity are classified as non-current assets if their terms to maturity are longer than 12 months from the reporting 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 reporting date. Under financial assets available for sale the Company recognises investment certificates and, pursuant to the regulation on special accounting policies for brokerage houses, shares in subordinated entities.

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

Shares in subsidiaries are measured at cost less impairment.

Other financial liabilities

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

Financial instruments are derecognised when the Company loses control over the contractual rights constituting a 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 reporting 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 reporting date. Current liabilities include all liabilities to clients, liabilities to related entities, liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions, liabilities to the National Depository for Securities and exchange clearing houses and liabilities to entities operating regulated securities markets, as well as all other liabilities not classified as non-current liabilities, accruals and deferred income or provisions for liabilities.

Liabilities are measured at amounts payable. 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 reporting date.

Translation of foreign-currency items

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

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

As at the reporting date, monetary assets and liabilities denominated in currencies other than the Polish zloty are translated into the zloty at the mid-exchange rate quoted by the 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 costs, as appropriate.

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

Currency	Mar 31 2014	Dec 31 2013
USD	3.0344	3.2590
EUR	4.1713	4.1774
HUF 100	1.3586	1.3726
GBP	5.0485	4.9528
UAH	0.2693	0.4006
CZK	0.1520	0.1621
CHF	3.4192	3.4323
TRY	1.4021	1.7994
INR 100	5.0649	6.0033

Source: National Bank of Poland.

Changes in estimates

In the period covered by these financial statements, there were no changes in estimates other than changes in provisions, depreciation and amortisation 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 2013, issued on March 20th 2014. In the first three months of 2014, the Company did not change its accounting policies.

Comparability of the reported data

These financial statements are 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 of operations

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 three months of 2014

ASSETS (PLN '000)		Note	Mar 31 2014	Dec 31 2013	Mar 31 2013
I.	Cash and cash equivalents	1	56,032	41,485	44,518
1.	In hand		4	4	5
2.	At banks		9,083	12,944	16,335
3.	Other cash		46,945	28,537	24,038
4.	Cash equivalents		-	-	4,140
II.	Current receivables	2, 7	385,241	262,540	434,646
1.	From clients		127,411	89,915	172,395
2.	From related entities	18	245	280	806
3.	From banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		215,658	132,899	224,362
a)	under executed transactions		215,283	131,223	222,816
b)	other		375	1,676	1,546
4.	From the National Depository for Securities and exchange		38,199	34,693	32,776
5.	From investment and pension fund companies and from investment and pension funds		-	69	-
6.	From issuers of securities or selling shareholders		-	2,078	-
7.	Taxes, subsidies and social security receivable		527	-	759
8.	Other		3,201	2,606	3,548
III.	Financial instruments held for trading	3	475	218	4,287
1.	Equities		265	5	4,287
2.	Derivative instruments		210	213	-
IV.	Current prepayments and accrued income		871	665	713
V.	Financial instruments held to maturity		-	-	-
VI.	Financial instruments available for sale	3	6,818	6,825	6,993
1.	Equities		6,637	6,637	6,637
	- shares in subordinated entities		6,637	6,637	6,637
2.	Investment certificates		181	188	356
VII.	Non-current receivables		2,330	2,336	2,411
VIII.	Non-current loans advanced		12	794	1,377
1.	Other		12	794	1,377
IX.	Intangible assets	4	2,023	2,121	2,128
1.	Acquired permits, patents, licenses and similar assets, including:		2,023	2,121	2,128
	- computer software		2,023	2,121	2,128
X.	Property, plant and equipment	4, 5	4,001	4,212	4,062
1.	Tangible assets, including:		3,872	4,127	800
a)	buildings and structures		701	731	-
b)	computer assemblies		1,825	1,989	501
c)	other tangible assets		1,346	1,407	299
2.	Tangible assets under construction		129	85	3,262
XI.	Non-current prepayments and accrued income		991	1,290	932
1.	Deferred tax assets	13	991	1,290	852
2.	Other prepayments and accrued income		-	-	80
Total assets			458,794	322,486	502,067

Warsaw, May 14th 2014

 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 three months of 2014

EQUITY AND LIABILITIES (PLN '000)		Note	Mar 31 2014	Dec 31 2013	Mar 31 2013
I.	Current liabilities	6	385,371	249,870	434,679
1.	To clients		193,300	141,188	208,334
2.	To related entities	18	-	-	2
3.	To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		172,092	103,140	216,267
a)	under executed transactions		172,092	103,140	216,267
4.	To entities operating regulated markets and commodity exchanges		946	844	1,042
5.	To the National Depository for Securities and exchange clearing houses		2,258	249	1,901
6.	Borrowings		9,602	2,589	4,034
a)	other		9,602	2,589	4,034
7.	Debt securities		2	4	-
8.	Taxes, customs duties and social security payable		975	828	1,236
9.	Salaries and wages		1	-	-
10.	To investment and pension fund companies and to investment and pension funds		212	167	-
11.	Other		5,983	861	1,863
II.	Non-current liabilities		2	2	-
III.	Accruals and deferred income		-	-	150
IV.	Provisions for liabilities	7	5,157	6,720	4,367
1.	Deferred tax liabilities	13	296	325	309
2.	Other		4,861	6,395	4,058
a)	non-current		251	735	357
b)	current		4,610	5,660	3,701
V.	Subordinated liabilities		-	-	-
VI.	Equity		68,264	65,894	62,871
1.	Share capital	8	2,994	2,994	2,994
2.	Reserve funds		57,288	57,288	48,760
a)	share premium		10,351	10,351	10,339
b)	statutory reserve funds		998	998	998
c)	reserve funds created pursuant to the Articles of Association		45,939	45,939	37,423
3.	Revaluation capital reserve		-12	-7	-19
4.	Retained earnings		5,619	-	8,528
5.	Net profit	14	2,375	5,619	2,608
Total equity and liabilities			458,794	322,486	502,067
Book value (PLN '000)			68,264	65,894	62,871
Number of shares as at end of the period			29,937,836	29,937,836	29,937,836
Book value per share (PLN)			2.28	2.20	2.10
Diluted number of shares			29,969,181	29,978,582	29,920,332
Diluted book value per share (PLN)			2.28	2.20	2.10

Warsaw, May 14th 2014

 Jacek Lewandowski
 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

Interim condensed financial statements of IPOPEMA Securities S.A. for the first three months of 2014

OFF-BALANCE-SHEET ITEMS (PLN '000)	Note	Mar 31 2014	Dec 31 2013	Mar 31 2013
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		4,390*	4,376*	4,143*

* notional amount of purchased forward/fx swap contract

Warsaw, May 14th 2014

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Danuta Ciosek
Chief Accountant

Interim condensed financial statements of IPOPEMA Securities S.A. for the first three months of 2014

Income statement (PLN '000)	Note	Q1 2014	Q1 2013
I. Revenue from brokerage activities, including:		16,638	16,755
- from related entities	18	-	-
1. Fee and commission income		13,678	12,943
a) from transactions in financial instruments made in the name of the Company but for the account of the party placing an order		13,678	12,943
b) from offering financial instruments		-	-
c) other		-	-
2. Other income		2,960	3,812
a) from offering financial instruments		410	-
b) from discretionary management of third-party securities portfolios		-	-
c) other		2,550	3,812
II. Cost of brokerage activities		12,587	12,408
- from related entities	18	206	216
1. Fees payable to regulated markets, commodity exchanges, the National Depository for Securities and exchange clearing houses		2,842	3,824
2. Fees payable to commercial chamber		-	-
3. Salaries and wages		5,936	4,956
4. Social security and other benefits		464	389
5. Employee benefits		62	37
6. Raw material and consumables used		68	102
7. Costs of maintenance and lease of buildings		467	439
8. Depreciation and amortisation expenses		421	287
9. Taxes and other public charges		427	527
10. Other		1,900	1,847
III. Profit (loss) on brokerage activities		4,051	4,347
IV. Income from financial instruments held for trading		429	272
1. Dividends and other profit distributions		-	-
2. Revaluation adjustments		217	19
3. Gain on sale/redemption		212	253
4. Other		-	-
V. Cost related to financial instruments held for trading		574	804
1. Revaluation adjustments		264	216
2. Loss on sale/redemption		310	588
VI. Gain (loss) on transactions in financial instruments held for trading		-145	-532
VII. Income from financial instruments available for sale		-	-
VIII. Cost related to financial instruments available for sale		-	-
IX. Gain (loss) on transactions in financial instruments available for sale		-	-
X. Other income		149	284
1. Gain on disposal of property, plant and equipment and intangible assets		-	1
2. Other		149	283
XI. Other expenses		139	428
1. Other		139	428
XII. Difference between provisions for and impairment losses on receivables		-26	80
1. Provisions released		-	92
2. Decrease in impairment losses on receivables		-	-
3. Increase in impairment losses on receivables		26	12
XIII. Operating profit		3,890	3,751

Interim condensed financial statements of IPOPEMA Securities S.A. for the first three months of 2014

XIV. Finance income	408	791
1. Interest on loans advanced, including:	13	18
- from related entities	-	4
2. Interest on deposits	132	200
- from related entities	-	-
3. Other interest	1	2
4. Foreign exchange gains	61	198
a) realised	-	-
b) unrealised	61	198
5. Other	201	373
XV. Finance costs	1,284	1,197
1. Interest on borrowings, including:	223	289
- to related entities	-	-
2. Other interest	66	35
3. Foreign exchange losses	72	35
a) realised	72	35
b) unrealised	-	-
4. Other	923	838
XVI. Profit before extraordinary items	3,014	3,345
XVII. Pre-tax profit	3,014	3,345
XVIII. Income tax	639	737
XIX. Net profit	2,375	2,608
Weighted average number of ordinary shares	29,937,836	29,848,074
Earnings per ordinary share (PLN)	0.08	0.09
Weighted average diluted number of ordinary shares	29,969,181	29,920,332
Diluted earnings per ordinary share (PLN)	0.08	0.09

Warsaw, May 14th 2014

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

STATEMENT OF CASH FLOWS (PLN '000)	Note	Q1 2014	Q1 2013
A. NET CASH FROM (USED IN) OPERATING ACTIVITIES			
I. Net profit		2,375	2,608
II. Total adjustments		5,498	-182,316
1. Depreciation and amortisation expenses		421	287
2. Foreign exchange gains/(losses)		-87	-258
3. Interest and profit distributions (dividends)		203	198
4. Gain (loss) on investing activities		196	335
5. Change in provisions and impairment losses on receivables		-1,438	-1,028
6. Change in financial instruments held for trading		-258	-3,957
7. Change in receivables		-122,126	70,725
8. Change in current liabilities (net of borrowings), including special accounts		128,491	-248,565
9. Change in accruals and deferrals		96	-53
III. Net cash from (used in) operating activities (I + II)		7,873	-179,708
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash from investing activities		18	63
1. Disposal of property, plant and equipment		-	1
2. Interest received		-	22
3. Decrease in loans advanced		6	8
4. Other		12	32
II. Cash used in investing activities		114	2,124
1. Acquisition of intangible assets		70	105
2. Acquisition of property, plant and equipment		44	1,010
3. Other cash used in investing activities		-	1,009
III. Net cash from (used in) investing activities (I - II)		-96	-2,061
C. NET CASH FROM (USED IN) FINANCING ACTIVITIES			
I. Cash from financing activities		7,013	929
1. Increase in current borrowings		7,013	-
2. Proceeds from issue of share capital		-	929
II. Cash used in financing activities		325	21,413
1. Repayment of current borrowings		-	21,179
2. Repayment of short-term debt securities		2	-
3. Interest paid		323	234
III. Net cash from (used in) financing activities (I - II)		6,688	-20,484
D. TOTAL NET CASH FLOWS (A.III +/- B.III +/- C.III)		14,465	-202,253
E. BALANCE-SHEET CHANGE IN CASH, including:		14,546	-202,042
- effect of exchange rate fluctuations on cash held		81	211
F. CASH AT BEGINNING OF THE PERIOD	19	41,760	242,678
CASH AT END OF THE PERIOD (F +/- D), including:	19	56,225	40,425
- restricted cash		4,179	4,185

Warsaw, May 14th 2014

 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

STATEMENT OF CHANGES IN EQUITY (PLN '000)		Q1 2014	2013	Q1 2013
I.	EQUITY AT BEGINNING OF THE PERIOD	65,894	59,342	59,342
	- changes in adopted accounting policies	-	-	-
	- correction of errors	-	-	-
I.a.	EQUITY AT BEGINNING OF THE PERIOD AFTER ADJUSTMENTS	65,894	59,342	59,342
1.	Share capital at beginning of the period	2,994	2,975	2,975
1.1.	Changes in share capital	-	19	19
a)	increase	-	19	19
	- issue of shares	-	19	19
1.2.	Share capital at end of the period	2,994	2,994	2,994
2.	Reserve funds at beginning of the period	57,288	47,850	47,850
2.1.	Changes in reserve funds	-	9,438	910
a)	increase	-	9,438	910
	- distribution of profit (statutory)	-	6	6
	- distribution of profit (above statutory minimum)	-	8,516	-
	- share premium	-	916	904
2.2.	Reserve funds at end of the period	57,288	57,288	48,760
3.	Revaluation capital reserve at beginning of the period	-7	-11	-11
3.1.	Changes in revaluation capital reserve	-5	4	-8
a)	increase	2	65	15
	- remeasurement of financial instruments	2	65	15
b)	decrease	7	61	23
	- remeasurement of financial instruments	7	61	23
3.2.	Revaluation capital reserve at end of the period	-12	-7	-19
4.	Retained earnings/(deficit) at beginning of the period	5,619	8,528	8,528
4.1.	Retained earnings at beginning of the period	5,619	8,528	8,528
a)	increase	-	-	-
b)	decrease	-	8,528	-
	- distribution of retained earnings (dividend)	-	-	-
	- distribution of retained earnings (increase in reserve funds)	-	-	-
4.2.	Retained earnings/(deficit) at end of the period	5,619	-	8,528
5.	Net profit (loss)	2,375	5,619	2,608
a)	net profit	2,375	5,619	2,608
II.	EQUITY AT END OF THE PERIOD	68,264	65,894	62,871
III.	EQUITY AFTER PROPOSED DISTRIBUTION OF PROFIT	68,264	65,894	62,871

Warsaw, May 14th 2014

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 Danuta Ciosek
 Chief Accountant

Notes to the interim financial statements

Note 1

Cash and other assets (PLN '000)	Mar 31 2014	Dec 31 2013	Mar 31 2013
Cash and other assets of clients			
a) at banks and in hand	27,319	18,440	21,559
b) other*	-	-	-
Total cash and other assets of clients	27,319	18,440	21,559
Cash and other assets:			
a) cash and other assets of the brokerage house, including:	28,713	23,045	22,959
- in hand	4	4	5
- at banks	9,083	12,944	16,335
- other cash*	19,626	10,097	6,619
b) cash and other assets of clients deposited in cash accounts	27,319	18,440	21,559
- at the brokerage house and paid towards acquisition of securities	27,319	18,440	21,559
- in an IPO or on the primary market	-	-	-
c) cash and other assets transferred from the settlement guarantee fund	-	-	-
Total cash and other assets	56,032	41,485	44,518

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

Note 2

Selected current receivables (PLN '000)	Mar 31 2014	Dec 31 2013	Mar 31 2013
1. Selected current receivables	381,138	256,111	428,793
a) from clients, including:	127,411	89,915	172,395
- under transactions executed on the Warsaw Stock Exchange	100,320	58,527	142,365
- under transactions executed on the Budapest Stock Exchange	2,179	27,504	27,041
- under transactions executed on the Prague Stock Exchange	-	138	106
- under transactions executed on the New York Stock Exchange	1,229	-	1,236
- under transactions executed on the London Stock Exchange	4,129	-	-
- under transactions executed on the Istanbul Stock Exchange	5,702	-	-
- under transactions executed on the Frankfurt Stock Exchange	2,274	-	-
- under transactions executed on the Amsterdam Stock Exchange	7,963	-	-
- under transactions executed on Nasdaq	888	-	-
- under transactions executed on the Copenhagen Stock Exchange	221	-	-
- under transactions executed on the Stockholm Stock Exchange	520	-	-
- under transactions executed on the Milan Stock Exchange	298	-	-
- other	1,688	3,746	1,647
b) from related entities, including:	245	280	806
- from subsidiaries	243	280	806
- from other related entities	2	-	-
c) from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	215,283	131,223	222,816
- under transactions executed on the Warsaw Stock Exchange	200,107	93,891	188,140
- under transactions executed on the Budapest Stock Exchange	13,940	5,396	31,514
- under transactions executed on the Prague Stock Exchange	-	-	1,138
- under transactions executed on the New York Stock Exchange	405	31,789	2,024
- under transactions executed on the London Stock Exchange	-	92	-
- under transactions executed on the Stockholm Stock Exchange	-	55	-

- under transactions executed on the Vienna Stock Exchange	831	-	-
d) from entities operating regulated markets and commodity exchanges	-	-	-
d) from the National Depository for Securities and exchange clearing houses, including:	38,199	34,693	32,776
- from the settlement guarantee fund	38,199	34,693	32,776
e) under court proceedings, not covered by recognised impairment losses on receivables	-	-	-
2. Net current receivables	385,241	262,540	434,646
- impairment losses on current receivables (positive value)	327	302	278
Gross current receivables	385,568	262,842	434,924

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

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 three months of 2014 and in the comparative period, the policies regarding measurement of financial assets at fair value and classification of financial assets did not change.

Note 4

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

In the first three months of 2014 and in 2013, 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 three months of 2014 and in 2013, 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)	Mar 31 2014	Dec 31 2013	Mar 31 2013
Selected current liabilities	181,279	105,094	221,075
1. To related entities	-	-	2,
a) to subsidiaries	-	-	2
b) to other related entities	-	-	-
2. To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	172,092	103,140	216,267
a) to the Warsaw Stock Exchange*	140,696	74,326	173,654
b) to the Budapest Stock Exchange	8,203	28,676	41,205
e) to the London Stock Exchange	4,125	-	-
d) to the New York Stock Exchange	1,228	-	1,235
e) to the Prague Stock Exchange	-	138	173
f) to the Istanbul Stock Exchange	5,695	-	-
g) to the Frankfurt Stock Exchange	2,270	-	-
h) to Nasdaq	886	-	-
i) to the Amsterdam Stock Exchange	7,952	-	-
j) to the Copenhagen Stock Exchange	221	-	-
k) to the Stockholm Stock Exchange	519	-	-
l) to the Milan Stock Exchange	297	-	-
3. To entities operating regulated markets and commodity exchanges	946	844	1,042
a) to the Warsaw Stock Exchange*	852	767	939
b) to the Budapest Stock Exchange	26	30	97
c) to the Prague Stock Exchange	19	10	6
d) to the Vienna Stock Exchange	49	37	-
4. To the National Depository for Securities and exchange clearing houses	2,258	249	1,901
a) under additional payments to the settlement guarantee fund	-	-	-
b) other	2,258	249	1,901
6. Other	5,983	861	1,863
a) dividend payable	-	-	-
b) other liabilities, including:	5,983	861	1,863
- financial liabilities (valuation of financial derivatives)	-	-	24
- other liabilities	5,983	861	1,839

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

As at March 31st 2014, the Company's liabilities under borrowings related to its brokerage business amounted to PLN 9,602 thousand (December 31st 2013: PLN 2,589 thousand). The liabilities result from two working-capital overdraft facility agreements executed on July 22nd 2009 with Alior Bank S.A. The facilities are used to finance payment of liabilities to the National Depository for Securities in connection with the brokerage activities and are renewed on an annual basis – the term of the two agreements expires on July 18th 2014:

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 current provisions and impairment losses on receivables

Provisions for liabilities	Jan 1–Mar 31 2014	Jan 1–Mar 31 2013
Balance of provisions at beginning of the period	5,660	4,062
a) recognised	3,130	1,983
b) used	4,180	2,252
c) released	-	92
Balance of provisions at end of the period	4,610	3,701

In Q1 2014, impairment losses on receivables rose by PLN 25 thousand compared with December 31st 2013. In the comparative period last year, impairment losses on receivables decreased by PLN 12 thousand relative to December 31st 2012.

Note 8

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

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

The Company's Articles of Association also provide for a conditional share capital increase for the purpose of the implementation of the Company's incentive scheme, for the maximum amount of PLN 485,714 through the issue of up to 4,857,140 shares. A total of 1,366,426 shares were issued by March 31st 2014, of which 185,714 shares were issued in February 2013, 197,321 shares were issued in 2012, 212,500 shares were issued in 2011, 413,748 shares were issued in 2010, and 357,143 shares were issued in 2009. For more information on the Company's incentive scheme, see Note 12.

In Q1 2014, the Company's share capital remained unchanged, while in Q1 2013 it was increased by PLN 18,571.40.

As at March 31st 2014, the share capital was PLN 2,993,783.60 (the same as on December 31st 2013) 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.

Note 9

Contingent liabilities and assets

From April to December 2014, the Company will incur a cost of up to CZK 1,238 thousand (PLN 188 thousand) under an agreement with the clearing bank in the Czech Republic if the minimum amount of transactional costs specified in the agreement is not reached (a pre-condition for incurring that cost). In the corresponding period of the previous year (i.e. April–December 2013) the cost was CZK 3,296 thousand (PLN 534 thousand).

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

Minimum lease payments are presented in the table below.

Lease liabilities	Mar 31 2014	Dec 31 2013
	Present value of minimum lease payments	
Within 1 year	1,411*	1,390*
Within 1 to 5 years	5,645*	5,562*
Over 5 years	1,109*	1,446*
Total lease liabilities	8,165	8,398

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

In addition to the above and the guarantees specified in Note 11, the Company also issued promissory notes as security for a credit facility (for a detailed description see Note 6), and paid a deposit of PLN 1m as security in the settlement of transactions on foreign stock exchanges.

Note 10

Bonds

In Q1 2014, the Company did not issue any bonds. In 2013, the Company issued registered bonds with a total nominal value of PLN 10 thousand, maturing in 2013–2015 (depending on the series). The total amount of liabilities payable by the Company on redemption of the bonds will not exceed the bonds' par value and is not significant to the Company. The bond issues are related to the Variable Component Remuneration Policy implemented at the Company pursuant to the Minister of Finance's Resolution on the rules for establishment of a variable component remuneration policy for persons holding management positions at brokerage houses, dated December 2nd 2011. For more details, see the document 'Disclosure of information on IPOPEMA Securities S.A.'s capital adequacy', available on the Company's website.

In Q1 2014, the Company redeemed PLN 2 thousand worth of bonds (2013: PLN 4 thousand).

Note 11

Guarantees

In January 2012, Nordea Bank Polska S.A. issued a guarantee to IPOPEMA Securities S.A. Under an amendment executed in 2014, the guarantee amount was increased to EUR 273 thousand. The guarantee, provided until April 15th 2018 and secured with a cash deposit of PLN 1,239 thousand, secures liabilities related to the lease of office space.

In April 2012, BRE Bank S.A. (currently mBank 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. Under amendments made to the guarantee agreement in 2014, the guarantee was extended until April 1st 2015. In particular cases specified in the agreement, the guarantee expires on July 1st 2015. The guarantee is secured by a PLN 2.5m security deposit.

Note 12

Incentive Scheme

No shares were subscribed for under the Share Option Plan in Q1 2014, while in Q1 2013 eligible persons subscribed for 185,714 shares.

The cost of the incentive plans 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 ensuring compliance of financial reporting with the International Financial Reporting Standards, it is necessary to account for the effect of valuation of the option plans implemented by the Group in the Group's consolidated financial statements.

On a consolidated basis, the cost of the share option plans increased the cost of salaries and wages in Q1 2014 by PLN 24 thousand, compared with PLN 104 thousand in Q1 2013. The amount was charged against the profit of the operating segment of IPOPEMA Securities S.A.

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

Note 13

Deferred tax

Deferred tax liabilities went down by PLN 29 thousand in Q1 2014. In Q1 2013, they fell by PLN 49 thousand.

Deferred tax assets went down by PLN 299 thousand and PLN 274 thousand in Q1 2014 and Q1 2013, respectively.

Note 14

Distribution of profit

As at the date of preparation of these financial statements, no final decision had been made by the Management Board concerning the recommended distribution of the 2013 profit. This decision will be made at a later date, however not later than by the date of convening of the Annual General Meeting, which pursuant to the Commercial Companies Code must be held within six months from the end of a given financial year.

Note 15

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

No equity or non-equity securities were issued in Q1 2014. In Q1 2013, the Company issued 185,714 Series C shares (see Notes 8 and 12).

In Q1 2014, the Company redeemed PLN 2 thousand worth of bonds.

Note 16

Dividends paid and proposed

In the period covered by these financial statements, the Company neither paid nor resolved to pay any dividend.

Note 17

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 18

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

Related party	Revenue from brokerage activities	Other income	Purchases – brokerage activities	Other purchases	Revenue from brokerage activities	Other income	Purchases – brokerage activities	Other purchases
	Jan 1–Mar 31 2014				Jan 1–Mar 31 2013			
IPOPEMA BC	-	1	-	-	-	1	-	-
IPOPEMA TFI	-	15	-	-	-	178	2	-
IPOPEMA Business Services Kft.	-	36	186	-	-	31	189	-
IPOPEMA Asset Management S.A.	-	12	18	-	-	15	18	-
Members of the Management and Supervisory	-	3	2	-	-	-	8	-
Other related entities	-	-	-	-	-	-	-	-
Total	-	67	206	-	-	225	217	-

Related party transactions – receivables and liabilities

Related party	Receivables			Liabilities		
	Mar 31 2014	Dec 31 2013	Mar 31 2013	Mar 31 2014	Dec 31 2013	Mar 31 2013
IPOPEMA BC	-	-	-	-	-	-
IPOPEMA TFI	14	2	118	-	2	2
IPOPEMA Business Services Kft.	218	280	784	-	280	-
IPOPEMA Asset Management S.A.	13	2	16	-	2	-
Members of the Management and Supervisory Boards	2	10	-	-	10	-
Other related entities	-	-	-	-	-	-
Total	247	294	918	-	294	2

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

Note 19

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	
	Mar 31 2014	Mar 31 2013	Mar 31 2014	Mar 31 2013
Cash and cash equivalents	56,032	44,518	56,225	40,425
1. In hand	4	5	4	5
2. At banks	9,083	16,335	9,083	16,335
3. Other cash	46,945	24,038	46,945	24,038
4. Cash equivalents (deposit for a period exceeding three months)	-	4,140	-	-
Accrued foreign exchange differences	-	-	193	47

The difference between the presentation of cash in the balance sheet and in the statement of cash flows as at March 31st 2014 was related to foreign exchange losses of PLN 193 thousand, as compared with PLN 47 thousand as at March 31st 2013.

The difference between the presentation of cash in the balance sheet and the statement of cash flows as at March 31st 2013 is attributable to the recognition of a PLN 4m long-term deposit (maturing in more than three months after the reporting date) under investing activities and elimination of interest accrued on the deposit amounting to PLN 140 thousand.

Differences in changes in balance-sheet items

	Presentation in the balance sheet		Change as shown by the balance sheet	Presentation in the statement of cash flows – change
	Mar 31 2014	Dec 31 2013	Mar 31 2014	Mar 31 2014
Gross current and non-current receivables	387,898	265,178	122,720	122,126
Net receivables	387,571	264,876		
Impairment losses on receivables	327	302		25
Provisions (net of deferred tax related to equity and provision for unpaid interest)	5,155	6,618		-1,463
Total change in impairment losses and provisions				-1,438

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 March 31st 2014 by the amount of receivables under loans advanced and interest on security deposit receivable, disclosed under investing activities, and the amount of receivables under lease (non-current portion) disclosed under financing activities.

Explanation concerning other items of the statement of cash flows

In 'Other cash from investing activities' for the period January 1st–March 31st 2014, the Company disclosed change in lease receivables of PLN 12 thousand. In the comparative period, the Company disclosed change in lease receivables of PLN 32 thousand.

No 'Other cash used in investing activities' was recognised in Q1 2014, while in Q1 2013 the item included a security deposit paid as security for a guarantee issued by Deutsche Bank Polska S.A.

Note 20

Clients' financial instruments

As at March 31st 2014, the value of stock-exchange listed financial instruments in book-entry form registered in clients' accounts was PLN 57,189 thousand (2,136 instruments) (December 31st 2013: PLN 143,748 thousand (5,295 instruments)). As at March 31st 2014, the Company held 57.6 thousand bonds in certificated form, with a par value of PLN 57.6m (December 31st 2013: 64 thousand bonds with a par value of PLN 64m).

The Company also maintains a sponsor's account. The value of 291 WSE-listed financial instruments in book-entry form (shares) registered in this account as at March 31st 2014 was PLN 1,880 thousand (December 31st 2013: 2,480 shares with the value of PLN 19,045 thousand).

Note 21

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 22

Information on court proceedings

The Company was not subject to any court proceedings in Q1 2014 or Q1 2013.

Note 23

Material events and factors in the first three months of 2014

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

With substantial index movements, the total value of trades executed on the WSE in Q1 2014 was 7.6% higher year on year. In the same period, the Company's market share declined to 6.70% (from 10.33% a year earlier). On the Budapest Stock Exchange, the total value of trades in the reporting period was up by 4.3% year on year, with IPOPEMA Securities's market share at 4.02% (Q1 2013: 6.98%). As a result of these developments the Company's revenue from trading in securities remained virtually the same as in the corresponding period last year (PLN 11,314 thousand vs PLN 11,405 thousand).

Investment banking services

In Q1 2014, IPOPEMA Securities' performance on the equity market was strong, similar to the same period of 2013. IPOPEMA Securities acted as global coordinator in the sale of Globe Trade Centre S.A. shares and carried out public offerings of Comperia S.A. shares and MCI Management S.A. convertible bonds. These transactions strongly contributed to revenue from investment banking services, which in Q1 2014 amounted to PLN 5,316 thousand (Q1 2013: PLN 5,261 thousand).

Note 24

Events subsequent to the reporting date

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

Warsaw, May 14th 2014

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