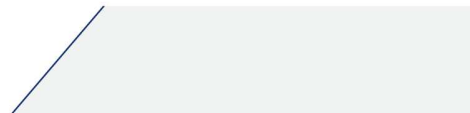


IPOPEMA Securities S.A.

Interim condensed financial statements

**for the six months ended June 30th
2013**

Warsaw, August 22nd 2013



STATEMENT OF COMPLIANCE

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

- To the best of our knowledge, the interim condensed financial statements for the six months ended June 30th 2013 and the relevant comparative data have been prepared in compliance with the applicable accounting standards and give a clear, true and fair view of the assets, financial standing and financial performance of IPOPEMA Securities S.A.
- BDO Sp. z o.o., registered office at ul. Postępu 12, Warsaw, a qualified auditor of financial statements, entered in the list of qualified auditors of financial statements maintained by the National Chamber of Statutory Auditors (KIBR) under Reg. No. 3355, which reviewed the interim condensed financial statements, was appointed in compliance with applicable laws. BDO Sp. z o.o. and the qualified auditor who reviewed the interim condensed financial statements of IPOPEMA Securities S.A. prepared as at June 30th 2013 meet the relevant criteria for issuing an impartial and independent report on the reviewed financial statements, in accordance with the applicable laws and professional standards.
- The Directors' Report for H1 2013 gives a true picture of the Company's development, achievements and standing, and includes a description of relevant risks and threats.

Warsaw, August 22nd 2013

Management Board of IPOPEMA Securities S.A.:

Jacek Lewandowski
President of the
Management Board

Mariusz Piskorski
Vice-President of the
Management Board

Stanisław Waczkowski
Vice-President of the
Management Board

Mirosław Borys
Vice-President of the
Management Board

Financial highlights

Financial highlights	PLN '000		EUR '000	
	H1 ended June 30		H1 ended June 30	
	Jun 30 2013	Jun 30 2012	Jun 30 2013	Jun 30 2012
Revenue from core activities	29,726	24,412	7,054	5,779
Cost of core activities	23,202	18,735	5,506	4,435
Profit on core activities	6,524	5,677	1,548	1,344
Operating profit	6,065	8,975	1,439	2,124
Pre-tax profit	5,651	6,851	1,341	1,622
Net profit	4,655	6,186	1,105	1,464
Earnings per ordinary share (weighted average) (PLN/ EUR)	0.16	0.21	0.04	0.05
Net cash from operating activities	- 190,921	- 12,649	- 45,306	- 2,994
Total cash flows	- 210,780	- 9,481	- 50,019	- 2,244

Financial highlights	PLN '000			EUR '000		
	Jun 30 2013	Dec 31 2012	Jun 30 2012	Jun 30 2013	Dec 31 2012	Jun 30 2012
Total assets	632,726	769,267	509,239	146,153	188,168	119,503
Current liabilities	563,513	704,423	450,791	130,166	172,306	105,787
Equity	64,934	59,342	56,998	14,999	14,515	13,376
Number of shares	29,937,836	29,752,122	29,752,122	29,937,836	29,752,122	29,752,122
Book value per share (PLN/EUR)	2.17	1.99	1.92	0.50	0.49	0.45

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	H1 2013	H1 2012
EUR	4.2140	4.2246

- For the balance sheet:

Exchange rate as at	Jun 30 2013	Dec 31 2012
EUR	4.3292	4.0882

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. 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.

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

The 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 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 June 30th 2013.

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.

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.

In H1 2013 and until the date of preparation of these financial statements, there were no changes in the composition of the Management or Supervisory Boards.

Roman Miler and Wiktor Sliwiński 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 June 30th 2013 and include comparative data for the period from January 1st to June 30th 2012 (for the income statement and the statement of cash flows) and, additionally, data as at December 31st 2012 (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 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 lease receivables amounted to PLN 209 thousand as at June 30th 2013 (December 31st 2012: PLN 272 thousand), and included non-current receivables of PLN 81 thousand (December 31st 2012: PLN 145 thousand).

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

Current receivables from clients, current receivables from banks conducting brokerage activities and other brokerage houses, current liabilities to clients and current liabilities to banks conducting brokerage activities and other brokerage houses arise in connection with the executed transactions of purchase and sale of securities which have not yet been cleared at the clearing houses due to the transaction settlement procedure (T+3). In the case of purchase transactions on stock exchanges made to execute orders placed by clients whose accounts are kept by custodian banks, the Company recognises current liabilities towards banks conducting brokerage activities and other brokerage houses (parties to the market transactions)* and current receivables from the clients for whom the purchase transactions were executed. In the case of sale transactions executed on stock exchanges to execute orders placed by clients whose accounts are kept by custodian banks, the Company 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 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 (*FX forward, FX swap*) have been measured using interest rates and currency exchange rates as at the balance-sheet date. Changes in the value of financial instruments held for trading are recognised under income from or cost related to financial instruments held for trading, as appropriate.

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

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

The Company does not apply hedge accounting.

Loans advanced and receivables

Loans and receivables include financial assets arising when the Company delivers cash directly to the counterparty, irrespective of the maturity date of such assets. Loans advanced and receivables are measured at adjusted acquisition cost, which is estimated using the effective interest rate method. Non-interest bearing current receivables are measured at amounts receivable, subject to the prudent valuation principle. 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 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.

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 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 balance-sheet 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 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 recognised in finance income or expenses, as appropriate.

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

Currency	Jun 30 2013	Dec 31 2012
USD	3.3175	3.0996
EUR	4.3292	4.0882
HUF 100	1.4664	1.3977
GBP	5.0604	5.0119
UAH	0.4043	0.3825
CZK	0.1669	0.1630
CHF	3.5078	3.3868
TRY	1.7251	1.7357
INR 100	5.5827	5.6681

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, 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 2012, published on March 20th 2013. In H1 2013, 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 H1 2013

ASSETS (PLN '000)		Note	Jun 30 2013	Dec 31 2012	Jun 30 2012
I. Cash and cash equivalents	1		36,109	246,510	79,697
1. In hand			4	6	7
2. At banks			8,518	14,954	21,376
3. Other cash			23,397	227,460	54,264
4. Cash equivalents			4,190	4,090	4,050
II. Current receivables	2, 7		578,264	505,380	411,190
1. From clients			254,159	150,256	128,771
2. From related entities	18		1,844	1,113	1,517
3. From banks conducting brokerage activities, other brokerage houses and commodity brokerage houses			281,965	305,805	229,655
a) under executed transactions			278,877	305,188	229,655
b) other			3,088	617	-
4. From entities operating regulated markets and commodity			-	-	-
5. From the National Depository for Securities and exchange clearing			36,304	45,129	48,042
6. From investment and pension fund companies and from investment and pension funds			154	-	-
7. Taxes, subsidies and social security receivable			436	-	381
8. Other			3,402	3,077	2,824
III. Financial instruments held for trading	3, 4		34	330	805
1. Equities			34	292	805
2. Derivative instruments			-	38	-
IV. Current prepayments and accrued income			735	464	553
V. Financial instruments held to maturity			-	-	-
VI. Financial instruments available for sale	3, 4		6,831	7,003	7,001
1. Shares and other equity interests			6,637	6,637	6,637
- in subordinated entities			6,637	6,637	6,637
2. Investment certificates			194	366	364
VII. Non-current receivables			2,388	1,434	4,071
VIII. Non-current loans advanced			1,219	1,520	1,987
1. Other			1,219	1,520	1,987
IX. Intangible assets	4		2,061	2,211	1,877
1. Acquired permits, patents, licenses and similar assets, including:			2,061	2,211	1,877
- computer software			2,061	2,211	1,877
X. Property, plant and equipment	4, 5		4,193	3,289	1,817
1. Tangible assets, including:			4,178	1,037	1,074
a) buildings and premises			775	-	-
b) computer assemblies			1,884	645	615
c) other tangible assets			1,519	392	459
2. Tangible assets under construction			15	2,252	743
XI. Non-current prepayments and accrued income			892	1,126	241
1. Deferred tax assets	13		892	1,126	241
2. Other prepayments and accrued income			-	-	-
Total assets			632,726	769,267	509,239

Warsaw, August 22nd 2013

 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 H1 2013

EQUITY AND LIABILITIES (PLN '000)		Note	Jun 30 2013	Dec 31 2012	Jun 30 2012
I.	Current liabilities	6	563,513	704,423	450,791
1.	To clients		247,342	457,046	253,661
2.	To related entities	18	3	51	16
3.	To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		299,924	216,673	155,956
a)	under executed transactions		299,924	216,673	155,956
4.	To entities operating regulated markets and commodity exchanges		1,090	749	796
5.	To the National Depository for Securities and exchange clearing houses		3,276	454	4,367
6.	Borrowings		7,448	25,213	19,280
a)	other		7,448	25,213	19,280
7.	Debt securities		4	-	-
8.	Taxes, customs duties and social security payable		359	1,226	322
9.	Salaries and wages		-	1	-
10.	Other		4,067	3,010	16,393
II.	Non-current liabilities		4	-	-
1.	Debt securities	10	4	-	-
III.	Accruals and deferred income		-	150	-
IV.	Provisions for liabilities	7	4,275	5,352	1,450
1.	Deferred tax liabilities	13	302	359	395
2.	Other		3,973	4,993	1,055
a)	non-current		885	931	-
b)	current		3,088	4,062	1,055
V.	Subordinated liabilities		-	-	-
VI.	Equity		64,934	59,342	56,998
1.	Share capital	8	2,994	2,975	2,975
2.	Reserve funds		57,288	47,850	47,850
a)	share premium		10,338	9,435	9,435
b)	statutory reserve funds		998	992	992
c)	reserve funds created pursuant to the Articles of Association		45,952	37,423	37,423
3.	Revaluation capital reserve		- 3	- 11	- 13
4.	Retained earnings		-	-	-
5.	Net profit	14	4,655	8,528	6,186
Total equity and liabilities			632,726	769,267	509,239
Book value (PLN '000)			64,934	59,342	56,998
Number of shares as at end of the period			29,937,836	29,752,122	29,752,122
Book value per share (PLN)			2.17	1.99	1.92
Diluted number of shares			29,957,329	29,787,550	29,775,035
Diluted book value per share (PLN)			2.17	1.99	1.91

Warsaw, August 22nd 2013

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

OFF-BALANCE-SHEET ITEMS (PLN '000)		Note	Jun 30 2013	Dec 31 2012	Jun 30 2012
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		-	4,296*	4,911*

* A forward contract/FX swap and, for comparative periods, the 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).

Warsaw, August 22nd 2013

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Miroslaw Borys
Vice-President of the
Management Board

Danuta Ciosek
Chief Accountant

Interim condensed financial statements of IPOPEMA Securities S.A. for H1 2013

Income statement (PLN '000)	Note	H1 2013	H1 2012
I. Revenue from brokerage activities, including:		29,726	24,412
- from related entities	18	-	4
1. Fee and commission income		23,674	21,608
a) from transactions in financial instruments made in the name of the Company but for the account of the party placing an order		23,663	19,383
b) from offering financial instruments		-	2,225
c) other		11	-
2. Other income		6,052	2,804
a) from offering financial instruments		-	-
b) from discretionary management of third-party securities portfolios		-	139
c) other		6,052	2,665
II. Cost of brokerage activities		23,202	18,735
- from related entities	18	423	491
1. Fees payable to regulated markets, commodity exchanges, the National Depository for Securities and exchange clearing houses		7,385	5,270
2. Fees payable to commercial chamber		-	-
3. Salaries and wages		8,595	7,770
4. Social security and other benefits		600	702
5. Employee benefits		92	72
6. Raw materials and consumables used		179	134
7. Costs of maintenance and lease of buildings		945	469
8. Depreciation and amortisation expenses		639	571
9. Taxes and other public charges		981	762
10. Other		3,786	2,985
III. Profit (loss) on brokerage activities		6,524	5,677
IV. Income from financial instruments held for trading		344	1,717
1. Dividends and other profit distributions		7	163
2. Revaluation adjustments		20	123
3. Gain on sale/redemption		317	1,431
4. Other		-	-
V. Cost related to financial instruments held for trading		1,736	2,426
1. Revaluation adjustments		40	312
2. Loss on sale/redemption		1,696	2,114
VI. Gain (loss) on transactions in financial instruments held for trading		- 1,392	- 709
VII. Income from financial instruments available for sale		1,016	3,800
1. Dividends and other profit distributions		1,000	3,800
- from related entities		1,000	3,800
2. Revaluation adjustments		16	-
VIII. Cost related to financial instruments available for sale		46	-
1. Loss on sale/redemption		46	-
IX. Gain (loss) on transactions in financial instruments available for sale		970	3,800
X. Other income		420	128
1. Gain on disposal of property, plant and equipment and intangible assets		1	-
2. Other		419	128
XI. Other expenses		533	118
1. Other		533	118
XII. Difference between provisions for and impairment losses on receivables		76	197

Interim condensed financial statements of IPOPEMA Securities S.A. for H1 2013

1.	Released provisions	92	-
2.	Decrease in impairment losses on receivables	-	200
3.	Increase in impairment losses on receivables	16	3
XIII.	Operating profit	6,065	8,975
XIV.	Finance income	1,535	1,879
1.	Interest on loans advanced, including:	37	37
	- from related entities	9	9
2.	Interest on deposits	340	599
	- from related entities	-	-
3.	Other interest	4	7
4.	Foreign exchange gains	466	403
	a) realised	466	403
	b) unrealised	-	-
5.	Other	688	833
XV.	Finance costs	1,949	4,003
1.	Interest on borrowings, including:	681	647
	- to related entities	-	-
2.	Other interest	59	63
3.	Foreign exchange losses	3	1,176
	a) realised	-	-
	b) unrealised	3	1,176
4.	Other	1,206	2,117
XVI.	Profit before extraordinary items	5,651	6,851
XVII.	Pre-tax profit	5,651	6,851
XVIII.	Income tax	996	665
XIX.	Net profit	4,655	6,186
	Weighted average number of ordinary shares	29,893,203	29,697,913
	Earnings per ordinary share (PLN)	0.16	0.21
	Weighted average diluted number of ordinary shares	29,957,329	29,775,035
	Diluted earnings per ordinary share (PLN)	0.16	0.21

Warsaw, August 22nd 2013

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 CASH FLOWS (PLN' 000)	Note	H1 2013	H1 2012
A. NET CASH FROM OPERATING ACTIVITIES			
I. Net profit		4,655	6,186
II. Total adjustments		- 195,576	- 18,835
1. Depreciation and amortisation expenses		639	571
2. Foreign exchange gains/(losses)		- 394	1,184
3. Interest and profit distributions (dividends)		- 522	- 3,485
4. Gain (loss) on investing activities		574	408
5. Change in provisions and impairment losses on receivables		- 1,120	- 6,367
6. Change in financial instruments held for trading		295	717
7. Change in receivables		- 71,710	91,466
8. Change in current liabilities (net of borrowings), including special accounts		- 123,149	- 104,146
9. Change in accruals and deferrals		- 189	817
III. Net cash from operating activities (I + II)		- 190,921	- 12,649
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash from investing activities		129	3,394
1. Disposal of financial instruments available for sale and held to maturity		-	-
2. Disposal of property, plant and equipment		1	-
3. Decrease in loans advanced		14	5
4. Profit distributions (dividends) received		7	3,153
5. Interest received		42	174
6. Other		65	62
II. Cash used in investing activities		2,539	4,777
1. Acquisition of intangible assets		214	262
2. Acquisition of property, plant and equipment		1,325	709
3. Non-current loans advanced		-	15
4. Other cash used in investing activities		1,000	3,791
III. Net cash flows from investing activities (I - II)		- 2,410	- 1,383
C. NET CASH FROM FINANCING ACTIVITIES			
I. Cash from financing activities		938	5,184
1. Increase in current borrowings and other debt instruments		-	4,197
2. Proceeds from issue of long-term debt securities		4	-
3. Proceeds from issue of short-term debt securities		5	-
4. Proceeds from issue of share capital		929	987
II. Cash used in financing activities		18,387	633
1. Repayment of current borrowings and other debt instruments		17,765	-
2. Repayment of short-term debt securities		2	-
3. Interest paid		620	633
III. Net cash from financing activities (I - II)		- 17,449	4,551

D. TOTAL NET CASH FLOWS (A.III +/- B.III +/- C.III)		- 210,780	- 9,481
E. BALANCE-SHEET CHANGE IN CASH, including:		- 210,498	- 10,600
- change in cash resulting from foreign exchange differences		282	- 1,119
F. CASH AT BEGINNING OF THE PERIOD	19	242,678	86,247
G. CASH AT END OF THE PERIOD (F +/- D), including:	19	31,898	76,766
- restricted cash		4,337	4,268

Warsaw, August 22nd 2013

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 Danuta Ciosek
 Chief Accountant

STATEMENT OF CHANGES IN EQUITY (PLN' 000)	H1 2013	2012	H1 2012
I. EQUITY AT BEGINNING OF THE PERIOD	59,342	65,301	65,301
- changes in adopted accounting policies		-	-
- correction of errors	-	-	-
I.a. EQUITY AT BEGINNING OF THE PERIOD AFTER ADJUSTMENTS	59,342	65,301	65,301
1. Share capital at beginning of the period	2,975	2,955	2,955
1.1. Changes in share capital	19	20	20
a) increase	19	20	20
- issue of shares	19	20	20
1.2. Share capital at end of the period	2,994	2,975	2,975
2. Reserve funds at beginning of the period	47,850	46,768	46,768
2.1. Changes in reserve funds	9,438	1,082	1,082
a) increase	9,438	1,082	1,082
- under statutory requirement	6	7	-
- distribution of profit (above statutory minimum)	8,528	107	114
- share premium	904	968	968
2.2. Reserve funds at end of the period	57,288	47,850	47,850
3. Revaluation capital reserve at beginning of the period	- 11	- 7	- 7
3.1. Changes in revaluation capital reserve	8	- 4	- 6
a) increase	55	72	37
- remeasurement of financial instruments	55	72	37
a) decrease	47	76	43
- remeasurement of financial instruments	47	76	43
3.2. Revaluation capital reserve at end of the period	- 3	- 11	- 13
4. Retained earnings/(deficit) at beginning of the period	8,528	15,585	15,585
4.1. Retained earnings at beginning of the period	8,528	15,585	15,585
a) increase	-	-	-
b) decrease	8,528	15,585	15,585
- distribution of retained earnings (dividend)	-	15,471	15,471
- distribution of retained earnings (increase in reserve funds)	8,528	114	114
4.2. Retained earnings /(deficit) at end of the period	-	-	-
5. Net profit (loss)	4,655	8,528	6,186
a) net profit	4,655	8,528	6,186
II. EQUITY AT END OF THE PERIOD	64,934	59,342	56,998
III. EQUITY AFTER PROPOSED DISTRIBUTION OF PROFIT	64,934	59,342	56,998

Warsaw, August 22nd 2013

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Notes to the interim financial statements

Note 1

Cash and other assets (PLN '000)	Jun 30 2013	Dec 31 2012	Jun 30 2012
Cash and other assets of clients			
a) at banks and in hand	-	-	-
b) other *	19,346	218,400	39,824
Total cash and other assets of clients	19,346	218,400	39,824
Cash and other assets:			
a) cash and other assets of the brokerage house, including:	16,763	28,110	39,873
- in hand	4	6	7
- at banks	8,518	14,954	21,376
- other cash *	8,241	13,150	18,490
b) cash and other assets of clients deposited in cash accounts	19,346	218,400	39,824
- at the brokerage house and paid towards acquisition of securities	19,346	218,400	39,824
- in an IPO or on the primary market	-	-	-
c) cash and other assets transferred from the settlement guarantee fund	-	-	-
Total cash and other assets	36,109	246,510	79,697

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

Note 2

Selected current receivables (PLN '000)	Jun 30 2013	Dec 31 2012	Jun 30 2012
1. Selected current receivables	574,272	501,686	407,985
a) from clients, including:	254,159	150,256	128,771
- under transactions executed on the Warsaw Stock Exchange	227,318	144,546	112,243
- under transactions executed on the Budapest Stock Exchange	9,152	479	13,382
- under transactions executed on the Vienna Stock Exchange	-	1,419	-
- under transactions executed on the Prague Stock Exchange	3,856	-	-
- under transactions executed on the Istanbul Stock Exchange	6,512	-	-
- under transactions executed on the London Stock Exchange	3,767	-	-
- under transactions executed on the Frankfurt Stock Exchange	614	-	-
- under transactions executed on the Paris Stock Exchange	326	-	-
- under transactions executed on the New York Stock Exchange	174	-	-
- other	2,440	3,812	3,146
b) from related entities, including:	1,844	1,113	1,517
- from subsidiaries	1,841	1,113	1,515
- from other related entities	3	-	2
c) from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	281,965	305,188	229,655
- under transactions executed on the Warsaw Stock Exchange*	242,124	289,547	199,244
- under transactions executed on the Budapest Stock Exchange	30,949	15,641	30,411
- under transactions executed on the Prague Stock Exchange	1,482	-	-
- under transactions executed on the New York Stock Exchange	3,389	-	-
- under transactions executed on the London Stock Exchange	529	-	-
- under transactions executed on the Istanbul Stock Exchange	384	-	-
- under transactions executed on the Frankfurt Stock Exchange	20	-	-
- other	3,088	-	-
d) from entities operating regulated markets and commodity exchanges	-	-	-

e) from the National Depository for Securities and exchange clearing houses, including:	36,304	45,129	48,042
- from the settlement guarantee fund	36,304	45,129	48,042
f) under court proceedings, not covered by recognised impairment losses on receivables	-	-	-
2. Net current receivables	578,264	505,380	411,190
- impairment losses on current receivables (positive value)	282	266	507
Gross current receivables	578,546	505,646	411,697

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

- current receivables from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions,
- current liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions,

where they relate to transactions executed on the WSE, include receivables from or liabilities to, as appropriate, KDPW CCP (the agent clearing the transactions which has assumed the rights and obligations of the parties to the transactions).

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

Note 3

Financial assets

In H1 2013 and in the comparative period, 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 H1 2013 and in 2012, 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 H1 2013 and in 2012, 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)	Jun 30 2013	Dec 31 2012	Jun 30 2012
Selected current liabilities	308,360	220,937	177,528
1. To related entities	3	51	16
a) to subsidiaries	-	51	16
b) to other related entities	3	-	-
2. To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	299,924	216,673	155,956
a) to the Warsaw Stock Exchange *	263,989	199,397	133,618
b) to the Budapest Stock Exchange	19,734	15,858	22,338
c) to the Vienna Stock Exchange	2,470	1,418	-
d) to the Prague Stock Exchange	2,354	-	-
e) to the London Stock Exchange	3,762	-	-
f) to the Istanbul Stock Exchange	6,503	-	-
g) to the Paris Stock Exchange	326	-	-
h) to the New York Stock Exchange	173	-	-
i) to the Frankfurt Stock Exchange	613	-	-
3. To entities operating regulated markets and commodity exchanges	1,090	749	796
a) to the Warsaw Stock Exchange *	978	649	736
b) to the Budapest Stock Exchange	55	50	56
c) to the Prague Stock Exchange	10	6	4
d) to the Vienna Stock Exchange	47	44	-
4. To the National Depository for Securities and exchange clearing houses	3,276	454	4,367
a) under additional payments to the settlement guarantee fund	2,945	-	4,075
b) other	331	454	292
5. Other	4,067	3,010	16,393
a) dividend payable	-	-	15,471
b) other liabilities, including:	4,067	3,010	922
- financial liabilities (valuation of financial derivatives)	-	-	33
- other liabilities	4,067	3,010	889

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

- current receivables from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions,
- current liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions,

where they relate to transactions executed on the WSE, include receivables from or liabilities to, as appropriate, KDPW CCP (the agent clearing the transactions which has assumed the rights and obligations of the parties to the transactions).

As at June 30th 2013, the Company's liabilities under borrowings related to its brokerage business amounted to PLN 7,448 thousand (December 31st 2012: PLN 25,213 thousand). The liabilities result from two working-capital overdraft facility agreements executed by the Company 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

Current provisions for liabilities	H1 2013	H1 2012
Balance of provisions at beginning of the period	4,062	6,715
a) recognised	1,867	2,473
b) used	2,749	7,738
c) released	92	-
Balance of provisions at end of the period	3,088	1,450

In H1 2013, impairment losses on receivables increased by PLN 16 thousand compared with December 31st 2012. In the comparative period, i.e. H1 2012, impairment losses on receivables decreased by PLN 1,088 thousand relative to December 31st 2011 (mainly as a result of utilisation of the previously recognised impairment losses).

Note 8

Share capital	Jun 30 2013	Dec 31 2012	Jun 30 2012
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	29,752,122	29,752,122
g) total par value of series/issue (PLN '000)	2,994	2,975	2,975
h) type of contribution	cash	cash	cash
i) dividend right (since)	shares carry the right to profit distribution for 2013	shares carried the right to profit distribution for 2012	shares carried the right to profit distribution for 2011

Pursuant to the Company's Articles of Association, the Management Board (subject to approval by the Supervisory Board) is authorised to increase the Company's share capital by a total of PLN 350,000 through the issue of up to 3,500,000 shares, within three years from the date of entry of the amendment to the Articles of Association granting the authorisation (authorised capital) in the Register of Entrepreneurs, 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 June 30th 2013, 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.

As a result of the subscription, the Company's share capital increased in H1 2013 by PLN 18,571.40 (H1 2012: PLN 19,732.10).

As at June 30th 2013, the share capital was PLN 2,993,783.60 (December 31st 2012: PLN 2,975,212.20) and was divided into 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

In H2 2013, the Company will incur a cost of up to CZK 1.5m (PLN 256 thousand) under an agreement with the clearing bank in the Czech Republic if the minimum amount of transactional costs specified in the agreement, representing a condition precedent for incurring that cost, is not reached.

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	Jun 30 2013	Dec 31 2012
	Present value of minimum lease payments	
Within 1 year	1,451 *	1,371*
Within 1 to 5 years	5,806 *	5,483*
Over 5 years	2,232 *	2,793*
Total lease liabilities	9,489 *	9,647

* 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 10, 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 H1 2013, the Company issued registered bonds with a total nominal value of PLN 10,000, 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' nominal value and is immaterial for the Company. The bond issues are related to the Variable Component Remuneration Policy implemented at the Company pursuant to the Minister of Finance's Resolution on the rules for establishment of a variable component remuneration policy for persons holding management positions at brokerage houses, dated December 2nd 2011. For more details, see the updated version of document "Disclosure of information on IPOPEMA Securities S.A.'s capital adequacy", available on the Company's website.

Note 11

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. Under amendments made to the guarantee agreement on March 26th 2013, the guarantee was extended until April 1st 2014, with its effective term expiring on July 1st 2014 in the particular cases specified in the agreement. The guarantee is secured by a PLN 2.5m security deposit.

Note 12

Incentive scheme

In H1 2013, under Share Option Plan II (a separate phase of the incentive scheme implemented at the Company), eligible persons subscribed for 185,714 shares. In the corresponding period of 2012, a total of 197,321 shares were subscribed for 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 H1 2013 by PLN 153 thousand, affecting the net result of IPOPEMA Securities S.A. In the comparative period, i.e. H1 2012, the cost of these plans increased the cost of salaries and wages by PLN 36 thousand.

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

Note 13

Deferred tax

In H1 2013, deferred tax liabilities decreased by PLN 57 thousand. In H1 2012, deferred tax liabilities decreased by PLN 295 thousand.

Deferred tax assets went down by PLN 234 thousand in H1 2013. In H1 2012, they fell by PLN 928 thousand.

Note 14

Distribution of profit

Distribution of profit (PLN'000)	H1 2013	2012
Net profit/loss	4,655	8,528
Coverage of retained deficit	-	-
Reserve funds	-	8,528

On June 20th 2013, the General Meeting resolved to transfer the entire 2012 profit of PLN 8,528 thousand to statutory reserve funds.

Note 15

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

In H1 2013, the Company issued 185,714 Series C shares, while in H1 2012 it issued 197,321 shares. For more information, see Notes 8 and 12.

Furthermore, in H1 2013 the Company issued ten bonds with a nominal value of PLN 1,000 each (see Note 10 for more information). Two of the bonds matured on June 30th 2013.

Note 16

Dividends paid and proposed

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

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

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–Jun 30 2013				Jan 1–Jun 30 2012			
IPOPEMA Business Consulting	-	7	-	-	-	2	63	-
IPOPEMA TFI	-	233	2	-	-	26	-	-
IPOPEMA Business Services Kft.	-	67	371	62	-	60	379	60
IPOPEMA Asset Management S.A.	-	29	37	-	-	18	45	-
Members of the Management and Supervisory Boards	-	5	13	-	-	-	4	-
Other related entities	-	-	-	-	4	-	-	-
Total	-	341	423	62	4	106	491	60

Related-party transactions – receivables and liabilities

Related party	Receivables			Liabilities		
	Jun 30 2013	Dec 31 2012	Jun 30 2012	Jun 30 2013	Dec 31 2012	Jun 30 2012
IPOPEMA Business Consulting	7	10	-	-	-	12
IPOPEMA TFI	1,069	105	800	-	2	-
IPOPEMA Business Services Kft.	820	914	924	-	-	-
IPOPEMA Asset Management S.A.	26	228	-	-	49	4
Members of the Management and Supervisory Boards	-	2	-	-	-	-
Other related entities	3	-	2	3	-	-
Total	1,925	1,259	1,726	3	51	16

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 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	
	Jun 30 2013	Jun 30 2012	Jun 30 2013	Jun 30 2012
Cash and cash equivalents	36,109	79,697	31,919	75,647
1. In hand	4	7	4	7
2. At banks	8,518	21,376	8,518	21,376
3. Other cash	23,397	54,264	23,397	54,264
4. Cash equivalents (deposit for a period exceeding three months)	4,190	4,050	-	-
Accrued foreign exchange differences	-	-	282	- 1,119

The difference between the presentation of cash in the balance sheet and the statement of cash flows as at June 30th 2013 and June 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 amounting to PLN 190 thousand as at June 30th 2013 and PLN 50 thousand as at June 30th 2012. The difference as at June 30th 2013 followed from the recognition of foreign exchange gains of PLN 282 thousand, compared with PLN 1,119 thousand recognised as at June 30th 2012.

Differences in changes in balance-sheet items

	Presentation in the balance sheet		Balance-sheet change	Presentation in the statement of cash flows – change
	Jun 30 2013	Dec 31 2012	Jun 30 2013	Jun 30 2013
Gross (current and non-current) receivables	580,934	507,080	- 73,854	- 71,710
Net receivables	580,652	506,814		
Impairment losses on receivables	282	266		16
Provisions (net of deferred tax related to equity and provision for unpaid interest)	4,212	5,348		- 1,136
Total change in impairment losses and provisions				- 1,120

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 June 30th 2013 by the amount of receivables under dividends, certificate redemptions, loans advanced and security deposit receivables, 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–June 30th 2013, the Company disclosed change in lease receivables of PLN 65 thousand. In the comparative period, the Company disclosed change in lease receivables of PLN 62 thousand.

In "Other cash used in investing activities" for the period January 1st–June 30th 2013 the Company disclosed a deposit provided to secure Deutsche Bank Polska S.A.'s claims arising from the settlement of purchase transactions in foreign securities. In the comparative period, the Company disclosed a deposit paid as security for a guarantee provided by Nordea Bank Polska S.A. and a deposit paid to BRE Bank S.A.

Note 20

Clients' financial instruments

As at June 30th 2013, the value of financial instruments in book-entry form listed on the stock exchanges, registered in clients' accounts, was PLN 94,689 thousand (3,134 instruments) (December 31st 2012: PLN 136,862 thousand (5,139 instruments)). As at June 30th 2013, the Company did not keep any of its clients' shares

in certificated form. As at December 31st 2012, the number of clients' shares kept by the Company is certificated form was 190,387 thousand and their value totalled PLN 28,505 thousand.

The Company also operates the sponsor's account in which WSE-listed instruments in book-entry form are registered. As at June 30th 2013, 10,710 thousand shares worth PLN 86,005 thousand were registered in the account (December 31st 2012: 11,889 thousand shares with the value of PLN 105,692 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

Litigation

The Company was a party to court proceedings before the Warsaw Regional Court, XIV Labour and Social Insurance Division, which have been initiated on the basis of appeals lodged by the Company against decisions of the Social Insurance Institution (I Warsaw Branch) determining the base for the computation of contributions to social insurance, health insurance, Labour Fund and the Guaranteed Employee Benefits Fund, for the period from January 2009 to February 2010. In 2012, the Company filed corrected returns and recognised a provision of PLN 19 thousand for the projected amount of costs resulting from correction of settlements with the Social Insurance Institution for the years 2009-2010. As the Social Insurance Institution repealed the appealed decisions, the proceedings were discontinued.

Note 23

Material events and factors in H1 2013

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

Similarly to the previous year, in H1 2013 the Company's markets saw high volatility of stock market indices. However, trading by value on the WSE was up 14.6%, compared with 20.0% and 29.9% year-on-year declines in trading value recorded by the BSE and PSE, respectively, in the period from January to June 2013.

The Company further consolidated its position on the WSE secondary market in H1 2013, and with a share of 9.66% (H1 2012: 8.13%) emerged as the second most active broker on that market.

The factors stated above, despite the lower trading on the BSE and a slight contraction in the Company's share in that market (6.47% vs. 6.77%), led to a 21.1.% increase in securities trading revenue (PLN 24,099 thousand, compared with PLN 19,901 thousand in the previous year).

Investment banking services

Similarly to H1 2012, the volatility prevailing on the WSE in the period from January to June 2013, compounded by considerable investor uncertainty as to the future of pension funds, had a major dampening effect on the equity market activity of investors and issuers alike. Despite these setbacks, a higher year-on-year value of executed transactions drove the Company's investment banking revenue up by 29.8%, compared with H1 2012, to PLN 5,449 thousand.

Note 24

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–June 30th 2013. 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.

Execution of annexes to credit facility agreements with Alior Bank

After the balance-sheet date, the Company executed annexes to the credit agreements with Alior Bank, under which the effective terms of the agreements were extended until July 18th 2014. For more details see Note 6 to these condensed financial statements.

Warsaw, August 22nd 2013

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