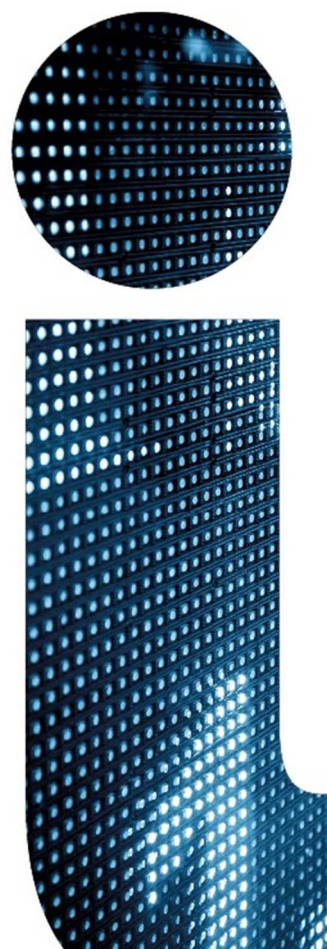


IPOPEMA Securities S.A.

Interim condensed financial statements

for the three months ended March
31st 2016

Warsaw, May 13th 2016



Financial highlights

Financial highlights	PLN '000		EUR '000	
	3 months ended		3 months ended	
	Mar 31 2016	Mar 31 2015	Mar 31 2016	Mar 31 2015
Revenue from core activities	7,426	9,244	1,705	2,228
Cost of core activities	8,772	9,608	2,014	2,316
Profit on core activities	-1,346	-364	-309	-88
Operating profit	-1,256	-699	-288	-168
Profit before tax	-1,718	-909	-394	-219
Net profit	-1,918	-1,193	-440	-288
Earnings per ordinary share (weighted average) (PLN/ EUR)	-0.06	-0.04	-0.01	-0.01
Net cash from operating activities	-98,410	-3,827	-22,592	-922
Total cash flows	-110,088	-3,901	-25,273	-940

Financial highlights	PLN '000		EUR '000	
	Mar 31 2016	Dec 31 2015	Mar 31 2016	Dec 31 2015
	Total assets	340,692	323,575	79,817
Current liabilities	274,371	254,254	64,280	59,663
Equity	61,712	63,627	14,458	14,931
Number of shares	29,937,836	29,937,836	29,937,836	29,937,836
Book value per share (PLN/EUR)	2.06	2.13	0.49	0.50

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

- For the statement of profit or loss and statement of cash flows items:

Average exchange rate calculated as the arithmetic mean of the exchange rates quoted on the last day of each month in a given period	Q1 2016	Q1 2015
EUR	4.3559	4.1489

- For the balance sheet:

Exchange rate as at	Mar 31 2016	Dec 31 2015
EUR	4.2684	4.2615

Introduction to the interim condensed 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 principal business activities comprise brokerage activities and the provision of business and management consulting services.

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

Going concern assumption

These interim condensed financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future, that is for the 12 months following the reporting date. As at the date of approval of these financial statements, no circumstances were identified which would threaten the Company continuing as a going concern, as a result of voluntary or involuntary discontinuation or material limitation of its existing operations, for at least 12 months from the reporting date, that is March 31st 2016.

Composition of the Management Board and the Supervisory Board

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

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

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

As at the date of these interim condensed 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.

There were no changes in the composition of the Supervisory Board in Q1 2016 or the comparative period.

Basis of preparation

These interim condensed financial statements (“condensed financial statements”, “financial statements”) cover the period from January 1st to March 31st 2016 and include comparative data for the period from January 1st to March 31st 2015 (for the statement of profit or loss, the statement of cash flows, and the statement of changes in equity) and, additionally, data as at December 31st 2015 (for the balance sheet and the statement of changes in equity).

These interim condensed financial statements have been prepared in accordance with the Polish Accounting Standards (‘PAS’).

As at the date of these condensed financial statements, 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 Business Consulting Sp. z o.o. (“IBC”) of Warsaw – 50.02% interest; as at March 31st 2016, IBC was the parent of IPOPEMA Outsourcing Sp. z o.o. (100% interest) – in May 2016 the Company acquired all shares in IPOPEMA Outsourcing Sp. z o.o. from IBC;
- IPOPEMA Business Services Kft. (“IBS”) of Budapest, Hungary – 100% interest. Given changes to the model of operating in foreign markets, the process of winding up IBS was concluded in 2016. On April 1st 2016, IBS was deleted from the court register.
- IPOPEMA Business Services SRL (“IBS SRL”) of Bucharest, Romania – 95% interest, with a 5% interest held by IBS (since April 1st 2016, IPOPEMA Securities S.A. has held 100% of the shares). Given changes to the model of operating in foreign markets, the process of winding up IBS began in 2016.

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., IPOPEMA Business Services SRL and IPOPEMA Outsourcing Sp. z o.o. have not been consolidated as their effect on the Group’s financial data is immaterial.

Identification of the interim condensed financial statements

All financial data contained in these interim condensed financial statements is presented in thousands of the Polish złoty (PLN ‘000).

These interim condensed financial statements have been 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 statement of profit or loss under increase in impairment losses on receivables. The cost connected with recognition of impairment losses at

the time of confirming that particular receivables are uncollectible is a tax-deductible expense; otherwise, such cost is not tax-deductible.

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

Current receivables from clients, current receivables from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses, current liabilities to clients and current liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses arise in connection with securities purchases and sales which have not yet been cleared at the clearing houses due to the transaction settlement procedure (T+2). In the case of purchase transactions on stock exchanges made to execute orders placed by clients whose accounts are kept by custodian banks, the Company recognises current liabilities towards banks conducting brokerage activities, other brokerage houses and commodity brokerage houses (parties to the market transactions)* and current receivables from the clients for whom the purchase transactions were executed. In the case of sale transactions executed on stock exchanges to execute orders placed by clients whose accounts are kept by custodian banks, the Group discloses current receivables from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses (parties to the market transactions)* and current liabilities towards the clients for whom the sale transactions were executed.

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

Non-current receivables

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

Financial instruments

Financial instruments are classified into the following categories:

1. Financial assets

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

2. Financial liabilities

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

Financial assets and liabilities held for trading

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

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

Financial assets are carried as at the contract date at cost, i.e. at the fair value of expenses incurred or other assets transferred in return, 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.

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. Changes in the value of financial instruments held for trading are recognised under income from or cost related to financial instruments held for trading, as appropriate.

The Company does not apply hedge accounting.

Loans advanced and receivables

Loans and receivables include financial assets arising when the Company delivers cash directly to the counterparty, irrespective of the maturity date of such assets. Loans advanced and receivables are measured at adjusted 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'.

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 gains and losses are posted to 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 Central Securities Depository of Poland and exchange clearing houses and liabilities to entities operating regulated securities markets, as well as all other liabilities not classified as non-current liabilities, accruals and deferred income or provisions for liabilities.

Liabilities are measured at amounts payable. 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 2016	Dec 31 2015
USD	3.7590	3.9011
EUR	4.2684	4.2615
HUF 100	1.3586	1.3601
RON	0.9538	0.9421
GBP	5.4078	5.7862
UAH	0.1436	0.1622
CZK	0.1578	0.1577
CHF	3.9040	3.9394
TRY	1.3284	1.3330
JPY 100	3.3463	3.2411
NOK	0.4532	0.4431
CAD	2.9007	2.8102
SEK	0.4624	0.4646
DKK	0.5729	0.5711
INR 100	5.6814	5.8962

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 2015, issued on March 18th 2016. In Q1 2016, 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 2016

ASSETS (PLN '000)		Note	Mar 31 2016	Dec 31 2015	Mar 31 2015
I.	Cash and cash equivalents	1	25,681	135,950	31,304
1.	In hand		1	1	2
2.	At banks		4,954	15,436	6,918
3.	Other cash		20,710	120,483	24,384
4.	Cash equivalents		16	30	-
II.	Current receivables	2, 7	288,080	167,711	251,020
1.	From clients		100,498	66,058	129,468
2.	From related entities	19	46	59	195
3.	From banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		143,359	64,558	86,502
a)	under executed transactions		140,159	64,062	85,242
b)	other		3,200	496	1,260
4.	From the Central Securities Depository of Poland and exchange		29,672	24,134	26,037
5.	From issuers of securities and selling shareholders		-	2,332	-
6.	Taxes, subsidies and social security receivable		193	166	894
7.	Other		14,312	10,404	7,924
III.	Financial instruments held for trading	3, 4	2,203	1,214	244
1.	Equities		2,203	1,214	244
IV.	Current prepayments and accrued income		949	794	1,140
V.	Financial instruments held to maturity		-	-	-
VI.	Financial instruments available for sale	3, 4	8,824	8,820	8,818
1.	Equities		8,638	8,638	8,638
	- shares in subordinated entities		8,638	8,638	8,638
2.	Investment certificates		186	182	180
VII.	Non-current receivables		7,774	1,367	2,353
VIII	Non-current loans advanced		-	1	277
1.	Other		-	1	277
IX.	Intangible assets	4	2,321	2,495	1,954
1.	Acquired permits, patents, licenses and similar assets, including:		2,321	2,495	1,954
	- software		2,321	2,495	1,954
X.	Property, plant and equipment	4, 5	3,978	4,136	3,274
1.	Tangible assets, including:		3,940	4,092	3,251
a)	buildings and premises		514	531	624
b)	computer assemblies		2,220	2,364	1,387
c)	other tangible assets		1,206	1,197	1,240
2.	Tangible assets under construction		38	44	23
XI.	Non-current prepayments and accrued income		882	1,087	536
1.	Deferred tax assets	14	870	1,050	536
2.	Other non-current prepayments and accrued income		12	37	-
XII.	Called-up share capital not paid		-	-	-
XIII.	Treasury shares		-	-	-
Total assets			340,692	323,575	300,920

Warsaw, May 13th 2016

 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

 Daniel Ścigała
 Member of the
 Management Board

 Danuta Ciosek
 Chief Accountant

Interim condensed financial statements of IPOPEMA Securities S.A. for the first three months of 2016

EQUITY AND LIABILITIES (PLN '000)		Note	Mar 31 2016	Dec 31 2015	Mar 31 2015
I.	Current liabilities	6	274,371	254,254	239,685
1.	To clients		143,026	166,605	88,608
2.	To related entities	19	19	33	-
3.	To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		110,105	68,947	134,076
a)	under executed transactions		110,105	68,941	134,076
b)	other		-	6	-
4.	To entities operating regulated markets and commodity exchanges		555	563	698
5.	To the Central Securities Depository of Poland and exchange clearing houses		1,135	844	1,249
6.	Borrowings		16,569	15,138	13,441
a)	other		16,569	15,138	13,441
7.	Debt securities	11	4	6	4
8.	Taxes, customs duties and social security payable		1,003	352	689
9.	To investment and pension fund companies and to investment and pension funds		107	213	212
10.	Other		1,848	1,553	708
II.	Non-current liabilities		186	133	2
1.	Debt securities	11	3	4	-
2.	Finance lease liabilities	10	183	129	-
III.	Accruals and deferred income		-	-	-
IV.	Provisions for liabilities	7	4,423	5,561	2,293
1.	Deferred tax liabilities	14	414	393	308
2.	Other		4,009	5,168	1,985
a)	non-current		309	393	57
b)	current		3,700	4,775	1,928
V.	Subordinated liabilities		-	-	-
VI.	Equity		61,712	63,627	58,940
1.	Share capital	8	2,994	2,994	2,994
2.	Reserve funds		57,152	57,152	53,926
a)	share premium		10,351	10,351	10,351
b)	statutory reserve funds		998	998	998
c)	reserve funds created pursuant to the Articles of Association		45,803	45,803	42,577
3.	Revaluation capital reserve		-9	-12	-13
4.	Retained earnings		3,493	-	3,226
5.	Net profit	15	-1,918	3,493	-1,193
Total equity and liabilities			340,692	323,575	300,920
Book value (PLN '000)			61,712	63,627	58,940
Number of shares as at end of period			29,937,836	29,937,836	29,937,836
Book value per share (PLN)			2.06	2.13	1.97
Diluted number of shares			29,937,836	29,937,836	29,937,836
Diluted book value per share (PLN)			2.06	2.13	1.97

Warsaw, May 13th 2016

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

Daniel Ścigała
Member of the
Management Board

Danuta Ciosek
Chief Accountant

Interim condensed financial statements of IPOPEMA Securities S.A. for the first three months of 2016

OFF-BALANCE-SHEET ITEMS (PLN '000)		Note	Mar 31 2016	Dec 31 2015	Mar 31 2015
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		-	-	-

Warsaw, May 13th 2016

Jacek Lewandowski
President of the
Management Board

Mariusz Piskorski
Vice-President of the
Management Board

Stanisław Waczkowski
Vice-President of the
Management Board

Miroslaw Borys
Vice-President of the
Management Board

Daniel Ścigała
Member of the
Management Board

Danuta Ciosek
Chief Accountant

Interim condensed financial statements of IPOPEMA Securities S.A. for the first three months of 2016

Statement of profit or loss (PLN '000)	Note	Q1 2016	Q1 2015
I. Revenue from brokerage activities, including:		7,426	9,244
- from related entities	19	-	3
1. Fee and commission income		5,250	8,342
a) from transactions in financial instruments made in the name of the Company but for the account of the party placing an order		5,250	7,721
b) other		-	621
2. Other income		2,176	902
a) from maintenance of clients' securities accounts and cash accounts		4	1
b) from offering financial instruments		-	220
c) other		2,172	681
II. Cost of brokerage activities		8,772	9,608
- from related entities	19	165	344
1. Fees payable to regulated markets, commodity exchanges, the Central Securities Depository of Poland and exchange clearing houses		1,657	2,293
2. Salaries and wages		3,504	3,568
3. Social security and other benefits		499	508
4. Employee benefits		54	43
5. Raw material and consumables used		75	67
6. Costs of maintenance and lease of buildings		366	497
7. Depreciation and amortisation expenses		463	425
8. Taxes and other public charges		344	391
9. Other		1,810	1,816
III. Profit (loss) on brokerage activities		-1,346	-364
IV. Income from financial instruments held for trading		433	54
1. Revaluation adjustments		170	44
2. Gain on sale/redemption		263	10
V. Cost related to financial instruments held for trading		313	399
1. Revaluation adjustments		70	8
2. Loss on sale/redemption		243	391
VI. Gain (loss) on transactions in financial instruments held for trading		120	-345
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		49	64
1. Other		49	64
XI. Other expenses		44	53
1. Other		44	53
XII. Difference between provisions for and impairment losses on receivables		-35	-1
1. Increase in impairment losses on receivables		35	1
XIII. Operating profit		-1,256	-699
XIV. Finance income		260	438
1. Interest on loans advanced, including:		4	10
- from related entities		-	-
2. Interest on deposits		57	56
- from related entities		-	-
3. Foreign exchange gains		84	170
a) realised		84	170
b) unrealised		-	-

Interim condensed financial statements of IPOPEMA Securities S.A. for the first three months of 2016

4. Other	115	202
XV. Finance costs	722	648
1. Interest on borrowings, including:	272	181
- to related entities	-	-
2. Other interest	45	36
3. Foreign exchange losses	294	314
a) realised	-	-
b) unrealised	294	314
4. Other	111	117
XVI. Profit before extraordinary items	-1,718	-909
XVII. Profit before tax	-1,718	-909
XVIII. Income tax	200	284
XIX. Net profit	-1,918	-1,193
Weighted average number of ordinary shares	29,937,836	29,937,836
Earnings per ordinary share (PLN)	-0.06	-0.04
Weighted average diluted number of ordinary shares	29,937,836	29,937,836
Diluted earnings per ordinary share (PLN)	-0.06	-0.04

Warsaw, May 13th 2016

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

Daniel Ścigała
Member of the
Management Board

Danuta Ciosek
Chief Accountant

STATEMENT OF CASH FLOWS (PLN' 000)	Note	Q1 2016	Q1 2015
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I. Net profit		-1,918	-1,193
II. Total adjustments		-96,492	-2,634
1. Depreciation and amortisation expenses		463	425
2. Foreign exchange gains/(losses)		166	333
3. Interest and profit distributions (dividends)		266	165
4. Gain (loss) on investing activities		-	-117
5. Change in provisions and impairment losses on receivables		-1,081	-1,618
6. Change in financial instruments held for trading		-989	1,219
7. Change in receivables		-114,055	-12,525
8. Change in current liabilities (net of borrowings), including special accounts		18,676	9,450
9. Change in accruals and deferrals		48	34
10. Other		14	-
III. Net cash from (used in) operating activities (I + II)		-98,410	-3,827
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash from investing activities		60	38
1. Decrease in loans advanced		60	38
II. Cash used in investing activities		12,862	1,169
1. Acquisition of intangible assets		-	105
2. Acquisition of property, plant and equipment		57	64
3. Other cash used in investing activities		12,805	1,000
III. Net cash from (used in) investing activities (I - II)		-12,802	-1,131
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash from financing activities		1,431	1,237
1. Increase in current borrowings		1,431	1,235
2. Proceeds from issue of long-term debt securities		-	2
II. Cash used in financing activities		307	180
1. Repayment of short-term debt securities		3	3
2. Payment of finance lease liabilities		10	-
3. Interest paid		294	177
III. Net cash from (used in) financing activities (I - II)		1,124	1,057
D. TOTAL NET CASH FLOWS (A.III +/- B.III +/- C.III)		-110,088	-3,901
E. CHANGE IN CASH, including:		-110,255	-4,038
- effect of exchange rate fluctuations on cash held		-167	-137
F. CASH AT BEGINNING OF PERIOD	20	135,827	35,356
G. CASH AT END OF PERIOD (F +/- D), including:	20	25,739	31,455
- restricted cash		9,456	17,517

Warsaw, May 13th 2016

 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

 Daniel Ścigała
 Member of the
 Management Board

 Danuta Ciosek
 Chief Accountant

STATEMENT OF CHANGES IN EQUITY (PLN '000)		Q1 2016	2015	Q1 2015
I.	EQUITY AT BEGINNING OF PERIOD	63,627	60,125	60,125
	- changes in adopted accounting policies	-	-	-
	- correction of errors	-	-	-
	EQUITY AT BEGINNING OF PERIOD AFTER ADJUSTMENTS	63,627	60,125	60,125
I.a.	ADJUSTMENTS	63,627	60,125	60,125
1.	Share capital at beginning of period	2,994	2,994	2,994
1.1.	Changes in share capital	-	-	-
1.2.	Share capital at end of period	2,994	2,994	2,994
2.	Reserve funds at beginning of period	57,152	53,926	53,926
2.1.	Changes in reserve funds	-	3,226	-
a)	increase	-	3,226	-
	- distribution of profit (above statutory minimum)	-	3,226	-
b)	decrease	-	-	-
2.2.	Reserve funds at end of period	57,152	57,152	53,926
3.	Revaluation capital reserve at beginning of period	-12	-21	-21
3.1.	Changes in revaluation capital reserve	3	9	8
a)	increase	7	24	8
	- remeasurement of financial instruments	7	24	8
b)	decrease	4	15	-
	- remeasurement of financial instruments	4	15	-
3.2.	Revaluation capital reserve at end of period	-9	-12	-13
4.	Retained earnings/(deficit) at beginning of period	3,493	3,226	3,226
4.1.	Retained earnings at beginning of period	3,493	3,226	3,226
a)	increase	-	-	-
b)	decrease	-	3,226	-
	- distribution of retained earnings (dividend)	-	-	-
	- distribution of retained earnings (increase in reserve funds)	-	3,226	-
4.2.	Retained earnings /(deficit) at end of period	3,493	-	3,226
5.	Net profit (loss)	-1,918	3,493	-1,193
a)	net profit	-	3,493	-1,193
b)	net loss	-1,918	-	-
II.	EQUITY AT END OF PERIOD	61,712	63,627	58,940
III.	EQUITY AFTER PROPOSED DISTRIBUTION OF PROFIT	61,712	63,627	58,940

Warsaw, May 13th 2016

 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

 Daniel Ścigała
 Member of the
 Management Board

 Danuta Ciosek
 Chief Accountant

Notes to the interim financial statements

Note 1

Cash and other assets (PLN '000)	Mar 31 2016	Dec 31 2015	Mar 31 2015
Cash and other assets of clients			
a) at banks and in hand	9,456	104,305	13,421
b) other*	-	-	-
Total cash and other assets of clients	9,456	104,305	13,421
Cash and other assets:			
a) cash and other assets of the brokerage house, including:	16,225	31,645	17,883
- in hand	1	1	2
- at banks	4,954	15,436	6,918
- other cash*	11,254	16,178	10,963
- other cash equivalents	16	30	-
b) cash and other assets of clients deposited in cash accounts	9,456	104,305	13,421
- at the brokerage house and paid towards acquisition of securities	9,456	104,305	13,421
- in an IPO or on the primary market	-	-	-
c) cash and other assets transferred from the settlement guarantee fund	-	-	-
Total cash and other assets	25,681	135,950	31,304

* '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 2016	Dec 31 2015	Mar 31 2015
1. Selected current receivables	273,575	154,313	242,201
a) from clients, including:	100,498	66,058	129,468
- under transactions executed on the Warsaw Stock Exchange	71,508	62,910	104,079
- under transactions executed on the Budapest Stock Exchange	21,496	602	12,090
- under transactions executed on the Prague Stock Exchange	2,404	-	3,785
- under transactions executed on the Istanbul Stock Exchange	2,059	-	1,198
- under transactions executed on the Vienna Stock Exchange	-	795	-
- under transactions executed on the London Stock Exchange	-	-	137
- under transactions executed on the Frankfurt Stock Exchange	-	220	325
- under transactions executed on the New York Stock Exchange	-	110	1,781
- under transactions executed on Nasdaq	-	-	4,081
- under transactions executed on the Paris Stock Exchange	333	-	244
- under transactions executed on the Milan Stock Exchange	-	-	142
- under transactions executed on the Zurich Stock Exchange	-	-	88
- other	2,698	1,421	1,518
b) from related entities, including:	46	59	195
- from subsidiaries	46	59	195
- from other related entities	-	-	-
c) from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	143,359	64,062	86,501
- under transactions executed on the Warsaw Stock Exchange*	108,801	56,568	71,658
- under transactions executed on the Budapest Stock Exchange	15,038	4,027	2,869
- under transactions executed on the Prague Stock Exchange	1,883	3,467	-
- under transactions executed on the New York Stock Exchange	1,957	-	-
- under transactions executed on the Paris Stock Exchange	-	-	99

Interim condensed financial statements of IPOPEMA Securities S.A. for the first three months of 2016

- under transactions executed on the Frankfurt Stock Exchange	-	-	103
- under transactions executed on the Istanbul Stock Exchange	-	-	639
- under transactions executed on the Madrid Stock Exchange	-	-	490
- under transactions executed on the Vienna Stock Exchange	-	-	9,384
- under transactions executed on the Milan Stock Exchange	10,813	-	-
- under transactions executed on the London Stock Exchange	1,654	-	-
- under transactions executed on the Zurich Stock Exchange	13	-	-
- other	3,200	-	1,259
d) from entities operating regulated markets and commodity exchanges	-	-	-
e) from the Central Securities Depository of Poland and exchange clearing houses, including:	29,672	24,134	26,037
- from the settlement guarantee fund and deposits	29,558	24,014	25,918
- other	114	120	119
f) under court proceedings, not covered by recognised impairment losses on receivables	-	-	-
2. Net current receivables	288,080	167,711	251,020
- impairment losses on current receivables (positive value)	294	259	515
Gross current receivables	288,374	167,970	251,535

* 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 items: 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 represent the value of concluded and not cleared purchase and sale transactions in securities.

Note 3

Financial assets

In Q1 2016 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

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

In Q1 2016 and 2015, 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 Q1 2016 and 2015, the Company did not purchase or sell any material items of property, plant and equipment.

Material liabilities under purchase 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 2016	Dec 31 2015	Mar 31 2015
Selected current liabilities	113,662	71,934	136,731
1. To related entities	19	33	-
a) to subsidiaries	19	33	-
b) to other related entities	-	-	-
2. To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	110,105	68,941	134,076
a) to the Warsaw Stock Exchange *	83,780	67,216	116,116
b) to the Budapest Stock Exchange	21,530	602	6,188
c) to the Prague Stock Exchange	2,404	-	3,782
e) to the London Stock Exchange	-	-	137
e) to the Istanbul Stock Exchange	2,058	-	1,197
f) to the New York Stock Exchange	-	109	1,780
g) to the Frankfurt Stock Exchange	-	219	324
h) to the Paris Stock Exchange	333	-	243
i) to Nasdaq	-	-	4,079
j) to the Milan Stock Exchange	-	-	142
k) to the Zurich Stock Exchange	-	-	88
l) to the Vienna Stock Exchange	-	795	-
3. To entities operating regulated markets and commodity exchanges	555	563	698
a) to the Warsaw Stock Exchange	479	488	635
b) to the Budapest Stock Exchange	26	44	18
c) to the Prague Stock Exchange	4	21	4
d) to the Vienna Stock Exchange	42	-	41
e) to the Bucharest Stock Exchange	-	6	-
f) to the Chicago Mercantile Exchange	4	4	-
4. To the Central Securities Depository of Poland and exchange clearing houses	1,135	844	1,249
a) under additional payments to the settlement guarantee fund	-	-	-
b) other	1,135	844	1,249
5. Other	1,848	1,553	708
a) dividend payable	-	-	-
b) other liabilities, including:	1,848	1,553	708
- financial liabilities (lease)	35	24	-
- other liabilities	1,813	1,529	708

* 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 2016, the Company had liabilities of PLN 16,569 thousand due to facilities associated with brokerage activities (December 31st 2015: PLN 15,138 thousand) under:

1. two working capital overdraft facility (lines of credit) agreements executed on July 22nd 2009 with Alior Bank S.A. The facilities are used to finance payment of liabilities to the Central Securities Depository of Poland in connection with the brokerage activities and are renewed on an annual basis – their current term expires on September 15th 2016:
 - i. Revolving credit facility of up to PLN 10m. The purpose of the facility is to finance payment of the Company's liabilities to the Central Securities Depository of Poland in respect of the settlement of transactions concluded by the Company on the regulated market as part of its brokerage business. The facility is secured with a blank promissory note with a promissory note declaration, a power of attorney over accounts held with the bank, and a PLN 4m security deposit placed in a term deposit account as joint collateral securing also the credit facility specified in item ii.

- ii. Revolving credit facility of up to PLN 30m. The purpose of the facility is to finance the payment of the Company's liabilities resulting from its membership in the Stock-Exchange Transactions Settlement Guarantee Fund operated by the Central Securities Depository of Poland. The facility is secured with a blank promissory note with a promissory note declaration and a power of attorney over accounts held with the bank. As stated in item i above, both credit facilities are jointly secured by a PLN 4m security deposit.
2. current account overdraft facility of EUR 1.5m from Raiffeisen Bank ZRT, used to settle stock exchange transactions on the Budapest Stock Exchange in connection with brokerage activities. The facility expires on March 16th 2017. The facility is secured by a EUR 1.5m 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	Jan 1 – Mar 31 2016	Jan 1 – Mar 31 2015
Balance of provisions at beginning of period	4,775	3,473
a) recognised	386	425
b) used	1,461	1,970
c) reversed	-	-
Balance of provisions at end of period	3,700	1,928

In Q1 2016, impairment losses on receivables rose by PLN 35 thousand compared with December 31st 2015. In the comparative period last year (Q1 2015), impairment losses on receivables increased by PLN 1 thousand relative to December 31st 2014.

Note 8

Share capital	Mar 31 2016	Dec 31 2015	Mar 31 2015
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 2015 and 2016	the shares carry the right to profit distribution for 2014 and 2015	the shares carry the right to profit distribution for 2014 and 2015

As at March 31st 2016, the share capital was PLN 2,993,783.60 and comprised 7,000,000 Series A ordinary bearer shares, 21,571,410 Series B ordinary bearer shares, and 1,366,426 Series C ordinary bearer shares.

There were no changes in the Company's share capital in Q1 2016 or 2015.

The Company's Articles of Association provide for a conditional share capital increase for the purpose of implementation of the Company's incentive scheme, for the maximum amount of PLN 485,714, through the issue of up to 4,857,140 shares. A total of 1,366,426 shares had been issued by March 31st 2016, 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 13.

Note 9

Contingent liabilities and assets

From April to December 2015, the Company was obliged to incur a cost of up to CZK 1,238 thousand (PLN 184 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). The agreement with the clearing bank expired in March 2016.

In addition to the above and the guarantees specified in Note 12, the Company also issued promissory notes as security for a credit facility (for a detailed description see Note 6).

Note 10

Leases

The Company as a lessee – right to use a building

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 initially executed for a period of five years, starting from 2013, with an option to extend its term for another two years. Pursuant to an annex to the agreement, executed in January 2016, the lease agreement was extended until January 2023.

Minimum lease payments are presented in the table below.

Lease liabilities	Mar 31 2016	Dec 31 2015
	Present value of minimum lease payments	
Within 1 year	1,002*	1,447*
Within 1 to 5 years	4,008*	4,398*
Over 5 years	1,797*	-
Total lease liabilities	6,807	5,845

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

The Company as a lessee – finance leases

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

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

Finance lease liabilities	Mar 31 2016	Dec 31 2015
Net carrying amount	218	153
Present value of minimum lease payments	218	153
Within 1 year *	35	24
Within 1 to 5 years *	183	129
Over 5 years *	-	-
Contingent lease payments recognised as expense in the period	10	10

Note 11

Bonds

In 2016, by the date of issue of these financial statements, the Company issued registered bonds with a total par value of PLN 1.9 thousand (there were no new issues in Q1 2016), with various series maturing in 2016–2018 (value of issues in Q1 2015: PLN 2 thousand). 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 Regulation on the rules for establishment of a variable component remuneration policy for persons holding management positions at brokerage houses, dated December 2nd 2011. For more details, see the updated version of the document entitled 'Disclosure of information on IPOPEMA Securities S.A.'s capital adequacy', available on the Company's website.

In 2016, by the date of issue of these financial statements, the Company redeemed PLN 4.5 thousand worth of bonds (including PLN 3.3 thousand in Q1 2016), compared with PLN 3 thousand worth of bonds redeemed in Q1 2015.

Note 12

Guarantees received and security for guarantees

In January 2012, PKO Bank Polski S.A. (formerly Nordea Bank Polska S.A.) issued to the Company a guarantee of up to EUR 268 thousand, secured by a security deposit with the current value of PLN 1,371 thousand. Under the annexes executed in 2014 and 2015, the guarantee amount was increased to EUR 277 thousand. The guarantee, provided until April 15th 2018, secures liabilities related to the lease of office space.

In March 2016, mBank issued a guarantee in respect of the Company's liabilities to Raiffeisen Bank Polska S.A., which has been IPOPEMA's clearing bank for foreign transactions since March 16th 2016. The guarantee was issued for the amount of EUR 1.5m, and secures the Company's timely payment of its liabilities to Raiffeisen Bank arising in connection with the services provided by the Bank, consisting in the settlement and clearance of foreign transactions. The guarantee is secured with a EUR 1.5m security deposit. The guarantee was issued until March 31st 2017.

In April 2012, mBank S.A. (formerly BRE Bank S.A.) issued a guarantee in respect of the Company's liabilities for the benefit of the Hungarian Branch of Deutsche Bank AG, which until March 15th 2016 was IPOPEMA Securities S.A.'s clearing bank for transactions executed on the Budapest Stock Exchange. The guarantee was issued for EUR 2.5m (the guarantee amount was changed on April 2nd 2015 to EUR 1.5m) and secured the Company's timely payment of liabilities towards Deutsche Bank arising in connection with the services provided by the Bank, consisting in settlement and clearing of transactions on the BSE. Under amendments made to the guarantee agreement in 2015, the guarantee was extended until April 1st 2016. In particular cases specified in the agreement, the guarantee expires on July 1st 2016. The guarantee was secured with a PLN 3.5m security deposit (the security deposit was refunded to the Company in April 2016).

Note 13

Incentive scheme

No eligible persons subscribed for any shares under the Company's incentive scheme in Q1 2016 or in the comparative period.

The cost of the incentive schemes is not recognised in the separate financial statements as the Polish Accountancy Act stipulates no such requirement. To ensure 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 incentive schemes increased the cost of salaries and wages in Q1 2015 by PLN 23 thousand (Q1 2016: no cost). The amount was charged against the profit of the operating segment of IPOPEMA Securities S.A.

The share option plan under which the above cost of salaries and wages was recognised was measured using the binomial tree model.

Note 14

Deferred tax

Deferred tax liabilities increased by PLN 21 thousand in Q1 2016. In Q1 2015, they fell by PLN 19 thousand.

Deferred tax assets went down by PLN 180 thousand and PLN 285 thousand in Q1 2016 and Q1 2015, respectively.

Note 15

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 2015 profit. This decision will be made at a later date, however not later than by the date of convening of the Annual General Meeting, which pursuant to the Commercial Companies Code must be held within six months from the end of a given financial year.

Note 16

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

The Company issued no equity securities in Q1 2016 and 2015.

The Company did however issue bonds in those periods, as discussed in detail in Note 11.

Note 17

Dividends paid and proposed

In Q1 2016, the Company did not pay or resolve to pay any dividend.

Note 18

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 other than on an arm's length basis.

Note 19

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 2016				Jan 1 – Mar 31 2015			
IPOPEMA BC	-	1	29	-	-	1	-	-
IPOPEMA TFI	-	29	-	-	-	29	-	-
IPOPEMA Business Services Kft.	-	-	-	-	-	-	184	-
IPOPEMA Business Services Srl	-	-	133	-	-	-	125	-
IPOPEMA Asset Management S.A.	-	-	-	-	-	16	20	-
Members of the Management and Supervisory	-	10	3	-	3	7	15	-
Other related entities	-	-	-	-	-	-	-	-
Total	-	40	165	-	3	53	344	-

Related-party transactions – receivables and liabilities

Related party	Receivables			Liabilities		
	Mar 31 2016	Dec 31 2015	Mar 31 2015	Mar 31 2016	Dec 31 2015	Mar 31 2015
IPOPEMA Business Consulting	-	1	-	19	29	-
IPOPEMA TFI	21	40	20	-	4	-
IPOPEMA Business Services Kft.	-	-	82	-	-	-
IPOPEMA Business Services SRL	-	-	77	-	-	-
IPOPEMA Asset Management S.A.	-	-	15	-	-	-
Members of the Management and Supervisory Boards	25	18	1	-	-	-
Total	46	59	195	19	33	-

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 20

Items of the statement of cash flows

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

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

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

Structure of cash

	Presentation in the balance sheet		Presentation in the statement of cash flows	
	Mar 31 2016	Mar 31 2015	Mar 31 2016	Mar 31 2015
Cash and cash equivalents	25,681	31,304	25,739	31,455
1. In hand	1	2	1	2
2. At banks	4,954	6,918	4,954	6,918
3. Other cash	20,710	24,384	20,710	24,384
4. Cash equivalents	16	-	-	-
Accrued foreign exchange differences			74	151

The difference between the presentation of cash in the balance sheet and the statement of cash flows as at March 31st 2016 follows from the presentation of cash net of the effect of foreign exchange differences and received gift cards presented under cash and cash equivalents, and as at March 31st 2016 from the presentation of cash net of the effect of foreign exchange differences.

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 2016	Dec 31 2015	Mar 31 2016	Mar 31 2016
Gross current and non-current receivables	296,148	169,337	126,811	114,055
Net receivables	295,854	169,078		
Impairment losses on receivables	294	259		35
Provisions (net of deferred tax related to equity and provision for unpaid interest)	4,401	5,517		-1,116
Total change in impairment losses and provisions				-1,081

The difference between the change in gross receivables disclosed in the balance sheet and the amount disclosed in the statement of cash flows is attributable to the presentation of receivables as at March 31st 2016 net of the amount of receivables under loans advanced and security deposits receivable, disclosed under investing activities.

Explanation concerning other items of the statement of cash flows

In Q1 2016, 'Other cash used in investing activities' included a EUR 1.5m security deposit securing a credit facility and a EUR 1.5m security deposit securing a guarantee. In Q1 2015, the Company disclosed a PLN 1m increase in the security deposit held at mBank as security for a guarantee.

Note 21

Clients' financial instruments

As at March 31st 2016, the value of stock-exchange listed financial instruments in book-entry form registered in clients' accounts was PLN 751,824 thousand (96,822 instruments) (December 31st 2015: PLN 658,465 thousand (96,011 instruments)). As at March 31st 2016, the Company kept 40,000 clients' bonds in certificated form, valued at PLN 40m (December 31st 2015: 90,000 bonds, valued at PLN 90m), and 72,000 shares in certificated form, valued at PLN 1,384 thousand (December 31st 2015: 12,000 shares, valued at PLN 165 thousand).

The Company also maintains an issue sponsor's account. The value of 291 thousand WSE-listed financial instruments in book-entry form (shares) registered in this account as at March 31st 2016 was PLN 764 thousand (December 31st 2015: 291 thousand shares with a value of PLN 632 thousand).

Note 22

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 23

Pending court or administrative proceedings

In April 2016, IPOPEMA filed a suit for payment under writ-of-payment proceedings against one of its clients. The value of the subject of the dispute is PLN 49.2 thousand. The proceedings have not been concluded to date.

Note 24

Material events and factors in Q1 2016

In Q1 2016, only the Budapest Stock Exchange recorded an increase in the trading volumes (up 23.3% on Q1 2015), while the trading volumes in Warsaw and Prague were 14.4% and 21.8% lower, respectively, relative to the first three months of 2015. Over the same period, the Company's market share declined to 5.04% on the WSE and 1.89% on the BSE (from 6.12% and 2.75% in a year earlier) because of growing competition, chiefly from foreign-based brokerage houses. As a result, the Company's revenue from trading in securities in Q1 2016 went down by 25.7% relative to Q1 2015 (PLN 5,620 thousand vs PLN 7,563 thousand).

The market for equity transactions was equally challenging as in Q1 2015 (Q1 2016 saw one new debut on the WSE with an offering worth PLN 72m, while the only debut in Q1 2015 was only worth under PLN 30m). Furthermore, transactions which the Company is currently preparing were not scheduled to close in the first quarter of the year, as a result of which revenue from investment banking activities came in at PLN 1,775 thousand and was slightly higher than a year earlier (PLN 1,672 thousand).

As a result of the above factors, the Company posted a net loss of PLN 1,918 thousand in Q1 2016 (relative to a PLN 1,193 thousand net loss in the previous year) despite lower cost of operations.

Note 24

Events subsequent to the reporting date

All events relating to the reporting period were disclosed in the accounting books and the financial statements for the period January 1st – March 31st 2016. 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 13th 2016

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

Daniel Ścigała
Member of the
Management Board

Danuta Ciosek
Chief Accountant