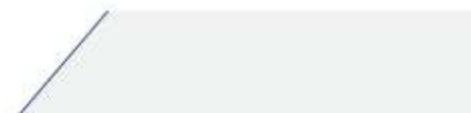


IPOPEMA Securities S.A.

Interim condensed financial statements

**for the nine months ended
September 30th 2014**

Warsaw, November 6th 2014



Financial highlights

Financial highlights	PLN '000				EUR '000			
	3 months ended		9 months ended		3 months ended		9 months ended	
	Sep 30 2014	Sep 30 2013	Sep 30 2014	Sep 30 2013	Sep 30 2014	Sep 30 2013	Sep 30 2014	Sep 30 2013
Revenue from core activities	9,557	10,722	36,218	40,448	2,284	2,539	8,665	9,578
Cost of core activities	9,534	10,083	31,386	33,285	2,279	2,388	7,509	7,882
Profit on core activities	23	639	4,832	7,163	5	151	1,156	1,696
Operating profit	-850	193	6,694	6,258	-203	46	1,601	1,482
Pre-tax profit	-1,540	374	4,738	6,025	-368	89	1,134	1,427
Net profit	-1,509	220	4,014	4,875	-361	52	960	1,154
Earnings per ordinary share (weighted average) (PLN/ EUR)	-0,05	0,01	0,13	0,16	0,00	0,00	0,03	0,04
Net cash from operating activities	963	10,921	-16,239	-180,000	230	2,586	-3,885	-42,623
Total cash flows	-8,534	7,966	-15,986	-202,814	-2,040	1,886	-3,824	-48,025

Financial highlights	PLN '000				EUR '000			
	Sep 30 2014	Jun 30 2014	Dec 31 2013	Sep 30 2013	Sep 30 2014	Jun 30 2014	Dec 31 2013	Sep 30 2013
Total assets	490,449	407,321	322,486	472,810	117,459	97,893	77,760	112,139
Current liabilities	426,393	341,028	249,870	404,534	102,118	81,960	60,250	95,945
Equity	60,913	62,425	65,894	65,156	14,588	15,003	15,889	15,453
Number of shares	29,937,836	29,937,836	29,937,836	29,937,836	29,937,836	29,937,836	29,937,836	29,937,836
Book value per share (PLN/EUR)	2.03	2.09	2.20	2.18	0.49	0.50	0.53	0.52

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	Jan-Sep 2014	Jan-Sep 2013
EUR	4.1803	4.2231

- For the balance sheet:

Exchange rate as at	Sep 30 2014	Dec 31 2013	Sep 30 2013
EUR	4.1755	4.1472	4.2163

Introduction to the financial statements

The Company

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

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

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

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

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

The Company's 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) 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 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 September 30th 2014.

Composition of the Management Board and the Supervisory Board

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

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

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

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

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

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

Basis of preparation

These interim condensed financial statements ('condensed financial statements', 'financial statements') cover the period from January 1st to September 30th 2014 and include comparative data for the period from January 1st to September 30th 2013 (for the income statement and the statement of cash flows) and, additionally, data as at December 31st 2013 (for the balance sheet and the statement of changes in equity).

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

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

- IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. ('IPOPEMA TFI') of Warsaw – 100% interest;
- IPOPEMA Asset Management S.A. ('IAM') of Warsaw – 100% interest;
- IPOPEMA Business Consulting Sp. z o.o. ('IBC') of Warsaw – 50.02% interest; the company is the parent and sole shareholder of IPOPEMA Outsourcing Sp. z o.o.;
- IPOPEMA Business Services Kft. ('IBS') of Budapest, Hungary – 100% interest.
- IPOPEMA Business Services SRL ('IBS SRL') of Bucharest, Romania – 95% interest, with a 5% interest held by IBS.

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 financial statements

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

These 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 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; otherwise, 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 were PLN 48 thousand as at September 30th 2014 (December 31st 2013: PLN 145 thousand), including non-current receivables of PLN 0.5 thousand (December 31st 2013: PLN 14 thousand).

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 and other brokerage houses, current liabilities to clients and current liabilities to banks conducting brokerage activities and other 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+3; the settlement cycle has been changed to T+2 as of October 6th 2014). In the case of purchase transactions on stock exchanges made to execute orders placed by clients whose accounts are kept by custodian banks, the Company recognises current liabilities towards banks conducting brokerage activities and other brokerage houses (parties to the market transactions)* and current receivables from the clients for whom the purchase transactions were executed. In the case of sale transactions executed on stock exchanges to execute orders placed by clients whose accounts are kept by custodian banks, the Group discloses current receivables from banks conducting brokerage activities and other brokerage houses (parties to the market transactions)* and current liabilities towards the clients for whom the sale transactions were executed.

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

Non-current receivables

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

Financial instruments

Financial instruments are classified into the following categories:

1. Financial assets

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

2. Financial liabilities

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

Financial assets and liabilities held for trading

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

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

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

The Company does not apply hedge accounting.

Loans advanced and receivables

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

include mainly bank deposits, cash and loans advanced. Loans advanced to IPOPEMA Securities's employees and associates are classified under 'Loans advanced'. With respect to loans which may be amortised (five-year loans), the Company applies straight-line amortisation to the principal and accrued interest. Amortisation charges are disclosed under finance costs. Loans advanced to a subsidiary are also recognised under this item.

Financial assets held to maturity

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

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

Financial assets available for sale

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

Investment certificates are carried at fair value based on the net asset value per certificate as published by the investment fund. Valuation 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 National Depository for Securities and exchange clearing houses and liabilities to entities operating regulated securities markets, as well as all other liabilities not classified as non-current liabilities, accruals and deferred income or provisions for liabilities.

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

Non-current liabilities

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

Translation of foreign-currency items

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

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

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

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	Sep 30 2014	Dec 31 2013	Sep 30 2013
USD	3.2973	3.0120	3.1227
EUR	4.1755	4.1472	4.2163
HUF 100	1.3452	1.3969	1.4129
GBP	5.3549	4.9828	5.0452
UAH	0.2554	0.3706	0.3811
CZK	0.1518	0.1513	0.1641
CHF	3.4600	3.3816	3.4500
TRY	1.4491	1.4122	1.5334
INR 100	5.3535	4.8757	4.9816

Source: National Bank of Poland.

Changes in estimates

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

Changes in applied accounting policies

The policies applied in the period covered by these financial statements are described in detail in the financial statements for 2013, issued on March 20th 2014. In the first nine months of 2014, the Company did not change its accounting policies.

Comparability of the reported data

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

Seasonality of operations

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

Correction of errors of past periods

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

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

ASSETS (PLN '000)		Note	Sep 30 2014	Jun 30 2014	Dec 31 2013	Sep 30 2013
I.	Cash and cash equivalents	1	25,659	34,107	41,485	43,888
1.	In hand		4	4	4	4
2.	At banks		7,593	8,996	12,944	9,570
3.	Other cash		18,062	25,107	28,537	30,074
4.	Cash equivalents		-	-	-	4,240
II.	Current receivables	2, 7	445,798	349,724	262,540	410,328
1.	From clients		206,749	146,405	89,915	162,966
2.	From related entities	18	169	230	280	794
3.	From banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		193,981	156,305	132,899	209,982
a)	under executed transactions		193,899	155,855	131,223	206,719
b)	other		82	450	1,676	3,263
4.	From the National Depository for Securities and exchange clearing houses		36,140	38,861	34,693	31,805
5.	From investment and pension fund companies and from investment and pension funds		-	21	69	54
6.	From issuers of securities and selling shareholders		701	259	2,078	-
7.	Taxes, subsidies and social security receivable		894	625	-	662
8.	Other		7,164	7,018	2,606	4,065
III.	Financial instruments held for trading	3, 4	369	5,089	218	130
1.	Equities		369	5,089	5	-
2.	Derivative instruments		-	-	213	130
IV.	Current prepayments and accrued income		1,037	628	665	1,309
V.	Financial instruments held to maturity		-	-	-	-
VI.	Financial instruments available for sale	3, 4	8,809	8,811	6,825	6,833
1.	Equities		8,638	8,637	6,637	6,637
	- shares in subordinated entities		8,638	8,637	6,637	6,637
2.	Investment certificates		171	174	188	196
VII.	Non-current receivables		2,343	2,337	2,336	2,361
VIII	Non-current loans advanced		306	9	794	1,004
1.	Other		306	9	794	1,004
IX.	Intangible assets	4	1,930	2,007	2,121	2,037
1.	Acquired permits, patents, licenses and similar		1,930	2,007	2,121	2,037
	- software		1,930	2,007	2,121	2,037
X.	Property, plant and equipment	4, 5	3,627	3,859	4,212	4,370
1.	Tangible assets, including:		3,627	3,758	4,127	4,006
a)	buildings and premises		642	672	731	761
b)	computer assemblies		1,689	1,757	1,989	1,778
c)	other tangible assets		1,296	1,329	1,407	1,467
2.	Tangible assets under construction		-	101	85	364

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

XI. Non-current prepayments and accrued income		571	750	1,290	550
1. Deferred tax assets	13	571	750	1,290	550
Total assets		490 449	407,321	322,486	472,810

Warsaw, November 6th 2014

 Jacek Lewandowski
 President of the Management
 Board

 Mariusz Piskorski
 Vice-President of the
 Management Board

 Stanisław Waczkowski
 Vice-President of the
 Management Board

 Mirosław Borys
 Vice-President of the
 Management Board

 Danuta Ciosek
 Chief Accountant

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

EQUITY AND LIABILITIES (PLN '000)		Note	Sep 30 2014	Jun 30 2014	Dec 31 2013	Sep 30 2013
I.	Current liabilities	6	426,393	341,028	249,870	404,534
1.	To clients		169,395	128,119	141,188	184,285
2.	To related entities	18	-	-	-	381
3.	To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		239,453	188,811	103,140	209,397
a)	under executed transactions		239,453	188,811	103,140	209,397
4.	To entities operating regulated markets and commodity exchanges		779	689	844	1,025
5.	To the National Depository for Securities and exchange clearing houses		1,917	1,051	249	268
6.	Borrowings		12,446	12,133	2,589	4,227
a)	other		12,446	12,133	2,589	4,227
7.	Debt securities		4	5	4	4
8.	Taxes, customs duties and social security payable		413	453	828	456
9.	From investment and pension fund companies and from investment and pension funds		202	213	167	-
10.	Other		1,784	9,554	861	4,491
II.	Non-current liabilities		4	3	2	4
1.	Debt securities	10	4	3	2	4
III.	Accruals and deferred income		-	-	-	-
IV.	Provisions for liabilities	7	3,139	3,865	6,720	3,116
1.	Deferred tax liabilities	13	322	261	325	339
2.	Other		2,817	3,604	6,395	2,777
a)	non-current		331	251	735	584
b)	current		2,486	3,353	5,660	2,193
V.	Subordinated liabilities		-	-	-	-
VI.	Equity		60,913	62,425	65,894	65,156
1.	Share capital	8	2,994	2,994	2,994	2,994
2.	Reserve funds		53,926	53,926	57,288	57,288
a)	share premium		10,351	10,351	10,351	10,338
b)	statutory reserve funds		998	998	998	998
c)	reserve funds created pursuant to the Articles of Association		42,577	42,577	45,939	45,952
3.	Revaluation capital reserve		-21	-18	-7	-1
4.	Net profit	14	4,014	5,523	5,619	4,875
Total equity and liabilities			490,449	407,321	322,486	472,810
Book value (PLN '000)			60,913	62,425	65,894	65,156
Number of shares as at end of period			29,937,836	29,937,836	29,937,836	29,937,836
Book value per share (PLN)			2,03	2,09	2,20	2,18
Diluted number of shares			29,937,836	29,945,721	29,978,582	29,970,258
Diluted book value per share (PLN)			2.03	2.08	2.20	2.17

Warsaw, November 6th 2014

Jacek Lewandowski
President of the Management Board

Mariusz Piskorski
Vice-President of the Management Board

Stanisław Waczkowski
Vice-President of the Management Board

Mirosław Borys
Vice-President of the Management Board

Danuta Ciosek

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

Chief Accountant

OFF-BALANCE-SHEET ITEMS (PLN '000)		Note	Sep 30 2014	Jun 30 2014	Dec 31 2013	Sep 30 2013
I.	Contingent liabilities	9	-	-	-	-
II.	Third-party assets used		-	-	-	-
III.	Futures/forwards purchased or issued in the name and for the account of the brokerage house		-	-	4,376*	4,356*

* *notional amount of purchased forward/fx swap contract*

Warsaw, November 6th 2014

Jacek Lewandowski
President of the
Management Board

Mariusz Piskorski
Vice-President of the
Management Board

Stanisław Waczkowski
Vice-President of the
Management Board

Miroslaw Borys
Vice-President of the
Management Board

Danuta Ciosek
Chief Accountant

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

Income statement (PLN '000)		Note	Jul 1– Sep 30 2014	Jan 1– Sep 30 2014	Jul 1– Sep 30 2013	Jan 1– Sep 30 2013
I.	Revenue from brokerage activities, including:		9,557	36,218	10,722	40,448
	- from related entities	18	1	2	5	5
1.	Fee and commission income		8,443	29,065	9,713	33,387
	from transactions in financial instruments made in the name of the Company but for the account of the party placing an order		7,473	28,072	9,713	33,376
a)	from offering financial instruments		481	504	-	-
b)	from offering financial instruments		489	489	-	11
c)	other		489	489	-	11
2.	Other income		1,114	7,153	1,009	7,061
a)	from offering financial instruments		63	862	150	150
b)	from discretionary management of third-party securities portfolios		-	-	-	-
c)	other		1,051	6,291	859	6,911
II.	Cost of brokerage activities		9,534	31,386	10,083	33,285
	- from related entities	18	202	615	209	633
	Fees payable to regulated markets, commodity exchanges, the National Depository for Securities and exchange clearing houses		2,770	8,031	3,157	10,542
1.	Fees payable to regulated markets, commodity exchanges, the National Depository for Securities and exchange clearing houses		2,770	8,031	3,157	10,542
2.	Fees payable to commercial chamber		-	-	-	-
3.	Salaries and wages		3,551	13,030	3,940	12,535
4.	Social security and other benefits		187	910	154	754
5.	Employee benefits		44	149	32	124
6.	Raw material and consumables used		58	223	57	236
7.	Costs of maintenance and lease of buildings		470	1,409	466	1,411
8.	Depreciation and amortisation expenses		424	1,264	432	1,071
9.	Taxes and other public charges		378	1,235	229	1,210
10.	Other		1,652	5,135	1,616	5,402
III.	Profit (loss) on brokerage activities		23	4,832	639	7,163
IV.	Income from financial instruments held for trading		371	953	141	485
1.	Dividends and other profit distributions		207	227	1	8
2.	Revaluation adjustments		13	26	130	150
3.	Gain on sale/redemption		151	700	10	327
4.	Other		-	-	-	-
V.	Cost related to financial instruments held for trading		971	2,026	567	2,303
1.	Revaluation adjustments		1	214	-	40
2.	Loss on sale/redemption		970	1,812	567	2,263
VI.	Gain (loss) on transactions in financial instruments held for trading		-600	-1,073	-426	-1,818
VII.	Income from financial instruments available for sale		-	3,001	-	1,016
1.	Dividends and other profit distributions		-	3,001	-	1,000
	- from related entities		-	3,001	-	1,000
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		-	3,001	-	970
X.	Other income		129	409	74	494
1.	Gain on disposal of property, plant and equipment and intangible assets		-	-	-	1
2.	Other		129	409	74	493
XI.	Other expenses		116	344	59	592

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

1. Other	116	344	59	592
XII. Difference between provisions for and impairment losses on receivables	-286	-131	-35	41
1. Provisions reversed	-	200	-	92
2. Decrease in impairment losses on receivables	-	-	-	-
3. Increase in impairment losses on receivables	286	331	35	51
XIII. Operating profit	-850	6,694	193	6,258
XIV. Finance income	419	1,180	495	2,030
1. Interest on loans advanced, including:	18	45	18	55
- from related entities	-	-	4	13
2. Interest on deposits	98	337	125	465
- from related entities	-	-	-	-
3. Other interest	1	3	3	7
4. Foreign exchange gains	91	155	115	581
a) realised	-	-	-466	-
b) unrealised	91	155	581	581
5. Other	211	640	234	922
XV. Finance costs	1,109	3,136	314	2,263
1. Interest on borrowings, including:	350	764	316	997
- to related entities	-	-	-	-
2. Other interest	34	136	2	61
3. Foreign exchange losses	-75	20	474	477
a) realised	-75	20	477	477
b) unrealised	-	-	-3	-
4. Other	800	2,216	-478	728
XVI. Profit before extraordinary items	-1,540	4,738	374	6,025
XVII. Pre-tax profit	-1,540	4,738	374	6,025
XVIII. Income tax	-31	724	154	1,150
XIX. Net profit	-1,509	4,014	220	4,875
Weighted average number of ordinary shares	29,937,836	29,937,836	29,908,244	29,908,244
Earnings per ordinary share (PLN)	-0.05	0.13	0.01	0.16
Weighted average diluted number of ordinary shares	29,937,836	29,937,836	29,970,258	29,970,258
Diluted earnings per ordinary share (PLN)	-0.05	0.13	0.01	0.16

Warsaw, November 6th 2014

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Vice-President of the
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Danuta Ciosek
Chief Accountant

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

STATEMENT OF CASH FLOWS (PLN' 000)	Note	Jul 1– Sep 30 2014	Jan 1– Sep 30 2014	Jul 1– Sep 30 2013	Jan 1– Sep 30 2013
A. CASH FLOWS FROM OPERATING ACTIVITIES					
I. Net profit		-1,509	4,014	220	4,875
II. Total adjustments		2,472	-20,253	10,701	-184,875
1. Depreciation and amortisation expenses		424	1,264	432	1,071
2. Foreign exchange gains/(losses)		-92	-171	301	-93
3. Interest and profit distributions (dividends)		119	-2,529	225	-297
4. Gain (loss) on investing activities		199	589	200	774
5. Change in provisions and impairment losses on receivables		-434	-3,191	-1,103	-2,223
6. Change in financial instruments held for trading		4,720	-151	-96	199
7. Change in receivables		-96,268	-183,081	166,732	95,022
8. Change in current liabilities (net of borrowings), including special accounts		94,034	166,666	-155,758	-278,907
9. Change in accruals and deferrals		-230	351	-232	-421
III. Net cash from (used in) operating activities (I + II)		963	-16,239	10,921	-180,000
B. CASH FLOWS FROM INVESTING ACTIVITIES					
I. Cash from investing activities		23	3,068	1,220	1,349
1. Disposal of financial instruments available for sale and held to maturity		-	-	154	154
2. Disposal of property, plant and equipment		-	-	-	1
3. Decrease in loans advanced		16	28	18	32
4. Profit distributions (dividends) received		5	3,026	1,001	1,008
5. Interest received		-	-	14	56
6. Other		2	14	33	98
II. Cash used in investing activities		495	2,869	615	3,154
1. Acquisition of intangible assets		91	320	160	374
2. Acquisition of property, plant and equipment		26	171	425	1,750
3. Acquisition of financial instruments available for sale and held to maturity – subordinates		-	2,000	-	-
4. Loans advanced		378	378	30	30
5. Other cash used in investing activities		-	-	-	1,000
III. Net cash from (used in) investing activities (I - II)		-472	199	605	-1,805
C. CASH FLOWS FROM FINANCING ACTIVITIES					
I. Cash from financing activities		314	9,862	-	938
1. Increase in current borrowings		312	9,856	-	-
2. Proceeds from issue of long-term debt securities		1	2	-	4
3. Proceeds from issue of short-term debt securities		1	4	-	5
4. Proceeds from issue of share capital		-	-	-	929
II. Cash used in financing activities		9,339	9,808	3,560	21,947
1. Repayment of current borrowings		-	-	3,221	20,986
2. Repayment of short-term debt securities		2	4	-	2
3. Dividends and other payments to owners		8,981	8,981	-	-
4. Interest paid		356	823	339	959
III. Net cash from (used in) financing activities (I - II)		-9,025	54	-3,560	-21,009

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

D. TOTAL NET CASH FLOWS (A.III +/- B.III +/- C.III)		-8,534	-15,986	7,966	-202,814
E. CHANGE IN CASH, including:		-8,448	-15,828	7,726	-202,772
- effect of exchange rate fluctuations on cash held		86	158	-240	42
F. CASH AT BEGINNING OF PERIOD	19	34,308	41,760	31,898	242,678
G. CASH AT END OF PERIOD (F +/- D), including:	19	25,774	25,774	39,864	39,864
- restricted cash		4,183	4,183	4,224	4,224

Warsaw, November 6th 2014

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Chief Accountant

STATEMENT OF CHANGES IN EQUITY (PLN '000)	Jan 1– Sep 30 2014	2013	Jan 1– Sep 30 2013
I. EQUITY AT BEGINNING OF PERIOD	65,894	59,342	59,342
- changes in adopted accounting policies	-	-	-
- correction of errors	-	-	-
I.a. EQUITY AT BEGINNING OF PERIOD AFTER ADJUSTMENTS	65,894	59,342	59,342
1. Share capital at beginning of period	2,994	2,975	2,975
1.1. Changes in share capital	-	19	19
a) increase	-	19	19
- issue of shares	-	19	19
1.2. Share capital at end of period	2,994	2,994	2,994
2. Reserve funds at beginning of period	57,288	47,850	47,850
2.1. Changes in reserve funds	-3,362	9,438	9,438
a) increase	-	9,438	9,438
- under statutory requirement	-	6	6
- distribution of profit (above statutory minimum)	-	8,516	8,528
- share premium	-	916	904
b) decrease	3,362	-	-
- distribution of retained earnings (dividend)	3,362	-	-
2.2. Reserve funds at end of period	53,926	57,288	57,288
3. Revaluation capital reserve at beginning of period	-7	-11	-11
3.1. Changes in revaluation capital reserve	-14	4	10
a) increase	5	65	61
- remeasurement of financial instruments	5	65	61
a) decrease	19	61	51
- remeasurement of financial instruments	19	61	51
3.2. Revaluation capital reserve at end of period	-21	-7	-1
4. Retained earnings/(deficit) at beginning of period	5,619	8,528	8,528
4.1. Retained earnings at beginning of period	5,619	8,528	8,528
a) increase	-	-	-
b) decrease	5,619	8,528	8,528
- distribution of retained earnings (dividend)	5,619	-	-
- distribution of retained earnings (increase in reserve funds)	-	-	8,528
4.2. Retained earnings /(deficit) at end of period	-	-	-
5. Net profit (loss)	4,014	5,619	4,875
a) net profit	4,014	5,619	4,875
II. EQUITY AT END OF PERIOD	60,913	65,894	65,156
III. EQUITY AFTER PROPOSED DISTRIBUTION OF PROFIT	60,913	65,894	65,156

Warsaw, November 6th 2014

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Notes to the interim financial statements

Note 1

Cash and other assets (PLN '000)	Sep 30 2014	Jun 30 2014	Dec 31 2013	Sep 30 2013
Cash and other assets of clients				
a) at banks and in hand	-	-	-	-
b) other*	7,599	17,172	18,440	23,088
Total cash and other assets of clients	7,599	17,172	18,440	23,088
Cash and other assets:				
a) cash and other assets of the brokerage house, including:	18,060	16,935	23,045	20,800
- in hand	4	4	4	4
- at banks	7,593	8,996	12,944	9,570
- other cash*	10,463	7,935	10,097	11,226
b) cash and other assets of clients deposited in cash accounts	7,599	17,172	18,440	23,088
- at the brokerage house and paid towards acquisition of securities	7,599	17,172	18,440	23,088
- in an IPO or on the primary market	-	-	-	-
c) cash and other assets transferred from the settlement guarantee fund	-	-	-	-
Total cash and other assets	25,659	34,107	41,485	43,888

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

Note 2

Selected current receivables (PLN '000)	Sep 30 2014	Jun 30 2014	Dec 31 2013	Sep 30 2013
1. Selected current receivables	437,039	341,351	256,111	405,547
a) from clients, including:	206,749	146,405	89,915	162,966
- under transactions executed on the Warsaw Stock Exchange	190,149	117,773	58,527	147,057
- under transactions executed on the Budapest Stock Exchange	9,514	7,567	27,504	11,093
- under transactions executed on the Prague Stock Exchange	-	1,143	138	-
- under transactions executed on the Istanbul Stock Exchange	3,162	409	-	1,017
- under transactions executed on the London Stock Exchange	-	174	-	-
- under transactions executed on the Frankfurt Stock Exchange	100	788	-	1,828
- under transactions executed on the New York Stock Exchange	1,685	3,340	-	737
- under transactions executed on Nasdaq	-	1,102	-	-
- under transactions executed on the Athens Stock Exchange	-	11,147	-	-
- under transactions executed on the Amsterdam Stock Exchange	-	-	-	348
- other	2,139	2,962	3,746	886
b) from related entities, including:	169	230	280	794
- from subsidiaries	167	227	280	787
- from other related entities	2	3	-	7
c) from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	193,981	155,855	131,223	209,982
- under transactions executed on the Warsaw Stock Exchange*	180,005	122,477	93,891	152,487
- under transactions executed on the Budapest Stock Exchange	9,307	6,596	5,396	46,589
- under transactions executed on the Prague Stock Exchange	2,341	10,325	-	7,295

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

- under transactions executed on the New York Stock Exchange	594	3,350	31,789	-
- under transactions executed on the London Stock Exchange	-	-	92	-
- under transactions executed on the Istanbul Stock Exchange	-	2,015	-	-
- under transactions executed on Nasdaq	1,652	-	-	-
- under transactions executed on the Amsterdam Stock Exchange	-	-	-	348
- other	82	11,092	55	3,263
d) from entities operating regulated markets and commodity exchanges	-	-	-	-
e) from the National Depository for Securities and exchange clearing houses, including:	36,140	38,861	34,693	31,805
- from the settlement guarantee fund	36,140	38,861	34,693	31,805
f) under court proceedings, not covered by recognised impairment losses on receivables	-	-	-	-
2. Net current receivables	445,798	349,724	262,540	410,328
- impairment losses on current receivables (positive value)	633	347	302	317
Gross current receivables	446,431	350,071	262,842	410,645

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

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

Note 3

Financial assets

In the first nine months of 2014 and in the comparative period, the policies regarding measurement of financial assets at fair value and classification of financial assets did not change. Neither did the Group record any changes in its economic environment or trading conditions which would materially affect the fair value of its financial assets and liabilities.

Note 4

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

In the first nine months of 2014 and in 2013, the Company did not recognise any impairment losses on financial assets, property, plant and equipment, intangible assets or other assets, nor did it reverse impairment losses recognised in previous periods, except for the changes in impairment losses on receivables (Note 7).

Note 5

Material purchase or sale transactions in property, plant and equipment

In the first nine months of 2014 and in 2013, the Company did not execute any material purchase or sale transactions in property, plant and equipment.

Material liabilities under 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)	Sep 30 2014	Jun 30 2014	Dec 31 2013	Sep 30 2013
Selected current liabilities	243,933	200,105	105,094	215,562
1. To related entities	-	-	-	381
a) to subsidiaries	-	-	-	-
b) to other related entities	-	-	-	381
2. To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	239,453	188,811	103,140	209,397
a) to the Warsaw Stock Exchange *	221,410	157,323	74,326	174,510
b) to the Budapest Stock Exchange	13,104	12,667	28,676	31,309
c) to the Prague Stock Exchange	-	1,872	138	-
d) to the London Stock Exchange	-	173	-	-
e) to the Istanbul Stock Exchange	3,157	409	-	1,016
f) to the New York Stock Exchange	1,682	3,337	-	736
g) to the Frankfurt Stock Exchange	100	787	-	1,826
h) to Nasdaq	-	1,101	-	-
i) to the Athens Stock Exchange	-	11,142	-	-
3. To entities operating regulated markets and commodity exchanges	779	689	844	1,025
a) to the Warsaw Stock Exchange	708	595	767	906
b) to the Budapest Stock Exchange	20	40	30	48
c) to the Prague Stock Exchange	6	9	10	25
d) to the Vienna Stock Exchange	45	45	37	46
4. To the National Depository for Securities and exchange clearing houses	1,917	1,051	249	268
a) under additional payments to the settlement guarantee fund	1,691	823	-	-
b) other	226	228	249	268
5. Other	1,784	9,554	861	4,491
a) dividend payable	-	8,981	-	-
b) other liabilities, including:	1,784	573	861	4,491
- financial liabilities (valuation of financial derivatives)	-	-	-	-
- other liabilities	1,784	573	861	4,491

* 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 September 30th 2014, the Company's liabilities under borrowings related to its brokerage business amounted to PLN 12,446 thousand (December 31st 2013: PLN 2,589 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 September 16th 2015:

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	Jul 1– Sep 30 2014	Jan 1– Sep 30 2014	Jul 1– Sep 30 2013	Jan 1– Sep 30 2013
Balance of provisions at beginning of period	3,353	5,660	3,088	4,062
a) recognised	237	3,805	1,774	3,641
b) used	1,104	6,779	2,669	5,418
c) reversed	-	200	-	92
Balance of provisions at end of period	2,486	2,486	2,193	2,193

In Q3 2014, impairment losses on receivables increased by PLN 286 thousand relative to June 30th 2014; the cumulative increase in the first nine months of 2014 relative to December 31st 2013 was PLN 331 thousand. In the comparative period, i.e. Q3 2013, impairment losses on receivables increased by PLN 35 thousand relative to June 30th 2013; the cumulative increase in the first nine months of 2013 relative to December 31st 2012 was PLN 51 thousand.

Note 8

Share capital	Sep 30 2014	Jun 30 2014	Dec 31 2013	Sep 30 2013
a) par value per share (PLN)	0.10	0.10	0.10	0.10
b) series/issue	A, B, C	A, B, C	A, B, C	A, B, C
c) type of shares	ordinary bearer shares	ordinary bearer shares	ordinary bearer shares	ordinary bearer shares
d) preference attached to shares	none	none	none	none
e) restrictions on rights attached to shares	none	none	none	none
f) number of shares	29,937,836	29,937,836	29,937,836	29,937,836
g) total par value of series/issue (PLN '000)	2,994	2,994	2,994	2,994
h) type of contribution	cash	cash	cash	cash
i) dividend right since:	the shares carry the right to profit distribution for 2014	the shares carry the right to profit distribution for 2014	the shares carry the right to profit distribution for 2013	the shares carry the right to profit distribution for 2013

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 were issued by September 30th 2014, of which 185,714 shares were issued in February 2013, 197,321 shares were issued in 2012, 212,500 shares were issued in 2011, 413,748 shares were issued in 2010, and 357,143 shares were issued in 2009. For more information on the Company's incentive scheme, see Note 12.

In the first nine months of 2014, there were no changes in the Company's share capital, while in the first nine months of 2013 the share capital was increased by PLN 18,571.40.

As at September 30th 2013, 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.

Note 9

Contingent liabilities and assets

In Q4 2014, the Company will incur a cost of up to CZK 413 thousand (PLN 63 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, which is a condition for incurring that cost. In the corresponding period of 2013, the cost was CZK 696 thousand (PLN 114 thousand).

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

Minimum lease payments are presented in the table below.

Lease liabilities	Sep 30 2014	Dec 31 2013
	Present value of minimum lease payments	
Within 1 year	1,413*	1,390*
Within 1 to 5 years	5,651*	5,562*
Over 5 years	410*	1,446*
Total lease liabilities	7,474	8,398

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

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

Note 10

Bonds

In the first nine months of 2014, the Company issued registered bonds with a total par value of PLN 6.4 thousand, maturing in 2014–2017 depending on the series. In 2013, the Company issued bonds with a total par value of PLN 10 thousand, maturing in 2013–2015 depending on the series. The total amount of liabilities payable by the Company on redemption of the bonds will not exceed the bonds' par value and is not significant to the Company. The bond issues are related to the Variable Component Remuneration Policy implemented at the Company pursuant to the Minister of Finance's 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.

By the date of issue of these financial statements, in 2014 the Company has redeemed PLN 4.4 thousand worth of bonds (including PLN 4 thousand in the first nine months of 2014). In 2013, the Company redeemed PLN 4 thousand worth of bonds.

Note 11

Guarantees

In January 2012, Nordea Bank Polska S.A. (presently PKO Bank Polski S.A.) issued a guarantee to the Company up to a total amount of EUR 273 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 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 in 2014, the guarantee was extended until April 1st 2015. In particular cases specified in the agreement, the guarantee expires on July 1st 2015. The guarantee is secured with a PLN 2.5m cash deposit.

Note 12

Incentive scheme

In the first nine months of 2014, the eligible persons did not subscribe for any shares, whereas in the comparative period they subscribed for 185,714 shares.

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 share option plans implemented by the Group in the Group's consolidated financial statements.

In total, on a consolidated basis, the cost of the option plans increased the cost of salaries and wages in the first nine months of 2014 by PLN 96 thousand; the amount was charged against IPOPEMA Securities S.A.'s profit. In the comparative period, i.e. the first nine months of 2013, the cost of these plans increased the cost of salaries and wages by PLN 203 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

Deferred tax liabilities increased by PLN 61 thousand in Q3 2014 and decreased by PLN 3 thousand in the first nine months of 2014. In 2013, deferred tax liabilities increased by PLN 37 thousand in Q3 and decreased by PLN 20 thousand in the first nine months of the year.

Deferred tax assets fell by PLN 179 thousand in Q3 2014 and by PLN 719 thousand in the first nine months of 2014. In 2013, deferred tax assets fell by PLN 342 thousand in Q3 and by PLN 576 thousand in the first nine months of the year.

Note 14

Distribution of profit

Distribution of profit (PLN '000)	Jan-Sep 2014	2013
Net profit/loss	4,014	5,619
Dividend payment	-	5,619
Reserve funds	-	-

On June 17th 2014, the General Meeting resolved to distribute the entire 2013 profit of PLN 5,619 thousand as dividend.

Note 15

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

In the first nine months of 2014, the Company did not issue any shares, while in the first nine months of 2013 it issued 185,714 Series C shares (see Notes 8 and 12).

In the first nine months of 2014, the Company issued 24 bonds with a total par value of PLN 6.4 thousand, while in the first nine months of 2013 it issued 10 bonds with a par value of PLN 1,000 each; see Note 10.

By the date of issue of these financial statements, in 2014 the Company has redeemed PLN 4.4 thousand worth of bonds (including PLN 4 thousand in the first nine months of 2014). In 2013, the Company redeemed PLN 4 thousand worth of bonds.

Note 16

Dividends paid and proposed

On June 17th 2014, the General Meeting of the Company resolved to distribute dividend of PLN 9m. The 2013 profit of PLN 5,619 thousand and PLN 3,381 thousand of reserve funds were allocated to dividend payment. The dividend per share was PLN 0.30. The dividend record date was set for June 25th 2014, and the dividend payment date – for July 9th 2014. On the dividend payment date, a total of PLN 8,981 thousand was paid out to the shareholders. The distribution amount was PLN 19 thousand lower than the PLN 9m approved by the General Meeting as a result of rounding off the dividend per share. Pursuant to the General Meeting's resolution, the difference was contributed to the Company's 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 other than on an arm's length basis.

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 – Sep 30 2014				Jan 1 – Sep 30 2013			
IPOPEMA Business Consulting	-	2	-	-	-	7	-	-
IPOPEMA TFI	-	66	-	-	-	251	2	-
IPOPEMA Business Services Kft.	-	102	550	98	-	101	562	94
IPOPEMA Asset Management S.A.	-	44	55	-	-	40	56	-
Members of the Management and Supervisory Boards	2	6	10	-	-	6	13	-
Other related entities	-	-	-	-	5	-	-	-
Total	2	220	615	98	5	405	633	94

Related party	Revenue from brokerage activities	Other income	Purchases – brokerage activities	Other purchases	Revenue from brokerage activities	Other income	Purchases – brokerage activities	Other purchases
	Jul 1 – Sep 30 2014				Jul 1 – Sep 30 2013			
IPOPEMA BC	-	1	-	-	-	-	-	-
IPOPEMA TFI	-	24	-	-	-	18	-	-
IPOPEMA Business Services Kft.	-	33	180	33	-	34	191	32
IPOPEMA Asset Management S.A.	-	17	18	-	-	11	19	-
Members of the Management and Supervisory Boards	1	-	3	-	-	1	-	-
Other related entities	-	-	-	-	5	-	-	-
Total	1	75	201	33	5	64	210	32

Related party transactions – receivables and liabilities

Related party	Receivables			Liabilities		
	Sep 30 2014	Dec 31 2013	Sep 30 2013	Sep 30 2014	Dec 31 2013	Sep 30 2013
IPOPEMA Business Consulting	-	-	-	-	-	-
IPOPEMA TFI	9	2	13	-	-	-
IPOPEMA Business Services Kft.	152	280	809	-	-	381
IPOPEMA Asset Management S.A.	5	2	13	-	-	-
Members of the Management and Supervisory Boards	3	10	2	-	-	-
Other related entities	-	-	5	-	-	-
Total	169	294	842	-	-	381

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

Note 19

Items of the statement of cash flows

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

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

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

Structure of cash

	Presentation in the balance sheet		Presentation in the statement of cash flows	
	Sep 30 2014	Sep 30 2013	30.09.2014	Sep 30 2013
Cash and cash equivalents	25,659	43,888	25,774	39,864
1. In hand	4	4	4	4
2. At banks	7,593	9,570	7,593	9,570
3. Other cash	18,062	30,074	18,062	30,074
4. Cash equivalents (deposit for a period exceeding three months)	-	4,240	-	-
Accrued foreign exchange differences	-	-	115	216

The difference between the presentation of cash in the balance sheet and the statement of cash flows as at September 30th 2014 is attributable to the elimination of the effect of foreign exchange differences on cash, while as at September 30th 2013 – to the recognition of a long-term deposit of PLN 4m (maturing in more than three months from the reporting date) under investing activities, elimination of interest of PLN 240 thousand accrued on a deposit, and elimination of the effect of foreign exchange differences on cash.

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
	Sep 30 2014	Dec 31 2013	Sep 30 2014	Sep 30 2014
Gross current and non-current receivables	448,774	265,178	183,596	183,081
Net receivables	448,141	264,876		
Impairment losses on receivables	633	302		331
Provisions (net of deferred tax related to equity and provision for unpaid interest)	3,096	6,618		-3,522
Total change in impairment losses and provisions				-3,191

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 September 30th 2014 net of receivables under dividends, loans advanced and security deposit receivable, disclosed under investing activities, and net of the amount of lease receivables (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–September 30th 2014, the Company disclosed change in lease receivables of PLN 14 thousand. In the comparative period, the Company disclosed change in lease receivables of PLN 98 thousand.

The Company did not carry 'Other cash used in investing activities' in the periods January 1st–September 30th 2014 and January 1st–September 30th 2013.

Note 20

Clients' financial instruments

As at September 30th 2014, the value of stock-exchange listed financial instruments in book-entry form registered in clients' accounts was PLN 105,724 thousand (2,081 instruments) (December 31st 2013: PLN 143,748 thousand (5,295 instruments)). As at September 30th 2014, the Company held 24 thousand clients' bonds in certificated form with a total value of PLN 24m and 14 million clients' shares with a total value of PLN 45m (December 31st 2013: 64 thousand bonds in certificated form with a total value of PLN 64m).

The Company also maintains a sponsor's account. The value of 291 thousand WSE-listed financial instruments in book-entry form registered in this account as at September 30th 2014 was PLN 1,428 thousand (December 31st 2013: 2,480 instruments with the value of PLN 19,045 thousand).

Note 21

Operating segments

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

Note 22

Pending court or administrative proceedings

In the first nine months of 2014 and the first nine months of 2013, the Company was not party to any court or administrative proceedings.

Note 23

Material events and factors in the first nine months of 2014

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

With substantial index movements, investor activity on all Company markets in Q1–Q3 2014 was lower year on year: the trading volumes on the WSE, BSE and PSE markets went down by 4.7%, 9.2% and 13.4%, respectively. Over the same period, the Company's market share declined to 7.10% on the WSE and 3.51% on the BSE (from 9.28% and 6.40%, respectively, in the corresponding period of 2013). As a result, the Company's revenue from trading in securities in the period January–September 2014 declined by 16.8% year on year (PLN 27,773 thousand vs. PLN 33,395 thousand).

Investment banking services

Despite limited activity on the part of both issuers and investors, IPOPEMA Securities' performance in the area of equity offerings improved in the first nine months of 2014 relative to the same period of 2013. IPOPEMA Securities acted as a global coordinator for the sale of Globe Trade Centre S.A. shares, and carried out share offerings of Comperia, Braster, J.W. Construction and Orphee, as well as a public offering of convertible bonds of MCI Management. The Company also acted as an advisor to Towarzystwo Finansowe Silesia and PP Porty Lotnicze. All in all, total revenue from investment banking services was up 26.9%, to PLN 8,418 thousand.

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–September 30th 2014. No material events occurred after the reporting date which should have been but were not disclosed in the accounting books for the reporting period.

Warsaw, November 6th 2014

Jacek Lewandowski
President of the Management
Board

Mariusz Piskorski
Vice-President of the
Management Board

Stanisław Waczkowski
Vice-President of the
Management Board

Miroslaw Borys
Vice-President of the
Management Board

Danuta Ciosek
Chief Accountant