



X-Trade Brokers Dom Maklerski S.A.

**Opinion and Report
of the Independent Auditor
Financial Year ended
31 December 2011**

The opinion contains 2 pages
The report supplementing the auditor's opinion
contains 9 pages
Opinion of the independent auditor
and report supplementing the auditor's opinion
on the separate financial statements
for the financial year ended
31 December 2011

OPINION OF THE INDEPENDENT AUDITOR



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OPINION OF THE INDEPENDENT AUDITOR

To the General Meeting of X-Trade Brokers Dom Maklerski S.A.

We have audited the accompanying separate financial statements of X-Trade Brokers Dom Maklerski S.A., seated in Warsaw, 58 Ogrodowa Street ("the Company"), which comprise the separate statement of financial position as at 31 December 2011, the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended and notes to the separate financial statements, comprising of a summary of significant accounting policies and other explanatory information.

Management's and Supervisory Board's Responsibility for the Financial Statements

Management of the Company is responsible for the correctness of the accounting records and the preparation and fair presentation of these separate financial statements in accordance with International Financial Reporting Standards, as adopted by European Union and with other applicable regulations and preparation of the Report on the Company's activities. Management of the Company is also responsible for such internal control as management determines is necessary to enable the preparation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act dated 29 September 1994 (Official Journal from 2009, No. 152, item 1223 with amendments) ("the Accounting Act"), Management of the Company and members of the Supervisory Board are required to ensure that the separate financial statements and the Report on the Company's activities are in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility

Our responsibility, based on our audit, is to express an opinion on these separate financial statements and whether the separate financial statements are derived from properly maintained accounting records. We conducted our audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by the Polish National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements and the accounting records from which they are derived are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the separate financial statements,

whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying separate financial statements of X-Trade Brokers Dom Maklerski S.A. have been prepared and present fairly, in all material respects, the financial position of the Company as at 31 December 2011 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, are in compliance with the respective regulations and the provisions of the Company's articles of association that apply to the Company's separate financial statements and have been prepared from accounting records, that, in all material respects, have been properly maintained.

Other Matters

As required under the Accounting Act, we also report that the Report on the Company's activities includes, in all material respects, the information required by paragraph 22 of the Decree of Minister of Finance dated 28 December 2009 on special rules of accounting for brokerage houses (Official Journal from 2009, No. 226, item 1824 with amendments) and the information is consistent with the separate financial statements.

The corresponding figures presented are based on the financial statements of the Company as of and for the year ended 31 December 2010, which were audited by another auditor who expressed an unqualified opinion on those financial statements on 31 May 2011.

On behalf of KPMG Audyt Spółka z ograniczoną
odpowiedzialnością sp.k. registration number 3546
ul. Chłodna 51, 00-867 Warsaw

Signed on the Polish original

.....
Certified Auditor No. 11897
Michał Sasim

19 June 2012
Warsaw

Signed on the Polish original

.....
Certified Auditor No. 9794
Limited Liability Partner with power of
attorney
Mariola Szczesiak

REPORT OF THE INDEPENDENT AUDITOR

X-Trade Brokers Dom Maklerski S.A.

**Report supplementing
the auditor's opinion
on the separate financial
statements**

**Financial Year ended
31 December 2011**

The report supplementing the auditor's opinion
contains 9 pages

Report supplementing the auditor's opinion
on the separate financial statements
for the financial year ended
31 December 2011



*X-Trade Brokers Dom Maklerski S.A.
Report supplementing the opinion on the separate financial statements
for the financial year ended 31 December 2011*

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1. General

1.1. General information about the Company

1.1.1. Company name

X-Trade Brokers Dom Maklerski S.A. ("the Company")

1.1.2. Registered office

58 Ogrodowa Street
00-876 Warsaw

1.1.3. Registration in the National Court Register

Registration court:	District Court for the Capital City Warsaw in Warsaw, XII Commercial Department of the National Court Register
Date:	22 September 2004
Registration number:	KRS 0000217580
Share capital as at balance sheet date:	PLN 5,520,625

1.1.4. Management of the Company

The Management Board is responsible for management of the Company.

At 31 December 2011, the Management Board of the Company was comprised of the following members:

- | | |
|----------------------|--------------------------------------|
| • Mr. Jakub Zablocki | – President of the Management Board, |
| • Mrs. Ewa Stefaniak | – Member of the Management Board, |
| • Mr. Rafał Skiba | – Member of the Management Board, |
| • Mr. Piotr Baszak | – Member of the Management Board. |

On 27 June 2011 the General Meeting of the Company resolved to appoint Mr. Rafał Skiba to the position of the Member of the Management Board.

1.2. Auditor information

1.2.1 Key certified auditor information

Name and surname:	Mariola Szczesiak
Registration number:	9794
Name and surname:	Michał Sasim
Registration number:	11897

1.2.2 Audit firm information

Name: KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Address: ul. Chłodna 51, 00-867 Warsaw
Registration number: KRS 0000339379
Registration court: District Court for the Capital City Warsaw in Warsaw,
XII Commercial Department of the National Court Register
NIP number: 527-26-15-362

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. is entered in the register of audit firms under number 3546.

1.3. Prior period financial statements

The financial statements for the year ended 31 December 2010 were audited by BDO Sp. z o.o. and received an unqualified opinion.

The financial statements were approved at the General Meeting on 27 June 2011 where it was resolved to allocate the profit for the prior financial year of PLN 66,733,956.00 for reserve capital.

Due to the changes in the applied accounting policies resulting from the adoption of the accounting policies that are in compliance with International Financial Reporting Standards as adopted by the European Union, the related corresponding figures for 31 December 2010 have been restated.

The financial statements were submitted to the Registry Court on 5 July 2011 and were published in Monitor Polski B No. 561 on 14 February 2012.

1.4. Audit scope and responsibilities

This report was prepared for the General Meeting of X-Trade Brokers Dom Maklerski S.A. seated in Warsaw, 58 Ogrodowa Street and relates to the separate financial statements comprising: the separate statement of financial position as at 31 December 2011, the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended and notes to the separate financial statements, comprising of a summary of significant accounting policies and other explanatory information.

The audited Company prepares its separate financial statements in accordance with International Financial Reporting Standards as adopted by the European Union on the basis of the decision of the General Meeting dated 16 December 2010.

The financial statements have been audited in accordance with the contract dated 16 November 2011, concluded on the basis of the resolution of the General Meeting dated 10 November 2011 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by the Polish National Council of Certified Auditors and International Standards on Auditing.

We audited the separate financial statements in the Company's head office and selected branches with breaks during the period from 14 November 2011 to 12 June 2012.

Management of the Company is responsible for the accuracy of the accounting records and the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations and preparation of the Report on the Company's activities.

Our responsibility is to express an opinion and to prepare a supplementing report on the separate financial statements and whether the separate financial statements are derived from properly maintained accounting records based on our audit.

Management of the Company submitted a statement dated the same date as this report as to the true and fair presentation of the separate financial statements presented for audit, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the separate financial statements.

All required statements, explanations and information and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

Key certified auditors and KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k. fulfill independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and Their Government, Audit Firms and Public Oversight dated 7 May 2009 (Official Journal from 2009, No. 77, item 649).

The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.

2. Financial analysis of the Company

2.1. Summary of the separate financial statements

2.1.1. Separate statement of financial position

ASSETS	31.12.2011	% of total	1.12.2010	% of total
	PLN '000	assets	PLN '000	assets
Assets				
Cash	427,258	78	254,741	80
Financial assets held for trading	32,552	6	34,263	11
Held-to-maturity financial assets	15,042	3	-	-
Investments in subsidiaries	5,145	1	243	0
Tax receivables	3,726	1	943	0
Loans and other receivables	41,029	8	14,614	5
Accrued expenses	2,053	0	4,038	1
Intangible assets	4,051	1	2,367	1
Property and equipment	3,674	0	3,878	1
Deferred tax assets	10,742	2	2,394	1
TOTAL ASSETS	545,272	100	317,481	100
EQUITY AND LIABILITIES				
	31.12.2011	% of total	1.12.2010	% of total
	PLN '000	assets	PLN '000	assets
Liabilities				
Due to customers	188,396	35	148,347	47
Financial liabilities held for trading	5,015	1	4,501	1
Tax liabilities	162	0	335	0
Other Liabilities	21,446	4	13,696	4
Provisions for liabilities	646	0	38	0
Deferred tax liabilities	8,900	1	4,964	2
Total liabilities	224,565	41	171,881	54
Equity				
Share capital	5,521	1	5,521	2
Supplementary capital	1,850	0	1,850	1
Other reserve capitals	138,070	25	71,336	22
Unregistered increase of equity	70,000	13	-	-
Foreign currency translation differences	(2,007)	0	159	0
Current year profit	107,273	20	66,734	21
Total equity	320,707	59	145,600	46
TOTAL EQUITY AND LIABILITIES	545,272	100	317,481	100

2.1.2 Separate statement of comprehensive income

	1.01.2011 - 31.12.2011 PLN '000	1.01.2010 - 31.12.2010 PLN '000
Income on financial instruments	231,971	177,517
Fee and commission income	6,302	3,742
Other revenue	705	224
Revenue from operating activities	238,978	181,483
Salaries and employee benefits	(41,094)	(27,558)
Marketing	(40,439)	(35,885)
Other external services	(13,738)	(11,906)
Rental expenses	(4,157)	(3,199)
Depreciation and amortisation	(2,419)	(2,101)
Taxes and fees	(2,429)	(3,715)
Commission costs	(23,443)	(8,718)
Other expenses	(7,535)	(3,703)
Costs from operating activities	(135,254)	(96,785)
Profit on operating activities	103,724	84,698
Financial revenues	23,507	3,582
Financial expenses	(779)	(2,609)
Profit before taxes	126,452	85,671
Income tax	(19,179)	(18,937)
Profit for the period	107,273	66,734
OTHER COMPREHENSIVE INCOME		
Foreign currency translation differences for foreign operations	(2,167)	1,239
Total comprehensive income for the period	105,106	67,973



2.2. Selected financial ratios

	2011	2010	2009
Total assets (PLN '000)	545,272	317,481	257,869
Shareholders' equity (PLN '000)	320,707	145,600	119,899
Profit for the period (PLN '000)	107,273	66,734	47,902

3. Detailed report

3.1. Proper operation of the accounting system

The Company maintains current documentation describing the applied accounting principles adopted by the Management Board to the extent required by Art. 10 of the Accounting Act dated 29 September 1994 (Official Journal from 2009, No. 152, item 1223 with amendments).

During the audit of the separate financial statements, we tested, on a sample basis, the operation of the accounting system.

On the basis of the work performed, we have not identified material irregularities in the accounting system which have not been corrected and that could have a material impact on the separate financial statements. Our audit was not conducted for the purpose of expressing a comprehensive opinion on the operation of the accounting system.

3.2. Notes to the separate financial statements

All information included in the notes to the separate financial statements, comprising of a summary of significant accounting policies and other explanatory notes, is, in all material respects, presented correctly and completely. This information should be read in conjunction with the separate financial statements.

3.3. Report on the Company's activities

The Report on the Company's activities includes, in all material respects, information required by paragraph 22 of the Decree of Minister of Finance dated 28 December 2009 on special rules of accounting for brokerage houses (Official Journal from 2009, No. 226, item 1824 with amendments) and the information is consistent with the separate financial statements.

3.4. Information on the opinion of the independent auditor

Based on our audit of the separate financial statements as at and for the year ended 31 December 2011, we have issued an unqualified opinion.

On behalf of KPMG Audyt Spółka z ograniczoną
odpowiedzialnością sp.k. registration number 3546
ul. Chłodna 51, 00-867 Warsaw

Signed on the Polish original

.....
Certified Auditor No. 11897
Michał Sasim

19 June 2012
Warsaw

Signed on the Polish original

.....
Certified Auditor No. 9794
Limited Liability Partner with power of
attorney
Mariola Szczesiak