



## **X-TRADE BROKERS DOM MAKLERSKI S.A.**

*(joint stock company with its registered office in Warsaw and address at ul. Ogrodowa 58, 00-876 Warszawa, entered into the Register of Business Entities of the National Court Register under No. 0000217580)*

### **DISCLAIMER**

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## **CURRENT REPORT NO. 15/2016**

Warsaw, 16 August 2016

### **Information on the preliminary financial and operating results for the I half of 2016**

The Management Board of X-Trade Brokers Dom Maklerski S.A. (the „**Issuer**”, „**Company**”, „**XTB**”) hereby announces that on 16 August 2016 the aggregation process of financial data for the purpose of the preparation of the condensed consolidated financial statements of the Issuer’s Group was completed. Therefore the decision was made to publish the preliminary consolidated selected financial and operating data for the above period, which the Issuer submits as an attachment to the foregoing current report.

The Issuer informs also that the final financial and operation results for the I half of 2016 will be submitted in the extended consolidated report of the Issuer’s Group for the I half of 2016, publication of which was planned for 30 August 2016.

#### Legal basis:

*Article 17 paragraph 1 MAR – inside information.*

## APPENDIX TO THE CURRENT REPORT NO 15/2016 DATED 16 AUGUST 2016

### Selected consolidated financial data

	(IN PLN'000)	
	SIX-MONTHS PERIOD ENDED	
	30.06.2016	30.06.2015
Total operating income	113 815	129 493
Total operating expenses	(95 194)	(64 892)
Profit on operating activities	18 621	64 601
Net profit	23 047	51 592

### Selected consolidated operating data (KPI)

	SIX-MONTHS PERIOD ENDED	
	30.06.2016	30.06.2015
New accounts <sup>1</sup>	13 616	16 228
Average number of active accounts <sup>2</sup>	16 305	14 806
Accounts in total	139 209	110 787
Net deposits (in PLN'000) <sup>3</sup>	136 569	145 818
Average operating income per active account (in PLN'000) <sup>4</sup>	7,0	8,7
Transaction volume in CFD instruments in lots <sup>5</sup>	1 058 309	1 257 502
Profitability per lot (in PLN) <sup>6</sup>	108	103

<sup>1</sup>) The number of accounts opened by the Group's clients in the individual periods.

<sup>2</sup>) The average quarterly number of accounts via which at least one transaction has been concluded over the last three months.

<sup>3</sup>) Net deposits comprise deposits placed by clients less amounts withdrawn by the clients in a given period.

<sup>4</sup>) The Group's operating income in a given period divided by the average quarterly number of accounts via which at least one transaction has been concluded over the last three months.

<sup>5</sup>) A lot is a unit of trading in financial instruments; in the case of foreign currency transactions, a lot corresponds to 100,000 units of the underlying currency; in the case of instruments other than CFDs based on currencies, the amount is specified in the instruments table and varies for various instruments.

<sup>6</sup>) Total operating income divided by the transaction volume in CFDs in lots.

### Management Board commentary on the preliminary results

Unlike the 2015 Swiss Franc depegging, this year's first six months have not been influenced by unexpected market events. Regardless, results for first quarter of 2016 has remained at appropriately high level. It is the second quarter of 2016 that brought attention to the increasing complexity of client vs. market correlations.

In the first three months the Group has accomplished the expected level of key performance indicators (KPI). In the institutional segment new liquidity contracts have been put into action and the spectrum of business customers enlarged. On the retail side, the performance remained at similar levels compared to the previous year.

In the second quarter of 2016 the Group's results have been influenced by the range trading, growth of markets supported by low interest rates commitment. Combination of all these factors have resulted not only in the drop of financial instruments volume traded in lots, but also in lower responsiveness to marketing activities.

Growth, compared to the first half of 2015, has been 10,1% in case of active accounts and the total amount of open accounts has hit 25,6% increase. Despite this, the volume traded among our retail and business partners has dropped by 15,8%, and resulted in 6,3% decrease in total deposits.

According to our retail marketing communication strategy, we have engaged in global branding campaign using an actor, Mads Mikkelsen. Admittedly, the creation of such campaign has resulted in significant increase of marketing expenses.



However, as we now can see, thanks to quantitative marketing approach, brand is a very essential part of the market mix and we believe that it will bring effects in the upcoming quarters. Hence, we have to take into consideration client acquisition delay.

What is more, in the second quarter of 2016 we have all witnessed historical vote of the United Kingdom, placing it onto the road of leaving the European Union. Brexit has been a very well covered and expected event on the markets, followed by the whole world, causing a market stir, but didn't follow the same scenario as we have seen in January last year.

In relation to results generated for the second quarter intensified activities have been undertaken in order to accomplish our goals. We are convinced that the increasing number of active accounts as well as strong brand are solid foundations for future growth.