



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)

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CURRENT REPORT NO. 4/2017

Warsaw, 25 January 2017

Information on the preliminary financial and operating results for the year 2016

The Management Board of X-Trade Brokers Dom Maklerski S.A. (the „**Issuer**”, „**Company**”, „**XTB**”) hereby announces that on 25 January 2017 the aggregation process of financial data for the purpose of the preparation of the reports for the year 2016 – of the Company and of the Issuer’s Capital Group, respectively – 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. At the same time the Company explains that in relation to the publishing of the previous periodic report with cumulative data for 9 months of 2016, the Management Board’s commentary attached to this current report focuses on operating activities in the IV quarter 2016.

The Issuer informs also that the final financial and operating results for the year 2016 (covering the data for the IV quarter of 2016) will be submitted in the yearly reports – of the Company and of the Issuer’s Capital Group, respectively - publication of which was planned for 20 March 2017.

Legal basis:

Article 17 paragraph 1 MAR – inside information.

APPENDIX TO THE CURRENT REPORT NO 4/2017 DATED 25 JANUARY 2017

Selected consolidated financial data

(IN PLN'000)	THREE-MONTH PERIOD ENDED		TWELVE-MONTH PERIOD ENDED	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Total operating income	94 084	57 354	250 701	282 542
Total operating expenses	38 128	41 835	167 700	141 472
Profit on operating activities	55 956	15 519	83 001	141 070
Net profit	51 433	16 504	78 718	119 035

Selected consolidated operating data (KPI)

	THREE-MONTH PERIOD ENDED		TWELVE-MONTH PERIOD ENDED	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
New accounts ¹	9 624	8 224	31 300	31 175
Average number of active accounts ²	19 376	15 317	17 243	15 082
Accounts in total	156 501	125 727	156 501	125 727
Net deposits (in PLN'000) ³	116 759	69 175	314 045	325 128
Average operating income per active account (in PLN'000) ⁴	4,9	3,7	14,5	18,7
Transaction volume in CFD instruments in lots ⁵	488 660	559 854	2 015 655	2 443 302
Profitability per lot (in PLN) ⁶	193	102	124	116

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

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

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

⁴) 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.

⁵) 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.

⁶) Total operating income divided by the transaction volume in CFDs in lots.

Management Board commentary on the preliminary results

X-Trade Brokers reported almost 212% increase of a consolidated net profit in the IV quarter 2016 as compared to the same period of the previous year. The net profit in this period amounted to PLN 51,4 million in comparison to PLN 16,5 million as compared to the same period of the previous year. The IV quarter was the same a record quarter for the Group in the whole 2016 reaching the levels comparable to the best quarters of the record 2015 year in the XTB history.

In the IV quarter 2016 the situation on the financial markets was favorable for the XTB. We observed high volatility on instruments which are relevant in our revenues structure: index CFDs (based on German DAX and US DJIA and S&P500), currency pairs with USD and commodity CFDs based on gold and oil. As a result, the Group generated PLN 94,1 million of operating income which gives an increase of PLN 36,7 million, i.e. 64% y/y.

Simultaneously with the revenues increase, the operating expenses in the IV quarter 2016 declined by PLN 3,7 million, i.e. 9% y/y. The costs of salaries and employee benefits amounted to PLN 17,0 million and the marketing expenses reached a level of PLN 8,7 million. The intention of the Management Board in the upcoming quarters is to further keep the operating expenses on the stable level, similar to that from the IV quarter 2016.



The Management's plan for the upcoming periods is to accelerate the Company's growth, in particular by expanding the customers base, further penetration of existing markets and acceleration of geographic expansion into new markets. XTB consistently builds up customers base for future growth.

The number of new accounts and the average number of active accounts is increasing from quarter to quarter.

	PERIOD ENDED			
	31.03.2016	30.06.2015	30.09.2016	31.12.2016
New accounts ¹	6 438	7 178	8 060	9 624
Average number of active accounts ²	16 087	16 305	16 531	17 243

¹) The number of accounts opened by the Group's clients in the individual quarters.

²) The average quarterly number of active accounts for 3, 6, 9, 12 months periods, respectively.

In the IV quarter 2016 the number of new accounts increased by 17% y/y, and the average number of active accounts by 26% y/y. The Management Board believes, that the increasing number of new and active accounts and a strong brand in combination with favourable market volatility are solid foundations for future growth.