



X-TRADE BROKERS DOM MAKLESKI 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. 15/2017

Warsaw, 18 May 2017

Update information on XTB Capital Group's operations on the Turkish market

In relation to current report no. 5/2017 regarding information on possible limitation of XTB Capital Group's operations on the Turkish market, the Management Board of X-Trade Brokers Dom Maklerski S.A. (the „Issuer”, „Company”, „XTB”) hereby announces that on 18 May 2017 detailed analysis of impact of the regulatory changes of principles regarding investment services and ancillary services on XTB operations on the Turkish market were finalized. On the same day the Company decided to withdraw from this market. In relation to the above, in the nearest future the Issuer will take the necessary actions to liquidate the subsidiary which operates on the Turkish market, i.e. X Trade Brokers Menkul Değerler A.Ş.

Analysis conducted by the Company showed that limitations implemented by the Turkish Regulator, i.e. Capital Markets Board of Turkey, on which the Issuer informed in the above-mentioned current report, and in particular the fact that these amendments came into force with immediate effect, resulted in relevant decrease in the number of clients and as a consequence in significant limitation of XTB Group's operations in Turkey. Also the observed in the last months changing economic and political situation in Turkey was a trigger to XTB decision to withdraw from this market. In the Company's opinion, this situation impacts the business environment and uncertainty on this market.

In relation to the decision regarding the Turkish subsidiary, the Management Board of the Issuer assesses that due to XTB withdrawal from the Turkish market it will be necessary to create impairment allowances which may impact the current financial result. The possible impairment allowance of the Issuer's shares in the Turkish subsidiary in the nearest XTB half-year separate financial statements will amount to approximately PLN 9,7 million, while in relation to the nearest Group's consolidated financial statements the Company will create impairment allowance of the separated item of intangible assets, i.e. licence for brokerage activities on the Turkish market of approximately PLN 5,6 million.

Simultaneously, the Issuer informs that detailed information on financial results for the first half of 2017 will be submitted in the consolidated report of XTB Capital Group, which publication is planned for 30 August 2017.

Legal basis:

Article 17 paragraph 1 MAR – inside information.