



1H 2017 Results Presentation

24 August 2017

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Agenda

■ Key highlights

■ Financial data

■ Market volatility

■ Operational data

■ Appendix



Key highlights

Key highlights



The background of the slide features a low-angle shot of modern skyscrapers with glass facades. Overlaid on this is a semi-transparent grid and a blue line graph representing financial data. In the lower-left foreground, there is a large, semi-transparent clock face. A dark blue horizontal bar is positioned across the middle of the image, containing the text 'Financial data' in white.

Financial data

Financial data

Consolidated comprehensive income statement

PLN mm	1H 2017	1H 2016	Change
Result of operations on financial instruments	123,0	111,1	11,9
Other income	2,2	2,7	(0,5)
Total operating income	125,2	113,8	11,4
Salaries and employee benefits	(36,3)	(38,5)	2,2
Marketing	(13,7)	(32,3)	18,6
Amortization and depreciation	(3,0)	(2,8)	(0,2)
Other operating expenses	(19,5)	(21,6)	2,1
Total operating expenses	(72,5)	(95,2)	22,7
Operating profit (EBIT)	52,7	18,6	34,1
Impairment write-down of intangible assets	(5,6)	-	-
Finance income	2,4	9,6	(7,2)
Finance costs	(12,7)	(3,3)	(9,4)
Profit before tax	36,8	24,9	11,9
Income tax	(7,4)	(1,9)	(5,5)
Net profit	29,4	23,0	6,4

Financial data continued

Historical quarterly consolidated financial results

PLN mm	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	1Q 2016
Total operating income	66,5	58,7	94,0	42,8	31,0	82,8
Total operating expenses	(35,9)	(36,6)	(38,9)	(34,4)	(54,7)	(40,5)
Operating profit (loss) (EBIT)	30,6	22,1	55,1	8,4	(23,7)	42,3
Net profit (loss)	18,8	10,6	50,4	4,2	(8,8)	31,9

	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	1Q 2016
Total operating income (in PLN mm)	66,5	58,7	94,0	42,8	31,0	82,8
Transaction volume in CFD instrument in lots	513 814	540 082	488 660	468 686	525 108	533 201
Profitability per lot (in PLN)	129	109	192	91	59	155

- Operating income in the 1H 2017 has been shaped by:
 - Increase in profitability on the lot with a comparable volume of turnover calculated on lots.

Financial data continued

Key financial indicators

	1H 2017	1H 2016
EBITDA margin (%)	44,5	18,8
Aggregate capital adequacy ratio (%)	11,0	15,9
Return on equity – ROE (%)	16,9	13,5
Return on assets – ROA (%)	7,1	6,6
Net profit margin (%)	23,4	20,2

Retail

1H 2017 vs 1H 2016

105,1 mm / 105,7 mm
revenues

34,9 mm / 13,3 mm
operating profit

66,2% / 71,5%
operating profit share

PLN 112 / PLN 111
profitability per lot

Institutional

1H 2017 vs 1H 2016

20,1 mm / 8,1 mm
revenues

17,8 mm / 5,3 mm
operating profit

33,8% / 28,5%
operating profit share

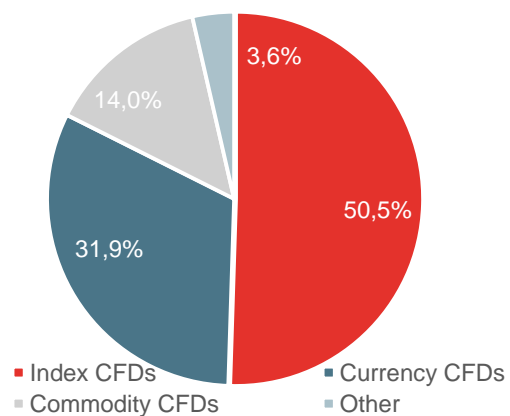
PLN 175 / PLN 74
profitability per lot

Financial data continued

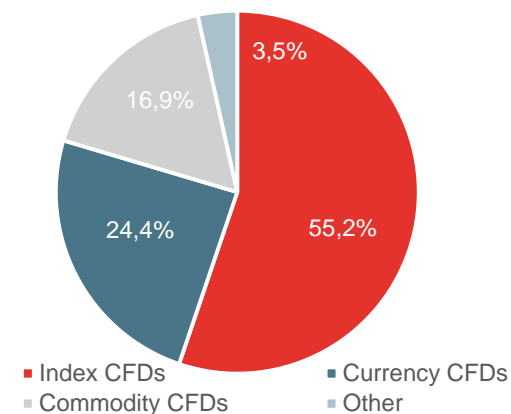
Result of operations on financial instruments

PLN mm	1H 2017	1H 2016	Change (%)
Index CFDs	64,5	63,6	1,4
Currency CFDs	40,7	28,1	44,8
Commodity CFDs	17,8	19,4	(8,2)
Equity CFDs	2,0	0,6	233,3
Bond CFDs	(0,2)	1,3	(115,4)
Total CFDs	124,8	113,0	10,4
Option derivatives	3,7	2,3	60,9
Stocks and exchange derivative	(0,8)	-	-
Gross gain on transactions in financial instruments	127,7	115,3	10,8
Bonuses and discounts paid to customers	(1,8)	(2,1)	(14,3)
Commissions paid to cooperating brokers	(2,9)	(2,1)	38,1
Net gain on transactions in financial instruments	123,0	111,1	10,7

Revenue by class of instrument 1H 2017

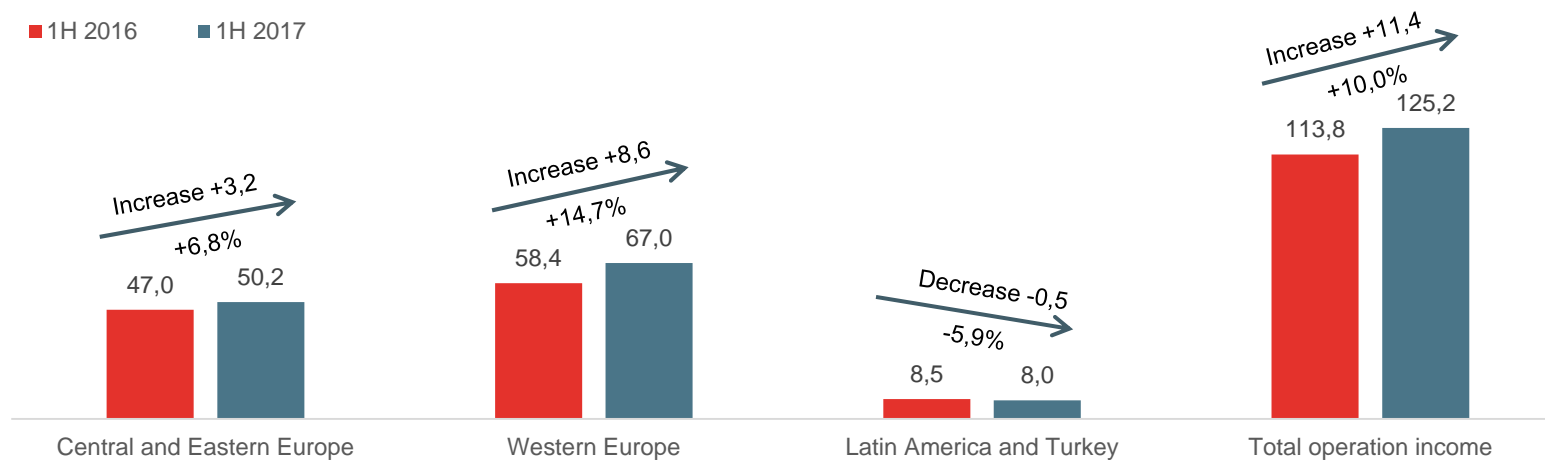


Revenue by class of instrument 1H 2016

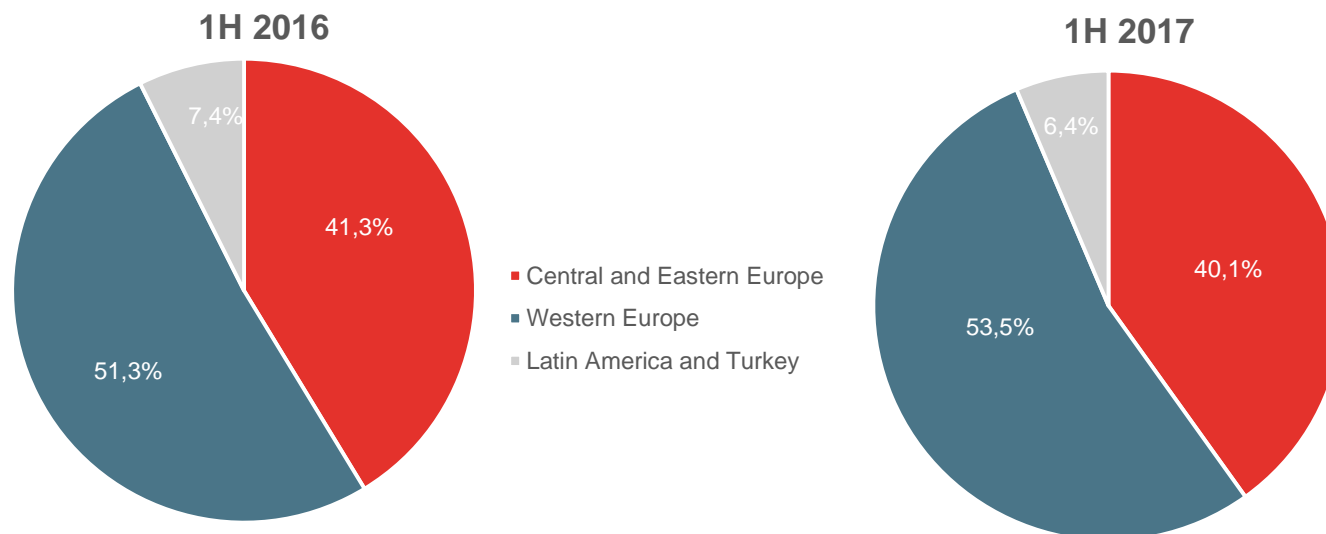


Financial data continued

Revenue by geographical area (PLN mm)



Revenue by geographical area (%)



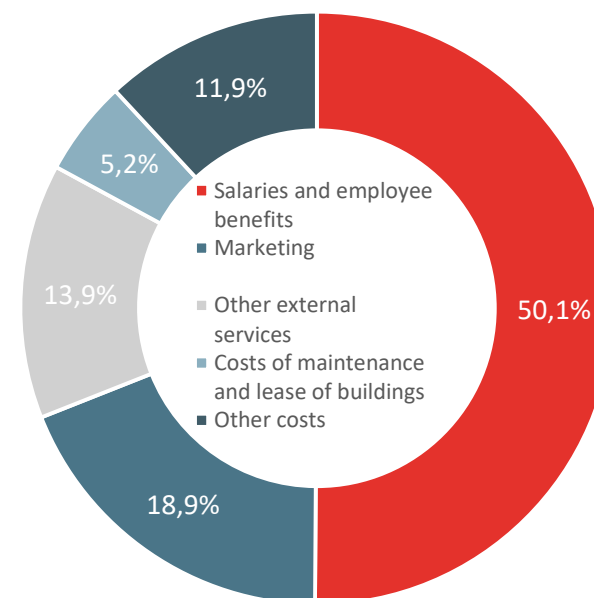
Financial data continued

Operating expenses

PLN mm	1H 2017	1H 2016	Change (%)
Salaries and employee benefits	36,3	38,5	(5,7)
Marketing	13,7	32,3	(57,6)
Other external services	10,1	10,8	(6,5)
Costs of maintenance and lease of buildings	3,8	4,5	(15,6)
Amortization and depreciation	3,0	2,8	7,1
Taxes and fees	1,3	0,9	44,4
Fee expenses	2,6	2,3	13,0
Other costs	1,7	3,1	(45,2)
Total operating expenses	72,5	95,2	(23,8)

Operating expenses structure 1H 2017

- Decrease in operating expenses by PLN 22,7 mm mainly due to:
 - Lower marketing costs associated with smaller spending on advertising campaigns by PLN 18,6 mm.
- Improve cost efficiency while maintaining the growth of newly opened accounts and the number of active accounts.

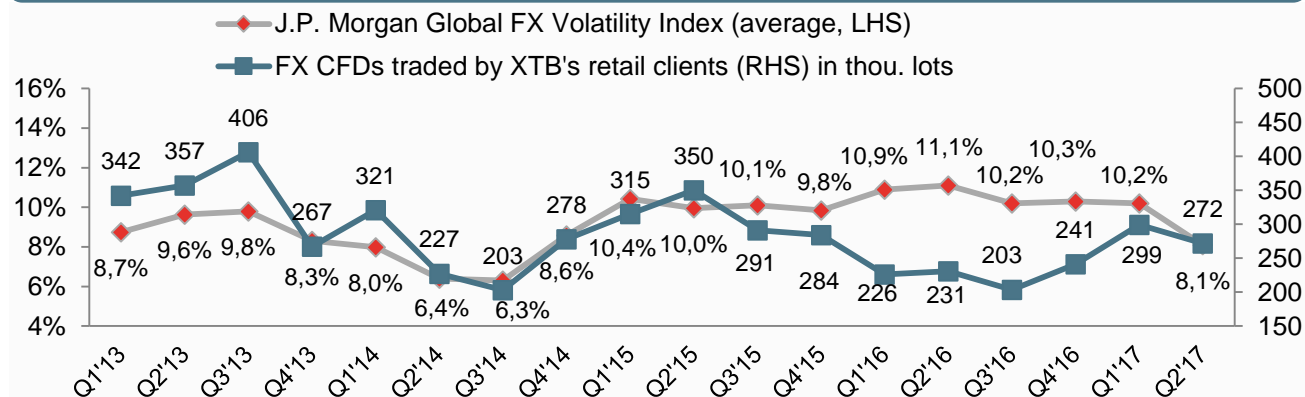




Market volatility

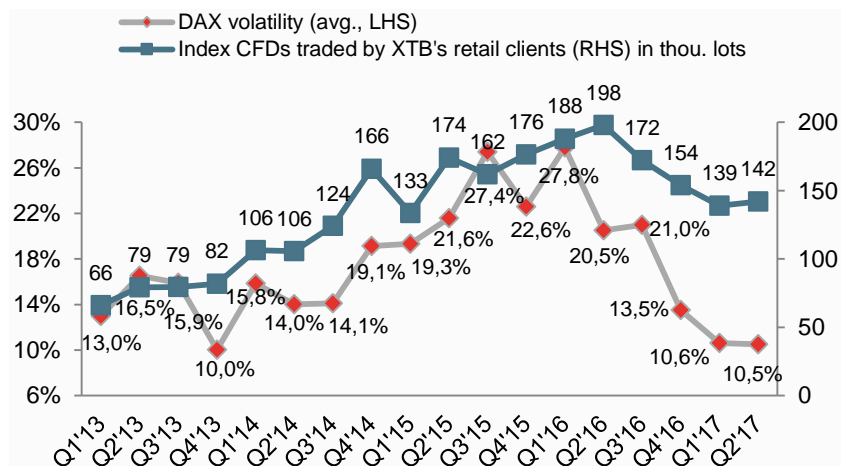
Market volatility

FX volatility on the market



Source: Bloomberg, XTB

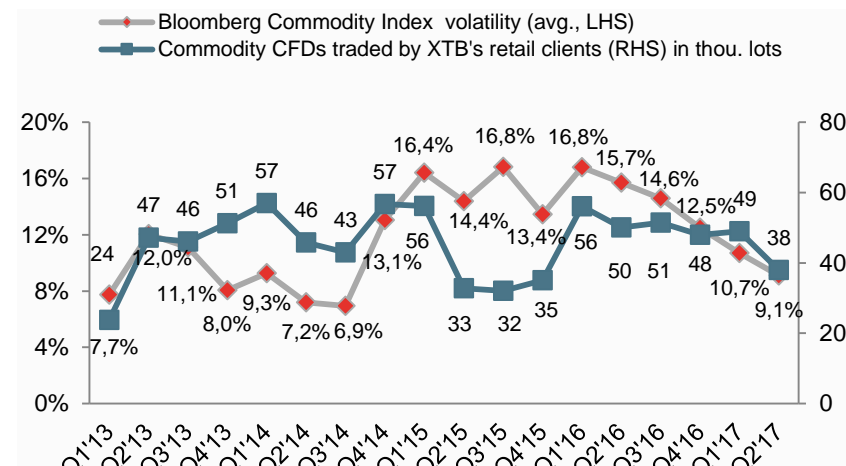
Volatility of equity market¹



Source: Bloomberg, XTB

¹ Volatility of German blue chip index DAX 30 and Bloomberg Commodity Index is calculated as an annualized historical daily volatility based on 30-day period standard deviation

Volatility of commodity market¹

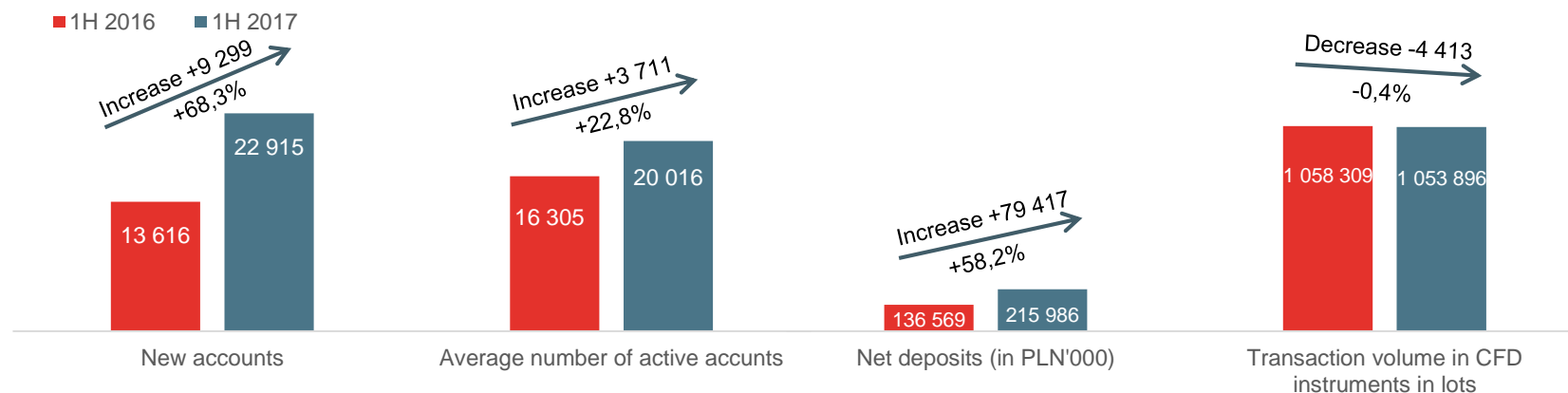




Operational data

Operational data

Consolidated KPIs



	2Q 2017	1Q 2017	4Q 2016	3Q 2016	2Q 2016	1Q 2016
New accounts	9 635	13 280	9 624	8 060	7 178	6 438
Average number of active accounts ¹	19 625	20 408	17 243	16 531	16 305	16 087
Accounts in total	178 008	169 031	156 501	146 939	139 209	132 170
Net deposits (in PLN'000)	108 200	107 786	116 759	60 717	28 503	108 066
Average operating income per active account (in PLN'000) ²	3,4	2,9	14,5	9,5	7,0	5,1
Transaction volume in CFD instruments in lots	513 814	540 082	488 660	468 686	525 108	533 201
Profitability per lot (in PLN)	129	109	192	91	59	155

1) The average quarterly number of active accounts in particular period.

2) 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, respectively for 3 months of 2017 and 12, 9, 6 and 3 months of 2016.

Operational data continued



Retail



Institutional

1H 2017 vs 1H 2016

22 904 / 13 613
new accounts

19 985 / 16 270
average active accounts

177 922 / 139 134
total accounts

938 563 / 948 736
CFD volume (in lots)

173,2 / 150,3
net deposits (in PLN mm)

1H 2017 vs 1H 2016

11 / 3
new accounts

31 / 35
average active accounts

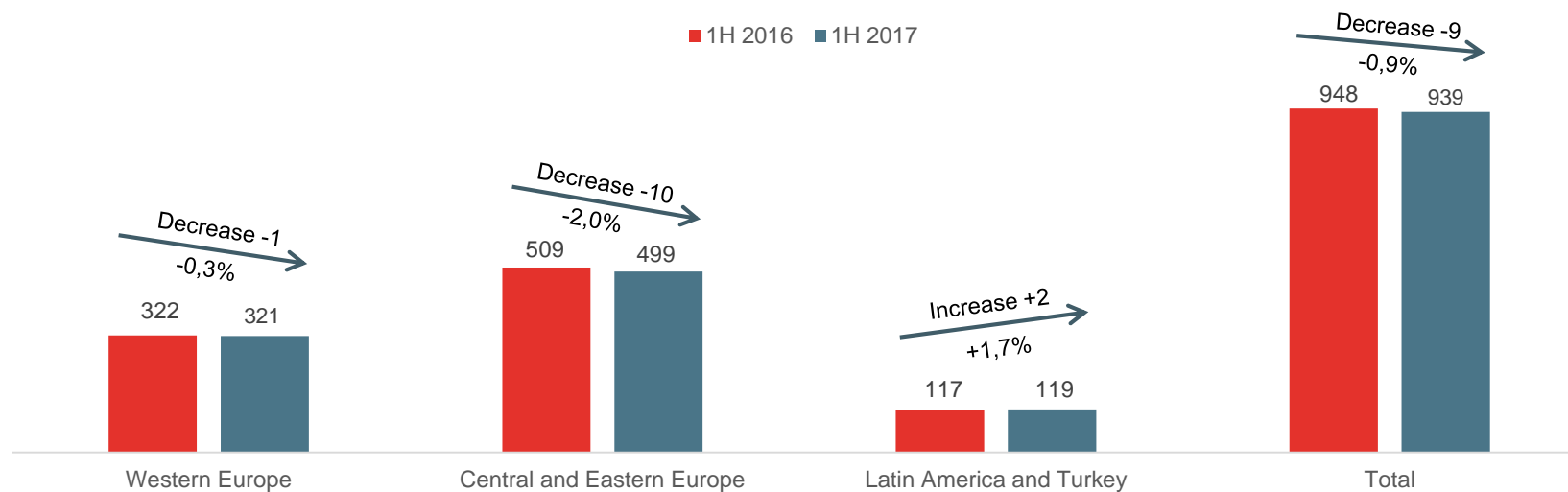
86 / 75
total accounts

115 333 / 109 573
CFD volume (in lots)

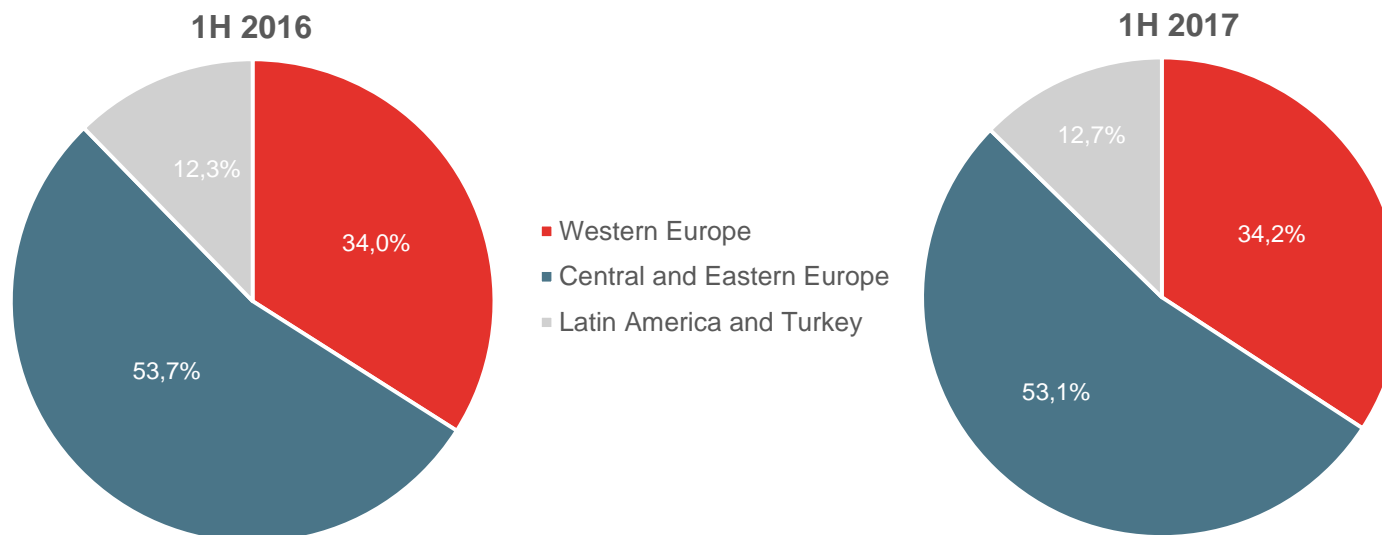
42,8 / -13,7
net deposits (in PLN mm)

Operational data continued

Retail transaction volumes by geographical area (thousand lots)

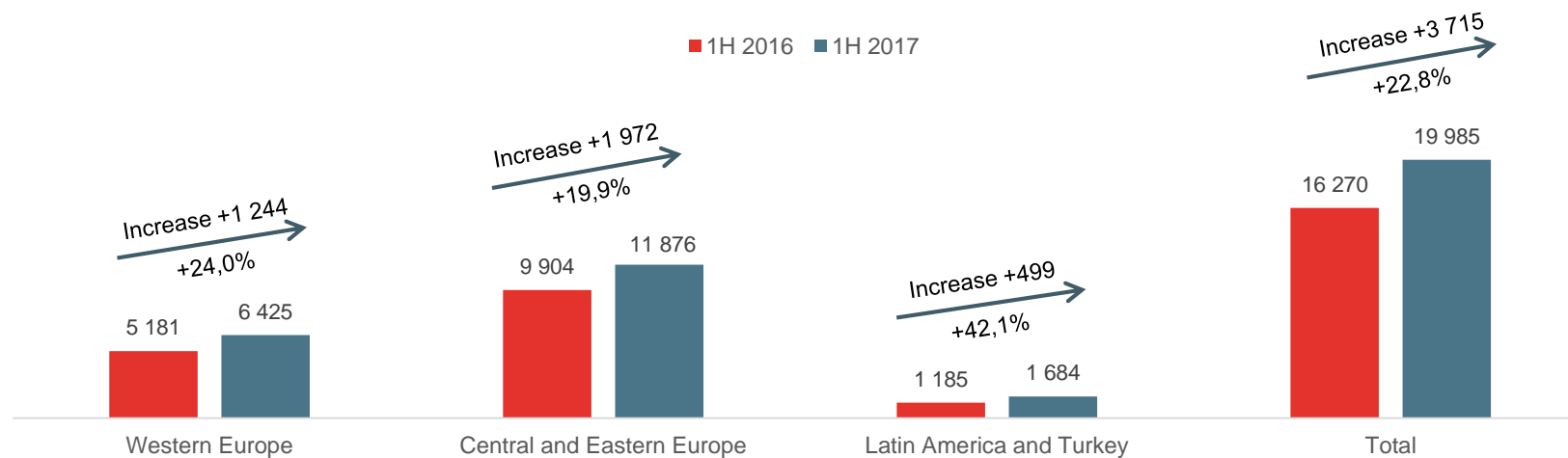


Retail transaction volumes by geographical area (% share)

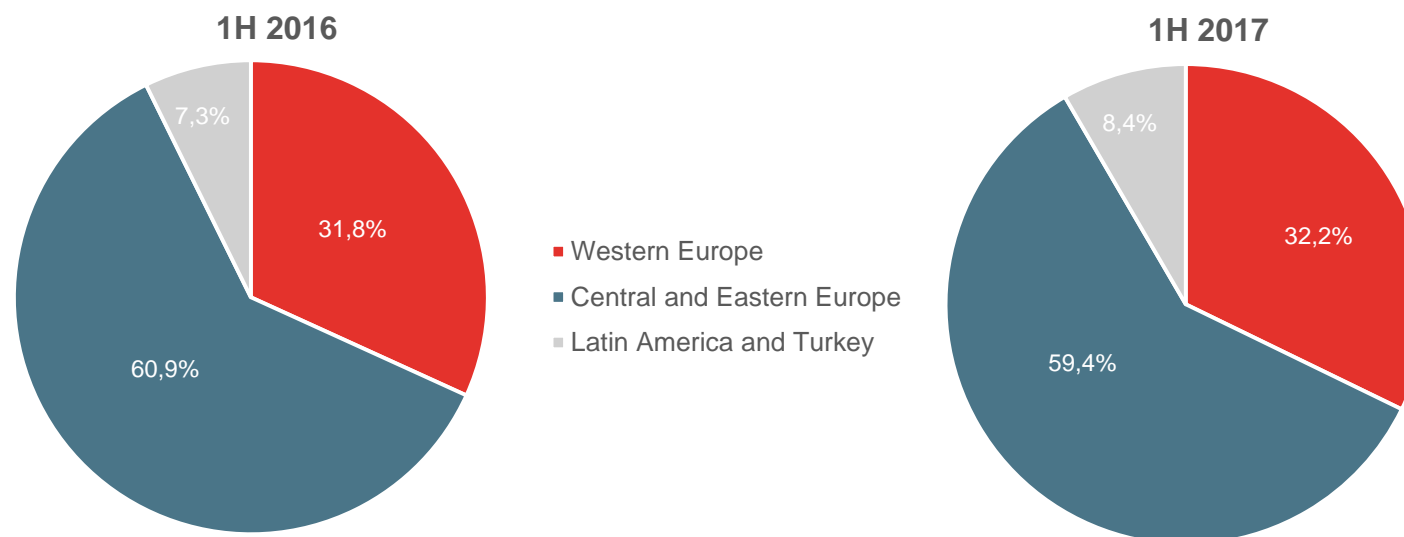


Operational data continued

Average number of retail active accounts



Average number of retail active accounts (%)



Appendix

Appendix

Consolidated statement of financial position

PLN mm	30 June 2017	31 December 2016
Own cash and cash equivalents	252,0	290,7
Customers' cash and cash equivalents	443,0	375,6
Financial assets held for trading	135,0	94,9
Loans granted and other receivables	6,5	5,2
Intangible assets	5,2	10,1
Property, plant and equipment	3,5	3,7
Deferred income tax assets	10,6	11,6
Other assets	7,1	5,0
Total assets	862,9	796,8
Amounts due to customers	457,2	377,3
Financial liabilities held for trading	27,0	22,6
Deferred income tax provision	14,7	13,0
Other liabilities	23,0	28,0
Total liabilities	521,9	440,9
Equity attributable to the owners of the Parent Company	341,0	355,9
Total equity and liabilities	862,9	796,8

Appendix continued

Consolidated cash flow statement

PLN mm	30 June 2017	30 June 2016
Profit before tax	36,8	25,0
Amortization and depreciation	3,0	2,8
FX (gains) losses from translation of own cash	4,1	(3,9)
Impairment of intangible assets	5,6	-
Change in balance of financial assets and liabilities held for trading	(35,7)	4,0
Change in balance of restricted cash	(67,3)	(18,8)
Change in balance of amounts due to customers	79,9	19,6
Other adjustments and changes	(13,6)	(5,9)
Cash from operating activities	12,8	22,8
Income tax paid	(6,3)	(13,2)
Net cash from operating activities	6,5	9,6
Expenses relating to payments for property, plant and equipment	(0,7)	(0,7)
Expenses relating to payments for intangible assets	(2,9)	(0,1)
Other	0,0	-
Net cash from investing activities	(3,6)	(0,8)
Dividend paid to owners	(37,6)	(91,6)
Net cash from financing activities	(37,6)	(91,6)
Increase (Decrease) in net cash and cash equivalents	(34,7)	(82,8)



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