

Bursa e pentru sameni

WWW.BVB.RO



2017 PRELIMINARY
FINANCIAL RESULTS

FEBRUARY 14, 2018



Key events during 4Q 2017

October 3rd

BVB, together with Financial Supervisory Authority and Central Depository organized World Investor Week – Investment Opportunities in Romania, where we discussed investment opportunities on the Romanian capital market.

November 2nd

Transilvania Broker de Asigurare shares started trading following a secondary initial public offer, which was subscribed by over 270% in one and a half days.

November 8th

Sphera Franchise Group, the company which manages restaurants under the KFC, Pizza Hut and Taco Bell brands, becomes the first listed foodservice operator on BVB.

November 20th

On Nov 20th, BVB celebrated 22 years from the first trading made on its market. On Nov 20th, 1995, 45 transactions were performed with a total of 905 shares belonging to 6 listed companies.

November 28th

Bitnet issues new bonds on Bucharest Stock Exchange to finance expansion, the acquisition of Gecad Net.

ING



December 12

ING Bank N.V. Amsterdam Branch Bucharest becomes Participant to the trading system of the BVB on the regulated spot market.

December 14th

BVB together with its partners conclude the first edition of the Made in Romania project, which proved to be so successful that its second edition is already scheduled to begin in January, 2018.

December 21st

NE Property Cooperatief bonds started trading on the spot regulated market of Bucharest Stock Exchange.

December 22nd

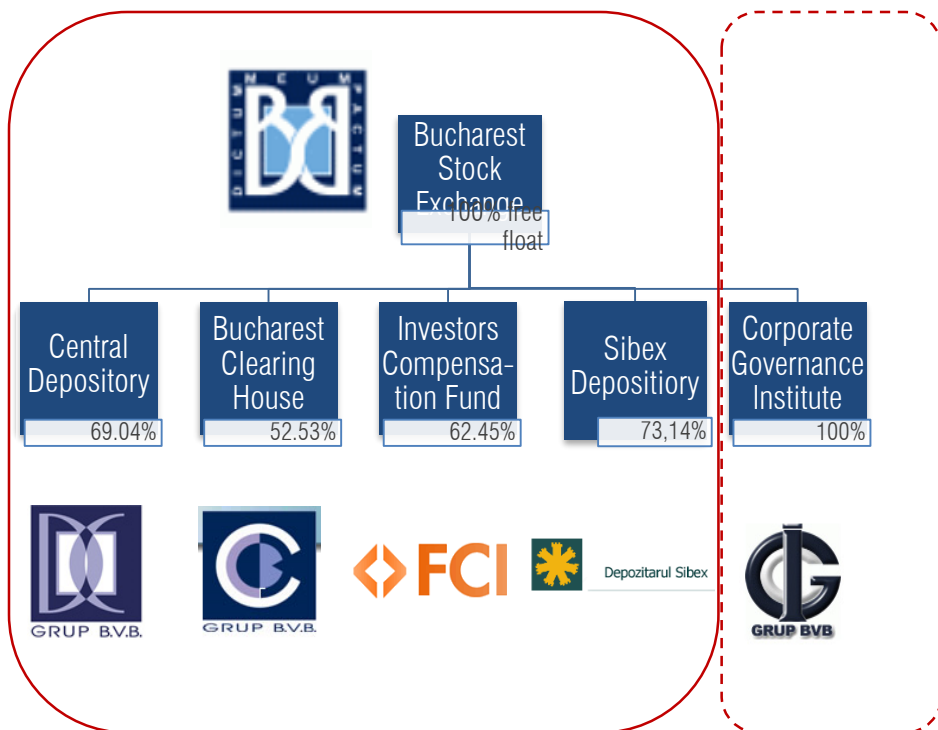
IMPACT became the third issuer on BVB to have placed and settled a bond issue directly in euros, after the International Investment Bank (IIB) and NE PROPERTY COÖPERATIEF.

December 29th

BVB – SIBEX Merger: On December 15, 2017, the Bucharest Court admitted the merger between the Bucharest Stock Exchange SA and SIBEX - Sibiu Stock Exchange S.A., the effective date of the merger being December 29, 2017.



Presentation of BVB Group and of the consolidation process



Entities included in the consolidation process

Not included in the consolidation process

Segments within BVB Group:

- **Trading segment** – Bucharest Stock Exchange
- **Post-trading segment** - Clearing & settlement services of the Central Depository
- **Registry segment** – Registry activities of the Central Depository
- **Other services** – Activities of the Investors Compensation Fund and of the Bucharest Clearing House
- **Sibex Depository** - was acquired on 29/12/2017 and there is no impact on revenues or expenses for year 2017

Key financial highlights – consolidated

Financial performance, BVB Group (RON mn, unless otherwise stated)

	2017 (prelim)	2016	Change (%)
Operating revenues	38.05	31.58	21%
Operating expenses	(28.82)	(25.53)	13%
Operating profit	9.24	6.04	53%
Net financial revenue/(expenses)	2.50	3.04	-18%
Gain on bargain purchases	2.88	-	-
Profit before tax	14.59	9.08	61%
Profit for the period	14.68	7.76	89%
Total comprehensive income	15.52	7.72	101%
EPS attributable to owners (RON/share)	1.7600	0.9888	78%

* The preliminary financial results for 2017 are prepared in accordance with IFRS and are not audited.

Profitability ratios, BVB Group (%)

	2017 (prelim)	2016
Operating margin	24%	19%
Net margin	39%	25%
Return on equity (ROE)	12%	7%

* Indicators based on consolidated preliminary financial results

Individual financial performance – BVB individual

Financial performance, BVB individual (RON mn, unless otherwise stated)

	2017 (prelim)	2016	Change (%)	2017 (prelim)- without merger impact	2016	Change (%)	4Q (prelim)	2017	4Q 2016	Change (%)
Operating revenue	23.69	19.75	20%	23.69	19.75	20%	5.14	5.26	-2%	
Operating expenses	<u>16.03</u>	<u>14.04</u>	14%	<u>15.69</u>	<u>14.04</u>	12%	<u>4.31</u>	<u>3.87</u>	+11%	
Operating profit	7.66	5.71	34%	7.99	5.71	40%	0.83	1.39	-40%	
Net financial revenue/(expenses)	3.43	3.32	3%	3.43	3.32	3%	1.95	1.69	15%	
Gain on bargain purchases	2.88	-	-	-	-	-	2.88	-	-	
(Losses)/Gains from the impairment in associates and subsidiaries	(0.06)	(0.27)	-79%	(0.03)	(0.27)	-89%	(0.04)	(0.15)	-70%	
Profit before tax	<u>13.92</u>	<u>8.76</u>	58%	<u>11.40</u>	<u>8.76</u>	30%	<u>5.62</u>	<u>2.93</u>	92%	
Profit for the period	14.25	7.50	90%	9.90	7.50	32%	7.12	2.50	184%	

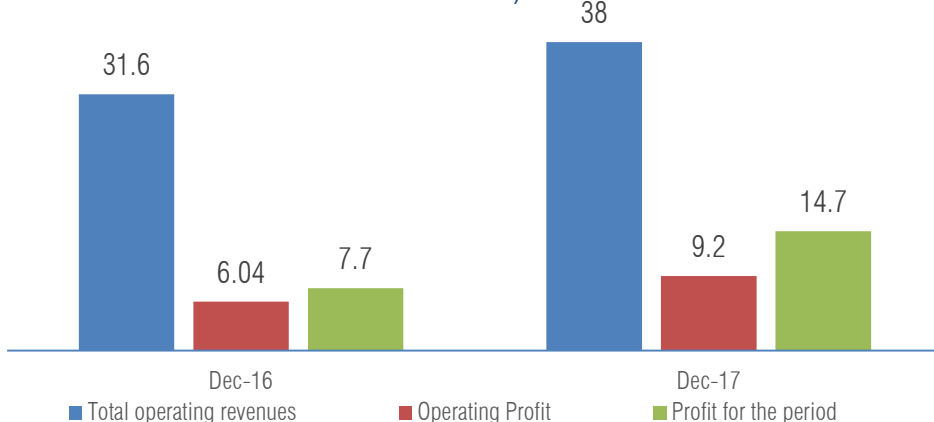
* The preliminary financial results for 2017 are prepared in accordance with IFRS and are not audited.

BVB-SIBEX Merger

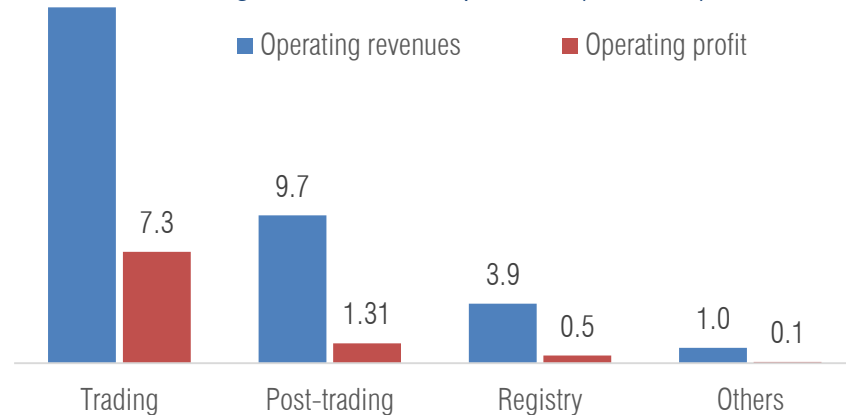
- On December 15, 2017, the Bucharest Court admitted the merger between the Bucharest Stock Exchange SA and SIBEX - Sibiu Stock Exchange S.A., the effective date of the merger being December 29, 2017.
- As a result of the merger by absorption between BVB and SIBEX, the share capital of the BVB increased by RON 3,750,480 and 375,048 shares at the nominal value of RON 10 per share.
- The fair value measurement at the effective date of the merger (December 29, 2017) of both, the assets and liabilities taken over and the consideration transferred (BVB shares) generated an income from a gain from bargain purchases of RON 2.88 mn, in accordance with the provisions of IFRS 3 "Business combinations".

Analysis of the consolidated results for 2017

Main financial indicators, BVB Group, 2016 - 2017 (RON mn)



Distribution of operating revenues and result, by segment, BVB Group, 2017 (RON mn)

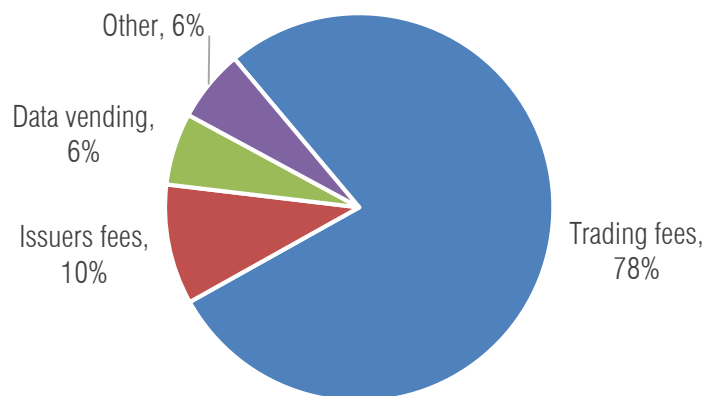


* The preliminary financial indicators for the 2017 are prepared in accordance with IFRS and are not audited.

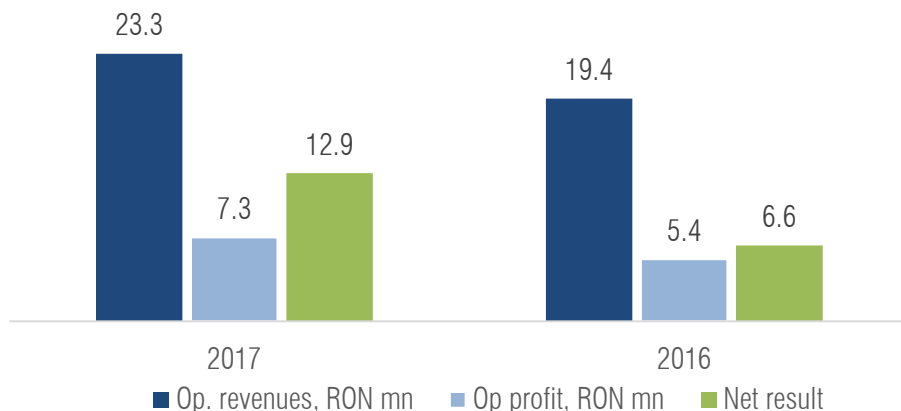
- During 2017, the BVB Group recorded consolidated operating revenues of over RON 38.05 mn (12 months 2016: RON 31.58 mn), an increase of 21% compared to the same period of the previous year, growth generated by all segments of the Group's activity.
- The revenues generated by BVB (standalone), representing the Group's trading segment, amounted to RON 23.35 mn (excluding intra-group transactions) in 2017, up by 20% compared with 2016 (12 months 2016: RON 19.43 mn), amid the increase in traded values.
- Over the same period, the Group's consolidated operating expenses increased by 13%, from RON 25.53 mn to RON 28.82 mn, generating combined a 53% advance of the preliminary operating profit to RON 9.24 mn (12 months 2016: RON 6.04 mn) and an improvement with 5 percentage points of the operating margin.
- The preliminary consolidated net profit for the year 2017 reached the level of RON 14.68 mn (12 months 2016: RON 7.76 mn), up by 89% compared to the previous year, 88% generated by the Group's trading segment, which increased from RON 6.61 mn to RON 12.88 mn.

Analysis of the trading segment revenues (1/2)

Breakdown of trading segment revenues in 2017 (%)



Operating revenues and profit, trading segment (RON mn)



* The preliminary financial indicators for the 2017 are prepared in accordance with IFRS and are not audited.

Trading segment revenues

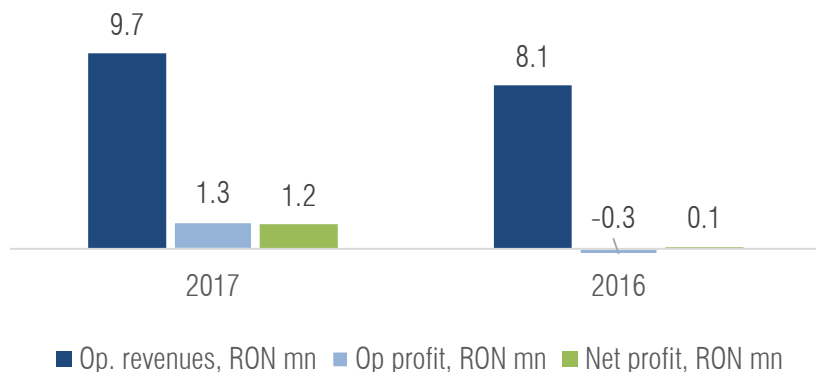
- BVB's **trading activity** on the shares market was more intense in 2017, registering a 28% increase over the previous year to RON 12.07 bn. For the regulated shares market, the average daily turnover increased by 32% in 2017 reaching RON 48.02 mn.
- The fixed-income instruments market (bonds and government securities) also recorded an advanced by 16% compared to the previous year, to a value of RON 1.58 bn (12 months 2016: RON 1.35 bn).
- The structured products market decreased by 38% compared to 2016, to RON 264 mn (12 months 2016: RON 428 mn).

Trends in trading activity

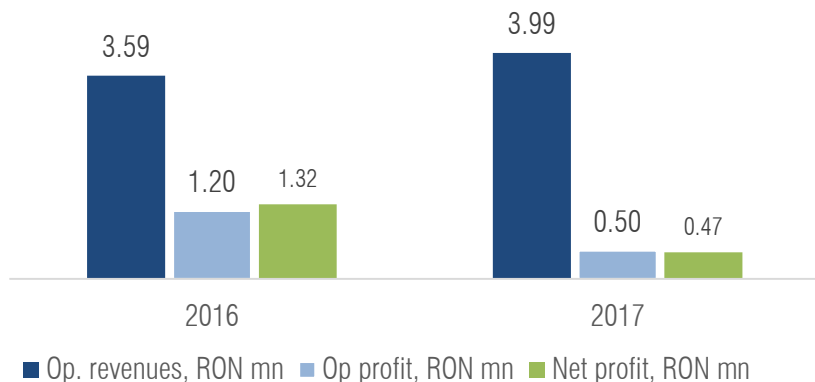
- Initial public offers continued in the last quarter of 2017 by the listing of Sphera Franchise Group (25% of its shares for RON 285 mn) and Transilvania Insurance Broker (25% of its shares for RON 9 mn).
- The value traded on all markets in 2017 was RON 13.91 bn, up 24% over the previous year or by 28% over the average of the last 10 years. The average daily trading value of the regulated market, including initial and secondary public offerings, increased by 32% in 2017 compared to 2016, from RON 36.45 mn to RON 48.02 mn, and reached, the maximum of the last 3 years.

Analysis of the post trading and registry segment revenues (2/2)

Operating revenues and profit, post-trading segment, BVB Group (RON mn)



Operating revenues and profit, registry segment (RON mn)



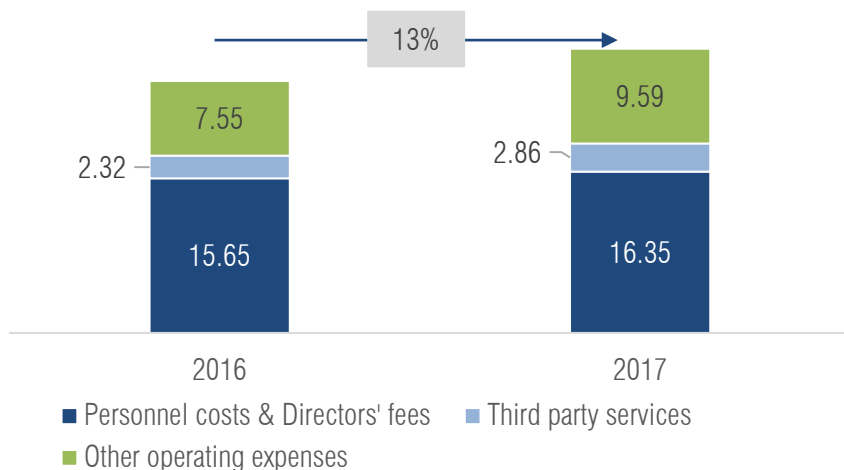
Post-trading and registry segments

- In 2017 **post-trading revenues** grew by 19% compared to the previous year up to RON 9,70 mn (12 months 2016: RON 8,12 mn), due to the increase in trading activity of BVB, which generated a 26% increase in local settlement revenues from RON 2.23 mn to RON 2.80 mn.
- The 15% increase in revenues from the admission and maintenance of the participants in the clearing-settlement system of custodians, from RON 5.62 mn to RON 6.47 mn, due to the increase in the portfolio managed by DC following the registration of new financial instruments listed on BVB at the end of 2016 and during 2017 (ie MedLife, Digi Communications NV, Sphera Franchise Group SA shares and bonds issued by the International Bank for Investments and UniCredit Bank, etc.) contributed also to the increase of the revenues from this segment.
- The revenues obtained from the **registry services** increased by 11% compared to the previous year, from RON 3.59 mn to RON 3.99 mn, due to the increase of the income obtained from the activity of distribution of dividends and other amounts of money.

* The preliminary financial indicators for the 2017 are prepared in accordance with IFRS and are not audited.

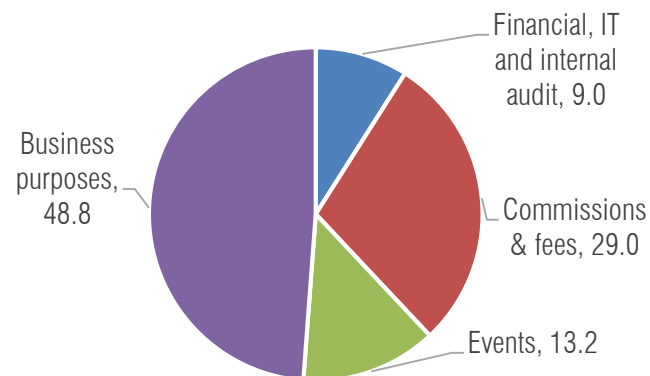
Analysis of operating expenses for BVB Group

Breakdown of operating expenses, BVB Group, 2016 vs. 2017 (RON mn)

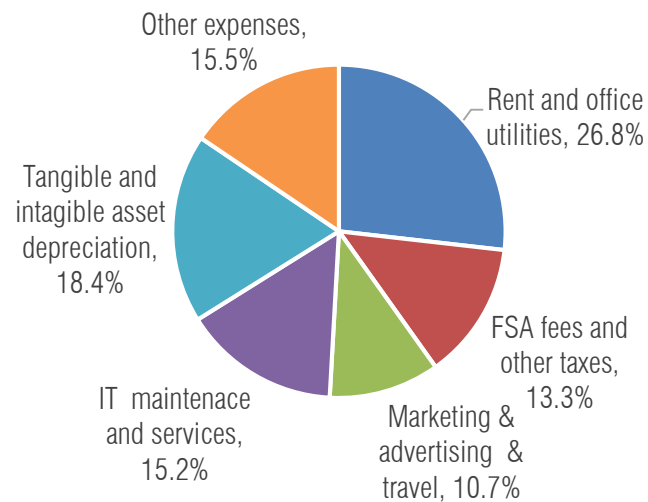


- The Group's consolidated operating expenses increased by 13%, from RON 25.53 mn to RON 28.82 mn, generating combined a 53% advance of the preliminary operating profit to RON 9.24 mn (12 months 2016: RON 6.04 mn) and an improvement with 5 percentage points of the operating margin.
- Expenditure growth was driven mainly by the increase of the other operating expenses as a base effect, as the reversal of the provision for litigation recorded by the Central Depository in previous years, amounting to RON 1.35 mn generated a decrease in operating expenses in 2016, and to a lesser extent due the increase in personnel expenses and the recording of expenses for the preparation of the BVB-SIBEX merger.

Third party services, 2017 (%)



Other operating expenses, 2017 (%)



* The preliminary financial results for 2017 restated figures in accordance with IFRS and are not audited

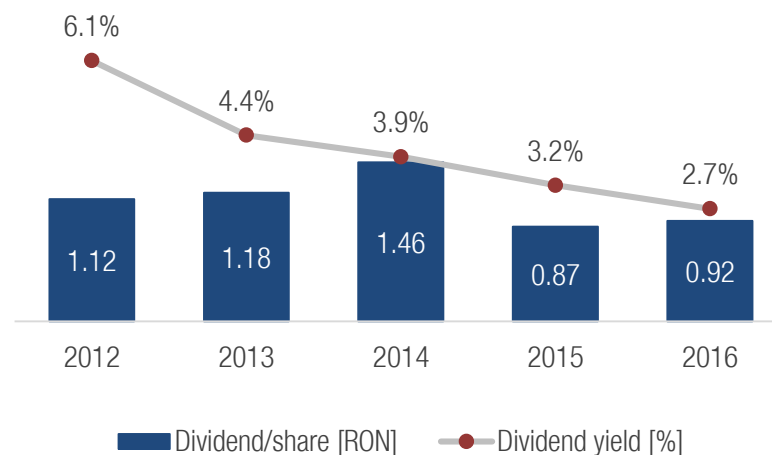
Overview of the consolidated financial position

Consolidated financial position (RON mn)

	2017 (prelim)	2016
Non-current assets	84.0	83.1
Current assets	113.4	89.9
Total assets	197.5	173.0
Shareholders' equity attributable to owners of the Company	114.1	97.6
Minority interest	10.7	10.4
Short-term liabilities	72.6	65
Total equity and liabilities	197.5	173.0

- At the end of December 2017, the **total assets** of the BVB Group amounted to RON 197.50 mn (31 December 2016: RON 173.00 mn), up by 14% compared to the beginning of the year
- Fixed assets** increased by 1% compared to the beginning of the year, while **current assets** increased by 26% to RON 113.50 mn (31 December 2016: RON 89.87 mn) as a result of the granting of extraordinary dividends by a number of issuers for which the shareholders of these companies did not claimed the transfer of these amounts until December 31, 2017 and the cash taken over from SIBEX in amount of RON 12,33 mn, after the merger.

Dividends and dividend yield



Note: Dividend yields are calculated using the price on the corresponding ex-dates

- On June 6, 2017, BVB paid the dividends from the 2016 net profit of RON 7.06 mn, representing 100% of the net profit after reserves. The gross dividend approved for 2016 was RON 0.92028/share.
- Stable dividend policy, with a payout ratio of 100%, after legal reserves
- The dividend policy is expected to remain unchanged

Upcoming events:

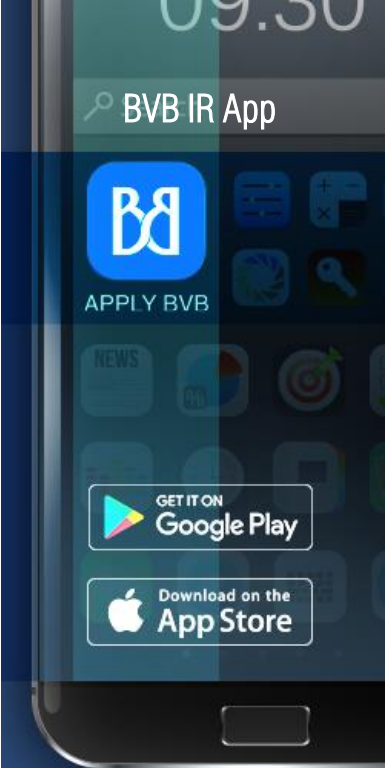
April 16, 2018 - Annual General Meeting
Annual report

May 9, 2018 - Q1 Financial results

IR Contact:

Natalia Negru,
IR & PR Specialist

Email: ir@bvb.ro
Mobile: +40.74.243.11.11
Phone: +40.21.307.95.00
Fax: +40.21.307.95.19



BURSA DE VALORI BUCURESTI SA • Bulevardul Carol I nr. 34-36, Etaj 13-14, Sector 2, 020922, Bucuresti, Romania • Tel.: +40 21 307 95 00 • Fax: +40 21 307 95 19
Website: www.bvb.ro • E-mail: bvb@bvb.ro • Registrul Comertului: J40/12328/2005 • CUI: 17777754 • Capital social, integral subscris și varsat: 80.492.460 lei
Decizia CNVM Nr. 369 / 31.01.200676.741.980

THIS PRESENTATION WAS PREPARED BY BURSA DE VALORI BUCURESTI. THE INFORMATION CONTAINED IN THIS DOCUMENT HAS NOT BEEN INDEPENDENTLY VERIFIED AND NO REPRESENTATION OR WARRANTY EXPRESSED OR IMPLIED IS MADE AS TO, AND NO RELIANCE SHOULD BE PLACED ON THE FAIRNESS, ACCURACY, COMPLETENESS OR CORRECTNESS OF THIS INFORMATION. PAST PERFORMANCE IS NO GUARANTEE OF FUTURES RESULTS. THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR INVITATION TO PURCHASE ANY SHARES. CERTAIN STATEMENTS CONTAINED IN THIS DOCUMENT MAY BE STATEMENTS OF FUTURE EXPECTATIONS AND OTHER FORWARD-LOOKING STATEMENTS THAT ARE BASED ON MANAGEMENT'S CURRENT VIEWS AND ASSUMPTIONS AND INVOLVE KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS, PERFORMANCE OR EVENTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED IN SUCH STATEMENTS. EXCHANGE RATE USED FOR ADT IS THE DAILY EXCHANGE RATE AS ANNOUNCED BY THE NBR.

ACEASTA PREZENTARE A FOST REALIZATA DE BURSA DE VALORI BUCURESTI. INFORMATIILE CONTINUTE IN ACEASTA PREZENTARE NU AU FOST VERIFICATE DE CATRE O TERTA PARTE INDEPENDENTA, ASTFEL NU EXISTA NICIO GARANTIE SI NU TREBUIE LUATA CA ATARE ACURATETEA, CORECTITUDINEA SI COMPLETITUDINEA ACESTOR INFORMATII. PERFORMANȚA ANTERIOARA NU ESTE O GARANTIE A REZULTATELOR VIITOARE. ACEST DOCUMENT NU REPREZINTA O OFERTA DE A CUMPARA ACTIUNI. ANUMITE DECLARATII DIN ACEST DOCUMENT POT FI DECLARATII DESPRE AȘTEPTĂRILE VIITOARE SAU ALTE EVOLUTII VIITOARE SI SE BAZEAZA PE VIZIUNEA SI IPOTEZELE ACTUALE ALE CONDUCERII COMPANIEI SI IMPLICA RISCURI CUNOSCUTE SI NECUNOSCUTE, PRECUM SI INCERTITUDINI CARE POT DETERMINA CA REZULTATELE EFECTIVE, PERFORMANȚA SAU EVENIMENTELE VIITOARE SA DIFERE SEMNIFICATIV DE CELE EXPRESATE SAU INTELESE IN ACESTE DECLARATII.