



HALF-YEARLY REPORT

as of 30 June 2018

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The Directors' consolidated report herein presents the interim condensed consolidated financial statements of the Bucharest Stock Exchange, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and in compliance with the rules and regulations of the Financial Supervisory Authority (FSA). The financial results as of 30 June 2018 are not audited.

The financial figures presented in the executive management commentary which are expressed in million RON are rounded off to the nearest integer and may result in small reconciliation differences.

Entities included in the consolidation process: Bucharest Stock Exchange, Central Depository, Bucharest Clearing House, Investors Compensation Fund, SIBEX Depository.

Disclaimer

This English language report is a convenience translation of the Romanian language "*Raport semestrial întocmit la data de 30 iunie 2018*". The Romanian version of the report is the official document.

Executive summary

**RON 7.46 bn,
+11%**

**Total trading
value, growth
compared with 1H
2017**

(1st semester 2018,
all markets, offers
included)

**RON 45.44
mn, +3%**

**Average daily
trading value,
growth compared
with 1H 2017**

(1st semester 2018,
regulated shares
market, without
offers)

The first half of the year brought on Bucharest Stock Exchange (BVB) two companies listings, two bond issues, a market reshuffle, but with an increase of 11% in the total return index, and a recognition from the MSCI global index provider on the improvement of three criteria of access to the local capital market.

Total value of transactions with financial instruments listed on BVB after the first half of the year exceeded RON 7.4 bn, up by 11% year-on-year. The average daily trading value with shares in the main market increased by 3.3%, above the level of RON 45 mn.

The performance of the local capital market contributed to several aspects that could improve the investment experience, which was recognized internationally by one of the most important rating agencies, MSCI. The global index provider has improved and recognized Romania's accessibility criteria for three aspects: market regulation, information flow and trading, results that validate capital market projects in Romania and recognize the improvement of investors' perception of the local market.

At the end of the first six months, the stock market capitalization of Romanian companies exceeded EUR 20 bn, while the capitalization of all companies listed on the regulated market of the BVB almost reached EUR 36 bn, in the last trading session of June.

The Romanian capital market has managed to maintain the Top 5 rallies among the main European stock indices in this period, with an advance of the BET index of 4.3%. A strong upward trend was recorded by the BET-TR total return index of the local stock exchange, which exceeded 11,500 points.

At the end of April started trading the municipal bond issued by Bucharest Municipality of RON 555 mn value, with a maturity of 10 years and an interest rate of 5.6% per annum. In the second half of May, Globalworth, the largest real estate investment company in Central and Eastern Europe, started trading on the same main market, the value of the issue being EUR 550 mn. Corporate bonds are traded on the Bucharest Stock Exchange in euro and the settlement is carried out directly in the European currency (facility implemented at BVB Group level in 2017). On June 26, Banca Transilvania announced the successful closing of the private placement of EUR-denominated unsecured Tier 2 Capital subordinated bonds bearing an interest of EURIBOR 6M+3.75% per annum, due in 2028, with an aggregate nominal value of EUR 285 mn. The already consistent use of this mechanism shows the maturity and development of the local capital market.

BVB has continued the actions and projects to promote the capital market for investors and entrepreneurs both at national and international level. In the second quarter, the companies listed on the BVB met with foreign investors in events and roadshows in London, Warsaw, Vienna, Budapest, New York and Washington. In May, BVB, with the support of Wood & Company, together with the Warsaw and Prague stock exchanges, met with US investors at the Investors Days in Central and Eastern Europe conference to promote investment opportunities for their countries. 34 companies from Romania, Poland and the Czech Republic met with 84 institutional investors representing the largest 59 investment houses in the US.

In June, BVB organized the seventh edition of the Individual Investors Forum, where 20 speakers supported a large audience of about 400 people, potential and experienced investors, numerous presentations and workshops dedicated to saving and investment on the stock exchange.

The second edition of the BVB project for entrepreneurs, "Made in Romania", has been running successfully since the beginning of the year: the 15 finalist companies were

awarded at the “Made in Romania” Gala on April 25, and from May to the November the finalists and the other 35 semi-finalist companies benefit from an intensive training program dedicated to the development of their business.

**RON 21.30 mn,
+5%**

**Operating
revenues of BVB
Group in 1H
2018, growth
compared with 1H
2017**

(as per consolidated
IFRS reporting)

The approval of the BVB General Shareholder Meeting on April 16 to initiate the central counterparty (CCP) initiative for the markets managed by BVB resulted in the launch of a project to identify the best CCP solution for the local capital market. The CCP solution is required, as per the current EU regulatory requirements, for the relaunch of the BVB derivatives market.

At Group level, the Central Depository (DC) settlement activity increased in the first half of 2018 by 5% compared to the same period of the previous year, mainly as a result of the increase in revenues from the maintenance of participants in the DC system. Also, revenues from the register increased significantly, by 65%, compared to the same period of the previous year, mainly due to the increase in the revenues from the activity of the registry, the services rendered to the issuers, as well as to the holders of financial instruments, but also on account of the increase of the portfolio value managed by the custodians.

**RON 6.81 mn,
+14%**

**Operating profit of
BVB Group in 1H
2018, growth
compared with 1H
2017**

(as per consolidated
IFRS reporting)

The BVB Group's operating income grew by 5% between January and June 2018 compared to the same period of the previous year, up to a level of RON 21.30 mn, an increase generated by the increase in the total traded value on the BVB markets, as well as by the increase in revenues from services rendered by DC for the issuers and for custodians of financial instruments.

Revenues generated by BVB, representing the Group's trading segment, amounted to RON 13.18 mn (excluding intra-group transactions) in the first half of 2018, up by 2% compared to the first half of 2017 (1H 2017: RON 12.96 mn).

Revenues from the post-trading segment, in the first half of 2018, are of RON 4.99 mn, increased by 5% compared to the same period of 2017, mainly due to the increase of the portfolio value managed by the custodians.

The increase of only 1% in the operating expenses in the first half of 2018, up to RON 14.49 mn, allowed a 14% increase in the consolidated operating profit of the BVB Group, reaching the level of RON 6,81 mn (1H 2017: RON 5,98 mn).

**RON 6.99 mn,
+36%**

**Net profit of BVB
Group in 1H
2018, growth
compared with 1H
2017**

(as per consolidated
IFRS reporting)

The financial revenues of the first half of 2018, amounting to RON 1.86 mn, mainly obtained from interest on financial assets placed in government securities and bank deposits, recorded a significant advance against the same period of last year (1H 2017: RON 0.1 mn), being favorably influenced by the unrealized exchange rate fluctuations in the revaluation of foreign currency financial instruments, which generated a gain of RON 0.41 mn compared to the same period of 2017, when it was registered a loss of RON 1.10 mn.

The consolidated net profit in the first half of 2018 was of RON 6.99 mn, up by 36% compared with the net result obtained in the same period of the previous year (1H 2017: RON 5.15 mn) with a net margin of 33%, 85% of the net result being generated by the Group's trading segment.

On June 11, 2018, BVB started to pay the dividends from the 2017 net profit of RON 13.55 mn, representing 100% of the net profit after reserves. The gross dividend for 2017 was RON 1.6862 / share.

Financial and operating highlights

Consolidated financial performance – BVB Group (RON mn, unless otherwise stated)

	1H 2018	1H 2017	Change (%)	2Q 2018	2Q 2017	Change (%)
Operating revenue	21.30	20.29	5%	9.41	11.10	-15%
Operating expenses	14.49	14.31	1%	7.37	8.08	-9%
Operating profit	6.81	5.98	14%	2.04	3.02	-32%
Net financial revenue/(expenses)	1.86	0.10	1,834%	1.65	(0.36)	563%
Profit before tax	<u>8.67</u>	<u>6.08</u>	43%	<u>3.69</u>	<u>2.67</u>	38%
Profit from continuing operations	7.22	5.15	40%	3.05	2.32	31%
Profit from discontinued operation	(0.23)	-	-	(0.09)	-	-
Profit for the period	6.99	5.15	36%	2.96	2.32	28%
Total comprehensive income	6.99	5.34	31%	2.96	2.39	24%
EPS attributable to owners (RON/share)	0.8371	0.6200	35%	0.3430	0.2577	33%

Profitability ratios (%)

	1H 2018	1H 2017	2Q 2018	2Q 2017
Operating margin	32%	29%	22%	27%
Net margin	33%	25%	31%	21%
Return on equity	6%	5%	3%	2%

* Indicators based on consolidated financial results

Individual financial performance – BVB only, (RON mn, unless otherwise stated), including intra-group transactions

	1H 2018	1H 2017	Change (%)	2Q 2018	2Q 2017	Change (%)
Operating revenue	13.34	13.15	1%	5.13	7.04	-27%
Operating expenses	<u>7.63</u>	<u>8.37</u>	-9%	<u>3.81</u>	<u>4.98</u>	-24%
Operating profit	5.71	4.78	19%	1.32	2.06	-36%
Net financial revenue/(expenses)	2.53	1.16	119%	2.37	0.76	213%
Profit before tax	8.07	5.94	36%	3.63	2.81	29%
Profit for the period	6.86	5.14	33%	3.14	2.53	24%

Operating highlights, trading segment (RON mn, all markets)

	1H 2018	1H 2017	Change (%)	2Q 2018	2Q 2017	Change (%)
Trading value						
Shares, units, rights	5,810	6,459	-10%	2,246	3,705	-39%
Certificates	182	150	22%	95	54	75%
Fixed-income	<u>1,466</u>	<u>87</u>	1,589%	<u>1,337</u>	<u>32</u>	4,024%
Total	7,457	6,696	11%	3,677	3,792	-3%
Avg. daily value (shares, without offers)*	45.44	43.97	3%	36.36	45.16	-19%
Avg. daily value (shares, including offers)*	46.97	51.69	-9%	36.36	60.74	-40%

*Value for the Regulated market

Operating indicators, post-trading and registry segments

	1H 2018	1H 2017	Change (%)	2Q 2018	2Q 2017	Change (%)
No. companies with registry contract at CSD	887	876	1%	887	876	1%
No. procedures resulted from issuers' corporate events	296	221	34%	273	202	35%
<u>Local settlement</u>						
Value of trades settled on net basis (RON bn)	13.93	15.19	-8%	5.09	8.66	-41%
Value of trades settled on gross basis (RON bn)	1.94	2.20	-12%	0.73	1.31	-44%
<u>Settlements through T2S platform (euro)</u>						
Value of trades settled on gross basis (EUR mn)	517.29	-	-	515.28	-	-
Avg. monthly portfolio managed by custodians (RON bn)	41.39	38.09	9%	40.48	39.04	4%

Share statistics for BVB as parent company (RON, unless otherwise stated)

	1H 2018	1H 2017	Change (%)	2Q 2018	2Q 2017	Change (%)
Closing price (e-o-p)	24.90	32.70	-24%	24.90	32.70	-24%
Weighted average price	27.58	31.84	-13%	25.96	33.24	-22%
High (intraday)	30.70	35.50	-14%	28.70	35.50	-19%
Low (intraday)	22.90	27.70	-17%	22.90	29.90	-23%
Total trading value (RON mn)	17.31	13.74	26%	6.00	8.32	-28%
Average trading value (RON mn)	0.14	0.11	27%	0.10	0.14	-28%

Analysis of the consolidated results for the first half of 2018

Macroeconomic background and financial markets overview in the second quarter of 2018. In the second quarter, global equity markets gained amid robust economic growth and benign inflation that outshined an unsettling geopolitical backdrop. Although the environment in the equity markets remained volatile, in the second quarter, positive earnings momentum and supportive macroeconomic data have pushed the MSCI World index up by 1.1%. The synchronized global growth and unemployment rates close to the lowest levels ever recorded showed no sign of pause in 2Q and inflation levels stood mostly below the central bank's targets. Romania's GDP dynamics in the 1Q advanced at a 4% rate y-o-y which shows a slight deceleration from the previous periods as consumption is poised to revert to a more neutral stance. Unemployment rate remained at 4.6% while the no. of employees increased to more than 4.9 mn. On the other hand, inflation kept on a rising path in the 2Q reaching 5.4% y-o-y, at the end of June.

The US Federal Reserve (FED), raised rates again in June, as expected, motivating its decision on the strengthened economic outlook from the recent periods and marginally increased its 2018 forecasts for growth and inflation. It now anticipates 2 more increases for this year. At the June meeting, the European Central Bank (ECB) confirmed that the current net asset purchases of EUR 30 bn will be continued until the end of September 2018. Also, the Governing Council mentioned that, after September 2018, it intends to reduce the monthly net asset purchases to EUR 15 bn until the end of December 2018 and afterwards the net purchases will end. In addition, ECB expects the key interest rates to remain at their current level at least through the summer of 2019. The National Bank of Romania raised key rate at 2.5% during the 2Q because of rising inflationary pressures. Nonetheless, it is expected that inflation will be more moderate in the following months and further interest rate increases might be limited.

The EUR/RON exchange rate recorded a slight decrease in the 2Q of the current year, fluctuating, on average, near the value of 4.65. As for the USD/RON exchange rate, it increased on average by 6% compared with the previous quarter.

After an outstanding performance in the 1Q, Romanian market, represented by BET-TR index, slightly corrected by 1.2% during the 2nd quarter amid domestic and international uncertainties. Nonetheless, the total return version of BET index shows an 11% increase on an YTD basis as of the end of June. This performance comes as the Romanian market offers one of the highest dividend yields in the world. International Financial markets recorded a rebound in the 2Q despite rising fears of a global trade war. Particularly, S&P500 rose 2.93%, FTSE100 increased by 8.22% as international investors reduced their underweight in the country, although investors sentiment towards Brexit is still largely negative. The German index, DAX, gained 1.46%, whereas MSCI Emerging Markets Index significantly dropped by 8.65% due to US dollar strength and increased global trade tensions.

Review of the consolidated financial results the first half of 2018. The operating revenues of the BVB Group recorded a level of RON 21.30 mn in the first half of the year, up by 5% compared with the same period of the last year, amid the increase in the trading activity of the BVB, the increase of the incomes from the activity of clearing-settlement and registry of the Central Depository.

The **trading activity** at BVB on the stock market was lower in the first half of the year, registering a decrease of 10% compared to the first half of 2017, to the level of RON 5.81 bn, but the revenues generated by this market increased by 2%, supported by transactions such as shares buy-in offers, priced at a higher level. For the shares regulated market, including offers, the average daily traded value was RON 46.97 mn. Elvila SA shares, market symbol ELV, one of the most important furniture manufacturers in Romania, started trading on February 1st on the AeRO market of BVB following a technical listing. Purcari Wineries, a leading wine producer in Central and Eastern Europe, began trading on the main market of BVB under the WINE symbol on February 15th, after successfully completing an IPO for 49% of its shares, the total value of the offer reaching over RON 186 mn (the equivalent of EUR 40 mn).

The fixed-income instruments market (bonds and government securities) registered a considerable increase compared to the same period last year, up to a value of RON 1,466 mn lei (1H 2017: RON 87 mn).

The advance of the fixed-income instruments market was generated by the entry into trading of Banca Transilvania corporate EUR-denominated bonds, bearing an interest of EURIBOR 6M+3.75% per annum, due in 2028, with an aggregate nominal value of EUR 285 mn.

The structured products market grew by 22% compared to the first semester of 2017, up to RON 182 mn (1H 2017: RON 150 mn).

The main operating indicators for the **trading activity** registered by BVB during the reporting period, compared to the year-ago period, are presented below:

	1H 2018	1H 2017	Change (%)	2Q 2018	2Q 2017	Change (%)
Trading value (RON mn)						
Trading value – shares, rights, units	5,810	6,459	-10%	2,246	3,705	-39%
Trading value – certificates	182	150	22%	95	54	75%
Trading value – fixed-income	<u>1,466</u>	<u>87</u>	1,589%	<u>1,337</u>	<u>32</u>	4,024%
Total	7,457	6,696	11%	3,677	3,792	-3%

Note: Figures refer to all markets and include offers

The revenues from the **registry activity** carried out by the Central Depository registered a 65% increase compared to the same period of the previous year mainly due to the provision of non-regular services, amounting to RON 0.53 mn, for example the withdrawal of the shareholders from companies for which DC manages the shareholders' registry, but also as a result of the increase in revenues from re-invoiced services to customers, which are also found in the expenses of this segment of activity.

Regarding the **post-trading activity** carried out by the Central Depository, the related revenues increased by 5%, mainly due to the increase of the portfolio value managed by the custodians.

The table below presents the main operating indicators registered by the Central Depository during the reporting period as compared to the year-ago period:

Post-trading and registry segment indicators	1H 2018	1H 2017	Change (%)	2Q 2018	2Q 2017	Change (%)
Registry activity						
No. companies with a registry contract at the Depository:	<u>887</u>	<u>876</u>	1%	<u>887</u>	<u>876</u>	1%
- listed companies	415	395	5%	415	395	5%
- closed companies	472	481	-2%	472	481	-2%
No. procedures resulted from issuers' corporate events, of which:	<u>296</u>	<u>221</u>	34%	<u>273</u>	<u>202</u>	35%
- share capital changes	24	28	-14%	12	17	-29%
- dividend payments	272	193	41%	261	185	41%
Settlement activity						
Admission and maintenance						
No. of intermediaries / participants to the clearing & settlement system	32	37	-14%	32	37	-14%
No. of custodians	9	10	-10%	9	10	-10%
Avg. monthly portfolio managed by custodians (RON bn)	41.39	38.09	9%	40.48	39.04	4%
No. of clearing participants paying maintenance fees	3	3	0%	3	3	0%
Local settlement						
Value of trades settled on net basis (RON bn)*	13.93	15.19	-8%	5.09	8.66	-41%
Value of trades settled on gross basis (RON bn)**	1.94	2.20	-12%	0.73	1.31	-44%

Settlements through T2S platform (euro)

Value of trades settled on gross basis (RON mn)	517.29	-	-	515.28	-	-
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* Trades executed at BVB as well as allocation transactions. Value presented on a single-counted basis.

** Trades executed outside trading systems and deal-type trades executed at BVB and settled on gross basis. Value presented on a single-counted basis.

The incomes of the Investor Compensation Fund (FCI) are represented by the interest income related to the investments of the FCI, classified as operational revenues, ie those remaining at the disposal of the FCI to cover the administrative expenses or to increase the fund's resources. They have a small share in the total operating income of the BVB Group and come to cover only a fraction of FCI's expenses.

Regarding **operational expenses**, they amounted to RON 14.49 mn for the BVB Group, up by 1% compared with the first six months of the previous year, the Group's personnel expenses registering a 4% increase, in line with the 2018 budget, mainly as a result of the application of a new policy of monthly recognition for estimated expenses for benefits granted to Board members, management and employees, compared with the first half of 2017 when only some of these expenditures were estimated. During the reporting period, a total of 15,031 shares, worth a market value at the granting date of RON 0.42 mn, were transferred free of charge to 9 members of the Board of Governors/ the legal heir of one of the members, according to the Stock Option Plan (SOP) approved by the General Shareholders Meeting (GSM) in 2017.

During the same period, a 3% decrease in the expenses from services rendered by third parties was recorded, mainly as a result of the decrease in commissions and fees, as a base effect, due to the fact that a significant portion of the expenses for the preparation of the BVB-SIBEX merger were recorded in the first half of 2017.

Also, the category of other operating expenses decreased by 3%, mainly as a result of the decrease in expenses on losses from non-paying customers, the reduction of the Group's marketing and advertising expenses as well as the slight reduction of operating expenses with rents and utilities. At the same time, depreciation and amortization expenses increased mainly as a result of investments made by DC at the end of the previous year. Increases were also recorded for expenses with other taxes (i.e. those due to FSA based on operating revenues) as well as those related to post and telecommunication, mainly re-invoiced to the Group's customers.

The **consolidated operating profit** of the BVB Group amounting to RON 6,81 mn increased by 14% compared to the same semester of 2017 (1H 2017: RON 5,98 mn), due to the combined effect of the 5% increase in the operating revenues while the operating expenses advanced only by 1%.

The **net financial result** of RON 1.86 mn (1H 2017: RON 0.1 mn) had an important contribution to the Group's result in the first half of 2018. Financial revenues of RON 1.45 mn were mainly represented by the interests related to the placements in RON and foreign currency, in government securities and bank deposits of the Group entities. The unrealized exchange rate fluctuations related to foreign currency financial instruments generated a gain of RON 0.41 mn, while in the similar period of 2017 they posted a loss of RON 1.1 mn.

The **net consolidated profit** for the period increased by 36%, up to the level of RON 6.99 mn (1H 2017: RON 5.15 mn), out of which RON 7.22 mn was allocated to the net profit related to the continuing activity, and a loss of RON 0.23 mn was allocated to discontinued operations, the profit attributable to the shareholders of the parent company being RON 6.74 mn (1H 2017: RON 4.76 mn).

Review of the consolidated financial position as of end-June 2018. At the end of June 2018, **total assets** of the BVB Group amounted to RON 191.20 mn (31 December 2017: RON 203.24 mn), down by 6% compared with the beginning of the year, mainly as a result of the decrease in current assets. **Non-current assets** increased by 21% compared to the beginning of the year, mainly due to the growth of financial assets held to maturity, while **current assets** decreased by 17% to RON 117.33 mn (31 December 2017: RON 142.16 mn) as a result of the decrease in cash and bank deposits due to the acquisition of non-current financial assets held to maturity, the payment of 2017 BVB' dividends, as well as of the dividend payments made by the Central Depository to the shareholders of listed companies, clients of the Central Depository.

The amounts available for dividends payment to the Central Depository's clients were shown in **Other restricted assets** and represented at the end of June 2018 the amount of RON 43.09 mn (31 December 2017: RON 50.16 mn).

The **total debts** of the Group are only short-term and at the end of June 2018 they amounted to RON 72.71 mn (31 December 2017: RON 78.24 mn), approximately 59% of this value, in amount of RON 43.08 mn, is represented by dividends to be paid by the Central Depository on behalf of its clients, while 30% representing guarantee funds, compensation and margin for the settlement of transactions amounting to RON 21.80 mn. The decrease in debts comparing with the beginning of the year is mainly due to the decrease in the debts representing funds for dividend payments that the Central Depository must distribute to the shareholders of the listed companies, clients of the Depository.

The remaining debts include dividends payable to BVB's shareholders', trade payables to various suppliers, other liabilities to the state budget and the social security budget, not due at the end of the analyzed period.

Shareholder's equity reached RON 118.49 mn, down by 5% compared with the beginning of the year, as a result of the distribution of dividends from the retained earnings of 2017.

Expectations for the second half of 2018

The Bucharest Stock Exchange will continue in the second half of 2018 its efforts to promote the capital market among local and foreign individual investors by organizing the 8th edition of the "Individual Investors Forum", "Made in Romania" and financial education seminars, "Fluent in Finance" program, dedicated to beginning investors as well as roadshows and investors days.



Condensed consolidated interim financial statements as at and for the period ended 30 June 2018

**Prepared in accordance with
International Financial Reporting Standards
as adopted by the European Union**

Condensed consolidated income statement and statement of comprehensive income

All amounts are indicated in RON, unless otherwise stated

	Six-month period ended	
	30 Jun 2018	30 Jun 2017
	Unaudited	Unaudited
Revenues from services	21,033,019	19,470,320
Other revenues	<u>268,383</u>	<u>821,940</u>
Operating revenue	21,301,402	20,292,260
Personnel expenses and Directors' fees	(8,417,107)	(8,061,051)
Expenses with services provided by third parties	(1,460,558)	(1,502,652)
Other operating expenses	<u>(4,615,787)</u>	<u>(4,745,022)</u>
Operating profit	<u>6,807,950</u>	<u>5,983,535</u>
Net financial revenues/(expenses)	<u>1,858,174</u>	<u>96,092</u>
Profit before tax	8,666,124	6,079,627
Corporate income tax expense	<u>(1,441,490)</u>	<u>(926,424)</u>
Profit from continuing operations	7,224,634	5,153,203
Profit from discontinued operation	<u>(232,445)</u>	<u>-</u>
Profit for the period	<u>6,992,189</u>	<u>5,153,203</u>
Profit attributable to:		
Non-controlling interests	254,111	395,555
Owners of the Company	<u>6,738,078</u>	<u>4,757,648</u>
Profit for the period	<u>6,992,189</u>	<u>5,153,203</u>
Differences from valuation of financial assets available for sale and related deferred tax	<u>-</u>	<u>186,233</u>
Total comprehensive income for the period	<u>6,992,189</u>	<u>5,339,436</u>
Attributable to:		
Non-controlling interests	254,111	395,555
Owners of the Company	<u>6,738,078</u>	<u>4,943,881</u>
Total comprehensive income for the period	<u>6,992,189</u>	<u>5,339,436</u>
Earnings per share		
Earnings per share – base/diluted (RON)	0.8371	0.6200

The notes on pages 20 to 26 are an integral part of these condensed consolidated financial statements.

President,

Lucian Anghel

CEO,

Adrian Tănase

CFO,

Virgil Stroia

Condensed consolidated income statement and statement of comprehensive income

All amounts are indicated in RON, unless otherwise stated

	Three-month period ended	
	30 Jun 2018	30 Jun 2017
	Unaudited	Unaudited
Revenues from services	9,366,263	10,404,770
Other revenues	40,796	697,793
Operating revenue	9,407,059	11,102,563
Personnel expenses and Directors' fees	(4,285,074)	(4,562,092)
Expenses with services provided by third parties	(793,810)	(890,444)
Other operating expenses	(2,287,042)	(2,627,567)
Operating profit	2,041,133	3,022,460
Net financial revenues/(expenses)	1,645,941	(355,512)
Profit before tax	3,687,074	2,666,948
Corporate income tax expense	(640,557)	(345,123)
Profit from continuing operations	3,046,517	2,321,825
Profit from discontinued operation	(85,632)	-
Profit for the period	2,960,885	2,321,825
Profit attributable to:		
Non-controlling interests	200,076	344,514
Owners of the Company	2,760,809	1,977,311
Profit for the period	2,960,885	2,321,825
Differences from valuation of financial assets available for sale and related deferred tax	-	68,608
Total comprehensive income for the period	2,960,885	2,390,433
Attributable to:		
Non-controlling interests	200,076	344,514
Owners of the Company	2,760,809	2,045,919
Total comprehensive income for the period	2,960,885	2,390,433
Earnings per share		
Earnings per share – base/diluted (RON)	0.3430	0.2577

The notes on pages 20 to 26 are an integral part of these condensed consolidated financial statements.

President,

Lucian Anghel

CEO,

Adrian Tănase

CFO,

Virgil Stroia

Condensed consolidated statement of financial position

All amounts are indicated in RON, unless otherwise stated

	30 Jun 2018	31 Dec 2017
	Unaudited	Audited
Non-current assets		
Tangible assets	7,796,371	8,049,892
Intangible assets	3,185,888	3,302,310
Deferred tax assets	-	329,965
Held-to-maturity restricted financial assets covering the guarantee and clearing funds and the margin	13,253,249	11,007,771
Held-to-maturity financial assets	49,636,480	38,390,394
Total non-current assets	<u>73,871,988</u>	<u>61,080,332</u>
Current assets		
Trade and other receivables	4,023,922	4,530,320
Prepayments	639,982	388,283
Bank deposits	24,939,103	31,248,521
Restricted bank deposits covering the guarantee fund and the margin	3,131,982	2,460,449
Held-to-maturity restricted financial assets covering the guarantee and clearing funds and the margin	5,408,095	7,361,427
Other held-to-maturity financial assets	27,501,234	25,833,152
Cash and cash equivalents	7,693,836	18,624,936
Other restricted assets	43,085,642	50,164,542
Assets classified as held for sale	904,399	1,545,052
Total current assets	<u>117,328,195</u>	<u>142,156,682</u>
Total assets	<u>191,200,183</u>	<u>203,237,014</u>
Equity		
Share capital	80,492,460	80,492,460
Treasury shares and and Share-base benefits	(129,425)	(834,705)
Share premiums	6,303,263	6,303,263
Legal reserve	9,858,111	9,858,111
Revaluation reserve	3,644,141	3,644,141
Retained earnings	<u>7,955,559</u>	<u>14,841,507</u>
Total shareholders' equity attributable to the owners of the Company	<u>108,124,109</u>	<u>114,304,777</u>
Non-controlling interests	10,369,759	10,695,922
Total shareholders' equity	<u>118,493,868</u>	<u>125,000,699</u>

Condensed consolidated statement of financial position (continued)

All amounts are indicated in RON, unless otherwise stated

	30 Jun 2018	31 Dec 2017
	Unaudited	Audited
Payables		
Trade and other payables	49,474,831	56,208,894
Deferred income	1,272,990	899,389
Current corporate income tax payables	154,486	28,357
Guarantee and clearing funds and settlement operation margin	21,799,410	20,686,869
Liabilities directly associated with assets classified as held for sale	<u>4,598</u>	<u>412,806</u>
Total current payables	<u>72,706,315</u>	<u>78,236,315</u>
Total payables and equity	<u>191,200,183</u>	<u>203,237,014</u>

The notes on pages 20 to 26 are an integral part of these condensed consolidated financial statements.

President,

Lucian Anghel

CEO,

Adrian Tănase

CFO,

Virgil Stroia

Condensed consolidated statement of changes in equity

All amounts are indicated in RON, unless otherwise stated

Unaudited	Share capital	Treasury shares Share premiums and base	Share- and Share-benefits	Retained earnings	Revaluation reserve	Legal reserve	Total attributable to shareholders	Non-controlling interests	Total shareholders' equity
Balance as at 1 January 2018	<u>80,492,460</u>	<u>6,303,263</u>	<u>(834,705)</u>	<u>14,841,507</u>	<u>3,644,141</u>	<u>9,858,111</u>	<u>114,304,777</u>	<u>10,695,922</u>	<u>125,000,699</u>
Comprehensive income for the year									
Profit or loss	-	-	-	6,738,078	-	-	6,738,078	254,111	6,992,189
Total comprehensive income for the year	-	-	-	6,738,078	-	-	6,738,078	254,111	6,992,189
Contributions by and distributions to owners of the Company									
Benefits granted to employees settled in shares, including estimations	-	-	592,826	-	-	-	592,826	-	592,826
Losses as effect of granting shares for free within SOP	-	-	112,454	(112,454)	-	-	-	-	-
Dividend paid to owners of BVB	-	-	-	(13,550,791)	-	-	(13,550,791)	-	(13,550,791)
Total contributions by and distributions to owners of the Company	-	-	705,280	(13,663,245)	-	-	(12,957,965)	-	(12,957,965)
Dividend paid to minority shareholders	-	-	-	-	-	-	-	(419,780)	(419,780)
Reclassification of NCI to parent company	-	-	-	114,954	-	-	114,954	(114,954)	-
Adjustment of retained earnings - subsidiaries	-	-	-	(75,734)	-	-	(75,734)	(45,541)	(121,276)
Total changes in interests in subsidiaries	-	-	-	39,220	-	-	39,220	(580,275)	(541,056)
Total transactions with owners	<u>-</u>	<u>-</u>	<u>705,280</u>	<u>(13,624,025)</u>	<u>=</u>	<u>=</u>	<u>(12,918,745)</u>	<u>(580,275)</u>	<u>(13,499,020)</u>
Balance as at 30 June 2018	<u>80,492,460</u>	<u>6,303,263</u>	<u>(129,425)</u>	<u>7,955,559</u>	<u>3,644,141</u>	<u>9,858,111</u>	<u>108,124,109</u>	<u>10,369,759</u>	<u>118,493,868</u>

Condensed consolidated statement of changes in equity (continued) All amounts are indicated in RON, unless otherwise stated

Audited	Treasury shares			Retained earnings	Revaluation reserve	Revaluation reserve of available-for-sale financial assets	Legal reserve	Total attributable to Non-controlling interests		Total shareholders' equity
	Share capital	Share premiums	and and Share-base benefits					shareholders	interests	
Balance as at 1 January 2017	76,741,980	-	-	8,489,576	2,810,429	837,628	8,782,906	97,662,519	10,372,558	108,035,077
Comprehensive income for the year										
Profit or loss	-	-	-	14,196,684	-	-	-	14,196,684	488,970	14,685,654
Other items of comprehensive income										
Reserve of available-for-sale financial assets	-	-	-	-	-	(837,628)	-	(837,628)	-	(837,628)
Reserve of land revaluation	-	-	-	-	833,712	-	-	833,712	-	833,712
Legal reserve increase	-	(295,633)	-	(779,572)	-	-	1,075,205	-	-	-
Total items of comprehensive income	-	(295,633)	-	(779,572)	833,712	(837,628)	1,075,205	(3,916)	-	(3,916)
Total comprehensive income for the year	-	(295,633)	-	13,417,112	833,712	(837,628)	1,075,205	14,192,768	488,970	14,681,738
Contributions by and distributions to owners of the Company										
Acquisition of treasury shares	-	-	(1,007,689)	-	-	-	-	(1,007,689)	-	(1,007,689)
Benefits granted to employees settled in shares	-	-	172,984	-	-	-	-	172,984	-	172,984
Dividend paid to owners of BVB	-	-	-	(7,062,408)	-	-	-	(7,062,408)	-	(7,062,408)
Share capital increase/(decrease)	3,750,480	6,598,896	-	(8)	-	-	-	10,349,368	-	10,349,368
Total contributions by and distributions to owners of the Company	3,750,480	6,598,896	(834,705)	(7,062,416)	-	-	-	2,452,255	-	2,452,255
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	(469,786)	(469,786)
Acquisition of non controlling interests	-	-	-	-	-	-	-	-	304,180	304,180
Adjustment of retained earnings - subsidiaries	-	-	-	(2,766)	-	-	-	(2,766)	-	(2,766)
Total changes in interests in subsidiaries	-	-	-	(2,766)	-	-	-	(2,766)	(165,606)	(168,372)
Total transactions with owners	3,750,480	6,598,896	(834,705)	(7,065,182)	-	-	-	2,449,489	(165,606)	2,283,884
Balance as at 31 December 2017	80,492,460	6,303,263	(834,705)	14,841,507	3,644,141	-	9,858,111	114,304,777	10,695,922	125,000,699

The notes on pages 20 to 26 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of cash flows

All amounts are indicated in RON, unless otherwise stated

	Six-month period ended	
	30 Jun 2018	30 Jun 2017
	Unaudited	Unaudited
Cash flows used in operating activities		
Profit for the year	6,992,189	5,153,203
Adjustments to remove non-cash items and reclassifications:		
Depreciation of fixed assets	1,133,003	866,028
Net interest income	(1,451,344)	(1,165,276)
Loss from impairment of uncollected receivables	168,102	692,107
Net expenses/(revenue) with receivables adjustment	(224,933)	(698,560)
Corporate income tax expense – reclassification	1,441,490	926,424
Net provision for holiday not-taken	(196,000)	-
Expense with employees' benefits settled in shares	592,826	-
Other non-cash adjustments	<u>111,170</u>	<u>(29,908)</u>
	8,566,503	5,744,018
Change in trade and other receivables	7,642,129	(14,226,512)
Change in prepayments	(251,699)	(324,931)
Change in trade and other payables, including amounts due for dividends payment to clients	(8,741,539)	14,373,833
Change in deferred income	373,601	328,557
Changes in guarantee and clearing funds and the margin	1,112,541	545,999
Corporate income tax paid	<u>(105,922)</u>	<u>(1,040,779)</u>
Net cash from operating activities	<u>8,595,614</u>	<u>5,400,185</u>
Cash flows from investing activities		
Interest received	1,355,700	844,834
(Purchases)/Repurchases of held-to-maturity financial assets	(13,899,548)	2,319,597
Change in bank deposits balance	6,426,763	(1,168,446)
Acquisition of tangible and intangible assets	(763,060)	(1,255,540)
Dividends received	-	<u>27,142</u>
Net cash from investing activities	(6,880,145)	767,587
Cash flows from financing activities		
Dividends paid shareholders of the parent	(12,185,599)	(6,784,897)
Dividends paid to minority interests	(20,987)	(469,791)
Released share capital of CCB's to minor shareholders	<u>(439,983)</u>	<u>(382,992)</u>
Net cash used in financing activities	(12,646,569)	(7,637,680)
Net increase / (decrease) in cash and cash equivalents	(10,931,100)	(1,469,908)
Cash and cash equivalents 1 January	<u>18,624,936</u>	<u>6,028,375</u>
Cash and cash equivalents 30 June	<u>7,693,836</u>	<u>4,558,467</u>

The notes on pages 20 to 26 are an integral part of these condensed consolidated financial statements.

Notes to the condensed consolidated financial statements

All amounts are indicated in RON, unless otherwise stated

1. General information

Identification data

34-36 Carol I Blvd., floors 13-14,
District 2, Bucharest

Address

J40/12328/2005

Trade Register No

17777754

Sole Registration Code

The Bucharest Stock Exchange (BVB) was established on 21 June 1995 as a public non-profit institution, based on the Decision of the National Securities Commission (NSC) no. 20/1995 and in July 2005 it became a joint stock company.

BVB is the leading exchange in Romania and operates several markets:

- The Regulated Market where financial instruments such as shares and rights issued by international and Romanian entities, debt instruments (corporate, municipality and government bonds issued by Romanian entities and international corporate bonds), UCITs (shares and fund units), structured products, tradable UCITS (ETFs) are traded;
- AeRO Market, designed for start-ups and SMEs, launched on 25 February 2015; separate sections of the alternative trading system are available for trading foreign stocks listed on other markets.

Main activity

Administration of financial
markets

CAEN code 6611

BVB's operating revenues are generated mainly from the trading of all the listed financial instruments, from fees charged to issuers for the admittance and maintenance to the trading system, as well as from data vending to various users.

Share tickers

BVB

BVB.RO (Bloomberg)

BBG000BBWMN3 (Bloomberg
BBGID)

ROBVB.BX (Reuters)

ROBVBAAACNOR0 (ISIN)

Since 8 June 2010, BVB is a listed company on its own spot regulated market and is included in the Premium Tier. The company's share capital consists of 8,049,246 shares with a nominal value of RON 10.

In accordance with the provisions of article 136 paragraph 5 of Law no. 126/2018 on financial instruments, no shareholder of a market operator can hold, directly or indirectly, more than 20% of the total voting rights. At the end of March 2018, there were no shareholders holding stakes exceeding this threshold.

BVB is included in indices focused on listed stock exchanges and other trading venues (FTSE Mondo Visione Exchanges Index and Dow Jones Global Exchanges Index), as well as in local market indices: BET and its total return version BET-TR, BET-XT and BET-XT-TR, BET-BK, BET Plus.

Subsidiaries

BVB is the parent company of BVB Group, which includes the following subsidiaries:

- Central Depository (Depozitarul Central), 69.04% owned by BVB, performs clearing / settlement operations for transactions with securities carried out at BVB and keeps the register of shareholders;
- Investors' Compensation Fund (Fondul de Compensare a Investitorilor), 62.45% owned by BVB, pays compensations when fund members fail to return the money or the financial instruments owed by or belonging to investors, which have been held on their behalf for the provision of financial investment or individual investment portfolio management services;
- Bucharest Clearing House (Casa de Compensare București), 52.53% owned by BVB, used to perform market research and public opinion polling (market capital market research services). The General Shareholders' Meeting of the Bucharest Clearing House dated May 24, 2018 decided to voluntarily liquidate the company;
- Corporate Governance Institute (Institutul de Guvernare Corporativă), fully owned by BVB, offers training services to listed companies and capital market participants, in corporate governance and sustainable development areas;
- SIBEX Depository (Depozitarul SIBEX), 73.14% owned by BVB, had performed clearing / settlement operations for transactions with securities carried out at SIBEX. This entity was acquired by BVB through the merger by absorption of SIBEX and at this moment its activity is suspended. As a result of the decision of the General Shareholders Meeting of SIBEX Depository as of February 15, 2018, to liquidate and delist the company, the financial information related to the subsidiary SIBEX Depository SA (consolidated as of 29/12/2017 as a result of the absorption by merger) was presented separately, as discontinued operations, in accordance with IFRS 5.

The consolidated financial statements of BVB for the six-month period ended 30 June 2018 include the financial information of the Company and its subsidiaries, except for the Corporate Governance Institute, an entity considered by BVB management as insignificant for inclusion in the Group's consolidated financial statements and reports.

2. Basis of preparation

The interim condensed consolidated financial statements for the six-month period ended 30 June 2018 have been prepared in accordance with IAS 34, 'Interim financial reporting'. They do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards. These interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2017, which have been prepared in accordance with IFRSs.

In the consolidated financial statements, subsidiaries – those companies in which the Group, directly or indirectly, holds more than half of the voting rights or which have the power to exercise control over operations – will be fully consolidated.

3. Accounting policies

The accounting policies and methods of computation followed in these condensed consolidated financial statements are consistent with those used in the most recent annual financial statements, prepared for the year ended 31 December 2017.

Taxes on income in the interim periods are accrued using the tax rate and calculation methodology that would be applicable to expected total annual profit or loss.

4. Estimates

The preparation of standalone condensed preliminary financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual standalone financial statements for the year ended 31 December 2017.

5. Financial risk management and financial instruments

5.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The standalone condensed preliminary financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the company's annual financial statements as at 31 December 2017.

There have been no changes in risk management or in any risk management policies since the year end.

5.2 Liquidity risk

Compared to year end, there was no material change in the company's liquidity position.

5.3 Fair value estimation

The various levels at which the company measures the fair value of financial instruments have been defined as follows:

- Quoted prices (unadjusted) in active markets for similar instruments (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the financial instrument, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the financial instrument that are not based on observable market data (that is, unobservable inputs) (Level 3).

Bucharest Stock Exchange

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During the reporting period there have been no significant changes in carrying amounts and fair values of the main categories of assets and liabilities, as compared to 31 December 2017.

5.4 Fair value of financial assets and liabilities measured at amortized cost

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables
- Other current financial assets
- Cash and cash equivalents
- Trade and other payables

6. Segment reporting

The segment information is reported by the Group's activities. Intra-group transactions are conducted under normal market conditions. Segment assets and payables include both items directly attributable to these segments and items that may be allocated using a reasonable basis.

The Group's activity consists of the following main business segments:

- Capital markets - trading (securities and financial instruments transactions on regulated markets and alternative trading systems);
- Post-trading services (services provided after a transaction is completed and the bank account is debited and the securities are transferred to the portfolio);
- Registry services (storage and updating of the registry of stakeholders for the listed companies);
- Services of the FCI and other services - related to the investors compensation scheme and other services.

The companies in the Group have been organized by segments as follows: BVB represents the "trading services" segment, the activity of the Central Depository is divided between the "post-trading services" segment and the "registry services" segment according to the share of the related revenues, and the Investors Compensation Fund (FCI), the Bucharest Clearing House (CCB) and SIBEX Depository are part of the services segment "FCI and other services".

The Group's revenues, expenses and operating profit for the first half of 2018 are shown below, by segment:

1H 2018	Trading services	Post-trading services	Registry services	FCI services and other services	Group
Revenues from clients outside the Group	13,178,049	4,990,742	2,902,507	230,104	21,301,402
Revenues from intra-group transactions*	157,590	34,764	20,251	-	212,605
Operating expenses	(7,625,100)	(4,030,559)	(2,347,872)	(489,921)	(14,493,452)
- out of which tangible and intangible asset impairment expenses	(622,030)	(320,629)	(186,772)	(3,573)	(1,133,003)
Operating profit	5,552,949	960,183	554,635	(259,817)	6,807,950
Net financial income /(expenses)	1,597,424	157,908	91,985	10,857	1,858,174
Pre-tax profit	7,150,373	1,118,092	646,619	(248,960)	8,666,124
Corporate income tax	(1,209,439)	(146,634)	(85,417)	-	(1,441,490)
Profit from continuing operations	5,940,934	971,458	561,202	(248,960)	7,224,634
Profit from discontinued operation	-	-	-	(232,445)	(232,445)
Net profit	5,940,934	971,458	561,202	(481,405)	6,992,189

* eliminated on consolidation

The Group's revenues, expenses and operating profit for the first half of 2017 are shown below, by segment:

Bucharest Stock Exchange

Half-yearly report for the period ended 30 June 2018

1H 2017	Trading services	Post-trading services	Registry services	FCI services and other services	Group
Revenues from clients outside the Group	12,964,851	4,748,467	1,763,599	815,342	20,292,260
Revenues from intra-group transactions*	187,270	37,914	14,126	3,090	242,400
Operating expenses	(8,368,729)	(3,945,012)	(1,539,569)	(455,416)	(14,308,725)
- out of which tangible and intangible asset depreciation expenses	(596,975)	(193,295)	(72,016)	(3,742)	(866,028)
Operating profit	<u>4,596,122</u>	<u>803,456</u>	<u>224,031</u>	<u>359,926</u>	<u>5,983,535</u>
Net financial income /(expenses)	109,548	(19,296)	(7,189)	13,029	96,092
Pre-tax profit	<u>4,705,670</u>	<u>784,160</u>	<u>216,842</u>	<u>372,955</u>	<u>6,079,627</u>
Corporate income tax	(792,175)	(97,808)	(36,441)	-	(926,424)
Net profit	<u>3,913,495</u>	<u>686,352</u>	<u>180,401</u>	<u>372,955</u>	<u>5,153,203</u>

* eliminated on consolidation

The Group's assets and payables and capital expenses are presented below, by segment:

1H 2018	Trading services	Post-trading services	Registry services	FCI services and other services	Group
Assets	89.205.586	25.718.863	56.069.805	20.205.929	191.200.183
Liabilities	3.047.179	4.891.280	45.930.098	18.837.758	72.706.315
Capital expenditures	232.217	335.442	195.401	-	763.060

1H 2017	Trading services	Post-trading services	Registry services	FCI services and other services	Group
Assets	75,990,912	28,874,921	61,095,433	19,923,284	185,884,550
Liabilities	2,431,485	5,842,787	53,940,169	17,830,557	80,044,998
Capital expenditures	608,316	492,180	183,372	7,080	1,290,948

7. Operating expenses

The operating expenses include the following:

7.1 Personnel expenses and Director's fees

	1H 2018	1H 2017
Personnel expenses and Director's fees, including contributions and taxes	7,749,061	8,061,051
Estimated expenses for personnel and Director's	<u>668,046</u>	-
Total	<u>8,417,107</u>	<u>8,061,051</u>

During the reporting period, a total of 15,031 shares, worth a market value at the granting date of RON 0.42 mn, were transferred free of charge to 9 members of the Board / the legal heir of one of the members, according to the Stock Option Plan approved by the GSM in 2017.

7.2 Services provided by third parties

	1H 2018	1H 2017
Financial, IT and internal audit services	198,870	99,657
Commissions & fees (legal, contributions, etc.)	240,152	406,796
Promotion activities of BVB Group	268,805	289,951
Services provided by third parties for business purposes	<u>752,731</u>	<u>706,248</u>
Total	1,460,558	1,502,652

7.3 Other operating expenses

	1H 2018	1H 2017
Rent and office utilities	1,228,667	1,283,497
Tangible asset amortisation	534,025	426,518
Intangible asset depreciation	598,978	439,510
Costs related to FSA fees and other taxes	628,565	581,547
Consumables	135,907	120,206
IT maintenance and service	669,587	677,120
Protocol	189,039	181,858
Marketing and advertising	73,026	420,485
Transport of goods and personnel	312,208	332,427
Post and telecommunications	230,706	144,094
Loss from non-paying customers	168,102	692,107
Expenses/(Income) from provisions for disputes	(100,178)	-
Net expenses/(income) from adjustment of receivables	(224,933)	(698,560)
Other expenses	172,088	<u>144,213</u>
Total	4,615,787	4,745,022

8. Financial income and financial costs

Financial income and expenses recognized in profit or loss account include:

	1H 2018	1H 2017
Net Interest income from held-to-maturity financial assets	1,450,959	1,165,276
Dividend income	-	27,142
(Net loss)/Net gain from exchange rate differences	<u>407,215</u>	<u>(1,096,326)</u>
Net financial income	1,858,174	96,092

9. Income taxes

The income tax expense is recognized based on the annual income tax rate and calculation methodology for the full financial year. The annual tax rate used for the period ended 30 June 2018 is 16% (the tax rate for the year ended 31 December 2017 was also 16%).

10. Dividends

The General Shareholders' Meeting held on April 16, 2018 approved the distribution of the statutory net profit for the year 2017 of the Bucharest Stock Exchange in the amount of RON 14,246,624, as follows: the amount of RON 695,833

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for the legal reserve and the remaining amount in the form of the gross dividends. Thus, the amount to be distributed in 2018 in the form of gross dividends for the year 2017 is RON 13,550,791. The date of payment set by the GSM was 11 June 2018.

The General Shareholders Meeting of the Central Depository held on 16 May 2018 approved the distribution of the company's statutory net profit for 2017, amounting to RON 1,439,710, as follows: RON 83,739 as legal reserve and RON 1,355,971 as dividends.

11. Share capital

On 30 June 2018, BVB had a share capital amounting to RON 80,492,460 divided into 8,049,246 shares with a nominal value of RON 10/share, dematerialized, with the same voting rights, divided into the following categories:

	Number of shares	% of the share capital
Legal entities, of which:	<u>6,559,969</u>	<u>81.50%</u>
Romanian	5,582,329	69.35%
Foreign	977,640	12.15%
Individuals, of which:	<u>1,476,032</u>	<u>18.34%</u>
Romanian	1,331,707	16.54%
Foreign	144,325	1.79%
Bucharest Stock Exchange	13,245	0.16%
Total	<u>8,049,246</u>	<u>100.00%</u>

In accordance with the provisions of the article 136, paragraph 5 of law no. 1226/2018 on financial instruments, a shareholder of a market operator cannot own directly or indirectly more than 20% of the total voting rights. On 30 June 2018, there were no shareholders holding stakes exceeding this threshold.

12. Subsequent events

There are no subsequent events to report.

Statement of persons responsible

The statement herein concerns the extent to which the consolidated financial report of Bursa de Valori Bucuresti SA, prepared on 30 June 2018, contains an accurate presentation of all significant matters related to the consolidated financial position as of 30 June 2018, and of the results of its operations concluded on this date according to the accounting standards required by Romanian legal framework, namely the Accounting Law no. 82/1991, republished, and the Rule of the Financial Supervisory Authority no. 39/2015, for the approval of accounting regulations compliant with the International Financial Reporting Standards, applicable to entities regulated, authorized and/or supervised by the ASF, from the Financial Instruments and Investments Sector.

We undertake responsibility for the accurate presentation of the financial reports according to the above mentioned lawful regulations. We confirm with full knowledge of the facts that the half-yearly financial and accounting report was drawn up according to the Accounting Regulations in compliance with the International Financial Reporting Standards, the accountancy policies used observing the same and providing an accurate and true to reality image of the assets, liabilities, financial position, profit and loss account and that the report of the Board of Governors includes an accurate analysis of the company development and performance, as well as a description of the main risks and uncertainties specific to the activity carried out.

President,
Lucian Anghel

CEO,
Adrian Tănase

CFO,
Virgil Stroia

Annex

Resolutions of the Extraordinary General Meeting of Shareholders held on 16 April 2018

The General Extraordinary Meeting of Shareholders of Bucharest Stock Exchange („The Company”)

Convened in accordance with the provisions of art. 31 of the Company's Articles of Incorporation through the convening notice sent to the shareholders, published in the Official Gazette - Part IV no.969 of March 8, 2018 and in the newspaper Romania Libera of 8 March 2018 and the updated convening notice published in the Official Gazette - Part IV no. 1254 of 28 March 2018 and in the newspaper Romania Libera of 28 March 2018, as well as on the BVB website in the Investor Relations Section/General Meetings of Shareholders section,

Legally reunited in the meeting held on **16 April 2018**, in the first convening, with the presence of shareholders holding 4,696,195 voting rights, representing 58.55% of the total voting rights, being thus fulfilled the statutory quorum requirements provided in art. 36 para 1 of The Articles of Incorporation in order to vote,

Based on the provisions of The Articles of Incorporation, Law no. 31/1990 on companies, as republished and Law no. 297/2004 on capital market, as amended and supplemented,

DECIDES:

RESOLUTION NO. 1

Article 1. With the majority of votes held by the present or represented shareholders, approves the amendment of the program for the allocation of own shares held by the Company, to the employees and managers of the Company and the members of the Board of Governors, approved by the Extraordinary General Meeting of the Shareholders of the Company by the Resolution no. 6 of 12.04.2017.

RESOLUTION NO. 2

Article 1. With the majority of votes held by the present or represented shareholders, approves in principle of the initiation by the B.V.B. of the steps to establish the Central Counterparty for the markets administered by B.V.B., as a Romanian legal entity, a joint-stock company under Law 31/1990 republished, solution with the potential to lead to the concept of Regional Central Counterparty, and mandate the administrators and the CEO of B.V.B. to take all appropriate measures and to take all necessary steps to achieve this objective and the approval in principle of an investment of up to EUR 7 million which would allow B.V.B. to obtain the status of shareholder of the Central Counterparty.

RESOLUTION NO. 3

Article 1. With the majority of votes held by the present or represented shareholders, approves the date of : (i) 22.05.2018 as Registration Date, according to art. 86 (1) of the Law no. 24/2017; (ii) 21.05.2018 as the „ex-date”, according to art. 2, letter f) from the Regulation no. 6/2009.

RESOLUTION NO. 4

Article 1. With the majority of votes held by the present or represented shareholders, approves the empowering of the Chief Executive Officer of the Company, Mr. Adrian Tanase, respectively the Deputy Chief Executive Officer of the Company, Mr. Marius - Alin Barbu, with the right to delegate the powers, to: (i) execute and/or sign, on behalf of the Company and/or of the Company's shareholders: the resolutions of the present Extraordinary General Meeting of Shareholders, any and all the decisions, documents, applications, forms and requests adopted/prepared in order to or for the execution of the resolutions of the present Extraordinary General Meeting of Shareholders, in relation with any natural or legal person, private or public and to (ii) fulfill all the legal formalities for implementation, registration, publicity, opposability, execution and publishing of the resolutions made.

Contact us

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Financial reports availability

Financial reports are available in our Investor Relations section on our corporate website at this [link](#)

Earnings conference calls

Permanent replays of our recorded earnings conference calls and the related presentations are available [here](#)

Presentation slides and sound will be streamed live over the web [here](#)

Upcoming corporate events

14 Nov 2018

Release of the Quarterly report for 3Q 2018 & conference call

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Bucharest Stock Exchange

Half-yearly report for the period ended 30 June 2018