Translation from Romanian

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SSIF BRK FINANCIAL GROUP SA

1. We have auditated the accompanying financial statements of **SSIF BRK FINANCIAL GROUP SA ("the Company")**, which include the balance sheet as at 31 December 2015, the profit and loss account, the cash flow statement and the changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes. The said financial statements refer to:

    - Total equity: 61,857,739 RON
    - Net profit or loss for the financial year (loss): -2,738,164 RON

Management's Responsability for the Financial Statements

2. The Management of the Company is responsible for the preparation and fair presentation of these financial statements in the accordance with Rule no. 39/2015 approving the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to entities authorised, regulated and supervised by the Financial Supervisory Auhtority in the Field of Financial Instruments and Investments, and for the internal control that the Management deems necessary in order to enable the preparation of a set of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsability

3. Our responsability is to express an opinion on these financial statements, based on the conducted audit. We conducted our audit in accordance with the International Standards on Auditing. These standards require the we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and information contained in the financial statements. The selected procedures depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the Company's financial statements in order to devise audit procedures that are appropriate in the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes the assessment of the appropriateness of

the accounting policies used and the reasonableness of accounting estimates made by the management, as well as the assessment of the overall presentation of financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, the accompanying financial statements present fairly, in all material respects, the Company's financial position as at 31 December 2015, and its financial performance and cash flows for the year then ended, in accordance with Rule no. 39/2015 approving the Accounting Regulations in compliance with the International Financial Reporting Standards, applicable to entities authorised, regulated and supervised by the Financial Supervisory Auhtority in the Field of Financial Instruments and Investments.

Other aspects

7. This report is made solely for the Company's shareholders as a whole. Our audit was performed in order to report to the Company's shareholders the matters that must be reported in an auditor's report and for no other purposes. To the extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and its shareholders, as a whole, for our audit, this report, or the formed opinion.

Report on the compliance of the Board of Directors' report with the financial statements

8. With rehard to our audit on the individual financial statements, we have read the Board of Directors' report attached to the individual financial statements and we report that:
   a) we have found no information in the Board of Directors' report that is inconsistent, in all material respects, with the information presented in the accompanying individual financial statements;
   b) the abovementioned report of the Board of Directors includes, in all material respects, the information required by Article 8 of Rule no. 39/2015;
   c) based on our knowledge and understanding acquired during the audit conducted on the individual financial statements for the year ended 31 December 2015 with regard to the Company and its environment, we have found no information included in the Board of Directors' report that is materially erroneous.

BDO AUDIT S.R.L.
Registered with the Chamber of Financial Auditors of Romania
under certificate no. 018/2001

Dan Apostol
Financial Auditor
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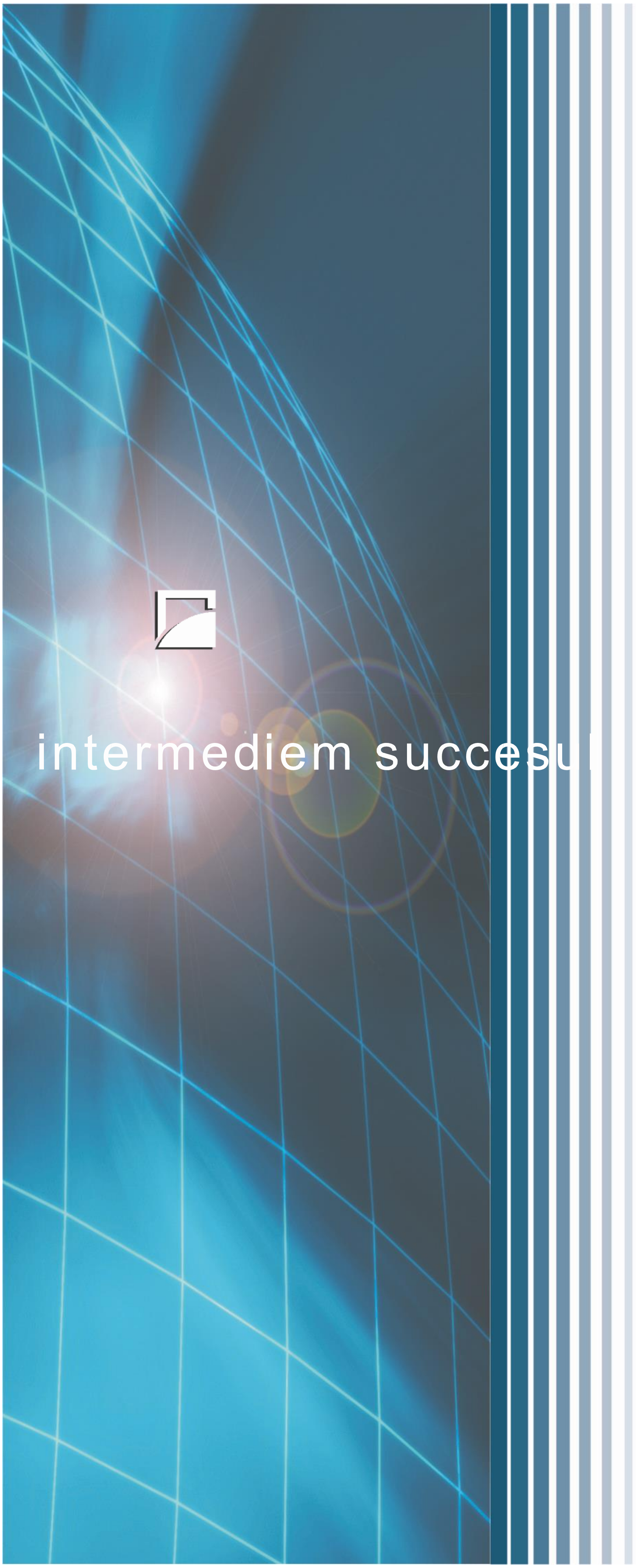
Registered with the Chamber of Financial Auditors of Romania
under no. 1671/25.06.2006
Cluj-Napoca, Romania
25.03.2016



IFRS Individual Annual Financial Statements as at December 31, 2015

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Statement of financial position

31 December			
In lei	***Note***	**2015**	**2014**
Assets			
Intangible assets	17	2.295.910	2.825.753
Tangible assets	16	4.584.491	3.968.453
Investment property	18	1.148.773	534.864
Long-term financial investment	20	39.175.295	27.404.543
Other long-term financial investment	21	1.762.652	5.457.679
Total fixed assets		48.967.122	40.191.292
Inventories		-	-
Short-term financial investments	20	4.351.364	15.552.638
Other short-term financial investments	21	8.846.512	816.132
Trade and other receivables	24	8.104.386	16.384.885
Bank account for clients	25	13.769.608	11.510.092
Cash and cash equivalents	25	1.205.149	1.107.615
Total current assets		36.277.019	45.371.362
Assets classified as available for sale	8	801.390	749.615
Total assets		86.045.531	86.312.268
Equity			
Share capital	26	54.039.987	84.670.467
Share capital adjustment		4.071.591	4.071.591
Own shares	26	0	-225.678
Share premium	26	5.355	5.355
Reserves	26	11.131.145	6.573.847
Result carried forward	26	-7.390.339	-35.142.235
Total equity attributable to the Company's shareholders		**61.857.739**	**59.953.346**
Non-controlling interests	26		
Total equity		61.857.739	59.953.346
Liabilities			
Obligations under finance leases	28	48.424	57.919
Provisions	30		1.396.084
Total long-term liabilities		**48.424**	**1.454.003**
Current portion of obligations under finance leases	28	47.492	50.542
Clients cash balance	28	17.332.865	20.764.762
Trade and other payables	31	6.403.222	4.089.616
Provisions	30	355.790	0
Total current liabilities		**24.139.369**	**24.904.920**
Total liabilities		**24.187.793**	**26.358.923**
Total equity and liabilities		**86.045.531**	**86.312.269**

The notes on pages 10 to 63 are an integral part of these financial statements.

Chairman of the Board of Directors
Buliga Mihai
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Chief Financial Officer,
Buga Dalia
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Statement of the profit and loss account and other elements of the comprehensive income

For the financial year ended 31 December

In lei	***Note***	**2015**	**2014**
Continuing operations			
Income from commissions and related activities		4,096,670	7,657,583
Financial income, other than dividends		4,013,334	8,995,244
Financial income from dividends		307,943	733,871
Income from lease activities		49,833	49,633
Income from assessment of investment property		216,772	0
Income from assessment of assets available for sale	14	0	0
Other income	14	1,348,601	30,140
Income for cancellation of provisions for risks and charges		1,075,301	4,316,182
Total income from continuing operations	10	**11,108,454**	**21,782,651**
Raw materials, materials		-200,361	-193,053
Electricity and water		-132,251	-125,431
Personnel-related expenses	13	-4,971,683	-5,790,032
Taxes and duties		-144,391	-149,139
Expenses related to external services		-3,708,962	-4,761,775
Value adjustment of intangible and tangible assets, exclusive of goodwill		-970,232	-508,420
Expenses related to provisions for risks and charges		0	0
Financial expenses	14	-2,272,845	-5,372,839
Reclassification of net losses, as acknowledged in the comprehensive income account to the profit and loss account, related to assigned financial assets available for sale	14	0	0
Other expenses	12	-1,445,893	-6,234,593
Sales-related costs		**-13,846,618**	**-23,135,282**
Expenses related to provisions for risks and charges	30	0	0
Operating profit or loss		**-2,738,164**	**-1,352,631**
Profit before tax		**-2,738,164**	**-1,352,631**
Profit from continuing operations		**-2,738,164**	**-1,352,631**
Discontinued operation			
Profit (loss) from discontinued operation (net of tax)	7	0	0
Profit for the year		**-2,738,164**	**-1,352,631**
Other elements of the comprehensive income			
Net change in fair value of available-for-sale financial assets transferred into the profit or loss account		-862,045	-1,158,002
Positions that may be reclassified to profit and loss			
Net change in fair value of available-for-sale financial assets		4,454,187	-278,320
Changes in value of available-for-sale assets		-	-
Positions that may not be reclassified to profit and loss			
Changes in value of used assets		1,055,358	-
Changes in value of investment property		-	-

To be continued on the next page

Statement of the profit and loss account and other elements of the comprehensive income (continued)

For the financial year ended 31 December

In lei	***Note***	**2015**	**2014**
Setting up/cancellation of reserves from profit in order to give free shares to employees		-	-
Total other elements of the comprehensive income for the year		**4,647,500**	**-1,436,322**
Total profit and loss account and other elements of the comprehensive income for the year		**1,909,336**	**-2,788,953**
Profit attributable to:			
Owners of the Company	27	-2,738,164	-1,352,631
Profit for the year		-2,738,164	-1,352,631
Total comprehensive income attributable to:			
Owners of the Company	27		
Total comprehensive income for the year		1,909,336	-2,788,953
Earnings per share			
Basic earnings per share (lei)		-0.0081	-0.0040
Diluted earnings per share (lei)		-0.0081	-0.0040
Continuing operations			
Basic earnings per share (lei)		-0.0081	-0.0040
Diluted earnings per share (lei)		-0.0081	-0.0040

The notes on pages 10 to 63 are an integral part of these financial statements.

Chairman of the Board of Directors
Buliga Mihai
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Chief Financial Officer,
Buga Dalia
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Statement of changes in equity for 2015

In lei	**Share capital**	**Capital adjustments**	**Own shares**	**Share premiums**	**Revaluation differences**	**Legal and statutory reserves**	**Reserves from bonus shares**	**Fair value reserves**	**Other reserves**	**Losses from own shares**	**Profit or loss carried forward**	**Profit or loss carried forward in reconciliation with IFRS**	**Profit or loss carried forward after capital revaluation as per IAS 29 – inflation**	**Total equity**	**Non-controlling interests**	**Total equity**	**Other elements of the comprehensive income**
Balance as at January 1, 2015	84,670,467	4,071,591	-225,678	5,355	1,315,562	4,587,875	234,902	-2,841,295	3,277,452	-649	-38,450,296	10,188,295	-6,880,234	**59,953,346**	0	**59,953,346**	
Total comprehensive income for the year																	
Profit or loss											-2,738,164			**-2,738,164**		-2,738,164	
Other elements of the comprehensive income																	
Net change in fair value of available-for-sale financial assets reclassified to profit or loss								-862,045						**-862,045**	-	-862,045	-862,045
Net change in fair value of available-for-sale financial assets								4,454,187						**4,454,187**	-	4,454,187	4,454,187
Changes in value of available-for-sale assets														**0**		**0**	
Changes in value of used assets					1,055,358									**1,055,358**		1,055,358	1,055,358
Changes in value of investment property														**0**		**0**	
Other changes in equity									-97,511		92,567			**-4,944**		-4,944	
Movement in the comprehensive profit or loss account																	
Capital decrease	-30,630,480		225,678						6,660	649	37,872,421	-7,474,928		**0**	0	**0**	
Total other elements of the comprehensive income	-30,630,480	0	225,678	0	1,055,358	0	0	3,592,142	-90,851	649	35,226,824	-7,474,928	0	4,642,556	0	4,642,556	4,647,500
Total comprehensive income for the year	**-30,630,480**	**0**	**225,678**	**0**	**1,055,358**	**0**	**0**	**3,592,142**	**-90,851**	**649**	**35,226,824**	**-7,474,928**	**0**	**1,904,392**	**0**	**1,904,392**	
Operations with own shares																	
Share buy-back														**0**	-	**0**	
Total operations with own shares			0	0	0	0	0	0	0	0	0	0	0	**0**	0	**0**	
Balance as at December 31, 2015	54,039,987	4,071,591	0	5,355	2,370,920	4,587,875	234,902	750,847	3,186,601	0	-3,223,472	2,713,367	-6,880,234	**61,857,738**		**61,857,738**	

Statement of changes in equity for 2014

In lei	**Share capital**	**Capital adjustments**	**Own shares**	**Share premiums**	**Revaluation differences**	**Legal and statutory reserves**	**Reserves from bonus shares**	**Fair value reserves**	**Other reserves**	**Losses from own shares**	**Profit or loss carried forward**	**Profit or loss carried forward in reconciliation with IFRS**	**Profit or loss carried forward after capital revaluation as per IAS 29 – inflation**	**Total equity**	**Non-controlling interests**	**Total equity**	**Other elements of the comprehensive income**
Balance as at January 1, 2014	84,670,467	4,071,591	-144,000	5,355	1,315,562	4,587,875	234,902	-1,404,973	3,277,452	-649	-37,097,664	10,188,295	-6,880,234	**62,823,978**	0	**62,823,978**	
Total comprehensive income for the year																	
Profit or loss											-1,352,631			**-1,352,631**		-1,352,631	
Other elements of the comprehensive income																	
Net change in fair value of available-for-sale financial assets reclassified to profit or loss								-1,158,002						**-1,158,002**	-	-1,158,002	-1,158,002
Net change in fair value of available-for-sale financial assets								-278,320						**-278,320**	-	-278,320	-278,320
Changes in value of available-for-sale assets														**0**		**0**	
Changes in value of used assets														**0**		**0**	
Changes in value of investment property														**0**		**0**	
Other changes in equity														**0**		**0**	
Deferred income tax on assets														**0**	-	**0**	
Movement in the comprehensive profit or loss account																	
Transfer of revaluation differences for sold assets to reserves														**0**	0	**0**	
Total other elements of the comprehensive income	0	0	0	0	0	0	0	-1,436,322	0	0	0	0	0	**-1,436,322**	0	-1,436,322	-1,436,322
Total comprehensive income for the year	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-1,436,322**	**0**	**0**	**-1,352,631**	**0**	**0**	**-2,788,953**	**0**	**-2,788,953**	
Operations with own shares																	
Share buy-back			-81,678											**-81,678**	-	**-81,678**	
Total operations with own shares			-81,678	0	0	0	0	0	0	0	0	0	0	-81,678	0	-81,678	
Balance as at December 31, 2014	84,670,467	4,071,591	-225,678	5,355	1,315,562	4,587,875	234,902	-2,841,295	3,277,452	-649	-38,450,296	10,188,295	-6,880,234	**59,953,346**		**59,953,346**	

The notes on pages 10 to 63 are an integral part of these financial statements.

Statement of cash flows

	31 December 2014 RON	**31 December 2015 RON**
Operating activities:		
Gross (Loss)/Profit	(1,352,631)	(2,738,164)
Adjustments for reconciliation of net result with the net cash used for operational activities:		
Adjustment of value of tangible assets	508,420	761,876
Income from buy-back of own shares	(81,678)	-
Adjustment of value of financial assets	-	426,307
Adjustment of value of short-term investments	(3,035,422)	638,877
Corporate tax	-	-
Provisions for current assets	(840,371)	(12,250)
Provisions for risks and charges	(4,316,182)	(1,075,301)
Interest-related expenses	3,910	58,965
Interest income	(873,064)	(563,390)
Income from turbo certificates	22,965	-
Profit/(loss) from sale of tangible assets	(20,799)	22,276
Income from exchange rate differences, related to IB and FXCM	(225,217)	(625,221)
Operational cash increase/(decrease) before changes of the working capital	**(10,210,069)**	**(3,106,025)**
Changes of the working capital:		
(Increase)/Decrease in other receivables balances	(5,719,330)	4,353,618
(Increase)/Decrease in deferred income balances	-	-
(Increase)/Decrease in trade and other payables balances	(910,372)	419,195
(Increase)/Decrease in available-for-sale asset balances	126,204	(51,775)
Net cash flow generated by operational activities	**(16,713,567)**	**1,615,012**
Cash flow from operation:		
Paid corporate tax	-	-
Proceeds from interest	837,936	563,390
Paid interests	(3,910)	(58,965)
Net cash flow generated by operational activities	**(2,106,284)**	**2,119,437**
Cash flow generated by investments:		
(Increase)/Decrease in financial investment balances	13,773,257	10,193,529
Cash payment for purchase of tangible assets	(335,870)	(1,746,842)
Cash payment for purchase of intangible assets	(738,801)	26,013
Cash payment for purchase of financial assets	(1,968,010)	(3,359,315)
Cash collections from sale of land and buildings, installations and equipment, intangible assets and other long-term assets	260,440	-
Payment for purchase of lease	(48,719)	(161,734)
Collected dividends	-	-
Net cash flow used for investments	**10,942,297**	**4,951,650**

Statement of cash flows (continued)

Cash flow generated by funding:		
Payment of dividends	-	-
Collections related to share capital increase	-	-
Payments related to share capital decrease	(6,459)	(1,387)
Loans granted	(4,304,917)	(8,867,165)
Proceeds on loans granted	4,004,217	1,205,653
Income from sale of turbo certificates	1,355,386	2,948,861
Effect of exchange rate fluctuations on loans and liabilities	-	-
Net cash flow generated by funding	**1,048,227**	**(4,714,038)**
Cash flow – total	**9,884,239**	**2,357,050**
Changes in cash and cash equivalents		
Cash and cash equivalents in the beginning of the year	16,506,723	12,617,707
Increase/(decrease) of cash and cash equivalents	(3,889,016)	2,357,050
Effect of exchange rate fluctuations on the opening balance of cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	12,617,707	14,974,757

The notes on pages 10 to 63 are an integral part of these financial statements.

Chairman of the Board of Directors
Buliga Mihai
Stamp – Illegible signature

Chief Financial Officer,
Buga Dalia
Illegible signature

Content of the notes to the financial statements

1. Reporting entity

SSIF BRK FINANCIAL GROUP SA is a financial investment company headquartered in Romania. The address of the company's registered office is in Cluj-Napoca, 119 Motilor Street. The main activity of SSIF BRK FINANCIAL GROUP SA is security and commodity contracts brokerage.

The financial statements of SSIF Broker SA represent the company's individual statements and are drawn up in accordance with FSA Instruction no. 6/2014 on the application of the International Financial Reporting Standards by entities authorised, regulated and supervised by the Financial Supervisory Auhtority in the Field of Financial Instruments and Investments, as amended, and in accordance with Rule no. 39/2015 approving the Accounting Regulations in line with the International Financial Reporting Standards.

The individual annual financial statements for the financial year 2015 have been prepared under the IFRS restatement of accounts kept in accordance with the National Securities Commission Regulation no. 4/2011.

These financial statements were authorized for issue on 25 March 2016, by SSIF BRK FINANCIAL GROUP SA's Board of Directors, with no possibility of amending them after this date.

SSIF BRK FINANCIAL GROUP SA also issues for the financial year ended on December 31, 2015 consolidated financial statements in accordance with the International Financial Reporting Standards.

2. Basis of preparation

a) Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

b) Basis of measurement

The financial statements have been prepared based upon the historical cost, save for the following material items in the statement of financial position:

- financial instruments at fair value through the profit or loss account are measured at fair value;
- available-for-sale financial assets listed on Bucharest Stock Exchange (BVB) or other international markets are measured at fair value;
- derivative financial instruments are measured at fair value;
- investment property is measured according to the revaluation-based model, in line with IAS 16;
- non-current assets registered as buildings and related land are measured at revalued amount.

On the basis of management forecasts, the Company will continue as a going concern for the foreseeable future.

c) Functional and presentation currency

These financial statements are presented in lei (RON), which is the Company's functional currency. All financial information presented in lei (RON) has been rounded to the nearest unit, except when otherwise indicated.

d) Use of estimates and judgments

The preparation of the financial statements in accordance with IFRS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note on *Financial instruments* – classification of the financial instruments;
- Note on *Financial income and expenses* – loss resulting from the final depreciation of securities available for sale, which are reclassified from capitals to financial expenses;
- Note on *Intangible assets* – valuation of Investco goodwill impairment;
- Note on *Tangible assets held for sale* – their treatment as available for sale.

3. Significant accounting policies

The significant accounting policies applied by the Company are presented below. The impact of IFRS on the financial position and the results recorded in the financial statements is included in the Note on *Reconciliation of assets and liabilities accounts* and the Note on *Reconciliation of Profit and Loss Accounts*.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Foreign currency

Transactions in foreign currency are translated to the functional currency of the entity at the exchange rate of the transaction date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate of that date.
Foreign currency differences are recognised in the other elements of the comprehensive income.

b) Financial instruments

i. Non-derivative financial instruments

The Company initially recognises loans, receivables and deposits on the date that they are originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognised initially on the date when the entity becomes a party to the contractual terms of the instrument.

The entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire.

The entity holds the following significant non-derivative financial assets: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the entity manages such investments and makes purchase and sale decisions based on their fair value in accordance with the investment and risk management strategy. Upon initial recognition, attributable transaction costs are recognised in the profit or loss account as incurred. Financial instruments at fair value through profit or loss are measured at fair value, and the subsequent changes are recognised in profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents comprise cash balances and call deposits with initial maturities of three months or less.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories. The entity has classified under this category all securities which are not included in short-term traded securities and for which it was possible to apply valuation methods to establish their fair value.

Subsequent to initial recognition, these securities are measured at fair value and changes therein, other than final impairment losses are recognised in other elements of the comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in other elements of the comprehensive income is reclassified to profit or loss.

Final impairment losses related to these securities are recognised in expenses for the financial year when the management considers that they occurred.

Joint provisions for *Financial assets at fair value through profit or loss* and *Available-for-sale financial assets*

When the entity receives bonus shares which are <u>listed</u> (either as a result of the incorporation by the issuer of some reserves in the share capital, or as a result of granting dividends under the form of bonus shares), they cause no accounting records but change the default number of shares held and their weighted average cost. These recalculations will cause the expense recorded upon sale to be lower.

<u>Unlisted</u> shares are classified as available for sale and are recorded:

- either at the fair value – when it is possible to apply valuation methods;
- or at cost – when it is not possible to apply valuation methods;

The bonus shares received for these securities are registered in the bonus share reserve accounts at the same value as the existing shares are recorded in their balance.

These securities, regardless of their classification, are discharged after each transaction at their average cost of acquisition weighted by the number of purchased shares.

IFRS does not explicitly stipulate the use of separate accounts for the difference in value for the securities classified as available-for-sale financial assets. The entity uses this sort of accounts for practical reasons. However, in order to have the same results – similar to the situation that would not use such separate accounts, the discharge of the difference in value for the sold securities classified as available-for-sale is done by multiplying the number of shares sold with an average value difference per share, recalculated after each new acquisition of shares, similar to the calculation of the weighted average cost of securities.

ii. Non-derivative financial liabilities

Liabilities are recognised on the date when the entity becomes a party to the contractual terms of the instrument.

The entity derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The entity has the following non-derivative financial liabilities: trade payables, debts to clients regarding clients' cash, and other debts.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

iii. Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a decrease in equity. Repurchased shares are classified as treasury shares and are presented as a decrease in equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is reclassified to/from profit or loss carried forward.

iv. Derivative financial instruments

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted immediatly in the profit or loss account.

c) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost on the recongition date, and susequently at remeasured value minus accumulated depreciation and accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item, and is recognised at net value as other income in the profit or loss account. When revalued assets are sold, the amounts included in the revaluation reserve are reclassified to other reserves.

ii. Reclassification to investment property

Investment property is defined below under the *Investment property* section *(point e)*.
When the use of a property changes from owner-occupied to investment property, the property is remeasured at fair value and reclassified as investment property.

iii. Subsequent costs

The cost of replacing a component of a tangible asset is recognised in the carrying value of the item if the future economic benefits incorporated in such component are likely to be generated to the entity and its cost may be measured in a credible manner. The carrying value of the replaced component is derecognised. The expenses related to the ordinary maintenance of that tangible asset are recognised in the profit or loss account as incurred.

iv. Depreciation of property, plant and equipment

Depreciation is calculated on the depreciable value, which is the cost of the asset, or other value that substitutes cost, less the residual value.

Depreciation is recognised in the profit or loss account using the straight line method over the estimated useful life of each component of a tangible asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the entity will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for current and comparative periods are as follows:
- buildings - 40 years
- machinery and equipment - 2 to 10 years; with a 5-year total average value
- means of transportation - 5 years
- fixtures and fittings - 3 to 10 years; with a 5-year total average value

Depreciation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted accordingly.

d) Intangible assets

i. Goodwill

Goodwill that arises on the acquisition of subsidiaries is included in intangible assets. Goodwill is measured at cost minus the cumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on goodwill, is recognised in profit or loss as incurred.

iii. Amortisation of intangible assets

Amortisation is calculated for the cost of the asset or any other value substituting the said cost, from which the residual value is deducted.

Amortisation is recognised in the profit or loss account using the straight-line method over the estimated useful life of intangible assets, other than goodwill, from the date when they become available for use; this method reflects best the estimated consumption of the economic benefits included in the asset.

The estimated useful lives for the current and comparative periods are the following: 3 years for all the intangible assets, except for goodwill.

Depreciation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

e) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured in the same way as the used assets, namely at fair value.

f) Leased assets

Lease agreements under which the entity assumes substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are classified as operating leases.

g) Impairment

i. Financial assets (including receivables)

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of an event that occurred after the initial recognition of the asset, and that loss event had a negative impact on the estimated future cash flows of that asset and the loss can be estimated reliably.

Objective evidence that financial assets (including capital instruments) are impaired includes default or delinquency by a debtor, restructuring of an amount due to the entity on terms that the entity would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for an instrument. In addition, for an investment in an equity security, a significant and prolonged decline in its fair value below its cost is objective evidence of impairment.

The entity considers evidence of impairment for receivables and investments held-to-maturity at both a specific asset and collective level. All individually significant receivables and investments held-to-maturity are assessed for impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables and investments held-to-maturity that are not individually significant are collectively assessed for impairment by grouping together those with similar risk characteristics.

In assessing collective impairment, the entity uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale financial assets are recognised by reclassifying to profit or loss the cumulative loss which was recognised in other elements of the comprehensive income and presented in the fair value reserve in equity. The cumulative loss that is reclassified from other elements of the comprehensive income to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

ii. Non-financial assets

The carrying amounts of the entity's non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount for goodwill and indefinite-lived intangible assets or assets that are not yet available for use is estimated every year.

The recoverable amount of an asset or a cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

h) Tangible assets held for sale

Tangible assets, or disposal groups comprising assets and liabilities, which are expected to be recovered primarily through sale rather than through continuing use are classified as assets held for sale.

Before reclassification to tangible assets held for sale, the assets, or the components of a disposal group, are remeasured in accordance with the entity's accounting policies. Thereafter generally the assets, or the disposal groups, are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a *pro rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the entity's accounting policies. Impairment losses on initial classification as held or sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

i) Employee benefits

i. Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the entity has a present legal or implicit obligation to pay this amount for past services provided by employees, and the obligation can be estimated reliably.

ii. Share-based payment transactions

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, for the period that the employees become unconditionally entitled to the awards.

j) Provisions

A provision is recognised if, as a result of a past event, the entity has a present legal or implicit obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as financial charge.

k) Goods sold and services provided

Revenue from the sale of goods in the current period is measured at the fair value of the consideration received or receivable. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer and possible return of goods can be estimated reliably. The timing of the transfer of risks and rewards varies depending on the individual terms of sales agreements.

For brokerage activity, commission income is recognised on the transaction. Dividend income is recognised at the date when the right to collect it occurs.

l) Rental income

Rental income from investment property is recognised in the comprehensive income account on a straight-line basis over the term of the lease.

m) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the financial charge and the reduction of the outstanding liability. The financial charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Determining whether an arrangement contains a lease: At the inception of an arrangement, the entity determines whether such an arrangement is or contains a lease.

n) Financial income and charges

Financial income includes:
- interest income on bank deposits,
- dividend income,
- gains on the disposal of:
    - available-for-sale financial assets, and
    - financial assets recorded at fair value through profit or loss,
- changes in the fair value of assets recorded at fair value through profit or loss.

Interest income is recognised in profit or loss as it accrues, using the effective interest method.

Dividend income is recognised in profit or loss on the date that the entity's right to receive dividend is established, which in the case of quoted securities is normally the ex-dividend date.

Financial charges include:
- impairment losses recognised on financial assets at fair value through profit or loss;
- final losses on available-for-sale financial assets;
- foreign currency differences;
- losses on foreign currency differences;

Foreign currency gains and losses are reported on a net basis.

o) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except when it relates to a business combination or items recognised directly in equity or in other elements of the comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for temporary differences on the initial recognition of goodwill.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and if they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities which intend to settle current tax liabilities and assets on a net basis or whose tax assets and liabilities will be simultaneous.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences if it is probable to obtain future profits that will be used to cover the tax loss. Deferred tax assets are reviewed at each reporting date and reduced if it is no longer probable that the related tax benefit will be obtained. Cases where deferred tax receivables were not recognised in assets are mentioned in Note on *deferred tax assets and liabilities*.

p) Discontinued operations

A discontinued operation is a component of the entity's activities which represents a major distinct business segment or a geographical area of operations, which was either shut down or classified as held for sale, or is a subsidiary acquired exclusively for resale.

Classification as a discontinued operation occurs on discontinuance or when the operation meets the criteria to be classified as held for sale, whichever occurs earlier. When an operation is classified as a discontinued operation, the comparative information in the statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

q) Earnings per share

The entity provides information on basic and diluted earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing profit or loss attributable to ordinary shareholders to the weighted average number of ordinary shares outstanding during the period, adjusted for the amount of own shares held. Diluted earnings per share are determined by dividing the profit or loss attributable to ordinary shareholders to the weighted average number of shares outstanding, adjusted for the amount of own shares held, for the dilution effects of all potential ordinary shares, including share options granted to employees.

r) Segment reporting

An operating segment is a component of the entity that engages in activities which could earn income and incur expenses, including income and expenditure relating to transactions with any of the other components of the entity.

The operating results of an operating segment are reviewed on a regular basis by the Company management in order to decide on the resources to be allocated to the segment and to analyse the segment performance, and for which distinct financial information is available.

s) Standards and interpretations are detailed below:

New standards and interpretations adopted
As of 2015, the EU has adopted the following IFRS standards and amendments thereto:

IFRS 11 'Joint Arrangements' supersedes IAS 31 'Interests in Joint Ventures' and SIC-13 'Jointly Controlled Entities - Non-Monetary Contributions by Venturers'. IFRS 11 eliminates the option of accounting for jointly controlled entities (JCE) by applying proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The adoption of this standard had no impact on the separate financial statements of the Company.

IFRS 11 Joint Arrangements (Amendment): 'Accounting for acquisition of interests in joint operations' applies to annual periods beginning on or after 1 January 2016. The standard has not yet been adopted by the European Union. The Amendment refers to equity accounting for joint ventures in joint operations, clarifies the accounting for joint procurement in the entities of a joint venture which constitutes an economic activity, mentions the related accounting treatment. The company is currently under evaluation of the impact of this amendment on the financial position or performance.

Amendments to IAS 1, applicable for financial years beginning on or after 1 January 2016. Early application is permitted. This amendment was adopted by the European Union in December 2015.

Amendments to IAS 1 include the following five enhancements to the disclosure requirements stipulated in the standard. The definition of materiality has been modified to clarify its applicability on the financial statements as a whole and on each disclosure requirement within a standard. Amendments were also introduced in the order of notes in financial statements and clarify that entities have flexibility as to the disclosure of accounting policies in the explanatory notes. The Company believes that these amendments will not have a significant effect on these financial statements.

IAS 16 'Property, plant and equipment' was amended by introducing a ban on the use of income-based depreciation methods. This is motivated by the fact that the income generated by those assets is also influenced by factors other than consumption benefits of the asset. The application of the amendment is mandatory as of January 2016. The amendment was adopted by the EU in December 2015.

IAS 27 'Separate Financial Statements' (revised), following the application of IFRS 10 and IFRS 12, contains provisions limited to accounting for subsidiaries, jointly controlled entities and associates, in individual financial statements. The amendment was adopted by the EU in December 2015 and its effective date is 1 January 2016.

Standards and interpretations not yet adopted
A number of new standards, amendments to already existing standards and interpretations are not yet effective for the financial year ended 31 December 2015 and have not been applied in preparing these financial statements.

IAS 28 'Investments in associates and joint ventures' (revised): following the new standards IFRS 11 'Joint arrangements' and IFRS 12 'Disclosure of interests in other entities', IAS 28 'Investments in associates' has been renamed IAS 28 'Investments in associates and joint ventures' and describes the application of the equity method to investments in joint ventures, in addition to investments in associates.

IFRS 10 'Consolidated Financial Statements' supersedes the portion of IAS 27 'Separate Financial Statements' which addresses the accounting for consolidated financial statements. It also addresses aspects included in SIC-12 'Consolidation - Special Purpose Entities'. IFRS 10 establishes a single control model that applies to all entities, including special purpose entities. The changes introduced by IFRS 10 require management to exercise significant judgments to determine which entities are controlled and must be consolidated by a parent-entity, compared to IAS 27 (effective for annual periods beginning on or after 1 January 2014);

Amendments to IFRS 10 ‘Consolidated financial statements’, IFRS 12 ‘Disclosure of interests in other entities’ and IAS 27 (2011) ‘Separate Financial Statements’ introduce an exception to the consolidated financial statements of the investment entities, define the investment entity and contain specific disclosure requirements for investment entities (Investment companies), the criteria set out in

IFRS 12 ‘Disclosure of relationships with other entities’, applicable to annual periods beginning on or after 1 January 2014, includes all the information to be disclosed previously stipulated in IAS 27 on consolidated financial statements, and all other disclosures previously required by IAS 31 and IAS 28. The disclosures refer to the investments of an entity in subsidiaries, joint arrangements, associates and structured entities. IFRS 12 also includes new information required to be disclosed to the users of financial statements.

IASB uses the term ‘investment entity’ for entities whose activity consists in investments for the sole purpose to get yield from capital appreciation, investment income or both. Also, an investment entity should evaluate the performance of its investments on a fair value basis. The amendment regarding investment entities provides an exception to the consolidation requirements stipulated by IFRS 10 and requires investment entities to evaluate subsidiaries at fair value through profit or loss rather than consolidate them.

IFRS 9 ‘Financial Instruments (2009)’ - (effective for annual periods beginning on 1 January 2018). This standard has not been adopted by the European Union. The standard supersedes IAS 39 ‘Financial Instruments: Recognition and Measurement’ on the classification and measurement of financial assets and liabilities eliminates categories of securities held to maturity, available for sale, and loans and receivables, stipulated in IAS 39. Financial assets will be classified upon initial recognition in: financial assets measured at amortised cost or financial assets measured at fair value. A financial asset is measured at amortised cost if the following two conditions are met: (i) – the asset is held within a business model whose objective is to hold assets to collect future contractual cash flows; and (ii) - the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Gains and losses on the remeasurement of financial assets at fair value are recognised in profit or loss, except for an investment in an equity instrument which is not held for trading. IFRS 9 contains an irrevocable option to present, upon initial recognition, all changes in fair value of investments in the statement of comprehensive income. The option is available at individual level (for each single share). No amount recognised in the statement of comprehensive income is reclassified to profit or loss at a later date.

IFRS 15 ‘Revenue from contracts with customers’ (effective for periods beginning on or after 1 January 2017) – has not been adopted by the EU. The standard was issued on 28 May 2014 and supersedes IAS 11, AIS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC - 31. The standard is applicable to contracts with customers other than insurance, financial instruments, lease. It prescribes a single model for analysis of contracts with customers and two approaches for revenue recognition - at one time or over the duration of the contract, depending on the timing of obligation fulfilment under the contract. The management of the Company and the management of the companies in which it holds more than 50% believe that these amendments will not have a significant effect on the separate financial statements.

An amendment postponing the effective date of this standard until January 2018 was adopted in September 2015.

4. Determination of fair values

A number of the entity’s accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods described below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

i. Investments in equity securities

The fair value of financial assets at fair value through profit or loss is determined by reference to the closing quotation at the reporting date. The fair value of available-for-sale financial assets is determined by reference to market quotations as well.

Other forms of fair value that are not based on the last trading price are:

1. Weighted average trading price for the last 90 trading days: For shares listed on the Rasdaq section or whose ratio of the volume of shares traded in the last 52 weeks (1 year) and the free-float value is less than 10%, the valuation price is considered to be the weighted average price for the last 90 trading days of the financial year;

2. Reference price of similar transactions: for shares listed on the Rasdaq market section whose ratio of the volume of shares traded in the last 52 weeks (1 year) and the free-float value is greater than 5%, but only due to transactions planned by significant shareholders (DEALS) and SSIF BRK FINANCIAL GROUP SA holds a position of significant shareholder (over 5%), the valuation price is considered to be the reference price at which the last significant transactions with those shares were made.

3. Bid price: If the majority shareholder made a takeover bid (either mandatory or voluntary) in the last 3 years, the valuation price is considered to be the bid price.

4. Fair value determined using the DDM model (Discounted Dividend Model): If the company has a consistent history on dividends and the dividend policy is predictable, the valuation price is considered to be the intrinsic value resulting from the DDM model.

5. Fair value determined using the DCF (Discounted Cash Flow) method: If the company does not distribute dividends and the evaluation is done from the perspective of a significant shareholder, the valuation price is considered to be the intrinsic value resulting from the DCF model.

6. Fair value determined using the asset-based method: If the company has valuable redundant assets and the operational activity is small scale, the valuation price is considered to be the intrinsic value resulting from the adjusted net asset method.

7. Fair value resulting from the application of the comparable transaction method: If significant transactions (> 10% of capital) with shares of companies operating in the same field as the company under analysis were carried out on the local stock market in the last year, the valuation price is considered to be the intrinsic value determined using the comparative method (using reference valuation multiples such as P/E, P/B, P/S etc. at which the transactions in question were carried out, compared to the results published by companies in the previous financial year).

8. Fair value determined using the asset-based method: If the company has valuable redundant assets and the operational activity is small scale, the valuation price is considered to be the intrinsic value resulting from the adjusted net asset method.

ii. Trade and other receivables

The fair value of trade and other receivables is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

iii. Derivative financial instruments

The fair value of derivative instruments closed at the end of period is determined as the minimum number of short and long positions multiplied by the difference between the average selling price and the average purchase price and further multiplied by the number of contracts in the package. The resulting value affects the profit or loss account.

The fair value of the remaining derivative instruments opened at the end of period is determined as follows if at the end of period there are more sold contracts than purchased ones: the number of opened positions (short positions minus long positions) times the difference between the average selling price and the end of period price for a short position. If at the end of period there are more purchased contracts than sold ones, the fair value is calculated symmetrically. The resulting value adjusts the initial value of the security given by the margin.

iv. Non-derivative liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

5. Financial risk management

The entity is exposed to the following risks arising from the use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk.

The explanatory notes provide information on the entity's exposure to each of the aforementioned risks, the entity's objectives, policies and processes for assessing and managing risk and the procedures for managing capital.

General framework for risk management
The entity's Board of Directors is responsible for establishing and monitoring the risk management framework at the entity level. This management framework is supervised and monitored by the Board of Directors of the entity.

The entity's internal procedures stipulate the risk management policies which are defined to ensure identification and analysis of risks facing the company, setting limits and adequate control, risk monitoring and compliance with established limits.

Risk management procedures are regularly revised to reflect changes in market conditions and activities. Through the standards and procedures set for training and leadership a more orderly and constructive control environment is developed in which all employees understand their roles and obligations.

On a regular basis, the internal control department conducts missions to verify compliance with the internal procedures on risk management and the stipulated limits, and draws up reports to be submitted to the management during periodical reporting sessions.

Credit risk
Credit risk is the risk of financial loss to the entity if customers or counterparties to financial instruments fail to meet their contractual obligations; this risk arises mainly from the entity's trade receivables and financial investments.

Trade and other receivables
As regards the brokerage activity, at the balance sheet date there is no credit risk because, according to the internal procedures approved by the Board of Directors, customers may have debs towards SSIF BRK FINANCIAL GROUPS SA only in rare cases, based on analyses and approvals and only for short terms.

From the 2007-2008 period, there are claims against employees in the form of payment commitments on their part, resulting from debts created on behalf of customers. Value adjustments for nearly 100% of the value were made for these positions.

Legal actions were taken to recover amounts due, both against customers and against borrowers with payment commitments.

Currently, the entity has moved to a new stage, namely to bring the computer system to a higher standard, and it refers to at least the following essential aspects:

- a new trading platform - which was almost entirely completed at the end of the financial year ended 31 December 2014;
- risk management application;
- new back-office application that provides reports and new facilities;
- new facilities for customers related to trading activities, etc.

Liquidity risk
Liquidity risk is the risk that an entity may encounter difficulties in fulfilling obligations associated with financial liabilities which are settled in cash or by transfer of another financial asset. SSIF BRK FINANCIAL GROUP SA has no outstanding loans.

Regarding brokerage activity, liquidity in relationships with customers is ensured by the fact that investment companies are required to maintain customers' available funds in separate accounts, without use them in any way.

In terms of overall liquidity, the current sources of available funds are the results of investment activities, commissions collected from customers, and the sources extraordinary consists of capital increases.

Market risk
Market risk is the risk that the change in market prices, such as the price of equity instruments, foreign exchange rates and interest rates, may affect the entity's income or the value of financial instruments held. The purpose of market risk management is to manage and control exposure to market risk within acceptable parameters and, at the same time, to optimize ROI.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide range of causes associated with the entity's processes, personnel, technology and infrastructure and from external factors other than credit risk, market risk and liquidity risk, such as those deriving from laws, regulations and generally accepted standards regarding organisational behavior. Operational risks arise from all operations of the entity.

The objective of the entity is to manage operational risk so as to achieve a balance between avoiding financial losses and endangering the reputation of the entity, on the one hand, and efficient cost structure and avoiding control procedures that restrict initiative and creativity, on the other hand.

Regarding operational risk in the brokerage activity, the risk is much lower also due to the requirements of the Financial Supervisory Authority (FSA) regarding organisation, required reporting, internal control activities conducted under the stringent requirements.

The primary responsibility for developing and implementing operational risk controls lies with the management of each organisational unit. This responsibility is supported by the development of general standards at the entity level for managing operational risk in the following areas:

- requirements for adequate segregation of duties, including independent authorisation of transactions;
- requirements for reconciliation and monitoring of transactions;
- compliance with regulations and other legal requirements;
- documentation of controls and procedures;
- requirements for periodic assessment of operational risks, and adequacy of controls and procedures to the identified risks;
- training and professional development;
- ethical and business standards.

The entity's compliance with standards is ensured by regular reviews carried out by the Internal Control Department. The outcomes of these reviews are discussed with senior management.

Capital management

The policy of SSIF BRK FINANCIAL GROUP SA's Board of Directors is to maintain a strong capital base necessary to maintain the confidence of investors, creditors and the market, and to support the future development of the entity. The Board of Directors monitors the profitability of all agencies which carry out trading activity on a monthly basis, and the results of the analysis are discussed in the monthly meetings of the Board of Directors. After analysing the profitability of agencies in the past, some of the agencies that did not have the expected results were closed.

The report on investment activity drawn up by the Analysis Department is also discussed in the monthly meetings of the Board of Directors. The overall results are thus monitored in order to maintain as high a return of capital.

SSIF BRK FINANCIAL GROUP SA is subject to prudential regulations regarding minimum capital requirements. The company's own funds are required to be at certain minimum levels to cover the risks:

- to cover the credit risk and the risk of decrease in accounts receivable, the required capital must be at least 8% of the risk weighted exposures;
- to cover the credit risk of counterparties, the position risk and the settlement/delivery risk, the required capital must be at least 8-16% of the exposure, depending on the risk;
- to cover the operational risk, the required capital must be 15% of the last three year average of the

operating result.

Capital adequacy indicators in the last two years:

	Reported on 31 December 2014	Reported on 31 December 2015
Total own funds	40,687,283	29,872,362
Total required capital	8,271,765	8,108,555
Surplus	32,415,518	21,763,807

It is noted that the capital adequacy requirements do not require own funds for liquidity risk; line 1.6.4 refering to illiquid assets (e.g. tangible assets) in the capital adequacy calculation form states: 'National option not exercised'. Changing the calculation would reduce the calculated level of indicators.

The company also reports to the Financial Supervisory Authority (FSA) large exposures which are defined as gross exposures that exceed 10% of own funds. Large exposures may be up to 25% of own funds.
Qualified holdings, which stands for investments in companies for a percentage higher than 15 % of the issued shares, are monitored. Such holdings may not exceed 60% of own funds.

6. Operating segments

The entity has two main segments which have different characteristics, so they require separate presentation: the brokerage segment and the trading segment. Strategic business units offer different products and services, are managed separately because they require different know-how and marketing strategies. The Executive Director of the entity reviews the activities related to the main segments at least on a monthly basis. The two segments also have common costs that cannot be delimited without a high degree of subjectivity.

- The brokerage activity includes brokerage transactions for customers on the spot and futures market. The significant positions in the financial statements which are influenced by these operations are:
  - Income from commissions collected from customers, expenses related to commissions paid to market institutions;
  - Net receivables consisting of amounts receivable from the stock exchange for customers following transactions conducted by customers. These amounts may include the value of the traded shares, amounts related to derivative transactions: closed margin, real profit.
  - Amounts owed to customers representing customers' funds deposited for trading purposes.
- The trading activity includes buying and selling operations with investment securities and derivatives. The significant positions in the financial statements which are influenced by these operations are:
  - investments made, which may include securities available for sale, financial instruments at fair value through profit or loss, the market value of derivatives;
  - costs of and income from trading;

- adjustment of investments' value recognised either in the profit or loss account, in the case of financial instruments at fair value through profit or loss and derivative products, or in comprehensive income, in the case of securities available for sale;

Information regarding reportable segments:

Information on reportable segments

In lei	2015				2014				2015	2014
	Total, of which:	**Brokerage**	**Trading**	**Unallocated**	**Total, of which:**	**Brokerage**	**Trading**	**Unallocated**	**Total reportable segments**	
Income from commissions and related activities	4,096,670	4,096,670	0	0	7,657,583	7,657,583	0	0	**4,096,670**	**7,657,583**
Rental income	49,633	Unallocated	Unallocated	49,633	49,633	Unallocated	Unallocated	49,633	**49,633**	**49,633**
Financial income other than dividends	9,649,609	0	4,096,670	0	11,961,003	0	10,057,761	0	**9,649,609**	**11,961,003**
Financial income from dividends	307,943	0	307,943	0	733,871	0	733,871	0	**307,943**	**733,871**
Other income	2,668,891	Unallocated	Unallocated	2,668,891	30,140	Unallocated	Unallocated	30,140	**2,668,891**	**30,140**
Financial expenses	-7,332,100	0	-7,332,100	0	-8,338,597	0	-7,362,810	0	**-7,332,100**	**-8,338,597**
Personnel-related expenses	-4,971,683	-3,133,790	-289,960	-1,547,933	-5,790,032	-2,759,633	-899,964	-2,130,435	**-4,971,683**	**-5,790,032**
Value adjustments of tangible and intangible assets, exclusive of goodwill	-998,449	-82,280	-84,784	-831,385	-508,420	-82,280	-43,173	-382,967	**-998,449**	**-508,420**
Expenses related to provisions for risks and charges	-35,008	Unallocated	Unallocated	-35,008	4,316,182	Unallocated	Unallocated	-660,204	**-35,008**	**4,316,182**
Expenses related to external services, taxes and fees, material expenses and utilities	-4,762,985	-2,554,010	-1,410,090	-798,885	-5,229,398	-1,425,223	-1,057,473	-2,746,702	**-4,762,985**	**-5,229,398**
Other expenses	-1,410,885	Unallocated	Unallocated	-1,410,885	-6,234,593	Unallocated	Unallocated	-307,571	**-1,410,885**	**-6,234,593**
Explained total:	**-2,738,164**	**-1,673,410**	**840,618**	**-1,905,372**	**-1,352,631**	**3,390,446**	**1,428,211**	**-6,148,107**	**-2,738,164**	**-1,352,631**
Profit of reportable segment before tax	**-2,738,164**				**-1,352,631**					
Assets of reportable segment, of which:	**82,913,912**				**82,128,768**				**82,913,912**	**82,128,768**
- Tangible assets	4,584,491	Unallocated	Unallocated	Unallocated	3,968,453	Unallocated	Unallocated	Unallocated	**4,584,491**	**3,968,453**
- Financial instruments	78,329,421	28,738,204	49,591,217	0	78,160,315	16,368,770	61,791,540	0	**78,329,421**	**78,160,315**
Debts of reportable segment, of which:	25,057,806	18,558,668	4,361,875	2,137,263	24,962,839	20,934,874	1,413,015	2,615,950	**25,057,806**	**24,962,839**
- Customers' amounts	18,558,668	18,558,668	0	0	20,764,762	20,764,762	0	0	**18,558,668**	**20,764,762**

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

In lei	**2015**	**2014**
Revenues		
Total revenue for reportable segments	4,096,670	7,657,583
Revenue not allocated to segments	2,718,724	79,772
Elimination of discontinued operations	0	0
Consolidated revenue	6,815,394	7,737,355
Profit or loss		
Total profit or loss for reportable segments	-2,738,164	-1,352,631
Elimination of discontinued operations	0	0
Consolidated profit before tax	**-2,738,164**	**-1,352,631**
Assets		
Total assets for reportable segments	82,913,912	82,128,768
Assets for non-reportable segments	2,889,347	4,183,495
Total consolidated assets	**85,803,259**	**86,312,263**
Liabilities		
Total liabilities for reportable segments	22,920,543	22,347,889
Provisions for risks and charges	481,890	1,396,084
Liabilities for non-reportable segments	2,137,263	2,614,950
Total consolidated liabilities	**25,539,696**	**26,358,923**

The brokerage segment has income from commissions for the following products:

	2015	**2014**
Income from commissions on the spot market	2,258,590	4,948,973
Income from commissions on the foreign market	1,233,456	1,450,921
Income from commissions on derivatives	28	31,525
Incomes from related activities	604,596	1,226,164
Income from commissions and related activities	**4,096,670**	**7,657,583**

Transactions with customers are carried out both by brokers and online.

7. Discontinued operations

There were no discontinued operations in the financial years ended 31 December 2015 and 31 December 2014.

8. Assets held for sale

In lei

Balance as at 01.01.2014	875,818
Transfer from tangible assets	138,360
Disposals	(244,669)
Impairment losses, of which:	
- recognised as expenses	(19,894)
comprehensive income	
Balance as at 31.12.2014	749,615
Balance as at 01.01.2015	749,615
Transfer from tangible assets	51,775
Disposals	-
Impairment losses, of which:	
- recognised as expenses	
comprehensive income	
Gain on revaluation	-
Balance as at 31.12.2015	801,390

At the end of 2010 and 2011, upon discontinuance of the brokerage activity in some of the less profitable or non-profitable branches, part of the tangible assets were reclassified as available for sale.

The assets held for sale, consisting of buildings and land, were revalued on 31.12.2015. The valuation was conducted by an expert valuator, NEOCONSULT VALUATION, in accordance with the International Valuation Standards and the working methodology recommended by ANEVAR.
The amounts were estimated using the market comparison method. This approach uses sales prices or rents of property similar to those under valuation as a basis for estimating the fair value thereof.
The market approach is based on specific real estate market analysis and uses benchmarking processes; the value of the assets in question was estimated by comparing their attributes with those of similar property identified.

In 2014, the property in Botosani was classified as asset available for sale and it will be sold as a result of the Board of Directors' resolution to close down the Botosani agency. In 2015, the property in Arad and the land in Cluj-Napoca were transferred to available-for-sale assets.

Thus, 3 properties – one in Alba Iulia, one in Arad and one in Botosani, and land in Cluj-Napoca have remained to be classified as available for sale. The Company management estimates that these properties will be sold in the coming 12 months.

9. Operating revenues

in lei	Continuing operations		Discontinued operations		Total	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Income from commissions on the spot market	2,258,590	4,948,973	-	-	2,258,590	4,948,973
Income from commissions on the foreign market	1,233,456	1,450,921			1,233,456	1,450,921
Income from commissions on derivatives	28	31,525	-	-	28	31,525
Income from related activities	604,596	1,226,164	-	-	604,596	1,226,164
Subtotal - income from commissions and related activities	**4,096,670**	**7,657,583**	**-**	**-**	**4,096,670**	**7,657,583**
Income from leased assets	49,833	49,633	-	-	49,833	-
Income from provision of services	-	-	-	-	-	-
Other operating income	-	-	-	-	-	-
Total income	**4,146,503**	**7,707,215**	**-**	**-**	**4,146,503**	**7,707,215**

At the beginning of 2014, the Company changed its income recognition policy, from income net of trading commissions to gross income. Gross income also includes market costs, commissions charged by the Stock Exchange and by ASF.

In order to diversify commission income, the company has constantly aimed to expand its range of products and the markets in which it trades. The amount of commissions collected on operations performed by the Company also included commissions on operations in foreign markets, as shown above.

Customers are generally assigned to a broker, with the possibility to perform operations both traditionally and online.

Income from commissions also include transactions carried out for other non-bank financial institutions, called contracts with custodians, for which SSIF FINANCIAL GROUP SA charges transaction commissions, but the funds related to sales and purchases do not transit the company’s accounts, instead they are settled through the custodians’ accounts. Such income amounted to 60.36% of the total commissions collected in 2015 and to 9% in 2014.

10. Other income

In lei	**2015**	**2014**
Gain on sale of property, plant and equipment	-	20,799
Other operating income (recovered amounts, etc.)	81,555	9,341
Income from reversal of undistributed amounts following share capital decrease	1,267,046	
Total other income	**1,348,601**	**30,140**
Discontinued operations:		-
Total:	1,348,601	30,140

Other operating income includes different revenues with extremely low repetitive character, reversal of uncollected dividends, inventory pluses, recovery of amounts, etc.

In 2015, the amounts related to the expiration of the statute of limitations for the right to claim payment of the amounts resulting from the Company's share capital decrease resolved by the Ordinary General Meeting of Shareholders held on 26.03.2010 and unclaimed for more than three years after their due date were reversed to income (as per resolution of the Ordinary General Meeting of Shareholders held on 29.04.2015).

11. Other expenses

Other expenses

In lei	**2015**	**2014**
Expenses with lawyers and other commissions	(157,599)	(287,913)
Expenses with litigation and other debtors	(877,338)	(5,927,022)
Penalties, fines and other amounts paid to the state budget	(342,725)	(13,658)
Net loss on disposal of tangible assets		
Other expenses (donations, sponsorships, etc.)	(71,231)	(6,000)
Total other expenses	**(1,445,893)**	**(6,234,593)**

Of the total other expenses, the expenses with litigation and other debtors and with penalties and fines are the highest. The expenses with litigation and other debtors were incurred for the lawsuits in which the Company was involved, mostly related to the Deva litigation, which was concluded in the financial year ended 31 December 2014.

12. Personnel expenses

In lei	**2015**	**2014**
Personnel expenses	(3,741,343)	(4,260,032)
Compulsory social security contributions	(847,678)	(1,090,700)
Employee profit sharing	-	-
Expenses with Board Members’ compensation	(382,662)	(439,300)
Board Members profit sharing	-	-
Total expenses with salaries in the comprehensive profit or loss	**(4,971,683)**	**(5,790,032)**
Amounts related to discontinued operations:		
- as related to salaries		-
- as related to contributions		-
Total		**-**
Total expenses with salaries and assimilated expenses	**(4,971,683)**	**(5,790,032)**

The CEO’s remuneration is established by resolution of the Company’s Board of Directors, and other benefits are granted in accordance with the collective employment agreement at the company level. The company’s CEO uses a Toyota Land Cruiser car purchased under a finance lease contract signed in 2014.

SSIF BRK FINANCIAL GROUP SA’s Board of Directors and Mrs. Florica Zoicaş-Ienciu – Deputy CEO agreed to terminate the employment agreement and relations by mutual consent. The position of Deputy CEO – authorised managing director of SSIF BRK FINANCIAL GROUP SA was filled by Mr. Adrian Pop.

The meeting of the Board of Directors held on 17.12.2015 resolved to make the following changes in the company's management:
- Mr. Adrian Pop was appointed CEO – managing director;
- Mrs. Oana Tudor was appointed Deputy CEO – authorised managing director – subject to the suspensive condition of her authorisation by the FSA.

13. Financial income and charges

Recognised in profit or loss

in lei	2015	2014
Net gain on transactions with financial assets at fair value through profit or loss	737,350	952,606
Net gain on transactions with derivatives - Futures	5,873	694,554
Net gain on transactions with derivatives - foreign markets	2,069,250	-
Net gain on transactions with Turbo certificates	-	1,085,313
Income from transactions with financial assets available for sale	-	1,288,713
Income from dividends:	-	-
related to financial assets available for sale	252,570	69,171
related to financial assets at fair value through profit or loss	55,373	664,700
Income from bonus shares related to financial assets at fair value through profit or loss	-	-
Total income from transactions related to the trading segment	**3,120,416**	**4,755,057**
Total net changes in the fair value of financial assets at fair value through profit or loss, of which:	-	3,035,422
Net changes in the fair value of financial assets at fair value through profit or loss	-	3,035,422
Reversal of provisions related to securities disposal	-	-
Income from interests related to deposits	181,914	569,519
Income from interest on margin contracts and loan agreements	381,476	303,545
Gain on financial instruments – margin contracts (reversal of provisions)	-	-
Net gain on debtor adjustments	12,250	840,371
Income from interest on operating lease contracts	-	-
Net gain on currency exchange rate differences	625,221	225,200
Other net financial income	-	-
Total financial income	4,321,277	9,729,115
Net loss on transactions with financial assets at fair value through profit or loss	-	(3,429,206)
Loss on transactions with derivatives - Futures	(69,846)	(365,640)
Loss on transactions with derivatives - foreign markets	-	(416,072)
Loss on transactions with financial assets available for sale	-	389,568
Net loss on transactions with Turbo certificates	(1,052,176)	-
Total trading costs related to the trading segment	**(1,122,022)**	**(3,821,351)**
Expenses related to final value losses on securities available for sale	(444,174)	(1,547,578)
Total net changes in the fair value of financial assets at fair value through profit or loss, of which:	(647,684)	-
Net changes in the fair value of financial assets at fair value through profit or loss	647,684	
Expenses related to interest on financial debts measured at amortised cost	(58,965)	(3,910)
Net loss on currency exchange rate differences	-	-
Total financial charges	(2,272,845)	(5,372,839)
x Reclassification of net losses recognised in the comprehensive profit or loss account in profit or loss, related to disposed financial assets available for sale		0
Net financial result recognised in profit or loss	**2,048,432**	**4,356,276**

The financial income and charges presented above include the following interest income and expenses for the financial assets (liabilities) which are not at fair value through profit or loss:

Total interest income on financial assets	563,390	873,064
Total interest expenses on financial liabilities	(58,965)	(3,910)

B **Recognised in other comprehensive income**	**2015**	**2014**
In lei		
Detailed on the next page	**(3,592,142)**	**(1,436,322)**

13. Financial income and charges (continued)

B **Recognised in other comprehensive income**	**2015**	**2014**
In lei		
x Net change in the fair value of available-for-sale assets reclassified to profit or loss	(862,045)	(1,158,002)
Net change in the fair value of available-for-sale assets:		
on securities disposal during the period	1,724,090	2,316,005
on securities held at the end of the period	2,730,097	(2,594,325)
Bonus shares related to available-for-sale financial assets	-	-
Tax on financial income and charges recognised directly in other comprehensive income		
Financial income recognised in other comprehensive income, net of tax	**(3,592,142)**	**(1,436,322)**

Net income from the trading of financial assets at fair value through profit or loss is the income resulting from the disposal of securities minus the costs of those securities, for transactions where this difference is positive. If the difference is negative, it is presented in the line *Net expenses on the trading of financial assets at fair value through profit or loss*.

As of 2015, the presentation of Net trading gain and Net trading loss changed, i.e. they are presented at net value. The presentation of 2014 was changed for comparability with the statements published for the year ended 31 December 2014.

Expenses related to final losses in the value of securities available for sale are estimated expenses representing final losses in the value of these securities, which have not been maintained in capital adjustment accounts, but were recorded/reclassified as expenses because the Company estimates that they will never be recovered.

In 2015, irreversible impairment charges were recorded and recognised directly in the profit and loss account, in the amount of 426,301 lei, mostly for the company Cominco SA of Bucharest.

In 2014, due to the financial difficulties of the company Facos SA, irreversible impairment charges amounting to 1,547,578 lei were recorded and recognised directly in the profit and loss account. SSIF BRK FINANCIAL GROUP SA has control over Facos since it owns 83.02% of the company.

Expenses related to final losses in the value of securities available for sale were recorded in securities classified as available for sale, since they are held for long term, and impairment was caused by lower estimated future revenues based on which the fair value was determined, and by the decreased trading price of listed securities.

Net gain on exchange rate differences of (625,221 lei) in 2015 and (225,200 lei) in 2014 are mostly associated with securities transactions. The Company has no customers whose settlement depends on the exchange rate, and almost all suppliers are domestic. Both in 2015 and in 2014, the impact of the revaluation of foreign currency balances and the exchange rate differences resulting from the payments to suppliers are very low.

In the table above, the positions representing reclassifications of amounts from ‘Other comprehensive income’ to profit or loss, as required by IAS 1, are marked on the left with ‘x’; they should be presented separately only in ‘Other comprehensive income’, not in the profit and loss account.

14. Income tax expense

Reconciliation of effective tax rate

In lei	**2015**	**2014**
Profit for the year	-2,738,164	-1,352,631
Total income tax expense	0	0
Profit before tax (including for discontinued operations)	-2,738,164	-1,352,631
Income tax rate	16%	16%
Tax calculated by applying the tax rate to the accounting profit	-438,106	-216,421
Influence of non-deductible expenses	394,758	1,168,180
Influence of non-taxable income	-160,838	-1,489,643
Influence of expenses resulting from restatement under IFRS not considered when calculating the tax	-404,739	-1,021,877
Influence of income resulting from restatement under IFRS not considered when calculating the tax	0	0
Influence of tax losses of the previous periods	-6,595,494	-5,035,733
Total tax expense calculated based on the tax rate	-7,204,419	-6,595,494
Tax expense not recorded for negative amounts	7,204,419	6,595,494
Final tax expense	0	0
Final tax rate	0.00%	0.00%

15. Property, plant and equipment

In lei	Land and buildings	Plant, equipment and means of transp.	Fixtures, fittings and other	Construction in progress	Total
Balance as at 01.01.2014	**4,050,213**	**1,207,060**	**238,262**	**23,050**	**5,518,585**
Acquisitions and modernizations	-	230,417	-		**230,417**
Reclassification to/from under construction	-	-	-	-	**-**
Inflow following enforcement of received guarantees	-	-	-	-	**-**
Revaluation of assets:	-	-	-	-	**-**
offset of accumulated depreciation on assets	-	-	-	-	**-**
increase in value	-	-	-	-	**-**
Reclassification to assets held for sale	(149,247)	-	-	-	**(149,247)**
Reclassification to investment property	-	-	-	-	**-**
Outflow:					
- through sale	-	(58,470)	(1,980)	(23,050)	**(83,500)**
- disposal	-	-	-	-	**-**
Balance as at 31.12.2014	**3,900,966**	**1,379,007**	**236,282**	**-**	**5,516,255**
Balance as at 01.01.2015	**3,900,966**	**1,379,007**	**236,282**	**-**	**5,516,255**
Acquisitions and modernizations	-	255,014	39,730	-	294,744
Reclassification to/from under construction	-	-	-	-	-
Inflow following enforcement of received guarantees	-	-	-	-	-
Revaluation of assets:	-	-	-	-	-
offset of accumulated depreciation on assets	-	-	-	-	-
increase in value	263,836	-	-	-	263,836
Reclassification to assets held for sale	-	-	-	-	-
Reclassification to investment property	-	-	-	-	-
Outflow:					
- through sale	-	(5,999)	(2,109)	-	(8,108)
- disposal	-	-	-	-	-
Balance as at 31.12.2015	**4,164,802**	**1,628,022**	**273,903**	**-**	**6,066,727**

In lei	**Land and buildings**	**Plant, equipment and means of transp.**	**Fixtures, fittings and other**	**Construction in progress**	**Total**
Depreciation and impairment losses					
Balance as at 01.01.2014	**109,834**	**1,060,907**	**182,153**	**-**	**1,352,894**
Depreciation for the year	98,947	130,722	25,525	-	255,194
Impairment losses, of which:	-	-	-	-	-
- recognised in expenses	-	-	-	-	-
- deducted from other comprehensive income	-	-	-	-	-
Depreciation due to sale of fixed assets	-	(58,470)	(1,815)	-	(60,285)
Depreciation due to disposal of fixed assets	-	-	-	-	-
Offset of accumulated depreciation on assets due to revaluation	-	-	-	-	-
Balance as at 31.12.2014	**208,781**	**1,133,159**	**205,863**	**-**	**1,547,803**
Balance as at 01.01.2015	**208,781**	**1,133,159**	**205,863**	**-**	**1,547,803**
Depreciation for the year	-	131,906	19,415	-	151,321
Impairment losses, of which:	-	-	-	-	-
- recognised in expenses	-	-	-	-	-
- deducted from other comprehensive income	-	-	-	-	-
Depreciation due to sale of fixed assets	-	(5,998)	(2,109)	-	(8,107)
Depreciation due to disposal of fixed assets	-	-	-	-	-
Offset of accumulated depreciation on assets due to revaluation	(208,781)	-	-		(208,781)
Balance as at 31.12.2015	**-**	**1,259,067**	**223,169**	**-**	**1,482,236**

In lei	**Land and buildings**	**Plant, equipment and means of transp.**	**Fixtures, fittings and other**	**Construction in progress**	**Total**
Carrying amounts:					
Balance as at 1 January 2014	3,940,379	146,153	56,109	23,050	4,165,691
Balance as at 31 December 2014	3,692,185	245,848	30,419	-	3,968,452
Balance as at 1 January 2015	3,692,185	245,848	30,419	-	3,968,452
Balance as at 31 December 2015	4,164,802	368,955	50,734	-	4,584,491

The buildings include the entity's registered office and offices of different branches opened for the brokerage activity.

In 2014, the building of the Botosani agency was reclassified to assets held for sale and, following the resolution of the Board of Directors, the agency was closed in 2015.
As at 31.12.2015, the Company owns the registered office in Cluj Napoca, 119 Motilor Street, where it carries out its activity, and apartments in Suceava and Iasi, where the agencies opened for the brokerage activity operate.
As at 31.12.2015, the Company does not own land for its activity, and the land pertaining to the buildings used in its activity are included in the value of the buildings.
Depreciation expenses for the year are included in the comprehensive income account, under *Value adjustments of tangible and intangible assets.*

Pledged or mortgaged tangible assets

As at 31.12.2015, there is a distraint upon property placed by the National Anticorruption Directorate for the lawsuit in connection with acts of fraud committed in previous years at the Deva subsidiary. There are 3 properties under distraint:
- apartment in Deva, having a carrying amount of 257,897 lei
- the company's registered office in Cluj Napoca, 119 Motilor street, having a carrying amount of 3,829,989 lei
- land and building in Cluj Napoca, Einstein street, having a carrying amount of 312,192 lei

The lawsuit for which this distraint was placed ended in 2014 and the Company paid compensation to injured parties in the amount of 4,976 thousand lei.

Revaluation of fixed assets

The fixed assets consisting of buildings were revalued on 31.12.2015. The valuation was conducted by an expert valuator, NEOCONSULT VALUATION, in accordance with the International Valuation Standards and the working methodology recommended by ANEVAR.
The amounts were estimated using the market comparison method. This approach uses sales prices or rents of property similar to those under valuation as a basis for estimating the fair value thereof.
The market approach is based on specific real estate market analysis and uses benchmarking processes; the value of the assets in question was estimated by comparing their attributes with those of similar property identified.
Revaluations revealed increases in the value of tangible assets for the company's activity, and these were reflected in reserves on 31.12.2015.

If no revaluation had been conducted on buildings and related land, their balance would have been as follows:

In lei	**2015**	**2014**
Gross value of land	419,564	419,564
Gross value of buildings	4,928,639	4,928,639
Revaluation of land	-	-
Revaluation of buildings	2,422,490	1,315,562
Value of land at cost	419,564	419,564
Value of buildings at cost	2,506,149	3,613,078
Depreciation of buildings on the value at cost	-	(141,512)
Net value of buildings and land without revaluations	2,925,713	3,891,130

The estimated depreciation of buildings corresponding to the value at cost was calculated since revaluations were conducted repeatedly, and the cumulative depreciation is reversed. Values are taken from accounts which were not restated under IFRS, and include values refering both to used non-current assets and to assets classified to investment property and assets available for sale in the financial statements prepared in accordance with IFRS.

16. Intangible assets

In lei	**Goodwill** Investco	**Licences**	**Advance payments**	**Total**
Cost				
Balance as at 1 January 2014	2,748,760	1,149,099	1,390,358	5,288,217
Acquisitions	-	213,094	525,707	738,800
Disposal	(2,748,760)	-	-	(2,748,760)
Balance as at 31 December 2014	-	1,362,193	1,916,065	3,278,257
Balance as at 1 January 2015	-	1,362,193	1,916,065	3,278,257
Acquisitions	-	1,993,550	5,728	1,999,278
Disposal		(4,504)	(1,921,793)	(1,926,297)
Balance as at 31 December 2015	-	3,351,239	(0)	3,351,239

Amortisation and impairment losses	**Goodwill**	**Licences**	**Advance payments**	**Total**
Balance as at 1 January 2014	2,748,760	360,155	-	3,108,915
Amortisation for the year	-	195,848	-	195,848
Impairment losses recognised in expenses	-	-	-	0
Disposal amortisation	-2,748,760	-	-	-2,748,760
Balance as at 31 December 2014	0	556,003	0	556,003
Balance as at 1 January 2015	-	556,003	-	556,003
Amortisation for the year	-	503,830	-	503,830
Impairment losses recognised in expenses	-	-	-	-
Disposal amortisation	-	(4,505)	-	(4,505)
Balance as at 31 December 2015	-	1,055,328	-	1,055,328

Carrying amounts	**Goodwill**	**Licences**	**Advance payments**	**Total**
Balance as at 1 January 2014	0	788,944	1,390,358	2,179,302
Balance as at 31 December 2014	0	806,190	1,916,065	2,722,255
Balance as at 1 January 2015	0	806,190	1,916,065	2,722,255
Balance as at 31 December 2015	0	2,295,911	0	2,295,911

The composition of the intangible assets balance consists of software, software licenses and goodwill. Advance payments and intangible assets in progress are advances paid to purchase software for trading and back-office. With the new Tradis trading platform, SSIF BRK FINANCIAL GROUP SA’s customers will have access to over 100 foreign markets and will be able to trade multiple types of financial instruments (shares, CFDs, futures, commodities, metals). This advance was closed in 2015 and the amount was recorded in intangible assets after completion of the acquisition.

On 04.05.2011, the Company entered into a contract with an IT service provider to purchase the Tradis trading platform. The purpose of the contract was the supply by the provider of the platform for trading on the local market and the platform for trading on foreign markets, this platform being of Multi-Market and Multi-Asset type. The platform was finalised in 2015 and has been the only platform used by the Company's customers and by the Company since 01.03.2015.

The useful lives used for the calculation of intangible assets are on average of 3 years, the amortisation method used is the straight line method. The remaining useful life to be amortised in the case of intangible assets is on average of 12 months.

Testing for impairment of the cash generating units which contain goodwill

***Investco* Goodwill**

The Investco goodwill was recorded in 2007 upon absorption of the Investco investment firm, when its assets and liabilities were taken over as follows:

In lei

Intangible assets	929
Fixtures and fittings	10,862
Available-for-sale financial assets	656,251
Guarantees	53,838
Cash	2,592,354
Receivables from the State	226
Debts to customers (customers' cash)	-281,976
	3,032,485
Share capital	900,000
Equity	2,132,485
	3,032,485

Investco's shareholders received new shares in SSIF BRK FINANCIAL GROUP SA worth 3,648,760 lei based on the share-for-share exchange, and goodwill of 2,748,760 lei was recorded.

In testing for impairment, goodwill is allocated to the customers taken over after the merger and managed by a dealer of the entity; this level is not higher than the operating segments of the entity, as shown in the Note on operating segments.

The testing for impairment of the cash generating unit was based on the fair value less the sale costs. The fair value was calculated by applying a multiplier to EBITDA. The entity used a multiple of 12.5, the equivalent of an 8% rate, specific to the activity segment.

In 2015, the carrying amount of the unit was determined to be higher than the recoverable value and thus value adjustments were needed; therefore, the impairment loss was allocated entirely to goodwill and included in value adjustments of intangible and tangible assets. Goodwill impairment was caused by lower estimated results for the future period based on which impairment was determined. Thus, the income from commissions relating to the customers taken over when goodwill was recorded (based on which the initial valuation was also conducted) and the expenses related to such income were estimated. These estimates revealed a significant decrease in the estimated income for this activity, which caused the recognition of an impairment of 103,498 lei. As at 31 December 2015, the Investco goodwill was completely impaired.

17. Investment property

In lei	**2015**	**2014**
Balance as at 1 January	553,969	553,969
Reclassification to tangible assets during the year	613,909	-
Inflow following enforcement of guarantees received	-	-
Acquisitions during the year (exchange of assets)	-	-
Impairment losses (in expenses)	-	(19,105)
Disposal of investment property (exchange of assets)	-	-
Balance as at 31 December	1,148,773	534,864

Investment property includes the following categories of assets: a building in Cluj-Napoca (Einstein) and related land, a building in Deva, a building in Bucharest.

In 2015, the building in Arad was reclassified from investment property to assets available for sale and the building in Bucharest was reclassified from available-for-sale assets to investment property.

As at 31 December 2015, all investment properties were leased.

Investment property consisting of buildings and land were revalued on 31.12.2015. The valuation was conducted by an expert valuator, NEOCONSULT VALUATION, in accordance with the International Valuation Standards and the working methodology recommended by ANEVAR.
The amounts were estimated using the market comparison method. This approach uses sales prices or rents of property similar to those under valuation as a basis for estimating the fair value thereof.
The market approach is based on specific real estate market analysis and uses benchmarking processes; the value of the assets in question was estimated by comparing their attributes with those of similar property identified.

Reantal income and maintenance costs of investment property:

	2014	2014
Rental income	33,115	25,933
Maintenance costs	8,142	

18. Investment in associates

SSIF BRK FINANCIAL GROUP SA holds non-controlling interests in several companies, interests determined either by the percentage of shares owned, or by the number of directors who carry out their activity in those companies, without however having control. IAS 39 was applied to these entities.

The associated companies (where the entity has a significant influence) are mentioned below. In those where the stake is less than 20%, the significant influence is due to the presence in the Board of Directors of that company.

Ticker Symbol	Company	Ownership in 2015	Ownership in 2014
-	Facos SA	89.69%	83.02%
-	SAI Broker SA	99.98%	99.98%
-	Confident SA	98.00%	0.00%
REMM	Remat Maramures SA	0.00%	24.89%
ANTE	Anteco SA Ploiesti	19.93%	19.93%
TRAI	Transchim SA Bucuresti	0.00%	18.12%
NACH	Napochim SA Cluj	18.46%	18.46%
NCHI	Napochim Imobiliare	18.46%	0.00%
CEON	Cemacon SA Zalau	14.61%	20.27%
PETY	Petal SA Husi	15.04%	15.04%
-	Minesa SA Cluj	38.10%	15.80%

SSIF BRK FINANCIAL GROUP SA has control over the Facos (89.69%), SAI Broker SA (99.98%), Minesa SA (38.10%), Confident (98%).

In 2014 and 2015, there were no dividends receivable from associated companies.

In 2015, the transactions with affiliates are as follows:

Name of affiliate	Transactions carried out in 2015
SAI Broker	- Net purchases of fund units from FDI Fix Invest managed by SAI Broker, worth 2,018 thousand lei; - Net purchases of fund units from FDI Prosper Invest managed by SAI Broker, worth 2,000 thousand lei; - Net purchases of fund units from FII Smart Money managed by SAI Broker, worth 950 thousand lei; - Net purchases of fund units from FII Optim Invest managed by SAI Broker, worth 100 thousand lei; - Collection of rental income in the amount of 11 thousand lei.
Facos SA Suceava	- Conversion of loan into shares, worth 3,205 thousand lei; - Loans repaid by Facos SA amounting to 200 thousand lei; - Related interest amounting to 13.27 thousand lei;
Napochim SA	- Loans transferred to Napochim Imobiliare in the amount of 700 thousand lei; - Related interest amounting to 17.57 thousand lei; - Collected interest in the amount of 51.77 thousand lei;

Name of affiliate	Transactions carried out in 2015
	- Interest transferred to Napochim Imobiliare in the amount of 1.07 thousand lei;
Napochim Imobiliare SA	- Loans transferred from Napochim Imobiliare in the amount of 700 thousand lei; - Related interest amounting to 8.25 thousand lei; - Collected interest in the amount of 7.21 thousand lei;
Anteco SA	No transaction with ANTE shares were carried out in 2015;
Remat SA Maramureș	- sales of 80,767 shares totalling 1,249 thousand lei;
Cemacon SA	- No transaction with CEON shares were carried out in 2015;
Petal SA	- No transaction with PETY shares were carried out in 2015;
Minesa SA	- purchase of 124,229 shares worth 3,885 thousand lei; - sale of 66,140 shares worth 1,932.84 thousand lei;
Confident	- loans granted in the amount of 15 thousand lei; related interest of 0.04 thousand lei; - share capital increase - 125 thousand lei.

During the year, the company also made transactions with the following affiliates:
- Buliga Mihaela – sale of 7,300 Minesa shares, worth 219,000 lei;
- Ionescu Flavia Liana - sale of 32,920 Minesa shares, worth 987,600 lei.

Summary financial information on investments in affiliated entities, unadjusted with the percentages held by the company:

For 2014	Total	Weighted total	FACOS	SAI BROKER	REMM	ANTE	CEON	NACH	TRAI	PETY	MINESA
Ownership	**100,00%**	**28,46%**	**83,02%**	**99,98%**	**24,89%**	**19,93%**	**20,27%**	**18,46%**	**18,12%**	**15,04%**	**15,80%**
Current assets	107.027.692	7.912.900	5.508.673	779.089	9.028.026	1.070.600	56.681.359	14.009.630	1.923.792	15.652.721	2.373.802
Non-current assets	197.001.840	15.443.408	16.159.184	253.505	3.817.330	6.544.628	119.400.620	17.894.975	10.055.244	18.444.928	4.431.426
Total assets	304.029.532	23.356.308	21.667.857	1.032.594	12.845.356	7.615.228	176.081.979	31.904.605	11.979.036	34.097.649	6.805.228
Total liabilities	224.891.028	16.218.918	10.552.432	38.759	7.721.400	485.497	158.041.658	17.829.920	15.510.652	14.073.526	637.184
Equity	79.138.503	7.137.390	11.115.425	993.835	5.123.956	7.129.731	18.040.320	14.074.685	-3.531.616	20.024.123	6.168.044
Turnover	122.949.293	9.309.020	9.911.991	140.885	4.686.537	3.851.222	54.999.028	5.996.040	8.914.894	32.417.731	2.030.965
Total income	137.028.171	10.510.740	11.339.648	195.186	6.460.866	3.952.558	62.397.660	6.287.124	11.580.573	32.954.111	1.860.445
Total expenses	143.683.221	11.096.430	12.334.384	140.885	5.510.213	4.796.467	65.418.108	9.041.662	12.137.196	32.450.681	1.853.625
Profit /loss	-5.841.712	-631.688	-994.736	-332.189	799.420	-843.909	-1.572.489	-2.754.538	-556.623	406.532	6.820
Share of profit/loss:	-1.993.039	-370.524	-825.830	-332.123	198.976	-168.191	-318.744	-508.488	-100.860	61.142	1.078

For 2015	Total	Weighted total	FACOS	SAI BROKER	REMM	ANTE	CEON	NACH	NCHI	TRAI	PETY	MINESA	CONFIDENT
Ownership	**100,00%**	**23,13%**	**89,69%**	**99,98%**	**0,00%**	**19,93%**	**14,61%**	**18,46%**	**18,46%**	**0,00%**	**15,04%**	**38,10%**	**98,00%**
Current assets	82.066.192	3.882.676	2.778.128	659.491	0	1.651.313	43.623.064	12.109.625	587	0	18.468.194	2.637.441	138.349
Non-current assets	198.476.448	10.455.116	14.823.152	209.683	0	6.451.677	118.818.691	25.410.123	11.419.899	0	17.248.285	4.094.246	692
Total assets	280.542.640	14.337.792	17.601.280	869.174	0	8.102.990	162.441.755	37.519.748	11.420.486	0	35.716.479	6.731.687	139.041
Total liabilities	119.691.661	5.304.552	4.033.589	38.252	0	965.044	71.265.060	26.524.241	824.040	0	15.557.217	423.849	60.369
Equity	150.598.087	8.445.464	12.862.018	830.922	0	7.101.946	91.176.694	1.623.605	10.596.446	0	20.159.262	6.168.522	78.672
Turnover	104.835.856	5.795.048	9.953.152	239.497	0	3.025.950	67.885.432	4.632.764	0	0	17.475.650	1.453.769	169.642
Total income	145.527.128	7.296.876	9.925.862	337.209	0	3.207.227	102.367.649	5.453.472	0	0	22.108.684	1.950.368	176.657
Total expenses	135.344.491	7.225.976	11.157.487	497.041	0	3.234.992	89.071.464	7.017.635	231.074	0	21.930.889	1.949.890	254.019
Profit /loss	13.659.292	289.478	-1.235.625	159.831	0	27.766	13.296.185	1.564.163	-231.074	0	154.930	478	-77.362
Share of profit/loss:	1.193.430	#VALUE!	-1.108.232	159.799	0	5.534	1.942.573	288.744	-42.656	0	23.301	182	-75.815

19. Financial investments

In lei		2015	2014
Long-term investments			
Financial assets available for sale - at cost	Unlisted	601,608	679,710
Financial assets available for sale - at fair value, of which:		17,375,501	11,010,190
	Listed	*4,441,016*	*4,242,500*
	Unlisted	*12,934,485*	*6,767,690*
Available-for-sale financial assets in affiliated entities - at fair value, of which:		21,198,186	15,714,644
	Listed	*8,237,106*	*8,689,764*
	Unlisted	*12,961,080*	*7,024,880*
Total long-term investments:		39,175,295	27,404,543
Short-term investments		**2015**	**2014**
Financial assets designated at fair value through profit or loss – held for trading (all listed)	Listed	2,917,993	14,843,878
Derivatives - futures	Listed	0	301,860
Other financial instruments		1,433,371	406,900
		4,351,364	15,552,638
Total investments		43,526,659	42,957,181

Unlisted shares classified as available for sale are recorded at cost when it is not possible to apply valuation methods. This category includes shares held by the company at capital market institutions (Sibex Depository, Investor Compensation Fund, Romanian Clearing House, Bucharest Clearing House, Romanian Commodities Exchange of Bucharest) totalling 601,608 lei (2014: 679,710 lei).

As at 31 December 2015, there were open positions in the House account in international markets for hedging operations. The financial instruments traded in international markets are futures contracts, options contracts and contracts for difference (CFDs) and are used for speculative purposes and hedging for market maker operations.

Sensitivity analysis – the price risk associated with capital instruments

As at 05.01.2015, the equity owned by the company that was listed on the Bucharest Stock Exchange amounted to 26.45 million lei. In order to determine the correlation between the return on its own portfolio of financial instruments and the market efficiency, the daily value of the portfolio was subject to adjustments meant to cancel the influence of trading or in/out transfer operations with financial instruments.
For investments listed on BSE, the correlation index of the portfolio with the average market return (BET) is of 0.3423 (-0.07 for 2014), whether they are listed as securities at fair value through profit or loss or as securities available for sale.

The influence of the market price change on the financial statements is as follows:
- In the case of securities available for sale, a change of the BET index by 1% determines a change in equity of 44,267 lei.

- In the case of investments classified at fair value through profit or loss, the impact on profit would consist in an increase or decrease by 46,272 lei.
The total variation of the amounts recorded in the comprehensive income would be of 90,539 lei for a 1% variation of BET.
In 2015, BET had an average volatility of 12.81%, and a difference of 13.04% between the highest and lowest level of the year.

20. Other investments

In lei	**2015**	**2014**
Other long-term investments		
Guarantees	335,105	419,225
Other loans granted	1,299,649	4,889,649
Interest on loans granted	127,899	148,806
Total long-term investments	**1,762,653**	**5,457,679**
Other short-term investments		
Margin loans to customers	8,846,512	800,000
Interest on margin loans	0	16,132
Total short-term investments	**8,846,512**	**816,132**
Total other investments	**10,609,165**	**6,273,811**

The entity's exposure to credit, foreign currency and interest rate risks associated with other investments is presented in the note on *Financial Instruments*.

21. Deferred tax assets and liabilities

Unrecognised deferred tax assets

Deferred tax assets were not recognised for the following items:

In lei	**2015**	**2014**
Current and previous tax losses	(45,027,619)	(41,221,837)
Deductible temporary differences on available-for-sale financial assets		
	-45,027,619	**-41,221,837**
Tax rate	16%	16%
Unrecognised deferred tax assets:	7,204,419	6,595,494

There are still unrecognised deferred tax assets on financial instruments for which value impairment was not deductible in 2010.

Unrecognised deferred tax liabilities

In lei	**2015**	**2014**
Revaluation differences	2,370,919	1,315,562
	2,370,919	**1,315,562**
Tax rate	16%	16%
Unrecognised deferred tax liabilities:	379,347	210,490

Tax losses are recoverable within 7 years as of 2010. The deductible differences cannot be expected to cover the tax loss for now. Consequently, no deferred tax asset for tax loss was recognised.

Recognised deferred tax assets and liabilities

No deferred tax assets and liabilities were recorded for the reasons mentioned above.

22. Trade and other receivables

In lei

Trade receivables	643,858	108,090
Receivables from the State	6,736	5
Net receivables from debtors	11,540	12,075
Employees with payment commitments		*0*
Former employees and third party debtors	*11,540*	*12,075*
Other debtors	128,458	265,759
Debtors from the trading of the Company's financial instruments (Available funds in non-bank financial institutions)	2,417,514	6,978,296
Debtors from financial instruments traded by customers (Available funds in non-bank financial institutions)	4,894,275	9,020,660
Total trade and other receivables	**8,104,381**	**16,384,885**

The entity's exposure to credit and foreign currency risk, and the impairment losses on trade receivables are presented in the note on *Financial Instruments*.

As of 2015, deferred charges are included in 'Trade receivables'.
The 2014 statement was changed for comparability with the statements published for the financial year ended 31 December 2014.

23. Cash and cash equivalents

in lei	2015	2014
Client cash account	13,769,608	11,510,092
Cash and cash equivalents	1,107,615	1,107,615
Total cash in bank accounts	**14,974,757**	**12,617,707**

The ‘Cash and cash equivalents’ item includes also short-term deposits.
The customers’ balances in bank accounts are managed separately and may be used only based on the trading orders given by the customers.
The entity’s exposure to interest rate risk and a sensitivity analysis on financial assets and liabilities are presented in the note on financial instruments.

As at 31.12.2015, the company has an amount of 4,980,779.71 lei blocked in the client account opened with BRD. This amount represents the rollovers calculated for customers who traded through the company and are facing criminal proceedings; the amount is blocked following distraint placed by authorities. The checks carried out by the company’s internal auditor revealed that the maximum amount that could be subject to distraint was 14,575.37 lei, which was already blocked by the company in a dedicated account opened with the settlement bank. The company is currently taking the necessary actions to clarify the amounts in the client account affected by the distraint.

24. Capital and reserves

Share capital and number of ordinary shares issued:

In lei	Share capital	No. of ordinary shares	Par value per share
As at 1 January 2014	84,670,467	338,681,867	0.25
As at 31 December 2014	84,670,467	338,681,867	0.25
As at 1 January 2015	84,670,467	338,681,867	0.25
As at 31 December 2015	54,039,987	337,749,919	0.16

The Extraordinary General Meeting of Shareholders of 29 April 2015 decided to decrease the company’s share capital in accordance with Articles 207 and 208 of Law 31/1990, updated, from 84,670,466.75 lei to 54,039,987.04 lei, in two stages as follows:

1.1. Reduction of share capital by 232,987 lei from 84,670,466.75 lei 84,437,479.75 lei, by canceling 931,948 shares with a par value of 0.25 lei available to the company.

1.2. Reduction of share capital by 30,397,492.71 lei from 84,437,479.75 lei to 54,039,987.04 lei, by reducing the par value of shares from 0.25 lei/share to 0.16 lei/share to: 1.2.1. cover the company’s losses carried forward as at 31.12.2013 amounting to 28,098,915 lei; 1.2.2. cover the amount of 2,298,577.71 lei representing part of the loss for the financial year 2014.

In lei	**2015**	**2014**
Share capital:	54,039,987	84,670,467
Share capital adjustment	4,071,591	4,071,591
Own shares	0	-225,678
Premiums:	5,355	5,355

Number of own shares held by the company as at 31 December 2014: 931,948 shares.

Reserves

In lei	**2015**	**2014**
Tangible asset revaluation differences	2,370,919	1,315,562
Legal and statutory reserves	4,587,875	4,587,875
Reserves from bonus shares on available-for-sale securities at cost	234,902	234,902
Fair value reserves	750,847	-2,841,295
Other reserves	3,186,601	3,277,452
- of which application of IAS 29 (adjustment to inflation)	*2,748,760*	*2,748,760*
Reserves for own shares	0	-649
Total reserves and revaluation differences	**11,131,144**	**6,573,847**

Profit or loss carried forward

In lei	**2015**	**2014**
Profit or loss carried forward after transition to IFRS	2,713,367	10,188,295
Profit or loss carried forward as per IAS 29	-6,880,234	-6,880,234
Profit or loss carried forward	-3,223,472	-38,450,296
Total profit or loss carried forward	**-7,390,339**	**-35,142,235**

Revaluation differences
Revaluation differences increased in 2015 following the revaluation of fixed assets.

Bonus share reserves
These reserves refers to bonus shares on securities at cost, unlisted.

Legal reserves
Legal reserves are amounts deducted annually from the gross profit in proportion of 5% until they reach 20% of the share capital, recognised as deduction when calculating the income tax. This is a tax facility. The company reached the 20% required by law.

Fair value reserves

Fair value reserves include the net cumulative change in the fair value of available-for-sale financial assets until investments are derecognised or impaired.

Other reserves

'Other reserves' include adjustments to the historical cost of the share capital in accordance with IAS 29 'Financial reporting in hyperinflationary economies'.

Dividends and other distributions to shareholders

No dividend was distributed to shareholders in 2015.

Profit or loss carried forward on transition to IFRS

Profit or loss carried forward on transition to IFRS originates in 2008.

Profit or loss carried forward under IAS 29

The financial statements and the figures for previous periods have been restated to reflect the changes in the general purchasing power of the functional currency and, consequently, are expressed in relation to the measuring unit current at the end of the reporting period.
This capital item includes the influence of share capital restatement according to inflation for the 1994-2002 period.

Inflation index applied in the updated period:

Year	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Capital update index	1.00	1.15	1.41	1.90	2.77	4.04	6.42	16.36	22.71	30.04

The following values resulted from the application of these updates:

Account	**Debit**	**Credit**
Adjustments to share capital		4,071,591
Revaluation differences*		59,884
Other reserves**		2,748,760
Profit or loss carried forward after initial transition to IAS 29	6,880,234	
Total	**6,880,234**	**6,880,234**

* Incorporation of revaluation reserves in 2011.
** Incorporation of reserves in 2007 when SC Investco was absorbed.

Profit or loss carried forward

Profit or loss carried forward includes amounts reclassified from the profit and loss account under RAS, as affected by the restatement under IFRS, explained in the chapter on *Reconciliation of IFRS restated accounts.*

25. Earnings per share

Basic earnings per share

The calculation of the basic earnings per share as at 31 December 2015 is based on the profit attributable to shareholders (all ordinary shareholders) and the average number of ordinary shares in circulation, i.e. 337,749,919 shares. (2014: 338,681,867 shares).

Profit attributable to ordinary shareholders

	2015			2014		
In lei	**Continuing operations**	**Discontinued operations**	**Total**	**Continuing operations**	**Discontinued operations**	**Total**
Profit of the year attributable entirely to ordinary shareholders	(2,738,164)	-	**(2,738,164)**	(1,352,632)	-	**(1,352,632)**

The profit shown is after calculating the tax.

In lei	**2015**	**2014**
Profit attributable to:		
Company Shareholders	-2,738,164	-1,352,631
Profit of the year	-2,738,164	-1,352,631
Total comprehensive income attributabl e to:		
Company Shareholders		
Total comprehensive income of the year	1,909,336	-2,788,953
Earnings per share		
Basic earnings per share (lei)	-0.0081	-0.0040
Diluted earnings per share (lei)	-0.0081	-0.0040
Continuing operations		
Basic earnings per share (lei)	-0.0081	-0.0040
Diluted earnings per share (lei)	-0.0081	-0.0040

Weighted average number of ordinary shares

931,948 shares with a par value of 0.25 lei were cancelled in 2015.

Number of shares	**2015**	**2014**	**2013**
Number of shares	337,749,919	338,681,867	338,681,867

26. Loans and borrowings

Borrowings contracted by the company:

In lei	**2015**	**2014**
Long-term liabilities		
Finance lease liabilities	48,424	57,919
	48,424	57,919
Short-term liabilities		
Current portion of finance lease liabilities	47,492	50,542
	47,492	50,542

For more information on the entity's exposure to interest rate risk, foreign currency risk and liquidity risk, see the note on financial instruments.

Terms and debt repayment schedule

Terms and conditions of outstanding borrowings:

				2015	**2014**	**2013**
In lei	**Currency**	**Nominal interest rate**	**Maturity year**	**Carrying amount**		
Finance lease liabilities	EUR	10% - 13%	2016, 2017	95,916	108,461	30,708
				95,916	108,461	30,708

27. Provisions

In lei	
Balance as at 1 January 2014	5,712,266
Cancelled during the year	4,970,970
Made during the year	654,788
Balance as at 31 December 2014	1,396,084
Balance as at 1 January 2015	1,396,084
Cancelled during the year	1,075,302
Made during the year	35,008
Balance as at 31 December 2015	355,790

The variations in provisions for risks and charges and value adjustments are reductions resulting from reclassification of provisions for risks and charges and value adjustments to income following conclusion of transactions with injured and civil parties in Case no. 6087/97/2009*. In this litigation, legal proceedings were brought against the Director of the former Deva Branch, and SSIF BRK FINANCIAL GROUP SA was summoned as a civil liable party. The appeal filed by SSIF BRK FINANCIAL GROUP SA was dismissed and the judgment passed was final.

The approximate value of the damage caused to the customers of the Deva Branch resulting from summing up the amounts with which they instituted civil action in the criminal trial is around 2.5 million euros.

The aforementioned lawsuit ended in 2014 and the Company paid a total of 4.976 thousand lei to the injured parties, which was provisioned. A total of 949.20 thousand lei was paid in 2015.

The balance as at 31 December 2015 shows the amounts that the Company believes it will pay in the future in the lawsuits in which it is involved.

At the end of the financial year ended 31 December 2015, SSIF Broker is a defendant in the following lawsuits:

1). Case no. 6769/97/2011 - Commercial Court of Cluj-Napoca
Plantiff: Fratilescu Fabian Alexandru Constantin
Defendant: SSIF BROKER SA
Subject matter: claims (281,500 lei)
The case was suspended and reopened.
The Cluj Court of Appeal passed a judgment dismissing the appeal filed by SSIF Broker S.A. The Company will file a second appeal.

2). Case no. 7076/221/2014 - Deva Court
Plantiff: Cotolan Petru and Cotolan Maria
Defendant: SSIF Broker SA,
Subject: material claims amounting to 59,500 lei
Hearing: 26.01.2016.

3). Case no. 2/2015 – Cluj-Napoca Court of Arbitration
Plantiff: Oprea Andreiu
Defendant: SSIF Broker SA
Subject matter: material claims amounting to 322,369 lei,
At the hearing of 16.03.2015, the case was suspended pending judgment of the High Court of Cassation and Justice in criminal case no. 6087/97/2009.

4). Case no. 1034/90/2014/a13
Plantiff: AMT SERVICII DE INSOLVENTA
Defendant: SC HARINVEST SA and SSIF BROKER S.A.
Subject matter: Action for annulment
Hearing: 27.01.2016.

5). Case no. 2236/117/2015 - Cluj Court
Plantiff: Danila Augustin
Defendant: SSIF BROKER SA
Subject matter: Challenge to the dismissal decision
Hearing: 11.12.2015
The judgment passed partly granted the petition.

6). Case no. 17707/211/2015
Plantiff: TRAINWIZZ SRL
Defendant: SSIF BROKER SA
Subject matter: order for payment of 20,000 lei
Hearing: 15.12.2015 – at this hearing, TRAINWIZZ's petition for injunctive relief.

28. Trade and other payables

In lei	**2015**	**2014**
Trade payables	341,838	915,995
Personnel-related payables	199,580	137,630
Tax and social security	225,372	184,114
Payables in respect of equity contributions	-	1,268,433
Sundry creditors	5,636,432	1,583,127
Other debts	-	316
Total trade and other payables	**6,403.222**	**4,089,616**
Short-term	6,403.222	4,089,616
Long-term	-	-

The entity's exposure to foreign currency risk and liquidity risks associated with trade and other payables is presented in the note on *Financial Instruments*.

Payables in respect of equity contributions were recorded following the share capital decrease in 2010 and are amounts unclaimed by shareholders. In 2015, these amounts were reclassified to income as per Resolution of the Ordinary General Meeting of Shareholders held on 29.04.2015.

Sundry creditors are settlements with the Bucharest Stock Exchange in progress, within the time period after completion of transactions on behalf of the entity and/or customers. Sundry creditors also include various creditors from trading and refer to the amount payable for capital-protected products and Turbo certificates issued by the Company and listed on the Bucharest Stock Exchange.

29. Financial instruments

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum exposure to credit risk. However, the main risk of investment securities may be considered to be the price risk. The exposure to credit risk at the reporting date is:

In lei	**2015**	**2014**
Available-for-sale financial assets - at cost	601,608	679,710
Available-for-sale financial assets - at fair value	38,573,687	26,724,834
Available-for-sale financial assets at affiliates		
Financial assets designated at fair value through profit or loss – held for trading	2,917,993	14,843,878
Derivatives - futures	-	301,860
Other financial instruments	1,433,371	406,900
Total investments	43,526,659	42,957,181
Guarantees	335,105	419,225
Margin loans granted to customers	8,846,512	800,000
Interest on margin loans	-	16,132
Finance lease assets		
Other loans granted	1,299,649	4,889,649
Interest on loans granted	127,899	148,806
Total other investments	10,609,165	6,273,811
Trade receivables	643,858	108,090
Receivables from the State	6,736	5
Net receivables from debtors	11,540	12,075
Employees with payment commitments		*0*
Former employees and third party debtors	*11,540*	*12,075*
Other debtors	128,458	265,759
Debtors from the trading of the Company's financial instruments (Available funds in non-bank financial institutions)	2,417,514	6,978,296
Debtors from financial instruments traded by customers (Available funds in non-bank financial institutions)	4,896,275	9,020,660
Total trade and other receivables	**8,104,381**	**16,384,885**
Client bank account	13,769,608	11,510,092
Available funds in banks, cash and equivalents, excluding short-term bank deposits	1,205,149	1,107,615
Short-term bank deposits	0	0
Total financial instruments	**77,214,962**	**78,233,584**

The maximum exposure to credit risk associated with financial investments, depending on the activity of the companies where equity securities were held, was:

In lei	***2015***		***2014***
Constructions and building materials	5,848,473	13.44%	4,722,761
Energy and utilities	0	0.00%	1,420,692
Manufacturing industry	5,159,150	11.85%	4,497,487
Industrial equipment	259,225	0.60%	555,361
Bank financials	13,588,478	31.22%	18,175,256
Food	14,896,726	34.22%	10,417,868
Services		0.00%	3,167,749
Other	3,774,607	8.67%	0
Term deposits in banks	0	0.00%	0
Total financial investments	**43,526,659**	100.00%	**42,957,175**

Debtors from the trading of the entity's financial instruments are amounts sent to national or international stock exchanges for trading purposes, real profit or other amounts available at stock exchange, intended for future transactions. These amounts are not related to the value of financial instruments, they are practically the funds available at third parties.

Debtors from financial instruments traded by customers are similar amounts, but related to customers. The financials item includes receivables for such amounts on the one hand, and on the other hand payables to customers.

Impairment losses

Available-for-sale financial assets recorded at cost

Available-for-sale financial assets recorded at cost are those unlisted on the stock market.
As at 31.12.2015, the significant investments of this category consisted mostly of securities held in several companies, which had a good financial position.

Margin loans

The company relaunched this product in 2012 (after the loans granted previously, in the first release of the product, were closed in 2011). The loans granted in 2013 were collected in 2014. The balance of the loan granted in 2014 was due in July 2015. Also, as of 2015 the Company focused even more on promoting this product.

Gross balances and depreciation of these loans:

	2015		**2014**	
In lei	**Gross value**	**Depreciation**	**Gross value**	**Depreciation**
Margin loans	8,846,512	0	800,000	0
Net balance	**8,846,512**	**0**	**800,000**	**0**

Debtors

Gross balances and depreciation of debtors:

In lei	2015 Gross value	2015 Depreciation	2014 Gross value	2014 Depreciation
Former employee debtors and third party debtors	2,945,153	(2,933,613)	2,958,582	(2,946,507)
Net balance	**11,540**		**12,075**	

Value adjustments for depreciation of receivables from debtors (former employee debtors and third party debtors) during the year:

In lei	**2015**	**2014**
Balance as at 1 January	2,946,507	3,786,878
Additional provisions	12,073	9,817
Reversal of provisions	(24,967)	(850,188)
Balance as at 31 December	**2,933,613**	**2,946,507**

In 2015, value adjustments in the amount of 24,967 lei related to the reclassification of debtor losses of 8,422 lei to expenses, and debt recovery amounting to 16,545 lei were reclassified to income.

In 2014, value adjustments in the amount of 850,188 lei related to the reclassification of debtor losses of 832,242 lei to expenses, and debt recovery amounting to 17,946 lei were reclassified to income.

Liquidity risk

Contractual due dates of financial liabilities, including estimated payment of interest:

31 December 2015

In lei	**Carrying amount**	Contractual cash flows	Less than 6 months	6-12 months	1-2 years	2-5 years
Leases	95,916	(95,916)	(30,084)	(17,408)	(24,126)	(24,298)
Trade and other payables, exclusively to shareholders	6,403,222	(6,403,222)	(6,403,222)	-	-	-
Payables to shareholders	-	-	-	-	-	-
	6,499,138	**(7,774,030)**	**(6,433,306)**	**(1,292,300)**	**(24,126)**	**(24,298)**
Clients' available funds	18,558,668		18,558,668	0	0	0

As at 31 December 2015, the Company has 5 finance lease contracts, one of which is concluded during the year.
According to the regulations in force, the Company must separate clients' available funds from its own, which is why they are presented separately in the above analysis. These amounts are either in the bank account or to be collected.

31 December 2014

In lei	**Carrying amount**	Contractual cash flows	Less than 6 months	6-12 months	1-2 years	2-5 years
Leases	108,461	(108,461)	(24,824)	(25,718)	(40,761)	(17,158)
Trade and other payables, exclusively to shareholders	2,814,724	(2,814,724)	(2,814,724)	-	-	-
Payables to shareholders	1,274,892	(1,274,892)	-	(1,274,892)	-	-
	4,198,077	**(4,198,077)**	**(2,839,548)**	**(1,300,610)**	**(40,761)**	**(17,158)**
Clients' available funds	20,764,762		20,764,762	0	0	0

As at 31 December 2014, the Company had 4 finance lease contracts concluded in 2014.

The liquidity risk in perspective must be approached by taking into account the possible future debts that the entity may have if it loses pending lawsuits, whose value is significant, and also by taking into account the existing current assets, most of which have an immediate liquidity.

Foreign currency risk

The entity's exposure to foreign currency risk is presented below, based on notional values:

Amounts in lei	EUR **2015**	USD **2015**	EUR **2014**	USD **2014**
Guarantees held at the Vienna Stock Exchange Wiener Borse	-	-	-	-
Creditors/debtors	-	-	-	-
Cash for trading on foreign markets (house + customers)	3,978,857	4,062,193	12,347,288	2,532,625
Other available funds	148,969	6,633	31,768	6,066
Net currency expose	4,127,826	4,068,826	12,379,056	2,538,692
Total:	**8,196,652**		**14,917,747**	

The main exchange rates used during the year:

lei	**Average**		**Reporting date spot rate**	
	2015	**2014**	**2015**	**2014**
1 EUR	4.4450	4.4440	4.5245	4.4821
1 USD	4.0057	3.3487	4.1477	3.6868

The foreign currency balances are not significant compared to the total assets of the entity; as at 31.12.2015, they stand for only 9.55% (2014: 17.28%) of the total assets and therefore the analysis of capital and comprehensive income sensitivity to foreign currency risk is not relevant.

Interest rate risk

As at 31 December 2015 and 31 December 2014, SSIF BRK FINANCIAL GROUP SA has no outstanding interest-bearing debt-type financial instruments.

Interest rates used to determine fair value

In order to determine the fair value or to test the depreciation of financial instruments, no interest rates for cash flow discounting were used because there were no trade receivables or other financial instruments whose collection was significantly deferred over time.

In the case of receivables in litigation or doubtful debts, value adjustments for their entire value were set at the end of the reporting period.

Fair value hierarchy

The table below analyses the financial instruments recorded at fair value based on the valuation method. The different levels are defined as follows:

- **Level 1**: quoted (unadjusted) prices in active markets. As regards securities at fair value through profit or loss, the price is the one at the end of the period, of the last trading day. As regards available-for-sale securities, the applied valuation methods are based on market variable depending on how active the instrument is, as indicated in the Company’s accounting policies.

- **Level 2**: Input data other than the quoted prices included at Level 1. This level includes unlisted securities to which valuation methods containing observable values for assets or liabilities were applied, either directly (e.g. prices) or indirectly (e.g. derived from prices). The fair value for these securities is determined either using the DDM model (Dividend Discounted Model), by applying the DCF (Discounted Cash Flow) method, or using the asset-based method, as indicated in the Company’s accounting policies.

In lei	**Level 1**	**Level 2**	**Total**
31 December 2015			
Financial assets available for sale	12,678,122	25,895,565	38,573,687
Financial assets at fair value through profit or loss	2,917,993		2,917,993
Derivatives, such as financial assets	0		0
Other financial instruments	0		0
	15,596,115	25,895,565	41,491,680
31 December 2014			
Financial assets available for sale	12,932,264	13,792,570	26,724,834
Financial assets at fair value through profit or loss	14,843,878		14,843,878
Derivatives, such as financial assets	301,860		301,860
Other financial instruments	406,900		406,900
	28,484,802	13,792,570	42,277,472

Reclassifications

At the end of 2015, the Company reclassified securities from traded financial assets to securities available for sale, without any significant impact on the financial statements.

30. Contingent assets and liabilities

The Note on Provisions describes the circumstances which led to the creation of provisions for litigations for events that occurred in previous years. There is pending litigation for which the probability to result in cash outflow is low or the amount of the debt cannot be estimated, and litigation for which no provisions have been made.

As at 31.12.2015, the company has an amount of 4,980,779.71 lei blocked in the client account opened with BRD. This amount represents the rollovers calculated for customers who traded through the company and are facing criminal proceedings; the amount is blocked following distraint placed by authorities. The checks carried out by the company's internal auditor revealed that the maximum amount that could be subject to distraint was 14,575.37 lei, which was already blocked by the company in a dedicated account opened with the settlement bank. The company is currently taking the necessary actions to clarify the amounts in the client account affected by the distraint.

In parallel with the litigation mentioned in the Note on Provisions and in the previous paragraph, there are criminal proceedings brought by SSIF BRK FINANCIAL GROUP SA against certain former employees, and litigation in which SSIF BRK FINANCIAL GROUP SA has active legal capacity with respect to amounts claimed by SSIF BRK FINANCIAL GROUP SA. Claimed amounts cannot be determined with precision in all cases. There are lawsuits where SSIF Broker had active legal capacity and were won, but the effective recovery possibilities are low.

31. Affiliates

Key management personnel benefits

Transactions with affiliates, under the form of key management personnel, are limited to benefits granted to the Board members and senior executives, which are presented in the note on personnel-related expenses.

Investments in associates

Note 18 *Investment in associates* of these financial statements present all associated entities and the transactions carried out during the year.

32. Events subsequent to the date of the balance sheet

The events occurred after the date of the balance sheet were taken into account when evaluating the conditions existing as at 31.12.2015 with regard to receivables and significant estimates, including the creation of provisions for litigation.

- On 24.02.2016, FSA issued Authorisation no. 25/24.02.2016 authorising the change of the company's name from SSIF BROKER SA to SSIF BRK FINANCIAL GROUP S.A. in accordance with the Resolutions of the Extraordinary General Meeting of Shareholders held on 16.12.2015. On 21.03.2016, the name changing operation was completed by issuance of the certificate of recorded amendments by the Trade Register Office attached to the Cluj Court

- On 25.01.2016, SSIF Broker SA signed a court settlement contract with the company MOARA CIBIN SA to settle the dispute in case no. 3883/85/2014 before the Sibiu Court, seeking buy-back of shares following MOARA CIBIN's involvement in a merger. Thus, by signing the court settlement contract which will be filed in court, MOARA CIBIN SA will pay 2,547,411.17 lei for the shares held by SSIF Broker SA and SSIF Broker SA waives all claims against the company MOARA CIBIN SA. The amount agreed by the parties will be paid in two installments, namely an advance of 509,482 lei within five working days after confirmation of the transaction by the court via consent judgment, but not later than 14 working days after the signing of the transaction, and the remaining amount will be paid by 15.05.2016;

- In accordance with the resolution of the Extraordinary General Meeting of Shareholders held on 16.12.2015, published in the Official Gazette of Romania no. 226, Part IV, dated 15.01.2016, as required by the legal provisions of European Commission Regulation (EC) no. 2273 of 22 December 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards exemptions for buy-back programmes and stabilisation of financial instruments, SSIF Broker SA initiates the programme for the buy-back of its own shares as follows:
  - The purpose of the buy-back programme is to cancel the shares and decrease the share capital – as per the resolution of the extraordinary general meeting of shareholders held on 16.12.2015; the programme for the buy-back of its own shares aims at the buy-back of maximum 50,802,280 shares (maximum 15% of the share capital), which can be purchased at a price ranging between 0.0400 lei/share and 0.1700 lei/share.
  - The programme for the buy-back of its own shares will take place over a period of maximum 18 months after publication of the buy-back resolution in the Official Gazette. The buy-back will start on 23.03.2016.
  - The provisions regarding the actual price and the volume of each transaction carried out, as required by Article 5 'Conditions for trading' of Regulation (EC) no. 2273 of 22 December 2003 implementing Directive 2003/6/EC, shall be complied with throughout the buy-back programme.

There were no other significant events requiring reporting.

Chairman of the Board of Directors	Chief Financial Officer,
Buliga Mihai	Buga Dalia
Stamp – Illegible signature	Illegible signature

I, the undersigned Vicaş Emilia-Alexandra, interpreter and translator certified for the following foreign languages: English, French, Italian, as per Authorisation no. 8072 dated March 09 2013, issued by the Romanian Ministry of Justice, hereby certify the accuracy of the translation from Romanian into English, that the text presented to me was translated in full, without omissions, and that the translation does not distort its contents and meaning.

CERTIFIED INTERPRETER AND TRANSLATOR

VICAŞ EMILIA ALEXANDRA
Traducător autorizat
Engleză-Franceză-Italiană
Aut. M.J. 8072/2009