Consolidated Annual Report of the Board of Directors, for 2017

Content

1. General information

SSIF BRK Financial Group SA was set up as a joint stock company on 26 October 1994 under the initial name of SIVM Broker SA and later SSIF Broker SA by the end of 2015. Due to the expansion of its activity in other financial segments through some strategic acquisitions, but also due to internal development, in 2015 it was decided to change the name of SSIF Broker SA to SSIF BRK Financial Group SA Thus, on March 21, 2016, the name change operation was completed after the EGMS decision of 16.12.2015 was published in the Official Gazette of Romania no. 226, Part IV, on 15.01.2016. The FSA authorization for changeing the name was received on 24.02.2016.

The headquarters of the company are in Cluj-Napoca, while the national presence is ensured through the agencies in Bucharest, Timisoara, Iasi and Suceava.

SSIF BRK Financial Group S.A. is a founding member of the Bucharest Stock Exchange, the Romanian Commodities Exchange, and the Investor Compensation Fund.

The main activity of the company is the intermediation of financial transactions, BRK being one of the largest brokerage companies in Romania. The company offers a wide range of financial services for both retail and institutional customers. Intermediation of transactions at the Bucharest Stock Exchange and those in other international markets is still one of the main sources of income for society.

In addition to customer services, the management of its own financial assets portfolio contributes to the results of the SSIF BRK Financial Group SA. The investments are made both on Romanian territory and on international markets, both in premium listed companies on regulated markets as well as in private companies. Thus, SSIF BRK Financial Group S.A. has become a significant shareholder in several Romanian companies and is actively involved in their development.

In 2005, BRK Financial Group became the first and, to date, the only financial investment services company listed on the Bucharest Stock Exchange, in the Premium category. Shares of SSIF BRK Financial Group S.A. were admitted to trading on the principal market administered by the Bucharest Stock Exchange on 5 February 2005 under the BRK symbol. BRK shares are listed in the premium category of the Bucharest Stock Exchange and are included in the composition of the BETPlus index.

The direct participations of BRK Financial Group in the group's subsidiaries are as follows:

Company within the group	Main activity domain	Numer of financial instruments held	Nominal value of the financial instrument	Participation 2017 (%)	Participation 2016 (%)
SAI BROKER SA	Fund management activities	180,581	10.00	99,98%	99.98%
CONFIDENT SA	Activities of insurance agents and brokers	14,702	10.00	98,00%	98.00%
FACOS SA	Manufacture of meat products (including poultry meat)	2,927,235	2.50	89,69%	89.69%
MINESA SA CLUJ NAPOCA	Research development in other natural sciences and engineering	99,031	4.40	38,10%	38.21%

During 2017 there were no changes in the social capital of affiliated companies nor in the percentages of ownership.

2. Main achievements of subsidiaries in 2017

2.1 S.A.I. Broker S.A.

SAI Broker SA is a young company that was established in the second half of 2012 and wants to offer investors viable investment alternatives through the products they intend to launch so that through proper management of the financial asset portfolio tend to optimize the ratio between the potential return and the investment risk assumed. The company has the dynamism and tenacity required for such a challenge, as well as the experience gained over the years, which together are the premises for the success of a policy focused on customer needs.

The main activity of the company consists in fund management activities. (The scope of activity was revised according to the requirements of the AS, after the authorization). The main activity of the company classified according to the Classification of Activities of the National Economy (C.A.E.N.) is:

663 - "Fund management activities";

6630 - "Fund management activities": the management of collective investment undertakings (UCIs), collective investment undertakings (UCITS) and under the authorization of CNVM, other collective investment undertakings (AOPCs) for which it is subject to prudential supervision, in particular those set up as investment funds, as defined and regulated by the OUG no. 32/2012 or registered in accordance with the legal provisions.

The collective portfolio management activity shall cover at least:

a) Investment management;

b) Carrying out activities on:

1. legal and accounting services related to portfolio management;
2. requests for customer information;
3. Evaluating the portfolio and determining the value of the securities, including tax issues;
4. monitoring the compliance with the regulations in force;
5. keeping a register of the unit-holders;
6. revenue distribution;
7. issue and redemption of participation titles;
8. record keeping;

c) Marketing and distribution.

In the case of a F.I.A., the main activities are:

- Portfolio management
- risk management;

The company may also carry out, within the framework of the collective management of a F.I.A. and other activities such as:

i) entity management: legal and fund accounting services, customer inquiries, valuation and pricing, including tax refunds; control of compliance with applicable law; keeping the register of unit-holders; revenue distribution; issue and redemption of units; settlement of contracts, including issuance of certificates; keeping records;

ii) distribution;

(iii) activities relating to the assets of the F.I.A., namely services required to perform management duties, infrastructure management, real estate management, capital structure consultancy, industrial strategy and related matters, advice and services on mergers and acquisitions , as well as other services related to the management of the F.I.A. and the companies and other assets in which it invested.

SAI Broker SA obtained operating authorization from the National Securities Commission, currently the Financial Supervisory Authority (ASF), in early 2013. Through the ASF attestation no. 24 / 05.07.2017 the registration of SAI Broker SA as a manager of alternative investment funds (AIFM) was certified.

The company has no branches or agencies open, the activity being carried out only at the headquarters.

The special relationship with SSIF BRK Financial Group SA - the company that is the main shareholder and the most important business partner of the company - represents an asset in reaching the proposed objectives. Through the services it provides, SAI Broker SA will complement the range of financial services offered by SSIF BRK Financial Group SA in an effort to meet even the most demanding requirements of its clients.

With active and passive investment policies according to the profile of each fund, SAI Broker offers specific financial management services with responsibility and professionalism, proposing to manage risks and exploit opportunities on the Romanian market or in other foreign markets .

The short-term objective is to promote the funds launched during the 2014-2015 period and to achieve higher performances than the objectives established through the documentation of the funds so that by the end of 2018 the managed assets, on all public funds, will be at least 30 million lei.

Main events

In the first month of 2017, the FORTUNA Classic and FORTUNA Gold funds from SAI Target Asset Management were taken over. Thus, the number of funds managed by SAI Broker SA increased from 5 to 7.

The performance achieved in 2017 exceeded expectations both in terms of return on managed funds and in terms of the growth rate of assets attracted in management.

At the end of 2017, the total assets of the public and private funds managed by the company amounted to 139 million lei, out of which 28.5 million represented the assets of the public funds.

In order to take over the management of the FORTUNA Classic and FORTUNA Gold funds, SAI Broker SA contracted a subordinated loan from SSIF BRK Financial Group SA amounting to 676 thousand lei with the maturity date December 31, 2021.

In December 2017, the Board of Directors took the decision to participate as a founding member of Firebyte Games S.A., accounting for 99% of the initial shares issued. SAI Broker SA subscribed a number of 9,900 shares with a face value of 10 lei / share.

Financial Data

From the management activity of the 7 funds: FII BET-FI Index Invest, FDI FIX Invest, FDI PROSPER Invest, FDI Fortuna Classic, FDI Fortuna Gold, FPI Smart Money and FPI OPTIM Invest, SAI Broker SA recorded revenues in 2017 total amount of 1,709,342 lei, more 5 times more than those obtained in 2016 (revenues of 283,761 lei), representing management fees, subscription fees and successful commissions.

In 2017, net financial gains other than dividends amounted to 24,459 lei, slightly decreasing compared to the previous year (25,322 lei in 2016) as a result of the decrease in interest earnings. The year 2017 was the first year of the company's activity when the global result recorded a positive value of 839 thousand lei, compared to a loss of 187 thousand lei in 2016. This significant improvement was due to the increase of the managed assets found in the funds private equity and, on the other hand, as a result of the takeover of the Fortuna Classic and Fortuna Gold funds administration.

IFRS Indicator name	(thousand lei) 2017	(thousand lei) 2016	%
Income from the continuing operations	1742,9	312,4	457,91%
Expenses relate to sales	-901,1	-499,2	80,51%
The result of the exploitation activity	838,9	-186,8	N.A.
Other elements of the global result	7,6	4,8	58,33%
Total profit and loss account and other items of global income for the period	**846,5**	**-182**	N.A.

2.2 Confident S.A.

Operationally, 2017 was a very difficult year in which the company faced a series of internal and external impediments that negatively affected both the activity and the results. These were related to:

- maintaining the capping of RCA insurance premiums and commissions paid by insurers to brokers at a level that does not cover costs (OUG 54/2016 - should have ceased in 05.2017, but there was no other legislative basis in time, its effects were applied until 01.09.2017)

- The business plan submitted in May-June 2017 by the associate administrator, which provided for a change in the business model and investments to open a new business line: e-commerce insurance sales were rejected without proposes instead other measures to help the financial recovery and the development of the company, which has led to the aggravation of the financial situation of the company, reaching the impossibility to continue the activity of the company.

- Legislative changes to come into force in 2018 require investments in equipment, software and personnel.

Thus, on 12.12.2017 the OGMS decided to terminate the activity of the company, to renounce the authorization to operate as a broker and to dissolve / liquidate and delist the company after receiving the favorable opinion from the FSA for the waiver of the insurance broker authorization.

The registered loss will be covered by the associates on the basis of the preliminary preventive agreement, agreed by the associates.

Financial Data

The operating revenues generated by the company in 2017 amounted to 282.1 thousand lei, down 60.8% compared to those registered in 2016.

The operating expenses recorded were 370.6 thousand lei at the end of 2017, the main expenses being the commissions due to the brokerage assistants.

The net result of the financial year was a loss of 89.2 thousand lei.

RAS Indicator name	(thousand lei) 2017	(thousand lei) 2016	%
Operating income	282,1	720,3	-60,84%
Operating expenses	-370,6	-780,2	-52,50%
Operating result	-88,5	-59,9	47,75%
Financial result	-0,7	1,6	N.A.
Net result of the period	**-89,2**	**-58,3**	**53,00%**

2.3. Facos S.A.

The main activity of the company is the production of beef, pork, poultry and wild hunting meat products. SC FACOS S.A. Scheia County, Suceava County was established in 1991 by dividing it from Suceava meat industry, becoming a joint stock company with public capital.

In January 1999, SC FACOS S.A. becomes a wholly private equity company by selling 93.47% of shares to MARTIN'S EUROPEAN FOOD PRODIMPEX from the State Property Fund.

Since 2004, the integrated management system ISO 9001 and HACCP (ISO22000) have been implemented and certified. In order to achieve the objectives, in the course of 2015 a series of measures were adopted, such as:

- Improving product quality;
- Testing and development of new products on the "Upper Country" ("ŢARA DE SUS") range,
- Initiating new collaborations on the intra-Community market, with partnerships being concluded in Italy, Germany and England,
- Continuous monitoring of customers to identify their needs in a timely manner,
- Development and testing of new products for the "private label" intra-community segment.

Financial data

The operating revenues of the company in 2017 amounted to 7.37 million lei, decreasing compared to 2016 by 7.29%.

The operating expenses amounted to 8 million lei, down 5.26% as compared to 2016.

The company registered a negative result worth 714.1 thousand lei in 2017.

RAS Indicator name	(thousand lei) 2017	(thousand lei) 2016	%
Operating income	7.367,08	7.946,10	-7,29%
Operating expenses	-8.003,40	-8.447,80	-5,26%
Operating result	-636,40	-501,70	26,85%

Financial result	-77,70	-512,10	-84,83%
Net result of the period	**-714,10**	**-512,10**	**39,45%**

2.3 Minesa S.A.

The main activities carried out by Minesa during 2017 are those related to design, environmental and laboratory research, the activity of pilot micronization clay and flavoring preparation.

The company has also earned significant revenue from renting out proprietary premises.

Financial Data

The operating revenues of the company, obtained in 2017, amounted to 4.9 million lei, substantially increasing compared to 2016 by 3.8 million lei.

Operating expenses were 3.1 million lei, up 53.6% compared to 2016.

The company recorded a positive result of 1,462 thousand lei in 2017.

RAS	(thousand lei)	(thousand lei)	%
Indicator name	**2017**	**2016**	
Operating income	4.972,80	1.161,60	328,10%
Operating expenses	-3.114,70	-2.027,80	53,60%
Operating result	1.858,10	-866,20	N.A.
Financial result	8,70	3,50	148,57%
Net result of the period	**1.462,00**	**-862,70**	N.A.

3. The main elements of the business strategy within the company

The mission of the BRK Financial Group is to contribute actively to the development of the Romanian capital market, both by creating a wide range of financial products and services developed by experts, as well as by trying to provide an attractive return to shareholders.

The BRK Financial Group, through its brokerage services, brokerage products and investment funds managed by SAI Broker SA, wants to remain a leader in providing innovative financial solutions and to maintain the competitive advantage through the diversity and value of the products and services offered.

SSIF BRK Financial Group is the main component of the Financial Group and is the main distribution platform for the entire range of products and services offered by financial units.

The BRK Financial Group seeks to improve operational efficiency in order to maintain a sustained growth rate both in terms of reporting to the capital market and by reference to return on capital invested.

4. Internal and External Audit

At the level of companies in which SSIF BRK FINANCIAL GROUP holds holdings, internal audit and financial audit are not the subject of integrated processes, because companies have different objects of activity. At each company level, internal audit operations are differentiated according to the specificity of the market on which each company operates. At the level of the SSIF BRK FINANCIAL GROUP, SAI BROKER SA and FACOS SA, the internal audit is outsourced in order to ensure its efficient and independent performance. The audit missions carried out in 2017 at SSIF BRK FINANCIAL GROUP SA and SAI BROKER SA aimed at following the risk management reports and the assessment of the internal control system at the level of the two companies according to the legislation applicable to the capital market. The audit missions carried out at FACOS SA aimed at verifying both the correctness of the accounting records and verifying the company's compliance with ISO standards and the standards required by the environmental legislation. The reports related to the completion of the audit missions performed were handed over to the management of the entities in order to apply the recommendations formulated by the auditors.

At MINESA SA level and CONFIDENT BROKER DE ASIGURARE SRL - the internal audit is assimilated to the preventive financial control and has the purpose of detecting possible unconcerned accounting transactions.

Regarding the financial audit, the companies in which SSIF BRK FINANCIAL GROUP SA held participations audited the financial statements for the year 2017. The auditing of the financial statements was made within the term stipulated by the legislation, and the audited financial statements were subject to the approval of the General Shareholders' Meetings of the companies concerned.

5. Environmental protection policy

Considering the specificity of the object of activity of each entity to which the SSIF BRK FINANCIAL GROUP holds holdings, we specify that there is no common policy on environmental protection. SSIF BRK FINANCIAL GROUP SA is paying particular attention to environmental protection policies, especially within FACOS SA, a company that, through its specific production, carries out specific activities for the collection, recycling and disposal of waste resulting from its operations. FACOS SA does not contain wastes containing dangerous substances, most of the waste from this company being represented by packaging. Waste is collectively collected on material groups. Waste that can not be recovered is collected for disposal (by incineration). The collection and recycling of waste is based on a contract with ECO-ROM AMBALAJE BUCHAREST. SSIF BRK FINANCIAL GROUP SA, SAI BROKER SA, CONFIDENT BROKER DE ASIGURARE SRL and MINESA SA, given the specificity of the activity, produce only paper waste which is collected selectively and periodically is handed over for recycling. MINESA SA is authorized to carry out studies and projects on environmental protection, management of hazardous and non-hazardous urban and industrial waste, having as object the elaboration of the technical documentation necessary for the obtaining of environmental approvals, agreements and authorizations.

6. Evolution of the main financial indicators

BRK FG prepared consolidated financial statements for the year ended at 31 December 2017, according to the requirements of the FSA Instruction no. 2/2014 with subsequent amendments and of the Norm no.39 / 2015 for the approval of the accounting regulations in compliance with the International Financial Reporting Standards with the accounting policies of the group.

The consolidated financial statements of the BRK Financial Group, prepared in accordance with the International Financial Reporting Standards adopted by the European Union in force on the annual reporting date, December 31, 2017, comprise the financial position of BRK Financial Group and Group companies and are presented in unitary mode, similar to the financial statements of a single entity.

The consolidated annual financial statements comprise:

- the consolidated statement of the financial position;
- the consolidated income statement and the consolidated statement of other comprehensive income;
- the consolidated statement of changes in equity;
- the consolidated cash flow situation;
- explanatory notes to the consolidated annual financial statements.

BRK FINANCIAL GROUP – consolidated statement	(thousand lei) 31.12.2017	(thousand lei) 31.12.2016 restated	%
TOTAL ASSETS	107.286,3	109.493,5	-2,02%
TOTAL DEBT	44.598,0	46.512,8	-4,12%
TOTAL OWN CAPITAL	62.688,3	62.980,7	-0,46%
Income from continuing activity	19.001,6	18.420,0	3,16%
Expenses related to revenues	-15.999,1	-15.591,5	2,61%
Share of the result of equities titled	-86,6	-64,7	33,91%
Result of the period	-366,1	-1.513,0	-75,81%
Overall Total Attributable Result:	**-292,4**	**622,4**	N.A.
Shareholders of the company	-207,9	687,5	N.A.
Interests without control	-84,5	-65,1	29,80%

At the end of 2017, the total assets amounted to 107.28 million lei, 2.02% less than the end of 2016, the main assets being held by the parent company BRK Financial Group.

Total debts amounted to 44.59 million lei at the end of 2017, down 4.12% from the value recorded at the end of the previous year. The principal liabilities were held by the SSIF BRK Financial Group, the amounts representing the customer's holdings in the company's account for the purchase of financial instruments.

The group's own capital of 62.68 million lei decreased by 0.46% compared to the value recorded on 31.12.2016.

Income from continuing operations increased by 3.16% as compared to 2016 to 19 million lei. The most important revenue from continuing operations is generated by BRK Financial Group and Facos, with BRK registering significant increases in 2017.

The result of the period was a loss of RON 0.366 million lei against the loss of 1.51 million lei in 2016. The overall result was a loss of 0.29 million lei, due to the net change in the fair value of available-for-sale financial assets and the change in value of the assets used.

7. Risk management

A specific requirement for investment firms is set by the National Securities Commission, currently FSA, by Emergency Ordinance no. 99/2006 regarding capital adequacy. This ordinance calls for a high level of own funds to be above the level needed to cover the following risks: credit risk, credit risk mitigation, counterparty risk, position risk, settlement risk, operational risks, foreign exchange risk . In principle, a level of own funds is required to exceed 8-12% of existing exposures at the time of the calculation, depending on the type of exposures.

The surplus / deficit of BRK Financial Group capital is as follows:

Risk indicators (values expressed in RON)	31.12.2017	31.12.2016
Total own funds	53.844.125	57.463.227
Total capital requirements	9.995.306	3,262,499
Surplus	124.941.331	98.360.198

8. Events since the close of the financial year

Events after the balance sheet date were taken into account in assessing the conditions that existed on 31.12.2017 in respect of the positions of receivables and the significant estimates that have been made, including those relating to the provisioning of litigation.

- January 4, 2018 - The company informed the public that the loan repayment term (30.12.2017) granted to Romlogic Technology SA on 20.01.2017 and 05.05.2017 was extended until 29.01.2018.
- 25 January 2018 - On the proposal of the Audit Committee, the Board of Directors has validated the selection of Business Aliance Spot SRL as internal auditor for 2018.
- January 26, 2018 - The board of directors of the company approved the structured product issue program and the base prospectus that includes the range of products that could be the subject of future issue of turbo certificates and protected capital certificates.
- January 29, 2018 - The company announced its financial calendar for 2018.
- February 15, 2018 - The Company published the individual IFRS preliminary financial results as at 31 December 2017.
- February 15, 2018 - The company announced to the general public that the Financial Supervisory Authority has rejected the appointment of Chiş Grigore as leader.
- February 19, 2018 - The Auditor's Report was published.
- February 21, 2018 - The Board of Directors of the company appointed Deputy General Manager Mr. Cătălin Mancaş, and he will work at the company's headquarters in Bucharest. He holds the position of administrator of BRK Financial Group SA, and will discontinue this position after receiving the ASF opinion for the new position.
- February 23, 2018 - The company informed the general public about the conclusion of an addendum to the contract dated 20.11.2017 through which it finances SC Facos SA, a company to which BRK

Financial Group SA has participations. Loan amount granted: 360,000 lei, annual interest: 6%, repayment term of the loan 19.11.2018.

- February 28, 2018 - The Board of Directors of the Company appointed Mr. Răzvan Raţ as Deputy General Manager.
- March 8, 2018 - The company announced the general public about the decision of Ms Monica Ivan to resign from the position of Deputy General Manager.
- March 16, 2018 - The Company convened the Ordinary General Meeting of Shareholders, respectively the Extraordinary General Meeting of Shareholders for 24.04.2018, 12.00 and 12.30, at the registered office of the Company. In case of non-fulfillment of the statutory conditions or any other conditions of validity, these will be held on 25.04.2018, 12.00 and 12.30 respectively.
- March 23, 2018 - The OGMS convocation was modified by inserting a new item on the agenda.
- April 4, 2018 - Mr. Cristian Vasile BUT was authorized by the Financial Supervisory Authority in the position of administrator of BRK Financial Group S.A. (FSA Authorization No. 102 / 04.04.2018).
- April 5, 2018 - Completion of the convening of the Ordinary General Meeting of the Shareholders on 24/25 April 2018, including on the agenda a new item: Approval of the income and expenses budget proposed by the shareholder Global Consult SRL.
- April 10, 2018 - SSIF BRK Financial Group S.A. informed shareholders and investors about the resignation of MADEM Aurelian from the board of directors of the company.
- April 19, 2018 - The SSIF BRK Financial Group informed investors about the approval of the Basic Prospectus by the Financial Supervisory Authority on 17 April 2018 in connection with the Structured Products Issuance Program.
- April 24, 2018 - Conduct of the Extraordinary General Meeting of Shareholders at 12.00 and the Ordinary General Meeting of Shareholders at 12.30, at the company's headquarters.
- April 25, 2018 - Publication of the EGMS and OGMS decisions of 24 April 2018 and of the Annual Report for 2017.
- May 2, 2018 - BRK Financial Group informed shareholders and investors that two pre-sale agreements were concluded for Minesa IPCM SA shares, a company in which BRK Financial Group holds 38.1%, the total value of ante-contracts amounting to 1,100,234.43 Euro, and the cashing of the counter-value will be made in installments, and the entire operation will end, in principle, until December 2018.
- May 15, 2018 - The BRK Financial Group has published the Quarterly Report of the Managers for the first quarter of the year.
- May 17, 2018 - The Company informed shareholders and investors about the authorization of Mr. Raţ Răzvan-Legian as the Leader (Deputy General Manager) following the decision of the Financial Supervisory Authority of May 16, 2018.
- June 4, 2018 - The Company informed shareholders and investors of the Board of Directors' decision of May 31, 2018 to hold a competition to become BRK Financial Group's CEO.
- June 26, 2018 - The Company informed shareholders and investors that on June 25, 2018, a loan agreement with SAI Broker S.A. has ceased, at the borrower's initiative, to which the BRK Financial Group has holdings. The Subordinated Loan Agreement, whereby BRK Financial Group S.A. granted a

loan of Lei 676,000 to SAI Broker S.A. with a fixed annual interest rate of 3.5%, was concluded on 10 November 2016 and set a deadline for repayment on 31 December 2021. The early repayment of the loan was made on 25 June 2018. The amount received was 676,000 lei, representing the loan granted plus the interest for June in the amount of 1361,26 lei.

- July 5, 2018 - The BRK Financial Group informed shareholders and investors about the authorization of Mr. Cătălin Mancaş as the Leader (Deputy General Manager) following the decision of the Financial Supervisory Authority of July 4, 2018.
- July 25, 2018 - The selection process for the position of General Manager of SSIF BRK Financial Group was finalized. The Board of Directors appointed Mr. Nascu Şerban as General Manager of BRK Financial Group. He is expected to work in the BRK Financial Group after receiving the approval from the Financial Supervisory Authority.
- August 10, 2018 - BRK Financial Group announced that a Minesa share sale agreement was concluded with a private investor, the object of the contract for the sale of 23,393 shares of Minesa IPCM SA, representing 9% of the share capital, at the price of 11,11 euro / share, the value of the contract amounting to 259,896.23 euros.
- August 14, 2018 - BRK Financial Group has published its half-yearly report H1 2018
- August 28, 2018 - The BRK Financial Group convened the OGMS for October 4/5, 2018.
- August 29, 2018 - BRK Financial Group published the Auditor's Report.

9. Goals and Perspectives

According to the development strategy of the BRK Financial Group for the period 2018-2020, the most important aspects considered by the company are:

- Principles of sustainable development
- Improving customer service and experience in dealing with BRK
- BRK employees
- Investments and sustainable growth policy
- Corporate governance
- Key indicators

With regard to the principles of sustainable development, consideration is given to:

- Transforming the company through long-term vision - the need for a strategy by 2020
- The ambition to generate superior performance and sustainable growth
- BRK Development Pillars: Customer Satisfaction, Employee Professionality, Smart Investments
- Policies of modern corporate governance and maintaining an attractive climate for investors.

In order to improve customer service and experience in relation to BRK, it is worth considering:

- Guidance to online services
- Introducing digital documents in customer relationship
- Significant reduction of time for onboarding
- Moving agents to the client's headquarters / home / workplace
- Products dedicated to clients and appropriate to their risk tolerance profile
- Portfolio management consultancy services

- Portfolio management services
- Using Customer Data (Analytics).

In relation to the employees of the company, we are considering:

- Professionalism models (investments in specialization and continuous training)
- Responsibility to the company, customers, institutions and society
- Ensure a stable but competitive environment
- Motivation through balanced remuneration policies that stimulate both performance and accountability
- Variable stock option plan for employees, executives and directors.

Investing and sustainable growth policy refers to:

- Targeting services to current market demands and anticipating customer needs
- Transforming MIFID II provisions into competitive advantage
- Portfolio investment:
    - Promoting innovation - investing in companies in early stages of development (Max 1.5 million EUR) and establishing strategic partnerships with other companies with similar investment policies
    - Diversification and risk management by investing in corporate bonds
    - Participation in high and sustainable investment funds
    - Portfolio diversification through investments in the international market
    - Investments in the local market (BSE)
- Diversifying the range of structured products issued and offered to customers and investors
- Strict control of costs
- Compliance - Ensuring high standards in compliance with applicable regulations.

Regarding the principles of corporate governance, the company considers:

- Ensuring transparency towards investors through a proactive attitude (newsletters, releases)
- Implementing an electronic voting system for general meetings
- Active presence in the media

Long-term profit-sharing policy by dividing 50% of profit in the form of dividends or free shares.

Chairman of Board of Directors
BRK Financial Group
Darie MOLDOVAN

BRK Financial Group
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Consolidated financial statements prepared in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS") on 31 December 2017

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Consolidated statement of financial position on 31 december 2017

In lei	***Note***	**2017**	**2016 restatement**
Assets			
Intangible assets	8	3.586.297	3.017.568
Tangible assets	9	16.637.934	15.740.973
Real estate investments	10	1.030.143	1.435.526
Financial assets available for sale	11	10.457.145	14.530.605
Other long-term financial investments	12	847.880	341.346
Titles put into equivalence	12^1	5.101.087	4.974.327
Total fixed assets		**37.660.486**	**40.040.345**
Financial investments measured at fair value through profit or loss	11	18.391.752	10.218.694
Other short-term financial investments	12	6.265.408	7.925.611
Trade receivables and other receivables	15	14.339.425	16.428.461
Stocks	16^1	1.203.993	1.198.629
Bank account related to clients	17	26.351.801	27.096.728
Cash and cash equivalents	17	2.528.727	6.027.992
Total current assets		**69.081.106**	**68.896.115**
Assets classified as held for sale	14	544.721	557.067
Total assets		**107.286.313**	**109.493.527**
Shareholders' equity			
Share capital	18	54.039.987	54.039.987
Adjustment of share capital	18	4.071.591	4.071.591
Own actions	18	(24.047)	(24.047)
Share premium	18	5.355	5.355
Reserves from revaluation of available-for-sale financial assets	19	689.978	2.043.236
Other reserves	19	14.114.899	12.719.575
Reported result	20	(11.068.741)	(10.821.467)
Total equity attributable to group shareholders		**61.829.021**	**62.034.230**
Interests without control		859.313	946.470
Total equity		**62.688.335**	**62.980.700**
Liability			
Trade and other liabilities	21	102.078	89.875
Liabilities on financial leasing	22	74.234	23.601
Income recorded in advance	23^1	347.972	494.698
Deferred tax liabilities	16	1.152.371	1.175.864
Total long-term liabilities		**1.676.655**	**1.784.038**
Credit lines	22	6.534.142	1.615.000
The current part of the finance lease liabilities	22	48.087	39.979
Liabilities to customers	22	30.938.001	32.573.663
Trade and other liabilities	21	4.810.912	9.968.565
Income recorded in advance	23^1	140.000	140.103
Provisions	23	450.182	391.480
Total current liabilities		**42.921.324**	**44.728.790**
Total liabilities		**44.597.979**	**46.512.828**
Total equity and liabilities		**107.286.313**	**109.493.527**

The notes attached are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

Report on 31.12.2017

In lei	***Nota***	**2017**	**2016 restated**
Continuous activities			
Income			
Income from commissions and related activities	25	6.260.018	2.785.781
Income from sales of goods and merchandise	25	7.058.644	7.627.104
Income from rentals	25	14.758	23.801
Subtotal operating income		**13.333.420**	**10.436.686**
Net financial income from transactions in shares and bonds	30	4.076.904	5.362.960
Net financial income from transactions with Turbo products	30	478.902	1.106.488
Financial income from dividends	30	318.221	145.202
Financial interest income	30	605.393	720.137
Subtotal financial income		**5.479.420**	**7.334.787**
Income from valuation of real estate investments and assets available for sale		96.301	0
Net income from impairment adjustments for current assets		-85.849	230.564
Other incomes	26	178.343	417.938
Total income from continuing operations		**19.001.635**	**18.419.975**
Material expenses	27	-4.457.772	-4.921.558
Expenses with staff and collaborators	28	-7.593.667	-6.776.022
Expenses with taxes and fees		-244.990	-222.925
Expenditure on external benefits		-3.702.673	-3.670.961
Subtotal Operating Expenses		**-15.999.102**	**-15.591.466**
Interest expenses	30	-84.778	-85.813
Net financial losses	30	-177.559	93.752
Impairment losses on investments classified as available-for-sale financial assets		-48.849	-1.757.770
Subtotal Financial Expenses		**-311.186**	**-1.749.831**
Value adjustments of intangible and tangible assets excluding goodwill		-2.142.573	-2.056.917
Net expenses with provisions for risks and expenses	23	-58.702	-265.925
Other expenses	29	-790.493	-234.552
Total expenses		**-19.302.056**	**-19.898.691**
Result of operating activities		**-300.421**	**-1.478.716**
Result before tax		**-300.421**	**-1.478.716**
(Cheltuiala)/Venitul cu impozitul pe profit	31	23.493	24.005
Loss of continuous activities		**-276.928**	**-1.454.711**
Loss of discontinued activities		-89.150	-58.291
Loss of the period		**-366.078**	**-1.513.002**

(Continue on the next page)

Consolidated statement of comprehensive income - continued

In lei		2017	2016 restated
Other elements of the overall result			
Positions that are or may be reclassified to profit or loss			
Net change in fair value of financial assets available for sale transferred / reclassified to the income statement		-1.780.164	-4.327.273
The effect of retreatment of the above position			1.713.524
Net change in fair value of available-for-sale financial assets		426.906	4.223.195
Changes in value of securities placed in equivalence		126.670	542.323
Other changes in capital		-5	-16.345
Positions that will not be reclassified to profit or loss			
Changes in net asset value of used assets		1.300.302	0
Total other comprehensive income for the period		**73.709**	**2.135.424**
Continuous activities		73.709	2.135.424
Discontinued activities		0	0
Total Profit or Loss Account and other comprehensive income for the period		**-292.369**	**622.422**
Continuous activities		-203.219	680.713
Discontinued activities		-89.150	-58.291
Profit attributable:			
Shareholders of the Company		-279.450	-1.448.330
Interests that do not control		-86.628	-64.670
Profit of the period		**-366.078**	**-1.513.000**
Continuous activities			
The result per share			
Basic result per share (RON)	32	-0,0008	-0,0043
Diluted result per share (RON)	32	-0,0008	-0,0043
Discontinued activities			
The result per share			
Basic result per share (RON)	32	-0,0003	-0,0002
Diluted result per share (RON)	32	-0,0003	-0,0002
Total attributable global result:			
Shareholders of the Company	32	-207.843	687.543
Interests that do not control	32	-84.526	-65.121
Total global result for the period		**-292.369**	**622.422**

The notes attached are an integral part of these consolidated financial statements.
These financial statements have been approved today, 03.09.2018.

Chairman of the Board of Directors
Dr. Darie Moldovan

Chief Accountant,
Pali Mircea Sandu

Consolidated statement of changes in equity for the year 2017

In lei

	Social capital and other capital items	Revaluation differences	Legal and statutory reserves	Fair value reserves	Consolidation reserves and equity equivalents	Other reserves	Reported result	Reported result from switching to IFRS	Total equity	Interests without control	Total owned equity
Balance on January 1, 2017	58.092.885	856.771	4.767.793	2.043.236	2.687.191	4.407.821	-5.839.432	-4.982.034	**62.034.232**	946.471	**62.980.702**
Profit or loss account							-279.451		**-279.451**	-86.628	**-366.078**
Other elements of the overall result									**0**		**0**
Net change in fair value of financial assets available for sale transferred / reclassified to the income statement				-1.780.164					**-1.780.164**		**-1.780.164**
Net change in fair value of available-for-sale financial assets				426.904					**426.904**	2	**426.906**
Net change in fair value of available-for-sale financial assets					126.670				**126.670**		**126.670**
Changes in the value of equity securities		1.226.718					73.584		**1.300.302**		**1.300.302**
Value changes of used assets			41.935				-41.935		**0**		**0**
Creating legal reserves							526		**526**	-531	**-5**
Other Changes in Capital	**0**	**1.226.718**	**41.935**	**-1.353.260**	**126.670**	**0**	**32.175**	**0**	**74.239**	**-529**	**73.709**
Total other items of the overall result	**0**	**1.226.718**	**41.935**	**-1.353.260**	**126.670**	**0**	**-247.275**	**0**	**-205.212**	**-87.157**	**-292.369**
Balance on 31 December 2017	**58.092.885**	**2.083.490**	**4.809.728**	**689.977**	**2.813.861**	**4.407.821**	**-6.086.707**	**-4.982.034**	**61.829.022**	**859.314**	**62.688.337**

The notes attached are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the year 2016

In lei

	Social capital and other capital items	Revaluation differences	Legal and statutory reserves	Fair value reserves	Consolidation reserves and equity equivalents	Other reserves	Reported result	Reported result from switching to IFRS	Total equity	Impact retreat	Equity after retreatment	Interests without control	Total owned equity
Balance on January 1, 2016	58.116.932	930.357	4.767.793	433.791	2.144.948	4.845.662	-4.887.564	-4.982.023	**61.369.897**		**61.369.897**	1.012.430	**62.382.326**
Profit or loss account							265.724		**265.724**	-1.713.523	**-1.447.799**	-64.670	**-1.512.469**
Other elements of the overall result									**0**		**0**		**0**
Net change in fair value of financial assets available for sale transferred / reclassified to the income statement				-4.327.273					**-4.327.273**	1.713.523	**-2.613.750**		**-2.613.750**
Net change in fair value of available-for-sale financial assets				4.223.195					**4.223.195**		**4.223.195**		**4.223.195**
Changes in the value of equity securities					542.323				**542.323**		**542.323**		**542.323**
Effect of restatement				1.713.523			-1.713.523		**0**		**0**		**0**
Other Changes in Capital					-80		-15.496	-10	**-15.586**		**-15.586**	-1.290	**-16.876**
Transfer revaluation differences for assets sold to reserves		-73.586					73.586		**0**		**0**		**0**
Transfer to the retrieved result						-437.841	437.841		**0**		**0**		**0**
Total other items of the overall result	**0**	**-73.586**	**0**	**1.609.445**	**542.243**	**-437.841**	**-1.217.592**	**-10**	**422.660**	**1.713.523**	**2.136.183**	**-1.290**	**2.134.893**
Total global result for the period	**0**	**-73.586**	**0**	**1.609.445**	**542.243**	**-437.841**	**-951.868**	**-10**	**688.383**	**0**	**688.383**	**-65.960**	**622.424**
Operation with own share													
Redemption of own shares	-24.047								**-24.047**		**-24.047**		**-24.047**
Total operations with own shares	-24.047								**-24.047**		**-24.047**		**-24.047**
Balance at 31 December 2016 restated	**58.092.885**	**856.771**	**4.767.793**	**2.043.237**	**2.687.191**	**4.407.821**	**-5.839.432**	**-4.982.034**	**62.034.233**	**0**	**62.034.233**	**946.471**	**62.980.704**

The impact of the reversals for the year 2016 is presented in Note 34.
The attached notes are part of these financial statements.

Consolidated statement of financial flows for the year 2017

In lei

	2017	2016 restated
Operational Activities:		
Gross result	-366.079	-1.513.000
Continuous activities	-276.928	-1.454.709
Paused activities	-89.151	-58.291
Adjustments to reconcile net result with net cash used in operating activities:		
Adjustment of the value of tangible and intangible assets	2.021.408	2.057.680
Adjustment of the value of financial assets	48.849	1.757.770
Adjusting the value of short-term investments	-4.280.517	180.161
Provisions for current and non-current assets	111.696	-230.565
Provisions for risks and expenses	-88.127	115.892
Interest Expenses	112.680	86.120
Interest income	-607.346	-722.064
Revenue from dividends	-327.344	-146.505
Income / (loss) on the sale of property, plant and equipment	164.809	9.441
Income from foreign exchange rate, related IB, IG and FXCM	172.296	-22.359
Income with deferred tax	-23.493	-24.005
Increase / (Decrease) in operating cash before changes in working capital	**-3.061.168**	**1.548.566**
(Growth) / Decrease in inventory balances	-14.539	345.695
(Growth) / Decrease in balances of trade receivables and other receivables	4.250.658	-8.540.253
Growth / (Decrease) in trade balances and other liabilities	-6.560.764	17.075.236
Growth / (Decrease) in asset balances available for sale	0	244.323
Net cash flow generated by operating activities	**-5.385.813**	**10.673.567**
Cash flows from operating activities:		
Profit tax paid	0	18
Interest receipts	693.523	722.064
Interest paid	-96.243	-86.120
Total Net cash generated by operating activities	**-4.788.533**	**11.309.529**

Continue on the next page

Consolidated statement of financial flows for the year 2017 - continued

In lei

	2017	2016 restated
Cash flows from investing activities:		
Payment in cash for the acquisition of tangible and intangible assets and real estate investments	-1.974.500	-6.636.848
Payment / Cash Income for Purchase of Financial Instruments	-4.145.598	9.263.625
Cash receipts from the sale of land and buildings, plant and equipment, intangible assets and other long-term assets	34.943	7.810
Dividends received	279.329	146.505
Loans granted / reimbursed	-689.566	1.320.901
Loans granted / redeemed from shareholders	17.250	90.012
Receipts from Loans Granted	0	1.295.959
Receipts from turbo certificate sales	2.333.106	842.235
Total Net cash flow generated by investment activities	**-4.145.036**	**6.330.199**
Cash flows from financing activities:		
Payment for dividends	-390	-480
Payment for leasing purchases	-109.376	-148.135
Receiving / paying short term bank loans	4.919.142	-180.000
Total net cash flow generated by financing activities	**4.809.376**	**-328.615**
Cash flows - total	**-4.124.193**	**17.311.113**
Changes in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	33.004.720	15.813.608
Increase / (decrease) cash and cash equivalents	-4.124.193	17.311.113
Cash and cash equivalents at the end of the period in the Company's accounts	**28.880.528**	**33.124.720**
Of which unavailable (under seizure)	4.980.780	4.980.780
From which :		
Cash held on behalf of clients	26.351.801	27.096.728
Cash held in the name of the company	2.528.727	6.027.993

The notes attached are an integral part of these consolidated financial statements.
These financial statements have been approved today,03.09.2018

Chairman of the Board of Directors
Dr. Darie Moldovan

Chief Accountant,
Pali Mircea Sandu

Content of Notes to Consolidated Financial Statements

1. The entity reporting

SSIF BRK Financial Group S.A. is a financial investment company based in Romania. The address of the registered office is Cluj-Napoca, 119 Motilor Street, CLUJ county. The consolidated financial statements of the Company for the financial year ended December 31, 2016 include the Company SSIF BRK Financial Group S.A., its subsidiaries and a Consolidated Company through equivalence (hereafter referred to as the "Group" or "Group entities").

The main activity of the parent company is the intermediation of financial investment services and the management of its own financial assets portfolio, and the activities of the subsidiaries and associated companies are directed to the management of investment funds, the production of canned meat and, with a lower share of activity, insurances.
The Associated Entity is active in research and development in other natural sciences and engineering.

The financial statements of SSIF BRK FINANCIAL GROUP S.A. are **consolidated** financial statements of the company and have been prepared according to the requirements of the ASF Instruction. no. 2/2014 regarding the application of the International Financial Reporting Standards by the entities authorized, regulated and supervised by the Financial Supervision Authority of the Financial Instruments and Investments Sector, as subsequently amended, and Norms no. 39/2015 for the approval of the Accounting Regulations in compliance with the International Financial Reporting Standards adopted by the European Union ("IFRS") applied by the entities authorized, regulated and supervised by the Financial Supervision Authority of the Financial Instruments and Investments Sector and are in charge of the Company's management.

The consolidated annual financial statements for the years 2017 and 2016 were prepared based on the accounting policies, standards and policies included in these financial statements.

These consolidated financial statements were authorized for issue in August 2018 by the Board of Directors of SSIF BRK FINANCIAL GROUP SA, without the possibility of their amendment after that date.

SSIF BRK FINANCIAL GROUP SA issued for the financial year ended 31.12.2017 and individual financial statements in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS").

Group Entities

Group subsidiaries

The Group consolidated on 31 December 2017 three subsidiaries and an associate, presented below:

Entity	Headquarter	Connection type	Interest in the subsidiary 2016	2015
Facos S.A. Suceava	Suceava, Romania	subsidiary	89.69%	89.69%
S.A.I. Broker S.A.	Cluj-Napoca, Romania	subsidiary	99.98%	99.98%
Confident Broker de Asigurare SRL	Cluj-Napoca, Romania	subsidiary	98.00%	98.00%
Minesa ICPM S.A.	Cluj-Napoca, Romania	associated entity	38.10%	38.10%

Group entity data is shown below:

The name of the affiliated company: Facos S.A.

Company headquarters: loc. Scheia, str. Humorului nr. 100, jud Suceava

The place of business activity: loc. Scheia, jud Suceava

Legal form: S.A.

Unique code: RO714123

Main activity: manufacture of meat products (including poultry meat)

Description: The main activity is the production of beef, pork, poultry and wild game products. SC FACOS S.A. Scheia County, Suceava County was founded in 1991 by dividing the Suceava Meat Industries Company into a state-owned joint stock company.

In January 1999, SC FACOS S.A. becomes a privately-owned company by selling 93.47% of shares to MARTIN'S EUROPEAN FOOD PRODIMPEX from the State Property Fund.

Since 2004, the integrated management system ISO 9001 and HACCP (ISO22000) have been implemented and certified.

The name of the affiliated company: S.A.I. Broker S.A.

Company headquarters: Cluj-Napoca, str. Motilor nr. 119, judet Cluj

The place of business activity: Cluj-Napoca, str Motilor nr. 119

Legal form: S.A.

Unique code: 30706475

Main activity: Other financial intermediation
Description: S.A.I. Broker S.A. is an asset management company. It was established on 26.09.2012.

S.A.I. Broker S.A. administers on 31.12.2017 7 investment funds with total assets of: RON 20.83 million, presented in Note 6 Operational Segments:

- Closed Investment Fund BET-FI Index Invest
- Open Investment Fund FIX INVEST
- Private SMART Money Fund
- Optim Invest Invest Closed Fund
- Prosper Invest Open Investment Fund
- The Fortuna Classic Investment Fund
- The Fortuna Gold Open Investment Fund

The name of the affiliated company: Confident Broker de Asigurare S.R.L.

Company headquarters: Cluj-Napoca, Calea Motilor nr. 119, judet CLUJ

The place of business activity: Cluj-Napoca, Calea Motilor nr. 119, judet CLUJ

Legal form: Limited liability company

Unique code: 27205490

Main activity: Activities of insurance agents and brokers
Description: The main activity is the intermediation of insurance activities carried out with insurance companies on a contractual basis.

The name of the affiliated company: MINESA – INSTITUTUL DE CERCETARI SI PROIECTARI MINIERE S.A.

Company headquarters: Cluj-Napoca, str. Tudor Vladimirescu nr. 15-17, judet CLUJ

The place of business activity: Cluj-Napoca, str. Tudor Vladimirescu nr. 15-17, judet CLUJ

Legal form: Societate pe actiuni

Unique code: RO 4688949

Main activity: Research and development in other natural sciences and engineering.
Description: The main activity is to carry out research and development activities.

2. The bases of drawing up

a) Declaration of conformity

The consolidated financial statements are prepared by the Company in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS"). The Company has prepared these consolidated financial statements to meet the requirements:

Norm 39/2015, for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervision Authority of the Financial Instruments and Investment Sector (ASF).

For the purposes of Norm 39/2015, International Financial Reporting Standards, hereinafter referred to as IFRS, are the standards adopted under the procedure set out in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, as amended and supplemented.

b) The bases of evaluation

The consolidated financial statements have been prepared on a historical cost basis except for the following significant items in the consolidated statement of financial position:

- financial instruments at fair value through profit or loss are measured at fair value;
- available-for-sale financial assets listed on the Bucharest Stock Exchange (BVB), international markets or for which valuation reports have been prepared are valued at fair value;
- derivative financial instruments are measured at fair value;
- real estate investments are measured using the revaluation model in accordance with the provisions of IAS 40;
- fixed assets representing buildings and related land are measured at revalued amount in accordance with the provisions of IAS 16;
- fixed assets available for sale are measured at fair value, in accordance with IFRS 5;
- In accordance with IAS 29, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy shall be reported in the current measurement unit at the balance sheet date (non-monetary items are restated using a general price index from the date of acquisition or contribution).

  Under IAS 29, an economy is considered to be hyperinflationary if, over and above other factors, the cumulative inflation rate over a three-year period exceeds 100%.

  The continuous decrease of the inflation rate and other factors related to the economic environment in Romania indicate that the economy whose functional currency was adopted by the Company ceased to be hyperinflationary with effect on the financial periods from 1 January 2004. Therefore, IAS 29 were adopted in the preparation of the financial statements until 31 December 2003.

- Thus, the amounts expressed in the current measurement unit at 31 December 2003 are treated as the basis for the carrying amounts reported in the financial statements and are not valued, replacement cost, or any other measurement of the current value of the assets or prices at which transactions take place at this moment.

- For the purpose of preparing the financial statements, the Company adjusts its share capital to be expressed in the current unit of measurement at 31 December 2003.

Continuity of activity

Based on the *Company's* own management's assessments, *the Group* will continue to operate in the foreseeable future.

Determination of fair values

Certain accounting policies of the Group and disclosure requirements require that fair value be determined for both financial assets and non-financial assets. Fair values were determined for the purpose of evaluating and / or presenting information based on the methods described below. Where appropriate, additional information is provided on the assumptions used to determine fair values. In the notes specific to the 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 price at the reporting date. The fair value of available-for-sale financial assets is also determined by reference to market quotations.

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

1. Trading Price: For Stocks Listed on Stock Exchange, the Group considers the market to be active and liquid and uses as fair value the closing price of the last trading period at the end of the financial year.

2. Fair value determined by applying the Discounted Dividend Model (DDM): If the company has a consistent history of dividend distribution and the dividend policy is predictable, the valuation price is considered to be the intrinsic value resulting from the model DDM.

3. Fair value determined by applying the Discounted Cash Flow (DCF) method: If the company does not distribute dividends and the valuation is from a significant shareholder perspective, the valuation price is considered to be the intrinsic value resulting from the DCF.

4. Fair value determined by the asset-based method: If the company has valuable redundant assets and the operating activity is small, the valuation price is considered to be the intrinsic value resulting from the application of the method of the net corrected asset.

5. Fair value resulting from the application of the comparative comparative method: If during the last year on the local stock market there were significant transactions (> 10% of the capital) with the shares of companies operating in the same field of activity with the analyzed company, the valuation price is considered to be the intrinsic value determined by applying the comparative method (using as a multiple reference valuation such as: P / E, P / B, P / S, where the respective transactions were made. companies in the previous financial year).

ii. Trade receivables and other receivables

The fair value of trade receivables and other receivables is estimated as the present value of future cash flows, updated with the market interest rate at the reporting date. This fair value is determined for the purpose of presentation.

iii. Financial derivated instruments

The fair value of closed-ended derivative products at the end of the period is calculated as the minimum of the number of sales and purchase positions multiplied by the difference between the average sale price and the purchase price and multiplied further by the number of contracts of the package. The resulting value affects the results account.

The fair value of derivative products opened at the end of the period is calculated if, at the end of the period, there are several sales or purchase contracts as follows: the number of open positions calculated as number of sales positions minus purchases, multiplied by the difference of the average sale price and the quotation price at the end of the period. Symmetrically it is calculated in the situation where there are several purchase contracts than the sale at the end of the period. The resulting value corrects the initial value of the title by the set margin.

iv. Non-derivative liabilities

The fair value, determined for the purpose of presentation, is calculated based on the present value of the future cash flows representing the principal and the interest, updated using the market interest rate at the reporting date.

c) The base of consolidation

(i) Business combinations

The acquisition method is used to account for the Group's subsidiaries. This involves identifying the acquirer, acquisition date, recognition and measurement of identifiable acquired assets, assumed liabilities, and any interests that do not control and the recognition and measurement of goodwill or gain from combining.

The Group assesses goodwill at the fair value of the transferred consideration, including the recognized amount of uncontrolled interests in the acquiree, less the recognized net amount of identifiable assets acquired and liabilities assumed at the date of transition to IFRSs.

Group transaction costs associated with a business combination, such as transaction fees, fees for legal advisory services, and other fees for professional and consultancy services are recognized in the income statement when incurred.

(ii) Subsidiaries

The subsidiaries are entities controlled by the Group. Control is the power to drive the entity's financial and operational policies to gain benefits from its activities. The subsidiaries' financial statements are included in the consolidated financial statements from the moment they are exercised until the moment they cease. The accounting policies of the subsidiaries have been amended, where necessary, to be in line with the policies adopted by the Group. Significant adjustments to subsidiaries refer to:

- alignment of valuation policies for fixed assets;
- applying the necessary adjustments to the current assets;
- the deferred income tax registration
- presentation of the information required by the International Financial Reporting Standards;

(iii) Investments in Associated Entities

Associated entities are those entities over which the Group exerts significant influence but does not have control over its financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50% of voting rights in another entity.

International Financial Reporting Standards require that basic treatment for investments in associates as they are accounted for using the equity method and initially recognized at cost.

According to this method, the consolidated financial statements should include the Group's share of the income, expenses and changes in equity of investments accounted for using the equity method, after adjusting the accounting policies to those of the Group, from the date of commencement until the date when significant influence or joint control ceases. When the Group's share of losses exceeds its interest in the equity-recognized investment, the carrying amount of the interest, including any long-term investments, is reduced to zero, and the subsequent loss recognition is discontinued unless the Group has an obligation or made payments on behalf of the entity in which he invested.

As an exception to this treatment, IFRS provides that investments held by venture capital funds, investment funds and similar institutions are excluded from the scope of IAS 28 described in the preceding paragraph when they are measured at their fair value in accordance with IAS 39. The primary reason is that for these companies there are usually market quotes, which is also the case for group entities, and the cash flows of the related entities are not closely related to those of the parent company.

(iv) Transactions removed on consolidation

Balances and transactions within the Group, as well as any unrealized income or expense arising from transactions within the Group, are eliminated when preparing the consolidated financial statements.

(v) Provisions for situations where the percentage of interest changes in subsidiaries that do not result in loss of control of the subsidiary.

Under IFRS, the change in the percentage of interest in a subsidiary that does not result in the loss of subsidiary control is capital transactions (shareholder transactions).
When the interest rate changes, the book value of the controlling and non-controlling interests is adjusted to reflect the relative changes in the subsidiary.
Any difference between the amount with which non-controlling interests are altered and the fair value of the consideration paid or received is recognized directly in equity and attributable to the parent company's shareholders.

(vi) Uncontrolled interests represent the interests of the shareholders / associates who do not control the entity and comprise the share of the capital and the results corresponding to the percentage held by them.

d) Functional and presentation currency

These consolidated financial statements are presented in lei (ron), which is the functional currency of the Group. All financial information is presented in lei (ron), rounded to the nearest unit, unless otherwise specified.

e) Foreign currency

Transactions in foreign currency are converted into the Group's functional currency at the foreign exchange rate at the transaction date. Monetary assets and liabilities, which at the reporting date are expressed in foreign currency, are translated into the functional currency at the foreign exchange rate of the reporting date. Foreign exchange differences are recognized directly in other comprehensive income.

f) Use of professional estimates and judgments

Preparing the consolidated financial statements in accordance with IFRS requires management to use estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. The actual results may differ from the estimated values.

Estimates and assumptions underlying them are periodically reviewed. Revisions of accounting estimates are recognized in the period in which the estimate was revised and in future periods affected.

Information on critical business judgment critical to the accounting policies that materially affect the amounts recognized in the consolidated financial statements is included in the following notes:

- Note on Financial Instruments - classification of financial instruments;
- Note on Income and Financial Expenses - the final impairment losses of available-for-sale securities that are reclassified from equity to financial expense;
- Note on Fixed Assets held for sale - treating them as available for sale.

3. Significant accounting policies

In the following, we will present the significant policies applied by the Group.

These consolidated financial statements have been prepared in accordance with IFRS and the Group's accounting policies as set out below. These financial statements are the responsibility of the management of BRK Financial Group S.A.

The accounting policies presented below have been applied consistently for all periods presented in these consolidated financial statements and by all entities of the Group.

a) Finnancial instruments

i. Non-derivative financial instruments

The Group initially recognizes the loans, receivables and deposits at the date they were initiated. All other financial assets (including assets designated at fair value through profit or loss) are initially recognized at the date when the Group becomes part of the contractual terms of the instrument.

The Group derecognises a financial asset when its contractual rights expire on asset-generated cash flows.

The Group has 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 at fair value through profit or loss if it is classified as held for trading or if it is designated as such on initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages these investments and makes decisions to purchase or sell on a fair value basis in accordance with the investment and risk management strategy. Upon initial recognition, attributable trading costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value and subsequent changes are recognized in the income statement.

Credits and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not listed on an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method less the value of impairment losses.

Cash and cash equivalents comprise cash balances and sight deposits with original maturities of up to three months.

Financial assets available for sale

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

Subsequent to initial recognition, these securities are measured at fair value and subsequent changes other than impairment losses are recognized in other comprehensive income and are presented within equity in the fair value reserve. When an investment is derecognised, gain or loss on other comprehensive income is transferred to the income statement.

The impairment losses of these securities are recognized at expense in the financial year in which management estimates that they have occurred.

Common Provisions for Financial Assets at Fair Value through Profit or Loss Account and Financial Assets Available for Sale

When the Group is given free shares that are listed (either as a result of the incorporation of reserves in the share capital or as a result of dividends in the form of free shares), they do not cause any accounting in the accounts, but just changing the number of shares they hold and implicitly their weighted average cost. At their first revaluation (at the end of the month in which the free shares were received), the new number of shares held shall be taken into account, so that the value of the holding will be determined by multiplying the new amount of shares with the market price on the last day of the month.

Unlisted shares are classified as available for sale and are recorded:
- at fair value - when it is possible to apply methods for their evaluation;
- at cost - when it is not possible to apply assessment methods;

The free shares received for these securities are recorded in the capital accounts on free stock reserves at the value at which the shares already in the balance are recorded.

Discharge of titles regardless of their classification is made at the average cost of acquisition weighted by the number of shares purchased after each transaction.

ii. Derivative financial instruments

Derivatives are initially recognized at fair value; the attributable trading costs are recognized in the income statement when incurred. Subsequent to initial recognition, derivative financial instruments are measured at fair value and subsequent changes are recognized immediately in the income statement.

b) Depreciation

i. Financial assets (including receivables)

A financial asset that is not carried at fair value through profit or loss is tested at each reporting date to determine whether there is objective evidence of impairment. A financial asset is considered impaired if there is objective evidence to suggest that after the initial recognition there was an event that caused a loss, and this event had a negative impact on the expected future cash flows of the asset and the loss can be estimated credibly.

Objective evidence that financial assets (including equity instruments) are impaired may include failure to meet a payment obligation by a liabilitiesor, restructuring an amount owed to the Group under terms that the Group would otherwise not accept, indices as a borrower or an issuer will go bankrupt, the disappearance of an active market for an instrument. In addition, for an investment in equity instruments, a significant and long-term decline in fair value is objective evidence of depreciation.

The Group considers the impairment of receivables and held-to-maturity investments in both a specific asset and a collective asset. All receivables and held-to-maturity investments that are individually significant are tested for impairment. All held and held-to-maturity investments that are individually significant for which no specific impairment was found are then collectively tested to determine the existence of impairment that has not yet been identified. Claims and held-to-maturity investments that are not individually significant are grouped according to similar risk characteristics and are collectively tested for impairment.

In order to test the collective depreciation, the entity uses historical trends in the probability of default, the recovery period and the amount of losses incurred, adjusted for the professional judgment of management as to the likelihood that actual economic and credit conditions will higher or lower than those indicated by historical trends.

An impairment loss on a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of expected future cash flows using the effective effective interest rate of the asset. Losses are recognized in the income statement and are reflected in a receivables adjustment account. When a subsequent event causes the impairment loss to be deducted, it is reversed through the income statement.

Impairment losses on available-for-sale investments are recognized by transferring to the income statement the cumulative loss that has been recognized in other comprehensive income and presented in the fair value reserve in equity. Cumulative loss transferred from other comprehensive income to the income statement is the difference between the cost of acquisition, net of principal repayments and amortization, and the fair value less any impairment loss previously recognized in the income statement.

If, in a subsequent period, the fair value of an available-for-sale liabilities instrument increases and the increase can be objectively associated with an event that occurred after the impairment loss was recognized in the income statement, then the impairment loss is resumed and the reversal is recognized in the income statement. However, any subsequent recovery of the fair value of an available-for-sale equity instrument is recognized in other comprehensive income.

ii. Non-financial assets

The Group'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 evidence of impairment. If such evidence exists, the recoverable amount of the asset is estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year.

The recoverable amount of an asset or a cash-generating unit is the maximum of the amount of use and fair value less costs to sell. In determining the amount of use, expected future cash flows are updated to determine the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and asset specific risks.

c) Inventories

Inventories are valued at the minimum cost and net realizable value. The cost of inventories is based on the first-come, first-come, cost principle and includes costs incurred for the acquisition of inventories, production or processing costs, and other costs incurred to bring inventory to shape and location. In the case of inventories produced by the Group and those in production, the cost includes the corresponding share of the administrative expenses related to the production on the basis of the normal operating capacity.

The net realizable value is the estimated selling price during the normal business activity minus the estimated costs for completion and the costs for the sale.

d) Tangible assets

i. Recognition and evaluation

Items included in property, plant and equipment are measured at the cost date and subsequently revalued less accumulated depreciation and accumulated impairment losses.

Gains or losses on the disposal of a tangible fixed asset are determined by comparing the proceeds from the disposal of the asset to the carrying amount of the tangible assets and are recognized at net value under other income in the income statement. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings. The revaluation reserve is reduced in each financial year by the amount corresponding to the amortization and transferred to the retained earnings

ii. Reclassification as real estate investments

Real estate investments are defined below under Property Investment (f).
When the use of a property changes from the real estate used by the owner to the real estate investment, the property is revalued at fair value and is reclassified as a real estate investment.

iii. Subsequent costs

The cost of replacing a tangible asset component is recognized in the carrying amount of the asset if it is probable that the future economic benefits embodied in that component will flow to the Group and its cost can be measured reliably. The accounting value of the replaced component is derecognised. Expenses with the current maintenance of the tangible assets are recognized in the income statement as they are realized.

iv. Depreciation of tangible assets

Depreciation is calculated for the depreciable amount, which is the cost of the asset, or another cost-at-cost, minus the residual value.

Depreciation is recognized in the income statement using the straight-line method for the useful life estimated for each component of a tangible asset. Leased assets are depreciated over the shortest of the lease term and useful life, unless it is reasonably certain that the entity will acquire ownership at the end of the lease. Land is not being depreciated.

Duration of useful lives for the current and comparative periods are as follows:

- construction - 40 years
- technical installations and machines - 2-10 years;
- means of transport - 5 years
- other installations, equipment and furniture - 3-10 years;

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

e) Intangible assets

i. Goodwill

The goodwill arising from the acquisition of subsidiaries is included in intangible assets. It is measured at cost less accumulated impairment losses.

ii. Subsequent expenditures

The subsequent expenditures are capitalized only when they increase the amount of future economic benefits embodied in the asset to which they are intended. All other expenses, including goodwill, are recognized in profit or loss when incurred.

iii. Depreciation of intangible assets

Depreciation is calculated for the cost of the asset or another value that replaces the cost, less the residual value.

Depreciation is recognized in the income statement using the straight-line method for the useful life estimated for intangible assets other than goodwill from the date they are available for use, reflecting the most accurate way expected to consume the economic benefits incorporated in the asset.

Estimated useful lives for the current and comparative periods are as follows: 3 years for all intangible assets, except goodwill.

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

f) Real estate investments

The real estate investments are properties owned either to be leased or to increase the value of the capital or both, but not for sale in the ordinary course of business, use in production, supply of goods or services, or for administrative purposes. Real estate investments are valued as assets used at fair value. Any valuation or depreciation of their value is recognized in the income statement.

g) Assets acquired under leasing contracts

Lease agreements by which the entity substantially assumes the risks and rewards of ownership are classified as finance leases. At the time of initial recognition, the asset subject to the lease is measured at the minimum of the fair value and the present value of the minimum lease payments. After the initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

Other leasing contracts are classified as operating leases.

h) Leasing payments

Payments made under operating leases are recognized in the income statement for the period of the lease. The incentives received for operating leases are recognized as an integral part of the total lease expense over the lease term.

Minimum lease payments made under a finance lease are allocated between financial expense and liabilities reduction. Financial expense is allocated to each period during the lease so as to obtain a constant periodic interest rate on the outstanding balance of the liability.

Determining the extent to which an arrangement contains a lease: At the initiation of an arrangement, the entity determines whether the arrangement is or contains a lease.

i) Tangible fixed assets held for sale

Tangible assets or disposal groups containing assets or liabilities whose carrying amount is expected to be recovered principally through a sale operation and not through continuing use are classified as assets held for sale.

Prior to reclassification to the property, plant and equipment, the assets or components of a disposal group are revalued in accordance with the Group's accounting policies. Generally, assets or pools of disposal assets are subsequently measured at the minimum of the carrying amount and the fair value less costs to sell.

Impairment losses for a sales group are allocated to the first stage of goodwill and then to the residual value of the assets and liabilities, except that no impairment will be allocated to inventories, financial assets, deferred tax assets, on employee benefits and real estate investments, which continue to be valued in accordance with the Group's accounting policies. Impairment losses arising on initial classification as held for sale and subsequent gains or losses as a result of revaluation are recognized in the income statement. Gains that exceed cumulative impairment losses are not recognized.

j) Non-derivative financial liabilities

Liabilities are recognized at the date when the Group becomes part of the instrument's contractual terms.

The Group recognizes a financial liability when the contractual obligations are paid or are canceled or expires. The Group holds the following non-derivative financial liabilities: loans, account breakdowns, trade payables, liabilities to customers on their deposits and other liabilities.

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

k) Share capital

Ordinary shares

Ordinary shares are classified as part of equity. Additional direct costs attributable to the issue of ordinary shares are recognized as a reduction in equity at net book value.

Redemption of share capital (treasury shares)

When equity recognized as part of equity is redeemed, the amount of the consideration paid, which includes other directly attributable costs, net of tax effects, is recognized as a decrease in equity. Redeemed shares are classified as treasury shares and are presented as a reduction in equity. When treasury shares are sold or subsequently remitted, the amount received is recognized as an increase in equity and the surplus or deficit recorded as a result of the transaction is transferred to or from the retained earnings.

l) Employee benefits

(i) Benefits on short term

Employee short-term benefits are evaluated without being updated and the cost is recognized as related services are rendered.

A liability is recognized at the amount that is expected to be payable under short-term plans for cash or profit sharing if the Group has a legal or constructive obligation to pay that amount for services previously provided by employees and the obligation can be estimated reliably.

(ii) Share-based payment transactions

The fair value at the time of employee share bonus payment is recognized as a staff expense, together with an increase in equity, during the time that employees become unconditionally entitled to these premiums.

m) Provisions

A provision is recognized if, as a result of a prior event, the Group has a present legal or constructive 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 updating expected future cash flows using a pre-tax rate that reflects current market assessments of time value of money and liabilities-specific risks. Damping the update is recognized as financial expense.

n) Sale of goods and provision of services

The income from sales during the current period is measured at the fair value of the consideration received or receivable. Income is recognized when the risks and rewards resulting from ownership of the property are transferred significantly, the amount of revenue can be measured reliably.

In the case of brokerage activity, commission income is recognized on the transaction date. In the case of income from dividends, on the date of the right to collect them.

o) Income from rent

Rental income from real estate investments is recognized in the income statement for the period of the lease.

p) Revenue and Financial Expenses

The financial revenue include:

- revenue from intrest on bank deposits;
- revenue from dividend;
- earnings from selling of:
    - financial assets available for sale and
    - assets recorded at fair value through profit or loss;
- changes in fair value of assets recorded at fair value through profit or loss;
- income from exchange rate fluctuations.

Interest income is recognized in the income statement on the basis of accrual accounting using the effective interest method.

Dividend income is recognized in profit or loss at the date when the entity is entitled to receive dividends, which in the case of listed instruments is the ex-dividend date.

Financial expenses include:
- the recognized impairment losses on financial assets at fair value through profit or loss;
- the definitive loss of value of available-for-sale financial assets;
- exchange rate differences;
- exchange rate losses ierderile;

Income and losses on foreign exchange differences are reported on a net basis.

q) Income tax

Expenses with income tax include current tax and deferred tax. Current and deferred tax is recognized in the income statement unless they are attributable to business combinations or items recognized directly in equity or other comprehensive income.

Current tax is the tax that is expected to be paid or received for taxable income or deductible loss incurred in the current year using tax rates adopted or largely adopted at the reporting date and any adjustment to tax liability on profits for previous years.

Deferred tax is recognized for the temporary differences that arise between the carrying amount of assets and liabilities used for the purpose of financial reporting and the tax base used for the tax calculation.

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

Deferred tax assets and liabilities are offset only if there is a legal right to offset current tax liabilities and receivables and are related to taxes charged by the same tax authority for the same taxable entity or for different tax entities but which intends to settle receivables and liabilities with current tax on a net basis or whose assets and liabilities from taxation will be simultaneously realized.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, only to the extent that it is probable that future profits may be used to cover the tax loss. Deferred tax assets are reviewed at each reporting date and are diminished to the extent that the related tax benefit is no longer probable. The Note *on deferred tax assets and liabilities* includes cases where they have not been recognized in deferred tax assets.

r) Result per share

The group presents information on earnings per share basic and diluted for its ordinary shares. Basic earnings per share is calculated by dividing the Group's ordinary share holders' profit or loss on the weighted average of ordinary shares outstanding during the period adjusted for the amount of equity held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary equity holders and the weighted average number of shares outstanding, adjusted by the amount of equity held, to dilution effects of all ordinary share options, including share options for employees.

s) Report on segments

An operating segment is a component of the Group that engages in activities that may generate revenue and incur expenses, including income and expense related to transactions with any of the Group's other components.

The operating results of an operating segment are reviewed periodically by the Executive Director to make decisions about the resources to be assigned to the segment and to analyze its performance and for which distinct financial information is available.

t) New standards or changes to existing ones

The following amendments to existing standards and new interpretations issued by the International Accounting Standards Board (IASB) adopted by the EU are in force for the current reporting period:

- **Amendments to IAS 7 "Statement of Cash Flows" -** Presentation Requirement Initiative - Adopted by the EU On 6 November 2017 (applicable for annual periods beginning on or after 1 January 2017),
- **Amendments to IAS 12 "Income Tax"** - Recognition of deferred tax assets for unrealized losses - adopted by the EU On 6 November 2017 (applicable for annual periods beginning on or after 1 January 2017),
- **Amendments to IFRS 12 Following the "Improvements to IFRS (Cycle 2012-2014)"** resulting from the annual IFRS Improvement Project (IFRS 1, IFRS 12 and IAS 28) with the primary objective of eliminating inconsistencies and clarifying certain formulations - adopted by the EU On 7 February 2018 (amendments to IFRS 12 are applicable for annual periods beginning on or after 1 January 2017).

Adopting these amendments to existing standards did not lead to significant changes in the company's financial statements.

Standards and amendments to existing IASB standards and adopted by the EU but not yet in force
At the date of approval of these financial statements, the following new standards issued by the IASB and adopted by the EU are not yet in force:

- **IFRS 9 "Financial Instruments"** - adopted by the EU On 22 November 2016 (applicable for annual periods beginning on or after 1 January 2018),
- **IFRS 15 Revenue from Contracts with Customers and Amendments to IFRS 15 "Effective Date IFRS 15"** - adopted by the EU On 22 September 2016 (applicable for annual periods beginning on or after 1 January 2018),
- **IFRS 16 "Leasing"** - adopted by the EU On 31 October 2017 (applicable for annual periods beginning on or after 1 January 2019),
- **Amendments to IFRS 4 "Insurance Contracts"** - Application of IFRS 9 Financial Instruments Along with IFRS 4 Insurance Contracts - Adopted by the EU On 3 November 2017 (applicable for annual periods beginning on or after 1 January 2018 or for the first time application of IFRS 9 "Financial Instruments"),
- **Amendments to IFRS 15 "Revenue from contracts with customers" -** IFRS 15 clarifications Revenue from contracts with customers - adopted by the EU on 31 October 2017 (applicable for annual periods beginning on or after 1 January 2018)
- **Amendments to IFRS 1 and IAS 28 Following the "Improvements to IFRS (Cycle 2014-2016)"** resulting from the annual IFRS Improvement Project (IFRS 1, IFRS 12 and IAS 28) with the primary objective of eliminating inconsistencies and clarifying certain wording - adopted by the EU on 7 February 2018 (amendments to IFRS 1 and IAS 28 are applicable for annual periods beginning on or after 1 January 2018).

SSIF BRK FINANCIAL GROUP SA chose not to adopt these new standards and amendments to the existing standards before the actual entry into force. The Company expects that the adoption of these Standards and amendments to existing standards will not have a material impact on the company's financial statements. During the initial period of application, except for IFRS 9, the impact of which is presented in Note 27.

New standards and amendments to existing IASB standards but not yet adopted by the EU

Currently, IFRS as adopted by the EU does not differ significantly from the regulations adopted by the International Accounting Standards Board (IASB), except for the following new standards, amendments to existing standards and new interpretations that have not been approved for use in EU on 22 March (the entry into force of the Inputs below is for all IFRS):

- **IFRS 14 "Deferred Regarding Regulated Activities"** (applicable for annual periods beginning on or after 1 January 2016) - The European Commission has decided not to issue the approval process for this interim standard and to wait for its completion,
- **IFRS 17 "Insurance Contracts"** (applicable for annual periods beginning on or after 1 January 2021),
- **Amendments to IFRS 2 Share-based Payment** - Classification and measurement of share-based payment transactions (applicable for annual periods beginning on or after 1 January 2018),

- **Amendments to IFRS 9 "Financial Instruments"** - Advance Payments with Negative Compensation (applicable for annual periods beginning on or after January 1, 2019),
- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** - Sale or contribution of assets between an investor and associates or joint ventures and subsequent amendments the validity has been postponed indefinitely, until the research project on the equivalence method is completed),
- **Amendments to IAS 19 Employee Benefits -** Change, reduction or settlement of a plan (applicable for annual periods beginning on or after 1 January 2019),
- **Amendments to IAS 28 "Investments in Associates and Joint Ventures"** - Long-term interests In associates and joint ventures (applicable for annual periods beginning on or after 1 January 2019),
- **Amendments to IAS 40 "Investment property"** - Real estate investment transfers (applicable for annual periods beginning on or after 1 January 2018),
- **Amendments to various standards Following the "Improvements to IFRS (Cycle 2015-2017)"** resulting from the annual IFRS Improvement Project (IFRS 3, IFRS 11, IAS 12 and IAS 23) with the primary aim of eliminating inconsistencies and clarifying certain formulations (applicable for annual periods beginning on or after January 1, 2019),
- **IFRIC 22 "Foreign Currency Transactions and Advances"** (applicable for annual periods beginning on or after January 1),
- **IFRIC 23 "Income Tax Treatment Uncertainty"** (applicable for annual periods beginning on or after 1 January 2019).

SSIF BRK FINANCIAL GROUP SA anticipates that the adoption of these standards and amendments to existing standards will not have a material impact on the company's financial statements. During the initial period of application.

u) Discontinued activities

An discontinued activity is a component of the Group's activities that represent a major segment of a distinct business or a geographical area of operations that has either been discontinued or classified as held for sale or is a branch acquired exclusively for resale. Classification as discontinued activity occurs at the time of interruption or when the activity meets the criteria for classification as held for sale, whichever occurs earlier. When an activity is classified as discontinued, comparative information in the statement of comprehensive income is presented as if the activity had been discontinued from the beginning of the comparative period.

4. Financial risck mamagement

The Group is exposed to the following risks from the use of financial instruments:
-credit risk
-iquidity risk
-market risk
-operational risk
-interest rate risk
-currency risk

These notes provide information on the Group's exposure to each of the risks mentioned above, the Group's risk assessment and management objectives, policies and processes and the procedures used for managing capital

General Framework on Risk Management

The Board of Directors of each Group within the Group is responsible for establishing, monitoring and overseeing the entity's risk management framework.
This management framework is supervised and monitored by the Board of Directors of the parent company.

The complex activity of the Group and especially the BRK Financial Group S.A. requires active risk management and, in order to ensure their management, the Group has established a risk management system by developing internal risk management policies and procedures in accordance with applicable regulations and legislation. Risk management principles include risk identification and awareness, their assumption, management and monitoring, prudential requirements for risk management, periodic review of risk policies and internal procedures, risk control and management.
At the same time, the Group's internal procedures define risk management policies, set appropriate limits and controls, ways to monitor risks and adhere to established limits.

Regularly, verification and follow-up missions are carried out to observe the provisions of internal procedures and regulations in force, and reports are drafted to the Executive Management of the company and to the Board of Directors.
In this way an orderly and constructive control environment is developed, so that through the proactive activity of risk management (fundamental activity within the company), all the risks faced by the Group and in particular the BRK Financial Group S.A.

Risk categories

Credit risk
Credit risk is the risk of loss or non-realization of estimated profits as a result of non-fulfillment of contractual obligations by a client or counterparty, and this risk mainly results from the inability of clients to honor their payment obligations in relation to risk assets, balance sheet or off-balance sheet assets.
For securities brokerage activity, at the balance sheet date there is no credit risk because, according to the internal procedures approved by the Board of Directors, clients can record liabilities to the BRK Financial Group only on the basis of analyzes and approvals and only short term.

Exposure to credit risk

Assets exposed to credit risk are the following categories of holdings: positions on financial instruments that do not belong to the tradable portfolio, exposures from commissions, interests, dividends, margins for futures contracts, options, warrants, receivables on financial and non-financial entities, off-balance sheet items other items than those included in the trading portfolio, tangible assets, cash, sight and time deposits, loans granted to affiliated entities, any assets not deducted from the Group's eligible capital.

The risk of incurring losses due to non-fulfillment of obligations by the liabilitiesor may have two causes:

a) bankruptcy of the liabilitiesor / issuer - also called the bankruptcy risk of the liabilitiesor (long-term credit risk). This risk concerns the long-term financial assets that are implicitly affected by the solvency dynamics of the issuer of those securities.

b) the bad faith of the liabilitiesor (the counterparty with which the company carries out certain types of financial transactions) also called counterparty credit risk (short-term credit risk). The financial operations to which this type of risk relates are the following:

1. derivatives traded on OTC and credit derivatives;
2. repurchase agreements, reverse repurchase agreements, securities lending or borrowing operations with Loan based on securities or commodities included in the trading portfolio;
3. loan transactions in margin in relation to securities or commodities and
4. long-term settlement transactions.

Method of determination.

Regarding the parent company of the Group - BRK Financial Group S.A., the capital requirement related to the credit risk and the counterparty credit risk is determined according to the provisions of the EU Regulation no. 575/2013 (Reg. 575/2013) on capital adequacy for the standardized approach for those financial risks. These provisions are specific and applicable to companies that carry out financial activity.

Minimum capital requirements for credit risk are determined by the standard approach, taking into account only positions in the non-negotiable portfolio, based on their book value (after deducting the amortized amount), weighted by the coefficient for the exposure class from which it is made part of the item analyzed.

For the purpose of presentation in these consolidated financial statements, capital adequacy calculations have been extended / recalculated excluding participations to subsidiaries and also considering exposures by subsidiaries, applying a similar methodology, even though Reg 575/2013 is specific to the companies that carry out the activity financial.

The exposure situation by exposure classes at group level is presented as follows:

Exposure classes	**Risk weighted exposure amounts**
Institutions	11.426.234
companies	4.873.490
retail	652.670
Exposures in default	2.573
Elements associated with an extremely high risk	8.501.907
Collective investment bodies	5.824.220
Other items (including property, plant and equipment)	22.757.393
Guaranteed bonds	1.815.181
Total	**55.853.669**

Reported to the Group's equity capital less intangible assets, credit risk exposures records at an average level of about **94%** of the Group's own funds.

In the individual financial statements drawn up by SAI BRK Financial Group S.A., the same indicator was presented as representing **103.63%** of own funds.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with financial liabilities that are settled in cash or by the transfer of another financial asset. At the date of these consolidated financial statements, the Group has loans in the balance.

Regarding the brokerage activity (related to the intermediation segment), the liquidity in the customer relationship is ensured by the fact that the investment companies have the obligation to maintain the clients' accounts in separate accounts, without being able to use them in any way.

In terms of overall liquidity, current availability sources are represented by the results of the placement activity, the commissions received from customers and the proceeds from the sale of finished products, and as extraordinary sources the capital increases.

The risk of liquidity has two forms:

Liquidity risk of the portfolio of financial instruments - losses that can be recorded by the Group due to the impossibility of finding a counterparty in financial transactions, thus making it difficult to close the positions on financial instruments that record unfavorable price variations***.***

Risk of liquidity coverage - losses that can be recorded by the Group due to the impossibility to finance net outflows (current liabilities) recorded over a 30-day period.

Method of determination:

Liquidity risk of the portfolio of financial instruments - The rate of highly liquid assets in the total portfolio - is calculated as a ratio between the value of the assets with a high liquidity and the value of the total asset.

Liquidity requirement coverage ratio (LCR) - is calculated for the parent company as the ratio between the value of assets with a high liquidity (liquidity reserves) and the value of current liabilities (liabilities matched to the maturity band of up to 30 days)

The risk of long-term assets financing from non-permanent resources - is calculated as a ratio between the value of temporary assets (eg unrelieved dividends, loans, issued bonds, etc.) and the value of the total asset.

On 31.12.2017 the parent company, ie BRK Financial Group recorded a 49% LCR.

Within the highly liquid assets, the following holdings were included:
- bank accounts (cash and deposits);
- adjusted share value;
- adjusted OPC value.

The values that entered into the calculation of the SSIF BRK Financial Group at 31.12.2017 were the following:

Cash and deposits	**1.515.211**
Adjusted value of shares	**564.014**
Val max included in RL titles holdings	***267.390***
Validated OPC + Titles =	**797.419**
Total liquid assets =	**2.312.629**
LCR =	**49%**

The above indicator is specific to the financial companies and as a result is currently calculated only by the parent company. The Group also includes companies that carry out non-financial activities.

At the level of the group, the relevant indicator is current liquidity as current assets / liabilities (liabilities) current. This indicator records the following values:

Current liquidity indicator	**2016**	**2017**
Current assets	69.264.979	69.291.927
Current liabilities	44.197.206	42.331.122
Current liquidity	1,57	1,64

Market risk
Market risk is the risk that the variation in market prices, such as the price of equity instruments, the exchange rate, and the interest rate, will affect the Group's income or the value of the financial instruments held. The objective of market risk management is to monitor and control market risk exposures within acceptable parameters and, at the same time, to optimize return on investment.

Operational risk
The operational risk is the risk of direct or indirect losses arising from a wide range of causes associated with the Group's processes, staff, technology and infrastructure, as well as external factors other than credit, market and liquidity risk, such as arising from legal and regulatory requirements and from generally accepted standards of organizational behavior. Operational risks arise from all Group operations.

The objective of the Group is to manage operational risk so as to achieve a balance between avoiding financial losses and jeopardizing the Group's reputation, on the one hand, and streamlining the cost structure and avoiding control procedures that restrict initiative and creativity, on the other part.

Regarding the operational risk at the level of the mediation activity, this is also very low and by the requirements requested by the Financial Supervisory Authority (ASF) regarding the organization, the requested reports, the internal control activities carried out according to the imposed requirements.

The main responsibility for the development and implementation of operational risk controls lies with the management of each organizational unit. This responsibility is supported by the development of general standards at Group level for operational risk management in the following areas:

- requirements for adequate segregation of tasks, including independent transaction authorization;
- requirements for reconciliation and transaction monitoring;
- compliance with regulations and other legislative requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks and the adequacy of controls and procedures for identified risks;
- training and professional development;

- ethical and business standards.

The compliance with Group standards is ensured through a program of periodic reviews by the Internal Audit Department. The results of these reviews are dictated by leadership.

Interest rate risk

The Group has the following loans as at 31 December 2017:

- a credit line, granted over a period of 1 year, in order to support the current activity of the Group (the trading segment). Interest on the credit line is comprised of the ROBOR reference index at 3 months and a fixed margin.
- a credit line granted for a period of 3 months, in order to support the current activity of the Group (the prepared and canned meat segment). Interest on the credit line consists of the ROBOR reference index at 3 months and a fixed margin.

Interest rates used to determine fair value

For the determination of fair value or for impairment testing of financial instruments no interest rates were used to update cash flows as it was not the case for trade receivables or other financial instruments whose collection is significantly delayed over time.

For doubtful receivables (receivables whose recovery is uncertain), at the end of the reporting period, write-downs for depreciation at the full amount.

Currency risk

The parent company of the Group, BRK Finanacial Group and one of its subsidiaries, is a financial institution regulated and authorized by the Financial Supervisory Authority and is subject to the European regulations, respectively the CRD-CRR legislative package, with the relevant Technical Standards.

The capital requirement related to the foreign exchange risk is determined according to the provisions of the EU Regulation no. 575/2013 on capital adequacy for the standardized approach for that financial risk.

The limits on exposure to this risk are calculated as a ratio between the exposure value of the assets exposed to the foreign currency risk and the value of the BRK Financial Group's own funds.

The BRK Financial Group calculates the capital requirement for currency risk if the exposures to this risk exceed 2% of total own funds.

On 31 December 2017, the exposures to foreign exchange accounted for 19.02% of the total equity of the parent company, which is equivalent to a high risk for the company.

Exposures to currency risk are composed of the following elements:
- derivatives (CFD, futures, options, warrants);
- cash in the account at external intermediaries
- bank deposits in foreign currency;
- leasing contracts;
- guarantees to the market institutions;
- foreign currency bonds.

The methodology for determining the exposure and the capital requirement for the parent company is as follows:

CURRENCY	TOOLS	GROSS POSITION		NET POSITION	
		SHORT	LONG	SHORT	LONG
EUR	CFD	0	0	0	0
	FUTURES	0	0	0	0
	CASH IN INTERMEDIATE ACCOUNT	0	39.104	0	39.104
	DEPOSITS	0	525.315	0	525.315
	WARRANTE	0	59.248	0	59.248
	LEASING	0	0	0	0
	GUARANTEES	0	139.266	0	139.266
	OPTIONS	0	47.992	0	47.992
	BONDS	0	9.244.658	0	9.244.658
Total EUR		0	10.055.583	0	10.055.583
USD	OTC	343.785	0	343.785	0
	OTC GOLD	19.728	0	19.728	0
	OPTIONS	0	2.340	0	2.340
	CASH IN INTERMEDIATE ACCOUNT	0	1.198.183	0	1.198.183
	STRUCTURED	0	15.230	0	15.230
	DEPOSITS	0	16.734	0	16.734
Total USD		363.513	1.232.487	363.513	868.974
CHF	OPTIONS + CFD	0	0	0	0
	WARRANTE	0	0	0	0
	DEPOSITS	0	26.701	0	26.701
Total CHF		0	26.701	0	26.701
GBP	CFD	0	0	0	0
	DEPOSITS	0	2.167	0	2.167
Total GBP		0	2.167	0	2.167
NOK	CFD	0	0	0	0
CAD	DEPOSITS	0	12.398	0	12.398
CZK	DEPOSITS	0	1.853	0	1.853
SEK	CFD	0	0	0	0
HKD	CFD	0	51.937	0	51.937
TOTAL		***363.513***	***11.383.126***	***727.026***	***10.967.676***

5. Capital management

Policy of the Board of Directors of SSIF BRK Financial Group S.A. is to maintain a sound capital base to maintain investor, creditor and market confidence and sustain the future development of the Company. The Board of Directors monitors the profitability of all agencies where the trading activity is conducted on a monthly basis and the results of the analysis are discussed during the monthly meetings of the Board of Directors.

Also, during the monthly meetings of the Board of Directors, the report on the investment activity drawn up by the analysis department is discussed. Global results are monitored to maintain a high return on capital. The parent company - SSIF BRK Financial Group S.A. and one of its subsidiaries is subject to prudential regulation with respect to minimum capital requirements and minimum own funds so as to hedge against risks:

- risk-weighted exposure amounts and risk mitigation risk are considered risk-weighted exposure exposures according to the class of exposures to which they are part;
- to cover position risk and settlement / delivery risk, capital is required at 16% of the exposure level;
- operating capital is required to cover operational risk at the level of 15% of the average of the last three years of the operating result.

For the past two years, capital adequacy indicators recorded the following values:

	Repot on 31 december 2017	**Repot on 31 december 2016**
Total own funds	53.844.125	57.463.227
Total capital requirements	9.995.306	3.262.499
Risk exposures	124.941.331	98.360.198

Under current regulations, the parent company reports large exposures to the Financial Supervisory Authority (FSA), which are defined as those gross exposures exceeding 10% of the eligible capital (own funds). For institutions, large exposures can not exceed the maximum of 25% of eligible capital (own funds).

Also, qualifying holdings, representing the direct or indirect holding of at least 10% of the voting rights or of the capital of an entity, in a percentage higher than 15% of the company's own funds, shall be pursued.

The aforementioned indicators are not currently calculated for group subsidiaries because they apply only to financial institutions.

With respect to Group-level indicators, the solvency ratios are those shown below:

	2017	**2016 restated**
Patrimonial solvency rate (Equity / Total liabilities x100)	58,43%	57,52%
Rate of financial autonomy (Equity / Permanent equity x100)	97,40%	97,25%
Overall inliabilitiesedness (Total Liabilities / Equity x 100)	71,14%	73,85%

5^1 Business combinations

- **Facos S.A. Suceava**

On 30.08.2007 SSIF Broker S.A. has acquired shares representing 83.02% of SC Facos S.A. with the object of activity manufacturing and selling meat products.
The acquisition value was at that time 14,756,336 lei, of which the amount of 14,459,481 lei was actually paid and the amount of 296,855 lei remained to be paid on condition that the share reached the amount of 17,664,480 lei.

The taking control of Facos S.A. was carried out with the purpose of achieving a long-term investment, the company being one of the cost-effective companies in the Suceava area. The company benefited from SAPARD investments totaling 3,900,000 lei in a proportion of 50% of the investments made. The selling of the products is done both internally and for export.

During the period 01.01.2009 - 31.12.2015, the subsidiary contributed with revenues in the amount of 107,598,667 lei and a loss of (4,585,941) lei. Total own capital in this period decreased by 5,529,184 lei.

The subsidiary is strengthened by applying the acquisition method, which resulted in the net asset of the consolidated subsidiary being fully absorbed, together with the recognition of non-controlling interest and goodwill. See note 3. Significant accounting policies, paragraph a) Basis of consolidation, (ii) Subsidiaries.

Identifiable assets acquired and identifiable liabilities assumed

Description	**Book Value on 31 Dicember 2007**
	RON
Net Asset Acquired	
Intangible assets	30.224
Tangible assets	19.438.100
Financial assets	728
Stocks	2.798.355
receivables	2.155.518
Cash and cash equivalents	531.873
Prepayments	1.844
Liabilities under 1 year	-5.836.181
Liabilities over 1 year	-465.082
Deferred tax liabilities	-1.380.229
Income in advance	-3.198.494
Net Asset / Equity	14.076.656
Interest on acquiring date: (83.02%)	11.686.324
Positive goodwill	2.773.156
The value of the owned titles:	14.459.480
Purchased cash:	531.873
Net cash flow from the transaction	13.927.607

For the assets that were the subject of the acquisition, a series of adjustments, both classification and value, recognized in the retained earnings and other items of the comprehensive income account:

- there was registered deferred tax on revaluations of tangible assets, which generated taxable temporary differences amounting to RON 8,626,434 and deferred tax of RON 1,380,229.

- the deferred tax was also recorded for the SAPARD investments in the balance, for the deferred taxable income for the value of 454,553 lei.

- the value adjustments of deprecated customers have been made.

- the cost of finished products has diminished with profit, distribution costs and general expenses included in their cost.

- there were reclassified fixed assets from the land category in the category "buildings and related land", changing the value structure of the assets, their residual value and the annual amortization rate.

The goodwill recognized on acquisition was attributable to the entity's ability to generate cash flows from its core business, activity for which significant investments were made, the skills and technical skills of the workforce, and the existing customer base.

For the assets that were the object of the acquisition, a series of significant adjustments were made at the date of transition to IFRS on the recognized carrying amount or other items in the comprehensive income account:

- alignment of accounting policies on land valuation value.

- the recording of the deferred tax on the revalued tangible assets.

- **S.A.I. Broker S.A.**

During 2012 the parent company was SAI Broker S.A. with an initial social capital of 906,000 lei. Until 31.12.2017 the share capital increased to 2,206,180 lei and the holding of SSIF BRK Financial Group was 99.98%.

The establishment of the company was carried out with the purpose of developing the activity of managing the investment funds in order to broaden the range of financial products addressed to the clients. On 31.12.2017 SAI Broker S.A. manages a number of 7 investment funds.

On 31.12.2017, the total equity of SAI Broker S.A. are worth 1,935,516 lei.

The subsidiary is consolidated by applying the acquisition method, which resulted in the net asset of the consolidated subsidiary being fully absorbed, together with the recognition of non-controlling interests. See note 3. Significant accounting policies, paragraph a) Basis of consolidation, (ii) Subsidiaries.

- **Confident Broker de Asigurare S.R.L.**

During the year 2015, the company acquired 52.76% of the share capital of Confident Broker de Asigurări S.R.L., the value of the share being of 13.201 lei. During the same year, there was an increase in the share capital of the company with the value of 125,000 lei and the increase of the shareholding to 98%.

The takeover of the company took place in order to diversify the products offered to its clients.

On 31.12.2017, the total equity of Confident Broker de Asigurare SRL is negative, amounting to (32,806) lei.

The subsidiary is consolidated by applying the acquisition method, which resulted in the net asset of the consolidated subsidiary being fully absorbed, together with the recognition of non-controlling interests. See note 3. Significant accounting policies, paragraph a) Basis of consolidation, (ii) Subsidiaries.

Description	**Book value on 30 june 2015**
	RON
Net Asset Acquired	
Intangible assets	0
Tangible assets	618
Financial assets	0
stocks	0
receivables	2.447
Cash and cash equivalents	15.757
Prepayments	0
Liabilities under 1 year	-16.935
Liabilities over 1 year	0
Income in advance	0
Net Asset / Equity	1.887
Interest on acquiring date: (52.76%)	996
Positive goodwill	12.205
Initial investment costs:	13.201

6. Operational segments

The group has five main segments that have different characteristics, so they require separate presentation:

- - the intermediation segment
- - the trading segment
- - the investment fund management segment

- - the production and distribution segment of meat and meat products
- - the insurance services segment.

Strategic business units offer different services and products, being managed separately because they require different know-how and marketing strategies. The Executive Director reviews at least monthly the activities related to the main segments. Some of the segments also have common expenses that can not be separated without a very high degree of subjectivism.

a) Brokerage activity includes intermediation transactions for customers on the spot market.
The significant positions in the financial statements that are influenced by these operations are:

- commission income received from customers, commission fees paid to market institutions;
- net receivables on the amounts collected from the stock exchange for the clients, following the transactions carried out by the clients.
- customer liabilities representing customer availability for trading purposes.

b) The trading activity includes the operations of buying and selling of placements and derivatives. The significant positions in the financial statements that are influenced by these operations are:

- investments made, which may include securities available for sale, financial instruments at fair value through profit or loss, market value of derivative products;

- expenses and income from trading;

- adjustment of the value of placements, recognized either in the income statement, in the case of financial instruments at fair value through profit or loss and derivative products, or in the comprehensive income statement for available-for-sale securities;c)

c) The activity of managing investment funds. One of the subsidiaries currently manages 7 investment funds (2016: 5 funds).

d) Production and distribution of meat and meat products. This activity includes both the production of such products and their marketing.

e) The insurance services segment
The information on reportable segments is as follows:

Information on reportable segments
For the financial year ended on 31 december 2017
In lei

	2017						
	Total	**Intermediation**	**Trading**	**Unallocated BRK**	**Managing investment funds**	**Insurance**	**Meat preparations and preserves**
	∑	**(1)**	**(2)**	**aferent (1) si (2)**	**(3)**	**(4)**	**(5)**
Income from commissions and related activities	**6.540.510**	4.550.676	0	0	1.709.342	280.492	0
Income from the sale of finished goods and merchandise, trade discounts granted	**7.058.644**						7.058.644
Financial income from dividends	**318.222**	0	318.222	0			
Net financial gain from transactions	**4.555.806**	0	4.530.083	0	25.723	0	0
Interest income	**607.347**		596.651		7.858	1.954	884
Income from rentals	**14.758**	0	0	2.700	0		12.058
Revenue from valuation of real estate investments and available-for-sale financial assets	**96.301**			96.301			
Current assets adjustments	**-85.849**		19.151			-105.000	
Other incomes	**179.946**	0	13.961	0	0	1.603	164.382
Total Income	**19.285.685**	**4.550.676**	**5.478.068**	**99.001**	**1.742.923**	**179.049**	**7.235.968**
Material expenditure and inventory variation	**-4.458.065**			-245.162	-42.788	-293	-4.169.822
Expenses with staff and collaborators	**-8.830.448**	-2.112.788	-2.546.179	-717.427	-583.249	-348.894	-2.521.911
Expenditure on external benefits, taxes and fees	**-3.080.195**	-1.235.451	-1.347.921	-5.813	-210.545	-7.212	-273.253
Value adjustments of intangible and tangible assets exclusive of goodwill	**-2.143.556**	0	0	-1.130.905	-24.468	-983	-987.200
Net expenses with provisions for risks and expenses	**-58.702**			-58.702			
Interest charges	**-87.388**		-14.430			-2.370	-70.588
Net financial losses	**-177.559**		-171.247				-6.312
Losses from impairment of investments classified as available-for-sale financial assets	**-48.849**		-48.849				
Other expenses	**-790.493**	0	0	-750.235	-3.000		-37.258
Total expenses	**-19.675.255**	**-3.348.239**	**-4.128.626**	**-2.908.244**	**-864.050**	**-359.752**	**-8.066.344**
Result of exploitation activities	**-389.570**	**1.202.437**	**1.349.442**	**-2.809.242**	**878.873**	**-180.703**	**-830.376**
Assets of the reportable segment, of which:	**107.286.313**	**0**	**53.016.185**	**38.127.594**	**2.719.173**	**42.211**	**13.381.150**

	2017						
	Total	**Intermediation**	**Trading**	**Unallocated BRK**	**Managing investment funds**	**Insurance**	**Meat preparations and preserves**
	∑	**(1)**	**(2)**	**aferent (1) si (2)**	**(3)**	**(4)**	**(5)**
- Intangible assets	**3.586.297**			2.494.273	1.079.819	12.205	0
- Property fixtures	**16.637.934**	0	0	6.190.220	12.471	0	10.435.243
- Real estate investments	**1.030.143**			1.030.143	0	0	0
- Financial investments	**41.133.272**	0	40.398.770	0	734.252	0	250
- Trade receivables and other receivables	**14.339.425**		12.617.415	0	275.537	24.474	1.421.999
- Stocks and assets classified as held for sale	**1.748.714**			545.946	3.739	0	1.199.029
- Availability	**28.810.528**			27.867.012	613.355	5.532	324.629
Liabilities of the reportable segment, of which:	**43.445.588**	31.715.291	1.011.824	7.004.664	141.862	160.905	3.411.042
- customer amounts	**30.938.001**	30.938.001		0	0		

For the financial year ended on December 31, 2016
In lei

	2016 restated						
	Total	**Intermediation**	**Trading**	**Unallocated BRK**	**Managing investment funds**	**Insurance**	**Meat preparations and preserves**
	∑	**(1)**	**(2)**	**aferent (1) si (2)**	**(3)**	**(4)**	**(5)**
Income from commissions and related activities	**3.504.753**	2.502.020	0	0	283.761	718.972	
Income from the sale of finished goods and merchandise, trade discounts granted	**7.627.104**						7.627.104
Financial income from dividends	**145.203**	0	145.203	0			
Net financial gain from transactions	**6.469.442**	0	6.452.479	0	16.969	-6	0
Interest income	**720.137**		710.440		9.655		42
Income from rentals	**23.801**	0	0	22.701	0		1.100
Revenue from valuation of real estate investments and available-for-sale financial assets	**0**						
Current assets adjustments	**230.564**		230.438				126
Other incomes	**421.166**	0	27.483	0	1.972	3.228	388.483
Total Income	**19.142.170**	**2.502.020**	**7.566.043**	**22.701**	**312.357**	**722.194**	**8.016.855**
Material expenditure and inventory variation	**-4.925.495**			-249.231	-18.765	-3.937	-4.653.562
Expenses with staff and collaborators	**-8.388.258**	-1.094.626	-599.362	-3.192.636	-366.821	-673.484	-2.461.330
Expenditure on external benefits, taxes and fees	**-3.057.161**	-1.383.842	-622.729	-537.199	-70.038	-75.620	-367.734
Value adjustments of intangible and tangible assets exclusive of goodwill	**-2.057.680**			-946.524	-33.652	-763	-1.076.741
Net expenses with provisions for risks and expenses	**-265.925**			-265.925			
Interest charges	**-86.120**		-5.825			-307	-79.988
Net financial losses	**93.752**		24.379				69.373
Losses from impairment of investments classified as available-for-sale financial assets	**-1.757.770**		-1.757.770				
Other expenses	**-234.517**	0	0	-142.940	0	33	-91.610
Total expenses	**-20.679.174**	**-2.478.467**	**-2.961.306**	**-5.334.455**	**-489.276**	**-754.078**	**-8.661.592**
Result of exploitation activities	**-1.537.005**	**23.553**	**4.604.736**	**-5.311.754**	**-176.919**	**-31.884**	**-644.737**
Assets of the reportable segment, of which:	**109.493.527**	**0**	**52.964.341**	**41.417.295**	**1.087.809**	**177.551**	**13.846.531**
- Intangible assets	**3.017.568**			2.948.044	22.183	13.188	34.153
- Property fixtures	**15.974.974**	0	0	4.577.041	9.737	0	11.388.196

	2016 restated						
	Total	**Intermediation**	**Trading**	**Unallocated BRK**	**Managing investment funds**	**Insurance**	**Meat preparations and preserves**
	∑	**(1)**	**(2)**	**aferent (1) si (2)**	**(3)**	**(4)**	**(5)**
- Real estate investments	**1.201.525**	0	0	1.201.525	0	0	0
- Financial investments	**38.110.777**	0	37.799.314	0	311.213	0	250
- Trade receivables and other receivables	**16.428.267**		15.165.027		158.540	118.905	985.795
- Stocks and assets classified as held for sale	**1.755.696**			556.874			1.198.822
- Availability	**33.004.720**			32.133.811	586.136	45.458	239.315
Liabilities of the reportable segment, of which:	**45.336.963**	34.393.788	1.607.332	5.809.746	38.852	107.141	3.380.104
- customer amounts	**32.573.663**	32.573.663	0	0	0		0

7 . Reconciliation of income, profit or loss, assets and liabilities of reportable segments

Reconciliation

In lei	2017	2016 restated
Income		
Total revenue for reportable segments	19.285.685	19.142.170
Consolidated revenues	19.285.685	19.142.170
Results account		
Total loss attributable to reportable segments	-389.570	-1.537.005
Income from deferred tax	23.493	24.005
Consolidated loss before tax	-366.077	-1.513.000
Assets		
Total assets related to reportable segments	107.274.108	109.481.322
Consolidated financial asset	12.205	12.205
Total consolidated assets	107.286.313	109.493.527
Liability		
Total liabilities related to reportable segments	43.445.588	45.336.963
Deferred tax liabilities	1.152.391	1.175.864
Total consolidated liabilities	44.597.979	46.512.827

The brokerage segment earns commissions from the following products:

Intermediate segment revenue	**2017**	**2016 restated**
Income from spot market fees	1.897.937	1.535.303
Income from commissions on the foreign market	857.327	744.101
Revenue from related activities	1.779.371	221.674
Income from commissions and related activities	**4.550.676**	**2.501.078**
Total income	**4.550.676**	**2.528.427**

Transactions with customers are done by both brokers and online.

In 2017, the fund management segment generated revenue from the administration of the following investment funds:

- **Closed Fund of Investments BET-FI Index Invest** registered with the Financial Supervisory Authority under no. PJR05SAIR / 120031 of 29.01.2013.

  The purpose of the Fund is to consist exclusively in attracting financial resources available from individuals and companies through a regular public offer of fund units and investing these resources predominantly in shares that are part of the BET-FI index.

- **The Open Investment Fund FIX INVEST,** authorized by the Financial Supervisory Authority under no. A / 8 / 02.14.2014.

- **The SMART Money Private Investment Fund** endorsed by the Financial Supervisory Authority no. A / 19 / 04/09/2014.
- **The closed investment fund Optim Invest** operates on the basis of the Authorization of the Financial Supervisory Authority (ASF) no. A / 171 / 22.05.2015 and is registered in the A.S.F Registry under no. CSC08FIIRS / 120 040.

  The Fund is set up to privately attract the financial resources of qualified natural or legal investors for the purpose of investing them preponderantly in shares issued by companies and units of OPCVM and / or AOPC in accordance with the provisions of the regulatory framework incident.

- **The Prosper Invest Open Investment Fund** operates on the basis of the Financial Supervisory Authority Authorization (FSC) no. A / 44 / 20.03.2015 and is registered in the A.S.F Register under no. CSC06FDIR / 120 093.

  The objective of the fund is to mobilize financial resources through a continuous offering of equity securities for the purpose of investing in the capital markets, subject to a high degree of risk assumed, specific to the investment policy provided in the Issue Prospectus.

  - In January 2017 SAI Broker SA took over the management of the Fortuna Classic Open Investment Fund and the Fortuna Gold Open Investment Fund from SAI Target Asset Management SA.
  The Fortuna Classic Fund is registered in the A.S.F. with the number CSC06FDIR / 120008 dated 18.12.2003.
  The Fund has the sole purpose of conducting collective investment, placing money in liquid financial instruments and operating on the principle of risk diversification and prudential management.

The Fortuna Gold Fund is enrolled in the A.S.F. with the number CSC06FDIR / 120009 dated 18.12.2003. The fund has the sole purpose of conducting collective investment, placing money in liquid financial instruments and operating on the principle of risk diversification and prudential management.

The table below shows the revenue from the management of investment funds and other income from the investment fund management segment:

Data on 31.12.2017

	Income from fund management	Income from underwriting fees and other commissions	Total income
Fdi Fix Invest	24.921		**24.921**
Fdi Prosper Invest	61.576	64.560	**126.136**
FII BET FI Index Invest	141.919		**141.919**
Fii Smart Money	44.011		**44.011**
Fii Optim Invest	799.384		**799.384**
Fdi Plus			**0**
Fdi Fortuna Classic	567.039		**567.039**
Fdi Fortuna Gold	5.932		**5.932**
Total	**1.644.782**	**64.560**	**1.709.342**

Data on 31.12.2016

	Income from fund management	Income from underwriting fees and other commissions	Total income
Fdi Fix Invest	32.730		**32.730**
Fdi Prosper Invest	54.899	28.000	**82.899**

FII BET FI Index Invest	123.828		**123.828**
Fii Smart Money	42.209		**42.209**
Fii Optim Invest	2.095		**2.095**
Fdi Plus			**0**
Total	**255.761**	**28.000**	**283.761**

7^1 Discontinued activities

In AGA dated December 12, 2017, the Confident Broker Assurance Association decided to close the insurance brokerage business, to renounce the authorization to operate as an insurance broker and to dissolve and voluntarily liquidate the company.
This activity corresponds to the Insurance segment presented in Note 6 Operating Segments.
On the basis of the action plan approved by the General Meeting of Shareholders on 30.01.2018, the procedures imposed by Norma ASF no. 9/2015 for renouncing the authorization of the insurance broker have been settled, all the obligations and rights have been regularized against the insurers, brokerage, the employee's employment contract was closed and the control of the ASF was carried out in order to make the decision to approve the voluntary renunciation of the operating license. The result of ASF control was analyzed in the Meeting of the Financial Supervisory Authority of 30.05.2018. Currently, the ASF Decision is pending to initiate voluntary dissolution / liquidation procedures and cancellation of the company.
The following are the financial statements of the Discontinued activities.

Assets and liabilities related to discontinue operations are as follows:

In lei	***Nota***	**2017**	**2016 restated**
Assets			
Intangible assets	8	12.205	13.188
Total fixed assets		12.205	13.188
Trade receivables and other receivables	15	24.474	118.905
Cash and cash equivalents	17	5.532	45.458
Total current assets		30.006	164.363
Total assets		42.211	177.551
Equity capital related to discontinued assets			
Other reserves		-1.646	-1.646
Reported result	20	(272.846)	(82.837)
Total equity attributable to group shareholders		-274.492	-84.483
Interest without control		-2.756	1.386
Total equity		**-277.248**	**-83.097**
Disbursement related liabilities			
Trade and other liabilities	31	122.432	105.182
Total long-term liabilities		**122.432**	**105.182**
Trade and other liabilities	21	58.827	17.266
Total current liabilities		**58.827**	**17.266**
Total liabilities		**181.259**	**122.448**
Total equity and liabilities		**-95.990**	**39.350**
Net assets related to Discontinued activities:		**138.202**	**138.202**

The value of 138,202 lei represents the share of the parent company in the branch / discontinuous activity.

The items of income and expense related to Discontinued activities are as follows:

In lei	**2017**	**2016**
Discontinued income		
Income		
Income from the negotiation of insurance and reinsurance contracts	280.492	718.972
Subtotal operating income	**280.492**	**718.972**
Financial interest income	1.954	0
Subtotal financial income	**1.954**	**-6**
Other incomes	1.603	3.228
Total income from discontinued activities	**284.049**	**722.194**
Material expenses	-293	-3.937
Expenses with staff and collaborators	-265.963	-673.484
Expenses with taxes and fees	-5.336	-2.092
Expenditure on external benefits	-98.014	-99.935
Subtotal Operating Expenses	**-369.606**	**-779.448**
Interest charges	-2.610	-307
Subtotal Financial Expenses	**-2.610**	**-307**
Value adjustments of intangible and tangible assets excluding goodwill	-983	-763
Other expenses	0	31
Total expenses from discontinued activities	**-373.199**	**-780.487**
The result of the discontinued activities	**-89.150**	**-58.293**
Loss before tax related to Discontinued activities	**-89.150**	**-58.293**
(Expenditures) / Income tax on Discontinued activities	0	0
Loss of interrupted activities	**-89.150**	**-58.293**
	0	-2
Total other comprehensive income for the period	0	0
Total Profit or Loss Account and other items of the comprehensive income for the period for Discontinued activities	**-89.150**	**-58.293**

The statement of changes in equity for operations ceases
(before partition operations)

Report on 31 December 2017

In lei	Social capital	Legal and statutory reserves	Other reserves	Reported result	Total equity	Interests without control	Total equity
Balance on 01.01.2017	**150.020**	**1.556**	**4.457**	**-113.135**	**42.898**	**0**	**42.898**

Profit or loss	0	0	0	-87.367	-87.367	-1.783	-89.150
Balance on 31.12.2017	**150.020**	**1.556**	**4.457**	**-200.502**	**-44.469**	**-1.783**	**-46.253**

Report on 31 December 2016

	Social capital	Legal and statutory reserves	Other reserves	Reported result	Total equity	Interests without control	Total equity
Balance on 01.01.2016	**150.020**	**1.556**	**4.457**	**-54.845**	**101.188**	**0**	**101.188**
Profit or loss	0	0	0	-57.125	**-57.125**	-1.166	**-58.291**
Balance on 31.12.2016	**150.020**	**1.556**	**4.457**	**-111.970**	**44.063**	**-1.166**	**42.898**

Situation of cash flows related to Discontinued activities

In lei	**2017**	**2016**
Discontinued activities		
The gross result of Discontinued activities	-89.150	-58.291
Adjustments to reconcile net result with net cash used in Discontinued activities		
Adjustment of the value of tangible and intangible assets	983	763
Interest Expenses	2.610	307
Interest income	-1.953	-1.927
Increase / (Decrease) in operating cash before changes in working capital	**-87.510**	**-59.148**
(Growth) / Decrease in balances of trade receivables and other receivables	-7.465	-109.375
Growth / (Decrease) in trade balances and other liabilities	38.455	-14.705
Net cash flow generated by Discontinued activities	**-56.520**	**-183.228**
Cash flows from Discontinued activities		
Profit tax paid	0	18
Interest receipts	1.954	1.927
Interest paid	-2.610	-307
Total Net cash flow generated by Discontinued activities	**-57.176**	**-181.590**
Cash flows from discontinued investment activities		
Payment in cash for the acquisition of tangible and intangible assets and real estate investments	0	-1.054
Loans granted / redeemed from shareholders	17.250	90.012
Total Net cash flow generated by discontinued investment activities	**17.250**	**88.958**
Cash flow – total from discontinued activities	**-39.926**	**-92.632**

Changes in cash and cash equivalents from Discontinued activities

In lei	**2017**	**2016**
Cash and cash equivalents at the beginning of the period	45.458	138.090
Increase / (decrease) cash and cash equivalents	-39.926	-92.632
Cash and cash equivalents at the end of the period in Discontinued activities	**5.532**	**45.458**
Of which unavailable (under seizure)	0	0
From which :		
Cash held in the name of the company	5.532	45.458

Details of positions in financial statements

8. Intangible assets

In lei	Licenses and software	Overtures	Establishment costs	Comercial fund	TOTAL
Cost					
Balance on January 1, 2016	3.674.037	429.331	774	12.205	**4.116.346**
Acquisitions	1.040.618	250.065	1.054		**1.291.737**
Output	-25.827	0	0		**-25.827**
Transfer to intangible assets	0	-395.873	0		**-395.873**
Balance at 31 December 2016	4.688.827	283.523	1.828	12.205	**4.986.383**
Balance on January 1, 2017	4.688.827	283.523	1.828	12.205	**4.986.383**
Acquisitions	1.448.633	452.142	0		**1.900.776**
Of which by transfer	366.551	0	0		**366.551**
Output	-143.962	-520.743	0		**-664.705**
Of which by transfer	0	-366.551	0		**-366.551**
Balance at 31 December 2017	5.993.498	214.922	1.828	12.205	**6.222.454**

Depreciation and impairment losses	Licenses and software	Overtures	Establishment costs	Comercial fund	TOTAL
Balance on January 1, 2016	1.258.856	0	83		**1.258.938**
Depreciation during the year	735.141	0	763		**735.904**
Impairment losses recognized at expense	0	0	0		**0**
Depreciation of output	-25.827	0	0		**-25.827**
Balance on 31 December 2016	1.968.170	0	845		**1.969.015**
Balance on January 1, 2017	1.968.170	0	845		**1.969.015**
Depreciation during the year	767.798	0	983		**768.781**
Impairment losses recognized at expense	0	0	0		**0**
Depreciation of output	-101.639	0	0		**-101.639**
Balance on 31 December 2017	2.634.329	0	1.828		**2.636.157**

Accounting values	**Licenses and software**	**Overtures**	**Establishment costs**	**Comercial fund**	**TOTAL**
Balance on January 1, 2016	2.415.181	429.331	692	12.205	2.857.408
Balance on 31 December 2016	2.720.658	283.523	983	12.205	3.017.368
Balance on January 1, 2017	2.720.658	283.523	983	12.205	3.017.368
Balance on 31 December 2017	3.359.169	214.922	0	12.205	3.586.297

The component of the balance of intangible assets is comprised of software and soft licenses.
The most significant value is the Tradis back office system.

Advances for intangible assets represent advances paid to acquire a Customer Relationship Management (CRM) system.
The life spans used for the calculation of intangible assets are for an average of 3 years, except for the one mentioned in the following paragraph, the depreciation method used being the linear one.
In January 2017, the investment fund management segment took over the management of the Fortuna Classic Open Investment Fund and the Fortuna Gold Open Investment Fund from SAI Target Asset Management SA, the assignment contract reflecting other intangible assets with indefinite useful life.

The reasons that support indefinite lifetime assessment, ie factors that have played a significant role in determining that the asset has an indefinite life expectancy, are determined by the fact that the subsidiary can not estimate the amount of time the asset will produce economic benefits, a contractual or legal limitation in this regard.

The value of this asset is tested for impairment annually. On 31.12.2017 the Group did not write down any impairment in respect of this asset. In the period elapsing from the acquisition date until December 31, 2017, there were no redemptions in relation to the funds taken over.

Expenditure on amortization of intangible assets in the year is included in the statement of comprehensive income at the value adjustments item of tangible and intangible assets.

9. Tangible assets

In lei	Land and buildings	Technical installations and means of transport	Furniture, office equipment and other	Immobilizations under execution	Total
Balance on 01.01.2016	**15.754.328**	**14.434.645**	**2.640.074**	**0**	**32.829.047**
Acquisitions and modernizations carried out	3.600	11.076	43.085	0	**57.761**
outputs:	0	0	0	0	**0**
- by scrapping	0	-172.609	-10.465	0	**-183.073**
- sale	0	-72.259	-1.667	0	**-73.926**
Balance on 31.12.2016	**15.757.928**	**14.200.853**	**2.671.028**	**0**	**32.629.809**
Balance on 01.01.2017	**15.757.928**	**14.200.853**	**2.671.028**	**0**	**32.629.809**
Acquisitions and modernizations carried out	-3.600	179.649	38.852	0	**214.901**
Revaluation of Fixed Assets:					**0**
compensation of depreciation in the balance with assets	-269.147	0	0	0	**-269.147**
registering the increase in value	1.300.304	0	0	0	**1.300.304**
Transfers from real estate investments	637.840	0	0	0	**637.840**
outputs:					**0**
- by sale	0	-105.081	-5.390	0	**-110.471**
- by scrapping	0	-161.913	-41.907	0	**-203.820**
Balance on 31.12.2017	**17.423.325**	**14.113.508**	**2.662.583**	**0**	**34.199.416**
Depreciation and impairment losses					
Balance on 01.01.2016	**2.522.321**	**11.460.162**	**1.813.085**	**0**	**15.795.568**
Depreciation during the year	307.167	850.403	164.205	0	**1.321.774**
Depreciation related to fixed assets	0	-170.334	-10.465	0	**-180.798**
Depreciation related to sales	0	-46.917	-791	0	**-47.708**
Balance on 31.12.2016	**2.829.488**	**12.093.314**	**1.966.034**	**0**	**16.888.836**
Balance on 01.01.2017	**2.829.488**	**12.093.315**	**1.966.033**	**0**	**16.888.836**
Depreciation during the year	307.166	775.162	169.212	0	**1.251.540**
Depreciation related to fixed asset outflows	0	-271.284	-38.464	0	**-309.748**
Compensation balance depreciation in assets at revaluation	-269.147	0	0	0	**-269.147**
Balance on 31.12.2017	**2.867.507**	**12.597.193**	**2.096.781**	**0**	**17.561.480**
Accounting values:					
Balance on 01.01.2016	13.232.007	2.974.483	826.989	0	17.033.479
Balance on 31.12.2016	12.928.440	2.107.539	704.994	0	15.740.973
Balance on 01.01.2017	12.928.440	2.107.538	704.995	0	15.740.973
Balance on 31.12.2017	14.555.818	1.516.315	565.802	0	16.637.936

The tangible assets of the entity representing land and buildings comprise:
- headquarters of intermediary work points as well as the registered office of the parent-
- land and buildings related to the current activity of subsidiaries and their headquarters.

On 31.12.2017 the parent company operates the headquarters in Cluj Napoca, Motilor 119 str., As well as the buildings owned in Suceava and Iasi, where the brokerage agencies work. During 2017, the headquarters of Bucharest was moved to the building of Bocsa Street, owned by the company and classified as property investment until December 2017. In December 2017 the building in Bocsa Street was reclassified as a real estate in exploitation. The company does not own on 31.12.2017 land for the exploitation activity, and the ones related to the buildings in exploitation are included in the value of the building.

Expenditure on amortization for the year is included in the Global Results Account at the value adjustments of tangible and intangible assets.

Pledged or mortgaged property

In December 2017, the parent company contracted a credit line in the amount of 5.340.000 lei, and secured the loan and the buildings in operation of the Group.

Also, one of the subsidiaries has a credit line of credit amounting to 1,815,000 lei and guaranteed the loan with the Group's real estate.

Details of these warranties can be found in Note 22. Loans

Presentation of revaluation

The fixed assets of the parent company representing buildings were revalued on 31.12.2017. The evaluation was carried out by an evaluating expert, the company Darian DRS SA In accordance with the International Valuation Standards and the working methodology recommended by ANEVAR.

As a result of the revaluation, there was an increase in the value of tangible assets for operating activities, which was reflected in reserves on 31.12.2017.

The previous revaluation of the same assets took place in 2015, when evaluation reports were prepared by Neoconsult Valuation. In 2016, according to the same valuation expert, Neoconsult Valuation, the evolution of fair values of fixed assets representing buildings and land was relatively constant, with no significant changes in the specific market. The evaluator also noted that there were differences between the fair values estimated at 31.12.2016 and the accounting values considered that their impact was minimal and would not have justified the preparation of an evaluation report for that period.

The value of the fixed assets of the canned and prepared meat production segment has been adjusted for consolidation purposes to align with the Group's policies and are prudential values appropriate to the current context in which they operate.

10. Real estate investments

In lei	**2017**	**2016**
Balance on January 1	1.435.525	1.148.773
Transfers to tangible assets during the year	(578.684)	0
Entry following the performance of certain warranties received	0	0
Acquisitions during the year (asset exchange)	417.624	0
Real estate investments in progress	47.072	52.752
Real estate investments in progress outputs	(59.155)	0
Advancements for real estate investments	(234.000)	234.000
Real estate investment cedar (asset exchange)	0	0
Plus revaluation value	11.431	0
Minus value at revaluation	(9.670)	0
Balance on December 31	1.030.143	1.435.525

Real estate investments include the following categories of assets: Cluj-Napoca (Einstein) building and related land, and Deva building.

Starting with July 2016, when the building in Bucharest, Bocsa Street was classified as a real estate investment, significant improvements were started, works that were completed in 2017. In December 2017 the Bucharest agency of the company moved its headquarters in the location on Bocsa street, so that the real estate was reclassified as immobilization in exploitation.
In the year 2016, a purchase sale promise for an apartment in the building on Einstein Street, Cluj Napoca, worth EUR 68,367, was concluded, of which an advance of EUR 28,367 (the equivalent of RON 234,001) was paid in the same year. During the year 2017, the transaction was finalized, paying the difference of 100,000 euros (the equivalent of 417,624 lei), and at the present time works are being done to redevelop the building in order to be redeemed.

Real estate investments pledged or mortgaged

In December 2017 a credit line amounting to 5.340.000 lei was contracted, the loan being guaranteed also with the real estate investments owned. Details of these warranties can be found in Note 22. Loans.

Presentation of revaluation

Real estate investments representing buildings and land were revalued on 31.12.2017. The evaluation was carried out by an evaluation expert, society company Darian DRS SA in accordance with the International Valuation Standards and the working methodology recommended by ANEVAR.

As a result of the revaluation, there were real value increases in real estate investments for operating activity and these were reflected in the profit and loss account on 31.12.2017.

The previous reassessment took place in 2015, when evaluation reports were prepared by Neoconsult Valuation. In 2016, according to the same valuation expert, Neoconsult Valuation, the evolution of fair values of fixed assets representing buildings and land was relatively constant, with no significant changes in the specific market. The evaluator also noted that there were differences between the fair values estimated on 31.12.2016 and the accounting values considered that their impact was minimal and would not have justified the preparation of an evaluation report for that period.

11. Financial investments

In lei		**2017**	**2016**
Financial assets available for sale			
Financial assets available for sale at cost		**339.695**	**544.360**
Financial assets available for sale - at cost, estimated at fair value	unlisted shares	562.513	565.968
Provision for financial assets available for sale - cost, estimated at fair value		-222.818	-21.608
Available-for-sale financial assets at fair value, of which:		**10.117.452**	**13.986.246**
	listed shares	2.196.612	8.106.210
	unlisted shares	544.944	0
	listed units	0	31.000
	unlisted units	7.375.896	5.849.036
Financial assets available for sale to associates - at fair value, of which:		**0**	**0**
	listed	0	0
	unlisted	0	0

		10.457.147	**14.530.606**
Total financial assets available for sale:			
Financial assets designated at fair value through profit or loss			
Financial assets designated at fair value through profit or loss - held for trading		**18.284.162**	**9.626.795**
	listed shares	1.093.797	5.988.744
	listed units	2.789.016	0
	unlisted units	1.353.720	3.338.051
	listed bonds	9.316.498	0
	unlisted bonds	3.731.131	300.000
Other financial tools		**107.590**	**591.899**
		18.391.752	**10.218.694**
Total financial assets designated at fair value through profit or loss			
Total financial investments		**28.848.899**	**24.749.300**

Available-for-sale financial assets for which there is no active market and for which a fair value determination can not be reliably measured are measured at cost and are periodically tested for impairment.

This category includes shares held by the company at the capital market institutions (Romanian Clearing House, Bucharest Compensation House, Romanian Commodities Exchange Bucharest), as well as other non-listed companies.

The listed shares: shares, bonds and units are valued at the exchange rate published on 31.12.2017 by the Bucharest Stock Exchange.

Unlisted unlisted fund units are valued at unit net asset value, and unlisted bonds at amortized cost.

On 31 December 2017, there were open positions on the House account on international markets for hedging operations amounting to 107,590 lei. Financial instruments traded on international markets are futures, option and difference contracts (CFDs) and are used for speculative and hedging purposes for market maker operations. They are valued at the quotation on 31.12.2017.

Impairment losses

Financial assets available for sale at cost

Financial assets available for sale at cost are unlisted for which cost is the best estimate of fair value.

For available financial instruments available for sale at cost, there are provisions amounting to RON 222,818.

Available-for-sale financial assets at fair value

The Company owns available-for-sale financial assets, classifying all the securities not included in short-term securities traded and for which it was possible to apply valuation methods to determine their fair value.

Subsequent to initial recognition, these securities were measured at fair value and subsequent changes, other than the definitive impairment losses, recognized in other comprehensive income. They are presented within

Equity In the fair value reserve. When an investment is derecognised, gain or loss accumulated In other items of comprehensive income is transferred to the income statement.

Impairment losses on available-for-sale investments are recognized by transferring to the Income Statement the cumulative loss that has been recognized in other comprehensive income. Cumulative loss transferred from other comprehensive income The income statement is the difference between the cost of acquisition, net of principal repayments and amortization, and the fair value less any impairment loss previously recognized in the income statement.

If, in a subsequent period, the fair value of an available-for-sale equity instrument increases, any subsequent fair value gain is recognized in other comprehensive income.

In determining whether the participations are impaired, the Company considers all relevant factors such as: a significant or prolonged decline in fair value below cost, market conditions, and business scope to the extent that they affect the recoverable amount of the investments, the issuer's short-term outlook, the unfavorable specific events that may influence the issuer's operations, the recent losses of the issuer.

The losses from the final depreciation of these securities are recognized at the expense in the financial year in which management estimates that they have occurred. For some available-for-sale financial assets, it was found that they were depreciated on 31.12.2016, a write-down that was not recognized in the income statement for the year 2016. This aspect was corrected in the present financial statements, so that balances relating to the year 2016 were restated to reflect that depreciation. Moreover, following the assessment report made during the second half of 2017, the subsidiary of Facos Company, resulted in a significant depreciation of the securities held in this company. The depreciation was recognized in the profit and loss account of 2017 and had a negative impact of RON 4,295,369 on the financial result.

12. Other financial investments

In lei	**2017**	**2016**
Other long-term financial investments		
Guarantees established	281.028	335.809
Loan credits granted to customers	0	0
Loans granted to affiliated entities	563.620	0
Interest on loans granted	3.232	5.537
Provisions for non-current receivables	0	0
Total long-term financial investment	**847.880**	**341.346**
Other short-term financial investments		
Loan credits granted to customers	6.265.408	7.925.611
Total short-term financial investment	**6.265.408**	**7.925.611**
Total other financial investments	**7.113.288**	**8.266.957**

During the year 2017, the Group maintained the service offered to customers to perform margin trading. The balance of credits in the margin granted to customers on 31.12.2017 was 6,265,408 lei. For customers in margins, customers also offer securities that have been purchased with these credits as collateral.

12^1 Titles put into equivalence

In lei

	2017	2016
Titles put into equivalence	5.101.087	4.974.327

The value of equity securities includes increases in equity from the date of significant influence. This increase in value is recorded in equity under the title of Entitlement Reserves related to securities issued in equivalence.
Given that the holding company did not revaluate land at fair value, and as a result the accounting policies applied by that company are not uniform with those applied by the group, an assessment was made of the company and the value of the equity used for the purpose the valuation of equities was considered according to the results of this valuation.
The evaluation report was drawn up by authorized assessors in accordance with the International Valuation Standards and Work Methodology recommended by ANEVAR, Marius Sufana.

13. Investments in associated entities

Associated companies (where they have significant influence) are mentioned below. The significant influence is due to the presence in the board of directors of the respective company.

The percentage of ownership and the amount of the RON share in the associated entities are as follows:

Simbol	Company	Percentage of ownership in 2017	Value of ownership in 2017	Percentage of ownership in 2017	Value of ownership in 2017
ANTE	Anteco SA Ploiesti	19,93%	363.829	19,93%	99.523
CEON	Cemacon SA Zalau	0,00%	0	14,61%	4.747.317
PETY	Petal SA Husi	15,04%	427.573	15,04%	259.225
	Total		**791.402**		

During 2017, transactions with affiliated parties are as follows:

Denomination	Nature of affiliation	Activity	Volume and weight of the activity
SAI Broker	Percentage of ownership 99.98%	Investment management	- net redemptions of fund units at FDI Fix Invest administered by SAI Broker worth 300,000 lei - Net redemptions of fund units at FDI Prosper Invest managed by SAI Broker worth 300,000 lei -investments of fund units at FII Smart Money managed by SAI Broker worth 640,000 lei - net acquisitions of fund units at FII Optim Ivest managed by SAI Broker worth 500,000 lei
Anteco SA	Percentage of ownership 19.93%	Manufacture of furniture	No transactions were made with ANTE shares during 2017
Cemacon SA	Percentage of ownership 0%	Construction	All CEK's ownership in BRK was liquidated during 2017
Petal SA	Percentage of ownership 15.04%		No transactions were made with PETY shares during 2017
Romlogic Technology SA		SSIF Brk Financial Group SA is the sole investor in FII Smart Money, which is a	- income from loans granted in the amount of 33.941 lei

88% shareholder at Romlogic Technology S.A	- granting a loan amounting to 563,620 lei.

Transactions with affiliated parties were made at market value.

On 31.12.2017 and 31.12.2016 the balances of the receivables of the company from the relations with the parties were the following:

In lei	**2017**	**2016**
Romlogic Technology SA	566.851	0
Total	**566.851**	**0**

14. Fixed assets held for sale

In lei	**2017**	**2016**
Balance on January 1	557.067	801.390
Cessions	0	(244.323)
Plus revaluation value	84.870	0
Minus value at revaluation	(97.216)	0
Balance on December 31	544.721	557.067

The immovable assets held for sale are a land in Cluj, the Borhanci neighborhood and two apartments in Botosani and Alba Iulia. For these, evaluation reports were carried out in accordance with the International Valuation Standards and Work Methodology recommended by ANEVAR by Napoca Business for Land and by Darian DRS for Flats. Based on the valuation reports, these assets were revalued in the accounting. The value of the apartments was valued at 84,870 lei, while the value of the land suffered a depreciation of 97,216 lei.

For the two apartments, in December 2017, a guarantee for the contracted credit line was established.

15. Trade and similar receivables

In lei	**2017**	**2016**
Commercial receivables	1.272.620	765.723
Receivables for the state budget	309.944	217.436
Net receivables from borrowers	79.084	0
Employees with payment commitments	*15.075*	*0*
Employers and third parties debtors	*64.009*	*0*
Other borrowers	367.480	400.756
Borrowers from the trading of the Company's financial instruments	1.465.849	2.801.618
Debtors of financial instruments traded by clients	10.844.448	12.242.929
Total trade receivables and other receivables	**14.339.425**	**16.428.461**

Borrowers in the Group's financial instruments are traded in December 2017 that have their settlement date in January 2018. Similarly, debtors in financial instruments settled by clients in transactions concluded in December 2017 that have their settlement date in January 2018 .

The exposure of the Group to credit risk and foreign currency risk as well as write-down losses on trade receivables are presented in Note 4. Financial risk management

Gross balances and debtors' impairments are as follows:

In lei	**2017**	**2016**
Employers and third parties debtors - gross value	1.926.194	1.866.260
Impairment of former employees and third parties	(1.847.109)	(1.866.260)
Employers and third parties debtors - Net value	**79.084**	**0**

The movement of value adjustments for impairment of receivables from debtors (debtors and third party debtors) during the year was the following:

In lei	**2017**	**2016**
Balance on January 1	1.866.260	2.933.613
Cancellations	(19.151)	(1.067.353)
Balance on December 31	**1.847.109**	**1.866.260**

In anul 2017 s-au reluat la venituri ajustari aferente unor recuperari de creante in valoare de 19.151 lei.

16. Deferred tax assets and liabilities

Unrecognized deferred tax receivables

Deferred tax assets have not been recognized in respect of the following items:

In lei	**2017**	**2016**
Current and past tax losses	(38.189.253)	(42.826.359)
Total	**(38.189.253)**	**(42.826.359)**
Taxation rate	16%	16%
Unrecognized deferred tax receivables	**(6.110.280)**	**(6.852.217)**

There are also unrecognized deferred tax assets related to financial instruments for which the impairment loss was not deductible in 2010.

Unrecognized deferred tax liabilities

	cumulated in 2017	2017	2016
Differences from Fixed Assets Revaluation	3.660.638	1.289.719	2.370.919
	3.660.638	**1.289.719**	**2.370.919**
Tax quota	16%	16%	16%
Unrecognized deferred tax liabilities	**585.702**	**206.355**	**379.347**

Receivables and deferred tax liabilities recognized

The parent company has to recover a cumulative tax loss of 38,189 thousand lei. Tax losses can be recovered in a period of 7 years. For the time being, deductible differences can not be expected to cover tax losses. As a result, no deferred tax assets and liabilities were recognized.

Deferred tax liabilities are attributable to the following items:

In lei	2017	2016
- Property Facility (Facos)	6.714.341	6.714.341
- Deferred income	487.972	634.801
	7.202.313	**7.349.142**

Deferred tax liabilities are shown below:

In lei	2017	2016
Recognized deferred tax liabilities:		
- Related to Immovable Property (Facos)	1.074.295	1.074.296
- Deferred income (Facos)	78.076	101.568
Total deferred tax liabilities	**1.152.371**	**1.175.864**

Changes in deferred tax liabilities

In 2017, there were the following variations on deferred tax liabilities:

In lei	**Balance on 31 dec. 2016**	Recognized in the profit or loss account	Recognized in other elements of the comprehensive result	**Balance on 31 dec. 2017**
- Immovable Property (Facos)	1.074.296	0	0	1.074.296
- Deferred income (Facos)	78.076	23.492	0	101.568
	1.175.864	**23492**	**0**	**1.152.371**

16^1. Stock

In lei	2017	2016
Raw materials and consumables	664.032	794.080

Production under execution	55.907	19.927
Finished goods and merchandise	480.315	384.622
Advances for stock purchases	3.739	0
	1.203.993	1.198.629

There are no inventory at fair value less costs to sell and no stocks for which there are restrictions on ownership.

17. Cash and cash equivalents

In lei	**2017**	**2016**
Cash account for clients	26.351.801	27.096.728
Cash and cash equivalents	2.528.727	6.027.993
Balance on December 31	**28.880.528**	**33.124.721**

The cash position and cash equivalents also include short-term deposits.
Client balances on bank accounts are separately highlighted and managed by the company and can only be used on the basis of client orders.

The exposure of the entity to interest rate risk and a sensitivity analysis of financial assets and liabilities are presented in Note 4. Financial risk management.

18. Capital and reserves

The share capital and the number of shares issued are as follows:

In lei	**Value of capital**	**Ordinary shares**	**Nominal value of share**
On January 1 2016	54.039.987	337.749.919	0,16
On December 31 2016	54.039.987	337.749.919	0,16
On January 1 2017	54.039.987	337.749.919	0,16
On December 31 2017	54.039.987	337.749.919	0,16

In 2017 there were no changes in the share capital or the number of shares issued.

Own shares held on 31 December 2017 are in the amount of 319,967 shares.

In lei	**2017**	**2016**
Social capital	54.039.987	54.039.987
Adjustment of share capital	4.071.591	4.071.591
Own actions	(24.047)	(24.047)
Premiums	5.355	5.355
Total	**58.092.886**	**58.092.886**

19. Reserves and differences of revaluation

In lei	2017	2016 restated	2016
Differences in the revaluation of tangible assets	2.083.489	856.770	856.770
Legal and statutory reserves	4.809.728	4.767.793	4.767.793
Fair value reserves	689.977	2.043.237	329.714
Other reserves	4.407.821	4.407.821	4.407.821
-of which from the application of IAS 29 (inflation adjustment)	2.748.760	2.748.760	2.748.760
Consolidation reserves	606.877	606.877	606.877
Consolidation reserves related to securities issued in equivalence	2.206.984	2.080.314	2.080.314
Total reserves and revaluation differences	**14.804.877**	**14.762.813**	**13.049.290**

Revaluation differences
The revaluation differences recorded an increase in 2017 following the revaluation of real estate.

Legal reserves
Legal reserves represent the amounts created annually from the gross profit in the 5% share, up to the 20% of the share capital, recognized as a deduction in the profit tax calculation. This is a fiscal facility. The company has reached the 20% level required by law.

Fair value reserve

The fair value reserve includes the cumulative change in fair value of available-for-sale financial assets until the investments are derecognized or impaired.

As detailed in Note 11. Financial investments available for sale at fair value, the reserves for the year 2016 have been restated so that the cumulative impairment losses of the securities treated as impaired are recognized in the financial result of 2016. The amount of 1,713,523 lei of these write-downs was derecognised from the reserve accounts.

Other reserves
"Other reserves" include adjustments to the historical cost of share capital. In accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies".

Dividends and other distributions to shareholders
In 2017 no dividends were granted to shareholders.

Consolidation reserves
The position includes capital values resulting from the share capital operation, most of it resulting from the increase in 2015 of the shareholding in one of the subsidiaries already controlled.

Consolidation reserves related to securities issued in equivalence
The value of equity securities includes increases in equity from the date of significant influence. This increase in value is recorded in equity under the title of Entitlement Reserves related to securities issued in equivalence.
Given that the holding company did not revaluate the land at fair value and consequently the accounting policies applied by that company are not uniform with those applied by the group, an assessment was made of the company and the value of the equity was considered according to the results of this assessment.
The evaluation report was drawn up by authorized assessors in accordance with the International Valuation Standards and Work Methodology recommended by ANEVAR, Marius Sufana.

20. Reported result

In lei	2017	2016 restated	2016
Reported result	-5.807.256	-4.391.107	-4.391.107
Profit from the changeover to IFRS	1.898.201	1.898.201	1.898.201
Outcome reported to IAS 29	-6.880.234	-6.880.234	-6.880.234
Current result	-279.451	-1.448.329	265.194
Total result carried over	**-11.068.741**	**-10.821.469**	**-9.107.946**

Result transferred by transition to IFRS
The retained earnings on the IFRS date back to 2008.

Outcome reported to IAS 29
The financial statements and corresponding amounts of prior periods have been restated to reflect the change in the overall purchasing power of the functional currency and are therefore expressed in relation to the measuring unit existing at the end of the reporting period. This position of capital includes the influence of the social capital restatement on inflation for the period 1994 - 2002.

The applied inflation index recorded the following values during 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

Following these updates, the following values were recorded:

Account	Debt	Credit
Adjustments to the share capital		4.071.591
Revaluation differences *		59.884
Other reserves **		2.748.760
Retreat result from the adoption of IAS 29 for the first time	6.880.234	
Total	**6.880.234**	**6.880.234**

* Incorporation of revaluation reserves in 2011.
** Incorporating reserves from 2007 with the acquisition of SC Investco.

21. Trade payables and other payables

In lei	2017	2016
Trade payables	1.563.196	1.103.349
Liabilities to employees	474.705	363.930
Liabilities to state budget	389.971	194.843
Different creditors resulting from house transactions	60.102	592.805
Different creditors resulting from customer transactions	1.197.656	6.543.210
Different borrowers resulting from structured products	975.907	1.054.977
Different creditors	63.260	22.225
Dividends to be paid	55.004	55.394
Other liabilities	31.111	37.834
Total trade payables and other indebtedness under 1 year	**4.810.912**	**9.968.566**

Debts to associates other than group	102.078	89.875
Total trade payables and other indebtedness over 1 year	102.078	89.875

The entity's exposure to foreign currency risk and liquidity risk related to trade payables and other liabilities is presented in Note 4. Financial risk management.

The various creditors represent settlements with the Bucharest Stock Exchange, which are being settled, in the period between the transactions on behalf of the entity and / or the clients. Also, various creditors include various creditors from trading and refer to the debt for products with protected capital and Turbo certificates issued by the Company and listed on the Bucharest Stock Exchange.

Starting with 2016 for customers who have opened accounts with external intermediaries, only the funds held by them at the intermediary mentioned above are reflected in the bookkeeping. The accounts held by these clients are Margin type, and RegTMargin type meaning that they can enter the margin and in this case the value of the cash is negative.

Commercial debts are mostly linked to canned and meat products.

22. Loans

The situation with the loans contracted by the Group is as follows:

In lei	**2017**	**2016**
Long-term liabilities		
Liabilities on financial leasing	74.234	23.601
	74.234	23.601
Short term liabilities		
Credit lines guaranteed	6.534.142	1.615.000
The current part of the finance lease liabilities	48.087	39.979
	6.582.229	**1.654.979**

During the year 2017 two new leasing contracts were concluded for the purchase of two vehicles

Also during 2017 a 12-month credit line was contracted in the amount of 5,340.00 lei. The credit line was secured with the following heritage buildings:

Nr. crt.	**Real estate pledged**	***Category***	**Value euro**	**Value lei**
1	Apartment Suceava	immobilizations in operation	38.400	176.517
2	Bucharest Bocsa building	immobilizations in operation	157.000	721.698
3	Building in Cluj-Motilor	immobilizations in operation	1.032.700	4.747.115
4	Apartment Iasi	immobilizations in operation	41.000	188.469
5	Property in Cluj - Eistein	real estate investments	170.100	781.916
6	Apartment Deva	real estate investments	54.000	248.227
7	Land in Borhanci	real estate available for sale	21.000	96.533
8	Apartment Botosani	real estate available for sale	31.500	144.799
9	Apartment Alba Iulia	real estate available for sale	66.000	303.389
	Total		**1.611.700**	**7.408.663**

The Group also contracted from Unicredit Bank a credit line for the canned and meat products segment. The contracted credit line was worth 2,600,000 lei, diminished by monthly repayments of 15,000 lei. The balance at the beginning of 2017 is 1,995,000 lei reaching the end of 2017 at the value of 1,815,000 lei. During the year a number of three additional acts regarding the period of credit utilization were concluded. Line reanalyzed and prolonged from 3 to 3 months.

Established guarantees represent first-rate mortgages on the following assets:

Nr. Crt.	Real estate pledged	*Category*	Building value	Land value
1	mechanical workshop building + land 1501 m.p.	immobilizations in operation	33.271	263.412
2	warehouse packaging building + land 1288 m.p.	immobilizations in operation	68.688	226.033
3	body refrigerator building + land 7408 m.p.	immobilizations in operation	483.636	1.300.037
4	freezing vegetables fruit building + land 2590 m.p.	immobilizations in operation	234.347	454.522
5	restaurant + land 2737 m.p.	immobilizations in operation	209.076	480.319
6	plot of land 2174 m.p.	immobilizations in operation		381.517
7	plot of land 1041 m.p.	immobilizations in operation		182.686
8	plot of land 1396 m.p.	immobilizations in operation		686.872
	Total		**1.029.018**	**3.975.398**

Amounts owed to customers	**2017**	**2016**
Clients creditors from transactions on the domestic market	20.856.290	27.807.489
Clients creditors from foreign market transactions	9.759.480	4.766.173
Corporate creditors clients	322.231	0
	30.938.001	**32.573.663**

The amounts due to customers are the amounts advanced by them in bank accounts on the domestic market or in accounts held with external brokers that are either available for transactions or withdrawals based on future customer options. Their origin is detailed in the table above.

23. Provisions

In lei	**2017**	**2016**
Provisions		
Balance on January 1	391.480	355.790
Canceled during the period	0	(265.243)
Established during the period	58.702	300.933
Balance on December 31	**450.182**	**391.480**

According to the estimates of the law firms with which the parent company has collaboration contracts for representation in its disputed cases, the higher-risk risks of future cash outflows are those related to File no. 6087/97/2009:

File 6282/211/2017 (6087/97/2009 * reactivated)
Applicant: Pantilimon Marius Dorinel, Pantilimon Mihaela, Mihaescu Claudiu Daniel, Ozarhievici Ileana Marcela
Defendant: SSIF BRK Financial Group SA
Subject: Claims worth 425,464 lei

From the analysis of the criminal complaint registered under nr.2262 / P / 2015, the prejudice may be set in charge of the Company for the amount of 300,933 lei, for which a provision was made on 31.12.2016.

In addition, during 2017 there was also a provision of 58,702 lei representing expenses with the dissolution and voluntary liquidation of affiliated company Confident Broker SA.

23^1. Income recorded in advance

Deferred income classified as current liabilities is the deferred portion of investment grants that will be recognized as income in the years to come. Deferred income classified as long-term debt is represented by the deferred portion of investment grants that will not be recognized as income in the year 2018.

The group benefited from European non-reimbursable SAPARD funds in 2006, which financed 50% of the total investments of over 1.9 million euros for the construction and upgrading of some assets used in production: meat preparation, warehouses and machinery. Funding received, recognized as deferred income, is amortized over the life of the funded assets.

Deferred income balance on 01.01.2016	**784.834**
Income recognition in the year 2016	150.033
Deferred income balance on 31.12.2016	**634.801**
of which less than 1 year	140.103
of which over 1 year	494.698
Deferred income balance on 01.01.2017	**634.801**
Income recognition in the year 2017	146.829
Deferred income balance on 31.12.2017	**487.972**
of which less than 1 year	140.000
of which over 1 year	347.972

Investment grants are recognized in the "Other income" statement in the profit or loss account.

24. Assets and contingent liabilities

The Notice on Provisions described the circumstances that led to the establishment of litigation provisions for events in previous years. There are litigations in which the probability of producing cash outflows is low or the amount of the debt can not be approximated and for which no provision has been made.

On 31.12.2017, the Group disposes of RON 4,980,779.71 in the customer account. This amount represents the turnover calculated for some clients who have traded through the company and are in the criminal investigation procedure and the seizure was formed in 2016 and is an insurance type. As a result of the audits carried out by the company's internal auditor, the amount related to the unavailability was 4,980,779.71 lei, the amount that was already blocked by the parent company in a dedicated account opened with the settlement bank. The Group is currently undertaking the necessary steps to clarify the amount on the account of the clients affected by the insurer's seizure.

In addition to the disputes mentioned in the Note on Provisions and in the previous paragraph, there are ongoing criminal litigations by SSIF BRK FINANCIAL GROUP SA against former employees, as well as litigations in which SSIF BRK FINANCIAL GROUP SA is an active process party on amounts that it claims them. Not in all cases the amounts claimed can be determined with precision. There are some processes in which SSIF BRK FINANCIAL GROUP SA had the status of active procedural party, which were won but whose effective recovery possibilities are reduced.

25. Operating income

	Continuous activities		**Discontiunue activities**		**Total**	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**

Income from spot market fees	1.913.978	1.521.103	0	0	1.913.978	1.521.103
Income from commissions on the foreign market	857.327	769.151	0	0	857.327	769.151
Income from related activities	1.843.931	239.766	0	0	1.843.931	239.766
Income from insurance intermediation	0	0	0	0	0	0
Income from the UF distribution	0	0	0	0	0	0
Income from the management of investment funds	1.644.781	255.761	0	0	1.644.781	255.761
Subtotal commission income and related activities	**6.260.017**	**2.785.781**	**0**	**0**	**6.260.017**	**2.785.781**
Income from the negotiation of insurance and reinsurance contracts	**0**	**0**	**280.492**	**718.972**	**0**	**0**
Income from the sold production	7.158.125	7.325.052	0	0	7.158.125	7.325.052
Income from sales of goods	182.908	302.052	0	0	182.908	302.052
Commercial discounts granted	-282.389	0	0	0	-282.389	0
Subtotal revenue from sales of goods and merchandise	**7.058.644**	**7.627.104**	**0**	**0**	**7.058.644**	**7.627.104**
Income from rental of fixed assets	**14.758**	**23.801**	**0**	**0**	14.758	23.801
Subtotal incomes	**13.333.419**	**10.436.686**	**0**	**0**	**13.333.419**	**10.436.686**

The Company's revenue recognition policy is to reflect these earnings at gross values. Gross revenues include market costs, commissions charged by the Stock Exchange, and ASF respectively.

In order to diversify commission income, the product range and the markets where the transactions are carried out are constantly being pursued. The level of fees charged for the operations performed by the Group included commissions related to operations on foreign markets, as presented above.

Customers are generally allocated to a broker, with the ability to perform operations both on a traditional and on-line basis.

Income from commissions also includes transactions for other non-banking financial institutions, referred to as contracts with custodians, for which SSIF BRK FINANCIAL GROUP SA collects transaction fees, but the funds for sales and purchases do not pass through the accounts of the company but are settled through the custodian's accounts.
At the beginning of 2016, the Company concluded a brokerage assistance contract with SC Confident SRL (to which the Company has participations), through which the Company provides insurance services (offering insurance consultancy to potential clients, issuing insurance products). The level of income from these services is shown above.

Revenues from the production sold are related to the meat and meat products segment. The trade discounts detailed above are granted after invoicing.

26. Other income

Other operating income includes income of a diversified nature with a very low repetitive character, cancellation of unqualified dividends, inventory plots, reimbursements, etc.

27. Material expenses

Material expenses include raw material and material expenses, energy and water expenses, and commodity expense:

In lei	Continuous activities 2017	Continuous activities 2016	Discontiunue activities 2017	Discontiunue activities 2016	Total 2017	Total 2016
Stock change	127.054	-99.915	0	0	127.054	-99.915
Expenditure on raw materials, materials	-4.067.580	-4.233.124	-293	-3.937	-4.067.873	-4.237.061
Expenditure on energy and water	-377.345	-376.615	0	0	-377.345	-376.615
Goods Expenses	-139.901	-211.904	0	0	-139.901	-211.904
	-4.457.772	**-4.921.558**	**-293**	**-3.937**	**-4.458.065**	**-4.925.495**

28. Staff costs

Staff benefits

In lei	Continuous activities 2017	Continuous activities 2016	Discontiunue activities 2017	Discontiunue activities 2016	Total 2017	Total 2016
Expenses with staff and collaborators	-5.788.911	-5.119.037	-20.819	-34312	-5.809.730	-5.153.349
Contributions and compulsory social security costs	-1.288.778	-1.187.600	-4.751	-8137	-1.293.529	-1.195.737
Profit sharing of staff	0	0	0	0	0	0
Compensation expenses CA members	-515.978	-469.385	0	0	-515.978	-469.385
Profit sharing of CA members	0	0	0	0	0	0
Expenditure on commissions due to brokerage assistants	0	0	-240.393	-631035	-240.393	-631.035
Total Wage Expenses in Global Result Account	**-7.593.667**	**-6.776.022**	**-265.963**	**-673.484**	**-7.859.630**	**-7.449.506**

The remuneration of the Directors-General is established by the Board of Directors' Decision and the other benefits granted are in accordance with the collective labor contract at the unit level.

In the year 2017, a new Deputy General Manager was appointed to the person of Mrs. Monica-Adriana Ivan, who received the authorization of ASF during the month of April. At the same time the collaboration with the General Director Pop Adrian was dropped, following his resignation and was appointed Mr. Grigore Chis as General Manager, Mr. Chis, which on 31.12.2017 was being authorized by the Financial Supervisory Authority.

Also, the Financial Supervisory Authority authorized as members of the Board of Directors of the company Mr. Baranga Laurentiu-Paul, Gherghelas Dan-Nicolae, Madem Aurelian, Mancas Catalin and Moldovan Darie during March, Baranga resigned and replaced with Mr. But Cristian who is being licensed to ASF. In March 2017, Mr. Darie Moldovan was elected as President of the Board of Directors function he is currently exercising.

During the year 2017 the allowances granted to CA members amounted to 515,978 lei.

The average total number of staff of consolidated companies through global integration is 117 people (2016: 129). The actual number of staff is 125 (2016: 131 persons).

29. Other expenses

In lei	Continuous activities 2017	Continuous activities 2016	Discontiunue activities 2017	Discontiunue activities 2016	Total 2017	Total 2016
Compensation, fines, penalties	-117.101	-15.209	0	0	-117.101	-15.209
Expenses with donations	-47.171	-23.533	0	0	-47.171	-23.533

Net expenses on intangible and tangible fixed assets	-180.393	-12.618	0	0	-180.393	-12.618
Other operating expenses	-445.827	-183.190	0	33	-445.827	-183.157
Total	**-790.492**	**-234.550**	**0**	**33**	**-790.492**	**-234.517**

In other expenses in 2017, the most significant amount of 439,863 represents a compensation resulting from criminal sentence no. 430/2011 / Trib.Arad, the civil decision no. 105 / A / 2013 / Court of Appeal Timisoara and Decision no. 573/2014 High Court of Cassation and Justice - Deva file that the company paid to the claimants in March 2017.

30. Revenue and Financial Expenses

Continuous activities

Recognized in the profit or loss account

in lei	2017	2016 restated
Net financial gains from transactions in shares and bonds		
• Net gains on trading of financial assets at fair value through profit or loss	850.790	1.138.895
• Net gains from derivative transactions - international markets	101.116	-312.906
• Income from transactions in financial assets available for sale	1.730.813	2.070.475
• Income from free stock of financial assets at fair value through profit or loss	0	9.248
Subtotal net financial gains on share and bond transactions	**2.682.719**	**2.905.712**
Net cash from trading with Turbo certificates	**478.902**	**1.106.488**
Revenue from dividends		
• Assets available for sale	176.731	5.080
• Assets at fair value through profit or loss	150.612	141.424
Subtotal dividend income	**327.343**	**146.505**
Total trading income	**3.488.964**	**4.158.705**
Net changes in fair value of financial assets at fair value through profit or loss, of which:	**1.388.771**	**2.453.146**
Net changes in fair value of financial assets at fair value through profit or loss	1.388.771	2.453.146
Financial interest income		
• Income from interest on deposits	89.844	104.805
• Income from interest on margin contracts and loan contracts	515.548	615.332
Subtotal financial interest income	**605.393**	**720.137**
Other net financial income	**-3.709**	**2.798**
Total financial income	**5.479.419**	**7.334.786**
Expenses with interest on financial liabilities measured at amortized cost	-84.778	-85.813
Net loss from exchange rate fluctuations	-177.559	93.752
Expenditure from the final value of the securities available for sale	-48.849	-1.757.770
Total financial expenses	**-311.186**	**-1.749.831**
Net financial result recognized in profit or loss	**5.168.233**	**5.584.955**

Recognized in other elements of the comprehensive result	**2017**	**2016 restated**
in lei		

Net change in the fair value of available-for-sale financial assets transferred to the income statement	-1.780.164	-2.613.750
Net change in the fair value of available-for-sale financial assets:		
	0	0
of the securities sold during the period	426.906	4.223.195
of the securities in the balance at the end of the period	-1.353.258	1.609.445

Discontiunue activities

Recognized in the profit or loss account		
in lei	2017	2016 restated
Financial interest income		
• Income from interest on deposits	1.954	0
Subtotal financial interest income	1.954	0
Other net financial income	**0**	**-6**
Total financial income - discontinued activities	**1.954**	**-6**
Expenses with interest on financial liabilities measured at amortized cost	-2.610	-307
Total financial expenses - discontinued activities	**-2.610**	**-307**
Net financial result recognized in profit or loss - Discontinued activities	**-656**	**-313**

Recognized in other elements of the comprehensive result	**2017**	**2016**
In lei		**restated**
	0	**0**

Net income from trading in financial assets at fair value through profit or loss is the disposal of securities less cost of those securities for transactions for which the difference is positive. If the difference is negative, they are reported as Net Expenses from trading financial assets at fair value through profit or loss.

Net income from transactions in available-for-sale financial assets is the income from the disposal of securities (classified as held for sale) less the cost of those securities for transactions for which the difference is positive. If the difference is negative, they are reported as Net Loss on Financial Assets Available for Sale.

In 2017, the securities held by Cemacom, which were classified as available-for-sale securities, were sold from the Group's portfolio.

Expenditure on final value losses of available-for-sale securities is estimated expense representing definitive value losses of these securities that were not held in the equity adjustments account but were recorded / reclassified to expenses because the Company estimates that they will not may be recovered.
The amounts for 2016 concerning the expense have been restated following the significant depreciation of securities portfolio, described in detail in Note 11 Financial investments.

31. Income tax expense

Reconciliation of the effective tax rate

In lei	**2017**	**2016 restated**
Cumulative result of the period	-366.078	-1.513.000
Canceling the influence of the following elements:		
Records related to consolidation	-4.347.209	-1.157.524
Records relating to the restatement of the individual financial statements		
	118.076	132.622
subsidiaries	0	0
Total income tax expense	-23.493	-24.005
Income from deferred tax	**-4.618.704**	**-2.561.907**
Pre-tax profit (including Discontinued activities)	16%	16%
Tax rate on profit	-738.993	-409.905
The profit tax calculated by applying the tax rate to the profit	-6.711	0
Influence of the deductible legal reserve	883.773	2.297.401
Influence of Non-deductible Expenses	-339.097	-3.317.935
Influence of non-taxable income	-6.870.794	-8.076.818
Influence of tax losses of previous periods	**-7.071.821**	**-9.507.257**
Total tax on profit tax calculated according to the tax rate	7.071.821	9.507.257
Unrecognized tax expense for negative amounts	0	0
Final charge with corporation tax	0	0
Attributable to ongoing activities	0	0
Assignment of interrupted activities	0%	0%

32. Result on share

Result on basic share

The calculation of earnings per share at 31 December 2017 is based on the profit attributable to shareholders (ordinary ordinary shareholders) and the average number of ordinary shares in circulation of 337,517,661 shares. On 31 December 2016 the average number of ordinary shares outstanding was the same, of 337,749,919 shares.

Loss attributed to shareholders of the company

	2017	**2016 restated**
Attributable loss:		
Shareholders of the Company	-279.450	-1.448.328
The interests that do not control	-86.628	-64.672
Loss of the period, out of which:	-366.078	-1.513.000
Continuous activities	-276.928	-1.454.711
Discontinue activities	-89.150	-58.291
Overall Total Attributable Result:		
Shareholders of the Company	-205.212	688.383
The interests that do not control	-87.157	-65.960
Total global result for the period, of which:	-292.369	622.424
Continuous activities	-203.219	680.713
Discontinue activities	-89.150	-58.291

Total result per share		
Basic earnings per share (RON)	-0,0011	-0,0045
The diluted earnings per share (lei)	-0,0011	-0,0045
Continuous activities		
Basic earnings per share (RON)	-0,0008	-0,0043
The diluted earnings per share (lei)	-0,0008	-0,0043
Discontinue activities		
Basic earnings per share (RON)	-0,0003	-0,0002
The diluted earnings per share (lei)	-0,0003	-0,0002

The result is calculated after the profit tax.

Weighted average number of ordinary shares

During the year 2015, 931,948 shares with a nominal value of 0.25 lei were canceled and since then there have been no changes in the number of shares issued.

Anul:	**2017**	**2016**	**2015**	**2014**
Number of shares:	337.749.919	337.749.919	337.749.919	338.681.867

33. The hierarchy of just values

The table below analyzes the financial instruments recorded at fair value according to the valuation method. Different levels were defined as follows:

- **Level 1:** Quoted (unadjusted) prices on active markets. For securities at fair value through the results account, the price is the one at the end of the period, on the last trading day. For securities available for sale, valuation methods based on market variables were applied depending on how active the instrument is, as shown in the Company's accounting policies.
- **Level 2** : Input data other than quoted prices included in Level 1. This includes quoted headings for which valuation methods have been applied that contain observable values for assets or liabilities. If the asset or liability has a specific contractual term, the inputs related to Level 2 must have observable values for the entire asset or liability period. Examples: quoted prices for assets or similar debts on active markets, quoted prices for identical or similar products on markets that are not assets, observable prices other than quoted prices such as interest rates, volatility, other input data corroborated by on market.
- **Level 3**: Inputs other than quoted prices included in Level 1 and Level 2. This includes unlisted securities for which valuation methods have been applied that contain observable values for assets or liabilities either directly (eg, prices) or indirect (eg: derived from prices). The fair value of these securities was determined either by applying the Discounted Dividend Model (DDM) by applying the Discounted Cash Flow (DCF) method or the asset-based method as presented in the Company's accounting policies.

	Level 1	**Level 2**	**Level 3**	**Total**
31 December 2016				
Financial assets available for sale	8.109.020	5.880.036	541.349	**14.530.406**
Financial assets at fair value through profit or loss	7.757.348	1.569.447	300.000	**9.626.795**
Other financial instruments	0	591.899	0	**591.899**
	15.866.368	**8.041.383**	**841.349**	**24.749.100**
31 decembrie 2017				

Financial assets available for sale	2.196.612	7.375.896	785.439	**10.357.947**
Financial assets at fair value through profit or loss	13.199.311	1.454.465	3.630.386	**18.284.162**
Other financial instruments	0	107.590	0	**107.589**
	15.395.923	**8.937.951**	**4.415.825**	**28.749.699**

The valuation methods for Level 3 financial assets are presented below:

Nr. crt.	Financial assets	Fair value on31 December 2017 in RON	Evaluation technique
1	Unlisted minority participations	785.439	Cost approach - the adjusted net asset method
2	Unlisted bonds	3.630.386	Approach through amortized cost-estimated fair value. Bonds were acquired in December 2017, therefore the acquisition price is the fair value at the time of recognition.
	TOTAL:	**4.415.825**	

34. Afiliated party

Benefits of key management personnel

Transactions with affiliated parties, in the form of key management personnel, refer to the benefits to members of the Board of Directors and members of the executive management, which were presented in the Staff Expenses Note.

Investments in Associated Entities

In Note 13 Investments in associates in these financial statements are presented for all associates and transactions that have taken place within the period.

35. Restatement of the financial statements for the year

The Company owns available-for-sale financial assets, classifying all the securities not included in short-term securities traded and for which it was possible to apply valuation methods to determine their fair value.

Subsequent to initial recognition, these securities were measured at fair value and subsequent changes, other than the definitive impairment losses, recognized in other comprehensive income. They are presented within the equity in the fair value reserve. When an investment is derecognised, gain or loss accumulated In other items of comprehensive income is transferred to the income statement.

Impairment losses on available-for-sale investments are recognized by transferring to the income statement the cumulative loss that has been recognized in other comprehensive income. Cumulative loss transferred from other comprehensive income to the income statement is the difference between the cost of acquisition, net of principal repayments and amortization, and the fair value less any impairment loss previously recognized in the income statement.

If, in a subsequent period, the fair value of an available-for-sale equity instrument increases, any subsequent fair value gain is recognized in other comprehensive income.

The losses from the final depreciation of these securities are recognized at the expense in the financial year in which management estimates that they have occurred. For some available-for-sale financial assets, it was found that they were depreciated on December 31, 2016, with the amount of 1,713,523 RON depreciation that was not recognized in the profit and loss account for the year 2016. This aspect was corrected in the present situations so that the 2016 balances were restated to reflect that impairment.

Until December 31, 2015, the value of fixed assets of the canned and prepared meat segment was presented in the consolidated financial statements after applying a value adjustment that came from the first application of

IFRS, with impact on net worth as presented in situations below. In the consolidated financial statements prepared for December 31, 2016, there was a discontinuity with regard to this treasurer, without any change in accounting policy. In these financial statements this has corrected.

As detailed in Note 19, the amount of equity securities included in equity increases from the date of significant influence. This increase in value is recorded in equity under the title of Entitlement Reserves related to securities issued in equivalence.
Given that the holding company did not revaluate the land at fair value and consequently the accounting policies applied by that company are not uniform with those applied by the group, an assessment was made of the company and the value of the equity was considered according to the results of this assessment.
The evaluation report was drawn up by authorized assessors in accordance with the International Valuation Standards and Work Methodology recommended by ANEVAR, Marius Sufana.
The consolidated financial statements prepared for 31.12.2016 did not reflect the difference in value between the balance sheet value and the value, which is restated in the present consolidated financial statements.

There are also some differences in lower values between the 2016 comparative column and the consolidated financial statements prepared for the same date. This situation is due to the fact that the consolidated financial statements were reintroduced for 31.12.2016 according to a different methodology, resulting in differences in the classification of some accounts, a reassessment of the structure of some positions in the financial statements made in order to provide a more accurate image of financial statements and a better correlation between the data presented in the financial statements and those detailed in the explanatory notes.

As a result, there are significant differences explained and smaller differences due to the situation explained above.

We present below the positions in the financial statements of 2016 that have been restated:

Restatement in consolidated financial position 31 December
Reporting on 31.12.2016

In lei	**2016 restated**	**restatement**	**2016**
Assets			
Intangible assets	3.017.568	200	3.017.368
Tangible assets	15.740.973	-402.647	16.143.620
Real estate investments	1.435.526	286.753	1.148.773
Long-term financial investment			
	14.530.605	-1	14.530.606
-> Financial assets available for sale	341.346	0	341.346
Other long-term financial investments	4.974.327	2.957.017	2.017.310
Titles put into equivalence	**40.040.345**	**2.841.323**	**37.199.022**
Stock	1.198.629	-17.402	1.216.031
Short-term financial investment	10.218.694	7.805.611	2.413.083
-> Financial investments measured at fair value through the profit or loss account			
Other short-term financial investments	7.925.611	0	7.925.611
Trade receivables and other receivables	16.428.461	-7.935.857	24.364.318
Account in client bank	27.096.728	0	27.096.728
Cash, cash and cash equivalents	6.027.992	120.000	5.907.992
Total current assets	**68.896.115**	**-27.648**	**68.923.763**
Assets classified as held for sale	557.067	0	557.067

In lei	**2016 restated**	**restatement**	**2016**
Total assets	**109.493.527**	**2.813.674**	**106.679.853**
Equity			
Social capital	54.039.987	0	54.039.987
Adjustment of share capital	4.071.591	0	4.071.591
Own actions	-24.047	0	-24.047
Prime capital	5.355	0	5.355
reserves	14.762.811	4.283.356	10.479.455
Reported result	-10.762.176	-937.453	-9.824.723
Current result	-59.291	-93.745	34.454
Total equity attributable to the Company's shareholders	**62.034.230**	**3.252.157**	58.782.073
Interests without control	946.470	34.598	911.872
Total equity	**62.980.700**	**3.286.755**	**59.693.945**
Liability			
Trade payables and other payables	89.875	-38.909	128.784
Debts on financial leasing	23.601	23.601	0
Income recorded in advance	494.698	0	494.698
Provisions	0	0	0
Deferred tax liabilities	1.175.864	-24.005	1.199.869
Total long-term liabilities	**1.784.038**	**-39.313**	**1.823.351**
Credit lines	1.615.000	0	1.615.000
The current part of the finance lease liabilities	39.979	16.378	23.601
Liabilities to customers	32.573.663	0	32.573.663
Trade payables and other payables	9.968.565	-450.146	10.418.711
Income recorded in advance	140.103	0	140.103
Provisions	391.480	0	391.480
Total current liabilities	**44.728.790**	**-433.768**	**45.162.558**
total liabilities	**46.512.828**	**-473.081**	**46.985.909**
Total equity and liabilities	**109.493.528**	**2.813.675**	**106.679.853**

Restatement in consolidated financial position 31 December
Reporting on 31.12.2016

	2016 restated	Restatement (other)	Restatement (Effect of interrupted operations)	2016
Continuous activities				
Income				
Income from commissions and related activities	2.785.781	-25.907		2.811.688
Net financial gains other than dividends	7.189.585	-10.798.903	6	17.988.482
Financial income from dividends	145.202	-1		145.203
Income from insurance intermediation	0	0	-718.972	718.972
Income from selling products	7.325.052	-1.100		7.326.152
Income from sales of goods	302.052	0		302.052
Revenue from services and rentals	23.801	-8.775		32.576
Revenue from valuation of real estate investments	0	-3.177		3.177
Net earnings from impairment adjustments for current assets	230.564	230.564		0
Other incomes	417.938	3.697	-3.228	417.469
Income from the cancellation of provisions for risks and expenses		0		0
Total income from continuing operations	**18.419.975**	**-10.603.602**	**-722.194**	**29.745.771**
Stock change	-99.915	-16.726		-83.189
Expenditure on raw materials, materials	-4.233.124	0	3.937	-4.237.061
Expenditure on energy and water	-376.615	0		-376.615
Goods Expenses	-211.904	0		-211.904
Staff costs	-6.776.022	-1.569.787	673.484	-5.879.719
Expenses with taxes and fees	-222.925	0	2.092	-225.017
Expenditure on external benefits	-3.670.961	1.594.351	99.935	-5.365.247
Value adjustments of intangible and tangible assets exclusive of goodwill	-2.056.917	-116.658	763	-1.941.022
Net expenses on value adjustments of current assets		-230.564		230.564
Expenses with provisions for risks and expenses	-265.925	763		-266.688
Net financial losses	-1.749.831	9.083.355	307	-10.833.493
Reclassification of the net losses recognized in the comprehensive income statement to the income statement of the available-for-sale financial assets				0
Other expenses	-234.552	12.720	-31	-247.241
Revenue related expenses	**-19.898.691**	**8.757.454**	**780.487**	**-29.436.632**
Result of exploitation activities	**-1.478.716**	**-1.846.148**	**58.293**	**309.139**
Result before tax	**-1.478.716**	**-1.846.148**	**58.293**	**309.139**
(Expense) / Income tax	24.005	24.005	0	0
Result of continuous activities	**-1.454.711**	**-1.822.143**	**58.293**	**309.139**
Result from Discontinued activities	-58.293		**-58.293**	0

	2016 restated	Restatement (other)	Restatement (Effect of interrupted operations)	2016
Share of the result of equities titled	0	328.679		-328.679
Period Result (Loss)	**-1.513.004**	**-1.493.464**	**0**	**-19.540**

Statement of income statement and other items of comprehensive income (continued)

For the financial year ended 31 December

In lei	2016 restated	Restatement	2016
Other elements of the overall result			
Positions that are or may be reclassified to profit or loss			
Net change in the fair value of available-for-sale financial assets transferred to the income statement	-2.613.749	1.661.733	-4.275.482
Net change in fair value of available-for-sale financial assets	4.223.195	0	4.223.196
Changes in the value of the tuition in equivalence	542.323	542.323	0
Other Changes in Capital	-16.345	-16.345	0
Total other comprehensive income for the period	**2.135.424**	**2.187.710**	**-52.286**
Total profit or loss account and other comprehensive income for the period	**622.420**	**694.246**	**-71.826**
Attributable Profit:			
Shareholders of the Company	-1.448.330	-1.482.784	34.454
The interests that do not control	-64.670	-10.675	-53.995
Profit of the period	**-1.513.000**	**-1.493.460**	**-19.540**
The result per share			
Basic earnings per share (RON)	-0,0045	-0,0044	-0,0001
Diluted diluted earnings (RON)	-0,0045	-0,0044	-0,0001
Continuous activities			
Basic earnings per share (RON)	-0,0043	-0,0042	-0,0001
Diluted diluted earnings (RON)	-0,0043	-0,0042	-0,0001
Discontinued activities			
Basic earnings per share (RON)	-0,0002	-0,0002	0,0000
Diluted diluted earnings (RON)	-0,0002	-0,0002	0,0000

	2016 restated	Restatement (other)	Restatement (Effect of interrupted operations)	2016
Overall Total Attributable Score:				
Shareholders of the Company	-207.843	-190.011		-17.832
Interests without control	-84.526	-30.532		-53.994
Total global result for the period	**-292.369**	**-220.543**		**-71.826**

Restatement in the consolidated statement of changes in equity
Report on 31.12.2016

In the statement of changes in equity, the Impact Impainting column and the revaluation effect line are presented, where the reversal effect of the matters mentioned in paragraph 5 of this paragraph 35 is highlighted. Restatement of the financial statements for the year 2016.

Other differences / reversals are related to the differences presented in the Securities section for the consolidated statement of financial position and can only be highlighted by comparing the two situations. We present below the statement of changes in equity as presented in the consolidated financial statements for the year 2016 and as presented in the present financial statements.

The statement of changes in equity as presented in the consolidated financial statements of the exercise 2016

In lei

	Capital	Capital adjustments	Own shares	Capital premiums	Reserves	Reported result	Reported result from transition to IFRS	Reported result from reev capital IAS 29 inflation	Total own capital	Interest without control	Total own capital
Balance on January 1, 2016	54,039,987	4,071,591	0	5,355	13,122,368	-10,262,564	0	0	60,976,737	967,236	**61,943,973**
Profit or loss account and other items of comprehensive income											
Profit or loss						34,454	0		34,454	-53,995	**-19,540**
Other elements of the overall result											
Net change in the fair value of available-for-sale financial assets transferred to the income statement					-4,275,482				-4,275,482	0	**-4,275,482**
Increase in fair value of available-for-sale financial assets					4,223,196				4,223,196		**4,223,196**
Changes in Net Asset Value of Fixed Assets					1,578,031				1,578,031		**1,578,031**
Other Changes in Capital					-3,730,817				-3,730,817	-1,369	**-3,732,186**
Total other items of the overall result	**0**	**0**	**0**	**0**	**-2,205,072**	**0**	**0**	**0**	**-2,205,072**	**-1,369**	**-2,206,441**
Movements within the global profit or loss account											
Decrease of share capital to cover losses and debtor positions			-24,047		0				-24,047	0	**-24,047**
Retransfer result transferred <-> Reserves					-437,841	437,841	0		0	0	**0**
Total movements within the global profit or loss account	**0**	**0**	**-24,047**	**0**	**-437,841**	**437,841**	**0**	**0**	**-24,047**	**0**	**-24,047**
Total profit or loss account and other items of comprehensive income	**0**	**0**	**-24,047**	**0**	**-2,642,913**	**472,295**	**0**	**0**	**-2,194,665**	**-55,364**	**-2,250,028**
Balance on December 31 2016	54,039,987	4,071,591	-24,047	5,355	10,479,455	-9,790,268			58,782,073	911,872	**59,693,945**

The Statement of Changes in Equity for the Year 2016 as presented is restated in these financial statements

	Social capital and other capital items	Revaluation differences	Legal and statutory reserves	Fair value reserves	Consolidation reserves and equity equivalents	Other reserves	Reported result	Reported result from switching to IFRS	Total equity	Impact retreat	Equity after retreat ment	Interests without control	otal owned quity
Balance on January 1, 2016	58.116.932	930.357	4.767.793	433.791	2.144.948	4.845.662	-4.887.564	-4.982.023	**61.369.897**		**61.369.897**	1.012.430	**62.382.326**

Profit or loss account							265.724		**265.724**	-1.713.523	**-1.447.799**	-64.670	**-1.512.469**
Other elements of the overall result									**0**		**0**		**0**
Net change in fair value of financial assets available for sale transferred / reclassified to the income statement				-4.327.273					**-4.327.273**	1.713.523	**-2.613.750**		**-2.613.750**
Net change in fair value of available-for-sale financial assets				4.223.195					**4.223.195**		**4.223.195**		**4.223.195**
Changes in the value of equity securities					542.323				**542.323**		**542.323**		**542.323**
Effect of restatement				1.713.523			-1.713.523		**0**		**0**		**0**
Other Changes in Capital					-80		-15.496	-10	**-15.586**		**-15.586**	-1.290	**-16.876**
Transfer revaluation differences for assets sold to reserves		-73.586					73.586		**0**		**0**		**0**
Transfer to the retrieved result						-437.841	437.841		**0**		**0**		**0**
Total other items of the overall result	**0**	**-73.586**	**0**	**1.609.445**	**542.243**	**-437.841**	**-1.217.592**	**-10**	**422.660**	**1.713.523**	**2.136.183**	**-1.290**	**2.134.893**
Total global result for the period	**0**	**-73.586**	**0**	**1.609.445**	**542.243**	**-437.841**	**-951.868**	**-10**	**688.383**	**0**	**688.383**	**-65.960**	**622.424**
Operation with own share													
Redemption of own shares	-24.047								**-24.047**		**-24.047**		**-24.047**
Total operations with own shares	-24.047								**-24.047**		**-24.047**		**-24.047**
Balance at 31 December 2016 restated	**58.092.885**	**856.771**	**4.767.793**	**2.043.237**	**2.687.191**	**4.407.821**	**-5.839.432**	**-4.982.034**	**62.034.233**	**0**	**62.034.233**	**946.471**	**62.980.704**

Restatement in the consolidated cash flow situation
Reporting on 31.12.2016

In lei	**2016 restated**	**Restatement**	**2016**
Operational Activities:			
(Loss) / Gross profit	**-1.513.000**	**-1.822.139**	**309.139**
Adjustments to reconcile net result with net cash used in operating activities:	0	-946.524	946.524
Adjustment of the value of tangible and intangible assets	2.057.680	1.260.161	797.519
Adjustment of the value of financial assets	1.757.770	1.713.523	44.247
Income from redemption own shares		0	0
Adjusting the value of short-term investments	180.161	26.624	153.537
Adjusting the value of current assets		1.972	-1.972
Tax		0	0
Provisions for risks and expenses	115.892	-150.033	265.925
Provisions for depreciation of current assets	-230.565	-127	-230.438
Interest Expenses	86.120	-4.255	90.375
Interest income	-722.064	314	-722.378
Revenue from dividends	-146.505	-1.302	-145.203
Relative earnings of certified turbo			-3.177
Gain / (loss) on the sale of property, plant and equipment	9.441	9.441	0
Income from exchange rate fluctuations related to open positions in foreign markets	-22.359	0	-22.359
Expenditures / (Income) with current / deferred tax	-24.005	-24.005	0
Revenue from Associated Entities			0
Increase / (Decrease) in operating cash before changes in working capital	**1.548.566**	**66.827**	**1.481.739**
Changes in working capital:			
(Growth) / Decrease in balances of trade receivables and other receivables	-8.540.253	117.111	-8.657.364
(Growth) / Decrease in inventory balances	345.695	12.650	333.045
(Growth) / Decrease in financial investment balances		0	0
Growth / (Decrease) in trade balances and other liabilities	17.075.236	-96.007	17.171.243
Growth / (Decrease) in asset balances available for sale	244.323	0	244.323
Net cash flow generated by operating activities	**10.673.567**	***100.581***	**10.572.986**
Cash flows from operating activities:			
Interest receipts	722.064	9.655	712.409
Interest paid	-86.120	-5.713	-80.407
Net cash flow generated by operating activities	**11.309.529**	***104.541***	**11.204.988**
Cash flows from investing activities:			
Cash payment for the acquisition of tangible, intangible and immovable property	-6.636.848	5.839	-6.642.687
Payment in cash for the acquisition of financial assets	9.263.625	533.443	8.730.182

In lei	**2016 restated**	**Restatement**	**2016**
Dividends received	146.505	0	146.505
Loans granted / reimbursed	1.410.913	490.012	920.901
Receipts from Loans Granted	1.295.959	-9.655	1.305.614
Receipts from turbo certified sales	842.235	-831.082	1.673.317
Cash receipts from the sale of land and buildings, plant and equipment, intangible assets and other long-term assets	7.810	-66.116	73.926
Net cash flow used for investment activities	**6.330.199**	***122.441***	**6.207.758**
Cash flows from financing activities:			
Amounts paid by associates	-180.000	0	-180.000
-> Receives / pays short-term bank loans	-480	-480	0
pay dividends	-148.135	-106.502	-41.633
Payment for leasing purchases	**-328.615**	***-106.982***	**-221.633**
Net cash flow generated by financing activities	**17.311.113**	**120.001**	**17.191.112**

In lei	**2016 restated**	**Restatement**	**2016**
Changes in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period	15.813.608	0	15.813.608
Increase / (decrease) cash and cash equivalents	17.311.113	120.001	17.191.112
Cash and cash equivalents at the end of the period	33.124.720	120.000	33.004.720

36. Impact of applying IFRS 9 "Financial Instruments" beginning with 01.01.2018

IFRS 9 "Financial Instruments" presents the provisions for the recognition and measurement of financial assets, financial liabilities and certain contracts for the purchase or sale of non-financial items. This Standard replaces IAS 39 "Financial Instruments: Recognition and Measurement" and includes new principles for the classification and measurement of financial instruments, a new model of credit risk for the calculation of impairment of financial assets and new general requirements for hedge accounting against risks. The Group will adopt IFRS 9 on 01.01.2018. The Company owns the following types of financial instruments that fall under IFRS 9: equity instruments, debt instruments (fund units, bonds, cash and current accounts and deposits with banks), other financial assets and liabilities..

As a result of the analysis, the Group has decided to classify most of the financial instruments on 01.01.2018, the date of the initial application of IFRS 9, at fair value through profit or loss. (79%)

The principal changes in accounting policies and the estimated impact resulting from the transition to IFRS 9 are described in the following:

		IAS 39		
	IAS 39	**Value 31/12/2017**	**Reclasification IFRS 9**	**IFRS 9 value 01/01/2018**
1.) Financial assets at amortized cost IFRS 9				
-from Financial Assets valued at amortized cost	amortized cost	562.580	amortized cost	562.580
Total financial assets measured at amortized cost	**X**	**463.380**	**X**	**463.380**
2.) Financial assets at fair value through profit or loss IFRS 9				
- from Financial Assets Available for Sale	Financial assets available for sale	9.202.565	fair value through profit or loss	9.202.565
- from financial assets held for trading	Financial assets held for trading	18.284.162	fair value through profit or loss	18.284.162
Total financial assets at fair value through other comprehensive income IFRS 9	**X**	**27.486.727**	**X**	**27.486.727**
3.) Financial assets at fair value through other comprehensive income IFRS 9				
- from financial assets held for trading	Financial assets held for trading	914.887	The fair value through other elements of the overall result	914.887
Total financial assets at fair value through other comprehensive income IFRS 9	**X**	**914.887**	**X**	**914.887**
Total 1.)+2.)+3.)	**X**	**28.864.994**	**X**	**28.864.994**

The differences resulting from the adoption of IFRS 9 on 01.01.2018 will be recognized in retained earnings. The impact of the transition consists in a net increase of RON 3,002,994, net of tax, of the retained earnings and a net decrease with the same amount of reserves.

37. Events after the balance sheet date

Events after the balance sheet date were taken into account in assessing the conditions that existed on 31.12.2017 with respect to the positions of receivables and significant estimates that have been made, including those relating to the provisioning of litigation.

Events after the balance sheet date were taken into account in assessing the conditions that existed on 31.12.2017 in respect of the positions of receivables and significant estimates that have been made, including those relating to the provisioning of litigation.

- December 2017 - was provisionally authorized by the Financial Supervisory Authority, Mr. Cristian But as a member of the Board of Directors;
- January 2018 - the rescheduling terms for the loans granted to S.C. ROMLOGIC S.A.
- January 2018 - The Board of Directors approved the structured product issue program and the base prospectus that includes the range of products that could be the subject of future certificated and secured certificates.
- februarie 2018 – The Financial Supervisory Authority refused to authorize Mr. Grigore Chis for the position of general manager;
- February 2018 - the company published its preliminary financial results on 31.12.2017
- February 2018-The Company has concluded an addendum to the financing contract concluded with S.C. FACOS S.A.
- March 2018 - The Company made public the convocation of the Ordinary General Meeting of the Shareholders for April 24-25, 2018;
- February-March 2018 - The Board of Directors appointed Ms Razvan Rat and Mancas Catalin as Deputy General Manager and the steps for their authorization were started.
- March 2018 - Deputy General Manager, Mrs. Monica Ivan submitted to the company the resignation.
- There have been attempts to voluntarily liquidate the affiliated company Confident Broker S.A. Details can be found in Note 7 ^ 1 Discontinued Activities.

These financial statements have been approved today 03 September 2018.

Chairman of the Board of Directors,
Dr. Darie Moldovan

Chief Accountant,
Pali Mircea Sandu

Issued,
MBO Audit&Accounting SRL
By Marian Bogdan-Ovidiu

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of,
SSIF BRK Financial Group S.A.

Report on the Audit of the Consolidated Financial Statements

Disclaimer of Opinion

1. We have been engaged to audit the consolidated financial statements of SSIF BRK Financial Group S.A. and its subsidiaries ("the Group"), with registered office in Str. Motilor nr. 119, Cluj-Napoca, identified by unique tax registration code 6738423, which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statement of comprehensive income, consolidated changes in shareholders' equity and consolidated cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

2. The consolidated financial statements as at December 31, 2017 are identified as follows:

• Net assets / Total equity	RON 62,688,335
• Net loss for the financial year	RON 366,078

3. We do not express an opinion on the consolidated financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion paragraph*, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

4. Basis for Disclaimer of Opinion

   Prior year auditor expressed a qualified opinion on the consolidated financial statements for the year ended December 31, 2016. The report describes the fact that the consolidated financial statements include elements which do not give a true and fair view of the Group. Opening balances of the consolidated financial statements impact current year consolidated financial performance, consolidated statement of cash flows, consolidated changes in equity, as well as related disclosures presented in the notes to the consolidated financial statements for the year ended December 31, 2017. Consequently, we were not able to obtain sufficient appropriate audit evidence on the comparative information or on the impact of these matters on opening balances for the year ended December 31, 2017.

   We have not audited the subsidiaries of the Group and we were not able to obtain sufficient audit evidence related to the financial information of the Group's subsidiaries included in the consolidated financial statements. As a result, we were unable to determine whether any adjustments were necessary in respect of the company's proportional share of subsidiaries' assets, subsidiaries' liabilities, subsidiaries' income and expenses for the year ended 31 December 2017, and the financial information to be presented in the consolidated statement of changes in equity and consolidated cash flow statement for the period then ended.

5. Emphasis of Matter

   We draw attention to Note 35 to the consolidated financial statements, which describes restatements made in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors by the management to correct misstatements in the consolidated financial statements of the Group for the year ended December 31, 2016. Our opinion does not express other qualifications in this respect.

Other Matters

6. The consolidated financial statements of the Group for the year ended December 31, 2016 were audited by another auditor which expressed a qualified opinion on those statements on August 30, 2017.

Other information – Administrators' Consolidated Report

7. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' consolidated report ("Administrators' report"), but does not include the consolidated financial statements and our auditor's report thereon.

Our report on the consolidated financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements for the year ended December, 31, 2017, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

With respect to the Administrators' report, we read and report if this has been prepared, in all material respects, in accordance with the provisions of FSA Norm no. 39 / 2015 articles no. 29-30.

On the sole basis of the procedures performed within the audit of the consolidated financial statements, in our opinion:

a) the information included in the Administrators' report for the financial year for which the consolidated financial statements have been prepared are consistent, in all material respects, with these consolidated financial statements;

b) the Administrators' report has been prepared, in all material respects, in accordance with the provisions of FSA Norm no. 39 / 2015 articles no. 29-30.

Moreover, based on our knowledge and understanding concerning the Company and its environment gained during the audit on the consolidated financial statements prepared as at December 31, 2017, we are required to report if we have identified a material misstatement of this Administrator's report.

As described in the "Base for disclaimer of opinion" section of our report, we could not obtain sufficient and adequate audit evidence to provide a basis for an audit opinion on these consolidated financial statements as a result of the matters described above. Therefore, we could not conclude if the administrator's report contains material misstatements in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and applying FSA Norm no. 39 / 2015 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

9. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our responsibility is to conduct an audit of the consolidated financial statements of the Company in accordance with International Audit Standards (ISA) and EU Regulation no.537 of the Parliament and of the European Council (in the following "Regulation") and Law no. 162/2017 ("Law") and to issue an auditor's report. However, because of the aspects described in the "Basis for disclaimer of opinion" section of our report we were unable to obtain sufficient and adequate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

12. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Report on Other Legal and Regulatory Requirements

13. We have been appointed by the General Assembly of Shareholders on October 5th, 2017 to audit the consolidated financial statements of the Group for the financial year ended December 31, 2017, following the tender organized by the Group's management during 2017. The uninterrupted total duration of our commitment is 1 years, covering the financial years ended December 31, 2017.

We confirm that:

- Our audit report is consistent with the additional report submitted to the Audit Committee of the Group that we issued on the same date. Also, in conducting our audit, we have retained our independence from the audited entity.

- We have not provided for the Group any non-audit services referred to in Article 5 (1) of EU Regulation No. 537 / 2014.

The engagement partner on the audit resulting in this independent auditor's report is Irina Dobre.

Irina Dobre, Audit Director

For signature, please refer to the original Romanian version.

Registered with the Chamber of Financial Auditors in Romania under certificate no. 3344/05.01.2010

On behalf of:

DELOITTE AUDIT S.R.L.

Registered with the Chamber of Financial Auditors in Romania under certificate no. 25/25.06.2001

Sos. Nicolae Titulescu nr. 4- 8, America House, Intrarea de Est,
Etajul 2 - zona Deloitte și Etajul 3, sector 1,
Bucharest, Romania
September 19, 2018